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2026 AUTOMOTIVE AFTERSALES BENCHMARK REPORT

The Retention Gap

How 559 European dealerships are navigating margin pressure, digital transformation, and unrealised aftersales opportunity - and why most are struggling to unlock aftersales retention.

550+ dealerships · 6 markets

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CONTENTS

OPENING REMARKS

The workshop floor has become the most strategic piece of real estate in the dealership

For the first time, we have conducted an in-depth benchmark study of European automotive aftersales. We asked **559 dealerships** across six markets the same question: **How can we improve aftersales retention and boost profitability?**

The answer reveals a striking and commercially consequential paradox. The industry has near-universal recognition that aftersales is its most important revenue stream - **yet 74% of dealerships cannot tell you how much aftersales revenue they are losing.**

74% of dealerships
cannot tell you how much aftersales revenue they are losing.

"Most dealer groups are managing their single most valuable revenue stream completely blind.

Nicolas Malcom
CEO, Autoflows

WHY THIS MATTERS TO US

Most aftersales systems are built on what dealers hope is in their data. Autoflows is built on what actually happened.

The autoflows principle

- ✓ Every standard reminder system depends on a field someone filled in - the next service date. If that field is blank, wrong, or never updated, the customer disappears.
- ✓ **Autoflows uses the invoice instead.** The invoice exists for every completed service on every vehicle, without exception. Autoflows reads it, calculates when that vehicle is next likely to need attention, and reaches the customer at exactly the right moment.
- ✓ The same principle applies to upselling. Most systems send a generic prompt when the customer is already in the waiting room. Autoflows sends a personalised recommendation **before the visit**, based on what the vehicle has actually had done. **Based on what actually happened.**

EXECUTIVE SUMMARY

Where European aftersales strategy takes shape

FINDING	METRIC	BENCHMARK
Profitability outlook	Expect harder in 2–3 years	80%
Profit multiplier	Aftersales vs new car sales	3–4×
Retention visibility	Cannot quantify their loss	74%
Customer lifetime value	Revenue at year 8 vs year 0	€1,655 vs €480
Pre-visit activation	Use pre-visit comm window	6.2%
AI adoption	Not using or exploring AI	53%
Future revenue driver	Core aftersales ranked	#1 of 7

FINDING 01

80% of dealer groups expect profitability to worsen. The forces are structural - and reinforcing.

For decades, dealership economics were structured around vehicle sales. Aftersales was important but secondary. That model is now under terminal pressure.

01

80%
expect harder ahead

49%
expect new car sales to decline

22%
say OEM programs are a blocker

PROFITABILITY OUTLOOK 2–3 YEAR HORIZON

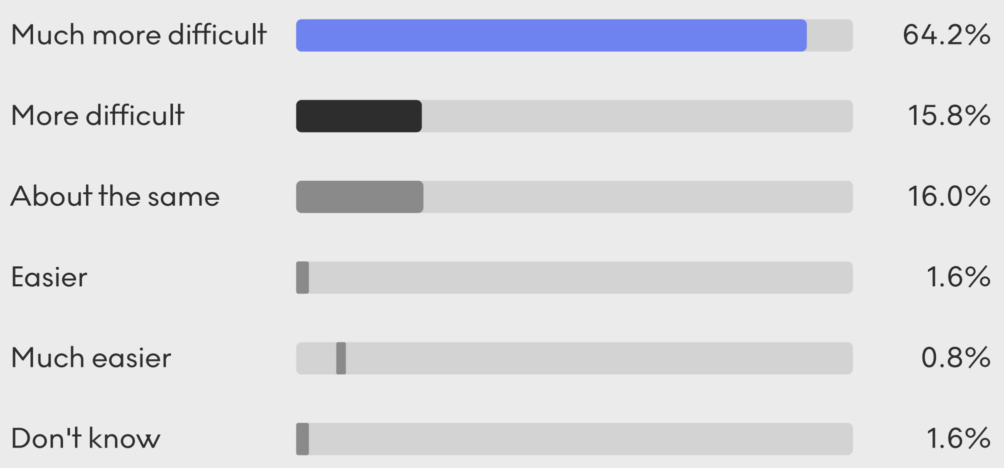
Only 2.4% see improvement ahead

The headline number is stark - consistent across Scandinavia, Southern Europe, and every size band. The forces are structural and reinforcing:

- ✓ Agency-model margin compression,
- ✓ EV transition reducing scheduled maintenance,
- ✓ Independent workshops taking post-warranty share
- ✓ OEM programs being an active blocker.

