Results From The Auto Laundry News 2014 AUTOMATIC SURVEY

The 2014 *Auto Laundry News* In-Bay Automatic Survey was conducted by mailing questionnaires to a random selection of subscribers who own and/or operate in-bay automatic car wash equipment. The information in this survey results from an analysis of data provided by respondents throughout the United States. A caveat: for some yet-to-be-determined reason — possibly an error in our random selection process — no responses were received from the Mountain and New England regions. (A breakdown of the states within these regions can be seen in the table below.) The survey results should be considered with this in mind.

Wash Volume

Hopes of a trend, expressed last year, have been dashed: After two years of solid performance gains, the percentage of operators reporting greater volumes compared to the previous year takes a dip in the current survey — 44 percent report gains, while 48 percent did so last year. All is not lost, though. Only 24 percent of survey respondents report declining volumes, a far smaller proportion than the 34 percent who experienced reversals in the previous survey. Nearly a third (32 percent) are keeping it steady, not gaining any volume, but not losing any either.

The presence of express exterior washes in markets served by in-bay automatics (IBAs) has changed little. Last year 46 percent of respondents reported express exteriors operating in their markets; this year 43 percent do. What has changed markedly is how respondents perceive the effect of these competitors. In our previous survey, 42 percent believed the express exteriors had hurt their business, this year that number has ballooned to 65 percent.

Equipment

Surveys have shown touch-free equipment to be favored over friction pretty constantly at about three-to-one. This year that favoritism gets a little boost, with 79 percent of operators reporting touch-free equipment in use compared to 21 percent friction. Foam remains the wash material of choice in friction operations, utilized by 67 percent of respondents, with cloth accounting for the remaining one third

Respondent Profile

Tables 1 (below) and 2, (page 46), offer year-by-year comparisons of operator experience levels and multiple site ownership.

Table 1

Length of Experience	2014	2013	2012	2011	2010	2009
Under 5 years	9%	9%	12%	12%	18%	29%
5 - 10 years	35%	33%	24%	26%	33%	21%
11 - 20 years	18%	29%	29%	34%	21%	27%
Over 20 years	38%	29%	35%	28%	28%	23%

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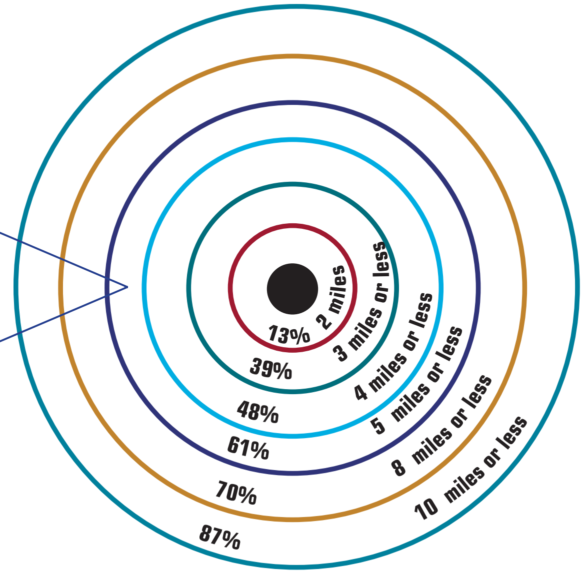
PERCENTAGE OF WASH BUSINESS DONE BY DAY OF WEEK

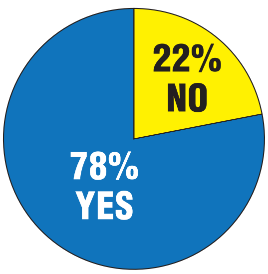
	MON	TUES	WED	THURS	FRI	SAT	SUN
Pacific Alaska-California-Hawaii-Oregon-Washington	*	*	*	*	*	*	*
Mountain Arizona-Colorado-Idaho-Montana-Nevada-New Mexico-Utah-Wyoming	**	**	**	**	**	**	**
Midwest Iowa-Kansas-Minnesota-Missouri-Nebraska-North Dakota-South Dakota	9	7	7	12	27	25	13
Central Illinois-Indiana-Michigan-Ohio-Wisconsin	12	10	10	11	20	23	14
South Central Alabama-Arkansas-Kentucky-Louisiana-Mississippi-Oklahoma-Tennessee-Texas	12	10	11	12	18	21	16
Southeast Delaware-Florida-Georgia-Maryland Carolinas-Virginia-West Virginia	8	8	8	10	17	29	20
Mid-Atlantic New Jersey-New York-Pennsylvania	10	7	6	15	22	24	16
New England Connecticut-Maine-Massachusetts-New Hampshire-Rhode Island-Vermont	**	**	**	**	**	**	**

