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GERMANY:

A Challenging Aftermarket in all Respects

By **RICHARD MEZADURIAN** | Contributing Editor

When Karl Benz sold the first commercially available automobile in early 1888, the automotive industry was born. Along with it was birthed its fraternal twin, the automotive aftermarket industry.

While vehicles sales in the early years were measured in double digits, innovation and technological advancements were advancing rapidly. In August of 1888, Karl and his wife Bertha collaborated on the first improvements to their vehicle design, which included lining the brake shoes and developing gears so that the car could manage inclines. Granted, these were modest improvement, yet they were the foundations of the innovative engineering that aftermarket suppliers bring to vehicle technology today.

More than a century later, the auto industry has turned into a multi-trillion dollar global

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> The 'genuine' German brands of parts are much preferred by consumers there.

business. The global aftermarket alone represents nearly $1 trillion of annual sales. Not surprisingly, Germany's heritage in developing the industry endures today.

In 2014, seven of the top 20 global suppliers were based in Germany. Many of those companies are well known fixtures of the U.S. aftermarket as well. And all of them are considered the drivers of technical innovation within an industry that thrives on such.

Germany is the world's fourth largest economy with a nominal GDP of US$3.9 trillion. It is also the largest economy within the European Union. As such, the German economy is the bellwether of how things are going in Europe. After a deep recession, which saw the economy contract by 4 percent in 2009, economic growth has not rebounded quickly. Mainly, economic growth since 2010 has stagnated at less than 2 percent, and has even dipped into recession briefly in 2013.

The outlook for GDP growth in 2016 is targeted at less than 1.8 percent, and long-term estimates are for 2 percent growth by 2020. Germany's automotive industry is its largest industrial sector, and it has revenues of US$480 billion, according to U.S. Commerce Department estimates. The industry is keeping pace with the overall economy, and it is expected to grow at roughly 1.8 percent this year. There are also 780,000 people employed by the industry in Germany, and employment expected to grow at 2.5 percent year over year.

German attitudes towards automobiles closely parallel those in the U.S. They are a cultural phenomenon that is a core part of their zeitgeist. Young adults aspire to car ownership as a rite of passage. German consumers also bring that same quality of exacting standards and precision that they are known for to the car-buying experience. As such, Germans prefer to buy German cars. In 2014, 17 of the top 20 most popular cars sold in Germany were made either by VW, BMW or Mercedes Benz. But does that same preference extend to aftermarket purchasing decisions? In large part, the answer is yes. Local manufacturers seem to have an advantage.

"Germany is a very challenging market for outsiders to break into, even for big multinationals from ...CONTINUE READING

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India's OEMs push service plans in fragmented aftermarket

BY JAMES E. GUYETTE
News Correspondent

Automakers operating in India's volatile yet enticing new-car sales arena are aggressively upping their in-house after-sales programs in an effort to gain market share amid a hotly competitive OEM environment.

TRENDS & MARKET Analysis

A growing middle class and a trending younger, more affluent population are eager to cast aside bikes and scooters in favor of owning a car, but potential buyers continue to harbor concerns over the subcontinent's rough roads, far-flung population centers and a fragmented independent aftermarket.

"The appetite for cars in rural areas has grown tremendously in recent years, and already accounts for 30 percent of the total market," reports Credit Suisse researcher Jens Erik Gould. "As a result, it's crucial to have a far-reaching distribution network in the country to give rural buyers confidence that they can get needed repairs in a timely way."

High stakes are involved with India being the second most-populous country in the world; currently the globe's sixth-largest automotive marketplace, massive sales growth is in the offing. Indians bought some 2.7 million light vehi-

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Q&A
STEVEN MCAULEY
CEO
Paintshield Technology Corp.

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A What did McAuley say? Continue reading online.

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> Demand for routine parts will increase 10 times faster across India than in North America.

cles in 2010, compared with only 700,000 a decade earlier. "But they're just revving up the engine," Gould says, referring to forecasted sales of 11 million units by 2020.

Although India's current economic situation is experiencing fits and starts, and some auto manufacturers are implementing production cutbacks, confidence in the future remains high.

