

THE TRACKER

THE PUBLICATION FOR TIRE PROFESSIONALS
FROM WESTERN CANADA TIRE DEALERS

YOUR ON-LINE REPUTATION How the Web can be your Best (and Worst) Friend

PAGE 10



PLUS Terrific Training • Tirecraft Turns 50
Cyber Risk • TDAC in Toronto • Scholarship Deadline





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Calendar

2018 TDAC National Convention

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We hope you find this issue of The Tracker informative, educational and entertaining. We welcome your feedback and invite you to submit any ideas you have for upcoming issues. Feel free to drop us a line (or two)...

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Paul McAlduff
President, WCTD



This last winter season was another busy one for British Columbia's lower mainland. That makes two years in a row that we've seen a good volume of sales. We always suggest customers come in well ahead of time, in September and October, to get their winter tires put on and beat the inevitable rush of November and December.

Last fall I suggested that we would be pretty busy getting those seasonal tires off — and I haven't been wrong. With potential snow falls happening in March and April, a lot of people are waiting until the end of April, and even through May into June, for their tire changeovers. These days it seems like we spend four months installing them and just two months to change everything back. It would be magical to be able to double staff numbers in the Spring.

However, with all the 'Help Wanted' signs out in my area, that won't be happening any time soon. I'm pretty sure that I'm not the only one facing staffing issues. In BC — and perhaps elsewhere — it's becoming increasingly difficult to hire and retain good staff. And that's a reality that's taking place far beyond the retail tire industry. Yet, as tire professionals, in a safety driven environment, it's imperative that we maintain the highest levels of service and technical expertise possible.



For that reason (not to mention several others) I can't stress how important it is to take maximum advantage of the training opportunities available through WCTD. These are an incredibly useful and vital feature to keep all of our workplaces safe and operating under established guidelines. Our long term relationship with TIA and its Service Director Matt White offers our membership a unparalleled opportunity to provide technicians with the best and most up to date training available. I urge you to check next year's dates and make plans for your staff to benefit accordingly.

WCTD Annual General Meeting

Our Annual General Meeting and board meeting prior, held in Victoria this past April, went very well. The accommodation and hospitality at the Hotel Grand Pacific was excellent. It is no wonder that WCTD have held at least two successful conventions there in the past. Much ground was covered, including a key presentation on Cyber Security by Federated Insurance. I urge you to read the Cyber Risk article on page 14 and make sure that your business is well protected from this constant threat and its ramifications.

One of the topics that came up was the number of long established retail tire outlets closing their businesses. This has become a common occurrence when the real estate value outweighs the profit potential of the business.

I sincerely hope these retiring members stay in touch with the industry. Their experience is what has made WCTD the leading association in North America.

Here's a case in point...

We have unanimously recommended that Dale Parsons be inducted into the TDAC Tire Dealers Hall of Fame, sponsored by Bridgestone Canada. This is one of the highest recognitions we can offer. Dale's dedication to the tire industry did not end when he retired in 2015. He continues to be a wealth of knowledge and sound opinion, always willing to share his ideas.

The 2018 Awards will be presented at the Tire Dealers Association of Canada Convention, in Toronto, September 13 -15. Please join us there, not only to connect with dealers from across the country, but also to help us celebrate Dale and his significant contributions to the tire industry. Full details and registration information are included in this issue on page 7.



Wishing you an excellent Spring & Summer!





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How's your spring going? Ours has been busy and productive on many fronts.



Ray Geleta
Executive Director, WCTD

We all agree that one of the most important aspects of any successful business is making sure your employees are fully qualified, and technically current, to do the job they need to do. In the tire business it's even more crucial that we can depend on our technicians to be not just qualified but technically aware and competent at every turn.

WCTD places a strong emphasis on training and keeping skills up to date. It really is critical.

Earlier this year we completed another series of successful training programs, in Regina, SK. These courses covered Advanced OTR Training, Commercial Truck Tire Training Level 400 (Train the Trainer) and Farm Tire Training Level 200.

I cannot stress enough how much we appreciate the knowledge and professionalism of TIA Director of Service Matt White, who presents these training sessions. Just ask anyone who has attended. They're worth their weight in gold.

Our relationship with TIA continues to be productive and mutually beneficial. They are fully committed to supporting WCTD, particularly in training. So much so, I'm pleased to be able to tell you that in 2019 WCTD will expand its training schedule to three weeks of courses at every level, all overseen by Matt.

We are already looking forward to and booking next year's training as follows:

- **Advanced OTR March 4 - 7, 2019, Vernon, BC**
- **ATS training with a focus on TPMS issues on March 11 - 15, 2019 in the Vancouver area.**
- **CTS level 400 April 8 - 12, 2019, Edmonton, AB**



I to r: Ray Geleta, Jed Broten, Andrew Boulton, Clem Collet, Paul McAlduff, Neil Shymko, Ray Lehman

WCTD Board Meeting & AGM

In mid-April the Board of Directors met in Victoria, BC and conducted a day long, very successful WCTD board meeting, which was followed by the WCTD Annual General Meeting the next day. Many discussions took place over a wide variety of topics and much was accomplished.

In particular, we are very pleased to welcome the following two new board members: Tim Hollett, from B&H Tire (Tirecraft Chemainus), BC; and James Watt from OK Tire Strathmore, AB.

However, please note that we are still looking for an independent dealer to represent the independent dealers in Saskatchewan. Please note that you can belong to a group and still be considered 'independent'. It's important that we fill this position as soon as possible.

2018 Torque Charts

Just a heads up... 2018 Torque Charts will be available as of May 15, 2018 from the Association office. Please contact me if you'd like one or several.

Here's to a productive and safe spring selling season!



A reminder to please join us at the 2018 TDAC National Convention.

September 13 - 15, 2018 • Delta By Marriott - 655 Dixon Drive, Toronto, ON

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BUILD & PROTECT YOUR ON-LINE REPUTATION

How the Web can be your Best (and Worst) Friend



All it takes is a few seconds searching for your potential shopper to distill the information on which to make a buying decision, based on location, proximity, price — and, most of all, your on-line image, which is more and more shaped by other customers' experiences.

Tim Pawsey
Editor, WCTD

The harsh reality of the on-line world is that everything can change on a dime. And that includes your business reputation. All it takes is one or two dissatisfied customers airing their views and what might have taken years to build can lie in shreds quicker than you can say 'Yelp.'

There's no time like the present to truly grasp not only the benefits of the wired world but also its very real pitfalls. These days everyone has a cell phone. That means your business is far more easier to find than ever imaginable, say, ten years ago. But it's also crucial to understand how the customer not only tracks you down but quickly decides if you even qualify for their business.

All it takes is a few seconds searching for your potential shopper to distill the information on which to make a buying decision, based on location, proximity, price — and, most of all, your on-line image, which is more and more shaped by other customers' experiences.

Nix that Negative Review

As the saying goes, the best defence is a strong offence. If you've been slow to adopt on-line techniques you're leaving yourself wide open. In other words, if you don't have a strong on-line presence, across several platforms, the impact of even just one negative review will carry far more weight than if you had been busy establishing and reinforcing your presence.

Nobody wants a negative review—which may even be a questionable or inaccurate representation of what actually transpired. However, a bulk of contrasting positive reviews or ongoing customer engagement on platforms such as Facebook or Instagram will quickly show such a review

to be the exception rather than the rule. Give prospective customers a chance to look at your other, more widespread activity and they will more than likely give you the benefit of the doubt.

Your website, blog, Instagram or Facebook page are your best friends. They allow you to put a positive spin about what you do and how you go about your business. That in turn shows your audience that you're a respected and trusted member of your industry's community. Those kinds of benefits are immense and should never be underestimated. And if you're stuck for material to blog or write about, you shouldn't be. You can offer safety tips according to the season, general industry info, news about projects you might be involved in within your community and much more. Over time it all adds up and reinforces who you are, with content that builds both your audience and your reputation.

The medium is the message. It really is ...

It's not just what you blog or Instagram about. How you do it is equally important. Use a friendly tone to show that you really are interested. Be authoritative without talking down to people and you'll come across as being both knowledgeable and approachable. Stay away from polarizing issues and always consider whether the information you're putting out there is really of value to your readers and potential customers.

