

Agentic AI begins to reshape auto retailing

Automotive retailing is on the verge of a major transformation as agentic artificial intelligence moves from concept to reality in dealership showrooms, service bays and back offices.

Industry leaders project that this new generation of AI — capable of independently analyzing data, automating workflows and even taking direct action — will fundamentally change how cars are sold and serviced.

“Agentic AI isn’t just the next incremental step in dealership technology — it’s a transformational leap poised to redefine dealership operations and the customer experience,” said Brodie Cobb, CEO of The Presidio Group. “Agentic AI is likely to significantly reshape the landscape with integrated technology platforms that are smarter, faster and more attuned to what both dealers and customers actually need and want.”

It’s a shift long in the making, and the industry’s retail tech giants, as well as smaller companies and startups, are now investing significant capital and resources into agentic innovations. It’s a rapidly increasing piece of an automotive AI market expected to be worth \$7 billion by 2027, according to CDK Global.

Technology advances in dealership software have been accelerating at an unprecedented pace in recent years. Many dealers have experimented with new products, particularly Chat GPT-like generative AI tools. But given uneven

performance from some products and not enough familiarity with the technology, dealers have been cautious about adopting too many of the new tools before they’re proven.

Now, with the arrival of agentic AI over the past year, there’s a sense among some of the industry’s top technologists that this may be the breakthrough the sector has been waiting for. Agentic AI goes beyond content generation to orchestrate and automate complex workflows — offering the kind of practical improvements for dealership staff and customers that many have long anticipated.

“AI agents can compress processes that once took days into minutes,” said Marianne Johnson, Cox Automotive executive vice president and chief product officer. “This is a step further than automation — it’s orchestration. This is where the real transformation happens.”

Agentic’s true power lies in leveraging proprietary and unique data to achieve outsized outcomes, Johnson said. Intelligent AI agents can handle tasks, and orchestrator agents can coordinate those tasks seamlessly.

A forthcoming Cox Automotive survey of franchised dealership leaders found that while most dealers see AI as a permanent part of the business landscape and are eager to learn more, significant barriers remain around trust, data quality and training. Still, the survey found that dealers who fully embrace AI are already seeing meaningful gains in efficiency and profitability.

Cox and other retail tech companies are piloting or even fully introducing a multitude of new agentic AI-based tools.

Reynolds and Reynolds in August launched digital assistant Rey, which leverages the tech company’s Spark AI data layer collecting transactional data from dealerships nationwide. Rey launched with the ability to provide strategic recommendations, generate reports, assist with tasks and contact technical assistance. Dealership employees soon will be able to ask Rey to take direct action inside Reynolds software, such as pulling sales reports, updating customer records, analyzing inventory, tracking repair status, ordering parts and scheduling service appointments.

Sidney Haider, Reynolds and Reynolds senior vice president of corporate development and M&A, calls agentic AI a potentially transformative force for automating and improving dealership operations, especially in digital



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— Brodie Cobb, CEO of The Presidio Group

retail. Haider in April told Presidio that agentic AI can help streamline operations and digital retailing by analyzing and automating workflows and suggesting and implementing process improvements with minimal human input.

“The whole idea of agentic AI is to take an AI system and make it more autonomous and less and less human involved,” Haider said. “There’s a demand for it, both from the consumer perspective and some dealers” to make the vehicle sales process more efficient and responsive.

One of the companies Reynolds has partnered with to expand its AI capabilities is STELLA Automotive AI, which uses agentic AI to help dealerships streamline scheduling and customer communications.

STELLA began by automating dealership phone calls to ensure customer inquiries were always answered and has since evolved into a broader model, in which multiple AI agents work together to handle a wider range of dealership tasks, company CEO Rich Sands said.

“We have several custom-engineered agents doing things for dealerships, and it creates [what is essentially an agentic] workforce,” Sands said. “When you connect the AI workforce with your human workforce, dealers can realize significant enterprise productivity and efficiency gains.”

