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SEPTEMBER 2014

DIGITAL STRATEGY CAN BOOST THE OE SERVICE CHANNEL

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DIGITAL STRATEGY CAN BOOST THE OE SERVICE CHANNEL

BY KUMAR SAHA | Contributing Editor

With automotive e-retailing taking a hold globally, parts and service divisions of vehicle original equipment manufacturers (OEMs) are beginning to pay attention to the digital channel.

According to recent Frost & Sullivan research, the online market for business-to-consumer parts sales alone is expected to cross the $40 billion mark by 2020. In the U.S., Frost & Sullivan predicts that 15 percent to 20 percent of online parts sales will happen either through direct OEM websites or their dealer digital platforms.

In this scenario, the original equipment service (OES) channel must start laying the groundwork for future success. Here are some key strategic recommendations for creating a robust digital strategy:

- **Consider a marketplace e-Store:** A direct OEM store, pioneered by BMW, on an online marketplace platform such as eBay is fast becoming a popular strategy in Europe, particularly in the United Kingdom. eBay, for instance,

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AFTERMARKET BUSINESS WORLD (Digital ISSN 1938-0593) is published 12 times yearly by Advanstar Communications Inc., 131 W First St., Duluth MN 55802-2065. Subscription rates: digital only $65 for 1 year.

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> Dealers may use service aggregators to promote their services and draw more traffic.

draws a large number of vehicle enthusiasts.

Therefore, automakers with a historical presence in sports vehicles can find a dedicated platform to sell to these customer groups. It might also be helpful to support dealer engagement through marketplaces. However, OEMs must also be careful about protecting their brand equity and data while selling to these websites.

• **Target service aggregators:** Service aggregation, which essentially involves a third-party platform on which service shops can promote their repair facilities and capabilities, is still a nascent area. However, websites such as RepairPal and AutoMD have made strong progress in enabling many independent garages with a centralized tool to attract customers.

A service aggregation website essentially works like this: a customer looking for a repair job visits the website and then evaluates the different participating repair shops in his or her area through various metrics (cost of repair, number of bays, and so on) provided on the website. The potential customer is then able to request a live quote for the required service and select the one that best suits his or her needs.

While this kind of a website has primarily attracted independent garages, individual dealers may also use service aggregators to promote their services and in turn, draw more service traffic to their shops.

• **Create a unified web platform:** Many dealers in the U.S. now have dedicated web platforms – and in some cases, mobile apps – for parts and service purchases. However, the approach and strategy vary from dealer to dealer, leading to brand image fragmentation in the market.

To create a more homogenous parts purchase experience that aligns itself with the central brand, OEMs can explore the possibility of a unified web platform or toolkit for their dealers. General Motors has rolled out something similar for new car sales, in which participating dealers are able to create a homogenized web experience through an online toolkit provided by the OEM. A similar model can be applied to online parts and service sales.

• **Have a global web store with regional hubs:** As global parts e-retailing grows and

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OEMs weigh in on vehicle lightweighting: It's a solid trend

BY JAMES E. GUYETTE
News Correspondent

Tomatoes, old Coke bottles and tiny carbon fibers crafted on giant looms are just a few of the environmentally sustainable materials that OEMs are weaving into automotive production as they continue to invent lighter and stronger components while assisting in preserving the planet.

TRENDS & MARKET Analysis

Set to be completed by early next year and driven by clean hydroelectric power generated from the adjacent Columbia River, BMW and joint-venture partner SGL are embarking upon a $200-million expansion of their carbon fiber reinforced plastics (CFRP) plant in Moses Lake, Wash. Capacity will triple, making it the largest such facility in the world. A second CFRP factory is located at BMW's Innovation Park in the Bavarian town of Wackersdorf, Germany.

Local governments to work with Automechanika Shanghai

The 2014 edition of Automechanika Shanghai to be held Dec. 9-12, 2014 at the Shanghai New International Expo Centre in China has attracted local governments from Wenzhou and Ruian that want to transform the auto parts industry through their connection with the show.

The local governments aim to use Messe Frankfurt's industry resources to help them upgrade and transform the domestic auto parts industry. To highlight the international development of Wenzhou's and Shanghai's automobile and motorcycle parts industry, they will organize activities such as a press conference, matchmaking events for auto parts purchase and business collaboration, as well as sending ...CONTINUE READING

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> CFRP offers new opportunities in lightweight construction for an eco-friendly mobility.

"CFRP is a key material for the automotive industry of the 21st century," says Dr. Klaus Draeger, a board member of BMW's Purchasing and Supplier Network. "In our endeavor to identify increasingly lightweight materials in order to reduce a vehicle's weight and thus its fuel consumption and carbon emissions, this material plays a crucial role."

These products moving onto worldwide assembly lines consist of carbon fibers, carbon fiber fabrics and a non-woven complex.

Andreas Wüllner, who heads SGL's car-carbon division, describes how "the automotive industry will increasingly turn to CFRP because it is a material of the future." A single filament, prior to being bundled via an industrial loom, has a diameter equal to one-seventh of a human hair. Each bundle contains 50,000 individual fibers. Weighing in at 40 percent fewer pounds than aluminum and 60 percent lighter than steel, "Its properties also make entirely new vehicle designs possible," he says.

