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Who Needs Marketing?

By Tom Marx and Tom Herndon

For those of you who attended the recent Global Automotive Aftermarket Symposium (GAAS) in Dearborn, MI, I hope you enjoyed the panel I lead on marketing, entitled "Who Needs Marketing?" For those of you who did not attend GAAS, I am confident you will also find this article informative.

A big thank you to the panelists for your time, commitment and contribution. The four panelists were Willi Alexander, president and COO of Parts Depot; Bill Long, vice president of marketing for Proliance International; Lisa Kranc, senior VP of marketing for AutoZone; and Mario Recchia, VP of marketing and business development for WORLDPAC.

One of the attendees had this to say regarding the panel's discussion:

"Your panel made many excellent points about the need for great marketing so as to get ahead in our competitive environment. I agree with you that marketing is a necessity – especially with little differentiation of most products and services. And, the stress on programs that drive business to the independent service dealer is essential."

-Chuck Udell, former President of the University of the Aftermarket and current Senior Partner of the Essential Action Design Group, an Aftermarket-focused consulting and training company.

So "Who Needs Marketing?"

Aside from shouting "EVERYONE," the panelists dove deeply into the challenges they are facing, such as ethnicity, gender, generation, niches, professionals and DIY'ers, as well as budgets. One need was almost palpable throughout the discussion – improved channel collaboration. The old way of manufacturer-driven marketing just doesn't work any longer. In order to leverage marketing budgets – and reach the right audience with the right message – there must be far more collaborative development of marketing programs, messages, and campaigns, throughout the channel.

In addition, a number of best practices/standards came from the panelists:

- **Products must have their own unique brand personality.** Due to the influx of inexpensive replacement parts from manufacturers based in China, India and elsewhere, branding is even more critical, so that buyers associate the replacement part brand with original equipment FIT, FORM and FUNCTION.

- **The secret to improving business is to embrace your competition.** While OE service dealers appear to some to be a threat to the traditional Aftermarket distribution system, in reality they are good customers to many distributors. Both OE and Aftermarket replacement parts fit into the product mix sold down through the channel. Until the independent service dealer is willing to compromise on their concern about the quality and fit of certain product categories (such as fuel pumps and other electronic parts), the demand for the OE part will continue.
- **Dig deeper and you'll uncover an ROI-proving formula.** Although determining ROI for a marketing or advertising campaign seems elusive, some have developed measurement techniques that are accurate and can substantiate marketing investments. In particular, online marketing initiatives are easier to prove ROI. That does not mean marketers should ignore traditional advertising, it's just more challenges to prove ROI without extensive research.
- **Training continues to be an important marketing tool – especially in electronics.** If we want the independent service dealers to continue to be a source of income for Aftermarket manufacturers, they need consistent training to remain competitive and to be able to competently diagnosis and complete repairs, especially on electronic parts' failures. The panel believed the manufacturer must be the source for the training, which would be offered through distributors and their jobber customers.
- **Technology is also an important marketing strategy.** Whether it's implementing an improved eCatalog, digitizing your inventory system or updating business management systems, for maximum benefit, marketers must take the lead and collaborate more closely with IT folks.

It was apparent from this panel that marketing, a complex and critically important business strategy, is becoming more and more important to executives and upper management – as important as R&D, operations and finance. Still, everyone agreed that you cannot be all things to all people. You've got to find your niche and focus your marketing dollars where they really can make a difference.

The panelists came from different perspectives (manufacturing, distribution, retail and import specialist). In fact, it was their very diversity that sent the industry a strong, clear message: *Essential to leveraging the available marketing dollars is collaboration on marketing programs.* To coin a phrase: "We're in this together."

The overall answer?

EVERYONE needs marketing. And everyone needs the RIGHT marketing.

Tom's Tip For The Month

How do you develop a more collaborative marketing effort? Ask your channel partners what they need to help successfully market your products or services. Have your marketing people talk directly to their marketing people. Why guess when you can ask?