

Customer Visit Frequency

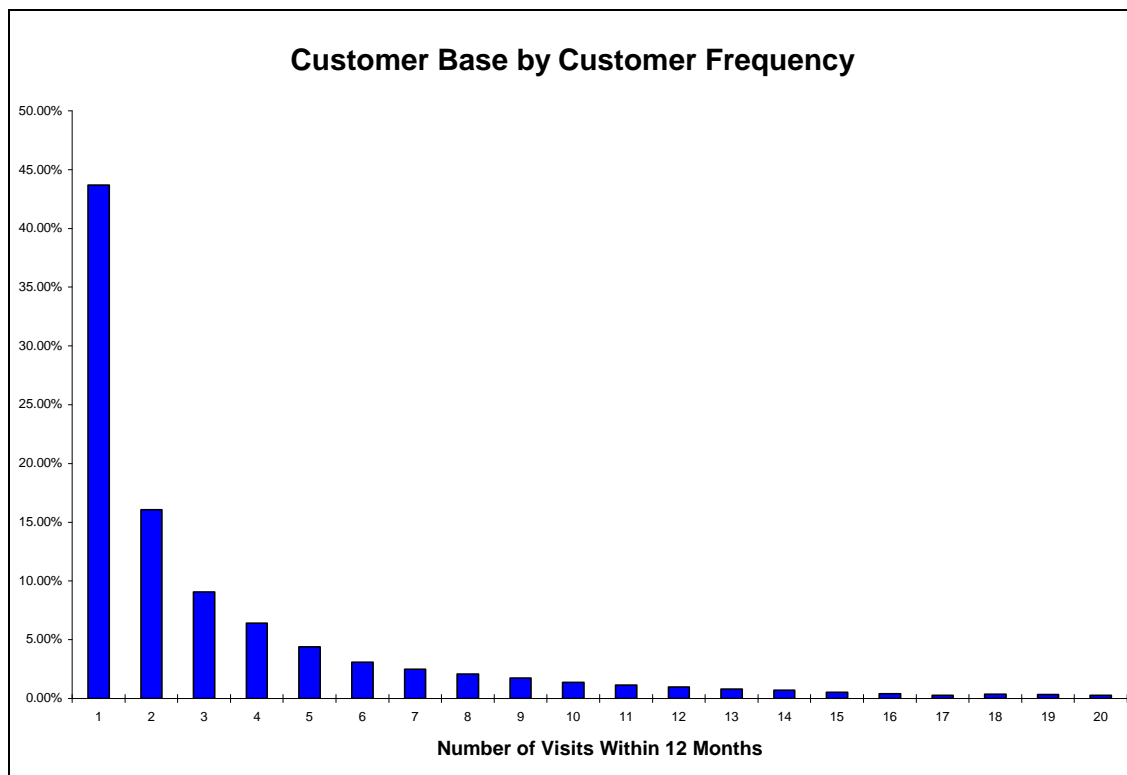
Customers don't visit as often as you think

Think about your typical customer. How often do they visit? Would you say they visit once a week? Twice a week? Once a month?