If you're not using at least a couple of these platforms you're not connecting with a huge part of your potential customer base and important demographic... If you're not familiar or just plain intimidated, task it out to a trusted, qualified staff member, or hire a social media manager on a contract or part time basis.

First point of business? Make sure your website is fully optimized, using the right key words and content to attract the right audience.

Continued on page 11

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- **Engage with your client base. It takes more than pretty pictures to build a social media presence. Whether you decide to run your own program or engage a savvy employee or outside help to run your platforms, make sure it's a two way street.**
- **Always respond promptly to comments good or bad. Thanking customers publicly or even asking them to contact you directly to resolve what might have been an unsatisfactory experience are crucial to building a solid on-line presence.**
- **Think of those positive few lines on Instagram as a testimonial, which you can — and should — link to a constantly updating Instagram feed on your website. You can also set up a separate section on your site which collates all such positive experiences.**



But Who's Going to Do All This?

One of the ongoing challenges is that, surprisingly, a lot of people — especially the older generation (read: some management) — still don't take social media seriously. Despite all the obvious signs, from massive market growth overall to major news stories involving Facebook and other platforms, the importance of social media is still taken far too lightly. Chances are you might think you're pretty adept at handling your own Facebook or Instagram accounts, so why not take a stab at it for your company?

Wrong! It's really important to hire somebody who's not only fully competent at working on all platforms but is also continually updating their skills. And who has the time to fully commit to the task at hand. In short, you'll need to engage a social media specialist.

Whoever you do appoint, it's also important to lay down some clear guidelines. Detail specific hashtags to be used ahead of time, and be equally specific as to what topics and experiences should be covered and those which should not. For your own peace of mind be sure to check your feeds daily, if not more often, to be sure comments and complaints are responded to promptly. How quickly your company responds is also measured and reported by the platform — and can impact your Google rating.

Responding right away shows you're fully engaged and focused on customer service. Make the most of those positive comments by not only 'liking' them but re-Tweeting or re-Gramming them to the max. Building and maintaining that truly active and connected social media profile in itself will promote more positive reviews.

Never lose sight of the reality that on-line is the new front line, where your potential customer is looking and making split second comparisons between you and your immediate competition. Actively promote and monitor your on-line presence.

If you don't do that, you're not advancing and safeguarding your reputation. And missing out on a great opportunity.



TIRECRAFT TURNS 50

Tirecraft has been a household name in Vernon, BC, since Jack Peters opened the first location in 1968.

When Jack started the business his motto was “Customer is King” and that motto still lives on today. He believed that professionalism, customer service, and community involvement were the pinnacles of any good business and Jack proved that his methodology worked because Tirecraft now has over 200 owner-operated locations across Canada!

In 1984, Jack hired Rob Vanderhorst as his store manager, and in 1988, Rob bought the business from his mentor. Rob knew that it was important to follow Jack’s philosophies on business, “If the customers need it, we will sell it to them. If they don’t, we won’t - because our integrity means more than anything,” but Rob knew that in order to make the business more successful he had to make some changes. First he decided one way he could add more profit to the company was by offering mechanical services. By doing this he was able to hire 12 employees. Rob worked night and day on expanding the business, and it finally paid off when he was able to open another location in Vernon.

Rob says that his key to success is to be honest with the customer. He taught his staff to pretend that every customer was a dear aunt who you want to make sure is safe in her vehicle but is not overpaying. He also learned that it was important to tailor every sale to each customer’s needs and driving habits. These tactics are still used at every Tirecraft across Canada.

Jack started a legacy that the current owner, Matt Vanderhorst, plans to carry on for future generations. Matt, the son of Rob, didn’t always want



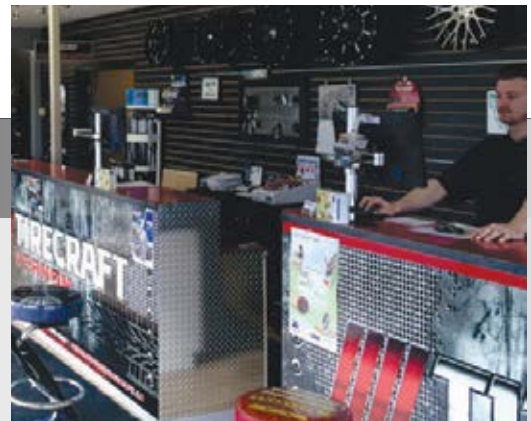
Rob Vanderhorst shows archives from the store’s opening

to be part of his dad’s tire business. As he got older he realized that he was good at the problem solving side of the business and knew that by taking over for his dad, he could continue on the values of the company. Matt says that “Our primary focus has always been what’s best for both parties. For the customer, what’s fair and what’s reasonable. Too often in commerce, the service provider is driven by what’s best for them [profit]. We are really focused on what’s best for the customer.”

Tirecraft continues to grow across Canada and its goal, as always, is to keep the core values alive. Tirecraft is a company that Matt and Rob are still very proud to be a part of; and every Tirecraft location across Canada can say the same thing... Thank you Jack Peters, for starting a legacy.



Peters Tirecraft, Vernon, BC





Peters Tirecraft
Grand Opening - 1973

In 1969, brothers Jack and Alf Peters founded Peters Tirecraft in Vernon, British Columbia. In short time, Peters Tirecraft became a large tire retailer able to continuously meet the needs of satisfied customers. Jack Peters hired Rob Vanderhorst, a veteran of the tire industry, to help manage the growing store in 1984.

In 1989, Rob Vanderhorst bought Peters Tirecraft.

Peters Tirecraft has two convenient locations in Vernon, BC to best serve our customers. Drivers can visit us at 4612 - 27 Street or 1830 Highway 6 for professional automotive services, new tires, and affordable wheels. We have spent the last 50 years helping local families and travellers across Vernon, Armstrong, Lumby, and surrounding areas with everything from tire installation and car battery replacement to engine repair and transmission replacement services.

Matt learned from his dad, Rob Vanderhorst, that the key to success is to be honest with the customer. He taught his staff to pretend that every customer was a dear aunt who you want to make sure is safe in her vehicle but is not overpaying.



Hilltop Tirecraft, Vernon, BC



CYBER RISK:

Facing the Reality

Reza Kamrani - Federated Insurance

At the recent Victoria WCTD board meeting, Federated Insurance Account Representative Reza Kamrani delivered an important presentation on Cyber Risk awareness. It was specifically geared towards what's going on in Canada. We summarize the key points here.

The threat of cyberattacks is 'more worrisome than all the other stuff' according to Bank of Canada governor Stephen Poloz. Also, Canada's spy agency fully expects cyberattacks during the 2019 Federal Election.

"Even though the Federal government has announced \$750 Million for cyber security, the bad guys have lots of tools at their disposal," says Poloz.

You might have heard about **Meltdown** and **Spectre**. Basically, they are new vulnerabilities discovered for numerous processors. Meltdown is a vulnerability for Intel processors while Spectre can be used to attack nearly all processor types. Microsoft, Apple and Google are all scrambling to address this issue.

- **Leakedsource** Canadian police have charged a man from Thornhill, Ontario with selling stolen identity information through the infamous Leakedsource website. The now-defunct site had a database of around three billion passwords and "identity records" available to purchase, with the accused making an estimated C\$247,000 (\$200,000) from the business.
- **A data breach at Bell Canada** appears to have compromised customer names and email addresses, with the RCMP launching an investigation into the incident. Some 100,000 people are affected.
- **Nissan Canada's finance business** has revealed that all of its 1.13 million current and former customers may have had their details compromised in a data breach which contained customer name, address, vehicle make and model, vehicle identification number (VIN), credit score, loan amount and monthly payment.
- **The average company** finds itself under attack by hackers more than once a day. Almost nine in 10 (87%) organizations polled suffered at least one successful breach in the past year.