Stella integrates with dealership management systems, customer relationship management platforms and other tools to manage both inbound and outbound customer communications across phone, text, email and web chat. By automating routine communications, dealership staff now have the time to focus on more valuable tasks such as face-to-face customer interactions, Sands said.

Dealers are ramping up focus on AI and agentic tools. Vince Sheehy, president of Virginia-based Sheehy Auto Stores, a STELLA client, said 2025 marks a major push for AI training and experimentation at his group, with this



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ARTIFICIAL INTELLIGENCE 101

- **Artificial Intelligence:** Any program or machine that can simulate human intelligence to solve problems and learn from experience
- **Machine Learning:** A subset of AI in which systems learn patterns and improve their performance as they are exposed to more data
- **Deep Learning:** A subset of machine learning that uses multi-layered neural networks to learn from vast amounts of data and recognize complex patterns like images, sound and text
- **Generative AI:** A category of deep learning that can create new and original content such as text, audio and video based on patterns learned from its training data
- **Large Language Models:** A type of generative AI trained on massive amounts of text data to understand human language and generate human-quality text in response to prompts
- **Agentic AI:** An advanced AI system that learns from patterns and has the autonomy to execute complex tasks without step-by-step instructions; AI agents can set or interpret goals, make decisions and take real-world action independently — such as updating a database or setting up a service appointment



Source: Presidio research, Cox Automotive

year’s planned annual training spend the highest ever for the group.

AI as a support tool is going to have a huge place at the dealership, Sheehy said, and agentic AI specifically “will be a game changer.”

“We need to make sure we’re as technologically advanced as we can be,” Sheehy said.

That said, there are “some dangers there, too,” particularly around proprietary company information and customer information, he said. Sheehy advocates for an incremental approach and is cautious right now about “letting AI out there on its own.” The company recently revamped its employee manual to prominently include a section on AI.

Dealer Finley Ewing IV, CEO of Ewing Automotive Group in Texas, has been an early adopter and active experimenter with agentic AI tools, particularly through a pilot with growing DMS provider Tekion.

Agentic technology should provide powerful support to dealership staff, Ewing said.

“It’s like a co-pilot for you,” he said. “How can you

use the technology to make you a better, more powerful version of yourself?"

Tekion launched its agentic platform in March, with a service-focused tool as the first in a suite of agentic software for automotive retail. Tekion envisions its digital agents will expand from assistance into full workflow automation, executing tasks and actions on behalf of users and organizations. Examples include identifying necessary repairs and coordinating next steps in the service department.

"We're moving beyond insights to real action — automating workflows, enhancing efficiency and empowering dealership teams to deliver an unparalleled customer experience," Tekion CEO Jay Vijayan said when the platform was launched.

Ewing, who worked with Tekion on the beta version of the product, said an AI tool needs to improve operational efficiency or the customer experience to be implemented at his dealership group. Ewing Automotive has seen significant benefits such as reduced manual labor from automating accounting processes, such as floorplan payoffs and warranty credit memos.

Using agentic AI for tasks that are mundane or prone to

HOW READY ARE DEALERS FOR AI?

Dealerships using artificial intelligence tools report improvements in revenue and profitability, but trust in the technology remains a significant barrier to dealer adoption, according to a new study by Cox Automotive. Other findings of the study, informed by a survey of 537 franchised dealership leaders, include:

- 81% of dealers believe AI is here to stay
- 75% of dealers want to learn more about AI's benefits
- 74% of dealers cite risks from inaccuracies or errors as their top barrier to AI adoption
- Data quality and transparency will help build dealer confidence in AI tools
- Dealers fully leveraging AI tools are much more likely to report revenue growth, efficiency gains and higher profitability than those just dabbling
- Marketing is a primary area for early dealership AI experimentation



Source: Cox Automotive



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— Vince Sheehy, Sheehy Auto Stores president

human error makes sense for the dealership group, Ewing said. But he cautioned that his group will only automate tasks that staff fully understand, warning that building AI logic around poorly understood processes could lead to problems.

Ewing's other note of caution: All AI — whether agentic or something else — is only as good as the information it has. More work around data integrity and segmentation needs to happen, he said.

