

Transforming Tyre Sales: A Subscription-Based Approach for Enhanced Customer Experience and Sustainability

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Abstract

The tyre industry is facing the challenge of transforming its traditionally low-involvement product into one that actively engages consumers. This paper examines the potential of a subscription-based tyre sales model, which would replace infrequent, high-cost purchases with predictable monthly payments. Drawing on industry insights and technological advances in data analytics, predictive maintenance, and customer experience management, the study demonstrates how this model can reshape consumer perceptions. The findings show that subscription services foster stronger customer loyalty, reduce downtime through proactive maintenance, and extend tyre lifespan by enabling timely interventions. A case study of Pirelli's implementation of the model demonstrates its clear benefits, including enhanced brand loyalty, steady recurring revenue, and reduced environmental impact through more efficient use of resources. The results indicate that the subscription model meets evolving consumer expectations for convenience and sustainability while providing manufacturers with a scalable, service-oriented business strategy that aligns with broader mobility trends.

Keywords: tyre as a service, subscription-based model, marketing, tyre industry, sustainability, data analytics, end-user interface, CRM (Customer Relationship Management), smart logistics, carbon footprint

JEL classification: M3

Introduction

This study explores the potential of a subscription-based model to transform the tyre industry, providing fresh insights into a sector traditionally seen as mundane. The tyre industry has long struggled to engage consumers, as conventional purchasing methods are often inconvenient, time-consuming, and financially burdensome. This paper proposes a new approach in the form of a subscription-based tyre model, which aims to shift consumer perceptions and offer a more seamless, predictable, and customer-centric experience. By leveraging technological advancements and predictive maintenance, the proposed model seeks to transform how tyres are purchased, managed, and maintained.

The study is grounded in a combination of practical industry expertise and academic insight. One of the authors has over a decade of experience in the tyre industry, having managed operations in more than 70 countries and worked with industry giants like Michelin, Goodyear, and Pirelli. The other author is a marketing professor who has closely studied tyre brands as case studies in innovation, branding, and customer engagement. This combination of practical and academic

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perspectives provides a comprehensive understanding of the challenges and opportunities within the tyre industry.

The paper is structured to first examine the current landscape of the tyre industry. Section 2, Pioneering concepts in tyre technology, introduces emerging technological innovations that are reshaping tyre design. Section 3 presents the idea of "Tyres as a Service", exploring how the subscription model can transform traditional tyre ownership into an ongoing service agreement. Section 4, Why the current model is broken, examines the challenges consumers face in traditional tyre purchasing, such as high upfront costs and a lack of convenience.

In Section 5, The future of tyre innovation, the study discusses how ongoing innovation in tyre technology and customer service could pave the way for more sustainable and effective business models. Section 6, Current commercial challenges in tyre purchasing, highlights existing problems within the industry, such as pricing structures, market fragmentation, and the lack of transparency in the purchasing process.

Section 7, The future of tyre management: a subscription model, provides a detailed framework for how a subscription-based system could address these issues and improve both consumer experience and business efficiency. Section 8 covers technological integration and supply chain optimization, explaining how digital tools, smart logistics, and predictive maintenance can streamline operations and enhance customer satisfaction.

Section 9 of the paper includes a Case study on implementing the subscription model in the Middle East, focusing on how market-specific challenges such as parallel imports and inefficient supply chains can be overcome using the subscription approach. Section 10, Benefits for customers and dealerships, discusses the advantages this model offers to both consumers and businesses, emphasizing predictability, convenience, and cost-efficiency.

Finally, the paper discusses the Future implications and opportunities for the tyre industry, considering how emerging trends such as electric vehicles and autonomous driving could further shape the industry. The conclusion summarizes the study's findings, reaffirming the transformative potential of the subscription model in creating a more sustainable, efficient, and customer-focused tyre industry.

Pioneering Concepts in Tyre Technology

Peter Drucker, often referred to as the father of modern management, argued that the essence of any business lies in just two core activities: marketing and innovation (Drucker, 1973). This principle is vividly demonstrated in the tyre industry, where leading manufacturers are redefining their products and services to stay ahead of the competition in an ever-changing market. The tyre, traditionally viewed as a functional necessity, is being transformed into a high-tech product that embodies both marketing ingenuity and technological advancement.

Innovation in the tyre industry is not just about materials and durability; it is also about reimagining the role of tyres in mobility and sustainability. Henry Ford is famously quoted as saying that if he had asked people what they wanted, they would have asked for faster horses (Ford & Crowther, 1922). Similarly, the tyre industry is surpassing consumer expectations by offering solutions that address contemporary challenges such as safety, performance, and environmental impact. Leading manufacturers like Goodyear, Hankook, and Michelin are pushing the boundaries of what tyres can achieve. Goodyear's airless tyre, for instance, replaces air with internal strings that support the vehicle's weight, thus eliminating the risk of punctures (Goodyear, 2023). Michelin has unveiled a groundbreaking 3D-printed tyre concept that adapts to the terrain and communicates with the vehicle to optimize performance (Michelin, 2023). These innovations demonstrate a shift

from viewing tyres as mere products to envisioning them as services, paving the way for subscription-based models that integrate seamlessly into the customer experience.

As Albert Einstein explained, intelligence is best reflected in a person's ability to change (Pais, 1982). The tyre industry exemplifies this adaptability, using innovation to meet current needs and foster long-term customer loyalty and sustainability.



