

Selling and Buying Tires with Low Rolling Resistance

November 17, 2008

Energy Efficiency Center

University of California, Davis

Plan for the Day

(see agenda)

1. Introductions
2. Background: legislation and other initiatives
3. Understanding how tires are bought & sold today
4. How to deliver efficiency information
5. Maintaining credibility of information
6. Next steps
7. ~5:00PM Conclude

Administrative Matters

- This roundtable is not recorded
- There will be no formal record
- No votes, vetoes, or resolutions
- Coffees and lunch will be provided
- Wireless connection is available
- Toilets, parking, other logistics
- Staff available to help: Stephanie Timmons
- Davis residents (directions, advice, etc.): Ben Finkelor, Gwynn Benner

Please switch off your cell phones...

Goal

- Enable consumer to take into account rolling resistance when making purchasing decision
- This workshop will focus on the transaction
 - Also consider the consumer's *preparation* for the transaction

Not For Discussion

- Merits or drawbacks of legislation
- Test procedure for measuring rolling resistance
- Manufacturers' views *outside* of the transaction
 - Other forums available for this
- Tire pressure monitoring systems (TPMS)
- Nitrogen inflation and inflation programs

At the End of the Day

- Understand the constraints of transaction with respect to providing information to consumers
- Preferred forms of information
- Potential roles and responsibilities of groups
 - Regulators
 - Tire retailers
 - Trade organizations
 - Others?
- Next steps

Background: How Did This Roundtable Happen?

- Legislation & other initiatives underway
- Imminent completion of international test procedure for rolling resistance ISO 28580
- Walmart meeting in August
 - Perceived need to better understand the transaction
 - Desire to avoid confusion of UTQG
 - UC Davis offered to host meeting
 - Home of Energy Efficiency Center (eec.ucdavis.edu) & Institute of Transportation Studies

Legislation in California: AB 844 (2003)

Requires the CEC to develop regulations that establish:

- Rolling resistance reporting requirements
- Rating system for comparing fuel economy characteristics of tires
- Minimum energy efficiency standards for tires
 - P & LT tires

Legislation in US: EISA 2007

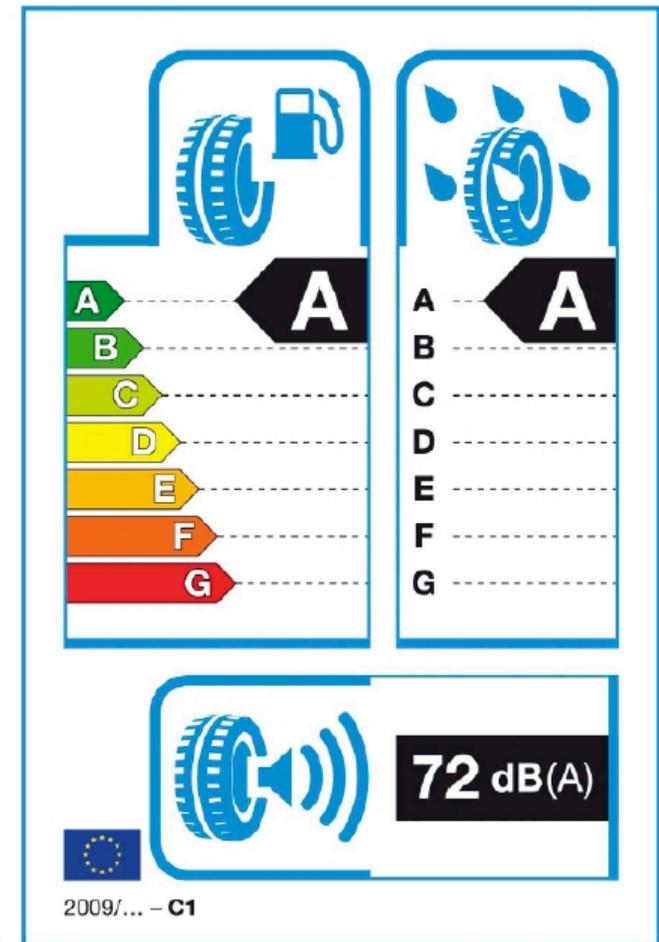
Energy Independence and Security Act

NHTSA must establish:

- an information program to educate consumers about the effect of tires on automobile fuel efficiency, safety, and durability
- an efficiency rating system to assist consumers in making more educated tire purchasing decisions;
 - information at the point of sale, websites, etc.
 - P tires only

Legislation in Europe: Ecodesign 2008

- Label requires rating of rolling resistance, wet grip, and noise
- Label must be attached to tire at point of sale
- P & LT tires



Other Initiatives

- Japan: Toprunner legislation
- G8 countries promise to address tires (2005, 2008)
- China

Voluntary Programs and Initiatives

- Walmart
- Fuel-saving calculators on websites of manufacturers and retailers
- Government purchasing specifications (FEMP)
- Endorsement programs

Summary of Activities

- Global
- Information, label, minimum efficiency
- Each initiative unique w/r to scope, constraints, timing, goals
- **Little consideration of how consumers buy, and retailers sell, tires**

How Do Consumers Buy, and Retailers Sell, Tires Today?

