

THE AUTO DEALER'S ORIGINAL FIXED OPERATIONS RESOURCES

VOL. 14, NO. 3 - MAY / JUNE 2017

# FIXED OPS

## TECHNOLOGIES AT EVERY TURN

USING BIG DATA TO IMPROVE FIXED OPS SALES

EVOLUTION OF THE ELECTRONIC PARTS CATALOG

NEW TECHNOLOGY A MUST FOR RUN-FLATS AND  
LOW-PROFILE TIRES

READY FOR THE NEW REFRIGERANT?

# DRIVING FIXED OPS SOLUTIONS

## DIGITAL, MOBILE TECHNOLOGY DOMINATE 2017 NADA CONVENTION

*This is the second in a two-part series examining technologies driving new and improved digital solutions for dealers. The article wraps up with recent news on dealer Fixed Operations solutions.*

BY TED FELLOWES

The same technologies enriching our personal lives are advancing dealer systems in predictable ways. Let's take a look at few more of these key technologies and how they may affect your dealership.

### Connected / Smart Car

"Connected cars are changing the industry, but dealers are receiving little value from this shift," according to Kevin Weiss, Spireon's CEO, who's committed to "giving dealers the tools they need to benefit from the connected car revolution."

AutoNet Mobile's DealerConnect uses vehicles' OBD-II ports to monitor vehicle health. When problems are detected, both dealer and vehicle owner are automatically notified, relevant service promotions are sent and an opportunity to schedule a Service appointment online is provided. DealerConnect operates independently of OEM connected-car technology sold and installed by dealerships and also turns vehicles into mobile Wi-Fi hotspots.

Using GPS-based mileage tracking, Spireon's Kahu improves accuracy of Service reminders. Spireon also offers several OBD-II (rather than GPS) solutions that provide vehicle health status.

Verizon — a new NADA exhibitor this year — promoted "Hum," an OBD-II reader, that receives diagnostic alerts including diagnostic trouble codes (DTCs) and other information, identifying common vehicle issues. Notifications are sent to vehicle owners (and, potentially, dealers) via text message, email or both. Consumers can view vehicles' diagnostic information and descriptions of most DTCs in the Hum app or Hum web portal.

In Kia's CVIS program, vehicles transmit DTC and other vehicle sensor data to Kia servers, which relay that data to Infomedia's SuperService application for use by dealer Service Advisors and Technicians. Alerts are sent to dealer staff to investigate and then call customers for follow up and to schedule Service appointments.

Infomedia executive Peter Petrovski asserts that "the 'connected car' diagnostic data needs to be augmented with VIN-precise job codes, Part numbers and labor times to facilitate efficient use DTC alerts in the booking of Service appointments, generating repair estimates and specifying needed Parts. As always, turning data into meaningful information is key. That's where connected data will succeed or fail."

Global leaders in parts and service software

## Performance and Predictive Analytics

Elite EXTRA's wholesale Parts reporting engine is powered by a multitude of measurements, including time-stamping all delivery-vehicle arrivals, deliveries and departures as well as actual GPS mileage compared to the EXTRA suggested routes.

The resulting performance analytics enable Parts Managers to see their wholesale Parts ETA and delivery performance of each vehicle-driver. Also, all costs can be incorporated with each Parts invoice's value to determine true profitability by route, driver and customer.

EXTRA has new "scorecard" depicting delivery workflow. At a glance, Parts Managers can identify routes, customers and drivers that are boosting ROI (as well as areas that are falling short).

DealerMine, a Service (and sales) CRM provider, has determined that CSI scores are not predictive of customer purchase decisions. Rather, it believes that the strength of relationships is the best predictor of customer retention (Service & Sales).

DealerMine measures the strength of dealers' customer relationships via a star rating that covers 10 proven indicators. (With its newest product, Sonar, DealerMine also takes this further by measuring a customer's likely influence on the buying habits and decisions of others.) Infomedia is using vehicle-specific inspection data to forecast future appointments / visits based on time or mileage.

## Bots

Chat bots, Infomedia reports, can answer many questions asked by Service customers and will have an increasingly large role to play in dealer solutions. The company myKaarma will soon release its SmartAssist bot that helps dealership Service Advisors answer standard questions and automatically find information related to customer questions.

UpdatePromise uses natural language processing to automatically engage consumers — potentially identifying and addressing negative customer responses — even in the Service Drive. Kimoby's artificial intelligence (AI) automatically analyzes customer responses for signs of dissatisfaction, sending alerts to dealer personnel and it learns to improve its assessment of customer texts via machine learning.

## OEM Variable Parts Pricing

Nearly all automakers have variable Parts pricing in the collision repair market, selectively discounting OEM parts, even price-matching of aftermarket Parts (via eCommerce from several certified DSPs).

