



U.S. carwash operators discuss state of the market and trends

At the Car Wash Show 2017, which took place at the beginning of April in Las Vegas, PetrolPlaza spoke to a number of professional car wash operators to find out their views on the market.

The car wash business is a growing industry that attracts hundreds of new clients by the day. Newer cars, the end of the recession and a change in the public perception towards professional car wash sites have boosted a market which still has plenty of room for growth.

There are approximately 80,000 professional car wash locations in North America which can be broken down into three categories: Conveyor of all kinds (28,500 locations), Roll-Over and In-Bay (27,000), and Self-Service (24,000), according to data from the International Carwash Association.

Operating car wash sites remains to be an activity dominated by small and medium sized companies, although consolidation of the market is one of the clear trends of 2017. Around 2 billion cars are washed each year in North America, raising an estimated \$15 billion in retail sales.

Carwash operators have their say

Mike Davis, Manager at Classic Car Wash, a company with four sites in the Bay area, California:

"The car wash business is a good one to be in. The market is doing great. The main trend in the car wash market is going flex serve or exterior car washing. The trend is getting away from labour. These models are more automated and offer profitable options."

Juan Guerrero is a businessman from Costa Rica who attended the Car Wash Show to see the latest car wash machines.

"I am thinking about setting up an automated car wash so I came here to see the latest machines. We need to wash 100 cars a day to make an automatic car wash profitable. Labour makes manual washing expensive. You normally pay \$10 for a wash in Costa Rica. Most car wash sites are still manual but many people complain about the time it takes."

Ernie Davis, President at Car Wash USA, which operates four sites in the states of Texas and is looking to open two more:

"We came here looking for reclaim equipment, some dryers, conveyer and some tunnel wash

equipment. We want to install water reclaiming systems to save on water and bills. Also to be more friendly to the environment.”

“The industry is on the rise right now. There is a lot of activity in it with a lot of car washes becoming popular. I see many people wanting to get into the business. The biggest trends are express car washes and flex serve.”

Kurt Loos, Principal at Akron Car Wash Ventures, operator of one site in Ohio with in-bay automatic:

“The car wash market is in a good situation. I don’t expect fuel prices to go back up, but if they did, it probably wouldn’t affect my business”

“There is not one product that is new at this year’s show. Mobile payments are up and coming now and I think I am going to have to upgrade my cashiers to accept mobile payments.”

Ben Hawkins, Let ‘Er Buck Car Wash, which has one site with a tunnel wash in Wyoming:

“Car washing is very weather dependant. Unlimited programs are good to have consistent revenues. We now have 500 subscribers. At the site we have 1 line for cash & card and another for subscribers”.

Aaron Green, President of Focused Car Wash, a provider of solutions for the car washes across the U.S. and operators of sites:

“Return on investment can be very good in this business. With the unlimited car wash programs there is always a very small group of clients who overuse it but who cares about that 5% who wash their cars 20 times a month.”

“Adding fuel as an independent car wash operator would be pretty hard. Fuel margins are low and regulations are high.”

“The next big thing is customer interaction and interface. Being able to communicate with the client.”