

Original Equipment Tire Brands Have Loyalty Traction with Vehicle Owners, J.D. Power Finds

Michelin Ranks Highest for Satisfaction in All Four Segments

COSTA MESA, Calif.: 23 March 2017 — Vehicle owners that need to replace their tires are likely to purchase the same brand that was originally fitted on their new vehicle, according to the J.D. Power 2017 U.S. Original Equipment Tire Customer Satisfaction Study,SM released today.

The study finds that 37% of owners who replaced two or more tires on their vehicle selected the same tire brand that was fitted on their new vehicle when they first drove it off the dealership lot. This gives the original equipment (OE) tire brand the inside track in the highly-competitive replacement tire market. Original equipment tire brands have the highest market share when vehicle owners replace at least two tires in their first two years of ownership: 62% of these owners purchased either Michelin (21%), Goodyear (12%), Continental (11%), Bridgestone (11%) or Pirelli (7%), while 38% purchased other brands.

“Tire manufacturers who have their products fitted to new vehicles have a great advantage over their competitors,” said **Brent Gruber, senior director, automotive quality practice at J.D. Power**. “A large number of vehicle owners do not even consider other brands when buying replacement tires. As long as they have a positive experience with their OE tires, there is a natural tendency for consumers to select the same brand for their first replacement.”

The study further reports that luxury vehicle owners more frequently purchase the OE tire brand for their vehicle (58% stay loyal) than mass market vehicle owners (31%). Additionally, luxury vehicle owners have a higher intent to return to a car dealership (46%) for new tires as compared to mass market vehicle owners returning to a dealership (33%) for tire replacement.

“New vehicle dealerships can put themselves in a great position to increase service department revenues through tire-related business,” Gruber added. “The key is to ensure that dealership tire inventories remain stocked with options that include the OE tires the customer currently has and that the service personnel are properly trained about how those tires were specifically engineered to maximize vehicle performance, particularly for luxury vehicle owners.”

Study Rankings

Michelin ranks highest in all four segments: luxury (764); passenger car (743); performance sport (746); and truck/utility (712).

In the luxury segment, **Pirelli** ranks second (722) and **Bridgestone** ranks third (712). In the passenger car segment, Pirelli ranks second (710) and **Goodyear** ranks third (702). In the performance sport segment, Goodyear ranks second (728) and Bridgestone ranks third (711). In the truck/utility segment, Goodyear ranks second (687) and **BFGoodrich** ranks third (667).

Additional key findings of the 2017 study include:

- **New vehicles need flat tire solutions:** More than half of tire replacements in the first two years of ownership are a result of road hazard damage, flats or blowouts. A significant proportion of luxury owners reported that their vehicle does not come with a flat tire solution—including either a temporary spare, full-size spare, sealant kit, inflation kit or collapsible spare. However, many luxury vehicles do include run-flat tires, yet owners may not be aware of this.
- **Lease rates increase:** According to the Power Information Network® (PIN) from J.D. Power, U.S. new light-vehicle sales reached an all-time record of 17.53 million units in 2016 while lease rates increased to 30% of retail sales, up from 24% in 2013. The rise in leasing rates is important for tire manufacturers because the 2017 U.S. Original Equipment Tire Customer Satisfaction Study,SM finds that 44% of lessees who replaced two or more tires selected the same tire brand as opposed to 35% of those who purchased their vehicles.
- **Poor weather traction improvement:** Across the four vehicle tire segments, customer satisfaction with poor weather traction has increased and the number of wet road traction problems decreased between the 2015 and 2017 studies.

About the Study

The 2017 U.S. Original Equipment Tire Customer Satisfaction Study measures tire owner satisfaction in four vehicle segments: luxury; passenger car; performance sport; and truck/utility. Satisfaction is examined in four measures: tire wear; tire ride; tire appearance; and tire traction/handling. Study results and rankings are based solely on owner experiences with their tires after two years of vehicle ownership.

The study is based on responses from 29,622 owners of 2015 and 2016 model-year vehicles, and was fielded between October and December 2016.

For more information about the 2017 O.E. Tire Customer Satisfaction Study, visit <http://www.jdpower.com/resource/us-original-equipment-tire-customer-satisfaction-study>.

