

## ■ Improving Customer Satisfaction and Reducing Costs

Master Data Management provides a single source of product and supplier data and integral capabilities to comply with industry standards

Company:

**Advance Auto Parts**

Industry:

**Retail (Automotive)**

Region:

**USA**

Solution:

**Multidomain MDM**



### Executive Summary

Supporting auto parts is challenging due to the plethora of part numbers, numbering nomenclatures and system bundles that may exist for the same part or parts.

Advance Auto Parts, Inc. (AAP) is a leading automotive aftermarket retailer. Ranked in the Fortune 2000 list of the World's Biggest Companies, AAP offers parts, accessories, batteries, and maintenance items to both the do-it-yourself and professional installer markets. The company operates over 6,000 stores and an online shopping channel.

AAP embarked on their master data management (MDM) and product information management (PIM) initiative in an effort to achieve service leadership and superior product availability by:

- Streamlining their merchandising efforts and time-to-market
- Increasing revenue and customer satisfaction
- Receiving accurate information from manufacturers
- Complying with the Auto Care Association standards, ACES and PIES

### The Business Payoff

Advance Auto Parts' MDM strategy was to shift responsibility of loading product information from internal AAP data administrators. By enabling more than 650 third-party vendors to self-populate data, attributes and images, AAP was able to reduce data entry costs by more than 50% and lower its internal data administration headcount by half. AAP was also able to increase the number of times it could do a full review of a vendor's product information, moving from a yearly to a monthly review. They were also able to shorten the time it took to buy parts and distribute them to stores by 20%.

Further, and perhaps most importantly, AAP was able to better comply with industry standards set forth by the Auto Care Association.

Stibo Systems MDM has in-built support for several industry standards, including the automotive industry's ACES and PIES.



## Challenge

To support its merchandising efforts, Advance Auto Parts sought to consolidate product data for more than 650,000 products/SKUs, which span more than 350,000 vehicle models, include more than 35 million part-to-vehicle relations, and have greater than 500,000 interchange records (i.e., records which cross-reference the part number with other part numbers that could serve as a viable replacement). They also sell a number of product bundles called “kits” or “systems”. These systems include all necessary parts, accessories and/or tools needed to repair the entire system in a car and are often bundled based on the function (e.g., brake system, coolant system, etc.).

Leveraging Stibo Systems Multidomain Master Data Management, the objectives for the MDM/PIM included:

- Receive accurate information from manufacturers and third-party vendors
- Comply with automotive aftermarket industry association standards (Auto Care Association)
- Reduce data entry costs and lower product returns
- Improve reaction time
- Decrease time-to-market

## The Customer Experience

Data accuracy is the lifeblood of AAP, and the deployment of correct and accurate data provides major benefits to both internal operations and customers who are in the ordering process.

Previously, the company updated vendor information on a quarterly basis and interchange/hierarchy data often took weeks. Because data in Stibo Systems MDM is now updated continuously, product, attribute data, and digital assets received from vendors are systematically validated, processed, and delivered to the information supply in near real-time. Any information reviewed by AAP personnel is validated, reviewed, and put through a syndication process in less than 48 hours to ensure data accuracy.

AAP began by creating a fully automated data processing pipeline that would allow vendor-supplied data to be delivered in industry standard formats PIES and ACES data. The data is automatically validated and imported.

Once processed, data is automatically syndicated and delivered to any downstream consumer of the information.

## Results

Today, Advance Auto Parts has been able to achieve a 15% improvement in their customers' buying ability, as their stores now have better and more reliable catalog and part information. Previously, AAP had to keep track of all individual part numbers and needed to cross-reference the part number to other part numbers that could serve as a viable replacement.

AAP was also able to lower their customer order processing errors and decrease product returns by 10%. Traditionally, AAP store personnel work with do-it-yourself customers and professional installers to make accurate recommendations regarding the car, parts or systems required. Prior to the MDM initiative, it was not uncommon for the store clerk to give the wrong recommendations, or the customer would buy several variations and return the ones that didn't fit.

Executive and operational managers at Advance Auto Parts now view Stibo Systems MDM as the single source for all vendor and all product data.



## About Stibo Systems

Stibo Systems, the master data management company, is the trusted enabler of data transparency. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data. We empower them to improve the customer experience, drive innovation and growth and create an essential foundation for digital transformation. This gives them the transparency they require and desire – a single, accurate view of their master data – so they can make informed decisions and achieve goals of scale, scope and ambition. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. More at [stibosystems.com](https://stibosystems.com).