

# Technology Stack Spending in Commercial Vehicle Dealerships (Class 1–8)

Commercial vehicle dealerships (covering **Class 1–8** vehicles, from light-duty autos to heavy-duty trucks) rely on a broad **technology stack** to manage operations. Recent industry analysis shows that an average franchised dealership spends roughly **\$30,000 per month** (≈\$360k/year) on software across various systems <sup>1</sup>. Below, we break down key system categories – their purpose, common vendors, and typical annual costs per dealership – with notes on differences for **franchise vs. independent** dealers and any heavy-duty specific insights.

# **Dealer Management Systems (DMS)**

**Purpose:** The DMS is the core enterprise system of a dealership, handling **inventory records, sales and F&I transactions, service/parts operations, and accounting** in one integrated hub. It connects data across all departments (and even across multiple store locations) to streamline workflows 2.

Common Vendors: In franchised auto dealerships, leading DMS providers include CDK Global Drive, Reynolds & Reynolds (ERA Ignite), Dealertrack DMS (Cox Automotive), Tekion Automotive Retail Cloud, Automate/DealerSocket (Solera), Dominion VUE and others. For medium- and heavy-duty truck dealers, specialized DMS platforms like Karmak Fusion and Procede Excede are widely used (along with some using modified versions of CDK or other systems adapted for trucks). Independent used-car dealers often opt for simpler, low-cost DMS solutions such as DealerCenter, Frazer, or Autosoft, which offer essential inventory and deal management features at a budget price.

Typical Annual Cost: A full-featured DMS is usually the single largest tech expense for a dealership. Franchised dealerships report an average DMS cost around \$6,300 per month (about \$75,000 annually)

2 for a comprehensive system. In practice, DMS pricing can range widely based on store size and vendor – roughly \$50k to over \$100k per year for large franchise stores is common. By contrast, independent dealers pay far less: many smaller used-car lots use DMS packages costing only \$1,000-\$3,000 per year. For example, DealerCenter's DMS starts at \$79 per month (under \$1k/year) for unlimited users 5. Medium/heavy truck dealers' DMS costs are similar to franchised auto dealers (in the tens of thousands per year for enterprise systems), as these systems are equally mission-critical for managing truck inventory, parts, and service, though exact figures are not public.

# **Customer Relationship Management (CRM)**

**Purpose:** CRM software tracks and manages **customer interactions**, **leads**, **and sales prospects**. It serves as a centralized tool for the dealership's sales and marketing teams to follow up on internet leads, phone inquiries, and showroom visits. A CRM maintains a detailed history of customer contacts (emails, calls, appointments) and helps schedule follow-ups, enabling personalized communication and improving conversion and retention.

**Common Vendors:** Popular automotive CRMs include **VinSolutions** (Cox Automotive), **Elead CRM**, **DealerSocket CRM** (by Solera), **DriveCentric**, and **Affinitiv** CRM, among others <sup>6</sup> <sup>7</sup>. These systems are often tailored for retail auto sales with features like internet lead management, automated follow-up workflows, and DMS integration. Some DMS suites (e.g. Reynolds, PBS) also have built-in CRM modules. In the **heavy-duty commercial** segment, dealers may use generic or customized CRMs – for example, some larger truck dealers adapt **Salesforce** or use niche solutions like **VOZE**, a CRM designed for heavy truck and trailer sales teams <sup>8</sup>. Independent dealerships that are smaller may skip a dedicated CRM or use simpler tools (even spreadsheets or basic lead managers), though many opt for affordable solutions (DealerCenter offers a CRM add-on for **\$99-\$199 per month** <sup>9</sup> <sup>10</sup>, which is under \$2,500/year).

