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JUNE 2013

MEXICO STILL A THRIVING MARKET FOR THE AUTOMOTIVE AFTERMARKET

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Global Events
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MEXICO STILL A THRIVING MARKET FOR THE AUTOMOTIVE AFTERMARKET

BY ANDY ADAMS | Contributor

Our first impressions of a country often come from sensational and lurid newspaper and TV reports, but strip away these headlines and we're just as likely to find vibrant cultures and flourishing economies. U.S. and world perceptions of Mexico often center around stories of drug cartel turf wars and illegal immigrants, and there's no doubt that Mexico has its share of domestic problems, but that is only a small part of the story of this enigmatic country.

With the U.S. and Mexico sharing a 2,000-mile long border it's hardly surprising that they also share strong cultural and economic ties. The following facts

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Mexico City at Night

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Opinion

Donny Seyfer
If a tree falls in the forest ...

AASA's OAC
Russia is a bright spot in Europe.

Bob Moore
Drive-thru Planning

Mark Smith
Multi-tasking and the MRI

Stephen Barlas
NHTSA eyes NCAP changes

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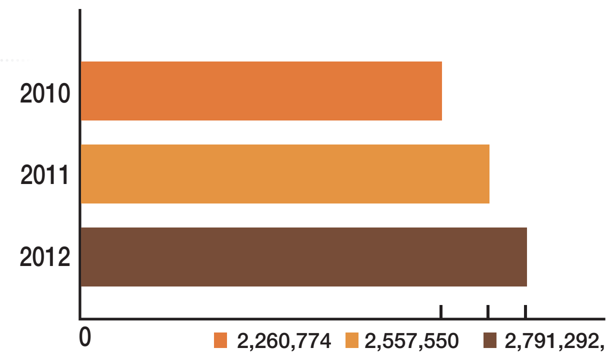
VEHICLES MADE IN MEXICO

- 2010 (2,260,774)
- 2011 (2,557,550)
- 2012 estimate (2,791,292)



SOURCE: U.S. Department of Commerce

emphasize this historical U.S./ Mexico bond. In 2011 the Hispanic population of the U.S. was estimated at 52 million, some 17 percent of the total, making Hispanics the largest ethnic minority in the country. Of these 60 percent were of Mexican origin. In 2007 there were 2.3 million Hispanic-owned businesses in the U.S. generating a $350.7 million turnover. This fiscal boost to the U.S. economy is not confined to Mexican ex pats living in the states; the country of Mexico also has a vital role to play for many U.S. businesses.

These are tough times for businesses worldwide, including those in the automotive sector. Consumers are always looking for value for their money when their vehicles need repairs, sometimes sacrificing overall quality in favor of a low price. Automobile owners on a tight budget will often opt for inexpensive imported aftermarket parts and accessories instead of purchasing more expensive but higher quality aftermarket or OE parts. In order to compete with inexpensive imports, quality aftermarket and OE equipment manufacturers have to strike a balance between maintaining quality and ensuring value for money.

A major part of production costs relate to the labor-intensive processes involved in manufacturing. Labor costs in China and India are a fraction of those in the U.S. enabling these countries

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Battery Chargers WIRTHCO
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Fuel Pumps AIRTEX
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JUNE 2013
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05 International Trends
07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
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> At 112 million the Mexican population is the second largest in Latin America.

to produce automotive aftermarket parts and accessories at much lower costs. The U.S. has an advantage of having a country with lower rates in Mexico, on its southern border; a country that has excellent road links with "El Norte" combined with Pacific and Atlantic seaports. With these geographical advantages combined with a Free Trade agreement with the U.S., Mexico is ideally located to act as a satellite production area for U.S. aftermarket parts and accessories.

U.S. car production in Mexico has a long history dating back to 1921 when Buick first set up production there, closely followed in 1925 by Ford. They remain the longest running car manufacturers in the country. Traditional U.S. car producers in Mexico include Ford, General Motors and Fiat-owned Chrysler, together with their subsidiary companies. In their turn these car manufacturers support a vast network of companies who supply the automotive parts used in automobile construction. An example of this is Delphi Automotive, the former parts unit of General Motors that employs more than 100,000 people in its 46 Mexican plants.

To facilitate and encourage U.S. and other foreign countries wishing to set up production in Mexico, the Mexican government allowed the formation of Maquiladoras. These are free trade zones mostly located in the U.S. Mexico border regions where factories can import materials and equipment on a duty free and tariff free basis for assembly, processing and manufacturing, and then export the finished items back to their country of origin. There are approximately 3,000 located in Mexican cities such as Tijuana, Ciudad Juarez and Matamoros employing more than 1 million Mexicans.

Mexico has free trade agreements with 44 countries compared to the U.S. total of 20. These Mexican free trade agreements combined with the Maquiladoras, low labor rates and close proximity to the U.S. open the door for U.S. aftermarket companies to set up cost effective production facilities...CONTINUE READING

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Automakers moving to make Mexico a major manufacturing hub

BY JAMES E. GUYETTE
News Correspondent

It means "Made in Mexico," and the term "Hecho en Mexico" is being stamped on components and completed cars at an ever-increasing clip. In just the past six years Mexico's automotive output from global OEMs and their suppliers has zoomed from ninth place to fourth place, and the pace continues to accelerate.

TRENDS & MARKET Analysis

"Mexico's auto business is on fire thanks to a phenomenon that's being called 'near sourcing,'" CNBC's Jim Cramer recently told his Mad Money viewers. "Near sourcing allows global companies to manufacture goods in Mexico and sell them in the U.S."

Citing a lowered crime rate and a stabilizing economic engine, in addition to automotive investment opportunities there is money to be made by backing ancillary enterprises, according to Cramer.

Vendor Newsmaker Q&A

MICHAEL C. CAMUNEZ
U.S. assistant Secretary of Commerce

Q What issues are commonly misunderstood about NAFTA? How are products qualified for special tariff treatment in NAFTA?

A What did Camunez say? Continue reading online.

Read full interview

Touting the stock of Kansas City Southern, an American railroad with thousands of miles of networked track in both the U.S. and Mexico, Cramer says the line is poised to take advantage of the expansion of major Mexican vehicle plants because the newly manufactured cars

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Fuel Pumps AIRTEX
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> Mexico's auto business is on fire thanks to a phenomenon that's being called 'near sourcing.'

are shipped into the U.S. via rail.

A closer proximity to all three continents in the Americas has automakers increasingly shifting overseas operations to a favorable Mexican regulatory environment that comes with a vast and economical workforce able to adopt advanced manufacturing technologies. The nation's burgeoning role as a production hub puts vendors within closer reach as well.

