

2016 Products Of The Year

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Products of the Year
READERS' CHOICE AWARDS
— 2016 —

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**Attract And Profit
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in our philosophy."*

Pam Keener,
vice-president of sales,
Pro-Vend



April 2016

Products of the Year

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OF INNOVATION

2016

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READERS' CHOICE AWARDS

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► BLOG: A Lesson In Chipotle's E. Coli Outbreak

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► GUEST BLOG: Sell More Stuff: It's Tradition Vs. Change

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► VIDEO: 3 Tips To Optimize Sales

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SPECIAL REPORT



2016 Vending Quarterly Micro Market Pulse, First Quarter

Micro market outlook is "strong" to "very strong."

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The Link Between Productivity And Refreshments

Happiness and collaboration should be among your top productivity discussion points.

In marketing materials we often tout the idea of productivity associated with vending, office coffee service and micro market service. It's an understandable connection. After all, when locations provide snacks, food and beverages to their employees, it allows them to eat on-site and therefore, not waste time (be unproductive) on traveling to get those essential

meals and refreshments. However, is there data to prove this relationship? Turns out there is.

Benefits and happiness

I recently came across a study from October 2015 that shows that happy people are more productive. The study: *Happiness and productivity: Understanding the happy-productive worker*, reports that making people happy results in a measurable improvement in their productivity. The study used two different forms of happiness-inspiring events. One was a comedy video clip and the other was \$2 worth of free food and beverage.

While the second experiment was with a smaller sample size, the free refreshment actually increased productivity 20 percent, at least for the short-term. For those who were shown the comedy clip, productivity increased 10-12 percent over those who did the same tasks. Regardless of what inspired the happiness, the results were clear. The happier someone was, the more work they did.

But how do locations make employees happy? *MetLife's 13th Annual U.S. Employee Benefit Trends* study talks about how the number of employee benefits offered at a company affects how much they like their place of work, which is certainly an aspect of happiness. The more benefits, the more positive employees are about their employer. Big benefits like insurance and compensation are important, but when employees could name more than 11 benefits they were offered, they were the most loyal and appreciative of their work. Benefits like breakroom refreshment, i.e. office coffee or free snacks, can really add up and are more affordable than other types of benefits, such as free daycare. MetLife also indicated that keeping employees was important to a large percentage of companies, 41.1 percent, as was increasing productivity, 35.1 percent.

Collaboration as a productivity tool

Google offers another productivity lesson related to refreshment. In an article titled *The Real Reason Google Serves All That Free Food*, the author argues that the free refreshments and other perks aren't so much to keep employees at work, or even happy, but to increase collaboration. It's this intercommunication between departments and people that leads to successful, and often monetarily profitable, innovations.

Productivity remains a buzzword with decision makers, but when you sit down to really go through the benefits of the services you offer and how it can benefit them, remember to expand the idea not only to keeping employees in the office, but making them happier and increasing collaboration. These have been shown to increase productivity and revenues and will impress your customers. | ◀



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NAMA Announces 2016 Industry Award Honorees

The 2016 winners of the NAMA Industry Awards were announced by the association. The awards, presented live at the NAMA OneShow in Chicago, IL, Wednesday, April 13, will recognize the most widely respected leaders in the industry, as nominated by their peers.

The 2016 NAMA Industry Award winners:

- Joshua J. Rosenberg, President & CEO, Accent Food Services – Industry Person of the Year
- Scott Meskin, President, Black Tie Services – Operator of the Year
- Art Wittern, Chairman, U-Select-It – Allied Member of the Year

“The Industry Awards are a beloved element of the OneShow, recognizing leaders who have served our association and industry as innovators and advocates,” said Dan Mathews, NAMA Executive Vice President and COO. “Josh, Scott and Art have performed above and beyond, helping their companies achieve success while devoting their time and talent to NAMA, overall industry efforts, their colleagues and communities. They are a true inspiration and I congratulate each of them on this well-deserved honor.”



Josh Rosenberg, Scott Meskin and Art Wittern are NAMA's 2016 Industry Award Honorees.

service technician entered a grocery store in Highland, CA, and caused thousands of dollars in damages. According to the San Bernardino County Sheriff's Department, staff members told the sheriff's deputies that the suspect briefly displayed an identification badge to the staff and told them he was there to service the vending machine.

He left the location carrying a black tool box and an employee later noticed that coin compartments of the vending machine had been pried apart and emptied of money.

The estimated damage and theft is approximately \$8,000.



USG Publishes Micro Market Merchandising Roadmap

► Unified Strategies Group (USG) has published a comprehensive Micro Market Merchandising Roadmap for the USG membership. The USG Roadmap lays out a basic plan for the general micro market layout, specific beverage planograms based on beverage cooler ownership, cold and frozen food recommendations and specific product recommendations for various snack categories.

This project, which has been in the works for about nine months, is based on USG micro market data and a thorough analysis of the data by seven USG supplier partners.

The Micro Market Merchandising Roadmap is exclusively available to USG members via the USG Website www.usgvend.com.



American Vending Sales Acquires Midwest Equipment Supply

► American Vending Sales (AVS) announced that effective March 1, 2016, Midwest Equipment Supply, LLC (MES) will merge with

AVS. The combined companies will conduct business together under the name American Vending Sales, Inc., with their main office in Elk Grove Village, IL and branch offices in Jackson, WI and Bloomington, MN. “Combining these two companies will provide our customers with an extensive

portfolio of high quality vending machines and parts as well as local service and support,” added Vince Gumma, president of AVS. “Both AVS and MES have considerable talent and experience in all areas of the vending industry and going forward our products and employees will allow us to better serve our customers.”

Man Posing As Vending Machine Service Tech Steals Cash

► An unidentified male posing as a vending machine



Vengo Labs Negotiates \$2 Million Deal With Shark Tank Stars

▶ Vengo Labs' CEO Brian Shimmerlik and Co-Founder Steven Bofill successfully negotiated a deal with Shark Tank stars Kevin O'Leary and Lori Greiner, according to Business Insider. Appearing on a recent episode of ABC's TV show Shark Tank, the entrepreneurs of vending machine company Vengo Labs came away with \$2 million in venture debt to be paid over three years at 7 percent interest in return for 3 percent equity.

Vengo Labs is a wall-mounted, compact vending machine with the intention to create "something akin to an online shopping experience but with an immediate reward," according to the source. Before appearing on Shark Tank, Vengo Labs raised \$3.4 million over a seed and Series A round.

According to the source, Vengo sells its units to vending companies for \$2,500 and charges a \$20 monthly fee for maintenance insurance and access to cloud-based software.

NCA: Consumers Shifting To Espresso-Based Options

▶ Daily consumption of espresso-based beverages has nearly tripled since 2008, reported the National Coffee Association in its 2016 NCA National Coffee Drinking Trends (NCDT), released March 19 at the NCA Annual Convention. At 18 percent of U.S. adult consumers in 2016, it signals a promising

category shift, supported by younger consumer tastes, that outpaces flat overall consumption.

And it is Millennials who are driving the increase. Between 2008 and 2016, past-day consumption of gourmet coffee beverages soared from 13 to 36 percent among 18-24 year olds and from 19 to 41 percent for those 25-39. For espresso-based beverages alone, the jumps become 9 to 22 percent for the 18-24 group and 8 to 29 percent for those 25-39.



FDA Postpones Menu Labeling Enforcement Beyond Dec. 1, 2016

▶ On March 9, 2016, the U.S. Food and Drug Administration made a statement regarding menu labeling enforcement. Dr. Susan Mayne, Director, Center for Food Safety and Applied Nutrition is cited as saying: "As a result of language in the omnibus appropriations bill enacted December 18, 2015 (Public Law 114-113 Consolidated Appropriations Act, 2016), FDA is delaying enforcement from December 1, 2016, to the date that is one year after it issues final, Level 1 guidance on menu labeling. The draft Level 1 guidance was issued on Sept. 11, 2015, and FDA is considering all comments received and will issue the final guidance as soon as possible." As of presstime, the FDA confirmed that this extension on enforcement only applies to menu labeling rules for restaurants and not for the calorie disclosure necessary on vending machines by Dec. 1 of this year.

People in the News

CAVC Leader Don Phelps Passes Away

Don Phelps of Newport Coast, CA, died March 3, 2016. Phelps began his vending career as a sales rep for The Vendo Co. in the Southern California market. Eleven years later, he founded Food Systems, Inc., headquartered in Buena Park, CA. During his career, he supported the vend industry, serving as president of the California Automated Vending Council (CAVC).



Phelps

Sandy Schoenthaler Joins 32M

Sandy Schoenthaler joins the Three Square Market (32M) sales team with more than 30 years of knowledge and experience being a leader in the food service, vending, micro market and office coffee industry. Schoenthaler comes to 32M from more than four years as the regional manager at Taher Dining & Vending Services in Plymouth, MN. Previous to her work at Taher, Schoenthaler served as regional director for Canteen Vending as part of her 25 years with them.

The J.M. Smucker Company Announces Leadership Transition

The J.M. Smucker Company announced that effective May 1, 2016, Mark T. Smucker, President, Consumer and Natural Foods, member of the Company's Board of Directors, and fifth generation of the Company's founding family, has been appointed President and Chief Executive Officer. Concurrent with these appointments, the Smucker Board of Directors has also promoted Mark R. Belgia and Steven Oakland to the additional management roles of Vice Chair, effective May 1, 2016. Belgia, currently Senior Vice President and Chief Financial Officer, will be Vice Chair and Chief Financial Officer, and Oakland, currently President, Coffee and Foodservice, will be Vice Chair and President, U.S. Food and Beverage.



Smucker

Paramount Coffee Services Makes Two Executive Appointments

Paramount Coffee Services of New Jersey announced that it has named Scott Guardino as president. Guardino has been an employee for 19 years, operating first at Paramount Automated Food Service, then Paramount Refreshment Services in Florida. In addition, Deana McDowell has been appointed vice president of business development for the New Jersey operation.