**Typical Annual Cost:** For **franchised dealerships**, a robust automotive CRM typically costs on the order of \$1,500-\$2,500 per month. Industry surveys put the average around \$2,000 per month (~\$24k/year) for a dealership CRM system <sup>11</sup>. This often scales with the store's lead volume or user count. **Independent dealers** generally spend much less – many small used-car dealers can use an entry-level CRM for just \$1,000-\$2,000 per year, especially if bundled with their DMS. (In fact, some DMS platforms for independents include basic CRM functionality at no extra charge.) Heavy-duty truck dealers also leverage CRM capabilities but adoption varies; those that implement a CRM incur costs similar to auto dealers, whereas some smaller commercial dealers rely on salesperson relationships and simpler contact trackers instead of a full CRM platform.

# **Inventory Management Software**

**Purpose:** Inventory management tools help dealers **track and merchandise their vehicle inventory**. They maintain details on each vehicle in stock – including specifications, photos, ownership and service history, market pricing data, and age on lot – and often provide pricing guidance. These tools are especially crucial for used vehicle management: they enable dynamic pricing, appraisal assistance, and help identify which vehicles to stock or retail vs. wholesale based on market demand.

Common Vendors: Many franchised dealers use dedicated used-car inventory management suites such as vAuto (from Cox Automotive) or MAX Digital FirstLook. These systems pull market data (auction prices, retail listings, supply metrics) to suggest pricing and trade-in values. Other tools include Dealertrack Inventory+, VinCue, and modules within larger platforms (e.g. Reynolds' Inventory Management or DealerSocket Inventory). Independent used-car dealers might use lighter-weight tools or even rely on manual pricing with guides (KBB, Black Book) if they can't justify the enterprise software cost. In the medium/heavy truck sector, inventory management is often handled within the DMS – truck dealers typically carry lower unit volumes but high-cost equipment, and their DMS or OEM systems track vehicle inventory and specifications. There are fewer third-party inventory pricing tools for heavy trucks, though some dealers may use online marketplaces (like Commercial Truck Trader or TruckPaper) which provide market visibility for used truck pricing.

**Typical Annual Cost:** For **franchised auto dealers**, a professional inventory management solution averages about **\$1,500-\$2,000 per month**. An industry report cites roughly **\$1,700 per month** (~**\$20k/year**) as typical for inventory management software in a franchise dealership 12. This investment is often justified by better turn rates and gross profit optimization on used cars. **Independent dealers** often avoid this expense; many small dealerships rely on free or low-cost tools. Some may use basic inventory modules included in their DMS or subscribe to online value guides (a few hundred dollars a month) rather than a full suite. **Heavy-duty truck dealers** usually do not use separate inventory software outside the DMS – their

spending in this category is generally folded into DMS costs, except for any subscriptions to industry listing platforms (which are more marketing expense than inventory management per se).

### **Service and Repair Management Systems**

**Purpose:** These systems support the **fixed operations** side of the dealership – i.e. vehicle service, maintenance, and repair. They help manage **service scheduling**, **work orders/repair orders (ROs)**, **technician assignments**, **parts availability**, **and customer service history**. A well-integrated service management setup improves shop efficiency and customer experience (by coordinating appointments, checking vehicle repair status, etc.).

Common Tools: Many core DMS platforms include service department modules for creating ROs, tracking parts and labor, and recording service history. However, dealerships often augment this with specialized service lane tools. For instance, Xtime (Cox Automotive) is a popular add-on for online service appointment scheduling and service CRM, sending reminders and enabling 24/7 booking. Other tools include CDK Service Edge or Reynolds Xchange for service, Dealer-FX (Snap-on) for service workflow and digital vehicle inspection, and myKaarma for service communications and payments. The service department also uses manufacturer-specific systems for warranty claims and recalls. In heavy-duty truck dealerships, service management is equally critical: they often integrate with fleet maintenance platforms like Decisiv (a Service Relationship Management system widely used to connect fleets, OEMs, and dealers for truck repairs) to handle external repair authorizations and communication. Heavy truck DMS solutions (Karmak, Procede) have strong service/parts functionality out of the box, given the importance of aftersales in commercial vehicle operations.