Honda de Mexico's third Mexican facility is set to employ 3,200 people producing 200,000 vehicles per year when it opens in 2014.

"With growing demand for fuel-efficient vehicles, this plant will increase Honda's ability to meet customer needs for subcompact vehicles from within North America," reports Tetsuo Iwamura, a divisional president and chief operating officer. "This new plant will further strengthen the foundation of Honda's North American business by enabling Honda to more flexibly respond to changing market conditions from within the region."

At the beginning of this year Volkswagen brought online a $550-million Mexican engine plant to serve existing assembly lines in Mexico and Chattanooga, Tenn. Able to annually produce 320,000 motors from a workforce of 700, the site is "a strong symbol of our uninterrupted growth trajectory," says VW Chairman and CEO Dr. Martin Winterkorn.

"With this new plant we are driving our ambitious major North American offensive forward," representing a $5 billion investment over the next three years, he notes. A new Mexican Audi facility is scheduled to begin production in 2016.

High-tech production

The Ford Cuautitlan Assembly Plant in Mexico is among three North American

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Fuel Pumps AIRTEX
Oxygen Sensors NGK

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10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
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Convertible segment down but not out; aftermarket customs filling in

BY JAMES E. GUYETTE
News Correspondent

Amid a softened sales climate for convertibles, with automakers citing retracted demand due in-part to the lingering impact of the nation's economic downturn, specialty aftermarket businesses are raising their efforts to reach those drivers who still desire the wind-in-your-hair feeling that ragtops deliver.

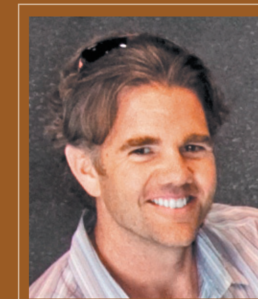
TRENDS & MARKET Analysis

Once viewed as a Beach Boys-blaring rite of sunny summer passage among teenagers and young adults cruising down Main Street – joined by hot rod buffs and European roadsters – convertible owners nowadays tend to be successful baby boomers equipped with the discretionary dollars needed to absorb the extra costs incurred by a convertible purchase.

And while some motorists are still buying OEM convertibles off the showroom floor, others are opting to order customized versions produced by aftermarket operations such as Convertible Builders, LLC in High Springs, Fla.

"Companies like ours have moved in to fill a niche," says sales manager Larry Moran as he describes the firm's "Drop Top Customs" line of

Vendor Newsmaker Q&A



FRANZ VON HOLZHAUSEN
Chief Designer at Tesla

Q How would you describe your philosophy and approach when you first designed the Model S Tesla?

A What did von Holzhausen say? Continue reading online.

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> The convertible apparatus is strategically placed to avoid encroaching into storage space.

in-house engineered convertible conversions that are conducted on a customer's existing or newly purchased non-convertible model.

"The trend that's opened up for us lately is the 4-door convertible," Moran says. "You use words like classy and luxurious, but you wouldn't consider a 4-door to be sporty," he explains. Yet when a targeted model is transformed into a convertible "it's not a big toad – it's actually a sporty 4-door."

The conversion process costs $18,000 to $21,000 above and beyond the purchase price of the vehicle being worked on. Construction takes four to six weeks, and 100 to 200 are sold each year. Owner and President Jeff Moran, who is Larry's son, engineers the conversion specifics that are executed by a staff of eight technicians. A 4-door Cadillac XTS convertible is currently under development; a previous Eldorado offering proved to be a hot seller until General Motors ceased production of that model in 2002.

Conversion prowess

"A car has to maintain its utility," reports Larry Moran, noting that the convertible apparatus is strategically placed to avoid encroaching into storage space. "It's still sporty, but it still can be used by a family or to carry golf clubs."

About 80 percent of the customers are men "who like to be special," and they typically own a successful business, plus a yacht or a similarly high-end watercraft. "He can afford to buy the toys that he wants," says Moran. "We constantly remind ourselves that nobody needs our product – it's a want," he points out.

"We ship cars all over the world, and we've done a lot of work with custom shops around the country," Moran continues, adding that the company is actively seeking to expand its word-of-mouth referral network with the assistance of

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> We are experiencing success with larger vendors that send data to 30+ partners a month.

OptiCat looks ahead

Data repository expands integration with technology vendors, plans data bridge

BY BRIAN ALBRIGHT
Contributor

OptiCat, the supplier-run product data repository, has expanded its coverage in the aftermarket and has plans to further improve data communication between suppliers and receivers by creating a way to automatically bridge ACES and TecDoc information.

TRENDS & MARKET Analysis

OptiCat went into full production in early 2012, and now has 45 major suppliers on board, along with more than 100 data receivers.

"We are experiencing good success with larger vendors that are sending data to 30 or 40 partners a month," says OptiCat vice president Bart Noyes. "Our software makes those complex relationships a lot easier to manage. The suppliers don't have to manage all the manual interactions that they did before."

OptiCat began as a joint venture between MindQuest Inc. and TecDoc Information Systems, Europe's largest electronic catalog data supplier. In 2010, the Motor & Equipment Manufacturers Association (MEMA) acquired a shareholder stake in OptiCat, and the Automotive Aftermarket Suppliers Association (AASA) was tapped to oversee MEMA's interests there.

OptiCat replaces the many-to-many flow of product between suppliers and receivers with a one-to-many model that provides accumulated supplier data to distributors, catalog providers and distribution groups. AASA brought a sizable number of aftermarket manufacturers into the fold.

OptiCat consolidates supplier data, making it easier for receivers to accumulate and validate that information, saving time and costs. Receivers request permission to access a supplier's data through OptiCat OnBoard, which ensures they receive updated information automatically.

"We consider ourselves the filter at the end of the faucet, making sure the data is as clean as possible when it goes to the receivers," Noyes says. "We're working closely with suppliers to ensure the data is as accurate as it can possibly be."

Since 2010, OptiCat has launched validation technology (OnTarget) that searches the data for duplicates and overlaps, as well as features within its OnBoard tool that help ensure accuracy and standards compliance. "We're catching more and more of those issues before the data is published," Noyes says. "Even suppliers that tell us they have checks in place, we'll run samples and show them what we're finding. You find some surprising things in very large data sets."

According to Noyes, widespread adoption of the ACES standard has greatly improved data communication in the aftermarket, which has helped fuel OptiCat's momentum. "Even smaller companies and WDs can communicate in and understand XML, and their overall level of technology understanding in the industry has grown ...CONTINUE READING

Technology Newsmaker Q&A

TONY ALDERDICE
Director of Sales for North America at Epicor

Q What technology trends do you see as being the most important for the aftermarket in the next few years?

A What did Alderdice say? Continue reading online.

