



NADA Show 2026 and US Dealer Study Visit

Report

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NADA Membership and Industry Stakeholders



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Overview:

This report consolidates learnings from the NADA Show 2026 in Las Vegas, NV and follow-on dealer and NADA USA engagements in Washington DC and Tysons Corner, Virginia. It is designed for executives and strategic staff and focuses on practical insights, operating themes, and opportunities for NADA South Africa and Lightstone.



1. TOUR OBJECTIVES

The primary purpose of the United States visit was to deepen NADA South Africa's strategic understanding of global automotive retail trends, strengthen institutional relationships with international dealer associations, and benchmark the operational and advocacy models of the United States dealer ecosystem. The visit combined attendance at the NADA Show 2026 in Las Vegas with a series of structured engagements with the National Automobile Dealers Association (NADA USA) leadership, participation in the International Roundtable discussions, and a study tour of dealerships in Tysons Corner, Virginia.

From a strategic perspective, the delegation sought to evaluate how dealer associations in mature markets protect franchise systems, influence policy, generate sustainable revenue, and provide meaningful operational support to members. Particular emphasis was placed on understanding how NADA USA structures its advocacy capabilities, how it funds its institutional operations, and how it positions dealers to adapt to industry disruption such as electrification, artificial intelligence, evolving consumer behaviour, and new market entrants.

Another key objective was to analyse the evolving global competitive environment in which traditional automotive retailers now operate. The roundtable discussions and conference sessions provided a valuable platform to compare industry developments across multiple jurisdictions, including the United States, Europe, Brazil, China, and other international markets. These discussions allowed the delegation to contextualise South Africa's position within the broader global industry and to assess where NADA South Africa's current strategic direction aligns with international best practice.

Finally, the dealership visits formed an important component of the study tour. Observing real-world operations in high-performing American dealerships provided insight into operational discipline, financial governance, customer engagement strategies, and the practical integration of technology within retail environments. These visits served to complement the conference learning with tangible operational examples.

Primary objectives

1. Understand the operating model of US dealerships (sales, F&I, service/fixed ops, used cars, parts).
2. Identify dealership challenges and how macro-economic / global issues flow through to retail operations.
3. Observe which systems, data and technology stacks dealers use in practice (including emerging AI use cases).
4. Translate learnings into practical opportunities for NADA South Africa and for Lightstone's products and data services.

Program (high level)

1. NADA Show 2026 (Las Vegas): education sessions, exhibitor expo, networking, solution scanning.



2. Dealer visits (Tysons Corner, VA): Tysons Porsche; Koons Toyota.
3. NADA USA engagement (Capitol Hill): discussions on advocacy priorities, dealer regulation, and political strategy.





2. HIGH-LEVEL FINDINGS: THE AUTOMOTIVE INDUSTRY IN THE UNITED STATES

(ALL ENGAGEMENTS OCCURRED PRIOR TO THE LATEST MILITARY ACTIONS IN THE GULF WHICH AFFECT SOME OF THE NOTED OBSERVATIONS)

The United States automotive retail market remains one of the most mature and structured dealership environments globally. A defining feature of the US dealer landscape is the prevalence of generational dealership ownership. Many dealerships remain family-owned enterprises passed down across generations, reinforcing a long-term investment horizon and strong alignment between dealers and their communities.

Market performance in the United States has remained resilient despite affordability pressures. Rising vehicle prices have increasingly constrained consumer purchasing power, yet sales volumes have remained relatively robust. Major manufacturers such as Toyota continue to hold strong market share positions, while brands such as Hyundai have demonstrated notable growth momentum through competitive product offerings and strategic market positioning.

Despite global emphasis on electrification, internal combustion engine vehicles continue to dominate the US market and have experienced continued year-on-year growth. Hybrid powertrains are gaining popularity as a transitional technology, while full battery electric vehicles have faced slower-than-anticipated adoption in certain segments. Dealers expressed concern that regulatory ambitions in some jurisdictions may be moving faster than consumer demand and infrastructure readiness.

Another defining characteristic of the US industry is the strength of the franchise dealer model. Franchised dealerships continue to play a central role in vehicle sales, service, financing, and customer engagement. Dealers operate sophisticated operations with strong emphasis on fixed operations profitability, finance and insurance product penetration, and disciplined inventory management.

The US environment also demonstrates the importance of organised dealer advocacy. Dealers benefit from a powerful national association that actively defends their interests in legislative, regulatory, and policy discussions. This institutional strength provides the US dealer network with a level of protection and influence that is uncommon in many other markets.



3. NADA SHOW 2026 ANALYSIS

3.1. KEY THEMES FROM SESSIONS AND WORKSHOPS

Several key themes emerged from the conference discussions and exhibition floor. First, the dealer business model continues to evolve toward data-driven operations. Dealers are increasingly investing in digital tools that enhance customer experience, streamline internal processes, and improve revenue generation. Artificial intelligence, automation, and advanced analytics are becoming central components of dealership management strategies.

Second, fixed operations continue to represent the financial backbone of many dealerships. Service departments remain critical profit centres, and significant investment is being directed toward improving technician productivity, service scheduling, and parts management systems.

Third, the industry is experiencing a generational shift in customer behaviour. Younger consumers expect speed, transparency, and seamless digital engagement. As a result, dealerships are investing heavily in digital retailing platforms, online lead management systems, and customer experience technologies.

Finally, dealers are becoming increasingly aware of the need to adapt to future disruptions such as electrification, changing regulatory environments, and new vehicle distribution models.

3.1.1. The franchised dealer model is under pressure - and being actively defended

Description: A clear theme is that the traditional OEM-to-dealer sales model is being challenged, both economically and structurally. Some OEMs are exploring more direct-to-consumer approaches (for example VW Scout and Sony Honda Mobility), which puts pressure on the current franchise system.

The industry response isn't just "defending dealers because it's how it has always worked." It's increasingly being presented as a facts-and-evidence argument: that dealers are still an efficient and customer-friendly way to sell and support vehicles when you look at the full system—inventory holding, fulfilment, trade-ins, used cars, finance and insurance, and long-term service retention.

This connects to two priorities:

- Advocacy: protecting franchise laws and dealer rights.
- Operations: dealers must keep proving their value by delivering better customer experience and running more efficiently than alternative models.

Highlight: *The defence is shifting to "prove it with numbers" — using studies, cost comparisons, and measurable results, not just opinion.*

3.1.2. Customer experience is the battleground - and a 'license to operate'

Description: Customer experience (CX) is being treated as critical for the future of dealerships. If dealers don't improve CX in clear, measurable ways, it creates an opening for other models (direct-to-consumer, agency selling, online platforms) to argue the OEM can do it better.



Importantly, CX in this context means running a smoother, faster, more consistent customer journey, encompassing:

- clear standards and training,
- measuring and benchmarking customer feedback,
- consistent processes across the store,
- fast response times,
- removing friction (fewer delays, fewer handovers, less paperwork confusion), and
- better transparency for the customer.

The message is: if the dealer channel doesn't provide an efficient, modern, and more automated customer journey, someone else will try to step in and offer it.

Highlight: *CX is being framed as a survival plan: improve quickly and consistently or make it easier for disruption to take hold.*

3.1.3. Affordability is the dominant macro constraint driving strategy

Description: In the US market right now, the biggest issue isn't that people don't want cars — it's that many people can't afford the monthly payments. That means any extra cost (like tariffs, higher interest rates, or price increases) can quickly push a buyer out of the market.

Because of this, dealers are:

- focusing more on used cars and service/parts (these areas are more stable and help smooth ups and downs in new-car sales),
- working harder to convert every lead (because there are fewer buyers who can afford to proceed),
- reducing friction in the buying journey (faster responses, clearer processes, fewer drop-offs),
- being more disciplined with pricing and incentives, and
- prioritising keeping customers (service retention, repeat buying) rather than only chasing new customers.

