

Thwart the Thieves - Search for Security Brings Additional Benefits

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Citrus Heights Car Wash.

After two separate incidents of theft that resulted in a loss of \$1,200 in quarters, Kimberly Berg, the owner of Citrus Heights Car Wash in Citrus Heights (a suburb of Sacramento, CA), decided that it was time for a change. Berg chose to eliminate the temptation of quarters altogether, and converted from quarters to large, high-security tokens. The tokens not only eliminated theft entirely, but also allowed Citrus Heights Car Wash to accept credit cards and opened the door to unique promotions.



“STRUNG” ALONG FOR TOO LONG

Thieves hit Citrus Heights Car Wash’s cash machine twice with a process known as “stringing,” and collected hundreds of dollars’ worth of quarters.

A girlfriend of Berg’s in the car wash industry recommended switching to tokens. Berg wanted a unique token she was proud of, and that people would like to use. She chose a security token with a \$1 value. The ultra-high security tokens are minted with two different color metals that produce a unique look that is extremely difficult to counterfeit.

On top of the added security, the large gold-and-silver-toned tokens are attractive to customers. Berg was confident that “if she made them cool and unique, people would want to use them.” Citrus Heights Car Wash started using tokens in January 2015 and, according to Berg, “people love them.” Her younger

customers love them because they're eye-catching, while other customers appreciate their international appeal, since they resemble Peso and Euro coins.

A NEW MACHINE FOR THE NEW TOKENS



Implementing credit card capability into a car wash can be an expensive proposition. Citrus Heights Car Wash has 18 devices that accept money, which include five bays, five vacuums, and eight vending machines. Installing a credit card reader on each one would cost about \$7,000. Rather than undertaking such a large and costly project, switching to tokens allowed Berg to install one credit card reader on her bill changer, that dispenses tokens for customers to wash, vacuum, or purchase vending, and gives her the security she wanted.

The manufacturer of her bill changer doesn't offer a credit-card-swiper retrofit for their changer and suggested that she buy a completely new change cabinet at a cost of almost \$10,000. As an alternative, Berg worked with her local car wash equipment supplier, who recommended installing an ePort credit card system to the front of her cash machine. This unique system, which uses cellular technology, eliminates the additional expense for an Internet connection and installs easily. Technicians merely installed a 24-volt transformer to power the ePort system, then hooked up four wires. Berg's local supplier sold and installed the system for \$600.

NEW TOKENS, NEW MACHINE, NEW GROWTH

Since converting to tokens, and adding the credit card reader in January, Berg has seen credit card sales grow to 40 percent of revenue, and her quarterly sales have increased 66 percent over last year. She reports much of that growth is from new customers who are younger and very particular about their cars. Since their vehicles often have custom paint jobs and are equipped with exterior accessories such as ski or bike racks, they prefer to avoid a tunnel wash or automatic rollover. The young generation also doesn't carry much cash and they find it convenient when they can use their credit or debit cards.

Berg is building goodwill with her new customers by not charging them a bank fee. This is one of the reasons that Berg decided not to offer any promotional pricing on her tokens. The tokens are priced for \$1 each, whether they use cash or credit. This way, it helps cover bank fees on the credit cards. As Berg says, "you can always offer a special token promotion. But if you offer bonus pricing every day, your customers will come to expect it, and may resent it if you take it away."

WALKAWAY TOKENS

Part of the 66 percent increase in quarterly sales is coming from "walkaway tokens," that is, when customers buy them but don't always redeem them. In the first three months, Citrus Heights Car Wash has seen their token inventory drop by 3,000. While some may cringe at the number of tokens lost, Berg knows better. She pays \$0.36 per token that sells for \$1, netting \$0.64 per walkaway or \$640 per month. Industry experience shows that walkways are often higher in the first six months of operation, and then slows down to 4 percent to 8 percent per month.

When Berg was designing her tokens, she learned that there are people who actually collect business tokens. She wanted to capitalize on the fact that her car wash is located on the historic Highway 40 segment of the Lincoln Highway corridor, a transcontinental highway that runs from San Francisco, CA to Atlantic City, NJ. The final token design includes the car wash name and address, along with the Highway 40/Lincoln Highway symbol in the center. Every chance she gets, she likes to share this history with her customers, and now some of them are collecting tokens, too. As she was designing them, she specifically chose not to include the words "No Refunds" on the tokens. Berg only wants customers to keep and use her tokens if they want to, and is willing to buy back a token if a customer requests it. She also likes to give people more than they expect, and does so cheerfully.

IF YOU GIVE THEM FREEBIES, THEY WILL COME

With the increase in profits, Citrus Heights Car Wash is giving back to its customers to ensure they keep coming back. Berg recently began a program where customers receive a coin tube with a \$10 purchase of tokens or more. These are clear tubes that coin collectors use and are a great way for customers to organize their tokens and keep them accessible in their glove box or center console. According to Berg, the tubes hold 30 tokens. After a customer receives a tube, they often go back to the changer and buy

20 more tokens to fill the tube, guaranteeing return visits. And, of course, she has the tubes labeled with the Citrus Heights Car Wash brand. It's a fact that customers with tokens in hand tend to spend more per visit and visit more frequently. In addition, Berg recently found a source for high-quality promotional pens, in her signature color of "yellow," printed with her car wash name. Since everyone can always use

a good pen in their vehicle, she enjoys handing them out to her customers, personally thanking them for their business.

PLAN YOUR WORK AND WORK YOUR PLAN

Converting from cash to tokens has certainly paid dividends for the Citrus Heights Car Wash, and Berg gets kudos for her meticulous planning. The changeover took seven months — from June 2014 to January 2015.

“I spent most of my time preparing, by talking with my customers, and other car wash owners, researching tokens, installing electronic coin acceptors, upgrading my vending machines from mechanical to electronic ones, and designing the signage,” she explained.

Reading about the experience of other car wash owners on the AutoCare Forum was very helpful because “that helped me avoid some of the mistakes they felt they had made, such as using smaller, common-metal tokens, valued at only a quarter.”

All told, Berg figures she spent \$11,777 on the conversion process, including the tokens, the ePort reader, a token wheel for each of her hoppers, electronic coin acceptors, the electronic vending retrofits, the electrician fees, and the ever-important signage and decals. Although she is very pleased with the results, she cautions that despite careful planning and implementation, patience is needed when you make the switch.

“Despite the extra signs and labels we put up, we’re still getting a few customers trying to insert quarters into the machines,” she lamented. “It’s helpful that I can be on-site most days, because I can easily exchange their quarters for tokens, answer questions, and clear jams. I’m glad that I waited until after the holidays to convert, since January is one of our slowest months. It gave us a chance to get our customers up to speed on the new tokens and comfortable using the credit card reader — ready for our busy summer season.”

Berg knows she can’t credit all of the sales increase to tokens — she’s a very active owner/operator. After a complete remodel of her car wash, she’s now spending more time on location, meeting new customers, answering their questions, and even giving away extra tokens. Her investment of time, along with the smart business decision to switch to \$1 tokens and installing a credit card reader, will ensure that

Citrus Heights Car Wash remains a safe, and profitable business for years to come.

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