

Is your carwash ready for subscriptions?

And where do you start?

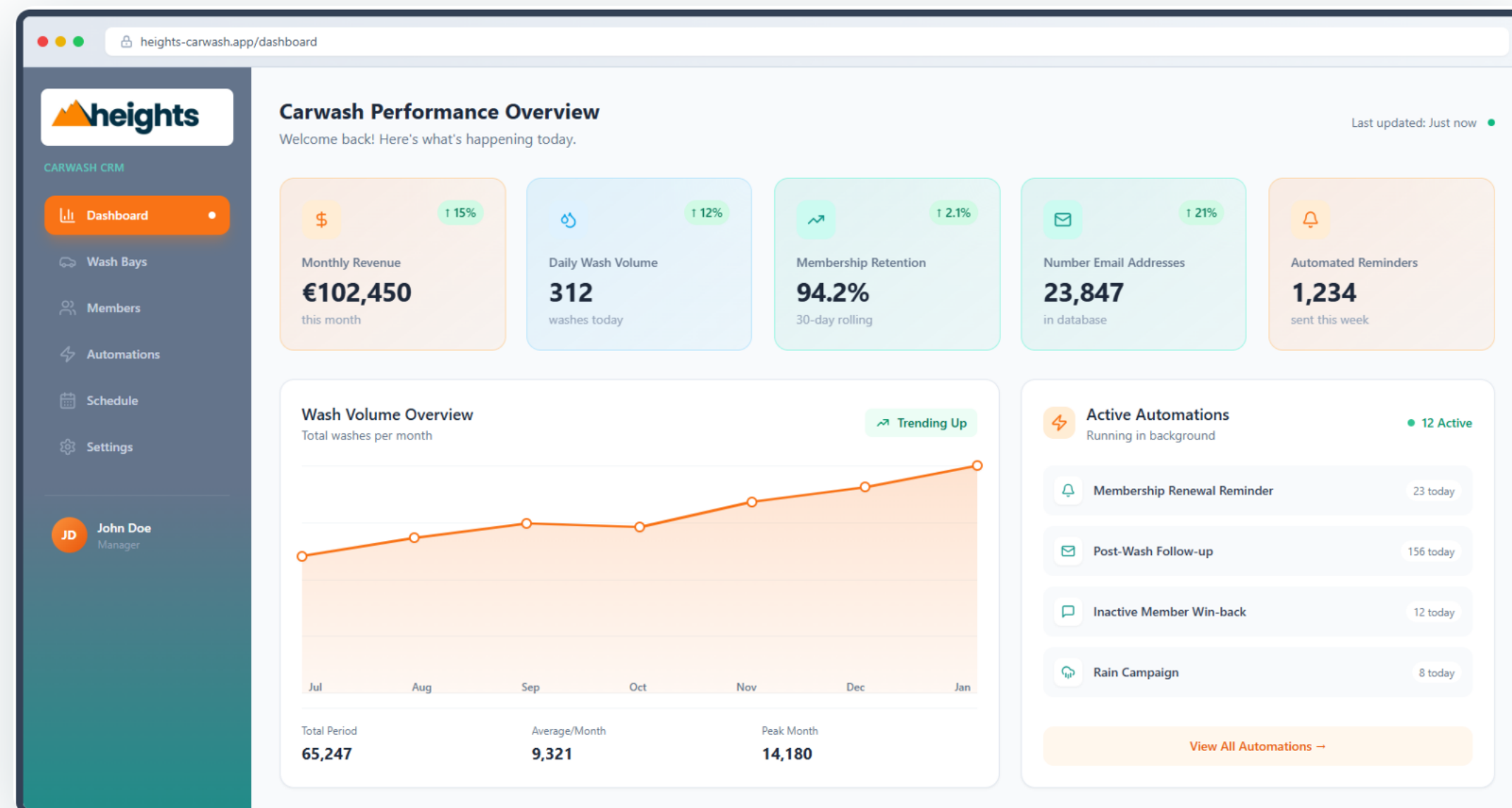
Agenda

01 Introduction

02 Should I introduce subscriptions?

03 Where to start?

We build data products for the carwash industry



- Carwash market benchmarks

- Smart AI-based personalization algorithms

- Strong focus on effective flows for selling subscriptions

Should I introduce subscriptions?

