



WHAT'S IN THE BOX?

Aftermarket vs. OEM Parts

From the Global Automotive Aftermarket Symposium 2012

Perhaps one of the biggest challenges in selecting auto parts is dealing with the decision between OEM versus aftermarket parts and how do you really know “What’s in the box?”

Panelists at one of the sessions at the Global Automotive Aftermarket Symposium (GAAS) in Chicago earlier this year discussed just that. Their backgrounds covered OEM and aftermarket part manufacturers, parts distribution, a dealership shop manager and an independent shop owner/technician. As you’ll notice, the shop owner’s comments tended to be the most relevant to SSGM readers.

The two-day GAAS conference was attended by aftermarket executives from across the globe along with a spattering of shop owners. There was a very strong showing from North and South America as everyone came together to discuss their various perspectives on the automotive aftermarket with a special emphasis on parts.

What Is In A Name?

Simply looking at a part, or even comparing it to the component being replaced, is not enough in today’s marketplace. Parts that appear the same on the outside do not always perform the

same. This begs the question, “Is this an OEM part or is this an aftermarket part?”

“I have to say coming from a tier-one manufacturer ... I was very confused because for me an O.E. part is the aftermarket part,” said moderator Lúcia Moretti, vice-president, Delphi and president, Delphi Product & Service Solutions. “But, again, I think the market sees it in a different way.”

“I would suspect that all parts that you buy in a box are actually aftermarket parts,” said Edward Covington vice-president Quality Assurance, Affinia Global Filtration. “The only OEM part is the part that actually came on the vehicle itself. All other parts are service. In the O.E. world they generally refer to it as OES or O.E. service.”

Although most consumers and even technicians may believe that what’s in an OEM branded box is the same thing as what came on the vehicle, that may or may not be the case says Covington. It depends on category and/or brand. In many cases O.E. branded parts are not truly “Original Equipment” at all.

“Our challenge always is to have an aftermarket part that performs just

as well as the O.E. part or better,” said Gary Dettman sales director, Auto Wares Inc. a parts distributor “So if we have to, at some times, go to the dealership to get that part, that’s okay. We want to be their only call for those replacement parts.”

On the dealership side of the equation, what’s in the box is also very important, but for very different reasons.

“You know, when you talk about what’s in the box, in the dealership world that I represent, it’s all about ‘The Box,’” said Paul Devers president, Vin Devers Autohaus. “In our case, Mercedes Benz or Audi is on that box.”

“Sometimes it has a seal on it that proves it hasn’t been opened up,” Devers continued. “They’re quite strict about that. So, our industry revolves around what that box looks like and the markings on it.... We’re required to utilize those parts for warranty and only utilize those parts.”

An Alternator By Any Other Name

The representative for the independent repair shops clarifies that shops like his are more interested in what works than what brand is on the box.



By Phil Sasso

again, looking on the outside of the part, you can't see that.

Price Wars

Of course in the independent and franchise repair world, the choices of some parts are less about functionality and more about dollars and cents.

"The pricing has a lot to do with it," said Jobst. "The way everything is right now, price has become a big issue. That's why a lot of times [we choose] the aftermarket part — sometimes it's cheaper, but [it's a hard choice because] your reputation's on the line then."

More and more parts are being sold with Good, Better and Best options. Although this offers consumers more choices, it can also create a problem for shops. For example: Who chooses what quality part goes on a vehicle? The customer or the shop? And what happens if the choice fails to perform

as expected?

"I'm a high quality shop, I am going to choose the better part," said Jobst. "But ... with the way things are, it's [becoming] more price-driven. It comes down to: Are they going to keep the car six months, a year, two years? You know, if it's a newer car that's got 30,000 miles on it ... I am going to use the better part. But if I know the car's got 200,000 miles on it and they just need to put a Band-Aid on it, I'm going to look for a value line part."

But with the proliferation of parts, choosing a part has become more and more of a challenge for the repair shop. Jobst said his shop often relies on the parts store for advice. On occasion, the parts store jobber will offer a frank response like "Well, yeah, I wouldn't use that one. We've had some failure rates with that one." Thus he can avoid comebacks and embarrassment.

"From my perspective if I buy an O.E. part from the dealer, usually it's a better part," said John "JJ" Jobst, owner, Schaumburg Automedics. His response initially surprised some of the panelist. "It's designed for that car. When you buy aftermarket sometimes you'll get an O.E. part — they just re-box it.

"As far as fit and quality, in my opinion, sometimes the O.E. part is better, it's designed better. But then some other [parts] like ... suspension parts, the aftermarket is made better. They've got a little bit more research and development in it to make it last longer. But bottom line is when we order a part sometimes [when we] open a box, it's a surprise."

