

AutoLaundry^{news}

SURVEY

Results from the **Auto Laundry News** 2012 Fast-Lube Survey

The 2012 *Auto Laundry News* Lube Survey was conducted through a mailing of questionnaires to fast-lube owners/operators selected at random from our subscriber list as well as certain proprietary lists. The information presented in this report results from an analysis of data provided by 94 respondents throughout the United States.

The survey response pool consists of freestanding lube facilities (“lubers”), combined car wash/lube operations (“car washers”), combined auto repair/lube businesses (“repairmen”), and lube centers run in conjunction with businesses other than a car wash or auto repair shop (“others”). The number of responses from others was too small to justify a separate tabulation. Lubers constitute 26 percent of the current survey participants, car washers account for 57 percent, repairmen make up a further 15 percent, while others represent 2 percent of the total. Table 1 provides a six-year perspective.

CATEGORIES

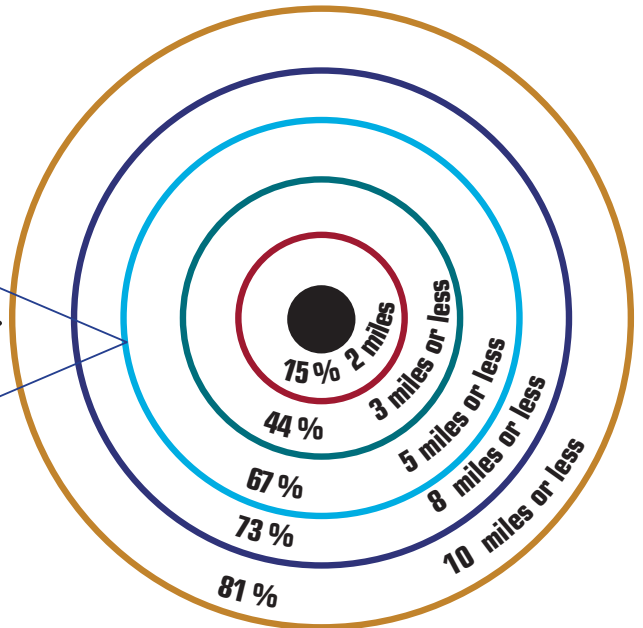
- **FREESTANDING LUBE**
- **LUBE/CAR WASH**
- **LUBE/AUTO REPAIR**

Table 1

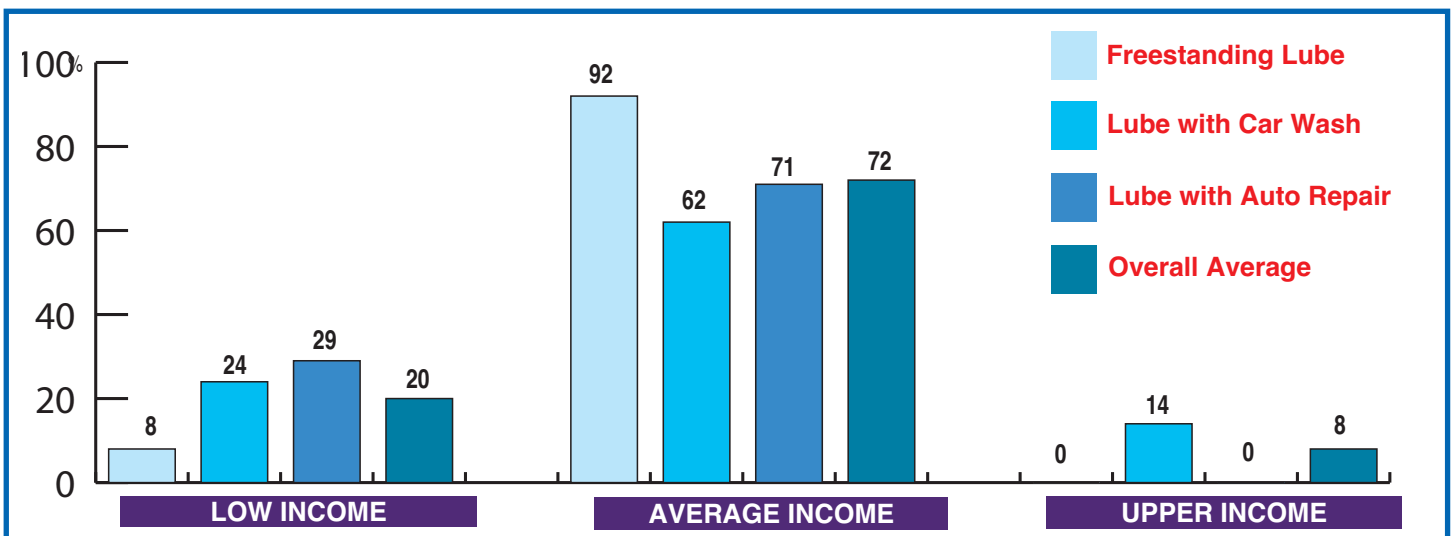
Survey Respondent Pool

Operator Type	2005	2006	2007	2008	2009	2010	2011
Freestanding Lube	33%	39%	21%	22%	20%	18%	26%
Combined Car Wash/Lube	53%	35%	68%	66%	62%	57%	57%
Combined Auto Repair/Lube	10%	17%	11%	12%	14%	18%	15%
Other	4%	9%	—	—	4%	7%	2%

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



SITE LOCATION BY AREA INCOME LEVEL



SURVEY

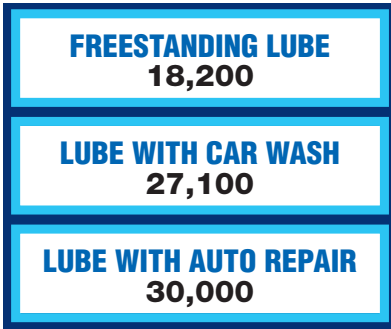
Car Counts

The bad news is that the good news we reported last year about car counts may have been a flash in the pan. Certainly, the progress shown one survey ago has not been sustained. While 41 percent of survey participants, overall, reported servicing more cars than in the previous year in the last survey, only 25 percent are able to report improved car counts in the current one. That takes us closer to the survey results of two years ago when 23

percent reported such progress. Car washers, particularly, are suffering with a paltry 19 percent reporting growth in car counts. At 27 percent, Lubers fair better, but not by much. While repairmen reported the worst performance one year ago, they constitute the top performers in the current survey with 43 percent reporting greater car counts.

Overall, 45 percent of respondents report servicing fewer cars than in the previous year. This compares to 33 percent who report-