"India is poised to be the third-largest market in the world by 2020, and we continue to monitor its progress closely to ensure our expanding product portfolio fits regional needs," says Arun Malhotra, managing director at Nissan Motor India. "We will continue to invest and support the 'Make in India' initiative while catering to the domestic market and exploring more markets to augment our already strong exports numbers."

Nissan India's 10-point buyer insurance program is designed to provide "all the protection and peace of mind you need" with features such as "near-cashless accident repairs" throughout the dealer network plus a guarantee that only Nissan genuine parts will be installed in keeping with a "transparent, hassle-free and quick turnaround time."

Nearly 70 percent of Indian car buyers shift to local independent aftermarket service centers within two years of making their purchase, according to automotive and transportation principal consultant Avijit Ghosh at Frost & Sullivan. "Global automakers operating in India are looking to source parts locally in order to cut costs in a market dominated by cheap small cars, thus opening up new growth opportunities for part providers."

An annual growth rate of 12.4 percent in manufacturer-level parts revenue is expected to culminate in a $16.5 billion Indian aftermarket by 2021. Ghosh says demand for routine maintenance parts such as motor oil, wiper blades and brake pads will increase at least 10 times faster across India than in North America and Europe.

At present, however, the independent aftermarket is beset by a series of challenges that include a proliferation of counterfeit components amounting to 45 percent of the nation's aftermarket parts sales.

"The price-competitive unorganized sector – which does not ...CONTINUE READING

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E-retailing poised to automate, alter parts-purchasing processes

BY JAMES E. GUYETTE
News Correspondent

A convergence of bricks 'n' clicks will eventually be connecting with connected cars and the motorists inside them to ring up aftermarket sales as innovations in electronic commerce establish new avenues of e-retailing.

TRENDS & MARKET Analysis

"Some of this sounds futuristic," observes Stephen Spivey, describing the various marketing and technological developments that could become commonplace over the coming years.

"Based on the information your car gives you," ordering parts and facilitating repairs is expected to be accomplished directly through online communications, according to Spivey, who has prepared an extensive Strategic Insight report on tomorrow's aftermarket trends for Frost & Sullivan.

"I don't think the traditional distributor will ever go away," nor will the retail outlet become a relic of the past – but there certainly are some technical and merchandising changes coming down the pike. "The parts store of the future will feel more like an electronics store with a distinctly high-tech feel," says Spivey, program manager for Frost & Sullivan's North American

Vendor Newsmaker Q&A

JOHN GIORDANO
Owner and Vice President
Dial Machine Co.

Q What trends are you seeing within the North American parts industry regarding overseas vs. domestic manufacturing and sourcing?

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> By 2025 most markets will see a 10 percent to 15 percent e-commerce penetration.

Automotive & Transportation division.

Just as today's DIYers are increasingly shopping and placing orders via the Internet, the DIFM segment will be relying much more on an assortment of e-commerce offerings to get the right part to the right place at the right time.

E-retailing innovations continue to be released at a fast pace. "I don't think there are any clear winners at this point because they're all focused on different elements," Spivey said.

A key challenge for the industry "is figuring out how to evolve these platforms so they can provide the same service that bricks and mortar can provide. It's starting to take off, but the technology and logistics has not yet come together."

By 2025 most markets will see a 10 percent to 15 percent e-commerce penetration with a strong emphasis on building an "omnichannel experience." OEMs and suppliers are likely to use online platforms for direct selling to DIFM purveyors along with the existing DIY marketplace.

"In omnichannel retailing, parts-sellers offer customers the opportunity to purchase products online rather than at the store," he explains. "Retailers are adapting to the reality that they'll derive a greater share of their sales from online platforms in the future. In Frost & Sullivan surveys of vehicle owners, four in 10 say they at least look online before buying parts or scheduling service for their vehicles, and 9 percent actually purchase something for their vehicle off the Internet."

'Click and fit'

With tires amounting to 20 percent of aftermarket sales, Spivey goes on to note that "tire companies are emerging as industry leaders in omnichannel retailing with a 'click and fit' model that allows consumers to choose the tire online, pay for them, then drive to the local service center to have them installed."

For those who prefer perusing the aisles of an actual store, anticipated enhancements include self-serve kiosks and "virtual assistants" rather than human counterpeople to aid in picking out the correct battery or wiper blade.

