

# Ecommerce and the Changing Needs of Repair Shops

Upgrading your customer experience.

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# Overview

- ✓ Parts Ordering: State of the Union.
- ✓ Changing Shop Management System Landscape
- ✓ Your Online Presence
- ✓ WD's: Defending Brick and Mortar
- ✓ Trends to Watch



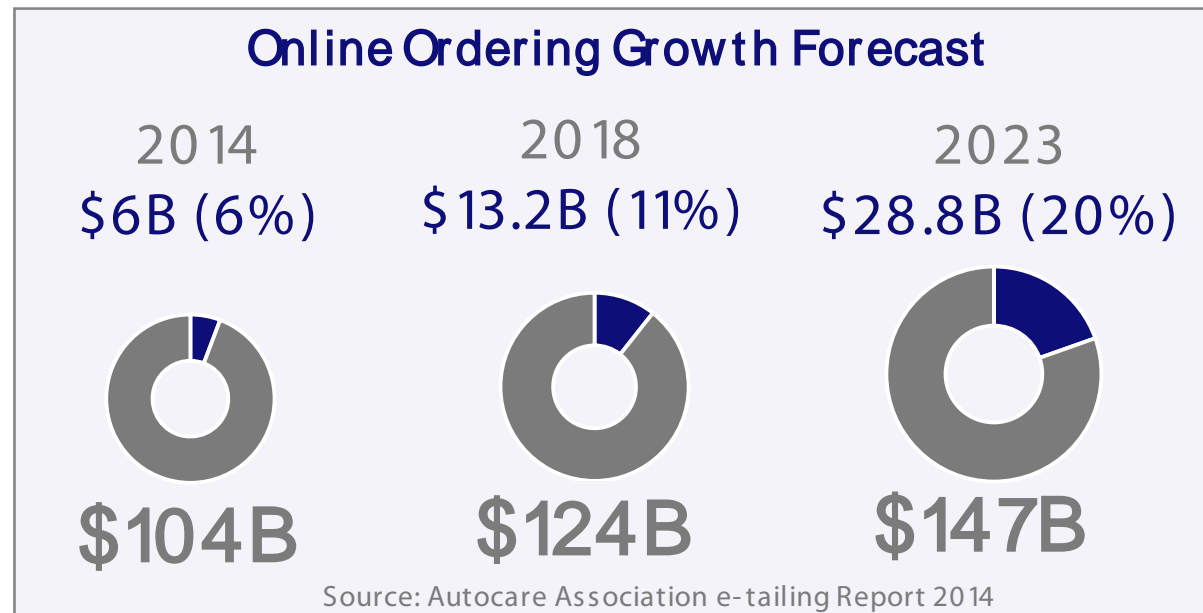
# Parts Ordering: State of the Union

Online: The fastest growing channel?

Laggard: Commercial Ordering

Lack of tech innovation in B2B

Garages return to the phone.  
Why?





# Parts Ordering: State of the Union

## Parts Ordering Landscape

Ordering:  
Over the phone  
**80%**



Ordering:  
Remaining  
**20%**



### B2B Parts Ordering Gateways



EPICOR.



AUTOLOGUE



### Single-channel e-Commerce (B2C and/or B2B)

Clicks to Bricks



B2C e-Comm



USAUTOPARTS

AUTOPARTS  
WAREHOUSE



### B2C Marketplace



amazon

ebay

jet



In 2015, LKQ handled **47,000,000** calls in North America.  
**< 15%** of total sales placed online.

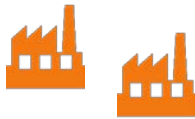




# Typical Parts Procurement Process

Proliferation of  
SKUs

## Manufacturers



1,000's of brands.  
Millions of parts.

