





Supplier Image

- A component of AASA's mission is to promote and enhance supplier image
- Marketing Executives Council formed in 2006 with this as the primary objective
- The MEC is comprised of the top marketing executives from over 40 of the leading AASA member companies



Supplier Image

- The MEC developed a list of value-added or “essential” services which differentiate AASA full-service suppliers from generic, short-line and/or value-line suppliers
- While the degree of excellence for these essential services may vary among AASA members, they are offered by all and define a full-service supplier



Standards of Excellence

Essential Services supplied by AASA full-service suppliers include:

1. Sales representation
2. Local availability
3. Marketing programs
4. Application cataloging
5. Product specifications
6. Quality control
7. Product liability
8. IP protection
9. Tech support / training
10. Category management



Standards of Excellence

- Essential Services are supplied to channel partners at no cost, yet come at great expense to full-service suppliers
- Channel partners have come to expect these services and are not always considered in the buying decision
- Direct importing, value lines and private label have taken valuable market share away from the full-service supplier



Validation

- The MEC focused on the buying influences of the repair professional
- Existing market research:
 - Automotive Service Association (ASA)
 - Babcox Publishing Tech Group
- New market research:
 - Focus group study



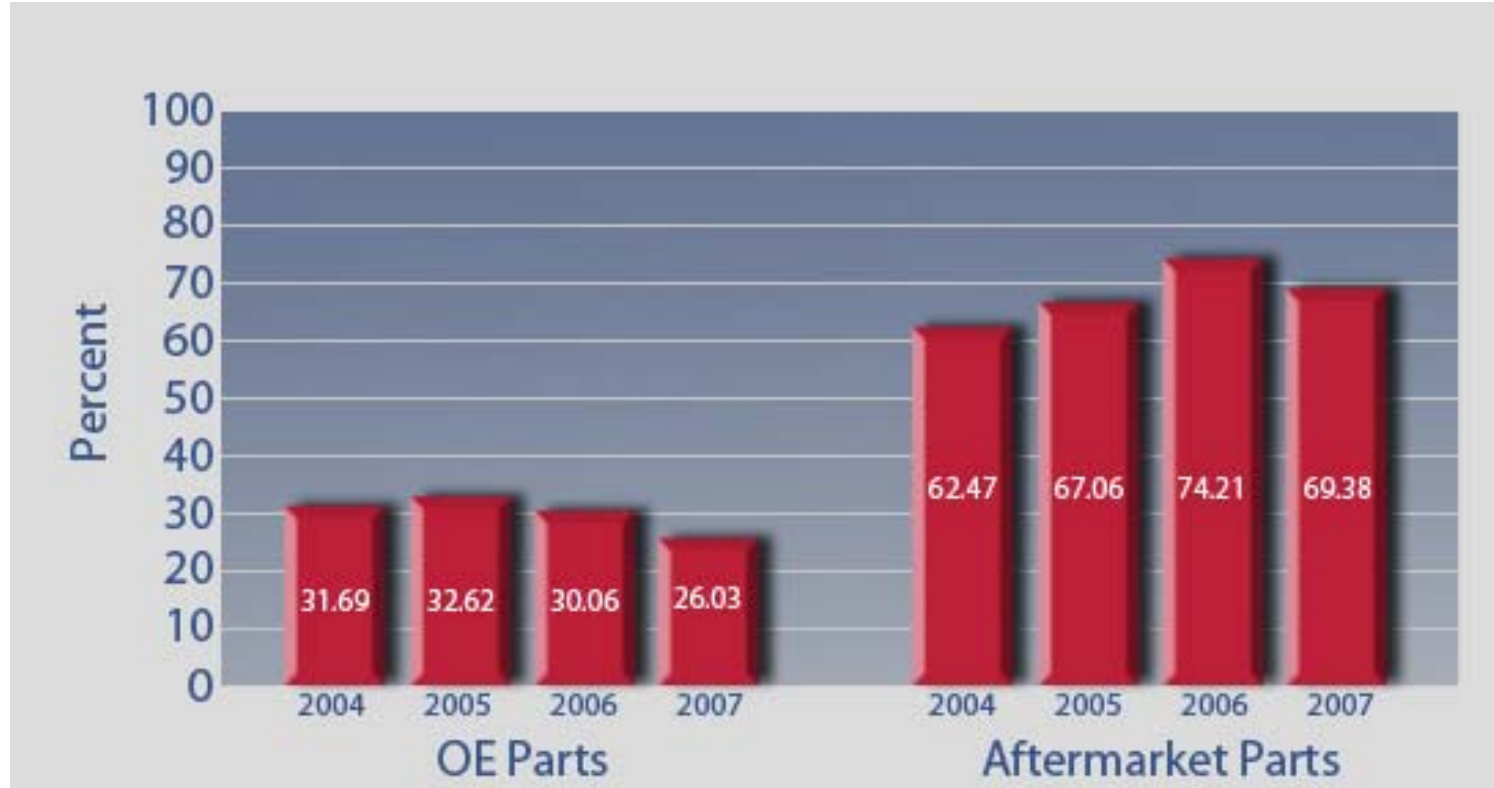
ASA Member Surveys

- The study examined the use of OE-purchased parts vs. aftermarket-purchased parts as well as country of origin preferences
- This study revealed that service providers want more information about “what’s in the box” (i.e., country of origin, specifications, certifications, labeling, etc.)



ASA Member Surveys

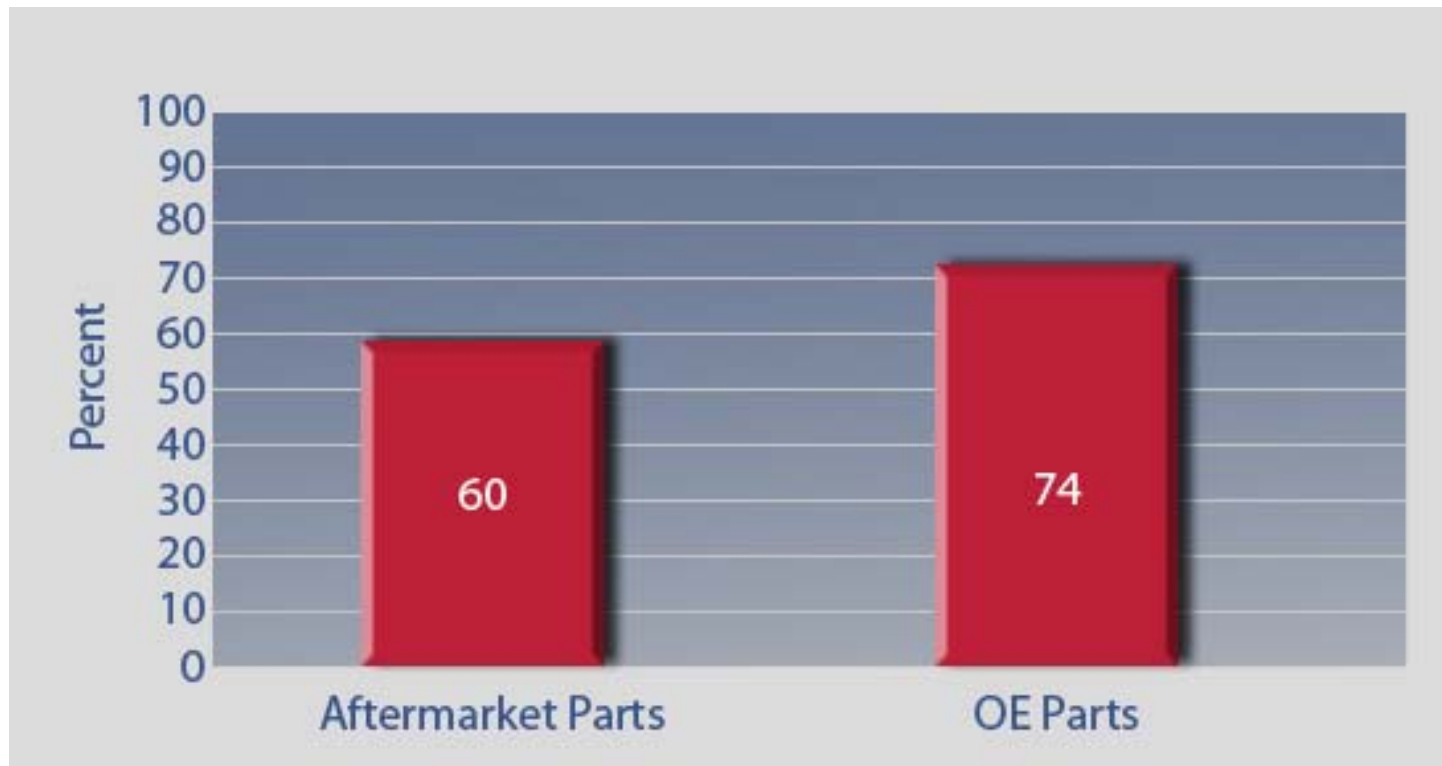
They still buy the majority of their products from aftermarket sources