* Too Few Responses ** No Responses

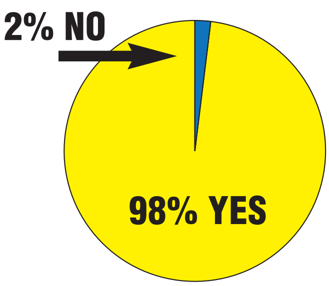
HOW FAR DO CUSTOMERS COME?
(Percent from within 2-mile radius, 3-mile radius, etc.)



OPEN 24 HOURS

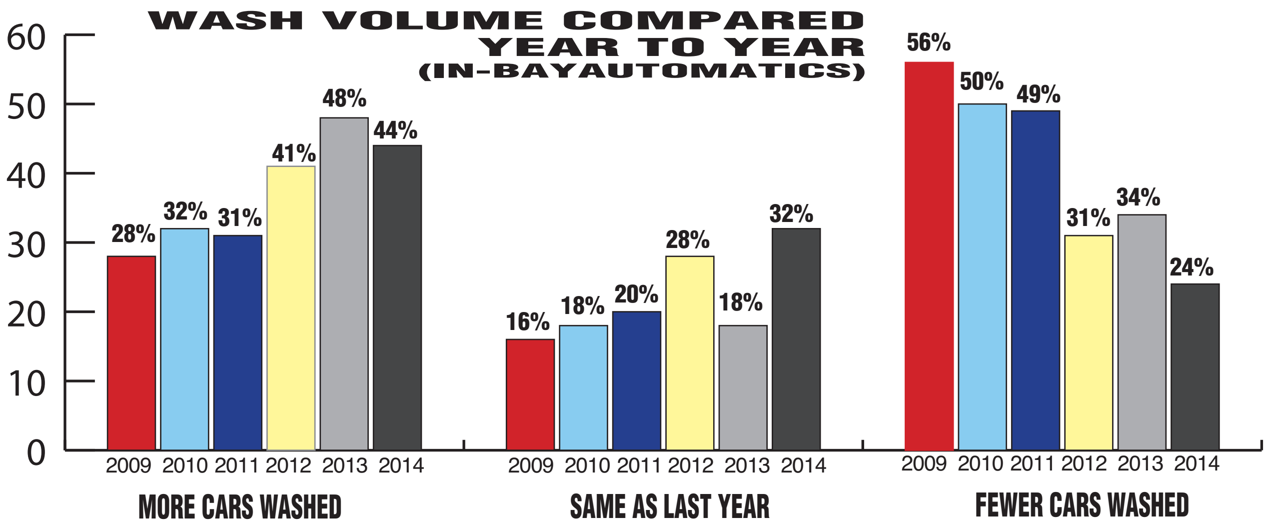


OPEN 24 SUNDAYS



AVERAGE DAILY TRAFFIC COUNT AT BEST SITE

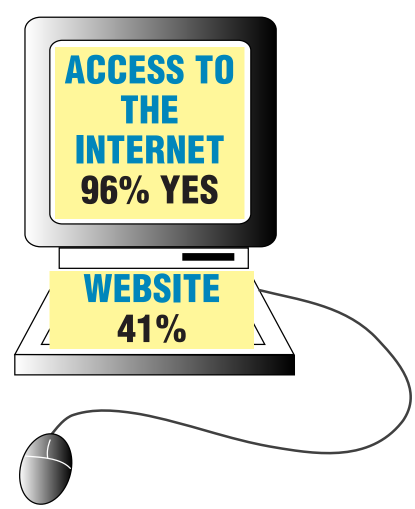
21,500



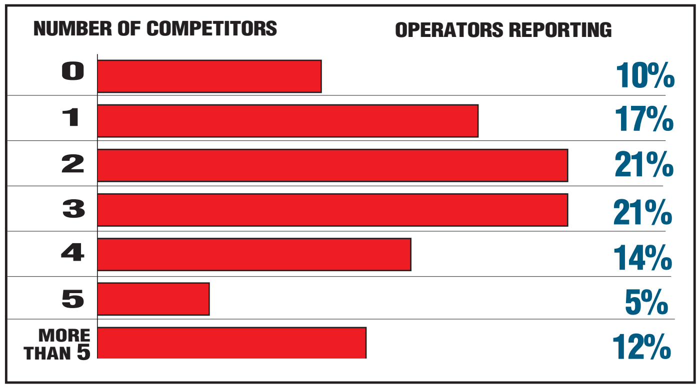
PERCENTAGE OF WASH BUSINESS DONE BY SEASON BY REGION

	WINTER	SPRING	SUMMER	FALL
Pacific	*	*	*	*
Mountain	**	**	**	**
Midwest	25	27	26	22
Central	38	21	22	19
South Central	29	30	19	22
Southeast	34	27	19	20
Mid-Atlantic	44	24	14	18
New England	**	**	**	**

