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Fellowes Research

Aftersales Solutions - March 2020 - News & Articles



Founder's Notes

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

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:

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Feature Articles

For our March newsletter, we have two Feature Articles: (1) COVID 19 & Service Parts Management Solutions and (2) OEM Parts eCommerce: Use Cases, Market Segments and Platform Types.



COVID-19 & Service Parts Solutions

COVID-19 creates new challenges in terms of OEM service parts solutions. OEMs can respond to this disruption and prepare for future interruptions by investing in SPM platforms designed to (1) mitigate the increasingly brittle nature of OEM service parts supply chains, (2) to open online sales channels and (3) reduce stock-out impacts with order-referral. And best of all, these three solution sets – parts locators, parts eCommerce and parts referral solutions – are valuable aids to OEM service parts business in good times too. A key takeaway is that the need for new functionality can occur with little notice – increasing the importance of selecting a technology partner with a quality, broad platform encompassing a wide range of SPM solutions.

[Read more.](#)



OEM Parts eCommerce: New Charts

There is more to OEM service parts eCommerce than meets the eye – it is not a one-size fits all business. Three important dimensions of this business are (1) use-cases or selling scenarios – here we cover the top half-dozen; (2) market-segments – four for automotive; (3) platform type – we cover five.

Each of the two charts cover two of the three dimensions to provide insights. These charts are designed to aid OEMs and software firms better plan their parts eCommerce roadmaps. To make these charts actionable, identify your initial objective – for example, selling service parts to fleets or fast-moving parts to consumers or idle parts in bulk to dealers (that is, the market segments and use cases) – then use the charts to identify the eCommerce platform types that fit. Or, you can start with your platform type and, using the charts, identify additional segments and/or use cases it might be expanded to cover.

Click on each 'thumbnail' below to access high-resolution pdf versions.

	Parts eCommerce Category (Market Segment)			
	Collision Repair (Wholesale)	Mechanical Repair (Wholesale)	Dealer-to-Dealer (Wholesale)	Retail (Consumer, Share-Price Mechanic)
Portal	Portals are dominant as they facilitate trade between existing trading partners (Shop-to-Dealer) (i.e. pre-negotiated discounts & 2) that, like stock delivery keep shop from shopping around.	Portals are dominant as they facilitate trade between existing trading partners (Shop-to-Dealer) (i.e. pre-negotiated discounts & 2) that, like stock delivery keep shop from shopping around.	Portals do not have type of business trade relationships existing trading partner (D2C) power several parts to create & order.	N/A. Portals not used for B2C parts eCommerce.
Dealer Parts Website	Use of Dealer Parts Website (DPW) to facilitate collision repair orders (Shop-to-Dealer) is uncommon but not absent. Typically, buyer provides OEM file information for repair. Dealer provides OEM file information for shop (Shop-to-Dealer) to add OEM file import to DPW not yet common.	Use of Dealer Parts Website (DPW) to facilitate trade between existing trading partners (Shop-to-Dealer) is uncommon but not absent. Typically, buyer provides OEM file information for repair. Dealer provides OEM file information for shop (Shop-to-Dealer) to add OEM file import to DPW not yet common.	N/A. DPW not used for D2D parts eCommerce.	DPW is dominant for facilitating trade between consumer and dealer (whether there is an existing trading relationship or not). DPW facilitates dealer marketing to bring in new retail buyers.
Marketplace	Marketplaces focus on price, not adding value between existing trading partners. Marketplaces do not import OEM file information. Commissions of 12 to 15% are a hurdle.	The use of marketplaces to facilitate trade between existing trading partners (Shop-to-Dealer) is uncommon. Commissions of 12 to 15% are a hurdle.	N/A. Marketplaces not used for D2D parts eCommerce.	Marketplaces are a leading solution type for consumer to buy from dealers – whether there is an existing trading relationship or not. Marketplaces attract new retail buyers.
OEM Parts Website	OEM Parts Websites do not facilitate trade between existing trading partners (Shop-to-Dealer) (i.e. pre-negotiated discounts & 2) that, like stock delivery keep shop from shopping around.	OEM Parts Websites do not facilitate trade between existing trading partners (Shop-to-Dealer) (i.e. pre-negotiated discounts & 2) that, like stock delivery keep shop from shopping around.	N/A. OEM parts websites not used for D2D parts eCommerce.	Marketplaces provide net price. DPW provides net price (not OEM).
Direct Ordering	Direct ordering depends on existing trading partners (Shop-to-Dealer) (i.e. pre-negotiated discounts & 2) that, like stock delivery keep shop from shopping around.	Direct ordering depends on existing trading partners (Shop-to-Dealer) (i.e. pre-negotiated discounts & 2) that, like stock delivery keep shop from shopping around.	N/A. Direct ordering is not used for D2D parts eCommerce.	Marketplaces provide net price. DPW provides net price (not OEM).