"Technologies such as near-field communication tags can transfer information from the product sitting on the retail shelf directly to the

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Service key to online sales success

1A Auto Parts leverages homegrown tech, eBay Motors to succeed in e-commerce

BY BRIAN ALBRIGHT
Correspondent

Earlier this year, the Auto Care Association released its initial e-tailing report for the aftermarket, which found that online parts sales are growing at roughly five times the current projected total aftermarket growth rate of 3.5 percent, and that the e-tailing market was set to double in size by 2018. Online-only parts suppliers such as 1A Auto have benefited from that increased interest.

TRENDS & MARKET Analysis

1A Auto, based in Pepperell, Mass., is a family-owned online parts business that launched in the late 1990s. The company is expanding thanks to the growth of online auto parts sales. Earlier this year, the company outlined plans to expand into additional facilities in Pepperell (adding another 150 jobs to its current local workforce of 95). Two years ago, the company expanded its Kansas City distribution center into a new 190,000-square-foot facility.

Technology Newsmaker Q&A

TOM HENNER
CFO
Arch Auto Parts

Q: How has the switch to a VoiP phone system and the new point-of-sale system helped you?

A: What did Henner say? Continue reading online.

Read full interview

1A was built from the ground up as an online parts retailer, and Pasha Gavrichev, director of business development at 1A, says the company took advantage of flexible, open-source technology to develop its own homegrown e-commerce systems early on. The company also

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> Online parts sales are growing at five times the total aftermarket growth rate of 3.5 percent.

began working with eBay in 1999, before eBay Motors even existed as an entity.

"eBay has a developers program and a pretty well-documented application program interface (API) that allows you to integrate it with your systems," Gavrichev says. "We opted for a customer integration to eBay Motors, and we have a team that stays on top of all of the changes to the platform and how that is reflected in the API, and any new functionality that becomes available."

eBay Motors is the only marketplace that 1A uses. "By focusing on eBay, we have time to spend working with them closely," says Brian Pickard, channel manager at 1A. "The biggest benefit of working with them is that they don't compete with you. They aren't taking customers away from us, and that's the largest reason why we've chosen to continue to work with them. It's a pure marketplace."

eBay Motors recently partnered with Assurant Solutions to provide additional extended service contracts and warranty protection for new and used auto parts and tools. Pickard says that the eBay Motors fitment and parts compatibility tools have also been beneficial.

"It's much easier for consumers to find what they need with the fitment catalog," Pickard says. "They are constantly raising the bar on quality, and that aligns well with what we are looking for."

Custom solutions

In the early 2000s, 1A decided to move away from the e-commerce partner it had originally used. "The level of service and quality of product wasn't there," Gavrichev says. "There were a number of challenges that were preventing us from growing as fast as we wanted to grow. We invested in an in-house development team that built us what we wanted. We couldn't get that through our partner at the time."

That's why the company opted for a custom integration with eBay Motors. The company runs its own homegrown business systems (although its ERP software comes from a third party), which Gavrichev says takes a

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Advocates of highway bill say safety measures are lacking

BY BRIAN ALBRIGHT
Correspondent

As both Chrysler Fiat and General Motors received record fines for violating federal safety laws related to vehicle recalls, the U.S. Congress wrangled over safety-related language in a proposed comprehensive transportation bill.

TRENDS & MARKET Analysis

During the summer, the National Highway Traffic Safety Administration (NHTSA) announced it imposed an unprecedented $105 million civil penalty for Fiat Chrysler's three violations of federal safety laws. In September, GM announced it would pay a $900 million fine to settle a federal criminal probe into its failure to recall vehicles equipped with defective ignition switches – a flaw that led to hundreds of deaths and injuries, and prompted one of the largest vehicle recalls in history.

GM executives in that case will avoid potential criminal charges, the type of charges that are at the heart of a dispute over several amendments to the proposed highway bill.

It's been 10 years since Congress passed a comprehensive highway bill, and as the current authorization for the Highway Trust Fund was set to run out Oct. 29, legislators looked no

Dealer Newsmaker Q&A

MICHAEL SACHS
Partner
Carlisle & Company

Q What are the general trends when it comes to technician staffing levels among dealerships?

A What did Sachs say? Continue reading online.

