

dealer profile

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-

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?

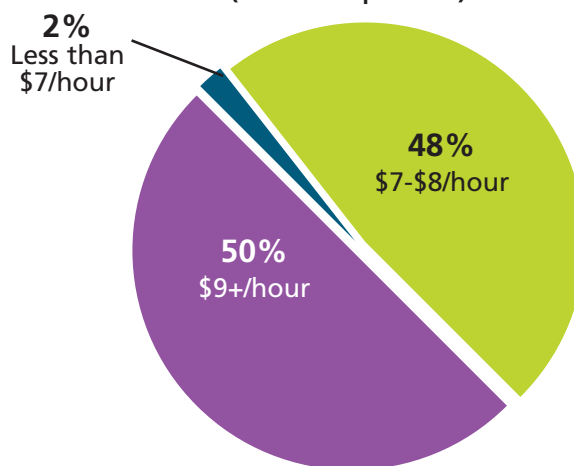
They also offered inside information that's not available anywhere else: How much profit do they earn on those tires? Who do dealers consider to be their toughest competition? Where are their pain points? What are their best months for tire and service sales? How much do they pay employees?

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.

What Concerns Dealers Most



What Dealers Pay New Hires (without experience)



Sizing Up the Average Dealer

- 78%** Are family owned
- 65%** Attended or graduated college
- 45%** Are sole owners
- 69.3%** Use new aftermarket parts for repairs
- 71%** Get management information from tire trade magazines
- 61%** Posted location sales of \$1 million or more

Sizing Up the Average Dealer

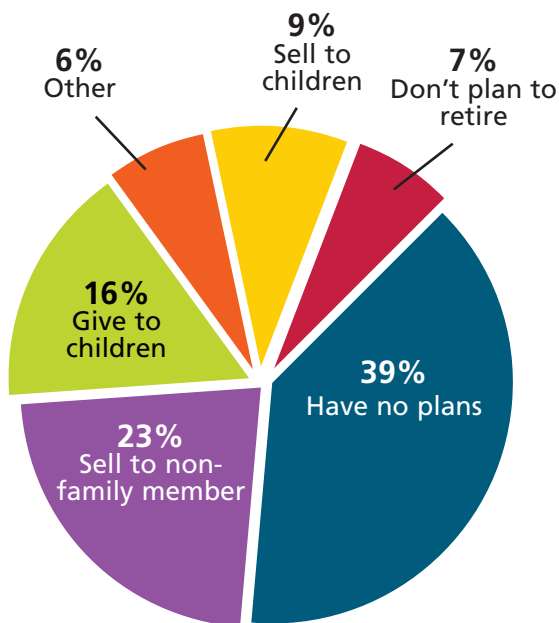
- 62%** Concerned about finding employees
- 65%** Sell used tires
- 69%** Sold China-made passenger tires
- 6.4 avg.** Number of service bays
- 61%** Offer medical benefits to employees
- 89%** Connected to the Internet
- 69%** Have a website
- 27.8** Average consumer tires sold per day
- 30%** Wrote more than 400 repair orders per month

Employee Retention: What Dealers Think Works

("5" being most critical)

