

Automatic MERCHANDISER

Convenience services for vending,
micro markets and workplace beverages



Back-To-School Refuel

New England's American Food and
Vending celebrates 40 years on an
upswing as COVID's restrictions ease

page 34

ANNUAL
REPORT

State of the
Coffee Service
Industry Report

Worker migrations from
offices to homes erase
decades of sales growth

page 10

Powered by

Vending
MARKETWATCH.com

Your customers crave goodness. And when you give them iconic HERSHEY products, like HERSHEY'S Milk Chocolate with Almonds, REESE'S Peanut Butter Cups and PAYDAY Peanut Caramel Bars, goodness is what they'll get. And sales is what you'll get. Pretty sweet.

Contact your HERSHEY rep today for details.

800.627.8525 | hersheyspecialtyteam@hersheys.com

Our products hit the spot.

Especially
the ROI spot.





THE **FIRST** ANNUAL

40 UNDER FORTY

Automatic
MERCHANDISER
AWARDS

Industry Recognition

16

In this inaugural award, *Automatic Merchandiser* recognizes outstanding young individuals making a difference in the vending, micro market and office coffee service industry

Departments

6 Editor's Note

Starting fresh

8 Industry News

A roundup of the latest news

41 Classifieds

42 Social Hubs

What's happening in the industry on social media

On the cover: Pictured, from left, are American Food and Vending's COO Jim Roselando Jr., office manager Maria Forestreire, founder and president Jim Roselando Sr. and vice president Patrick Arone.

Photos by American Food and Vending

Success Story



34

Back-To-School Refuel

New England's American Food and Vending celebrates 40 years on an upswing as COVID's restrictions ease

Features

10

State of the Coffee Service Industry Report

COVID erases 75% of OCS sales in 2020 as mitigation measures kept most office workers at home

28

Health-Aware Snackers Inspire Innovation

Pandemic-fueled snacking surge renews focus on wellness and better-for-you products



Follow us at



Facebook/VendingMarket



@VendingMagazine



linkedin.com/
groups/3927197

Business Staff

Publisher Ron Bean
(262) 473-9231 | Ron.Bean@VendingMarketWatch.com

Multimedia Account Representative Tami Morrell
(708) 390-8084 | TMorrell@EndeavorB2B.com

List Rental InfoGroup

Michael Costantino
Michael.Costantino@infogroup.com | (402) 836.6266

Kevin Collopy
Kevin.Collopy@infogroup.com | (402) 836.6265

European Sales, Sales Director

Julian Maddocks-Born
+44 (0)1442 230033 | julian@itsluk.com

Representative ITSL Media, Sales Manager
Benedict Hume,
+44 (0)1442 288287 | benedict@itsluk.com

Editorial Staff

Editor Nick Montano
(646) 325-6477 | NMontano@VendingMarketWatch.com

Contributing Editors Emily Jed, Adrienne Zimmer

Support Staff

Art Director Erin Brown

Production Manager Connie Wolf
(920) 563-1679 | CWolf@EndeavorB2B.com

Audience Development Manager Emily Martin

Endeavor Business Media, LLC

CEO Chris Ferrell

CRO/CMO June Griffin

CFO William Nurthen

COO Patrick Rains

Chief Administrative and Legal Officer Tracy Kane

EVP/Group Publisher - Technology Lester Craft

Subscription Customer Service

877-382-9187; 847-559-7598

Circ.VendingMarketWatch@emedia.com

PO Box 3257 • Northbrook IL 60065-3257

Article reprints

Brett Pettilo, Wright's Media 877-652-5295, ext. 118
bpettilo@wrightsmedia.com



Automatic Merchandiser (USPS 017-280), (ISSN 1061-1797 print; ISSN 1948-5697 online) is published 7 times per year in February/March, April, June/July, August, September, October/November and December by Endeavor Business Media, LLC 1233 Janesville Ave, Fort Atkinson, WI 53538. Periodicals postage paid at Fort Atkinson, WI 53538 and additional mailing offices. **POSTMASTER:** Send address changes to **Automatic Merchandiser**, PO Box 3257, Northbrook, IL 60065-3257. Canada Post PM40612608. Return undeliverable Canadian addresses to: **Automatic Merchandiser** PO Box 25542, London, ON N6C 6B2.

Subscriptions: Individual print subscriptions are available without charge to qualified subscribers in the U.S. Complimentary digital subscriptions are available to qualified subscribers worldwide. Please visit VendingMarketWatch.com and click on "Subscribe". Publisher reserves the right to reject non-qualified subscriptions. Subscription prices: U.S. \$38 per year, \$75 two year; Canada/Mexico \$65 per year, \$113 two year. All other countries \$93 per year, \$173 two year. All subscriptions payable in U.S. funds, drawn on U.S. bank. Canadian GST#R42773848. Back issue \$10 prepaid, if available. Printed in the USA. Copyright 2021 Endeavor Business Media, LLC.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recordings or any information storage or retrieval system, without permission from the publisher.

Endeavor Business Media, LLC does not assume and hereby disclaims any liability to any person or company for any loss or damage caused by errors or omissions in the material herein, regardless of whether such errors result from negligence, accident or any other cause whatsoever. The views and opinions in the articles herein are not to be taken as official expressions of the publishers, unless so stated. The publishers do not warrant, either expressly or by implication, the factual accuracy of the articles herein, nor do they so warrant any views or opinions offered by the authors of said articles.

ONLINE EXCLUSIVES

Visit vendingmarketwatch.com for more on hot topics in vending, micro markets and office coffee service

Interviews, Expert Insight & Tips



OCS Operator

Focus on your 'long game'



Bob Tullio

JUST WHEN OPERATORS THOUGHT THERE WAS A LIGHT at the end of the pandemic tunnel, the Delta variant has delivered a gut punch. Once again, reopening dates are off; Sep. 1 turned out to be a false promise. Besides survival, what should operators be focusing on? My suggestion: play the "long game."

VendingMarketWatch.com/21235784

Vicki | Vending's AI architecture

The founder and chief executive of ViaTouch Media, maker of the AI-powered Vicki vending machine, says the mainstream vending market is ready for change. Tom Murn shares his thoughts on the worldwide disruption of retail, and how operators can leverage Vicki's computer vision capabilities.

VendingMarketWatch.com/21231912



Tom Murn

What's new | 10 innovations

Cantaloupe Inc. held its first-ever Innovation Summit prior to the The NAMA Show in New Orleans, where the fintech company highlighted a robust product strategy for unattended retail. Cantaloupe chief Sean Feeney led a presentation that explored trends accelerating demand for frictionless purchasing and machine management.

VendingMarketWatch.com/21235883



Sean Feeney

Special Report



Micro Market

Turning tradition upside down



MICRO MARKET NEWS

Fourteen years ago, the first-generation iPhone was released. Since then, technology has changed and enhanced almost every industry. Vending is no exception, and companies like 365 Retail Markets enable operators to thrive.

VendingMarketWatch.com/21230421



Complete Open Payment Solution



Cashless
Payment



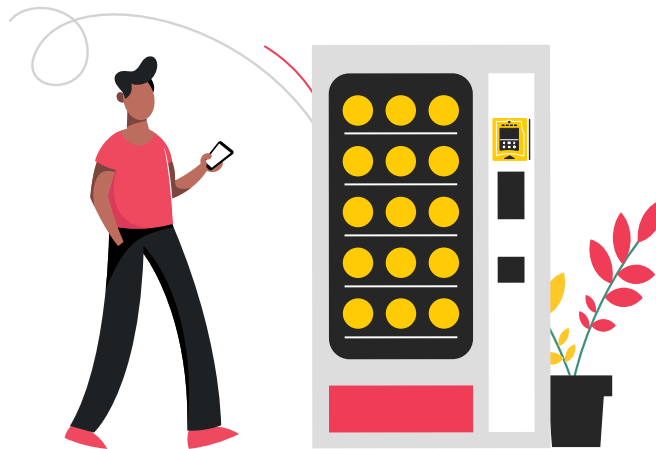
Management
Suite



Telemetry
System



Consumer
Engagement



Loyalty programs
& Gamification



Real-time alerts



Multi-vend



Retrofittable



Remote Refund



Monitoring and
reporting system



4G LTE, EMV
(tap/insert enabled)



Future-proof

Starting fresh: rebuilding an industry



Nick Montano
Editor
nmontano
@vendingmarketwatch.com

Follow us at

-  Facebook/VendingMarket
-  @VendingMagazine
-  linkedin.com/groups/3927197



We're hopeful the astonishing events of last year will be remembered as marking the end of one era and the beginning of another."

ONE FACT WE COULD ALWAYS COUNT ON WAS THAT SALES performance in convenience services had almost always been linked to employment levels. Take office coffee service: when unemployment rose, businesses served by OCS operators simply had fewer customers, and volume contracted accordingly, and vice-versa.

But that connection between employment and OCS no longer holds. It has been distorted by the ripple effects brought on by the coronavirus pandemic. In only a few weeks after the WHO declared on March 11, 2020, that COVID-19 was a pandemic, millions of American workers, who once commuted almost daily to an office, learned how to work from home. As a result, the nation's OCS industry came to a screeching halt.

Under these exceptional circumstances, *Automatic Merchandiser's* latest State of the Coffee Industry analysis, published in this issue, starting on Page 10, shows net sales in the OCS sector down 75% – plummeting from \$5.9 billion in 2019 to \$1.5 billion in 2020, a loss of almost \$4.5 billion.

The OCS and vending industries seldom experienced dramatic changes. We're hopeful the astonishing events of last year will be remembered as marking the end of one era and the beginning of another. As one operator remarked in their survey response, "the industry is starting from scratch."

In commenting on the previously published State of the Industry report, which covers vending and micro markets, we reasoned that the 45% decline in that sector, in terms of net sales, will mostly be a blip on the radar, and we believe the same to be the case in the OCS channel.

Recovery in all convenience service sectors is underway, but regrettably with some snags. As we go to press, the percentage of people working full-time from home was expected to decline into the single digits; and many schools, daycare centers and nursing homes to be fully reopened, allowing guardians who had to remain home during the pandemic to return to work, where they might consume OCS products.

However, the delta surge is pushing back the fall office return dates for which operators were hoping, and the argument for remote work options is regaining strength. Looks like COVID isn't going away soon.

The 2021 State of the Coffee Industry report is the latest in a continuing series that tracks office refreshment sales and product trends. Its results were compiled on the basis of an online survey emailed to leading operating entities. The survey form is kept to a length of 50 questions. We are, as always, aware of the time and effort required to complete it, and we sincerely appreciate the unselfishness of the operators who undertook that task. We are also grateful for the informed cooperation of the manufacturers and suppliers who assisted us.

Editorial Advisory Board

Joe Hessling
365 Retail Markets

Josh Rosenberg
NAMA Board Chair

John Reilly
Avanti Markets

Anant Agrawal
Cantaloupe Systems
USA Technologies

Elyssa Steiner
Cantaloupe Systems
USA Technologies

Carl Moser
Canteen Corporate

Chuck Reed
Crane Payment Innovations (CPI)

Cory Hewett
Gimme

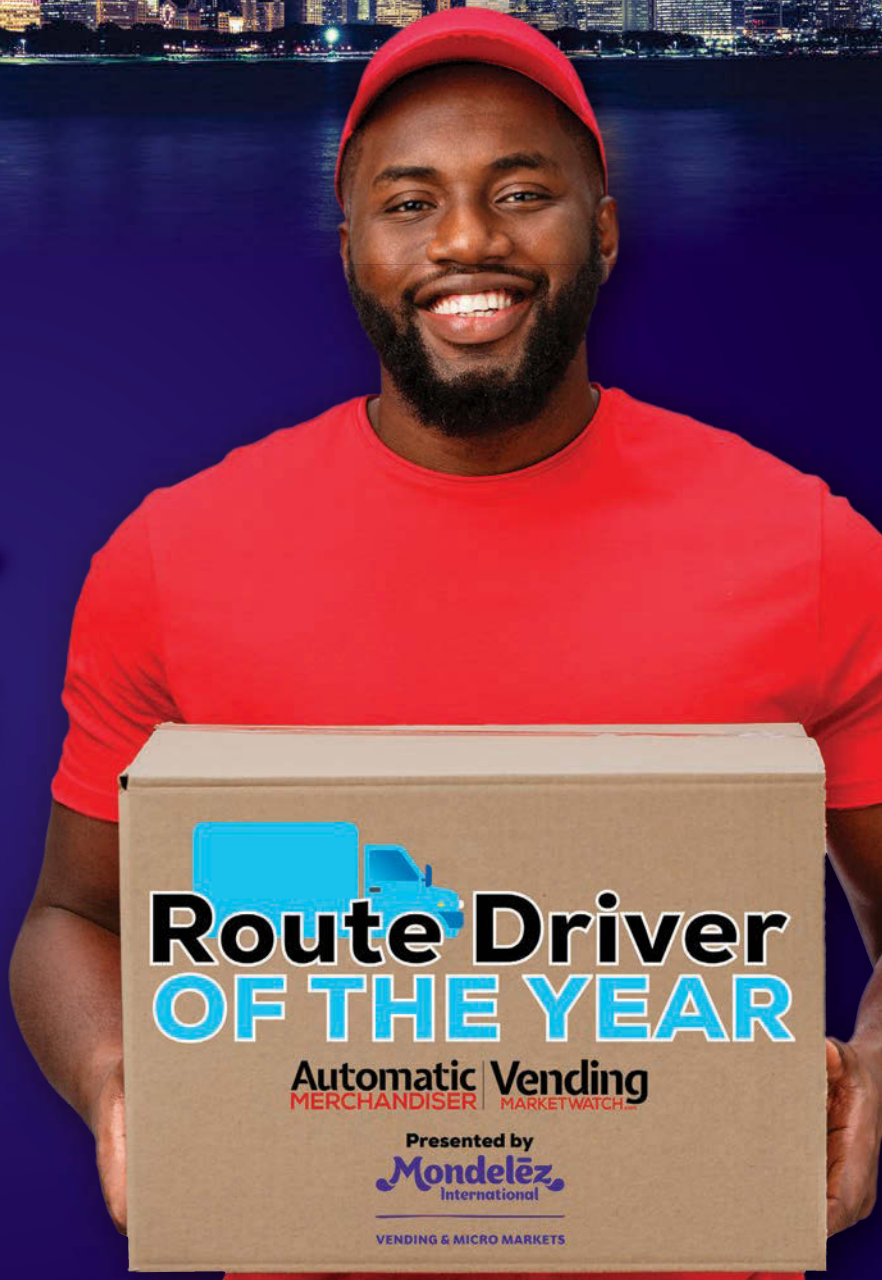
Michael Miller
Mondelēz International

Paresh Patel
PayRange

Jeff Deitchler
Prairie Fire Coffee

Jim Carbone
Tradecraft (retired)

Sandy Thornton
VendEdge



Reward your

Best Route Driver

for a Chance to WIN A TRIP TO NAMA 2022!