Illustration 1: Tyre Concepts

Sources: <https://www.michelin.com/en/group/activities/tires/vision-concept>
https://www.hankooktire-mediacycenter.com/hu/sajtokozelemeny/news/hankook-tire-presents-new-futuristic-concept-tyres-at-the-essen-motor-show-2018/?flt=1&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=303ef4574f9b4192cae7bbe5893dd5e6
<https://news.goodyear.eu/goodyear-unveils-the-eagle-360-urban-a-concept-tire-powered-by-artificial-intelligence/>

The Idea of "Tyres as a Service"

Traditionally, buying tyres has been about ownership – a one-off transaction focused on price, durability, and performance. However, as the business landscape evolves, this model might soon become obsolete. Today's consumers are increasingly embracing the "subscription economy", a concept popularized by Tien Tzuo, who pointed out that the market is moving from products toward services (Tzuo, 2018). Imagine a subscription-based system where tyres are no longer something you purchase outright but instead subscribe to as a service. This shift aligns with the broader trend of prioritizing access over ownership, as seen in industries such as entertainment (e.g. Netflix and Spotify) and transportation (e.g. Uber and car leasing programs).

The tyre-as-a-service concept, inspired by the commercial tyre segment, has already been proven effective in sectors such as trucking and heavy machinery. In these sectors, companies

charge customers based on metrics such as cost per kilometer or cost per hour, offering flexibility and minimizing upfront investment. Henry Chesbrough's concept of open innovation further reinforces this trend by emphasizing that a company's current business model does not determine its future (Chesbrough, 2006). By rethinking traditional business models, tyre manufacturers can unlock new revenue streams and enhance customer satisfaction. The leap to passenger vehicles is not as far-fetched as it may seem. By adopting a subscription model, manufacturers could simplify the consumer experience, removing the stress of having to navigate various tread types, sizes, and performance ratings. As Steve Jobs, co-founder of Apple, famously noted, achieving simplicity can be more difficult than dealing with complexity, as it requires clear and focused thinking (Isaacson, 2011). With a subscription service, drivers could rely on seamless solutions that ensure they always have optimal tyres tailored to their needs and replaced automatically when necessary.

Moreover, this model offers significant marketing opportunities. Philip Kotler, often referred to as the father of modern marketing, stressed that marketing should be about creating real value for customers, rather than merely finding ways to sell what has been produced (Kotler, 2003). A tyre-as-a-service model does just that: it shifts the focus from selling a product to providing a value-rich experience, ensuring convenience, safety, and sustainability. By embedding customer-centricity at its core, this approach aligns with the growing marketing emphasis on long-term customer relationships over short-term sales. Additionally, the subscription model supports sustainability objectives by enabling manufacturers to assume greater responsibility for tyre disposal and recycling, thereby aligning with increasing consumer expectations for environmentally responsible business practices. Paul Polman, former CEO (Chief Executive Officer) of Unilever, warned that companies that do not help to solve global challenges will eventually become part of the problem themselves (Polman, 2020). By integrating sustainability into their business model, tyre manufacturers can appeal to environmentally conscious consumers while reducing their environmental footprint.

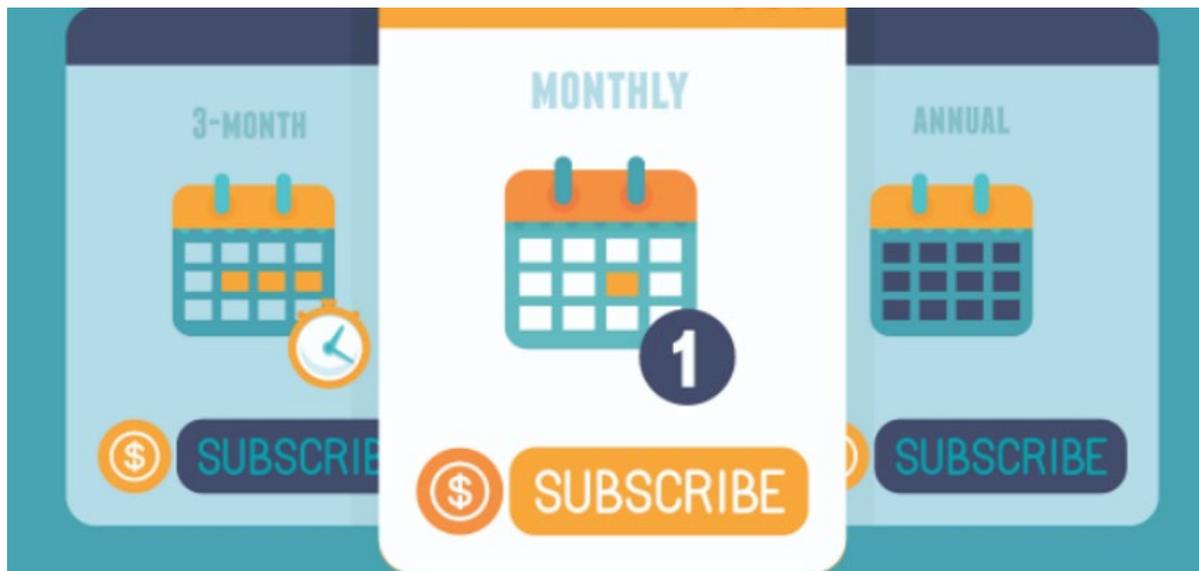


Illustration 2: *Subscription-based model*
Source: *authors' own presentation using Google images*