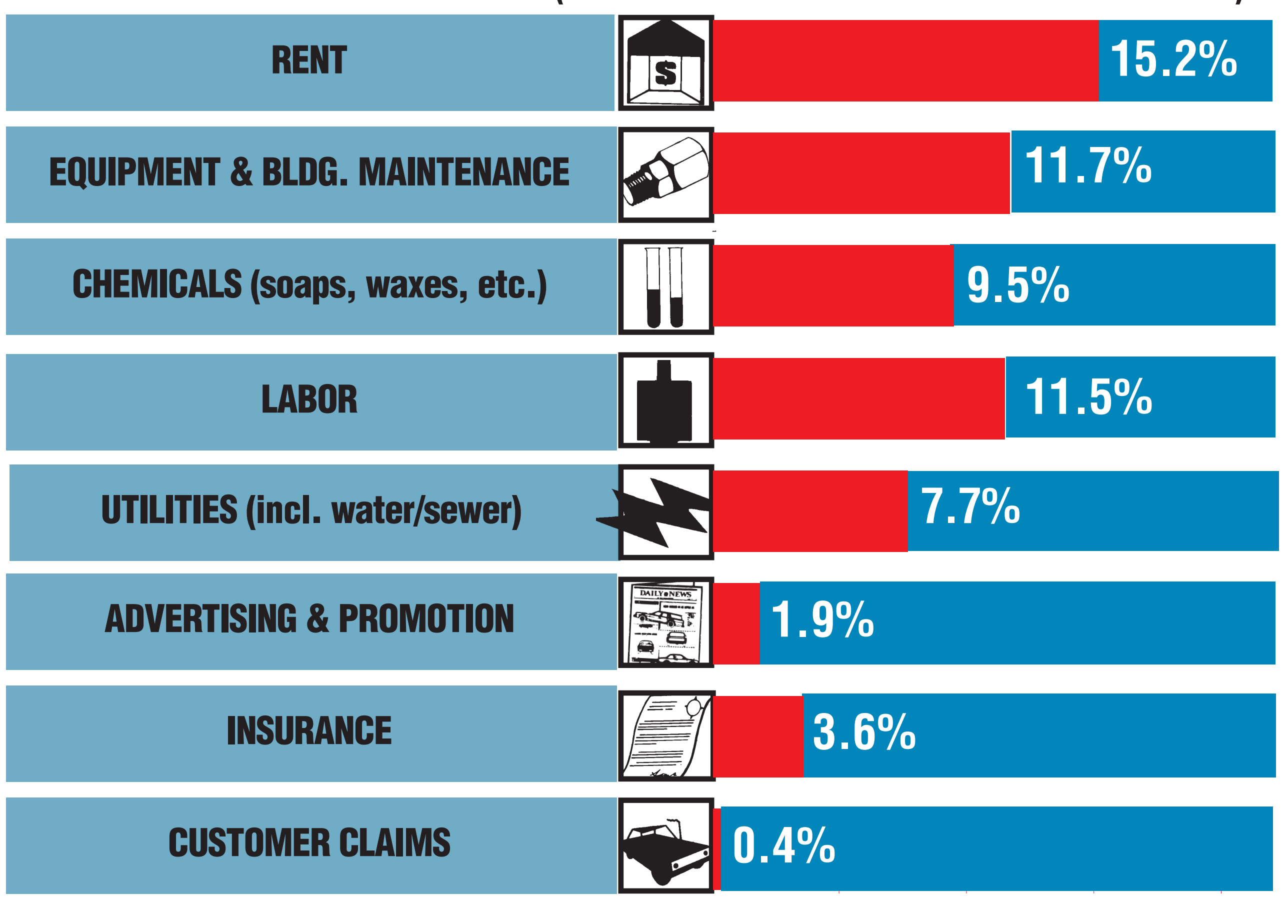
* Too Few Responses ** No Responses

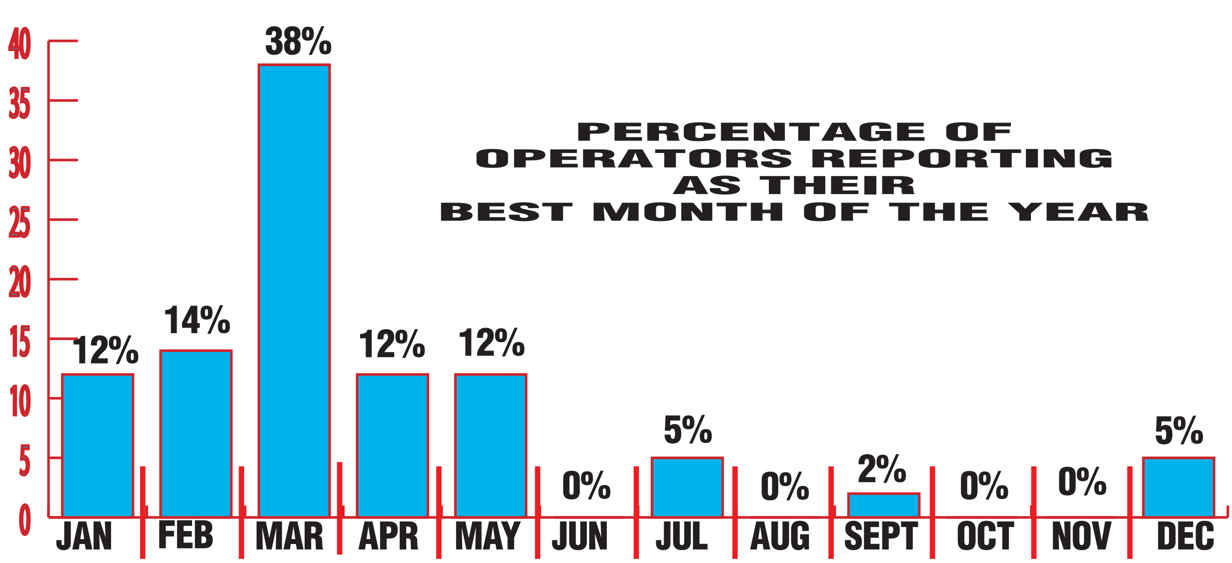