Nominate your driver for the **Route Driver of the Year** award to recognize his or her achievements as our marketplace recovers.

The Route Driver of the Year winner will receive a trip to NAMA 2022 in Chicago, IL and a gift card prize, and will be featured in the March, 2022 edition of *Automatic Merchandiser* magazine. Two runners-up will also receive gift card prizes!

Route Driver OF THE YEAR

Automatic Merchandiser | Vending MarketWatch

Presented by **Mondelēz International**

VENDING & MICRO MARKETS



To nominate a driver or view complete contest rules, visit bit.ly/2021RDOY

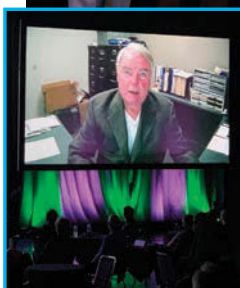
Entries can be submitted beginning August 1, 2021.

No Purchase or Subscription Necessary to enter or win. A purchase or subscription will not increase a nominee's chances of winning a prize. Nominators and Nominees must be residents of the 50 U.S./D.C. and 18 years or older (19 or older in AL and NE). Nominators must be employed by an active vending operation or a customer of an active vending operation. Nominees must be employed as a route driver of an active vending operation. Drivers may nominate themselves. Ends 12/31/21.Void where prohibited. Entries will be judged. For full entry/prize details and judging criteria, access: VendingMarketWatch.com/awards/route-driver-of-the-year. Sponsored solely by Endeavor Business Media, LLC., Fort Atkinson, Wisconsin. Mondelēz Global LLC is not a sponsor.

TOP NEWS

2021 NAMA awards honor industry's best

[LEADERS]



NAMA's outgoing chair Josh Rosenberg (l.) and chief executive Carla Balakgie flank 2021 Industry Award winners (from left) John Hickey, Greg Sidwell and Tom Steuber during association's general meeting held Aug. 18 in New Orleans. Accepting award remotely is Jerry Scott [inset].

THE NATIONAL AUTOMATIC
Merchandising Association Industry Awards winners are exemplary leaders in the convenience services industry.

And the winners are:

- Industry Person of the Year is Greg Sidwell, president of G&J Marketing and Sales, a leading product broker.
- NAMA's 2021 Coffee Legend is Tom Steuber, president and owner of Associated Coffee Services, a coffee and snacks provider in the San Francisco Bay area.
- Operator of the Year is Jerry Scott, vice president and general manager at Canteen of Coastal California.
- Allied Member of the Year is John Hickey, cofounder of Tech 2 Success.



Hudson opens first Evolve self-checkout shops at travel hubs

The travel hub retailer is opening Evolve by Hudson, a "shop-in-shop" self-checkout concept for airports. The first Evolve micro market landed at Nashville International Airport in August. It will be followed by seven additional locations, including Love Field Airport in Dallas and McCarran International Airport in Las Vegas. Evolve is designed with a wide-open storefront, 2,000-sq. ft. footprint and digital signage on the exterior. **VendingMarketWatch.com/21235540**

PayRange introduces all-in-one reader

The modular BluCard reader supports all



credit card payments in a small, stylish and weather-resistant enclosure. It installs

on vending machines to allow cashless payments with magnetic stripe cards, and proximity, vicinity and contact EMV media. With a 4" full-color display, messaging can be created to interact with users. For operators adding BluCard to existing PayRange-enabled machines, transactions from the new device will appear in their "manage" dashboard, alongside BluKey transactions. **VendingMarketWatch.com/21234250**



Costa Coffee trials new hot and iced drink machines

The iconic British coffee chain, a unit of Coca-Cola Co., is trialing a new coffee machine in select locations in Bristol, England. As its name implies, the Costa Express Hot & Iced Drinks Machine delivers hot, cold and iced drinks, including fruit cordials. With more than 500 from which to choose, customers can opt to have their favorite latte, cappuccino or flat white as a hot, cold or iced variety. Costa Coffee owns some 3,400 stores in 31 countries and operates more than 6,000 Costa Express vending machines. The Bristol test involves 40 units. **VendingMarketWatch.com/21233453**



Eurest rebrands

Compass Group changed the identity of its U.S. facilities management division. Eurest Services is now ESFM, or Elevating Solutions in Facilities Management. The new name reflects the vast portfolio of integrated management solutions offered to its clients in the United States. **VendingMarketWatch.com/21232379**



Cantaloupe buys Yoke, marking big move into markets

The digital payments company acquired the assets of Delicious Nutritious LLC, dba Yoke Payments, a Los Angeles-based micro market company. Cantaloupe said it is investing big in the fastest-growing segment of unattended retail by extending its solutions to any micro market point-of-sale. In addition to digital payments, Cantaloupe offers other solutions for the unattended retail space. Its Seed Market package, for instance, enables operators to

optimize micro markets. Yoke's POS platform now extends this offering. **VendingMarketWatch.com/21234647**

hubz Smart Cooler begins shipping

The new smart cooler is now available in North America. Hubz, an unattended POS system, is a partnership between Parlevel Systems, Shekel Brainweigh and Imbera Cooling. Enabling maximum



product offerings, hubz can help operators tap into locations that might otherwise

be underserved by vending machines or micro markets. **VendingMarketWatch.com/21234187**



Fixturalite launches virtual showroom

"Providing tools that paint a clear and interactive picture of the solutions Fixturalite offers to its customers has always been paramount," said Steve Orlando, Fixturalite cofounder and president. That said, the breakroom design company is now taking the interactive experience to a new level with its Fixturalite Virtual Showroom. **VendingMarketWatch.com/21235154**

MORE ONLINE



Basil Street begins automated pizza kitchens rollout
VendingMarketWatch.com/21232075

Capitol Coffee becomes S&D product distributors
VendingMarketWatch.com/21232072

PFG delivers strong Q4 sales, case volume growth
VendingMarketWatch.com/21235382

Swift announces strategic investment by FEMSA Ventures
VendingMarketWatch.com/21235155

PEOPLE IN THE NEWS



Hessling

Joe Hessling elected chair
The 365 Retail Markets founder and chief executive has been elected chair of the board of directors for the National Automatic Merchandising Association. He succeeds Josh Rosenberg. Joe Hessling was NAMA's Industry Person of the Year in 2018.



Glin

PepsiCo appoints philanthropy topper
C.D. Glin of the U.S. African Development Foundation was named vice president and global head of philanthropy for The PepsiCo Foundation. Glin is responsible for the daily management of the foundation and oversees its strategic direction.



Balakgie

NAMA chief signs for 3 more years
Carla Balakgie has extended her contract with the National Automatic Merchandising Association for another three years. Balakgie has led NAMA as chief executive since 2011.



O'Leary

Hostess Brands chief growth officer
The sweet baked goods company appointed Dan O'Leary chief growth officer. O'Leary, who comes from Tyson Foods, oversees the management, marketing and R&D for Hostess and Voortman brands.



Birdwell

Aramark's 'game changer' in sports biz
Alison Birdwell, president and chief executive of Aramark Sports and Entertainment, has been selected to Sports Business Journal's 2021 Class of "Game Changers: Women in Sports Business."



Wolff

Ex-Starbucks veep joins Ansa board
Israel-based Ansa, aka griin, has appointed Drew Wolff to its advisory board. Wolff was a Starbucks vice president and treasurer from 2014 to 2017. Ansa makes a portable coffee roasting system for OCS.

COVID Erases 75% of OCS Sales in 2020



As the federal and state governments imposed strict shelter-at-home orders for nonessential workers last year, office refreshment services abruptly came to a standstill and the telecommuting culture took hold.

By Nick Montano, Editor

Sales in the office coffee service channel declined from \$5.9 billion in 2019 to \$1.5 billion, or 75%, in 2020. COVID-19's cataclysmic impact on office worker populations effectively reversed decades of growth of a continually advancing segment of convenience services.

The performance of OCS, as well as vending, micro markets and contract foodservice, traditionally has been tied to employment, but the relationships between these service segments and their clientele changed in 2020.

CHART 1: OCS revenues – 10-year history

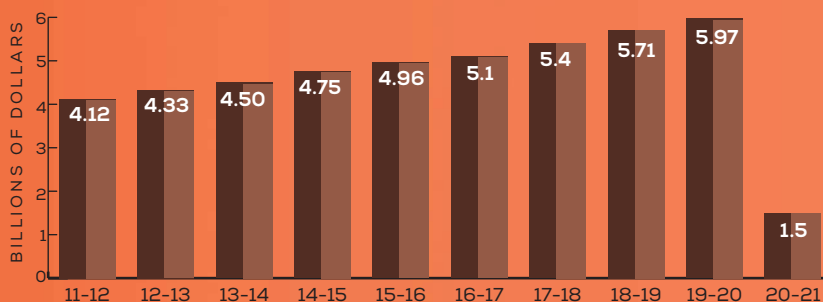
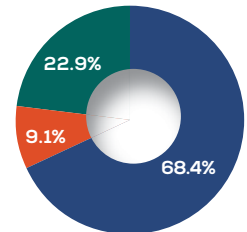
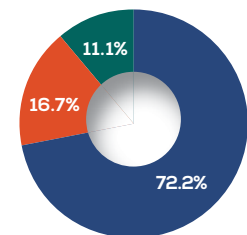


CHART 2: Operator sales change, 5-year review

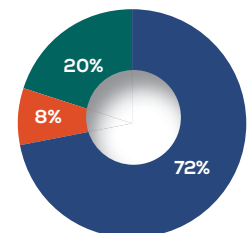
● Sales rose ● Sales declined ● No change



