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The Vending, Micro Market &
Coffee Service Industry Resource

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1978 Golden Brew
celebrates its 40th
anniversary.

INVESTING in

ODESSA, TX operator
created an opportunity
for his company to
thrive by capitalizing on
technology.

page 34

Golden Brew COFFEE



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Contents

AUGUST 2018

VOLUME 60, NUMBER 5



[SUCCESS STORY OPERATION PROFILE]

34 ▶ *WORKING SMARTER*

Kevin Searcy took on the challenge of growing his family's vending company without adding a single employee by developing proprietary technology.



FEATURES

16 ▶ **Avoiding A Data Disaster**

Do your payments homework to protect your business from breaches and backlash.



MORE FEATURES

24 ▶ **CoffeeTea&Water Show Preview**

The Power Of In Person

28 ▶ **How To Navigate Integrated Solutions**

Utilizing technology across software providers and service segments has many benefits, and just as many challenges.



13

DEPARTMENTS

6 ▶ **Editor's Note**

Technology And Service:
Friend And Foe

10 ▶ **VendingMarketWatch News**

13 ▶ **OCS Update**

Bring Them Back For More...
With Ice

31 ▶ **Social Hubs**

Vending, micro market and office coffee service industry post highlights from around the web.

40 ▶ **Classifieds**

42 ▶ **Legislative Update**

3 Hot Topics From
The 2018 Fly-In



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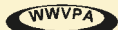
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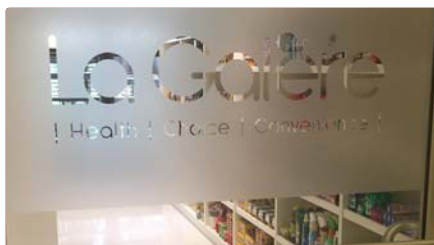
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SPECIAL REPORT



Going After The Micro Market Elite

Creating a better value connection between location and consumers

Only Available from Micro Market News

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Technology And Service: Friend And Foe

Technology offers both a greater ability to serve customers as well as challenges that must be addressed.

The industry has strong roots in service. Vending machines served customers when a person could not. Office coffee service served businesses looking to add employee benefits. Micro markets serve both. Successful vendors talk about being quick to respond to the concerns of their customers and meeting special requests — all part of good service. When technology is added, it can provide advantages for the operator

on the back end, but also a greater ability to offer top quality service.

Data collection technology and vending management systems can ensure that popular products don't sell out too fast, and using sales numbers, can create a custom selection of products that sell well at a specific customer location. Remote monitoring can alert operators of problems at a vending machine, micro market or connected coffee brewer before the customer is even aware of an issue. Technology on the payment side allows credit and debit card readers to be used on machines, as well as mobile wallets, increasing the number of

people who can make a purchase regardless of how much cash they have.

The problems it creates

However, with all good things come some challenges. Operators started to embrace technol-

ogy and found using different providers made integration of data and inventory troublesome. There have been some strides, but still more to know about data integration, what problems exist and how to solve (or prevent) as many of the headaches as possible. In our feature on page 28, *How To Navigate Integrated Solutions*, we asked experts to tell us about the issues and possible solutions.

Another issue that can arise with technology is security. As consumers, we have all heard about data breaches and been warned to regularly check our bank accounts and credit scores, all because there are thieves focused on this sort of data to sell.

While individual operators are not mega retailers housing millions of credit card holder information, they are still at risk. Are you doing your background research on your payment processors to ensure you aren't liable for a data breach, and avoiding a breach as much as possible? Read about the steps to take on page 16.

Technology's upside

Despite the negatives, let's not forget that technology can be a powerful tool when harnessed to offer best practices across an operation. That is what Kevin Searcy, president of Golden Brew in Odessa, TX, did. On page 34 you can read about how he created a proprietary data management system, integrated it with Google glasses and grew revenue 35 percent without adding any additional staff — his drivers actually fill fewer machines per route. Customers are happy, and so are his employees. A true win-win.

Technology remains a double-edged sword. It allows us to do so much more than we could by hand; however it creates other problems that didn't previously exist. However, with companies using ever more technology in their own businesses, I think it is more of a selling point in this era. Businesses want to partner with companies looking forward and who are innovative. It becomes a positive competitive advantage rather than a negative, with added service and operational efficiency benefits. | ◀

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Our total offering to foodservice goes far beyond some of America's most recognizable brands—Mondelēz International Foodservice puts vast resources at the disposal of its customers. We go beyond our brands and offer you a hand with your business. In our Snack & Dessert Solutions program, designed to help build your business, we bring you menu ideas and insights along with real-world business solutions. Pulling from the talent behind our Culinary Center, Snack & Dessert Solutions provides recipes and insights. Our culinary articles focus on relevant trends and how you can infuse those trends into your menu. Our business articles offer insight into today's issues—from practical cost-cutting ideas to leveraging local trends and engineering more enticing menu language.

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Vending & Micro Markets Solutions

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- Help boost sales with product-driving promos
- Draw attention with customized POS

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- In-house team members know how to help you select the right products to support your business



About Mondelez International

Mondelēz International, Inc. (NASDAQ:MDLZ) is building the best snacking company in the world, with 2018 net revenues of approximately \$26 billion. Creating more moments of joy in approximately 160 countries, Mondelēz International is a world leader in biscuits, chocolate, gum, candy and powdered beverages, featuring global power brands such as OREO and belVita biscuits; CADBURY Dairy Milk and MILKA chocolate; and TRIDENT gum. Mondelēz International is a proud member of the Standard and Poor's 500, Nasdaq 100 and Dow Jones Sustainability Index. Visit www.mondelezinternational.com or follow the company on Twitter at [www.twitter.com/MDLZ](https://twitter.com/MDLZ).

About Mondelēz International Foodservice—

We Have the Delicious Brands and Passionate People to Help Build Your Business

Our unparalleled portfolio of powerhouse brands, such as OREO, OREO Chocolate Candy, CHIPS AHOY!, belVita, GOOD THINS, RITZ, WHEAT THINS, TRIDENT, DENTYNE, SWEDISH FISH, SOUR PATCH KIDS, SWEDISH FISH and HALLS, have proven customer acceptance.

THE AVANTI ADVANTAGE: The Platinum Standard for Micro Markets



Flagship micro market at Avanti Markets Renton headquarters

IT ALL started with a kiosk. With over 30 years in the vending and merchandising industries, Jim Brinton, CEO/Founder of Avanti Markets, saw a need that was unfulfilled. As the world became automated, the office breakroom stayed stagnant.

Companies needed a different way to provide refreshments in the office environment. Consumers were becoming more demanding and looking for more variety and freshness than what a traditional vending machine could offer. They wanted to know the ingredients, nutritional value, and other details about the items they purchased. Traditional vending machines couldn't offer that. Therefore, Avanti Markets Inc. and the concept of micro markets were born.

In 2009, Avanti Markets deployed its first micro market and kiosk in

Seattle, Washington at a local news station to test out the micro market concept in an unattended environment for employees. What happened after the test? It was an instant office success. According to the 2018 State of the Industry Annual Report by *Automatic Merchandiser*, by the end of 2017 there were nearly 24,000 active micro market locations nationwide.

Transforming the Industry

With hundreds of customers and thousands of market locations across other environments besides the corporate office, Avanti Markets continues to raise the bar within the micro market industry with innovative and evolving solutions to exceed its "platinum" standard.

Who wants to connect?

Reach out to us via website, social media, phone, email, or mail if you would like to expand your current services or become an operator.

Website: avantimarkets.com

Facebook: facebook.com/AvantiMarketsInc

Twitter: twitter.com/avanti_markets

LinkedIn: linkedin.com/company/avanti-markets/

Instagram: Instagram/avantimarkets

Phone: 1.888.937.2826

Email: info@avantimarkets.com

Address: 1217 SW 7th St, Renton, WA 98057

INNOVATIVE

solutions continue to bring success.

New solutions driven by an operator for other independent operators, the latest offerings from Avanti Markets include:

- **MicroMarket Visual™** tools that allow operators to build and view planograms for micro markets to optimize product placement and driver accountability
- **Smart N Go secured product line** for public and high-theft environments launching in Q3 2018 ■

One Bright Idea Can Spark Many.

*Get the Avanti Advantage
for your micro market business.*

Elevate your business through expert micro market system management. Our goal is to keep your markets running smoothly and your focus where it needs to be — growing your business through new products and new channel opportunities.



Newest Offering:
Smart N Go Secure Intelligent Markets!



Learn how to make the Avanti Advantage – your advantage

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Avanti Announces Locked-Door Micro Markets

Avanti Markets is launching an innovative line of secure, unattended, self-service retail markets through an exclusive agreement with New Age Pavilions LLC. Avanti Markets formed a new Smart N Go™ division to drive the product rollout, which addresses the need for secure, unattended, self-service refreshments in public and highly-transient locations where micro markets are not appropriate due to concerns about theft, but the operator wants to give customers a more expanded offering than traditional vending. With Smart N Go™, more products can be offered and are secured behind locked doors that only open through payment preauthorization.



Smart N Go™ secures items behind locked doors that open after payment preauthorization.

There will be two main product lines:

- SNG200 - intelligent micro market solution that captures consumer product selections in real-time as items are removed from each display unit.
- SNG100 - enhanced security micro market solution just like a traditional micro market: consumers scan item bar codes and retrieve from behind a locked door.



Uber Teams Up With Cargo

► Uber has announced a partnership with Cargo to offer riders access to products from Cargo's center-console box, filled with goods. This system is a concept similar to honor boxes, but in cars. Cargo has partnered with many major brands for its contents, such as Kellogg's, Starbucks and Mars Wrigley Confectionary.