SGL CEO Dr. Jürgen Köhler explains that "in a mix of materials, CFRP offers new opportunities in lightweight construction for an eco-friendly mobility."

"Consumers today want better fuel efficiency, but they also want more technology and features in the car, which usually adds weight to the vehicle," notes Raj Nair, Ford's group vice president of global product development. "A focus on lightweighting will be fundamental to our industry for years to come, and we are investigating many advanced materials applications as possible solutions for weight reduction in our vehicles."

In June Ford unveiled its Multi-Material Lightweight Vehicle (MMLV) concept car that applies a variety of innovations to achieve a nearly 25 percent reduction in mass. Co-funded by the U.S. Department of Energy (DOE) with research and development provided by Magna International, the project highlights a new aluminum-intensive design that facilitates an extensive use of advanced lightweight and high-strength materials, resulting in environmental ...CONTINUE READING

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Sparked by better engines, diesels catching on among U.S. car buyers

BY JAMES E. GUYETTE
News Correspondent

Today's clean diesel technologies are steadily gaining purchasing horsepower among American automotive buyers in a trend that signals sales opportunities for aftermarket businesses serving this segment.

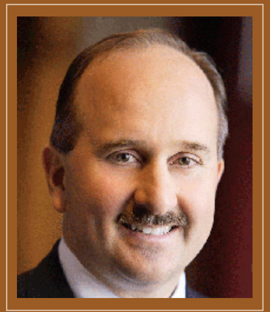
TRENDS & MARKET Analysis

"Diesel has been widely accepted all over the world for quite some time; the U.S. is catching up," says industry analyst Alan L. Baum of Baum and Associates.

Diesel car sales were up by 25 percent during the first six months of 2014 while the overall U.S. car market rose 4.2 percent, according to figures compiled by Baum in cooperation with the hybridcars.com green vehicle advocacy organization.

This half-year's diesel statistics highlight an ongoing pattern of heightened consecutive monthly sales. "June 2014 was the 43rd monthly increase in clean diesel sales in the past 47 months, with 31 of those months registering double-digit increases," says Baum. April's numbers were plus 60.4 percent, March came

Vendor Newsmaker
Q&A



ALLEN SCHAEFFER
Executive Director of the Diesel Technology Forum

Q Why are diesels more popular in some states than in others? Are there qualities in drivers that differ from state to state?

A What did Schaeffer say? Continue reading online.

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> Diesel cars and pickup trucks make up only 3 percent of the overall U.S. vehicle market.

in at plus 39.5 percent and May logged plus 26.8 percent.

The Diesel Technology Forum reports that U.S. sales of diesel cars, SUVs, vans and pickup trucks experienced a 30 percent boost from 2010 through 2013.

"Sustained and mostly double-digit increases in sales each month over a four-year period prove that U.S. consumers are embracing the benefits of clean diesel technology and its proven, high fuel efficiency, great driving performance and long-term value," says Allen Schaeffer, the Diesel Technology Forum's executive director.

"Diesel cars and SUVs are emerging in the U.S. market," he points out. "While diesels account for about 50 percent of all auto sales in Europe, diesels are a more modest 3 percent in the U.S. But clean diesel vehicles are poised to take off, as evidenced by the number of clean diesels being introduced in the U.S. market, and there will an estimated 60 diesel vehicles available by 2017. As a result, we could see the diesel market in the U.S. reach 10 percent by 2020," says Schaeffer.

"Diesel power can and must be part of our current and future national energy strategy. No other internal combustion engine in the world is as energy efficient as the diesel engine. Along with advancements in efficiency, and the ability to use renewable fuels, diesel fuel is particularly well-positioned for the future," he notes.

"The consistently positive sales trends for clean diesel are particularly noteworthy since they have occurred over a recessionary economic period when diesel fuel prices have trended upward, and consumers have many more fuel-efficient vehicle choices than ever before," says Schaeffer.

"Clean diesel technology is likely to continue to grow in the U.S. based on consumer acceptance of diesel as a clean and proven high-fuel economy choice," he says. "Diesels are about 30 percent more fuel-efficient than gasoline vehicles and do not require compromises in vehicle performance, driving patterns or vehicle utility."...CONTINUE READING

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NADA-commissioned report defends dealer franchise model

BY BRIAN ALBRIGHT
Correspondent

With Tesla founder Elon Musk challenging the traditional franchised dealership model in multiple states in order to expand his direct-to-consumer sales strategy, the National Automobile Dealers Association (NADA) and state dealer associations have been forced to defend the value of the franchise model. NADA has commissioned a study as part of its efforts to promote the model.

TRENDS & MARKET Analysis

According to the study, written by industry analyst Maryann Keller, managing partner at Maryann Keller & Associates, the franchised network model provides more price competition, a more efficient distribution network, and better aftermarket service.

"Franchised new-car dealers provide the best, most efficient and most cost-effective way to sell and distribute new cars in America, and we're proud of our businesses and business model," said NADA President Peter Welch. "NADA's efforts will set the record straight about the benefits of the dealer franchise network for

Dealer Newsmaker Q&A

PAUL GENTILINI
Owner, Gentilini Motors

Q What prompted the environmental initiative at the dealership?

A What did Gentilini say? Continue reading online.

