

12 Terms Every Vendor Needs to Know



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To succeed in the convenience services business, there is jargon every operator must know. For example, does a dongle work with DEX or the MDB (and what's the difference between them)? Why are some VMS called Saas? What makes dynamic scheduling different than traditional scheduling? To ensure operators have the answers they need, we rounded up the most commonly used acronyms and terms in the vending industry in order to create this easy-to-understand reference guide for vending terminology.

DEX – DEX, or digital exchange, is how the vending machine communicates information such as turns, inserted coins, pricing, card swipes, errors, etc. It is based on computer language (specifically an ASCII code-based electronic audit file) and is generated by the vending machine controller (VMC) which is inside the vending machine. [NAMA has worked in the past to standardize DEX information](#) so operators could easily bring this data into various route management systems from different makes and models of vending machines using handheld devices or telemeters.

Dongle or key – A dongle, also called a key or hardware key, is essentially a piece of hardware that can be added to a device to offer additional functionality. In vending, the most common “keys” either attach to the [MDB](#) to allow cashless payment functions or connect to the [DEX](#) port to transmit DEX data wirelessly.

Dynamic scheduling – Rather than visit a vending machine on a pre-set day of the week, dynamic scheduling uses [item-level tracking](#) to schedule service. It's part of a [VMS](#) and can use real-time data about what items have sold in the machine or predictive data based on previous sales. A driver no longer has a predetermined schedule, but runs a route based on empty slots and low [par levels](#). It has been known to allow route consolidation and works in conjunction with [prekitting](#).

Item-level tracking – Item-level tracking refers to turns for a specific item in the vending machine, rather than tracking what sells by row, column, or category of vending product in a specific machine. It is done with technology and used by [VMS](#) to produce more accurate product sales reports and provide additional cost saving options such as [prekitting](#) and [dynamic scheduling](#).

MDB – MDB, or Multi Drop Bus, is the way a vending machine communicates to a cashless payment system using the vending machine controller (VMC). [NAMA works continuously to revise the MDB standards](#) allowing for a comprehensive treatment of cashless transactions across convenience services. The MDB is also used for [telemetry](#) devices.

Merchandising – Merchandising is a broad term for optimizing the product mix inside a vending machine, the visual presentation of the products, and any vending area signage. Because it relates to product sales, it is also a term used for coupons and marketing materials offered to vending customers.

When associated with optimizing products, merchandising is a tool of a [VMS](#). It shows which products sell best at a specific vending machine and might recommend doubling up on fast-moving products to avoid sellouts or having to increase service.

Par level – A par level is a minimum level of product that needs to be in each vending machine spiral at the time of service. Having a par level instead of letting a product sell out makes the machine look full and guarantees no consumer sales are lost. It is used by a [VMS](#) to create a dynamic schedule and by some warehouse programs to trigger product reorders.

Prekitting – Prekitting is the process of packing a tote or kit for each vending machine based on what has sold. It keeps products in the warehouse instead of on the delivery vehicle, which results in cost savings. It is usually part of a [VMS](#) and can be based on real-time or forecasted sales information.

SaaS – Software as a service (SaaS) is associated with cloud-based vending software, such as a [VMS](#). Instead of the software being hosted by the vending company using a server, a third party hosts the software allowing access to the operator via the internet.

Telemetry – Telemetry refers to the recording and reading of vending machine information off site, generally in a centralized location such as a headquarter building. A telemeter is the device that allows for telemetry. Telemetry does not allow cashless payment acceptance. However, many cashless payment acceptance devices have a built-in telemeter. A [wireless connection](#) is needed to send and receive data from the telemeter.

VMS – A vending management system (the S can represent software as well) refers to a centralized management platform for vending machine data. Often this information is [DEX](#) data brought in via handheld devices or remotely through a [telemeter](#). Different VMS have different features, but most provide [item-level tracking](#), the ability to [prekit](#), the ability to set [par levels](#), the option to [dynamically schedule routes](#), reports for better machine [merchandising](#), and sales forecasting.

With the evolution of other services, such as micro-markets, [NAMA is working to standardize VMS integration](#) which will allow the VMS to accept more types of information than just DEX data from a vending machine.

Wireless connections – Wireless connections are used for cashless payment systems and [telemetry](#) devices. There are two main types of wireless connections vending operators may use. The first is a digital subscriber line (DSL) and the second is a cellular connection. DSL works through a location's existing telephone lines enabling the transfer of large amounts of data quickly. Cellular connections work through the mobile telephone system, relying on radio waves to send and receive data. It allows a vending machine to wirelessly connect independently of the location's hardware or online services.