



The Good, the Bad, and the Reimagined

Friction Points in the Car Buying Process



Friction Points 2025

In the car buying and selling process

- Where Dealers Improved and Faltered
- Effect of Time in the Sales Process
- Car Buyers Sentiment
- Dealer Strategies & Pain Points
- AI's Impact on Modern Retail



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2025 FRICTION POINTS STUDY

Buyers

BUYERS WHO PURCHASED
IN THE PAST SIX MONTHS



Dealers

DEALER
PARTICIPANTS



Dealers Speed Up Deals

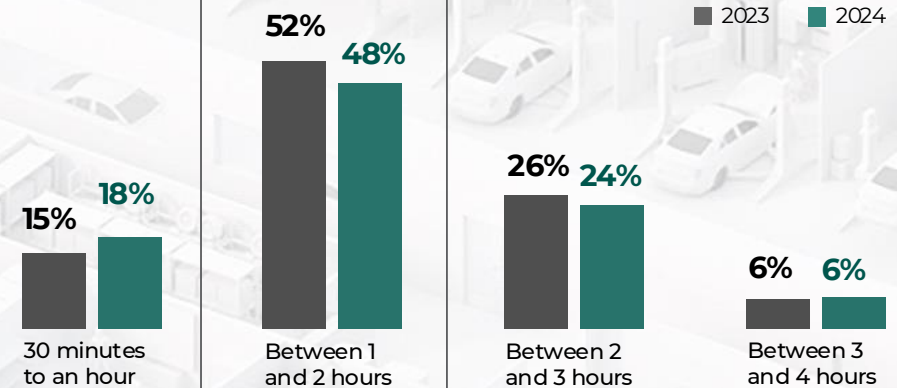
61%

of buyers took
two hours or less

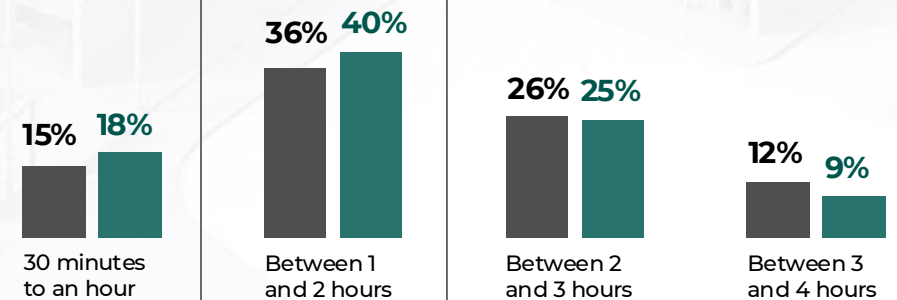
to complete their purchase,
compared to 54% last year

Dealers and shoppers are more
aligned on how long the purchase
process takes...
but there's still a gap

