

The Flow of Parts into the Automotive Aftermarket

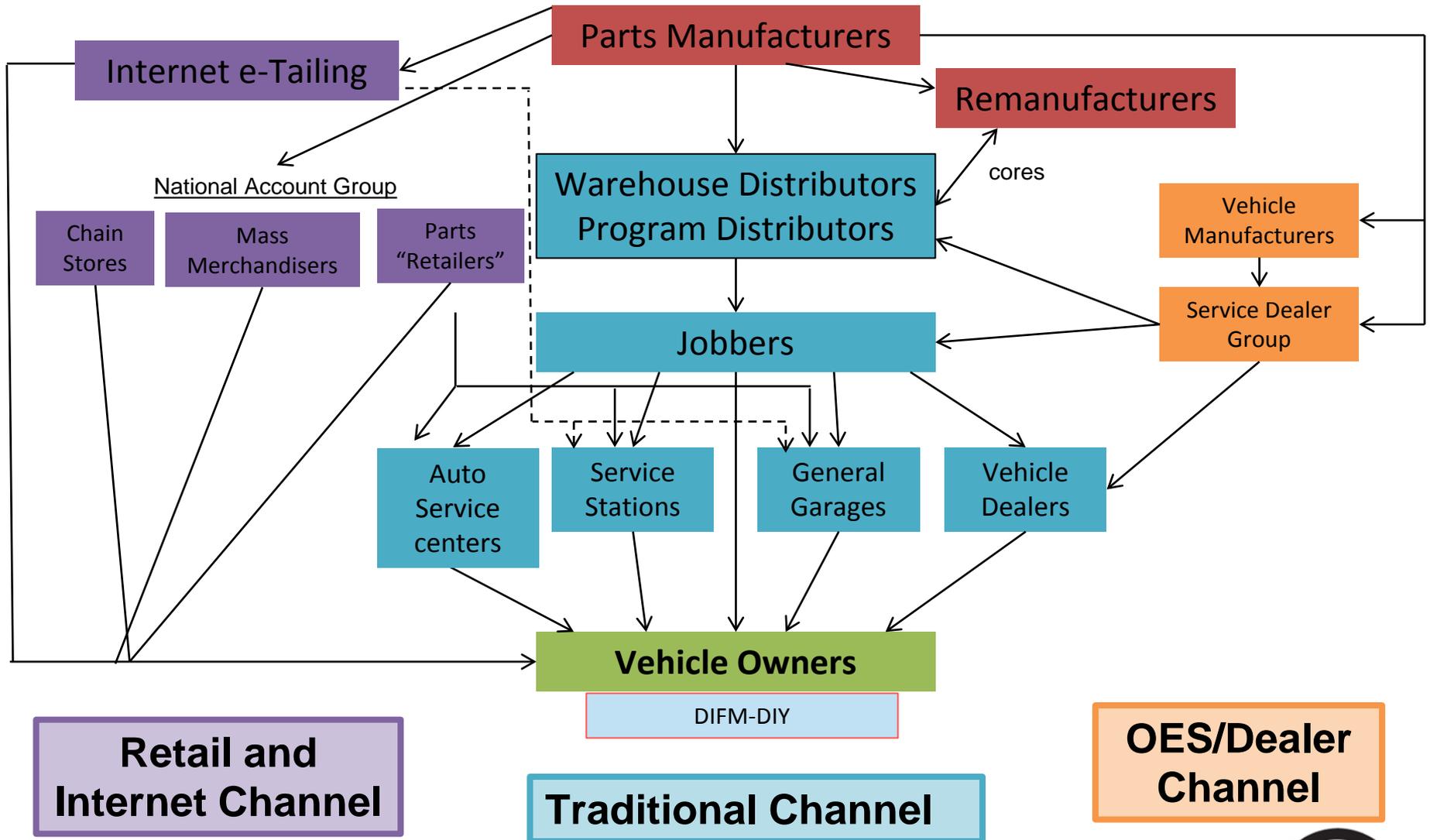


Brand Protection Council

The logo for AASA (Automotive Aftermarket Association) is located in the bottom right corner. It features the word "AASA" in a bold, white, sans-serif font, set against a red, stylized 'A' shape. This is all contained within a black circular border that has a slight 3D effect with a shadow.

AASA

Aftermarket Channels of Distribution



Aftermarket Channels of Distribution

Traditional “Independent” Channel

Three-Step Distribution – products flow from the manufacturer to the warehouse distributor to the jobber to the repair shop.

