BIG O TIRES®
AND SERVICE CENTERS

2022 AGM

2022 AGM - MARKETING PRESENTATION

- ***Summary***
  - Preview Fall campaign
    - Stingray/Acuity
    - Stingray/YouTube
    - CTV/BBB
    - Facebook/Email Marketing
  - Coming Initiatives
    - Drop The Puck
    - The Big Idea
  - Strategy Moving Forward
    - Tire Connect

2022 AGM - MARKETING PRESENTATION

- **FALL CAMPAIGN - Overview**
  - New rebate specials have been uploaded to websites
  - Creative theme for Fall: **Bundle Up (Your Vehicle) Coop & Contest**
  - **Campaign runs: Oct 10 - Dec 10**
  - Featured suppliers include: **Michelin, Yokohama, BF Goodrich, Pirelli, Continental & Maxxis**
  - **We will use a combination of: Digital website advertising, retargeting, Youtube advertising & social media advertising**
  - Total **Digital (website) advertising** commitment = **$75,000**
  - Total **Youtube advertising** commitment = **$45,000**
  - Total **CTV advertising** commitment = **$4,600**
  - Total **Facebook advertising** commitment = **$5,000**





2022 AGM - MARKETING PRESENTATION

- **FALL CAMPAIGN - Stingray Acuity**





- Vancouver – 13 stores = 3,323,862 Display + 709,095 Video
- Fraser Valley (Chilliwack/Agassiz) – 2 stores = 511,364 Display + 109,090 Video
- Victoria - 1 store = 255,682 Display + 54,545 Video
- Mid Island – 2 stores = 511,364 Display + 109,090 Video
- Powell River – 1 store = 255,682 Display + 54,545 Video
- Prince George – 1 store = 255,682 Display + 54,545 Video
- Okanagan (West Kelowna & Vernon) – 2 stores = 511,364 Display + 109,090 Video
- TOTAL GUARANTEED IMPRESSIONS: **5,625,000 Display + 1,200,000 Video**
- Budget: **$75,000**



2022 AGM - MARKETING PRESENTATION

- **FALL CAMPAIGN - Stingray Acuity**

- ***Strategy:***
  - Target potential tire customers based on their online activity and interests determined by online searches, websites visited, videos watched online, past purchases, and a variety of other factors.
  - Identify ideal consumers by criteria including those who have searched for vehicle or tire related content such as vehicle/tire reviews, automotive related blogs, “how-to” or review videos online, vehicle-related online purchases, etc.
  - Along with their online activity qualified consumers are further precision targeted geographically to a 5kms radius around each Big O Tires location.
  - Target audience is then reached through a network of thousands of high-profile, high-traffic websites with display and video ad inventory.
  - These ads appear as display ads along the top and side inventory, as well as pre-roll video inventory before video content .
  - Big O will have a retargeting pixel to recapture previous website visitors across the Acuity network.

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FALL CAMPAIGN - Acuity strategy at work...



Bob lives within 5kms of his local Big O Tires store. He begins researching winter tires online, reading reviews across various automotive sites. Because Bob has visited those sites, acuity tags him as a qualified target of our ads. Over the next few days, as Bob visits various websites like CNN.com, The Weather Network, TMZ, etc, Bob is presented with Big O Tires ads promoting our rebates. After seeing several of the ads, Bob finally clicks on one, and goes to our website. He doesn't have a lot of time to spend visiting the site as he has some chores to get to. But since he's visited our site, a small pixel of data has been saved to the cache on his computer. Later that evening as Bob is watching a video on globalnews.ca, a Big O online video commercial plays. Bob has been retargeted by the pixel, reminding him of his earlier session. Bob, remembering the rebates at Big O then visits the website again and requests a quote through Tire Connect.

