

Investing in the Car Wash Business

Section # 6 – Consumer Washing Habits

Source: notes taken during a 09.27.07 Business Seminar conducted by Fred Grauer, Executive Vice President – Investor Market, Conveyors, Ryko Manufacturing Company

Future of Car Washing

- 80% of people asked report that time is their most important and valuable asset
- Wave of Baby Boomers hitting retirement
- Vehicles becoming more expensive
- 80% of creative ideas occur while commuting in a vehicle

Professional Car Care Trends

This study was developed to begin historic research that would provide data on consumer consumption and trends. Type of wash used most often*

“Home Wash” still dominates, but is declining. Its share of the market is shown below.

- In 1996 – 47.6% market share
- In 1999 – 44.5% market share
- In 2002 – 43.0% market share
- In 2005 – 38.0% market share

Data shows a decline in home washing in the past 9 years. Trend is moving from “Do it yourself“ to “Do it for me”.

Source: International Carwash Association Studies of Consumer Car Washing Attitudes and Habits

Washing Attitudes

Respondents’ ratings of importance for factors in selecting a car wash:

- Quality of Wash
- Less Work
- Faster Overall
- Conveniently Located
- Ease of Use
- Cost
- Safety of Car’s Exterior
- Value (quality of wash for money spent)

Perception of Importance – Top 3 Factors & Full Spread of Reasons Given in Studies

Top Three Selection Factors

	Quality of Wash	Safety of Exterior	Value
1996	81%	82%	84%
1999	85%	86%	84%
2002	91%	87%	87%

Influencing Decisions to Use a Car Wash

	1996	Mean	1999	Mean	2002	Mean
Discounted Wash with Gas	87%	4.38	80%	4.00	68%	3.73
Special Prices / Discount Coupons	73%	3.96	67%	3.74	65%	3.63
Special Occasion	74%	4.04	74%	3.91	56%	3.51
Appearance of Car Wash*	NA	NA	NA	NA	50%	3.35
Discounted Gas with Car Wash*	NA	NA	NA	NA	47%	3.11
Impulse Decision	44%	3.30	43%	3.17	39%	3.11
Extra Services	44%	3.22	34%	2.76	42%	3.04

* Question not included in 1996 and 1999 Study

Car Washer by Gender – Does This Surprise You?

- Male – 40%
- Female – 60%

Source: National Car Wash Association

Where People Wash Their Cars

- 12% - Self-Serve
- 14% - Exterior Tunnel
- 17% - Full Service
- 18% - In-Bay Rollover
- 38% - Home Wash (This segment still represents a huge opportunity for conversions)

Exterior Washers Preferences*

What's important to this group which represents 14% of all washers?

- 98% - Convenience
- 95% - Time
- 92% - Satisfaction w/ ease of use
- 91% - Quality
- 89% - Satisfaction of less work
- 88% - Safety
- 87% - Value

**Source: International Carwash Assn (ISSA) which has 3,000 members who own 13,000 carwashes*

Home Washer Preferences* (38% of all washers)

- 90% - Quality
- 87% - Safety
- 84% - Value
- 80% - Convenience
- 80% - Cost
- 68% - Time
- 58% - Customer Service

**Source: International Carwash Assn (ISSA) which has 3,000 members who own 13,000 carwashes*

Key Criteria for Demographic Study

- Age, Gender & Ethnicity
- Income
- Housing Density
- Apartments (Apartment dwellers either wash at local carwash or not at all)
- # vehicles in trade area
- Traffic Counts

EXTREMES

Car Lover (crosses all lines; heavily studied and marketed to)

vs.

Car as Transportation (rarely washed)

Defining the Customer – demographics to look for

- 34% are 60 years of age or older (age 45-60 is also a heavy group; minimum age is 35)
- 45% are in the \$20,000-\$60,000 income bracket
- 62% are married and 70% are female
- 65% of vehicle most often washed = car
- 78% are in a household of two or more