TIME DEALERS THINK SHOPPERS SPENT



TIME SHOPPERS SPENT AT THE DEALERSHIP



Effect of Time on Customer Satisfaction

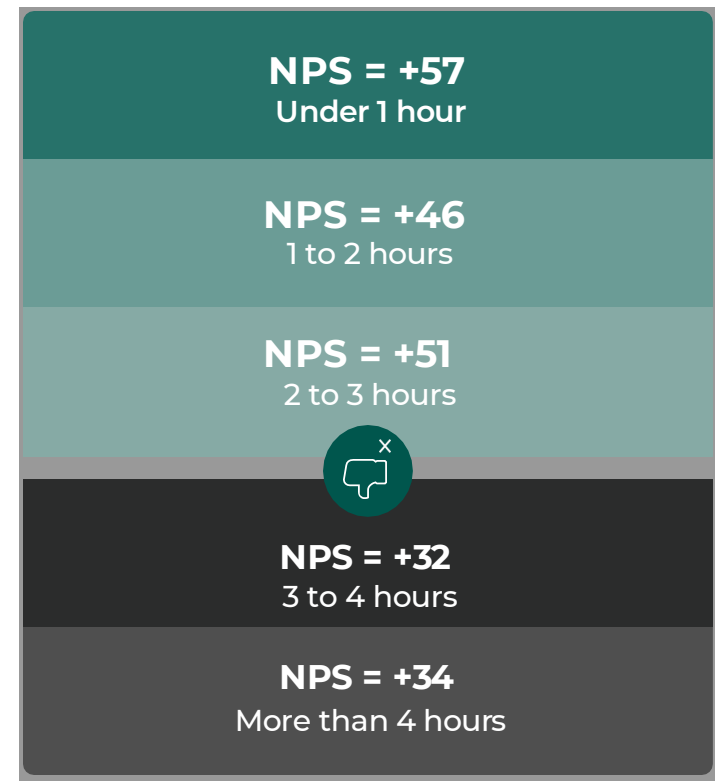
and Likelihood to Recommend

Customer Satisfaction
Shifts Depending on
How Long a Sales Takes



SHOPPER RECOMMENDATION AND NET PROMOTER SCORE

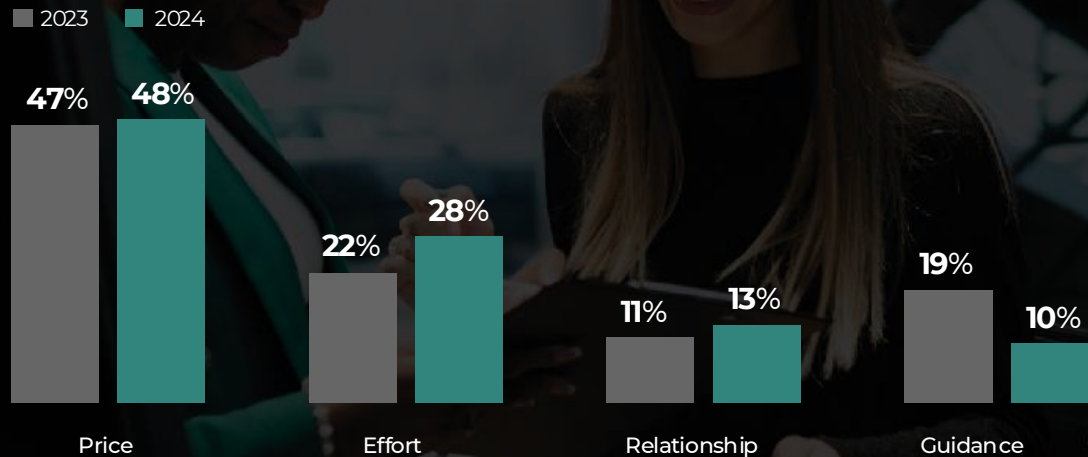
Based on Total Time Spent at the Dealership



Today's Car Buyers

Affordability Wins Out

TOP DECISION FACTORS IN VEHICLE SHOPPING



Price remains the biggest factor motivating car buyers

Effort - more customers weigh a fast, easy, and convenient purchase in their decision

Guidance went back down to levels from +2 years

What Did Shoppers Wait on Most?

This year saw an increase in almost every step of the customer journey despite improvements in the overall time it took to buy a car

	2023	2024
TEST DRIVE	41%	55%
PRICE NEGOTIATION	39%	43%
VEHICLE SELECTION	29%	36%
FINANCING	27%	30%
CONTRACT SIGNING AND TITLING	24%	25%
INCENTIVE AND REBATES	22%	25%
CREDIT APPLICATION	35%	35%
TRADE-IN	21%	21%

