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# State of the Industry

**CDK GLOBAL**<sup>®</sup>  
HEAVY TRUCK

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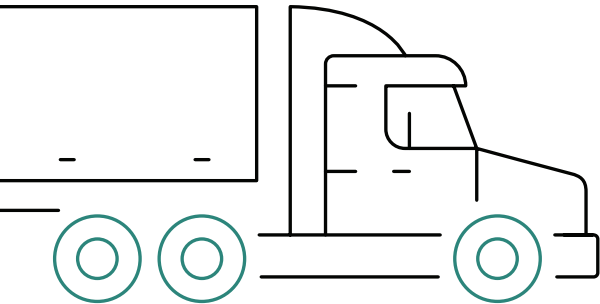
Where Heavy  
Truck Dealers  
Are Headed Next

Answering  
Tomorrow's \_\_\_\_\_ 13  
Challenges

# About This Study

From robust sales of class 8 trucks to peak volume at U.S. ports, 2022 was a high point in many ways for the heavy truck industry. As we get further into 2023, pent-up demand should maintain sales. However, there always seems to be an economic pothole or two on the horizon, like high interest rates, financial instability or fickle consumers.

To gauge where the heavy truck retail industry stands today and where it's going tomorrow, CDK Global Heavy Truck interviewed 134 dealers across the U.S. and Canada. The dealerships surveyed represented a mix of volume, varying group sizes and more than a half dozen heavy truck brands. We spoke to department heads across the business and store leadership to discover what they focused on in the past year and what their main concerns are for the next 12 months.



*“We’ve had a lot of serious curveballs pitched at us and we handle them. And they’ve made us a strong team because of it. There will be more curveballs and that’s why we come to work every day — to go on and figure out how to handle them.”*



## RESPONDENT CHARACTERISTICS

# OF RESPONDENTS: 134

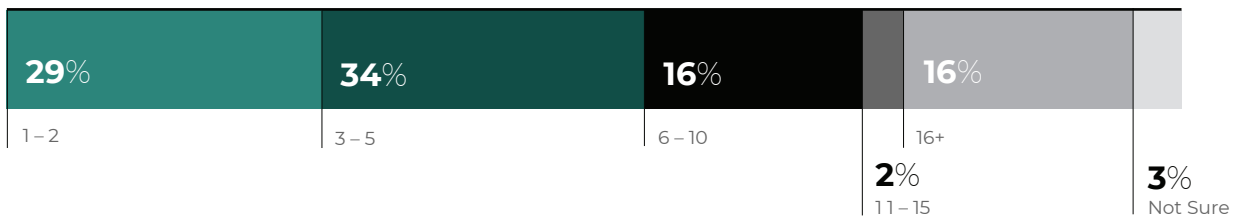
### Leadership



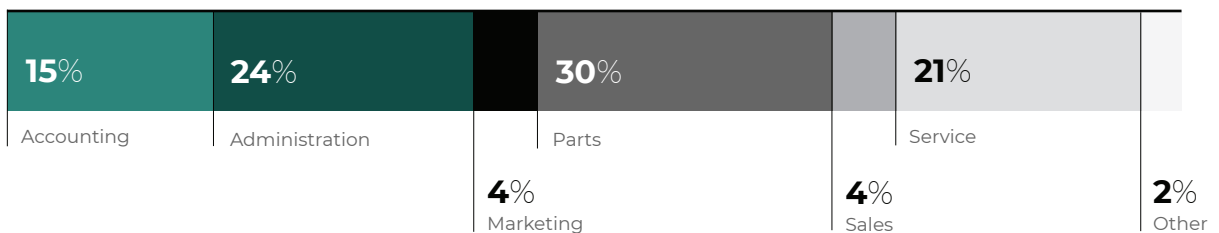
### Dealer Sales Volume (by Units Sold Monthly)