Five Star Food Service Opens 500th Micro Market

Chattanooga, TN-based Five Star Food Service has opened its 500th micro market. “The installation of the 500th micro market marks a major milestone for Five Star,” commented President and CEO Alan Recher. “We are privileged to partner with our hometown newspaper and long-time vending customer, the Chattanooga Times Free Press, on our 500th micro market.”



Five Star Food Service reached a milestone with the opening of its 500th micro market.

To celebrate the milestone, Times Free Press employees were treated to an expanded version of Five Star’s typical micro market grand opening. The all-day celebration included a brief tutorial on how to use the market, cash to spend in the market, and raffle giveaways including iPads, FitBits, GoPro, tickets to local attractions, professional sports tickets, and even a four-day trip to Disney. In addition to the celebration, Five Star and Mrs. Freshley’s partnered to offer the new Blueberry Powdered and Chocolate Frosted Strawberry Mini Donuts at a special promotional price in all of Five Star’s micro markets for the entire month of March. “Our employees are very excited about the market,” commented The Times Free Press Human Resources Director Sheniqua Hambrick-Thomas. They are always looking for a good, affordable food option that doesn’t require them to leave the office.”

for the FDA’s food safety activities as the respective committees examine the President’s fiscal year (FY) 2017 budget request. Currently, the Administration’s proposed FY 2017 budget for the FDA includes a proposal to impose a food facility registration and inspection fee to fund agency activities related to the Food Safety Modernization Act (FSMA).

If Congress authorizes the requested fees, the FDA projects it will collect \$61.3 million in FY 2017 from food and feed producers, makers and distributors. A food import fee is also proposed, with projected revenues of \$105.3 million in FY 2017. In fiscal years 2012 through 2016, the FDA’s budget request recommended raising revenue from new facility registration fees to help fund the agency’s food safety activities. Congress rejected those proposals, as well as food facility registration fees during its passage of FSMA in 2011.

Keurig Stockholders Approve Merger

► Keurig Green Mountain, Inc. announced that Keurig’s stockholders formally approved the previously announced merger agreement relating to the proposed transaction between Keurig and a JAB-led investor group. Subject to the terms and conditions of the merger agreement, at the effective time of the merger, each share of Keurig common stock will be cancelled and converted into the right to receive \$92.00 in cash. The transaction remains subject to various closing conditions and is expected to close during the first calendar quarter of 2016.

CALENDAR OF EVENTS

MAY 5

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www.tmva.org

MAY 20

AVC Annual Meeting
Clarion Hotel
Hot Springs, AR
Phone: 479-785-7400
www.vending.org

JUNE 17-19

New England Spring Meeting
Samoset Resort
Rockport, ME
Phone: 571-346-1901
www.massvending.org

JULY 12-13

NAMA Fly-In
Capitol Hill, Marriott Marquis
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Phone: 571-371-0944
www.namaflyin.org

JULY 22

NCVA Membership Meeting
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Jefferson, NC
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www.ncvend.com

OCT. 13-15

2016 Atlantic Coast Expo
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NAMA Signs Letter To Congress Regarding FDA’s Proposed User Fees

► NAMA joined with more than 70 organizations in signing a letter to Congress regarding the President’s Fiscal Year (2017) proposed user fees to assist in funding the Food and Drug Administration’s (FDA) budget.

The letter, addressed to the Chairmen and Ranking Members of the House and Senate Appropriations Committees, requests they allocate adequate funding

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Single-Cup Solutions

By Adrienne Zimmer, Managing Editor

There are many single-cup brewers to choose from. Placement should depend on location size, ROI and customer wants.

Customers, locations and regions are all different and likewise, the type of OCS equipment offered at each location varies. One system that continues to be a driving force in OCS is single-cup. It also drives the highest consumer satisfaction with workplace coffee, according to the National Coffee Association (NCA). Consumers enjoy the customization and convenience of single-cup systems and 36 percent of them in the NCA's 2015 Single Cup Format Report say that a single-cup brewer makes an overall better tasting coffee than other brewing methods.

From an OCS operator standpoint there are many pros to adding a single-cup option. There are

no brewing pots of coffee that sit around for hours; there is no waste of coffee and no pots to clean or maintain; there's also a plethora of offerings for any customized taste. Operators can also make a higher "penny profit" per cup over traditional brew.

The offering is, however, more expensive than traditional brew and can be a slower brewing method, requiring multiple brewers to be placed in high volume offices. In some cases, there is shrinkage where customers take the single-serve capsules home.

Location volume, cost of equipment, return on investment, machine maintenance and customer preferences are all things OCS operators are taking into consideration when choosing which single-cup solution to place.

Location volume

The location's size and number of consumers working in-office daily will help OCS operators narrow down which brewers they can place, said Dave Carroll, vice president of Southern Refreshment Services, located in Tucker, GA. Before the company began integrating single-cup in its OCS lineup in the late 1990s and early 2000s, it had only offered traditional OCS. Today single-cup makes up 60 percent of OCS sales for Southern Refreshment Services but only 40 percent of product flow. "We move more cases of frac packs but because the single-cup is a higher price per cup, it makes up more revenue," said Carroll.

For locations with many employees, operators need to consider the brew time involved with each system. Long brew times may cause lines. Small holding bins on equipment can also be problematic when they fill up too quickly.

Bean-to-cup brewers, which are growing in popularity, need at least 80 to 100 people at the account to

make them worth the placement. Southern Refreshment Services purchases all bean-to-cup equipment and has the client sign a three-year lease agreement, pay a lease fee each month, in addition to ordering a specified minimum of product per month. The solution is cheaper in the long run though, said Carroll. "Whole beans come out to be about

Single-cup Breakdown

40%
product flow

60%
of OCS sales

for Southern Refreshment Services, Tucker, GA.



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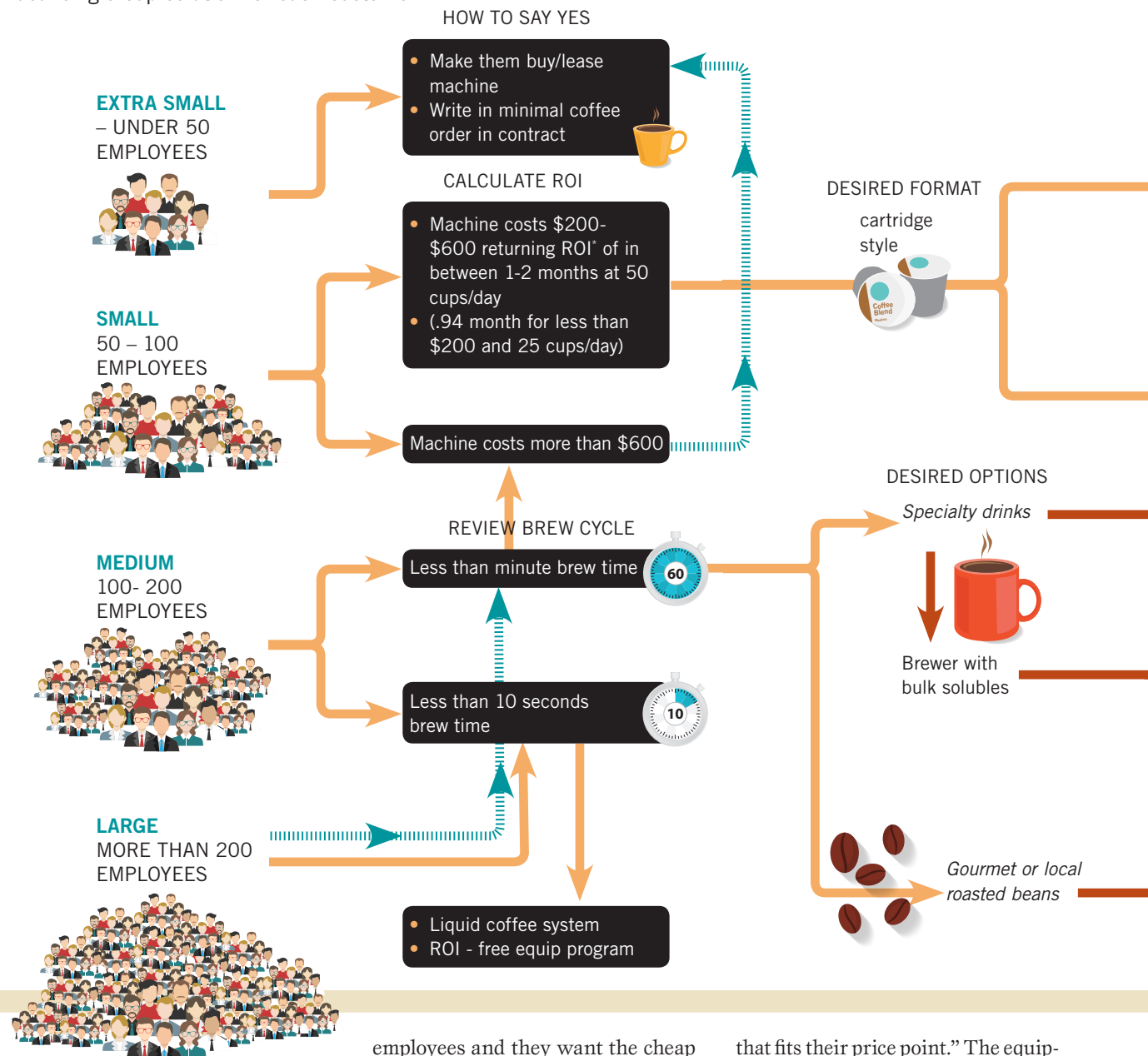
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Consider the location size, how quickly you can expect a return on investment (based on what's currently available), what type of coffee the location wants, brew time and maintenance costs when selecting the ideal single-cup solution for each customer.



