



## A SEASONAL SPANISH LAUNDRY: A Case Study

Tourists to Spain's coastal town of Estartit enjoy one-hour laundry turnaround at Blaumar, a coin-operated laundry offering modified, wash-dry-fold service. Customers who visit Blaumar just load and go.

In 60 minutes—while they bask on the beach—attendants ensure their laundry is clean, dry and neatly folded.

A town of 500 located on Spain's northern Mediterranean coastline, Estartit bulges during the summer with 15,000 European visitors, according to Santi Carol, who established Blaumar with his wife, Maria, 12 years ago. The 60-square-meter (645-square-foot) seasonal laundry serves customers seven days per week for just three months of the year. Yet, business thrives.

Key to Blaumar's success is its modified wash-dry-fold service. "People want free time to enjoy the beach," says Santi. "A self-service-only store would never work here. Instead, customers load the washers and leave the linens for attendants."

Clientele happily pay the \$7 (5.50 euros) vend price per load in exchange for added beach time, according to Santi. For a wash and a dry, whether they do their own laundry or leave it to Blaumar attendants, customers fork out \$14—the going rate in Estartit.



According to Miyazono, the major differences between the coin laundries in Asia and those in the U.S. are size and the ratio of washers to dryers. Asian laundries are quite small, and many of them have more dryers in relation to their number of washers than in U.S. laundries.

### THE AUSTRALIAN MARKET

The coin laundry industry got its start in Australia in the late 1960s, mainly with topload washers.

"From all accounts it was very profitable and spawned many laundries that have changed little since then," said Ian Gregory, director of Supawash Laundrettes, based in South Australia.

Much like in the U.S., the typical coin laundry customers in Australia are low- to middle-income renters, singles and young couples without access to their own washers and dryers.

However, unlike the U.S. market, the average store Down Under is in the 70- to 100-square-meter range—with about 10 to 16 washers, six to eight dryers, and very few additional amenities, according to Gregory.

Although new, modernized, all-frontload self-service laundries are definitely a growing trend in Australia, "most stores have not upgraded since the '80s," said Gregory, who charges \$3 Australian (about \$2.30 U.S.) for a topload wash and \$4 Australian (slightly more than \$3 U.S.) for a 7.5-kg (16-pound) frontloader.

Equipped with 10 double-load, soft-mount washer-extractors and five drying tumblers, Blaumar is small by American coin laundry standards. And unlike many U.S. coin laundries, Blaumar features no toploaders. Its high-efficiency, frontload washer-extractors not only conserve considerably more water than topload and hard-mount models, they extract more water from every load. What's the advantage? Santi maintains the high extract cuts resulting dry time and gas usage by 30 percent—helping to curb utilities and provide more timely service to customers.

Thanks to the efficiency of the soft-mount washers, utilities constitute only 10 percent of Blaumar's operating costs. Rather, for the average U.S. coin laundry, utilities make up approximately 20 percent to 26 percent of a store's operating expenses.

"In the U.S. it's something new to save energy," says Santi. "In Spain it is a way of life. In Europe a topload doesn't exist because no one would use it. They would use a frontload because it saves utilities, and if they wish to save even more, they use a soft-mount washer-extractor."

Blaumar is a no-frills establishment. Other than providing clients with spotting solutions and detergents for laundry use, it showcases no vending machines, video games or sandwich bars. Café owners in Estartit might object, says Santi.

Blaumar is a family operation. The Carols' three children have always handled day-to-day laundry operations with help from Maria, although no more than two attendants run the laundry at once. "It's a great business because it



lasts only for three months," says Santi. Yet, the laundry generates considerable revenue.

Visitors to Estartit flock to Blaumar because apartments and hotels don't often have on-site laundry equipment, and because customers love the convenient hour-only service. As a result, Blaumar consistently averages five to seven turns per day—generating anywhere from \$40,000 to \$50,000 in just 12 weeks.

Named for the blue ocean near which it's located, Blaumar offers services that eliminate the stress and hassles associated with doing laundry. "Identifying market needs is the key to any laundry's success," says Santi. In doing so, Blaumar allows vacationers to do exactly that—vacation.

*Source: The Inside Spin, Continental Girbau, Inc.*

"We are small and serve less than 2 percent of the population," he said, adding that the poor monetary exchange rate makes purchasing new equipment (and thus, upgrading) cost prohibitive for many laundry operators in this market.

## THE EUROPEAN MARKET

"Coin laundries started here immediately after World War II," said John Balman, sales director for IPSO in Europe. "The coin laundries then always had an attendant. The typical configuration was five to six washers with capacities of 12 pounds, an extractor and three to four dryers."

The shift to fully automatic coin laundries began in the 1970s, Balman said. "The first machines that IPSO made

were for coin laundries in the Belgian market," he added.

In the past in Europe, it was primarily individuals from the lower social classes who used coin laundries, according to Balman. However, today, the industry there mirrors society in the fact that the differences between social classes is fading away.

"For example," Balman said, "today, a doctor's wife will not be opposed to going to a coin laundry to wash duvets. Today, the entire spectrum of society can be defined as customers of our coin laundries, with the focus on lower and middle class."

In the '70s and '80s, European laundry owners were those with a laundry background. However, in the '90s, as in the U.S., the market has seen a new type of investor.