

It's Time to Address Telematics in Your Business Plan

Posted by Richard McKeon

Telematics is growing. Aftermarket industry experts have been discussing the technology in varying forms throughout the last two decades. From discussions about the possibilities to mainstream adaptation to looking toward the future, telematics is an important topic and will become an even bigger piece of the aftermarket going forward.

Consumers think of telematics in two ways: First, by broader definitions, including connected vehicles and infotainment, and second, by specific names like OnStar, Ford SYNC and HondaLink.

Broadly put, telematics is a wireless communication within a vehicle supporting many applications like satellite navigation, vehicle tracking, internet connections and, the most widely known feature, vehicle diagnostics. According to Machina Research, 90 percent of vehicles will have a built-in connectivity platform by 2020. That's up from only 10 percent in 2013.



This means that along with the number of drivers plugging mobile devices into their vehicles and pulling up directions on their console screens, more and more will receive vehicle diagnostic reports and have a more direct way to care for their vehicle.

With that large jump in availability from the time the vehicle rolls off the production line (not to mention more and more aftermarket companies working to create their own plug-in telematics devices), it is beyond time for companies across the aftermarket channel to address the technological shift in their business plans.

Telematics presents new and interesting opportunities and challenges for today's automotive aftermarket:

- Distributors could see changing customer bases if consumers shift from independent shops to dealerships for maintenance and repair.
- Mechanical repair shops will need to create new marketing and educational platforms to make sure customers know they still can come to their shop for any maintenance and repair.

- Collision shops will have to educate themselves on these integral components or else partner with a trusted independent shop for repair following collisions. This poses a unique boost for dealership body shops, which already have (usually in-house) repair options available.

As more and more new vehicles roll off the line with these vehicle systems in place, many consumers will start taking their new vehicles to the dealership when diagnostic reports appear in their inboxes. But focusing on consumers' second – and even third – vehicles driven by spouses and children is a good starting point for a mechanical repair shop to bring the conversation back to its ability to repair all vehicles regardless of age. Work with your customers to continue the relationship you've built over the years.

Create a business plan that addresses how a typical exchange could begin, such as this example:

"Mrs. Johnson, I know you just bought your new SUV, but don't forget that any repairs your connected system alerts you to can be completed here. And, if nothing else, we hope to still work with you on maintenance for your husband's sedan and children's vehicles, as well."

With this in mind, distributors can take advantage of the expanded opportunity to offer more training for shop customers. These shops will need information on repairing and maintaining new technology. They trust their suppliers for parts and training, and telematics is just another area in which distributors can prove their expertise and support.

This is true even more on the collision side. These vehicle systems can easily be damaged in crashes, and while in recent years adding mechanical repair options has become more mainstream, this goes even a step further.

There are options for businesses across the aftermarket industry to look at telematics and grab hold of the opportunities to better serve their customers. It's time now to find them and set forth.

While to the aftermarket telematics most often brings to mind first these reports and maintenance opportunities, for the customer it means infotainment and other technological features. We will address those in future blogs.