

Vehicle Owners in China More Conscious of Tire Brands as Tire Replacement Rises, J.D. Power Finds

Michelin Ranks Highest in Luxury Car and Mass Market Segments; Nexen Ranks Highest in SUV Segment

BEIJING: 24 Aug. 2017 — Vehicle owners in China are notably more likely to identify the brand of tires on their current vehicle, an increase to 70% from 42% in 2016, according to the J.D. Power 2017 New-Vehicle Tire Satisfaction StudySM (NV-TSI), released today.

The study shows that 2% of new vehicle owners say they know their tire features “very well” and 18% say they know them “somewhat,” as compared with 1% and 9%, respectively, in 2016.

This is noteworthy because satisfaction directly affects vehicle owners’ choice of tire replacement. More than one-fourth (28%) of new-vehicle owners of tire brands that score high in satisfaction say they “definitely would” repurchase the same brand of tires in the future.

“With the increase of consumers’ awareness of tire brands, we can foresee market competition getting more fierce,” said **Jeff Cai, general manager, auto product practice at J.D. Power China**. “Although Chinese consumers may not yet have a strong awareness of which tire brand is on their first new vehicle, they are certainly becoming more mindful of tire brands and show an increasing preference thereafter. Because tires are the most frequently replaced components on vehicles, it is critical for tire manufacturers to provide high quality, branded products and services.”

The rate of tire replacement also is rising in the China market. More new-vehicle owners (64%) are following repair/maintenance workers’ suggestions to replace their tires, compared with 59% in 2016. The dealership where owners purchased their vehicle remains the leading channel for tire replacement (53%), followed by tire store (23%) and auto service station—garage (14%). The percentage of vehicle owners who do not replace tires unless confronted with problems that influence normal driving is 17% in 2017, compared with 21% in 2016.

Following are additional findings of the study:

- Customer satisfaction is greatly affected by tire performance in special circumstances, including poor traction/grip on wet roads; poor traction/grip off-road; and poor traction/grip on snow-covered/icy roads. More than three-fourths (77%) of new-vehicle owners report having experienced no problems with their tires during the ownership period, while fewer owners have experienced one and two problems, 13% and 6%, respectively.
- U.S. tire brands rank highest in the luxury and SUV segments. In the mass market segment, Korean brands rank highest in tire customer satisfaction.

Study Rankings

Michelin ranks highest in both the luxury and mass market segments with scores of 768 and 712 (on a 1,000-point scale), respectively. **Nexen** ranks highest in the SUV segment with a score of 733.

About the Study

The China New-Vehicle Tire Satisfaction Study, now in its sixth year, measures new-vehicle customer satisfaction with their tires on new vehicles after 12 to 29 months of ownership (In 2016, the period was 12 to 36 months) based on four factors: appearance, durability, ride, and traction/ handling. The study includes four vehicle segments: luxury car; mass market car; SUV; and MPV/ Mini Van.

The study includes 14,276 vehicle owners in 62 cities across four regions and four city tiers in China; the methodology combines street intercept interviews and online panels. The study was fielded from December 2016 through May 2017.

