

Tire Dealer Operations

In this special section of the **Tire Review Sourcebook**, we explore the many business aspects of owning and operating a tire dealership, including in-bay productivity, number of bays, the owners' role in the business, gross profit margin, tire dealers' major business concerns, top methods for tire dealership promotions, social media usage and more.

Methodology: This survey was conducted between May 7 and June 6. There were 330 responses. The margin of error in this survey is 6% at a 95% confidence level.^{TR}

53%

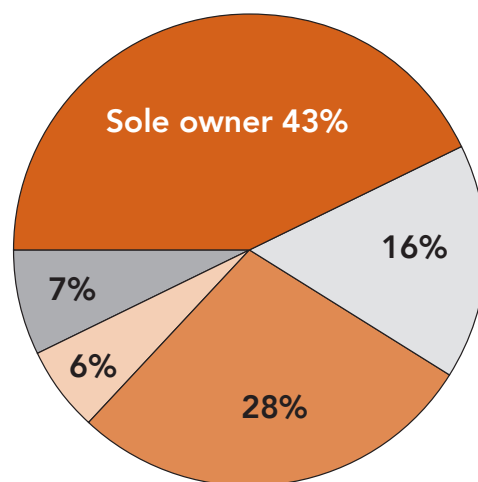
Are independent tire dealers (retail)

27%

Are independent tire dealers (retail and commercial)

Owners' Role in the Business

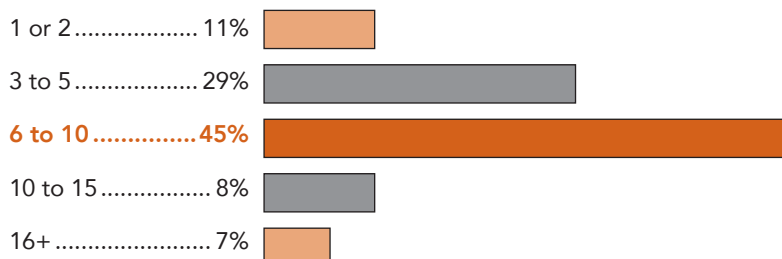
Sole owner.....	43%
Partner.....	16%
Manager.....	28%
Sales/counter.....	6%
Other.....	7%



To what other types of businesses do you sell tires?

	Daily	Weekly	Monthly
Car dealers	34%	18%	12%
Other tire dealers	33%	13%	15%
Auto repair shops	30%	30%	22%
Custom shops	27%	10%	21%

Number of Bays at Dealership Location

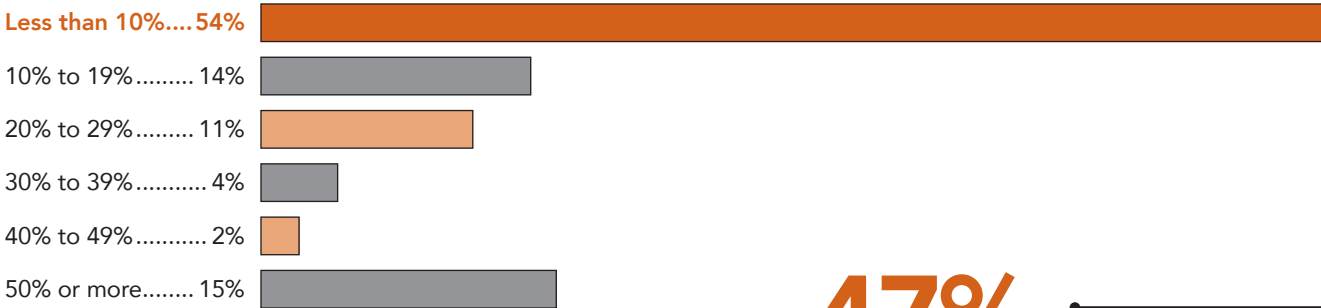


80%

In-bay productivity rate
(hours bays are open vs. billable)

