



**Training**

**Retail Basics**

# ~ RETAIL TIRE TOPICS ~

- ~ **CHAPTER 1:** Retail Environment
- ~ **CHAPTER 2:** Retail Basics
- ~ **CHAPTER 3:** Customer Service
- ~ **CHAPTER 4:** Sale Process & “G”
- ~ **CHAPTER 5:** Sale Process – “Q”
- ~ **CHAPTER 6:** Sale Process – “P”
- ~ **CHAPTER 7:** Sale Process – “C”
- ~ **CHAPTER 8:** Sale Process – “Plus”
- ~ **CHAPTER 9:** Consumer Value
- ~ **CHAPTER 10:** Retail Success
- ~ **CHAPTER 11:** Retail Focus Quotes
- ~ **QUIZ:** Retail Tire Information



# CHAPTER 9

## ~ CONSUMER VALUE ~

# CONSUMER VALUE

- What would be a primary goal in providing exceptional customer service value?

Every Customer That Enters Your Store  
is wearing a sign on their forehead!



# MMFI

“Make ME Feel Important”!

# CONSUMER VALUE

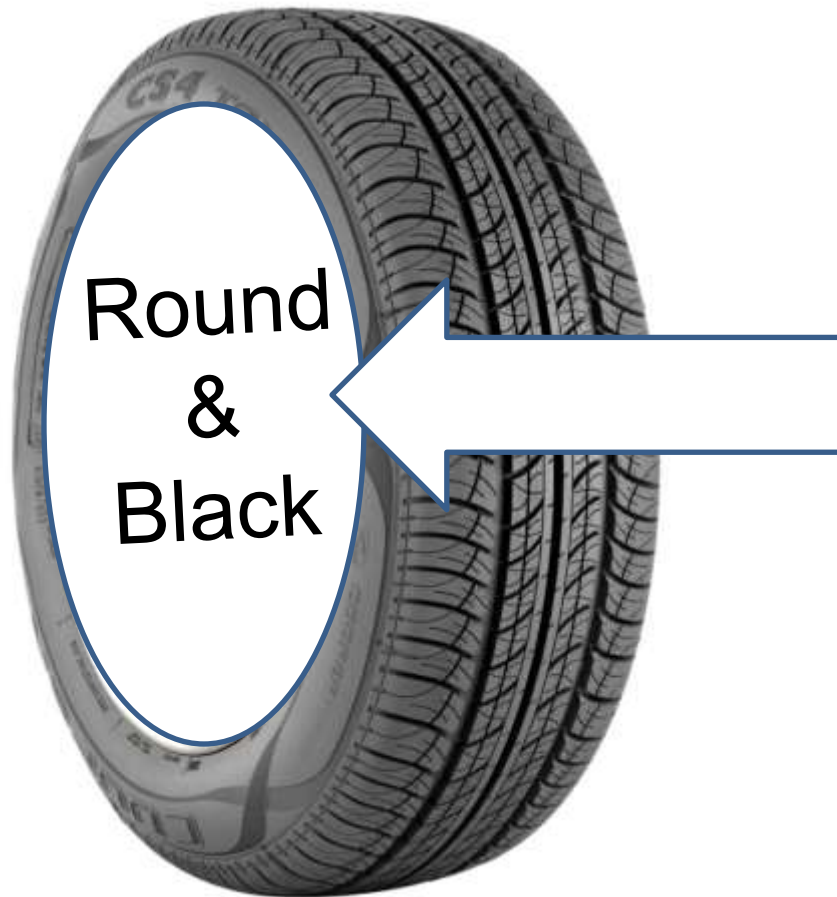
- Relationships in business are Not about you, the company, the product, the work quality, or the number of certifications on the wall;

**“It’s about them – the  
Customer”!**

and their perceptions.



# CONSUMER VALUE



- What can you assume about most consumers?
- What do you know?

# CONSUMER VALUE

- The sale process is an excellent consumer education opportunity as well.
  - Product language/terminology, feature and benefit information, and also some maintenance information add value – Knowledge!
    - Sizing, psi – where they find the OE recommended inflation for their vehicle, load carrying capacity, TPMS, component terminology, U.T.Q.G., feature and benefits (most important of the two), warranty, safety, maintenance – psi check, tread depth check, balance, alignment, etc.