### Dealer Group Size (by Rooftops)



### Departments

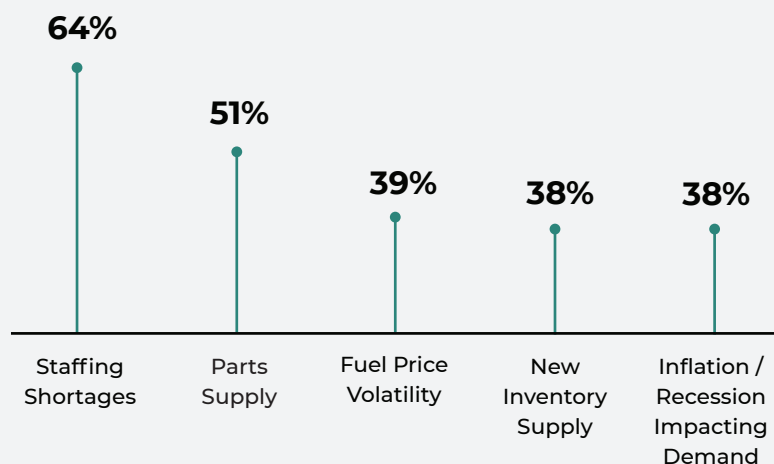


# The Year in the Rearview

Current headlines may suggest that robots and advanced AI will replace human workers, but when it comes to the industries that keep North America moving every day, flesh-and-blood humans are the key to everything. In our survey, 64% ranked staffing as one of their most challenging issues of the past 12 months. Getting the right bodies to staff the dealership — especially the Service bays — outranked all others, with managing Parts supply a close second.

## TOP FIVE CHALLENGES

(Last 12 Months)



# 64%

of dealers stated that **staffing** has been the biggest challenge.

## OF THESE DEALERS ...

# 67%

sell **100+** units monthly.

# 78%

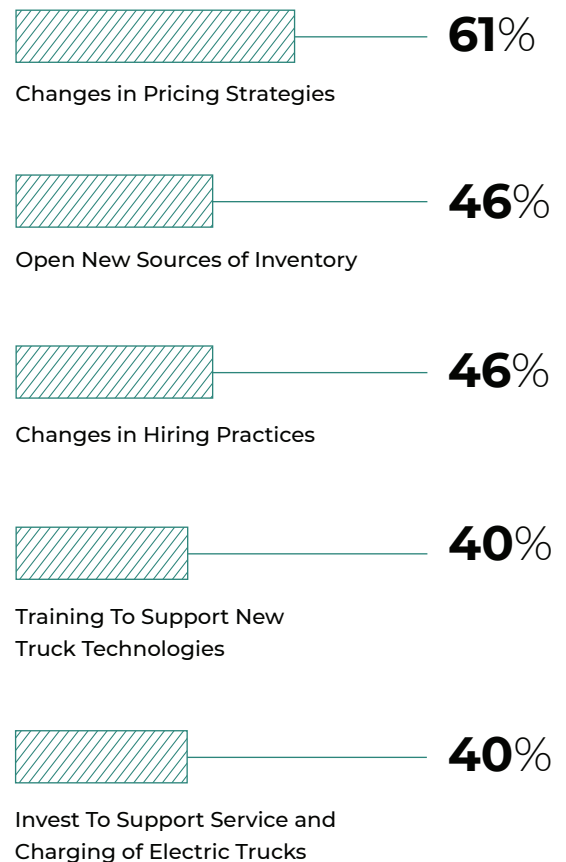
are part of a **large** dealer group.



While staffing was an overwhelming concern, most dealers focused on bottom-line issues in terms of tactics they put in place over the past year. Changes to pricing strategies were the number-one way dealers met their challenges according to 61% of respondents. Opening new sources of inventory was a distant second at 46%.

*“We’ve noticed that making small changes has made a rather decent improvement in certain areas. We’ve been able to hire new employees, retain long-term employees and see a difference in the bottom line due to the pricing strategies we’ve implemented.”*

## DEALER STRATEGIES TO ADDRESS CHALLENGES





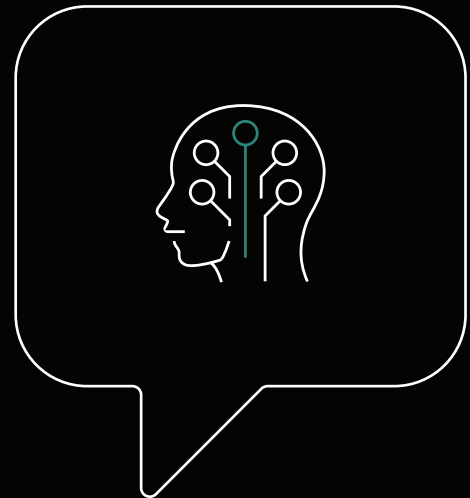
# Introducing the Trendsetters

To dig deeper into how heavy truck dealers approach their strategic moves, we asked each store leader we interviewed to consider how they operate. They told us whether their dealership is the first to try something new or alternately, if it's slow to implement new approaches to their business.

