



# Doing Well by **Doing Good**

**2019 MIDYEAR REPORT**

*Above: Tom Sullivan, Vice President of Small Business Policy, U.S. Chamber of Commerce, addresses NAMA members at the Fly-In & Advocacy Summit in Washington, DC*

# Doing Well by Doing Good

The growing strength of the convenience services industry was on full display in the first half of 2019. The launch of a National Vending Day, an invigorated and expanded DC Fly-In, and robust new educational and networking experiences were among the highlights. Perhaps most noteworthy was NAMA's announcement of progress toward a major public health commitment, establishing the convenience services industry as a national leader in meeting consumer demand for healthier products.

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## PUBLIC HEALTH COMMITMENT

Building on the theme "Doing Well by Doing Good," NAMA announced important work underway related to formulating a self-led public health commitment by our industry — first to members at the 2019 NAMA Show and, subsequently, to legislators, government officials and other stakeholders at the Fly-In & Advocacy Summit in Washington, DC. The voluntary initiative will increase the availability of healthier products that meet nationally recognized public health standards offered in vending machines.

NAMA completed phase one in development of the commitment, with the goal of finalizing it by the end of 2019. The initial stage involved data analysis and a field test to understand where the industry stands today in offering healthier options — a critical step in ensuring that there is a definitive baseline against which to measure progress and that the ultimate commitment is meaningful, measurable and business tenable.

Overall, this large-scale effort will help grow and protect member businesses and improve the image of vending machines' role in advancing public health. Already, national public health groups have voiced support for the commitment, and NAMA will continue to reach out to this important constituency throughout the development process.

"It's a good step toward making the healthier choice the easier choice for busy consumers across the country, and we look forward to seeing how this effort progresses."

—Nancy Roman, CEO, Partnership for a Healthier America



"This initiative is an ambitious, substantial step by our industry to meet consumer demand for healthier choices," said NAMA CEO Carla Balakgie.



[Learn more in a Marketwatch Q&A with Carla Balakgie](#)



# GOVERNMENT AFFAIRS

## Fly-In & Advocacy Summit

The NAMA Fly-In reached new heights in its fifth year, with an expanded two-day format, the debut of an Advocacy Summit, and more opportunities for members to network and collaborate in advancing the industry. The 260 participants met directly with elected officials and their staffs to champion important legislation, and heard from federal regulators in an expanded, Q&A format on issues impacting their businesses.



### A FORCE ON THE HILL

Meetings with more than 170 congressional offices led to a number of positive outcomes. Among them were eight new co-sponsors of the DRIVE Safe Act — aimed at helping alleviate the commercial driver shortage — and three new co-sponsors of the Small Business Tax Simplification Act, bringing the total to seven.



The Advocacy Summit featured a day of interactive panel discussions with representatives from the FDA, USDA and other federal agencies, who addressed members' questions in a range of areas. In a session on coin and currency, for example, members were assured of government efforts to expand rural broadband, which will help in the transition to cashless payment systems. Discussions highlighting micro market food regulations covered ways for businesses to better prepare for future nutrition labeling guidelines. An EPA panel revealed anticipated regulatory shifts around refrigerants and energy requirements.

Rounding out the daylong Summit was an informative, engaging presentation by political insider Amy Walter of the Cook Political Report, followed by a networking event hosted by NAMA's Emerging Leaders.

**90%**  
of attendees called  
the Fly-In "extremely  
valuable" or "very  
valuable."

### RAVE REVIEWS!

Overall, the newly enhanced Fly-In & Advocacy Summit generated significant engagement and positive feedback by participants, setting the stage for greater advocacy strides.



"The best two days  
you'll spend this year."

—Rick Brindle, Mondelez

## National Successes

**ENERGY STAR STANDARD** » When ENERGY STAR proposed changes to the standard for how vending machines in federal buildings would be evaluated, NAMA responded, citing flawed data based on machines no longer in use. The result: a 40% increase in the number of machines eligible for the program. [Read NAMA's comments here.](#)

**REST AREA COMMERCIALIZATION** » NAMA is collaborating with over a dozen groups to oppose efforts to commercialize highway rest areas, which would be harmful to operators. At the Fly-In in July, coalition members met with several congressional offices to gain additional support for this issue.

**OCS/PANTRY AS DEDUCTIBLE EXPENSES** » In June, NAMA urged the Department of Labor to add office coffee and pantry services to the final rule around Regular Rate of Pay. This would allow employers to deduct the expense of these workplace perks when determining if an employee is eligible for overtime. Additionally, this provides operators with another business benefit to promote to OCS/pantry customers. [Read NAMA's comments here.](#)

## State-Level Strides



GEORGIA CONVENIENCE SERVICES DAY

**↑ 25%** **THE INDUSTRY'S GROWING IMPACT**

Convenience Services Days took place in 21 states in 2019 — a 25% increase over last year. Members converged on their state capitols to advocate for the industry, including pushing for favorable legislation and regulations while building important relationships with elected officials.

