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Between Collectors' Item, Investment Product and Gambling: Privy-Marked Proof 2020-W American Eagles

By Ursula Kampmann



The Privy-marked Proof 2020-W American Eagle in gold (© US-Mint).

On 5 November 2020 at midnight, around 390,000 potential customers simultaneously tried to purchase a US gold coin that only differs in a tiny detail from the well-known, popular bullion coin, the American Eagle – namely the Privy-marked Proof 2020-W American Eagle. The only visual difference between this piece and fellow American Eagles is a tiny punch in the right field: V stands for Victory and 75 for the 75th anniversary of the end of World War II.

Fitting the anniversary, 1,945 pieces of this gold coin, weighing one ounce, were minted. They were offered for the price of \$2,600. Also in line with the occasion, the US Mint produced 75,000 silver one ounce coins of the same design. Customers could purchase them for the price of \$83.

The sale was held online only – without the opportunity to pre-order coins. Collectors, dealers, long-time customers and new

investors – everyone was treated equally: they had to sign in to the Mint's website on 5 November at midnight to place their order. Every customer could only buy a single specimen of the gold and the silver coin.

This special American Eagle is obviously not the only gold coin that the US Mint has produced for the collectors' market.

Currently, several gold commemorative coins are on offer, for example the American Liberty 225th Anniversary weighing one ounce, which is available on the US Mint's website for the price of \$2,540. Congress approved an amount of 100,000 pieces of this coin to be issued, which is quite a usual mintage number for US gold commemorative coins. High mintage numbers like these are common and, in many cases, not all of the coins will be minted. The actual number of produced coins depends on the sale figures.

Regarding silver coins, things are quite similar. The mintage of the Women's Suffrage Centennial Silver Dollar was limited to 400,000 pieces. And the coloured Basketball Hall of Fame Silver Half Dollar has a limited mintage of 75,000 pieces; the US Mint is allowed to issue a total of 750,000 coins featuring this motif.

Therefore, the silver and gold versions of the Privy-marked Proof 2020-W American Eagle have an incredibly unique feature: the mintage number is extremely low compared to other US coins. Anyone interested in coins as investment products understood that. The gold coins were sold out after seven minutes, the silver issues after 90.

One might think that the coins being sold out so quickly was a really great result. However, while there are 1,945 collectors only who actually got hold of a gold coin, and while some are offering them now on eBay for \$15,000–20,000, there are hundreds of thousands of angry collectors on the other side who weren't so lucky.



Two items on eBay: If you are prepared to pay €13,500 or €17,000, you can buy a Privy-marked Proof 2020-W American Eagle in gold at any time. Apparently, many collectors were intelligent enough not to do so. The offer has already been online for quite a while.

Privy-Marked Proof 2020-W American Eagles *(Continued)*

Regarding the silver coins, collectors aren't that upset, perhaps because the coins' value 'only' increased to \$300–400.

'A well-known numismatic magazine summarised what collectors are concerned about in an article bearing the title 'Enough is Enough...': collectors regularly purchase coins for high initial costs directly from the mint. However, the article continues, these very coins are worth much less on the secondary market than that needed to recover the purchase costs.

And now, collectors haven't been able to take the unique chance to buy a coin whose value actually increased in value for two reasons: the mint didn't issue enough coins, and non-collectors took the chance away from them because it wasn't only collectors who understood that profit could be made with these coins – non-collectors got it, too.

We don't have to discuss the logic behind this complaint because this isn't about logic, it's about disappointment. The disappointment experienced by every collector who sat in front of their computer in good time and did everything they could to get hold of the coin, but didn't get it anyway. In that moment, disappointed customers didn't want to understand the fact that it would have been hard for any website in the world to offer their usual service with 390,000(!) potential customers accessing a single product at the same time.

A collector told the magazine *Coin World* 'this was the worst Mint experience yet. I would get all the way to the final review, click on it for the confirmation of my completed order, and then get thrown back to 'checkout as a guest,' and I would have to start again. I must have gone through this cycle close to ten times before it said that the item was no longer available.'

Less than two weeks later, on 17 November 2020, a set produced by the US Mint in collaboration with the Royal Mint on the occasion of the 400th anniversary of Mayflower was launched. It was a combination of coins and medals, and the mintage number of the coins – 5,000 pieces for the gold issue and 20,000 for the silver one – was also much lower than that of usual US Mint products. It was to be expected that what had already happened in the case of the Privy-marked Proof 2020-W American Eagle was to happen again.



