

# THE HORN



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**Automotive Aftermarket Association of the Carolinas & Tennessee, Inc.**  
*Serving the Automotive Aftermarket in North Carolina, South Carolina, and Tennessee*  
1720 Hillsborough St., Ste. LL One  
Raleigh, NC 27605-1657  
Phone: 800-849-8037 – Fax: 919-821-0753 – E-mail: apac219@aol.com

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## 2016 AACT CONVENTION: Williamsburg, VA

**Mark your calendars!!! The 2016 AACT Convention will be held September 8-11, 2016, at The Kingsmill Resort in Williamsburg, VA.** Convention Chair Sandy Crews, Jacksonville, NC, and her committee have developed an excellent program, and they want to invite all members to join them in this historic city. Go and experience Williamsburg's fine dining and mystique. This is our first Convention at The Kingsmill Resort, so let's make it one of our best.

Refer to the complete schedule on page 6. We hope to see you in Williamsburg!!!

## INDUSTRY NEWS

### Gas Prices Reshape Auto Sales

*"Dramatically falling gas prices over the past three years have helped reshape consumer auto buying behavior. Four major auto purchase trends have emerged involving car size, light trucks, electric vehicles as well as foreign nameplate share. These new auto buying trends have important aftermarket consequences for product volume, product brand mix, where parts are installed and the channels through which parts are distributed." ~ Jim Lang*

#### **Five Years of Cheaper Gas.**

Gas prices at the pump have significantly declined over the past four years (2012 to 2016). From an average price of \$3.60 per gallon during 2012, average annual pump prices peaked at \$3.63 during 2013. Last year, gas prices were down nearly 35% from 2012 (\$2.40 versus \$3.60), with 2016 pump prices through March falling another 24%. Currently, prices at the pump are nearly half their 2012 average.

#### **Lower Gas Prices Shape New Vehicle Buying Trends.**

Consumer new auto buying patterns are responding to cheaper gas prices (among other economic and social factors). Four major trends have emerged: small vehicle share is declining, light trucks are gaining share over cars, electric vehicle sales are stalling, and foreign nameplate share is strong.

#### **Smaller Vehicle Sales Falter.**

Consumers are shifting from buying subcompact and compact cars to purchasing larger vehicles, especially crossovers. During January 2016, small car sales were down 11% from 12 months earlier, while sales of sport wagons and crossovers rose by nearly the same percentage.

**More Light Trucks and Fewer Cars.**

Passenger cars were riding high in 2012, capturing half of auto sales. However, car share of the new vehicle market steadily deteriorated over the past three years. By 2015, light trucks were generating 56% of auto sales in the U.S., with passenger car share receding to only 44%. Through March 2016, light trucks captured 57.3% of the new vehicle market, with passenger cars falling below 43% of sales, down dramatically from their 2012 share of the new vehicle market.

**Electric Vehicles Slump.**

Cheaper gas has undercut most consumers' financial motivations for purchasing electric cars and light trucks (including hybrids). Although consumer lifestyle and environmental values are still in play, consumers are shying away from purchasing electric vehicles, particularly over the past 15 months. Electric vehicle sales actually fell during 2015, a year when car and light truck volume hit a record-high 17.5 million. Waning consumer interest in electric cars has continued into 2016. Hybrid sales are also lagging.

**Foreign Nameplates Hold Strong Share.**

Foreign nameplates have held a record-strong new vehicle share across the U.S. over the past three years. Foreign nameplates topped 55% share of car and light truck volume from 2012 through 2015. What sales foreign nameplates lost from the imploding small car volume they offset with strong gains in luxury models and light trucks (especially crossovers), as both of these vehicle segments were boosted by lower gas prices.

**Aftermarket Impact.**

Each of these four new-vehicle market trends has consequences for the U.S. aftermarket, ranging from product volume to future product brand mix, where parts are installed as well as the channels that distribute these parts.

**Larger Vehicles.**

The shift from smaller to larger vehicles is generally positive for the aftermarket since aftermarket products for larger vehicles, particularly SUVs and light trucks, are generally higher in price than auto parts for smaller vehicles.

**More Light Trucks.**

Light trucks also average approximately 45% more in aftermarket annual product volume than aftermarket product sales for the typical car. Some of the light truck higher average annual product volume comes from the different uses of light trucks compared to those for cars (business versus personal use), the higher prices of some truck replacement components compared to the prices for passenger car parts, as well as higher Accessory volume for light trucks than for cars.

**Internal Combustion Engines Rule.**

Sluggish electric vehicle sales are generally positive for the future aftermarket, particularly in terms of engine parts and other internal combustion related products which range across a broad array of components from sensors to fuel pumps.

