



eBook

REINVENT YOUR DEALERSHIP'S DIGITAL STRATEGY FOR SUCCESS IN 2025



With 80% of dealer leads coming from online sources according to a survey conducted by the Boston Consulting Group, as this eBook highlights, a digital-first strategy is essential. Leveraging AI and omnichannel experiences, along with digital retail tool, will allow dealers to meet the growing demand for seamless online-to-offline customer journeys projected through 2030.



Foreword

The automotive industry is facing a generational shift. The way cars are bought, sold, and financed is changing—not slowly, but all at once. What was once a predictable, showroom-led process is now a dynamic, omnichannel journey shaped by digital behaviors, rising consumer expectations, and shifting OEM strategies.

For dealer groups and OEMs alike, the challenge is no longer whether to transform—it's how to do it meaningfully, scalably, and without disrupting what's already working.

This isn't about adding more tools. It's about rethinking the ecosystem. It's about unifying systems, aligning experiences, and making digital retail a core competency—not just a feature.

This guide distills years of insight from working at the intersection of retail and finance, technology and operations. It's designed to help decision-makers cut through the noise and focus on what really matters: building a future-ready strategy that works in the real world.



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Table of Contents

Abstract	I
Foreword	II
Reinvent Your Dealership's Digital Strategy for Success in 2025	1
Chapter 1: The State of Auto Retail in 2025	2-6
Chapter 2: Challenges in Automotive Industry	7-9
Chapter 3: Winning with Digital Transformation	10-13
Chapter 4: The Power of Transcend Retail	14-16
Chapter 5: The Future of Auto Retail	17-18
Chapter 6: Embracing Digital Transformation in Auto Retail	19-20

Reinvent Your Dealership's Digital Strategy for Success in 2025

The automotive industry is experiencing a massive and impressive transformation driven by technology. It's evolving consumer expectations and disrupting the market norms during the process. Traditional dealerships that once relied on in-person sales and showroom visits must evolve and embrace the tech shift. They must now adopt digital-first strategies to stay competitive and relevant.

The shift from traditional sales models to digital-first strategies is about more than keeping up with trends and redefining the entire customer journey. With **online research influencing over 90% of car purchases** and digital retail solutions gaining traction, the future of auto sales is clear: dealerships must adapt, innovate, and integrate digital strategies to thrive in 2025 and beyond.

This eBook will guide you through the essential steps to reinvent your dealership's digital strategy, backed by modern research, compelling statistics, and actionable insights.

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There is an opportunity to make a real impact. Car buyers become more empowered and confident, and dealers then get customers who are more primed to buy.

— Sanjiv Yajnik
President, Financial
Services at Capital One

Chapter 1 – The State of Auto Retail in 2025

The automotive retail industry is undergoing a focused shift as it approaches 2025. The rise of digital technologies, evolving consumer expectations, and the influence of e-commerce giants like Amazon are reshaping how cars are bought and sold.

This chapter will explore the key trends driving this transformation, backed by credible statistics and insights, to help you understand why a digital-first approach is no longer optional—it's essential for survival and growth.

The Digital Imperative

The modern car buyer is no longer walking into a dealership unprepared. Today's consumers are tech-savvy and well-informed and demand a seamless, transparent buying experience. The digital revolution has fundamentally changed how customers interact with auto retailers and dealerships that fail to adapt to the risk of being left behind.

70% of auto customers start their journey digitally. (McKinsey)

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over 70% of shoppers claim that online video helps them better understand the auto product. (Think with Google)

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66% of car buyers expressed seeing a car advertised

