

2006-2010 CORPORATE FAST LUBE SURVEY RESULTS

GENERAL

Every year, *National Oil & Lube News* publishes the Fast Lube Operators Survey. Included in that survey are two categories of fast lube companies: those that own more than 30 stores and those that own fewer than 30 stores. In the past, we've included historical data from previous years for those companies with fewer than 30 stores. This year, for the second time, we're publishing this appendix entitled "Corporate Fast Lube Survey Results." It includes information for those corporations with more than 30 stores as collected in the 2010 Fast Lube Operators Survey, but it also includes historical data from previous years, allowing interested parties to look for trends that might be affecting the lube industry on a corporate level.

Bear in mind that, because the data is collected from a smaller sampling of companies than is the case with our larger Fast Lube Operators Survey, statistical swings may be larger.

OPERATIONS

	2006	2007	2008	2009	2010
Independent/company-owned facilities	32%	33%	54%	37%	40%
Franchised facilities	68%	67%	46%	63%	60%
Member of fast lube trade association	44%	95%	98%	100%	98%
Years in the fast lube business	27.0	22.0	22.2	22.6	21.6
Number of facilities per response	313	484	270	381	302
Number of bays per facility	3.2	4.0	3.1	3.0	3.5
Cost of goods for standard, full-service LOF	\$9.70	\$11.25	\$10.74	\$11.30	\$10.95
Average ticket total	\$54.96	\$56.14	\$59.77	\$63.57	\$65.31
Number of days open per year	n/a	n/a	343	337	338
Number of cars serviced per day	38.3	34.5	33.8	35.1	33.2
Break-even car count	26.1	29.0	23.9	23.7	24.0
Building/land costs for most recent fast lube	\$1,000,004	\$1,050,000	\$860,125	\$875,000	\$928,000
Cost for leasing building/land (per month)	\$6,525	\$7,250	\$5,671	\$6,242	\$5,616
Equipment costs for fast lube	\$86,571	\$101,250	\$64,222	\$67,000	\$88,302
Companies that have customers enter their lube: From the front (street side)	n/a	35%	31%	50%	50%
Back	n/a	65%	69%	50%	50%
Percentage of business that is oil change	55%	53%	68%	67%	56%
Percentage of operations that refuse to service at least one vehicle	40%	11%	18%	12%	20%
Companies that offer a free fluid top-off	n/a	n/a	92%	100%	96%

n/a: question not asked *insufficient data to calculate

PRICES

	2006	2007	2008	2009	2010
Price of standard, full-service LOF/multipoint check	\$31.19	\$31.86	\$34.66	\$36.99	\$36.45
Companies that offer basic, low-cost LOF service	2%	3%	8%	2%	8%
Price, if offered	\$21.95	*	*	*	\$21.98
Companies that offer premium LOF (w/ specialty/high mileage motor oil)	100%	100%	100%	100%	100%
Price, if offered	\$44.07	\$46.27	\$48.29	\$52.79	\$53.60
Companies that offer premium LOF (w/ synthetic motor oil)	95%	100%	100%	100%	100%
Price, if offered	\$56.33	\$58.66	\$62.51	\$67.16	\$66.14
Companies increasing LOF price in the past 12 months	90%	91%	92%	92%	86%
Amount of increase	\$2.20	\$1.45	\$2.17	\$3.29	\$1.27
Competitors discounting their oil change	100%	100%	100%	100%	100%
Amount of discount	\$7.92	\$5.00	\$6.95	\$8.00	\$6.78
Companies discounting their own oil changes	96%	95%	93%	96%	96%
Amount of discount	\$5.62	\$5.79	\$5.66	\$7.64	\$6.88

DEMOGRAPHICS

Oil change facilities within three miles of respondent	2.8	4.8	4.6	5.3	*
Population within three-mile radius of best store	57,429	56,125	55,278	51,667	38,750
Daily traffic count in front of best store	32,750	44,000	37,500	22,500	17,688
Customer base that is female	53%	49%	53%	51%	53%
Miles customers drive between oil changes	4,961	4,339	4,718	4,586	4,564
Portion of overall sales made up of fleet accounts	9%	7%	12%	11%	9%
Average number of vehicles per fleet	11.7	12.4	9.4	6.8	15.5
Companies that mystery shop their own stores	100%	100%	82%	74%	76%
Companies that mystery shop their competition	38%	24%	55%	21%	33%
Customers who drive domestic vehicles	50%	57%	55%	55%	51%
Customers who drive foreign vehicles	50%	43%	45%	45%	49%
Customers who drive luxury vehicles	18%	15%	13%	21%	22%
Customers who drive light trucks	n/a	n/a	28%	n/a	32%
Vehicles equipped with oil monitors	30%	32%	46%	n/a	51%
Miles driven between oil changes by those vehicles	5,600	4,660	4,755	n/a	5,275

