

2021 WORKSHOP SURVEY

DIGITIZATION IN WORKSHOPS



Introduction

Digitization is the buzzword that is currently the focus of much attention and it does not stop at workshops either: diagnostics, processes and communication are just three areas that could change fundamentally in workshops as a result of digitalization. But what does the situation in workshops really look like? How well are automotive and commercial vehicle workshops positioned when it comes to digitization?

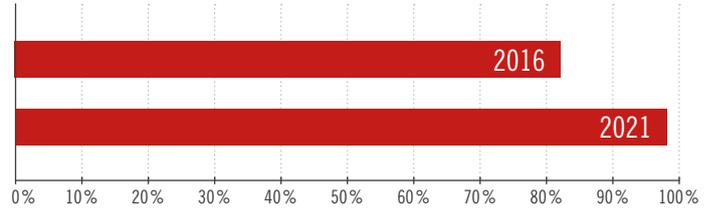
And what challenges and potential do workshops see for themselves?

Qualität ist Mehrwert wanted to know the answers to these questions and executed the workshop survey on digitalization from May to July 2021. 814 workshops took part in the survey, including 84% independent workshops.

Note: The majority of responses to the automotive workshop survey came from independent automotive workshops for which the issue of quality is a central component of the company philosophy. The survey results may therefore be slightly distorted with regard to a high level of quality awareness. Nevertheless, the results provide an excellent overview of the status of digitization in independent workshops and can provide impetus for the entire industry.



HOW MANY WORKSHOPS ALSO PROCURE SPARE PARTS ONLINE?



HARDWARE AND SOFTWARE EQUIPMENT IN WORKSHOPS

COMPUTER

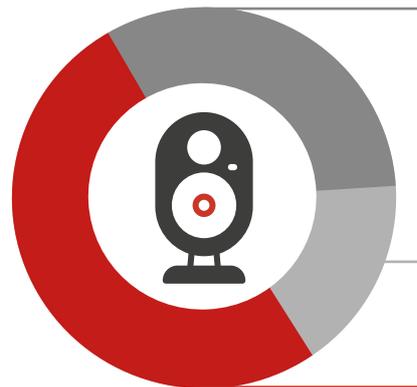


82%
good or very good



18%
undistinguished

WEBCAM

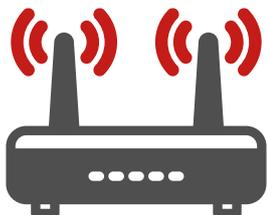


30 %
good or very good

18 %
undistinguished

52 %
not available

INTERNET CONNECTION



78%
HAVE A GOOD OR VERY GOOD INTERNET CONNECTION

INTERNET CONNECTION

DIAGNOSTIC SYSTEMS



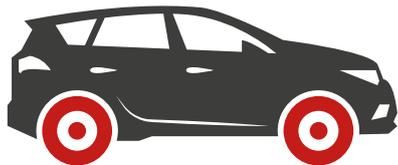
↑ 85%
GOOD OR VERY GOOD

→ 14%
UNDISTINGUISHED

↓ 1%
NOT AVAILABLE

THROUGH WHICH DISTRIBUTION CHANNELS DO YOU OBTAIN YOUR SPARE PARTS?

WHOLESALE



95% **82%**

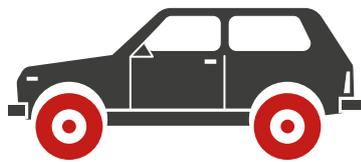


INDEPENDENT CAR WORKSHOPS INDEPENDENT COMMERCIAL VEHICLE WORKSHOPS

ONLINE PLATFORMS

(Amazon, Ebay ...)

43%



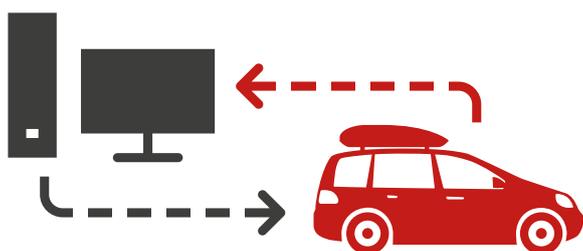
24%

INDEPENDENT CAR WORKSHOPS

INDEPENDENT COMMERCIAL VEHICLE WORKSHOPS

TOPIC OF THE FUTURE: REMOTE DIAGNOSTICS

HOW MUCH HAVE CAR WORKSHOPS DEALT WITH THIS?



10 Theses on digitization in car workshops

1 Digitization is positive

For the majority of respondents, the opportunities and potential outweigh the risks and challenges.

3 Digital spare parts procurement is standard

Whereas 18 % of workshops refused to order online in 2016, only 2 % will do so in 2021.

