

RAB Instant Background - Car Wash/Auto Detailing

Consumer Insights

Who Buys

Major market segmentation for car wash and auto detailing companies in the US in 2020: Businesses, 28.6; household earning over \$150,000, 26.8%; households earning \$70,000 to \$149,999, 17.5%; Household earning \$40,000 to \$69,999, 13.0%; household earning less than \$40,000, 12.4%; government, 1.7%. <i>(Source: IBISWorld, 2020)</i>
According to the 2020 Detail Survey from Auto Laundry News, the customer profile for auto detailing businesses: Retail, 74%; auto dealers, 23%; taxis/limos, 2%; other (fleets, body shops, etc., 1%. <i>(Source: Auto Laundry News, 2020)</i>
Retail vehicle profile for auto detailing businesses: New car (under one year old), 16%; 1-2 years old, 30%; 3-5 years old, 32%; 5+ years old, 21%. <i>(Source: Auto Laundry News, 2020)</i>
Households from the two highest income brackets or individuals earning more than \$150,000 a year, are the largest source of demand for the car wash/auto detailing industry, accounting for an estimated 26.8% of the industry's revenue. <i>(Source: Bureau of Labor Statistics , 2020)</i>

What They Buy

Product and service segmentation for car wash and auto detailing companies in the US in 2020: Full-service clean (conveyor car washes), 24.2%; exterior-only clean (conveyor car washes), 25.2%; in-bay automatic car washes, 20.0%; detailing services, 13.1%; hand washing services, 6.1% and self-service bay, 11.3%. <i>(Source: IBISWorld, 2020)</i>
In a 2020 Exterior Conveyor Survey, respondents pointed out other services offered on the conveyor: wheel cleaner, 94%; undercarriage spray, 85%; rust and inhibitor, 45%; triple foam, 82%; clear-coat protectant, 85%, spot-free rinse, 70%; tire dressing, 58%; hot wax, 70%; heated dry, 18%; hand dry, 18%. <i>(Source: Auto Laundry News, 2020)</i>
A 2020 survey of self-service car washes determined that 15% of them have full-time attendants, 50% of them had part-time attendants and 35% of them had no attendants. <i>(Source: Auto Laundry News, 2020)</i>
Current equipment at self-service car washes: vacuums, 100%; spray wax, 97%; trigger guns, 92%; bill changer, 98%; foaming brushes, 98%; presoak, 80%; LED lighting, 88%; credit card acceptance, 69%; video surveillance, 73%; vending machines, 88%; water softener, 76%; water heater, 78%; cold water rinse, 80%; floor mat hangers, 86%fragrance dispenser, 51% <i>(Source: Auto Laundry News, 2020)</i>

When They Buy

In a 2020 survey, 48% of respondents said the best month for their business was March. Following behind were February (19%) and July (10%). <i>(Source: Auto Laundry News, 2020)</i>
A 2020 survey revealed 33% of exterior-only car washes were open 24 hours and 35% of express exterior businesses were. <i>(Source: Auto Laundry News, 2020)</i>
92% of exterior-only car washes are open on Sunday, according to a 2020 survey. Same can be said for 88% of express exterior businesses. <i>(Source: Auto Laundry News, 2020)</i>
Based on the results of a 2020 survey from Auto Laundry News, March was chosen as the best month of business (34%) by self-service car washes, followed by April (18%) and May (11%). <i>(Source: Auto Laundry News, 2020)</i>
Percentage of self-service car wash business done by day of the week: Monday, 11%; Tuesday, 9%; Wednesday, 9%; Thursday, 11%; Friday, 19%; Saturday, 24%; Sunday, 17%. <i>(Source: Auto Laundry News, 2020)</i>
Percentage of wash done at self-service car washes done by hour of the day: Midnight-8A, 3%; 8A-10A, 15%; 10A-N, 17%; N-3P, 23%; 3P-7P, 31%; 7P-N, 10%. <i>(Source: Auto Laundry News, 2020)</i>

Where They Buy

How far customers come to a self-service car wash: 2 miles or less, 9%; 3 miles or less, 34%; 4 miles or less, 38%; 5 miles or less, 61%; 8 miles or less, 66%; 10 miles or less, 80%. <i>(Source: Auto Laundry News, 2020)</i>
Business concentration of car wash and auto detailing companies in the US in 2020: California, 11.7%; Texas, 8.5%, Florida, 7.2%, New York, 5.2%, Illinois, 4.4%; New Jersey, 3.7%; Ohio, 3.6%; Pennsylvania, 3.5%; Michigan, 3.5%; Georgia, 3.4%; North Carolina, 3.1% <i>(Source: IBISWorld, 2020)</i>