Highlight: *The overriding concern is monthly affordability. The dealers who win will be the ones who make it easiest to buy, waste the fewest leads, and keep customers coming back.*

3.1.4. Execution, responsiveness, and Fixed Operations are now the real battleground (profit is won in the day-to-day)

Description: A strong combined message from the show is that dealerships are moving away from big "transformation" talk and focusing on tight, measurable execution—because that's where profit is now won or lost. With margins under pressure and fewer customers able to absorb friction, the best-performing dealers will be the ones that run consistent, disciplined operations and convert every opportunity efficiently.

This plays out in three connected areas:

- **Operational excellence (run the business better, every day)**
Dealers are placing renewed focus on the fundamentals: fast response times, consistent follow-up, strong appointment setting and confirmation, improving show rates, and improving close rates. They are building repeatable routines and accountability—so



performance isn't dependent on a few star staff members but happens reliably across the dealership.

- Communications as the frontline profit lever (speed-to-response = revenue)**
 Inbound calls and texts are increasingly treated as “money on the floor.” Missed calls, slow replies, and poor routing directly translate into lost appointments and lost revenue in both sales and service. Dealers are therefore prioritising systems and processes that ensure customers always get a quick response, are routed correctly, and are followed up consistently, supported by reporting that tracks contact rate, appointments set, show rate, and conversion.
- Fixed Operations as the stable engine (service retention and capacity drive resilience)**
 Service and parts are being treated as the most reliable profit pool and the main retention engine. This is where dealers can stay strong even when new vehicle volumes fluctuate. The focus is on reducing leakage (missed service calls, poor booking flow), expanding capacity, improving workflow efficiency, and keeping customers coming back. This is also where data and automation can drive the most direct action—predicting defection risk, prompting customers at the right time, and removing friction from booking and service workflows.

Across all three areas, the market signal is consistent: dealers are becoming more demanding and more practical. Vendors are being judged less on “big promises” and more on whether they improve real operating metrics—more calls answered, more appointments booked, higher show rates, better throughput, and higher retention.

Highlight: *The winning formula is becoming clear: run the dealership like a high-performance operation—respond instantly, convert consistently, and protect service retention. Small execution gains (calls answered, appointments set, show rate, close rate, service capacity) compound fast and create a real competitive advantage.*

3.1.5. AI is everywhere, but it is shifting from buzzword to ROI through workflow automation

Description: The market is moving past generic 'AI' claims toward job-defined automation with measurable impact. The highest traction use cases are practical and operational: answering inbound calls/texts 24/7, routing and follow-up, appointment setting, service booking, and reducing administrative work. AI is increasingly evaluated like a staff member: does it pick up, does it book, does it reduce missed opportunities, and does it improve throughput? This is AI as labour leverage and demand capture - not AI as a novelty.

Highlight: *Dealers are moving from experimentation to scaling AI where it saves time and captures demand (calls, texts, booking, follow-up).*

3.1.6. More specialist tools are appearing — connecting them well becomes the advantage

Description: A clear trend is that more vendors are offering small, specialist tools that solve one specific dealership job well — things like car key management, remote servicing, lead routing, reviews, website traffic tracking, service lead mining, and reconciliation workflows.



This creates a choice for dealers and dealer groups:

- Option 1: Build an advantage by connecting everything properly — fewer gaps, less double capturing, a single view of the customer, and consistent workflows across the store.
- Option 2: Pick a few areas to focus on and become excellent at those, rather than trying to do everything.

The risk for dealers is ending up with too many tools that don't talk to each other (“vendor sprawl”), which adds complexity and administrative burden.

The opportunity for technology partners is to act as the connector — improving data quality, matching customer identity across systems, triggering workflows, and measuring performance end-to-end.

Dealers are also overloaded by disconnected systems, duplicated data entry, and workflow handoffs that create errors and slowdowns. As a result, 'cut complexity' is a major positioning theme: unify data, reduce logins, automate handoffs, and build data-to-action operating models. Consolidation is happening in two ways: platforms expanding scope, and dealers deliberately rationalising processes around fewer systems that integrate well. The competitive edge shifts to orchestration - getting people, process, and systems to behave as one machine. This hasn't meant that vendors can't specialize, it means that vendors need to create value for the dealers whilst considering integration.

Highlight: *The market is breaking into lots of 'jobs' solutions, so the winners will be the ones who can integrate and run them together smoothly. Less complexity, more outcomes is becoming the default buying logic - platforms win when they reduce friction across the store.*

3.1.7. Marketing is changing: people decide before they become a “lead”

Description: More and more customers make up their mind before they ever fill in a website form or send an enquiry. They research online, compare options, watch videos, read reviews, and form opinions long before a dealership gets their details.

Because of this, dealers are putting more focus on:

- being easy to find online (good SEO and strong website presence),
- building trust through ratings and reviews (especially important for younger buyers), and
- showing up where customers spend time (social media and content that answers questions and builds confidence).

The key point is that marketing success isn't just “how many leads did we get?” It's also:

- whether customers can find you,
- whether they trust you, and
- and whether the people who do enquire are serious and ready to buy.



This means dealers need better tracking of what works: which channels bring high-intent customers, which messages build trust, and what content turns interest into action.

Highlight: *Trust and visibility now matter as much as lead volume. Reviews, reputation, and content shape demand before the customer ever contacts the dealership.*

3.1.8. EVs and regulation are a constant pressure shaping dealer strategy

Description: EVs came through less as “excitement in the showroom” and more as a policy- and economics-driven change. The big issues are affordability, charging infrastructure, compliance requirements, and business risk during the transition.

This links to wider regulations that affect dealerships, such as:

- tariffs and trade rules,
- right-to-repair,
- who controls vehicle data (telematics/data access), and
- emissions and environmental rules.

Dealers and dealer associations increasingly treat regulation like a day-to-day business factor, because it influences pricing, what products are sold, how service will work in future, and even how strongly the franchise dealer model is protected.

It also seemed clear that EV volumes are being influenced more by legislation and incentives than pure consumer pull. When EV support is reduced or removed, demand can drop quickly — for example, when EV tariff benefits were removed, market share fell noticeably (around 15% to 8%).

Highlight: *EVs are being pushed by regulation more than customer demand — and they are changing dealer economics, affordability, and regulatory risk more than everyday retail excitement.*

3.1.9. Innovation “showpieces” matter — even if dealers aren’t buying them yet

Description: Big, attention-grabbing “future mobility” ideas and dramatic new tech often get a lot of focus at NADA. Even if dealers won’t use or buy these solutions soon, they still matter because they help shape the industry story.

These showcases:

- influence what people think is “coming next” and what feels unavoidable,
- attract investor and media attention, which then shapes which technologies get funding and grow faster,
- push dealers to modernise sooner (even in practical areas), because it creates pressure to keep up, and



- remind everyone that new technology doesn't succeed only because it's clever — it also depends on regulation, safety requirements, and whether it can be rolled out at scale.

In short: treat these innovations as “watch items”. They affect customer expectations and the language leaders use about the future, even if they aren't immediate dealership priorities.

Highlight: *Innovation showpieces are a useful signal: they show where attention, money, and future regulation are heading — and they often speed up investment in real dealership problems like service, communication, and efficiency.*

3.1.10. Dealers are learning through testing — and sometimes investing early

Description: Dealer groups are increasingly trying new technology in a more practical way. Instead of committing to big, long projects, they prefer to test ideas in small pilots, work with partners, and learn through real-world results.

Some groups are even taking it a step further by getting involved in a venture-capital way — meaning they test tools early and may invest in them if they see strong value.

