



Ŝ

Contents

01

Al-powered marketing personalization page 7

03

Omnichannel selling page 12

02

Augmented reality and 3D modeling page 10

04

The rise of online marketplaces page 17

05

Automobile customization page 19







Ecommerce presents a unique opportunity for auto retailers to expand their customer base, streamline operations, optimize marketing outreach, and increase sales. However, the auto parts industry faces a challenge: the industry's adoption of ecommerce is still in its early stages.

While online sales account for 15.4% of all retail sales in the US, only 4.8% of auto and parts sales happen online. However, this gap is closing quickly. The online auto parts industry was worth \$26.1 billion in 2022 and is expected to reach \$67 billion by 2030. This presents a huge opportunity for auto parts retailers to embrace ecommerce, meet the changing expectations of consumers, and position themselves for success.

Today's consumers are more tech-savvy and demanding than ever before. They expect to be able to shop however and whenever they want, and they consider comparing prices and reading reviews essential to most buying journeys. Emerging retail trends address these expectations through innovative technology and customer-centric shopping experiences.

\$67B

expected value of auto parts industry by 2030

The auto parts industry also faces lingering supply chain challenges. The COVID-19 pandemic and the war in Ukraine have disrupted the global supply chain, making it difficult for manufacturers and retailers to obtain the raw materials and components they need. Additionally, the growing demand for auto parts has led to inventory shortages at some retailers. Emerging trends in the auto parts industry are beginning to address these hurdles as well—and turn them into opportunities.

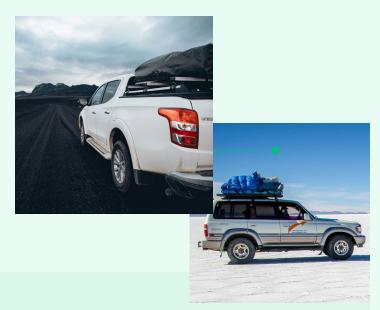


Consumer preferences aren't all that's changing —so are cars

The automotive market is changing, and so are cars themselves. The rise of off-road vehicles, electric vehicles (EVs), and self-driving cars is significantly disrupting the industry as a whole—and auto parts in particular.

Trucks, SUVs, and off-road vehicles

According to the Specialty Equipment Market Association (SEMA), more than <u>half of all vehicles on the road</u> in the United States are either pickups, SUVs, or CUVs. The light-truck segment (which includes pickups, vans, SUVs, and CUVs) is forecast to account for close to 80% of all new vehicle sales by 2027.



What does the popularity of off-road vehicles mean for the auto parts industry?

As the SEMA report explains, "Healthy truck and SUV sales generally augur well for the automotive aftermarket." Parts and accessories for pickups, SUVs, crossovers, and vans total more than \$30 billion yearly. More than half of all late-model pickups on the road have been modified with specialty equipment parts. More than a quarter of pickup drivers purchase aftermarket equipment for their trucks each year.

While pickups are often associated with utility, about 35% of pickup owners view their trucks as off-road vehicles, while 60% view them as outdoor recreation vehicles. Matt Kennedy, SEMA market research manager, explains, People who are making modifications to their pickup are a lot more likely to be buying parts that we might think of as being off-road-focused, and that's going to be your off-road tires, your light bars, body protection, anything that we as an industry have developed as primarily, if not exclusively, to say this will help your truck get off-road." In fact, about 64% of pickup owners said they have spent at least \$2,000 on modifications.

EVs

Off-road vehicles may be igniting creative, aspirational sparks for drivers, but the rise of EVs is poised to completely reshape the industry itself. While EVs may not dominate car sales <u>until 2035</u> according to Goldman Sachs, sales of new light-duty plugin electric vehicles <u>nearly doubled</u> in the US from 308,000 in 2020 to 608,000 in 2021. Across the globe, over 26 million electric cars were on the road in 2022.

What does the rise of EVs mean for the auto parts industry?

EVs have fewer parts than internal combustion engine (ICE) vehicles, so it stands to reason that there will eventually be a decrease in demand for certain traditional auto parts.

