

The background of the slide is filled with several 3D rendered images of coronavirus particles. These particles are spherical, greyish-blue, and covered in numerous red, spike-like protrusions. They are scattered across the white background, with some appearing larger and more detailed than others.

# The world of automotive workshops yesterday - today – tomorrow

**CEE and UK**  
May 2020

# Research background and methodology:

## Background:

The aim of the poll conducted among passenger car workshops was the collection of information in reference to the pandemic affecting the automotive sector.

## The definitions listed below used in the presentation relate to the time perspective:

- Yesterday: the beginning of the pandemic;
- Today: mid-April;
- Tomorrow: May/June.

## Methodology:

- Target group: IAM and OES workshops;
- Method of data collection: on-line interviews via a panel dedicated to car mechanics (CAWI) and polls displayed on websites dedicated to the automotive sector;
- Study implementation: MotoFocus.eu;
- Sample size: N=minimum 100 representatives of workshops in each country;

The research was conducted in April 2020.

## Main observations concerning the condition of the car repairs market

**47,8%** expected decrease in the number of customers

in workshops after the first month of the pandemic;

**32,5% employment costs reduction** being a method of overcoming the crisis;

**47,3% reduction of investments** in equipment and software updates;

**64,5% insufficient support of governments,**  
even though diversified in particular countries;

Ones propose to **decrease**, whereas others to  
**increase the prices of services.**



Every cloud has a silver lining.

The expected ageing of the car park is a chance for an increase in the interest in car repairs.

# The world of workshops yesterday:



1 A developing car park, even though in many countries it doesn't get younger.

2 An increasing number of visits in workshops.

3 Gradually increasing expenses of the drivers on car repairs due to the technological advancement of cars.

4 The market of the employee in many countries forces the increase in wages, and consequently, increase in the prices of services.



5 A strong competition between IAM and OES is developing, even though the proportion of the market shares does not change drastically.





# The world of the workshops today and the expected assessment of the crisis effects

1-10 scale (1 – no effects of the crisis, 10 – critical threat)