ASA Member Surveys

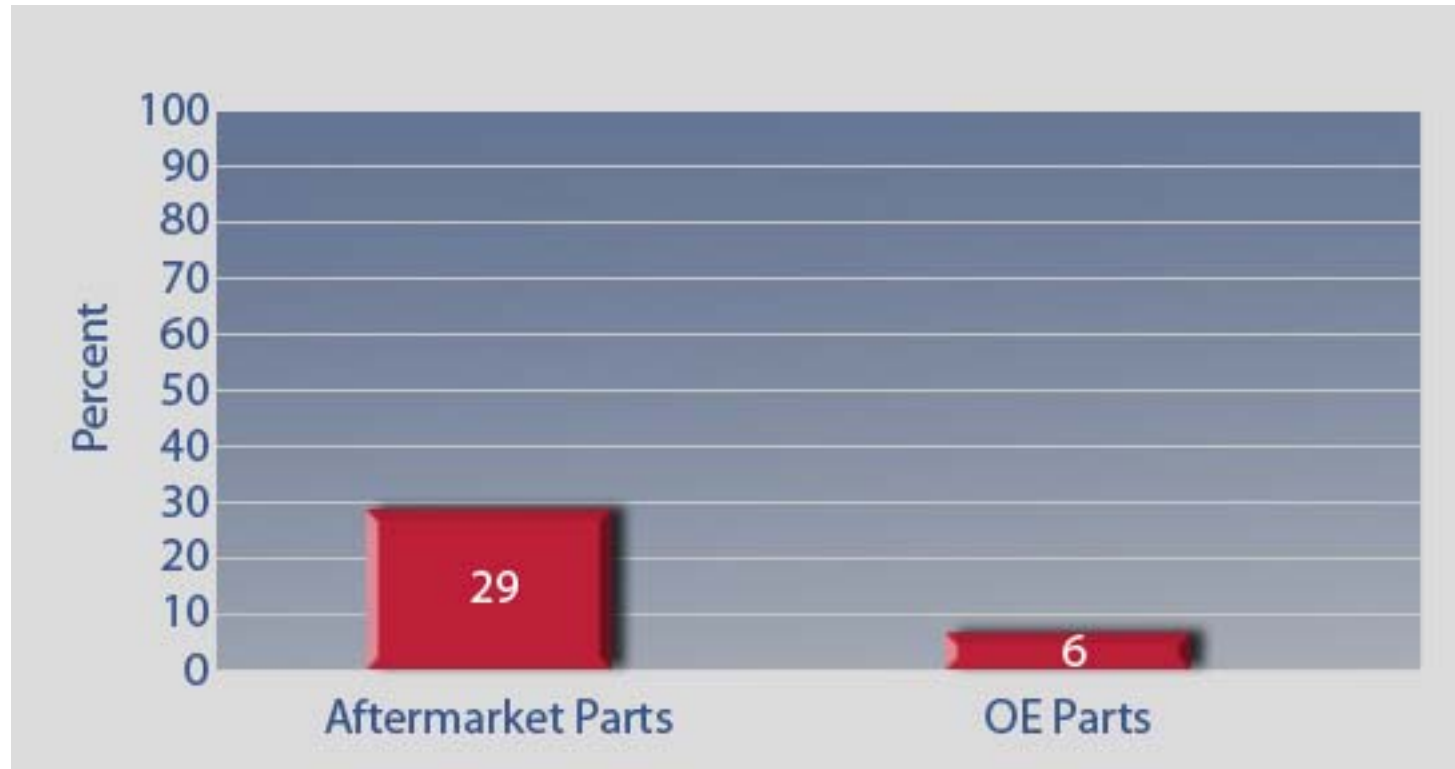
60 percent of respondents said that aftermarket parts had a positive impact on their business; 74 percent said OE parts had a positive impact





ASA Member Surveys

About 29 percent said that quality problems with aftermarket parts had a negative impact on their business, compared to only 6 percent for OE parts