# CONSUMER VALUE

- The greater the perceived value the consumer receives, increases the amount of profit you can make!
  - The higher perceived value usually equates into the willingness to accept a higher priced product which delivers higher revenue for the business or yet put another way, a potential premium tire purchaser that would also consider additional add-on services, ie; alignment, etc.



# CONSUMER VALUE

- Why does one tire cost more than another?
  - Higher Quality
  - Additional Features and Benefits
- Most consumers would acknowledge that typically a widget that costs more would provide more benefit value. Example;
  - Cadillac vs Chevrolet
  - Lincoln vs Ford
  - Lexus vs Camry

# CONSUMER VALUE

- Why does one tire cost more than another?
  - Do these higher end vehicles provide more benefits? Value? Status?
    - More accessories
    - Premium brand (real or perceived)
    - More than just basic transportation
  - Tires are similar!
    - They have additional feature and benefits
    - They are positioned accordingly
    - They are more than just basic round and black

# CONSUMER VALUE

- Let's look at a pricing and revenue/income comparison.
  - Retail Tire Price = \$100.00 ea. (Premium Tire)
  - Retail Margin of 25%
  - Gross Income on sale of one tire = \$33.33
  
  - Retail Tire Price = \$50.00 ea. (Entry Level Tire)
  - Retail Margin of 25% (Same as above)
  - Gross Income on sale of one tire = \$16.66

# CONSUMER VALUE

- If your daily margin goal was \$1,000.00 per day. How many premium tires would you have to sell vs entry-level tires to reach your profitability goal?
  - $\$1,000.00 / \$33.33 = 30$  units
  - $\$1,000.00 / \$16.66 = 60$  units
  - You would have to sell twice as many entry level tires to reach your income goal as premium.
    - Not everyone is an entry level or premium tire purchaser.

# CONSUMER VALUE



- Selling Premium products;
- What makes it Premium?
  - It has to be more than just a higher price!
  - It has to be better, different, or unique when compared to other alternatives to command the higher price.
  - Premium product also deserves premium service.
    - Premium Products are usually wrapped in a worthy program.
      - Again this includes some of the “small stuff”!
        - » It would include cleaning the tire sidewall during installation – Get the “blue” off!



# CONSUMER VALUE

- Selling Premium products;
- What makes it Premium?
  - It has to be a benefit that the consumer would understand and accept as a positive attribute.
    - Design aspects that are improved over either a previous edition or competitor's.
      - Superior traction, treadwear, handling, ride comfort, appearance, and the F & B's that describe these characteristics.
  - Value added warranty coverage.
    - Mileage
    - Flat repair
    - Balance and/or rotation
- It may influence what brand(s) you market to allow you to offer an identified, variety of product.

# COOPER DISCOVERER CTS FEATURE & BENEFIT



- **R-TECH CONSTRUCTION**
  - RESPONSE – TECHNOLOGY construction utilizes several design features that work in concert to provide enhanced tire performance.
- **VARIABLE DENSITY NYLON TECHNOLOGY**
  - Nylon is strategically placed in a manner to resist flat spotting for improved ride quality, balance, and even treadwear for long life.
- **R-TECH SIDEWALL**
  - Computer designed configuration of the tire sidewall includes an extended bead filler for improved handling response, lane change, and cornering ability.
- **INNOVATIVE 5-RIB ALL-SEASON TREAD DESIGN**
  - The innovative 5-rib tread design incorporates numerous features to provide excellent stability, traction, and treadwear.
- **WIDE TREAD ARC**
  - The wide tread arc improves handling and contributes to excellent tread life.

# COOPER DISCOVERER CTS

## FEATURE & BENEFIT continued

- **COUPLED SILICA TREAD COMPOUND**
  - The chemically coupled silica and carbon black compound allows for superior wet traction without sacrificing tread wear. An optimized polymer matrix allows the compound to remain pliable at lower temperatures while contributing to lower rolling resistance.
- **WIDE CENTER ELEMENTS**
  - The wide center elements provide for improved steering response and “on-center” feel while contributing to increased start up traction.
- **WIDE “STEPPED” CIRCUMFERENTIAL GROOVES**
  - Four “stepped” circumferential grooves resist hydroplaning at higher speeds and provide gripping edges for increased traction on soft surfaces.
- **OPEN SHOULDER DESIGN**
  - The open shoulder design utilizes lateral slots and strategic siping to create biting edges for all-season traction, improved wet cornering performance, and excellent handling in snow.
- **OPTIMIZED TREAD ELEMENT SIZE**
  - The tread elements are optimized to promote even wear and all-season traction.

