



INNOVATIVE INSIGHTS IN VENDING & OCS

Cashing in.

With David Murphy

Coin, Paper, Rock, Scissors-oops, sorry wrong game. It should be Coin, Paper, Credit Card, Debit Card, Smart Card, which all relate to today's vending profession. If you think about it, the game we used to play as children has its similarities. In today's marketplace, with all the monetary functions, you will find that one will dominate; but at any given time, any of the five can dominate the other. We must understand each monetary function in order to accomplish, not only increased revenue, but also what is best for the end user, the customer.

Coin or tokens have been around since time began, for example, Romans used tokens in order to get a measurement for oil. In our industry today, coins are still dominant and will be for a long time, but many changes are coming. Compare coins to that navy blazer in your closet, it is never out of style, always versatile and can be worn anywhere. Coins also give the consumer a greater feeling of value when they make a purchase. The use of coins or tokens in our profession will always have a place and this is not about to change.

Paper is the most prominent in everybody's pocket, but it is the least versatile in our profession because of the inconvenience it causes. With paper, the consumer is forced to do more functions and therefore the perceived value of the purchase is at greater risk. This inconvenience, although small, has an effect on the end result of the purchases. There are exceptions, for example, with the machines that are equipped with a bill changer. Such as coin; paper will be around for a long time, but it will diminish in usage as new forms of monetary exchange continue to grow.

Credit cards are that ever present plastic in our wallets. This form of exchange in our industry will never have any impact. There are many limitations with the credit cards that will prevent their usage, such as the small amount of most transactions in our business and the costly paper trail that follows each transaction. The credit card is also limited in its future functions in relation to the ever changing technology in today's marketplace.

Debit Cards, although not new to the world of monetary exchange, have had a small impact on the way we do business. I have been able to work with this form for the past ten years on a number of pieces of equipment. Although our financial institutions would like you to believe this is new, it has been in place for a number of years. From my own experience, there is a definite place for the use of the debit card system. The industry that has benefited the most in the last 15 years from debit cards is photocopier machines. Vending never developed a strong marketplace for the system due to numerous reasons, which were all caused by recessionary times. The

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debit system, as it is today is just a passing phase to a new generation. Our industry along with the financial institutions and any other users of debit type systems are just a short term experiment to a more streamline way of doing business. The debit card has served my 40 machines very efficiently and effectively for the past 10 years, but as is part of today's marketplace, its time is limited and will be very soon replaced by the new generation. Smart Cards.-the New Generation. Don't let anyone tell you differently; this is and will be the foreseeable future, not only for our profession, but also for the larger corporate world. It will change in many ways how we will handle our monetary resources. The card will do whatever needs to be done, from accessing your computer to starting your car. The list is only as endless as your imagination. This future of doing business is much closer than we might like to consider, because as most vendors would agree, we all like that coin in the cash box.

Coin and Paper are going to be around for a very long time. The changes I see are the Credit Card, (like an eight track tape), the Debit Card, (like the cassette tape), and the Smart Card (the CD of the future). All of these changes have to be watched by us very closely because of the nature of our business. We must not only educate ourselves, but keep the customer informed of new and exciting methods of convenience.

Keep in mind that not every new method of exchange will bring higher percentages of revenue. It may only secure present income from existing business, but the bonus will be increasing new business, because of the knowledge and experience gained. I know I am a true Vending operator because with a wallet full of cards and paper, I will always pick up the penny on the ground because it still has a value which I can relate to.

Quote of the Month: "And that is all I have to say about that." Forrest Gump.

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