UK

8,1



Poland

7,2



Lithuania

7,1



Czech  
Republic

5,5



Slovakia

7,2



Romania

8,8



Bulgaria

8,5



Hungary

6,4



Croatia

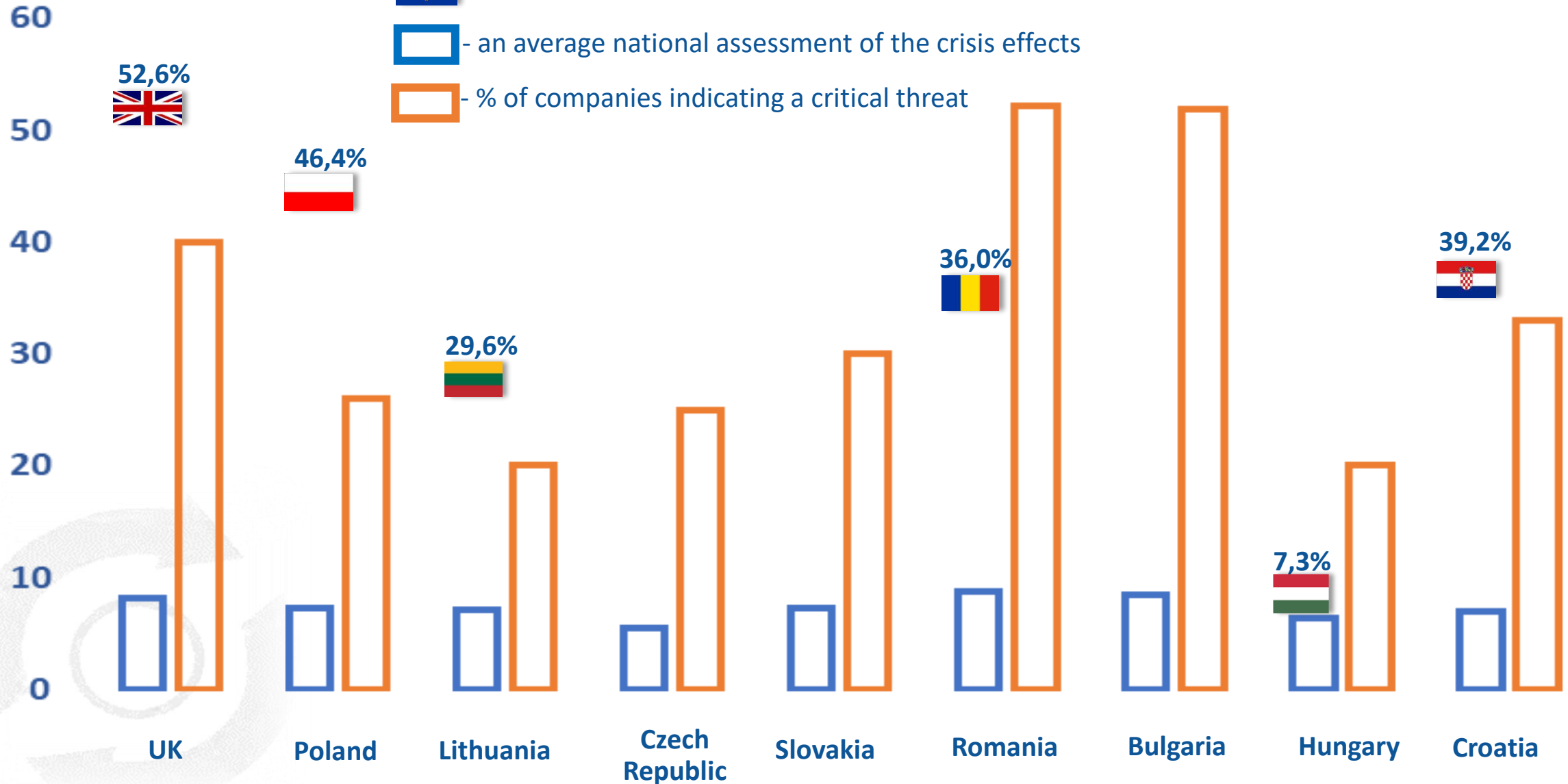
