TEAM WINGFOOT

GOODYEAR AS-A-SERVICE
MEET THE TEAM

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accounting

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management information systems

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supply chain/operations management

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supply chain/operations management

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integrated marketing communications
and sales management
RESEARCH QUESTION:

HOW MIGHT GOODYEAR OPERATE AS A SERVICE?
## PRICES AND FREQUENCIES OF CAR SERVICES

<table>
<thead>
<tr>
<th>SERVICE</th>
<th>FREQUENCY</th>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>OIL CHANGE</td>
<td>5,000-7,000 miles</td>
<td>$20-$100</td>
</tr>
<tr>
<td>TIRE ROTATION</td>
<td>3,000-7,000 miles</td>
<td>$20-$50</td>
</tr>
<tr>
<td>TIRE REPLACEMENT</td>
<td></td>
<td>$50-$300</td>
</tr>
<tr>
<td>WINDSHIELD WIPERS</td>
<td>6-12 months</td>
<td>$7-$15</td>
</tr>
<tr>
<td>AIR FILTER</td>
<td>20,000-60,000 miles</td>
<td>$25-$100</td>
</tr>
<tr>
<td>BRAKE PAD</td>
<td>10,000 miles</td>
<td>$110-$400</td>
</tr>
</tbody>
</table>
SECONDARY RESEARCH: SUBSCRIPTION SERVICES

EXTREMELY HIGH GROWTH RATE
Market growth rate: 200%
Revenue growth rate: 18.1%
  U.S. retail growth rate: 4.1%
  S&P 500 companies growth rate: 3.3%

BENEFITS FOR THE BUSINESS
Predictable revenue stream
Increased lifetime sales per customer
Lower marketing and selling costs

DEMOGRAPHICS OF THE BUYERS
25 to 44 years old
Income of $50,000 to $100,000
Live in cities in Northeastern U.S.
PRIMARY RESEARCH METHODS

IN-DEPTH INTERVIEWS
13 PARTICIPANTS
8 FEMALES / 5 MALES
20 TO 55 YEARS OLD
OWN OR LEASE CARS

SURVEY
MADE USING QUALTRICS
134 RESPONDENTS
DISTRIBUTED THROUGH EMAIL, TEXT, SOCIAL MEDIA
DEMographics ON NEXT SLIDES
WHY IN-DEPTH INTERVIEWS?

VERSUS SURVEY
- FLEXIBILITY IN QUESTIONS
- DEEPER UNDERSTANDING
- PERSONAL CONNECTION

VERSUS FOCUS GROUP
- FLEXIBILITY IN TIME
- TARGET DEMOGRAPHICS
- NO GROUP BIAS
WHY A SURVEY?

- Large scale
- Quick results
- Inexpensive
- Easy data analysis
- Validity & reliability
- Anonymous
WHAT IS YOUR GENDER?

MALE 24%

FEMALE 75%
IN WHAT AGE RANGE DO YOU FALL?

- 80+: 1%
- 71-80: 2%
- 61-70: 8%
- 51-60: 19%
- 43-50: 14%
- 36-42: 6%
- 29-35: 6%
- 23-28: 16%
- 18-22: 28%
WHAT IS YOUR HOUSEHOLD INCOME?

$200,000 or more: 10%
$150,000 to $199,999: 8%
$100,000 to $149,999: 12%
$75,000 to $99,999: 12%
$50,000 to $74,999: 13%
$35,000 to $49,999: 13%
$25,000 to $34,999: 16%
Less than $25,000: 16%
WHAT IS THE HIGHEST LEVEL OF EDUCATION YOU HAVE COMPLETED?

- Doctorate degree: 1%
- Professional degree: 2%
- Master's degree: 9%
- Bachelor's degree: 46%
- Associate degree: 9%
- Some college: 33%
- High school diploma or equivalent (GED): 2%
CONSIDER THE SITUATION:

You are given the option to use a subscription for vehicle maintenance and repair. You would be charged annually. With this subscription, you would receive services for free or at a discounted rate.
#1. **OIL CHANGES**
   score: 1.157

#2. **BRAKE PADS**
   score: 1.035

#3. **DISCOUNTED TIRE REPLACEMENTS**
   score: 0.809

#4. **TIRE ROTATIONS**
   score: 0.798

#5. **ROADSIDE ASSISTANCE**
   score: 0.748

#6. **BATTERY REPLACEMENT**
   score: 0.739

*On a scale of -2 to 2*
#7. AIR FILTER REPLACEMENT  
   score: 0.478

#8. WIPER BLADE REPLACEMENTS  
   score: 0.452

#9. FILLING TIRES WITH AIR  
   score: 0.061

#10. CAR WASHES & DETAILINGS  
   score: 0.052

ON A SCALE OF -2 TO 2
ADDITIONAL FEATURES

#1. FAMILY PLAN
score: 0.593

#2. GOOD STUDENT DISCOUNT
score: 0.522

#3. REWARDS PROGRAM
score: 0.319

#4. REFERRAL PROGRAM
score: 0.142
How likely would you be to take advantage of at-home visits for certain services?

