



Procter & Gamble hopes to clean up in Chicago area with car wash chain

By: Kevin McKeough November 08, 2010

CEO Bruce Arnett Jr., shown here in Cumming, Ga., says there are plans for more than a dozen Mr. Clean Car Washes in the Chicago area.

Photo by: Bonnie Bandurski

Mr. Clean wants to take over washing your car, but the venture into franchised services could mar the carefully polished image of its consumer-products parent, Procter & Gamble Co.

P&G, which introduced the household cleaner a half-century ago, has lined up three sites for its first Mr. Clean Car Washes in the Chicago area—in Glenview, Montgomery and Plainfield—with plans for at least a dozen more, all to be built from the ground up, says Bruce Arnett Jr., the chain's chief executive. The push comes as P&G expands from a test market in Cincinnati, where the company is based, and Atlanta, where it bought and rebranded Mr. Arnett's 14-location company, Carnett's Car Wash, in late 2008.

“We're not stepping into this for spare change,” says Nathan Estruth, vice-president of FutureWorks, P&G's new-business division, which includes a four-unit Tide Dry Cleaners chain. “We believe we can create a sizeable service business for P&G using the franchise business model as a platform across P&G brands.”

While Mr. Estruth says P&G wants both chains to have a strong presence in all major markets within a few years, he declines to say how much money the company expects the car washes to generate.

Adding meaningfully to P&G's \$78.9-billion annual haul will be a stretch. The nation's 26,400 automatic car washes average \$550,000 in annual revenue, according to the Chicago-based International Carwash Assn.

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And relying on outside service providers will expose P&G to a host of new public-relations risks, brand consultants warn.

“Whether it's a scrape on my car or somebody's rude to me, it could harm the perception of quality associated not just with the car wash but the things around the home,” says Julia Beardwood, a partner at Beardwood & Co., a New York brand consulting and design firm, who worked at and consulted for P&G on and off for two decades. “It's much easier for a poor brand experience to happen with a service brand than a product brand. It's harder to have quality control.”

P&G execs acknowledge the risk. But Mr. Arnett says franchise owners will undergo five weeks of training, with employees receiving instruction as well. In addition, each car wash will have more than 30 video cameras monitored in the chain's suburban-Atlanta home office.

P&G began dabbling with a Mr. Clean car wash three years ago as management looked to boost sales from its stable of industry-leading brands. Since then, pressure to come up with new moneymakers has only increased as recession-socked consumers have traded down from premium-priced products such as Tide and Gillette. The Mr. Clean line, in fact, now stretches from toilet-bowl cleansers to do-it-yourself car-wash kits.

The company broke ground on its site in far southwest suburban Montgomery in late October with hopes to open as early as February. Like the others to follow, the facility will offer an automated conveyer-belt car wash with the option of an interior cleaning by hand or by using a DIY vacuum bay. The car wash also will offer detailing (shampooing, waxing and polishing) and oil changes.

Franchisees will have to invest \$3 million to \$5 million on each car wash, depending on land costs, and remit 11% of revenue to P&G in royalties and for advertising.

“There's a threat, obviously. I'm definitely concerned,” says Tim Thoelecke, owner of Alpha Custom Detail in Glenview, a hand car wash and detailing shop two blocks from the planned Mr. Clean Car Wash in the north suburb.

But John Imreibe, president of the Chicagoland Carwash Assn., who owns four car washes, thinks P&G's franchising fees are too steep. “In our market, I don't believe you can make it at those numbers,” he says. “I think they're overspending, and they'll set up franchises to fail.”