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> The Senate bill language doubled the maximum fines for delayed auto recalls to $70 million.

closer to passing more than a short-term, stop-gap measure. In July, the Senate passed its version of the bill, the DRIVE Act, minus several provisions that would have imposed criminal penalties on auto executives, boosted fines, and prevented dealerships from selling vehicles with open recall notices.

Those changes irked safety advocates, even as it looked unlikely that the House would move forward with the legislation.

"Consumers expect that when there is a major safety problem, their political leaders will be on their side to address it and mitigate risk," said Jack Gillis, director of public affairs for the Consumer Federation of America. "The Senate bill gets a failing grade for protecting corporate misbehavior and malfeasance over consumer safety. The bill requires rental car companies to repair vehicles under recall for defects but not families who buy from a used car dealer. Nearly three out of four car buyers purchase a used vehicle and the Senate did not close a loophole that allows used car dealers to sell unrepaired recalled vehicles. This is unacceptable and offers second rate safety protections to the millions of consumers who choose to buy, or can only afford, a second hand car."

The Senate's six-year, $47 billion funding bill included language that doubled the maximum fines for delayed auto recalls to $70 million (up from $35 million). The bill also prohibits the rental of vehicles under recall, and incentivizes crash avoidance technology by requiring that crash avoidance information be indicated on new car stickers

The bill calls for NHTSA to improve the www.safercar.gov website and the consumer complaint filing processes. Dealers will be required to inform consumers of open recalls during service appointments. The bill would also create a state pilot grant to inform consumers about open recalls.

The Obama administration had suggested upping the cap on fines to $300 million per delayed recall, while others had called for the complete removal of caps.

The increased fines were, in part, a response to the foot-dragging by much-maligned airbag manufacturer Takata Corp. over the past several years. In June, another defective Takata airbag was discovered in a 2015 Volkswagen Tiguan, prompting an additional federal investigation. The GM and Fiat Chrysler cases also informed debate.

In the case of Fiat Chrysler, NHTSA found problems with the company's execution of 23 vehicle safety recalls covering more than 11 million defective vehicles. Fiat Chrysler has since admitted to violating the Safety Act in three areas: effective and timely recall remedies, notification to vehicle owners and dealers, and notifications to NHTSA.

"Today's action holds Fiat Chrysler accountable for its past failures, pushes them to get unsafe vehicles repaired or off the roads and takes concrete steps to keep Americans safer going forward," said Secretary of Transportation Anthony Foxx. "This civil penalty puts manufacturers on notice that the department will act when they do not take their obligations to repair safety defects seriously."

The Senate bill originally included several amendments that were much tougher on automakers and dealers. Automotive trade associations opposed an amendment sponsored by Senator Richard Blumenthal (D-Conn.) that would impose criminal penalties on auto executives if recall delays resulted in any deaths.

The National Automobile Dealers Association (NADA) led a drive to strike another Blumenthal amendment that would have prohibited dealers from selling or leasing a vehicle until a defect was remedied because the measure didn't distinguish between critical safety recalls and recalls for minor issues. ...CONTINUE READING

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Meeting ozone standards is an AFTERMARKET CHALLENGE

Last summer you may have noticed – if you live in a large city – big prop planes flying overhead at a fairly low level. Many of those were collecting air samples to determine levels of ground level ozone in air.

The EPA was doing a study and in December of last year they published an extensive report on their findings and their recommendations. I am going to give you a high level view, but if you need some reading to help you sleep you can find the study here.

Ozone is naturally occurring high in our atmosphere and helps to protect living things on Earth from the sun's harmful rays. When ozone forms at ground level it makes it more difficult to breathe and also causes eye irritation.

Despite reducing the levels of ozone in most areas nationwide, there are a number of non-attainment areas in this country. This is caused because there are more cars on the road than ever and we tend to drive more miles and idle more often.

The EPA is proposing that the parts per million of low level ozone standard be dropped from its current level to somewhere between 60-70ppm, with 65 seemingly the target. My friends in Washington D.C. say we can expect a final ruling on ozone levels in November. If you want to know more about ozone click here.

Once you make such a rule how do you actually get it to result in a reduction of ozone? First, you have to identify the means of reduction and that is the reason for writing this column; to let you know what is almost certainly on its way.

