

## How can you increase shop revenues in Digital Age?

### Outdated Tools?



Long Repair Time.

### Digital Technology. Faster Service. Less Cost.



More Happy Customers. More Revenues.

Most would say, the **Digital Age** started in 1970s along with the Information Age when people and businesses started using Computers to process information in electronic or digital format. Music industry moved from Discs to Cassettes to CDs to MP3 to online and cloud-based storage, sharing and services. Similarly, photography moved from analog to digital to online and mobile. Current Digital Age uses mobile and Internet technologies to gather, process and analyze information in digital format to provide services also in multimedia digital format. Landlines and Cable Television are becoming obsolete. People and businesses access contents and services from anywhere, anytime using Mobile Multimedia technology over the Internet. Companies like **Uber**, **Airbnb** and **Amazon** are thriving because they have recognized this new trend and created a business around it.

In this article we will discuss what **Auto Care** industry can do to benefit from this new trend, what are the challenges and how shops can overcome them.

The auto **repair industry** is **extremely competitive** and developing proper strategy to learn, grow and increase revenue is essential for long-term success. Cars are changing rapidly along with the advancements in technology. New **cars are becoming more digital** with variety of

mobile apps, connected services, advanced sensors, computers and software. This is also changing the consumer behavior, their buying habits and expectations. With this change comes several innovations in the aftermarket auto services industry that auto care professionals need to pay attention to. [Those who take the initiatives to stay up to date will be able to grow their customer base and revenues.](#)

Good news is **Auto Repair market is growing** at the rate of 5.6% a year for last few years. People are keeping their cars longer, driving more and buying more used cars than ever before. Average age of a car on USA road is 11.5 years. There are about 17 million new cars sold per year. Whereas 45 million used cars are sold in a year. People are also working harder and longer while juggling among multiple family and work or school priorities. Time is their most precious commodity. People want faster quality services on demand at a reasonable price from trusted shops. They want a trusted partner who quickly understands their needs and can deliver it to them while they focus on what is more valuable to them, their friends, family and work or school or vacation and leisure.

Today **70%** of the repairs are done by aftermarket neighborhood shops. Many of them are facing [challenges](#) to keep up with the new trends. According to various surveys the biggest challenges to shops and their technicians include finding time for hands on training (**42.6%**), staying up to date with advances in diagnostics (**31.6%**), keeping up with advances in vehicle technology (**31.1%**) and finding good, knowledgeable and motivated technicians (**29.2%**).

Of course, they forgot to recognize the [change in consumer behavior](#) as one of the major challenges. [Today everyone is juggling with multiple tasks which requires their time and attention. Time is their most precious commodity. They will pay for anything that can save time.](#) We will discuss more about this later in this article.

So, what is holding back shops from overcoming these challenges? Their [self-limiting beliefs](#).

## The Self-Limiting Beliefs

The major reason why many [businesses fall behind](#) or shutdown is, their self-limiting beliefs. It is human nature to believe in something we already know, familiar with and feel comfortable with. Our trust and certainty about the new trend depend on what we believe in. Hence, we challenge and resist making any changes when we see something new and we

are unable to visualize how it can benefit us. Which drives our decisions and actions and hence the outcome. **Less action gives less result.**

If you avoid understanding and taking actions to adapt to the new trend you will get stuck doing what you are used to doing while the world around you is advancing in a new direction. The change brings new challenges but also new opportunities. Businesses who are embracing the new trends are taking your business.

Your belief can be empowering or self-limiting. You can take actions to advance or limit your actions. Here are a few common self-limiting beliefs.

**1. Not Good with Technology and Computers**

One very common self-limiting belief among many smaller independent shops is they are not good with computers and mobile apps and hence don't think they will be able to use the new technology.

**2. Too Busy**

Many believe they don't have the time to learn or implement the new technology and process. They keep delaying taking any actions.

**3. Already Invested in Many Tools**

Many believe they have already invested in many tools over last 10 years without realizing that these tools maybe already outdated making them less efficient and less cost effective. Which in turn makes their service less competitive, creates employee dissatisfactions and poor quality of work resulting customer turn over.

