

When it Comes to New Services, Convenience is Key

by Emily Schmitt



It's no secret that many quick lube owners have faced challenging times in the last several years. They have seen competition rise and car counts fall. In response, some quick lube owners have begun providing new services, such as tire rotations and brake services. While this may seem like a good way to make up for lost profit,

“You can't just have a product, you've got to have a commitment to it.”

JEFF MALICOTE, GENERAL MANAGER VALVOLINE EXPRESS CARE

some industry experts say quick lube owners should think twice before taking this route.

Jeff Malicote, general manager and director of Valvoline Express Care in Lexington, Kentucky, and Automotive Oil Change Association (AOCA) board member, promotes caution. Malicote, who has worked for Valvoline in various roles for more than 25 years, said that while it can be tempting to add new services, quick lube owners must take care to ensure those services don't distract from what they do best — convenient, quick oil changes.

“We want operators to remain cognizant of what they are really offering — convenient oil changes and fluid maintenance,” Malicote said. “If the customer can get in and out of your bay on their lunch hour, and still get lunch, then you're selling convenience. If you stray too far from that with too many other services, it's going to hurt your business because it will slow down your oil changes.”

Malicote said quick lube owners should examine some key factors when deciding whether or not to add extra services: Is my shop set up to do the new service? Is this service actually adding convenience, or is

it taking away from convenience? Does my store have the capabilities needed to perform this service well? After considering these questions, owners should then ask, will I actually make an incremental profit with this service?

“This is a good time [for owners] to be honest with themselves,” Malicote said.

“In most cases, just adding a product doesn't make money. You have to invest in the processes, training and execution. You have to have the systems in place to monitor performance and measure results to find out if it's really working.”

One way to determine if the service is worth adding is to survey your customers. Many quick lubes collect their customers' emails. Using a free online survey tool, such as Survey Monkey or Google Docs, owners can poll their customers to gauge their interest in these new services.

Soul searching is also important. Malicote said owners should think about what they want out of their business in a number of areas, including customer service, convenience, involvement in the community they serve and profit generation. Their goals in these areas can then serve as a sort of strategic plan for growth.

“Then, anytime you start to think about changing, adding or getting rid of services, think about your business through the lens of customer service, convenience, community and profit generation,” Malicote said. “You've got to make sure those actions are truly supportive of your goals.”

If you decide to add a new service, stick to it. Malicote said owner commitment goes a long way in the success of the new

service. Owners can show their commitment by supporting their staff.

“You can't just have a product, you've got to have a commitment to it. You should have goals and vision for everyone in the store to follow,” Malicote said. “You have to say, ‘This is why it's good for our consumers, our business and our staff.’”

Of course, adding new services might not be the best route for everyone. Fortunately, there are other ways to boost your bottom line. Malicote said one way to increase revenue is to match customers with the right oil for their driving habits. For example, if someone has more than 75,000 miles on their car, they may benefit from using high-mileage premium motor oil. Malicote said this adds value for the customer and profit for the owner without taking away from convenience.

“It doesn't take more time to perform a high-mileage oil change, yet there's more gross profit for the operator, and it's a better product for that vehicle,” Malicote said.

According to the 2013 National Oil & Lube News Fast Lube Operator survey, the average price of a standard, full-service LOF service was \$37.95, while the average price of a premium LOF service using specialty/high-mileage motor oil was \$52.79.

“As a quick lube operator, you're selling a service, and you're giving customers some of their time back,” Malicote said. “That's very valuable to a lot of consumers.”

Quick lube owners have had to adjust to many changes in the last few years. If you're thinking about adding new services, make sure you don't make a change that compromises convenience, the reason your customers come to you in the first place. ♦

EMILY SCHMITT is editor at the Automotive Oil Change Association. For more information on membership in AOCA, call 800.230.0702 or visit: www.aoca.org