However, opportunities for growth exist for EV-specific parts, such as:

Basics

Electric motors, lithium batteries, chargers, and controllers.

Modifications

Tires, suspension upgrades, and body kits, among <u>many other options</u> available for EVs.

Conversions

Swapping out a vehicle's ICE for an efficient, low-maintenance motor and electric battery. The vehicle conversion market is estimated to grow to more than \$2 billion by 2027. Companies like Shopify customer Zero Labs offer conversion services, while others provide DIY kits for mechanically inclined car owners.

Driverless cars

The rise of autonomous driving (AD) has the potential to transform not only the automotive industry, but also transportation, consumer behavior, and society at large. McKinsey projects that by 2035, AD could generate \$300 billion to \$400 billion in revenue for the auto industry, creating massive value. However, its impact on auto parts is less clear.





How will the auto parts industry support autonomous driving?

AD could disrupt the auto parts industry in several ways. For example, <u>self-driving cars</u> could largely eliminate car crashes. Collision repair shops will likely lose a huge portion of their business.

Despite the potential reduction in the market for replacement parts, the shift toward AD vehicles could also present opportunities for the automotive parts industry. For example, AD vehicles will require more sophisticated sensors and software, which could create new markets for these products. Additionally, new business models may evolve around tech subscription plans and regular software updates for AD vehicles.

Five trends reshaping the auto parts industry

With the rise of ecommerce, retailers must offer digital, customer-first experiences as they move into a future in which customers expect a seamless blend between online and in-store experiences.

According to Invesp, retailers that engage customers across buying channels retain on average 89% of their customers, compared to 33% retention rate for companies that don't. Keeping up with the latest digital consumer preferences is essential to staying competitive, and even more so for taking the lead. Retailers can use technologies like artificial intelligence (AI), mobile apps, virtual reality (VR), and social media to reach and engage customers.

The data these tools generate also allows retailers to make valuable predictions, create more effective marketing campaigns, and deepen their personal relationships with customers.

89%

retention rate for retailers engaging customers across multiple channels 33%

retention rate for companies who do not work across channels

- **01** Al-powered marketing personalization
- 02 Augmented reality and 3D modeling
- 03 Omnichannel selling
- 04 The rise of online marketplaces
- 05 Automobile customization





Al-powered marketing personalization

The power of AI is already being felt in the automotive industry, from new design and manufacturing processes to innovations in safety and efficiency—not to mention autonomous driving vehicles discussed above. AI is literally taking the wheel to simulate human decision-making and predict the behavior of other vehicles, pedestrians, and objects on the road.

So it's not a stretch of the imagination that AI can also predict the behavior and preferences of consumers. As auto parts retailers embrace AI-powered ecommerce, they will be able to transform their businesses—from marketing to sales and service—most notably through personalized experiences.

According to a recent study by McKinsey, fast-growing retailers <u>drive 40% more of their revenue</u> from personalization than their slower-growing counterparts. McKinsey also found that 71% of customers expect personalization and 76% get frustrated when they don't find it.

Customers are becoming more trusting of AI recommendations, especially when they are accurate and personalized. Porsche AI's recommendations are more than 90% accurate, and they improve with each use and data input. This is important because, as Accenture reports, 83% of shoppers are happy to share personal data in exchange for a more personalized experience. This suggests that the key challenges to AI adoption are being overcome, as customers are willing to trade their data for the benefits of accurate and personalized recommendations.

83%

of shoppers are happy to share personal data in exchange for a more personalized

experience





Five trends that will reshape online auto parts sales

Leading auto parts sellers like Advance Auto Parts and CarlD are already building the kinds of granular customer profiles that can enrich AI-powered recommendations. They do this by allowing customers to input vehicle information beyond make and model, including license plate or VIN. With AI, this information could be combined with customer profiles that synthesize purchase history, using tools like Shopify.

