

SiteWatch® Automatic Recharge Module®

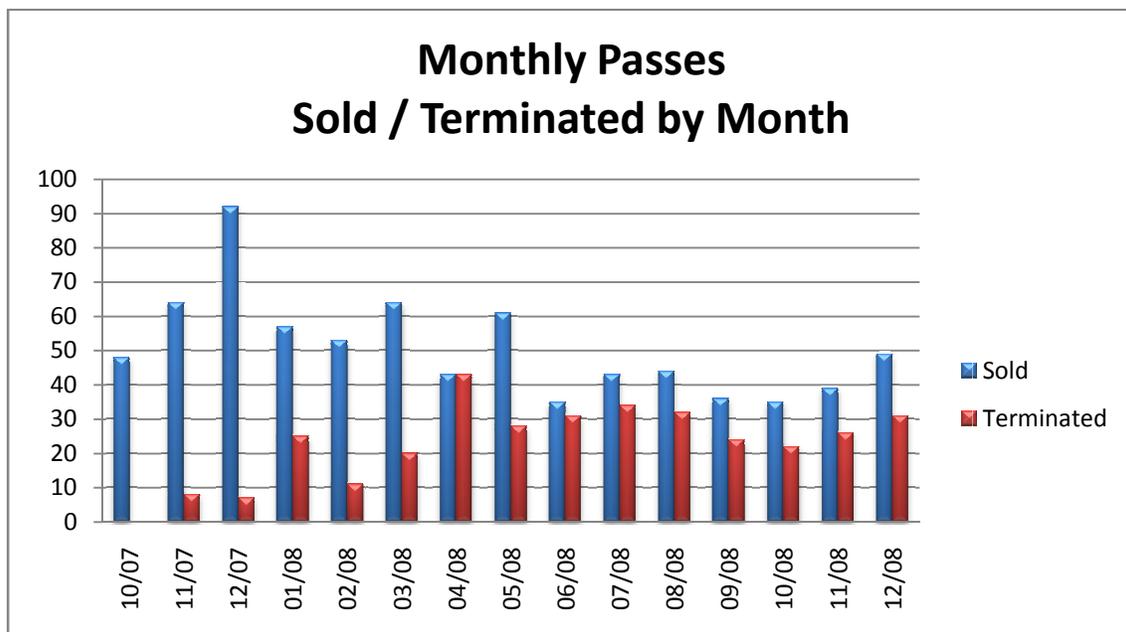
ARM® helps one operator increase business 15% in a down economy

Todd Christopher understands a tough economy. It was all around him in 2008 – a year when most of the country was dealing with tough financial times. As owner of Classic Auto Wash near Detroit, his customers and neighbors additionally dealt with layoffs by the struggling Detroit car manufacturers.

When other carwashes in his area were reporting a down year, how did Todd increase his business by 15%? He attributes the major difference to the SiteWatch Automatic Recharge Module (ARM) from DRB Systems, Inc.

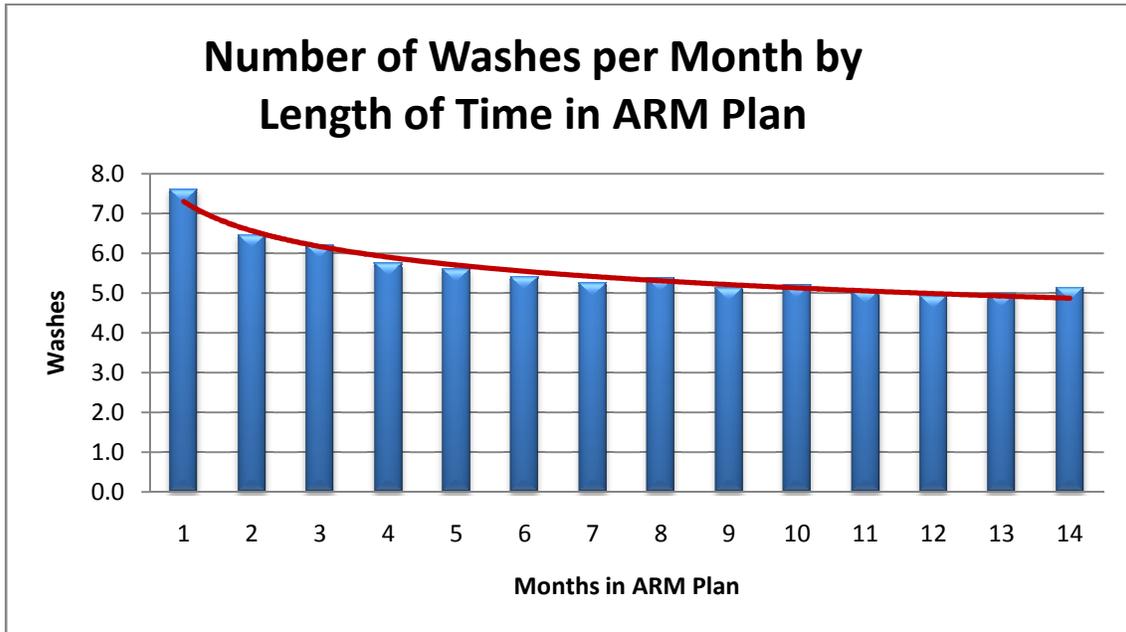
Classic Auto Wash was the first ARM user, starting in October of 2007. That month, he sold 48 of the unlimited wash passes at his exterior car wash, where customers can wash all they want in exchange for a monthly fee automatically charged to their credit card. That next month (November), he sold another 64 passes.

