

NAACAM PROFILE

Optimism prevails despite downturn

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Despite setbacks caused by Covid-19, and the riots and looting in July, tyre manufacturer and distributor Sumitomo Rubber South Africa is optimistic about the sustainability of the local tyre market.

Several new products have been launched over the past few months, particularly in the Dunlop brand, for which the company has manufacturing and distribution rights.

Sumitomo Rubber South Africa CEO **Lubin Ozoux** says a particular focus has been placed on the Dunlop Grandtrek range for the sport utility vehicle (SUV) and 4 × 4 tyre markets, as well as on a product expansion for the company's truck and bus radial tyre sizes within an existing pattern.

"We launched the Grandtrek AT5 in 47 sizes. This is a premium tyre at an affordable price, offering improved wet handling, a new tyre compound that improves mileage expectancy, enhanced noise reduction and better off-road traction," he explains. This new product is also available with a new 100 000 km warranty.

Sumitomo Rubber South Africa also launched the Grandtrek AT3G two-ply white lettering tyre in June.

"This product gives SUV and 4 × 4 drivers the freedom to explore by making spontaneous decisions off-road, no matter how rough the terrain. These tyres look good and perform exceptionally well, with an ultrawide pattern and strong sidewall profile," Ozoux says.

The tyre is also supported by the Dunlop Sure eight-year manufacturer's warranty, a free 60 000 km warranty and a free 12 month off-road hazard guarantee.

Moreover, further product portfolio enhancements are planned by the company in the near future.

"We are constantly looking for ways to enhance the driving experience, improve comfort, and extend the life and safety of the tyres we bring to the road. Driving is no longer just about getting from A to B – it is also about the experience and safety," Ozoux says.

He says Sumitomo Rubber South Africa will be looking at enhancing its product portfolio in the coming months, in line with key market patterns and trends that have been identified for 2022.

Weathering the Storm

Ozoux explains that market statistics from 2017 to 2019 clearly showed that the company was already operating in a challenging



KEEPING THE WHEELS TURNING

Sumitomo Rubber South Africa brought in additional stock from Japan to counter stock shortages caused by the pandemic

environment and a shrinking market, with the outbreak of Covid-19 further impacting on the industry, compelling all players to rethink their operating models.

Sumitomo Rubber South Africa – a member of the National Association of Automotive Component and Allied Manufacturers – realised that it needed to devise a more flexible business model to allow for better navigation of fluctuations in the market.

"By doing this, we would secure the future of the company and the continued long-term employment security of our employees. We have been very proactive in managing the impact of Covid-19 and lockdown restrictions on our stock levels, customer service and customer training," Ozoux explains.

For example, the company brought in additional stock, where possible, from some of Sumitomo Rubber's factories, in Japan, to counter the initial challenges of stock shortages when production at local factories was affected by the pandemic.

"Certain areas of our business that are driven by imported products were more negatively impacted on, owing to global logistical constraints and container shortages because of Covid-19. The markets of these business units, however, have been somewhat sustainable," Ozoux explains.

In terms of customer training, he says the company pivoted from offering face-to-



THEY SEE ME ROLLING

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face training, to offering virtual Zoom or Teams training sessions where possible, as well as short training-video recordings with voiceovers.

Sumitomo Rubber South Africa was proactive about health and safety protocols in the workplace.

"While most of our competitors reduced their staff numbers after the outbreak, we managed to maintain and even increased our staff complement, enabling us to continue providing solid all-round support for our dealers and end-users," Ozoux says.

The company's efforts to support its dealers is exemplified by its "How Can We Help You" campaign, which supports stores by assisting in managing cash flow and cost structures, besides others.

"We are doing everything we can to help them navigate this challenging period," he adds.

Although the industry is collaborating to ensure a recovery from the impact of Covid-19, there are limits to what the industry can do without breaching competition laws.

"All manufacturers are working hard to stop the virus from spreading. All have been responsible in terms of protocols – both in-house and at dealerships. However, the impact on pricing, the availability of raw materials and shipment delays are not areas that the industry may collaborate on," he explains.

To curb Covid-19 infections, Sumitomo Rubber South Africa launched the "Asivikelanel! Let's Protect Each Other!" initiative to raise awareness and reinforce preventive behaviours. The campaign set out to create a social and behavioural change movement to get all South Africans to respond by taking the necessary preventive measures seriously to help flatten the Covid-19 curve.

"Our top priority has always been the well-being of our employees, partners, customers and communities. During such a time of crisis, the conditions change daily, which is why we have strived to be resourceful and protect one another by continuing to take all precautionary measures necessary. ■

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