

## **Aftermarket Vehicles: A Key Concept**

**"Vehicles in all age groups do not contribute equally to aftermarket product and service volume. Although cars and light trucks 4 years of age and older represent only approximately 80% of the total light vehicle VIO (vehicles in operation), they generate a much larger share of light vehicle aftermarket products and services (not including Accessories and Tires)."**

**"To understand the aftermarket and how it is changing, it is necessary to focus on what Lang Marketing defines as Aftermarket Vehicles: cars and light trucks 4 years of age and older."**

### **Not All Light Vehicle Age Groups Contribute Equally to the Aftermarket**

**Aftermarket vehicles (cars and light trucks 4 years and older) generate over 96% of total car and light truck product and service volume (not including Accessories and Tires). However, they account for a much smaller share of total light vehicles in operation (VIO), just over 80% at mid-year 2017.**

**Aftermarket Vehicles are significantly different from all other light vehicles on the road. These differences cover a**

**wide range of aftermarket vehicle metrics including age, mileage, nameplate mix, and engine size, along with other factors.**

**As new cars and light trucks have set annual sales records over the past three years, Aftermarket Vehicles comprise a smaller portion of the total light vehicle VIO today than they have in the past.**

### **Vehicle Differentiation**

**Aftermarket Vehicles should be differentiated from the overall light vehicle population, just as the aftermarket is differentiated from the OE market.**

**This will enable people both outside and inside the aftermarket industry to understand more fully the dynamics of aftermarket growth and development.**

**Often, industry headlines covering new vehicle sales and miles driven by all vehicles draw attention away from Aftermarket Vehicles, which are the primary group of vehicles creating virtually all aftermarket product and service volume.**

### **Examples of Major Differences**

**Aftermarket cars and light trucks differ significantly from younger light vehicles in a number of key respects. Here are two examples.**

**Foreign nameplates account for nearly 55% of cars and light trucks 3 years of age and newer but a much smaller**

**share of aftermarket light vehicles 4 years of age and older.**

**Miles driven is another example of how Aftermarket Vehicles differ from younger cars and light trucks. Vehicles under 4 years of age average approximately 75% more annual miles driven per-vehicle than older cars and light trucks. Nevertheless, Aftermarket Vehicles generate significantly more aftermarket product volume per-mile travelled than newer cars and light trucks.**

#### **Focus on Aftermarket Vehicles**

**Aftermarket Vehicles, rather than all cars and light trucks in the U.S., should be the focus of a set of new aftermarket metrics.**

**Metrics should be developed that reflect the changing nature of Aftermarket Vehicles (cars and light trucks 4 years of age and older) and how they differ significantly from newer cars and light trucks as well as from the total population of light vehicles on U.S. roads.**

#### **New Metrics for Aftermarket Vehicles**

**Over the next several months, Lang Marketing will introduce a set of new metrics focusing on Aftermarket**

**Vehicles. The first of these new metrics, Aftermarket Vehicle Average Age, will be presented in the next *Lang iReport*.**

### **Six Major Takeaways**

- **Vehicles in all age groups do not contribute equally to aftermarket product and service volume.**
- **Cars and light trucks 4 years of age and older account for only approximately 80% of total VIO but they generate over 96% of aftermarket product and service volume (not including Accessories and Tires).**
- **Aftermarket Vehicles (4 years of age and older) differ in a number of important ways from the entire light vehicle VIO: average age, domestic and foreign nameplate share, ratio of cars to light trucks, annual miles driven, leased versus owned vehicles, as well as other key factors.**
- **Aftermarket Vehicles should be differentiated from the overall light vehicle population, just as the**

**aftermarket is differentiated from the OE market.**

- **A set of new metrics should be developed reflecting the changing nature of Aftermarket Vehicles (cars and light trucks 4 years of age and older).**