6,9

# Expected assessment of the crisis effects 1-10 scale

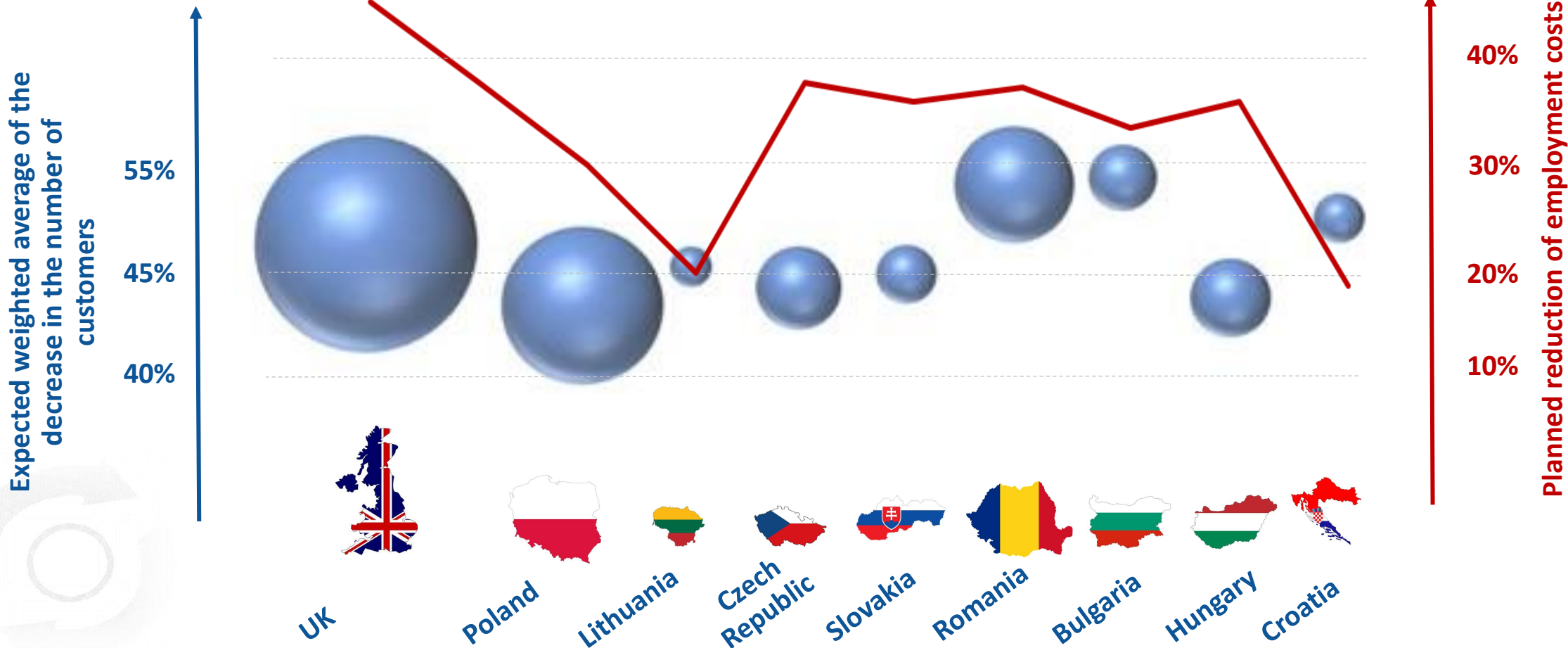
CEE  - 35,2% companies positively assessing the support of the governments

