

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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Legal/Legislative

Auto Care Association Campaigns for Right to Repair HD Trucks

As the [Right to Repair debate](#) continues nationwide, the Auto Care Association has been fighting for the right to repair vehicles of all classes, including heavy duty trucks.

In an effort to support the association's position, the Auto Care Association is calling for trucking industry stakeholders to ask members of Congress to enact Right to Repair legislation that includes the commercial vehicle repair industry.

"Right to Repair is the most pressing issue facing our industry and it is time that we take a stand," Auto Care officials said in an email to Heavy Duty Trucking.

Why is Right to Repair legislation critical for the trucking industry? The Auto Care Association believes:

- The flow of goods relies on trucks repaired and maintained by trucking companies, independent commercial motor vehicle repair shops, and independent truck technicians.
- Technicians need access to truck data to perform regular safety inspections, repairs and maintenance.
- Delays in repair or maintenance due to manufacturer repair restrictions will slow down commerce.
- Aftermarket parts and service keep truck repair affordable, which is critical for long haul operations.

As part of its campaign to call on Congress, the association has [developed a form](#) that automatically generates a letter to the lawmaker of a person's district telling the legislator to support the right to repair for commercial vehicles.

"The more letters we generate to lawmakers, the more attention this will receive and the better chances to secure our industry's future," association officials said.

Industry News

Record-High Vehicles Per Bay in Lang Annual

The Lang Report

"The car and light truck population and the number of service bays in the U.S. are moving in opposite directions. Over the past five years, the car and light truck VIO (vehicles in operation) has increased by more than 23 million, while the service bay population has plunged."

"COVID-19 caused the closing of more than 20,000 service bays across the U.S. last year. This resulted in a record number of vehicles per bay during 2020, creating challenges and opportunities for the Do-It-For-Me (DIFM) market. Nationwide, Mobile Auto Repair growth could be stimulated by more vehicles per bay. See the all-new 2022 Lang Aftermarket Annual for in-depth analysis of the diminishing service bay population, the rising number of vehicles in operation, and the surge in vehicles per service bay."

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Record-High Vehicles Per Bay in Lang Annual

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The car and light truck VIO in the U.S. grew by more than 23 million between 2015 and 2020, and the Do-It-For-Me (DIFM) market sales recorded a \$10 billion product surge from 2015 to 2019, before suffering a double-digit plunge in volume last year due to COVID-19.

“This dynamic DIFM growth should have sparked a steady increase in service bays across U.S. However, the opposite occurred.”

As the volume of products installed by automotive technicians increased by approximately 12% at user price between 2015 and 2019, the car and light truck service bay population fell.

There were 8,000 fewer service bays in the U.S. at mid-year 2019 compared to four years earlier. This bay loss occurred despite a 20 million increase in the number of cars and light trucks on U.S. roads.

COVID-19 caused nearly three times as many bays to close in the U.S. during 2020 as the total number of service bays shuttered in the previous four years (2015 to 2019).

The falling number of service bays coupled with the increasing car and light truck population has continued to ratchet up the number of vehicles per service bay in the U.S.

In 2015, there were 215 cars and light trucks for each light vehicle service bay. As the bay count declined and the light vehicle population increased, the number of vehicles per bay continued to rise, reaching 229 by 2017.

Over the next three years, the situation grew more critical. There were 240 cars and light trucks per bay in the U.S. in 2019, and a record-high vehicle count per bay by 2020, up nearly 50% from 2000.

Lang Marketing expects that the number of service bays will continue to decline over the next several years, despite a continued growth in the population of cars and light trucks on U.S. roads.

As a result, there will be a new record-high number of cars and light trucks per each service bay in the U.S. by 2024, up approximately 25% from 2015.

With the increasing number of vehicles per bay and the growth of DIFM volume, service bays must become more productive to keep pace with the surging repair demands per bay.

This provides significant opportunities for suppliers of diagnostic and installation equipment that can speed up vehicle repair and for shop management programs, vehicle data software, and other means that can increase technician productivity.

The growing number of vehicles per bay also provides a growth opportunity for Mobile Auto Repair in the U.S.

As Lang Marketing presents in its new 2022 Lang Aftermarket Annual, Mobile Repair has grown at a rate more than ten times that of total light vehicle DIFM volume over the past four years.

Automotive technicians must continue to become more productive so that the shrinking number of bays can handle the growing volume of car and light truck repairs across the country.

