



The European Aftermarket Report

This report discusses the pressures that are coming to bear, the reactions of OEMs, suppliers and distributors, and the strategies that companies are pursuing to succeed to survive the global economic crisis now, and in the long term.

Background to this Research

Demand for aftermarket products is mainly driven by the quality of OE parts, the number of vehicles in operation, the average age of the vehicle parc, vehicle usage and the average useful life of vehicle parts. Although there are more vehicles on the road than ever before, the aftermarket has experienced weakness due to improved longevity of OE parts and increases in average service lives of automotive parts as a result of technological innovation and higher quality.

While there is some opportunity for aftermarket replacements to grow as the average age of the vehicles on the road increases, suppliers are being required more and more to deliver innovative aftermarket products that upgrade the performance or safety of a vehicle's original components to drive aftermarket demand.

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Europe's Automotive Aftermarket vs. the Global Economic Crisis

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Continuing trends: changes are well underway

- Part quality is improving, extending the life of vehicles
- Europe defends independents

Recent trends that squeeze independents

- Competition from vehicle makers
- Lower cost parts
- More electronics in cars
- Electrification of powertrains

The economic crisis adds pressure

Strategies for success

Train for electronics
Supply side strategies
Develop co-operations
Develop new products
Defend Prices
Distribution strategies
Growth through consolidation and partnerships
Get closer to the final customer

Eyewitness: Hans-Peter Meyen, Robert Bosch GmbH

'Sooner or later a car will be part of the worldwide web'

Eyewitness: Laurent L'Epine, Nissan International

'We expect a return to growth in Europe next summer, and we want to get there in good shape, not at zero'

Eyewitness : Stephan Guinchard, Simon Kucher & Partners

'If raising the price reduces volume, the extra margin in the additional sales may result in higher net profits'

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