The key players in creating ground level ozone are hydrocarbons (fuels in their unburned state), nitrogen oxide (NOx), which is a byproduct of high combustion system temperatures where a molecule of nitrogen (78 percent of our atmosphere) and a molecule of oxygen (20 percent of our atmosphere) get stuck together and instead of being inert they become nasty. The final component is sunlight. As these gases rise in the air the sun causes them to create ozone, which drops back down to ground level.

Driving cars and filling them with fuel are the major contributors to these two gasses. Interestingly, enough studies have shown that only about 10 percent of all the cars are "super polluters," but the challenge has been to identify them.

Now we get down to the policy issue. There are many places around the country that have emissions programs. But if this standard changes it is the belief of those of us who have

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DONNY SEYFER
Operations Manager
Seyfer Automotive, Inc.

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Congress, NHTSA ready moves ON V2V COMMUNICATIONS

> The rule will dictate when OEMs will have to include what V2V equipment in new cars.

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Congress returned from its August recess with at least two Senate bills with aftermarket components awaiting further action. One of those bills deals with highway transportation, the other with energy.

In each case the aftermarket-impact provisions are a small part of each big bill. That said, the two sections in either bill have some parallel provisions, primarily in the area of the hot topic of vehicle-to-vehicle (V2V) communications.

But V2V communication policy will be coming to the fore in Washington regardless of whether either of the two Senate bills pass Congress. That's because the National Highway Transportation Safety Administration (NHTSA) announced in May that it was moving up the timetable for issuance of its awaited proposed rule on V2V. That proposed rule, once finalized, will dictate when OEMs will have to include what V2V equipment in new cars.

NHTSA will finish its work before the end of the year, and send it on to the White House Office of Management and Budget (OMB) for approval. The OMB is notorious for taking its time. But one aftermarket executive who does not wish to be identified notes that Transportation Secretary Anthony Foxx and NHTSA Administrator Mark Rosekind "are pretty motivated" to get the proposed rule on the street since they may not be around come January 2017 when President Obama leaves office. Getting a V2V rule finalized is important to both their legacies.

Rosekind gave a speech on July 21 in which he said, "...moving up our timetable is an unmistakable statement of our commitment to V2V." The agency released an advance notice of proposed rulemaking in August 2014 taking a first step on the road to a new Federal Motor Vehicle Safety Standard (FMVSS), No. 150, which would create minimum performance requirements for V2V devices and messages.

There are a number of companies already making and selling aftermarket V2V products. Aftermarket penetration will be important as a way of rapidly expanding the base of technology, as OEMs bring their products to market, so that credible research can be done as to costs and benefits of the technology.

"To assure the successful roll-out of V2V in the field, the V2V systems provided by OEMs and aftermarket manufacturers must be compatible, secure and provide the necessary basic information," says Brian Latouf, director, global vehicle safety, General Motors.

The House also is anxious to put its imprint on any NHTSA rulemaking. The House Energy & Commerce Committee has held a number of hearings on the topic. Rep. Michael Burgess, chairman of the committee's Subcommittee on Commerce, Manufacturing, and Trade, says his subcommittee is focusing on what NHTSA needs to do to bring the technology safely into the marketplace. "We must make sure the technology is ready and the implementation is done right," he states.

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STEPHEN BARLAS
Washington Correspondent

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Time for telematics, CONNECTED CARS IS NOW

> The aftermarket industry cannot rely upon the kindness of the OE channel for its livelihood.

I recently attended a presentation by Dr. Egil Juliussen PhD, research director and principal analyst at IHS Automotive. The good doctor rattled off every acronym known to science and technology in describing the rate of deployment of those technologies that will communicate with and eventually drive our vehicles. The sentiment in the room was, "if this guy is half right, we're in for a wild ride."

Vehicle connectivity and telematics is getting a lot of attention these days – and rightly so. Hardly a day goes by without a story involving autonomous driving, vehicle hacking, privacy concerns, traffic mitigation and more. A major take away from Dr. Juliussen was the rate at which these technologies are becoming mainstream.

