

Who is the typical successful North American tire dealer?

Introducing TIRE REVIEW's 2006 Tire Dealer Profile Study – the industry's most extensive, most coveted research effort. To compile this year's report, TIRE REVIEW surveyed hundreds of independent tire dealers throughout North America who took time out of their busy schedules to answer this important question.

Those dealers served as a single voice to help us understand what it means to be successful in the tire industry.

One by one, these dealers offered valuable insights into the industry's most pressing questions. They answered fundamental questions, such as: How is a successful tire dealership 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 their toughest competition? Where are their pain points? Seasonally, 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.

## Sizing Up the Average Dealer

**81%** Are family owned

**74%** Attended or graduated college

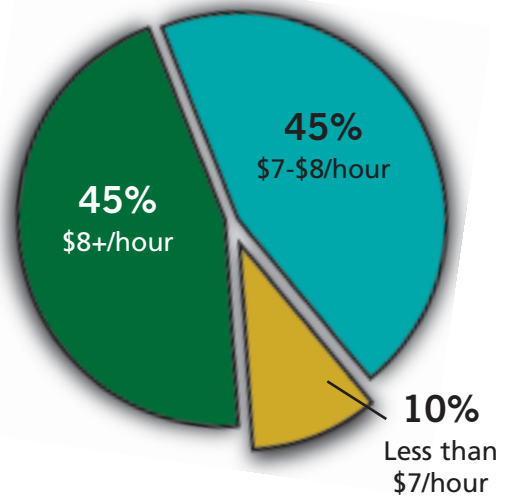
**56%** Are sole owners

**30%** Are not members of affinity/marketing groups

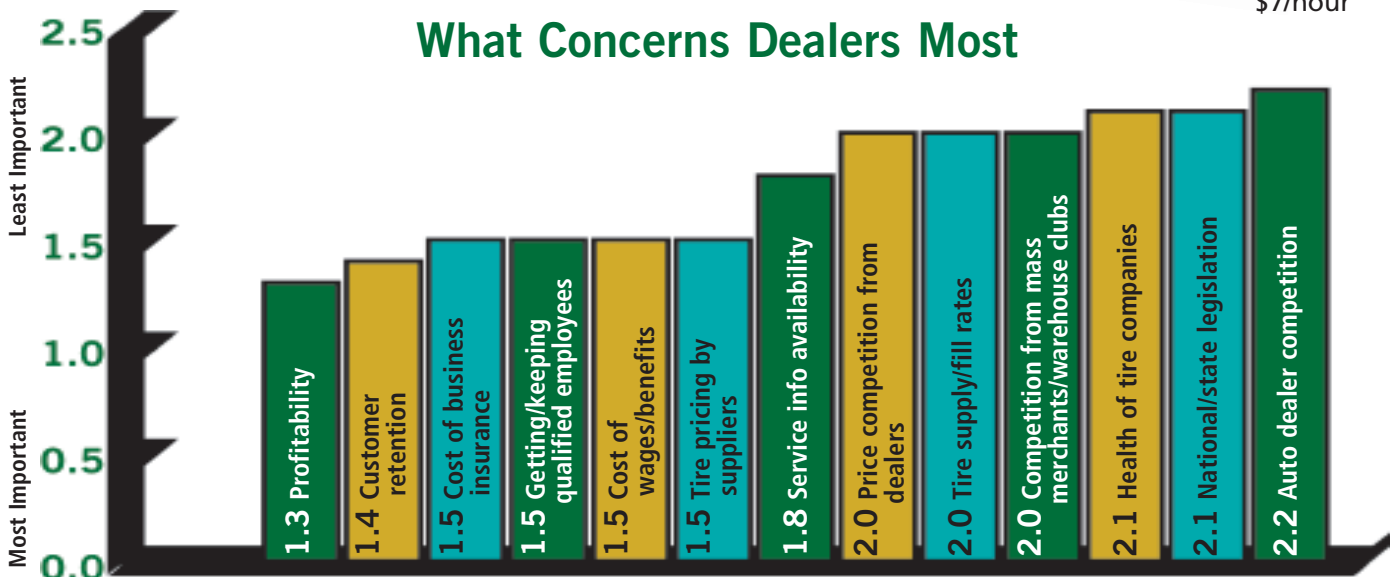
**83%** Get management information from tire trade magazines

**45.6%** Posted location sales of \$1 million or more

## What Dealers Pay New Hires (Without Experience)



## What Concerns Dealers Most



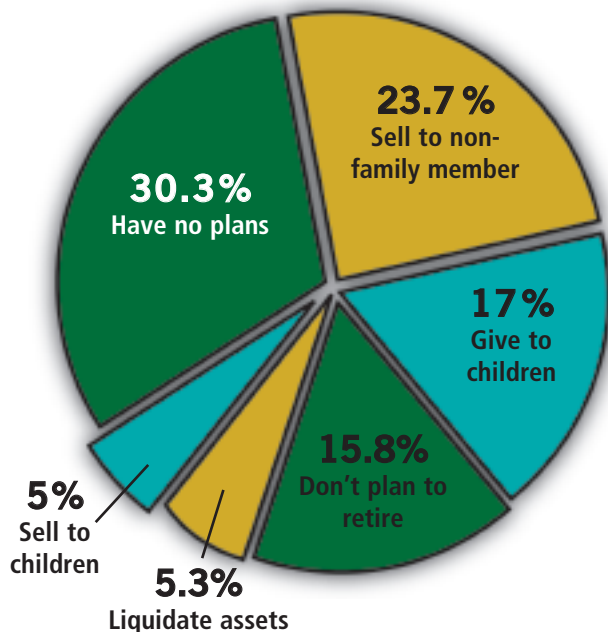
## Employee Retention: What Dealers Think Works



## Sizing Up the Average Dealer

- 63% Concerned about finding employees
- 75% Sell used tires
- 58% Sell custom wheels
- 5.4 Service bays
- 6.8 Full-time employees
- 71% Of stores are connected to the Internet
- 42% Have a Web site
- 34.6 Average consumer tires sold per day
- 48% Sell Chinese brand passenger and LT/SUV tires

