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May 2013
Vol. 122, No. 1

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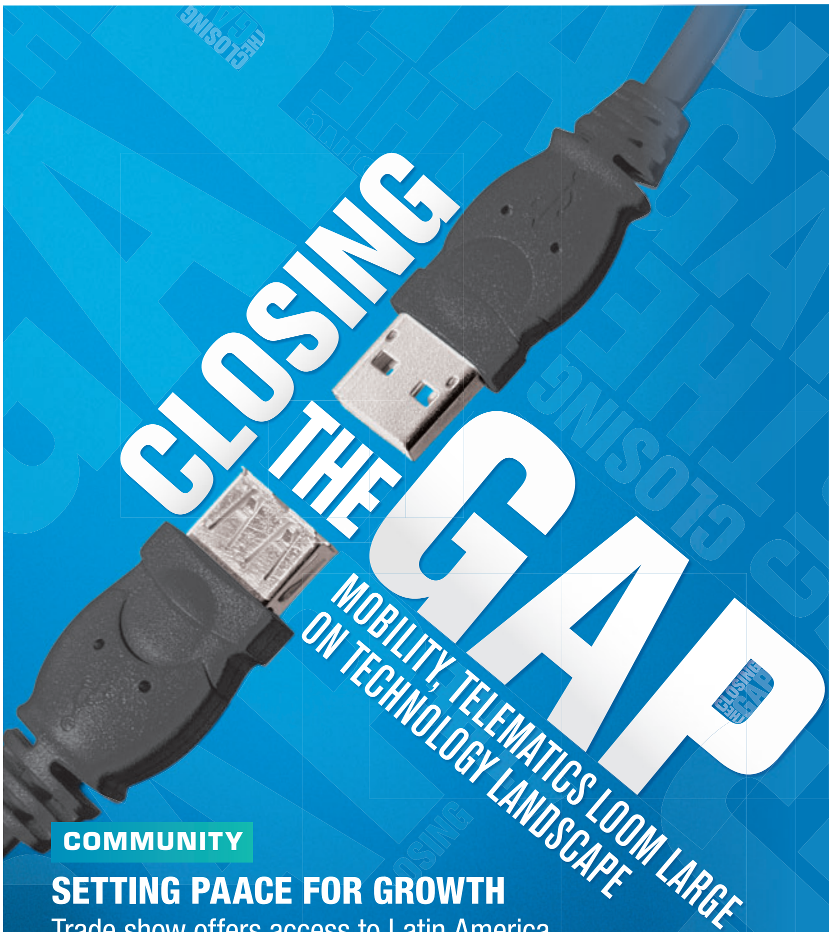

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Trade show offers access to Latin America

PRODUCTS

HEADLIGHT BULBS

A new range of upgrade headlight bulbs

ADVANSTAR AUTO

CONSUMER ATTITUDE

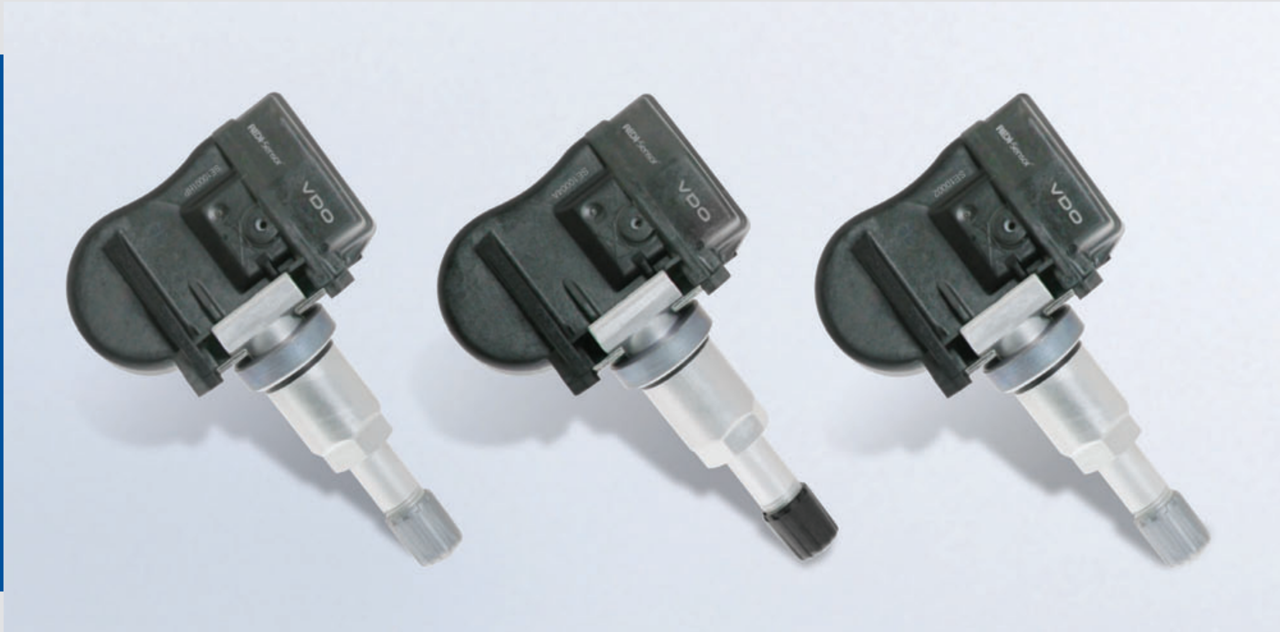
SQUEEZED BY THE ECONOMY

Study shows price matters to consumers

TRENDING

EV SECTOR CHARGING AHEAD

Technology boosts electric vehicle market



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COMMUNITY

4 **$4.2 million doesn't buy what it used to**
Companies that offer unique products or are known as exclusive providers can charge a premium.

FROM THE BLOG SPHERE

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Read It On *AftermarketBusiness.com*

FRANK EDWARDS CO. ACQUIRES KAPS WAREHOUSE
Frank Edwards Co. will acquire two distribution facilities and 11 company-owned stores.
[KEY: Frank Edwards]

HAHN AUTOMOTIVE WAREHOUSE BUYS E&L BATTERY & IGNITION
Hahn acquired E&L based on its performance as a well-managed company with a commitment to growth and customer service.
[KEY: Hahn Automotive]

UNI-SELECT ANNOUNCES U.S. LEADERSHIP CHANGE
Dennis Welvaert will be acting president and COO, US Automotive, until a replacement is found.
[KEY: Uni-Select]

ONLINE COVERAGE

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Sign up for the A/C System Service and Inspection webinar at noon on May 23.
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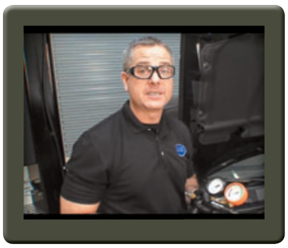

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The Trainer video series
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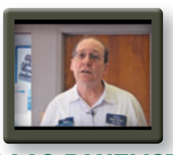

GAAS PANELISTS
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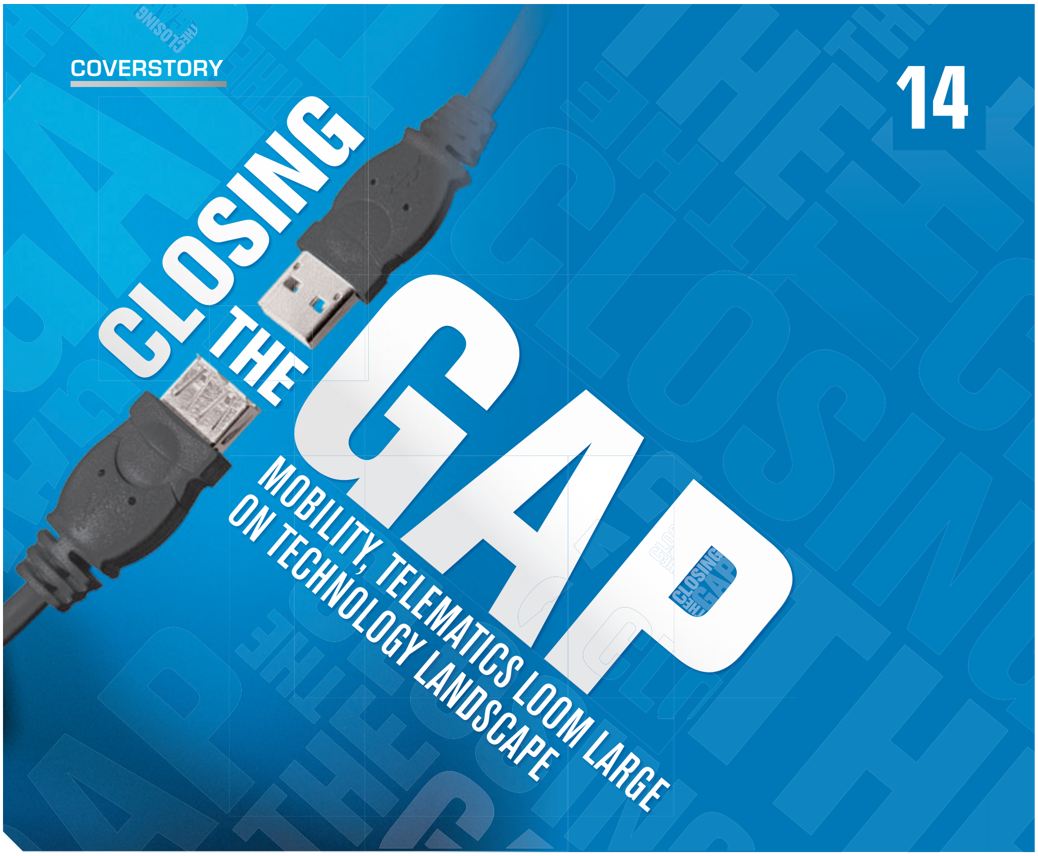
TRENDING



Read It On ***AftermarketBusiness.com***

SPECTRA PREMIUM INDUSTRIES TO OPEN DISTRIBUTION CENTER

The 250,000-square-foot distribution center in Greenfield, Ind., is scheduled to open in June.

[KEY: Spectra Premium]

FEDERATED NAMES TOP VENDORS OF THE YEAR

Standard Motor Products was selected by group members as vendor of the year.

[KEY: Federated names]

NCMA RECOGNIZES EXCELLENCE IN CATALOGING

The National Catalog Managers Association presented awards to the best in automotive cataloging.

[KEY: NCMA recognizes]

RESEARCH

AD INDEX

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AFTERMARKET INDUSTRY

STATS & TRENDS

Since GAAS began, the symposium has awarded $1.6 million in scholarships to 1,600 winners.

FROM THE BLOG SPHERE

$4.2 million doesn't buy what it used to

Unique products, exclusive providers can charge a premium

BY **CHRIS TRAVELL** | WORKSHOP MEMBER

The Batmobile sold recently for $4.2 million. And it achieved this price with no incentives on the hood.

What can we learn from the sale of the Batmobile? Uniqueness is one lesson. This was a one-of-a-kind George Barris designed car that was transformed from a 1955 Lincoln Futura concept into the sleek crime-fighting machine that many of us remember. It looked cool and was a blast to drive.

Back down on earth where the rest of us live, this analogy is not as far fetched as it might seem. I did some analysis from our Canadian New Vehicle Customer Study (NVCS) which asks "how likely would you be to purchase the vehicle you did if no incentives were offered?" From the 44,000 consumers we spoke to, the top six brands where customers said they would be "very likely" to purchase even without an incentive were Porsche, Scion, Volkswagen, Audi, Subaru, and MINI. This is good news for these brands because it suggests less price sensitivity making them potentially more profitable on a per vehicle basis. What do these brands have in common?

For some, just like the Batmobile,

BEST OF THE BLOGS

AFTERMARKET BUSINESS WORLD

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*BEST OF THE BLOGS are written by bloggers on **AMB World's** community pages.*

Textual Healing

WAP

Social media.

A true definition reveals it's very existence is extremely 'non-social' because use of such communication requires very little social skills, very little typing ability, spelling, or grammar, and mostly no etiquette or manners.

Then why are we all so addicted?

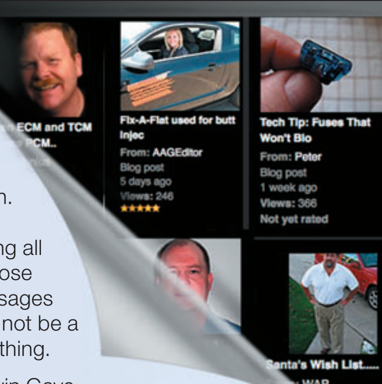
It's probably due to the illusion of freedom and the ability to blog whatever you want with no apparent consequences. But hold on there Hoss! Did you know that your Facebook posts, text messages and other social media posts can be used in a court of law!

There have been several well-documented cases where information posted on social media sites has been used as evidence in a court of law.

In fact, I just had a customer sue me last month over a repair he said he did not authorize, yet the text messages and Facebook messages he posted indicated he knew exactly what he was getting and the price.

Then after he filed suit, he posted further messages indicating that he was going to get out of paying me because I did not have signed document authorizing the repair.

The judge didn't see it that way, and explained that the myriad of messages before and after the fact showed sufficient evidence of awareness of price, and knowledge of the work performed.



I won. So, saving all of those messages may not be a bad thing.

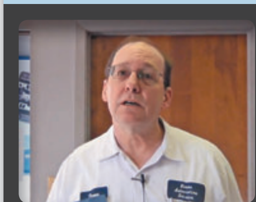
Marvin Gaye has always been my favorite soul singer, and it appears, with a slight twist to his popular song, "Sexual Healing" his message rings true in social media channels.

Impartial communication with no regrets, yet hooking up a different way.

exclusivity is one characteristic. You don't see too many Porsches at every stoplight and that's appealing to some. Having a clearly defined product benefit for which you are known certainly helps. Audi and Subaru tend to be known for their AWD capabilities and customers seem to be willing to pay more for it. This clearly articulated product attribute becomes a point of differentiation in a crowded marketplace.

