

**Purpose of survey:**

The purpose of this survey is to poll independent tire distributors, as well as Costco's tire department, to determine trends in the industry. The survey included pricing, volume/demand, and product trends. The survey was also designed to determine the effectiveness of some company strategies. 64 surveys were taken 1/14/15-2/10/15.

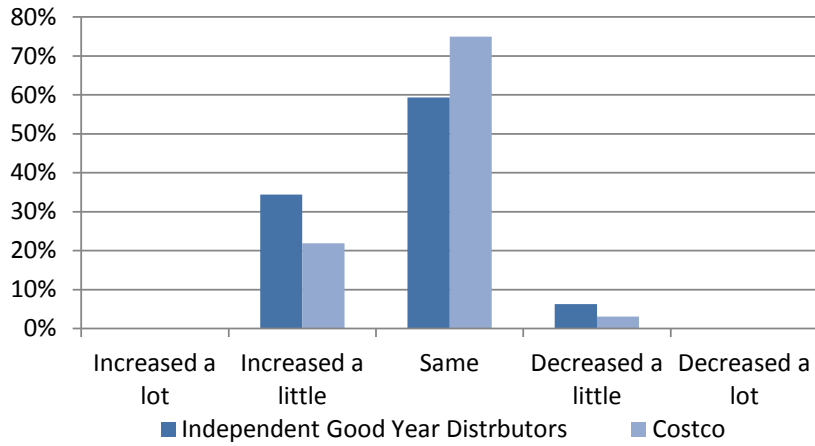
**Results from Survey:**

- Price changes on higher end tires according to store representatives:
  - 1. Independent Tire Stores:**
    1. Prices haven't changed: 59%
    2. Prices have increased a little: 34%
    3. Prices have decreased a little: 6%
  - 2. Costco Tires:**
    1. Prices haven't changed: 75%
    2. Prices have increased a little: 22%
    3. Prices have decreased a little: 3%
- Price changes on medium end tires according to store representatives:
  - 1. Independent Tire Stores:**
    1. Prices haven't changed: 72%
    2. Prices have increased a little: 22%
    3. Prices have decreased a little: 6%
  - 2. Costco Tires:**
    1. Prices haven't changed: 91%
    2. Prices have increased a little: 9%
- Price changes on lower end tires according to store representatives:
  - 1. Independent Tire Stores:**
    1. Prices haven't changed: 88%
    2. Prices have increased a little: 9%
    3. Prices have decreased a little: 3%
  - 2. Costco Tires:**
    1. Prices haven't changed: 88%
    2. Prices have increased a little: 6%
    3. Prices have decreased a little: 6%