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07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
14 Mark Smith

Dealerships face continued drop in warranty, repair work

> Because cars are more reliable, dealers are seeing less warranty work and less repair work.

BY BRIAN ALBRIGHT
Contributor

Service and parts departments have provided much-needed revenue for dealerships as they've clawed their way out of the tumultuous recent recession. But dealerships face a declining demand for both warranty and customer-pay repair work, and will likely need to make serious adjustments in order to stay competitive.

TRENDS & MARKET Analysis

Late last year, when J.D. Power and Associates released its 2012 U.S. Vehicle Dependability Study, the company revealed that there had been a 22 percent reduction in problems per 100 vehicles between 2009 and 2012. The numbers dropped from 171 issues in 2009 to 132 last year. The company surveys customers after three years of vehicle ownership, so the most recent cars in the study were purchased in 2009 and would be well out of warranty (in most cases) by this point.

Those statistics have been trending downward for years, which is one reason why consumers are keeping their vehicles longer. Because cars are more reliable, dealers are seeing less warranty work and less repair work in general than they had in the past. And most of the post-warranty work that is out there is going to aftermarket repairers.

The latest data from the National Automobile Dealers Association (NADA) indicates that warranty sales fell 1.9 percent between 2010 and 2011, while overall customer mechanical sales increased by just 3.6 percent.

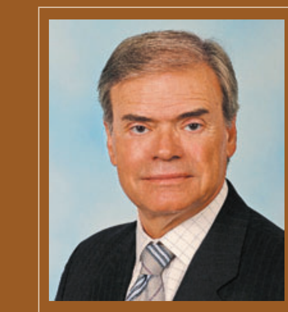
That means dealers have to shift to bringing in more maintenance work. "There's a perfect storm brewing right now," says Charlie Polston, a fixed operations profitability and customer retention consultant with BG Products. "First, cars are more reliable. But the other thing that's happening is that, because of the economy, many people are deferring needed repairs. Cars are built better, and sometimes those repairs get pushed aside for more pressing needs."

For many dealers, that shift will require retraining on the service drive. "In many dealerships, the service advisors are just order takers. They write up what needs done, and that's it," Polston says. "Most consumers don't know anything is wrong with their vehicle until there is a catastrophic failure. The same thing happens at independent service centers, too. But if your livelihood is dependent on waiting for stuff to break, you are likely to go out of business."

Multi-point inspections uncover new business

One key element of this new strategy is a focus on thorough multi-point inspections. "This idea has been around forever, but in most dealerships people drift away from the process or they don't do it quite right," Polston says. "In a perfect world, the technician does a good inspection, the advisor communicates 100 percent of ...CONTINUE READING

Dealer Newsmaker Q&A



BOB ISRAEL
Chairman, Automotive Trade Association Executives

Q What do you see as the top challenges for dealerships this year? How is the fixed operations landscape changing for dealers?

A What did Israel say? Continue reading online.

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05 International Trends
07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
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Drive-thru **PLANNING**

> Planning is still a requisite for success, but it cannot become a bottleneck in your business.

Last month I introduced the concept of Drive-thru Planning.™ It is a planning method designed specifically for the pace and scope of today's business environment. Technology enabled and competitor driven, business activity is being compressed into shorter and shorter time frames. It may have happened without fanfare or formal farewells, but traditional five-year business plans are no longer relevant, practical or feasible.

Don't get me wrong – planning is still a requisite for success, but you cannot let it become a bottleneck in your business. Business activity has to remain as far in front of planning as you can keep it, which may be several months or as much as a year. Beyond that is the land of goals and agility, not hard-set plans. But Drive-thru Planning (DtP™) is the express lane of effective planning in this new era. It operates under the presumption that aftermarket companies still must contemplate and prepare for their future but it needs to be done with a greater sense of urgency. Focused planning needs to be done more frequently, nimbly and compactly than old executive planning retreats.

Last month we covered phase one of DtP with the establishment of company goals and objectives. Defining a goal for the business and each department's objectives to support the goal sets DtP in motion. These tasks can typically be accomplished by top managers in less than one half day.

The next step is to put in place strategies and tactics to support the goals and objectives. Last month we defined a goal as a mission and objectives as interim targets en route to the goal that are measurable in time and occurrences.

Strategies are specific policies or activities adopted to direct and guide meeting objectives. Typically, strategies must work on two levels: company-wide (overall strategies) and by department (support strategies for objectives). If objectives are "what" we want to accomplish, strategies are "how" we propose to go about doing it.

So if our objective is to "increase our market share by 30 percent in the next year" our strategy might be to "add new lines."

It's best to think of tactics as specific actions that fit inside a strategy and collectively lead to reaching objectives. So the actions we take to add new products might be to "introduce Web-enabled tools that inform our customers about them and make them easier to purchase." These kinds of tactics clearly support the strategy of growing market share.

So, goals and objectives are the planning elements of an overall plan and strategies and tactics are the action elements that lead to their realization. From an implementation standpoint, goals and objectives probably should be hatched higher up in an organization while strategies and tactics are best developed at least in tandem with the managers that will implement them.

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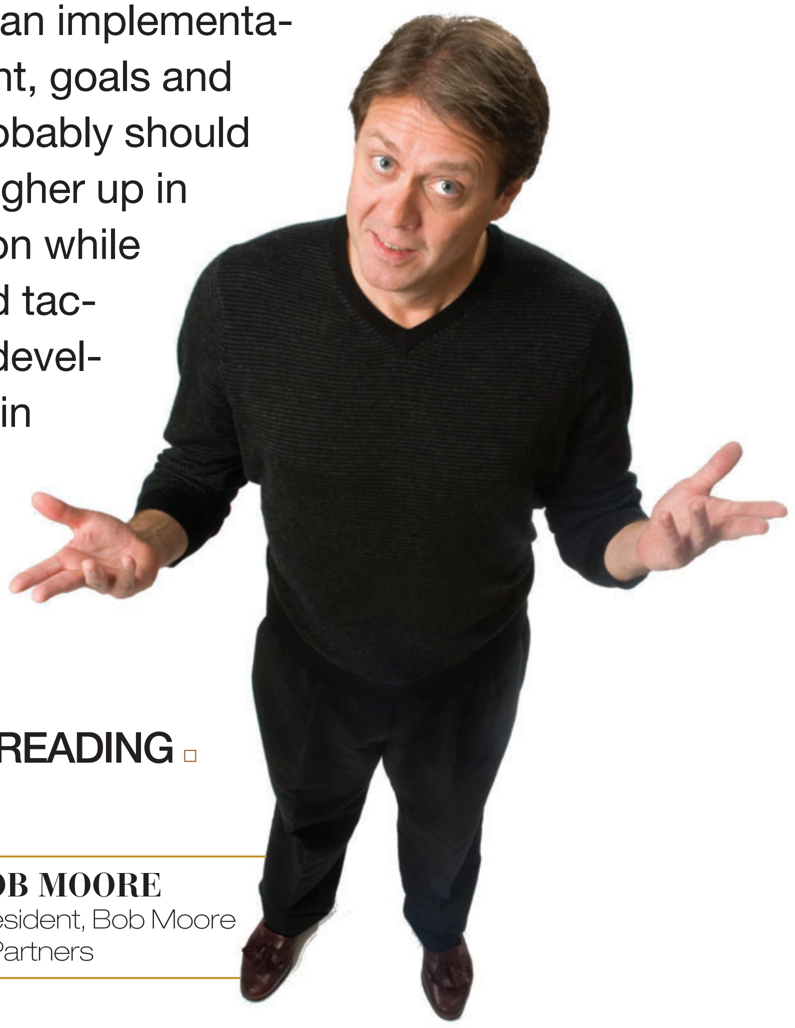