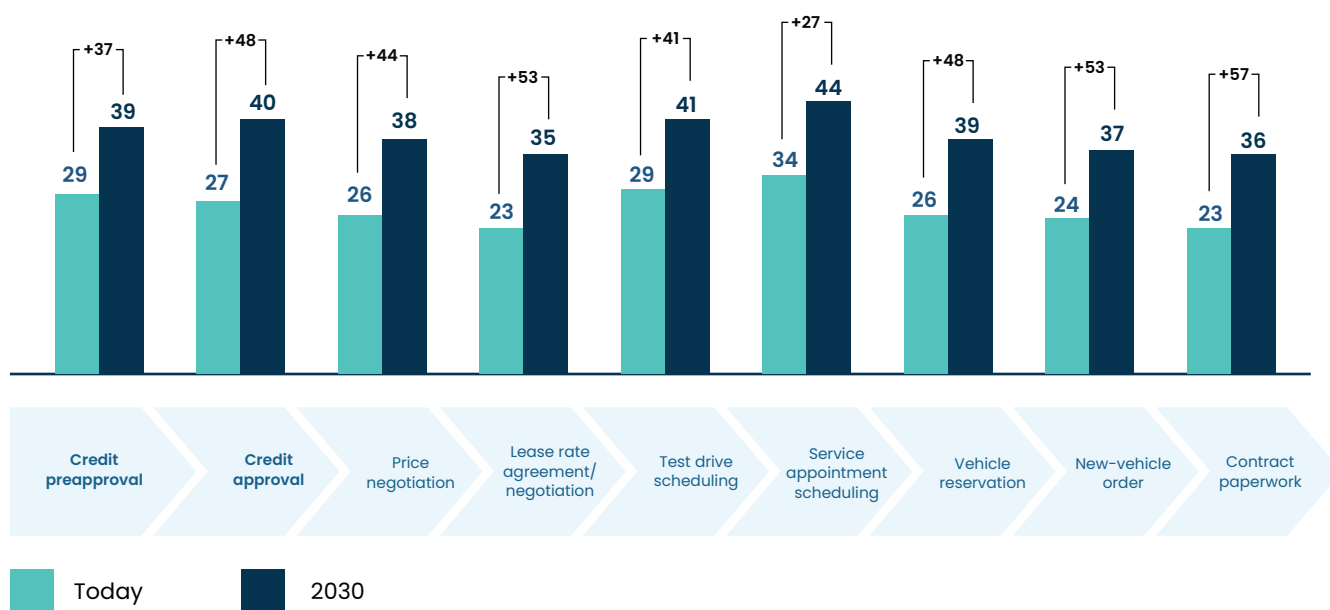
on multiple websites encouraged them to inquire or visit a dealership. This highlights the importance of a strong digital presence. (Motor Trader)

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Furthermore, the graph from **BCG's 2025 US dealer sentiment survey** highlights dealer expectations for a significant shift toward online customer engagement by 2030. The activities range from financing processes to service scheduling and contract completion—showing how deeply digital touchpoints are anticipated to embed across the car buying and ownership journey.

Dealers expect to shift to online activities to accelerate

Share of customer activities conducted online (%)



Sources: BCG, US dealer sentiment survey, 2025; BCG analysis

Note: Discrepancies in change figures are due to rounding of survey response percentages

Dealers expect a sharp rise in the share of customer activities conducted online across all categories by 2030.

Even test drive scheduling and service appointment scheduling, traditionally offline tasks, are projected to see a shift of over +40%. While today's online penetration for these activities is relatively low (ranging from 23% to 34%), most are expected to exceed 35% by 2030.

The highest projected increases are seen in:

Contract paperwork	+57%, from 23% to 36%
New-vehicle order	+53%, from 24% to 37%
Lease rate agreement/negotiation	+53%, from 23% to 35%
Credit approval and vehicle reservation both expected to jump	by +48%

Insight You Must Know

The shift to digital isn't just about convenience—it's about control. Customers want to research, compare, and evaluate their options on their own terms. Another BCG study analyzing customer reviews revealed that "ease and convenience" often rank above financing options, sales assistance, or after-sales service in terms of buyer priorities. This highlights the growing importance for dealers to provide a smooth, integrated experience across all touchpoints to align with evolving customer expectations.

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Future Trends

AI-driven personalization is going to be pivotal in the digital journey. Tools like AI-powered chatbots and virtual assistants will guide customers through the research phase, answering questions and providing personalized recommendations, reducing the need for in-person interactions until the final stages of the purchase process.

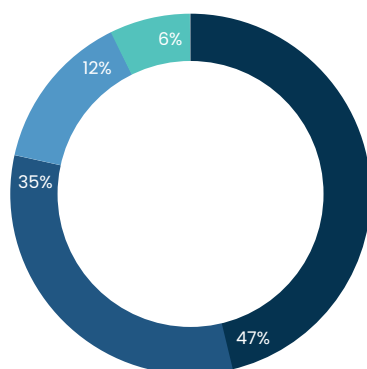
The digital imperative is clear: dealerships must move beyond basic online listings and create a fully connected, conversion-driven ecosystem that meets customers where they are—online.

