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A review of data supplied to TTN by Encircle Marketing reveals that at a Total Market level the Premium Brand sector lost 3%pt share of all recommendations in 2009 to finish the year accounting for 36% (of all recommendations).

In September we (TTN) reported that the Budget brand sector had gained 4%pt share (of all recommendations) in the 3 months of June to August (30%-34%) whilst at the same time the Premium sector had seen a fall in share to 36% (from 38%).

Analysis over the year (and broken down into quarters) shows that overall the reduction of 3%pts is less significant than may have been forecast given the tough financial backdrop the figures are reported against. This is something to cheer (if you are a Premium manufacturer) given that the more pessimistic or cautious amongst us in the industry may have predicted a more severe reduction as drivers opted for more cheaper options than they may have previously considered given increased pressure on household expenditure.

This is truer still by the fact that over the last six months of the year the Premium brands managed to “stem the tide” with the reductions seen only in the first 2 quarters (up to June). After this point, shares have been almost static with no significant change.

The actual figures show the Budget sector to have gone from 30% to 33%, the Mid Range sector to not move at all (31%) and Premiums losing the 3%pts as detailed above.

Encircle classify the market as follows:-

Budget – any unnamed brand which has been quoted as a “budget” by the Centre. In addition, Arrowspeed, Courier, Dayton, Falken, Firststop, Marshal, Matador, Millenium, Nexen, Riken, Sava, Tigar, Vredestein, Wanli.

Mid Range – Avon, Barum, BF Goodrich, Ceat, Cooper, Firestone, Fulda, GT, Hankook, Kleber, Kumho, Maxxis, Toyo, Uniroyal, Yokohama

Premium – Bridgestone, Continental, Dunlop, Goodyear, Michelin, Pirelli

Analysis by channel reveals that the Regional Independents (i.e. BA Bush through to Watling) has followed the trend of the overall market (growth for Budget decline for Premiums) with Budgets up 3%pts to 33% and Premiums down by the same proportion to 39%.

The Local Independent channel (one site independent outlets) follow suit with Budget up 2%pts (to 41%) and Premiums down 4%pts (to 29%).

It is the same story for the Fast Fits with +2%pts for Budget (to 26%) and Premiums -2% to 42%.

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There are 2 notable variations however. Firstly the Autocentre channel (i.e. Charlie Brown's Formula One, Nationwide) has in-fact increased its recommendation of Premium brands from 33% in Quarter One to 37% by Quarter Four. At the same time, the channel has reduced its Budget recommendations from 37% to 31%.

Secondly, the Car Dealership channel (i.e. Masterfit, Ford Rapid Fit) has increased its recommendation of Mid Range brands which are up 6%pts to 31% over the year (+4%pts Quarter 3 to Quarter 4). Over the year, the Premium sector is down 4%pts to 40% and Budgets are down 2%.

The growth seen between Q3 and Q4 saw Budget share actually fall 3%pts as Dealerships appeared to switch its focus to Mid Range brands in what appears an attempt (as with Autocentres) to differentiate itself from the market.

So overall 2009 maybe wasn't as traumatic for the Premium brands as anticipated. Whether the same can be said in 2010 we shall have to wait and see!

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