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President, Bob Moore & Partners

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07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
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Russia is bright spot in EUROPE

> The country's economic health is creating a boom in consumer spending in auto sales.

The Russian automotive market is the second largest in Europe – and still growing. Russia is one of the bright spots in the tumultuous European economy and a potential growth market for North American automotive aftermarket suppliers.

OAC is following up to its successful 2012 outreach program to Bogota, Colombia, by securing exhibit space for a delegation of North American suppliers at Automechanika Moscow, Russia, slated for Monday, Aug. 26 through Thursday, Aug. 29. The council is working with the U.S. Commercial Service, the U.S. Department of Commerce and Messe Frankfurt to obtain listings of Russian distributors who will be either attending or exhibiting at the event.

This will be a prime opportunity for North American manufacturers to explore the opportunities in the Russian aftermarket. As an OAC Automechanika Moscow delegation participant, you can connect with existing clients and meet prospective customers in their own backyards. The OAC program also will give you an inexpensive opportunity to see firsthand whether an aftermarket presence in the Russian aftermarket makes sense for your company.

The registration fee of $1,750 per company gains you access to the OAC exhibit, display space for company signs, and listings of Russian distributors. The OAC is moving quickly to finalize plans for this event so that participants can secure visas and other documentation needed for the trip. If your company is interested in participating with the OAC Automechanika Moscow delegation, contact Dan Pike at dpike@aasa.mema.org as soon as possible.

OAC's Russian outreach program is due to current and projected strength of the Russian economic growth. The Russian gross domestic product (GDP) growth rate has exceeded European and global GDP growth rates.

The country's economic health is creating a boom in consumer spending, especially in automotive sales. As noted in "An overview of the Russian and CIS automotive industry" by Ernst & Young, its automotive market now is Europe's second largest after Germany. The Association of European Businesses notes that Russia is approaching the 3 million mark in auto sales and that it is expected to surpass Germany as the largest car market in Europe.

Major carmakers have announced expansions in Russia. Ford, Renault, GM and Volkswagen signed agreements with the Russian government to increase local production, build engine factories, and invest in research and development. GM has announced it will invest $1 billion in Russia over the next five years. In light of this boom of new car sales, aftermarket manufacturers should have their infrastructure in place now in order to capitalize on subsequent aftermarket part sales in the future.

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DAN PIKE
Vice President, Membership and Member Services, AASA

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NHTSA eyes NCAP **CHANGES**

> "The five-star rating system was developed and used for the first time for 1994 vehicles."

The National Highway Traffic Safety Administration (NHTSA) is starting to look at potential changes to its New Car Assessment Program (NCAP), which ultimately will have an impact on aftermarket offerings.

NCAP issues "star ratings" to each model based on its performance in the categories of frontal and side impact, and rollover resistance. Auto manufacturers have introduced new safety features – air bags are a prime example – to earn as high a ranking as possible, with five stars being the highest.

Airbags are a prime example of how NCAP has stimulated availability of aftermarket product. Of course, there is a downside to that, in the case of airbags, given the NHTSA safety advisory last October about counterfeit airbags available in the aftermarket. But of course counterfeits plague distribution chains in many industries.

Automotive parts suppliers have been pushing NHTSA to expand the NCAP system for a while, and the agency made some changes around the edges of the program back in 2011. But companies such as Delphi, just to cite one example, are chomping on the bit hoping for a much more significant expansion of the program.

NHTSA already has a recent rulemaking docket looking at potential changes to brake testing protocols that would pave the way for Crash Imminent Braking (CIB) and Dynamic Brake Support (DBS) Systems.

"Delphi is a strong proponent of CIB technology and recommends that NHTSA initiate NCAP stars for these systems as soon as possible," says Ragiemra Amato, Director, Government/Technical Affairs, Innovation and Technology Office, Delphi Automotive.

The five-star rating system was developed and used for the first time to assess frontal impact safety for model year (MY) 1994 vehicles. The agency began testing and rating vehicles for side impact protection in the 1997 MY. Starting with the 2001 MY, the agency began using NCAP to rate vehicles for rollover resistance. The model year 2011 changes involved upgrading test dummies, establishing new injury criteria, adding a new side pole crash test, and creating a single overall vehicle score that reflects a vehicle's combined frontal crash, side crash and rollover ratings.

CIB and DBS systems are among the technologies NHTSA is closely examining for inclusion in the NCAP, according to the Federal Register. Also at the top of the list are blind spot warning, vehicle-to-vehicle communications (V2V) and advanced vehicle automation and advanced lighting.

William Shogren, Chief Engineer of Advanced Electronic Controls at Delphi, says, "It would be relatively straightforward to retrofit a warning system in the aftermarket by tapping in to the vehicle's communication bus to extract needed information such as vehicle speed, etc. The real complexity comes in when trying to install aftermarket systems that control functions like the throttle, brakes and steering.

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STEPHEN BARLAS
Washington Correspondent

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Join our Community
Hot Auto Products
Contact Us
05 International Trends
07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
14 Mark Smith

Multi-tasking and the **MRI**

> My children have seen how hard my wife and I have toiled and have no plans to carry the flag.

While most of my articles tend to rant and rave about issues within the industry, and how those issues affect each of us, this article will be about the "effect" the industry has upon us. I hope your story is not similar, yet I know it is.

My wife and I have put our whole lives into running our business. So much so, that our personal life is also our business life and vice-versa. No matter where we go or what we do, our business "heart" is visible on our sleeves, and for me, very obvious under my fingernails. If I am lucky enough to have a one-week vacation, my hands actually look like they are safe to handle food. Oddly enough, I think 10W40 residue actually adds a unique flavor to Doritos and a ham sandwich.

