



# Global Perspectives

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News From The Global Automotive Aftermarket Symposium

## 2006 Symposium Will Look At The Future of Marketing



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As the 2006 Global Automotive Aftermarket Symposium (GAAS) examines the theme: **Thriving in a World of Change**, a panel of savvy aftermarket marketing experts will look at how change is affecting industry marketing programs in a discussion entitled **“Who Needs Marketing?”** Panelists will include: Willi Alexander, president and COO, Parts Depot, Lisa Kranc, senior vice president of marketing, AutoZone, Bill Long, vice president of marketing, Proliance International, and Mario Recchia, vice president of marketing and business development, WorldPac.

Leading the discussion will be Tom Marx, president and CEO, The Marx Group, a full service business growth strategy and marketing communications firm headquartered in San Rafael, CA. His knowledge of business-to-business and consumer marketing and advertising in the automotive aftermarket spans over 25 years. He is the co-author of the book *Marketing Sucks! (and Sales, Too!)*.



Tom Marx

We recently talked with Marx about the subject of marketing and what the panel hopes to accomplish during their Symposium presentation.

### Should marketing programs be distributor or manufacturer driven?

Traditionally, the industry has depended upon the manufacturer to drive marketing programs. When the marketing programs get down to the group or distributor level sometimes they don't have the means to take these marketing programs out to their marketplace. As a result, the marketing materials end up sitting on warehouse shelves or behind the counter. The materials are not getting the value they would potentially receive if they were better supported at the distributor, retail or shop level.

What we see are distributors making demand upstream to the manufacturer to design marketing programs and materials -- materials that are more appropriate for their particular method of marketing, staffing ability, and budgets. It then becomes the manufacturer's responsibility to execute these marketing programs in a more custom designed manner. The most common breakdown in this situation is a lack of communication between the manufacturer and its customers, resulting in ineffective and inefficient use of the available resources.

The premise of this panel is to have an open discussion about: Where should marketing programs be initiated? How can they best be executed and by whom? And, who is responsible for which components of the program? How can we measure the success of a campaign? What marketing programs will be most successful in the future?

*(Continued on page 2)*

## Special Reception Planned At Ford Museum

The evening prior to the start of the 2006 Symposium, a special reception is planned at the nearby Henry Ford Museum in Dearborn. The Tuesday, May 16 reception is sponsored by Ernst & Young. It will give attendees an outstanding opening networking event and a chance to see one of Detroit's premier attractions.

The Henry Ford Museum is the history destination that brings the American Experience to life. With a rich and diverse offering of exhibits, demonstrations, programs and reenactments, The Henry Ford celebrates yesterday's traditions as well as today's innovations. Henry Ford founded the museum in 1929 "to show how far and fast we have come" in technological achievement. The building, which covers more than ten acres, is bursting with proof of human resourcefulness and ingenuity. In other words, this place is gizmo heaven. ♦



Cynthia Cohen is among the speakers who will address the 2006 Symposium in Detroit. GAAS 2006 will be held Wednesday, May 17 and Thursday, May 18, 2006 at the Hyatt Regency in Dearborn.

## Economist Michael Cox Will Provide Keynote Address

The senior vice president and chief economist at the Federal Reserve Bank of Dallas will provide the keynote address on “Global Economics” on Wednesday, May 18 during the 2006 Global Symposium. W. Michael Cox advises the Bank president on monetary policy and economic issues and heads the free enterprise research group.

Cox authors the Bank’s annual report essays on rising American living standards and the New Economy. These reports have received extensive attention from leading publications, including the *Wall Street Journal*, *New York Times*, *USA Today*, *Los Angeles Times*, *Forbes*, *Fortune*, *Business Week* and *Investor’s*

*Business Daily*. He is also widely published in the nation’s leading economics journals.

Cox’s ability to make plain sense out of difficult economic issues has made him a frequent guest on national radio, television and Internet programs, including CNN, Voice of America and National Public Radio. He appeared on John Stossel’s ABC program “Is America #1?”



Michael Cox

Cox believes today’s economy is transitioning to a new era—a so-called new paradigm. He battles economic doomsay-

ers in his book, *Myths of Rich and Poor*, nominated for a Pulitzer Prize. His understanding of technology’s importance in the free enterprise economy of tomorrow inspired a *Wired* magazine interview to name him a “Prophet of Boom.”

As past president of the Association of Private Enterprise Education, Cox actively promoted market solutions to economic problems. He collaborates with other proponents of free enterprise through his positions as CATO Institute adjunct scholar and National Center for Policy Analysis senior fellow. Cox received his undergraduate degree in business and economics from Hendrix College and his Ph.D. in economics from Tulane University. ♦

## Who Needs Marketing? (continued)

(Continued from page 1)

### Doesn’t it ultimately come down to how to best communicate with the customer and their end user?

Yes, it does. As an example, countless times I’ve walked into shops or stores and seen sitting on the edge of the counter some tattered and worn take-one display that’s empty – no brochures in it at all. Or the expiration date on the marketing program was 12 months ago. I can’t help but wonder why it is there. A big part of the communication problem is effectively transmitting this marketing information down through the channels. When it gets down to the shop or counter level it needs to be current, attractive, and clean – not dog eared, worn out or expired.

### What are some of the inefficiencies in these marketing programs?

Unfortunately, there are many. What the shop owner or counterperson wants is something that will help them sell the product through to the end user, especially technical information, how a product works, or what happens to it when it wears out. One of the bigger challenges is where do you put these marketing materials? At the shop, the waiting room is often extremely limited in size. And the

counter doesn’t have excess real estate either. The size of the materials can be a problem, as well. Whether it’s a take-one display, or a promotional piece, it has to fit within the space availability. Supplying support materials, doing training, or sending along a diagram of possible display methods will help transmit the value of the program down through the channel.

### How do tight budgets factor into the marketing challenge?

There is no doubt that the industry in general would love to have all the marketing money spent by the manufacturer. That would be Nirvana. Retailers and distributors really believe that it’s the manufacturer who holds the purse strings and has the ability to do the marketing programs. Unfortunately, that places a huge burden on the manufacturer who’s already working within a very tight budget.

One question that comes up is where should the money be spent. Should it be spent on consumer campaigns, or will it best be spent promoting products to the jobber or service dealer? Because they want to please their volume customers, manufacturers too often end up spending more and more money in outsourcing marketing to their larger customers which means they have less and less money for

marketing for their smaller ones. Smaller customers, who probably need the marketing even more than the larger ones, aren’t getting the attention they need. The manufacturers have to leverage their budgets, such as: How can I do this in a more collaborative fashion? How can I leverage the marketing partnership I have with my larger customers for the good of all concerned?

### Any final thoughts on the marketing panel?

The panel will also discuss the future of marketing in the Aftermarket, as well as how to measure a program’s effectiveness. As the industry continues to adopt technology, we’ve really got to look at some perplexing issues, such as: Where is the best place to spend money? As an example, can we finally get rid of paper catalogs and truly rely on online cataloging? Can we distribute product information through electronic means rather than doing large print runs?

A key question to consider is: Given the rapid advances in technology, and the increasing value placed on electronic media, how can we leverage this trend to build strong marketing programs for the future? ♦

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