Al can then be used to supercharge and automate a retailer's ability to accelerate sales and service with improved customer satisfaction. For example, Al can recommend products based on the average lifetime use of a part, the customer's vehicle maintenance schedule, or the vehicle's history on the road. This is the first step in monetizing customer data through personalization.

Upsells and cross-sells

Personalization has the potential to significantly boost upsells and cross-sells. Al-powered product recommendations can help retailers identify additional products that customers may be interested in purchasing, based on their recent browsing patterns, purchase history, and demographics such as age, gender, income, and location—and even psychographic personality traits. Amazon reportedly earns over a third of its sales from cross-sells thanks to personalized recommendations, and McKinsey reports that cross-selling increases sales by 20% and profits by 30% thanks to improved marketing ROI.

With the same goals in mind, AI can also take product discovery journeys to a new level. It does this by vastly improving on typical filtering dimensions such as make, model, price, and brand, using natural language searches. For example, Shopify's Retail-Search, in partnership with Google, provides better results for even the broadest queries, including non-product and semantic search to effectively match product attributes, user intent, and store content.

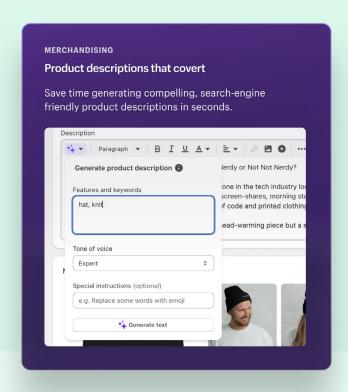
Chatbots

Al-powered chatbots are not only being used to automate customer service but also provide personalized recommendations. This can help accelerate the path to purchase and provide customers with alternative choices and individualized upsell and cross-sell recommendations directly on chatbots.

For example, AI-powered chatbots like the latest release of Shopify Inbox can help merchants identify conversations that are likely to lead to a sale by automatically classifying messages. They can then offer product recommendations and discount codes based on the customer's real-time cart content. Chatbots can even track additions and removals of items while in conversation with a customer and respond accordingly.

Dynamic product descriptions

Al tools like Shopify Magic can be used to automatically generate product descriptions based on a product's name, features, and related keywords. As these tools evolve, they could vary the product descriptions being surfaced on product pages based on individual customer profiles. This would be done to take into account the customer's interests, browsing history, and even their location, prioritizing the product features that a customer will care about most.





Marketing campaigns

Effective digital marketing campaigns depend on reaching the right customer with the right message at the right time. Dividing—or segmenting—customers into groups based on their interests, demographics, buying behavior, and other factors opens the door to personalization at scale.

Al is poised to take customer segmentation to the next level. While campaigns based on <u>audience segmentation</u> can be highly effective, true one-to-one personalization is now being pioneered. With Al, retailers can automate communication triggers and dynamically generate personalized messaging based on individual customer data and preferences. Measuring performance through Al-powered analytics can also uncover macro trends across a vast array of personalized communications.



Augmented reality and 3D modeling

AR and 3D modeling are revolutionizing the auto parts industry. In design and manufacturing, AR and 3D modeling enable engineers to create virtual prototypes. Engineers can then test and refine designs quickly and cost-effectively, without having to build physical models.

As a result, quality, efficiency, and safety are all significantly improved.

AR and 3D modeling are also transforming the retail customer experience. Sixty-six percent of consumers are interested in using AR for help when making purchasing decisions. And according to a study commissioned by Snap, nearly 75% of the global population and almost all smartphone users will be frequent AR users by 2025.

Shopify research shows that interacting with products that have AR experiences leads to a <u>94% higher</u> <u>conversion rate</u>. AR and 3D modeling technologies are becoming more affordable and accessible, making them a viable option for auto parts retailers of all sizes.

