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NHTSA Public Meeting

Tire Fuel Efficiency Consumer Information Research

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Tire Fuel Efficiency NPRM

- Energy Independence and Security Act
  - RMA advocated inclusion of national tire fuel efficiency consumer information program

- For NHTSA's rule to be effective RMA believes the program must:

  - Provide information at point of sale;
  - Provide meaningful information that is easy to understand by consumers
  - Provide a meaningful rating system, differentiating tire rolling resistance, traction and tread wear performance among appropriate tire choices for the consumer's existing vehicle
  - Be cost effective to minimize the cost effect of this information to consumers.

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RMA Consumer Research

- In response to NHTSA's NPRM, RMA undertook comprehensive consumer research to test a sample of potential tire information formats to provide consumers with information about tire fuel efficiency, traction and tread wear.

Research comments were included in RMA's response to NPRM (Aug, 2009)

RMA Consumer Research

- Methodology
  - Internet survey – 1,000 participants
  - Participants screened using same criteria as NHTSA focus group
  - Five formats tested

RMA Consumer Research

- RMA tested five tire information formats based upon those initially tested in NHTSA focus group study
- Some formats were altered based upon NHTSA's focus group research and comments

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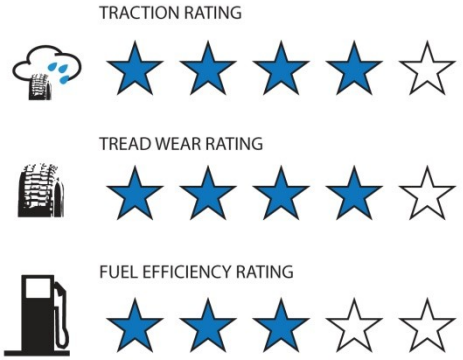
RMA Consumer Research

"Thermometer"

Rating scale 0-100 with 100 being highest.
Source: National Highway Traffic Safety Administration (NHTSA)

"Stars"

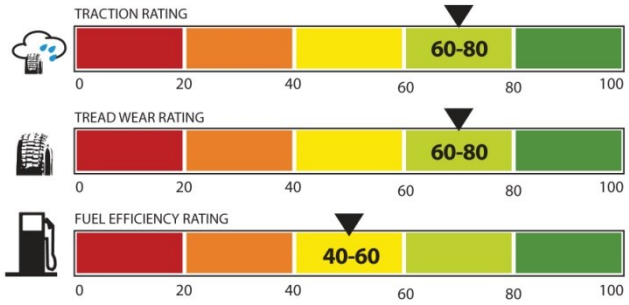


Star ratings from 1 to 5 stars with 5 being highest.
Source: National Highway Traffic Safety Administration (NHTSA)

"Thermometer Category"

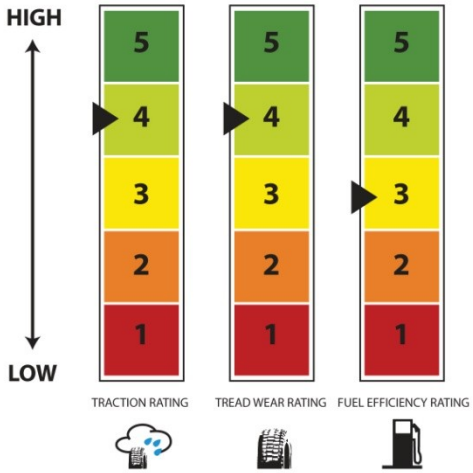
Ratings from 1 to 5 with 5 being highest.