See the press release online at <http://www.jdpower.com/pr-id/2017032>.

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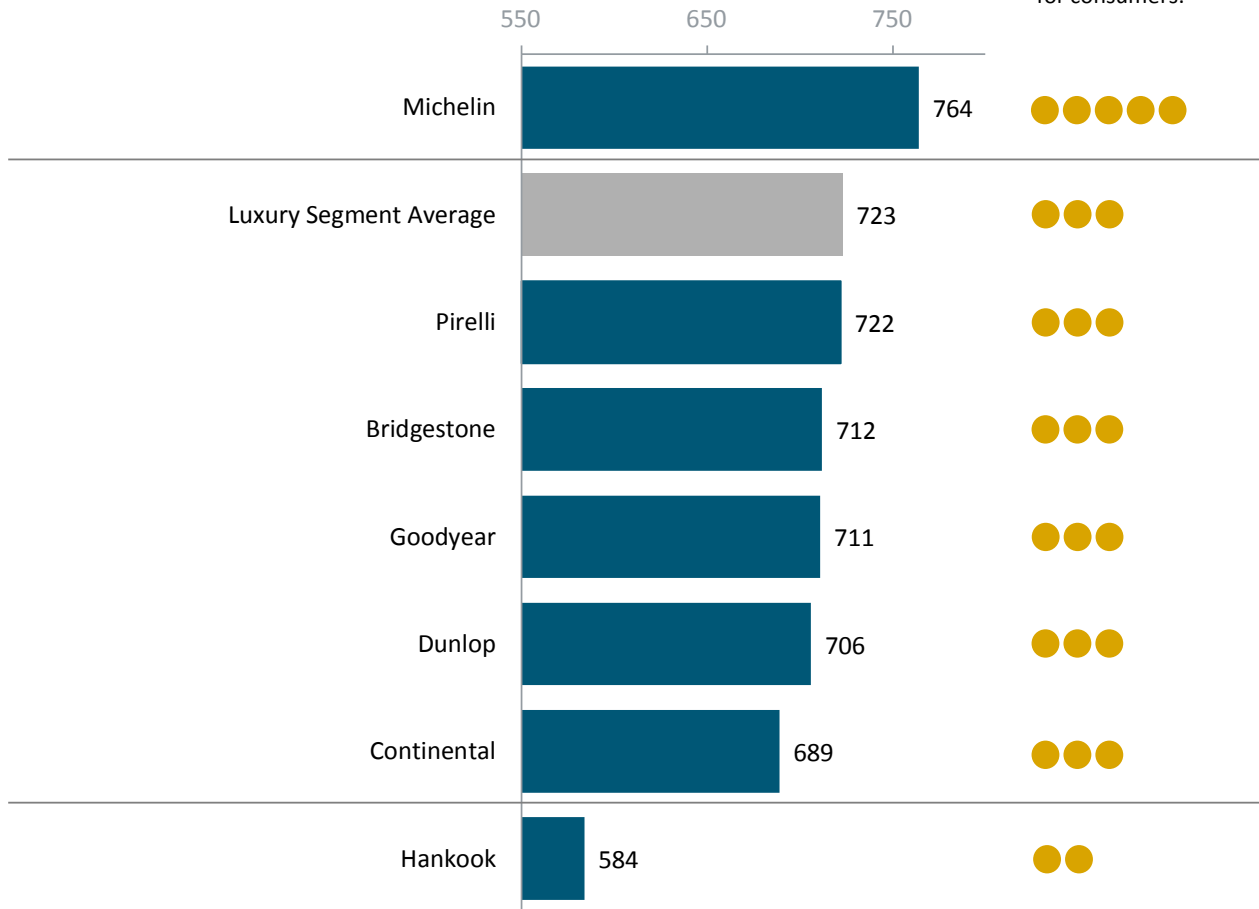
Note: Four charts follow.

J.D. Power 2017 U.S. Original Equipment Tire Customer Satisfaction StudySM

Overall Tire Satisfaction Index Ranking Luxury Segment

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

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

Note: Included in the study but not ranked due to small sample size is Yokohama.