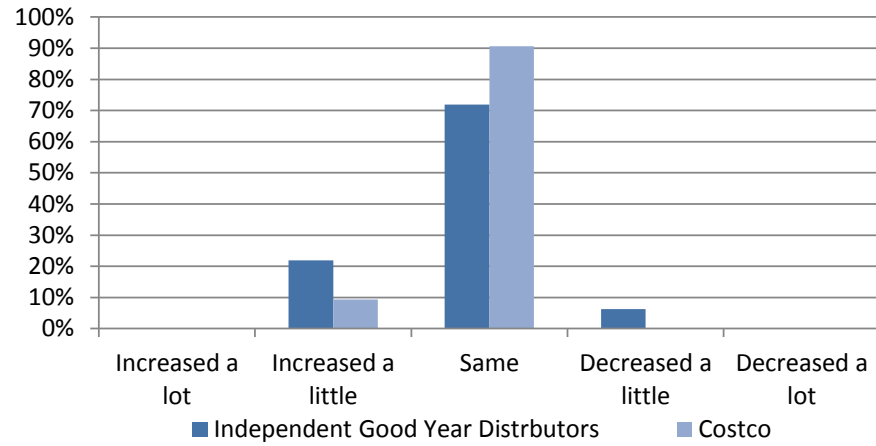
**Results from Survey:**

- Demand changes on higher end tires according to store representatives:
  - 1. Independent Tire Stores:**
    1. Demand has increased a little: 38%
    2. Demand hasn't changed: 34%
    3. Demand has increased a lot: 19%
    4. Demand has decreased a little: 6%
    5. Demand has decreased a lot: 3%
  - 2. Costco Tires:**
    1. Demand has increased a little: 53%
    2. Demand hasn't changed: 44%
    3. Demand has decreased a little: 3%
- Demand changes on medium end tires according to store representatives:
  - 1. Independent Tire Stores:**
    1. Demand has increased a little: 47%
    2. Demand hasn't changed: 31%
    3. Demand has increased a lot: 13%
    4. Demand has decreased a little: 6%
    5. Demand has decreased a lot: 3%
  - 2. Costco Tires:**
    1. Demand hasn't changed: 69%
    2. Demand has increased a little: 28%
    3. Demand has decreased a little: 3%
- Demand changes on lower end tires according to store representatives:
  - 1. Independent Tire Stores:**
    1. Demand hasn't changed: 53%
    2. Demand has increased a little: 28%
    3. Demand has increased a lot: 9%
    4. Demand has decreased a little: 6%
    5. Demand has decreased a lot: 3%
  - 2. Costco Tires:**
    1. Demand hasn't changed: 72%
    2. Demand has increased a little: 19%
    3. Demand has decreased a little: 6%
    4. Demand has increased a lot: 3%

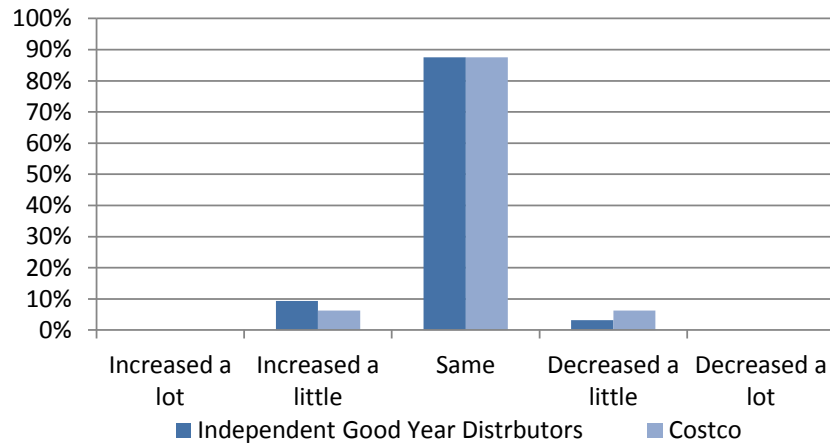
### Price Changes on Higher End Tires



### Price Changes on Medium End Tires



### Price Changes on Lower End Tires



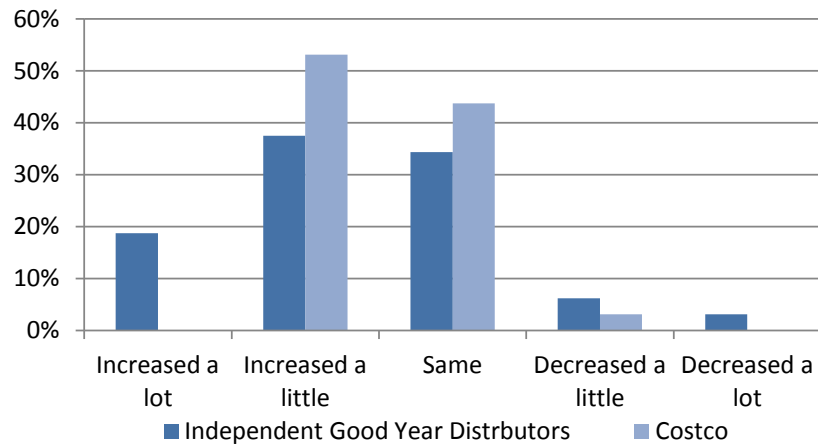
#### Independent Good Year Distributors

Pricing	Upper End	Medium End	Lower End
Increased a lot	0%	0%	0%
Increased a little	34%	22%	9%
Same	59%	72%	88%
Decreased a little	6%	6%	3%
Decreased a lot	0%	0%	0%
	100%	100%	100%