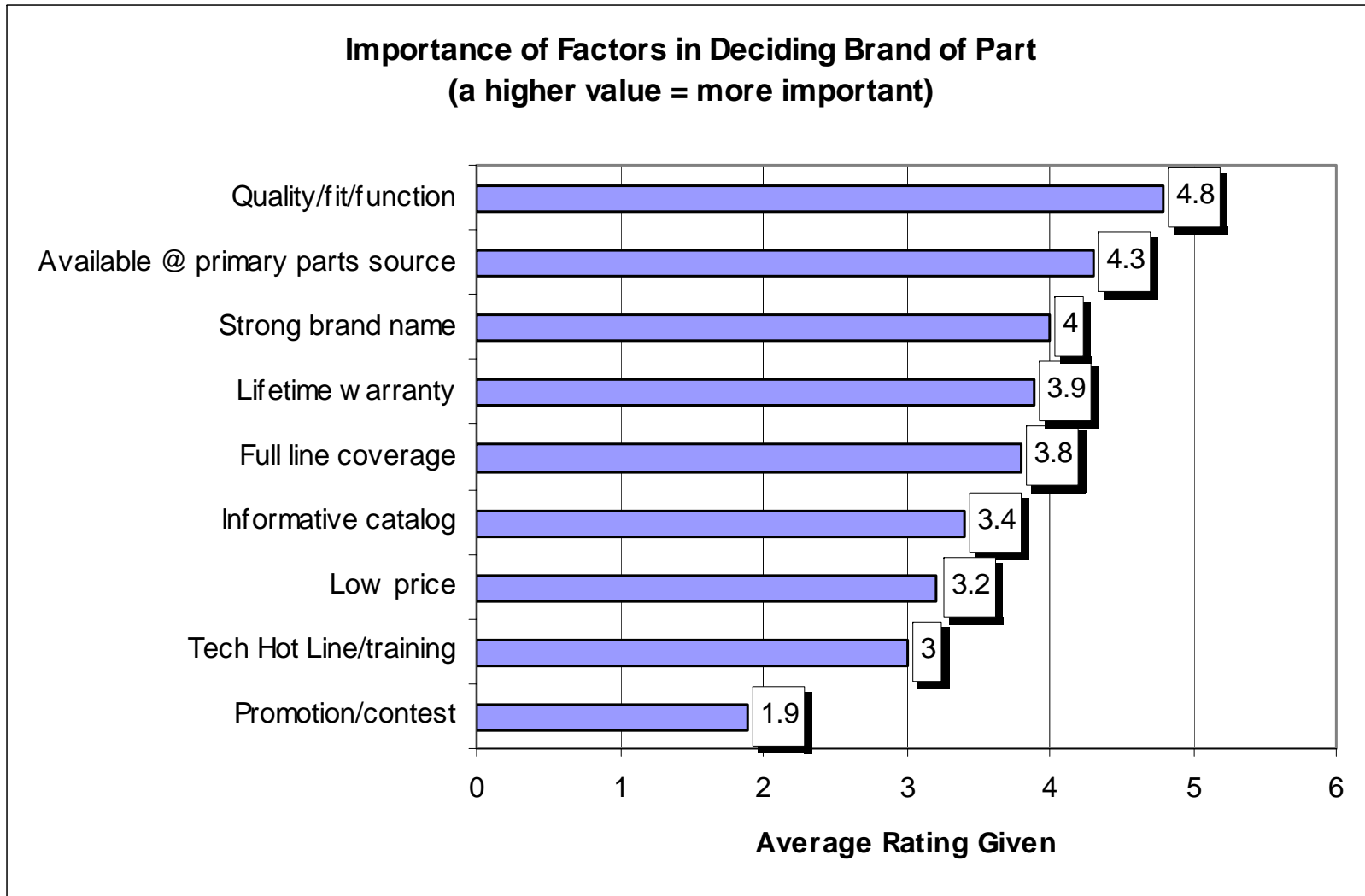


BabcoX Tech Group Surveys

- Types of questions in their survey of techs:
 - Specifying particular brands
 - Consumers' preference in brands
 - Where they receive information on products
 - Importance of factors in deciding on a particular brand
 - Type of parts purchased from OE dealer

