

More than Token Benefits

Dallas Car Wash Makes the Switch from Quarters

Marshall Hays runs three Lucky Ducky Car Washes in the Dallas, TX area and has a total of 16 self-serve bays. He likes making money but finally realized that cash isn't all that it's cracked up to be. After fighting a losing battle with vandals and crooks who were stringing his changers, he switched from quarters to tokens (still valued at a quarter). He's happy with the results — and wishes he'd done it sooner.

Although the car washes were all new to Hays, they had been around for decades — two were built in the early '80s and the other was constructed in the early '70s. They were quarter-based during that entire time. But it seemed that the number of people visiting his changers only for change — and not to clean their cars — was starting to rise. The changers were strung several times, and repeated successful break-ins to the equipment room and damage to the vacuum machines prompted Hays to reconsider whether cash was really king in the car wash business. Extensive research — especially on www.autocareforum.com — enabled Hays to learn from others who had faced the same situation. He quickly decided to convert to tokens.

Rather than risk alienating customers who actually bring their own quarters, Hays opted to accept both quarters and tokens — though the changers dispense tokens only.

This gives customers more flexibility in how they pay, but it also meant that Hays had to replace the single coin acceptors that were installed in his bays. He chose mechanical acceptors for a couple of reasons. Number one, the model he chose will accept only quarters and the 0.900" tokens. And since his tokens were valued at a quarter, Hays was not as concerned with the security aspect. Also, the mechanical acceptors were about \$100 cheaper than secure electrical acceptors.

After replacing the old acceptors, Hays was able to sell them on eBay. He estimates that doing so cut his acceptor replacement cost to "about \$10 per acceptor."

He figures the time to change out the acceptors was a couple hours per location. There were also some "tweaks" required.

"My bay boxes were very dented from vandals," said Hays "and we learned that the new acceptors needed to be very level to avoid jams."

There was also the issue of signage. Hays had large red



Appropriate signage keeps customers informed.

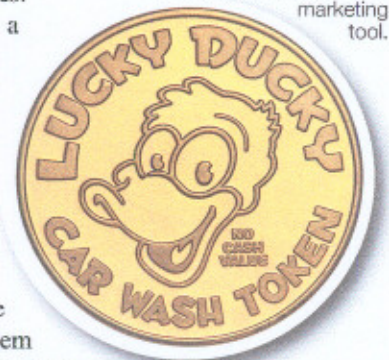
signs made to inform customers — in both English and Spanish — that the changer would henceforth dispense only tokens.

With the mechanical side of the equation accounted for, there were still the tokens themselves to consider. Questions such as secure or non-secure, sizing, and quantity to order were all aspects to ponder.

"We went with a non-secure 0.900" sized token so I wouldn't have to alter my changer," continues Hays. "And so it wouldn't be the same size as a Chuck-E-Cheese token since there is one located literally in between two of my car washes."

Valuing the tokens at a quarter also played into the secure/non-secure question. Hays did, however, opt for custom graphics on each side of the token, taking advantage of the marketing opportunities that tokens provide. Some operators get very creative with their tokens, seeing them as mini-billboards advertising their car washes.

In terms of quantity to purchase, Hays gave this thoughtful consideration. "Since the hoppers in the dual bill changers hold 9,600 quarters, I ordered 10,000 tokens per hopper, plus an extra 2,000 tokens to use to give away to charities or for promotions. So for the three locations, I bought a total of 32,000 tokens."



Tokens: pay method and marketing tool.

SELF-SERVICE

Consistent imaging in signage and on tokens offer branding benefits.



He knows that at some point he'll have to reorder tokens to make up for the "walkaways" — the tokens that people purchase but do not use. But these walkaways are like money in the bank — literally. That's because he pays less than 12 cents for the tokens and then sells them for a quarter — so he doubles his money each time a customer buys a token and then pockets it. Just six months after the switch, Hays figures that about 4,000 tokens have "walked away" — representing a *profit* of \$500.


Since each token includes the name and logo of the Lucky Ducky, Hays is getting some branding at the same time. Customers who view his tokens with their pocket change are reminded not only to clean their car but also where to go to do so.

All of this sounds great on paper, but will the customers go for it? Recall that these locations had been quarter based for decades — and humans are creatures of habit.

"Most customers liked the tokens, and understood the need for safety," recalls Hays. "Many said if they owned the wash, they would do it. Also, at the car wash that is in a very poor part of town, one customer pointed out that it has helped her from getting hassled for change by the vagrants that hang around."

All decisions include uncertainty — and uncertainty causes stress. Because we don't know what is involved, we fear for the worst. But with diligent research, Hays learned that operators had been through this before — and lived to tell about it. In fact, the changeover was not as difficult or time consuming as he originally feared, and the results are clearly worth the effort. His sites are much more secure now, and he's noted a decrease in vandalism while stringing has been eliminated. He has also saved money because he no longer has to replace vacuum locks after break-ins, further enhancing the economics of the switchover.

There is one negative that Hays hadn't considered previously. "The only problem has been the amount of quarters I have to count and carry to the bank," says Hays. "Before I had so many people coming by just for change that I seldom accumulated enough quarters for the bank. Now, instead of just taking grocery bags with cash in them, I have to lug 25-lb bags of quarters. Yes, taking money to the bank isn't a problem, but I'd rather not be as conspicuous in the bank parking lot."

True, but at least Hays is the one taking his quarters to the bank, and not someone who acquired them by stringing the change machines. 

Dottie Hopkins is a sale associate with Van Brook of Lexington. She has over 27 years of experience helping car wash customers select tokens that will perform best in their car washes. You may reach her at (859) 231-7100 or dottie@osbornecoin.com.