AVERAGE DAILY TRAFFIC COUNT

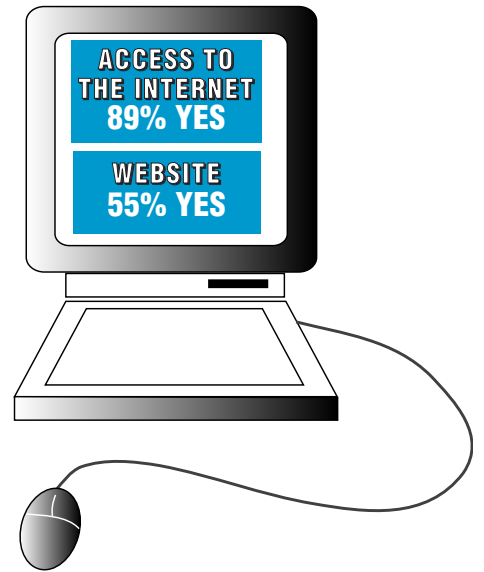


Single vs. Multiple Sites Category

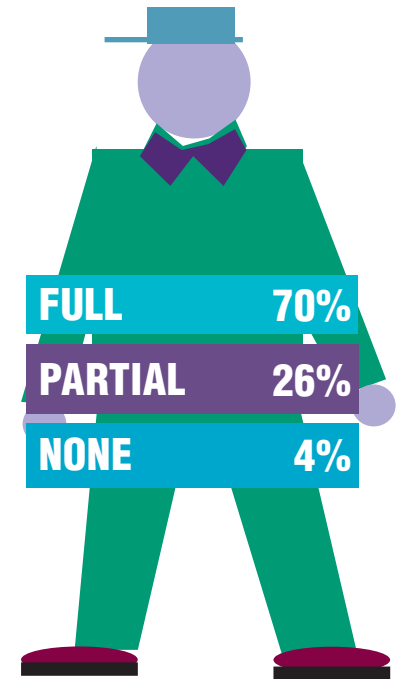
Category	Single Site				Multiple Sites			
	2008	2009	2010	2011	2008	2009	2010	2011
Freestanding Lube	92%	62%	80%	50%	8%	38%	20%	50%
Combined Car Wash/Lube	61%	66%	76%	74%	39%	34%	24%	26%
Combined Auto Repair/Lube	100%	100%	70%	71%	0%	0%	30%	29%

COMMON FAST-LUBE SERVICE OFFERINGS

SERVICE	%OFFERING	AVERAGE PRICE
STANDARD MULTI-POINT FAST LUBE/OIL CHANGE	100	\$35.45
SYNTHETIC OIL CHANGE	96	\$65.31
RE-REFINED OIL CHANGE	16	\$38.41
TRANSMISSION FLUID DRAIN/FLUSH	89	\$105.56
BRAKE FLUID DRAIN/FLUSH	27	\$54.19
POWER STEERING FLUID DRAIN/FLUSH	56	\$54.39
DIFFERENTIAL FLUID DRAIN/FLUSH	76	\$45.28
RADIATOR FLUSH/FILL	82	\$75.39
FUEL-INJECTION CLEANING	73	\$65.95
WHEEL ROTATION	71	\$19.57
AIR-CONDITIONING SERVICE	31	\$92.84
STATE INSPECTION	29	



EMPLOYEE UNIFORMS



ed reversals in the last survey. Each respondent group performed about as poorly as the others, with those reporting smaller numbers all measuring in the mid-40-percentage range.

Revenues

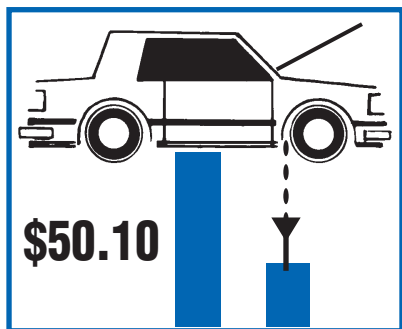
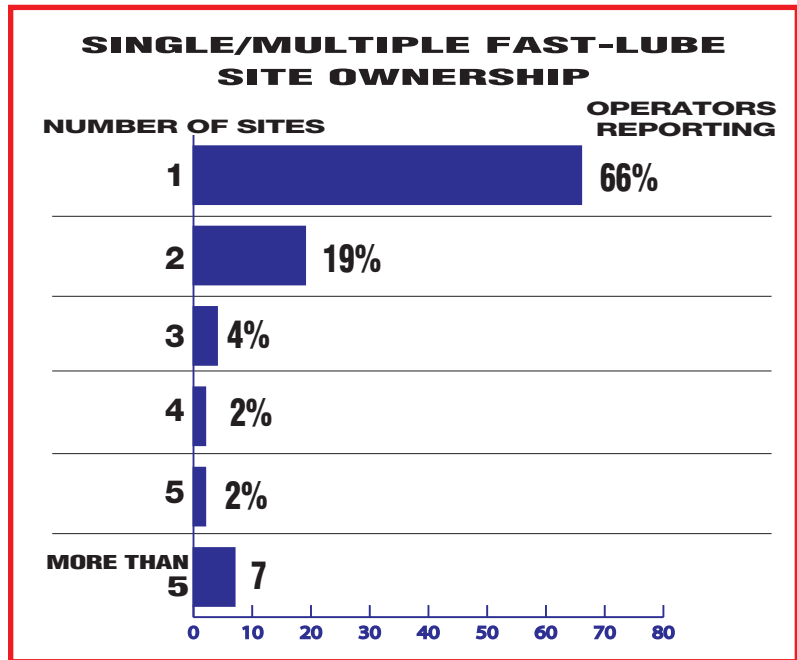
After recovering last year, briefly, from a dip in the overall ticket average per car — to \$54.97 from \$48.21 — the ticket size has dipped downwards again. Respondents to the current survey, overall, report a ticket average of \$50.10. At \$56.19, lubers not only performed better than the other respondent groups, they also improved on the \$55.79 they recorded last year. Repairmen follow with \$52.10 (\$55.18 last year), while car washers — as was the case last year — bring up the rear with \$46.52 (\$54.60 last year).

