The Vending Operator Playbook

How to find and win locations, what to put in a location agreement, which commission to offer, and how to stock, lay out, source and price every machine. Written for new operators, with every vending term explained the first time it comes up.

A small business you can start with one machine.

You can start with one machine, keep your costs tied to the locations you win, and add machines as each location proves itself.

$31.1 billion

U.S. convenience services revenue in 2025, up from $26.6 billion in 2023. Vending machines bring in most of it.

NAMA industry census [1][2]

65%

Of vending operators reported revenue growth in 2025.

Automatic Merchandiser, State of the Industry 2026 [3]

24,152

Vending businesses run with no paid employees in 2024, up 11% in a year. Seven in eight vending businesses have none.

U.S. Census Bureau [4][5]

$6,284

NAMA's estimate of yearly revenue per vending machine in 2023, up from $4,032 in 2020.

NAMA Foundation industry census [6]

Inside

1 Prospecting for locations 2

2 Winning the location 3

3 Location agreements 4

4 Commission strategy 5

5 Stocking strategy 6

6 Effective planograms 7

7 Where to buy 8

8 Pricing strategy 9

9 Your first 90 days 10

Sources 11

Find locations where people stay and nothing else is close.

A location is the business that hosts your machine. The best first locations have a captive audience: people who spend hours there, at times when a store is closed or too far away to bother.

LOCATION TYPE	WHY IT WORKS	WHAT TO FIND OUT
Offices and break rooms	The same people every workday, many with short breaks	How many people are on site each day, and whether a coffee or pantry service is already there
Factories, warehouses and distribution centers	Long shifts, nights and weekends	Shifts, break-room access, and whether another vendor serves it
Gyms and fitness centers	Drinks and protein after a workout	Daily check-ins and what the front desk already sells
Apartment buildings and dorms	Residents at every hour	Number of units and a secure lobby or laundry-room spot
Hotels and motels	Guests after nearby stores close	Rooms, occupancy and a spot near the lobby or ice machine
Auto shops, tire stores and laundromats	Customers stuck waiting	Customers a day and how long they wait
Schools, hospitals and public buildings	Steady traffic	Whether vending is put out to bid, and the nutrition rules that apply

What makes a good location

- **People.** Enough people on site every day, staying long enough to get hungry or thirsty. A common rule of thumb is more than 50 people on site [7]. Manufacturing sites are the most common vending locations, ahead of offices [6].
- **Hours.** Long opening hours, and machine access around the clock if you can get it.
- **No easy alternative.** No store, cafeteria or other machine a short walk away.
- **Space, power and signal.** A dedicated outlet, a level floor, doorways the machine fits through, and cellular coverage or Wi-Fi for the card reader.
- **Someone who wants it.** A manager who can say yes and sees the machine as a perk.

Site scorecard

SCORE EACH 1 TO 5	WEIGHT	SCORE
People on site each day	×3	
Hours people can reach the machine	×2	
How long people stay	×2	
Nothing nearby to buy instead (5 = nothing)	×2	
Space, power and signal	×1	
The decision maker is keen	×1	
Weighted total, out of 55		

Multiply each score by its weight and add them up. Pitch the sites that score 40 or more first.

In Dryline VMS. Once a location is live, Reports show its sales, vends and average sale. On DrylineVMS Pro, **Benchmarking** compares every location per machine and ranks it above or below your fleet average, so you can see which sites earn their spot.

Win the location with a one-page proposal.

Ask for the person who decides: an office or facilities manager, a property manager, the owner of a small business, or HR when the machine is a staff perk. Leave a one-page proposal behind, so the answer does not depend on someone remembering your visit.

What the proposal covers

- **The machine** and a photo of one you already run.
- **What you will stock,** with room for their requests and healthier choices.
- **How often you visit,** and how fast you fix a problem.
- **How people pay:** cards, phones and watches as well as cash.
- **How refunds work:** a phone number or QR code on the machine.
- **What it costs them:** nothing beyond the power outlet. You deliver, stock, service and insure the machine.
- **Commission,** if you offer one (chapter 4).
- **Proof:** your certificate of insurance and a reference.

The pitch in five steps

1. **Start with their people.** “Your team works ten-hour shifts and the nearest store is a drive away.”
2. **Make the offer.** A stocked machine at no cost to them, serviced on a schedule, that takes cards.
3. **Show proof.** Photos of your machines, a reference, your insurance.
4. **Make it easy.** You handle delivery, setup, stocking and refunds.
5. **Ask for a trial.** “Let’s put one in for 90 days and look at it together.”