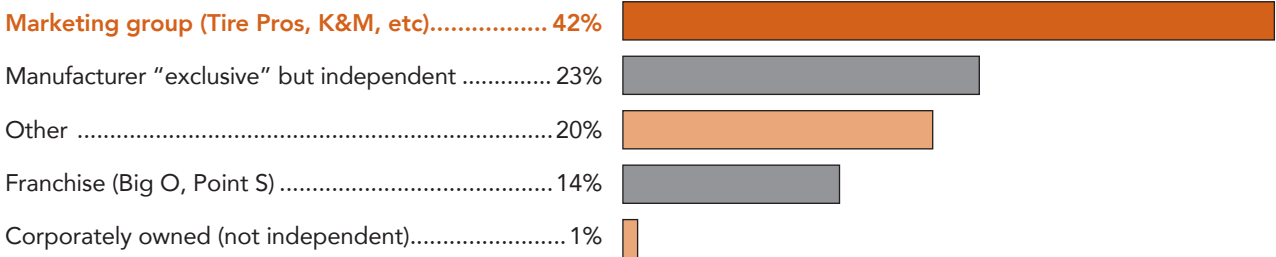
Ownership of Dealership	
Single owner	45%
Family owned	37%
Privately owned by partners	10%
Owned by a major corporation	5%
Other ownership	2%
Owned by employees (ESOP)	1%

What percentage of sales are from commercial tires?

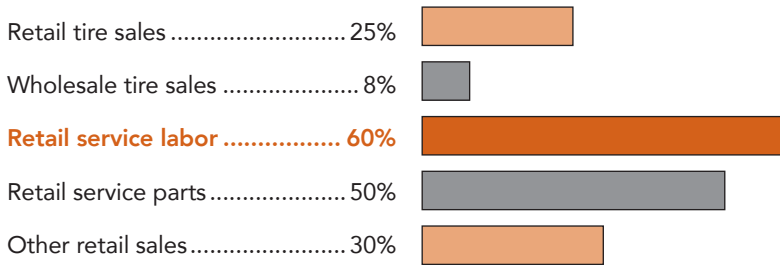


47%
 Are affiliated with a dealer-marketing group or franchise

Dealer marketing group or franchise affiliations



Median gross profit margin



\$20
Average
paid per installed tire

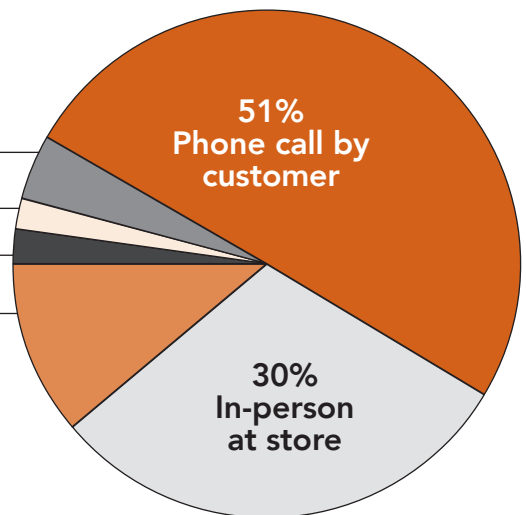
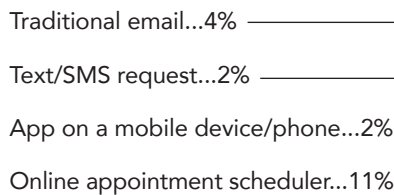
61%

