

The Price at the Pump!

With the price of gas, it's more important than ever to make freight on orders and to remind customers that performance parts can also boost mileage.

by Steve Relyea



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The rising price of fuel and commodities is making itself felt in many ways. For one: The travel on all roads and streets in the nation declined in 2007, for the first time since 1980, according to the Federal Highway Administration. Americans are driving less so far this year, too, the agency adds. Another example: Sales of trucks are way down. Chrysler LLC's truck sales are down 24 percent; Ford Motor Company's are down 18 percent, and GM's are down 21 percent. The rising price of other commodities is reflected in the rate of theft of catalytic converters from cars; with the price of the precious metals in these parts rising, thieves have learned how to turn stolen ones into cash.

Of course, the rising costs of goods and transportation are making themselves felt in the specialty automotive aftermarket, too. We asked the members of Specialty Automotive Magazine's speed shop panel what they're seeing. We asked what they're seeing from vendors, in terms of delivery charges and parts price increases and what they're seeing from customers, in terms of participation in motorsports and interest in fuel saving vehicle modifications.

"Freight's getting to be a major thing nowadays," said Jackie Mize, Jackie's Automotive, Lubbock, Texas. "Of course the vendors have all had a fuel surcharge for a while, but they're adding quite a bit every now and then. I guess you can't blame them; it's just costing more to deliver.

"I've also noticed that some of the manufacturers that do a prepaid freight deal have upped the amount that you have to order in order to still get free freight. Instead of buying maybe \$3,000, you have to buy \$4,000 worth to get prepaid freight. Of course, at a lot of those places we order about that much anyway, whatever the freight is, because it saves a pretty good percentage off the whole deal if they pay the freight.

"There's a couple of warehouses here that just have a set fee for a delivery. We try to buy a little bit more at a time since it's just a straight, set fee from them. If you order \$5 or \$500 or \$1,000, it's still the same amount to deliver it, so we try to skip a day - unless it's something that a customer has to have overnight - and that way we're only paying one freight charge.

"The price of parts is going up too. I guess it's because of the cost of the raw materials they make a lot of this stuff out of and the energy it takes to get the

material from one place to another. We're getting price sheets on a pretty regular basis and seeing some pretty good increases. In fact, we have a computer service that used to send out a new computer disk every two months to update all the pricing; now, if you want to stay abreast, you can go to their web site every three or four days and download the new stuff. Again, you can't blame the manufacturers; if their cost of goods goes up, they have to pass it along.

"You've got to keep up with all the current pricing, because it's going to cost more to put the part back in stock. You might have bought the part at a much cheaper price, but, even though you made a little money on what you paid for it originally, replacing it is going to cost more, maybe even more than what you sold it for.

"We have sold some stuff just strictly because of the fuel situation, like the Hypertech programmers and the Tornado Fuel Savers. It's getting to be pretty common for people to come in asking what they can do to save gas.

"Our business has still been really good. I kept thinking, even before now, that with the price of this fuel, some of these guys would probably quit buying some of this performance stuff. But, it hasn't happened. I'm sure it's affected us some and I know it's affected the race tracks, because of the fuel it takes to

get there. That affects our business, too, because if people don't go out there and race, then they don't buy as much stuff. So, yeah, it's something we've got to deal with."

"Everyone's charging a delivery charge, etc., etc. It's impossible for them not to, just about," said Bob Lee, Bob's Speed Products, Fort Lauderdale, Fla. "I don't have a quarrel with it as long as it's not something unreasonable.

"They're jacking up the charges in other ways, too. The UPS now is an \$8.50 COD fee, so you can't do that anymore. I either get a charge account with them or put it on the credit card, because it's cheaper on the credit card than it is to pay that extra \$8.50 for the COD fee. Anything you order from out of town is instantly \$20, because it's probably \$10 shipping and then the COD fee, so you have to subscribe to alternate methods.

"I have two deliveries a day from Miami, so I don't have a real problem. I just don't order from out of town any more if I can help it. If it takes an extra day, then I just wait the extra day.

"If you get a sheet from one of the big warehouses and there's a deal on it, you have to buy enough to where

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