Typical Annual Cost: Franchised dealers may spend anywhere from \$5,000 up to \$15,000+ per year on service department software, depending on what's included in the DMS and which add-ons they use. For example, a dealer might pay on the order of \$500-\$1,000 monthly for a service scheduling and lane management tool (Xtime's core product often costs a few hundred per month per store, though packages can go higher). If the DMS's built-in service module is sufficient, additional cost might be minimal – but many dealers still budget for customer-facing scheduling tools and electronic multipoint inspection software. Independent dealerships (especially those without a large service operation) typically have minimal tech spending here. A small used-car dealer might just use their DMS or a simple garage management app to track reconditioning of vehicles; many independents don't operate public service shops at all. Heavy-duty dealers generally invest amounts comparable to auto dealers in service software – their DMS fees cover most service functionality, and they may pay extra for platforms like Decisiv (often subsidized by truck OEMs). Overall, fixed-ops software is a moderate slice of the tech budget for franchise dealers, but usually not as costly as DMS or sales tools.

# **Marketing Automation Systems**

**Purpose:** Marketing automation tools help dealerships manage **outreach and advertising campaigns**, especially digital marketing to sales and service customers. They enable automated **email marketing, text messaging campaigns, customer follow-up sequences, and online advertising integration. The goal is to nurture leads and past customers with targeted communications (for example, service reminders, lease-end offers, or special promotions) to drive business.** 

Common Solutions: Some dealer CRMs have built-in marketing automation (e.g. Elead CRM and VinSolutions include campaign and email blast features). Beyond that, dealers use specialized platforms like Outsell or Affinitiv (which offer multi-channel marketing programs for dealers), or Jasper/Force Marketing tools for automated email and direct mail. There are also reputation management and social media automation tools (such as Podium or Reputation.com) that fall into the marketing tech stack, helping manage online reviews and social outreach. Digital advertising platforms (Google Ads, Facebook) might be managed by agencies using proprietary tools, but those costs are usually counted as advertising spend rather than software. For independent dealers, marketing might simply mean using simpler tools like Mailchimp or the CRM's basic email function, due to budget constraints. In the commercial/heavyduty realm, marketing automation is less emphasized (sales are often B2B relationship-driven), but dealers still use email lists for parts promotions or service campaigns targeted to fleet customers.

Typical Annual Cost: Marketing automation software costs can vary widely. A franchise dealership might spend on the order of \$300 to \$1,000+ per month for dedicated marketing tools or services. For instance, a comprehensive customer engagement platform could run \$5,000-\$12,000 per year in subscription fees, depending on volume of customers and messages. Some surveys indicate dealers bundle this into CRM costs, but standalone services (like equity mining tools that identify customer upgrade opportunities) were about \$2,000/month in some cases <sup>13</sup>. Many franchise dealers also pay for third-party lead generation and listing services (AutoTrader, Cars.com) – while those are advertising expenses, they effectively add to the tech budget. Independent dealers often spend very little here – perhaps only a few hundred dollars yearly on an email tool or social media boosting. They rely more on inexpensive channels (Facebook marketplace, Craigslist postings, etc., sometimes facilitated by tools like DealerCenter's posting service) which might be, for example, \$50/month for an automated listings tool. Overall, franchise dealers' marketing tech spend might be \$3k-\$10k annually on software (separate from ad spend), whereas independents keep this near zero to a few thousand at most.

# **Digital Retailing Tools**

**Purpose:** Digital retailing platforms allow customers to **complete more of the vehicle purchase process online**. These tools provide website features like **online price customization**, **payment/financing calculators**, **trade-in evaluation**, **digital loan applications**, **and even e-signature for deals**. Essentially, they bridge the gap between an online shopping experience and the in-store sales process, catering to customers who prefer to do steps remotely (a trend accelerated in recent years).