> "Warranty work is eating our margin. Too high a share of mechanic time is warranty vs. customer-paid work."
>
> Aftersales Manager

HOW DO YOU EXPECT PROFITABILITY TO BECOME IN 2-3 YEARS



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FINDING 02

Aftersales generates 3-4× more profit per revenue than new car sales. It is the only profit engine left.

02

When dealers rank future revenue and profitability drivers, core aftersales finishes #1 by a 27% margin over used cars.

502

aftersales benchmark score

27%

ahead of used cars at #2

#1

future revenue driver of 7 ranked

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FUTURE REVENUE DRIVERS - RANKED

Aftersales is the engine. Everything else trails.

RANK	BUSINESS AREA	SCORE
1	Core aftersales: Maintenance, MOTs	502
2	Used car sales	393
3	New car sales (private)	298
4	Financing and leasing	237
5	Car parts and accessories	173
6	Warranty and insurance	130

502 vs 393.

The gap tells the story. When dealers ranked where future profit will come from, aftersales didn't just win, it ran away with it. New car sales, once the headline number, sits third. In a tightening market, the bay beats the showroom.

FINDING 03

A 10% improvement in retention drives ~30% revenue growth. 74% of dealer groups cannot calculate this number.

03

The customer who returns at year 8 is worth 3.4× the customer who returns at year 0. Yet most dealers cannot see the curve.