Answers to the questions you will hear

“We already have a vendor.”	Ask what they would change. Service gaps, empty coils, no card reader and slow refunds are common openings. Offer to cover a second spot, and leave your card.
“What do we get out of it?”	A perk for staff or customers at no cost, run by someone who answers the phone, plus a commission where the volume supports one.
“Who fixes it when it breaks?”	You do, and the proposal says how fast.
“Can we choose the products?”	Yes. Ask for a short wish list, and keep a slot for requests.
“What happens if it doesn’t work out?”	The agreement lets either side end it with notice, and you remove the machine (chapter 3).

Keep a lead list

Track every prospect: business, contact, date of each visit, scorecard total and the next step. Follow up within a week, then monthly. Most yeses come from the second or third contact, after a seasonal change or a problem with the current vendor.

Before you pay anyone for locations

Some companies sell machines bundled with locations, or charge to find them. Under the FTC’s Business Opportunity Rule, the seller must give you a one-page disclosure document at least seven days before you sign or pay, with written proof behind any earnings claim [8]. One vending business opportunity scheme that used locators cost buyers $60 million between 2005 and 2010 [9]. Visit each location and meet its manager before you pay anyone.

Put every location deal in writing.

A location agreement, also called a placement agreement, sets out who does what, who is paid what, and how either side ends it. Managers change jobs and buildings change hands. The agreement keeps your machine and your terms in place when they do. State the term in months from the day the machine goes in [10]. One model contract runs three years, renews in two-year periods, and gives the operator 60 days to fix a problem before the location can end it [11].

- **Parties and placement.** Who signs, the address, and exactly where the machine stands.
- **Exclusivity.** You are the only vending provider on site, or for the categories you sell.
- **Service.** How often you visit and how quickly you respond to an outage or a complaint.
- **Power, space and access.** The location supplies the outlet and power at no charge, and you get access to service the machine.
- **Ownership.** The machine and everything in it stay yours. The location cannot move, sell or hold it.
- **Damage and vandalism.** What happens, and who pays, if the machine is damaged or broken into.
- **Term and renewal.** How long it runs and whether it renews by itself.
- **Commission.** The model and rate, what it is calculated on, when it is paid and the statement that comes with it.
- **Refunds and contact.** How customers reach you, and that refunds come from you, not the location.
- **Insurance and liability.** Your general liability coverage, a certificate on request, and who is responsible for what.
- **Prices and products.** You set prices and the product mix, and you take the location's requests.
- **Ending it.** The notice each side gives, how long you have to remove the machine, and the final commission.

Watch for

- Commission calculated on sales that still include sales tax.
- The location setting your prices or products.
- A long notice period for you and a short one for them.
- Liability for anything that happens anywhere on the premises.
- No exclusivity at a busy site, so a second vendor can move in beside you.

Make it reusable

Have a local attorney turn this list into your standard agreement once. After that, only the location details and the commission change from site to site, and every location gets the same terms.

Keep the signed copy, the certificate of insurance you gave them and the date the machine went in with each location's record.

Location record

Location and address		Decision maker	
Machine and spot		Phone and email	
Start date and term		Notice to end	
Commission model and rate		Paid how often	
Service schedule		Exclusive	

Pay a commission the machine can afford to pay.

A commission is the share you pay a location for hosting your machine. Rates vary with the location. In one industry survey, apartment buildings were paid 10% to 15%, a big-city transit system 28%, and a private business nothing at all, and government and institutional accounts weighed commission more heavily than private businesses did [12].

MODEL	HOW IT WORKS	FITS	WATCH FOR
No commission	The location gets the amenity and your service	Smaller sites and offices that want a perk	Make the service the selling point
Flat monthly fee	A fixed amount each month	Steady sites that want something simple	You pay it in a slow month too
Per item sold	A set amount for each item	Locations that want an easy number	Ignores price and margin
Percent of gross sales	A share of sales after refunds and sales tax	Busy sites that expect a share	The cost rises with every sale, whatever your margin
Percent of gross profit	A share of sales minus product cost	Locations willing to share the cost risk	They must trust your cost figures
Tiered	Nothing until sales pass a level, then a percent	New sites with unknown volume	One more number to track each month

Worked example: one location, one month

Gross sales, cash and card, after refunds and sales tax	**$1,000**
Product cost	$450
Gross profit before commission	**$550**