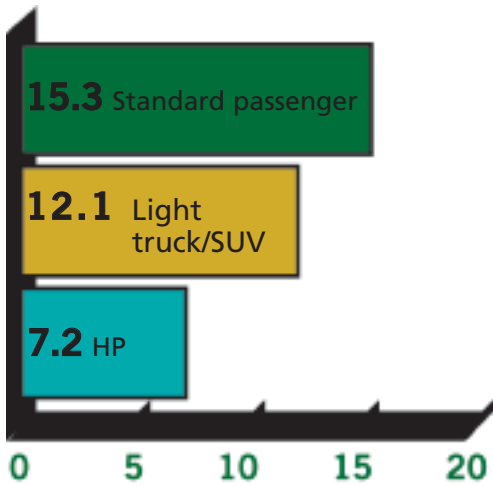
## What Dealers Will Do With Their Business at Retirement



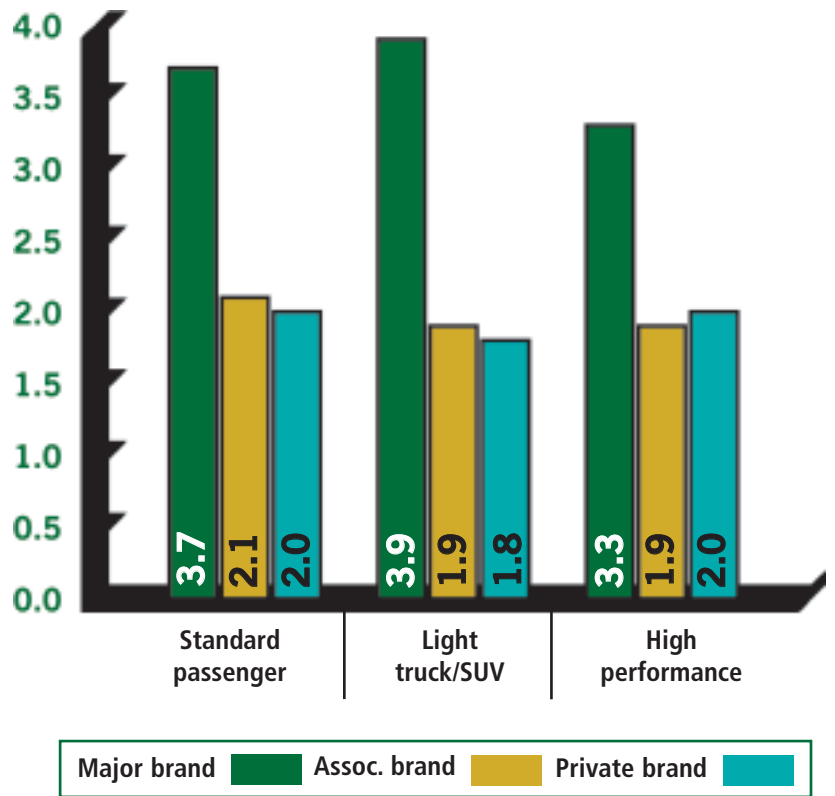
## Sizing Up the Average Dealer

- 62% Had employee turnover rate of 10% or less
- 7.3% Offer nitrogen inflation
- 41% Provide 401(k) plans to employees
- 76% Offer vehicle service
- 38% Have had TIA training in the past year
- 15% Have taken TIA's TPMS training

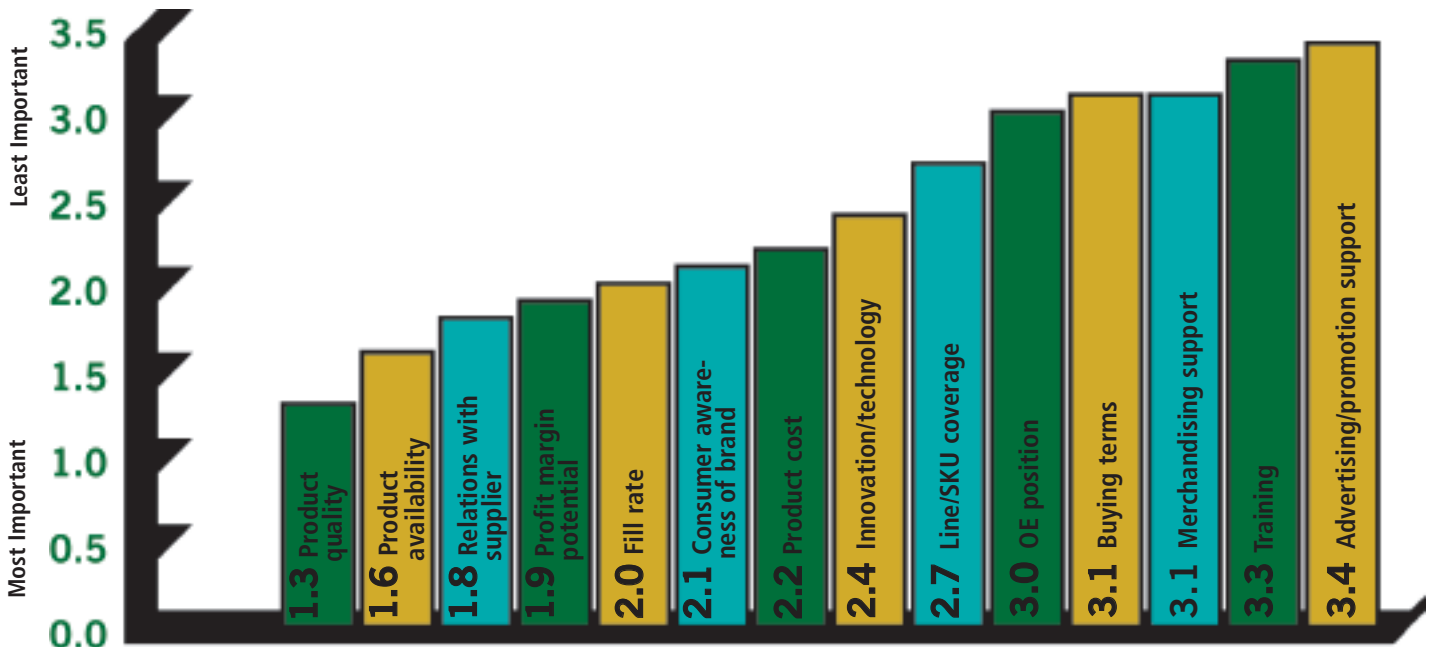
## What Retail Dealers Sell Each Day (Average Tires Sold Per Day)



