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## Atlas Foods Hails Paykey System Success In Eliminating Cash From Vending Machines

GREENVILLE, SC — The vending industry has lagged behind other retail channels in offering cashless payment options to its customers. While vending equipment presents more of a challenge than supermarkets or fast food restaurants, methods for adding this sales-boosting convenience have been under development for decades, and several solutions available today are finding widespread acceptance.

One of these is offered by Paykey USA, and features a proprietary contactless “Pkey” (a durable, heavy plastic shell containing a memory device) to store credit that the consumer can spend on vending purchases. Deployed extensively in Europe, an installed Paykey system typically consists of a number of standalone vending machine controllers and a set of “Pkeys,” one for each customer. No network is required, so no wireless or radio links are involved.

The computer chip in the “Pkey” is powered by the inductive field of the machine controller, so no battery is needed. Machine controllers store transaction data for easy retrieval and, since the machines usually do not accept money, there is little occasion for theft or vandalism.

Value is added to “Pkeys” with the system’s “RCS100” recharge station. Manufactured for Paykey by Standard Change-Makers (Indianapolis, IN), the recharge station is fitted with a Coin Acceptors bill validator and optionally incorporates an “e-Port” credit card terminal from USA Technologies (Malvern, PA). The “RCS100” serves



**ONE PER CUSTOMER:** The ‘Pkey’ is now used on some 60 vending machines operated by Atlas Food Systems & Services at the Honda facility in Florence, SC. The contactless “Pkey” (a durable, heavy plastic shell containing a memory device) stores credit that patrons can spend on vending machines equipped with Paykey cashless technology. The Paykey system requires no network, so no wireless or radio links are involved.



as an easy-to-use self-service revaluating terminal.

“Pkeys” can be imprinted with the operating company’s or the client’s logotype. Packed in sundry-sized vend boxes, they can be vended from glassfront snack machines.

Atlas Food Systems & Services (Greenville, SC) has extensive experience with the Paykey system, and reports excellent results. As patrons become accustomed to the convenience and ease of cashless purchases, the likelihood increases that they will embrace vending machines that do not accept cash at all.

Atlas has made this transition with one major account, the Faurecia automotive products manufacturing plant in Fountain Inn, SC. Atlas installed the “Paykey” system there early in 2002, and recently has been given the green light to remove the coin mechanisms and bill validators from its machines, thus going completely cashless.

“We anticipated an evolutionary ef-

fect that would eventually allow us to remove the coin mechs and validators, and replace the bill changer with a Paykey ‘RCS-100’ recharge station,” said Billy Clement, Atlas Food Systems vice-president of vending operations. With all the cash and coins confined to one machine, security is enhanced and net investment reduce, he pointed out.

Initially, of course, Faurecia’s 300 employees could make their vending purchases with cash or coins, or with their new “Pkeys.” Very soon, “Pkey” use increased as patrons found out how easy and convenient it is to use.

Faurecia human resources director Neile Bramlett welcomed the added convenience that employees were enjoying. He predicted that they eventually would welcome a completely cashless environment.

In March of this year, Faurecia and Atlas Food Systems successfully transitioned the location to a completely cashless vending environment, and employees and managers alike have been pleased with the result. Atlas offered a final sign-up promotion, giving away keys, and now sells them through its snack machines for a nominal \$3 price. Employees have become accustomed to

using “Pkeys” as their only medium for making purchases from vending machines.

One snack machine still accepts bills and coins, whose primary use is to purchase “Pkeys.” The “RCS100” recharge station in the plant accepts cash as well as debit and credit cards; a single telephone line handles transaction verification.

Atlas Food Systems district manager Donny Gettys noted that “Paykey is an easy system for me to implement with my attendants. Atlas has saved a lot of money by using Paykey, due to less money handling and fewer maintenance and money acceptance problems.”

Atlas thus has learned that, over time, employees not only will accept, but will welcome, a cashless vending environment. One Faurecia staffer said, “It seems like I’m spending more money, and that’s what everyone says, because it’s more convenient. Plus, I don’t have to worry about dropping my quarters under the machine!”

Fellow employee Valerie Byrd, a frugal shopper, reported that she simply puts a \$5 credit on her “Pkey” on Monday morning, and uses it all week.

Atlas expects the sales increase resulting from the greater convenience of the Paykey system – no concern with insufficient change or small bills, no need to deal with change payout – to approximate 5%. In addition, the operation benefits from the “float” that results from receiving payment before purchases are made. Vice-president

Clement pointed out that this use of the time value of money represents a unique way to recover the investment in the Paykey system.

Operators on the other side of the continent also are finding that their patrons respond very positively to “Pkeys.” Tri-Star Vending (Las Vegas, NV) is one of them, and has begun purchasing the handy cashless media personalized with its company name and logo.

“Paykey has become an integral part of our program,” said Tri-Star chief executive officer Kevin Grundy. “Our customer satisfaction level is increasing significantly, due to the reliability of electronic funds transfer with ‘Pkeys’ versus traditional bills and coins.”

Atlas also is customizing “Pkeys,” ordering them with the Honda logo for use by personnel in Honda of South Carolina Manufacturing’s plant in Florence, SC. Atlas has installed Paykey controllers in 60 Automatic Products international, Dixie-Narco and Crane National Vendors machines at the plant.

“We are finding that Paykey offers our customers a refreshing new approach to using our machines,” Atlas’s Clement summed up. “It works flawlessly, and is easy to install.”

Information about the system can be had from Paykey USA Inc., 122C Old Mill Rd, Greenville SC 29607, tel. (864) 527-4408, or online at [paykeytech.com](http://paykeytech.com).



**SALES SOLUTION:** Paykey USA now offers a sundry-size box for vending “Pkeys” from glass-front machines, allowing vendors to distribute them to location workforces.

**REVALUING TERMINAL:**

Vending Customers recharge their “Pkeys” with Paykey system’s “RCS100” recharge station (far right) using cash or credit/debit cards. The recharge station, made by Standard Change-Makers, is fitted with a Coin Acceptors bill validator and optionally incorporates “e-Port” credit card terminal from USA Technologies. Near right, Atlas has been able to remove the coin mechanism and bill validator from all machines at Paykey locations (except for snack machine that is used as a Paykey purchase station.)

