

AutoLaundry^{news}

Results From The Auto Laundry News

2014 Detail Survey

The 2014 *Auto Laundry News* Detailing Survey was conducted through a mailing of questionnaires to a random selection of subscribers who provide detailing services at their car care businesses. The information contained in this report results from an analysis of data provided by 126 respondents from across the United States. This is the first of five industry-segment survey reports that will appear in *Auto Laundry News* in 2014.

RESPONDENT POOL PROFILE

For comparative purposes, respondents are, on occasion, separated into three main categories: freestanding detailing shops (Freestanding), detail shops run in conjunction with a car wash (Car Wash Combo), and mobile detail services (Mobile Services). A fourth category, detail shops run in conjunction with a business other than a car wash (Other Combo), such as a gas station, fast lube, etc., is employed when

relevant. The categories break down as follows:

| Detailer Type | % of Total |
|-----------------|------------|
| Freestanding | 45 |
| Car Wash Combo | 38 |
| Mobile Services | 12 |
| Other Combo | 5 |

PERFORMANCE

In every survey since our 2011 report, the percentage of respondents, overall, reporting improvement in their business over the previous year has grown. That trend continues. In the current survey 58 percent of participants, overall, report such progress. That compares to 53 percent who recorded improvement last year and 40 percent who did so in 2012. Mobile Services put in the best performance with 80 percent of respondents in this category reporting improvement compared to 57 percent of Freestanding shops and 50 percent of Car Wash Combos. Overall, the percentage of respondents who experienced reversals in business fortunes remained unchanged from one year ago at 16.

SERVICES

All Freestanding shops offer their retail customers both separate and combined interior and exterior packages; they don't afford wholesale customers the same choice. While 77 percent of Freestanding shops do complete interior/exterior wholesale packages, only 63 percent offer wholesale customers the option to choose either an interior or an exterior packages. For Mobile Services this gap is even wider: 40 percent versus 20 percent. Car Wash Combos, too, exhibit this disparity: the figures for this category are 77 percent and 70 percent.

FUTURE

Overall, 15 percent of respondents plan expansions in the next 12 months. Detailers are sticking to detailing while Car Wash Combos are looking at both wash and detail opportunities.

PERCENTAGE OF DETAIL BUSINESS DONE BY SEASON BY REGION

| | WINTER | SPRING | SUMMER | FALL |
|----------------------|--------|--------|--------|------|
| Pacific | 21 | 17 | 46 | 16 |
| Mountain | 15 | 31 | 30 | 24 |
| Midwest | 14 | 19 | 47 | 20 |
| Central | 15 | 32 | 32 | 21 |
| South Central | 21 | 23 | 33 | 23 |
| Southeast | 30 | 26 | 23 | 21 |
| Mid-Atlantic | 13 | 31 | 32 | 24 |
| New England | 17 | 32 | 24 | 27 |

KEY

Pacific
Alaska-California-Hawaii-Oregon-Washington

Mountain
Arizona-Colorado-Idaho-Montana-Nevada-New Mexico-Utah-Wyoming

Midwest
Iowa-Kansas-Minnesota-Missouri-Nebraska-North Dakota-South Dakota

Central
Illinois-Indiana-Michigan-Ohio-Wisconsin

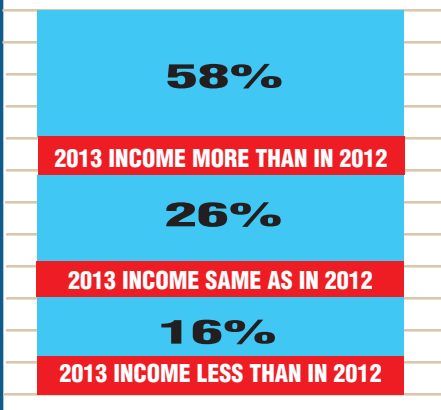
South Central
Alabama-Arkansas-Kentucky-Louisiana-Mississippi-Oklahoma-Tennessee-Texas

