

AutoLoop Study Reveals Why Auto Dealer Tire Sales are Deflating

Aftermarket competition and inconsistent advertising by dealerships and OEMs contribute to declining rate of sales.

CLEARWATER, FL, UNITED STATES, March 5, 2018 /EINPresswire.com/ -- [AutoLoop LLC](#), the leading provider of auto-industry marketing, sales and service solutions, has released a new

study on tire sales by auto retailers. The study finds that only 12.4 percent of dealership repair orders in 2017 involved tire sales, a 0.5 percent drop from the tire sales rate (defined as the percentage of repair orders that include at least one tire sale) in 2016.



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The study, “Dealer Tire Sales: Why They’re Deflating” discovers a large discrepancy in the sales rate across dealer brands, with top-performing stores selling tires on over 25 percent of repair orders, while tire-sale rates for low performers remain in the single digits.

“This gap in performance between stores makes it clear that this trend is not inevitable, and highlights a significant revenue opportunity, especially for domestic and import dealerships that underperform luxury retailers in tire sales,” said Doug Van Sach, AutoLoop’s Vice President of Strategy and Analytics. “Auto dealers would be wise to focus more on growing their tire business in multiple ways; including digital advertising, merchandising and in-store processes,” Van Sach explained.

The study surveyed more than 1,000 auto consumers and analyzed repair orders from a national sample of more than 300 auto dealers. It reveals that the downward trend in tire sales for dealers is driven by increased competition from aftermarket companies and inconsistent advertising by dealerships and OEMs.

AutoLoop’s survey also revealed that only 38 percent of auto dealer customers want to replace their tires at a dealership, even though they often frequent the dealer for other maintenance and repair services. The majority of consumers prefer to buy tires from aftermarket tire retailers, such as Firestone and Goodyear, as well as department stores and independent repair shops.

“To address the competition, dealers should consider offering tire replacement and protection plans similar to those offered by the aftermarket retailers, including free tire rotations and small repairs,” said Van Sach. “Dealers who take the aftermarket threat seriously will certainly reap the benefits of more tire sales and achieve higher long-term customer loyalty.”

Further, the study reveals that inconsistent digital advertising by dealers contributes significantly to decreasing tire sales. AutoLoop conducted online searches relating to tires for leading vehicle models from nine major automotive manufacturers. A bulk of the ads were from aftermarket companies rather than auto manufacturers or dealers.

Significantly, no auto manufacturer or dealer appeared in the top three links in Google's base search results.

"To raise customer awareness, dealers should launch aggressive in-store merchandising and online advertising programs," said Van Sach. "By simply improving online visibility, dealers could help prevent further erosion of their tire business."

For more information about AutoLoop's study, contact: info@AutoLoop.com, or visit: AutoLoop.com/insights. Plus, see the company at NADA: AutoLoop will be at Booth 5038C in Las Vegas from March 23-25 for one-on-one live-demos of their solutions. To schedule an appointment, click [here](#):

About AutoLoop:

Since 2005, AutoLoop has helped automotive dealerships nationwide increase sales, improve client retention and achieve overall higher customer satisfaction ratings throughout the Sell, Service, Repeat cycle. With the AutoLoop Customer Engagement Suite—an all-encompassing platform that includes everything from CRM and automated messaging to equity mining, service scheduling and more—AutoLoop is the industry's first and only single-vendor, end-to-end marketing and engagement solution. An Inc. 500 company with nearly 50 million names in its database and over a billion individual communications initiated, AutoLoop is passionate about being America's best customer retention partner for progressive dealerships.

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