



This is Convenience Services

2018 MIDYEAR REPORT

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Halfway through 2018, it's clear that NAMA has hit its stride on the national stage. Year-to-date highlights include broader-than-ever exposure at the Fly-In in Washington, DC; social media splash from a dynamic new industry video; and the much-anticipated release of a NAMA Foundation-funded study showing the far-reaching impact of the convenience services industry.

The value of these efforts will have a ripple effect for a long time to come, as the industry garners greater attention and member businesses become both convenience services leaders and recognized drivers of economic progress.

GOVERNMENT AFFAIRS

NAMA Fly-In

NAMA members “took the hill” again this July in force, strengthening the industry’s positions on business critical issues and enjoying increased recognition in the Fly-In’s fourth consecutive year. Participants met with more than 230 members of Congress, briefing them on the economic impact of the convenience services industry, discussing a proposed FDA calorie disclosure rule, and thanking them for their work on tax reform.



In a notable outcome for NAMA, several members of Congress agreed to sign a bicameral letter to the FDA supporting the agency’s recently proposed regulation finalizing front-of-pack calorie font size for calorie disclosure purposes.

As a result of the Fly-In, four members of Congress or their staff representatives have visited NAMA member companies in their districts, further deepening these important relationships.

“Today, we forget about our competitors; we’re all one group working for one cause.”

—Kurk Johnson,
Three Square Market

Take a Look!



Fly-In Video

Research Says: A Powerful Industry



NAMA Chair Jeff Smith (cover) and CEO Carla Balakgie unveiled the most defining research ever undertaken by the convenience services industry, serving as a momentous kickoff for the 2018 Fly-In. Funded by the NAMA Foundation, the comprehensive, statistically valid study focused on four key areas — overall economic impact, jobs, wages and taxes — driving home the breadth and depth of the industry. The standing-room-only crowd at the National Press Club included industry leaders, federal agency representatives, allied associations and nutrition advocacy organizations. Highlighting consumer empathy and growth opportunities, NAMA's new video, "This is Convenience Services," provided a compelling context for the findings shared by **John Dunham** (above), whose firm conducted the research. (See page 6 for more.)

National Highlights

CALORIE DISCLOSURE AND NUTRITION FACTS PANEL

NAMA, as part of a broader coalition, helped score two victories on package disclosure. First, in May, the FDA extended the compliance deadline for implementation of the updated Nutrition Facts Panel. Large manufacturers now have until 2020 to revise their product labeling while smaller manufacturers have until 2021. Second, in July, the FDA proposed final guidelines for calorie disclosure font size for items sold in glassfront vending machines. The proposed rule, which mirrors NAMA's recommendation, requires that front-of-pack calorie font size be at least 150 percent of the net quantity of contents declaration. This proposal also has a compliance date of 2020, allowing the two package updates to happen simultaneously, thus reducing costs and streamlining operations for both operators and manufacturers. Providing added visibility, a clip of NAMA's Eric Dell commenting on calorie disclosure aired in markets across the country.

Watch the
News Clip!



REFRIGERANT TRANSITION

For more than a year, NAMA has worked to delay the EPA regulation requiring that the industry transition to a new refrigerant by January 1, 2019. These efforts paid off in April, when the EPA announced a suspension of the deadline until it updates the regulation requiring the phaseout of hydrofluorocarbons in vending machines. NAMA members and staff continued this work, meeting with the EPA at the Fly-In to review the issue. Further progress is underway, including NAMA-commissioned research regarding challenges of refrigerant transition. NAMA is focused on gaining the same extension for new vending machines sold in California, which currently requires the industry to be hydrofluorocarbon-free on January 1, 2019.

State Highlights

LOUISIANA

NAMA members have worked to oppose an executive order by the governor of Louisiana limiting items sold in vending machines on state property to only those meeting American Heart Association guidelines. In addition to ongoing advocacy efforts — with the goal of a more measured, reasonable solution — NAMA members hosted a Taste of FitPick event at the state capitol to showcase better-for-you options available in vending to government officials and key influencers in the state.