"5 Box Horizontal"



Rating scale by 20 with 80-100 the highest.
Source: National Highway Traffic Safety Administration (NHTSA)

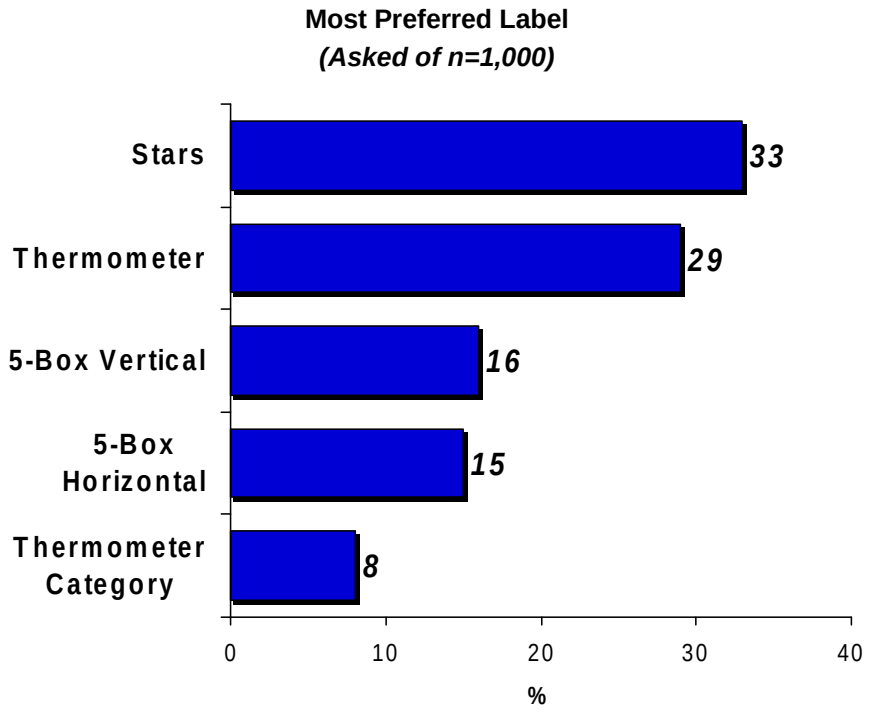
"5 Box Vertical"



Ratings from 1 to 5 with 5 being highest.
Source: National Highway Traffic Safety Administration (NHTSA)

RMA Survey Results

- The “Stars” format was highest rated among consumers in RMA survey:



