

Tire Manufacturers Have Much to Gain by Educating Chinese Vehicle Owners

Lack of Tire Knowledge Drags Down Satisfaction and Loyalty, J.D. Power Study Finds

SHANGHAI: 15 August 2016 — A large proportion of owners know very little about the tires that come equipped on their new vehicle, which significantly impacts satisfaction and loyalty, according to the J.D. Power 2016 China New-Vehicle Tire Satisfaction Index (NV-TSI) Study,SM released today.

The study, now in its fifth 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 segments: luxury car; mass market car; SUV; and MPV/ mini van. Satisfaction is calculated on a 1,000-point scale.

More than half of new-vehicle owners (57% for first-time owners and 50% for repeat buyers) don't know the brand of their original tires. Furthermore, only 1% of owners say they know their tire features "very well" and 9% say they know them "somewhat." Such severe lack of knowledge leads to significantly lower levels of satisfaction and loyalty. Satisfaction averages 719 among owners who say they know their tires "very well," compared with 652 among those who say they do "not at all" know their tires.

Among owners who know their tires very well, 44% of them say they "definitely would" recommend the same brand to others and 31% say they "definitely would" repurchase the same brand as replacement tires; among owners don't know their tires at all, only 15% "definitely would" recommend and 20% "definitely would" repurchase the same brand.

"Since tires are the most frequently replaced components on vehicles, tire manufacturers should develop a more effective and proactive branding strategy to improve brand awareness and brand image among their customers," said **Jeff Cai, general manager, auto product and quality at J.D. Power China.**

"Manufacturers of original equipment tires need to make their brands the obvious choice when consumers make the decision to replace their tires. Moreover, building brand loyalty can protect them against lower-priced competitors."

Other key findings of the study include:

- **Tire Satisfaction Varies by Vehicle Segment:** Overall satisfaction is highest in the luxury car segment (730), followed by the SUV (682), mass market car (666) and MPV/ mini van (612) segments.
- **Experience Builds Awareness:** Older owners (>35 year of age) have more knowledge of their tires than younger owners (<25 years). The study finds that about 45% of older owners can accurately name the brand of tires on their vehicles. In contrast, only 27% of younger can do the same.
- **Problems Affect Satisfaction and Loyalty:** Satisfaction averages 674 among owners who do not experience any problems with their tires during the ownership period. Among the 78% of owners who have had a problem-free experience, 22% indicate they intend to repurchase the same brand and 16% indicate they will recommend the brand to others. In contrast, satisfaction drops to 577 among owners who experience three or more problems with their tires, while repurchase intent dips to 5% and recommendation intent to 13%.

NV-TSI Study Rankings

Goodyear ranks highest in the luxury car segment for a third consecutive year, with a score of 759. **Michelin** ranks second (736).

Nexen ranks highest in the mass market car segment for a second consecutive year, with a score of 742. Michelin ranks second (706) and Kumho third (704).

Goodyear ranks highest in the SUV segment for a third consecutive year, with a score of 738. Michelin ranks second (727) and Pirelli third (698).

Maxxis ranks highest in the MPV/ mini van segment for a third consecutive year, with a score of 658. **Giti** ranks second (640).

The 2016 China New-Vehicle Tire Satisfaction Index Study is based on responses from 16,010 vehicle owners who purchased their vehicle between October 2012 and May 2015 and examines 37 tire brands. The study was fielded from October 2015 through May 2016 in 57 major cities in China.

