

***WHY do you NEED a car wash at your convenience store?***



**CAR WASH SUCCESS AT THE CONVENIENCE STORE**  
**A QUICK START BLUEPRINT**

**BY THE CARWASH EXPERTS AT MACNEIL WASH SYSTEMS**  
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[MacNeilWash.com](http://MacNeilWash.com) 800.361.7797



## DIFFERENTIATION

- Consumers expect convenience and one-stop-shopping: You need to provide a wide array of services at your store to attract their business
- Drivers look for steep discounts on gasoline sales that competitors can't match: Attract business to your site by cross-promoting carwash sales at the pump with deals they can't get across the street
- Shoppers desire loyalty programs with frequent rewards: Add more perks to your existing program or create a loyalty program specifically for the carwash to increase repeat business
- Customers seek out opportunities to "clean up" at the c-store/gas station: Provide waste bins and cleaning tools at the islands, inexpensive carwash services, and free or low-cost vacuums to appeal to these motorists

## MARGIN

- Capitalize on rising volumes in the carwash industry: Professional carwash use is growing (particularly the express exterior market) and new car sales set records in 2015 and 2016 and are leveling out on a high, as are total vehicle registrations in the United States
- Carwash profits are rapidly increasing as innovations in carwash equipment and technology help operators reduce labor and utility costs
- State-of-the-art POS, controller and conveyor equipment is minimizing maintenance and management needs
- A wide array of add-on services provide up-sell opportunities to improve profitability at the pump and at the carwash terminal



## HOW DO YOU ENSURE SUCCESS WITH YOUR CARWASH?

- Thorough market research and site planning
- Modern, efficient equipment with add-on service potential
- Use innovative technology to manage labor and maintenance costs and utility expenses
- Fully integrate marketing and promotions with your c-store
- Professional education and training for operator/manager



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## OUR FINDINGS EXPLAINED

### Did you know...

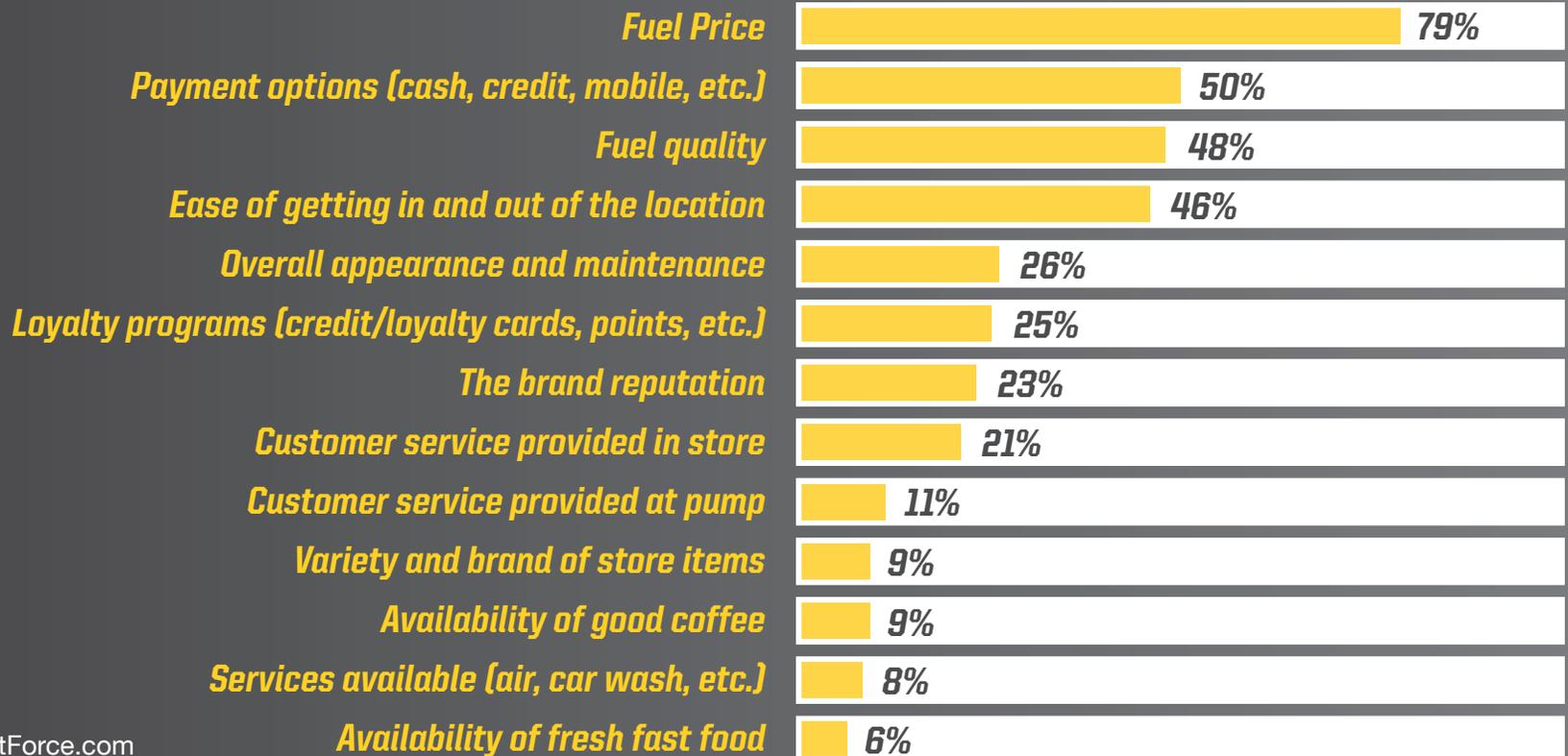
A carwash allows you to appeal to customers at several of these crucial points.

