

# THE HORN

**AAAMS, Inc.**

**DBA New York State Automotive Aftermarket Association**

Serving the Automotive Aftermarket in North Carolina, South Carolina, Tennessee, Virginia, and New York



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Bulletin No. 647

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## A Time of Transition

As has been publicized for the last several months, on January 1, 2023, our Association is merging with the Automotive Aftermarket Association Southeast (AAAS). Discussions regarding the future of our Association and the well being of our members were taken very seriously by our Board of Directors, and the decision was made to join AAAS and become a nine state Association (Alabama, Georgia, Florida, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and New York).

Each Association staff is working diligently to make this transition as smooth as possible. The benefits of joining forces are immeasurable. More details on programs/services are forthcoming.

Please keep in mind that I will remain involved with our five (5) states and welcome any comments/feedback now or once the merger takes place.

Beginning January 1, 2023, the new Association contact information will be as follows:

Automotive Aftermarket Association Southeast (AAAS)  
11245 Chantilly Parkway Court  
Montgomery, AL 36117  
800-239-7779  
[www.aaas.us](http://www.aaas.us)

My new telephone # will be...919-630-1538.

This is an exciting time for our Association, our members and our industry!!! I ask that you do your part in assuring the success of this new venture and continuing to support your Association and industry!!!

**Randy Lisk, Executive Vice President -- AAAMS, Inc.**

## Legal/Legislative

### Are You Losing the Right to Repair Your Car Where You Want?

*By Miles Ma*

Proponents of right to repair legislation say automakers are favoring dealerships over independent repair shops.

Are drivers losing the ability to decide where to get their cars fixed? That's what proponents of right to repair legislation believe. They say automakers are making it increasingly difficult for independent repair shops to access the vehicle data they need to do their jobs, forcing drivers to rely solely on dealer-owned repair shops. This could raise the cost of repairing and insuring cars.

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# Are You Losing the Right to Repair Your Car Where You Want?

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## How losing your right to repair could cost you

Right to repair laws, including the [Right to Equitable and Professional Auto Industry Repair \(REPAIR ACT\)](#), making its way through the House of Representatives, aim to address design decisions that make it harder for car owners to go to independent repair shops and easier to get repairs at a dealership.

Until recently, people could access most of the information they needed to repair a vehicle through a standard on-board diagnostic port, meaning nearly any mechanic could repair any car.

“When every car maker has its own telematics system and portal, subject to its own terms for subscription or access, that imposes real costs on independent shops that work on lots of different makes of vehicles,” says Aaron Perzanowski, professor of law at the University of Michigan and author of [The Right to Repair: Reclaiming the Things We Own](#). “That wasn’t true under the standardized (on-board diagnostic) system.”

The result is that many independent shops can no longer access a car’s telematics system, and therefore cannot diagnose and repair them. But dealerships can.

“The costs for consumers on average are higher at dealerships than they are at independent providers,” Perzanowski says.

Perzanowski cited a study in Massachusetts that found the repair costs for vehicles is 36% higher at dealerships than at independent repair shops on average. That doesn’t mean every repair is cheaper at independent shop, but if repairs are more expensive overall, car insurance companies, who often front these costs, will pass them to drivers in the form of higher premiums.

“From an insurance perspective, the cost of insurance is driven in part by what it costs to repair vehicles,” says Robert Passmore, vice president of personal lines for the American Property Casualty Insurance Association.

## What does the REPAIR Act do?

The bill, sponsored by Rep. Bobby Rush of Illinois, would ban motor vehicle manufacturers from withholding data, critical repair information, and tools from owners or independent repair shops.

“Without Right to Repair laws, the cost to consumers can be quantified in increased dollars spent and lost time,” says Tom Tucker, senior director of state affairs for the Auto Care Association.

The Alliance for Automotive Innovation, a trade group representing automakers, [says the bill is unnecessary](#) because of a 2013 memorandum of understanding that “remains in place today and is working.” (In 2013, after Massachusetts passed a right to repair law, car companies signed up for a nationwide, but voluntary, [memorandum of understanding](#) saying that they would provide consumers and independent repair shops with the same tools and repair information they give to their dealers. But automakers like Tesla aren’t part of the agreement, and “the repair ecosystem has changed” in the decade since that deal was made, Perzanowski says. While the memorandum requires car makers to provide the same diagnosis and repair information to dealers and independent repair shops, doing so with telematics is a barrier.

In a conflict between big government and big manufacturers, there’s not much individual drivers can do to avoid rising repair costs.

“You can buy an old car that doesn’t have a computer in it, and learn how to repair it yourself,” Perzanowski says. But that’s not a realistic option for most people.