- We need to understand the present transaction before proposing how to add efficiency information
- The consumer perspective
 - Gene Petersen, *Consumer Reports*
 - Helen Aki & Osama Atif, The UC student team
- The retailer perspective
 - The Roundtable

How Many Minutes is the Average Transaction?

- What is a customer's most frequent first question?
- How many different tires do you typically offer a customer?
- Is a computer terminal the third member of the discussion?

What Numbers Do Consumers Examine?

- Tread life
- Speed rating
- UTQG
- Price

Speed ratings are indicated as follows:

Speed Symbol	Maximum Speed
Q	99 MPH/160 KPH
R	106 MPH/170KPH
S	112 MPH/180 KPH
T	118 MPH/190 KPH
U	124 MPH/200 KPH
H	130 MPH/210 KPH
V	Above 130 MPH/210 KPH
(Without service description) V	149 MPH/240 KPH
(With service description) Z	Above 149 MPH/240 KPH
↓ W** Y**	168 MPH/270 KPH
↓ Z	186 MPH/300 KPH
	Above 186 MPH/300 KPH

**W- and Y-speed ratings are subcategories of the Z-speed rating.

How Many Consumers Actually See the Tires?

- Sample on a rack?
- The ones that go on their car?



How Many Buyers Do Research Before Visiting?

- *Consumer Reports*
- Other Magazines
- Websites
- Other?



The screenshot shows a webpage titled "Comparisons: Tires" with a navigation bar at the top. Below the navigation bar, there are links for "Shopping Tools" (FREE Dealer Quote, Insure It) and "Advertisement" (C/D Buying Guide, C/D Videos, Free Newsletter, Subscribe to Car and Driver). A social sharing bar includes "Print", "Email", "Digg", and "Del.icio.us". A pagination bar shows "12" as the current page. The main content area features the title "Goodyear Eagle F1 GS-D3" and the sub-headline "First Place: Tire Test: The Quick and the Tread". To the right of the text is a close-up image of the tire tread. Below the text, there is a "Goodyear Eagle F1 GS-D3 Comparison Test" section with a Goodyear logo and a blue button labeled "GOODYEAR EAGLE F1 GS-D3".

Back to Index

Comparisons: Tires

< Previous | Tire Test: The Quick and the Tread - Comparison T | Next >

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Goodyear Eagle F1 GS-D3

First Place: Tire Test: The Quick and the Tread

As an all-around high-performance tire, you can't beat this Goodyear. It was the best performer in all three wet-track tests and was very competent in the dry. It generated 0.94 g on the dry skidpad, only 0.01 g off the first-place BFGoodrich and tied with the Yokohama and Hankook.

The Goodyear gripped so well that you might not have been certain the road was wet, and it lost traction in a gentle, predictable manner. It held onto the wet track with 0.82 g of stick, an impressive figure considering the worst tire in that test made only 0.67 g.

The Eagle F1 got a lot of favorable comments. In the wet, Geswein called it "direct"—a way of saying the tire



Goodyear Eagle F1 GS-D3 Comparison Test

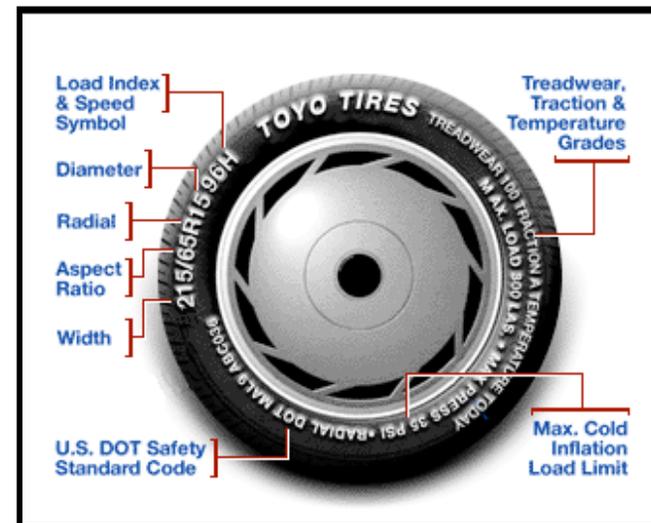
GOODYEAR EAGLE F1 GS-D3

Do Consumers See Labels?



How Often Do Buyers Ask for An Explanation of UTQG?

- What do sales staff say?



How Do Consumers Decide Which Tires to Buy Today?

- Use of labels on tire
- Sidewall information
- Computer database
- Binder
- Advice by sales staff (based on what?)
- Placards
- Marketing in newspapers, magazines
- Internet sites
- Television advertisements
- Word of mouth
- Satisfaction with existing tire

Conclusions?

- Are consumers satisfied with the information they have before the purchase?
- Is there time, space, patience for more information?
 - If yes, how should it be delivered?