\$.40 per cup whereas K-cups are \$.75 per cup.”

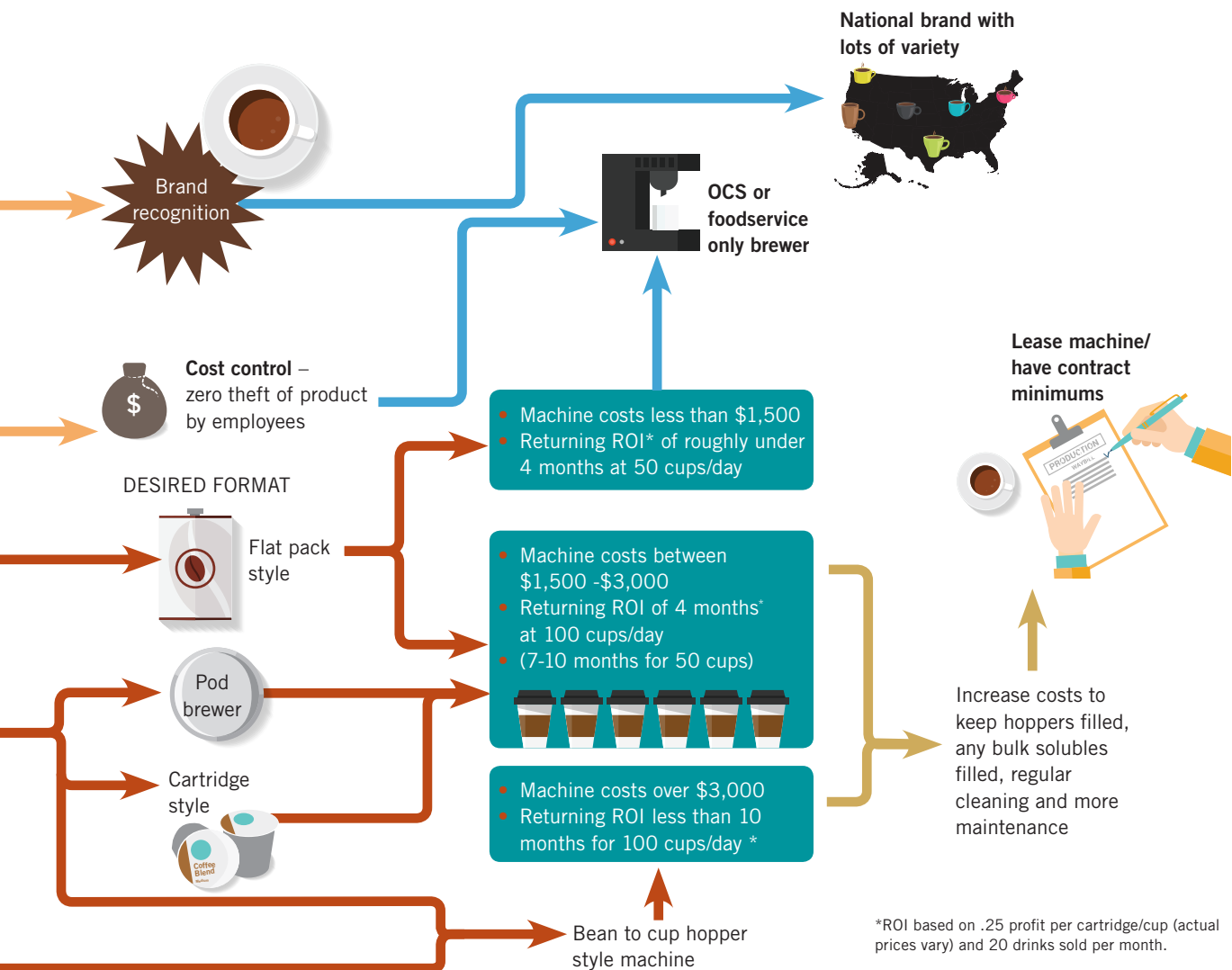
Look at the full picture

Single-cup wants are driven often by price. “If you have a location with 125

employees and they want the cheap option, they won’t go for single-cup,” said Carroll. “For those locations who want convenience and don’t want to have to brew a pot or have it sitting in a thermos all day, then single-cup becomes an option and we can start discussing their needs and a solution

that fits their price point.” The equipment can be expensive, with varying ROIs depending on lease agreements and/or how many cups are sold each day. “Everyone is different,” continued Carroll. “You’re not going to put a \$4,000 bean-to-cup machine in a 25 person office, but you have to

at multiple considerations



*ROI based on .25 profit per cartridge/cup (actual prices vary) and 20 drinks sold per month.

Information such as profits per cup and brewer types/prices based on presentation by Dave Carroll, vice president of Southern Refreshment Services, and presented at the 2015 CTW.

Icons by Freepik

have an option for all different types of locations.

Maintenance costs also need to be taken into consideration when choosing a “Bean to Cup” solution. Southern Refreshment Services was adding so many bean-to-cup brewers that it had to hire a maintenance technician

full-time simply to travel around and service/clean the machines. This was an unexpected cost, said Carroll, but with growing from 20 to 150 bean-to-cup machines, it was a necessity. It is not feasible to exchange a bean-to-cup machine every time it needs regular maintenance or service said

Carroll; unlike K-cup or POD style machines, which are cheaper and easier oftentimes to replace. In total, Southern Refreshment Services has 1,500 single-cup machines and 150 bean-to-cup brewers and can’t imagine a future in OCS without single-cup as a solution. | ◀

Why And How To Attract Millennials To Your Vending Business

By Adrienne Zimmer, Managing Editor

Hire, train and retain this generation now so they have the experience to step into management roles opening up in the next decade.

There is a lot of talk about how the generation called ‘Millennials’ is changing the face of vending as consumers. This group of people, arguably ages 18 to 34, is significantly more likely to snack compared to older consumers; they are comfortable interacting with vending machines and micro markets; and they are driving many of the food trends.

Millennials will be among the candidates to replace Baby Boomers when they retire.

There is no doubt that Millennials will change the face of vending in a different way as well.

In 2014 it was reported by *The Wall Street Journal* that 10,000 Baby Boomers retire each day, leaving many vacancies and job opportunities for other generations. Millennials will be among the candidates to replace many Baby Boomers who are mid and senior level managers in the vending industry, which is why it is important for operators now to not

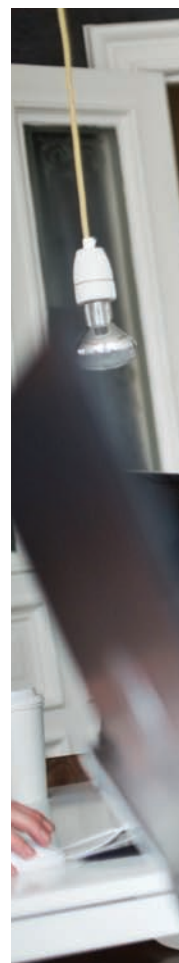
only attract employees of this generation, but understand how to retain them as well. Manufacturers and operations in the vending industry should utilize technology to build excitement for their company, incorporate Millennials into key roles early on and offer a flexible work-life balance to attract, train and retain this new workforce.

Millennials bring a fresh viewpoint

Greg McCall, senior vice president of Chattanooga, TN-based Five Star Food Service, never intended to make it a company strategy to hire Millennials until he recognized firsthand the fresh perspective they brought to the organization. Five years ago McCall went to a college job fair, looking for rising seniors to fill an internship position. “I was amazed at the quality of candidates,” said McCall. “Many of them were eager to grow and had high aspirations. They just seemed to lack job experience.”

The economy was in its rebuilding phase at the time, which meant that jobs for college graduates were limited, driving the talented to look at Five Star Food Service as a viable option, said McCall.

The company ended up hiring the Millennial intern full-time, who then moved up in the ranks at Five Star three times in less than 24 months after the internship and is currently an Area Micro Market Manager. This experience led others in the company to begin looking at recent grads and early-career applicants, too. The company has nine Millennials filling roles such as Marketing Manager, Human Resources





Technology, advancement and work-life balance are attractive to Millennials.

Manager and Accountant, to name a few. “We were all impressed with the fresh perspective and significant technology advancements the younger professionals were bringing to the company,” he said. “They are keen to make the company move with the times.”

Five Star’s prior philosophy included looking for applicants with prior vending experience, but now, the company focuses on other skills and then teaches about the vending industry. “What we realized was that in 10 to 15 years, many of the people in senior leadership positions at our company will be retiring, and we didn’t have the staff to replace and support those positions. Now, we can attract and train talent for those roles. We call it ‘focusing on the bench strength.’”

“It’s a big deal in the next decade,” he continued. “If no one is there to replace the senior and middle leadership, then the company can’t succeed.” McCall predicts that for the next 14 years Millennials are going to need to fill the gap of the thousands of Baby Boomers exiting the workforce each month.

One way in which the company is attracting Millennials is utilizing technology. In order to gain the attention of the younger generation, Five Star Food Service focused on rebranding its Website to make it mobile-friendly and included things like a blog and links to its social media pages.

Technology attracts Millennials

For Juan Jorquera, Millennial and co-founder of Vagabond Vending, LLC, it was technology that first drew

him to the industry. “I got involved in the industry right out of college five years ago, and just the amount of opportunity there was surrounding technology in the vending industry grabbed my attention,” he said. Jorquera says he has noticed a trend where younger vending operators are taking over the family business and integrating technology right away to drive efficiencies. This, he says, is key to growth in the industry. “One way to attract more Millennial attention to the industry as a viable career choice is to show that your company values itself and its success, and you do that through technology integration. It shows that you’re invested in making your company successful for the long haul,” he said.

Elyssa Allahyar-Steiner, vice president of sales and marketing at Avanti Markets, agrees. The advancements of technology, she said, have made this industry exciting *and* excited, especially for younger professionals looking for careers.

