



# Fast Lube Operators Survey Results

*A special report by:*





# Fast Lube Operators Survey Results

## general

The Fast Lube Operators Survey is one of the most in-depth studies of the fast oil change industry available. Much-requested by both newcomers to the fast lube industry and seasoned operators — who use it to evaluate the success of their own operations — the survey contains current and historical data for almost every operational metric. Survey data was gathered from questionnaires mailed directly to operators or available online.

Survey results for 2011 are presented at the far right in two categories: The first column indicates results from companies operating “Less Than 30 Stores (LT30 Stores),” i.e. smaller operations representative of the majority of the industry. The second column indicates results from those companies operating “More Than 30 Stores (MT30 Stores),” i.e. larger corporate lube chains. Results for 2007 through 2010 are for reference only and represent LT30 operations. In all, the responses for 2011 account for 4,451 facilities and include fast lube stores operating in all 50 states.

operations	2007	2008	2009	2010	2011	
	LT30	LT30	LT30	LT30	LT30	MT30
Independent/company-owned facilities	79%	80%	85%	81%	73%	*
Franchised facilities	21%	20%	15%	19%	27%	*
Member of fast lube trade association	67%	55%	59%	69%	77%	85%
Years in the fast lube business	11.4	11.7	12.4	13.8	13.2	24.3
Number of facilities per response	2.5	2.2	2.0	2.3	2.6	288
Number of bays per facility	3.1	3.3	3.2	3.6	3.4	3.1
Cost of goods for standard, full-service LOF	\$11.55	\$12.75	\$13.24	\$13.12	\$15.33	\$12.85
Average ticket total	\$47.18	\$50.80	\$52.04	\$54.08	\$56.29	\$66.91
Number of days open per year	n/a	315	311	318	317	346
Number of cars serviced per day	35.4	33.9	32.4	31.7	30.5	34.6
State inspections per day (by facilities that offer)	15.7	11.2	7.5	12.1	10.2	*
Total number of cars you service per day (including inspections, repair work, etc.)	n/a	n/a	n/a	38.0	37.3	36.8
Break-even car count	24.9	24.0	22.4	23.3	23.6	22.1
Operators who own their building/land	60%	56%	52%	56%	40%	10%
Operators who lease their building/land	31%	23%	26%	18%	30%	30%
Operators who both own and lease their buildings/land	9%	21%	22%	26%	30%	60%
Building/land costs for most recent fast lube (if owned)	\$578,781	\$584,430	\$552,545	\$604,372	\$634,774	\$800,000
Cost for leasing building/land (per month)	\$4,817	\$4,619	\$4,472	\$4,552	\$4,349	\$6,287
Equipment costs for fast lube	\$62,879	\$64,398	\$60,196	\$68,219	\$64,485	\$60,625
Number of stores operator will open in next 12 months	0.3	0.3	n/a	0.2	0.3	11.4
Operators planning to sell their facilities next year	10%	10%	7%	5%	5%	*
Operators who have customers enter their lube: From the front (street side)	51%	49%	49%	54%	52%	25%
Back	49%	51%	51%	46%	48%	75%
Percentage of business that is oil change	72%	69%	69%	67%	63%	58%
Percentage of operations that refuse to service at least one vehicle	36%	32%	33%	35%	33%	27%
Operators who offer a free fluid top-off	n/a	86%	88%	89%	81%	83%
Operations that service hybrid vehicles	n/a	n/a	n/a	n/a	96%	100%

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

## prices

	2007	2008	2009	2010	2011	
	LT30	LT30	LT30	LT30	LT30	MT30
Price of standard, full-service LOF/multipoint check	\$31.12	\$32.37	\$34.38	\$34.14	\$35.03	\$36.56
Operators who offer basic, low-cost LOF service	26%	31%	31%	34%	38%	8%
Price, if offered	\$25.19	\$25.98	\$27.77	\$26.69	\$28.06	\$26.00
Operators who offer premium LOF (w/ specialty/high mileage motor oil)	79%	92%	84%	90%	89%	92%
Price, if offered	\$42.07	\$44.32	\$45.70	\$45.86	\$48.71	\$54.86
Operators who offer premium LOF (w/ synthetic motor oil)	91%	98%	92%	99%	95%	92%
Price, if offered	\$55.49	\$59.42	\$60.93	\$62.39	\$65.86	\$70.26
Operators increasing LOF price in the past 12 months	70%	84%	63%	37%	66%	67%
Amount of increase	\$2.02	\$2.68	\$2.64	\$1.99	\$2.51	\$2.18
Competitors discounting their oil change	89%	89%	85%	89%	92%	100%
Amount of discount	\$5.94	\$5.95	\$5.92	\$6.69	\$7.45	\$6.94
Operators discounting their own oil changes	67%	66%	63%	71%	74%	100%
Amount of discount	\$4.12	\$4.40	\$4.70	\$4.68	\$5.25	\$6.48