 - an average national assessment of the crisis effects

 - % of companies indicating a critical threat









# Expected assessment of the crisis effects

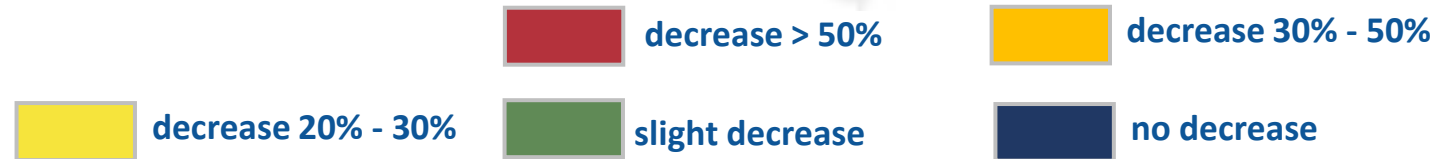
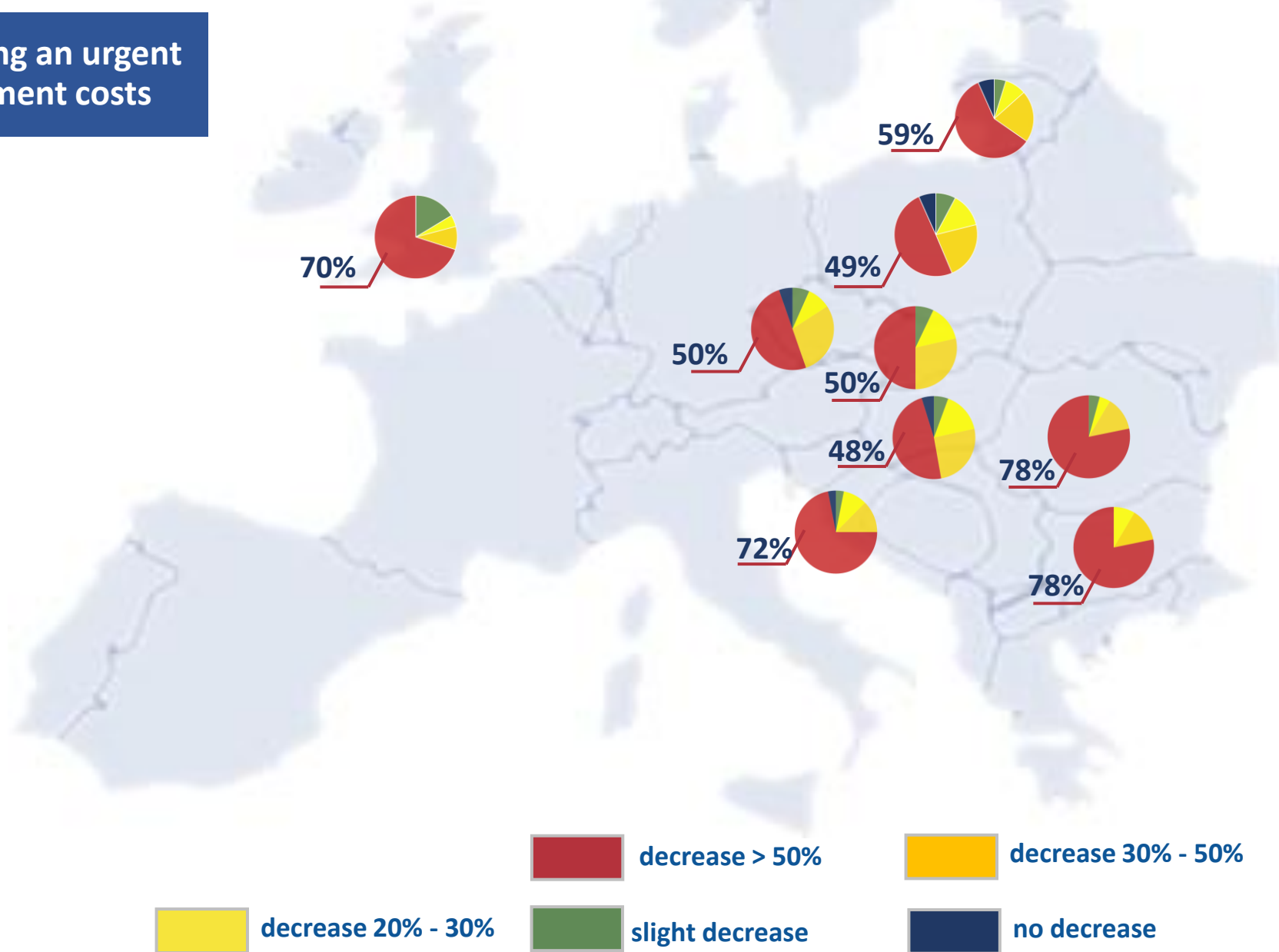