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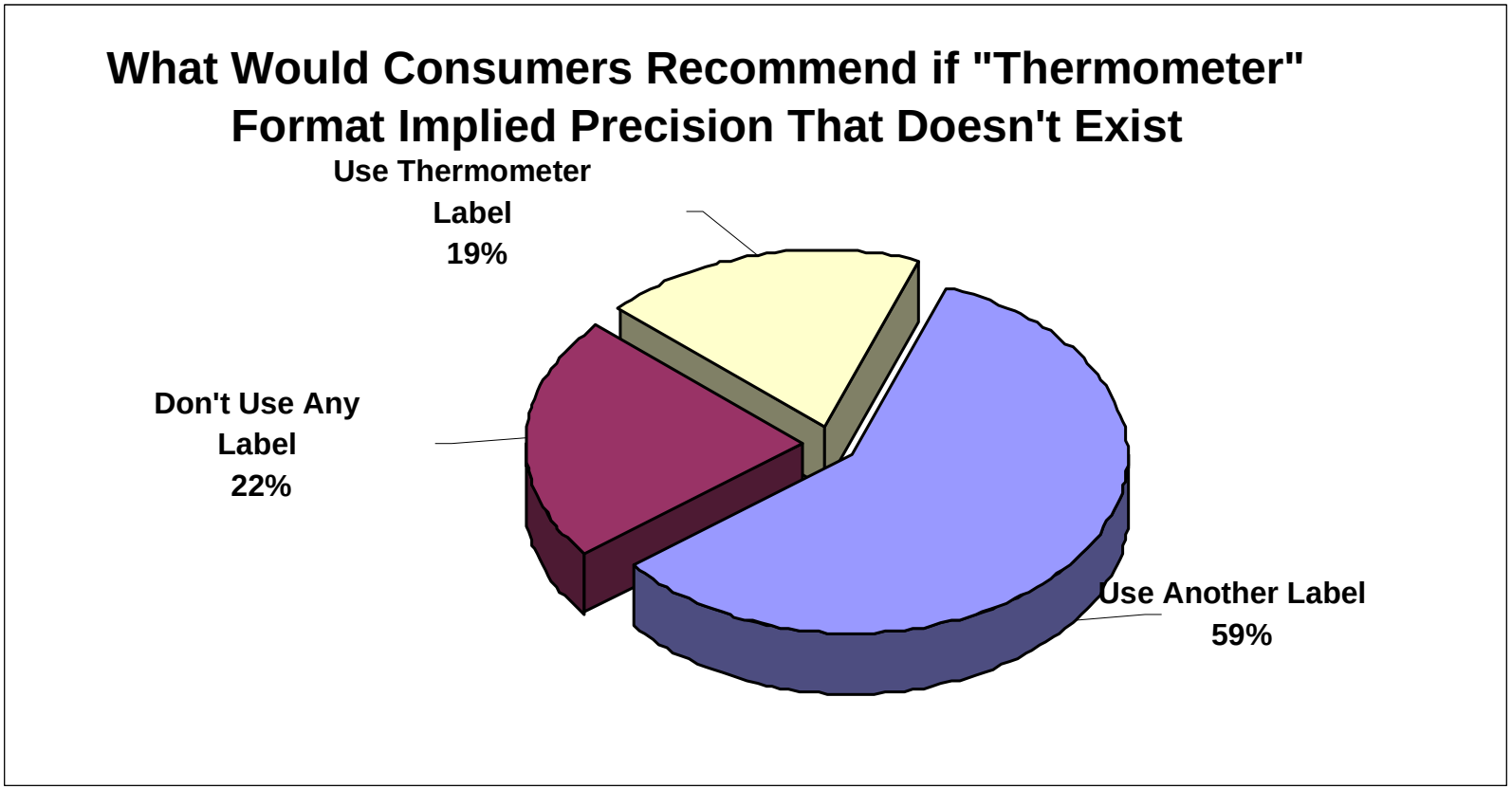
RMA Survey Results

- While 29% of respondents chose “Thermometer” as their most preferred, this support drops to 19% when respondents are informed that it would not precisely rate tires.



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Effective Rule Helps Consumers; Spurs Industry Innovation

- An effective program will provide useful information to consumers
- Tire makers will have additional incentives to compete for consumers' attention on particular tire traits
- Top end of rating scale should be appropriately high to allow for future innovation

Concerns – Information Format

- A paper label attached to replacement tires is impractical and ineffective for consumer information
  - Consumers virtually never see a tire label
    - Removed or damaged before installation
    - Consumers typically see tires after installation
  - Consumer access to information prior to purchase decision is important - web, point-of-sale

Concerns – Information Format

- Web-based and point-of-sale information are most practical media for consumers
  - Web based information allows for consumer research prior to sale
  - Point of sale information allows consumers to have meaningful tools to help guide tire purchase to suit consumer's needs

Recommendations for Providing Consumer Information

- NHTSA should mandate that tire retailers display tire efficiency program poster and make the rating information available to consumers.
  - Other forms of information:
    - tire manufacturer brochures, product catalogues
    - in-store online access to the NHTSA website
    - tire manufacturer or retailer's website with rating information
    - NHTSA-produced tire fuel efficiency program booklet – similar to agency's UTQGS publication
      - Provided to tire dealers nationwide at an annual cost of $3,190.
      - NHTSA estimates 60,000 tire dealers nationwide.
      - Small investment to help educate consumers with tire ratings and assist in more fuel efficient tire purchases

Concerns – Rating System

- 0-100 scale is not practical
  - Implies a misleading level of precision
  - Tires within 10-20 points not likely to have significantly different performance
- Rolling resistance force will group tire ratings of the same or similar size into a small range of the overall scale, minimizing differentiation
- Rolling resistance coefficient is more suitable to provide consumers with range of tire choices within their size range for a given vehicle
  - Europe and Japan are implementing rating systems based on rolling resistance coefficient

