



fender
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2023 FENDERBENDER
INDUSTRY SURVEY

COMPLETE REPORT

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PURPOSE

The survey and report were compiled by FenderBender magazine, a publication of Endeavor Business Media. The purpose of this research project was to provide readers with unique and in-depth information about how businesses in the collision repair industry operate.

Specific inquiry areas included:

- Background information including respondent title, shop location, size, annual revenue, employees, business type (MSO, franchise, independent or dealer-owned)
 - How the shop performs according to a selected group of KPIs
 - What technology and tool investments are being made and how shops are budgeting for those investments
 - What kind of training and certifications are made a priority
 - How shop owners work, and their leadership styles
 - What shop leaders expect and the challenges they see facing the industry
-

METHOD

FenderBender collected the survey sample using named records in FenderBender's email file. The file represents auto repair shop owners and/or managers of independent, franchise or dealership shops that are active subscribers to FenderBender.

Data were collected from February 14 to March 14, 2023. The survey was closed on March 15, 2023, with 310 individual respondents, including single-shop owners and MSOs. The goal was to take a snapshot of a cross section of today's collision repair industry and collect survey data from facilities in all segments of the industry from across the United States.



310

**NUMBER OF RESPONSES
RECEIVED IN THIS
YEAR'S SURVEY**

EXECUTIVE SUMMARY OF FINDINGS

The FenderBender Industry Survey provides a rare glimpse inside collision repair shops to see how they're performing, what their challenges are and how they're looking toward the future. And it's all thanks to the FenderBender readership for participating in such great numbers.

As the survey's life spans a transformative era in the collision repair industry, some trends have emerged that offer a picture of a changing world. This year's set of data is no different, with a few trends sticking out above all others.

- Survey respondents cited finding qualified workers as the No. 1

challenge facing the industry, just as it was in 2022, but in even bigger numbers.

- More shops are moving away from DRPs, a trend that has existed throughout the life of the survey but took a big jump in 2023.
- Shifts continue to happen in technology and tools as shop needs change, with more shops becoming equipped to take on ADAS calibrations.

In this report you'll find this data and more in greater detail, providing a look at the state of collision repair in 2023.

COLLISION REPAIR AT-A-GLANCE

The numbers bear it out: Collision repair is a growth industry. Nearly 80% of survey respondents said their total annual sales have grown across the past five years. More than 70% of them say they expect that trend to continue. Looking at a 2023 report prepared by Collision Advice, it is easy to understand why given the volume of vehicles on the road.

Cars On The Road

284 MILLION

In 2022—an all-time high

Source: Collision Advice and Experian

Drivers On The Road

231.6 MILLION

An all-time high of 231.6 Million drivers took the road in 2020—an all-time high, projected to reach 243.3 Million in 2023

Source: Collision Advice and Experian

Miles Driven

UP 4%

In the top-10 U.S. cities by population, miles driven are up 4% from pre-pandemic levels.

Source: CCC Crash Course Report

Complexity Of Vehicles

45%

Expected share of vehicles powered by semiconductor-based chips by 2030

Source: CCC Crash Course Report

Weight Of Vehicles

4,200 POUNDS

The average passenger vehicle in the U.S. weighed 4,200 pounds in 2021, an increase of 1,100 pounds from 1981.

Source: CCC Crash Course Report

Length Of Rental

18.2 DAYS

In 2022, an increase of three days over 2021

Source: Collision Advice and Enterprise Rent-a-Car

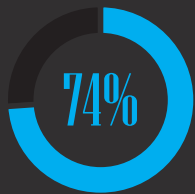
THE PARTICIPANT PROFILE

More than 500 collision repair professionals responded to this year's FenderBender Industry Survey, and, while they were evenly dispersed across all U.S. markets, the majority of respondents followed a demographic pattern that largely aligns with the magazine's overall readership.

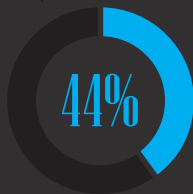
ACCORDING TO DATA FROM COLLISION ADVICE AND CCC, THE COST OF AN AVERAGE REPAIR HAS BEEN ON THE RISE FOR THE PAST 12 YEARS, WITH THE 2022 MARK OF \$3,718—AN INCREASE OF 48% FROM 2011.

The Average Shop

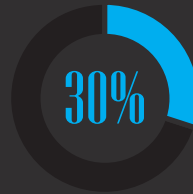
Independent, single-location repair business



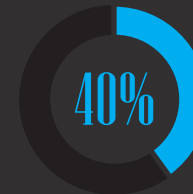
Located in the Midwest



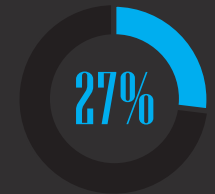
10,000–14,999 square feet



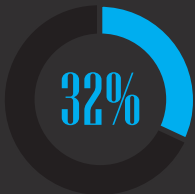
11+ staff size



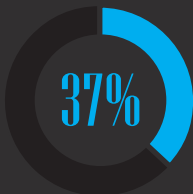
\$1 million to \$2.49 million annual revenue