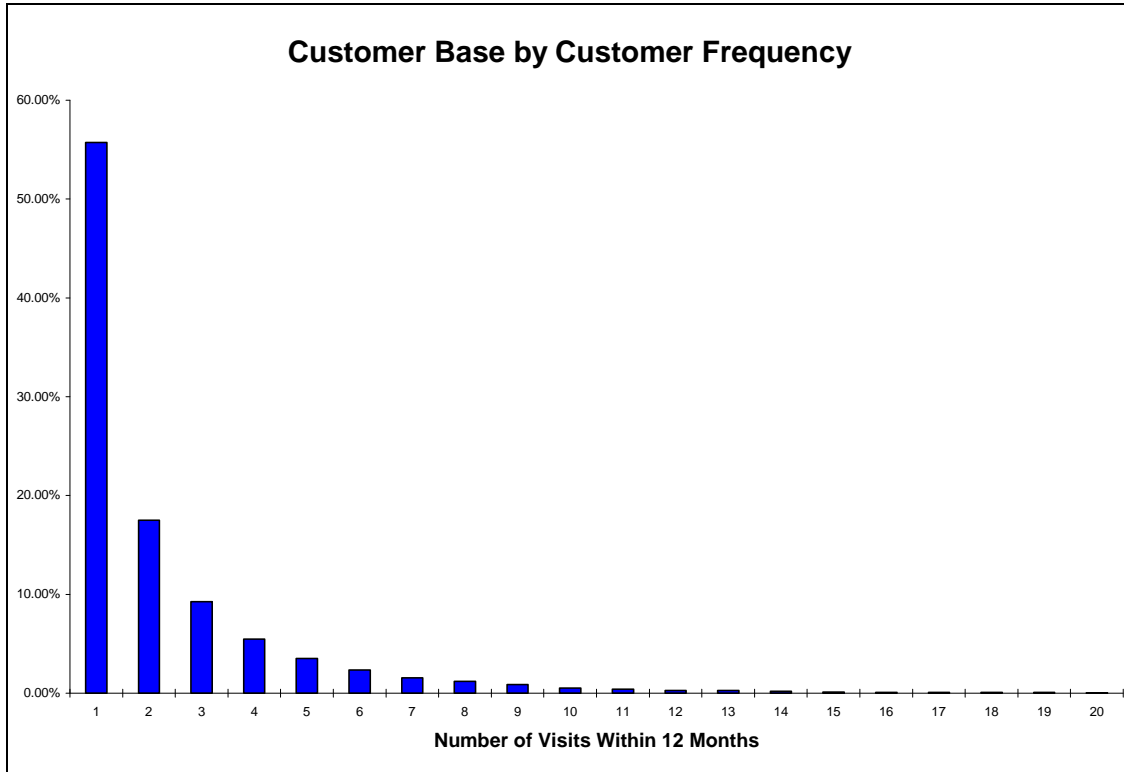
Would you be surprised to learn that your typical customer visits only once a year? Would you even believe a number like that?

Well, in 1995, DRB Systems embarked to find out. We looked at several carwashes that were using our CarWatch® Customer Tracking product, and who were tracking every vehicle by their license plate.

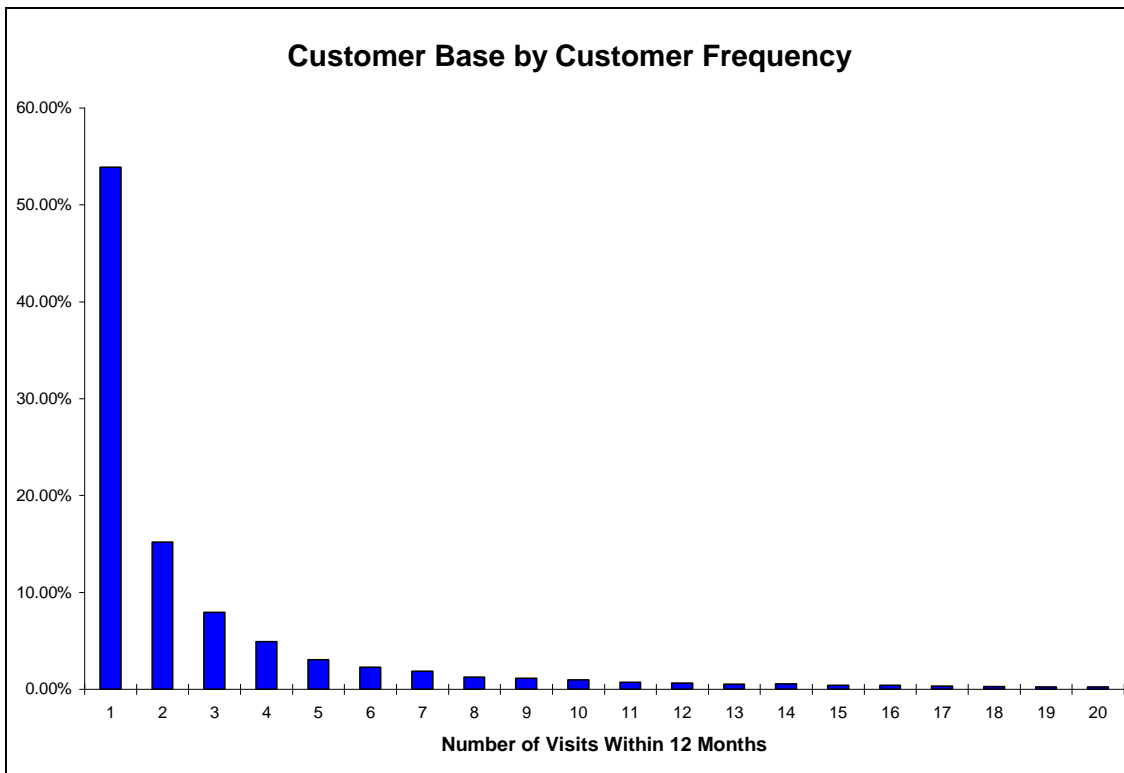
The first car wash that we looked at is a full service site on the East Coast. The area itself is has a stable clientele, and it is not near what would be considered a "tourist" area. At this carwash, 44% of his customers visited only once a year. If that number sounds shocking to you, then hold on...that was the lowest percentage that we saw!



