



The value of shop retention

Why keeping your parts department top of mind with customers is the key to your bottom line.

For many parts departments, the idea of customer retention marketing is met with: “we don’t have time... we’re too busy!” With many struggling to find enough hours in a day to manage orders and inventory, it’s understandable that marketing doesn’t fall at the top of the to-do list. This creates the challenge parts departments often encounter: the need to meet parts revenue goals with limited resources.

By understanding which customers offer the most value to your bottom line, you can position your parts department for success by using deliberate, targeted, and cost-effective customer retention strategies. **This approach is backed by data – part sales data shows that engaging existing customers offers the strongest returns while requiring fewer resources.**



Customer retention by the numbers

According to 2023 RepairLink data, a loyal repair shop spends an average of **\$34.6K annually – that’s 5.2 times more than a new customer.** The numbers speak for themselves, but the underlying point needs to drive parts department marketing strategies. **\$28K in potential sales is a sizeable number – the difference in annual spend between existing and new customers – that can be the difference between hitting your goals or falling short.**

A loyal repair shop spends an average of \$34.6K annually - 5.2x more than a new customer



Cost of new customer acquisition

With part sales growth strategies, your instincts likely lead you to focus on new customers. Targeting new business seems intuitive, but a closer look reveals a different story. **It costs five times more to acquire a customer than to reengage an existing shop.** When you add up the cost of acquisition, you see how many resources go toward new shops that may never order parts. The math is clear: it is more cost effective & profitable to engage existing customers and promote loyalty.

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Be strategic & deliberate



While data shows customer retention provides the most upside, this does not mean new customer development should stop. It just demonstrates that you want to allocate resources to your strongest opportunities. **Customer retention efforts are proven to be more successful and require fewer resources.** Why? Because you know your existing customers. You have a relationship. You have sold them parts before. There is a level of familiarity with each other. Engaging this audience requires less from your team and a little nudge or friendly reminder can yield solid results. Simply put, customer retention gets more bang for the buck.

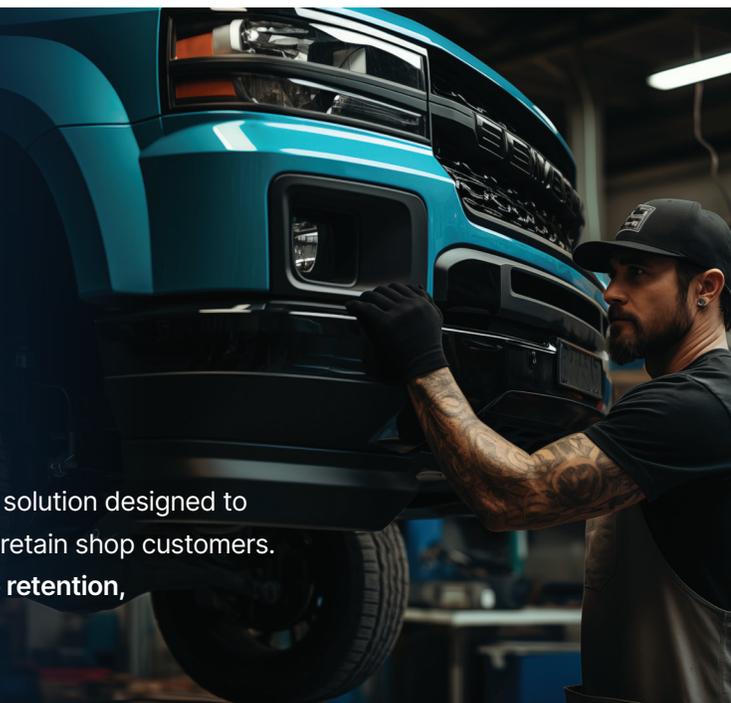
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The value of shop retention, a recap:

- Existing customers spend an average of 5x more on parts annually at \$34.6K
- New customers spend \$6.9K on parts annually (\$28K less per year on average than existing shop customers)
- New customer acquisition is 5x more expensive than customer retention

OEC recently launched OEC eMarketing, an efficient, turnkey solution designed to support dealerships with targeted marketing campaigns that retain shop customers.

To learn more about OEC eMarketing and the power of shop retention, visit [OEConnection.com](https://www.OEConnection.com).



3600 Embassy Parkway | Suite 300
Fairlawn, OH 44333
888.776.5792 | [OEConnection.com](https://www.OEConnection.com)

About OEC

OEC connects those involved in the vehicle parts and repair ecosystem so they finally have an easier way to get their job done. They get access to the network and data needed to transform selling, sourcing, leasing, managing, billing, and claims. Learn more about OEC at [OEConnection.com](https://www.OEConnection.com).