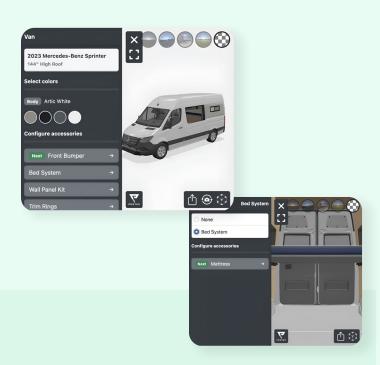
94%

higher conversion rate with AR experiences

Try before you buy —virtually

AR is particularly well-suited for auto parts retail because it allows customers to visualize products on—or in—their own vehicles. This is important because auto parts can be complex and difficult to envision without seeing them in context. In fact, 40% of consumers even say they would pay more for a product that they could customize in AR.

By allowing customers to see how a product will look before they buy it, AR and 3D modeling can have the added benefit of reducing product returns. This saves retailers money and improves the customer experience. Flarespace sells parts for customizing adventure vans and offers visitors a <u>3D and AR travel van configurator</u> on their site built on the Shopify platform. This tool allows customers to select different parts and features, and then see how they would look on their van. Customers can also rotate and zoom in on the van to get a closer look. Shopify offers <u>native AR</u> functionality as well as partner app integration.



DIY Instruction

In an industry that thrives on DIY spirit—with nearly half (46%) of consumers having personally performed maintenance, repairs, or customizations to their vehicles—AR can be used to provide instruction, improving customer service and satisfaction.





46%

of consumers personally performed maintenance, repairs, or customizations to their vehicles The technology allows for a visualization of overlapping information, such as interior and exterior parts, performance, weight, and even financing. AR-powered guides and instructions easily replace long and complex manuals, providing access to vehicle features, maintenance, and information for repairs via smartphone or tablet.

Big players in the industry are starting to harness the power of AR for service and instruction. Ford is using AR to provide technician support with its See What I See program, which enables Ford technicians around the world to get direction from engineers in Detroit. Amazon has been designing a tool to help DIY mechanics use AR for instructions. NAPA announced in 2022 their intention to offer virtual repair services online.



Omnichannel selling

The ecommerce experience extends beyond simply offering inventory and shipping through online stores. Auto parts shoppers are increasingly piecing together their buying journeys across a variety of channels. They research and purchase parts online, but they also rely on their local auto parts retailers for convenience and expertise.

According to a study by *Harvard Business Review*, 73% of consumers say they use multiple channels during their shopping journey. Not only do 99% of shoppers research purchases online before going to a store, but 92% of them research online while shopping at a brick-and-mortar store. Additionally, by 2025, more than 10% of all retail sales in the US are expected to be generated via mobile commerce.

To make the most of these evolving paths to purchase, auto parts retailers aren't just optimizing their online stores. They are embracing omnichannel sales strategies. According to Statista, auto-parts shoppers are going online not just for price (38%), but also for convenience (28%), better availability (17%), and wider selection (11%). This means offering a seamless integration of online and offline channels, so customers can shop how they want, when they want.

Why auto shoppers are going online

38%

Price

28%

Convenience

17%

Better availability

11%
Wider selection







Virtual showrooms and concept stores

The dealership experience is a pillar of the automotive industry. It provides customers an opportunity to see and touch the cars and parts up close, and it's a channel for expertise from knowledgeable sales staff. The experience is both inspirational and transactional, allowing customers to immerse themselves in the world of cars by literally sitting in them.

Retailers in the auto parts industry are experimenting with ways to reinvent the brick-and-mortar experience.





Here are a few examples:



Virtual reality (VR)

Luxury car makers, including Audi, Jaguar, BMW, and Porsche, allow customers to use VR headsets to get a view of their car that they can't get from just looking at pictures or videos. For example, <u>Audicreated an application</u> that lets a potential buyer customize their car as much as possible by choosing from hundreds of available options.



Video tours

Some retailers are offering video tours of their inventory, allowing customers to see the cars and parts up close and ask questions in real-time. Voro Motors, a Shopify customer that sells electric scooters, invites customers to schedule video calls with sales representatives to ask technical questions and experience the scooter vicariously.



Integrated showrooms

Traditionally, car dealerships have been located on distinct lots. In contrast, companies like Tesla are integrating their showrooms into major shopping areas and malls where casual shoppers can browse while on a shopping trip. They also have their <u>own</u> <u>ecommerce shops</u> where shoppers can buy parts, accessories, and even apparel.



