

# Mobile Lube Survey Results

by Melanie Howle, NOLN Staff Writer

For the fourth time in as many years, *National Oil & Lube News* has conducted a survey of the mobile lube segment of the lube industry in order to determine what the 'average' mobile lube operation is doing in terms of operations, advertising, service, sales and more.

Trends in the mobile lube industry are becoming easier to recognize, as another year's worth of data is available for comparison. However, we should point out that annual swings of plus- or minus-5 percent are not uncommon with surveys of this type.

One noticeable variation that has occurred in the past year is a change from mobile lube segment respondents comprised entirely of independent operators in 2001 to a segment now comprised of 7.3 percent franchised operations and 92.7 percent independent operations. The number of respondents that report that they are franchised operations is not as high as it was in 1999, when 11.6 percent of operations were franchised. Although it appears that a shift toward increased franchised operations might be occurring, it is also quite possible that the shift is due to a change in respondents rather than an industry trend.

The average mobile lube respondent operates 1.56 mobile lube vehicles and has been in the mobile lube business 5.9 years. The average mobile lube operation also services 4.4 vehicles per stop and travels 8.8 miles between stops.

Among mobile lube operators who responded to the survey, a van is still the most popular choice of vehicle used for providing mobile lube service. Sixty-five percent of mobile lube operators report that they are using a van for their mobile lube business, which is up from last year's figure of 51.2 percent. The second most popular vehicle for mobile lube businesses is the truck/trailer. While still holding its place as the second most popular vehicle, the truck/trailer dropped to 20 percent from 34.1 percent in 2001. The bobtail truck moved into position as the third most popular vehicle with 10 percent of mobile lube operators reporting it as their choice for mobile lube vehicle. The use of pickup trucks as a mobile lube service vehicles declined from 14.6 percent in 2001 to just 5 percent in 2002.

No matter which vehicle operators choose it appears as though they are getting the vehicles at a much better price. The average cost of a mobile lube vehicle is down considerably. This year's average cost is \$16,576 down from \$21,687 in 2001.

Although the cost of purchasing a mobile lube vehicle decreased significantly, the cost of insuring the vehicles was up slightly. Operators reported \$1,946 as the cost of insur-



## Metro Mobile Lube

Owner: James Kennedy  
Yrs. in Business: .5  
Location: Griffin, GA

ing a mobile lube vehicle, up from last year's insurance cost of \$1,612.

The average mobile lube operation has a slightly increased operating radius this year, up to 51 miles from last year's average of 43 miles. Competition has also increased slightly with operators reporting 3 mobile lubes doing business in their operating radius. Last year operators reported only 2 other mobile lubes doing business in their operating radius. Competition from fixed lube sites also increased, up to 21 fixed lube sites in the average mobile lube's operating area from just 16 last year.

Although competition has increased, mobile lube operators are apparently holding their own and doing so with a higher ticket average than reported last year. The 2002 ticket average is \$39.38 up, from last year's average of \$38.52. While the average ticket total did not increase much, when combined with the fact that the cost of goods showed a decrease in 2002, it points to a positive outlook for the

## Lube on Location

Owner: Ray Ressel  
Yrs. in Business: 5  
Location: Rolla, MO

## Mobile Lube Operator Speaks Out

While statistics and surveys can generate a good deal of valuable information, it is often beneficial to get an up-close look at the ins and outs of a business to really understand what it's all about.

*National Oil & Lube News*'s (NOLN) Mobile Lube Survey provides a good overview of what the 'average' mobile lube operation is like, but let's face it, how many of us or our businesses are really 'average'?



In fact, most strive to be above average. Such is the case with mobile lube operator, Ray Ressel, owner of Lube on Location, Inc. Ressel not only operates three mobile lube units, but also designs and manufactures mobile lube systems. Ressel both sets up turnkey-type mobile operations and supplies equipment systems to mobile lube operators. By working in both of these facets of the mobile lube business, Ressel has a unique perspective on the mobile lube business and the elements that are necessary to succeed in this segment of the industry.

One element that has been key to the success of Ressel's business is business and commercial fleets.

"Seventy percent of our annual sales is business and commercial fleets," Ressel said. "We service over 75 businesses and commercial fleets in central Missouri totaling over 1,800 vehicles."

Ressel not only actively pursues fleet accounts, but goes beyond the average operation and specializes in a specific niche in the fleet account business.

"We like and aggressively pursue diesel fleet business. There is bigger bang for your buck. Fifty

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## Easy Oil Change

Owners: Kevin & Regina  
Call  
Yrs. in Business: 12  
Location: Huntsville, AL





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percent of our commercial and fleet business is made up of diesel oil changes.”

Ressel explained why servicing diesel fleets is so profitable for his business.

“For example, we work a Coca Cola distributor from 8 a.m. to 5 p.m. on a Sunday. During that time we service six delivery tractor/trailers and eat lunch,” Ressel said. “Our result are

over \$1,100 in sales, near \$500 in COGS, no money spent on fuel, no lost time driving between sites and we walk away with nearly \$600 in profit for one day. It would take over 30 cars to equal that same amount.”

In addition to diesel fleets Ressel also services several light duty vehicle fleets, like communication companies, service contractors, sales and delivery fleets.

“An example is a company like

Sprint telephone. On a lot where they have 100-plus vehicles we can service four an hour,” Ressel said. “On a typical monthly service frequency, an average of 30 vehicles are always due. It is great profit for the day with a much lower overhead than a fixed site.”