This shows two things:

- Dealers are willing to help shape solutions (“co-create”) when the ROI can be proven quickly.
- The preferred approach is test first, then roll out widely — rather than running multi-year transformation programmes.

It also creates an opportunity to run experimentation properly: set clear success measures, do controlled rollouts, and create repeatable playbooks that can be applied across multiple dealerships.

Highlight: *The new pattern is pilot → prove → scale, and some dealers even invest in the tools that perform well in their tests.*

3.2. EXHIBITORS: PROCESS CATERGORIES AND 'JOBS TO BE DONE'

3.2.1. Executive takeaways

- Most exhibitors were selling practical operational improvement rather than “big reinvention”: higher conversion, faster follow-up, more service capacity, and better decisioning.
- Fixed Operations (service) was a dominant profit-protection theme: solutions expanded capacity (mobile service), reduced friction, and protected margin.
- Vehicle intelligence and trust layers remain strategic: history, VIN enrichment, risk indicators, and valuation signals are central to acquisition, pricing, and consumer confidence.
- AI was everywhere, but mainly as an automation layer attached to workflows (calling, follow-up, booking, reputation response, reporting) to compensate for human inconsistency and labour gaps).



- The recurring opportunity is to supply the data signals and benchmarks that make these workflows measurable, targeted, and scalable in South Africa.

3.2.2. What dealers are buying (jobs-to-be-done view)

From a functional perspective, the exhibition floor clearly illustrated the specific operational challenges that dealers are attempting to address. Dealers are purchasing solutions that improve lead generation, optimise inventory management, enhance finance and insurance penetration, streamline service department workflows, and strengthen customer relationship management.

Many of the solutions being adopted focus on automating repetitive tasks within dealerships. Artificial intelligence applications are increasingly being used to manage inbound calls, respond to customer inquiries, schedule service appointments, and analyse customer data to improve sales conversion rates. These technologies are intended not only to improve efficiency but also to enhance the overall customer experience.

Another major area of investment relates to digital marketing and online reputation management. Dealers recognise that attention in the digital marketplace is increasingly difficult to capture, and many are investing in tools that help amplify their presence across social media platforms and online marketplaces.

3.2.3. Focused exhibitors (deep engagement)

Curbee: Mobile service orchestration to add capacity without new bays (call routing, communications, technology workflow).

Car Keys Express: Fixed Operations margin protection through faster, cheaper key replacement (in-house/mobile fulfilment).

MotorDNA: Vehicle intelligence hub: VIN/build data, recall alerts, scoring and embedded insurance positioning.

GoodCar: Vehicle/ownership intelligence and enrichment (positioned as more data-rich alternative to LIVE).

Carfax: Vehicle history trust layer supporting acquisition confidence and merchandising credibility.

RealTime Feedback: Reputation and CSI automation: review capture, negative interception, response discipline, reporting.

RouteOne: F&I workflow rail: credit apps, lender routing, compliance workflow and deal execution.

ACV: Used acquisition and liquidity ecosystem (appraisal confidence and disposition options).

OpenLane: Wholesale marketplace enabling faster remarketing and inventory turn.



4. OVERVIEW OF DEALER VISITS (TYSONS CORNER, VIRGINIA)

The study tour included visits to several dealerships in Tysons Corner, Virginia, which provided valuable operational insights into how high-performing dealerships operate within the US franchise system.

One of the most notable observations was the level of operational discipline present within these dealerships. Management teams demonstrated a strong focus on financial governance, process standardisation, and performance monitoring. Daily operational meetings were common, particularly within service departments, where work-in-progress vehicles were reviewed and operational bottlenecks addressed.

Customer experience was another area of strong focus. Dealership facilities were designed to be welcoming and transparent, with many dealerships encouraging customers to view service operations directly. Loan vehicle programmes and efficient service appointment scheduling systems were used to minimise customer inconvenience.

Inventory management practices were also highly structured. Dealers maintained careful oversight of vehicle stock levels and closely monitored sales performance to ensure that inventory was replenished in alignment with demand trends.

These dealership visits highlighted the importance of disciplined operational processes, strong leadership, and effective use of technology in achieving sustained dealership performance.

4.1. DEALER PROFILES

Dealer 1: Koons Tysons Toyota (high-volume, process + penetration)

Koons comes across as a high-throughput Toyota retailer that runs used cars and F&I like a production system.

What they sell / how they position

- Shop-your-way convenience: online or in-store purchasing, virtual walkarounds, and in-home test drives.
- Pre-owned confidence signals: a 7-day exchange policy on pre-owned vehicles and free vehicle history report messaging; supported by a broader Koons service footprint.
- Financing positioned as straightforward: pre-approval tools and “financing to fit your budget.”

How they operate (from visit notes)

- Used processes and velocity: 500 new / 200–300 used in stock; 55% trade-ins; 14-day turnaround; target 1:1 new:used but currently 0.61:1.
- Certified focus at scale: 1,200 certified/year plus non-certified volume; significant non-Toyota used mix.



- F&I/VAP as the profit system: high penetrations (warranty 51%, GAP 53%, tyre and wheel >70%, prepaid maintenance 70%). Disciplined compliance: present 100% of products to 100% of guests; bundling/packing; drag-and-drop menu building.
- Tech stack: Tekion plus RouteOne; 30+ bank approvals.
- Consumer reality: customers research online, but most deals still close in-store; customers are referred to as “guests.”
- EV demand softening: EV share down from ~12% to ~8% in 2025 (as observed).

In one line: *Koons Toyota is a scale dealer optimising used supply, speed, and F&I attachment, wrapped in a “shop-your-way” convenience promise.*



Dealer 2: Porsche Tysons Corner (premium brand experience and service capability)

Porsche Tysons Corner presents as a luxury performance retailer with strong emphasis on brand experience, electrified product guidance, and premium service.

What they sell / how they position

- Part of Penske Automotive Group, serving the DC metropolitan area with new, pre-owned, and Porsche CPO inventory.



- Electrified performance guidance (e.g., Taycan/Macan Electric), with customer education on charging/battery considerations.
- Premium service positioning: factory-trained technicians, genuine parts, advanced diagnostic tools, and customer mobility support such as shuttles and loan vehicles.

How they operate (from visit notes)

- Scale and structure: ~45 employees; part of a larger dealer group (shared service area noted).
- Macro pressure and supply volatility: tariffs headwinds; stock disruptions affecting price commitments and discounting decisions.
- Used car ecosystem tools: RapidRecon, Carfax, ACV; CarMax used as a market reference; trade-in then dealer trade then auction; vAuto for demand/pricing intelligence.
- Finance and floorplan discipline: floorplan economics shape behaviour; mix of cash and finance preference; lenders include PFS/Chase.
- Lead creation: Impel AI plus web and service data signals to generate leads.
- Experience measurement: Customer Excitement Score (short survey) tied to quarterly outcomes.
- Service operational reality: high loan vehicle demand; parts delays as a constraint; EV repairs are long-cycle and costly; warranty claims require rich evidence (video/sound/documentation).

In one line: *Porsche Tysons Corner is a premium, experience-led dealership optimising brand trust and service excellence, while using sophisticated used/auction tooling behind the scenes.*





Generalised view: what these two dealers tell us about how Virginia, US dealers run

Despite very different brands and customer segments, the underlying operating model is consistent across both dealers.

4.1.1. Dealers optimise a triangle: Inventory × Attention × People/Process

- Inventory: replace what you sold, manage used supply, and minimise days-to-frontline and days-to-turn.
- Attention: customers research online, so dealers invest in digital merchandising and lead capture, but the store still closes.
- People and process: standardised workflows (sales to F&I to delivery) and disciplined execution drive consistency.

4.1.2. Used cars are treated as a supply chain, not just a sales department

- Acquisition sources, reconditioning throughput, pricing governance, and retail readiness are managed as operational KPIs because they determine profit and cashflow.