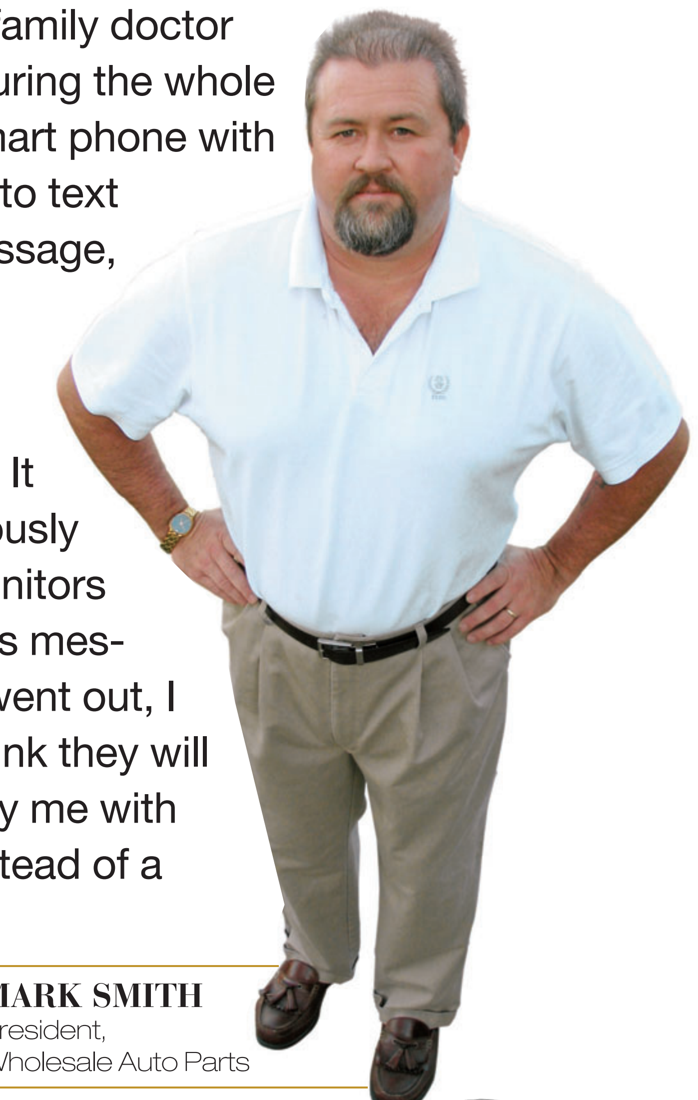
My children, both of whom are college graduates, have seen how hard and diligent my wife and I have toiled, and as a result, have no plans to carry the flag. Knowing this, my exit strategy will require much more fine-tuning and consultation. I really don't harbor any ill feelings towards my children, because to be a truly independent jobber or service center owner requires a certain calling. Although anal retentiveness is a requirement, it's not necessarily inherited and henceforth my oblique understanding in regards to my offspring's desires for something else.

I have had some health issues lately. The preliminary diagnosis is quite ominous and foreboding, life changing in fact. Since my wife's life and my own are so involved with our business, the entanglement could lead to a possible disaster of sorts. How can our business continue to thrive without our day-to-day involvement and hands-on practicality that our customers have come to expect? If anything I've learned about this business is this simple truth – change is constant and it waits for no one.

The real issue is that I've complicated everything by inserting the idea that things will not happen without me. They will happen regardless of my involvement, albeit differently. Therefore, by design, our business is equipped to deal with the inevitable constant change. The gut-wrenching process of this scenario is my own inability to just let the unstoppable happen at its own pace. My wife can run the store without me, but most certainly is a lot happier when I'm there. My employees know what's needed of them and for the business to remain profitable. We have an excellent history with our vendors and creditors. The name of our store is very well respected within our community. So what's the real problem here? Me. My son Kyle tells me I am the happiest when I'm miserable.

I was recently admitted to the emergency room at our local hospital by my family doctor of nearly 20 years. During the whole process, I had my smart phone with me. I have the ability to text message, instant message, Facebook message, and have the Yahoo! Instant Messenger App installed as well. It was like being vicariously at work with EKG monitors and an IV installed. As messages came in, and went out, I could not help but think they will probably need to bury me with this damn phone. Instead of a grave marker,

...CONTINUE READING



MARK SMITH
President,
Wholesale Auto Parts

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Industry News | Hot Auto Products | 05 International Trends | 10 Dealership Market Trends | 13 Stephen Barlas
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If a tree falls in the FOREST...

> A trusted employee betrayed the association, its members and staff by stealing from us.

Do you ever wonder what the conditions must be for those summer forest fires that happen every year? Forests grow old and large and many of their trees are victims of insects, overcrowding and disease.

Along comes a thunderstorm or campfire that does not get completely quenched and we get the damage that levels acres of forest. Within a few months nature begins a fast forward re-vegetation process that replaces dead and damaged trees with small plants and soon larger ones until the ecosystem is replenished.

You are probably aware that the Automotive Service Association recently had an event similar to a summer wildfire. In a nutshell, a trusted and beloved employee betrayed the association, its members and staff by stealing from us. It was a punch in the stomach that my fellow board members and me did not see coming. After a few days research we realized we would have to take a very active role in the management of our beloved association.

Our board, members of our affiliates and staff arrived at our spring board meeting with a mountain covered with debris and rubble. Once we started peeling back the damage we discovered a unique opportunity. While our financial resources had been stressed considerably we found that our talent resources were just like the aftermath of a forest fire.

For years the relationships with our affiliate organizations has been tenuous. There are numerous reasons but for the most part it was failure to communicate effectively. At the end of our board meeting I had the delightful opportunity to participate in an open conversation with our volunteer leaders that has been a long-time dream of mine. The fertile imagination of our leadership was on full display. Problems that had seemed insurmountable only weeks before were so simple the solutions fell just like the burned out trees they had become.

Upon returning home my phone and email were filled with either "What the hell is going on?" or "How can I help?" Many of the latter came from surprising sources.

Support for the necessary change the ASA board and its affiliates agreed to has been received warmly. To modify a cliché, where one door closes a multitude open.

The outpouring of good will is heartwarming to those of us who spend hundreds of hours a year working to insure independent auto repairers thrive.

Going forward there are many projects that are ready to see the light of day. There are going to be changes that will make us more lean and nimble to respond to the changes coming our way. There will also be opportunities for our partners to participate in dialogue that frankly was difficult in the past.

