

# Custom Tokens Simplify Cash Control for Oktoberfest

By Jim Wahl

The annual Oktoberfest in Mt. Angel, Oregon is a tradition that dates back nearly five decades. Each year several hundred thousand visitors flock to this small town – an influx 100-times that of Mt. Angel's population of 3,700. Many come for the authentic German atmosphere and culture and the array of culinary treats, not to mention the traditional German beer. But while the entertainment venues will be filled with people, no cash will be changing hands. That's because the festival switched to tokens 12 years ago to simplify their security and cash control.

## **Simplicity (not Cash) is King**

Oktoberfest uses tokens rather than cash in their entertainment venues: the beer garden, the wine garden and the Alpine garden. Each of these venues has several points of sale where customers can purchase beer, wine or delicious authentic German food; everything from schnitzel and strudel to brats, metts and pastries. Prior to converting to tokens, each of these points of sale handled cash. And since the event is entirely staffed by volunteers, event organizers were eager to simplify the cash handling process.

"The wine garden alone had 12 points of sale," recalls PR Director Jerry Lauzon. "Now we have two large token booths which are the only places where cash is used."



But while the process works very smoothly now, reducing the number of places where cash is used, and making volunteer's jobs easier, Lauzon recalls their initial discussions and thought process. He remembers being "concerned that people would have to wait in two lines: one to buy tokens, and then another to buy whatever they wanted."

But the tokens have actually sped up the process of purchasing food and beverage items. That is because every item in the entertainment venues is priced in even dollar increments, and the tokens are valued at \$1 each.

"So we are able to process the sale a lot quicker than we could if we had to make change, say for example if someone gives you a twenty dollar bill for a \$4 glass of wine" says Lauzon. "It is a lot easier to collect the 4 tokens, so sales move a lot quicker at the point of sale."

In addition to speeding transactions and simplifying the work of the 7,500 volunteers, tokens also mean there are fewer places to collect cash during the 4-day event.

"Reducing the number of places where we have to pick up cash and process cash to get to the bank has been a great advantage for us."

Having fewer places where money is being handled, in Lauzon's estimation, "is the greatest advantage (of tokens)."

Purchasing the tokens is as easy as spending them. Customers can purchase tokens pre-bagged in lots of 10 or 20. Oktoberfest installs two ATM machines by each token booth. And customers can also purchase tokens with a credit card at the token booth.

That, says Lauzon, presents another benefit. "We're not running credit card operations at all of the places where we used to have cash. It would be very awkward having separate lines for credit card machines at each booth."

Tokens are well accepted at Oktoberfest as evidenced by the volume in use - nearly 500,000 tokens are in circulation throughout the 4-day festival. Each token sold at Oktoberfest has been minted by Cincinnati's TokensDirect. With a secure online store and easy ordering in low minimum quantities, TokensDirect allows customers like Oktoberfest to purchase whenever it is convenient for them.

But while there are plenty of tokens circulating throughout the event, not all of

them make it back to the till as Oktoberfest winds down . . . which is fine by Lauzon.

Every year since they started using tokens, Oktoberfest has had a new supply of tokens minted - typically two to three thousand. While the overall design is the same, the dates are changed. This allows some branding to occur by including the Oktoberfest logo, while generating some "souvenir appeal" promoting tokens to be kept as keepsakes rather than redeemed.

"Each year we put the year on them, so the tokens become collectible," says Lauzon. "About 1,200 to 1,300 tokens go away every year and never come back. I know some people who have a full collection displayed on their walls or bookshelves."

This is where the economics of tokens really makes a positive difference to the events bottom line. While the tokens have a \$1 face value, they are purchased for far less than that; typically about 15 cents each (a figure which includes custom die charges and freight). So each token that "walks away" represents a profit of 85 cents. Based on the volume that are sold and never redeemed, this represents an additional profit of \$1,050 (1,200 x 0.85) which will easily fund the next year's purchase of 2,000 - 3,000 tokens (\$450 based on cost of \$0.15 per token).

Because tokens have perceived (as well as stated) value, they are rarely discarded. Some of these tokens may very well show up back at next year's event since each time a token is seen in pocket change, in a car's cup holder or on the bureau, the owner is reminded of the fun and festive atmosphere at Oktoberfest. That is why some festival operators refer to tokens as "mini billboards" . . . they are always broadcasting your message, making the nominal charge to customize the token with the Oktoberfest logo well worth the cost. Even if half of these tokens do make it back the next year, the profit potential for "walkaways" is significant and one which easily funds the additional token purchases for the following year.

### Other Marketing Opportunities

In addition to the branding that occurs each time a customer views the Oktoberfest logo on their tokens, there are other marketing opportunities inherent with tokens that are not available from cash. Tokens are easily affixed to direct mail pieces, making a memorable and effective mailer. Festivals and fairs which are introducing new foods may wish to promote them with token mailers, such as "We're

so sure that you'll like the new Chocolate Strudel that the first one is on us!"

They can also be sold at local vendors to stir up pre-event excitement. Volume discounts can be applied to re-sellers, who then keep the difference between purchase price and sale price as their profit for handling the transaction. While no local retailers are selling Oktoberfest tokens currently, this is one example of how tokens facilitate working with area retailers.

### Durable for Use Season after Season

Unlike paper tickets, durable tokens can be reused season after season, allowing event organizers to amortize their cost over years. Lauzon estimates that many of the original tokens purchased 11 years ago are still in circulation.

Since aluminum tokens are impervious to moisture, they can be counted on standard weigh counters - a vast time savings over paper ticket redemption and counting. Lauzon and his crew have devised a tool to quickly count the tokens, speeding their processing into \$10 and \$20 bags for sale at the token booths.

In addition to the operational advantages of token based events, custom tokens also provide unequaled marketing and branding opportunities.

### Green Tokens

In addition to the profit potential inherent with tokens, especially custom tokens with enhanced "souvenir appeal," aluminum tokens minted by TokensDirect are also completely recyclable making them ideal for "green events." And they are made in the USA to comply with the Buy American Act.

There are many reasons to consider tokens rather than cash when planning fairs, festivals and other large venues. From simpler transactions to fewer cash-handling areas, tokens simplify the work of volunteers - the lifeblood of many events. Incenting patrons to keep rather than spend tokens further enhances their economic appeal. Clearly there are many reasons why "cash isn't king of Oktoberfest" and those reasons have more than a "token" value.

TokensDirect is a division of Osborne Coinage Co., America's oldest private mint. For more information, visit [www.tokensdirect.com](http://www.tokensdirect.com). To speak with a sales specialist, contact TokensDirect at (866) 274-0868, or via mail to TokensDirect, 2851 Massachusetts Avenue, Cincinnati, OH 45225, or via e-mail at [ask@tokensdirect.com](mailto:ask@tokensdirect.com) or directly to Jim Wahl at [jim@wahlmarketing.com](mailto:jim@wahlmarketing.com).