4.1.3.) F&I and protection products are industrialised

- High attachment is driven by menu discipline, value framing, and bundling, with strong compliance emphasis (e.g., present everything to everyone).
- Even premium dealers run add-ons; the difference is tone and packaging.

4.1.4. Service is a profit engine constrained by customer mobility and parts

- Cycle time is shaped by loan vehicle availability and parts waiting times, not just technician capacity.
- EV repairs can add long-cycle jobs, specialist dependency, and higher cost exposure.

4.1.5. Tech stacks are broad; the real gap is orchestration

- Dealers use many point solutions (platform/DMS, finance routing, pricing, reconditioning, auctions, history, AI lead tools).
- The pain is integration, data consistency, and having a single operational view across departments.

Noted best practices

Translating these patterns into practical solutions:

- Used velocity platform (acquisition → reconditioning → frontline → pricing governance).
- Compliant digital F&I / VAP menu offerings (100% presented, 100% recorded, bundles, audit trail).



- Service cycle-time orchestration (parts ETA visibility plus loan vehicle scheduling plus proactive customer communication).
- Warranty evidence capture workflows (mobile-first capture, auto-attach to Repair Order, claim-ready packs).

Dealer operating cockpit layer to unify KPIs across DMS/CRM/service/used/F&I.

4.2. STAND-OUT INSIGHTS – 3 EXAMPLE PROCESS TREES

4.2.1. Inventory tree (supply → ready-to-sell → sold)

Goal: *“Replace what you sold yesterday” and keep days-to-turn healthy.*

The simple workflow

Step 1: Get enough cars in (Supply)

The dealer must constantly replace what they sell (“sold yesterday, replace today”). That depends on:

- Trade-ins: how often customers trade a car in when they buy.
- Other buying channels: buying cars from the service lane, the sales floor, online “instant offers”, and auctions.
- Appraisal capacity: how many cars the team can inspect and price each day.
- Buy rate: of all the cars they appraise, how many they actually end up buying.

If you can’t buy enough cars, you can’t sell enough cars.

Step 2: Fix and prepare the cars (Reconditioning / “Recon”)

Once a car is bought, it must be reconditioned so it’s ready for retail. Key levers:

- How quickly recon starts after purchase (don’t let cars sit).
- How long recon takes (hours/days).
- Parts availability: delays here stall everything.
- Cost accuracy: whether recon costs are controlled and close to the estimate.

Recon is often the biggest hidden bottleneck.



Step 3: Get cars to the frontline (Retail-ready)

This is the “ready-to-sell” stage. Dealers track:

- Days-to-frontline: time from buying the car to it being listed/on the floor.
- Retail-ready percentage: how much of your stock is actually sellable today.
- Certified conversion rate: how many eligible cars become certified (often higher margin/trust).
- Days-in-inventory / days-to-turn: how long cars sit before selling.
- New: Used ratio: whether the dealership has the right mix of new vs used versus its target.

The faster cars become sellable, the healthier the business.

Step 4: Sell and manage profit and funding cost (Sales output)

Finally, the dealer measures:

- Units sold (new/used/certified).
- Front gross per unit: profit on the vehicle itself (before F&I).
- Floorplan exposure: the cost of funding inventory—especially as cars age (interest triggers after certain days).

Old stock doesn’t just sell slower — it costs money every day.

Quick diagnosis rules (very practical)

- If the used ratio is low, the problem is usually:
 - not acquiring enough cars, or
 - recon can’t process cars fast enough.
- If days-to-turn is high, the problem is usually:
 - pricing isn’t being adjusted fast enough, or
 - recon/parts delays are keeping cars stuck.

4.2.2. Attention tree (reach → leads → appointments → shows)

Goal: *Create demand efficiently (Hundley: shift toward “paid organic content”).*

The simple workflow



Step 1: Create attention (get in front of shoppers)

You control four main levers:

- Content cadence: how often you post (and especially video). More consistent content = more chances to be seen.
- Paid boosting: spending money to push your best content to the right people (not just generic ads).
- Website quality: your inventory pages must be fast, easy to use, and trustworthy—because shoppers judge you here.
- Response time: how quickly you reply to enquiries (minutes matter).

If you don't win attention, you don't get leads.

Step 2: Convert attention into leads (people raising their hand)

Now you measure what attention produces:

- Leads by source: where leads come from (organic/social, paid ads, marketplaces, OEM, service lane).
- Cost per lead (CPL): what each lead costs, per source.
- Lead-to-contact rate: how many leads you actually manage to reach (many go cold).
- Contact speed: how quickly you contact them after they enquire.

A lead you don't reach quickly is basically a lead you lose.

Step 3: Turn leads into appointments (and make them show up)

This is where most dealers win or lose:

- Appointment set rate: of the people you speak to, how many agree to a visit/test drive.
- Show rate: of the appointments set, how many actually arrive.
- Cost per appointment: what you're spending to get a real "body in the showroom."

Appointments are the best predictor of sales — not leads.



Quick diagnosis rules

If leads look healthy but sales are low, the problem is usually:

- poor appointment setting,
- low show rate, or
- weak in-store process once the customer arrives.
- If appointments are low, the problem is usually:
 - the attention mix (wrong message/channel/content), or slow/poor lead handling (not contacting fast enough or not reaching people).

4.2.3. People and Process tree (activity → conversion → F&I)

Goal: *Simple, consistent process; manage by inputs.*

This workflow is basically the dealer's "turn interest into a sale" system, and then the "add value and profit in F&I" system. It breaks the dealership's commercial engine into two ladders:

Sales conversion ladder (from shopper → buyer)

What the team controls (inputs)

- These are the daily actions that drive results:
 - Cars-in-front per salesperson per day: how many real customer interactions each salesperson gets (walk-ins and appointments and call-ins).
 - Leads worked per day: how many enquiries they actively handle.
 - Appointments set per day: how many visits/test drives they book.
 - Follow-up compliance: whether they do the calls/texts/emails after the first contact.

What management measures (outputs)

These show how well the process converts:

- Lead → appointment rate: how many leads become booked visits.
- Appointment → show rate: how many booked visits actually arrive.
- Show → sold close rate: how many people who arrive buy.
- Sales per salesperson: productivity.
- Time-to-close: how long it takes to finish a deal (speed matters).



Hundley's "conversion math" (simple diagnostic)

Hundley's "conversion math" is a simple way to run the sales floor by controlling daily activity inputs and tracking how they convert into sales. (Cars in front per salesperson per day → Appointments per day → Leads worked per day → Cars sold per day).

What each part means

- Cars in front: how many real customer interactions a salesperson has (walk-ins + appointments + call-ins).
- Appointments: how many showroom/test-drive visits they book.
- Leads worked: how many enquiries they actively contact and follow up.
- Sold: how many deals they close.

The point - *Dealers often argue the "right numbers," but the value is that it:*

- forces the team to agree on their funnel,
- makes performance measurable, and
- makes it clear whether you need more traffic/appointments or better closing/process.

In practice, if sales are down, Hundley would ask:

"Is the problem that you don't have enough cars in front of salespeople today, or that your conversion from shows to sold is weak?"

It's a way to force clarity:

- Cars in front/day → appointments/day → leads/day → sold/day
- Dealers may argue the exact ratios, but the point is: if you don't know your conversion maths, you can't manage performance.

F&I / VAP attach ladder (from sale → profit and protection)

What the dealer controls (inputs)

- Menu compliance: every customer is shown every product ("100% shown to 100%").
- Menu design: smart packaging/packs, and clear value framing (not confusing lists).
- Lender coverage and speed: enough banks, quick approvals.
- Document friction: how easy the paperwork is (e-sign, identity checks, handoffs).



