



ANALYTICS STATISTICS TRENDS

2025 Recent Trends in Automotive Dealership Profitability. Where, Why and How to Overcome the Challenges.





***IN THE PAGES BELOW, WE HAVE TAKEN A
LOOK AT KEY F&I METRICS ACROSS OUR
DEALER BASE***

OUR GOAL IS TO:



**SHOWCASE THE MOST RELEVANT INDUSTRY
TRENDS**



**HIGHLIGHT SOME POTENTIAL AREAS OF
OPPORTUNITY TO OVERCOME THESE CHALLENGES**



THE DATA

Comparing Income, Products, PVR & Penetrations



DATE RANGE

9.1.2023 - 2.29.2024

9.1.2024 - 2.28.2025



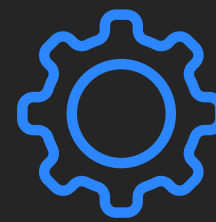
DEALER VOLUME

Over 200 dealers (202 dealerships)

& Over 250,000 units

RISING F&I PVR

A FOCUS ON OPPORTUNITY

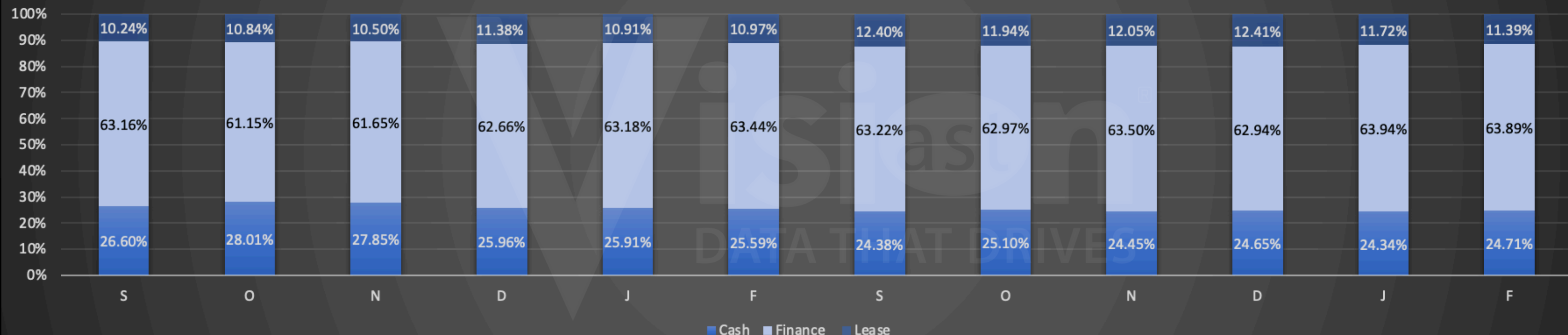


Cash and lease deals have seen the largest gains in F&I PVR. Dealers have shifted their focus to maximizing their opportunities on these deals while traditional finance deals have been largely optimized during the past few post-Covid years.

Protections for these types of deals include ancillaries such as tire & wheel, environmental, and pre-paid maintenance and can help buyers protect their investment and importantly in the case of leasing, normalize their monthly cost of driving.



Cash v Finance v Lease



Avg PVR: September 2023 - February 2024 = \$1,708.41

September 2024 - February 2025 = \$1,818.39

Avg Finance PVR: September 2023 - February 2024 = \$2,443.14

September 2024 - February 2025 = \$2,456.31

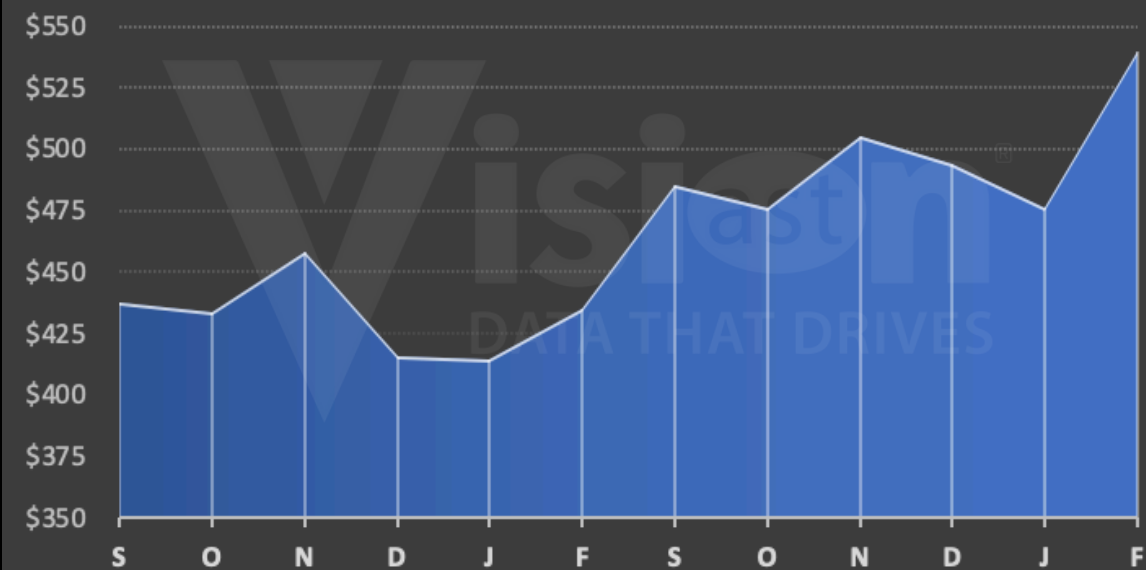
CATEGORY PENETRATIONS

\$ Cash deal penetration is down 2.05% while lease penetration is up 1.18%.

