

# Grip and Growth: JK Tyre's Operating and Go-to-Market Choices in a Changing Industry

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## Abstract

This case looks at how JK Tyre is strategically positioned in a changing industry that focuses on operations, sourcing, and channel execution. The Indian tyre market is affected by changes in car demand, freight activity, the rapid growth of radial tyres, and stricter rules about rolling resistance, noise, and wet grip. Research on making tyres shows ways to improve flow, curing, and scrap reduction. Literature on remanufacturing and the circular economy shows how retreading quality can improve sustainability. Environmental studies show that tyre-wear particles can pollute the air, which has led to changes in policies that affect the materials used. Service-centric offerings with telematics-enabled uptime guarantees for fleets which are based on total cost-of-ownership (TCO) analyses. The case asks students to come up with a growth plan that balances capital spending, product mix management, pricing power, and dealer incentives. The plan should be based on assumptions that take into account the limitations of implementation context and data quality.

**Keywords:** Automotive, Tyre industry, OEE, Circular economy, Total cost of ownership, Fleet services

## CASE INTRODUCTION

The Indian tyre industry works in an environment that changes all the time because of macroeconomic cycles that affect the automotive and commercial vehicle sectors. Radial tyres have mostly taken the place of bias tyres to meet safety and efficiency standards. New rules also make it harder to meet environmental standards, rolling resistance, and noise emission limits. JK Tyre needs to carefully manage how much capacity they use in light of the fact that SKUs are becoming more complicated and demand is hard to predict. This includes new channel programs that are meant to keep market share and improve margins while dealing with fluctuating raw material prices and logistical problems.

Reviews of the industry have found that improvements to the continuous curing process, redesigning the flow, and cutting down on scrap are all important ways to boost productivity. The literature on the

circular economy emphasizes the increasing significance of retreaded tyre quality and its related life-cycle effects. Regulatory scrutiny has been sparked by environmental assessments that focus on tyre-wear particles. This has led to changes in product portfolios and materials innovation. Fleet services that use telematics to connect tyre performance with overall vehicle uptime and TCO create new ways to stand out from the competition and keep customers coming back for more. The case provides a framework for examining operational, sustainability, and market strategies in the context of these converging trends.

## ABOUT THE INDUSTRY

The tyre manufacturing industry makes tyres for cars, trucks, and off-road vehicles. The performance of the tyres depends on the formulation of the compound, the design of the carcass, and the process control systems. Manufacturers must constantly come up

with new ideas because regulations are getting stricter about rolling resistance, noise levels, and durability standards. Studies in the industry stress the need for better flow and curing processes that increase capacity and cut down on waste (Stîngă et al., 2020).

Remanufacturing and circularity analyses highlight retreading as a viable waste reduction strategy yet indicate inconsistencies in quality and regulatory obstacles (Gaidhane et al., 2022). Environmental studies underscore the externalities of microplastic tyre-wear particles on ecosystems and human health (Johannessen et al., 2022; Wang et al., 2024). These kinds of results are making companies to focus on new materials, promises to be more environmentally friendly, and better ways to share information.

Research on the total cost of ownership for fleets shows that providing telematics-supported uptime and customized service contracts adds more value for customers than just competing on price (Burnham et al., 2021). All these factors push competitive advantage towards operational excellence, careful management of the product mix, and putting service first in the market.

### **Problems Faced by the Industry**

The Indian tyre industry confronts several systemic challenges:

- Volatile raw material prices compressing input margins.
- Pressure from imports and non-branded/grey market players.
- Liquidity constraints and extended credit terms in distribution channels.
- Variability in retread quality undermining circular economy claims.

- Regulatory pressure addressing tyre-wear particle pollution.
- Intense price competition squeezing margins Amid these pressures, strategic resource allocation toward higher-margin radial products and fleet-specific programs is critical.

Academic and industry insights converge around the need for integrated operational ethos to balance innovation, sustainability, and profitability.

### **ABOUT THE COMPANY**

JK Tyre has several factories that make tyres for both passenger and commercial vehicles. Its long-term goals include making better use of its resources, speeding up the growth of premium radial tyres, and increasing its market share in the replacement and fleet segments. The company works on a lot of projects to improve operational excellence, such as lean manufacturing, improving overall equipment effectiveness (OEE), cutting down on waste, and standardizing parts. JK Tyre is looking into new retreading technologies that fit with the idea of a circular economy and is doing more environmental impact assessments to help them make decisions about how to design their products. To keep fleet customers and set their offerings apart from others, channel programs that include telematics and value-based contracts have been created.

JK Tyre's approach to balancing these goals in a fast-changing and highly competitive market is based on research in the industry and what other companies in the same field do.

### **Problems Faced by the Company**

JK Tyre faces operational and market challenges including:

- Capacity-demand mismatches across multiple SKUs leading to suboptimal line utilization.
- Elevated scrap and rework rates impacting cost and throughput.
- Exposure to price fluctuations in natural rubber and petrochemical inputs affecting sourcing strategy.
- Sales channel liquidity stress due to long credit terms and uncertain sell-out data.
- Margin pressure and brand dilution in fleet sales resulting from price-centric competition.

Literature and market analyses corroborate that successful firms aggressively pursue operational excellence, premium mix shifts, channel incentives, and fleet service innovation to secure sustainable growth.

### Academic Learning

The case offers students opportunities to synthesize manufacturing efficiency improvements, sustainability imperatives, and market segmentation into a coherent strategy. Key learning objectives include:

- Designing OEE improvement plans targeting yield enhancement and downtime reduction.
- Evaluating the circular economy potential through retread technology and waste minimization.
- Quantifying fleet total cost of ownership and the value proposition of telematics-enabled service contracts.
- Formulating product-channel mix strategies balancing premiumization and volume.
- Understanding regulatory and environmental pressures shaping product design and marketing.

Students create implementation roadmaps integrating operational metrics, ESG stewardship, and commercial imperatives.

### CONCLUSION

JK Tyre's growth strategy includes disciplined capacity management, strong sourcing, and unique channel programs that are all based on a service-centered fleet strategy. Interventions based on research that improve OEE, and circular product development help to save money and build brand equity. Combining fleet telematics with lifecycle cost analysis helps to retain customers and creates more opportunities for additional sales. This all-in-one playbook turns stories about operational performance and sustainability into long-lasting market leadership. The case underscores the imperative of synchronizing manufacturing capabilities, regulatory adherence, and market agility in the face of global and local exigencies. Recognized are assumptions and context boundaries.

### CASE QUESTIONS

1. Prioritize a product-market mix for the next six quarters, justifying choices with financial and operational economics.
2. Design a sourcing and price-hedging strategy for natural rubber and petrochemical inputs that balances cost and reliability.
3. Develop an OEE improvement plan with KPIs targeting critical line losses and scrap rate reduction.
4. Propose channel incentives and credit control schemes aimed at strengthening sell-out while maintaining retailers financial health.
5. Outline a pilot program for tyre-as-a-service offerings to fleets, including key value metrics and operational considerations.

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