Over the past two years, respondents, overall, have reported small decreases in the price of a standard multi-point fast lube/oil change. That has changed this year — the current survey records an overall price of \$35.25, an improvement over the \$33.92 reported last year. Also by this measure lubers are the best performers, reporting a \$36.04 price point (\$32.28 last year). From being the price leaders last year with \$34.48, car washers fall back to the second position with a reported \$35.77. Repairmen are the only respondent group to report a declining price: \$32.58 compared to \$34.26 last year.

Overall, 47percent (57 percent last year) of respondents report growth in income compared to the previous year. Compared to 26 percent last year, 34 percent of current respondents report declines.

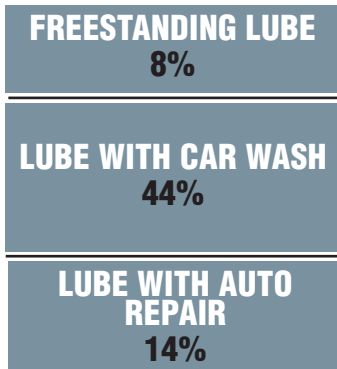
Future

Operators have lost some of the confidence they gained last year. In the previous survey more than a quarter (26 percent) of survey participants planned on either building or buying a lube and/or car wash facility in the following 12 months. That's down to 19 percent. Interestingly, not a single luber is looking to expand in the next 12 months.

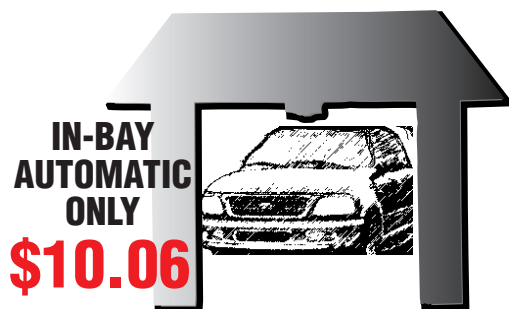


FAST-LUBE REVENUE AVERAGE GROSS PER CAR

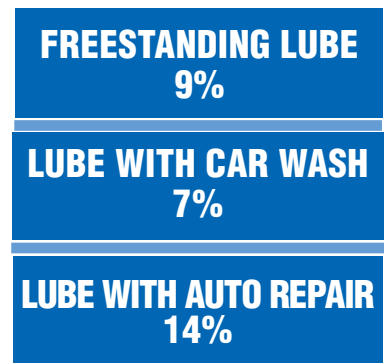
OPERATE A SPECIALLY-DESIGNED IMPULSE SALES AREA



