

WHITEPAPER

The Business Case for Intelligent Vending Machines

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The Business Case for Intelligent Vending Machines

Introduction

Using internet-enabled data collection software, we turn ordinary vending machines into state-of-the-art data sponges, absorbing a wealth of crucial information about your target audience, and sharing it with you in real time. Solutions Vending takes the guesswork out of your remote retail operation, and tells you who's buying what, when, and how much. Now you can cater your offering to appeal to your customer with a precision that is unheard of with traditional vending machines.

“Today only 1.8 million of the world’s 17.1 million vending machines are online. Every vending machine will eventually be connected, but costs for the wireless M2M hardware and subscription still need to come down significantly before this vision becomes reality.”

- Fagerberg, Senior Analyst, Berg Insights

Intelligent Vending Machine Opportunity

Currently, only 8% of the 7 million vending machines in the U.S are intelligent, which means they at least have wi-fi capabilities. Globally, revenue from vending machines is expected to reach \$18 Billion by 2020.

SVI’s solution

Intelligent vending machines vs. Dumb vending machines

The vending machine industry is outdated and archaic. The functioning technology was first made centuries ago. However, the current vending machines have not caught up with the computer age. Don't allow outdated habits, like messy spreadsheets and assuming customer demographics prevent you from reaching your sales goals and more importantly your sales potential.

Smarter vending machines mean more profits and fewer headaches. Update your vending machines to be more advanced than 90% of vending machines in the market through wi-fi capabilities, cloud storage, advanced payment features, an exclusive dashboard and real time inventory management. SVI software will fill the void where these dumb machines have not and allow for a more engaging and user-friendly experience at the point of sale.

SVI's Advantages over competition

- Facial-recognition technology and machine learning algorithms
- Proprietary Data and Analytics dashboard
- Demographic Profile Detection and Analytics
- Customer engagement analysis
- Conversion Analytics tracking
- Social sharing after purchase
- Lead generation at POS
- Marketing and advertising at POS

Comparing SVI

This graph shows allows you to compare the best intelligent vending machines on the market. As a startup, we are disrupting the standard in the vending market.

	Zoom Systems	SVI	IVS	Vengo	SAP	Byte	Green Vault
Consumer Product Focus	✓	✓	✓	✓	✗	✗	✓
Facial Recognition	✗	✓	✗	✗	✓	✗	✗
Conversion Tracking	✗	✓	✗	✗	✗	✗	✗
Social Sharing	✗	✓	✓	✗	✗	✗	✗
Consumer Analytics	✗	✓	✗	✗	✓	✗	✓
Remote Inventory Monitoring	✓	✓	✓	✓	✓	✓	✓

SVI FEATURES

Dashboard

The vending machine can become a marketing and analytic hub for your business. Our fully customizable platform connects you to your vending machine in real time, creating a dashboard for you to manage all aspects of its operation, from advertising analytics to inventory reports, as well as providing a more streamlined experience for your customer.

Features & Benefits

- Simplify purchase with digital payment processing
- Keep product on shelves with real time sales and inventory reports
- Option to ship to an address
- Advertising platform and management
- Enterprise level analysis suite

Inventory Reports

Inventory monitoring means you know exactly what's selling, what isn't, who's buying, and how often machines need to be restocked.

Features & Benefits

- *What's selling*
 - Bestselling products are easily identified by location of items, location of vending machines and sales velocity.
- *What isn't selling:*
 - Remote monitoring of inventories means less unnecessary trips, minimizing the time and cost of replenishment.
- *Who's buying:*
 - Consumer analytics can inform decisions about which machine placements will yield the most profits, helping reduce trial and error when installing

Demographic Detection

- Determine gender, age, emotional state, and engagement at point of sales (POS)

- Provide a secure interface for ID verification (for regulated and high er-end products)
- Engage with customers beyond POS by allowing them to opt-in email and create an account
- Account creation increases customer loyalty and engagement
- Make purchasing easier. No cash, no card, no problem! Includes Apple and Android pay, along with the exclusive ability to ‘Pay With Your Face’.

Emotion Detection

Impulse buying is a well-known, but less understood phenomenon. With SVI technology, now your customers have a clearer window into the mindset of your customer. Our software can detect emotions, and provide your customers with a new way of understanding what triggers consumer behavior. We can track how long a consumer spends at the machine, what they’re looking at, and what their state of mind is at point of sale.

