

The logo for AutoLeap, with 'Auto' in white and 'Leap' in teal, followed by a small teal arrow pointing up and to the right.

AutoLeap[↑]

STATE OF THE AUTO REPAIR INDUSTRY

Benchmarking Report
2022



www.autoleap.com



"This is one of the most **comprehensive, enlightening, and thought-provoking** reports I've seen."

- **Chris Cotton**, Owner of AutoFix Auto Shop
Coaching

"This comprehensive survey will prove to be an **invaluable resource** for shop owners."

- **Auto Care Alliance**

What experts are saying



The AutoLeap benchmarking report is one of the most **comprehensive, enlightening & thought-provoking** reports I've seen in the last several years, especially from a coaching standpoint.

- **Chris Cotton**, Owner of AutoFix Auto Shop Coaching



"This comprehensive survey will prove to be an **invaluable resource** for shop owners."

- **Sheri Hamilton**, Executive Director at Midwest Auto Care Alliance (ACA)



"AutoLeap's report on the auto repair industry is **right on the money**. Really good information."

- **"G" Jerry Truglia**, Owner of Automotive Technician Training Services



AutoLeap has **knocked it out of the park** with their auto repair benchmarking survey! The data compiled by their team is **eye-opening** to me as both a multi-location shop owner and business coach. Every shop owner should digest the report and learn where our industry is at and what they need to do to move forward.

- **Greg Bunch**, Owner of Aspen Auto Clinic

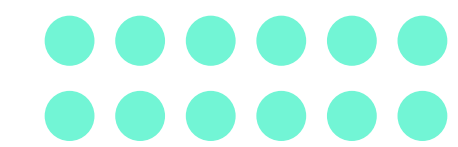
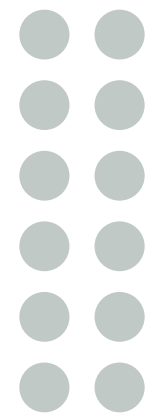


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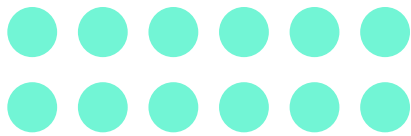
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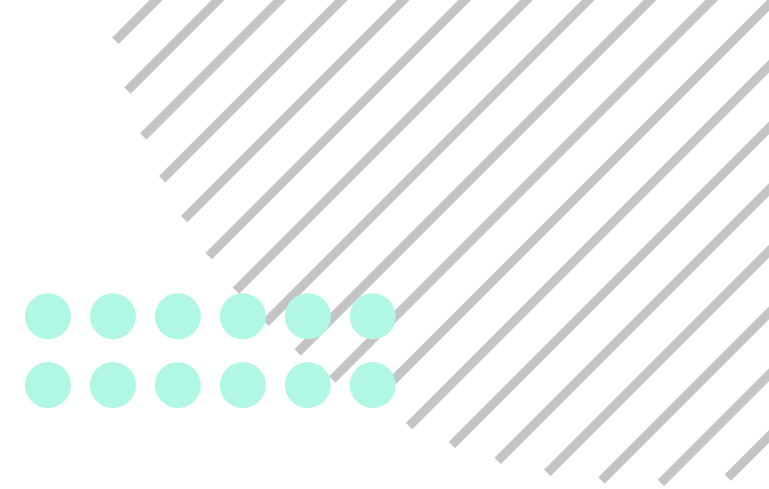
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A message from our co-CEOs



Dear readers,

We are thrilled to present you with AutoLeap's **State of the Auto Repair Industry Benchmarking Report for 2022!**

Our goal is to provide auto repair shop owners, general managers, technicians, and others a unique view into the industry. By understanding the operations, financials, objectives, and general market outlook, we hope that auto repair shops can get a sense of how they compare with other shops and ultimately improve their own business.

The report is supported by a **comprehensive survey of nearly 300 owners and managers across North America. We also spoke to various industry experts to collect insights** and perspectives from those who are most knowledgeable about the industry.

Over the past couple of years, we saw the auto repair industry go through a brief period of difficulty through COVID-19. However, **2021 proved to be a strong bounce-back year as shops recovered from the pandemic lockdowns and came back stronger than ever.** Although 42% of shops reported a decrease in revenue in 2020, we were pleased to see that **more than 70% of shops have now rebounded to above pre-pandemic levels.** This is a remarkable feat.

While it's always great to see repair shops growing, it is no secret that our industry faces various daily challenges. Those include a labor shortage, supply chain disruptions, advancing technology, operational issues, and others.

Staffing remains the single biggest issue. Owners and managers struggle to find skilled technicians for their shops with 60% of shops reporting this as a primary issue.

Despite all these issues, **shop owners and managers feel optimistic about the future of the industry and their businesses.** Nearly 70% of our respondents have a favorable outlook on the industry over the next 5 years and almost 60% of respondents expect to grow in 2022 (only 8% expect a decline and the remaining 34% expect to stay the same).

We are really excited to see how our industry will grow and evolve over the next decade! We are also excited to help as many shops as possible supercharge their growth with AutoLeap as we see more and more shops adopt cloud-based software to run and transform their shops.

On behalf of the team at AutoLeap, we'd like to thank you for reading our report. We hope this report provides you with valuable information to continue enhancing your customer experiences and growing your business. If you have any feedback or questions, we would love to hear from you!



Steve Lau



Rameez Ansari



Rameez Ansari & Steve Lau

Co-Founders and Co-CEOs
AutoLeap



At AutoLeap, our mission to transform auto repair shops across North America is the driving force behind everything we do.



Introduction

AutoLeap surveyed more than 290 owners and general managers of auto repair shops in North America. The findings and data in this report are a direct product of this survey, complemented by industry expert insights. Our goal was to hear directly from the repair shop operators in the industry to understand the key issues and opportunities faced by repair shops, a perspective that we hope can benefit all shops across North America.

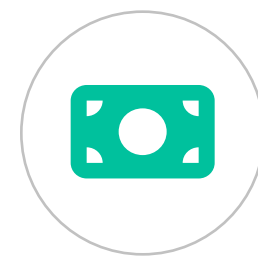
Our survey asked respondents about the following key topics:



Respondent demographics



Shop profile



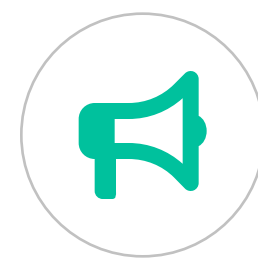
Financial profile



Industry outlook



New vehicle technologies



Marketing



Labor information



Shop management software

Top key takeaways

In this section, we provide the top key takeaways derived from our survey.



1 | Retirement plans

64% of repair shop owners **expect to retire over the next 10 years.**

This is not surprising given 44% of respondents have been in the industry for over 20 years.

Most owners have some plans in place for their auto repair shop's future. **37%** of respondents plan to sell their business outright and **48%** of them plan to pass it down to family, friends, or a close colleague.



2 | Majority of auto repair shops are small businesses

72%

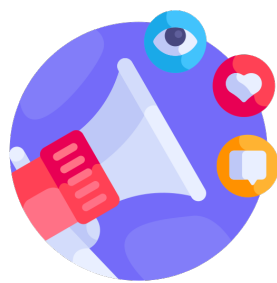
of repair shops generated **less than \$1 million in revenue** in 2021 (53% of shops were below \$500k in revenue).

66%

of auto repair shops have **10 employees or less.**

60%

of repair shops have less than 5 service bays (only 14% of shops have more than 10 service bays).



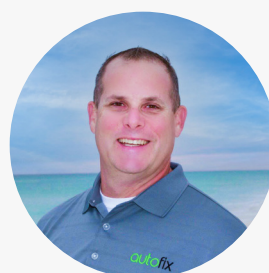
3 | Shops realize significant benefits from digital marketing

ALMOST
60%

of repair shops **spent more than \$2,000 on marketing** in 2021, while 85% of respondents reported some marketing spend during the period.



Approximately one third of shops surveyed **spent more than \$10,000 per year on marketing** in 2021.



“A shop that wants to do \$1 million in sales needs to spend \$30,000 – \$50,000 per year on their marketing budget.”

— **Chris Cotton**



“Online platforms and search engines are how auto repair shops should do marketing today.”

— **Alan Beech**

Data shows that auto repair shops have embraced digital tools to market their businesses. Nearly **60% of shop respondents use social media as their main marketing tool**, followed by **45% of respondents using search engine marketing** to promote their business.

Shops stated that **social media (29%) and search engine marketing (25%)** were their two most effective marketing channels.



4 | Labor rate by shop size

\$120
PER HOUR

is the **average standard labor rate** in the sector. However, this figure varies by type and size of shop.

70%

of shops indicated that they have **increased their labor rate** in the past 2 years, with the **average increase being 12%**.

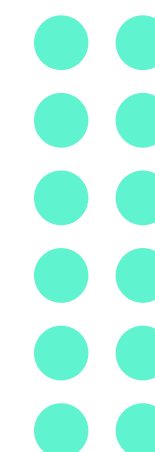
Larger shops are more likely to increase labor rates than smaller shops.

83% of shops with revenue of \$1 million or more increased their labor rate, whereas the figure was only 66% for shops with revenue of less than \$1 million. The figure further declines to 62% for shops with revenue of less than \$500k.



No shop in America should have a standard labor rate of less than \$125 per hour.

— **Greg Bunch**



Breakdown of standard labor rates by shop type

Specialty
shops

\$179
PER HOUR

Franchise
shops

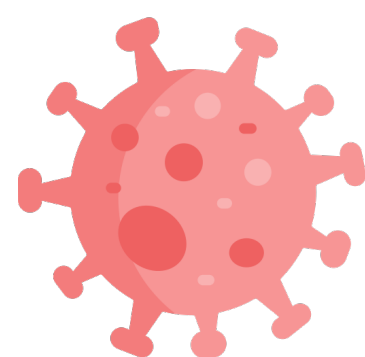
\$112
PER HOUR

Independent
shops

\$110
PER HOUR

Breakdown of standard labor rates by shop size

Shops with revenue greater than **\$1 million** charge an average labor rate of **\$135/hour**, whereas shops with less than \$1 million charge an average of only **\$115/hour**.



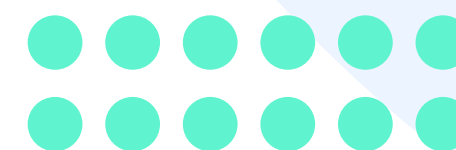
5 | Impact of COVID-19

42%

of shops reported a decrease in 2020 revenue due to COVID-19. However, the industry bounced back strong in 2021 with 61% of shops reporting an increase in revenue.

OVER
70%

of shops reported higher revenue in 2021 compared to 2019, suggesting that the industry is grown compared to pre-COVID levels.



6 | Industry outlook

Despite the various issues that auto repair shops face, owners and general managers generally **have a positive outlook on the industry coming out of COVID and expect to grow going forward.**

ALMOST
60%

of respondents **expect to experience growth in 2022** compared to 2021, only 8% expect a decline in revenue, and 34% expect similar numbers.

NEARLY
70%

of auto repair shop owners and managers **have a favorable or very favorable outlook on the industry over the next 5 years.** Only 12% of respondents had an unfavorable outlook.



7 | Staffing

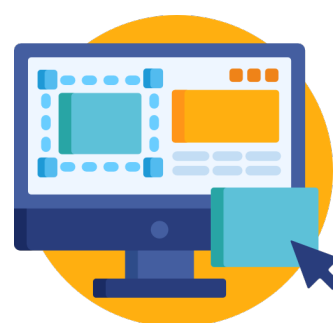
60%

of respondents indicated that they **struggled with staffing** in their repair shop.

74% of respondents indicated that a lack of skilled technicians is a major issue for them.

73%

of shop owners and managers surveyed indicated the intention to **hire at least one technician over the next 12 months.**



8 | Shop management software

72%

of auto repair shop owners and managers have **saved time using shop management software.**

68%

of auto repair shop owners and managers have **experienced increased revenue using shop management software.**

On average, respondents indicated that shop management software has saved their shop more than **30%** of the time spent on administrative tasks.

Ease of use, price and value for the money, and **range of features and functionality** are the three most important features for most auto repair shop owners investing in software.



Meet the experts

We interviewed leading experts in the auto repair industry to get their perspectives on key topics. The insights gathered from these experts are featured throughout this report.



Cecil Bullard

CEO at the Institute for Automotive Business Excellence

Cecil specializes in business systems and processes and is involved in the creation and ongoing development of QuickTrac Software. Cecil works with small businesses to maximize their productivity and profits while raising employee morale.



Jeremy O'Neal

President, National Trainer & Spokesperson at Advisorfix.com

Jeremy is an independent auto repair shop owner, service advisor, coach, and training instructor. He helps service advisors and shop owners get practical results in business and life.



Bill Haas

President at Haas Performance Consulting

Bill has over 40 years of experience in the industry and has worked as a technician, shop manager, shop owner, technical trainer, and on the staff of the industry's oldest and largest association representing automotive service and collision repair businesses.



Chris Cotton

Owner of AutoFix Auto Shop Coaching

Chris has worked in the auto repair industry for almost 30 years. He's a former multi-unit shop owner who has dedicated his life to helping other shop owners turn their shops into high-performing businesses.



G (Jerry) Truglia

Owner of Automotive Technician Training Services

G is recognized by the US Environmental Protection Agency as one of the foremost OBD II experts, technicians, and trainers in the country. He achieved National Institute for Automotive Service Excellence (ASE) certification, won a golden wrench award and is one of 1900 ever to be certified as a "World Class Technician".



Greg Bunch

Owner of Aspen Auto Clinic and CEO at Transformers Institute

Greg started his business out of his home garage in 2001, has grown the company to six locations in Colorado, and has won the local "Best Mechanic" award 21 times since he opened. In addition, Greg founded the Transformers Institute in 2016, a training, coaching, and marketing company dedicated to helping shop owners transform their lives, businesses, and communities.



Tricia Sauls

Executive Director at Automotive Service & Tire Alliance (ASTA)

With a background in marketing and design, Tricia works diligently with her team to provide the resources, training and networking opportunities needed by independent, automotive-aftermarket businesses, enabling them to become leaders in the industry, and trusted voices in their communities. Her organization, ASTA, produces the largest training event in the Southeast each September, the ASTE and runs the ASTA Automotive Apprentice Program.



Rick White

Managing Partner at One Eighty Business Solutions, LLC

Rick helps automotive and truck repair shop owners take their business to the next level with one-on-one coaching customized to meet their specific goals. One Eighty Business Solutions provides a balanced coaching program that covers Financial Operations, Leadership Skills, Employee Management & Engagement, Customer Experience, Marketing & Advertising and Sales Training.



Murray Voth

President at Result Performance Mastery (RPM) Training

Murray has spent 36 years in the industry, owning and operating service stations for 20 years. He was part of the 20-group process for 13 years. He also spent 12 years training for a large Canadian automotive aftermarket company before founding RPM Training in 2018 and launching his SMART course along with RPM Mastermind Groups.



Alan Beech

President at Beech Consulting & Co-Founder of AdvisorNow

Alan has worked in the industry for over 45 years as a shop owner, industry expert, and entrepreneur. He provides coaching for auto repair shop owners, trainers, and technicians with a strong focus on empowering small businesses across North America.



Diane Freeman

President at the Automotive Aftermarket Retailers of Ontario (AARO)

Diane has more than 30 years of experience under her belt and has served as the Chief Executive of AARO since 2010. She also serves as the primary liaison with the media on all matters related to the Canadian automotive aftermarket industry.

Respondent demographics





Respondent demographics

Before we dive into industry-specific insights, it's important to understand the demographic composition of our survey respondents. The current job tenures and retirement plans of shop owners and general managers will play a huge role in shaping the future of the automotive repair industry beyond basic demographic info like gender and age.

In this section, we ask survey respondents about their:



Primary shop
roles



Shop ownership
tenure

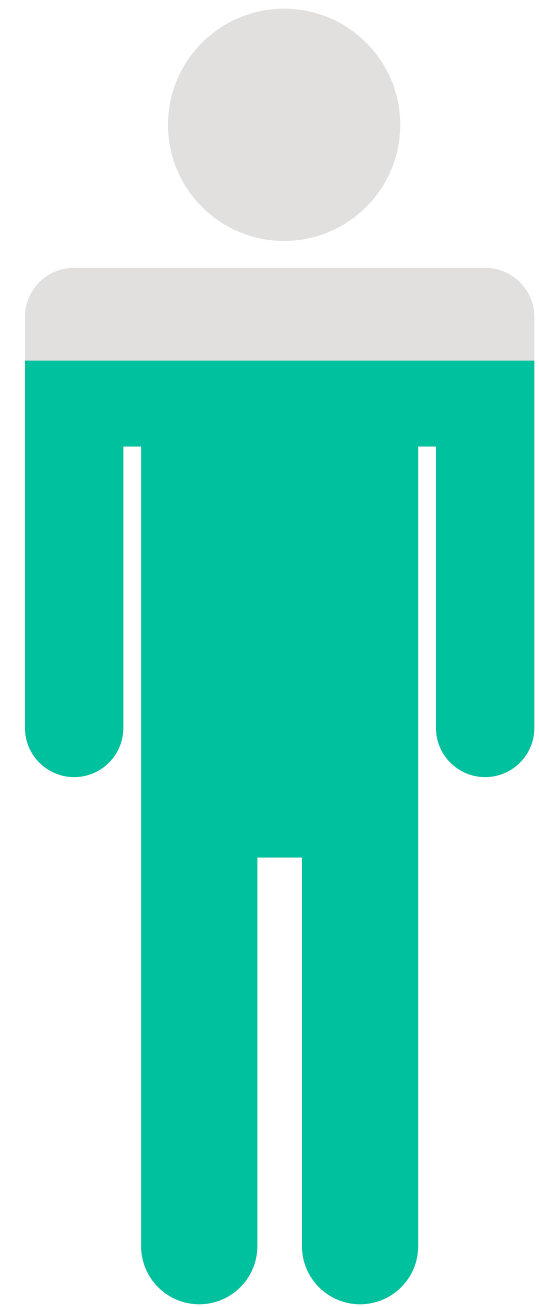


Expected
retirement dates

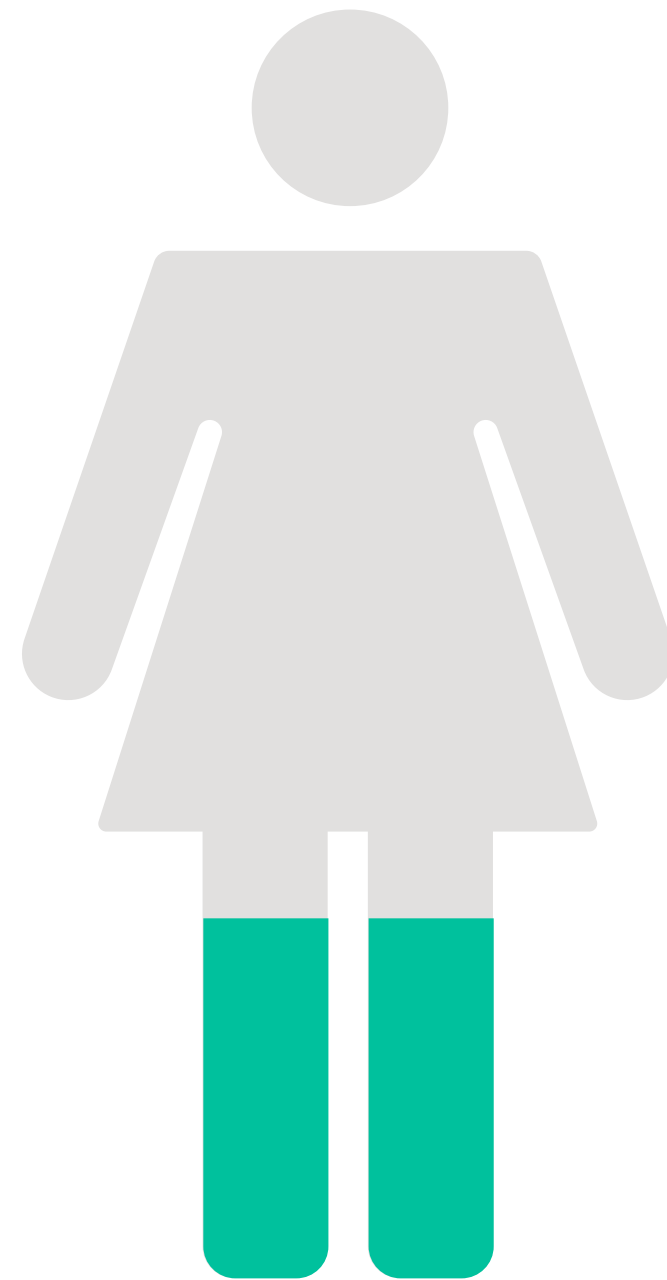


Anticipated
retirement plans

Gender distribution



80%
Male



20%
Female

Respondent demographics



20% of the people that responded were female. Probably five years ago or longer that would have been closer to single digits somewhere. I wish it was higher, but I like seeing this increase.