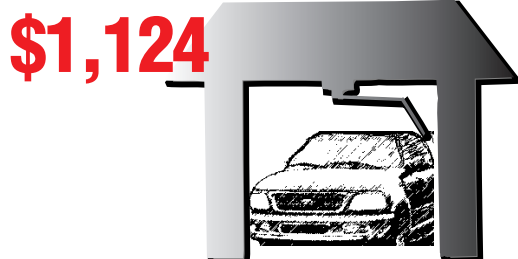
AVERAGE GROSS REVENUE PER CAR



OPEN SUNDAYS



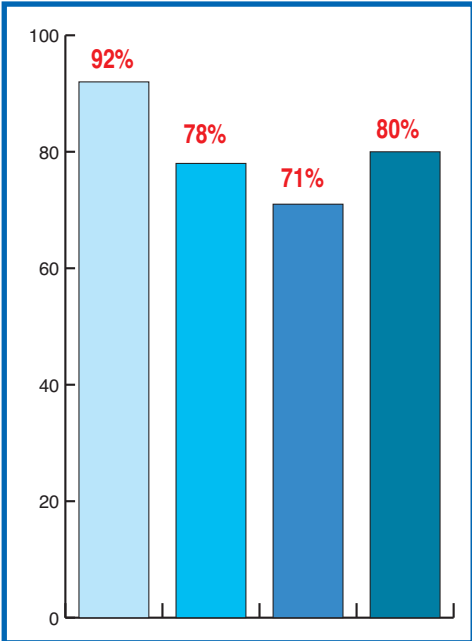
AVERAGE MONTHLY GROSS INCOME PER SELF-SERVICE BAY



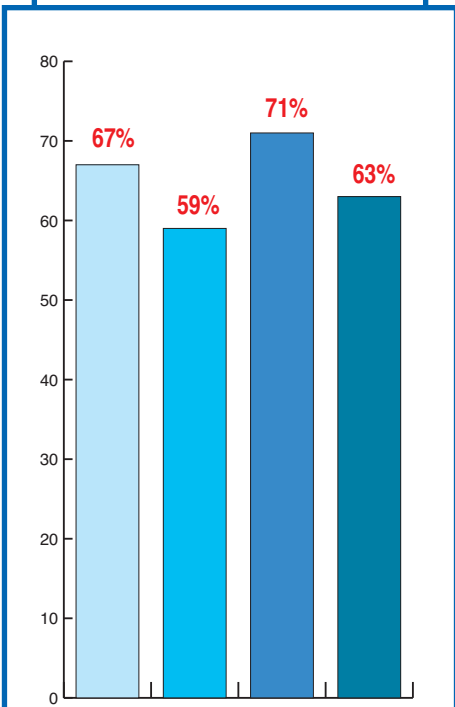
AVERAGE GROSS CAR WASH REVENUE PER CUSTOMER

