

Contractor's Report to the Board

Summary Report for Attracting Automobile Parts Stores to the Used Oil Certified Collection Center Program

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This report was prepared by Dennis H. Tootelian, Ph.D., a professor in the College of Business Administration at California State University, Sacramento. Dr. Tootelian has extensive experience conducting fiscal impact studies, market research pertaining to diverse populations, and market analyses, developing marketing strategies, and designing strategic marketing plans. He was also the project director and principal researcher for two another California Integrated Waste Management Board study on waste diversion rates relating to population diversity and waste reduction programs.

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Executive Summary

While automobile parts stores represent only 35 percent of all used oil collection centers, they collect three times more “do-it-yourselfer” (DIYer) oil than do all the other collection centers combined. Accordingly, DIYers have shown a propensity to recycle their used oil through these venues. One of the best ways to strengthen your local used oil recycling program is to recruit auto parts stores as new used oil certified collection centers (CCC). Automobile parts stores provide convenient market coverage for DIYers to turn in their used oil, are places where DIYers frequent for their automotive needs, and provide a local presence and promotional support for the used oil collection program. Recruiting additional collection centers also is important because California Integrated Waste Management Board (CIWMB) research shows that as more used oil collection centers become available, more used oil is recycled by DIYers.

However, business partnerships need to be initially cultivated and then built on mutual benefit. To build and maintain partnerships with automobile parts stores, the jurisdiction should at least partly treat its recruitment approach as trying to make a business deal and demonstrate either economic value or cost neutrality of the CCC program.

Accordingly, the purpose of the Guide is to assist the jurisdiction to assess market needs for places for DIYers to turn in their used oil, identify possible automobile parts stores to target for CCC recruitment efforts that provide the desired level of market coverage, and develop materials and processes to attract these stores to participate in the CCC program.

Summary Points

Some of the suggestions and key findings included in the Recruitment Guide and other materials are summarized below:

- DIYers are an attractive target market for automobile parts stores. They tend to turn their used oil in at automobile parts stores, are quite satisfied with the process and staff, and shop at the stores while doing so. Additionally, most DIYers go to these stores at least six times per year and spend more than \$60 during an average visit. Therefore, demonstrate why it is in the best interests of automobile parts stores to attract these customers and show how the CCC program can help do so.
- The great majority of stores that participate in the CCC program have done so for more than five years. Most owners and managers believe the program brings good publicity to their stores, increases the sales of oil and oil filters, brings current customers in more often, brings in new customers, causes people to spend more time in the store, and increases the sales of products other than oil and oil filters. These “selling” points should be included in recruiting additional automobile parts stores.
- Most non-participating stores indicated the reason their stores are not participating in the CCC program is that they have not been asked. The benefits most non-participants are seeking if they are to participate in the CCC program are to provide a community service, bring in new customers, increase sales of non-oil products, be a service to current customers, and enhance the store’s image. More than half of the non-participants want information about the costs and benefits of the CCC program. However, non-participants hold many misconceptions about the CCC program and its benefits, and the jurisdiction needs to overcome these.

- Help owners and managers of automobile parts stores to assess the economic value of participating in the CCC program. Recruitment is a “business to business” marketing effort. It centers on answering a fundamental business question: “What’s in it for me?” Owners and managers want to know what their potential costs and profits will be so they can evaluate whether their stores can financially afford to participate in this program.
- Use “Fact Sheets” to help encourage storeowners and managers to participate in the CCC program. Fact sheets developed as part of this report answer critical questions likely to be posed by potential participants, including:
 - Why Participate in the CCC Program?
 - What Participants Say About the CCC Program.
 - The Economics of Participating in the CCC Program.
 - The “Myths” and “Realities” of Participating in the CCC Program.
 - How to Promote Your Participation in the CCC Program.
 - How to Benefit From Increased Store Traffic.
 - How to Resolve Contaminated Oil and Other Problems.
 - How to Become a Participant in the CCC Program.
 - Sources of Additional Information about the CCC Program.
- Motivate owners and managers to consider the program. According to participating owners and managers, the CCC program can increase store recognition, customer traffic, and store revenues—three very motivating factors to people in business. The jurisdiction can provide additional incentives of making the program easy to join and participate in on an on-going basis, assistance with obtaining storage tanks and the services of used oil haulers, and making promotional materials available.
- One of the most difficult parts in recruiting stores to participate in the CCC program is creating an opportunity to present the facts of the program. Learn about the store and its operations, determine who the decision-maker will be relative to participating in the CCC program (which could be especially important in chain stores), plan a strategy to obtain the owner’s or manager’s attention, and provide the owner or manager information in advance of the meeting.
- Use testimonials to provide an extra degree of credibility to the claims made in the recruiting effort. Combine facts derived from the surveys of owners and managers of automobile parts stores that do and do not participate in the CCC program and from DIYers, and combine them with local comments from participants in the area.
- Owners and managers of targeted automobile parts stores will have questions about all facets of the program. Be prepared with well-formulated answers to questions, and sometimes even provide the answers before the questions arise.
- If the owner or manager decides to participate, follow up to ensure that the store has filed its application and starts preparing to accept used oil. If the owner or manager decides not to participate, or does not make a decision, follow-up to try to determine the reason(s) and make another attempt to resolve any concerns that stand in the way of joining the program. Even if these people still decide not to participate, the follow-up can establish a channel for future communication.

Introduction and Purpose

This Summary Report is the condensed version of its companion report titled “Recruitment Guide for Attracting Automobile Parts Stores to the Used Oil Certified Collection Center Program” (available on the California Integrated Waste Management Board’s website at: <http://www.ciwmb.ca.gov/Publications/default.asp?pubid=1236>). The intent of both reports is to give you, the local used oil recycling coordinator, the guidance and tools necessary to find, recruit, and keep more used oil collection centers in your community. The Summary Report is a brief overview to give you ideas on how to get started in your recruitment efforts. Please refer to the more comprehensive Recruitment Guide for a more thorough explanation of how to recruit more used oil collection centers.

Approximately eight million gallons of “do-it-yourselfer” (DIYer) oil were collected statewide by local oil programs in Fiscal Year 2005-2006. Certified Collection Centers (CCCs) were the recipients of more than five million of these gallons (68 percent), with the majority of that oil being collected by automobile parts stores. While automobile parts stores represent only 35 percent of all collection centers, they collect three times more DIYer oil than do the other collection centers combined.

Accordingly, a critical factor in developing effective used oil recycling programs is gaining the support of automobile parts stores since DIYers have shown a propensity to recycle their used oil through these venues. These stores provide convenient market coverage for DIYers to turn in their used oil, are places where DIYers frequent for their automotive needs, and provide a local presence and promotional support for the CCC program. Recruiting additional collection centers is also important because CIWMB research shows that as more used oil collection centers become available, more used oil is recycled by DIYers.

Business partnerships, however, need to be initially cultivated and then built on mutual benefit. It must be demonstrated to owners and managers of automobile parts stores that they can benefit from the jurisdiction’s recycling program. Even owners and managers who want to participate because it is “the right thing to do” will want to assess what the impacts will be on the costs and profits to their businesses.

Developing on-going partnerships is not always an easy process. For many automobile parts stores, the benefits of participating are not obvious. Owners and managers of these stores may view the CCC program more in terms of potentially increasing labor cost and the likelihood of receiving abandoned oil than as a community service or a revenue stream. Some also may be reluctant to become involved in government programs and the accompanying image—whether correct or incorrect—of increased “regulation,” “paperwork,” “inspection,” etc.

To build and maintain partnerships with automobile parts stores, the jurisdiction should at least partly treat its recruitment approach as trying to make a business deal and demonstrate either economic value or cost neutrality of the CCC program. Because the success of a business is primarily measured in sales, profits, and return on investment, organizations can only provide community benefits when doing so does not adversely impact their ability to survive and prosper.

Recognizing these facts, the California Integrated Waste Management Board (CIWMB) contracted with the California State University Sacramento to assist it in developing a

Recruitment Guide for use by local jurisdictions in attracting automobile parts stores into the CCC program.

