

REPORT TO THE INDUSTRY

Over-the-Road Heavy Duty Oil Change Market

In 2009, we completed our most recent study of the over-the-road oil change market ¹ which estimated total gallons sold by over-the-road installers in 2008. Our previous study, released in 2006 looked at total gallons for 2005. The most obvious difference between our findings for 2008 and 2005 was the impact of the recession. Up to 2006 and into 2007, bulk oil sales had continued increasing year-over-year despite economic conditions. That all changed in late 2007 and through 2008. The severity of the recession eliminated the gains made in the bulk oil market in 2006 and 2007 and our estimate of total gallons installed in 2008 fell by nearly 2 million gallons or 8% from our estimate for 2005.

While the impact of the recession was much greater than we had anticipated, another trend appears poised to have an even longer-lasting impact on the over-the-road oil change market.

The number of independent truckstops with shop/garage service is decreasing as are the number of independent heavy truck shops. Gallons sold at these facilities dropped by 20% from 2005 to 2008. At the same time, the share of oil changes being done by quick lube facilities, such as the national chain Speedco are up considerably while oil changes at the major truckstop chain locations were flat from 2005 to 2008. The number of quick lube locations has also increased over that time frame and includes some regional chain operations.

Extended drain intervals is another trend contributing to the reduced oil change volume, with some larger fleets extending drain intervals as much as 50%. We estimate this accounts for approximately 1.65 million deferred gallons.

An additional trend we noticed is that the major oil brands: Chevron Delo, Mobil Delvac and Shell Rotella have cemented their dominance in this market place. Our 2006 study showed that “other” oil brands accounted for 2% of over-the-road oil changes in 2005. That percentage had dropped to less than 1% in 2008. As with our earlier study, “other” brands have a higher share at independent locations. As the number of these locations decrease, we anticipate the market share of “other” oil brands will also decrease.

Scope of the Study

This study encompassed locations servicing heavy-duty vehicles (Class 6 through 8) that sell a minimum of 500 gallons of commercial vehicle lubricants per year. The specific installer groups within the scope are: truckstop chains that operate garage/service centers; independent truckstops with garage/service centers; chain and independent heavy duty quick lubes (locations that offer oil changes, truck washes or tire services only); independent heavy truck service shops that cater to over-the-road truckers. This study does not include heavy duty lubricant sales at heavy truck dealerships or other dealerships dealing with Class 6 – Class 8 trucks.

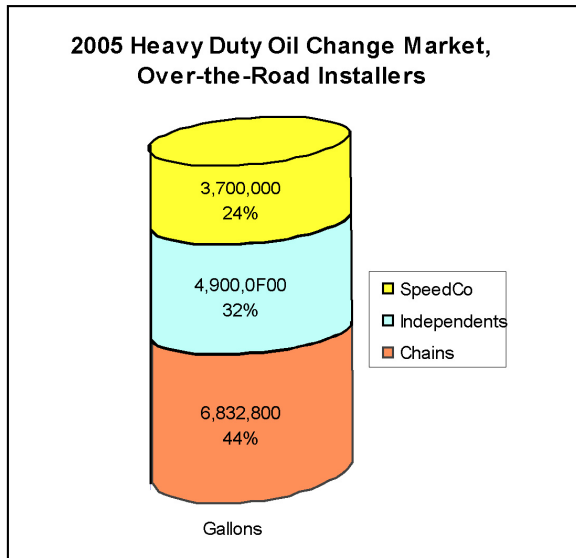
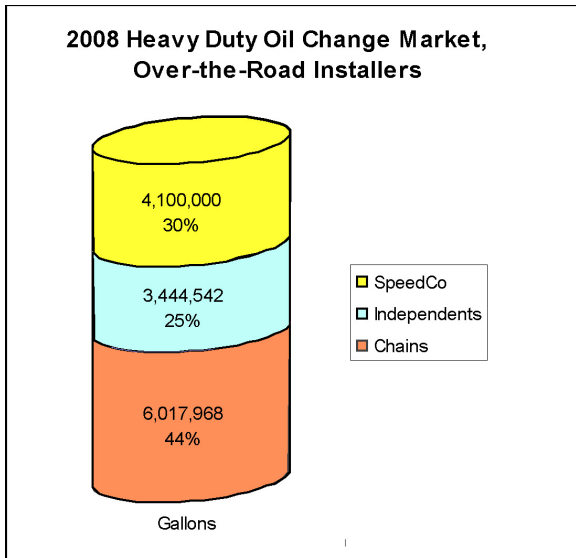
Findings:

Charts and graphs highlighting some of the key findings from our 2009 study are on the back.

¹ Our study attempts to quantify heavy truck oil change volumes at locations serving over-the-road trucks, including truckstops (chain and independent), heavy truck service centers and shops (either operating independently or as part of a chain) and quick lube facilities, including the national chain Speedco.

Over-the-Road Oil Change Market 2008			
	Locations	Gallons	% of Total
Major Chain Truckstops ¹	267	6,017,968	44.4%
Independent Truckstops	208	1,766,888	13.0%
Independent Svc Ctrs/Shops (includes Boss Shops) ²	52	377,654	2.8%
Speedco	47	4,100,000	30.2%
Other Q-Lube Locations	36	1,300,000	9.6%
Totals	610	13,562,510	100.0%
¹ Includes Goodyear Wingfoot locations at Pilot Truckstops			
² Includes Boss Truck Shops, some of which operate at Pilots			

Over-the-Road Oil Change Market 2005 vs 2008						
	2005			2008		
	Locations	Gallons	% of Total	Locations	Gallons	% of Total
Major Chain Truckstops ¹	246	6,832,800	44%	267	6,017,968	44%
Independent truckstops, quick lube or service facilities ²	431	4,900,000	32%	296	3,444,542	25%
Speedco	39	3,700,000	24%	47	4,100,000	30%
Totals	716	15,432,800	100 %	610	13,562,510	100%
¹ Includes Goodyear Wingfoot locations at Pilot Truckstops						
² Includes Boss Truck Shops, some of which operate at Pilots						



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