- 1 | 2 | 3 | 4 | 5
- 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

What Dealers Will Do With Their Business at Retirement

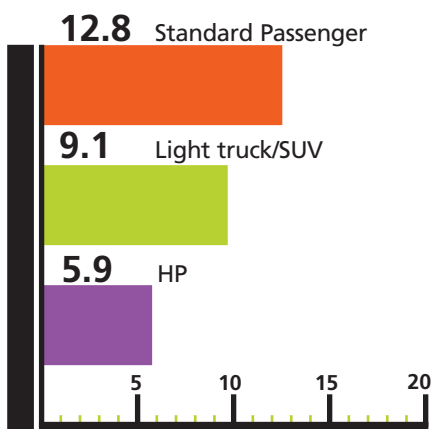


Sizing Up the Average Dealer

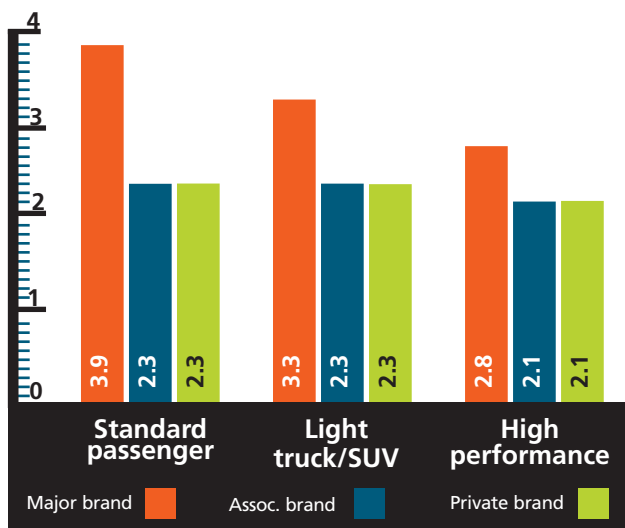
- 22%** Say 'price' is the main reason they recommend a tire brand
- 83%** Have ASE-certified techs
- 82%** Reported employee turnover of 10% or less
- 29%** Have at least one TIA-certified tech
- 88%** Perform vehicle service work
- 63%** Sell Chinese brand medium truck tires

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What Retail Dealers Sell Each Day (average tires sold per day)