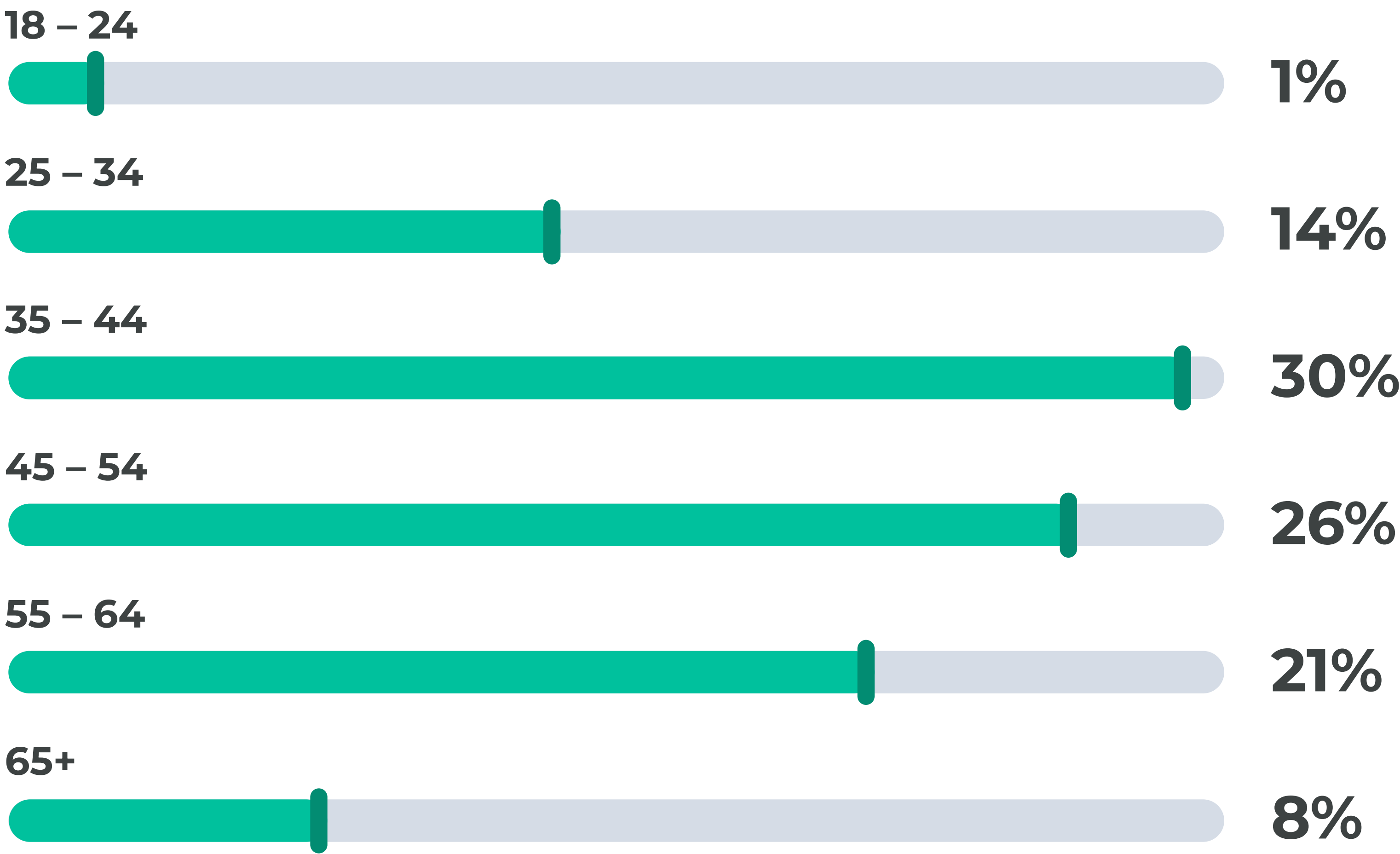
Chris Cotton

Owner of AutoFix



Age distribution

Average age 47 | Median age 46



Respondent demographics

The **average age** of respondents was **47 years** old.

Only **15%** of respondents were **34 or younger**.

What is your primary role?

Respondent demographics

There was a relatively **even mix** of owner and general manager respondents.



57%
Shop owner



43%
General manager

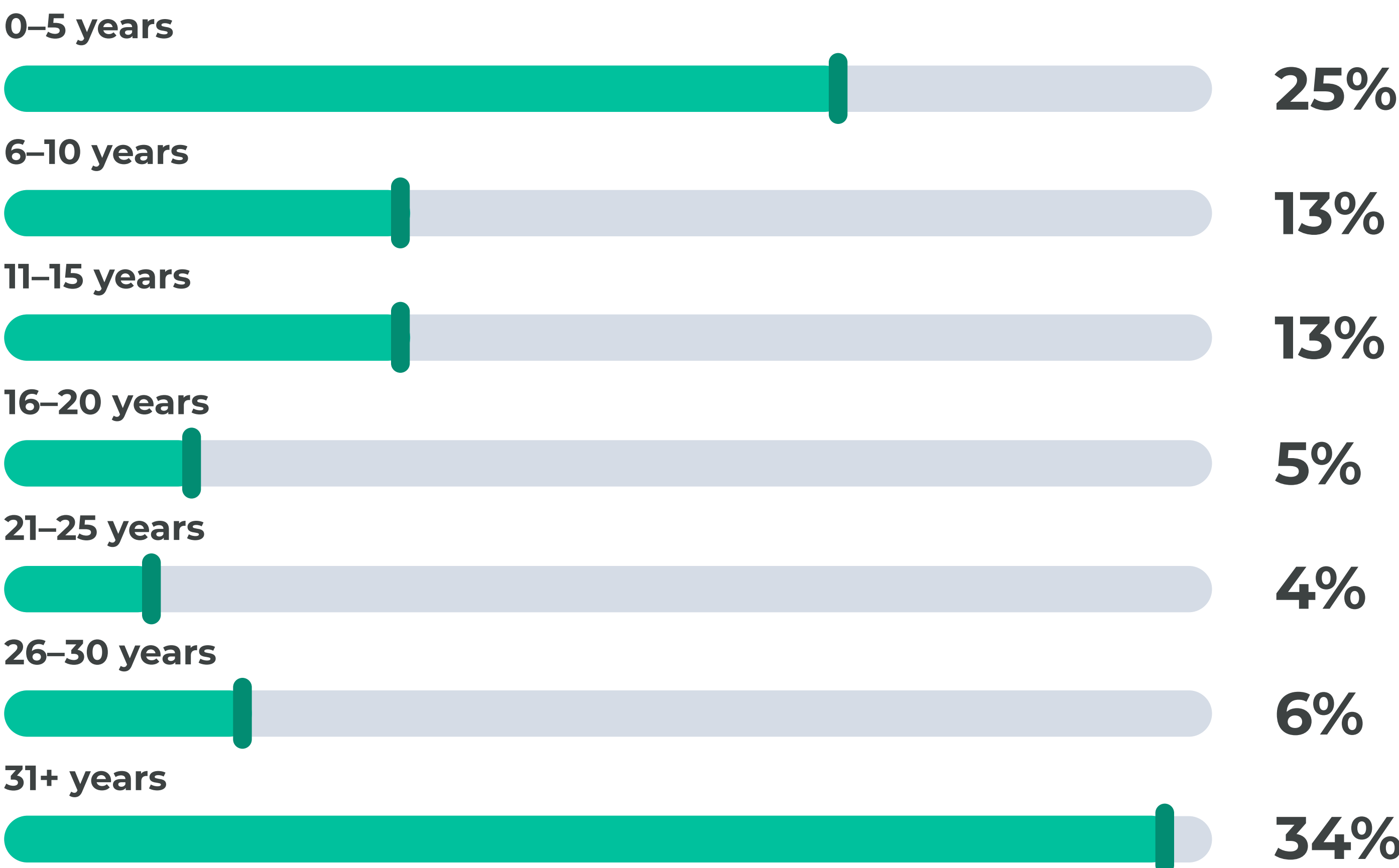


"As our industry grows older, apprenticeships become even more important. Learning a skill under the guidance of a mentor with years of insight is an invaluable experience that creates a more well-rounded employee."

— Tricia Sauls

44% of respondents have more than 20 years of industry experience

For how many years have you owned / managed your shop?



25% of respondents have less than 5 years of experience.

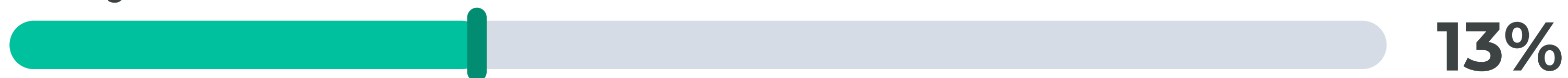
64% of repair shop owners expect to retire within the next 10 years

In how many years do you expect to retire?

Less than 1 year



1 - 3 years



4 - 7 years



8 - 10 years



11 or more years



Respondent demographics



“With 64% of shop owners looking to retire, younger shop owners have the opportunity to grow their shop via acquisitions. A win-win for the industry.”

— Greg Bunch

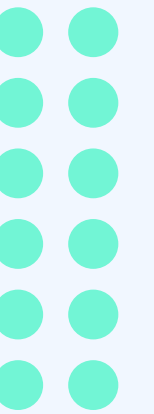
Average – 8 years

Median – 10 years



“Shop owners are clearly getting older and a shift in ownership will take place within the next 10 years across the automotive repair industry.”

— **Alan Beech**



“There is such a high percentage of shop owners that are ready for retirement or close to it. This is not surprising, but we need to work hard as an industry to train up the next generation.”

— **Cecil Bullard**

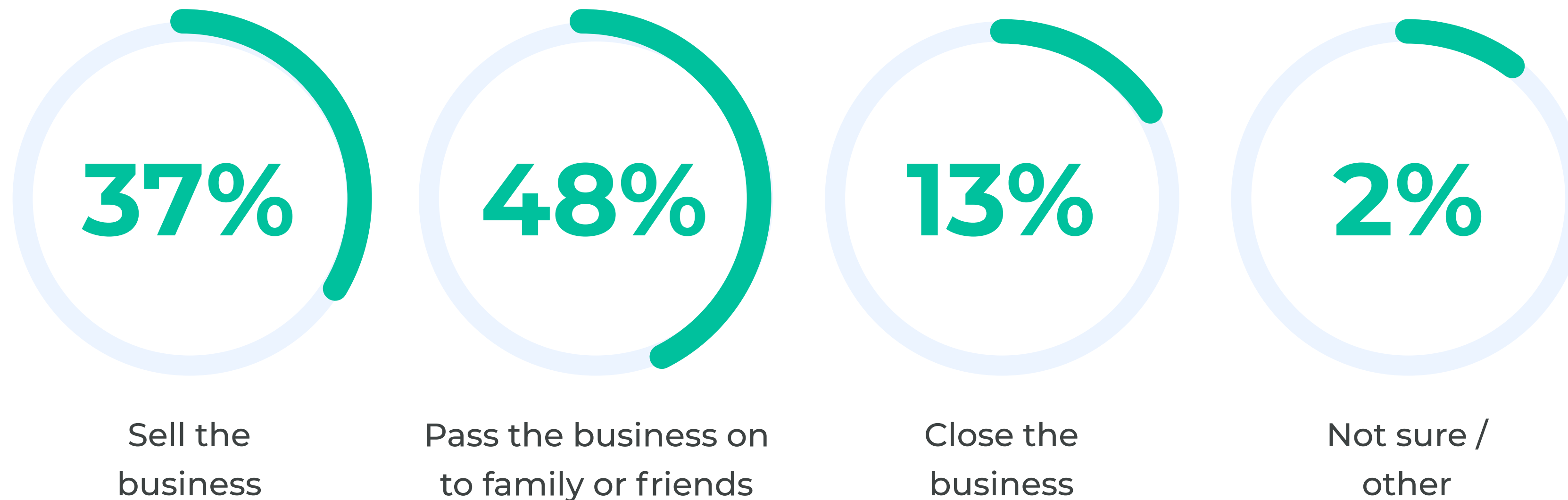


“A common thing I've seen is older shop owners wanting to get out and not knowing how to. I'm surprised more people don't have well-defined retirement plans.”

— **Murray Voth**

What is your plan after retirement?

Respondent demographics



85% of respondents either plan to **sell their business** or **pass it down** to family, friends, or a close colleague upon retirement.



"Understanding and planning for succession is important, even if retirement is still far, far away."

— Tricia Sauls

Shop profile



Shop profile

It's now time to discuss the specific traits of the shops that our respondents manage.

In this section, we ask survey respondents about :

- Type of auto repair shop
- Geographical location
- Number of service bays
- Number of employees
- Average daily car count

Specialty shops
19%

Franchises
14%

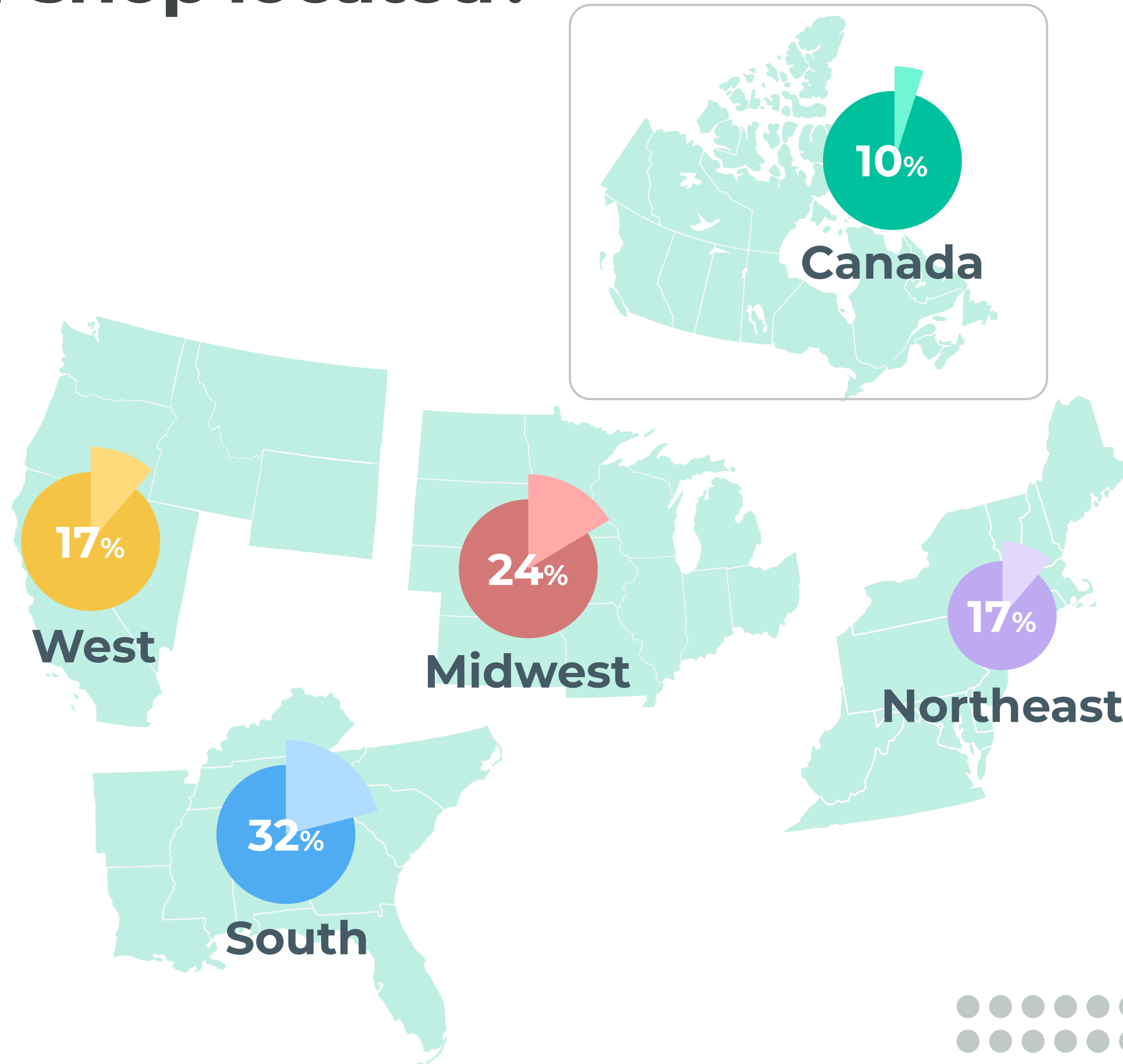
Independent repair shops
67%

Two thirds of our survey respondents own or manage an **independent repair shop**, as opposed to a specialty or franchise shop.

Where is your shop located?

Shop profile

The South is the largest region with **32%** of survey respondents.



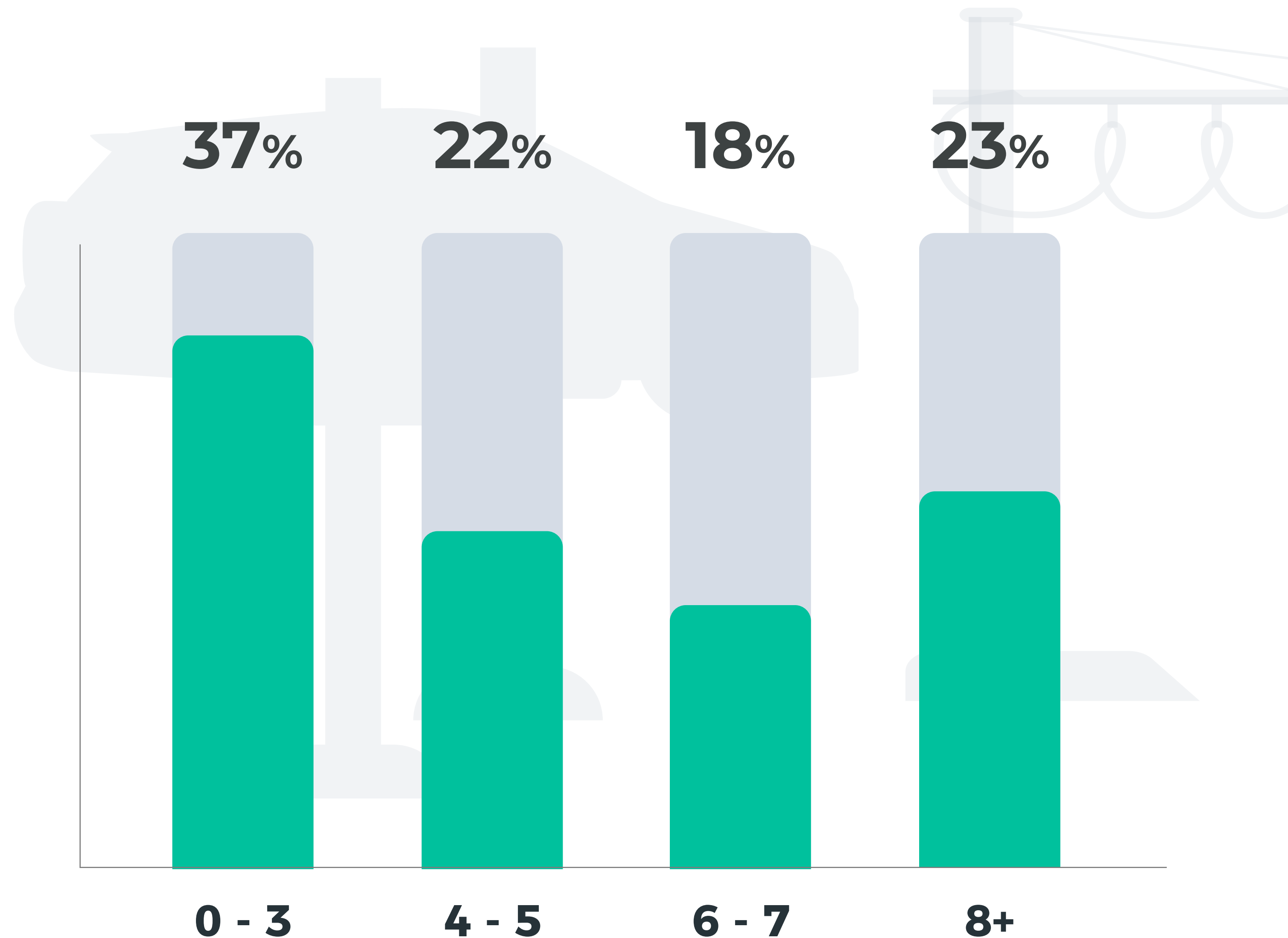
“It's interesting that the Midwest and the South are the biggest regions as those two historically have had the lowest labor rates in the country.”

— Cecil Bullard

How many service bays does your shop have?

Shop profile

Smaller repair shops dominate the industry, with almost **60%** of auto repair shops featuring **fewer than 5 service bays**, while only **14%** of shops have **more than 10 service bays**.





This data confirms that most shops are small shops. The bulk of these shops feature three service bays or less. However, we are seeing bigger shops built and I think it is going to continue that way.