Two-Step Distribution – products flow from the manufacturer to the warehouse distributor to the repair shop directly, eliminating the jobber.

Retail Channel

Products flow from the manufacturer to stores or specialty service shops to the repair shop or vehicle owner.

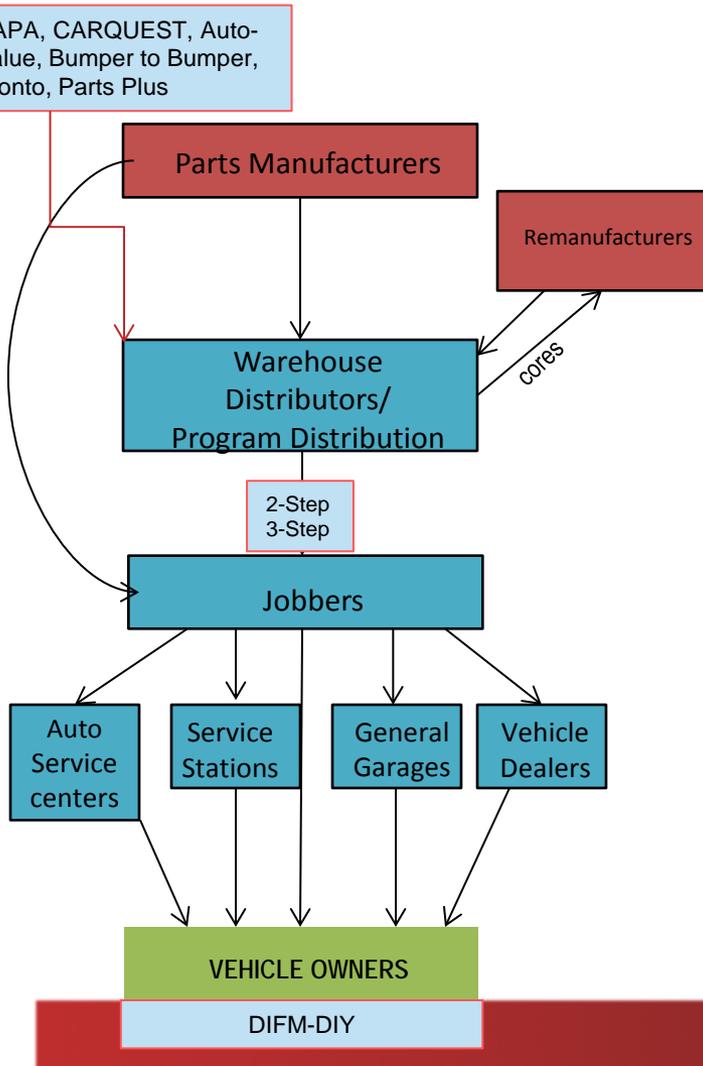
OES and Dealer Channel

OES/Dealer-Products flow from the OE manufacturer to the dealer to the vehicle owner.

Internet

“The Wild West”. Vehicle owner, shops and parts store able to buy and sell from a variety of sources on the internet

“Traditional/Independent” Aftermarket Channels of Distribution



Parts Manufacturers – Produce parts and other goods made for automobiles and trucks:

- OE parts manufacturers - parts are made for (original equipment – OE part) new vehicle assembly and whose products may also be sold in the aftermarket
- Aftermarket parts manufacturers

Remanufacturer/Rebuilder – a rebuilder of motor vehicle engines and hard parts, selling to distributors and repair shops.

Warehouse Distributors – stocks inventory of parts and goods purchased from manufacturers, then sells to automotive jobbers, retailers or directly to repair shops.

Program Group/Distribution – a group of warehouse distributors/businesses purchasing, selling and marketing under a common name. Program groups may be large organizations that purchase parts directly from parts manufacturers, offer warehouse distribution access as well as marketing, training and other services.

Jobbers – purchases products from distributors then sells and delivers to repair shops.