The size of the ball is proportionate to the size of the car park and indicates the scale of the losses for the market.

# Change in demand for the services of the workshops

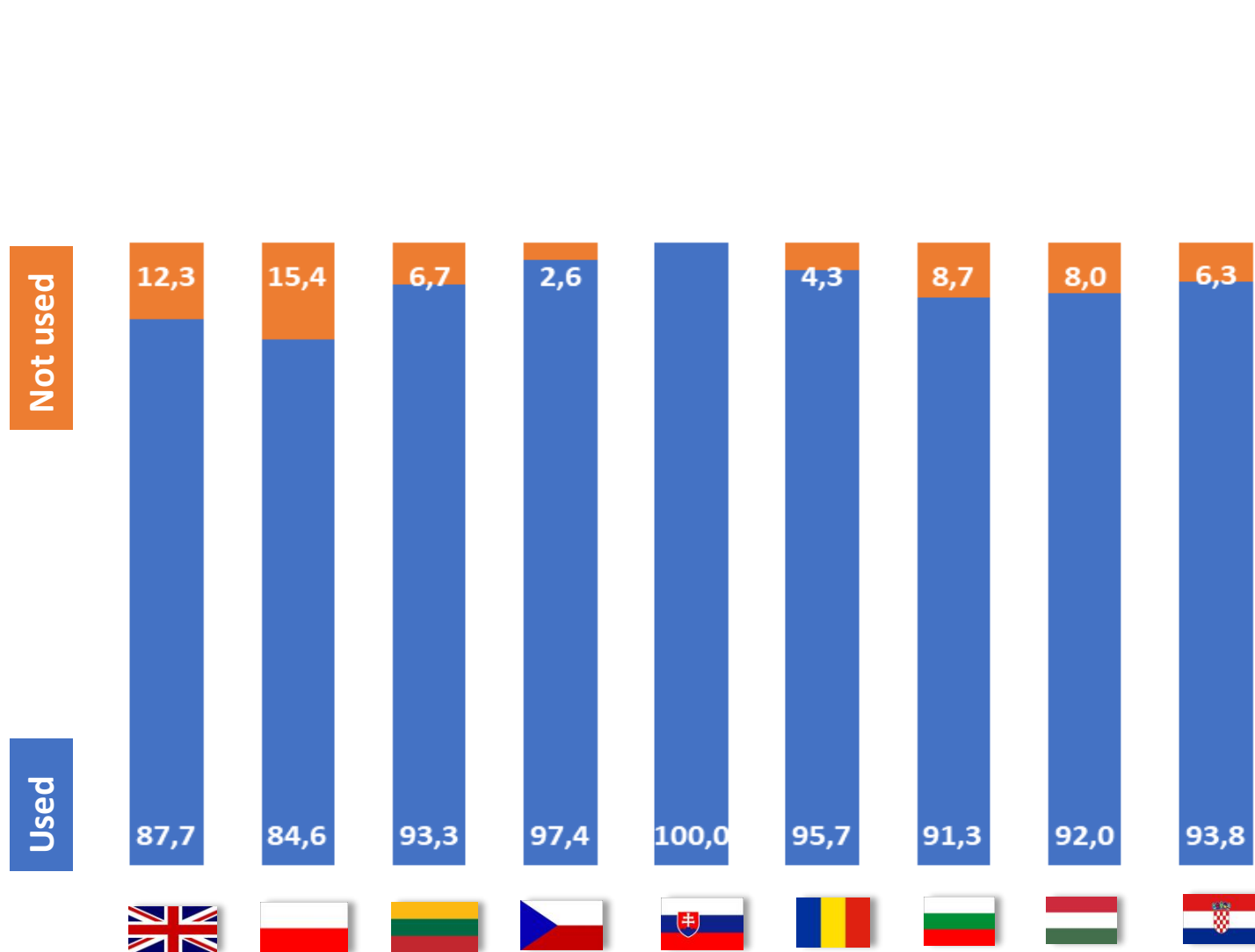
**% of companies planning an urgent reduction of employment costs**