Accordingly, the purpose of the Guide is to assist the jurisdiction in assessing market needs for places for DIYers to turn in their used oil, identifying possible automobile parts stores to target for CCC recruitment efforts that provide the desired level of market coverage, and developing materials and processes to attract these stores to participate in the CCC program. The Guide provides the jurisdiction with a “business” approach to the recruiting effort. It relies less on appeals for the stores to provide community services, and more on the economic value of participating in the program. If the jurisdiction can show an automobile parts store that there are marketing and financial benefits to be gained from participation, it will be considerably easier to develop and maintain the partnership over the long-term.

Contract Objectives

In August 2004, the California Integrated Waste Management Board (CIWMB, Board) contracted with the California State University Sacramento Foundation to assist the Board in preparing various materials that could be used by local jurisdictions to increase the number of auto parts stores that participate in the Used Oil Collection Center (CCC) program. The author of this report is Dennis H. Tootelian, Ph.D.

The objectives for this project were to help the Board meet this goal by:

- Identifying the barriers to maximal used oil collection and the strategies to overcome these barriers.
- Conducting a cost-benefit analysis of automobile part participation in the CCC program and providing the results to grantees for the purpose of recruiting more automobile parts stores as CCCs.
- Developing an automobile parts store CCC Recruitment Guide and marketing materials for grantees to use to enroll more auto parts stores in the CCC program.
- Developing a training manual that local governments can use to educate CCC staff about best customer service practices when collecting used oil from the public.

The entire project contained nine tasks, including conducting a survey of managers of automobile parts stores which participate and do not participate in the CCC program, a survey of consumers who change their own motor oil, and conducting a study to assess the costs and benefits of participating in the CCC program for automobile parts stores. One of the main purposes of these tasks was to develop a CCC Recruitment Guide with marketing materials for use by local jurisdictions in recruiting automobile parts stores into the CCC Program. The Guide contains the culmination of many of the other tasks completed within the scope of this contract.

Organization of the Summary Report

Following this Introduction and Purpose, there are four additional sections within this Summary Report. They provide an overview of how the material used in developing the cost-benefit analysis, recruitment guide, and guide for managers.

The next (second) section, Results of the Surveys of DIYers and Automobile Parts Store Owners and Managers, contains the results of surveys conducted of DIYers and

automobile parts store owners and managers who participate and do not participate in the CCC program. This section provides much of the basis for developing the tools for jurisdiction use. It explains the perceptions and practices of DIYers with regard to used oil disposal and their shopping patterns in automobile parts stores and the views of owners and managers of automobile parts stores regarding the CCC program.

The third section, Description of the Recruitment Guide, contains general descriptions of the “tools” that were created and included in the Recruitment Guide. It explains what the tools are, how they can be used, and what the jurisdiction should strive to achieve by using each tool. The tools follow a series of steps that begin with developing a marketing plan for the effort, to analyzing market needs, developing reasons why automobile parts stores should participate in the CCC program, designing a set of strategies to recruit targeted stores, and “closing the sale” and following up with the store to ensure their participating provides the mutual benefits both the store and the jurisdiction seeks from the partnership.

The fourth section, Cost-Benefit Analysis, contains a tool designed to help current and potential collection centers assess the economics of participating in the CCC program. Business partnerships are built on mutual benefit. Automobile parts stores must believe they are benefiting from the jurisdiction’s program for collecting used oil and oil filters. Even those who want to participate because it is the right thing to do will want to know what the impacts will be on the costs and profits to their businesses. The Business Analysis Spreadsheet is prepared in Excel. Only seventeen data entries need to be made to compute the generally expected profits or costs resulting from participating in the CCC program. All of the other calculations are made automatically.

The fifth section, Recruiting Brochure for Auto Parts Stores describes the pre-printed “Used Oil Recycling Program Benefits to Your Business” brochure you can use in your store recruiting process. The brochure is available from CIWMB three different ways:

- Request from your Used Oil Block Grant Manager at CIWMB
- Request by e-mailing the Used Oil Program’s e-mail address at: UsedOil@ciwmb.ca.gov
- Download from the CIWMB website at <http://www.ciwmb.ca.gov/Publications/default.asp?cat=17> (link to “Used Oil Recycling Program: Benefits to Your Business” [Publication number 610-06-002]).

The brochure includes information on the following:

- Benefits to Joining the Used Oil Collection Center Program
- Collection Center FAQs
- Collection Center Responsibilities
- Myths and Realities of the Program

Additionally, the brochure contains an application form, sample collection log, and sample payment claim form.

Results of the Surveys of DIYers and Automobile Parts Store Owners and Managers

The findings of the surveys of DIYers and automobile parts store owners and managers, which formed the foundations for the Guide, are summarized in this section of this Summary Report.

Summary and Conclusions of DIYer Survey

The population for this study was defined to be DIYers residing in California. To better identify these individuals, a list was purchased from a national mailing list company. Given the nature of the study, a telephone survey was considered to be the most appropriate research design.

A systematic random sampling plan was used to select respondents for the survey. Initially, five geographic regions in California were identified that broadly provide a strong representation of the State's overall population: San Francisco Bay Area, Central Valley, Central Coast, Los Angeles, and San Diego. These geographic regions contain more than 25 percent of California's total population.

Based on the findings of the surveys of respondents who change the oil in their automobiles, the following summary points and conclusions appear to be appropriate:

- While respondents to this survey were of nearly all ethnicities, Hispanics/Latinos comprised the majority. While this is not definitive evidence that this population has a higher incidence of DIYers, it does suggest that Hispanics/Latinos represent a significant market for promoting used oil recycling. It also indicates that there needs to be adequate numbers of automobile parts stores participating in the CCC program in geographic areas with high percentages of Hispanics/Latinos.
- More than three in four respondents are between the ages of 21 and 50, while more than one in ten is under 21 or over 50. This indicates that DIYers span all age groups.
- Nearly two in three respondents had total household incomes in 2004 between the middle-income levels of \$40,001 and \$75,000. However, nearly one in five respondents had incomes in excess of \$75,000. This suggests that DIYers are not just found in the lower income brackets with households earning less than \$40,000 per year. DIYers span all income groups, and local jurisdictions cannot focus exclusively on the lower income geographic areas.
- While most DIYers recycle their used oil in some fashion, more than one in eight does not do so in a manner desired by the CIWMB or local jurisdictions. Among those who do not use curbside recycling or collection centers, nearly two in five store their used oil at home/work, more than one in three places it in the garbage at home, and more than one in eight leaves the oil at stores after they close. The reasons they give for not recycling used oil are that there are no convenient locations available and it takes too much time. Furthermore, the main reasons they do not take their used oil to automobile parts stores are that they do not like to transport messy oil (one in two

respondents), they do not like to transport used oil for any reason (one in seven respondents), and there are no automobile parts stores in convenient locations (one in ten respondents). They said that having more convenient locations and/or reducing the mess of bringing in used oil would be factors to encourage them to turn their used oil in at automobile parts stores. All of this indicates that having more locations and training staff to take the oil efficiently and quickly could cause more DIYers to take their used oil to automobile parts stores. Making containers available that reduce the mess of transporting used oil would also be helpful.