2022 AGM - MARKETING PRESENTATION

- **FALL CAMPAIGN - Youtube**

- ***Strategy:***
- YouTube is the second largest search engine in the world, second only to Google – ***who owns YouTube.***
- This allows YouTube to have robust targeting by integrating online video activity (ie. watching videos on YouTube) with Google related activity like google searches, online purchases, website visits, and more.
- Potential consumers who research winter tires on Google or watch any vehicle related content on YouTube can be served Big O Tire ads.
- Ads are served as a combination of non-skippable and skippable pre-roll and mid-roll inventory across all different kinds of videos.
- Ads are **only paid for when a viewer watches entire 30 seconds** - otherwise ads are no charge.
- These ads are targeted geographically to within a radius of 5 kms around Big O Tires stores.
- Ads are guaranteed to hit a minimum amount of views.
- Average time spent daily on Youtube: 81% of adults use YouTube.
- 95% of 18 - 29 year-olds use YouTube, 91% of 30 - 49 year-olds and 62& of 65+ year-olds.
- 37% of adults 18 - 34 binge watch YouTube daily.
- Youtube users have doubled in the last 4 years (now 2.6 billion users).

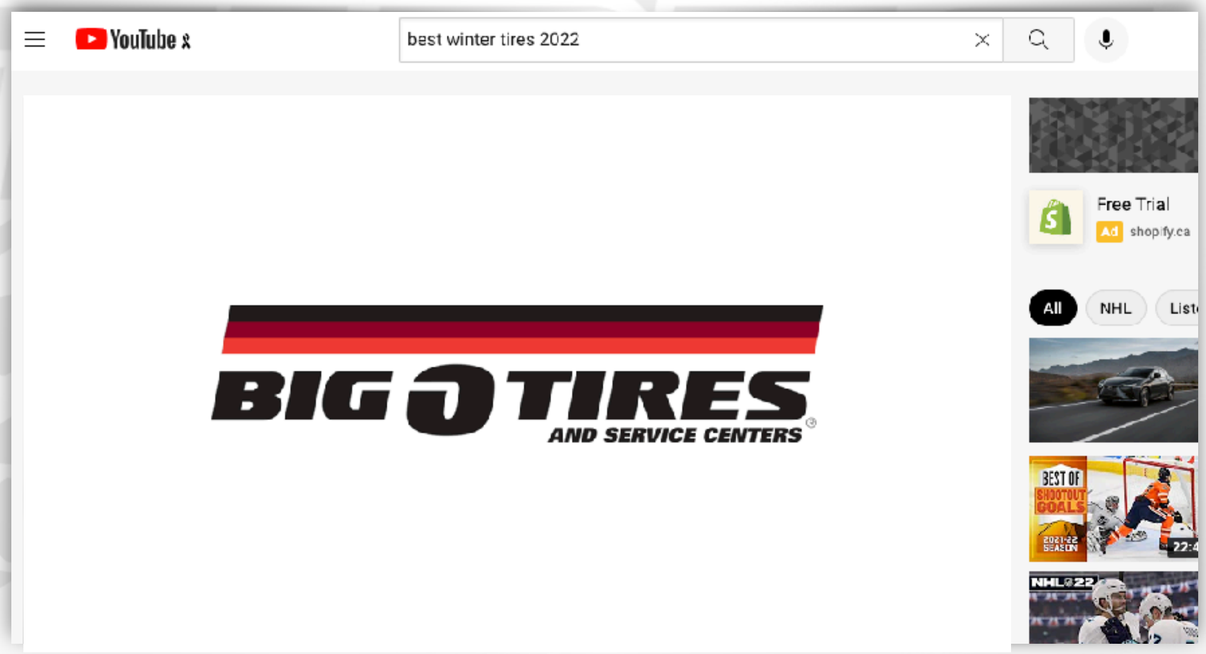




2022 AGM - MARKETING PRESENTATION

FALL CAMPAIGN - YouTube strategy at work...

Brenda is in the market for new tires and lives within 5kms of a Big O Tires store. She doesn't know whether to buy all-season tires or winter tires. She decides to Google the difference between the two and comes across a video explaining the difference on YouTube. Before her video starts, she is presented with a Big O Tires 'commercial', which she watches 15 seconds of then 'skips' the remaining 15 seconds to continue through to her original video. She sees enough however, to know that Big O has rebates on winter tires. (because she didn't watch the full 30 seconds, we don't get charged). Later, Brenda is on Youtube again and another Big O commercial plays before her video. This time, intrigued, she watches the whole ad, then clicks the ad and goes to our website - where a retargeting pixel is saved to her computer so she will be 'followed' over the next several days as she browses the web.



