

By Ric Harry

CASH on tap

There is a segment of our industry where regardless of dealership size, there is an opportunity to make vended water a profit center. There are dealerships that have purchased vending equipment or manufactured their own; some vend from their dealership and others throughout their community and in some cases, throughout the nation. In any case, dealers who vend generally report vended water to be profitable a segment of their business.



Many water dealers find opportunities in water vending

Cashing in Again & Again

Throughout my travels, I continually see opportunities where water vending machines could be placed.

Many consumers prefer to draw their drinking and cooking water from somewhere other than their kitchen tap. The applications to place water-vending equipment continue to astound me, but the obvious ones are water stores.

Every water dealership I have worked that has a water station yields a worthwhile profit from its on-site fill station. Utilize whatever facility you have to generate incremental revenue. Much like how a water cooler at a show attracts people to the booth, vended water attracts people to the facility. This not only serves to generate revenue but also creates reoccurring revenue because these customers will return weekly or biweekly for more water.

For those who have retail stores, vended water will not only enhance your image but also create a steady flow of sales activities. In some cases, vended water may start as a lost leader, but this can often evolve into larger sales as time goes on. Although these customers may be making small purchases of \$3 to \$10 a week, when these sales are annualized the profit can be significant. Further, this is revenue with little to no cost of sales. Also consider the quality of these frequent visiting prospects or leads—these customers could represent \$1,000 to \$5,000 in revenue from equipment sales.

Not Just a Drop in the Bucket

For those dealers who have vended water machines in big-box stores, grocery chains, sports and fitness centers or at high-traffic shopping locations in their communities, I would suggest that those customers be utilized to their fullest. Offer incentives to keep customers coming back, such as prepaid programs or a free 10th fill, and keep customers informed of additional services you may offer, such as cooler sanitization or other various services.

Other great places for water vending machines are apartment buildings, condos, gated communities, community centers, recreational parks and facilities. To some degree, this is a captive audience. The ease and convenience of having vended water where people live or frequent makes the buying decision simple for them. There are opportunities to continually promote other products and services that may be suited to that particular audience as well, such as filtering showerheads, water conservation devices or reusable drinking water accessories.

Doing it Right Pays Volumes

The water-vending segment of our industry is a valuable service to many in any community. There are consumers who have greater confidence in the water coming from a vending machine more so than what would be drawn out of their tap. There is also the sense that commercial water vending equipment is monitored and maintained more diligently and at a higher standard than if the consumer had similar equipment in their own home. Subsequently, it is imperative that we deliver a quality product that exceeds our moral obligations and the various regulations.

Vended water accommodates the wants and expectations of the hundreds and thousands of residents who are apartment or condo dwellers, where installing water treatment equipment may not be permitted. There are also those who live seasonally in different parts of the country. There are some circumstances where rural water would be too costly or not practical to treat compared to vended water.

Consumer buying behavior has also shifted to where shopping is done more frequently and in smaller quantities. The most commonly reported rationale of consumers using vended water is its simplicity, confidence that qualified personnel are looking after the quality of the drinking water and that the cost is easily managed and relatively low considering the value.

Find a Need & Fill it

There is a genuine need for high-quality drinking water to be dispensed from vending machines. Take a drive through your market area to find where the vending machines are, but more importantly, where opportunities are to place vending machines.

Vending water is a valuable service in any community. It serves a large segment of society and can pour profits directly to your bottom line. *wqp*

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