- Most DIYers who take used oil to automobile parts stores recycle their oil successfully. However, more than one in eight DIYers have been turned away. In those cases, more than two in three were told that the store's drum/tank was full, and another one in five were told by store staff that the oil was in the wrong container. Because nearly half of the respondents store the used oil at home/work and more than one in eight dispose of the oil in garbage cans/dumpsters or leave it at the stores after-hours, it is important to reduce this from happening. This might be accomplished by having more automobile parts stores participate in the program, thereby making it more likely that DIYers will take their oil to other stores when their primary store is at full capacity. Additionally, both store staff and consumers need to be educated on proper container usage to make the process more efficient and to reduce the mess of transport.
- Over half of the DIYers who recycle their used oil but not at automobile parts stores do not do so because stores are not conveniently located, and more than one in five do not know that automobile parts stores take used oil. Having more automobile parts stores participate that are conveniently located, and near places where people shop, could increase the use of these stores as recycling centers.
- It does not appear that advertising in the media has been a primary way by which DIYers find out about which automobile parts stores participate in the CCC program. Nearly four in five find out about used oil recycling while in the store. Accordingly, proper signage is critical to increasing awareness that the store takes used oil. Furthermore, if advertising is going to be used, it needs a significant and sustained effort to be effective.
- Turning in used oil at an automobile parts store appears to take less than four minutes. This indicates that it is not an especially time-consuming process for the DIYer, nor does it take an excessive amount of staff time at the automobile parts stores.
- Respondents who turn their used oil in at automobile parts stores appear to be quite satisfied with the process and staff. More than nine in ten respondents gave the stores very good or good ratings on convenience of location, speed of recycling, and staff competency and courtesy. This suggests that the automobile parts stores that are participating in the CCC program at the time of this survey are providing good service to the DIYers.
- Respondents reported relatively few problems with their turning used oil in at automobile parts stores. To improve the service provide by automobile parts stores, one in seven respondents think it would be good to have help taking the oil out of their vehicles, one in nine want faster service, and one in ten want more convenient store locations. Most of these issues could be addressed if more automobile parts

stores participated in the program since that would provide more convenient locations and take the pressure off of the staff in existing locations.

- Most DIYers who turn their oil in at automobile parts stores also shop at the stores while doing so. This suggests that there are considerable opportunities for automobile parts stores to increase the volume of their business by attracting DIYers and using effective merchandising and salesmanship techniques. Given that respondents indicated they spend more than \$60 in an automobile parts store during an average visit, this could represent significant revenue streams to stores that participate in the CCC program.

Overall, it appears that a reasonably high percentage of DIYers already recycle their used oil in some manner. Increasing the use of automobile parts stores as recycling centers can be achieved if there are more stores in convenient locations and their staff is trained to take the used oil efficiently and quickly. Not only will this improve used oil recycling, but it could represent significant business for the automobile parts stores participating in the CCC program since these DIYers shop in the stores while turning in their used oil.

Summary and Conclusions of Automobile Parts Store Owners and Managers Surveys

There were two populations for this study. One was automobile parts stores that participate in the CCC program, and the other was automobile parts stores which do not participate in the CCC program in California. Given the nature of the study, a mail survey was considered to be the most appropriate research design.

Based on information provided by the CIWMB, at the time of the survey there were 952 automobile parts stores that participated in the CCC program. All of the automobile parts stores that participate in the CCC program were included in the survey.

All of the stores that do not participate in the program were arrayed based on Zip code. A sample of about 1,400 was considered necessary to obtain a reasonable number of responses so every third store was selected for inclusion in the study.

Based on the findings of the surveys of respondents who do and do not participate in the CCC program, the following summary points and conclusions appear to be appropriate:

Automobile Parts Store Characteristics

- Stores that participate in the CCC program are open for business for an average of 78 hours per week. Most of them have between 101 and 300 customers per day, and the typical customer is between 26 and 40 years of age. The number of customers per day is considerably higher among those stores that participate in the CCC program than those that do not. The great majority of respondents in non-participating stores reported that their stores have 100 or fewer customers per day.
- Most stores that participate in the CCC program report that their average revenue per day is between \$1,000 and \$5,000, and the average spending per customer is between \$10 and \$39.99. In comparison, a higher percentage of respondents in stores that do not participate in the CCC program said that average spending is \$60 or more.

Participants in the CCC Program

- The great majority of stores that participate in the CCC program have done so for more than five years. Relatively few have been involved in the CCC program for less than three years. This suggests that the program is working sufficiently well to retain participating auto parts stores.
- There appear to be many reasons for participating in the CCC program, ranging from providing services to customers and the community, to enhancing the store's image and generating additional sales. Given the length of time participants have been involved in the CCC program, it could be assumed that some or all of their reasons are being achieved.
- The majority of participants indicated that more than 20 people per week come into their stores to turn in used oil, and they receive over 30 gallons per week. Saturdays appear to be the busiest days for recycling, with the next two most common days being Sunday and Friday. The implication is that considerable business activity can be created for stores that participate in the CCC program. Fortunately, or unfortunately, much of this will occur between Friday and Sunday.
- Most participants who accept oil filters reported that they receive five or less used oil filters per week. This implies that people need to be encouraged to turn in their used oil filters along with the oil they bring to the stores.
- Over half of the participants indicate that between 50 percent and 75 percent of the people who bring used oil to their stores are current customers. Furthermore, on the average it takes between one and five minutes to collect the oil. This suggests that the CCC program is a service that can be provided to store customers and take relatively little staff time collect the oil.
- Nearly all participants agree that the CCC program is good for the environment and is a good public service to offer. Most also believe the program brings good publicity to their stores, increases the sales of oil and oil filters, brings current customers in more often, brings in new customers, causes people to spend more time in the store, and increases the sales of products other than oil and oil filters. Accordingly, the CCC program is perceived to provide benefits to society, and economic benefits to participating auto parts stores.
- The main problems participants find with the CCC program are that people bring used oil in the wrong types of containers, drop off oil when the store is closed, bring in contaminated oil, and generally do not know how to turn in used oil. When asked what is the one most serious problem, nearly one in three participants indicated it was that people drop off used oil when the store is closed. All of these issues need to be addressed to strengthen the CCC program.
- Less than one in three participants felt that the time it takes to collect used oil is a serious problem, about two in five think possible messes in the store and back room are problems, and about two in five think that people bringing in used oil during peak hours is a problem. Overall, it appears that the process of receiving used oil is not a pervasive problem among participants of the CCC program.
- More than nine in ten participants promote the fact that their stores collect used oil. Well over eight in ten promote the CCC program in their stores' advertising, and

slightly more do so with internal signage. The message participants feel work best in advertising is that the store accepts used oil and filters. The message to emphasize in internal signage is that recycling is important.

- Overall, more than eight in ten participants are satisfied with their participation in the CCC program, and less than one in ten is dissatisfied. The main reason for dissatisfaction is that used oil is dropped off when the store is closed. The high satisfaction rate supports the other results that participation in the CCC program is advantageous to auto parts stores.

Non-Participants in the CCC Program

- While nearly two in five non-participants indicated they are somewhat or very familiar with the CCC program, more than two in five indicated they are not very or not at all familiar with the CCC program. If past participants are taken out, it appears that about half of the remaining respondents are not familiar with the CCC program. This suggests that efforts are needed to increase awareness of the program among auto parts store managers. About one in 12 non-participant respondents said they have participated in the program at some point in the past.
- About three in five respondents indicated the reason their stores are not participating in the CCC program is that they have not been asked. Other reasons given by the majority of the non-participants are concerns about contaminated oil being turned in, and oil being dropped off when the store is closed. Nearly one in five indicated their reasons include the belief that participating in the CCC program will not bring in new customers or increase sales.
- The concerns about oil being dropped off after hours appear to be valid since they also are expressed by participants in the CCC program. However, concerns about not bringing in new customers or increasing sales appear unwarranted because these were considered to be benefits by the majority of participants in the CCC program. The concerns of accepting contaminated oil are shared by both participants and non-participants, however, these concerns are not borne out by facts. Contaminated oil events occur less than one in a million oil drop-offs.
- Most non-participants believe that the number of people who bring used oil into auto parts stores is relatively low—five or fewer per week. They also think that less than one in four people who come in are current customers of their stores. Finally, they think it takes between three and ten minutes to collect the used oil from a customer.
- The perceptions among non-participants are in considerable contrast to the views of participants in the CCC program. Most participants report that the number of customer is more than twenty per week, between half and three-fourths of those coming in are current customers, and it takes only one to five minutes to collect the used oil. Accordingly, there is a lack of familiarity with the CCC program, and misperceptions as to its ability to generate customer traffic in participating stores. Additionally, the process of collecting used oil is considerably shorter than envisioned. These misunderstandings need to be addressed if participation in the CCC program is to grow.
- Nearly all non-participants think the CCC program is good for the environment, most believe it is a good public service to offer and brings good publicity to the store. However, less than one in three believe the CCC program will bring in new

customers, bring current customers in more often, or result in more oil and oil filter sales. Just over one in three think people will purchase more non-oil/oil filter products in the store or will spend more time in the store when they bring in used oil.