Since the number of vehicles is increasing at a greater rate among Independent (non-Dealer) bays than Dealer repair bays, the Independent sector must redouble its effort to become more productive to prevent losing DIFM repair business to Dealer bays.

Six Major Takeaways

- As the vehicle population increased by approximately 23 million between 2015 and 2020, the number of car and light truck service bays declined.
- The service bay population fell by 8,000 between 2015 and 2019 despite a 20 million increase in the light vehicle VIO. COVID-19 caused a tripling in the pace of bay closings last year compared to the total number of bays shuttered in the previous four years.
- The average number of cars and light trucks per service bay climbed from 215 in 2015 to 229 by 2017. Light vehicles per bay reached a record-high level at mid-year 2020, up approximately 50% from 2017.
- The increasing VIO creates challenges and opportunities in the DIFM market, as bays must become much more productive in order to handle the increasing light vehicle repair volume.
- The growing number of cars and light trucks per bay across the U.S. could escalate the growth of Mobile Auto Repair.

Lang Marketing expects that the number of vehicles per bay will continue to increase at a record pace from 2020 to 2024. See the just-released 2022 Lang Aftermarket Annual for a ten-year history of the growing number of vehicles per bay as well as the changing service bay population and the number of vehicles in operation.

Chip Shortage is Having a Positive Impact on the Automotive Aftermarket industry

By Gina Joseph, Macomb Daily

The chip shortage has not been good for new car sales but it's doing wonders for the automotive aftermarket businesses charged with keeping used cars on the road and looking good.

"I apologize for the wait. What can I do for you?" said Erik Fagan, sales associate at Ziebart of Utica (MI) on a recent day when greeted by a reporter.

The Troy (MI) - based company is always busy in September and October, when rustproofing becomes an important combatant against salty roads, but the hustle and bustle has been more so than usual of late.

"That's today's work," Fagan said, pointing to at least a dozen invoices covering everything from window tinting and rustproofing to paint protection.

"Everybody is taking care of what they have," said Fagan, who has been in the business for more than 10 years and has never seen it this busy.

"We haven't even done a full season (of winterizing vehicles) and it's already been a fantastic year."

That's just his location in Utica.

According to the 60-year-old company, Ziebart is experiencing record-breaking sales across their entire system of 400 locations and 1,200 service centers in 33 countries. This includes a 300% increase in services like rustproofing and truck bed liners.

Other factors driving the sales is the reduced inventory of cars on dealer lots coupled with a 10 to 28% bump in car prices.

"The prices on new vehicles are exorbitant right now and a lot of people just can't afford them," said Gary Jury, a counter salesperson for Neuner's Automotive Recyclers in Warren (MI) and its Scholz Auto Salvage location in Capac (MI).

One of the reasons for the high prices is the global shortage of computer chips, which has forced automakers to temporarily close factories, including those that build popular pickup trucks, resulting in a lack of inventory.

General Motors announced that it was planning to pause production at eight of its 15 North American assembly plants during the next two weeks, including two that make the company's top-selling Chevrolet Silverado pickup.

Other manufacturers have reported similar cuts, which will compound an already short supply of cars, trucks and SUVs on dealer lots nationwide that have pushed prices to record levels.

Automakers reported that U.S. dealers had just under a million new vehicles on their lots in August, 72% lower than the 3.58 million in August of 2019.

"It now appears to be accelerating in the wrong direction," said Jeff Schuster, president of global vehicle forecasting for LMC Automotive, a consulting firm.

According to industry analysts, the delta variant of the novel coronavirus has hit employees at chip factories in Southeast Asia hard, forcing some plants to close. That's worsened a chip shortage that was starting to improve earlier in the summer.

"Now the prospects for new sales for the rest of the year continue to dim with the reality that tight inventory will last well into 2022," said Kevin Roberts, director of industry insights for Cargurus.com.

The demand for trucks, SUVs and other autos is strong, but buyers growing frustrated with the lack of inventory and high prices, are purchasing used vehicles or investing in what they already own.

U.S. light vehicle sales fell nearly 18% in August compared with a year ago, while the average vehicle sale price hit over \$41,000, a record, according to J.D. Power.

"We've seen an exponential increase in people coming in for used parts," Jury said.

Just before the pandemic, Glenn Neuner purchased Scholz Auto Salvage from its owner, who was retiring, and added a 12,000 square-foot warehouse and a five-bay dismantling building onto the site. Since then the facility in Capac has taken off like a rocketship said Jury.