- Extremely likely: 20%
- Somewhat likely: 42%
- Neither likely nor unlikely: 14%
- Somewhat unlikely: 12%
- Extremely unlikely: 12%
HOW LIKELY WOULD YOU BE TO SIGN UP FOR A SUBSCRIPTION LIKE THIS?

- Extremely likely: 8%
- Extremely unlikely: 13%
- Somewhat likely: 45%
- Somewhat unlikely: 20%
- Neither likely nor unlikely: 14%
HOW OLD IS YOUR VEHICLE?

- 13 years old or older: 10%
- 0 to 3 years old: 19%
- 4 to 7 years old: 34%
- 8 to 12 years old: 37%
HOW MANY TIMES A YEAR IS YOUR VEHICLE SERVICED?

- 1-2 times a year: 26%
- 3-4 times a year: 53%
- 5-6 times a year: 15%
- 7 times a year or more: 6%

WHAT SERVICES DOES YOUR VEHICLE TYPICALLY REQUIRE?

- Oil Changes: 90 responses
- Tire Rotation: 31 responses
- Brakes: 18 responses
- Routine Repairs: 14 responses
WHAT IS THE HIGHEST AMOUNT THAT YOU WOULD BE WILLING TO PAY FOR A VEHICLE MAINTENANCE SUBSCRIPTION?

**SURVEY**

<table>
<thead>
<tr>
<th>Amount Range</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $90</td>
<td>15</td>
</tr>
<tr>
<td>$90 to $119</td>
<td>22</td>
</tr>
<tr>
<td>$120 to $149</td>
<td>13</td>
</tr>
<tr>
<td>$150 to $179</td>
<td>26</td>
</tr>
<tr>
<td>$180 to $209</td>
<td>18</td>
</tr>
<tr>
<td>$210 and up</td>
<td>20</td>
</tr>
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</table>

**INTERVIEWS**

- Open-ended
- Answers ranged from $200 to $700
- Average: $461.54
DO YOU CURRENTLY USE ANY ROADSIDE SERVICES, SUCH AS AAA?

53% YES  47% NO

FREQUENT COMMENTS:

RELIABLE

PEACE OF MIND, EVEN IF NOT USING IT

LONG WAIT TIME FOR TOW TRUCK

ARE YOU SATISFIED?

Extremely satisfied 37%

Somewhat dissatisfied 3%

Somewhat satisfied 44%

Neither satisfied nor dissatisfied 14%

Extremely dissatisfied 2%
LIMITATIONS OF PRIMARY RESEARCH

GEOGRAPHIC POOL
RESPONDENTS FROM AKRON/OHIO AREA

GENDER SKEW
ONLY 24% MALE
IDEALLY 50/50 - OUT OF OUR CONTROL

TIME
SURVEY WAS LIVE FOR 2 WEEKS
LIMITED WINDOW BETWEEN APPROVAL OF PRIMARY RESEARCH PLAN AND BEGINNING OF DATA ANALYSIS
RECOMMENDATION:

VEHICLE MAINTENANCE SUBSCRIPTION SERVICE
PREMIUM PRICING

BRAND EQUITY
Interview participants would be more likely to sign up for the subscription or willing to pay more for the Goodyear brand.

FULL SERVICE PACKAGE
Unlike AAA, this would be a full package with more services. Consumers typically spend $800 to $1,200 on car services per year.

CURRENT MARKET EXISTS
Care by Volvo - $650 to $850 a month
Book by Cadillac - $1,800 a month
**BASIC PLAN**

- Oil Changes (3 per year)
- Tire Rotation
- Roadside Assistance & Towing (3 miles)
- Car Washes & Detailing
- Filling Tires with Air
- Free Flat Repair

**$320 PER YEAR**
BLUE PLAN

- Oil changes (3 per year)
- Tire rotation
- Roadside assistance & towing (10 miles)
- Car washes & detailing
- Filling tires with air
- Free flat repair

$440 PER YEAR

- Discount tire replacements (10%)
- Brake checks
- Wiper blade replacements
- Unlock doors
**GOLD PLAN**

