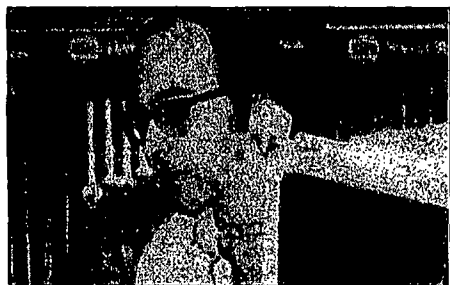


Local Ad Council

"Doing business without advertising is like winking at a girl in the dark. You know what you are doing, but nobody else does" (anonymous). In today's highly competitive marketplace that quote has never been more true. More and more NAPA AUTO PARTS store owners and managers are recognizing the importance of advertising and are letting other people "see them wink at the girl." And, as advertising increases as an important business tool, many NAPA AUTO PARTS stores and Distribution Centers are participating in local ad councils to help them get the most for their advertising dollars.

By pooling their resources together, these jobbers and D.C.'s are finding that the money they spend on advertising is providing them with more positive results than if they were advertising on their own. Outlook recently talked to two NAPA AUTO PARTS store owners who are members of a local ad council. More advertising for the dollar, better exposure in their market area and increased sales are just some of the benefits these jobbers have seen as a result of their local ad councils' efforts.



Joe Thibaut
NAPA AUTO PARTS/
Fallon Auto Parts, Inc.
Fallon, NV
Served by NAPA Sacramento

The Sacramento local ad council was started in 1986 and has 12 members who own 29 NAPA AUTO PARTS stores. In addition to the 12 members and the stores they represent, another 60 NAPA AUTO PARTS stores serviced by the Sacramento Distribution Center support and contribute to our local ad council.

Funds to purchase our advertising come from co-op reimbursement monies each participating jobber receives as a participant in the NAPA National Advertising

Program. So, instead of taking our co-op dollars and planning our own individual local advertising campaigns, we pool our funds. The funds are used to purchase television and newspaper advertising in three major market areas — Sacramento and Redding, CA and Reno, NV. These areas could best be described as a combination of urban, rural and farm markets. In other words, there's a broad consumer base we have to cover in our advertising.

Early in our council's existence we made the decision to direct our advertising efforts to the retail segment of our market. The reasons for this were twofold.

First, we looked at what our competition was doing and noticed that they were advertising to retailers. Thus, in order to remain competitive in our marketplaces, we knew we were going to have to capture a share of the retail market. The council thought our NAPA AUTO PARTS stores could really make an inroad in this market because we had the ability to offer a wider range of retail-oriented products at very competitive prices.

The second reason for directing our advertising efforts to the retail market was to increase the in-store traffic of our NAPA AUTO PARTS stores. We believed NAPA already had a positive image in the consumers' minds, but now we wanted to make a big impact with price/product advertising.

Through trial and error we found that television and newspaper are the best medium for us to advertise in. That's because in some of our market areas, such as Reno and Redding, television spots work better — they reach more consumers — and they are more economical in these areas than other forms of advertising. In other areas, such as Sacramento, newspaper ads have a greater impact and are a more cost-effective method of advertising.

The council meets once a month to discuss advertising efforts and to plan promotions. We try to plan our promotions at least eight weeks in advance because that's the minimum amount of time the Sacramento D.C. needs to order, receive and supply the stores with an adequate inventory of the items that will be featured in the promotion. At our meetings we decide what items will be featured in the promotion and how much money we have to operate with.

While the council makes all of these decisions, it does employ an advertising agency to do the actual creative work and determine the media buys and placement. However, the agency does not do anything without the consent of the majority of the council.

Our promotions usually feature one "big ticket" item and 10 or 11 related items. Every promotion features oil, oil filters and batteries. That's because we've found these



Members of the Sacramento local ad co
Manager for NAPA Sacramento; Bart Supply, Inc; Greg Boehle, NAPA AUTO PARTS/Debco Automotive; Mable and Automotive; Joe Thibaut, NAPA AUTO ran, Curran, Hitomi Advertising and Sacramento.

three items are always demanded by retailers. Prices for the featured items are determined based on what the competition is offering, what will make us competitive in our marketplaces and still let everyone make a profit and how much support we can get from the D.C. and manufacturers.

As an example, this past May the council implemented a "May Madness" sale for the first two weeks of the month. The big ticket item in the promotion was a remanufactured 350 cubic inch Chevrolet engine, complete with a 24 month limited warranty, for \$799. Other items featured in this promotion were NAPA Oil for 19¢/quart (after rebate), oil filters for \$2.49 after manufacturer's rebate and numerous car cleaning products.

Advertising for this promotion started on April 28 and lasted for 10 days. A television ad that highlighted the specially priced engine ran over a four day block during that 10 day time frame and a newspaper ad,