

Looking At Both Sides of the Coin

Several of the Laundry Machine manufacturers and the Debit/Smart Card companies have been aggressively selling the Debit/Smart Cards for around a decade in the Laundry Industry. It was thought when introduced that the coin would disappear and all laundries would be Debit/Smart Cards.

In reality, in all of the Industries the Debit/Smart Cards achieved less than 5% of the market. Why did they get 5%? Because it makes sense in some applications. Like Dave and Busters in the Amusement Industry. You have a captured audience for a certain period of time and you want to have faster and easier transactions that distract from how much the customer is actually paying. Or a college campus for Vending, the student carries around a convenient Debit/Smart card and it can be used on everything at the school.

However, Debit/Smart Cards do not make sense in most applications. It's just a payment system that is expensive to maintain. So, why has the Debit/Smart Card technology not worked in the Laundromats the way some would like? Even with article after article, talking down coin and talking up Debit/Smart Cards, advertisement after advertisement, year after year, coin has dominated by a landslide and no signs of the Laundry operators changing buying patterns.

Hopefully, the small part of the Debit/Card companies selling them today have enough business to stay profitable. Several of the companies that are selling the existing Debit/Smart Cards were purchased companies that didn't obtain profitability in the Vending, amusement and other related Industries. Dave and Busters lost their Smart/Debit card company recently when they went out of business.

Below are some common sense comparisons on Coin and Smart/Debit Cards.

NO FLOAT

Card system companies love to sell you on the "Float". This is your customer's money that they didn't get to keep because the balance is still on the card. Do you really think that the customer likes this? Let's be realistic, it aggravates them and some of them don't return to your Laundromat. People in general do not like other people taking their money.

KNOW YOUR CUSTOMERS

Most laundries are for people who do not have or cannot afford their own Laundry machines. Considering there are millions of people in this country that do not have a checking account or credit cards, they are probably the same ones who do not have laundry machines. So, these are probably your customers. They need the "Float" that is left on the smart card. They do not want to give it to you. Many smart card stores refund the "Float" to the customers when they leave because their customers demand it back, thereby adding an extra labor expense. Many loyal customers will leave and go to another laundry if card systems are used.

Forcing a customer to purchase a smart card does not always work. Not everybody wants one more piece of plastic to keep up with. No balance is shown on the card so the customer has to remember their balance.

MAINTENANCE

With Coin, if one acceptor is out of order, all other washing machines and dryers are still working. If some card systems have technical problems, all of the washing machines and dryers are Out-Of-Order.

All owners can fix a coin acceptor, but when a card system breaks, chances are it might take an expensive computer or electronic repair technician.

Have to employ higher level, higher paid attendants. It's no longer an easy, simple Coin Laundry; it is Hi-Tech and expensive.

Training your employee(s) for the Hi-Tech card systems is more expensive than training your employee(s) for coin.

Coin Laundries are a lot simpler and less expensive to maintain than card systems. When coin acceptors quit working, you usually take the jam out and you're in business again. When a washer or dryer quits working with the card system, you probably re-boot it once or twice and if that doesn't work you are just staring at a few electronic boards that you don't have a clue how to fix.

Attendants not only need to know the card system. They have to know it well enough to teach it to the customers, oftentimes in a different language.

MORE EXPENSIVE

Simply more expensive to operate a laundry with a smart/debit card system: Some say it costs the Laundry owner 15% of the gross sales because of the smart/debit system. This begins with the initial investment, loss of customers who dislike/uncomfortable or who prefer Coin Laundries. Higher salaries for attendants that should have some computer skills since the smart/debit systems are all electronic. Costs money to educate customers to operate card system. Card expense can be brutal. Some laundries pay thousands monthly on cards themselves. The customers are obviously paying for these. So, it is derailed dollars that are not helping your customers wash their cloths.

AGING CARD SYSTEM

Aging Card System: What does your computer store say when you ask about fixing your six to eight year old computer, if it lasts that long? They say it is not worth putting money into that old computer. That technology has progressed and a new computer is faster and most of the electronic components are not available for that old computer. Do you think that you just might get the same answer from the card system manufacturer when your system is that old? So, budget in buying a new smart/debit card system at some point.

EASIER TO ROB

With card systems, the thieves only have to rob one machine to get all the money. With coin they have to rob every machine in the Laundromat.