

Executive Summary

Collision Repair Shop Sales

- Collision repair-related sales by aftermarket repair shops in 2007 totaled \$41.5 billion. Between 2000 and 2007, the size of the total collision repair market has grown by an average of 5.3 percent annually. This growth was driven by several factors, including increases in the number of registered vehicles, increased road congestion causing a higher frequency of accidents per year and the increasing cost of collision repair per vehicle. **[Page 33 & 34]**
- In 2007, vehicle age had a significant impact on the rate at which different collision repair jobs were performed, with the highest replacement rates occurring with vehicles between two and four years old. **[Page 35]**
- In terms of vehicle population, there are fewer leased vehicles than owned vehicles; however, replacement rates between the two categories can be significantly different. Replacement rates for leased vehicles exceeded the average for all vehicles for seven of the 10 collision-related products tracked. **[Page 36]**
- Previous experience (26.1 percent) and convenience (17.7 percent) and are the top two reasons for selecting an outlet for collision repair work. **[Page 37]**
- More than two-fifths of vehicles less than one year old (44.2 percent) have their collision repair work performed at new car dealerships. **[Page 38]**
- The majority of all collision repair jobs are done professionally, with bumpers (89 percent), fenders (87 percent) and doors (87 percent) as the most popularly cited DIFM collision jobs performed in 2007. It is in the non-labor intensive categories of headlamp lenses and side mirrors where the DIY percentage of repair is greater. **[Page 41]**

Collision Repair: Body Shop Profile

- Preliminary data indicates a (2.4 percent) decrease in the total number of collision repair shops in 2007, representing the fifth decrease in the past six years. In 2007, there were 44,269 repair shops in operation that specialized in collision repair, including 36,501 independent collision repair shops and 7,768 dealership-affiliated body shops. **[Page 43]**
- In 2007, the 7,768 dealer-operated body shops had total sales of \$9.5 billion, a 2.1 percent increase from 2006. The total amount of revenue generated by dealer-operated body shops has grown an average of 3.9 percent annually. **[Page 44]**

- On average, nearly half of body shops (46 percent) indicated that they were involved in a Direct Repair Program (DRP) in 2006. Of that total, more than half (65 percent) indicated that they were financially better off due to their DRP arrangement. **[Page 47]**
- In 2006, slightly over half (56 percent) of independent and dealer collision repair shops had sales in excess of \$350,000. **[Page 48]**
- On average, a body shop writes approximately 18 estimates per week and performs roughly 14 actual jobs in that same time frame. **[Page 50]**

Retail Distribution of PBE Products

- In 2007, sales of all categories of collision repair-related products experienced positive growth, with the strongest growth noted in hardeners (19.1 percent), chemicals (13.3 percent) and specialty repair (9.5 percent). **[Pages 53 & 54]**
- Use of touch-up paint by DIYers varies considerably by demographic variables such as career type, age and experience. Business owners have the highest incidence rate for touch-up paint (12 percent), followed by management (10 percent), retired DIYers (9 percent) and sales employees (9 percent). Additionally, use of touch-up paint by DIYers is most prevalent in the 46 to 55 age group (28 percent). **[Pages 55 & 56]**
- The top three vehicles driven most often by DIYers using touch-up paint are the Honda Accord, Toyota Camry and Nissan Altima. **[Page 58]**

State Summary Statistics

- In 2007, Mississippi had the highest ratio of miles driven to number of registered vehicles at 19,379 – meaning that each registered vehicle from Mississippi drives approximately 19,379 miles per year. Wyoming (18,255) and South Carolina (16,350) had the next highest ratios, while Alaska, North Dakota, Rhode Island, and New Jersey were among the states with the lowest ratio of less than 10,000. **[Pages 59 & 60]**

Canadian Collision Repair Industry

- The Canadian DIFM body work market is dominated by three types of outlets: independent repair shops (48 percent), new car dealers (23 percent) and specialty shops (13 percent). **[Page 62]**

- The same three major players control the Canadian DIFM paint market as the DIFM body work market: independent repair shops (42 percent), car dealers (24 percent) and specialty shops (19 percent). **[Page 64]**