INDIANA

Operators in Indiana secured a victory in March when that state's governor signed legislation exempting certain food and beverage items sold in vending machines from the state's gross retail tax. Removing this 7% tax on vending sales levels the playing field for operators, creating fair competition with retail channels.

CALIFORNIA

A proposed change in Prop 65 would remove the burden on operators of having to post a warning at all locations selling or providing coffee. In June, the California Office of Environmental Health Hazard Assessment proposed adding a section to Prop 65 stating that drinking coffee does not pose a significant cancer risk, despite the presence of acrylamide. NAMA members throughout the state worked to support the proposed rule change, including testifying at a hearing on the issue. Another victory in the state came when the California governor signed a bill preventing local entities from imposing taxes on "groceries," including on sweetened beverages, through 2030.



Convenience Services Days

Working with state council leadership, state lobby days were rebranded as Convenience Services Days, generating new energy and interest across the country. More than 230 NAMA members in 15 states turned out at their capitols during the 2018 legislative session, including a first-ever contingent in Florida. Participants voiced their views on key issues including sweetened beverage taxes, vending restrictions on state property, micro market regulations and environmental issues.



PUBLIC OUTREACH

New Video

The debut of a new [video](#) touting the industry's role in consumers' everyday lives made for a watershed moment in front of a packed house at the 2018 NAMA Show. "This is Convenience Services" focuses on consumer empathy, offering a compelling look at the breadth, scope and reach of the industry today and the growth opportunities on the horizon.

"Our goal in undertaking this project was to help broaden the perspective of who we are as business leaders," NAMA chair Jeff Smith told Vending Times. "We are innovators, meeting the needs of customers and adding value to their lives, everywhere they are."

A social media campaign promoting the video release greatly exceeded expectations, with over 9,000 views in 24 hours. The piece also made a splash at its first public showing at the Fly-In in Washington, DC.

"This is Convenience Services" on Social Media

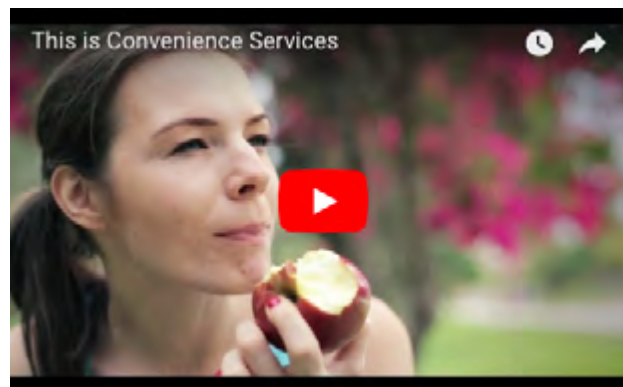


GOAL:

5,000 views within a week

ACTUAL:

9,000+ views in less than 24 hours



Media Exposure

A key element of the campaign promoting the economic impact research was an op-ed penned by NAMA CEO Carla Balakgie. "Convenience Services Are a Bellwether for a Strong Economy" reached more than 14 million readers nationwide, spotlighting the impact of the industry and the positive results from government and business working together. Read the op-ed [here](#).

NAMA Economic Impact Op-Ed



18 national news outlets
14+ million readers

INVESTOR'S BUSINESS DAILY
COMMENTARY
What's Brewing In The Golden State? Protect Coffee From Prop. 65
CARLA BALAKGIE and TOM STEUBER | 7/19/2018
California's coffee may not necessitate a cancer warning after all.
The Office of Environmental Health Hazard Assessment (OEHHA), the office that oversees Proposition 65, recently issued a notice of proposed rulemaking that could effectively exempt coffee from Prop 65's onerous requirements.
In OEHHA's own words: "Exposures to Proposition 65-listed chemicals in coffee that are produced as part of and inherent in the processes of roasting coffee beans and brewing coffee pose no significant risk of cancer."