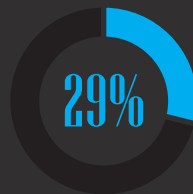
Key-to-key cycle time of 5-7 days



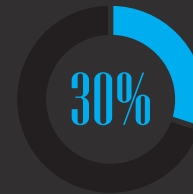
4–5 hour touch time



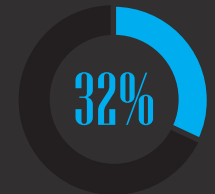
\$3,000–\$3,999 average repair order*



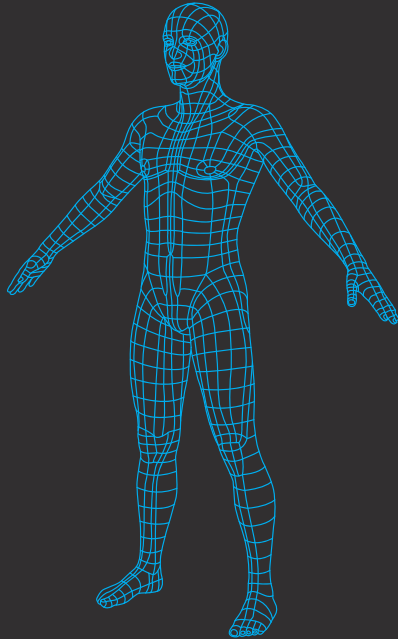
40%–49% overall gross profit



6%–10% overall net profit



Job Title



69%

Shop owner, partner, president, vice president, or other company official

27%

Shop manager, director, administrator, superintendent

1%

Shop foreman or supervisor

3%

Other

Business Type

74%

**INDEPENDENT,
SINGLE LOCATION**

MSO



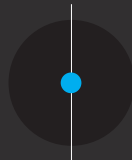
14%

Dealer-owned



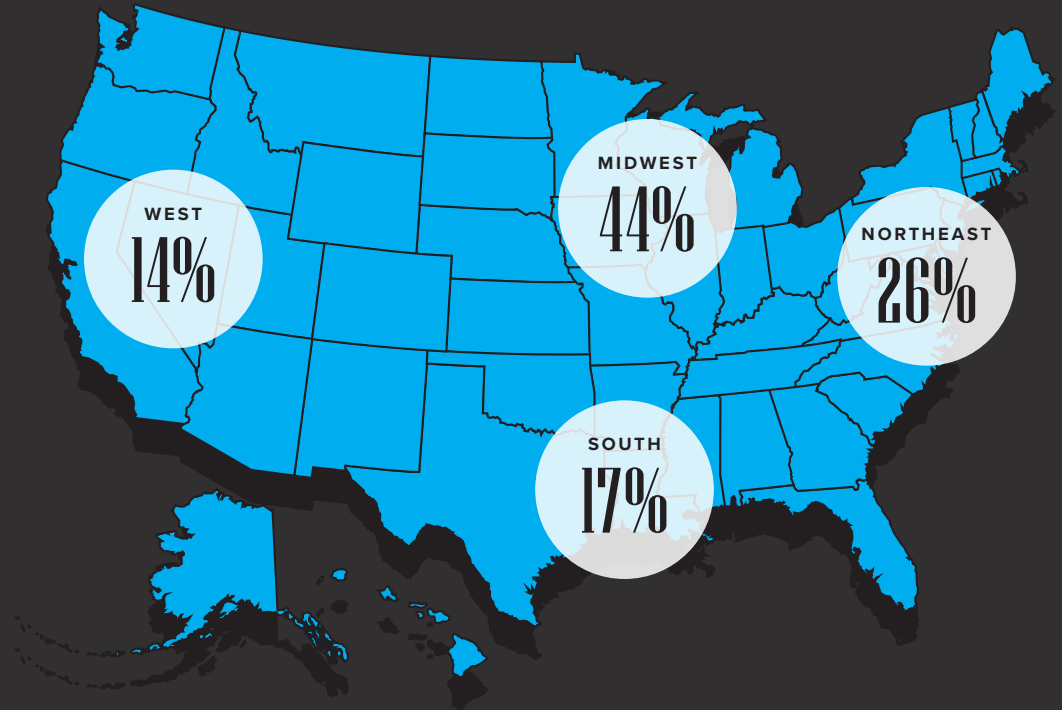
10%

Franchise



3%

Region In Which Business Is Located



Midwest

IA, IL, IN, KS,
KY, MI, MN,
MO, ND, NE,
OH, SD, WI

Northeast

CT, DE, MA,
MD, ME, NH,
NJ, NY, PA, RI,
VA, VT, WV

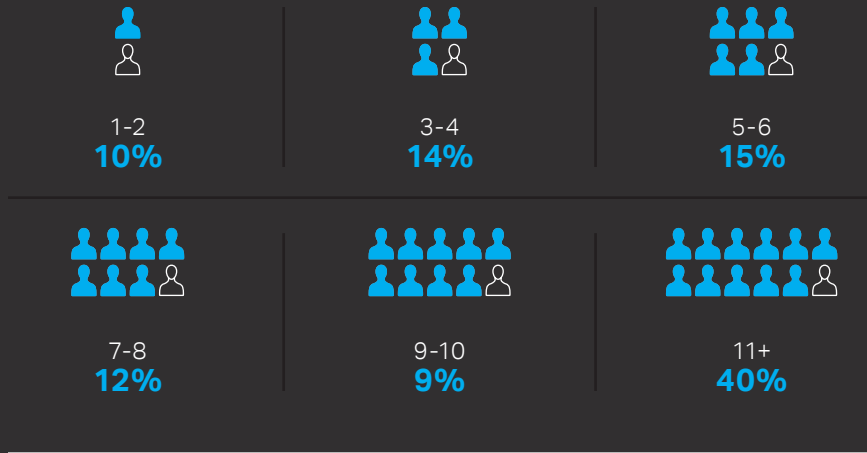
South

AL, AR, FL,
GA, LA, MS,
NC, OK, SC,
TN, TX

West

AK, AZ, CA,
CO, HI, ID, MT,
NV, NM, OR,
UT, WA, WY

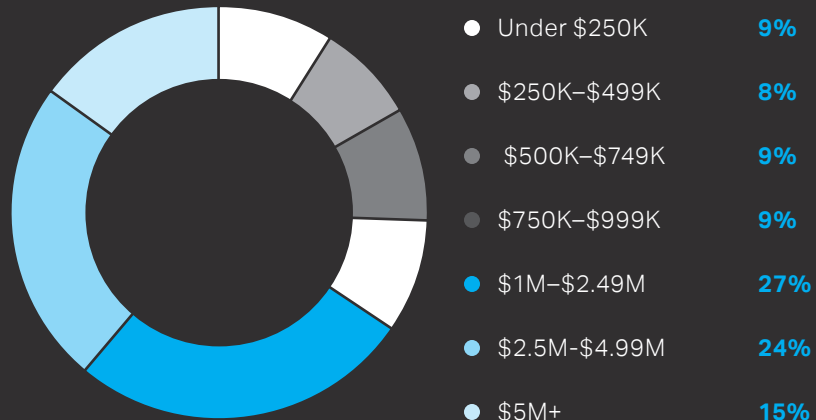
Employees At Each Location



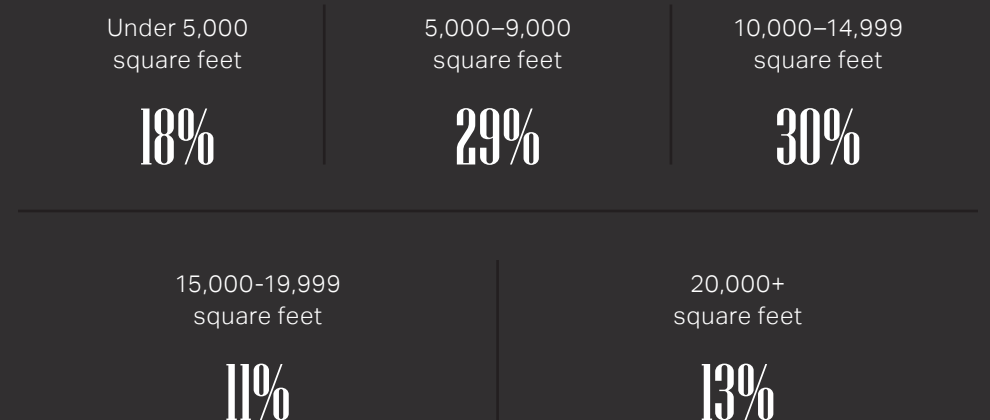
Total Yearly Sales Volume

66%

GENERATE AN ANNUAL TOTAL SALES VOLUME OF \$1 MILLION OR MORE



Total Square Footage Of Location



Departure from DRPs?

One trend that has clearly emerged throughout the lifetime of the FenderBender Industry Survey is more and more shops moving away from DRPs.

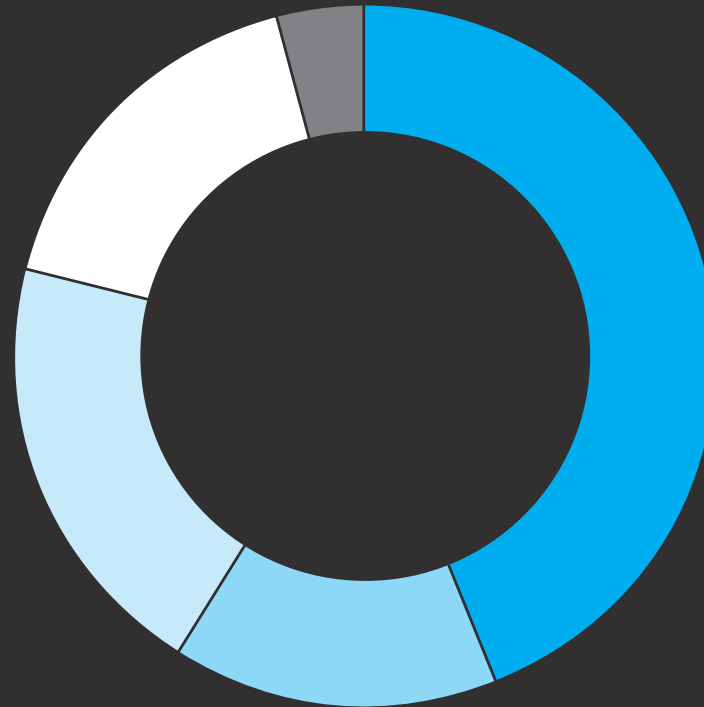
The number of shops reporting no revenue from DRPs back in 2018 was 30%, a number that grew to 37% in 2021 before dropping back to 34% in 2022.

That number took a huge leap up to 44% in 2023. And while last year a majority of shops reported working on 1-3 DRPs, shops with no DRPs are now the majority in 2023.

46%

SHOPS WHO REPORTED THEY HAD NO DRP PARTNERS

DRP Percentage Of Sales



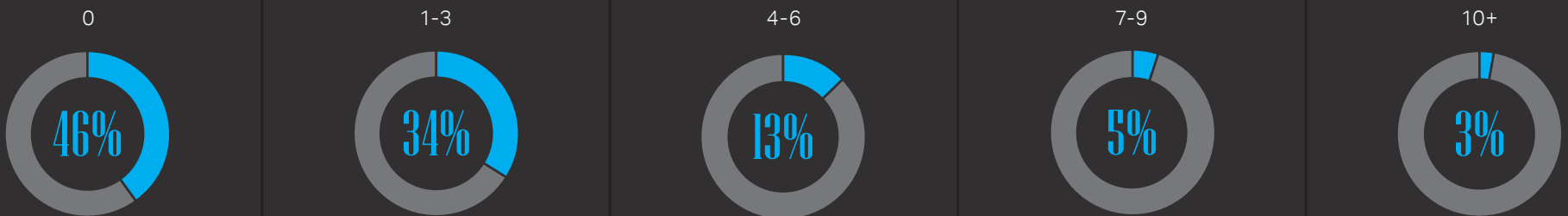
44%

SHOPS REPORTED NO SALES FROM DRP

% OF SALES FROM DRPs

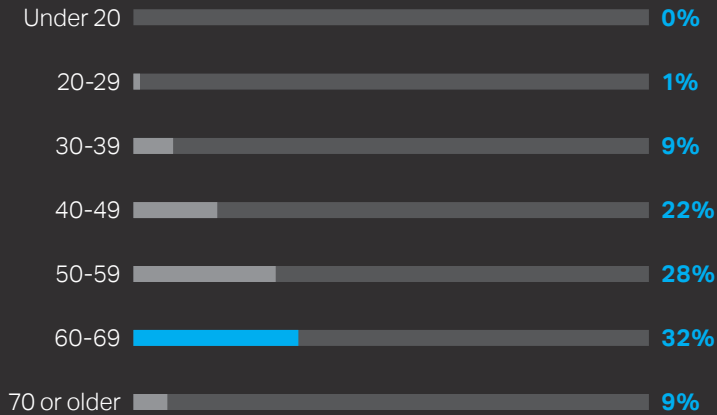
- 0% 44%
- 1-29% 15%
- 30-59% 20%
- 60-89% 17%
- 90%+ 4%

