

SEPTEMBER 2017

Russian Aftermarket

Evolving vehicle market will reshape aftermarket sales

Tire
Dealer
Study

Auxiliary
Lighting
Philips

Antifreeze
Wirthco

Batteries

DOMESTIC:

Industry News
Products
Opinion/Commentary
Special Reports

INTERNATIONAL:

International News
Automechanika Events
Events Coverage
Import/Export Guide

SearchAutoParts.com

- Distribution
- Collision Repair
- Service Repair
- Technicians

- Click once to zoom in
- Click & hold to move page around

CLICK
TO
ZOOM

Talk Shop Anytime



**AUTOPRO
WORKSHOP**

Russian Aftermarket

Evolving vehicle market will reshape aftermarket sales



BY RICHARD MEZADURIAN | Contributing Editor

It was June 1992 and barely six months had passed since the fall of the Soviet Union. A professor of engineering at a well-regarded Moscow university was struggling to make ends meet. A teacher's government-paid wages couldn't possibly keep up with the rampant inflation Russia was experiencing.

A neighbor asked the professor, Yevgeny, to help diagnose a problem with his car. As an engineer, Yevgeny often helped his neighbors find "workarounds" because parts were always

scarce. In his neighbor's case, there was no workaround. He needed a new fuel pump. Since there were none to be found in or around Moscow, Yevgeny offered to find one on an upcoming trip to Istanbul.

The fuel pump was found, and Yevgeny returned a hero, at least to his neighbor. But this gave Yevgeny an idea. He knew of many

- Click once to zoom in
- Click & hold to move page around



Analysis by market

REPLACEMENT

Vendors: More industry outreach, education sought to further EV segment.

TECHNOLOGY

Telematics: Car buyers want new technology, but willingness to pay for it varies.

INTERNATIONAL

Markets: Volvo says all its cars will be electric by 2019.

TECHNOLOGY

Logistics: Fleets brace for electronic logging device mandate.

Research

Tire Dealer Study: See what tire retailers have to say about business this year and their outlook into 2018 in this annual *Aftermarket Business World* study.

NACE Automechanika Chicago

COMMITMENT TO TRAINING

Electric Vehicles: Pittsburgh auto segment unites to power-up EV instruction.

BUSINESS OUTLOOK CONFERENCE

Wrap-up: Legislative review, telematics panel highlight day one of conference.

AFTERMARKET BUSINESS WORLD (Digital ISSN 1938-0593) is published 12 times yearly by UBM 131 W First St., Duluth MN 55802-2065. Subscription rates: digital only \$65 for 1 year.

©2017 UBM. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including by photocopy, recording, or information storage and retrieval without permission in writing from the publisher.

Authorization to photocopy items for internal/educational or personal use, or the internal/educational or personal use of specific clients is granted by UBM for libraries and other users registered with the Copyright Clearance Center, 222 Rosewood Dr., Danvers, MA 01923, 978-750-8400, fax 978-646-8700, or visit <http://www.copyright.com> online. For uses beyond those listed above, please direct your written request to Permission Dept., fax 440-756-5255 or email: mcarron@advanstar.com.

UBM provides certain customer contact data (such as customers name, addresses, phone numbers, and e-mail addresses) to third parties who wish to promote relevant products, services, and other opportunities that may be of interest to you. If you do not want UBM to make your contact information available to third parties for marketing purposes, simply call toll-free 866-529-2922 between the hours of 7:30 a.m. and 5 p.m. CST and a customer service representative will assist you in removing your name from UBM's lists. Outside the US, please phone 218-740-6477.

Aftermarket Business World does not verify any claims or other information appearing in any of the advertisements contained in the publication, and cannot take any responsibility for any losses or other damages incurred by readers in reliance on such content. Aftermarket Business World welcomes unsolicited articles, manuscripts, photographs, illustrations and other materials but cannot be held responsible for their safekeeping or return. To subscribe, call toll-free 877-527-7008. Outside the U.S. call 218-740-6477.

Opinion



John Shoemaker
Fast track repairs lead to better cycle time

Tire Dealer Study



Scott Luckett
Why you should care about vehicle telematics

Auxiliary Lighting Philips

Antifreeze Wirthco



Alan R. Segal
Critical thinking in the aftermarket work place

Batteries



Jerry Hutcheson
Your IT department won't help in the next cyberattack



Stephen Barlas
AV legislation aired in House subcommittee

More articles by **RICHARD MEZADURIAN**

RELATED articles

AUTHOR bio

Russian aftermarket

“ Russia faces significant demographic challenges due in part to its aging population. ”

people who needed parts desperately to repair their vehicles, but they had no logistical means to acquire them. Soon after, Yevgeny began monthly trips back to Istanbul, where he would fill his two oversized suitcases with auto parts and return to Moscow. On each trip, he netted more profit than his annual university salary.

His success inspired others to try this, and it became known as the “luggage trade” in Istanbul, where vendors made small fortunes throughout the 1990s. No one knows Yevgeny’s fate exactly, but many lament that those days are in the past. As one would expect, the Russia that grew out of the former Soviet Union has matured, and it has established more traditional supply chains.

The Russian Federation, as it’s formally known, is geographically the largest country in the world. Its 17 million square kilometers of area is nearly double the size of the next biggest country, Canada. Yet for its size, Russia remains sparsely populated. Given Russia’s population of 143 million people, the country ranks as the tenth most populous in the world.

Russia faces significant demographic chal-

lenges as it has an aging population, and a smaller replacement work force to fill jobs as older workers retire. The stagnation is likely to continue as only 25 percent of the population is less than 25 years old versus 32 percent for the U.S., 39 percent for Brazil and 42 percent for Indonesia. China, which faces similar demographic issues, has 30 percent of its youth under 25 years old.