- While participants and non-participants agree on the social benefits of the CCC program in terms of it being good for the environment and a good service to offer, considerably fewer non-participants think there are economic benefits to the program. However, the majority of participants believe the CCC program brings in new customers, causes existing customers to come in more often, leads to more sales of all products, and causes people to spend more time in the store. These misunderstandings also need to be addressed if participation in the CCC program is to grow.
- More than four in five non-participants believe that people will drop off used oil at the store when it is closed, and will bring in contaminated oil. Well over half also believe that collecting used oil causes messes in the store and its back room, takes too much staff time, and takes too much space. They also think people will bring used oil in wrong containers, do not know how to recycle oil, and will come in during peak hours.
- The majority of participants in the CCC program share the concerns about people dropping off used oil when the store is closed and bringing in contaminated oil. However, the percentages of participants who have concerns about these and other issues are considerably lower than among non-participants. The only exceptions are that more participants have problems with people bringing used oil in wrong containers and not knowing how to recycle oil than are expected by non-participants. Overall, therefore, it appears that non-participants perceptions of problems with the CCC program are greater than actually exist. As in the case of the other misperceptions, these need to be addressed if participation in the CCC program is to grow.
- The benefits most non-participants are seeking if they are to participate in the CCC program are providing a community service, bringing in new customers, increasing sales of non-oil products, be a service to current customers, and enhancing the store's image. Except for causing people to stay in the store longer, the majority of non-participants think it is likely that the CCC program will cause these things to happen. This suggests that despite some of their possible misconceptions about the CCC program, they believe it can be worthwhile. Additionally, the benefits they are seeking are ones the majority of participants indicated they receive from participating in the CCC program. Therefore, it appears that there is goal congruence between what non-participants want and the benefits the CCC program offers.
- More than half of the non-participants want information about the costs and benefits of the CCC program, and nearly half want to know how the CCC program operates and the requirements for participation. These types of information can help alleviate some of their concerns expressed about the collection process and the economic benefits of the CCC program.
- Nearly two in five non-participants indicated they are somewhat or very interested in participating in the CCC program. However, a slightly larger group indicated they are not very or not at all interested. The main reasons for not being interested center on people dropping off used oil when the store is closed and bringing in

contaminated oil. As previously indicated, these problems also are identified by participants.

Overall Conclusions and Implications for the Future

- Participants in the program benefit on both societal and business dimensions. While they have problems with aspects of the CCC program, they are satisfied with their participation and have remained in the CCC program for an extended period of time. This suggests that the program is structurally sound. With the exception of some of the problems cited in the study and noted in the next bullet point, there does not appear to be a need to make major changes in the program.
- The main problems with the CCC program are that people bring used oil to the stores after hours, bring in contaminated oil, bring used oil in wrong containers, and generally do not know how to turn in used oil. Not only are they real problems to participants in the CCC program, but they are viewed as serious problems by those who do not participate. If participation is to grow, these problems need to be addressed through program changes, more public education, etc.
- Many non-participants are not familiar with the CCC program, and a very high percent do not participate because they have not been asked to do so. Accordingly, a more concerted recruiting effort is needed to make auto parts stores aware of the program and the benefits it provides both society and their businesses.
- Non-participants hold many misconceptions about how the CCC program operates, what benefits it provides, and what problems it has. Based on the findings of this study of participants in the CCC program, many of the non-participants' concerns are not justified. This also can be addressed with a more intense program for improving awareness and the benefits of the CCC program. Materials for addressing these issues are included in the complete Recruitment Guide.
- As previously indicated, participants in the program rate it very high, and have remained in the program for a considerable period of time. Furthermore, they believe the program is good for the environment and for business. These are "selling" points that should be included in recruiting additional auto parts stores. Materials for addressing this are included in the complete Recruitment Guide.

Description of the Recruitment Guide

The Guide contains eleven “tools” for jurisdictions to use to identify and recruit automobile parts stores into the CCC program. The tools can be used individually or in combination because each jurisdiction’s needs and resources are different. Accordingly, this Guide allows the jurisdiction to “mix and match” the tools in a manner that it believes will provide the best results in its service area.

Brief descriptions of each tool are provided below. The actual tools are contained in the complete Recruitment Guide, where they are described in more detail.

Tool #1: Developing a Marketing Plan to Recruit Automobile Parts Stores

A common mistake made by for-profit and not-for-profit organizations, including governmental agencies, is to minimize the need for a marketing plan. This is one of the main reasons why about 80 percent of all marketing efforts fail. Organizations do not take the time to develop a comprehensive set of marketing strategies tailored to the characteristics of their marketplaces.

In creating a marketing plan, the jurisdiction will be able to:

- Evaluate the resources it has available to commit to the recruitment program. Since every jurisdiction has a limited amount of money and staff time it can devote to attracting automobile parts stores, it has to use those resources in the most effective manner possible. Creating a marketing plan helps the jurisdiction determine what it has and what it will need in the way of financial and human resources.
- Assess the needs of the marketplace for additional automobile parts stores that accept used oil. A partnership with automobile parts stores can only survive if both the jurisdiction and the store benefit from the association. Stores located in areas in which there are DIYers can benefit from participating in the CCC program. In preparing a marketing plan, the jurisdiction will take a systematic and objective look at the needs of the community in terms of the number and locations of stores, and which automobile parts stores could be desirable targets for its recruiting efforts.
- Recognize that it needs to think strategically when identifying automobile parts stores for possible inclusion in the CCC program. From a business perspective, it is not necessary or desirable for the jurisdiction to enlist every automobile parts store into the CCC program. While having too few participating stores may result in used oil not being recycled, having too many diffuses the benefits of participation to any single store. If all stores in a market area participate, it is likely that no single store will noticeably benefit from increased customer traffic. It also means additional work for the jurisdiction to maintain relationships with more stores. Developing a marketing plan helps the jurisdiction determine which stores are most desirable in order to provide adequate market coverage for DIYers.
- Realize that recruitment is a “selling process.” This is a “business to business” marketing effort, and a good marketing plan always answers a fundamental question of businesses: “what’s in it for me?” While most modern businesses want to be good community citizens, it helps greatly when their owners and managers gain marketing and financial benefits along with the social benefit. A well-designed

marketing plan contains a series of steps for attracting the automobile parts stores it most wants to have participating in the CCC program.

This tool takes the jurisdiction through the process of creating a marketing plan by using a question-and-answer format which makes it possible to more easily focus on what decisions and strategies need to be made. The end result of using this tool should be to:

- Identify one or more automobile parts stores to target for the jurisdiction's recruitment efforts. This will be based on market need and the availability of stores in desired locations within the jurisdiction's service area.
- A set of strategies that the jurisdiction can use effectively and efficiently to prioritize and implement its recruitment efforts.

Tool #2: Identifying Marketplace Needs and Target Automobile Parts Stores

A marketing program usually will not be successful if the jurisdiction has not developed a good understanding of the needs of the marketplace and has not assessed which automobile parts stores could best serve the needs of DIYers. Tool #2 is designed to assist the jurisdiction to better understand the population and demographic characteristics of its service area and identify automobile parts stores that would be desirable to attract to participate in the CCC program.

The first part of Tool #2 is an Excel file containing population and demographic characteristics for nearly all Zip codes within California. The Excel file is available on the CIWMB website at: www.ciwmb.ca.gov/Publications/UsedOil/Extracts/61107001and2/Tool2.xls. Population sizes by demographic characteristics can be used to evaluate which areas within the jurisdiction most needs automobile parts stores to participate in the CCC program.

Within the Excel file is an additional worksheet containing the names and addresses of nearly all automobile parts stores in California. These are sorted by Zip code, by county, and whether they already participate in the CCC program. This information can be used to assess which the areas within the jurisdiction have adequate numbers of automobile parts stores in the CCC program, and which need additional ones.

