



CANADIAN CARWASH ASSOCIATION

SEPTEMBER 2008

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WVR Reports show dramatic drop in carwash cycles

By Karen Dalton

THE CANADIAN CARWASH ASSOCIATION'S (CCA) market research program for its members provides reliable data, collected and analyzed by Kent Marketing Services Limited, on the carwash industry in Canada. The Wash Volume Report (WVR) program, launched four years ago and developed exclusively for the CCA, gives members the ability to monitor data to determine if their sales are being influenced by site selection, marketing, weather or other economic factors.

"These quarterly market reports are invaluable," says CCA Board member Al MacDonald, Associate Manager, Car Wash Operations, Canadian Tire Corporation Limited. "Typically, we use the reports as a tool to benchmark for our position against the overall market for wash volumes," noted MacDonald. "We find this is a great way to track our performance and to determine areas that are under performing or over performing versus specific trends. The reports allow us to take into account the same uncontrollable factors, such as weather conditions that exist for all operators," he added. "To aid in future planning, these reports help us identify the markets that may have the greatest potential for development."

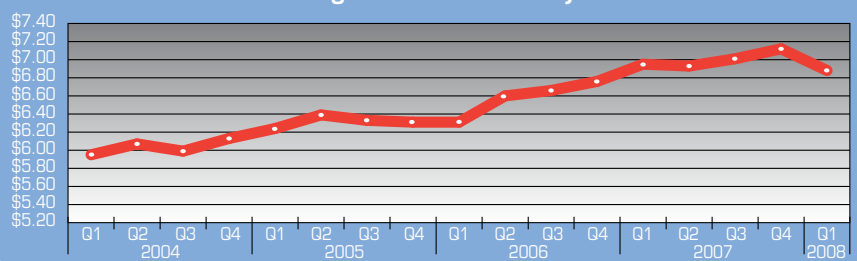
National results for the first quarter of 2008 reveal that 888 carwashes reported wash volumes of 6,817,914 cycles, average quarterly revenues per site of \$52,807 and average revenues per cycle of \$6.88. This represented a decrease from the first quarter of 2007 of 19.9% in average revenues per site, and a decrease of 20% in average cycles per site. The average revenue per cycle decreased 1% from first quarter 2007 to 2008.

The WVR program provides participants with both national and regional reports on a quarterly basis, showing monthly wash volumes by participant (number of wash cycles) and aggregate revenues, average revenue per wash, trend information, wash and industry totals, including benchmarking data for carwash sites and companies. The reports assist participants to determine market share and industry performance.

CCA Wash Volume Reports allow participating members to compare their carwash operations performance with that of other similar operators both locally and nationally,

continues...

Average Revenue Per Cycle





INDUSTRY FORUM

PROMOTING THE RESPONSIBLE GROWTH AND PROSPERITY OF THE CAR WASH INDUSTRY

TIPS FOR OPERATORS

MAKING HAY WHEN THE SUN DOESN'T SHINE

By Brad R. Laurier

Like any industry, ours has cycles of highs and lows. And like any industry you can hear all kinds of clichés being pronounced in the down cycle. “It’s not over till it’s over”, “the sun will come out tomorrow”, “quitting is not an option”, “it’s not what happens to you in life, it’s how you react to what happens to you that makes a difference”, etc.

All great quotes by great people in history, but of little comfort for the carwash operator who is working through “the worst winter I have seen in years”.

It is clear to me that remaining positive in the face of all adversities is a great perspective to jealously guard. Yes, the sun will come out tomorrow, but we need to eat today. We can’t escape that reality. So what can you do to grow your business during sales down time?

Believe it or not this slow period is a great opportunity to come out from under the tyranny of the immediate and really focus

on where we are going. What a great time to ask some hard questions like, what is it that I am offering in this business called car washing? Do people have to wash their cars or do they simply want to wash their cars? What can I do to make them want to wash their cars at my carwash? One of the excuses we use is that the market is saturated with carwash operations.

Between Barrie, Ontario and Toronto there must be six kazillion (ok I made that number up) places to get a cup of coffee. We all know who is selling most of the coffee. What is their saturation point? It seems the motoring public can’t get enough with locations springing up everywhere. Do people have to have coffee or do they just want coffee? And how come they’re so good at making people want their coffee? I believe it is because they have defined the offering and the offering includes value in the form of convenience and consistency. Do we really do that in our industry?

How about taking our down time to look

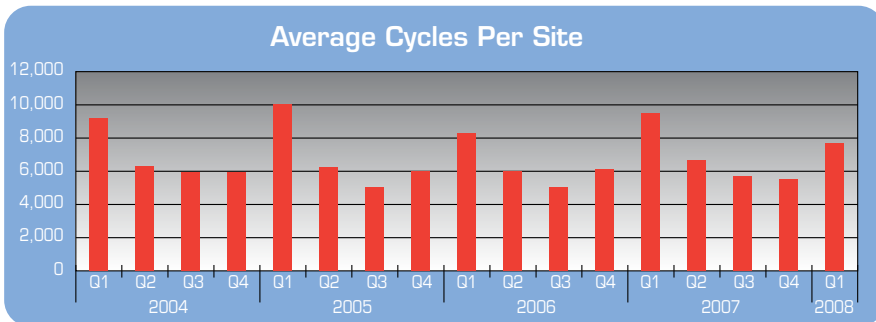
at cleaning up our operations? Maybe this is the perfect time to replace some of that tired equipment or at the very least give it some much needed maintenance. Interest rates are low now, making capital spending very attractive. Today’s latest equipment technology does more in a smaller space, while using less labour/water/chemicals and electricity. Re-investing in our business shows we have confidence in what we offer. I think that is a great first step in “Making Hay when the Sun doesn’t Shine”.

Brad R. Laurier is Vice President of MacNeil Wash Systems based in Barrie, Ontario.



CCA Executive Director Philip Boyd answers questions during the CARWACS trade show in Calgary, Alberta.

Wash Volume Report results for Q1 2008 (continued)



identify seasonal variations, assess the performance of their business, understand how the overall carwash market is performing and make informed decisions regarding new locations or expansion. The program is provided at no cost to participating CCA members.

As a participant in the program the member is bound to a confidentiality agreement and agrees not to use the information contained in the WVR for promotional purposes. CCA is solely responsible for the dissemination of aggregate information contained in the reports. For more information on CCA’s Wash Volume Report program contact CCA Office at 416-239-0339.

CCA AT CARWACS CALGARY

The Canadian Carwash Association participated in the Convenience U CARWACS Show on May 22nd and 23rd held at the Telus Convention Centre in Calgary. Executive Director Philip Boyd answered questions and provided literature to western carwash operators. During the two-day event CCA president, Vito Cosentino, moderated a panel specifically geared toward western issues like energy, the environment and government legislation. CARWACS was a great venue that offered us an opportunity meet with operators and network. For more information visit www.carwacs.com