Cybercrime by the Numbers in Canada

- \$454B** Global economic cost in 2016
- \$3.7M** Average cost to recover direct & indirect
- 813,000** Days of company down time 2017
- 16%** Reported losses between \$50K and \$5M

In Canada alone, cybersecurity breaches cost companies a total of more than \$9.6 billion in recovery in the past year. Canadian companies are most likely to pay ransomware demands; pay more of it; and rank among highest for lost revenue and business interruption.

Seven out of 10 Canadian companies suffered a security attack in the last 12 months, with more than a third (1/3) being hit with ransomware. Business applications are the top vector for spreading ransomware – "possibly because of Canada's very strict anti-spam laws."

Considering the above, Canadians have a false sense of security with 51% "fairly confident" in their ability to stop ransomware. It's important to note, however. You don't need to be targeted. The Malware "finds" you.

Small & Medium Enterprises (SMEs)

50% of attacks are directed at small business... One in five close.

SMEs are the Number One target because, as a rule, they have no data security policies. They don't think they're at risk. Scammers use SME to access others. This means the operating model for cybercrime appears to have changed, with criminals using ransomware to target smaller companies and ask for smaller currency amounts.

'Bad guys' are going after low-hanging fruit. They are asking smaller companies for smaller amounts, transacting and then moving on.

Business interruption (42%) and cyber incidents (40%) lead 2018 top business risks.

In 2010 Alberta was the first jurisdiction in Canada to have mandatory breach reporting (and is still the only one). The rise in numbers is due to the reporting requirements.

OIPC's biggest single breach decision last year related to malware on the Walmart website which potentially exposed the personal information of 109,000 Albertans to an unauthorized third party. Overall, the pendulum is swinging towards regulation.

Continued on page 16

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CYBER RISK: Facing the Reality

Continued from page 14

In The Brick v. Chubb, by the time the fraud was discovered, the bank had already made several payments to “new” bank account (Funds Transfer Fraud by a Third Party “definitions”).

Coverage (standard crime policy) does not apply when the insured company’s employees knowingly make the fraudulent transfer without being aware that they have been duped into doing so.

Canada does not yet have a national data breach notification requirement. That’s about to change, as the country prepares for the implementation of Bill S-4: the Digital Privacy Act In instances where a breach compromises personal identifiable information. (\$100,000 Max. fine).

Canadian businesses of all sizes will also have to figure out in what other jurisdictions they will have to comply with privacy regulations. 47 different versions depending on the state. Class-action lawsuits are on the horizon.

Are you at risk?

For Canadian organizations, key cybersecurity weaknesses still exist.

Understanding exposure and vulnerabilities is vital, as is security training for employees, especially with regards to the speed of installing security updates and patches. It’s also critical to establish security incident response planning.

How are you handling your customers’ information?

It’s vital to know where the organization’s critical data resides and how they are protected. Consider encrypting all critical data and limit your employees’ network privileges to only those required for them carry out their duties.

They need to understand the importance of protecting the information held by the organization. To do so, staff will need a basic grounding of potential cyber risks and how to make good judgments online when faced with cyber threats such as spear phishing. Having a lack of response equates to liability.

Basic Crime Types

• Ransomware

Ransomware is the fastest growing tool that cybercriminals use. Automated attacks target millions of systems. The cost of ransomware attacks in Canada is much higher than in the U.S., with “the most common amounts demanded by ransomware perpetrators” no more than \$6,500. “Those who faced demands of ‘only’ CDN\$650 or less constituted around nine per cent of organizations surveyed, while 30% of organizations have seen demands upwards of CDN\$13,000.”

Business applications are the top vector for spreading ransomware – Business applications are a more common entry point for ransomware (18%) in Canadian organizations than they are in the other nations

surveyed. While more than half of the U.S. attacks originated with email, email links are a much less likely source of ransomware entry than in other nations, “possibly because of Canada’s very strict anti-spam laws”.

• Phishing

Around 110 million subscribers are targeted. Scammers fire off emails with a subject line such as: “Your suspension notification.” When a curious user naturally opens up the email, they’re presented with a link that redirects to a dummy Netflix page where they’re instructed to enter their login credentials along with their credit card information.

Hover over the link

Always, before you click, hover over the link to confirm the URL claimed is genuine. Stop! Did your executive really request that transfer of funds?

Scammers research employees’ responsibilities so they know who to target, and often gather information to try to make the wire transfer request as believable as possible. They also research the executive’s schedule using public information or by making inquiries : Fake social media accounts : recently Facebook quietly admitted that over 12% of its accounts are fake.

New Types of Threats

• SMSishing

An evolving threat is sent directly via text message. Hackers use this technique to steal from data on your phone, or to lock and encrypt your phone and hold it for ransom.

• Zero-Day Exploits

Flaws in commercial software, from Google Chrome to Adobe Flash Player, that give hackers a window into your system. An array of security flaws, hiding in plain sight, that could be “weaponized in 2018”.

What can you do?

First of all... Cyber criminals are not all geniuses! However...

- **Beware of public Wifi**
- **Remember that 1234 is not a good password!**
- **Use VPN**
- **Back up data & test it**

Scammers exploit known vulnerabilities... ensure you are downloading the latest security patches. Hackers will set up a fake WiFi network that enables them to intercept data such as email, social media postings and banking information.

Get smart about passwords

Most of us use the same password for convenience. Password managers automatically create and store long randomized passwords for each of your online accounts. Dashlane and LastPass offer both & free versions.

Pick a complex password which includes numbers and punctuation. Change them frequently and ensure you don't use the same password across a number of apps or programs. In OSX / IOS 10 the Keychain 'create password' option implements random, complex passwords and stores them automatically.

Use VPN encryption

Hackers will find it impossible to get to your information or know what you're doing, whether this is on a mobile, tablet or computer (encrypts & anonymize traffic). Back up & test it to make sure it works (sometimes it doesn't).

Cyber Risk Management

These are the principal points and pitfalls of Typical Coverage:

- **Computer Virus:** A parts supplier's system is infected with a computer virus. Their ability to manage inventory and customer orders is disrupted resulting in lost revenues.

Not Covered! Property coverage excluded peril: "data problem".

- **Hacking:** A retailer's computer system is attacked by computer malware and their customer's financial information is compromised. The retailer is exposed to legal action from their customers.

Not Covered! CGL has an electronic "data" exclusion. No coverage for financial loss.

- **Virus Transmission:** While sending invoices through email, a commercial contractor inadvertently transmits computer malware to its clients computer corrupting their data.

Not Covered! CGL excludes damage to "data".

- **The Commercial General Liability has an Electronic data exclusion:**

1. Lost revenue due to virus.
2. Legal action from customers whose information was compromised.
3. Company information is destroyed due to malware.



Federated Cyber Bundle (\$100!)

To help with some of these threats Federated Insurance now offers a comprehensive Cyber Insurance solution to their WCTD association customers, which covers an array of potential cyber incidents including data breaches, extortion and more. It is important to point out that this is a first party coverage – meaning it is meant to protect YOUR business and NOT liability exposures that you may have to a third party. Hence the \$100 premium price!

What's covered?

Incident Reporting In the event of a privacy or data security incident, your cyber insurance coverage can reimburse you for the expenses associated with responding to and managing the incident. There is coverage for costs associated with notifying individuals when their personal information has been breached, in addition to public relations costs to manage any reputational impact to your business.

Data Recovery Expenses If your electronic data was lost or corrupted due to a network security incident, cyber coverage can reimburse your business for the expenses of restoring your electronic data.

Business Interruption If your normal way of doing business is interrupted due to a network security incident that affects your computer system, this coverage can cover the loss of income and increased operating expenses you incurred during the incident for up to 30 days.

E-Commerce Extortion If your business is the victim of e-commerce extortion with the threat of releasing private data, or if your system is infected with ransomware and the cybercriminal is demanding ransom, this coverage can cover the cost of responding to or terminating the threat.

This program is a good first layer of protection (if you require liability insurance please speak to your local agent) for dealers.

This article is provided for information only and is not a substitute for professional advice.





