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Can an Open Bay Blow the Roof off Your Self-Serve Sales? How to Increase Sales & Profitability with “Big” Customers

Cincinnati, OH – Generally when we think of “big” customers we think of customers with a lot of vehicles to wash – police and fire departments, or perhaps business fleets with numerous delivery vehicles. But there might be an increase in sales just waiting to happen from another type of big customer – semis, RVs, panel trucks and other large vehicles. These oversize vehicles typically do not fit within the confines of a normal self-service bay – and have other special needs. But it can be profitable to serve those needs, as Dave Bedford, owner of Livermore Car Wash in Livermore, CA has found out.

Livermore Car wash has 6 traditional self-serve bays and one open topped bay that is the same width as the others, but without a roof. This allows taller vehicles like RVs, semis and other large trucks to use this bay.

“We have a pretty large RV dealer nearby” says Bedford. “This dealer requires that all RVs being delivered to their showroom must be washed first. Our name is on the list of nearby washes, so we get some of this business.”

(continued)

Bedford has also done some promotions with a local self-storage facility, encouraging them to use his services. Rather than new RVs going to the showroom, these might be vacationers cleaning the RV before taking it out for a trip or afterwards before it goes back into storage. Businesses which use semis and other large trucks are another profitable option.

What makes these large vehicles so profitable? Well, sheer size for one thing. Since they are washing large vehicles, these types of customers are unlikely to show up with a bucketful of quarters. Rather they'll change a \$20 and use most of that on a single washing. Bedford, whose car wash operates on dollar-based tokens, estimates that many of the \$20 bills in the changer closest to the open-topped bay come from large vehicles. When emptying the change hoppers, Bedford noted that "The open-topped bay is almost exclusively tokens" while the others are mixed between tokens and quarters.

Increasing the volume of tokens used in your operation can provide numerous benefits over traditional quarter-based operations. First off, there is the psychology of using tokens versus cash. Customers are more likely to spend the whole \$20 worth of tokens at one time – meaning that they may purchase additional vending machine items. "We've seen our fragrance and towel business increase since we've gone to tokens," notes Bedford. If a customer buys \$20 worth of tokens and uses \$18 washing and vacuuming his truck, he may use the remainder for fragrance or a towel – or he may decide to hang on to the tokens for next time. Either way, you win.

That's right, you'll benefit from customers who purchase \$20 worth of tokens and then carry a handful of them off until next time. These are called "walkaways" because they "walk away" before you have to vend services.

The ROI on walkaways is substantial. Assuming that 1 .125" tokens are purchased in lots of 10,000 for \$0.22 and sold for \$1.00 (figures taken from TokensDirect.com price list) – the ROI is 78%. These figures account for custom die charges for the front and back of the tokens (which are not applicable to re-orders) but freight is not included – so the real ROI though slightly reduced, is still substantial.

Just how big can the walkaway issue be? Bedford bought 10,000 tokens his first year, an additional 10,000 the second year, and 10,000 two years later. While he does replace tokens "when they get raunchy looking" (especially if they've been in someone's ashtray for a while), the biggest reason for buying more tokens is because people misplace them. That is because the lifespan of tokens can be decades – the main reason that they need to be replaced is because they've been sold to customers who lose them. Assuming that the above ROI figures are constant from year to year, then operators can earn up to an additional \$7000 per year (assuming purchases of 10,000 tokens per year and freight charges of \$800).

Ergonomics, Labor & Time Savings

Handling tokens, especially dollar tokens, are much easier than handling quarters. That's because dollar for dollar, tokens weigh 60% less than quarters. While this does not lead

directly to an increase in profits, it can mean fewer backaches and less frequent visits to the chiropractor.

Let's face it – none of us are getting any younger. And what used to be simple tasks can now lead to aches and pains. Hauling around heavy coin boxes is one such task. If those same coin boxes were filled with a comparable value of tokens, they'd be much lighter and easier to handle. For example, \$100 worth of quarters weighs a little over 5 pounds, while the same value in tokens would weigh around 1.6 pounds. So emptying coin boxes can be much less labor intensive (and less painful) if done on a regular schedule.

