



DEALERPROFILE

What does the successful North American tire dealer look like? How is his/her business structured? Where are they seeing victories and growth, and where are the trouble spots?

Welcome to TIRE REVIEW's 2008 Tire Dealer Profile Study – the industry's most comprehensive and extensive research effort. To compile this year's report, TIRE REVIEW surveyed hundreds of independent tire dealers throughout North America – owners and principals who took time out of their busy schedules to answer detailed questions about their businesses.

Those surveyed dealers serve as a unified voice, helping our readers and us to better understand the size and scope of today's successful independent tire dealer.

These dealers offered invaluable insight into the industry's most pressing questions. They answered fundamental questions, such as: How is a successful tire dealership struc-

ured? Where do they buy their tires? When do they sell the most tires? What are the average selling prices of consumer and commercial tires?

They also offered inside information that's not available anywhere else: How much profit do they earn on those tires? Who do dealers consider their toughest competition? Where are their pain points? What are their best months for tire and service sales? How much do they pay employees?

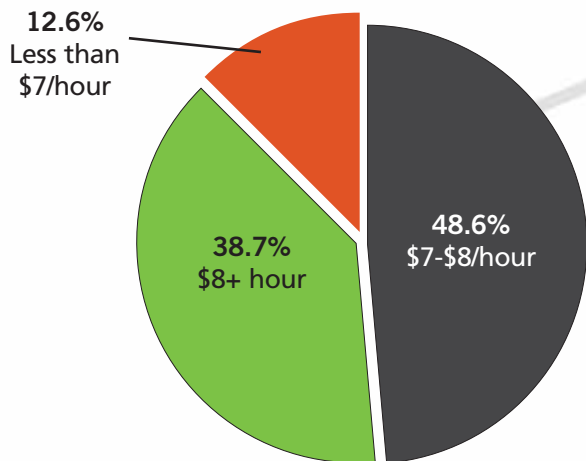
Presented here are a few of the key questions asked in this year's study. For complete study results, contact Bob Roberts, Babcox Research, at 330-670-1234, ext. 252, or by e-mail at broberts@babcox.com.

What Concerns Dealers Most



What Dealers Pay New Hires

(without experience)



Sizing Up the Average Dealer

- 92%** Are family owned
- 66%** Attended or graduated college
- 62%** Are sole owners
- 67%** See more than 50% of sales from repeat customers
- 77.6%** Get management information from tire trade magazines
- 44.5%** Posted location sales of \$1 million or more

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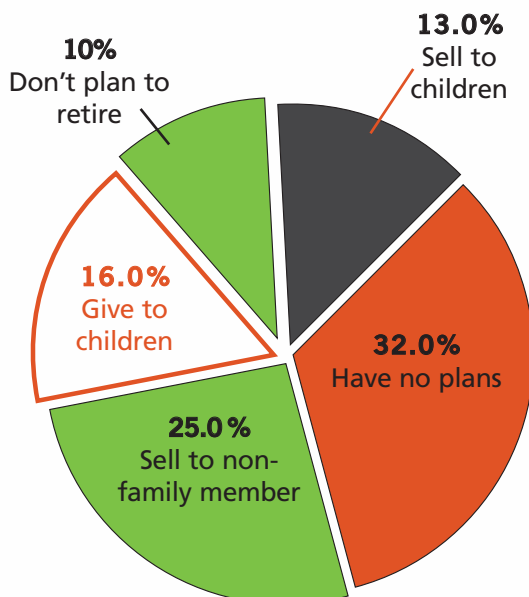
Sizing Up the Average Dealer

- 73.5%** Concerned about finding employees
- 70%** Sell used tires
- 53%** Rely on tire industry magazines for service tech training
- 4.9 avg.** Service bays
- 76%** Sell Chinese brand passenger tires
- 81.9%** Connected to the Internet
- 35.2%** Have a Web site
- 37.4** Average consumer tires sold per day
- 24%** Wrote more than 400 repair orders per month

Employee Retention: What Dealers Think Works

- (% saying this is "critical")
- 46%** Treat them with respect
 - 28%** Pay them well
 - 18%** Give regular schedules
 - 16%** Offer good benefits
 - 10%** Provide quality tools/equipment
 - 9%** Give adequate time off
 - 7%** Provide chance to advance
 - 5%** Training/education opportunities

What Dealers Will Do With Their Business at Retirement



Sizing Up the Average Dealer

- 66%** Had employee turnover rate of 10% or less
- 13.9%** Offer nitrogen inflation
- 34.5%** Provide 401(k) plans to employees
- 15%** Have had TIA TPMS training in the past year
- 15%** Have taken TIA's passenger tire service training
- 57%** Sell Chinese brand medium truck tires