**Advance  
Auto Parts**



**AUTOMOTIVE  
DISTRIBUTION  
NETWORK**



**The  
GROUP**  
AUTOMOTIVE PARTS SERVICES GROUP



**NAPA**



Shop Mgmt.  
System



Repair Center

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Most repair shops  
buy from **3-5 stores.**



**PARTSTECH**  
AUTOMOTIVE E-COMMERCE TECHNOLOGY



# Problem: Shops Spend Hours Per Day Searching For Parts

Roughly **80%** of commercial parts orders are still placed by **TELEPHONE**



**20+ calls or website visits per day**

Searching for parts



**Hours wasted**  
on the phone  
or online



**Less Time**  
repairing  
cars



The cost of inefficient ordering:  
Repair shops spend \$1.5 Billion in labor costs annually.





# Problem: Why do garages pick up the phone?

## Parts Ordering



**Online: “It’s like speaking 4 different languages.”**



**“When I call, I know exactly the parts will arrive.”**



**“I want to know I can hold someone accountable.”**



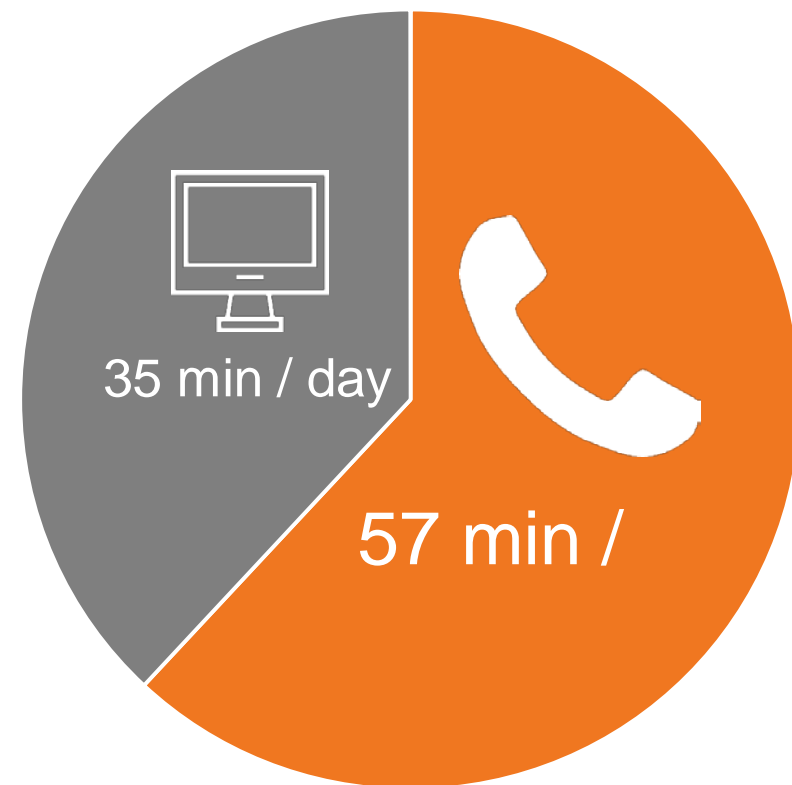
**“I don’t trust the inventory I see on the computer”**

UI / UX

Reliability

Accountability

Time Spent Researching Part Availability and Price



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# Shop Management System Landscape



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# Changing SMS Landscape

- A new wave of systems entering the market.
- Incumbent systems: Generally, not meeting the very basic user experience expectations of repair shops.
- **Prediction:** Changing of the guard will occur over next few years as these new systems mature and gain clients.



# Your Online Presence

What do you look like  
online? You might be  
surprised.





# Your Online Presence

- Over 150 shop management systems in play. How do you integrate with each?
- Most SMS systems rely on catalog integrations designed and coded decades ago.
- Pay attention to how you appear in these systems. This is your customer experience. MCL mapping critical.



# Your Online Presence

Example: How a national retailer appears in many SMS systems.

- Images?
- Product Descriptions?