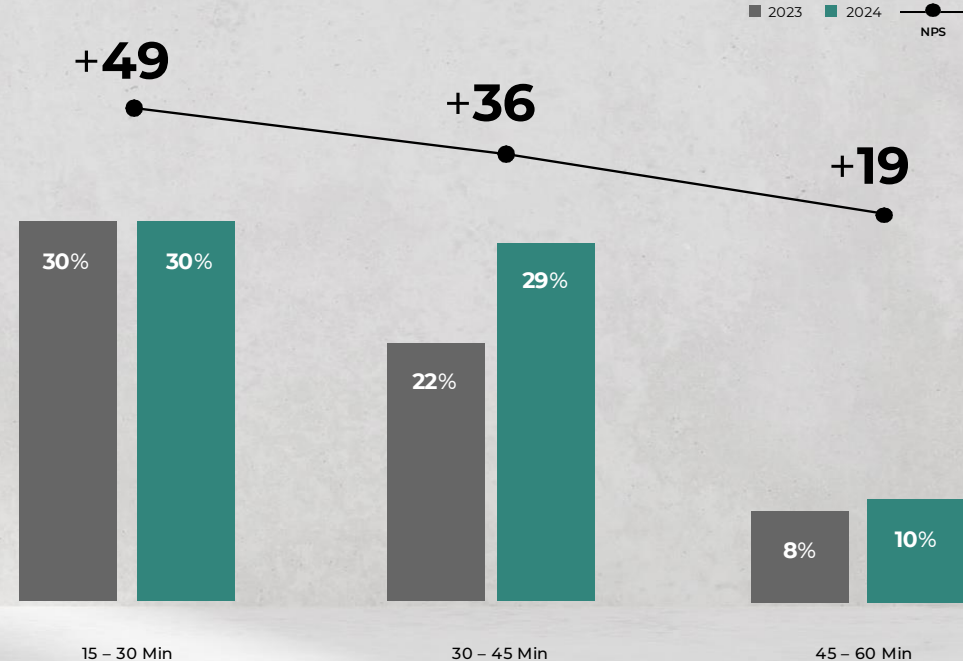
F&I Wait Times Tick Back Up

The number of customers who had to wait 30 or more minutes fell to an all-time low of **37% last year**

