

Story Archives

Branick pushing N2 system to dealerships

By: Lisa Aichlmayr

AKRON --
March 29, 2004

It may be one of the few times so many people have been so interested in a gas.

Since it began shipping nitrogen units to tire dealers in January 2003, Branick Industries Inc. is campaigning with distributor Myers Tire Supply in Akron to convince tire dealers of the marketing potential of nitrogen.

By year-end, the company expects hundreds of retail dealer locations to be offering nitrogen. In fact, Branick CEO Duane Brasch said a major national company is expected to announce in the next 90 days or so its plans to offer nitrogen fill-ups for free at "hundreds" of locations throughout the U.S.

Branick, which manufactures equipment to filter oxygen and other gases out of air to leave mostly nitrogen, says nitrogen's larger molecules flow out of a tire three to four times slower than air, helping to maintain pressure longer. Other benefits include cooler running temperatures, lower fuel consumption, reduced wheel corrosion and longer tread life. Regular air consists of nearly 80 percent nitrogen, an inert gas, plus oxygen and other gases.

"I think nitrogen is going to be the future for tire inflation," Phil Giallombardo, director of sales for Branick, told a group of Ohio tire dealers at a meeting last fall.

Indeed, Branick is betting on that future. Mr. Brasch said he expects the nitrogen systems to be a huge part of Branick's business in the future. The company also is shipping the units to dealers in at least 11 other countries.

"The attitude towards N2 has changed dramatically in the last year, including the major tire company's official position," he said, pointing to a recent Michelin North America Inc. technical bulletin. In it, the tire maker said it "supports the use of nitrogen based on its ability to better retain air over a period of time," and the company will continue to warranty its products with the use of nitrogen.

Mr. Giallombardo said tire dealers can either charge a fee for filling up tires with nitrogen or else use it as a marketing tool to gain customers. He said fees are generally in the \$5 per tire range. Mr. Brasch said many dealers are gravitating toward offering nitrogen for free.

"A year ago the idea was to sell N2 and use it as a profit center," he said. "Today the trend is to offer it as a service to their customers and to increase market share."

Craig Knarich, owner of Pit Crew Tire Service, said his nitrogen system has helped solve many vibration problems on high-performance vehicles. He charges only customers who didn't buy their tires from him. "Nitrogen is going to come on faster than everyone thought," he said.

Larry Harer, who runs Larry Harer Goodyear Inc.'s four stores in Ohio, said he installed a nitrogen system in one shop in November not as a revenue generator but as a way to keep customers coming back. He said many customers who don't return to the shop where they bought tires do so because they're unhappy that the tires aren't lasting as long as they should-which is more likely a result of owner neglect. So Mr. Harer pushes customers to come back for a rotation within the first 6,000 miles plus a nitrogen refill to make sure the tires last their intended life even if the consumer is lax in maintenance.

“My investment is the customer and the customer's investment is that tire,” he said. “...It will be a big profit for me if I can get good mileage for someone and he'll come back.”

Mr. Harer charges \$3 per tire for customers who bought tires from him and \$5 per tire for others. He plans to push nitrogen in advertising and among his sales staff.

Branick's system comes with one, two or three membranes to filter out nitrogen from a normal air compressor. The main difference is how fast it filters nitrogen and delivers it through the air hose.

Mr. Giallombardo said a one-membrane unit-which costs about \$5,000-is suitable for most retail tire dealerships although he suggests high-volume shops also purchase a 60-gallon storage tank to speed up inflation.

Once a tire is filled with nitrogen, it can be topped off later with regular air, though the benefits of nitrogen may be diluted. A spokesman at the Rubber Manufacturers Association last fall said the prospect of better pressure maintenance offered by nitrogen could make some drivers even more complacent in checking air pressure.

But **Branick** and Myers emphasize that the need to check tires will never go away-no matter what they're filled with.