We are looking to ride nature's rapid recovery system and make our ecosystem better for all of its inhabitants. I hope to see you at CARS or NACE this year where the outcome of all our plans will have its day in the sun. ▫

DONNY SEYFER
Operations Manager
Seyfer Automotive, Inc.

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JUNE 2013
Industry News
Join our Community
Hot Auto Products
Contact Us
05 International Trends
07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
14 Mark Smith

Studying up

CONSUMERS EMBRACE INTERNET FOR PRODUCT, REPAIR INFO

BY BRUCE ADAMS | Managing Editor

PHOTO COURTESY: ISTOCKPHOTO

This *Aftermarket Business World* Consumer Attitude Study focused on consumers' use of online tools to get information and purchase products, as well as their use of social media to follow repair shops, the aftermarket and original equipment manufacturers (OEMs).

In four of the six product category studies, consumers said the Internet was their preferred source of information on how to do a DIY repair. Vehicle service manuals were the second most popular source of information for consumers and auto parts retailers were third.

CONTENTS

17 Air Conditioning
18 Auxiliary Lighting
19 Battery Chargers
20 Brakes
21 Fuel Pumps
22 Oxygen Sensors

Consumers appear to be getting more comfortable purchasing products online as 40 percent or more said they have made such a purchase across all products surveyed. Approximately one-third say they have written an online review of one of the products they purchased.

While there can be no doubt about the increasing popularity of social media sites such as Facebook and Twitter, fewer than 16 percent of consumers surveyed in four of the six categories said they are using social media to follow repair shops, OEMs or aftermarket companies. Notable exceptions were in the air conditioning category where 57 percent of consumers said they use social media to follow repair shops and 71 percent use social media to follow OEMs or the aftermarket. Nearly 40 percent said they use social media to follow those three groups in the battery charger sector.

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.

Air Conditioning

Studying up

33% want their repair shop to contact them by email among those who want to be contacted.

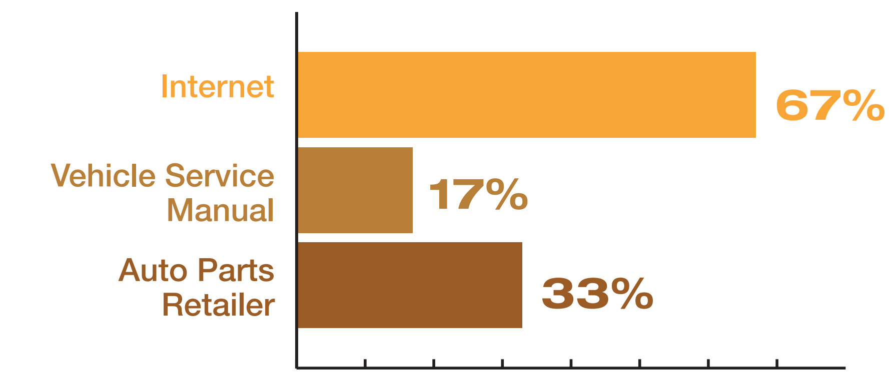
I use social media to follow:

Repair shops	57%
OEMs or Aftermarket Organizations	71%

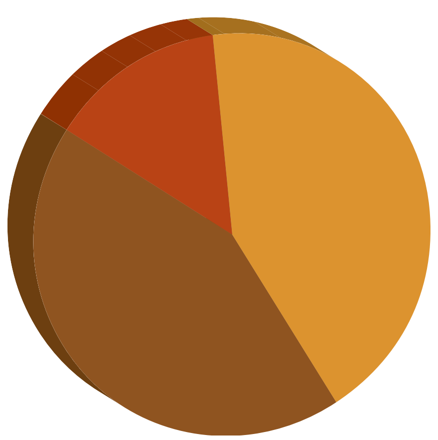
If yes to above, I follow

Facebook	Repair Shops	80%
Facebook	OEMs/Aftermarket	33%
Twitter	Repair Shops	60%
Twitter	OEMs/Aftermarket	17%

Where do you get information on how to do a DIY repair when purchasing this product



How often before getting service do you get information online about this product



86% want their service repair shops to contact them regarding needed maintenance for this product category.

Online product activities

Purchased online	40%
Written online review	40%
Scanned a QR code	40%
Bought with mobile app	20%

Where purchased online?

Retailer website	0%
Manufacturer website	40%
Dealership website	40%
Online retailer	20%

86% would attend an

EDUCATIONAL SEMINAR

at their repair shop if offered.

Consumer Attitude Study
Air Conditioning DENSO
Auxiliary Lighting PHILIPS
Battery Chargers WIRTHCO
Brakes RAYBESTOS
Fuel Pumps AIRTEX
Oxygen Sensors NGK

Auxiliary Lighting

Studying up

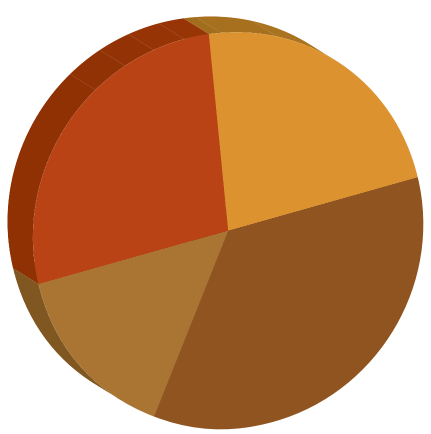
I use social media to follow:

Repair shops	7%
OEMs or Aftermarket Organizations	11%

If yes to above, I follow

Facebook	Repair Shops	83%
Facebook	OEMs/Aftermarket	57%
Twitter	Repair Shops	0%
Twitter	OEMs/Aftermarket	29%

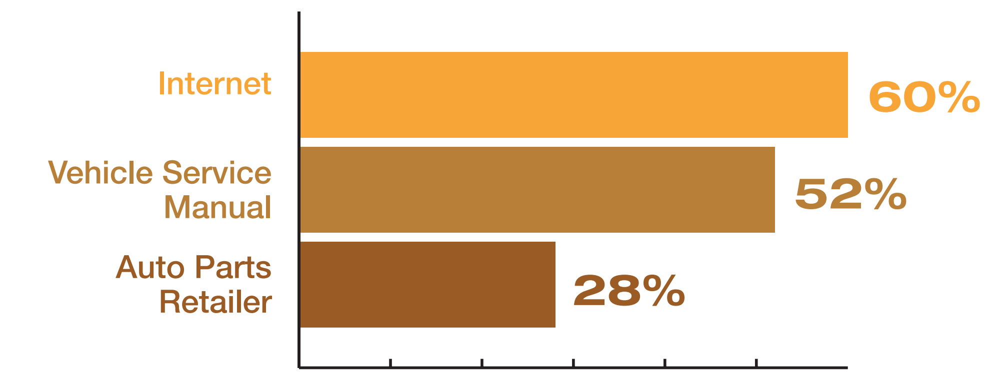
How often before getting service do you get information online about this product



31% want their service repair shops to contact them regarding needed maintenance for this product category.