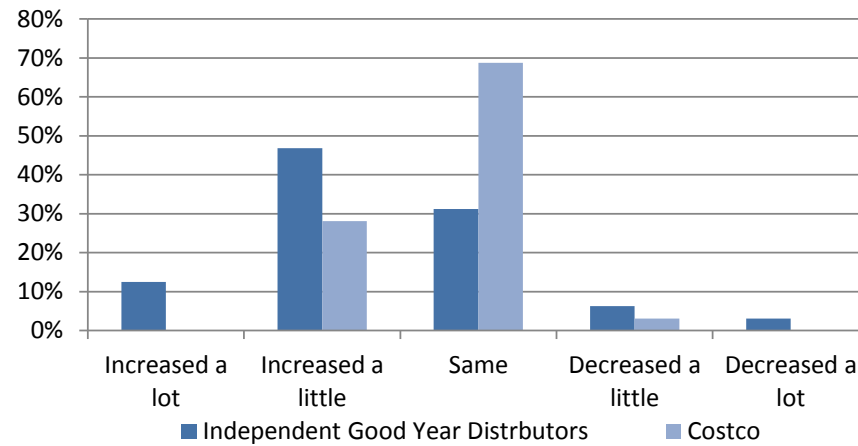
#### Costco

Pricing	Upper End	Medium End	Lower End
Increased a lot	0%	0%	0%
Increased a little	22%	9%	6%
Same	75%	91%	88%
Decreased a little	3%	0%	6%
Decreased a lot	0%	0%	0%
	100%	100%	100%

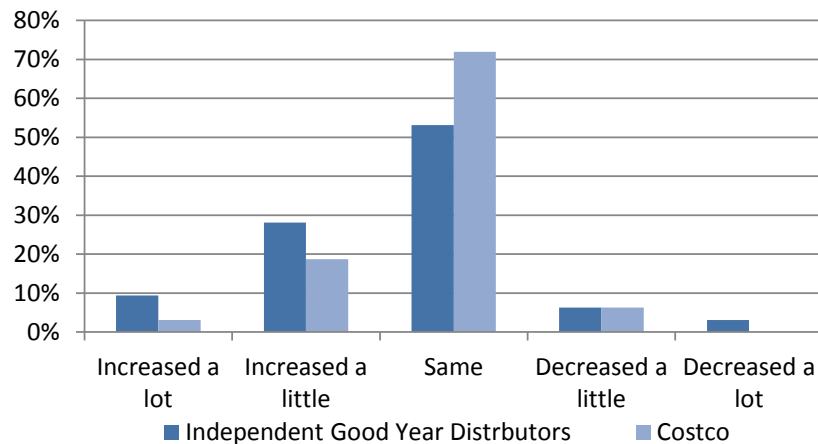
### Demand Changes on Higher End Tires



### Demand Changes on Medium End Tires



### Demand Changes on Lower End Tires

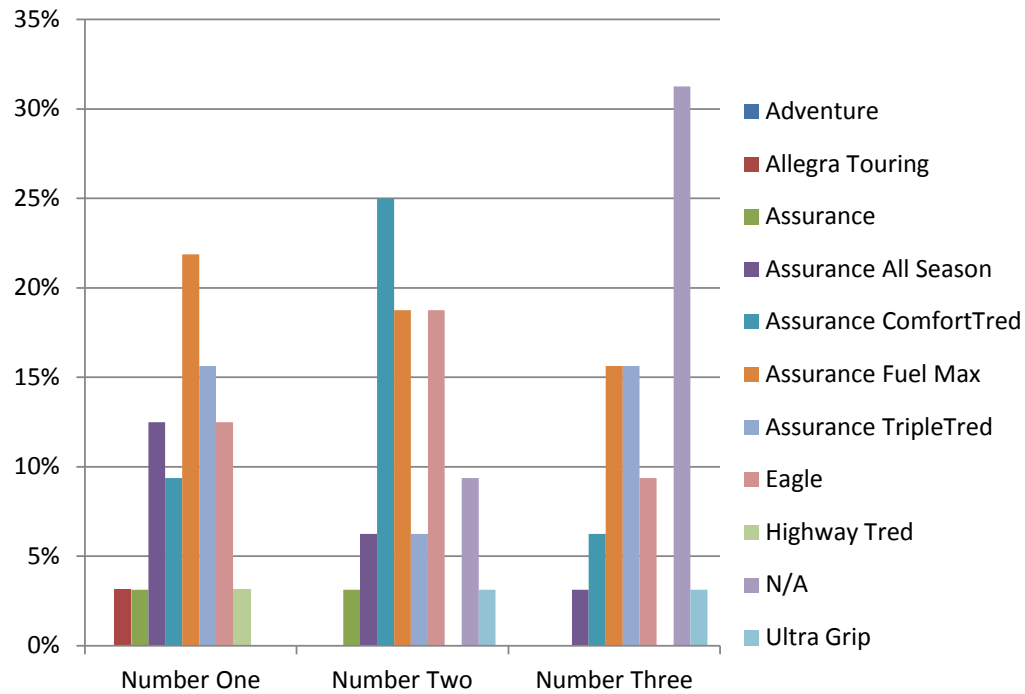


#### Independent Good Year Distributors

Pricing	Upper End	Medium End	Lower End
Increased a lot	19%	13%	9%
Increased a little	38%	47%	28%
Same	34%	31%	53%
Decreased a little	6%	6%	6%
Decreased a lot	3%	3%	3%
	100%	100%	100%