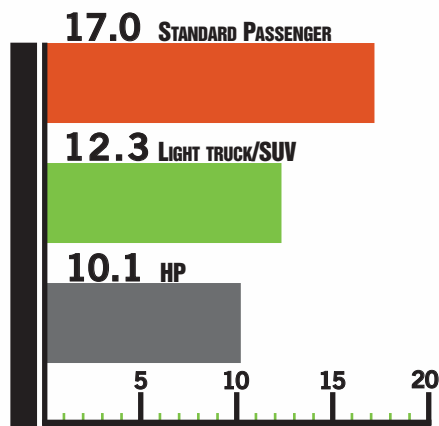


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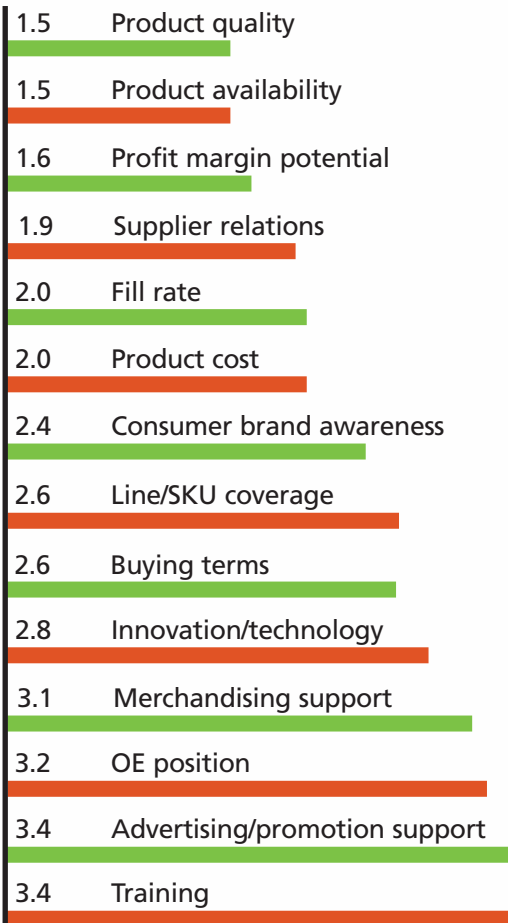
Why Retail Dealers Carry Certain Consumer Tire Brands

What Retail Dealers Sell Each Day

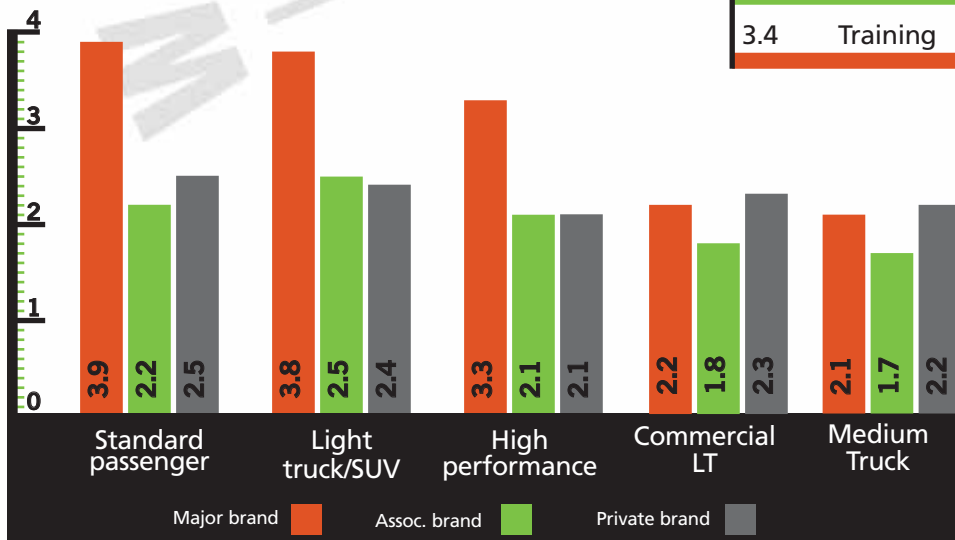
(average tires sold per day)