“Short of that, what people need to do is read up on this issue, learn about this issue,” he says, “and if they find these arguments convincing or compelling, reach out and talk to their congressional representatives and talk to their state legislators.”



## New York Announces Increase to Minimum Wage for Upstate

Effective December 31, 2022, the minimum wage in upstate New York (i.e. every part of the state except New York City, Nassau, Suffolk and Westchester Counties) will increase from \$13.20 to \$14.20 per hour. The New York State Department of Labor recently announced this one dollar increase -- which is approximately a 7.5% increase.

The minimum wage for employees working in New York City, Nassau, Suffolk and Westchester Counties remains unchanged at \$15.00 per hour. The minimum wage for fast food employees across the state also remains unchanged at \$15.00 per hour. The minimum wage for upstate New York will continue to increase on an annual basis until the statewide minimum wage rate reaches \$15.00 per hour regardless of locale.

# Customer Satisfaction Soars with Post-Repair Videos

By Jim Lang

"Customer Satisfaction is the ultimate product of every company. This is particularly true of auto repair shops, which depend on returning customers and referrals to build sales momentum. In its latest nationwide consumer research, Lang Marketing found that videos can be an effective marketing tool for auto repair shops to supercharge customer satisfaction."

"Post-repair videos, despite their underutilization by repair shops, have a significant impact on customers, especially Millennials, the largest and fastest growing DIFM age group. This iReport focuses on how post-repair videos can be a gamechanger for auto repair shops struggling to succeed in the highly competitive aftermarket."

**Auto Repair Shop Marketing:** A repair shop marketing program must have several key attributes. First, it must be inexpensive; second, it should be easy to use; and third, it must resonate with Millennials, who will generate the greatest DIFM growth and volume of the three major generations over the balance of the decade.

**Major Generations Driving DIFM Volume:** Three generations represent approximately 90% of the DIFM market. Baby Boomers, born between 1946 and 1964, currently range in age from 57 to 76. Generation Xers have birth-year brackets from 1965 to 1990 and are 43 to 56. Millennials (Gen Y) were born between 1981 and 1999 and are 23 to 42 years old.

**Before and After Auto Repair:** Last week's iReport covered video use with customers before they visit the repair shop. This iReport focuses on post-repair video use and how it can dramatically shape the future repair decisions of customers.

**Videos Create Repeat Customers:** When asked by Lang Marketing about receiving a video of their vehicle explaining the completed repairs, Millennials were half again more likely than Baby Boomers to say that this would significantly increase their likelihood of returning for future maintenance. Three-quarters of Millennials said that such videos would highly motivate them to be repeat customers. This was a 50% greater share than recorded by Boomers. Gen Xers were approximately one-fifth less likely than Millennials to be strongly influenced toward repeat business by a post-repair video. At the other end of the spectrum, Boomers were five times more likely than Millennials not to be influenced toward repeat business. Gen Xers were three times more likely than Millennials to lack motivation for returning in the future.

**Videos Increase Customer Satisfaction:** Nearly 80% of Millennials said that their satisfaction with a repair outlet would significantly increase if they received a video of their vehicle explaining the completed repairs. This substantial boost in customer satisfaction among Millennials was nearly two-thirds stronger than for Boomers and one-fifth stronger than its impact on Gen Xers. Only 2% of Millennials said that a post-repair video would not increase their customer satisfaction compared to 10% of Baby Boomers and 5% of Gen Xers. Boosting customer satisfaction increases the likelihood that customers will recommend repair outlets to others, thereby creating organic growth.

**Selling Forward:** Post-repair videos create a unique selling dynamic that dramatically boosts customers' feelings about returning for future business and their satisfaction with the repair experience. Post-repair videos can help outlets increase their customers' level of trust in the repair experience. This addresses a problem that many Millennials have with repair shops: They hold a much lower level of trust toward auto repair outlets than Boomer and Gen Xers. The use of videos to "sell forward" provides repair shops with a powerful marketing tool that is inexpensive, easy to use, and has a strong impact on the future auto repair decisions of Millennials.

**All Millennials Are Not the Same:** This iReport and other weekly issues covering video use by repair outlets present only a small portion of the demographic and marketing analysis that Lang Marketing has developed in its three consumer studies this year and will expand through its studies during 2023. There are many important differences in how Millennials react to auto-repair videos and how videos can most effectively be used with Millennials contingent on a number of factors, including gender, young Millennials versus older Millennials, domestic compared to foreign nameplates, and vehicle age, to name a few. Based on its ongoing consumer and repair shop research, Lang Marketing is developing an extensive guidebook of best video practices, including how shops can most effectively use videos in marketing for all age groups, especially the fast-growing Millennial generation.