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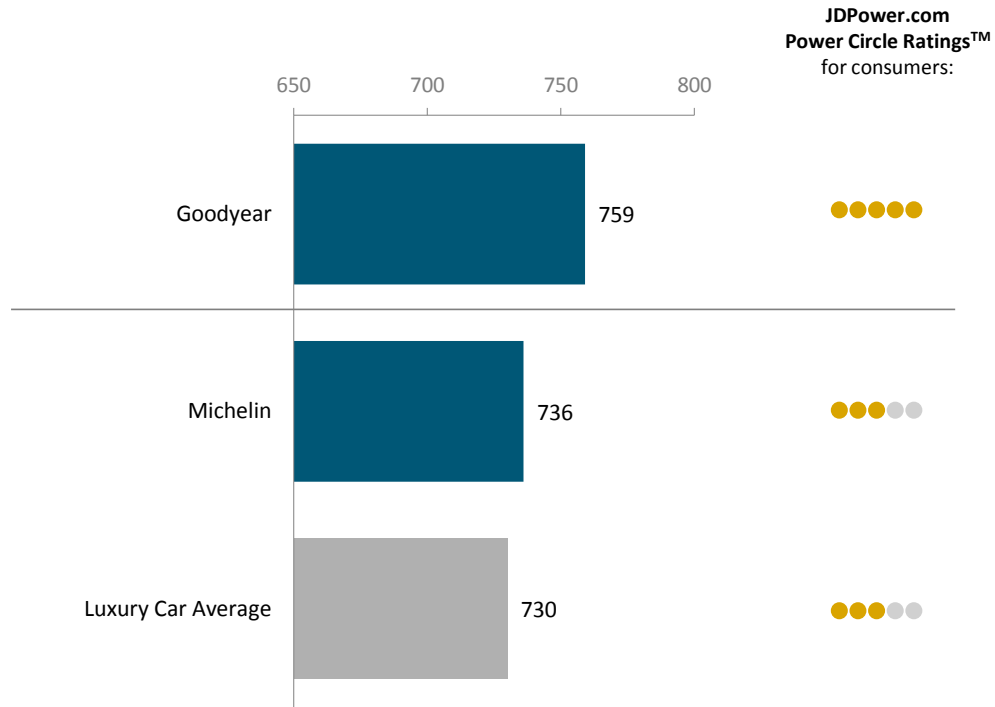
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Note: Four charts follow.

J.D. Power 2016 China New-Vehicle Tire Satisfaction Index (NV-TSI) StudySM

Customer Service Index Ranking—Luxury Cars

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

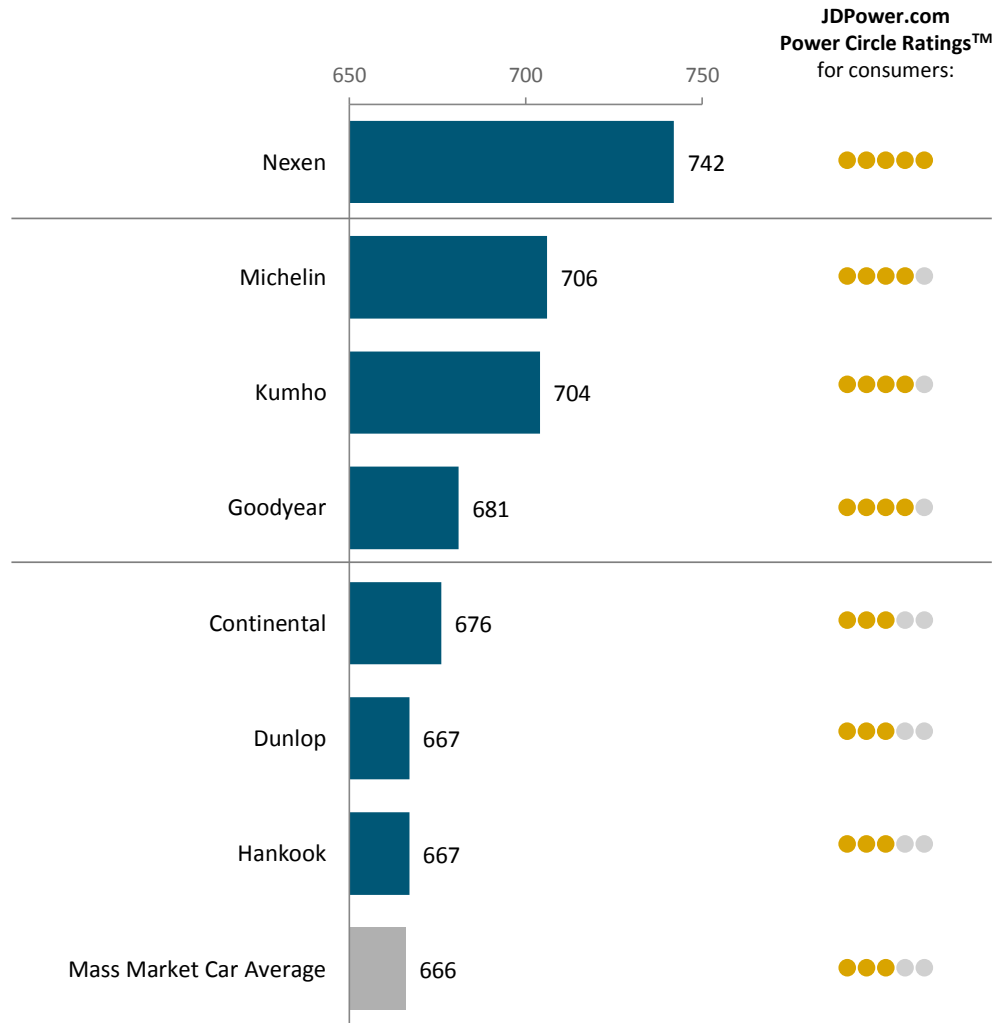
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Customer Service Index Ranking—Mass Market Cars

