



# selling to MILLENNIAL REPAIR SHOP OWNERS

BY TOM VENETIS

**“Just as Millennials will not hesitate to research issues or parts they need for their vehicles, Millennial vehicle owners will also research your service operation before taking their vehicle up to your bays.”**

— STEVE VIERIA, OWNER, TRADITIONS AUTOMOTIVE, SCARBOROUGH, ONTARIO

Millennials are having a profound impact on the aftermarket.

### Overcoming Myths

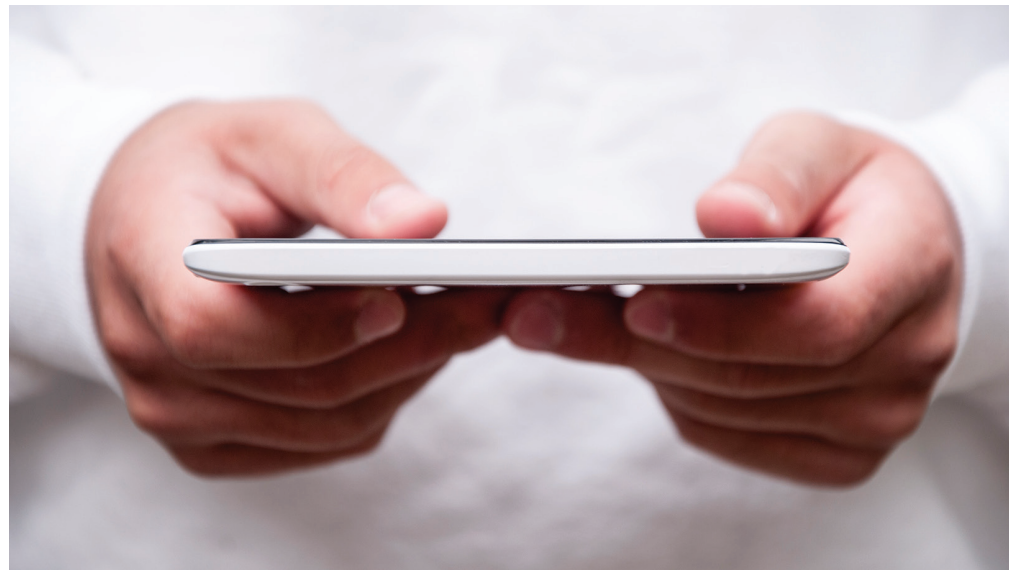
Before any jobber can begin to profitably service and maintain Millennial service operation owners and their clients, it is important to put to bed a number of myths about Millennials. The most persistent is that Millennials, caught in the wake of the recent recession, are abandoning cars, shunning the suburbs, and moving back into city centres; the preferred mode of transportation is public transit or some kind of ride-sharing service. That perception may not be wholly accurate. In April of this year, *Bloomberg News* reported that Millennials – sometimes known as Generation Y – accounted for 27% of new vehicle sales in the United States. This was up from 18%, as recorded in 2010 by J. D. Power &

Associates. Millennials purchased more vehicles than Generation X and became the second-largest group of car buyers after Baby Boomers, according to the *Bloomberg News* report.

This upsurge in vehicle sales is reflective of the fact that Millennials are fast becoming the largest segment of the workforce in the United States and Canada. By 2020, it is estimated that Millennials will make up half the workforce globally. In Canada, Millennials made up 36.8% of the country’s workforce in 2014, just ahead of Generation X, which came in at 33.9%, and Baby Boomers, who came in at 31.1%.

When it comes to vehicle purchases, Millennials are putting pressure on vehicle makers to add connectivity and more safety options into vehicle designs. It is now common to see vehicles with Bluetooth and 4G or higher wireless speeds as standard options, and to have vehicles equipped off the line with blind spot monitoring and automatic brake assist to reduce accidents.

Millennials are also profoundly changing how vehicle service operations operate, and those service operations are putting pressure on jobbers to help them meet the needs of Millennial vehicle owners.



### What Millennials Expect From Service Operations

Steve Viera, owner of Traditions Automotive in Scarborough, Ontario, says that Millennials, like Baby Boomers, are looking for quality work and quality parts. “What has changed today is that availability of information and the ease of gaining access to that information. Today’s [vehicle owner] is connected to information like never before, and they will often do a lot of research on an issue before bringing in their vehicle.”

While some may dismiss this as a customer becoming “YouTube Certified,” it is a reality that service operations must come to grips with. It does not stop there. Just as Millennials will not hesitate to research issues or parts they need for their vehicles, Viera says Millennial vehicle owners will research your service operation before taking their vehicle up to your bays. Millennials will also see if you are able to communicate with them in the ways they are using every day.