When Allahyar-Steiner entered the industry five years ago shortly after college, she didn't think it would be a long-term plan. With the swift growth of micro markets, however, she saw manufacturers and operators alike have a new view of the industry and of the future of their businesses, and that was refreshing.

Today, Allahyar-Steiner does some hiring for Avanti Markets and from a manufacturer perspective she looks at candidates who are best qualified, but notes that someone with a technology background is a huge plus. "I just hired a 25-year-old sales representative, which is out of the ordinary, but I saw potential in him," she said. "It's also nice to get someone with a fresh set of eyes who is not familiar with the industry but has a technology background. Those candidates bring the innovation." When she looks at candidates, she says she looks for those who can evolve. "Because we are evolving every day."

Brittany Morales, Millennial and senior business analyst with 365 Retail Markets, uses technology to intrigue the next generation of employees when she travels to college career fairs. A 365 kiosk at the company's booth at these college career fairs, she says, draws a lot of attention and interest from soon-to-be grads. "We thought we really had to compete with bigger brand names — 'sexy' brands, so to speak — to get the attention of the students," she said. "But we found that when we promoted our technology, we didn't need to sell the company, students were naturally interested and wanted to know more."

Tips To Attract & Retain Millennials

HOST A MEET & GREET/ATTEND COLLEGE CAREER FAIRS



Every operator can host a meet & greet for Millennials or visit a local college career fair. There,

the operator can showcase his or her company and explain future outlook to perspective applicants enticing top talent. It is also an opportunity to engage with a number of candidates in search of the ideal fit or strong potential. Don't have any positions open? No problem. Going to a career fair gives businesses the chance to collect resumes so that when a position does come open, the operation already has resumes on file with candidates that might fit the needs they're looking to fill.

UTILIZE TECHNOLOGY/SOCIAL MEDIA



This is another way operators can attract Millennials to apply for openings. Vending operations

can and should create online job opportunities and share them via social media. Social media is a free form of advertisement for vending companies; posting videos and photos of what's happening around the office is one way to attract prospective employees.

CREATE & PROMOTE A COLLABORATIVE WORK ENVIRONMENT



As you're attracting young professionals, create and promote your company's flexible and collabora-

tive work environment. Although vending operations may not be able to have flexible hours, they can certainly foster a fun environment where different ideas and views are heard and appreciated. Try hosting an 'employee night out' or offer 'perks' for fresh ideas that can save money or improve a process.

GIVE RESPONSIBILITIES



Millennials like to feel like their work is meaningful. Delegating projects and tasks early on is

important. Vending operators can start with small tasks that grow, but the overall goal should be to offer the employee the freedom to make decisions on his or her own. Another way of attracting and retaining Millennials is by inviting them to participate in company meetings when decisions are being made. This inclusion not only lets the employees know that their opinion is valued, it also can be a positive for vending operators who need a fresh perspective to a persistent problem.

Vending offers more responsibilities

In order to appeal to the Millennial workforce, vending operators first have to understand the Millennial employee. Among many other preferences, Millennials generally favor a clear work-life balance, an environment of collaboration and responsibilities, said McCall. The vending industry, he says, is a perfect offering for Millennials. "I think our new young professional hires were

surprised by the amount of responsibility they could take on early into their career with us," he said. "They found out that the industry is fast-paced and dynamic and quite frankly our organization gave them far more responsibility than they would find with other larger companies."

McCall points to one intern tasked with the responsibility of handling all of the company's social media. "She started with a few projects and then

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her responsibilities grew to where she makes the decisions on all things social media,” he said. “In a large company, that probably wouldn’t have been a possibility. That’s what operators need to focus on when trying to recruit Millennials — advertising opportunities for growth will be a great selling point.” McCall says each new hire/intern gets a few weeks of training, goes on a route and then is given responsibility almost immediately.

The opportunity for growth and responsibility is one main reason Morales of 365 Retail Markets joined the industry a year ago. “I saw the potential for growth in the industry and recognized that 365 would not only give me the proper training but let me run with ideas, too.”

“Millennials support collaboration,” said McCall. “They are results based and it’s important for them to see and know that the work they are doing matters.”

Work-life balance remains a draw

Another important aspect about getting to know the Millennial workforce is recognizing their need for work-life balance. “This means that companies may need to offer flexibility outside of the ‘traditional’ 9 to 5 work schedule,” said Joe Hessling, CEO of 365 Retail Markets. Hessling notes that his employees aren’t held to a strict schedule. “They are expected to do work and be professional but the who, when and where is up to the employee.”

Giving the Millennial workforce the freedom to have a work-life balance can help retain top performing employees. Millennials tend to be very loyal to companies able to meet this need.

Allahyar-Steiner acknowledges that Millennials have changed the workplace dynamic and will continue to do so; it’s important that operators foster an environment where the employees want to come to work. “Make your company attractive by having fun with it,” she said.

Emerging Leaders Network (ELN)

When NAMA created the Emerging Leaders Network in 2013, it encouraged young industry professionals to have a voice in the industry, advance in their careers and make a difference in the association and the future. “I believe that this group is trying to foster the same type of strategy of training the next generation, to ensure that the vending industry has a pool of leaders to draw from in the future,” said Greg McCall, senior vice president of Five Star Food Service. “It’s a great opportunity for young professionals/Millennials in the industry. In fact, our senior marketing manager was just named to this program’s board and we are proud to support his involvement.”

ELN Vice Chair Allahyar-Steiner believes the group has helped younger professionals gain their confidence and voice in the industry. One of the challenges coming right out of college and entering the industry, said Allahyar-Steiner, was gaining connections in a relationship-driven industry. “There are a lot of people who have been in it for decades and are all friends and who have experience in the industry together. As a new person you can’t compete with that, and it was hard to find credibility at first.” The ELN has connected many young professionals from different facets and industry roles. “Involvement in the ELN also shows that we are interested in helping to move the industry forward.”

A healthy and energetic work environment is the real draw for Millennials, said Hessling. The company offers incentives for their employees to engage and participate at work; for example, at the company’s holiday party in December, employees were prompted to either write a blog post or karaoke for their chance to win a trip to NAMA’s Executive Forum held in California in February.

Hessling does warn, however, that in some instances Millennials may think they know more than they do, so employers need to work with and be able to respond by expanding that mindset. Overall, employers should be mindful of the new workforce and their expectations. “Their work has to be both fun and meaningful,” he said. “They want to be able to answer ‘does what I do matter’ and if they can say ‘yes’ then retaining them won’t be too much of a problem.”

New ideas to a traditional practice

With the economy on the upswing, McCall of Five Star notes that it has

recently been harder to gain the attention of young professionals than it was just a few years ago, but the company will continue to adjust its message to attract students to the vending industry. “We changed our marketing and are positioning ourselves as a retail company,” he said. “We want to be able to hire and train the next generation of employees to take over once we in mid and senior level management retire in the next 10 to 15 years.”

Every operator and industry player has the opportunity to integrate younger professionals into their company, and should make a point to do so (see Tips To Attracting & Retaining Millennials). Millennials can bring a fresh perspective and new ideas to a service with long standing and established practices, said Hessling.

Millennials bring new energy and technology know-how to the vending industry. They are an important part of today’s workforce and will keep our industry successful for decades to come. | ◀



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THE CHAMPIONS OF INNOVATION 2016

READERS' CHOICE AWARDS

By Adrienne Zimmer, Managing Editor

It's our pleasure to introduce the nine products
that have been voted 2016 Products of the Year
by more than 800 readers.





Each year *Automatic Merchandiser* asks readers to vote for their favorite, most-requested and/or best-selling products in the vending, micro market and office coffee service industry. Items submitted to the competition range from the newest vending machine technology that can create efficiencies to consumers' favorite new snacks and beverages.

This year more than 800 readers – double the number from 2015 – cast their vote online in a four-week period for their favorite new products in nine categories. The 2016 Readers' Choice Product of the Year Award winners are consistent with market trends for nutritious, flavorful snacks and beverages; forward-thinking technology; and a premium coffee experience.

Better-for-you innovation soars

Products dubbed healthy and/or better-for-you had an outstanding presence in this year's awards. In the salted snack category, **Mars Chocolate North America** took home a win with their **goodnessknows® snack squares** crafted with whole nuts, real fruits, toasted oats and dark chocolate; meanwhile the **SnackWell's brand Mini Chocolate Chip Cookie Bites** – made from whole grain and free from high fructose corn syrup – was voted a fan-favorite in the cookie category. **Coca-Cola** took home gold in the cold beverage category with its **vitaminwater®** refresh (tropical mango flavored + other natural flavors) and **vitaminwater vital-t** (lemon iced tea flavored + other natural flavors), consistent with Mintel's findings that innovation in flavor led to record-high U.S. bottled water sales in 2015.

Mars Chocolate North America grabbed its second award with its win in the candy category with **M&M'S® Crispy Candies** that not only satisfy the consumer sweet tooth but also do so at under 200 calories per serving.

This year Packaged Facts reported that convenience is also a major selling point for food and beverage packaging. **Flowers Foods** brings consumers a conveniently packaged sweet treat with its **Mrs. Freshley's Icers** which was crowned the winner in the pastry category.

Oftentimes best-selling products and product trends seen in retail are leaders in vending, too. The sandwich reigns supreme on restaurant menus across restaurant sectors and that trend followed true into the vending and micro market industry as well this year as **AdvancePierre Foods** continued its winning streak in the food category, with its Pierre Signatures Sandwich line.

2016 READERS' CHOICE AWARDS

AdvancePierre Foods Pierre Signatures Sandwich line Food



Gimme System Technology



Coffea Technologies NEXT22 Super Automatic Bean to Cup Coffee Brewing System Equipment



The winner in the technology category comes from the entrepreneurial **Gimme** team, an industry newcomer, with their introduction of the **Gimme System**, a combination hardware/software solution that turns traditional vending machines into data-producing, “smart” machines.

