While the size and structure of today's independent dealer has not really changed, the Great Downturn of 2009 had a harsh impact on how independent tire dealers are doing business, particularly in expense, promotion and hiring areas.

Tire Review's Tire Dealer Profile Study is 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.

The details those dealers provided help us - and our readers - 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 ques-

|  |  |
| :---: | :---: |
| most important least important |  |
| 0111 |  |
| 1.1 | Profitability |
| 1.2 | Customer retention |
| 1.4 | Getting/keeping qualified employees |
| 1.4 | Cost of wages/benefits |
| 1.4 | Cost of business insurance |
| 1.5 | Tire pricing by suppliers |
| 1.7 | Service info availability |
| 1.7 | Tire supply/fill rates |
| 1.8 | National/State legislation |
| 1.9 | Price competition from dealers |
| 1.9 | SKU Proliferation |
| 2.1 | Health of tire companies |
| 2.1 | Competition from mass merchants/warehouse clubs |
| 2.2 | Auto dealer competition |

tions, such as: How are successful tire dealerships structured? 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 to be 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.

##  (without experience)



## 

78\%
65\%
45\%
69.3\%

71\%
61\%

Are family owned
Attended or graduated college
Are sole owners
Use new aftermarket parts for repairs
Get management information from tire trade magazines
Posted location sales of \$1 million or more

## 

| $62 \%$ | Concerned about finding <br> employees |
| :--- | :--- |
| $65 \%$ | Sell used tires |
| $69 \%$ | Sold China-made <br> passenger tires |

6.4 avg. Number of service bays

61\%
Offer medical benefits to employees

89\% Connected to the Internet

69 \% Have a website
27.8 Average consumer tires sold per day
30\% Wrote more than 400 repair orders per month


##  

(" 5 " being most critical)

3.1 Treat them with respect
3.0 Pay them well
2.9 Give regular schedules
2.7 Give adequate time off
2.7 Provide quality tools/equipment
2.6 Offer good benefits
2.6 Provide chance to advance
2.5 Training/education opportunities

## 

$22 \%$
$83 \%$

82\%

29\%

88\%
63\%

> Say 'price' is the main reason they recommend a tire brand
> Have ASE-certified techs

Reported employee turnover of $10 \%$ or less

Have at least one TIA-certified tech

Perform vehicle service work
Sell Chinese brand medium truck tires

##  +4 (average tires sold per day)

12.8 Standard Passenger



most important

|  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |


| 1.5 | Product quality |
| :--- | :--- |
| 1.6 | Product availability |
| 1.7 | Profit margin potential |
| 2.0 | Fill rate |
| 2.2 | Product cost |
| 2.2 | Supplier relations |
| 2.3 | Consumer brand awareness |
| 2.3 | Buying terms |
| 2.4 | Line/SKU coverage |
| 2.6 | Innovation/technology |
| 2.7 | Merchandising support |
| 2.8 | OE position |
| 2.9 | Advertising/promotion support |



## 8* *  (2009 sales vs. 2008)

## 


25.7\% LT/SUV

54.7\% Vehicle service

25\% Custom wheels
Sales stayed
the same
28.4\%

Major brand $\square$ Private brand

*     * 


## 

(methods used, parenthesis denotes 2009 results, more than $100 \%$ due to multiple responses)

55\% (53\%) Yellow pages
42\% (38\%) Newspaper ads
32\% (25\%) Direct mail
51\% (25\%) Website
31\% (19\%) Reminder cards
34\% (25\%) Radio ads

22\% (9\%) Cable/local TV
36\% (38\%) Community service
15\% (6\%) Field sales force
29\% ( $n / 2$ ) Social media
28\% (9\%) Other promotions
$75 \%$ (n/a) Word of mouth

## (most popular sizes: RMA)



Figures in parenthesis are results from 2009 Tire Dealer Profile study. NL indicates that prices for that size were not tracked last year. Prices are for tires only.

Major brand price Private brand price


|  |  |  |  | $\begin{aligned} & \text { O} \\ & \text { ᄃ } \\ & \text { N } \\ & \text { Ñ } \\ & \end{aligned}$ |  | $\begin{aligned} & \text { n } \\ & \stackrel{n}{n} \\ & \stackrel{N}{n} \\ & \underset{y}{n} \end{aligned}$ |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |





Figures in parenthesis are results from 2009 Tire Dealer Profile study. NL indicates that prices for that size were not tracked last year Some figures based on TR estimates. Prices are for tires only.

## ＊＊＊】䉼粎 「料 （desired product attributes）



| 1.5 | Unit cost |
| :---: | :--- |
| 1.7 | Original mileage |
| 1.9 | Availability／fill rate |
| 1.9 | Resist irregular wear |
| 1.9 | Durability |
| 2.0 | Casing retreadability |
| 2.0 | Total lifecycle cost |
| 2.1 | Warranty |
| 2.4 | Fuel economy |
| 2.4 | Wet traction |
| 2.5 | Tread depth |
| 2.6 | Technical support |
| 2.8 | Brand name |

## ＊＊ 





##  



## 

## * (1) 料


(Note: Dealers reported that $52.3 \%$ of customers were male and $47.7 \%$ were female)



## * * * ( Winw <br> (percentage owning or leasing)

98\% Air compressor
99\% Tire changer
96\% Computerized tire/wheel balancer
92\% Battery tester/charger
94\% Above- or in-ground lift
81\% Brake lathe: off-vehicle
82\% Parts cleaner

79\% Engine diagnostic analyzer
81\% Alignment rack
65\% A/C Refrigerant recycler
31\% Service truck
67\% TPMS reset/recalibrate tool
34\% Brake lathe: on-vehicle
21\% Nitrogen inflation system

## 



Figures in parenthesis are results from 2009 Tire Dealer Profile study.

## How Dealer Influences Consumer Buying Decision

33.9 \% Customers ask for a specific tire brand, and...

55\% Customers switch based on dealer recommendation

Which means that.....
88.9\% Customers rely on dealer for the "right tire"