COMPETING WASHES IN AREA OVERALL



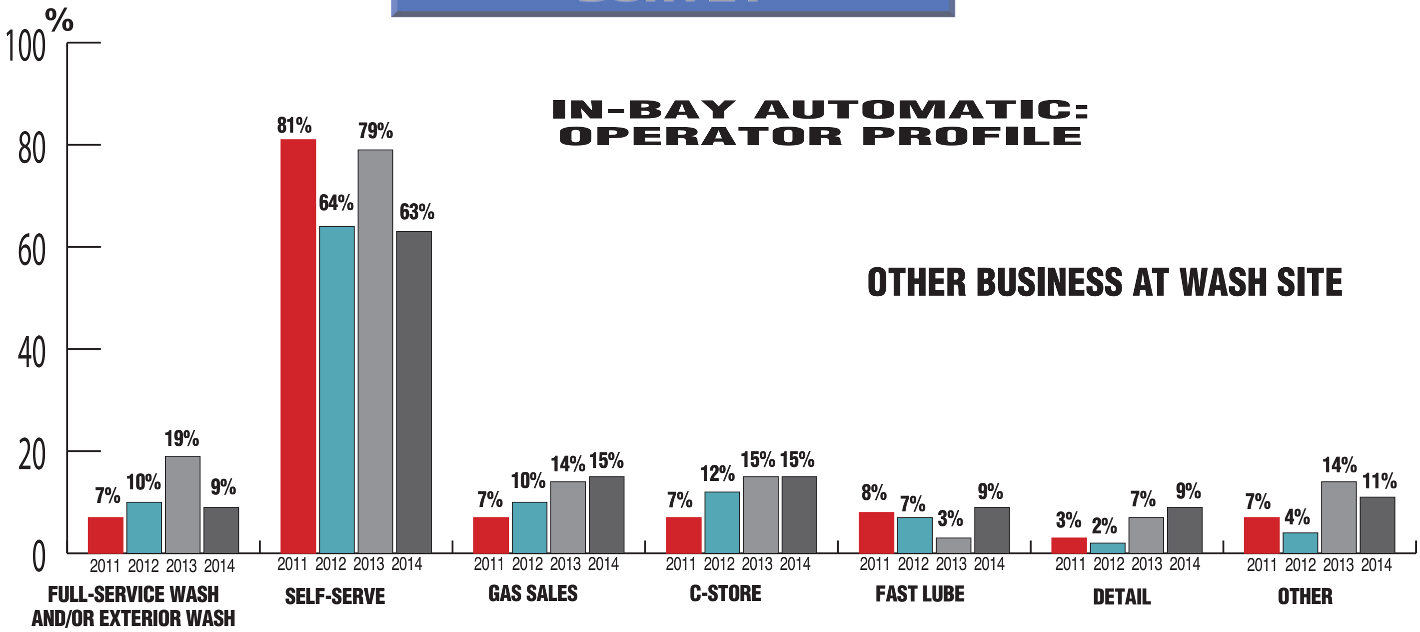
OPERATING COSTS (PER MONTH AS A PERCENTAGE OF TOTAL REVENUES)