The next carwash that we reviewed is more typical of what we've seen, with 55% of his customer base visiting the site once a year. It is a full service carwash located in the Gulf States. They are located near a metropolitan area.

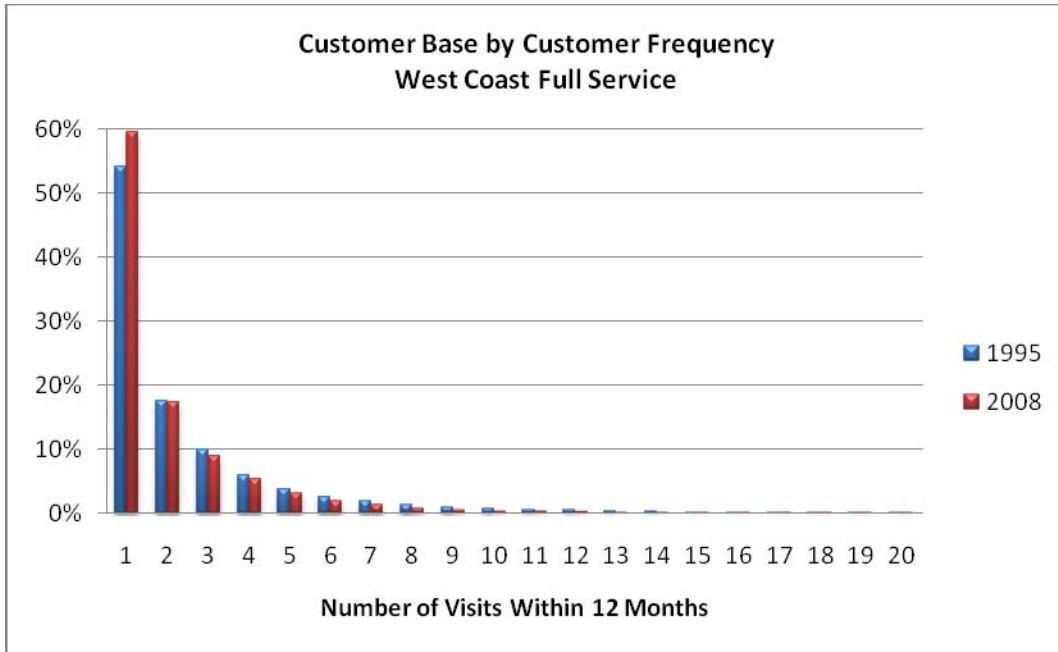


The third carwash we reviewed is an exterior carwash located near the Great Lakes. Their once-a-year customers make up 54% of all their customers.