**Foreign Nameplates Rise.**

Finally, rising foreign nameplates sales will affect not only the future mix of product brands sold in the aftermarket but also where aftermarket repairs are conducted and the channels of distribution supplying these outlets.

*(Source: Jim Lang, Publisher)*

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## **Car Care Council Says 80% of Vehicles Need Service**

According to the Car Care Council, 80% of vehicles need service, a new part and/or repair. The council reports that vehicles inspected at community car care events held throughout the country in 2015 failed one or more aspects of the inspector process. Areas posting the highest failure rates include...

- Low washer fluid at 26%
- Low engine oil at 23%
- Low coolant at 19%
- Clogged or dirty air filters at 19%
- Illuminated check engine light at 13%
- Worn belts at 13%
- Needed battery service at 13%
- Needed wiper blade replacement at 12%

"With so many vehicles in need of service, National Car Care Month in April serves as an important reminder to take action today so you can depend on your vehicle down the road." said Rich White, executive director of the Car Care Council.

*(Source: Service Executive Issue #5-16)*

## AAPEX 2016 Opens Housing

LAS VEGAS, Nevada - March 31, 2016 -- AAPEX 2016 has teamed up with onPeak, its official hotel partner, to offer discounted room rates at conveniently located hotels in Las Vegas. Attendees and exhibitors are encouraged to book early and make their hotel reservations now using the AAPEX website, [www.aapexshow.com](http://www.aapexshow.com).

In addition to discounted rates, onPeak offers no booking or service fees, Lowest Rate Assurance, a guaranteed hotel confirmation number for smooth check-in, exclusive hotel perks, and personal service from real people before, during and after AAPEX.

onPeak is the only official housing company associated with AAPEX. While other hotel resellers, such as Corporate Booking Services Company (CBS International), Global Housing and Convention Housing Planners, may contact attendees and exhibitors offering housing, they are not endorsed by or affiliated with AAPEX. Entering into financial agreements with such companies can have costly consequences. To guarantee hotel reservations and the lowest rates, book only with onPeak.

AAPEX 2016 will be held Tuesday, November 1 through Thursday, November 3, at the Sands Expo in Las Vegas, with AAPEXedu sessions starting on Monday, October 31. The event is expected to feature more than 2,200 exhibitors and 45,000 targeted buyers. Approximately 160,000 automotive aftermarket professionals from more than 140 countries are projected to be in Las Vegas during AAPEX.

AAPEX represents the \$328.2 billion global aftermarket auto parts industry, and is co-owned by the Auto Care Association and the Automotive Aftermarket Suppliers Association (AASA), the light vehicle aftermarket division of the Motor & Equipment Manufacturers Association (MEMA). For more information, visit [www.aapexshow.com](http://www.aapexshow.com) or email: [info@aapexshow.com](mailto:info@aapexshow.com). On social media, follow AAPEX at: #AAPEX16.

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## ASE Certification Test Registration

ASE testing is available 12 months out of the year. Whether you register on the first day of a registration window or the last, you will always have 90 days from the original date of purchase to schedule an appointment and take your test at any of our nearly 500 test centers across the country. For more information visit ASE's website: [www.ase.com](http://www.ase.com).

Spring Registration: March 1, 2016 - May 25, 2016

Summer Registration: June 1, 2016 - August 24, 2016

Fall Registration: September 1, 2016 - November 22, 2016

## MANAGEMENT NOTES

### How Far Are You Willing To Go To Make It In Sales?

By John Chapin

I am of the belief that pretty much anyone can make it in sales if they are determined enough. Assuming someone does not have brain damage or some other major mental hindrance, sales can be learned. I am proof of that. After struggling in school and being an abysmal failure at the onset of my sales career, if I can be successful, you can too. After all, as a former president once said, this isn't rocket surgery. Granted, some personality types and skillsets are more cut out for sales but the bottom line is: if you are committed, you can be successful. That said, what must you be willing to do to be successful in sales? By the way, when I talk about being successful, I'm talking about really making it which means you're in the top 5% of salespeople, not simply scraping by and paying your bills.

