

DICK NORDNESS - EXECUTIVE DIRECTOR - NORTHWEST TIRE DEALERS ASSOCIATION

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TIRE FACTORY NAME CHANGE

Beginning next month, Tire Factory group stores will begin flying the Point S banner over their group stores. Tire Factory has 157 member dealers with 200 retail stores officially joining the Point S family.

According to Tire Factory CEO John Kreidel, the name change transition will start in June and continue for about 18 months. "Customers will see more things staying the same than changing," Kreidel said. "They'll still find the same local owners and staff, dedicated to serving their communities."

Kreidel noted that Tire Factory has grown well since it was formed 32 years ago, but members realized that "to continue to grow and remain relevant in a changing market, we need to improve our brand and increase our buying power. After looking at many alternatives, we decided to join hands with over 3,300 independents worldwide who fly the Point S flag.

"Changing our name was taken very seriously but it's the right thing to do," said Kreidel. "Tire Factory is a well-known brand, but standing together with over 3,330 other independents, using the Point S brand, was compelling to our long term marketing strategy. Point S stands for Service Point and better reflects our local store's brand for selling both tires and automotive services."

Across the border in Canada, Montreal-based Unimax Tire will have 115 of its Unipneu brand retailers also joining the Point S network, and will be changing their

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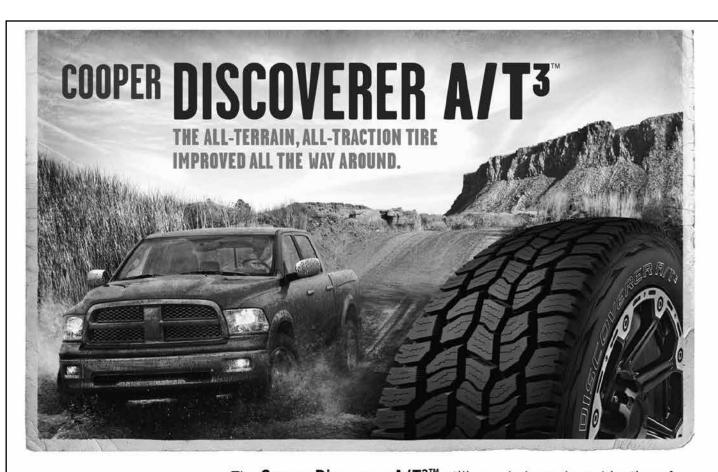
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brand by the end of 2015. Unimax Tire Ltd. is one of the biggest networks of independent retail and wholesale tire dealers in Canada.

Point S Development, headquartered in Lyon France, represents independent dealer groups in 27 countries representing 3,300 stores.

Several of the 157 members have taken exception to the changing of the name. Many of those who disagree with Mr. Kreidel have flown the Tire Factory flag for 20 plus years and have put many years of blood, sweat and tears into helping to build the Tire Factory brand into what it is today.

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TIRE FACTORY STORE JOINS TIRE RAMA



Bryan Bawden, the former owner of the Lewistown Tire Factory, has joined forces with Tire Rama to be the manager of store number 45 in the Tire Rama Corporation.

Bawden made the decision to become a part of the Tire Rama corporation due to the nature of the tire industry business. He said, "The tire industry is ever changing and ever growing, especially in a rural area like this. It became increasingly difficult as an independent business, since the demand for a wide variety of tires is so large."

Tire Rama and Bawden already had a business relationship, since they were one of his tire suppliers. Tire Rama, which was started in 1977, was originally started on the highline. It has grown to span four states: Montana, Wyoming, Idaho and Washington.

Greg Passon, the operations manager for the Tire Rama corporation office in Billings said, "One of the biggest benefits for Lewiston with this merger is that now when customers buy tires here, they have 44 other stores they can utilize when they are traveling out of town. If they have a problem while they are on the road, they won't be forced to deal with another company with which they don't have a relationship."