# COOPER DISCOVERER CTS FEATURE & BENEFIT continued

- **VARIABLE DEPTH SCROLL SIPES**
  - The variable depth scroll sipes allow for increased capillary action to remove water from the tread area to reduce wet stop distances and provide extra grip in rain and snow while maintaining element stability.
- **COMPUTER OPTIMIZED PITCH SEQUENCE**
  - The computer optimized pitch sequence reduces tread related tire noise and helps resist irregular wear.
- **VENTLESS TECHNOLOGY**
  - Utilizing ventless technology in the tread area, the Discoverer CTS exhibits a crisp, clean, premium appearance.
- **70,000 MILE TREAD WEAR PROTECTION WARRANTY WITH PREMIUM COVERAGE**
  - The new Discoverer CTS is warranted on a pro-rated basis against tread wear out to 70,000 miles and will be replaced free of charge if the tire becomes unserviceable as a result of an eligible adjustable condition during the useable tread life upon presentation of the warranty booklet. See the warranty booklet for details.



# CONSUMER VALUE

- Business Strategy; What do you do to deliver superior value to your customers?
  - Identify and list the value attributes that you provide.
    - How did you provide added value in the past?
    - Are they still of value with today's customer?
    - What changes or evolutions must occur to keep your superior value?
    - Have you promoted your specific value added product and/or services?
    - What is the key value component?

**–YOU!**



# CONSUMER VALUE

- Business Action Plan;
- Have you considered asking your customers what they value through a Customer Satisfaction Survey?
  - If you decide to pursue this action, you should reaffirm what you are doing well (if you ask the proper questions) and build on those strengths.
  - You must also be prepared to address any negative feedback that is received and make a reasonable effort to identify the problem and take corrective action.
    - If you don't do anything more than read the responses and you don't follow up with the necessary changes, it probably isn't an action you want to pursue. Your customer base won't react favorably to the lack of positive action after it was pointed out.

# CONSUMER VALUE

- What consumer value can you provide that differentiates yourself/business from your competition?
- Create competitive advantages that can't be copied.
  - Certified Technicians
  - Open hours, loaner vehicles, pickup/deliver, etc.
  - Payment methods
  - Superior equipment
  - After the sale service (& warranty) support
  - Don't forget the "small" stuff from GQPC!

# CONSUMER VALUE

- How much are You worth a tire?
  - A buck?
  - Two?
  - Five?
  - Ten?



- What do you do differently to earn/add an extra value amount?

# CONSUMER VALUE

- Have you ever thought about that IF you were to bring in more business income that it may reflect positively on the amount you earn?
  - The business must be profitable for it to survive and grow!
    - If you are doing your part to add value to the business and it is growing that a monetary reward may be in order! Or an increase in staff members?
    - This is also a customer value because you are still there to take care of the customer's needs and build their trust and repeat business!



# CONSUMER VALUE

- Have you ever thought about, Your customers are ultimately your employer?
  - Without retail customers there is no business!
    - No sales, no income, no profits and no need to have employees!
  - With that thought, should it change the way you think about your employment and your attitude about how you conduct your business?
  - If yes, improving your business behavior should probably equate into improved consumer service and ultimately providing a better value.