Number Of DRP Partners

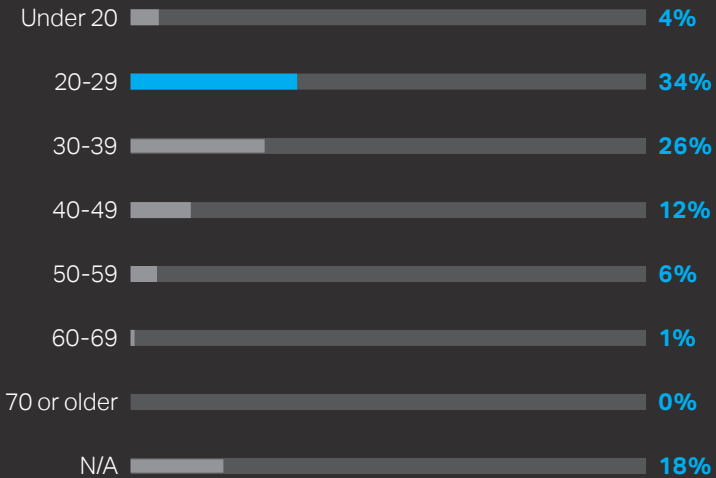


MORE PARTICIPANT DETAILS

Participant Age



Age At Which Shop Owner Took Leadership



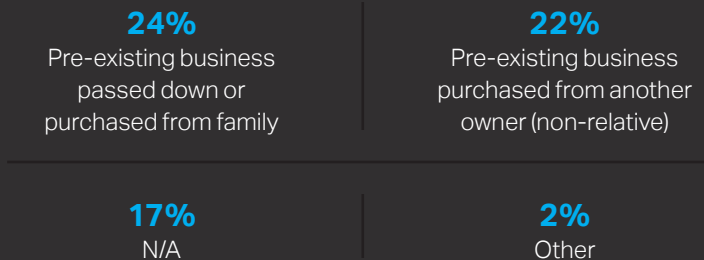
69%

DON'T HAVE A PARENT WHO IS OR WAS EMPLOYED IN THE COLLISION REPAIR INDUSTRY

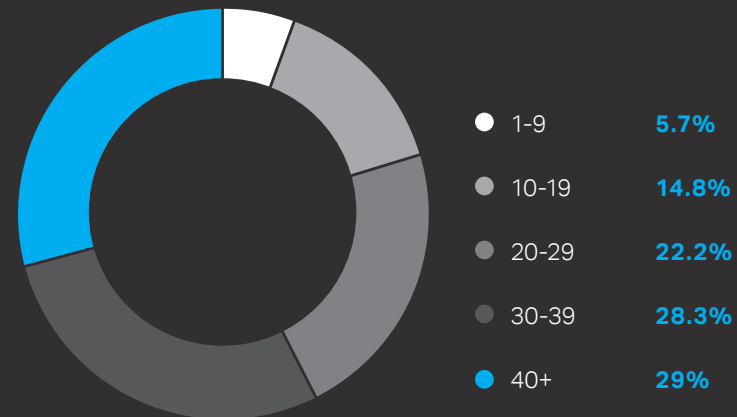
How Owners Acquired Their Businesses

39%

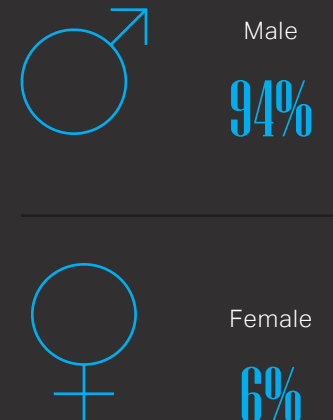
OF OWNERS LAUNCHED THEIR BUSINESSES INDEPENDENTLY



Years In The Collision Repair Industry



GENDER





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INDUSTRY SURVEY

THE KPI REPORT

THE SIGNIFICANCE OF KPIS

KPI-tracking rates have been at an all-time high over the last few years of the FenderBender Industry Survey, going from 75% in 2021 to 76% in 2022 and back down to 75% this year. That might suggest the rates have flattened, and if owners aren't tracking KPIs by now, they never will. FenderBender asked shop leaders to weigh in on why they were or weren't tracking KPIs.

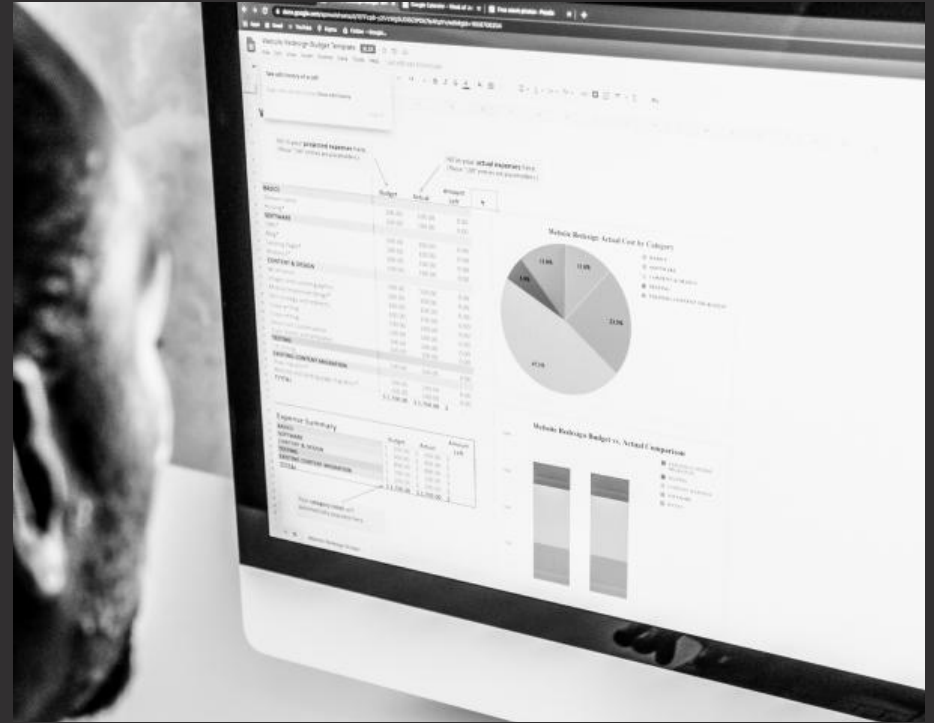
Some answers lightly edited for clarity.

A sampling of answers to the question, “What is the significance of KPI measurement in today’s collision repair industry, and what impact has it had on your business?”

“With the continual rising cost of utilities and technician wages, all KPIs are critical in monitoring profitability.”

“KPIs are the tape measure that we use to measure our growth and trajectory. It definitely takes the emotions out of it.”

“Being able to accurately track my KPIs has made a huge difference on my profit margins.”



“My business has grown pretty quickly. I started my business with no front end training. I went from tech to owner. My first KPI tracking was just watching the checking account and making sure there was money to pay the bills. I have made a lot of changes in the last year to step up in being more detailed in tracking KPIs. It gives a much better understanding on where the business is doing well and where we can improve.”

The Essential KPIs

Of the 310 survey respondents, 75% reported tracking KPIs. Among those shops, here are the most popular KPIs they track.



96%

**OF THE SHOPS
THAT TRACK KPIs
REPORTED THAT
THEY TRACK
THEIR AVERAGE
REPAIR ORDER**

For shops that don't track key performance indicators, while some shops expressed skepticism about the worth of KPIs, others reported their obstacles to tracking KPIs and other reasons for not doing so:

"Would rather watch expenses and quality of repairs. Word of mouth is still the best advertising and customers could care less what your cycle time is."