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> The consolidated dealerships typically earned less than their privately owned counterparts.

consumers, manufacturers and local communities everywhere. New-car dealers provide the best and most efficient way to buy and sell cars for both consumers and manufacturers, despite the misinformation and misconceptions that have surfaced over the last several months."

According to the study, Auto Retailing: Why the Franchise System Works Best, the model benefits both manufacturers and consumers.

OEMs avoid the large capital expense of owning and running the dealerships. They reap a higher margin from manufacturing the vehicles, compared to the low margins from retail. They also bear no risk and little cost in the retail process.

Dealers also provide services that manufacturers would struggle with, including handling trade-ins, financing, interacting with state motor vehicle departments, test drives and document management.

"If you are going to sell cars to ordinary people, then you have to provide all of the services and functionality that they require," Keller says. "They are not going to wait six months to buy a car. Are you going to tell me that Americans are going to place an order and wait, and everybody has great credit and they won't have a trade-in? If that were the case, then maybe online purchasing and delivery would work. But Americans are diverse in their needs in terms of shopping for a car. The car will have to be fulfilled in the real world, and the real world requires all of these services like financing, and trade-ins, and service, and DMV paperwork that have to organized and performed."

Financing and trade-ins are one area that dealers have a unique specialization in, and that Tesla, given the high-end nature of its vehicles and the lack of a large number of used Teslas, hasn't had to face directly yet.

"Who is going to buy a used Tesla?" Keller says. "In the case of any other brand, it's the dealer. He will buy it because he knows he can sell it. But if you own a Tesla, who is your customer? What happens when a Tesla has a few hundred thousand miles on it? A dealer will

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Big data in the aftermarket

Data analytics and forecasting are the next frontiers of competition

BY BRIAN ALBRIGHT
Correspondent

Big data has arrived in the aftermarket, with the potential to improve supply chain operations from inventory forecasting to pricing.

TRENDS & MARKET Analysis

More and more companies in the aftermarket are using data analytics and big data tools to corral disparate data sets and transform the information into a more accurate forecast. A Gartner survey in 2012 found that 51 percent of companies said that forecast accuracy and demand variability were the top obstacles to achieving their supply chain goals. Lack of visibility across the supply chain was cited by 29 percent of respondents. Big data can help overcome those obstacles.

SNS Research estimates that big data investments will account for $30 billion in spending in 2014, and the market is expected to grow at a CAGR of 17 percent in the next six years. Big data refers to datasets whose size is beyond what traditional databases can store, manage and analyze. The term also encompasses analytical technologies used to crunch and utilize

Technology Newsmaker Q&A

MATT CHAPMAN
Director of Business Development, Fleetio

Q How would the Fleetio software tool work for a service provider? Can you use this with or without an OBDII device?

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> Big data refers to datasets whose size is beyond what databases can store, manage and analyze.

that data, and turn it into actionable business information. However, most companies don't leverage the bulk of the data they collect.

One vendor, PROS Holdings, provides big data software to help clients with sales effectiveness. TRW Aftermarket uses the solution with its own sales team, helping them to make tailored offerings and improved pricing strategies. PROS has worked with a number of retailers and distributors in the aftermarket, and Sean Duclaux, manager of industry and solutions marketing at PROS, says that growth is the key driver.

"New growth is paramount," Duclaux says. "You have cars and parts for existing customers, but how do you get new customers? How do you find where they are? Sales people typically aren't maximizing deals. They may be discounting too heavily, or not looking at ways to cross-sell or upsell."

The automotive aftermarket is no stranger to the concept of data analytics. A number of companies are leveraging vast amounts of internal and external data to improve forecasting.

Suppliers and distributors are using data warehousing tools to better manage and forecast inventory across the supply chain, leveraging vehicle registrations, sales data, and failure rate data to create geographic forecasts and stocking recommendations. But aftermarket companies are often starved for data on specific SKUs because no single location generates a high level of sales for a given part. That's required data pooling among supply chain partners.

In an effort to help jobbers match inventories to demand, companies have developed forecasting tools that also integrate regional knowledge and even search engine data. Use of these tools not only reduces unnecessary inventory, but also increases sales for specific SKUs.

That's the concept behind Goodyear Engineered Product's DataDrive Market Intelligence System and Delphi's Intelligent SKU Management solution. The Automotive Distribution Network (ADN) uses a tool called Network Intelligence ...CONTINUE READING

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A customer service LOOPHOLE

For most of us who run businesses, competition and customer's expectations necessitate great service. If you deal directly with customers you have had more than a few situations where you had to work with a customer who was behaving badly even though you would have preferred to strangle them. All of this in the name of protecting our reputation and encouraging repeat sales.

I would submit to you that there might be a portion of your business that is the antithesis of everything you are working for and you may not be aware of it. There may be employees of your business who believe that customers are guilty until proven innocent. For all the accommodation and customization you try to offer your customers, they are rigid and unhelpful. Worse yet they also tend to be hardest on your best customers. Have you called your accounting department lately?

I get it, the accounts receivable department is the motive power of any company. If you don't get paid to put up with those difficult customers, and the good ones, business will come to a screeching halt. The challenge is that sometimes great customers who pay their bills will get sideways with your accounting department over a transaction and in a single contact your relationship can be undermined, even if you step in and resolve it.