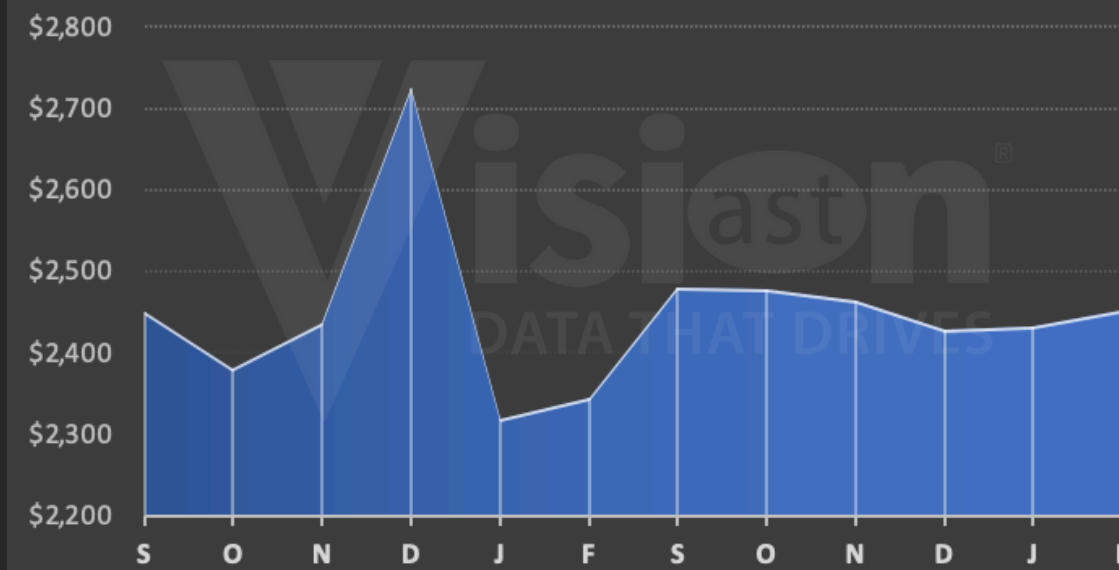
\$ VisionAST users have seen an increase of \$109.98 to the overall F&I PVR when comparing the two date ranges.

F&I PVR BY CATEGORY

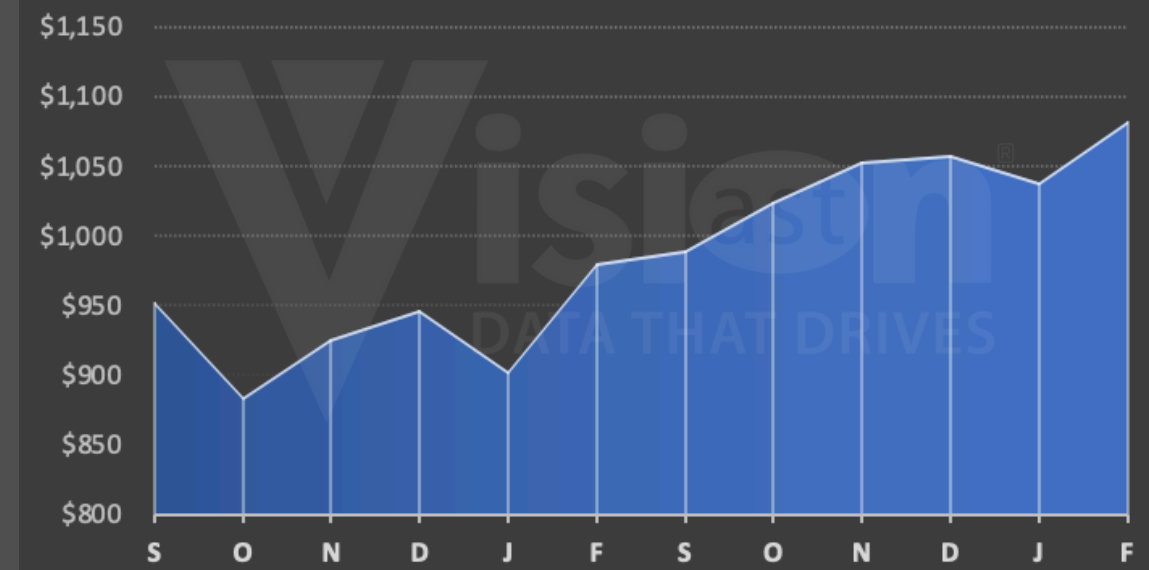
Cash



Finance



Lease



CASH

CASH BUYERS KNOW THEIR INVESTMENT NEEDS PROTECTION. SUCCESSFUL DEALERS SHOULD INTRODUCE F&I PRODUCTS EARLY IN THE SALES PROCESS.

FINANCE

PVR ON FINANCE DEALS REMAIN AT HISTORIC HIGHS THROUGH 2025

LEASE

LEASE PVR CONTINUES ITS STEADY CLIMB.