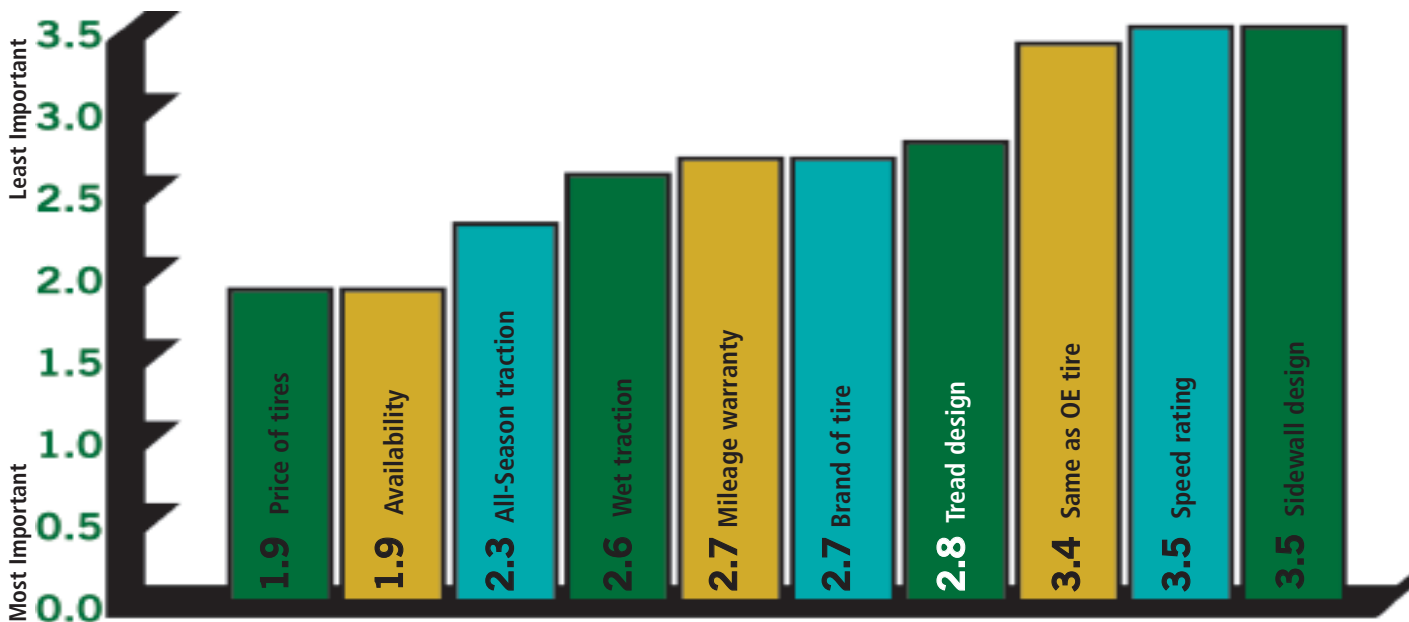
## Number of Brands Retail Dealers Carry



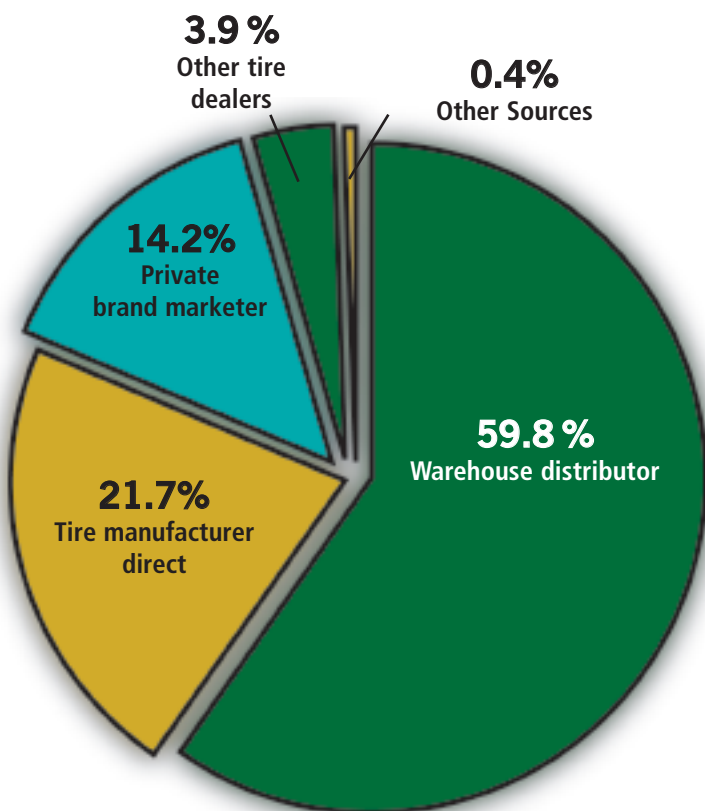
## Why Retail Dealers Carry Certain Consumer Tire Brands