AFTERMARKET BUSINESS WORLD™ TOP VIDEOS

MOST WATCHED VIDEO



GAAS 2013 repair shop owner panelists speak out

THE PANEL PRESENTATION "WHAT SHOPS REALLY NEED" WILL FEATURE THREE SHOP OWNERS TALKING ABOUT WHAT THEY EXPECT FROM SUPPLIERS.

AftermarketBusiness.com/video1

Cylinder leakage test

Check the engine's integrity by conducting this test demonstrated for NATEF/ASE compliance.

AftermarketBusiness.com/video2

Delphi CVC compressors

Delphi shares this video on the variable displacement design of their compressors.

AftermarketBusiness.com/video3

TO WATCH NOW

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Scan the QR Code with your smart phone's camera to watch repair shop owners discuss what they need from suppliers.

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Noteworthy

comments from AMB World's online communities

Each month we scan the Workshop, the Aftermarket Business World Facebook page and our Twitter feeds to see what you're saying. Comment there to be heard.

@AutoInsider:
Tenneco's Q1 profits soar 80% as revenue falls slightly.

@Sallasauto:
Baldwin County Driving Challenge held at Gulf Shores High School.

@Frost_Sullivan:
Unified communications driving growth in headset sales, says Frost & Sullivan.

@iATN:
Intermittent throttle actuator testing techniques for Ford and other vehicles shared on @iATN.

@theMightyPros:
Last call! We're recognizing 3 Mighty Auto Parts customers for selfless service and supporting their charity of choice.

@WIXFilters:
The PDF of our latest new number announcement is available at wixfilters.com.

@carsdotcom
To support Stress Awareness Month we're giving away massages – but only if you help your friends & family car shop first.

@KelleyBlueBook
Least expensive new car for 2014 remains the Nissan Versa sedan.

join the community— join the discussion

SearchAutoParts.com/Community

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2013 WEBCAST SCHEDULE

MAY 2013
A/C System Service and Inspection
Produced in cooperation with TST.

MAY 2013
Pros and Cons of Rebuilding Continuously Variable Transmissions
Produced in cooperation with ATSG.

MAY 2013
Financing Landscape For Your Shop
Brought to you by On Deck.

NOVEMBER 2013
Electrical Testing Techniques
Produced in cooperation with TST.

STREAMING PROGRAMS

Dan Risley to learn the mechanical side
With experience more focused on the collision side, new ASA executive VP Dan Risley said he does plan to learn more about the needs and challenges of mechanical members.

Ford explains MPGe
This short video explains the new EPA efficiency comparison, MPGe. This allows consumers to compare hybrid, EV and conventional powerplants when making their buying decisions.

Growing shop revenue
Communicating regularly with current and new customers is vitally important to growing your shop, but how do you do this efficiently and effectively? Is there a way to automate communications to save costs and increase business? Yes.

2013 INDUSTRY CALENDAR

MAY 21-22
GAAS 2013
GAAS and the Aftermarket eForum co-locate this May in Chicago.

MAY 22-23
Aftermarket eForum 2013
The Aftermarket eForum begins with an afternoon general session addressing executive-level IT and ebusiness topics.

MAY 25-29
Autopromotec 2013
This biannual event is in Bologna, Italy.

SEPT. 20-22
ASA-IL CAN Conference
Exhibits and management and technical training.

DONNY SEYFER Co-Owner, Seyfer Automotive Inc.
donny@seyferauto.com

STANDING UP TO YOUR FEARS

Teacher becomes the student in nation's capital

Recently I spent the better part of two weeks in the Washington, D.C. area. During a break in the industry work I was doing with National Automotive Technicians Education Forum and the National Institute for Automotive Service Excellence, I had the opportunity to spend the weekend in the capital with my eight-year-old daughter, Chase.

I have taken each of my kids to Washington, D.C. during the last two years so I can teach them about our country and the people who made it. As has been often said and was the case here, the teacher often winds up being the student.

As we walked through Arlington National Cemetery I answered all of her questions about the headstones and why John F. Kennedy's gravesite had an eternal flame.

We talked about how so many young men were willing to risk their lives for the idea that men and women should be able to create their own story and do the things that stir their passion. In her young life I am sure that she has never been to a cemetery before and certainly not one with the visual impact that Arlington makes.

Our theme carried on throughout the weekend as we visited the Lincoln Memorial and I paraphrased his second inaugural address for her.

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The stop we could not make was to see the Declaration of Independence. The weather was rather cold and wet, but that did not keep hundreds of people from lining up to see the fading announcement that 56 men signed between August 2, 1776 and January 22, 1777.

Chase and I looked at a picture of it and I explained to her that the men who signed this were considered traitors by their government. They had put their lives, their families and their property at risk by signing that document. Of course the eight-year-old wanted to know why they would do that and if they were scared. From the mouths of babes, as they say.

So often in our lives there are decisions that we know we have to make, actions we know are mission critical. Few of us are faced with the type of decisions faced by Lewis Morris, a declaration signer who made that fateful decision that ultimately cost him his home and his fortune.

Facing fear

These things are relative however and fear at any level has the same wilting affect on each of us. We can usually strike a deal with our conscience that we are comfortable or can make due with our circumstances for only so long before the consequences of inaction either act on us or force us to act upon them.

Maybe you need to talk to an employee who is not holding up their end of the deal. It might be something at home that continues to cause you to be less than happy about spending time there.

> "It seems that lasting and important things only happen in our lives if we give fear the day off. It is only an emotion that is built in to protect us, but its power may do the opposite."

We all have them, issues that we need to work on and resolve.

Why are we willing to let them ruin our lives? If I learned something from my daughter's questions it was about the resoluteness of the Declaration of Independence signers and about the many young men who committed their lives and often lost them in war.

Also, consider Abraham Lincoln who seemingly signed his own death warrant by signing the Emancipation Proclamation.

It seems that lasting and important things only happen in our lives if we give fear the day off. It is only an emotion that is built in to protect us, but sometimes its power does the opposite of its intention.

As a wise man once said to me, "What would you do if you weren't afraid? Now, do it!" □

DAN PIKE VP, programs and member services, AASA dpike@aasa.mema.org

SETTING THE PAACE FOR GROWTH

Trade show offers broad access to Latin America

The global market for U.S. automotive parts is a growth opportunity for North American automotive aftermarket suppliers. Our neighbors to the South – Mexico, Central and South America – present exciting opportunities in relatively close proximity.

According to "On the Road: U.S. Automotive Parts Industry Annual Assessment," published by the U.S. Department of Commerce International Trade Administration, exports to Canada and Mexico account for more than 74 percent of total U.S. automotive parts exports. Mexico consistently ranks among the top four global destinations for U.S. automotive parts and products, along with Canada, the European Union and Japan.

PAACE Automechanika Mexico 2013 – set for Wednesday, July 10, through Friday, July 12, at the Centro Banamex, Mexico City – is Mexico and Central America's most important automotive trade show. Held annually, the event draws thousands of attendees in the automotive industry. The 2012 event attracted 19,763 attendees from 34 countries and 539 exhibitors for 20 countries.

Top among the reasons to participate is the opportunity to contact a record number of customers from Mexico, Central and South America. PAACE organizers are working with the U.S. Commercial Service and Department of Commerce to bring in buying delegations from Central and South American countries. To date, delegations from Peru, the Dominican Republic and Argentina have committed and many others are expected to engage.

The outreach to Central and South American attendees is in addition to the huge marketing effort to attract attendees in the Mexican marketplace. PAACE participants from Mexico will include key decision makers at distributors, wholesalers, fleet management companies, collision repair shops and light commercial vehicle facilities.

With hundreds of key domestic and international manufacturers as exhibitors, the event is the ultimate platform for sourcing new products and suppliers in these key categories:

- Parts & Systems - Vehicle parts, components and systems of the drive chassis, body, electrics and electronics groups
- Accessories & Tuning - Vehicle accessories, special equipment, tuning, performance systems, design refinement, tires, wheels, wheel accessories
- Repair & Maintenance - Equipment for vehicle service and repair, bodywork repair and painting, workshop equipment, dealership equipment, waste disposal and recycling
- IT & Management - IT products, insurance, finance, leasing, claims management, vehicle inspection services, dealer management systems, dealership planning and construction, and dealership marketing
- Service Station & Car Wash - Service station equipment, car care and car wash

In addition to the thousands of products, services and resources available on the exhibit hall floor, PAACE Automechanika Mexico City offers valuable education and training, unmatched business solutions, exciting networking events and more.

> "Exports to Canada and Mexico account for more than 74 percent of total U.S. automotive parts exports, according to the U.S. Department of Commerce."

Details on the PAACE Educational Program are available at www.aftermarketbusiness.com/2013PAACE. PAACE Automechanika Mexico City holds 50 seminars, hosting more than 9,000 seminar attendees.

Event details, including exhibitor registration, are also available online at www.PAACEAutomechanika.com.

Editor's note: Dan Pike is vice president of programs and member services at the Automotive Aftermarket Suppliers Association (AASA) and group executive of AASA's international aftermarket council, the Overseas Automotive Council, which promotes the sale in foreign markets of automotive and heavy-duty products made in North America.

BOB MOORE President, J&B Service
bob@aftermarketthink.com.

PLANES, TRAINS AND AUTOMOBILES

What do they all have in common?

They've all gotten faster as the years go by. The Chinese CRH380A is the world's fastest train with a top speed of 302 mph. The Lockheed SR-71 Blackbird holds the record for a manned aircraft at 2,193 mph. Closer to our industry is the world's fastest passenger car . The Bugatti Veyron Super Sport has been clocked at a brisk 267.857 mph.

Human beings control all these conveyances. Think about the decision-making process of a person travelling through the air at more than one half mile per second. There's no room for indecisiveness on the part of anyone operating any of these vehicles.

My point? The speed of business today has become the speed of thought. Everything in our business environment is moving faster. Certainly a key attribute, maybe the most important one, for today's managers and management teams is decisiveness. Most of us remember a time when a company wasn't worth its salt unless it had a five-year strategic plan on the shelf.

More recently, the speed of doing business augmented by the imposition of technology and its immediacy has pushed strategic planning to the back burner. These days the ability to react quickly has seemingly become more important now than copious analysis and long-range planning skills.

I'm not convinced that is a completely good thing.

Pragmatically, with everything moving faster, your planning cycle has to change as well. This reality was the impetus for the creation of something called "drive-thru planning."

Drive-thru planning is the express lane of strategic planning. It operates under the presumption that most aftermarket companies do not desire to tie up their key executives for longer than a day. Still, they appreciate the need to collectively contemplate the company's future and to prognosticate outcomes.

Drive-thru planning features all the elements of more traditional strategic planning; it is the process that is "stripped down." It starts with creating the primary goal of the business. A goal is that bright spot on the horizon that everyone on the team is aiming for.

The goal is the loftiest aspiration of a company and the driver of its plans. Goals are generally long-term commitments, often expressed indefinitely or in superlative terms. A goal sometimes goes by other names such as vision or the mission. By definition there can be only one primary goal and its singular purpose must be clear: the unification and concentration of a business's energy and activities on a common heading.

Years ago, someone defined a goal to me as "a journey, not a destination." I think that is an apt definition. Goals do not have to be measurable, that is the provenance of objectives. The language of goals should be to "maximize" or to be "revered" or to be "perceived as the leader." Words like maximize or

"More recently, the speed of doing business augmented by the imposition of technology and its immediacy has pushed strategic planning to the back burner."

revered are not at all measurable, but they are all valid language for a goal.

Objectives follow closely behind the goal and bring direction to it. If a goal is a "journey," then objectives are mile markers on the trip. Objectives are interim targets that must be measurable in time or occurrences or both. If a goal is to be the dominant brand, an objective might be to achieve a 60 percent market share by the end of the fiscal year.

Goals and objectives go hand in hand and are the starting point for drive-thru planning. Defining a goal for the business and each department's objectives to support the goal is the result for a good initial drive-thru planning meeting. Typically, in a well-moderated session top managers can navigate those tasks in less than a half-day. □

STEPHEN BARLAS Washington Correspondent

sbarlas@varizon.net

AFTERMARKET WARY OF EPA PROPOSAL

Impact hinges on new emissions reductions

The Environmental Protection Agency's Tier III tailpipe proposal issued at the tail end of March will have a big effect on the aftermarket if the agency finalizes its new emissions reduction initiative. The agency wants to reduce tailpipe emissions of pollutants such as nitrogen oxides (NOx), volatile organic compounds (VOC), and particulate matter (PM2.5) so that the EPA requirements dovetail closely with California's low emission vehicle (LEV) III program. That way auto manufacturers don't have to make "California" cars, which they sell in California and the other 10 states with LEV III compliance, and "EPA" cars sold elsewhere.

In December 2012 EPA approved the California Air Resources Board's (CARB's) LEV III program to start in 2015. The EPA Tier III would be phased in over five years starting in 2017. Those tailpipe standards would be implemented over the same timeframe as the greenhouse gas/fuel efficiency standards for light-duty vehicles. GHG emissions include carbon dioxide and methane.

How does this Tier III/LEV III alignment affect the aftermarket? The EPA states in its proposed rule: "Consistency among the federal and California programs means that special versions of vehicles with different emission control hardware and calibrations would not be necessary for different geographic areas. Consistency among programs would also eliminate the need to supply aftermarket parts for repair of multiple versions of a vehicle."

Asked whether that sentence refers to parts beyond catalytic converters which would no longer need to be sold in the aftermarket, an EPA spokeswoman answered: "Yes, it does refer to a wider variety of aftermarket parts including catalytic converters, engine controllers and/or engine calibrations, engine manifold and exhaust parts, and secondary air parts."

