

# Costing Issue with Price Standardization

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# **Background about Ward Details**

#### **Ward Details**

- Group member Marc Rongetti is the owner of the company
- Based out of Rumson, NJ
- Over 800 cars have been detailed and counting
- Provides services such as:
- Interior/Exterior cleanings
- Paint Sealants
- Paint Correcting
- Ceramic Coatings

# AUTO DETAILING INTERIOR DETAILING EXTERIOR CLEANING COMPLETE CLEANING COMPLETE CLEANING

# **Types of Costs**

#### **Fixes Costs**

- Licensing/Permit costs
- Insurance
- Depreciation of Equipment

DETAILING

## **Variable Costs**

- Advertising/Marketing Costs
- Electricity Bills
- Water Bills
- Chemicals and cleaning supplies
- Equipment maintenance and repairs

#### **Mixed Costs**

- Employee Wages
- Monthly Subscriptions

#### **Product/Period Costs**

This company only has period costs since it only offers services and no products

#### **Incurred Costs and Cost Drivers**

- Advertising/Marketing Costs
- Quantity of advertisements purchased
- Licensing/permit costs
- Insurance
- Electricity Bills
- Amount of electricity that is used during the month
- Water Bills
- Units of water used
- Chemicals and cleaning supplies
  - Quantity of chemicals purchased
- Equipment maintenance and repairs
- How much the equipment is used and amount of repairs needed
- Employee wages
- Monthly subscriptions for chemicals
- Usage of chemicals per month



# Costing Issue

#### Difficulties of Price Standardization

- Charge customers a flat fee for the service but there are so many factors that should be taken into account when giving a price.
- Example: Charge \$200 for a basic interior/exterior cleaning, but the interior of the car comes in treacherous shape, should we charge more or keep it the same?
  - Customers may become upset since they see the original price and expect to pay that price
  - The customer should pay for the labor that is put into cleaning the car
  - More labor involved = Higher pricing of the cleaning
- It is very difficult to apply a standard rate for a job that has so many variations

#### On site detailing \$15

Pickup/ drop off fee: \$30
Interior & Exterior detail:

Starting prices:

CLASS PRICE

Coupe / Sedan \$200

SUV / Pickup \$250

#### 3 Week Package:

Exterior detail
 Vacuuming

- interior wipe down
Coupe/sedan \$135
SUV/ Pickup \$150

# SHOWROOM TREATMENT: (\$900-\$1300) covers full Int/ext

- 3 bucket Hand Wash
- Iron/ tar decontamination of paint and wheels
- 2 step paint correction
- 2 step paint correction (compound/polishing)
- 2–3-year Ceramic coating application
- Full Interior detailing
- OPTIONAL: wheel polishing/ coating + Ceramic paint top coating (\$200 extra on quoted price)

#### Wash & Coat:

Coupe/sedan: \$75 Suv/ truck: \$85

#### Wash and vac:

Coupe/sedan:

Coupe/sedan: \$75 SUV /truck: \$85

#### **Individual detailing:**

#### Exterior detailing: (\$60)

- 3 bucket hand wash system
- Full wheel cleaning (faces, barrels and wells)
- Tire sealant applied
- Windows cleaningExterior Trim Dressed

# Interior detailing: (\$100-\$175)

- Full air Tornador blowout of cracks, crevasses, seats Carpet and mats
- Vacuum full International
- Vacuum full Interior and Trunk
  Seats, door carts consoles scrubbed down throughly
- Carpet heat extraction (if necessary)/ rubber floor mat cleaning
- Windows CleaningAir Freshener
- Ozone treatment (if necessary (\$15 upcharge)

## After wash options:

# Listed prices are an add on to quoted original price

### Clay + Seal :(\$100)

- Iron and tar decontamination removal spray application
   Clay mitt treatment applied on the paint
- 6-month ceramic sealant application on paint/wheels and

#### 1 step polish & sealant: (\$300)

- Provides hybrid technology that delivers water beading + a deep gloss + IIV protection
- gloss + UV protection
   85% of scratches removed
- (6-month protection)

Individualized scratch/scuff removal (\$50-\$85)

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