

For the third year in a row, *National Oil & Lube News* has conducted a survey of the mobile lube segment of the lube industry in order to find out what the 'average' mobile lube operation is doing in terms of sales, services, advertising and more.

With the availability for comparison of three years worth of data, the results can begin to be viewed as possible indicators of trends in the mobile lube segment.

However, we should point out that annual swings of plus- or minus-5

percent are not uncommon with surveys of this type.

At first glance, one thing stands out among all the statistics collected about mobile lube operations. All operators who responded to our survey are independent operators. This 100 percent figure is an increase in independent operations, which numbered 95.1 percent in 2000 and just 88.4 percent in 1999.

The average mobile lube respondent operates 1.7 mobile lube vehicles, down slightly from 1.9 lube vehicles reported in 2000.

The type of mobile lube vehicle being operated has also changed somewhat.

In 2000, 59.2 percent of operators reported that the most popular choice of vehicle for their mobile lube was a van. This year that number fell to 51.2 percent. Operators who chose a truck/trailer mobile lube vehicle increased from 18.4 percent to 34.1 percent.

The number of operators using pickup trucks to perform their mobile services also increased from 12.2 percent to 14.6 percent.

Mobile lube respondents reported that many operators are probably moving to using truck/trailer mobile lube units because they are less expensive. This is reflected in this year's average cost of a mobile lube vehicle, which is \$21,687. Last year's average cost of a mobile lube vehicle was several thousand dollars higher at \$26,420.

Not only did the purchase price of mobile lube vehicles decrease, the cost of insuring these vehicles did as well, dropping from \$2,169 in 2000 to \$1,612 in 2001.

Mobile lube operations report servicing a smaller service area this year. The average operating radius is 43 miles down from the 57 miles reported in the 2000 survey.

The average mobile lube faces the same amount of competition from other mobile lubes in their operating radius as they did in 2000. However, competition from fixed site fast lubes is down from 30 fixed-site fast lubes within a mobile lubes' operating radius in 2000 to just 16 this year.

According to the survey, the average ticket total increased from \$34.14 in 2000 to \$38.52 in 2001. While it may not seem like a large jump, when combined with the fact that the cost of goods showed a decrease in 2001, it is a positive indicator in the overall health of the mobile lube segment.

The average cost of goods in 2001 was \$8.24, down from \$8.53 in 2000.

Operators are reporting a decrease in the average number of cars serviced per day (12.9 in 2001, down from 13.5 in 2000).

Although the lower daily car counts reported by mobile lube operators might appear negative for the mobile lube segment, the fact that the break-even car count also dropped from 6.9 to 4.7 cars contradicts a downturn.

Lower break-even car counts can be attributed at least in part to a greater offering of add-on services.

Mobile lubes are offering much more than just the basic LOF, which costs the mobile lube customer on average \$28.02 (up from last year's \$27.07).

Additional services include such things as air filter replacement, offered by 100 percent of respondents; wiper blade replacement, offered by 82.9 percent; light bulb

Third Annual Mobile Survey Results November 2001

GENERAL

The third annual mobile lube survey questionnaire was mailed to more than 300 mobile lube operators across the country. Forty-one survey questionnaires were returned, accounting for 67 mobile lubes.

OPERATIONS

	1990	2000	2001
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Mobile lubes that are independent	88.4%	95.1%	100%
Mobile lubes that are franchised	11.6%	4.9%	0%
Average price of basic lube, oil and filter (LOF)	\$27.68	\$27.07	\$28.02
Average ticket total	\$45.22	\$34.14	\$38.52
Average cost of goods for LOF	\$7.93	\$8.53	\$8.24
Average number of cars serviced per day	14.0	13.5	12.9
Break-even car count	7.9	6.9	4.7
Operating radius.....	55 miles	57 miles	43 miles
Other mobile lubes doing business in operating area.....	3	2	2
Fixed-site fast lubes located in operating radius	25	30	16
Percentage of customer base:			
Fleet	71.2%	74.0%	67.9%
Consumer	28.5%	23.3%	32.0%
Other	0.3%	2.7%	0.1%
Vehicles in average fleet.....	16.0	26.7	13.9
Average number of mobile lubes operated	1.7	1.9	1.7
Average cost of mobile lube vehicle.....	\$20,619	\$26,420	\$21,687
Cost of insuring each mobile lube vehicle	\$1,828	\$2,169	\$1,612
Employees used per mobile lube vehicle	1.4	1.2	1.2
Type of vehicle used:			
Van	56.4%	59.2%	51.2%
Truck/trailer	20.5%	18.4%	34.1%
Bobtail truck	6.4%	4.1%	2.4%
Pickup truck	11.5%	12.2%	14.6%
Other	5.1%	6.1%	0.0%

ADVERTISING

2001

Best forms of advertising:	
Word of Mouth	87.8%
Vehicle signage	48.8%
Phone Book/Yellow Pages.....	19.5%
Sales Calls	17.1%
Cold calling	9.8%
Flyers	7.3%
Direct Mail	2.4%
Email/Internet.....	2.4%
Newspaper.....	2.4%
Television	0.0%

Method mobile lube operators use to find new customers:	
Word of mouth	82.9%
Vehicle signage	46.3%
Cold calling	43.9%
Yellow pages	31.7%
Door to Door	12.2%
Direct mail	7.3%

Continued, page 56 >

◀ **Continued**, from page 54
 replacement, offered by 68.3 percent; tire rotation/balancing, offered by 65.9 percent; and ATF fluid exchange, offered by 63.4 percent.