SURVEY

OPERATORS REPORTING COMPETITION DISCOUNTING

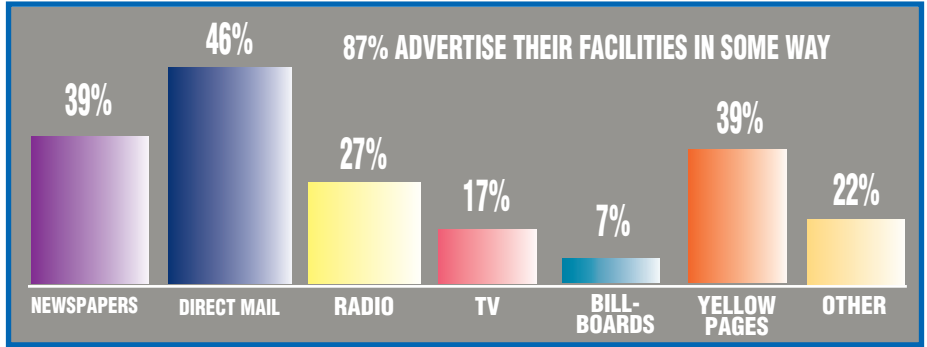


- Freestanding Lube
- Lube with Car Wash
- Lube with Auto Repair
- Average

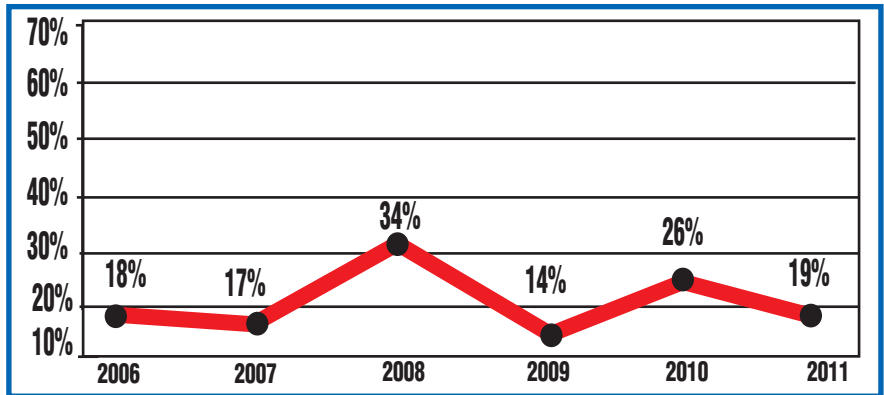


OPERATORS REPORTING OWN DISCOUNTING

ADVERTISING & PROMOTION



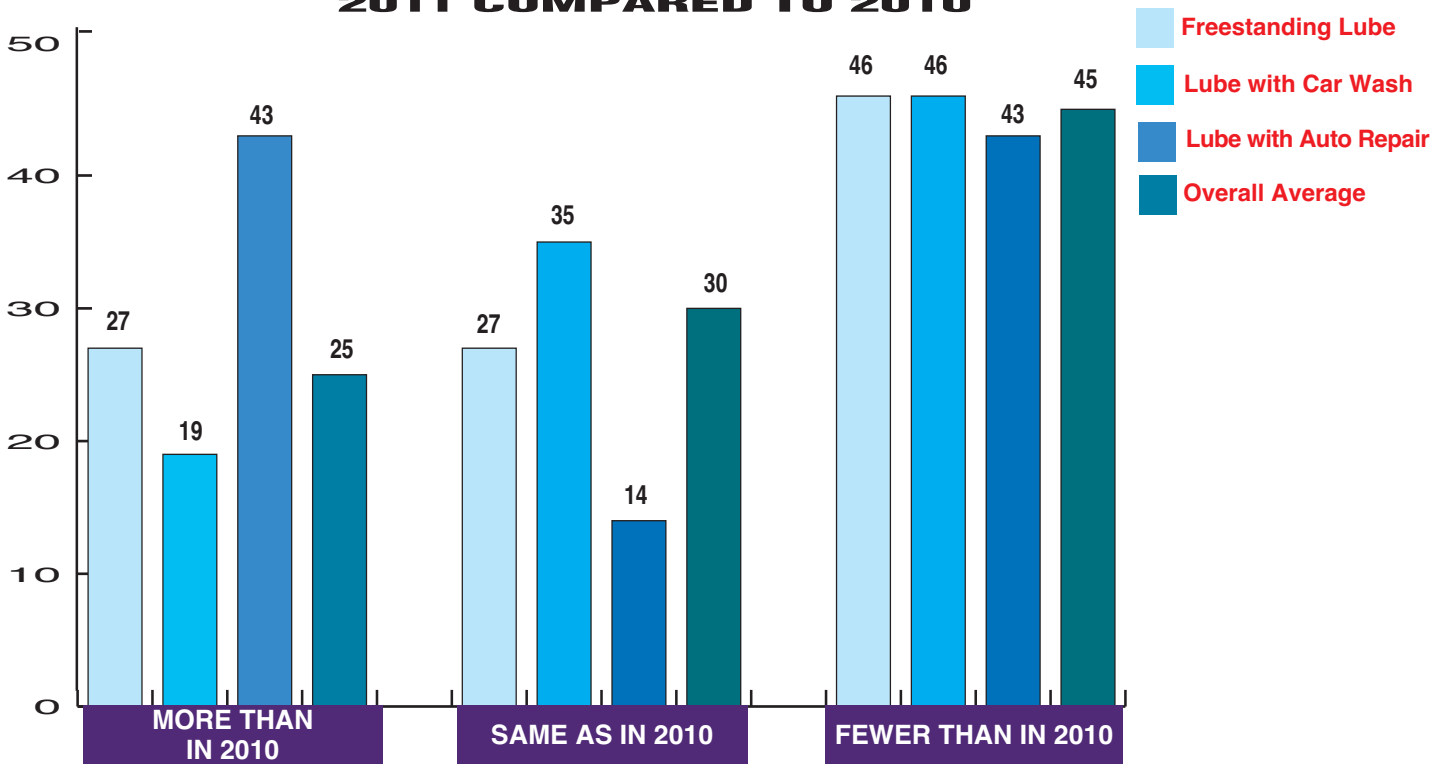
PERCENTAGE OF RESPONDENTS PLANNING EXPANSION - 2006-2011



OPERATING EXPENSES (LUBE ONLY) AS PERCENTAGE OF MONTHLY LUBE REVENUES

RENT	 11.1
MATERIALS <small>(i.e. Engine Fluids, Filters, etc.)</small>	 34.6
FACILITY MAINTENANCE	 4.0
LABOR	 23.5
UTILITIES	 2.4
INSURANCE	 2.8
CUSTOMER CLAIMS	 0.8
ADVERTISING/PROMOTIONS	 2.0