How They Buy

Based on results of the 2020 Exterior Conveyor Survey by Auto Laundry News, only 33% of exterior-only car washes offer free vacuuming. <i>(Source: Auto Laundry News, 2020)</i>
Average gross revenue per car at a full service car wash in 2020: \$17.62. <i>(Source: Auto Laundry News, 2020)</i>
The average daily traffic count for full-service car washes in 2020 is 32,214. <i>(Source: Auto Laundry News, 2020)</i>
Average price of extra services offered at full-service car washes, as well as % of operators offering those services: detail, \$172.00, 82%; upholstery cleaning, \$56.00, 77%; quick lube, \$32.00, 36%; carpet shampoo, \$51.00, 82%;exterior vinyl protectant, \$21.00, 50%; wax and hand buff, \$83.00, 68%; wax and machine buff, \$115.00, 64%. <i>(Source: Auto Laundry News, 2020)</i>

Why They Buy

Similar to other industries operating in the automotive care market, growth in the total stock and usage of motor vehicles underpins demand for the Car Wash and Auto Detailing industry. However, unlike many other automotive repair and maintenance services, car washing services are generally considered to be non-essential expenditures for households. As a result, demand for car wash services by households is sensitive to fluctuations in household disposable income, consumer sentiment and substitution by at-home do-it-yourself washing. <i>(Source: IBISWorld, 2020)</i>
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Business Information

The majority of car wash locations in the United States are owned and operated by small- to medium-sized independent car wash companies. The market is highly fragmented, with the 100 largest conveyor car wash companies representing only 13% of total conveyor car wash locations - and the largest single operator representing less than 2% of locations <i>(Source: International Carwash Association, 2020)</i>
Car wash businesses are typically small, family owned private companies.They often offer additional services to car washes, such as oil and lube change, gasoline and merchandise sales. <i>(Source: IBISWorld, 2020)</i>
In 2020, the Car Wash & Auto Detailing industry in the US had a revenue of \$10.3 billion. <i>(Source: IBISWorld, 2020)</i>
In a 2020 Exterior Conveyor Survey, 47% of respondents report income growth over the previous year, a significant step down from 57% in 2018, which was itself a retreat from 63% in 2018. <i>(Source: Auto Laundry News, 2020)</i>
In a 2020 Exterior Conveyor Survey, 78% of respondents said their business had a website. <i>(Source: Auto Laundry News, 2020)</i>
Percentage of operators with multiple sites: 1 site, 64%; 2 sites, 15%; 3 sites, 5%, 4 sites, 7%; 5 sites, 3%, more than 5, 5%. <i>(Source: Auto Laundry News, 2020)</i>
In 2020, there were 62,668 car washes in the United States. <i>(Source: International Carwash Association, 2020)</i>
Conveyor car washes have invested in deluxe waiting rooms, Wi-Fi access and even dog washing, in addition to traditionally offered services. However, the most popular car washes today are express washes, which are less labor intensive and have more specific cleaning equipment than in-bay automatic washes. Express washes take an average of five minutes (versus 15 minutes for the standard conveyor car wash), enabling industry operators to generate a higher volume of customers. <i>(Source: IBISWorld, 2020)</i>

Why Radio

Radio has established itself as an excellent vehicle for advertisers to deliver their messages to an increasing number of potential buyers. Each week, radio reaches 89.1% of persons ages 18+, and 62% of these consumers on a daily basis. In all, more than 226 million Americans ages 18-and-older listen to radio every week. <i>(Source: Nielsen Audio, 2020)</i>

Miscellaneous Industry Facts or Category Trivia

Advances in technology that enable fast, efficient and low-cost cleaning and waxing services also influence demand for car wash services. The combination of low cost and convenience has resulted in widespread consumer acceptance of self-service bay car wash systems where the customer uses wands and hoses to carry out a range of tasks <i>(Source: IBISWorld, 2020)</i>
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Relevant Links

Auto Laundry News: www.carwashmag.com
Professional Carwashing & Detailing: www.carwash.com
International Carwash Association: www.carwash.org <i>(Source: RAB, 2020)</i>