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# Customer Satisfaction Soars with Post-Repair Videos

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## Six Takeaways

- Customer satisfaction is the ultimate product of every business, and Lang Marketing, through consumer research, has found that video is a highly effective marketing tool that can enable repair shops to boost customer satisfaction significantly.
- Three-quarters of Millennials in Lang Marketing’s research said that receiving a video of their vehicle explaining the repairs that were done would highly motivate them to return to the repair shop for future work.
- Nearly 80% of Millennials reported that receiving a post-repair video of their vehicle explaining the completed repairs would increase their satisfaction significantly with the repair shop.
- Post-repair videos provide repair shops with a marketing tool to “sell forward,” which has a dramatic impact on Millennials in building repeat business and customer satisfaction and increases their level of trust with shops.
- All Millennials are not the same. There are many important differences in how they react to auto-repair videos and how videos can most effectively be used with Millennials dependent on a number of factors, including gender, young and old Millennials, domestic versus foreign nameplates, and vehicle age, to name only a few.
- Lang Marketing is developing an extensive guidebook of best video practices, including how shops can make videos a gamechanger in marketing to all customer age groups, especially the fast-growing Millennial generation.

Source: The Lang Report

## 65% of Vehicle Owners Consider Driving Less As Insurance Costs Climb

**Five Northeast states rank among the 10 most expensive, while Michigan is first in U.S. for highest vehicle insurance costs**

A new report from Insurify shows that the average American is spending \$1,705 per year on auto insurance in 2022, up 4% from 2021 and up 17% from 2020. Michigan drivers pay the most for car insurance, spending \$2,510 per year on average — \$805 more than the national average and \$1,748 more than the yearly average of \$762 in Hawaii, the cheapest state for auto insurance. Across the country, drivers pay 5% less for coverage just for being married, and up to 17% less if they own their home.

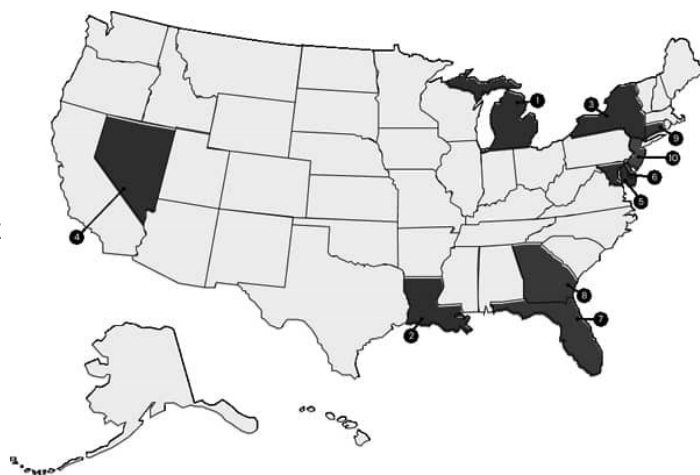
Key findings from the report, 2022 Auto Insurance Trends Report: Who’s Paying More for Coverage, include:

### Luxury, electric cars are priciest to insure

Tesla Model 3 owners have the second-most expensive car insurance premiums of any vehicle model in 2022, according to Insurify data. Model 3 drivers are spending \$3,040 per year for auto insurance — \$1,335 more than the national average. The Infiniti Q5 is the most expensive vehicle to insure in 2022 with an average premium of \$3,149 per year.

### Northeast drivers pay up for coverage

Northeast drivers are also paying more for car insurance in 2022. Five Northeast states — New York, Maryland, Delaware, Connecticut, and New Jersey — rank among the 10 most expensive states for auto insurance. The average driver in one of these states is paying \$2,220 per year for coverage, which is \$515 more than the national average.



① Michigan	\$ 2,510	⑥ Delaware	\$ 2,336
② Louisiana	\$ 2,438	⑦ Florida	\$ 2,031
③ New York	\$ 2,423	⑧ Georgia	\$ 2,031
④ Nevada	\$ 2,380	⑨ Connecticut	\$ 2,002
⑤ Maryland	\$ 2,343	⑩ New Jersey	\$ 1,995

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# 65% of Vehicle Owners Consider Driving Less

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## Ways Americans are considering cutting insurance costs

In the face of rising vehicle ownership costs, the report also finds that 65% of Americans are considering driving less and 10% are thinking about dropping their car insurance coverage altogether, despite the serious legal and financial risks of driving without insurance. Americans are additionally considering the following actions to save on vehicle insurance, fuel, and maintenance expenses in 2022:

- 30% of drivers are thinking about purchasing a hybrid or electric vehicle
- 30% of drivers are considering switching to a different insurance provider
- 16% of drivers are thinking about moving to a different location with better public transportation and walkability

For Americans, the insurance market's current volatility likely won't stabilize until at least mid-2023, according to Betsy Stella, Insurify's Vice President of Insurance Partnerships. "Based on our comprehensive research and feedback from over 100 carriers, the general consensus is that it will be eight to 12 months (from fall 2022) before the market stabilizes. Some think it could be several years before a soft market returns

— Source: [aftermarketmatters.com](https://www.aftermarketmatters.com)

## Rising Prices Erode Demand in Latest Aftermarket Forecast

**Retail front-room products like paint, spark plugs, tires, wipers, motor oil and other key aftermarket categories will continue to soften into 2023 as spending shifts away from DIY**

The 30% rise in U.S. automotive aftermarket average selling prices so far this year, compared to 2019, is not expected to sustain retail sales revenue in the industry, as it has up to this point.

In fact, both high and low-income consumers are shifting spending away from DIY auto care. Without a boost to unit demand, industry sales revenue from retail front-room products like paint, spark plugs, tires, wipers, motor oil, and other key aftermarket categories will continue to soften into 2023, according to the latest "Future of Auto" forecast from The NPD Group, which recently merged with Information Resources, Inc. (IRI).

"The automotive aftermarket is in a tug of war between the headwinds and tailwinds swirling in the consumer's economic existence," said Nathan Shipley, automotive industry analyst for NPD. "Caught between mobility needs and elevated prices, consumers have moved from a mindset of getting what they need when they need it, to one of prioritized spending and making do."

Lower-income households earning less than \$50,000 a year have historically been the most important to the DIY automotive categories, but there has been some erosion within this consumer cohort. Low-income earners are deferring automotive maintenance to stretch their income which is being squeezed by higher prices on basics like food, gas, and rent. High-income households making more than \$100,000 per year contributed nearly all the aftermarket growth over the past few years, but these consumers are now redirecting discretionary dollars. These high-income earners are more focused on experiential categories related to things like traveling, experiences, and extracurricular activities for their children, rather than spending on the do-it-yourself auto care activities they engaged in during the pandemic.

The aftermarket has long benefitted from an aging vehicle population and other favorable macroeconomic effects, and the pandemic helped create several new ones. Both new and used car inventory shortages have caused a favorable shift in vehicle demand, helping put more vehicles in the sweet spot, fewer vehicles under their original equipment warranty, and an increase in the overall average age of the U.S. fleet.

Additionally, the use of public transit and air travel are still below pre-pandemic levels; however, the number of miles driven and gasoline demand are also falling below 2019 benchmarks. Discretionary spending is being pulled in different directions as consumers re-engage in more in-person activities and feel the squeeze of rising food and gas prices. A recent NPD survey revealed that more than three-quarters of consumers plan to cut back on their spending due to inflation — with little variation between high- and low-income brackets. While automotive products are near the bottom of the list of items consumers plan to cut spending on, lower income consumers are more likely to be behind this movement.

"The consumer behavior during the pandemic shifted to favor aftermarket industry sales. However, while the fundamentals remain strong, automotive aftermarket consumers are now feeling more pain from higher prices and other macro-economic factors," Shipley said. "Now is the time to reinforce the industry's relationship with lower income buyers, by offering more cost-effective options while also maximizing the spending ability of higher income shoppers."

— Source: [aftermarketmatters.com](https://www.aftermarketmatters.com)

# UAF Awards 461 Scholarships for 2022-'23 School Year

The University of the Aftermarket Foundation (UAF) has awarded 461 scholarships to students throughout the country, totaling a record-setting \$731,350 for the upcoming school year.

The scholarship recipients will be attending a two-year or four-year college or university or an accredited automotive vocational program. While the majority of the students are studying to become mechanical, collision or heavy-duty repair professionals, others are pursuing degrees in such fields as business, engineering and IT/cybersecurity that will lead to a career in the automotive aftermarket. In addition, many named scholarships were awarded on behalf of a variety of individuals and organizations.

To be considered, scholarship candidates submitted an application at the foundation's [AutomotiveScholarships.com](https://AutomotiveScholarships.com) or [HeavyDutyScholarships.com](https://HeavyDutyScholarships.com) websites. Once the teams of volunteer scholarship reviewers evaluated all of the completed applications, recipients and their corresponding schools were notified of the awards.