Source: J.D. Power 2017 U.S. Original Equipment Tire Customer Satisfaction StudySM

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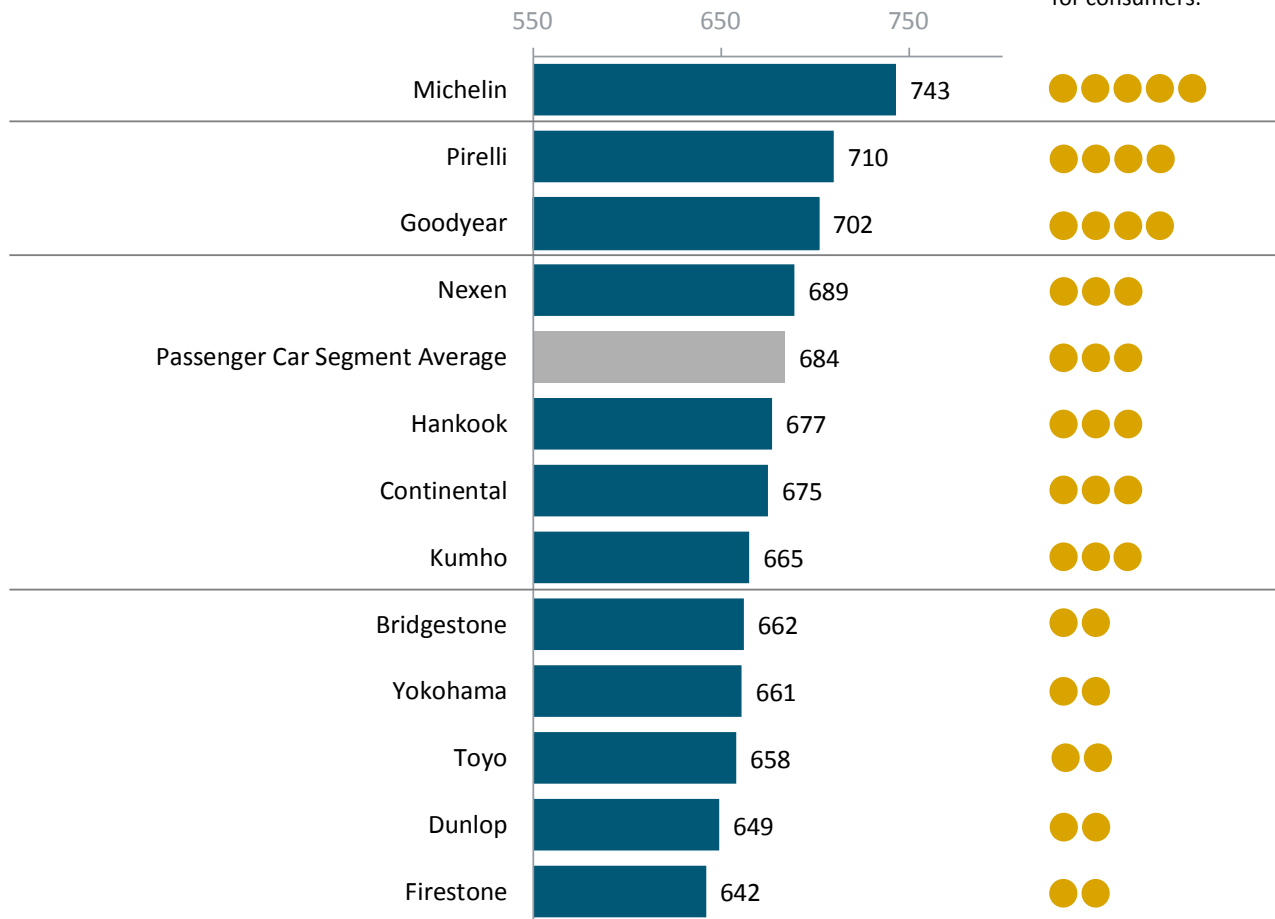
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Overall Tire Satisfaction Index Ranking

Passenger Car Segment

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

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

Note: Included in the study but not ranked due to small sample size is BFGoodrich.