One of the biggest benefits for Central Montana residents is the increase of available inventory. Passon said, "More inventory allows more choice, which lets our customers find the perfect tire for their vehicle and their needs."

JOHN CARVER RETIRES



John Carver of Tires Inc. in Chehallis has tired after 40 years in the tire business. He started his tire career with Goodyear, working in a company store in Eugene, Oregon. He also worked in the Lacey, Washington company store before moving in to a territory sales position.

John left Goodyear after 8 years and went to work for Buck Hubbert at Tires Inc. John was with the company for 32 years before announcing his retirement.

John served on the NWTDA board for over 10 years and is a past president of the association.

HAPPY RETIREMENT JOHN!



TPMS AFTERMARKET TO TRIPLE

Source: Tire Business.com

Tire pressure sensors are becoming the fastest-growing product in the automotive aftermarket, according to a Frost & Sullivan Inc. report.

Demand for tire pressure monitoring system (TPMS) sensors is expected to triple by 2018-20, Frost & Sullivan said, as TPMS sensors installed since the 2007 U.S. TREAD Act start failing and European legislation mandating TPMS on new vehicles sold in the EU27 region takes effect.

The research firm expects the total market to grow to \$365.5 million in 2020 from \$121.1 million in 2013, a compound annual growth rate of 17 percent.

Expired sensor batteries are expected to be the key demand driver in North America, while winter tire sales will have the largest impact in Europe. In 2014, unit shipments increased to about 7.8 million for North America and 1.4 million for Europe, Frost reported.

Extended battery life could dampen demand. The first generation of sensors is expected to expire after seven to eight years of service and is just now entering the aftermarket after TPMS became mandatory under the TREAD Act in 2007, according to Frost. These batteries continue to last in excess of 10 years on some TPMS platforms. Longer life of sensor batteries will defer more replacements beyond the 2015 – 2020 forecast period.

Frost also predicted revenue growth will be higher in Europe than in North America because the European market is less mature. Direct TPMS-equipped vehicles will enter the aftermarket in significantly larger numbers in both regions during the forecast period, driving both unit shipments and revenue growth higher.

As replacement rates increase, more tire shops, wholesale distributors and retailers will begin to carry TPMS sensors and Frost predicts independent garages will be servicing more TPMS than other outlets.

The TPMS market is predicted to undergo changes in the form of mergers and acquisitions in the wake of a potential market size expansion. Despite the growing threat that more auto makers will adopt "indirect" TPMS – which does not include tire pressure sensors – direct TPMS represents about 75% of the TPMS market in Europe and 84% in North America, according to Frost research.

"For this high growth potential to materialize, installers must convince consumers to replace the sensors upon expiration. The sensor replacement is most likely to happen when the vehicle's tires are replaced," according to Frost.

NWTDA SETS DATE FOR TIRE EXPO

The Board of Directors of the Northwest Tire Dealers Association has set February 4th & 5th as the dates for the 2016 NWTDA trade show.

A supplier/exhibitor planning meeting and booth selection will be held at the Holiday Inn on Columbia Blvd. in Portland on Wednesday, September 9.

Suppliers are also invited to join with tire dealers at the NWTDA annual golf event on Thursday, September 10 at the Colwood Golf Course on Columbia Blvd. in Portland, Oregon.

For more information on a booth at the Tire Expo contact the NWTDA for more details at 509-948-2433 or email at nwtiredealers@hotmail.com.



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TIRE FACTORY NAME CHANGE SAIF DISCOUNT CLIMBS TO 13%

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"It's like losing your best friend" said one owner who has been a Tire Factory member for over 20 years. Another referred to it as "a divorce, a real messy divorce."

Some unhappy members are looking at the track record of Point S Development and saying it is not that good.

The track record that they are referring to is the agreement that Point S Development had with Independent Tire Dealer Group (ITDG).