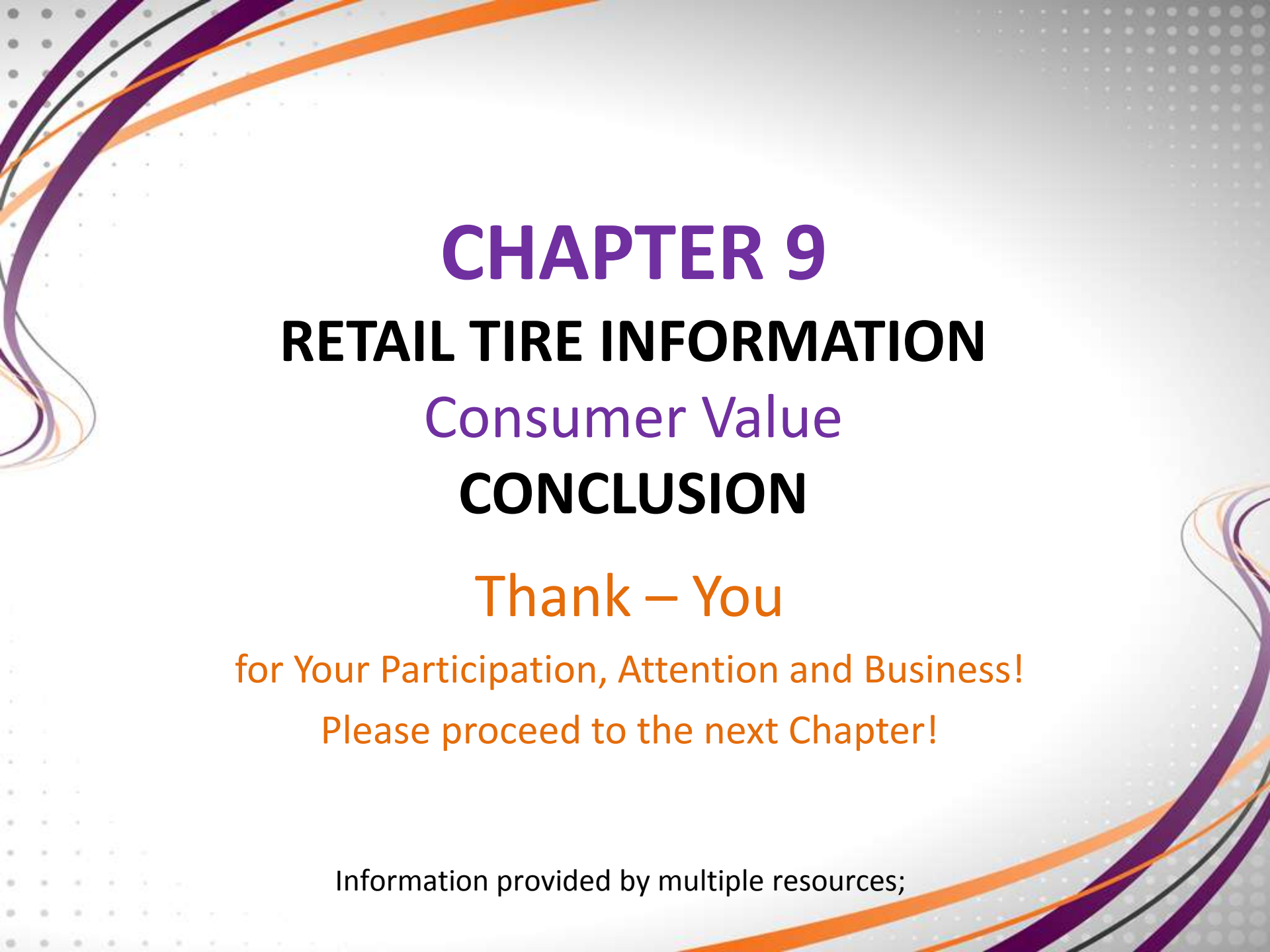
# CONSUMER VALUE

- Everyone perceives their wants/needs differently.
  - You must discover what that is!
  - As the Expert it is your job to match up your best product/service recommendation to meet or exceed their expectations.
  - IF you do supply products and services that meet or exceed consumers expectations they will be the cornerstones of your business and you will create those long term relationships necessary for retail success!

# CONSUMER VALUE



- Consumer Value/Customer Satisfaction is meaningless if you can't translate that into profitable growth.
- True customer satisfaction is measured in;
  - Loyal customers – Advocates
  - Positive Word of Mouth advertising (best available)
  - Price Premiums – Additional dollars in the till
  - Higher Customer Sale Close rates



# **CHAPTER 9**

## **RETAIL TIRE INFORMATION**

### Consumer Value

## **CONCLUSION**

**Thank – You**

**for Your Participation, Attention and Business!**

**Please proceed to the next Chapter!**

Information provided by multiple resources;

**RETAIL BASIC TIRE TRAINING  
INFORMATION PRESENTATION**

**Brought to you by:**

**Thank You!**

**For  
Participating!**

