SiteWatch®
Automatic Recharge Module®

How the "Daily Retry" feature of ARM® brought in $7,278 of additional revenue in one month for one operator

One operator on the East Coast is a big believer in monthly unlimited plans. He has been selling them for about 3 years, even before there was an Automatic Recharge Module (ARM). In fact, in early 2008, he had 3,840 unlimited monthly pass customers at his two full service carwashes.

Due to the manual nature of those recharges, he purchased ARM in order to make it easier to sell and easier to manage his plans. In the six months since he installed ARM, he has grown his number of unlimited monthly pass customers by 361, or 9.4%.

A key to his success with the monthly plans is that his staff works hard at marketing the program to his customers. His cashiers are not commissioned, as it is considered a part of their job…one which they do well.

In order to grow the number of unlimited monthly pass customers, he not only has to sell to new customers, but he has to retain the ones he has. One obvious problem facing anyone with recurring credit card charges is dealing with customers whose cards are expiring. Assuming the average expiration date of a credit card is 3 years, he will lose 2.8% of his pass customers each month if he does nothing.

To deal with these folks, the operator will manually flag all customers whose credit cards are expiring the next month. When those customers come in for their wash, the cashier is alerted and then asks the customer for a new credit card. With this process, this operator minimizes the customers lost to expired credit cards.

Another problem facing this operator is the number of customers who are having "credit problems" at the time the monthly charge is processed. Like many consumers, some of his customers will be over their credit limit one day, but make a payment the next. The trick in retaining these customers is to catch them on one of their "good days".

In October of 2008 when we did this analysis, this operator had 5.8% of his customers fail to recharge on the first try. If he did nothing, he would have lost 241 valuable customers. However, he did not stop there.

A feature of the SiteWatch ARM is that it will retry a customer's credit card for a specified number of days…hoping to catch them on one of their good days. This operator has chosen to retry a customer's card for 14 days, during which period the customer can continue to wash. In the first 4 days, this feature recaptured 104 of those customers. Over the ensuing 10 days, the daily retry feature of ARM retained another 70 customers.

The result of SiteWatch ARM's "daily retry" feature is that it made it easy for this operator to retain 174 customers – representing $7,278 in revenue – which he otherwise might have lost.

Percent of Total Declined by Day of Month
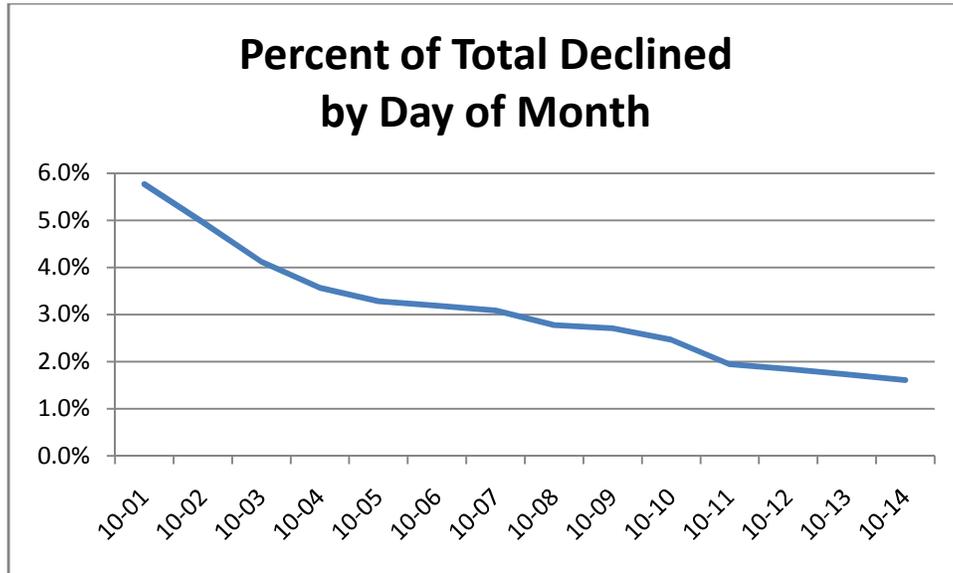
Retrying a customer's card daily results in fewer customers dropping out

At the end of that time period, if the customer's credit card still cannot be charged, ARM will stop trying and automatically cancel the customer's membership in the unlimited monthly plan. At that point, the customer can no longer wash for free.

This operator, however, still does not stop there. His staff contacts the remaining 1.6% – 67 customers, a manageable number – and works to convince them to stay in the plan. Through their additional efforts, he is able to retain nearly 29% of them.

The SiteWatch Automatic Recharge Module is only a tool that helps make it easy to sell and easy to manage unlimited monthly pass plans. As we can see from this one operator's efforts, it takes diligent work to make it a success.

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.