This is Convenience Services

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
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.

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.

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

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.

**TOTAL ECONOMIC IMPACT**

$24.6 BILLION

**TOTAL JOBS PROVIDED**

140,400+

**TOTAL WAGES PAID**

$7.2 BILLION

**TOTAL TAXES GENERATED**

$3.5 BILLION

Telling the Story

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

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.
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.

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.

“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 Balakgie drove home the value of the discussion.

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.

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

– Penny Mahon, Royal Cup Coffee

A Vibrant Show Floor

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