This year readers’ votes reflected a move towards a high-quality, premium coffee experience with the win of **MARS DRINKS™ ALTERRA® Donut Shop Dark** in the hot beverage category and **Coffea Technologies’ NEXT22 Super Automatic Bean to Cup Coffee Brewing System** in the equipment category.

The coffee experience consumers crave

In 2015, OCS operators reported record-breaking revenues in most of the U.S., driven partly by consumer demand for a more sophisticated, premium coffee experience. The NEXT22 Super Automatic Bean to Cup Coffee Brewing System by Coffea Technologies was voted best new product in the equipment category and is focused on bringing that gourmet coffee experience to the consumer.

The NEXT22 allows users, with the touch of a button, to be served SCAA Gold Cup Standard beverages, from lattes to cappuccinos to a traditional cup of coffee. The machine shows its sophistication inside and out. The machine features personalized messages on a 10-inch video screen, uses a small footprint and has a cashless option. Internally the brewer can create a single cup or a 60 ounce carafe, customized to the user’s needs and featuring its patented Vacuum Extraction method to produce a truly 21st century coffee experience.

The overall flavor and taste of coffee is just as important as how it is brewed. The winner in the hot beverage category, MARS DRINKS™ ALTERRA® Donut Shop Dark,

MARS DRINKS™ ALTERRA® Donut Shop Dark Hot Beverage



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2016 READERS' CHOICE AWARDS

Mars Chocolate North America M&M'S® Crispy Candies Candy



uncovers apricot flavors with undertones of caramel and a rich, chocolatey finish. “Mars Drinks helps bring people together in the workplace by offering a wide range of products that appeal to a variety of taste preferences,” David Flochel, General Manager, Mars Drinks North America said. “ALTERRA® Donut Shop Dark is a bold new take on a longstanding office favorite that gives people at work one more reason to grab a cup of coffee and connect.”

ALTERRA® Donut Shop Dark coffee can be brewed using any of MARS DRINKS™ single-serve FLAVIA® brewers.

Snacking, food trends

Mars Chocolate North America took home two awards this year for its M&M'S® Crispy Candies and goodnessknows® snack squares in the candy and salted snack categories, respectively. “We’re thrilled that the vend community is recognizing two of our new products with ‘Product of the Year’ awards,” said Timothy LeBel, Vice President of Sales - Mars Chocolate North America. “M&M'S® Crispy Candies and goodnessknows® snack squares are both delicious and under 200 calories per serving. These are two terrific examples of the snacking options we’re developing at Mars Chocolate as we strive to meet consumers’ goals for health and wellness.”

Due to popularity and consumer demand, Mars Chocolate North America brought back M&M'S® Crispy Candies following a 10-year hiatus. The treat features a crispy center covered in creamy milk chocolate, enclosed in a colorful candy shell.

The company’s goodnessknows® snack squares were launched in July 2015 in three flavors – Cranberry Almond Dark Chocolate, Apple Almond & Peanut Dark Chocolate, and Peach & Cherry Almond Dark Chocolate. The product contains no artificial colors, flavors or sweeteners.

In line with consumer preference for better-for-you products, the SnackWell’s Mini Chocolate Chip Cookie Bites were voted the favorite in the cookie category. “The SnackWell’s brand is deeply rooted in offering fat-free products and has grown its product lines to offer consumers a wide variety of better-for-you snack options,” said Anthony Raucci, Senior Vice President of Sales at Back to Nature Foods L.L.C. “We’re so honored to be voted the fan-favorite in the cookie category for our Mini Chocolate Chip Cookie Bites which are made from whole grain, free from high fructose corn syrup and partially hydrogenated oils.”

Trends show that consumers are increasingly demanding water and enhanced water beverages. According to Mintel, flavored water with enhancements led to record-high U.S. bottled water sales in 2015. In fact, many vending and micro

Mars Chocolate North America goodnessknows® snack squares Salted Snack



Snackwell's Mini Chocolate Chip Cookie Bites Cookie





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2016 READERS' CHOICE AWARDS

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Flowers Foods Mrs. Freshley's Icers Pastry



(lemon iced tea flavored + other natural flavors) won in the cold beverage category. The varieties were released in limited markets across the country in 2015.

The reigning champion in the food category, Advance

Pierre Foods, kept both the consumer and operator in mind with its Pierre Signatures Sandwich line which includes Pierre Signatures® Spicy Chicken Breast with Cheese Sandwich, the new and improved Pierre Signatures Cheddar Cheeseburger and Pierre Signatures Southern Style Chicken Breast with Cheese sandwich. "When it comes to our Pierre Signatures line, our guidelines are simple: ensure the products have a fresh look and appeal and are hand-made with restaurant-quality ingredients," shares Nancy Todys, VP-convenience marketing at AdvancePierre Foods. "We're answering the demands of the consumer while keeping the goals of our micro market and vending operators top of mind."

In the pastry category, Mrs. Freshley's Icers put a new spin on classic vanilla and chocolate flavors, featuring two layers of creme-filled cake topped with velvety icing. "Mrs. Freshley's is thrilled to be recognized by *Automatic Merchandiser* readers for the 2016 Product of the Year Award," said Meredith Butler, Flowers Foods'

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brand manager. “As vending consumers look to satisfy their sweet cravings with new and exciting product offerings, Mrs. Freshley’s Icers are the perfect solution to fill that need through a conveniently packaged and delicious treat.”

Operator-focused technology

Technology integration in the vending industry is slowly but surely occurring. More operators are using technology to drive efficiencies and profitability. In fact, *Automatic Merchandiser* reported last year that 5.8 percent of operators added a vending management system (VMS) the prior year, bringing that number to 58 percent of total operators using a VMS. It comes as no surprise then that readers voted Gimme Systems as the winner in the Technology category. Gimme Vending released a new true plug-and-play solution last year that gives vending machine owners the ability to track cash and inventory and speed service calls, thanks to a pocket-sized device that transmits information instantly to handheld devices/mobile phones. The Gimme System, a combination hardware/software solution, allows vending companies to track what’s happening in the field, in real-time, via the cloud, without downloading, synchronizing or hand-keying. “Gimme is on a mission to ensure every vending operator can reap the benefits of accessing better data and better insights in order to improve profitability,” said Cory Hewett, CEO of Gimme Vending. “In this spirit, we build technology that connects every vending machine to the Internet, regardless of where these machines are located. We are working collaboratively with leading VMS providers to usher in this new ‘era of insight’ for vending.”

The Gimme System solution integrates with existing VMS and turns traditional vending machines into data-producing, “smart” machines.

New products drive the industry forward, therefore it’s our pleasure to support and promote these leaders of industry innovation. | ◀

Methodology

Readers’ Choice Products of the Year were voted on by more than 800 *Automatic Merchandiser* and Vending-MarketWatch.com readers in a period between January 2016 and February 2016 via a survey promoted through email, print and social media. All products nominated were released and submitted to editorial staff in 2015.

CUT the cord

Products of the Year

**READERS’
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— 2016 —

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A Journey To Coffee Excellence

By Mike Tompkins, Contributing Editor

Brewing coffee is an art form. The taste of a cup of coffee is determined by many things, including origin (elevation, amount of rain, shade, temperature), roasting (temperature, bean type) and brewing machine (water temperature, extraction). OCS operators who are hoping to compete in coffee must learn and understand the art and science behind the perfect brew, and how to deliver it to the customer. Mike Tompkins, industry veteran and president of Coffee Products Associates, shares three lessons he has learned on his journey to understanding coffee excellence.



Lesson 1: The trip from “black coffee” to specialty beverages

Just like every coffee bean has a unique story from how it got from origin to cup, industry professionals can tell the story of how they ended up working in such a fascinating business. Like many in the industry, my introduction to coffee began early on in life watching Grandma’s stovetop percolator. When I got my first job at McDonald’s in 1968 we made coffee in glass bowls from filter pouches in a Bunn-O-Matic and poured it out into Styrofoam cups, no matter how long it had been on the heater. At that time coffee was just a hot beverage I served. The concepts of “origin” and “flavor profile” didn’t exist for me. In fact, I didn’t even drink coffee.

It wasn’t until college that I began drinking the beverage out of the desperation to wake up. Even then, the drink was consumed out of a need, not in fondness.

A few years later, however, my eyes were opened to coffee the way Europeans drank it in 1976. On a flight to Europe I asked for “coffee” and the flight attendant replied with a one-word question “Nescafe?” She anticipated my soon-coming confusion, because she knew what I wanted, and she knew there was neither percolated coffee on-board nor probably anywhere in my European destinations. She was kindly preparing me by offering the only alternative: Nescafe — the ubiquitous European version of “American” coffee at the time. It wasn’t until I got to Paris that I had my first religious coffee experience. Along with my croissant I was given a huge bowl of steaming, creamy, coffee-smelling milk. This single incident changed my perception of coffee, and later circumstances would conspire to catch

up my life in the art and science of preparing and serving specialty coffee beverages.

Operators today cannot assume that their customers remain inexperienced in coffee as I had been years ago. Just last year the National Coffee Association reported that coffee was the second most consumed beverage in the U.S.; past-day coffee consumption was nearly 60 percent. And consumers today are more aware of specialty and gourmet. In fact, according to Mintel the majority of coffee consumed in the U.S. is now specialty coffee. In order to serve a ‘specialty coffee’, however, operators first have to understand the art and science behind what makes the beverages special.

The perfection of specialty coffees begins with unique genetic and agricultural origins of coffee plants and their cherries and seeds. The potentials of these seeds are enhanced by processing techniques and careful preparation, so that they may bear up under the transit from origin without losing their treasured essences. An appreciation for the distinct origins and flavors of coffee beans is a key part to being able to sell that bean to a location.

