

AutoLaundry^{news}

Results From The Auto Laundry News Exterior Conveyor Survey 2016

The 2016 *Auto Laundry News* Exterior Conveyor Survey was conducted through a mailing of questionnaires to a random selection of our subscribers who own and operate exterior conveyor car wash businesses. The information presented in this report results from an analysis of data provided by respondents from locations throughout the United States.

Exterior Only vs. Express Exterior Sites

For comparative purposes, respondents are, on occasion, separated into two main categories: exterior-only operations and express-exterior sites. A third category, exterior washes with off-line full service, is employed when relevant. Exterior-only participants make up 49 percent of the total response, express-exterior sites account for 31 percent, and exteriors with off-line full service round out the total with 20 percent.

All respondents self-identify as belonging to one category or another. As in the past, there is some imprecision in pigeonholing individual washes. For example, one would expect all express-exterior sites to make use of automated pay stations, but only 75 percent of respondents in this category report doing so. Still, that number far outstrips the 21 percent of exterior-only participants employing this technology.

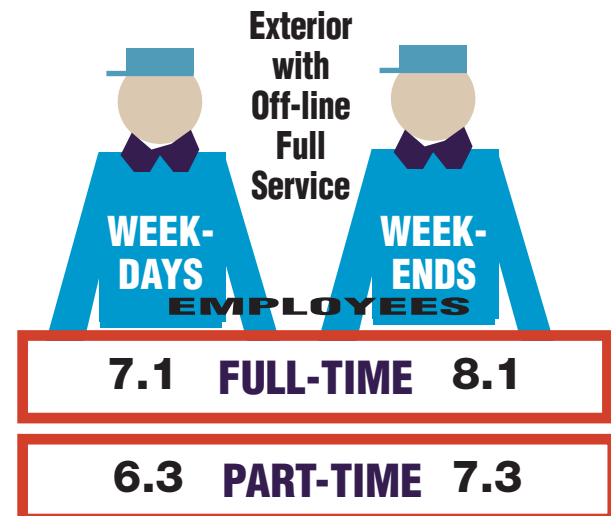
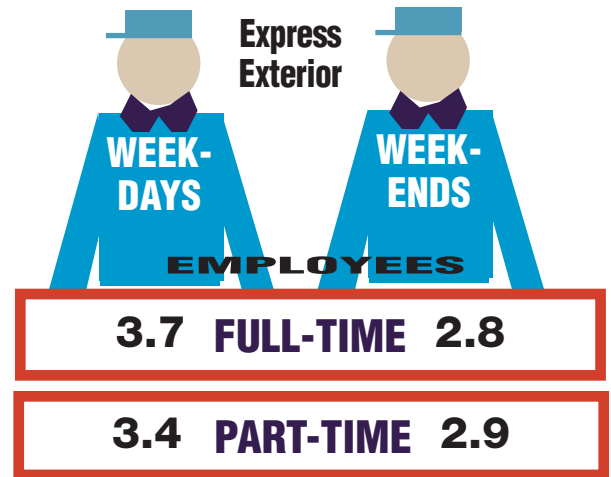
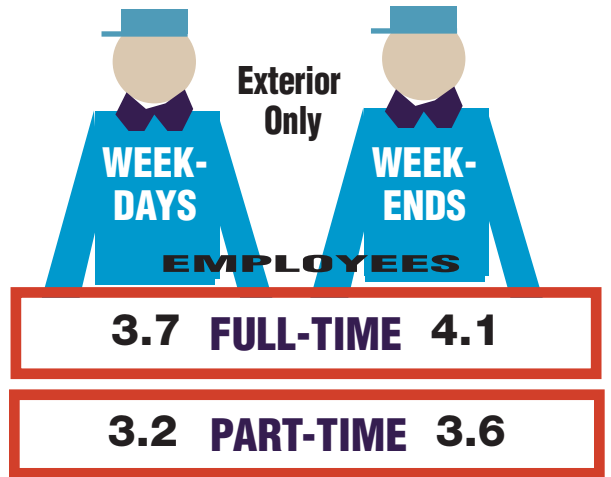
While express-exteriors are committed exclusively to a friction process, 27 percent of exterior-only sites opted for touchless systems and 9 percent employ a hybrid process.

