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Legal/Legislative

Analysis: Without legislative action, vehicle owners will pay significantly more for repairs

Compared to independent repair shops, dealerships charge consumers 36% more for repairs, says study

Washington, D.C.—The CAR Coalition, a growing group of independent automotive parts, management and repair companies, associations, and insurers committed to preserving consumer choice and affordable vehicle repair, has released two official research papers focused on the impact of right to repair legislation in the auto industry.

The two papers, which are focused on the REPAIR Act ([H.R. 6570](#)), authored by Aaron Perzanowski of University of Michigan Law School, and the SMART Act ([H.R. 3664](#)), authored by Joshua Sarnoff of DePaul University College of Law, argue that in the face of rising costs and restrictions to auto repairs, consumers will face even higher costs without legislative action.

“Repair restrictions on automobiles are driving prices higher at a time when many Americans can least afford it,” said Justin Rzepka, executive director of the CAR Coalition. “These research papers demonstrate the impacts of these restrictions on consumers’ bottom lines. As technology develops, policy surrounding these issues must as well. It’s time for Congress to get serious about solutions, including the REPAIR Act and SMART Act, to ensure consumers have options for quality, safe, affordable auto repairs and more control over their data.”

Key excerpts from Professor Aaron Perzanowski’s paper focused on the REPAIR Act include:

- “Compared to independent repair shops, dealerships charge consumers 36% more for repairs.”
- “By denying consumers and their preferred independent repair providers access to this crucial information, carmakers and dealers can reduce competition and increase the cost of vehicle repairs.”
- “The REPAIR Act offers a sensible, forward looking, nationwide solution that protects the rights of vehicle owners and promotes a robustly competitive repair industry.”
- “The provisions of the REPAIR Act would establish a comprehensive federal framework that affirms the rights of consumers, promotes competition in the auto repair market, and ensures safety and security.”

Read the full paper [HERE](#).

Key excerpts from Professor Joshua Sarnoff on the SMART Act include:

“The SMART Act provides a limited and targeted compromise remedy for the restriction of the consumer repair right caused by design patents on exterior automobile repair parts.”

“Without legislative adoption of the SMART Act, American consumers will continue to absorb over \$1.5 billion per year in additional costs when they repair their vehicles after collisions.”

“OEMs have increasingly and will continue to resort to using design patent rights to raise prices to consumers, prevent competition, and threaten the viability of the aftermarket in exterior automobile repair parts.”

Read the full paper [HERE](#).

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Without legislative action, vehicle owners will pay significantly more for repairs

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In states and Washington, D.C., the auto right to repair movement is gaining ground. In January of 2022, in the days leading up to the Biden administration White House Competition Council meeting, President Biden tweeted, "When you own a product, you should be able to repair it yourself. That's why I included support for the 'right to repair' in my Executive Order." Then in February, Congressman Bobby Rush (D-IL) introduced the REPAIR Act (H.R. 6570), and throughout 2022, the bill has gained 12 additional cosponsors: six Republicans and six Democrats. The SMART Act was introduced by Rep. Darrell Issa (R-CA) in 2021 and currently has three Republican and three Democrat sponsors.

The REPAIR Act will:

- Preserve consumer access to high quality and affordable vehicle repair by ensuring that vehicle owners and their repairers of choice have access to necessary repair and maintenance tools and data as vehicles continue to become more advanced.
- Ensure access to critical repair tools and information. All tools and equipment; wireless transmission of repair and diagnostic data; and access to on-board diagnostic and telematic systems needed to repair a vehicle must be made available to the independent repair industry.
- Ensure cybersecurity by allowing vehicle manufacturers to secure vehicle-generated data and requiring the National Highway Traffic Safety Administration (NHTSA) to develop standards for how vehicle generated data necessary for repair can be accessed securely.

The SMART Act will:

- Narrowly amend U.S. design patent law to reduce from 14 years to 2.5 years the time car manufacturers can enforce design patents on collision repair parts (fenders, quarter panels, doors, etc.) against alternative parts suppliers.
- Allow alternative parts suppliers to research, develop, make, and test parts on a not-for-sale basis during the new patent period.
- Allow alternative parts suppliers to sell an aftermarket collision repair part once 2.5 years have elapsed from the date of patent.
- Only aftermarket repair parts.

For more information about the REPAIR and SMART Acts, visit carcoalition.com.