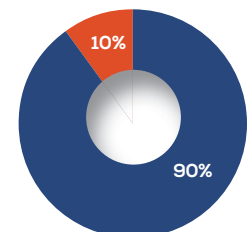
2016/17



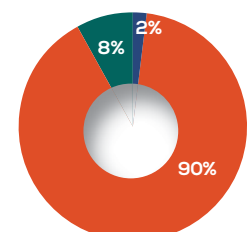
2017/18



2018/19



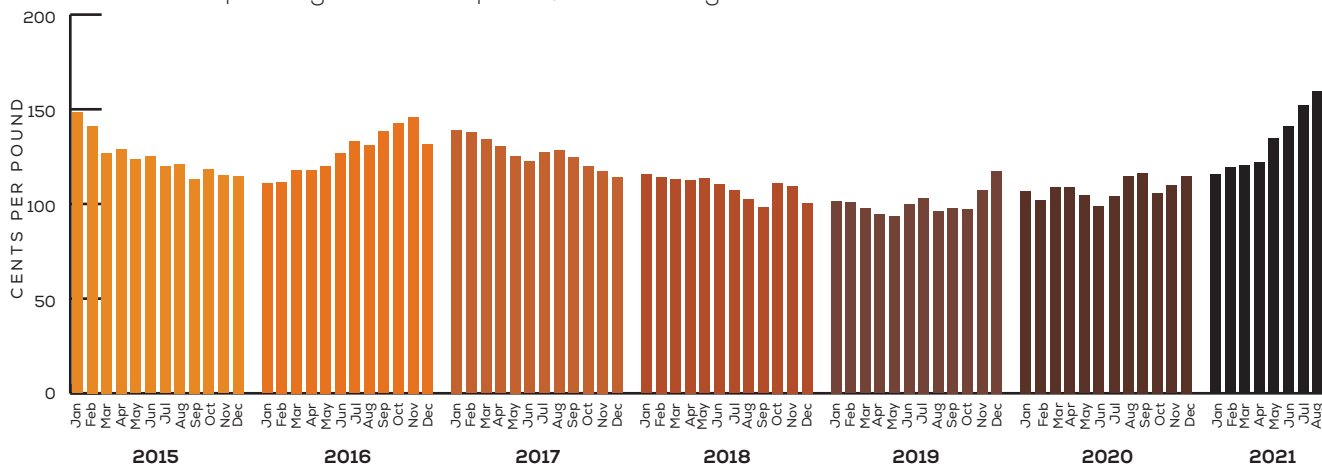
2019/20



2020/21

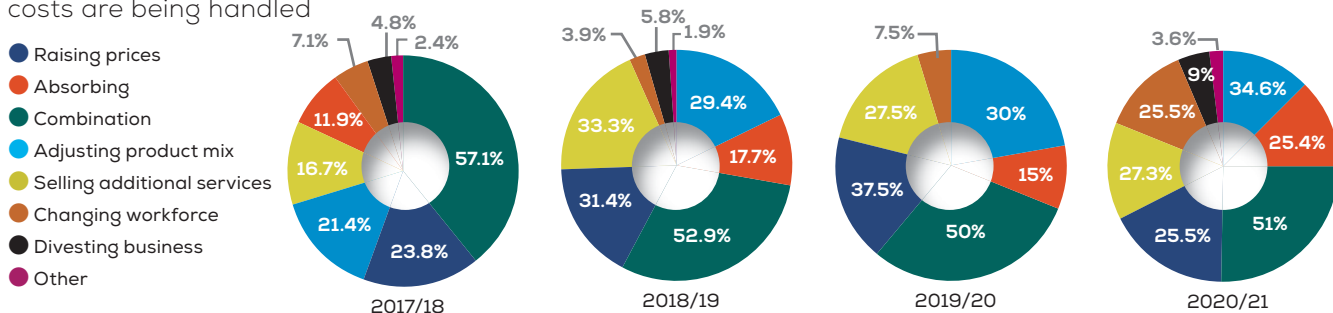
Images: 144511430 | Nataliya Smirnova | Dreamstime
106504874 | Rowf88 | Dreamstime
199593083 | Enrico Mantegazza | Dreamstime
151298315 | Sereznyj | Dreamstime.com

CHART 3A: Composite green coffee prices, 2015 to August 2021



Source: The International Coffee Organization, London, U.K.

CHART 3B: How rising costs are being handled



*Other includes customer service, marketing, technology, business practices, etc.

No matter what you call it – virtual or online work, remote or at-home job, distributed teams, or telecommuting – a new flexible work culture is taking hold and has changed OCS, perhaps lastingly.

Looking back, OCS had enjoyed consistent annual growth between 2010 and 2019. Moderate increases in white-collar workplace populations, greater ranges of refreshment products, new brewing and pure water technologies, and improved operating efficiencies collaborated to expand the OCS market through those years.

And while the U.S. unemployment rate was historically high in April 2020 (almost 15%), a month into the officially called COVID-19 pandemic, it was the immediate swing to at-home work that dealt the severe blow to the OCS industry.

CHART 4A: Revenue per cup in cents per cup, Fraction pack automatic/pourover coffee, 5-year review

	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue	11.7¢	12.5¢	11¢	10.6¢	11.4¢

*Previous numbers have been adjusted based on additional data

CHART 4B: Revenue per cup, single-cup coffee, 5-year review

	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue	36.2¢	-	-	-	-
Single-Cup Capsule		47¢	46¢	46¢	49.4¢
Bean-To-Cup per cup cost		41¢	43¢	36¢	44.8¢

*Previous numbers have been adjusted based on additional data

In the early stages of the pandemic, some 35% of all Americans worked from home, nearly 50 million employees, according to the U.S. Bureau of Labor Statistics. However, at the end of 2020, studies conducted by the Pew Research Center found that 71% of

office workers were doing their jobs at home all or most of the time.

As a result of the vast reduction of location staff and restrictions on access to shared breakroom amenities, 90% of operators taking part in this survey reported a decrease in sales last

CHART 5A: % OCS sales by supplier type

SUPPLIER TYPE	2020/21
Private label	23.5%
Local coffee brands (known to customers)	25.5
National brand - value coffee	26.8
National brand - specialty coffee	15.0
Espresso coffee	9.2

CHART 5B: % OCS sales by product category

PRODUCT CATEGORY	2020/21
Frac pack	41.5%
Whole bean coffee	30.5
K-cups	13.1
Single cup (non K-cup)	14.9

CHART 5C: Top-selling OCS products for past 12 months, by volume

TOP PRODUCT	2020/21
Local coffee brands	20.80%
Private label	12.50
Value frac packs	4.20
Specialty drinks	4.20
Whole bean	12.50
National brand coffees	29.10
K-Cups	4.20
Single-cup	8.30
Tea	0.00
Pantry or direct delivery service (food/snacks/beverages delivered to locations)	0.00
Water filtration service (point-of-use/POU)	4.20

CHART 5D: OCS product category, % of sales

PRODUCT CATEGORY	2020/21
Coffee	51.3%
Non-coffee hot beverages	7.5
Soft drinks	4.6
Bottled water (5 gallon)	8.5
Creamers/sweeteners	4.9
Cups/plates/paper products	5.9
Tea	4.9
Pantry service/micro kitchen (paid by employer offered to employees)	3.1
Water filtration service (non bottled)	7.7
Ice machines	1.6

year, with a majority reporting a loss between 50% and more than 80%.

Despite the dramatic downturn in sales, providing high-quality coffee and high-tech brewing options continued to trend in 2020, and the deployment of app-based touchless solutions became more common. The placement of bean-to-cup brewing systems, some featuring contactless interfaces, was the only equipment type to witness marginal growth last year.

FROST AND FREIGHT

Green coffee prices remained relatively stable through most of 2020, compared with the previous two years. In the first half of 2021, however, bean prices have significantly jumped each month due to frost in Brazil, freight and supply chain disruptions, and labor issues in some major coffee-producing countries, including Columbia and Vietnam. Data from the International Coffee Organization show green coffee prices up 30% in August 2021, compared with August 2020 (see chart 3A).

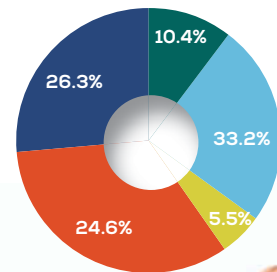
Most operators said they are raising prices or absorbing costs (mostly a combination of both) to offset these historically high commodity prices (see chart 3B). A small percentage of operators chose to divest their OCS businesses because of rising costs and other challenges posed by COVID's damaging effects on business.

Almost 70% of OCS companies had to reduce their staff counts last year. Additionally, most operators represented in this survey applied and were approved for the Small Business Administration's Paycheck Production Program (PPP) loan either in 2020 or early 2021.

In 2020, average revenue for a 6-fl.oz. cup produced by "frac packs" in a plumbed-in brewer was 11.4¢, compared with 10.6¢ the previous year. Revenue per single-cup capsule and bean-to-cup offering was 49.4¢ and 44.8¢, respectively, increasing

CHART 6: Plumbed-in, automatic and thermal as % of total

- Pourover glass pot
- Automatic thermal
- Pourover thermal
- Automatic glass pot
- Single-cup



2020/21

compared with prices in previous years (see charts 4A and 4B for a five-year review). Frac packs and whole-bean varieties were the dominant coffee products sold in the OCS channel in 2020.

In OCS accounts that were open in 2020, nationally branded coffee was the top seller (27%), followed by local brands familiar to clients (26%) and private-label products (24%). The delivery format for these brands, in order of popularity: fraction pack (41.5%), whole bean (30.5%), single-cup, excluding K-Cups (14.9%) and K-Cups (13.1%). The sale of lower-cost private-label brands is expected rise in the current coffee market.

Regarding equipment, automatic pot/thermal brewers and single-cup systems continued to supplant traditional pot/thermal brewers last year (see chart 6).

Also notable last year, deliveries of janitorial supplies by OCS operators more than tripled, compared with 2019. Along the same lines, "bottleless" water coolers enjoyed growth in

ALL SMILES,



NO GUILT.™

GOING GREEN HAS NEVER BEEN SO EASY!

AMERICA'S
#1

FULLY COMPOSTABLE
COFFEE PODS
NO ADDITIONAL BAG NEEDED



THE MOST SUSTAINABLE OFFICE COFFEE PROGRAM IS HERE NOW!

- > Compatible with Keurig & Nespresso Original Machines*
- > BPA, Plastic & PFAS Free
- > Compostable/ Sustainable/Carbon Neutral /Plant Based
- > Available in Light, Medium & Dark Roast Premium Rain Forest Alliance Coffees
- > 12+ month shelf life (no bag)



LID

No Ink Toxins,
High Oxygen Barrier

COFFEE

Premium Rain Forest Alliance
Coffees

FILTER

Certified Compostable
Cellulose Based

CAPSULE

Patented Plant-based Material
With Oxygen Barrier

FOR MORE INFORMATION
Contact: CS@SBWerks.com
203.643.6290

SmileCoffeeWerks.com



NEW
COMPOSTABLE
STRAWS &
BAGS TOO!



CHART 7: Estimated market share of single-cup brewer placements in the U.S., 5-year review

MARKETER	PRODUCT(S)	2016/17	2017/18	2018/19	2019/20	2020/21
Cafectation	Avalon, Total Lite, Total 1, Alternative	6.6%	5.1%	7.5%	8.35%	7.40%
Bodecker Brewed	Bodecker	0.1	7.4	0.5	3.59	3.50
VE Global Solutions	Brio, Colibri, Koro, Korinto, Kinvivo, Trophy, Venus, Cypris, Juno, Prosyd	2.5	1.0	5.8	0.95	1.00
Crane	Coti, Café System, Genesis	2.2	0	3.4	2.56	2.50
Cafejo	Cafejo	0.2	0	0.2	1.03	1.00
Technologies Coffea	Coffea, Pro-II G2	0	0	1.2	0.00	1.00
JM Smucker's	Douwe Egberts C-300, C-600, C-60, N110, NG-300	3.3	6.2	4.6	5.87	5.10
VKI Technologies	Eccellenza Express, Eccellenza Touch, Eccellenza Cafe, Latte Lounge	0.8	2.4	2.0	2.05	1.90
Lavazza	Espresso Point, Lavazza Blue, Dual Espresso, EP 2500	0.3	1.3	2.0	1.03	0.90
Mars Drinks	Flavia Barista, Flavia Creation 500, Flavia Creation 400, Flavia Creation 200, Aroma	14.2	5.9	9.4	2.42	2.50
Filterfresh	Filterfresh	0.5	0	1.7	1.28	1.30
Grindmaster	Grindmaster	2.6	0.9	1.0	10.18	9.80
Kraft/Heinz	Gevalia, Tassimo T-3000, T-65	1.3	0.7	0.5	0.28	0.30
Keurig	K3000, K150, K145, B155, K155, K130	32.1	17.1	33.2	20.72	19.80
Rheavendors	Rhea, Cino	0.1	2.1	0.5	0	0.40
Saeco USA	Saeco, Estro	1.5	0.2	1.3	0	1.00
Newco	Smartcup, Freshcup, Freshcup Touch	6.2	6.9	7.4	7.59	7.80
Starbucks	Starbucks	1	1.8	2.7	4.48	4.50
Bunn	My Cafe Pod, AutPOD, Trifecta MB	17.2	22.3	15.8	7.80	8.30
Nespresso	Nespresso	0.5	0.5	1.8	5.90	7.20
Wilbur Curtis	Gold Cup, Expressions	0.8	6.7	5.8	0	0.50
Comobar		n/a	n/a	0.2	1.96	1.80
MZB	La San Marco OC System	0.5	1.8	0.7	6.39	6.10
Cafe Primo	Cappuccino	n/a	n/a	1.4	2.31	2.20
Other		n/a	n/a	13.6	2.56	2.20