most important 0 1 2 3 4 least important



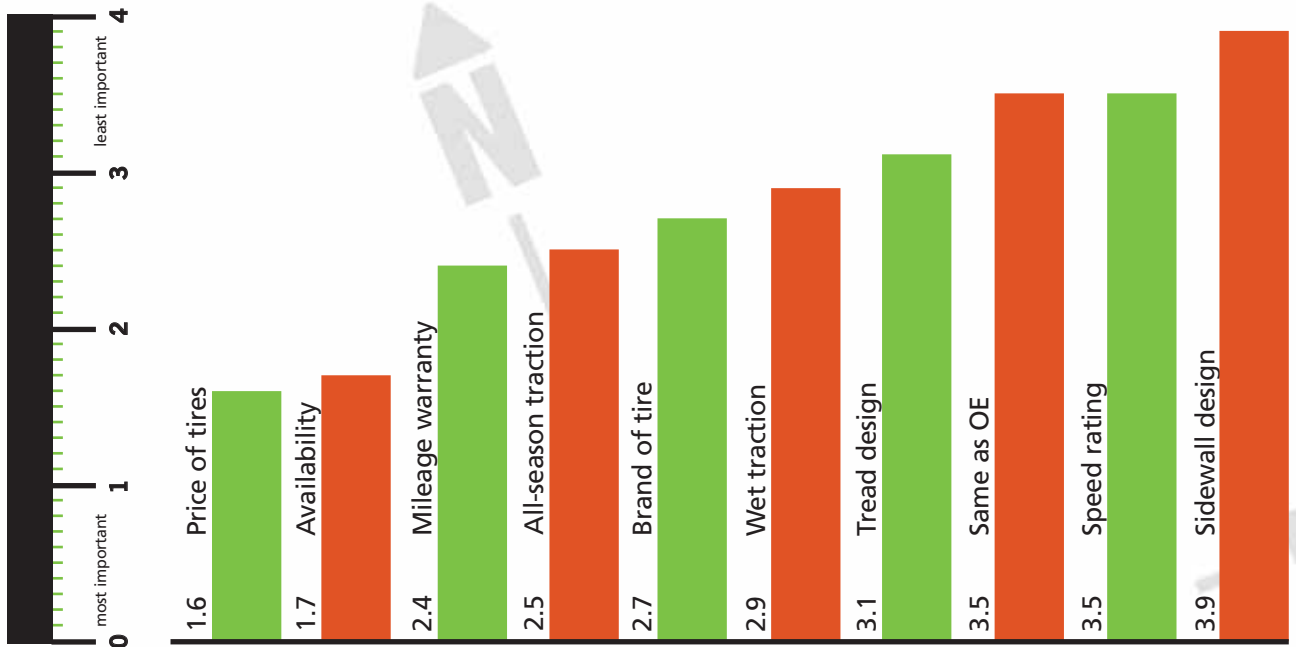
Number of Brands Retail Dealers Carry





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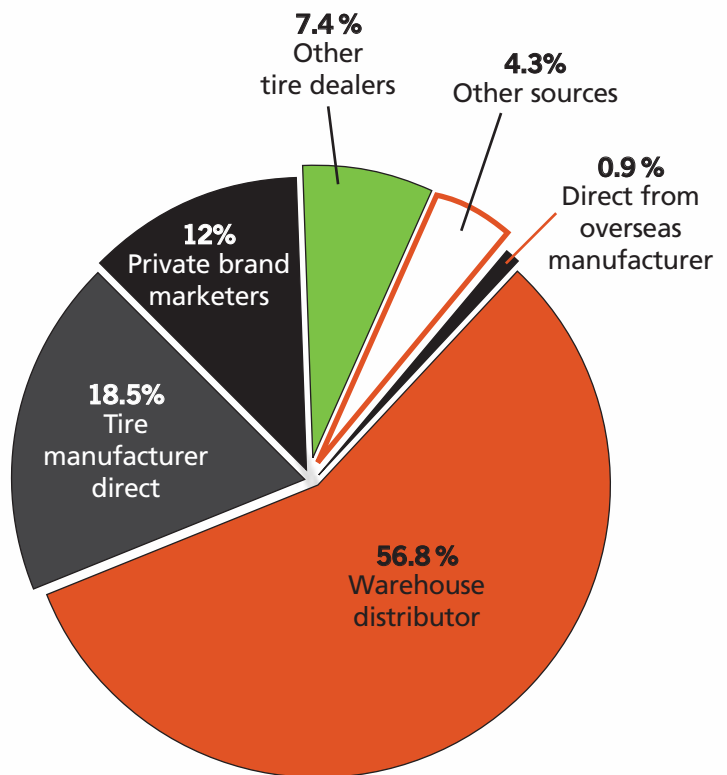
What Dealers Think is Important to Retail Tire Buyers