**4. Focus**

Many are distracted by too many loose ends and too many unrelated interests. This can also manifest as lack of directions and actions. Staying focus on what is important to you and your business is essential to building proper strategy and executing it successfully.

**5. Not perceiving the Chang in Customer Behavior**

Many shops and businesses understand their products and services in great depth but they fail to grow when they get blindsided by the change in customer behavior.

**6. Habits and Mindset**

Habits forms patterns and for most people it becomes harder to break the pattern. Typically, the habits are formed based on our mindsets either fixed mindset or growth mindset. People with fixed mindset tend to think that they can't change their habits hence they don't try to change. Whereas people with growth mindset are always exploring new knowledge, accept new challenges as an opportunity to grow and are willing to make the effort to change.

The truth is, you will miss the new opportunities, if you tell yourself you can't change due to these self-limiting beliefs. Then what one should do?

## The Strategy for Change

First get past the self-limiting beliefs. Affirm yourself that you are capable of taking strategic actions to change. Spend some time to understand and evaluate the new change. Understand the gap between what you have and what the new technology brings to the table, where are the gaps and how you can migrate to the new technology before the new opportunities pass you by. You must carefully evaluate how these new tools and process will make you more efficient. You must believe that this new change will help you grow your business and you are capable of making the changes as needed. Otherwise you will be stuck at what you are doing with diminishing revenues while the new shops in the block take your business.

The bottom line is, if you want to grow you need to pay attention to the changes in technologies and the changes in customer behavior and take strategic actions to embrace the new change. Otherwise it will be too late by the time you realize others are eating your lunch.

## Strategy for Increasing Revenues

Many shops get more customers and more revenues, but inefficient operations eat their profit. At the same time many shops don't have enough customers. So, what one can do to build a win win strategy? Since, now we understand our self-limits let us focus on what are the ways we can improve.

### 1. Efficient Scheduling

Efficient scheduling is the key to efficient operation. It helps to schedule shop visit, order parts, manage inventories and schedule mechanic giving them enough time to perform a quality job while reducing customer waiting time.

### 2. Reduce Parts Cost

Manage inventories efficiently. Order parts ahead of time and stock more frequently used parts to reduce the cost instead of ordering last minute deliveries which can be very expensive. Ordering parts a day or two ahead of time can reduce the cost as much as by 50%.

### 3. Reduce Labor Cost

Lack of knowledge or outdated or improper tools can cause delays, poor work and repeat work. Hence, not only give mechanics enough time to do a quality job, but also provide them proper tools and training and incentives to fix more cars efficiently.