*Represents OCS provider placements only

CHART 8: Account populations by size

● 2015/16 ● 2016/17 ● 2017/18 ● 2018/19 ● 2019/20 ● 2020/21

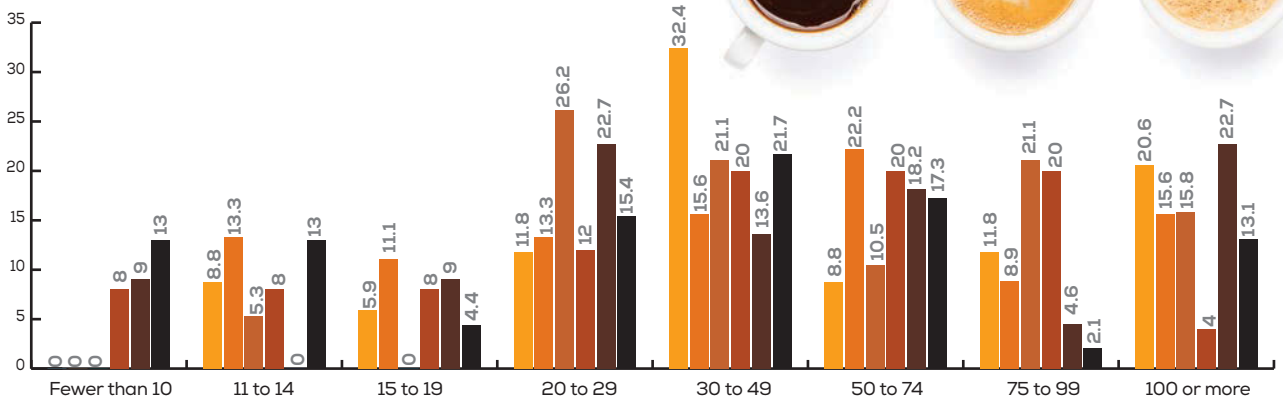
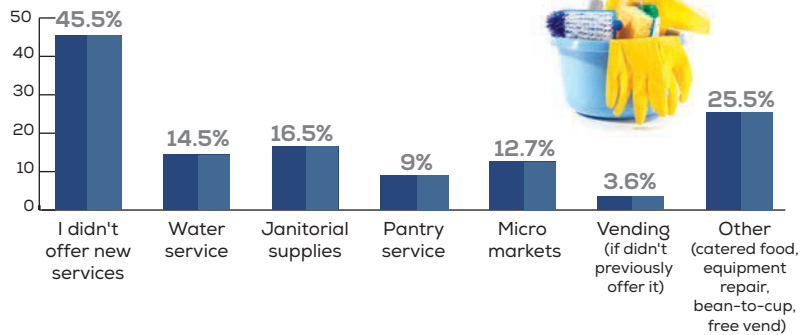


CHART 9: Accounts by type, 5-year review

	2016/17	2017/18	2018/19	2019/20	2020/21
Offices	56.2%	53.3%	60.1%	47.7%	51.2%
Industrial plants	19.2	15.5	12.4	17.6	16.8
Schools/colleges	6.6	8.0	6.11	6.9	6.3
Convenience stores	3.6	7.4	4.2	9.0	8.6
Restaurants, delis, bakeries	6.5	5.4	4.8	7.3	4.1
Other (healthcare/hotels)	6.4	4.4	3.2	3.0	3.8
Government/military	0.8	3.8	4.6	4.3	4.1
Retail outlets	0.9	2.5	4.5	4.2	5.1

CHART 10: New services added in 2020/21



2020 as replacements to traditional 5-gal. bottle units.

Environmental impacts and social causes are part of all stages in a product's life, particularly in the coffee industry. While corporate responsibility was overshadowed by basic survival needs in 2020, attention to ethically sourced coffee remained a priority for many operators. About 16% of survey participants said they supplied coffee with such sustainable attributes as organic, bird friendly and fair trade. More than half (53%) reported using recycled allied products in their offerings of

cups, filters, containers (including pods) and utensils.

RECOVERY HORIZON

While most states are still below pre-pandemic employment levels, the U.S. economy is gradually recovering from the coronavirus; and a few states, Idaho and Utah among them, are above their February 2020 levels of non-farm payroll employment, according to recent data from the Bureau of Labor Statistics. Likewise, the office coffee service industry has already begun a recovery and is expected to restore 2020's lost revenue in three to four years. ■

About the study

Data in *Automatic Merchandiser's State of the Office Coffee Service Industry* report are collected through a 50-question survey sent to OCS and vending operators. The annual report examines responses from small, medium and large OCS providers, as well as full-line vending operations offering office refreshments. The State of the Coffee Service Industry analyzes performance in various product and equipment categories. More than 100 operators participated in the 2021 survey, which looks at the prior year. Caution should be used when comparing year-over-year numbers.

CHART 11: Where staff was added

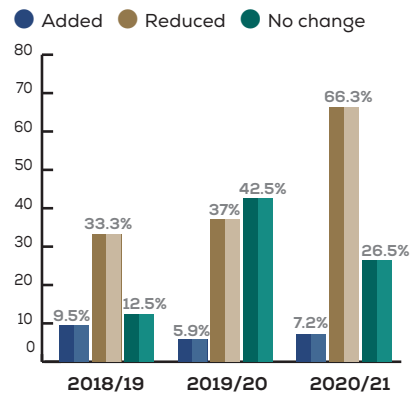


CHART 12: Most popular environmental product offerings

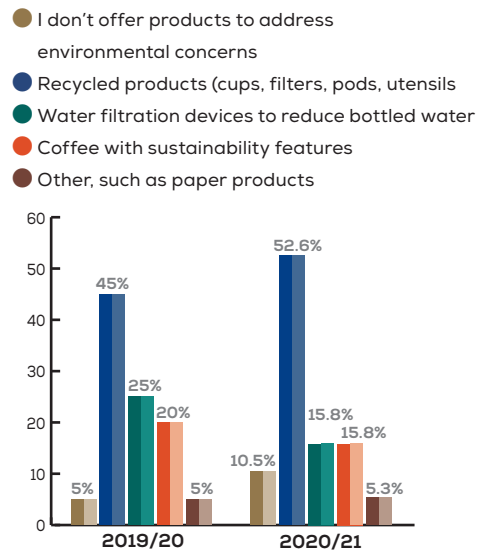


CHART 13: Company currently offers online ordering on its website



Respondent revenue profile

- Less than \$500K: **53%**
- \$500K-\$1 million: **11%**
- \$1 million-\$2.5 million: **21%**
- \$2.5 million-\$5 million: **10%**
- \$5 million-\$10 million: **1%**
- \$10 million or over: **4%**



In this inaugural award, Automatic Merchandiser recognizes outstanding young individuals making a difference in the vending, micro market and office coffee service industry.

By Adrienne Zimmer, Contributing Editor

The team at *Automatic Merchandiser* is proud to present the inaugural 40 Under 40 honorees. We recognize these individuals for their contributions to the industry. They have each uniquely shown a commitment to their companies, their customers and the industry as a whole. Congratulations to the *Automatic Merchandiser* 40 Under 40 Class of 2021:

PureWaterCooler™ by VERTEX

NEW



PWC-450

Stay Safe with Touchless Operation

Keep employees safe with
touchless Hot & Cold dispenser

Proximity sensor with safety lock
allows for hygienic operation

Floor Standing or Counter-Top

No need to touch the cooler –
simply place a glass, mug or bottle
in the fill area, unlock the dispenser
by holding a hand in front of the
sensor until a beep sounds, switch
hand position to the side of the
sensor with the right temperature
water you need, dispense the
water you need and go!



PureChill-9500

Full Range of Filtration Products Available



VERTEX® (800) 627-2146
WATER PRODUCTS www.vertexwater.com

40 UNDER FORTY Automatic MERCHANDISER AWARDS

Bradley Bell

Bradley Bell, director of training and development of Five Star Food Service in Chattanooga, TN, is described as the Energizer Bunny of Five Star. His outlook on life and the passion he pours into his work is contagious and inspiring. He brings a unique perspective to the workplace that no one else on the Five Star team brings. In three short years, Bell has quickly risen to become a star within the organization with his drive for adding value to the company. Starting in retail operations as a project manager, Bell was recently promoted to his current position. He is a major cog in transforming Five Star into the retail-focused business it has become. His efforts are helping Five Star meet the growing expectations of clients.



Christopher Betti

Christopher Betti does whatever it takes to help his valued customers run and grow profitable businesses. As director of vending & OCS sales at Betson, he is involved in all aspects of the business. Not only is he committed to Betson and his customers, but he is also committed to the growth of the industry as a whole. He is a long-standing member of NAMA and many other state associations. He participates in local and national lobby efforts supporting the industry at large. Betti received his bachelor's degree from St. Thomas Aquinas College.



Melissa Brown

Melissa Brown is described as the epitome of a self-made professional and well-rounded person. In 2012 while on a mission trip in Nicaragua, Brown visited coffee farms and was inspired to pursue a career in coffee. Beginning with campus coffee carts, she soon began roasting coffee and founded an OCS operation in North Carolina under the Well-Bean name. Focusing on high quality bean-to-cup systems, Brown built a multi-route operation, selling the routes in 2019 to Canteen. Well-Bean continues to build its customer base with a focus on roasting craft coffees for bean to cup and selling to OCS operators and distributors. Before marrying her husband, Brown found success as a personal trainer, competing in fitness events.



Jennifer Calderon

Jennifer Calderon is the director of business development and a third-generation vendor at J&J Vending Inc. in Union City, CA. Her enthusiasm for the industry is shown in the great ideas she brings to the company. Like many operators in the industry, J&J Vending lost a lot of customers when the pandemic closed businesses in March 2020. At the time, pantry service was a large part of J&J's revenue stream and it dried up within 72 hours. Calderon came up with Oh Goodie! snack boxes, a nationwide snack box delivery service. She reached out to the company's pantry customers and J&J Vending started sending boxes across America. She is admired for always trying to help out the small and family-owned companies.



Chris Campione

As vice president of sales and marketing at Servomation Refreshments Inc., Chris Campione has been an incredible asset to the organization, streamlining and modernizing both the sales and marketing departments. He has worked to develop and implement tools within each department that have had tremendous impact on the business development and client retention processes, including a new sales asset management platform that allows both sales and operations departments to access the most up-to-date marketing collateral from one centralized web and smartphone app. The organization has been able to communicate its latest features at a drastically quicker pace than before this system was implemented.



Leah Casanova

Leah Casanova, director of sales and marketing at National Coffee, has been committed to the company, her customers, her colleagues and the OCS/AFH industry for more than eight years. Her consistent customer-centric approach and strategic agility has continuously added value to her customers' businesses as well as her own. Described as, "the hardest working person we have in our company," Casanova champions new products and processes that continue to make National Coffee successful. She is caring and focused on developing and supporting her coworkers. One colleague described, "I wouldn't be where I am without the help from Leah. She's dedicated to the success of myself, our enterprise, and the industry as a whole."



Tony Danna

As director of Three Square Market International, Tony Danna has done a tremendous job driving awareness of micro markets in the United Kingdom and within many European countries. Since joining the company in July 2016 as vice president of operations, his hard work, leadership, strong business acumen and passion for the industry have set him apart from others. As one colleague wrote, "His maturity, knowledge and leadership are far beyond his years." Danna is a 2011 University of St. Thomas graduate.



Jarrad Duxbury

Jarrad Duxbury started Tahoe Vending in Reno, NV, less than three years ago with nothing but a 5,000-sq.ft. lease. He has grown the company to more than \$8 million in annual revenue with more than 50 markets, 500 vending machines, a pantry business, multiple coffee routes and a bottled water route. He was directly responsible for keeping every employee working full time during the pandemic and has grown revenues over 160% since pre-COVID. He now manages 30 employees and has built a customer service-oriented firm.



Jordan DeCicco

Founder of Kitu Brands Inc., Jordan DeCicco has proven to be a strong supporter of the OCS and micro market sales channels. DeCicco helped launch Kitu Super Coffee, the flagship brand, a rapidly growing product category that combines organic RTD coffee, protein and MCT oil. This is a new entry into the beverage category and the brand has shown strong growth in the micro market channel, with the company's Caramel Super Coffee voted Best New Product in the OCS Category by AM readers.



Maxwell Elliott

Maxwell Elliott, a client solutions manager at Cantaloupe Inc., has dedicated his professional life to the vending industry. He was raised in the industry on the operator side of the business with Tomdra Inc. He has served on NAMA's Emerging Leaders Network committee, was the president of the Arizona Automatic Merchandising Council, and was involved in four NAMA Fly-Ins. He has also been a speaker on education panels at The NAMA Show as well as at state association conferences.



Passionate Leader. Customer-Focused. Industry Mentor.

From the entire team at Evergreen Refreshments and Avanti Markets, congratulations, **Arthur Siller** on this well-deserved recognition.

Your passion for your job, the company, and the growth of your colleagues has not gone unnoticed by your team and your industry peers.

We know your impact in convenience services is just getting started and we look forward to seeing your contributions continue to unfold!



Arthur Siller
Senior VP of Operations
Evergreen Refreshments



Brandon Emmons

Brandon Emmons, a sales representative at Demetri-Chesapeake Sales in Gibbsboro, NJ, goes the extra mile for his team and his customers. Over the past 12 years, he has built strong relationships with customers, distributors and suppliers. His dedication and work ethic are admired by customers and colleagues, who describe him as diligent and a capable multitasker. Emmons has developed into an integral part of the sales team with his dedication and work toward meeting the needs of customers and suppliers.



Joshua Giambra

Joshua Giambra, owner of Giambra Vending in Panama City, FL, started his business in 2005 at the age of 22 with three Red Bull machines and five honor boxes. From there, steady growth brought Giambra Vending to 300 assets on location in 2018. But in October 2018, Category 5 Hurricane Michael landed and took down 100 machines. Not knowing if there was still a vending company, Giambra decided to come back better than before. With that drive, he upgraded 75% of the business with credit card readers and inventory control.



Carly Furman

Carly Furman is the force behind Nayax's transformation into a leading provider of cashless payments in North America. As chief executive, Furman oversees all operations in North America. Before relocating to the company's Hunt Valley, MD, U.S. office in 2016, Furman worked at Nayax's headquarters in Herzliya, Israel, where she was the chief financial officer of all Nayax subsidiaries. She was heavily involved in taking Nayax public on the Tel Aviv Stock Exchange.



