



GOODYEAR

**UNDERSTANDING
THE TIRE NEEDS OF
LAST MILE DELIVERY**

INTRODUCTION

This rapidly growing market segment is complex, creating unique challenges for tire management.

During the last year, the last mile delivery market has exploded. It is estimated that there are 1.5 million last mile delivery vehicles on the road in North America today (Source: HIS Markit & USTMA).

Last mile delivery is that segment of the market that transports a customer's package from a storage location or logistics center to its final destination. Last mile delivery began in the business-to-consumer space but, during the COVID-19 shutdowns last mile deliveries to both consumers and businesses increased.



THE FOUR MAIN TYPES OF LAST MILE DELIVERY APPLICATIONS

In order to select the right tire for a last mile delivery vehicle, it is important to understand the different last mile delivery applications. There are four main types of last mile delivery.



PACKAGE/PARCEL DELIVERY

This includes companies we see on the road every day delivering small packages to homes and businesses.



LARGE PACKAGE DELIVERY

This includes the local stores delivering things like washers, dryers and other home appliances or home improvement products.



FOOD DELIVERY

This can be operations that deliver orders from restaurants to homes, but it also can include local grocery stores delivering weekly groceries to their customers from orders placed online.



LETTER DELIVERY

This includes U.S. postal service delivery, such as priority mail.

The last mile delivery segment is populated with both existing traditional vehicle manufacturers and also new manufacturers that are specializing in electric vehicles (EVs). EVs are well suited for last mile delivery because of their typical short hauls and return-to-base operations where the vehicles' batteries can easily be recharged. EV manufacturers are asking tire manufacturers for more low rolling resistance tires to help extend EV range, and for increased load ratings to help carry the extra weight of the EV batteries. New tire sizes are being developed for these new vehicles as well.

DIFFERENT FLEETS HAVE DIFFERENT NEEDS

Last mile delivery includes several fleet types: large fleets [100+ vehicles], long-term leasing companies/fleet maintenance companies, small fleets [less than 100 vehicles] and short-term leasing or rental companies. Within these fleet types there are different priorities, some focusing primarily on overall total cost of ownership (TCO), while others are concerned more with initial acquisition cost (IAC).

However, both the TCO-focused and the IAC fleets are looking for the following:



TRUSTED PRODUCTS

Last mile delivery fleets want tires with good fuel economy and durability. They are also looking for tires with good start/stop traction and curb/scrub resistance.



PREMIER SERVICE NETWORK

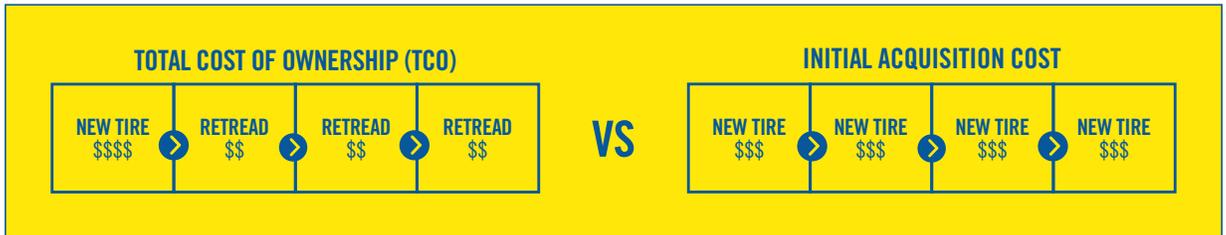
Last mile delivery fleets look for consistent service, reliable delivery and total geographic coverage from their tire service network. They also expect assistance with identifying and preventing tire issues and want their service network to help them maximize uptime and be available 24 hours a day/seven days a week.



COMPLETE TIRE MANAGEMENT

Last mile delivery fleets want to maximize their tire investment and reduce tire usage. They want assistance monitoring tire performance and are interested in predictive analytics so they can make smart tire replacement decisions.

In addition, TCO fleets will typically focus on one or more of the following: products/service/solutions, retreadability, predictive analytics and reporting, sustainability, total geographic coverage from a dealer network, 24/7 service availability and/or maximum uptime. The up-front IAC acquisition cost focused fleet is typically more concerned about having a variety of product options based on cost and performance. These fleets should seek a trusted dealer network with excellent product availability and a dealer who can provide the correct tire recommendations.