Let's look at an example of this. We had a large part that had a large core charge. We bought it close to the close of the month and to avoid having a large core charge on our statement we had the core ready and returned it as the new part arrived. Apparently the core did not get credited back to our account before the company closed the statements and it appeared on the bill. My Dad and bookkeeper made the decision to deduct the charge from the check they sent and note it to the recipient. Boy was that a mistake. After a few days the check arrived and fell into the hands of one of the company's bookkeepers – and the fun began.

The call began with a snotty, "I need to speak to the accounts payable department."

I replied, "We have a bookkeeper that comes in once a week. How can I help?"

"I'll need to speak to them…." Let me stop here because I think you can see where this will go and the last thing I want to do is have one of my prized vendors get the impression I am talking about them. This conversation is sadly the most common way accounting departments approach their customers.

I would suggest a better way to get information to solve

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DONNY SEYFER
Operations Manager
Seyfer Automotive, Inc.

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'VoTechAgra' AND POSSIBLE SIDE EFFECTS

"How can anyone say that vocational training is less important than traditional education?"

They say when facing an imminent, quick death, your life flashes before your eyes. My only response to this prophetic statement is "Not really." However, surviving such an event will result in a little clarity as to how things got to that point, and an opportunity to do things differently if you persevere.

A couple years ago, I wrote an article about the imminent death of our auto tech program at the vocational center. This article detailed how the program had degenerated to a glorified day care center.

All of my findings were presented to the staff and administration of the vocational center as well as the county superintendent and the county board of education members. All persons associated with the vocational center were in complete agreement that the issues discussed and the methods that were proposed to correct the situation needed implementation. However, the county administrators and board members were interested in neither the problems nor the solutions!

I had worked several months to help modernize our county's auto tech program only to learn the decision makers of our local education system were willing to let the program die.

Without quality students, the quality of the facility, staff and tools, we have a very slim chance of producing a quality potential candidate for hiring. Consequently, all of the other courses taught at the Vo-Tech were producing graduates with an equivalent, yet different skill set, with proficiency levels far below what entry level trade professions require. This was a slow death. Imminent or not, the outcome of death was a relative assurance.

For the next two years, many of my conversations with local county government officials regarding education in our community turned to a detailed analysis of my "expose" regarding trade-skills training at the Vo-Tech. It was like I had overdosed on "VoTechAgra." It lasted longer than the four hours of discussions I had officially attended regarding as such, and as prescribed, I was consulting with doctors (in education) for help in reducing my opposition of the vocational center's performance issues. "VoTechAgra," although an imaginary drug, surprisingly came with a long list of side effects. To my amazement, most of the side effects were good, because people started to listen.

Like all things, people change, the times change, and county and state officials who are elected or appointed change. My stance for providing an enhanced educational experience for vocational students got the attention of the new superintendent, the new board of education members, the new vocational center principal, and the new county commission members. My excitement was obvious, as I was invited to attended yet another board of education meeting. I was going to try to impress them this time.

During my presentation, all of the board members seemed enticed by my optimistic approach.

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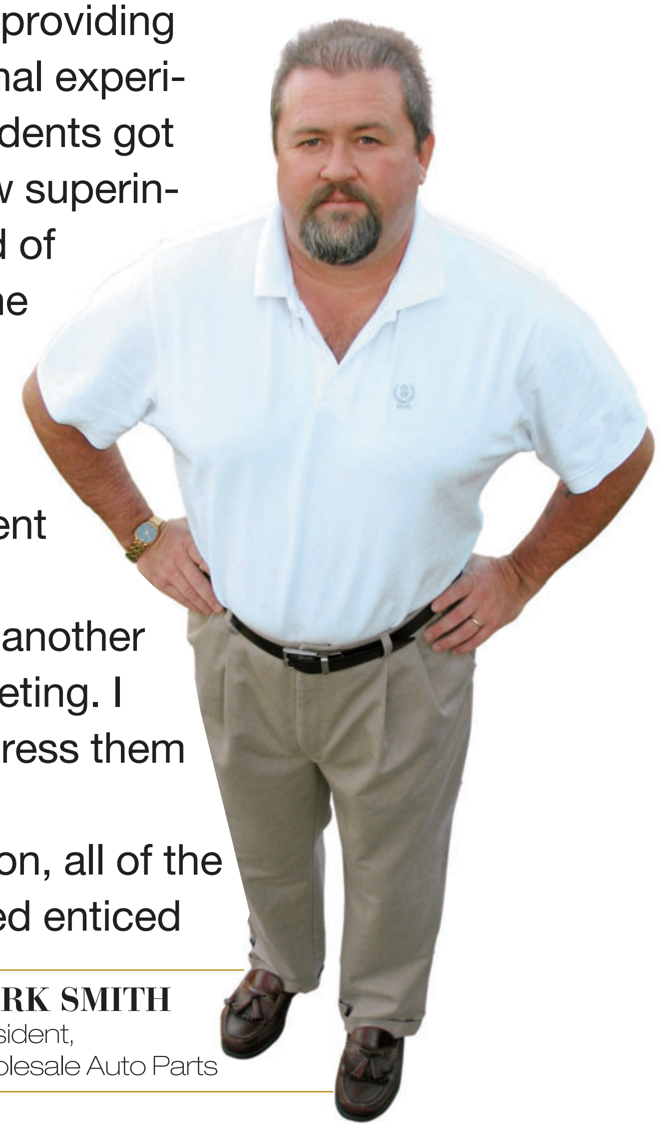

MARK SMITH
President,
Wholesale Auto Parts

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New truck efficiency, EMISSION STANDARDS ARE DUE

> "One can see the beginning of the impact on the aftermarket of these new standards."