Chris Cotton

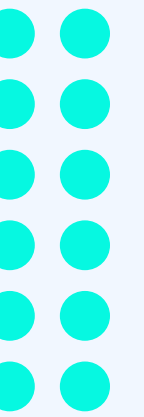
Owner of AutoFix Auto Shop Coaching



I think in the next three to five years, you are going to see specialty shop growth explode. It wouldn't surprise me if that number moves more towards a 40% range [from 19% today]. This is because cars are becoming harder to work on. There are certain cars, if I don't specialize in them, I don't want to touch them.

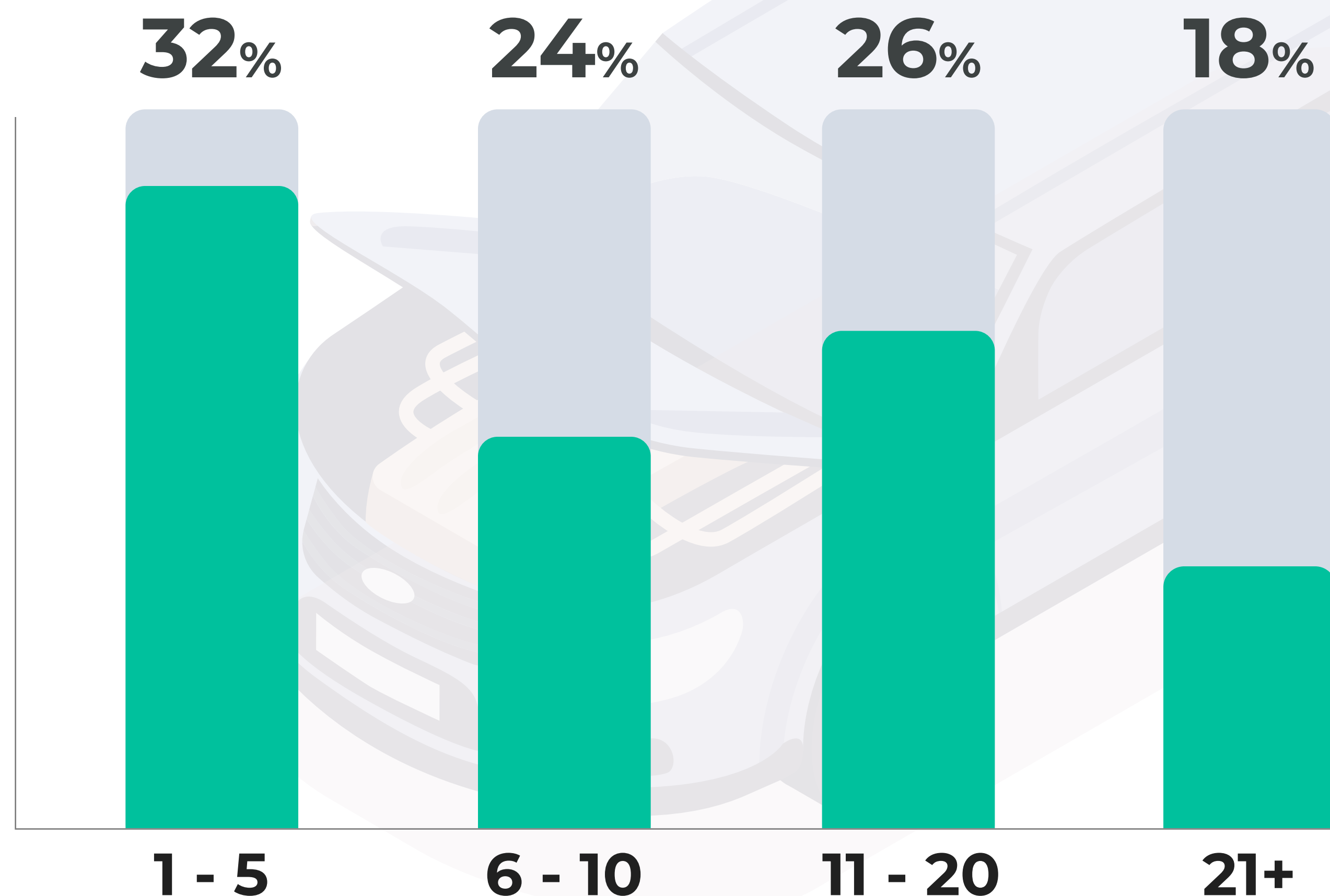
Jeremy O'Neal

President at AdvisorFix and
Shop Owner



How many vehicles, on average, do you service per day?

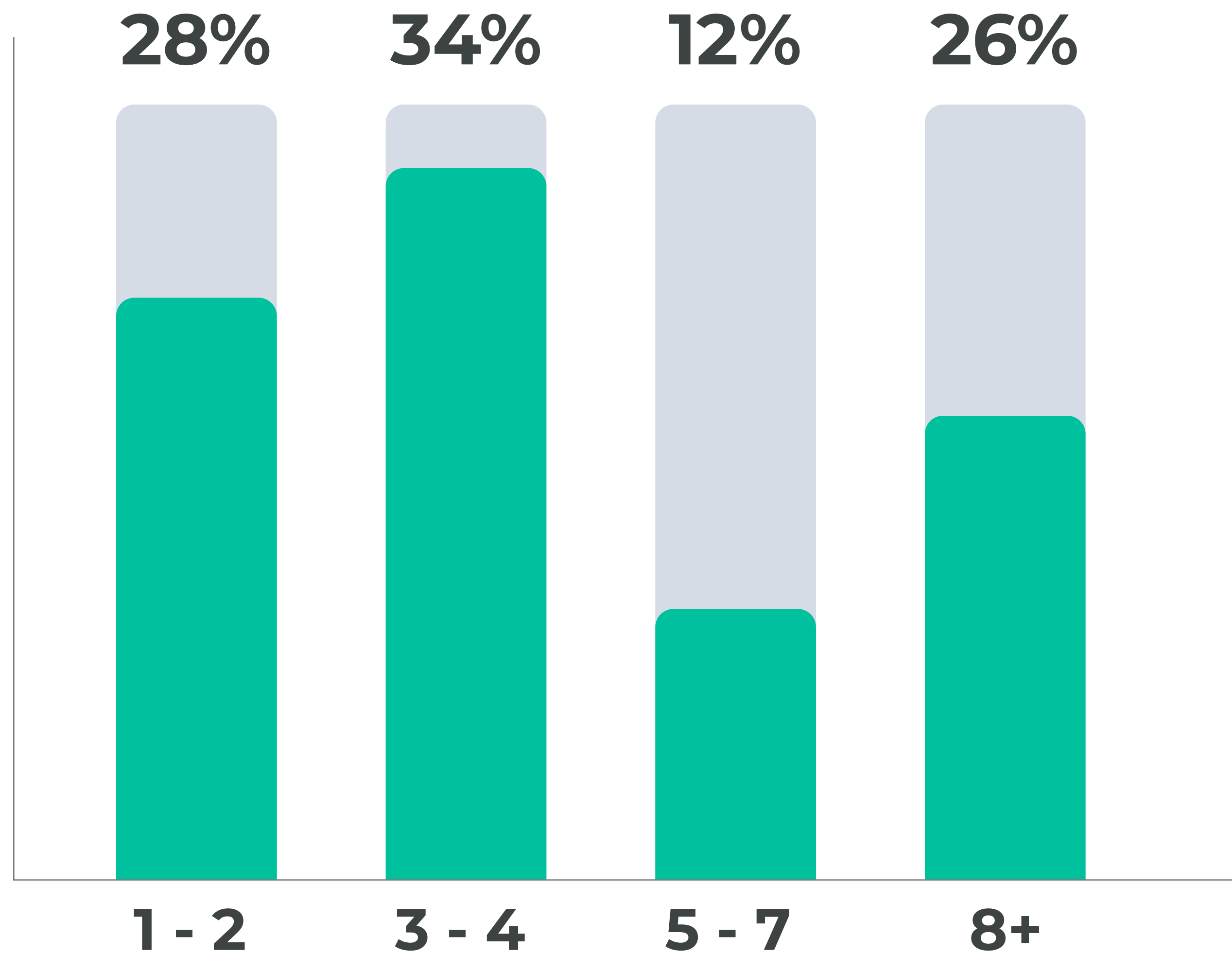
Shop profile



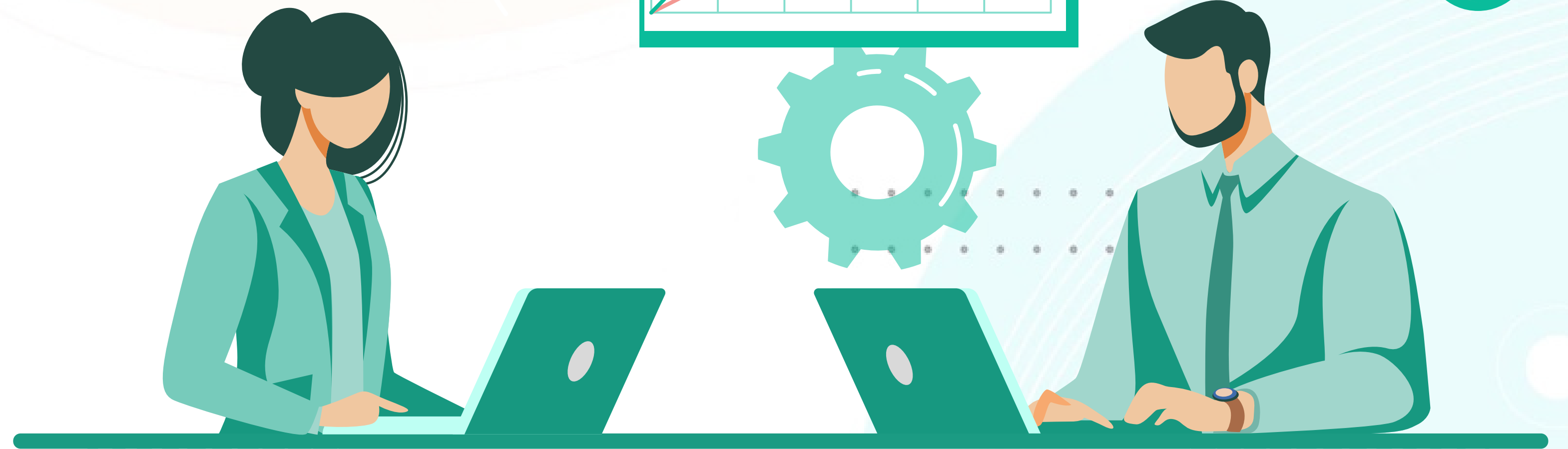
Nearly **one third of shops service 5 cars or less** per day, while the median shop services 10 vehicles per day.

How many technicians work at your shop?

Shop profile



Financial profile



Financial profile

We have analyzed our survey respondents and their shops – now, it's time to dig deep into the financial profile of auto repair shops across North America. Our goal in this section is to give readers a sense for what the market looks like and ideally allow you to make smarter decisions for your shop. Is your labor rate too low compared to your competitors? How did you fare during COVID-19 compared to your peers?

In this section, we ask survey respondents about their:

COVID-19 sales impact

2021 sales figures

Standard labor rate

Labor & parts margins

Average repair order size

KPIs implementation



What is the standard labor rate at your shop?

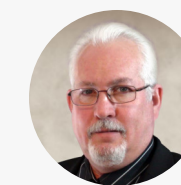
Financial profile

By standard labor rate, we mean the labor rate you present to customers.



Average – \$120 / Median – \$100

70% of respondents increased their labor rate in the past 2 years and the median labor rate increase was 10%.



“It’s amazing to me that half of the shops out there are charging less than \$100/hour. We need to get our labor rates up.”

— Cecil Bullard

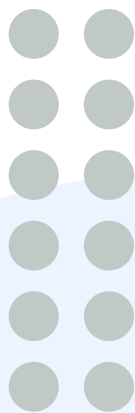
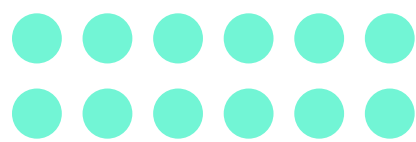
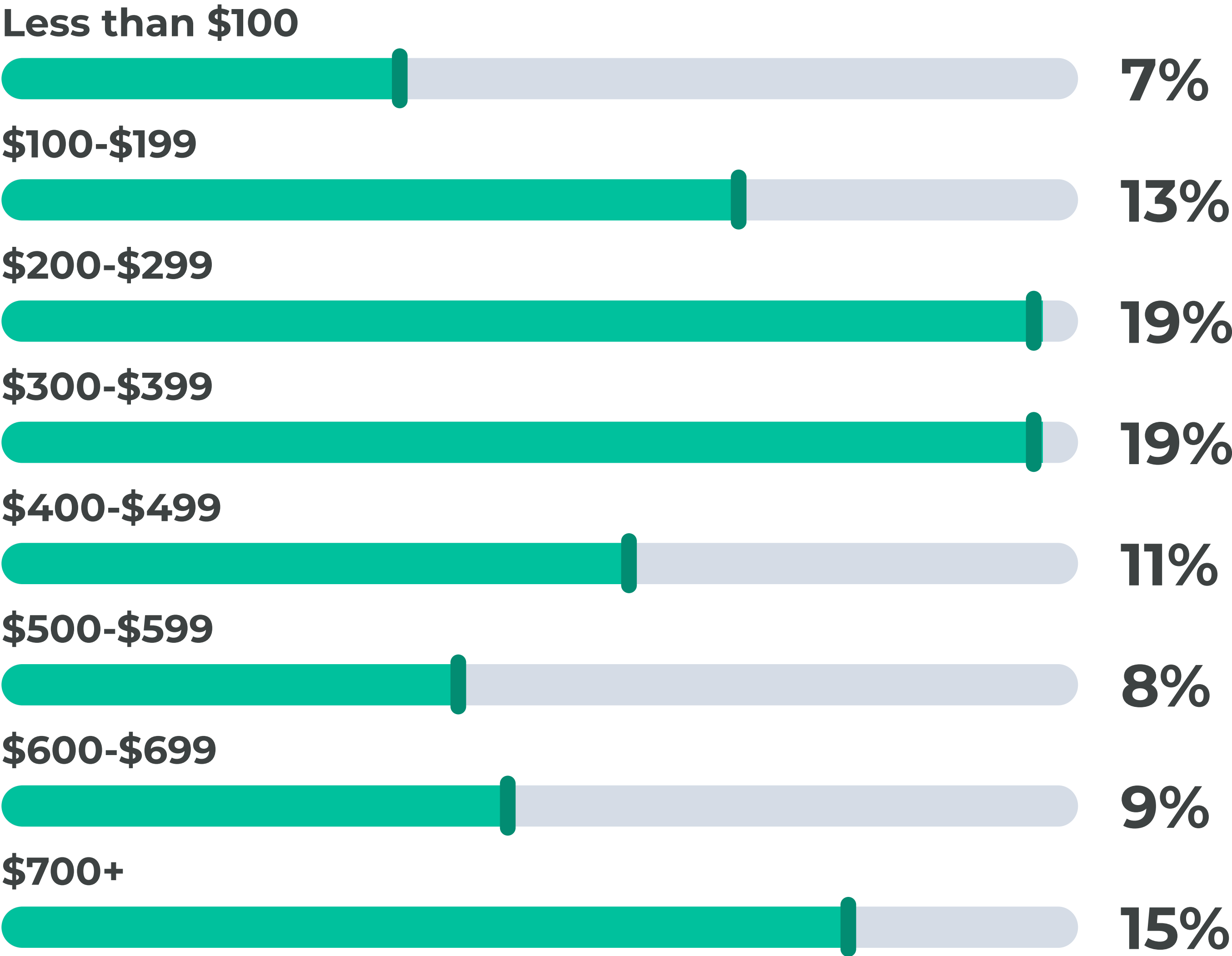


“I think this labor rate is way too low. As an industry, we don’t value our time enough.”

— Jeremy O’Neal



What is your average repair order size?

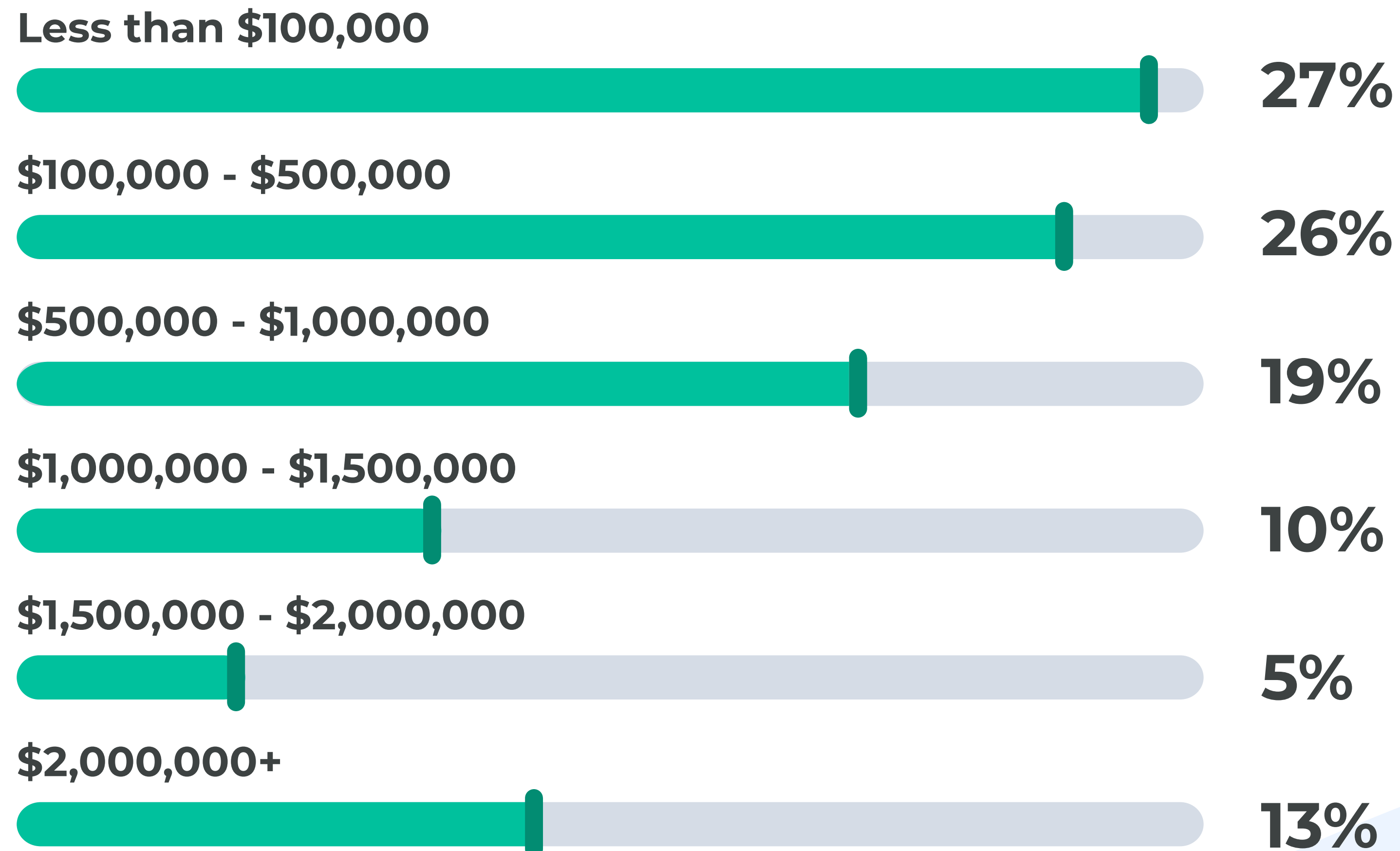


The average repair order for auto repair shops in North America is **\$500**. However, this figure varies by type of shop:

Independent repair shops	\$464
Franchise repair shops	\$355
Specialty repair shops	\$911

What were your sales in 2021?

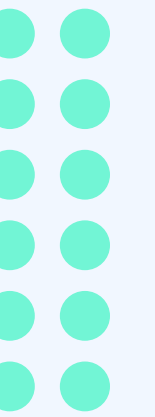
These figures only include those respondents who reported sales figures. 15% of the total respondent base reported that they did not know their annual sales.



53% of shops surveyed generated **\$500,000 or less** of revenue in 2021 – that figure increases to **72%** for shops generating less than **\$1 million** in revenue.

Although the auto repair market is still dominated by small businesses, industry experts suggest that there has been an **increase in the numbers of large shops.**

The big thing that surprises me is the annual sales for 2021. It used to be that the top 5% of shops were doing a million plus in sales, now we are looking at 28% of shops doing a million plus.