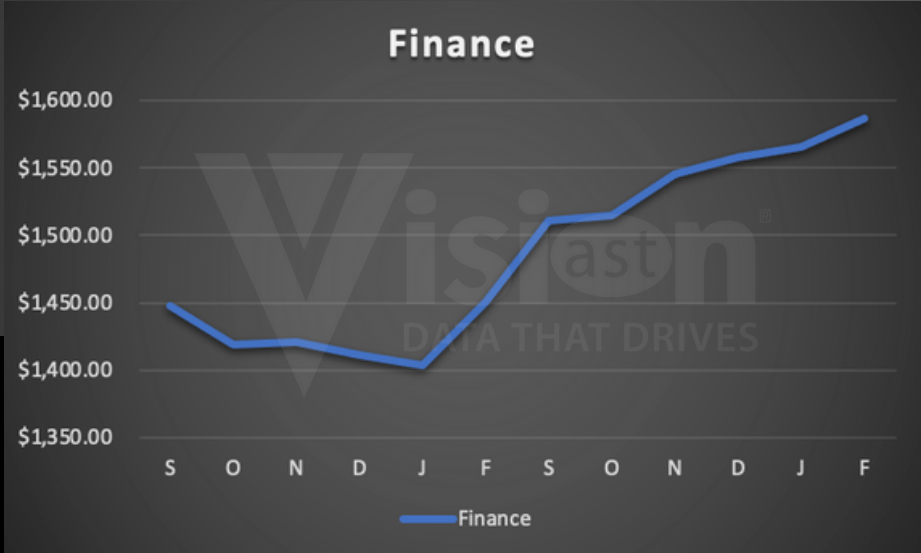
Avg VSC Profit:



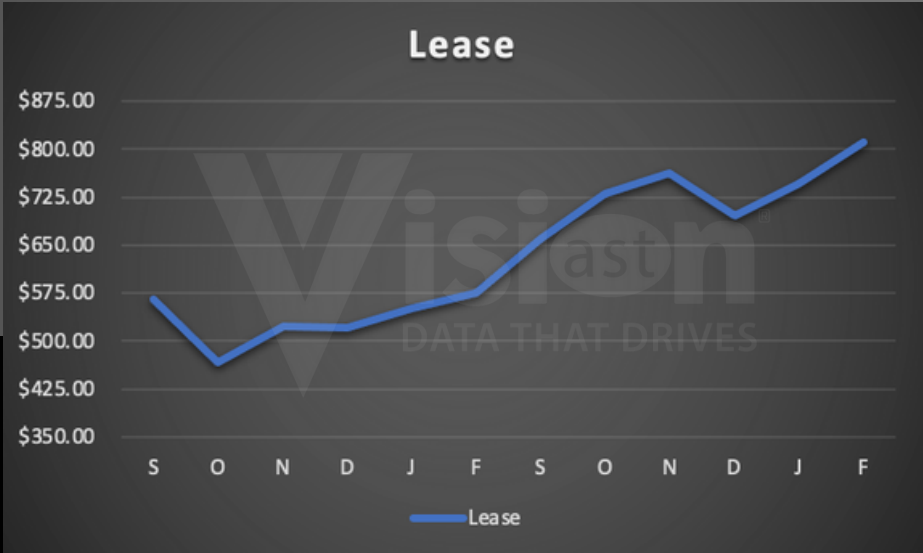
Sept 2023 – Feb 2024 = \$1,344.03
Sept 2024 – Feb 2025 = \$1,633.24



Sept 2023 – Feb 2024 = \$1,119.18
Sept 2024 – Feb 2025 = \$1,253.53



Sept 2023 – Feb 2024 = \$1,425.38
Sept 2024 – Feb 2025 = \$1,546.90



Sept 2023 – Feb 2024 = \$533.25
Sept 2024 – Feb 2025 = \$734.04

VSC INCOME BY CATEGORY

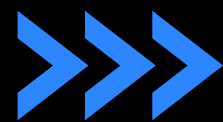


Vehicle service contracts are 2.5X more likely to be sold on a finance deal for an average increase of 60%. In addition, financed vehicles make an average of \$170.59 more than non-financed vehicles.





AVERAGE GAP INCOME

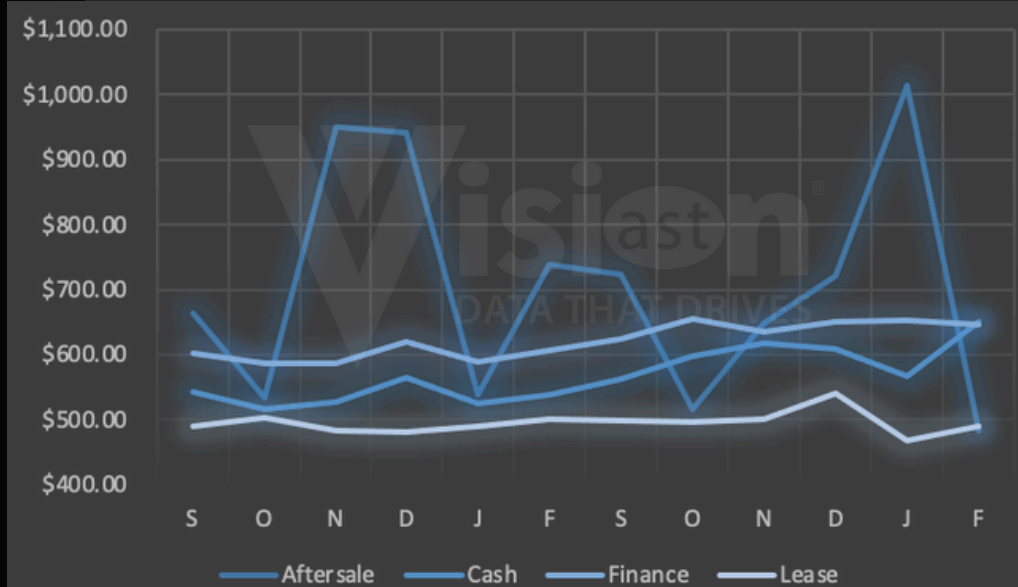


Gap Income has increased 3% (\$19.50/deal) while GAP penetration has increased 2% which is up to a product penetration of 35.39%.