Number of Brands Retail Dealers Carry

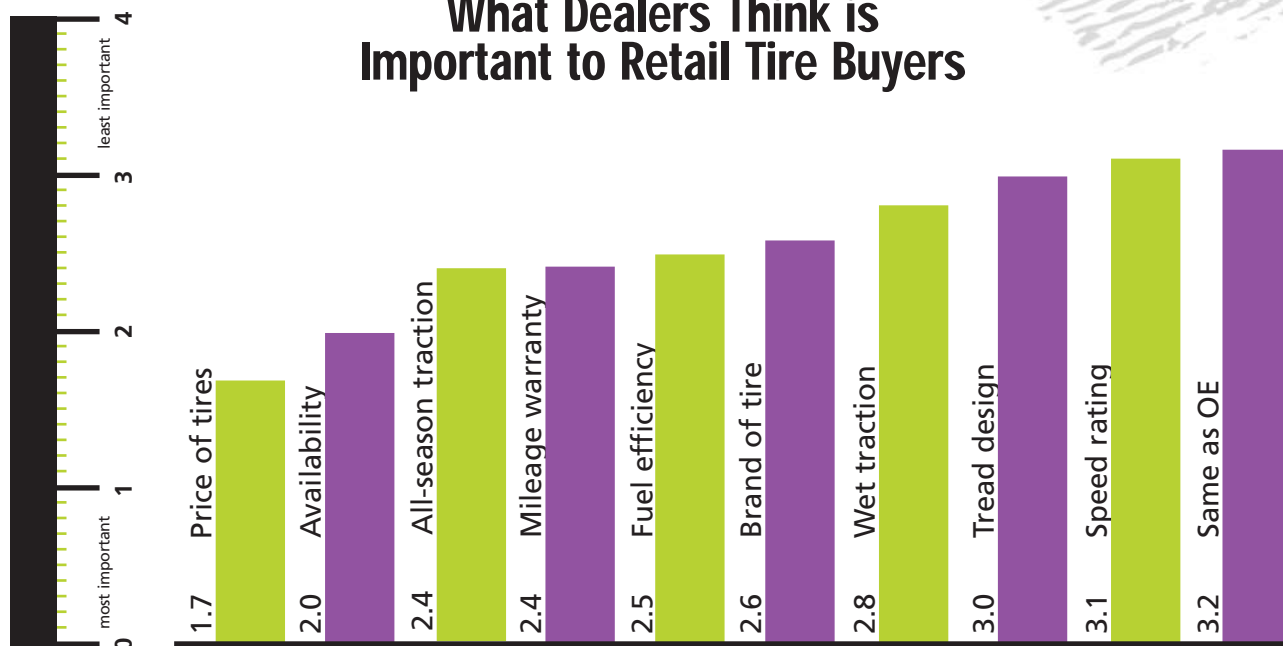


Why Retail Dealers Carry Certain Consumer Tire Brands

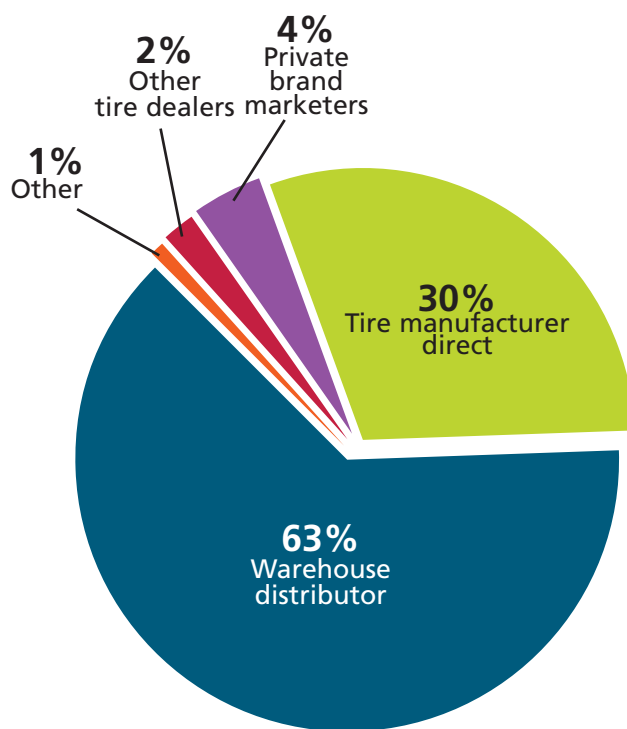


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What Dealers Think is Important to Retail Tire Buyers



Where Dealers Get Consumer Tires

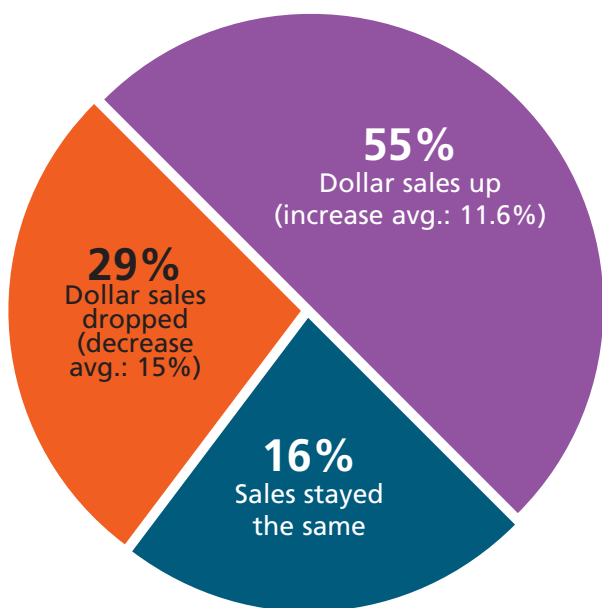


What Repeat Customers Mean to Tire/Service Sales

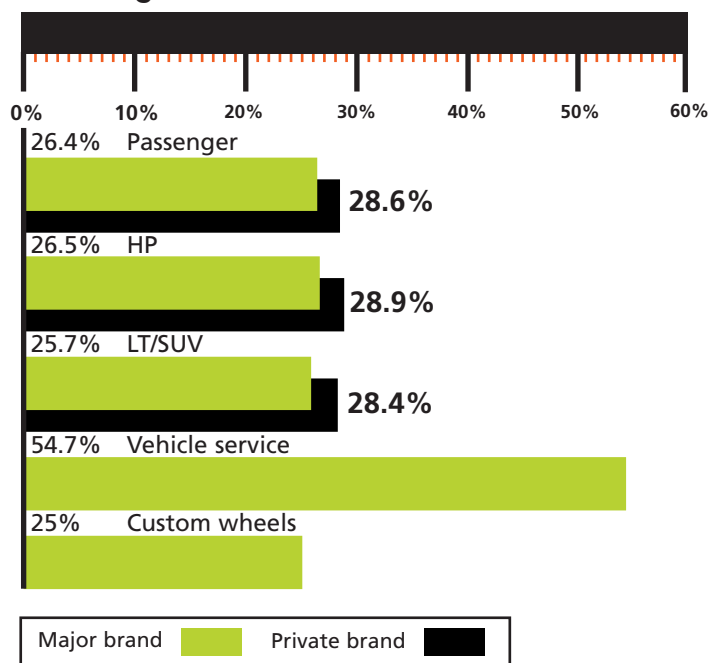
% of Dealers Say Repeat Customers Represent...	...% of monthly sales
71%	51% or more
12%	41%-50%
10%	31%-40%
4%	21%-31%
2%	11%-20%
1%	1%-10%