Why the Current Model is Broken

Tyre purchasing is rarely associated with positive consumer anticipation; it is often perceived as a necessary but unpleasant task, something like visiting the dentist — essential yet generally not welcomed. This analogy highlights a key problem in the tyre industry: customer engagement. The current tyre purchasing process is characterized by being unexpected, time-consuming, and requiring a one-time, often substantial, financial investment. It is also widely regarded as inconvenient, adding further stress to an already mundane task. Seth Godin, an American author, entrepreneur, and marketing expert, emphasized that people buy relationships, narratives, and a sense of magic, not just goods and services (Godin, 2009). Yet for many consumers, buying tyres lacks all three. The triggers for purchasing tyres are typically reactive, stemming from accidents, punctures, or inconvenient reminders from mechanics. This reactive model not only fails to prioritize customer experience but also reinforces the perception of tyres as a burdensome necessity.

In its current state, the tyre industry overlooks the value of proactive, customer-centric solutions. In its current form, the tyre industry may underutilize opportunities for proactive, customer-centric solutions. Jeff Bezos, the founder of Amazon, described customers as invited guests and the company as their host (Stone, 2007). If manufacturers adopted this mindset, they could transform a stressful transaction into a seamless and even enjoyable experience. Transitioning to a service model represents an opportunity to reimagine the customer journey, shifting the narrative from ownership to access and convenience.

The idea of transforming a traditionally routine consumption experience into a positive one is not new. Starbucks transformed coffee from a utilitarian commodity into an aspirational lifestyle product. Howard Schultz, who developed Starbucks into a global brand, emphasized Starbucks is less about selling coffee and more about serving people, with coffee as the medium through which that service is delivered (Schultz, 1997). Similarly, tyre manufacturers have the potential to move beyond their product's utilitarian image by focusing on customer experience, personalization, and convenience.

A tyre subscription model could eliminate the stress of ownership by replacing it with predictability and ease. Imagine a world where customers no longer have to worry about tread wear, punctures, or replacements. Instead, a subscription would ensure that their tyres are always in optimal condition. This approach addresses several pain points of the current purchasing experience, offering a hassle-free, cost-effective, and time-efficient alternative. By proactively addressing customer needs, manufacturers can capitalize on new opportunities to build loyalty and long-term relationships.

Adopting a service model also aligns with the growing emphasis on customer experience as a competitive differentiator. Tony Hsieh, the CEO of Zappos, emphasized that customer service ought to be the responsibility of the entire company, not just one department (Hsieh, 2010). A seamless, subscription-based tyre service could embody this philosophy, ensuring that every interaction adds value and fosters trust. Prioritizing customer convenience and satisfaction enables manufacturers to transform tyres from an inconvenient necessity into a stress-free solution, fundamentally reshaping how consumers view and interact with this essential product.

UNEXPECTED



TIME CONSUMING



ONE-TIME BIG INVESTMENT



INCONVENIENT



Illustration 3: *Current tyre purchase experience*
Sources: *authors' own presentation using Google images*

The Future of Tyre Innovation

The shift towards tyres as a service is not happening in isolation; it aligns seamlessly with the increasing digitalization of the automotive industry. Klaus Schwab, founder of the World Economic Forum, has stated that we are entering a period of profound transformation in the way we live, work, and connect with each other (Schwab, 2016). This revolution, known as the Fourth Industrial Revolution, is characterized by the convergence of physical, digital, and biological technologies. Smart tyres equipped with sensors and communication capabilities exemplify this integration, offering benefits that extend far beyond traditional tyre performance. These smart tyres can monitor wear, adapt to road conditions, and notify drivers when replacements are necessary, eliminating the need for visits to a service center. Leveraging Internet of Things (IoT) technology ensures continuous connectivity among vehicle, driver, and service provider. Kevin Kelly, co-founder of Wired magazine, observed that the future of many startups can be summed up simply: take any idea and add artificial intelligence to it (Kelly, 2016). Smart tyres are a perfect example of this approach, incorporating AI and data analytics to enhance safety, efficiency, and customer convenience.

Moreover, when combined with 3D printing technology, smart tyres have an even greater transformative potential. 3D-printed tyres can be customized to adapt to various terrains and conditions, reducing waste and lowering production costs. Don Tapscott, a leading authority on the impact of technology on business and society, views the digital economy as being driven by connectivity, customization, and sustainability (Tapscott, 2014). These advancements improve performance and support environmental goals by extending the lifecycle of materials and minimizing resource consumption.

The integration of digital and manufacturing innovations also enables manufacturers to adopt more sustainable business practices. Paul Hawken, an environmentalist, entrepreneur, and author, argues

in his sustainability framework that the economy is fundamentally dependent on the environment, rather than vice versa (Hawken, 1993). By embracing technologies that reduce waste and environmental impact, the tyre industry is taking significant steps towards creating a more circular economy.

Finally, these innovations reflect the broader trend of customer empowerment in the digital age. As Bill Gates, co-founder of Microsoft, noted, technological progress relies on integrating it so seamlessly into daily life that it goes unnoticed (Gates, 1999). Smart, connected, and customizable tyres exemplify this principle, making cutting-edge technology intuitive and accessible to drivers, redefining the way they interact with one of their vehicle's most essential components. The tyre-as-a-service model introduces a groundbreaking shift in how consumers approach tyre ownership and maintenance. As Illustration 4 shows, this model is centred on three core benefits: predictable service, anticipated costs, and immediate convenience. Together, these elements address the long-standing pain points of the traditional tyre purchasing process, including its unpredictability, time-consuming nature, high upfront cost, and inconvenience.