Southeast
Delaware-Florida-Georgia-Maryland-Carolinas-Virginia-West Virginia

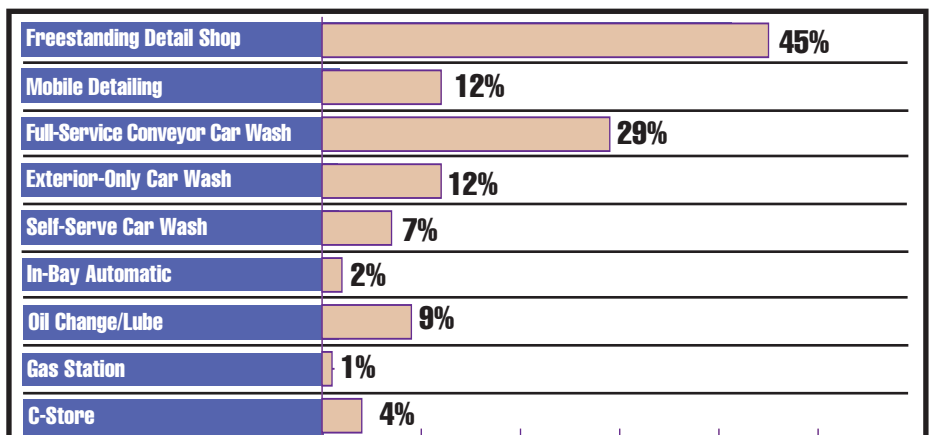
Mid-Atlantic
New Jersey-New York-Pennsylvania