The key to these successful scenarios is at least in part the number of vehicles that are present to be serviced at one location.

“Bottom line is that multi-vehicle

type locations are the key to a profitable mobile lube business,” Ressel said.

Another of the keys to being above average in the mobile lube segment is identifying the needs of a customer and matching those needs to the best potential customer base. Ressel has learned this lesson through observing trends in his own business.

“I have noticed that many of my individual customers are women,” Ressel said.

And he believes he knows why.

“Many women don’t like garages, fast lubes, etc. They indicate that these places seem to be trying to sell them things, knowing that their lack of car knowledge makes them easy prey,” Ressel said.

“Additionally, women are much more efficient with their time than men. If they see an opportunity to have a mobile service come to them, they will and do utilize it.”

Ressel reports that 75 percent of the individuals that his mobile lube services are women and the elderly.

There is an area of the mobile lube business where Ressel believes doing less makes him more profitable. That area is advertising.

“Money spent on advertising with regard to your return on investment is very poor. I have spent thousands on radio, print and yellow page ads and sales didn’t come close to paying for the investments,” Ressel said. “Word of mouth is the best way to promote this concept.”

Ressel also adds that passing out fliers and business cards are also effective ways of marketing a mobile lube business.

“You must personally cultivate your base of customers. There is a mix of salesmanship as well as technical skill involved,” Ressel said.

While the ‘average’ mobile lube has not yet seen the success that the fixed sites have, Ressel believes strongly in the concept and sees a bright day ahead for mobile lube operators.

“I see the mobile lube future just like the windshield repair industry,” Ressel said. “Today mobile glass service is standard. However, it took 30-plus years for that to happen. Mobile lubes on a professional scale are only 15 years into changing the standard.”

While the standard may be slow in changing, and being above average may not be easy, Ressel feels with a few key ingredients achieving greater success is possible for operators throughout the mobile lube segment.

“A mobile lube is just like any other business — good business sense and operating capitol are considerations,” Ressel said. “But being successful in this business really just requires hard work, dedication and a burning desire to succeed.”

## SERVICE

2002

### Services Offered in Addition to LOF:

Tire Rotation/Balancing .....	68.3%
Air Filter Replacement .....	97.6%
Radiator/Coolant.....	63.4%
Fuel Injection Cleaning.....	31.7%
Lightbulb Replacement.....	63.4%
Wiper Blade Replacement .....	82.9%
ATF Fluid Exchange .....	56.1%
Differential Service .....	68.3%
Brake Services .....	41.5%
Windshield Repair .....	24.4%

## SALES

1999

2000

2001

2002

Profit margin	40%	42%	39%	36%
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### Percent of operators reporting yearly sales in the following ranges:

\$0 - \$50,000 (until 2002, criteria used was different).....	27%
\$50,000 - \$100,000.....	33%
100,000 - Up.....	40%

## OIL & EQUIPMENT

1999

2000

2001

2002

### Standard brand of motor oil:

1-Valvoline.....	1-Havoline .....	1-Chevron.....	1-Valvoline
2-Pennzoil .....	Valvoline .....	2-Pennzoil.....	2-Shell
3-Castrol .....	Castrol .....	3-Mobil .....	3-Chevron
4-Citgo .....	4-Mobil .....	4-Citgo .....	4-Citgo
5-Shell.....	Chevron .....		Pennzoil

### Standard brand of oil filter:

1-Pennzoil .....	1-Purolator .....	1-Pennzoil.....	1-Wix
2-Wix.....	2-Mighty .....	Wix .....	2-Valvoline
3-Fram .....	Valvoline .....	3-Fram .....	Napa
4-Napa .....	Wix .....	Mighty .....	4-Pennzoil
5-Puralotor .....	5-Pennzoil .....	5-Purolator .....	Fram
6-Valvoline.....	Napa .....	Quaker State .....	Service Champ
		Security .....	Hastings
		Service Champ .....	Mighty
		Valvoline .....	

### Standard brand of air filter:

1-Fram .....	1-Purolator .....	1-Pennzoil.....	1-Fram
2-Wix.....	2-Mighty .....	2-Wix .....	Napa
3-Pennzoil .....	Wix .....	Mighty .....	Wix
4-Puralotor .....	4-Napa .....	4-Purolator .....	4-Pennzoil
5-Valvoline.....	Valvoline .....	Fram .....	Valvoline
6-Napa .....	Pennzoil.....		Mighty
			ServiceChamp
			Hastings

### Standard brand of synthetic motor oil:

1-Mobil .....	1-Mobil .....	1-Mobil .....	1-Mobil
2-Castrol .....	2-Castrol .....	2-Castrol .....	2-Castrol
3-Amsoil .....	3-Amsoil.....	3-Amsoil .....	3-Valvoline
4-Pennzoil .....	Havoline .....		4-Amsoil
5-Napa .....	5-Valvoline.....		5-PetroCanada

Operators who offer synthetic oil	69.4%	72.5%	67.5%	77.5%
<b>Percentage of operators who use:</b> Bulk oil	75.3%	72.5%	78.3%	73.1%
Bottled oil	24.7%	27.5%	21.7%	26.9%
Operators who offer LOF service on Class C trucks	73.9%	79.5%	80.5%	69.2%
Operators who mention 3,000-mile oil change intervals to customers	94.4%	82.9%	92.7%	95.1%
Customers who are extending their oil change intervals	46.4%	68.6%	56.1%	52.5%
Average number of miles between oil changes	4,935 miles	4,745 miles	4,282 miles	4,428 miles