

2022 eCommerce Guide

Navigating an Omnichannel Automotive Aftermarket

Inside: Trends, Inspiration
and Guidance.

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Start Your Engines

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A close-up photograph of a gold-colored car, focusing on the front left headlight and a portion of the multi-spoke alloy wheel. The car's body is highly reflective, showing bright highlights. The headlight is illuminated, casting a glow. The wheel has a complex, multi-faceted design. The overall lighting is dramatic, with strong highlights and deep shadows.

TRENDS

TRENDS

Why the Automotive Aftermarket Is Growing

First, what kind of “growth” are we talking about?

The U.S. automotive parts aftermarket will have **grown an estimated 11% in 2021** to top \$292 billion in sales, according to data from the Automotive Aftermarket Suppliers Association and the Auto Care Association.

The entire automotive aftermarket, which includes both automotive/light truck and medium/heavy duty vehicles, is expected to grow from about \$380 billion in 2021 to \$449 billion as soon as 2023, representing an 18.16% increase.

Why? There are lots of factors at play:

1. Global demand continues to rise for personal vehicles, particularly used ones.
2. In times of financial downturn, consumers hold onto used cars for longer, creating a surge in demand for aftermarket auto parts and vehicle maintenance.
3. During the COVID-19-induced shutdowns, U.S. consumers spent less on travel and more on home improvement and car repairs.
4. And as parts become more sophisticated (think chip-enabled), more expensive full component sets are the norm (as opposed to less pricey individual replacement parts).

As players in this market collaborate, undergo acquisitions, launch new products and expand facilities, one thing is clear: **the industry is omnichannel. Whether your customers work at a garage or do DIY repairs, they want convenience and reliability to get the right part, fast. And that right part might just be for a hybrid or electric vehicle!**



We believe an increasing vehicle base and **rising average age of vehicles** will have a positive impact on overall aftermarket parts demand because older vehicles generally require more repairs.

We believe these older vehicles are driven by do-it-yourself **(DIY) car owners**, who are **more likely to handle any necessary repairs themselves** rather than taking their car to the professional repair shop.



- CarParts.com

TRENDS

Online Sales Increase 40% in One Year

eCommerce, both business-to-business and business-to-consumer, is the automotive aftermarket's **fastest-growing channel and growth driver**.

"Our industry growth continues to exceed expectations",

- Bill Hanvey,

President, Auto Care Association

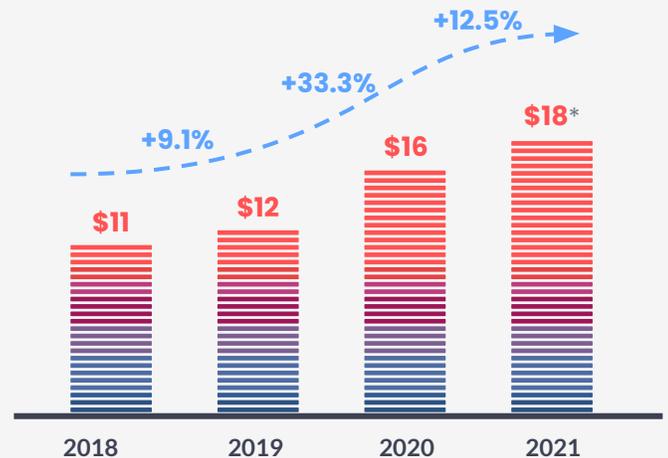
Online sales of auto parts and accessories in the U.S. (excluding online auctions and used parts), totaled \$16 billion in 2020, up 40% from eCommerce sales of \$7.4 billion in 2019 (Hedges & Company).

What does it mean? Sales and services in the automotive aftermarket are more digitally-driven than ever.

So what? In a saturated market, your level of digital maturity and ability to offer digitally-enabled customer experiences are the biggest differentiators that can lead to improved profitability and revenue growth.

Whether you sell easy-to-install WeatherTech floor mats or Borla custom exhaust systems, a lot is on the line.

Business to consumer online sales (in billions)



*Projection

Source: Hedges & Co.

Key Takeaway

COVID-19 and supply chain disruption shifted more buyer behavior from in-person to online.



TRENDS

Mobile Experiences Fueled by Search

In 2020, B2C mobile sales of online aftermarket auto parts grew by 10% year over year to just over \$10 billion, accounting for nearly one-half of all eCommerce sales in 2020 (Hedges & Company).

