

THE HORN

Published by:



Automotive Aftermarket Association of the Mid-South, Inc.

Serving the Automotive Aftermarket in North Carolina, South Carolina, Tennessee and Virginia

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August 2019

Last Chance to Register for Business Conference!

By now, all members have received information regarding the upcoming Conference (Sept. 12-15) at the Margaritaville Resort in Gatlinburg, Tennessee several times. If you have not registered, please do so now.

Find registration material on pages 5-6.

Program highlights include:

- Business Insurance/HR Services Program Update (IGO Insurance Agency)
- Fleetcor/Speedway Discount Fuel Program Report
- Kennedy Office Business Supplies Program Update
- Primepay, LLC Payroll Program Update
- "Trends in the Aftermarket — Near Term & Long Term" (Tom Tucker, Auto Care Association)
- Industry Roundtable Discussions (Facilitated by Tom Tucker)
- Live Auction to Benefit the AAAMS Scholarship Fund (Coordinated by Sandy and Richard Gerard and Auctioneered by Frank Jenkins)
- Inspirational Message (presented by Jim Eastin)

Members can help sponsor this year's event by completing the sponsorship form contained in previous issues of "The Horn" or by calling Randy Lisk at 1-800-849-8037. Any support is appreciated and all sponsors will be recognized.

AAAMS Business Conference Chair Doug Moore and his committee have developed an excellent and informative program. **We hope to see you in Gatlinburg!**

Even though the deadline for rooms in the Association room block has expired, we still have a few rooms remaining, so contact Randy at 800-849-8037 to register and reserve a room.

Thanks to Yearbook/Directory/Buying Guide Advertisers

The 2019 Automotive Aftermarket Association of the Mid-South, Inc. Yearbook/Directory and Buying Guide has been distributed within the past few days. We want to give special thanks to those who advertised in our 2019 Yearbook:

- Auto Care Association
- Battery Service, Inc.
- CARQUEST AUTO PARTS
- Destinations Credit Union
- Duragloss/Brothers Research Corporation
- Exide
- Fleetcor/Speedway
- IGO Insurance Agency
- Interstate Batteries
- NAPA AUTO PARTS
- Net Drive

We really appreciate their support, and we hope you will give them a warm thank you whenever you have the opportunity to do so.

Consumer Alert: Hang up on Social Security Scammers

Your Social Security Number (SSN) is one of your most important pieces of personal data. That's why it's understandably frightening when someone claiming to be from the Social Security Administration (SSA) or Centers for Medicare and Medicaid Services (CMS) calls to tell you that your SSN has been or will be suspended.

These scammers may claim that the suspension is due to fraudulent or criminal activities. They can even spoof their number so that your caller ID shows the call coming from the SSA's real number (1-800-772-1213), and they'll ask you to verify your SSN. This is not the SSA or CMS calling.



Attorney General

Josh Stein

These scammers are especially active during the Medicare Enrollment Period. They may call you pretending to have information about Medicare enrollment, when in reality they are simply trying to steal your Social Security number.

Here's what you should know about this scam:

- These calls can be very stressful – take a minute and verify what's happening so you don't share personal information or act out of panic. Hang up and call the SSA directly at 1-800-772-1213 or contact them online at <https://www.ssa.gov/>. If you suspect the scammer is targeting you as a Medicare enrollee, call 1-800-MEDICARE to report the activity.
- Never give any part of your Social Security, bank account or credit card numbers to anyone who calls you.
- The SSA will never call to threaten your benefits or ask you to send money via a wire transfer or a giftcard.
- If you receive a call like this, report it to our Consumer Protection Division by calling 1-877-5-NO-SCAM or by filing a complaint online.



Auto Care Association to FTC: FTC Must Lead Efforts to Ensure Competitive Repair Industry

Auto Care News

On Tuesday, July 16, 2019, Aaron Lowe, senior vice president, regulatory and government affairs, Auto Care Association, testified before the Federal Trade Commission (FTC) during a public workshop on policies and research related to manufacturers limiting third-party repairs.

