



5 EFFICIENCY GAINS
FROM USING
**ONE Integrated
Platform for
Vending & Markets**

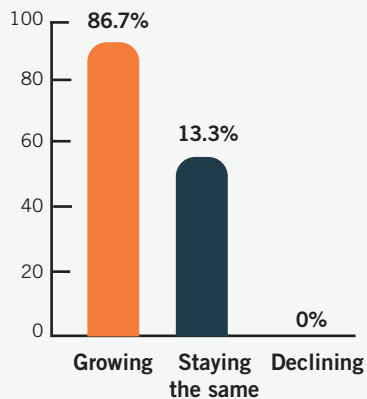


Growth Trends in Micro Markets

Micro markets, also defined as the self-service kiosks at offices / airports / cafeterias, are building considerable momentum not just with consumers, but also with vending operators. An increasing number of vending operators are now looking at ways to **introduce micro markets** at locations they currently service, or are using the micro market concept to **grow their footprint** into new locations.

This shift in industry trend can only be further emphasized by the chart below that states **86.7% of micro markets are growing**, and in fact **4% higher revenue growth** was reported by operators whose service included micro markets.

Micro Market Outlook - Chart 1



* Source: Annual State of the Vending and Micro Marke Industry Report, Vending Market Watch



Role of Technology in Micro Markets

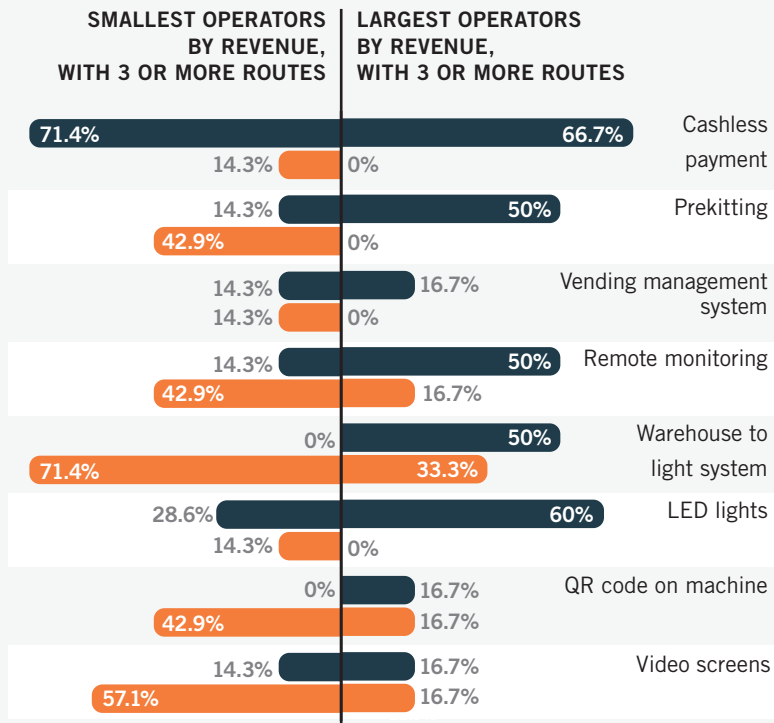
Now that we have established the need to bring in micro markets into your business, we wanted to show you the integral role that technology is playing in this growing segment. As per trends in the industry report, that's compiled by Vending Market Watch, technology and utilizing it to broaden business in different segments was a key feature to success reported in 2017. When broken down by route and annual revenue, a pattern emerged that showed attitudes towards technology differed significantly based on reported revenue (chart 2). For example, **pre-kitting, remote monitoring, and a warehouse pick to light system** were given the highest ranking (great investment/return on investment) by 50 percent of the largest operators surveyed, those making \$10 million or more a year.

Combining the two upcoming trends in the vending industry, which are micro markets and the use of technology, brings us to the essential question: **How do you get one unified view of available inventory?** With micro markets expanding at a phenomenal rate, and with more kiosk providers entering the space, every front-end kiosk provider presents their version of the current inventory. This warehouse inventory management problem has been amplified with ever **growing service locations** and customized **demand for fresh food**. Here's what we think will end the time and effort that goes into **reconciling inventory** every time a micro market location is serviced: **A Single Platform for both Vending and Micro Markets.**



Technology Rankings - Chart 2

- Great Investment - ROI
- Don't use it/like it



* As this is a smaller sample size, there can be greater variance in the data



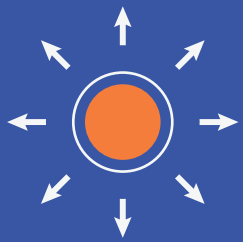
The Essential Question:
How do you get one unified view of available inventory?