That's a 35% increase compared to 2019 when mobile reached \$7.4 billion.

"It's common for auto parts and accessory websites to have more than 65% of total traffic on mobile devices—that's one of the trends in online shopping that will continue."

- Hedges & Company

And mobile is only half of the story.

Sure, across industries, more people search for and buy products on their phones. But what makes for a successful mobile

purchasing experience? **Search and fitment!**

With fitment requirements, everything in this industry hinges on strong search capability. When Amazon, eBay Motors and NAPA Parts are the competition, year-make-model finders are just the baseline.

Take a DIYer with their head in the engine bay of a car. They want to look something up on the spot. The future belongs to the companies that can rig their eCommerce system to identify a part, match it, validate the fitment and display an easy "buy this part" button. *Bonus if the purchase page also displays relevant crossells for that exact vehicle!*

Mobile and search need to be key components of your business strategy.

TRENDS

Amazon Accounts for Over 50% of All Automotive Parts eCommerce Sales

Traditionally, the biggest chain retailers of auto supplies, like Advance Auto Parts, Genuine Parts Co., and AutoZone Auto Parts have dominated store-based sales.

Amazon’s Your Garage page lets you enter a new vehicle and filter the results below, allowing you to toggle between multiple cars.

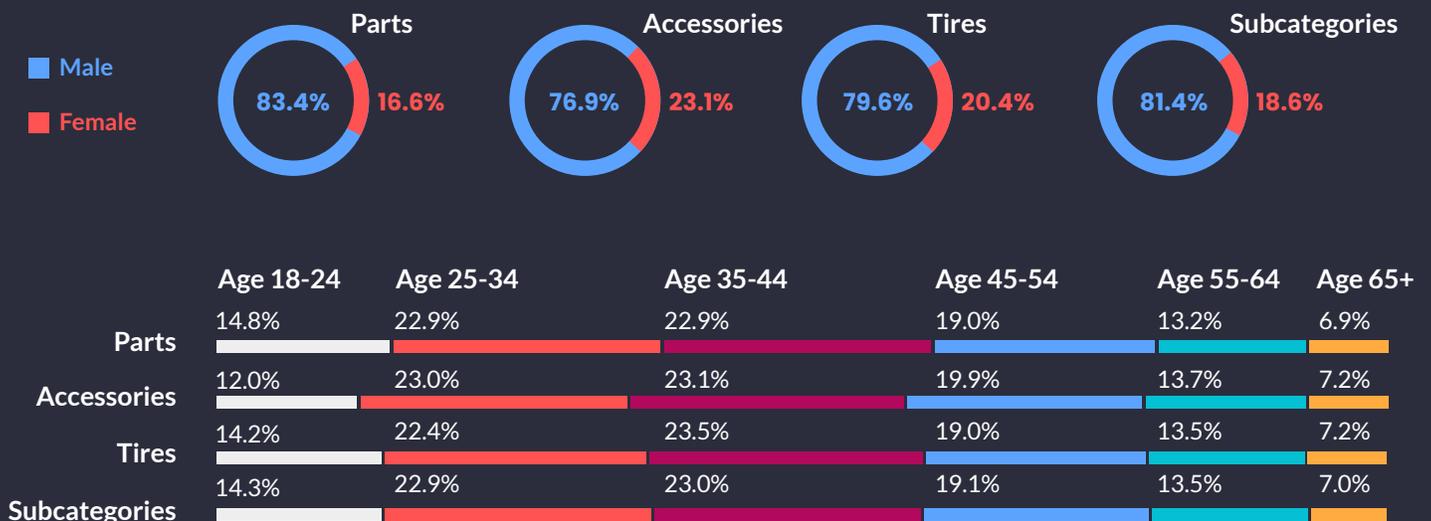
Now, Amazon accounts for just over 50% of all automotive parts eCommerce sales (Hedges & Company). In 2020, Amazon’s sales of auto parts (primarily aftermarket and replacement parts) accessories and car care products totaled \$10.3 billion.

This expansion and growing functionality pits Amazon against eBay Motors, not to mention the smaller companies with less margins to invest in top-of-the-line eCommerce functionality.

Amazon has introduced year-make-model search and precise fitting for certain categories. Once users enter their car model, they will see only relevant products.

Unsure where to start? It can feel overwhelming to go up against established digital giants. But ask yourself what you can offer that they can’t. Mapping your customers’ personas is good place to start for actionable insights.

