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CANADIAN CARWASH ASSOCIATION



MAY 2007

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INDUSTRY FORUM

Wash Volume Report results for 2006

By Karen Dalton

IN JANUARY 2006, The Canadian Carwash Association (CCA) launched a market research program for its members which provides reliable data on the carwash industry in Canada. The Wash Volume Report (WVR) program, developed exclusively for the CCA, gives members the ability to monitor data to determine if their sales are being influenced by site selection, marketing, weather or other economic factors.

National results for the first full year reveal that 892 carwashes reported wash volumes of 22,767,716 cycles, average annual revenues per site of \$167,099 and average revenues per cycle of \$6.55. This represented a decline from 2005 of 1.83% in average revenues per site, but an increase of 3.81% in average revenues per cycle. *See charts.*

When reviewing the results by the 14 regions of Canada covered by CCA's Wash Volume Reports there were dramatic differences in performance. While one region reported a 4.49% increase in cycles, another reported an 18.38% decline. Revenues by region varied from an increase of 11.66% to a decline of 13.61%. Revenues per site in one region increased by 29.24%, while they declined in another part of the country by 14.5%. Revenues per cycle varied from an increase of 10.94% in one region to a modest increase of .25% in another.

It is worth noting that from 2005 to 2006 all markets west of Ontario showed an increase in total revenues and cycles while all markets east of Manitoba showed declines in total revenues and cycles. Also all markets in the west showed an increase in revenues per site while most markets in the east showed a decrease in revenues per site. However, revenues per cycle increased year over year in all markets across the country. Results may vary across the country for a host of reasons: weather conditions, economic conditions and too many competitors to name just three. Similarly, results vary by month, largely due to weather conditions. This phenomenon emphasizes the importance of preparing a well-researched business plan, including demographic data, appropriate site selection within the geographic region and choice of wash type before investing in a carwash.

Benefit to CCA Members

The WVR program provides participants with both national and regional reports on a quarterly basis showing monthly wash volumes by participant (number of wash cycles) and aggregate revenues, average revenue per wash, trend information, wash and industry totals,

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PROMOTING THE RESPONSIBLE GROWTH AND PROSPERITY OF THE CAR WASH INDUSTRY

including benchmarking data for carwash sites and companies. The reports assist participants to determine market share and industry performance by tier (based on number of car wash sites owned).

Participating CCA members receive a quarterly National Report including aggregate

data on their tier and the tiers below, as well as a Regional Market Report for each region in which the member operates a carwash along with an annual comparative National and Regional Market report.

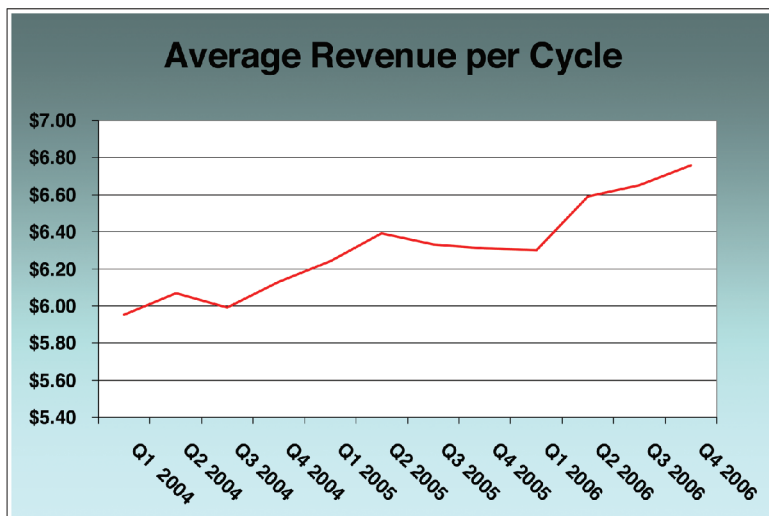
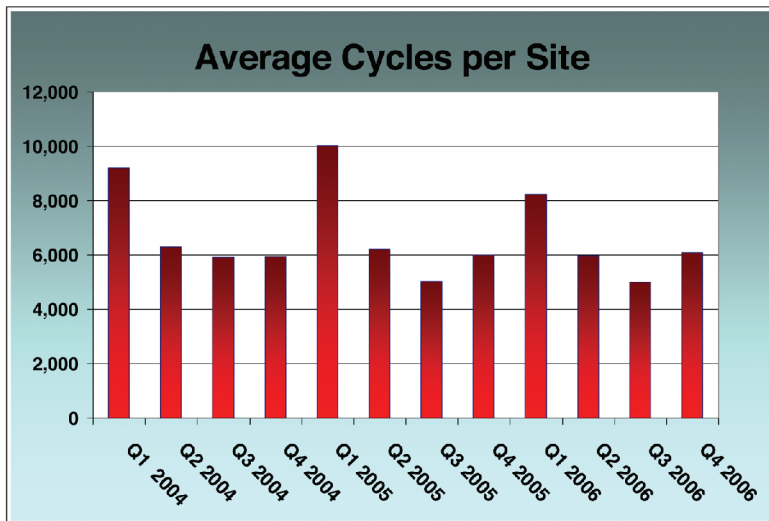
To enhance the value of the program, baseline data is collected and available in the

following categories: coin operated and time pay; rollover touchless; friction rollover; conveyor touchless; friction conveyor; hybrid systems and combination sites.

CCA Wash Volume Reports allow participating members to compare their carwash operations performance with that of other similar operators both locally and nationally, identify seasonal variations, assess the performance of their business, understand how the overall carwash market is performing and make informed decisions regarding new locations or expansion. The program is provided at no cost to CCA members.

Members simply agree to provide their WVR data monthly on a strictly confidential basis for three years to Kent Marketing Services Limited, selected by CCA as the approved provider of data collection and reporting for the program. Kent Marketing has over 30 years' experience in analyzing Canada's retail fuel industry and provides confidential reporting of this data to Canada's major oil companies.

As a participant in the program, the member is bound to a confidentiality agreement and agrees not to use the information contained in the WVR for promotional purposes. CCA is solely responsible for the dissemination of aggregate information contained in the reports to any third party. For more information on CCA's Wash Volume Report program contact Philip Boyd, Executive Director of CCA at 416-239-0339. •



NEW MEMBERS

Carwash Operators

CANIND International Inc. – Woodbridge, ON
 Nabil Abdulgany – St. Albert, AB
 CaRV Wash Inc – Caledon, ON