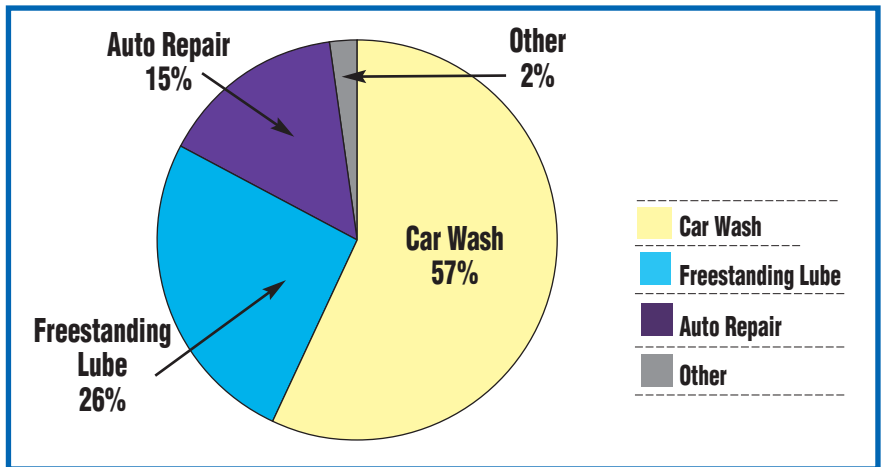
NUMBER OF FAST LUBES/OIL CHANGES 2011 COMPARED TO 2010