INSURANCE

Workers' Comp rate (per \$100 of payroll) for techs	\$7.29	\$5.45	\$4.99	\$4.65	\$2.49
Annual cost of insuring a fast lube facility	\$4,683	\$6,267	\$6,421	*	*
Average amount of per-store warranty worked performed during preceding 12 months	\$2,971	\$3,325	\$1,404	\$1,639	\$1,742

n/a: question not asked *insufficient data to calculate

OIL & EQUIPMENT

	2006	2007	2008	2009	2010
Total sales represented by "house" motor oil brand	77%	81%	85%	81%	83%
Customers committed to a specific brand of motor oil	25%	45%	29%	45%	23%
Operations that implement used oil for heating purposes	21%	24%	55%	84%	32%
Facilities using evacuation systems for oil changes	1%	1%	18%	4%	5%
Facilities using a filter crusher	70%	68%	36%	91%	87%
Operations that use scrap metal haulers	35%	30%	64%	27%	85%
Operations that accept used oil from DIYers	77%	76%	82%	74%	72%
Operations that accept used oil filters from DIYers	4%	9%	45%	12%	15%
Operations that charge fee for accepting DIY oil/oil filters	2%	0%	0%	0%	0%
Operations being paid for their used oil	96%	100%	100%	100%	99%
Amount per gallon	\$0.58	\$0.64	\$0.85	\$0.61	\$0.64
Operations being paid for their used oil filters	0%	0%	9%	3%	6%
Operations invoicing customers for environmental fees	16%	3%	18%	1%	3%
Average amount	\$1.98	\$2.00	\$2.13	*	\$1.75
Per-gallon cost of highest volume bulk oil	\$5.09	\$6.47	\$7.23	\$6.56	\$6.30

ADVERTISING

Companies that send reminder cards to customers	78%	71%	62%	57%	83%
Companies offering discounted reminder cards	100%	100%	78%	100%	100%
Response rate	23%	35%	31%	23%	34%
Percentage of customers who redeem coupons	26%	27%	29%	24%	31%

EMPLOYEES

Length of employment for managers	4.0 yrs	6.0 yrs	5.2 yrs	5.6 yrs	5.5 yrs
Length of employment for technicians	1.3 yrs	2.1 yrs	2.3 yrs	1.9 yrs	2.3 yrs
Hourly rate paid to lube techs	\$8.87	\$8.42	\$8.43	\$8.95	\$8.76
Annual salary paid to managers	\$37,815	\$40,400	\$43,625	\$40,667	\$41,242
Average number of employees per store	7.6	7.5	7.0	7.1	6.4
Companies testing employees for drugs	96%	97%	82%	93%	91%
Hours of formal training employees receive per year	54	63	54	73	42
Operations that use surveillance cameras	39%	35%	73%	99%	98%

SALES

Yearly sales per store:	\$637,135	\$722,000	\$626,364	\$666,750	\$624,452
Portion of gross sales used for:					
Payroll ¹	29.3%	31.0%	27.4%	28.1%	28.7%
Lease/Mortgage	11.0%	9.2%	13.8%	10.0%	10.8%
COGS ²	24.2%	23.6%	22.9%	24.7%	24.1%
Net Profit	13.2%	11.9%	14.7%	11.9%	14.0%
Operations ³	16.8%	15.3%	16.8%	16.0%	18.1%
Other ⁴	5.5%	9.0%	4.5%	9.3%	4.3%

¹ Includes all payroll (taxes included), salary of owner (if "hands-on" employee), unemployment taxes, Workers' Compensation, health insurance, bonuses, etc.

² Includes materials and supplies necessary to perform services.

³ Includes utilities, maintenance, company insurance, advertising, franchise fees, uniforms, freight, postage, administrative costs, office supplies, non-income taxes, training, company vehicle, etc. used to operate business on a day-to-day basis.

⁴ Dues, subscriptions, warranties, travel/entertainment, etc.

*insufficient data to calculate