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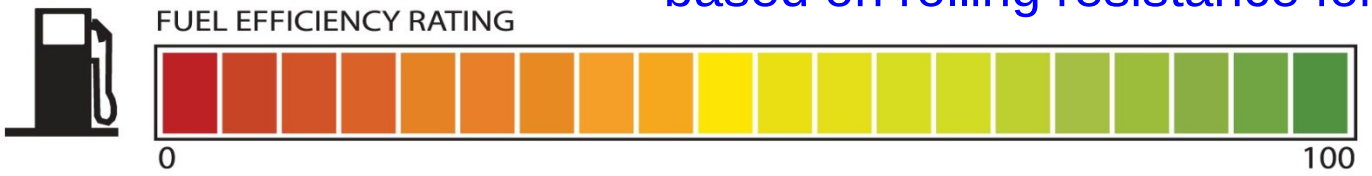
NPRM Tire Efficiency Rating

based on rolling resistance force



Rating scale 0-100 with 100 being highest.

Full sized SUV/pickup truck

Full Sized

Midsized

Compact

Subcompact

- Rating system does not give individual consumer full range of choices for existing vehicle
- Serves to rate vehicles rather than provide useful information about replacement tires
- Does not give all consumers choices of high rated tires

Rating scale 0-100 with 100 being highest.

Concerns - Research Plan

- Additional research should test several formats
  - NHTSA's August 19, 2009 survey only tested two formats used in earlier focus group research
    - RMA research shows consumer preference for a "star" categorical format
  - Labels, point-of-sale and web-based formats should be tested
    - Consumer testing should not be limited to one particular type of information media
    - Appropriate mock-ups should be used to gauge preferences
  - NHTSA's August survey was done after NPRM was issued and was not available for comment

Initial Recommendations – Research Plan

- Benchmark – Using a benchmark (current UTQG symbols?) as a reference to show whether the alternatives are better than the current design.
- Monadic Design - Recommend testing one design variable at a time, within any one style of label, using a monadic design. (Alternatively, if cost is a factor, a sequential monadic design.)
- Conclusions - Should be based on differences observed across different cells, not within same respondents.

Initial Recommendations – Research Plan

- Rate beyond comprehension - The quantitative research should address "likelihood to be read" or "visually appealing" nature for consumers.
- Participant eligibility:
  - Specific for tire purchasing responsibility -- Household decision maker for vehicle maintenance/repair (e.g. oil changes) may not be the same person making tire purchase.
  - Participant eligibility -- Exclude those who work in auto, tire or market research industries.

Concerns – Process

- Process Concerns
  - How will stakeholders be able to comment on NHTSA's final information format recommendations?
    - Will there be a supplemental or new NPRM?

Concerns – Process

- NHTSA schedule (p. 6 of posted research plan)
  - Does not include milestone to consider and incorporate written comments provided by April 2 deadline
  - How will stakeholder input be evaluated and incorporated into research plan?
  - Will NHTSA seek further input from stakeholders before sending plan to OMB?

Summary

- Consumers will want to compare performance traits for tires **suitable for their vehicle** and not to other sizes or types not applicable to their vehicle
  - RMA has proposed a sound solution to measure tire fuel efficiency
  - RMA has proposed a rating system that consumer research shows is understandable and acceptable
    - "Star" format was most preferred in RMA research

Summary (cont.)

- A rating system based upon rolling resistance coefficient will provide consumers with the most practical, useful information
- Point of sale information and web-based resources are the best conduits for reaching consumers
  - Paper labels on tires are not an effective way to convey information to consumers

Summary (cont.)

- Stakeholder ability to provide input on NHTSA's consumer information research.
  - Will further rulemaking notice be required?

Summary (cont.)

- RMA will continue to provide NHTSA with well-reasoned and researched comments
- Thank you for today's opportunity for discussion.