	Parts eCommerce: Use Cases & Categories			
	Collision Repair (Wholesale)	Mechanical Repair (Wholesale)	Dealer-to-Dealer (Wholesale)	Retail (Consumer, Share-Price Mechanic)
Fast-Moving OEM Parts	N/A. Multiple trade applications required. Ready small share of total parts. Answer with precise descriptions.	N/A. Independent retailers look to dealer for OEM parts (are not facilitating fast-moving parts after purchase).	N/A.	Retail buyers look for fast-moving OEM parts on (1) Dealer Parts Website, (2) Marketplace, (3) OEM Parts Website, or (4) search and referring to locate parts on dealer. Part search and referring to locate parts on dealer. Part search and referring to locate parts on dealer.
All/Any OEM Parts	• Electronic system alternatives better acquire a complete set of parts. • Best of both worlds: OEM file information available for parts that do not ship with OEM file information. • Portal is dominant solution type.	• eCommerce solution has built-in B2C. • eCommerce solution may have built-in part search and referral capabilities. • Requires some file (dealer's & distributor's) information. • Portal is dominant solution type.	• No B2C. • Dealer-to-dealer (D2D) with parts locator with online confirmation & delivery time needed immediately – often phone call in addition to or instead of online order. • Requires some file (dealer's & distributor's) information.	• Built-in B2C with use case appropriate for retail buyers. • Buyer often price sensitive. • Part search and referring to locate parts on dealer. • Dealer Parts Website, OEM Parts Website or Marketplace.
Idle/Overstock OEM Single Parts	Minimal. Typically market served by open online OEM parts locator (i.e. shop-to-dealer).	Minimal. Small market served by dealer-to-dealer (D2D) locators.	Minimal. Small market served by dealer-to-dealer (D2D) locators.	Small. Served by marketplace and open online OEM part locators.
Idle/Overstock OEM Bulk Parts	N/A. Dealer directly to retailer or indirectly via dealer/distributor. OEM website partner.	OEM. OEMs sell spare parts to winner parts entities who sell via retail channels. Multiple OEMs compete. Retail will stock small quantities of maintenance parts.	• Brokerage – across online & automated – not vehicle eCommerce.	N/A. Retail buyers order parts for reactive and/or preventive maintenance and repair (or reconditioning).
Out-of-Stock	N/A.	N/A.	N/A.	N/A.
Deposited OEM Parts	Indirect. Send dealer buy order to request body parts from OEM file (i.e. pre-negotiated discounts & 2) that, like stock delivery keep shop from shopping around.	Opportunity. Warehouse parts, non-OEM file information, or OEM file information via OEM file or indirectly via dealer.	N/A. The volume and qualified to support D2D secondary trade.	N/A. Potentially facilities too great.

[Read more.](#)

News

Service Parts Shortages Surging - Customer Satisfaction May Crash.

- MTECHNEWS.com reports that "as the coronavirus crisis continues to interrupt global supply chains, auto dealers are bracing for parts shortages that could undermine hard-fought gains made in customer satisfaction over the past few years ..." Chris Sutton, vice president of the U.S. automotive retail practice at J.D. Power said of the coronavirus impact: "it inevitably will have a financial effect on dealers' service business." [Read more.](#)
- The Detroit Free Press reported that the Detroit automakers (pressed by the UAW) had effectively closed its PDCs (parts distribution warehouses) and re-opened them with volunteer (but paid labor). A significant reduction in the volume of parts that these OEMs can deliver daily is expected. [Read more.](#)

Readers interested in mitigating these supply chain disruptions are encouraged to read the first feature article above.

OEConnection selected by Mitsubishi for Collision Parts eCommerce program. BodyShop Business reports that Mitsubishi Motors North America, Inc. (MMNA) becomes the 26th automotive OEM in North America, and the fifth in the past six months, to implement the CollisionLink solution to enhance their parts marketing program. MMNA dealers will have access to Mitsubishi Ultra Conquest Program through CollisionLink immediately. [Read more.](#)

Local Parts Delivery. In an advance that ties social distancing (COVID-19), several firms are developing, testing or launching last-mile, local-delivery options for their parts eCommerce and parts delivery management solutions. This includes RevolutionParts. [Read more.](#) Breaking news (first published here): Elite EXTRA has enabled parts sellers to connect through both crowd-delivery companies and courier companies. Lyft and Postmates are both partnering with Elite EXTRA. This is another news item that ties to the first feature article in this newsletter (above). [Read](#) Elite EXTRA's COVID-19 suggestions.