Many dealers are ready to invest in AI but want to learn more about the benefits

Half of the dealers are ready to invest significantly in AI; one-third are willing to make only moderate investments

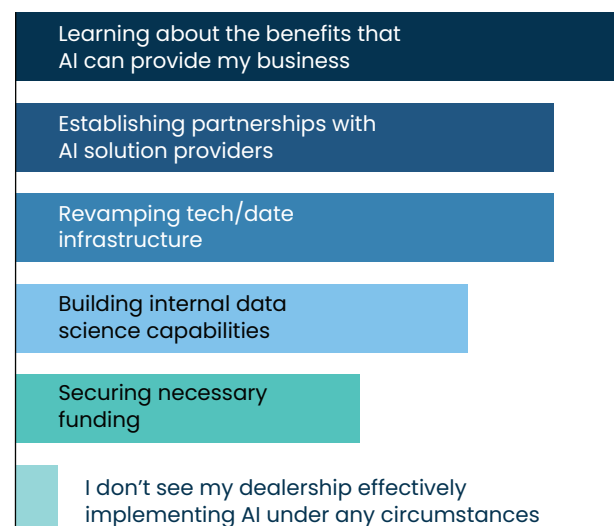
Would you be willing to invest in building AI capabilities in your dealership over the next 2 years?

- Yes, I see AI as a key priority and am planning to invest significantly
- Yes, but with a moderate level of investment
- Yes, but only if there are the off-the-shelf solutions I can use
- No, AI is not a priority for us at the moment



Stakeholder education and awareness of benefits are needed to spur adoption and direct investment

What do you think is required to effectively implement AI in your dealership?



As AI continues to reshape industries, dealerships are increasingly recognizing its potential to enhance operations and customer engagement. This exhibit from BCG's 2025 US dealer sentiment survey explores dealers' willingness to invest in AI and the key enablers they believe are necessary for effective implementation.

Furthermore, recent data from TransUnion showed that 31% of Millennials were most likely to purchase a vehicle in early 2025, significantly outpacing other generations, followed by 21% of Gen Z buyers. To meet these expectations, dealerships and OEMs must go beyond simply offering online tools; they must create a truly connected retail experience. The brands leading this transformation aren't just digitizing parts of the process; they're bridging the gap between online and in-person interactions, making the entire journey faster, more transparent, and more rewarding for both customers and dealers.

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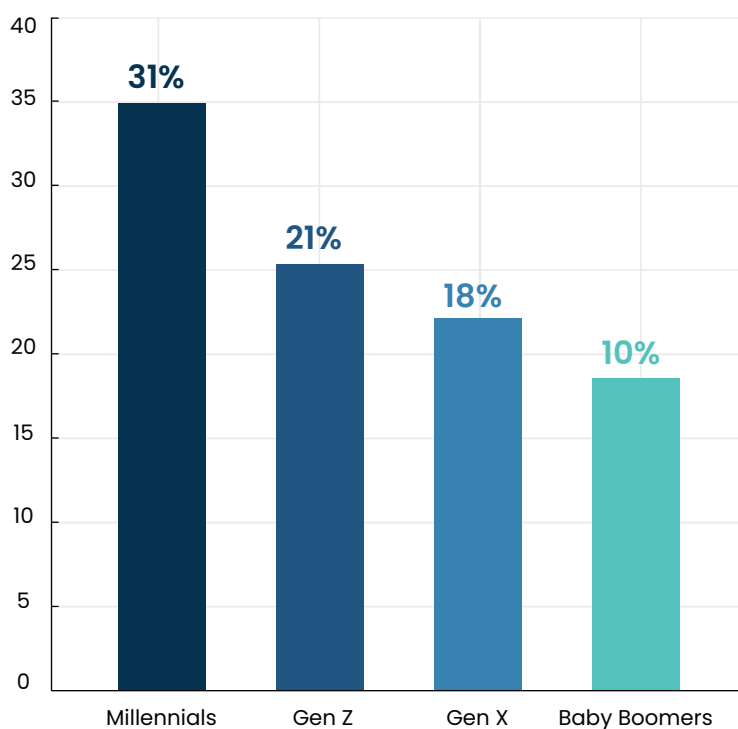
The Amazon Effect

The influence of e-commerce giants like Amazon has saturated nearly every industry, and auto retail is no exception. The "Amazon Effect" refers to the rising consumer expectation for personalized, frictionless, and transparent shopping experiences—standards now applied to car buying.