Each month, he nets a few more monthly passes, where some join and some drop each month. As of January 1st, 2009 – 14 months after he started – he had 392 customers using his ARM plans. On that day, he deposited about \$12,500 before he washed a single car. “That pays for my gas, water, electric, and two weeks of salary before I even do anything”, says Todd. “That profit is guaranteed.”



Net gains are made in the sale of monthly passes each month

One question that is often on the mind of an owner planning to offer an unlimited pass program is “Does the customer’s washing habits change over time?” To answer that question, we looked at how often a pass customer washed in their first month, second month, etc.



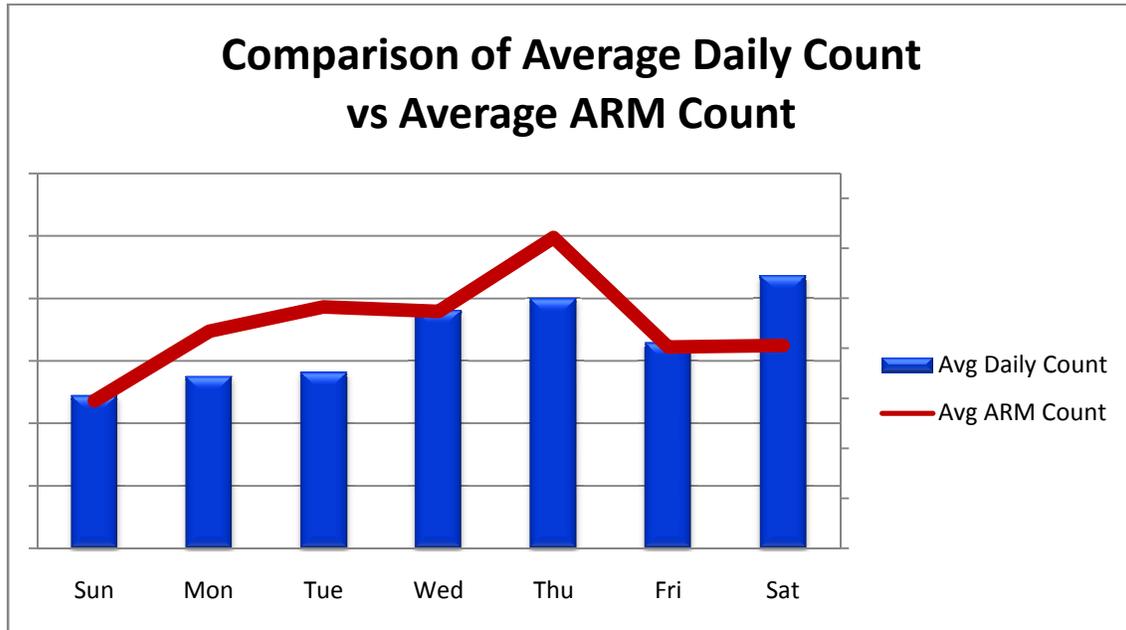
Washes claimed per month are highest when a customer first joins the plan

What we see when looking at the customers’ washing habits is that folks wash a lot during the first 30 days that they are in the unlimited plan. Whether it be like a new toy at Christmas that is initially played with a lot, or they want to “test the system” to see if it really works, customers washed an average of 7.6 times in that first month.

They don’t keep up that pace, however, and dropped to an average of 6.5 washes in their second month. By the time the ninth month rolls around, the customers at Classic Car Wash have settled into an average 5 washes a month. That is a 34% drop from their first month’s washing rate.

That rate is in the normal range for other SiteWatch ARM users that we’ve analyzed at DRB Systems. For an exterior carwash, we typically see the rate settle into the range of 4-6 washes a month.

Todd feels that offering the unlimited monthly pass helps to smooth his business during the week. His theory is that pass customers are more likely to wash on slower days during the week (when lines are shorter) than on a busy weekend. To test that theory, let's look at a one more chart.



Unlimited pass customers wash more frequently during the week than the weekend

The above chart shows the average number of vehicles washed on each day of the week for the last three months of 2008. The blue bar shows the average daily car count (we've hidden the underlying numbers). Although the weather can affect these blue bars, they also would have affected the average count of ARM washes in the same way. Therefore, they provide a good comparison.

When looking at the ARM washes (the red line), we see that ARM customers do wash more often during the week than the weekend. During the analysis period, more ARM customers washed on Monday through Thursday each day, than they did on any of the weekend days, including Saturday. The spike in Thursday's ARM business may indicate that those customers are trying to get a wash in prior to the "weekend rush".

For Classic Auto Wash and its customers, the SiteWatch Automatic Recharge Module is a win-win. Todd Christopher is able to give a great value to his unlimited pass customers, and he is able to smooth both his monthly revenue streams and his daily workload.



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.