The end result of using this tool is that the jurisdiction will have a market analysis which shows where the population bases are located and how large they are. It will also have an analysis of automobile parts stores in their jurisdiction; how many, where they are, which ones already participate in the CCC program, and which non-participating stores would be good candidates for targeting to join the program.

Market Analysis

The number of automobile parts stores needed to serve a population group is a function of the number of people within a defined area (i.e., the population density) and their willingness to change their own motor oil.

Therefore, the market analysis should begin with an assessment of the size and demographic characteristics of the population within the jurisdiction. This can be done overall or by Zip code. The jurisdiction can then identify areas with large numbers of people with demographic characteristics that are likely to change their own motor oil.

Demographic characteristics of DIYers are shown in Table 1. Note that characteristics of DIYers may vary from region to region.

Table 1: Demographic Characteristics of Do-It-Yourselfer (DIYer) Oil Changers

Respondent's gender	Total Percent	SF Bay Area	Central Valley	Central Coast	Los Angeles	San Diego
Female	2.5%	3.0%	2.9%	0.0%	0.6%	7.3%
Male	97.5%	97.0%	97.1%	100.0%	99.4%	92.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Respondent age	Total Percent	SF Bay Area	Central Valley	Central Coast	Los Angeles	San Diego
Under 18	1.5%	1.0%	0.0%	5.0%	2.6%	0.0%
18 to 20	9.0%	10.0%	8.6%	5.0%	10.3%	5.5%
21 to 35	41.0%	38.0%	40.0%	35.0%	41.3%	49.1%
36 to 50	36.3%	38.0%	35.7%	45.0%	36.8%	29.1%
51 to 64	9.3%	9.0%	12.9%	10.0%	6.5%	12.7%
65 or older	3.0%	4.0%	2.9%	0.0%	2.6%	3.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Residential Dwelling	Total Percent	SF Bay Area	Central Valley	Central Coast	Los Angeles	San Diego
House	84.0%	83.2%	88.4%	88.9%	81.7%	84.9%
Condominium	0.8%	1.1%	2.9%	0.0%	0.0%	0.0%
Apartment	15.2%	15.8%	8.7%	11.1%	18.3%	15.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total household income in 2004	Total Percent	SF Bay Area	Central Valley	Central Coast	Los Angeles	San Diego
Less than \$25,000	1.6%	0.0%	0.0%	0.0%	4.0%	0.0%
\$25,000 to \$40,000	15.6%	16.9%	14.5%	11.8%	19.4%	4.9%
\$40,001 to \$60,000	38.6%	23.4%	53.2%	41.2%	44.4%	26.8%
\$60,001 to \$75,000	25.5%	26.0%	21.0%	29.4%	26.6%	26.8%
\$75,001 to \$100,000	17.4%	28.6%	11.3%	17.6%	5.6%	41.5%
More than \$100,000	1.2%	5.2%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Respondent's ethnicity	Total Percent	SF Bay Area	Central Valley	Central Coast	Los Angeles	San Diego
African-American	10.6%	7.1%	8.6%	5.0%	12.9%	14.8%
Asian-American	10.1%	13.3%	11.4%	5.0%	7.1%	13.0%
Caucasian	28.7%	33.7%	51.4%	50.0%	11.0%	33.3%
Hispanic/Latino	50.6%	45.9%	28.6%	40.0%	69.0%	38.9%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Demographic analysis of the jurisdiction will assist local recycling coordinators in estimating the numbers and locations of DIYers in their communities. It is recommended that these locations be plotted on a local map so that the jurisdiction can conveniently identify areas that may be targeted for more CCC-participating automobile parts stores.

Automobile Parts Store Location Analysis

The second part of this tool contains information on the number and locations of automobile parts stores by Zip codes and county. Once the jurisdiction has highlighted geographic areas with significant population densities that are likely to contain DIYers, it can determine how many automobile parts stores are located within the area and which of those already participate in the CCC program. This will provide the jurisdiction with information for assessing how many more stores are needed, and which of the ones that do not participate should be targeted to join the CCC program.

For the recruitment program to be successful, the marketplace needs adequate coverage of automobile parts stores that will accept used oil. Generally in retailing, the “market” for a store includes an area of between two and five miles in radius. This distance, however, is reduced by physical barriers such as rivers and highways, and by psychological barriers including high-traffic intersections and major thoroughfares.

To be responsive to the entire service area, the jurisdiction may want to have at least one or more automobile parts stores accepting used oil in each trading area. Accordingly, the jurisdiction may not want to just focus on geographic areas with potentially large populations of DIYers. It also may wish to ensure that residents of outlier areas have an adequate number of outlets for recycling used oil. This component of Tool #2 can assist the jurisdiction to determine which automobile parts stores would be most conveniently located to serve each trading area.

Tool #3: Automobile Parts Store Desirability Index

Having “enough” stores participating in the CCC program will not ensure its success. The jurisdiction needs to have the “right” stores in the program because not all automobile parts stores are equally desirable for attracting DIYers. Tool #3 can assist the jurisdiction in evaluating alternative automobile parts stores.

Store desirability is a function of a variety of factors, including its location, characteristics of customers, physical size and range of merchandise, visibility from the street, and convenience of parking. These and other factors important in assessing whether an automobile parts store would make a desirable participant in the CCC program have been grouped into five broad attributes: Store Location, Store Customer Base, Store Access, Store Interior, and Store Staff. The jurisdiction can modify these factors for its particular setting by adding other relevant variables and/or taking out those in the tool that are not essential.

The jurisdiction can rate various stores on these attributes and determine an overall desirability index. Because some factors will be more important than others in the rating, the jurisdiction can place different weights on each.

This tool is presented in an Excel spreadsheet to allow the jurisdiction to make a more objective evaluation of the desirability of the various automobile parts stores to target. The Excel file is available at: www.ciwmb.ca.gov/Publications/UsedOil/Extracts/61107001and2/Tool3.xls. The jurisdiction can enter the ratings and the weightings it wishes to use, and the desirability of an automobile parts store will be computed automatically. The end result for each evaluation is an overall desirability statistic which will make it easier to rank order the stores in terms of which to target first.

Inherent in the use of this tool is the need to make site visits to the automobile parts

stores. This, however, serves a dual purpose. First, it makes it possible to better evaluate stores in terms of their desirability for the CCC program. Viewing the store as a potential DIYer would do provides a good perspective of that store's desirability.

Second, the information obtained from the site visit will be important in tailoring the sales efforts towards those stores the jurisdiction wants to target. How this information can be used is described in Tools #5, #6, and #7.

Tool #4: Business Analysis Model for Participating in the CCC Program

The jurisdiction must view participation in the CCC program at least partly from a business perspective. To the extent that a target automobile parts store can benefit economically from the program in addition to providing a service to the community, the probability of its joining and participating over the long term are greatly enhanced.

Accordingly, the purpose of Tool #4 is to allow the jurisdiction and owners and managers of automobile parts stores to assess the economic value of participating in the CCC program. Not all owners and managers, expect to profit from the program. However, good managers will at least want to know what their costs will be so they can evaluate whether their stores can afford to spend money on this program. This tool makes it possible for them to conveniently estimate the financial implications of their decisions.

The Business Analysis Model is described in greater detail in the next section of this report "Description of the Cost-Benefit Analysis."

Tool #5: Marketing Materials for Attracting Automobile Parts Stores into the CCC Program

Marketing materials were created to help the jurisdiction "sell" the CCC program to operators of automobile parts stores. These materials are provided in Tool #5.

The materials help explain what is required of participating automobile parts stores, and what they can expect in terms of benefits from the CCC program. The content was placed into a series of fact sheets that jurisdiction can use in its overall marketing effort. The sheets are:

- Why Participate in the CCC Program?
- What Participants Say About the CCC Program.
- The Economics of Participating in the CCC Program.
- The "Myths" and "Realities" of Participating in the CCC Program.
- How to Promote Your Participation in the CCC Program (including messages).
- How to Benefit From Participating in the Program.
- Perceived Problems and Their Solutions.
- How to Resolve Contaminated Oil and Other Problems.
- How to Become a Participant in the CCC Program.