- **Expected Service:** Consumers receive regular reports providing real-time updates on tyre conditions, including wear and performance metrics. This level of transparency eliminates the uncertainty often associated with traditional tyre management. For instance, platforms like Mypirelli.ae can deliver comprehensive diagnostic reports, ensuring that customers are always informed about their tyres' condition.
- **Predicted Costs:** The subscription model replaces the financial burden of one-off, high-cost investments with predictable monthly instalments. This approach aligns with the growing consumer preference for affordability and flexibility, enabling better financial planning and reducing the stress of unforeseen expenses.
- **Instant & Convenient Service:** Mobile tyre checks and fitment services, as demonstrated by service vans in the slide, make tyre management much more convenient. Rather than visiting a service center, customers can enjoy on-site inspections and replacements, saving time and effort. This innovation transforms tyre maintenance into a hassle-free experience and reflects the customer-centric philosophy often associated with Jeff Bezos, which emphasizes identifying customer needs and working backwards from them (Stone, 2007). By integrating these features, the subscription-based model ensures that customers experience tyres as a managed service rather than a product. This transition addresses the key frustrations of the current system while fostering loyalty and satisfaction. Additionally, the incorporation of smart technologies and predictive maintenance enhances safety and performance, while potentially reducing environmental impact, thereby contributing to a more sustainable future for the industry.



Illustration 4 *Future tyre purchase experience*
Sources: *Own presentation using Google images*

Current Commercial Challenges in Tyre Purchasing

Current tyre purchasing processes are often perceived as inconvenient and unnecessarily complicated. Issues such as unexpected costs, limited availability, and a lack of transparency are common sources of frustration for consumers. Renowned Harvard Business School professor and influential marketing theorist, Theodore Levitt, noted that the true purpose of a business is to create customers and ensure their loyalty over time (Levitt, 1983). Yet, the tyre industry has historically struggled to prioritize customer-centric solutions that address these pain points.

One significant challenge lies in understanding the DOT (Date of Production), which indicates tyre age and can affect safety and performance. Customers often lack clarity about this critical information, which can potentially lead to distrust. Additionally, tyre origin is a frequent concern, as parallel imports – tyres sold outside the manufacturer's intended distribution channel – create further complexity and uncertainty regarding quality and pricing. These issues frustrate consumers and hinder brand loyalty. As the legendary American investor, business magnate, and CEO of Berkshire Hathaway, Warren Buffett, observed it takes 20 years to build a reputation but only five minutes to ruin it (Buffett, 2001). Transparency in these areas is therefore crucial to maintaining trust.

Beyond DOT issues and parallel imports, challenges related to supply chain management can further complicate the tyre purchasing experience. Limited availability and inefficiencies in logistics can lead to delays and inconsistencies, potentially undermining customer satisfaction. Furthermore, issues with certifications and technical compliance – such as ensuring tyres meet local safety standards – can cause additional confusion for consumers and businesses alike. These pain points collectively contribute to the perception of tyre purchasing as a burdensome process. To overcome these challenges, the tyre industry must adopt a customer-centric approach that prioritizes convenience and predictability. This perspective aligns with the legendary British entrepreneur and founder of the Virgin Group, Richard Branson's view, namely that complexity should be avoided, as anyone can make things complicated, but creating something simple is far

more challenging (Branson, 2011). Simplifying the tyre purchasing process by integrating clear communication, transparent pricing, and streamlined logistics may transform customer perceptions of the industry.

Subscription-based models offer an opportunity to address these issues head-on. By shifting the focus from one-time purchases to ongoing service agreements, manufacturers may reduce some of the uncertainties customers face. For instance, tyres could be automatically replaced based on usage data, removing the need for customers to navigate the complexities of production dates, parallel imports, or certifications. As Sam Walton, the American businessman and founder of Walmart and Sam’s Club, noted, the true boss of any company is the customer, who can effectively dismiss everyone from the chairman down simply by choosing to spend money elsewhere (Walton & Huey, 1992). A seamless, subscription-based experience ensures that customers feel valued and understood, strengthening their relationship with the brand. Moreover, this model aligns with the growing demand for sustainability and operational efficiency. By ensuring that tyres are replaced only when necessary and that the disposal process is managed responsibly, manufacturers can support environmental goals while also enhancing the customer experience. As John Elkington, a British entrepreneur and sustainability consultant known for developing the triple bottom line concept, said, companies have a duty to take responsibility for the social and environmental impacts of their operations (Elkington, 1997). This dual focus on customer satisfaction and sustainability represents a significant evolution in the tyre industry’s approach to serving its customers.