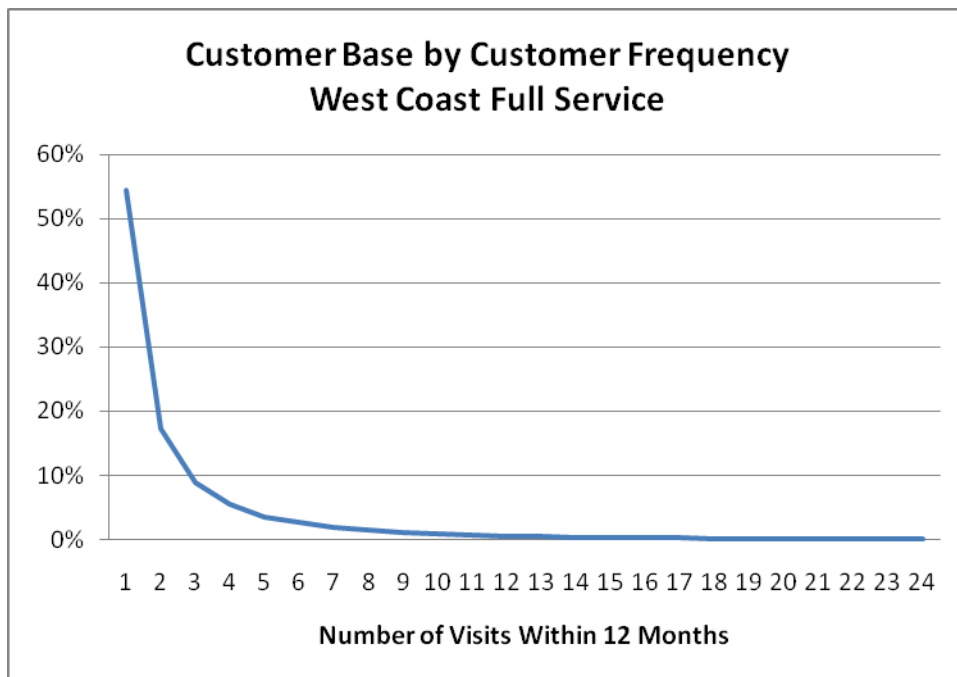


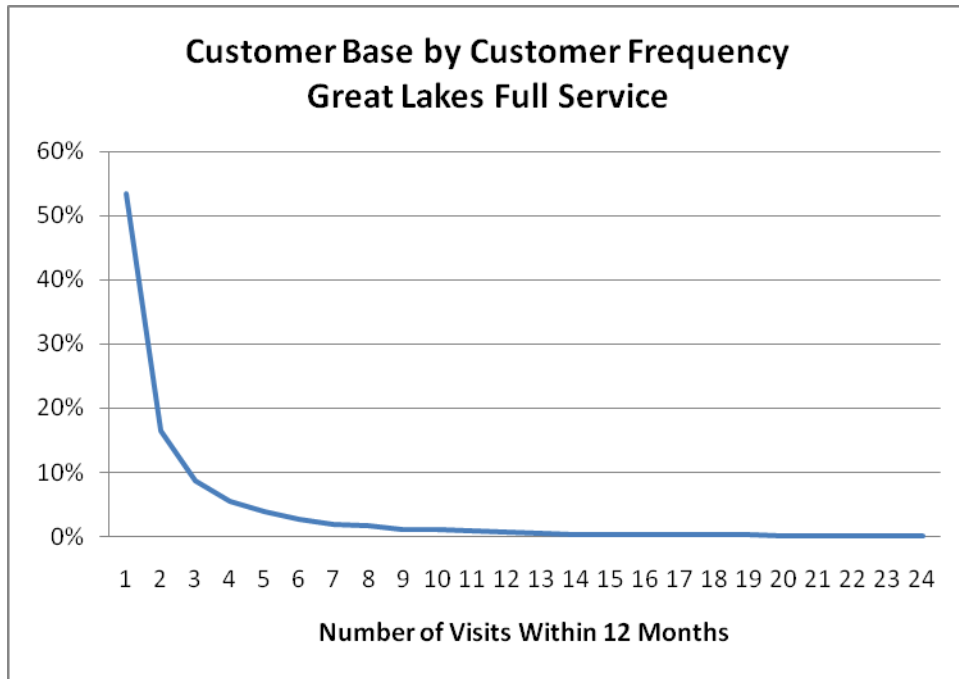
We analyzed two more carwashes, with similar results: 51% and 54% being once-a-year customers. Over all the years, we've seen these numbers range as high as 65%, but the typical number seen is 55% -- give or take a few percentage points.

One of those carwashes – a full service site on the West Coast – allowed us to revisit their statistics in 2008...13 years later. By now, they had converted to our SiteWatch point-of-service system, but are still tracking all their customers by license plate. In 1995, 54% of their customer base washed once a year. In 2008, that percentage had increased to 60%. The following is a chart comparing those two years. In terms of their customer base, they've lost some of their regular customers in exchange for those once-a-year folks.



Here are two more carwashes that we analyzed in 2008.