Summary of findings:

- **82%** of dealers are open to investing in AI within the next two years—**47%** plan to invest significantly, while **35%** prefer a moderate level of investment.
- Only **6%** say AI is not a priority.

Generations most likely to buy a car in Q1 2025



A survey shared on Forbes states that 80% of consumers are likelier to purchase from a brand that provides personalized experiences.

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This proves the Amazon effect's impact, which redefines shopping expectations. Its AI-driven recommendations, seamless checkout, and one-click purchasing create an unparalleled shopping journey. From personalized deals to predictive suggestions, Amazon doesn't just meet expectations—it anticipates them, setting the benchmark for modern e-commerce.



Detailed Insights

The influence of e-commerce giants like Amazon has saturated nearly every industry, and auto retail is no exception. The "Amazon Effect" refers to the rising consumer expectation for personalized, frictionless, and transparent shopping experiences—standards now applied to car buying.

Future Trends

Voice commerce and AI-driven personalization are no longer future trends. They're reshaping the car-buying experience today. Customers can now ask their smart speakers, "Find me the best SUV under \$40,000," and receive tailored recommendations based on their preferences, budget, and location. Dealerships integrating these technologies are already gaining a clear competitive advantage.



Chapter 2 – Challenges in Automotive Industry

As the automotive industry accelerates toward a digital future, OEMs and dealerships face significant hurdles that can hinder their transformation efforts. From outdated systems to evolving consumer expectations, these challenges must be addressed to ensure long-term success.

In this chapter, we'll explore the key roadblocks facing OEMs and dealerships, providing actionable insights and credible data to help you navigate these obstacles and emerge stronger in the digital age.

Roadblocks for OEMs

For OEMs, the journey toward digital transformation is filled with challenges. While the need to modernize is clear, the path forward is often complicated by legacy systems, data silos, and regulatory pressures. These roadblocks can slow progress, increase costs, and dilute the effectiveness of digital initiatives.

Legacy Systems

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Many OEMs still rely on outdated IT infrastructure, which hinders integration with modern digital tools.

According to a Deloitte survey, **54% of organizations** cite legacy systems as a primary barrier to digital transformation, leading to inefficiencies and higher operational costs.

Modernizing IT infrastructure is critical for OEMs to leverage advanced technologies like AI, machine learning, and IoT. Without this foundation, efforts to create seamless, connected customer experiences will fall short.

Data Silos

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Disconnected systems prevent a unified view of customer and market data, slowing decision-making and limiting personalization.

Research shares that **82% of enterprises** report that data silos disrupt their critical workflows, resulting in missed opportunities for customer engagement and revenue growth.

Breaking down data silos and integrating systems can enable OEMs to deliver personalized, data-driven experiences that meet the expectations of today's consumers.

Regulatory Compliance

Stricter data privacy laws, such as GDPR and CCPA, complicate digital transformation strategies.

OEMs must prioritize cybersecurity and compliance to protect customer data and maintain trust, especially as digital interactions become more prevalent.

High Customization Costs

Creating a seamless, branded digital experience across markets and dealer networks requires significant investment. OEMs must balance customization with scalability to avoid resource drain.

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The first key is adopting digital tools to make information more accessible across the organization, which more than doubles the likelihood of a successful transformation.

Challenges for Dealerships

Dealerships face their own set of challenges as they navigate the digital landscape. From fragmented systems to employee training gaps, these obstacles can hinder efficiency, erode customer trust, and impact profitability. Overcoming these challenges is essential for dealerships to remain competitive in 2025 and beyond.