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

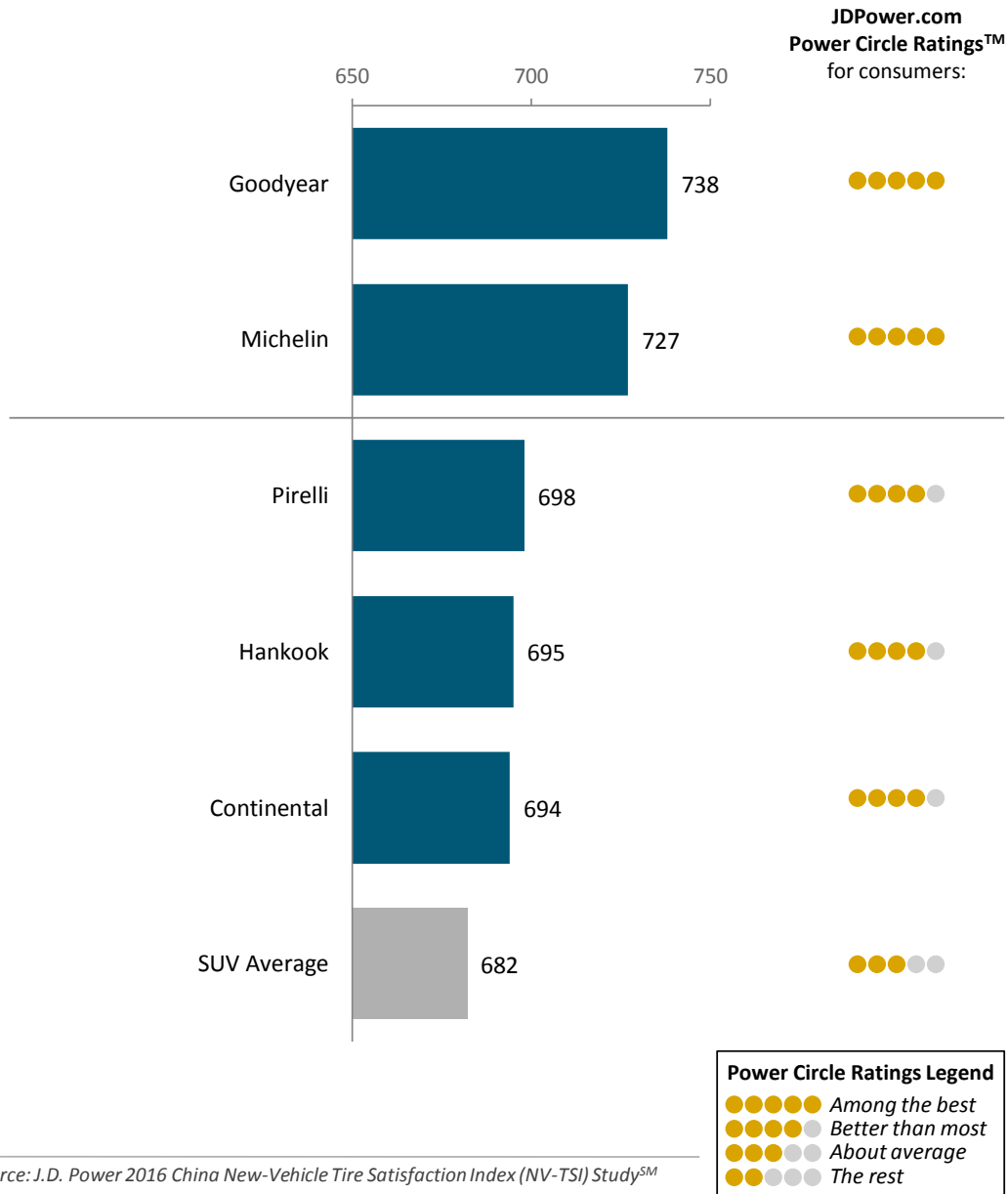
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Customer Service Index Ranking—SUVs

