

**J.D. Power Reports:  
Increasingly, Vehicle Owners in China Choose Tire and Automobile Dealers for Tire Repair and Replacement**

Goodyear Ranks Highest in New-Vehicle Tire Satisfaction in the Luxury Car and SUV Segments; Nexen Ranks Highest in the Mass Market Car Segment; and Maxxis Ranks Highest in the MPV/ Mini Van Segment

**Shanghai: 14 August 2015** — In the growing tire repair service market, more vehicle owners choose to repair or replace their tires at tire dealers—direct-sale stores and tire chain store—and automobile dealers than at service stations, a segment that has dramatically lost market share from 2012, according to the J.D. Power 2015 China New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup> released today.

The study, now in its fourth year, measures satisfaction among new-vehicle tire owners during the first 12 to 36 months of ownership based on four factors: appearance; durability; ride; and traction/handling. Owners evaluate the brand of tires they have on their vehicle. The study includes four vehicle model segments: luxury car; mass market car; SUV; and MPV/mini van. Satisfaction is calculated on a 1,000-point scale.

The proportion of new-vehicle owners who choose tire dealers for repair and replacement has increased to 31 percent in 2015 from 26 percent in 2012; and the proportion of owners who choose automobile dealers has increased to 38 percent from 31 percent. However, the proportion of new-vehicle owners selecting a service station has decreased significantly to 29 percent in 2015 from 41 percent in 2012.

This is the first year since 2012 that the service station category loses its dominant position in the marketplace to tire and automobile dealers in both repairing and replacing tires. This change is due in part to the upgraded strategy of tire manufactures to develop chain service stores. For example, Michelin's first service store, called TyrePlus<sup>1</sup>, opened in China in 2002. By July 2013, the number of stores had reached 850, and through aggressive expansion, the total reached more than 1,000 by May 2014, covering 56 percent of the five tier cities in China. This trend suggests that vehicle owners value the professional services of a tire and automobile dealer.

The study finds that "damage from puncture" is the most frequently experienced problem by vehicle owners (20%). Among those owners experiencing this problem, 29 percent choose a tire dealer for repair service, 29 percent choose an automobile dealer and 26 percent choose a service station. "Road hazard damage" is another frequent problem. Among vehicle owners experiencing this problem, 26 percent choose a tire dealer for repair service and 38 percent choose an automobile dealer, while just 14 percent choose a service station.

Nearly one-third (31%) of new-vehicle owners report tire problems during their ownership in 2015. As the number of problems increase, owner satisfaction decreases. Among owners who experience no problems with their tires, satisfaction averages 630 and repurchase and recommendation rates are 32

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<sup>1</sup> Source: Michelin TyrePlus

percent and 20 percent, respectively. However, among owners who experience three tire problems, satisfaction declines significantly (585), as do repurchase and recommendation rates (19% and 10%, respectively).

“Satisfaction significantly impacts where owners choose to take their vehicle for tire replacement,” said **Dr. Mei Songlin, vice president and managing director at J.D. Power China**. “Consumers don’t typically have a choice of which tires come on their new vehicle, but they are the most frequently replaced components on vehicles during the ownership period. It is critical that tire manufacturers identify the issues that undermine customer satisfaction with their tire and service experience. Addressing these challenges and instituting performance metrics to improve the customer experience can help secure market share and brand loyalty.”

### KEY FINDINGS

- Overall satisfaction is highest in the luxury car segment (674), followed by the SUV (648), mass market car (632) and MPV/ mini van (558) segments.
- A highly satisfying experience with new-vehicle tires drives high repurchase and recommendation rates for the same brand of tire. While 39 percent of highly satisfied<sup>2</sup> owners say they “definitely would” choose their current tire brand when replacing their tires and 25 percent say they would recommend the same tire brand, a substantially smaller percentage of owners with low satisfaction<sup>3</sup> say the same—19 percent and 11 percent, respectively.
- **Michelin** ranks highest in the brand impression index among non-owners and owners, indicating a strong brand position in the industry. **Continental** and **Bridgestone** rank second and third respectively among owners. Among non-owners, **Bridgestone** and **Goodyear** rank second and third, respectively.

### Study Rankings

**Goodyear** ranks highest in the luxury car segment for a second consecutive year, with a score of 698.

**Nexen** ranks highest in the mass market car segment, with a score of 698.

**Goodyear** ranks highest in the SUV segment for a second consecutive year, with a score of 691.

**Maxxis** ranks highest in the MPV/ mini van segment for a second consecutive year, with a score of 636.

The 2015 China New-Vehicle Tire Satisfaction Index Study is based on responses from 14,374 vehicle owners who purchased their vehicle between October 2010 and May 2014 and examines 24 tire brands. The study was fielded between October 2014 and May 2015 in 51 major cities in China.

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<sup>2</sup> Overall satisfaction of 649 and above (on a 1,000-point scale) in the mass market car segment; 683 and above in the luxury car segment; and 591 and above in the MPV/ mini van segment; and 659 and above in the SUV segment.

