




YOU'RE CONNECTED. NOW WHAT?

**Connectivity Beyond Cashless:
Unlocking Hidden Revenue and
Efficiency Processes Using Your
Existing Connection.**

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Introduction

You know what connectivity is, and you've probably had telemetry and cashless in your machine for some time and are already capitalizing on the efficiency savings and revenue increases that come with using this technology, but are you working your connection for everything its worth? What you might not know are the simple processes and practices that you can employ to make your business even more successful by utilizing the technology you already own, no matter the size or scale of your business. By focusing on efficiency, revenue, and customer strategy, and ensuring that you are supported in your partnerships, a single connection point in a machine can be used to maximize the profitability of your business operation.

Strategy

Because every operator is different, there's no one-size-fits-all strategy for leveraging connectivity; but, by focusing on efficiency, revenue, and customer experience, you can work to develop the strategy that best serves your business.

Optimizing efficiency

You probably already know the basics around dynamic scheduling, pre-kitting, and machine alerts, but where you should be focusing is on the next level of improving machine operations.

Consider **proactive merchandising** to optimize and accelerate your sales in the same way any brick-and-mortar retail store would. By this, we mean using the data you already use for pre-kitting and dynamic scheduling to optimize that sale of what's in your machine. For example, you can see that maybe you have chips in machine A that are going to expire, but that sell fast in machine B. Proactive merchandising allows you to realize to move to merchandise to a high volume machine to sell before the expiration date, and increase sales. This strategy can be leveraged using existing management backend software, and if executed successfully, can result in a decrease in profit loss and waste.

Another example of an efficiency strategy is deploying **dynamic routing**. While cost pressures will continue in operators businesses while everyone works to balance maximizing efficiencies and providing an enjoyable customer experience, dynamic routing is about maximizing the limited human resources at your disposal.

Current state dynamic scheduling bases routes and stops on geography, but dynamic routing depends less of servicing specific location but on servicing stops based on resources and equipment available. This means looking at the feedback from your machines, and realizing that while you're servicing all five of your machines once a week, maybe you only need to service machines A and C once a week because they are high volume, and you can service machines B, D, and E once every other week because they see less traffic. This method allows you to cut on labor and transportation costs, and focus on servicing the machines that bring you the most revenue.

Finally, a crucial part to any connectivity strategy is making sure that you're receiving the right data from your machine. You may already receive alerts from your machines, but it's important to leverage your connection to receive holistic data and health, especially from your payment hardware problem themselves.

Not only can common issues be recognized and resolved, but also you can begin to automate diagnostic processes. Studies show that 10% of machine problems can be resolved with a machine reboot, and if you are remotely receiving the diagnostic information that tells you this, and you can remotely restart a machine, not only are you saving onsite technician time, you're also eliminating the need to send a driver to the machine at all for merchandising failure.

Maximize Revenue

The focus of maximizing revenue often centers on accepting all payment types, and this is probably nothing new to you. By the time someone is ready to pay (with his or her phone or card or cash or mobile app), they have already decided to go to your machine. They have already chosen what to purchase, and are ready to pull out their payment. In that regard, operator influence is very limited. We think you should reach your customer before they even think about making a purchase, and encourage them to not only buy something, but help them decide what to buy, how much to buy, and then encourage them to not only come back, but to bring their friends.

It is no longer simple enough to max out your potential revenue simply by having all forms of payment in a machine. In a world where consumers are bombarded with options of where to shop, **attracting new consumers** and making them aware that your machine exists becomes essential to adding additional revenue. Consumers need to know that your machine is smart and capable of taking what's in their pockets, and you can make the buyer aware before they even visit your machine. Many of you already use loyalty programs or apps, like PayRange, and by using these apps to simply make your consumer aware of your machine's location, you promote the use of your machine. By using the app to offer sales or happy hours, and letting consumers know where your machine is located and what's inside, your opening up a whole new area for revenue.

Helping your consumers decide what to buy is another way of boosting revenue. Though the use of screens is new to vending, they have shown in a short amount of time just how effective they can be in swaying the buying process. Using bright, colorful and suggestive graphics and ads, you can use the screen to suggest bundling a snack with the purchase of a beverage. Not only does this power of suggestion make a consumer's experience more convenient, it increases their cart size, meaning extra revenue in your pocket.

The use of screens can also apply to digital advertising, which in return can **offset the cost of your connection**. By leveraging the real estate on your machine as ad space to promote brands in your machine or third party brands interested in the consumers using your machines, the fees you associate with your screens can help to offset connection fees. Connectivity, in this way, can eliminate its own cost.

Deliver a Customer Experience

You know that making the consumer experience enjoyable is key to the success of your machine, but as consumer's become more demanding, they look for more than just a machine that is "cleaned, filled, and working."

Personalizing the experience of a machine and making the point of sale relevant to the consumer can work to make your sales tailor-made. If your machine is on a college campus, and its game day, consider a happy hour for sports beverages before kickoff time. Leveraging loyalty programs to make connections with frequent customers and encouraging them to come back at certain times for promotions – all using the data you already receive from your connection – can help to not only elevate your customer experience, but also squeeze further profit out of your connection.

Partnership

You're already connected, so we know you have a connectivity partner, but in the ever-evolving world of connectivity, having the right partner is essential to your success as a business owner. When considering whether you're with the right provider, a few things are important to consider.

The **roadmap and strategy for future innovation** are topics that cannot be ignored in the constantly changing world of communications technology. Communications technology will continue to evolve as the network of connected devices expands. What's important from a hardware standpoint is staying flexible and module as technology and networks continue to evolve. Whether you are looking into EMV or 4G updates, your provider should have a strategy for how you can upgrade, whether it be through modular hardware replacement or over the air updates. Your provider should know when changes are expected, and this can only be established with strong relationships with communication technology leaders—whether this be Verizon, AT&T or Visa.

Back-end Support is another crucial element of the right partnership. Being aware of how your connectivity provides back-end support and what systems are in place to help you be successful. While your connectivity partner may be able to provide you with all the answers, they should also be able to point you to other key experts when their knowledge falters, and they should be able to do this for you in the least amount of time. 24/7 monitoring of your devices is a vital necessity when it comes to the success of your machine and your hardware. Your provider should have round the clock monitoring in place, as well as a clear and defined communications plan to alert you if something goes wrong.

Along with this comes the flexibility of your provider to work with third party partners to ensure your success. Whether this means supporting your other partners that provide VMS or cloud-based solutions, your provider needs to have protocols for working and communicating with networks beyond their own. At risk if they don't is the security of your machine and the data it carries.

Once your machine is connected, it is connected for good and for bad. It's not hard to look around and see the prevalence of data breaches, be they at Marriot or British Airways, and so it is important to make sure that your connectivity provider has a focus on security and goes beyond the bare minimum to keep your data and information secure in the connected world.

Summary

Simply being connected is no longer enough to increase your profits. Using these tips, focusing on strategy, efficiency, profit, and partnership, no matter who your provider may be, and no matter how big or small your business, you are able to make connectivity work for you.

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