Joshua Gomes

Joshua Gomes is the director of R&D for Lavazza North America, delivering innovations such as the Flavia Creation 600 and Flavia Chill, the first all-in-one hot and cold beverage system, Flavia In-Cup Milk Frothing and Lavazza Cold Brew. His current focus is on bringing the authentic Italian coffee experience to workplaces, cafés and homes. Prior to focusing on the wide world of coffee in 2015, Gomes spent seven years cultivating chocolate innovations at Mars Wrigley. He is a classically trained chef, too.



Congratulations to Cantaloupe's Top 40 Under 40 Honorees!



Elyssa Steiner, Vice President of Marketing



"Elyssa embodies the perfect mix of creativity, responsibility, and humility, while inspiring everyone she works with to do their best. Throughout her career in Sales and Marketing, she's helped lead the way for the adoption of disruptive technologies across our industry. In addition to her day job, Elyssa has a strong passion for our industry, demonstrated with her advocacy and leadership within NAMA, helping improve and move our industry forward. She is a true leader who makes things happen, and I look forward to seeing her continued success and the new heights she will reach in her still young career. Congratulations, Elyssa!"

- Anant Agrawal, Chief Revenue Officer, Cantaloupe, Inc.



Maxwell Elliott, Client Solutions Manager

"Maxwell Elliott is a proven leader and possesses expert knowledge in all facets of the vending industry. As a client solutions manager at Cantaloupe, Max must guide customers through multiple solutions involving multiple departments that determine daily processes. His success demonstrates knowledge and skill far beyond his years. We should expect great things from Max for many years to come. Congratulations, Max!"

- Terry Hovis,
Vice President Customer Implementation,
Cantaloupe, Inc.



Michael Johnson, Vice President, GM MicroMarkets (former co-founder, Yoke Payments)

"Michael is a true leader. He approaches life with gratitude, determination and purpose and inspires the people around him with his constant positive outlook. He leads by example and as someone who has worked next to him for the past seven years, he has made me a better businessman, friend and all around person. I'm so happy for him to be recognized for his achievements. Congratulations, Michael!"

- Benjamin Thomas,
Vice President at Cantaloupe
(former co-founder of Yoke Payments)

Help the world buy it and go

www.cantaloupe.com

Cory Hewett

Cory Hewett is a visionary who is transforming the unattended retail industry with technology. Hewett, cofounder and chief executive of Gimme, is the perfect example of an entrepreneur who has successfully revolutionized what has been a very traditional industry. His innovative, "out of the box" thinking is what drove both Gimme VMS and the Gimme Key Pro to be awarded Automatic Merchandiser's Product of the Year award in the technology category in 2020 and 2021.



Evan Jarecki

Evan Jarecki brings passion and vast knowledge to the vending and DSD software industry as the cofounder of Gimme. In 2014 while studying at Georgia Tech, Jarecki and Cory Hewett founded Gimme in Atlanta. With a suite of software products as well as the best DEX device around (Gimme Key Pro), Gimme brings it all to the table. Jarecki's work ethic and dedication to the company and industry make him a valued member of the Gimme team. He continues to help the industry thrive through participation in NAMA and industry events.



Mike Hoeft

Mike Hoeft, vice president of the western U.S. for Bunn, has spent his professional life in the away-from-home industry. Since joining Bunn six years ago, he has learned the various channels of the industry and has taken a real interest in the noncommercial, convenience services. Hoeft participates in industry groups and events and is the coffee chair on NAMA's Emerging Leaders Network steering committee. He has participated in ELN trips to the nation's capital to support the industry.



Michael Johnson

A cofounder of Yoke Payments, one of the fastest-growing micro market technology platforms, Johnson has built an organization that has already made an enormous impact on the vending and micro market industry. He is committed to leading by example, promoting the industry as a place that incubates innovation and growth for all. He pushed to get Yoke a seat on NAMA's VDI Task Force to drive innovation with best practices. He has actively integrated Yoke's platform with other industry technologies.



Cory Hewett, Co-Founder



Evan Jarecki, Co-Founder

GIMME

40 UNDER FORTY
Automatic
MERCHANDISER

Blake Jones

Blake Jones has worked in the OCS industry since he was 16. Now 27, he has held every position within Pot O' Gold Coffee Service in Bellevue, WA, from warehouse employee to delivery driver and currently holds the position of vice president, running the sales and marketing department. Since graduating from the University of Oregon in 2016 and beginning to work full time at Pot O' Gold, Jones has been an instrumental part of the company's growth, helping it to become the largest independent office coffee service provider in Washington.



Caitlyn Kliest

Caitlyn Kliest, a training analyst with 365 Retail Markets, wears many hats. From helping to onboard new 365 technologies to developing new training processes, technical documentation and a robust certification program, her passion is ensuring that colleagues and 365 partners are set up for success. Her training processes and documentation have aided in hundreds of successful market launches. Kliest goes above and beyond in every endeavor she takes on, working tirelessly and always exceeding expectations.



Juan Jorquera

A cofounder of tech firm Vagabond, Juan Jorquera has been involved in convenience services in various ways the past decade. He is the only NAMA Emerging Leaders Network member to serve on the ELN steering committee since its inception in 2014 and has taken part in every NAMA Fly-In since the first in 2015. At Vagabond, he has enabled hundreds of operators to implement technology, take advantage of financing programs and be knowledgeable of government and industry-sponsored programs.



Jason Liddie

Jason Liddie is a seven-year veteran of the Navy Exchange Service Command Vending (NEXCOM) operations in Great Lakes, IL, where he serves as vending manager. Liddie is well respected by his peers and provides leadership and motivation to those who serve the sailors every day at Naval Station Great Lakes.



We are the Midwest's Premier Independent Vending Company

**GREAT
FOOD,
SNACKS
& DRINKS!**

*Delivering
Freshness*

IMPERIALCO.COM



VENDING • FOOD SERVICE • COFFEE

Francesca Loparco

Francesca Loparco is committed to the highest levels of personal and professional comportment. She spent 15 years in the financial services industry before joining Automated Services International Inc. The skills she gained in another industry were instrumental in ASI's ability to support customers and employees through COVID-19. As ASI's vice president of marketing and finance, she has done her job in a comprehensive and empathetic manner. "I'm very proud of my daughter," wrote Joe Loparco in his nomination.



Katy Melstrom

Katy Melstrom has poured her passion for innovation into Three Square Market for nearly 10 years as vice president of marketing. She is continually working behind the scenes to ensure the company's partnerships stay strong and continue to grow. Melstrom is a companywide go-to person for fresh ideas, insight and direction, playing an integral part in every trade show and campaign. Outside of the industry, Melstrom holds a seat as treasurer on the executive committee of River Falls, WI.



Hans Lutkefедder

Hans Lutkefедder is vice president of Vend Natural Holdings with oversight of location acquisitions, equipment management, product selection and the startup of new operations. He assists in developing business strategy for the company. Lutkefедder joined the firm in 2010 to help usher in healthy vending initiatives prior to widespread regulation. He serves as the chair for NAMA's Emerging Leaders Network and is a board member of the Maryland-DC Vendors Association.



Lee Mondol

Lee Mondol began his career with Canteen of Coastal California in 2010 as a warehouse employee, pulling orders and loading trucks. From there he moved to a micro market route position and excelled at sales and customer service. As micro market business continued to grow, Mondol's sales and service abilities led to his promotion to manager of the entire micro market division, in which he exceeded expectations. Mondol has since been promoted to branch manager of the Bakersfield, CA, division.



Little Debbie Since 1960 Celebrating 60 YEARS

AMERICA'S FAVORITE SNACK CAKES®

The Classics Sell Themselves



Cosmic Brownie
FOA #89586
Net Wt. 4.0 oz
Case Ct. 60 (10/6's)
Shelf Life: 50 Days

Nutty Buddy Bar
Fresh #89166
FOA #89566
Net Wt. 3.0 oz
Case Ct. 72 (12/6's)
Fresh Shelf Life: 60 Days

Perfect for:

- Vending Machines
- Micro Markets
- Cafeterias
- Catering
- Pantries



LittleDebbieVending.com
FoodService@McKee.com

© 2021 McKee Foods Corporation

Ryan Myers

Ryan Myers is the chief financial officer of Imperial LLC, a privately held organization with over \$100 million in annual revenues, located in Tulsa, OK. Myers joined Imperial in 2019 after 15 years in public accounting and financial reporting functions serving the financial services and oil and gas industries. At Imperial, Myers has established back-office system automation streamlining the company's administrative services, and developed data analytics that drive the focus on taking care of the customer.



Cristina Noel

Cristina Noel was raised in the vending business, however, she had little involvement until her father suddenly passed away in 2014. A junior in college at that time, she put her education on hold for a year so she could step in and help her mother run Golden Age Vending in Houston. She was later able to finish her education and received her bachelor's degree. Noel has worked tirelessly for the past seven years to advance the business her parents started 22 years ago. As its general manager, she oversees all GAV operations.



Sarah Nesci

As the vice president of Cheesewich, Sarah Nesci handles everything from purchasing production supplies, setting up trucks for distribution, providing quality control for the Safe Quality Food (SQF) program, working on accounts payable/receivable and most importantly, assisting in providing great quality food, customer service and sales calls. Nesci is SQF and Hazard Analysis Critical Control Point (HACCP) certified. She has spent decades watching her mentor and father, Tony Migacz Sr.



Abby Ostlund

Abby Ostlund, marketing manager at E.A. Sween Co., has garnered notable recognition for E.A. Sween food products in the vending channel. Leveraging project management skills, Ostlund has led product development. These new items capitalize on food trends consumers want and insights regarding on-the-go eating trends. She continuously analyzes the in-market performance of E.A. Sween brands, lending input to category-management recommendations. Ostlund developed a solid plan for the company's Market Sandwich line.



Nayax



Congratulations to Carly Furman

CEO, Nayax North America

for inclusion in Automatic
Merchandiser's **40 Under 40!**

Cody Otto

As vice president of Otto Vending in Quincy, IL, Cody Otto has been a source of great inspiration with his dedication and tenacity toward continuous improvement. He has been continually involved with NAMA's Emerging Leaders Network, including growing his role within the organization and actively recruiting potential members. Otto is a forward thinker, always watching for the next leap forward in customer care and adapting solutions to fit their needs. He plans well and follows through.



C.J. Recher

C.J. Recher is vice president of marketing for Five Star Food Service, a full-line unattended retail and foodservice operator based in Chattanooga, TN. Recher leads a team of seven marketers that build Five Star's brand and support revenue growth programs through new business, same-store sales, and customer retention. Recher is also cofounder and business manager for Feeding the Future Inc., Five Star's nonprofit foundation aimed at ending childhood hunger through fundraising and local food bank partnerships.



Jordan Plassman

Jordan Plassman has played a key role in the growth of Maumee Valley Group in Defiance, OH. With his help, in 11 years the company has grown from 45 employees to more than 150, two fully operational food commissaries, 42 independent routes and 462 micro markets. Plassman's experience as a route driver allowed him to identify service inefficiencies and adjust to improve profitability; that, along with transitioning to micro markets, improved MVG's monthly route sales performance from \$40,000 to \$80,000.



Luke Saunders

Creator of Farmer's Fridge, Luke Saunders developed a smart vending machine that dispenses salads, grain bowls and healthy snacks in recyclable plastic jars. Since the company's launch in 2013, Farmer's Fridge, and Saunders, have received numerous accolades. While the company was named one of Time magazine's Best Inventions, Saunders was honored as a Forbes 30 Under 30, a Crain's 40 Under 40 and one of Fast Company's 100 Most Creative People in Business. Giving back to communities is his passion.



Congratulations To Jarrad Duxbury & Tahoe Vending For Being Awarded 40 Under Forty!

"I'd just like to say thank you for the award. The truth is it's the Tahoe Vending team that deserves the recognition. I'm honored to work with such a dedicated group of men and women."



Arthur Siller

As senior vice president of operations at Evergreen Refreshments, Arthur Siller has 180 employees under his direction, as well as three Northwest branches across Washington and Oregon. During his time with Evergreen Refreshments, Siller has helped hundreds of businesses improve and transform their food offerings, specifically working with clients to tailor programs that are built around their needs. He stays active in the industry and sits on the board of directors of the Northwest Automatic Vending Association.



Amber Starr

Amber Starr, vice president of implementation, has been the backbone to the corporate G&J Marketing and Sales office for many years. Colleagues describe her as a team player – “in it to win it” – and an employee who serves with commitment. She has worked her way up from a customer service agent to now an executive responsible for field implementation. Throughout this time, she has shown commitment to G&J, to its customers, and to the industry as whole.



Duncan Smith

Duncan Smith, president of All Star Services Inc., in Port Huron, MI, is a third-generation operator who continuously pushes the boundaries of what is possible within the convenience services industry. Smith's commitment to the industry is exemplified by his strong partnerships with industry leaders Vistar, Cantaloupe Inc. and Vendor's Exchange International to name a few. Smith has been instrumental in the development and implementation of multiple VMS technologies within the industry.



Elyssa Steiner

From her days working at Avanti Markets, to USA Technologies and Cantaloupe Inc., where she is now vice president of marketing, Elyssa Steiner has raised the bar on creating programs to empower sales and give customers the tools they need to succeed. Steiner thinks of the vending operator first in all company efforts and is a wellspring of industry knowledge; she goes above and beyond to enable customer success. In 2013, she was voted AM's Readers' Choice Manufacturer Representative of the Year.