Revenues

Overall, 78 percent of respondents report income growth over the previous year. This compares to 63 percent who made advances last year. The graphic on page 40 provides a four-year perspective. Express-exterior participants put in a stellar performance with 93 percent reporting progress and not a single one recording declining revenue. The corresponding figures for exterior-only respondents are 67 percent and 13 percent.

Future

Respondents in the current survey are less enthusiastic about expanding than last year's participants were. Compared to 13 percent last year, none in the exterior-only category is planning a new site. On the express-exterior side, 25 percent (31 percent last year) have plans to build a new wash in the coming year.



COMPETING CONVEYOR WASHES IN AREA

| NUMBER OF COMPETITORS | OPERATORS REPORTING |
|-----------------------|---------------------|
| 0 | 10% |
| 1 | 25% |
| 2 | 32% |
| 3 | 13% |
| 4 | 8% |
| 5 | 10% |
| MORE THAN 5 | 2% |

PERCENTAGE OF WASH BUSINESS DONE BY DAY OF WEEK BY REGION

| | MON | TUES | WED | THURS | FRI | SAT | SUN |
|--|-----|------|-----|-------|-----|-----|-----|
| Pacific Alaska-California-Hawaii-Oregon-Washington | 15 | 9 | 12 | 11 | 17 | 22 | 15 |
| Mountain Arizona-Colorado-Idaho-Montana-Nevada-New Mexico-Utah-Wyoming | 18 | 11 | 9 | 13 | 19 | 19 | 12 |
| Midwest Iowa-Kansas-Minnesota-Missouri-Nebraska-North Dakota-South Dakota | 10 | 13 | 15 | 18 | 25 | 15 | 5 |
| Central Illinois-Indiana-Michigan-Ohio-Wisconsin | 12 | 12 | 10 | 11 | 18 | 22 | 16 |
| South Central Alabama-Arkansas-Kentucky-Louisiana-Mississippi-Oklahoma-Tennessee-Texas | * | * | * | * | * | * | * |
| Southeast Delaware-Florida-Georgia-Maryland Carolinas-Virginia-West Virginia | 12 | 9 | 12 | 12 | 16 | 22 | 18 |
| Mid-Atlantic New Jersey-New York-Pennsylvania | 11 | 9 | 9 | 10 | 18 | 27 | 16 |
| New England Connecticut-Maine-Massachusetts-New Hampshire-Rhode Island-Vermont | 13 | 15 | 15 | 10 | 18 | 20 | 10 |

* Too Few Responses Note: Some results do not total 100 due to rounding

PERCENTAGE OF WASH BUSINESS DONE BY SEASON BY REGION

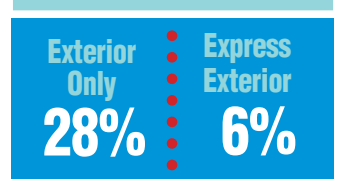
| | WINTER | SPRING | SUMMER | FALL |
|----------------------|--------|--------|--------|------|
| Pacific | 23 | 25 | 33 | 20 |
| Mountain | 25 | 26 | 24 | 25 |
| Midwest | 30 | 30 | 22 | 18 |
| Central | 42 | 22 | 21 | 15 |
| South Central | * | * | * | * |
| Southeast | 34 | 26 | 19 | 21 |
| Mid-Atlantic | 35 | 30 | 17 | 19 |
| New England | 43 | 22 | 18 | 17 |