## What Dealers Think is Important to Retail Tire Buyers



## Where Dealers Get Consumer Tires

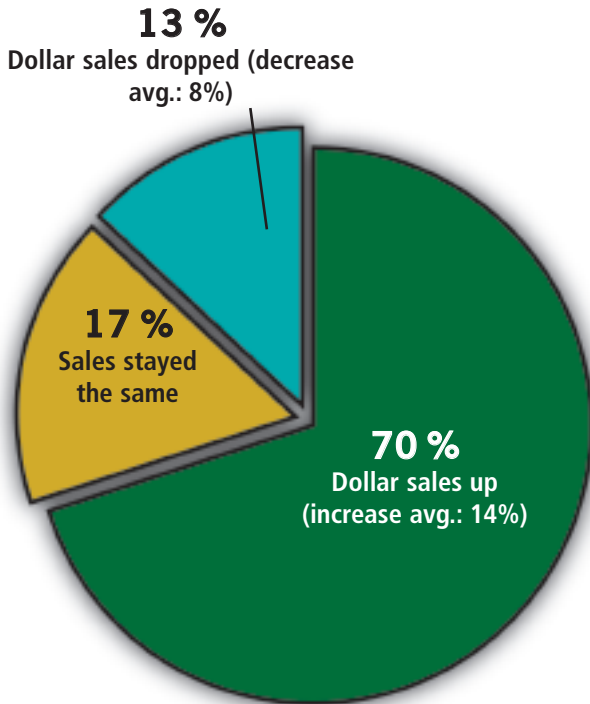


## Why Customers Buy Particular HP Tires

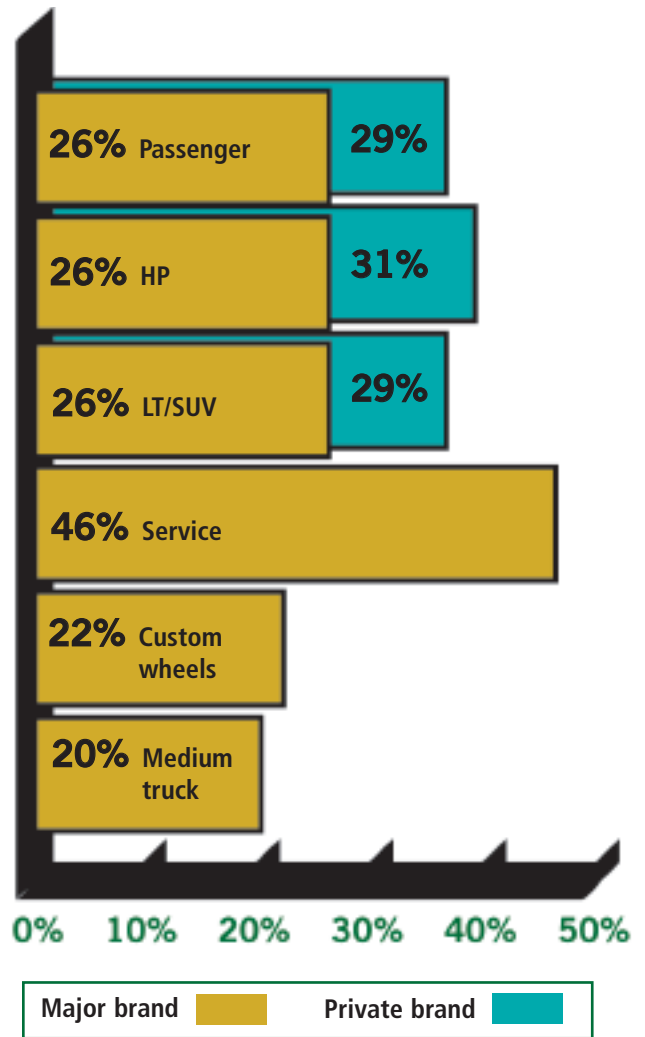




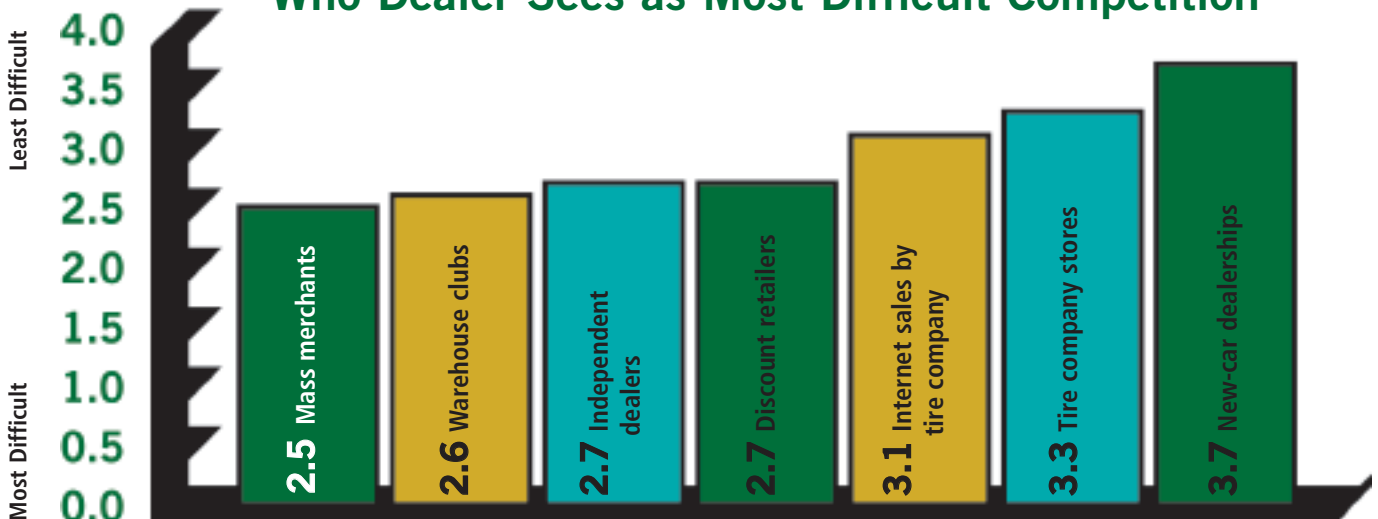
## Dealer Sales Volume: Consumer Tires (2005 Sales vs. 2004)