Tire Dealers Association of Canada



Toronto 2018
Thursday, Sept. 13 - Saturday, September 15
 Delta by Marriott
 655 Dixon Road,
 Toronto, ON M9W 1J3
Trade Show and Conference Agenda

Conference Sponsor - **Federated Insurance**
 Hall of Fame Breakfast and Presentation Sponsored by **Bridgestone Canada Inc.**
 Trade Show Sponsored by **Suppliers Council To The Canadian Tire Industry**
 Coffee Breaks Sponsored by
 Industry Clinic 1 Sponsored by
 Industry Clinic 2 Sponsored by
 Industry Clinic 3 Sponsored by
 President's Reception Sponsored by
 Registration Desk Sponsored by
 Closing Dinner Sponsored by

Time	Description	Location
Thursday September 13, 2018		
1:00 - 6:00 pm	Trade Show Set-Up	International ABC
1:00 - 6:00 pm	Delegate Registration	International Foyer
1:00 - 4:00 pm	Regional Board Meetings	Meeting Rooms
4:00 - 5:00 pm	Regional AGMs	Meeting Rooms
5:00 - 6:00 pm	TDAC General Meeting	New York Meeting Room
7:00 pm - 11:00 am	President's Reception	Terrace
Friday September 14, 2018		
9:30 - 10:30 am	Hall of Fame Breakfast	Mississauga ABC
10:30 - 10:45 am	Hall of Fame Presentation	Mississauga ABC
12:00 pm - 8:00 pm	Delegate Registration	International Foyer
2:00 pm - 8:00 pm	Trade Show	International ABC
Woodbine Shuttle	Free Night	
Saturday September 15, 2018		
9:00 am - 12:00 pm	Group Meetings	Scheduled Locations
10:30 am - 11:00 am	Industry Clinic	New York
11:00 am - 11:30 am	Industry Clinic	New York
11:30 am - 12:00 pm	Industry Clinic	New York
12:00 pm - 5:00 pm	Trade Show	International ABC
7:30 pm - 12:00 pm	Closing Dinner & Entertainment	Mississauga ABC

Register & Attend to win BIG Draw Prizes!

Taking Care of Business 2018!

Bob Bignell
Executive Director

Richard Bender
Co-Chairman

Tire Dealers Association of Canada

phone: 888-207-9059

fax: 519-489-2805

info@otda.com

www.otda.com

Taking Care of Business 2018!



DELEGATE REGISTRATION FORM



**Tire Dealers
Association of Canada**

**National Trade Show
& Conference**

Thurs. Sept. 13 - Fri. Sept. 14 - Sat. Sept. 15, 2018

Delta by Marriott - Toronto, Ontario

Program Highlights

Thursday Sept. 13, 2018: Regional Meetings; TDAC General Meeting; Presidents Reception

Friday Sept. 14, 2018: Bridgestone Hall of Fame Breakfast; Awards; Trade Show

Saturday Sept. 15, 2018: Group Meetings; Industry Clinic; Trade Show; Closing Dinner

Delegate Names:

1	2
3	4
5	6
7	8

Delegate Registration	_____	x FREE	=	_____	FREE
Closing Night Dinner (Sat., Sep. 15)	_____	x \$50	=	_____	
Bridgestone Hall of Fame Breakfast* (Fri., Sep. 14)	_____	x \$20	=	_____	

Sub Total= \$ _____

HST #88074 2739RT 13% \$ _____

Payment Method:

Visa Cheque**

MC **cheques payable to OTDA

Card # _____ Exp Date _____

TOTAL \$ _____

Date		
Company Name		
Contact	Title	
Address		
City	Prov	Postal Code
Phone	Fax	
Email		
<i>(business receipt will be sent to this email address)</i>		
Authorized Signature		

Delegate Registration

Trade Show	FREE	Closing Night Dinner	\$50
Bridgestone Hall of Fame Breakfast	\$20*		

*Free when you register before September 13, 2018

Bob Bignell

TDAC Executive Director

Richard Bender

TDAC President

Tire Dealers Association of Canada

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fax: 519.489.2805

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Toronto 2018 Taking Care of Business



WCTD 2018 / 19



Academic Scholarship Applications NOW BEING ACCEPTED



Eligibility

The applicant is the immediate family member (Son, Daughter or Spouse) or legal ward of a person that is a full-time permanent employee, for at least one year, by a company that is a current voting member of the WCTD and has been a member in good standing for the previous five (5) years.

The applicant has been accepted to attend an accredited Canadian postsecondary institution and has registered for classes for the upcoming semester.

Application

All applications submitted must include the applicant's Social Insurance Number.

The applicant must submit a résumé, not to exceed three typewritten pages, outlining their education to date, any involvement in extra curricular activities, any academic honours or any community or volunteer work that they may have done. The applicant must also submit reference letters that confirm their involvement or achievements. Reference letters cannot be from family members and must speak to the achievements of the applicant.

The applicant must submit a letter from a WCTD member confirming the current employment of an immediate family member.

The applicant must have a complete transcript of all courses and grades sent to the Scholarship Committee no later than August 1 of the year the application is submitted. Transcripts must be submitted directly by the educational institution.

The applicant must submit a confirmation of registration along with a tentative course schedule from an accredited post-secondary institution.

Awarding of Scholarship

The Scholarship Committee will pay the lesser of the total amount of the successful applicant's tuition for two consecutive semesters commencing in September of the year the scholarship is won or the value of the scholarship that is won.

The scholarship will be paid directly to the post-secondary institution that the successful applicant has enrolled in.

Application Deadline

The deadline for applications is July 31 of the year the application is submitted. Applications must be at the Scholarship Committee's office on or before this date. No applications will be accepted after that date. Incomplete or illegible applications will not be considered.

Freedom of Information and Privacy

The information collected in this application is to be used for the sole purpose of assessment and evaluation of the WCTD scholarship and will not be used for any other purposes.

MAIL OR EMAIL APPLICATIONS TO:

WCTD Academic Scholarship Committee

65 Woodbine Road, Sherwood Park, AB T8A 4A7

Phone: 780-554-9259

Email: rayg@wctd.ca

www.wctd.ca

Bridgestone Unveils Next Generation Tires



BRIDGESTONE

Bridgestone Americas Inc. has unveiled three next-generation tires, each targeting a different audience: an all-season ultra high performance tire for enthusiasts, an on and off-highway all-terrain tire of the occasional off-roading enthusiast and a fuel-efficient, long-treadwear tire for the practical-minded CUV/SUV owner.

The tire maker introduced the tires to dealers and journalists during a test-driving event at the Texas Motor Speedway in Dallas.

The redesigned tires include:

- **Bridgestone Potenza RE980AS, an all-season performance tire with improved snow traction and expanded coverage vs. its predecessor, the Potenza RE970AS.**

"We designed the new Potenza RE980AS for drivers who want the handling and responsiveness of an ultra high performance tire without compromising all season capability," said Erik Seidel, president, consumer replacement tire sales, U.S. and Canada, Bridgestone Americas Tire Operations.

The Potenza RE980AS features a redesigned tread with large channels and open shoulder slots to evacuate water away from the tire in wet conditions, helping reduce the risk of hydroplaning.

New compounding helps provide flexibility in colder temperatures to increase the surface of the tire on the road, the tire maker said. The asymmetric tread design with 3-D sipes enables the tire to bite into snow for 50-percent better tractions than its predecessor.

Bridgestone introduced 16 sizes before the winter season last year and will release 37 additional sizes throughout this year, providing about 85 percent coverage for the automotive enthusiast market. The sizes range from 16- to 20-inches in rim diameter.

The tire also provides 25 percent longer tread life than its predecessor, offering a 50,000-mile limited treadwear warranty.



- **Bridgestone Dueler A/T Revo 3 tire for crossovers, SUVs and pickup trucks offers smooth handling on the highway as well as off-road driving performance, the company said.**

"As Bridgestone's best-in-class all-terrain tire, the Dueler A/T Revo 3 is a great fit for drivers with an active lifestyle," Seidel said. "This tire gives drivers the flexibility to travel off-road while still providing a smooth, comfortable ride for traditional on-highway driving."

The Dueler A/T Revo 3 features an aggressive tread design with Bridgestone's Traction Claw technology for improved off-road handling and snow performance. The tread incorporates large tread blocks and staggered shoulder lugs as well as open shoulder slots to help reduce the risk of hydroplaning.

