

BUILDING A SENSE OF INDUSTRY

The Australian automotive aftermarket industry (when you include repair and service) is by far the largest segment of the automotive industry in Australia

Our combined annual turnover is \$22 billion, there are 200,000 people employed, \$5 billion in manufacturing output, and close to \$1 billion a year in exports.

We also have the majority market share in car service and a footprint that is eight times larger than the dealer network – but very few people outside our industry fully understand who we are and what we do. And even within our own sector, we don't really identify as an 'industry' or work cohesively. The public generally define the automotive industry by the car companies and their franchise dealer networks.

So why does this matter?

It impacts on our ability to be heard by Government – particularly when we need them to address anti-competitive behaviour in the market.

It impacts on our reputation with consumers – we don't work together and we don't have a consistent message going out to car owners like the car industry does with 'genuine' parts, 'factory trained' technicians, extended warranties, capped price service, and offering 'peace of mind'.

It impacts on our ability to attract the best and brightest talent to the industry, to attract finance, to ensure that education institutions deliver courses and ongoing training that meets our current and future needs, to ensure our customers continue to have confidence in the products and services we supply.

It matters.

So the challenge, and opportunity, for everyone in our industry is to stop taking a silo view of their

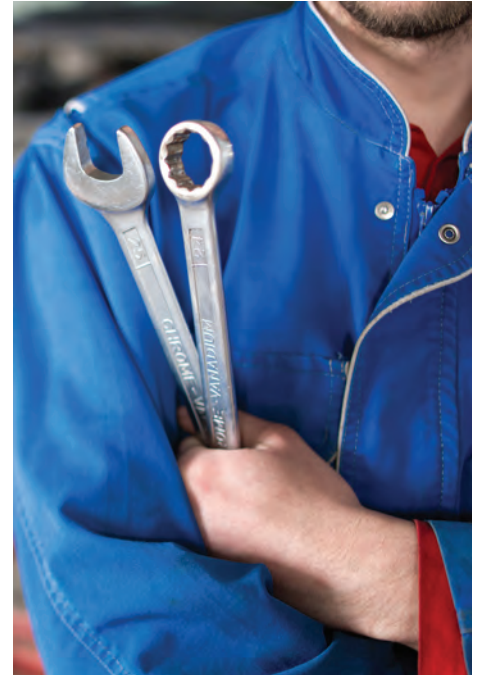
particular part of the industry. Every part of the value chain in our industry is interconnected and we need do everything we can to ensure that all segments of that chain are healthy and growing. We are only as strong as our weakest link.

As a parts supplier you can have the best quality and best range of parts but if your customers aren't in business how are you going to get your products to market? From a repairer perspective, your competitor is not the local independent repairer down the road, your real competitors are the car companies and their dealership networks.

We need to start working much more cohesively as an industry. We need to work on the way we communicate to our customers, on how we and others view and identify with our industry and we need better data on what is going on in our industry and what our customers are thinking.

We have a tremendous opportunity here because we have a fantastic value proposition. We deliver personalised service, convenience, high quality, cost effective parts, accessories and services which give Australian car owners competition and choice and help keep the Australian vehicle fleet moving.

We are a well-resourced, well trained, professional sector and we are the repairers of choice for over seven million consumers. We are also an industry built predominately on small businesses located in every town and city in Australia with a long tradition of individuals backing their own entrepreneurship and technical abilities to own and operate businesses that play a vital role in the economy and lives of Australians.



We are a great industry – and if we want to continue to be here – we need to work together.

Over the coming months and years, the AAAA will be rolling out a range of new initiatives to inform and educate car owners on their consumer rights, to promote the value proposition of our industry and to enhance our collective understanding of the key drivers of consumer behaviour and satisfaction.

Key initiatives include:

- Gaining insights into customer preferences by commissioning market research and focus groups;
- Promoting independent repairers as trusted advisors;
- Providing information to support the repairer-to-customer conversation; and
- Delivering consumer facing communication and education campaigns.

The AAAA is committed to taking a leading role in building this sense of industry amongst the various segments of the aftermarket; to build awareness of the essential role our industry plays in the lives of Australians; and to provide the tools and information to help you to adapt and thrive in the dynamic environment that defines the automotive industry today and into the future.



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