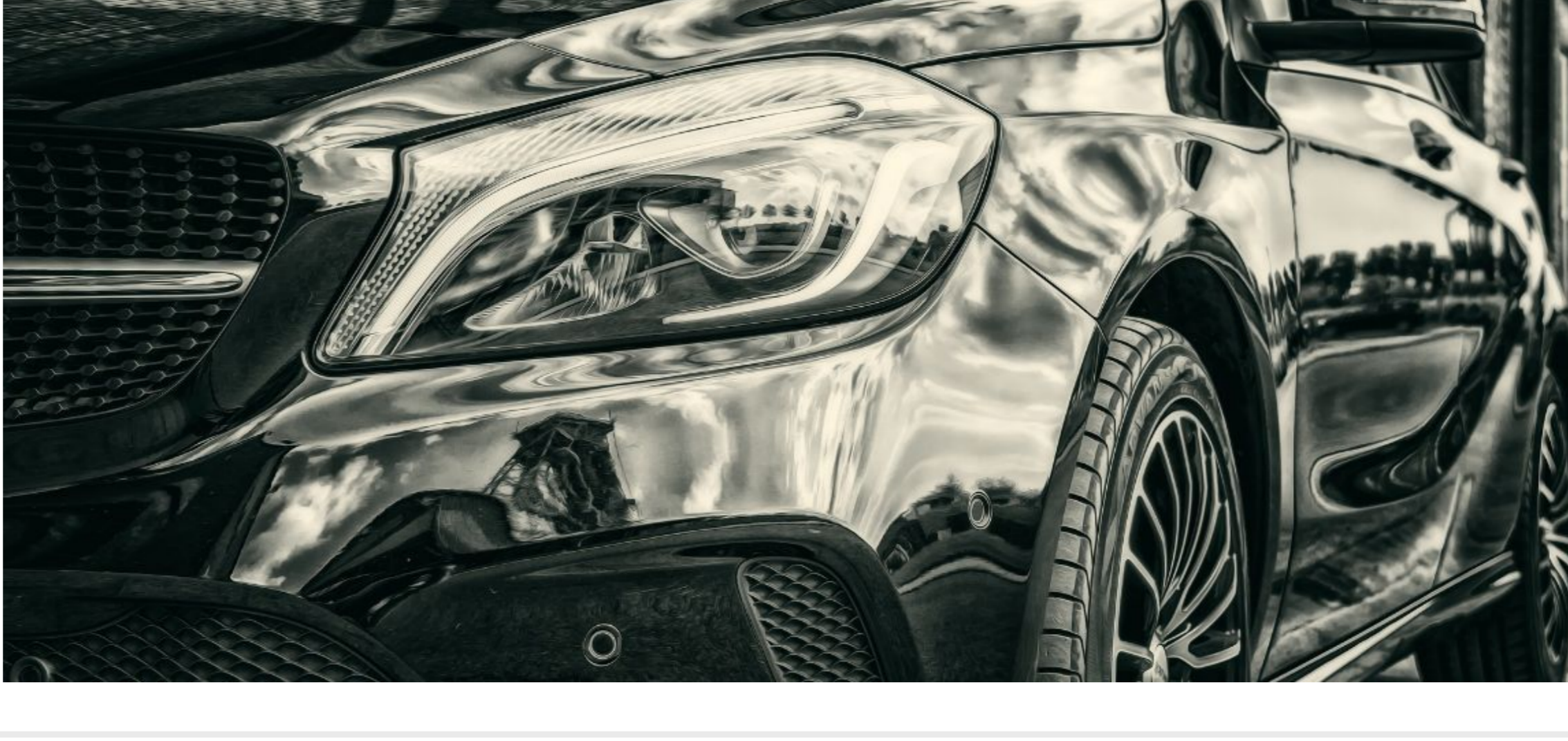


Fellowes Research

Aftersales Solutions - April 2020 - News & Articles



Founder's Notes

Our newsletter is meant to boost discussion & collaboration on aftersales and the solutions that automate and improve parts sales and operations. Spread the word: forward this newsletter. To collaborate on an article, please [contact us](#). Thanks.

If you are reading a forwarded copy of this newsletter, [get your own subscription](#). We also recommend visiting the [Fellowes Research](#) website.

In this email:

- [How Parts eCommerce Helps Dealerships - Webinar](#)
- [COVID Impacts on Service Parts](#)
- [News](#)
- [Coming Soon](#)

Feature Articles

For our April newsletter, we have two feature articles covering: (1) a review of Driving Sales recent webinar on the surprising resilience of Parts eCommerce and (2) an updated article on the impact of pandemic-driven shut-downs on dealers' service parts businesses.



How Parts eCommerce Helps Dealerships in this Down Economy

Due to shelter-in-place and social distancing measures slowing the spread of COVID-19, dealerships across the country are hurting and scrambling to adapt to their customers' new mind-set and restrictions. Industry experts Ted Fellowes of Fellowes Research and Andreas Ronneseth of RevolutionParts discuss parts ecommerce and how it is helping dealerships through a down economy. This panel discussion is moderated by Driving Sales' Bart Wilson who receives questions live from over 400 audience members.

Surprising traffic trends and shifts in parts sales to online channels are described and explained as is how eCommerce, local delivery and other digital logistics tools can help dealers better serve their local wholesale and retail parts customers in these COVID days.

Key Takeaways:

1. COVID-19 and the resulting economic downturn have changed how dealership parts and service do business
2. Digital parts commerce is a viable source of revenue for dealers because consumers and repairers are still buying parts – and shifting their orders to online channels
3. Dealers can use digital parts commerce to provide omnichannel services to their local wholesale and retail customers.

