



OEM Genuine Oil Brands and Programs in the Consumer Automotive Segment: Market Analysis and Opportunities

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The growth and market penetration of OEM genuine oil brands in the global market for passenger car motor oil (PCMO) continues to intensify in the franchised workshops channel. OEMs, especially mass-market vehicle OEMs, maintain their own genuine oil brands, with some aggressively working through their franchised dealer network to position the genuine oil as the default product offering available to vehicle owners for routine vehicle maintenance. These genuine oil products and programs are being used for both factory-paid and customer-paid services, both under and outside of the OEM warranty.

This Report Helps Subscribers to:

- Assess which consumer vehicle OEMs offer a genuine oil branded product
- Identify which OEMs offer a genuine oil program available to their new vehicle dealership network by country and region
- Better understand the structure and limitations of these programs to suppliers of aftermarket-branded PCMO seeking to expand their presence in the franchised workshop channel
- Determine which OEMs have the highest penetration of genuine oil programs in their new vehicles dealership network
- Gain the perspective on OEM genuine oil products and programs from the OEMs, franchised workshops, and lubricant suppliers that formulate these products now and in the near future
- Assess growth opportunities beyond the franchised workshops into sectors, such as fast lubes, independent workshops, fast fits, and retail for OEM genuine oil brands



Report Contents

Introduction

Executive Summary

- An overview of key study findings
- Assessment of the penetration of OEM genuine oil brands and programs in the franchised workshop segment by major country market and region
- Assessment of the penetration of co-branding of lubricants between an OEM and an aftermarket supplier

Profiles

Summary overview profiles of the leading global OEMs offering genuine oil brands and programs for the following:

- | | |
|-----------------------------|-----------------------|
| ■ Audi (Audi) | ■ Honda (Honda) |
| ■ BMW (TwinPower Turbo) | ■ Mahindra (Maximile) |
| ■ Chery (Chery) | ■ Subaru (Subaru) |
| ■ Daimler (Mercedes-Benz) | ■ Toyota (Toyota) |
| ■ FCA (Mopar) | ■ VW (VW) |
| ■ Ford (Motorcraft) | ■ Others |
| ■ General Motors (AC Delco) | |

Profiles are structured to include the following information:

- Product portfolio including PCMO, SAE viscosity grades, and API service category
- Summary of the genuine oil programs available to franchised workshops
- Estimated penetration of genuine oil programs in franchised workshops by OEMs and expectations for the near future

- Assessment of the OEM’s expansion plans and aspirations beyond the franchised workshops to other installed service providers and retailers
- Similarities and differences in approach and program offerings by country and region
- Estimated volume of passenger car motor oil sold in 2016/2017 by OEM
- Perspective about the effectiveness of genuine oil and genuine oil programs from OEMs, franchised workshops, and lubricant suppliers with OEM supply agreements
- Determining if the OEM offers a co-branded product offering in markets where a genuine oil brand and program is not feasible or effective or is still being developed

Appraisal and Outlook

- Growth drivers for genuine oil brands and programs beyond the leading OEMs active in the space
- Potential for expansion into other installed service providers, such as quick/fast lubes, fast fits, and independent workshops
- Potential for expansion into retailers, such as auto parts stores, mass merchandisers, and warehouse clubs
- Assessment of the threat to branded aftermarket lubricant suppliers from genuine oil brands
- Assessment of opportunities to branded aftermarket lubricant suppliers to successfully compete with genuine oil brands and programs





Scope

This report provides a detailed and independent appraisal of penetration levels by OEMs and the competitive threat posed to branded aftermarket lubricant suppliers.

- Activity by leading OEMs by country markets and regions
- Detailed assessment of the depth of product portfolios including passenger car motor oil, viscosity grade, and formulation type
- Explore the drivers behind why a franchised workshop would feature a genuine oil brand and participate in an OEM program
- Provide insight into how vehicle owners perceive a genuine oil brand compared to an aftermarket brand
- Summarize programs offered by OEMs through their franchised workshops designed to create awareness and loyalty to the workshop rather than other installed service providers
- Estimate the potential impact on a volume basis to suppliers of aftermarket brands in the franchised workshop segment
- Identify and develop strategies to target franchised workshops operating under a genuine oil program to market and promote specialty products, such as synthetics, and remain competitive despite not being in the primary brand position

Key Benefits

This report assists material suppliers and OEMs in identifying opportunities within the consumer automotive industry. It also serves as an invaluable tool in the strategic planning process.

- Develop business strategies by understanding the trends and developments that are driving the penetration of OEM genuine oil brands and programs
- Understand the motivation of OEMs and their franchised workshop partners to support genuine oil brands and programs as opposed to featuring and partnering with traditional aftermarket brands offered to vehicle owners under and outside of warranty coverage
- Understand the competitive threats and opportunities to participating in a co-branding supply agreement with an OEM for consumer lubricants
- Gain the perspective of decision-makers in franchised workshops, including owners, general managers, and service managers, about the effectiveness of genuine oil programs and, conversely, the downside of not featuring known aftermarket brands
- Monitor the expansion strategies and effectiveness by OEMs to move their genuine oil brands beyond the franchised workshop and into quick lubes, fast fits, independent workshops, and retail outlets



Methodology

Kline’s approach places principal emphasis on primary research techniques to ensure that the foundation of business intelligence and insight is accurate, current, and reliable. Building on our 50-plus years in the business and leveraging our worldwide network of offices, our teams of seasoned professionals draw upon pragmatic industrial and commercial experience to understand and interpret global impacts and local perspectives.

Primary Research

We Know Who to Talk to. We Know How to Listen.



A high number of in-depth discussions are conducted by each analyst. All interviews are done with true industry insiders.

Kline’s analysts draw upon pragmatic experience to understand global impacts and local perspectives. Our interviews engage experts across all pertinent fields and sectors including:

- Consumer vehicle OEMs
- Installed service providers
- Retailers
- Lubricants marketers/manufacturers
- Distributors
- Trade organizations

Secondary Research

We Know Where to Look – Mining the Details.



Analysis is further supplemented by secondary research, consisting of constant tracking of annual company reports, national statistics bureaus, trade/ industrial/professional associations, and the like.

Relevant developments are diligently followed and their impact closely monitored. Reports also draw upon non-confidential data from Kline’s internal database, consisting of over half a century’s syndicated research.

Comprehensive Market Intelligence

We Know How to Verify.



Data are rigorously analyzed, cross-checked, distilled, and validated. Kline’s proven methodology allows exceptionally effective, precise, and reliable market

intelligence, giving subscribers a solid foundation on which to grow, refine, and expand their business with confidence.

Kline Credentials

Kline is a leading global management consulting and market research firm offering the complete spectrum of services. The firm has served the management consulting and market research needs of organizations in the chemicals, materials, energy, life sciences, and consumer products industries for over 50 years.

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