The fact sheets are presented in a format commonly preferred by business owners and managers—relatively short and to the point. They address many of the questions and concerns owners and managers may have about participating in the CCC program. Much of the content was based on information obtained from surveys of owners and managers who do and do not participate in the CCC program.

The fact sheets were designed to be used by the jurisdiction individually or in combination with other outreach material it may want to provide store owners and managers. The jurisdiction may edit the material to fit its particular market conditions and strategies it wishes to employ.

One of the most useful attributes of these marketing materials is that they create opportunities for the jurisdiction to interact with automobile parts store owners and managers. The documents provide a reason for making contact and form the basis for conversing with the owner or manager about CCC program attributes.

The jurisdiction should decide which fact sheets to send in advance of a sales presentation to stimulate interest in the program, which to use during a the presentation, and which to use as follow-up material subsequent to a meeting. Integrating these fact sheets into the selling effort can help to emphasize the positive aspects of participating in the CCC program.

Tool #6: Developing Incentive Programs to Attract Automobile Parts Stores

In developing marketing strategies to attract targeted automobile parts stores to the CCC program, the jurisdiction needs to address the issue of “who needs who”—does the jurisdiction need the automobile parts store or does the automobile parts store need the jurisdiction’s program? Most likely, owners and managers of automobile parts stores either do not know much about the CCC program or do not consider participation in it to be central to business success. If this were not the case, they would already be willing participants.

Therefore, the jurisdiction needs to motivate owners and managers to consider the program. Tool #6 provides information on how to formulate strategies to stimulate owner and manager interest, what incentives might work well, when incentives work best, and ways to motivate automobile parts store owners and managers.

The jurisdiction can provide evidence that participation in the CCC program provides financial and marketing incentives in their own right. According to participating owners and managers, the CCC program can increase store recognition, customer traffic, and store revenues—three very motivating factors to people in business. The jurisdiction can add additional incentives of making the program easy to join and participate in on an on-going basis, assistance with obtaining storage tanks and the services of used oil haulers, and making handout materials available that promote recycling. The end result of using Tool #6 is to have strategies to gain the attention of store owners and managers and encourage them to seriously consider participation in the CCC program.

Tool #7: Steps to Selling the CCC Program to Automobile Parts Stores

Enlisting the participation of targeted automobile parts store is a selling process. Owners and managers of non-participating stores either are unaware of the CCC program or have some reservations about joining. For many of them, the decision as to whether to participate will have business foundations. They will want “facts,” and will have questions that need to be answered. As such, the decision is not likely to be made until a jurisdiction representative meets personally with the store owner or manager. Business people usually are not swayed to the point of purchase by media advertising, direct mail pieces, etc.

The ultimate success of the sales presentation is as much a function of the preparation for the meeting as it is the meeting itself. Tool #7 provides the jurisdiction with a step-by-step approach to developing the sales presentation. The steps include learning more about the store and its operations, determining who the decision-maker will be relative to participating in the CCC program (which could be especially important in chain stores), planning a strategy to obtain the owner’s or manager’s attention, providing the owner or manager information in advance of the meeting, conducting the presentation, and following up after the meeting.

This tool includes tips on arranging meetings with store owners or managers. Based on some jurisdictions’ experiences, it appears that one of the more difficult parts of recruiting automobile parts stores is obtaining the first meetings with store owners or managers. Accordingly, special attention must be given to generating sufficient interest among store owners and managers to even have a chance to “sell” the program.

Additionally, no single presentation will be effective on all store owners and managers. Because of this, Tool #7 does not contain a “canned” presentation. Instead, it provides information to assist the jurisdiction in tailoring each presentation to the individual store owner or manager.

Tool #7 has an accompanying worksheet (Tool #7B) which identifies questions automobile parts store owners and managers are likely to ask. The jurisdiction can better prepare for the sales presentation by having answers ready in advance so questions or concerns from owners and managers can be effectively addressed during the meeting.

The end result of using Tool #7 and #7B is to develop a sales presentation that is based on having done an appropriate amount of preparation to ensure that the meeting is focused, informative, motivating, and successful. An impressive presentation will reflect well on the quality of the CCC program, and make it more likely that the owner or manager will agree to participate in the program.

Tool #8: Testimonials from Automobile Parts Stores that Participate in the CCC Program

While an effective sales presentation can do much to ensure that a targeted automobile parts store will join the CCC program, owners and managers of these stores are likely to be somewhat skeptical of claims being made by the jurisdiction. After all, they are accustomed to sales efforts—and probably use similar techniques with their customers.

For this reason, testimonials can provide a degree of credibility to the claims made in the recruiting effort. To the extent that testimonials are viewed as objective and

representative of participants in the CCC program, they will reinforce the benefits of the program and mitigate concerns the owner or manager may have.

Tool #8 contains facts derived from the surveys of owners and managers of automobile parts stores that do and do not participate in the CCC program, and from DIYers. These are provided instead of quotes from satisfied customers for two reasons. First, direct quotes should be from people within each community that are known and respected. Tool #8 contains suggestions for soliciting comments from owners and managers in the community. Second, the statements included in Tool #8 are based on large numbers of responses and thereby may have more credibility than statements solicited from only a few owners or managers. When local comments are coupled with the statements from large numbers of people statewide, the jurisdiction will have a powerful combination of testimonials to use in its recruiting process.

The jurisdiction can use this tool to help support its claims that participation in the CCC program provides real financial and marketing benefits to automobile parts stores as well as a community service. The credibility of the facts comes from the surveys being conducted by an independent and unbiased institution (California State University, Sacramento). The jurisdiction can stress the fact that relatively large numbers of owners and managers are saying much the same things about the benefits of the program.

This tool can be used in one of two places within the recruiting process. One option is to send the testimonials to owners and managers as preliminary material when seeking to secure a meeting in which to sell the program. The other option is to use it as a handout during the sales presentation to enhance the credibility of the claims being made by the jurisdiction. If testimonials are not critical to establishing a meeting, it generally is recommended to use this tool during the sales presentation as supporting documentation.

Tool #9: Questions and Answers about the CCC Program for Automobile Parts Store Owners and Managers

Because this recruitment is a “business to business” marketing effort, owners and managers of targeted automobile parts stores can be expected to have questions about all facets of the program. Tool #9 contains a compilation of questions these owners and managers are likely to ask, and possible answers the jurisdiction can use to respond to their inquiries and concerns. Having well-formulated answers to questions, and sometimes even providing the answers before the questions arise, can significantly improve the likelihood of stores joining the CCC program.

The questions and answers contained in this tool are divided into three sets that reflect a likely series from getting started with the program to becoming fully operational:

- Preliminary Issues about the Program: These questions focus on concerns owners and managers may have about what it takes to participate in the CCC program.
- Getting Started in the Program: These questions center on such issues as how a store would apply and begin collecting used oil in the CCC program.
- Operating the Program: These questions focus on how the store will collect used oil, provide good customer service, and benefit from participating in the CCC program on an on-going basis.

The jurisdiction should review both the questions and answers and adjust them as

appropriate because every jurisdiction's market conditions vary, and store owners or managers may have different concerns.

Tool #10: Following Up with Automobile Parts Store Owners and Managers

The “marketing process” for recruiting automobile parts stores to participate in the CCC program does not end once the sales presentation is completed. This post-presentation period is a critical time in the recruitment process, and the follow up is an essential part of either completing the process of joining or changing an unfavorable decision to a favorable one.

Tool #10 is designed to assist the jurisdiction to understand the value of following up with owners and managers of targeted automobile parts stores, develop methods for following up with these people, and design communication messages that will impact owner or manager decisions.

If the owner or manager decides to participate, follow-up will be needed to ensure that the store has filed its application and starts preparing to accept used oil. A good start is important not only for serving DIYers, but also for ensuring that the owner or manager is satisfied with how the program is progressing. For those who will participate, it creates a recognition that the jurisdiction will be available to assist them in getting started and with future issues that may arise.