More than half (55%) of those surveyed put themselves in that early adopter category — or what we call Trendsetters. Those who said they were content to wait were labeled the Status Quo. A smaller group decided not to place themselves in either category.

55%

of dealers surveyed themselves  
**as Trendsetters or Innovators.**



By breaking down the results between Trendsetters and the rest of those surveyed, we saw stark differences in the strategies that were being implemented. That high number we saw for addressing pricing strategies was even higher among our conservative dealers at 74%, compared to 61% of the total we surveyed.

Trendsetters, however, had outsized focus last year on investment in training to support new truck technologies. This ranged from enhancing digital commerce technology to finding new sources of Parts inventory and investing in EV infrastructure.

# DEALER STRATEGIES TO ADDRESS CHALLENGES

● Trendsetters ● Status Quo

Changes to  
Pricing Strategies

61% / 75%

Investment in Training  
To Support New Truck  
Technologies

50% / 37%

Open New Sources  
of Inventory

48% / 50%

Changes in  
Hiring Practices

46% / 41%

Enhanced Digital  
Commerce Technologies

45% / 22%

## KEY TAKEAWAYS

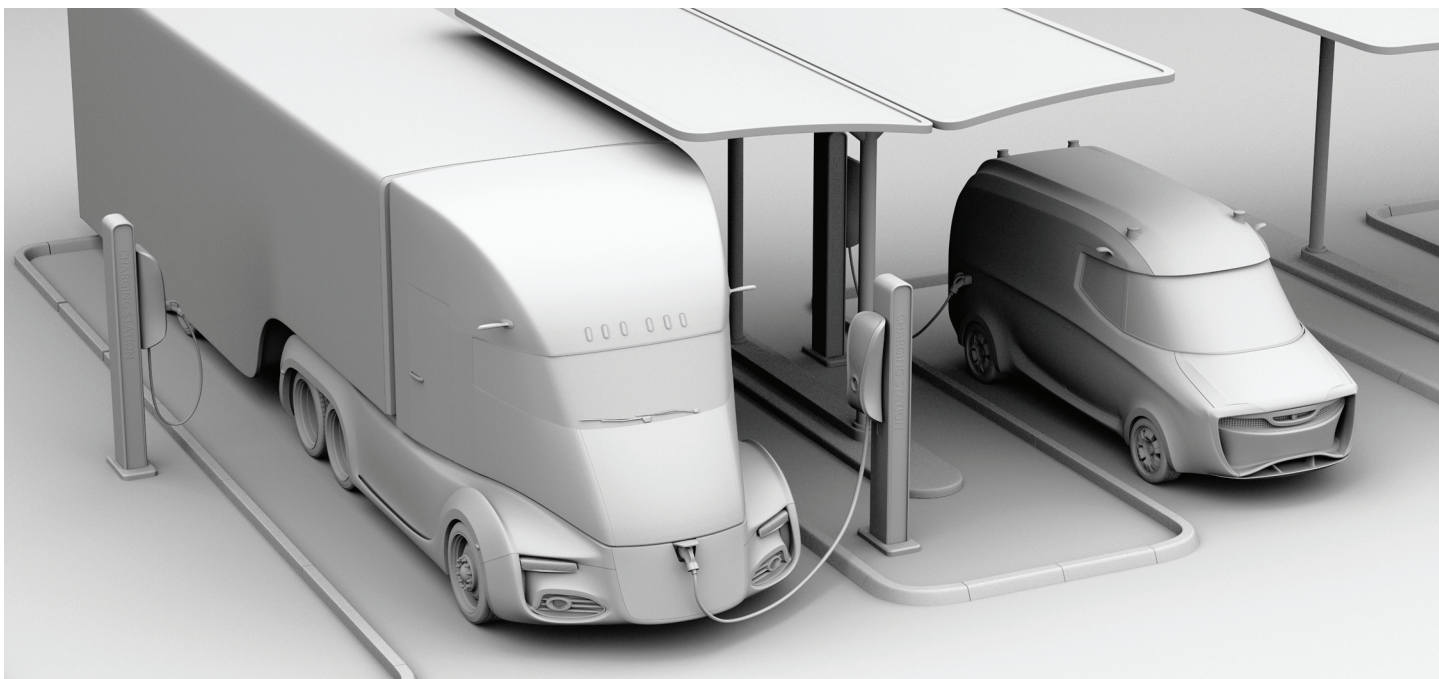
→ 61% of truck dealers made pricing changes, with **29% seeing a very high positive** impact resulting from this change.