During the workshop, which was entitled "Nixing the Fix: A Workshop on Repair Restrictions," Lowe discussed the independent auto care industry's involvement in the national Right to Repair agreement as well as efforts to combat attempts by the automakers to restrict use of non-OEM parts and services.

"The value of the independent auto care industry is demonstrated by the fact that 70 percent of car owners bring their vehicle to independent service providers after their warranty expires based on price, trust, and convenience," said Lowe. "The Auto Care Association and Coalition for Auto Repair Equality (CARE) played major roles in the industry's Right to Repair efforts... which require car companies to provide access to the same tools, information and software that they provide their franchised dealers."

Lowe emphasized that notwithstanding the benefits to the auto care industry and consumers brought on by Right to Repair, the memorandum of understanding does not, nor was it intended to, solve all problems facing the independent auto repair industry. Lowe then summarized some of the other anti-competitive, anti-consumer issues facing the industry, including:

- Attempts by vehicle manufacturers and dealers to circumvent the Magnuson-Moss Warranty Act prohibition on tying parts and service with warranty coverage through misinformation in marketing literature, sales manuals and technical service bulletins;

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FTC Must Lead Efforts to Ensure Competitive Repair Industry

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- How the increased use of wireless technology and on-board diagnostic port access restrictions are placing the vehicle manufacturer in the position of gatekeeper for data needed by the auto care industry to repair vehicles;
- The use of embedded software to force shops to only purchase OE-branded components instead of more affordable remanufactured components;
- The emergence of advanced driver assist systems (ADAS) which, while providing safety benefits, are unnecessarily increasing repair costs for consumers and insurance companies; and
- Actions taken by vehicle manufacturers to severely limit the availability of aftermarket parts for collision repair, which has impacted insurance premiums for consumers.

Lowe also pointed to issues with the heavy duty market.

“While consumers have been at the forefront of Right to Repair, the heavy duty industry—whether it is trucks or agricultural equipment—has been impacted by many of the same issues as the auto repair market,” said Lowe.

Finally, Lowe thanked the FTC for hosting the workshop to call attention to an issue of critical importance to the auto care industry and to its customers, the motoring public. He expressed hope that this was not the end of a process, but rather the beginning of FTC-led efforts to ensure a competitive repair industry for both consumers and small-and medium-sized businesses.

For more information about the Auto Care Association’s government affairs initiatives and advocacy efforts, visit autocare.org/government-affairs.

Industry News

Do-It-For-Me Growth by Channel

“The \$12.5 billion surge in car and light truck Do-It-For-Me (DIFM) product sales over the past five years (2013-2018) was not generated equally by the five major distribution channels supplying the light vehicle U.S. aftermarket.

“Two channels accounted for 70% of total DIFM product growth. The Integrated channel attained the largest increase in DIFM product sales over the past five years, followed by the Traditional channel. The rates of DIFM product growth differed significantly among the five major channels.” — *Jim Lang*

DIFM Product Growth: 2013 through 2018

Do-It-For-Me product volume soared \$12.5 billion at user-price between 2013 and 2018, averaging 3.0% annual growth. DIFM annual product growth rates among the five major channels ranged from 4.8% to a 0.5% decline.

Integrated Channel Leads

Integrated distribution (characterized by the ownership of products no changing hands between their sale by manufacturers and their purchase by the ultimate consumers or installers) generated 43% of total DIFM product growth between 2013 and 2018.

This Integrated channel DIFM product growth received a boost from increased commercial sales by Retail Auto Parts chains and the expansion of Ecommerce sellers. The Integrated channel’s 4.5% annual DIFM product growth between 2013 and 2018 was half-again stronger than the yearly rate of total aftermarket DIFM product expansion.

Traditional Channel Second

The Traditional channel (Traditional Warehouses and/or Traditional Jobbers engaged in both two-step and three-step distribution) represented over one quarter of DIFM product growth between 2013 and 2018, nearly \$3.5 billion at user-price. The Traditional channel averaged 3.4% DIFM product annual expansion, more than one-tenth stronger than the average annual increase of total light vehicle DIFM products.