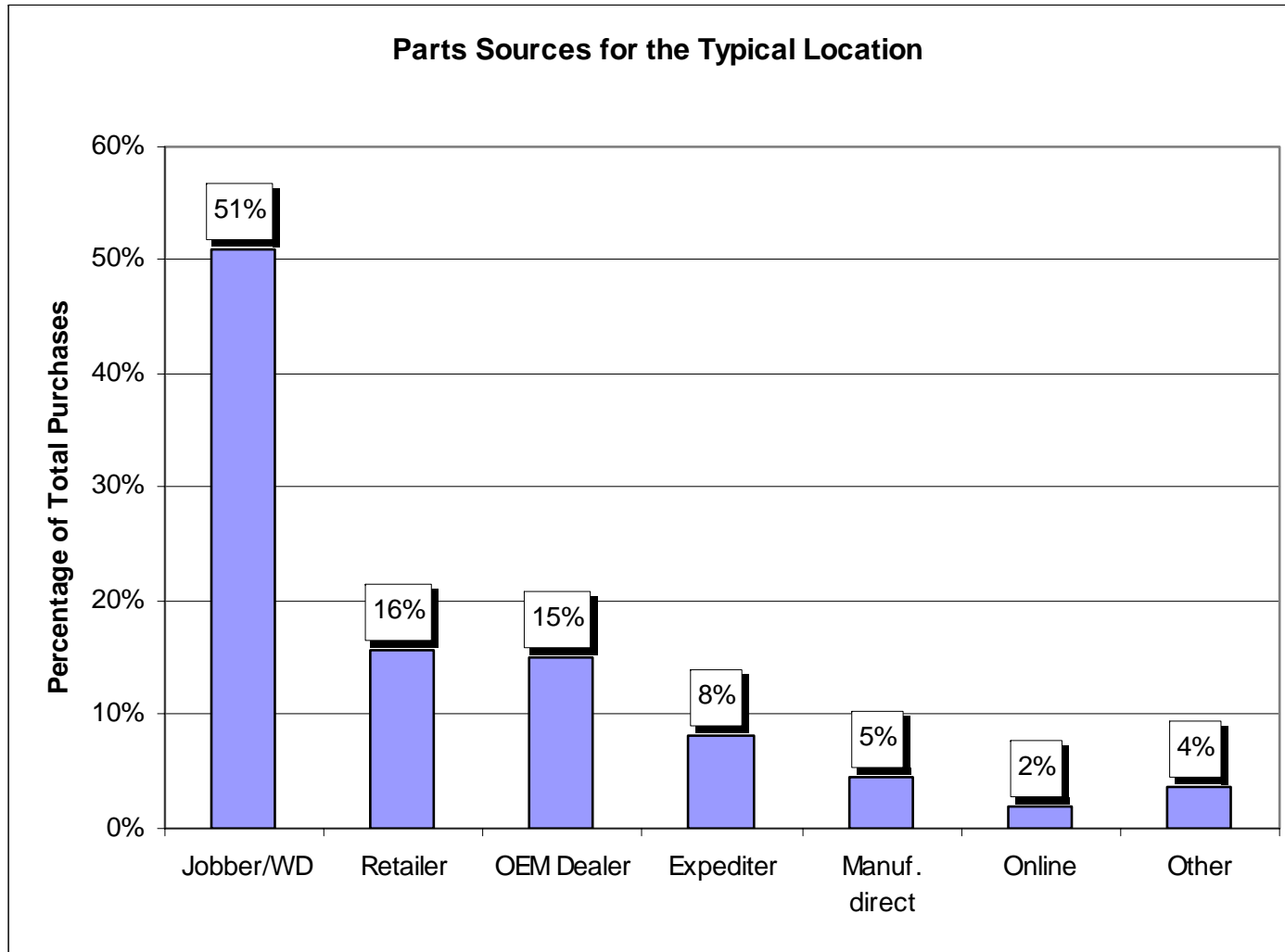


Babcox Tech Group Surveys



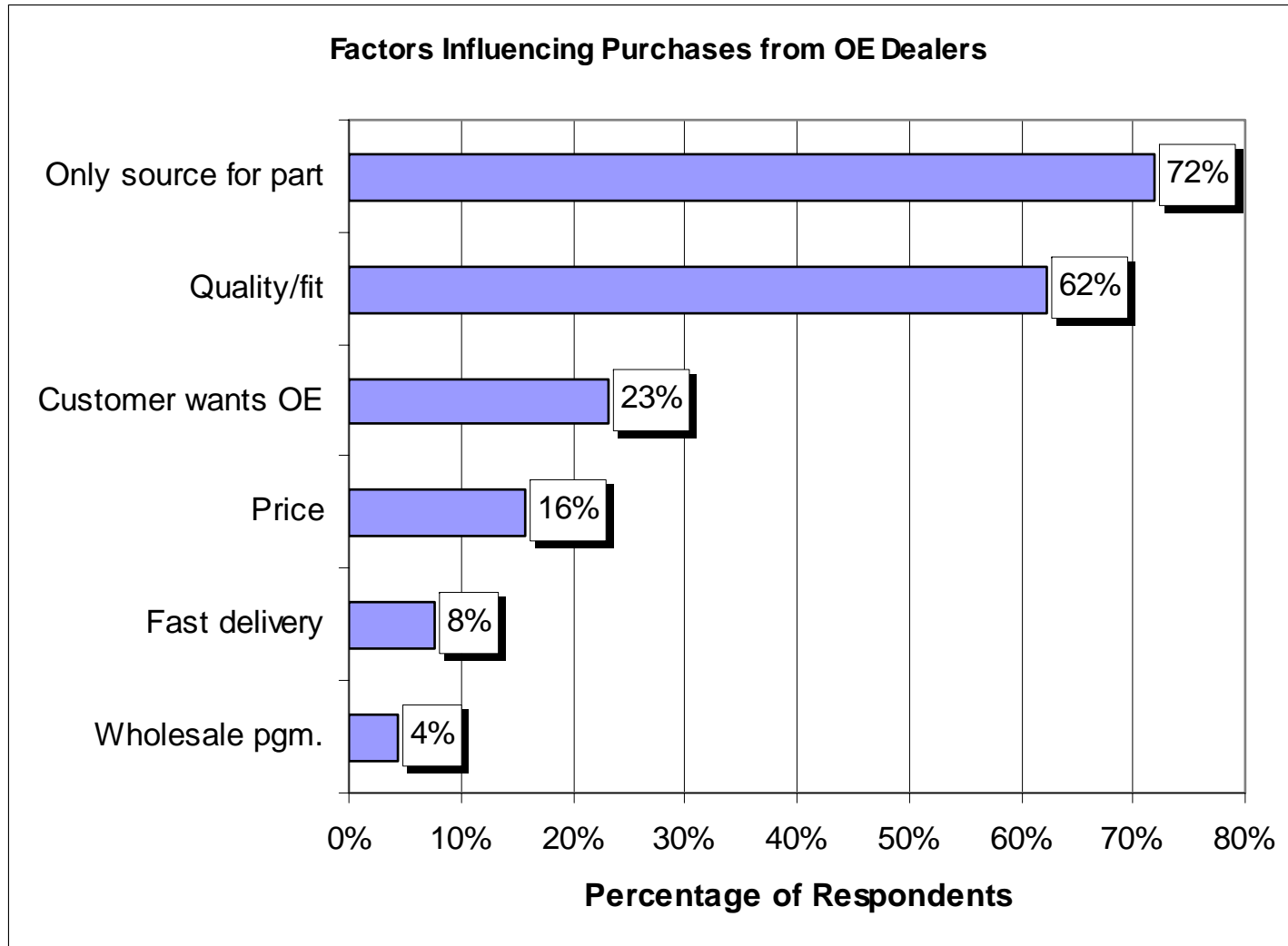


Babcox Tech Group Surveys





Babcox Tech Group Surveys





Focus Group Study

- The MEC commissioned an independent third party to conduct focus groups on the buying influences of the repair professionals
- Three geographic regions – Raleigh, NC; Chicago, IL; and Los Angeles, CA
- More than 60 participants, including:
 - Shop owners
 - Technicians
 - Service advisors