Auto Service Center – companies that specialize in specific auto maintenance and repair service, i.e., transmissions, brakes, air conditioning/radiators **AAMCO, Midas**

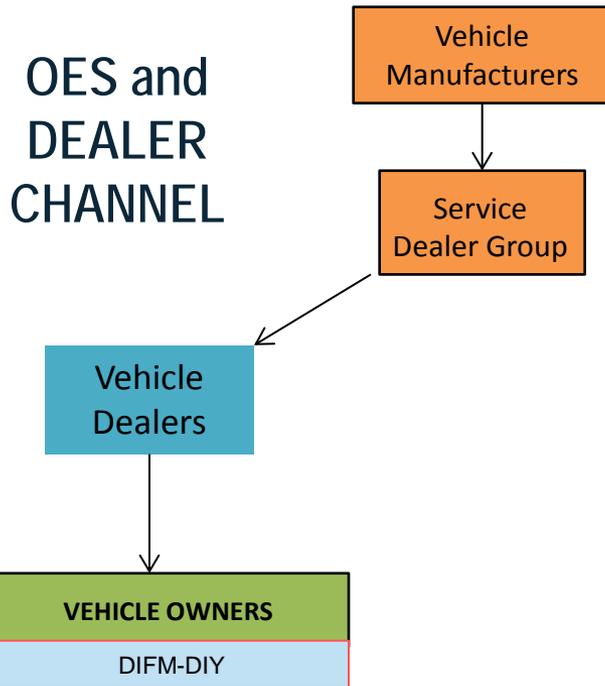
Service Stations – gas stations with at least one repair bay in operation. They purchase their parts from their parts stores, car dealers, distributors, and the internet

General Garages/Independent Service Providers/Service Outlets/Repair Shops – businesses usually owned by an individual or partners that sell repair and maintenance services to vehicle owners. May belong to a program buying/marketing group.

Vehicle Dealers – companies selling new vehicles to consumers or commercial vehicles to businesses. They normally perform almost all of the warranty services on vehicles they sell. Dealers also perform maintenance and repair on vehicles no longer under warranty. Dealers are considered the main competitors to the aftermarket industry repair segment of the industry.

OES/Dealer Channel

Aftermarket Channels of Distribution



Vehicle Manufacturers – companies that manufacture new automobiles and trucks. Examples are General Motors, Toyota, Ford, Kia, Mercedes-Benz.

Dealer Service Group – large, regional dealers buying parts from manufacturers, using the parts themselves and selling parts to other dealers.

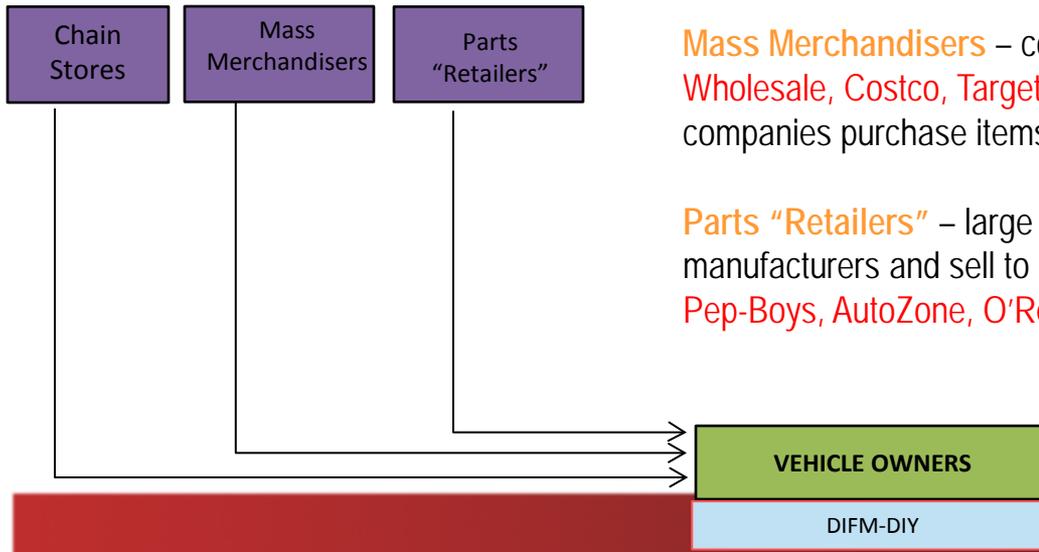
Vehicle Dealers- Your local OE dealership that performs service and sells “OE” parts both wholesale and retail

Retail “National Account” Channel: Aftermarket Channels of Distribution

Service Chain Stores – company owned or franchise service chains such as **Goodyear, Firestone, Meineke**. They get their parts from their headquarters and also from local parts stores and dealers.

Mass Merchandisers – companies such as **Wal-Mart, Sam’s Club, BJ’s Wholesale, Costco, Target** that sell auto parts and accessories. These companies purchase items directly from manufacturers and other suppliers.

Parts “Retailers” – large retail companies that purchase directly from manufacturers and sell to D-I-Yers and repair shops.
Pep-Boys, AutoZone, O’Reilly, Advance,



Internet Channels of Distribution