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- **FALL CAMPAIGN - Combining Acuity & Youtube**



- YouTube and Acuity compliment each other by targeting online activity from different data sources.
- **YouTube data** comes primarily from **Google activity** and **YouTube video views.**
- **Acuity data** comes from a large network of **news, sports, and other kinds of websites.**
- Acuity allows Big O to scale to a larger audience and serve ads across very popular websites.
- Big O YouTube ads reach a targeted audience on the most popular video platform in the world.
- Both of these products will have retargeting capabilities that compliment each other.

2022 AGM - MARKETING PRESENTATION

- **FALL CAMPAIGN - What it means...**



- We **reach way more people** than through conventional 'offline' advertising.
- We **reach people more frequently** than through conventional advertising.
- We **reach people with precision**, qualified consumers, rather than relying on 'broad'casting and avoid conventional advertising wastage.
- Our **ads are actionable** - consumers can click on ads and immediately begin shopping and transacting.
- The **cost for all this is far less** (cost per thousand for example) than the cost of trying to do conventional advertising effectively.

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- **ONGOING ADVERTISING - CTV/BBB**

BBB/CTV Promotion

- **Program features:**
  - **40 x 7 second closed caption ads** in CTV News (CTV Morning Live News, News at Noon, 5pm, 6pm, and 11:30pm)
  - **2 million impressions** province-wide
  - **September 26 - December 25**
  - Bonus: **Schedule of 'unskippable' digital ads** across Bell media news sites
  - **BBB members** in good standing only
  - Cost: **$4,150**
- We will continue this quarterly program through 2023