Focus Group Study

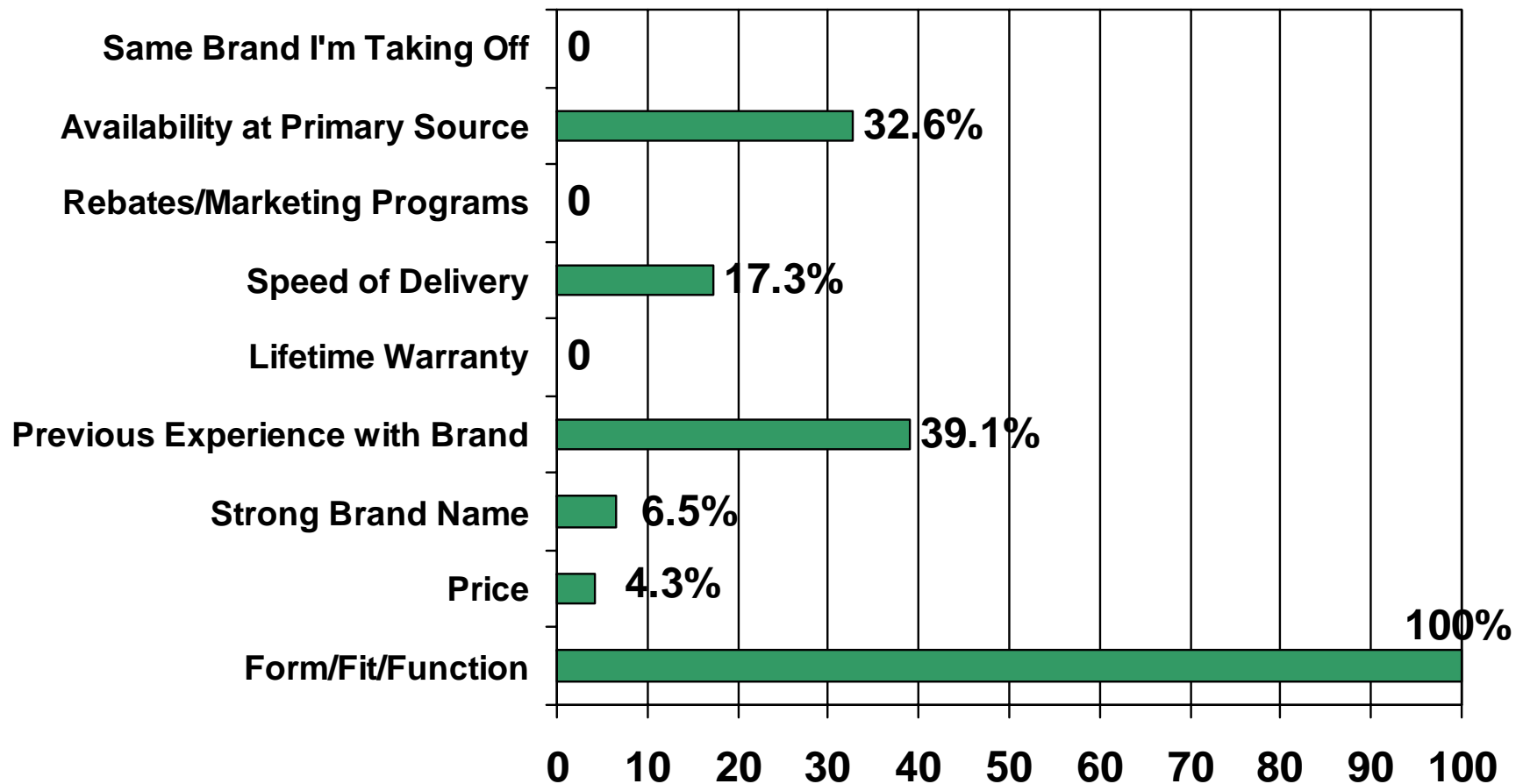
Some Key Findings:

- Quality of aftermarket parts has significantly improved
- Brand comes before country of origin
- House brands sell on price alone
- OE quality is still important
- Quality first – everything else is secondary