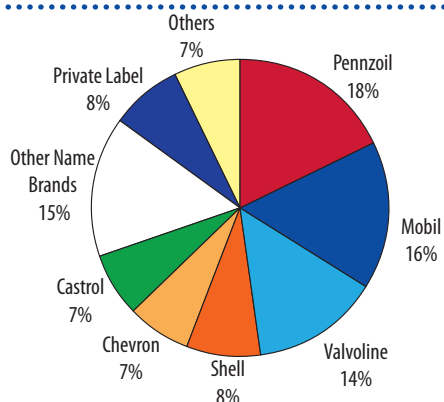
## demographics

Oil change facilities within three miles of respondent	n/a	n/a	n/a	8.5	8.6	*
Population within three-mile radius of best store	32,287	29,296	20,837	24,798	26,288	40,282
Daily traffic count in front of best store	21,081	21,207	20,077	23,381	22,625	19,143
Customer base that is female	52%	51%	52%	52%	52%	56%
Miles customers drive between oil changes	4,352	4,318	4,364	4,419	4,520	4,626
Portion of overall sales made up of fleet accounts	12%	12%	10%	11%	11%	*
Average number of vehicles per fleet	8.8	10.0	7.8	14.5	9.1	*
Operators who mystery shop their own stores	53%	59%	57%	62%	59%	75%
Operators who mystery shop their competition	32%	46%	53%	47%	53%	42%
Customers who drive domestic vehicles	56%	56%	58%	58%	55%	53%
Customers who drive foreign vehicles	44%	44%	42%	42%	45%	47%
Customers who drive luxury vehicles	19%	20%	18%	19%	18%	20%
Customers who drive light trucks	n/a	33%	35%	35%	35%	25%
Vehicles equipped with oil monitors	46%	51%	52%	57%	54%	53%
Miles driven between oil changes by those vehicles	4,685	4,695	4,783	4,831	4,895	5,350

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

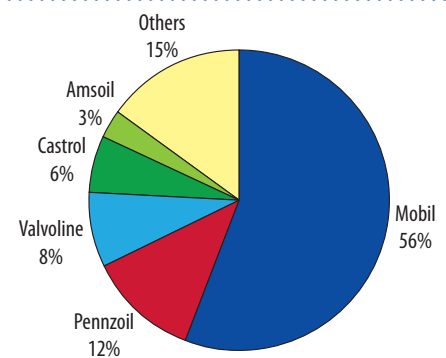
### Best Selling Motor Oil in Fast Lubes

(Percentage of LT30 operators that listed each brand as their "house" oil, 2011)



### Best Selling Synthetic Motor Oil in Fast Lubes

(Percentage of LT30 operators that listed each brand as their top selling synthetic oil, 2011)



## employees

	2007	2008	2009	2010	2011	
	LT30	LT30	LT30	LT30	LT30	MT30
Length of employment for managers	5.5 yrs	6.2 yrs	6.7 yrs	7.0 yrs	6.8 yrs	4.6 yrs
Length of employment for technicians	2.3 yrs	2.5 yrs	2.9 yrs	3.1 yrs	3.4 yrs	1.5 yrs
Starting rate paid to lube techs	n/a	\$7.89	\$8.15	\$8.26	\$8.28	\$8.33
Hourly rate paid to lube techs	\$8.70	\$9.22	\$9.30	\$9.47	\$9.75	\$9.42
Annual salary paid to managers	\$39,020	\$39,587	\$37,925	\$39,456	\$40,650	\$36,760
Annual salary paid to owners (if full-time employee)	\$52,976	\$55,155	\$58,719	\$62,676	\$51,700	*
Average number of employees per store	6.0	5.9	5.5	6.2	6.0	7.5
Operators testing employees for drugs	47%	40%	59%	63%	66%	80%
Hours of formal training employees receive per year	28	35	30	32	28	48
Operations that use surveillance cameras	42%	57%	47%	63%	50%	92%
Owners who work: On site	64%	69%	73%	72%	65%	*
From remote location	36%	31%	27%	28%	35%	*

