



UK dealers face ‘unprecedented multi-front threat’ from international challengers and the EV transition

ADS warns of a ‘once in a generation’ shock for those focusing entirely on new car sales

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THREATS on three fronts pose the biggest challenge to dealers in a generation, but data suggests that many may not be ready to meet it.

That’s the view of data experts ADS (Automotive Data Solutions) as they reveal mounting evidence of dealer vulnerability in the face of a rapidly changing landscape.

ADS identifies an unstoppable influx of Chinese automotive brands, profitability pressures from the EV transition and the arrival of more sophisticated customer retention strategies from the US as a ‘once-in-a-generation’ challenge.

Business as usual will no longer be an option for many retailers, says ADS, as the market transforms and could leave many dealers unviable without a shift in mindset.

Dealers who continue to focus heavily on low-margin new car sales at the expense of higher-margin aftersales activity risk falling behind, says Jon Sheard, Operations Director of ADS.

ADS analyses the databases of dealers and routinely finds that fewer than one in three records on which marketing campaigns are based are accurate and up to date.

The clearest evidence that many dealers are unprepared is revealed in data that shows

- 65% of MOT dates are listed incorrectly in dealers’ customer databases
- A 60% increase over the past 10 years in failure to register keeper changes

- Just 20% of marketing activity targets aftersales, despite it delivering the highest conversion rates.

“So far, dealers have largely been sheltered from challenges from more sophisticated operators but that is changing fast,” Jon Sheard explains.

“We are seeing a once-in-a-generation transformation of the market. The EV transition alone is a significant threat to dealer profitability, due to lower servicing requirements, but the tsunami of EV-focused Chinese brands entering the market will change the UK car parc beyond recognition.

“And now, with US-owned dealer groups beginning to roll out American-style customer retention strategies, the gap will widen faster. These operators work from a foundation of high-quality customer data. Dealers that continue to overlook this, and carry on marketing to the wrong people, will lose ground rapidly.

“This is an unprecedented multi-front threat to incumbent UK dealers,” he adds.

ADS data shows that booking in a customer for a safety recall generates an average of over £300 in additional revenue, yet many dealers are unable to capitalise due to incorrect customer contact details.

Meanwhile US-owned dealers are quietly adopting the American model of splitting marketing focus equally between new car *and* aftersales campaigns. This approach drives greater customer retention and profitability through MOT, Recall and servicing appointments, but critically, it depends on accurate customer records and clear segmentation.

Jon Sheard adds: “Combine these headwinds from abroad with a domestic car parc that increasingly requires little more than new tyres, and we foresee major divergence in the fortunes between those dealers who act now and those who continue with business as usual.

“We saw in the financial crisis of 2008 how quickly the landscape can shift when multiple threats converge. Dealers who fail to grasp the nettle on customer data quality and who delay implementing clear segmentation and customer retention strategies, risk being quickly left behind as market change accelerates.”

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ABOUT ADS

ADS - Auto Data Solutions - connects motor retail businesses with market and customer data that increases efficiency and boosts revenue. Working with franchised and independent dealers, ADS (Auto Data Solutions), specialises as a 'hub' bringing together significant data sources for customers across the industry. In a fast-moving and fluid market its focus is on helping to prevent dealers from losing track of customers so that they can build stronger and more loyal relationships.

Founded by a team of former senior CAP-HPI managers, ADS partners with all of the leading data and system providers to provide a unique set of services designed to drive growth and profitability for dealers.