Focus Group Study

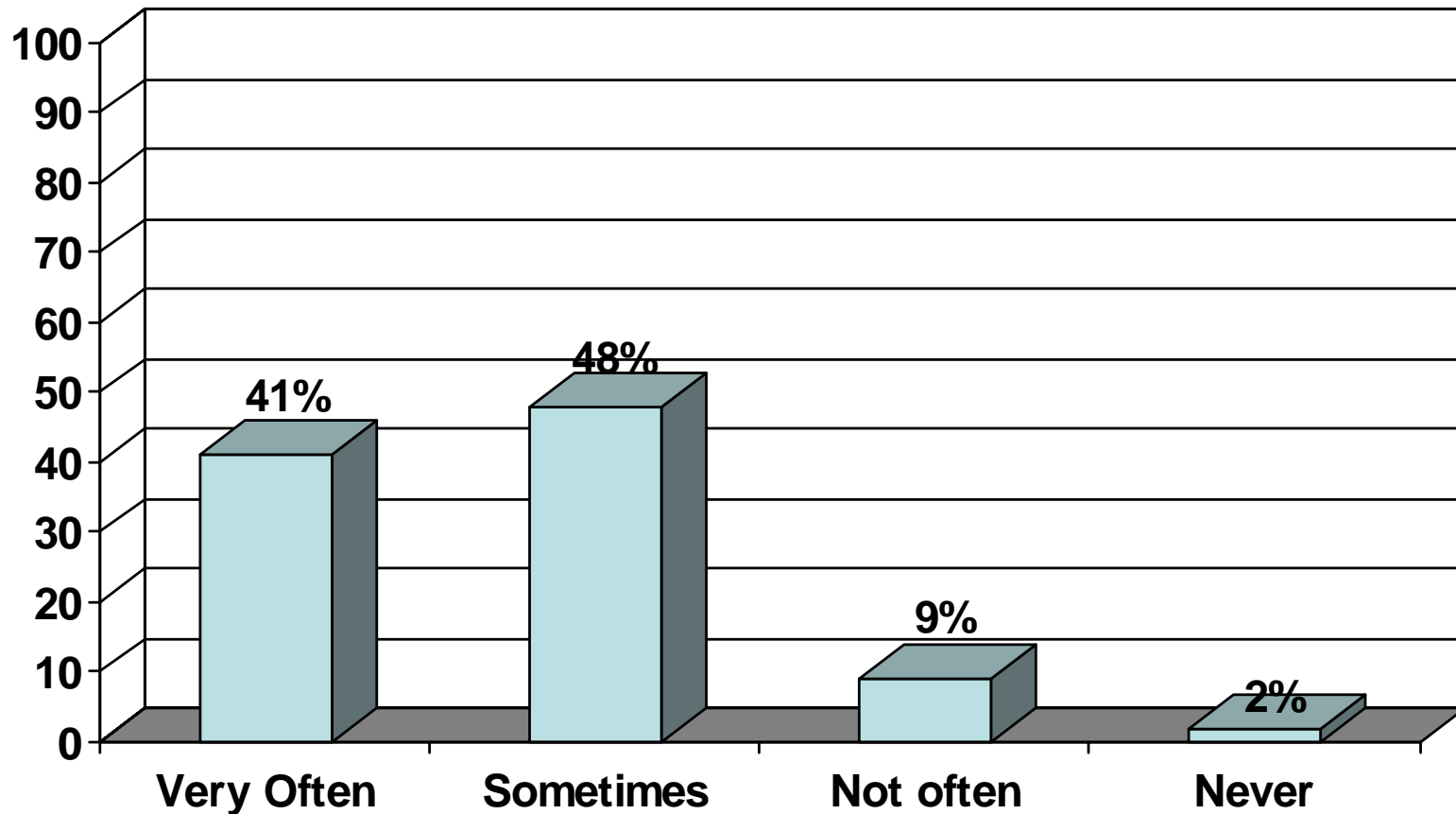
Top considerations on choosing a particular brand





Focus Group Study

How often do you specify a particular brand?





The Campaign

The Marketing Executives Council of AASA developed a public awareness campaign to educate and inform everyone throughout the supply chain, especially the repair professional, of the importance of using quality parts from trusted full-service suppliers.





The Situation

- Low-cost, low-quality auto parts are finding their way into all aftermarket channels
- Outsourcing methods are replacing popular premium, branded parts
- Essential services offered by Full Service Suppliers are being taken for granted



The Risks

- Safety threat – consumer and technician
- Product liability
- Loss of essential services
- Companies forced out of the aftermarket
- Consumers driven to dealers
- Irreparable damage to the Independent Aftermarket



Know Your Parts!

The Challenge:

- **Full Service Suppliers** to design, engineer and produce quality parts and to promote brand and essential services;
- **Channel Partners** to promote brand name products from trusted Full Service Suppliers and support suppliers' programs;
- **Repair Professionals** to diagnose, repair and replace broken or worn-out components with only premium quality parts;
- **Vehicle Owners** to ask about the parts being installed and research the brand before authorizing repairs.



Know Your Parts!

- AASA Special Report: Independent Repair Industry: Focus Group Findings on Buying Influences of Repair Professionals
- AASA Special Report: Independent Aftermarket Image: Quality Does Matter
- PSA video produced by NASCAR Performance
- AASA “Know Your Parts” materials
 - FAQs, Full-service Suppliers, pocket card, etc.
- Web site kyp.aftermarketsuppliers.org



Know Your Parts!

Do not allow the actions of a few to destroy
the reputations of many.

The independent automotive aftermarket
industry needs to stand united.

Know Your Parts



FULL SERVICE SUPPLIERS



Know Your Parts!

Thank You!