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Do-It-For-Me Growth by Channel

(continued from page 3)

OE Channel Surges

The OE (Original Equipment) car and light truck channel recorded \$2.3 billion more in 2018 DIFM volume than it did during 2013, a 2.6% average annual gain.

While this was a below-average rate of growth, the OE channel has recorded significantly stronger DIFM product expansion over the past two years than the product growth pace of the total DIFM market.

Import Channel Tops in Growth Rate

Import distribution (Import Warehouses and/or Import Jobbers involved in both two-step and three-step supply) expanded its DIFM volume approximately \$1.5 billion and accounted for one-eighth of the total increase in Do-It-For-Me car and light truck product volume at user-price between 2013 and 2018.

The Import channel averaged the highest annual increase in light vehicle DIFM product sales, up 4.8%, much stronger than the 3.0% average annual percentage growth of the overall DIFM market.

Specialized Distribution Declines

The Specialized channel (characterized by its focus on a specific segment of the aftermarket or involvement in a limited range of aftermarket products) was down \$0.3 billion in DIFM product sales over this five-year span, suffering a 0.5% average annual decline.

Shifting Channel Strength

The Integrated channel recorded the highest DIFM product volume during 2018, expanding its DIFM product lead over the Traditional channel from \$2.3 billion during 2013 to \$5.5 billion by 2018, at user-price. The traditional channel ranked second in 2018 DIFM product sales, increasing its lead over the OE channel (which fell to third position in 2012) to \$2.3 billion in 2018. The OE channel achieved the third largest DIFM sales again, eclipsing the Import channel in product growth share.

Although ranking fourth in volume growth between 2013 and 2018, the Import channel increased its DIFM product sales by over one-quarter during this five-year period, by far the strongest percentage gain of any major channel.

AAAMS News

Welcome New Members!

We would like to welcome the following new members into our Association:

- PrimePay LLC, Raleigh, NC (Joshua Woodburn)
- Harley's Auto Parts, Aiken, SC (Tim Harley)
- Net Driven, Scranton, PA (Rich Mullen)

In Memoriam

We were deeply saddened to learn of the death of Allen Lee Sellers (63), Selma, NC, on Friday, June 28, 2019. Allen owned and operated Sellers Auto Parts (long-time Association member), Selma, NC, for 34 years before his retirement and was a retired member of the Selma Fire Department. The North Carolina automotive aftermarket will certainly miss Allen. The Association's sincere condolences go out to his wife Pam, and the entire Sellers family.

Labor Day Holiday Office Schedule

The AAAMS office will be closed on Monday, September 2, 2019, in observance of Labor Day.

— Randy Lisk, Executive Vice President

2019 AAAMS BUSINESS CONFERENCE REGISTRATION

The Margaritaville Resort -- Gatlinburg, TN

SEPTEMBER 12 - 15, 2019

PLEASE PRINT OR TYPE. (REFER TO THE BACK SIDE OF THIS FORM TO RESERVE ROOMS.)

FIRM _____

ADDRESS _____

CITY/STATE/ZIP _____

BY (*) _____

PHONE # _____

FAX # _____

(*) Email Address: _____

OFFICE USE ONLY

Date Rec'd _____

Amount Pd. \$ _____

Check No. _____

Amount Due \$ _____

NAMES (AS THEY WILL APPEAR ON BADGES):

NAME #1 _____ NAME #3 _____

NAME #2 _____ NAME #4 _____

COMPLETE BUSINESS CONFERENCE PACKAGE(s) (Includes _____ @ \$160.00/EA \$ _____
Registration Fee, Friday Reception, Saturday Breakfast, Saturday
Seminars, Saturday Reception, Saturday Banquet and Live Auction,
Sunday Inspirational Breakfast, Chance on Grand Prize*.)

