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November/December 2025

THE MOTOR DEALER REPORT FROM AUSWILD & CO
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WHAT ARE YOU GOING TO DO DIFFERENTLY IN 2026?

Here we are – another year has almost come and gone, and what a year 2025 has been for the automotive industry.

VFACTS data show that new vehicle sales for the month of November 2025 totalled 97,037 units – down 2.1% from November 2024. For November 2025 year-to-date, the automotive industry achieved total new vehicle sales of 1.11 million units – only 1,2% down from November 2024 year-to-date.

However, it is anticipated that December 2025 will be a record, or near record month, as manufacturers and dealers aim at closing off the year by achieving their sales targets for the full year. With huge inventory levels, both manufacturers and dealers will want to clear as many 2025 plated vehicles as possible.

Notwithstanding the forecasted record month, the high grosses made on the sale of new and used vehicles during the pandemic and immediate post-pandemic years, like Covid itself, are just a memory now as manufacturers and dealers go back to their pre-pandemic bad old ways and habits.

Average dealer profitability is currently at 1.2% - a long way from record highs of the last few years.

But 2025 is almost over – and as we look forward to welcoming a new year, what are you, as an automotive dealership owner, going to do in 2026 that will be different to 2025?

Although many dealerships struggled during the year, for some of our clients, 2025 actually ended up being a reasonably good year profit wise.

So, what are these dealerships doing differently? Do they have a magic potion?

The reality is that there will always be dealerships that will do well and trade profitability irrespective of the franchise they have, market conditions or the shape of the economy. History has shown that during tough times, only the strong and determined dealerships survived. These are the dealerships that reduced expenses, stuck to their processes, trained their team, reviewed their franchises and came up with new methods of marketing all their brands.

As a dealership owner, you cannot control the market you are in or the economy in general – so stop complaining about it! Most of you have already reduced your expenses. However, what you can do is take a good hard look at your business and figure out what is working for you. Sit down with your managers and review the last 12 months. What did you do well in 2025? What worked for you last year? What can you do to increase your sales and gross profits in 2026?

Think outside the box. Explore what makes other similar dealerships in your market with similar franchises and customers profitable. Review not only what advertising and marketing your competitors are doing in your prime market area, but also what similar dealerships are doing outside your market or in other states or even overseas. Look at other industries to find out what may be working for other businesses. Can you adapt their ideas and methods to suit your business?

Take a look at your various departments. Review your historical sales over the past two to three years. What products or service have increased in sales and what has decreased? Review each one in detail with your managers and team and discuss ways to increase all areas of your sales.

Call your existing customers to say hi, thank them for their business and ask them if you can assist them with anything. You never know – that call may just be the prompt to consider a new purchase.

Take the offensive. You have already tried the defensive by reducing costs. Realise that you cannot save your way to a profit if your sales and gross profits are insufficient to cover your reduced expense structure. To obtain profitability you will need to sell your way there.

Look at your dealership as if you were buying it today. What would you do differently? What would or could you improve? What would you change cosmetically? What training do you need to have in place for your team? What personnel changes do you need to make? What expense structure would you set up? What would your budget look like?

If you do not have a budget, now is as good as any time to put one in place, with the help of your managers and your external accountant. Work out the number of units you will need to sell and the minimum gross profit it will take for you to cover all your expenses to break even. Once you know this break-even number of units and gross profit, work out a plan on how you are going to increase your sales and with what type of product.

More importantly, go back to the basics of just good operational procedures and policies.

Remember the old saying: "If you do nothing differently, you will end up getting the same old result"

OFFICE CLOSURE:

Our office will be closed from 12:30pm Tuesday 23 December and will re-open for business on Monday 12 January 2026.

We take this opportunity to thank you for your support during the year, and we wish you and your families a ***MERRY CHRISTMAS*** *and a* ***HAPPY NEW YEAR!***

For additional information, please contact your
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