* Too Few Responses

OPEN SUNDAY



OPEN 24 HOURS



AVERAGE DAILY TRAFFIC COUNT

AVERAGE ANNUAL WASH VOLUME

AVERAGE MONTHLY IMPULSE SALES

Exterior Only

26,900

48,500

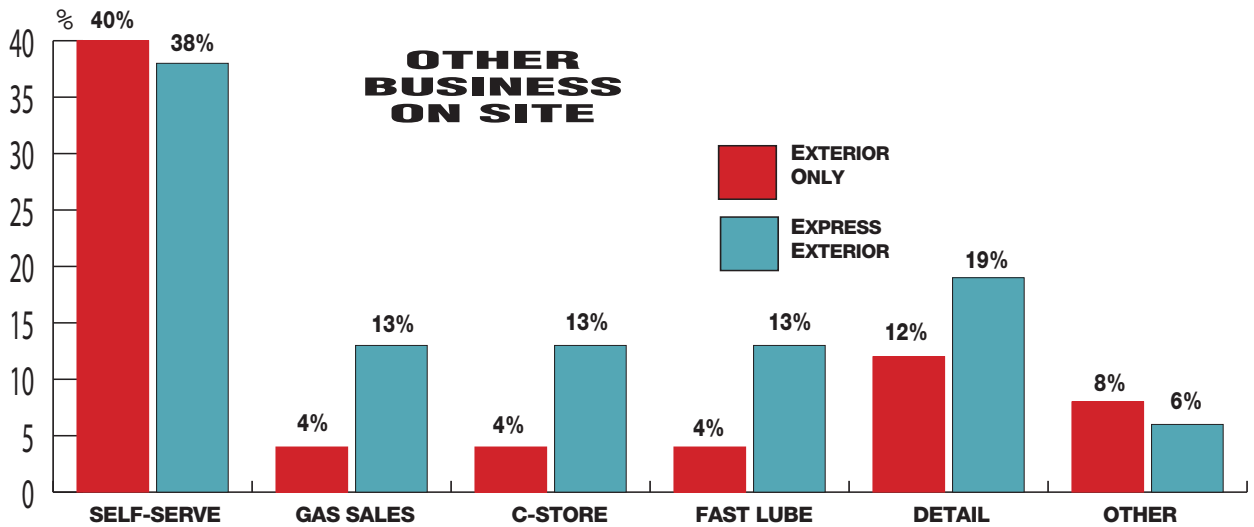
\$414

Express Exterior

31,400

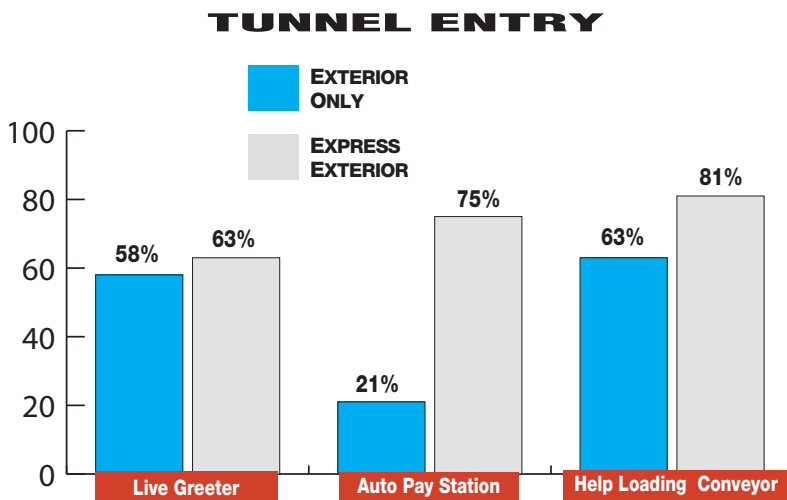
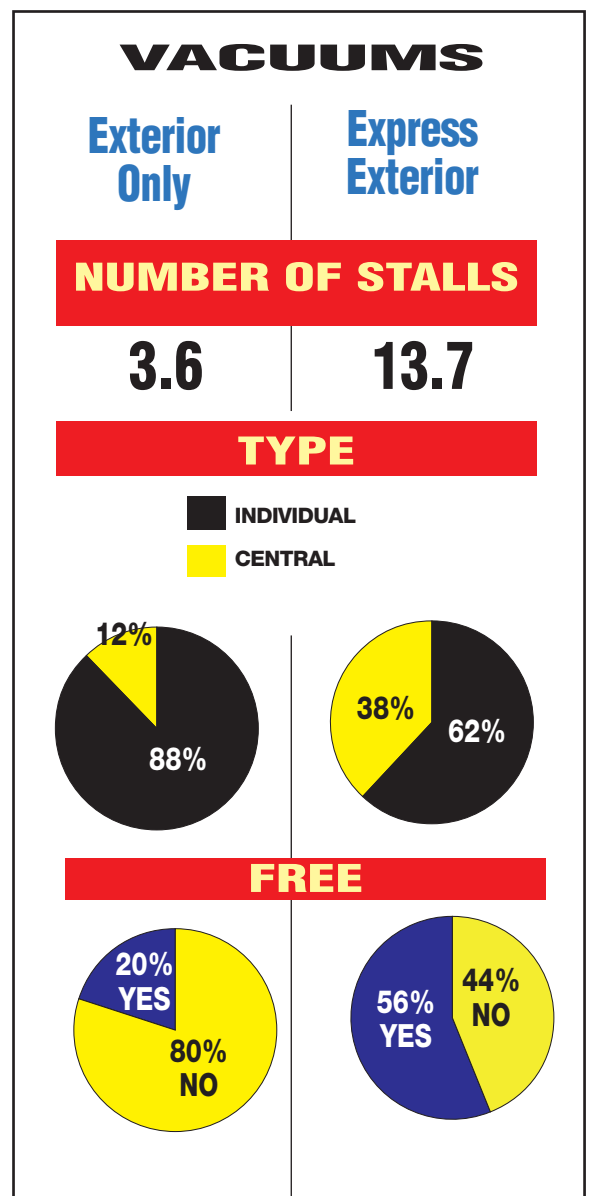
100,400