Chris Cotton

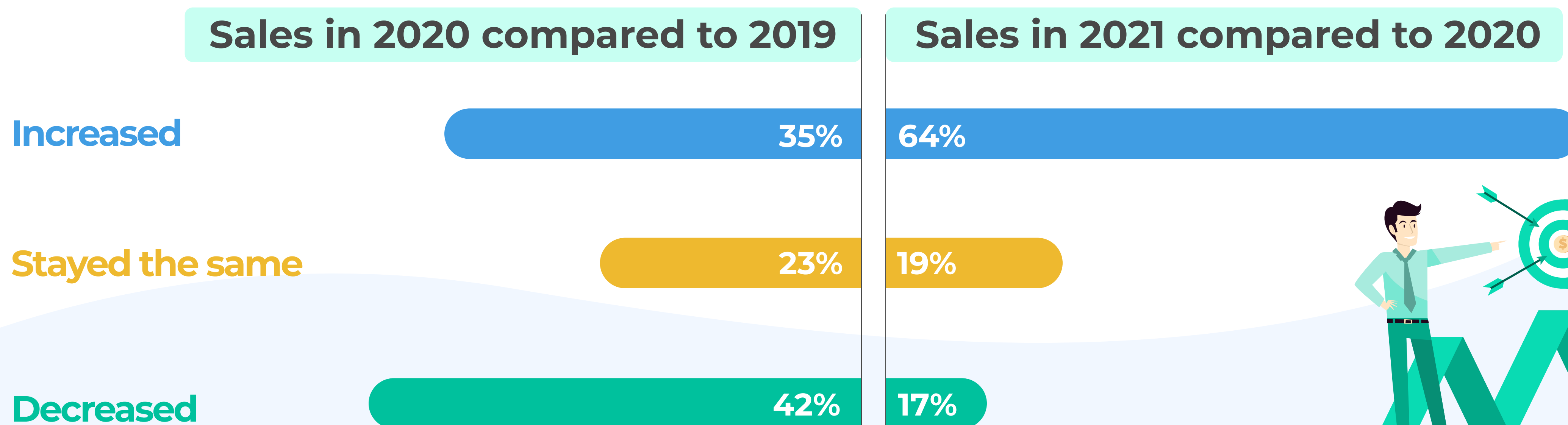
Owner of AutoFix Auto Shop Coaching



How did COVID-19 impact your sales in 2020 and 2021?

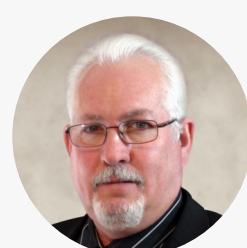
Excludes those respondents who responded “not applicable” (7% in 2020 and 4% in 2021).

42% of shops reported a decrease in 2020 revenue. However, the industry bounced back strong in 2021 with **61%** of shops reporting an increase in revenue. **71%** of shops reported a higher revenue in 2021 compared to 2019.



The auto repair industry was resilient through the COVID-19 pandemic

While there were some slow periods during 2020 due to pandemic lockdowns, the auto repair industry experienced significant growth during the 2019 to 2021 period.



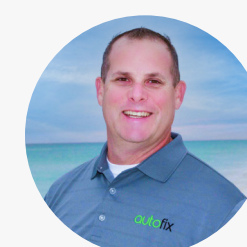
"What we saw was in 2020 there was a slow down in first half of the year but then towards the end of the year, the market started to pick back up. Then in 2021, the market just took off."

— Cecil Bullard



"All my clients increased their business during the COVID-19 pandemic."

— Alan Beech



"The industry as a whole has grown tremendously, even through the pandemic."

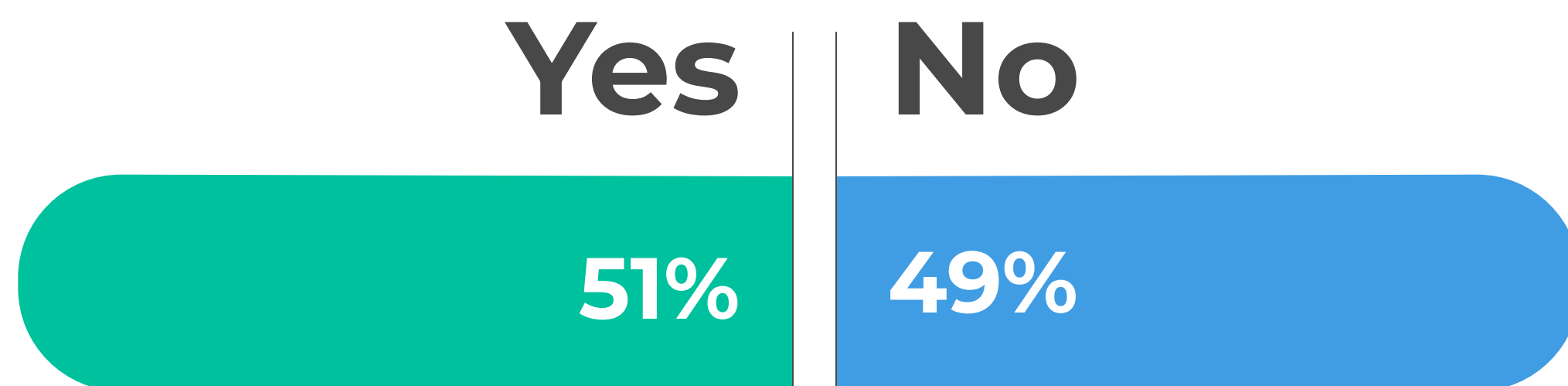
— Chris Cotton



"As an industry, automotive repair was labeled an essential business. In my experience, we saw most auto repair businesses maintain or even experience growth during the pandemic."

— Bill Haas

Do you track key performance indicators?



“I was pretty shocked at the 51% number [proportion of shops that track KPIs]. It should be 100% of auto repair shops actively tracking KPIs.”

— Chris Cotton



“The KPIs I track every day include billed hours, cash collected, labor sales, parts sales, and then my margins from there.”

— Jeremy O'Neal

Only **51%** of shops surveyed actively track KPIs. Interestingly, the data shows that the larger and more successful shops are more likely to track KPIs than smaller ones.

For example, **72%** of shops with revenue of \$1 million or more actively track KPIs, whereas that figure is only **45%** of shops below **\$1 million**.

Our data and industry experts suggest that tracking KPIs is a key ingredient to scaling your auto repair shop.

Which KPIs do you track?

Financial profile

Gross profit margin



Average repair order size



Parts margin



Average labor hours



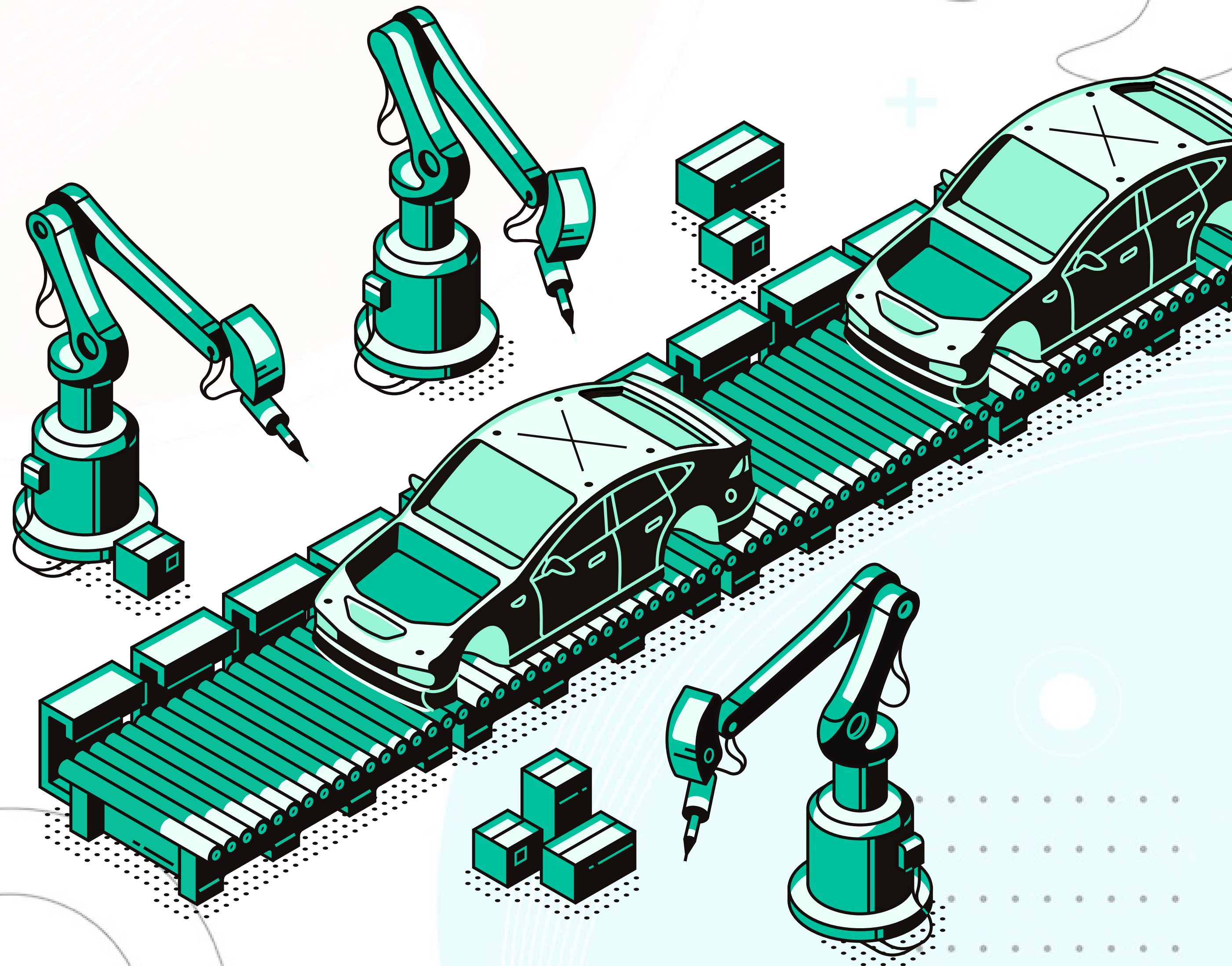
Labor margin



Car count



Industry outlook



Industry outlook

From respondent survey data, it's clear that a rebound from COVID-19 sales dip took place across most of the auto repair industry in 2021. Beyond this boost in business, the vast majority of owners and managers feel positive about the auto repair industry's future outlook.

Coming out of COVID-19, we wanted to understand how owners and general managers feel about the outlook of the auto repair industry.

In this section, we ask survey respondents about their:

2022 sales trends

Existing business risks

General industry outlook

Current issues faced by repair shops

How do you expect your 2022 sales will trend compared to 2021?

Increase from 2021



Stay about the same



Decrease from 2021



Auto repair shops across North America are generally optimistic about the trajectory of the industry in 2022.

Larger shops are more optimistic than their smaller counterparts, with **66%** of shop with revenue greater than **\$1 million** expecting to experience increased revenue in 2022.

Industry outlook



“I think what you are seeing is that people are starting to travel again, going back to the office, and using their vehicles more. Therefore, they need to get their vehicles maintained. Overall, I am very impressed with this industry outlook data.”

— Diane Freeman



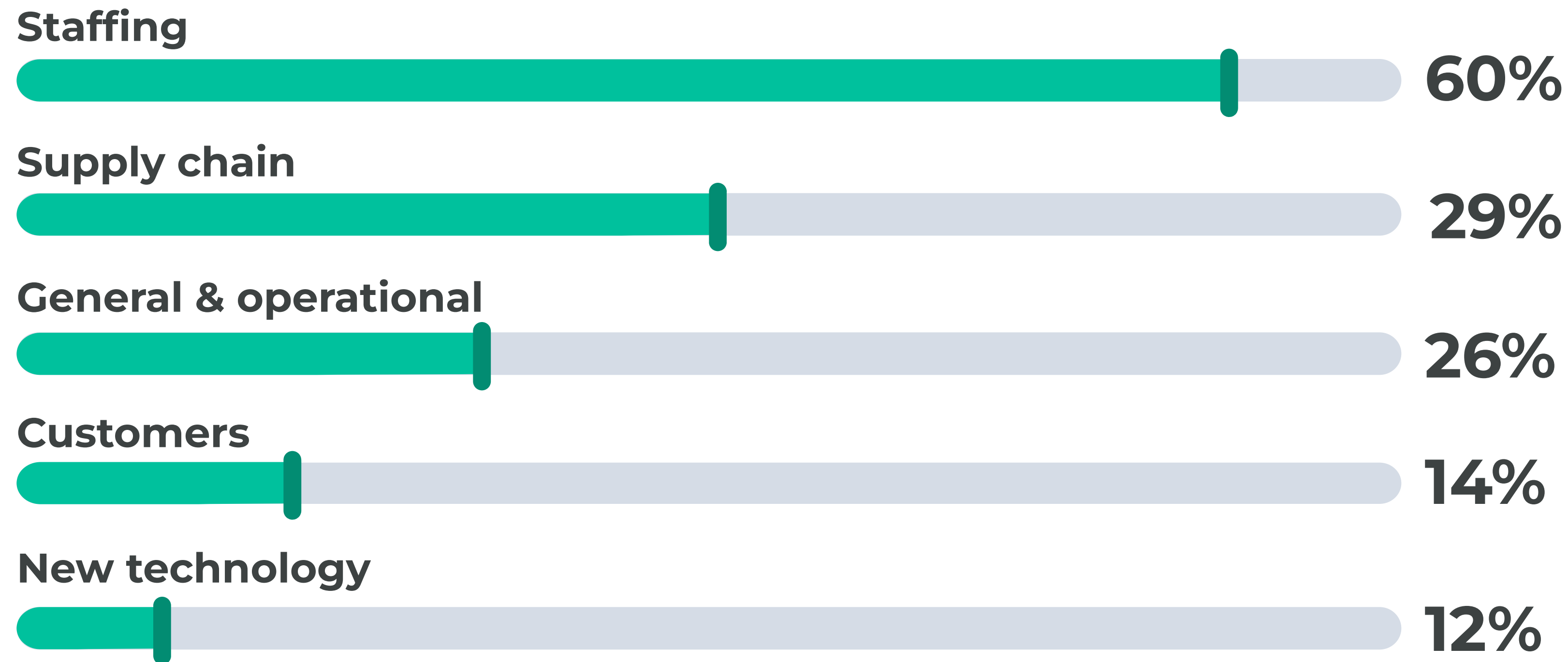
“I expect the automotive repair industry to continue growing over the next three to five years.”

— Jeremy O'Neal

What are your shop's most pressing issues?

Industry outlook

It comes as no surprise that staffing is the single biggest issue identified.



What can we do to improve the labor shortage?

With the majority of the industry looking to hire technicians but struggling, we must all come together and take action to improve the labor situation for our industry.

1 | Increase average salaries, benefits and earnings potential

If shops want to attract qualified tech talent, the average salary for automotive technicians needs to increase substantially.

Other considerations like earnings potential, health benefits, PTO, and proper work/life balance need to show up in employment packages.

2 | Promote the appealing aspects to younger generations

It takes special abilities and expertise to become an automotive technician. Quality techs can make a great living while doing what they love. We all need to do a better job promoting these appealing qualities to young professionals entering the workforce.

Industry outlook



“We have to make the technician role cool and make it pay, or the industry is in trouble.”

— Cecil Bullard



“I think we wait too long to get kids involved in auto repair.”

— Rick White

3 | Provide the necessary tools and healthy workplace environment

Providing the equipment and tools technicians need in a comfortable shop environment that features modern amenities like air conditioning is an effective way to hire and retain high quality technicians.

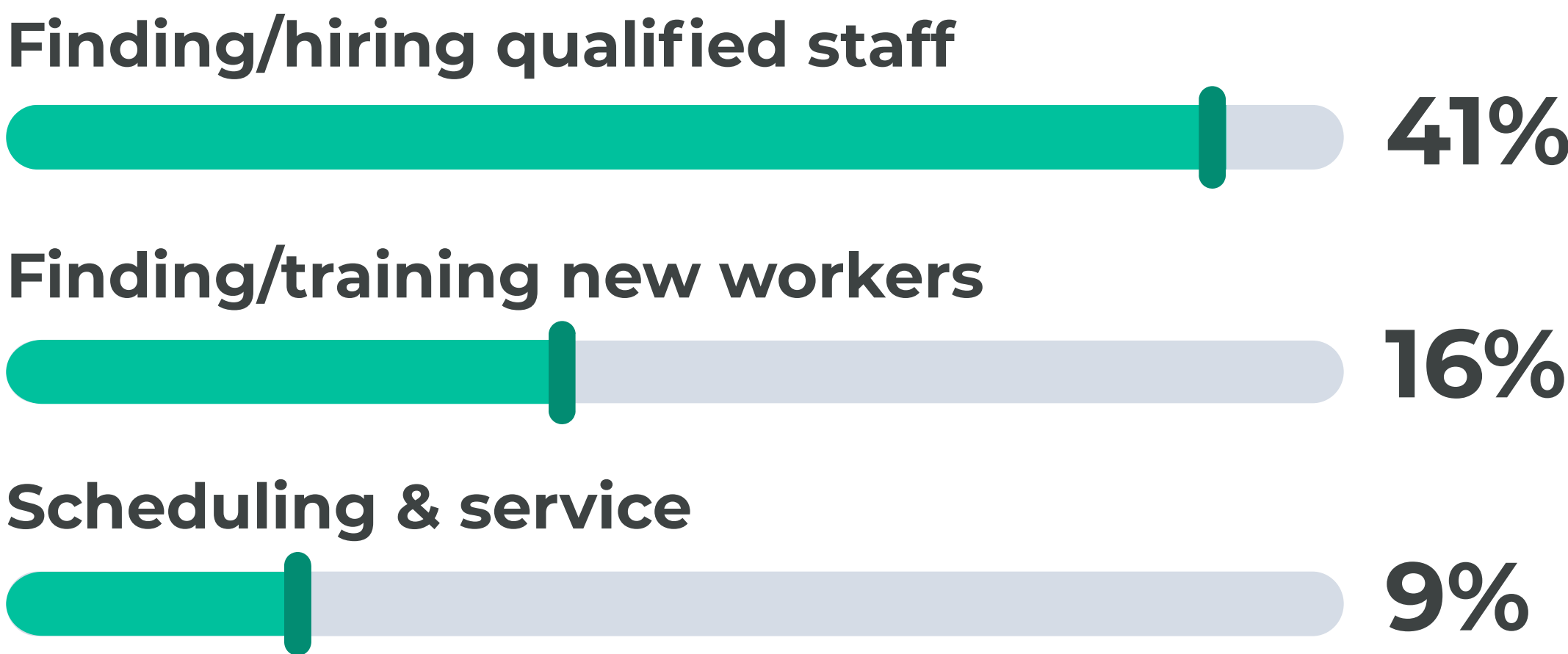


“You have to understand what people expect from you when they come to work for your auto repair shop and then make sure you deliver it. You need to ask ‘What am I doing to make my shop the employer of choice?’”