Jobst explained that sometimes just looking at a part you can't assess the quality. What looks the same as the part that's being replaced on the outside can be very different on the inside. And a shop won't know that until later when they've already installed the part and it fails.

"[For example] alternators on newer cars [with] internal regulators," Jobst explained. "The aftermarket will use, you know, a certain voltage regulator [which is different than] the O.E. part, and it creates issues in the vehicle. But,





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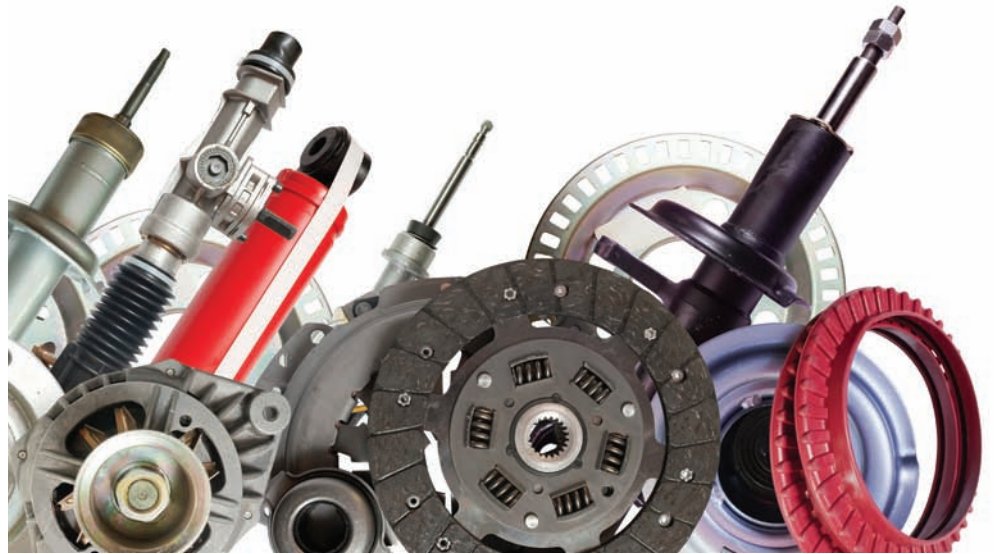
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Does The Warranty Warrant It?

There is a wide range of warranty offers depending on the brand and the distribution channel.

“If I buy it from the dealer, [the warranty is] 90 days,” said Jobst. “But if I buy it through one of my suppliers like NAPA, it’s backed by one year, 12,000 miles. So that becomes the fine line. How far do we want to carry the warranty?”

Jobst clarified that although the parts store program warranties tend to cover a longer period and the OE warranty a shorter period, in his experience the chances of an OE part failing are a lot slimmer.

Dettman from Autowares talked about the benefit to the customer and shop owner of the Bumper-to-Bumper program warranty.

“As any of our members, have the satisfaction to offer to their customers that if they’re traveling,” said Dettman. “With the Confidence Plus Warranty ... they can sort of piggyback on that as well. So if they break down outside of their 25-mile area of that certified service center, they know that they can be covered if it’s the same repair. So we think warranty is a very valuable asset to the products that we offer.”

“Like I said, I’m a quality shop, so I’m going to try to pick the better part,” said Jobst. “Whether you buy it from Auto Wares or NAPA, you are buying the whole package. You’re buying the warranty, the backing on it,

your business partner. That’s all huge factors.”

“But bottom line it boils down to the consumer,” Jobst continued. “The consumer has no idea. To them a brake job is a brake job. They have no idea that there are different levels of brakes. Prime example, we have a board that has four different brake pads on it. And there’s little descriptions on it and all that stuff, so we explain it to them.”

The key is that what’s in the box all boils down to having a good relationship with your parts store and your customer. You parts jobber can help steer you to the best part choices. On the other hand, educating your customers on the value of quality parts can make for more satisfied customers. Jobst summed it up well:

“The bottom line is when I open up that box I want it to fit and work,” said Jobst. “Price is always the issue but I definitely hear it from my techs. ‘You know, when you buy the value line part. How do you expect me to make this fit? It doesn’t even look like the part I took off.’ So what’s in the box? I want it to work and I want it to work well. Bottom line.”

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Phil Sasso is the president of Sasso Marketing (sassomarketing.com), an automotive aftermarket advertising, public relations and Internet services agency. He’s also a speaker and strategist. Sign up for his free weekly marketing tip email at philsasso.com/blog.