Michael Cox, CEO and president of ITDG, said that his group and Point S "rescinded our agreement earlier this year and would look for possible opportunities in the future." Mr. Cox went on to say, "We signed a Master Franchise Agreement at SEMA in 2011. Although we had several common (tire) suppliers, we could not find a way to leverage those relationships to benefit either organization - specifically regarding European sizes, DOT, tread designs, etc."

"The other more important issue is that Point S is a franchise arrangement as defined in the U.S. marketplace. A franchise business is a business in which the owners, or 'franchisors', have the same logo, name and model."

"ITDG is comprised of independent tire dealers throughout the country that could not be categorized, nor identified as a single entity. Each of our members and shareholders have developed their own businesses over years of operations. Therefore, it would be impossible and unwise for them to conform to a new business format," said Mr. Cox.

Many of the Tire Factory independent owners and members see themselves in the same position, independent and not wanting to be part of a franchise program with an unknown name.

One Tire Factory member said, "A buying group like Tire Factory is like a big family, not everyone agrees on everything 100% of the time, but we somehow find a way to get along."

The Northwest Tire Dealers Association has been a longstanding business partner with SAIF Corporation. This year, our group discount for eligible members is 13%!

Every business in the state of Oregon is required to have worker's compensation insurance. Any Oregon tire dealer and NWTDA member with a good mod rate and low claims is eligible for this great discount.

To find out if your business is eligible for this discount please contact your workers compensation agent right away or call Pat Morrill at SAIF Corporation at 1.800.285.8525, ext. 8827. Members can qualify for this discount at their workers compensation renewal date.

TITAN RESTARTS PRODUCTION OF GOODYEAR ATV, UTV TIRES

Titan Tire Corp. is restarting production of Goodyear ATV and UTV tires designs for the first time since 2009. Titan entered into an agreement with Goodyear in August 2014 to produce nearly 70 sizes and styles of Goodyear ATV tires out of its Freeport, IL, facility.

"There's a growing customer demand for high-quality, American-made tires that can cater to a wide range of two and four-wheel drive ATV and UTV applications," said Holly O'Neill, consumer sales specialist at Titan International. "With industry-exclusive designs – like our Extended Mobility Technology with run-flat capabilities - and a range of unique tread styles, we feel strongly that the Goodyear ATV lineup is well-suited to meet the needs in the market, and we're happy to bring the line back into production."





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INDUSTRIAL TIRE SERVICE TRAINING

The Tire Industry Association has a new Basic Industrial Tire Service (ITS) training program. The 200-level training and certificate program is focused on pneumatic, solid resilient, press-on and polyurethane-filled tires, TIA said.

The Basic ITS Kit is \$295 for members and \$600 for non-members and includes the Instructor's Guide, DVD and one student workbook, TIA said. Additional student workbooks can be purchased for \$55 each for members and \$85 for non-members.

The Basic ITS program will also be available on the association's online university by the end of 2015.

For more information or to order a Basic ITS program contact Chris at 800-876-8372 ext. 106.

GLOBAL TIRE EXPO

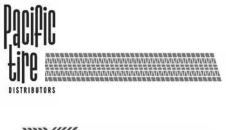
The Tire Industry Association has selected the Tropicana Las Vegas as host hotel for the 2015 Global Tire Expo.

The hotel recently completed a \$200 million renovation that included a redesign of its rooms, opening of new restaurants and addition of a spa and fitness center.

The Global Tire Expo takes place Nov. 3 thru the 6th during the SEMA show at the Las Vegas Convention Center.

Registration is now open for the event and TIA will host a cocktail hour, the Tire Industry Honors Awards Ceremony and TIA Welcome Reception Ceremony. To register, visit www.tireindustry.org/global-tire-expo.







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WAL-MART TO PAY TIRE SETTLEMENT

Wal-Mart Stores Inc. will pay \$820,000 to two California counties and San Diego in response to consumer protection action taken against them.

