

# 米其林轮胎



## MICHELIN

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### THE MARKET

Michelin, a global leader in tyre technology was founded over 100 years ago in Clermont-Ferrand. Today, the company has 74 factories and six rubber plantations on five continents. It also set up R&D and testing centres in Japan, Spain, the US and China, as well as distribution and market centers in 170 countries. The group's consolidated sales revenue in 2003 was €15.4 billion. Michelin leads the global tyre industry with its 20.1% market share.

### ACHIEVEMENTS

Bibendum, Michelin's tyre mascot, celebrated his 100th birthday in 1998. In 2000, the UK's *Financial Times* and China's *Business Report* assembled a panel of international artists, media professionals, engineers and designers to pick the Trademark of the Century and the world famous Michelin man was awarded the prestigious title.

### HISTORY

In 1832, two cousins, Artiste Barbier and Edouard Danbrée, set up a small manufacturing plant in Clermont-Ferrand for farm machinery and rubber balls. They quickly saw the potential industrial applications of rubber and used it to produce gaskets, valves and tubing. In 1889, the 30-acre Michelin plant in Place des Carmes employed 52 people. That was the beginning of the Michelin corporation.

Michelin set up a sales office in Hong Kong in 1988. To further its aims in the Chinese market, and then a representative office was set up in Beijing in 1989 to oversee product promotion and the sales networks. Michelin now has sales offices in Shanghai, Guangzhou, Chengdu, Shenyang, Wuhan, Xian and Hong Kong.

Michelin reached an agreement with Shenyang city in late 1995 to set up the Michelin Shenyang Tire Company (MSTC). This was Michelin's first joint venture project in China, which also provided effective skill transfer to Shenyang Tire Factory formed in 1973.

In late 1996, the Shenyang factory started operation. Michelin invested in another three joint ventures in 1997 to manufacture mainly Michelin tyres for cars as well as light and heavy trucks. The four joint venture deals were finally completed on January 1, 2002, and the company

became a foreign investment enterprise on August 1, 2003. To date, US\$150 million has been invested in Michelin Shenyang Tire Company.

In April 2001, the company invested US\$200 million in an alliance with Shanghai Tire and Rubber Company to jointly form the Shanghai Michelin Warrior Tire Company. The new company continued with to produce the well-known Warrior radial tyre for sedans and light trucks, and also started to manufacture Michelin tyres in late 2002. At the same time, an R&D centre was set up in Shanghai. The centre



focuses on fulfilling the technological requirements of both local and foreign produced cars as well as providing technology training for its rubber and wire suppliers.

In December 2001, Michelin (China) Investment Co Ltd was set up in Shanghai. It provided the company with wider development opportunities in China, a sign of Michelin's long-term commitment to the China market. The company now employs 4,900 people in China and the number is still rising. To maintain product and service quality, the company puts much emphasis on staff training to enhance their service and overall capability.

### THE PRODUCT

In its long company history, from the time it invented the detachable bicycle tyre in 1889 and the invention of the first pneumatic tyre in 1895, Michelin has not stopped in its invention and development work. The list of Michelin firsts includes: Detachable tyres (1889), pneumatic tyres for sedans (1895), twin tyres for heavy trucks (1908), low-pressure tyres (1923), radial tyres (1946), radial tyres for trucks, motorcycles, earth movers, tractors and aircraft (1950-80), "green" technology (1992), coloured tyres (1996), PAX system (1998).

On top of these inventions, Michelin was also responsible for a number of firsts in the history of tyre development, including the world's first F1 racing tyre and construction of the world's first concrete road in 1915. Every tyre invention in history was related to Michelin and every Michelin invention has pushed the automobile industry a step forward.

Besides tyres, the Michelin group also produces tyre steel and wire, and is a global leader in the area of maps and guide publication. The revered *Michelin Guide* celebrated its 100th birthday in 2000.