To learn more, [watch the recorded webinar on-demand](#).



COVID-19 Update: Mitigating Service Parts Disruptions

OEMs can respond to COVID-19's disruptions and prepare for future interruptions by investing in SPM (Service Parts Management) platforms designed to (1) mitigate the increasing stresses on OEM service parts supply chains, (2) open online sales channels and (3) reduce stock-out impacts. And best of all the solutions to these challenges – parts locators, parts eCommerce, parts referral solutions and additional delivery options – are valuable aids to dealer parts sales in good times too. A key takeaway is that the need for new functionality can occur with little notice – which is why it is important to select technology partners with a quality, broad platform encompassing a wide range of SPM solutions.

Learn more, [read the guest blog](#) by Ted Fellowes on the Mize website.

News

Metrics. Miles driven is a strong predictor of OEM service parts needed for mechanical maintenance and repairs. Collision claims filed is a strong predictor of OEM parts needed for collision repairs. Forbes reports a 50% drop in miles driven in the U.S. due to COVID. [Read more](#). The WSJ reports collision-repair claims have dropped nationally between 20 to 40%. [Read more](#).

Analysis: The shutdown in response to the threat posed by COVID-19 is reducing the need for both mechanical-repair and maintenance as well as collision repair and the associated parts trade. It is also - as documented throughout this newsletter - driving parts sales to online channels.

CCC. CCC Information Services Inc. (CCC) added Gulf States Toyota to its growing list of OEMs using its 'Promote' technology – enabling estimates to be written using OEMs' promotional parts prices. Gulf States Toyota serves 158 independent Toyota dealerships in Arkansas, Louisiana, Mississippi, Oklahoma and Texas. "Now more than ever, we need to be competitive with our parts offering, making it even easier for shops to do business with our dealers," said Rick Martinez, Director, Fixed Operations, Gulf States Toyota, Inc. "By working with CCC, we can more seamlessly support the thousands of shops that already use CCC's tools. CCC Promote is a powerful extension of our parts marketing strategy and one we're excited to implement." CCC Promote is an integral component of CCC Parts, the company's parts e-commerce platform. The two work together to automate and streamline the parts sourcing workflow from upfront promotional pricing to electronic price quotes, ordering, invoicing, and the rebate settlement process with the manufacturer. CCC reports processing more than \$13 billion in parts annually through its estimatics solutions. [Read more](#).

Infomedia. SPM software provider Infomedia (IFM) is undertaking an institutional placement to raise \$70 million to speed-up its growth strategy. Money raised is said to be slated to provide enhanced financial flexibility for Infomedia to maintain its momentum. "We believe COVID-19 provides a unique opportunity to fast-track our growth strategy towards acquiring quality assets that leverage our global parts, service and data insights platform with enhanced technology, access to new customers and entry to new geographies," CEO and Managing Director Jonathan Rubinsztein commented. "This capital raising puts us in a strong position to take advantage of .. opportunities that will emerge in the current environment, and strengthen our position as ..." a market leader he added. [Read more](#).

On-Demand Hotshot Deliveries – Update. Last month we reported that RevolutionParts and Elite EXTRA were rolling out the industry's first local delivery capabilities. This month RevolutionParts launched local delivery and revealed additional information about its 'RevolutionParts Local Delivery' program, which enables on-demand, hotshot pickup and delivery of local parts orders. RevolutionParts identified several scenarios its Local Delivery was designed for: (1) urgent mechanical parts orders, (2) last-minute collision repair supplements, (3) contactless delivery to a consumer's residence. Deliveries are completed in under an hour using one of the multiple delivery providers. Nick Mendoza, Parts Manager at Crest Volvo stated: "The main thing for us is it's faster, cheaper, and more convenient." Andreas Ronneseth, Co-founder and Chief Strategy Officer of RevolutionParts noted that "Dealers are using this service to quickly deliver parts to their local wholesale customers and to source parts for their own service drive". "I think it's a great, cheaper alternative to sending my drivers or shipping locally," added Austin Schillman, Online Sales Manager at Lasco Ford. [Read more](#).

Coming Soon

A redesigned Fellowes Research website is coming soon. Relaunched in the early Fall of 2019 the website will receive its first major makeover in May. Stay tuned.

Answers

Question: Innovations often bring unexpected consequences – what surprises could the success of service parts eCommerce bring?

Answers: Recalling that Niels Bohr is reputed to have warned "It is difficult to make predictions, especially about the future" – I'll respond cautiously. First, I am confident that there will be multiple substantial unintended consequences – and, not necessarily just the ones that today's pundits worry about. The biggest impact will come from leveraging OEM service-parts eCommerce transaction data with the tools of predictive analytics and AI. Automakers and dealers will find in the data previously-unseen paths to greater parts sales: it will be clearer what prices are required to sell specific SKUs in key scenarios. By combining VIN, mileage, location and perhaps telematics with parts orders, vehicle/equipment OEMs will learn even more about the life of parts and components (sets of adjacent parts serving a common function) – leading first to the replacement of poor parts, then improved design of parts and components and leading to fewer parts failures and better vehicle performance.

Readers, please [submit questions](#) – for our version of FAQs.

About Our Newsletter

Fellowes Research publishes *Aftersales Solutions* – a monthly newsletter. Editions include a 'Feature Article' section with one – or more – articles on industry topics – with a link to the full story.

Each edition includes a 'News' section and an 'Events' section with information on what will be in 'Coming Soon'. Our newsletter closes with an 'Answers' section – responding to questions that subscribers ask.



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