THE STATE OF AUTO AFTERMARKET PARTS & SERVICES

NBCUniversal
AUTO AFTERMARKET PARTS & SERVICES IS A BROAD SEGMENT

All sub-segments are included in this analysis. Throughout the analysis, this will be referred to as Auto Parts & Services.

PARTS
(e.g., AutoZone)

ACCESSORIES
(e.g., WeatherTech)

REPAIR
(e.g., Safelite AutoGlass)

TIRES/WHEELS
(e.g., Tire Rack)

Note: There is a lot of overlap in this category with many companies offering products and services across these segments. Ex: AutoZone does parts, accessories, and tires.
Keeping Cars Longer
The current deficiency of new cars, and growth in used car prices, due to the chip shortage, has led to a booming maintenance business\(^1\)

E-Commerce Growth
Auto Parts & Services players, like most retailers, need to shift to an omnichannel model\(^2\)

Electric Vehicle Adoption
EV owners, a fast-growing audience, are generally less satisfied with service and maintenance\(^3\)

Sustainability
Customers for whom sustainability plays a clear role in their purchase choices, are becoming increasingly bigger parts of the Auto Parts & Services industry’s customer segment

Relationships
Saying hello and acknowledging customers upon arrival at a service facility can significantly improve customer satisfaction scores

KEY PLAYERS IN AUTO PARTS & SERVICES
The top 4 media spenders overall

In Order of Reported Media Spend

Main Offering

WeatherTech

Accessories
Floor/bed/trunk mats & liners

$121M in Profit (2018)
Over 10,000 authorized dealers
$136M

Business Info

Safelite

Repair
Windshield repair & replacement

$2.4B in Sales (2019)
Over 850 locations
$50M

Parts & Repair
Retailer of aftermarket auto parts & accessories

$14.6B in Revenue (FY 2021)
6,051 stores
$41M

AutoZone

Tires/Wheels
Specializes in tires & wheels, also sells parts & accessories

$234M in Sales (2020)
Inventory from 26 major tire and 60 wheel brands
$30M

2020 Media Spend

‘Holiday Shopping’
Spend: $6M
Impressions: 654M

‘Camping Trip: Pascal’
Spend: $12M
Impressions: 3.6B

‘El auto no arranca’ (Spanish)
Spend: $4.5M
Impressions: 212M

‘Online Shopping: Free Shipping’
Spend: $692K
Impressions: 111M

Top 2020 Creative

**AUTO PARTS & SERVICES, A DIGITAL-FIRST APPROACH**

Following consumption and industry trends

### Shifting to digital

2020 was the first year **Digital** spend exceeded **Linear TV**

- **TV** spend is decreasing (-4% CAGR), while **Digital** is increasing (+20% CAGR)
- **Streaming** spend in 2021 rebounded from 2020, reaching $36.3M, surpassing 2019 levels

### Tapping into cultural relevancy

**Brands are connecting with communities and cultural interest**

- Spend on **Hispanic properties** has stayed relatively stable since 2018 at 3-4% of category spend ($13-16M)
- Spend on **Sports properties** has decreased -2% CAGR since 2017, but was higher in 2021 ($67M, 12% of total spend) than in 2020

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**Auto Parts & Services Media Spend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Print</th>
<th>Out of Home</th>
<th>Radio</th>
<th>Television</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9%</td>
<td>55%</td>
<td>34%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>2018</td>
<td>32%</td>
<td>48%</td>
<td>36%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>2019</td>
<td>46%</td>
<td>46%</td>
<td>32%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>2020</td>
<td>37%</td>
<td>36%</td>
<td>37%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>2021</td>
<td>54%</td>
<td>36%</td>
<td>47%</td>
<td>36%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Note: CAGR refers to 2017-2021.*

*Source: SMI, Automotive Aftermarket Parts & Services Category, 2017-2021 Spend by Media Type.*

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2021 media spend has surpassed 2017-2020 levels
KEY CONSIDERATIONS

“Achieving objectives now and setting up for the future with NBCU”

“Start preparing for the long-term transformation now” - McKinsey

AudiencE

Capture the immediate audience opportunity by leveraging data targeting to reach new key audience segments (e.g., interest in sustainability, consideration of EVs, longer ownership periods).

Message

Drive brand preference by using NBCU talent to highlight the relationship you have with your customers in order to build trust with potential buyers.

Creative

Become top-of-mind by telling your story with innovation in engaging streaming environments to establish your e-commerce and emerging electric vehicle offerings.

“The pandemic will tangibly impact the aftermarket but only in the short and medium term.”

“Start preparing for the long-term transformation now” - McKinsey
CONTACT US!

Megan Ryan  
VP, Client Strategy  
Megan.Ryan1@nbcuni.com

Matt Balaban  
Director, Client Strategy  
Matthew.Balaban@nbcuni.com

Rosie Nisanyan  
Manager, Client Strategy  
Rosie.Nisanyan@nbcuni.com