

M2M Value for Vending: Enabling Responsiveness, Improving Competitive Advantage

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Like all businesses, the vending industry faces mounting challenges as customer expectations and market dynamics force long-standing operations to become more nimble. Beverage bottlers and vending operators struggle with increased operating costs, insufficient return on capital expenditures, and ever-changing customer demands. Add to these challenges aging infrastructures that hinder the responsiveness of the organization, and you have the perfect business case for M2M.

How can M2M deliver new value to the business of vending? First, consider some of the critical success factors that can make or break a vending operation:

- **Optimum Product Mix:** Understanding customer preferences and keeping machines stocked with the right product mix
- **Machine Performance:** Ensuring machines are properly maintained so that they remain in working order and continuously stocked
- **On-Time Service and Delivery:** Effectively utilizing and dispatching resources only to machines that require service or stocking—precisely when it's required
- **Enhanced Inventory Management:** Optimizing product inventory and stock levels based on accurate information

The success of every vending organization depends upon how well they meet these success factors, and M2M technology makes this task easier than ever before. By enabling remote data collection and continuous monitoring of machine and product performance, M2M technology enables vending organizations to optimize product mix and stock levels, better service and maintain machines, and address machine malfunctions immediately—often before they affect customers. And by enabling vending operators to quickly respond to changes in the marketplace,

M2M solutions create more nimble, effective organizations. The business benefits of M2M vending solutions include the following:

- Alerts regarding urgent service issues eliminate machine downtime and ensure product availability
- Effective product deployment and optimum product mix improve sales and revenue
- Consistent product availability and machine performance drive customer satisfaction and loyalty
- More efficient use of service and maintenance resources improves employee satisfaction
- Access to historical and performance data drives effective product and brand management strategies
- Cost savings and revenue gains offer organizations the flexibility to explore new business opportunities and innovations

Future M2M capabilities and the business benefits those capabilities deliver are inextricably linked. For vending, added convenience capabilities, such as mobile payment options, are rapidly emerging. In addition, the potential for content delivery (for example news updates and advertisements) through third-party partners via M2M vending solutions offers expanded business opportunities for vending operators, and added value for vending customers.

With competitive pressure mounting in the vending arena, it's tough to find an industry where the value proposition of M2M technology is more apparent. From cutting service costs to improving inventory management, from increasing customer loyalty to maximizing the utilization of resources, M2M stands ready and able to deliver the goods for vending.

Biography of Author

Stratton Nicolaides
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Stratton has served as the Numerex Chairman of the Board since December 1999, and Chief Executive Officer since April 2000. Nicolaides has extensive entrepreneurial and operating experience in data communications and security and is a co-founder of Numerex. In addition, he has been involved in several M&A and capital markets transactions.