There are several revenue benefits to managing both vending and micro markets using one platform. We've made a list of 5 such key benefits that every operator is bound to experience:

Unified View

A centralized and unified view of inventory for both your vending and micro market operations is a crucial requirement to running an **efficient pre-picking and route scheduling process**. Imagine a scenario where your back-end provider for micro markets says you have 5 units of Lays Classic, while your back-end VMS says you have only 2 units. You would spend more time with reconciliation than with the actual pre-pick process. An **added advantage** of using the same back-end provider for both vending and micro markets is that **you can experiment with deals that kiosk providers offer** without having to mess up your inventory management system.



One platform for vending and micro markets ensures a **unified view** of inventory.

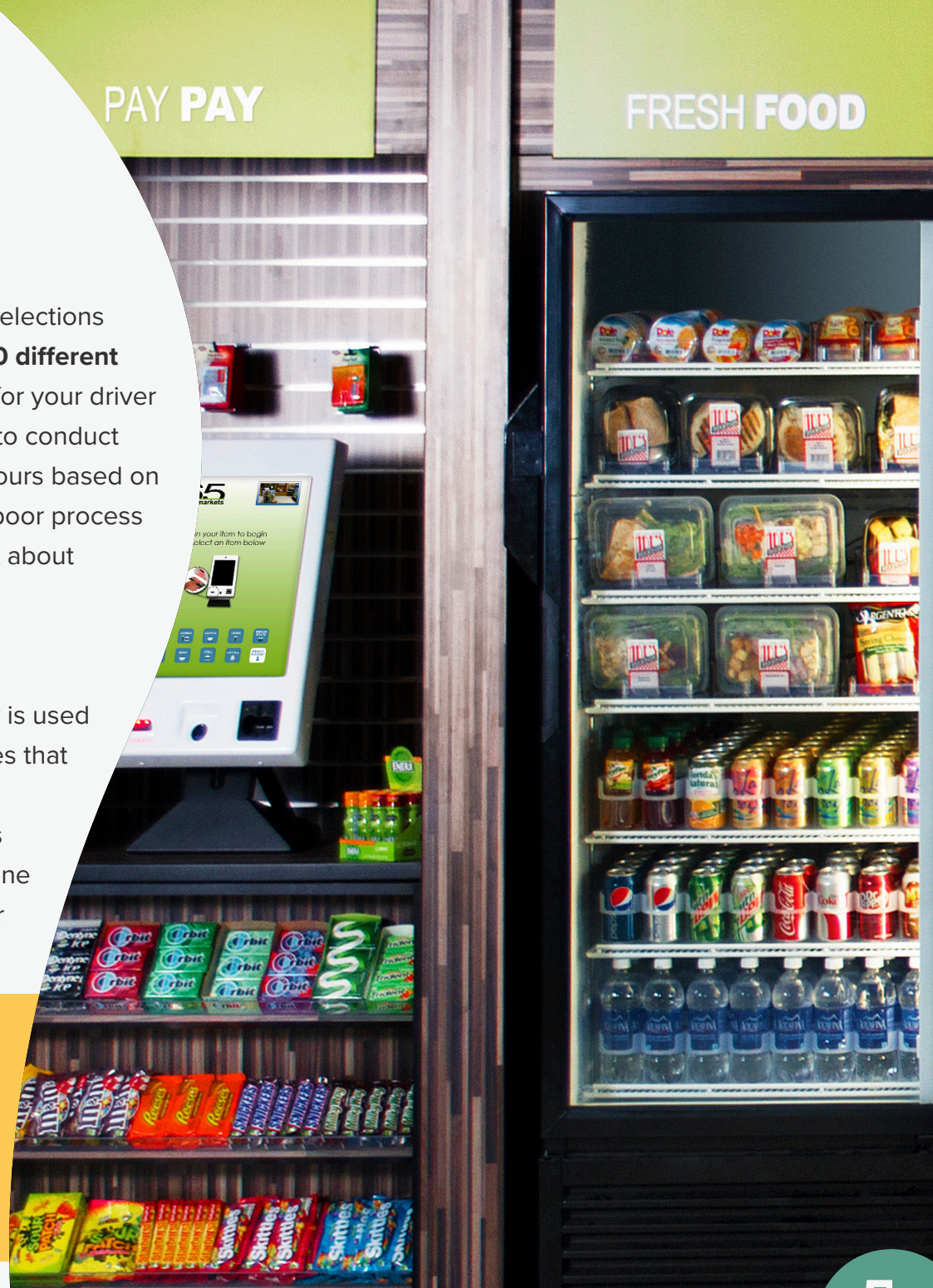
Simplified Physical Inventories

When you switch from a vending machine that may only have 45 selections within it, to operating a **micro market** that sometimes has over **350 different product sku's**, taking physical inventory can become challenging for your driver or in-field supervisor. The reliability, plus length of time it can take to conduct inventory of the market can be anywhere from 45 minutes to 1.5 hours based on the size of the market. When you put all this together, you have a poor process and an inefficient driver who may skip inventories, or be dishonest about completing the task. So how do you fix it?

Utilizing one platform allows you to create **one process for taking inventory** and **leverage mobile inventory practices** that the driver is used to from his or her vending machines. Not to mention, it also ensures that the driver is only taking inventory of the section of the market that needs to be inventoried (i.e. the first snack rack, etc.). This ensures that time is saved, and inventories get done properly because of one easy, simple process that takes **on average 15 minutes** for a driver to complete.



Time is saved and inventories are done properly with **one set of processes** for vending and markets.



Goodbye Reconciliations, Hello One Reporting System

The more the merrier is definitely not true in the case of **inventory management systems for vending and micro markets**. When you run multiple micro market provider platforms, you will only end up wasting a ton of time with reconciling discrepancies between different inventory systems across your markets and vending. Not to mention the financial implications of mismatched inventories. With one platform, you can **easily manage all the inventory** and **run efficient reporting** for your entire business. Piecing reports together is challenging and often times leads to errors, but with one **report writer** you can **customize and create** the reports you need to holistically manage your business.



