

AutoLaundry^{news}

Switch to Tokens - The Change this Car Wash Needed

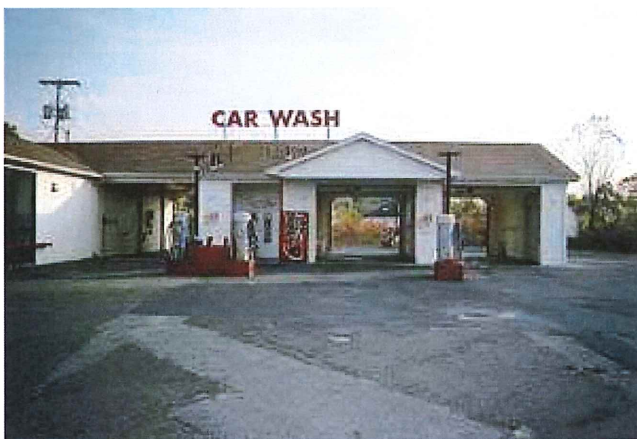
Mark Jolin, who operates Big Bunny's Dunk 'N Foam-It Car Wash in Southbridge, MA, is big on customer service. Whether customers are there to use one of the three self-service bays, the soft-cloth tunnel wash, one of the eight vacuum stations, the shampoo machines, or one of the numerous vending machines, Mark strives to make it easy for everyone.

By Dottie Hopkins

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Big Bunny's Dunk 'N Foam-It Car Wash.

LABOR SAVING

In October of 2013, Big Bunny converted from quarters to dollar-valued tokens and saw immediate improvement in day-to-day operations. Previously, Jolin had tasked one person to monitor quarters. "We had to

pay someone to constantly be rolling quarters,” he recalls. And when not rolling quarters, they were monitoring change machines to ensure an adequate supply was on hand.

“Getting rid of the quarters was a welcome relief,” said Jolin. In addition to freeing up time formerly devoted to counting and rolling quarters, the \$1-value tokens also mean less frequent trips to refill the bill changer. That process included emptying the vendors, thawing and drying quarters in the winter, and refilling the change machine several times per week.

“The change machine holds about \$1,200 worth of quarters,” explained Jolin. Since each token is now worth four quarters, this “equates to \$4,800 worth of tokens.” Having a changer that instantly holds four times its previous capacity means less frequent refilling — and thus less labor to do so. And since most of the equipment on site already included electronic coin acceptors, which are designed for multiple coins/tokens, the task of re-programming these machines was simple and easily accomplished. This significantly cut down the cost of the switchover. The only real problem Jolin faced during the switchover was that some of his vacuum machines are equipped with mechanical rather than electronic coin accepto



The change machine dispenses tokens only.

“I wish the vacuums had electronic acceptors instead of the manual ones,” he says of the token depository slots, “manual ones get stuck in there sometimes.” Aside from this, the machines at Big Bunny’s Car Wash have had no problems accepting tokens.

PRICING

In addition to streamlining operations, the switchover also helped Jolin accomplish something he had not done for nearly 10 years — nudge his pricing slightly higher.

Previously, \$2.50 would buy four minutes of time. Now, the price has been raised slightly to \$3 for four minutes. While Jolin could have simply raised his prices while still quarters-based, doing so would have exacerbated the problem of “quarter-churning” — meaning he’d have to monitor the amount of quarters in the change machine more closely in order to maintain an adequate inventory. On top of this, it would mean having to roll more quarters for bank deposits. This increase in labor input would likely negate any positive effect that a price increase might have while still using quarters. The switchover to tokens has allowed Jolin to take this step

forward.

While customers are now familiar with using tokens, they were initially leery.

“At first customers weren’t too thrilled with it,” recalls Jolin, “Any time that you switch something there is pushback, but now that they understand, it is easier for them, so they are all on board.”

“At one token per dollar, it takes just three tokens to start machines rather than 12 quarters,” explains Jolin. Imagine juggling a fistful of quarters, and trying to feed them into the coin acceptor individually, all while your hands are covered in soapy water. Clearly it is simpler to handle three tokens rather than a dozen quarters.

Nudging up prices didn’t drive away business, and the increased sales, coupled with efficiency gains, noticeably impacts Big Bunny’s Car Wash’s earnings.