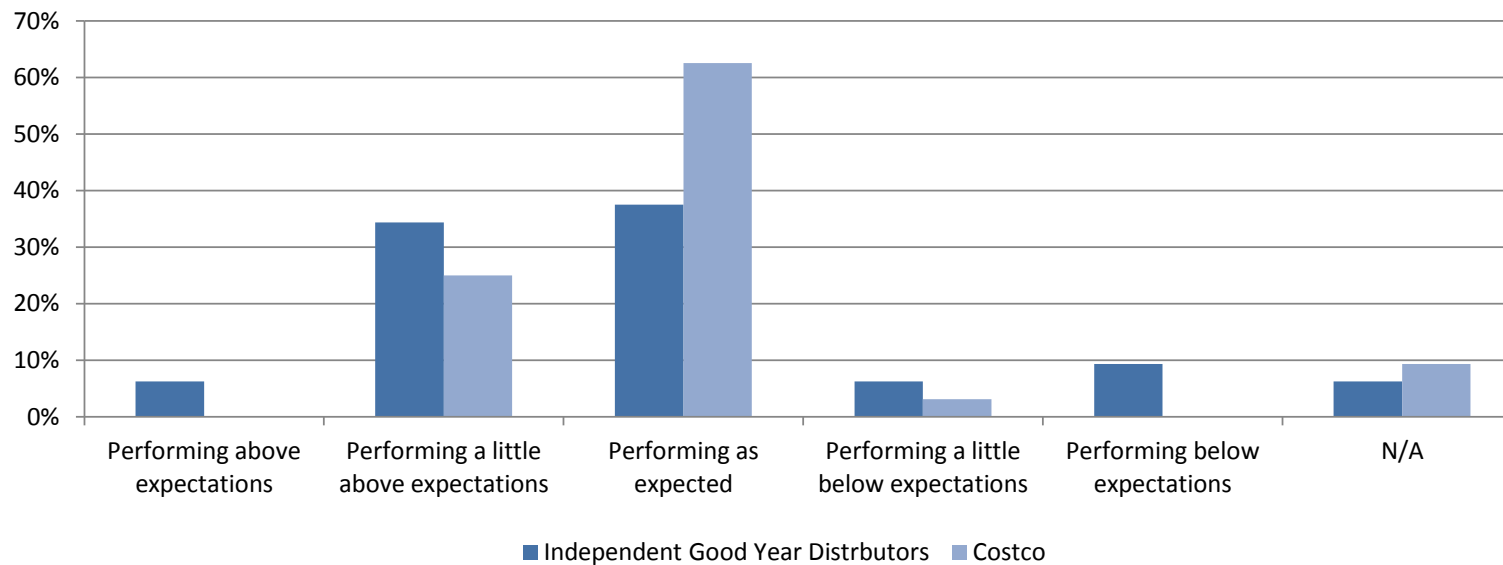
#### Costco

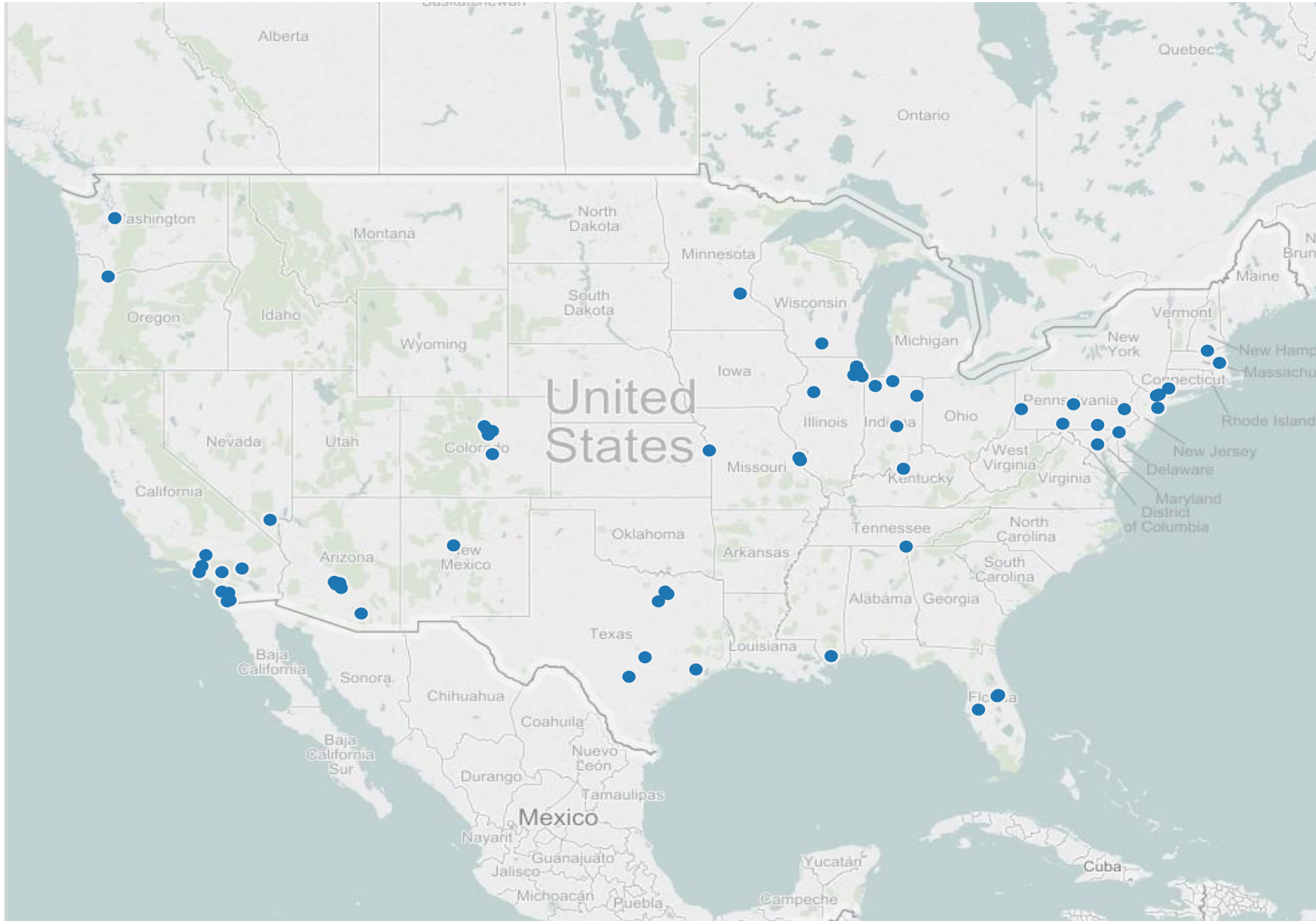
Pricing	Upper End	Medium End	Lower End
Increased a lot	0%	0%	3%
Increased a little	53%	28%	19%
Same	44%	69%	72%
Decreased a little	3%	3%	6%
Decreased a lot	0%	0%	0%
	100%	100%	100%



Top Three Good Year Tire Brands	Number One	Number Two	Number Three
Adventure	0%	0%	0%
Allegra Touring	3%	0%	0%
Assurance	3%	3%	0%
Assurance All Season	13%	6%	3%
Assurance ComfortTred	9%	25%	6%
Assurance Fuel Max	22%	19%	16%
Assurance TripleTred	16%	6%	16%
Eagle	13%	19%	9%
Highway Tred	3%	0%	0%
Integrity	3%	3%	0%
N/A	0%	9%	31%
Ultra Grip	0%	3%	3%
Wrangler	16%	6%	16%
	100%	100%	100%