Source: J.D. Power 2017 U.S. Original Equipment Tire Customer Satisfaction StudySM

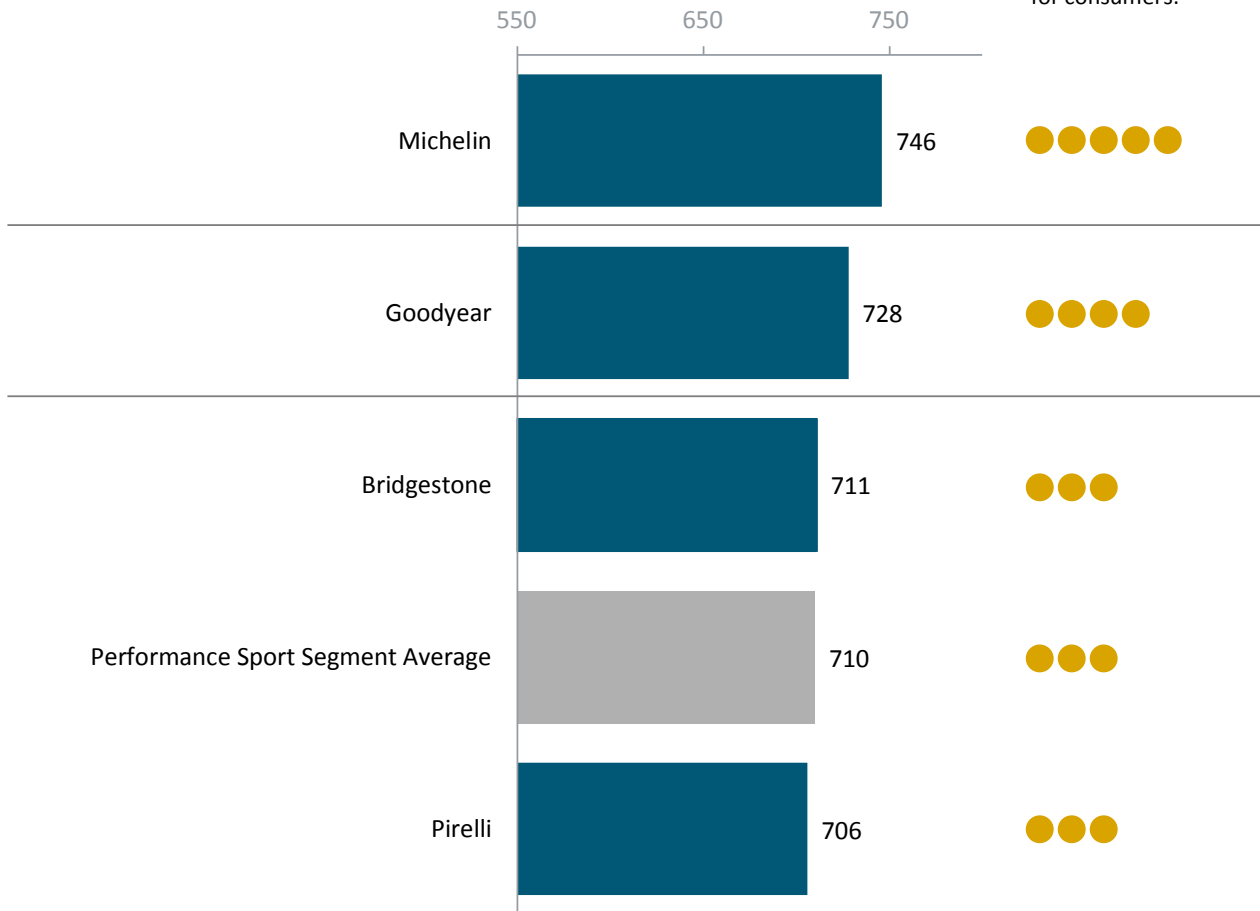
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Overall Tire Satisfaction Index Ranking Performance Sport Segment

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

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

Note: Included in the study but not ranked due to small sample size are Continental, Hankook, and Kumho.