Fragmented Systems

Many dealerships struggle to integrate CRM, DMS, and digital retail tools, creating inefficiencies that slow down sales and financing processes. Investing in integrated platforms that connect all aspects of the dealership ecosystem can streamline operations and improve the customer experience.

Price Transparency

Inconsistent pricing between online listings and in-store experiences erodes trust and can kill deals. Per McKinsey, **83% of car buyers** want upfront pricing, and **40% are more likely to buy** from a dealership that offers transparent pricing. Dealerships must adopt digital tools that provide real-time, accurate pricing to build trust and reduce negotiation friction.

Employee Training

Even the best technology fails without proper training. Adoption stalls, and efficiency gains never materialize without ongoing education and support. Dealerships must invest in comprehensive training programs to ensure staff are equipped to use new technologies effectively, driving better outcomes for both employees and customers.

F&I Profitability Concerns

Many dealers worry that digital retail solutions will limit upselling opportunities for financing and protection products. However, AI-driven tools can enhance F&I profitability by identifying high-margin opportunities and providing real-time recommendations.

Chapter 3 – Winning with Digital Transformation

The future of auto retail lies in embracing digital transformation. As customer expectations evolve and technology advances, dealerships and OEMs must adopt innovative strategies to stay competitive.

This chapter explores how AI-powered tools, immersive experiences, and comprehensive digital retail solutions can revolutionize the automotive industry, driving efficiency, profitability, and customer satisfaction. By leveraging these technologies, businesses can create seamless, personalized experiences that set them apart in a crowded market.

AI-Powered Customer Engagement

AI is no longer a futuristic concept—it's a critical component of modern auto retail. AI transforms every aspect of the car-buying journey, from streamlining operations to enhancing customer interactions.

According to Gartner, **80% of customer interactions** will be managed by AI in 2025. Similarly, a Salesforce study found that **64% of consumers** expect real-time interactions with brands, and AI-powered tools are key to meeting this demand.



Influential AI-Powered Tools

AI-powered conversational assistants, such as chatbots, can engage customers 24/7, answering questions, scheduling test drives, and guiding them through financing options. This not only improves customer satisfaction but also increases lead-to-sale conversions.

Future Trends You Need to Follow

AI-driven F&I interviews have already become the norm, with AI agents analyzing customer profiles in real time to recommend the best financing and insurance options. This level of personalization will enhance customer trust and drive higher profitability for dealerships. AI is not just a tool—it's a game-changer that can elevate every touchpoint in the customer journey, from initial research to post-purchase support.



Virtual Showrooms & Immersive Experiences

Future Trends in Virtual Showrooms

Virtual test drives will soon become mainstream, allowing customers to experience a vehicle's performance and features without stepping into a dealership. This technology will save time and attract a wider audience, including remote buyers.