What does that mean? To put it simply, while you may have a phone on the service desk, don’t be surprised if Millennials look at it in the same way they would if you had a typewriter on the desk.

“[Millennials] want to connect with you without too much effort, so today we do a lot of our appointment scheduling and bookings online,” Viera continues. “I had customers who would not call, but would just show up to the shop and make appointments, because that was what they were comfortable with. Today, I have customers who will only interact with us through our website and will schedule all of their service and

maintenance appointments through email or [text] messaging services, and will want to get updates on the work being done the same way.”

Rob Ingram, owner of Eldon Ingram AutoPro in Stratford, Ontario, agrees that today’s service operation needs to change how it does business in order to attract and keep Millennial vehicle owners. The Internet allows vehicle owners to research who you are and what you offer, and those vehicle owners will not hesitate to take their business to another operation if you cannot communicate with them in the ways they wish.

“Today, we send quotes for work and for parts through email to our customers, and today we have more customers asking us to communicate with them through text messaging,” Ingram adds. “Our billing program is set up to text customers automatically when their vehicle is finished being worked on. Because so many of today’s younger vehicle owners are mobile and do their communications through texting, as one example, it makes sense for us to reach out and communicate with them through such means.”

### Changing Competitive Landscape

Jim Pancero, a popular sales consultant and speaker with Jim Pancero Inc. in Dallas, says jobbers and vehicle service operations are being hit by the same wave of disruption

that came to retail when the Internet and then e-commerce first appeared. Technology changed the dynamics of the retail experience, and Millennials in particular have a different set of priorities for what matters to them when dealing with a business.

Pancero says that the competitive advantage of a business can be likened to a pyramid. At the base is the location of the business; then its products, services, and brand make up the next steps in that pyramid. Near the top are speed, simplicity, and ease of doing business, and then connectivity.

According to Pancero, businesses that focus on location, products, service, and brand create loyalty amongst customers. That pretty much sums up how businesses operated before the Internet and e-commerce. Baby Boomers would be loyal to a single automotive service operation or a single jobber because of those qualities just outlined. And that loyalty remained for years, Pancero adds.

With the advent of the Internet and e-commerce, Millennials put a greater emphasis on the upper part of the competitive advantage pyramid. Brand is important, but brand loyalty is based on speed, simplicity, and ease of communications with the business behind the brand, and on how well that business provides connectivity with its customers. This is why brand loyalty can be fickle. If another business can offer greater simplicity in ordering parts or booking service appointments, and in communicating with customers, Millennials have no problem switching to that other business and its brand.

That is why jobbers and service operations need to place a

greater emphasis on building a strong brand presence online and simplifying communications between the customer and the business.

“One thing I ask is, ‘how many texts have you sent today?’,” Pancero says. “That may seem like an odd question, but think about it for a moment. Millennials will text multiple times a day to a wide range of people. It is like taking a rock and skipping it across the surface of a pond. It will skip multiple times across that surface. Today’s generation does not have one way of communicating, but many. They will communicate through Facebook, LinkedIn, and twenty other sites to keep in touch with people and businesses. For Millennials, it is about ongoing communications across multiple channels. If you are a business owner, you have to have a model of how to draw those people to you.”

Steve Van Kessel, one of the principals with Orillia, Ontario-based Parry Automotive, says his business has had to change how it communicates with and services its automotive service customers. Loyalty and long-term relationships are not as common as before, and with the Internet providing information at one’s fingertips and offering the ability to search out multiple jobbers for information, price on parts, and support, it is a lot more challenging to develop and maintain long-standing customer relationships, Van Kessel adds.

“We have found that we have to do things a lot differently than how we did things, say, ten years ago,” Van Kessel continues. “We have found that we have to have a strong e-commerce presence, as [service providers] have more demands on their time and they want to have more control over what they are ordering. I’ve also empowered my staff to use texting as a means of having a direct link to technicians so as to offer quicker service and support.”

Van Kessel says he is surprised at how texting to his counter staff has been adopted by technicians. “A technician can be lying under a car, text our counterperson with a picture of what the problem is, and there is a greater understanding by our counterperson about the problem and what the technician is looking for. Embracing tools like that is what is allowing us to build relationships with our service operation customers and their clients.”

Dave Devlon, owner of Halton Automotive in Milton, Ontario, says today’s Millennial shop owners are very tech-savvy, and want to see their jobbers offer more ways of communicating with them and to simplify online parts ordering. Still, what is just as important, in Devlon’s opinion, is that Millennial service operation owners “want a jobber who has a quality inventory, and can answer their questions quickly and get them the parts they need.” ■ JN

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