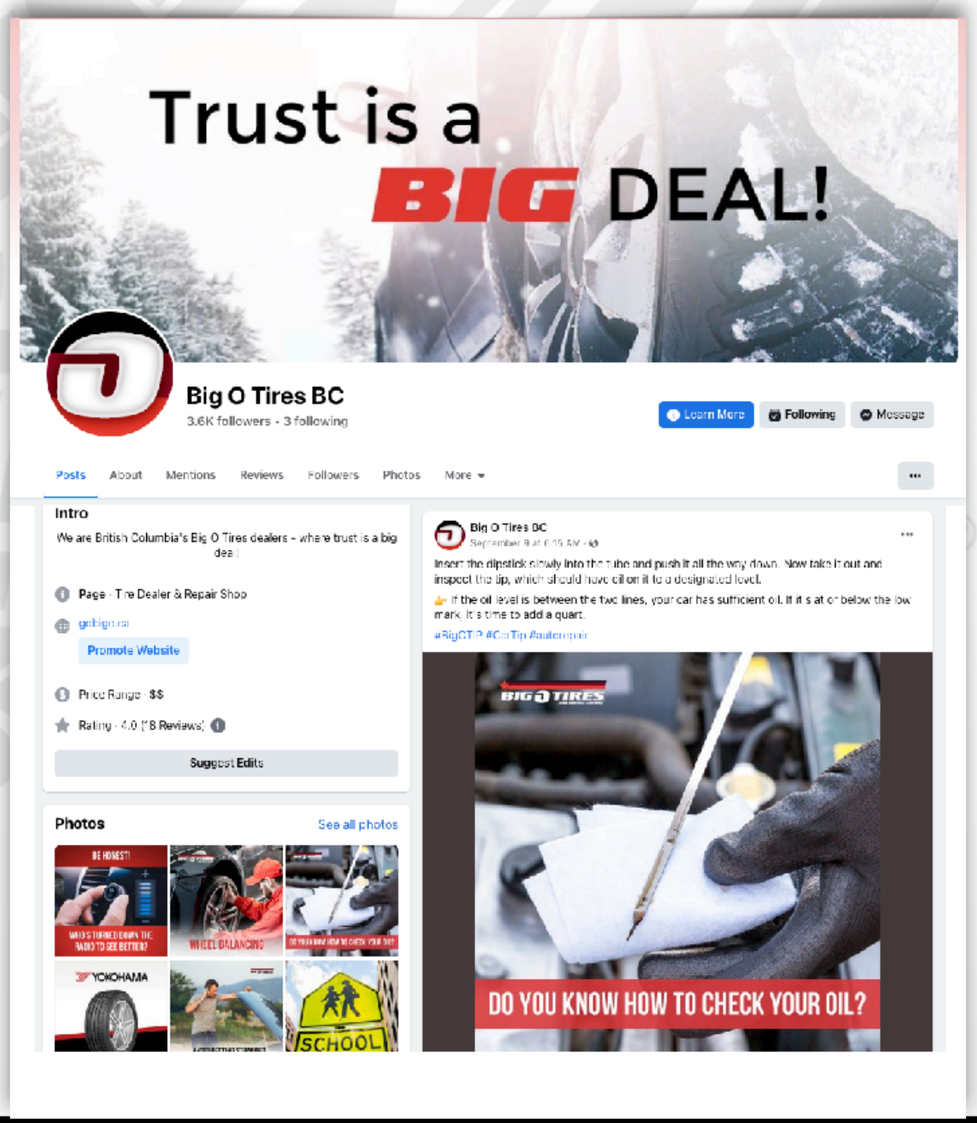


BIG O TIRES
AND SERVICE CENTERS

2022 AGM - MARKETING PRESENTATION

- **ONGOING ADVERTISING - Facebook Marketing & Email Marketing**

- Facebook will continue to be managed weekly through the coming year. A new program is being developed with Downtime which will have us move to Downtime from Lexabi to continue to evolve our content development and audience building efforts. We will continue to run **monthly flash contests and will look to begin building an Instagram presence to complement our Facebook efforts (Facebook and Instagram are owned by Meta).**
- In 2023 we will host another **Spring** major Facebook contest, partnering with **Yokohama Tires.**
- We will continue to build and mine our email marketing database which now totals 11,000 subscribers (approximately 40% open rate), with more frequent email blasts and more compelling call-to-action messaging.



2022 AGM - MARKETING PRESENTATION

- **CAUSE MARKETING - The BIG Idea**

  - Launch an annual initiative to challenge schools throughout BC - their classes, students, teachers and parents - to submit **original and innovative ideas and initiatives that help improve the health, safety and well-being of children in their community**.

  - Develop a web portal on our GoBigO site through which ideas can be submitted.

  - Showcase various submissions through our social media throughout the campaign.

  - Award one submission $25,000 to help implement their ‘BIG Idea’ initiative locally and possibly throughout the province (where applicable).

  - Create this as an annual program.




Our Future
straight ahead
The Past
Next exit
Where do we need to go?

"Ecommerce isn't the cherry on the cake, it's the new cake."

- Jean Paul Ago, CEO L'Oreal

"Ignoring online marketing is like opening a business but not telling anyone."

- Anonymous

•REMINDER•

Canadian Tire *(one of your competitors, coincidentally)* is investing **$3.4 BILLION to improve the customer experience.**

"The future will belong to retailers who can provide the most seamless experience across digital and physical channels."

– President/CEO, Canadian Tire Corp.

2022 AGM - MARKETING PRESENTATION

- **TODAY'S (online) 24/7/365 BUSINESS MODEL -**

  - 7.75 billion people in the world - **4.66 billion** of them are on the Internet.
  - The Internet is the world's largest marketplace.
  - **30.8% of all business activity** takes place on the Internet.
  - E-commerce has **grown 40%** since COVID.
  - **63% of consumers** trust influencers/peers more than brands.
  - **10%** of tire customers buy online.
  - **7% of all consumers** making an online automotive purchase, purchased tires.
  - Tires represent **21% of ALL e-commerce** automotive dollars.
  - **How many tires did you sell online last year?**

Today's consumer doesn't want to be bound to shopping on your schedule and at your location.

So don't force them to.

Today's consumer requires information (about your business, warranties, product specs, product performance, peer reviews, pricing, etc.).

So give it to them.

Today's consumer isn't yesterday's consumer.

So don't treat them like they are.