The EPA's main means for synchronizing its Tier 3 emission standards with California's LEV III standards to force refiners to reduce the amount of sulfur they use in gasoline from the current 30 parts per million (ppm) average down to a 10-ppm average. Europe and Japan already have imposed gasoline sulfur caps of 10 ppm, and California has a per gallon cap of 20 ppm.

But the EPA doesn't think the availability of low-sulfur gasoline alone will get autos in 2017 to the proposed, lower VOC, NOx and PM levels. The effectiveness of current vehicle emissions control systems depends on the time it takes for the catalyst to light off, which is typically defined as the catalyst reaching a temperature of 250°C.

So manufacturers will have to come up with new technologies to improve catalyst "light-off." The EPA expects manufacturers would add technologies that provide heat from combustion more readily to the catalyst or improve the catalyst efficiency at lower temperatures. These technologies include calibration changes, thermal management, close-coupled catalysts, catalyst platinum group metals loading and strategy, and secondary air injection, all of which generally improve emission performance of all pollutants. In some cases where the catalyst light-off and efficiency are not enough to address the cold start emissions, hydrocarbon absorbers may be applied to trap hydrocarbons until the catalyst is lit off.

In addition to changes in engine emissions technology, automakers also will have to upgrade evaporative emissions systems. The EPA proposal includes more stringent emission standards for hot soak plus diurnal emissions (two- and three-day tests), plus a new canister bleed standard and testing requirement for measuring emissions from the fuel tank and the evaporative canister. □

> "That way auto manufacturers don't have to make 'California' cars to sell in 11 states and 'EPA' cars to sell in the other 39 states."

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COVER STORY

Photo: Comstock

MOBILITY, TELEMATICS LOOM LARGE ON AFTERMARKET TECHNOLOGY LANDSCAPE

BY **BRIAN ALBRIGHT** | CONTRIBUTING EDITOR

IT'S NO secret the automotive aftermarket has traditionally lagged behind other vertical industries in technology adoption. But the gap between the aftermarket and other sectors (like consumer packaged goods or general retail) is closing, and that process may very well accelerate in the coming years.

There are three major reasons why this is happening. First, there has been a concerted effort within the industry to adopt data standards (PIES, ACES), and technology has naturally followed that process. Product data management under the best of conditions can be hard; doing so without some sort of software tool is impractical.

Second, the cost of deployment of most types of technology is dropping. Mobile computers, scanners, printers, point-of-sale stations and other hardware are cheaper now than ever before. New software options, like hosted solutions or cloud-based systems, have reduced the cost and complexity of deploying and updating applications.

Third, use of technology in the day-to-day lives of consumers, distributors and suppliers has become so pervasive that it has inevitably begun to seep into their business processes. The explosion of smartphones and tablets, along with e-commerce, is forcing a top-to-bottom restructuring of the way companies do business with each other and with their customers.

So which technologies are set to have the biggest impact on the aftermarket this year? Below are some of the major trends that will likely affect your IT strategy moving forward:

Mobility: Smartphones have quickly become the predominate way in which most people access the Internet, and the popularity of the "mobile app" delivery model has not been lost on aftermarket companies.

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There are two ways that mobility has immediately affected the aftermarket. First, customers (whether they are B2B or B2C) are accessing the web via phones and tablets, which means suppliers, retailers, and distributors have to make sure their web content can be easily viewed on these devices. That means either designing a dedicated mobile website, or optimizing an existing website for mobile viewing.

Second, companies across the aftermarket are developing mobile apps for everything from accessing catalog content and repair instructions, to selecting a repair shop or comparison shopping for parts.

"It truly begins with suppliers recognizing that mobile-enabled, rich catalog and product content is the minimum necessary to be relevant and competitive in the future," says Scott Luckett, CIO at the Automotive Aftermarket Industry Association (AAIA).

This push for mobility intersects another trend: the need for rich digital content. It's no longer enough to simply have product and application data available. Customers want to see photos, videos, links to installation instructions, and other types of content. And the more content there is, the more likely you are to sell a given part.

"The bar keeps moving, and today's content requirements didn't even exist a few years ago," Luckett says. "All of the things you have to say about a product used to have fit on a 6-inch by 9-inch screen. Now it needs to fit on a 7-inch tablet or a 3-inch screen. You have to author the content in a flexible, responsive way to meet the needs of customers who are accessing it through a growing variety of devices."

Cloud Computing: It seems like everyone has their own definition of what "the cloud" is these days, and the term is being liberally applied to just about anything that doesn't sit on your corporate servers – whether that's a hosted software application, software as a service (SaaS) solutions, or actual cloud storage and application hosting services.

However you define it, expect to see more cloud-based offerings in the aftermarket as companies look for ways to reduce their IT costs and support requirements, while increasing application flexibility and easing software upgrades. According to a study from Cisco, cloud spending by small and medium-sized businesses will reach $16 billion in 2015, up from under $5 billion in 2010. Gartner estimates the SaaS and cloud-based application services market will grow from $13.5 billion in 2011 to $32.8 billion in 2016 (that's a compound annual growth rate of nearly 20 percent).

E-tailing: More and more business in the aftermarket is conducted online. There will be increased online competition from generalist retailers and e-tailers, distributors with online catalogs and even suppliers.

"That's one of the big questions," says Chris Gardner, vice president of programs and member services at the Automotive Aftermarket Suppliers Association (AASA). "How will suppliers approach e-tailing in the future? For a distributor, do you launch an e-tailing strategy offensively to deal with that, or do you take another approach?"

That increased competition has the potential to erode prices and margins, and complicates the customer/distributor/supplier relationship. "There are still a lot of questions about service, returns, warranties, and who will be standing behind the parts that are available on all of these websites," Gardner says.

Telematics: Nearly every vehicle manufacturer now offers some sort of remote telematics offering. The aftermarket is still defining the business case for its own telematics offerings, but there are a variety of solutions on the market for consumers to choose from. Delphi showcased its own telematics solution at the most recent AAPEX, and other products are emerging. The key to success will be developing standards that both OEMs and aftermarket companies can follow, to ensure a level playing field.

"There are a number of products now available to retrofit the 100 million OBDII-equipped vehicles on the road today that don't have telematics from the factory," Luckett says. "We as an industry need to participate in the design of a standardized software interface to the vehicle. In our view, the industry and all its stakeholders need to present a unified face to the car companies about what we can do to help their brand. If we consolidate around one initiative, we have a better chance of getting a single, standardized interface."

Warehouse Automation: While there has been tremendous focus in the aftermarket on product data management and standards adoption, basic warehouse management, bar coding, and other point-of-execution technologies have remained in the shadows. That may change.

"I wonder if the expansion of e-tailing and some of these other trends will drive more adoption," Gardner asks. "If e-tailing has the potential to drive down pricing, the distributors will have to gain some margin back somewhere. Maybe technologies that automate the warehouse are an area where you can do that?"

The cost of deploying wireless LANs, mobile computers, and WMS solutions has dropped, in part because of cheaper hardware and hosted software offerings. Now that adoption of industry data standards has increased there may be a subsequent increase in interest in providing better visibility into where those physical products actually are.

Big Data: This isn't just an aftermarket trend. "Big Data" has been a top technology story for the past year, across the IT world. Storing and processing large amounts of data, combined with complex event processing (CEP) solutions, can be used to better enable forecasting and planning.

"This brings us back to the same challenges with inventory management and SKU proliferation, and addresses the problems we have with managing the massive amounts of parts out there in the industry," Gardner says. "Big Data, which involves collection and aggregation and business intelligence, will help us plan production better and manage inventory better."

A few companies have already rolled out these types of tools. Goodyear Engineered Products has its DataDrive Market Intelligence System to help account managers evaluate sales trends, and Delphi has a similar tool called the Intelligent SKU Management solution. Some program groups have developed their own internal tools as well.

That doesn't necessarily mean that there won't still be excess inventory. "That doesn't change the fact that you still have four parts stores on a corner, and they all want to have the inventory to meet the needs of any job that pops up," Gardner says. "But we can better use data to create better replacement rates, and have a better understanding of here that inventory needs to be." □

FROST & SULLIVAN: CAFE REGS INFLUENCE FUEL PUMP MARKET

BY **RATIKA GARG** | FROST & SULLIVAN ANALYST

The fuel pump aftermarket has changed significantly over the last two decades, primarily because of advancement in technology and corporate average fuel economy (CAFE) regulations. The first major transition was in the mid 1990s when there was a shift from mechanical pumps to electric pumps. This was followed by another wave of transition in the mid 2000s, at which time the demand started shifting towards fuel delivery modules.

Fuel delivery modules are integrated and easier to install. The module comprises of an assembly that includes the fuel pump, sender, all the mounting gear, a float rod and others in one piece. Replacement, therefore, involves removal and installation of an entire assembly rather than only the pump.

Over the next five years, unit shipments for fuel pumps (including fuel delivery modules) in the aftermarket are expected to grow at a compound annual growth rate (CAGR) of 4.5 percent from 8.9 million units in 2012 to 11.1 million units in 2017. Similarly revenue is expected to grow at a CAGR of 11.6 percent from $663.8 million in 2012 to $1.15 billion in 2017. Of the total revenue in 2012, fuel delivery modules are estimated to account for nearly 70 percent of the share in North America, while electrical and mechanical pumps account for the remaining 30 percent of the share.

Regulations such as CAFE also play a significant role in influencing demand for fuel pumps. CAFE regulations are resulting in adoption of new fuel technologies at the OE level and hence are impacting the fuel pump aftermarket. One such technology gaining ground at the OE level is gasoline direct injection (GDI). GDI engines inject fuel at a high pressure directly into the combustion chamber that improves cooling of the air/fuel charge within the cylinder. This in turn allows for higher compression ratios and increased thermodynamic efficiency without the onset of combustion knock. The technology requires design changes, as well as an additional high pressure fuel pump.

An active aftermarket for these highly efficient fuel pumps will develop in the long term, because, like most other fuel technologies, GDI impacts new vehicles more than vehicles already in use. Currently about 10 percent of all light-duty vehicles produced have GDI engines, and it is expected that the percentage will increase in the future.

Secondly, GDI components are more rugged and need to be designed so they can handle fuel at significantly higher pressures than indirect injection systems. These are therefore more complex to build and hence more expensive. Also, there is almost a nil failure rate for these pumps. All of these factors result in a declining replacement rate and restricted aftermarket opportunities in terms of unit shipments as well as locations where such pumps can be replaced or repaired if required.

Another challenge in the fuel pump aftermarket is inventory management. This is because a fuel delivery module is much bigger and more expensive than a fuel pump. This requires more storage space and a bigger investment. In addition, with the increase in the number of vehicle models, the stock keeping units (SKUs) of fuel pumps are also likely to increase. This will add to the increasing inventory cost and higher manufacturing expenses in the form of tooling.

Revenue growth is therefore primarily driven by an increase in average prices rather than unit shipments. Manufacturer-level average prices for fuel pumps are expected to increase at a CAGR of 6.9 percent from $74.50 in 2012 to $103.90 in 2017. The main cause for the significant price hike is the shift in demand from fuel pumps to fuel delivery modules. Modules are approximately three times more expensive than pumps.

High manufacturing and inventory cost as well as investment associated with developing a strong distribution network pose barriers to entry in this market. This results in a consolidated market where nearly 90 percent of the revenue is represented by five participants. Other market participants comprise of smaller regional manufacturers and importers.

As both fuel regulations and fuel pump technology continue to evolve and become increasingly complex, suppliers will be evaluated based on reliability, quality, lead time and the price of their parts. In the short and medium term, demand will be driven by older model vehicles. However, over the long term, suppliers will have to change their product portfolio to cater to replacement or repairing highly efficient newer fuel pumps. □

TECHNOLOGY TRIUMPHS

IN-CAR SYSTEMS OFFER A CURE FOR TRAFFIC WOES

BY **JAMES E. GUYETTE** | NEWS CORRESPONDENT

OEMs worldwide are developing wireless technologies linking individual vehicles to central traffic monitoring and control facilities. Known by numerous names, such as connected cars, smart cities, intelligent transportation and the like, these systems deliver a host of benefits to urban environments. Easier and quicker commutes, fewer traffic jams, less air pollution and a better quality of life are among the attributes.

TRENDS & MARKET ANALYSIS

"Automakers are expending significant resources and effort to develop V2V (vehicle to vehicle) safety technologies because of the potential to significantly reduce automobile crash fatalities, injuries and congestion on our highways," says Michael Cammisa, a director at the Association of Global Automakers, which represents international vehicle manufacturers, original equipment suppliers and other automotive-related trade associations.

"We work with industry leaders, legislators and regulators to create the kind of public policy that improves vehicle safety, encourages technological innovation and protects our planet," he adds, citing recent lobbying efforts to ensure that governmental agencies – such as the Federal Communications Commission (FCC) in the U.S. – allocate adequate interference-free frequency space to operate the various systems coming to fruition.

Audi, BMW, Chrysler, Fiat, Ford, General Motors, Honda, Hyundai, Jaguar Land Rover, Mazda, Nissan, Peugeot, Renault, Toyota, Volvo and Volkswagen are among the automakers belonging to the London-based Groupe Spéciale Mobile Association (GSMA) that supported February's Connected Living mAutomotive project and Connected Car Forum at the Mobile World Congress in Barcelona, Spain.

"The Connected Life will have a positive impact on many industries. However, capitalizing on this enormous opportunity requires cross-sector collaboration to fully realize the power of mobile for the benefit of billions of people globally," says Michael O'Hara, the GSMA's chief marketing officer.

He points out that "the automotive industry has the potential to play a transformative role in the connected future" by offering services such as on-demand, in-car entertainment; low-cost pay-as-you-drive insurance; location-enabled security features; and real-time fleet management.

INTERNATIONAL NEWSMAKER

Q&A

EUGENIO MADERO
CEO of SANLUIS Rassini North America

Q WHAT ARE SOME OF THE LATEST ADVANCEMENTS REGARDING ROTORS?