Why Customers Buy Particular HP Tires



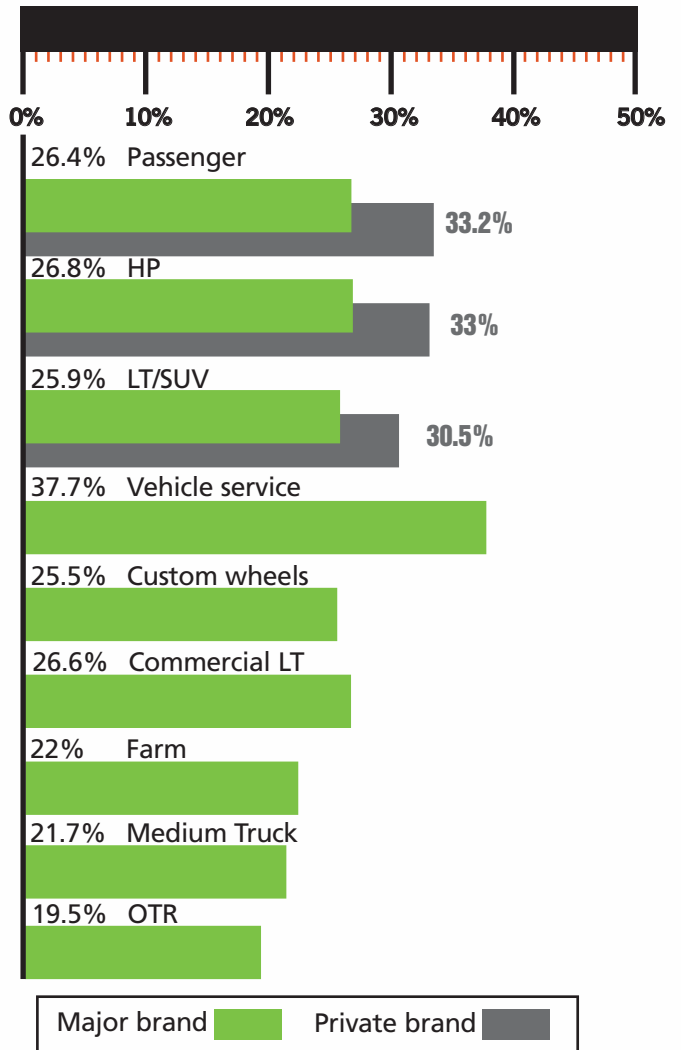
Where Dealers Get Consumer Tires



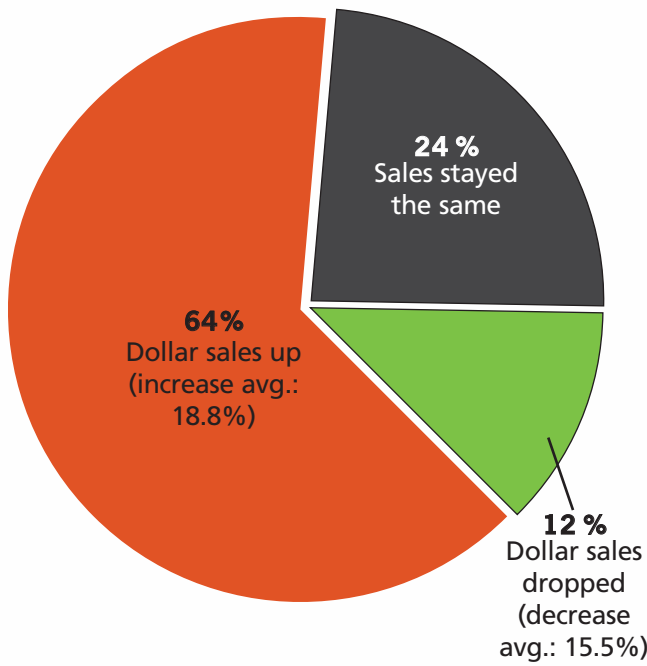
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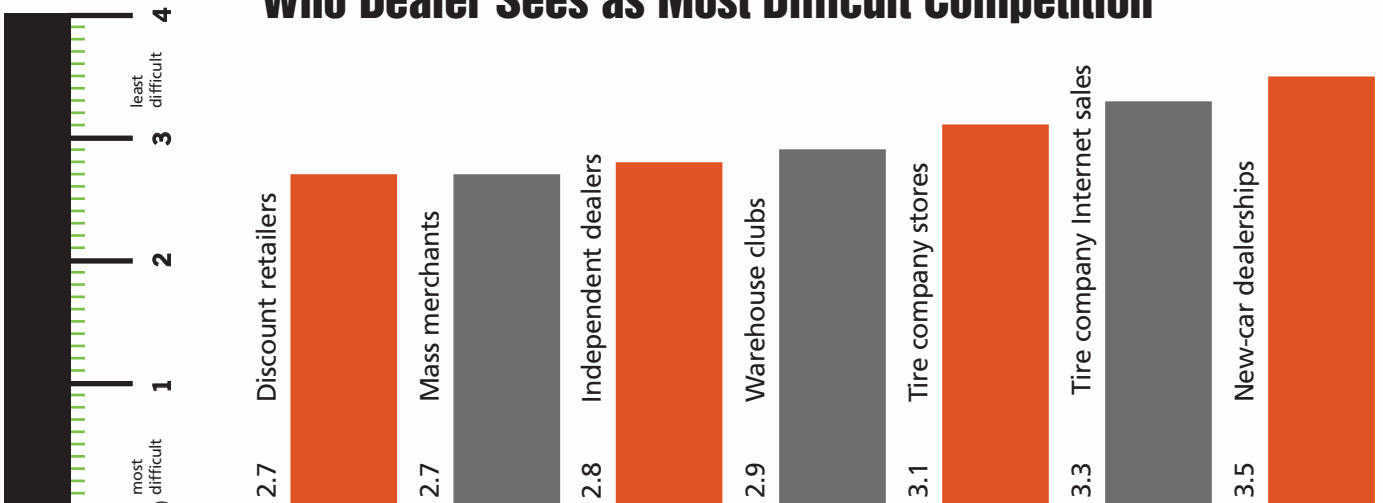
Average Gross Profits: 2007 Sales



Dealer Sales Volume: Consumer Tires (2007 sales vs. 2006)



Who Dealer Sees as Most Difficult Competition





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How Dealers Advertise/Promote