Common Vendors: A number of third-party solutions emerged to offer end-to-end digital retail capability. Examples include Roadster (acquired by CDK Global), CarNow and Gubagoo (which offer chat and digital retail plugins, Gubagoo was acquired by Reynolds & Reynolds), Modal (formerly NextGen, acquired by Tail Light), AutoFi, Upstart Auto Retail (Prodigy), TagRail, and OEM-specific programs (many brands have certified digital retail tools, often powered by these vendors under the hood). These integrate with the dealer's website and backend systems to pull inventory, pricing, and lender info. Website platform providers like Dealer.com, Dealer Inspire, and DealerOn also offer built-in digital retail modules as part of their packages. In the heavy-duty truck market, fully online sales are less common – big trucks are often custom-specced or require B2B negotiation. Thus, digital retailing for trucks might be limited to offering online credit apps or quote request tools on dealer sites, rather than a true "buy online" checkout. (That said, some truck dealers do list inventory online with prices and might allow customers to start the deal online, but it's not as standardized as in the auto retail sector.)

Typical Annual Cost: Franchise dealerships typically invest roughly \$5,000 to \$18,000 per year for digital retailing capabilities. Many standalone digital retail tools cost on the order of \$500-\$1,500 per month per rooftop. For example, one OEM program lists a core digital retail package at around \$1,100/month 14. Higher-end packages (bundled with additional web services or premium support) can run a few thousand a month. Dealerships that opt for these platforms see it as a cost of staying competitive in modern retail – by 2025, an estimated 30% of vehicle sales may happen online or through a hybrid online process 15. Independent dealers vary: a tech-savvy independent might use a lighter version of digital retailing (some website providers offer a basic payment calculator or an "Express Checkout" widget for a modest fee). But many independents skip full e-commerce – they might just have an online credit application form (often provided free by finance companies or for a small fee) and rely on third-party listing sites for online visibility. Thus, for independents, digital retail software spend is often negligible or limited to perhaps \$100-\$200/month add-ons to their website. Heavy truck dealers, where utilized, likely incur costs similar to franchise car dealers for any online sales tool, but most are still in early stages of digital retail adoption.

#### Finance & Insurance (F&I) Software

**Purpose:** F&I software supports the **vehicle financing, insurance, and aftermarket products** process in the dealership. After a sale is agreed, the F&I office uses software to **submit credit applications to lenders, structure loan/lease deals, present warranty and insurance options (menus) to customers, and handle electronic contracting and compliance.** These tools expedite the paperwork and ensure accuracy and legality of the deal process.

Common Tools: One essential category is credit application portals like RouteOne and Dealertrack F&I, which connect dealers with banks and automakers' finance arms. These are typically provided at low or no direct cost to dealers (the lenders fund the networks), and they allow electronic submission of loan apps and retrieval of approvals. For the menu presentation of F&I products (extended warranties, GAP insurance, etc.), dealers use software such as Darwin Automotive, MaximTrak (now RouteOne Menu), MenuVantage, or F&I Express. These systems produce professional menus for products and can integrate with e-contracting. Compliance modules (for tracking legal documents, printing forms like privacy notices, running OFAC checks, etc.) are also part of the F&I stack – often integrated into the DMS or provided by vendors like Compli, KPA, or the dealership's forms provider. Independent dealers that offer financing often utilize the same credit application systems (RouteOne/Dealertrack) to access subprime and local lenders. They may not use fancy menu software – many small used-car dealers still print out paper forms or use their DMS to generate finance contracts, especially if they do "Buy Here Pay Here" in-house financing. Some independents, however, do sell warranties and might subscribe to a basic menu tool or get one through a product provider.