53% want their repair shop to contact them by email among those who want to be contacted.

Where do you get information on how to do a DIY repair when purchasing this product



Online product activities

Purchased online	78%
Written online review	22%
Scanned a QR code	0%
Bought with mobile app	11%

Where purchased online?

Retailer website	71%
Manufacturer website	33%
Dealership website	25%
Online retailer	43%

61% would attend an EDUCATIONAL SEMINAR at their repair shop if offered.

Consumer Attitude Study
Air Conditioning DENSO
Auxiliary Lighting PHILIPS
Battery Chargers WIRTHCO
Brakes RAYBESTOS
Fuel Pumps AIRTEX
Oxygen Sensors NGK

JUNE 2013
Industry News
Join our Community
Hot Auto Products
Contact Us
05 International Trends
07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
14 Mark Smith

Battery Chargers

Studying up

31% want their repair shop to contact them by text among those who want to be contacted.

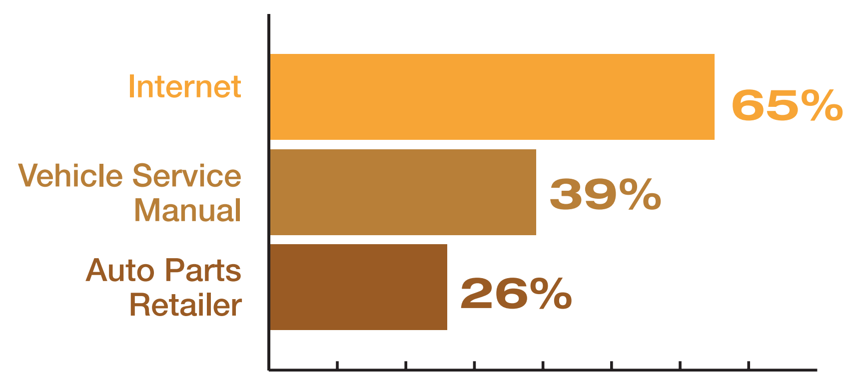
I use social media to follow:

Repair shops	39%
OEMs or Aftermarket Organizations	36%

If yes to above, I follow

Facebook	Repair Shops	89%
Facebook	OEMs/Aftermarket	59%
Twitter	Repair Shops	21%
Twitter	OEMs/Aftermarket	52%

Where do you get information on how to do a DIY repair when purchasing this product



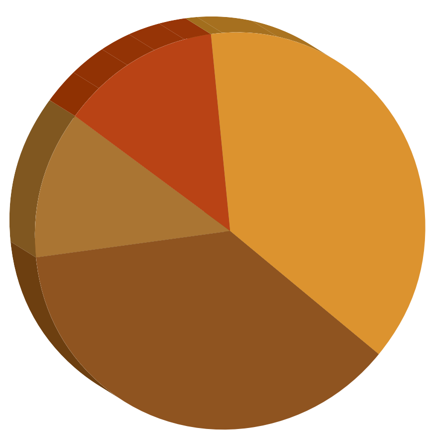
How often before getting service do you get information online about this product

38% Always

37% Sometimes

12% Seldom

13% Never



44% want their service repair shops to contact them regarding needed maintenance for this product category.

Online product activities

Purchased online	56%
Written online review	31%
Scanned a QR code	26%
Bought with mobile app	8%

Where purchased online?

Retailer website	33%
Manufacturer website	42%
Dealership website	48%
Online retailer	47%

66% would attend an EDUCATIONAL SEMINAR at their repair shop if offered.

Consumer Attitude Study
Air Conditioning DENSO
Auxiliary Lighting PHILIPS
Battery Chargers WIRTHCO
Brakes RAYBESTOS
Fuel Pumps AIRTEX
Oxygen Sensors NGK

Brakes

Studying up

48% want their repair shop to contact them by phone among those who want to be contacted.

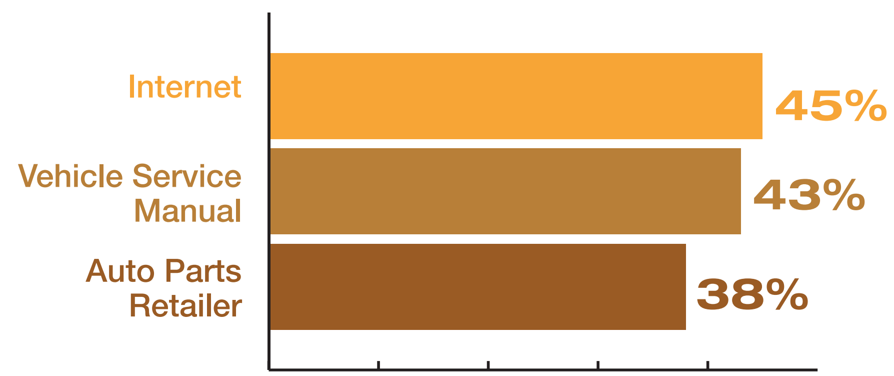
I use social media to follow:

Repair shops	14%
OEMs or Aftermarket Organizations	16%

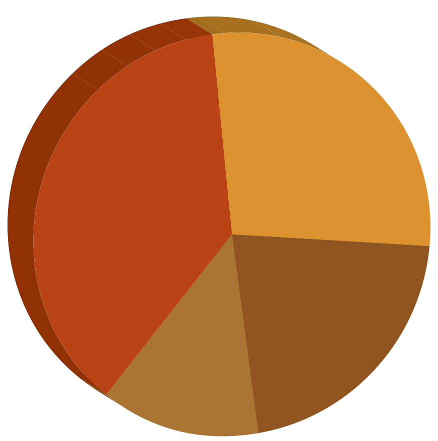
If yes to above, I follow

Facebook	Repair Shops	90%
Facebook	OEMs/Aftermarket	43%
Twitter	Repair Shops	5%
Twitter	OEMs/Aftermarket	48%

Where do you get information on how to do a DIY repair when purchasing this product



How often before getting service do you get information online about this product



Online product activities

Purchased online	67%
Written online review	22%
Scanned a QR code	22%
Bought with mobile app	6%

Where purchased online?

Retailer website	65%
Manufacturer website	38%
Dealership website	35%
Online retailer	25%

36% would attend an EDUCATIONAL SEMINAR at their repair shop if offered.

39% want their service repair shops to contact them regarding needed maintenance for this product category.