What they measure (outputs)

- Finance penetration percentage: how many customers take finance.
- Product penetration: how many take a warranty, GAP, tyre/wheel, prepaid maintenance, etc.
- Products per deal (PPR): how many add-ons per sale.
- F&I gross per unit: profit contribution per vehicle.
- Chargebacks/cancellations: whether products cancel later.
- Compliance exceptions: audit or regulatory misses.

Quick diagnosis rules

If close rate is weak, it's usually one of:

- inconsistent process (people skipping steps),
- skills/coaching gaps,
- poor lead quality (wrong customers coming in).

If VAP penetration is weak, it's usually one of:

- weak menu discipline (not presenting consistently),
- poor value framing (customer doesn't "get it"),
- lender friction (slow approvals, paperwork delays, too many handoffs).

4.2.4. Service engine tree (capacity → cycle time → profitability → retention)

Goal: *Maximise throughput without breaking experience (loan vehicles and parts are common constraints).*

This workflow explains how a dealership's service department turns workshop capacity into profit and customer loyalty. In summary: how many jobs you can handle, how fast you finish them, and how well you get paid for them.

The simple workflow

Step 1: How much work you can handle (capacity)

These are the levers that determine how many vehicles you can process:

- Techs per bay / utilisation: do you have enough technicians, and are bays busy or sitting idle?



- Hours sold per job (Repair Order): how much labour time you sell on each repair order.
- Booking rules: what work you allow on which days (so you don't overload the shop with long jobs and create backlogs).
- If capacity is mismanaged, the whole system jams up.

Step 2: What slows jobs down (cycle-time drivers)

Even with enough bays, jobs can get stuck because of:

- Parts fill rate and ETA accuracy: if parts aren't available or ETAs are unreliable, the car sits.
- Diagnostic time: delays in identifying the issue (especially with complex faults).
- Loan vehicle availability: if many customers need a loan car and you don't have enough, it limits bookings and creates scheduling pressure.

A service department is often constrained by parts and loan vehicles, not by technicians.

Step 3: What performance looks like (outputs)

This is how you measure whether service is working:

- Days in service / cycle time: how long cars are in the workshop from drop-off to collection.
- Repair orders per day: how many jobs you complete.
- Effective labour rate and labour gross: are you pricing labour well and making margin?
- Warranty claim success and quality: how often claims are approved and how quickly/cleanly they're submitted.
- Service retention: do customers come back, and do they book the next visit?

Quick diagnosis rule

If cycle time is long, the cause is very often:

- parts delays, and/or
- loan vehicle fleet constraints,
- more than it is a shortage of bays.



5. ENGAGEMENTS WITH NADA USA

5.1. International Roundtable

The NADA International Roundtable reinforced a core truth about automotive retail worldwide: customers come to dealerships for help, and the dealer’s role—earning trust, proving value, and delivering a superior ownership experience—is universal, regardless of country, language, or regulatory environment. While market structures differ (agency vs franchise vs direct-to-consumer), the customer expectation is consistent: clarity, confidence, convenience, and a relationship they can rely on.

Three macro forces dominated the discussion:

1. Powertrain transition and regulation (EV, hybrid growth, CO₂ rules, charging infrastructure readiness)
2. Business model experimentation and retreat (agency model, online sales penetration, and what has/hasn’t scaled)
3. Brand proliferation and new entrants (notably Chinese OEM expansion in Europe, creating both opportunity and risk for dealer groups)

For car dealers, the overriding message is strategic: dealership resilience comes from operational excellence, customer experience, data capability, and flexible portfolio strategy. Dealers who invest in multi-brand agility, fixed ops readiness, used vehicle confidence (especially used EV transparency), and a strong local dealer brand will be best positioned to sustain profitability through uncertain policy shifts and changing consumer demand.

5.1.1. Shared Global Insight: “Retail is Retail” Across Borders

The opening remarks emphasized how similar the core dealership challenge is worldwide. A customer entering a dealership in Hungary, Great Britain, Australia, or the United States wants the same outcome: help buying the right vehicle from a business they can trust. Differences exist in language and regulation, but the fundamentals are constant:

- Earn credibility quickly
- Demonstrate product value and ownership benefits
- Prove the dealership is the best place to buy and service
- Deliver a consistent customer experience despite complexity (inventory, pricing, powertrains, financing)

A meaningful secondary insight was the prevalence of family-owned dealer groups globally, many operating across third, fourth, or fifth generations. This continuity creates a long-term orientation—yet it also highlights the urgency of adaptation as technology (AI), regulation, and new entrants reshape the playing field.

The NADA perspective was positioned as partnership-driven: when dealers succeed, the ecosystem succeeds. That theme carried through the European association presentations as well, where trade groups emphasized the importance of dealer representation in policy and regulatory design.



5.1.2. U.S. Market Update: 2025 Performance, Mix Shifts, and Affordability Pressure

a. Market Performance and OEM Share Dynamics

The U.S. market was described as “surprisingly good” in 2025, outperforming expectations amid political transition and an evolving EV narrative. Key OEM performance indicators included:

- Strength in dominant legacy players (GM, Toyota, Ford)
- Notable share gains by Hyundai, attributed to product competitiveness and dealer network revitalization
- Mixed outcomes among other brands, with certain manufacturers losing share due to product and market challenges

b. Segment Mix and Powertrain Reality

The roundtable reaffirmed U.S. retail fundamentals:

- SUV/CUV dominance continues, with crossovers as the largest segment
- Pickup and light truck preference remains structurally strong
- Internal combustion engines still represent most of the volume, while hybrid demand is rising quickly and often outpacing production capacity

A particularly dealer-relevant takeaway was that hybrids are a key “bridge” product—high consumer demand, lower adoption friction than full BEV, and strong relevance in affordability-constrained environments.

c. Competitive Model Pressure: Direct-to-Consumer vs Franchise

The roundtable recognized the ongoing challenge posed by direct-to-consumer models (e.g., Tesla and others). However, it also emphasized that franchise dealers are still selling the majority of BEVs in the U.S. and can compete effectively by improving:

- Customer education and experience
- Service confidence
- Inventory and delivery execution
- Used vehicle strategy (including certified and warranty clarity)

d. Outlook: Stable Volume, Growing Affordability Concerns

Projections indicated a stable U.S. market of around 16 million new units, but leadership flagged rising average transaction prices and the unresolved question of the “breakpoint” where affordability suppresses demand.

Dealer implication: profitability strategies must increasingly focus on:

- payment management and finance strategy
- used vehicle selection and pricing discipline
- fixed operations retention
- operational efficiencies that protect margin as price sensitivity rises



5.1.3. Europe and UK (ICDP): EV Targets, Regulatory “Flex,” and China’s Brand Surge

Andrew Tongue (ICDP) presented a structured overview of Europe’s transformation—particularly around CO₂ rules, uneven electrification rates, and Chinese brand acceleration.

a. Electrification Progress—But Not Fast Enough for Policy Targets

EU new car registrations show:

- BEV penetration rising from 5% (2020) to 17% (2025)
- Plug-in hybrids relatively steady but growing recently
- Petrol and diesel volumes halving over five years
- Major growth in hybrids (still combustion-based), which changes the “headline” interpretation of decarbonization progress

A key nuance: Europe is not a single market in EV adoption. Countries electrify at different speeds (e.g., France and Germany 20% BEV; others materially lower), while Norway remains an outlier at near-total BEV dominance.

b. The “2035 Ban” Debate: Not a cancellation, but a Partial Reframe

The session clarified that headlines suggesting the EU had abandoned 2035 were exaggerated. Proposed changes include:

- Shifting from a 100% CO₂ reduction requirement to 90%, allowing a limited percentage of combustion vehicles after 2035
- Introducing a category for small, affordable EVs (under 4.2m) that receive incentives and credits—with an EU manufacturing condition, signalling trade policy integration