### 4. Reduce Marketing Cost

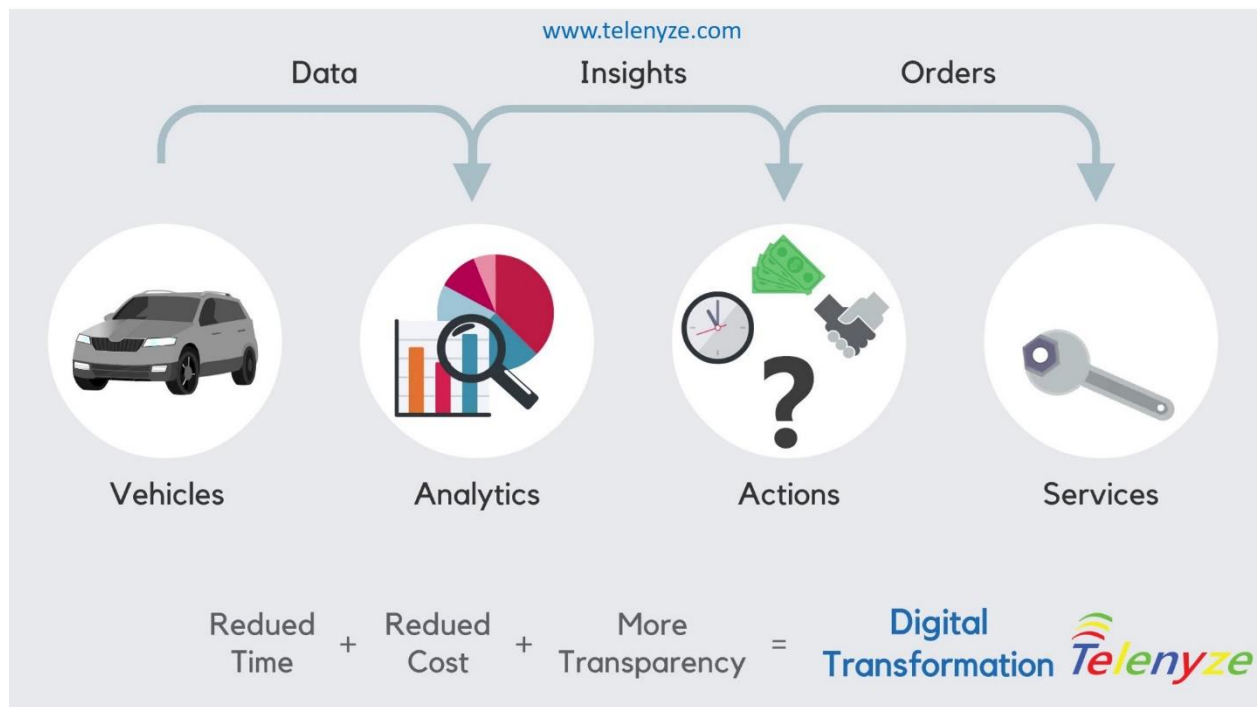
Marketing, promotions and advertising can stack up customer acquisition costs. Use online platform and digital coupons and digital marketing to reach target customers when they are

looking for a service. This is lot more efficient and lot less expensive compared to bulk mail and print advertisements.

5. Create better customer relationship

Building loyal customer base can reduce customer acquisition costs. Listen to what customers are saying before, during and after a service. Gather feedback. Ask them what they think you should do to improve the service. Reward loyal customers. Stay in touch even when they are not looking for a service. Send updates. Send reminders. Invite them to events you are hosting.

The Digital Transformation of Auto Services



Our team at Telenyze did many research and trials to understand the customer journey in this new Digital Age. In this new age of mobile phone and Internet, what used to take days or even weeks people expect it to happen on demand with a few clicks. They want a service to be delivered as soon as they need it. 70% of mobile users want on demand services like ordering food or a cab or trading stocks and checking emails from their mobile phone instantaneously. People love their cars, but they also want to spend their time on what is more important to them, school and work or friends and family. Days of Calling and waiting to fix a car is over. People want to access repair and maintenance services with a few clicks from their phone when they have a need.

Hence, we have developed a mobile [Auto App for drivers](#) which analyzes sensor data from cars to help them quickly understand what went wrong or could go wrong, what could be the cause, what are the fixes and who is nearby to help them fix it now. We have also built a Web based online [Digital Platform for shops](#) through which they can connect to customers from remote and get instant access to their vehicle information. A customer does not need to visit a shop for them to gather basic vehicle info such as Make, Model, Year, VIN and OBD diagnostics scan data. Customers can view the list of shops nearby and request for appointment through the app. All the required customer info and vehicle info appear on the Digital Platform as soon as a customer connects to a shop. Even customers without an OBD device can use the App to share all the important time saving info except the OBD scan data.

Shops don't have to wait on phone and ask all the basic questions to gather vehicle information and customer information during an appointment call or during a shop visit. No need to type in all the info to create a service order and print out estimate for customer signature. All this digital information appears instantly when a customer sends a request. Shops can send an estimate and workorder to their mobile phone. This saves about 30 minutes or in customer and vehicle on boarding process per customer.

In most shops a mechanic fixes 4 cars a day. With this Digital technology they can fix 5 or more cars a day. Which increases revenues by 20% per mechanic per day. Similarly, **digital inspections**, **digital estimate approval** and **digital coupons**, **digital advertisements** and **digital feedback** all can add up saving a shop 15% or more. Ordering parts ahead of time another 25%.

[By adapting to this Digital Technology shops can earn 25% more even after giving 25% discount to customers.](#)