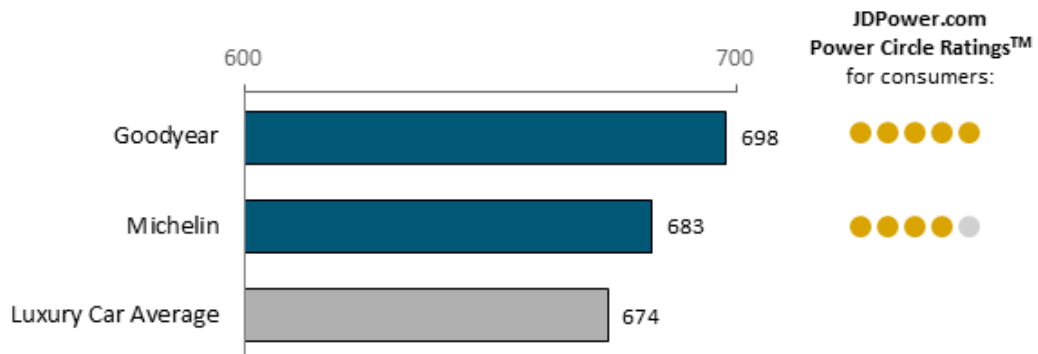
<sup>3</sup> Overall satisfaction of 585 and below in the mass market car segment; 647 and below in the luxury car segment; 535 and below in the MPV/ mini van segment; and 606 and below in the SUV segment.

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Note: Four charts follow.

# J.D. Power 2015 China New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

## Customer Satisfaction Index Ranking—Luxury Car

(Based on a 1,000-point scale)



### Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2015 China New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

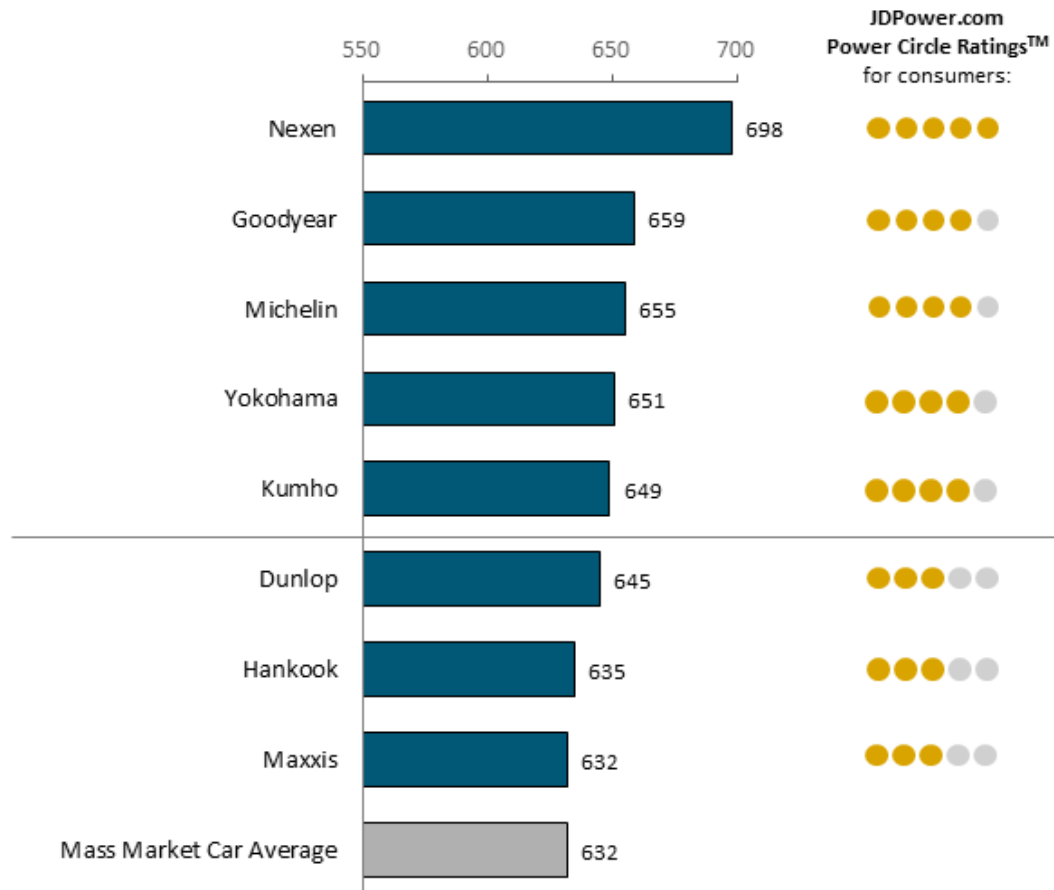
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## New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

### Customer Satisfaction Index Ranking—Mass Market Car

(Based on a 1,000-point scale)



#### Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2015 China New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

