Chemicals (Additives)

- Distribution	• Discounters	70%
	• Auto Chains	18%
	• Dept. store chains	3%
	• New Car Dealers	2%
	• Others	7%

- 1991: +3.7% (sales $) 1992E: +6.6%
- Total Aftermarket Sales $1.65B (Retail Chains did 76.9% = $1.27B)
- Avg. Annual Turns: 7.2 ('90 - 6.1, '89 - 5.7, '88 - 4.7)
- Avg. Gross Margin (retailers): 35.0% ('90 - 41.1%, '89 - 38.5%, '88 - 39.5%)
- # of National Brands carried (avg.) - 7.2

A. Oil Additives
- Past positioning: correcting Engine problems
- New positioning: preventing Engine problems

- Avg. Annual Turns x Avg. Gross Margin:		
	1991	2.520
	1990	2.507
	1989	2.195

Chemicals (Engine Treatment) (Source: Automotive Marketing, September 1992)

• 76% of all retail outlets stock these products.
• Category is projected to grow over 10% in 1993.
• Wholesale/Retail mix: 23/77
• Chains: 2% of total sales come from this category.
• Mean Gross Margin for chains: 33-37%
• Chains usually stock 3-4 brands and 3-5 total SKUs.
• Category is promoted 1-2 times a year.
• In general, it is <u>not</u> a Private Label category.

• Consumers do not really understand the category.
They do not know that most engine wear occurs at start-up and that engine treatment products reduce friction. Consumer awareness needed - sizeable opportunity for a firm willing to advertise, explain and persuade.