"No time or employee to track."

"I track profits deposited to the bank. That is the only KPI that matters."

"KPIs are too hard to track at the present time until the supply chain catches up."

"We are too swamped with work."

"Unnecessary for our operation. Profits and customer satisfaction is all we need."

WHAT ARE THE BENEFITS?

When looking at individual performance, there is a world of difference between shops that do and not routinely track KPIs. Here's a side-by-side look at the numbers a majority of shops reported across several categories:



Shops that Track KPIs

\$2.5M-\$4.9M

Annual Revenue

Shops that Do Not Track KPIs

\$1M-\$2.4M

Annual Revenue

\$4,000-\$4,999

average repair order

\$3,000-\$3,999

Average Repair Order

40-49%

Gross Profit Margin

29%

Or Lower Gross Profit Margin

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LEADERSHIP

While shop owners today are reporting growth in annual sales and positive projections out into the future, they're also navigating a difficult path between past and present. As cars become more advanced and repairs become more complicated, the repair process is undergoing a paradigm shift. Shops will be looking to their leaders to chart the right course out of the past.

What is the Biggest Misconception About Collision Repair?

“One of the biggest misconceptions is that the repair process is simple. Many people think that we are just fixing some dents and putting some paint on their vehicle. Repairs are increasingly complex.”

“The world as a whole, including the consumer and insurance companies, believe that we are still fixing cars like we did 30 years ago, or even 10 years ago. An updated mindset on cost to complete repairs and the necessary procedures required to do so is vital to this industry moving forward successfully.”

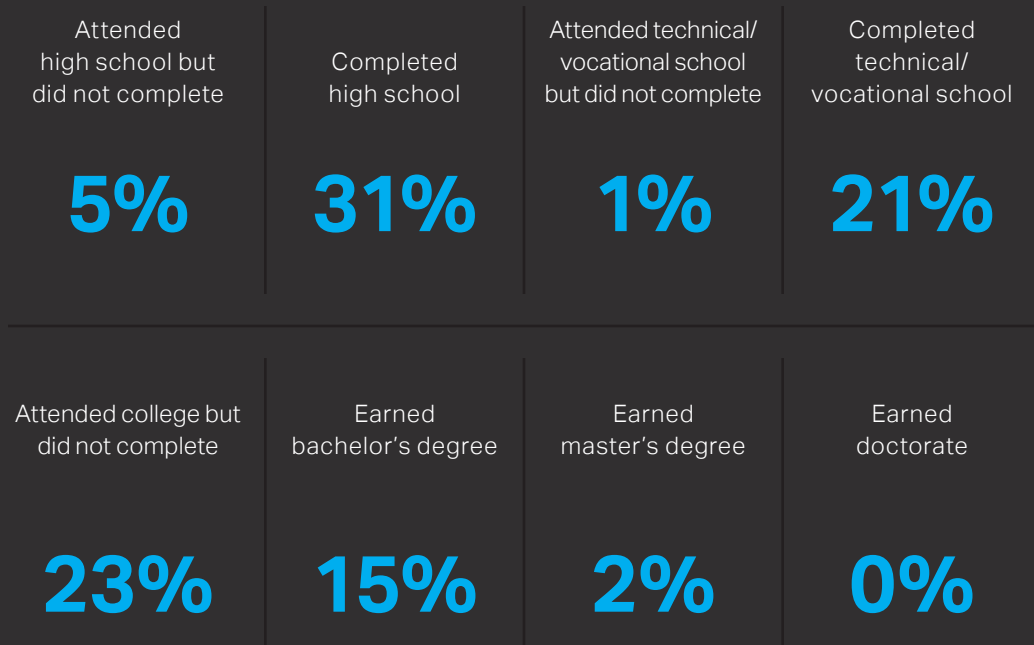
“That shops do not have the means to make real change in the industry and that MSOs are the future of the business. That smaller shops cannot survive and be profitable.”

“Customers don't believe we are controlled by the insurance company.”



EDUCATION AND CERTIFICATION

What is your highest level of education attained?



How often do you personally attend industry-specific management training?

31%

ATTEND INDUSTRY-SPECIFIC MANAGEMENT TRAINING AT LEAST ANNUALLY



Responding shops said others shop team members attended industry-specific management training with similar frequency.

Do you work with a consultant or business coach?



Are you a member of a 20 Group or other peer networking group?

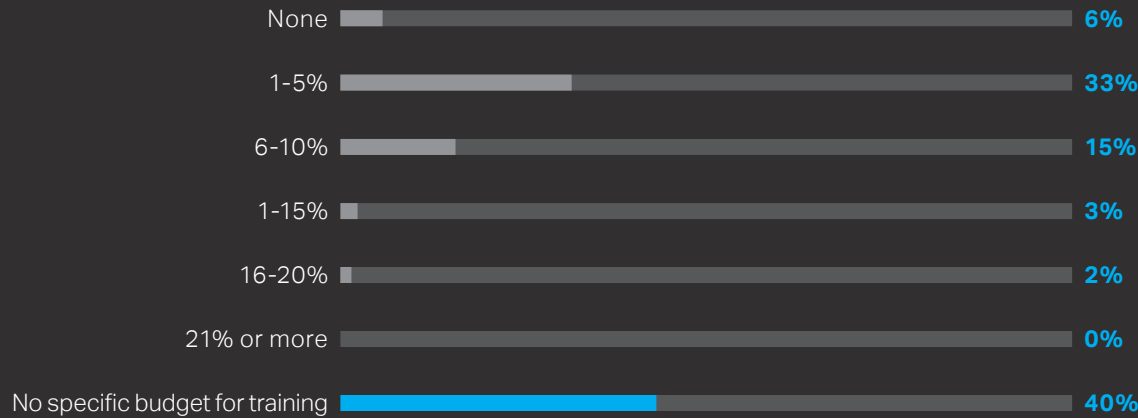


Are you involved in a state, regional or national industry association?



TRAINING

What percentage of your business's total sales do you allot for training investments?



Has your business earned I-CAR Gold Glass recognition?



Yes

55%



No, but we participate in I-CAR training

28%



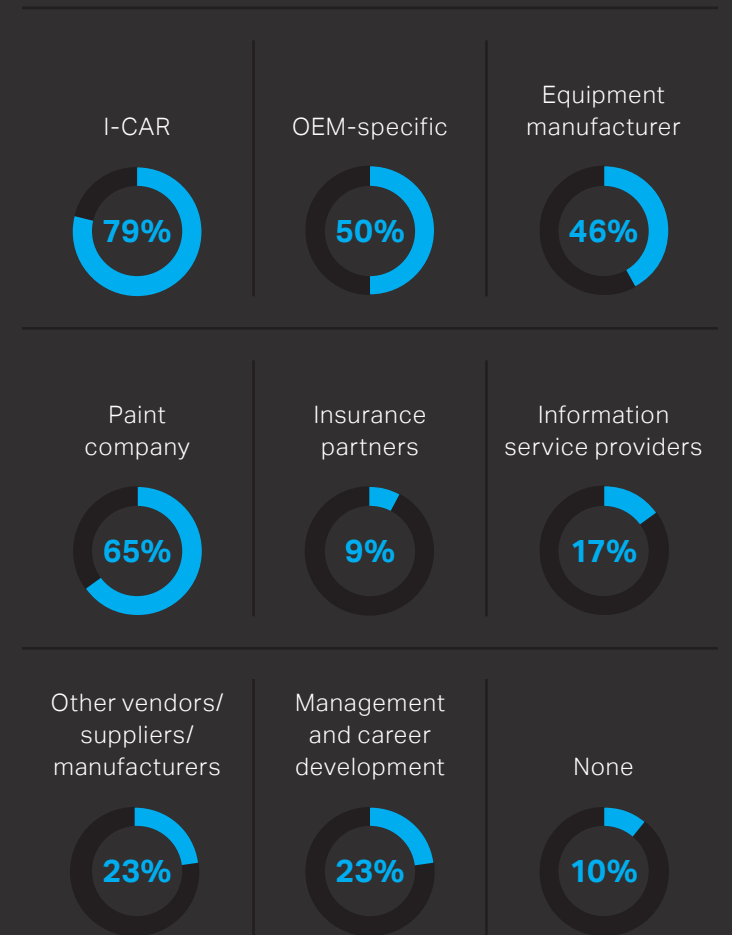
No, we don't participate in I-CAR training