Concept stores

While many retailers offer in-store and curbside pickup for online orders (more on this below), leading automotive aftermarket parts retailer, Advance Auto Parts, takes this a step further with a chain of new concept stores that offer free curbside services, including battery testing and installation, wiper blade installation, and DIY-friendly hours.



For auto parts companies selling through brick-and-mortar operations, Shopify offers a <u>POS solution</u> to help unify inventory and flexibly process payments in a secure manner.

Selling on social

Digital sales are not confined to a retailer's online store. Social buyers make up 32% of online consumers in the US, with YouTube, Instagram, TikTok, and Facebook allowing consumers to buy items without ever leaving their sites.

Retailers turn to social media to build relationships with customers through brand storytelling that spotlights products, company values, and promotions. Social media also enables retailers to target specific audiences to expand their reach and work with influencers to build trust and advocacy. These tactics have become even more important as social platforms evolve to power social selling.



of online consumers are social media buyers



Here are a few examples of auto parts retailers using social media and influencer marketing:

How-to videos

1A Auto has over 2 million subscribers on YouTube. The company creates high-quality videos that teach viewers how to repair their cars.

Influencer marketing

Influencer marketing is a great way to reach a new audience and build trust with potential customers.

Sixty-one percent of consumers trust products recommended by influencers. More than simple recommendations, they find how-to content like recipes and tutorials being most preferred (42%), followed by stories with digestible bits of information (35%) and photo or image-based posts with information in the caption (33%). Top influencers in the car and car parts industry connect brands to highly engaged audiences on any and every channel, from Instagram to YouTube, TikTok, and Twitch.

Live selling on YouTube

Combined with the previous tactics—for example, a how-to demonstration from a popular influencer—live streaming on YouTube includes an option to make featured products available for purchase within the video. Retailers can further facilitate shopping by engaging with customers in the video's live chat, answering questions and even offering promotions.

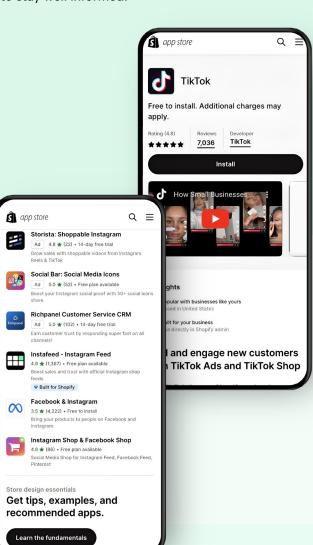
Shopify makes it easy to sell via social media with integrations like TikTok
Shop, Shopify Collabs, which matches brands with influencers, and Shopify
Audiences, which makes social ad targeting more precise.

Giveaways

<u>Prime Driven</u> uses social media to promote their car giveaways which drive sales on their Shopify merch store.

Product guides and comparisons

Shock Surplus is a Shopify auto parts store that has been successful in using YouTube and TikTok to reach new customers. The company's videos are informative and engaging, and they often feature influencers. In 2019, Sean Reyes, founder and CEO of Shock Surplus, launched the retailer's official YouTube channel. "I basically recorded 20 videos in the span of 48 hours that have accumulated millions of views," Sean says. "People want to buy from people, not faceless brands," he sums up his strategy for making sure customers can rely on him to stay well informed.



Ŝ

Buy online, pick up in store (BOPIS)

Flexible fulfillment is a key differentiator for retailers embracing omnichannel selling. Fulfillment options c an include home delivery, curbside pickup, buy online, pick up in store (BOPIS), buy online, return in store (BORIS), and reserve online, pickup in store. BOPIS in particular is seeing a surge in popularity. In 2022, 67% of US shoppers used BOPIS, and it is expected to account for 10% of all sales by 2025.

Shoppers gravitate to BOPIS because it lets them see the product before taking it home (77%), avoid shipping costs (65%), and have the option to return the product instantly (23%).