This year, the numbers swung back up to 49%



The optimum time waiting for F&I is 30 min. or less

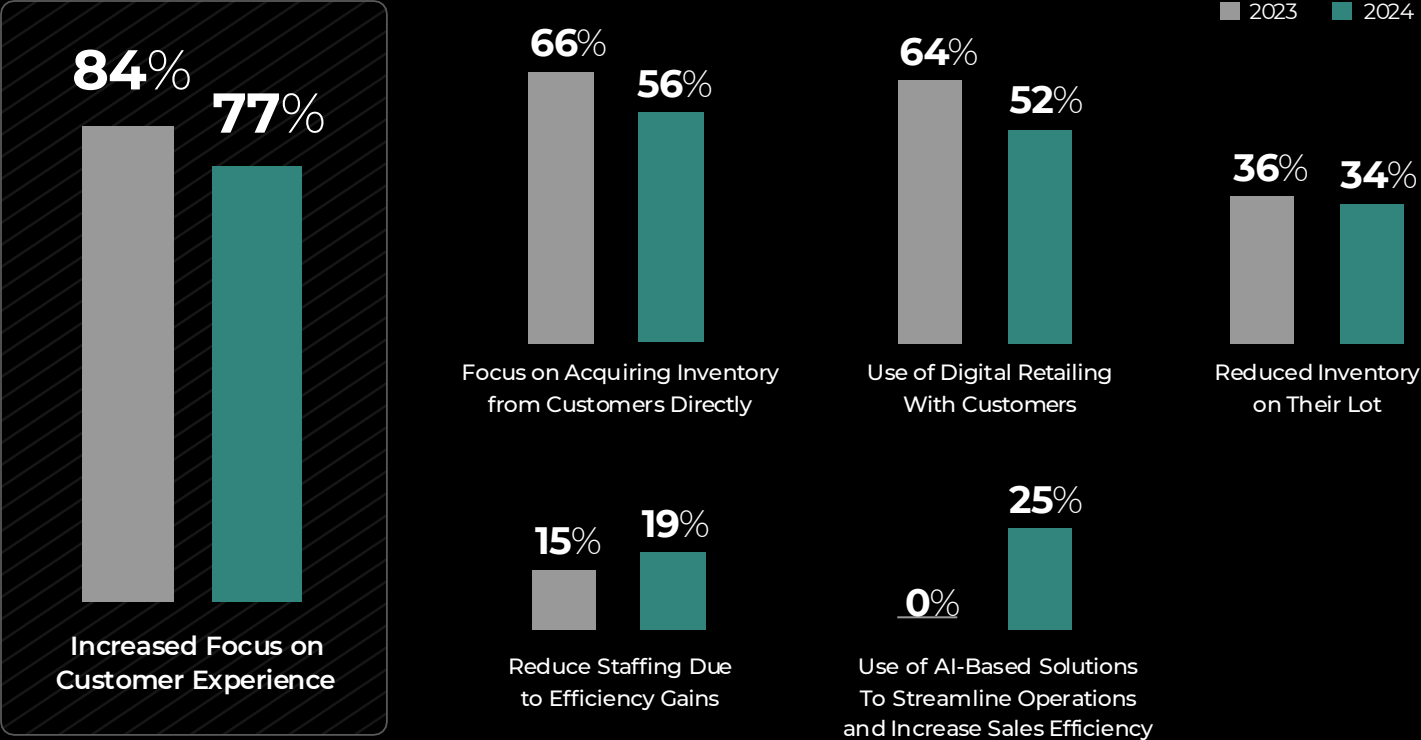


Dealers Strategic Focus for 2025

Delivering a positive customer experience ranked as dealers' #1 strategy in 2025

Big change - **1 out of 4 focusing on AI-based solutions**

STRATEGIES DEALERS PLAN TO IMPLEMENT IN 2025



Digital Retail Adoption Steady... but usage is limited

78% of dealers use Digital Retail to support Sales

but more dealers see digital retail strictly through the lens of their website

Only

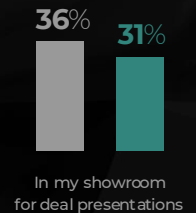
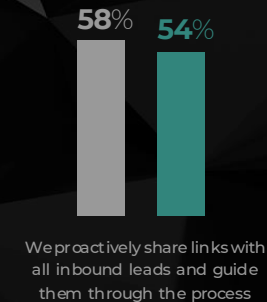
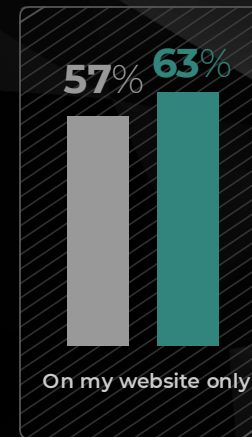
31%



of dealers incorporate digital retail into the showroom



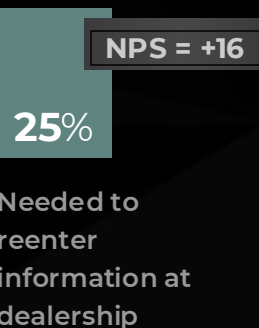
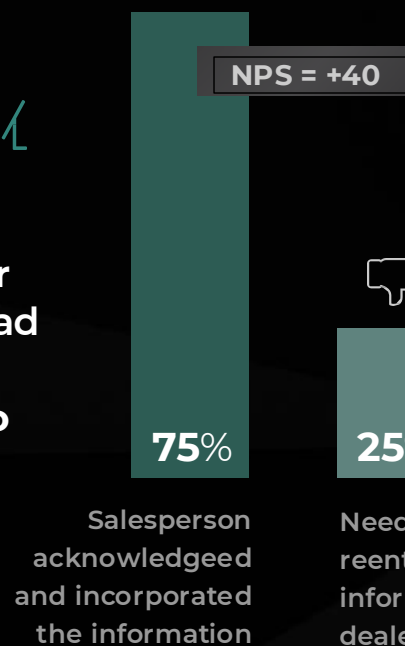
The Dealer Website Is the Most Popular Use of Digital Retailing



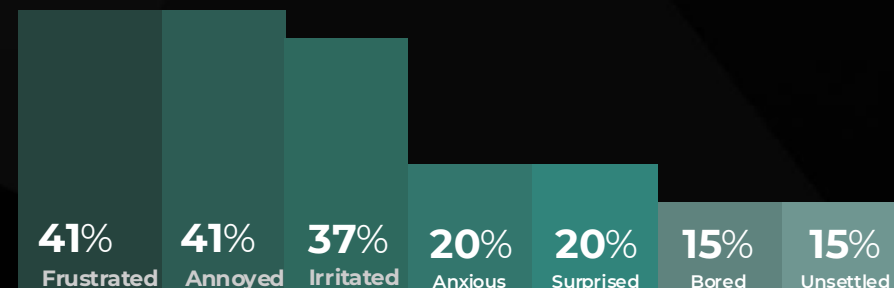
Don't Drop Shoppers' Details

75% 

of the shoppers who started their journey online had their information incorporated into the system