The tire also features 3-D sipes to reduce squirm for better traction and wear.

The tire, a successor to the Dueler A/T Revo 2, is available in 37 sizes, including P-metric and LT-metric sizes, and is backed by a 60,000-mile limited treadwear warranty.

- **Bridgestone Ecopia H/L 422 Plus tire for crossovers, SUVs and minivans is engineered for long-lasting tread life and improved fuel-efficiency, along with a comfortable ride, according to Bridgestone.**

The tire replaces the Dueler H/L Ecopia 422, aligning it with other Ecopia tire lines.

The tire features tread block design to offer increased traction and improved braking on wet roads, interlocking deep sipes and a rounded contact patch for impact absorption.

The tire targets "practical-minded" drivers of family vehicles used for daily use who are willing to pay extra for longer tread life, fuel efficiency and better traction, Bridgestone said.

The Ecopia H/L 422 Plus tire carries a 70,000-mile limited treadwear warranty and is available in 27 sizes, covering about 64 percent of the crossovers, SUVs and minivans on the road, the company said.



INSURANCE

9 BUSINESS SECURITY TIPS FOR CLOSING TIME



by Reza Kamrani
Account Representative
www.federated.ca

You or your employees can fall into a routine as you shut down your business at the end of every day. That's why it's so important to make sure you're taking all of the precautions you can to help prevent fires and crime when you're not around.

Theft may seem like only a distant possibility, but organized retail crime costs Canadians over \$4.6 billion a year, according to statistics from Calgary police.

It's especially important to take precautions when leaving your business for a long weekend or a vacation, when no one will be checking up on it for some time. That's why it's key to have a list of steps to take before leaving for the night, to help ensure that your business is in the same condition in the morning as when you left it. The list should also be shared with your employees, so they know exactly what to do when you're not there.

Here are some tips on how to help keep your business safe when you lock up for the night.

Turn on storefront and sales area overnight lights

If lights inside your business are turned on, it may discourage thieves from entering. It may also help ensure that if anyone does enter your store, they will be clearly visible from the street. To make it even easier to see anyone inside your business (and the disorder they may be causing) you can clear the front windows of any posters or merchandise so there's an unobstructed view.

Keep exterior lights turned on

A well-lit exterior also discourages any unwanted guests from approaching your business. It's important to make sure you haven't just illuminated the front of your business, but also the side and back entrances too. If there are any burnt-out bulbs, those should be replaced as quickly as possible.

Make sure all customers have left the premises

It might seem like a no-brainer, but it's very important to check that no customers are still inside the building before you close up. You or your employees should check back rooms, stockrooms, and change rooms to ensure no one is left with access to your property after the doors have been locked.

Turn off equipment

Before leaving, make sure that you or an employee have done a walkthrough of the business and checked off all items that need to be powered off overnight. This list will include different items depending on your business, but could encompass portable heaters, decorative lights, cooking appliances, and other heating equipment. Ensuring that all of these devices are switched off could help prevent any fires from igniting.

Store flammables and combustibles in secure locations

In a further attempt to stop any fires from catching, make sure that any flammables or combustibles have been moved away from heating appliances in property storage containers. These containers should also be labelled clearly.

Lock away cash register and other valuables

Follow a detailed procedure when handling cash at the end of the night. Some tips for how to handle your cash register and other valuables include taking a different route each time when making nightly deposits, leaving an empty and unlocked cash register, and not leaving cash or valuables in rooms that are accessible by windows or external doors.

Secure all equipment and stock

Before leaving for the night, it's a good idea to move any excess stock to a locked or secure spot in the store. You could also move stock away from windows and doors to make it more difficult for thieves to attempt a smash and grab. Steps like these may seem small and insignificant, but they could mean the difference between someone robbing your business and being dissuaded from doing so.

Secure and lock all doors and windows

On top of securing your equipment and stock, it's important to make sure that all of your doors and windows are locked, so no burglars can easily enter the premises. Include this item on your list for employees, and be sure to also lock back entrances.

Turn on your security system

And last but not least, you need to ensure your security system is turned on before leaving the premises.

Your security system could take a number of forms, as options range from silent alarms to video surveillance. Surveillance systems are useful, as they can discourage thieves from entering your business and also alert security teams when a robbery is in progress.

If you follow these tips, you can rest easy at night knowing you've taken the right steps to help prevent fires and theft at your business. But sometimes all the preparation in the world isn't enough to stop bad things from happening. That's where insurance comes in.

A few words about us

We're Federated Insurance, a 100% Canadian-owned direct writing commercial insurance specialist that has been serving Canadian businesses of all sizes for over 90 years. That's nearly a century of building relationships based on trust and integrity.

Visit us at www.federated.ca to learn more.

Let's be careful out there.

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Pirelli targets 9% growth per year through 2020

European Rubber Journal

Pirelli & C. S.p.A. is targeting average annual growth in sales of 9 percent or above for the 2016-20 period, driven by its focus on high-value products.

The Italian tire maker said in its annual report, published in March, that it aimed to increase the proportion of high value products to 63 percent of revenue by 2020, up from 54 percent in 2016.

Pirelli said it intends to invest on average 7 percent of annual revenue for the 2017-20 period, 80-plus percent of which will be earmarked for the high-value segment.

The company expects to increase its annual high-value production capacity to 53 million units by 2020 from 38 million units in 2016. The increase will be achieved partially through the conversion of standard-tire lines to high-value capacity, according to the annual report.

The company foresees a reduction of 7 million units in "standard" capacity, 3 million of which will be converted to high-value.

Pirelli said the project to convert capacity in Brazil began in 2017 to serve growing demand in the NAFTA region. Additionally, Pirelli will increase production capacity for high-value tires globally by 11 million units to achieve the target.



As part of its growth strategy, Pirelli aims to speed up its homologation program with prestige and premium car manufacturers. In 2017, the Milan-based company obtained 402 homologations, 324 of which it classified as 'new premium'.

Also, the company aims to develop "an unprecedented product innovation program," which it says will strengthen its specialties and super specialties range.

Between 2017 and 2020 Pirelli intends "to launch up to 18 new product lines with global and regional coverage, including winter products, summer and four seasons, specialties / super specialties plus traditional products."

Future prospects for Pirelli and other major tire manufacturers will be discussed and debated at Future Tire Conference 2018, taking place May 30-31, during the Tire Cologne International Trade Fair in Cologne, Germany.



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Continental Develops Aquaplaning Warning System

Continental 

- In future, software will detect the risk of aquaplaning in time and avoid accidents and frightening moments.
- Technology company Continental uses networked cameras and tire sensors for detecting imminent aquaplaning.
- Production conceivable in the next generation of vehicles.

Technology company Continental is working on an automatic system to warn of the risk of aquaplaning. This loss of grip on extremely wet roads dramatically reduces the ability to control vehicles and presents a major accident risk. In future, the aquaplaning warning system based on camera data and tire sensor data will detect impending aquaplaning situations early on. This means that drivers will be warned in time and can better adjust their speed in advance. An initial production of the technology, which is currently in predevelopment, is conceivable in a next generation of vehicles, according to the Continental technology experts. The hardware and software for the aquaplaning warning is being developed by Continental engineers in Frankfurt, Hanover and Toulouse.

“Even with the best tires, sudden aquaplaning is always a frightening moment and can mean the danger of an accident. We are developing a high-performance technology based on sensor information and software that detects a potential risk of aquaplaning and warns the driver in time,” explains Frank Jourdan, member of the Continental Executive Board and head of the Chassis & Safety division.

In relation to further research into the aquaplaning effect and the development of the aquaplaning warning system, Continental points to the importance of sufficient tread depth for road safety. As aquaplaning depends on the tread depth of the tires, the depth of the water on the road and the driving



“Even with the best tires, sudden aquaplaning is always a frightening moment and can mean the danger of an accident. We are developing a high-performance technology based on sensor information and software that detects a potential risk of aquaplaning and warns the driver in time,”

speed, Continental recommends renewing summer tires with a remaining tread of three millimeters. If the tread depth is any less, there is a much higher risk of aquaplaning. Experts generally advise drivers to reduce their speed on wet roads and in rain.