Economically, Russia has been under pressure from a multi-national sanctions regime stemming from Russia’s annexation of Crimea in 2014. Just prior to those events, the Russian economy had reached a peak in 2013, with a \$2.2 trillion gross domestic product (GDP), which ranked them as the world’s eighth largest economy. By 2016, their GDP had fallen 46 percent to \$1.2 trillion and their economy was ranked twelfth in the world. To put that in perspective, that would be slightly less than the combined GDP of Pennsylvania and Ohio. Total aggregate trade between the U.S. and Russia was approximately \$20 billion in 2016, well off ...CONTINUE READING □

- Click once to zoom in
- Click & hold to move page around



Standard Brand Presents
THE TURBOCHARGER

FULL-COVERAGE TURBO DOMINATION
TRUSTED QUALITY AND EASIER INSTALLATION
FOR DIESEL AND GASOLINE-POWERED VEHICLES EVERYWHERE

STANDARD[®]
StandardTurbos.com

- Tire Dealer Study
- Auxiliary Lighting Philips
- Antifreeze Wirthco
- Batteries



Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

Pittsburgh auto segment unites TO POWER-UP EV INSTRUCTION

By **JAMES E. GUYETTE** | News Correspondent

In the not-too-distant past Pittsburgh's air was so smoky from belching blast furnaces that the Steel City's streetlights would come on during the day. With the once-mighty iron mills now relegated to roadside historic markers, the Three Rivers Region presents a lesson in how a community can transform itself from a Rust Belt relic to a thriving center of high-tech activity.

Aftermarket businesses are adapting as well – connecting with an ongoing proliferation of electric vehicles.

"It happened out of necessity," says Chuck Wichrowski, owner of Baum Boulevard Automotive, which specializes in servicing EVs and other alternative-fueled vehicles. "People realized the steel industry wasn't coming back, and now we're open to new things."

Included in these new things is the population's propensity to purchase EVs, delivering a jolt of irony to President Donald Trump's remark that "I was elected to represent the citizens of Pittsburgh, not Paris" as he withdrew the United States from

the Paris climate accord.

Providing the necessary spark for growing an EV market – and developing the proper maintenance and repair training programs – involves many people making many connections, uniting environmentalists, electric utility executives, government officials, public agencies, private institutions, schools, universities and businesses representing a variety of industries.

In addition to being a board member at the Pittsburgh Region Clean Cities organization, Wichrowski is a sponsor of Carnegie Mellon University's Charge Car program for conducting research and inducing a wider network of charger placements, having installed one of the area's first EV chargers at his shop back in 2013.

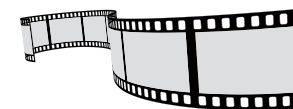
"We did this for two main reasons," according to Wichrowski. "The first is to demonstrate to other businesses and institutions that it is very easy to provide car-charging service for their customers and employees. Second, it is part of our continued efforts to support and service alternative-fuel vehicles. As automobile ...CONTINUE READING

ASE GUIDES | QUESTION OF THE MONTH

The 'PCV' in PCV valve stands for:

- A. pollution control vortex
- B. positive crankcase ventilation
- C. piston clearance version
- D. preignition combustion virago

[Click here to see the answer.](#)



[WATCH AND LEARN]



In the Workshop #28 – Fix cars with live expert support from Farsight's Justin Kidd



The Trainer #65 – Making sense of fuel trim

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries



SEPTEMBER 2017

Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

VENDORS

More industry outreach, education sought to further EV segment

BY JAMES E. GUYETTE
News Correspondent

Rick Price is the executive director of Pittsburgh Region Clean Cities, which works with OEMs, aftermarket businesses, commercial and institutional fleets, fuel providers, community leaders and others to provide educational opportunities and other resources aimed at reducing petroleum use in the transportation sector.

TRENDS & MARKET Analysis

Encouraging increased electric vehicle adaptation is a key goal.

Price has been involved with the organization for nearly 15 years. Recently retired from the U.S. Department of Energy after 37 years of service, he was the Organizational Property Management Officer for the National Energy Technology Laboratory for 20 years, during which his duties included serving as the motor vehicle manager for a fleet of 82 vehicles. He was instrumental in bringing alternative-fueled

vehicles and infrastructure to the lab and won an award for small fleets from the DOE in 2005.

Price recently answered a series of questions posed by *Aftermarket Business World*.

Q: What steps are you taking to work with automotive businesses to promote the sales and use of EVs?

A: As part of our state coalition we are trying to get more corporate automotive representatives involved. We have General Motors, Ford, Nissan and Tesla that are part of the state effort, but it will take more local dealerships to help support our outreach and education. We need to do a better

job of getting more OEMs. Not so much with repair shops and auto parts stores as most of these vehicles are covered by OEM warranties.

CONTINUE READING □



RICK PRICE

- Click once to zoom in
- Click & hold to move page around



www.redi-sensor.com

You already have a TPMS tool.
You know how to do a factory relearn.
Do you really want to start over?

Don't lose time cloning or programming blank aftermarket sensors. VDO REDI-Sensor is ready right out of the box!

- Pre-programmed and designed to follow OE vehicle relearn procedures
- Works with all major TPMS scan tools
- Reduces inventory and eliminates service delays
- OE designed and validated

For more information, visit:
www.redi-sensor.com

REDI-Sensor™



VDO

VDO and REDI-Sensor – Trademarks of the Continental Corporation

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries

➔ More articles by **JAMES E. GUYETTE**

➔ **RELATED** articles



SEPTEMBER 2017

Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

TELEMATICS/CONNECTIVITY

The telematics gap

Consumers want new technology in their cars, but willingness to pay for it varies

BY BRIAN ALBRIGHT
Correspondent

As automakers and aftermarket suppliers continue to invest in new vehicle technology, consumers are still hesitant to pay more for the telematics and other systems that are top of mind in the industry.

TRENDS & MARKET Analysis

According to the 2017 Automotive Connected Services and Apps Consumer Analysis from IHS Markit, consumers around the globe want advanced technology in their cars, but willingness to pay for it varies significantly by market.

The company surveyed 5,000 vehicle owners that intend to purchase a new vehicle within 36 months in five automotive markets (U.S., Canada, China, Germany and the U.K.) It included questions on 31 technologies.

Consumers were most willing to pay for what IHS characterizes as “creature comforts.” Drivers in four regions were most

interested in investing in sunroof-moonroof systems; German consumers were willing to spend an additional \$642 (U.S.) for such technology, while Chinese respondents were willing to pay \$440.