Top 2000 auto retailers median shopper demographics



Source: Digital Commerce 360. Top500Guide.com

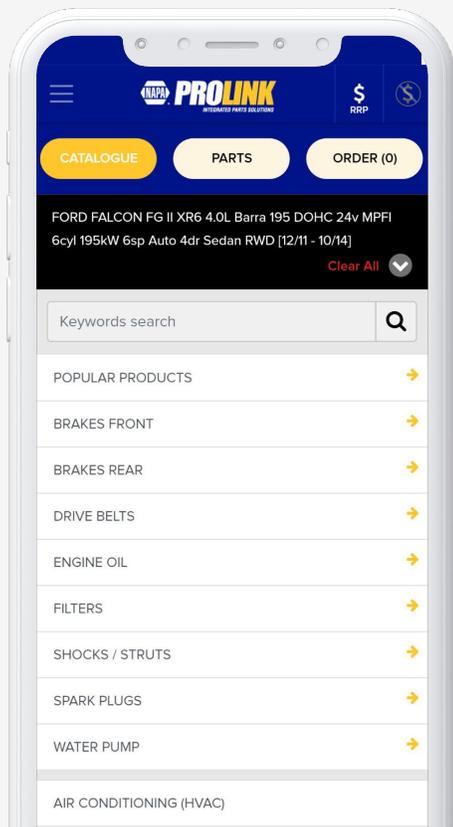
INSPIRATION

The GPC and NAPA ecosystems:

GPC's Automotive Parts Group includes GPC's North American flagship NAPA Auto Parts business. Online presence includes NAPAOnline.com & NAPACanada.com.

NAPA operates 57 distribution centers and sells through 6,000 NAPA auto parts stores, including 5,000 that are independently owned by store operators, and more than 16,000 automotive repair and auto body shops.

The Automotive Parts Group also includes Repco, which sells to customers in Australia and New Zealand through Repco.com.au. GPC also sells through automotive retail stores and distribution networks across these markets and in Europe.



INSPIRATION

How NAPA Supports Their Parts Distribution Business

Hint: it's with digital tools.

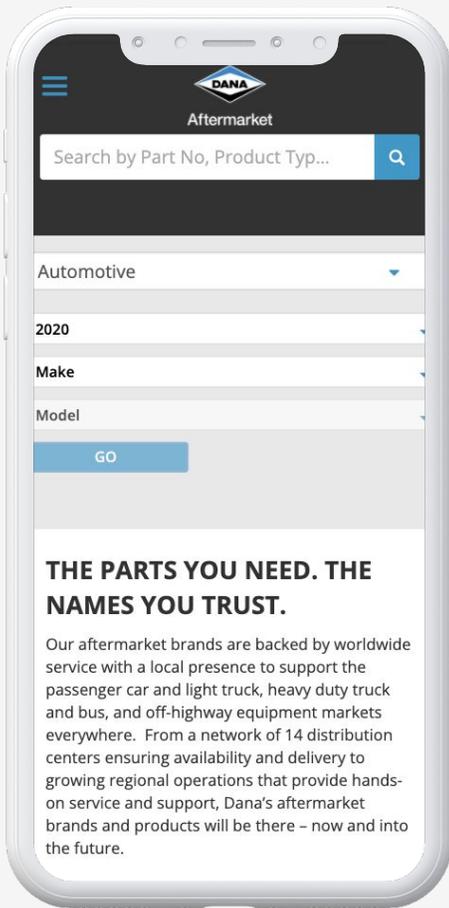
Genuine Parts Company (GPC), a multibillion-dollar NAPA distributor with an extensive eCommerce presence, finished 2020 with full-year sales of \$16.57 billion.

Paul Donahue, chairman and CEO, says revenue growth under the company's flagship NAPA brand is being driven mostly by sales to commercial customers through the NAPA AutoCare Center network of repair shops and the Major Accounts group of commercial customers, including corporate and government fleets, auto parts and tire merchants and repair services chains.

GPC supports its automotive clients with software tools available as desktop applications or mobile apps:

- **PROLink** lets repair shop and fleet management personnel order parts online for **express delivery directly from their local NAPA store.**
- **NAPA TRACS** is an online shop-management software system that helps auto repair shops **order parts and manage inventory, manage customer job estimates and invoices, and analyze their business's profitability.**

NAPA understands the importance of thinking through the customer experience and providing helpful tools along the way.