Cameras are the key to early warning of aquaplaning

Aquaplaning occurs when the tread cannot quickly enough deflect the water from the road. To detect this excessive water displacement, Continental relies on images from the surround-view cameras. These wide-angle cameras are installed both in the side mirrors, the grill, and on the rear of the Continental development vehicles. “When there is a lot of water on the road, the camera images show a specific splash and spray pattern from the tires that can be detected as aquaplaning in its early phase”, explains Bernd Hartmann, project manager at Continental in Frankfurt.

Continued on page 26

Continental Develops Aquaplaning Warning System

Continued from page 25

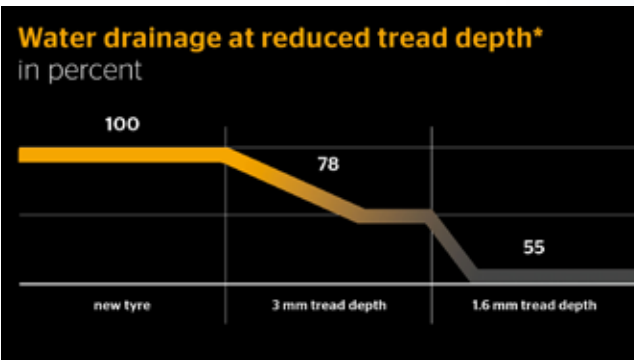
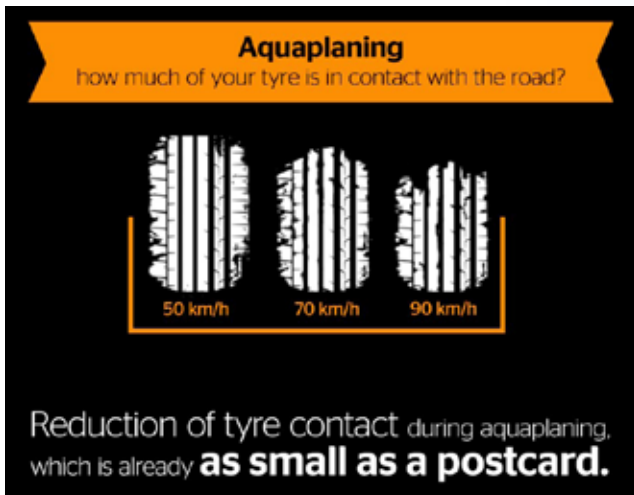
Tire sensors feel risk of aquaplaning

In addition to the camera data, Continental also plans to use information from the tires to identify the risk of aquaplaning. Here, the sensor signals will be analyzed directly in the tires. “We use the accelerometer signal from the electronic-Tire Information System to look for a specific signal pattern”, explains Andreas Wolf, head of Continental's Body & Security business unit. As the eTIS sensor can also identify the tire's remaining tread, this data can be used to determine a safe speed for specific wet road conditions and pass this on to the driver.

In future, it will be possible to evaluate all sensor data in a central vehicle computer for the aquaplaning warning system. If the system detects a danger at the current speed, the driver will be notified of a safe

speed. This is where vehicle connectivity has its ace in the hole. Vehicles that are still far behind a potential aquaplaning spot can be informed of the danger immediately via the vehicle-to-vehicle communication and the digital map based on the electronic horizon. This is how the traffic control systems also receive information about relevant danger areas.

The aquaplaning warning system is especially important for automated vehicles. They must avoid aquaplaning situations without human driving experience. Therefore, for Continental the aquaplaning warning system for manually and automatically controlled vehicles is another step forward on the road to Vision Zero – road traffic without accidents.



In future, it will be possible to evaluate all sensor data in a central vehicle computer for the aquaplaning warning system. If the system detects a danger at the current speed, the driver will be notified of a safe speed.



Toyo 'nano' process could cut truck / bus tire rolling resistance

Japan—Toyo Tire & Rubber Co. Ltd. is heralding an advancement in rubber compounding technology that it claims will yield measurable reductions in rolling resistance in truck tires.

The tire maker anticipates having a commercially viable truck / bus tire using the technology on the market within a year.

Although Toyo declined to quantify how much of a rolling resistance reduction it expects, it said the development related to its "nano balance" compounding technology, which yields a 20 percent reduction in energy loss at the point of deformation.

Toyo defines nano balance technology as one for developing ideal rubber materials with high precision through observation, prediction, function, creation and control of rubber materials at the molecular (nano) level. The firm first disclosed its work on nano balance in 2011 when it launched the NanoEnergy line of tires in Japan.

It since has set up a research and development facility at its tire factory in Perak, Malaysia, where the company plans to develop it further as a production line and incorporate its use in a new line of truck and bus tires.

Toyo stressed that using this technology in truck / bus tires fits into its corporate social commitments by offering enhanced fuel economy for trucks and buses, which it calls the "backbone of our social infrastructure."

Technically speaking, the nano technology focuses on optimizing the dispersion of fillers in rubber.

Toyo's process disintegrates carbon black in a special solution and disperses it at the molecular level in the initial compound creation process while stirring and coagulating natural rubber latex, the company said.

Improvements in the process over the past six years have yielded a processing method that achieves the "ideal state" of filler where it is uniformly and highly dispersed even in solid rubber like natural rubber.

Toyo already has released in Japan a truck tire using the technology, NanoEnergy M676, which it claims offers a 31-percent reduction in rolling resistance vs. an existing Toyo design.



Improvements in nano balance technology over the past six years have yielded a processing method that achieves the "ideal state" of filler where it is uniformly and highly dispersed even in solid rubber like natural rubber.



TOYO TIRES
driven to perform



Cold weather, hot market: Demand for winter tires depends on weather

Miles Moore - TIRE BUSINESS

By its very nature, the winter tire market is largely dependent on weather patterns for demand. However, several major winter tire makers report strong sales based not only on weather, but also on company reputation, consumer education and advanced tire technology.

In its first release of data from its point-of-sale tire retail panel, data analytics firm GfK Group found that winter tire sales fell 26.6 percent in 2017 from 2016.

However, it is easy to infer too much from this simple statistic, according to Neil Portnoy, managing director of GfK POS tracking in North America.

"In 2016, winter tires had a significant increase in sales because of a very active winter season," Mr. Portnoy said. "Winter tires are not going out of fashion, but we just saw a reduction from the previous year."

GfK's monthly reports will give a fuller picture on trends in the winter tire market, he said.

Of the winter tire manufacturers interviewed by Tire Business, most reported strong recent sales.

"The seasonal sales of dedicated winter sales are extremely weather-sensitive, with the prior winter season often influencing current season shipments," said Bob Toth, Goodyear director, industry relations.

That said, industry shipments for 2017 are on par with 2016 in the U.S. and up 8 percent in Canada, Mr. Toth said.

By contrast, the U.S. Tire Manufacturers Association said winter tire shipments fell 36.2 percent last year to 4.4 million units, or just 2.1 percent of overall aftermarket passenger tire shipments.

Double-digit growth

Nokian Tyres Inc., a specialist in winter tires, has enjoyed double-digit growth in winter tire sales over the past few years, according to Steve Bourassa, passenger and light truck products, business manager, North America.

"The 2017-18 winter season has been strong, the best in recent years," Mr. Bourassa said. "In eastern areas, winter hit hard and early, effectively offsetting any lack of winter weather experienced in some central or western areas."

Sales of winter tires in North America by Michelin North America Inc. have been strong across the firm's three brands — Michelin, BFGoodrich and Uniroyal — with shipments up 2.7 percent in general and 6.3 percent in Canada, a spokesman said.

As for Bridgestone, the company historically has had a strong position in the winter tire segment, according to Will Robbins, product manager, Bridgestone Americas Tire Operations (BATO).



"We continue to see this trend, thanks to our extensive portfolio," Mr. Robbins said. "Products like our premium Blizzak WS80 and Blizzak DM-V2 tires provide class-leading levels of performance, and the Winterforce 2 tire from our Firestone brand provides an excellent balance of performance and value."