100→19%
loyalty decay year 0–8

3-4×
lifetime value multiplier

€480→€1,655
revenue per retained customer

74%
cannot quantify the loss

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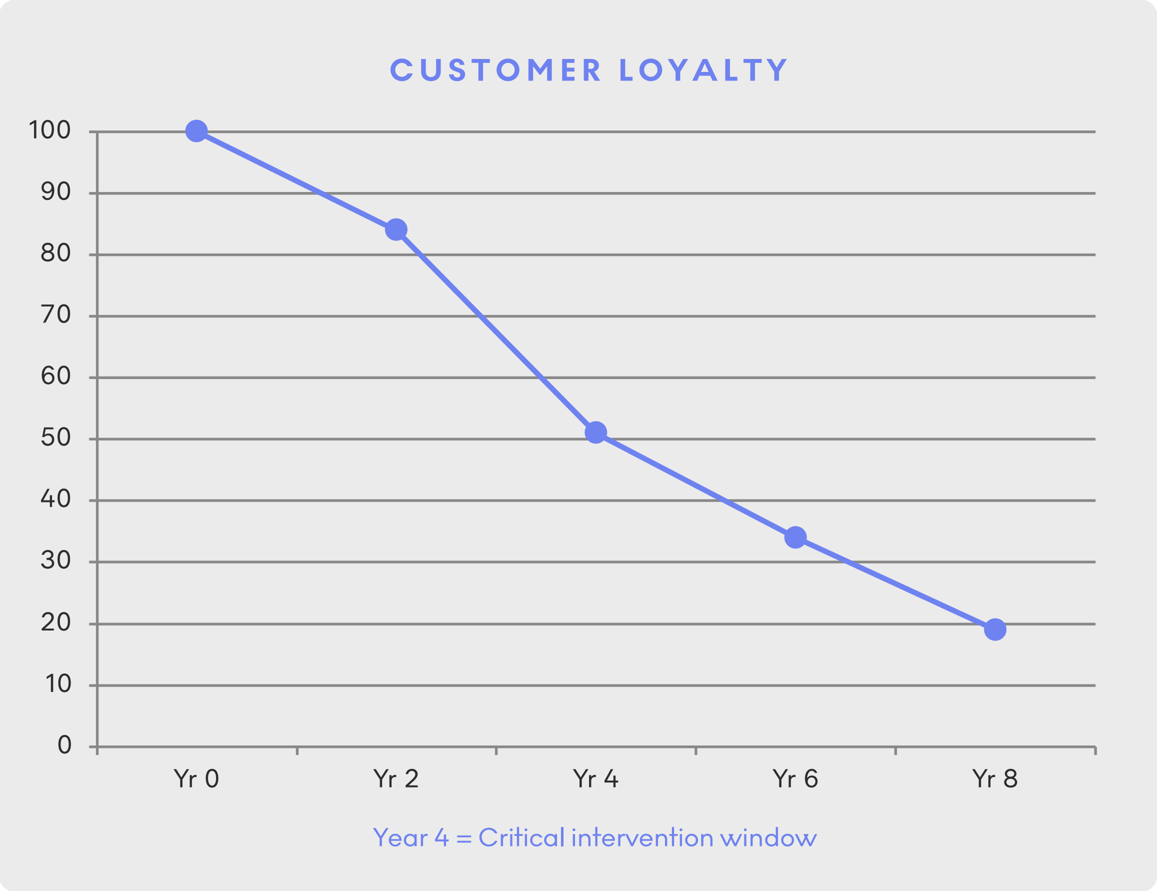
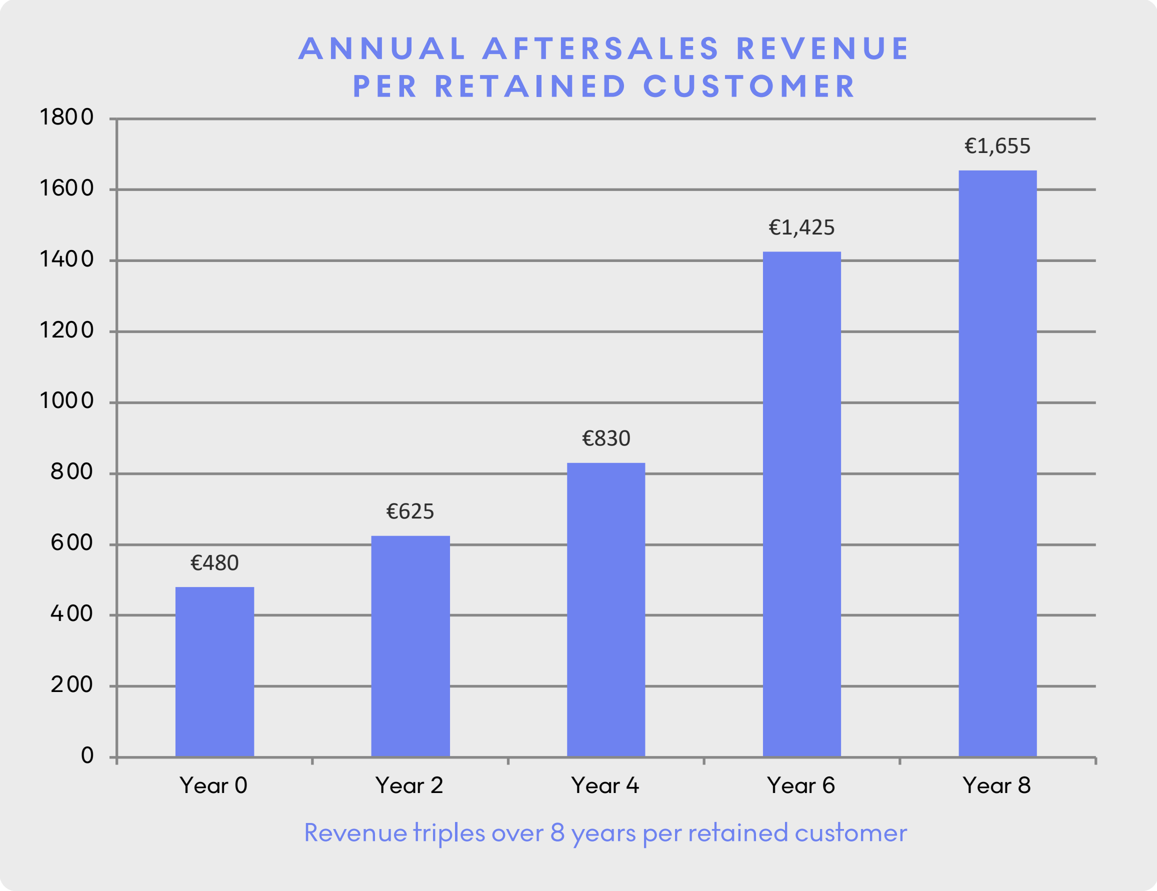
CUSTOMER LOYALTY DECAY

The curve every dealer should have on the wall





> "Generally after the warranty expires - that's when we lose them. We need to build the relationship before that moment, not after."