TIRE CONNECT - Richmond Store - Aug 31, 2021 - Aug 30, 2022

1,359 sessions (unique customers)

3,002 searches (by those customers above)

= **713** quotes totalling **$765,611**

= Direct sales totalling $4,595

- Tire Connect investment - **$1,200**

TIRE CONNECT - Broadway Store - Aug 31, 2021 - Aug 30, 2022

2,636 sessions (unique customers)

6,593 searches (by those customers above)

= **1,549** quotes totalling **$1,773,902**

= Direct sales totalling $20,212

- Tire Connect investment - **$1,200**

TIRE CONNECT - PoCo Store - Aug 31, 2021 - Aug 30, 2022

35,858 sessions (unique customers)

39,167 searches (by those customers above)

= **1,991** quotes totalling **$2,017,181**

- Tire Connect investment - **$1,200**

TIRE CONNECT - PG Store - Aug 31, 2021 - Aug 30, 2022

31,113 sessions (unique customers)

32,134 searches (by those customers above)

= **577** quotes totalling **$620,121**

- Tire Connect investment - **$1,200**

TIRE CONNECT - Delta Store - Aug 31, 2021 - Aug 30, 2022

447 sessions (unique customers)

913 searches (by those customers above)

= **262** quotes totalling **$289,380**

- Tire Connect investment - **$1,200**

COMBINED TOTAL $$$
FROM THOSE 5 STORE QUOTES

= $5,500,000

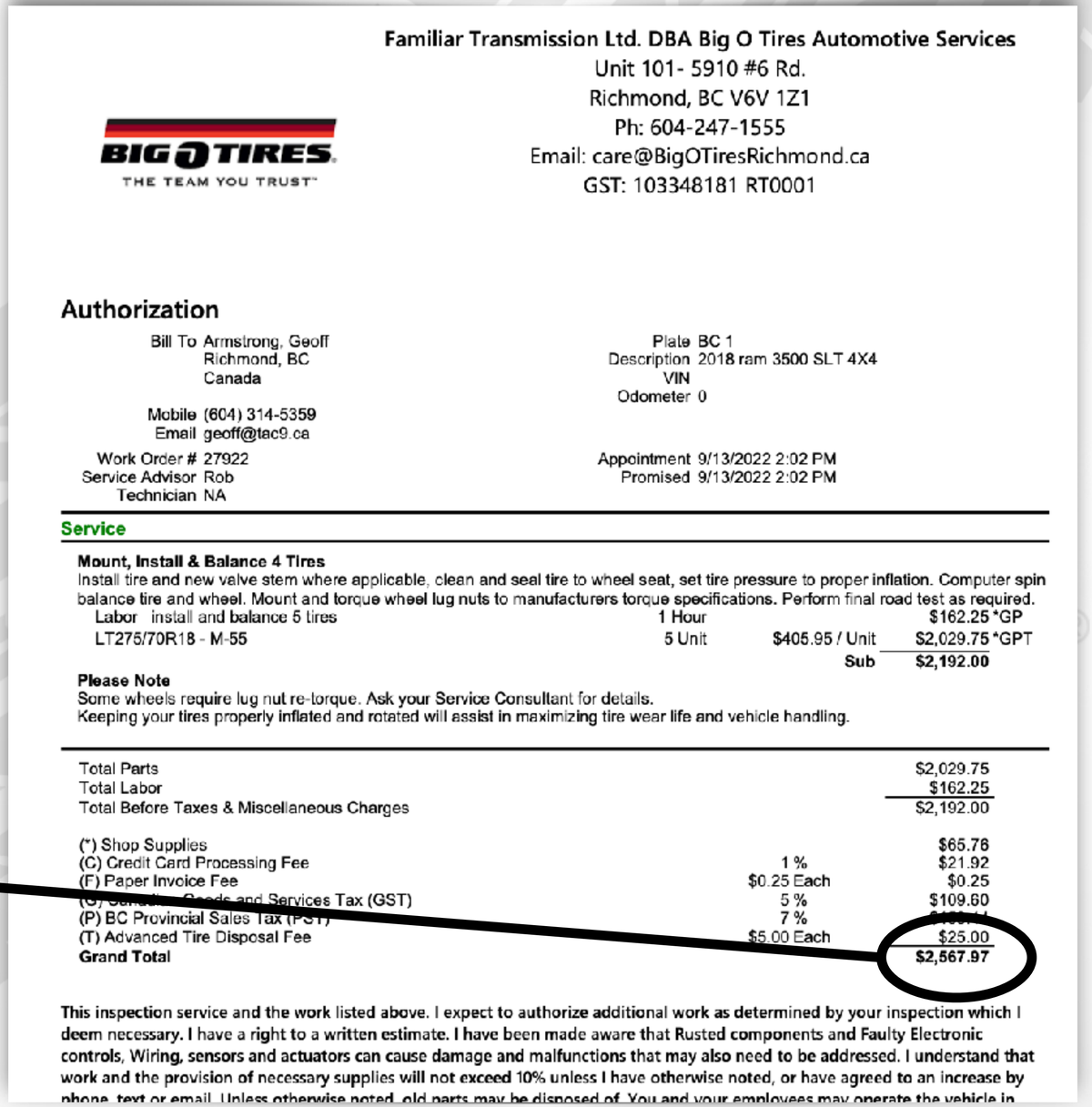
@ 5% (1 in 20 quotes) closing ratio =

$275,000

- Combined Tire Connect Cost = $5,000

"This quote request *(based on customer browsing over the weekend when we were closed)* through Tire Connect, turned into this… ***so far!"***

$2,567



Familiar Transmission Ltd. DBA Big O Tires Automotive Services
Unit 101- 5910 #6 Rd.
Richmond, BC V6V 1Z1
Ph: 604-247-1555
Email: care@BigOTiresRichmond.ca
GST: 103348181 RT0001

BIG O TIRES
THE TEAM YOU TRUST

Authorization

Bill To Armstrong, Geoff
Richmond, BC
Canada

Mobile (604) 314-5359
Email geoff@tac9.ca

Work Order # 27922
Service Advisor Rob
Technician NA

Plate BC 1
Description 2018 ram 3500 SLT 4X4
VIN
Odometer 0

Appointment 9/13/2022 2:02 PM
Promised 9/13/2022 2:02 PM