Typical Annual Cost: Franchise dealerships usually incur relatively modest direct software costs in F&I. Credit application platforms are effectively free or subsidized, but the menu and e-contracting software typically runs a few hundred dollars per month. For example, an F&I menu system might be \$200-\$500 per month per dealer site (around \$2k-\$6k per year). Some dealers spend more if they use a comprehensive platform that bundles compliance and reporting. Overall, F&I software might represent only 5–10% of the total tech spending of a dealership (far less than DMS or CRM). Independent dealers often have minimal software expense here: RouteOne and Dealertrack portals have no subscription fee to the dealer; the costs come in as transaction fees (often paid by lenders or rolled into deals). If an independent sells third-party warranties, the warranty company may provide a simple online portal at no cost. Thus, an independent dealer's F&I tech spending could be near \$0 aside from maybe a forms library subscription or occasional

use of a menu app. One area both franchise and independent dealers might invest in now is **e-signature and remote delivery tools** for F&I (especially post-2020) – many DMS and F&I vendors offer these, sometimes at an extra fee, but those are usually bundled with either the DMS or the digital retail platform.

#### Website Platforms & Online Sales Presence

**Purpose:** This encompasses the dealership's **website platform, online storefront, and related digital sales tools**. A dealership website is essential for showcasing inventory, capturing leads, and even facilitating online transactions. The platform includes the site's design, inventory display, search functionality, and often integrations for chat, credit apps, and digital retail (discussed above). In addition, dealers list inventory on third-party **online marketplaces** and may have microsites for parts or accessories sales.

Common Vendors: Most franchise dealers use specialized automotive website providers that work in concert with OEM programs. Major vendors include **Dealer.com** (Cox Automotive), **Dealer Inspire** (Cars.com), **DealerOn**, **CDK Global websites**, **Reynolds Web Solutions**, and **Shift Digital** agencies, depending on the brand's certified options. These platforms come with inventory feed integration from the DMS and tools for SEO, analytics, and lead forms. Dealers also often embed **live chat** or AI chat assistants (e.g. Gubagoo, CarNow, or *24/7 AI Receptionist* tools like *Pam*) on their sites to engage visitors. For **independent dealerships**, there are lower-cost website solutions such as **Dealer Car Search**, **WebCube**, **AutoRevo**, or even templated sites provided by DealerCenter or Carsforsale.com. Some independents opt to just use listing sites (Facebook Marketplace, etc.) if very small, but most have at least a basic website for credibility. In the **medium/heavy-duty** sector, many truck dealers use general web developers or smaller industry-specific providers (since OEM programs are less rigid than in auto). They may also rely heavily on listings on platforms like **Truck Paper or Commercial Truck Trader**, which are key for advertising trucks and trailers online.

Typical Annual Cost: A franchised dealer's website is a significant ongoing expense. Typical website packages cost roughly \$500 to \$1,500 per month. For instance, a standard OEM-mandated site might be around \$1,000/month (often billed through the OEM program). Premium packages with more marketing services can exceed \$3,000/month 16 17 (as seen in some OEM digital program pricing). That said, the core website hosting/design/support fee for a single dealership is often \$6k-\$18k per year. Dealers also spend on add-ons like chat (~\$100-\$300/mo) or inventory syndication to third-party sites (sometimes included, sometimes extra). Independent dealers have much lower costs here: many can get a decent website for \$100-\$300 per month. For example, DealerCenter offers a full-featured dealer website at \$99/ month 18, and even the "premium" package with extra features is \$125/mo 19 - under \$1,500 annually. Some very small dealers might only budget for a simple site or use free social media pages. It's worth noting that online sales for dealers also include third-party listing fees: franchise dealers might spend thousands per month to list on sites like Autotrader or Cars.com (often \$2k-\$5k+ per month in total advertising listings), whereas independents might use cheaper classified sites. Those costs are advertising in nature, but they overlap with the dealership's online presence expenditures. For our purposes, the website platform itself for an average franchise store is on the order of \$10k/year, and for an independent store perhaps \$1k-\$3k/year.

#### **Summary of Annual Tech Spending by Category**

The table below summarizes typical **annual cost ranges** per dealership for each major system category, along with example vendors. (Franchise dealerships generally have higher-tier systems and larger budgets, while independents use cheaper alternatives or forgo certain tools.)