WALKAWAYS

Another significant bump in earning comes from “walkaways” — when customers buy tokens but do not use them all. Customers typically do not buy tokens one at a time. They may buy five tokens and use four, keeping the extra token in a cup holder or ashtray for use on a future visit. Other tokens may make their way to the dresser at home, a desk at the office, or end up mixed in with pocket change. This can significantly impact a car wash’s bottom line in a good way, because each individual token sold but not redeemed represents instant, pure profits for the business.

Jolin buys the tokens for about 36 cents each, and then sells them for \$1, so each “walkaway” nets Big Bunny’s Car Wash a profit of 64 cents. He placed an initial order of 5,000 tokens. Then, he recalls, “within the first six months we were down about 3,500 tokens,” which means that these generated a profit of \$2,240 (64 cents per token multiplied by 3,500 tokens). At the time of the interview, Jolin had just placed an order for another 5,000 tokens to put into circulation. Since the durable tokens last for years, the only reason to re-purchase them is to replenish the supply due to walkaways. Clearly, Big Bunny is doing quite well as a result of the switchover to tokens.

MARKETING TOOLS

Since each token is minted with the Big Bunny’s Dunk ‘N Foam-It Car Wash name, logo, and address, customers are not only reminded that they may need a car wash, but which car wash they should go to each time they see a token in their pocket change. This is why some car wash operators view tokens as “mini billboards” carrying their marketing message to customers and prospects wherever they are seen.

The marketing value of tokens is limited only by the imagination. While Jolin has not used them in direct mail — targeting new move-ins for example — this can certainly be accomplished. Some car wash operators keep an ample supply on hand for customer service — to quickly refund a customer if needed, or to provide them to potential customers they meet when running errands. Some car wash operators engage customers in conversations about the car wash and reward customers with some tokens for their thoughts and suggestions.

They are a marketing and operations tool and can be used however it best suits the individual car wash.



Tokens double as mini billboards.

ADDED SECURITY

Tokens also enhance security by reducing incidents of theft and vandalism that commonly occur with cash-based operations. Thieves and vandals may see a quarter-based car wash as an easy target, especially self-serve operations which are unattended.

Big Bunny's Car Wash had similar problems until they installed cameras and signage alerting customers to their presence. The same result could be achieved by switching to tokens because they are a natural theft deterrent.

Often, when thieves attempt to pry into the coin boxes at these self-service locations, the damage they do to faceplates and cash boxes actually exceeds the monetary value of the quarters taken. Token-based car washes, however, are more secure because there is nothing of interest to the thieves in the coin machines. Tokens cannot be used as legal tender, and as such make a much less attractive bounty for thieves than traditional cash. It is important to update the car wash signage to clearly indicate that tokens are dispensed rather than quarters at change machines. This lets potential thieves know that it is probably not worth their time. Signage also eliminates instances where people don't want to use the wash's facilities, but just need to convert bills into change, depleting the inventory of quarters in the machines.

Additionally, tokens present less temptation for less-than-honest employees who count quarters or refill the change machine. Employee theft is a very real issue, but with the lack of hard cash being handled, this threat is almost completely eliminated by using tokens for many of the same reasons that tokens cut down outside theft.

Tokens also represent security in another sense of the word, because, depending upon their size and metallic composition, they can eliminate cross-acceptance of competitors' tokens. Selecting a token with a special metallic makeup — and therefore a unique electromagnetic signature — ensures that tokens from a nearby arcade cannot be used at the car wash. This is especially important when a car wash has dollar-value tokens (or higher) and is located in an area with arcades or token-based Laundromats that may have different (lower) monetary values placed on their tokens (usually quarter). Big Bunny opted for a size and metallurgy that was different enough from standard brass (commonly used by arcades) that cross-acceptance is not a problem.

Overall, Jolin is very pleased with the conversion from quarters to tokens. In addition to better utilizing his

personnel on site, and added simplicity from a customer perspective,

Big Bunny's Car Wash is reaping added revenue and profit, which are clearly more than "token" benefits from the switchover. It looks like fixing something that wasn't broken was the right call after all for this Southfield, MA car wash.

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