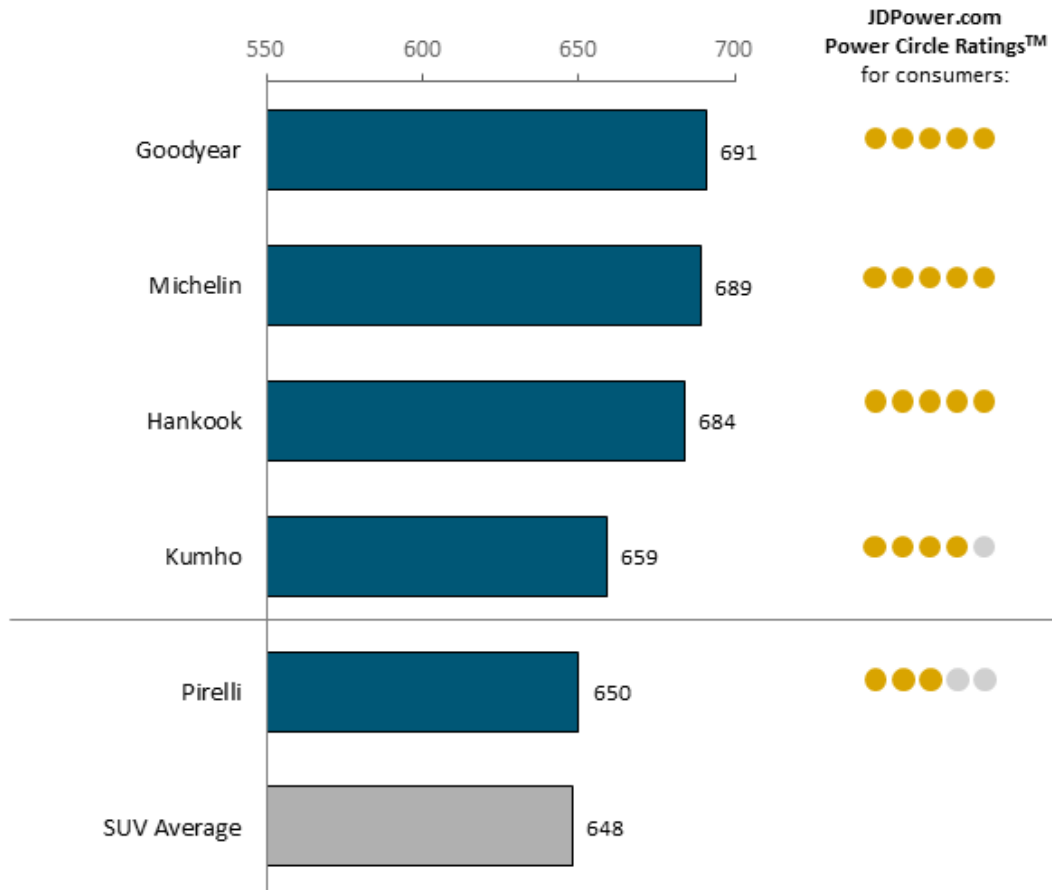
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## New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

### Customer Satisfaction Index Ranking—SUV

(Based on a 1,000-point scale)



#### Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2015 China New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

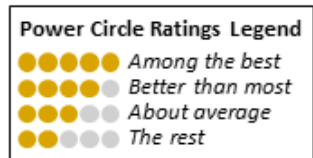
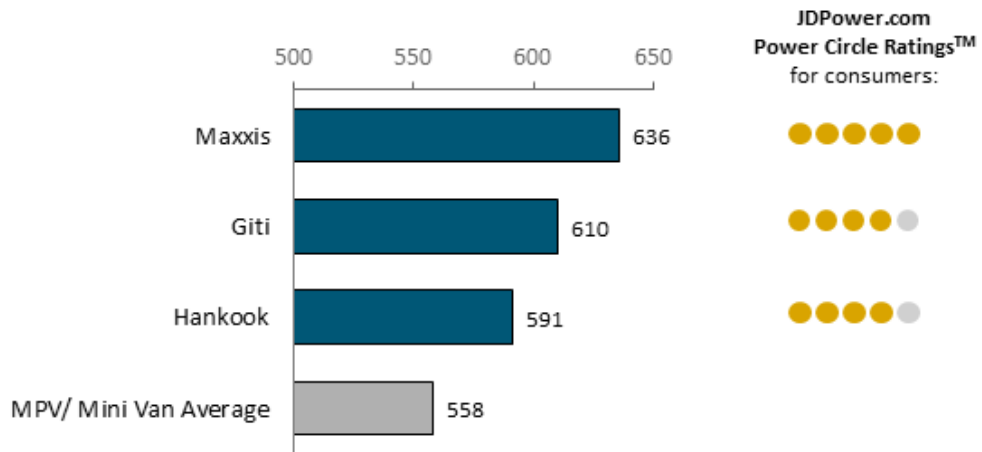
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## New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

### Customer Satisfaction Index Ranking—MPV/ Mini Van

(Based on a 1,000-point scale)



Source: J.D. Power 2015 China New-Vehicle Tire Satisfaction Index (NV-TSI) Study<sup>SM</sup>

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