For those of you who wait until the boxes are full, then this benefit is manifest as additional free time. That's because the coin boxes fill up slower when you are putting $\frac{1}{4}$ the volume of tokens in them (a single dollar token as opposed to four quarters). So while you are hauling around the same weight as before, you are doing it less frequently – and thus your total weight carried per month is decreased. Instead of emptying coin boxes daily, you may be able to do so every three or four days, depending upon volume, your use of coin vaults and personal preferences.

What you do with the “found time” that was formerly devoted to emptying coin boxes is up to you - but that time can be multiplied if you also count your quarters in addition to emptying the coin boxes. While many operators handle the counting of quarters, this is another task that can be delegated to employees with a token-only system – since there is less temptation for employees to swipe tokens than cash. If you accept quarters in addition to tokens (this can account for a sizable portion of car wash sales), you may

prefer to continue to sort and count your quarters – because you are only counting the quarters not the tokens.

Another time savings comes from vending only tokens and not quarters. This means that car washes are no longer supplying the neighborhood with quarters for the Laundromat, poker games and more. “Before switching to tokens,” Bedford said, “I was changing about \$160,000 per year and since tokens I’m down to about \$135,000 to \$140,000 while my business continues to grow. So I’m no longer supplying change for this portion of the city.” Not only is he not supplying change for this area, but he no longer has to schlep quarters around to refill his coin boxes to do so – another hidden time savings.

Additionally, there is much less wear and tear on the bill changer – which means significantly less maintenance and a longer service life – and more time savings.

Increased Security & Reduced Costs

Since switching to dollar tokens, Bedford has seen his vandalism and break-ins all but stop. While these instances were more nuisance than chronic, invariably they were expensive. Even when the thieves were unsuccessful in getting to the supply of quarters, there was damage to the coin boxes that was costly to repair.

That brings us to a not-so-hidden monetary benefit – because thieves are more interested in cash than tokens, they’ll probably leave your car wash alone. Bedford invested in a lot of signage when he made the switch to tokens, and has seen virtually no break-ins since then. You might think that eliminating this theft deterrent would rate well with your insurance agent – and it does, well sort of, anyway.

The car wash insurance agents that we spoke with all agreed that there was no difference in insurance premiums for coin-vend car washes versus token based car washes. But as time goes on and thieves ignore your operation, your premiums will drop because you've had no claims filed for vandalism or theft. (Note - for those of you who pay these expenses out of pocket rather than filing claims, you can keep your out-of-pocket expenses in your pocket when thieves bypass your car wash for greener pastures).

Options for Any Security Level

In addition to accepting tokens within all areas of your car wash, you most certainly do not want to accept competitive tokens. Token manufacturers offer various security levels to ensure that this does not happen. At the most basic level a different metallurgy can be used in the token manufacture – something like red brass (with a unique electromagnetic signature) can be used to keep out standard brass arcade tokens. Different sizes can also be used – a good first step is to see who else in your immediate area is using tokens – what sizes and metals they are using.

Another option is to use controlled value tokens. The TimeSaver™ Dollar token from TokensDirect is an example of a token that always vends for \$1. This is minted with special alloys to eliminate cross acceptance of regular car wash and video tokens, yet with standard sizes it works with most existing coin mechanisms. Pricing is comparable to standard tokens, as is longevity - allowing operators to benefit from volume purchases and customer walkaways.

Controlled circulation tokens are also an option. Available from places like Van Brook of Lexington, these slug stopping tokens are unique to individual operations out to a 75 mile radius, so that cross acceptance is virtually eliminated. With specialized 2-piece construction or security alloys, CT and CTX tokens are ideal for the high values needed for in-bay automatics and rollover washes.

Though slightly more expensive than standard car wash tokens, these higher security tokens are still profitable when they end up as walkaways. They are even more profitable if you are in an area prone to cross-acceptance issues (customers using other people's tokens in your establishment).

While there are substantial reasons to consider an open-topped self-service bay for large vehicles (especially a token-operated one), there are some downsides to consider. Semi drivers may drag the hoses over their "fifth wheel" and thus coat the hose in grease.

While this does not shorten the service life of the hose, it does mean that you may need to spend more time cleaning up in this bay – wiping down hoses, etc.

Despite the additional time spent for cleaning, the additional revenue from an open topped self-serve bay can be a welcome addition to many self-serve car washes.

About TokensDirect:

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