A We've seen the industry shift from using one-piece full cast rotor designs to taking advantage of more premium, two-piece designs. There have also been new advancements in engineering and materials. For example, at SANLUIS Rassini, we are able to provide better thermal heat transfer and better NVH (noise, vibration and harshness) behavior thanks to breakthroughs in engineering and design. We focus a lot of our efforts on providing lighter weight but higher performing rotors. We introduced a new rotor design for the Corvette Stingray Z51 Performance Package. The rotor features a combination of ductile (nodular) iron in the hat and gray iron on the brake surface, which has allowed for a significant weight reduction and improvement to fuel economy – which is of extreme importance to today's automakers. These rotors are 30 percent less expensive than comparable aluminum composite rotors, and are the first of their kind to hit the market. With our new dual cast rotor, we are also now able to incorporate the DIH (drum in hat) in the rear rotor without any reduction in performance.

The Machina Research firm, in cooperation with the GSMA, anticipates that 90 percent of new cars in 2020 will have some form of in-vehicle connectivity, amounting to a worldwide industry worth $600 billion in the automotive sector alone. (Some of the other applications in a future $4.5-trillion connective marketplace include healthcare, utility infrastructure and automated building management.)

GSMA target figures aim for more than half of the global vehicle sales in 2015 to be connected in some way, either by embedded sensors, tethered connectivity or smart phone integration; eventually every car is to be connected via multiple methods.

"By 2020, there is no doubt we will live in a much more connected world, which will have a fundamental impact on the way we live and work," notes Machina's Matt Hatton. "This impact will not only open up new revenue opportunities for operators, but it will also facilitate a host of new business models, improve the way that companies do business and improve efficiencies in innumerable ways."

As the next decade approaches, "mobile connectivity in cars will increasingly become a must-have as demand grows for services such as stolen vehicle recovery, insurance telematics and entertainment," according to Hatton. "This will be driven by manufacturers seeking to differentiate their offering and build new revenue streams as well as the growth of plug-in electric vehicles, which will demand connectivity."

Among Machina's international marketplace predictions for 2020 are $75 billion in electric vehicle charging, $245 billion for pay-as-you-drive car insurance and $100 billion destined toward traffic management.

International attention

Referred to as "the original smart city" and "cradle of bus rapid transit," Curitiba, Brazil was a pioneer in the connected field when it leveraged private-public partnerships to debut an overriding bus network in 1968. Its traffic design principles have been applied in part to more than 83 worldwide metropolises, including the U.S. cities of Los Angeles, Seattle, Honolulu, Houston and Boulder, Colo.

The master plan's architect, Jaime Lerner, went on to serve multiple terms as Curitiba's mayor as the populace, which now stands at 3.2 million people, enthusiastically embraced an affordable and efficient transportation system that has reduced urban sprawl, traffic congestion and air pollution.

"They dealt with transportation for a city that's developing so it wouldn't be too costly," explains Fulbright Scholar Dr. Frank J. Costa, professor emeritus at the University of Akron's Department of Geography and Planning.

"They're getting international attention for what they have done," Costa tells Aftermarket Business World, adding that the focus on bus line integration is far more economical than constructing a train or subway system. "Light rail is terribly expensive for a city that's not well-off," he says.

Supplier Ericsson's HSPA (High-Speed Packet Access) system has since been applied to coordinate connectivity among the buses, passengers and Curitiba's infrastructure.

"As we have the buses connected with mobile broadband, we are now able to implement endless solutions," reports Marcos Valente Isfer, president of the Society of Urbanization of Curitiba (URBS). "With this solution, we can have better fleet management. We can reduce the time spent on buses, which reduces carbon emissions and improves our sustainability."

Spurring development

The global ramifications go far beyond monitoring bus traffic, according to Matilda Gennevi Gustafsson, Ericsson's director of sustainability. "In order to meet the needs of the 9 billion people estimated to populate the world by 2050, there must be a shift from incremental to transformative solutions to solve climate change," she asserts. "The opportunity for the transformational power of ICT (Information and Communications Technologies) to put us on the path of a low-carbon economy and spur socio-economic development has never been greater."

And while you may have qualms about enhanced bus lines, unless your aftermarket business specializes in bus fleet maintenance, the technological concepts are being applied to autos and other vehicles with ongoing vigor. Curitiba has one of the highest private car ownership rates in Brazil with nearly 400 cars registered per 1,000 people, yet the city posts the lowest level of atmospheric pollution in all of the country.

In February, Siemens announced a partnership with Acyclica Inc. to exclusively distribute Acyclica's BlueCompass, BlackCompass and CrossCompass hardware to the North American market. Utilizing Bluetooth or Wi-Fi-based sensors with Acyclica's analyzer software, the systems "are one of the most versatile travel-time and origin-destination data measurement solutions in the intelligent transportation industry," according to the company, which also produces the Osram lines of automotive lighting.

"As cities continue to implement intelligent transportation solutions to improve the quality of life for their citizens, the ability to gather data in real-time is essential," says Terry Heath, president of Siemens' mobility and logistics division. "This data solution is not only a cost-effective way to measure travel time and make adjustments to traffic control systems, but an innovative solution to aid in evacuation routes and other situations where delays can be an issue."

ATOP in the Netherlands

In the Dutch city of Eindhoven, IBM and NXP Semiconductors have recently completed a year-long pilot program that "demonstrates how the connected car automatically shares braking, acceleration and location data that can be analyzed by the central traffic authority to identify and resolve road network issues."

"The trial successfully showed that anonymous information from vehicles can be analyzed by local traffic authorities to resolve road network issues faster, reduce congestion and improve traffic flow," says Ab Oosting, European Union project manager for the Collaborative Region of Eindhoven. "By receiving the information in real-time, road authorities can utilize mobile technologies to immediately deploy emergency response teams and road workers to resolve issues. Traffic center staff can promptly respond and manage traffic flows away from accidents and dangerous traffic situations."

During the trial, IBM, NXP and its partners equipped 200 participating cars with a device containing the NXP telematics chip (ATOP) that gathers relevant data from the central communication system of the car (CAN-bus). Relevant sensor data – such as indicators of potholes or icy roads – was collected in-vehicle and transmitted to the cloud-enabled IBM Smarter Traffic Center.

Consisting of some 1.8 billion sensor signals, the resolved incidents included heavy rain, the switching on of hazard lights and driving under foggy conditions. This information enables road officials to act in near real-time on dangerous road conditions, wrecks or growing traffic density. It also informs motorists in the vicinity through a smartphone or a built-in navigation device.

Bold new directions

As part of a multi-year contract, BMW of North America has teamed with INRIX to provide drivers with real-time traffic, traffic-influenced turn-by-turn directions and alerts to crashes and other incidents along their route.

"BMW is taking in-car navigation in bold new directions," says INRIX CEO Bryan Mistele. "Together, we're shaping a future of the connected car that puts drivers at the center of an experience that's personalized, localized and optimized in ways that make navigation indispensable to the daily driver."

BMW's Advanced Real-Time Traffic Information (ARTTI) service is being incorporated into the latest onboard navigation system that is standard on all of the 2013 7 Series models along with the 550i Sedan, 550i Gran Turismo and ActiveHybrid 5 Sedan. ARTTI is offered as an option on the 2013 528i and 535i Sedans, the 535i Gran Turismo and the ActiveHybrid 3.

The Renault-Nissan Alliance recently expanded its presence in the Silicon Valley by opening a new advanced research center that will initially be specializing in autonomous driving and connected cars.

The stated goals of the Nissan scientists and engineers include:

- Research of autonomous vehicles to realize a future with safe, stress-free mobility;
- Research of connected vehicles that can tap into infrastructure and the Internet to maximize energy and time efficiency; and
- Research in the area of Human Machine Interface to enhance the experience of autonomous and connected vehicles.

"As we continue to expand our R&D capabilities throughout the world," says Nissan Executive Vice President Mitsuhiko Yamashita, "we aggressively pursue our activities to create new values of mobility by harnessing the latest information and communication technologies." □

EV SECTOR CHARGING AHEAD

TECHNOLOGY TO BOOST ELECTRIC VEHICLE OWNERSHIP

BY **JAMES E. GUYETTE** | NEWS CORRESPONDENT

What's old technology is now new technology as ongoing developments within the electric vehicle industry are putting a charge into the automotive realm with the potential of surging into the aftermarket as EVs become more popular.

Although petroleum ultimately won out as the fuel of choice, the concept of EVs dates back to the mid-1800s when they were viewed as a viable entry into the horseless carriage market. Fast-forward to today, and recent upgrades in horsepower, batteries and chargers – coupled with rising gas prices – is easing "range anxiety" and steering acceptance of EVs once again.

TRENDS & MARKET ANALYSIS

As with any non-mainstream fuel source being touted into the U.S. – such as propane, natural gas, etc. – there exists a chicken or egg issue: Which comes first? Motorists are reluctant to buy differing propulsion systems for fear that there won't be enough fueling stations, energy infrastructure providers express wariness over investing in dispensers that people won't patronize, and automakers want to make sure that an alternative model will achieve adequate sales figures when hitting the showroom floor.

And so it goes with the quest for a widespread lineup of charging stations for electric cars and trucks, known also as plug-in electric vehicles (PEVs) or battery electric vehicles (BEVs), that are currently entering the nation's automotive arena.

"So-called 'range anxiety' continues to be the No. 1 reason cited by consumers who are not interested in purchasing PEVs," says Dave Hurst, principal research analyst with Navigant/Pike Research, which has prepared several reports on the EV industry's future. Assuming that negative public perceptions are negated, the EV sector in the U.S. is expected to annually increase by 30 percent through 2020.

"A key enabler, and a direct result, of that growth will be expanding sales of EV charging equipment," notes Navigant/Pike senior research analyst Lisa Jerram. Yearly purchases of EVSE (Electric Vehicle Supply Equipment) in North America will grow almost tenfold, from 66,000 units sold in 2012 to 626,000 units in 2020.

"The EVSE industry is still grappling with the best way to create a viable return on investment on EVSE station deployments for site hosts – an issue that will move front and center as publicly funded EVSE deployments wind down," Jerram says. "At the moment, there are too many players chasing this market, and this industry is likely to see some consolidation over the next year. Companies that can weather this shakeout period, however, are likely to enjoy growing demand as the market expands."

Supplier Siemens reports that it "started writing the book" on EVs in 1905 when it produced about 50

VENDOR NEWSMAKER

Q&A

DENNY WELVAERT
GAAS Chairman

Q WHAT CAN THE INDUSTRY EXPECT AT GAAS 2013?

A Attendees will have a great opportunity to get the latest updates on a number of different topics ranging from what to expect from the automotive OEs, the state of the economy, how Wall Street views the aftermarket, how to take advantage of the new social media and the latest on the Internet and how it is being used for parts and service. These sessions are from recognized experts in their fields. GAAS has great panels featuring top industry executives and experts who will talk about their view from all steps in the channel, i.e., distribution, manufacturing and the mechanic. We also will get the perspective of some new, young talent and get their views of the industry in "Future Leaders Speak Out." This will be a refreshing way to get a different view of the aftermarket from some of our recent GAAS scholarship recipients.

"THE ELECTRIC VEHICLE SUPPLY EQUIPMENT INDUSTRY IS STILL GRAPPLING WITH THE BEST WAY TO CREATE A VIABLE RETURN ON INVESTMENT ON EVSE STATION DEPLOYMENTS FOR SITE HOSTS."

- LISA JERRAM [NAVIGANT/PIKE]

"Electric Viktoria" cars that were used in everyday traffic as elegant hotel taxis and delivery trucks. No longer in the automaking business, the company remains in the electromobility field with the recent introduction of a solar-powered residential EVSE charger.

According to recent research by the non-profit California Center for Sustainable Energy, 56 percent of EV owners have, or are planning to have, a solar system installed at their homes in the near future.

"Some critics have noted the reduced environmental benefit from electric vehicles charged with electricity from coal or fossil-based fuels," says Siemens' Barry Contrael, vice president of low voltage operations for infrastructure and cities. "This concern can now be addressed and the customer can enjoy the best of both worlds – reduced fuel expense and low-cost, clean energy from solar."

Siemens engineers are also working with Germany's RUF Automobile on concepts for the high-end car market. They are building 10 test EVs based on the Porsche 911, focusing on modular drive trains and intelligent charging.

Flexing solar power

Tesla is cranking-up within the EV segment via a network of solar-powered charging stations, exquisite dealership facilities and a vehicle that has the automotive press raving about its performance. An exception is a reviewer from the New York Times who had a power shortage problem. Tesla co-founder and CEO Elon Musk rebutted the paper's pan by blaming driver error after analyzing the car's data collection points, and the dustup only seems to have sparked additional interest in the automaker's much-saluted Model S sedan.

"Our aspiration with the Model S was to show that an electric car truly can be better than any gasoline car, which is a critical step towards the widespread adoption of sustainable transport," says Musk in a series of announcements describing stepped-up marketing, distribution and service programs. "Nothing illustrates this more clearly than winning Motor Trend's 'Car of the Year' by unanimous decision against a field of exceptional competitors."

Based in Palo Alto, Calif., Tesla also designs and manufactures EV power-train components for OEMs such as Toyota and Daimler. Customer deliveries of the aluminum-bodied Model S., equipped with Goodyear Eagle RS-A2 tires, began in June of 2012.

In September of last year Tesla rolled out the first installations of a solar Supercharger station network designed to self-generate more juice than is consumed by the vehicles hooked up to the units.

"This can replenish three hours of driving at 60 mph in about half an hour, which is the convenience inflection point for travelers at a highway rest stop," says Musk. "Most people who begin a road trip at 9 a.m. would normally stop by noon to have lunch, refresh and pick up a coffee or soda for the road, all of which takes about 30 minutes."