Coca-Cola Signs Campus Deal

► Coca-Cola Bottling United, Inc., signed a contract with the University of Alabama as the exclusive beverage provider for vending and pouring rights on campus. The vending machines accept cashless payments including Apple Pay and Google Pay.



Oregon YMCA Vending Machine Explodes

► News 10 reported that fire rescue and police departments were called to a YMCA in Medford, OR, on June 27, after a group of people put something inside a vending machine that caused it to explode. The item is suspected to be a firecracker and it severely damaged the machine.

Keurig Dr Pepper Completes Merger

► Keurig Dr Pepper



announced the successful completion of the merger between Keurig Green Mountain and Dr Pepper Snapple Group. The transaction creates the seventh-largest company in the U.S. food and beverage sector and third-largest beverage company in North America, with annual revenues of approximately \$11 billion.

Lavazza Acquires Blue Pod Coffee Co.

► Lavazza Group announces its acquisition of 100 percent of the business of Blue Pod Coffee Co., an Australian company specializing in the distribution of Lavazza espresso systems (capsules and machines) for the office coffee service (OCS) sector.



Pepsi Bottling Ventures Selects USAT For Cashless

► USA Technologies, Inc. (USAT) announced that Pepsi Bottling Ventures (PBV), the largest privately-held bottler for Pepsi-Cola products in North America, signed a multi-year agreement for USAT's ePort Connect Service. The agreement includes deployment of the ePort cashless payment system on 13,000 machines, as well as the option to add Seed Pro and Seed Office software. The complete end-to-end enterprise solution would enable PBV to provide cashless payments, improve customer service and route efficiency and reduce the company's carbon footprint.

Eight O'Clock Holds Digital Escape Room Game Contest

► Eight O'Clock Coffee announced the release of The Great Coffee Break: a digital escape room game that can be launched by scanning any Eight O'Clock Coffee package with the Shazam app – or by going directly to GreatCoffee-Break.com. Set in a fictitious animated roastery, players solve coffee-themed puzzles to help bags of Eight O'Clock “escape the roastery.” The game runs from June 17 through August 11, 2018, and eight people will win free groceries for a year.



NECCO Sold Again, Workers Bring Lawsuit As Facility Closes

► The New England Confectionary Co. or NECCO is back in the news as it was sold for a second time this year and is being sued by former workers at the Revere, MA facility. The Boston Business Journal reports that Round Hill Investments announced the closing of the Revere plant on July 24, 2018 and that it sold NECCO to an “unnamed” candy company. Workers were to pick up final paychecks on Friday, July 27.

Skimmers Found On Compass Vending Machines In Canada

► In early July, debit/credit card skimmers were discov-

ered on Compass Vending Machines, according to the Voice Online. Two of the skimmers were attached to machines at the Vancouver International Airport Station and another was at Vancouver City Centre Station.



Welch's Sets Out To Disrupt Energy Drink Category

► Looking to reimagine the energy drink category around great taste, Welch's has launched Welch's Sparkling Plus Energy into limited release. The line delivers sustainably farmed Welch's juice with natural energy from organic coffee extract.

Welch's Energy will be showing at the Vistar Trade Show in San Diego, CA, and distributing on a regional basis starting in New England, New York and the Mid-Atlantic.

365, Azkoyen Partner To Connect Coffee Machines

► 365 Retail Markets recently announced that its innovative 365 Inside device is now compatible with Azkoyen coffee machines. Consumers will be able to purchase coffee at an Azkoyen coffee machine that is fitted with a 365 Inside using the 365Pay mobile app; subsequently, operators can get real-time reporting on their machine's sales, profitability analysis and refill status.

People in the News

Tirre Promoted At Monster Beverage

Monster Beverage Corporation promoted Emelie Tirre to president of the Americas, a new executive officer position within the company. She is responsible for continued growth and success in the North America sales team. Monster also appointed Guy Carling as president of EMEA.



Tirre

Campbell Taps Boza as Chief HR

Xavior Boza was named the senior vice president, chief human resources officer, Campbell Soup Company. Boza joined Campbell in 2015 and has been an integral part of various initiatives.



Boza

Keller Appointed CEO By Peet's

Peet's Coffee announced its new chief executive officer, Kenneth C. “Casey” Keller Jr. He will succeed Dave Burwick, who had served as CEO since 2012.



Keller

Dunkin' Names Hoffmann CEO

David Hoffmann was appointed chief executive officer of Dunkin' Brands Group, Inc., effective July 11, 2018. He will also serve on the company's board of directors, and remain president of Dunkin' Donuts U.S.



Hoffmann

Campbell Announces Chief Marketing Officer, Palmieri

Campbell Soup Company appointed Diego Palmieri as vice president and chief marketing officer, U.S. Meals & Beverages effective July 18, 2018. Palmieri joins Campbell from SC Johnson.



Palmieri

Patel Anointed CFO Of Califia Farms

Califia Farms tapped Sandeep Patel as chief financial officer. Patel has a background in investment banking as a managing director of both Barclays and Goldman Sachs.



Patel

Land O'Lakes, Inc. Names Ford President And CEO

Beth Ford has been appointed the role of president and CEO of Land O'Lakes, Inc., effective August 1, 2018.



Ford

IFT18: Generation Z Set To Impact Future Of Food

Millennials have had their time in the spotlight; now, companies are looking to the next generation to see how they will impact the future of the food and drink industry. Generation Z (those aged 11 to 22), who are also known as the iGeneration, has the potential to reset expectations for health and wellness, increase the reach of international cuisine and heighten creativity in the kitchen, according to the latest research from Mintel. Presented July 16 at IFT18, Mintel revealed how the diverse and tech-savvy Generation Z is set to transform food and beverage formulation in the coming years.



Look to Generation Z to impact food and beverages in the next 5 to 10 years.

Top Trends Revealed By Mintel For Generation Z

- Sugar, especially in beverages, is a top concern
- Consumers are increasingly health conscious, and this will continue
- Appreciation for international cuisine is encouraged, and cooked at home
- Preference for hobbies and interests expanded through technology, such as YouTube, are successful when paired with food offerings

For more visit: <http://www.mintel.com/ift>

SnackNation Acquires Love With Food

► SnackNation, a nationwide tech-enabled snack marketplace, announced the acquisition of EdgiLife and its brand Love With Food, a consumer insights and data analytics company with one of the nation's largest direct-

to-consumer snack subscription services.

Starbucks To Close 150 U.S. Stores

► Starbucks Corporation announced strategic priorities and corresponding



operational initiatives to accelerate growth and create long-term shareholder value. This includes plans to optimize its U.S. store portfolio at a more rapid pace in FY19, including shifting new company-operated store growth to underpenetrated markets, slowing licensed store growth, and increasing

the closure of underperforming company-operated stores in its most densely penetrated markets to approximately 150 in FY19 from a historical average of up to 50 annually.

Vending Truck Hits Big Rig

► A box truck hit a parked tractor trailer in Lackawanna, PA, on July 18, according to WNEP, a local news source. The box truck, transporting vending machine snacks, went over the guard rail and down a hill. The driver of the box truck was issued a ticket.



Coca-Cola Pilots Reverse Vending Machines

► Coca-Cola is piloting reverse vending machines (RVM) that give back charitable donations for recycling, according to its website. Currently, its charitable donations are going towards the 2018 Special Olympics. Every recycled item triggers a five cent (\$.05) donation to Special Olympics Washington through the Coca-Cola Give platform. Coca-Cola North America's Customer Sustainability and Digital Platforms & Innovation teams collaborated with Special Olympics, Swire Coca-Cola USA and the New York-based equipment supplier, Atlas RVM Systems to make this happen.

CALENDAR OF EVENTS

SEPT 20-22

LightSpeed Accelerate II Conference
Evergreen Marriot Resort
Atlanta, GA
lightspeedautomation.com/accelerate

SEPT 26-28

TMVA
Moody Gardens
Galveston, TX
tmva.org/event/tmva-annual-convention

NOV 12-14

NAMA CTW
Hyatt Regency
New Orleans, LA
coffeeteaandwater.org

NOV 15-16

EVEX
Seville, Spain
events.artegis.com/event/EVEX2018

Bring Them Back For More...With Ice

Ice machines are an amenity to consumers and help make a micro market complete.

By Hillary Ashley, Assistant Editor

Ice is a profitable amenity. It can be added to office coffee service (OCS), pantry service, micro markets and breakrooms with existing vending machines. It is profitable for convenience service providers to incorporate ice machines because they encourage repeat visits to the breakroom. Repeat visits mean more beverage sales. Ice will keep consumers coming back for more.

Profitability of ice

Ice machines were first popular in OCS, but have gained traction in other convenience services, including micro markets, explained Mike Purcell, product marketing manager, Follett Ice. What helped drive this was the interest of consumers. Having ice machines in breakrooms has been critical to operators offering bag in a box programs for iced coffee and iced tea. “Research shows that people go through more consumables, especially sodas, iced coffee and iced tea, if an ice machine is available,” said Purcell.

There’s profit in leasing ice machines, claims Purcell. After the operator recoups their initial costs from the leasing fee, they continue to collect the leasing fee while performing minimal work because servicing an ice machine is mainly preventative maintenance. Ice machines should be cleaned every six months and the water filters need to be changed regularly. The service can either be

separated out from the contract or built into the lease price, but either way the operator should get paid for this service.

Ice has become popular in micro markets because it’s like a “completer,” explained Purcell. Not only does it encourage cold beverage sales, but it helps keep the market competitive. “A micro market doesn’t have what a convenience store has to offer if it doesn’t have an ice machine available,” said Purcell. The type of ice available to consumers can also help determine the success of the machine.

Types of ice

There are two main types of ice: nugget and cube. Nuggets are granules of ice that have been compressed together. Nuggets of ice retain the flavor of the drink and can be chewed after the drink is finished.