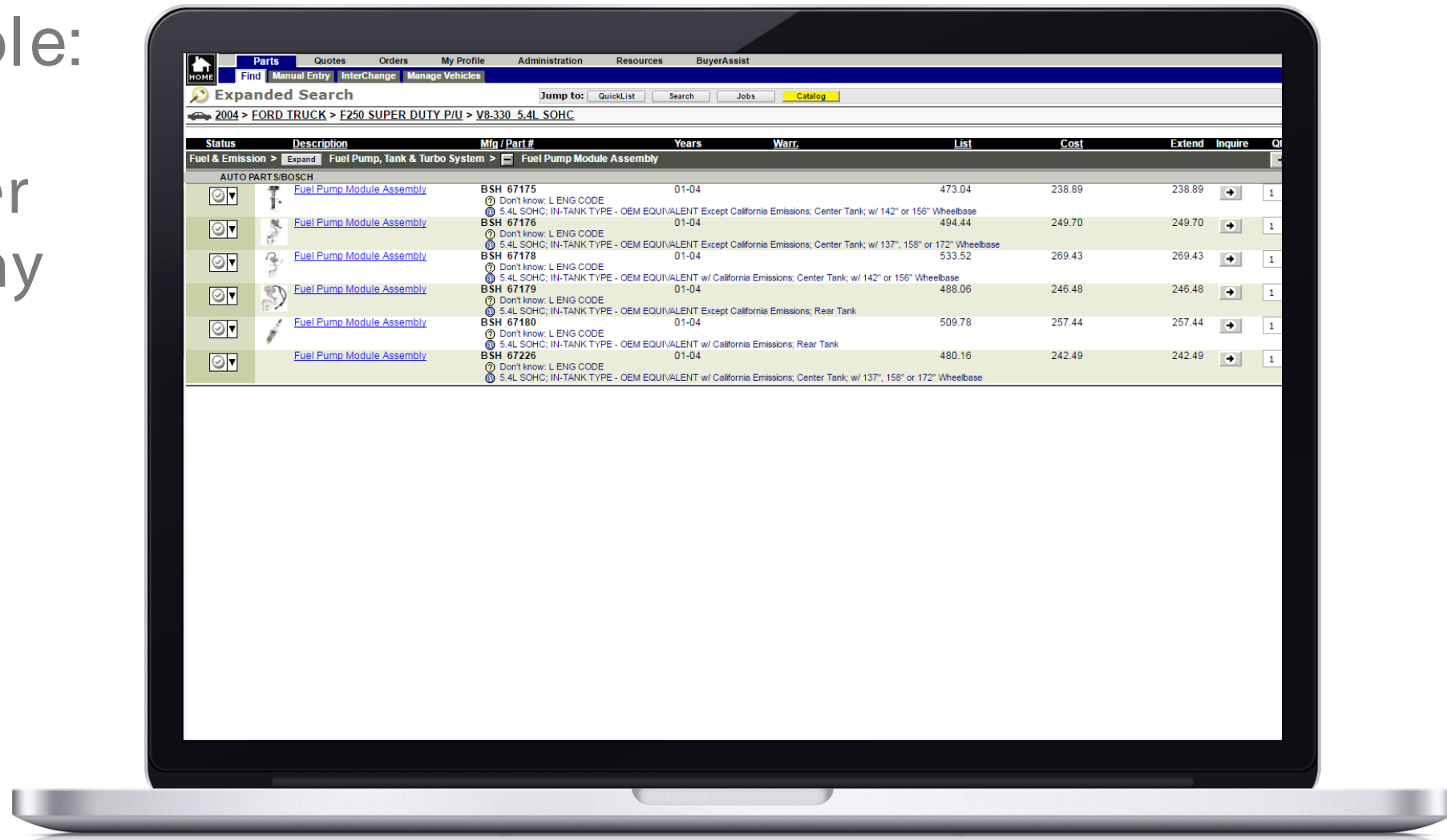
VIN/Vehicle ID Lookup Search Part Types Select a previous Vehicle										
2004 FORD TRUCK F250 SUPER DUTY P/U V8-330 5.4L SOHC Fuel & Emission Fuel Pump, Tank & Turbo System Fuel Pump Module Assembly Special Conditions										
Sort By: Manufacturer										
AUTOBEST	Product Info	Sell Pack	Order Qty	Per Veh	Line Code/Part Number	Product Description	List Price	Your Price	Core Price	Branch Avail Qty
A0 AUTOBEST	CALIF EQPD	1	Add	1	A0 F1241A	FP MODULE ASSEM	341.97	96.89		0
	CALIF EQPD	1	Add	1	A0 F1246A	FP MODULE ASSEM	290.88	82.42		1
	EXCEPT CALIF EQPD	1	Add	1	A0 F1249A	FP MODULE ASSEM	277.29	78.57		0
	EXCEPT CALIF EQPD	1	Add	1	A0 F1258A	FP MODULE ASSEM	270.08	78.52		1
	CALIF EQPD	1	Add	1	A0 F1291A	FP MODULE ASSEM	320.88	90.92		0
	EXCEPT CALIF EQPD	1	Add	1	A0 F1292A	FP MODULE ASSEM	268.77	76.15		0
AF AIRTEX	CALIF EQPD	1	Add	1	AF E2230M	FP MODULE ASSEM	482.00	141.96		0