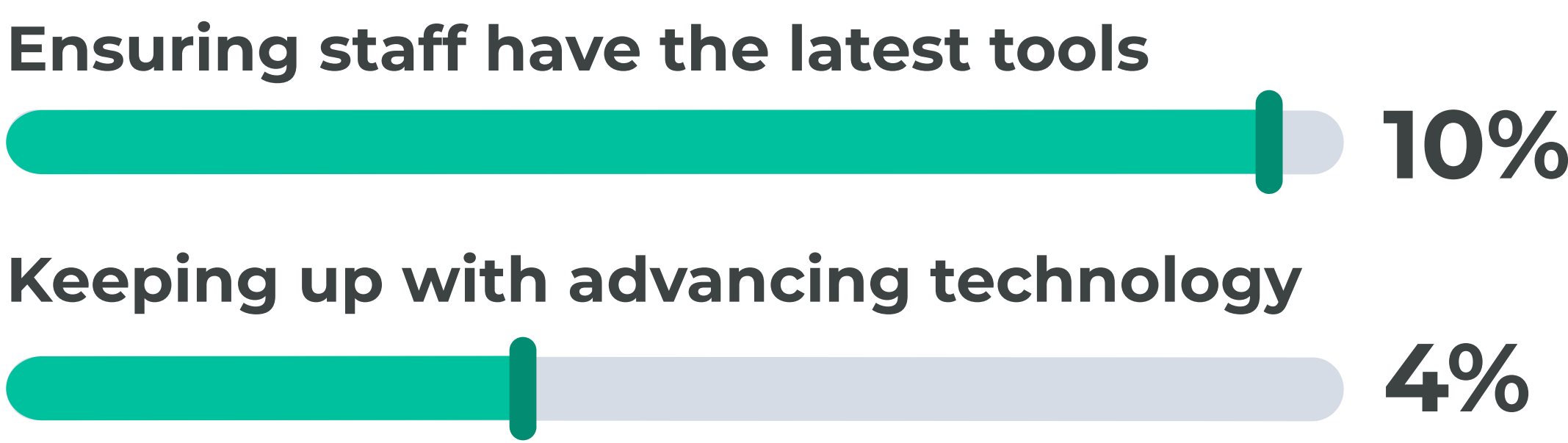
— Bill Haas



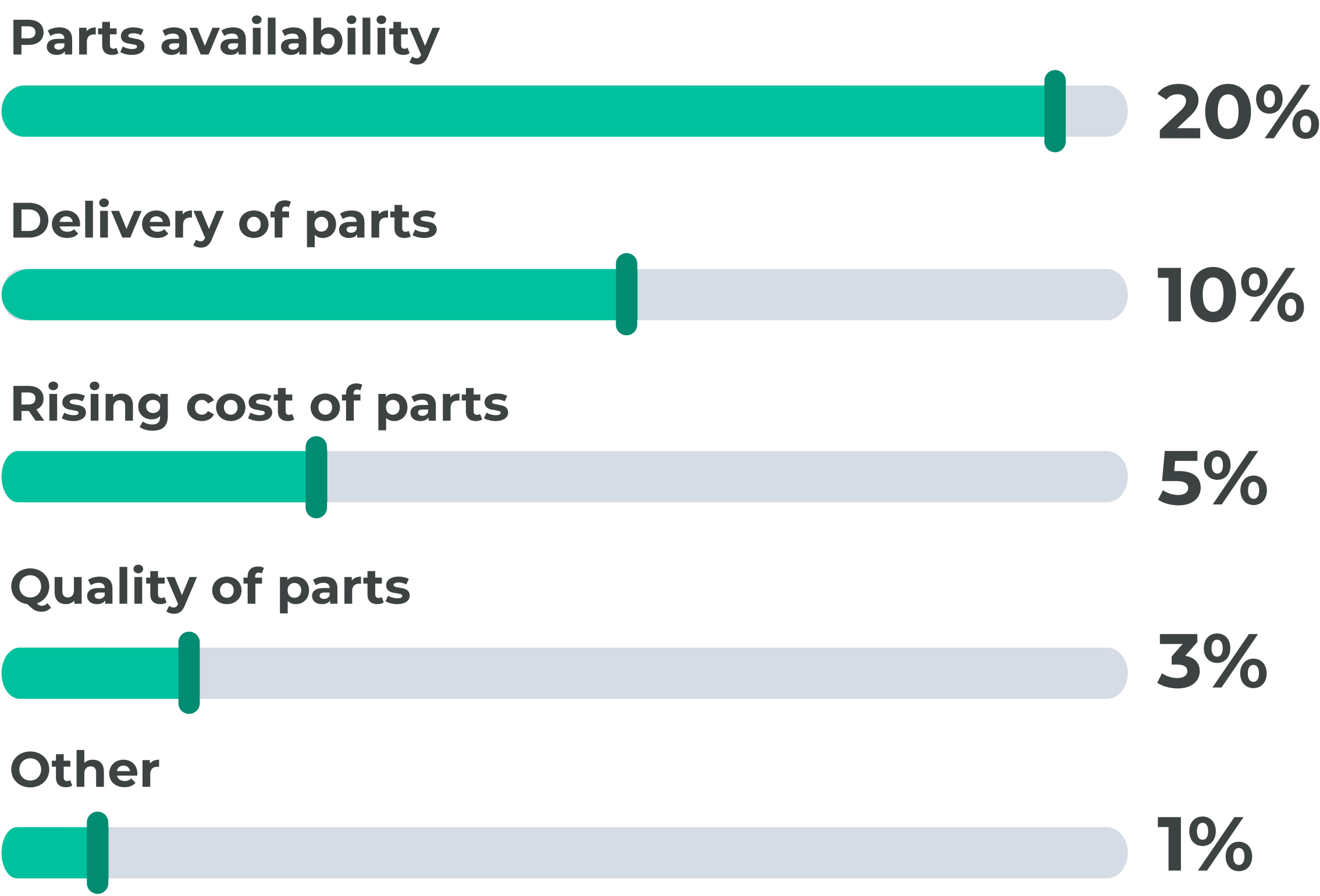
Staffing – 60%



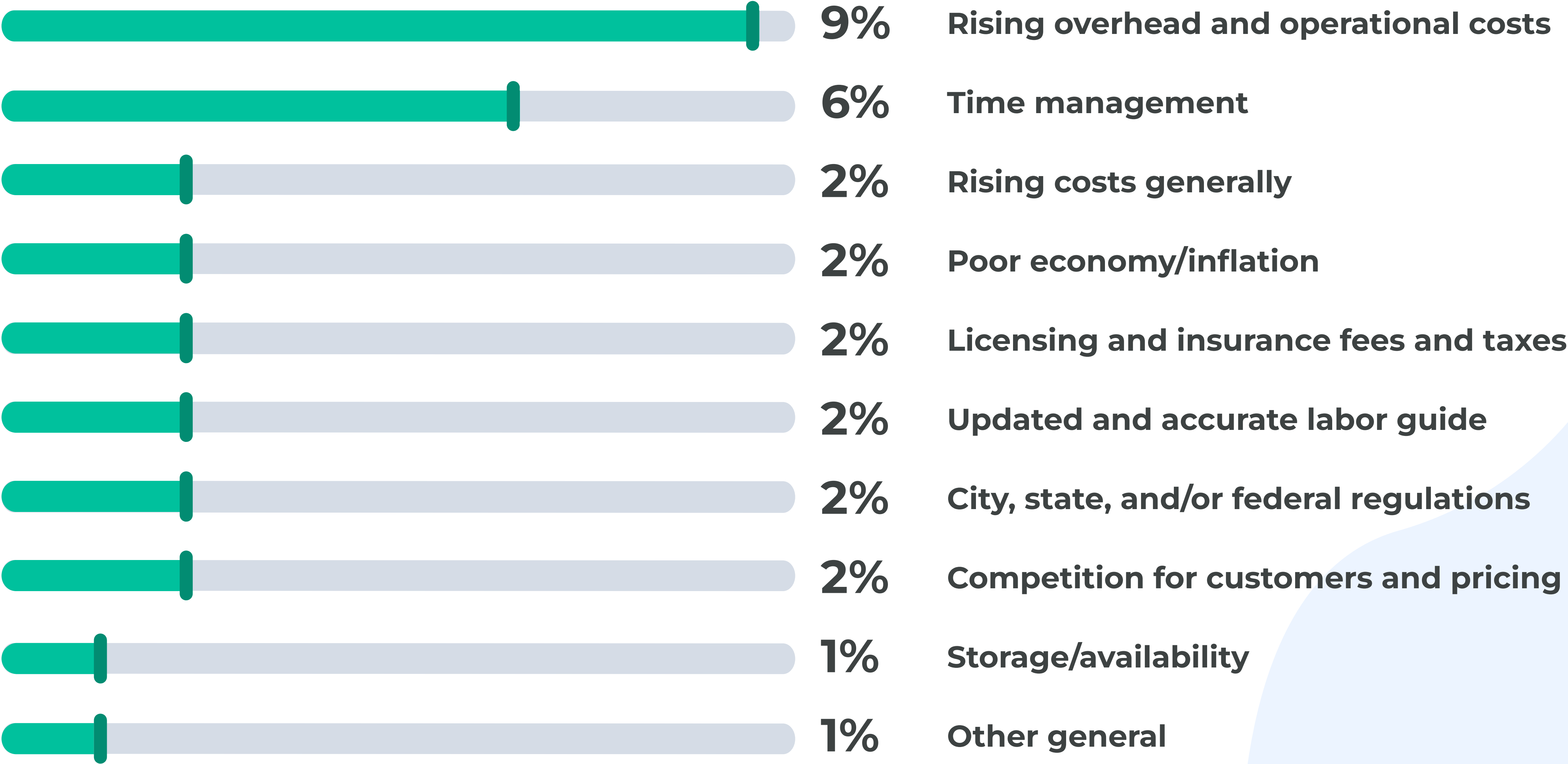
New technology – 12%



Supply chain issues – 29%



General and operational issues – 26%



Which, if any, of the following potential risks to your business are you concerned about?

The lack of skilled technicians is the most pressing business risk that 74% of auto shops have identified, followed by modern automotive technology and the right to repair restrictions.

Lack of skilled technicians



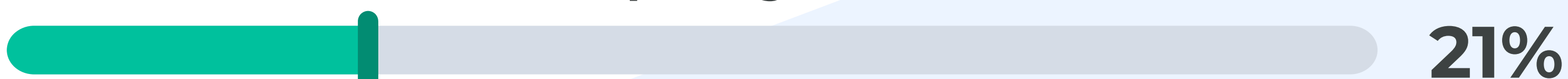
Advanced automotive technology



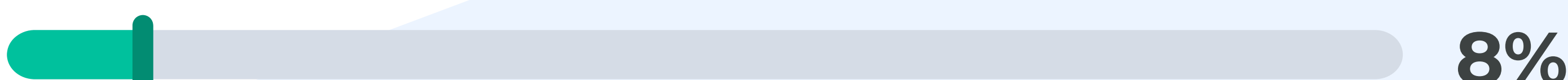
Right to repair



More reliable vehicles requiring lesser maintenance

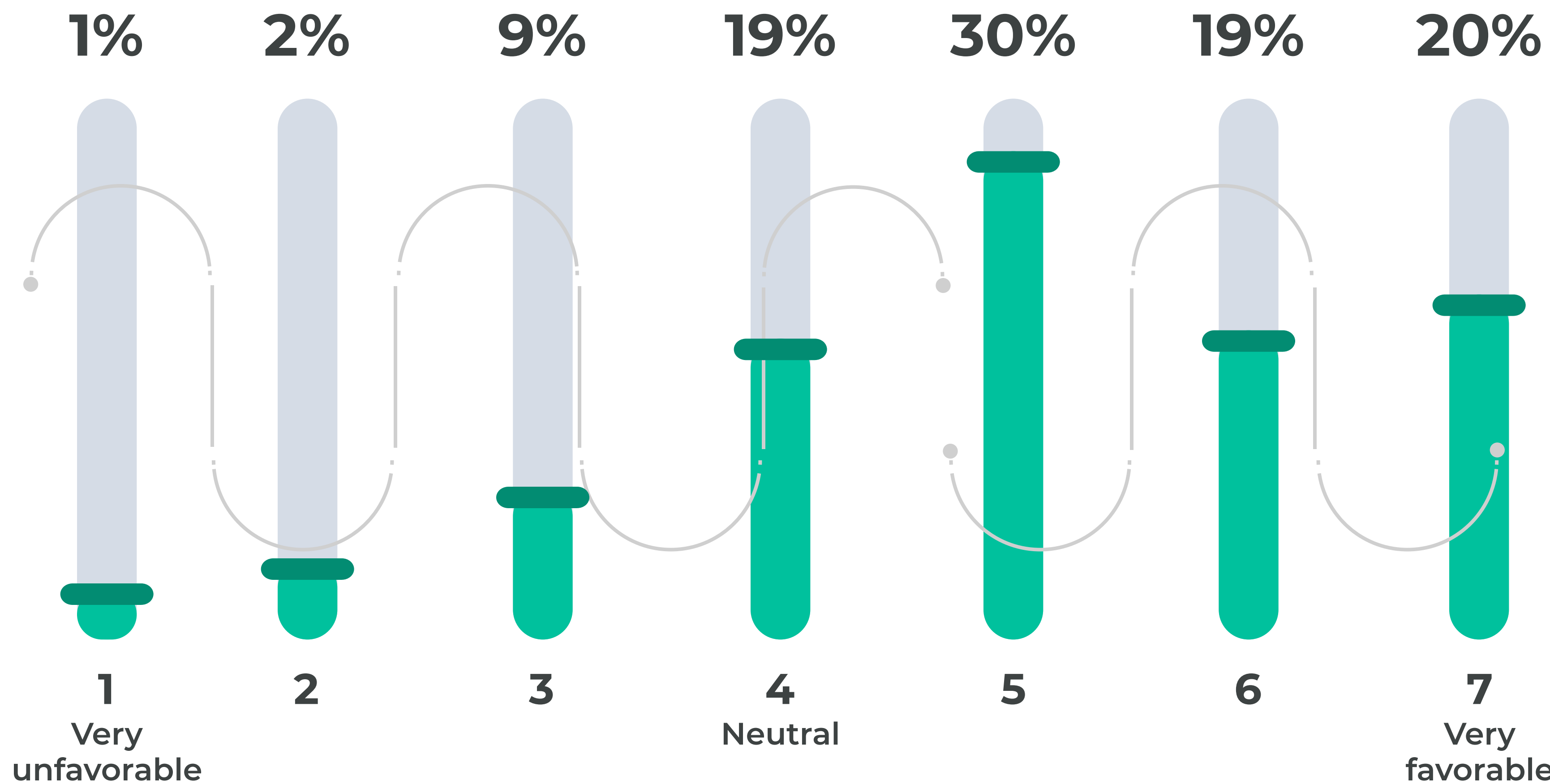


Other



How do you feel about the outlook for the auto repair market over the next 5 years?

Industry outlook



Nearly **70%** of auto repair shop owners and managers have a favorable or very favorable outlook on the industry over the next **5 years**.

Only **12%** of respondents had an unfavorable outlook.

New vehicle technologies



New vehicle technologies

New vehicle technologies such as electric vehicles (EVs) and advanced driver-assistance systems (ADAS) continue to gain traction in the industry.

As EVs and ADAS become more prevalent on the roads, auto repair shops must prepare their businesses to evolve in support of these new technologies.

In this section, we ask survey respondents about their:

Current capacity to work on new vehicle technologies

Future plans to work on new vehicle technologies



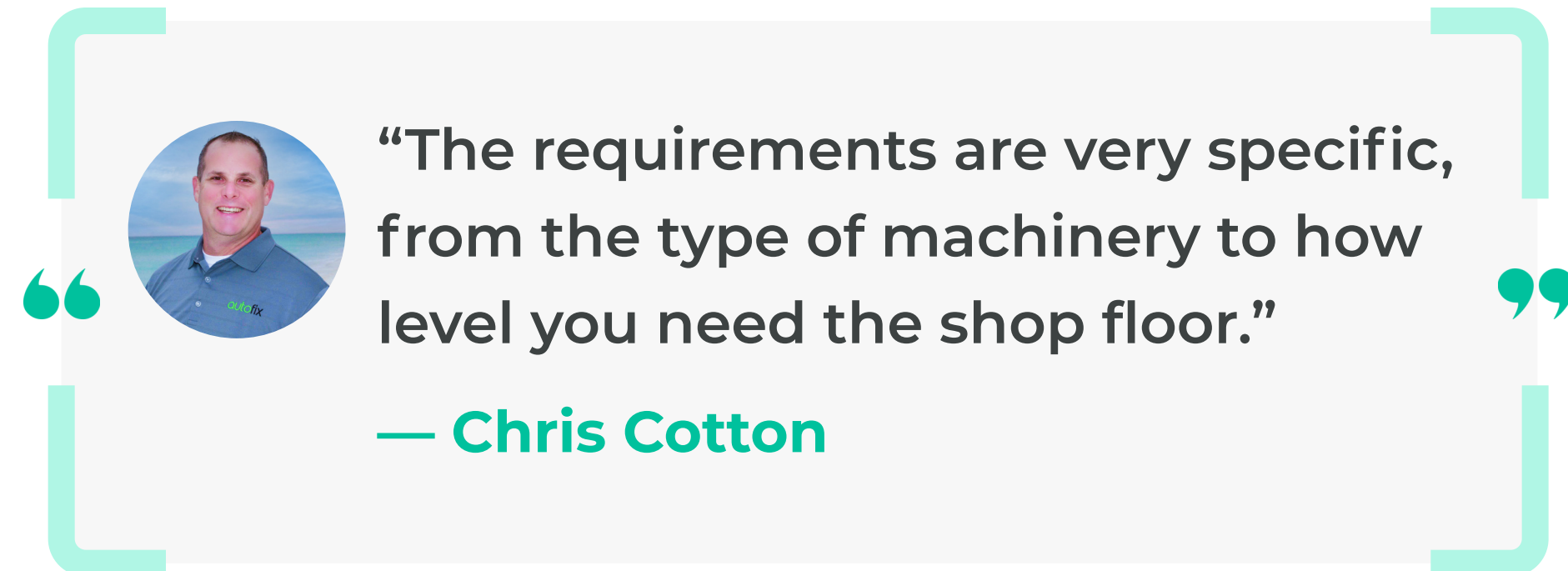
Is your shop currently equipped to service the following technologies?

Chart depicts the percentage of respondents who answered “yes.”

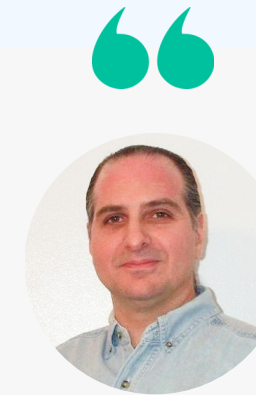
Electric vehicles (EVs)



Advanced driver - assistance system (ADAS)

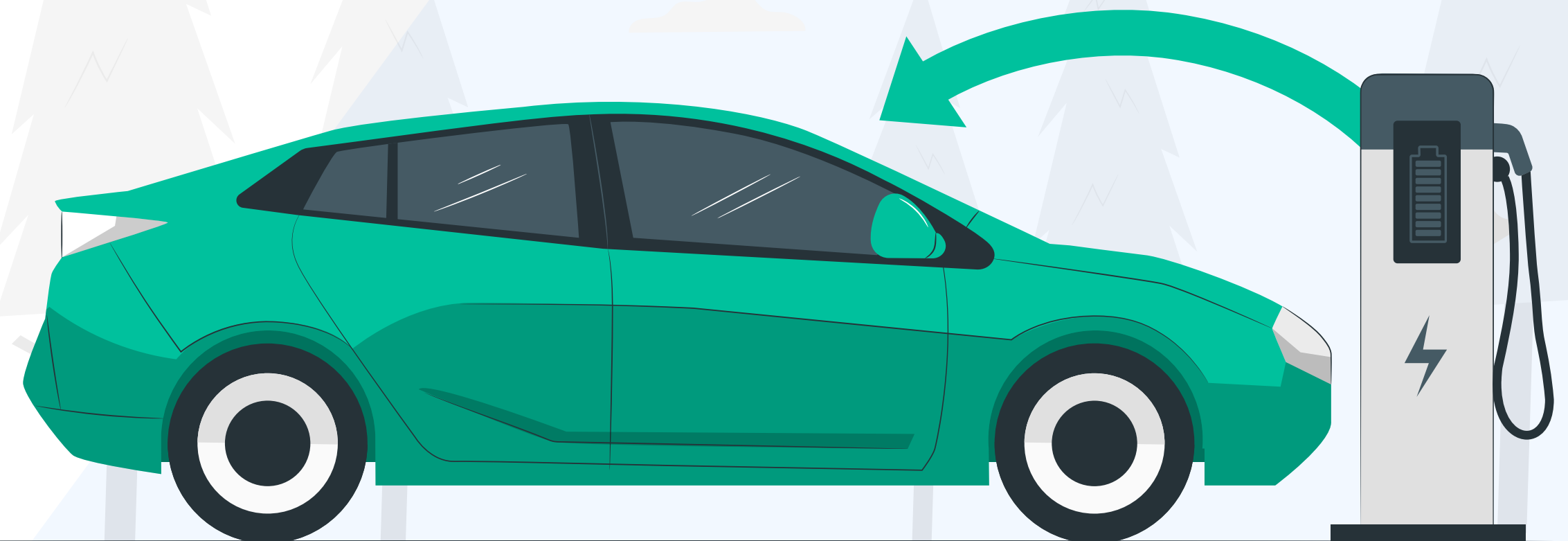


New vehicle technologies



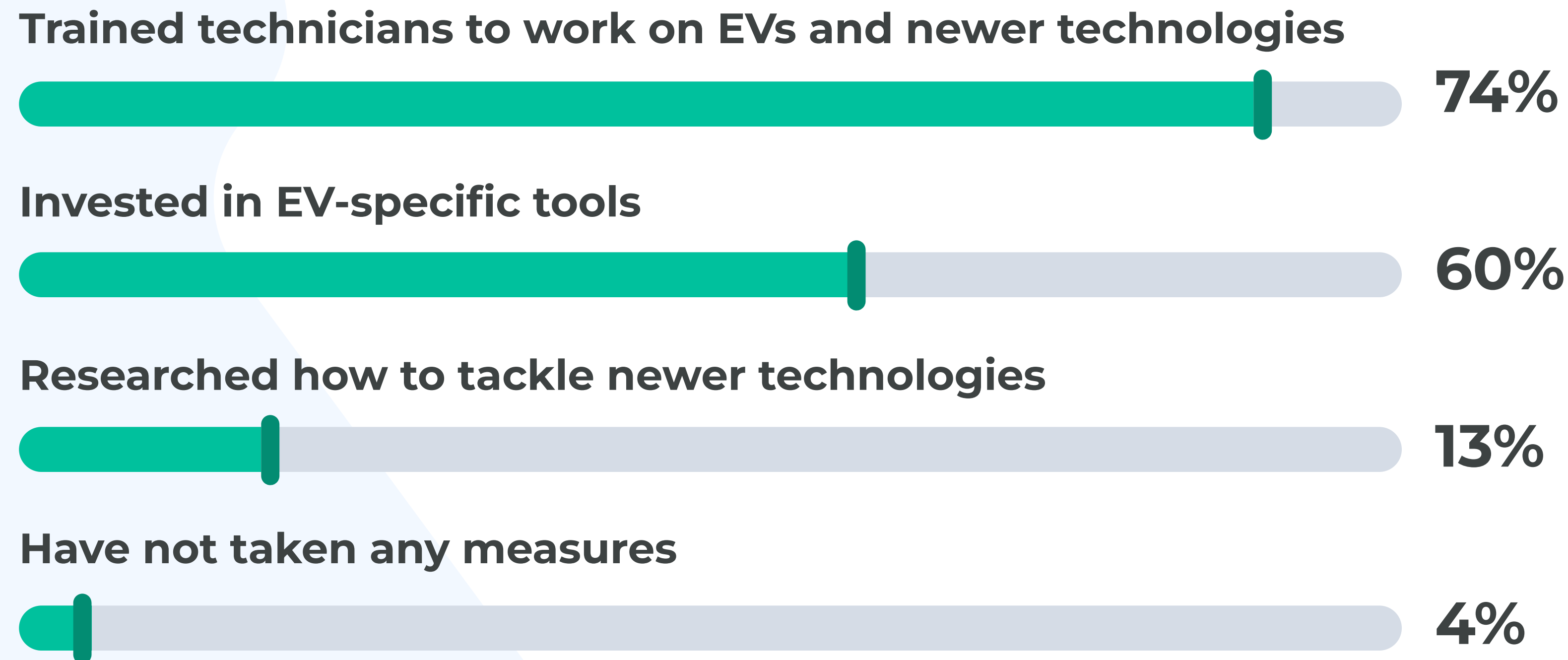
“Auto repair shops have to stay up-to-date on the latest in vehicle technology.”