Easily create customized reports that reflect the **health of your business as a whole**.

4 Combine and Save

To get back to the basics of route scheduling, if you are servicing both vending machines and markets in the same geographic location, you can **pick and schedule** them in an **integrated manner**. This is possible only when you use the same platform for managing routes in both markets and vending. In some scenarios, you may be running a micro market at a location along with ancillary vending in the neighboring building, and sending two drivers to service each separate piece of business is not only time consuming, but a waste of money. In this scenario, it would make more economic sense for your **driver to service both the market and vending** during the same trip. Using the same platform will offer more flexibility to blend routes with vending for any operator.



Drivers can now **service both micro markets and vending** during the same trip, saving time and money.

5 Need Based Service

The converse of the “Combine and Save” strategy also holds true. The **rate of consumption** of beverages and snacks at your **micro markets** may be remarkably different from vending, along with overall consumer preferences. All of this could stem from the perception in the consumers mind that micro markets serve “fresher food.” Using one platform, will allow you to **segment specific parts** of your micro market that actually **need to be restocked**. Enabling the driver to save time by only stocking for example, the first beverage cooler, and the second snack rack, versus running across the entire market to service randomized products. This helps you save time by **focusing on just the area that needs your attention** rather than walking through the entire market.



Using one platform, will allow you to **segment specific parts of your micro market** that actually need to be restocked.





About USA Technologies

USA Technologies, Inc. is the leader in integrated cashless and mobile payment technology for the self-service and unattended retail markets. 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. With 73 patents and agreements with Verizon, Visa, Chase Paymentech, and others, USAT is powering better experiences between brands and consumers and actively reshaping the new, consumer-driven retail environment.

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This case study was created during the Company's tenure as USA Technologies, Inc. The Company rebranded to Cantaloupe, Inc. April 19th, 2021. For contact information please visit www.cantaloupe.com.