Small-scale deployments of self-driving cars will begin by the end of the decade – this decade. Testing is, of course, already underway. And, volume deployments will be underway by 2025. Recently, NHTSA announced that 10 leading car companies would make automatic braking systems standard equipment on all of their vehicles (no deadline specified). The systems and technologies required for vehicles to safely navigate our chaotic roads are being deployed at exponential rates. Highway fatalities fell 25 percent over the last decade thanks to safety improvements and accident avoidance technologies. That number can't fall fast enough, frankly.

But, at several points in the presentation, Dr. Juliussen addressed wireless communication with the vehicles and the growing number of applications and services that will be available. Consumers are increasingly demanding connected services in their cars – everything from navigation and traffic avoidance to infotainment and web apps. Vehicle manufacturers are tripping over themselves trying to incorporate the features that will sell cars in an age when horsepower and gas consumption is no longer king.

Not surprisingly, the same technology that can deliver your Pandora channel can be used to communicate with the vehicle manufacturers or their dealer networks. Over-the-air software and firmware updates are not far down the road. And, insurance companies are already pulling usage and driving behavior data from vehicles in exchange for the possibility of lower rates.

Here's where it starts to get concerning. Vehicle manufacturers would find tremendous value in remote, wireless diagnostics and odometer readings. If car companies know the miles driven and presence of any diagnostic trouble codes, they can proactively market services to the vehicle owner with unprecedented precision. If left unchecked, the new car dealer could be servicing an increasing number of computer controlled and monitored systems, leaving aftermarket service providers to work on the dirty parts. I can hear it now, "Why did you take the Lexus back to the expensive dealer, honey?" "Because it told me to," she answers.

Recognizing the challenges posed by the connected car and remote diagnostics is not something new. The Auto Care Association published a Telematics Primer authored by Derek Kaufman in 2008. Awareness has been growing of the disruptive effects of building in customer relationship management at the factory. Aftermarket telematics solutions are available today and the association, together with the Equipment and Tool Institute (ETI), is promoting

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SCOTT LUCKETT
VP, Industry Strategy
GCommerce Inc.

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Aftermarket growth due in AFRICA, LATIN AMERICA, MIDDLE EAST

> OAC members cited proliferation of low-price, low-quality parts in the global marketplace.

Africa, Latin America and the Middle East are growth areas for the global automotive aftermarket, according to members of the Overseas Automotive Council (OAC) of the Automotive Aftermarket Suppliers Association (AASA).

Each quarter, the OAC surveys its North American supplier members about worldwide business conditions. These surveys reflect OAC members' unique viewpoints and their observations from their specific business perspective.

In the most recent survey, OAC members report experiencing steady growth in African markets. "South Africa is new growth opportunity for us," one member noted.

Peru, Bolivia and Colombia continue to strengthen, according to OAC members. "Mexico, South and Central America are opportunities for growth, due to older vehicle age and repair history," a member commented.

OAC members also reported a pick-up in business pace in the Middle East, with the potential for more diagnostic equipment sales with training programs. One member stated, "The Middle East market is good, even considering the price pressures due to low-cost Asian brands in the market."

Respondents reported that overall business conditions in the global aftermarket are good. Some survey participants noted the dampening effect of the strong U.S. dollar and lower oil prices on exports.

As one respondent said, "Europe and parts of Asia Pacific remain soft. Strong dollar continues to have negative impact on export sales." Another member commented, "We are selling more in the U.S. to compensate for decreases in exports."

OAC members also cited the proliferation of low-price, low-quality parts and counterfeit components in the global marketplace. One member commented that counterfeit and low-quality products are "coming out of the woodwork."

The OAC strives to be the premier international community for all North American manufacturers and exporters, and all international importers, distributors and agents who participate in the automotive aftermarket. For more information about the OAC, AASA and its global outreach services, visit www.oac-intl.org.

Editor's note: *Ben Brucato is the director of membership and sponsorship of the Automotive Aftermarket Suppliers Association (AASA) and executive director of the AASA Overseas Automotive Council (OAC).*

The OAC promotes the sale in foreign markets of automotive and heavy-duty products manufactured in North America. Those products include components, accessories, chemicals, hand and power tools, service maintenance and repair equipment, and paint and body supplies for both cars and trucks. OAC has more than 350 members in more than 40 countries.