New England
Connecticut-Maine-Massachusetts-New Hampshire-Rhode Island-Vermont

INCOME COMPARED TO LAST YEAR



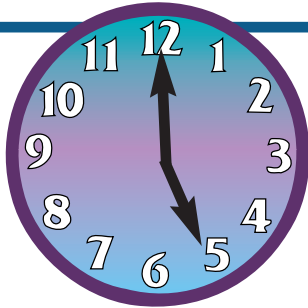
OPERATOR PROFILE



SURVEY

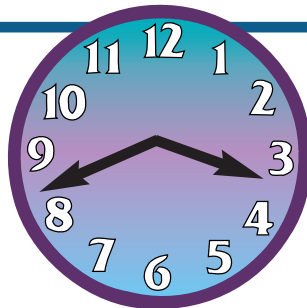
AVERAGE TIME REQUIRED TO COMPLETE STANDARD DETAIL PACKAGE

FREESTANDING



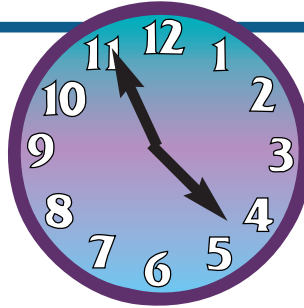
5.0 HOURS

CAR WASH COMBO



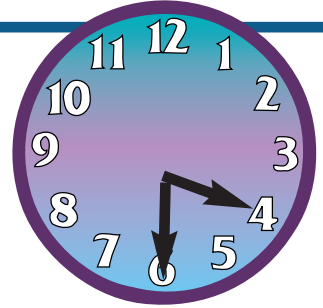
3.7 HOURS

MOBILE SERVICES



4.9 HOURS

OTHER COMBO



4.5 HOURS

DETAIL SERVICE PRICES

CHARGE FROM A FIXED-PRICE MENU

41%

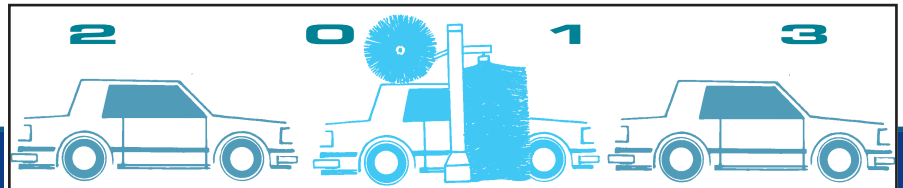
CHARGE ACCORDING TO PER-CAR ESTIMATE

47%

USE BOTH METHODS

12%

AVERAGE NUMBER OF CARS DETAILED ANNUALLY



FREESTANDING

1,552

CAR WASH COMBO

2,420

MOBILE SERVICE

1,113

EMPLOYEE UNIFORMS

FULL 10%

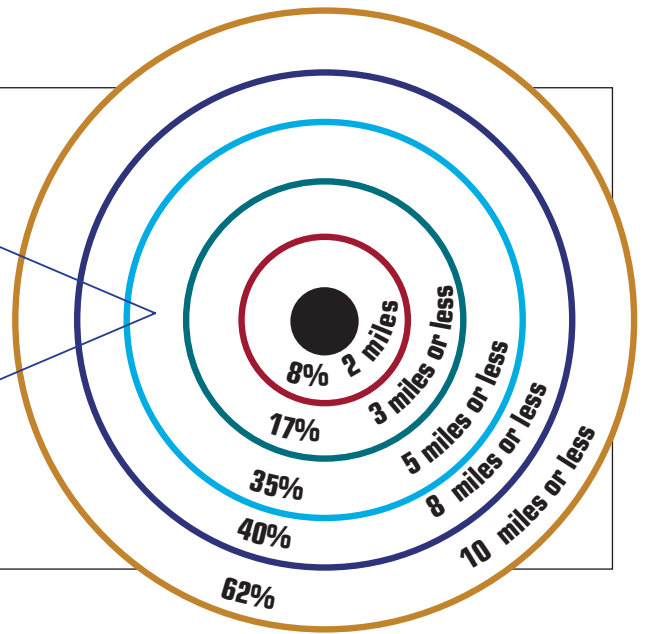
PARTIAL 70%

NONE 20%

COMPETING DETAIL SHOPS IN AREA

| NUMBER OF COMPETITORS | OPERATORS REPORTING |
|-----------------------|---------------------|
| 0 | 3% |
| 1 | 19% |
| 2 | 14% |
| 3 | 29% |
| 4 | 17% |
| 5 | 5% |
| MORE THAN 5 | 13% |

HOW FAR DO CUSTOMERS COME?
 (% from within 2-mile radius, 3-mile radius, etc.)



