

The Road Ahead: Canada's Automotive Retail Evolution (CARE) Study

August 2025



Welcome




The Road Ahead: Canada's Automotive Retail Evolution (CARE) Study

- A deeper look into the key trends shaping our industry to 2035
- How and why CARE was developed — and why it matters to you
- How Canadian dealers can prepare for a successful future

How We Got Here

- **The context:** The unprecedented pace of change
- **Study commissioned:** Fall 2024
- **The mandate:**
 - Research key trends
 - Assess implications for dealers
 - Recommend next steps to support successful planning and response
- **The goal:** Update the study over time to keep Canadian dealers ahead of the industry evolution curve

Research powered by 



Why the CARE Study? Why Now?

“It is a starting point for further conversation, and not a conclusion. The findings are meant to inform, promote discussion and inspire action and future plans.”



Tim Reuss

President & CEO, Canadian Automobile Dealers Association

Today's Market = Leading Through Uncertainty

Dealers today are asked to deliver certainty in an uncertain world



The CARE Study helps cut through the noise — not by predicting a single future, but by **preparing you for multiple scenarios**

Purpose



INFORM



EDUCATE



PREPARE

The goal of the CARE Study is not to prescribe — it's to provoke. To spark strategic conversations in your dealership. And ultimately, **to help you lead rather than react.**

By the Numbers...

- 5 phases
- 9 months
- THANK YOU to all CADA member dealers who supported this effort!

11 In-Depth Interviews with
AUTO INDUSTRY SMEs

16 In-Depth Interviews with
CANADIAN DEALERS

422 SENIOR RETAIL
LEADERS responded

83 Sources referenced as part of
DESK RESEARCH

CARE Study Team



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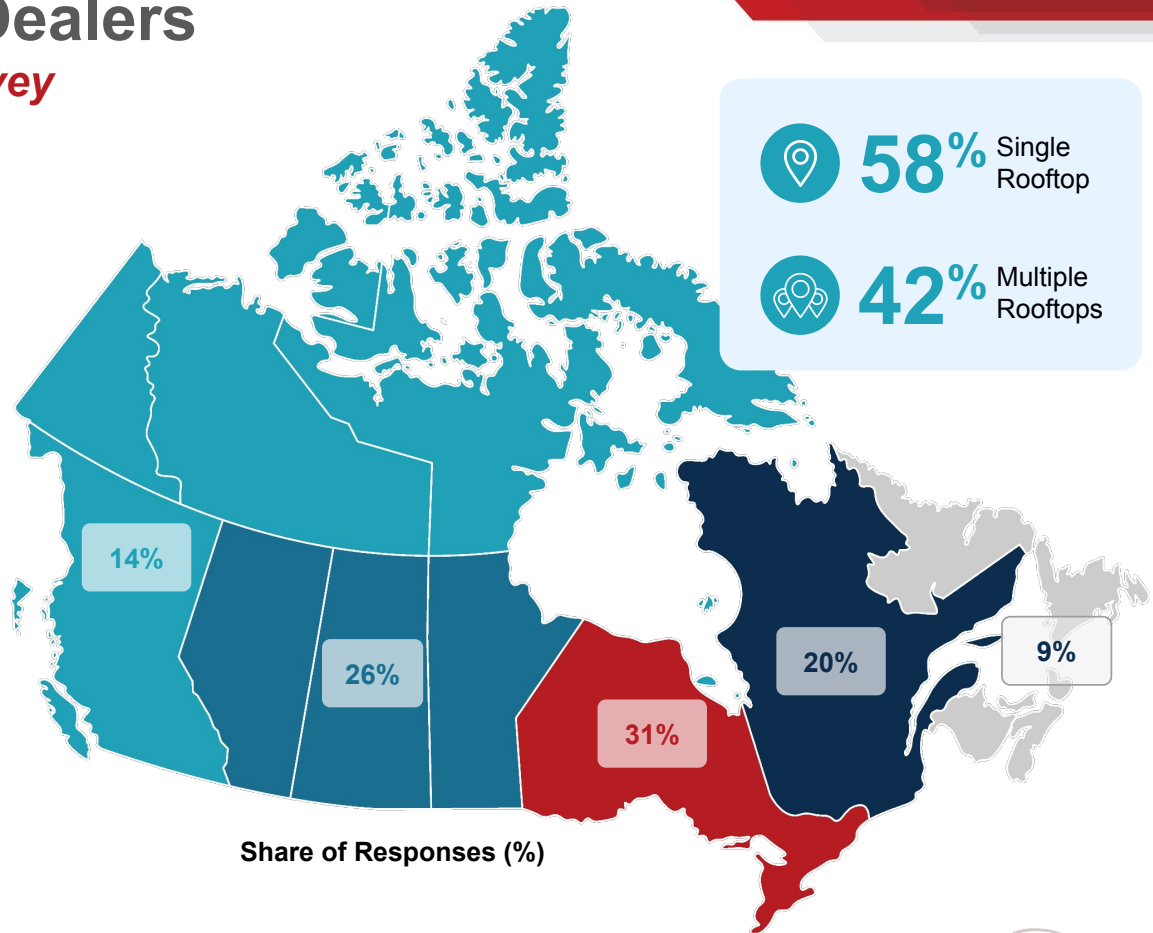


