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Vendomatic Provides Bulk Vending Services To U.S. Armed Forces

ROCKVILLE, MD — How do you service a myriad of military bases with bulk vending? From four-star generals to the children of enlisted men, military personnel can be demanding consumers. For Vendomatic (Rockville, MD), the answer is easy: with the same attention to detail and quality provided to traditional street locations.

One of the largest operating companies in the country, Vendomatic's routes cover 10 states in the mid-Atlantic region. Additionally, Vendomatic boasts more than 25 territory managers (route drivers) strategically located throughout its market area.

This policy, according to company officials, insures superior service to its customer base.

Each territory manager, has a computer linked to the home office in Rockville.

Among its customer accounts are numerous chain stores, supermarkets, department stores, drug stores and discount stores, as well as thousands of independent mom-and-pops.

However, it is the company's attention to detail and quality service that won the firm the accounts at numerous military installations of all branches of the armed forces.

"You could have a four-star general buying a piece of gum out of one of our machines," said Vendomatic's CEO, Barry John.

According to Don Goletz, president of Ven-

domatic, the firm's extensive product line is more than adequate to cover the demands of military installations. "Our product line offers a wide variety of candy, gum, toys and stickers," he said. "We don't differentiate our product line for the military and other accounts. We have an extensive line and that ties into it. Our drivers are also commission paid, so they are highly motivated to put what is going to sell in the machine."

Goletz does emphasize that since taking over the military accounts he has expanded the role of bulk vending on the locations by hunting out new locations within the bases and installations. "My sales team will go in and walk the whole facility looking for new locations," he explained.

This expansion, said Goletz, applies to its non-military accounts as well. "Right now we're in a growth mode and have been since we opened the doors more than 40 years ago," said Goletz. "Our territory managers are constantly looking for new locations and to maximize profits within existing locations with additional equipment. We've also made many acquisitions within the last four or five years." Goletz estimates that acquisitions alone have accounted for the doubling of Vendomatic's size over the last five years.

In addition to new locations, Goletz has also been experimenting with different price points. Recently he added dollar vends to more than a thousand heads. "There is tons of dollar merchandise out there," he said. "The next phase is the true roll-over, to have all dollar top machines and all 50¢ bottoms." The dollar merchandise, Goletz explained, fits 2.3-in. capsules. The 50¢ heads are run in 1.1-in. capsules with traditional 50¢ merchandise.

Added to this strategy is an experiment that Goletz initiated in key accounts. He's added coin-changers to insure customers have a source of quarters. "We're using a 'mini-coin changers' that fit on the wing of the bulk rack."

"To our company, the pot of gold at the end of the rainbow is the dollar coin," said John. "Once we get that and eliminate the bill, everyone is going to be carrying the coins. They'll be readily available and spendable. And it will tie right into our strategy of dollar vends."

Tying into all that, Goletz credits a large portion of the firm's success to its density

philosophy. "You don't make money sitting behind the wheel of the truck," he explained. "The idea we try to instill in our sales team is to build locations within existing route parameters and reduce the drive time between each stop."

This philosophy not only is applied to standard street locations, but also to the



STRATEGY SESSION: Vendomatic president Don Goletz and CEO John Barry map firm's bulk vending strategy at company headquarters in Rockville, MD.

company's military locations. Where once bulk machines were found just in the post exchange (PX), under Vendomatic's guidance they have moved into a wider variety of locations, such as Laundromats, gamerooms and officers' clubs, any of which might require anything from a nine-head down to a "four rack," depending on the type of merchandise that best suits the location.

Not surprisingly, Goletz said, patriotic stickers and other similar merchandise have been "big sellers" in addition to the traditional items, which include a large section of capsuled toys as well as edibles.

Goletz also added that the military accounts have helped to attract more traditional street accounts. "We find that with standard accounts, when they know that you're in these high-profile accounts, it adds to your prestige," said Goletz. "They know they are going to get their commission on time and the machines serviced regularly with fresh product."



TIMES THEY ARE A'CHANGING: Note the bill acceptor mounted to the rack of Vendomatic's bulk units. The company has not only taken an aggressive stance with higher-priced vends, but is currently experimenting with small change units to enhance sales.