While Triangle Tire U.S.A. understands the overall winter tire market is down from last year, Triangle itself is doing very well, according to Rick Phillips, Triangle vice president of sales.

"We are actually seeing substantial year-over-year increases," Mr. Phillips said. "However, we are a fairly new company in the U.S., with very little history."

Giti Tire (U.S.A.) Ltd. also has seen steady winter tire sales over the past few years, with provincial requirements and insurance incentives in Canada helping, as well as a hard winter cycle, according to David Shelton, Giti director of industry relations and communications.

Changing winter weather patterns are a major factor in winter tire sales, according to the tire makers.

"Good snowfall will always help to remind consumers about the need for winter tires," Mr. Bourassa said.

"What we've noticed with the changing weather patterns are how some consumers will delay their purchase until after New Year's if they don't see any snow prior to the holidays, some even purchasing in late January or February," he said.

"In previous years, if winter tires weren't sold by Christmas, they were on the shelves until the next fall," Mr. Bourassa said.

Despite climate change, the regions that traditionally have seen harsh winters continue to do so, according to Mr. Robbins.

"Consumers in these regions tend to have a better understanding of the benefits of winter tires, both in snow and colder temperatures, that helps drive winter tire purchases," he said.

As the weather goes, so go winter tire sales, according to Mr. Phillips.

"If snow comes early, we typically will see a spike in winter tire sales," he said. "The consumer rationalizes this by getting more use out of the



"Consumers are becoming better educated on the benefits of winter tires and aware that their safety depends on the right tires, not only for snow and ice performance, but also in colder temperatures,"

tires than they would if the first snowfall comes later in the season."

Consumer hesitancy

Other factors also affect winter tire sales, according to the experts.

"(There is) consumer hesitancy, and lack of desire, to deal with two sets of tires per vehicle and the twice-annual changeover," Mr. Shelton said.

"The growth of the all-weather tire category leads consumers to believe they only need one tire set for all climatic conditions," he said.

Carryover stock with dealers and distributors play a role in winter tire shipments, as do wear-out rates, according to Mr. Bourassa.

"In addition, economic factors also have a role in winter tires, where some years it is simply more affordable for some consumers to purchase winter tires," he said.

Canadian winter usage requirements, as well as regional "traction laws" in states such as California, Colorado or Nevada, help drive winter tire sales, according to the Michelin spokesman.

Mr. Toth noted Goodyear is employing new technologies that enhance the snow and ice traction capabilities of all-season tires that allow them to earn the Three Peak Mountain/Snowflake symbol.

He did not elaborate on which technologies are being used but said the Goodyear Assurance WeatherReady and Eagle All-Weather Enforcer tires have earned the symbol, he said.

Consumers are also becoming more knowledgeable, according to Mr. Robbins.

"Consumers are becoming better educated on the benefits of winter tires and aware that their safety depends on the right tires, not only for snow and ice performance, but also in colder temperatures," he said.

Consumer knowledge may also drive the higher winter tire sales in Canada, according to Mr. Robbins.

"While it's hard to make a direct correlation, research suggests there has been a drop in winter weather-related accidents, as well as a reduction in serious injuries and fatalities since Quebec made winter tires mandatory," he said.

Mr. Toth cited reduced auto insurance premiums in Ontario as a factor in increased Canadian winter tire sales, as well as low-interest loans in Manitoba for the purchase and installation of winter tires.

Mr. Bourassa credited the Tire and Rubber Association of Canada (TRAC), in conjunction with the federal and provincial governments, for raising consumer awareness in Canada about the benefits of using winter tires, as well as provincial incentives.

All the companies said they have an ongoing commitment to the

continuous advancement of winter tire technology. That includes studded tires, despite continuing state laws that restrict their use.

"New developments in modern studded tires have shown significant reductions in noise levels and road wear often associated with studded tires," said Mr. Bourassa, whose company has just introduced a new generation of high-tech winter tires such as the Hakkapeliitta R3.

Studded tires

Studded tires remain the consumer preference in Nordic countries, such as Finland and Norway, according to Mr. Bourassa.

"Nokian Tyres will remain committed to building innovative studded tires with great performance and improved environmental benefits," he said.

The Michelin spokesman said that tread compounds are key to flexibility in extreme cold climates.

"Studded tires are a minority usage, but not to be ignored," he said. "It appears to be more regionally focused, particularly Northwest and Alaska, and we expect they will continue in the immediate future."

Mr. Robbins said Bridgestone's tread compounds, such as the Multi-Cell compound used in the Bridgestone Blizzak WS80 tire, provide studless winter performance equal to or exceeding that of studded tires.

"Studded tires still have a place in the market today, but typically are available in more value-oriented offerings as a way to increase ice and snow performance when needed," he said.

Mr. Toth said Goodyear's UltraGrip Ice WRT has a tread compound that remains flexible in low temperatures that provides excellent grip in snow and ice.

"While our UltraGrip Ice WRT is specifically designed to provide excellent severe weather and ice traction without metal studs, it does include stud pin holes in those sizes popular for light trucks and can be studded at the operator's discretion," he said.

While studless tires, such as the Giti GT Radial WinterPro HPI, are suited for urban areas, studded tires are still the best option for less densely populated areas with less maintained roads, according to Mr. Shelton.

Giti's new studdable GT Radial IcePro 3 is designed for those conditions.

Nevertheless, manufacturers will continue to seek ways to improve winter grip without studs and without sacrificing other attributes, Mr. Phillips said.

Rubber compounding, tread design, tire construction and tread elements such as siping are important factors in that effort, he said.

"The goal is to provide better winter tire traction without sacrificing overall tire performance," he said.

Shifting trends impact truck tire, retread industries

Peggy Fisher - TIRE BUSINESS

I can't believe it's April already. Years ago, April was the month when the American Retreaders' Association (ARA) — later known as the International Tire & Rubber Association (ITRA) — held its annual retread show in Louisville, KY.

About 3,000 people attended this show every year, which was both a celebration of retreads and Spring. Most of the principals of the commercial truck tire and retread industry flocked to Louisville like swallows returning to Capistrano and took over all the hotels and restaurants in town. No matter where you went, you bumped into people talking truck tires and retreads.

Tire Business was there on the scene and always published its *"Commercial Tire & Retreading Report"* around that time too.

While the retread show faded into the sunset when the ITRA merged with the National Tire Dealers & Retreaders Association and formed the Tire Industry Association (TIA), Tire Business continued to report on the commercial tire and retreading industry in April.

And that's why you are reading this today. Yes, old habits die hard.

Back in the late 1970s when I first attended the ARA Show there were over 1,500 retread plants in the U.S. That number dwindled to around 700 in the 1990s but now hovers around 850.

About half of the retread plants in the '70s still produced passenger retreads, but within a few short years went out of business when low-cost imported passenger tires took over that segment of the market, leaving truck, OTR and aircraft retread shops and only a handful of stalwart passenger retread plants. Things certainly have changed since those long-ago days.

Today retread plants have high-tech equipment controlled by computers, lighting is exceptional, personnel is well trained and plants are well laid out and organized to ensure the most efficient processing and the highest productivity and quality.

Changes in industry

Most of the independent truck tire retreaders have become part of large tire company retread networks such as Bridgestone Bandag, Goodyear, Michelin Retread Tire / Oliver, Marangoni Tread and most recently Continental.

Very few are truly independent anymore. And the growth of some commercial truck tire dealers and retreaders has been phenomenal through expansions and the purchase of other dealers and their retread facilities.

High market demand in 2017 resulted in record aftermarket shipments of 19.2 million truck/bus tires in the U.S., which was an increase of 4.3 percent over 2016 (18.6 million units), according to U.S. Tire Manufacturers Association (USTMA) data.

Over the last few years, retreaders have felt the pressure of competing with questionable quality, imported truck tires that have flooded the market at lower than market prices.

Retreaders are worried that truck tire retreading could go the way of passenger retreading due to the presence of low cost imported truck tires in the market.