5 Funding does not arrive

Only 6 % of the workshops surveyed report that they applied for or received funding.

7 Customer communication remains analog

76 % of the workshops surveyed stated that digital customer communication is a good complement to analog measures. Only 7 % state that customer communication takes place mainly online.

9 Future topics are on the screen

Already 83 % of car workshops have dealt with the topic of remote diagnostics.

2 Digital equipment is solid

Workshops are well equipped, especially in the workshop. 85 % of respondents rate their equipment with diagnostic systems as good to very good. By contrast, only half of the workshops use digital equipment that is not absolutely necessary in the office, such as webcams.

4 Digitization is a matter for the boss

78 % of workshops state that the owner is primarily responsible for digitization.

6 Workshops invest

The vast majority of the workshops surveyed are planning to invest in the area of digitization over the next two years. The majority of these (66 %) want to invest in the workshop.

8 High speed at contract workshops

There are noticeable differences between independent and contract workshops in terms of existing equipment. In contrast, independent workshops with and without a workshop concept are on an equal footing.

10 Support desired

Workshops want support to handle the additional tasks and complexity.

1. Digitization is positive

The good news first: Overall, the workshops surveyed see the topic of digitization as a positive and potential-rich development for themselves. The differences between commercial vehicle and automotive workshops and between authorized and independent workshops are hardly noticeable. The main positive aspects are faster processes and easier work. 41 % are convinced that digitization can contribute to better customer loyalty and 26 % believe that it supports the acquisition of new business. The most critical aspect cited by respondents is the higher costs associated with digitization: This challenge was stated by 31 %, followed by additional time (28 %) and complexity (16 %).

2. Digital equipment is solid

The possibilities for digitization are limited by the digital infrastructure. How does the digital equipment in the workshops look now, after the digitalization was pushed by the Covid 19 pandemic? The workshop equipment of the surveyed workshops was rated best: 85 % say they are well or very well equipped in the area of diagnostic systems. In the case of computers, the proportion for this answer is 82 % and the Internet connection is also rated as good or very good by 78 % of respondents.



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In contrast, digital equipment that is not absolutely necessary, such as webcams, is not available at all in many workshops (52 % of respondents said that no webcams were available).

3. Digital spare parts procurement is standard

In the 2016 workshop survey, 18 % of workshops still stated that they never order spare parts online. (Compare workshop survey 2016).

Five years later, this figure has dropped significantly to 2 %. This makes digital spare parts procurement one of the most widespread digital processes in workshops. Of the respondents this year, 67 % said they mainly procure online, 26 % very often and only 5 % rarely.

Workshops also rate the benefits and potential of digital spare parts procurement as particularly high: 47 % state that the potential in this area is especially great – more than in any other area.

However, digital spare parts procurement is not accompanied by a move away from wholesaling. Trust in wholesalers and specialist retailers remains unbroken.

At 95 %, wholesalers remain by far the preferred source of supply for all workshops.

However, 43 % of independent workshops also order on the Internet from online-only platforms. Concept workshops rely less on online suppliers: 99 % order from wholesalers and only 28 % also from online platforms.

Commercial vehicle workshops are somewhat more cautious about procuring spare parts online. In the survey, 24 % of independent commercial vehicle workshops stated that they procure parts from online retailers.

Despite digital procurement, the workshops surveyed great importance to the quality of the spare parts. Only 12 % of the workshops surveyed sta-

ted that they use replica parts on a pro rata basis. At 93 %, most independent workshops rely on brand-name spare parts.

4. Digitization is a matter for the boss

In independent automotive workshops, digitization is a matter for the boss. 78 % of respondents state that the owner is primarily responsible for digitization. For 17 % this task is performed by an employee and 5 % rely on an external consultant or service provider for this area.

This is accompanied by a proportionate number of challenges that are seen in this area: The time required (59%), the necessary investment (58%), the expertise of the owner (46 %) and the expertise of the employees (43 %) represent the challenges.