— **“G” Jerry Truglia**



How have shops equipped to work on ADAS and EVs prepared for these technologies?

New vehicle technologies



The majority of auto repair shops don't have the necessary capabilities to work on electric vehicles and advanced driver-assistance systems.

Just **one out of every three** respondents is currently equipped to work on ADAS and EV systems in vehicles.

Marketing



Marketing

Active marketing is a tool that is often overlooked by repair shops, but can have a significant impact on your business – marketing campaigns help retain existing customers, attract new customers, and accelerate revenue growth.

In this section, we set out to understand where shop owners and managers focus their marketing attention, and whether those strategies have yielded positive results for them.

We ask survey respondents about their:

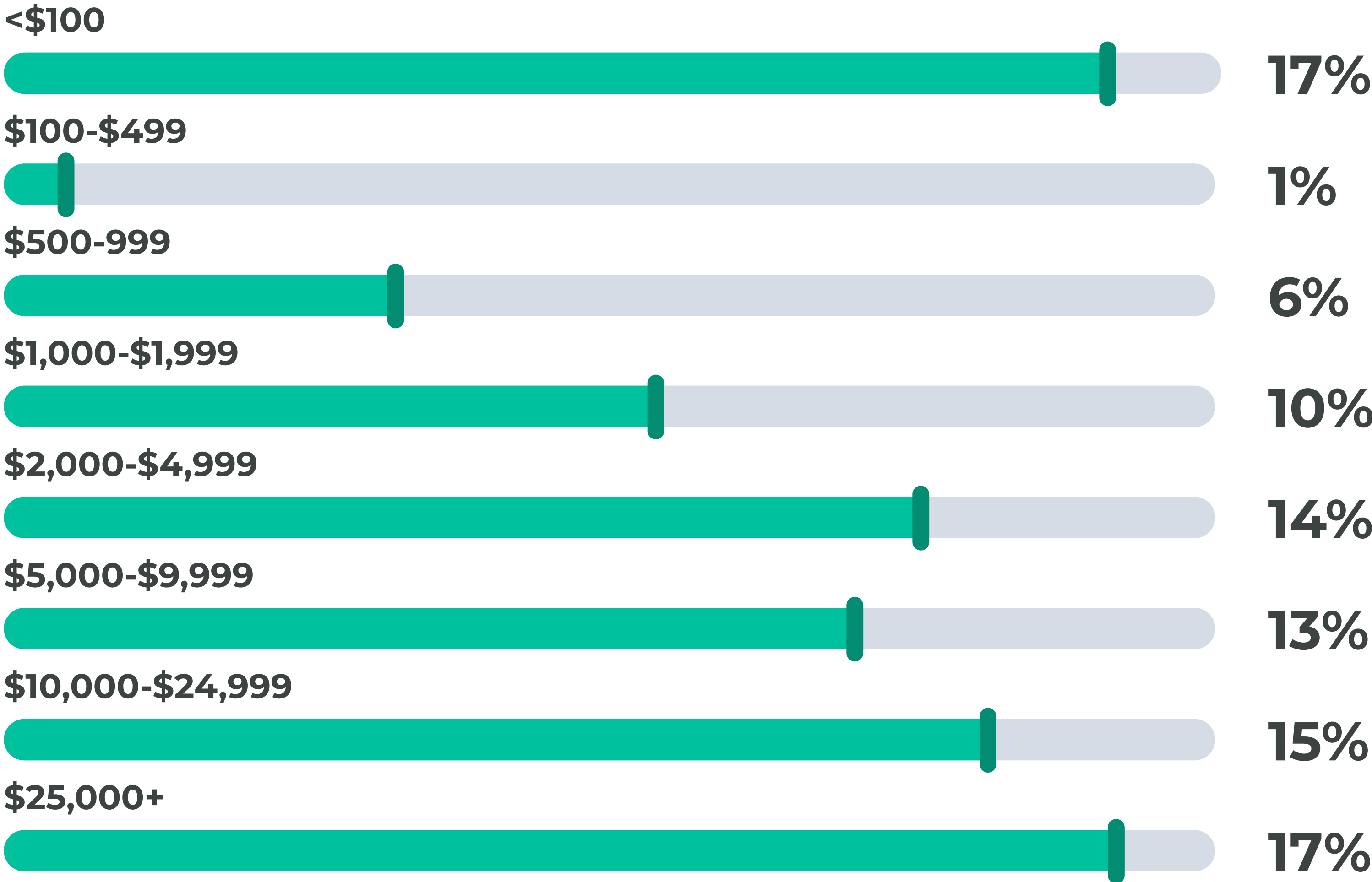
Marketing spend

Choice of different marketing channels

Overall marketing effectiveness

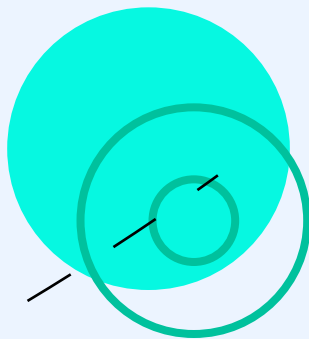


How much did you spend on marketing your shop in 2021?



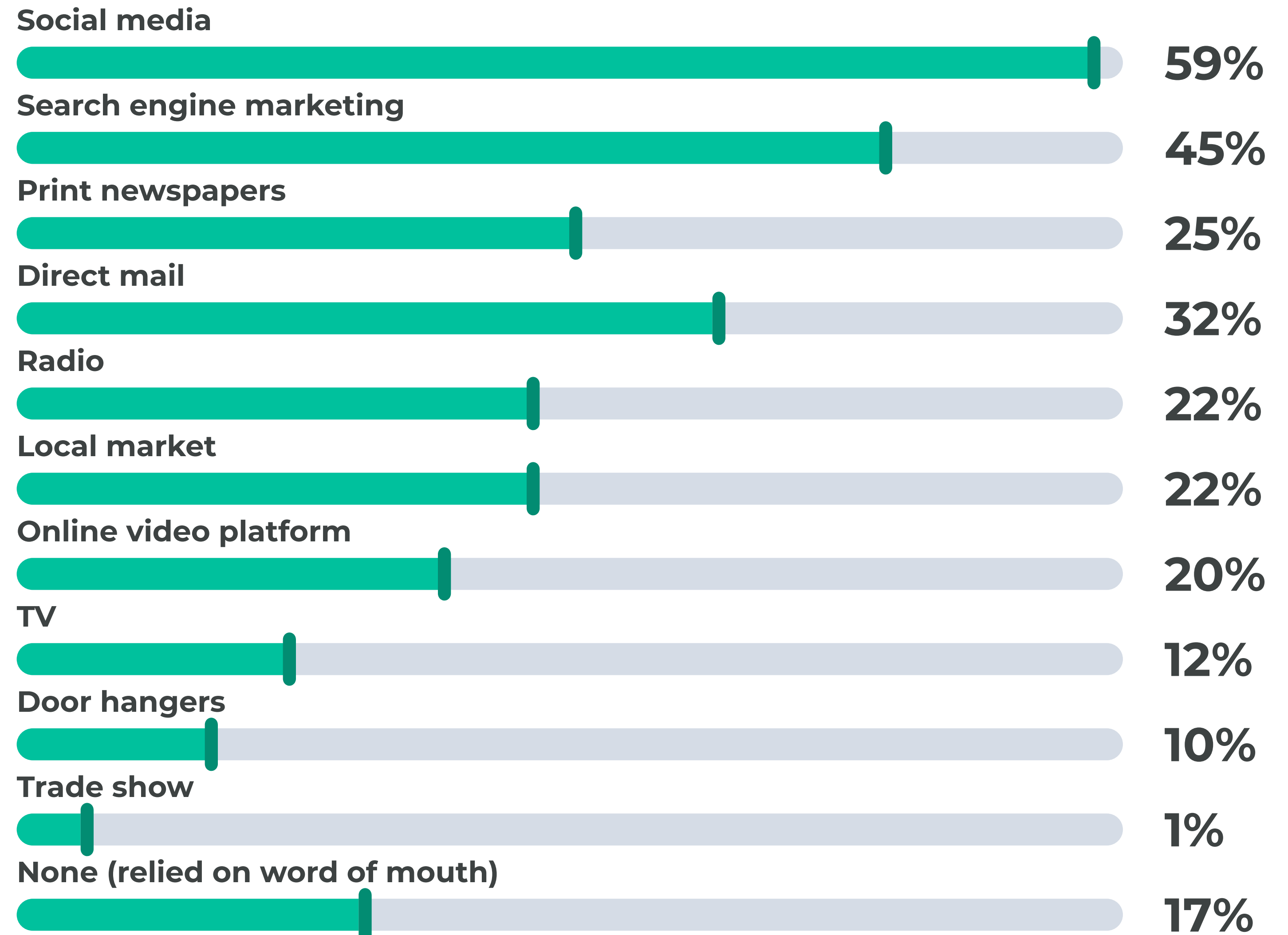
Nearly **60%** of repair shops spent more than **\$2,000 on marketing** in 2021.

85% of respondents spent some amount on marketing in 2021.



Where did you market / advertise your shop in 2021?

Marketing



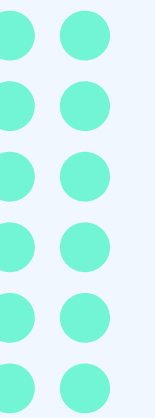
Survey data shows that more auto repair shops have embraced digital tools to market their businesses.

More traditional marketing options have taken a back seat. Less than **one out of every three** survey respondents rely on word-of-mouth advertising, TV commercials and trade show attendance to market their shops.



“A shop that wants to do \$1 million in sales needs to spend \$30,000 - \$50,000 per year on their marketing budget.”

— **Chris Cotton**



“Repair shops should be spending a minimum of 6% of their income on marketing.”

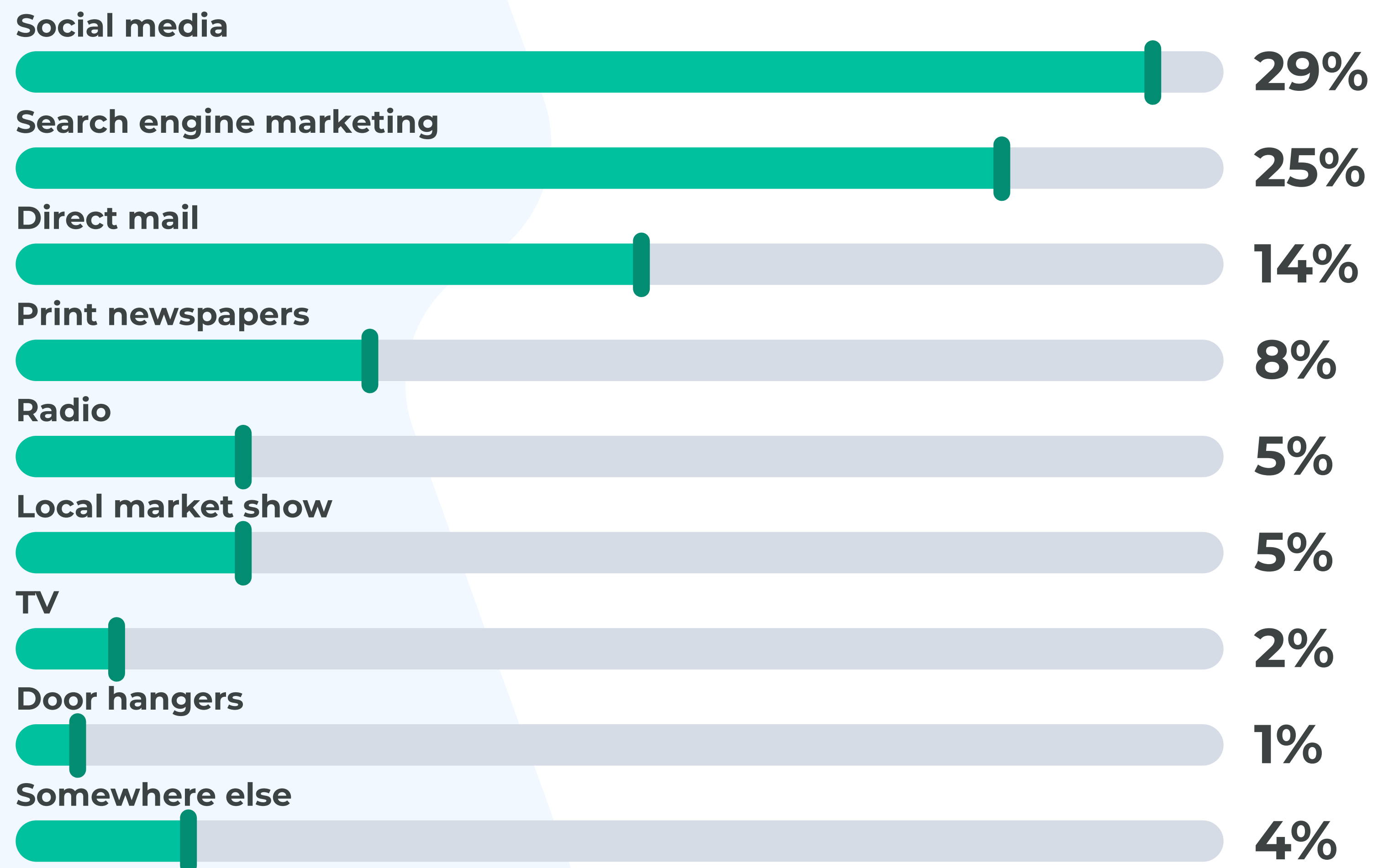
— **Cecil Bullard**



“It’s interesting that some auto repair shops are still doing print. Believe it or not, in some markets, these more traditional marketing tools still work.”

— **Murray Voth**

Which one marketing / advertising channel proved most effective in 2021?



Over **50%** of survey respondents identified modern digital marketing tools - social media and search engine marketing - as their shop's two most effective marketing channels.

Labor





Labor

The ability to hire and retain the right talent is extremely important for auto repair shops and is rightfully a primary focus of shop owners and managers.

In this section, we ask survey respondents about their:

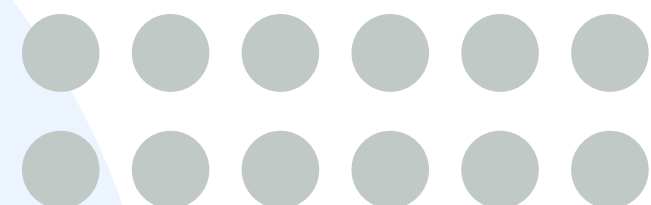


 Hiring plans over the next 12 months

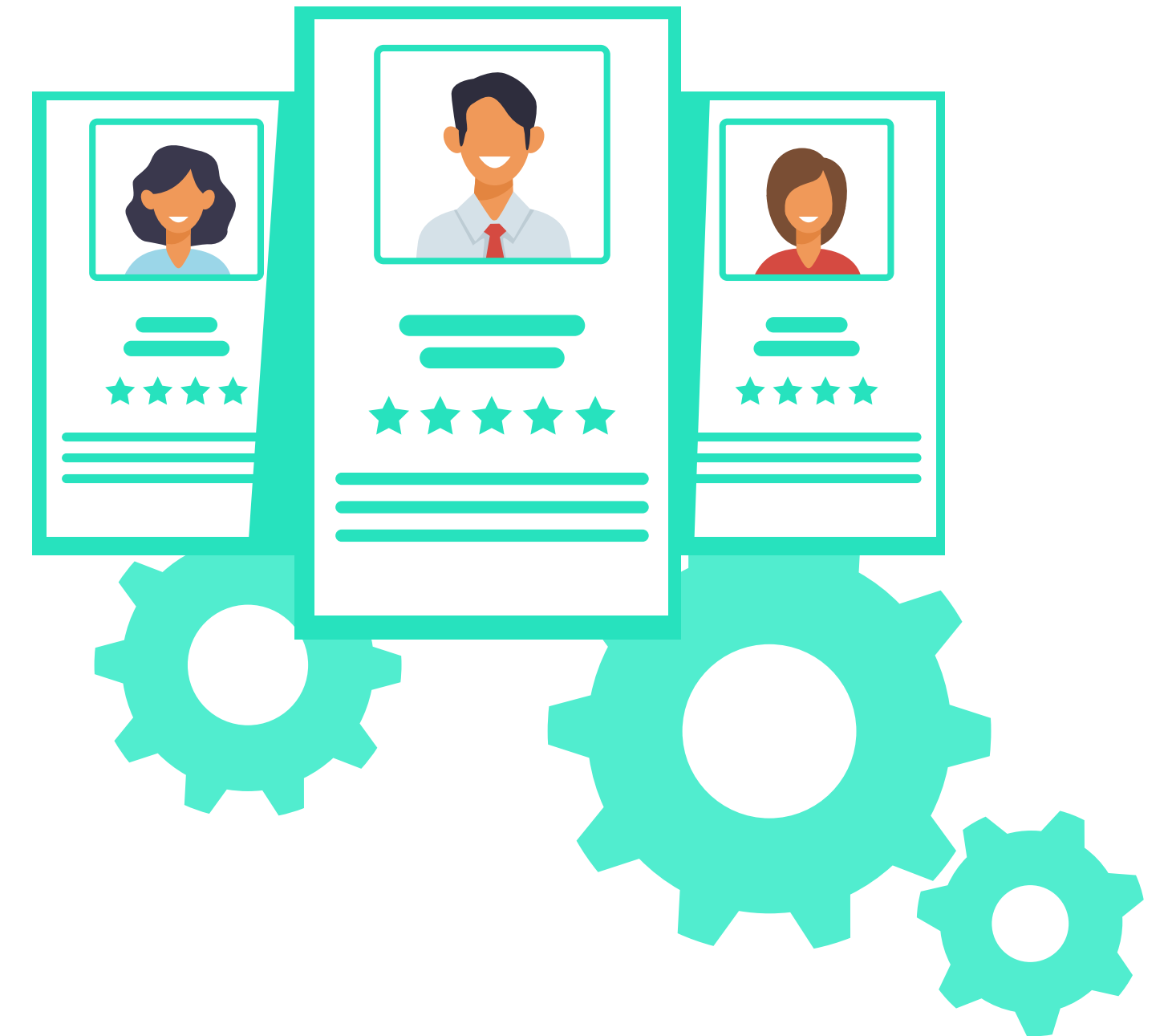
 Types of open positions

 Hiring challenges

 Employee recruiting strategies



How many employees, if any, do you plan to hire over the next 12 months?



73% of respondents plan on hiring at least one new employee this year.

This figure varies with size of shop – larger shops are more likely to hire than smaller shops. For example, **97%** of shops that have more than **16** employees expect to hire at least one new employee this year, whereas only **48%** of shops with **1 - 3** employees plan to hire a new employee over the next 12 months.

Which of the following job titles / roles are you looking to fill in the next 12 months?



“We knew we had a technician problem 15-20 years ago. It was an attraction problem, and now it’s a retention problem.”

— Rick White

85% of auto repair shops who are hiring are looking to fill open technician jobs.

What is your biggest challenge in hiring new technicians?