In the U.S., consumers were most likely to pay for rear-seat entertainment systems

at a threshold of \$640. These entertainment systems ranked second in the U.K. and China (at a price point of \$388).

Chinese respondents (who were on the whole much younger than in other regions) showed the most openness to new technology. “China is an emerging market with a fast growing, nascent, middle class,” says Colin Bird, automotive technology analyst for IHS Markit and co-author of the report. “However, cars in China are still mainly used for leisure (shared by family members), and as a status symbol, thus skewing the market heavily toward young families that own their own homes.

that time more than half of the global fleet will be connected.

Consumers remain somewhat unresponsive, however. According to IHS, just 32 percent of respondents said that telematics was a feature they were ...CONTINUE READING □

“By 2022, 87 percent of new vehicles shipped in the U.S. will be equipped with telematics.”

Technology Newsmaker

Q&A

JASON LANCASTER

President
Spork Marketing



What are the biggest challenges in SEO, and are any specific to aftermarket auto parts marketing?



What did Lancaster say? Continue reading online.

[Read full interview](#)

Gap in telematics interest

According to the company’s forecast, by 2022 the majority of new vehicles shipped in each market will be equipped with telematics – 87 percent U.S.; 91 percent German; 92 percent U.K.; 89 percent Canadian; and 54 percent of Chinese vehicles. Further, by

- Click once to zoom in
- Click & hold to move page around



Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries

More articles by [BRIAN ALBRIGHT](#) [RELATED](#) articles



Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

LOGISTICS/CONNECTIVITY

Fleets brace for electronic logging device mandate

BY BRIAN ALBRIGHT
Correspondent

With a December deadline looming for commercial truck operators to install electronic logging devices (ELDs) for tracking hours of service (HOS) data, a number of fleet and telematics solution providers are offering new systems to help fleets stay compliant.

Earlier this year, Samsung and Magellan

TRENDS & MARKET Analysis

announced a partnership to offer a solution on Samsung's Galaxy E and Galaxy A tablets, as well as some Galaxy S7 smartphone models. SYNEX will distribute the systems, which will offer Magellan's FMCSA-certified HOS logging tools, as well as dispatch and web portal features to create HOS and fuel tax reports. The system also will include Magellan Fleet Navigation. The hardware also can be used

as a personal device for drivers.

The initial compliance data for the mandate, which is administered by the Federal Motor Carrier Safety Administration (FMCSA), is Dec. 18, 2017.

"The impending instatement of the U.S.

“The mandate should reduce the supporting documents and paperwork drivers need to maintain.”

electronic logging device (ELD) mandate has many smaller commercial vehicle fleets and owner-operator businesses seeking advice from trusted brands on pricing and features that will address security and flexibility compliance concerns with their businesses," said Susan Beardslee, senior analyst at ABI Research. "Magellan's partnership with Samsung Electronics America – and their plans to develop commercial-grade truck navigation and ELD-compliant hours of service (HOS) tracking solutions – is indicative of the many opportunities that still exist for both new entrants and long-established players in this still-fragmented fleet management market."

ABI expects fleet management system revenues to exceed \$22 billion by 2021, and predicts that global commercial telematics subscribers will reach 59 million that same year.

The ELD mandate was passed into law

in 2015 with bi-partisan support to improve tracking and enforcement of HOS compliance. By eliminating paper driver logs, it will be easier for inspectors to identify violations, reduce fraud and tampering, ...CONTINUE READING

Technology Newsmaker

Q&A

ARCHANA VIDYASEKAR

Global Research
Manager
Frost & Sullivan



How has the e-tailing/
online channel affected
expectations when it comes
to delivery?



What did Vidyasekar say?
Continue reading online.

[Read full interview](#)

- Click once to zoom in
- Click & hold to move page around



FAG

TRADITION.

For more than 130 years, FAG has been the brand of choice for the world's leading vehicle manufacturers. The world's vehicle manufacturers rely on FAG to develop specifications to perfectly match the characteristics of each new vehicle. FAG has earned its place as a leading original-equipment supplier by setting the standards and consistently delivering products to meet them.

Further information:
www.rexpert.us

LUK INA FAG RUVILLE

More articles by **BRIAN ALBRIGHT** [RELATED](#) articles



SEPTEMBER 2017

Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly
Distribution e-newsletters
SearchAutoParts.com

Tire
Dealer
Study

Auxiliary
Lighting
Philips

Antifreeze
Wirthco

Batteries

VENDORS

Volvo says all its cars will be electric by 2019

BY JAMES E. GUYETTE
News Correspondent

Plans regarding ongoing aftermarket parts availability and repair coverage are still under development as Volvo Cars rolls out a new strategy entailing that every Volvo produced from 2019 onward will come equipped with an electric motor. Pure ICE (internal combustion engine) models are gradually being phased out and replaced by ICE cars with electrified options.

TRENDS & MARKET Analysis

The automaker's dealership repair and maintenance bays are in the process of becoming up to speed with the new program. "Our retailers are already experienced at servicing," notes Jim Nichols, product and technology communications manager, explaining to *Aftermarket Business World* that "we don't yet have a cadence for parts and service; the parts and service teams are working on it."

Five new fully electric models are to be launched between 2019 and 2021. Three of them will be Volvos, and the other two will be enhanced electric vehicles (EVs)

from its Polestar line – now slated to become a separately branded EV high-performance nameplate. The five upcoming releases, with specific details to be revealed later, will be supplemented by a range of gasoline and diesel plug-in hybrid and mild-hybrid 48-volt options.

The goal is to sell one million EVs by 2025 along with completely implementing climate-neutral manufacturing operations during that same time frame as part of a sweeping "transformation plan" costing about \$11 billion.

"This announcement marks the end of the solely combustion engine-powered car," says President and CEO Håkan Samuelsson.

"We believe that the time has come for electrified cars to cease being a niche technology and enter the mainstream," he says. "People increasingly demand electrified cars, and we want to respond to our customers' current and future needs. You can now pick and choose whichever electrified Volvo you wish."

"We have learned a lot about how people use cars with electrification thanks to our current product offer," observes Dr. Peter Mertens, senior vice president of research and development. "Our research has shown that people are driving our Twin Engine cars in electric



Volvo will launch five new fully electric models between 2019 and 2021.