Facial Recognition

SVI has exclusive access to the Kairos facial recognition API for vending to collect the following:



Crowd Demographics

Measure quantity & characteristics of people in the real-world settings.



Gender Detection

Detects gender and assign a probability score to each detected face



Engagement Measurement

Measure smiles, engagement time, number of glances, and attention span.



Age Detection

Detects approximate age and groups faces as very young, young, adult, or senior.



Emotion Analysis

Analyze facial expressions and engagement of people in video.

“If we can go further than impulse buying and learn which emotions triggers someone’s desire to buy, under different circumstances, then we have unearthed a wealth of psychological insight.”

- Richard C. Okorie, J.D., VP of Sales and Co-Founder, SVI

Sales Conversion

Smart vending machines offer a richer experience at POS. More engaging marketing means fewer missed sales opportunities. Analytics help determine exactly what’s selling and who’s buying, optimizing your efforts and improving your bottom line.

Features & Benefits

- Track customer engagement in front of the vending machine in order to calculate conversion rate
- Gain consumer insights by capturing attention and emotion
- Optimize marketing dollars by measuring the effectiveness of your advertising
- Customizable reporting allows you to manage customer profiles and traffic pattern data for each location
- Engage customers with on-site surveys
- Engage customers via email and social media
- Increase Referrals through visibility from customer social media postings

“....location and purchase history data make it possible to give individuals personalized offers at the point of sale; predictive forecasting based on consumer demand variants can eliminate stock shortages; and machine learning algorithms can schedule maintenance before plant outages occur.

- Seth Moser, director, consumer goods and services, Accenture Customer Innovation Network

Meet Julie

Julie is a 28-year-old woman living in New York City. She lives an active fast paced life and uses technology and apps to make her life easier. She uses delivery services for her groceries and meals because she with very little time to go browse or wait in line at the store; she takes the train to work or uses a ride sharing service so she can spend her commute being productive; She often needs to grab essential items or shop on the go so she prefers to shop online, however sometimes even 2-day delivery is too long and she needs her items immediately.

Envision a world where Julie can purchase her products from a vending machine. These machines are a convenient way for Julie to shop with ease and they are always stocked with exactly what she needs. Because she opted in her email address her last visit, the vending machine recognizes her and it suggests what she should purchase based on her purchase history and registered preferences, and gives her a discount for being a loyal customer. Julie is ecstatic. She takes a photo with her new purchase at the machine, brags about her experience via social media and leaves a happy customer.

The owner of the vending machine that Julie shops from uses Solutions Vending software to capture demographic data and sales data. They can log on to their SVI dashboard and see Julie's purchase, her demographic profile (female, adult), her emotions and engagement in real time (happy, female adult) and send her a thank you email and an offer to return again.

SVI is making this world possible. Where convenience and accessibility of products allow your customers to have the exact same enjoyable experience Julie had, while letting you manage your customers experience.

Management, Ownership & Rights

Solutions Vending provides a turnkey solution for brands/operators who want to purchase a custom vending machine based on your specifications. Customized vending machines products will be ordered, filled and managed by the brand/operator and will be licensed through the vendor of your choice.

Once the machine is purchased you will be the owner of the machine. This will be your business. You will be responsible for the costs associated with managing it, marketing it, replenishment, service, sales calls, venue contracts.

Venue placement

SVI is available to assist and guide brands and operators in this process of locating, securing, and signing a placement lease with a venue.

Overcoming Objections/Risks

As an existing vending machine operator or an aspiring entrepreneur, we know you have current risks problems with not having comprehensive sales reports, consumer data, and monitoring conversion. Alleviate these problems with SVI technology.

You have little to no downside in building your next business by using our intelligent vending software. With mall traffic reducing, more and more companies are seeking new and novel ways to expand their reach. Vending machines are a low risk way to increase brand visibility and reach new markets. Intelligent vending is the ultimate direct-to-customer distribution, and the data you collect will benefit your marketing strategy well beyond point of sale.