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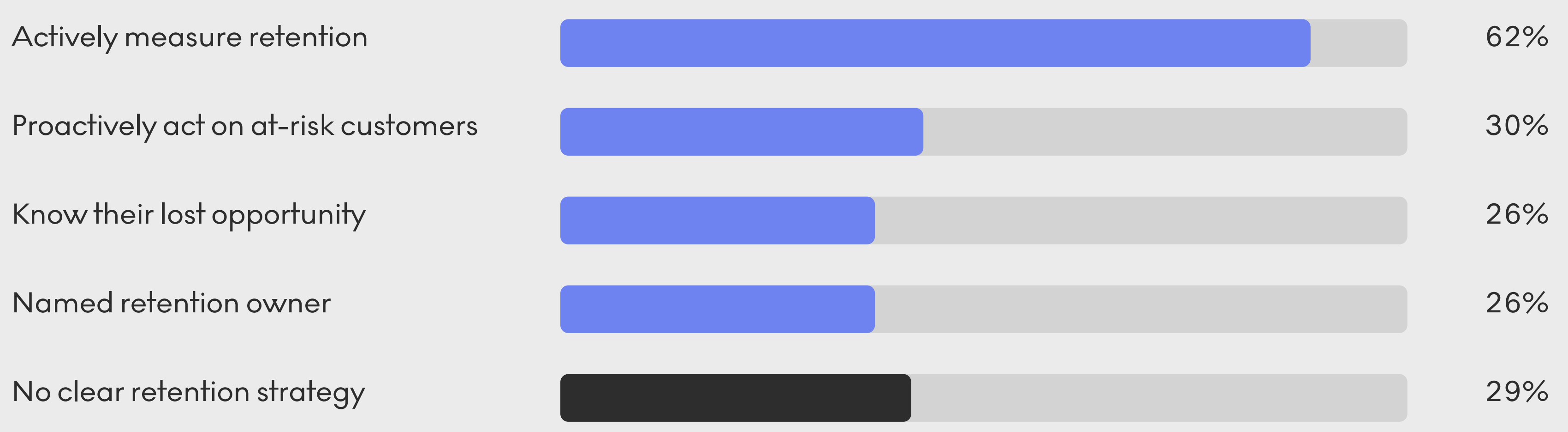
THE RETENTION MEASUREMENT CASCADE

Measurement collapses into action



RETENTION OWNERSHIP

38%
Shared responsibility

16%
No clear owner

08%
Marketing / CRM Team

12%
General Manager / Dealer Principal

26%
Aftersales Director / Manager

FINDING 04 · THE UPSELLING WINDOW

Upselling is the highest-return activity in aftersales. Almost nobody is doing it at the right moment.

04

Online booking is everywhere. The pre-visit communication window - the most underused revenue moment in the business - is used by just 6.2% of dealers. This is not a training problem. It is a structural timing problem.

45%
upsell after inspection
(wrong moment)

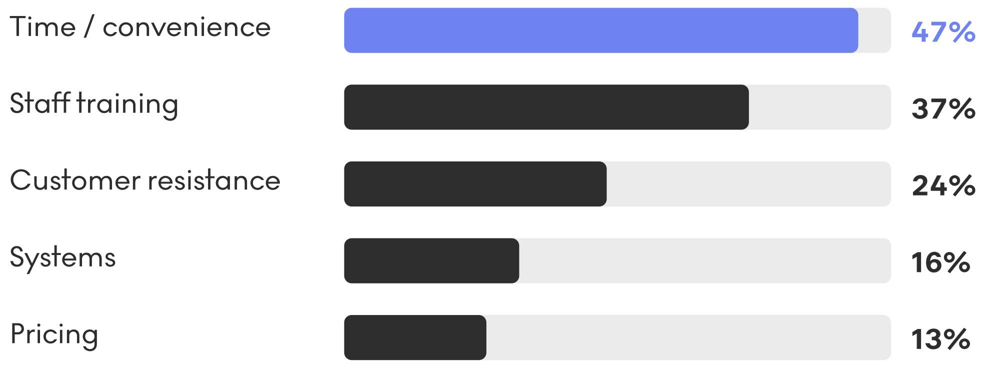
7%
upsell before the visit
(right moment)