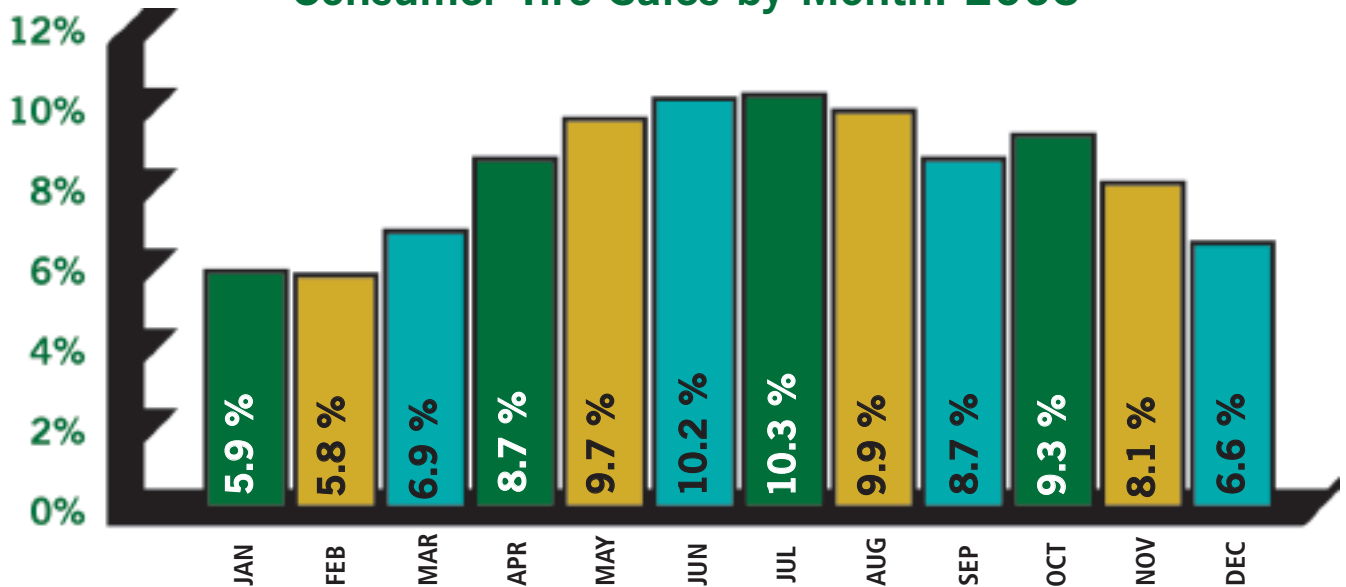
## Average Gross Profits: 2005 Sales



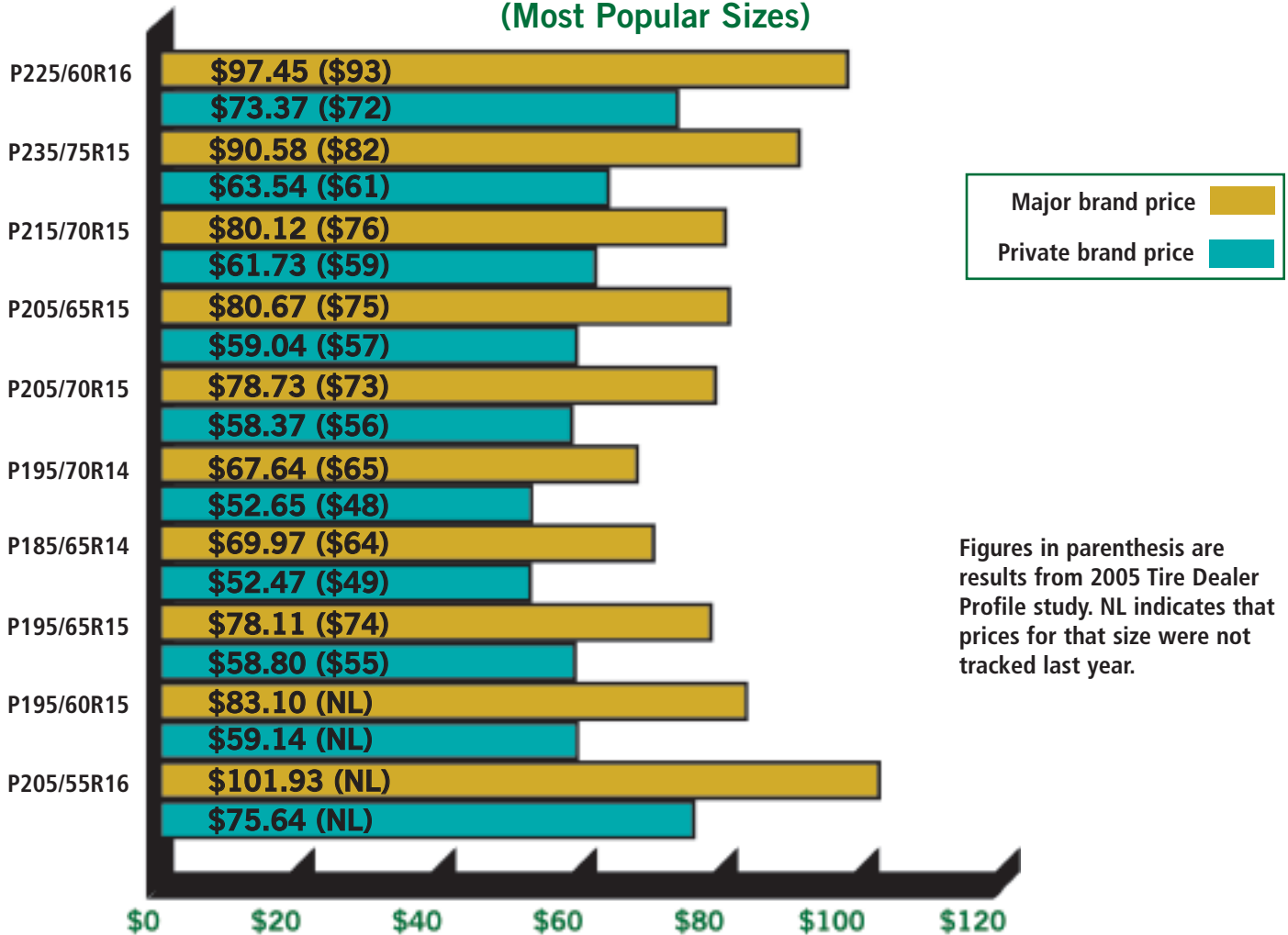
## Who Dealer Sees as Most Difficult Competition