If the owner or manager decides not to participate, or does not make a decision, follow-up is needed to try to determine the reason(s) and make another attempt to resolve any concerns that stand in the way of joining the program. The follow-up can provide both additional information and time to reconsider their decisions. Even if these people still decide not to participate, the follow-up creates heightened awareness of the program and establishes a channel for future communication. At minimum, it will set the stage for future contact that may yield more positive results.

Ultimately, the jurisdiction will want to follow-up with the owner or manager to:

- Reinforce key benefits of the CCC program, both in terms of its financial and marketing value and being a good community citizen.
- Demonstrate that the jurisdiction wants the store's participation and has the mechanism for keeping communication lines open.

The end result of using this tool is to develop good follow-up procedures for owners and managers who decided to, or not to, participate in the CCC program.

Tool #11: A Template for Store Procedures for Accepting Used Oil from a Customer

Some of the concerns of automobile parts store owners and managers have about participating in the program focus on how to develop a process for collecting used oil from DIYers that is efficient, in compliance with state and local regulations, results in good customer experiences, and creates opportunities for additional sales. Tool #11 is designed to make it easier for automobile parts stores to develop procedures for properly collecting used oil.

This tool contains a sample set of procedures for accepting used oil from customers. The store owner or manager will need to adapt its contents to desired ways of doing business, and then insert it directly into the company's policy and procedure manual or use it as a stand-alone set of instructions for the staff which collect used oil.

The jurisdiction can use this tool as a means of encouraging owners and managers to participate in the program by showing them that the procedures for collecting used oil have already been prepared for their stores. The tool can be given to an owner or manager at the time of the sales presentation or as part of the follow-up.

The jurisdiction also should provide this tool to owners and managers who decide to participate in the program. It will make it easier for these owners and managers to create procedures that satisfy program requirements and provide good customer service.

Description of the Cost-Benefit Analysis

The following section describes Tool #4 of the Recruitment Guide, “Business Analysis Model for Participating in the CCC Program.”

A critical factor in developing effective used oil recycling programs is gaining the support of automobile parts stores to become Certified Collection Centers (CCCs). This tool designed is to assist the jurisdiction in working with current and potential volunteer used oil collection centers.

In retailing, a fundamental reality is that stores need to generate “traffic.” Despite the Internet, mail order, and other forms of “distance-buying,” most retailers must have people walking their aisles if they are to succeed. Accordingly, the challenge for them is bring customers into their stores. For automobile parts stores, the challenge is not only to encourage residents of their service areas to bring in used oil and filters to their stores, but to convert those “depositors” into “customers.”

It is important to recognize that the Business Analysis Spreadsheet in the Recruiting Guide provides only estimates. Many factors affect store profits, and not all can be included in this Analysis Spreadsheet. Accordingly, users should use this tool only as one possible indicator and at their discretion. No guarantees are made of the accuracy of the analysis in real-market situations.

Key Issues in Cost-Benefit Analyses

The key issues in this analysis for automobile parts stores include whether participating in the CCC program will:

- Be the right thing to do? There is virtually no question among respondents to the 2005 survey of automobile parts stores that participate and do not participate in the CCC program that it is good for the environment and a good public service to offer. According to the survey, 78 percent of the automobile parts stores that participate in the CCC program, and 79 percent of those that do not, believe it is a good public service to offer.
- Help retain current customers? According to the 2005 survey of automobile parts stores that participate in the CCC program, 72 percent of those turning in used oil were current customers. This suggests that customers want this service available at the automobile parts stores they patronize.
- Bring current customers into the store more often? This is difficult to measure. However, it appears relatively safe to assume that participating in the CCC program will not cause customers to come in less often. Accordingly, there does not seem to be much downside risk.
- Bring new customers into the store? According to the 2005 survey, 28 percent of the people who bring in used oil are not current customers. This represents a potentially significant opportunity to build relations with people who traditionally have not patronized the store.
- Result in people making purchases in the store at the time they turn in used oil? According to the 2005 survey, about 69 percent of the participants strongly agreed or agreed that people purchase oil and/or oil filters, and 59 percent strongly agreed or

agreed that people purchase products other than oil and/or oil filters when turning in used oil. This suggests that there is a high likelihood that people coming in to turn in used oil will make purchases.

- Bring added publicity to the store in a way that increases or enhances its image in the community? According to the 2005 survey of participants in the CCC program, 79 percent strongly agreed or agreed that participation brings good publicity to the store.
- Result in higher store profits? This is the ultimate and complex issue in that it depends on the store's operating cost structure, staffing, merchandising, and other variables. The purpose of the Business Analysis Spreadsheet is to allow owner/managers to test the profitability under a variety of revenue and cost scenarios.

Uses for the Business Analysis Spreadsheet

The Business Analysis Spreadsheet is prepared in Excel. Only 17 data entries are required to compute the generally expected profits or costs resulting from participating in the CCC program. All of the other calculations are made automatically.

The Business Analysis Spreadsheet can be used in two ways. When a store owner/manager fills in the information at the top of the spreadsheet, the spreadsheet automatically computes a variety of results that will be important to assessing what profits (or losses) can be expected by participating in the CCC program. This is the most important use of the Business Analysis Spreadsheet.

This spreadsheet also can be used to play "what if." A store owner/manager can adjust various factors to determine the impact of these factors on net profits. A somewhat more complex use of the Analysis Spreadsheet is to set a dollar level of profits desired and then adjust some of the variables in combination until that profit goal is achieved.

How to Enter Data into the Business Analysis Spreadsheet

This worksheet is designed to be as user-friendly as possible. However, it does require the store owner/manager to collect some data regarding current operations. Some of the information should be available from the store's profit & loss statement or cash register receipts. Other information will have to be estimated or data from the 2005 survey of automobile parts stores that participate in the CCC program can be used.

If the store currently participates in the CCC program, it may also have information on most of the cost factors associated with the program. For these stores, therefore, the only variables that may need special data collection are those related to revenues.

For stores that currently do not participate in the CCC program, the jurisdiction may have to estimate some of the costs and revenues. They can also use the data supplied by the 2005 survey of automobile parts stores that participate in the CCC program.

How to Interpret the Business Analysis Spreadsheet

The results of the analysis can be examined in each section of the spreadsheet. How they impact store operations is described below:

- Business Activity: The number of people who may come into the store in an average week. This will give the store owner/manager an estimate of the amount of traffic the store may generate. It is broken out by current customers and non-customers.

This will be important if the owner/manager wishes to estimate how much “new” traffic the store could generate as a result of participating in the CCC program.

- **Time to Collect Oil:** The number of hours per week it will take store employees to collect used oil from those turning it in. This is an important because it has implications for both staffing and costs of collecting used oil.
- **Staff Cost:** The cost for staff to collect used oil from those turning it in on both an hourly and per collection basis. This model considers the wages and benefits of those who would collect the oil.
- **Revenues from Additional Activity by People who Bring in Oil:** The revenues generated from the additional store traffic created by people who bring in used oil. The model allows the owner/manager to consider how much additional revenue the store may generate from customers coming in more often and non-customers entering the store to turn in their used oil.
- The model recognizes that not all people who bring in used oil will make purchases, and some current customers may consolidate their purchases in one trip instead of multiple visits to the store. Accordingly, opportunities to discount projected revenue increases are provided in the spreadsheet.
- **Gross Margin on Additional Activity from People who Bring in Oil:** The margin on revenues generated by the additional sales resulting from increased store traffic. The margins on revenues generated from current customers and non-customers would be used to cover (or help cover) the costs of disposing of used oil, staff wages and benefits, additional miscellaneous variable costs the store owner/manager believes will be incurred due to participation in the CCC program.
- **Gross Margin Minus Staff and Miscellaneous Fixed Cost on Activity from People who Bring in Oil:** The gross profit or loss resulting from the increased revenues and costs due to participating in the CCC program. This section of the model provides an estimate of the profitability of the CCC program to the store. It is broken out for current customers and non-customers, and on a weekly, monthly, and annual basis.