Lesson 2: The recovery from errors made

Not only is it important for operators in the OCS industry to understand the story behind the coffee they sell (or *should* sell), but one of the biggest lessons I learned was to pay attention to market trends surrounding coffee.

My first personal experience with Starbucks coffee was inauspicious. I was visiting an industry colleague in Philadelphia during the 1990s when he asked if I had tried Starbucks. Too hot and too dark, the cup inspired my proclamation: “This will never sell!” — the first of many confirmations of

my unerring gift for predicting market trends by dismissing them. My colleague graciously overlooked my arrogance, and, insisting that this was a harbinger of things to come, disclosed a plan to launch a “specialty brand” developed for office coffee services. I remain in awe today for folks like that who really can detect the impulse of a wave in time to catch and ride it.

Suddenly, the excitement for specialty coffee was palpable. In that decade before the millennium, I became involved with the SCAA Technical Standards Committee, where I learned to appreciate the intricacies of controlling the processes that create quality beverages.

I learned about the agro sciences of growing and harvesting, processing and transporting which prepare and preserve the essences of the special coffee seeds — so that they might be transformed by the work of coffee roasters. I watched journeymen roasters select the nascent flavors and aromas from specifically chosen lots to marry with other elements of a union called simply “the blend.” The roast masters elevated the combined essences in the fires, and I experienced the perfection of the blend, which is father and mother to the beverage. And in the end I understood and helped to teach that these blends of specialty coffees deserve the intelligent application of specifically chosen technologies to extract a coffee liqueur worthy of all that careful planning and labor that went before.

I learned to love coffee. We wanted coffee extractions to bloom in the cup, unfolding aromatics like an exotic flower, inviting us to smell and sip and relish the indulgence of such a precious extravagance. I learned to appreciate fresh-roasted coffees that



tasted like blueberries and lemons and espresso liqueur that oozed more than it flowed. Those who have smelled and tasted fresh ground coffees within the first or second day of the roast will testify to the intensity of their desire for the next experience of *fresh*.

All of us in the specialty coffee industry were bound up together by a vision of education and training a barista nation for a homeland of cafes, but would it be possible for someone to have that café experience at home or in the office? Specialty roasters strove to preserve that peak experience as their coffee traveled down to “the market.” One-way valve bags and door-to-store shipping of whole bean coffees conspired to deliver this freshness at coffee shops. Soon, a new potential emerged for the company that could deliver a convenient, specialty solution for homes and offices. Just as I had been skeptical about Starbucks early on, I was skeptical about the Keurig K-cup, too. I did not think that anyone would be willing to spend that amount of money on a cup of coffee brewed at home or in the office.

How badly I underestimated and stubbornly resisted the American compulsion for the speed of convenience! We don’t have the luxury of dismissing market trends, believing that they will go away. The need for freshness **and** convenient specialty beverages will only grow.

Lesson 3: Arriving at freshness and convenience

Keurig unleashed the pent up demand for a convenient “gourmet” solution. And despite their well intended commitments to freshness, their commitments to shareholders drove nearly every “gourmet” coffee roaster to buy the packaging licenses, gladly accepting the one-year expiration date in exchange for access to lucrative markets.

But the coffee houses had created a different latent market by exploiting



No replacement for education



The industry has trained me and now I train others to start their personal mastery of coffee appreciation and preparation.

We developed coffee training for NAMA and presented training sessions at OneShows and CTW shows over the last 15 years. Our coffee certificate program has prepared students to understand origins, processing, roasting and blending through a series of four exercises designed to enhance ability to discriminate coffee fragrances, aromas and flavors. If you are looking to enhance your knowledge of coffee, I invite you to join our Coffee 101: The Elements of Coffee workshop at this year’s NAMA OneShow, Tuesday, April 12th, 8:00 a.m. to 12:00 p.m. The class is a fast-paced, intense, four-hour session delivering the perfect blend of coffee fundamentals and brewing techniques.

an old American passion for a new kind of coffee-flavored milkshake: a shot of espresso smothered in steamed milk and sugar. Americans queued up for hot and cold specialty coffee beverages that we really could not make at home or in the office. So, we waited and hoped for espresso salvation, and right on cue: enter Nestle.

Even before Keurig encapsulated American “gourmet” coffees, Nescafe created espresso capsules and brewing systems as a retail solution for Europeans who wanted to brew a great shot of espresso at home or in the office.

Although the capsules were introduced to North Americans in the 1980s, our aversion to espresso shots delayed significant market penetration until Starbucks had primed the consumption of specialty beverages in the mid-1990s. Then, impossibly coincidental to the financial crisis and Internet fragmentation of traditional channels, espresso capsule consumption began to surge, increasing well over 50 percent in 2011.

Nestle was able to capture the essence of the coffee bean from origin and deliver it into a convenient format while appealing to the evolving American palate. This is shown in the fact that Nespresso sales in the U.S. topped \$300 million in 2013 alone.

Nestle executive Jean-Marc Duvoisin announced the deployment of a new capsule system to produce both 40 ml espresso shots and 8-ounce coffees. Although the tactic clearly intended to take market share from giants like Keurig, Duvoisin appealed to the attentions of potential investors by asserting that Nestle will be focusing on premium top quality coffee: “We don’t feel like we have direct competitors, we will be creating a new market.”

No matter how the wordsmiths say it, I will not error again in my entrenched arrogance of dismissing trends, now I will be shouting, “The capsules are coming! The capsules are coming!” | ◀



ABOUT THE AUTHOR

Mike Tompkins is president of Coffee Products Associates and has been the facilitator of the QCCP program since 2000.

Named NAMA 2002 OCS Allied Member of the Year, Mike Tompkins consults with executives and employees of coffee services, bottled and POU water companies, vending services and retail operations in the U.S. and Canada to execute coffee marketing strategies by owning coffee expertise from bean to cup.



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Websites Are More Than 'Just A Pretty Face'

By John Healy, Contributing Editor



John Healy is CEO of Healy Consulting & Communications Inc., a traditional, digital and social media marketing firm that strives to ensure its clients' relevance while fueling their growth and success. He can be reached at jhealy@healyco.com.



A strong Website is eye-catching, simple, SEO optimized and includes lead generating CTAs.

All too often, we head to the Website of a company that interests us only to find that the site is nothing more than brochureware. The term “brochureware” was coined early in the Web era, according to Forbes.com, to describe business Websites that were little more than a marketing brochure presented online in a set of static pages.

Many Websites are still just that, unfortunately, because they lack

any real interactivity with visitors: they do not include a Call-to-Action (CTA) that collects pertinent information about visitors, they overlook keywords and search engine optimization (SEO), and they are not mobile friendly. This is perhaps the biggest problem since more than 50 percent of all online content today is consumed on mobile devices.

A recent survey conducted by *Automatic Merchandiser* among

vending, OCS and micro market operators revealed that 49 percent of respondents believe that their Websites are the most important element of their company's marketing efforts. Yet nearly 60 percent of respondents also said they do not have a CTA on their Website that enables them to collect any information about visitors, and 50 percent said they need more education and training on CTAs.



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So, let's review the specific elements of a successful, marketing-driven Website, including CTAs.

There's no place like the homepage

Undeniably, the most important page of your Website, the homepage, is your opportunity to make a great first impression. To do so, it should have minimal copy — primarily who your company is, who you serve and what benefits you offer — complemented by bold and striking visuals.

If you offer multiple benefits and want to communicate them on the homepage, then consider a slider (or carousel) that rotates great visuals with attention-demanding headlines embedded in them.

The homepage objective is to minimize the bounce rate, or the percentage of visitors who come to your homepage and leave without engaging with any content, filling out your CTA, or clicking through to an inside page. It's people who saw the homepage and said, "Nope... that's not what I'm looking for." You want this number to be as low as possible. You want to keep people around, get them to engage and take the next step into your sales funnel.

That's why your site navigation needs to be clean and simple. Gone are the days of complex nav bars that click through to Website sections that contain page after page of dense paragraphs of copy. And your navigation needs to use the same words and be roughly in the same place on all of your inside pages; ideally your site visitors should always know where they're at and how to get where they want to go.

Less (copy) is more

Your sales copy and images of your products (or services) on the Website's inside pages can and should provide more detail than your

CTA Rules of the Road

Once you've attracted potential customers to your Website, you've got to get them to take action. Netting lots of visitors might boost your ego, but once they've arrived, they have to find something of value. An effective Call-to-Action (CTA) on your site is an important tool in turning a visitor into a warm prospect. Follow these rules of the road, and you'll be driving prospects into your marketing funnel in no time.

Every CTA must have an eye-catching headline. Without one, no one's paying attention, and you're more likely to experience a higher "bounce" rate (visitors leaving your site). Beneath the headline, spell out the benefits of your specific CTA's deliverable. Finish with a direct appeal to your prospect to sign up using designated fields they must complete.

A good CTA is essential for lead generation and prospect database building. Every time someone "opts in" and sends you their contact information, you own it. As such, you don't have to worry about breaking the CAN-SPAM law, which has been the prevailing law controlling email marketing since 2003.

Keep your CTAs simple! You can ask for more than the prospect's name and their email address, but they may bounce, so stick to name and email only. You'll want to have their name so you can personalize emails to them if you are actively engaged in outbound email marketing.

Offer something of value to the Website visitor, either something that will educate them, increase their productivity or help them become more effective in their jobs. For example, sending a tip sheet on healthy vending as a result of an effective CTA might make your prospect look good to their employer. You get the idea....

Examples of what you can use to deliver on a CTA include:

- "A report on..."
- "Free guide to..."
- "Case study on..."
- "Video depicting..."
- "Infographic detailing..."
- "First-time purchase discount on..."
- "Free demonstration of..."
- "10 Tips for..."
- "Ticket to a free event on..."

We've created a few CTAs and deliverables for your use on page 42 and online. They have been written in your "voice" for use with customers or prospects who visit your homepage. The option you choose should depend on the kinds of prospects you want to attract. For instance, if your company lacks micro market customers, you may opt for the video on micro markets. Or you might want to use all three, rotating them on your Website every three to four months.