\$375



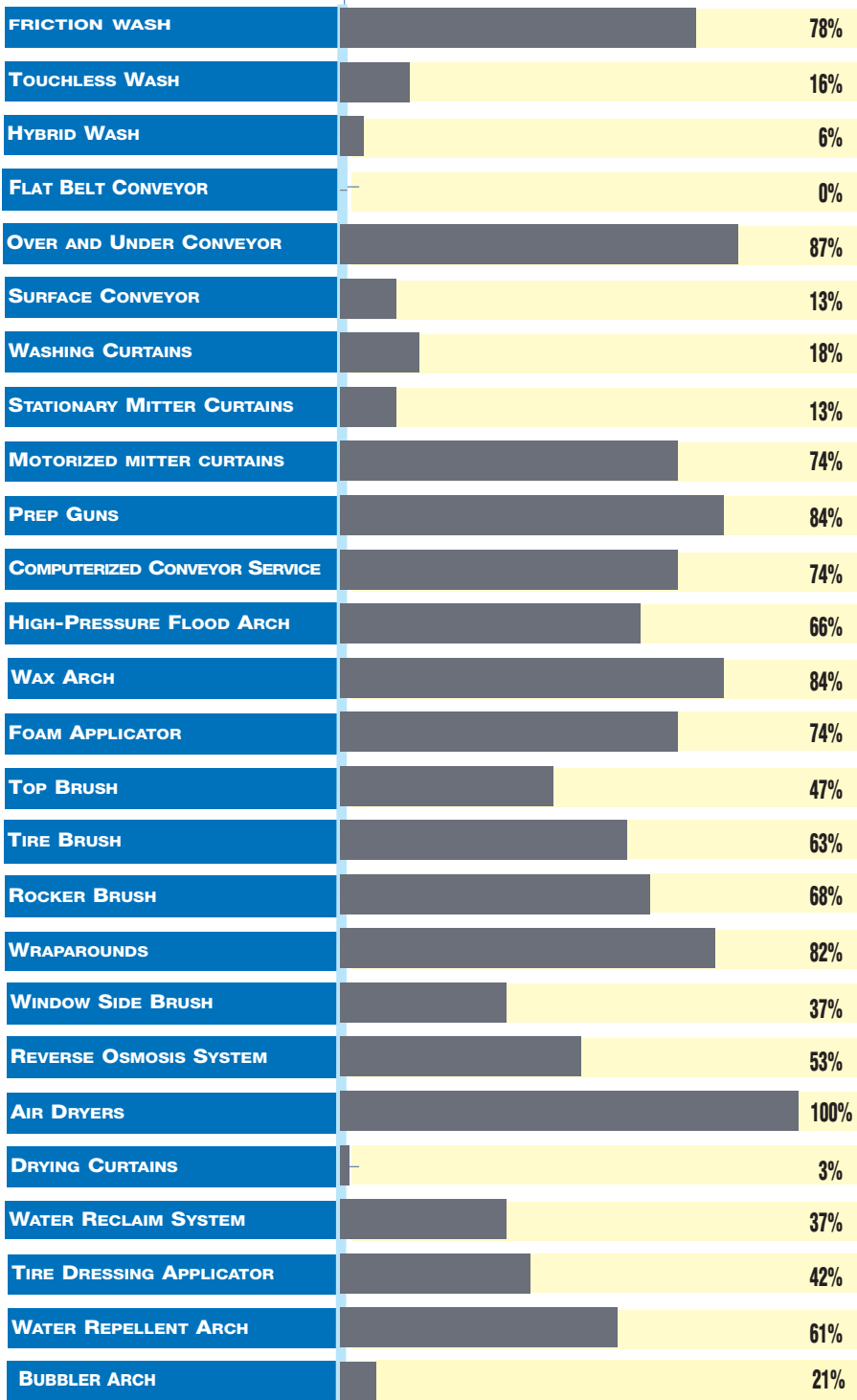
SERVICES OFFERED ON THE CONVEYOR

| | |
|-----------------------|-----|
| Wheel Cleaner | 91% |
| Undercarriage Spray | 87% |
| Rust and Inhibitor | 46% |
| Triple Foam | 83% |
| Clear-Coat Protectant | 89% |
| Spot-Free Rinse | 63% |
| Tire Dressing | 52% |
| Hot Wax | 63% |
| Heated Dry | 26% |
| Hand Dry | 26% |