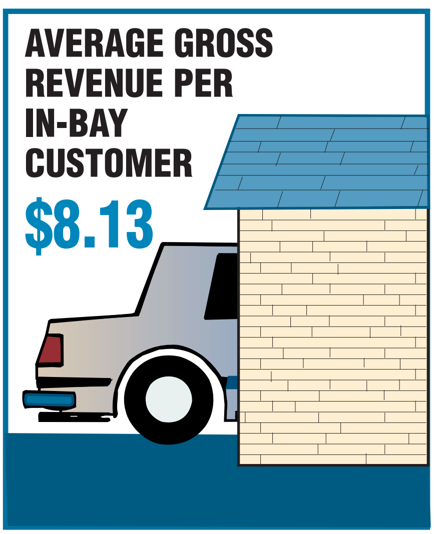


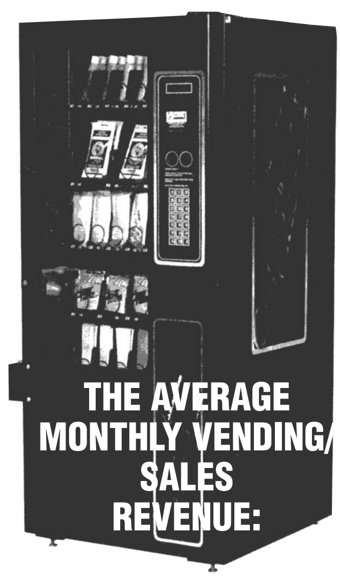
IN-BAY AUTOMATIC: OPERATOR PROFILE

OTHER BUSINESS AT WASH SITE



AUTOMATIC REVENUES





$318

LABOR COSTS

8% PAID MINIMUM WAGE

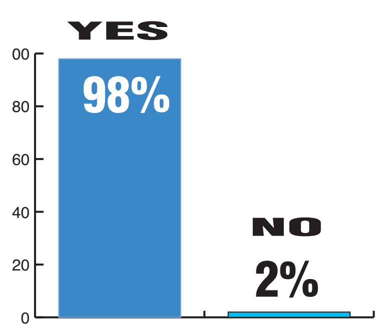
19% PAID MINIMUM WAGE to $8 PER HOUR

46% PAID $8.00 to $10.00 PER HOUR

27% PAID OVER $10.00 PER HOUR

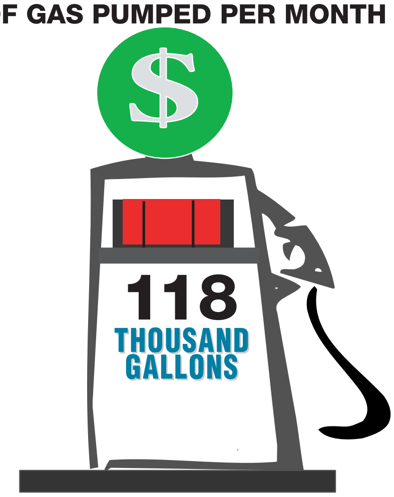
DRYING CYCLE OFFERED

AVERAGE DRYING CYCLE PRICE $1.00

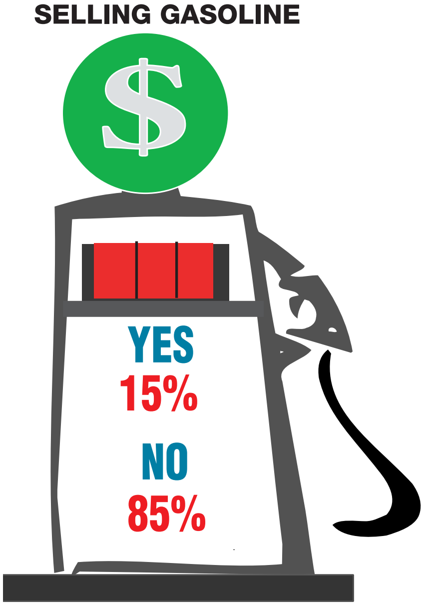


CUSTOMERS PURCHASING DRYING CYCLE	Operators Reporting
UNDER 10%	3%
11%-25%	5%
26%-40%	8%
41%-55%	10%
56%-70%	21%
OVER 70%	53%