To learn more about the University of the Aftermarket Foundation visit [UofA-Foundation.org](https://UofA-Foundation.org). To apply for a scholarship for the 2023-24 academic year, visit [AutomotiveScholarships.com](https://AutomotiveScholarships.com) or [HeavyDutyScholarships.com](https://HeavyDutyScholarships.com).

## Management Notes

### Sales IS still a Numbers Game

By John Chapin

These days a lot of sales 'gurus' try to refute the fact that sales is still a numbers game. They say things like, "It's not about the numbers, it's about the relationships." Well, they're right on the latter part of that statement, it is about the relationships but, in order to get the number of relationships you need, you have to be out talking to a lot of people. It's simple, the more people you talk to, the more business you will do; even a blind pig finds corn. Now granted, you have to have quality behind the numbers, but assuming you're talking to the right people the right way, it's all about the numbers. That said, there is also a second way that sales is a numbers game. You can also use numbers to guide and predict success. Here are six ways to do that.

#### 6 ways to make the sales numbers work for you

##### 1) Set results and activity goals.

Start by setting an annual sales goal. How much do you want to sell, or how much money do you want to make? Once you know this number, you can back into the other numbers. So, based upon your annual goal, calculate your monthly and weekly sales goals. From there, calculate your daily activity. So, if your annual income goal is \$200,000 and your average sale pays you \$5,000, then you need 40 sales for the year. You can then divide those by 12 and 50 to get monthly and weekly goals, assuming you take some vacation. But ultimately how many proposals does it take to get a sale, how many appointments to get a proposal, how many people do you have to talk to in order to get an appointment, and how many calls do you have to make to talk to someone? That will give you your daily activity which you will then time block each day.

If you're not sure of the numbers you need in each area, talk to your manager and other salespeople, or take an educated guess. Just start somewhere.

##### 2) Track your numbers.

Have a sheet of paper, use an excel spreadsheet, just have something to track your calls, number of people spoken to, meetings, proposals, sales, and size of sale.

##### 3) Keep track of what happens on each call.

For example, if you made ten cold calls, perhaps two weren't there, two you didn't get in to see, two weren't qualified, two weren't interested, and you got two leads.

##### 4) Get some reasons behind the numbers.

When will the two people be there? Why didn't you get in to see the two prospects? Why didn't the two qualify? Why weren't the two interested? Why were the two leads you did get interested?

##### 5) Analyze the information.

From the above pieces of information, you will start to recognize patterns and areas of the sales process that need work. For example, are you making your cold calls at the right time of day? Are you effectively handling

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## Sales IS Still a Numbers Game

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the gatekeeper? Are you calling a qualified list? Are you building sufficient interest? What are you doing right on the leads you do get?

What about your presentations or sales calls? What happened on each call? Did you close the sale? Did you lose the sale because the person got cold feet or didn't qualify for financing? Did you get an objection you couldn't overcome?

What does that information tell you? Did you not build enough rapport? Enough urgency? Was the person not really an interested lead? Did you fail to properly qualify the prospect? What are you doing right and what do you need to work on?

Save these numbers in a logbook so you can come back to them later to review and look for trends. This will give you some ideas as to what you need to improve in order to make more sales. Also, take the results to your manager and the top salespeople in your company, get their feedback, and then work on your weak areas.

### **6) Adjust the numbers if necessary.**

If you find you are not reaching your sales goals, adjust your numbers accordingly. Continue to tweak the numbers until you're where you want to be.

Finally, just make sure your sales plan includes massive "call" activity. Again, at the end of the day it's all going to come down to calling on lots of the right people. Hopefully you're able to figure out your numbers and come up with a plan but when in doubt, just go knock on doors and ring lots of phones. While you can't always control what happens on your calls, the one element you have complete control over is your activity: the number of people you call on and reach out to on a daily basis.

*johnchapin@complete.selling.com*

## Association News

### **2023 Advertising Calendars Are Still Available**

Time is running out to order your 2023 Advertising Calendars. This is a perfect way to keep your name in front of your customers all year long. If you want to place an order, or have questions regarding our program, contact Randy at 800-849-8037 or [rlisk@aaamsonline.com](mailto:rlisk@aaamsonline.com).

### **Association Office Holiday Schedule**

The Association Office will be closed the following days during the upcoming Holiday Season:

**Thanksgiving** - November 24 and 25, 2022

**Christmas** - December 23 and 26, 2022

# HAPPY HOLIDAYS!

--Randy Lisk, Executive Vice President

IT'S ALMOST TIME TO CELEBRATE  
*Thanksgiving*

*Wishing you and your family a happy  
and blessed holiday*