Competition in the c-store market is intensifying. The industry reached 154,535 sites in 2017, according to a joint research report from the National Association of Convenience Stores (NACS) and Nielsen, and it's predicted to continue growing in the long term as Americans have an increasing amount of discretionary income and feel they have less time to spend shopping.

It's not just that U.S. shoppers have more money to hand over -- they also have more options in the c-store segment. C-stores account for nearly 56 percent of the U.S. shopping channel; supermarkets (18%), drug stores (16%) and dollar stores (10%) make up the rest.

As the field becomes more crowded (the amount of c-stores has increased by more than 60 percent in the last three decades) it's more important than ever that your c-store stand out from the rest. How can you do that? A carwash is an extremely profitable method of attack.

Let's start by looking at the research. What are your customers looking for in a convenience store? According to Market Force, a customer experience management solutions company, consumers make their decision based in order on the following criteria.



## ***Nearly 80 percent of your customers choose your location based on fuel price...***

**...but discounting gas on its own is a margin killer. Instead, a carwash provides a profitable way to offer enticing discounts at the pump.**

A recent article in C-Store Decisions cited a California chain which found offering a discount on gas increased carwash sales from \$5,000 to \$15,000 per month. “We are now putting two-tier pricing on the streets where if gas is \$3.69, you can do 20 cents per gallon off and when you can post a price 20 cents below everybody else with a carwash, then that makes a difference,” Jack Kodarali, president of J&T Management Inc., a franchise owner operating 24 ARCO ampm convenience stores, explained in the article. Even accounting for the estimated \$5,000 cost of the discount, the carwash still doubled its sales and paid for its own promotion.

It’s not only operators who realize the potential rewards of a carwash -- popular gas price search service and mobile phone app GasBuddy recommends purchasing carwash services at the pump as a way for the consumer to save money as a “tip” on their website’s blog ([www.gasbuddy.com/Data/SaveFuel](http://www.gasbuddy.com/Data/SaveFuel)).

In addition to appealing to consumers by offering cost savings on fuel, car washes also allow you to build your brand reputation as a “leading supplier of clean” in the c-store market. According to a 2017 study by NACS, seven in 10 American drivers use the trash can at the fueling island to dispose of the trash in their car -- and 56 percent of those motorists admit this waste didn’t come from inside the store.

Providing a carwash service on site provides a profitable way to capitalize on their inclination to clean up. It also gives the c-store operator a way to monetize the service. Where “free vacs” at gas stations in the past have failed to live up to expectations, the centralized free vacuum systems typically offered with a conveyor carwash guarantee a revenue stream and customer satisfaction.



Carwashes also provide an opportunity to improve your loyalty program and encourage repeat business. Major players in the c-store channel realize this (Shell Canada and ExxonMobil both promote carwash services with their loyalty programs on site and on their websites), and many individual operators are realizing the potential, too. Some operators use discounts on the carwash as part of the perks associated with their rewards cards (Shell Canada), while others allow customers to collect “points” from their various purchases -- including the carwash -- which then translate into savings in fuel costs (ExxonMobil).

Among standalone conveyor carwash sites, RFID technology is allowing operators to sell monthly unlimited passes to the carwash and build a predictable revenue stream for the location. No matter how you choose to reward your customers for choosing your c-store carwash, the goal is to encourage repeat visits and ancillary purchases, all while building loyalty.