GM has gone further. It's replacing static list prices for nearly 100,000 collision-repair items with OEC's MPL solution, which delivers list prices online and on-the-fly for each inquiry. Rob Cooper, Founder of PartsTrader, notes that the repair industry has relied on static pricing for too long and that PartsTrader delivers dynamic Parts pricing for every collision repair, ensuring a dynamically competitive market.

Infomedia sees OEM Parts pricing programs being extended from Collision into the mechanical repair space primarily to conquest aftermarket Parts. Infomedia's reporting of Parts eCommerce transactions enables OEMs to monitor and test pricing strategies.

In the future, advanced analytics, according to Infomedia, will be the driver behind more aggressive OEM mechanical Parts pricing programs. Several automakers have launched or announced mechanical-repair part pricing programs, often focused on a distinct line of "value" or "economy" Parts.

## More News from NADA

Advances in technology are resulting in new and improved Fixed Operations solutions that will boost customer satisfaction, generate new revenues and,

potentially, control costs. The following is a quick summary of a few of these solutions as seen at the 2017 NADA Convention:

### • OEM Parts Programs

Infomedia signed an exclusive agreement with Nissan to supply its Microcat Electronic Parts Catalog (EPC) to Nissan's global dealership network through to 2022. This follows the news last year that Clifford Thames won Jaguar Land Rover's global EPC business and the sale of Ford-Europe's Parts cataloging to Clifford-Thames. After years of stability, several vehicle-makers have made once-in-a-generation decisions on their digital Parts catalog business — and more shifts are underway.



### • New Digital Solutions

InPart, Solera's global Parts eCommerce solution (in both the Collision repair as well as mechanical repair markets) is in pilot operation in the U.S. and Canada. InPart supports all part types (including OEM) and for collision shops will integrate with Audatex and other major estimating systems. InPart is expected to be available to dealers later this year, according to Solera management.

RevolutionParts launched an in-house Parts and Accessories marketing agency providing turnkey PPC advertising, content marketing and email marketing to customers who choose to add-on marketing services to their eCommerce solutions.

myKaarma launched its new Remote Repair & Drop Off Service, designed to provide Service customers an Uber-like experience. The new service aids and automates dealer management of shuttle drivers and the customer pick-up / drop-off process.

### • New/Expanded Alliances

Insignia Group and RevolutionParts are partnering to make it easier for dealers to grow accessories sales online, combining eCommerce from RevolutionParts with accessory information and visualization from Insignia.

Recently, leading collision repair network Fix Auto USA signed an agreement with PartsTrader to be a recommended partner. "Collision repair facilities using the PartsTrader platform to search and compare for Parts within their marketplace can access more competitive quotes and significantly reduce their return rates," said PartsTrader Founder Rob Cooper. Fix Auto locations will also be able to access PartsTrader's data analytics based on actual quotes and orders in a Body Shop's specific market.

Elite EXTRA and Summit Consulting, Inc. (SCI) have teamed up to enable SCI's Parts CRM to access delivery and mileage information from EXTRA's Parts Delivery Management solution, enhancing SCI's sales and delivery forecasting. Elite EXTRA also partnered with Red-

line Marketing to use EXTRA's Parts CRM to boost the performance of Redline outside sales specialists, targeting larger dealer groups in larger markets.

The pairing of myKaarma's mobile messaging with MDL's automated arrival solutions is designed to automate workflow. As customers pull into the Service Drive, MDL transmits the VIN to myKaarma, which sends a message notifying the assigned Service Advisor. A welcome-to-the-dealership message can also be texted to the customer. Also, a message can be sent to the Service Department when customers return with their loaner, streamlining Service Department customers' experiences.

**ELITE EXTRA'S WHOLESALE PARTS REPORTING ENGINE IS POWERED BY A MULTITUDE OF MEASUREMENTS, INCLUDING TIME-STAMPING ALL DELIVERY-VEHICLE ARRIVALS, DELIVERIES AND DEPARTURES AS WELL AS ACTUAL GPS MILEAGE COMPARED TO THE EXTRA SUGGESTED ROUTES.**

### • Achievements

RevolutionParts, a first-time exhibitor at NADA, announced that it had processed over \$300 million in online Parts and Accessories sales for over 600 dealerships since its launch in 2013. UpdatePromise announced that in 2016 over 16 million consumers engaged in its electronic communication solutions. And Spireon revealed that its aftermarket GPS devices are installed on more than 3.5 million vehicles and offered by 14,000 dealerships across North America.

CenPOS reported that retailers experience roughly \$7.2 billion in fraudulent purchases from card-not-present fraud — that is, use of stolen credit card numbers online and in mobile channels. CenPOS that notes it implemented Consumer Authentication, in which the card-issuing bank assumes responsibility for transactions, to protect dealerships from the impact of card-not-present fraud.



**REVOLUTION PARTS**



GlobalInPart



*Ted Fellowes is President of Fellowes Research Group, Inc. He is an expert in Service Parts information, solutions and services with more than 25 years of experience in general management, product development and business development of Service Parts solutions in the automotive, commercial truck, heavy equipment, power sports and aviation industries.*