West Coast Commentary

NAMA board member Tom Steuber and CEO Carla Balakgie teamed up to write an [op-ed](#) on a proposed change to California's Prop 65 (see previous page).

"What's Brewing in the Golden State?" conveyed the industry's support of the proposed revisions stating that coffee does not pose a cancer risk. The featured commentary marked NAMA's first appearance in the widely read Investor's Business Daily.

ESSENTIAL RESOURCES

Economic Impact Research

With support from the NAMA Foundation, NAMA published its most comprehensive report to date on the impact of the convenience services industry. Conducted by John Dunham & Associates, the [research](#) calculated overall economic impact, as well as jobs, wages and taxes generated. The data revealed a powerful engine of job creation and economic growth nationwide.



Telling the Story

Bold and colorful infographics highlighted the research results and helped inform meetings with elected officials at the Fly-In.



Economic Impact of the Convenience Services Industry

With a total economic impact of nearly \$25 billion, the US Convenience Services Industry is represented in every community across the United States through traditional vending and micro markets — unattended retail — as well as office coffee and pantry services. The industry, providing 140,000 good paying jobs with \$7.2 billion in wages, pays \$3.5 billion taxes at every level of government. From manufacturing to small-drop distribution, the industry meets the needs of consumers everywhere they are — at work, home and play. To learn more on industry impacts at the state or Congressional District level, click on the map below. Please [view our FAQ](#) to learn more.

If you find that this research has value to you or your company, please consider [making a donation to the NAMA Foundation](#) to ensure that future research like this can be adequately funded.

TOTAL OUTPUT
\$24,602,083,500

TOTAL JOBS
140,475

TOTAL WAGES
\$7,211,467,700

TOTAL TAXES
\$3,504,490,100

Choose State: United States
 Choose District: (Optional) US Congressional District
 Choose Report: Economic Impact Report, Economic Impact Data Table
 E-Mail Copy To: [input field]
[View Report / Send E-Mail](#)

Impact by Region: A robust online tool allows members and stakeholders to calculate the impact of the industry by state. Users simply plug in their state and congressional district and a custom report is generated outlining the specific economic impact in their region.

The Economic Impact of the Convenience Services Industry
 Illinois State Report District 2

National Totals:
 Jobs Created: 140,475
 Wages: \$7.21 billion
 Economic Impact: \$24.60 billion
 Taxes Paid: \$3.50 billion

Illinois Totals:
 358 Industry Jobs
 \$18.78 million Wages Paid
 \$59.58 million Economic Impact

The Industry: Vending, Office Markets, Office Coffee Services, Pantry Services

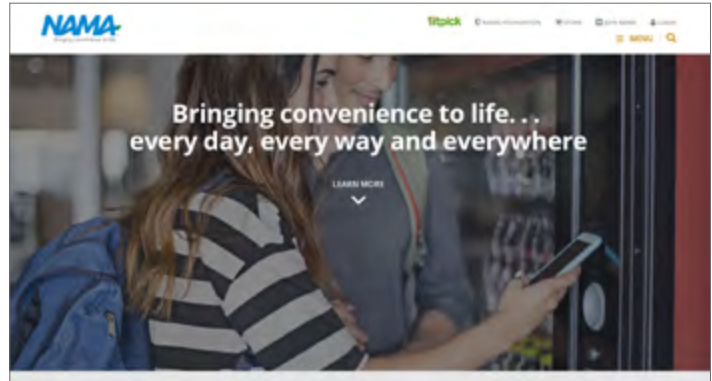
CLICK TO TRY THE ONLINE TOOL



New Website

NAMA's dynamic new website, officially unveiled at the Fly-In (above), is a significant part of the organization's long-held commitment to enhancing public perception of the industry, and delivering robust, 24/7 service to members.