The next round of fuel efficiency/greenhouse gas (GHG) emission standards for trucks moved to the top of the agenda of the federal government. The National Highway Traffic Safety Administration (NHTSA) announced in July it is starting to prepare an environmental impact statement (EIS) and a proposed Corporate Average Fuel Efficiency (CAFE) rule, which will be published simultaneously in March 2015.

NHTSA will be working with the Environmental Protection Agency, which handles the GHG side of the rulemaking. The final rule will appear in June 2016, and new CAFE mileage/GHG emission standards will be phased in beginning in model year 2018 for a broad range of trucks – from the 18-wheeler combination tractors to school and transit buses, to vocational vehicles such as utility service trucks, as well as the largest pickup trucks and vans.

One can already see the beginning edge of the impact on the aftermarket of these new standards. Take the announcement on July 14 by Cummins Inc. that it had developed a new ETHOS 2.8L engine for trucks, in partnership with the California Energy Commission (CEC). It reduces carbon dioxide (CO_2) emissions by as much as 80 percent compared with a baseline gasoline-powered medium-duty truck. One of the partners in the project was Valvoline, which provided NextGen® engine oils specifically designed for lower CO_2 emissions. The ETHOS 2.8L uses second-generation lignocellulosic-derived E-85. Although not in high-volume production today, cellulosic ethanol represents a promising production pathway for future fuels.

With regard to CAFE improvements, Cummins and Peterbilt Motors Co. have been working on a "SuperTruck," a tractor-trailer that has been part of a public-private partnership sponsored by the Department of Energy to promote innovation in the industry. The SuperTruck averaged a 75 percent increase in fuel economy, a 43 percent reduction in GHG emissions and an 86 percent gain in freight efficiency in 24-hour, head-to-head testing against a 2009 baseline truck.

The two agencies previously set CAFE/GHG standards for trucks for model years 2014 through 2018 (Phase 1). Those were announced in August 2011. The Phase 1 standards are expected to save vehicle owners and operators an estimated $50 billion in fuel costs over the lifetime of those vehicles while also reducing oil consumption by a projected 530 billion barrels and greenhouse gas pollution by approximately 270 million metric tons.

Now the agencies turn to Phase 2. Between now and March 2014, the two agencies will be sharpening their pencils, weeding through what promises to be an avalanche of advice from industry and environmentalists, and preparing a range of options, including a "preferred alternative" and a spectrum of reasonable alternatives, including a "no action" alternative. The preferred alternative would reflect what the agency

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STEPHEN BARLAS
Washington Correspondent

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Global business is good, THANKS TO REGIONAL GROWTH

> "Europe and Germany are recovering following a prolonged slump in car sales."

Business is good for global component suppliers due to strong growth in regional markets, according to a recent survey of members of the Overseas Automotive Council (OAC) of the Automotive Aftermarket Suppliers Association (AASA).

OAC board members were surveyed in late June regarding business conditions in global markets. Key highlights of the OAC "How's Business" report are featured here.

The Caribbean, Mexico, Central and South America: A variety of conditions exist across this diverse geographic region. Countries such as Mexico, Panama, Peru and Columbia are showing a vibrant business environment. Members are seeing "protectionism" trends in some countries, and political/economic policies in Argentina and Venezuela are stifling business.

Colombia: The re-election of President Juan Manuel Santos is expected to bring another four years of economic stability and growth.

Middle East: The high price of oil is driving strong economies and constant growth despite various shaky political situations. However, the region struggles against counterfeited products.

Australia and Southeast Asia: These regions are stable, but are becoming more complex for suppliers as each year the regional car parc expands with more global platforms – a boost for exports, but requiring more effort with international catalogs.

Europe and Germany: 2014 is showing some recovery following a prolonged slump in car sales. Suppliers in parts of Europe are also seeing more positive signs.

The full "How's Business" report was published in the July 16 issue of The Global Report, published monthly by AASA and OAC. To view the entire report, click here. The Global Report is one of the services that AASA and OAC provide to its supplier member companies to assist in expanding their global outreach. The Council organizes networking events at industry gatherings around the world to bring North American suppliers together with global customers. The annual OAC Global Reception coming on Tuesday, Nov. 4, is a networking event for suppliers and international customers during the Automotive Aftermarket Products Expo (AAPEX) in Las Vegas.

For more information about the OAC and its global outreach services, visit www.oac-intl.org or contact Curtis Draper at cdraper@aasa.mema.org.

Editor's note: Curtis Draper is vice president of industry analysis, programs and member services at AASA and executive director of AASA's` international aftermarket councils: the China Aftermarket Forum (CAF) and the OAC.