### 2015 Tire Performance vs. Expectations





# Penserra Survey Research

## Survey Results



Store	Location	Price Change Higher End Tires	Price Change Medium End Tires	Price Change Lower End Tires	Demand Change Higher End Tires	Demand Change Medium End Tires	Demand Change Lower End Tires	2015 Tire performance vs. expectations	Top Three Tires	Comments
Independent	Chandler, AZ	Decreased a little	Decreased a little	Same	Increased a little	Increased a little	Same	Performing as expected	1. Assurance Fuel Max 2. Eagle 3. Assurance All Season	Lower end tires do very well, but our sales in medium end tires have increased slightly.
Costco	Glendale, AZ	Increased a little	Increased a little	Increased a little	Same	Increased a little	Same	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Independent	Phoenix, AZ	Increased a little	Same	Same	Increased a little	Same	Increased a lot	Performing as expected	1. Assurance Fuel Max 2. Integrity 3. Wrangler	N/A
Independent	Phoenix, AZ	Same	Same	Same	Increased a little	Same	Increased a little	Performing a little above expectations	1. Assurance All Season 2. Assurance ComfortTred 3. Assurance Fuel Max	N/A
Costco	Scottsdale, AZ	Increased a little	Increased a little	Decreased a little	Increased a little	Same	Same	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Costco	Tucson, AZ	Same	Same	Same	Same	Increased a little	Same	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Independent	Lancaster, CA	Increased a little	Increased a little	Same	Same	Increased a little	Same	Performing a little above expectations	1. Assurance ComfortTred 2. Assurance Fuel Max 3. Ultra Grip	The comfort tread and the fuel max have been tied for popularity.
Independent	Riverside, CA	Increased a little	Increased a little	Same	Same	Increased a little	Increased a little	Performing a little above expectations	1. Assurance ComfortTred 2. Assurance Fuel Max 3. Eagle	N/A
Costco	Carlsbad, CA	Same	Same	Same	Same	Same	Same	Performing as expected	1. Michelin 2. Bridgestone 3. BF Goodridge	It's normally slow in the first 2 week of the year and sales have been the same as 2014.
Independent	Escondido, CA	Increased a little	Increased a little	Increased a little	Increased a little	Same	Same	Performing as expected	1. Assurance TripleTred 2. Assurance ComfortTred 3. Assurance Fuel Max	Pablo says ALL ties went up Jan 1st due to Tariffs/sanctions on China imports.
Costco	La Mesa, CA	Same	Same	Same	Decreased a little	Increased a little	Increased a little	N/A	1. N/A 2. N/A 3. N/A	N/A
Costco	Marina del Rey, CA	Increased a little	Same	Same	Same	Same	Same	Performing as expected	1. N/A 2. N/A 3. N/A	N/A

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Independent	San Diego, CA	Increased a little	Increased a little	Increased a little	Increased a little	Same	Same	Performing as expected	1. Allegra Touring 2. Assurance TripleTred 3. N/A	N/A
Independent	Tujunga, CA	Same	Same	Same	Same	Same	Same	Performing below expectations	1. Assurance All Season 2. Assurance ComfortTred 3. Assurance Fuel Max	Good Year is their number 3 seller behind Michelin and Pirelli.
Independent	Yucca Valley, CA	Same	Same	Same	Increased a lot	Increased a lot	Increased a lot	Performing a little below expectations	1. Highway Tred 2. Assurance Fuel Max 3. Wrangler	Overall Goodyear has been declining in his opinion because people can get higher quality longer lasting tires in Pirelli or Hancock brand and Goodyear has not updated their technology in order to stay competitive. He says sales are down on Goodyear brands overall at his location and they have to order them they do not keep them in stock.
Costco	Arvada, CO	Increased a little	Same	Decreased a little	Increased a little	Same	Same	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Costco	Aurora, CO	Same	Same	Same	Increased a little	Same	Same	Performing as expected	1. Bridgestone 2. Michelin 3. BF Goodridge	N/A
Independent	Colorado Springs, CO	Same	Same	Same	Decreased a little	Decreased a little	Decreased a little	Performing as expected	1. Eagle 2. Ultra Grip 3. N/A	He says their sales haven't really changed and that their prices haven't really increased. That everything is about the same as last year.
Costco	Littleton, CO	Same	Same	Same	Increased a little	Increased a little	Increased a little	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Costco	Superior, CO	Same	Same	Same	Increased a little	Same	Same	Performing as expected	1. Michelin AS3 2. Premier AS 3. Serenity 3	Tire prices fluctuate with the market.
Independent	Danbury, CT	Increased a little	Same	Same	Increased a lot	Same	Increased a little	Performing above expectations	1. Assurance TripleTred 2. Assurance ComfortTred 3. Assurance Fuel Max	Good Year is the number one brand and very popular still.