When the data can be harnessed, agentic AI can become truly transformative, Cox Automotive's Johnson said.

"Of course, this power doesn't come without responsibility," she said, adding that Cox Automotive has created a robust governance framework to ensure AI is deployed safely, securely and ethically.

Johnson also forecasts that a year from now, AI agents will be handling most routine automotive workflows. "The dealers and OEMs preparing for this reality today will own tomorrow's market," she said.

Cobb echoed that notion.

"Dealers shouldn't let this shift pass them by," he said. "Agentic AI is poised to dramatically change the way we manage data, connect systems and deliver value — those who embrace it will lead the industry's next chapter."

Bottom line: Agentic AI is no longer a distant prospect. It is already changing how work gets done in dealerships. As the technology matures and adoption spreads, the expected winners will be those who move quickly, invest in robust governance and reimagine their operations for a new era of agentic AI-enabled automation.

PRESIDIO AUTO TECHNOLOGY SUMMIT SPOTLIGHT

Tech innovation meets capital at Presidio conference

As the auto industry weighs the potential transformational effects of artificial intelligence and the changes in the vehicle marketplace space, the third annual Presidio Auto Technology Summit shed light on those topics and more.

Technology entrepreneurs, investors and dealers were center stage for the one-day, sold-out event in Denver on Oct. 21.

Those stakeholders are collaborating to find a winning formula as the industry moves at a lightning pace toward an uncertain — yet highly advanced — future.

Among the themes discussed at the Presidio event: operational efficiency through AI; the movement of capital to highly focused and effective retail innovations; the use of data at the dealership level to make more efficient decisions; and, in a keynote conversation, the dynamics of Amazon’s entry into auto retailing.

The Presidio Auto Technology Summit had the support of lead sponsor JM Family Enterprises, platinum sponsor Amazon Autos and gold sponsors NCM Associates, Cox Automotive and Cars Commerce.

For more information on the lineup and on future Presidio events, visit thepresidiogroup.com/events.



Presidio CEO Brodie Cobb opened the third annual Auto Technology Summit held at the Denver Art Museum with a welcome to the sold-out crowd.



Attendees online and in the room viewed Drive-In LIVE — a conversation between Presidio Managing Director Jason Stein and Kevin Tynan, Presidio’s director of research.



At the Coffee and Connections networking reception, investors, entrepreneurial start-ups and established tech companies had the chance to meet.



The Coffee and Connections morning reception is a place where deals get done. Karl Murphy and Connor Finnegan of Spiffy talk with MSX’s Andrea Sorrenti.



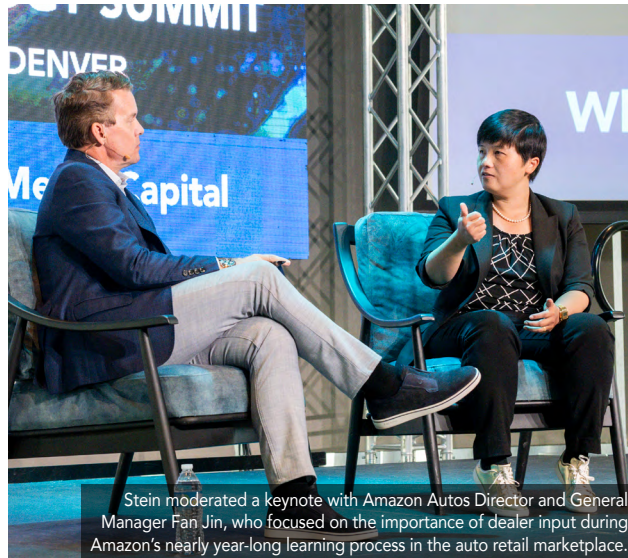
FM Capital's Chase Fraser (far left) moderated a panel on capital with (left to right) Ben Cukier, Centana Growth Partners; Sidney Haider, Reynolds and Reynolds; and Zachary Milles, Warburg Pincus.