Kushal Dhamija
Manager,
Advisory Services

Built for Dealers, by Dealers

Voice of the Dealer Opinion Survey

- Representative sample of Canadian dealers:
 - Rural, suburban & urban
 - Single and multi-point
 - Detroit Three, Asian and European brand dealers
 - Coast to coast to coast
- Conducted Dec 2024
- Focus: How dealers view the future and assess their priorities



A sneak peek at the **key themes** that emerged...

1. Consumers are Changing (1/3)

New vehicle buyers and owners expect Netflix-like simplicity, personalization and a “know me” experience.

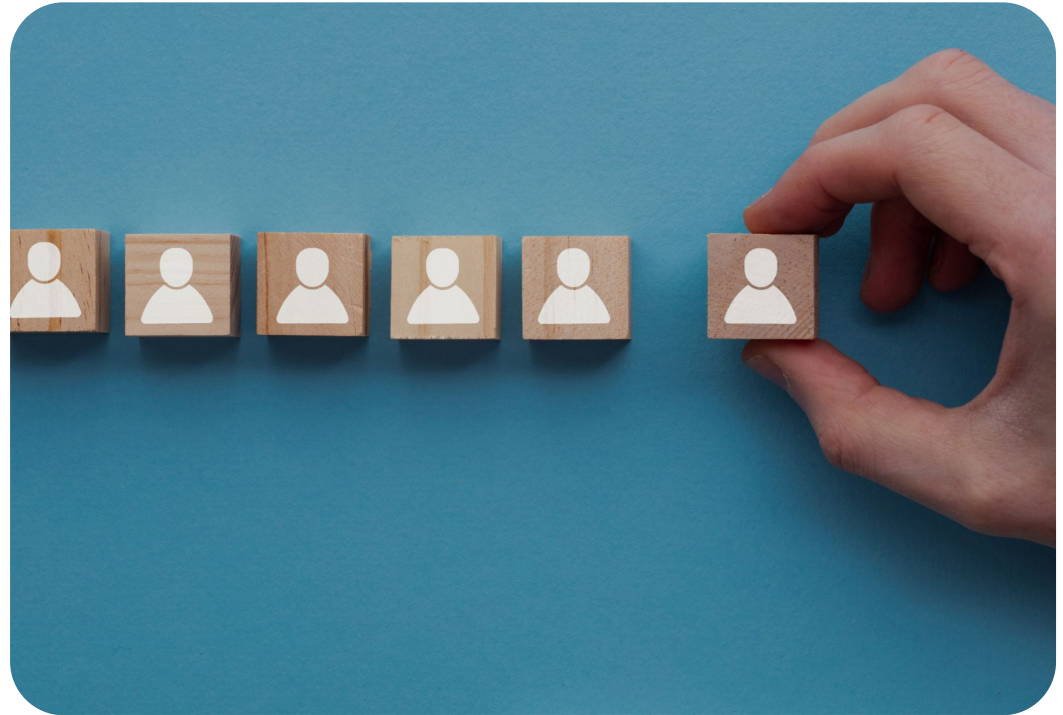
CARE Study explores how to meet these evolving customer expectations while protecting margins.



1. Consumers are Changing (2/3)

89%

agree or strongly agree
consumers will **expect**
more personalized
services from their
dealer



1. Consumers are Changing (3/3)

58%

of the dealers surveyed agree or strongly agree that **customers will require more advice and guidance** in the future.