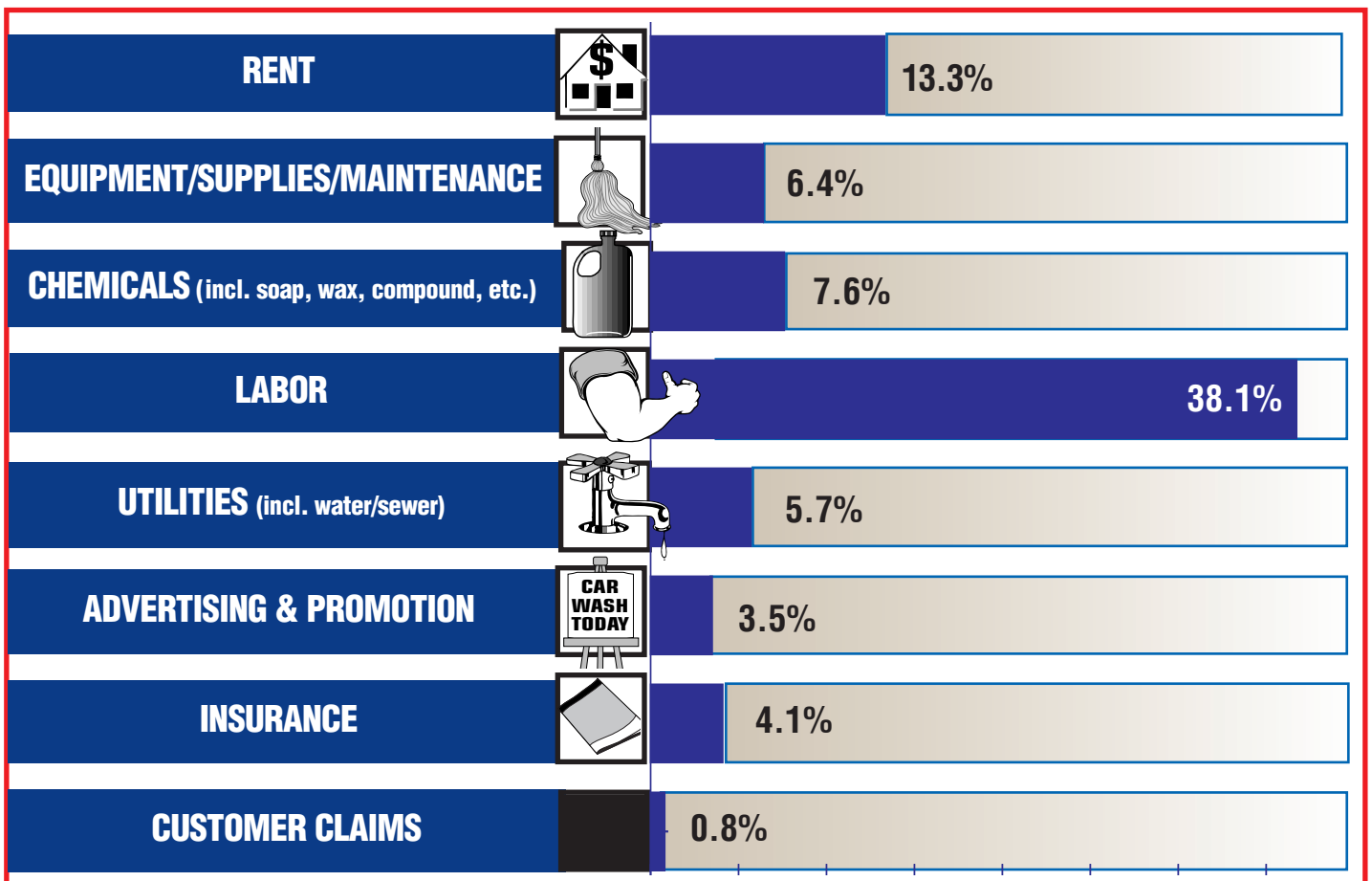
CUSTOMER PROFILE

RETAIL VEHICLE PROFILE

| | |
|-----------------------|--|
| 74% - Retail | 21% - Auto Dealers |
| 3% - Taxi/Limo | 2% - Other <small>(Fleets, Body Shops, Etc.)</small> |

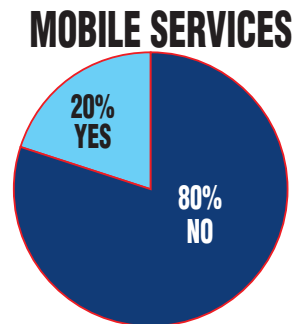
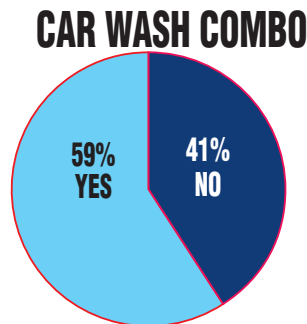
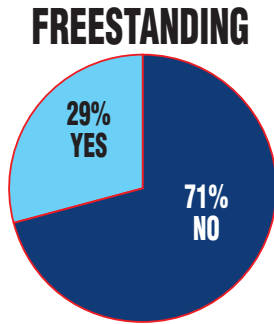
| | |
|------------------------------------|---------------------------|
| 17% - New (under 1 yr. old) | 36% - 3-5 yrs. old |
| 21% - 1-2 yrs. old | 26% - 5+ yrs. old |