GAP (Guaranteed Asset Protection) insurance is becoming more popular for several reasons:

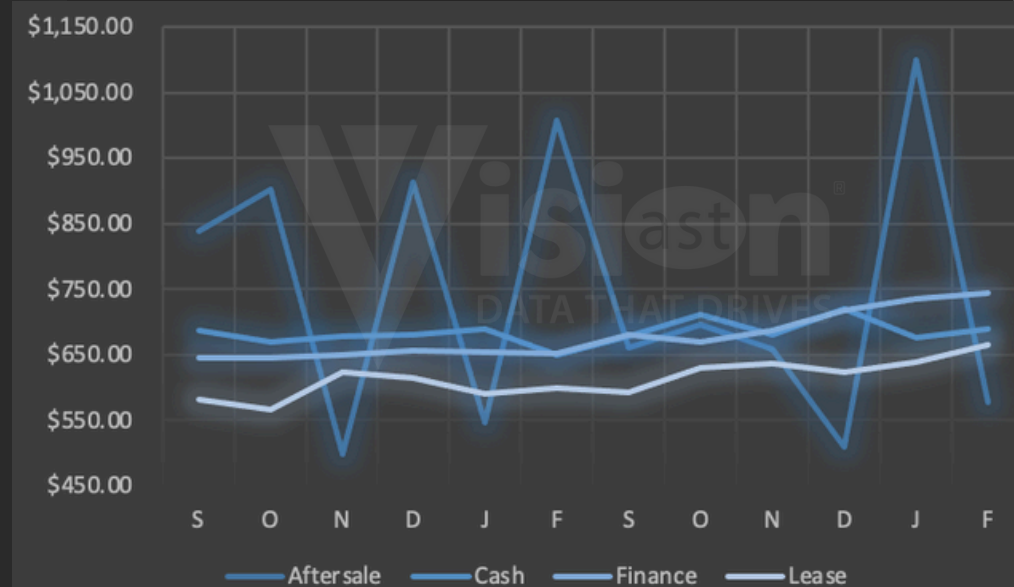
- **Rising Vehicle Prices:** As the cost of new and used cars continues to increase, many people are taking out larger loans to finance their vehicles. This makes it more likely that the car's value will depreciate faster than the loan balance, leaving buyers "upside down" on their loan (owing more than the car is worth). GAP insurance helps cover this difference if the car is totaled or stolen.
- **More People Financing Vehicles:** With more people financing vehicles rather than buying them outright, the potential gap between the loan balance and the car's market value is growing. GAP insurance can protect against this risk, making it more appealing for car buyers who are taking out loans.
- **Larger Down Payments are Less Common:** Not everyone can afford a large down payment, so many car buyers are putting down smaller amounts, which leaves them with a higher loan balance relative to the car's value. This increases the likelihood of needing GAP insurance if the vehicle is damaged or stolen.
- **Leasing Popularity:** Leasing a car is another reason why GAP insurance is in demand. With leases, the driver typically does not own the car and is still responsible for covering any difference between the car's current value and the remaining lease payments if the vehicle is totaled.

ANCILLARY AVERAGE INCOMES



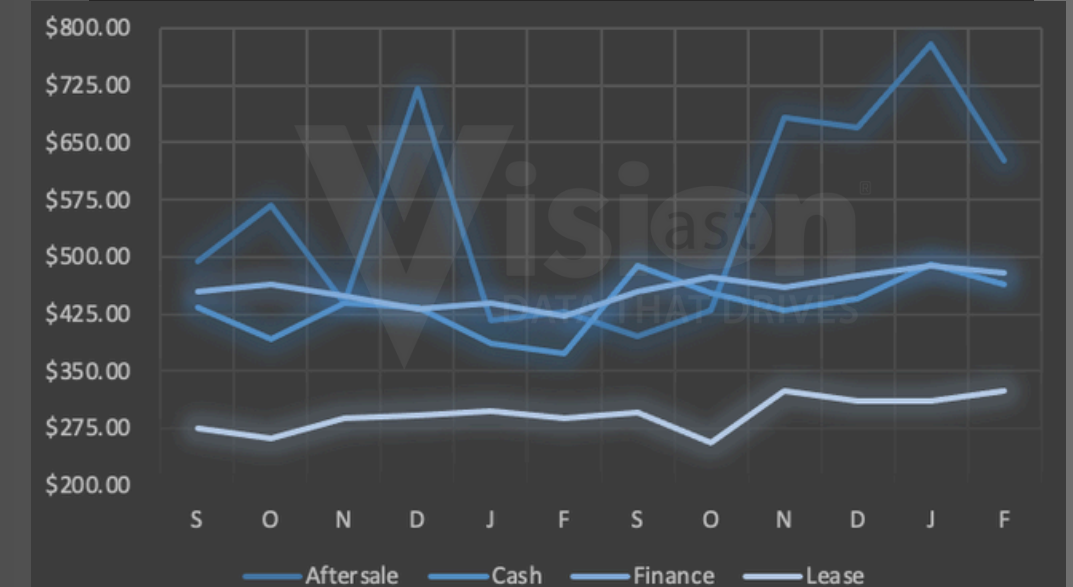
TIRE & WHEEL

T&W profitability has increased over \$37.95 since September 2023 - September 2024.