UK		44,9%
Poland		30,0%
Lithuania		20,0%
Czech Republic		37,5%
Slovakia		35,7%
Romania		37,0%
Bulgaria		33,3%
Hungary		35,7%
Croatia		18,8%
CEE		32,5%





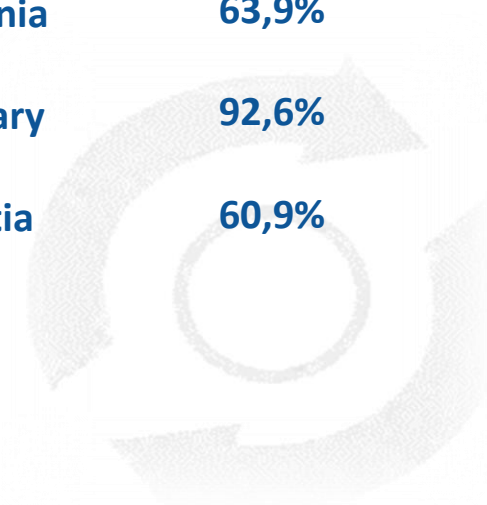
# Personal protection measures for employees in workshops



**% of companies planning an urgent reduction of employment costs**

**% of companies which will not benefit from governmental aid programmes**

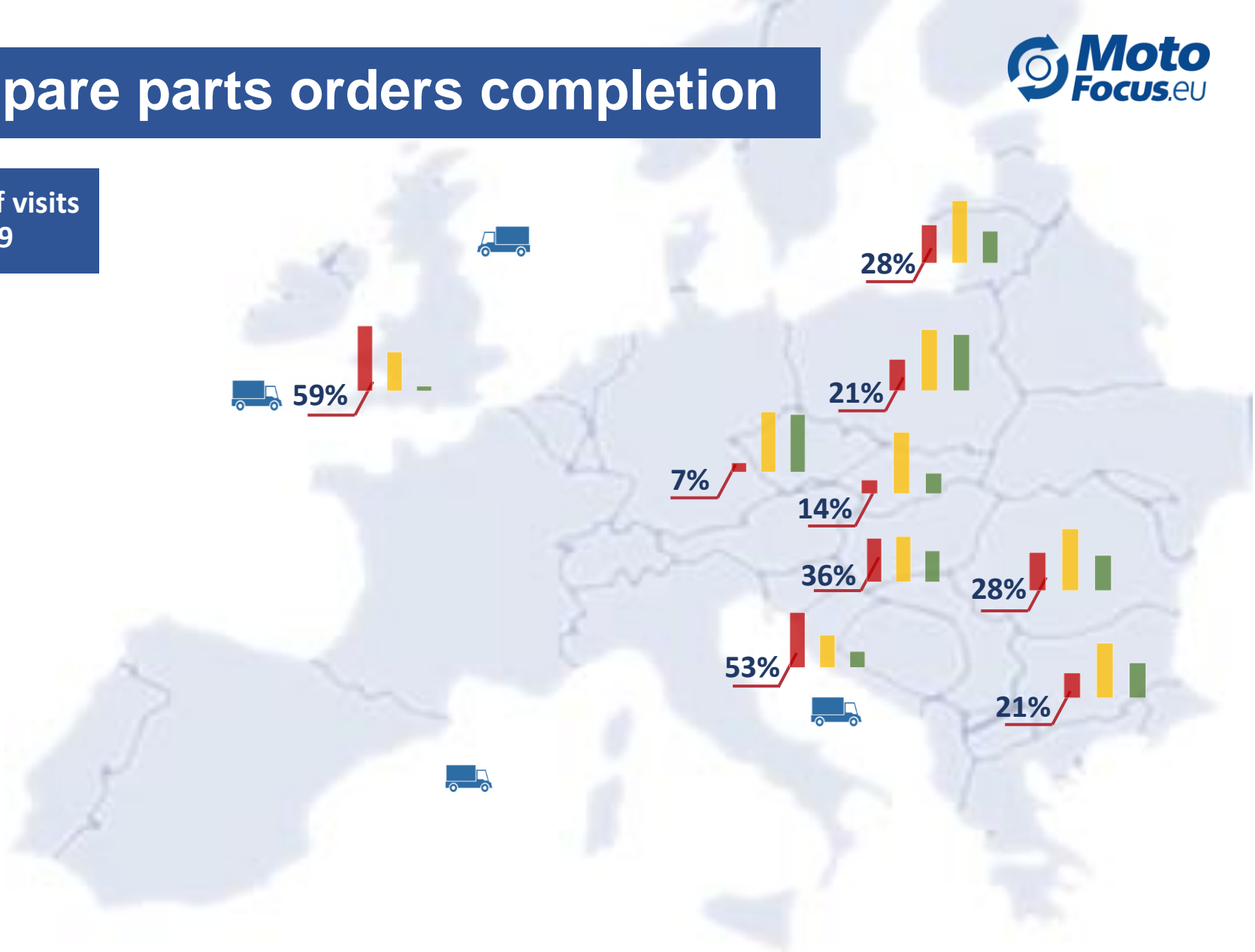
44,9%	UK	47,3%
30,0%	Poland	53,6%
20,0%	Lithuania	70,7%
37,0%	Romania	63,9%
35,7%	Hungary	92,6%
18,8%	Croatia	60,9%



# The level of spare parts orders completion

% decrease in the number of visits  
April 2020 vs. April 2019

UK		48,4%
Poland		42,9%
Lithuania		46,4%
Czech Republic		44,5%
Slovakia		45,7%
Romania		53,7%
Bulgaria		54,3%
Hungary		43,6%
Croatia		50,8%
CEE		47,8%



■ significant level of backorder    
 ■ slight backorder    
 ■ sufficient supply

# Where do the workshops seek the ways of overcoming the crisis?

1

## Governmental support:

- credit facilities
- temporary deregulation

2

## Employment costs reduction:

- decrease in wages
- dismissal of employees

3

## Reduction of investment:

- in tools and equipment
- employment training
- reduced range of services

4

## Change in pricing policy:

- increase in prices of services
- decrease in prices of services
- adjustment of margins on parts