→ Using new inventory sources was the second change made by most dealers, but **40% have yet to realize much benefit.**

→ While dealers looked to meet their staffing needs outside of their traditional sources, they also **invested in training** — particularly to support the introduction of **new truck technologies.**



# The Outsized Impact of Electric Vehicles



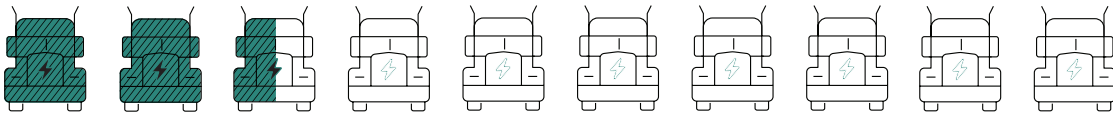
The electrification of transportation is coming. It seems somewhat inevitable, possibly because we seem to hear little else across our industry. And in our survey, the electrification of heavy trucks is not only a pressing concern for dealers, it's also having a financial impact that may dwarf the sales and service of the vehicles themselves in the near term.

Looking at their business today, 25% of dealers said they had invested in the infrastructure to support battery-powered trucks, with 36% of those saying they were implementing these changes to a large extent.

Looking ahead, 30% of all dealers — whether they were urban, suburban or rural — said they would invest in these electric infrastructure needs in the next 12 months.

But these numbers are even more remarkable when you consider just how few customers are expected to want an EV. When we asked dealers what percentage of their customers they expect to shop for an electric vehicle, the average was just 5.1%. That small figure may be due to few current class 8 EV offerings on the market at this time and surprisingly, once again, there was little variation among urban, suburban and even rural dealerships.

*“Change is always challenging and always necessary to keep up. Technology is changing all the time and we’re changing with it. Sometimes it’s something small, sometimes it’s a large-scale change that requires additional training and expense. We’ve kept up and we feel it keeps us in the forefront.”*



**25%**

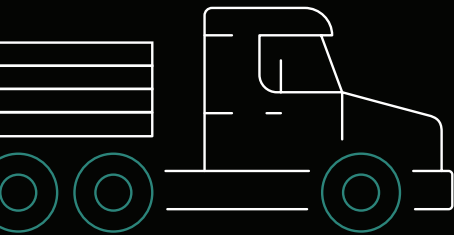
of dealers said that they had invested in the infrastructure to **support battery-powered trucks.**

**BUT ONLY ...**

**5.1%**

of customers are **expected to purchase EV trucks** in the next year.

# Where Heavy Truck Dealers Are Headed Next



Heavy truck dealers have dealt with unimaginable disruptions to their business in the past few years. The ability to adapt to change and meet problems head on has righted the industry from the lows of the pandemic. IBISWorld predicts U.S. revenue in 2023 to be \$118B, up 28% from 2020 and fourth highest in the past 10 years. The firm also sees that number growing to \$225B by 2025.

While these trendlines certainly look positive, those in our survey are still focused on costs moving forward. Reducing excess costs was the area that 48% of dealers were highly likely to change in 2022 to address challenges. Only 27% were highly likely to keep their cost reduction strategies from 2022 in place for 2023.

