

Making a Case for Tokens



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Jack Guarnieri started servicing electro-mechanical pinball machines in 1975 and has been involved in every phase of the amusement game business since then. He was an operator in NYC, then began a distributorship in 1999, PinballSales.com, selling coin-op to the consumer market. In January of 2011 he founded Jersey Jack Pinball, which builds full-featured, coin-op pinball machines.

I have a friend who owns two restaurants with about 30 pinball machines in each location. With great food, craft beer on tap, upscale cocktails, beautiful decor, both offer an enjoyable experience.

They have regular pinball league play, special tournaments and launch parties for new games. The owners are always on-site, really love their customers and strive to be the best they can be, always improving.

The games operate on quarters. I don't understand that. At first blush, a debit card system might be great, but the installation of card readers, cards and system may be overkill for locations such as these since they're not going to harvest the customer and player data for marketing purposes.

If it were up to me, I'd go old school and use tokens. I'd buy a couple of changers, pick a size token like .880 – bigger than a nickel and smaller than a quarter. You might be scratching your head at this, especially in today's high-tech payment world, wondering what benefits simple tokens bring to this operation.

The point of sale is the change machine. Once a customer buys the tokens, you have their money whether they play your games or not. (Of course, the hope is that they will.) Since tokens have no cash value and are never "bought back," there is no money in the games and no quarters to be lost...or worse. The change machines aren't filled with hundreds of dollars worth of quarters. No running low on quarters and trips to the bank to get them replaced.

You can set the value of the games and the location. Perhaps you do five tokens for a dollar and bonus up for a \$5, \$10 and \$20 buy on the change machine to encourage more play. You could offer five tokens for a dollar, 24 tokens for a \$5 bill, 50 tokens for a



\$10 bill and 110 tokens for \$20.

You can get creative, but what's key is that you can set the values of the money traded for the tokens. The above works well if you start out at four tokens for a dollar. Not many people will only spend a dollar.

I see some locations are giving two or three tokens for a dollar, but the customer who is used to getting

four quarters for a dollar feels the shrinkage. I say you should give more per dollar and then control the value by how many tokens the games take per play. Some games can be at one token per play while you might set others at two or three.

Tokens are also great for party packages, for rewarding someone or promoting a cause. After all, you can't give away quarters!

When you empty your games, just dump the tokens back into the hoppers in the change machine. After some time, you'll notice you have fewer tokens than you started with. That's because not every token you sell will be used. Some will be saved, lost or collected. That's fine. You can buy more tokens for pennies because you sell them for much more. If you get custom tokens with your name on them, they can serve as advertising to let people know where they came from.

Forget any idea of "simply" having the bartenders sell the tokens. First, the last thing they need is another job and if you were to do so, you'd have cash all over the place with very little control – if any. Changers are the way to go! There are bill-breaking changers and credit card-reading changers so you have options to make more money and get your business growing with more happy players.

Is there is a cost to do this? Yes, but it is quickly recovered through increased play and convenience. Now, it's up to me to convince my friend not to reject change. After all, change is inevitable!