APPEARANCE

Appearance products see the most profitability increases on financed and leased vehicles, \$93.77 and \$77.43 respectively.



MAINTENANCE

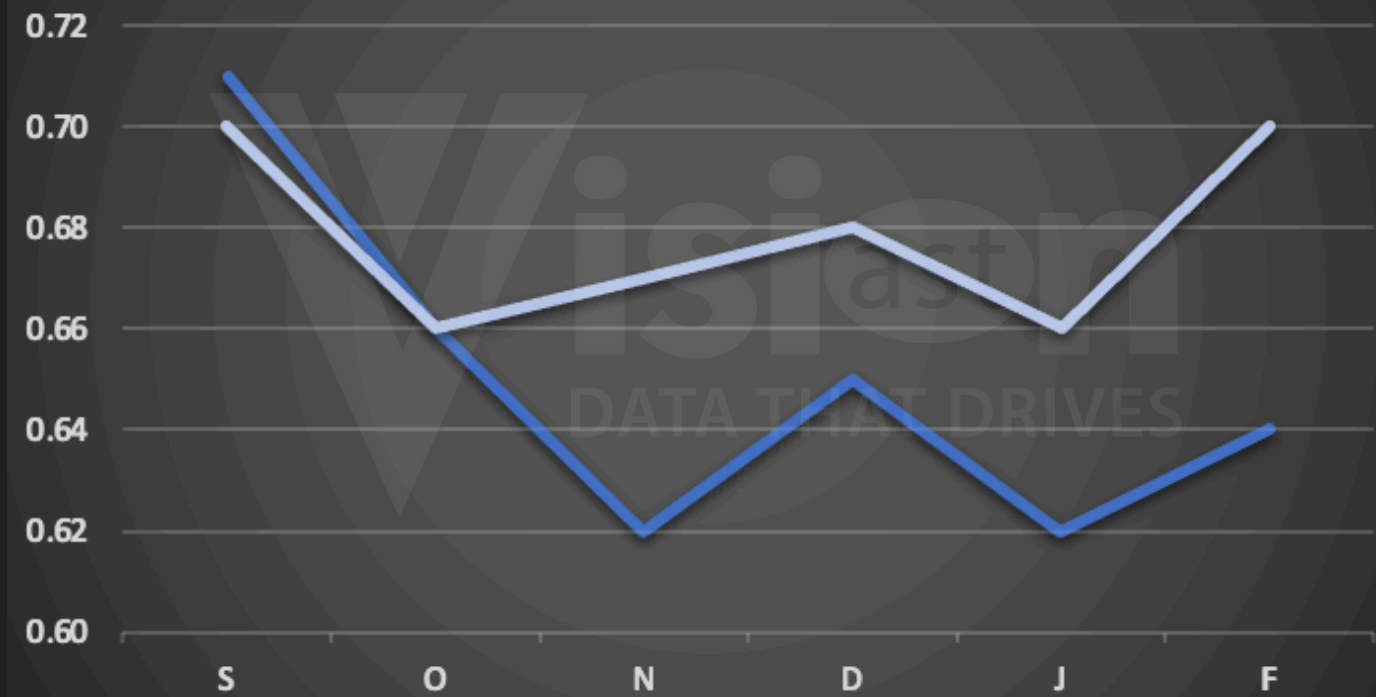
PPM income continues to increase across the board with aftersale being the most profitable deal type. An increase of \$86.14 when comparing the two date ranges.

PRODUCTS PER DEAL

Light blue indicates Sept 2024 - Feb 2025

- ✓ Products per deal has increased for all categories except finance in which it decreases by .01. Overall, we have seen an 1.5% increase in products per deal on all vehicle sales in the past 6 months.
- ✓ Despite PPD decreasing for finance deals, PVR has increased \$13.18.
- ✓ Front end sales profit has decreased \$1,352.14 since 2023 Q3; a 67% decrease to current numbers.
- ✓ 2023 Q4: 56% of all profit was generated from F&I. Currently (2024 Q4 – present) 73% of profit comes from the F&I office.