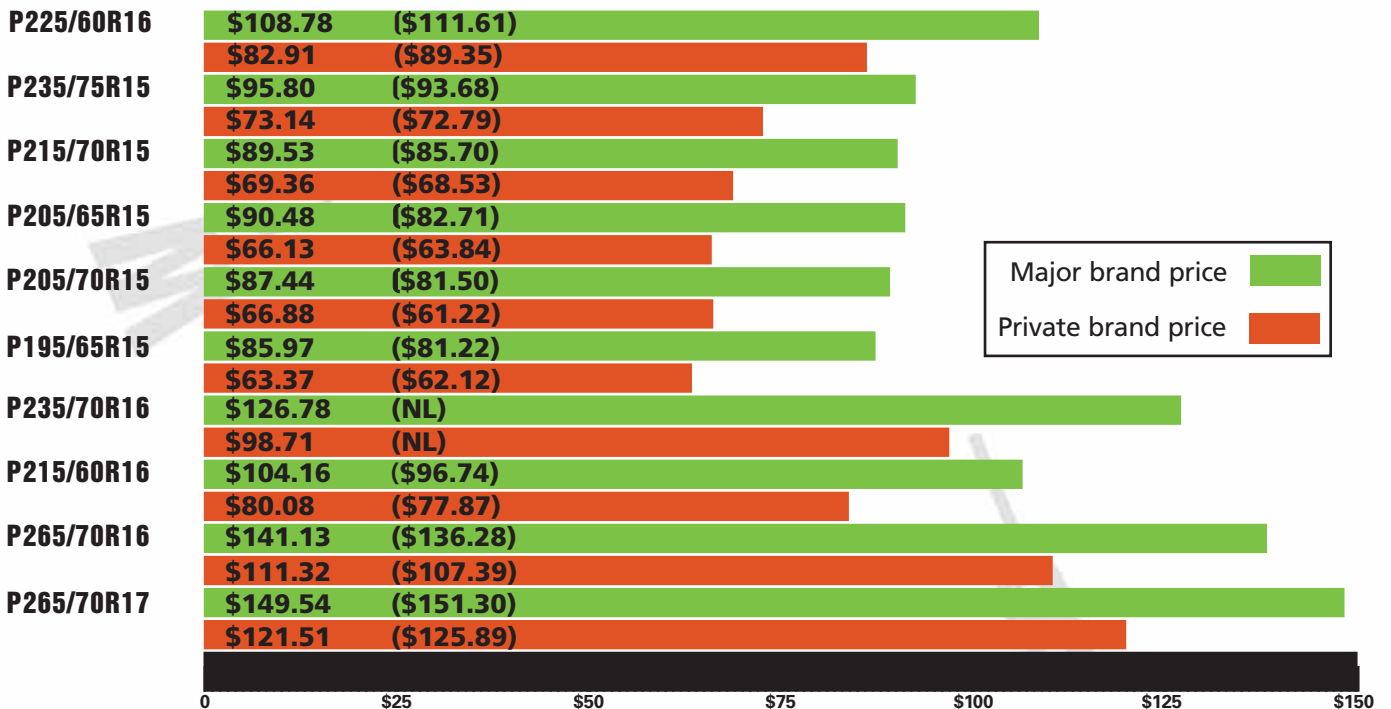
(methods used)

[more than 100% due to multiple responses]

57.1%	Yellow pages	22.4%	Cable TV
57.1%	Newspaper ads	20.4%	Community service
40.8%	Direct mail	12.2%	Field sales force
32.7%	Web site	6%	Local network TV
30.6%	Reminder cards	6%	Other promotions
26.5%	Radio ads	2%	Telemarketing

Average Retail Price: Replacement Passenger Tires

(most popular sizes)



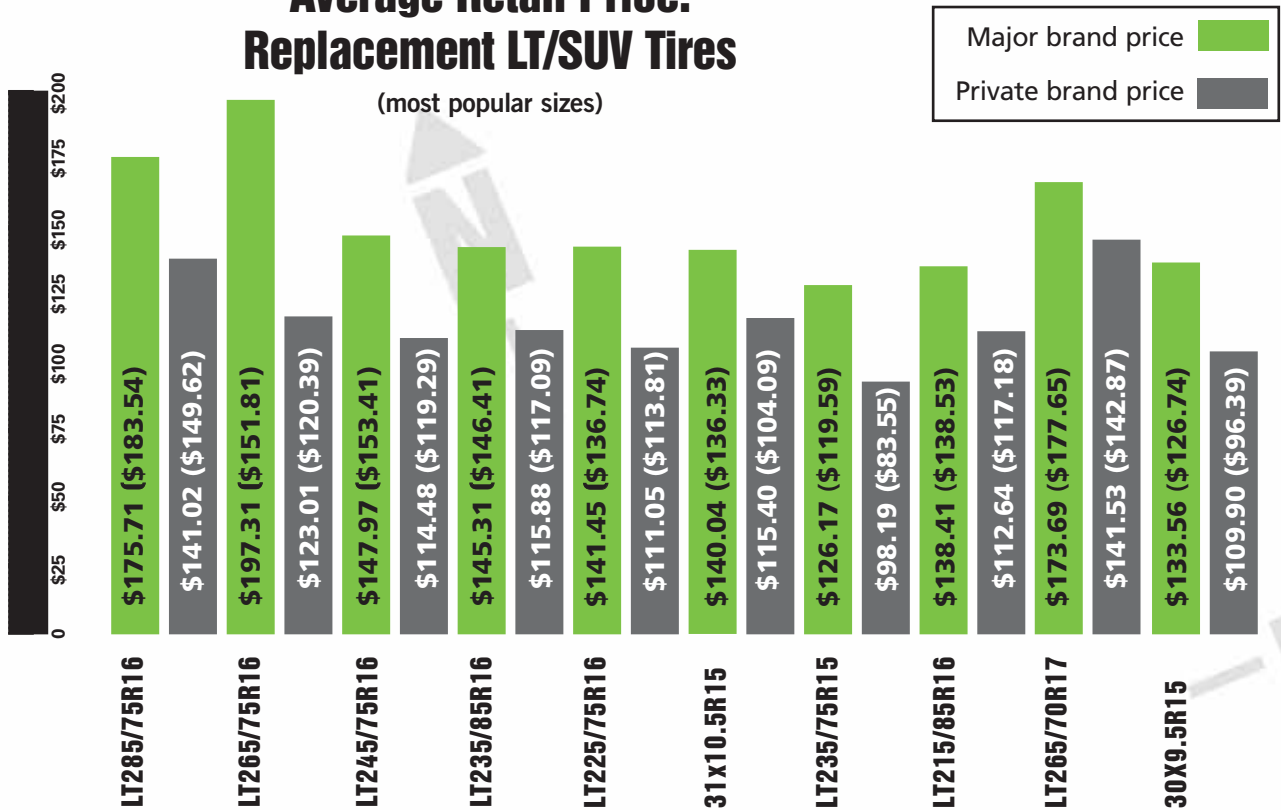
Figures in parenthesis are results from 2007 Tire Dealer Profile study. NL indicates that prices for that size were not tracked last year.