—Credit: Car Coalition

Industry News

Millennial Auto-Repair Customers Love Video

The Lang Report

"In its latest nationwide consumer study, Lang Marketing has developed ground-breaking information on how best to communicate with the three major consumer generations (especially Millennials), who represent approximately 90% of the Do-It-For-Me (DIFM) auto repair market."

"Millennials differ from the other two major generations (Gen Xers and Baby Boomers) in their preference for receiving information through video and its impact on their auto-repair decisions. A complete analysis will be presented in Lang Marketing's new report, coming early next year, on how generational shifts are bringing revolutionary changes to the DIFM market."

DIFM Communication

Effective communication with customers is critical for repair outlet efforts to create satisfied customers and expand their business through customer referrals.

In its recent nationwide consumer study, Lang Marketing has found significant differences in how best to communicate to Millennials and the other two major generations (Gen Xers and Baby Boomers) in the auto-repair market.

Generation Age Boundaries

Baby Boomers were born between 1946 and 1964 and currently range in age from 57 to 76. Generation Xers have birth-year brackets of 1965 to 1980 and are 43 to 56. Millennials (Gen Y) were born between 1981 and 1999 and are 23 to 42 years old. These three generations represent approximately 90% of the Do-It-For-Me (DIFM) light vehicle market.

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Millennial Auto-Repair Customers Love Video

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Video Impact

The auto-repair decisions of three major generations are differently impacted by video.

Only one-fifth of consumers who had vehicles repaired in the past 12 months reported that repair outlets used videos to communicate with them in any way.

Lang's study found that despite its underutilization by repair outlets, video is a powerful communications resource and is especially effective in reaching Millennials. This generation will dominate the auto-repair market over the balance of the decade.

Video Impact Before, During, and After Auto Repair

This iReport focuses on the use of video previous to the auto-repair visit. Future issues will address video use during the repair experience and the post-repair period.

Video Outlet Selection

Lang Marketing asked DIFMers how important it was to watch video testimonials of actual customers in making their repair outlet selection.

There were dramatic differences among the three generations in the impact of customer testimonial videos.

Millennials were three times more likely than Baby Boomers to rate video customer testimonials as significant in their outlet selection.

Gen Xers rated video testimonials nearly twice as important to their outlet selection as Baby Boomers did.

As the ages of the three generations diminished, the value of videos increased. Gen Xers regarded videos as twice as important in their outlet selection as Baby Boomers, and Millennials gave customer testimonial videos half again more importance to repair outlet selection than Gen Xers did.

Impact by Type of Customer Videos

Videos involving customers were essential for all three generations. Videos answering common customer questions had the most impact across all generations, followed closely by customer testimonial videos.

Among all three generations, videos featuring customers (their questions and testimonials) were more helpful in choosing an auto-repair outlet than videos focusing on information about the repair outlet.

Video Use During and After Auto Repair

Lang Marketing found key differences between the three generations in how consumers prefer to be informed about the need for additional work found during the repair process.

The importance of videos in effectively communicating to consumers about additional needed repairs will be presented in an upcoming iReport.

Post-Repair Video Use

One of the most unrecognized but powerful ways to use video involves communication with customers after repairs have been completed.

Lang Marketing has developed unique information on the post-repair use of videos, which will be presented in next week's iReport.

Six Major Takeaways

Effectively communicating with DIFM customers is critical to the success of repair outlets in creating customer satisfaction and expanding their business.

- The impact of videos on the auto-repair decision of DIFMers varies by generation.
- This iReport focuses on the use and impact of videos leading up to auto repair; future issues will address video use during the repair experience and post-repair video communications.
- Millennials are three times more likely than Boomers to rate customer-testimonial videos as significant in their outlet selection. Millennials give customer-testimonial videos half again more importance than Generation Xers in shaping their repair outlet selection.
- Lang Marketing's research has uncovered significant differences between the three generations in how they prefer to be informed about the need for additional services during the repair process. More about this in an upcoming iReport.
- Using video to communicate with customers after repairs are completed is a powerful tool for creating customer satisfaction and future business.

Vehicle owners report increased levels of trust in repair professionals

Survey shows consumers gain higher trust in manufacturers, dealerships, independent repair shops, and/or service technicians

Leesburg, Va.—In a survey conducted for the National Institute for Automotive Service Excellence (ASE), automotive service providers have gained a higher level of trust and respect among the motoring public than in recent years. Almost 1,500 vehicle owners were surveyed across the country and over 70 percent reported increased levels of trust in manufacturers, dealerships, independent repair shops and/or service technicians.