	EXCEPT CALIF EQPD	1	Add	1	AF E2235M	FP MODULE ASSEM	416.03	127.83		0
	CALIF EQPD	1	Add	1	AF E2235M	FP MODULE ASSEM	416.03	127.83		0
	EXCEPT CALIF EQPD	1	Add	1	AF E2238M	FP MODULE ASSEM	336.81	103.49		0
	EXCEPT CALIF EQPD	1	Add	1	AF E2245M	FP MODULE ASSEM	378.29	115.82		10
	CALIF EQPD	1	Add	1	AF E2280M	FP MODULE ASSEM	434.18	133.41		0
DE DELPHI	CALIF EQPD	1	Add	1	DE FG0360	FP MODULE ASSEM	425.79	144.01		0
	CALIF EQPD	1	Add	1	DE FG0363	FP MODULE ASSEM	472.59	159.85		1
	EXCEPT CALIF EQPD	1	Add	1	DE FG0952	FP MODULE ASSEM	341.03	115.35		1
	EXCEPT CALIF EQPD	1	Add	1	DE FG0954	FP MODULE ASSEM	378.34	127.97		0
5C CARTER	CALIF EQPD	1	Add	1	5C P75034M	FP MODULE ASSEM	340.82	127.16		0
	EXCEPT CALIF EQPD	1	Add	1	5C P75035M	FP MODULE ASSEM	278.37	103.92		0
	EXCEPT CALIF EQPD	1	Add	1	5C P75036M	FP MODULE ASSEM	266.25	99.40		0
	EXCEPT CALIF EQPD	1	Add	1	5C P75037M	FP MODULE ASSEM	298.47	111.43		0
	CALIF EQPD	1	Add	1	5C P76107M	FP MODULE ASSEM	340.82	127.16		0