DOT & ORIGIN



PARALLEL TYRES AND PRICING



SUPPLY CHAIN



CERTIFICATION & TECHNICAL PROBLEMS



Illustration 5: *Current tyre-related commercial challenges*
Sources: *authors’ own presentation using Google images*

The Future of Tyre Management: A Subscription Model

The proposed tyre-as-a-service model revolutionizes the traditional purchasing process by introducing a subscription-based system designed for convenience, efficiency, and customer satisfaction. This model goes beyond simple ownership by incorporating features such as regular tyre checks, automated reports, and predictive maintenance. These innovations not only enhance customer experience but also build long-term loyalty by addressing pain points and delivering

consistent value. As Clayton Christensen, an American academic and business consultant best known for developing the theory of disruptive innovation, noted, the most successful companies are those that do not merely anticipate the future but actively shape it (Christensen, 1997). By embracing this model, tyre manufacturers can position themselves at the forefront of automotive industry innovation. The model begins with a tyre purchase offer that introduces consumers to the subscription service, with the added benefit of enabling registration on platforms like Mypirelli.ae. By uploading the invoice, customers gain access to Big Data that drives predictive analytics for tyre condition monitoring. This enables the provision of tailored services such as complementary tyre reports with timely tyre replacement notifications, ensuring that users are always aware of when their tyres need attention or replacement.

Digital tools, such as Mypirelli.ae, exemplify how technology can drive this transformation. These platforms enable real-time data collection from smart tyres, enabling predictive analytics that optimize supply chains, anticipate customer needs, and improve sustainability efforts. For instance, predictive maintenance can reduce downtime and ensure safety by addressing issues before they become critical. This aligns with the insight of Peter Drucker, an Austrian-born American management consultant, educator, and author, who claimed that the true goal of marketing is to understand the customer so thoroughly that the product or service naturally meets their needs and sells itself (Drucker, 1973). By integrating data-driven insights, tyre-as-a-service platforms can provide tailored solutions that meet individual customer needs seamlessly. A key feature of this service model is mobile tyre fitment services, which eliminate the need for customers to visit physical service centers. As the attached slide demonstrates, tyre fitment with service vans brings the service directly to the customer, making tyre replacement more convenient. This mobile service forms part of a broader initiative to offer Pirelli's monthly instalment options, easing the financial burden and further improving customer experience.

In addition to enhancing customer satisfaction, the subscription-based model offers operational and environmental benefits. Predictive analytics and streamlined supply chains ensure that tyres are produced, shipped, and replaced only when necessary. By using smart logistics, this model reduces waste by optimizing the distribution and replacement process. This supports the industry's transition to a circular economy, where materials are reused and environmental impact is minimized. As Michael Porter, the American academic known for his theories on economics, business strategy, and competitive advantage, suggested, innovation is the core factor driving economic prosperity (Porter, 1990). The tyre-as-a-service model not only drives innovation but also demonstrates the potential for economic and environmental sustainability to coexist.

The integration of features such as tyre insurance, alongside regular reports and notifications, further ensures customers have complete peace of mind. With continuous monitoring and maintenance, customers need not worry about unexpected costs or safety issues, fostering a relationship built on trust and convenience. The model supports not just individual consumers, but also a broader ecosystem designed to reduce carbon footprints through the integration of recyclable tyres and enhanced sustainability efforts.

In conclusion, the tyre-as-a-service approach represents a paradigm shift for the industry. By integrating digital tools, predictive analytics, and customer-centric services, this model addresses longstanding challenges while paving the way for a future defined by convenience, loyalty, and sustainability. It reimagines tyres not just as products but as part of an interconnected system designed to meet modern demands, ensuring that consumers benefit from a seamless, predictive, and environmentally conscious experience.

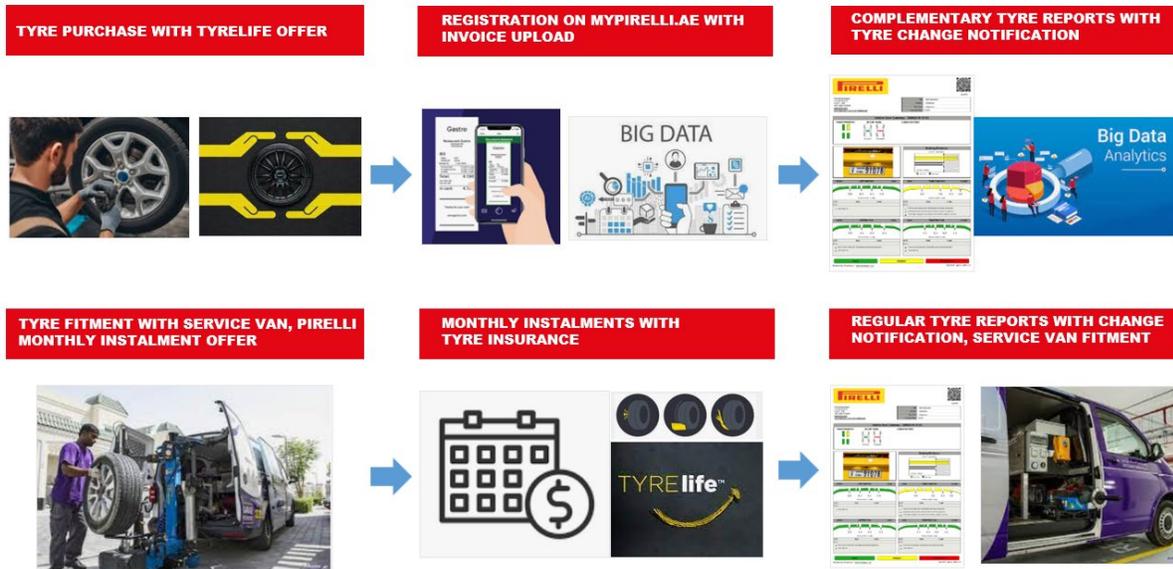


Illustration 6: *Process of the future model*
Sources: *authors' own presentation using Google images*