Store	Location	Price Change Higher End Tires	Price Change Medium End Tires	Price Change Lower End Tires	Demand Change Higher End Tires	Demand Change Medium End Tires	Demand Change Lower End Tires	2015 Tire performance vs. expectations	Top Three Tires	Comments
Independent	Newark, DE	Same	Same	Same	Increased a lot	Increased a lot	Increased a little	Performing below expectations	1. Assurance Fuel Max 2. Eagle 3. Assurance ComfortTred	He says they typically order Goodyear tires but they are not popular so they keep limited stock, he does not see many customers requesting them and he would not recommend them based on durability.
Costco	Brandon, FL	Same	Same	Same	Increased a little	Decreased a little	Same	Performing a little above expectations	1. Michelin Premier 2. Bridgestone Serenity 3. N/A	N/A
Costco	Orlando, FL	Same	Same	Same	Same	Same	Same	Performing as expected	1. Michelin 2. Bridgestone 3. N/A	N/A
Costco	Winter Park, FL	Decreased a little	Same	Same	Increased a little	Same	Same	Performing a little above expectations	1. Michelin Premier 2. Bridgestone Ecopia 3. Bridgestone Serenity	N/A
Costco	Chicago, IL	Same	Same	Same	Increased a little	Increased a little	Increased a little	Performing a little above expectations	1. Michelin Premier 2. Bridgestone Serenity 3. N/A	N/A
Independent	Glendale Heights, IL	Same	Same	Same	Same	Same	Same	Performing below expectations	1. Wrangler 2. Assurance 3. N/A	He says there is a known defect with Goodyear tires poor road performance and vibration, and he does not recommend the brand to consumers and instead recommends Michelin for best performance.
Independent	Kewanee, IL	Same	Same	Same	Same	Increased a little	Same	Performing a little below expectations	1. Wrangler 2. Eagle 3. Assurance TripleTred	N/A
Costco	Mettawa, IL	Same	Same	Same	Increased a little	Same	Same	N/A	1. N/A 2. N/A 3. N/A	N/A
Costco	Niles, IL	Same	Same	Same	Same	Same	Same	Performing a little above expectations	1. Michelin Premier 2. Bridgestone Ecopia 3. N/A	N/A
Independent	Wheeling, IL	Increased a little	Same	Same	Increased a little	Same	Same	Performing as expected	1. Wrangler 2. Assurance ComfortTred 3. Assurance TripleTred	Most consumers go for the higher end because quality and the traction is better than on the mid and low end tires so they will last longer.
Independent	Fort Wayne, IN	Same	Increased a little	Same	Increased a little	Increased a little	Same	Performing as expected	1. Assurance Fuel Max 2. Assurance ComfortTred 3. Eagle	N/A



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Independent	South Bend, IN	Increased a little	Increased a little	Increased a little	Same	Increased a little	Same	Performing as expected	1. Assurance 2. Eagle 3. Wrangler	He said the Michelin tires are actually outselling the Goodyear at this location. Michelin has a good rebate program right now which is helping.
Costco	Castleton, IN	Same	Same	Same	Increased a little	Same	Same	Performing a little above expectations	1. Michelin Premier 2. Michelin Defender 3. Bridgestone Ecopia	N/A
Independent	Valparaiso, IN	Same	Same	Same	Same	Increased a little	Same	Performing a little above expectations	1. Assurance Fuel Max 2. Assurance All Season 3. Assurance ComfortTred	N/A
Costco	Lenexa, KS	Increased a little	Same	Same	Increased a little	Same	Same	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Costco	Louisville, KY	Same	Same	Same	Same	Same	Increased a little	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Independent	Boston, MA	Increased a little	Increased a little	Same	Increased a little	Increased a little	Increased a little	Performing a little above expectations	1. Assurance TripleTred 2. Assurance ComfortTred 3. Assurance Fuel Max	He felt the triple tread was the best seller because of the weather in their area. The fuel max is also a very good, and middle of the road tire that is selling very well.
Costco	Elkridge, MD	Same	Same	Same	Increased a little	Same	Increased a lot	Performing a little above expectations	1. Bridgestone Ecopia 2. Michelin Premier 3. N/A	N/A
Costco	St. Louis Park, MN	Same	Same	Same	Increased a little	Increased a little	Decreased a little	Performing as expected	1. Michelin Premier 2. Defender XT 3. N/A	N/A
Independent	Chesterfield, MO	Same	Same	Same	Same	Increased a little	Same	Performing as expected	1. Assurance Fuel Max 2. Assurance ComfortTred 3. Eagle	N/A
Costco	Manchester, MO	Same	Same	Same	Same	Same	Same	Performing a little below expectations	1. Michelin Premier 2. Bridgestone Aransa 3. N/A	Sales will pick up beginning in April.
Independent	Gulfport, MS	Same	Same	Same	Decreased a little	Decreased a little	Decreased a little	Performing a little above expectations	1. Eagle 2. Assurance All Season 3. Assurance TripleTred	N/A
Independent	Milford, NH	Same	Same	Same	Increased a little	Same	Increased a little	Performing a little above expectations	1. Assurance TripleTred 2. Wrangler 3. N/A	N/A