93.8%
leave the pre-visit window
completely empty

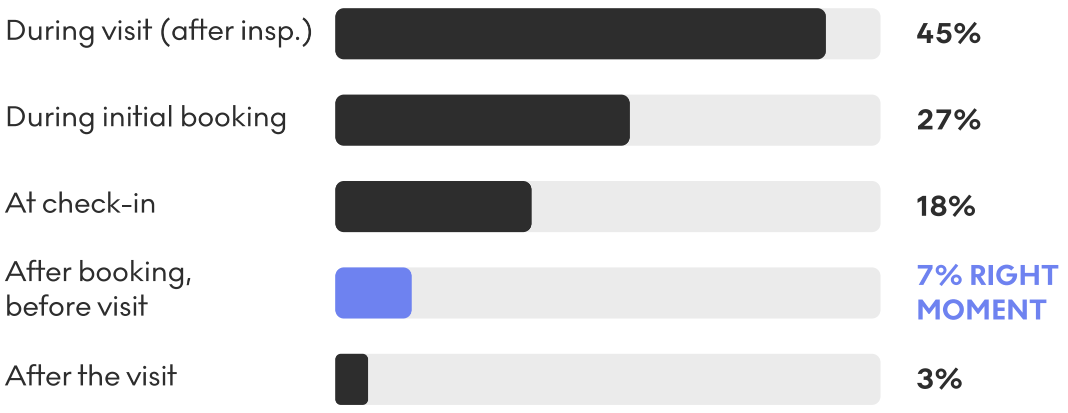
THE UPSELLING WINDOW

Only 7 % work with with upselling in connection with the actual booking

WHAT BLOCKS MORE UPSELLING?



WHEN IS UPSELLING COMMUNICATED?



TAKEAWAY

Upselling is not a sales skill problem. It is a structural timing problem.

The dealers who find the pre-visit window first won't be better salespeople - they'll have better timing.

FINDING 05

53% are not exploring AI. The dealers who deploy it first will build a retention advantage that compounds.