INSPIRATION

40% of All Dana Inc.'s Sales Are Made Online

Dana Inc. is **one of the largest manufacturers of motor vehicle parts**. It provides axles, driveshafts and transmissions for conventional, hybrid, and electric-powered vehicles. The American supplier also produces electrodynamic, thermal, sealing, and digital equipment for motor vehicles.

Dana generated **total 2020 sales of \$2.1 billion** and serves the light vehicle, commercial vehicle, and off-highway equipment markets.

Dana Inc. first launched a **B2B website in 2007** and updated the eCommerce site — now called DanaAftermarket.com — in **2017**. **Today, 40% of all Dana's sales orders are placed on DanaAftermarket.com.**

With **DanaAftermarket.com**, customers and visitors can:

- Check inventory status
- Consult technical information
- View product videos
- See 3D views of Dana products

With **an account and login**, customers can:

- Place orders
- Receive real-time confirmations
- Track orders
- If using an affiliated delivery service, they can track them in real-time.

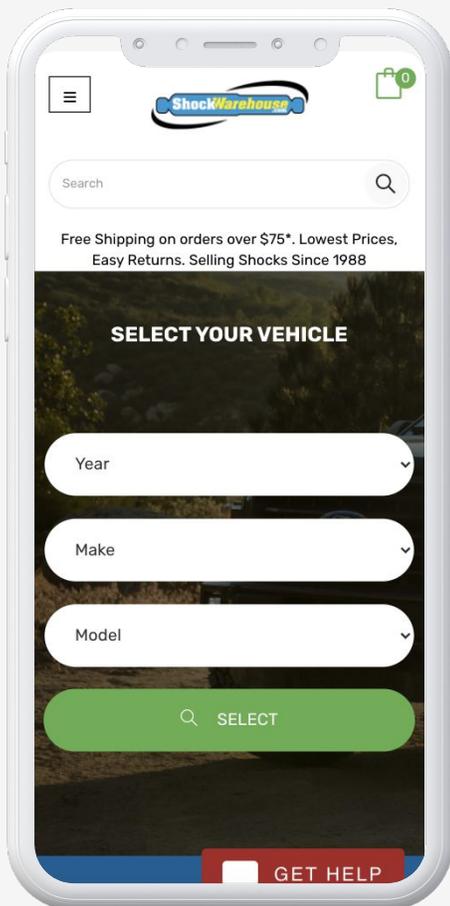
So what? Creating an online experience that is intuitive and informative is the key to a growing and competitive business. Dana's website enhances its customer experience and support the shift from in-person to online purchasing.

We are seeing good growth in our business-to-business eCommerce channel driven by customer migration to more digital purchasing channels and accelerated by the pandemic, we are seeing growth in order dollars, Google Analytics page views, API calls, and active users.

- **Dan Griffin, Dana Senior Director of Aftermarket and Digital Solutions,**

The pandemic has made our B2B customers less reliant on placing orders by phone and more accustomed to ordering online. Plus, customers who can't reach us by phone will go to our website. While auto parts are an essential business, we see our customers need help (which we provide through online ordering).

- John D'Onofrio, CEO of Shockwarehouse.com.



INSPIRATION

Shockwarehouse.com Focuses on Ease of Use

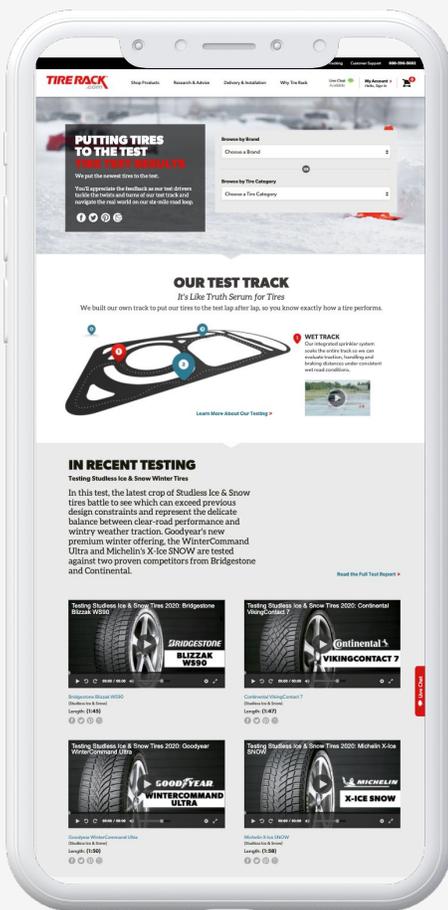
Shockwarehouse.com, a supplier of shocks and struts to auto repair and body shops, launched its eCommerce website in 2006.