On the other hand, cube ice is a solid block of ice. Some consumers prefer this type of ice because they aren’t interested in chewing ice. For those that do enjoy chewing ice, nugget ice is a better option. “There’s a hydroscopic property to nugget ice — pour anything over it, and it will immediately imbed itself into all of those cracks and spaces,” said Purcell. Both nugget and cube ice have their place. While nugget ice machines are smaller and don’t require a drain like cube ice machines do, cube ice machines are less expensive.



Ice drives sales of all types of cold drinks.

Popularity of ice

Ice is an amenity to consumers because it keeps a drink cold and it is also a treat. The ice machine trend has seen strong steady growth over the past several years, according to Purcell. The reason for this interest in ice is a combination of the movement towards iced tea and coffee and away from sugary drinks. The trend towards water and healthy drinks also helps to increase sales. “People are trying to be more healthy; water and ice are healthy beverages that can also be a bit of a treat if done right, for instance by offering options like chewable ice or even sparkling water,” said Purcell.

Ice has gained popularity in the workplace because it’s a convenient amenity that brings consumers back to the market and encourages the sale of beverages. Nugget ice resonates with consumers because it retains the taste of the drink and for its chewable quality. Cube ice offers a compromise between price and fulfilling consumer needs. Ice machines are a great way to drive up revenue with minimal service required. Therefore, ice machines should be a consideration for any micro market or breakroom. | ◀



DOING **BIG** THINGS FOR UNATTENDED RETAIL



USA Technologies, Inc. (USAT) is the leader in integrated cashless and mobile payment technology for the self-service and unattended retail markets, with over 1M connections worldwide. The company's industry-leading customer engagement platform, ePort® Connect, has powerful synergies with Cantaloupe Systems' Seed Cloud™ Platform for cashless vending operations, combining to create the first truly comprehensive enterprise platform for the self-serve retail space.

Featuring disruptive technology that is simple, scalable and secure, the company is fueling the next phase of payments by helping its customers move beyond a simple transaction and helping them leverage customer data to engage at the point-of-sale, driving both increased and recurring revenue.

Thousands of customers, with thousands of self-serve machines connected, rely on USAT's innovative solutions to increase consumer engagement, as well as give them full control and visibility over their operations, their inventory and their people so they can more proactively, predictably, and competitively run their business.

Build Engagement, Increase Revenue and Optimize Your Operations

Accept every way your customers want to pay

A flexible cashless vending solution, ePort or ePort Interactive, takes all forms of payment including credit cards, debit cards and mobile payments like Apple Pay, Google Pay, etc.

Increase consumer engagement at every touch point

Leverage interactive touch screens to increase revenue, consumer engagement, and consumer satisfaction at every point-of-sale. Create loyalty with your customers by offering the MORE Loyalty Program.

Take control of your operation

Our easy-to-use Vending Management System, Seed Office, gives you complete control over your warehouse, money room, accounting and other back office functions.

Know where to go, when to go, and what to take

Our intelligent field-logistics offering, Seed Pro, takes the guesswork out of knowing which machines to fix or fill and how much of which products to take at all times.

Automate deliveries with a smartphone or tablet

A modern solution for creating and managing delivery/OCS invoices, Seed Delivery, provides "sign-with-your-finger" email receipts, web ordering, and built in pre-pick support.

Enable efficient micro market management

Simplify your operations by standardizing on a single set of tools – route scheduling, warehouse pre-picking, and reporting for vending, markets, and OCS with our Seed Markets solution.



GET THE POWER OF TOUCH SCREENS



Drive Revenue

Leverage the eye-catching display to increase revenue by 20%.



Display Promotions & Advertisements

Use the interactive screen to showcase advertisements, new products, and special offers.



Increase Customer Satisfaction

Allow customers to provide instant feedback, receive remote refunds, and serve up coupons.

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contact us or visit our website: 800.633.0340 or www.usatech.com

Avoiding A DATA DISASTER

Do your payments homework to protect your business from breaches and backlash.

By Emily Refermat, Editor

Data security breaches are frequent news. Risk Based Security's recently released *Q1 2018 Data Breach QuickView* Report, indicates that there have been nearly 700 breaches already this year, from January 1 to March 1, 2018. It also states that this number is a decrease from the year before, when the number for the same timeframe was more than a thousand.

While breaches remain a very real issue for many retailers, it is not a topic often discussed among the small businesses that predominate vending, micro market and office coffee service. Operators don't feel at risk, or believe it is the cashless service provider who would be liable should a breach happen. These could both be true, the latter depending on the con-

tract; however, neither changes the reaction of the customer.

"It is usually the processing company that has the breach, but no one knows them," said Michael Kasavana, MSU/NAMA Professor Emeritus, who has written a whitepaper on data security and presented educational seminars for NAMA on the subject. "Therefore, the blame gets put on the retailer. You'll get the bad rap regardless of whether it's something you may not have been responsible for doing."

The threat for operators who aren't concerned about data security is that it can still make customers lose faith and restrict business with that service provider. To mitigate the risk of attack

Mitigate risk as much as possible by checking for proper payment security compliance.

as much as possible, it's necessary to understand the basics and ensure payment providers are complying with current payment security standards.

Hitting close to home

In July of last year, micro market supplier Avanti Markets announced that it had been the victim of a malware attack on its credit card data. It shook the industry as this was the first vending, micro market or office coffee service company to acknowledge an



attack as well as publicly discuss the issue. John Reilly, president of Avanti Markets, spoke at the 2017 NAMA CoffeeTea&Water Show about the experience saying, “Breaches can occur under the most mundane of circumstances...if it could happen to us, it could happen to any company in our industry.”

He reiterated the importance of having a plan to prevent, address and recover from a data breach, as well as continuously reviewing and updating the plan. Educating employees was another topic, Reilly mentioned, as unintentional opening of a malicious email can often allow entry into the company’s network.

“Educate staff how to deal with confidential information as they can be the conduit that can open access leading to a data breach,” he said.

Much of the best practices related to data breach prevention, detection and recovery are covered in a best practices guide found in the NAMA online store. It is a great resource written by Kasavana for operators looking to delve deeper into cyber security. For small and medium operations who contract out payment services, there are still things to know for proper risk management.

PCI DSS

A common acronym associated with payment data security is PCI, used in terms such as PCI certified or PCI compliant. PCI stands for the Payment Card Industry and many companies use it to refer to the longer PCI DSS (Data Security Standard) which encompasses the security component of data processing. It is the standard used in the U.S. to ensure consistent assessment of payment data security. Kasavana has produced a whitepaper on PCI DSS and different aspects of certification as it relates to the con-

venience services industry called *Understanding the Payment Card Industry Data Security Standards (PCI DSS)*, also available from the NAMA online store. Within the paper, Kasavana discusses the different levels of security included in PCI DSS, including Merchant Level 4, which is the level most vending, micro market and office coffee service operators would be classified under.

“There are four levels of PCI security levels,” said Kasavana. “Usually in the industry we are looking at level 4, which is the level relating to fewest transactions.” The criteria stated in the whitepaper is that level 4 means less than 20,000 Visa or MasterCard transactions annually. The other three merchant levels are divided by increasingly higher numbers of annual transactions. Level 4 validation requires completion of an annual self-assessment questionnaire, quarterly network scan by an ASV or Approved Scanning Vendor, and an attestation of compliance form.

By visiting https://www.pcisecuritystandards.org/assessors_and_solutions/vpa_agreement, and accepting the terms of a search pro-

Additional resources

Data Security Best Practices – Prevention, Detection & Recovery

Whitepaper: *Understanding the Payment Card Industry Data Security Standards (PCI DSS)*

Both available in the NAMA online store at:

https://imis.namanow.org/namaimis/Members/Shop/iCore/Store/StoreLayouts/Store_Home.aspx

cedure, operators can determine if companies they work with are current with respect to PCI DSS. Once the name of a payment processor is entered, information about its license, date last reviewed and expiration date will appear beneath the search bar.

If a company is not listed; however, Kasavana warns operators not to assume the worst. “It’s not a straight forward search process,” he said. Most convenience service providers contract with a payment

Key Terms:

Attack – An attempt to gain unauthorized access to system services, resources, or information, or an attempt to compromise system integrity often by bypassing one or more security services or controls.

Cybersecurity – The activity or process, ability or capability, or state whereby information and communications systems and the information contained therein are protected from and/or defended against damage, unauthorized use or modification, or exploitation.

Data Breach – The unauthorized movement or disclosure of sensitive information to a party, usually outside the organization, that is not authorized to have or see the information.

Malware – Short form for malicious software; software that compromises the operation of a system by performing an unauthorized function or process.

Risk Management – The process of identifying, analyzing, assessing and communicating risk and accepting, avoiding, transferring or controlling it to an acceptable level considering associated costs and benefits of any actions taken.

processor. That payment processor may be part of a network involving a secondary processor. It is likely that the secondary processor's name needs to be entered into the search bar to verify PCI certification. Operators should ask for the name of possible secondary processors in order to verify a current level of certification.

PCI also offers guidance for small merchants who subcontract payment services. In the document PAYMENT PROTECTION RESOURCES FOR SMALL MERCHANTS: Questions to Ask Your Vendors, the organization lays out several topics to confirm with a payment service provider. Here are a few of the most relevant:

- Does our agreement with you include clauses that state that you will maintain PCI DSS compliance for your product/service (or become PCI DSS validated)?
- In the event that there is a data breach and your product/solution is involved:
 - » If I experience penalties, do you offer support and protection?
 - » How and when do you notify me if there is a breach?
 - » What monitoring for data breaches and suspicious activities do you provide?
- Does the vendor/service provider carry insurance to cover data

breaches related to their product/solution?

- Does the vendor/service provider assist with notification of my customers in the event of a data breach and your product solution is the root cause?