The practical assessment was that the market still trends toward BEV, because offsetting even efficient hybrids would require selling large numbers of BEVs to balance emissions.

c. Fleet Mandates and Used EV Supply

Europe is increasingly focused on corporate fleets, which represent 60% of new car sales in many markets. The proposed fleet quotas aim to accelerate BEV adoption and, critically, create used BEV supply for the retail market—addressing affordability through second-hand availability.

d. Chinese Brands in Europe: From Niche to Structural Competitors

Chinese OEM market share across Europe has reached approximately 5–10% in many markets (lower in Germany due to domestic loyalty and entry strategy missteps). Four brands were highlighted as driving the majority of gains:

- MG (SAIC)
- BYD
- Chery (and related brands)
- Leap Motor (leveraging Stellantis distribution reach in some markets)



Two dealer-facing implications were emphasized:

1. **They are in Europe for the long term.** Tariffs affect BEVs but not all powertrains; many brands have shifted mix toward plug-in hybrids to manage tariff exposure.
2. **Dealer leverage is temporarily high.** With many new brands seeking representation, dealers can negotiate better terms, explore dual branding, utilize spare showroom capacity, and secure support funding—though this may come with future intra-brand competition risks if networks expand too quickly.

5.1.4. Italy and Europe: “No Silver Bullets” and the Reality of Retail Transformation

Fabio Barbisan’s presentation framed the last few years as a sequence of “silver bullet” promises that often resulted in bumpy execution rather than clean transformation. The session spotlighted three areas where expectations exceeded reality:

a. Fast Electrification: Growth Without Target Velocity

BEV adoption is rising but not at the pace required to meet policy timelines, and adoption differs sharply across countries. This creates planning uncertainty for dealers who must carry inventory, train staff, and manage customer objections amid inconsistent incentives and infrastructure readiness.

b. Agency Model: The Big Experiment That Quietly Receded

Agency was widely promoted as the next standard, promising 1–3% distribution cost reduction and more control for OEMs. Yet many brands have partially or fully reverted to franchise approaches due to:

- operational complexity
- insufficient benefit relative to disruption
- channel conflict risks
- the need for dealer execution in local markets

The talk noted that only a limited number of OEMs remain committed to full agency rollouts in some regions, with timelines extending into 2026–2027.

c. Online Sales: High Interest, Low Penetration

While customer intent to buy online exists (notably among younger and more digital segments), actual online purchase penetration was estimated at 2–4% in Europe—below earlier forecasts. Additionally, “online” experiences vary widely:

- full digital purchase journeys (rare)
- reservation models
- lead form models

A striking metric from Italy: only 3% of dealers had embedded e-commerce purchase capability on their website, though adoption is higher among the largest dealer groups and European top performers.



d. What Matters Instead: Retail Excellence and Dealer Brand

The conclusion: there are no shortcuts. Winning requires:

- deep local market knowledge
- consistent retail execution
- strong dealer brand identity (not only OEM brand)
- readiness to integrate AI into business processes
- serious attention to aftersales, which remains underdeveloped in parts of the market

5.1.5. CECRA (European Dealer and Repair Representation): Infrastructure, Used EV Trust, and Data Rights

Peter's Daeninck remarks centred on the practical constraints dealers face as Europe pushes electrification:

a. Structural Headwinds

- Patchy charging infrastructure and uneven growth rates by country
- Potential shortages and instability in green electricity supply
- Complexity and low transparency in charging apps, payments, and pricing models
- Rapid EV innovation creating perceived obsolescence for 2–3-year-old cars, complicating residuals and used-market confidence

b. The Used EV Market Challenge: Trust and Transparency

A key barrier to used EV adoption is insufficient transparency around:

- battery state of health (SoH)
- vehicle history and degradation expectations
- fair pricing norms across brands

Without credible standards and consumer confidence, used EV growth stalls—undermining policy goals and dealer profitability.

c. Data Access and Right-to-Repair as Dealer Priorities

CECRA emphasized the importance of:

- fair access to vehicle data for both authorized and independent repair networks
- consumer ownership of data principles
- non-discriminatory competition conditions
- combating mileage tampering and improving roadworthiness enforcement

The overall theme: policy is evolving rapidly, and dealer associations must stay actively engaged to ensure retail and service operators remain viable within the value chain.



5.1.6. What This Means for Car Dealers: Practical Implications and Recommended Actions

a. Strategy: Prepare for a Mixed Powertrain Decade

Dealers should assume multi-powertrain complexity persists (ICE, hybrid, PHEV and BEV), with shifting incentives and uneven adoption by region. Winning dealers will:

- build hybrid inventory strategies where demand outpaces supply
- improve EV education and delivery execution where BEV demand is strong
- strengthen used vehicle programs with confidence-building disclosures

b. Portfolio Management: Treat New Brands as Both Opportunity and Risk

In markets facing brand proliferation, dealers should evaluate new franchises with a disciplined framework:

- total investment vs support funding
- realistic sales throughput per rooftop and intra-brand competition risk
- parts and service viability, tooling, training requirements
- warranty and policy support quality
- long-term brand building commitment (not just initial launch momentum)

c. Aftersales: The Resilience Engine

Across presentations, aftersales emerged as a central profit and stability lever—especially when new vehicle affordability tightens. Dealers should prioritize:

- service retention programs and proactive maintenance engagement
- EV technician training and safety investment (where relevant)
- battery health assessment capability and customer communication standards
- consistent service experience execution to protect loyalty

d. Digital and AI: Use Technology to Improve Execution, Not Replace It

AI was referenced as a significant force, but the roundtable framed it as a capability to improve:

- customer experience responsiveness
- operational efficiency and consistency
- market insight and decision support

The consistent implication: dealers win through execution and trust—AI should enhance the human relationship, not eliminate it.

e. Association Engagement: Policy Will Shape Profitability

In both Europe and the U.S., policy around emissions, retail models, and data will materially impact dealer economics. Dealers should:

- stay engaged with national associations



- participate in surveys and benchmarking initiatives
- support unified dealer representation in regulatory discussions

5.1.7. CONCLUSION

The NADA International Roundtable delivered a grounded view of global automotive retail: the business is changing fast, but the dealer's value remains essential. Markets differ in pace and policy, yet dealerships everywhere face a similar mission—help customers confidently buy, service, and keep vehicles while navigating complexity.

Key takeaways for car dealers are clear:

- Expect ongoing uncertainty in electrification timelines and regulation
- Prepare for expanding brand competition, especially where new entrants seek rapid network growth
- Strengthen used vehicle confidence, including transparent EV battery health standards where applicable
- Invest in aftersales and operational excellence as the most reliable profit stabilizers
- Build the dealership brand as a differentiator in a crowded, changing marketplace
- Stay represented—association voice matters more than ever as rules and economics shift

Dealers who combine disciplined portfolio choices with world-class retail execution and a modern customer experience will remain visible, competitive, and profitable—regardless of geography.



5.2. NADA USA STRUCTURE, OPERATIONS, AND PRIORITIES (NADA USA Headquarters visit)

Engagement: Meeting between NADA South Africa and NADA USA

Date: 10 February 2026

Venue: NADA USA Headquarters, Washington, D.C.

Participants: NADA USA executive leadership and functional leads (legal, regulatory, industry relations, economics, dealer operations) and NADA SA delegation

Purpose and context

The NADA SA delegation met with NADA USA leadership to understand how NADA USA is structured, how it funds and operates as an association, and how it protects and strengthens franchised dealers in the U.S. market. The discussion also explored how global forces—regulation, OEM strategies, new entrants, affordability pressures, and technology shifts—are changing automotive retail, and what association capabilities are most critical in response.