**Three commitments you must be willing to make to be in the top 5%.**

**Commitment #1: Personal and Professional Development.** The most important element of your personal and professional development is acquiring superior sales skills. Let me start by saying that you, and only you, are responsible for your development as a salesperson. Hopefully you work for a company that sends you to seminars, brings in sales trainers, runs sales meetings in which sales skills are worked on, and otherwise gives you the tools and resources to develop your sales abilities. That said, there are companies that do not do these things and ultimately the responsibility for developing your sales skills lies with you, not your company. So, are you currently reading a book a month, or a week, to develop your sales skills? Are you going to seminars, listening to audio programs, and watching video on how to sell? If

you aren't, you need to start. You have to be spending at least an hour a day learning sales and developing your sales abilities. You need to be practicing, drilling, and rehearsing your presentation, answers to objections, closes, and everything else involved in the sales process. Also, you must be willing to invest your own money in some of the above resources if necessary. Even if you are a veteran, you have to continue to hone your abilities and get better. We're all familiar with the saying, "When you're green you grow and when you're ripe you rot." The world is simply changing too fast, competition is getting fiercer, consumers are getting more educated, and as a result, you must continue to develop yourself and your sales abilities.

**Commitment #2: Time.** Next, how much time are you putting in? If you're relatively new to sales, you need to be putting in 3 to 4 hours a day prospecting, in addition to skills development mentioned above, following up, presenting, closing, building relationships, and other miscellaneous items that come up during the day. Yes, this is a long work day. So, are you willing to come in at 6 a.m. and work until 11 p.m. and work weekends if necessary? In order to be in the top 5%, you need this level of commitment. As a veteran with an established business, you may work fewer hours, but especially when you are just starting out in sales, or in a new industry, or with a new company, you have to put in the hours.

**Commitment #3: Willingness To Do Whatever It Takes Legally And Ethically.** Finally, how far are you willing to go to be truly successful in sales? Are you willing to make 100, 200, or 300 calls a day if necessary? Are you willing to stand in the mall or on a street corner in NYC and pitch people walking by? Are you willing to do whatever it takes to beat the competition and go the extra mile delivering much more than you're getting paid for? Are you willing to turn over every stone, pull out all the stops, continue to follow up, and keep going when you hear "no", or "we've decided to go with the competition"? Are you willing to do what the chiropractor in San Francisco did before he opened his practice when he called on over 20,000 homes and businesses Monday through Sunday for seven months in order to let people know he was opening an office? I'm not saying the above will be necessary, in fact, that level of action most likely won't be, however, in the case that it is, are you willing to go that far? Are you committed at a level in which you say, "I don't care what it takes to be successful and feed my family and make my dreams come true, I'm willing to do it."? If you have that kind of commitment, nothing can stop you from being a major sales success.

**Some final ideas to keep in mind when striving for sales success: First, the most important tasks you do are prospecting, presenting, closing, and building relationships with your top 20% accounts.** Those items should take up 90% of your day.

**Next, stop looking for quicker, easier, less painful ways to be successful** and decide that you're going to make the contacts and do the hard work. Many salespeople let an e-mail suffice for a phone call or in-person visit. While technology can make us more effective staying in touch and following up, an e-mail will never replace an in-person call or phone call. Most e-mail, social media, and other technology has simply given people false hope that there's an easier way than facing fear, stepping out of their comfort zone, and contacting people live.

*John Chapin is a sales and motivational speaker and trainer. If you would like him to speak at your next event, or would like his monthly newsletter, go to: [www.completeselling.com](http://www.completeselling.com). John has over 28 years of sales experience as a number one sales rep and is the author of the 2010 sales book of the year: *Sales Encyclopedia*. For permission to reprint, email: [johnchapin@completeselling.com](mailto:johnchapin@completeselling.com).*

## LEGAL / LEGISLATIVE

### DOL Closer To Finalizing Overtime Rule

The Department of Labor sent its highly-anticipated overtime rule to the White House's Office of Information and Regulatory Affairs (OIRA) last month, moving a step closer to expanding overtime eligibility for millions of workers.

The details of the final rule won't be known until it is publicly released, but the proposed rule issued last summer would require businesses to pay overtime wages to employees making \$50,440 or less per year, which would be a 113% increase over the current threshold.

More than 250,000 organizations, including American Society of Association Executives (ASAE), submitted comments on the overtime rule to DOL last year. ASAE believes strongly that the new rule would adversely affect many nonprofit organizations and other employers with limited revenues and could harm many affected employees as well. ASAE said in its comments to DOL that the \$50,440 salary threshold amounts to a "one-size-fits-all" measuring stick and that the minimum salary level for exempt employees should instead be keyed to government data on regional cost-of-living differences.

Labor Secretary Thomas Perez testified before a Senate Appropriations subcommittee hearing (3/18/16) on the agency's FY17 budget request, and received some pointed questions about the expansion of the overtime rule from GOP appropriators, including the subcommittee chairman, Senator Roy Blunt (R-MO).

"As the country continues to recover from the recession, it is time for the Administration to admit that government regulations and overreach do not create job growth," Blunt said in his opening statement at the hearing. "I continue to have serious concerns about the Department's aggressive regulatory agenda and methods used to short-circuit the fair and open regulatory process."