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homepage, but again, be careful not to overwhelm your visitors with too much information.

The copy should draw the reader in with exciting benefits and enticing offers that push them deeper into your sales funnel. That's why a competitive analysis of your closest competitors' Websites can prove to be very effective. You want to be sure your sales copy differentiates your company from all others and delivers benefits they can't get elsewhere. And it should always reinforce your "brand."

The same holds true for your photography and other images. If you have dozens of products you need to feature, consider using thumbnails that click to larger images, if necessary. Select high-quality images (from a reputable stock photography house, or have them taken by a

professional photographer) and use them to help tell a story that keeps visitors engaged.

Finally, don't be afraid of white space. Often, we're compelled to fill every corner of a Web page, when in fact, the skillful use of white space can draw a visitor's eye exactly where you want it to go.

Optimize, optimize & optimize again

By now, if you're involved in developing Websites and marketing your vending, OCS or micro market business, you've been bludgeoned with the notion of Search Engine Optimization (SEO). That's why I will make just a few key points:

- **Do keyword research:** Find an SEO expert who can determine what are the highest value keywords and key phrases for your business. There is a distinct for-

mula for doing so. Once determined, make sure *every* page of your site contains those words and phrases. If your keywords are relevant and well placed, your SEO will pay off.

- **Make sure the back end of your site is well programmed for SEO efforts.** This includes not only your keywords and key phrases, but metadata, H1 and H2 tags, and alt image tags for each photo on the site. A good Website programmer will know how to get this done.
- **Make sure your site is listed with all the key search engines, such as (surprise!) Google, Bing, Yahoo, etc.** If you don't tell them where you're located in cyberspace, they won't know to find you and to "crawl" your site using their algorithms.



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60 percent of respondents to our survey don't use Calls-to-Action.

And the most critical aspect of SEO, since Google's announcement in April 2015, is optimizing your Website for mobile devices, including all the options in tablets and smartphones.

Opting in not out

When a visitor or prospect comes to your Website, they come for a reason, and they're typically curious about what you have to offer. There are many ways to drive them deeper into your sales funnel, but to begin *a dialogue* with a potential new customer, you have to persuade them to

"opt-in" to an offer (of value) you are making on the site.

In the sidebar — "Calls-to-Action Available To You" — we provide prepared Calls-to-Action and the deliverables associated with them for your immediate use. If you're among the 60 percent of respondents to our survey that don't use CTAs, we hope you will use them or adapt them to your company's culture, and start building your opt-in database today.

Where to place them and how often they're seen by your Website visitors is up to you. More aggressive marketers place their CTA on every

page (but typically not in pop-up form because that can just become annoying to your visitors). Those who are less aggressive typically create a pop-up box that appears on the homepage, and every time someone clicks back to the homepage.

Some final words on marketing

Your Website is a marketing tool, to be sure. As such, there are a few additional pages you can consider including on your site to make it work harder for you.

- **About Us:** You know the adage all too well — people buy from people. So make your About Us section personal, compelling and absolutely up to date. No 10-year-old photos. No boring copy about the decades and decades you've been "in the business." Tell a story, draw people in, seek to



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really *connect* with them. And be sure to revisit it often, freshening it up and improving how you tell your story.

- **Testimonials:** There's no better way to establish credibility with prospects and new customers than allowing others — your current customers or industry partners — to brag about you. A great way to get started if you don't already feature testimonials on your Website is to ask your best customers if you can write one for them, then submit it for their approval. And be sure to use their name, title and company name; there's nothing worse for your credibility than an anonymous testimonial that most people will perceive as fake.
- **FAQs:** Frequently Asked Questions can be a tough section to write but a very worthwhile one. Anticipating your prospects' questions and answering them reflects that you're in touch with your customer base. You understand their questions and concerns...and you have answers for them. If you're not sure about how to get started, send an email to your best customers asking them what questions would be best in a FAQ section. This section can be an awesome place to subtly point out your differentiators, competitive advantages and company culture.

Most importantly, keep your Website *fresh*. Spruce up the copy and change the photos; replace the testimonials and FAQs with new ones; create new CTAs. Why? Because a prospect may come to your site several times before jumping into your sales funnel. Therefore it's important not to disappoint them with the same old stuff. | ◀

Calls-To-Action Available To You

Rewrite (or cut/paste from online) these CTAs and then send them to your Webmaster to create one for your homepage. Then go to the links provided to copy the deliverable onto your computer.

Vending CTA

HOW'S YOUR CORPORATE WELLNESS FEELING?

We all know that health and wellness are top of mind for everyone — from employers to employees and, well, all consumers. By offering healthier, better-for-you vending products to your employees, you can enjoy the benefits including increased productivity and lower insurance premiums. Get our free Tip Sheet on achieving corporate wellness in the breakroom by providing your name and email below.

Name: _____ Email: _____

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➔ Download the deliverable at VendingMarketWatch.com/12181710

Micro Market CTA

SPOT MICRO MARKET MAYHEM!

Considering a micro market and have concerns about potential “bad apples” on staff that might swipe snacks? Check out this parody video from our loss prevention department detailing the “10 Stereotypes of Micro Market Thieves” and how we protect your office's micro market from bandits! To get your copy of the video, please provide your name and email below.

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OCS CTA

HAPPY EMPLOYEES LOVE THEIR COFFEE!

Offering coffee in the office has evolved beyond a hopeful expectation to a corporate necessity — and for good reason. Explore our Infographic entitled “The ROI of Offering Coffee At Work” to understand how much more productive and loyal your employees can be — and happy too — with an office coffee service solution. Get the free Infographic by providing your name and email below.

Name: _____ Email: _____

SUBMIT

➔ Download the deliverable at VendingMarketWatch.com/1218359

Once you feel more comfortable with Website Calls-to-Action, take the wheel and start creating your own based on the tips provided. By implementing this practice, you'll soon find your site working for you to enhance lead generation. So go ahead, get in the CTA fast lane today!

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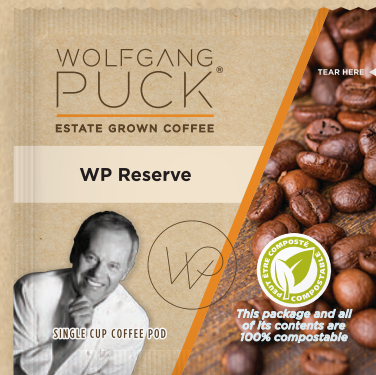
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Jerry Triplett, president and general manager, and Pam Keener, vice president/sales manager of Pro-Vend, Inc.



Pricing It Right: Pro-Vend's Secret To Success

By Emily Reformat, Editor

This 28 year old Virginia vending operation has thrived by being customer focused and keeping a strong balance sheet.

Saying ‘yes’ keeps Pro-Vend in the black. From new and modern equipment to cashless payment acceptance, this long-time independent vending operation based in Prince George, VA, is able to offer locations the innovative vending service and convenient products they want, but at a price all can afford. Current President and General Manager of Pro-Vend, Inc., Jerry Triplett, has worked to increase the value of snacks in order to earn a dollar price point in vending machines and reprice items to produce the desired commission rates requested by certain businesses.

Triplett’s positive client-service provider attitude and focus on sustainable business practices come from a product supplier background, but have worked very well in the vending business and has helped to maintain the company’s positive reputation in the Richmond and Tri-Cities market.

“Our customers know that we are honest and easy to do business with. Integrity is very important in our philosophy,” said Pam Keener, vice-president of sales. “We get very good referrals from our customers – which is a real blessing.” Keener is quick to point out these referrals wouldn’t come without the dedication and hard work of all of Pro-Vend’s employees.

A dream of better service

Established in 1988, Pro-Vend was formed by Michael McNally, a retired Mid Atlantic Coca-Cola executive. He has been chairman and majority stock holder for the last 28 years. Keener has also been with Pro-Vend since the beginning, having started in the Mid Atlantic Coca-Cola customer service department. She worked with Roland Fontaine who became the first president of Pro-Vend and was a driving force in building the company.

“It was corporate changes that brought McNally and Fontaine



The Pro-Vend group shown has more than 100 combined years of experience in the vending business. James Farias, route supervisor, at left; Butch Puckett, senior supervisor; Rob Knowles, mechanic; Jonathan Hankins, mechanic; and John Moody, mechanic.

“Our customers know that we are honest and easy to do business with. Integrity is very important in our philosophy.”

Pam Keener, vice-president of sales, Pro-Vend

together to start the company,” Keener said. She joined them, quite nervous, initially, about working with a start-up, but after 28 years, it has all worked out. “Our chairman used to say, ‘You’ll always have partners in the vending business, but you just don’t always know who they are.’ He, therefore, made sure the management team had skin in the game by giving them equity,” Keener explained.



Pro-Vend, Inc. and Chesterfield Coffee & Tea’s office and warehouse are located in Prince George, VA.

That first year was great for the new business. Keener remembers building up the vending routes quickly and establishing a loyal customer base. “It was very exciting,” she said. “We had all new equipment to place and we had our reputation going for us.

In 1998, Triplett was working for Wonder Bread and Hostess Cake and began looking for a new business opportunity. Pro-Vend provided that vehicle. His responsibility was to develop and grow the coffee business. It became known as Chesterfield Coffee & Tea, so it would be separate in the consumer’s mind from the idea of vending coffee, which had a negative perception.

“Under his leadership the coffee business really grew,” said Keener. Triplett was able to use his convenience store and restaurant contacts

from his years with Wonder Bread to break into different markets, really increasing OCS revenues.