Labor

Technicians lack relevant skills

53%

Technician shortage

26%

Recruits change job too quickly

15%

Something else

6%



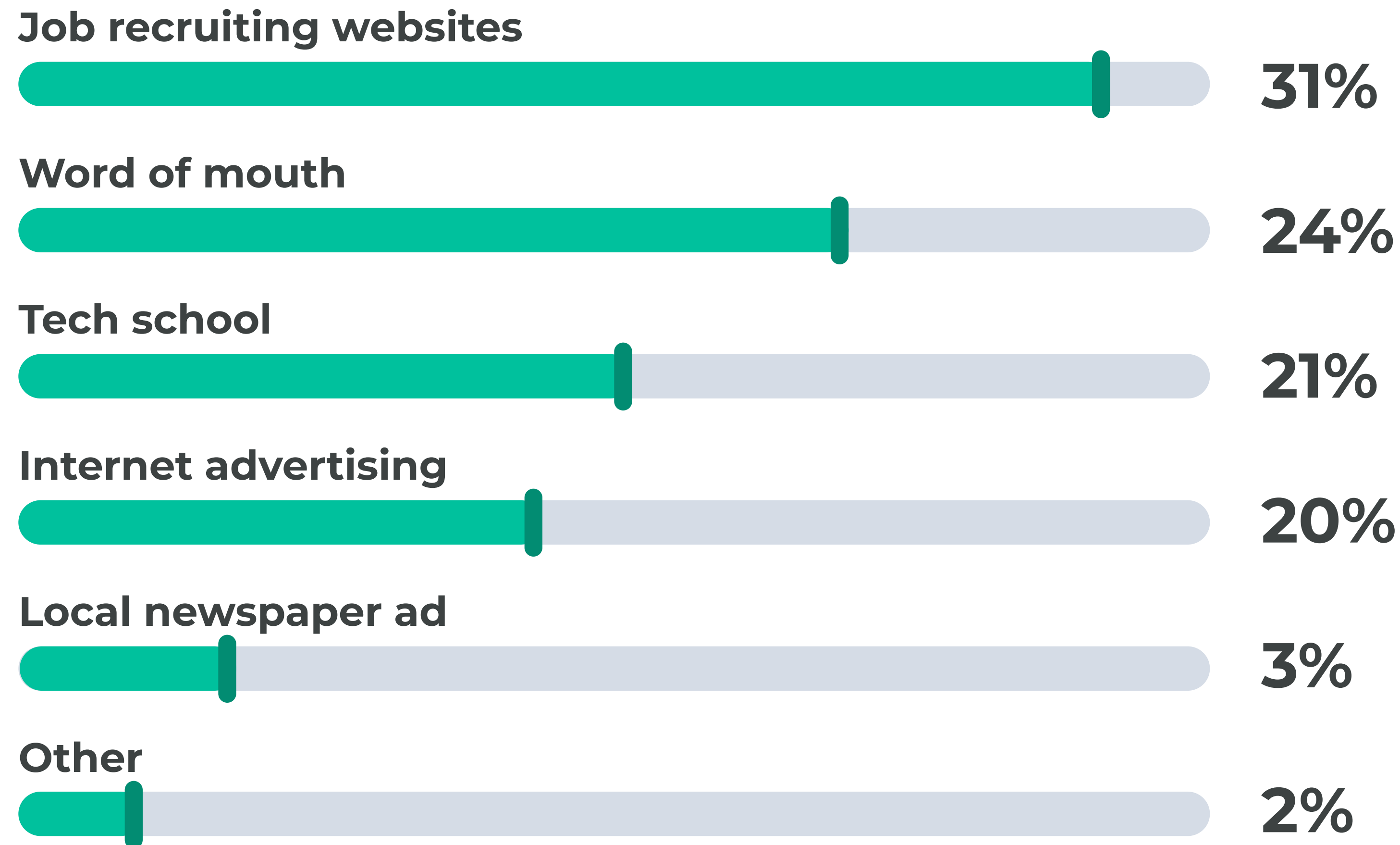
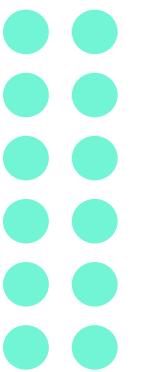
"Hire for attitude, but
your technicians also
need ability."

— "G" Jerry Truglia



Which one of the following is your primary source for recruiting new technicians?

Labor



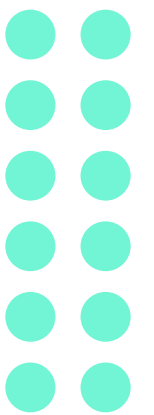
Almost **one third** of repair shop owners and managers prefer to use **job recruiting websites** as their primary source for finding new technician talent.

How often do you require technicians in your shop to participate in formal training?

82% of shops require their technicians to participate in formal training **at least once per year**. However, only **19%** of shops require training **once per month**.

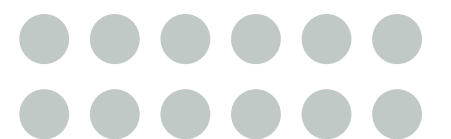


Labor

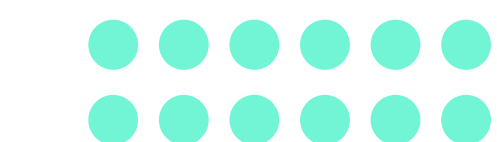
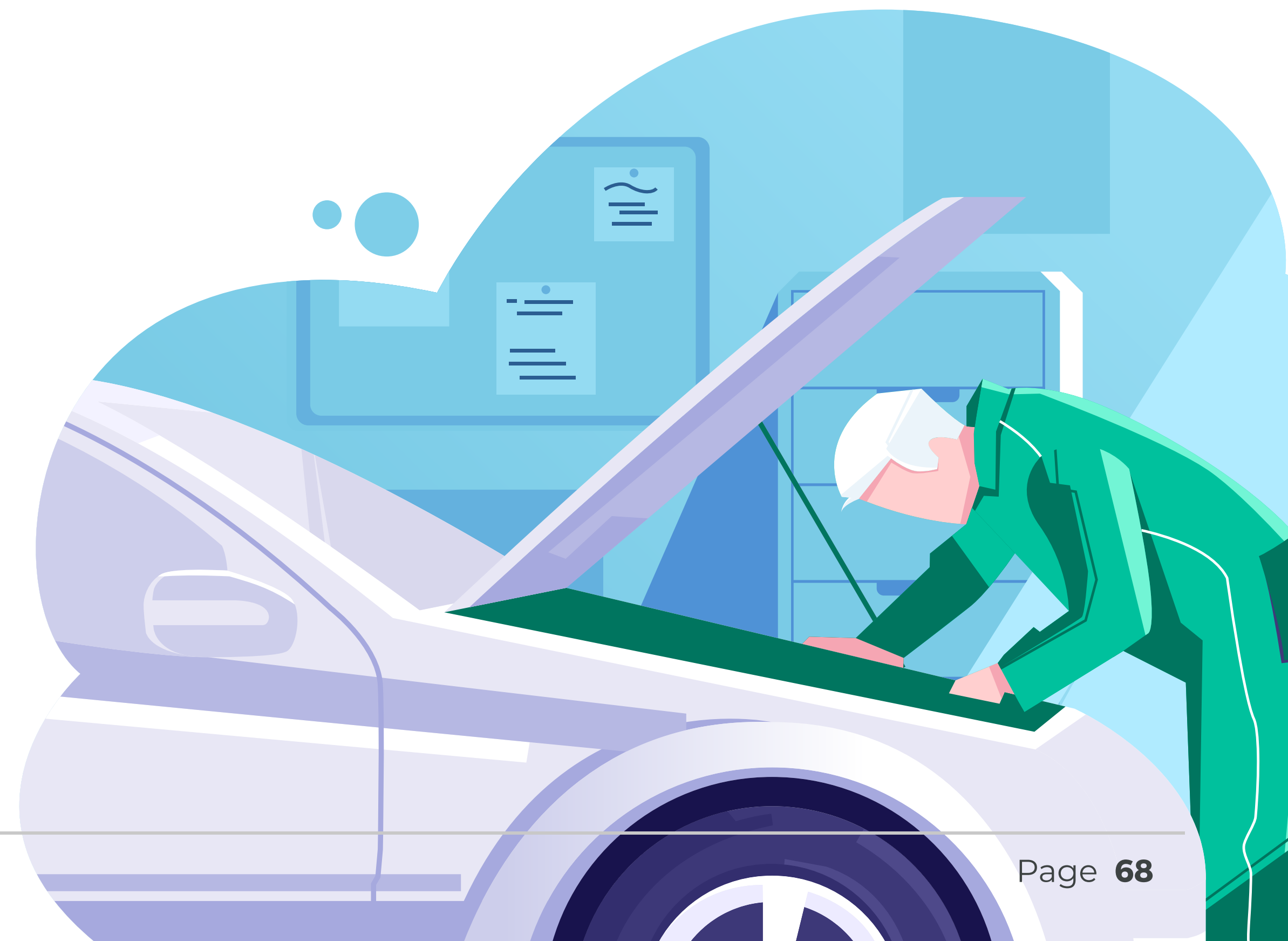
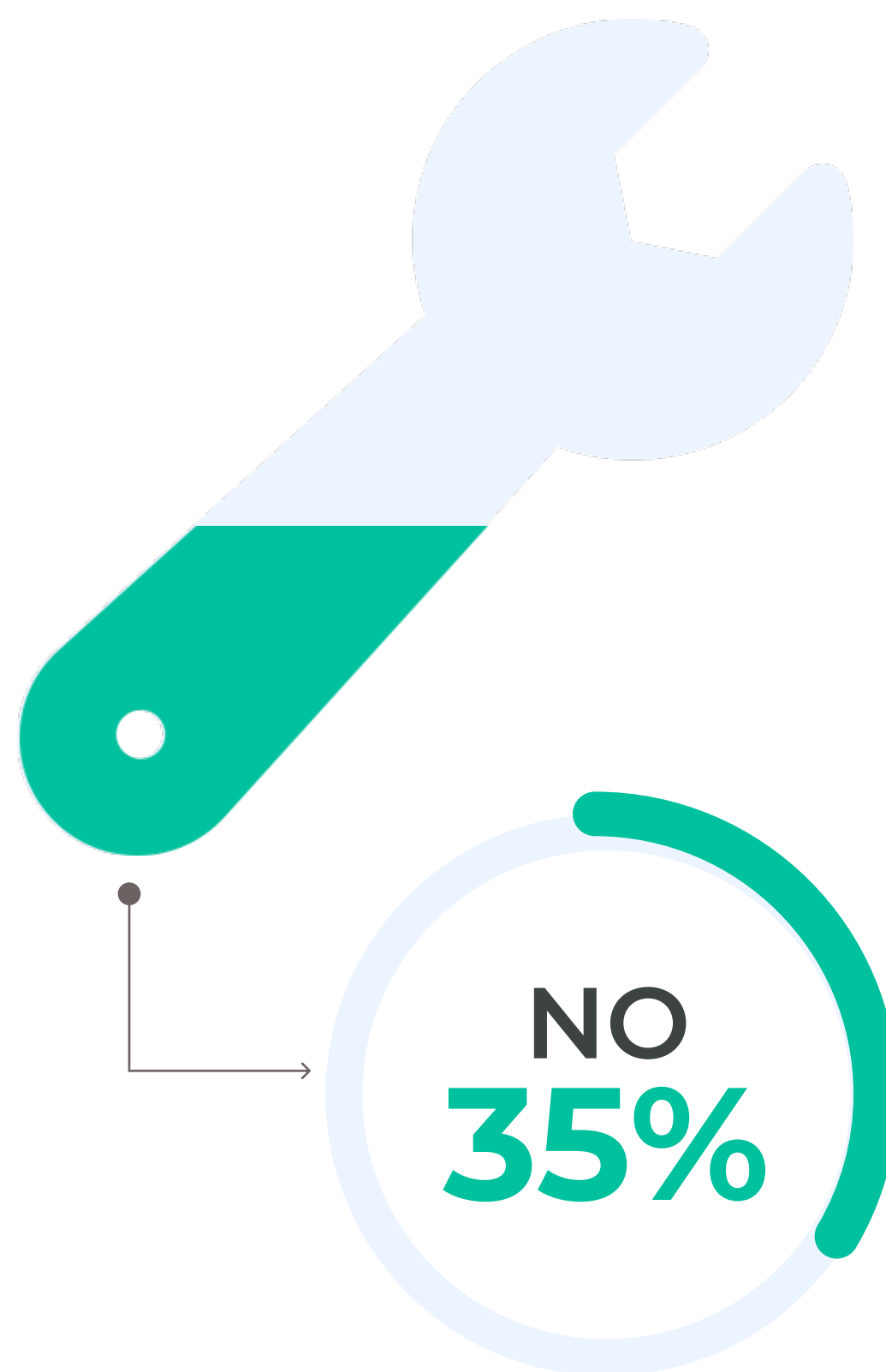
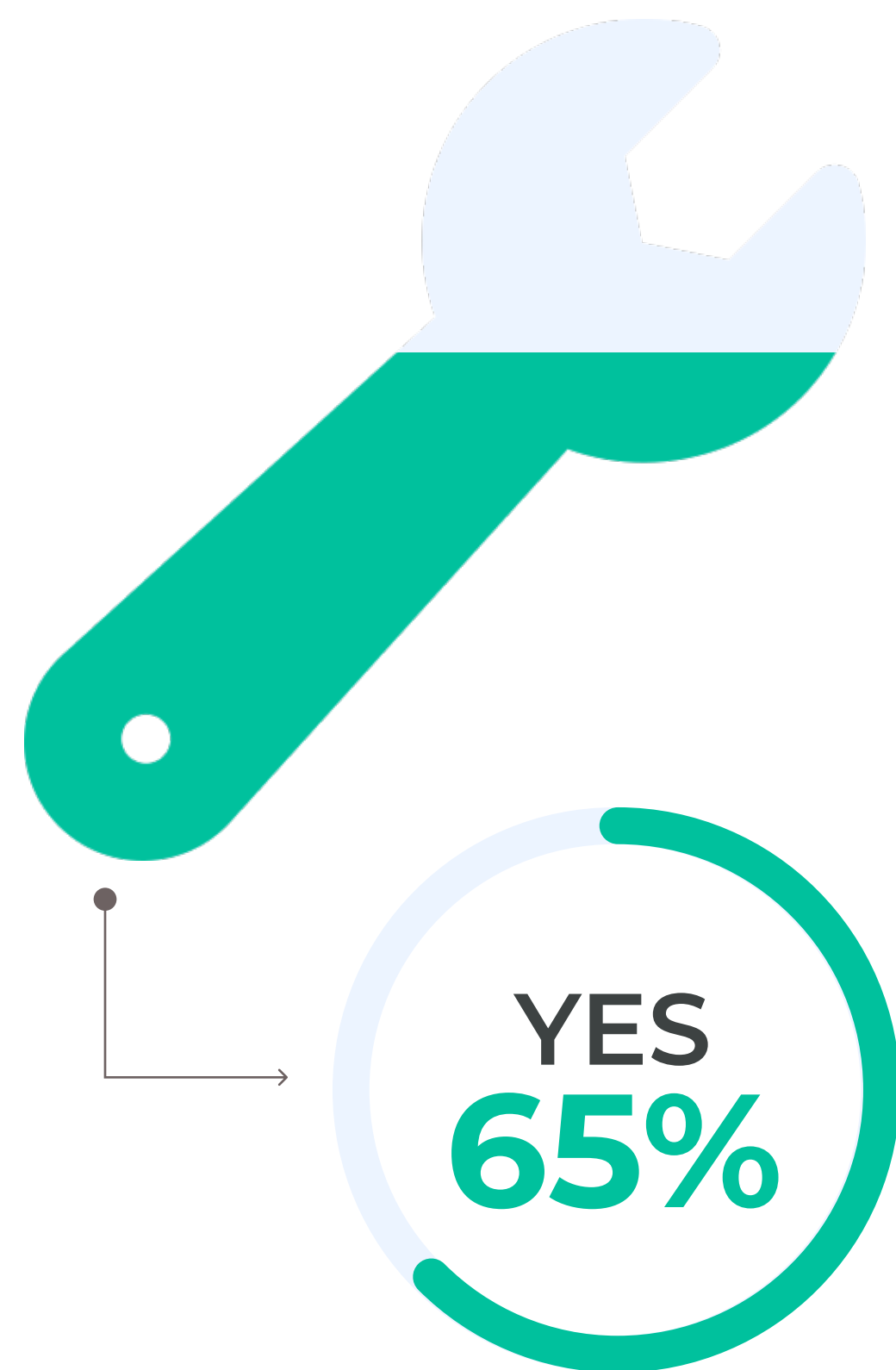


“All auto repair shops should train their technicians on a monthly basis.”

— Chris Cotton



Do you provide tools for your technicians?



Do you have a designated service advisor?

Labor

Three out of four shops have a designated service advisor.



This figure varies significantly depending on the size of the shop. For example, **96% of shops with more than 16 employees have a service advisor** while only **33% of shops with 1 – 3 employees have one.**

The “tipping point” is when a shop scales to 4 – 7 employees, as 79% of shops in this range have a service advisor. As shops scale beyond 3 employees, their ability and need to hire a service advisor increases significantly.

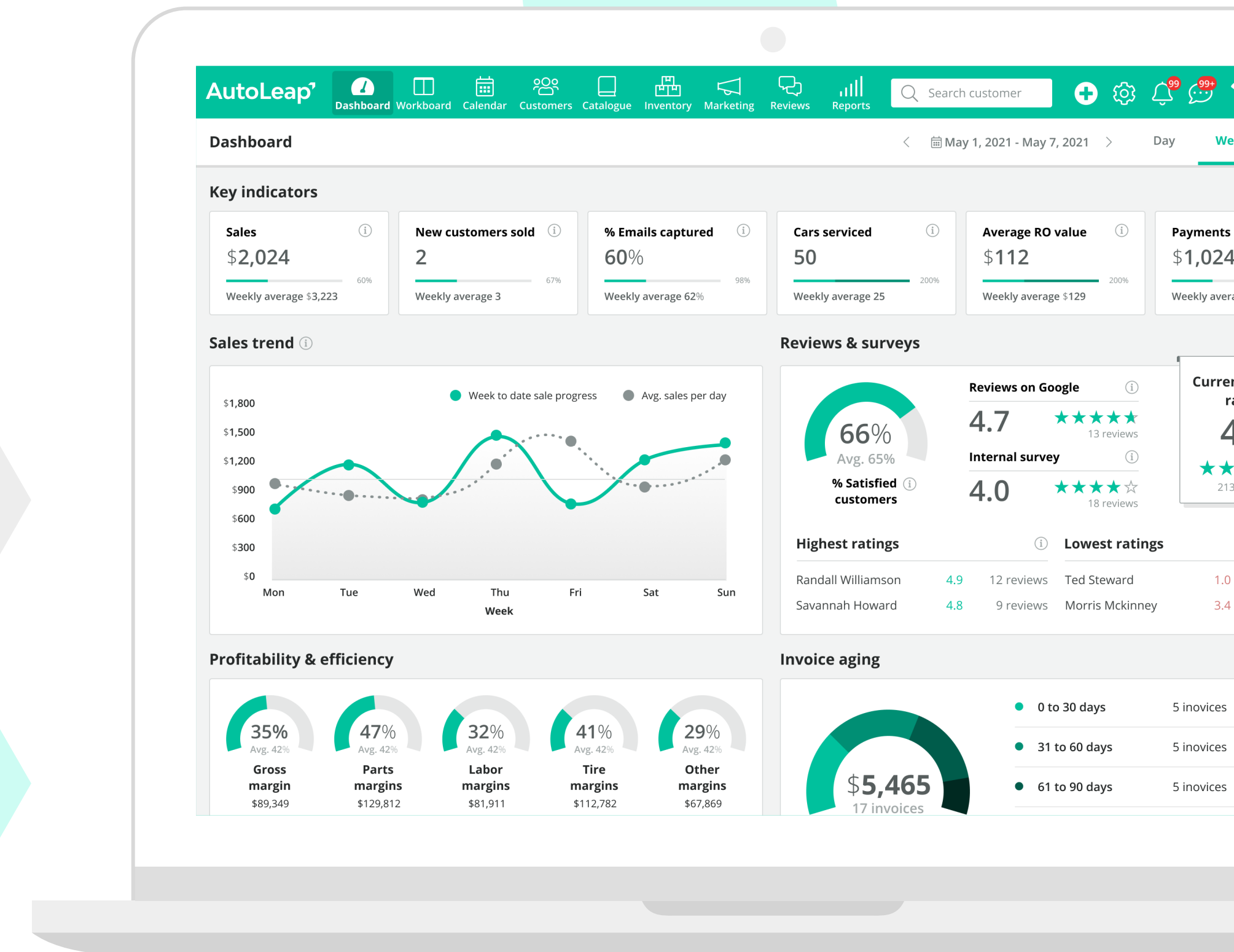
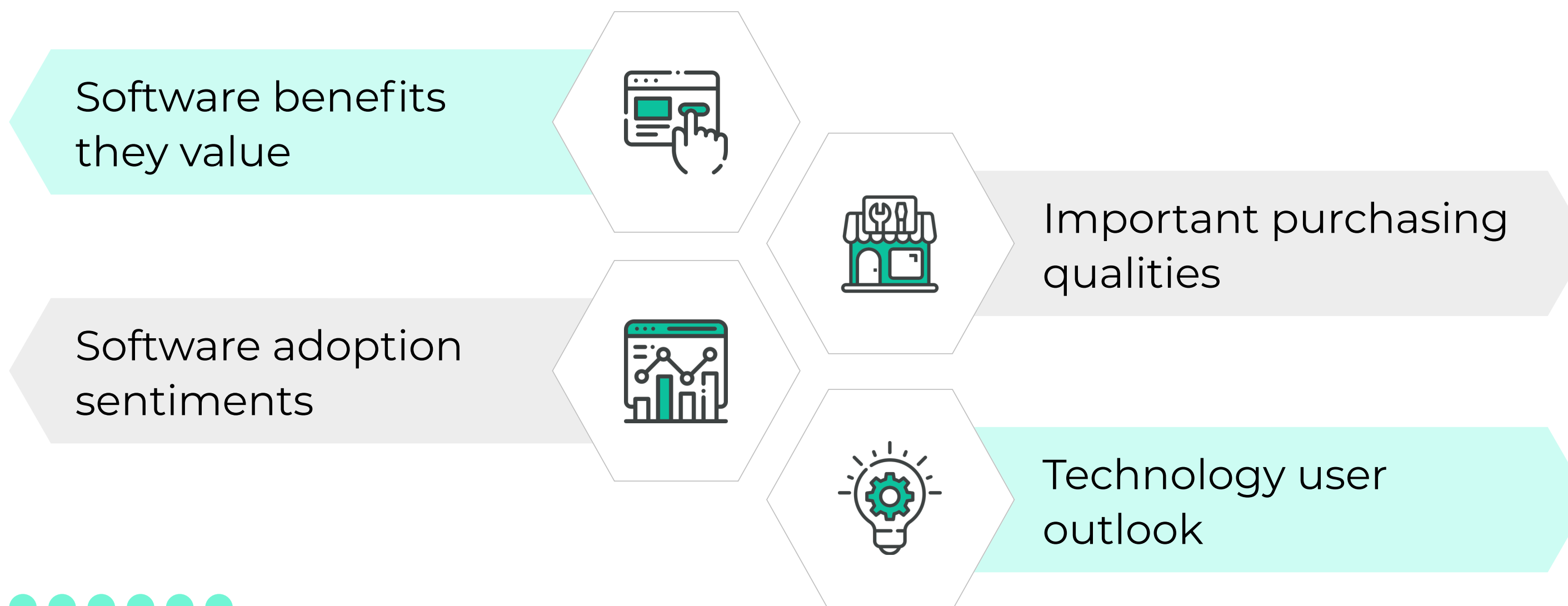
Shop management software



Shop management software

Shop management software has proven time and again to be an effective tool to drive efficiency and increase profitability for auto repair shops.