Tesla is establishing charging stations in high-traffic corridors across the continent, allowing EV travel from Vancouver to San Diego, Miami to Montreal, and Los Angeles to New York City. It is also slated to start installing Superchargers in Europe and Asia during the second half of this year.

"Tesla's Supercharger network is a game-changer for electric vehicles, providing long distance travel that has a level of convenience equivalent to gasoline cars for all practical purposes," Musk continues. "However, by making electric long distance travel at no cost – an impossibility for gasoline cars – Tesla is demonstrating just how fundamentally better electric transport can be. We are giving Model S the ability to drive almost anywhere for free on pure sunlight."

No-pressure environment

Nearly 30 stand-alone Tesla dealerships are being established across the U.S. along with a series of specialized service centers.

"As we open locations throughout the country, our approach continues to be geared towards engaging and informing more people about Tesla and Model S and the technology behind it," says George Blankenship, vice president of worldwide sales and ownership experience. "Customers can walk into a no-pressure environment, ask questions and engage with informative product specialists to learn more about the many advantages of going electric."

Tesla's showrooms boast an array of visuals, interactive displays and design studios where customers can create their own desired version of the vehicle on a large touchscreen and then view it on an 85-inch video wall.

"Our sales strategy is very different from the rest of the automotive industry – we put our stores in high foot-traffic locations so we can tell as many people as possible about Tesla's incredible cars," Blankenship says. "Opening our own stores allows us to ensure consumers interested in learning more about Tesla will receive an amazing customer experience from the moment they walk through the door."

The company is currently tripling its amount of North American service centers, and by March of this year it had planned to have a facility in place within 100 miles for 90 percent of the existing customer base; 80 percent are with 50 miles. Situating the shops is made more efficient because buyers order the cars in advance.

"This makes it possible for us to open service centers where we know the highest density of Model S will be located," explains Vice President of Global Service Joost de Vries, adding that you should "forget everything you know about service at a traditional dealership. This is different." □

DEALER SERVICE INVESTMENTS

DEALERS EXPLORE APPROACHES TO FIXED OPERATIONS

BY **BRIAN ALBRIGHT** | CONTRIBUTOR

Last year, the National Automobile Dealers Association (NADA) released the initial findings of its study of the challenges associated with OEM factory image programs – the set of rules that govern the way branded dealerships are constructed and decorated.

Dealership owners have long chafed at the high cost and what they perceive as the micromanaging approach OEMs have taken with these programs, and for good reason. The initial study found that there was very little proof of the economic benefit of the upgrades and standardization that characterizes most of these initiatives.

TRENDS & MARKET ANALYSIS

In February, NADA released "Factory Facilities Programs: Phase 2," a follow-up study from industry consultant Glenn Mercer that more closely analyzed the return on investment of the factory image programs.

The general findings of the second phase (which included a number of in-depth case studies) confirmed Mercer's earlier findings. Expansion of the dealership (particularly the service department) can pay off, but modernization efforts may be harder to justify. Standardization programs, on the other hand, appear to have little or no benefit to dealers.

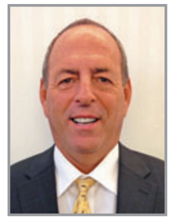
> **"There was very little proof of the economic benefit of the upgrades and standardization that characterizes most of these initiatives"** – NADA study

"We're requesting that auto manufacturers redouble their efforts to provide dealers with better business cases before investing in facility upgrades, and especially, to ease off on standardization demands that seem very hard to justify," Mercer said during the NADA Convention and Expo in Orlando in February.

"The one-size-fits-all approach is just plain wrong. There is incredible diversity among dealers," added NADA Chairman Bill Underriner, who operates Buick, Honda, Hyundai, and Volvo dealerships in Montana. "Rigid standards often raise costs and produce little return."

VENDOR NEWSMAKER

Q&A



LARRY MICHAELS
General Manager, Park Place Infiniti, Las Vegas

Q: WHAT WAS THE GENESIS OF THIS INTERNSHIP PROGRAM?

A: Park Place has a long history of offering comprehensive training and job development. In Las Vegas, we saw an opportunity to complement our commitment to on-the-job training while also filling a void at local automotive technology courses, namely the lack of real-life experience at a dealership. Thus, we created a six-week, paid internship opportunity for students attending two Las Vegas technical academies: the Southeast Career Technical Academy and the Southwest Career and Technical Academy. Interns assist the parts department with keeping the dealership's inventory updated and accurate, as well as ensuring that parts are stocked and available for use or purchase. In the service department, the intern gets hands-on experience with regular maintenance tasks.

We take pride in offering local high school students the opportunity to learn first-hand about how a dealership operates, from the technical side of service to the business perspective, including customer service and sales.

High cost, little payoff

The reason dealers complain so much about image programs is that they are extremely costly, often requiring mil-

"THE ONE-SIZE-FITS-ALL APPROACH IS JUST PLAIN WRONG. THERE IS INCREDIBLE DIVERSITY AMONG DEALERS. RIGID STANDARDS OFTEN RAISE COSTS AND PRODUCE LITTLE RETURN."

– BILL UNDERRINER [NATIONAL AUTOMOBILE DEALERS ASSOCIATION]

lions of dollars in investment with very little concrete return. In fact, many facility upgrades can lead to higher property taxes, higher insurance, higher maintenance costs, and even additional staffing costs. Based on the NADA study's figures, a $1 million overhaul of a showroom would require an instant and constant "bump" in new car sales of about 60 units annually, a tall order for most dealerships even under the best economic conditions.

While the value of most modernization and standardization efforts was questionable for dealers at best, one area of investment did have a definite payoff: expanding the service department, either by adding physical bays or extending operating hours to accommodate higher volumes. Calculating the potential value of these expansions was relatively straightforward, and most dealers see options like operating for longer hours as a way to fight back against the inherent convenience advantage that aftermarket service providers offer.

In fact, the NADA study looked at ways to improve both the customer experience and the dealership's bottom line through new service options like satellite service, shared service facilities, pick-up and drop-off shuttles and even driveway retrieval.

However, expansion requests from OEMs in general were met with skepticism by the dealers surveyed. According to the report:

"In brief, we found OEM forecasts for expansion requirements first, were generally too high or too optimistic; and second, that they were too frequently changed to be useful planning guides; third, we saw that in planning expansion requirements OEMs often did not take into account capacity-boosting techniques such as 24/7 bay service bay operation; and fourth, when it came to showroom expansion we could not identify strong business cases as to how and why this would pay off."

Modernization efforts could be improved by better defining the value of modernization at the dealership level, and finding ways to reduce the cost overruns caused by OEM control of remodeling via their facility programs. According to some estimates, OEM requirements (like specifying specific tile suppliers) add 20 percent to 30 percent more cost to these projects than if dealers had more freedom to manage the process on their own.

While there have been surveys that show the quality of a facility (like having a comfortable lounge area for customers to wait in) can improve overall customer satisfaction, Mercer points out that there is very little evidence such things have any impact on customer behavior.

"When a fast-food restaurant puts in a second drive-through window, sales go up," Mercer writes. "When a dealer puts in a nice waiting lounge, customer satisfaction goes up – but does service retention go up? Does the average RO increase? Does fixed coverage improve? Of course a customer will prefer a comfortable to an uncomfortable lounge – but does a more comfortable lounge change his or her shopping behavior? The answers to this kind of question seem to be lacking in the automotive retailing industry."

Unbundling service, sales

The new study also includes a look at the "Dealership of the Future," a forecast of what a dealership may look like in 2025. While the general franchise model probably won't change much, Mercer indicates that dealers and OEMs may want to divert more facility spending from sales to service, since fixed-ops has many more opportunities to build on the customer relationship than the sales department. Service and parts are also responsible for a much larger share of dealer profits than they used to be, so that targeted investment might make more sense moving forward.

One likely trend will be the gradual separation of the service operation from the physical sales floor. Increased migration of vehicle owners to urban areas could force dealers to revisit the idea of the classic downtown store, with vehicle inventories and service operations located on cheaper real estate in other locations.

"Our conclusion is that the dealership system will fundamentally remain intact in 2025, but there is the possibility for much more efficient design of facilities, for example by moving support functions offsite, and by using new format approaches to grow service volumes," Mercer says.

He expects to see a range of options to emerge in the service department, including the expansion of all makes/models strategies, more express service offerings, pick-up and drop-off services, extended shop hours, improved waiting areas, shuttles, satellite service facilities in more convenient locations, touchscreen terminals for unattended service drop off, and even driveway service for some repairs.

Mercer added that current spending trends (which involve massive construction and rebuilding of stores in order to standardize features) may be missing the point, and will result in increased dealer resistance. "As customer needs and behaviors continue to shift, we urge automakers and dealers to get more creative in addressing those changes, especially in service work, and that automakers become more flexible in approving low-cost ways to implement these ideas," he said at the NADA event. "We cannot afford to tear down and rebuild the store every time the brand imaging shifts." □

CONSUMER ATTITUDE STUDY

Squeezed BY THE Economy

Photos: iStockphoto

CONSUMERS CONSISTENTLY COMPARE PRICES BEFORE BUYING

BY **BRUCE ADAMS** | MANAGING EDITOR

THE sluggish economy has impacted how long consumers plan to keep their vehicles and their likelihood of price shopping for auto parts, according to the *Aftermarket Business World* Consumer Attitude Study.

Sixty percent of respondents said the economy has made it more likely they will keep their current vehicle. Another 6 percent said it has made them more likely to find a more economical used vehicle. Only 25 percent said the economy has had no impact on their vehicle buy/hold decisions.

The quest to economize also was reflected in their likelihood to compare prices before buying aftermarket parts and equipment. In 13 of 14 product categories, more than 40 percent of consumers said they price shop before buying. Consumers are least likely to price shop for belts and hoses (37 percent) and most likely to compare prices on chassis (83 percent) and battery chargers (88 percent).

Methodology: The Consumer Attitude Study was fielded to 19,050 consumers via email with a response rate of 5.1 percent (1,522 responses). The survey has a +/- 2.1 percent margin of error at the 95 percent confidence level.

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CONTENTS

THE GASKETS YOU LOVE ARE STILL MADE IN THE USA

MAGNUM GASKETS by MSI

TIMES CHANGE. IT'S TIME FOR…

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Modern Silicone Technologies, Inc. (MSI) has manufactured premium molded rubber, plastic and metal gaskets for major aftermarket brands and OEM since 1994. Now, under the Magnum brand, we're manufacturing for you!

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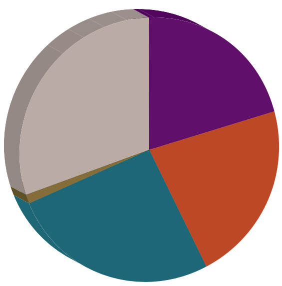
STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

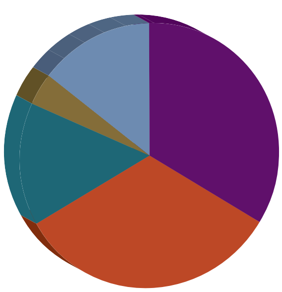
AUXILIARY LIGHTING

Customer service at purchase location:



Outstanding	21%
Great	22%
Good	26%
Poor	1%
Terrible	0%
Didn't receive	30%

Likelihood of returning to purchase location:



Highly likely	34%
Likely	33%
Somewhat likely	15%
Somewhat unlikely	4%
Not at all likely	14%

64% of consumers compared prices when shopping for this product.

52% of consumers personally installed the product they purchased.

Primary purchase intent:

Replace existing lighting	69%
Upgrade lighting	20%
For a custom application	6%
Other	6%

The top five advertising channels:

Saw/heard no ads	20%
Television	23%
Newspaper	17%
Direct mail	10%
Magazine	13%

Primary purchase location:

Auto chain	62%
Discount store	14%
Independent auto store	3%
Online/Internet	3%
Dealership	7%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of auxiliary lighting:

Brand name	33%
Lowest price	27%
Performance claim	12%
Recommendation	9%
Other	9%

Likelihood to repurchase product based on performance:

Highly likely	52%
Likely	19%
Somewhat likely	22%
Somewhat unlikely/not at all likely	7%

Vehicle age:

< 1 year	6%
2-5 years	28%
6-9 years	31%
10+ years	36%

Other work done:

None	55%
Oil change	32%
Checked/filled fluids	0%
Collision/body repair	7%
Tire rotation/replacement	7%
Other	3%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

Philips Vision, VisionPlus and X-tremeVision Headlight Bulbs

Philips halogen upgrade headlight bulbs deliver 30%, 60%, or even up to 100% more light on the road. More light at night makes driving safer and more enjoyable. Give your customers the headlight that's right for the way they drive – from Philips.

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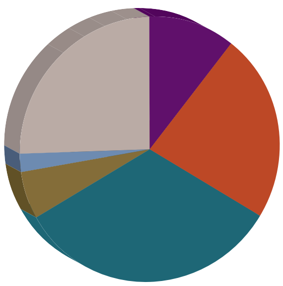
PHILIPS

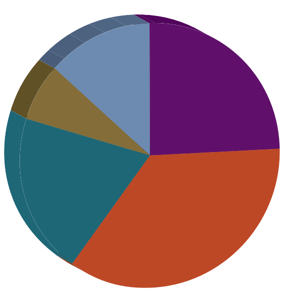
BATTERIES

Customer service at purchase location:



Outstanding	11%
Great	23%
Good	33%
Poor	6%
Terrible	2%
Didn't receive	25%

Likelihood of returning to purchase location:



Highly likely	25%
Likely	35%
Somewhat likely	20%
Somewhat unlikely	7%
Not at all likely	13%

75% of consumers compared prices when shopping for this product.

41% of consumers personally installed the product they purchased.