“micro markets,” and setting a reasonable fee structure in line with surrounding states. OVA members met with legislators during its lobby day to educate them on the importance of passing the bill in order to create certainty for operators and health officials in their classification.

**WASHINGTON STATE** » Proactive engagement by NAMA in Washington State helped secure additional time for the phaseout of HFCs in vending machines. Pending the adoption of the proposed rule, operators in the state will have until 2022 to find a viable alternative.

**MAINE** » Aided by relationships built during the Maine Convenience Services Day, NAMA and the Pine Tree Vending Association quickly mobilized to defeat a proposed state vending tax increase. The measure would have forced Maine operators to switch to a sales tax model, potentially costing them hundreds of thousands of dollars per year.

**CALIFORNIA** » Thanks to an advocacy groundswell by NAMA and CAVC, coffee was exempted from the Prop 65 warning list in California. This officially ends the need for operators to place warning signs in locations where coffee is provided/sold.

**OKLAHOMA** » NAMA and the Oklahoma Vendors Association (OVA) successfully advocated for the passage of a bill defining unattended food establishments or

# PUBLIC OUTREACH

## National Vending Day

To shine a public light on the industry, NAMA held its inaugural National Vending Day on March 7. The occasion was designed to celebrate “the people who make, sell, enjoy and love vending and the products the channel delivers.”

The initiative achieved three key goals: broadly showcasing the overall channel, giving operators a valuable marketing opportunity, and creating another leverage point for NAMA advocacy efforts.

Operators from coast to coast utilized a toolkit created by NAMA to amplify their own outreach. For example, Crane Merchandising Systems invited local students to its South Carolina headquarters to interact with vending professionals and technology.



NAMA secured high-level recognition for National Vending Day, including from the White House and the State of Illinois.



“We want to introduce the next generation of leaders to the career paths that come from vending services.”

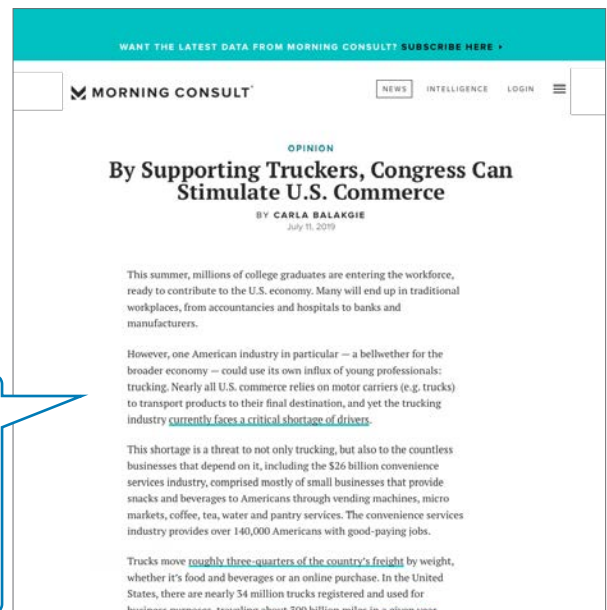
—Kim Reis, Crane Merchandising Systems



## Media Coverage

NAMA CEO Carla Balakgie penned an op-ed in support of the DRIVE Safe Act, speaking on an issue that resonated across numerous industries. The piece in the high-profile Morning Consult publication ran on the morning of the NAMA Fly-In, reaching a critical audience of DC-based elected officials and industry stakeholders.

*“This bipartisan proposal — gaining momentum on Capitol Hill — would address trucking’s driver shortage by enticing young drivers to join the industry through additional earning opportunities. Moreover, the bill would lower the interstate commercial truck driving age to 18 nationally, resolving many issues related to America’s retail distribution channels.”*



# ESSENTIAL KNOWLEDGE AND RESOURCES

## Industry Data

Released in July, **NAMA's 2018 Industry Census** provides an important benchmark for member companies and stakeholders on significant trends and overall opportunities. The overarching takeaway from this NAMA Foundation-funded study: industry revenue grew by nearly \$1 billion since 2016 — to \$26 billion. This is attributed mainly to business diversification and technology enhancements.