2. New Energy Vehicles (1/2)

Despite the current deceleration of NEV adoption, they are the future, globally and in Canada. But the path and timing are complicated...

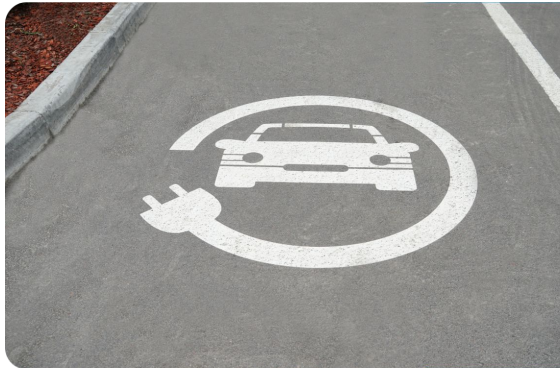
CARE Study examines likely NEV adoption paths and the implications for dealers.



2. New Energy Vehicles (2/2)

 We asked Dealers...

What do you think will be the mix of drivetrains among new vehicle sales at your dealership by 2035?



63%

BEV, PHEV, EREV and FCEV



33%

ICE, Hybrid and Diesel

3. Evolution of Retail Operations (1/3)

AI isn't science fiction. For some dealers, AI is already having a transformative impact.

Dealers have the opportunity to improve efficiency and profitability across the entire business. The challenge is that many dealers are uncertain how to proceed.

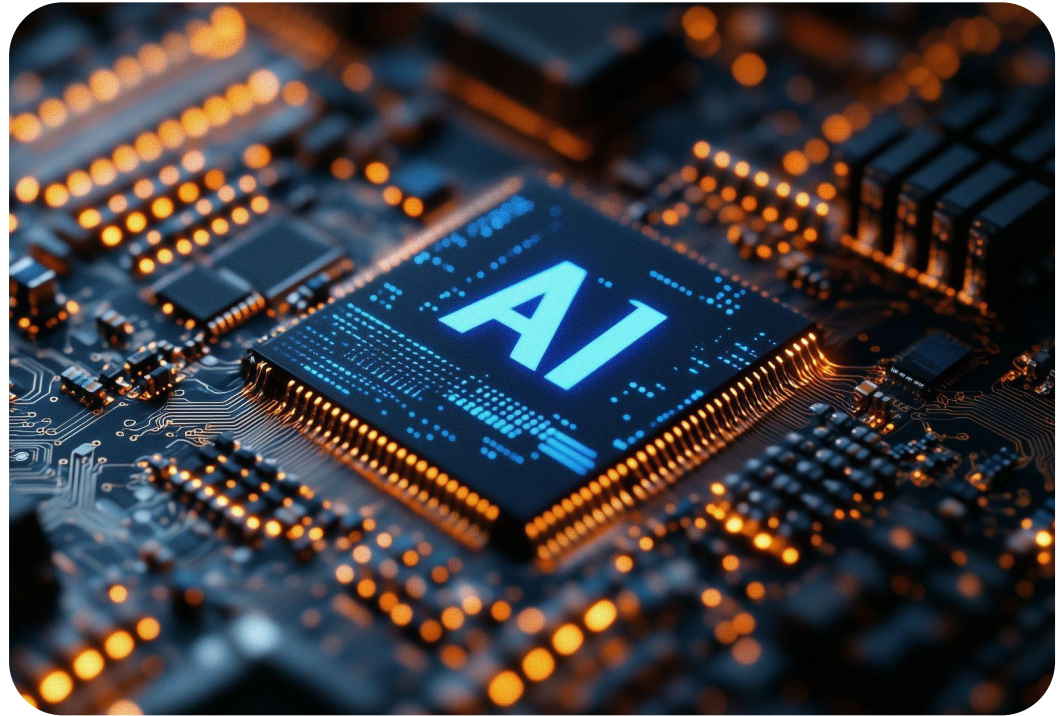
CARE Study highlights how dealers can harness digital technologies to their advantage.