Primary purchase intent:

Dead battery	69%
Reached designated lifecycle	5%
Weakened performance	19%
Other	6%

The top five advertising channels:

Saw/heard no ads	34%
Television	24%
Newspaper	22%
Direct mail	15%
Internet/email	35%

Primary purchase location:

Auto chain	55%
Discount store	14%
Independent auto store	7%
Independent repair shop	7%
Dealership	4%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of battery:

Brand name	16%
Performance claim	28%
Recommendation	19%
Lowest price	20%
Other	7%

Likelihood to repurchase product based on performance:

Highly likely	55%
Likely	34%
Somewhat likely	10%
Somewhat unlikely/not at all likely	2%

Vehicle age:

< 1 year	1%
2-5 years	28%
6-9 years	35%
10+ years	36%

Other work done:

None	55%
Oil change	34%
Checked/filled fluids	24%
Checked filters	24%
Checked tire pressure	26%
Checked belts and hoses	18%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

CUSTOMER SATISFACTION SURVEY.

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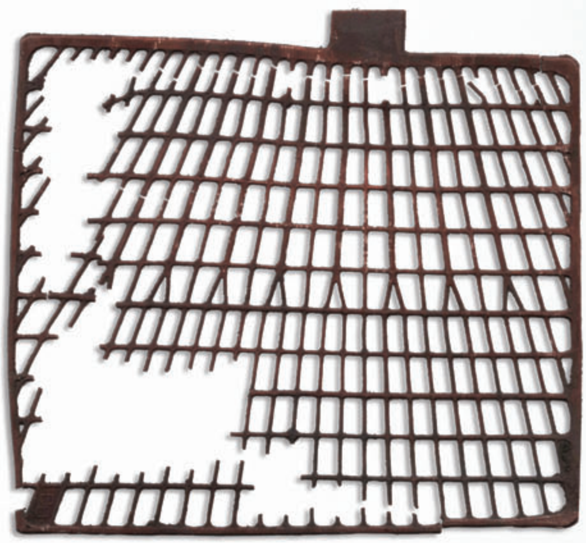
They love me not.



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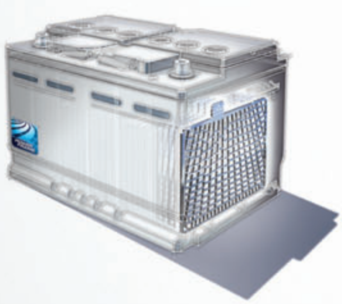

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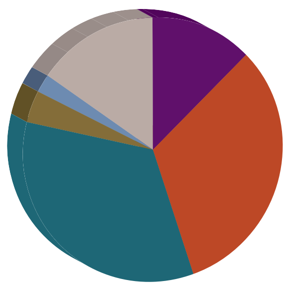
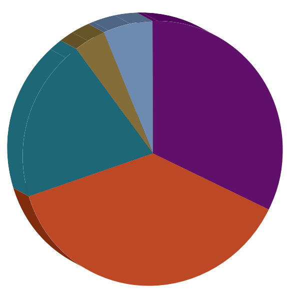
BATTERY CHARGERS

Customer service at purchase location:



Outstanding	13%
Great	32%
Good	34%
Poor	4%
Terrible	2%
Didn't receive	15%

Likelihood of returning to purchase location:



Highly likely	33%
Likely	38%
Somewhat likely	19%
Somewhat unlikely	4%
Not at all likely	6%

88% of consumers compared prices when shopping for this product.

56% of consumers personally used the product they purchased.

Primary purchase intent:

Battery was dead	46%
In case battery runs low	24%
Battery charge seemed low	21%
Other	10%

The top five advertising channels:

Saw/heard no ads	15%
Television	49%
Newspaper	30%
Direct mail	24%
Internet/email	39%

Primary purchase location:

Discount store	37%
Auto chain	26%
Independent auto store	13%
Online/Internet	10%
Dealership	5%
Independent repair shop	2%

BUYING HABITS

The top five reasons for purchasing a particular type of battery charger:

Brand name	15%
Performance claim	18%
Recommendation	24%
Lowest price	15%
In-store display/packaging	18%

Likelihood to repurchase product based on performance:

Highly likely	62%
Likely	33%
Somewhat likely	5%
Somewhat unlikely/not at all likely	0%

Vehicle age:

< 1 year	3%
2-5 years	29%
6-9 years	54%
10+ years	14%

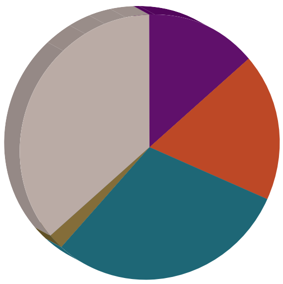
Other work done:

None	30%
Oil change	48%
Checked/filled washer fluid	28%
Checked filters	12%
Checked other fluids	31%
Checked belts and hoses	13%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

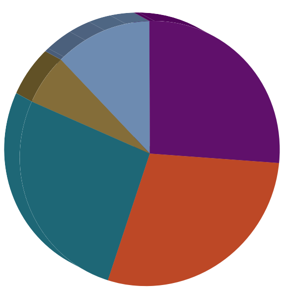
BELTS & HOSES

Customer service at purchase location:



Outstanding	14%
Great	18%
Good	30%
Poor	2%
Terrible	0%
Didn't receive	36%

Likelihood of returning to purchase location:



Highly likely	27%
Likely	29%
Somewhat likely	26%
Somewhat unlikely	6%
Not at all likely	12%

37% of consumers compared prices when shopping for this product.

22% of consumers personally installed the product they purchased.

Primary purchase intent:

Belt/hose broke	30%
Preventive maintenance	28%
Mechanic recommended	19%
Fix noise/squeaking	23%

The top five advertising channels:

Saw/heard no ads	46%
Television	13%
Newspaper	10%
Direct mail	10%
Internet/email	26%

Primary purchase location:

Auto chain	56%
Discount/department store	8%
Independent auto store	8%
Independent repair shop	10%
Dealership	10%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of belt and hose:

Brand name	20%
Performance claim	2%
Recommendation	34%
Lowest price	27%
Other	5%

Likelihood to repurchase product based on performance:

Highly likely	50%
Likely	24%
Somewhat likely	21%
Somewhat unlikely/not at all likely	5%

Vehicle age:

< 1 year	2%
2-5 years	24%
6-9 years	27%
10+ years	47%

Other work done:

None	33%
Oil change	63%
Air/fuel filter replaced	35%
Tune up	28%
Ignition wire replace	10%
Other	3%

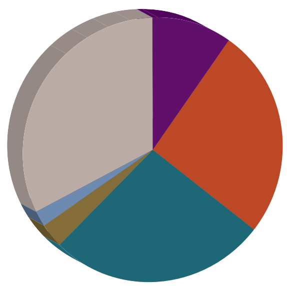
Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

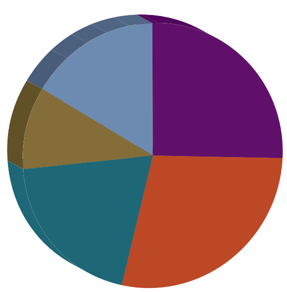
BRAKES

Customer service at purchase location:



Outstanding	10%
Great	26%
Good	27%
Poor	3%
Terrible	2%
Didn't receive	32%

Likelihood of returning to purchase location:



Highly likely	26%
Likely	28%
Somewhat likely	20%
Somewhat unlikely	10%
Not at all likely	16%

55% of consumers compared prices when shopping for this product.

29% of consumers personally installed the product they purchased.

Primary purchase intent:

Worn out brakes	43%
Making noise	20%
Mechanic recommended	11%
Pedal pulsating/grinding	23%

The top five advertising channels:

Saw/heard no ads	24%
Television	27%
Newspaper	17%
Direct mail	27%
Internet/Email	27%

Primary purchase location:

Auto chain	63%
Department/Discount store	5%
Independent auto store	5%
Independent repair shop	15%
Dealership	9%

*Includes DIY and DIFM purchases

BUYING HABITS

The top five reasons for purchasing a particular type of brake:

Brand name	8%
Performance claim	27%
Recommendation	28%
Lowest price	26%
Other	5%

Likelihood to repurchase product based on performance:

Highly likely	49%
Likely	40%
Somewhat likely	12%
Somewhat unlikely/not at all likely	0%

Vehicle age:

< 1 year	1%
2-5 years	34%
6-9 years	27%
10+ years	39%

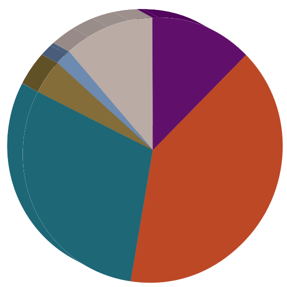
Other work done:

None	59%
Steering/suspension maintenance	11%
Shocks/struts	15%
Transmission service	10%
Tire rotation/replacement	27%
Other	6%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

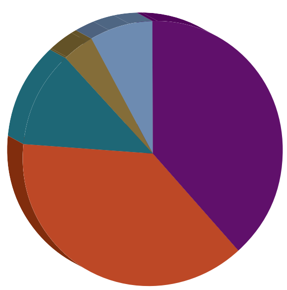
CHASSIS

Customer service at purchase location:



Outstanding	13%
Great	40%
Good	30%
Poor	4%
Terrible	2%
Didn't receive	11%

Likelihood of returning to purchase location:



Highly likely	39%
Likely	38%
Somewhat likely	11%
Somewhat unlikely	4%
Not at all likely	8%

83% of consumers compared prices when shopping for this product.

43% of consumers personally installed the product they purchased.

Primary purchase intent:

Loose steering	14%
Mechanic's recommendation	23%
Heard noises, rattles	44%
Damage due to accident	9%

The top five advertising channels:

Saw/heard no ads	8%
Television	48%
Newspaper	28%
Direct mail	28%
Internet/Email	38%

Primary purchase location:

Auto chain	28%
Department/Discount store	39%
Independent auto store	10%
Independent repair shop	10%
Dealership	3%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of chassis:

Brand name	24%
Performance claim	12%
Recommendation	29%
Lowest price	5%
Rebate/Coupon	19%

Likelihood to repurchase product based on performance:

Highly likely	62%
Likely	35%
Somewhat likely	3%
Somewhat unlikely/not at all likely	0%

Vehicle age:

< 1 year	4%
2-5 years	40%
6-9 years	31%
10+ years	24%

Other work done:

None	29%
Alignment	60%
Tires rotated/replaced	38%
Brake repair	31%
Steering/suspension	5%
Other	0%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

MOOG STEERING & SUSPENSION

NASCAR PERFORMANCE

THE PROBLEM SOLVER®

NON-SOCKET STYLE SWAY BAR LINK KIT

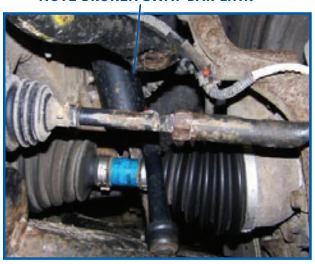
VARIOUS VEHICLES

PROBLEM:

Traditional Non-Socket Style Sway Bar Links

The sway bar link on affected vehicles comes in many styles. Other suppliers may utilize a small-diameter bolt. This small size makes the bolt susceptible to the damaging effects of road shock and corrosion. In addition, the neoprene bushings used in many of these links do not stand up well to stress and weather conditions. Also, other suppliers may use a rolled steel sleeve which can allow contaminants in, leading to corrosion and failure.

NOTE BROKEN SWAY BAR LINK



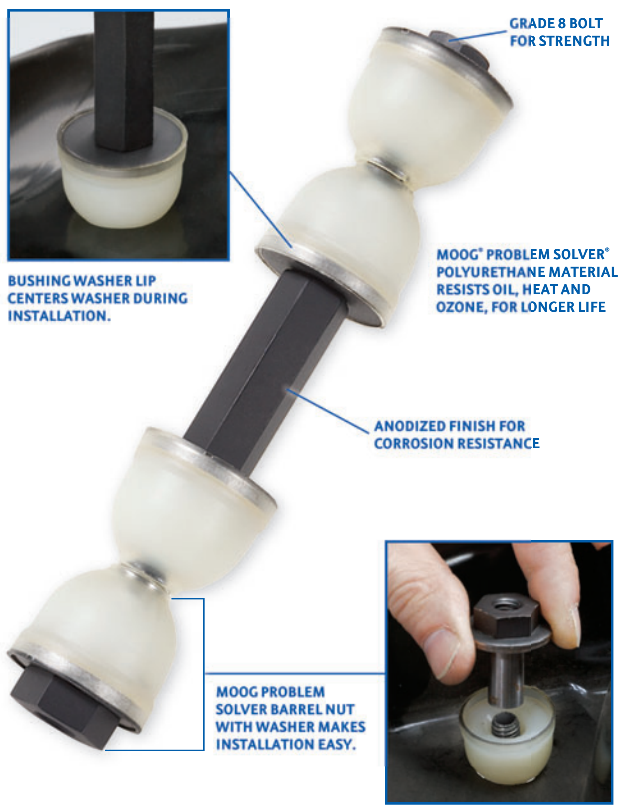
SWAY BAR LINK KIT - BOLT AND BUSHING	
Applications	**MOOG p/n**
Chrysler Neon 02-00; PT Cruiser 10-01; Dodge Neon 05-00; SX 2.0 05-03; Plymouth Neon 01-00; Ford Focus 11-00; and more	K700525
Chevrolet Blazer 05-95; Cavalier 05-95; Classic 05-04; Malibu 03-97; S10 04-95; Dodge Neon 99; GMC Jimmy 01-95; Sonoma 04-95; Isuzu Hombre 00-98; Nissan Frontier 04-98; Oldsmobile Alero 04-99; Bravada 01-96; Cutlass 99-97; Plymouth Neon 99; Pontiac Grand Am 05-99	K700526
Buick Allure 08-05; Century 05-97; LaCrosse 08-05; Regal 04-97; Rendezvous 07-02; Terraza 06-05; Chevrolet Impala 11-00; Monte Carlo 07-00; Uplander 06-05; Venture 05-97; Oldsmobile Intrigue 02-98; Silhouette 04-97; Pontiac Aztek 05-01; Grand Prix 03-97	K700527
Buick LeSabre 05-00; Lucerne 10-06; Park Avenue 05-97; Riviera 99-95; Cadillac DeVille 05-00; DTS 10-06; Seville 04-98; Oldsmobile Aurora 03-95; Pontiac Bonneville 05-00	K700529
Ford Expedition 02-97; F-150 04-97; F-150 Heritage 04; F-250 99-97; Lincoln Blackwood 02; Navigator 02-98	K700536
Chevrolet Express 1500 02-96; Express 2500 02-96; Express 3500 02-96; Chrysler Neon 02-00; Dodge Neon 05-00; SX 2.0 05-03; Ford Crown Victoria 11-92; Mustang 04-94; GMC G3500 96; Savana 1500 02-96; Savana 2500 02-96; Savana 3500 02-96; Lincoln Town Car 11	K700537
Ford Explorer 10-06; Explorer Sport Trac 10-07; Mercury Mountaineer 10-06, Cadillac Escalade 06-99; Chevrolet Astro 05-90; Avalanche 1500 06-02; Avalanche 2500 06-02; Blazer 94-92; Express 1500 07-03; Express 2500 07-03; Express 3500 07-03; K1500 99-88; K1500 Suburban 99-92; K2500 00-88; K2500 Suburban 99-92; K3500 00-88; Silverado	K700539
Ford Explorer 05-02; Lincoln Aviator 05-03; Mercury Mountaineer 05-02	K700540
Ford Taurus 07-86; Lincoln Continental 91-84; Mark VII 92-84; Mercury Sable 05-86	K700541
Dodge Ram 1500 01-94; Ram 2500 02-94; Ram 3500 02-94; Ford Explorer 10-95; Explorer Sport Trac 10-01; Ranger 11-98; Mazda B2300 08-01; B2500 01-98; B3000 07-98; B4000 08-98; Mercury Mountaineer 10-97	K700542

(see **www.FMe-cat.com** for additional applications.)

