

# Car Wash Show Europe 2023

## Car wash market updates



# Our speakers

**Thomas Drott**, Federal Association of Gas Stations and Commercial Car Washes (DE)

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# Our topics

1. Profile of each market
2. Notable changes (*back*)
3. Current trends (*now*)
4. Challenges & opportunities (*future*)



# Profile - Germany

- 18,800 car wash locations
  - 2,400 tunnels, 14,000 roll-overs, 2,400 self-service
- 6-8 car washes per year



# Profile – United Kingdom

- 3,770 car wash locations
  - 250 tunnels, 3,500 roll-overs, 20 self service
  - Does not include 6,000 hand washes
- 193M car washes per year
  - 160M hand or home, 43M automated car wash; 8.8 average washes per year
- £1.8B in annual sales



# Profile – The Netherlands

- 1,829 car wash locations
  - 367 tunnels, 1,189 roll-overs, 1,030 self service (3,180 boxes)
- 66.1M car washes per year
  - 2.7 average tunnel visits per year
- € 814MM in annual sales
  - € 12.32 average price paid



# Profile – United States

- 62,000 car wash locations
  - 17,500 tunnels, 29,000 roll-overs, 16,250 self service
- Wash frequency
  - Ranges from 3/year for retail customers to 3/month for members
- \$13.7B in annual sales



## Changes - Germany

- Environmental thoughts are increasing in society and new car wash technology is taking this into account
- New investors are increasingly coming from outside the industry, though the current economic environment has depressed activity





## Changes – United Kingdom

- Hand wash enforcement, and awareness, has improved
- Much needed roll-over equipment replacement and upgrading is occurring



# Changes – The Netherlands

- 52% uses License plate recognition (LPR).
- More indoor vacuum.
- Almost every car wash company has loyalty types
- 93% offer wash cards.



# Changes – United States

- Ownership profile
  - More than 40 PE/public platforms, though still fragmented
- Consolidation
  - Has cooled since 2022, but has impacted suppliers and retailers



## Trends – Germany

- Industry has adopted the national water strategy, which follows European standards
- New developments are taking into account these standards and the risks of car wash restrictions during times of drought
- Indoor locations increasingly powered with solar lighting



## Trends – United Kingdom

- High-end vehicle detailing has solidified a small portion of the market
- Interest in a multi-format conveyor hubs – not yet developed
- Multi-bay jet washes showing impressive returns



## Trends – The Netherlands

- 65% expect growth and 24% expect consolidation.
- 74% will invest (most invest in sustainability (>56%)). Also 44% expect to buy a new location.
- 39% expects more competition.



# Trends – United States

- Membership subscriptions
  - Primary marketing and sales strategy; can exceed 80% of store volume
- Store density
  - Adding value to membership and building market defensibility
  - Greenfield development
- Operations and store profitability
  - Hiring, training and efficiency



# Challenges & Opportunities – Germany

- Development and promotion of water saving techniques and chemicals
- Avoid washing bans
- Acquisition of new customers and increase in average visits per year
- Conform to evolving vehicle shapes and sizes to avoid damage
- Consolidation





# Challenges & Opportunities – United Kingdom

- Persuade Government to better enforce existing regulations at HCW as an interim step to
- National Licensing of Hand Car Washes
- Assist overseas and local investors to develop full tunnel car wash/detailing hubs
- Continue to work with suppliers for re-investment in ACW both rollover and multi-bay jet wash



# Challenges & Opportunities – The Netherlands

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# Challenges & Opportunities – United States

- Zoning & permitting
  - Cities are increasingly hesitant to approve car washes due to special use building and lack of sales tax revenue
- Subscription penetration
  - Likely that 90% of passenger vehicles are not members – potential for massive volume increase

