

Effect of Discounters and Clubs

Only real impact is on mufflers, and there they stick to the 80:20 rule (20% of the products do 80% of total business) and don't stock a full selection of sizes. Midas pricing is very competitive, and Franchisees can get parts in for 1/2 what it costs them to go through a discounter.

Opportunity for New Suppliers

Best way to reach franchisees is through direct mail with a highly interesting piece that attracts attention among the clutter of mail. The most logical product would be in pipes, if there was a price and quality advantage. The four key areas to address are: Fill Rate, Lead Time, Product Quality, and Price. If attempting to get Midas business, stay away from competition, gear a brochure directly to Midas dealers, exclusivity is important.

Subaru Relevant Information

Subaru OEM parts were very expensive in comparison to the Auto Aftermarket pricing. Subaru dealers bought from Subaru Distributors, and based on the higher prices, some Distributors sourced their own products directly to compete with Subaru OEM parts. A fairly large percentage of parts were sourced outside the Subaru OEM system. Headquarters would pull some of the parts and inspect for acceptable levels of quality. Two roads into the Dealers would be direct, or through the Distributors.

General

It takes a lot of information for an Aftermarket manufacturer to be successful. You need to know the industry to determine which parts to make, what quantities, what the OEM pricing is and what you have to sell at, and determine if you can sell at that price. Most successful Aftermarket manufacturers are either from the industry or have inside people helping them with critical information.