(Based on a 1,000-point scale)



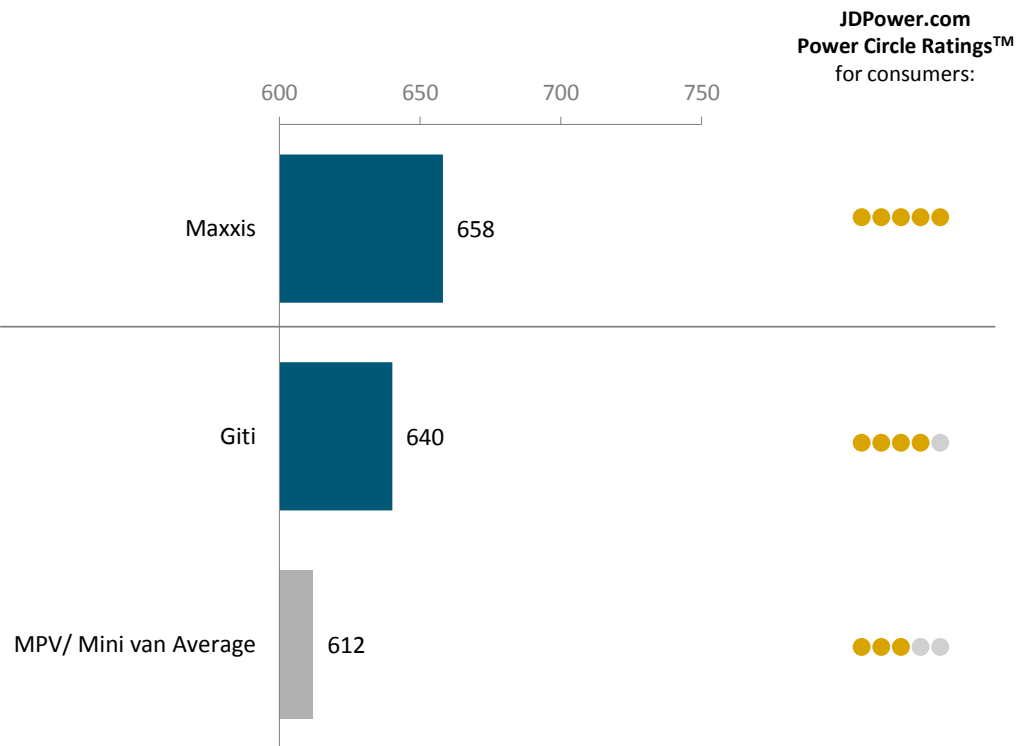
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Customer Service Index Ranking—MPVs/ Mini Vans

(Based on a 1,000-point scale)



Power Circle Ratings Legend

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

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