# Your Online Presence

Another example:  
How another  
national retailer  
appears in many  
SMS systems.

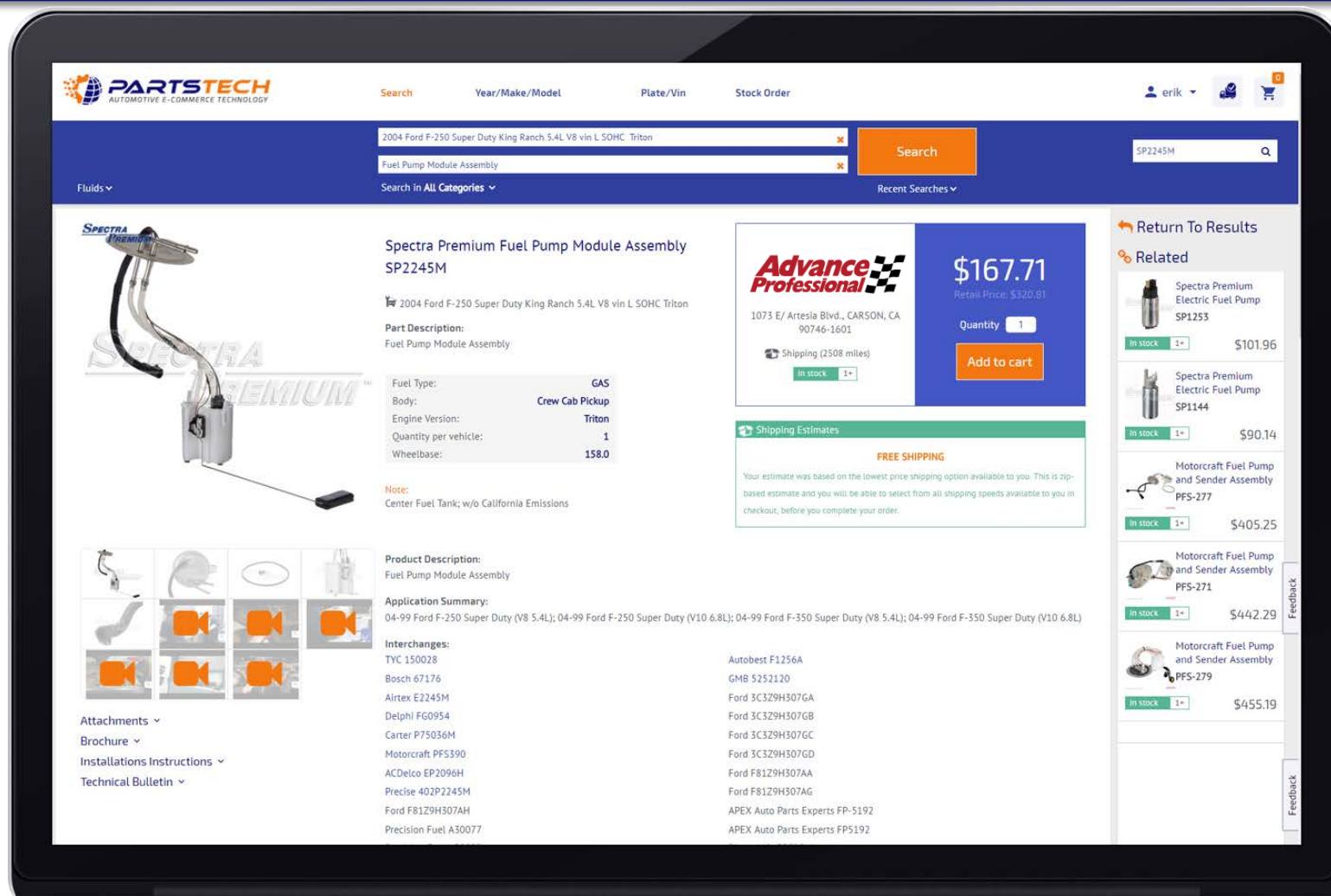
- Brand name?
- Logo?
- Want it on a mobile?