## Consumer Tire Sales by Month: 2005

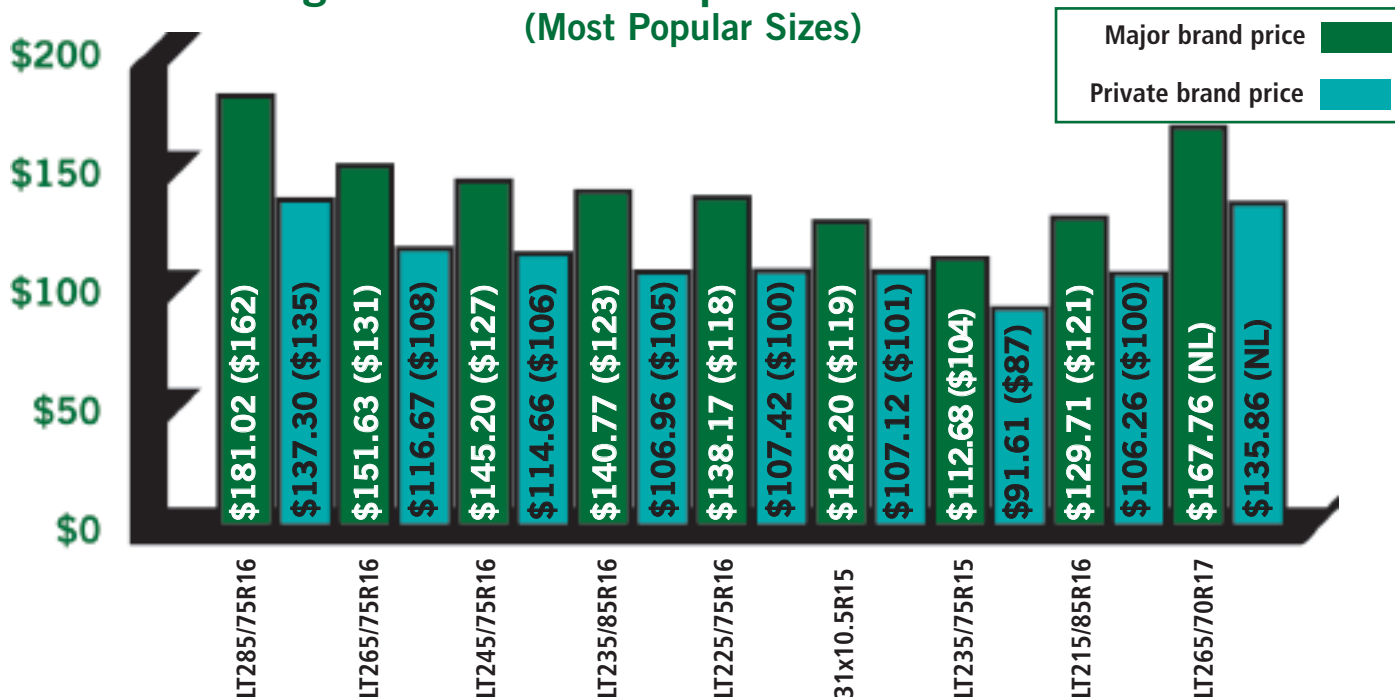


## Average Retail Price: Replacement Passenger Tires (Most Popular Sizes)

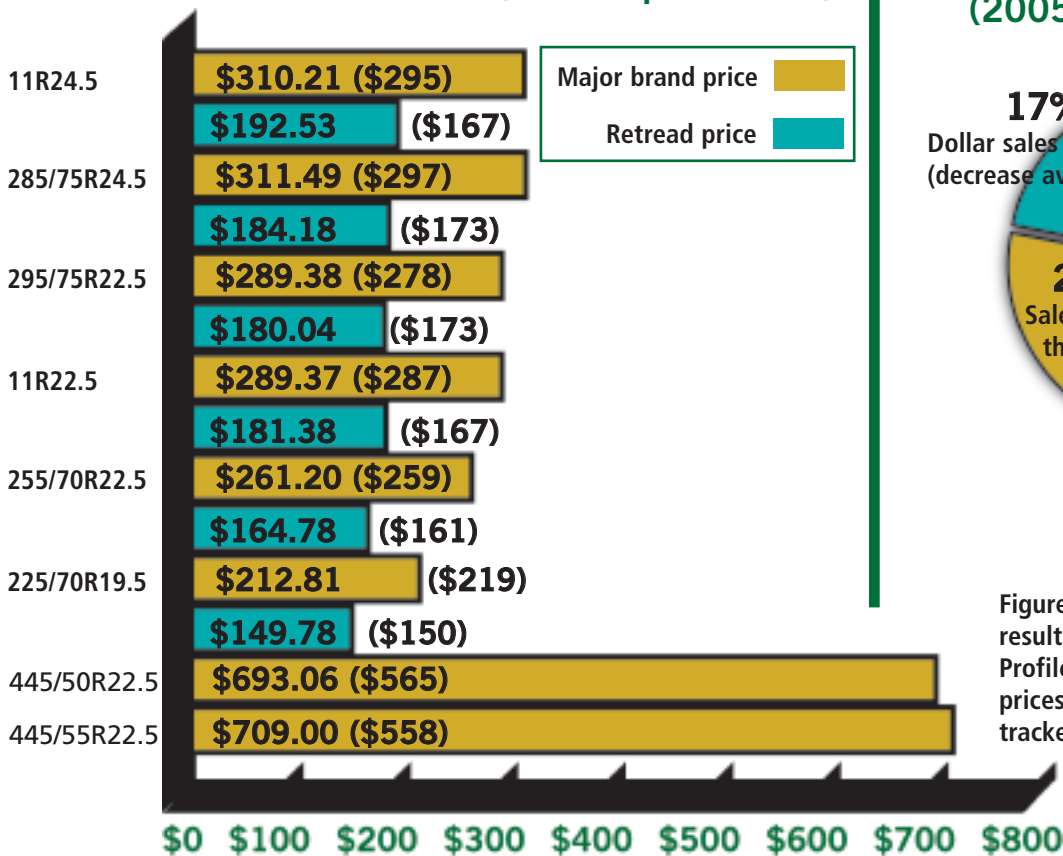


Figures in parenthesis are results from 2005 Tire Dealer Profile study. NL indicates that prices for that size were not tracked last year.