The Chinese consumer is still most familiar with the series of sedan products. In China, Michelin is confronted with a variety of cars and consumer groups but it has different products to satisfy every need. Its website, [www.michelin.com.cn](http://www.michelin.com.cn), helps consumers find the tyre of their choice.

### RECENT DEVELOPMENTS

The core of Michelin's mission is to provide consumer service. The company's long term sustainability and development is dependent on the customer's satisfaction level. To achieve this objective, the company works hard to cover all aspects of its business around the world and in China.

Multi-brand strategy – to better understand the consumer, Michelin tracks and conducts consumer survey every month to learn about their needs and expectations in brand, products, services and other areas. Hence, in China, Michelin pushes for a multi-brand approach and simultaneously promotes three brands: Michelin, Warrior and Goodrich. This is a strategy that only Michelin is capable of in the China tyre market today.



They are the, face of customer service and technical operations, operating in conformity with a set of rules and standards. In less than two years, more than 100 TirePlus service stations have been established across China.

**PROMOTION**

Like most other brands, Michelin's marketing plan includes both above-the-line and below-the-

Customers, Respect for People, Respect for Shareholders, Respect for the Environment and Respect for Facts. There values are clearly explained in its 2003 "Performance and Responsibility Charter". Every staff member at Michelin China has a copy of this charter.

Michelin China fulfils what is in the charter in practical ways, being a responsible corporate citizen towards the society and the environment.

Michelin is actively involved in environmental projects in China. In 2003, with the support of the National Environmental Protection Agency and the China Environmental Society, the "Michelin Green" campaign was launched in Beijing. In November, under the support of the Shanghai Environmental Protection Bureau

Michelin is the world's most famous tyre brand, targeting mostly the higher end market. Warrior, a local Chinese brand, is the oldest and best-known brand in China, aimed mainly at the general public, while Goodrich's target is young consumers who go after the fun and excitement of driving. Due to the effort put in by the company, all three brands are increasingly gaining consumer favour.

The emphasis is on channel marketing – as the leader of the tyre industry, Michelin prides itself in its advanced technology and products. However, the competition today is not only in the products but also the service provided. From the distributors' perspective, they wish to co-operate with a strong partner who can help them raise service quality and expand in business. Hence, Michelin has been working towards helping to raise service quality of its distributors.

Today, the company is developing close partnership with the TirePlus service network. Not only does TirePlus provide the consumer with tyre products, it also gives their vehicle value-added service and purchasing opportunities. All TirePlus staff have been trained by Michelin.



and the Shanghai Environmental Protection Training Center, the company organised the "Michelin Green Home" competition.

To promote the long-term vision of environmental protection, in October 2004, Michelin brought the Bibendum Challenge to China. Bibendum calls for the invention of safe, low-pollution, low-noise, energy-saving green cars. The winners of this challenge will be humanity and the Earth.

In the first half of 2003, the company did its part in

line activities, but unlike the others, it also concentrates on nurturing and developing its sales channels. Michelin is the first tyre enterprise to set up a training centre in China, in Beijing in 1998. It has trained thousands of distributors, raising professionalism so that consumers will use its products with a peace of mind. In China, Michelin has introduced different partnership models for various channels as well as different co-operation models with each channel.

A good example is the introduction of the TirePlus network plan.

Auto races have always been closely tied to Michelin. In 1998, Michelin celebrated more than a century of automobile, motorcycle and bicycle racing. In 2001, it returned to the Formula 1.

**BRAND VALUES**

In the course of its more than 100 years of history, Michelin has established five core values: Respect for



fighting SARS in China by donating to the Shanghai Health Bureau for the completion of a monitoring and reporting system. It was recognised as an example for the other cities in China.

**THINGS YOU DIDN'T KNOW ABOUT MICHELIN**

- Michelin was the first international tyre company to introduce a certification system, providing professional training to tyre shops and sending sales personnel to monitor and support them