## sales

Yearly sales per store:	\$551,377	\$535,803	\$558,395	\$575,422	\$601,164	\$723,083
Portion of gross sales used for:						
Payroll <sup>1</sup>	27.0%	28.3%	27.9%	26.5%	27.1%	28.7%
Lease/Mortgage	11.5%	12.2%	11.5%	11.6%	11.8%	11.7%
COGS <sup>2</sup>	29.8%	30.5%	29.4%	28.3%	30.5%	26.0%
Net Profit	13.0%	10.0%	12.5%	13.3%	11.3%	13.2%
Operations <sup>3</sup>	15.6%	15.8%	15.8%	17.2%	16.4%	16.6%
Other <sup>4</sup>	3.1%	3.3%	2.9%	3.1%	2.9%	3.8%

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

<sup>2</sup> Includes materials and supplies necessary to perform services.

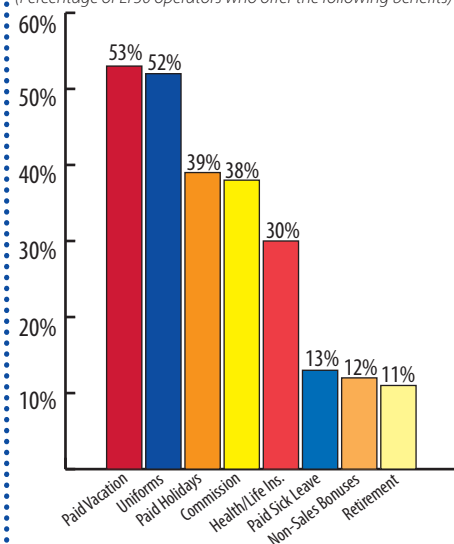
<sup>3</sup> Includes utilities, maintenance, company insurance, advertising, franchise fees, uniforms, freight, postage, administrative costs, office supplies, non-income taxes, training, company vehicle, etc. used to operate business on a day-to-day basis.

<sup>4</sup> Dues, subscriptions, warranties, travel/entertainment, etc.

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

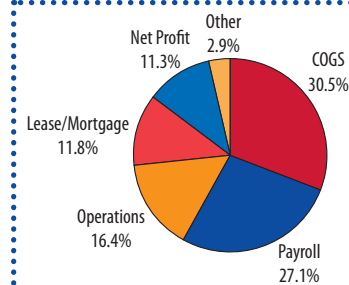
### Benefits Offered

(Percentage of LT30 operators who offer the following benefits)



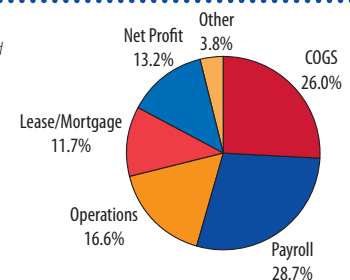
### Sales Breakdown

(Percentage of gross sales dedicated to costs for LT30 operators)



### Sales Breakdown

(Percentage of gross sales dedicated to costs for MT30 operators)



