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THE MOTOR DEALER REPORT FROM AUSWILD & CO

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## **Five Ways AI Will Disrupt Car Dealerships**

The automotive retail landscape is on the brink of a seismic shift – not because it has finally shaken off the impact of Covid – but being driven by artificial intelligence technologies that are reshaping how consumers buy, sell, and service vehicles. According to *Todd Smith*, CEO of QoreAI, in an article published in ***Dealer Marketing Magazine***, a handful of key developments are poised to fundamentally transform both the traditional dealership model and the customer experience.

### **#1 – The Rise of AI-Powered Digital Showrooms**

The time-honoured car-buying experience – long afternoons at the dealership and high-pressure sales tactics – has become outdated. In its place, AI-powered digital showrooms are stepping into the spotlight. These immersive, personalised platforms seamlessly blend the convenience of online browsing with the confidence of traditional test-driving.

By leveraging advanced AI algorithms, virtual showrooms offer detailed, 360-degree representations of vehicles. Shoppers can explore every feature, customise their options, and even take virtual test drives right from home. As the system interacts with each prospective buyer, it continuously refines its recommendations, matching customers with their ideal vehicles based on everything from colour preference and usage patterns to the subtle ways they navigate the interface.

### **#2 – Predictive Maintenance Goes Mainstream**

Perhaps the most striking change is poised to happen in service and maintenance. According to Smith, today's AI systems are increasingly adept at spotting potential issues before they snowball into major repairs – expect predictive maintenance to become standard practice across most dealership service departments.

These systems tap into data from vehicle sensors, driver behaviour patterns, and even technicians' notes to forecast maintenance needs with near-pinpoint accuracy. As a result, dealerships will start shifting from reactive fixes to proactive service strategies, which not only strengthen customer loyalty but also help drivers avoid costly breakdowns. Dealerships that embrace predictive maintenance early will stand out as reliable partners who keep customers safely on the road.

### **#3 – The Evolution of Sales Intelligence**

AI isn't just changing service lanes – it's also revolutionising how dealers approach sales and inventory management. Advanced analytics platforms can crunch mountains of data to predict market demand, helping dealers fine-tune their inventory mix and pricing strategies in real-time.

These platforms comb through local market fluctuations, seasonal shifts, social media sentiment, and broader economic indicators, allowing dealerships to stock up on high-demand models at precisely the right moment. On the sales floor, AI-powered customer relationship management (CRM) tools provide clearer insights into customer preferences. By analysing past purchases and even browsing patterns, AI can flag which customers might be primed for a trade-in or which models best align with their lifestyle. Expect more laser-focused marketing and more effective, data-driven sales pitches as a result.

## #4 – Autonomous Vehicle Integration

As autonomous vehicles inch closer to mainstream adoption – particularly with robotaxis already making headlines – dealerships will need to update their business models. Servicing self-driving cars requires specialised training, cutting-edge diagnostic tools, and a fresh take on the showroom experience. Rather than simply showcasing horsepower and leather seats, sales teams will highlight advanced driver-assistance features, connectivity, and in-car entertainment that define the next generation of mobility.

Technicians will undergo specialised training to service complex hardware and software systems, while sales teams might shift from pushing performance specs to guiding customers through the intricacies of autonomous driving. Dealerships that embrace this evolution will be well-positioned to cater to a whole new customer segment intrigued by driverless technology.

## #5 – Challenges and Adaptations

The transition to an AI-driven future comes with a set of challenges no dealership can ignore. First, there's the cost and complexity of implementing new data management technologies while still tending to day-to-day operations. Then there's the increasingly delicate matter of customer data security and privacy. The more an AI system "knows" about individual drivers, the more vigilant dealerships must be in safeguarding that information.

Finally, there's the human element. AI tools may automate many tasks, but your sales and service teams aren't going anywhere. Instead, their roles are evolving. Rather than relying on the old-school "sell, sell, sell" approach, these professionals will become tech consultants – trusted advisors who guide customers through advanced features and help them navigate new services like predictive maintenance or autonomous driving. This cultural shift might be one of the biggest hurdles, but it's also an enormous opportunity to forge deeper customer relationships.

## Looking Ahead

The most successful automotive retailers will be the ones that balance AI-powered efficiency with old-fashioned human know-how. AI won't replace your star salespeople – it'll enhance their expertise, offering deeper insights and streamlining day-to-day processes.

Envision a dealership of the future that blends digital and physical experiences into a single, cohesive offering. AI takes the burden of data analysis, predictions, and even some rudimentary customer interactions, while your human team focuses on building rapport, handling complex negotiations, and delivering the personal touch only people can provide.

For automotive retailers of all sizes, the message is clear: embrace AI or risk being left behind. Those who deploy these technologies effectively will create more efficient, more profitable operations – and, most importantly, improve the customer experience. After all, the future of car buying isn't about less human interaction; it's about smarter interaction, powered by AI and guided by the people who make dealerships feel like home.

*Todd Smith is the CEO of QoreAI, where his expertise lies at the intersection of AI and automotive, focusing on fraud prevention and data security. With over 30 years in retail, tech, and automotive, Todd has successfully founded and grown multiple startups, including companies recognized by Inc. 500/5000 and Red Herring Top 100. As Managing Director of Kyzor, he invests in and mentors promising automotive tech ventures. Todd's practical application of AI to address identity fraud and enhance dealership data protection has established him as a respected industry voice. His insights on automotive technology and security are frequently sought at major industry events.*

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