$560 PER YEAR

- Oil Changes (3 per year)
- Tire Rotation
- Roadside Assistance & Towing (100 miles)
- Car Washes & Detailing
- Filling Tires with Air
- Free Flat Repair
- Discount Tire Replacements (20%)
- Brake Checks
- Wiper Blade Replacements
- Unlock Doors
- Loaner Car
- Brake Pads
- Air Filter Replacement
- Battery Replacement
ACTION STEPS:
FURTHER PRIMARY RESEARCH
DEVELOPING THE APP
MARKETING THE SUBSCRIPTION
TRAINING EMPLOYEES
TARGET MARKET

GREAT LAKES/MIDWEST REGION

OLDER MILLENNIALS
29 TO 42 YEARS OLD
NEGligible variation for gender interest across income levels

8 TO 12 YEAR OLD CAR
4 TO 7 YEARS OLD IS ALSO LIKELY
0 TO 3 YEARS OLD IS NEUTRAL
13+ YEARS OLD IS UNLIKELY

HOW LIKELY WOULD YOU BE TO SIGN UP FOR A VEHICLE SUBSCRIPTION?

<table>
<thead>
<tr>
<th>AGE</th>
<th>18-22</th>
<th>23-28</th>
<th>29-35</th>
<th>36-42</th>
<th>43-50</th>
<th>51-60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>0.34</td>
<td>-0.16</td>
<td>0.43</td>
<td>0.71</td>
<td>0.07</td>
<td>-0.05</td>
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</tbody>
</table>
OPINIONS OF MILLENNIALS
HIGHER THAN OTHER AGES

- Oil Changes
- Brake Pads
- Tire Rotations
- Roadside Assistance
- Battery Replacement
- Air Filter Replacement
- Wiper Blade Replacements
- Filling Tires with Air
- Car Wash & Detailings
GOODYEAR APP
NAME: GOODYEAR PREMIER

- Nearest Location
- Make an Appointment

- Estimated Wait Times
- Track the Progress
- Pay Through App
- Sort Services by Preference (Cheapest, Highest Quality)
GOODYEAR APP
NAME: GOODYEAR PREMIER

MAINTENANCE HISTORY
RECEIPTS, STATEMENTS, AND PARTS

SERVICE REMINDERS
TRACK REWARDS
REVIEW SUBSCRIPTION
PROMOTIONS
FAQ
### Marketing

**Budget:** $5 Million

| Year   | Budget  
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>2018</td>
<td>$345M</td>
</tr>
<tr>
<td>2017</td>
<td>$320M</td>
</tr>
<tr>
<td>2016</td>
<td>$355M</td>
</tr>
</tbody>
</table>

#### Digital
- Email Advertising
- Instagram Ads
- Facebook Ads

#### Traditional
- Mail
- TV Commercial

#### Other
- At Service Center
- Pamphlets
- Referrals
TRAINING THE EMPLOYEES

EMPLOYEES WILL BE RESPONSIBLE FOR ENTERING THE INFORMATION INTO THE APP
ESTIMATED WAIT TIMES & SERVICE TRACKER

WITHOUT PROPER TRAINING, THESE FEATURES MAY NOT BE ACCURATE
TURN THE CUSTOMER AWAY FROM THE APP

DEVELOP SYSTEM
CHECK CAR IN TO PROVIDE ESTIMATED WAIT TIME
AND UPDATE FOR EACH COMPLETED SERVICE
POSSIBLY ON A TABLET FOR CONVENIENCE
FUTURE RESEARCH

MORE INFO WITH NATIONAL SURVEY
Discover opinions of larger population
Wider set of demographics

SMALL TEST ENVIRONMENT - AKRON
Brand awareness is high
Proximity to headquarters allows tight control

USER FEEDBACK
Users will be asked about use of the app, improvements, additional services, and other recommendations

RESULT: BETTER USER EXPERIENCE AND MORE DEFINED TARGET MARKET
FUTURE RESEARCH
COST OF PROVIDING THIS SERVICE
We were able to find general prices, not exact costs and profits
COST OF ADVERTISING
COST OF DEVELOPING A TOWING SERVICE
COST OF AT-HOME SERVICE VISIT OPTIONS
COST OF DEVELOPING THE APP
RESULT: BETTER IDEA OF NECESSARY FUNDING AND RETURN ON INVESTMENT
CONCLUSION:

PREMIUM SUBSCRIPTION THAT DIFFERS FROM ANYTHING ON THE MARKET CURRENTLY

TARGET OLDER MILLENNIALS

TRAIN EMPLOYEES

CONTINUE FUTURE RESEARCH
THANK YOU!

ANY QUESTIONS?
REFERENCES

REFERENCES