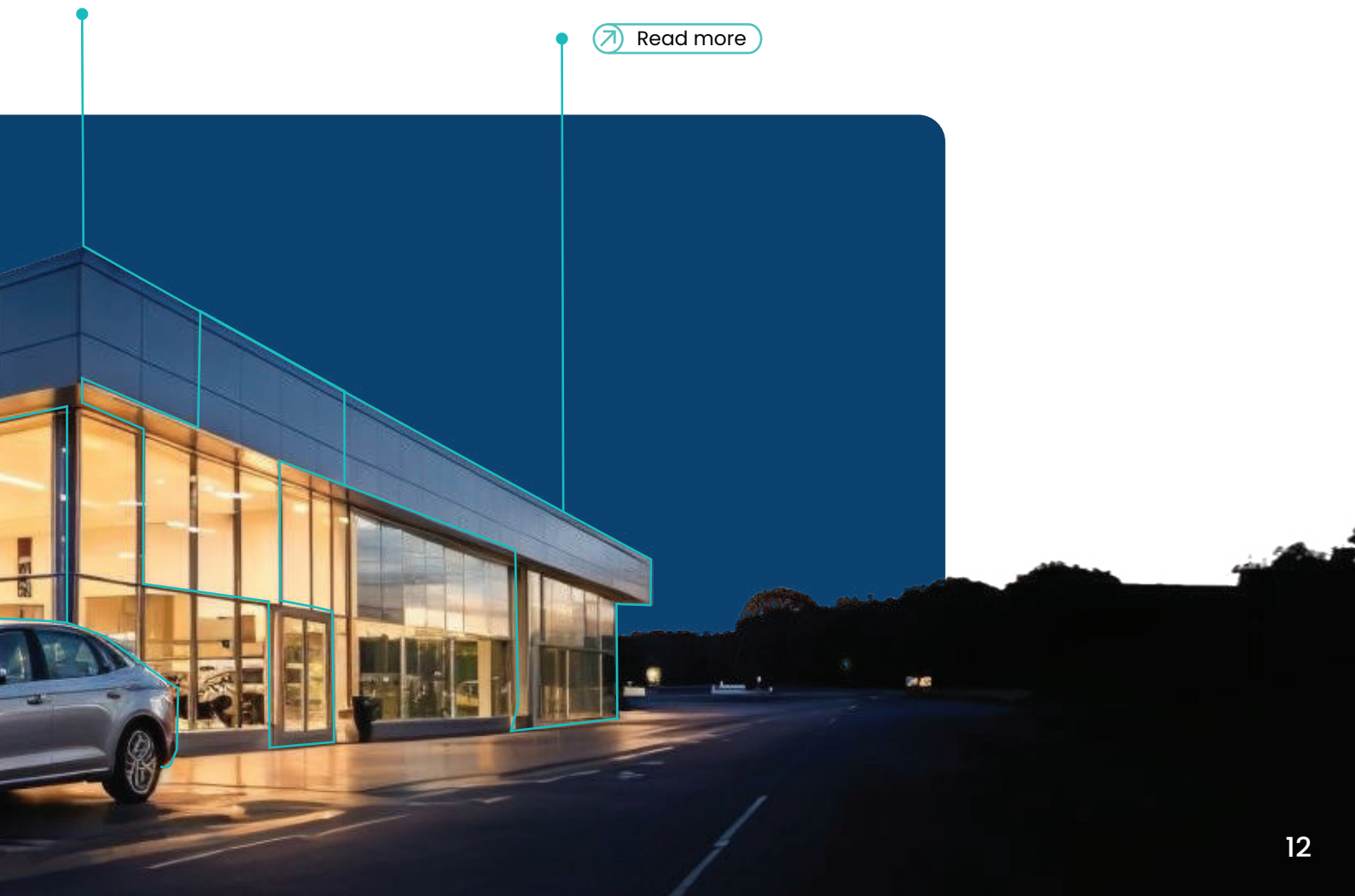
Immersive experiences redefine car-buying, making it more interactive, convenient, and enjoyable for customers.

The rise of augmented reality (AR) and virtual reality (VR) is revolutionizing how customers interact with vehicles. Virtual showrooms and immersive experiences are no longer optional—they're essential for capturing the attention of tech-savvy buyers.

According to Statista, the automotive retail AR/VR market is expected to grow to **\$46.6 billion in 2025**, highlighting the increasing demand for immersive technologies.

Virtual showrooms allow customers to explore vehicles in 360-degree detail from the comfort of their homes, reducing the need for in-person visits. AR customization tools enable buyers to visualize different models, trims, and colors in real time, creating a more engaging and personalized experience.

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Comprehensive Digital Retail Solutions

The key to long-term auto retail success is creating a seamless, end-to-end digital experience. Comprehensive digital retail solutions integrate every customer journey stage, from initial research to post-purchase support.

A study found that customers who engage with a brand post-purchase are 60% more likely to become repeat buyers.

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CRM automation and AI-driven data analysis enable dealerships to create personalized after-sales programs, such as maintenance reminders, loyalty rewards, and exclusive offers. These initiatives keep customers engaged and foster long-term loyalty.

Future Trends in Digital Retail

Predictive AI-powered maintenance will become a standard offering, with dealerships using vehicle data to anticipate service needs and proactively schedule appointments. This will not only enhance customer satisfaction but also drive additional revenue streams.