All Star Services congratulates **Duncan Smith** on his nomination for Automatic Merchandiser's 40 under 40



www.allstarservices.com



BEAN TO CUP & LEAF TO CUP

NEXT GENERATION
COFFEA® 3.0
VACUUM(SIPHON)
BREWING
SYSTEMS,
FIRST TO

BREW BOTH...



COFFEA.GROUP 1-877-341-2233

Justin Steuber

Since he was six years old, Justin Steuber, customer success director at Associated Services in San Leandro, CA, has been working at the company his grandparents started, doing everything from sweeping floors to now marketing. After receiving his bachelor's degree from the University of Nevada, Reno in 2018, Steuber has become a company leader and mentor. He always gives his time to help coworkers. One colleague wrote, "[Justin] now is teaching me all sorts of new things and helping me be a better manager."



Mallory Wonoski

Part of 365 Retail Markets' team for more than seven years, Mallory Wonoski played a lead role in many successful 365 product launches, including the PicoPlatform that consists of the PicoCooler, PicoVend and PicoVend Mini. Wonoski also relaunched the 365Pay app, making it the industry's first fully accessible mobile market app, and implemented 365's Touchless Coffee and Touchless Vending. In addition to her 365 product focus, she sets operators up for success by providing onsite training.



Tara Wiese

Tara Wiese of Subelt Bakery and Fieldstone Bakery and Little Debbie Vending, is described by colleagues as a leader, coach and friend. Wiese earned her MBA from Lee University in 2020 all while working full time, volunteering with Big Brothers Big Sisters of America and adapting to life with two elementary-age kids in virtual school during the pandemic. She was recently promoted from associate brand manager to brand manager. Under her leadership, the iconic snack companies have launched numerous vending products.



40 UNDER FORTY

Automatic
MERCHANDISER
AWARDS

To read extended 40 Under 40 biographies go to VendingMarketWatch.com/21235192

Congratulations
MIKE HOEFT
BUNN



40 UNDER FORTY
Automatic
MERCHANDISER

EAS
E.A. SWEEN COMPANY

Congratulations, Abby Ostlund!



E.A. Sween is proud of your significant achievements!

40 UNDER FORTY
Automatic
MERCHANDISER

Health-Aware Snackers Inspire Innovation

Pandemic-fueled snacking surge renews focus on wellness and better-for-you products

By Emily Jed, Contributing Editor

After more than a year of extreme fear and stress brought on by the COVID-19 pandemic, which in turn fueled a period of exuberant snack indulgence, consumers are prioritizing health more than ever before. At grocery stores and at work, they are looking for better-for-you nourishment by scanning labels, noticing unfamiliar ingredients, and rejecting items loaded with sodium, sugar and fat – seeking as many health benefits as possible in every snack. As always, definitions of healthy vary widely, from paleo, keto and vegan to Mediterranean diets factoring into the mix.

The wellness trend was already long under way, but the pandemic has been a key driver behind the rise of health-aware snacking as many consumers seek to shed those unwanted pounds they put on during months of limited mobility and after snacking at greater frequency for comfort and small indulgence.

And when the pandemic established remote work and school as the norm, daily routines lost all routine. The regimen of three distinct meals a day became even more blurred, further amplifying a trend that had also taken shape before the pandemic. Snack food has increasingly replaced meals instead of being consumed in between them.

The pandemic has also inspired consumers to be more open to trying less-established brands as stay-at-home orders drove the masses to shop the internet, expanding their horizons beyond their routine favorites at brick-and-mortar stores. This movement has given emerging brands a lower barrier to entry.

FRESH TAKE

Following a lull in innovation amid pandemic disruptions and shutdowns, manufacturers are repositioning to meet consumers as they reemerge with new products that balance enjoyment and indulgence, along with those that fit into more wellness-focused lifestyles.



We saw fundamental changes in snacking at the onset and throughout the pandemic. While all consumers increased their snacking during COVID, Gen-Z and millennials did so at a rapid pace.”

Jeff Scudillo, PIM Brands



The numbers speak for themselves that snacking for pure indulgence clearly holds its place in the mix. Chocolate sales at c-stores increased 8.5% to \$2.76 billion for the 52 weeks, ended May 1, 2021, versus one year ago, according to NielsenIQ Retail Measurement Services, Total U.S. Convenience data. That’s up 4.15% from the end of 2020, when chocolate sales totaled \$2.65 billion for the 52 weeks, ended Dec. 26, per Nielsen Total U.S. Convenience data.

Salty snack dollar sales for the past year grew 7.2%, according to Nielsen data, for the 52 weeks ended May 29, 2021, and sweet snacks dollar sales saw a 4.8% increase for the same period.

PIM Brands Inc. (formerly Promotion In Motion), founded in 1979, has a long history of leading and inspiring consumer snacking trends and continually innovating to meet changing demands. It’s one of America’s leading snack and confection manufacturers and one of the 50 largest global candy companies.

Based in Park Ridge, NJ, PIM Brands provides a range of confections, from better-for-you to nostalgic indulgence for vending, office coffee service and micro markets. They include Welch’s Fruit Snacks, Welch’s Fruit n’ Yogurt Snacks, Welch’s Juicefuls Juicy Fruit Snacks, Original Gummi Factory Gummi and Sour Candies, along with Original Gummi FunMix, Sour Jacks Sour Candy, Sunmaid Chocolate Raisins and Nuclear Sqworms Sour Neon Gummi Worms.



Fiorucci

LOOK BACK, PLAN AHEAD

“We saw fundamental changes in snacking at the onset and throughout the pandemic. While all consumers increased their snacking during COVID, Gen-Z and millennials did so at a rapid pace,” said PIM Brands vice president of sales Jeff Scudillo. “These two segments snack on average five-plus times a day, compared with 2.7 for all consumers.”

Welch’s Fruit Snacks is appealing to millennial and Gen-X consumers, who have children in the household and are looking for fun snacks the whole family can enjoy, while some of PIM’s gummi brands, like Sour Jacks Sour Candy, appeal to an older Gen-Z consumer.

PIM Brands had several successful product launches in 2021, including the national introduction of Welch’s

Juicefuls Juicy Fruit Snacks, a line of fruit snacks with a juice-filled center that are available in three flavor varieties: Mixed Fruit, Berry Blast and Island Splash. Original Gummi FunMix launched new Tropical Fish Party and Swirl’z Party, while Sour Jacks brought to market a fun new mix of Assorted Wedge Sour Candies.

For 2022, PIM will be introducing Welch’s Zero Sugar Fruity Bites in



PIM Brands

three flavor varieties and Welch's Fruit Snacks Summer Fruits, a refreshing, seasonally inspired flavor.

COVID INSIGHTS

Snacking for enjoyment was the top reason consumers cited for snacking during the pandemic.

"It provided a needed break, a respite from the boredom or an emotional lift," Scudillo noted. "The incidence of consuming indulgent snacks increased. We also saw a large increase in needing to buy snacks for the whole family, as the lockdowns and mobility restrictions caused the home to become the center of life – schooling, work, entertainment, cooking meals."

Over the past 18 months, PIM saw strong dollar sales increases across all its categories of snacking segments – wellness, permissible indulgence, true indulgence and treats (chocolate and nonchocolate candy). Gum and mints, meanwhile, experienced a steep decline as routines changed and social interactions became more limited, diminishing the demand for breath refreshment.

Likewise, according to Scudillo, snacking at home increased as mobility restrictions negatively impacted away-from-home snacking, with, as expected, sharp declines in snack purchases from vending machines, movie theaters, airports and travel centers, rest stops and theme parks.

PIM's snacking sales exploded on e-commerce, with the

channel gaining share from brick-and-mortar stores. Grocery, value and club stores also performed well.

"Snacking occurred throughout the day, but morning and evening are now growing the fastest," Scudillo noted. "In c-stores, snack purchases shifted to later in the day during the pandemic, as typical morning routines, such as in-person schooling and work commutes were disrupted."

HIGH EXPECTATIONS

PIM Brands expects continued momentum behind snacking in 2021 and 2022, as category tailwinds coming out of COVID will outpace headwinds. According to Scudillo, the tailwinds include an increase in the snacking trend to continue with both incidence and frequency growing, continued need for convenient snacks and mobility growth.

PIM anticipates continuing momentum from both indulgent and nostalgic snacking and increasing interest in better-for-you products. The candymaker also expects continued interest among Gen-Z and millennials and a return of sales in away-from-home channels most impacted by COVID, including vending, movie theaters, airport terminals and amusement parks.

"Many behaviors established during COVID will stick as the world slowly reopens," the PIM vice president added. That includes stocking-up behavior, buying larger sizes, e-commerce, increased snacking frequency and continued momentum in the grocery, value and club channels.

"With increased mobility and the home construction boom, we are seeing foot traffic and trips grow within the convenience channel," Scudillo said. "This will continue as more workers head back to the office and schools reopen in the fall. The level

of uncertainty is still high, given the unpredictability of COVID and the variants. Different regions will be impacted disproportionately due to the varying vaccination rates and case counts."

MEAT-ING DEMAND

Meat and cheese snacks are riding a wave of popularity among consumers seeking high-protein, low-carb meal replacements, which has helped Oberto Specialty Meats, founded in 1918 in Kent, WA, to become a growing fixture in vending machines and micro markets.

For micro markets, its newest offering is 4-oz. Oberto Fresh Refrigerated Chicken Skewers in Barbeque, Buffalo and Teriyaki varieties, which have a 45-day refrigerated shelf life, and 2.5-oz. Charcuterie meat and cheese pairings in Parma Salame & Smoked Provolone Cheese; Parma Salame & Fontinello Cheese; and Calabrese Salame & Smoked Provolone Cheese varieties.

These join the iconic Oberto brand 1.5-oz. to 3.25-oz. bags of Beef Jerky in Original, Teriyaki and Peppered flavors. Other vending items are the Cattleman's Cut brand of 0.75-oz. to 3-oz. Beef Jerky and Sausage Sticks and Lowrey's 1.75-oz. Original and Spicy Bacon Curls. Rounding out the lineup are Bavarian Landjaeger and Lil Landjaeger brand peg bag products in 0.75-oz. to 3-oz. packages suited for large and small vending spirals and micro markets.

"The new Oberto products the trade should consider offering their consumers are the Oberto Fresh Refrigerated Chicken Skewers and Cattleman's Cut Takis Fuego Sticks, which are highly successful in all other channels," said Oberto Specialty Meats foodservice director Don Lear. "Oberto Fresh and jerky and stick sales have increased substantially as consumer demand for snacking products increased throughout the pandemic."



Oberto

RIDING THE WAVE

This consumer demand has continued in 2021 as consumers drive growth in the total snack category and especially protein snacks, Lear said.

“Products with longer shelf life are seemingly rebounding more quickly than other products, since many B&I locations do not have all their employees back and operators want to control their stale outs,” Lear observed. “So some operators offer Oberto Fresh Refrigerated Chicken Skewers, with a 45-day shelf life once slacked out, instead of, for example, salads with much less shelf life.”

Not surprisingly, where B&I locations are having their employees return to their offices, Oberto has seen encouraging consumer demand in the convenience services sector. “So, the Southeast and Southwest are leading; although, operators throughout America have select locations doing very well,” Lear was pleased to report.

Like many manufacturers, Oberto has been forced to raise its prices due to the dramatic increase in beef, lean hog and chicken input costs, which consumers are also seeing in grocery stores for household staples like ground beef, pork chops, steak and chicken.

Lear observed that when operators increase prices on protein products, unit demand dips for a short time, then returns closely to where it was. “Consumers are experiencing and getting accustomed to widespread price increases for not only food products but also services,” Lear observed.

PANINO POWER

Fiorucci Foods of Colonial Heights, VA, has been in the specialty meat business since the 1850s. It introduced its Paninos, Italian deli meat enrobed around cheese, in the early 2000s, creating a whole new specialty meat category that is taking off for micro market and vending operators.

There are five varieties in 1.5-oz. see-through packages that showcase the two Paninos inside. The newest edition is Genoa Salami and Mozzarella, which is especially popular on the East Coast, according to Fiorucci Foods’ Stephen Docherty. Prosciutto and Mozzarella is the No. 1 Panino,

followed by Hard Salami and Mozzarella, Pepperoni and Mozzarella and Hard Salami and Pepper Jack Cheese, respectively.

Paninos are packed in an 8-ct. box (two boxes to a case), which doubles as



Fiorucci Foods

THE PLANT-BASED MARKET HAS A NEW SWEET SPOT.



The growing vegan market is craving healthier options. So give them an all-natural treat they could feel good about. Fat Badger cookies are delivered fresh in single-serve packages and come in eight flavors that are certified vegan and non-gmo verified.

Try us alongside craft coffees and plant-based creamers.



For sales, call Karim Dossa at (267)362-5326 Ext. 150 or email kdossa@fatbadgerbakery.com

Ravenously vegan.

fatbadgerbakery.com

an instant product display. They have a 90-day refrigerated shelf life. The product's success in convenience and grocery stores has the Fiorucci Panino poised for increased growth in the micro market channel, according to Docherty. He added that it has seen "huge sales" in Hudson News locations at airports across the country. Keto and Mediterranean diets are helping to drive the success of the Fiorucci Panino.

