

# SERVITIZATION CASE STUDY

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## GOODYEAR

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**USING DATA TO HELP CUSTOMERS  
PREVENT TYRE - RELATED BREAKDOWN  
AND EXTEND TYRE LIFE**

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**SUPPORTING OPERATORS TO RUN A  
MORE EFFICIENT FLEET & MAKE ON-TIME  
DELIVERIES**

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**HELPING CUSTOMERS TO REDUCE FUEL  
CONSUMPTION AND CARBON  
EMISSIONS**

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**G**oodyear is well-known as one of the world's largest vendors of tyres for both commercial and consumer vehicles. It employs approximately 66,000 people and manufactures its products in 49 facilities in 22 countries around the world. It counts many of the world's leading commercial vehicle manufacturers including DAF, Iveco, MAN, Mercedes-Benz, Renault Trucks, Scania and Volvo Trucks among its customers.

In 2016 Goodyear launched two packages of performance advisory services. Data is collected and analysed to provide greater visibility for the customer of their fleet's tyre health and provide intelligent alerts based on predictive analytics, which enable the customer to schedule proactive maintenance and optimise route planning.

The tyre industry is changing; new low-cost competitors have entered the market in recent years and certain established brands have made some bold strategic moves into new business models led by digital technologies. Customer expectations are changing too; just as in many other markets, it's increasingly difficult to differentiate any company from its competitors based on the product alone. Customers don't necessarily want the 'pain' of choosing tyres and they expect manufacturers to offer them something more. Innovation of new products alone is no longer enough to stay ahead of the competition.

## UNDERSTANDING THE CUSTOMER

Goodyear's innovation team looked around at a range of other industries and recognised that, just as in those industries, services could provide opportunities to provide new customer offerings and so generate new revenue streams in the tyre business. They chose the freight haulage sector to begin their initiative and launched an intensive programme of research with operators of fleets of heavy goods vehicles. They focused on getting an in-depth understanding of all of the customer's pain points around not just tyres but their wider operations, such as fuel consumption, delivery schedules and roadside failure, and identifying opportunities to make a difference.

Former VP for Global Innovation Jim Euchner said:

**Customers in the B2B context, especially freight haulage companies, are under enormous pressure to meet on-time delivery schedules and to reduce costs. Although they know that properly inflating their tyres makes a big difference, they find it hard to do so consistently in practice."**

## TESTING AND LAUNCHING

The innovation team developed a range of offerings and tested them with potential customers, assessing the viability of delivering the offering, which revenue models would work for each offering and the value generated for the customer. They began to generate more demand and deliver to more customers, through what they referred to as the 'incubation' phase. After reaching agreed milestones, the potential of these services had been demonstrated to the company and the process began to bring the offerings, now named Proactive Solutions, to market at scale and grow this business ahead of the competition. As part of this, the company created the Proactive Solutions business as a stand-alone unit, appointing a Managing Director for Proactive Services and a team to work for him in headquarters in Luxembourg.

At the launch event of Proactive Solutions in 2016, then VP for EMEA Commercial Business Michel Rzonzef said:

**"We are witnessing a transformational shift that is reshaping commercial trucking. In a digital economy, consumers and businesses expect deliveries to be faster, cheaper and more flexible, and in response the industry is becoming increasingly connected and automated. Goodyear Proactive Solutions offers fleet managers a one-stop, user-friendly solution to help reduce their total cost of operations and improve the uptime, efficiency and sustainability of their fleets."**

# PROACTIVE SOLUTIONS OFFERINGS

## PROACTIVE TYRE SOLUTION

Helps the customer to manage the condition of tyres



### PRESSURE MONITORING

An RFID (Radio Frequency Identity) sensor fitted on each wheel detects the pressure and temperature of tyres and the data are transmitted to Goodyear to be analysed. Poorly inflated and/or overheated tyres are identified and reported to the customer or Goodyear's service network so that action can be taken. In Europe the service network means Goodyear can be on hand to deal with any damage report within two hours.



### DRIVE OVER READER

A scanner installed on the ground at the entrance to the customer's depot detects the depth of the tread and the pressure of each tyre every time the vehicle drives over it. An algorithm on Goodyear's servers analyses the data gathered over time and highlights problems such as low pressure or insufficient tread, as well as calculating the remaining mileage on the tyre.

## BENEFITS

Reduces the number of tyre-related breakdowns and incidents

Reduces excess fuel consumption caused by under inflated tyres

Reduces time lost due to incident-related fleet immobilization

Extends tyre life

Can reduce tyre-related breakdowns by up to 75%

## PROACTIVE FLEET SOLUTION

Enables the customer to manage the location and performance of their fleet



### TRACK AND TRACE

GPS is used to provide real time data on the position and movement of the vehicle. It helps fleet managers to plan and monitor routes and delivery times, trace and recover stolen vehicles and identify technical centres near to the vehicle to organise maintenance remotely.

## BENEFITS

Enables efficiencies in delivery routes and use of resources

Informs clients in real time of delivery times

Avoids penalties for late delivery