The CAF is a consortium of full-service suppliers that meet on a quarterly basis to discuss opportunities within the Chinese aftermarket and to

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CURTIS DRAPER
Vice President, Industry Analysis, Programs and Member Services, AASA

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IMPROVING SALES

TIRE DEALERS EXPECT STRONG PARTS SALES, GROSS MARGINS IN 2014

BY BRUCE ADAMS | Managing Editor

The vast majority of tire dealers said they expect to order about the same number of auto parts or more in 2014 as they did in 2013. They also expect their gross margins to hold steady or increase in 2014, according to the *Aftermarket Business World* Tire Dealer Product Study.

Exactly half of the respondents said they expect their parts orders to be about the same in 2014, while 47 percent said they expect to order more parts. Of that 47 percent, 20 percent said they expect to order an additional 1 percent to 5 percent, and 15 percent said they expect to order an additional 6 percent to 10 percent.

When it comes to expected 2014 gross margins on parts sales, 49 percent said they expect them to be about the same, while another 49 percent said they expect their 2014 gross margins to exceed their 2013 gross margins. Of those expecting an increase, 21 percent said they expect their parts margins to grow from 1 percent to 5 percent; while 12 percent said they expect them to increase from 6 percent to 10 percent.

When ordering auto parts, 39 percent of tire dealers prefer to buy from auto parts retailers, 30 percent from a warehouse distributor and 22 percent from a jobber.

Methodology: The *Aftermarket Business World* Tire Dealer Product study was fielded to readers of sister publication *Motor Age* who sell tires in the aftermarket. The study results are intended to show general market trends, not statistical certainties.

PHOTO COURTESY: THINKSTOCK

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Auxiliary Lighting

29% advertise the auxiliary lighting they sell through direct email to customers.

Preferred supplier

Warehouse distributor	29%
Auto parts retailer	33%
Jobber	21%

Reason for supplier preference

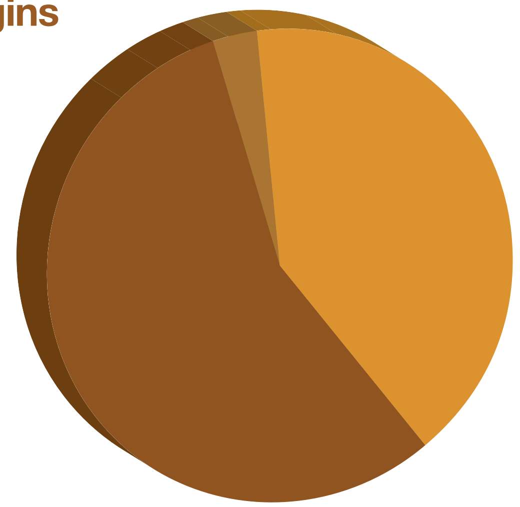
Long-standing relationship	28%
Offers quality product	21%
Availability	29%

Expected 2014 gross margins

41% To Increase

56% To Hold Steady

3% To Decrease

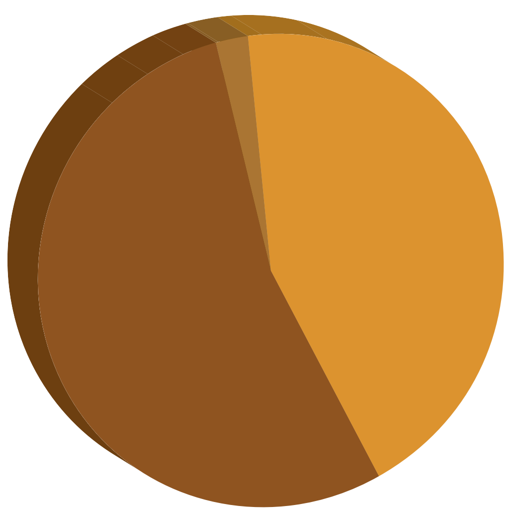


2014 ordering expectations

44% Increase

54% Hold Steady

2% Decrease



48% report that when customer maintenance/repair work is completed, it OCCASIONALLY leads to an auxiliary lighting sale through retail purchase or installation.

Most important product characteristics

OEM form, fit, function	23%
Price	9%
Quality	26%
Brand	2%

Sales tactics implemented

Bundle w/related products	48%
Unadvertised specials	25%
Provide training	17%
Price breaks for loyalty	37%

49%

DO NOT

offer a "good," "better" and "best" selection of auxiliary lighting products.

Tire Dealer Study
Auxiliary Lighting Philips
Battery Chargers Wirthco
Brakes Raybestos
Shocks & Struts Gabriel
Water Pumps GMB

Battery Chargers

24% advertise the battery chargers they sell through direct email to customers.

