

WWW.AUTOTALK.COM.AU

autotalk

MAY 2025

THE AUSTRALIAN VOICE



Driving an Omoda C7 PHEV in China P10

PAGE 03 | DEALERTALK

Toward a unified voice for franchised dealers

PAGE 06 | DEALERTALK

Demystifying AI in car dealerships

PAGE 08 | NEWSTALK

No Himla Ute for Australia, more NEVs ahead

How do we demystify car dealership AI?

Using artificial intelligence in your dealer operations can significantly enhance customer outreach, helping ensure you get people back through the doors. Moreover, the pace of change means AI-enabled dealers will pull further and further ahead.

Car dealers should therefore be creating a plan to incorporate artificial intelligence in their operations, starting on areas such as out-of-hours communication and long-term follow-up. Those that do not could end up like dealers who ignored the internet in the 1990s and 2000s.

This advice comes from **Devin Daly**, the co-founder and global chief executive of Impel. Impel is an industry AI platform that powers aspects of Cox Automotive Australia's LeadDriver customer lead-management software.

"A lot of times, a customer goes to buy a vehicle, they fall in love with their vehicle, they fall in love with their sales rep. It's the second-largest purchase of their life. And yet after they buy the vehicle and drive off the lot, they seldom hear from that dealership again," Daly says.

"When you adopt AI, you instead have this 24/7 concierge that's reaching out to the consumer, reminding them they might need service, nudging them, which again just really enhances the customer experience, all the while improving lifetime value for a dealership."

In the US, Daly says dealership AI adoption has been accelerating rapidly. While around one-third of dealers today use AI in their advertising, accounting or lead management, 81% of dealers surveyed say they plan to increase their AI budgets in 2025.

"There are a lot of challenges with having humans responding to a huge influx of inbound leads," Daly says. "They don't respond overnight, they don't do long-term follow-up, a lot of times they don't even answer the customer's question."

Daly says that AI's ability to facilitate an instantaneous web chat at any time was a key selling point. The average

delay between a customer query and a human response online in the US market in working hours is 11 minutes, which doesn't cut it given today's attention spans.

Smart use of AI ensures the customers in your dealer management system (DMS) are regularly contacted, increasing the likelihood of repeat service and sales business.

"The average DMS in the US has 5000 leads," Daly says. "You do the math on how much outreach would be required to actively reach out to those folks and keep them coming back. It is completely unmanageable using human staff and is a great task for artificial intelligence."

AI-ENGAGED CUSTOMERS

When queried on whether average customer cares that they may be engaging with an AI agent instead of a salesperson, at least on initial contact, Daly says research shows in most cases consumers "absolutely enjoy the experience of engaging with the AI".

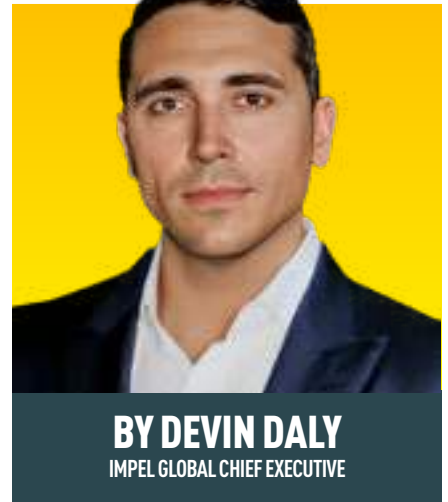
"In the vast majority of cases, they do not know that it's an AI. In the US market, we typically recommend that they name it after a staff member. Some dealers go so far as to put a picture on the 'meet our staff' page," Daly says.

"You would be shocked how often people honestly do funny things like ask the AI out for coffee or, in all seriousness, they will come into the dealership, and they will ask 'hey, can I meet Michelle?', which was the AI's name."

"In certain places, there is required disclosure. In California, there's a bot disclosure law, which we adhere to... The consumers love it, though. You would be shocked not only by how often they believe it's a human and indicate that, but there are often cases where a human will jump in... and the consumers will ask 'hey, can I go back to talking to [the AI]?'"

While consumers seem open to engaging with AI for at least preliminary or out-of-hours enquiries, there's an open question as to whether dealers uniformly take the same view.

"The reality is, any time there's a major innovation, people are worried about



BY DEVIN DALY
IMPEL GLOBAL CHIEF EXECUTIVE

job loss," Daly says. "In reality, things like the printing press, the automobile, and the assembly line ended up creating incremental jobs or labour opportunities.

"What I would say is in the last year, as we're seeing large public dealer groups, large OEMs that are adopting AI, I think that feeling is dissipating. We believe that if you don't embrace it, it's like dealerships that resisted the internet in the '90s or early 2000s. You will be passed by."