VEHICLE TYPES

Both light-duty commercial vehicles (LCV) and medium-duty commercial vehicles (MCV) are used extensively in last mile delivery applications. LCVs typically are in the Class 2b to 3 range and have a vehicle weight of 6,000 to 14,000 lbs. They run on 14” to 20” LT (Light Truck), C-type and ULT (Unisteel Light Truck) tires. There are consumer (fabric/steel) and commercial (steel/steel) retreadable tires available for LCVs. MCVs are in Classes 4 and 5 with vehicle weights of 14,000 to 20,000 lbs. and run on 17.5” to 19.5” ULT tires. All commercial ULT tires are retreadable.



Light Commercial Vehicle (LCV)



Medium Commercial Vehicle (MCV)

LAST MILE SECTOR OFFERINGS

Goodyear offers a range of tire options to meet the needs of customers in the last mile sector. For the LCV segment, the company offers both retreadable tires (Endurance RSA ULT and Endurance RSD ULT) and non-retreadable tires (Wrangler Fortitude HT, Wrangler Fortitude HT C-type and Wrangler All-Terrain Adventure with Kevlar). While not retreadable, “C” type tires were designed to carry a heavier load than standard LT tires. It is important to note that a LT tire size is different from a “C” type tire size and they are not interchangeable.



Retreadable Options		Retread	Non-Retreadable Options		
Endurance RSA ULT	Endurance RSD ULT	Endurance RSA UniCircle® Retread	Wrangler Fortitude HT®	Wrangler Fortitude HT® (C-Type)	Wrangler® All-Terrain Adventure With Kevlar®

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RETREADING IS IMPORTANT IN LAST MILE DELIVERY

Goodyear believes that retreading can play an important role in last mile delivery. There has been an increased interest in and emphasis on sustainability both at the consumer and corporate level in recent years. Because retread manufacturing uses less petroleum as compared to new tire manufacturing, and because retreading means fewer tire casings end up in landfills, retreaded tires can help businesses meet their corporate sustainability goals while achieving a better TCO.



Many last mile delivery fleets are involved in other segments of the trucking industry such as regional or long haul as well. In those applications retreading is quite common. Choosing to utilize retreadable tires on last mile delivery vehicles can allow for one tire strategy across the entire fleet.

Goodyear also helps fleets customize their tire needs based on geography and service standards which means the fleet is not just putting one tire on all of its trucks and saying it will work in all areas of North America. For example, if a fleet has vehicles operating in snowy conditions, they might want to consider an open shoulder drive tire to help improve traction in that region. Goodyear works with fleets to create a tire management program to help them save money.



Tires represent a significant expense for a fleet.

Here are some ways all last mile delivery fleets can maximize their tire investment.

- 1) **Monitor air pressure on a regular basis.** Whether that is doing fleet surveys or having drivers regularly check the vehicle's tire pressure, running tires at their optimal air pressure can provide fuel efficiency benefits, tread life benefits and can reduce the chance of a costly breakdown. A plate on the driver's side door of every vehicle contains information on optimal tire inflation pressure.
- 2) **Visually inspect tires and measure tread depth once per week as a part of the routine maintenance procedure.** Look for how the tire is wearing, and whether it is wearing evenly. Look for any chunks or gashes in the sidewall. Spotting and properly addressing these issues, will help reduce the risk of tire failures and costly roadside breakdowns.
- 3) **Analyze information to help optimize fuel economy, tread wear, and traction without sacrificing performance.** Fleets should not just collect information about the health of the tires on their vehicles, but they should also track fuel and mileage over time to help determine which tire is best for their application and performance needs.
- 4) **Find a trusted advisor.** The advisor should be able to answer a fleet manager's questions about the products and services that make sense for a given application, on how to monitor tires, retreading and more. Most last mile delivery fleets are not tire experts. Fleets should find a trusted advisor who can educate them and help them get the most out of their tire investments.



GOODYEAR HAS THE RESOURCES TO HELP YOUR FLEET

Given the complexity of last mile delivery, it can be challenging to make the proper tire selection. Goodyear has the resources to help you. Visit [goodyeartrucktires.com/lastmile](https://www.goodyeartrucktires.com/lastmile) for practical information for fleets of all sizes that are delivering the final mile. This includes the Goodyear Last Mile Delivery Application Guide to ensure fleets select the right tire for large cargo vans to fit their operations.