\$10, Mayflower 400th Anniversary in gold (© US Mint).

Although US Mint products usually go on sale at noon EST, the sale of this specific coin set was brought forward to 9 am – a fact that was communicated in a press release published the night before, just a few hours before the start of the sale began.

One might guess that the US Mint brought the sale forward to allow customers from the United Kingdom to participate in the sale at an acceptable time – ie. 2pm. It could also be that the US Mint was worried about another digital rush of 390,000 customers. This figure would have certainly been even higher now since numerous press releases had made many people aware of the fact that it was possible to make the money within seconds by purchasing a coin.

As expected, the coins were sold out within the hour. And there was such a great outrage among collectors that David Ryder, the Director of the US Mint, felt compelled to write a message to the mint's customers one day later. It's a good message. A message that shows that the US Mint makes an honest effort to take the concerns of collectors seriously. However, it is also a message that shows that – no matter what a mint does – it won't be able to please everyone.

If the mintage number is too high, coins will sell below their initial price on the secondary market. If the mintage number is too low, prices will rise, but long-time customers that didn't get hold of them are angry. We have to think of it a bit like a lottery, and every ticket is a prize. However, the technology provided by the mint prevents most customers from buying a ticket.

Part of the problem is a decision made by the US Mint. It doesn't offer the opportunity to place pre-orders, an option that is available in other countries – in Germany and Switzerland, for example. If there are more pre-orders than available coins, the issues will be raffled off among all customers.

Of course, there are also customers complaining about the German and Swiss system, especially among collectors who buy all the mint's products and get upset when new customers – who might not even be collectors but investors! – are treated the same as they are. It's impossible to find a system that nobody gets upset about.

And one thing must be clear to all participants: despite all the negative comments the US Mint received on both occasions, the incredible demand was a true PR stunt. The high profits customers could virtually make overnight were discussed by many media outlets.



People waiting in line at the World Fair of Money in Chicago to buy a Kennedy Half Dollar in gold (© Dirk Löbbers).

This narrative is perfectly in line with the collector myth, according to which one only has to buy the right coin to make a lot of money. The few collectors who got upset and stopped buying from the mint will be replaced by many new collectors that are hoping to make the big money.

However, PR and a lasting success are two different things that must be weighed against each other.

The reason for this lies in the fact that the attention span of the media is extremely short. This means that profits are only celebrated by media platforms if they can be made very quickly. The question of what happens to the coins afterwards isn't of any interest.

Do you remember, for example, the US Kennedy Half Dollar in gold of 2014?

👉 Back then, the first 2,500 pieces were issued in the context of the World Fair of Money in Chicago for the price of \$1,240. On this occasion, three American grading institutes offered First Day Issue grading for the 'first' dollars of this series, ie. sealing them in plastic holders which said that the coins were among the first sold pieces of this issue

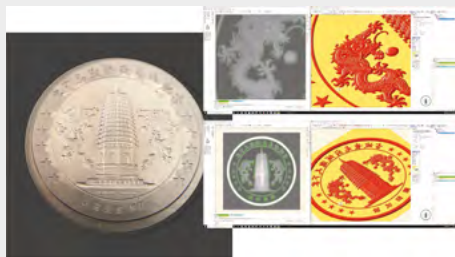
👉 Back then, a coin dealer bought the first four Half Dollars from their proud owners for the incredible sum of \$20,000 – and had the pieces graded. Even TV news stations covered the story – and, the next day, the police had to deal with large crowds of people queuing around the exhibition venue. Finally, the sale had to be stopped for security concerns – but that didn't matter anymore. All the media coverage resulted in 61,700 golden Kennedy Half Dollars already being sold via the internet on the second day of sales. For once, the mint made use of the entire mintage limit of 75,000 pieces approved by Congress.

By the way, you can now buy these Kennedy Half Dollar in gold for €1,375 at any time – even though the gold price was only at \$1,266.40 per troy ounce in 2014!

So far, no collector has complained about that.

👉 Click text for full article.

