

Car Aftermarket: Inc Impact of COVID-19 - UK - November 2020

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This report looks at the following areas:

- The impact of COVID-19 on the market for a number of key aftermarket parts.
- How COVID-19 and other factors will likely impact the market's future prospects.
- Trends in demand for key car aftermarket parts.
- The importance of different channels for accessing aftermarket parts.
- The importance of maintenance and servicing in driving demand for replacement parts and reasons for maintenance.
- Consumer preferences towards how parts are purchased and interest in the use of used or refurbished parts.

The car aftermarket has performed relatively well during 2020 considering the impact of the COVID-19 pandemic on the wider economy and automotive market. Although demand has suffered in many areas as a result of reduced mileage and the growth in working from home, revenues are forecast to be down only 4.4% against 2019 at £5.61 billion in 2020. Much of the decline will come from sluggish demand for replacement tyres. Looking forward, Mintel expects revenues to surpass their 2019 level by 2022.

While COVID-19 is likely to reduce demand for a variety of replacement parts, as noted by the forecast fall in revenues in 2020, other factors have also been affecting this market in recent years. The replacement tyre sector in particular has seen shifts towards larger tyres as demand for larger cars, such as SUVs, has grown. Equally, recent years have seen renewed interest in premium brands, which has helped raise the average price paid and consequently boosted sector revenues.

Used and refurbished parts represent an ever-present threat to the market. Such parts have long been a feature of the tyres market, where demand for part worn tyres amounted to 4-4.5 million units per annum in 2019. Although 36% of consumers questioned by Mintel said they would consider purchasing used



"Despite the significant impact of COVID-19 on car sales, replacement parts largely weathered the difficulties posed by the pandemic. The continuing need for cars to remain roadworthy helped insulate the sector from a major decline in sales. Going forward, the market will continue to face challenges, notably from the future use of cars and confidence towards expenditure."

Neil Mason, Retail Category Director

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or refurbished parts, interest is much higher for young adults, notably those aged under 35. Given the growing interest of manufacturers in this market on the grounds of sustainability, it has the potential to increasingly disrupt the traditional aftermarket.

Online is a major opportunity for those operating in the car aftermarket. Although traditionally focused on the consumer retail sector, those fitting parts are increasingly using online as a way of offering a quicker and cheaper service. COVID-19 is expected to add further impetus towards using online for purchasing parts directly, or working with intermediaries, such as garages and autocentres, to arrange for parts to be fitted.



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