Should I introduce subscriptions?

- Depends on the effect on your **branding**: will we be perceived as more or less premium?
- Depends on the **business case**. When done correctly, introducing subscriptions typically has a very high ROI.
- Only when certain **preconditions** are met:
 - Machinery can deal with higher volumes
 - Enough qualified personnel (to wash and to upsell to subscriptions on the spot)
 - Anti-fraud mechanisms in place

The branding effects of having subscriptions

- Branding depends on many factors, like the **framing** and the **price**
- Frames emphasizing **high volumes** ("wash more / unlimited for the same price") can be perceived as **less premium**
- Frames presenting subscriptions as an **upgrade** — emphasizing convenience, fastlane access, always-clean car — are perceived as **more premium**
- **Price itself** is a strong signal of branding

Switching to subscriptions can grow the customer lifetime revenue 3–4×

WITHOUT SUBSCRIPTION

€150–200

CUSTOMER LIFETIME REVENUE (EXCL. VAT)

Customer washes on average **0.5–0.6×/month** → €7–8/monthAverage customer lifetime: **21 months** $21 \text{ mo} \times €8 = \text{€168}$

55% NEW CUSTOMERS!

WITH SUBSCRIPTION

€600–800

CUSTOMER LIFETIME REVENUE (EXCL. VAT)

First 7 months pay-per-wash: $7 \times €8 = \text{€56}$ Then 18–24 months subscription: **~€30/month** $€56 + 21 \text{ mo} \times €30 = \text{€686}$

Introducing subscriptions correctly increases revenue **and** EBIT

- Average subscription holder washes ~2.5x per month
- Subscriptions are held for **18-24 months** typically — ~60 washes during subscription period
- **Assumption:** Variable cost per wash (water, chemicals, electricity, labour, depreciation) ~€4
- Cost of a subscription holder: ~€240 — always smaller than the extra revenue of **€450-600**

KEY SUCCESS FACTOR

A correct commercial implementation is key to realizing the huge potential of subscriptions

01 Optimize your **price** using statistical analyses — every euro difference has a large P&L impact

02 Smooth process for **subscription sales on the spot**

03 Smooth process for **online subscription sales**

04 Create an optimal **customer experience** without unnecessary friction

05 Automated **upsell and downsell** offers — keep customers engaged, visiting frequently

KEY SUCCESS FACTOR

A correct operational implementation saves much time and helps you to stay in control

01 New services lead to new types of questions. Think through all possible questions/remarks and have a **playbook** ready. The large majority of customer service requests can be **automated via WhatsApp Agents**.

02 Many carwashes struggle with **credit card reversals and decline errors**. All processes (payment reminders, blocking/deblocking accounts, invoice qualification) should be **fully automated**.

Preconditions for introducing subscriptions

- 1 Machinery can deal with **higher volumes**
- 2 Enough **qualified personnel** to deal with higher volumes
- 3 Qualified personnel to **upsell to subscriptions on the spot**
- 4 **Anti-fraud mechanisms** in place

Where to start?


Where to start with subscriptions

- 01 Determine the **brand** you want to be and which framing of subscriptions belongs to that
- 02 Build the **business case** — calculate expected subscription holders based on volume and commercial approach
- 03 Analyze which **subscription price** optimizes customer lifetime revenue
- 04 Check if you can meet the **preconditions** ("Can my people and my machine deal with it?")
- 05 Build **commercial flows** (both on the spot and online)
- 06 Build an **automated end-to-end approach** for backoffice administration and customer service
- 07 Monitor growth of number of **subscription holders** and their **lifetime value**



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