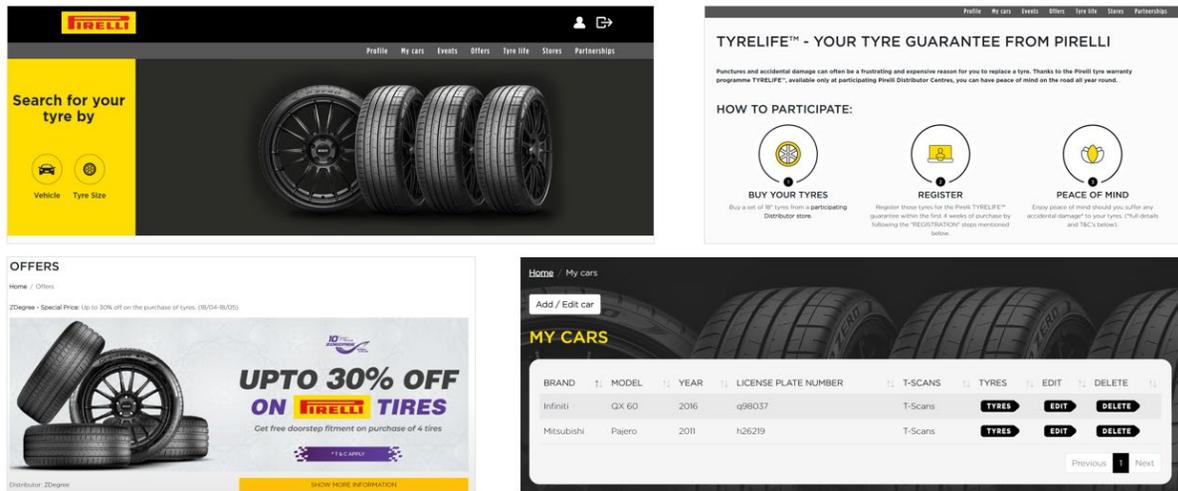


Illustration 7: mypirelli.ae
 Source: www.mypirelli.ae

Technological Integration and Supply Chain Optimization

The integration of digital tools into the tyre industry introduces a new era of predictive maintenance and streamlined logistics. Advanced technologies such as tyre scanning systems, IoT-enabled sensors, and automated platforms provide consumers with real-time updates on tyre conditions. These innovations not only improve safety but also extend tyre life, reducing the frequency of replacements and minimizing the environmental impact. Longer-lasting tyres help lower the carbon footprint by using fewer resources, thereby contributing to sustainability and providing financial savings for consumers. As Andrew Winston, an expert on corporate sustainability and green business strategies, aptly stated, turning “green” into “gold” means transforming environmentally

responsible practices into profitable business opportunities, thereby benefiting both the planet and a company's financial performance (Winston, 2006). By reducing waste and conserving resources, the subscription model aligns profitability with sustainability, supporting the industry's environmental goals while benefiting customers.

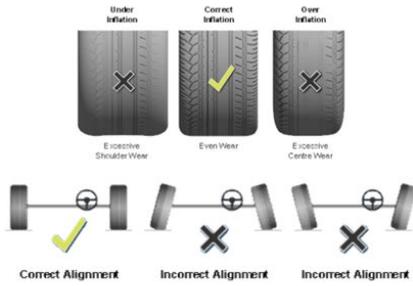
Predictive maintenance is a key feature of this approach, which leverages real-time data to identify wear and tear before it becomes critical. This capability prevents unexpected breakdowns and ensures optimal performance, transforming tyres from reactive purchases into proactive services. Elon Musk, the CEO of Tesla and SpaceX, stressed that the ideal design removes unnecessary parts and processes, as the lightest, cheapest, and most reliable elements are those that simply do not exist (Vance, 2019). Similarly, the subscription model eliminates unnecessary complexities, making tyre management seamless for consumers. Not only does this reduce the inconvenience of tyre care, but it also enhances fuel consumption. Properly maintained tyres, with optimal pressure and condition, contribute to better vehicle efficiency, leading to improved fuel economy. This directly benefits both the environment and the consumer's wallet, providing an added advantage in the form of fuel savings.

For manufacturers and dealerships, the subscription-based model offers significant operational advantages. Using digital tools for smart logistics, forecasting, and production planning enables them to optimize supply chain management, reducing overproduction and excess inventory. This approach reflects the core principles of lean manufacturing, which, as Taiichi Ohno, the chief architect of the Toyota Production System, explained, involve focusing on the entire process from receiving a customer order to collecting payment, and systematically shortening that timeline by eliminating non-value-adding activities (Ohno, 1988). Streamlined logistics facilitated by digital tools can significantly shorten this timeline, improving efficiency and profitability.

Automated platforms also enhance customer engagement by offering subscription models tailored to individual usage patterns and driving conditions. Philip Kotler pointed out that while good companies focus on meeting existing needs, truly great companies go further by creating entirely new markets (Kotler, 2003). The subscription model does exactly this, creating a market for ongoing tyre services rather than one-off purchases, while simultaneously fostering brand loyalty. Customers benefit from complete peace of mind, knowing that their tyres are always in optimal condition, thus reducing concerns about unexpected costs or safety issues.