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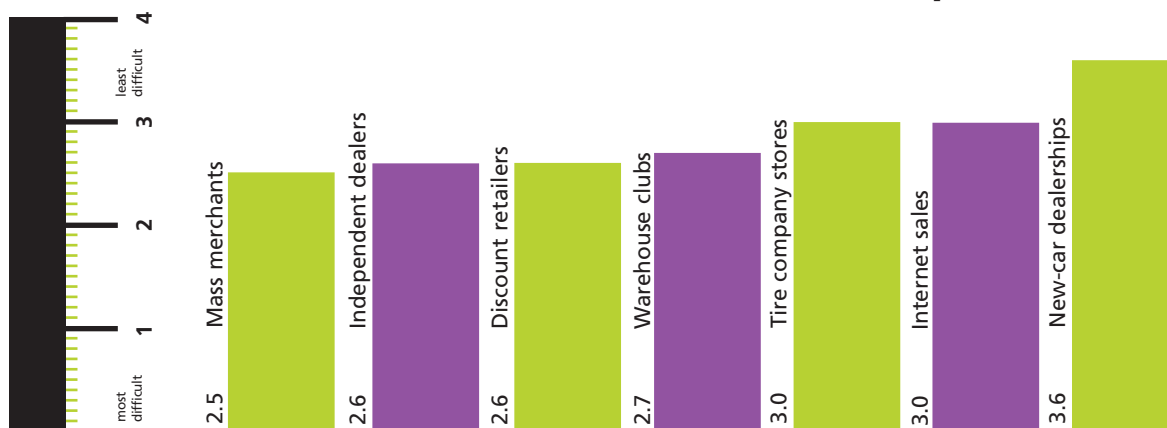
Dealer Sales Volume: Consumer Tires (2009 sales vs. 2008)