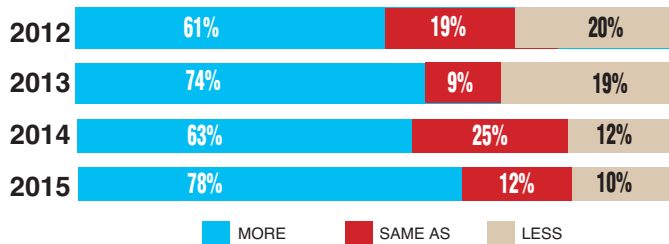


SURVEY

PERCENTAGE OF OPERATORS USING FOLLOWING EQUIPMENT



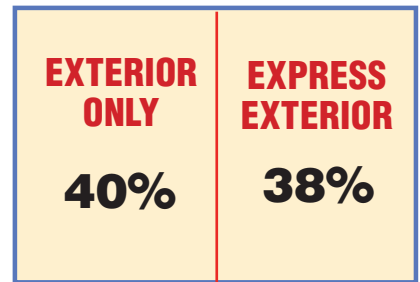
INCOME: CURRENT YEAR VS. PREVIOUS YEAR



AVERAGE TUNNEL LENGTH



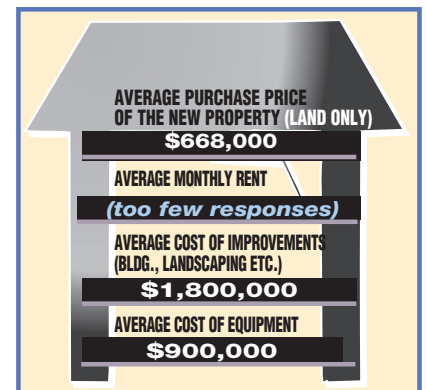
OPERATE COIN-OP BAYS ON SITE



AVERAGE NUMBER OF BAYS

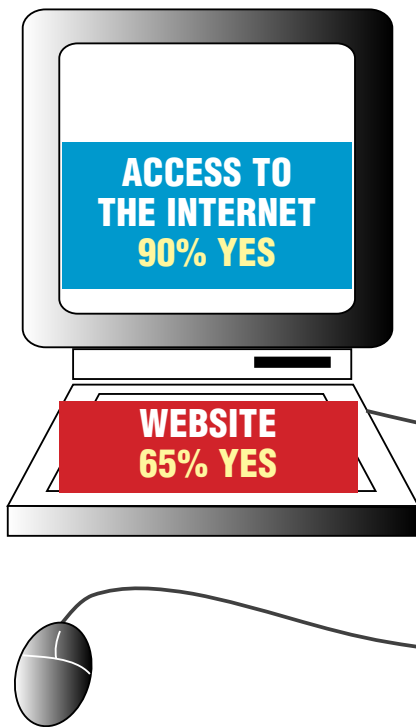
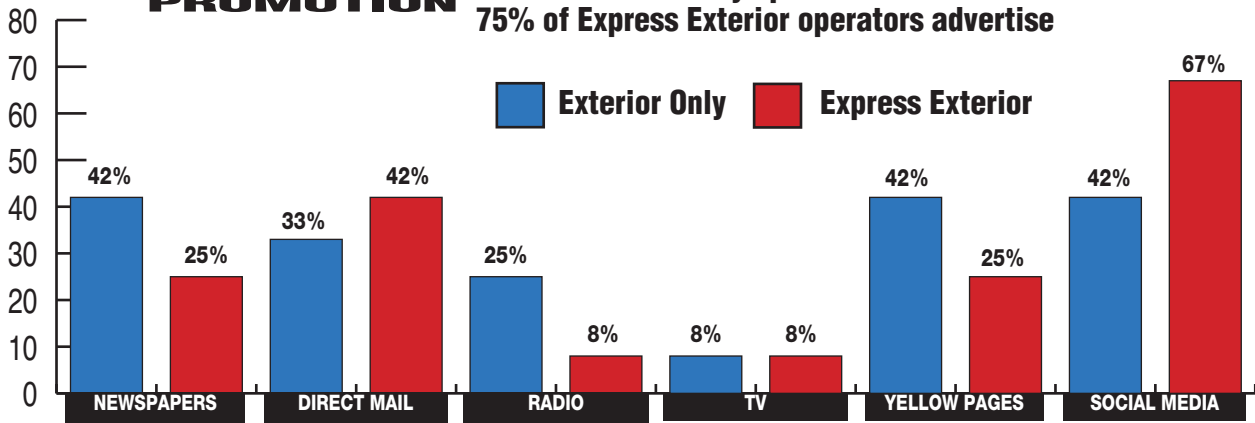


NEW EXTERIOR WASH BUILT WITHIN THE PAST YEAR



ADVERTISING & PROMOTION

48% of Exterior Only operators advertise
75% of Express Exterior operators advertise



