

**Retailer Newsletter**

**July 1, 2023**

**Tom’s Business “TIPS”**

***“To Improve Profits”***

**RE: Do You Have An *Under Used* Car Wash?**

**Greetings Friends,**

**Improving Sales**

1. **Incentives:**

**As I drive daily around Kansas City, and almost every city I visit, I notice that many convenience store car washes are rarely being used. I realize that many stores have abandoned/boarded up their car wash, but I’m talking about those stores that do have one and customers seldom use it. I want to help you improve your car wash sales and will share a secret on how to do that. Now don’t panic when you hear my secret *⎯ C O M M I S S I O N*. I know many retailers consider commission a dirty word. Let me assure you, it’s not! Many people consider paying commissions to employees for doing their job, on top of their regular salary, is just plain wrong. I have indisputable factual news for you regarding this belief. Employees are just like business owners; they like to be compensated for doing extra work. No real surprise there. I have found paying a car wash commission to be extremely important to improving and continu~~i~~ng the success of the car wash business. Car washes are one of the highest gross profit categories in your store, so it only makes good $en$e! At my stores, we had 3 wash levels. I paid 0 on level 1, 25¢ on level 2, and 50¢ on level 3. I also paid a bonus if the total for the shift exceeded a certain level. I remember a gentleman who attended one of my training seminars where I was stressing the importance of paying a car wash commission. His comment stunned me to this day: “I would be willing to pay a commission for the car washes sold if I could figure a way to NOT pay when a customer ASKED for the car wash.” My answer to him was blunt; “Get over it. Pay the commission. Maybe the customer came in on a previous visit and your CSR asked him/her at that time, but he/she declined the wash. Maybe on this trip, they decided to purchase the wash.”**

**Here are a couple of points I’d like to share with you *before* you attempt to improve your wash business.**

1. **Make sure your car wash bay is clean and well-lit. People do not feel they are getting a really good car wash if the equipment is dirty/dingy, if the walls are moldy/dirty, or if the floor is full of dirt/mud.**
2. **Be sure your fuel dispensers prompt your customers to buy a car wash. (It’s also vital that your printer can print a receipt with the wash code.)**
3. **Make sure your car wash equipment is giving a good wash with hot water. You cannot properly clean cars using cold water. A water softener is also necessary, and a spot-free rinse improves the overall wash quality.**
4. **Do not charge too much $$ for your car washes. You cannot charge the same price a tunnel wash does if you do not have staff on hand to spray pre-rinse and guide cars into the wash.**
5. **I suggest you print a car wash menu your CSRs can utilize. I used to have mine on the counter (under the glass). I found this allows your CSR to point to the wash (hopefully, they will point to the ‘best’ wash) in an effort to close the deal. Here’s a sample I found.**
6. **Utilize pump toppers to display your car wash choices. This makes it easier for customers to make a buying decision.**
7. **Have the ability to upgrade car wash choices at the coin box. This allows your customers to purchase a better wash while improving your overall gross profit.**
8. **Offer ‘Free Car Washes’ to encourage customers to try your wash.**
	1. **Make it easy for these customers to upgrade the free wash to a better wash.**



1. **Reinforcement:**

**Each payday, I would highlight a CSR’s pay stub to show them how much they earned in car wash commission divided by the number of hours worked. Many times, a CSR earned as much as $2.00 - $3.00 per hour extra in car wash commission. Of course, they were always higher in the winter months. There were times when the wash went down late at night. When I walked into the store the next morning, there was a note from my CSRs telling me they had left a message with the car wash company advising them we were down. What happened was the CSRs were so motivated to sell car washes, that when the wash was down, they wanted to reach out and call to get the equipment back up and running ASAP.**

1. **Instore Incentives:**

**You can use the same incentive to improve new items in your store. For example, if you recently installed an ATM, maybe you could offer to pay each CSR a $10 bonus if the ATM sales exceeded $XX a month. If you provide fresh food at your store, offer a daily special. For example, Monday is a hot dog, a small bag of chips, and a medium drink for $3.50. You could pay each CSR 10¢ for each lunch special sold that day. Consider a bonus for all the weekly/monthly sales achieved according to the established objective. You would be surprised how creative CSRs can be when you dangle a little money in front of them. Remember, these CSRs are talking to your customers, trying to make their visit a pleasant experience, AND giving them a reason to come back another day.**

1. **Rankings:**

**I have also found another ‘trick’ to compensate CSRs when offering an incentive, and that is ranking all CSRs based on sales. Oftentimes, CSR pride can be an added encouragement. For example, when I posted car wash sales, I listed CSRs’ names from highest $$ to lowest $$, because the CSRs were in competition with each other. Pride among CSRs would be enough to make them want to outdo others. Try it, I think you will see it for yourself.**

1. **Appearance**

**Another tool I used to enhance my commission program; all CSRs must report to work on time, and in uniform (including a name tag) all month to qualify for the commission program.**

1. **An Issue to consider:**

**During my store visits, many times I notice a *‘No Loitering’* sign posted. I walk into some of these stores and see video gaming machines. I must think to myself, “Isn’t this loitering?” I think it’s obvious, at least to me! How many of your customers who spend time at your store playing with these machines are stealing items (shoplifting), leaving trash on the floor, and most of all, watching and learning what goes on at your store? In my opinion, machines like this are like video poker/gambling machines. It is a known fact that gamblers like to smoke while they try their luck. Now, I understand many locations in this country are Smoke-Free due to state and local regulations; however, I think you are going to find yourself dealing with customers playing video games and smoking. I think we all agree our CSRs have enough work to do without the added headache of keeping an eye on video game players and enforcing your No Smoking rule. That is something else you are going to have to deal with AND clean up after. Video players can also observe when CSRs take smoke breaks and when there is one CSR on duty or when they disappear into the backroom or restroom. Factoring in all these ‘what ifs’ you probably will realize that the video machines are not worth having in the store. If you remove these machines, and you are concerned about utilizing that floor space, let me remind you of what we discussed in our Category Management seminar. *Stock high gross profit/fast-selling items in* *more than one place in your store.* For instance, stock candy bars and chips in two or more different places throughout the store. This will allow for impulse purchases by your customers.**

1. **Website**

**Keeping with my commitment to share some items we feature on our website each month:**

1. **Sample Financial Statements – this will show you what a useful tool should look like. You may ‘think’ you are making money; your checkbook may show a positive balance *(today)*, but a well-prepared statement will show you if your business is successful or NOT!**
2. **Forms & Reports For Your Business:**
	1. **Cleaning and Sanitizing Guidelines – what you should be doing each and every day to keep your store clean, really clean.**
	2. **Cleaning and Sanitizing Guidelines for Electronics – some tips to help you keep valuable electronics clean and safe.**

**If you would like to improve your store sales and profits, give me a call or email. If you are a supplier or organization with retailers that are struggling to maintain profitable stores, please reach out to me. We can help these stores’ operations and improve profitability!**

***“Coming together is a beginning; keeping together is progress,***

***working together is success.”***

***- Henry Ford***

**Don't be a victim of the 5 Dangerous Words –**

***‘Maybe I’ll Do It Tomorrow’***

**Do it today because tomorrow (~~could be~~) will be too late!**

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***“Our business is making your business better!”***