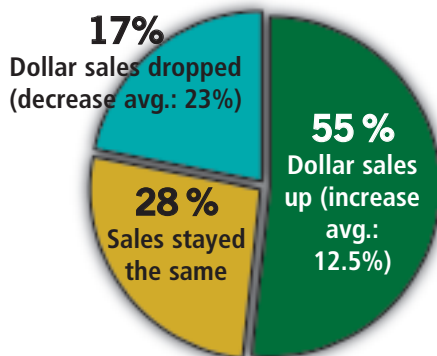
## Average Retail Price: Replacement LT/SUV Tires (Most Popular Sizes)



## Average Selling Price: Replacement Medium Truck Tires (Most Popular Sizes)



## Dealer Sales Volume: Commercial Tires (2005 Sales vs. 2004)

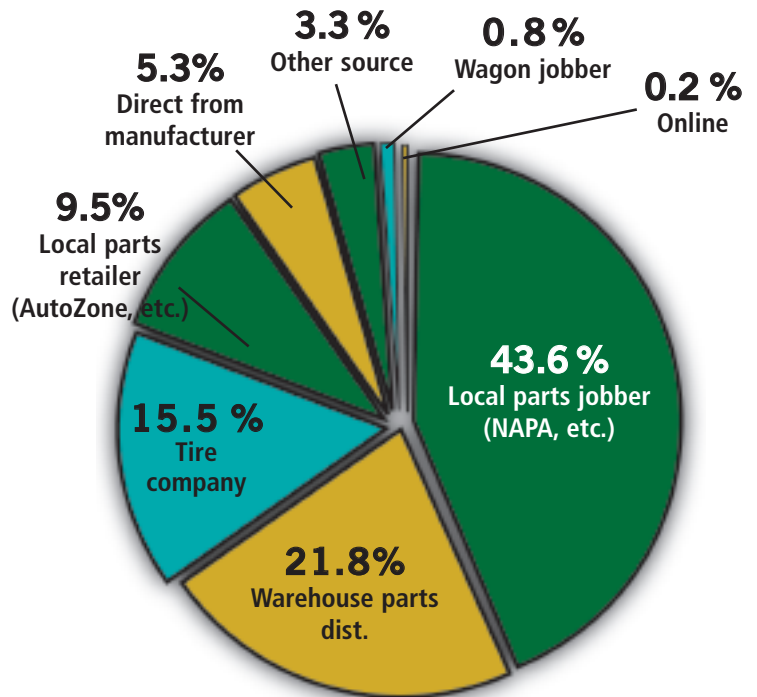


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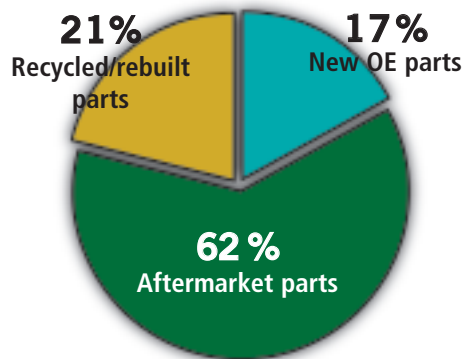
## What's Most Important to Truck Fleets (Desired Attributes)



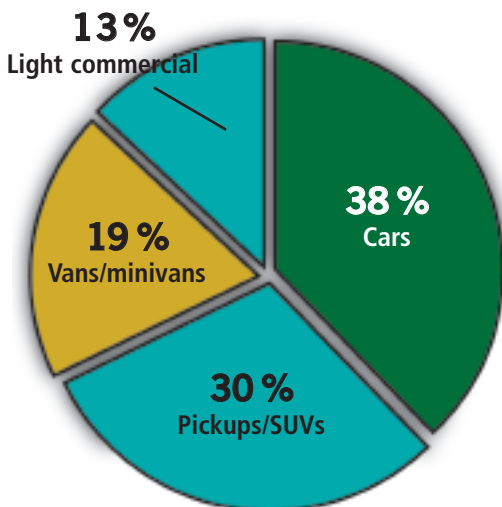
## Where Dealers Get Service Parts



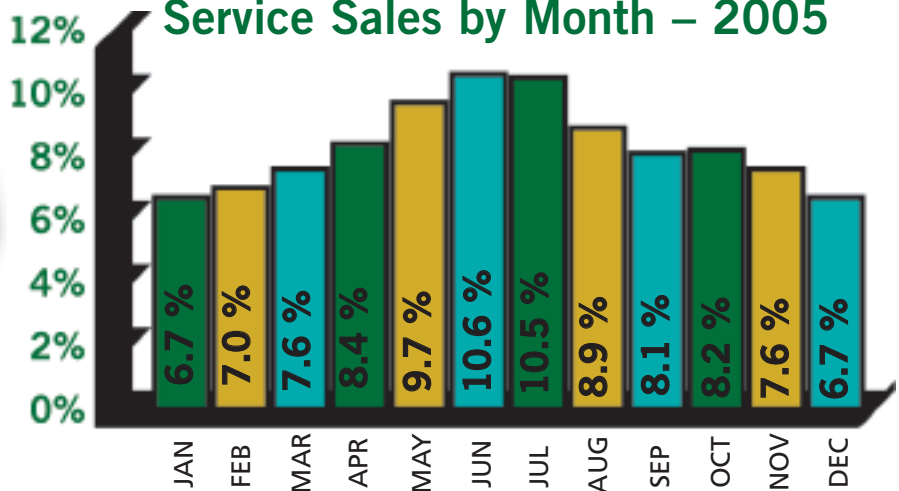
## Of Service Parts Bought...