Retailers on the other hand, are investing in BOPIS solutions to gain an edge against Amazon (12.4%), keep up with competitors (31.6%) but also, to attract shoppers that make additional purchases (37.6%). BOPIS can increase in-store traffic, with one study reporting that 49% of all shoppers make additional purchases when making a pickup.





67%

of US shoppers used BOPIS in 2022

77%

of shoppers use BOPIS because it lets them see product before taking it home

65%

of shoppers use BOPIS because it lets them avoid shipping costs 23%

of shoppers gravitate to BOPIS because it lets them return the product instantly

Additional advantages of BOPIS include:

Security

With 30% to 50% of Americans reporting <u>at least one</u> <u>package stolen</u>, curbside pickup eliminates the need for long delivery windows, reducing the risk of theft.

Seamless inventory management

By merging online and in-store inventory, retailers can manage consumer fulfillment more effectively.

Easy implementation

Shopify empowers auto parts retailers to offer curbside pickup by activating the option on digital orders and setting pickup locations.

The auto parts industry is embracing omnichannel selling to meet the evolving needs of digitally native buyers. By integrating online and offline channels, retailers can offer a seamless shopping experience, incorporating ecommerce while adding value to their physical stores.



The rise of online marketplaces

Online marketplaces are websites or apps that connect buyers with sellers. Sellers can be individuals or businesses, and they can sell a wide variety of products, including auto parts. Online marketplaces typically charge a fee for each sale that is made.

Online marketplaces are playing a critical role in the auto parts retail industry. In 2022, online sales of auto parts and accessories <u>reached \$19.4 billion</u>, with \$18.2 billion coming from third-party marketplaces such as Amazon, Walmart, and eBay Motors. This segment is projected to grow to \$32 billion by 2030.

To sell on an online marketplace, sellers must create an account and list their products. Buyers can then browse and search for products on the marketplace, and they can purchase products directly from the sellers. Online marketplaces typically offer a variety of features to help buyers and sellers, such as product reviews, ratings, and customer support.



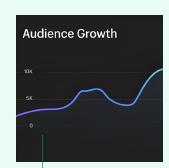
Reach a wider audience

Online marketplaces have a large customer base, so sellers can reach more potential buyers than they could by selling on their own website or store.



Benefit from the marketplace's reputation

Established online marketplaces have a good reputation, so customers trust that they are buying from reputable sellers.



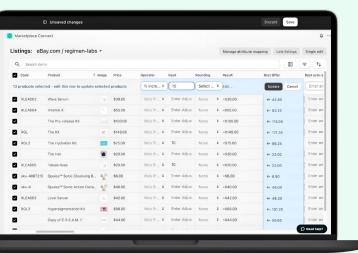
Easily expand sales channels

Online marketplaces are easy to use for both buyers and sellers. With more than 100 million active mobile shoppers, Shopify's Shop App lets retailers set up a mobile-optimized shopping experience, and visitors can shop on it without ever visiting a retailer's store.

One of the main factors driving the growth of online marketplaces for auto parts is the rise of digitally native buyers. According to Statista, Gen Z and Millennial shoppers make up 78% of online auto parts commerce. These younger generations of consumers are comfortable shopping online for a wide variety of products, including complex items like auto parts. And they appreciate what multibrand retail aggregators have to offer—a wide selection, reviews, competitive pricing, and convenience.



of online auto parts commerce are millennial shoppers



According to a recent study, <u>over 60% of US online shoppers</u> start their product search on Amazon. But a retailer doesn't have to operate on the scale of an Amazon or eBay to set up a marketplace and cross-pollinate brands. Shopify enables merchants to sell through Marketplaces such as Amazon and Walmart, eBay, and Etsy through the <u>Shopify Marketplace Connect App.</u>

Shopify also helps its customers sell each other's products, subject to agreement. This is exactly what RV parts seller <u>Young Farts</u> does, selling parts from Camco, Shurflo, and many others alongside their own brand to offer a one-stop shopping experience.