“Trust is something that is earned over time through a series of positive experiences with service providers. From the results of our survey, we are seeing that automotive service professionals across the country are doing an excellent job earning trust and keeping it with their customers,” said Tim Zilke, ASE president and CEO.

Respondents to the survey were asked to rate certain aspects of automotive service including the level of trust the motoring public placed in the technicians servicing their vehicles and the importance of having their vehicles serviced by technicians with industry-recognized certifications.

According to the survey findings, the three most-important considerations in the selection of a service/repair facility were: great value for the money (48 percent of respondents), knowledgeable/friendly staff (46 percent) and conveniently located providers (43 percent).

Staff knowledge was further correlated with the service provider’s ability to communicate thoroughly, industry certification of automotive technicians employed by the service provider and/or third-party recommendations from family/friends.

Although 30 percent of respondents were not aware of ASE as the industry-recognized credentialing body for automotive technicians, 41 percent of survey respondents did say that ASE certifications factored into their consideration of a service/repair facility or that they used only shops employing ASE-certified technicians. When provided with a brief explanation of ASE and the benefits of using ASE-certified technicians, 77 percent of respondents said that such knowledge of ASE would influence their selection of an automotive service/repair facility in the future.

The research was commissioned by ASE with the online survey conducted by b4 Branding, an independent research firm.

Source: aftermarket MATTERS



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.

“We are very proud of the growth of the UAF scholarship program,” said Bob Egan, MAAP, chairman, University of the Aftermarket Foundation. “This year marks the most scholarship funds awarded by UAF and its collaborating partners in the foundation’s history.”

To be considered, scholarship candidates submitted an application at the foundation’s AutomotiveScholarships.com or 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.

A complete list of recipients can be found at AutomotiveScholarships.com/scholarship-alumni.

“Awarding so many scholarships would not be possible without the generosity of those who donate their time and resources to UAF,” said Egan. “Their support of UAF helps ensure that the aftermarket remains vibrant and strong through education.”

To learn more about the University of the Aftermarket Foundation or make a donation, visit UofA-Foundation.org.

To apply for a scholarship for the 2023-24 academic year, visit AutomotiveScholarships.com or HeavyDutyScholarships.com after Oct. 15, 2022.

Source: aftermarketNews

AAPEX 2022

If you want to get current on where the automotive aftermarket is now --- and where it's headed --- it's key to join thousands of attendees making the trip to AAPEX 2022. The industry is excited about this year's event in Las Vegas, NV. Participation should be much closer this year to pre-pandemic numbers.

This year's Show will be held...November 1-3, 2022 at The Sands Expo & Caesars Forum in Las Vegas.

To register, go to...www.aapexshow.com.

Management Notes

Putting Together an Annual Sales Plan

By John Chapin

It amazes me how many salespeople don't have an annual sales plan. Of those that do, many just put it together once and barely, if ever, look at it again the rest of the year. We all know that people with written goals and a plan for their achievement, who focus on those goals continuously, are much more likely to hit their goals than those that don't. Yes, it's some work up front, and during the year, but the payoff is tremendous.

Here are the steps to set up your annual sales plan.

Step 1: Set your goals.

What ultimate annual sales number are you trying to achieve? Once you have that, break that down into monthly and weekly goals. So, ultimately, you'll have three goals: your annual number, your monthly number, and your weekly number.

Step 2: Do the math.

Once you have your three numbers, do the math. How many contacts do you need to get an appointment, how many appointments for a presentation, how many presentations for a proposal, how many proposals for a sale, and how many sales to hit your goals? In order to figure out the math, you'll have to know things such as: how many calls do you make to get a contact, how many contacts for an appointment, how many appointments for a presentation, how many presentations for a proposal, how many proposals for a sale, and how much is your average sale? Once you've done the math, you'll know your daily activity. How many calls do you need to make a day in order to make the number of sales you need to make. By the way, if you don't know your average sale, you can figure it out by looking at past sales. Same with your closing percentage, presentations, proposals, calls, etc. Just look at the past numbers and results on each. If you're new, or you don't know, talk to your manager and other salespeople to come up with averages, then be conservative with your numbers. In other words, figure it will take you more than the average.

Step 3: Figure out where the numbers will come from.