Words Customers said best described how they felt doing the same thing twice



Dealer Pain Points

Inconsistent Data & Lack of Integration remain top pain points

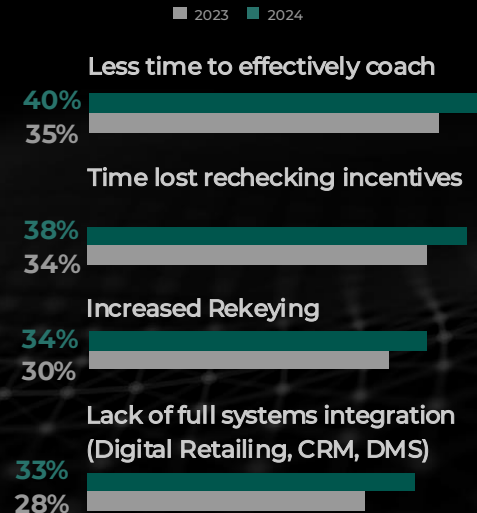
Dealers using more systems than in past

47% use 2-3 systems

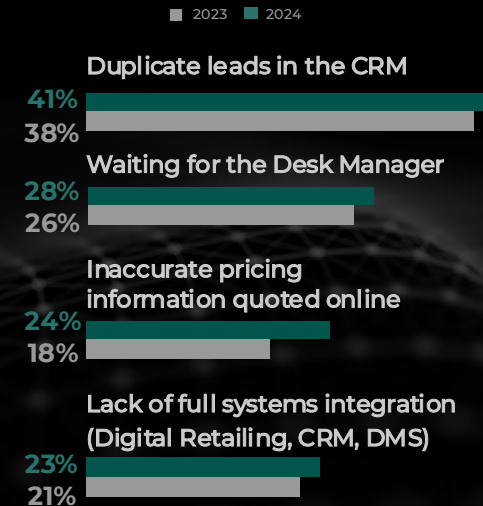
13% use 6-7 systems – more than doubled from last year



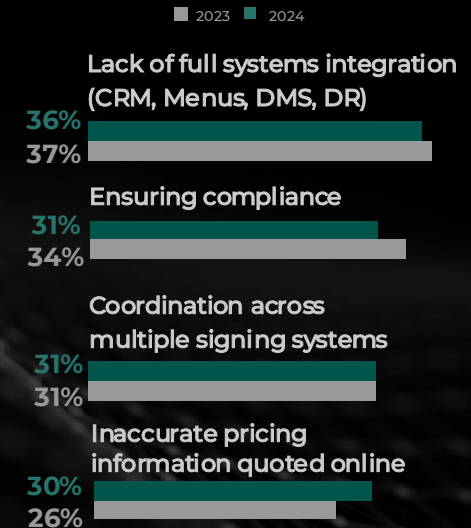
SALES MANAGERS



SALES REPRESENTATIVES



F&I MANAGERS



AI's Early Impact on Modern Retail

AI is quickly making its way into the day-to-day of Variable Operations



32% 

of dealers have
incorporated
AI-based solutions
into their operations

53% BDC

37% Sales Management

29% Sales Department

23% F&I

New Ways Dealers are Using AI

Top 5 Ways Dealers Use AI

1. **AI-powered virtual assistants for lead generation and qualification**
2. Virtual sales assistants providing real-time information to customers
3. Scheduling appointments with customers
4. Targeted marketing campaigns based on customer segmentation
5. Analyzing customer feedback to improve customer satisfaction

Lead-to-Close Ratio Improved the Most as an Impact of AI application

46%

Lead-to-close ratio

17%

F&I gross

15%

Vehicle gross

A man in a dark jacket is looking at a smartphone in a car dealership. The background shows cars and a bright interior.

Focus on
moving the
shopper...
FORWARD
FASTER

Closing Thoughts...

1. Leverage technologies like AI to save time
2. Capture and Connect the shopper journey
3. Continue to create exceptional experiences

Thank You



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