## HIGHLY LIKELY TO CHANGE IN 2023

**53%**



Invest in Training To Support New Truck Technologies



**48%**



Reduce Excess Costs



**46%**



Change in Pricing Strategies



## LIKELY OR EXTREMELY LIKELY TO KEEP STRATEGIES

**78%**



Open New Sources  
of Parts Inventory



**77%**



Open New Sources  
of Inventory



**67%**



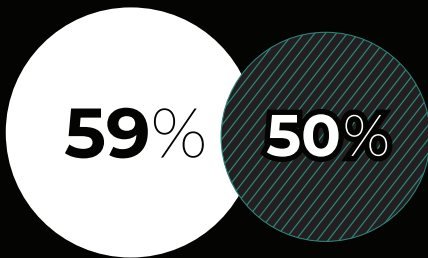
Reduce  
Excess Costs



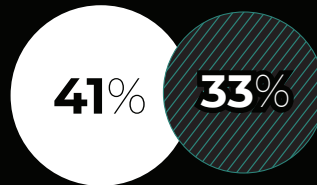
## PLANNED CHANGES FOR THE YEAR AHEAD

● Trendsetters

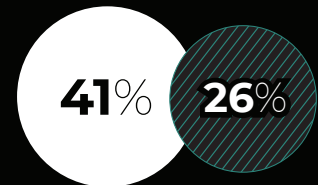
● Status Quo



Invest in Training To Support  
Adoption of Truck Technologies



Simplify Sales and Service  
Processes to Reduced  
Friction Points

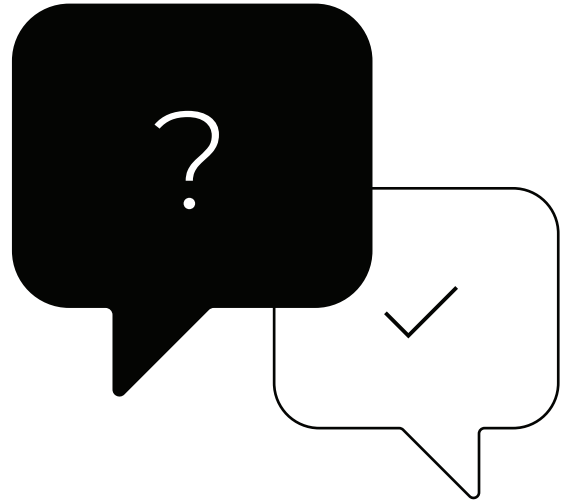


Open New Sources  
of Parts Inventory

Pricing strategies are another fiscal challenge dealers are going to pivot to address in 2023. However, the biggest shift was in training. New technology, like electric powertrains and driving assistance features, will require additional training for all dealership staff; 53% said they were going to change their training approach in 2023.

Once again, there's a shift when we break out the Trendsetters and what they're looking to address in 2023. Training is the top priority, but simplifying the Sales process to reduce friction points and opening new sources of Parts inventory were two other areas where Trendsetters put more focus than their traditional counterparts.

# Answering Tomorrow's Challenges



Understanding that you and your dealership are unique and not always in line with the averages in this study, we still believe that any dealer can benefit from these findings. CDK Global Heavy Truck is also focused on supporting its dealer clients as they continue in 2023 and beyond.

When we asked dealers what type of support they look for from their DMS supplier, training once again rose to the top at 63%. Simplifying the Sales and Service process came in a close second at 60%.

## DMS SUPPLIER SUPPORT NEEDS

**63%**

Provide Training To Support Adoption of New Technologies at the Dealership

**60%**

Simplify Sales and Service Processes To Reduce Friction Points

**37%**

Introduce Digital Commerce Technologies



*No matter the issue  
for your dealership,  
CDK Global Heavy Truck  
is ready to offer the right  
support at the right time.*

Sales, Leasing and Inventory

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Fixed Operations

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Dealership Operations

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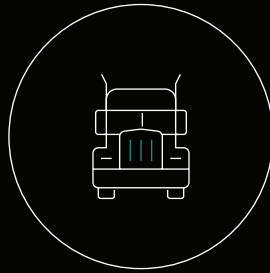
IT Infrastructure

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OEM Integrations

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**CDK GLOBAL**<sup>®</sup>  
HEAVY TRUCK



CDK Global Heavy Truck is committed to providing heavy truck dealers with the solutions you need to keep the industry moving faster — and smarter. We've been in the heavy truck business from the beginning and we continue to invest. You can count on us to be there for your dealership.

**Discover more at [cdkglobalheavytruck.com](https://cdkglobalheavytruck.com)**



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