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## **US DOT, IIHS Announce Historic Commitment: 20 Automakers To Make Automatic Emergency Braking Standard On New Vehicles**

The U.S. Department of Transportation's National Highway Traffic Safety Administration and the Insurance Institute for Highway Safety announced a historic commitment by 20 automakers representing more than 99% of the U.S. auto market to make automatic emergency braking a standard feature on virtually all new cars no later than NHTSA's 2022 reporting year, which begins September 1, 2022.

Automakers that have committed to the new standard include: Audi, BMW, FCA US LLC, Ford, General Motors, Honda, Hyundai, Jaguar Land Rover, Kia, Maserati, Mazda, Mercedes-Benz, Mitsubishi Motors, Nissan, Porsche, Subaru, Tesla Motors Inc., Toyota, Volkswagen and Volvo Car USA.

According to NHTSA and IIHA, this unprecedented commitment means that this important safety technology will be available to more consumers more quickly than would be possible through the regulatory process.

AEB systems help prevent crashes or reduce their severity by applying the brakes for the driver. The systems use on-vehicle sensors such as radar, cameras or lasers to detect an imminent crash, warn the driver and apply the brakes if the driver does not take sufficient action quickly enough. NHTSA estimates that the agreement will make AEB standard on new cars three years faster than could be achieved through the formal regulatory process. During those three years, the commitment could prevent 28,000 crashes and 12,000 injuries, according to IIHS estimates.

NHTSA and IIHS also announced that Consumer Reports will assist in monitoring automaker progress toward meeting the AEB commitment.

The commitment will make AEB standard on virtually all light-duty cars and trucks with a gross vehicle weight of 8,500 lbs. or less beginning no later than September 1, 2022. AEB will be standard on virtually all trucks with a gross vehicle weight between 8,501 lbs. and 10,000 lbs. beginning no later than September 1, 2025.

As NHTSA continues its regulatory work in this area, NHTSA will track the progress industry is making towards its commitment. To encourage further development of AEB technology, NHTSA will accelerate its research on more advanced AEB applications, including systems that reduce the risk of collisions with pedestrians. In December, NHTSA announced plans to rate AEB systems and other advanced technologies under its 5-Star Ratings beginning in model year 2018. *(Source: aftermarketNews)*

## **AAACT NEWS**

### **Memorial Day**

The AACT office will be closed on Monday, May 30, 2016, in observance of Memorial Day.

**-- Randy Lisk, Executive Vice President**

**Automotive Aftermarket Association of the Carolinas & Tennessee**  
**2016 CONVENTION**  
**"ARE YOUR BUSINESS PRACTICES STUCK IN COLONIAL TIMES?"**  
**The Kingsmill Resort -- Williamsburg, VA**  
**September 8-11**



**Thursday, September 8, 2016**

- 6:00 p.m. - 7:00 p.m. ----- Welcome Reception (Marina)
- 7:00 p.m. - 9:00 p.m. ----- Dinner Overlooking the James River (Marina)

**Friday, September 9, 2016**

- 7:00 a.m. – 8:30 a.m.----- Breakfast
- 8:00 a.m. – 5:00 p.m.----- Convention Registration
- 9:00 a.m. – 12:00 p.m. ----- AAAC Board of Directors, Past Presidents and Past Directors Meeting
- 12:00 p.m. – 12:15 p.m. ----- AAAC Convention Committee Meeting
- 6:00 p.m. – 7:00 p.m.----- Kingsmill Resort Hosted Reception
- 7:00 p.m. – until.... ----- Dinner On Your Own

**Saturday, September 10, 2016**

- 7:00 a.m. – 8:00 a.m.----- Breakfast
- 8:00 a.m. – 11:00 a.m. ----- Convention Registration
- 8:15 a.m. – 8:45 a.m.----- "Human Resources Legal Compliance Update" -- Sherry Robertson, IGO Insurance
- 8:45 a.m. – 9:00 a.m.----- Break
- 9:00 a.m. – 9:45 a.m.----- AAAC Annual Business Meeting and "AAAC Programs & Services Review"
- 9:45 a.m. - 10:00 a.m.----- Break
- 10:00 a.m. – 11:30 a.m. ----- "Telematics" -- Auto Care Association
- 6:00 p.m. – 7:30 p.m.----- President's Reception and "Hole In One" Contest
- 7:30 p.m. – 9:45 p.m.----- Banquet, Awards, and AAAC Scholarship Live Auction

**Sunday, September 11, 2016**

- 8:00 a.m. – 9:15 a.m. ----- Breakfast and Inspirational Message
- 9:15 a.m.----- Convention Adjourns