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Costco	Albuquerque, NM	Increased a little	Increased a little	Increased a little	Same	Increased a little	Decreased a little	Performing as expected	1. N/A 2. N/A 3. N/A	The middle or higher end tires do well.
Costco	Las Vegas, NV	Same	Same	Same	Increased a little	Same	Same	Performing as expected	1. N/A 2. N/A 3. N/A	Prices have not changed.
Independent	Ossining, NY	Increased a little	Same	Same	Increased a little	Increased a little	Same	Performing a little above expectations	1. Assurance All Season 2. Assurance Fuel Max 3. Wrangler	N/A
Costco	Brooklyn, NY	Increased a little	Same	Same	Increased a little	Same	Same	Performing as expected	1. Michelin Defender 2. Prowler Sport 3. N/A	N/A
Independent	West Nyack, NY	Same	Same	Same	Increased a lot	Increased a little	Same	Performing above expectations	1. Wrangler 2. N/A 3. N/A	Goodyear is doing very well, and people still like the brand.
Independent	Portland, OR	Decreased a little	Decreased a little	Decreased a little	Increased a lot	Increased a lot	Increased a lot	Performing a little above expectations	1. Eagle 2. N/A 3. N/A	N/A
Independent	Allentown, PA	Increased a little	Same	Same	Same	Increased a little	Increased a little	Performing as expected	1. Assurance Fuel Max 2. Eagle 3. Assurance TripleTred	N/A
Independent	Aliquippa, PA	Same	Same	Same	Same	Increased a little	Same	Performing as expected	1. Eagle 2. Assurance Fuel Max 3. Assurance TripleTred	N/A
Independent	Everett, PA	Same	Same	Same	Same	Increased a little	Same	Performing a little above expectations	1. Integrity 2. Wrangler 3. N/A	People still like Good year tires and they are good seller.
Independent	State College, PA	Same	Same	Same	Decreased a lot	Decreased a lot	Decreased a lot	Performing as expected	1. Assurance ComfortTred 2. Assurance TripleTred 3. N/A	N/A
Independent	York, PA	Same	Same	Same	Increased a little	Increased a little	Increased a little	N/A	1. Wrangler 2. N/A 3. N/A	N/A
Independent	Jasper, TN	Same	Same	Same	Increased a little	Same	Same	N/A	1. Assurance All Season 2. Assurance Fuel Max 3. N/A	N/A

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Costco	Arlington, TX	Same	Same	Same	Same	Increased a little	Increased a little	N/A	1. N/A 2. N/A 3. N/A	N/A
Costco	Frisco, TX	Same	Same	Same	Same	Same	Same	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Costco	Houston, TX	Same	Same	Same	Increased a little	Increased a little	Same	Performing a little above expectations	1. Michelin Premier 2. Bridgestone Ecopia 3. Bridgestone Serenity	N/A
Costco	Plano, TX	Same	Same	Same	Same	Same	Same	Performing as expected	1. N/A 2. N/A 3. N/A	I have not seen any decrease in pricing.
Costco	S Austin, TX	Same	Same	Same	Same	Same	Increased a little	Performing as expected	1. N/A 2. N/A 3. N/A	N/A
Costco	San Antonio, TX	Same	Same	Same	Same	Same	Same	Performing as expected	1. Michelin 2. N/A 3. N/A	N/A
Independent	Seattle, WA	Same	Same	Same	Increased a lot	Increased a lot	Increased a little	Performing a little above expectations	1. Assurance TripleTred 2. Eagle 3. Wrangler	N/A
Costco	Middleton, WI	Same	Same	Same	Increased a little	Same	Same	Performing a little above expectations	1. Michelin Premier 2. Bridgestone Ecopia 3. N/A	N/A

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