

Karen

From: Karen
Sent: Wednesday, June 19, 1996 5:21 PM
To: Jack
Subject: CAPA part prices vs non-certified parts

it appears that we did not understand Bob Anderson's example..or he stated it in a confusing manner.

the issue he presented in Taiwan is as follows:

the State Farm estimate called for an Ford F150 pick up hood 92-93. It said that the hood was available, certified from Auto Body Supply in Cleveland for \$185.33. When he called he was told tht the hood was damaged.

Bob called the adjuster hoping to get the ok to get an OE, but th adjuster said he'd find another source for the CAPA part. the adjuster called back and said that Deluxe Bumper in Cleveland had the CAPA hood for \$252. When Bob called, only a short time later, Deluxe told him they had just sold the last CAPA hood. My notes are unclear here, but I think Bob told me that they offered him a non-certified hood, I didn't note if it was the same price. In any event, Bob thinks it was a classic attempt at bait and switch. he eventually got permission to buy the OE hood for \$312. Bob is going to try to order a few parts and see if he comes up with similar bait and switch situations. he'll keep me posted.

In the meantime, I am forwarding you a doc prepared for us by Tim hain with CAPA part pricing info. He gives us the range of prices for the same 10 CAPA parts from 8 dists (I provided the names). He also gives the average CAPA part price and the OE price. I think the largest price range is about \$110. In one case the OE is \$100 more than the highest CAPA part price, but that is extreme. Tim is certain that some dists low ball the CAPA price just to get on the estimate and he thinks that bait and switch is relatively common, but has no documentation. Also, these dists list only the CAPA part price, so there is no way to prove that they sell the non-certified for less.....unless we have invoices, which, if you think I should, I'll ask Bob to actually buy the non-certified parts and give us the invoices...what do you think?

FYI, Rodman is doing a story on bait and switch.

Bottom line is that we can't prove anything yet.