3. Evolution of Retail Operations (2/3)

62%

believe that **AI tools**
will have a radical or
major impact to their
businesses in the
next 10 years



3. Evolution of Retail Operations (3/3)

31%

feel that their
business is **well**
prepared to integrate
AI tools today

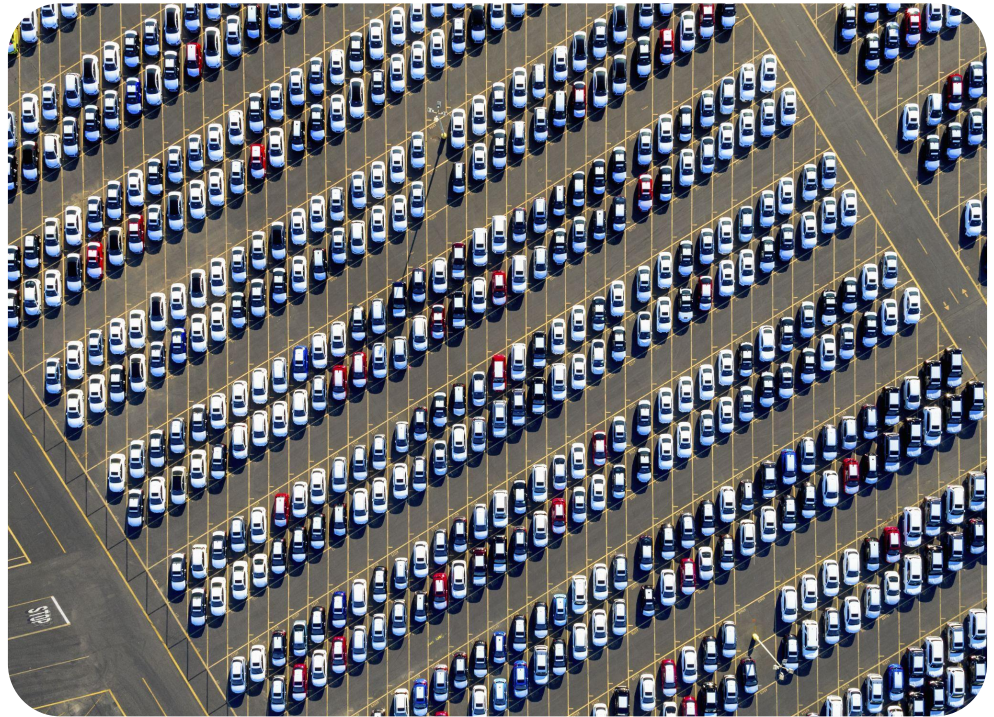


4. Changing OEM Landscape (1/2)

If we think dealers are under pressure, our OEM partners might have it even worse:

- Extreme margin pressure
- Multiple powertrain investments
- Rise of the Chinese OEMs
- Volatile regulatory environment

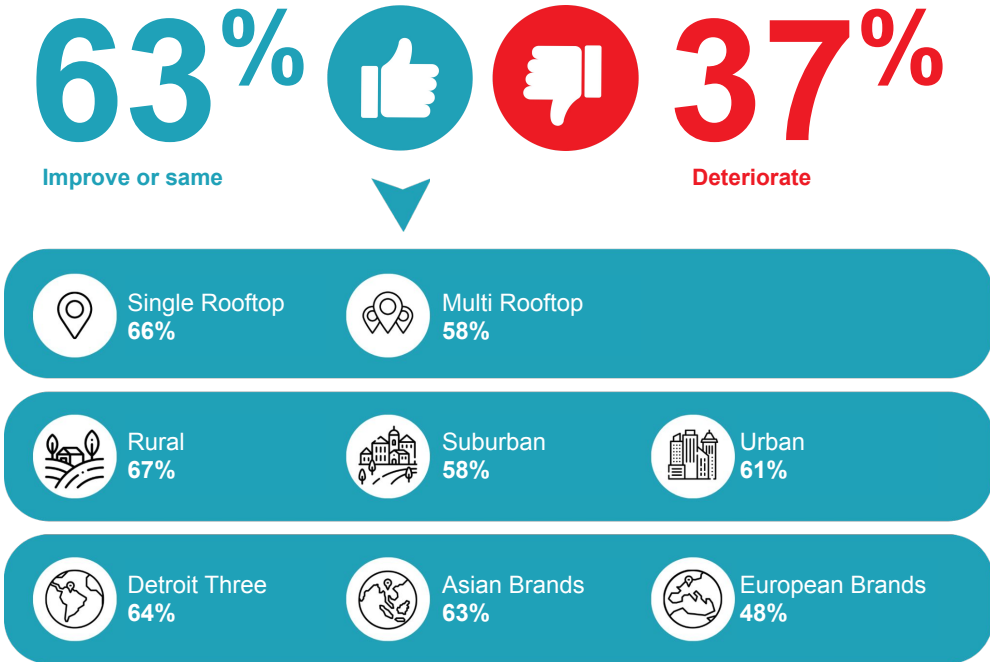
CARE Study considers how global industry volatility affects your business.