AASA exclusively serves manufacturers of aftermarket components, tools and equipment, and related products, which support 710,000 employees in the United States. AASA is the light vehicle aftermarket division of the Motor & Equipment Manufacturers Association (MEMA). ▫

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SURVEY EXAMINES AUTO PARTS BUYING HABITS, EXPERIENCES OF HISPANICS

By **BRUCE ADAMS** | Managing Editor

Positive recommendations appear to be the most important influencer of auto parts buying habits in the Hispanic community, according to the *Aftermarket Business World* Hispanic Consumer Attitude Survey.

Recommendation was the most often selected reason when survey takers were asked for the top five reasons they purchased a particular type of product. Other important reasons consumers purchased certain products included brand name, lowest price and performance claim/warranty. Reasons that were far less motivating in driving auto parts purchases were in-store display/packaging, coupon or rebate available, and environmental concerns.

Although the lowest price reason was usually in the mid-range of the answers selected above, the majority of respondents said they do compare prices when shopping for auto parts or products. Respondents saying they compare prices when shopping ranged from a high of 82 percent for those buying battery chargers, to a low of 46 percent for those purchasing auxiliary lighting.

Hispanic consumers favored auto chains for their purchasing location by a wide margin in all three product categories. Independent auto stores and discount stores finished a very distant second and third as the primary purchase location.

Methodology: The Hispanic Consumer Attitude Study was fielded via email. Survey results are intended to show general market trends. The survey has a +/- 2.1 percent margin of error at the 95 percent confidence level.

PHOTO COURTESY: THINKSTOCK

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Auxiliary Lighting

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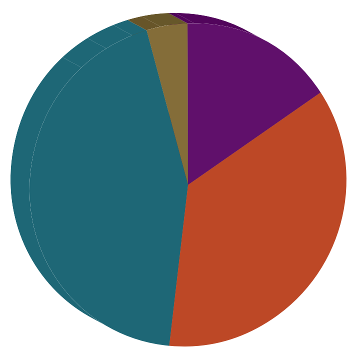
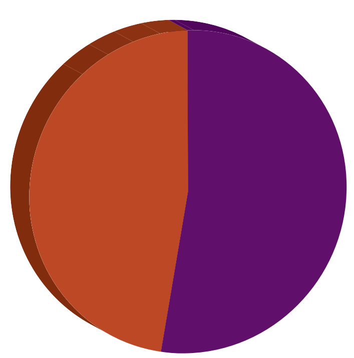
Customer service at purchase location:



Outstanding	16%	Poor	4%
Great	36%	Terrible	0%
Good	44%	Didn't receive	0%

Likelihood of returning to purchase location:



Highly likely	53%	Somewhat unlikely	0%
Likely	47%	Not at all likely	0%
Somewhat likely	0%		

46% of consumers compared prices when shopping for this product.

52% of consumers personally installed the product they purchased.

Primary purchase intent:

Replace damaged lighting	52%
Upgrade lighting	25%
For a custom application	18%
Other	5%

The top five advertising channels:

Saw/heard no ads	26%
Television	9%
Newspaper	46%
Direct mail	14%
Magazine	13%

Primary purchase location:

Auto chain	48%
Discount store	16%
Independent auto store	10%
Independent repair shop	12%
Dealership	5%
*Includes DIY and DIFM purchases	

BUYING HABITS

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

Brand name	17%
Lowest price	29%
Performance claim/warranty	15%
Recommendation	23%
In-store display/packaging	15%

Likelihood to repurchase product based on performance:

Highly likely	60%
Likely	27%
Somewhat likely	10%
Somewhat unlikely/not at all likely	3%

Vehicle age:

< 1 year	7%
2-5 years	35%
6-9 years	27%
10+ years	31%

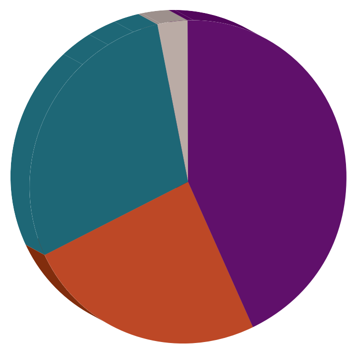
Other work done:

None	25%
Oil change	34%
Tune up	22%
Collision/body repair	25%
Tire rotation/replacement	19%
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.