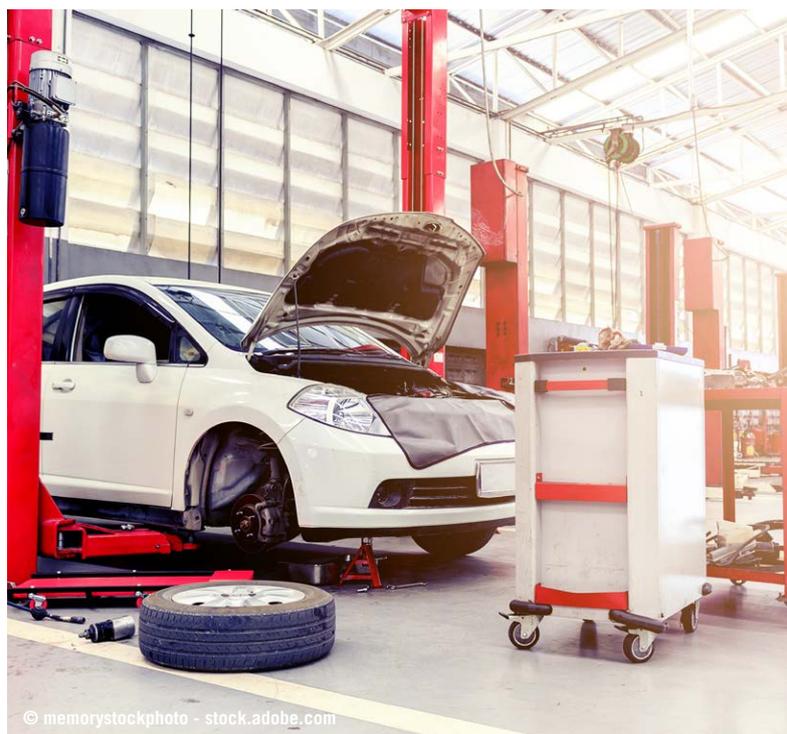
In commercial vehicle workshops, responsibility for digitization is delegated more frequently, according to the respondents: In 59 % of the workshops, employees take care of digitalization, in 41 % the owner does.

5. Funding does not arrive

The federal and state governments offer numerous digitization programs designed to support SMEs in their digitization efforts. In addition to major funding programs such as „digital now“ and „go digital“, in which hardware and software, further training, processes and communication can be funded, there are many other offers from the states and local authorities.

However, these are clearly not reaching the workshops: Despite the challenge of upcoming investments, the majority of respondents do not take advan-

tage of any of any funding programs at all. Only 6 % of respondents have applied for or received funding. 59 % state that they are not aware of any funding programs. 29 % reject funding programs because it seems too complicated to them.



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6. Workshops invest

The majority of workshops are planning investments in the next two years. The focus is on the workshop (66 %).

Investments are also planned in employee training (48%), customer communication (41%) and accounting (24%). 18% of workshops state that they are not planning any investments. Contract workshops are somewhat more active in the area of investment: 92 % are planning investments, compared with 78 % of independent workshops. Commercial vehicle workshops are also cautious: 79 % say they will make investments in the next two years.



7. Customer communication remains analog

While most of the workshops surveyed the workshop and in the area of procurement, many workshops still rely on analog channels or a mix in customer communication.

A website of their own is standard for most workshops – only 12 % do not have their own online presence. The use of digital tools or providers, on the other hand, is much less widespread.

13 % of independent workshops do not use ERP or accounting software. Only about half of independent workshops (47 %) regularly use a digital appointment book.

34 % of independent workshops state that they never or only very rarely use digital customer communications such as e-mail, SMS or Whats App.

The topic of repair portals also does not seem to play a major role from the perspective of the workshops: 64 % do not use these options at all. When it comes to social media, Facebook is clearly ahead in terms of popularity: 63 % of workshops use this option at least sometimes. Most respondents do not use Instagram (34 % sometimes use Instagram), and YouTube is used even less (24 % sometimes use YouTube).

8. High speed at contract workshops

Contract workshops are setting a faster pace in the area of digitization.

They are not only ahead in terms of planned investments, also the use 66 % of contract workshops use a digital appointment book and 63 % consistently rely on digital employee scheduling. The proportion of independent workshops that use these options is just 25 %.

9. Future topics are on the screen

In addition to digital process optimizations in classic workflows, digitization processes may also bring significant changes to the market. We wanted to know from the automotive workshops: How intensively have you already dealt with the topic of remote diagnosis?

26 % of respondents say they have already dealt with this intensively. Two thirds of them see great potential for the workshop after intensive discussion, while one third of the workshops are concerned

10. Support desired

about this change. Around 17 % of respondents have not dealt with the topic remote diagnosis at all so far.