CEO John D'Onofrio says the company has been seeing **growth in B2B sales**, especially since the pandemic hit. A big reason, he says, is that with consumers dining out less and spending less on entertainment, **the money people are saving is being put back into their vehicles.**

Shockwarehouse.com has not only become a hub for automotive businesses, but for consumers as well. Many consumers will buy shocks and struts from the auto repair and body shops offered by Shockwarehouse.com. Auto repair and body shops are turning to Shockwarehouse.com for inventory, D'Onofrio says: "About 75% of our B2B business comes through our B2B website, Our site is easy to navigate and order through, as we already have our customers' tax certifications and discounts built into their account. Plus, we can quickly identify them when they log in to their account (which aids in customer service)."

Many auto repair and body shops are facing **understaffing issues**, which has pushed them to order more online for the convenience.

Shockwarehouse.com's orders can be placed 24/7. The investment in their digital presence allows Shockwarehouse.com to better meet customer needs.



INSPIRATION

TireRack.com's Industry-Leading Customer Experience

TireRack Inc. operates tirerack.com, an online retailer of tires, wheels and performance accessories. It is **one of the largest online retailers in the tire industry** with an in-depth selection of products, quick deliveries, and a handy guides for installers. **How they got to this point:**

- **1979:** Peter Veldman founds Tire Rack, a store that sells high-performance tires, in Indiana (US).
- **1995:** Tire Rack starts testing the tires and sharing their findings.
- **1996:** Tire Rack launches the industry's most in-depth website for tire retail: www.tirerack.com
- **December 2021:** Discount Tire acquires Tire Rack in a historic acquisition in the tire industry that binds two industry giants together.

What makes them stand out?

- **Tire Decision Guide:** they recommend the best tires for you based on your car, your driving style and your preferred tire feel.
- **Reviews:** this section provides feedback on the products from the consumers themselves with contextual details such as miles on the tires and the driving conditions in which they were used.
- **Tire Test Results:** they provide an in-depth report of the tire tests conducted by experts on a 5.5 mile road loop that recreates real-world road conditions (dry, wet) and concrete conditions (new, aged). Their tests measure tire performance, noise, braking, and more.

The takeaway: This company has prioritized customer experience since Day 1. Their website is packed with useful information for anyone looking to purchase products or simply learn about tires and other automotive accessories. This is industry-leading thinking at work.

Tire Rack became a huge name in the industry very early on by breaking the mold and revolutionizing the traditional marketing environment. Their online retail model provides continuous and diverse information. Their tools and services offer an industry-leading experience, centered on convenience.

- Mark Tinucci, VP of Enterprise Accounts, Valtech_Absolutnet

GUIDANCE



GUIDANCE

The Companies That Ignored Digital Aren't Around Anymore

As the next year unfolds, automotive parts sellers are:

- anticipating higher sales—both online and offline
- expecting supply chain challenges to dissipate (although the consensus seems to be for later in the second half of 2022).

Aftermarket automotive parts sellers see the next 12 months as a year when nearly all sales—including through branches and sales reps will be digitally driven.

As COVID-19 has caused B2B buyers to conduct more of their purchasing online, more than a third are purchasing from B2B eCommerce sites at least weekly, and more than 80% at least monthly, according to an April 2021 Digital Commerce 360 B2B Buyers survey.

When asked why they purchase online during the pandemic, among the most common reasons respondents cited were broad selection, more efficiency in purchasing, more information, and saving money.

It's no longer hyperbole to say that digital is a life and death differentiator for your business.

GUIDANCE

Everything Starts with Search

When your customer enters a product name into your search bar, how likely are they to find exactly what they need? How long does it take for the result to load? Does your system remember their car model and only show relevant products the next time they visit your site?

- An intuitive and helpful customer experience is more often than not supported by a **Product Information Management (PIM) solution**, which allows you to create product groups (like kits and bundles) and set the right data model to support the ACES and PIES standards.

With a PIM solution, manage lots of information in a timely manner and get new products online faster.