Quick overview for NADA USA

The National Automobile Dealers Association (NADA) serves as the definitive voice for the American automotive retail sector, representing over 16,000 franchised new-car and truck dealers—roughly 90% of the total U.S. market. With a reach spanning all 50 states, the association advocates for a workforce of 1.1 million direct employees and supports a broader economic impact of 2.4 million jobs. Headquartered with a dedicated team of approximately 160 staff members, NADA operates the prestigious NADA Academy to cultivate the next generation of dealership leaders. The organization sustains its mission through a hybrid revenue model, diversifying its income via member dues, industry-leading data and research reports, and major flagship events like the annual NADA Show, which attracts over 22,000 industry professionals.

NADA USA's mandate and operating philosophy

NADA USA positioned itself primarily as an advocacy and education organisation, with success measured less by public “wins” and more by preventing harmful legislation, regulation, or commercial practices before they reach implementation. A recurring theme was that many of the most material risks to dealers arise quietly—through rulemaking, enforcement actions, and contractual practices—meaning the association’s value often sits “behind the scenes” until the moment dealers realise a negative outcome was avoided.

Advocacy focus: federal agencies and the “real” source of pressure

NADA USA emphasised that significant dealer-facing policy pressure often comes from the executive branch and federal agencies, not only from Congress. Engagement therefore centres on regulators and rulemaking bodies such as the Environmental Protection Agency (EPA), Federal Trade Commission (FTC), National Highway Traffic Safety Administration (NHTSA), Department of Commerce, Federal Communications Commission (FCC), and others involved in environmental regulation, consumer protection, safety, and data governance.

Practical example:

NADA USA referenced prior engagement opposing the proposed FTC “shopping rule,” which would have required a binding vehicle price at the first point of consumer inquiry (including online). NADA USA argued this would increase compliance burden and legal risk for dealers without materially improving consumer outcomes, highlighting the importance of influencing rules during the notice-and-comment process rather than reacting once finalised.



The two-layer defence model: federal and state dealer associations

A foundational structural insight was the dual-layer advocacy system:

NADA USA leads on federal issues and national coordination.

State dealer associations protect franchise rights through state-level franchise laws and state policy engagement.

Governance and organisational structure

NADA USA described governance as a deliberate source of legitimacy and strength:

- A 65-member Board of Directors representing all 50 states, ensuring local realities shape national positions.
- A smaller Executive Committee providing strategic direction.
- A professional staff of approximately 180 employees executing day-to-day operations across advocacy, legal, economics, education, and member services.

This structure allows national scale while retaining geographic representation and credibility among members.

Membership model and financial sustainability

A key point for the NADA SA delegation was NADA USA's exceptionally high membership penetration, reported as over 90% of franchised dealers. NADA USA attributed this to clear, demonstrable member value (especially through advocacy outcomes), relatively low membership fees, and meaningful non-dues revenue that supports capability depth.

Practical example:

NADA USA cited its role during the COVID-19 period, where the association helped secure relief and supported operational continuity—reinforcing the association's relevance to dealers.

Legal and regulatory capability (in-house specialisation)

NADA USA highlighted a specialist in-house legal and regulatory capability aligned to the issues most likely to impact dealers, including:

- Data privacy and cybersecurity
- Environmental and health regulation
- Consumer credit, finance, and lending compliance
- Broader regulatory interpretation and enforcement risk
- A dedicated liaison function coordinating closely with state associations

A key point was that major dealer-impacting battles often occur through rulemaking processes (commonly 9–18 months) requiring technical engagement, persistence, and strong relationships with regulators.



Key priorities discussed (policy and market)

The engagement highlighted several recurring priorities where NADA USA is actively engaged:

- EV policy and regulatory alignment with real adoption: advocating for technology-neutral regulation that aligns targets with consumer demand, charging infrastructure readiness, and affordability; inventory imbalances were referenced as evidence that policy-driven acceleration can outpace market reality.
- Tariffs and trade policy (affordability and volatility): highlighting the destabilising impact of tariff volatility on pricing, allocation, and supply chain planning; maintaining a posture to oppose outcomes that raise consumer prices while acknowledging broader geopolitical realities.
- Right-to-repair and telematics/data access: framing certain proposals as data control debates, cautioning that legislative approaches could shift commercial leverage and impose tooling/training/system costs without clear evidence of improved repair access.
- Vehicle safety, recalls, and used vehicle restrictions: raising concerns about proposals that restrict dealer sales of used vehicles with open recalls while leaving private sellers unrestricted, potentially harming affordability and consumer access.
- Crime and theft issues (e.g., catalytic converters): supporting measures such as traceability/marketing to reduce theft and improve enforcement outcomes.
- Heavy-duty truck excise tax: highlighting the long-standing federal excise tax burden that discourages fleet renewal and efficiency improvements.

Data, trust, and confidential insight as leverage

NADA USA described disciplined use of dealer data in ways that preserve long-term relationships. The Dealer Attitude Survey (nearly 30 years) was presented as a trust-based system providing OEMs with unfiltered dealer sentiment while ensuring confidentiality, focused on private, constructive engagement rather than public ranking.

Another data gathering exercise is the Workforce Study was positioned as an anonymised benchmarking capability using payroll, benefits, and staffing data to support compensation planning, retention strategies, and advocacy around jobs and skills-based careers.

Education and performance improvement as member value

NADA USA described its education platforms (including Dealer Academy and 20 Groups) as practical operating tools that help dealers benchmark and improve performance within a compliant structure. It was noted that participants tend to outperform non-participants, and that some OEMs send their own personnel through NADA training to better understand dealer economics and dealership operations.



Key implications from the HQ visit

The engagement reinforced that the U.S. dealer model's resilience is supported by four interlocking capabilities:

- (1) strong governance and high membership penetration,
- (2) deep legal and regulatory expertise focused on rulemaking,
- (3) trusted, confidential data programmes that create leverage, and
- (4) education and benchmarking platforms that improve dealer performance and credibility.

For NADA SA, the most transferable lesson is that association relevance is built through repeatable, evidence-based value—advocacy outcomes, trusted data, and dealer performance enablement—rather than visibility alone.





5.3. HOW ADVOCACY IS EXECUTED IN PRACTISE (CAPITOL HILL VISIT)

Engagement: Meeting between NADA South Africa and NADA USA Legislative Affairs Team

Date: 11 February 2026

Venue: NADA USA Legislative Affairs Offices (Capitol Hill), Washington, D.C.

Focus: Practical mechanics of lobbying, dealer mobilisation, and influencing lawmakers on high-volatility dealer issues

Purpose and context

This session shifted from “what NADA USA does” to “how it is done.” The objective was to understand the operating model of NADA USA’s in-house lobbying function: how they build relationships, prioritise issues, mobilise dealers, and translate dealership realities into legislative language and decision-maker action. The discussion used tariffs, EV policy, right-to-repair, and theft-related legislation as practical examples.

Legislative Affairs: role and operating model

NADA USA described Legislative Affairs as an in-house team dedicated to dealer issues, focused on education and translation. Their core job is to ensure policymakers understand how dealerships operate, how local employment and tax contribution flows through districts, and how proposed policy affects affordability, viability, and community outcomes.

A key insight was that many legislators and staff do not understand the dealership ecosystem in detail. This creates risk (policy designed without operational understanding can create unintended harm) and opportunity (disciplined engagement using concrete dealer examples can be influential when framed through jobs, consumer affordability, and district-level economic impact).

Policy volatility: tariffs as the clearest example

Tariffs were presented as a uniquely volatile policy area, with shifting signals and outcomes over short timeframes. The central problem for dealers is not only price impact, but uncertainty: policy whiplash disrupts inventory planning, pricing decisions, allocation expectations, and customer communication.

Practical examples discussed:

OEMs sometimes temporarily absorb costs or delay price adjustments while reassessing conditions, but uncertainty still impacts planning.