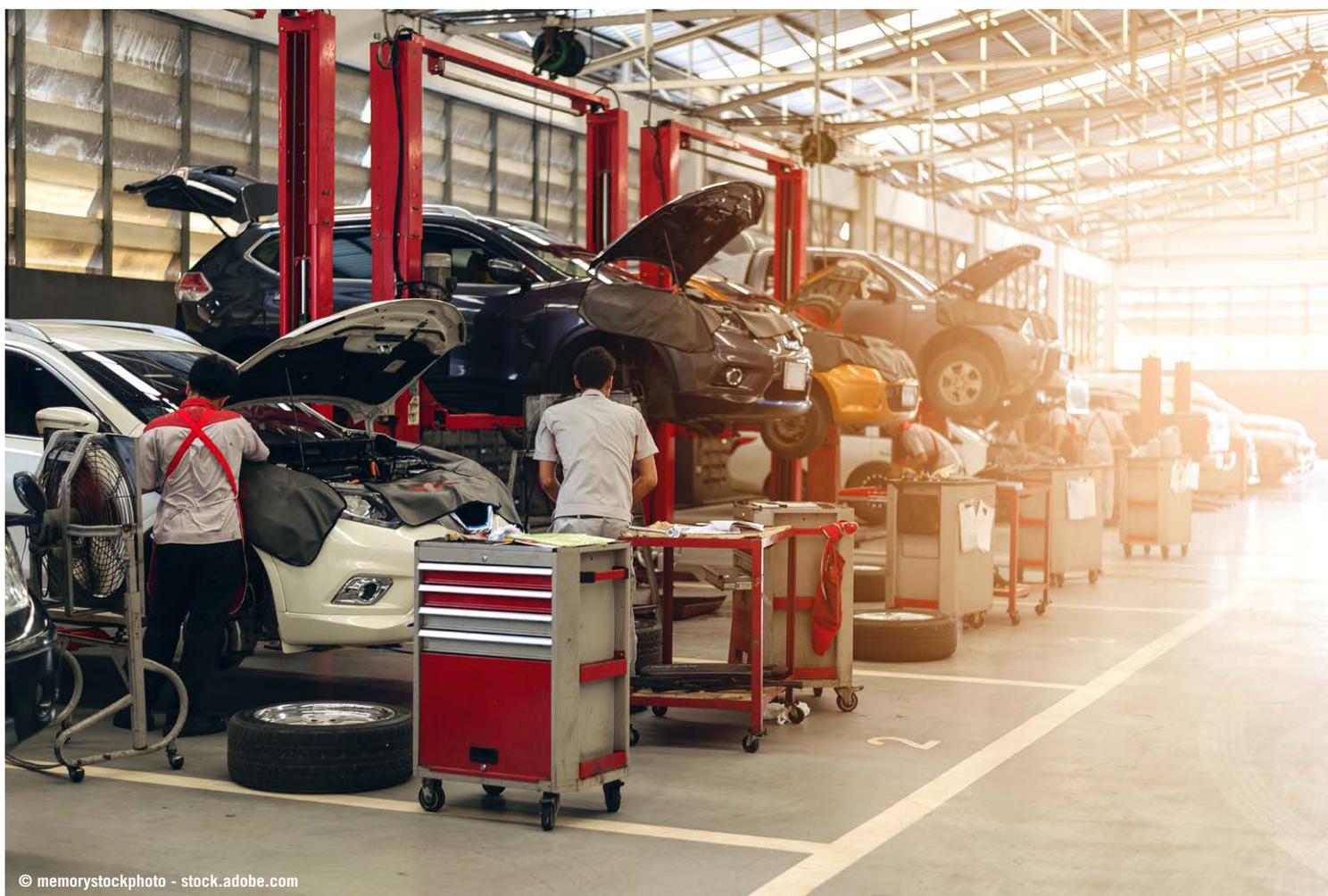
We wanted to know from commercial vehicle workshops how well they are familiar with the areas of telematics, fleet management and remote diagnostics.

For all topics, between 40 and 50 % of the commercial vehicle workshops surveyed stated that the area was an exception and that they had not yet dealt with it in depth.

Even if the workshops surveyed see digitization and its potential primarily in a positive light, major challenges remain - especially for small businesses.

All players in the industry are called upon to manage these changes, especially in independent workshops: the respondents hope for support from wholesalers (64%), guilds (58%), manufacturers (42%) and trade media (29%).

In order to avoid mistakes and, above all, not to lose track of all the options on the market, meaningful support modules should urgently be provided. „In this topic, simply EVERYONE must support each other.“



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The results of the survey show: Workshops have arrived on the path to digitization. No workshop is completely without digital tools or processes in 2021. Nevertheless, the survey shows that workshops still have a long way to go.

The complexity and the necessary investments are seen as a major challenge, especially by independent workshops. Owners of independent workshops usually have to shoulder this additional tasks by themselves and invest time and money. To support and accompany independent workshops in this task, the industry should work together and provide meaningful support for the market.

About the initiative **Qualität ist Mehrwert**

Qualität ist Mehrwert is an initiative of well-known manufacturers of automotive parts in the automotive aftermarket. The aim is to significantly increase quality awareness in vehicle repair. To reach this goal, the benefits of quality parts are demonstrated to automotive and commercial vehicle workshops, the parts trade and motorists - with information material, at events and on the website.

All partners, current dates and information are available on the Internet at:

qualitaet-ist-mehrwert.de

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