"Just like people in the workplace, travelers are busy, they are on the go, and sometimes they don't necessarily just want to grab a bag of chips or some fast food, but instead, they want to grab something that might be a little bit more aligned with their dietary needs, or they're just looking for something that's a little bit more protein-rich and very simple, easy to grab and enjoy," Docherty concluded.

PLANT-BASED AND VEGAN GO MAINSTREAM

Opposite meat snacks, plant-based snacks are on the rise and moving from niche to mainstream. Snacklins, founded in 2015 and headquartered in Rockville, MD, is targeting this niche and building its presence in micro markets and vending with its crunchy, airy, low-calorie crisps made from yuca, mushrooms and onions.

Snacklins' 0.9-oz. snack size bags come in four flavors: Barbeque, Chesapeake Bay, Nacho and Teriyaki. Each bag contains 90 calories and is non-GMO, kosher, vegan, gluten-free, grain-free, dairy-free, soy-free and nut-free. It retails for \$2 to \$2.50 a bag.

The snack-maker recently launched its first-ever limited-edition flavor, Cinnamon Churro. "It was such a huge success that we are working on adding it to our lineup full time," according to Snacklins' Jeremy Sherman.

Snacklins has a strong following among women 30 to 50 years old,



Fat Badger Bakery

vegans and dieting consumers. Sherman said that a pronounced change in snacking behavior resulting from the pandemic is that more consumers were willing to purchase foods of all kinds online, which drove a huge uptick in sales at its own website and other online channels.

"There is certainly a new normal where consumers are more comfortable buying online," Sherman observed. "However, consumers are definitely returning to grocery stores and other physical locations where foods and snacks are sold. Most snack sales still happen offline."

Most of Snacklins' demand comes from the Northeast, mid-Atlantic and West Coast, regions where its current grocery footprints are concentrated, but plans are in the works to expand its reach.

Many plant-based foods are also vegan – free of all animal products – which is another category that has moved to the mainstream. Fat Badger Bakery started baking vegan cookies in 2018 following its origins under a different name a few years earlier, baking dairy-free and kosher cookies.

"We quickly switched the focus of the company to vegan as we saw that with a few tweaks to our recipes we could appeal to a much larger audience in the vegan and plant-based market," said Fat Badger's Gretchen Dossa. "Our goal was and has remained to bake cookies using great ingredients that taste delicious and homemade. Fat Badger Bakery's goal is to bake the best cookie that you have ever had, not just the best vegan cookie."

Fat Badger Bakery is located in Pipersville, PA, a small town

in Bucks County, and remains a small company operating out of its own building. "Having a small, established staff and our own manufacturing facilities were extremely helpful during COVID," Dossa said. "We were able to quickly pivot the way we did business and establish safety and cleaning policies."

CHANNEL NEWCOMER

Fat Badger is just starting to enter the micro market and vending space with eight of its 1.5-oz. single-serve, individually wrapped cookies. The bakery makes its soft cookies with a simple selection of high-quality ingredients, which are clean and transparent, without preservatives; the shelf life is extended with refrigeration or freezing without compromising taste. All of the cookies are Non-GMO Project certified, and vegan and kosher certified.

"Our vegan cookies are a 'healthier' alternative but are still a delicious and satisfying dessert as opposed to a cookie that tastes more like a cereal bar," Dossa pointed out. "They contain organic flaxseed which aids in fiber and a blend of healthy oils that have no trans fats or cholesterol. Our ingredients are selected with care, from the non-sulfite coconut and Callebaut chocolate to the red raspberry topping that is simply dried and powdered fresh raspberries."

The cookies wholesale for 87¢ apiece and have a suggested retail price of \$1.76 a cookie. Like most suppliers, Fat Badger has had difficulty sourcing some of its



Snacklins

ingredients quickly and faced price increases and shipping time failures but has been able to hold off on increasing its prices.

Dossa noted that sales of vegan and plant-based food rose 27% in 2020, growing at twice the rate of the total retail food market. “Our sales reflected that growth as people that were not necessarily vegan became first-time purchasers of plant-based food,” she commented. “Healthier foods and clean ingredients labels were also important to our customers, as well as the safety of foods that are individually packaged.”

Fat Badger witnessed increases in sales from grab-and-go and delivery restaurants looking for a sealed and safe dessert option, as well as subscription meal services that saw a boon in sales as people sought healthy, well-rounded meals that could be delivered to their homes.

“I think people’s attitudes toward food and how they purchase that arose during the pandemic will have lasting effects,” Dossa predicted. “Food delivery may decrease over time, but I think that people will still look for the convenience aspects of food shopping. I also think that people will continue to look for an increased variety of high-quality-ingredient items and plant-based items to be available wherever they shop and not just in Whole Foods and health food stores.”

Fat Badger’s biggest following is among females ages 24 to 34. Geographically, retail sales demand for Fat Badger products is highest on the East and West Coasts, specifically in New York, California, Washington, Pennsylvania, New Jersey, Washington, DC, and Florida, which tend to set the trends for the rest of the country.

“We do have increasing retail interest in states that are not known for having a high percentage of vegans,” Dossa observed. “This could be because they have less plant-based

options or because plant-based diets are becoming more mainstream.”

The Fat Badger official added that more people are incorporating vegan meals into their diets for health reasons – without making the plunge into becoming fully vegan.

“Consumers are increasingly will-

ing to pay a premium for food that has healthier ingredients, is non-GMO certified and vegan for ethical reasons,” Dossa noted. “There is an understanding that healthy, clean food that may be vegan and non-GMO certified comes as a premium and they are willing to pay a little extra for that.” ■







All in One Cooler

- Most Flexible Cooler In The Marketplace Today
- Lowest Cost Of Ownership
- PICO Ready
- One Of A Kind Lift Refrigeration System

 847-709-6299

 info@premiumproductgroup.com

 www.premiumproductgroup.com



A full-service distributor offering a unique variety of consumable products to the out-of-home market.














Back-To-School Refuel

New England's American Food and Vending celebrates 40 years on an upswing as COVID's restrictions ease

By Emily Jed, Contributing Editor

American Food and Vending is welcoming back-to-school season with cautious optimism. Not only are teachers and students returning in person from COVID-19 quarantine, but parents and caregivers free from the childcare obligations imposed by remote learning can now rejoin their workplaces in force.

After navigating COVID's extraordinary challenges and reinventing its services accordingly, the full-line vending, micro market, office coffee service and water provider based in Woburn, MA, has extra reason to celebrate its 40-year milestone as a convenience service leader in the New England market.

At the helm are chief operating officer Jim Roselando and vice president Patrick Arone, who carry on the legacy of Jim's father, Jim Sr., who remains active in the business.

The senior operator began his career working for Canteen as a route driver and moved up the ranks into a managerial role. He and a coworker on the sales team eventually joined forces and left Canteen to apply their respective vending operations and sales know-how to start AFV.

“

No one on a client's premises should ever walk away frustrated or disappointed by the fare they offer in vending, micro markets and coffee service.”

Jim Roselando Jr., AFV COO

“They started from scratch, developing loyalists through hard work, dedication and exemplary customer service, one snack, one beverage at a time,” Roselando commented. “We continue to hold true to those values today.”

Jim Sr. assumed sole ownership of the operation a decade later. Jim Jr. grew up in the business and joined full time in 1990 after graduating from college. Arone was a seasoned industry veteran with stints at Coca-Cola and Nestlé under his belt when he joined AFV in 2001. Both lead the organization today.

A testament to AFV's enduring success throughout four decades is that it still services

Operators Jim Roselando Jr. (left) and Patrick Arone are pictured in AFV's Woburn, MA, headquarters.

Photos by American Food and Vending





AFV district manager Chris Braccia checks out a glassfront vender before it's installed in the field.

some of its earliest accounts. Key to its loyal following and steady growth has been the company's readiness to diversify and evolve to serve all refreshment needs and adopt the latest technologies to enhance both the customer experience and operational efficiency.



If vending companies operate the way they have been without micro markets and a good coffee program and understanding customers' changing needs, they will be out of business."

Patrick Arone, AFV vice president

ONE-STOP SHOP

AFV operates 31 routes that provide vending, micro markets, and office coffee service and water filtration to colleges, universities, businesses, industrial complexes and healthcare facilities in Boston and the surrounding areas. Its reach has grown over the decades, spanning beyond Massachusetts into New Hampshire, Rhode Island and Connecticut.

The company recognized the need to provide a total refreshment solution and

added office coffee service to its repertoire in the mid-1990s. OCS grew to be a strategic part of its business but is also the segment that has been hit hardest by the pandemic shutdowns and subsequent shift to remote work.

Nationwide, the OCS business is slowly coming back as employees return to the office and the operators have everything in their arsenal from premier coffee brands to portion-pack and bean-to-cup brewing systems to provide the coffeehouse experience in the breakroom that employees have come to expect and that employers have found value in delivering.

"When we began with OCS, it was a drip-coffee world and then it evolved to single-cup with Keurig and Flavia and now bean-to-cup machines that make drinks like lattes and cappuccinos that are all the rage," Roselando commented.

Water is another service AFV added to be a one-stop shop for its clients. The company's bottle-less water filtration systems plumbed to an existing water supply provide an endless stream of clear, fresh, filtered drinking water. AFV has also met surging demand for sparkling and flavored water by adding the Bevi system to its offerings.

"We never sub-contract our water services. This means we're accountable to our locations. We'll keep the water flowing, the filter working and their taste buds happy," Arone said. "One thing about our company that's been a big part of our success is we don't just jump into anything. We watch and figure out what works and doesn't first. Anything brand new does not necessarily work well so we make the move once we know what's sticking with customers and the technology has proven itself."

MICRO MARKET MOMENTUM

This wait-and-see approach made AFV relatively late to join the micro market revolution in 2013, but that didn't hinder the company from emerging as one of the largest providers of the self-checkout stores in New England.

Pre-COVID, the company operated 120 micro markets. Currently, 65 are open and the others are still on site, awaiting the return of enough employees to reopen.

"We expect a surge in business by October as kids go back to school," Roselando predicted. "We developed some unique approaches during



NAMA Fly-In
ONE VOICE
Advocacy Summit

Join fellow industry leaders in Washington, D.C. November 16-17 to make your voice heard. This premier event is the key to building and maintaining meaningful relationships with policymakers. This is the opportunity to tell convenience services' story to decision makers.

Together, we are **ONE VOICE**.

Why Attend?

- ▶ Help shape policies that affect your business in issue-focused meetings with key Members of Congress and Congressional Staff
- ▶ Advocate on issues important to the industry with federal regulatory agencies including the FDA, SBA, the EPA and more
- ▶ Develop relationships with influential Congressional lawmakers and staff that represent your businesses and hometowns
- ▶ Use your unique industry expertise to influence how policies are developed at the federal level

NOVEMBER
16-17

Omni Shoreham Hotel
Washington, DC

Attendee is responsible for airfare
and hotel accommodations

REGISTER ONLINE

namaflyin.org

CONTACTS

Advocacy Summit Questions

Mike Goscinski

mgoscinski@namanow.org

Wes Fisher

wfisher@namanow.org

Robert Jackson

rjackson@namanow.org

Registration / Hotel Questions

events@namanow.org

NAMA
Bringing convenience to life.™



AFV account executive Steven Chaff looks over orders.



AFV's walk-in cooler is stocked with fresh food items for micro markets and vending machines.

COVID that have helped us through and will continue to be key as businesses reopen and employees return.”

Specifically, in the wake of COVID, AFV has found new opportunities by partnering with several contract foodservice companies to provide micro markets as a labor-free alternative to the cafeterias that they have been forced to shut down without enough employees on site to support them.

“We’ve been very successful with micro markets replacing cafeterias because they’re not labor intensive and let us move in on the foodservice side with that strategy and then follow behind with coffee and sometimes vending,” Arone noted.

What’s “unorthodox,” he added, and a paradigm shift in these uncertain times, is that AFV has eliminated its financial risk when installing micro market area treatments and fixtures, which it has learned all too well throughout the pandemic are not readily relocated and not easy to store.

“With business that’s lost and transitioned, all of the equipment and fixtures typically come back,” Roselando observed. “It’s now a foodservice business, and now we hardly have any micro market fixtures coming back into stock.”

“We sell our markets differently,” Arone added. “Multi-tenant office buildings that had cafeterias are turning to micro markets; it’s a definite trend. They understand that we have a weekly minimum number to cover shrinkage and spoilage, just like manual foodservice, when we go in. We need to be paid or amortize our investment with a three-year program. In these uncertain times, we protect ourselves as we go.”

FOOD FOR THOUGHT

Micro markets and fresh food go hand in hand and embracing the interplay between the two is the only way to succeed, according to the New England operators. “Vending companies have looked at fresh food in a different way than the rest of the world,” Arone commented. “It was always the lowest performer in a bank. But with micro markets, if they don’t have good fresh food, they’re not successful.”

On average, 35% to 40% of micro market SKUs should be fresh food to be optimally merchandised for the swiftest sales, Arone advised. “AFV even in a COVID environment still sells and merchandises over 9,000 units of fresh food per week!” he exclaimed.

AFV has proven this point time and time again by replacing competing micro market operators that had only provided frozen food.

