Thanx

GUIDE

The Customer Engagement Playbook for Car Washes

Introduction

The car wash industry is extremely competitive, which makes it difficult to engage customers and create loyalty. Several factors directly influence car wash success including weather conditions, location, competition, and the time of the year. Without the right customer data in place, it can be difficult to tackle these challenges and improve customer engagement.

In this actionable playbook, we'll share seven ways you can conquer these challenges, improve customer engagement, and drive increases in revenue for your car wash.

Capture data to identify your best customers

Car wash merchants operate in three major industries — retail, service, and manufacturing. When customers arrive, they expect to receive outstanding service and high-quality results. Given the competition and high expectations, car wash operators often don't have the time they need to engage with each of their customers.

The days of being able to meet and know each of your customers personally pass as your business grows and new locations are added. A data-based customer engagement platform empowers car washes to capture customer data and identify who their best customers are to drive engagement and ultimately, increase revenue because your best customers visit and spend the most. Understanding the average spend and visit frequency of each of your customers, as well as getting instant feedback across all your locations is the value that modern customer engagement platforms bring to the table.

> "In our fast-paced world, where everything is mass marketed, people want things instantly, they want connections, and they want to feel important. We'll wash over 20 million cars this year, but at Zips it's about more than just washing cars; we have the opportunity to brighten someone's mood. If we can do that, we get closer to that customer, the relationship grows, and we drive that genuine, personal connection. When we engage our customers with Thanx, we bridge the gap and they feel like they are part of something bigger."

Brett Overman
Founder & CEO, Zips Car Wash

Having the right data is crucial, especially when it comes to developing a marketing strategy and targeting your VIP customers. Once you understand who your VIPs are, you can send them targeted and personalized messages that will encourage them to visit and spend more. For example, during a slow season in the fall, a car wash can send an offer for an upgraded wash to their top 50 customers. This will not only bring more customers in, but it will also cause a timeshift and drive revenue during a slower time period.

You can also send birthday offers, respond personally to any feedback, win back customers who have stopped visiting, and build relationships at scale while making each consumer feel appreciated and loyal to your business.

Unlimited plans drive repeatable revenue

Smart car wash operators, looking to stand out in a competitive industry and take advantage of increased opportunity, are reimagining the way they look at revenue metrics and how they interact with customers.

How? Instead of focusing on individual sales, successful car washes are now offering monthly plans — subscriptions that encourage repeatable and recurring revenues, as well as opportunities for ongoing customer engagement.

A traditional success metric in the car wash industry is per-car revenue. Per-car revenue tells you how much a pay-as-you-go customer spends in a month.

Per-car revenue is measurable. However, it's difficult to predict, especially when you factor in unknowns like changing weather patterns and fluctuating gas prices. Additionally, when you have no way to connect with pay-as-you-go customers, you have no guarantee they will return for repeat car washes.

With an unlimited plan model, on the other hand, car wash operators can look at per-customer revenue as a more powerful and telling metric.

Per-customer metrics tell you how much a specific customer spends in a month and is more predictable when customers sign up with a monthly membership.

Carwash.com offers a compelling example to illustrate why per-customer metrics are a better metric. They compare Customer A, a monthly plan holder that pays $40 per month, and Customer B, a pay-as-you-go customer who maybe comes in once a month for an $18 wash. The per-customer revenue for Customer A, the monthly pass holder, is a predictable $480 of yearly revenue, while the yearly per-car value of Customer B is only $216.

Per-customer revenue for unlimited pass members is a more predictable and easier metric to measure. Additionally, when car wash owners shift their mindset to think about metrics that result in customer retention by securing repeat business, instead of single per-car sales, it fosters customer behavior that increases revenue and ROI.

Car wash operators have more opportunity to encourage monthly plan members to both spend more while they are at your car wash (upsell) and return for additional offers (retention/loyalty).

The value of more frequent visits for upselling and customer retention is unmatched when you look at the stats:

- Repeat customers spend 33 percent more than new customers.

- The average repeat customer spends 67 percent more in months 31-36 of their relationship with a business than they do in months 0-6.

- A 5 percent increase in customer retention can lead to an increase in profits of between 25 and 95 percent.

An unlimited monthly membership plan, managed through a customer engagement platform is the perfect way to grow your revenue, encourage repeat business, and connect with your customers in more meaningful and long-term ways.

Washbooks help keep customers coming back

Washbooks have been embraced by the industry for years as an effective method to get consumers to pre-pay in advance for a specific number of car washes, often at a reduced price. While washbooks offer a lot of flexibility to consumers, they are unpredictable for operators in that you never know if and when they are going to be redeemed and can, therefore, be seen as a liability. To offset this, Thanx enables car washes to sell wash books via the Thanx mobile app. The purchased in-app wash books are directly tied to customers so car wash operators can send targeted messages encouraging the use of washbooks so the car wash can realize the revenue and have a verifiable return on investment.

Implement a customer loyalty program

Traditional loyalty punch and loyalty cards are no longer relevant — they don't capture the data you need to identify and reward your best customers while driving incremental revenue for your bottom line. A great way to incentivize your customers to come back is through a tailored customer loyalty program. You can reward your top customers and send them targeted offers and rewards to influence their behavior.

Having a loyalty program through Thanx creates a seamless experience for your customers and your team and provides you with the crucial data you need to better understand your customers to grow your business.