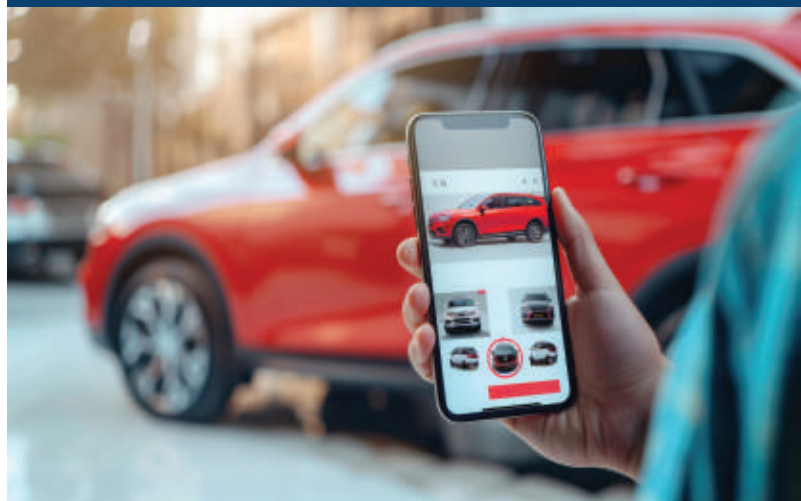
Comprehensive digital retail solutions are essential for creating a seamless, customer-centric experience that drives loyalty and repeat business.

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Automotive dealerships can improve their omnichannel customer experience by utilizing AI-powered predictive analytics. This will allow them to improve customer data management, offer enhanced real-time communication and support, take a mobile-first approach, and provide adequate personalized marketing campaigns.

— Automotive Mastermind

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Chapter 4 – The Power of Transcend Retail

In an era where digital transformation is reshaping the automotive industry, NETSOL's Transcend Retail stands out as a game-changing solution. Designed to bridge the gap between online and in-store experiences, Transcend Retail empowers dealerships to operate smarter, faster, and more efficiently.

This chapter delves into why Transcend Retail is a must-have tool for modern dealerships, exploring its key features, business impact, and how it can help you stay ahead in the competitive auto retail landscape.

Why Transcend Retail?

In a market where customer expectations are higher than ever, Transcend Retail offers a comprehensive solution that addresses the pain points of both dealerships and customers. It's not just a digital tool—it's a fully integrated retail ecosystem designed to streamline operations, enhance customer experiences, and drive profitability.

Transcend Retail integrates seamlessly with existing dealership workflows, offering real-time business control, true pricing transparency, and AI-driven lead optimization. This ensures that dealerships can meet the demands of today's tech-savvy customers while maintaining operational efficiency.

Transcend Retail is more than a platform—it's a strategic advantage that enables dealerships to thrive in the digital age.



Key Features of Transcend Retail



Transcend
Retail

Transcend Retail is packed with features designed to address the unique challenges of modern auto retail. These features, from real-time business control to AI-driven lead optimization, create a seamless, efficient, and customer-centric experience.

Real-Time Business Control

Dealerships can monitor performance, track customer interactions, and manage inventory accurately. This level of control allows for quicker decision-making and more efficient operations.

AI-Driven Lead Optimization

Transcend Retail uses predictive analytics to prioritize high-intent buyers and engage them immediately. This increases conversion rates and ensures sales teams focus on the most promising leads.

Seamless Omnichannel Experiences

Customers can move between online and in-store interactions without disruption, ensuring a frictionless journey. This is critical for meeting the expectations of today's consumers, who demand consistency across all touchpoints.

Dynamic Pricing Transparency

Transcend Retail ensures that customers see accurate pricing for financing, add-ons, and trade-ins upfront. This builds trust and reduces negotiation friction, leading to faster deal closures making Transcend Retail an indispensable tool for dealerships.

The Business Impact

The adoption of Transcend Retail delivers measurable benefits that go beyond operational efficiency. From increased profitability to stronger customer relationships, the platform has a transformative impact on every aspect of the dealership business.



Increased Efficiency

AI and automation eliminate repetitive tasks, reducing deal completion time and minimizing human error. This allows sales teams to focus on building relationships and closing deals.

Higher Profit Margins

AI-powered pricing and F&I upselling unlock new revenue streams. By analyzing customer data in real time, Transcend Retail identifies high-margin opportunities and provides actionable insights.



Stronger Customer Retention

Personalized, hassle-free experiences build brand loyalty and drive repeat business. Transcend Retail's CRM automation ensures customers remain engaged long after the initial purchase.