Service

Mount, Install & Balance 4 Tires
Install tire and new valve stem where applicable, clean and seal tire to wheel seat, set tire pressure to proper inflation. Computer spin balance tire and wheel. Mount and torque wheel lug nuts to manufacturers torque specifications. Perform final road test as required.

Labor install and balance 5 tires	1 Hour		$162.25 *GP
LT275/70R18 - M-55	5 Unit	$405.95 / Unit	$2,029.75 *GPT
		Sub	**$2,192.00**

Please Note
Some wheels require lug nut re-torque. Ask your Service Consultant for details.
Keeping your tires properly inflated and rotated will assist in maximizing tire wear life and vehicle handling.

Total Parts		$2,029.75
Total Labor		$162.25
Total Before Taxes & Miscellaneous Charges		$2,192.00
(*) Shop Supplies		$65.76
(C) Credit Card Processing Fee	1 %	$21.92
(F) Paper Invoice Fee	$0.25 Each	$0.25
(G) Goods and Services Tax (GST)	5 %	$109.60
(P) BC Provincial Sales Tax (PST)	7 %	[illegible]
(T) Advanced Tire Disposal Fee	$5.00 Each	$25.00
Grand Total		**$2,567.97**

This inspection service and the work listed above. I expect to authorize additional work as determined by your inspection which I deem necessary. I have a right to a written estimate. I have been made aware that Rusted components and Faulty Electronic controls, Wiring, sensors and actuators can cause damage and malfunctions that may also need to be addressed. I understand that work and the provision of necessary supplies will not exceed 10% unless I have otherwise noted, or have agreed to an increase by phone, text or email. Unless otherwise noted, old parts may be disposed of. You and your employees may operate the vehicle in

"We received this attached expression of interest via Tire Connect from a term lecturer at SFU who happens to live in Nanaimo..

When I called to see if we could redirect her to the Richmond Store based on her interest, we found that her car was in rough shape and in Nanaimo, so the work would best be done there..