Let's say that Susan visits your car wash once a week in the summer, but in the fall, she only comes in once a month. You can send her a special fall offer so that she will visit more often. You can also send birthday offers to your customers to recognize their special day and reward them when they refer their friends. You get to send the right reward to the right customer at exactly the right time.

Did you know birthday offers drive a

31%

increase in average check size?

Customer feedback is gold

You can't always know what the experience is like for each of your customers, especially if you have multiple locations. One negative experience can change the way someone feels about your car wash, and if they share their experience on social media or a third-party review site like Yelp, it can damage your brand reputation.

Gathering customer feedback helps you gain insight into how your customers feel, and provides you an opportunity to respond in real time to any negative feedback you may receive. Using a customer engagement platform enables your customers to send you their feedback in real time right after they've made a purchase and the experience is top of mind. This feedback is private and enables you to respond privately ensuring you keep negative reviews out of the public eye.

7	This visit			Darren B.
	Date	Wed, Oct 31, 2018		Promoter
	Purchase	$22.02		
	Location	1345 Main Street, San Antonio, Texas	Total Spend to date	$345.91
	Server	John P	Average spend	$18.37
Previously			Avg purchases per month	6

Darren's message to you

I love you guys but this was my first visit at the Main St location and there didn't seem to be enough staff given how busy things were.

Your reply

Thanks for your valuable feedback, Darren. We always want our guests to have a superior experience and we're sorry that today we didn't deliver on that.

10
9
10
10

See all

You can also collect data from NPS (Net Promoter Score) surveys to gauge how your customers feel. If, for example, one of your happiest customers leaves a low rating because they found scratch marks on their car after a wash, you can send them a personalized offer and step in to resolve the issue. The real power is that unlike in the past when you had to treat all customer feedback equally, you now have the knowledge of each customer's value (spend, frequency and lifetime value) so you can respond appropriately. You will likely treat a VIP a bit differently than a customer that visits once a year and buys the least expensive wash you offer.

It's important to remember that all feedback isn't negative. Positive feedback matters, too. It can motivate your employees if someone leaves good comments. Customer feedback enables you to know how customers perceive your car wash.

Showing your customers that they are being heard and that their opinions matter, will make them feel more valued and engaged.

Keep your car wash top of mind

There are several ways to stay top of mind with your customers, even when they're not at your car wash.

Targeted email campaigns

Targeted email campaigns are a highly effective way to inform customers about exciting things happening at your car wash or send them offers to keep them coming back again and again. The secret power of these targeted campaigns lies in your ability to segment your audience and send the right message to the right person at the right time. Kick those old email blasts to the curb because not only can you send these targeted messages but you can measure the results in real revenue generated. Not opens and clicks. Revenue.
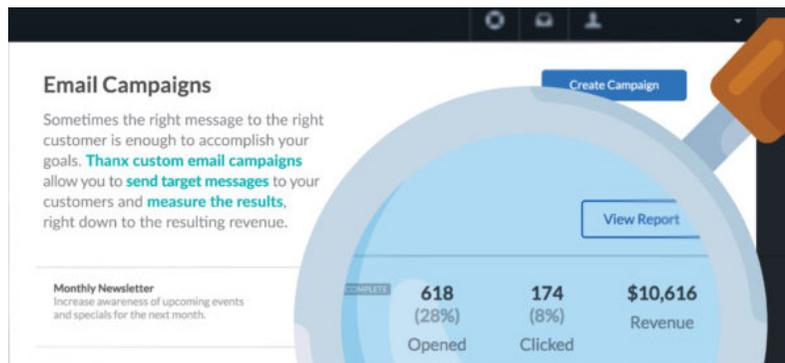
SMS/Text

SMS is also a fantastic way to connect with your on-the-go customers. Customers take their smartphones everywhere so being able to send them a text message with a personalized offer opens up a whole new communication channel that can engage them anytime, anywhere.

Social media

Social media is a great way to engage with consumers. You can share company news, special sales, and customer stories while building relationships with your audience. The more people can identify with you, the more engaged they will be.

Once customers drive away, it doesn't mean that the conversation has to end there.

Choose the right customer engagement platform

Capturing robust data, communicating in a personal way with your customers, and measuring the results in real revenue is crucial to overcoming engagement challenges in the car wash industry. It's important to choose the right data-based customer engagement platform that will help you identify who your best customers are, gather their feedback, and capture data that will increase ROI and revenue.

The more targeted and personalized your message is, the more engaged your customers will be. The right technology will reveal how your customers feel and behave, and it will notify you when you are about to lose a customer, according to visit frequency data. You no longer need to be challenged to engage your customers — a powerful, data-based customer engagement can scale across all your locations and help your business grow.

> In the first year we used Thanx, we learned a lot about our customers. We now can identify and reward the high-spend VIP customers that drive the majority of our business. We also have a great understanding of customers' frequency, their purchasing habits, and more. This data is huge for us, and we use it every day to drive our marketing decisions."

Meghan Hollabaugh
Mike's Carwash

Wrap up

Car washes face unique challenges when it comes to driving customer engagement, but having the right technology in place and capturing customer data will help you overcome obstacles and build stronger relationships. Customer engagement doesn't have to be a guessing game — the power is in your hands to build stronger relationships with your customers and grow your business today.

Thanx

Car Wash Customer Engagement Made Easy.

Request a demo