Online marketplaces are dominating the auto parts retail industry, driven by the rise of young buyers and the convenience, selection, and competitive pricing they offer.



Automobile customization

Drivers want their vehicles to be unique—even one-of-a-kind—for a number of reasons. Some people see their car as a reflection of their personal style. Others may simply want to make their car stand out from the crowd. While some look to improve their ride's performance or functionality.

Car modification can be broadly classified into two categories: performance and cosmetic.

Performance modifications involve changing the core components of a vehicle, such as the engine, suspension, or exhaust system. This can improve the vehicle's speed, handling, and power. Cosmetic modifications involve changing the appearance of a vehicle, such as the paint job, wheels, or interior trim. This can make the vehicle more visually appealing or unique.

2022's global market size for car modification was \$55.81 billion USD, and the market is projected to grow to \$70.76 billion USD by 2029, with North America dominating during this forecast period.

\$55.81B

was the global market size for car modification in 2022



Ŝ

A few other trends include:



Connectivity

Vehicle connectivity is transforming the driving experience, opening the door to upgrades and customization focused on access to entertainment, navigation, performance monitoring, security, and driver assistance features. In a recent consumer survey by SBD Automotive, more than 80% of respondents expressed interest in having emergency services in their car, and more than 60% were interested in using their smartphone as a key. Connected vehicles can also collect data on performance metrics, such as fuel efficiency, engine temperature, and acceleration, to improve performance and efficiency and identify potential problems early on.





80% 60

of consumers
expressed interest
in having emergency
services in their car

of consumers were interested in using smartphone as a car key



Versatile visuals

Paint jobs have long been a popular way to customize vehicles, but modern car enthusiasts are exploring new options. Vinyl wraps and graphics offer a non-permanent way to achieve intricate designs, while unique finishes, textures, and custom decals can add tactile and visual interest. Paint protection films can also be used to preserve the original finish while adding a layer of style.



Eco-friendly choices

Car enthusiasts are embracing sustainability, opting for eco-friendly paint choices, sustainable materials, and upcycling techniques to reduce their environmental impact. This fusion of personal style and environmental responsibility reflects the evolving nature of car customization. Eco-friendly options include energy-efficient lighting, aerodynamic enhancements for improved fuel efficiency, and eco-friendly interior materials.





Classics with a twist

According to <u>Gear Junkie</u>, top trends in customization for classic cars include flush-mounted glass to eliminate the need for trim, painted carbon fiber for lightweight and clean body lines, exposed car engines, distressed leather upholstery, and belly pans for fuel efficiency. These preferences eschew purism in favor of modern sensibilities.



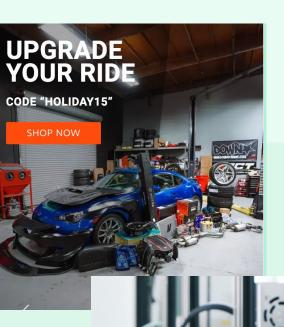
Rolling with the big wheels

According to a report by the Specialty Equipment Market Association (SEMA), pickups are the largest segment in the specialty equipment market. About 29 million late-model (2010 model year and newer) pickups are on the road in the US. Nearly 15 million of those have been modified with specialty equipment parts. Within this segment, modification typically starts with tires and wheels.

There are a variety of reasons why truck owners customize their tires. Some want to improve the look of their trucks, while others want to make them better suited for off-roading or other outdoor activities. Others want to make their trucks more practical for towing or hauling.

Pickup owners can also choose to customize tires by size and even tread pattern. Some want to install larger tires on their trucks to give them a more aggressive look. Others want to install larger tires to improve the truck's ground clearance. As Drew
Howlett, product manager of light truck, SUV, and CUV tires for SRNA's Falken tires explains, "At this point, all tire manufacturers are further segmenting their product lines and offering consumers more choices...[it's] really about a personal-use vehicle. It's something that is customizable, it's something that fits what they envision what their vehicle will be."