OPERATING COSTS AS PERCENTAGE OF REVENUE

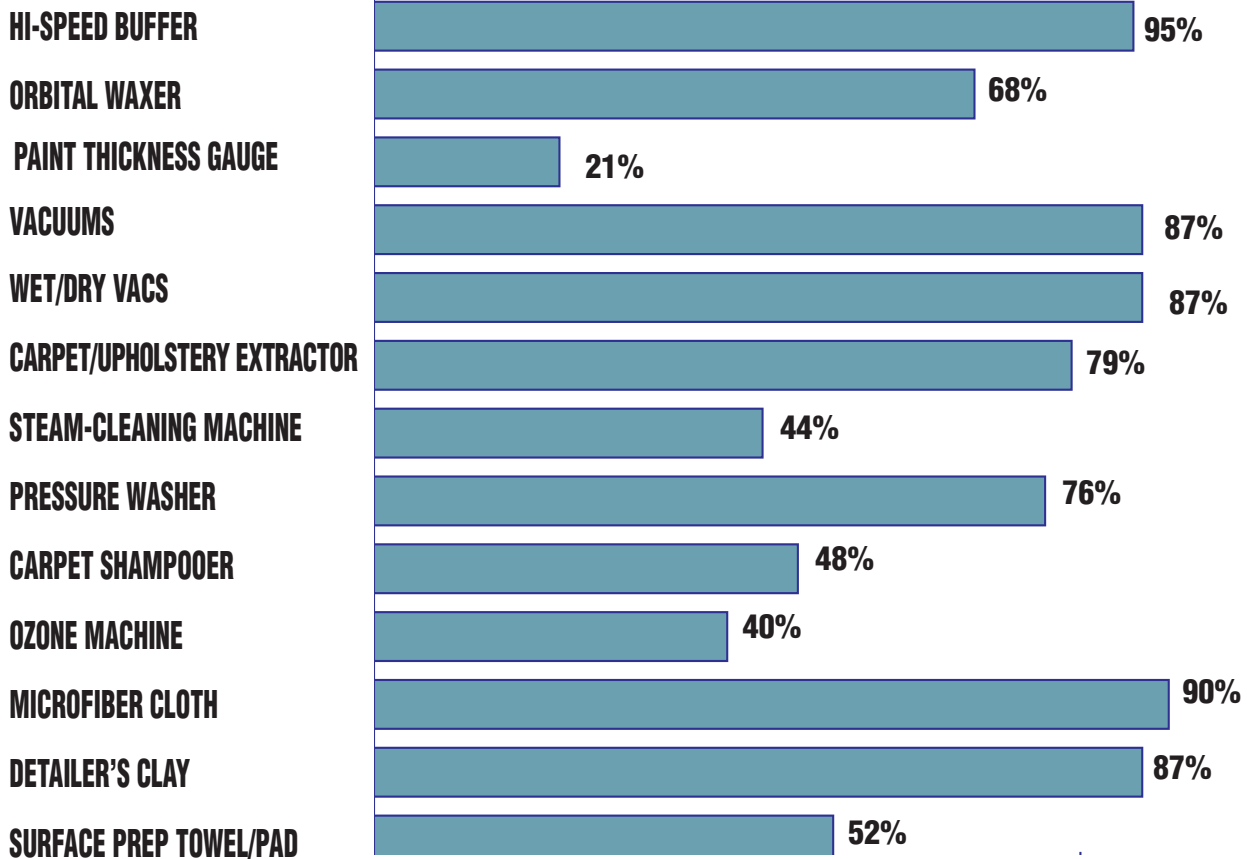


SURVEY

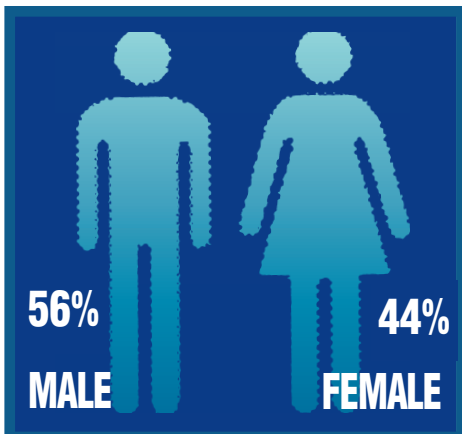
OFFER EXPRESS SERVICES



TYPE STANDARD EQUIPMENT PERCENTAGE UTILIZING

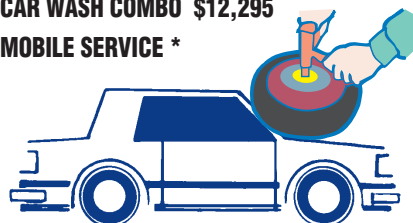


RETAIL CONSUMER PROFILE



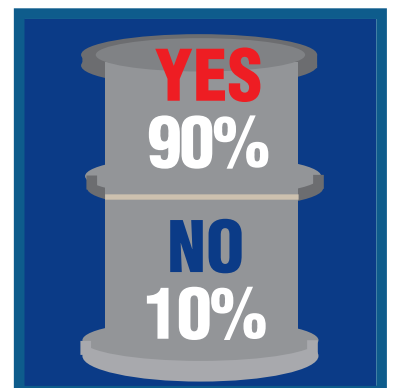
AVERAGE MONTHLY GROSS INCOME (DETAIL SERVICES ONLY)

FREESTANDING \$14,282
 CAR WASH COMBO \$12,295
 MOBILE SERVICE *



* TOO FEW RESPONSES

EMPLOYEE TRAINING IN SAFE CHEMICAL HANDLING

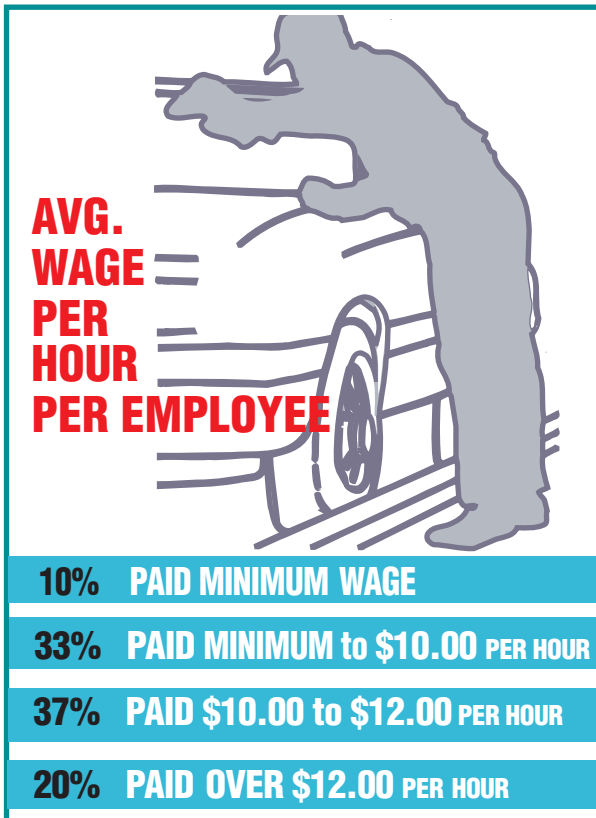


AVERAGE PACKAGE PRICES

| RETAIL | FREE- STANDING | CAR WASH COMBO | MOBILE SERVICE |
|--|---------------------------|---------------------------|---------------------------|
| COMPLETE INTERIOR/EXTERIOR DETAIL | \$187.07 | \$188.09 | \$181.43 |
| INTERIOR DETAIL ONLY | \$98.46 | \$102.26 | \$104.17 |
| EXTERIOR DETAIL ONLY | \$106.79 | \$107.65 | \$97.00 |

| WHOLESALE | FREE- STANDING | CAR WASH COMBO | MOBILE SERVICE |
|--|---------------------------|---------------------------|---------------------------|
| COMPLETE INTERIOR/EXTERIOR DETAIL | \$128.33 | \$142.37 | \$130.00 |
| INTERIOR DETAIL ONLY | \$72.37 | \$81.76 | \$75.00 |
| EXTERIOR DETAIL ONLY | \$75.26 | \$85.29 | \$82.00 |

