

The Digital Marketplace Is the Future of Collision Repair



What is a digital marketplace?

What is a digital marketplace? In broad terms, it is a website where buyers and sellers connect to each other and transact according to the guidelines of the platform. Most consumers are familiar with Amazon and Walmart. Both companies have marketplace offerings, allowing a consumer to search and compare similar products from multiple vendors at the same time with a final, best price and delivery option. Over the last two decades, the concept of the digital marketplace has expanded to include products and services ranging from the home rental ([Airbnb](#)) to handcrafted items ([Etsy](#)), to gig jobs ([Fiverr](#)), serving both broad and niche B2C and B2B markets.

A successful digital marketplace solves a specific problem, bringing together the seeker and provider.

The more specialized the buyer's need is, the greater the likelihood that the right digital marketplace offers a greater aggregation of vendor products than is normally accessible. Otherwise the buyer is reliant upon traditional retailers within a limited geographic area. It is clear, from the examples to the right, that buyers gain efficiency from easy comparison of many providers simultaneously and gain savings lift from the price transparency. The sellers benefit from visibility and demand for products beyond the geographic limitations of a storefront and can focus on product procurement and managing inventory, while the platform provides the demand and buyer engagement.

Digital Marketplace Spotlight


[Inventory Locator Service](#) provides a marketplace for aviation, marine and defense parts and services. Over 75,000 customers access the site each day to make smarter buying decisions with greater efficiency and ease, searching 75 million lines of inventory. Parts sellers and providers of repair, maintenance and overhaul services have direct access to these targeted, motivated buyers through the trusted site.

[MFG.com](#) is a marketplace dedicated to matching buyers of custom parts to manufacturers. This niche platform serves over 26,000 manufacturers professionals and 75,000 buyers and engineers, making the details of manufacturing facilities easily searchable, speeding the RFQ process and offering comparable quotes on pricing and lead time.

Impact on the Market

A digital marketplace also brings product differentiation, innovative and alternative solutions to meet emerging and traditional demands. In 2018, the Nation Bureau of Economics¹ studied the impact of the Airbnb platform on the lodging industry. The entrance of Airbnb into the travel industry provided consumers with more choices from more suppliers. The researchers' findings showed that, in addition to bringing competition to the traditional lodging market, Airbnb also offered an alternative to those who would otherwise not travel. Airbnb's flexibility and affordability translated to consumer benefit of \$41 per booking. Upwards of 40% of bookings were placed by travelers who would not have booked a traditional hotel. Ultimately, consumers benefited with cost savings.

PartsTrader offers collision repair shops, whether an independent or DRP, an innovative solution to ordering collision repair parts for auto claims. PartsTrader creates the flexibility and ease in obtaining multiple quotes and ordering auto parts from providers of recycled, remanufactured, aftermarket and traditional EOM parts. The collision repair shop selects a combination of the best parts to meet the requirement of the repair job – taking into consideration delivery, part quality, service and price for each part listed. Suppliers benefit because they are quoting on the complete list of repair parts, rather than individual components, and as such, quote competitively in this price transparent environment. The collision repair shop has the ability to choose individual parts from these vendor quotes. That ability drives vendor competition which helps the DRP participating shop to be the insurance company's advocate, ultimately reducing the severity of the claim.

Use of PartsTrader has had an impact upon parts pricing in the marketplace with an average savings of \$100 per repair claim. Further, the average supplement per claim is significantly below the industry rate of 42% or \$936², averaging just 20.6% or \$460 per claim. The innovative PartsTrader digital marketplace has provided competitive friction among suppliers, leading to better outcomes for the collision repair shop, the policy holder and the insurer. 

About PartsTrader

PartsTrader is a web-based collision replacement parts market connecting OEM, aftermarket, remanufactured, specialized and recycled automotive parts suppliers with collision repairers looking for replacement parts.

For more info, please contact: marketing@partstrader.us.com

¹ Farronato, et al. "The Welfare Effects of Peer Entry in the Accommodation Market: The Case of Airbnb." NBER, 22 Feb. 2018, www.nber.org/papers/w24361.

² "Supplements, Parts, Repair Bills: Highlights from 2Q Mitchell Trends Report." Repairer Driven News, 13 June 2018, www.repairerdrivennews.com/2018/06/13/supplements-parts-repair-bills-highlights-from-2q-mitchell-trends-report/.