17%

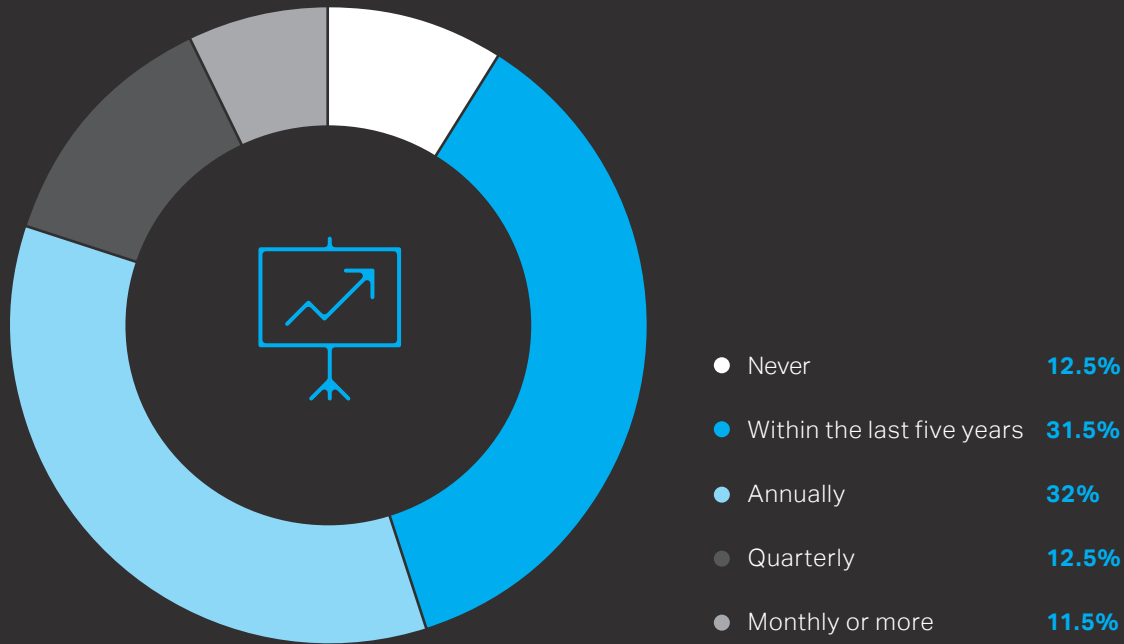
What types of employee training/education does your business pay for? (select all that apply to your shop)

79%

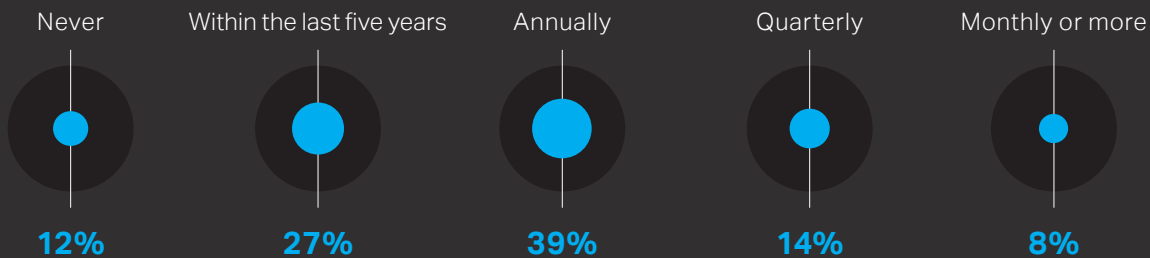
PAYING FOR I-CAR TRAINING



Do you personally attend industry-specific technical training?

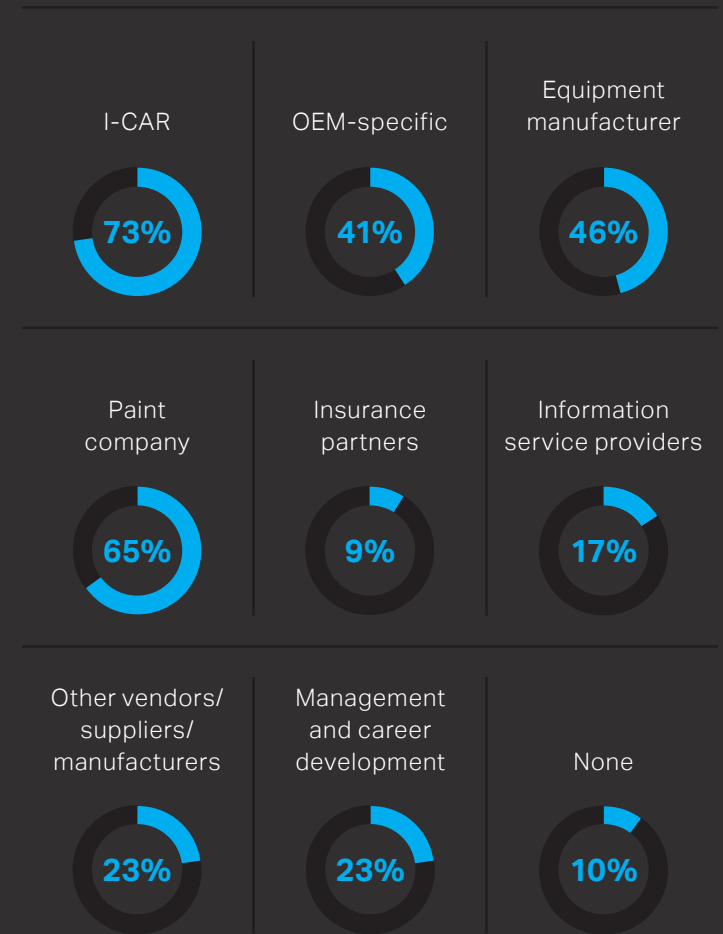


Do other members of your shop team attend industry-specific technical training?



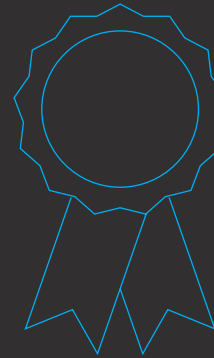
73%

OF RESPONDENTS HAVE THEIR TEAMS ATTEND I-CAR TRAINING ANNUALLY

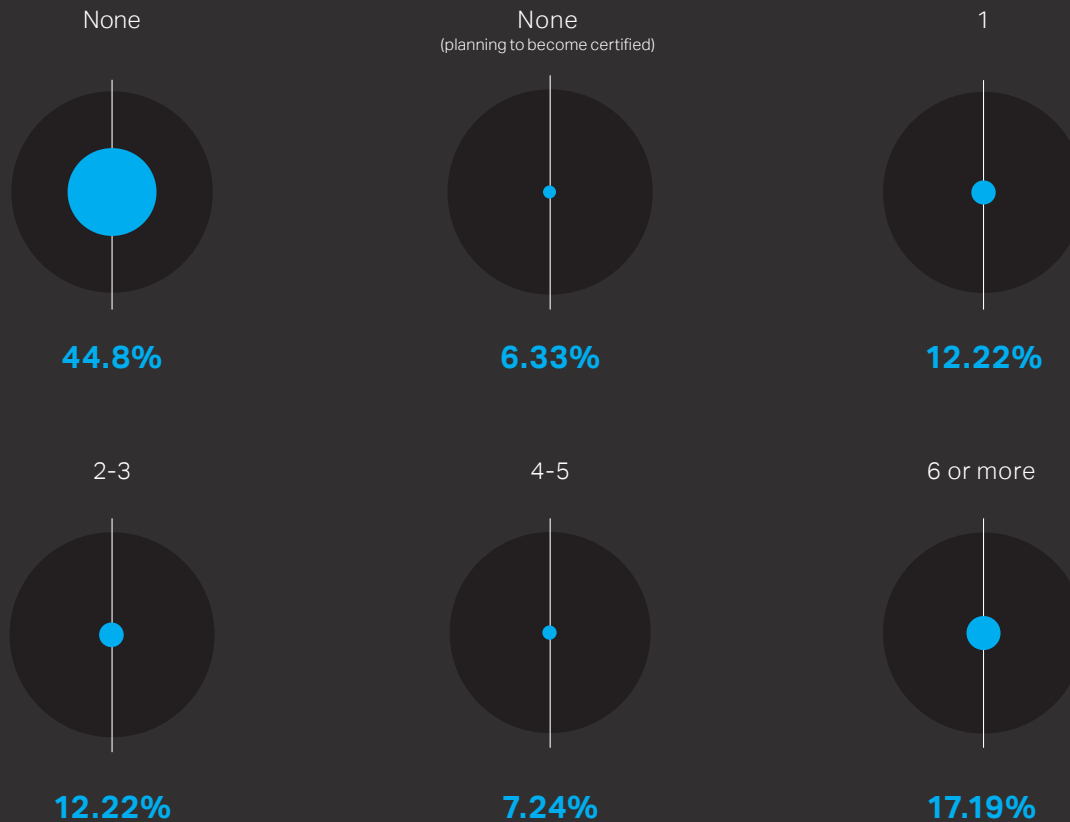


OEM CERTIFICATIONS

The importance, if not necessity, of acquiring OEM certifications is a hotly-debated topic in modern collision repair, but as of late there has not been much of a discernible trend in shops going all-in on OEMs. Forty-five percent of shops in 2021 reported having at least one OEM certification, a number which rose to 47% in 2022 but fell back to 45% in 2023. Still, that is a flip from 2018 when more than half of all shops reported no OEM certs.