CHANGE

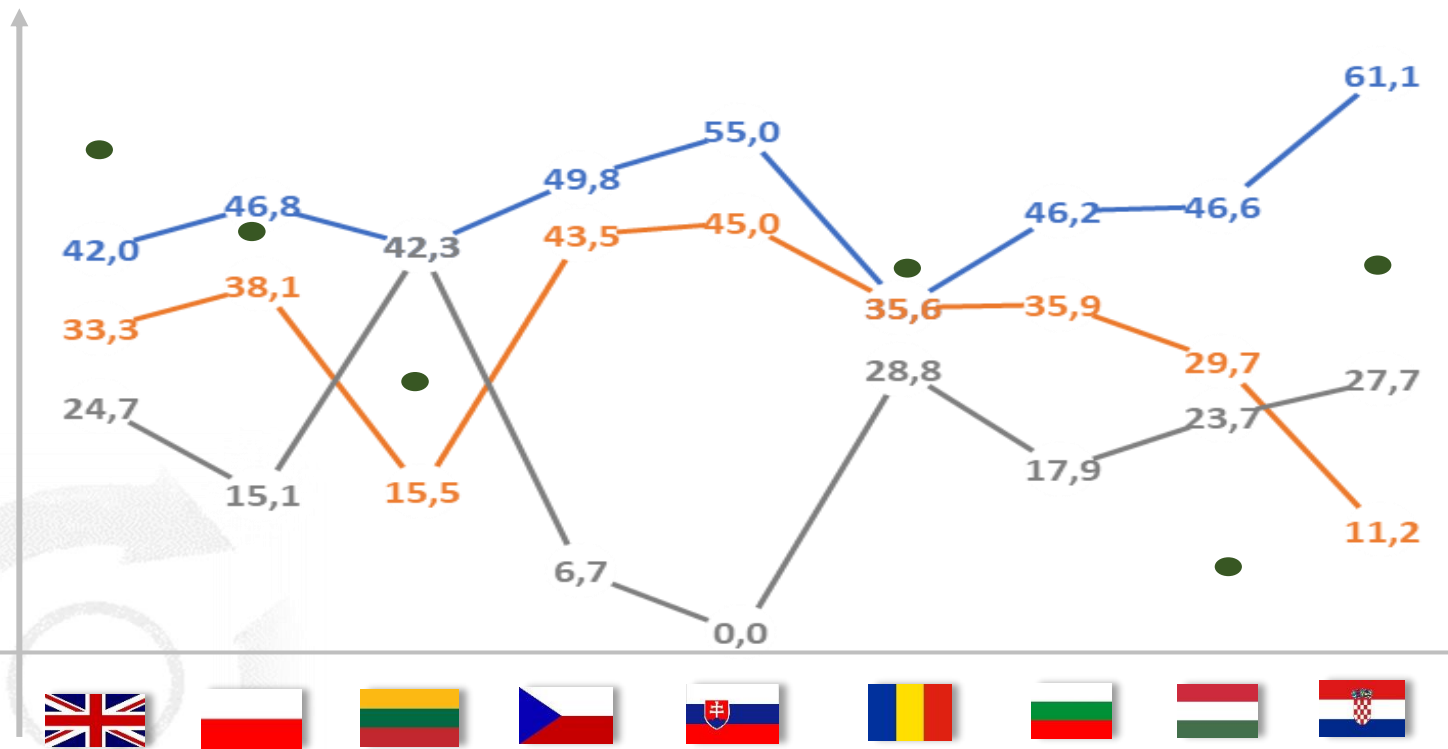
# Reduction of investments planned by workshops

- % of companies positively assessing the governmental support
- % of companies planning the reduction of investment in tools and equipment
- % of companies planning the reduction of investment in employees trainings
- % of companies planning the reduction of the services range

The sector of garage tools and equipment may significantly suffer from the crisis since the expected ageing of the car park does not induce the need for investment and even more, an updated software.