Average Gross Profits: 2009 Sales



Who Dealer Sees as Most Difficult Competition



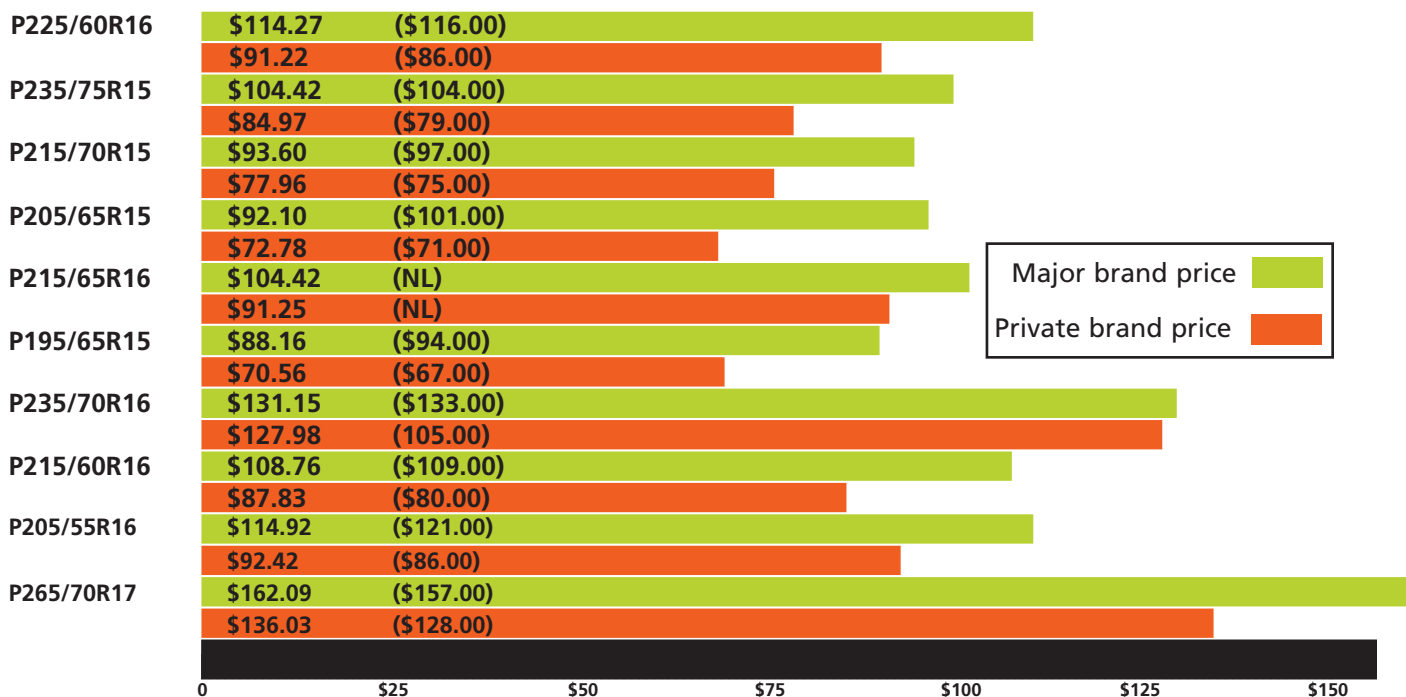
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How Dealers Advertise/Promote

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

55% (53%)	Yellow pages	22% (9%)	Cable/local TV
42% (38%)	Newspaper ads	36% (38%)	Community service
32% (25%)	Direct mail	15% (6%)	Field sales force
51% (25%)	Website	29% (n/a)	Social media
31% (19%)	Reminder cards	28% (9%)	Other promotions
34% (25%)	Radio ads	75% (n/a)	Word of mouth

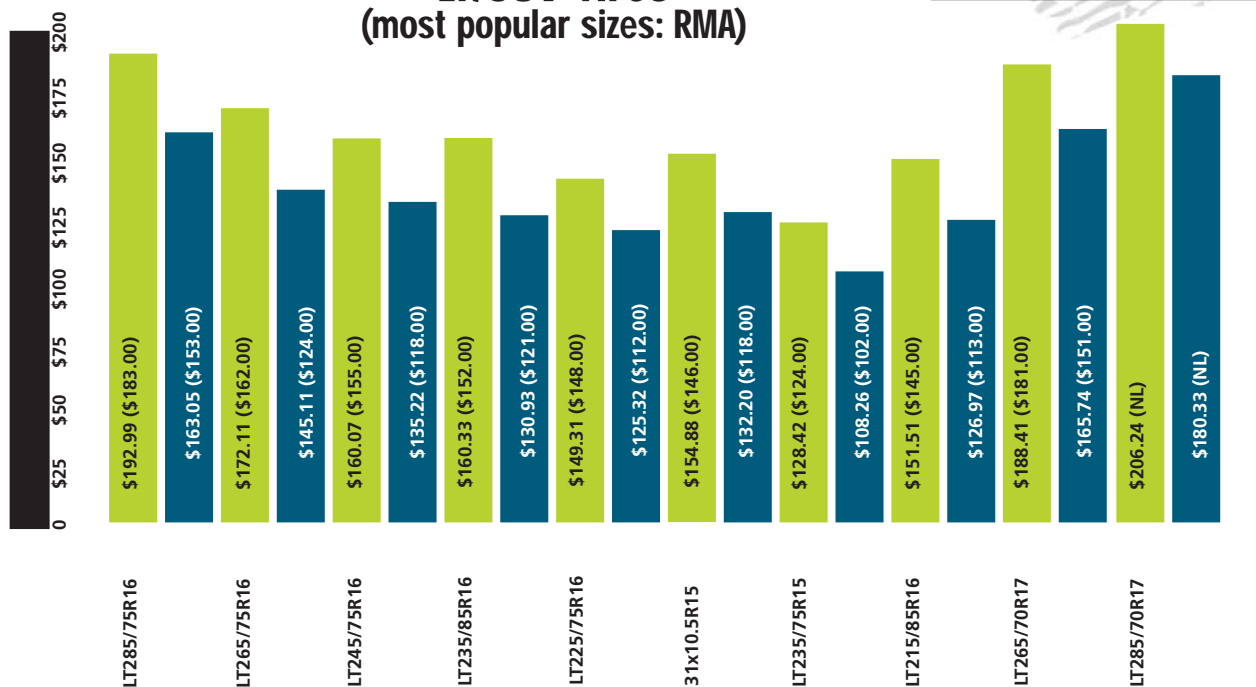
Average Retail Price: Replacement Passenger Tires (most popular sizes: RMA)