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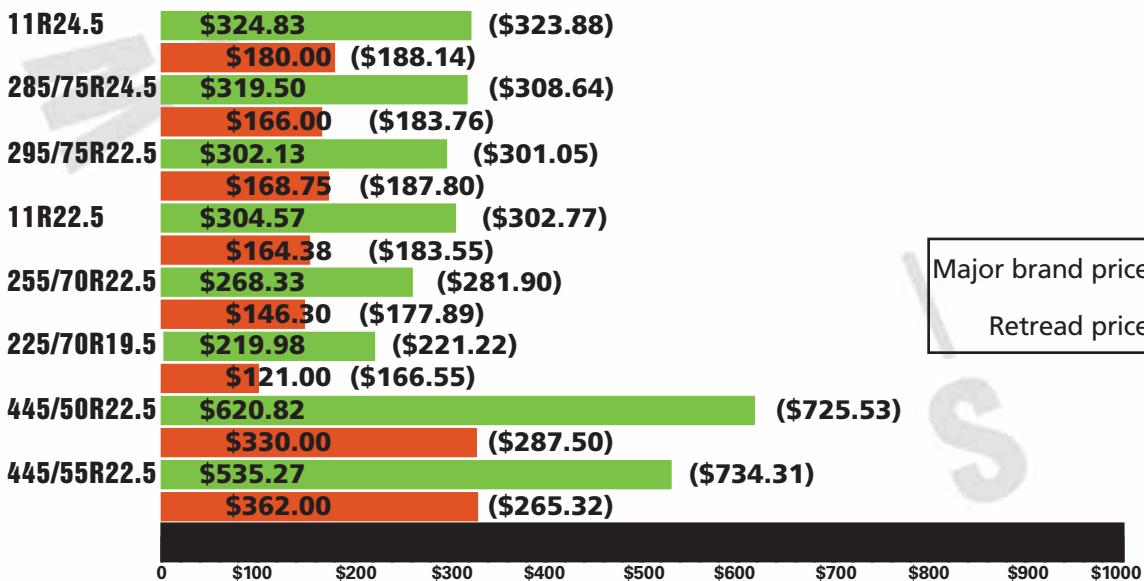
Average Retail Price: Replacement LT/SUV Tires

(most popular sizes)



Average Selling Price: Replacement Medium Truck Tires

(most popular sizes)



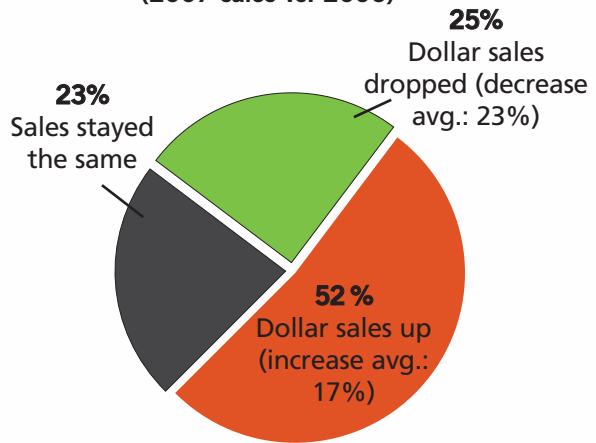
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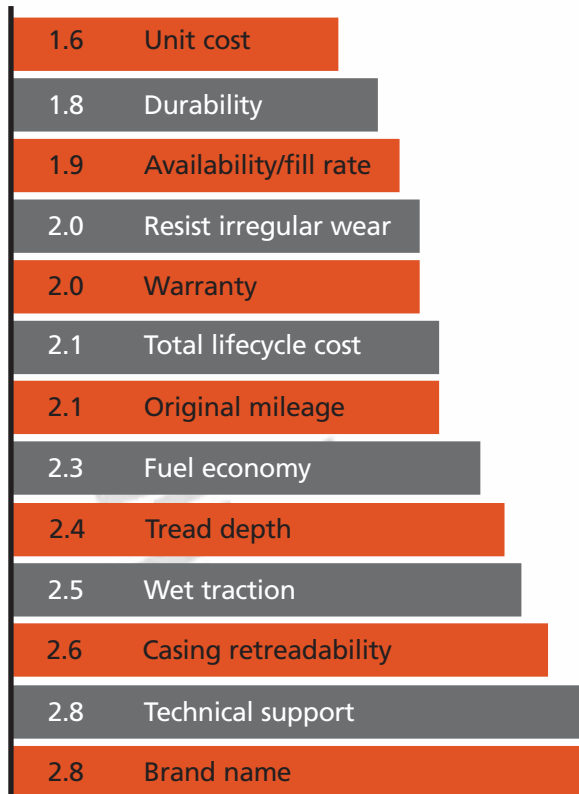
Dealer Sales Volume: Commercial Tires