Customers range from drivers in Macomb County to those living in the Upper Peninsula (in Michigan).

The parts people need to keep their old jalopies on the road is a mixed bag – from alternators and steering

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Chip Shortage is Having a Positive Impact

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columns to front seats, to door and hood latches.

“It’s economical, too, because they can buy used parts and get the car fixed for a lot less than it would cost for a new vehicle,” Jury said.

Those who have been able to purchase a new car this year are also taking care of what they have.

“Remember when they used to say that a new car depreciated as soon as you drove it off the lot? That’s no longer the case,” Fagan said.

One of his customers, who brought his new GM Yukon in for window tinting, said he could sell it for \$15,000 more than he paid for it because of the demand.

According to the Auto Care Association, the automotive aftermarket is expected to be a \$477 billion industry by 2024.

Repair Shops Veer Away From Online Parts Purchases

Percentage of parts purchased from traditional supplier sources has returned to pre-pandemic levels

During the height of the pandemic, 74.7 percent of independent repair shops reported that they were using publicly available websites — such as Amazon, eBay, JC Whitney, RockAuto.com, etc. — for parts purchases. As of July, 50.2 percent of shops reported using publicly available websites as a source for purchases. While usage is still higher than 2019 (36.2 percent), shops are currently indicating that they do not intend to increase purchasing from this channel, according to IMR, which interviewed 500 independent automotive repair shops. Parts purchasing through publicly available websites is declining as a percentage of the shop’s total purchases as well. In fact, as measured in July, 2021, the percentage of parts purchased from traditional supplier sources has returned to pre-pandemic levels.

On average, independent auto repair shops purchase 6.9 percent of their parts from publicly available websites, down from 12.0 percent in 2020. However, smaller shops continue to have a higher propensity to purchase more from publicly available websites.

Overall, 48.4 percent of independent auto repair shops report purchasing “a lot less” or “a little less” from publicly available websites compared to last year. Smaller shops with 1 - 3 bays say they are purchasing about the same volume as last year (76.3 percent) while 54.0 percent of shops with 4-plus bays say they are purchasing “a lot less” or “a little less.”

Over the next year, 86.2 percent of shops say they are “not too likely” or are “not likely at all” to increase parts purchasing from publicly available websites while few shops (13.8 percent) expect the frequency of their purchases from publicly available websites to increase at some level.

When asked why they intend to decrease purchases from publicly available websites, 50.6 percent say the delays caused by COVID have been resolved — suppliers have the parts in stock; delivery from publicly available websites takes too long — regular suppliers deliver faster (42.9 percent) and, lastly, 43.2 percent say their regular suppliers are less expensive. Shops with 4 - 7 bays and 8-plus bays overwhelmingly comment that their regular suppliers deliver faster and are less expensive.

Most shops (51 percent) rarely compare prices from their regular suppliers to publicly available websites while 12.8 percent “always” or “often” compare prices. Smaller shops, with 1 - 3 bays, have a much higher likelihood to “always” or “often” compare parts prices (42.1 percent).

Published in [National News](#)

AAA Study Examines Travel in U.S. Before and During Covid-19

The AAA Foundation for Traffic Safety recently released research from its “New American Driving Survey” aiming to quantify month-to-month changes in average daily travel from July 2019 through December 2020.

The COVID-19 pandemic, the associated policy interventions such as stay-at-home orders, and the associated economic recession all had profound influences on how much Americans traveled and how they traveled in 2020.

After data from sources such as vehicle counts and cell phone records were used to estimate the overall magnitude of the change in travel at the national and state levels, the study found that the mean daily

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Ideas to Keep in Mind When Closing Sales

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salesperson on buying his excuse for not moving forward. If you don't close, most prospects will be happy to simply exchange pleasantries with you and not buy today, even though they may have been perfectly willing to.

2) Work hard on your closing techniques. Script, practice, drill, and rehearse your closes and your closing techniques. Know them in your sleep. Most important, practice and perfect your closing out in the field.

3) Always be prepared to close. Make sure you're mentally prepared, have all materials with you, and that your materials are presentable, operational, and ready to go. Have calculators, pens, contracts, and everything else necessary to consummate the sale. Add the numbers before you show up. Know how far you can go with your discount and other concessions. Know what all the terms and conditions of your contract are and what they mean.