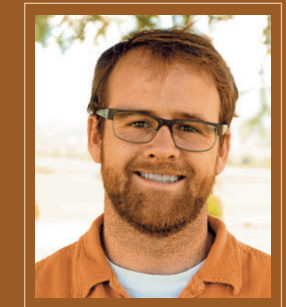


Vendor Newsmaker

Q&A

GARRETT FITZGERALD

Manager of Fleet Electrification
Rocky Mountain Institute



What governments are pushing for more EV acceptance and/or encouraging EV plants to be built among their populations?



What did Fitzgerald say?
Continue reading online.

[Read full interview](#)

mode around 50 per cent of the time, meaning our plug-in hybrids already offer a real alternative to conventional powertrain systems. Battery technology has improved, costs are going down, and public acceptance of electrification is no longer a question."

Another goal involves bringing autonomous cars to real-life roadways by 2021. ...CONTINUE READING ▢

➔ More articles by **JAMES E. GUYETTE** ➔ RELATED articles

- Click once to zoom in
- Click & hold to move page around



SEPTEMBER 2017

Industry News

Products

4 Commitment to Training

6 Technology: Telematics

8 International Trends

Market Trends & Analysis

Contact Us

5 Vendor Market Trends

7 Technology: Logistics

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries

Fast track repairs LEAD TO BETTER CYCLE TIME

Whether you call them fast track repairs, express or a branded name, these small repairs could be the key to improving your cycle time. Fast track repairs generally are those costing less than \$1,500, which for most shops is commonly 45 percent to 50 percent of their business.

If you add the repairs between \$1,500 and \$3,000, which account for another 30 percent on average, you will quickly see that up to 80 percent of a shop's repairs might qualify for fast track. If you speed that work up by moving it through the shop more efficiently, you will notice a reduction in your overall cycle time. This sounds simple, but how does it work? The first step is a thorough estimate; we are dealing with small repairs, so even the smallest supplement will slow the process. This might require some minor tear down but remember we are focus-

ing on smaller repairs so there will not be significant damage. You might just need to loosen a bumper or remove a headlamp.

If you find any structural damage during your inspection the repair is not recommended for fast track. Also during the estimating process, you will need to talk with the paint team to validate refinishing needs. Your goal through the estimating process is to identify all the steps to eliminate anything that might go wrong.

Once you have completed the estimate the next step is to schedule the repair at a time when you will have all the parts required as well as an available technician. I discussed this in my May article, Scheduling Repairs For Anticipated Vacancies Is Sustainable. Maximizing your schedule to have a vehicle ready to be repaired linked up with a technician ready to repair it will ensure the touch time is high and cycle time is low.

I used this process in a customer's shop recently and we cut their cycle time in half. Mind you it was a little high to start with, so your results might be different. The improved cycle time also did not happen overnight. We worked for three months changing habits and moving the Monday drop-offs into Tuesday and Wednesday. As we went through the process we found that the

Success did not happen because techs worked faster, it happened through better communication

paint shop was holding up the fast track repairs so we had to make some changes there as well.

Once we had the fast track team and the paint team working toward the same goal the cycle time made another drop. The changes we made in the paint shop also sped up the larger repairs allowing them to move through the shop faster as well. By concentrating on the smaller repairs, the largest segment of work, you allow the shop personnel to develop processes that become habits that tend to echo through the shop.

A success story from another shop that implemented fast track processes was on a Honda Element with 24.9 body hours and 3.4 paint hours. This properly planned repair was completed in five and a half hours resulting in touch time of 5.1. The vehicle had a thorough estimate, the parts department had the small parts requiring refinishing
...CONTINUE READING ▣



JOHN SHOEMAKER
Business Development Manager
BASF North America

CLICK
TO
ZOOM

- Click once to zoom in
- Click & hold to move page around

COLUMNISTS

Scott Lockett

Vehicle telematics: Why you should care - a lot

Alan R. Segal

Critical thinking in the aftermarket work place

Stephen Barlas

First drafts of AV legislation air in House subcommittee

Jerry Hutcheson

Why your IT department won't help in the next cyberattack

More articles by **JOHN SHOEMAKER** → RELATED articles → **AUTHOR** bio



Industry News

Products

4 Commitment to Training

6 Technology: Telematics

8 International Trends

SEPTEMBER
2017

Market Trends & Analysis

Contact Us

5 Vendor Market Trends

7 Technology: Logistics

10 Scott Lockett

Sign up for weekly
Distribution e-newsletters
SearchAutoParts.com

Vehicle telematics: WHY YOU SHOULD CARE – A LOT

A late model vehicle produces a tremendous stream of information about the location, driving behavior and detailed performance metrics of the car itself. Every second, sensors are gathering pressures, temperatures and position information that tell the savvy listener everything they could want to know about the health of the vehicle systems.

This information is called telematics and in new vehicles it is available to be pulled or pushed to the original equipment manufacturer (OEM) wirelessly, without any action on the part of the vehicle owner.

The fact is that most vehicle owners have no idea that their car or light truck is beaming telematics data back to the OEM. There is no disclosure form at the settlement table informing me that my vehicle will broadcast my location, speed, driving behavior and vehicle health back to the company that built it. When pressed on this privacy matter, most OEMs respond that the data belongs to the vehicle owner. But, the fact is that, there is no agreed upon protocol for sharing the telematics data with the vehicle owner or their chosen aftermarket service provider – even if they knew enough to ask for it.

Why should you care? If your livelihood is in any way

associated with the sales of aftermarket parts and services, you should care – a lot! It is projected that by 2020 – that’s three model years from now – 90 percent of the vehicles sold in the U.S. will be equipped with the technology to gather and communicate wireless telematics data. In that year, the population of telematics-equipped vehicles will stand at 250 million. They are rolling off the assembly lines today and have been for years. The capacity of these vehicles to disrupt the auto care industry is immense – and not enough is being done to respond.

Here’s the threat. The vehicle owner, the consumer, has no choice in where their telematics data goes, or even if it goes anywhere at all. An enormous amount of data is already being hoarded by the OEMs. And that data has tremendous economic value. The car companies know this and they are seeking to monetize the value that can be derived from big telematics data.