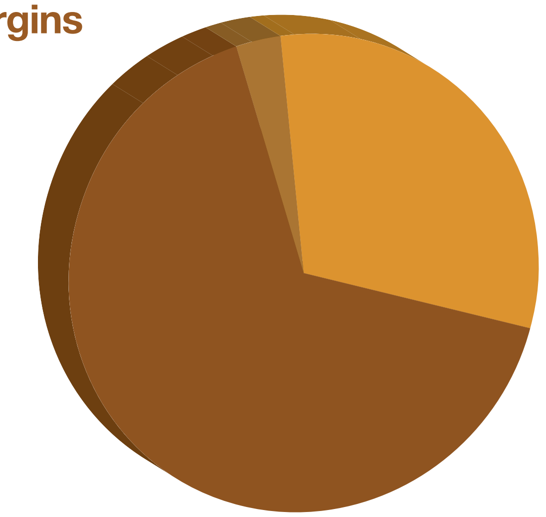
Preferred supplier

Warehouse distributor	39%
Auto parts retailer	24%
Jobber	14%

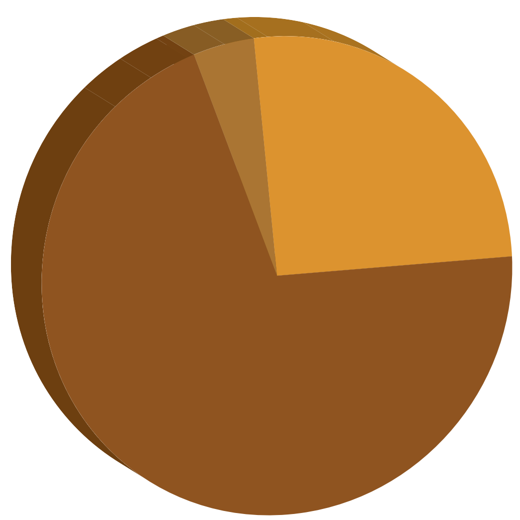
Reason for supplier preference

Long-standing relationship	29%
Offers quality product	23%
Availability	24%

Expected 2014 gross margins



2014 ordering expectations



42% report that when customer maintenance/repair work is completed, it RARELY leads to a battery charger sale through retail purchase.

Most important product characteristics

OEM form, fit, function	3%
Price	9%
Quality	36%
Brand	6%

Sales tactics implemented

Bundle w/related products	14%
Unadvertised specials	11%
Advertised specials	9%
Price breaks for loyalty	20%

52%

DO NOT

offer a "good," "better" and "best" selection of battery chargers.

Tire Dealer Study
Auxiliary Lighting Philips
Battery Chargers Wirthco
Brakes Raybestos
Shocks & Struts Gabriel
Water Pumps GMB

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Brakes

Preferred supplier

Warehouse distributor	31%
Auto parts retailer	39%
Jobber	18%

Reason for supplier preference

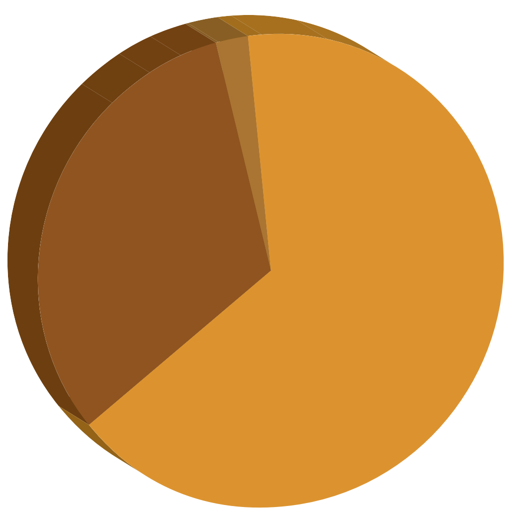
Long-standing relationship	29%
Offers quality product	31%
Availability	21%

2014 ordering expectations

66% Increase

32% Hold Steady

2% Decrease



68% report that when customer maintenance/repair work is completed, OCCASIONALLY it leads to a brake sale through retail purchase or installation.

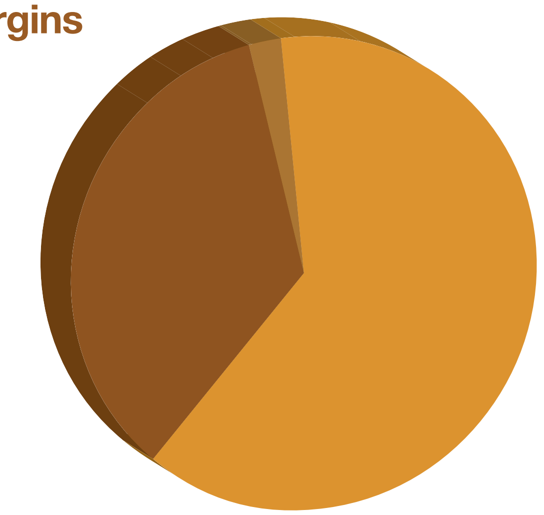
32% advertise the brakes they sell through direct email to customers.

Expected 2014 gross margins

63% To Increase

35% To Hold Steady

2% To Decrease



Most important product characteristics

OEM form, fit, function	18%
Price	6%
Quality	63%
Brand	6%

Sales tactics implemented

Bundle w/related products	44%
Unadvertised specials	26%
Advertised specials	34%
Price breaks for loyalty	48%

64%

DO

offer a "good," "better" and "best" selection of brakes.

