

Goodyear

Approximately 8,000 retail points in the U.S.

Goodyear Tire & Rubber Company is a subsidiary of Goodyear Corporation.

- 12% increase in sales for passenger car segment
- 20% increase in sales for commercial vehicle segment
- 10% increase in sales for aircraft segment

The proposal raised several strategic considerations for Goodyear:

The tire industry is divided into two markets

Goodyear's market share is approximately 15% of the total market.

The Market Competition Solution

Goodyear's market share is approximately 15% of the total market.

Customers are gradually becoming more price conscious and less brand loyal

RECOMMENDATION

Accept Sales Proposal
Potential for increase in market share
Increase in brand loyalty & awareness
Increase in points of purchase
Can
Changes within existing relationships
No guarantee of sales in future

GOOD YEAR TIRE & RUBBER COMPANY



Goodyear Tire & Rubber Company is a subsidiary of Goodyear Corporation.

www.goodyear.com



GOOD YEAR TIRE AND RUBBER COMPANY Harvard Case Solution & Analysis

TheCaseSolutions.com

- Disputes within existing relationships
- No guarantee of sales in Sears

GOOD YEAR TIRE & RUBBER COMPANY

**Farheen Aziz, Jennifer Becker, Melissa Bordenave, Alanna Diaz,
Pashtana Omar, Shannon Smith, Neeru Sehdev**



**World's second largest
producer of tires**

**20-25% of world's tire
manufacturing capacity**

**37% of U.S. tire-making
capacity!**



Approximately
8,000 retail
points in the U.S!

Market Analysis

Goodyear's 1991 Sales

Goodyear Corporate Sales in 1991 is **\$10.9 billion**

Tires & Tubes (83% of sales) = $10.9b \times .83 = \mathbf{\$9,047,000,000}$

Goodyear's 1991 Wide Earning and U.S. Sales Revenues

Goodyear Corporate Wide Earnings **\$96,600,000**

U.S. Sales Revenues (58% of Revenues) = $\$96,600,000 \times .58 = \mathbf{\$56,028,000}$

Sales Outside Of The U.S Accounted for about 42% of Company's Revenues

$100\% - 42\% = 58\%$ within the U.S

Apple
8,000
points

Goodyear Tire & Rubber Company is reconsidering a proposal made by Sears

: Analysis

:10.9 billion

:3=\$9,047,000,000

:5. Sales Revenues

:6,600,000