Just imagine the impact if the car companies know that a component is worn or a system is failing and notifies the consumer before a breakdown occurs. If that predictive analytics, or proactive diagnostics, can be done at scale, replacement parts could be forward



The vehicle owner has no choice in where their telematics data goes, or even if it goes anywhere.



deployed and service bays scheduled more efficiently. Avoiding a breakdown and scheduling service at the convenience of the consumer would be a powerful customer relationship management strategy.

Big data is big business and as it stands right now, the aftermarket is not in the game. Vehicle manufacturers are the only ones with access to this data and they have signaled their concerns in making it available to the car owner or the parties of their choosing. A technical proposal for a secure vehicle interface (SVI) has been developed by a coalition of industry organizations including the Auto Care Association, AASA, AAA, AIA Canada, ASA and the Equipment and Tool Institute. The position of the Telematics Task Force is “Vehicle owners own the data being generated by their vehicles and they should be able to use that data to direct the service of their vehicles to the location of ...CONTINUE READING □



SCOTT LUCKETT
VP, Industry Strategy
GCommerce Inc.

- Click once to zoom in
- Click & hold to move page around



More articles by **SCOTT LUCKETT** → RELATED articles → **AUTHOR** bio



SEPTEMBER 2017

Industry News

Products

4 Commitment to Training

6 Technology: Telematics

8 International Trends

Market Trends & Analysis

Contact Us

5 Vendor Market Trends

7 Technology: Logistics

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries

Critical thinking **IN THE AFTERMARKET WORK PLACE**



Category managers often struggle to decipher shopper behavior that seems unexplainable.



Consider this imagined scenario. Sandwell Auto Parts hires a category manager named Bonnie to explain why they suffered flat sales despite their heavy promotion of Craz-E Car cleaner throughout the spring. Bonnie decides the best approach to this “mystery” is to try to understand the sales performance from the customers’ perspective.

Category managers often struggle to decipher shopper behavior that appears unexplainable. To alleviate these issues of disparate data clashing with gut instincts, category managers can follow four steps for critical thinking – an approach recommended by Sue Nicholls, president of The Category Management Knowledge Group – to trump false assumptions, capture relevant information and make sound decisions.

1. Ask questions and gather data. Curious Bonnie is not a novice who would be tempted to issue unfounded statements. Instead, she considers which business opportunity is driving the sales decline with Craz-E Cleaner. Did the downturn result from fewer people in the store or something else? She looks for data to give her clues. In particular, she gathers three reports – year-to-date sales, foot traffic count, and sales closure – to prove an interconnected path to purchase.

2. Organize the findings. At this point, Bonnie’s goal is to find supporting evidence by connecting the data. Conversely, she will eliminate irrelevant evidence-based sources or unfounded opinions.

She is open-minded to pair up unrelated reports about the cleaner’s performance from external sources like the supplier or third parties. She senses that all those findings may disprove the natural assumption that the stores were empty. Perhaps something else was happening in the store.

3. Evaluate the information. Bonnie is no slave to bias or gut instinct. So in the pursuit of reality, she distinguishes some preliminary customer insights. Year-to-date sales information confirms that activity declined in April while the promotion ran. The next report indicates that foot traffic inside the stores remained steady, which suggests that there was plenty of customer purchase potential to meet the sales target.

Finally, the closure report shows that the customers were in fact exposed to the cleaner display. However, the evidence remains inconclusive. Why? The facts reveal a valid (but not an observable) finding that yes, the cleaner was highly exposed, but that exposure did not convince the customer to purchase it.

4. Draw conclusions. Remember that management wants to know what’s going on in the customer’s mind. From here, Bonnie moves on from what happened in the store to why the customers did not bite. Albeit time-consuming, Bonnie surveys the store employees and their customers. She learns that there was no point-of-purchase message on the display to engage the shopper. Most of the customers said they were confused about how Craz-E Car cleaner differed from its rival brands. In fact, the shoppers stated that they would have bought it had suggestions or best uses been visually showcased.

This feedback moves Bonnie well beyond the original assumption that too few shoppers visited the stores. Sandwell Auto Parts actually built their reputation by interacting with their customers, so shoppers have come to expect active participation inside the aisle. Bonnie advises the
...CONTINUE READING □



ALAN R. SEGAL
 President,
 Best Business Practices

➔ More articles by **ALAN R. SEGAL** ➔ RELATED articles ➔ **AUTHOR** bio

- Click once to zoom in
- Click & hold to move page around

- Tire Dealer Study
- Auxiliary Lighting Philips
- Antifreeze Wirthco
- Batteries

SEPTMBER 2017

- Industry News
- Market Trends & Analysis
- Products
- Contact Us
- 4 Commitment to Training
- 5 Vendor Market Trends
- 6 Technology: Telematics
- 7 Technology: Logistics
- 8 International Trends
- 10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

First drafts of AV legislation **AIRED IN HOUSE SUBCOMMITTEE**

Republicans in the House started the ball rolling on autonomous vehicle (AV) legislation by publishing 14 separate staff drafts of bills that cover such things as federal pre-emption of state law and increasing the number of AVs that a company can test.

Democrats on the House Energy & Commerce Committee had no input into those 14 drafts. Committee Chairman Greg Walden (R-OR), who quipped that the only auto sector opposed to AVs is auto body shops who would presumably lose business because of fewer collisions, says the 14 drafts “are just the beginning of the process,” presumably meaning Democrats will have their say as legislation is drafted. Bi-partisan support for any package of bills, or one omnibus bill, would enhance the chance of passage, since Democrats essentially hold the cards in the Senate because of their ability to filibuster legislation.

At hearings in the House Digital Commerce and Consumer Protection subcommittee on June 27, there were obvious differences between Democrats and Republicans about what any legislation should do, but also between automobile industry and consumer representatives. The hearings were useful because the input

from interested parties on both sides exposed some of the thornier sub-issues that will have to be dealt with in the form of refinements to the drafts.

Rep. Jan Schakowsky (D-IL), top Democrat on the subcommittee, noted that none of the bills provided the National Highway Traffic Safety Administration (NHTSA) authority to regulate AVs, meaning requiring the NHTSA to develop a Federal Motor Vehicle Safety Standards (FMVSS) for AVs. The 14 drafts generally skirt that issue by requiring the agency to make changes to some existing regulations. The industry wants changes to current FMVSS that require steering wheels, brake pedals, lighting and other things.