DEAL	PAID	LEFT
No commission	$0	$550
Flat $50 a month	$50	$500
10¢ per item, 400 items	$40	$510
Tiered: 0% to $500, then 10%	$50	$500
10% of gross sales	$100	$450
20% of gross profit	$110	$440
15% of gross sales	$150	$400

Rules that protect your margin

- **Calculate it on gross sales:** all sales, minus refunds, minus sales tax. Sales tax belongs to the state, so never pay a commission on it.
- **Start low and share the upside.** Offer no commission or a flat fee until the site proves itself, then a tier above a sales level.
- **Know your floor.** Product cost, commission, card fees, fuel and the machine payment all come out of the same dollar. Work out what is left before you agree to a rate.
- **Pay on a schedule,** monthly or quarterly, with a statement showing sales, refunds, tax and the commission.
- **Review the deal yearly.** Volume and costs change, and so can the rate.

In Dryline VMS. Location commissions take one rule per location: a percent of sales, a percent of profit, a fixed monthly amount or an amount per item. Dryline works out what each location is owed for any period on cash and card sales after refunds and sales tax, with a statement for each location that you mark as paid.

Stock for the people in front of the machine.

Start with products people already know, then let each location's sales decide the rest. Snacks, candy and sweet baked goods still make up more than a third of vending and smart cooler sales, and jerky and protein bars lead the healthier picks [3].

LOCATION	LEANS TOWARD
Office	Chips, candy, granola and protein bars, nuts, sparkling water, diet soda, and a few healthier choices
Factory or warehouse	Hearty snacks and larger sizes, pastries, jerky, energy drinks, cold water and sports drinks
Gym	Water, sports drinks, protein bars and shakes, nuts
Apartment or hotel	Late-night snacks, cold drinks and single-serve essentials
Waiting room	Water, soda, candy, chips and snacks for kids
School	Snacks sold to students during the school day must meet the USDA Smart Snacks standards, including no more than 200 calories and 200 mg of sodium per snack [13]

Fill to par, not to the brim

A **par level** is how many of a product you fill a coil to on each visit. A coil that holds 12 of a slow seller might have a par of 6, so cash is not tied up in stock that ages in the machine. Set par from what sells between visits, plus a cushion.

- **Give best sellers a second coil,** so they sell out less often.
- **Keep one or two test slots** for new items and location requests.
- **Rotate:** fresh product goes behind older product. Pull anything past its date.
- **Write down waste.** A product that keeps expiring is telling you to carry less of it.
- **Visit by need, not by habit.** Service the machines that are running low, and bring only what each one needs.

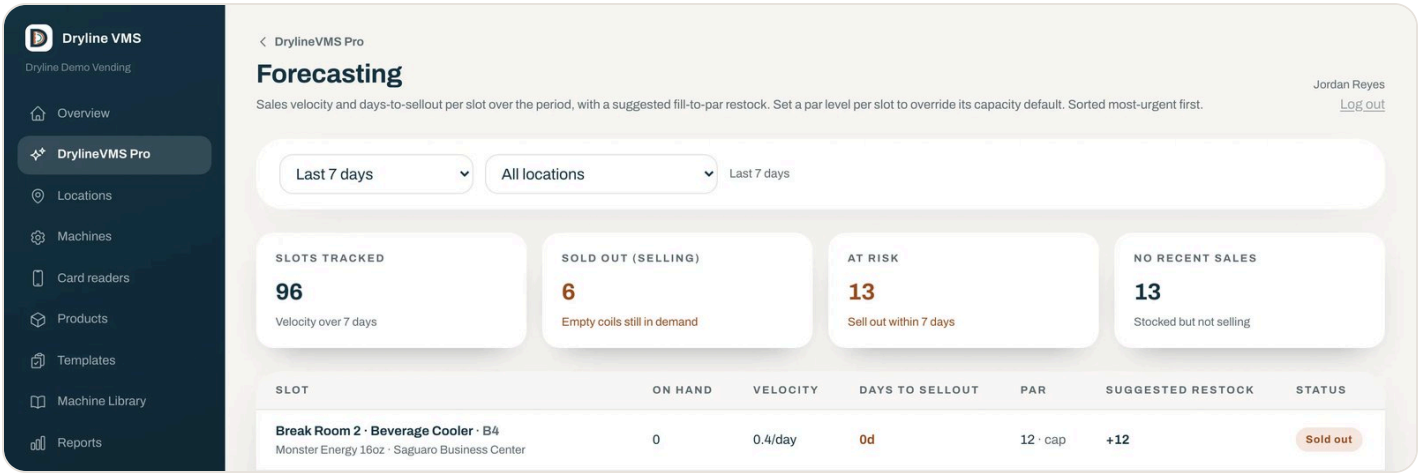
Healthier choices

65% of operators say clients ask for healthier product mixes [1]. NAMA's FitPick label marks snacks within its nutrition limits [14], and federal buildings follow guidelines that set standards for at least 75% of packaged snacks [15]. Once you run 20 or more machines, the FDA requires calorie information for what you sell [16].