Facilitating search and discovery is key to satisfying discerning drivers. For example, online wheels store ThrotI uses a four-stage search engine powered by Shopify to help buyers find the right wheels, integrating its social media accounts and offering an optional newsletter signup option to keep its customers engaged on their latest offerings.



3D printing

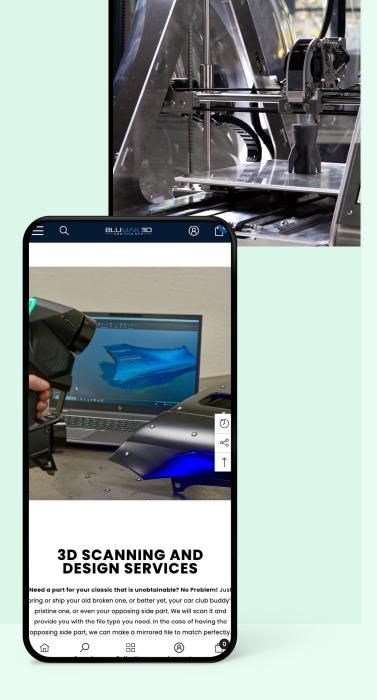
An even more future-forward development in vehicle customization is on-demand 3D printing for auto parts. As this technology becomes increasingly accessible, it has the potential to be more affordable and efficient than traditional manufacturing methods and help bypass supply chain shortages. Both large car makers and small auto parts retailers are leaning into 3D technology. BMW creates fully automated production lines for 3D-printed car parts. Ford and HP joined forces to use 3D printer waste for auto parts.

Ŝ۱

On a smaller scale, <u>a report by AMFG</u> found that 3D printing is being used to create custom parts—from seats to more mundane parts like automotive brackets—as well as parts that are rarely ordered or no longer being produced. Thanks to 3D printing, companies like Shopify customer <u>BluMak3D</u> can design, manufacture, market, and sell innovative car components for a devoted audience.

To offer improved customization and on-demand availability, there are several ways that auto parts retailers can adopt 3D printing. One option is to invest in their own 3D printers. However, this can be a significant investment, and it is important to carefully consider the needs of the business before making a purchase.

Another option is to partner with a 3D printing service provider. This can be a good option for retailers who do not want to make an upfront investment in 3D printers or who do not have the expertise to operate 3D printers in-house. Shopify retailers do not need to do the printing themselves to sell 3D-printed car parts. The Shopify app store is starting to see 3D printing service providers that can easily integrate into a retailer's sales and inventory management systems.





How Shopify can help

Unlock limitless opportunities by building with Shopify

Technology is a means for retailers to achieve their commerce goals—they shouldn't be held back by the platform they choose.

Shopify is the partner for enterprise retailers looking for sustainable, long-term success in a rapidly changing market.

What this means for you and your business:

Improved unit economics

By utilizing Shopify's best-in-class components and focusing resources on building true differentiation, enterprises can optimize costs and enhance profitability.

Agility and speed to market

Shopify's managed runtime, kernel extensibility, prebuilt components, and powerful APIs empower engineering and business teams to be highly productive and responsive to market demands.

High-conversion experiences

Shopify offers the world's highest converting checkout, enabling retailers to maximize their revenue potential.

Superior customer experiences

A cohesive platform that seamlessly integrates front and back-office operations, providing a consistent experience for customers across all channels.

Full branding and customization flexibility

From custom themes to flexible, headless SDKs as well as rich branding and UX extensibility controls, Shopify enables retailers to fully own their brand and create unique, tailored customer experiences.

Reduced maintenance costs

With Shopify's world-class operations and engineering teams constantly monitoring and improving the system, retailers can save on maintenance expenses and focus on growth.

System security and customer trust

Shopify's 99.99% uptime and strong security defaults offer a reliable experience and peace of mind for retailers and their customers.

Shopify's enterprise solutions are purpose-built to address the unique needs of enterprise retailers, reducing work, costs, and risks while accelerating time to market. By choosing Shopify, retailers partner with a world-class R&D commerce team committed to making commerce better for everyone.