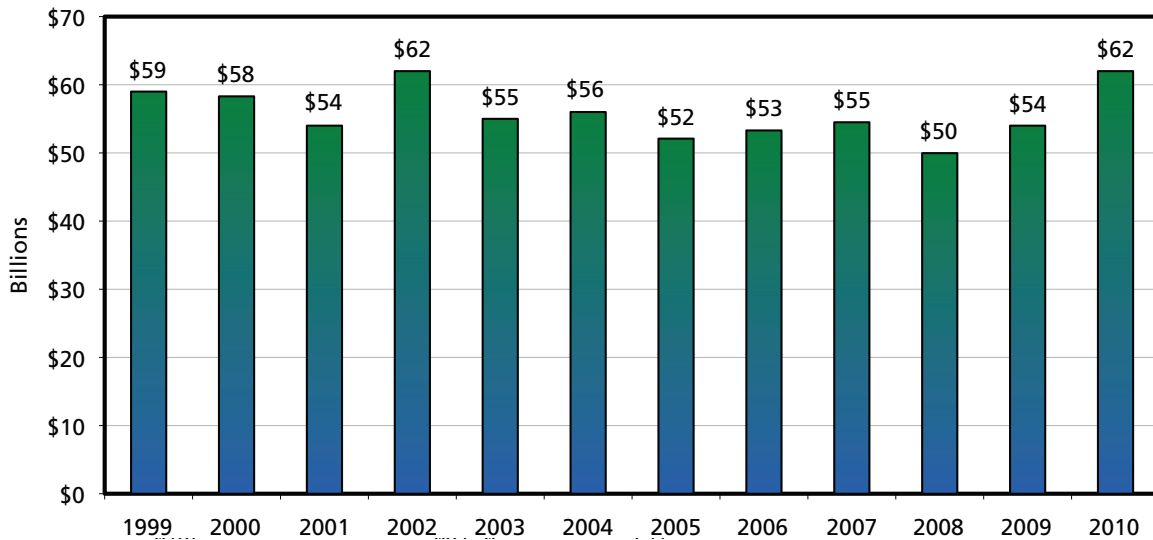


THE MISSING MARKET: UNPERFORMED MAINTENANCE

The Missing Market: Unperformed Maintenance



Unperformed and underperformed maintenance represent a significant portion of the potential market for automotive aftermarket products, the part that AASA has long dubbed the “Missing Market” or the “Untapped Market.”

In 2010, unperformed and underperformed maintenance in the U.S. grew by \$8 billion to a stunning \$62 billion. This tied with the second-highest level ever recorded by AASA, which was reached during the recovery from the last economic downturn.

Motorists increased motor vehicle travel by 0.7 percent in 2010, but unemployment and tight household budgets caused many to put off maintenance and repairs unless it was unavoidable. As a result, the “Untapped Market” represents a significant 26 percent of total aftermarket potential – a quarter of the industry’s potential market is missing. In other words, while the automotive aftermarket totaled an estimated \$183 billion in 2010, if consumers had performed the maintenance they should to keep their vehicles safe, reliable and running efficiently, the aftermarket would have totaled \$245 billion.

Going forward, the weak economic recovery and continued high unemployment levels may only increase the amount of maintenance that motorists will postpone. While this consumer behavior may affect aftermarket revenues, vehicle safety is the primary concern, outweighing any monetary consideration. In addition, the slow recovery of new vehicle sales will continue to have a direct impact on the average age of vehicles on the road, increasing the need for appropriate maintenance of an aging vehicle fleet.