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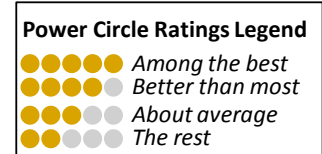
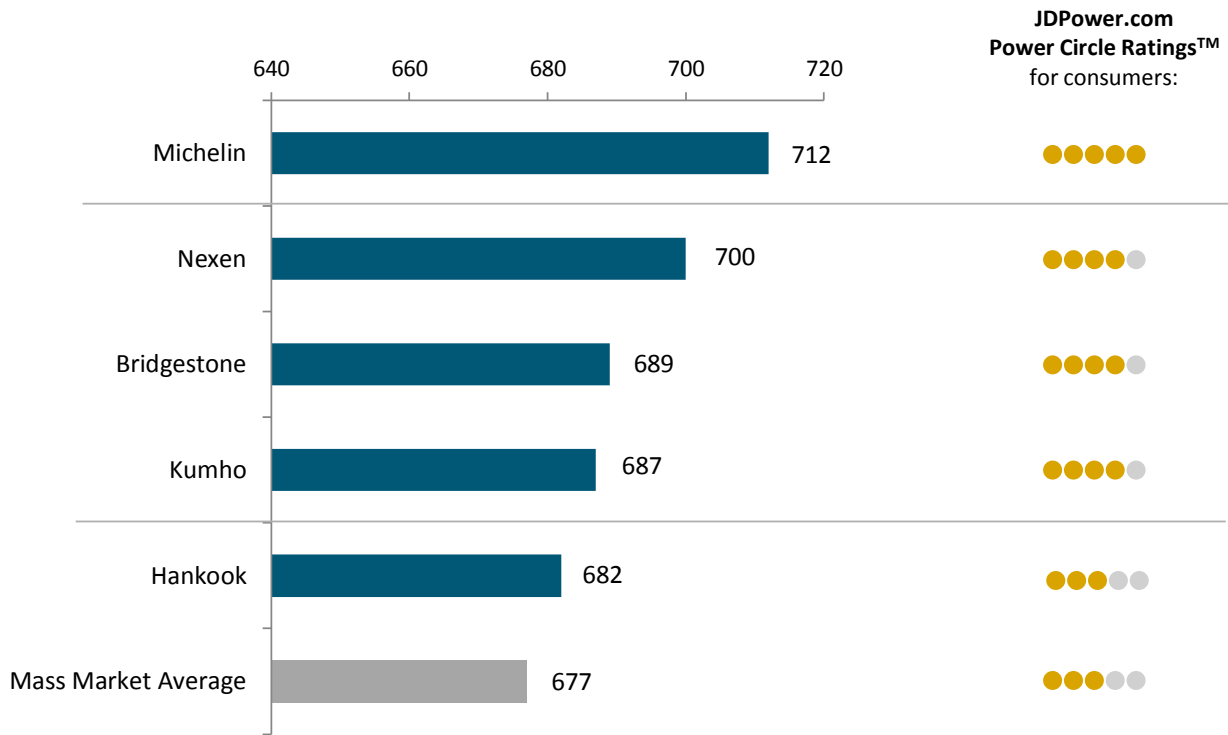
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NOTE: Three charts follow.

J.D. Power 2017 China New-Vehicle Tire Satisfaction Index StudySM (NV-TSI)

Customer Satisfaction Ranking – Mass Market Cars

(Based on a 1,000-point scale)



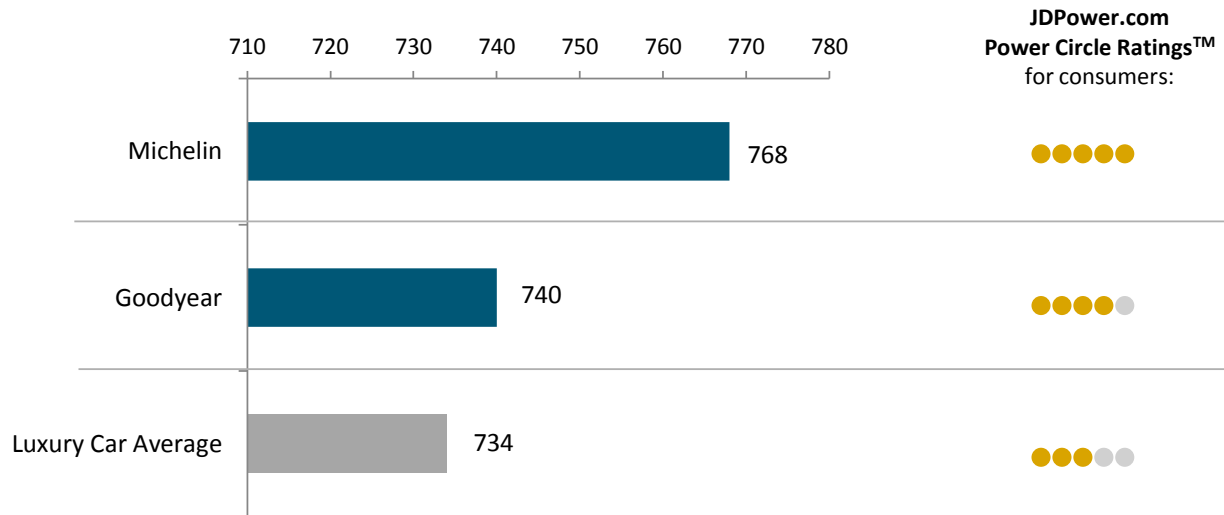
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J.D. Power 2017 China New-Vehicle Tire Satisfaction Index StudySM (NV-TSI)