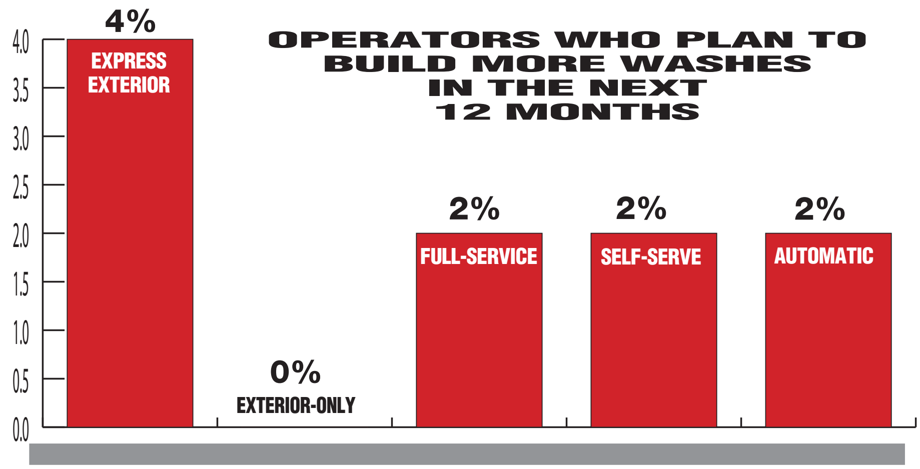
AVERAGE GALLONS OF GAS PUMPED PER MONTH



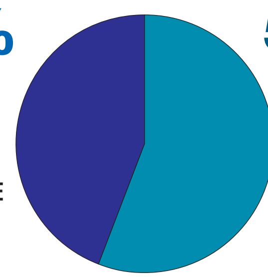
OPERATORS SELLING GASOLINE



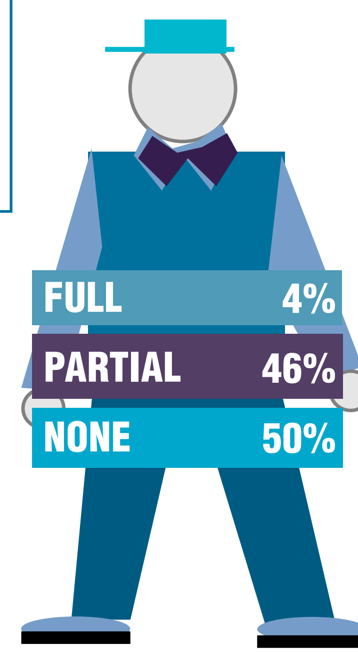
OPERATORS WHO PLAN TO BUILD MORE WASHES IN THE NEXT 12 MONTHS



RESPONDENTS WHO OPERATE A COMBINED AUTOMATIC/ SELF-SERVICE FACILITY



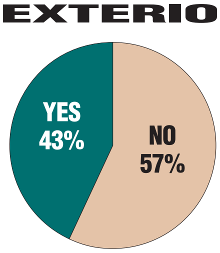
EMPLOYEE UNIFORMS



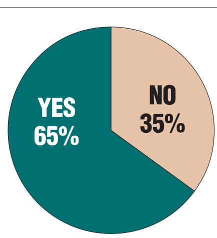
AVERAGE MONTHLY GROSS INCOME PER SELF-SERVE BAY

$1,210

EXPRESS EXTERIOR

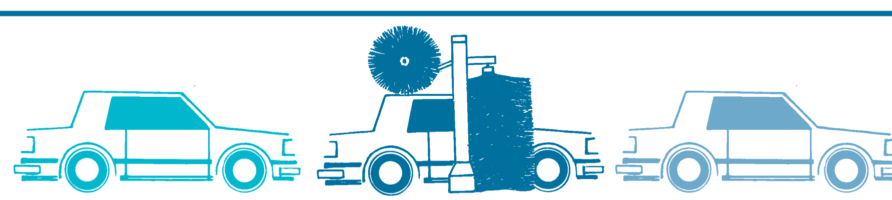


Present in Market Area



Has Hurt Business

AVERAGE NUMBER OF CARS WASHED ANNUALLY PER AUTOMATIC



14,620

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Table 2

Site Ownership	2014	2013	2012	2011	2010	2009
Own 1 site	61%	53%	57%	56%	70%	68%
Own 2 sites	17%	33%	23%	20%	14%	19%
Own 3 sites	15%	10%	5%	7%	4%	5%
Own 4 or more sites	7%	4%	15%	17%	12%	8%

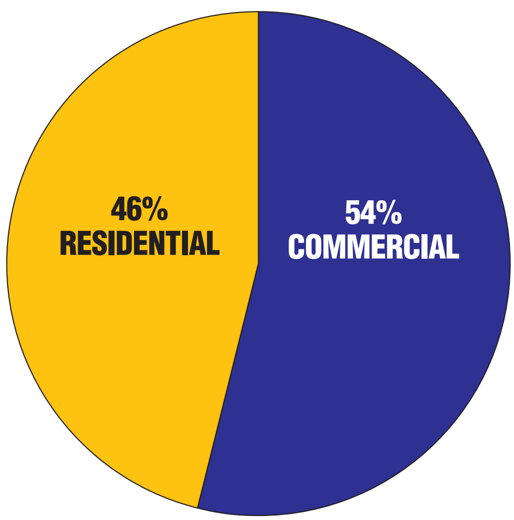