# Your Online Presence: Applying modern UX

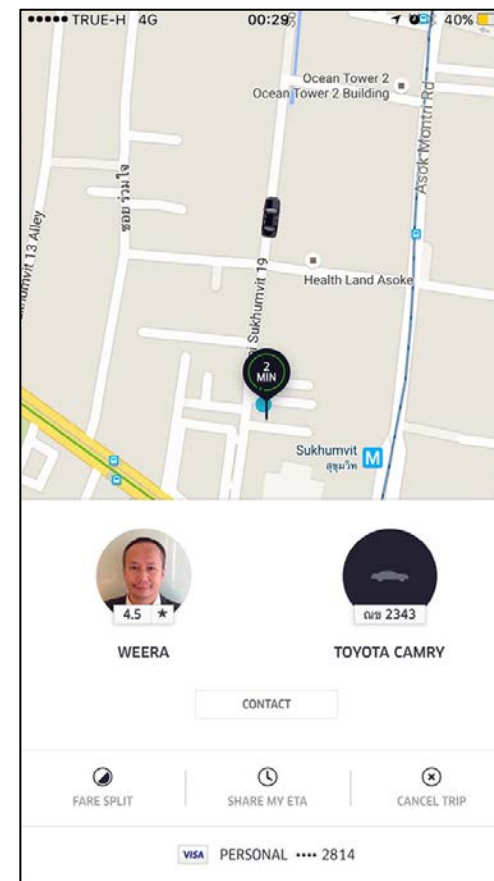
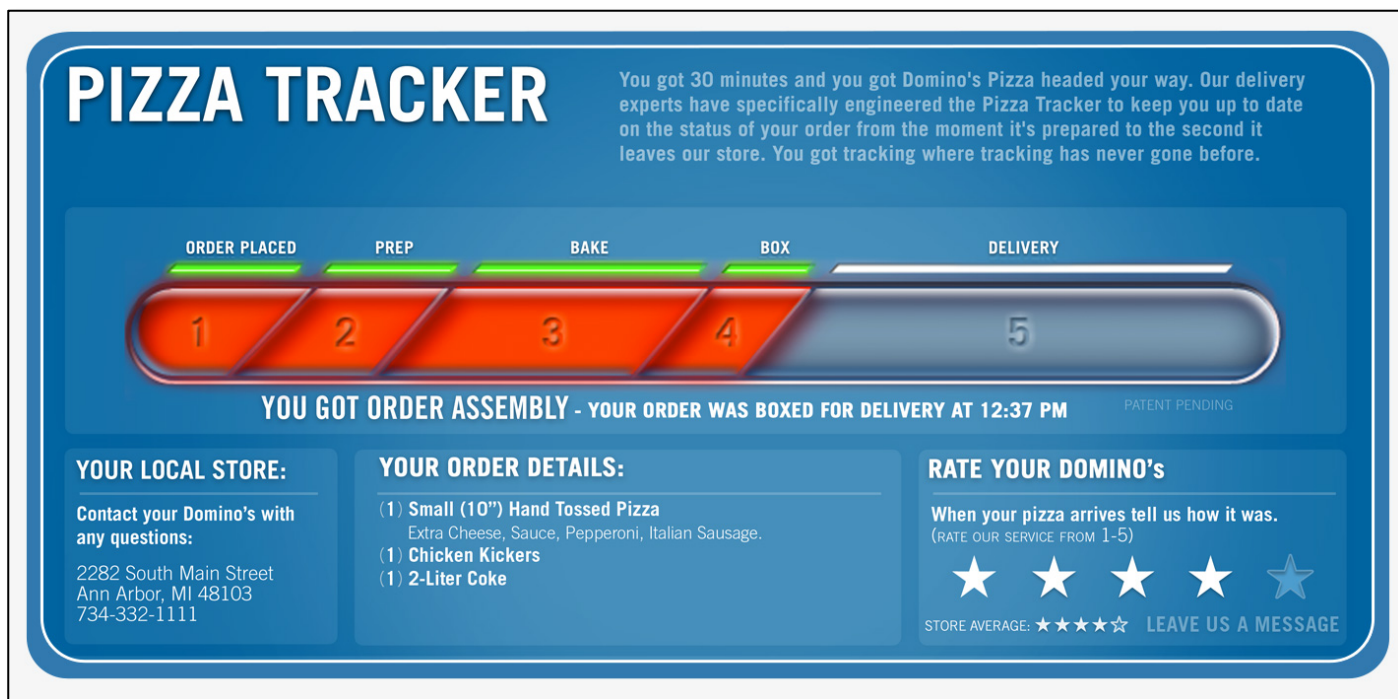
A modern take on  
B2B ecommerce.







