

# BREAKING DOWN THE DIESEL MARKET AND A LOOK AT COMMERCIAL CONTRACTORS

The diesel market is broad and can seem somewhat overwhelming to those who haven't spent much time around diesels. But once you've identified the smaller segments within the larger market, you can work toward creating goals and forming a strategy to recruit new customers and accounts. Five smaller segments make up the larger diesel market.

## TURBO DIESEL/PASSENGER CAR ENTHUSIASTS

This segment includes pickup trucks (Ford F250-350, Ram 2500-3500, GM 2500-3500) with their respective brand's diesel engine. It also includes diesel-powered small cars like those from Volkswagen, Audi, Mercedes, Porsche, BMW, Chevrolet and Dodge. Diesel passenger car enthusiasts can be broken down further into those who use their vehicles for pleasure and those who use them for the fuel-economy benefits. Diesel engines are being installed into more passenger cars and light trucks to satisfy the demand for better fuel economy and torque.



## COMMERCIAL CONTRACTORS

A commercial contractor is typically a small business that employs one to 10 employees and invests in equipment, vehicles and tools to help it run its business and generate revenue. Examples of commercial contractors include residential contractors, roofers, electricians, plumbers, landscape contractors and hardscape contractors.

## INNER CITY DELIVERY/CONSTRUCTION/REFUSE

The inner city delivery/refuse segment includes day-cab trucks and larger off-road construction equipment.

Delivery fleets are regional businesses that require their trucks to return to a

central facility each night. These day-cab trucks deliver food, beverages, newspapers, dry goods and more. Delivery fleets can be small with one to five trucks, or very large with hundreds of trucks.

Construction businesses in this category include those that build roads, bridges, sidewalks and streets. These companies typically have a variety of equipment that includes dump trucks, day-cabs, pickup trucks, excavators, bulldozers, skid-steers, graders, loaders and more. These companies can be very small businesses with a truck or two and some equipment or very large companies with a thousand or more units.

Garbage and recycling collection fleets can range from a few trucks to hundreds of trucks, depending on the company. These are typically regional businesses with daily pickup routes.



## AGRICULTURE

Agriculture relies heavily on diesel engines capable of handling the most demanding work. Businesses range from hobby farmers with just a couple hundred acres to commercial farmers with a few thousand acres. Smaller farms often have older equipment that they use longer, making regular maintenance crucial, while larger farms commonly buy new equipment every few years or contract with companies to lease their equipment. Farmers use a wide variety of equipment ranging from tractors and bailers to mowers, sprayers and combines.



## OVER-THE-ROAD/LONG-HAUL TRUCKS

Over-the-road truckers can be self-employed independent contractors, independent owner/operators (small fleet) or company drivers. Semi-trucks and box trucks travel extended distances to deliver cargo from one place to another. Some long-haul semi-trucks and box trucks also have hydraulic lifts to help load cargo.

## DIGGING DEEPER

When planning to target a new market or segment for your AMSOIL business, it's important to first identify specific potential customers and research those businesses before trying to sell to them. You may also want to become more familiar with industry jargon and the mechanics of each business.

Understanding the problems and setbacks each business can face is also important. The more you understand about the business and industry, the better you will be able to relate to your customers and the more trust your customers will have in you.

## START SMALL AND BE CONFIDENT

Pursuing a smaller business may yield a better outcome than pursuing a larger one. Targeting smaller contractors first also allows Dealers to further familiarize themselves with the market before pursuing a larger account.

No matter which size contractor you start with, confidence in yourself and AMSOIL products is key to helping you land a sale. When you know the products AMSOIL has to offer, you can quickly and easily identify the products that can best help the contractor improve efficiency, receive better fuel economy and reduce downtime.

## LISTEN CAREFULLY AND PROVIDE SOLUTIONS

Beginning with the first meeting, Dealers should always take the time to listen to find out what problems the business is facing. Commercial contractors commonly face issues

related to economic fluctuations, finding quality labor (if they have a team) and equipment failures. For example, a downward fluctuation in the economy may mean the contractor is getting less business and that materials and fuel cost more. This is a big problem because it affects his bottom line. As an AMSOIL Dealer, you have the expertise to recommend premium products that can help the contractor save money on fuel, save time on maintenance and keep the business profitable.

### SELL THEM WHAT THEY WANT

Research shows that when it comes to buying motor oil, commercial contractors aren't necessarily honed in on price. As shown in the bar chart, commercial contractors indicated that the most important characteristic of oil is protecting vital parts in their equipment, followed by reduced oil consumption and increased fuel economy. By protecting vital parts with the right lubricants, contractors reduce equipment downtime and money spent on repairs. Reduced oil consumption also results in money saved on maintenance, downtime and lubricants while increased fuel economy gives contractors more bang for their buck in fuel.

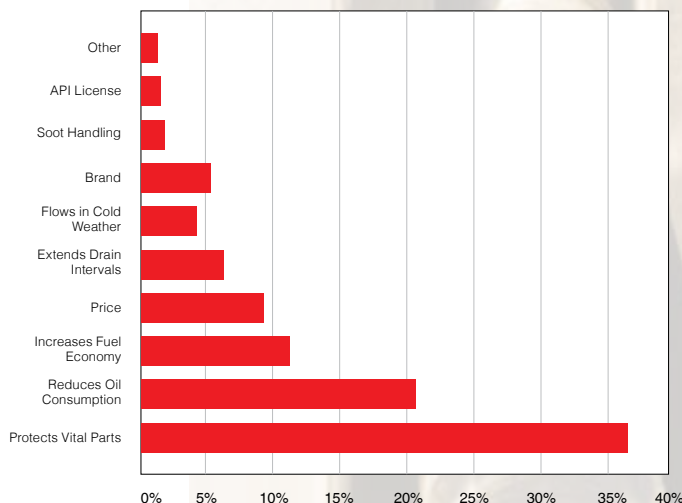
### MAKE IT EASY TO PURCHASE

Currently, nearly 30 percent of commercial contractors purchase their lubricants from an auto parts store chain, while just over 5 percent buy directly from an individual dealer. That means most contractors have to take time out of their busy schedules to stop by a store and pick up any oil they need. AMSOIL Dealers can save commercial contractors time and money by explaining the benefits of ordering online or even offering personal delivery services themselves. Or, if they still prefer to buy from a store, direct them to one of your retail accounts that offers the products they need. ■

### DEALER ACTION PLAN

- Make a plan. Familiarize yourself with the market and learn about nearby businesses to determine a good starting point. Focus on the smallest commercial contractor first. This will help you get to know the industry better and increase your self-confidence.
- Understand the challenges commercial contractors face (economic fluctuations, minimizing equipment failure). Offer AMSOIL synthetic lubricants as solutions to these challenges.
- Understand what commercial contractors are looking for in lubricants and explain how AMSOIL lubricants deliver those benefits.
- Make it easy to purchase AMSOIL products. Sell the convenience of delivery, either direct from AMSOIL or from you. You may also direct them to one of your retail accounts.
- Don't overlook other opportunities. Commercial contractors use a variety of gasoline- and diesel-powered equipment that would benefit from the use of AMSOIL synthetic lubricants.

#### Most Important Motor Oil Attributes for Commercial Contractors



#### DIY Motor Oil Purchase Channel Preferences for Commercial Contractors