Future

Operators are intent on keeping their washes up to date. Twenty eight percent plan on purchasing new equipment in the next 12 months. The graphic, below, offers more detail. Operators are less enthusiastic about buying or building new washes: only 10 percent have plans to add to their portfolios.

Some limited tinkering with the original IBA concept continues. In the past 12 months, 2 percent of respondents have converted an IBA bay to a conveyor tunnel (half the percentage who did so last year); 4 percent plan on doing so in the following 12 months (double the percentage with such plans last year). Two percent have added off-board services to their IBAs, while an equal percentage are planning such additions during the coming 12 months.

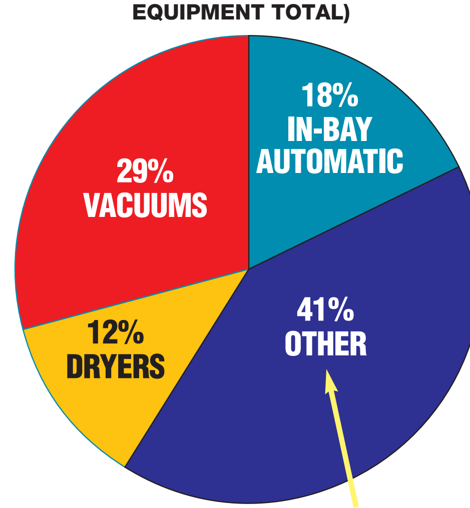
CONVEYOR REVENUES

NATURE OF WASH LOCATION



PLANNED EQUIPMENT PURCHASES

(AS A PERCENTAGE OF EQUIPMENT TOTAL)



OTHER INCLUDES:
VENDING • LIGHTING
DOORS

EQUIPMENT