Now that you've got your goals and you've done the math, who will you call on to make the necessary sales? Ideally a lot of your sales will come from new accounts and new business. As a salesperson, your job is to hunt for new business first and foremost. That said, most of you are likely in a business where you can do more business with current clients. So, that said, how much business will be from current clients and how much from new? Again, ideally the vast majority of your business will be from new accounts, say, 80% or more.

Step 4: Chart the course.

Based upon the above, what will a typical day and week look like? What is your daily activity and how and where will you fit that in? How many calls do you have to make each day and who will you make them to? How many presentations and proposals do you need to hit your numbers? Based upon your numbers, time-block those items in your calendar. The goal is to be prospecting, presenting, and closing 80% or more of the time during prime-calling time, or the time that your prospects are available.

Step 5: Anticipate what tools, resources, people, and skills you might need.

Is there anyone's help or are there certain tools or skills you could add or employ that would make attaining your goals easier? If so, set up a plan to talk to those people and acquire those skills and tools.

Step 6: Anticipate possible roadblocks.

What could get in the way of you achieving your goals? Industry changes, company changes, economy changes, family changes? What changes can you possibly anticipate and how will you navigate these and perhaps even take advantage of them?

Step 7: Know your WHY.

Why is it imperative for you to achieve your goals? It's simple, your success is up to you, you own it, and you

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Putting Together an Annual Sales Plan

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control it. If you have strong enough reasons why you need to achieve your goals, nothing will stand in your way. You are 100% responsible for your success.

Step 8: Develop yourself personally and professionally.

Studies show that the happiest people are those who are growing and becoming more. You grow and become more by developing yourself personally and professionally. From a personal standpoint, the biggest boosts typically come from being healthier and from an increase in self-confidence. For health, eating better, exercising regularly, and good sleep will have the greatest impact. Good health will also positively affect self-confidence. The better you look and feel, the better you feel about yourself. From a professional standpoint, getting better at selling and making more sales will have the overall greatest impact on your growth and your confidence. That said, first, what will you do to get better at selling? What courses will you take, books will you read or listen to, or who will you learn from? Second, what will you do to ensure you're applying those new sales skills by calling on plenty of new prospects? Who will hold you accountable? How will you reward or punish yourself?

As I mentioned in the opening, the above steps take work, and they are worth it. If you follow these steps, not only are you much more likely to hit and exceed your sales goals, you'll also most likely find that all aspects of your life will improve, not just your work life.

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A Step-by-Step Guide to Learning from Your Customers

By Bob Cooper

There are two rules that will always be at the top of your list: Never put money ahead of people, and listen intently to your customers.

As business owners, our best teachers will always be our employees and our customers. They understand many components of our businesses, and in most cases, they really do care about our success. Learning from our employees is relatively simple. All that we need to do is pay attention to their passing comments, and engage them during our employee meetings and reviews. What I would like to do with this article is provide you with a step-by-step guide that will help you do what every successful business owner does; learn from your customers.

1. First and foremost, you need to set customer satisfaction goals, as well as minimum levels of acceptable performance. For example, your goal would be 100%, and the minimum level of acceptable performance would be set at 96%.
2. Let your employees know how you will measure results. It's your call, but I would encourage you to categorize any type of customer dissatisfaction as a failure, regardless of the cause. For example, if the customer says they felt the price of the repair was too high, it would be a failure because the advisor did not do an adequate job of building value in the service. Now I understand that there will be some occurrences (such as a part failure) where the employees would feel they should not be held accountable for the customer being dissatisfied. It's those rare occurrences that cause us to set a minimum level of acceptable performance. In essence, by setting a minimum level of acceptable performance at 96%, those rare occurrences are taken into consideration.
3. Implement a companywide reward program that is based on customer satisfaction scores, and make sure all of your employees are able to participate. This will help incentivize the team effort you need.
4. Conclude who will be making your customer follow-up calls. Although there is tremendous relationship-building value in having your advisors follow up with their customers, the downside is that your customers may not be candid with them. Add to that, your advisors will have a conflict of interest if you are providing them with an economic incentive. I have found that the best person for making the calls is someone with the right personality, and who believes in you, your company and your people. When I was still operating shops I found that the perfect candidates were the customers who loved us, and who were looking to earn a few extra dollars a week.
5. Conclude how you will compensate the person you hire, and where the calls will be made. Ideally you will pay your representative a flat hourly rate, ensuring that they will invest adequate time on each call. I also believe, when possible, the calls should be made from your shop. Not only will this allow your customers to see

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