# Your Online Presence: Applying modern UX



Order confirmation & delivery estimates are critical

Leading systems are now integrating digital tracking and confirmation

# Defending Brick & Mortar Critical to the industry.







# Defending Brick and Mortar

Your e-commerce strategy should fully support your physical presence. And vice versa.

Most independent WD's use e-commerce tools that keep their inventory hidden behind a password.

Increasingly, distributors are exposing their inventory to their local markets. Why? **Customer acquisition.**

## Questions to consider:

Imagine a new shop in your areas is looking for a hard-to-find part that you have in stock. Can they easily discover that you have this part online?



# Defending Brick and Mortar

**I want to always be first call: I should stock everything!**

Duplicating inventory allows for a race to the bottom on price. How many Camry rotors does one region need?

**Better deals over the phone.** Pricing discipline at the parts counter is critical. You lose out on cost-savings and margin the lower you go on the phone.

# Future Trends

Trends that will shape  
parts procurement.

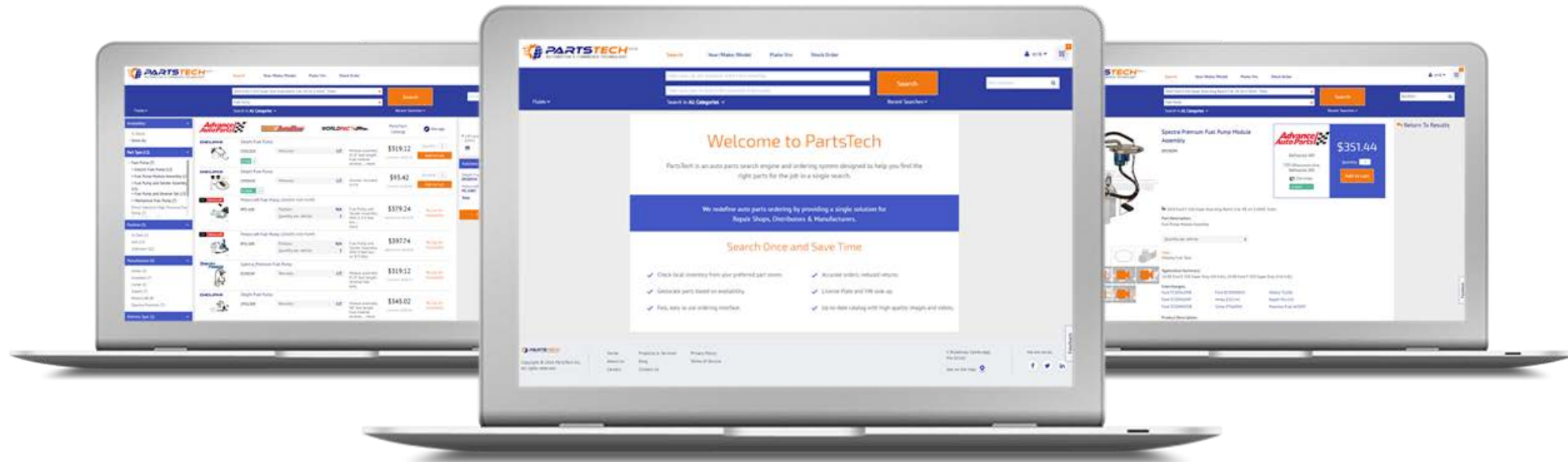


## Trends to Watch:

- Stronger Regional VIO data
- Better product failure data by region
- Inventory Visibility
- Telematics communication to shop & WD
- Developments in wear sensor technology



# Q&A and Thank You!



## Parts Ordering, Upgraded.

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