“That’s where the big win is,” Roselando said. “Most New England companies want to mitigate loss by avoiding fresh food versus go after the sale. Frozen food is not going to get people back again and again. It’s fresh, truly good, quality food that does that.”

In fact, AFV recently kicked it up another notch by adding sushi to its repertoire, which has reportedly been selling off the shelves.

The convenience services company has opted out of operating its own commissary because the variety and quality offered by its supplier meets contemporary tastes and is second to none.

One measure of the high-end appeal of AFV’s fresh food is that the vending and micro market provider supplies items like parfaits, grape and cheese platters, and Mediterranean snacks to several hospitals for their grab-and-go programs.

“In vending, food was always a headache with a lot of shrink,” Arone emphasized. “We manage customers’ expectations that it’s not a vending program. It’s food and a shared risk with a short shelf life. If some goes bad, it’s part of the deal that it’s a shared loss just like cafeterias do.”

OPPORTUNITY ABOUNDS

For one hospital group that will not reopen its cafeterias, AFV installed three micro markets at different hospital locations. Some Boston-area locations, like one pharmaceutical company that has eight of AFV’s micro markets, for example, never shut down and now rewards its employees

for their dedication by completely subsidizing the markets. Likewise, a multi-tenant office that AFV serves has 15 micro markets on location to maintain and attract occupants.

“One thing for sure is the world of foodservice is changing and we’re just thankful we’re on the right side of the tracks,” Arone remarked. “Micro markets are a gamechanger because they remove labor and provide more variety. We partner with foodservice companies that just have had traditional foodservice and put together a total solution.”

AFV customizes micro markets to the unique needs of workplaces using Three Square Markets and Avanti Markets’ technologies to provide a large variety of healthy snacks, beverages, and fresh and frozen food, along with everything from health and beauty supplies to windshield cleaning solvent and scrapers during the winter months, with hundreds of options from which to choose.

“It’s a mini c-store and no market is the same. AFV can customize all selections, as well

as price points, making it easy for employees to subsidize snacks and beverages for their employees with 100% detailed and accurate reporting,” Arone explained. “And with so many top-quality food options on hand, employees no longer need to leave the building for breaks, reducing travel time and time spent away from the office.”

VENDING REFRESH

Despite the obvious attraction of micro markets for both locations and operators, the mini c-stores require buildings with a closed customer base to limit theft and central locations that accommodate them, which is why vending



Micro markets and fresh food go hand in hand at AFV. On average, 35% to 40% of AFV’s market SKUs are fresh food items.



**Quality Liftgates
for Every Application**

Full Line of Custom Liftgates Light-Medium-Heavy-Duty

THIEMAN TAILGATES, INC. markets a full-line of hydraulic liftgates for light, medium, and heavy-duty trucks and trailers. Toplifters, Stowaways, Railgates, Sideloaders, and Conventional models are all part of the **THIEMAN** line-up.

For many years **THIEMAN** has been customizing liftgates to meet specific needs. If a special need arises, give us a call. From 1000 lb. to 6600 lb. lifting capacities, **THIEMAN** can provide a liftgate for almost every application.



“Raising Performance To New Levels”



600 E. Wayne Street • Celina, Ohio 45822
Ph: (800) 524-5210 • 419-586-7727 • Fax: (419) 586-9724
Email: info@thiemantailgates.com • Website: www.thiemantailgates.com



AFV driver Jeury Polanco loads his truck for the day's deliveries.

still has its place and always will, according to the AFV executives.

When the pandemic abruptly shut down locations and the machines that AFV operated within them, the operators took advantage of the downtime to rescale, reexamine planograms and inventories, reroute and reschedule.

"Vending works for all places including those that are spread out and where more security is

needed than with a micro market where we always have to be hawks to curb theft," Roselando pointed out.

Over the past three months, AFV acquired a new round of vending business in healthcare and B&I locations through its partnerships with foodservice companies and contracts with hospitals.

Many locations are attracted to its own branded "Choose Well" and "Here's to your Health" wellness programs with food, snack and beverage options that have become increasingly sought after.

"Stickers on our machines designate them as

the go-to place for people who want healthier options and we can customize programs to company goals and even slowly phase them in and allow people time to adapt," Arone remarked.

"You name it, we'll deliver it, from fresh and frozen food to ice cream, to specialty coffee," Roselando added. "No one on a client's premises should ever walk away frustrated or disappointed by the fare they offer in vending, micro markets and coffee service."

One of the most pronounced trends in vending that supports the movement toward healthier and more upscale fare, which often come at a higher price, is that cashless payments now represent 85% of AFV's vending sales.

"It's an unbelievable thing how quickly it has ramped up to such a level, and it shows the importance of accommodating all payment options on all machines," Arone observed.

In a highly competitive environment, AFV sets itself apart from many local vending machine operators with a one-hour response guarantee for emergency repairs and by providing service 24 hours a day, seven days a week, with route technicians on call around the clock. Its route drivers are also trained in repairing equipment, which helps facilitate most machine repairs and minimizes downtime.

SEEING GREEN

AFV's mantra, in line with a growing number of its customers, is "Reduce, Reuse, Recycle" wherever possible. "We care about the environment as much as our customers do," Arone emphasized.

The company exclusively installs Energy Star-certified equipment, which uses ecofriendly refrigerants and is 40% more energy-efficient than standard machine models. Energy Star-certified vending machines incorporate more efficient compressors, fan motors and lighting systems to keep beverages just as cold and the machine visible while consuming less energy. They come with a low-power mode option that allows the vending machine to be placed in low-energy lighting and/or low-energy refrigeration states during times of inactivity.

AFV also provides recycling containers at the locations it serves and regularly schedules removal and maintenance of its products and bins. The company also uses biodegradable packaging and recycles all of its own cardboard.



OPERATION PROFILE

American Food and Vending

Founded: 1981

Headquarters: Woburn, MA

Number of employees: 72

Number of routes: 31

Number of vending machines: 4,500+

Number of micro markets: 120

Equipment providers: Bevi, CPI, Keurig, Nespresso

Tech providers: Avanti Markets, CPI, LightSpeed Automation, Three Square Markets

TURNING THE CORNER

Roselando and Arone are hopeful that they have turned a corner on COVID's darkest days, with far more opportunities than challenges ahead. Right now, the most significant of remaining challenges they confront, like most operators in all regions report, are supply chain disruptions across all categories and labor shortages.

"All companies have supply issues from a giant blip on our planet with COVID that paused the world and it's further compounded by hiring issues," Roselando commented "Encore Casino in Boston recently announced that they don't have enough dealers for their poker tables, which shows just how crazy it's gotten."

AFV was forced to reduce its staff from 75 to 25 employees within the early months of the pandemic and has been on a relent-

less hiring spree to boost its team to a staff of 72. Ramping up its staff to higher levels in a tight labor market will be a welcome problem to have if it means more business to be had, Roselando added.

"If vending companies operate the way they have been without micro markets and a good coffee program and understanding customers' changing needs, they will be out of business," Arone concluded. "The large companies get it to a point but for many local guys, it's a tough thing for them to realize they need to provide all areas of service. OCS was decimated by the pandemic and even now many companies are not coming back; leases are turned over. You need micro markets and vending or you can't cover that loss. The good news is, there are new opportunities for our industry that are ironically a direct result of the pandemic." ■



With so many top-quality food options on hand, employees no longer need to leave the building for breaks, reducing travel time and time spent away from the office."

Patrick Arone,
AFV vice president

Marketplace

Inquiries to Tami Morrell: Phone: 708-917-1786 Email: tmorrell@endeavorb2b.com



SELLING?

Mike Ferguson - VMAC Solutions has over 32+ years' Vending & OCS industry experience, an ex-operator turned intermediary business broker. I speak fluent Vending and Office Coffee.



All conversations are confidential!



Viabile - Mergers • Acquisitions • Consulting

Contact Mike@VMACsolutions.com or 713-569-6463



Portable Coin Counting Scale

Count on-site with KLOPP

KCS Scale

Our Product Line Includes: Coin Counters and Sorters, Coin Scales, Currency Discriminators and Much More.



Call us at **1-800-356-9080**
www.KloppCoin.com | Sales@KloppCoin.com



Sales & Marketing Specialists



Frank Saverino, Sr.

Founder - CEO

Ph 630-868-2626
Cell 708-373-4376
Fax 630-597-2809

538 Randy Road
Carol Stream, IL 60188-2122
franksr@TeamSaverino.com

www.TeamSaverino.com



Jo Ann Lichtman

Manufacturer's Representative
for Vending, OCS and
Micro-Market Products

2019 Forest Creek
Libertyville, Illinois 60048
(847) 680-4790 • 800-801-7453
(847) 680-4796 FAX
Email: joann@
lichtmanandassociates.com

VENDTRONICS, INC.

Memphis, Tn
(901)365-5400

RELIABLE VENDING SERVICE & REPAIR

vendtronicsinc@yahoo.com

SOCIAL HUBS

Facebook/VendingMarket
 @VendingMagazine
 linkedin.com/groups/3927197

in THE OFFICE

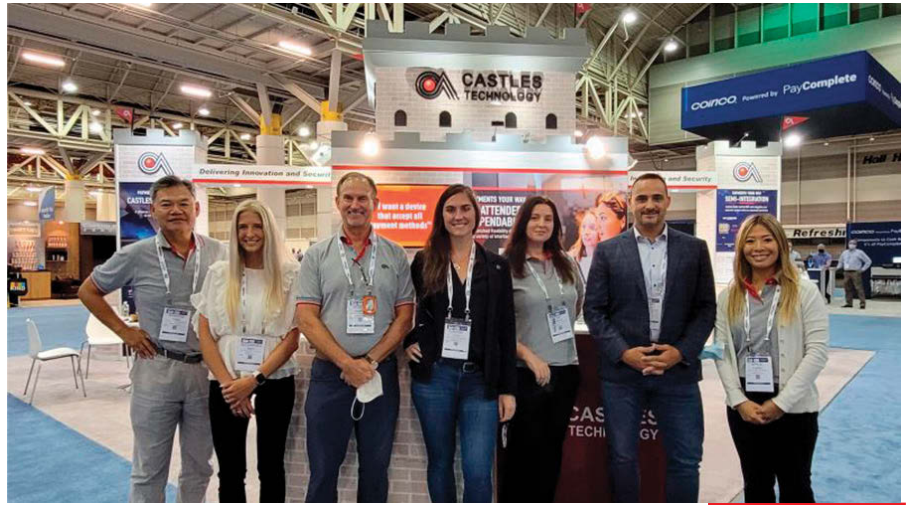


John Hickey

The booth is packed up and headed home. Thank you **National Automatic Merchandising Association**. For an unforgettable show **#thenamashow**



Judson Kleinman
 Founder and CEO at
 Corporate Essentials
 Humbled and proud!



Our Castles team has made the most of our **#NAMA** experience. Lots of great interactions with partners and new customer prospects. **#castlespride #payments #fintech**

in VIEW



f FOLLOWING

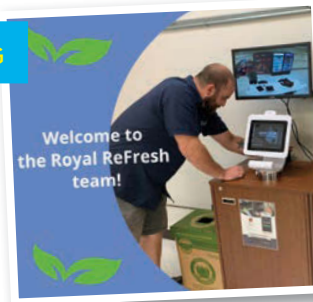


Royal ReFresh
 @GetRoyalReFresh

Meet Justin!

He joined our team as a Field Services Manager. With 25+ years in the restaurant/food industry, our customers will be working with a seasoned professional. And, when he's not hard at work, you can find him tinkering around on vintage trucks.

#RoyalRefreshTeam



Canteen North America
 @canteenusa

We are always proud of our local branches and their involvement in their communities. Canteen Blountville recently donated snacks and beverages to the Branch House Family Center to help meet their needs for victims of interpersonal violence.



TWEET & RETWEET



Carla Balakgie, CAE
 @CarlaBalakgie

Talent, heart and humor. This guy brought it all to NAMA—Together in 2021. We Red heart you **@CharlesEsten #poorRandyJoe #mommaramhimoff @NAMAvending**



Have something we shouldn't miss? Tag us or email us at editor@vendingmarketwatch.com.



**Individual and
group awards**



**Nominate yourself
or a colleague!**

PROS TO KNOW

Vending • Micro Market • Office Coffee Service

The annual *Automatic Merchandiser* and *VendingMarketWatch.com* Pros to Know Awards recognize vending, micro market and office coffee service industry professionals who are leading initiatives to help prepare their company, organization and the industry for the significant challenges of today's business climate. This award highlights both individual and group achievements that promote industry innovation and future growth.

Nomination Deadline:
October 15, 2021

Nominate today! Visit:
[https://www.surveymonkey.com/
r/21PROS2KNOW](https://www.surveymonkey.com/r/21PROS2KNOW)



ePort[®] Engage

Captivate your audience.



Our ePort[®] Engage cashless reader enables retailers to accept nearly every form of digital payment and offers a vibrant color touchscreen to **draw in consumers and drive greater sales.**



- > Gain piece of mind with enhanced anti-tamper security.
- > Capture real-time data for complete visibility.
- > All-in-one card reader and telemeter device simplifies installation.

Pre-order yours today at: go.cantaloupe.com/engage-preorder