PCI DSS enforcement

While PCI DSS offers a way to assess security, it's not enforced by the PCI Security Standards Council, according to Kasavana. It is up to the payments processor to work with retailers to ensure compliance. Card brands may also impose fines and consequences to businesses that are non-compliant. The example Kasavana gives in his whitepaper is what happened to TJX.

TJX owns retailers such as TJmaxx and Marshalls and disclosed a breach in early 2007, which resulted in more than 100 million cards being exposed to fraud. Visa and Mastercard each brought a lawsuit against TJX, who settled for approximately \$41 million and \$24 million, respectively, in addition to the millions spent on the investigation and system upgrades.

Recovery in the event of breach

Dealing with the aftermath of a breach is not easy. Avanti Markets made a public announcement last year when it happened to them, which included Frequently Asked Questions to assist operators and customers as a resource. The FAQ included information on what had happened, what the company was doing, what customers should look for and how individual fraud alerts and credit monitoring might help. Operators can use this as a model in developing their own plans should a breach occur, as well as providing talking points and resources for concerned customers.

Nothing can guarantee a company won't incur a data security breach;

NAMA's security task force

In light of data breach concerns within the industry, the national association for convenience services, NAMA, created a Data Standards Security Committee. It consists of high level industry members involved in cyber security and a mission to educate.

NAMA DATA SECURITY STANDARDS (DSS) TASK FORCE

Objective: To educate the NAMA membership on the existing PCI standards, ensure the understanding of existing standards, and advance the application of the existing standards for the convenience services industry.

Members:

- Director Rori Ferensic
- Co-Coordination – Mike Lawlor, USA Technologies (USAT) and Michael Kasavana, NAMA
- Members:
 - John Hickey, Opt Connect
 - Jon Harris, Canteen
 - Jeff Beach, Visa
 - Krishna Vedula, 365 Retail Markets,
 - Chris Bucolo, Control Scan
 - Robert Donnelly, Heartland
 - Tammy Baker, USAT/Cantaloupe Systems

Additional resources

Payment Protection Resources For Small Merchants: Questions to Ask Your Vendors

https://www.pcisecuritystandards.org/pdfs/Small_Merchant_Questions_to_Ask_Your_Vendors.pdf

PCI site to validate compliance

https://www.pcisecuritystandards.org/assessors_and_solutions/vpa_agreement

however, it is still worth validating PCI DSS of payment partners. A PCI DSS investigation can greatly reduce the risk of a data breach. It is important to understand PCI, how to determine the compliance level of a processor and the liability involved should a breach occur. It is also advisable to have a plan in place for customers, just in case the worst happens. | ◀



PROS TO KNOW

Nominate yourself or a colleague!

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 29, 2018

Nominate Today!

www.surveymonkey.com/r/P2K2018

Rules and guidelines can be found at: <https://bit.ly/2uJS0tn>.

Give 'em what they want: Wholesome, delicious options for convenient snacking



DOLE® Fruit Bowls in 100% Fruit Juice, 4oz



DOLE® Snack Bites

As a world leader in fruit and wholesome snacks, DOLE® Packaged Foods, LLC offers fruit products and culinary solutions designed to help operators succeed. Starting with premium quality fruit picked at the peak of ripeness, every DOLE product brings irresistible flavor, bright color, and appealing aroma to consumers across all dayparts and foodservice segments.

As convenience store and vending operators know, innovative snacking is playing a significant role in the evolution of consumer dining habits – and DOLE is there to keep you right on trend with snacks that satisfy cravings, satiate hunger and offer nutritional benefits with delicious flavor.

Snacking – Convenience and quality on the go

Consumers want to eat more fruit – that's a fact. Convenient, porta-

ble, shelf-stable items make it easy for c-stores and vending operators to capitalize on this trend. In fact, recent research from Technomic shows that consumers today are more likely to replace one or two daily meals with snacks than they were in 2016. Plus, 83% of consumers now snack daily in 2016, up from 76% in 2014. Consumers continue to view health and wellness as key with clean labeling and high quality ingredients being priorities.

First there were Fruit Bowls

DOLE® Fruit Bowls in 100% Juice continue to be our top selling healthy snack products. DOLE 7oz Fruit Bowls even come with a fork, making them very popular grab-and-go vending items. This convenient product made with premium quality fruit ensures that – at the convenience store, vending machine, or on the road – DOLE fruit is always in season. Plus, DOLE Fruit Bowls are non-GMO, gluten-free, and OU kosher certified.

Now there are Snack Bites!

DOLE offers a snack line that strikes the ideal balance between craveable and better for you – DOLE® Snack Bites. They're full of roasted nuts and seeds, dried fruits, dark chocolate, sea salt and other premium ingredients. DOLE Snack Bites come in three categories—Nut Clusters, Almond Rice Sticks and chocolate-covered Indulgents—with 11 delicious flavor profiles. DOLE® Snack Bites deliver appealing sweet-salty-savory flavor combinations with the ideal texture and crunch, in a perfectly sized pack for on-the-go eating. Our 2-ounce and 5-ounce Nut Clusters, for example, are ideal for spiral vending machines or pegged displays. The entire line is low sodium with 0g trans fat per serving. In addition, our Nut Clusters and Almond Rice Sticks are gluten free, non-GMO and OU kosher certified.

Trust DOLE for innovation and delicious flavor

DOLE continues to demonstrate both an understanding of operational needs and an eye for innovation. Dole makes it easy for you to provide smarter choices for consumers' ever-changing snacking needs with snacking products that can ease cravings without sacrificing better grab-and-go eating goals. For more information, visit dolefoodservice.com. ■



SNACKING SMARTER.

**DOLE® SNACK BITES:
WHERE WHOLESOME
MEETS CRAVEWORTHY.**



We offer a variety of pouch sizes for easy merchandising.

11 VARIETIES / 3 FLAVORFUL CATEGORIES: NUT CLUSTERS, ALMOND RICE STICKS, CHOCOLATE COVERED SNACKS

DOLE® Snack Bites feature roasted nuts and seeds, dried fruits, dark chocolate, milk chocolate, sea salt and other premium ingredients—striking the ideal balance between craveable and healthful. Give your customers the appealing flavors and crunch they desire, in perfectly sized packs for on-the-go snacking.

INSPIRED by Nature
CRAFTED BY DOLE®



LOW SODIUM



**SIMPLE
PREMIUM
INGREDIENTS**

*Chocolate covered varieties are not Gluten Free, Non-GMO or Kosher

Learn more about our grab-and-go snack solutions by calling 1-800-723-9868 or visiting dolefoodservice.com.



OptConnect MANAGED WIRELESS SOLUTIONS

WITH OPTCONNECT'S managed wireless solutions, micro market and vending operators have access to a headache-free option for connecting their devices to the internet that provides a faster path to revenue. Gone are the days when a vending operator has to rely on the location to provide internet access. By bringing their own internet connection with them, operators also don't have to contract with a local internet provider to run a new line and set up service that can be costly and delayed over a longer period of time. OptConnect gives operators the ability to simply plug and play so that they can close deals faster, get to market sooner and generate revenue more quickly. Since the operator no longer has to rely on the location to provide connectivity they also don't have to coordinate with the local IT department and the associated delays and frustrations that often result.

Customers also have the ability to manage their entire portfolio of devices through OptConnect's online portal, called Summit. Through Summit, customers can monitor their devices remotely, be notified if problems arise and also reset their wireless devices from anywhere – all of which save time and money.

OptConnect's managed wireless solution includes industry leading hardware packaged with a robust suite of services and offerings that takes the worry and stress out of device connectivity so operators can focus on running their business. The suite

of services includes these features along with many more:

- Device activation and support
- Managed data plan with data overage risk mitigation
- 24/7/365 Carrier monitoring
- 24/7/365 Device monitoring
- 24/7/365 Customer Care Center to take customer calls
- Warranty coverage on devices, most of which are covered for life
- Auto reconnect feature of devices built into each unit
- All equipment communicates on a private network so all data is secure
- API integration
- Obsolescence protection
- Redundancy and failover
- Glimpse – a connection diagnosis tool
- Rental and purchase options for devices

By partnering with OptConnect, operators can get to market faster, reduce downtime, simplify the deployment process while also saving

About OPTCONNECT

OptConnect (www.OptConnect.com) is North America's leading provider of managed wireless connectivity for Micro Markets, Kiosks, ATMs, Digital Signage and other Internet of Things (IoT) and Machine to Machine (M2M) applications. OptConnect has partnered with Tech 2 Success, one of the nation's leading vending technology consultants, to help create a best-in-class product and service for vending operators.

money. With over 100,000 connected devices, OptConnect is a trusted partner with many of the industry's leading organizations and operators. To learn more about their robust and fully managed wireless connectivity solution, please call OptConnect at 877-678-3343 or Tech 2 Success at 347-409-5392 or visit www.optconnect.com ■





HEADACHE-FREE WIRELESS CONNECTIVITY

For Micro Markets

OptConnect provides a secure and reliable monitored wireless connection to the Internet for unattended equipment that is easy, low-risk, and convenient - all supported by a superior customer service infrastructure.



COST SAVINGS

All-Inclusive Plan No
Upfront Costs



SPEED TO MARKET

Plug & Play



REDUCE DOWNTIME

Reliable Connectivity



EASE OF DEPLOYMENT

No Coordination With
Local IT Needed



The Power Of *In Person*

Attending CTW offers an opportunity to gain valuable knowledge and first-hand product and equipment exposure of a very targeted market segment.

By Emily Reformat, Editor

Computers and the internet have put information at our fingertips. There's often too much to process, which is what makes traveling to an event in person so rewarding. Operators who provide coffee service or those thinking about coffee service should take the opportunity to do just that at this year's NAMA CoffeeTea&Water show in New Orleans, LA, happening Nov. 11 to Nov. 14.