The modern, clean and mobile-friendly site is designed to deliver a frictionless user experience and integrate seamlessly with the association's database. It offers enhanced visual content and serves as a valuable resource for members, stakeholders and the public alike.



Watch a video about the new namanow.org

Webinars

NAMA introduced monthly webinars in 2018, aimed at delivering relevant, timely knowledge to members. Presented by NAMA partners and thought leaders, these virtual education sessions highlight issues important to convenience services businesses, from consumer trends to payment security to employee compensation. Nearly 300 people have taken advantage of this convenient way to further their education so far this year.

Two USDA researchers headlined a webinar in April revealing millennial food purchasing statistics and trends. A white paper on the topic will be published later this year, extending the impact of the webinar content and providing important insights for members across the industry.

NAMA Knowledge Center

Since its relaunch in late 2017, the NAMA has been beefing up content on its Knowledge Center. A new Mastering Micro Markets module was launched — a fully interactive, 3-hour course with a manual and post-course assessment — which results in a certificate of completion for attendees. In addition, NAMA made strides in promoting the utilization of its other courses via the online platform, including licensing of materials to operator companies for year-round use.



SIGNATURE EVENTS

The NAMA Show

Dynamic new offerings marked the 2018 NAMA Show, which drew more than 4,400 participants to Las Vegas in March. The added features succeeded in inspiring greater interaction and business development: **Convenience Central**, a member engagement space for meetings and product demos; **New Product Zone**, showcasing more than 100 innovative products; **NAMA Cares**, a concierge service to address attendees' onsite questions; and **Captivation Station**, a geodesic dome on the show floor for exhibitor presentations on industry hot topics.

"The NAMA Show helps me stay current with trends in the workplace."



– Penny Mahon, Royal Cup Coffee



"Where there is disruption, there is great opportunity, particularly for those who innovate." That was the theme of successive keynote addresses by futurist Brian Solis and political analyst Matthew Dowd before a standing-room-only crowd. A "power huddle" conversation with the speakers led by Carla Balagjie drove home the value of the discussion.

A Vibrant Show Floor



313 exhibitors, including 84 first-timers
100+ new products
15 hours of interaction

Participants had nearly twice as many education sessions to choose from, with topics grouped into five tracks. More than 1,800 people attended sessions with "deep dives" on Business Development, Technology, Business Operations, Consumer/Marketplace Trends, and Politics & Policy.

Rounding out the experience were energy-filled networking opportunities, including reunions for the alumni of the NAMA Executive Forum, the Executive Development Program, and an international reception.



EXECUTIVE FORUM

The high-level discussion and networking sparked at the NAMA Executive Forum in December continued in April at the NAMA Show. The Executive Forum alumni reunion breakfast featured keynote speaker **Mitch Lowe**, CEO of Moviepass, a co-founder of Netflix and former president of Redbox (right, with NAMA board member Joe Hessling). The exclusive event helped fulfill NAMA's commitment of creating a trusted peer network for executives to connect year-round and share challenges and experiences.



MEMBERSHIP

NAMA's membership team has engaged in the following continuous improvement efforts in 2018 to ensure that the association is delivering enhanced member value:

- Implemented an online orientation for new members to help them make the most of their membership
- Expanded NAMA's Service Excellence program, including personal onsite visits to determine service improvements and share best practices to better meet the needs of members and exhibitors alike
- Launched a campaign of bi-monthly emails and social media posts to highlight the member benefits that NAMA offers



ON DECK THIS FALL



November 12-14, 2018 | New Orleans, LA

Focus: Insights and information on the latest trends, technology and best practices in the OCS channel

Expected participants: 880+ | **Exhibitors:** 115+

Keynote: Howard Behar
Former President of Starbucks Coffee, North America
Founding President of Starbucks International
Author, *It's Not About the Coffee* and *The Magic Cup*



namanow.org