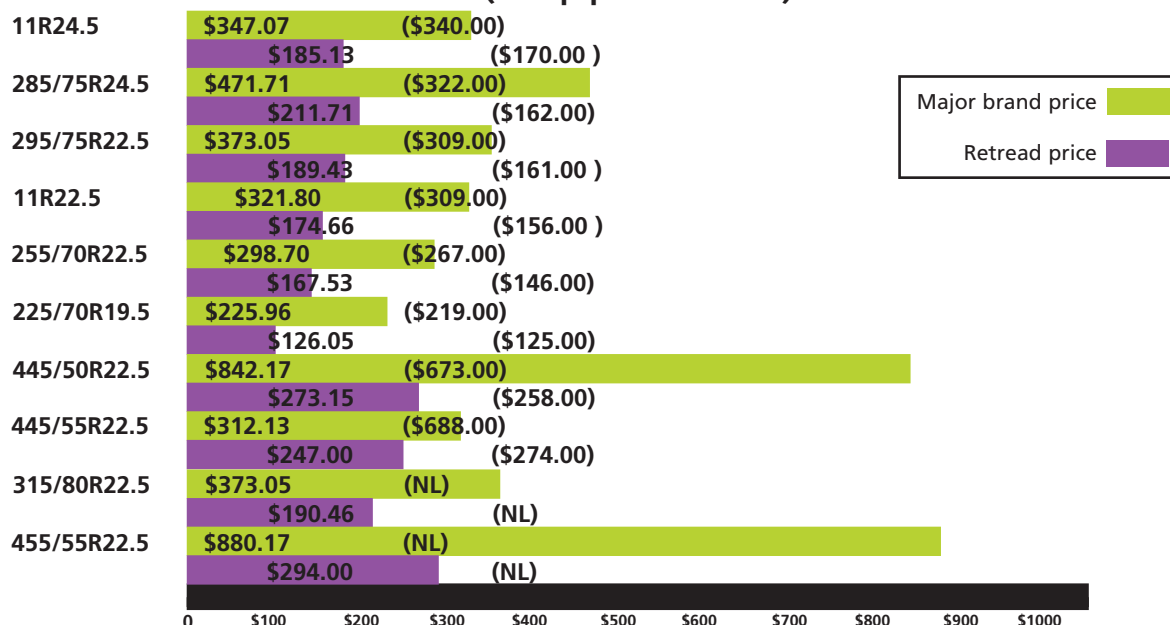
Figures in parenthesis are results from 2009 Tire Dealer Profile study. NL indicates that prices for that size were not tracked last year. Prices are for tires only.

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Average Retail Price: Replacement LT/SUV Tires (most popular sizes: RMA)



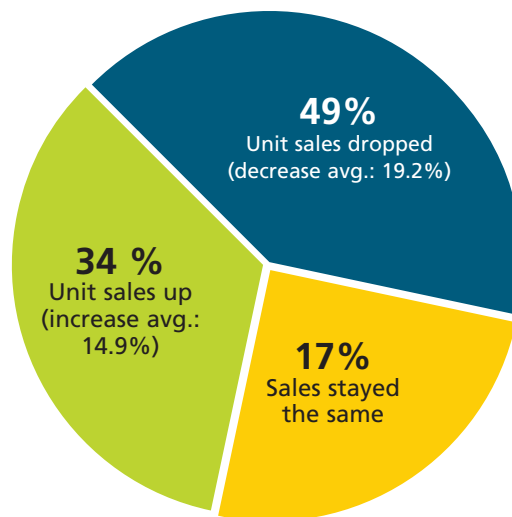
Average Selling Price: Replacement Medium Truck Tires (most popular sizes: RMA)