Events

Ted Fellowes will be a guest panelist on a virtual webinar on automotive Parts eCommerce in late April - details to follow on LinkedIn and the Fellowes Research website.

On February 25, Ted Fellowes was the speaker at a Parts eCommerce & Megatrends webinar. [Archived recording](#) available now - watch at your convenience.

Answers

Question: What is your recommendation for an eCommerce solution or platform that will work well in all situations?

Answers: Great question – my answer is that there is no such thing as an eCommerce solution that will work sufficiently well to be commercially successful in all or even most OEM parts sales scenarios. Let me repeat: parts eCommerce is absolutely not a one-size-fits all market.

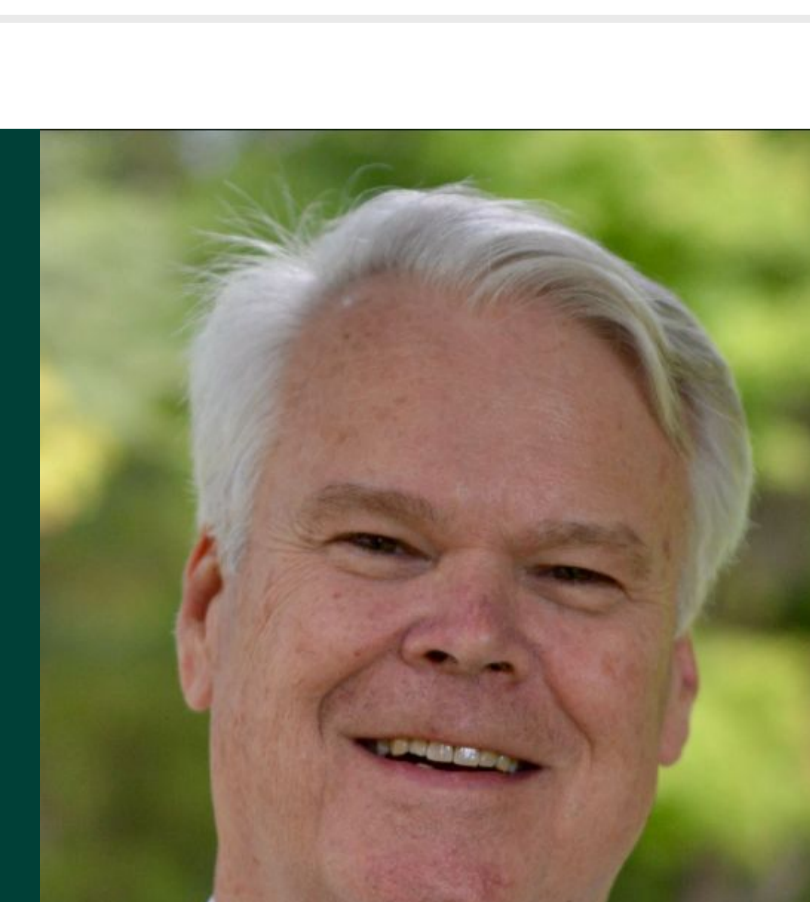
The fact of the matter is that there are several very distinct types of OEM parts buyers (consumers, fleets, dealers, collision repair shops ...). And there are a number of distinct use cases. The needs of a collision shop – to deliver repair information via CIECA standard file transfers, to automatically send orders to a preferred dealer by OEM, to facilitate use of OEM promotional delivery programs, to default to local delivery and dealer billing, – are entirely different from the needs of a retail parts buyer or even a fleet. For more insight, review the charts in the second feature article (above) – click to download the charts as high-resolution pdfs or contact me to discuss this further in light of your situation.

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

About Our Newsletter

Fellowes Research publishes a newsletter monthly (plus special editions). Monthly editions include a 'Feature Article' section with one – or more – articles on industry topics. Newsletters contain a summary of each 'Feature' – with a link to the full story.

Each edition includes a 'News & Events' section 'Coming Soon' identifies projects underway and being planned. Our newsletter closes with an 'Answers' section – responding to questions that subscribers ask.



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