Consumer Attitude Study
Air Conditioning DENSO
Auxiliary Lighting PHILIPS
Battery Chargers WIRTHCO
Brakes RAYBESTOS
Fuel Pumps AIRTEX
Oxygen Sensors NGK

Fuel Pumps

Studying up

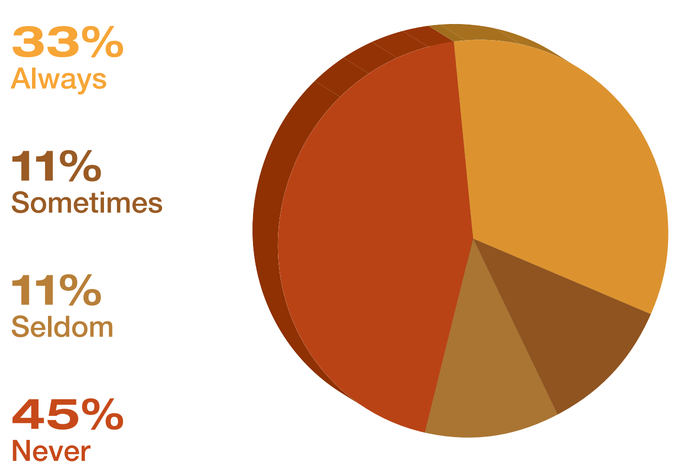
I use social media to follow:

Repair shops	0%
OEMs or Aftermarket Organizations	0%

If yes to above, I follow

Facebook	Repair Shops	0%
Facebook	OEMs/Aftermarket	0%
Twitter	Repair Shops	0%
Twitter	OEMs/Aftermarket	0%

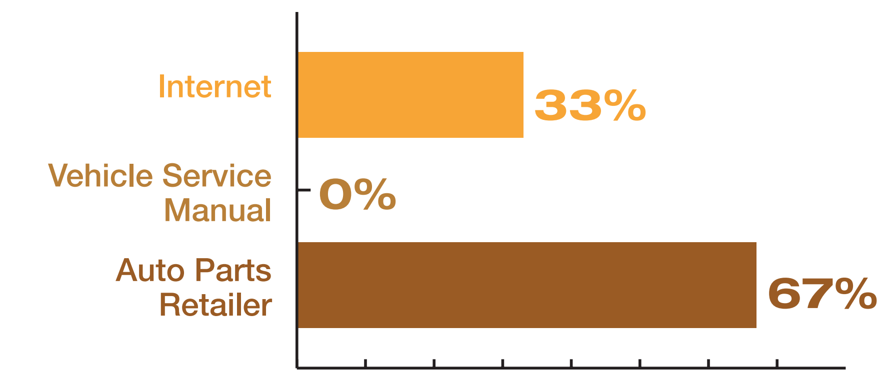
How often before getting service do you get information online about this product



33% want their service repair shops to contact them regarding needed maintenance for this product category.

67% want their repair shop to contact them by text among those who want to be contacted.

Where do you get information on how to do a DIY repair when purchasing this product



Online product activities

Purchased online	50%
Written online review	50%
Scanned a QR code	0%
Bought with mobile app	0%

Where purchased online?

Retailer website	33%
Manufacturer website	0%
Dealership website	0%
Online retailer	0%

44% would attend an

EDUCATIONAL SEMINAR

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Consumer Attitude Study
Air Conditioning DENSO
Auxiliary Lighting PHILIPS
Battery Chargers WIRTHCO
Brakes RAYBESTOS
Fuel Pumps AIRTEX
Oxygen Sensors NGK

JUNE 2013
Industry News
Join our Community
Hot Auto Products
Contact Us
05 International Trends
07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
14 Mark Smith

Oxygen Sensors

Studying up

I use social media to follow:

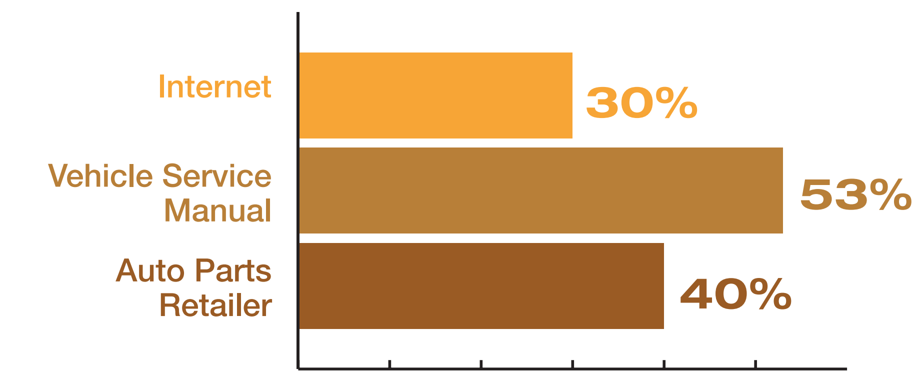
Repair shops	9%
OEMs or Aftermarket Organizations	12%

If yes to above, I follow

Facebook	Repair Shops	91%
Facebook	OEMs/Aftermarket	55%
Twitter	Repair Shops	4%
Twitter	OEMs/Aftermarket	38%

46% want their repair shop to contact them by email among those who want to be contacted.

Where do you get information on how to do a DIY repair when purchasing this product



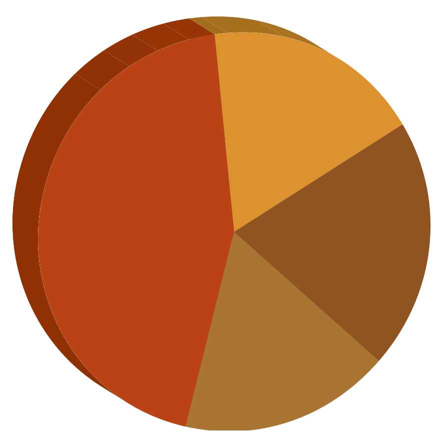
How often before getting service do you get information online about this product

18% Always

20% Sometimes

17% Seldom

45% Never



31% want their service repair shops to contact them regarding needed maintenance for this product category.

Online product activities

Purchased online	44%
Written online review	44%
Scanned a QR code	56%
Bought with mobile app	19%

Where purchased online?

Retailer website	7%
Manufacturer website	0%
Dealership website	0%
Online retailer	44%

32% would attend an

EDUCATIONAL SEMINAR

at their repair shop if offered.

Consumer Attitude Study
Air Conditioning DENSO
Auxiliary Lighting PHILIPS
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Join our Community
Hot Auto Products
Contact Us
05 International Trends
07 Vendor Market Trends
10 Dealership Market Trends
11 Bob Moore
13 Stephen Barlas
14 Mark Smith

JUNE 2013