Source: J.D. Power 2017 U.S. Original Equipment Tire Customer Satisfaction StudySM

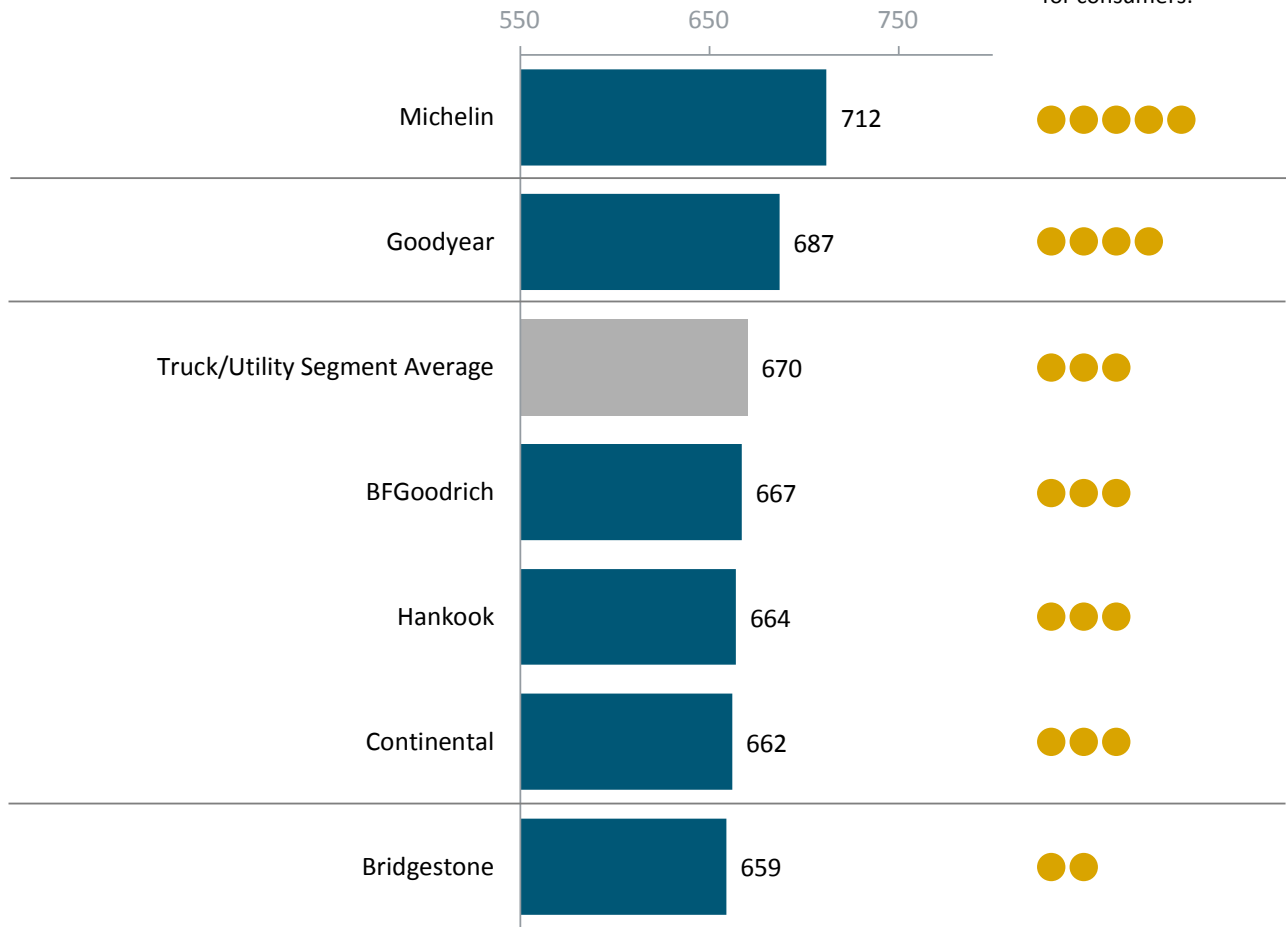
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J.D. Power 2017 U.S. Original Equipment Tire Customer Satisfaction StudySM

Overall Tire Satisfaction Index Ranking Truck/Utility Segment

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

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

Note: Included in the study but not ranked due to small sample size are Dunlop, Firestone, and Pirelli.

Source: J.D. Power 2017 U.S. Original Equipment Tire Customer Satisfaction StudySM

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