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

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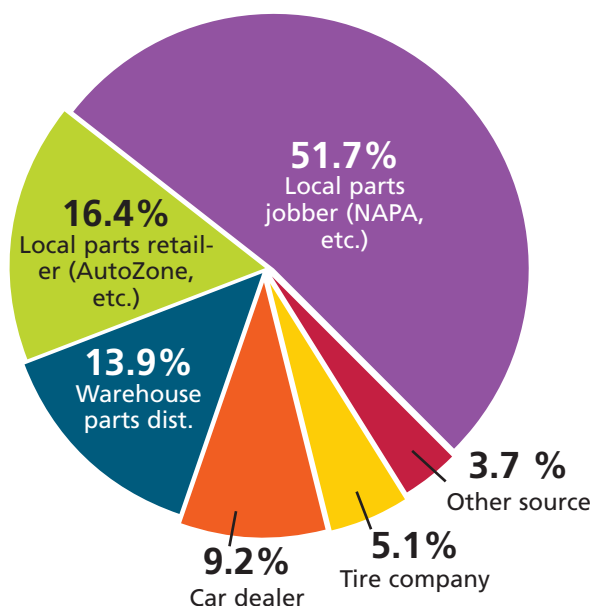
Dealer Sales Volume: Commercial Tires (2009 sales vs. 2008)



What's Most Important to Truck Fleets (desired product attributes)