COMPLETE SPOUSE/CHILDREN PACKAGE(s) (Includes ½ Registration Fee _____ @ \$130.00/EA \$ _____
and All of the Above Events) (Children under 10 years old - FREE)

THURSDAY SOUTHERN TABLE BUFFET at the Resort _____ @ \$50.00/EA \$ _____

(Thursday Dinner Fee not included in Complete or Spouse/Children Packages)

IN LIEU OF COMPLETE PACKAGES, PLEASE RESERVE THE FOLLOWING:

BUSINESS CONFERENCE REGISTRATION FEE (Everyone 10+ years of age) -- _____ @ \$50.00/EA \$ _____

SATURDAY BREAKFAST ----- @ \$28.00/EA \$ _____

SATURDAY EVENING RECEPTION AND AWARDS BANQUET----- @ \$70.00/EA \$ _____

OTHER:

TABLETOP DISPLAY TABLE(S) (6 foot table)----- @ \$200.00/TABLE \$ _____

ATTENDEES: FRIDAY BOARD OF DIRECTORS MEETING @ NO CHARGE----- @ \$0.00/EA \$ _____

(_____ will attend the Friday Board Meeting.)

★**CHECK (PAYABLE "AAAMS BUSINESS CONFERENCE FUND") IN THE AMOUNT OF \$ _____ IS ENCLOSED.**

★Only Jobbers and Jobber Spouses / Guests may win the BIG CASH GRAND PRIZE. To be eligible to win it, the Registrant must purchase the Complete or Spouses Complete Package and be present for the drawing. While Affiliates and WD's cannot take home the Grand Prize, they are eligible to win several other Prizes.

★**CANCELLATION POLICY:** FULL REFUND IF RECEIVED AT AAAMS OFFICE BY AUGUST 30.
AFTER AUGUST 30, ONLY REGISTRATION FEES WILL BE REFUNDED.

★**Mail Registration & Check To:** AAAMS, Inc. • P.O. Box 97993 • Raleigh, NC 27624

On Saturday, September 14th, a "Live Auction" will be held. Donated items will be on display beginning at 6:00 p.m. **The Automotive Aftermarket Association of the Mid-South, Inc. will donate all contributions from the auction to the AAAMS Scholarship Fund.** We need your help. Items are needed for the auction. Please indicate on this form what you will be willing to donate. (Cash is acceptable.)

WE ARE WILLING TO DONATE:

ITEM

ESTIMATED RETAIL VALUE

ROOM RESERVATIONS

1. All reservations at The Margaritaville Resort -- Gatlinburg, TN, must be made by the individual attendees directly with Margaritaville reservations by calling 1(888) 447-0222 or 1(865) 430-4200 (Resort Direct Line); or use the following link:
<https://gc.synxis.com/rez.aspx?Hotel=8446&Chain=23717&arrive=9/12/2019&depart=9/15/2019&adult=1&child=0&group=2543071>
2. **CHECK-IN TIME IS 4:00 PM.** While some rooms may be available earlier, we have no guarantee that such will be the case.
3. **CHECK-OUT TIME IS 11:00 AM.**
4. **NOTE:** *If you fail to cancel your reservations 48 hours prior to your check-in date, you will be billed for one night's room plus tax.*

DAILY RATES

SINGLE/DOUBLE GUESTROOMS---- \$159.00 Per Room Per Night, Plus Tax
(At time of Reservation, be sure to request either a room with 2 Queen Beds or 1 King.)

On premise self- parking is FREE...Valet parking is currently \$13.17+ per day.

PLEASE NOTE: *The above sleeping room rate is offered (3) days pre and post event; based on availability as determined by the Resort.*

THE MARGARITAVILLE RESORT

539 PARKWAY, GATLINBURG, TENNESSEE 37738

TELEPHONE 1(865) 430-4200

IMPORTANT!!! IMPORTANT!!! IMPORTANT!!! We are holding a block of rooms for Friday and Saturday nights (9/13 and 9/14) and a smaller block for Thursday night (9/12) at The Margaritaville Resort. On AUGUST 8, we have to release any of those rooms for which we have not reserved and guaranteed payment. After that date, the rooms go to the open market, and are available on a first come, first served basis. **SO...PLEASE RESERVE YOUR ROOM(S) EARLY!!!**

AUTOMOTIVE AFTERMARKET ASSOCIATION OF THE MID-SOUTH, INC.
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SEE YOU IN GATLINBURG!!!