4) Once a decision has been made, close the sale as soon as possible. When a prospect is ready to buy, close the sale. If you are on the phone setting up an in-person appointment with a prospect who has just decided to buy, get over there as soon as possible. Let as little time as possible pass between the point when a decision is made and when the signature goes on the contract.

5) After you close, remain silent. After you close, keep your mouth shut. The first one to talk buys. Either the prospect buys your product or service, or you buy the prospect's excuse for not moving ahead.

6) Make the closing process as smooth, relaxed, and as simple as possible. Try to limit paperwork, the time it takes, and the level of work that goes into it. Do as much of the paperwork as you can before you get there, such as filling in the prospect's basic information. One of the worst things you can do is close the prospect then spend ten minutes filling out paperwork before getting the contract signed.

7) Keep yourself busy, avert your eyes, and stay quiet while the prospect is signing. You don't want the prospect to feel as if he or she is under a spotlight. Look at your calendar, phone, or anything else you have with you.

8) Smile and thank the customer for his or her business. Make sure you cover all necessary details including what will happen next in the process.

9) Follow up after you close. Follow up promptly after the close and make sure the sale is solid. You want to prevent buyer's remorse and anything else that could "unclose" the sale after it's been closed.

Some other ideas to keep in mind:

- You must be convinced that your product is a great product *before* you close the prospect on it being a great product. The first sale is to you!
- Close different people and personality types differently.
- Look and listen for indications that it's time to close.
- Get in front of the prospect to put the odds in your favor.
- Bring as many senses as possible into the close.
- Be prepared to hear "no" and to handle objections and close several times afterward.
- Know how far you can go to get the deal done.
- Do what you can to get the deal done now.
- Trust your gut. If the deal doesn't seem like a good one for some reason, let it go. Sometimes it's better not to close business.
- Keep track of your closing success rate.
- Take advantage of holidays and Fridays when closing. Both tend to find people in better moods and with their defenses down.
- And last but not least, you will be most effective when closing, and selling in general, if you are enthusiastic, motivated, ethical, and completely believe in your product or service. If you are motivated and have a strong belief in your product, you'll ask people to buy and you'll fully believe they are better off with your product than without it. You'll also have conviction when selling.

Email: johnchapin@completeselling.com

Insurance News

Business Owners (Property & Liability Insurance) - Don't Have A Loss and Find Out You Can Only Afford to Rebuild Half Your Store

This article was written by Fred Burkey, the agent of record for over 30 years of the NYS Automotive After-market Association. He has an extensive background in insuring our industry. He is the vice president of Commercial Operations of the Don Marsh Agency of Syracuse, NY.

When you are asked what is your building worth, do you automatically think what you could get for it if you sold it? Most do.

You should never think of it in those terms. The value of your building should be calculated in a cost per square foot basis.

Your #1 concern is what it will cost me to rebuild. Depending on the type of construction, the cost per sq.ft. could vary from \$100 to over \$150 per sq. ft. You have to take into consideration not only the structure but the heating unit and venting, water, permanent fixtures such as counters, bathrooms, loading docks ... Debris removal to a limited amount is given on some policies but usually not enough to cover the cost. The cost would then come out of the building coverage or if you can add on additional debris removal, do so. Now with all that said, can you afford to insure your building for what you can sell it for?

For more information, call Randy at 1-800-849-8037.

Association News

Annual Business Conference Canceled

Due to the increase in Delta Virus cases throughout the country, the AAAMS, Inc. dba NYSAAA Board of Directors felt it was in the best interest of our members to cancel the Annual Business Conference scheduled for September 23-26, 2021, Gatlinburg, TN.

A Virtual Business Meeting and Board of Directors Meeting have been scheduled for October 10, 2021... the Annual Business meeting will begin at 9:00 a.m. (the Board Meeting will be held immediately following the Annual Meeting). All members and guests are welcome to participate. Please contact Randy Lisk at rlisk@aaamsonline.com for more details regarding this Virtual Meeting.

A special thanks to the members planning to attend this year's Conference, and the Sponsors that had committed to help make it a success.



2022 Advertising Calendars

It's still not too late to order the 2022 Advertising Calendars to keep your name in front of your customers all year long. Information was enclosed in the most recent issue of "The Horn", but if you have any questions or would like to place an order...contact Randy at 1-800-849-8037 or rlisk@aaamsonlin.com.

- - Executive Vice President Randy Lisk



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