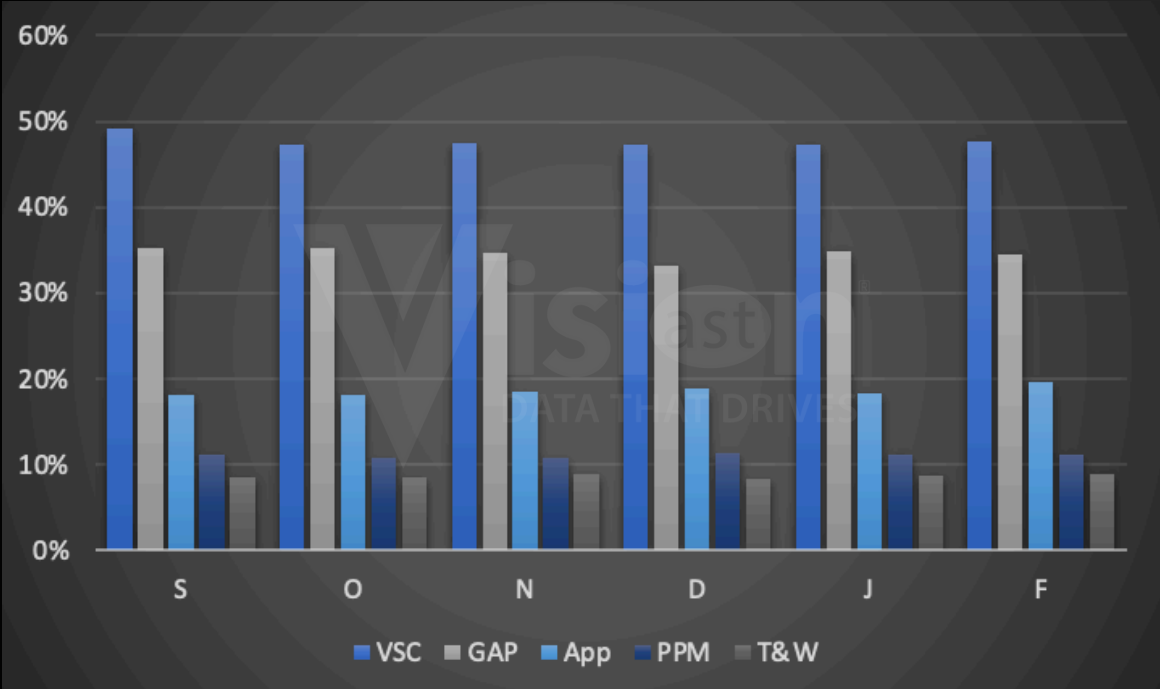
Cash



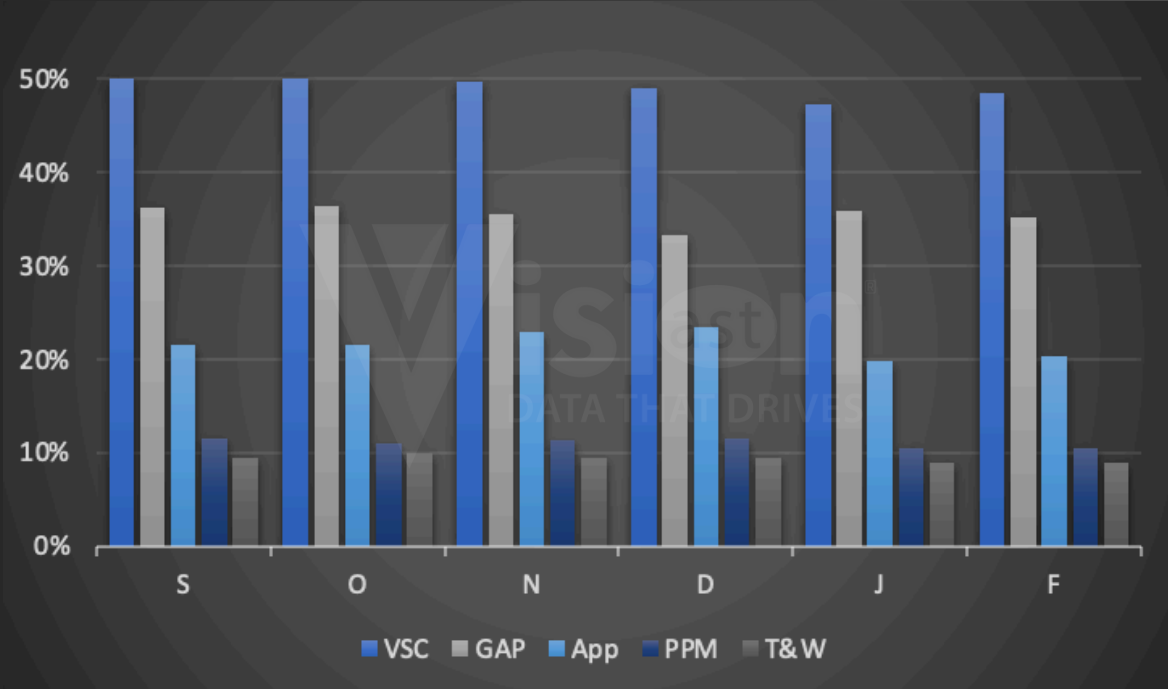
Finance



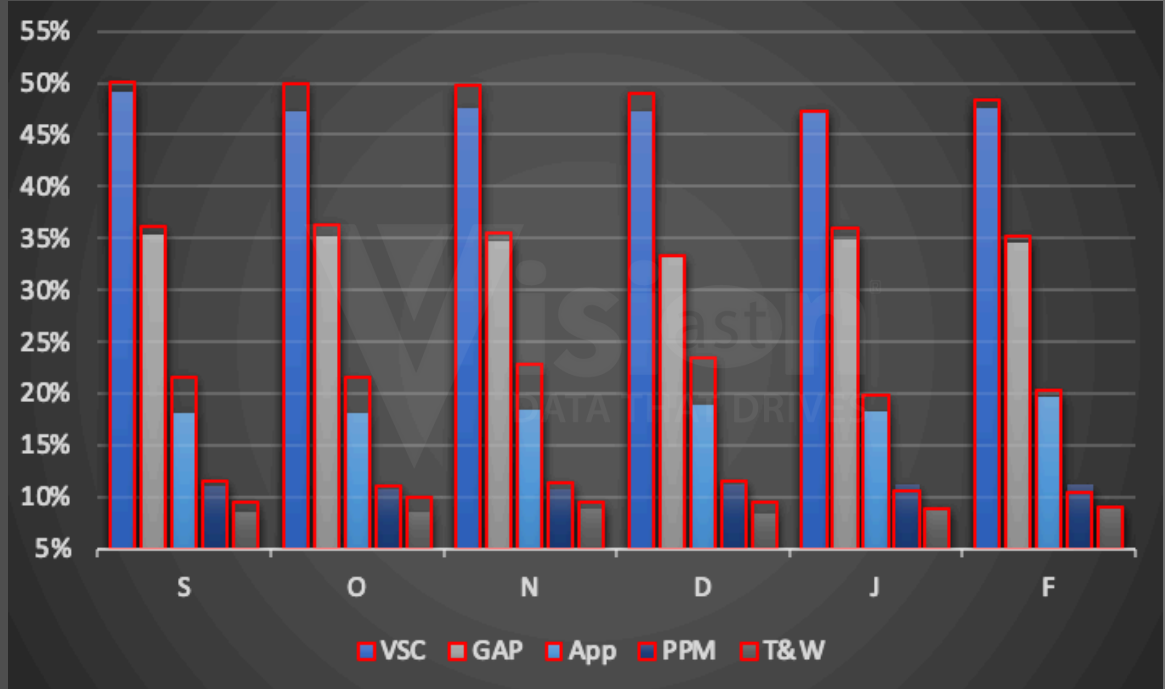
PRODUCT PENETRATIONS



SEPT 2023 - FEB 2024



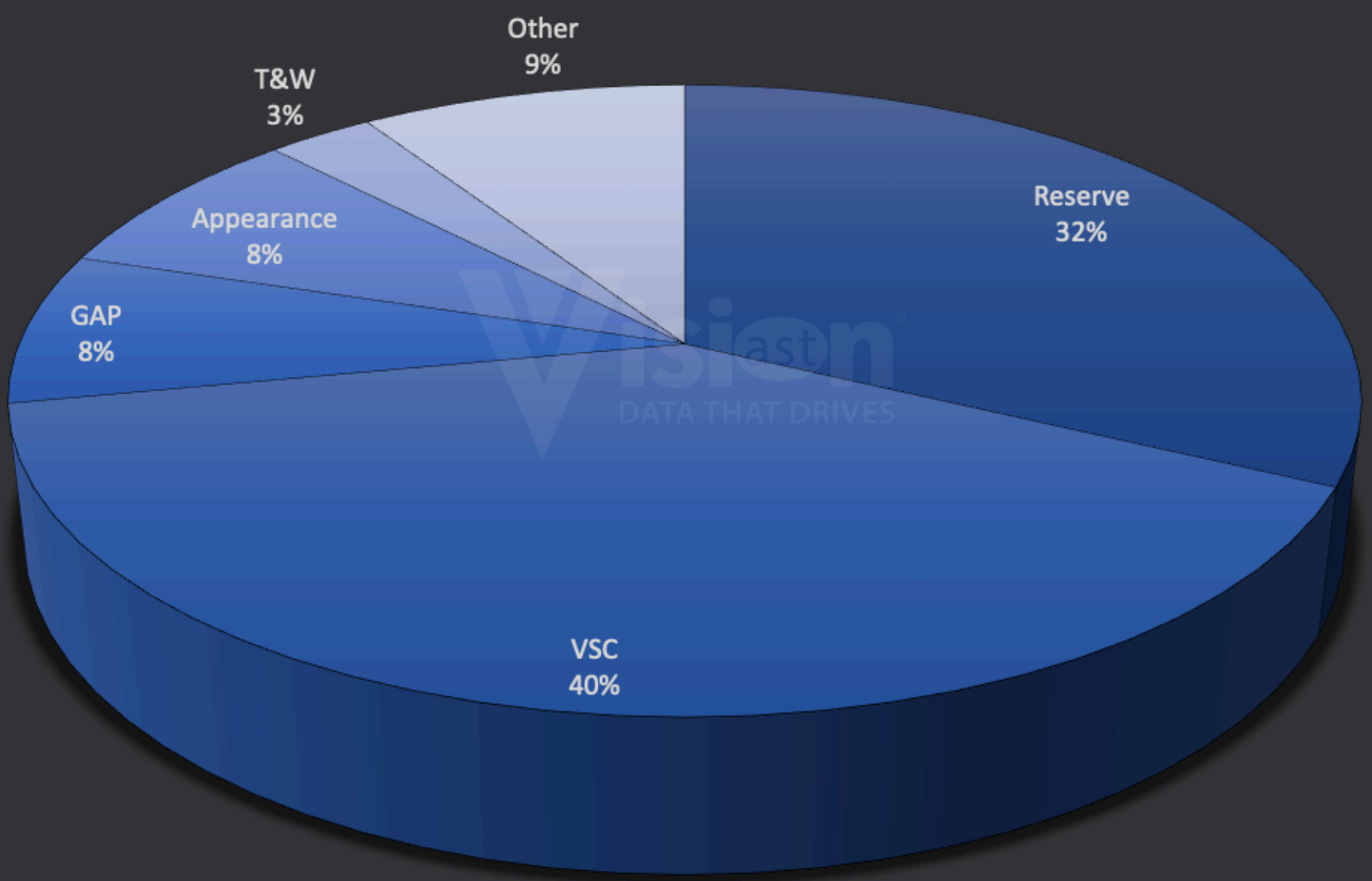
SEPT 2024 - FEB 2025



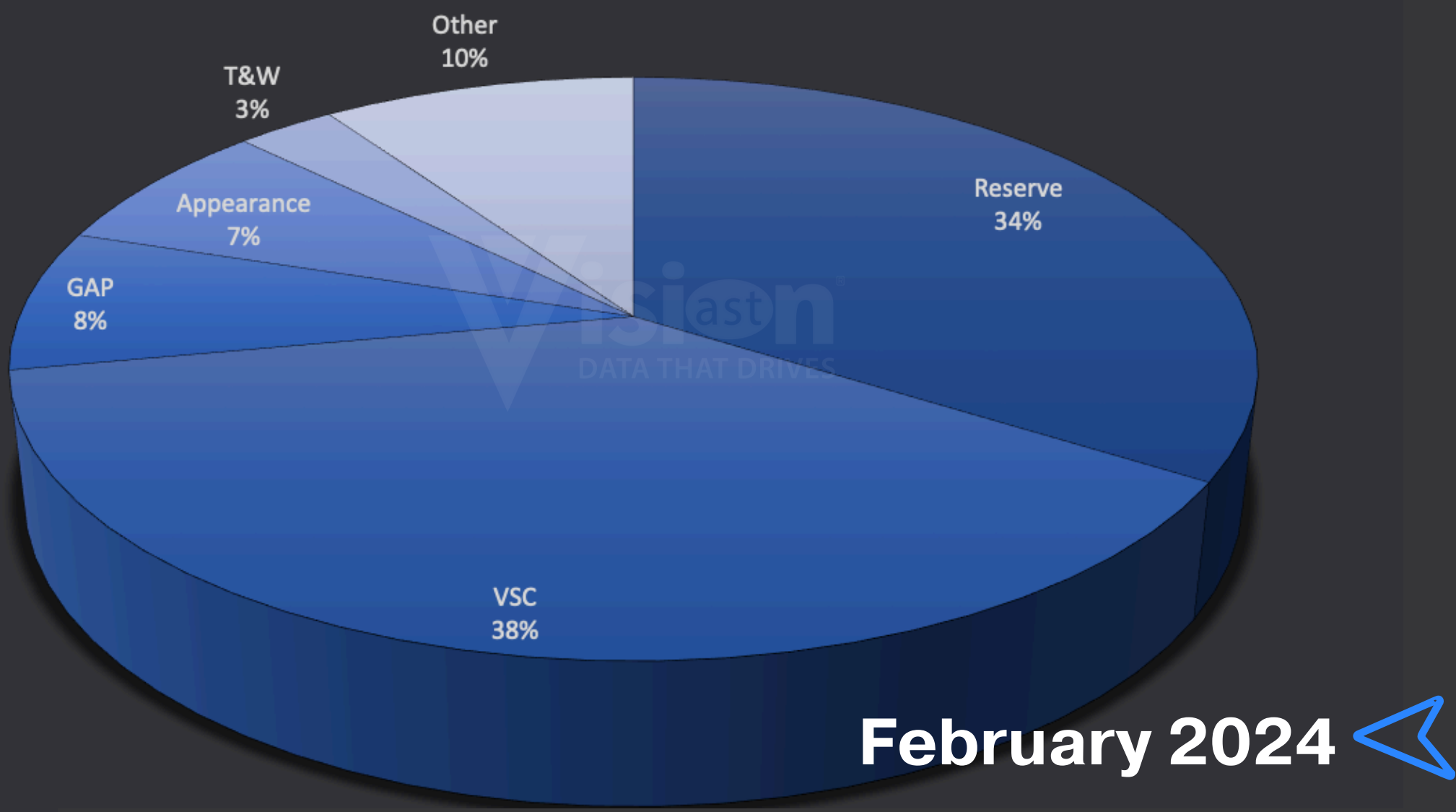
COMPARSION

 Red shows current year

F&I INCOME DISTRIBUTION



➤ February 2025



February 2024 ◀

With the increase of cash deals, bank reserve continues to decline. This positive trend indicates customers realizing greater value from their F&I dollars in the form of protective products.

Appearance is seeing increased sales and profit over the past year.

ACTION PLAN

OUR RECOMMENDATIONS



PRE-PAID MAINTENANCE

01

As front-end profits dip, service departments continue to play a vital role in dealer profitability. Pre-paid maintenance retains more service customers and also increases the likelihood that the customer will eventually return for their next purchase. Lastly, when the customer does trade in that vehicle, the dealer knows how well it was maintained and can have confidence in the quality of the vehicles being sold on the used lot.

IT'S ALL ABOUT THE F&I PRODUCTS

02

1. Use an F&I menu to present 100% of the products to 100% of the people 100% of the time.
2. Preloaded F&I products have proven to drive additional product penetration and profit. This can particularly help with higher F&I grosses on cash deals. In addition, preloading products that can't be charged back like appearance protection are good for a dealer's reinsurance position.
3. Investigate bi-weekly and product-only financing plans that foster additional product sales. Bi-weekly plans improve a customer's equity position in their vehicle more quickly, shortening the trade cycle and offering more flexible conditions for adding additional protections. Product-only financing has become important with the rise of negative trade equity capping financing options for some customers.

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WEBSITE

<https://www.visionast.com/>



EMAIL ADDRESS

support@visionast.com



PHONE NUMBER

518.693.4182