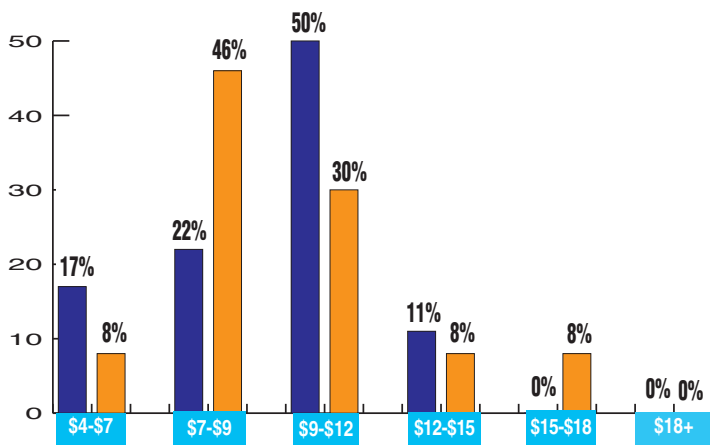
OPERATING COSTS

Exterior Only/Express Exterior Operating Costs
(AS A PERCENTAGE OF TOTAL REVENUES)

| Category | Exterior Only (%) | Express Exterior (%) |
|-------------------------------|-------------------|----------------------|
| RENT | 13.8% | |
| EQUIPMENT & BLDG. MAINTENANCE | 5.4% | |
| CHEMICALS | 8.5% | |
| LABOR | 22.8% | 17.9% |
| UTILITIES | 11.6% | |
| INSURANCE | 2.7% | |
| ADVERTISING & PROMOTION | 1.5% | |
| EQUIPMENT ON LEASE | 2.5% | |
| CUSTOMER CLAIMS | 0.5% | |