Triplett brings a different perspective

He believes in giving a location what they want, even if it's a high commission, which seems like a strategy to drive Pro-Vend out of business. Instead, it has helped it grow. The secret, according to Triplett, is "you have to have the item priced right, and you need to know your retail space," he said. While a higher commission and, therefore, a higher price might mean fewer sales, the demands of the location don't offend or bother Triplett. He considers them just part of doing business. This attitude likely comes from his years working at Wonder Bread. He started there in the mid 1980s working in various jobs, including supervisor for cakes, branch manager and account manager for convenience stores and retail stores. Early in his career, it wasn't unusual for big food brands to pay stores for space. Paying commissions to locations is very similar to paying for space, in Triplett's mind. The difference was that large companies looked at the price and sales volume to keep products priced where they needed to be, a practice that he has tried to incorporate into the vending business today.

Pro-Vend currently has a vending management system (VMS). Triplett tracks sales by category using hand-



Sales Manager Bill Lester next to Chesterfield Coffee & Tea private label coffee including its own private single-serve coffee selection.

helds and then the information is compiled and analyzed.

"I know some operators track it by the specific item, but that's too much data for me," said Triplett. He looks at it similar to stocks in mutual funds – instead of looking at each individual one, decisions are made using the average. He does this in his vending business by tracking sales in five categories: drinks, pastry, chips, candy, crackers, gum/mints and tracks those averages routinely.

He does use his VMS for its search capabilities, however. "We might run a report on the locations where we still offer products at a certain price point, then we will work to get those prices increased to the level we need."

An improved LSS strategy

Increasing prices for good margins has been a recent goal for Triplett,

especially in the chip/snack category. Like many vending operators, he offered small and large size bags for his most popular offerings. This, however, took up double the space in the warehouse and trucks. Triplett decided to try just selling large single serving (LSS) and upping the prices. But he used a different approach for each location. For healthcare facilities which were demanding calorie counts be posted near the vending machines, Triplett said he needed just one size snack in order to meet the requirement. He put in only the LSS snacks at a higher price point and the location was happy. In other locations, he imported chips that weren't locally available. "I was on vacation to Prince Edward Island and found these chips produced in Canada. I talked to the producer and ordered a pallet," said Triplett. He put the chips in the vending machines for a dollar, explaining to the locations that it was a new chip – therefore a new size and new price.

From his time with Wonder Bread, he knew consumers prefer prices like \$.99 or \$1.97 to \$2.03, which kept him from embracing LSS snacks when they first came out a number of years ago. LSS snacks at that point would have meant prices that exceeded what customers would pay. Now that prices have gone up even on small size snacks, it was easy to switch to LSS when he could start by charging \$1 for them and it has been an incredible success.

He has found, too, that while specialty chips helped him break through location price sensitivity, he doesn't need to carry the product all the time. Once the location is comfortable with the new, higher prices, he can start offering traditional flavors and brands, but in the LSS packages.

"We are now 100 percent LSS, and didn't lose any sales," said Triplett. "And the drivers love it [because it reduces the number of products they need to load into the machine]."

Company Profile Pro-Vend, Inc.

Founded: 1988

Headquartered: Prince George, VA

Owned by: Jerry Triplett, Pam Keener and Michael McNally

Routes: 8 Vending, 2 OCS

Cashless Provider: USA Tech.

Equipment Lines: BUNN, Vendors Exchange, Crane

Total Employees: 21

Annual Revenue: Not Revealed

Opting for more frequent service

An increased level of customization and service is part of the reason why Pro-Vend doesn't utilize pre-kitting. "We service accounts more frequently than we probably have to," admitted Keener, "but it's our choice – what we decide to do. The driver always changes it up with more variety. It gives it a more personal touch. It's all part of how Pro-Vend strives to assure customers that the company and employees are designing a vending and coffee program just for their location," said Keener.

Triplett agreed, saying "Service is more important than decreasing the number of times you visit a location." Pro-Vend also has such high route density, that Triplett doesn't believe he could decrease more than a single route with pre-kitting and that would affect his level of service.

"You have to have the item priced right, and you need to know your retail space."

Jerry Triplett, president, Pro-Vend

It isn't something he is likely to do in the near future as Pro-Vend's reputation for service has been part of its legacy.

"We have a lot of the same accounts as we did when we started in 1988," explained Keener. She freely admits the company isn't the largest in the area or the first to adopt the newest technology, but customers can count on Pro-Vend service because each employee is committed to keeping their word. "We try our best to keep our prom-

ises and if we mess up, we admit it and try to fix it."

Another employee who excels at providing excellent customer service is Bill Lester, an additional sales manager who also started at Wonder Bread. He was a senior manager of Scott Paper for almost 20 years and later owned his own brokerage firm. "He is an important liaison with our customers, helps to grow our business and is a people person, which is very important," said Keener.

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Many of the Pro-Vend team have long-time and invaluable experience. “Butch Puckett, our senior supervisor, has been on our team for more than 25 years,” said Keener. “He started as a route man at 19 years old at Mid Atlantic Coca-Cola and is a wealth of knowledge.” Keener considers him a huge asset by helping to keep the routes running smoothly as well as managing the daily issues in the shop.

Mechanics John Moody and Rob Knowles have both been with Pro-Vend for more than 25 years and are excellent at what they do. “They, with the additional help of Jonathan Hankins, keep up with the ever changing technological needs in our business and customers love them,” said Keener. “We are very fortunate to have numerous other hard working employees who have been with us over 15 years and are a big part of Pro-Vend’s success,” added Keener. She knows that Pro-Vend customers appreciate their experience, dependable service and friendly attitude.

Healthy vending sinks commissions

While commissions aren’t a problem for Pro-Vend, Keener notices they aren’t requested as often as they used to be. “It’s just something to work through with new lines and healthier products where we try to be on the forefront of what is available,” she said. In fact, Keener has noticed an increase in the number of locations paying the vending operator to subsidize healthy items. “It’s a new thing employers are doing. It keeps healthier products available in the breakroom and at a lower price than traditional items. This way healthier options are more appealing to workers, due to the lower price, when deciding on something to eat or drink,” she said.

Pro-Vend offers a number of great-selling, healthier food options made by a family owned, local cater-



Jonathan Hankins and Butch Puckett showing the finished installation of a Revision Door on a snack machine.

“Some of the really popular options include baked chips, fruit items with less calories and fat, as well as a wide variety of protein and granola bars.”

Pam Keener, vice-president of sales, Pro-Vend



Close up of a snack machine with a Revision Door.

ing company, but there are also an increasing number of snacks that are meeting the consumer’s desire for “better-for-you” selections that taste good. “Some of the really popular options include baked chips, fruit items with less calories and fat, as well as a wide variety of protein and granola bars,” said Keener. The operation isn’t afraid to try new products in its machines to see what sells. “We are told by our suppliers we are quick to try new things,” said Keener. “We are always taking samples around to our locations.”

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While Pro-Vend is quick to test new products, the operation is more cautious with technology. They only started adding cashless readers to machines when two-tier pricing became available in 2012. Triplett has seen a real improvement in sales in locations where a cashless reader has been added. "I never would have dreamed I could get a \$3 item to sell in a vending machine," he said. The accounts that do the highest cashless sales are military facilities and universities. He certainly can track incremental sales increases thanks to his cashless acceptance.

Micro markets were another new technology that Pro-Vend wanted to watch and consider. "2016 will be our year to do it," confirmed Keener. "Our operation has already presented the idea to numerous loca-



Doug Helsel has been a Pro-Vend route man for over 22 years and customers love him.

tions where the concept would likely work well."

Vending is a core business

Vending remains a large part of Pro-Vend's business, especially drinks and snacks. Pro-Vend is working to expand its vending service to smaller locations, 50 to 90 employees. However, it won't just be for vending. "Those revenues are good, but we also want the office coffee service and water service. It makes it a much more profitable decision," Triplett said. "It also makes us more valuable to our customer when we are a one-stop-service company," added Keener.

One way Pro-Vend has earned new business is through offering updated vending machines to customers. Triplett uses the Revision Door on used vending equipment to give it

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an update. The Revision Door comes with eye-catching, energy saving LED lights and a cashless payment system which increases sales. Triplett brings these in each month to upgrade existing accounts.

Chesterfield Coffee & Tea

Since he joined Pro-Vend, coffee has been the segment Triplett has tried to grow. That won't be changing in the near future. It already represents 15 percent of Pro-Vend total sales, but he wants to reach 30 percent. Nearly all the coffee he offers is the Chesterfield Coffee & Tea private label. He offers coffee in multiple roasts, but follows the trends of his customers. "People are getting more into the dark roasts, especially in the South," he commented. He also has a Chesterfield single-cup solution to offer locations, as single-cup sales are booming in the area.

"Frozen coffee is really popular right now, too," added Keener. It comes in a brick and is put in a tabletop machine that dispenses it by the cup. "It's a little more expensive



George Thompson, a route man with Pro-Vend for more than 15 years, is dedicated to excellent service at locations large and small, and is loved by his customers.

than brewing coffee, but there's no waste and no clean up."

Chesterfield Coffee & Tea has expanded the company's coffee service beyond workplaces, to convenience stores and restaurants, too, all by offering better service. These establishments appreciate having someone to call when a machine is down. "The profit margins are better and we can provide coffee service to



Fred Kennedy has been a dedicated employee with Pro-Vend over 15 years. He runs the cash room and is very involved with various aspects of the business on a daily basis.



Dawn Jones is very dedicated to Pro-Vend and involved in the daily responsibilities needed to help the operation run smoothly.

10 restaurants for what it costs to provide one vending account done right with good margins," said Triplett.

There's no doubt that being a local business helps keep Pro-Vend strong. It's able to adapt to the needs of its customers, from more frequent service stops to pricing for commissions to a focus on healthy vending. The team takes pride in their nearly 30 year old "yes" reputation for good service. | ◀

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1. Ipsos, brand health tracker, Q3 2014

2. Nielsen, xAOC plus Convenience, latest 52 weeks ending 10/24/15

3. Nielsen, BASES® II, January 2015