Tariff shocks can affect exports and production decisions, forcing OEMs to divert product or reduce output—changing supply availability across markets.

NADA USA’s approach is to ensure lawmakers understand the real operational cost of uncertainty itself—not just headline tariff levels.

Relationship-based advocacy: how dealers move policy

NADA USA emphasised advocacy as an ongoing relationship model rather than episodic crisis engagement. The association’s credibility is built by staying present, offering useful insight, and maintaining access across cycles.



A consistent theme was that dealers are the most persuasive messengers, not lobbyists alone, because they can translate policy theory into real-world impacts on jobs, consumers, safety, and affordability.

Core tactics used to build influence (practical and repeatable)

NADA USA outlined three repeatable engagement tactics:

1. Structured “fly-ins” to Washington: targeted two-day engagements where dealers meet elected officials and, critically, senior staff responsible for drafting and negotiating policy language.
2. Dealership visits in home districts: lawmakers see employment scale, service operations, customer flow, and community contribution firsthand; positioned as constituent engagement rather than partisan endorsement.
3. Ceremonial and community visibility: groundbreakings, ribbon cuttings, safety campaigns, and community initiatives used to establish familiarity and goodwill before contentious policy issues arise.

Bipartisanship as a sustainability strategy

NADA USA emphasised that durable advocacy requires working across party lines. Political control changes frequently, and an association aligned to one side risks exclusion when leadership shifts. NADA therefore frames issues through practical outcomes—affordability, jobs, safety, consumer mobility—rather than partisan identity.

Messaging is tailored to the office’s priorities without changing the facts; for example, cost burden and free-market impacts may resonate in one office, while consumer protection, safety, or equitable access may resonate in another.

Political Action Committees (PAC) and campaign engagement: how it functions in practice

NADA USA explained PAC activity as part of a regulated, transparent ecosystem. Contributions are voluntary and compliance-driven (limits and reporting), and the PAC is positioned as an access and engagement tool rather than a transactional mechanism. The practical point made was that sustained political engagement signals seriousness, keeps doors open, and supports long-term influence.

Targeting lawmakers: committees, timing, and early influence

Advocacy is targeted rather than broad. NADA focuses on committee jurisdiction, because policy language and outcomes are often shaped inside committees before full votes occur. Timing was stressed as essential: proactive education ahead of votes is far more effective than late-stage lobbying.

NADA also highlighted that defensive advocacy (stopping a harmful proposal) is often more achievable than asking lawmakers to create new legislation—reinforcing the need for early detection, rapid mobilisation, and clear messaging.

Priority issues referenced in the session

The legislative team reinforced several durable priorities:

- EV policy that is technologically feasible and aligned with adoption reality
- Right-to-repair/data access proposals viewed as telematics/data leverage issues



- Theft-related legislation such as catalytic converter traceability measures
- Affordability pressures and the need for policy stability to support dealer planning

Key implications and transferable lessons for NADA SA

The Capitol Hill engagement highlighted several approaches that can translate into the South African context:

- Dealer mobilisation as a capability: advocacy improves when dealers are part of the messenger model, not observers.
- Repeatable district/region economic impact sheets: simple one-pagers showing jobs, taxes, and local economic contribution are effective because staff can reuse them in briefing packs.
- Relationship-building before conflict: community events and site visits reduce friction and improve access when tough issues emerge.
- Issue-based, non-partisan posture: credibility grows when the association is seen as representing industry outcomes rather than a political identity.

Conclusion

The Capitol Hill session provided a practical view of how dealer advocacy is operationalised in a complex and fast-moving policy environment. The model relies on three interlocking capabilities:

- (1) deep policy literacy and committee-aware targeting,
- (2) sustained relationship management across cycles, and
- (3) authentic dealer participation in communicating operational reality.

For NADA SA, the central lesson is that influence is built over time through structure and repetition—trusted access, credible local economic data, and consistent dealer engagement—rather than through sporadic crisis response.



6. Exhibitor category map

Category	What it solves (plain language)	Example exhibitors (focused first)	Typical dealer jobs	SA relevance
Lead capture and conversion (Digital retail / BDC automation)	Turns web/call/chat demand into appointments; reduces lead leakage from slow response.	Motive; Impel AI; DealerVision (DAS Technology); Car Wars; DriveCentric CRM; LotLinx; DGDG; MarketPro3/Turnkey Marketing	Web-to-lead, automated calling/SMS/email, appointment booking, call coaching, conversion reporting	Power targeting and prioritisation with SA data signals; standardise conversion KPIs and “next-best-action” workflows
Fixed Operations growth and service retention	Expands service capacity and protects service margin/loyalty as service becomes the profit engine.	Curbee; Car Keys Express	Mobile service scheduling/routing, technician workflow, automated customer updates, cost and turnaround improvements	Service retention dashboards, geo clustering for mobile viability, demand forecasting, service-to-sales triggers, ROI calculators
Vehicle intelligence and trust layer (VIN/history/risk enrichment)	Improves acquisition, pricing, disclosure and consumer trust through richer vehicle intelligence.	MotorDNA; GoodCar; Carfax	VIN build/spec enrichment, recall alerts, risk scoring, listing enrichment, AP integration	Continue SA vehicle intelligence hub (ownership, value, risk and events) and embed insights into dealer workflows
Reputation, reviews, CSI and CX operations	Protects demand by improving reviews/ratings and intercepting negative experiences before they go public.	RealTime Feedback; (Feedback – confirm vendor)	Automated review requests, negative interception, response management (incl. AI), employee attribution, insight reporting	Link sentiment to sales/service outcomes; dealer health scorecards; early-warning indicators for retention risk
F&I workflow rails (deal execution)	Speeds up finance workflows and reduces deal fallout through better routing and compliance discipline.	RouteOne	Credit applications, lender routing, stip/compliance workflow, deal status tracking	SA analogue: pre-qualification and finance workflow analytics; compliance automation; reduce fallout with better data checks
Used vehicle sourcing and	Enables acquisition and fast disposition of used inventory;	ACV; OpenLane; (AutoTurn – needs brochure)	Appraisal support, wholesale buying/selling,	Improve “right-to-buy” decisioning and disposal timing; add SA pricing



NADA

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We simplify the complex

wholesale liquidity	improves appraisal confidence and turn.		remarketing channels, inventory disposal	confidence models and liquidity pathways
Marketplaces and pricing guides (shopping journey influence)	Drives shopper demand and provides valuation benchmarks that shape pricing expectations.	Cars.com/CarsCommerce; Edmunds; Black Book; Kelley Blue Book; AccuTrade	Listings, trade-in valuations, pricing benchmarks, merchandising support	Provide trusted SA valuation benchmarks and transparency; connect pricing to affordability and trade propensity signals
Core dealer systems (DMS) and ecosystem hub	Runs the dealership operating core and increasingly acts as the integration/platform hub.	Reynolds & Reynolds; PBS DMS	Core workflows, data control point, integrations, reporting, bundled ecosystems	Integration strategy: be the data/insights layer that plugs cleanly into core systems (APIs, standard metrics, governance)
Compliance, condition reporting and disclosure tools	Reduces disputes and rework by standardising condition capture and documentation.	ConditionsReports.com; Informative (Smart Pencil)	Condition capture, audit trail, recon documentation, handover transparency	Combine condition, history and value signals; improve pricing confidence and governance (returns/warranty/disputes)
AI automation layer (cross-cutting)	AI applied to workflows to improve speed, consistency and follow-through (not a standalone category).	Seen across many exhibitors	Automated calling, follow-up, booking, service-to-sales mining, review response/reporting, content generation	Highest ROI when paired with strong SA data inputs; Lightstone can supply the signals that make automation smarter

7. Acknowledgements

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