SOLUTION:

MOOG® Problem Solver® Sway Bar Link Kit

- MOOG® Problem Solver® design includes polyurethene bushings for enhanced durability and performance.
- Barrel nut provides proper thread engagement for easier installation.
- Nested washers help keep bushings centered during installation.
- Solid black anodized T6 aluminum hex spacer provides superior corrosion protection and provides easier removal.
- Black oxide 3/8" Grade 8 bolt provides strength and corrosion protection



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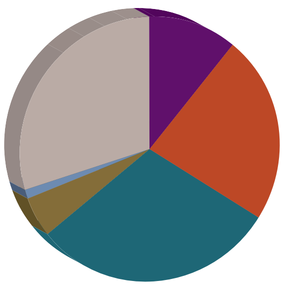
moogproblemsolver.com

FEDERAL MOGUL

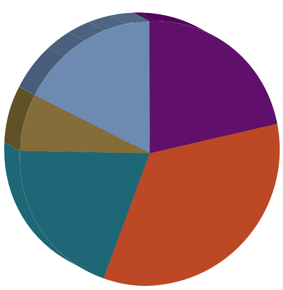
CHEMICALS/SEALANTS

Customer service at purchase location:



Outstanding	11%
Great	23%
Good	31%
Poor	5%
Terrible	1%
Didn't receive	29%

Likelihood of returning to purchase location:



Highly likely	22%
Likely	34%
Somewhat likely	20%
Somewhat unlikely	7%
Not at all likely	17%

79% of consumers compared prices when shopping for this product.

62% of consumers personally installed the product they purchased.

Primary purchase intent:

To enhance engine performance	47%
Preventive maintenance	28%
To slow a leak	5%
To clean the engine	16%

The top five advertising channels:

Saw/heard no ads	15%
Television	37%
Newspaper	21%
Direct mail	27%
Magazine	7%

Primary purchase location:

Auto chain	56%
Discount store	24%
Independent auto store	6%
Independent repair shop	6%
Dealership	2%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of chemical/sealant:

Brand name	20%
Performance claim	7%
Recommendation	26%
Lowest price	19%
In-store display/packaging	15%

Likelihood to repurchase product based on performance:

Highly likely	52%
Likely	34%
Somewhat likely	12%
Somewhat unlikely/not at all likely	2%

Vehicle age:

< 1 year	2%
2-5 years	22%
6-9 years	36%
10+ years	40%

Other work done:

None	43%
Tune up	30%
Checked/filled fluids	47%
Air/fuel filter replacement	23%
Tire rotation/replacement	16%
Other	2%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

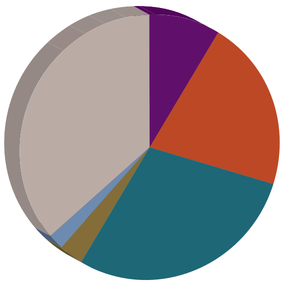
STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

Squeezed BY THE Economy

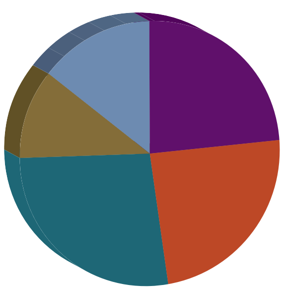
FILTERS

Customer service at purchase location:



Outstanding	9%
Great	21%
Good	29%
Poor	3%
Terrible	2%
Didn't receive	36%

Likelihood of returning to purchase location:



Highly likely	24%
Likely	24%
Somewhat likely	27%
Somewhat unlikely	11%
Not at all likely	14%

40% of consumers compared prices when shopping for this product.

33% of consumers personally installed the product they purchased.

Primary purchase intent:

Dirty filter	14%
Preventive maintenance	71%
Mechanic recommended	10%
Improve fuel efficiency	6%

The top five advertising channels:

Saw/heard no ads	29%
Television	26%
Newspaper	20%
Direct mail	28%
Internet/Email	17%

Primary purchase location:

Auto chain	48%
Discount/Department store	20%
Independent auto store	6%
Independent repair shop	13%
Dealership	8%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of filter:

Brand name	19%
Performance claim	##%
Recommendation	27%
Lowest price	26%
Performance claim	14%

Likelihood to repurchase product based on performance:

Highly likely	57%
Likely	33%
Somewhat likely	10%
Somewhat unlikely/not at all likely	0%

Vehicle age:

< 1 year	1%
2-5 years	29%
6-9 years	26%
10+ years	45%

Other work done:

None	25%
Oil change	68%
Checked/filled other fluids	55%
Checked/filled washer fluid	55%
Checked tire pressure	48%
Other	2%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.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OC 204
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OC 204
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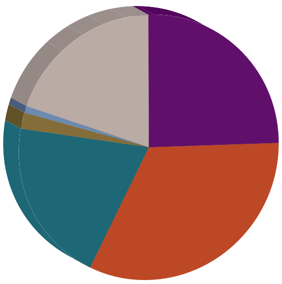
STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

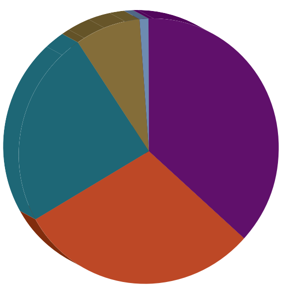
FUEL PUMPS

Customer service at purchase location:



Outstanding	26%
Great	32%
Good	20%
Poor	2%
Terrible	1%
Didn't receive	19%

Likelihood of returning to purchase location:



Highly likely	37%
Likely	30%
Somewhat likely	24%
Somewhat unlikely	8%
Not at all likely	1%

56% of consumers compared prices when shopping for this product.

38% of consumers personally installed the product they purchased.

Primary purchase intent:

Fuel pump leaking	40%
Preventive maintenance	10%
Fuel pump belt need replaced	10%
Other	40%

The top five advertising channels:

Saw/heard no ads	63%
Television	0%
Newspaper	25%
Direct mail	13%
Internet/Email	13%

Primary purchase location:

Auto chain	67%
Discount store	0%
Independent auto store	11%
Independent repair shop	11%
Dealership	11%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of fuel pump:

Brand name	11%
Performance claim/warranty	11%
Recommendation	33%
Lowest price	22%
Other	11%

Likelihood to repurchase product based on performance:

Highly likely	44%
Likely	33%
Somewhat likely	22%
Somewhat unlikely/not at all likely	0%

Vehicle age:

< 1 year	9%
2-5 years	18%
6-9 years	46%
10+ years	27%

Other work done:

None	67%
Oil change	11%
Checked/filled washer fluid	0%
Checked filters	11%
Checked/filled other fluids	11%
Other	0%

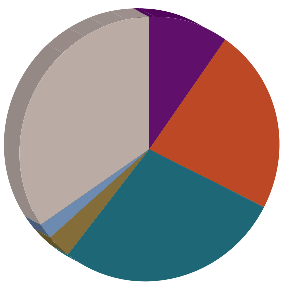
Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

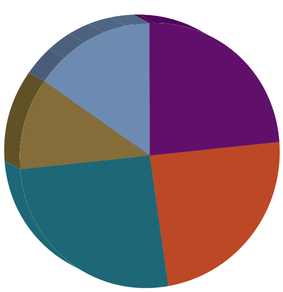
OXYGEN SENSORS

Customer service at purchase location:



Outstanding	10%
Great	23%
Good	28%
Poor	3%
Terrible	2%
Didn't receive	34%

Likelihood of returning to purchase location:



Highly likely	24%
Likely	24%
Somewhat likely	26%
Somewhat unlikely	11%
Not at all likely	15%

55% of consumers compared prices when shopping for this product.

23% of consumers personally installed the product they purchased.

Primary purchase intent:

Vehicle running sluggishly	38%
Preventive maintenance	24%
To remedy check engine light	33%
Mechanic recommended	5%

The top five advertising channels:

Saw/heard no ads	22%
Television	56%
Newspaper	33%
Direct mail	50%
Radio	44%

Primary purchase location:

Auto chain	33%
Discount/Department store	3%
Independent auto store	10%
Independent repair shop	13%
Dealership	7%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of oxygen sensor:

Brand name	5%
Performance claim	10%
Recommendation	45%
Lowest price	30%
Other	10%

Likelihood to repurchase product based on performance:

Highly likely	37%
Likely	43%
Somewhat likely	14%
Somewhat unlikely/not at all likely	7%

Vehicle age:

< 1 year	1%
2-5 years	32%
6-9 years	25%
10+ years	43%

Other work done:

None	65%
Tune up	50%
Spark plug replacement	40%
Air filter replacement	35%
Ignition wire repair/replace	0%
Other	0%

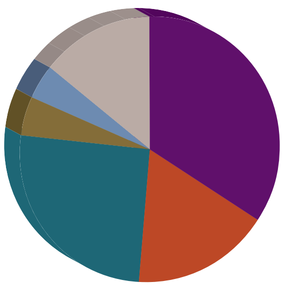
Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

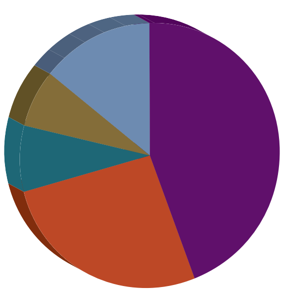
STARTERS/ALTERNATORS

Customer service at purchase location:



Outstanding	34%
Great	17%
Good	26%
Poor	5%
Terrible	4%
Didn't receive	14%

Likelihood of returning to purchase location:



Highly likely	45%
Likely	27%
Somewhat likely	8%
Somewhat unlikely	7%
Not at all likely	13%

55% of consumers compared prices when shopping for this product.

25% of consumers personally installed the product they purchased.

Primary purchase intent:

Car wouldn't start	46%
Engine turned slowly	15%
Alternator light on	15%
Battery lost charge	8%

The top five advertising channels:

Saw/heard no ads	36%
Television	46%
Newspaper	18%
Direct mail	18%
Internet/Email	18%

Primary purchase location:

Auto chain	27%
Discount/Department store	11%
Independent auto store	6%
Independent repair shop	20%
Dealership	11%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of starter/alternator:

Brand name	18%
Performance claim	0%
Recommendation	55%
Lowest price	9%
In store display/packaging	9%

Likelihood to repurchase product based on performance:

Highly likely	50%
Likely	38%
Somewhat likely	0%
Somewhat unlikely/not at all likely	13%

Vehicle age:

< 1 year	19%
2-5 years	25%
6-9 years	25%
10+ years	31%

Other work done:

None	46%
Battery check/replacement	27%
Checked/filled fluids	36%
Tune up	18%
Checked tire pressure	9%
Checked belts and hoses	46%

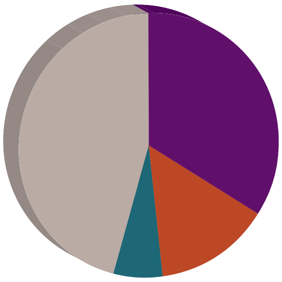
Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

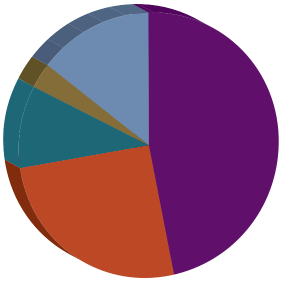
WATER PUMPS

Customer service at purchase location:



Outstanding	34%
Great	14%
Good	6%
Poor	0%
Terrible	0%
Didn't receive	46%

Likelihood of returning to purchase location:



Highly likely	47%
Likely	26%
Somewhat likely	10%
Somewhat unlikely	3%
Not at all likely	14%

55% of consumers compared prices when shopping for this product.

30% of consumers personally installed the product they purchased.