## Vehicles Being Repaired

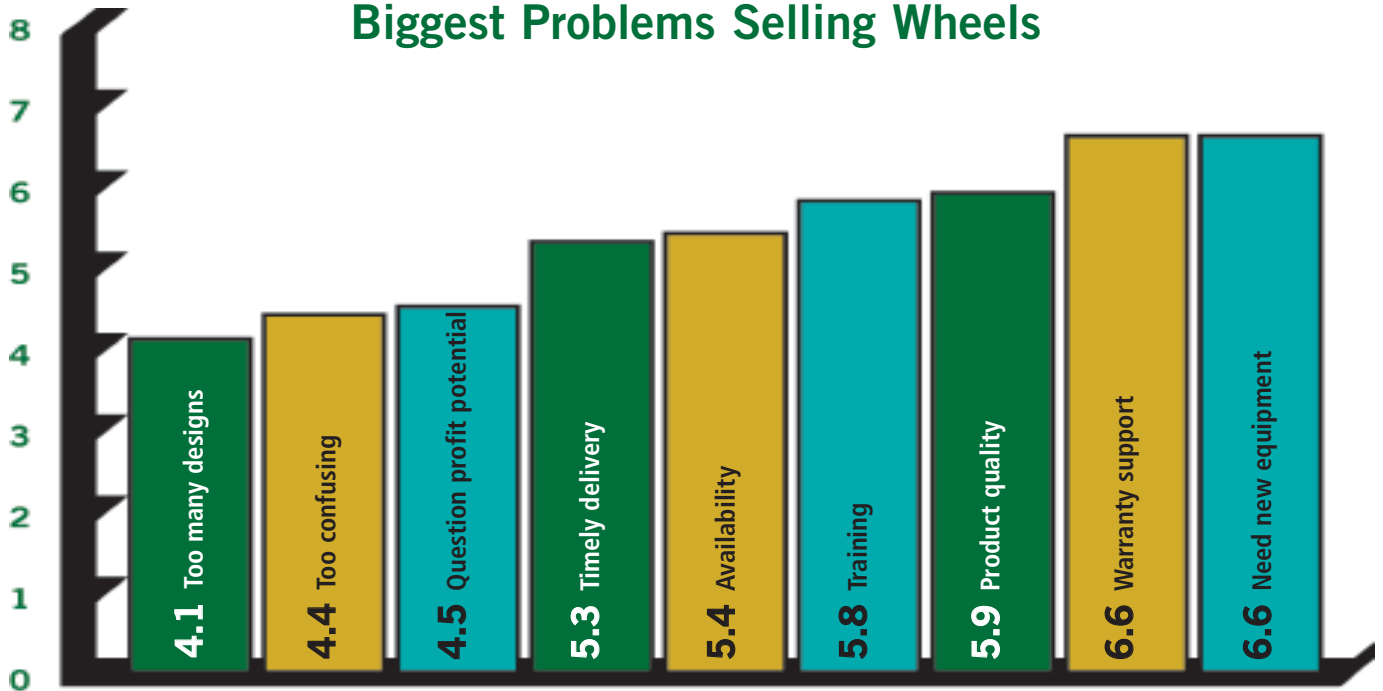


## Service Sales by Month – 2005





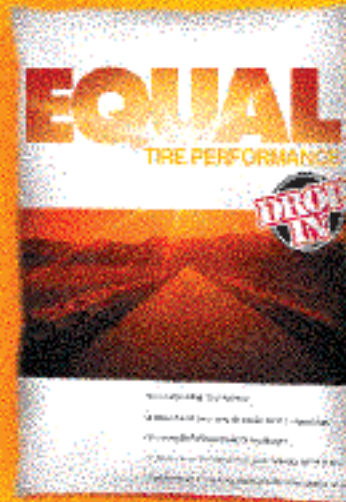
## Biggest Problems Selling Wheels



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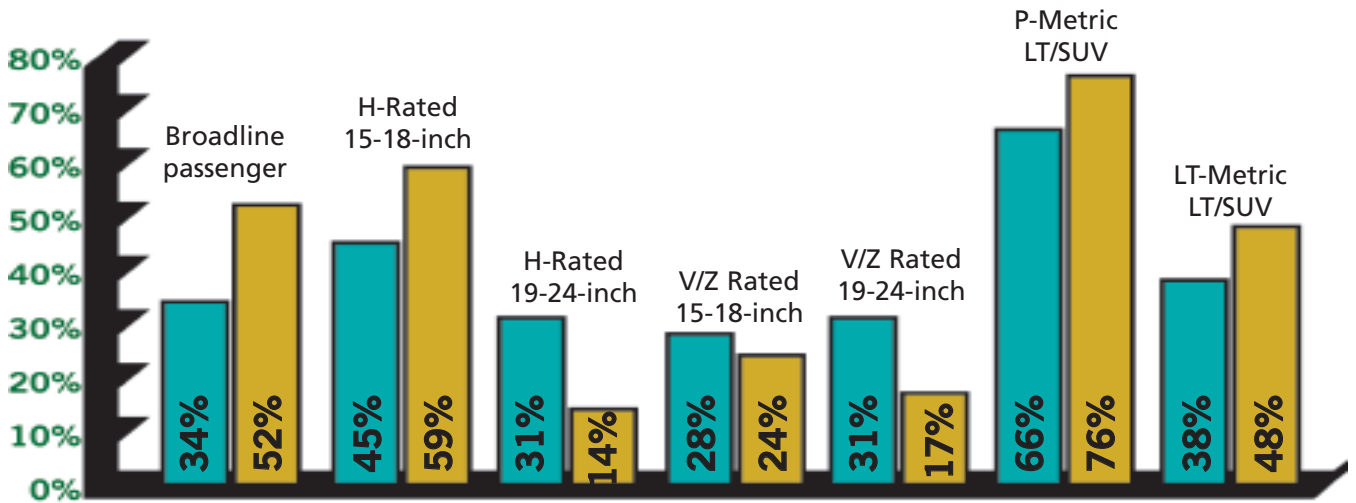
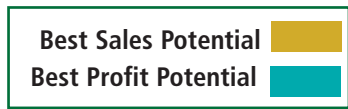
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## What Future Holds in Consumer Tire Sales



## ROBOTIC ALUMINUM RIM POLISHER

US Patent #6,957,999 B1



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