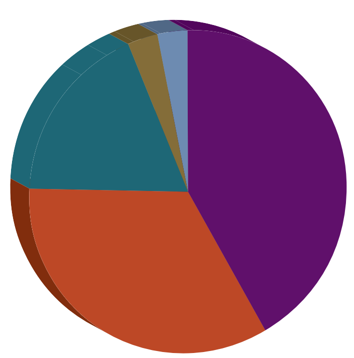
Battery Chargers

Customer service at purchase location:



Outstanding	44%	Poor	0%
Great	25%	Terrible	0%
Good	29%	Didn't receive	2%

Likelihood of returning to purchase location:



Highly likely	42%	Somewhat unlikely	3%
Likely	34%	Not at all likely	3%
Somewhat likely	18%		

82% of consumers compared prices when shopping for this product.

53% of consumers personally used the product they purchased.

Primary purchase intent:

Battery was dead	45%
In case battery gets low	19%
Battery charge seemed low	31%
To improve performance	5%

The top five advertising channels:

Radio	12%
Television	26%
Newspaper	28%
Direct mail	20%
Magazine	16%

Primary purchase location:

Auto chain	46%
Discount store	25%
Independent auto store	5%
Online/Internet	6%
Department store	5%
Independent repair shop	5%

BUYING HABITS

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

Brand name	25%
Lowest price	15%
Performance claim/warranty	15%
Recommendation	25%
In-store display/packaging	12%

Likelihood to repurchase product based on performance:

Highly likely	60%
Likely	24%
Somewhat likely	15%
Somewhat unlikely/not at all likely	1%

Vehicle age:

< 1 year	11%
2-5 years	14%
6-9 years	57%
10+ years	18%

Other work done:

None	25%
Oil change	48%
Checked/filled washer fluid	26%
Checked filters	28%
Checked other fluids	25%
Checked belts and hoses	15%

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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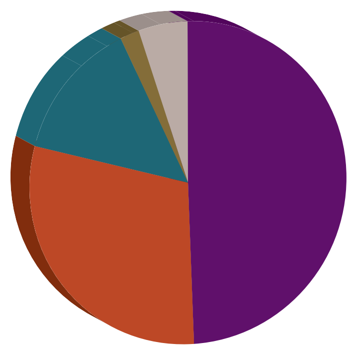
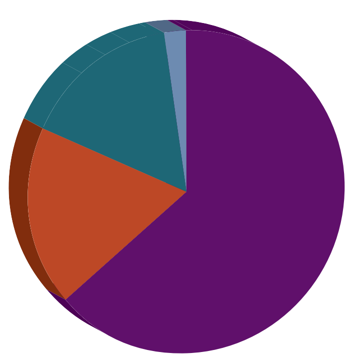
Water Pumps

Customer service at purchase location:



Outstanding	50%	Poor	2%
Great	30%	Terrible	0%
Good	14%	Didn't receive	4%

Likelihood of returning to purchase location:



Highly likely	64%	Somewhat unlikely	0%
Likely	18%	Not at all likely	2%
Somewhat likely	16%		

70% of consumers compared prices when shopping for this product.

36% of consumers personally installed the product they purchased.

Primary purchase intent:

Water pump leaking	43%
Regular maintenance	32%
Water pump belt needs replaced	18%
Water pump pulleys were loose	5%

The top five advertising channels:

Magazine	21%
Television	29%
Newspaper	15%
Direct mail	24%
Internet/email	30%

Purchasing locations:

Auto chain	50%
Discount store	10%
Independent auto store	13%
Other	6%
Dealership	10%
Independent repair shop	6%

BUYING HABITS

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

Brand name	13%
Lowest price	17%
Performance claim/warranty	23%
Recommendation	25%
Other	5%

Likelihood to repurchase product based on performance:

Highly likely	50%
Likely	29%
Somewhat likely	17%
Somewhat unlikely/not at all likely	4%

Vehicle age:

< 1 year	6%
2-5 years	38%
6-9 years	18%
10+ years	39%

Other work done:

None	25%
Thermostat repair/replacement	25%
Cooling system flush	31%
Cooling system hose repair	13%
Belts/hose replaced	14%
Check other fluids	19%

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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