LANG Offers LergoCAD & Relief Designer Programs in One Package



LANG GmbH & Co KG has been operating in the coin industry since the mid-1980s and supplies customers around the globe with machine systems suited to the production of coining dies. To optimise the results, LANG develops in-house software solutions: LergoCAD is used to create two-dimensional designs. Relief Designer adds a third dimension to the designs so that they can be used by the machines in the production process. In the past, both programs had to be operated separately. Now they have been combined in a single package, making it much easier to make changes at any stage of the process.

The LANG company is a leading supplier in the field of high precision engraving and milling as well as positioning systems, which are used in the coin producing industry. CNC engraving machines of the Impala series were developed for the 3D milling of dies. If you want to quickly produce dies for high relief issues, machines from the Impala series are a perfect choice.

The Pulsaris 300 laser system makes contactless engraving and marking of hardened dies possible. As such, it is especially well suited for the production of dies with detailed frosting, micro engraving and security features.

A one stop shop solution

To transform the idea of the design into a coining die in the best way possible, LANG developed two independent programs: LergoCAD enables users to create and edit a two-dimensional basic design in a quick and easy way. Relief Designer, a second, independent program, adds a third dimension to the coin design and, in combination with the high precision milling machine Impala and the Pulsaris 300 laser system, it finds the ideal strategy to transform the three-dimensional design into a coining die as quickly, accurately and efficiently as possible.

From now on, customers can use both programs at the same time.

'Due to the fact that both solutions are now interlinked, changes made in one program are automatically also available in the other program. In addition, the saving and opening of the LG3 file needed for the stand-alone versions is no longer necessary. A button, which is located in the taskbar, ensures a quick change between the programs. This connection saves the user time and minimises sources of error,' explains Thomas Kozian, Managing Director of LANG.

Joachim Steidel, Sales Manager of LANG, goes on to explain that 'the combination of the two programs offers a much higher computing power, as it is possible to use different processors in the background. Furthermore, the update includes various functional enhancements to achieve shorter processing times for programming. Tool libraries and strategies can also be stored more easily. Additionally, data backup has been simplified and data volume reduced while simultaneously increasing the depth of detail. Notes on workflows and process information are automatically saved.'

The CAD+Design software package offers, besides other features, an object-oriented structure, own program libraries, a scale assistant, CAM calculation for milling/engraving and laser machines, manufacturing simulation and much more.

'By using CAD+Design's versatility and user-friendly features, we create maximum efficiency and profitability for our customers. Starting in 2021, we will offer maintenance contracts for the individual licenses so that the software is always up-to-date for our customers,' says Thomas Kozian.

'The advantage for our customers', adds Joachim Steidel, 'is that they can get everything from a single company. This means that customers have one single contact person for discussing any issue regarding the process, from thinking about a design idea to producing the perfect die. This is also important regarding security concerns. And we are extremely customer-oriented, which means that we constantly incorporate the needs of our customers into the further development of our software. We obviously provide technological training regarding the employment of our products in the coin producing industry, customer service and, of course, online support.'

LANG machine systems and software solutions are not only used for minting coins but also for the production of security paper and banknotes.

For more information visit the LANG website at www.lang.de or contact Joachim Steidel, joachim.steidel@lang.de.

Royal Mint: Customer Retention with Webinars



For several years now, The Royal Mint's webshop has been offering historical coins alongside its own new products. This offer is targeted at collectors in the secondary market, with many 'traditional' collectors often needing advice and assistance. To stay in touch with this group of customers, The Royal Mint has created a new format: the webinar.

Corona has made it impossible for people to gather at traditional meeting places. Coin fairs have been cancelled, regulations restricting people from visiting shops have been implemented around the globe. In this situation it is difficult to provide customised advice to clients.

The British Royal Mint reacted to this problem by launching the Collect Week webinar. In this way, the Collector Services division tries to retain customers and to find out what collectors expect from The Royal Mint.

But what does this look like in practice?

Webinars: 30 minutes of customer retention

The first webinar started on 22 October 2020. It was divided into three parts.

After a brief introduction by Rebecca Morgan, Director of Collector Services, Nicky Harris, Collector Services Sales Manager, explained the work of the Collector Services division.

The participants found out how Collector Services support collectors: they provide personal contacts who help collectors build up a collection and identify gaps in it. To avoid the webinar from being a mere compilation of dry facts and figures, Harris pepped up his presentation by telling his own story, how he came to The Royal Mint and what collecting coins means to him. By means of two selected coins he reminded the participants of the offer currently available in the webshop.

