

SiteWatch®

Loyalty Promotion

What is the gap between purchases of a one-month unlimited wash pass?

Selling a 31-day unlimited wash pass is a great way to lock customers into using your carwash. And, it is a great deal for you and for your customers. You get their money up front, and they get to wash as often as they like for the next month without worrying about how they are going to pay for it each time.

One-month passes can be very popular with your regular customers, such that they will purchase the passes month after month because it saves them money. Yet, are you leaving money on the table because there is a gap of time between when one pass expires and when the customers purchase their next one?

To answer that question, we looked at two different carwashes. Both carwashes track every vehicle by entering its license plate, which allows us to do a very thorough analysis.

- Full service carwash in the mid-Atlantic that has sold an average of 20 passes each month for the past 22 months.
- Full service carwash in the Northeast that has sold an average of 635 passes each month for the past 44 months.

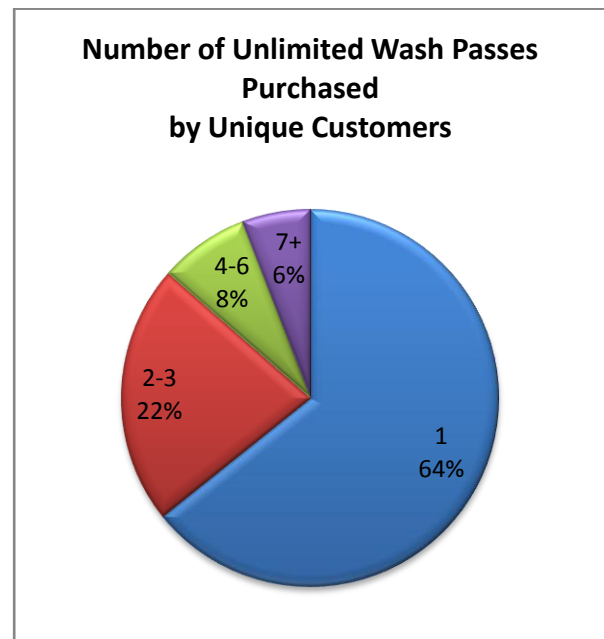
Mid-Atlantic Full Service

This site has been selling passes for 22 months, and has sold 444 during that time. Of the customers that purchased passes, the vast majority (64%) bought one pass and no more.

The site sells the following washes and passes:

- Basic wash for \$13.99. There are no passes sold for this package.
- Basic wash plus tire shine for \$17.49. The 31-day pass costs \$45.99, or 2.63 times the wash price.
- Middle package for \$19.99. The 31-day pass costs \$53.99, or 2.70 times the wash price.
- Top package for \$22.99. The 31-day pass costs \$60.99, or 2.65

23% of the customers that purchase a pass buy the basic pass, 58% buy the middle pass, and 19% the top pass.



64% of pass customers only buy one pass

For the next part of this analysis, we looked at the customers who are the most regular; meaning, they purchased the most unlimited passes. There were 5 customers that purchased 13 or more passes.

Ideally, we would want these customers to renew their passes on the day after it expires. To maximize our revenue, that would create a gap of 0 days between passes. For the 5 customers who purchased the most passes, the average gap between their purchases ranged from 7.1 to 13.2 days. Calculated as a percentage of a 31-day pass, the revenue lost due to this gap ranges from 22.9% (7.1 / 31) to 42.6% (13.2 / 31). Meaning, had these customers renewed each of their passes on the day after it expires, the site would have gotten 22.9% to 42.6% more revenue from these customers.

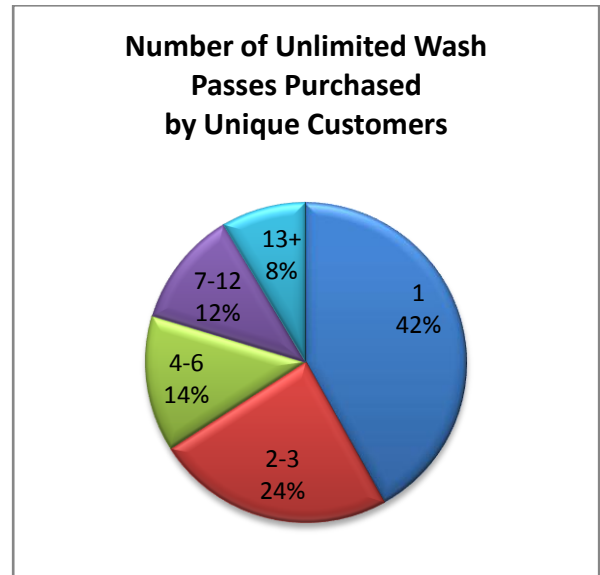
Northeast Full Service

This site has been selling passes for 44 months, and has sold 27,945 during that time. Of the customers that purchased passes, a large chunk (42%) bought one pass and no more.

The site sells the following washes:

- Basic wash for \$14.73 (excluding tax)
- Basic package for \$18.41
- Middle package for \$25.78
- Top package for \$34.98

The only 31-day unlimited wash package sold is for the basic package at \$41.43 (excluding tax), which is 2.25 times the price of the wash.



42% of pass customers only buy one pass

Because this site sells so many passes and has been doing it for so long, we were able to find some “very regular” customers. These are customers that always buy a 1-month unlimited wash pass. At this site, there were 6 customers that have purchased 35 passes or more.

For these 6 customers, the average gap between the purchases of passes ranged from 2.9 to 6.4 days. Calculated as a percentage of a 31-day pass, the revenue lost due to this gap ranges from 9.4% (2.9 / 31) to 20.6% (6.4 / 31).

Summary

The gap between when a 31-day unlimited pass expires and when it is renewed ranges from 9.4% to 42.6% for the best customers of these two carwashes. This can be viewed as a real loss of revenue. Eliminating that gap using an automated billing program will increase the revenue gained from all customers, not just the best customers.



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.