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FREQUENTLY ASKED QUESTIONS TOWEL TRACKER FOR HOTELS AND RESORTS

Q. How was Towel Tracker invented?

A. Towel Tracker was invented by Steven Molewyk, Towel Tracker’s founder and Chief Operating Officer. Molewyk is an entrepreneur who previously owned a commercial laundromat in Grand Rapids, Michigan. The laundromat’s customers included a large fitness club whose manager mentioned that club members were stealing 3,500 towels each month, which was costing the fitness club nearly \$50,000 a year. Molewyk was astounded by these numbers, which ultimately inspired him to invent Towel Tracker for fitness clubs. Since then, Towel Tracker has expanded its customer base to include hotels and resorts experiencing chronic poolside towel theft problems.

Q. How serious is the pool towel theft problem at hotels and resorts?

A. The problem is very costly and rampant at hotels and resorts, especially in destination locations and beachfront properties. Here’s what some of our customers have shared with us:

“We were spending approximately \$6,000 to \$8,000 per month on replacement towels, due to our towels going missing—typically from guests taking the towels and going different places with them; i.e., theme parks and beaches.”

*Antonio Jones, Assistant General Manager
DoubleTree by Hilton Orlando at SeaWorld
Orlando, Florida*

“We used to have a staff member dispensing towels 13 hours a day, 7 days a week, and we were still losing about \$6,000 a year in towels. At operations meetings, we were always discussing having to order new pool towels. I grew tired of hearing about it, and it just became automated—the cost of doing business. It pained me to have this viewpoint.”

*Michael Edwards, General Manager
The Cove at Yarmouth
Yarmouth, Cape Cod, Massachusetts*

“We had very substantial towel losses for a variety of reasons, including everything from leaving them on the beach to taking them home as a souvenir.”

*Marc Adcox, Assistant General Managers
Island Vista Resort
Myrtle Beach, South Carolina*

Q. How does Towel Tracker work?

A. Towel Tracker is very easy to use:

HOW TOWEL TRACKER WORKS

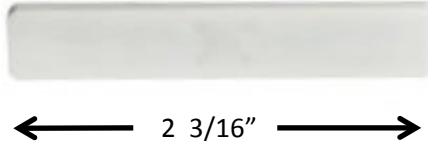
1. Hotel and resort guests scan or swipe their room card through a card reader on the front of the towel cabinet. Then they open the door and take the towels they need.
2. A small, washable RFID tag is imbedded in each towel. After the clean cabinet door is closed, the cabinet does an RFID scan of the remaining towels and can tell exactly which towels were removed.
3. The towels that were removed are automatically assigned to the guest's account—just like borrowing books at a library.
4. Guests place used towels in the return cabinet, which scans the RFID tag in each towel and removes them from the guest's account.
5. If a guest walks out with towels, those towels remain on his or her account. Hotel and resort management know exactly who has taken them and can handle it in any way they deem fit.



(For a video demonstration of Towel Tracker, see our website: www.toweltracker.com)

Q. **How big is an RFID chip?**

- A. Towel Tracker uses washable RFID (Radio Frequency Identification) tags that are about the size of a large paper clip. They look like this:



Q. **How effective is Towel Tracker at reducing towel theft?**

- A. Extremely effective. For example, during summer 2015, Towel Trackers were installed at DoubleTree by Hilton Orlando at SeaWorld resort in Florida and at Island Vista Resort in Myrtle Beach, South Carolina. By the end of December 2015: DoubleTree's Towel Trackers dispensed 45,945 towels, of which 97% (44,480 towels) were returned; and Island Vista's Towel Tracker dispensed 15,969 towels, of which 99.9% (15,788) were returned. Furthermore, managers at both resorts know exactly who has taken the missing towels and can address it any way they wish.

Q. **How much do hotel and resort pool towels cost?**

- A. A lot more than most people realize! When buying hotel/resort pool towels in bulk quantities, you can expect to pay about \$3-5 for a low grade towel, \$5-7 for a midgrade towel, and \$7-10 for a nicer, fluffier, high grade towel. Now suppose 1,000 towels are being stolen from your hotel or resort every month. You initially paid for those 1,000 towels, and now you need to buy 1,000 replacement towels every month. Here's what this will cost you:

- Low grade towels costing \$4 each:
 - The initial 1,000 towels will cost \$4,000.
 - Buying 1,000 replacement towels will cost another \$4,000 dollars per month.
 - Total cost (initial supply + 12 months of replacements) = \$52,000 per year.

- Mid-grade towels costing \$6 each:
 - The initial 1,000 towels will cost \$6,000.
 - Buying 1,000 replacement towels will cost another \$6,000 dollars per month.
 - Total cost (initial supply + 12 months of replacements) = \$78,000 per year.

- High grade towels costing \$8.50 each:
 - The initial 1,000 towels will cost \$8,500.
 - Buying 1,000 replacement towels will cost another \$8,500 dollars per month.
 - Total cost (initial supply + 12 months of replacements) = \$110,500 per year.

(Please keep in mind that these are conservative numbers. Many hotels and resorts average more than 1,000 towels stolen per month.)

Q. What do people do with stolen towels?

- A. While many people take towels home as souvenirs, others take towels for different reasons. A customer once told us about people selling stolen towels at garage sales and flea markets. We've also heard about stolen towels being used at a car wash and an auto detailing business. Still another customer told us about hotel guests using towels to wrap and protect souvenirs in suitcases. We will add to this list as we hear about other ways stolen towels are being used.

Q. Does Towel Tracker offer any other benefits beyond reducing towel theft?

- A. Yes it does:

- Eco-friendly reduction in overall towel usage
When people know their towels are being tracked, they no longer take large stacks of towels. Instead, they tend to use 30-40% fewer towels. This results in less wear and tear on towels, which last much longer. In addition, when overall towel usage goes down, there's a corresponding eco-friendly drop in the costs associated with laundering towels, including detergents, bleach, electric, gas, and water.
- Cleaner facilities
With Towel Tracker, hotel and resort guests no longer leave dirty towels lying around for staff members to pick up. Instead, they proactively place their used towels in Towel Tracker's return cabinet, which improves the cleanliness of pool and beach facilities. Antonio Jones, Assistant General Manager at Doubletree by Hilton Orlando at SeaWorld, commented, "We live in Florida, rainstorms come in pretty quickly, and there were cases when I would see towels all throughout the pool deck. Now guests bring them back to Towel Tracker, because they don't want to be charged for them."
- Redirected and reduced labor hours
When hotel and resort guests proactively return used towels to Towel Tracker's return cabinet, staff members no longer need to regularly walk through a hotel or resort's property picking up towels. This frees them to care for other job duties that are more strategically valuable. In addition, Towel Tracker eliminates the need for employees whose entire jobs revolve around towel management. Marc Adcox, Assistant General Manager at Island Vista Resort in Myrtle Beach, South Carolina, stated, "With Towel Tracker operating by itself, front desk employees no longer need to distribute and monitor pool towels, and a dedicated employee is no longer necessary for peak season pool towel duty... the savings are significant." Michael Edwards, General Manager at The Cove at Yarmouth, added, "We no longer need an employee to dispense pool towels, so we're now saving about \$18,000—\$20,000 a year on payroll."
- Ability to offer higher grade towels
When towels aren't being stolen, hotels and resorts can offer nicer towels to members. Edwards upgraded towels at The Cove when Towel Tracker was installed. He stated, "They're at least double in size. They're heavier and larger, and guests appreciate them because before they had to use two towels, and now they only need one."