Michigan State University Study, in Partnership with USA Technologies, Finds Revenue Increases of 110% After Cashless Payments Technology is Added to Low-Performing Vending Machines

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Low Performing Machines Studied Increased Cashless Sales by 131% and Cash Sales by 97% after 18 Months of Connectivity to USAT's Cashless Payments Platform

LAS VEGAS--(BUSINESS WIRE)--Apr. 25, 2019-- **The NAMA Show** - While many vending operators prioritize equipping high-volume machines with cashless technology, a recent study found that low performing machines can offer significant revenue growth as well. According to a recent study that was conducted by Michigan State University (MSU) in collaboration with USA Technologies ("USAT") , a premier digital payment, consumer engagement and logistics service provider for the self-service retail market, vending operators who added cashless technology to machines with less than $2,000 a year in sales experienced top line sales growth of 110 percent on average over the first 18 months following deployment; this compares to the average 35 percent increase on the total population of machines.

The study found that, following deployment of cashless technology, machines experienced an increase in cash sales as well. While cashless sales increased by 131 percent on low performing machines after 18 months compared to 78 percent on the total population of machines studied, cash sales increased by an average of 97 percent on the low performing machines during that same period, compared to 17 percent on the total population of machines.

Results of the full report will be presented by Jim Turner, data analyst at USA Technologies, during the NAMA Show on Thursday, April 25, 2019 at 11:00 AM on the Show Floor, NAMA Learning Lab.

"We believe that the results of this study underscore the real financial and operational value of adding cashless technology to every machine," said Jim Turner, a senior data analyst at USA Technologies. "Not only could cashless technology facilitate more sales because it enables people to pay with whatever method is most convenient for them, but it could significantly increase cash sales as well, which is partially driven by the ability to offer premium products and an increased awareness of machine performance due to online management tools. We believe that having the data to make better decisions, even on a low-performing machine, can potentially result in significant additional revenue for operators."

The study also found that on average, over the first 18 months following deployment, for machines equipped with cashless technology:

- There was a 26 percent growth in total transactions

- There was a 74 increase in credit card transactions and 13 percent increase in cash transactions

- 70 percent of all growth was accounted for by increased transactions

- Spend per transaction was up seven percent overall

The study was conducted by Michigan State University's Broad College of Business - MS Business Analytics (MBSA) program, which provides an educational experience that combines a number of University resources in addressing the study, research, and application of analytics. As part of the program, USAT provided MSU with access to its "Knowledge Base" database which captures sales and transaction data on all machines connected to USAT's cashless payments platform. MSU then analyzed the data on select machines to evaluate sales activity up to 18 months following the addition of cashless technology. Results were based on sales activity of 250,000 vending machines connected to USAT's cashless payments platform nationwide, including 95,000 low performing machines.

"MSU's MSBA program conducts eight to eleven studies per term with industry partners as capstone projects. We are happy to have partnered with USA Technologies on this study of consumer behavior around cashless technologies on vending machines, the largest study of its kind," said Gayle D. Cohen, M.Ed., Assistant Director of Graduate Programs at Michigan State University. "Projects like the one with USA Technologies provide a great opportunity that allows MSU students to get valuable first-hand experience in computational business analytics, machine learning, and big data analysis."

About USA Technologies

USA Technologies, Inc. is a premier payment technology service provider of integrated cashless and mobile transactions in the self-service retail market. The company also provides a broad line of cashless acceptance technologies including its NFC-ready ePort® G-series, ePort Mobile® for customers on the go, ePort® Interactive, and QuickConnect, an API Web service for developers. Through its acquisition of Cantaloupe Systems, Inc. ("Cantaloupe"), the company also offers logistics, dynamic route scheduling, automated pre-kitting, responsive merchandising, inventory management, warehouse and accounting management solutions. Cantaloupe is a premier provider of cloud and mobile solutions for vending, micro markets, and office coffee services.

Useful Links:

USA Technologies: https://usatech.com/

Twitter: https://twitter.com/usa_tech

YouTube: https://www.youtube.com/user/USATechnologies

Resource Center: https://usatech.com/resource-center/the-benefits

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Forward-looking Statements:

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