Shocks & Struts

Preferred supplier

Warehouse distributor	27%
Auto parts retailer	41%
Jobber	24%

Reason for supplier preference

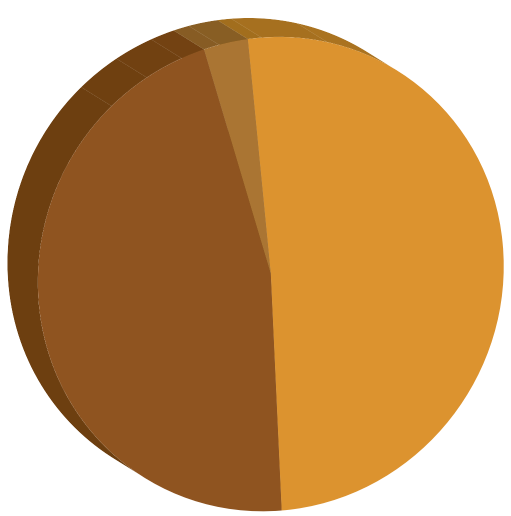
Long-standing relationship	29%
Offers quality product	22%
Availability	33%

2014 ordering expectations

51% Increase

46% Hold Steady

3% Decrease



66% report that when customer maintenance/repair work is completed, OCCASIONALLY it leads to a shocks & struts sale through retail purchase or installation.

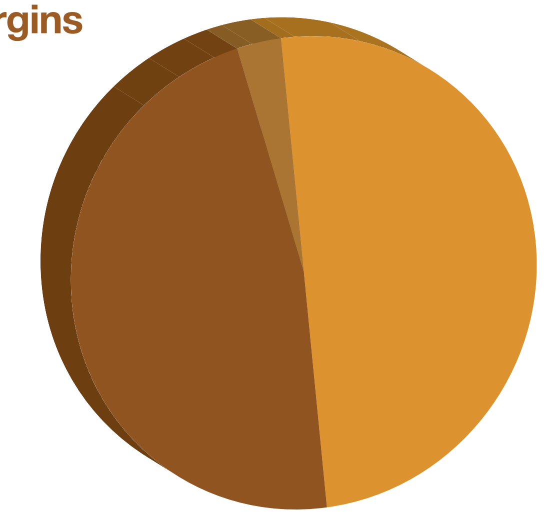
41% advertise the shocks & struts they sell through direct email to customers.

Expected 2014 gross margins

50% To Increase

47% To Hold Steady

3% To Decrease



Most important product characteristics

OEM form, fit, function	27%
Price	11%
Quality	40%
Brand	13%

Sales tactics implemented

Bundle w/related products	43%
Unadvertised specials	22%
Provide training	26%
Price breaks for loyalty	33%

61%

DO

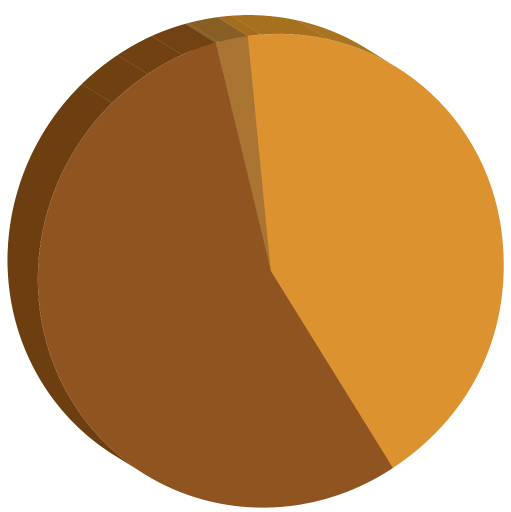
offer a "good," "better" and "best" selection of shocks & struts.

Water Pumps

Preferred supplier	
Warehouse distributor	26%
Auto parts retailer	43%
Jobber	23%

Reason for supplier preference	
Long-standing relationship	26%
Offers quality product	27%
Availability	24%

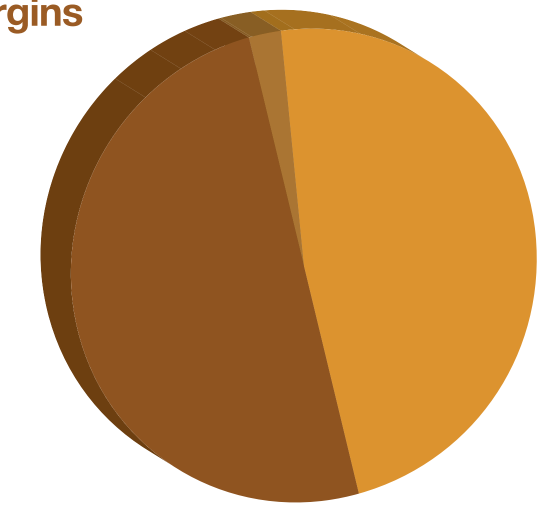
2014 ordering expectations



56% report that when customer maintenance/repair work is completed, OCCASIONALLY it leads to a water pump sale through retail purchase or installation.

30% advertise the water pumps they sell through direct email to customers.

Expected 2014 gross margins



Most important product characteristics	
OEM form, fit, function	16%
Warranty	10%
Quality	53%
Brand	11%

Sales tactics implemented	
Bundle w/related products	52%
Advertised specials	14%
Provide training	17%
Price breaks for loyalty	36%

73% DO NOT offer a "good," "better" and "best" selection of water pumps.

For immediate assistance in placing your Marketplace ad, please call Keith Havemann at: 310-857-7634. Send a fax: 310-943-1465 or e-mail: khavemann@advanstar.com

Manufacturers Representatives

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