Other popular add-on services include radiator/coolant service, fuel

injection cleaning, differential service, brake services and windshield repair.

While fleet servicing remains an important part of the mobile lube operator's customer base at 67.9 percent, the consumer segment of the

customer base has increased from 23.3 percent in 2000 to 32 percent this year.

Mobile lube operators are reaching their customers through several forms of advertising.

More than 85 percent of mobile

lube operators report that word of mouth is one of their best form of advertising. The effectiveness of word-of-mouth advertising also makes it the method operators prefer to use to gain new customers.

Vehicle signage ranks as the second most effective form of advertising followed by phone book/yellow pages, sales calls and cold calling.

Two-thirds of mobile lube operators (67.6 percent) report annual gross sales of less than \$100,000. Yearly sales of \$100,000 to \$200,000 are reported by 18.9 percent of operators. The remainder of mobile lubes, 13.5 percent, report yearly sales between \$200,000 to \$300,000.

While mobile lubes are not reaching the yearly sales numbers of fixed-site fast lubes, some mobile lube operators think that as people's lifestyles continue to become busier and busier, the convenience of mobile lubes will make them even more popular.

Many believe that the quality of service offered by mobile lube vehicles is improving and that mobile lubes will continue to offer more and more preventative maintenance needs in the years ahead. ♦

THIRD ANNUAL MOBILE LUBE SURVEY RESULTS

SALES

1999

2000

2001

Profit margin	40%	42%	39%
Percent of operators reporting yearly sales in the following ranges:			
\$0 - \$100,000	70.0%	69.2%	67.6%
\$100,000 - \$200,000	20.0%	20.5%	18.9%
\$200,000 - \$300,000	8.6%	10.3%	13.5%
\$300,000 - \$400,000	0.0%	0.0%	0.0%
400,000 - Up	1.4%	0.0%	0.0%

OIL & EQUIPMENT

Best selling brand of motor oil:

Best selling brand of oil filter:

1999	2000	2001
1. Valvoline	1. Castrol	1. Chevron
2. Pennzoil	2. Havoline	2. Pennzoil
3. Castrol	3. Valvoline	3. Mobil
4. Citgo	4. Chevron	4. Citgo
5. Shell	5. Mobil	

1999	2000	2001
1. Pennzoil	1. Purolator	1. Pennzoil
2. Wix	2. Mighty	2. Wix
3. Fram	3. Valvoline	3. Fram
4. Napa	4. Wix	4. Mighty
5. Purolator	5. Napa	5. Purolator
6. Valvoline	6. Pennzoil	6. Quaker State
		7. Security
		8. Service Champ
		9. Valvoline

Best selling brand of synthetic oil:

Best selling brand of air filter:

1999	2000	2001
1. Mobil	1. Mobil	1. Mobil
2. Castrol	2. Castrol	2. Castrol
3. Amsoil	3. Amsoil	3. Amsoil
4. Pennzoil	4. Havoline	
5. Napa	5. Valvoline	

1999	2000	2001
1. Fram	1. Purolator	1. Pennzoil
2. Wix	2. Mighty	2. Mighty
3. Pennzoil	3. Wix	3. Wix
4. Purolator	4. Napa	4. Fram
5. Valvoline	5. Pennzoil	5. Purolator
6. Napa	6. Valvoline	

Operators that offer synthetic oil:	69.4%	72.5%	67.5%
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Percentage of operators who use:	Bulk oil	75.3%	72.5%	78.3%
	Bottled oil	24.7%	27.5%	21.7%
Operators who offer LOF service on Class C trucks	73.9%	79.5%	80.5%	
Operators who mention 3,000-mile oil change intervals to customers	94.4%	82.9%	92.7%	
Customers who are extending their oil change intervals	46.4%	68.6%	56.1%	
Average number of miles between oil changes	4,935	4,745	4,282	

SERVICE

2001

Services Offered in Addition to LOF:

Tire Rotation/Balancing	65.9%
Air Filter Replacement	100.0%
Radiator/Coolant.....	58.5%
Fuel Injection Cleaning.....	22.0%
Lightbulb Replacement.....	68.3%
Wiper Blade Replacement	82.9%
ATF Fluid Exchange	63.4%
Differential Service	61.0%
Brake Services	39.0%
Windshield Repair	17.1%