The three-day event has a strong focus on education, all centered around the niche of coffee and related products and service. It is a targeted and lucrative segment of the overall vending, micro market and office coffee service industry and is projected to strengthen as the job market becomes more competitive causing companies to look for ways to stand apart from competitors and decision makers for more than standard hot



CTW 2018 will take place in New Orleans, LA, Nov. 11 to 14.

coffee to offer in their breakrooms. This industry is changing rapidly, and CTW is the place to be if operators want to stay at the cutting-edge.

In-person session attendance

There are literally over a dozen sessions to choose from at this year's

CTW, with a broad range of presenters who can impart knowledge and answer questions. Learn about where coffee comes from and what impacts the green coffee market to how best to leverage technology in the OCS segment to grow profits. Being present at the sessions offers an opportunity to increase learning as well as ask specific questions of the subject matter experts.

Tips For Trade Shows

PLAN GOALS & APPOINTMENTS

Traveling to the show requires an investment. Ensure you make some goals for the show, including learning something new, meeting another service provider and answering a question about a piece of equipment you've heard about, but have not seen yet.

ATTEND NETWORKING SESSIONS

Make the most of meeting non-competing operators by introducing yourself, asking about their thoughts on the topics presented at the sessions, broad coffee trends in their area and go from there. Bring a business card to exchange for follow up.

ANALYZE EDUCATION SESSIONS

While all sessions might sound interesting, focus on the ones that hold the greatest value for you. Read the description – is it background knowledge, trends, actionable items or informational? Who is speaking – have you heard them before and what's their background?

One-on-one at the trade show

On Tuesday, Nov. 13, 2018, a little after noon, the trade show floor opens and it provides a unique opportunity for those present. Brewers, coffee suppliers, specialty packagers, allied products and more will be on display, in a smaller space than the larger NAMA Show in Spring. This is a perfect opportunity to meet suppliers and ask them about what's selling, how they can help with marketing and what they have seen other OCS providers add that really grew business. Benefit from these interactions.

Networking is personal

Let's not forget the all-important art of networking. Meeting others with a desire to learn more and expand OCS has an infinite return on investment, but can really only be done properly in person. Bring business cards and a winning smile to succeed in mingling with operators from around the county. They will be there to network as well, ready to discuss their challenges and experiences, both what has worked and what has not.

This fall take advantage what you can learn and achieve by attending the CTW in New Orleans. It's an opportunity too hot to miss. | ◀

Schedule

Monday, Nov. 12

10:00AM – 12:00PM

NAMA Foundation Coffee Crawl - tour through the famous New Orleans French Quarter.

1:00PM – 2:00PM

Bean2Cup Strategies – Where Profitability and Sustainability Meet

• Klarc Snowden, Entrepreneur / Coffee Service Innovator / Director of National Accounts & Strategic Partnerships, De Jong DUKE

1:00PM – 2:00PM

Technology Trends in OCS

• Hannah Davies (Moderator), Greenhithe Software Solutions
• Bill Lockett, Director of Marketing, VendSys
• David Marler, Vice President of Sales & Marketing, Light-Speed Automation

1:00PM – 3:00PM

The Essence of Coffee Part 1 – Coffee Concepts

2:15PM – 3:15PM

What's in the Cup: Trends in Flavors and Enhancements

• Mark L. DiDomenico, Director, Customer Solutions, Datassential

3:30PM – 5:30PM

KEYNOTE: It's Not About the Coffee

• Howard Behar, Former President of Starbucks Coffee, North America, Founding

President of Starbucks

International, Author, *It's Not About the Coffee*

• Liz Williams (Moderator), Founder, President & CEO, National Food & Beverage Foundation

5:30PM – 7:00PM

Welcome Reception

Tuesday, Nov. 13

7:00AM – 8:30AM

WIN: Power Yoga with Powerful Women
By invitation only

8:30AM – 9:30AM

Leveraging Technology to Enhance Your Business

• Jen Tonio (Moderator), Marketing Manager, 365 Retail Markets

8:30AM – 9:30AM

Green Coffee Market Update

• Everett Brown, Green Coffee Importer, Westfeldt Brothers Inc.

9:00AM – 11:00AM

The Essence of Coffee Part 2 – It's In the Cup

9:45AM – 10:45AM

Water: The Foundation for the Perfect Cup

• Cortney Scharenberg, CCS, CWS, Technical Training Manager, Foodservice, Pentair
• David Emmens, Technical Training Manager, Pentair

9:45AM – 10:45AM

Flexible Packaging Innovations for Coffee, Tea and Water

• Ryan Balock (Moderator), Director of Marketing & Communications, Scholle IPN
• Randy Austin, Product Line Manager, Scholle IPN
• Erica Rios, Packaging Applications Engineer, Scholle IPN

11:00AM – 12:00PM

The Alkaline Water Craze: Super Food or Super Fad

• Cathy Feely (Moderator), C.B.I. & Associates
• Janette Carter, National Sales Manager, Fixturelite

11:00AM – 12:00PM

The Bean2Cup Movement: How it Supports a Culture of Sustainability

• Karalynn McDermott (Moderator), SVP, Market Development, BUNN
• Joe Simonovich, Chief Growth Officer, Corporate Essentials

12:15PM – 5:15PM

Trade Show Floor Open

6:30PM – 7:30PM

ELN in NOLA

By invitation only

Wednesday, Nov. 14

11:15AM – 12:15PM

A Holistic View of the Consumer

• Jim Watson, Senior Beverage Analyst, Rabobank

New Essence Of Coffee Series Launching At CTW 2018

NAMA is kicking off state-of-the-art content, specifically tailored to help sales professionals, managers, route sales representatives and others who direct the growth of business be at the cutting edge of today's coffee experience. *The Essence of Coffee* is a 4-module coffee education

series designed to take participants on a journey starting with the origin of coffee to roasting, blending and creating the finished product. Learn about the coffee service industry's evolution and explore new ways of growing sales and enhancing the customer experience.

Coffee Concepts, happening on Monday, Nov. 12 during the CTW show, will start with the origin of coffee from its history through roasting, blending and the finished product.

It's in the Cup, is scheduled for Tuesday, Nov. 13, and gives attendees an opportunity to sample a variety

of flavor profiles and blends and continue with an overview of brewing equipment and the experience offered to the customer.

Both sessions require registration. Cost is \$195 per course; \$295 for both Parts 1 and 2 for members, and \$249/\$395 for non-members.

The Twinings® Story – Steeped in Tradition



Twinings® Tea is up to our standards, our Master Blenders train for five years before heading out to select teas from thousands of estates around the world. The selection process is our way of

ensuring that the Twinings® experience is unlike any other. Beyond tea plants, we also blend our own herb and fruit ingredients to be sure that our recipes are always unique. Tasting begins with small batches to assess overall quality, flavour and colour of each tea before any are used to create blends for comparison. We compare

MORE than 300 years later, the passion for tea is still here – and so are we.

each new blend against our benchmark for Twinings® flavour to ensure complete consistency. Only those teas that pass the tests throughout the process make it into our blends, resulting in only the highest quality teas.

Sourced With Care™

At Twinings® we believe that everyone has the right to a decent quality of life and to be able to provide for themselves and their families. Twinings® aims to buy from the best estates, both in terms of quality and social standards, but even these can be improved further, which is what we aim to do.

Our Sourced with Care™ program is designed to help support the changes needed to make this a reality in the places around the world where we source our goods and ingredients. We work to enhance livelihoods, enable life opportunities and improve living standards for communities in our supply chain.

Twinings® Range

Twinings® has been a pioneer of the tea trade, making quality and authentic tea experiences an inherent part of our craft. Twinings® has pursued a passion and commitment to one thing – delivering the world's finest tea experience. More than 300 years later, the passion for tea is still here – and so are we. We still sell tea from Thomas's shop, and we still work hard to bring the most exciting new blends to tea lovers around the world. Twinings® offers a robust line of premium quality Black, Green and Herbal tea blends in formats including teabags and K-Cup® Pods for every serving occasion. Get in touch with one of our sales representatives today to explore the full Twinings® Tea range! ■

THE TWININGS® story began in 1706, when Thomas Twining opened the House of Twinings in the old Tom's Coffee House on London's Strand. By 1717, Thomas's shop evolved into London's very first exclusive tea shop, then called The Golden Lyon. Thomas worked tirelessly to bring his love of tea to the people of London. The response was overwhelmingly positive.

More than 300 years later we still sell tea from Thomas's shop, and we still work hard to bring new blends to tea lovers. Today, we have over 50 varieties and our teas are enjoyed all over the world.

Crafted with Passion

No two tea harvests are ever the same—even from the same garden. To make sure that every cup of



Discover the benefits of serving Twinings® Tea

Steeped in tradition since 1706

Expertly selected ingredients

9 Master Blenders

300 years of experience



Leverage this experience to grow your profit opportunity.

Twinings® offers a comprehensive range of Black, Green, and Herbal blends in a variety of flavours and formats, including K-Cup® pods and Teabags.



For more information, please contact:

Kristin Overstreet – P: 201-678-8506 E: kristin.overstreet@twiningsusa.com

Tara King – P: 303-522-6418 E: tara.king@twiningsusa.com

HOW TO NAVIGATE Integrated Solutions

Utilizing technology across software providers and service segments has many benefits, and just as many challenges.