05

53%
not using or exploring AI

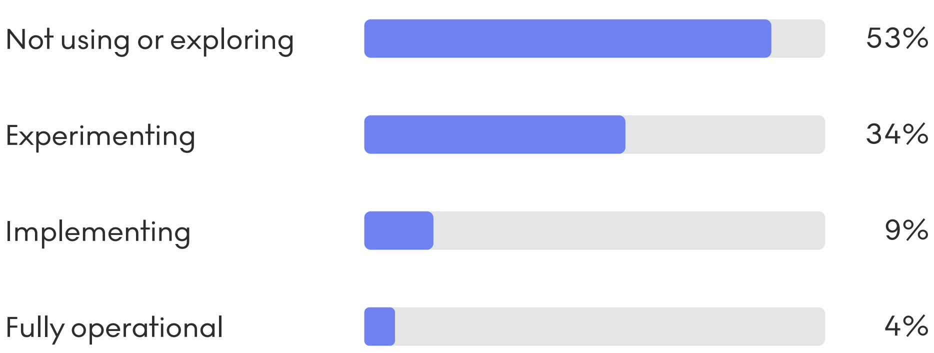
49%
automated comms leads use cases

#1
investment priority: staff upskilling

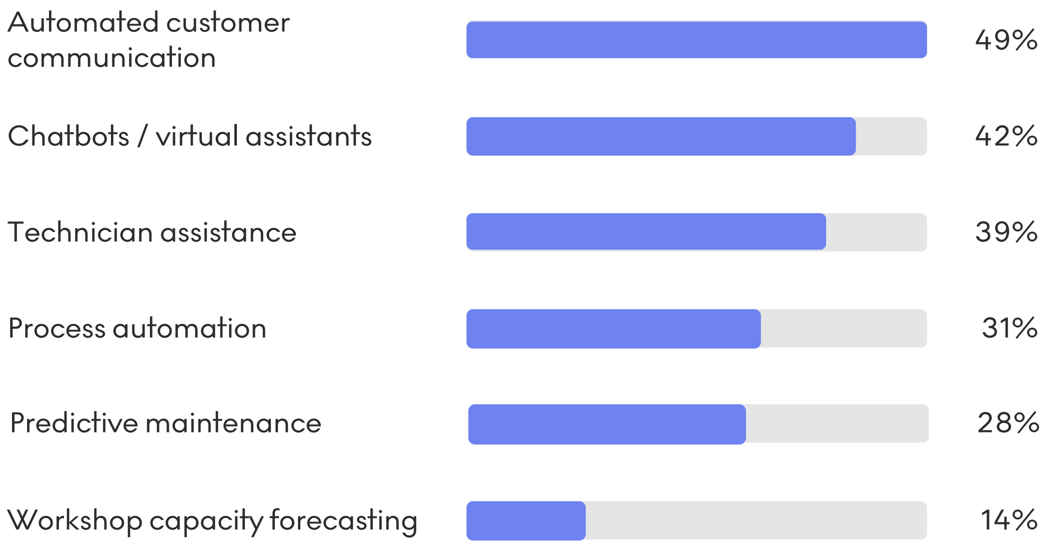
AI ADOPTION

The competitive window is open at every level.

AI ADOPTION RATE



AI USE CASES IN AFTERSALES



TAKEAWAY

The winners will not have the most technology. They will have the most consistent communication habits and then automate them. Every customer receives the right message at the right moment.

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FINDING 06

The Retention Gap Plan: Three moves that can minimise the retention gap

See the retention gap. Own the retention gap. Close the retention gap. None require rebuilding a DMS or major capital - all require leadership attention.

06

01
See the gap

02
Own the gap

03
Close the gap

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THREE MOVES

Immediately actionable. Regardless of size or market

01

See the gap

Build a vehicle-age retention dashboard. Measure LTV, not just visit frequency. 74% of dealer groups cannot see this number - seeing it is the prerequisite for everything else.

02

Own the gap

Name one person as retention owner. Not shared responsibility - one name, one target, one review cadence. Quarterly target: improve year 3–6 retention by X%. Reviewed monthly.

03

Close the gap

Activate the pre-visit communication window. Only 6.2% currently use it - the most direct answer to the #1 upselling barrier. Automate reminders triggered by vehicle age and service history.

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THE RETENTION GAP INDEX

Where does your group stand?

Score 0–3 on each dimension. Maximum score: 12. The average across 559 dealerships is 2.8 / 12.

Dim	Question	0 = None	1 = Basic	2 = Active	3 = Best in class
01 · Visibility	Quantify lost aftersales revenue?	No data	Estimate only	Track rate	Live LTV dashboard
02 · Ownership	Who owns the retention number?	Nobody	Shared	AS Director informally	Named owner · monthly board
03 · Activation	How do you communicate between visits?	Reactive only	Manual reminders	Automated reminders	Pre-visit upsell + reactivation
04 · Intelligence	How do you choose who to contact?	Blind outreach	Service-due segmentation	Vehicle-age prioritised	AI-driven by engagement + LTV

WHAT YOUR SCORE MEANS

0–3	Flying blind. Measurement is the first move.
4–6	Aware but reactive. Not yet acting systematically.
7–9	Building advantage. Close the remaining gaps and automate.
10–12	Compounding ahead. Top tier of European groups.

74% of European dealer groups score 3 or below. Average: 2.8 / 12.

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CLIENT IMPACT REPORT · LSH AUTO UK

The results

BEFORE AUTOFLOWS – RETURN RATE

40.6%

24,265 vehicles tracked

9,848 returned within 12 months

→

+16pp

AFTER AUTOFLOWS – RETURN RATE

56.6%

23,223 vehicles tracked

13,146 returned within 12 months

+16pp

return rate

40.6% → 56.6%

3,717

extra vehicles

recovered Year 1

£ 1.16M

additional revenue

Year 1 measured

€394k

additional EBITDA

Year 1 at 29% margin

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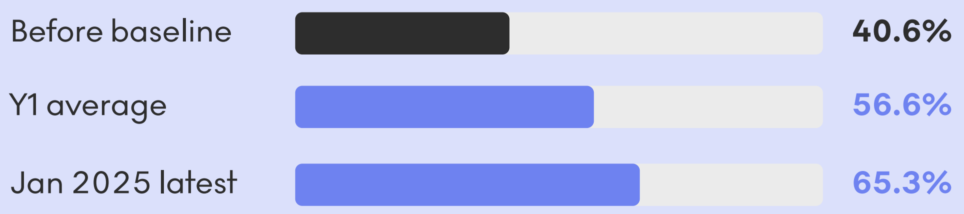
CLIENT IMPACT REPORT · LSH AUTO UK