Finally, these advancements contribute to sustainability by reducing carbon footprints. Optimized supply chains, longer tyre lifespans, and the ability to recycle tyres contribute to reduced extraction and processing of raw materials. As the slide highlights, tyres can be collected and recycled, making the end of a tyre's life part of a broader reuse cycle. John Doerr, a prominent venture capitalist and advocate of goal-setting frameworks such as Objectives and Key Results (OKRs), emphasised that what gets measured is what ultimately gets managed (Doerr, 2018). By leveraging digital tools to track and optimize tyre usage, the industry can effectively manage its environmental impact while delivering superior customer experiences. Focusing on tyre lifespans, waste reduction, improved fuel consumption, and recycling may benefit both the planet and the consumer—resulting in a greener, more cost-efficient experience.

LONGER TYRE LIFE



BETTER FUEL CONSUMPTION



MORE CONVENIENT USER EXPERIENCE



COMPLETE PEACE OF MIND



Illustration 8: End-user benefits

Sources: authors' own presentation using Google images

LONGER TYRE LIFE



LOWER CARBON FOOTPRINT



GREEN - TYRES CAN BE COLLECTED AND RECYCLED



SMART LOGISTICS



Illustration 9: Sustainability

Sources: authors' own presentation using Google images

Case Study: Implementing the Subscription Model in the Middle East – Dealership Model

Drawing on practical experience in the Middle East, this section examines how the subscription model can address regional challenges such as market fragmentation, parallel imports, and supply chain inefficiencies. The tyre industry in the region faces significant issues affecting customer loyalty. Data shows that 80% of customers are lost due to pricing, availability, and concerns over tyre origin. As the slide demonstrates, 40% of lost customers cite pricing issues as the reason for leaving, 20% cite availability problems, and another 20% are concerned with DOT and origin (such as tyres being made in China). This information underlines the importance of offering clear, predictable pricing, ensuring availability, and providing transparency about the origin of tyres.

The subscription model addresses these issues by offering customers predictable monthly instalments and streamlined pricing structures, reducing the need for large upfront investments. This approach can mitigate the pricing concerns that contribute to customer loss, making tyre purchases more affordable and less prone to price fluctuation.

Availability issues are also effectively tackled by the subscription model. With regular tyre checks, automated reports, and the convenience of mobile fitment services, customers can be assured that tyres will always be available when needed. As mobile services bring fitment directly to the consumer, availability is no longer dependent on physical stock at service centers, eliminating delays and the common frustration of tyres being unavailable.

Moreover, clarity regarding DOT and origin becomes an integral part of the service offering. By sourcing tyres through approved, transparent channels and providing customers with access to detailed product information, manufacturers can build trust and transparency. This directly addresses concerns about parallel imports and product quality, which may help reassure consumers.

The scalability of the subscription model is evident, especially when tailored to address these regional challenges. In markets where supply chain inefficiencies and fragmented markets are prevalent, digital tools can optimize logistics and ensure timely tyre replacement, thereby improving customer satisfaction and retention. As smart logistics and predictive maintenance become central features of this model, manufacturers and dealerships can streamline their operations, reduce waste, and guarantee product availability.

In conclusion, the subscription model appears well-positioned to solve major challenges faced by tyre consumers in the Middle East, including pricing, availability, and transparency of origin. By providing a service that addresses these pain points while offering a seamless and customer-centric experience, manufacturers can build long-term loyalty and capitalize on a sustainable business model that benefits both consumers and the environment.

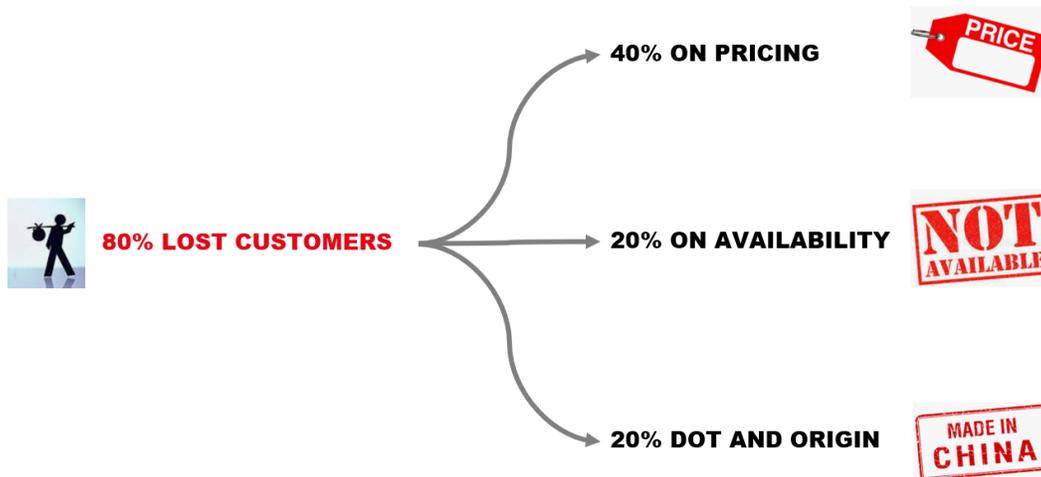


Illustration 10: Impact of the current model on consumer loyalty

Source: authors' own presentation using Google images

Benefits for Customers and Dealerships

The subscription model offers several advantages for both consumers and dealerships. For customers, the key benefits include enhanced convenience, more predictable costs, and extended tyre lifespan, all of which contribute to a better overall experience. The subscription service eliminates the usual inconveniences associated with tyre ownership by simplifying the purchasing process, providing regular tyre checks, and ensuring that tyres are always in optimal condition. As illustrated by the Automated Tyre Usage Data Link, customers receive up-to-date reports on tyre health, enabling them to make proactive decisions to maximize tyre lifespan. Additionally, this model supports sustainability by reducing waste and promoting the recycling of used tyres, helping both customers and dealerships contribute to environmental efforts. The 360-degree end-user interface provided by platforms such as the Garage App also ensures a seamless user experience, by giving customers full access to their tyre data and service history. Customers also enjoy peace of mind, knowing that their tyres are being proactively managed, thereby reducing the risk of unexpected expenses. By integrating automated purchasing behavior data links, the subscription model tailors offers based on individual usage patterns, ensuring that the right tyres are always available at the right time.