Shown in Table 2 is the Business Analysis Spreadsheet that is contained in an Excel file, available on the web at www.ciwmb.ca.gov/Publications/UsedOil/Extracts/61107001and2/Tool4.xls. The statistics included in “Store Input for Analysis” were developed from the 2005 survey of automobile parts stores and CIWMB estimates as to the number of gallons of used oil collected from an individual and the cost to dispose of collected used oil. If specific data is not known, simply use the default data shown in the “Store Input For Analysis” section below.

Table 2: Business Analysis Spreadsheet

STORE INPUT FOR ANALYSIS	
Activity: Average number of people bringing in oil per week	25.55
Activity: Average number of gallons of used oil collected from an individual	1.80
Activity: Average number of customers per day	186.90
Activity: Percent of people who bring in oil who are current customers	72.22%
Revenues: Percent of people who turn in oil and buy oil and/or oil filters	69.00%
Revenues: Percent of people who turn in oil and buy products other than oil and/or oil filters	58.60%
Revenues: Average spending per customer per visit	\$60.90

Table 2 (continued)

Costs: Average Gross Margin on sales	42.10%
Costs: Average number of minutes to collect oil by staff	3.92
Costs: Average hourly wage of staff who collect oil	\$10.29
Costs: Average benefits as a percent of wages	17.90%
Costs: Cost of permit to be a registered hazardous waste generator	\$200.00
Costs: Average cost per gallon to dispose of collected used oil	\$0.30
Costs: Additional miscellaneous variable costs per person to collect and dispose of oil per week	\$0.00
Costs: Additional miscellaneous fixed costs to collect oil per week	\$0.00
Deductions From Revenues: Discounted percent for purchases by customers who bring in oil	1.00
Deductions From Revenues: Discounted percent for purchases by non-customers who bring in oil	1.00
COMPUTED ANALYSIS	
ACTIVITY	
Average number of people bringing in oil per week	25.55
Average number of people bringing in oil per month	110.72
Average number of people bringing in oil per year	1,328.60
Average number of customers per day	186.90
Average number of customers per week	1,308.30
Average number of customers per year	68,031.60
Percent of people who bring in oil	1.95%
Percent of people who bring in oil who are current customers	72.22%
Number of people who bring in oil who are customers per week	18.45
Number of people who bring in oil who are customers per month	79.96
Number of people who bring in oil who are customers per year	959.51
Number of people who bring in oil who are not customers per week	7.10
Number of people who bring in oil who are not customers per month	30.76
Number of people who bring in oil who are not customers per year	369.09
TIME TO COLLECT OIL	
Average number of people bringing in oil per week	25.55
Average number of minutes to collect oil by staff	3.92
Total number of minutes per week to collect oil by staff	100.16
Total number of minutes per month to collect oil by staff	434.01
Total number of minutes per year to collect oil by staff	5,208.11
Total number of hours per week to collect oil by staff	1.67
Total number of hours per month to collect oil by staff	7.23
STAFF COST	
Average wage of staff who collect oil per hour	\$10.29
Average benefits as a percent of wages	17.90%
Benefit costs per hour	\$1.84
Total wages and benefits of staff who collect oil per hour	\$12.13
Total wages and benefits of staff who collect oil per minute	\$0.20
Total wages and benefits of staff who collect oil per collection	\$0.79
TOTAL STAFF COST TO COLLECT OIL	
Cost to collect oil from customers who bring in oil per week	\$14.63
Cost to collect oil from customers who bring in oil per month	\$63.38
Cost to collect oil from customers who bring in oil per year	\$760.53
Cost to collect oil from non-customers who bring in oil per week	\$5.63
Cost to collect oil from non-customers who bring in oil per month	\$24.38

Table 2 (continued)

Cost to collect oil from non-customers who bring in oil per year	\$292.54
Total staff cost per week	\$20.25
Total staff cost per month	\$87.76
REVENUES FROM ADDITIONAL ACTIVITY BY PEOPLE WHO BRING IN OIL	
Average spending per customer per visit	\$60.90
Percent who agree that people buy oil/filters	69.00%
Percent who agree that people buy products other than oil/filters	58.60%
Average percent who agree that people buy something	63.80%
Discount percent on purchases by customers who bring in oil	1.00
Discount percent on purchases by non-customers who bring in oil	1.00
Number of customers who bring in oil and buy something per week	11.77
Number of non-customers who bring in oil and buy something per week	4.53
Revenue from customers who bring in oil and buy something per week	\$716.95
Revenue from non-customers who bring in oil and buy something per week	\$275.78
Total revenue from people who bring in oil and buy something per week	\$992.72
GROSS MARGIN ON ADDITIONAL ACTIVITY FROM PEOPLE WHO BRING IN OIL	
Average Gross Margin on sales	42.10%
Number of gallons of used oil collected per week	45.99
Total cost of disposing of collected used oil per week	\$13.80
Gross Margin from customers who bring in oil and buy something per week	\$291.87
Gross Margin from non-customers who bring in oil and buy something per week	\$112.27
Total Gross Margin from people who bring in oil and buy something per week	\$404.14
GROSS MARGIN MINUS STAFF, PERMIT, AND MISC. COST ON ACTIVITY FROM PEOPLE WHO BRING IN OIL	
Gross Margin minus staff, permit, and misc. fixed costs from revenue from customers who bring in oil per week	\$267.28
Gross Margin minus staff, permit, and misc. fixed costs from revenue from non-customers who bring in oil per week	\$103.09
Total Gross Margin minus staff, permit, and misc. fixed costs from revenue from people who bring in oil per week	\$383.89
Total Gross Margin minus staff, permit, and misc. fixed costs from revenue from people who bring in oil per month	\$1,663.52
Total Gross Margin minus staff, permit and misc. fixed costs from revenue from people who bring in oil per year	\$19,962.22
BREAK EVEN ANALYSIS--NUMBER OF PEOPLE WHO NEED TO PURCHASE SOMETHING	
Average Revenue per transaction	\$60.90
Average Gross Margin per transaction	\$25.10
Average staff cost per collection of oil	\$0.79
Average cost to dispose of collected used oil	\$0.54
Average miscellaneous variable costs per person	\$0.00
Total Gross Margin minus variable costs	\$23.77
Total fixed costs (permit cost + miscellaneous fixed costs)	\$200.00
Number of people who bring in used oil and need to buy something to cover total fixed costs	8.42
Percent of people per year who need to purchase something to cover staff collection cost	0.99%
Number of weeks needed to cover total annual fixed costs	0.33
Number of days needed to cover total annual fixed costs	2.31

Recruiting Brochure for Auto Parts Stores

The Recruiting Toolkit includes a separate pre-printed recruiting brochure you can use to help inform potential participants about the program. The recruiting brochure “Used Oil Recycling Program Benefits to Your Business” is available from CIWMB three different ways:

- Request from your Used Oil Block Grant Manager at CIWMB
- Request by e-mailing the Used Oil Program’s e-mail address at: UsedOil@ciwmb.ca.gov
- Download from the CIWMB website at www.ciwmb.ca.gov/Publications/default.asp?cat=17 (link to “Used Oil Recycling Program: Benefits to Your Business” [Publication number 610-06-002]).

The brochure includes information on the following:

- Benefits to Joining the Used Oil Collection Center Program
- Collection Center FAQs
- Collection Center Responsibilities
- Myths and Realities of the Program
- Mini-brochure tri-fold pullout with FAQs, Benefits, & Responsibilities
- Recruitment Letter from Board Chair
- Application Form
- Sample Collection Log
- Sample Payment Claim Form

Toolkit Resources—Spreadsheets

The spreadsheet tools listed below are available on the CIWMB website. The information necessary to use these tools is briefly summarized in this Summary Report, with more comprehensive descriptions available in the complete Recruitment Guide.

- Tool 2: Auto Parts Store List and Demographic Data Sets (www.ciwmb.ca.gov/Publications/UsedOil/Extracts/61107001and2/Tool2.xls)
- Tool 3: Store Desirability Checklist (www.ciwmb.ca.gov/Publications/UsedOil/Extracts/61107001and2/Tool3.xls)
- Tool 4: Business Analysis Spreadsheet (www.ciwmb.ca.gov/Publications/UsedOil/Extracts/61107001and2/Tool4.xls)