Tulare and Yolo counties and the city of San Diego filed suit against the retailer alleging Wal-Mart failed to provide warranty documents required by law and made misleading statements to consumers about its nocost tread-wear warranty on Goodyear Wrangler tires. According to the complaint, Wal-Mart employees at various times falsely claimed that:

- Wal-Mart would not honor the tread-wear warranty
- Goodyear would honor it
- Wal-Mart would assume responsibility for the warranty for Goodyear if an additional road-hazard warranty was purchased from Wal-Mart at \$10 per tire
- The tread-wear warranty was unavailable without the road-hazard counterpart.

Wal-Mart made no admission of wrongdoing, according to a press release from county prosecutors. As a part of a stipulated judgment, however, the retail giant agreed to teach its employees at its auto care centers about the material terms of its tire warranties including the identity of the warrantor.

The judgement includes \$685,000 in civil penalties divided between the counties and San Diego. Additionally, Wal-Mart will pay \$85,000 in restitution to two state-wide funds; \$50,000 to the Tire Recycling Management Fund and \$35,000 to the Consumer Protection Prosecution Trust Fund.

Wal-Mart will also pay out fees associated with the prosecution's investigation.

2015 NWTDA GOLF TOURNAMENT



NWTDA has set Thursday, September 10th as the date for the annual golf event and Pacific Tire Distributors is already putting together their team of duffers.

This year's event is moving to a new course, Colwood Golf Course on Columbia Blvd in Portland. The course is a beautiful course within the city and it has recently changed over to a par 3 course.

The cost of this great day of fun is only \$30 per person plus the cost of the rental clubs.

To register contact Bill Dodak, co-chair of the event at 503-889-0321.

MICHELIN MOVES TOWARD ONLINE SELLING

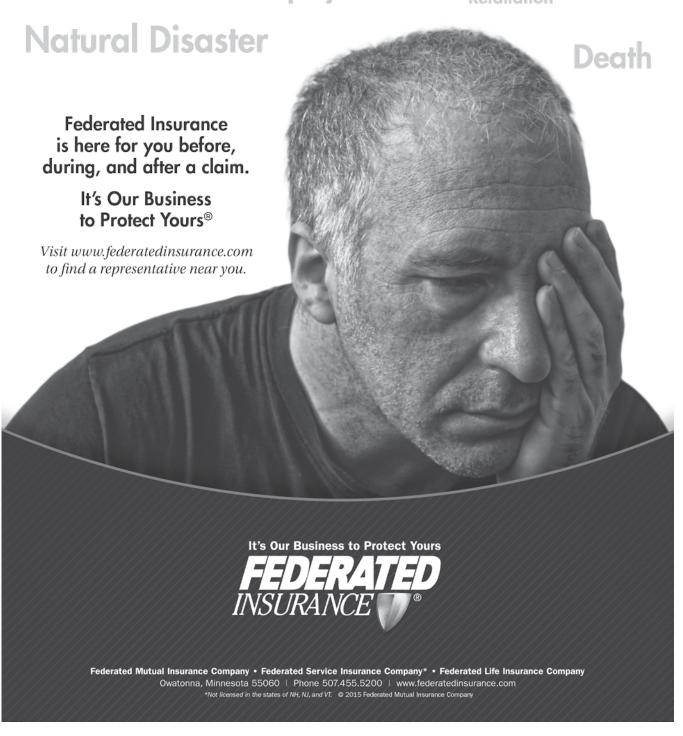
Groupe Michelin is rolling out a new digital platform for all of its global websites.

While the tiremaker doesn't say the new global web platform will allow for e-commerce, recent acquisitions of online retailers and this verbiage hints at the direction the tiremaker may be heading.

The new platform will feature an open search engine allowing customers to find the right tires for their vehicle by simply typing into a search box. The site will also allow visitors easy one-click access to tire safety and performance features as well as the ability to communicate directly with a Michelin tire expert.

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