

Lodging News

CANADA'S LODGING BUSINESS NEWSPAPER \$5.00

JANUARY 2008

| 11

Cashless vending pays off for Kingston hotelier

KINGSTON—Ask many hotel general managers about vending machines and they will roll their eyes in an expression of exasperation. Vending machines are sometimes more of a liability than an asset thanks to breakdowns, break-ins and vandalism. In addition, most vending machines require cash. That means guests have to get change from hotel staff, or the hotel has to invest in a bill changer.

Susan Freitas, general manager of the 171-room Four Points by Sheraton in downtown Kingston, Ontario, has found a solution to the vending machine headache – use of cashless vending technology called Vending Genie, from Toronto-based cStar Technologies.

Freitas heard about Vending Genie from Venicio Rebelo at their sister property, The Ambassador Hotel in Kingston. The machines allow customers to use their room key cards to purchase vending machine items.

A year ago Freitas decided to install seven of the machines dispensing Pepsi products on the bedroom and meeting room floors. One immediate difference was the look of the machines – tidier, neater and easier to maintain than their coin-operated counterparts.

Since then, the machines have saved the Four Points both money and time. “We used to have to fill up the machines ourselves,” said Freitas. “Now head office fills them up.” Instead of having to empty cash from the machines, cheques are now sent to the accounting department.

Revenue and sales from the vending machines has at least doubled, she adds. When front desk staff tell customers what they can do with their room key card, that generates excitement. And part of the sales increase is due to the convenience factor – guests don't have to



Susan Freitas, general manager of the Four Points by Sheraton in Kingston with cashless vending machine.

search around for coins or get change from the front desk. Non-guests, convention attendees or family visitors can purchase pre-loaded cards as well.

“The customers love it,” says Freitas. “Parents can get their kids to use the card, and they don't have to worry about coins. I've been talking to other hotels, and people come by to see how our machines work. It's just a matter of time before other hotels come on board.”

Instances of cards not working are rare – it usually means the machine is out of product.

So what's next? “We are looking into chips and snacks,” said Freitas. “We want to be the first ones to be using that type of machine.” Another possibility is use of the machines that dispense hair products, toothbrushes and combs, eliminating the need for these items in a gift shop.