Chris Barker, Information and Research Manager of The Royal Mint Museum, had the most speaking time during the webinar (about 20 minutes). Barker described the Sovereign and its history in detail. In this way, the participants also got an overview of the history of The Royal Mint. Numerous pictures of historical coins and other images were used to illustrate the presentation.

Customer contact beyond the webinar

The event was held via Glisser, a specialised provider for webinar and meeting solutions. It is encouraging to see that The Royal Mint did not simply opt for the standard meeting solution (see Beyond Zoom – page 5). Nowadays, every participant expects digital events like these to have acceptable picture and sound quality. This was the case.

Moreover, the general concept was convincing. Participants could ask questions in the chat during the webinar, however, these questions weren't answered directly at the end of the webinar. The Royal Mint decided to respond to questions individually by email. This is in line with their objective of providing collectors with customised advice.

At the end of the event, the participants received two emails. This also served the purpose of reminding customers of the company. One of the emails included a link to download the presentation slides, the other one a link to watch the entire recording of the webinar. To broaden its platform, The Royal Mint edited the individual videos of the webinar (without slides) and posted them on YouTube. Within the first four weeks, the video was watched more than 400 times on YouTube.

Especially in the current situation, webinars can help mints keep in touch with their customers – and in particular with collectors in the secondary market. Depending on your needs, events can focus on marketing/sales or be rather educational – or you can opt for a combination of both. To make this happen, you have to decide for a convincing technological solution first. The Royal Mint sets a good example for this.

However, one question hasn't been answered yet: what happens next? If you launch a webinar series, you do well in telling your audience what they can expect to happen in the future. When and on what subjects will webinars be held?

It appears to be the case that The Royal Mint wanted to wait and see how collectors react to the offer. As Nicky Harris explained to us, a survey regarding the topics participants of the first webinar are interested in is meant to help identify the subjects of future events. After all, this means that they are listening to feedback from their clients. This is a good way to avoid creating products for which there is no need.

Beyond Zoom: The Vast World of Webinar Tools

By Björn Schöpe, CoinsWeekly

Since the pandemic began, hardly any industry has been in such demand as that for software providing digital solutions for online meetings and webinars. This is unlikely to change in the long-term, as these tools offer great opportunities in the field of marketing and sales. Provided you think carefully about how and by means of which solution you want to address your customers.

B2B companies spend almost a quarter of their marketing budget on events taking place live in the digital space. In most cases, that's more than they spend on PR or advertising. That is the result of a study quoted by Mike Piddock when he explains how his company Glisser came about. Glisser is a software solution for online seminars and meetings, and it is obviously much more affordable than holding a fair. Since the pandemic began, this sector has been booming as there are hardly any 'real' events taking place.

A solution that is certainly much better known than Glisser is Zoom. Zoom managed to establish itself as a brand just like Skype for video calls and Kleenex for tissues. But especially for companies that want more than a short video call, it is worth to check out what other solutions there are beside Zoom. After all, data security is a central concern in the world of coin production and, therefore, companies had better inform themselves thoroughly before holding webinars.



“Big events are expensive and, in times of pandemic, it's impossible to hold them anyway. Digital events cannot compensate for everything, but they have many advantages, for example regarding data analysis. And their price is unbeatable.”

Meeting or webinar?

We call it a meeting if the purpose of the event is the gathering of several people – usually staff members or clients – just like a team meeting. The number of participants tends to be rather small and, in theory, everyone participates on an equal footing, usually by video.

A webinar is something else. In a webinar, the host addresses a large number of participants; there can be hundreds or even thousands of people listening. Participants can ask questions in the chat, for example, and the organiser can allow individual clients to speak by video, albeit there is a clear hierarchy.

In a nutshell, meetings are supposed to help organise internal processes of a company, while webinars are primarily information events.

“Especially for people working remotely, online meetings are the go-to option. However, webinars can be powerful tools for companies as they enable them to get or stay in touch with customers.”

A strong presence – all around the globe

Thus, webinars are perfect tools for marketing events, for celebrating the launch of a new coin or for offering a workshop. By means of a simple invite link you can gather people from all over the world in your virtual space with branded software. And there you present products, either live or in a video that is shown again and again at fixed times.