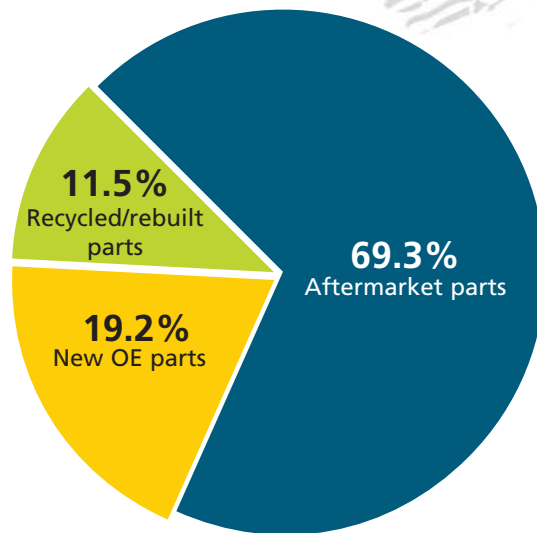


Where Dealers Get Service Parts

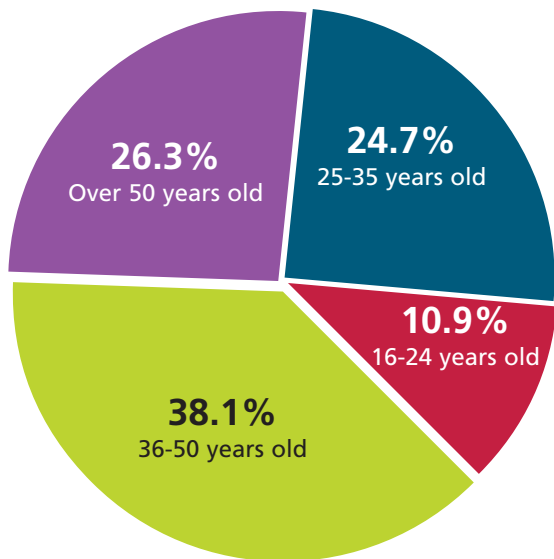


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Service Parts Bought



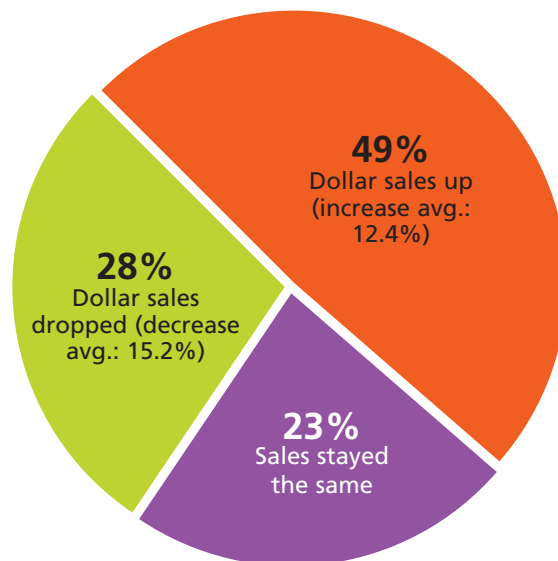
Tire/Service Customers by Age



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

Dealer Sales Volume: Vehicle Service

(2009 sales vs. 2008)



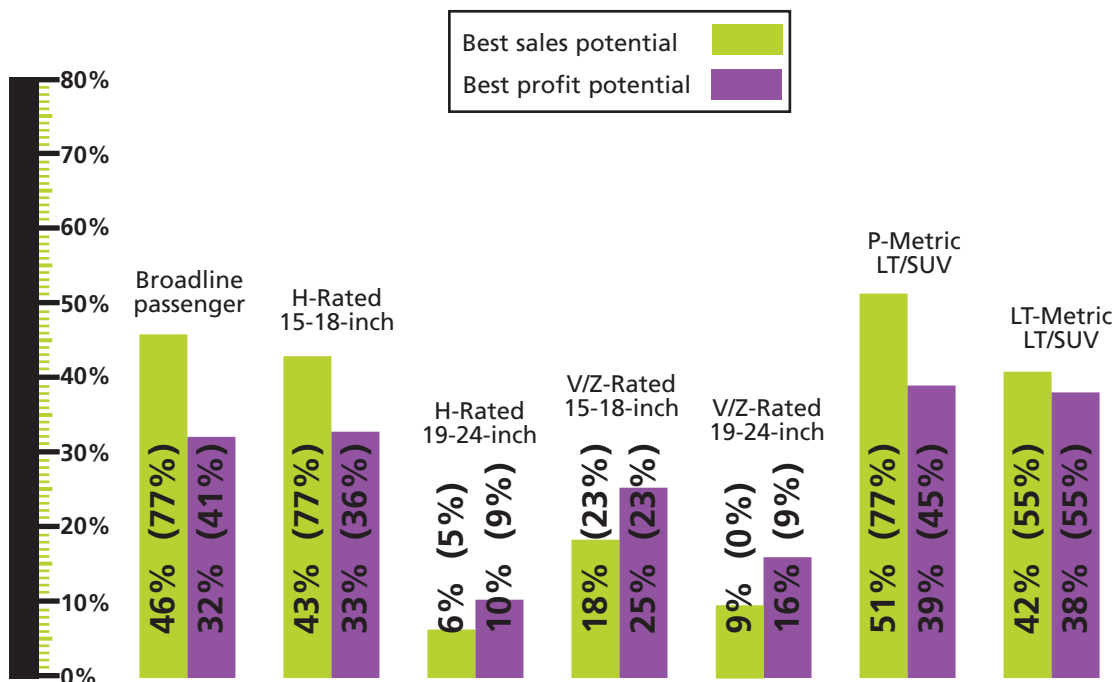
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What Equipment Dealers Use

(percentage owning or leasing)

98% Air compressor	79% Engine diagnostic analyzer
99% Tire changer	81% Alignment rack
96% Computerized tire/wheel balancer	65% A/C Refrigerant recycler
92% Battery tester/charger	31% Service truck
94% Above- or in-ground lift	67% TPMS reset/recalibrate tool
81% Brake lathe: off-vehicle	34% Brake lathe: on-vehicle
82% Parts cleaner	21% Nitrogen inflation system

What the Future Holds in Consumer Tire Sales



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

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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"

Seasonality of Retail Tire/Service Sales