- High quality search experiences can be a challenge if you're on a legacy search platform. Investing in an **eCommerce platform with a multi-faceted search engine or a sophisticated search solution** will pay dividends. Your search experience needs to create synonyms and finds products based on alternate product names, industry jargon and SKUs. Since most products have a parent (product) - child (fitness) relationship, search can become sluggish if your system is pulling duplicate data or your data model isn't properly configured.

Our advice: Work with knowledgeable eCommerce and PIM experts to set up a Marketing-Technology stack that will be easy for your people to use and that will translate into fruitful customer searches.

SHOP BY VEHICLE

MAKE

MODEL

YEAR

GUIDANCE

Think Omnichannel

There is increasing opportunity to own the customer experience for the automotive aftermarket.

- From the **end customer's perspective**, as they search for a product online, have it delivered to the nearest garage, schedule repairs or look up content to drive their DIY installations, much of those touchpoints can be made easier with intuitive digital options and in-depth product content.
- From a **technician's point of view**, mechanics are more likely to use mobile devices and need a convenient, easy-to-use interface to search, see stock and pricing and process orders.

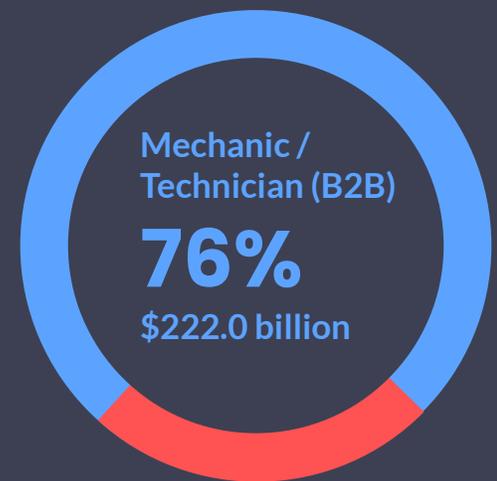
Ecommerce used to be a company's side project. Now, eCommerce touches all parts of the business and influences a growing part of revenue. eCommerce as a percentage of retail sales is 21.3%, (up from ~10%). Analysts expect that shift to continue.

Wherever you sit in the supply chain: manufacturer, distributor, garage owner, or mix of the 3, you might not have been able to justify costly investments in a marketing technology stack before. But as the race to improve the customer experience continues, the ROI for digital continues to increase. It's not just about a website anymore; it's about communicating with customers and improving the customer experience across channels and touchpoints.

Our advice: Conduct an eBusiness Plan that benchmarks your competitors and maps your customer journeys to find ways to improve the customer experience. Look for downstream or upstream partnerships so that you and your manufacturers/distributors/garages can collaborate to compete.

Professional vs. DIY

Consumer vehicles, excluding tires



Do-it-yourself (B2C)

24%

\$70.2 billion

Key Takeaway

More consumers are turning to mechanics and technicians to keep vehicles running longer. *Is your digital strategy serving mechanics?*

Source: Digital Commerce 360. Top500Guide.com

GUIDANCE

How to Compete with Amazon and eBay Motors

Both specialized auto parts retailers and online commerce powerhouses like Amazon and eBay are competing for a larger share of this market.

What's one thing Amazon or eBay can't do that you can? Some ideas:

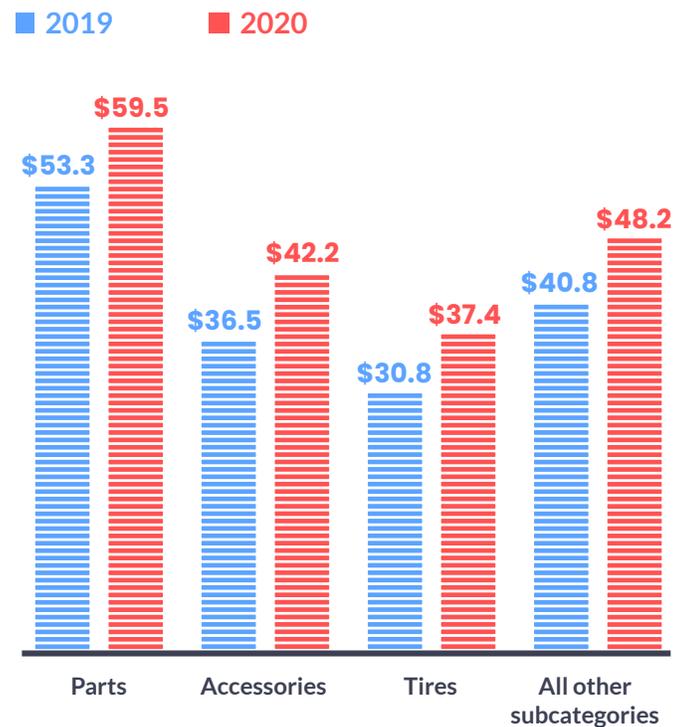
- Be a resource for instructional content. *See the Tirerack.com Research and Advice section for inspiration.*
- Be human in your marketing outreach.
- Make your replacement parts and bundles easy to find and buy.