For dealerships, the subscription model offers equally significant benefits. One key advantage is smart logistics, which optimizes the supply chain by predicting tyre demand and ensuring that tyres are delivered only when needed. This reduces the risks associated with excess inventory and improves operational efficiency, as supported by real-time data from the automated tyre usage link. The financial side is also positively impacted, as the subscription model enables enhanced financial planning through stable, recurring revenue streams. This approach reduces reliance on large, one-time sales and supports more consistent cash flow, allowing dealerships to forecast revenue more accurately and improve their bottom line.

The model also fosters closer connections with partners, especially tyre suppliers, by building a system designed around the dealership's needs rather than the other way around. This ensures that suppliers are aligned with the dealership's goals, promoting better collaboration and

mutual benefits. As the slide emphasizes, it is the suppliers who depend on the dealership rather than the other way around, thus creating a more balanced and effective supply chain.

Furthermore, the subscription model enables dealerships to expand their services and increase their revenue by offering new subscription plans and engaging with customers in innovative ways. Including tyre insurance as part of the subscription offering, for example, is one way in which dealerships can increase customer satisfaction by providing additional value. These plans generate long-term relationships, increase customer retention, and reduce the inconvenience traditionally associated with tyre replacement. By integrating CRM systems into their operations, dealerships can develop a robust data repository to track and analyze customer preferences, usage patterns, and service needs, thereby improving service offerings and customer satisfaction.

In conclusion, the subscription model offers a win-win scenario for both customers and dealerships. Customers benefit from enhanced convenience, more predictable costs, peace of mind, and improved tyre management, while dealerships gain new revenue streams, better financial planning, and more efficient logistics. This model fosters sustainability, customer loyalty, and stronger partnerships, positioning both parties for long-term success.

SUPPLY CHAIN

Smart logistics



FINANCIALS

Enhanced financial planning



PARTNERS

Tighter connection with the partners – built in model to them
Suppliers depend on the dealership and not the opposite



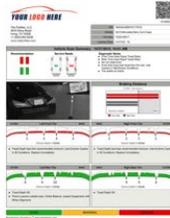
CRM

To Become a proper data house



Illustration 11: *Subscription-based model commercial advantages*
Sources: *authors' own presentation using Google images*

AUTOMATED TYRE USAGE DATA LINK



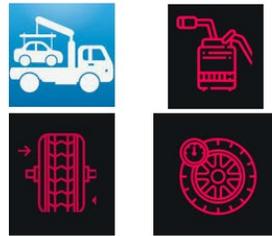
AUTOMATED PURCHASING BEHAVIOR DATA LINK



360-DEGREE END-USER INTERFACE - GARAGE APP



OFFER OF CONVENIENCE SERVICES



TYRE INSURANCE



Illustration 12: *Advantages of the digital platform*
Sources: *Authors' own presentation using Google images*

Future Implications and Opportunities

As the automotive industry shifts towards electric vehicles (EVs) and autonomous driving, the tyre-as-a-service model is set to play a critical role in this transformation. Integrating this model into broader service contracts for EVs and autonomous vehicles could provide new revenue streams for manufacturers while offering customers greater value. The move towards EVs, which require specific tyre types and ongoing maintenance, aligns perfectly with subscription models that offer predictable costs and consistent servicing. Furthermore, this model supports the transition to a circular economy, in which materials are continually reused, waste is minimized, and products are designed for longevity. By optimizing tyre lifespan, reducing waste, and ensuring that replacements are based on actual need rather than arbitrary timelines, the tyre-as-a-service model supports the automotive sector's broader sustainability goals.

Conclusion

The tyre industry is at a pivotal moment with the potential to significantly enhance customer satisfaction, loyalty, and sustainability by embracing subscription models. The shift from traditional ownership to a service-based model resonates with broader trends in consumer behavior—where convenience, predictability, and environmental responsibility are increasingly valued. This transformation not only caters to evolving customer expectations but also offers a roadmap for other industries looking to adopt subscription-based or service-oriented approaches.

This paper explored how innovative strategies such as tyre-as-a-service can revolutionize tyre sales and management, ultimately paving the way for a more sustainable and customer-friendly future. By integrating digital tools, predictive maintenance, and automated services, the tyre

industry can create new business models that meet the needs of modern consumers while reducing their environmental impact. As technology develops and the emphasis on customer-centric solutions increases, our approach to tyres will evolve. For consumers, this could mean less stress, greater convenience, and a safer, more sustainable driving experience. For manufacturers, it's an opportunity to reimagine their role—not just as sellers of products but as providers of essential, high-tech services that extend far beyond the initial sale. The question is no longer whether this transformation will happen, but when. Are you ready to embrace the future of mobility?

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