There did not seem to be industry support for giving NHTSA the authority to write a new AV FMVSS. Instead, John Bozzella, president and CEO, Global Automakers, asked that the federal government identify any outdated standards that may unnecessarily limit innovation and work collaboratively with industry and other stakeholders to update those standards to accommodate automated systems.

When asked whether he would support a federal cybersecurity standard for AVs, Mitch Bainwol,

“The auto industry and consumer reps are at odds about what AV legislation should do.”

president and CEO, Alliance of Automobile Manufacturers, said his association opposed such a standard though he conceded that cybersecurity “was absolutely a concern.” The NHTSA has already proposed a rule on vehicle-to-vehicle communications that does not advance standards for vehicle data protection. On June 29, the NHTSA and the Federal Trade Commission held a joint workshop on the subject.

Another flash point is the NHTSA policy that restricts manufacturers from testing more than 2,500 vehicles a year which are granted an exemption from Federal Motor Vehicle Safety Standards (FMVSS). One of the 14 draft bills increase the exemption ceiling to 100,000 vehicles ...**CONTINUE READING** □



STEPHEN BARLAS
Washington
Correspondent

➔ More articles by **STEPHEN BARLAS** ➔ **RELATED** articles ➔ **AUTHOR** bio

- Click once to zoom in
- Click & hold to move page around



- Tire Dealer Study
- Auxiliary Lighting Philips
- Antifreeze Wirthco
- Batteries



Industry News

Products

4 Commitment to Training

6 Technology: Telematics

8 International Trends

Market Trends & Analysis

Contact Us

5 Vendor Market Trends

7 Technology: Logistics

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

Why your IT department won't help IN THE NEXT CYBERATTACK

When the latest CIA cybersecurity breach was announced recently, people were thinking that the hackers are good. They broke into the CIA, the most sophisticated intelligence organization in the world. There are visions of wily hackers ensconced in some faraway land figuring out the latest code and encryption breaking schemes to crack into the CIA's super-secret network.

The real story is very different and gives us a look into what we need to be concerned about in the automotive aftermarket industry.

The CIA breach was from a section of the CIA called vault 7 and contained sensitive data. This data was stored in what is called an isolated facility, which means there was no network connection to the outside world. Vault 7 was not on the internet, so a hacker could work on this problem all he wanted but can't get to something he cannot connect to. So essentially this information came from an insider who was able to steal it and leak it to WikiLeaks.

This provides a clue to what is wrong with the dependence on IT departments to protect you from a cyber-attack. It's important to note that if this happened to the CIA, your company is certainly vulnerable.

It's difficult for IT departments to stop an employee from stealing sensitive documents. No corporate IT technician is going to be able to prevent an employee from mishandling sensitive data, or shouting a password across a cubicle a coworker. This type of thing happens all the time.

Another problem is when an employee takes a corporate laptop with sensitive company information to the local coffee shop and connects to an open WIFI network where an opportunistic hacker can steal their information. Once again, your corporate IT department cannot prevent this.

Where Is the problem?

The problem is in process and procedures.

Cybersecurity defensive technologies are very well built and evolving rapidly every day. However, these types of technologies will only help against actual brute force hacking type attacks. They will not save you from your own company's missteps. And that is where the problem lies.

Say that your IT security person recognizes this problem and goes to the accounting department and says, "I want you to handle sensitive documents in a certain

There is no corporate problem that is more serious, widespread and fixable than cybersecurity.

manner prescribed by a written set of rules to keep them secure." The accounting department will have no authority to get this done, and hardly the inclination.

That leads us to the next problem. Company management needs to be involved at the strategy and policy level to accomplish these goals. Management at the executive level needs to show their seriousness about cybercrime and enforce these policies.

In a bank, there is a basic rule that you never leave without counting your cash drawer. Seems simple doesn't it? I can assure you that the bank has corporate policies spelling this out. That is because banks learned a long time ago how to keep their money safe and secure. In the cybersecurity realm we are still learning how to keep our data safe.

The consequences

There are many scare stories in the cybersecurity industry
...CONTINUE READING ▣



JERRY HUTCHESON
Owner
Cybercreed Consulting

- Click once to zoom in
- Click & hold to move page around

CLICK
TO
ZOOM

Tire
Dealer
Study

Auxiliary
Lighting
Philips

Antifreeze
Wirthco

Batteries

More articles by **JERRY HUTCHESON** RELATED articles AUTHOR bio



SEPTEMBER
2017

Industry News

Products

4 Commitment to Training

6 Technology: Telematics

8 International Trends

Market Trends & Analysis

Contact Us

5 Vendor Market Trends

7 Technology: Logistics

10 Scott Lockett

Sign up for weekly
Distribution e-newsletters
SearchAutoParts.com

TOPPING THE LIST

TIRE DEALERS SAY QUALITY, WARRANTY ARE MOST IMPORTANT AFTERMARKET PART CHARACTERISTICS



BY BRUCE ADAMS | Managing Editor

Quality and warranty are the two most important items tire dealers consider when purchasing non-tire aftermarket parts and products, according to the 2017 *Aftermarket Business World* Tire Dealer Study. Those two items each gathered 31 percent of responses in the survey.

Finishing a distant third were price and OEM form, fit and function, which each garnered 14 percent of respondents.

Quality was the run-away winner to this question in last year's Tire Dealer Study, as it drew 39 percent of responses. In last year's study, OEM form, fit and function finished second with 15 percent and warranty garnered only 6 percent of responses.

Warehouse distributors are clearly the preferred supplier of tire dealers as they drew 35 percent of responses in this year's survey. Auto parts retailers received 23 percent of responses and jobbers finished a close third at 20 percent.

When asked why these suppliers were their preferred suppliers, 30 percent of tire dealers in this year's study cited a long-standing relationship with suppliers, while 28 percent

said it was due to the parts availability provided by these suppliers, and 26 percent said it was due to the quality products that they offer.

