

State of the Industry

The 2023 *Auto Laundry News* “State of the Industry Survey” was conducted through the mailing of questionnaires to a random selection of car care industry vendors. The information in this report results from an analysis of data provided by respondents nationwide.

Interestingly, fewer vendors reported an increase in sales this year compared to last. In the current survey, a little more than half (53%) of solution providers reported a year-over-year increase in sales, a significant reduction from the 70 percent that reported growth in 2022 and the 61 percent that did so in 2021.

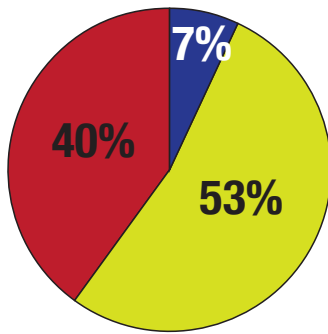
While the overall number of vendors reporting an increase in sales has decreased, so has the average amount of that increase. Last year, the average increase was 23 percent, compared to this year’s 16 percent rise. Some might be quick to explain away the larger sales increase in 2022 as a product of increased inflationary pressure that year compared to 2023,

but vendors reported nearly identical 14.9 percent (2022) and 15 percent (2023) inflation-fueled price increases.

However disappointing the sales figures, vendors are bullish on 2024’s outlook. Sixty percent of solution providers are predicting a sales increase next year, with an average predicted sales forecast of plus 12 percent.

While inflation continues to be a major factor affecting industry vendors, so too do ongoing labor struggles. Last year, vendors struggled to find employees to fill vacant positions, with just 5 percent of manufacturers and no distributors reporting an increase in employee count. This year, however, it appears that increased demand coupled with an improving employment outlook has prompted a hiring boom, with 57 percent of manufacturers and 40 percent of distributors reporting increases in headcount.

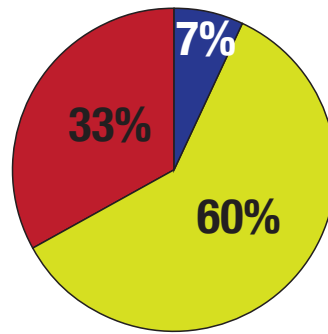
SALES PERFORMANCE
2022 vs. 2023



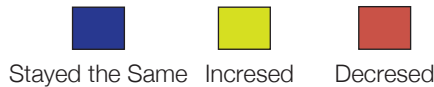
Average Sales Decrease : 25%

Average Sales Increase : 16%

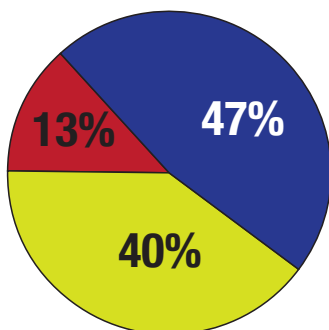
SALES FORECAST
2023 vs. 2024



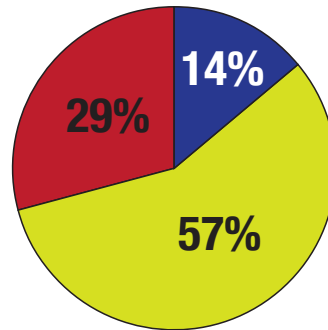
Average Sales Forecast : +12%



DISTRIBUTORS EMPLOYEE COUNT
GROWTH/DECLINE

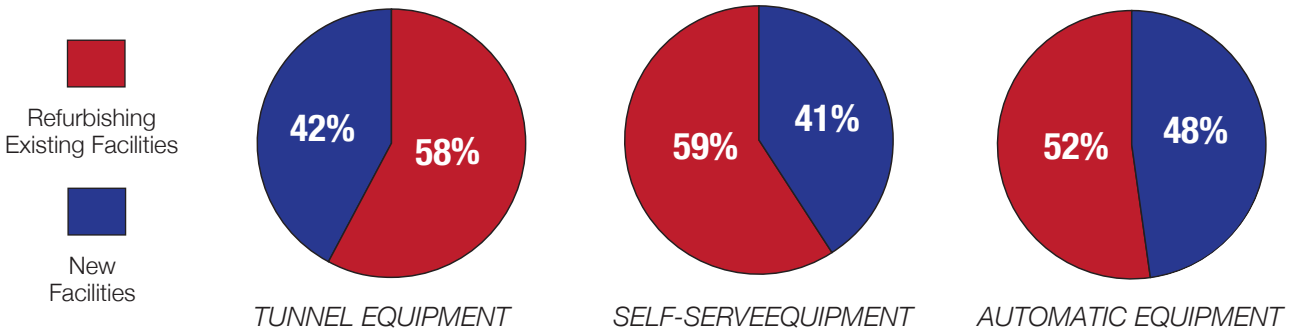


MANUFACTURERS EMPLOYEE COUNT
GROWTH/DECLINE



Manufacturers & Distributors Increased Headcount by an Average of 11%

2023 EQUIPMENT SALES TO:



80%

vendors report increasing prices in 2023 due to inflation

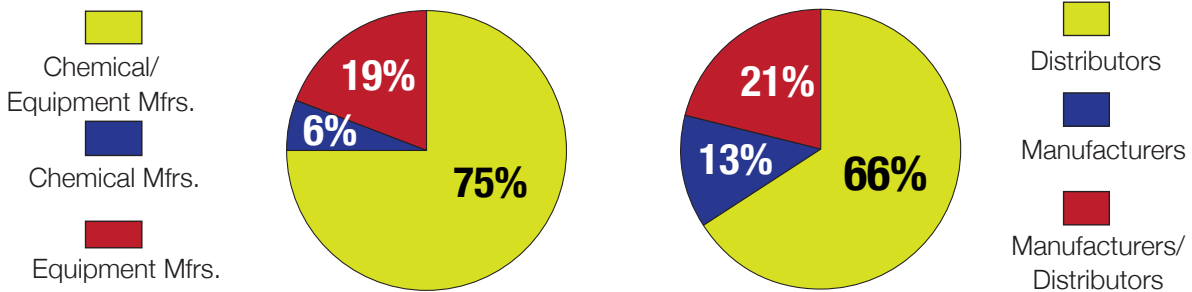
15%

average inflation-fueled increase

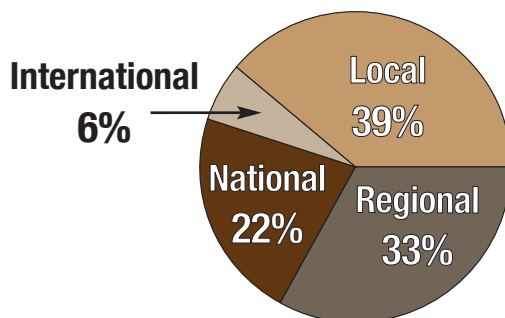
67%

vendors report that supply chain disruption is still affecting their business

RESPONSE POOL DEMOGRAPHICS



MARKET AREA



29
AVERAGE YEARS IN BUSINESS