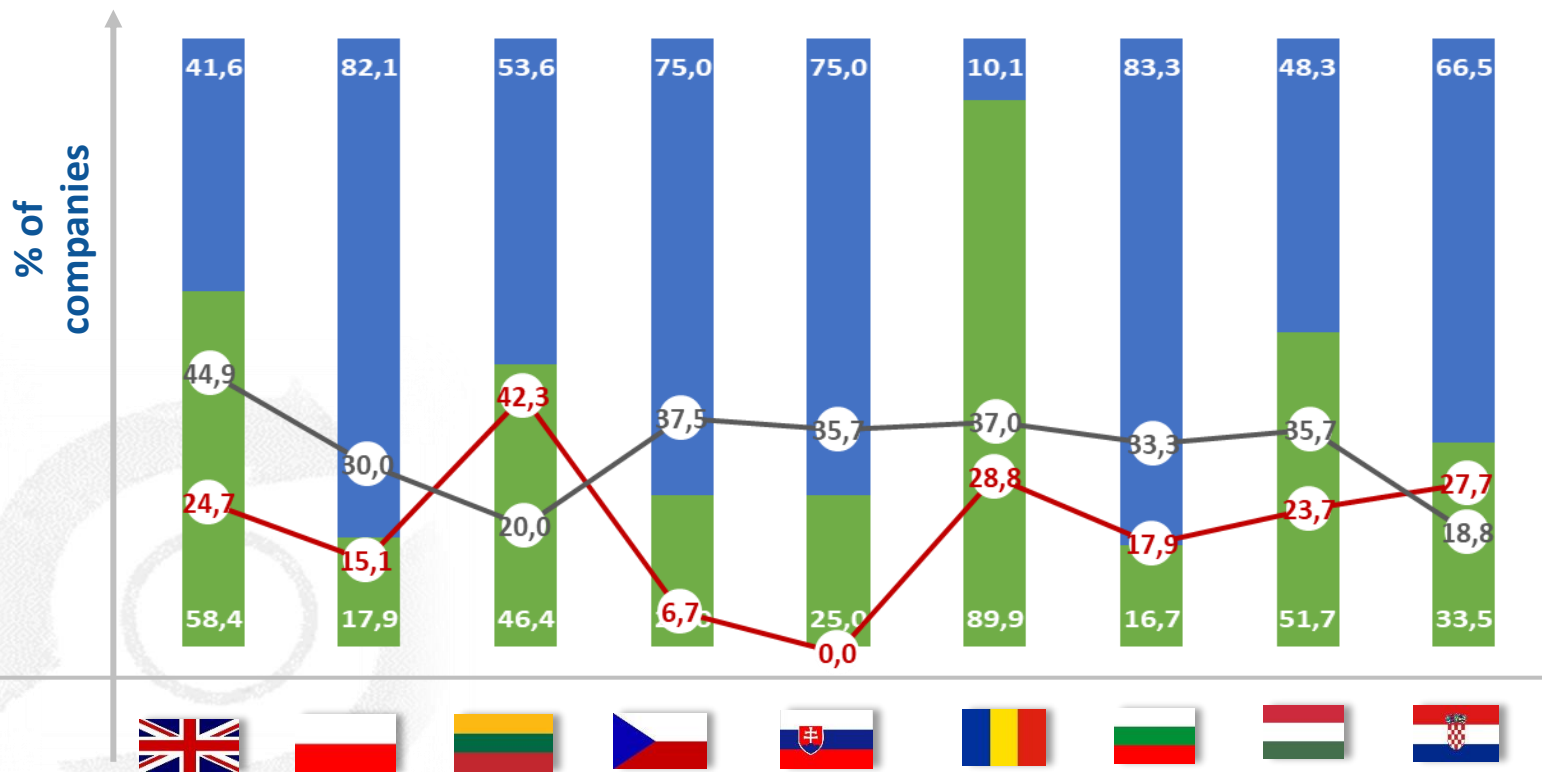
Traditional trainings, despite huge advantages, lose importance. On-line and video trainings develop rapidly as a safe and cheaper way of education.

In the times of the crisis the workshops more consciously approach the calculation of the profitability of the provided services focusing on fast and profitable services, as well as specialisation that allows the reduction of costs.



# The changes in the pricing policy

- increase in the prices of services
- decrease in the prices of services
- planned reduction of the range of the services
- urgent plan of the reduction of employment costs



Despite the lack of customers fixed costs are high enough to force many workshops to seek the ways of rescue by increasing the prices of the provided services. Moreover, when asked about the parts pricing policy, only some of them declare they aim to raise the margins on parts.

On average, less than half of them decide to lower the prices of the services in order to stimulate interest in their business and attract the customers.

Unfortunately, probably none of the tactics will improve the condition of the workshops, that's why a significant number of them seek savings in the reduction of employment costs, e.g. by limiting the workshop working hours.



We invite you to co-operate in the field of market research, as well as effective promotion of automotive companies

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