Enhanced Customer Trust

By offering transparent pricing and seamless experiences, Transcend Retail helps dealerships build customer trust, leading to higher satisfaction and more referrals. This helps drive efficiency, profitability, and customer loyalty.



Chapter 5 – The Future of Auto Retail

The automotive industry is on the brink of a technological revolution. In 2025, the convergence of artificial intelligence (AI), augmented reality (AR), and other cutting-edge technologies is actively reshaping how cars are bought, sold, and serviced. This chapter explores the future of auto retail, highlighting the rise of tech-driven solutions and the pivotal role of AI and AR in creating personalized, efficient, and immersive customer experiences. By staying ahead of these trends, dealerships, and OEMs can position themselves as leaders in the next era of automotive retail.

The Rise of Tech-Driven Solutions

The adoption of Transcend Retail delivers measurable benefits that go beyond operational efficiency. From increased profitability to stronger customer relationships, the platform has a transformative impact on every aspect of the dealership business.

A wave of innovative technologies is transforming every aspect of auto retail, shaping the industry's future. From immersive customer experiences to advanced financial and insurance (F&I) optimization, tech-driven solutions are redefining what it means to buy and sell cars.

Integrating technologies like AI, AR, and IoT (Internet of Things) enables dealerships to offer more personalized and efficient services. For example, real-time inventory management systems allow dealerships to track and optimize stock levels, ensuring that popular models are always available.

The rise of tech-driven solutions is not just a trend—it's a fundamental shift that will define the future of auto retail.



The Role of AI and AR

Artificial Intelligence (AI) and Augmented Reality (AR) are at the forefront of the digital transformation in auto retail. These technologies are not just buzzwords but essential tools for creating personalized, engaging, and efficient customer experiences.

AI is revolutionizing customer engagement by enabling personalized interactions at every touchpoint. AI enhances efficiency and customer satisfaction, from AI-powered chatbots that guide customers through buying to machine learning algorithms that optimize pricing and financing options.



The Role of AI and AR

AR is transforming the way customers interact with vehicles, offering immersive experiences that were previously unimaginable. These technologies, from virtual showrooms to AR customization tools, make the car-buying process more interactive and engaging.

AI and AR are not just enhancing the customer experience—they are redefining it, creating new opportunities for dealerships to engage and delight their customers.




Chapter 6 – Embracing Digital Transformation in Auto Retail

The automotive industry is undergoing a seismic shift, and dealerships that embrace digital transformation will thrive in 2025 and beyond. The rise of AI, AR, and other cutting-edge technologies is not just changing how cars are bought and sold—it's redefining the entire customer journey. From immersive virtual showrooms to AI-powered personalized recommendations, the future of auto retail is digital, seamless, and customer-centric.

By adopting a digital-first strategy, dealerships can meet the evolving expectations of today's tech-savvy consumers. Tools like Transcend Retail lead the charge, offering integrated solutions that streamline operations, enhance customer experiences, and drive profitability. Whether through real-time business control, AI-driven lead optimization, or seamless omnichannel experiences, these platforms empower dealerships to stay ahead in a competitive market.

The choice is clear: lead the transformation or get left behind. The dealerships that invest in digital tools and strategies today will survive and thrive, building stronger customer relationships, increasing efficiency, and unlocking new revenue streams. The future of auto retail is here—are you ready to embrace it?





**Take the first step
toward
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About NETSOL Technologies Inc.

NETSOL Technologies is a global leader in delivering state-of-the-art solutions for the asset finance and leasing industry, serving automotive and equipment OEMs, auto captives and financial institutions across over 30 countries. Since its inception in 1996, NETSOL has been at the cutting edge of technology, pioneering innovations with its asset finance solutions and leveraging advanced AI and cloud services to meet the complex needs of the global market. Renowned for its deep industry expertise, customer-centric approach and commitment to excellence, NETSOL fosters strong partnerships with its clients, ensuring their success in an ever-evolving landscape. With a rich history of innovation, ethical business practices and a focus on sustainability, NETSOL is dedicated to empowering businesses worldwide, securing its position as the trusted partner for leading firms around the globe.

Ready to accelerate your auto retail transformation with Transcend Retail?

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