By Hillary Ashley, Assistant Editor

Integrating vending and micro market management systems is crucial for a successful operation. There are standards created by the VDI (vending data interchange) Task Force that have helped tremendously with integration. Yet there have been challenges integrating due to both operators and providers not sufficiently fulfilling the requirements to integrate seamlessly. Experienced industry members help to navigate

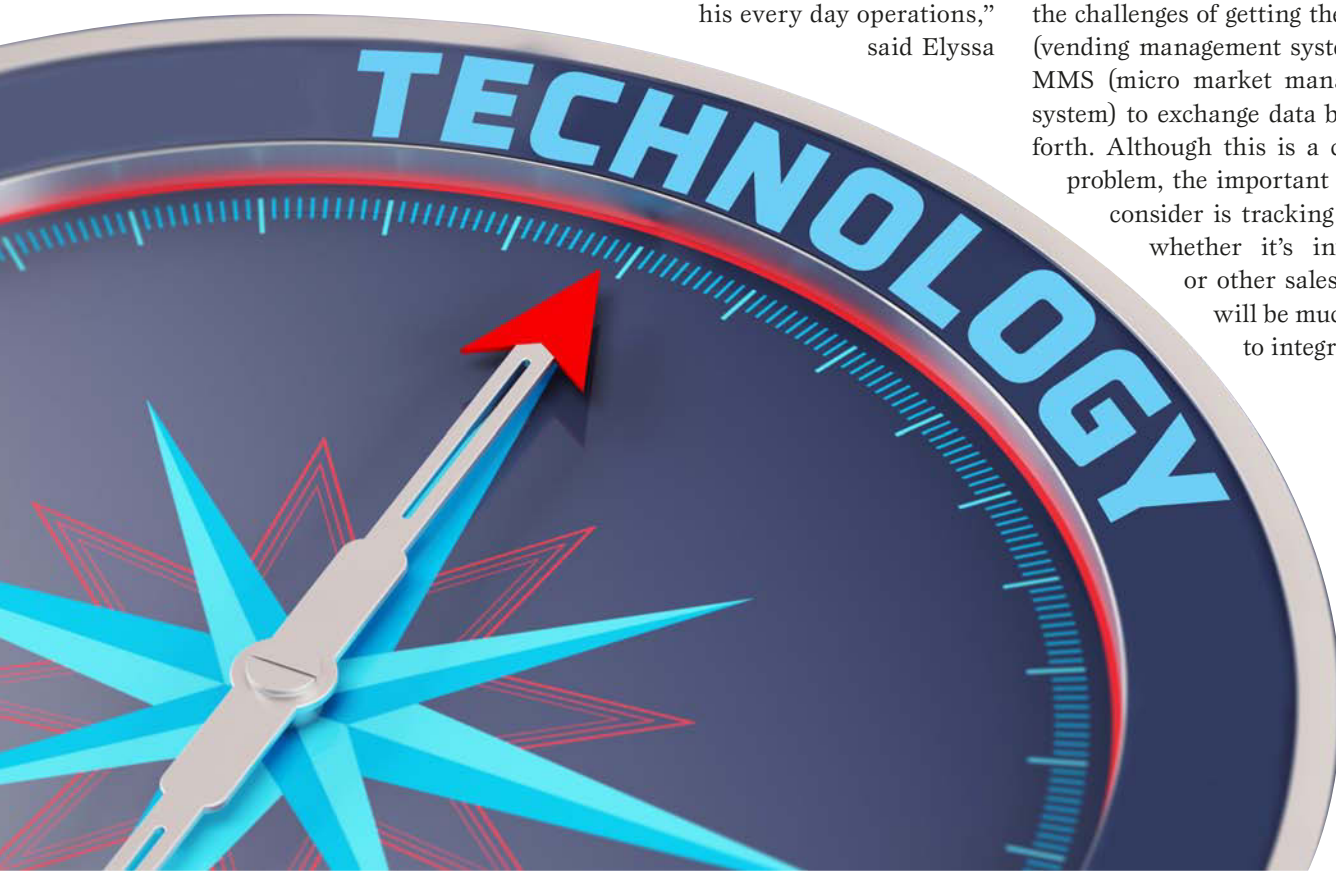
this rough terrain by diving into problems and solutions to integration.

Integrating vending and micro markets

Integrating systems is important because it helps operators to work more efficiently and effectively. “An integrated system enables an operator to leverage similar best practices and processes for his entire team in the field to manage inventory, warehouse, pre-kitting, service schedules and many more aspects of his every day operations,” said Elyssa

Steiner, director of marketing, USA Technologies. Operators managing inventory in the field using multiple platforms need to be trained. This can be difficult because each platform has its own nuances. It’s also important to train drivers in inventory management, because it needs to get done as soon as the operator and the location request it.

Some operators have been able to leverage an integrated approach to managing their markets and vending, while some are still faced with the challenges of getting their VMS (vending management system) and MMS (micro market management system) to exchange data back and forth. Although this is a common problem, the important thing to consider is tracking data — whether it’s inventory, or other sales data, it will be much easier to integrate if all



of the data has been documented, and correctly. Even if there is one system that's pulling data from vending and micro markets it still needs to be updated for accuracy.

"When dealing with multiple technology providers, we find that most of the challenges revolve around reporting and double data entry," said Ryan McWhirter, director of product, 365 Retail Markets. "Products can come into the warehouse in a single system, but then may need to be split apart across vending and micro market systems for tracking through to sale. That makes reconciling what came into the warehouse and what sold a challenge. In regards to inventory, since sales may be tracked for vending and micro markets separately but taken from the same stock in the warehouse, operators often need to merge sales numbers together manually to forecast orders with suppliers," explained McWhirter.

Trey Smith, vice president of operations, LightSpeed Automation has also seen problems when transferring data from the VMS to MMS. Some systems aren't compatible with one another to integrate, he says. There are some instances where even LightSpeed has difficulty connecting the VMS with the MMS because of the providers' automation and system differences.

"While vending machines send sales data via the DEX protocol, micro markets do not! This creates an integration challenge to merge the data together into one VMS system," explained Ed Kozma, director of sales, CPI. "Many VMS providers do offer micro market modules allowing for the transfer of information to be centralized and then utilized, but it is not frictionless from an interoperability perspective." Kozma adds that as the micro market ecosystem continues to expand, new entrants with differing, but established, supply

Do's & Don'ts of Integration

Do

- **Collect and record accurate inventory regularly.**
- **Train your drivers to understand the multiple platforms, especially if the platforms have not been integrated.**
- **Talk with your providers about integrating — the VDI Standards were created to enable successful integrations.**

Don't

- **Skip entering data and inventory — even if it has to be done manually.**
- **Think you have to do all the heavy lifting by yourself — follow up with providers to better understand how their platform can be utilized.**

chain systems will push the boundaries of existing VMS platforms creating additional data integration needs and investment.

Integration with multiple systems

An additional problem that operators face is the proliferation of software packages, explains Smith. Some operators have 5 or 6 providers, all with different software packages, and having so many platforms at once can get confusing quickly. Because of this, some operators would rather stay with the providers they have than change to a provider that might be able to help them integrate their VMS and MMS. Or, they don't have the resources to change, continues Smith. The vast majority of operators don't have dedicated IT people on their team,

which can make it difficult if they try to integrate on their own. And in some cases, providers don't have solutions for integrating.

There's also nothing forcing providers to comply. In most cases there is no financial incentive for providers to integrate, explained David Marler, vice president of sales and marketing, LightSpeed Automation. A large multi-site operator can create exceptions, explained Marler. Having a large number of locations can provide the motivation for a provider to do an integration. There is no scale doing one off's — but multiple sites will make it financially beneficial to both the operator and the provider.

The goal is one system

"The ultimate goal is to integrate all systems with the VMS," explained Scott Meskin, vice president Strategic Business Innovations, Vagabond Vending LLC. With this goal in mind, the driver could use one handheld with one program and run everything from that software, and have it integrate on the back end. Therefore, another challenge in integration is training drivers. As it stands now, the driver has to learn and navigate multiple systems.

Meskin added that some companies charge for integration per location per month. This makes integration even more challenging, especially if there are many locations.

Solution through training

In some cases, the operator might not have an integration program, but is not using the management system to its full potential. Contacting the provider and receiving training on how to use the management system most efficiently and working towards entering data completely and free of errors is one of the ways that operators can contribute to integrating.

Solution through VDI

One of the ways both operators and providers can work together to integrate is through the VDI Standards.

The VDI Standards were created to help both operators and providers to integrate the MMS and VMS, explained Chris Lilly, vice president of technology, Best Vendors, Canteen, and chair of the VDI Task Force. They provide a common language for the interchange of data across equipment and software providers. There is the S2S DEX standard that allows system A to send DEX files to system B. That one has a lot of adoption, explains Lilly.

A second VDI Standard is S2S MMS, which allows for integration between MMS solutions and VMS solutions. While the VDI Standards provide the ability and standards to integrate, they haven't led to 100 percent integration.

Creating awareness of these standards is a good first step towards full integration, explained Lilly. Knowledge that integration is available through the VDI Standards can be a useful tool in speaking with providers. Operators can find out if their providers have done VDI integration, and put pressure on them to integrate if they haven't. Providers are encouraged to

“The best way to accomplish an integrated system is to first work with your vending and micro market software providers to ensure that they are already or are planning on integrating systems.”

Elyssa Steiner, director of marketing, USA Technologies

provide integration solutions because it's in their best interest as well as the operator's, explained Lilly. Integrating management systems, using the VDI Standards, takes flexibility and open communication between operators and providers. This is the best way to succeed.

Steiner also promotes the idea that communication will improve integration. She said, “The best way to accomplish an integrated system is to first work with your vending and micro market software providers to ensure that they are already or are planning on integrating systems.”

Solution through common platform

Integration can be achieved if operators and providers work together. There are various ways for the two to work in unison, including creating a central hub or universal platform.

Smith explains that although the VDI solution in is effect, there isn't one central hub for all VMS and MMS to go through. Utilizing one hub for VMS and MMS would help centralize data.