LABOR COSTS



PERCENTAGE OF DETAIL BUSINESS DONE BY DAY OF THE WEEK

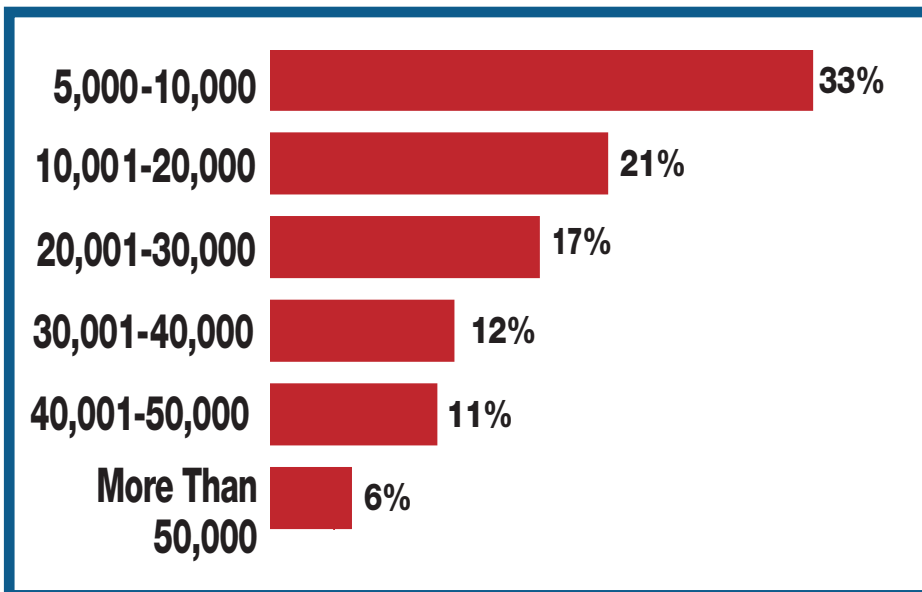
| | FREE- STANDING | CAR WASH COMBO | MOBILE SERVICES |
|------------------|---------------------------|---------------------------|----------------------------|
| MONDAY | 17 | 15 | 12 |
| TUESDAY | 18 | 12 | 13 |
| WEDNESDAY | 18 | 16 | 13 |
| THURSDAY | 20 | 15 | 19 |
| FRIDAY | 20 | 21 | 23 |
| SATURDAY | 7 | 16 | 20 |
| SUNDAY | 0 | 5 | 0 |

SURVEY

A LA CARTE SERVICES

| SERVICE | PERCENT OFFERING OVERALL | AVERAGE PRICE | |
|-------------------------------|-----------------------------|---------------|----------------|
| | | FREESTANDING | CAR WASH COMBO |
| HAND WAX | 74% | \$69.96 | \$59.80 |
| MACHINE WAX/BUFF | 63% | \$106.04 | \$72.71 |
| CARPET SHAMPOO | 73% | \$54.75 | \$42.29 |
| UPHOLSTERY CLEANING | 74% | \$52.95 | \$37.90 |
| LEATHER/VINYL (INT.) DRESSING | 60% | \$29.69 | \$25.28 |
| VINYL/RUBBER (EXT.) DRESSING | 47% | \$18.66 | \$19.86 |
| DEODORIZING | 49% | \$46.67 | \$34.10 |
| PAINT TOUCH-UP | 29% | \$45.67 | \$60.00 |
| PAINTLESS DENT REMOVAL | 21% | \$99.50 | \$60.00 |
| WINDSHIELD REPAIR | 14% | \$66.25 | \$50.00 |
| EXTENDED UPHOLSTERY PROT. | 30% | \$45.50 | \$50.67 |
| EXTENDED PROT. PAINT SEALANT | 29% | \$111.10 | \$118.67 |
| HEADLIGHT RESTORATION | 61% | \$52.65 | \$54.25 |
| ENGINE CLEANING | 64% | \$32.75 | \$37.14 |
| WINDOW TINTING | 13% | \$204.17 | \$179.00 |
| PINSTRIPING | 14% | \$57.86 | \$70.00 |

DAILY TRAFFIC COUNT



AVERAGE GROSS REVENUE PER CAR (CAR WASH SALES ONLY)