Five Ways To Receive A Return On Your Investment

- Vending machines experience a 40% Increase in sales when customers have a credit card or cashless pay option
- Studies show a 33% increase in sales when consumers are marketed at the point of sale
- Experience up to 42% increase in sales by reducing shelf-life and having correct item in stock through real time inventory analytics
- Additional revenue stream on digital ad screens can generate over \$18,000 in annual revenue

Data Analytics

Companies like Google and Shopify have been extremely successful and scaled by helping websites and ecommerce stores understand their customers and their traffic. However, SVI is the only company collecting and managing that data for the automated retail industry. To understand your customers is to understand their needs. Our intelligent vending software offers an unparalleled peek into the world of your target market. This understanding into the profile of your customer can help to determine what and how you

market to your demographic with exacting accuracy.

Accuracy

SVI uses facial recognition technology developed by Kairos specifically for retail data collection. Our software can detect age with an 85% accuracy and gender with a 92% accuracy. You can track and match faces at lightning speed. Kairos' patented science and research ensure high match rates in real world scenarios and it performs well in low lighting, and partial face view. With over 500 years of collective experience, Kairos is dedicated to understanding the human face. This means we are able to yield the fastest and most accurate results for any scenario.

Increase Sales and Lower Overhead Costs

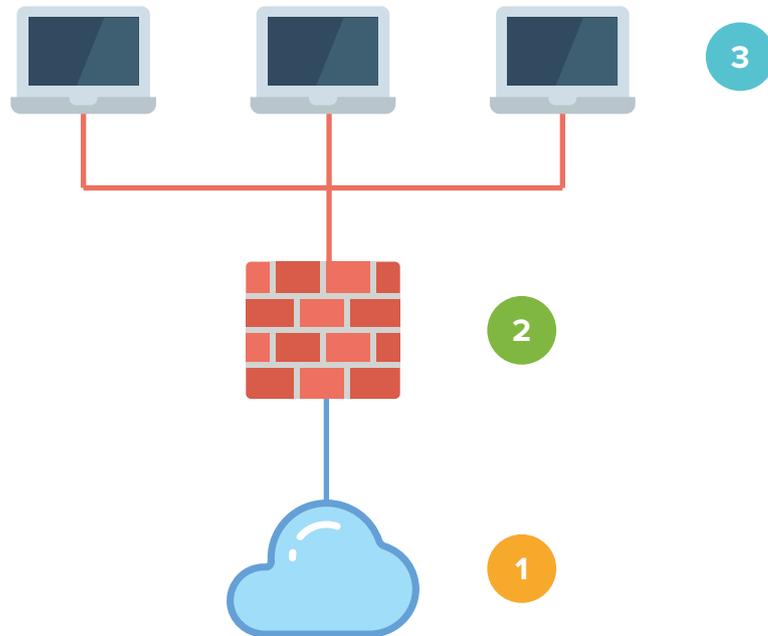
Impulse buying is a well-known, but less understood phenomenon. If we can go further than impulse and learn which emotions triggers someone's desire to buy, under different circumstances, then we have unearthed a wealth of psychological insight. With SVI vending technology, now your customers have a clearer window into the mindset of your customer. Additionally, logistics and inventory is important in the overhead of your business. SVI's inventory monitoring means you know exactly what's selling, what isn't, who's buying, and how often machines need to be restocked.

Security, Privacy and the Cloud

SVI takes privacy and security seriously. SVI does not store any personal identifiable information and any face template data we create cannot be reverse engineered. We treat each machine as if it were another server in the cloud. Only persons with a key can remote access it. We use an IP firewall rules to protect against attacks.

SVI use SSH keys for authentication, which virtually eliminates the risk posed by brute-force password attacks by drastically reducing the chances of the attacker correctly guessing the proper credentials.

SVI also uses SSL support. SSL is a security protocol that allows sensitive information such as credit card numbers, social security numbers, and login credentials to be transmitted securely.



Pricing

Hardware

Price of the hardware varies based on size, capacity, specifications and customization options.

Software

There is a monthly fee to access the software dashboard to monitor your sales, inventory and customer information. You pay to collect and store data that can be used to increase sales and grow your business.

Transform your business with SVI

Next Steps

Be a part and ahead of the 21st century with SVI's software analytics for automated retail. Vending is an affordable and low risk opportunity that any entrepreneur can get behind. Regardless of what industry you are in, you can increase your profits by stepping into the automated retail industry.

Are you an entrepreneur looking to be a part of a ground-breaking opportunity and technology? Are you ready to own your own business without the headache of an employee, including the stress and overhead costs associated with managing an employee?

If so, contact and schedule a time with our VP of Sales, Richard Okorie, to discuss the next step in growing your business.

Contact

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