Murad Mackwani, vice president of development, LightSpeed Automation believes having an industry standard in order to get everyone to comply with a common platform could also be a solution. He explains how banks created a standard by which all must comply. It used to be difficult for consumers to make transfers from bank to bank, due to limited backend integration. Eventually the banking industry agreed to a single standard, enabling a greater degree of integration. The vending and micro market industry can use this example to integrate through communication and in some instances, through the VDI Standards.

The integration of VMS and MMS is extremely important in the daily work of many operators. Operators' awareness to speak with their providers about integration is important. Currently, the VDI Standards have been helpful to get providers to comply with integration. However, getting all parties to comply with an openly sourced standard may be the best solution yet. ◀

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Found in the backyard of our Nayax US offices! The 37th annual #Artscape festival (the largest free arts fair in the US), was held this weekend in Baltimore, MD. #messinabottle.com was selling their work, via a vending machine with, what else? Nayax's cashless payment solution, making it easy to handle the sales. With EMV certification, chip card payments are secure, so no need for festival-goers to carry cash.

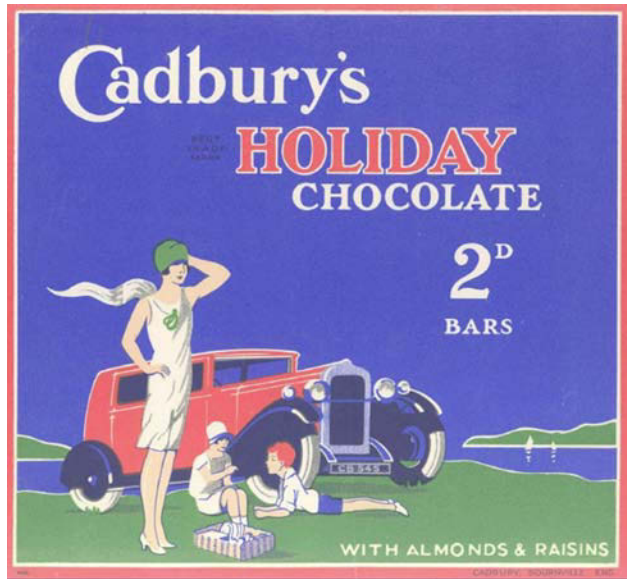


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NAYAX

Attending to the Unattended



Nayax offers a complete solution for all unattended machines.

AS A global leader of cashless payment solutions and management platform for unattended retail, Nayax is spearheading the cashless payments industry. Established in 2005, this international fintech company operates in more than 65 countries, performing transactions in 26 currencies, via 250,000+ devices.

With an award-winning R&D team, the company develops its hardware and software in-house, and continues to create solutions that cater to multiple markets. Among these are vending machines, OCS, micro markets, laundromats, kiddie & amusement rides, car washes, public restrooms, and electronic vehicle charging stations.

Nayax provides solutions based on its customers' needs and all of its offerings are adaptable and customizable. Nayax's open platform and APIs allow for easy integration with other

companies' solutions and ERP software for a-to-z endeavours.

Nayax's complete approach to unattended retail introduces solutions that facilitate multiple cashless payments, dynamic reporting capabilities and management software. This 360° approach ensures Nayax customers benefit from numerous features, designed to improve their day-to-day operations and long-term planning.

By offering consumers the opportunity to complete transactions with their preferred payment method, Nayax's VPOS card reader helps consumers become accustomed to convenience and security wherever they go. AMIT, Nayax's powerful telemetry reader, provides operators with accurate real-time data and continuous connectivity. The VPOS Touch features a color touchscreen and merges Nayax's card reader and telemetry

devices into one powerful terminal.

Nayax has also developed a line of cashless solutions for micro markets. This range includes the Pay-Market Kiosk, a standalone kiosk for indoor and outdoor use, and the Pay-Market Elite, a compact unit suitable for tabletops and wall mounting.

Rounding out its complete cashless payment solution is Nayax's Management Suite. This management software has been designed to give operators complete control of their unattended machines. With inventory management capabilities and cash accountability, operators can optimize their operational efficiency. The combination of having sales history, consumer insights and BI analytics gives operators a full understanding of their business activities. Further boosting an operators' daily operations are Nayax's smart alerts, which notify operators any time there is a real-time adverse event such as a temperature change or a machine powers down.

In addition, Nayax incorporates strong marketing tools in their solution. These tools allow customers to increase their revenue, improve consumer engagement and build loyalty through promotional activities and Nayax's mobile payment app, Monyx Wallet. Nayax is committed to transforming unattended machines to 24/7 retail stores with consumer engagement and IoT activities.

As a global company, Nayax's goal is to offer a platform that caters to operators of unattended machines in every region, connecting all payment devices and helping consumers pay as they like, wherever they are located. ■

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WORKING

Kevin Searcy took on the challenge of growing his family's vending company without adding a single employee by developing proprietary technology.

By Emily Reformat, Editor

In tight economic times, growing without incurring higher costs is a real challenge. That was just the task Kevin Searcy, operations manager of Golden Brew in Odessa, TX, set for himself during the recession from late 2007 to 2009. It required him to view the business' practices differently and reevaluate some of the choices the company had made, as well as utilize his computer programming skills to develop a proprietary technology that fully integrated his vending

and micro market inventory data and prekitting. The result has been that the company is now celebrating its 40th anniversary with revenue growth of 35 percent over last year. It serves the ever-changing oilfields of West Texas with seven employees, the same number it had in 2007, while increasing revenues, estimated to be more than \$2 million by the end of 2018. The secret is the combination of business know-how with today's technology.



SMARTER

Drawn back into vending

In 1978 Searcy's grandfather started a coffee business, Golden Brew beverage. He was joined by Searcy's father, Robert, who eventually took over the business with his wife, Sherri. Searcy grew up working in the business, helping out part-time and watching it become a full-service operation.

In 2005, Robert was diagnosed with Parkinson's Disease, a nervous system disorder that affects movement. His father's diagnosis led Searcy back into the business as the family pulled together at a very difficult time. "That sort of forced me to take a more active role in the company so it could still provide a job for family," said Searcy, who had been away at college studying computer science. The decision turned out to be a good one as Searcy's technology acumen and computer skills helped grow the

The Golden Brew team works hard every day, including Greg McConal, left, who has been with the company for 2 years; Lara Searcy, 4 years; Daniel Lozano, 13 years; and Brenda Smith, 8 years.

All vending and delivery orders are pre-kitted in the warehouse and some trucks are even fitted with refrigeration and freezer cooling systems for all day routes in 110+ degree Texas weather. The company handles about \$2 million in sales per year with just four drivers.



company through adding a vending management system (VMS) in 2005 and cashless readers in 2007. In the last several years, however, it has been a proprietary system that creates technology integrations, which has really helped Golden Brew excel and is a source of pride for Searcy.

Creating a proprietary system

While Golden Brew was an early adopter of technology, the challenge of integrating different systems and technology always frustrated Searcy. The DEX data from the vending machines didn't quite feed well into the warehouse component. Micro markets didn't use DEX, which made combining their data with vending difficult. It was out of this frustration that Searcy decided to build his own proprietary system in 2015. He calls it the dynamic transnational inventory (DTI) system.

"It starts with the simple day to day operations," explained Searcy, "bringing inventory into the warehouse and out of the warehouse to the machines." When a shipment came into Golden Brew, the warehouse crew had been writing the number of items right on the box, such as 48 X bars. When an order was filled, the number of bars was lowered on the box and transferred to the route.

Even when Golden Brew added VMS and data was collected at the machine level, the solution was still based on a number system, Searcy explains. Machine A had 10 X bars. Machine B had 12 X bars. "With our DTI system, each item instead has an entry created for it," said Searcy. In effect, the technology considers each bar, or any item, in the warehouse an individual unit with item details, including accompanying date received, sell by date, whether it's a substitution for another product, machine it's placed in, etc. "It allows us to track where each item is at any time," said Searcy.

Selling a technology-forward business

Kevin Searcy enjoys the family business, but his formal training was in technology. He was able to pair the two in order to grow the family vending business and it gives him an edge when selling his service to locations.

SELLING TELEMETERS

On some sales calls, Searcy will talk about the benefits of using telemeters and be met with resistance. Locations managers report getting poor service from other providers, many of whom also had telemeters. There were empty facings and coils.

The locations want to know how Searcy's telemeters will be different. Therefore, he explains the technology behind the telemeters, specifically his DTI system. He will even get the locations' employees from the IT department to verify what he is saying.

"Tech departments confirm we know our stuff," said Searcy, "and this isn't just an off-the-shelf solution someone told us to put in." It resonates with locations, who love the lo-



Kevin Searcy uses a wide range of technology in his family vending business including, a smart phone app, at left, the deORO cash in/out kiosk, Smart glasses, a nano kiosk with a bill acceptor and vending telemeter (MDB, bluetooth and soon credit card readers). On the screens are customer metal, PCB, 3D printing and software development done by Searcy.

cal, well-managed aspect of Golden Brew in addition to its thorough understanding of how technology can make vending machine and micro market service better.

The advantages to this are that products nearing the end of their shelf life can be moved to other locations before the expiration date. It lowers stales substantially, explains Searcy. He has even created reports based on shelf life. "It will find items with 3 days left throughout the system, so we can move them to avoid stales," he said.

While to some this might seem more of a nice-to-have feature, Searcy saw it differently. "It was almost a necessity in our area because [area] businesses scales up and down so much," he said. For the past 3 to 4 years, the company has had local businesses go from employing 4,000 people to less than 100, and then start increasing employee counts

again. Searcy explains that part of the fluctuation is the oil fields because the smaller oil companies won't be mining oil all the time, creating times of heavy refreshment needs for employees and times of nearly no need. Searcy had originally used micro markets to handle these types of accounts as they were the easiest to scale up and down, but micro markets aren't always the best solution, and he knew it could be better with technology integration. "We wanted a unified system," he said.