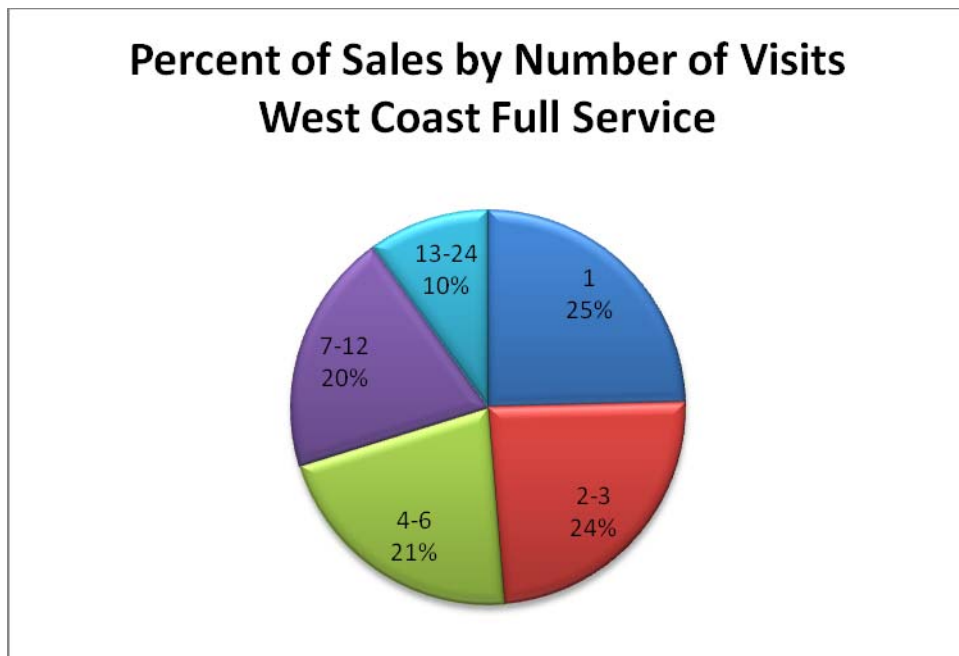


Even though they are in different parts of the country, these charts are surprisingly alike! So, are you now convinced that your customers are not as loyal as you might think? What we typically see is that 90% of a carwash’s customers visit a particular site less than 6 times a year.

Before you panic and change your marketing plans to focus on these infrequent customers, remember this:

1. Infrequent customers are less price sensitive. When they visit, they spend more than your frequent customers.
2. Your frequent customers make up a good portion of your business and should not be ignored.

What your frequent customers lack in their numbers, they make up in volume. Yes, there are few frequent customers and they spend less per visit, but their visits add up. Let’s look at how their dollars stack up. In the following charts, we’ve grouped the customers into a category based on how many times they visited in a year.



What we see from this data, is that your frequent customers – those visiting 7 times or more in a year – make up 30% of this West Coast site’s revenue. At the Great Lakes full service site, this number was similar at 32%.

Well, if you are like most operators who have heard this data for the first time, you are likely in shock and possibly in denial. So, how do you turn this around and use this information to your advantage?

Fortunately, customers also think that they wash more often than they do. Years ago, in a New York Metropolitan Opera survey, New Yorkers were asked how often they visit the opera. Despite a seating capacity of 3,995, the survey indicated that the Metropolitan Opera should have been filling up Shea Stadium (capacity: 55,601) every night with opera-goers. It is just human nature to “perceive” that our cultural – and carwashing – habits are better than they are in reality.

The same is likely true of your customers. Ask them how often they visit your wash, and you’ll get a distorted view based on how often they “wished” they visited your carwash.

Why not use that perception to your advantage? Offer customer loyalty programs such as gift cards, ticket books, bounce-back coupons, and monthly passes that are automatically charged to their credit card. You may even offer a discount on these promotions, knowing that folks won’t use them as often as they think. Plus, when they do go get their vehicles washed, they will be locked into your business!



Harold Guthrie, denizen of the digital world, is the DRB Systems numbers guy. A graduate of the University of Akron with a degree in mathematics, Harold toiled for IBM before he came to our company in 1994.

A consummate numbers guy, he has conducted numerous engineering studies on a wide variety of SiteWatch products. When it comes to figuring out the meaning of figures, Harold is clearly our number one choice. He can be reached at 800-336-6338.