In this section, we ask survey respondents about:



What are the main benefits you look for in shop management software?

Shop management software

Time savings



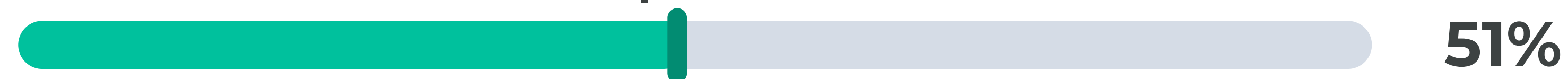
Increased revenue



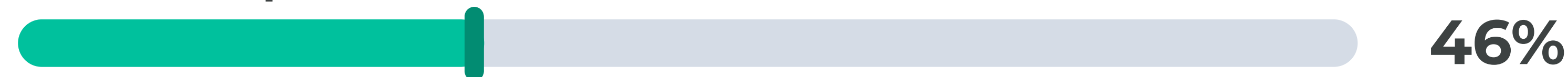
Minimize effort in managing orders and workflow



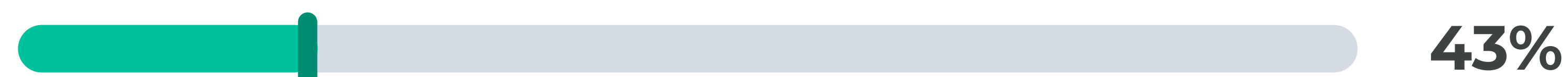
Conduct more accurate repairs



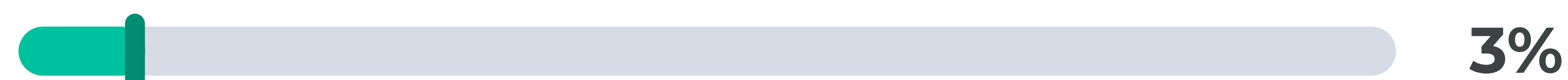
Reduce expenses



Gain customer trust



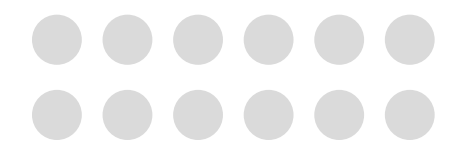
Other



72% of auto repair shop owners and managers are looking to **save time** using shop management software.

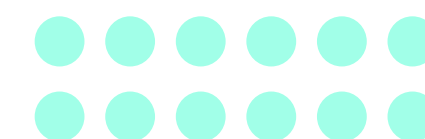
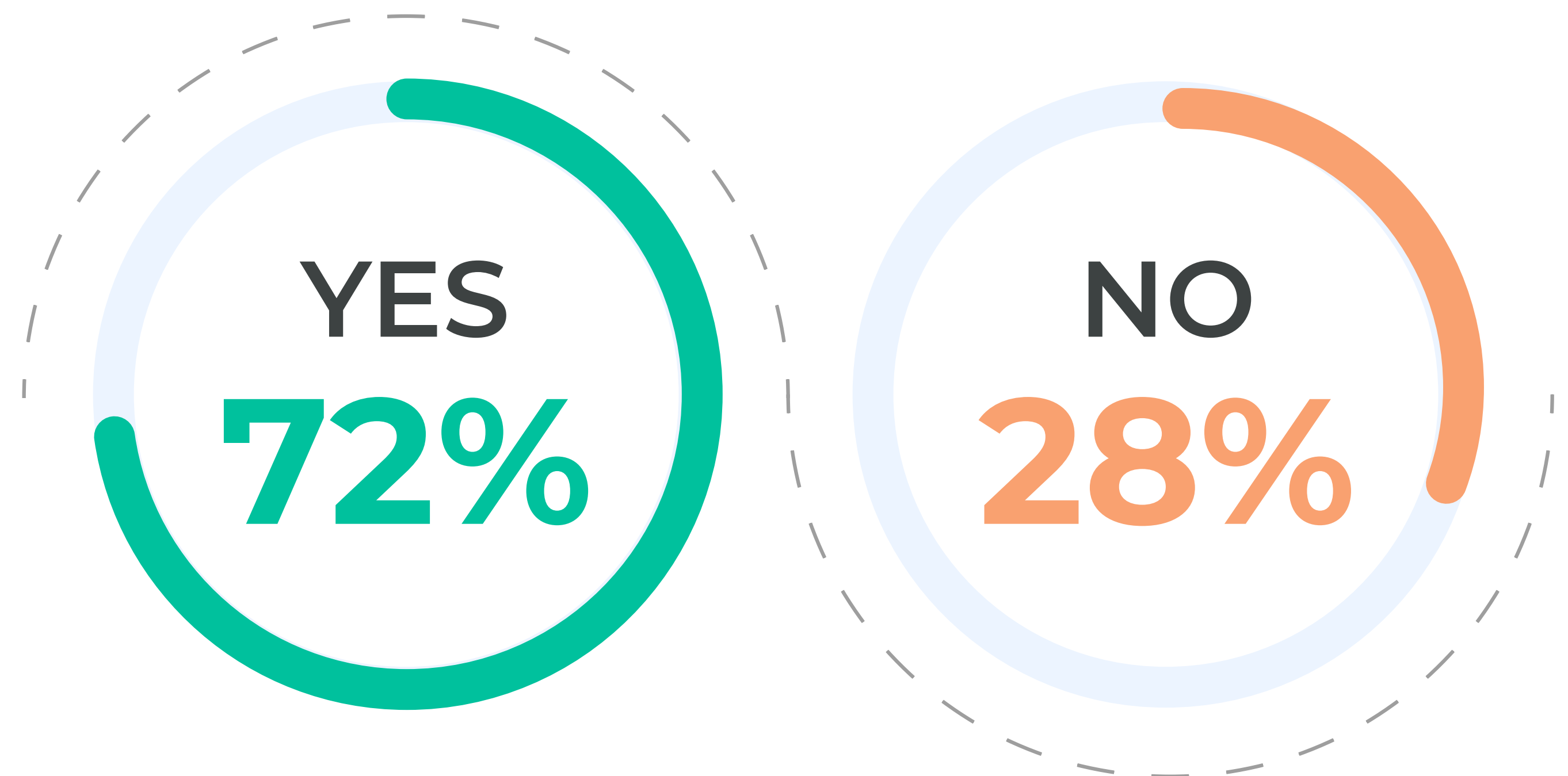
Has shop management software helped your shop save time?

Shop management software



On average, respondents indicated that shop management software has **saved their shop more than 30% of time spent on administrative tasks.**

For AutoLeap customers, this figure is 48% time savings (vs. 25% savings for non-AutoLeap customers).



Has using shop management software increased your annual shop revenue?

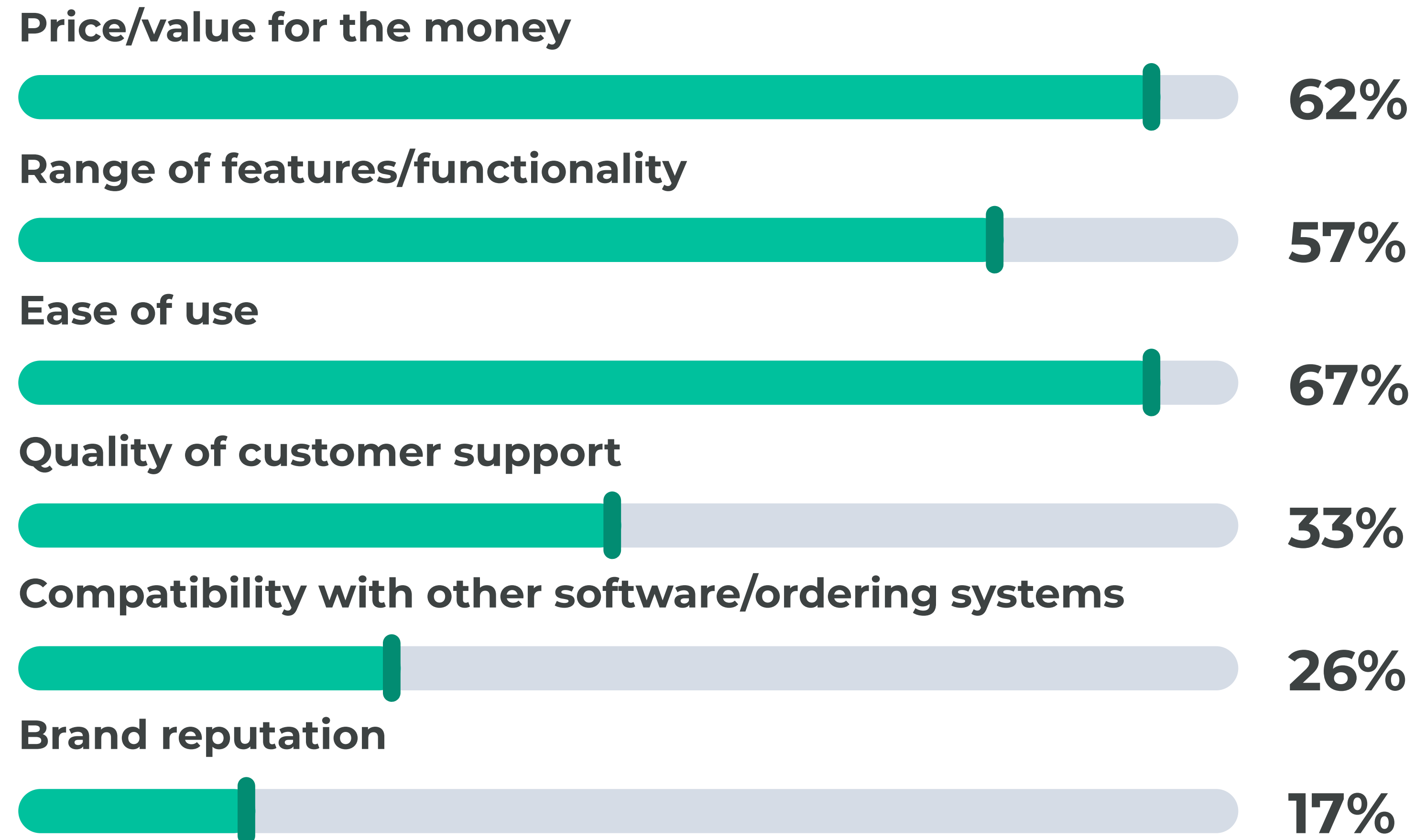
Shop management software

YES
70%

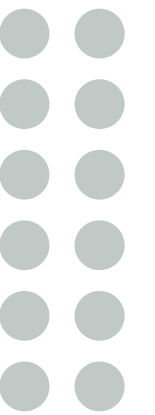
NO
30%



Qualities important to auto repair shops purchasing software



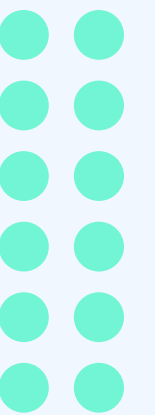
Shop management software



Ease of use, price and value for the money and range of features and functionality

are the three most important features for most auto repair shop owners when investing in software.

It's interesting that the quality of customer support isn't higher. In my experience, that feature presents the best value for shop management software users.



Murray Voth

President at RPM Training



Thank you to our partners

AutoLeap is honored to recognize our partner associations and training institutes, who all play a critical role in growing the auto repair industry.

Association Partners



The Automotive Service & Tire Alliance is the Southeast's largest member-sponsored non-profit association serving the aftermarket automotive industry.



AARO is an action-oriented, not-for-profit association passionate about uniting the independent automotive aftermarket to address industry challenges.



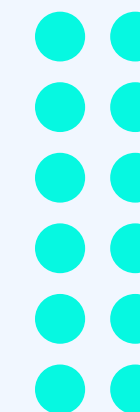
The Auto Care Alliance is a collection of associations, both state and regional, that all serve the same mission and purpose to serve their members with unique, relevant and timely benefits and resources.

Training Institute Partners





Our team at AutoLeap strives to provide efficient software for auto repair shops and help shop owners **grow their business**. To help the industry move forward, we put together this report, collecting insights from industry experts so that shop owners can benefit from understanding what their peers are doing. We strive to do our part to help individual repair shops, which in turn creates a **more sustainable and thriving industry**.



Rameez Ansari & Steve Lau

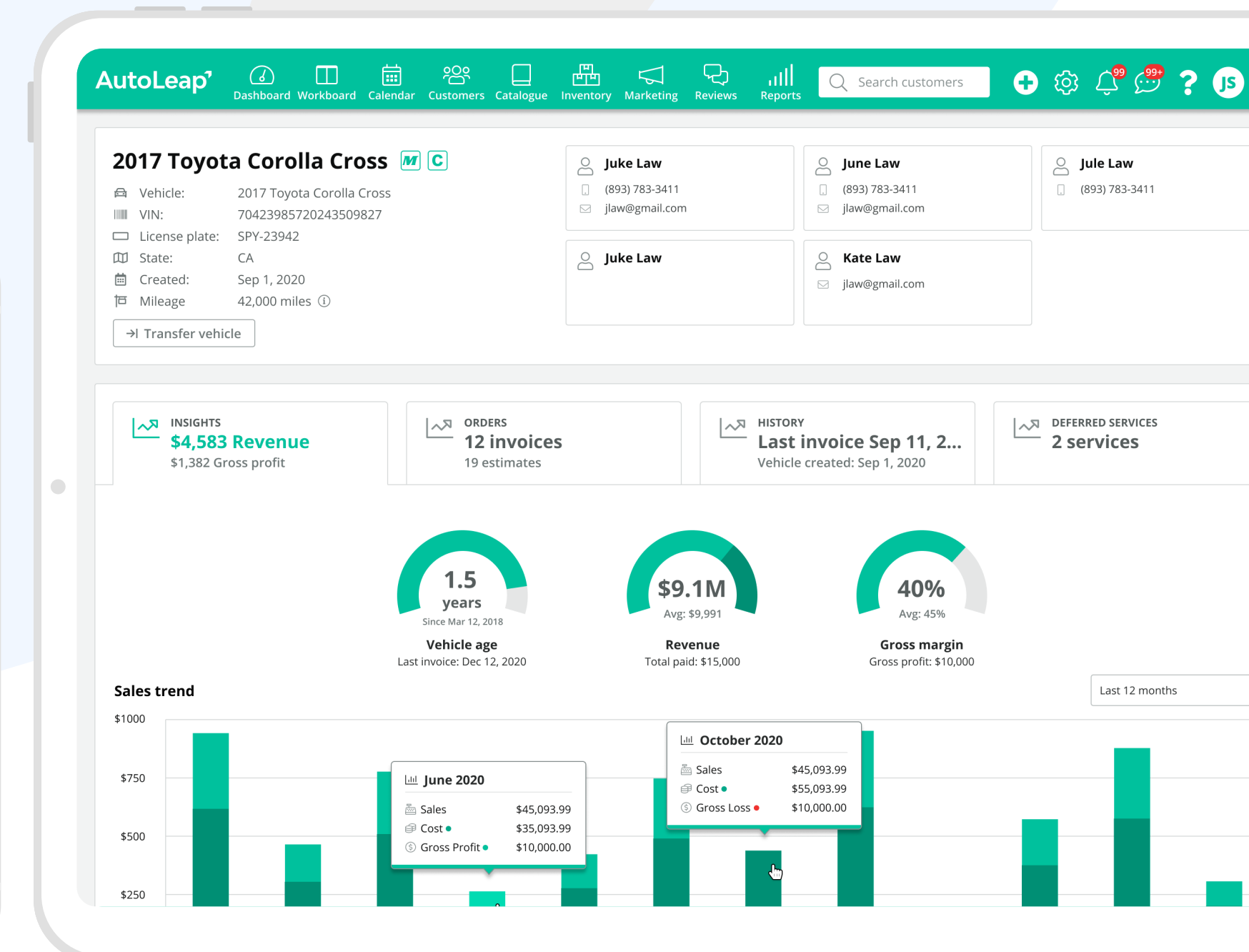
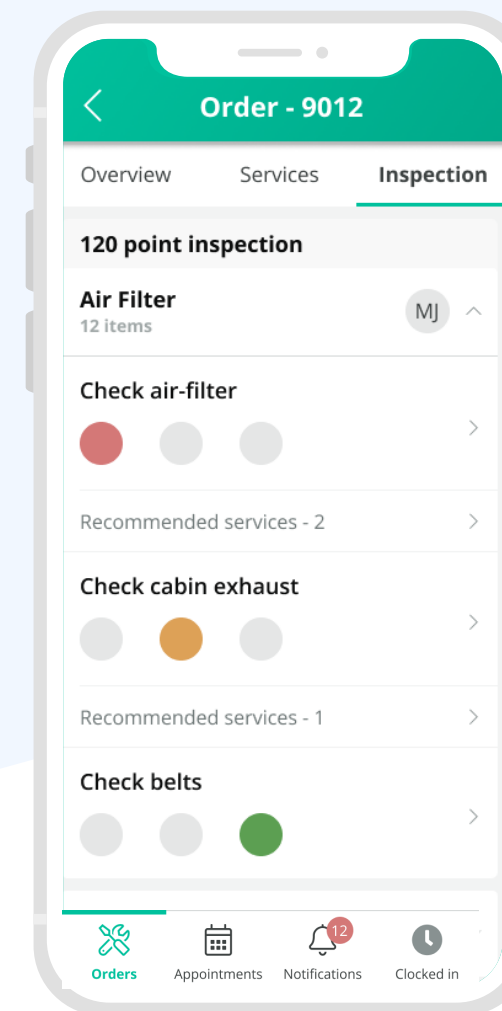
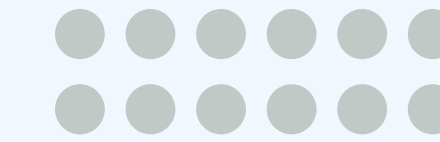
Co-Founders and Co-CEOs
AutoLeap



Build trust. Drive growth. Auto repair simplified.

AutoLeap is a cloud-based all-in-one auto repair software that helps to keep complete track of your business, from scheduling appointments to managing technicians to generating invoices. **Supercharge your growth with AutoLeap!**

Get a Demo



30%+

Growth in revenue

With top customers seeing over 100% growth

75%+

Decrease in no shows

Allowing you to service more customers

3X

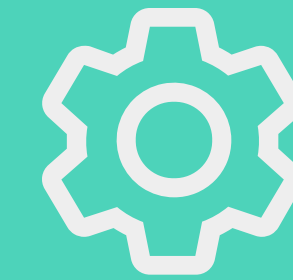
Increase in positive Google Reviews

Leading to stronger online presence

50%

Time saved on administrative tasks

Driving increase in operational efficiency




AutoLeap¹

Got Questions?
Get in touch with us

 www.autoleap.com

 content@autoleap.com

 (855) 560-0088