Primary purchase intent:

Water pump leaking	73%
Preventive maintenance	0%
Water pump belt needs replaced	9%
Other	18%

The top five advertising channels:

Saw/heard no ads	50%
Television	17%
Newspaper	17%
Internet/Email	17%
Magazine	8%

Primary purchase location:

Auto chain	70%
Discount store	20%
Independent auto store	0%
Independent repair shop	10%
Dealership	0%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of water pump:

Brand name	10%
Performance claim	30%
Recommendation	10%
Lowest price	50%
Other	0%

Likelihood to repurchase product based on performance:

Highly likely	60%
Likely	20%
Somewhat likely	10%
Somewhat unlikely/not at all likely	10%

Vehicle age:

< 1 year	8%
2-5 years	23%
6-9 years	23%
10+ years	46%

Other work done:

None	55%
Cooling system flush	27%
Checked/filled other fluids	27%
Belts/hoses replaced	18%
Thermostat repair/replacement	0%
Brake system flush	0%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.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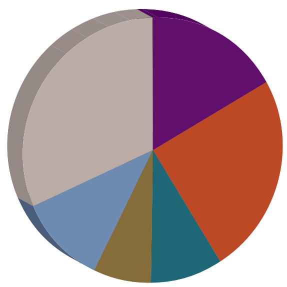
STUDY

17TH ANNUAL CONSUMER ATTITUDE STUDY

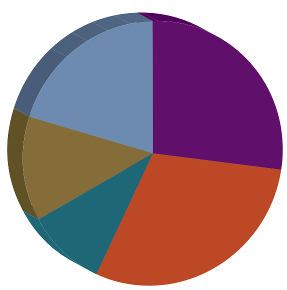
WHEEL BEARINGS

Customer service at purchase location:



Outstanding	18%
Great	24%
Good	9%
Poor	7%
Terrible	11%
Didn't receive	31%

Likelihood of returning to purchase location:



Highly likely	28%
Likely	30%
Somewhat likely	10%
Somewhat unlikely	13%
Not at all likely	19%

45% of consumers compared prices when shopping for this product.

25% of consumers personally installed the product they purchased.

Primary purchase intent:

Mechanic recommended	45%
Heard rattling noise	27%
Metal worn down on hub	18%
Problems with 4-wheel drive	9%

The top five advertising channels:

Saw/heard no ads	45%
Television	27%
Newspaper	18%
Direct mail	36%
Radio	27%

Primary purchase location:

Auto chain	22%
Discount store	11%
Independent auto store	11%
Independent repair shop	11%
Dealership	22%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of wheel bearing:

Brand name	18%
Performance claim	18%
Recommendation	18%
Lowest price	9%
Coupon/rebate	18%

Likelihood to repurchase product based on performance:

Highly likely	75%
Likely	25%
Somewhat likely	0%
Somewhat unlikely/not at all likely	0%

Vehicle age:

< 1 year	9%
2-5 years	55%
6-9 years	18%
10+ years	18%

Other work done:

None	36%
Oil change	45%
Spindle repair/replacement	27%
Brakes replaced	27%
Checked tire pressure	9%
Wheel replaced	18%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

Earn $25 for selling five qualifying hubs – that's $5 a hub from May 1 – July 31.
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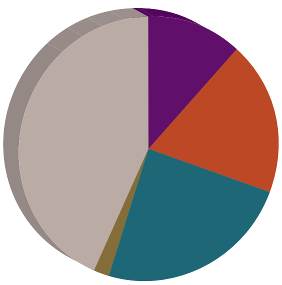
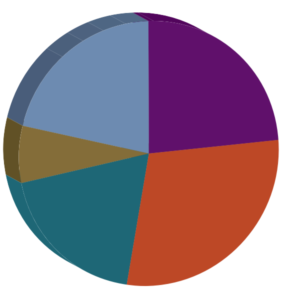
WIPERS

Customer service at purchase location:



Outstanding	12%
Great	19%
Good	24%
Poor	2%
Terrible	0%
Didn't receive	43%

Likelihood of returning to purchase location:



Highly likely	24%
Likely	29%
Somewhat likely	19%
Somewhat unlikely	7%
Not at all likely	21%

42% of consumers compared prices when shopping for this product.

48% of consumers personally installed the product they purchased.

Primary purchase intent:

Wipers performing poorly	74%
Preventive maintenance	6%
Broken wiper blades	12%
Seasonal change	7%

The top five advertising channels:

Saw/heard no ads	49%
Television	9%
Newspaper	10%
Direct mail	16%
Internet/Email	17%

Primary purchase location:

Auto chain	48%
Discount store	25%
Independent auto store	4%
Independent repair shop	8%
Dealership	6%
*Includes DIY and DIFM purchases	

BUYING HABITS

The top five reasons for purchasing a particular type of wiper:

Brand name	14%
Performance claim	23%
Recommendation	20%
Lowest price	25%
Coupon/rebate	2%

Likelihood to repurchase product based on performance:

Highly likely	54%
Likely	33%
Somewhat likely	11%
Somewhat unlikely/not at all likely	2%

Vehicle age:

< 1 year	4%
2-5 years	27%
6-9 years	30%
10+ years	39%

Other work done:

None	66%
Oil change	23%
Checked/filled fluids	17%
Checked filters	13%
Checked tire pressure	21%
Checked belts and hoses	13%

Some chart totals exceed 100 percent as a result of respondents providing multiple answers. Others do not reach 100 percent as all answer options are not represented.

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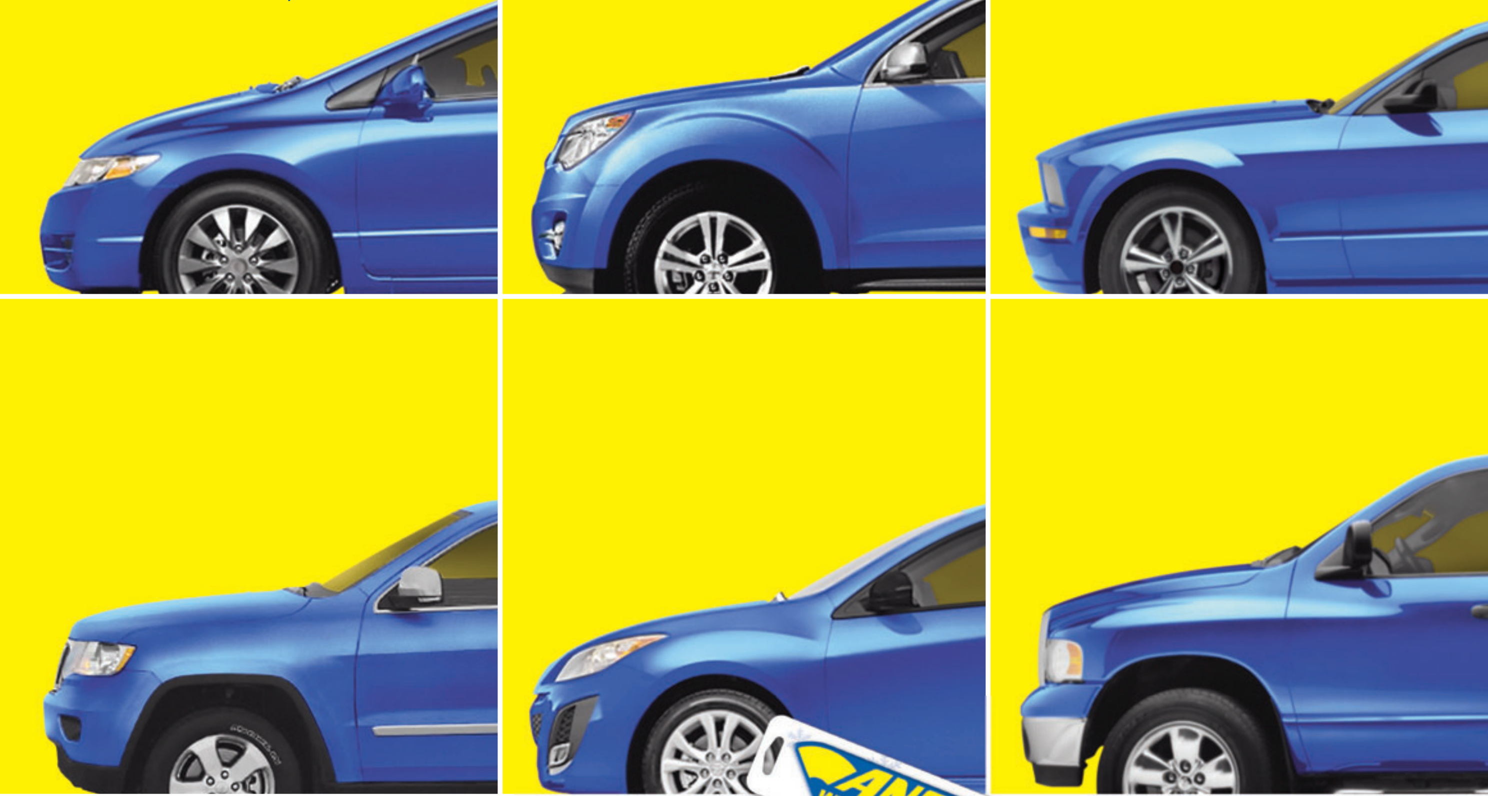

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Clore Automotive offers Model No. 1860, a 125 Amp digital fixed load battery tester, from SOLAR. It is designed for portable professional use and tests both battery condition and charging/starting system performance. SOLAR Fixed Load Battery Testers offer quick, easy analysis of battery condition and starting and charging system performance. The 1860 features an ergonomic design for comfortable use. It delivers a true 125 Amp load and is calibrated to test batteries up to 1000 CCA. This unit features an easy-to-read digital output meter and an LED status panel for battery condition assessment. It can be used to test most 12 Volt batteries, starting and charging systems.

For more information, visit
www.cloreautomotive.com
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WATER PUMP AND TIMING KIT CATALOG

ASC Industries Inc. has released the 2013 Airtex Water Pump & Timing Kit catalog. The printed publication includes 66 additional part numbers from the previous catalog and special sections for heavy-duty pumps and timing kits. The catalog also features full-color pages highlighting helpful information on water pumps, coolants, causes for water pump failure and installation instructions. The product offering provides customers with extensive domestic and import application coverage for passenger, light and heavy-duty trucks and hybrids, including the best in late-model coverage.

For more information, visit
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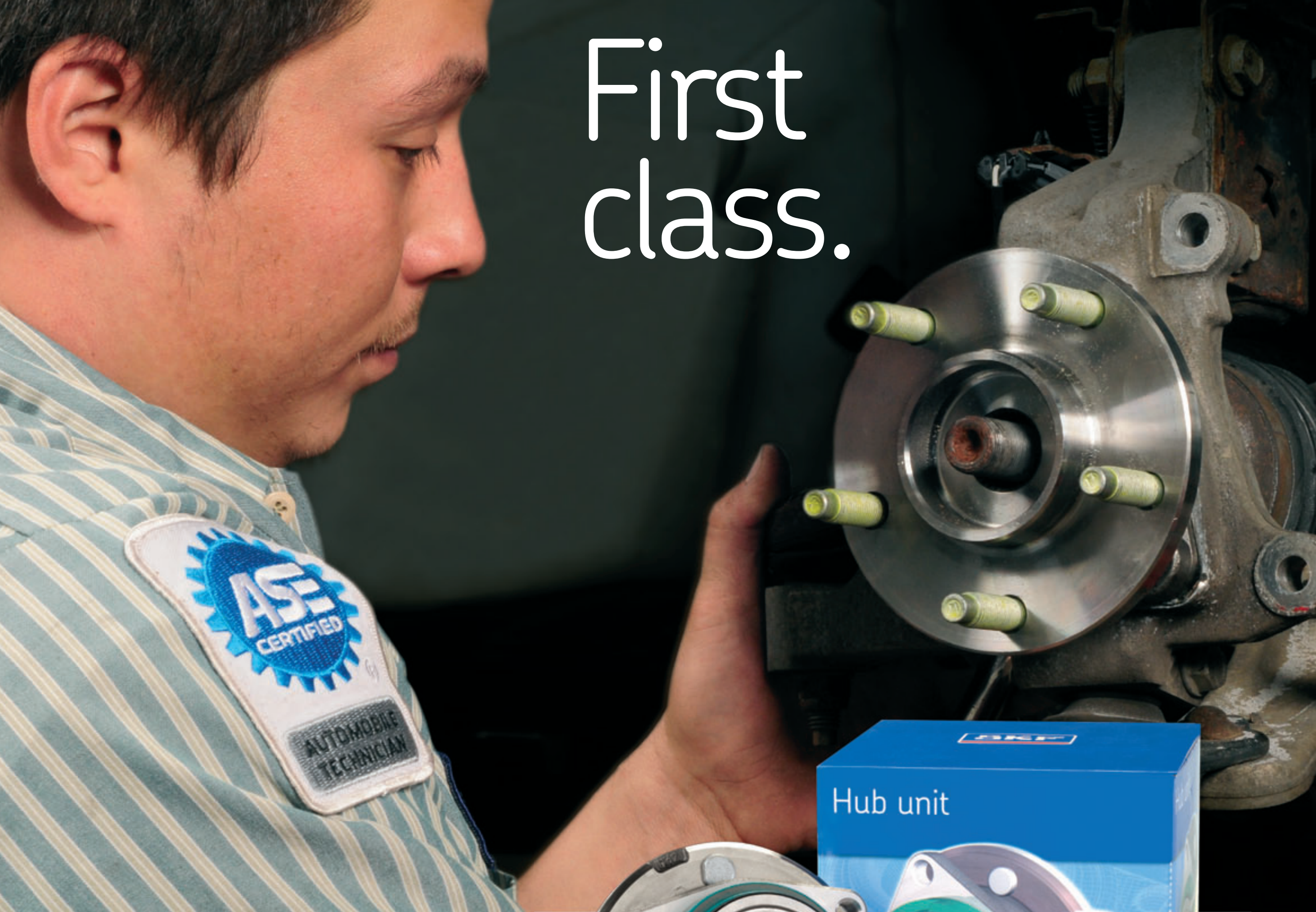

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