GROSS REVENUE PER CAR

Exterior Only (Purple) Express Exterior (Orange)

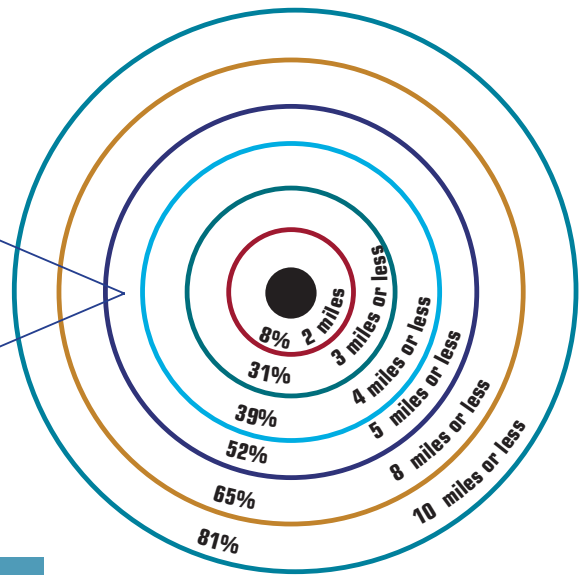


AVERAGE GROSS REVENUE PER CAR

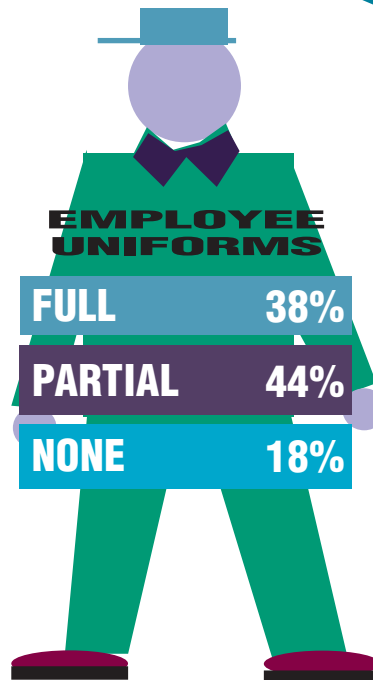
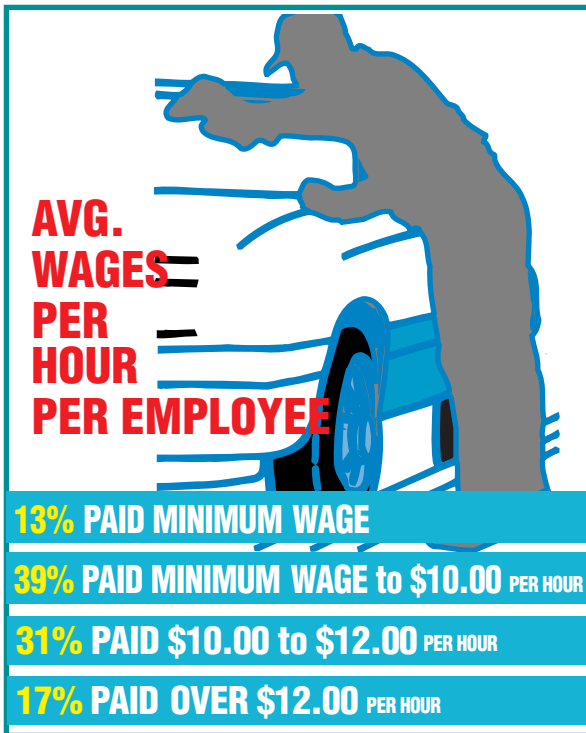


SURVEY

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



LABOR COSTS



OPERATORS SELLING GASOLINE