(2007 sales vs. 2006)

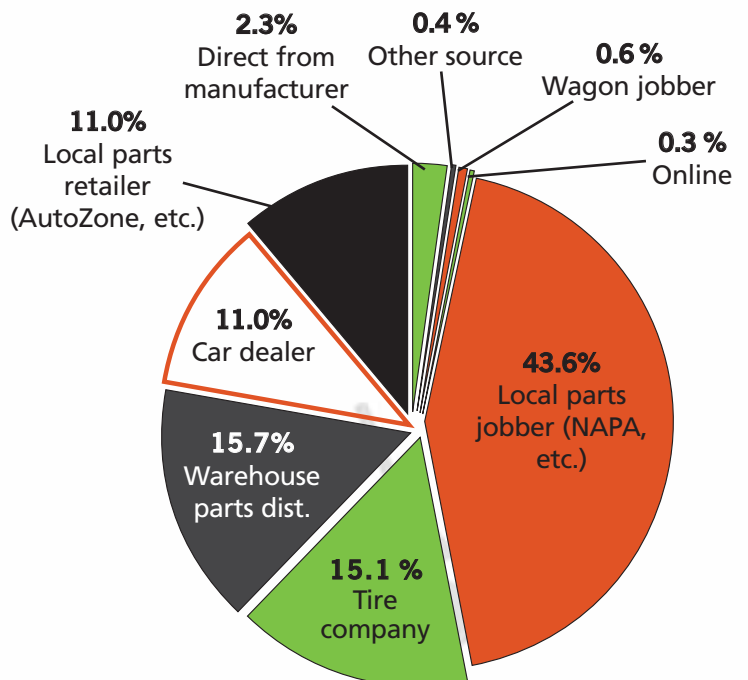


What's Most Important to Truck Fleets

(desired product attributes)