Some 39 percent of respondents to this year's study said they expect to increase their ordering of aftermarket parts in 2017, while 57 percent said they expect their ordering to be about the same this year as last year.

When comparing their gross margins on parts this year to last year, 37 percent said they expect them to increase while 59 percent expect their gross margins to hold steady.

When asked about their efforts to boost sales of aftermarket parts this year, 39 percent said they have tried to bundle parts with related products. Some 18 percent offer unadvertised specials, another 18 percent offer a price break to loyal customers, 15 percent run advertised specials and 14 percent provide special training to their service advisors.

Methodology: The *Aftermarket Business World* Tire Dealer Product Study was fielded to readers of sister publication *Motor Age* who sell tires in the aftermarket. The study results are intended to show general market trends, not statistical certainties. □

TIRE DEALER STUDY

Batteries

Preferred supplier

Warehouse distributor	34%
Auto parts retailer	19%
Jobber	18%

Reason for supplier preference

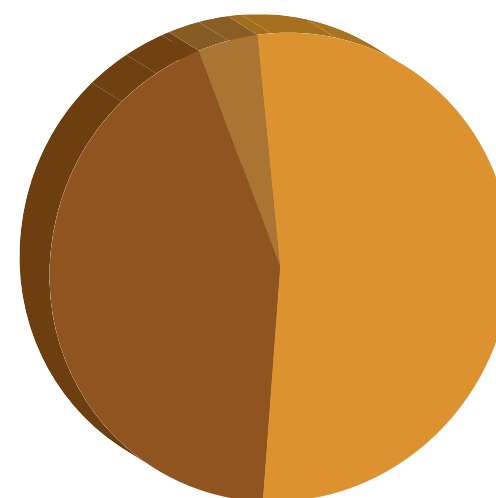
Long-standing relationship	35%
Offers quality product	31%
Availability	18%

2017 ordering expectations

53% Increase

43% Hold Steady

4% Decrease



83% report that when customer maintenance/repair work is completed, it OCCASIONALLY leads to a battery sale through retail purchase or installation.

TOPPING THE LIST



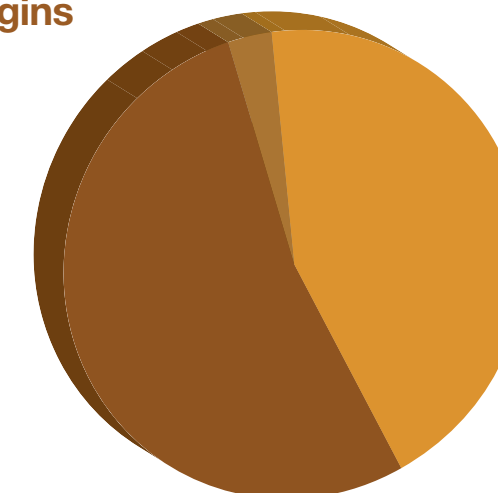
33% advertise the batteries they sell through direct email to customers.

Expected 2017 gross margins

44% To Increase

53% To Hold Steady

3% To Decrease



Most important product characteristics

OEM form, fit, function	9%
Warranty	8%
Quality	48%
Brand	17%

Sales tactics implemented

Bundle w/related products	15%
Unadvertised specials	10%
Provide training	14%
Price breaks for loyalty	16%

61%

DO

offer a "good," "better" and "best" selection of batteries products.

Some chart totals do not reach 100 percent because all answer options are not represented. Others exceed 100 percent because respondents could provide multiple answers.

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries

CONTENTS 14 Batteries 15 Auxiliary Lighting 16 Antifreeze



Industry News

Products

4 Commitment to Training

6 Technology: Telematics

8 International Trends

Market Trends & Analysis

Contact Us

5 Vendor Market Trends

7 Technology: Logistics

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com

SEPTEMBER 2017

Auxiliary Lighting

Preferred supplier

Warehouse distributor	37%
Auto parts retailer	26%
Jobber	21%

Reason for supplier preference

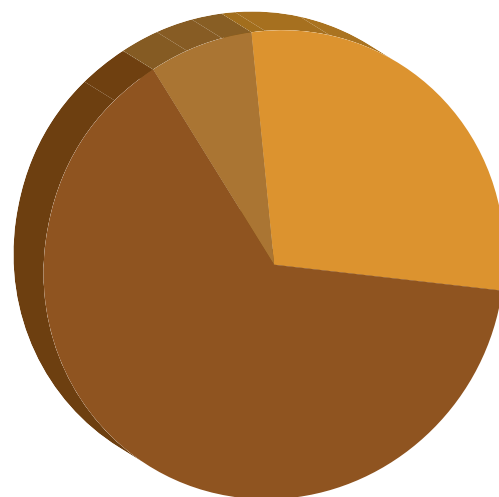
Long-standing relationship	21%
Offers quality product	21%
Availability	34%

2017 ordering expectations

29%
Increase

64%
Hold Steady

7%
Decrease



48% report that when customer maintenance/repair work is completed, it OCCASIONALLY leads to an auxiliary lighting sale through retail purchase.

TOPPING THE LIST



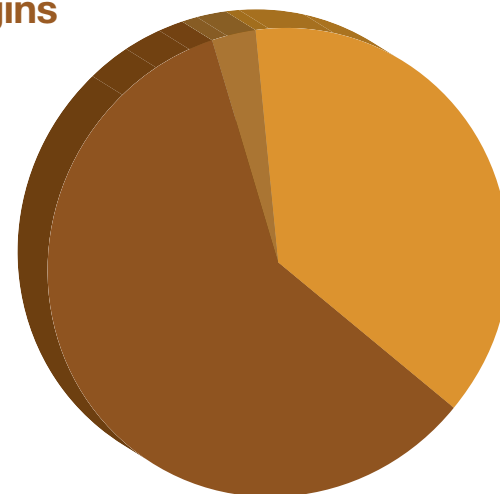
35% advertise the auxiliary lighting they sell through social media to customers.

Expected 2017 gross margins

38%
To Increase

59%
To Hold Steady

3%
To Decrease



Most important product characteristics

OEM form, fit, function	15%
Price	3%
Quality	24%
Brand	3%

55%

DO NOT

offer a "good," "better" and "best" selection of auxiliary lighting.