The census also revealed new data on electronic payments, pre-kitting routes, better-for-you offerings and more. Additional highlights include:

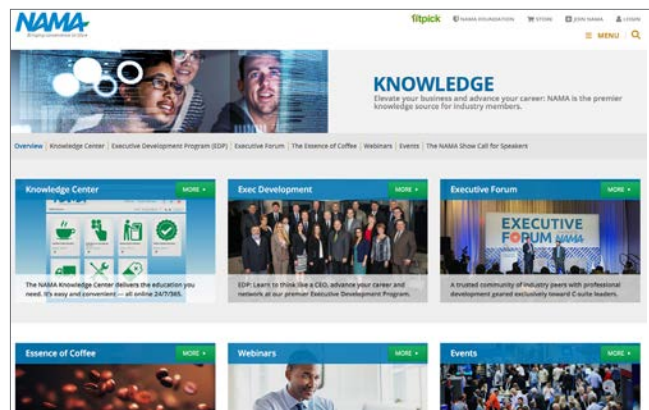
- Vending still generates the largest share of industry revenue at 70+%.
- Pantry service growth is skyrocketing, prompting NAMA to formally address it as a distinct channel.
- Micro market revenue has nearly doubled since 2016.
- Office coffee service grew at a steady 8%.



## Digital Content Delivery

### ONLINE ENGAGEMENT »

NAMA's enhanced website has undergone continuous improvement designed to provide added value to users. More than 20,000 new visitors in Q1/Q2 spent triple the time on the site compared with a year ago. Analytics also show that a third of users are millennials and that nearly a third visit the site on a smartphone or tablet — signs that NAMA is delivering relevant content in a useful format across a range of industry roles and demographics.



[NAMANOW.ORG](http://NAMANOW.ORG) >

### WEBINAR LEARNING »

A push to increase the variety and relevance of NAMA webinars has paid off, with a steadily increasing number of members taking advantage of this convenient educational format. For example, providing value-added content and responding to member demand, NAMA delivered a webinar on the future of CBD as it relates to convenience services, including legal and legislative issues. Other well-attended webinars focused on micro market security and cashless payment research.



## Live Education

Educational programming at the NAMA Show delivered on its promise to connect members with the latest consumer trends and industry innovations. Ranging from pre-conference sessions on artificial intelligence and pantry services, to the unveiling of new research, attendees came away inspired to infuse fresh knowledge into their business strategies.

Designed with member input, Learning Lab sessions were situated right on the show floor, enabling seamless participation by exhibitors. With attendance at capacity, these new sessions delivered high-level industry metrics and best practices on cashless payments, artificial intelligence and navigating change.

NAMA also introduced a new Small Operator Roundtable, responding to growing interest in education targeted to this important segment. The facilitated discussions on digital marketing, cashless payments and other topics engaged members in dynamic conversation and idea sharing.



“Excellent presentation and data. Will definitely affect the way we implement our business plan in a positive way!”

—Learning Lab attendee



## SIGNATURE EVENTS

### NAMA Show

Attendance, energy and engagement were all sky-high at this year’s NAMA Show, which drew more than 4,600 attendees and a record 366 exhibitors to Las Vegas in April.

Newly enhanced features encouraged stronger connections with new products and people throughout the show. These included an expanded **New Product Zone** showcasing 125 new items; a **Better for You Pavilion** featuring the latest in healthy snacks and beverages; and **Vend THIS! Exhibitions** highlighting new and different non-consumable products. The **USAT Partner Pavilion** enabled attendees to explore integrated solutions related to increased consumer engagement, digital payments and back office management.

The **NAMA** Show 2019  
Meet with Convenience

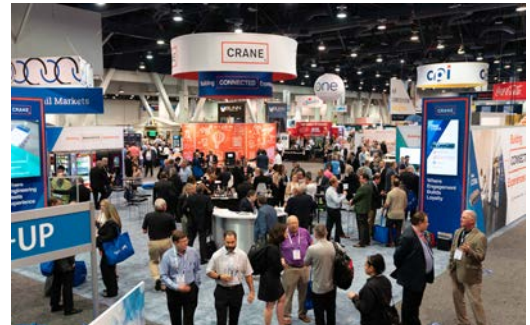
At the general session, futurist and author Mike Walsh delivered a thought-provoking keynote, presenting a vivid portrait of a brave new world orchestrated by machines that think. He challenged members to use data to better understand customers and to elevate their strategy around work processes.

Show-goers also had a chance to relax and kick up their heels. More than 600 attended the first-ever **NAMA Jam**, launching the opening evening with cocktails, conversation and a performance by Clif Bar's own Grove Valve Orchestra. Others hit the court for 365 Retail Markets' second annual **Charity Basketball Jam** benefiting the NAMA Foundation.



“A brilliant opportunity to see what is new and on the horizon.”

—Melinda Grandell, Accent Food Services



## ON TAP FOR FALL

Momentum will continue to build through the remainder of the year as NAMA delivers bold initiatives for members and the industry, including the 3rd Executive Forum for thought leaders; the Coffee, Tea & Water Show; and further announcements about the major public health commitment by the industry. “Doing Well by Doing Good” is an important theme introduced at the NAMA Show that will shape the industry’s image and impact for years to come.

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