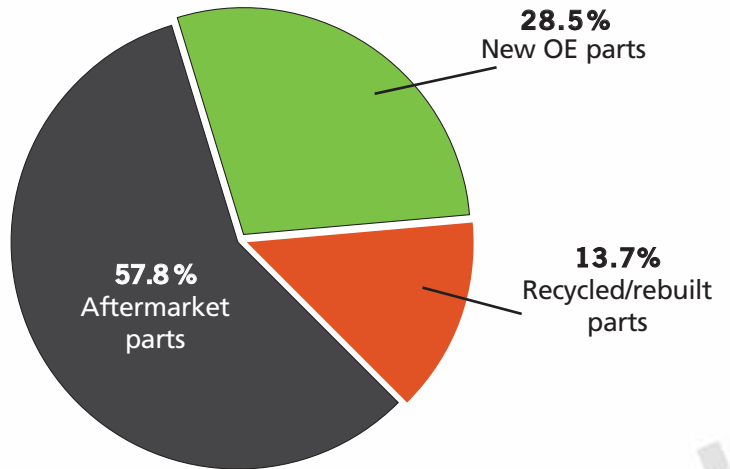
Where Dealers Get Service Parts



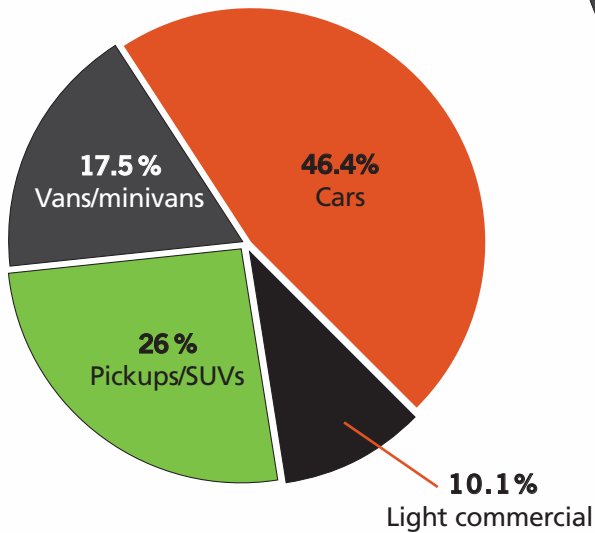


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Service Parts Bought

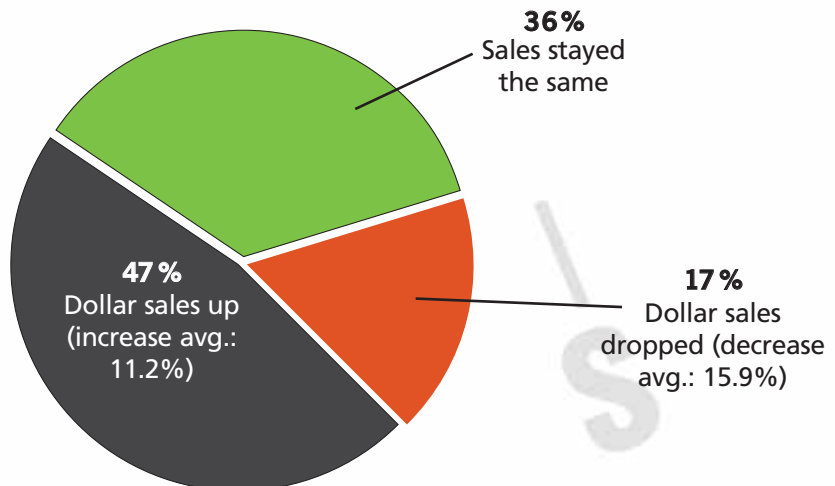


Vehicles Being Repaired



Dealer Sales Volume: Vehicle Service

(2007 sales vs. 2006)





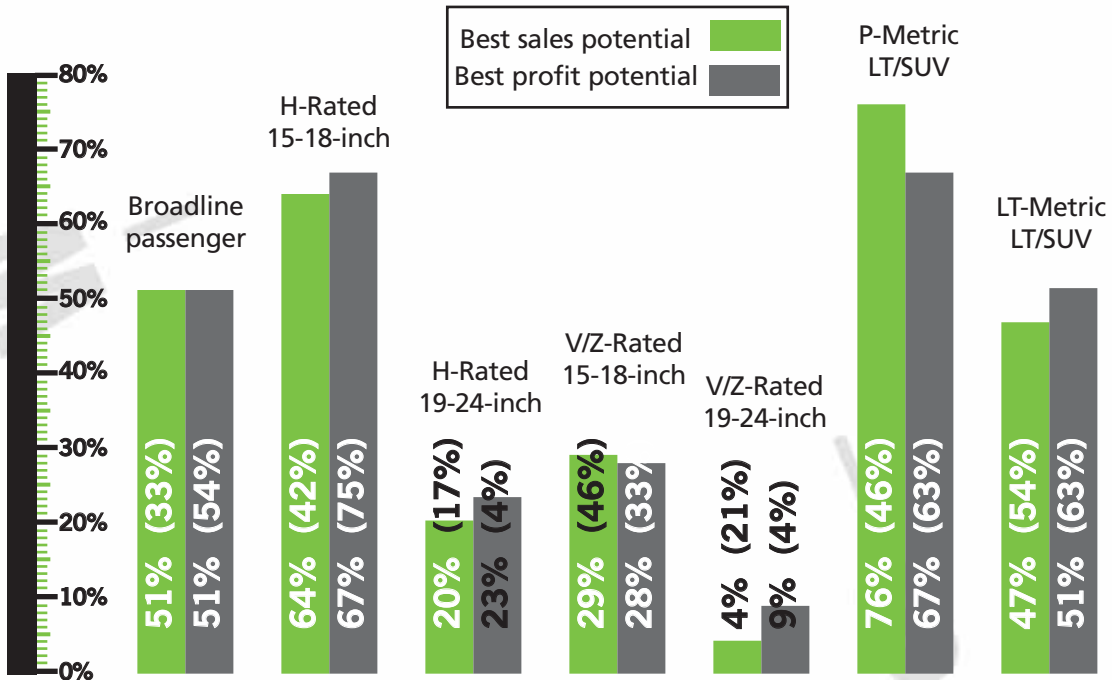
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What Equipment Dealers Use

(percentage owning or leasing)

- 92%** Air compressor
- 84%** Tire changer: standard
- 80%** Computerized tire/wheel balancer
- 79%** Battery tester/charger
- 70%** Tire changer: euro style
- 70%** Above-ground lift
- 63%** Brake lathe: off-vehicle
- 63%** Parts cleaner
- 59%** Engine diagnostic analyzer
- 57%** Alignment rack
- 50%** A/C Refrigerant recycler
- 49%** Service truck
- 48%** TPMS reset/recalibrate tool
- 39%** In-ground lift
- 26%** Brake lathe: on-vehicle
- 16%** Nitrogen inflation system

What Future Holds in Consumer Tire Sales



Figures in parenthesis are results from 2007 Tire Dealer Profile study.



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How Dealer Influences Consumer Buying Decision

29.2%

Customers ask for a specific tire brand, and...

56%

Customers switch based on dealer recommendation

Which means that.....

85.2%

Customers rely on dealer for the "right tire"

Seasonality of Dealer Sales