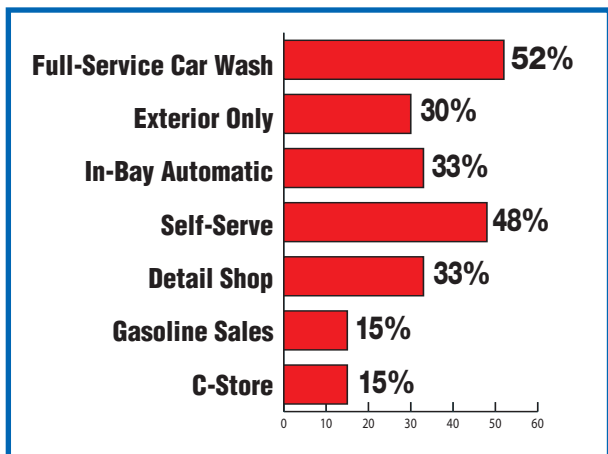
CUSTOMER GENDER

FREESTANDING LUBE	MALE 45%	FEMALE 55%
LUBE WITH CAR WASH	MALE 50%	FEMALE 50%
LUBE WITH AUTO REPAIR	MALE 43%	FEMALE 57%

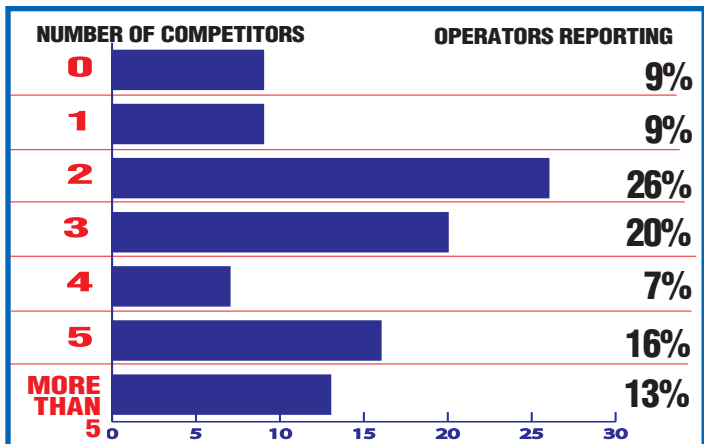
MAJOR BUSINESS CATEGORIES



LUBE/CAR WASH COMBO PROFILE



COMPETING FAST LUBES IN AREA



SURVEY

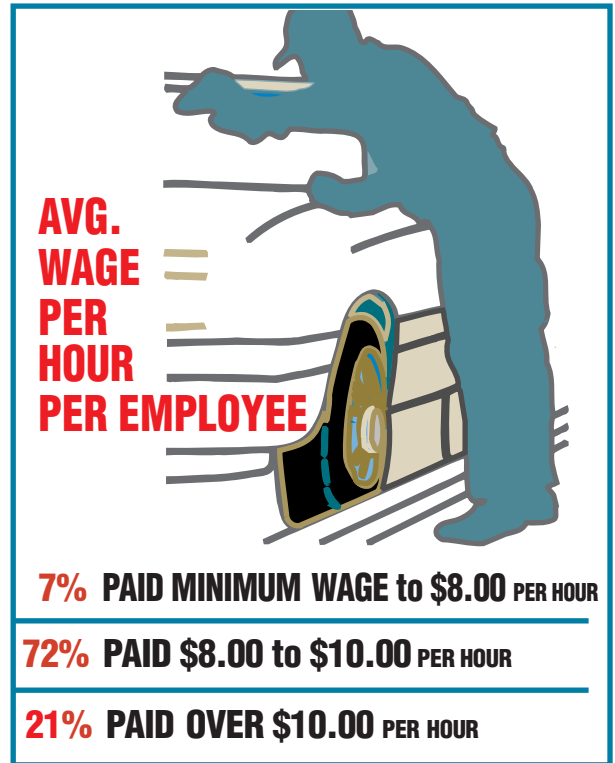
AVERAGE NUMBER OF CARS WASHED BY BEST LOCTION PER YEAR

Full Service	56,394
Exterior only	136,700
In-Bay Automatic	36,786
Self Serve	20,000

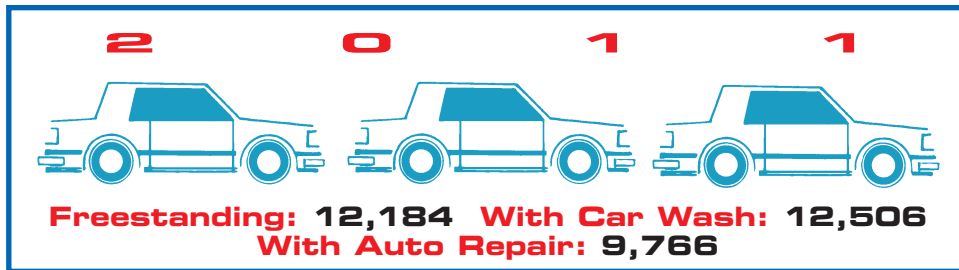
LUBE-PROGRAM/FRANCHISE PARTICIPANTS

FREESTANDING	50%
LUBE WITH CAR WASH	41%
LUBE WITH AUTO REPAIR	29%

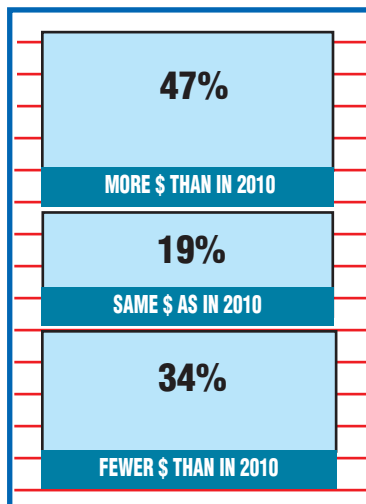
LABOR COSTS



AVERAGE NUMBER OF FAST LUBES/OIL CHANGES PER LOCATION FOR THE YEAR



2011 INCOME COMPARED TO PREVIOUS YEAR



CAR WASH CUSTOMERS WHO PURCHASE FAST-LUBE SERVICES