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# MARGIN

## ***In addition to helping your business stand out from the crowd, car washes also provide an extremely profitable revenue stream for the operator.***

The commercial carwash market is growing to keep pace with record high vehicle registrations and new car sales. The United States has the second largest passenger vehicle market in the world (over 263 million in 2015) and U.S. consumers bought a record number of new cars and trucks in 2015 and 2016. While that number is expected to level out in 2017, it's still plateauing on a high.

At the same time as the volume of vehicles on the road has grown, at-home carwashing has decreased by more than 20 percent over the last two decades. In 2014, the most recent year the International Carwash Association published data from its Consumer Attitude Study, only 28 percent of Americans stated they preferred to wash their vehicle in the driveway. This trend will continue as residential water use costs continue to rise and more municipalities consider laws prohibiting at-home carwashing in compliance with environmental regulations.

Perhaps even more notable than the decline in at-home carwashing is the trend among the various types of commercial carwashes. Only one segment of the commercial carwash industry showed growth from 2008 to 2014: The exterior conveyor car wash. While consumer preference for in-bay automatics, full-service and self serve car washes has flattened out or declined in recent years, demand for express exterior services rose from 14 percent to 21 percent among all consumers (even those who prefer to wash at home). The study found 71 percent of consumers would most often choose a commercial carwash, and of those who want a professional job, the majority went to an exterior conveyor.

## COMMERCIAL CARWASH PREFERENCE

<b>29</b>	<b>Exterior</b>
<b>28</b>	<b>Full Service</b>
<b>23</b>	<b>In-bay automatic</b>
<b>13</b>	<b>Self serve</b>
<b>7</b>	<b>Hand wash</b>

*\*ICA Consumer Attitudes Study, 2014*

<b>Carwash type</b>	<b>North American locations</b>
<b>Conveyor (all types)</b>	<b>28,500</b>
<b>Rollover/In-bay automatic</b>	<b>27,000</b>
<b>Self-service</b>	<b>24,000</b>

*\*International Carwash Association, [www.carwash.org](http://www.carwash.org)*

*Even though consumers prefer express exterior, the conveyor segment is still underrepresented throughout the continent. The ICA estimates there are 28,500 total conveyor sites in North America; a number which includes full-service and flex-service models. This means all conveyor sites represent only 36 percent of the market share; while express exterior sites are doing nearly 30 percent of its expected volumes.*

For the last three decades, the rollover/in-bay automatic platform has long been married to the c-store industry. Because the model was considered less-maintenance intensive and due to size constraints at many sites, the norm became a c-store gas station with a neglected IBA in the back.

Even with such a lackluster relationship, figures from the North American Industry Classification System (NAICS) show a total of \$979.7 million in carwash receipts from car wash operations in c-stores in 2013 (the most recent year data was available) and projected a growth to over \$1.1 billion in 2014. The ICA estimates the entire carwash industry rakes in more than \$24 billion each year. Where's your slice of the pie?

For c-store operators who are serious about turning a profit with a carwash, the answer is clear: An express exterior car wash with built-in efficiencies in its technology and engineering to reduce utility and labor costs provides a way to differentiate your c-store location while also producing a tidy margin in its own right.

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Our experts recommend a thorough site and market evaluation before proceeding with your carwash project. To support an express exterior carwash investment, your carwash should heed these industry recommendations:

- Site pumps 100,000 gallons of gas a day -or- has a 20,000+ daily traffic count;
- Layout provides room for tunnel (at least 60 feet in one direction), stacking/queue area and turning radius, entry stations, and vacuums
- Market is not over-saturated (consider competing conveyor tunnels and price points in a 3-mile radius)

Operators will also want to summarize the demographics of their customers and market area, as well as current traffic counts to form an idea of revenue possibilities. Express exteriors have a capture rate of 1-3 percent of the average daily traffic count, generally speaking, when they are standalone operations.





Your express exterior carwash should be reliable, safe, and efficient. Operators will need to choose technology and engineering which supports these goals and minimizes expenses while maximizing profitability.

The XR-1000 from MacNeil Wash Systems is the safest conveyor on the market today with its simple, innovative design. Gently washing all vehicle surfaces, the Evolution Top Brush, SuperFlex Wrap-Around, and High and Low Side Washers offer a thorough and superior level of clean.

The quiet and reliable Magnum Pumping Station allows you to use the Magnum High Pressure Arch or a combination of Magnum Series equipment (Wheel, Side or Bumper Blasters) to provide your customers with an exceptional wash and rinse. Chemical application is made easy by using Versa or VersaTrans Arches with a variety of manifolds to help deliver every chemical available.

