

2020 Automotive Aftermarket Outlook Highlights



Featuring Nathan Shipley's 5 key themes defining the aftermarket industry

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TODAY'S MACRO RETAIL ENVIRONMENT

Still trending positive, up 1.9% through June. How are you taking the friction out of the transaction for your retail and commercial customers? Doubling-down on building personalized relationships with your customers, ensuring product availability through the "endless aisle" concept, introducing new problem-solving concepts, and corporate accountability should all be areas of focus for success in 2020 and beyond.

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AFTERMARKET FUNDAMENTALS

An aging and growing car parc. The highest number of miles being consumed in history. A strong economy with high consumer confidence and low unemployment rate. And more cars slated to move into the Aftermarket sweet spot over the next few years. The underlying health of our industry is strong! But, as generations and how they shop evolve, coupled with a slow but steady shift to more of a fleet based model, are you thinking about how these changes will impact your business over the long term?

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AFTERMARKET PERFORMANCE

Through September 2019, retail front room categories grew dollar volume +2.4%, down from a growth rate of +3.9% the same period last year. We are watching for tougher months ahead based on 2018 comparisons. Separately, expanded channels, which includes convenience, drug, grocery, dollar, and other value chains, declined -3.0% through September. The tires market grew 2.3% through September, right in line with front room retail categories.

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E-COMMERCE

17% of DIY consumers purchased something online for their vehicle in the last year. This number has doubled over the last three years. Hard part and accessory categories continue to rank at the top of the list while chemical categories rank lowest. Across overall retail, brick & mortar retailer websites are contributing as much growth to e-commerce today as pure-play e-retailers. Using websites to drive consumer foot traffic back into stores is the name of the game today!

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LOOKING AHEAD TO 2020

Tariffs, the 2019 Polar Vortex, and Hispanic market reaction to the U.S. President election year are all on our radar for how 2020 will shake out. Our expectation is that performance of retail front room categories will end up around +1% in 2019 and will see similar performance in 2020. Many companies will see performance that exceeds this forecast! Best of luck to you going into the new year!

About Nathan Shipley



Nathan Shipley is Executive Director, Industry Analyst, for The NPD Group's Automotive Aftermarket practice. With more than 15 years of experience in the automotive industry, Nathan works closely with manufacturers and retailers to help them better understand marketplace dynamics through leveraging NPD's vast array of data resources and expertise.

Questions?

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