"We firmly believe that in the next five years, there's going to be an AI and automation evolution in our space. Dealership gross margins are 5%, 4%, 3%, yet they're massively human capital intensive. We're going to see dealerships go... towards AI and automation to cope."

AUSTRALIA POISED FOR AI ADOPTION

Daly says Australia is a strategically important market, adding that the famously intense competition Down Under "absolutely underpins a situation where Australia is even more poised for rapid AI adoption".

"We have unprecedented volatility [in US inventory and prices]. In the Australian market, you add on top of that the uncertainty that Chinese EV entrants bring to this entire dynamic, and whether they are going direct to the consumer? Is it an agency model?"

"That is the benefit of AI, it allows you to scale up and down very seamlessly with the ebbs and flows of market dynamics. It also allows you to shift strategy very, very seamlessly and a lot more easily than human capital."

When looking forward, Daly says there were all manner of technological innovations waiting in the wings, stating "you never know which one of those could fundamentally change a dealer's business and be that step change".

CONTINUE TO PAGE 07...

Stellantis appoints new MD for Australia and New Zealand

Stellantis has appointed **Mike Tsesmelis** as managing director, Australia and New Zealand, responsible for overseeing operations across the Jeep, Alfa Romeo, Fiat, Fiat Professional, Abarth, and Leapmotor brands.

Tsesmelis has commenced in the role and succeeds Michael Filazzola, who joined Stellantis in 2023 to lead local growth initiatives and the launch of Leapmotor.

Stellantis India and Asia Pacific region senior vice president of sales and marketing **Nirmal Nair**, welcomed Tsesmelis to the leadership team.

"Australia is a key market for Stellantis, and we are entering a pivotal phase with the launch and expansion of Leapmotor, and ensuring we have the right product portfolio in Australia," Nair says.

"Mike brings a wealth of experience across Asia Pacific and a deep understanding of our brands. I'm confident his leadership will strengthen our position and drive our future success in this market.

I'd also like to thank Michael Filazzola for his dedication and leadership during an important phase for Stellantis in Australia and New



Zealand. We wish him all the best in his next chapter," he says.

Tsesmelis brings extensive Asia Pacific region experience, including previous leadership roles within Fiat Chrysler Automobiles (FCA, now Stellantis).

He served as managing director, FCA Asia Pacific, and held commercial and supply chain leadership positions across logistics and vehicle operations. Most recently, he was managing director of AEC, a global mobility solutions provider.

"This is an exciting and transformative time to be joining Stellantis in Australia," Tsesmelis says.

"With a bold growth strategy, the introduction of Leapmotor, and continuing to grow Stellantis' iconic brands, I'm looking forward to leading the teams in Australia and New Zealand, and working in close partnership with our dealers, general distributors, and loyal customer base." ◀

... CONTINUED FROM PAGE 06

"I think one is the rise of agentic AI, which is something that's been talked about a lot. Unlike traditional automation tools, agentic AI can fully and proactively manage and complete tasks, can make decisions in real time, and continuously optimise based on outcomes," Daly says.

"This means AI systems that don't just respond to leads, they manage them end-to-end, scoring, nurturing, following up, and re-engaging cold leads.

"Another key trend we're seeing is predictive personalisation. AI is getting much better at using real-time data such as browsing behaviour, service history, and market conditions to serve hyper-relevant messages across every channel, email, text, chat, WhatsApp, and soon to be voice.

"This creates really meaningful, relevant engagement and improves lead-to-appointment conversion rates materially.

"Last thing I would say is we are seeing

a rise in dominance of one AI brain. Impel's sort of product vision is having one AI central nervous system that controls the entire life cycle from sales, to CSI survey, to F&I, to accessories, to that bond of service loyalty," he says.

AI DEPLOYMENT ADVICE FOR DEALERS

Daly offers some advice to Australian car dealers currently investigating the ways they should deploy AI in their operations, saying "I think it's really important to start with clear, measurable use cases".

"You treat AI as an enabler, not a replacement for staff. Start where AI can immediately reduce friction and remove organisational drag by offloading menial, repetitive tasks," Daly says.

"So, things like lead follow-up, appointment service, appointment scheduling, answering repetitive customer inquiries, these are areas where AI is already proven and success there will build confidence in

incremental use cases.

"Secondly, I would say it's critically important that you choose a trusted partner that's got a lot of automotive experience. In and outside of auto, there's increasing evidence that verticalized AI will win out due to training on specific vertical or industry use cases.

"So, identifying a vertical-specific provider, ensure they integrate with your existing tech stack, your CRM, and your DMS.

Lastly, have a focus on security. You want to work with an enterprise-grade provider. AI is not something you could just plug into ChatGPT and run wild, right? AI unbridled is subject to hallucinating or lying about your business. It will not drive business outcomes.

"So, identifying somebody that is enterprise grade and has those security measures in place is critical," he says. ◀