For c-store operators who have an existing rollover wash on their site, the In-Bay Express from MacNeil offers you the best in-bay automatic retrofit solution, helping you increase your throughput by three times. This innovative solution from MacNeil promises lower installation costs with shorter installation downtime and little or no site changes, as well as technology to reduce water and formula consumption.

Another profitable add-on service is wheel cleaning. MacNeil's Wheel Boss is an all foam or bristle brush horizontal wheel cleaner. No other wheel cleaning system has conquered the unique challenges of wheel and tire cleaning like the Wheel Boss. This all-in-one wheel cleaning system gets in deep to scrub rims and tires to a sparkling clean that brings satisfied customers back.

The MacVac car wash vacuum system is engineered to run 24/7 with minimal maintenance. It provides superior filtration, including a built-in primary cyclonic separator to remove 99 percent of the dust before it gets to the final bag or cartridge filters. The MacVac increases productivity by placing the drops exactly where you need them and features industrial-grade, heavy-duty induction motors that are powerful, reliable and have a 20,000-hour rating.

The Tech 21 car wash drying system gives you total control over your drying process. Package it with the optional PowerLock, a lightweight, money-saving air valve that reduces energy use by preventing airflow between vehicles and minimizing peak load charges. It reduces noise levels, and when equipped with automatic-sensing technology, it can either delay or eliminate drying for pick-up beds or soft-top convertibles. The PowerLock air valve car wash power saver puts more money back in your pocket while creating a quieter and safer environment in your tunnel. Optional SMART nozzles are programmable for multiple positions and time delay for increased dwell time, with rotation up to 360 degrees.



After choosing the ultimate conveyor and add-on service solutions, your operation should include several technological methods for reducing management, labor and utility expenses.

MacNeil's CleanWash Echo car wash chemical applicator was developed to deliver a consistent and accurate mixed solution, improving your chemical performance and vehicle coverage while using less water and chemical solutions. The CleanWash Echo car wash chemical applicator also takes up less space, and requires less ongoing maintenance than traditional mixing, dosing and pumping equipment. The properly diluted solution is delivered to the car wash chemical applicator accurately, every time. Regulated, boosted pressure results in less solution used with better vehicle coverage and stunning visual results. Quick-connect injectors and quick-change pumps are easy to install or replace on your car wash chemical applicator.

The MCC Tunnel Control Center provides accurate car wash control for every aspect of your system, from the application of formulas to the precise timing of each wash component. Incorporating the newest technology, MacNeil's simple and user-friendly MCC car wash control has all the features and benefits required to maximize the performance of your system. Monitors your site from anywhere through remote access, tracks diagnostics such as formula levels and usage, and water and air temperatures, the car wash control alert system emails you to warn of potential or current tunnel conditions. Every panel is custom built to fit your needs. Full technical support is only a phone call away, at no extra charge.





After organizing a grand opening celebration which includes 2-4 weeks of promotional build-up, your carwash should become a fully integrated part of your c-store's marketing efforts. Carwash services should be sold at the pump, at the cashier, and marketed throughout the site. Any mobile or email marketing campaigns should involve your carwash, as well.

The Washify system from MacNeil is an integrated point-of-sale and marketing system that creates a total car wash solution. It connects with your car wash controller, is cloud based, manages targeted email campaigns, and more.

**Features:**

- The smartphone app allows connectivity anywhere, anytime.
- The unlimited management program is easy to use and grow.
- Online scheduling allows clients to book appointments 24/7.
- Integrated email marketing system delivers timely, relevant, personalized emails at just the right time.
- View data from anywhere. Access reports, look up client information, make changes, and more.
- Easily create charge accounts, invoices and capture signatures.
- The detail module allows clients to book a detailing appointment with the mobile app or online.
- Automated reminders mean less missed appointments.
- Purchase wash books and gift cards online.
- Operators can track and adjust staffing to meet demands as needed.





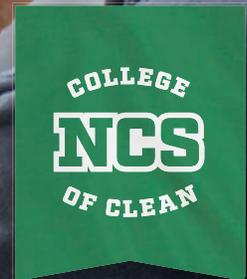
Come see for yourself what no one else in the industry can offer.

Our hands-on training courses are designed to give you a solid education and thorough understanding of the best path to car wash success. We'll teach you the ins and outs of the industry and how to succeed in this one-of-a-kind training experience. The interactive training takes place at our custom training facility that centers around operational systems for tunnels, including preventive maintenance, common repairs, and avoiding common mistakes.

The NCS College of Clean is a one-of-a-kind training resource for car wash operators, investors and managers located at National Carwash Solutions headquarters in Grimes, Iowa.



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CAR WASH FORMULAS



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