In June 2016, the U.S. International Trade Commission (ITC) agreed with the United Steelworkers union (USW) and voted to enforce import duties on Chinese-made truck and bus tires that were being dumped on the market. These duties were expected to remain in place until 2020, but in February 2017 the ITC reversed itself and dropped the duties, declaring that "no harm" was being done to the tire industry.

Retreaders have been wringing their hands and biting their nails since last year's decision by the ITC. Many dealers reported losses in their retread business and told of receiving e-mails from Chinese tire companies offering new tires priced below the cost of a quality retread, which is about one-third to one-half the cost of a new truck tire.

They were rightfully worried since what followed this decision was an instant increase in low-cost imports from China, which led to a decrease in retreaded truck tires. Cap and casing sales were especially hurt, since truckers could buy a new Chinese tire for less than a cap and casing.

Some private fleets, trailer leasing companies and owner operators tend to purchase these low-cost Chinese tires. However, many dealers have since reported that while the request for Chinese products is still there, it has lessened in the last year or so.

According to U.S. government data, the number of truck tires imported into the U.S. from China dropped more than 2 million units since the ITC's preliminary duties ruling in early 2016.

Chinese imports drop

U.S. government data show that imports of Chinese truck tires have leveled off, as key Chinese tire makers moved production to other Asia nations, primarily Thailand but also Indonesia and Vietnam.

And lately, with the threat by the Trump administration of imposing tariffs of up to \$50 billion worth on Chinese products in an effort to bolster manufacturing jobs in the U.S., these tires may continue to be exported to countries other than America.

However, opportunities still exist for a growing number of low-cost tire manufacturers based in other Asian countries such as South Korea, Indonesia and Vietnam to step up since domestic manufacturers can't totally supply the market.

Fleets that have their own casings retreaded understand the importance of buying quality tires that they can retread two to three times and which are supported by tire companies with nationwide networks of repair shops, distributors and road service assistance.

They value this service far above the money they could save by buying container-loads of suspect-quality tires that may have no warranty and no service support.

Many fleets also have been burned by low-cost tires that have been of low quality and have no intention of repeating that mistake.

In addition, many carriers are trying to be "green" in order to satisfy their shipping customers, so they are sticking with retreads rather than buying tires that can't be recycled. As a result, many tire dealers are reporting growth in this segment of their businesses as carriers expand their fleets, run more miles and wear more tread off their tires.

Commercial tire dealers also must be credited for their tireless efforts to focus on selling the benefits of retreading and the value of a new tire that can be retreaded multiple times.

A study released last year by Frost & Sullivan reported that although 64 percent of U.S. fleets have purchased low-cost import tires at some point, only 23 percent intend to continue purchasing them.

The impact of truck tire imports has not just been felt by retreaders.

Prior to the early 2000s, the truck tire market was split almost evenly among Bridgestone, Goodyear and Michelin, with each holding somewhere between 25 and 30 percent of the market. The remainder was taken up by four or five Tier



"So what does the future hold for the commercial tire and retread industry?... In a nutshell, the outlook for trucking is the best it's been in years. That means your customers are healthy and profitable."

2 tire manufacturers and a few private branders, but the Big 3 ruled.

Today the market is very different. Over the past five years, Tier 3 and 4 imports have taken some market share away from the Big 3.

In the future, the U.S. will see continued expansion of imports within the marketplace and quality improvements in foreign manufacturers' products. Some Chinese products already have established quality credentials with fleets and retreaders, and other Chinese manufacturers are expected to keep improving the quality of their tires, although they will be priced higher than the previous versions.

Another segment of competition that is disrupting the truck tire and retread

market is truck stops. In the early 1990s truck stops started carrying and selling truck tires, primarily Bridgestone since Bridgestone was the first tire company to recognize this distribution channel.

Today major truck stop chains offer carriers numerous brands of tires, a line or two of retreads and a tire-buying program tied into fuel purchases in addition to the vehicle repair services they have provided for years.

Love's Travel Stops now has become its own retreader, opening four Oliver Rubber-affiliated retread plants throughout the U.S., while TravelCenters of America contracts with over 140 company-owned and independent retreading shops to offer Goodyear and Bandag truck tire retreads.

As you can see, the one big thing that truck stops offer is the one-stop shop.

How are commercial tire dealers to compete with all of this competition?

Well, what are your fleet customers' needs?

In this age of e-commerce and the expectation of not only just-in-time deliveries but just plain moving freight fast, fleet operators are focused on uptime and keeping their trucks rolling.

As a result, there is now a greater emphasis than ever before on full-service capabilities and using data better to operate, maintain, and keep commercial vehicles and their tires running down the road.

So commercial tire dealerships that provide full-service solutions to their customers are growing.

Those that provide not only tires and retreads but also road service, on-site tire service, fleet checks, a mounted tire program and truck services such as mobile truck and trailer repair services, truck alignment, oil changes, truck and trailer repair and safety inspections, as well as fuel that can save fleets and owner-operators time and money are being very successful.

Further the use of Internet-based reporting systems that provide more effective customer service is becoming the norm. Fleets are jumping into various truck and tire-related technologies at an ever increasing rate that provide them with useful data that have the potential to save them money and improve uptime and safety.

Commercial tire dealers must also learn to use and capitalize on these technologies as well. They will make you better at providing the full-service solutions you offer.

Bright future ahead

So what does the future hold for the commercial tire and retread industry?

Let's take a quick look first at the health of your customers, the trucking industry.

First off, the for-hire segment of the trucking industry grew by nearly 38 percent from 2009-16, according to the U.S. Department of Transportation. As the economy continues to expand, so will the trucking industry. That means there will be more trucks and more truck tires on American roads.

In the short term, the outlook for trucking is fantastic.

According to the American Trucking Associations (ATA), the trucking industry is seeing the best economic climate since deregulation in 1980 and should have smooth sailing over the next year or two.

The U.S. economy is growing in early 2018 at a 2.7-percent rate and should maintain that growth for the next couple of years. However, there are a few things that could shatter this forecast such as a war with North Korea, pulling out of the North American Free Trade Agreement or a global trade war.

As a result of this economy growth — spurred in part by the federal tax reform package — the freight market is booming, and the majority of trucking companies plan to increase fleet size this year.

Freight tonnage was up 7.1 percent in January and February, according to ATA figures, compared with the same two months in 2017.

Truck purchasing is a good barometer of fleet sentiment, and the industry's overall health and orders for new trucks and trailers are record breaking so far this year.

If orders continue to pour in as they have in the first quarter, orders for Class 8 trucks and trailers could reach 330,000 and 334,000, respectively. By comparison, Class 8 truck order were 290,000 in 2017, 250,000 in 2016 and 284,000 in 2015.

Perhaps the biggest challenge fleets have in early 2018 is attracting and retaining drivers.

It is estimated there are about 500,000 drivers in the long-haul, for-hire truckload segment of the industry, but that category is about 51,000 drivers short now.

As a result, there is a capacity crisis occurring as surging freight growth is combining with lower productivity due to the government's mandate that fleets must now use electronic-logging devices. Truck utilization or capacity has been running at 100 percent for the past 5 months.

Freight growth and equipment demand is expected to remain steady going into 2019, while capacity utilization is expected to ease later this year.

So in a nutshell, the outlook for trucking is the best it's been in years. That means your customers are healthy and profitable.

Despite all of the marketplace challenges, commercial tire dealers and retreaders are very optimistic about the future, as am I. According to Infiniti Research Ltd., a market research company, the tire retreading market in the U.S. is forecast to grow at a compound annual growth rate of 13.6 percent between 2017-21.

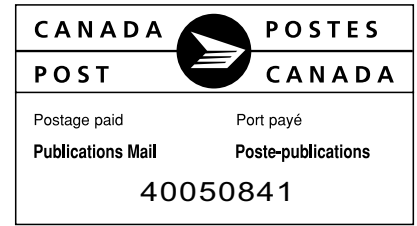
I know commercial tire dealers and retreaders are optimistic about their future, too, since in the last year they have invested in buildings, equipment and expanded and/or added stores and personnel.

The commercial truck tire industry probably will continue to consolidate with large dealers acquiring smaller ones, but it must and will continue to grow to meet the demands of the expanding and demanding trucking industry.

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