Sales tactics implemented

Bundle w/related products	58%
Unadvertised specials	26%
Offer coupons	14%
Price breaks for loyalty	24%

Some chart totals do not reach 100 percent because all answer options are not represented. Others exceed 100 percent because respondents could provide multiple answers.

Take your customer's HID's to the next level

Upgrade your customer's Xenon HID headlights with the new Philips Xenon CrystalVision ultra HID's. With up to 5000K brighter and whiter light, they'll get a high-tech look that will definitely turn heads.

innovation ✦ you



New!

Xenon CrystalVision ultra
www.philips.com/automotive

PHILIPS

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries



SEPTEMBER 2017

Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly Distribution e-newsletters

SearchAutoParts.com

Antifreeze

Preferred supplier

Warehouse distributor	34%
Auto parts retailer	25%
Jobber	21%

Reason for supplier preference

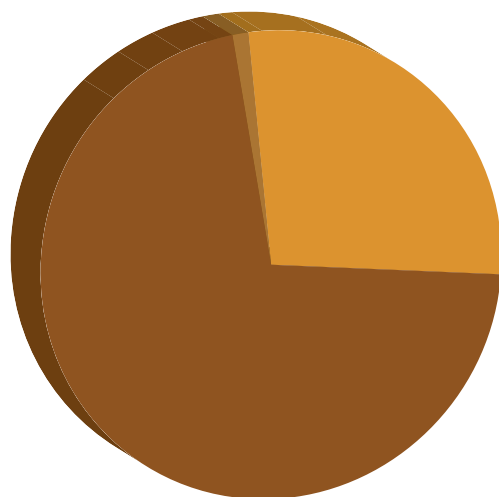
Long-standing relationship	29%
Offers quality product	24%
Availability	35%

2017 ordering expectations

28%
Increase

71%
Hold Steady

1%
Decrease



70% report that when customer maintenance/repair work is completed, OCCASIONALLY it leads to an antifreeze sale through retail purchase or installation.

TOPPING THE LIST



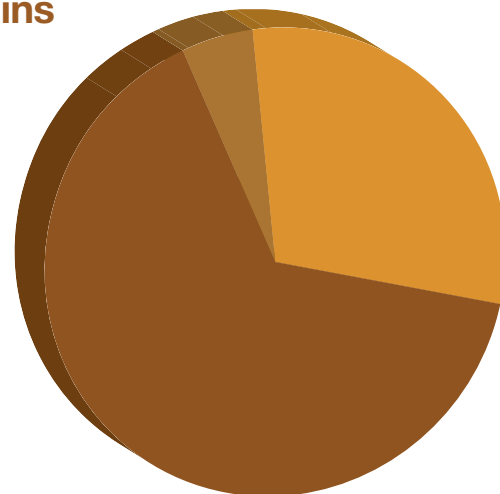
42% advertise the antifreeze they sell through email direct to customers.

Expected 2017 gross margins

30%
To Increase

65%
To Hold Steady

5%
To Decrease



Most important product characteristics

OEM form, fit, function	17%
Price	37%
Quality	21%
Have stocked it long time	11%

86%

DO NOT

offer a "good," "better" and "best" selection of antifreeze.

Sales tactics implemented

Bundle w/related products	61%
Provide training	17%
Advertised specials	22%
Unadvertised specials	24%

Some chart totals do not reach 100 percent because all answer options are not represented. Others exceed 100 percent because respondents could provide multiple answers.

Funnel King

Fluid Control Division



HIGH DENSITY POLYETHYLENE PITCHER

- Longer Gradual Sloping Spout for Hard to Reach Areas
- Two Handles Makes Pouring Easier
- Raised Quart and Liter Measurements
- Chemical Resistant

#32377 – 4 Quart Pitcher
#32375 – 8 Quart Pitcher



www.wirthco.com

Understanding and Fulfilling Customer Needs Since 1980
952-941-9073 :: 1-800-959-0879

Copyright © 2017 WirthCo Engineering, Inc. All Rights Reserved

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries



SEPTEMBER 2017

Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com


For immediate assistance in placing your Marketplace ad, please call **Keith Havemann** at: 310-857-7634. Send a fax: 310-943-1465 or e-mail: Keith.Havemann@ubm.com

Manufacturers Representatives

SOUTH

N.A. Williams
Manufacturers' Representative

N.A. Williams Company has been providing sales and marketing solutions for its clients for over 80 years.
115 aftermarket professionals.



2900-A Paces Ferry Rd., S.E.,
Atlanta, GA. 30339
770-433-2282
www.nawilliams.com

autocare ASSOCIATION
Independence drives us. MEMBER

AWDA MEMBER

SOUTH

We Grow Sales.

tascosalesreps.com[®]

The Solutions Provider

800-722-8272 / 901-365-6451

autocare ASSOCIATION MEMBER

awda MEMBER
Be Car Care Aware

Let Marketplace Advertising
Work For YOU!

Generate sales leads, maintain market presence, conduct market testing, promote existing lines, introduce new products and services, or recruit the best.

Contact Keith Havemann 310-857-7634 or email Keith.Havemann@ubm.com

AFTERMARKET BUSINESS WORLD[™]

Content Licensing for Every Marketing Strategy



Marketing solutions fit for:

- Outdoor
- Direct Mail
- Print Advertising
- Tradeshow/POP Displays
- Social Media
- Radio & Television

Logo Licensing | Reprints | Eprints | Plaques

Leverage branded content from *Aftermarket Business (E-Zine)* to create a more powerful and sophisticated statement about your product, service, or company in your next marketing campaign. Contact Wright's Media to find out more about how we can customize your acknowledgements and recognitions to enhance your marketing strategies.

For more information, call **Wright's Media** at 877.652.5295 or visit our website at www.wrightsmedia.com

Tire Dealer Study

Auxiliary Lighting Philips

Antifreeze Wirthco

Batteries



Industry News

Market Trends & Analysis

Products

Contact Us

4 Commitment to Training

5 Vendor Market Trends

6 Technology: Telematics

7 Technology: Logistics

8 International Trends

10 Scott Lockett

Sign up for weekly Distribution e-newsletters
SearchAutoParts.com