Customer Satisfaction Ranking – Luxury Cars

(Based on a 1,000-point scale)



Power Circle Ratings Legend

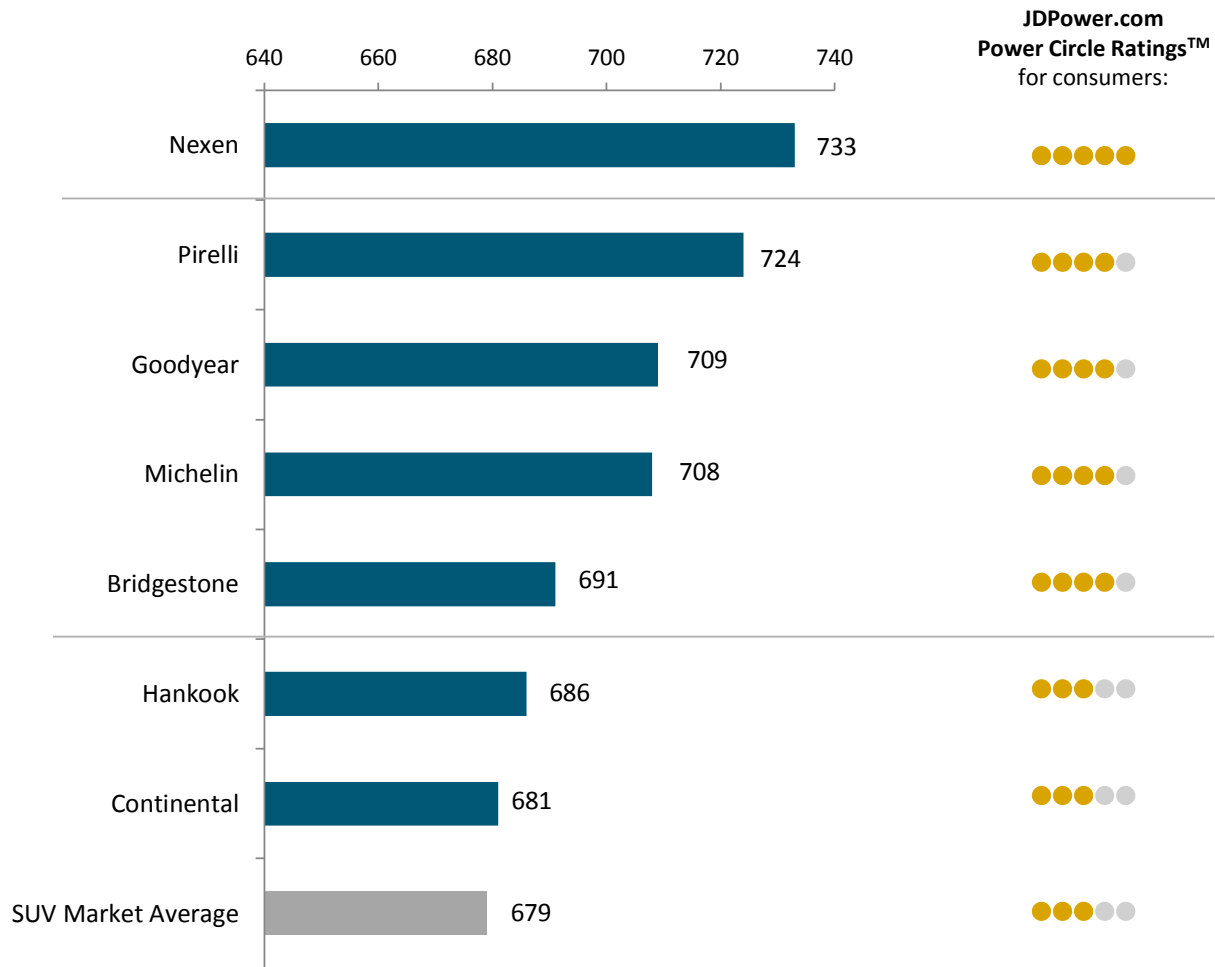
- Among the best
- Better than most
- About average
- The rest

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J.D. Power 2017 China New-Vehicle Tire Satisfaction Index StudySM (NV-TSI)

Customer Satisfaction Ranking – SUVs (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 2017 China New-Vehicle Tire Satisfaction Index StudySM (NV-TSI)

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