How many auto manufacturer certifications does your business have?



If your shop holds OEM certifications, are you satisfied with the ROI?

Responses edited slightly for clarity

“Not at all. We cannot recoup the thousands it cost to join, the thousands in training—OEM is not driving the work to the shops, maybe they should be by now instead of talking about it.”

“No. But we are not just looking at short term financials. It is a long term plan to be ahead of the curve.”

“Yes. We are currently Rivian and Tesla Certified and that drives a significant amount of business.”

“The certification is what the shop does with it. It is not going to do all the work for you. Advertise and use the tools your certifications give you to do so. We are seeing more customers from this.”

If your shop doesn't hold any, why?

Responses edited slightly for clarity

“I was an early adapter and I found it only cost money and no one cared. The manufacturers can't even get their dealers to join so there is no good reason for the independents to do them.”

“We had seven OEM certifications, spent thousands of dollars for several years and we had zero ROI, so we dropped all of them.”

“Not needed for type of work we do.”

“We trained for these types of repairs anyway, and then they charge us to be on a program that we will get their repairs anyway.”

SUCCESSION PLANS

With the average age of owners trending upwards, it is perhaps no surprise that there was a 5% increase over last year in the number of survey respondents who reported they have plans to retire in the near future. However, 55% say retirement is not in their future, and of those, 36% say they have no succession plan.

55%

**HAVE NO PLANS
OF RETIRING IN
THE NEAR FUTURE**



What is your business succession plan?

19.27%

Sell it to a private buyer

23.96%

Leave it to family or a business partner

7.29%

Sell it to a consolidator

8.33%

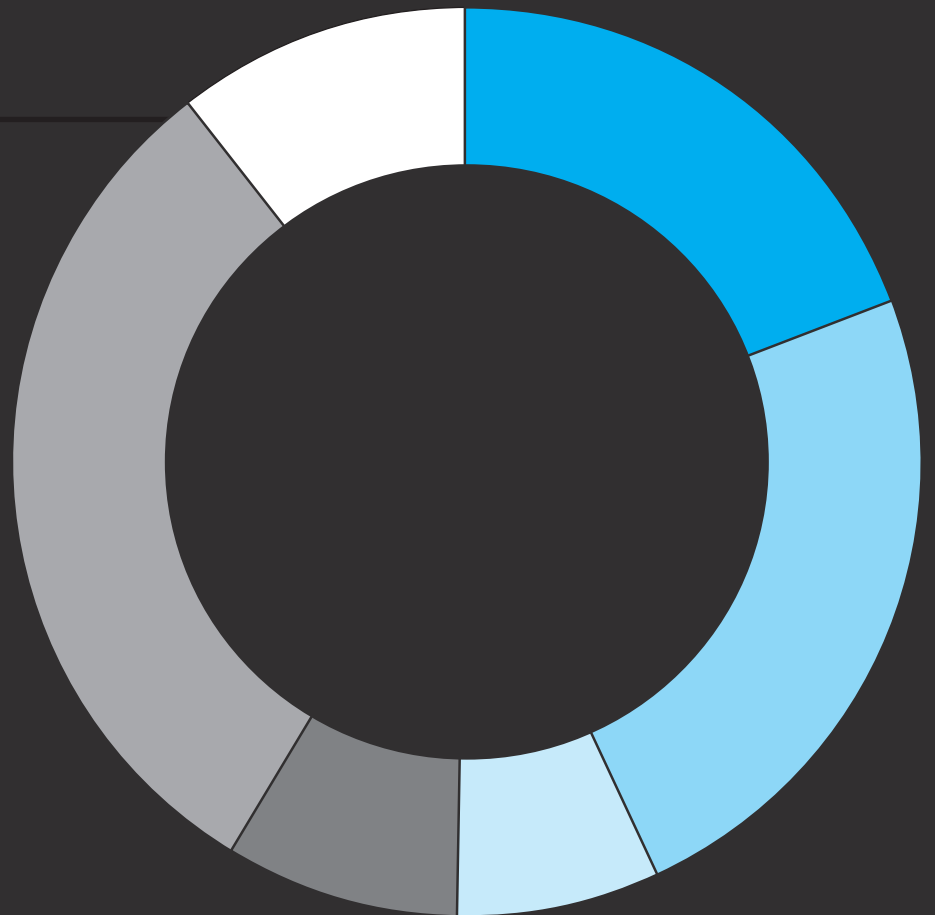
Transfer ownership to staff

30.73%

I don't have one

10.42%

Other





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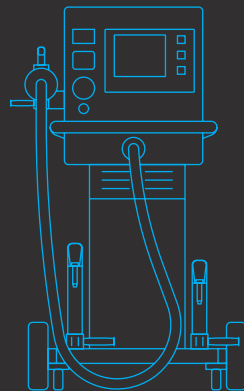
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TECH + TOOLS

BUDGETING FOR TOOLS

As vehicles become more advanced, tech and tool considerations become more important than ever. Whether it is bespoke tools required from OEMs or equipment necessitated to perform ADAS calibrations, survey respondents were asked to evaluate how they plan and budget for technology and tools.

Asked what percentage of their annual revenue is reserved for technology, tool, and equipment purchases, a majority said they created a budget:



Creates a budget

58%



No specific budget

42%



ADAS CALIBRATIONS

The 2022 FenderBender Industry Survey recorded a sharp jump in this area as 8% more shop owners said their shops were set up to perform ADAS calibrations in comparison to 2021. That number rose again slightly in 2023 as more shops deal with the reality of more “computers on wheels” rolling across their floors.

Is your shop equipped to perform ADAS calibrations?