Stein moderated a panel focused on tech-minded dealers, featuring (left to right) Jeremy Beaver, Del Grande Dealer Group; Steven Dougherty, Ken Garff Automotive; Terence Rasmussen, CarMax; and Julien Schneider, Cars Commerce.



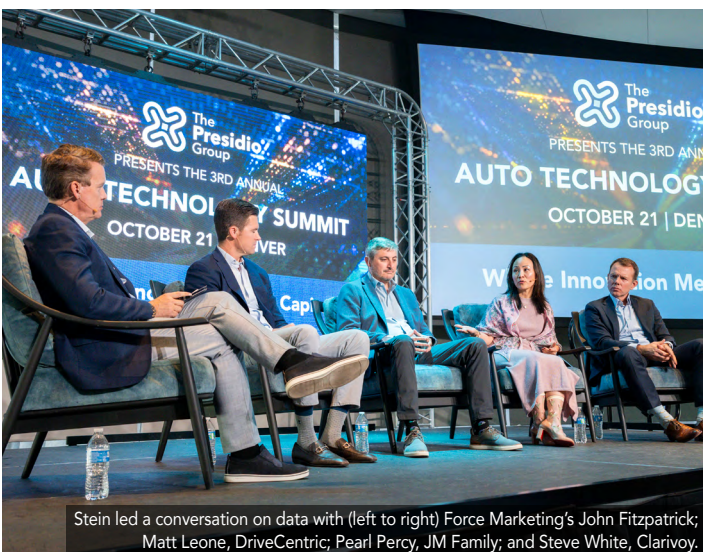
Tekion CEO Jay Vijayan had a one-on-one conversation with Stein, outlining the benefits of investing in the auto retail tech sector.



Stein moderated a keynote with Amazon Autos Director and General Manager Fan Jin, who focused on the importance of dealer input during Amazon's nearly year-long learning process in the auto retail marketplace.



Stein closed the day with the chance for the audience to ask questions of Amazon Auto's Fan Jin, Cox Automotive's Marianne Johnson, DriveCentric's Matt Leone and Tekion's Jay Vijayan.



Stein led a conversation on data with (left to right) Force Marketing's John Fitzpatrick; Matt Leone, DriveCentric; Pearl Percy, JM Family; and Steve White, Clarivoy.



Maroon USA's William Knowles (far left) moderated a discussion on artificial intelligence with (left to right) Marianne Johnson, Cox Automotive; Michael Quigley, Impel; and Jameel Ghata, PAVE.

DEALERSHIP TECH SPOTLIGHT

Presidio highlights technology companies adding value to the auto retail ecosystem via innovations that enhance customer experience, drive revenue, improve efficiency and increase profitability. This quarter's focus: Vehicle marketplaces and the largest new entrant in that space, Amazon Autos.



Amazon Autos, the vehicle marketplace launched last year by the world's largest online retailer, began with a partnership with Hyundai and its dealership network to sell new cars and trucks on Amazon's platform. In 2025, it expanded to used vehicles, starting with inventory from Hyundai dealers and adding former rental cars via a partnership with Hertz. Now active in 130-plus cities, Amazon aims to add more auto brands, positioning itself as a significant new force in automotive retail.

While the venture has raised concerns for some, it's important to understand that Amazon's entry into auto retail is not to compete with dealers but rather to establish a powerful distribution channel for dealers that allows Amazon to tap into a \$15 billion-plus pool of automotive advertising dollars. Presidio's understanding is that Amazon has no interest in interfering with a dealership's gross profit from vehicle and F&I product sales.

The tech giant's cooperative message and vast reach to consumers, both known and unknown to dealers, offer compelling reasons for auto retailers to consider the platform.

"Dealers are absolutely critical throughout the process. We're providing dealers with access to a large new channel, a powerful channel for selling cars to a broad set of customers that know and trust Amazon," said Amazon Autos Director Matt Nuffort on The Presidio Group's Full Throttle podcast earlier this year. "It's very much a partnership."

Presidio CEO Brodie Cobb calls Amazon a game-changing opportunity for dealers to trim costs and boost profitability while meeting customers where and how they want to transact. After buying online, a customer can pick up their car at the dealership or have it delivered where they choose.