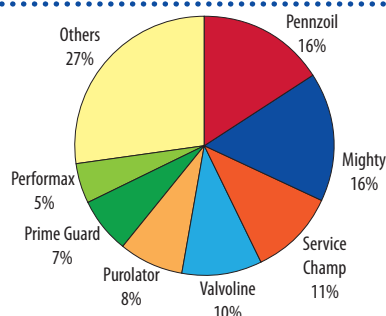
## oil & equipment

	2007	2008	2009	2010	2011
	LT30	LT30	LT30	LT30	LT30 MT30
Total sales represented by "house" motor oil brand	77%	79%	81%	76%	77% 87%
Customers committed to a specific brand of motor oil	39%	40%	45%	37%	29% 38%
Operations that implement used oil for heating purposes	27%	31%	31%	27%	29% 45%
Operations that accept used oil from DIYers	84%	85%	85%	87%	91% 90%
Operations that accept used oil filters from DIYers	65%	66%	72%	73%	70% 55%
Operations being paid for their used oil	94%	95%	96%	91%	96% 100%
Amount per gallon	\$0.54	\$0.76	\$0.51	\$0.53	\$0.94 \$0.86
Operations being paid for their used oil filters	3%	4%	8%	4%	5% 9%
Operations offering dexos-licensed motor oil	n/a	n/a	n/a	n/a	77% 57%
Operators offering a product that meets dexos-licensed specs	n/a	n/a	n/a	n/a	61% 63%
Operations invoicing customers for environmental fees	30%	22%	28%	19%	28% 18%
Average amount	\$1.89	\$1.82	\$1.91	\$1.79	\$1.88 \$1.18
Per-gallon cost of highest volume bulk oil	\$6.45	\$7.68	\$7.96	\$7.66	\$8.65 \$7.78
Quarts included in standard lube, oil and filter	n/a	n/a	n/a	5.0	5.0 5.0
Average charge per quart for additional motor oil	n/a	n/a	n/a	\$3.56	\$3.85 \$4.05
Overall breakdown of motor oil sales:					
Conventional/synthetic blend	n/a	74%	72%	68%	70% 60%
High mileage	n/a	9%	8%	10%	10% 18%
Full synthetic	n/a	10%	10%	12%	11% 15%
Diesel	n/a	7%	8%	8%	8% 3%
Other	n/a	0%	2%	2%	1% 5%
Operations that sell re-refined motor oil	n/a	n/a	5%	22%	38% 50%
Percent of customers who purchase	n/a	n/a	n/a	4%	5% 16%
Overall breakdown of motor oil sales by weight/grade:					
5W-20	n/a	n/a	21%	24%	27% 31%
5W-30	n/a	n/a	49%	46%	48% 44%
10W-30	n/a	n/a	19%	17%	15% 14%
5W-40	n/a	n/a	2%	2%	2% 3%
15W-40	n/a	n/a	8%	9%	7% 6%
Other	n/a	n/a	1%	2%	1% 2%
Operations that sell premium air filters	n/a	n/a	n/a	38%	36% 27%
Average charge	n/a	n/a	n/a	\$23.89	\$18.69 \$37.99
Operations that use lifts for oil changes	n/a	n/a	n/a	15%	12% *
Operations that use pits for oil changes	n/a	n/a	n/a	85%	88% *
Operations that use pit lifts for tire rotation	n/a	n/a	n/a	59%	54% 67%
Percent of operator sales comprised of beam blade wipers	n/a	n/a	n/a	n/a	21% 14%
Price charged, per pair	n/a	n/a	n/a	n/a	\$31.27 \$25.33
Percent of operator sales comprised of conventional wipers	n/a	n/a	n/a	n/a	79% 86%
Price charged, per pair	n/a	n/a	n/a	n/a	\$18.33 \$15.42

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

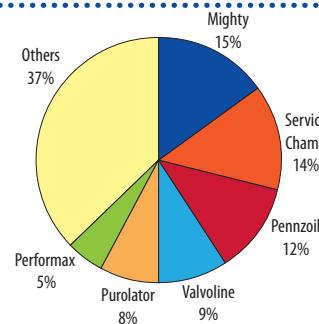
### Best Selling Oil Filters

(Percentage of LT30 operators who listed each brand as their standard oil filter, 2011)



### Best Selling Air Filters

(Percentage of LT30 operators who listed each brand as their standard air filter, 2011)