2022

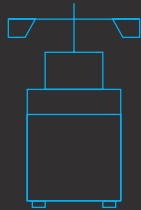


22%
Yes

2023



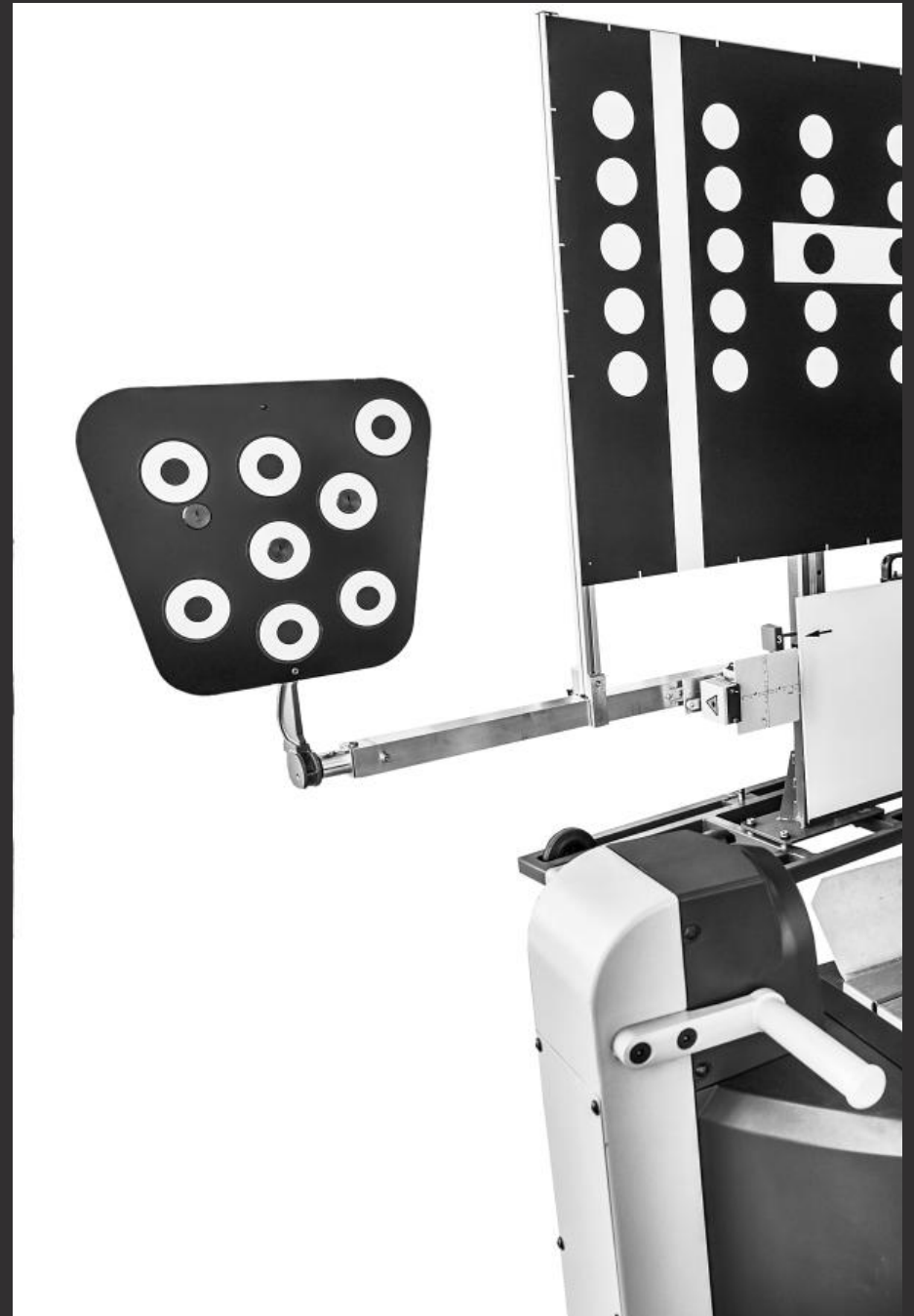
31%
Yes

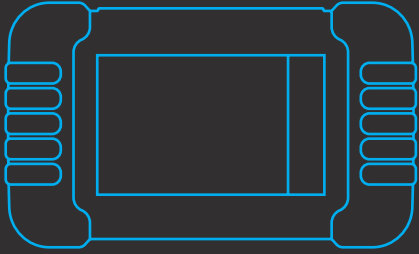


71%
No



69%
No

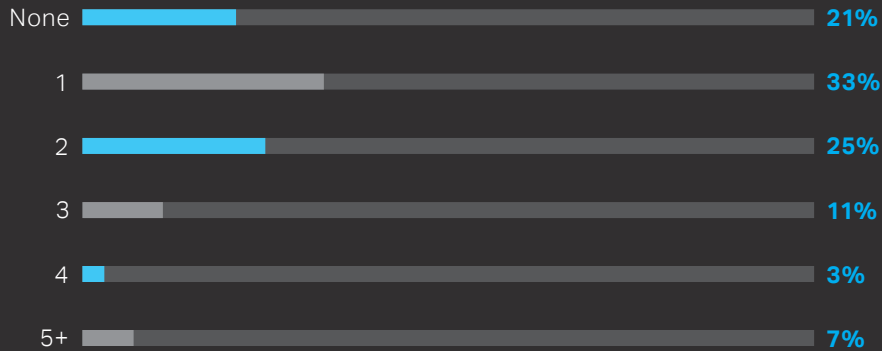




SCAN TOOLS

In another area of advancing vehicle technology, shops are making investments in owning OEM scan tools. The number of shops that reported owning just one dropped by six percentage points in 2022 compared to the 2021 FenderBender Industry Survey, and dropped again in 2023 while there were increases in shops that owned three or more.

How many OEM scan tools does your business own?



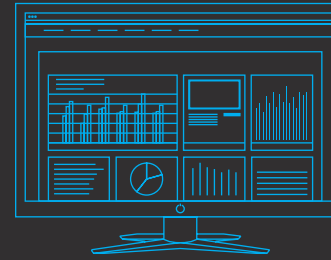
GOING DIGITAL

A look at how operators are using certain software to aid employees at the front of the shop.

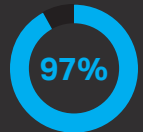


Businesses That Utilize Certain Software

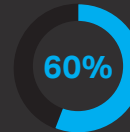
(Respondents were asked to check all that applied.)



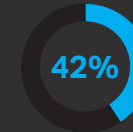
Electronic estimating system



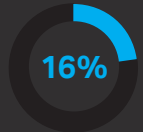
Electronic management system



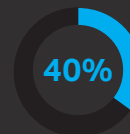
Customer satisfaction (CSI) software



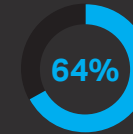
Customer relationship management (CRM) software



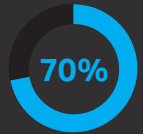
Key performance indicator (KPI) tracking software



Electronic parts procurement software/program



Accounting software such as QuickBooks



OTHER TECHNOLOGY TRENDS

While year-over-year trends are mostly flat, the five-year look for tech and tool trends shows a big shift in the industry's adoption of certain capabilities. The number of shops able to repair aluminum components has jumped by nearly 20% while carbon fiber is up 6%.

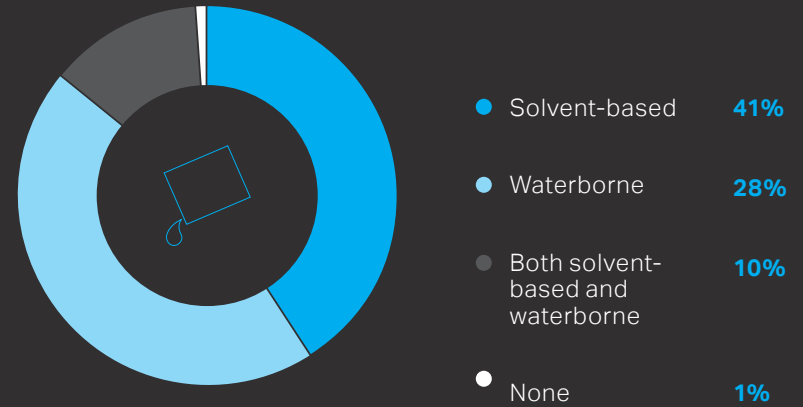
Does your business have the capability and equipment to repair aluminum components?



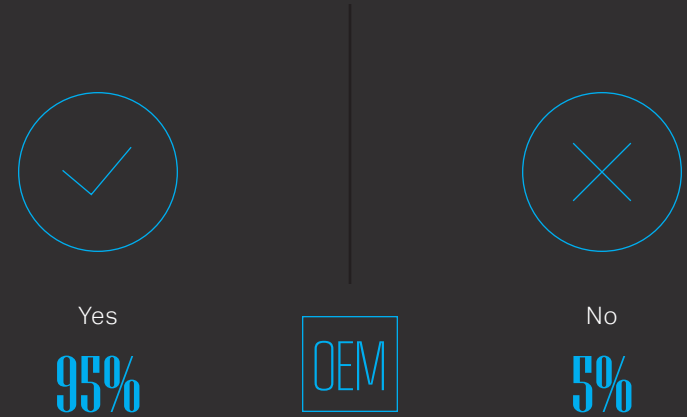
Does your business have the capability and equipment to repair advanced structural composites or carbon fiber components?



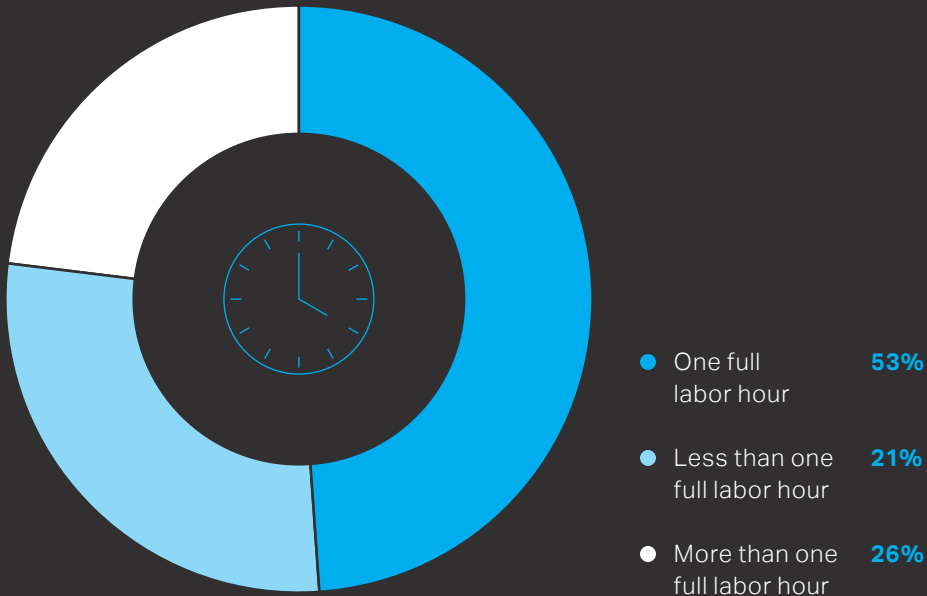
What type of paint is used in your shop(s)?