Three years of writing and rewriting code with various technologies has delivered a system that has features other systems don't. "If we made a substitution for a product and it sold

THIEMAN TAILGATES History

THE START of the THIEMAN liftgate line originated in the early 1960's. At that time, it was known as Watson which had a product line consisting mainly of conventional style liftgates. In June of 1968, Todco purchased Watson and immediately began to broaden its liftgate line. In the early 1980's Todco had chosen to subcontract many of its liftgate components to a company called THIEMAN STAMPING. In August of 1987, THIEMAN acquired the lift-

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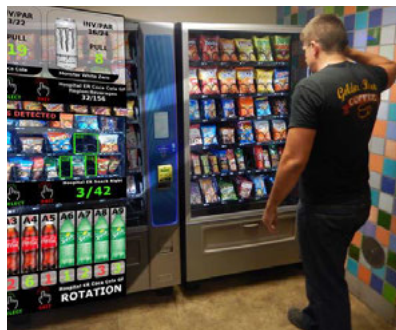
better, this system tells us that,” said Searcy. Other systems he has worked with can take the substitution into account, perhaps provide sales data for an average number of days. However, the systems lack detail.

“We know that this item has June 25th on it,” said Searcy as an example. The advantage is that Golden Brew not only knows if the substitution is selling better or worse, but also exactly when the substituted products are going to go stale so the company can act on the information.

Searcy feels this level of information is important because of the rapid change in vending machines as well as the consumer. “I’ve been in the business for 16 years. In that time, we have gone from mostly closed front stack beverage machines to mostly open front, glass vending machines,” he said. “There are also more flavors in the machines to appeal to the Millennials.” All this added product makes lowering stales and monitoring space to sale imperative.

Working with glasses

An additional element to the DTI system is the use of Google glasses by the route and warehouse personnel. “We have been using the glasses on all routes for the last 3 months,” said Searcy, “testing them for 6 months.” He had to rewrite his DTI software to utilize the glasses, but he considers the trade off well worth it. The glasses can do everything from show



Google glasses help when servicing equipment by showing images for item counting, providing item empties detection from the camera, and guided item rotation in glassfronts based on dates in the dynamic transnational inventory (DTI) system.

an image of the machines’ planogram to ensure quality control.

With “computer vision” the glasses can auto detect empty slots in a vending machine at the end of service, according to Searcy. This is important information to know because there needs to be a reason these slots are empty — wrong product? Someone not doing a good job? In fact, the glasses are used to review driver service stops. “We make a recording of what they are doing, everything they do at all locations, and upload it, compressed, which pares down an entire route into 30 minutes,” Searcy said. Previously, the company did physical location checks, which took 2 to 3 hours.

Another advantage of the glasses is that the display can be shared if needed. “I was out, had my glasses on when a tech called because he had a problem he couldn’t figure out,” said Searcy. “I logged in and could see what he was seeing. We figured it out in minutes.”

Initially the fact that the company could log into the glasses any time, made some of the drivers uncomfortable, Searcy explains. However, Golden Brew set down certain rules of use, including that the login would only be used when drivers were at a machine. “It was a privacy issue,” Searcy explained. “They didn’t want us logging on when they were going to the bathroom, for example.”

The glasses act as GPS for the drivers as well and record when they use the company gas card to refill their vehicles. “We did have some drivers meeting a girlfriend or a wife and abusing the fleet card to fill those personal vehicles,” said Searcy. The glasses recorded that, and Golden Brew was able to deal with the issue.

Better merchandising

The glasses and the DTI system work together to help drivers better merchandise machines. As the driver looks at the machine, the glasses display red and green numbers that tell the driver what to pull back into inventory (which is moved to a later machine on the route automatically or brought back to the warehouse). Sometimes the system will simply have a driver move product from one column to another, based on the quicker turns of specific spirals. “It’s all based on the rules we set up, and how fast everything moves,” said Searcy.

Drivers also make corrections or notes using the glasses if they didn’t have the right product or ran into a problem. It is then all recorded and used by the DTI system.

Glasses in the warehouse

Glasses are also used by two warehouse personnel to stock inventory and pull orders. They use voice commands to speed the process of inventorying, separating products into different regions of the warehouse and adding “best buy” dates. When it’s time to pick orders, the workers prekit using the glasses, which show the number of each item needed. No route is the same two days in a row — it’s all dynamic and created automatically by the DTI system based on driver start time, geographical region and what equipment needs servicing.

Gathering the DEX data

While Golden Brew pushes information out from the DTI system through

Operation Profile Golden Brew Beverage

Headquarters: Odessa, TX

Owners: Robert and Sherri Searcy

No. of employees: 7

Routes: 3 vending, 1 micro market, 1 OCS

Cashless suppliers: USA Technologies, Nayax

Annual revenue: \$2 Million+

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"Our recipe for success has always been to bake with care the products you love and rush them to market. My grandfather began this tradition more than 80 years ago, and our family has followed his tried-and-true philosophy. Granddad must have been right because three generations later, we're still a growing family-owned bakery. We are grateful for you and for our many other loyal Little Debbie brand customers." – Debbie McKee-Fowler

We Are Number One

The sales of Little Debbie® snacks represent a third of the snack cake market, making Little Debbie® the No. 1 brand of snack cakes*.

*Source: Nielsen ScanTrack, Convenience Channel, 52 weeks ending July 14, 2018, (unit sales)

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Google glasses in the warehouse and on the routes, it gathers information via cellular connections. If the vending machine has a card reader, then Golden Brew utilizes that connection in order to get the DEX data used by the DTI system. About 80 percent of the vending machines Golden Brew services have card readers. On the others, Searcy installs a telemeter Golden Brew created itself to collect DEX data 8 times a day using LTE 4G for a fraction of the cost.

"A cashless unit might cost between \$280 to \$350, plus a \$7 to

\$9 per month charge for data," said Searcy. "Our own telemeter costs 75 cents per month to pull data out of it."

For Searcy, deciding which to place comes down to how much the machine sells. "Covering \$9 a month means I have to sell a case of soda to recoup the charge versus 75 cents which is about two cans of pop," he said.

More for less

Searcy credits the DTI system and glasses for creating higher profits for the company and reducing employee turnover. "Our drivers actually ser-

vice fewer machines per day," he said. They also like the hands-free technology of the glasses since it lets them be more efficient at filling and restocking.

The DTI system has also contributed to the company's bottom line. "We are up 35 percent in revenues compared to last year," said Searcy. With more integration, he sees an even brighter future for the company his family started 40 years ago. The best part; however, is that he is able to keep his family employed while combining his love of technology and vending. | ◀

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3 Hot Topics From The 2018 Fly-In

By Eric Dell, Senior Vice President, External Affairs, NAMA and Jason Eberstein, Director, State & Federal Affairs, NAMA

NAMA's fourth annual Washington, D.C. Fly-In was impactful for attendees and the industry. Attendees benefited from hearing presentations from a top official from the Food & Drug Administration (FDA) as well as a briefing on how to successfully advocate with their elected officials on Capitol Hill. As of press time, attendance was hovering at nearly 300 for the second year in a row. When compared with other industries our size, this is a tremendous show of participation.

This year's attendees discussed important policy issues during their meetings on Capitol Hill with their personal Members of Congress, Senators and their staff members. The list of issues included three: 1) supporting finalization of calorie disclosure front of pack labeling font size; 2) opposing commercialization of interstate rest areas; and 3) formally introducing and explaining the economic impact of the convenience services industry. All three, timely and important to the promotion and protection of the industry.

Calorie Disclosure



Recently the FDA released a proposed rule to finalize the font size for front of pack (FOP) labeling of products sold in vending machines. NAMA and the industry having been working on this issue for nearly eight years. The Affordable Care Act (ACA) requires that vending machines display the calorie of each item prior to the point

of sale (before the customer makes the purchase). Front-of-Package (FOP) is the primary method for this disclosure and the FDA's newly proposed rule sets font size and a compliance date of 2020, of which NAMA supports. Attendees sought the support of their Senator and Members of Congress to sign a letter of support for this proposed regulation.

Commercialization of Interstate Rest Stops



This issue was debated many years ago, but has been raised again by some in Congress and the Trump Administration. The supporters of commercialization of interstate rest areas want to allow anyone to open any type of business at Interstate rest stops, including restaurants, truck stops, etc. (called commercialization). Decades ago, Congress granted blind operators a priority for the operation of these vending locations.

Supporters of commercialization believe it will generate additional tax revenue. What they fail to realize is that commercialization will lead to less tax revenue and reduced employment because of the business model that exists at interstate on/off ramps. It will also eventually lead to removal of vending machines from rest stops for the industry, including the blind and any other private company that might be allowed to own them under commercialization. This issue impacts both blind operators and the industry at-large. Advocates asked Members of Congress to oppose

commercialization of Interstate Rest Stops, specifically a bill introduced by Congressman Jim Banks, HR 1990.

Economic Impact Data



Last, but not least, advocates officially introduced the convenience services industry to Members of Congress in a real and impactful way by sharing data never shared before. The NAMA Foundation partnered with John Dunham and Associates to produce a research study that provides the economic impact of the industry at national, state and Congressional District levels. Data points to be shared with elected officials include total number jobs created, wages paid, taxes paid and economic impact. This data is essential and crucial to explaining the magnitude of the Convenience Services Industry.

This data served as the introduction for each meeting on Capitol Hill to emphasize the breadth and depth of the industry in each Congressional District. It also "put a face" on the industry and assisted Members of Congress and their staff with a more complete understanding of the impact of the industry on their districts and neighborhoods.

Once again, attendees of the annual DC Fly-In were equipped with data and policy positions to have valuable discussions with their Members of Congress. It was an exciting time, especially knowing the advocates attending the 2018 Fly-In will make a difference! | ◀

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