4. Changing OEM Landscape (2/2)

 We asked Dealers...

How do you see the relationship between your business and the OEM changing over the next 10 years? Will it improve, remain the same, or deteriorate?



5. Profitability Requires Creativity

(1/2)

The 2% ROS model hasn't changed — but where it comes from must.

The franchise model will endure, but with a shift to smaller, more consumer-accessible footprints.

Critical need to develop new revenue streams.

CARE Study outlines new paths to revenue — if you're willing to evolve...



5. Profitability Requires Creativity

(2/2)

 We asked Dealers...

Where do you see additional revenue streams as a result of the transition to New Energy Vehicles (NEVs)?

VEHICLE SERVICES



Battery Health

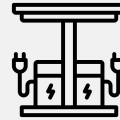


Tires!



New Maintenance

NEW REVENUE STREAMS



Charging Stations



Home Charger Installation

VEHICLE PROTECTION & CUSTOMIZATION



Extended Warranties
& Protection Products



Vehicle Personalization,
Vinyl Wraps, PPF, etc.

6. Talent Management: Priority One (1/3)

The industry continues to grapple with perception issues and high turnover especially among technicians.

Recruitment and retention matter!

New thinking is needed—we're hiring for different skills and from a talent pool with different expectations.

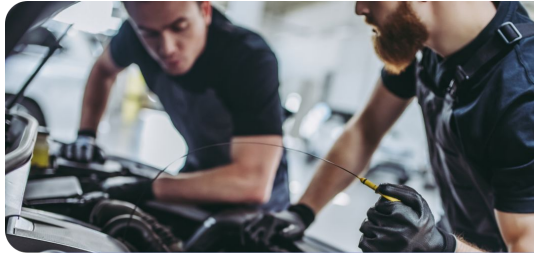
CARE Study shows why and how talent management is becoming the great differentiator.



6. Talent Management: Priority One (2/3)

 We asked Dealers...

What would you say are the 3 areas that require the greatest attention in your business today?



1 Workforce and talent



2 Vehicle Sales



3 Changing business models

6. Talent Management: Priority One (3/3)

81%

agree or strongly agree that the skills and competencies of their employees **will be very different**



7. Policy Pressures Will Intensify

Retailers must remain informed and engaged:

- Legislative developments
e.g. current ZEV mandates
- Prioritize transparency with consumers
- Implement strong data protection practices
- Actively engage with your provincial and national associations

CARE Study considers how political regulation is and will continue to shape the future of automotive retail.



What You'll Gain from the CARE Study



**STRATEGIC
INSIGHTS**



**PLANNING
PROMPTS**



**BENCHMARKING
DATA & ANALYSIS**



**BOARDROOM
READY CONTENT**

The CARE Study is not just a white paper — it's a strategic planning tool to help frame team meetings, inform your board, and prepare for your next OEM meeting.

So how do I get the CARE report?



cada.ca > Knowledge > Reports > The Road Ahead



English



French

And coming this fall...



*Where is retail tech solving pain,
and where is it creating it?*

Later this year, CADA is releasing a sister study:

***The Road Ahead: Canada's
Automotive Retail Technology
(CART) Study***

CADA Dealer Support Roadmap

THE ROAD AHEAD

Canada's Automotive Retail Evolution (**CARE**) Study

*Including the Voice of Dealer
Opinion Survey*

AVAILABLE NOW

Canada's Automotive Retail Technology (**CART**) Study

*Auto Retail Technology
Landscape*

COMING FALL 2025

Canada's Automotive Consumer Retail Experience (**ACRE**) Study

*Voice of the Consumer
Survey*

2026 TO BE ANNOUNCED

THANK YOU

Let's keep the conversation going...

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