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## USA Technologies' Two-Tier Pricing Program Tops Milestone of 11,000 Locations Nine Months After Launch

MALVERN, Pa.--(BUSINESS WIRE)-- [USA Technologies, Inc.](#) (NASDAQ: USAT) ("USAT"), a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries, today announced the achievement of a milestone 11,000 customer locations utilizing USAT's Two-Tier Pricing Program, nine months after launching the program in January.

USAT's Two-Tier Pricing Program provides operators of small-ticket, unattended terminals such as vending machines, the ability to charge two different prices—a standard retail price for credit/debit card transactions, and a discounted price for cash purchases.

Jim Turner, vice president of deployment services for USA Technologies, commented: "Our Two-Tier Pricing Program has been gaining strong traction with operators of our unattended retail locations as they recognize the benefits of cashless adoption and the valuable role two-tier pricing can play in their purchasing decision. In addition, we continue to monitor consumer reaction to two-tier pricing through the USAT Knowledge Base, including a recent analysis of two-tier pricing deployments using a population three times larger than our initial analysis earlier this year. We believe the positive data from this recent analysis continues to strengthen the case for cashless adoption by our customers," said Turner.

### The Benefits of Two-Tier Pricing:

- Provides operators the opportunity to improve their return on investment when implementing cashless and telemetry solutions by offering consumers the option of two vend prices — a standard price for credit/debit and discounted price for cash;
- Incremental revenue for operators due to higher vend prices;
- Offers operators the ability to drive cashless convenience more deeply into their customer base due to improved ROI; and,
- Provides a flexible system that enables operators to set their own credit/debit price, by account or machine, remotely through the customer portal of ePort Connect®.

### Findings from the Latest Two-Tier Pricing Knowledge Base Study

In September 2012, using its ePort Connect Knowledge Base, USAT evaluated the impact of two-tier pricing on consumer behavior. Following the initial analysis conducted in early 2012, which evaluated data from approximately 450 ePort terminals with two-tier pricing, the September analysis evaluated cashless sales and usage data from approximately 1,500 terminals.

The analysis tracked key metrics, per terminal, for the one month before and after deployment of USAT's Two-Tier Pricing Program to gauge the impact that two-tier pricing was having on cashless sales and usage. Consistent with the initial analysis, all key metrics—cashless sales as a percentage of total sales, aggregate cashless dollars, number of vends and average credit vend—grew, supporting USAT's view that consumers are willing to pay for the convenience of cashless even with a two-tier pricing structure. (Note: this analysis did not include vending machines where key metrics were affected by outside market conditions during the period studied, such as the opening of a college around the time that two-tier pricing was enabled.)

### What Customers are Saying

**Snackworks:** "Based on our own experience, consumers appear to have accepted two-tier pricing because of the convenience it offers," said Lisa Leuchter, founder and co-owner of [Snackworks](#), with well over 1,000 vending and coffee machines in Florida. "Adding USAT's Two-Tier Pricing Program as one of our cashless payment options has helped us to be more flexible and competitive, and is bringing in enough additional pre-tax profit to pay for our card processing and one-third of our ePort Connect service fees. The program has made installing cashless payment more viable with a broader base of customers," she said.

**The Rawls Distributing Company:** "We are continually adding new technology and services to improve operations and

the customer purchasing experience," said [Robin Rawls](#), founder and owner of Rawls Distributing Company, with 1,200 vending machines in Georgia. "I was prompted to try USAT's Two-Tier Pricing Program when I learned about the positive findings in their latest study of two-tier deployments. Now, we try to get two-tier pricing on all of our machines as existing contracts run out with some of our more intractable clients. Their employees want the service and are willing to pay for it," he said.

**CNC Vending:** Another company taking advantage of USAT's Two-Tier Pricing Program is [CNC Vending](#), of Texas ("CNC"). Owner/operator, Chuck Olson, acknowledges that consumers are spending more at CNC machines when they can pay with their debit or credit cards instead of cash—on multi-vends and on higher priced items. "Every CNC vending machine that goes out now has an NFC-enabled card reader, giving our consumers more convenience, ease of use and speed of transaction, adding so much more value to their shopping experience. This was another reason for going with USAT's Two-Tier Pricing Program. We can offer every payment option and open up new streams of revenue," he said.

"We continue to enhance the value of every connection for our customers, and for USAT," said USAT's Turner. "Our Two-Tier Pricing Program is a great example of that; we are extremely pleased that we have attracted 11,000 ePort Connect locations to our Two-Tier Pricing Program in just nine months. Operators of our self-serve retail locations, particularly in vending, are now realizing that USAT's Two-Tier Pricing Program can help them to quickly scale their cashless deployments while also enhancing their business returns," concluded Turner.

For more information about USAT's Two-Tier Pricing Program, contact a USAT sales representative at 1-800-633-0340. For information on USAT's 2012 Knowledge Base study released in June 2012 that compiled and evaluated data from approximately 57,000 terminals across 39 different channels and customer types on USAT's ePort Connect service, click [here](#) or access at [www.usatech.com](http://www.usatech.com).

#### **About USA Technologies:**

USA Technologies is a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries. ePort Connect® is the company's flagship service platform, a PCI-compliant, end-to-end suite of cashless payment and telemetry services specially tailored to fit the needs of the small ticket, self-service retail industries. USA Technologies also provides a broad line of cashless acceptance technologies including its NFC-ready ePort® G8, ePort Mobile™ for customers on the go, and QuickConnect™, an API Web service for developers. USA Technologies has been granted 84 patents; and has agreements with Verizon, Visa, Elavon and major customers such as Compass, Crane, AMI Entertainment and others. Visit the website at [www.usatech.com](http://www.usatech.com).

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