"The real power of Amazon Autos is its flywheel effect," Cobb said. "As more brands and inventory are added, the marketplace becomes more attractive to buyers, which in turn draws in more sellers. This dynamic can accelerate growth and efficiency for participating dealers."

Dealers should pay attention because the payoff for them includes lower sales commission per vehicle, reduced ad spend and decreased headcount. Presidio estimates average savings could ultimately reach as high as \$1,000 per vehicle, depending upon brand and geography dynamics.

Dealership sales staff would still be essential, but fewer would likely be needed as they'd perform with higher productivity under a modified commission structure. And advertising costs will drop as dealers narrow their ad dollars to focus on Amazon marketplace visitors.

Another reason to pay attention? Presidio believes large two-sided marketplaces like Amazon traditionally have been selective, working with a fraction of available vendors. While Presidio hasn't discussed this with Amazon, it could be that Amazon Autos signs up perhaps a quarter of all franchised rooftops — 4,500 or so — if it determines that provides substantial national coverage. That means dealers who partner with Amazon early could gain a significant competitive advantage over dealers who don't participate.

At Presidio, we constantly strive to see where the puck is going. In this case, we believe Amazon stands a great chance of building a massive and successful marketplace where dealers and consumers can transact for vehicles and all services and products surrounding their purchase.

RECENT AUTO TECH TRANSACTIONS

Deals focus on AI, logistics, inspection and EV tech



June 2025: Recharged, an electric vehicle marketplace, raised a **\$2 million** seed round led by Gutter Capital. The funding will support Recharged's next phase of growth through 2025, including expanding its sales, operations and engineering teams and enhancing product development.



August 2025: TSD Mobility Solutions, a Reynolds and Reynolds subsidiary providing rental management software and services to auto dealerships and rental car companies, acquired **Fleetlane**, a mobility and fleet management software company, for an undisclosed amount. The purchase expands TSD's technology options and strengthens its fleet management tools in the U.S. and Canada.



August 2025: Fullpath, an artificial intelligence-enabled customer data platform for auto retailers, acquired **Dynamic Payments**, which automates VIN-specific offers to vehicle shoppers, from Fuse Autotech for an undisclosed amount. The purchase aids Fullpath's support of dealership sales activity by ensuring online offers are relevant and reflect real-time inventory.



August 2025: Pam AI, a telephony AI voice agent and customer experience platform for dealership service departments, raised a seed round of funding. The amount raised was not disclosed. Autotech Ventures led the round, with participation from HF0, First Harmonic, Geneva Pacific and others. The money will help Pam accelerate hiring, strengthen integrations and expand into sales and parts.



September 2025: Cox Automotive, acquired full ownership of **Alliance Inspection Management**, which provides vehicle inspection and management services to manufacturers, dealerships, rental fleets and auctions. Cox, which had held 50% of AiM for nearly a decade, purchased the rest from Nissan Motor Acceptance Corp. for an undisclosed amount. The deal expands inspection capabilities for Cox's Manheim unit and adds support capacity for dealers.



September 2025: BizzyCar, a recall and mobile service management platform for dealers, raised **\$20 million** in a Series B round led by Dealer Tire. The capital will fund AI-led product development, expanded platform capabilities and scaling of operations.



September 2025: Solifi, a provider of secured finance technology, acquired **DataScan**, a wholesale finance and inventory risk management software provider, for an undisclosed amount. The acquisition strengthens Solifi's position in secured and commercial finance lines.



September 2025: RunBuggy, a technology platform connecting vehicle shippers and haulers raised **\$37 million** in a Series B round led by Centana Growth Partners assisted by The Presidio Group. RunBuggy enables shippers to integrate transportation services, reducing costs and improving delivery times. The funding will accelerate product development and support expansion.



September 2025: Mudd Advertising, an automotive marketing and technology company, acquired **DealerTrend**, a provider of dealership websites, inventory management and API-driven integrations, for an undisclosed amount. The acquisition strengthens Mudd's marketing, customer data platforms and omnichannel campaign execution.