Marketing experts such as Mike Piddock, quoted at the beginning of this article, are particularly pleased about the fact that they can gather user data at virtual events, which can be evaluated later. Who participated, what did the audience like, how many questions were asked, how long should an event be if you do not want participants to leave, who downloads the slides of the presentation afterwards and who comes back next time? Questions like these and many more are answered by analysis tools that help companies to better understand their customers.



© Chris Montgomery on Unsplash.

However, companies need more than just data. Personal contact is paramount for reliable customer retention. Even in the digital space, a mint should not only present itself as a brand. Just as is the case at a real fair, actual people, staff members need to be in front of the camera. People aren't just there to use an online shop, they want to speak to other people, write messages, get advice or talk about their problems. All this is possible in a webinar.

Webinars are a wonderful place to find out what the target group is concerned about. Do they like the new product? Are there any complaints?

But webinars can also be a great opportunity for presenting new devices in the context of B2B relationships, for example between mints and suppliers. It is apparent that the coronavirus has changed our attitude towards online events. It is very likely that meetings and webinars will have established themselves as alternatives even once real-life events are possible again. Even the most expensive options are more affordable than holding any kind of real-life fair.

But which software solution is the best one? The most expensive one? The one that is best-known? Zoom?

Unlimited Possibilities: Not Only Via Zoom

The first thing all companies and institutions were looking for when the first wave of the pandemic hit was a software enabling staff members to keep in touch, a solution for digital meetings. Zoom, a US company, already had a strong position back then and was able to expand quickly during this time. Since Zoom also offers a supplement for online webinars, these events quickly became popular too.

The Vast World of Webinar Tools *(Continued)*

However, by now numerous companies around the globe offer customised webinar solutions for small, medium and large groups of participants. Each of these companies has strengths – and weaknesses. If you try different products, you will quickly notice that even if two providers offer a solution with the same function, the experience of using them in everyday life can be completely different.

An important question is, for instance, how convenient it is for participants to register. Nobody wants to lose customers that don't know much about technology because the registration procedure is designed for a young technophile clientele. Some programmes are particularly suitable for educational events but have little or no marketing tools.

Other solutions come from the marketing sector and have high functioning analytics tools, which Zoom only offers as an additional subscription.

A decisive factor that shouldn't be underestimated is customer support. What's the point of having the best software if there is no one you can contact, or no one you will be able to contact in a language you understand, if there is any problem? For such a service it might be worth purchasing the software of a local company even if it's a little bit more expensive. Especially companies based in Europe should have been very careful since 2018. Cue: GDPR (General Data Protection Regulation).

“Data protection is very important, especially for European users. However, every company should be interested in having a software solution providing a secure environment for customers and staff members that are meeting in the virtual space.”

The crucial question – what about the data?

Since the GDPR was implemented, a new importance has been attached to the security of personal data in Europe. This particularly applies to sectors in which sensitive information is dealt with during meetings. If you participate in a webinar, you also have to provide personal information, which will be stored. Problems arise quickly if you as the organiser cannot guarantee that your webinar software complies with the GDPR.

Zoom was severely criticised in spring 2020 because it transmitted data to Facebook without informing users about it. Zoom reacted and changed that. But it was not until autumn that an actual end-to-end encryption was implemented making it impossible for Zoom to access any kind of connection data of its customers. This was a major problem that could not be compensated for, even by the quality of the calls and its user-friendliness.

You see, it is worth checking everything before deciding on a certain software.

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World Money Fair Goes Digital

The World Money Fair has an additional offer for all exhibitors. This is not meant as a 'substitute' for the postponed attendance fair in January, but as a logical addition. The offer will be available 365 days a year on the net.



It provides exhibitors with the opportunity to attract visitors from a joint initial page to visit the individual presentation of their company. Exhibitors can also extend their presentation to include virtual meeting rooms and additional features.

The Media Forum will be produced in advance, the streaming takes place on 29 January 2021. Afterwards, all contributions will be available on the World Money Fair website.

As for the Technical Forum, it will take place online too – with plans for a series of sessions comprising 3-4 presentations each, spread out over several weeks in early 2021. Further details will be available during December.

You can find all offers and prices online at www.worldmoneyfair.de.