The results

Vehicle Age	Before	After	Δ
1–3 yrs	38.7%	56.8%	+18.1pp
3–5 yrs	39.4%	53.9%	+14.5pp
5–8 yrs	44.5%	56.7%	+12.2pp
8+ yrs	38.8%	53.4%	+14.6pp

TRAJECTORY



Y2 projection: ~€2.07M revenue · 2-yr cumulative ~€3.43M revenue · ~€994k EBITDA

> "Previously, calls were blind - we never knew if customers had received a reminder.
> Now, the data drives every action."
>
> \- Katherine McLoughlin. Head of Aftersales

CLIENT IMPACT · LSH AUTO UK

The activities.

Four interventions. Each with a measurable contribution to the +16pp return rate uplift.

1	**Supercharged Dealership Data** Service reminder based on specific vehicle history, not next service date field. DVLA for ownership cross-check, DVSA for MOT date. Live feed to diary for open bookings, previously performed work.	**+15%** remote reminder conversion overnight
2	**Automated Customer Activation** *No more manual lists or reports. Automated outreach, everyday, customised to fit LSH.*	**<10% → 50%+** conversion after reminder contact
3	**Intelligent Calling Pots** Replaced unstructured outreach with engagement-based call lists. Full outreach transparency, increased trust in data, improved calling motivation.	**107 days** sooner · 335 → 228 · +47% cycles
4	**Targeted upsell campaigns** Tyre, brake, battery and seasonal campaigns personalised by vehicle history. Automatic – no advisor input required.	**5-figure** monthly upsell revenue, automatic

+16pp	**£1.95M**	**£567k**	**~ £2.98M**
return rate Y1	add'l revenue Y1	add'l EBITDA Y1	Y2 projection

METHODOLOGY

How this study was conducted.

559 AUTOMOTIVE PROFESSIONALS | Q4 2025 – Q1 2026 | 94% DEALERSHIPS AND AUTHORISED WORKSHOPS | ONLINE STRUCTURED QUESTIONNAIRE | 12-MIN COMPLETION | LOCAL LANGUAGE FOR NON-ENGLISH MARKETS.

WHO RESPONDED

Role	%
Aftersales Director / Manager	38%
Workshop Manager	24%
Dealer Principal / CEO	19%
Group Executive	12%
Other	7%

BY DEALER SIZE

Size	%
Single site (1 location)	43%
Mid-size (2–5 locations)	35%
Large group (6+ locations)	22%

BY MARKET

Country	%
🇩🇰 Denmark	22%
🇳🇴 Norway	18%
🇸🇪 Sweden	17%
🇬🇧 United Kingdom	16%
🇫🇮 Finland	11%
🇮🇹 Italy	10%
🇪🇸 Spain	4%
🇫🇷 France	2%

LSH Auto impact data validated independently by Autoflows using 12-month cohort methodology at VIN level across 47,488 vehicles and 152,154 service records.

WHAT COMES NEXT – CALLING AFTERSALES LEADERS

Automotive Aftersales Summit 2026

A full working day for aftersales and CX leaders who want to leave with more than inspiration.

WWW. AUTOFLOWS.COM/AUTOMOTIVE-SUMMIT

20 MAY 2026 | 13 SPEAKERS | COPENHAGEN

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APPENDIX - FULL KPI REFERENCE

All metrics at a glance

METRIC	2026 FINDINGS
Profitability outlook	80% expect harder
AI adoption - not exploring	53%
Retention - not measuring	38%
Know lost opportunity	26%
Use pre-visit comm window	6.2%
Online booking adoption	86%
Online booking activation	38%
Digital check-in adoption	39%
Proactive call centre	15%
Absorption rate measured	36%

METRIC	2026 FINDINGS
Customer comm ranked #1	Score 322
Aftersales future revenue #1	Score 502 (vs used 393)
Profitability improvement	Only 2.4%
EV service future focus #1	Score 330
Customer LTV at year 0	€480 annual
Customer LTV at year 8	€1,655 annual
Loyalty at year 4	51%
Loyalty at year 8	19%
10% retention uplift	~30% revenue growth
Why customers leave — price	62%