When I probed further as to why she found it necessary to use the Richmond Tire Connect on our www.BigOTiresRichmond.ca , she explained that Nanaimo did not have real time inventory etc and that Tire Connect (she did not know it was called that) made it so much easier..

Please share this with other dealers as ***we regularly get sales opportunities (and make sales) from other areas who have not taken advantage of the Tire Connect features****.. "*

QUOTE # 15767291
August 31 2022

Maxxis AP2 - $127.65

Quantity - 4

Tire Total - $510.60

Required Services - Burger and Fries Install Includes

Basic Mount and Balance of Tires OUR BIG O TIRE INSTALLATION BUNDLE - $129.80

ADVANCED DISPOSAL FEE
Province of BC, Advance Tire Disposal Fee - $20.00

Sub-total - $660.40

Taxes - $79.25

† Total Price: $739.65

2022 AGM - MARKETING PRESENTATION

- **TO SUCCEED…**
  - We **CANNOT** rely on bricks & mortar **ONLY.**
  - We **CANNOT** win a marketing battle with conventional ‘offline’ advertising **ONLY.**
  - We **MUST** dedicate time and effort to building our web presence:
    - Websites
    - Tire Connect
    - Social Media (Facebook, Instagram, Google Reviews…)
  - We are **LOSING** money:
    - **NOT** ‘earning’ customer business online and **NOT** allowing customers to shop with us where they do a significant amount of their shopping.
    - **NOT** investing in having customers ‘find us' online.

2022 AGM - MARKETING PRESENTATION

- **Final thoughts…**
  - Bridgestone says: "**More than 90% of** consumers start their tire shopping journey online"
  - Tirebusiness.com says: "While less than 10% of tire buyers buy their tires online, **more than 80%** search for tires online before they make their purchase"
  - Consumer Reports says: "**86% of consumers** did online research before going to a tire dealer"
  - Tiretutor.com says: "**83% of consumers** shop for tires online and at least 50% of those consumers will leave your site if it doesn't have tire inventory with prices"

2022 AGM - MARKETING PRESENTATION

- **Final thoughts…**

- **8 - 9 out of every 10 people** buying tires will be coming to yours and/or other tire sites.

- If you don't give them products and pricing, **they will very likely leave and shop elsewhere**

2022 AGM - MARKETING PRESENTATION

- **Final thoughts…**

- **Is Tire Connect flawless and glitch free? No.** It has its issues, but the benefits outweigh the flaws.
- **Is Tire Connect customizable? No.** It is an off-the-shelf solution, which is why it is tens of thousands of dollars less than customizable solutions.
- **Is Tire Connect effort free? No.** You have to set up your back end, establish pricing, etc. Like any part of your business your returns are based on how much you invest.
- **Is Tire Connect expensive (cost of sale)? No.** At the full subscription rate you pay less than the price of a coffee a day - $100 a month.
- **Am I incentified to push the Tire Connect product? Yes.** But not by Tire Connect, but by helping you become more successful so I can keep working with you.


How carefully would you
watch the road ahead?
How concerned are you
about encountering sudden
Threats that could blindside you?
Are you going to be checking the weather
forecast or tuning into traffic reports, etc?
BIG O TIRES
AND SERVICE CENTERS



BIG O TIRES
AND SERVICE CENTERS®

ANNUAL MARKETING BUDGET

Fall Coop Stingray (100% COOP)	*$75,000*
Fall Coop YouTube	*$45,000*
CTV/BBB Program	*$18,400*
CKPG	*$2,600*
	$141,000

Spot The Ball BC Hockey Sponsorship	$5,000
Spot The Ball Platform Build	$2,500
Fall Campaign Production	$1,000
Social Media Advertising/Content Mktg	$15,000
Social Media Contests/Prizing	$3,000
Store Website hosting/Security/Maintenance	$25,000
Tire Connect Contingency	$6,000
Propeller Marketing Management Fee	$30,000
Big Idea	TBD
Misc.	$3,000
	$90,500

Thank you AGAIN for continuing to entrust me with the responsibility to help develop the Big O Tires Brand in BC!