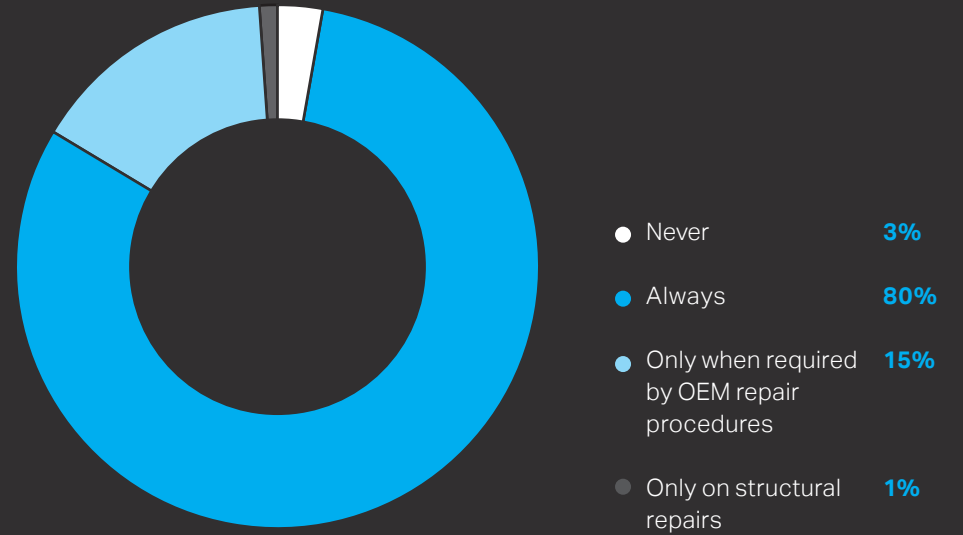
Does your business use an OEM-approved refinishing system?



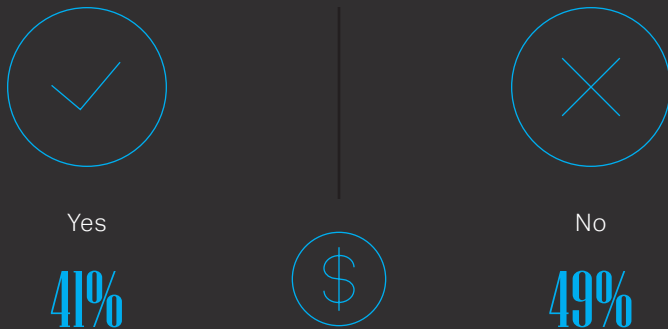
How much does your shop charge for diagnostic scans?



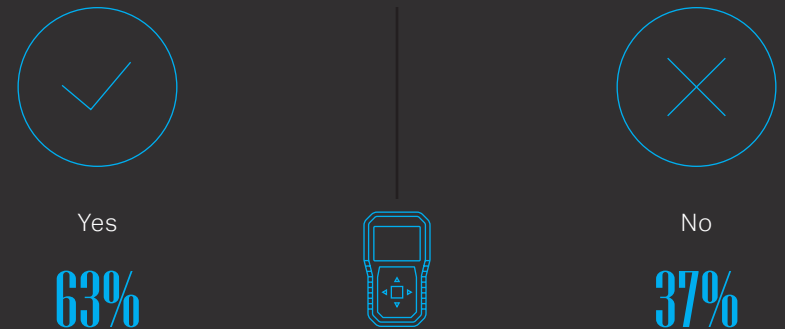
How often does your business perform pre- and post-repair diagnostic scans?



Does your business have challenges being reimbursed for diagnostic scans?



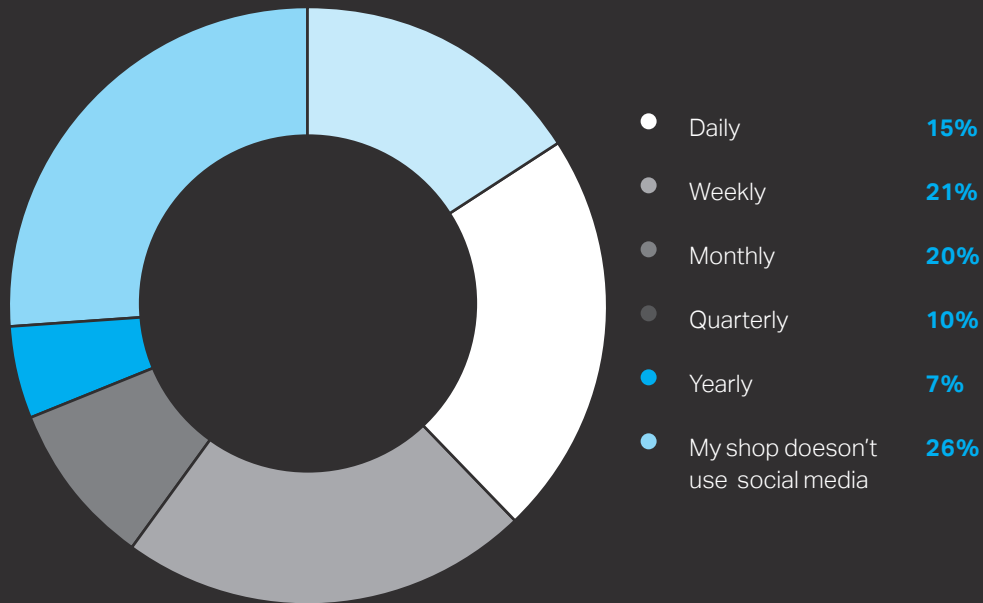
Does your business utilize a third-party service for scanning services?



ONLINE MARKETING TRENDS

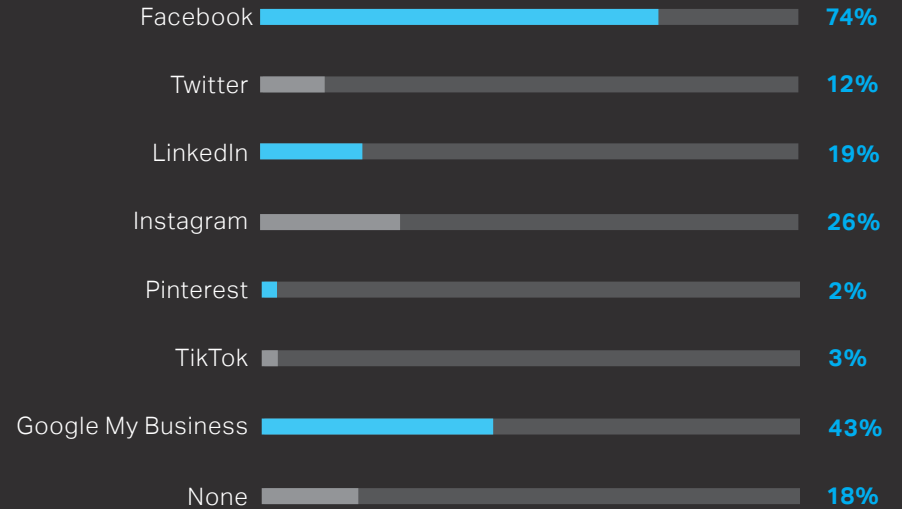
Customers do a great deal of their business online these days, but data shows that there is still a sizeable portion of shops that is hesitant to engage with potential customers via social media. The number of shops that do not use any social media is unchanged from 2022 at 26%. And the frequency of those posts is relatively flat, as well.

How often does your shop promote itself through social media?

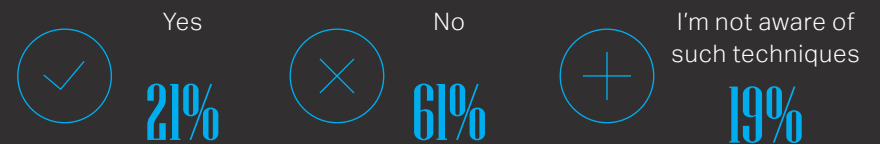


Which social media platforms does your shop utilize?

*Respondents were asked to select all that apply



Does your shop use geofencing or other advanced marketing techniques?



Who does the marketing for your shop?

