

# RESHAPING FRANCHISE DEALERSHIPS



## How the Aging Vehicle Fleet and the Abundance of Recalls are Reshaping Franchise Dealerships

**A**mericans are driving older cars more than ever. That simple fact is changing the service landscape: more miles, more wear, and more opportunity - but not necessarily for franchised new-car dealerships. Over the next decade the growth of older vehicles on the road will drive a steady rise in service and parts demand, and dealers who adapt can turn that into a durable profit engine. Those who don't will risk further defection to aftermarket providers.

### LET THE DATA SPEAK

Earlier this year, S&P Global Mobility reported the average age of cars and light trucks in the United States reached a record 12.8 years in 2025, up from 12.6 years in 2024 - a continuing multi-year trend of gradual growth. That means a larger share of the fleet is now squarely in the "repair-first" age band.

### AGE RANGE OF VEHICLES

Data from the Federal Highway Administration and Bureau of Transportation translate into tens of millions

of vehicles entering the 6-14 year "sweet spot" for repair demand. Put bluntly: more vehicles older than 6 years means more repair needs per vehicle per year. S&P estimates that more than 110 million vehicles already sit in that prime aftermarket age range - roughly 35 to 40% of the fleet - and the number is expected to grow further.

### THE SERVICE WINDFALL

The growing pool of older cars should be a windfall for franchised dealers if they can retain existing customers or recapture owners who have defected. A Cox Automotive Industry survey found dealership service lanes accounted for about 30% of all U.S. service visits in 2023, down from 35% in 2021. General repair shops, quick-service chains, tire centers and specialists have increased share. That means roughly 70% of repair visits happen outside franchised dealerships.

Meanwhile, dealership repair-order revenue has been increasing even as visit counts flatten in some datasets: repair order revenue per visit has been trending up, reflecting higher parts and labor prices, and

more complex repairs. Still, the share tilt toward independents shows dealers are losing market share even while the service pie grows.

## WHY THE SHARE TILT TOWARD INDEPENDENTS

Consumer studies identify a handful of recurring reasons owners of older vehicles choose non-dealer shops:

- price sensitivity
- convenience and location
- perception of value/distrust

The upshot: the aging fleet increases total service demand, but the incremental visits are frequently captured by aftermarket players, not franchised dealers. So how do we appeal to consumers?

## LEVERAGING RECALLS TO WIN THESE CONSUMERS BACK

Recalls are messy and costly for OEMs. But for franchised dealers they offer an unusual advantage: recall repairs funnel owners back to franchised service bays - if owners bring vehicles in. That makes recall outreach and completion a ready channel to re-establish service relationships and convert those owners into recurring customers.

## TWO IMPORTANT FACTS SUPPORT THIS STRATEGY

The first is that recall completion is lower for older vehicles. The National Highway Traffic Safety Administration (NHTSA) research and annual recall-completion reporting show vehicle age is a major factor behind low completion rates. Older cars which have already defected to the aftermarket are less likely to land in the dealership's service lane - thus recall remedies never identified and completed.

Given the rates of recall compliance over the past 10 years, there's a treasure trove of unrepaired vehicles that dealers can go after if they can connect to these owners. For example, Recall Masters currently tracks about 54% of these owners then opt in for CP work,



### Recall Compliance 2015 - 2024

Passenger Cars/Vans and Light Trucks Only

NHTSA Campaign Year	Total VINs Affected	Total VINs Repaired	Completion Rate	VINs Unrepaired
2025 NHTSA Recalls	3,924,506	139,649	3.6%	3,784,857
2024 NHTSA Recalls	28,044,165	10,367,448	37.0%	17,676,717
2023 NHTSA Recalls	33,735,097	18,313,899	54.3%	15,421,198
2022 NHTSA Recalls	29,444,972	20,469,703	69.5%	8,975,269
2021 NHTSA Recalls	27,636,127	18,083,355	65.4%	9,552,772
2020 NHTSA Recalls	30,628,685	20,366,002	66.5%	10,262,683
2019 NHTSA Recalls	37,846,741	27,228,345	71.9%	10,618,396
2018 NHTSA Recalls	28,184,899	20,622,459	73.2%	7,562,440
2017 NHTSA Recalls	27,392,638	18,458,452	67.4%	8,934,186
2016 NHTSA Recalls	48,937,350	32,209,700	65.8%	16,727,650
2015 NHTSA Recalls	48,072,274	30,351,177	63.1%	17,721,097
Total	343,847,454	216,610,168	63.0%	127,237,286

Remedied as of 05/01/2025, as reported by NHTSA

with 64% of them returning for a second visit within the next 12 months. Reviewing NHTSA's recall compliance rates, dealers see the benefits of owner engagement to secure that warranty work in the initial years of that recall having been announced. But then repair rates flatten after the third year.

Also, as vehicles age and exchange hands at a rapid pace, the lack of a national database of registered owners makes recall notification extremely difficult. Once those vehicles no longer service at the franchised dealership, neither the manufacturers nor dealers are aggregating 2nd/3rd/4th generation owner data.

"The low-hanging fruit are recalled vehicles still in the hands of the original owner, but that's still a much smaller percentage of the recall revenue opportunity," explains Christopher Miller, Founder and Chairman of Recall Masters. "Since we've built and managed the largest vehicle owner database in the nation, consumers now have a path to a dealership that can resolve an important safety matter. This includes owners who have never visited the dealership as well as those who are hearing about the existence of a recall for the first time. Everyone wins - but only if you can find and communicate to those vehicle owners."

## DATA ON OWNER'S PERCEPTIONS

The Government Accountability Office (GAO) highlights owner perceptions of time loss, distance to



dealer, and inconvenience as major barriers to recall completion. But there are actions that manufacturers and dealers can perform to measurably increase completion rates, such as:

- loaners
- mobile repairs
- targeted outreach
- financial incentives
- easier scheduling

In short: make recall fixes easy and owners respond.

Because recall repairs must be performed by franchised dealers, a dealer that makes recall repairs frictionless gets a shot at capturing not just the recall job but future paid maintenance and repair - precisely the work that older vehicles require more frequently.

Estimating precise dollars per vehicle varies by model, region and dealer, but several industry data points show that older vehicles generate more frequent visits and yield higher average RO revenue per vehicle.

## WHAT THIS MEANS

Even if an older vehicle's single repair might be smaller than a major out-of-warranty engine replacement, the aggregate lifetime value of older vehicles - frequent visits for brakes, suspension, diagnostics, HVAC, electrical and wear items - is substantial. As more vehicles pass beyond warranty periods, the recurring rev-

enue stream in maintenance and unscheduled repairs grows - and much of it is currently missed by dealers who don't successfully compete with independents or aren't leveraging the presence of a recall.

The nation's car parc is older than ever, and that structural reality guarantees rising demand for parts and service. The trick for franchised dealers is simple to state and harder to execute: convert that demand into dealer-net revenue by removing friction, restoring trust, and using recall work as an acquisition funnel. Dealers that invest in recall outreach solutions will re-capture a disproportionate share of the growing service pie.



**Sean Reyes** oversees all marketing efforts at Recall Masters as Chief Marketing Officer. Sean's experience spans more than 35 years of business development and strategic marketing experience, having developed go-to-mar-

ket products and solutions for the automotive, health-care, insurance, finance and technology industries to serve Fortune 1000 clients like American Express, Toshiba, Western Digital, Cox Communications, Novartis, Microsoft, IBM, Compaq, HP, National General Insurance, MyCustomer Data, DigniFi and several automotive affiliates and dealerships.