# services

	2007	2008	2009	2010	2011		
Percentage of survey respondents offering following services	LT30	LT30	LT30	LT30	LT30	Average Charge	Percentage of Customers Who Purchase
Additive sales	89%	89%	86%	88%	84%		
ATF supplement	n/a	n/a	n/a	68%	65%	\$17.22	2.8%
Chemical engine flush/oil system cleaner	82%	85%	83%	87%	91%	\$29.78	5.3%
Coolant treatment	n/a	n/a	n/a	47%	43%	\$25.36 <sup>†</sup>	1.4% <sup>†</sup>
Coolant stop leak	n/a	n/a	n/a	30%	27%	\$14.91 <sup>†</sup>	1.2% <sup>†</sup>
Diesel fuel supplement/cleaner	n/a	n/a	n/a	46%	41%	\$20.13	0.9% <sup>†</sup>
Gear oil supplement	n/a	n/a	n/a	51%	40%	\$13.47	1.4%
Oil stop leak	n/a	n/a	n/a	41%	28%	\$12.63	1.7% <sup>†</sup>
Pour-in fuel injection cleaner	n/a	n/a	n/a	78%	83%	\$16.03	3.6%
Power steering treatment	n/a	n/a	n/a	41%	28%	\$26.19	1.4%
Transmission stop leak	n/a	n/a	n/a	39%	20%	\$13.79 <sup>†</sup>	1.1% <sup>†</sup>
Air conditioner recharge	46%	46%	47%	61%	35%	\$92.60	2.3%
Air conditioner odor removal service	n/a	n/a	n/a	29%	20%	\$41.35	1.0% <sup>†</sup>
Air filter replacement	100%	100%	100%	100%	100%	\$19.16	12.0%
Brake pads/shoes	26%	39%	40%	43%	34%	\$136.96	2.4%
Brake fluid flush	n/a	n/a	34%	29%	23%	\$70.53	1.5%
Breather replacement	73%	78%	70%	70%	63%	\$10.32	1.3%
Cabin air filter replacement	90%	83%	88%	92%	91%	\$32.89	3.6%
Check batteries	n/a	n/a	n/a	75%	78%	n/a	n/a
Diesel exhaust fluid fill up	n/a	n/a	n/a	n/a	53%	\$22.32	1.3%
Differential service	92%	84%	96%	94%	93%	\$53.13	2.4%
Fuel filter replacement	76%	83%	79%	86%	87%	\$47.23	3.3%
Fuel injector cleaning (multi-stage)	76%	88%	87%	81%	84%	\$71.55	2.4%
Headlight restoration	n/a	n/a	43%	52%	44%	\$49.76	1.2%
Light replacement	83%	87%	85%	90%	84%	n/a	5.8%
Manual drain and refill of radiators	31%	40%	49%	36%	40%	\$62.30	1.3%
Mechanical full-block coolant flushes	88%	91%	92%	90%	89%	\$84.41	1.7%
Mechanical ATF exchange	90%	90%	87%	94%	89%	\$113.24	2.6%
Mechanized engine flush/cleaning	8%	16%	28%	23%	25%	*	*
Minor mechanical repairs	34%	45%	43%	53%	48%	\$91.96	4.9%
Nitrogen-based tire inflation	6%	10%	22%	27%	27%	\$35.32 <sup>†</sup>	3.0% <sup>†</sup>
Oil changes on Class 4 or larger commercial vehicles	21%	31%	34%	28%	21%	\$137.19	*
Oil changes on motorcycles	6%	11%	20%	13%	16%	\$59.00 <sup>†</sup>	*
Oil changes on RVs	67%	68%	81%	74%	71%	\$68.23	*
PCV replacement	78%	72%	78%	75%	68%	\$9.54	1.7%
Power steering flushes	45%	60%	67%	68%	68%	\$61.09	1.8%
Radiator, heater, A/C hose replacement	30%	41%	47%	44%	36%	n/a	1.9%
Repair rock chips in windshields	24%	27%	15%	18%	19%	\$36.16 <sup>†</sup>	2.4% <sup>†</sup>
Sell batteries	56%	65%	69%	70%	66%	n/a	2.1%
Serpentine belt replacement	84%	86%	86%	89%	85%	\$67.56	1.5%
Shock and strut replacement	22%	24%	33%	31%	21%	\$117.00	1.2%
Smog checks/emission testing	20%	15%	13%	24%	19%	*	*
Spark plugs	28%	38%	43%	37%	33%	\$87.85	2.0%
Tire rotation	64%	70%	78%	76%	76%	\$19.15	5.6%
Tire sales	n/a	n/a	16%	21%	13%	\$267.51	*
Transmission service (drain/refill manually)	57%	61%	77%	58%	63%	\$92.10	1.3%
Water-repellent glass treatments	30%	27%	35%	30%	41%	\$12.91	1.9%
Wheel balancing	24%	23%	30%	27%	26%	\$37.30	2.9%

\*insufficient data to calculate n/a: question not asked <sup>†</sup>average from small sampling

## insurance

	2007	2008	2009	2010	2011
	<b>LT30</b>	<b>LT30</b>	<b>LT30</b>	<b>LT30</b>	<b>LT30</b> <b>MT30</b>
Annual cost of insuring a fast lube facility	\$5,356	\$5,220	\$5,636	\$6,341	\$5,882   *
Average amount of per-store warranty work performed during preceding 12 months	\$1,444	\$1,053	\$971	\$1,155	\$1,047   \$1,087

## keys to success

Factors that will determine future success of fast lube industry:

Customer service	70%	64%	72%	63%	46%	*
Quality employees	16%	16%	21%	15%	15%	*
Economy	0%	0%	0%	4%	10%	*
Car counts	10%	10%	3%	9%	6%	*
Cost of goods	2%	5%	3%	3%	5%	*
Competition	2%	1%	1%	3%	3%	*
Location	0%	0%	0%	2%	3%	*
Extended oil change intervals	0%	4%	0%	1%	1%	*

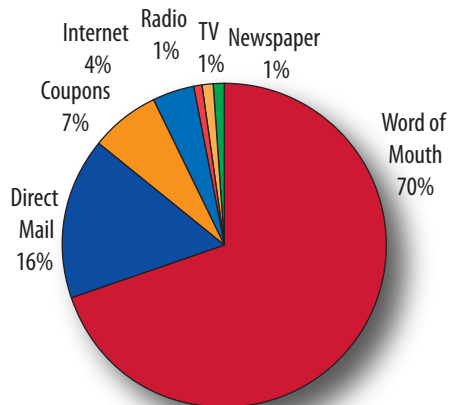
## advertising

Operators who send reminder cards to customers	48%	47%	47%	51%	53%	75%
Operators offering discounted reminder cards	69%	77%	61%	72%	68%	82%
Response rate	26%	28%	25%	23%	29%	45%
Percentage of customers who redeem coupons	17%	21%	19%	23%	21%	40%
Operators who advertise on the Internet	44%	44%	38%	54%	62%	100%
Operators who collect customer email addresses	n/a	n/a	n/a	n/a	54%	83%
Operators who collect cell phone numbers for text message marketing purposes	n/a	n/a	n/a	n/a	29%	33%
Operators who have a company website	n/a	n/a	n/a	n/a	80%	100%
Operators who have a company Facebook page	n/a	n/a	n/a	n/a	52%	58%

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

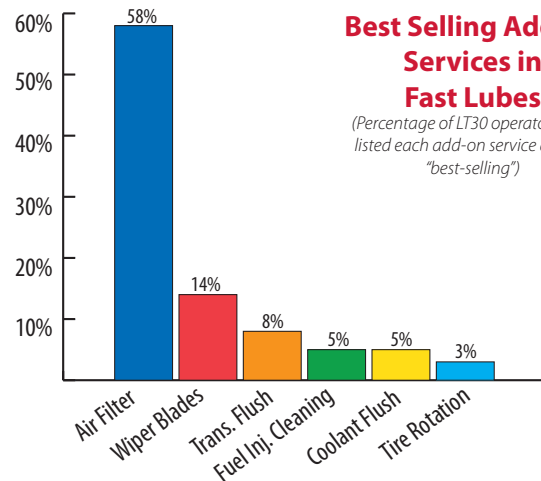
### Best Advertising Method for Fast Lubes

(Percentage of LT30 operators who listed each type of advertising as their most effective)



### Best Selling Add-on Services in Fast Lubes

(Percentage of LT30 operators who listed each add-on service as their "best-selling")



## did you know?

- 37% of fast lube operators report July as the busiest month of the year
- 42% of fast lube operators report Friday as the busiest day of the week
- 26% of fast lube operators plan to add glass repair to their service menu; 19% plan to add tire rotation; 19% plan to add air conditioning service
- 19% of fast lube operations have customers wait inside their car during an oil change; 74% of operations have customers wait inside their waiting room during an oil change; and 7% of operations have customers wait inside their car or in their waiting room during an oil change
- 52% of fast lube operations have technicians drive vehicles into the bay; 48% of operations have customers drive vehicles into the bay
- Fast lube operators take an average of 14 minutes to change a customer's oil
- On average, 71% of fast lube business is from repeat customers
- 90% of fast lube operators mention 3,000-mile oil change intervals to their customers
- 85% of fast lube facilities are equipped with pits; 15% of facilities are equipped with lifts
- 71% of fast lube facilities' pits are equipped with safety covers
- 14% of lube shops are co-located with an on-site carwash
- Fast lube operators describe their customers as 80% average income, 13% high income and 7% low income
- About two-thirds of lube shops offer bundled service "packages" on their service menus
- 15% of lube shops are equipped with underground oil storage tanks; 85% are equipped with aboveground tanks (including basement-mounted tanks)
- In 1988, the year the first Operators Survey was conducted, average car count was 43.5 cars per day, average ticket was \$23.52 and the average price for a full-service LOF was \$19.98
- Industry-wide car count peaked in 1995 at 47.9 cars per day

*Industry standards compiled from previous Fast Lube Operators Surveys.*



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