Above all, focus on convenience. That can take a lot of forms. It might be redoing your onsite UX, partnering with a chain or garages to offer onsite pickup, creating pickup lockers for contactless transactions and more.

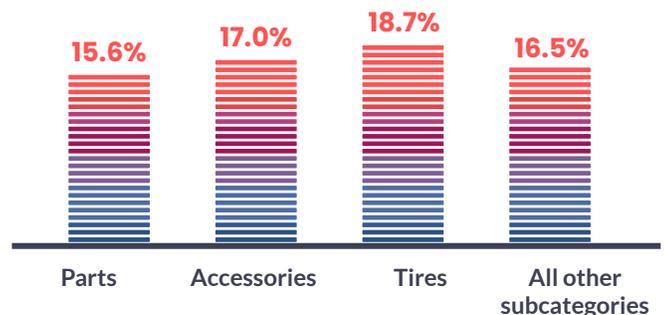
It's time to get multiple stakeholders around the table who are ready to think creatively about your customer experience!

Top 2000 auto retailers sales by subcategory

Median Web Sales (in billions)



Median YOY Growth (year-over-year)



Source: Digital Commerce 360, Top500Guide.com



GUIDANCE Takeaways

Invest in a modern Marketing Technology (MarTech) stack

An intuitive digital commerce experience must integrate into your day-to-day operations. The end goal is provide a seamless, communicative customer experience. That's more likely if your systems (ERP, eCommerce platform, PIM, DAM, etc.) communicate with one another.

Think omnichannel

Ecommerce isn't about having a nice looking website. It's about creating customer journeys online that are harmonized with the experience in your physical stores. It's about having a mobile search experience that helps the guy or gal with their head under the hood of the car. It's about getting products to people faster. The whole eCommerce and logistics chain must be omnichannel.

Offer rich product information that serves as a competitive advantage

Properly managed, in-depth and consistent product information needs to go beyond industry standards of ACES and PIES.

This rich product data helps you collaborate and compete with the Amazons and the eBays, third party marketplaces that are here to stay.

Get guidance on where to invest your energy

We recommend conducting an eBusiness Plan (eBP). The Valtech_Absolunet experts have in-depth experience with the automotive aftermarket and look at everything through the lens of eCommerce and eMarketing.

[Contact us.](#)

// The aftermarket automotive parts market is in high gear: eCommerce, both business-to-business and business-to-consumer, is this industry's fastest-growing channel and growth driver.

There is a big opportunity for those merchants who adopt an omnichannel strategy that focuses on convenience, reliability and speed. //

**- Charles Desjardins
CEO, Valtech_Absolunet**



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About Valtech_ Absolunet, the Digital Services Firm

300 People. 25 Practices. 5 Offices. 1 Mission.

Valtech_ Absolunet is a professional services firm specializing in commerce and digital transformations. Now under the umbrella of Valtech, a global digital agency, we help brands and distributors bridge the eCommerce gap and put customers at the heart of their experience, profitably.

We are a certified [Adobe Gold Solution Partner](#), an [Optimizely Platinum Partner](#), an [inriver Platinum Partner](#), and a [Salesforce](#) partner, specializing in B2B Commerce Cloud.

Absolunet has delivered high-grossing platforms and solutions for clients in multiple sectors, including the [automotive aftermarket](#).

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Methodology

The data from this report includes a mix of attributed industrial research sources from Jeffries Automotive, Hedges & Co., the Automotive Aftermarket Suppliers Association, the Auto Care Association and U.S. Department of Commerce.

The goal is to accurately measure market size, growth, and buyer behavior.

Where Digital Commerce 360 is referenced as a source, that refers to data gathered from 60 parts web merchants tracked in the Digital Commerce 1000 dataset.

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