Sell used
passenger or
light truck tires

42%

Sell tires
wholesale

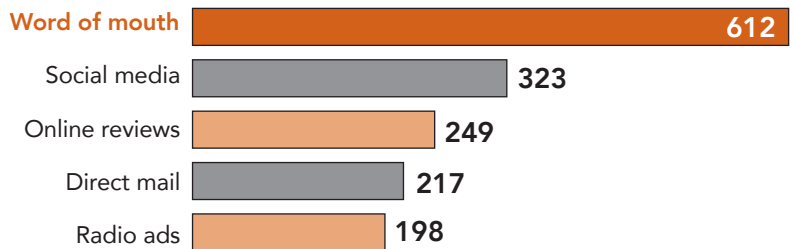
Appointments made by



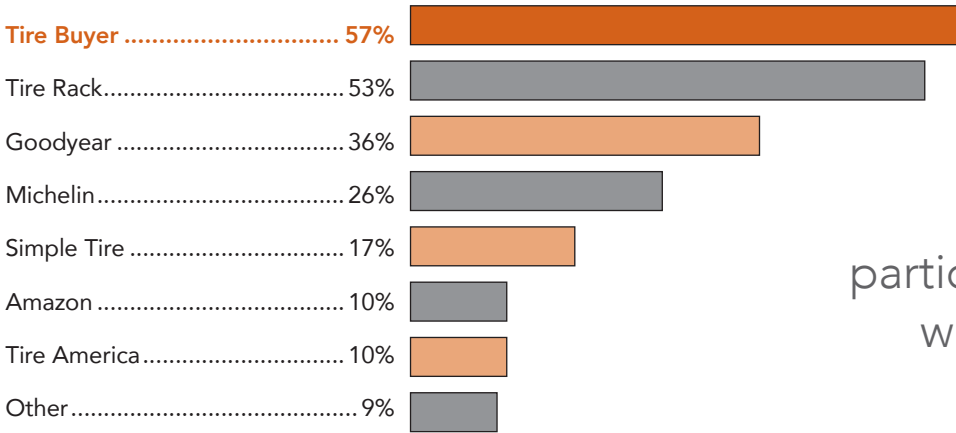
Percent of respondents saying these concerns are 'very critical'

Getting/keeping qualified employees	70%
Profitability	63%
Customer retention	56%
Cost of employee healthcare	49%
Cost of wages/benefits	41%
Tiremakers selling direct to consumers via Internet	39%
Tire pricing by suppliers	30%
Local/regional economy	28%
Ability of customers to pay	28%
Increasing business valuation	26%

Top 5 most effective promotion methods



Online Retailer Affiliations



57%
of tire dealers
participate as installers
with online retailers

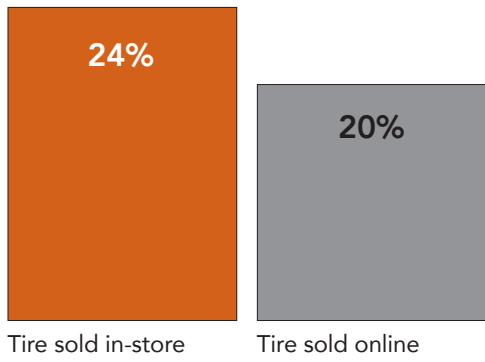
81%

of tire dealers DO NOT
sell tires online.

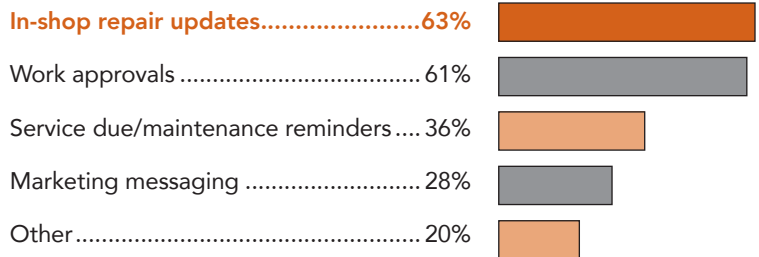
Dealers Who List Tire/Service Prices on Website

	Yes	No
Tire prices	35%	65%
Service prices	18%	82%

Average tire profit margin



Text Messaging Customers



What forms of social media do you use for your shop and how do you use it?

	Daily	Weekly	Monthly	Don't use it
Twitter	9%	13%	9%	69%
Facebook	30%	30%	19%	21%
Snapchat	1%	4%	4%	91%
Instagram	7%	12%	11%	70%
LinkedIn	3%	9%	18%	70%
Pinterest	1%	4%	5%	90%