Technology System	Example Vendors (Franchise / Independent)	Approx. Annual Cost – Franchise Dealer	Approx. Annual Cost – Independent Dealer
Dealer Management System (DMS)	CDK Global, Reynolds & Reynolds, Tekion; (Heavy-duty: Karmak, Procede) <sup>3</sup> <sup>4</sup> / DealerCenter, Frazer	~\$60k-\$100k (avg. ~\$75k) <sup>2</sup>	~\$1k-\$5k (some as low as \$79/mo) 5
Customer Relationship Mgmt (CRM)	VinSolutions, Elead, DealerSocket; (Heavy-duty: VOZE, Salesforce) 8 / DealerCenter CRM	~\$20k-\$30k (avg. ~\$24k) 11	~\$1k-\$3k (or included with DMS) 9
Inventory Management	vAuto, Dealertrack Inv+, MAX Digital / (often built into DMS for independents)	~\$15k-\$25k (avg. ~\$20k) 12	Minimal (~\$0–\$5k; many skip dedicated tool)
Service/Repair Software	Xtime, CDK Service, Dealer-FX / (basic DMS service module or none)	~\$6k–\$12k (varies; ~\$500–\$1k/mo tools)	Little or \$0 (small dealers often no separate system)
Marketing Automation	Affinitiv, Outsell, equity mining tools / Mailchimp, basic CRM features	~\$4k-\$10k (several hundred per month)	~\$0–\$2k (often no dedicated spend)
Digital Retailing Tools	Roadster, CarNow, Gubagoo (DR) / (basic web lead forms only)	~\$6k-\$18k (e.g. \$500-\$1.5k/mo)	~\$0–\$2k (many independents skip full DR)
Finance & Insurance (F&I)	RouteOne, Dealertrack (credit apps), Darwin (menu) / RouteOne, manual menus	~\$2k-\$6k (menu software & compliance)	~\$0–\$1k (credit portals free; maybe forms)
Website & Online Sales	Dealer.com, Dealer Inspire, DealerOn / DealerCenter Websites, WordPress	~\$6k–\$20k (avg. ~\$12k for full website)	~\$1k–\$5k (e.g. ~\$100/ mo basic site) <sup>18</sup>

**Notes:** These figures are rough averages – actual costs vary by dealer size, vendor contract, and usage. Franchised dealerships generally utilize all categories (hence the ~\$300k-\$400k/year total across the stack 1), whereas small independent dealers might only spend a few thousand a year in total on technology. Medium and heavy-duty commercial vehicle dealers use the same categories of systems, though they may emphasize certain tools (e.g. parts/inventory and service in DMS) and may not invest as much in consumerfacing digital retail or marketing. Nonetheless, their core system (DMS) and any CRM or website costs are in a similar ballpark for a dealership of comparable size.

By understanding each component's purpose and cost, dealerships can budget effectively and seek integrations or consolidations to optimize their tech stack ROI <sup>20</sup> <sup>21</sup>. The trend in recent years has been toward more **integrated solutions** (reducing redundant systems) and a careful evaluation of software ROI, given the significant collective expense <sup>1</sup> <sup>12</sup>. Whether a large franchised dealer group or a single-location independent, managing technology expenses in these categories is crucial for operational efficiency and profitability in today's automotive retail landscape.

**Sources:** Recent dealership tech surveys and industry reports were used, including the DealerTech Nerd 2022–2023 software spending report  $\begin{pmatrix} 1 & 2 & 11 & 12 \end{pmatrix}$ , state dealer association publications, and vendor pricing data for independent dealer software  $\begin{pmatrix} 5 & 9 & 18 \end{pmatrix}$ . These provide benchmarks on what dealers typically invest annually in each segment of their technology stack.

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14 16 17 [PDF] DIGITAL CERTIFIED MARKETING PACKAGES

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