

CATCHING FIRE

Craig Noel's 15-year-old son, Tyler, passed away from a rare disease that caused physical and mental handicaps and respiratory complications in 2007. Throughout his life, Tyler suffered pneumonia 4-6 times per year and was often visited by the paramedics. So, when COVID-19, a respiratory disease, became a concern overseas, Noel paid more attention than many as it struck a personal chord with him.

"COVID-19 really hits home with Marci [Craig's wife] and I because of how directly it was relatable [to their life]," Noel says.

He was well aware of the impact diseases like this can have. But, from a business standpoint, the owner of the three locations of Sun Automotive in Oregon didn't feel an impact until the second week in March.

It was around this time that stay-at-home issues were put in place, forcing many small businesses to shut their doors—and some, unfortunately, forever.

BUSINESS AS (UN)USUAL

In mid-March, *Ratchet+Wrench* surveyed nearly 1,000 shop owners on the pandemic's impact. Of those, 78 percent said they altered their business and 88 percent had experienced a negative impact [See: COVID-19's Impact on Business].

"It's an ever-changing landscape, almost hour by hour," Josh Bird, owner of the 1,500-square-foot \$370,000-per-year Bird Automotive in Oak Grove, Mo., says of the new reality that small business owners around the nation are now living in.

At this point, it's hard to know how businesses will rebound, Aaron Lowe, senior vice president, regulatory and government affairs, Auto Care Association, says.

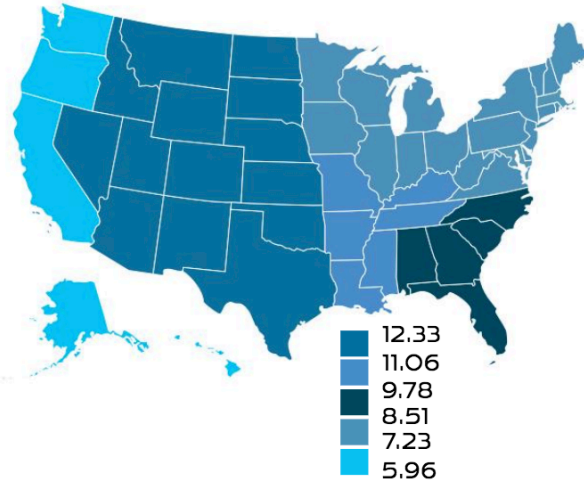
STOPPING THE BLEEDING

Although Brad Jenner, owner of the \$1.2 million-per-year Affordable Automotive Repair in Fredericksburg, Va., saw a steep drop in car count from an average of 100 cars per week to anywhere between 25-50 during the pandemic, he's been able to retain his staff of 7. One way he's done this is by cutting his budget where he can. For example, Jenner cut almost all of his advertising budget for new customer acquisitions and is focusing his efforts on getting the word out to his loyal customers.

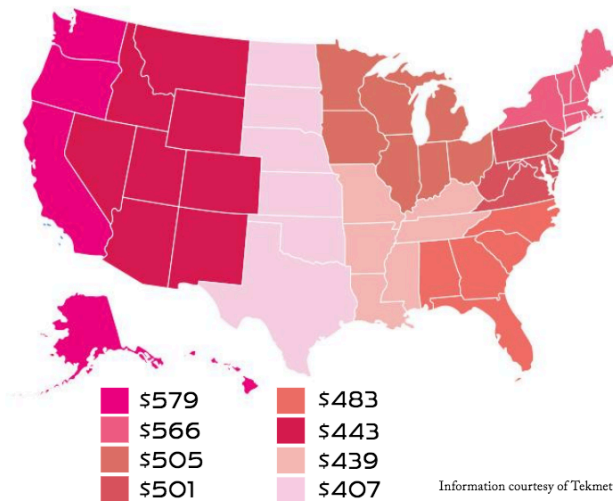
COVID-19'S IMPACT ON BUSINESS

A REGIONAL LOOK AT AVERAGE CAR COUNT AND ARO

AVERAGE CAR COUNT BY REGION:



AVERAGE ARO BY REGION:



Information courtesy of Tekmetric

Applying for funding from the government and asking for delayed payments from vendors were other strategies for staying afloat, as well as cutting non-essential costs.

SAFETY FIRST

This pandemic has changed how people interact—perhaps forever. The days of gaining a customer's trust with a handshake are on hold. It's about a new kind of business interaction, Jim Lang, president of Lang Marketing, says, revolving around reducing social interaction.

In order to maintain customers in this "new normal," businesses need to find a way to create a frictionless, non-threatening experience for customers, Lang explains. Since the aftermarket has always been a primarily person-to-person type business, it will be a major adjustment.

According to Lang, this may give MSOs and dealerships a leg up, as they'll have more resources to be able to provide measures like larger waiting rooms, sanitation supplies and staffing to allow for pick up and drop off. However, many independent shops, including Bird's, are offering pick-up and drop-offs and offering touchless transactions.

ADVERTISING 'ESSENTIAL'

When paramedics save your child's life 10-plus times, you develop a deep respect for what they do, Noel explains.

Noel had to call first responders often, and he says that the personal relationship that he developed with them helped him and his family get through an extremely difficult time.

"We knew all of the EMT drivers by name," Noel says. "They knew who I was—it was like that throughout his entire life."

Tyler's physician, in particular, went out of his way to create a personal relationship with Noel and his family. Noel continues to hold those in the medical field in the highest regard and, when the pandemic hit, he knew he wanted to find a way to support them.

"My heart goes out to them," Noel says.

Noel started a campaign for free oil changes for medical workers.

Noel didn't do it for the publicity, but the campaign has helped get his name out there and his monthly revenue for April 2020 is

better than it was in April 2019 (\$110,000 versus \$109,000). At the end of April, the 3-locations saw 60 first responders take advantage of the campaign, and was scheduled a week out for the service. The campaign helped stabilize car count and contribute to an ARO of \$624.

"We are on pace for a year-over-year record for April and have not even needed to consider any layoffs whereas the dealers and other local independents have had to make serious decisions and laid many off," Noel says. "We have been the strongest independent repair shop in the county."

Sun Automotive's free lube, oil and filter changes for front line medical personnel and first responders through Memorial Day is just one example. Co-owners of the four-location Craftsman Auto Care in Virginia and husband-and-wife team Matt and Judy Curry, created the "Feed a Hero Campaign," which, as of the first week in May, raised \$32,000 and provided 3,000 meals to medical responders. Bird is buying two gift \$25 gift cards per week from local businesses that he'll use for promotions or giveaways later in the year.

CLEARLY COMMUNICATE.

During the first few weeks of the stay-at-home order, Noel realized that many of his customers did not know that his shop was considered "essential."

"The general consensus was that it was police and firefighters, not auto repair," Noel says.

Lowe says that this is one of the issues with which the Auto Care Association has dealt. Creating a promotion like Noel's thank you to first responders helped draw awareness that his business is indeed open.

Prasanth Chilukuri, co-founder and CFO of the management software company, Tekmetric, says that shop owners need to "market like crazy," and let their customers know that not only are they open—but they haven't forgotten about them.

Noel, for example, is reaching out to all of his customers that haven't been in the last year and that have had repair recommendations.

REFRAME THE MESSAGE.

Now is not the time to be pushing a promotional vehicle check-ups "just in time for a summer vacation."

The Currys had to change their

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OWNER
SUN AUTOMOTIVE