Why empty coils cost twice

In an audit of 250 vending machines, 62% had at least one sold-out selection [17]. The loss is bigger than it looks: a study of 54 machines found that stock-outs cut profit 8% to 12% more than a simple estimate predicts, because a sold-out coil hides the demand for it [18].

In Dryline VMS. A **pick list** shows what to pull for each machine, coil by coil. Each restock can carry a best-by date, a daily email lists low and empty selections, and on DrylineVMS Pro **forecasting** shows how many days each selection has left and a suggested fill to par.



Forecasting in DrylineVMS Pro, on the demo account.

Lay out every machine so the best sellers are easy to find.

A planogram is the map of one machine: which product goes in each coil (the spiral that holds and drops a row of one product), at what price, and how full to fill it. The person restocking works from it, so every machine is filled the same way every time.

Planogram worksheet (example)

SELECTION	PRODUCT	PRICE	CAPACITY	PAR
A1	Best-selling chip	$2.00	15	12
A2	Best-selling chip	$2.00	15	12
A3	Pretzels	$2.00	15	8
B1	Best-selling candy bar	$2.25	18	14
B2	Protein bar	$3.00	12	6
B3	Test slot: a new item	$2.25	12	4

Capacity is how many the coil holds when full. Par levels are on page 6.

Rules for the layout

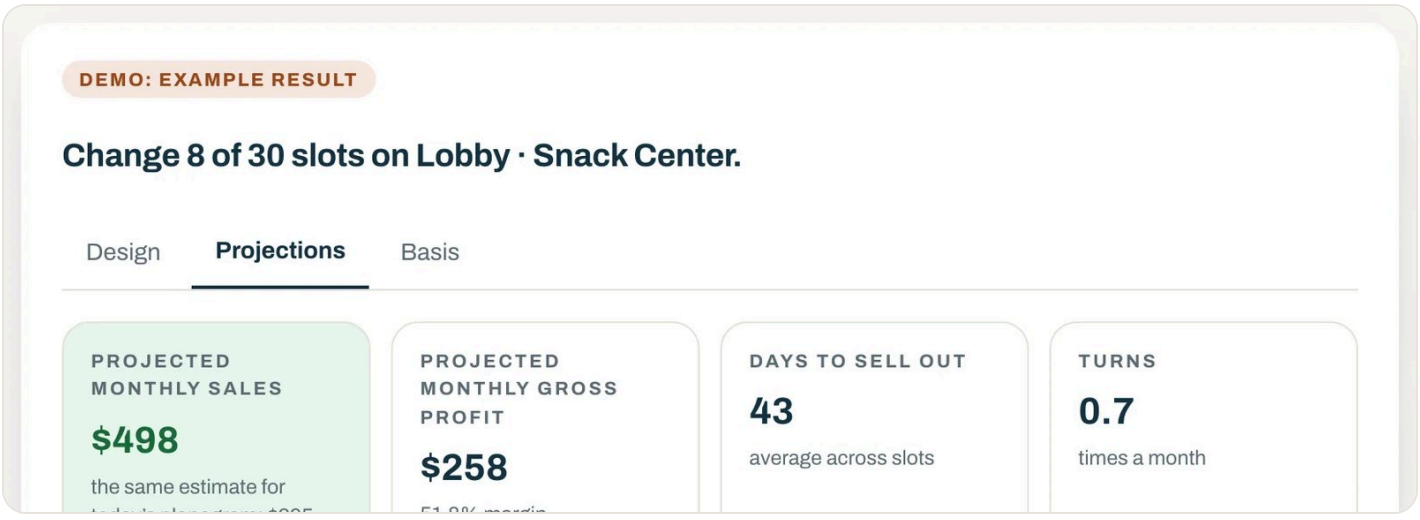
1. **Put what you most want to sell at eye level.** The CDC's vending guidance places healthier items at or just below eye level, rows A to C in a snack machine, to sell more of them [19]. In a university trial, healthier items grouped in eye-level rows with new labels rose to 21.3% of sales, against 1.3% in other machines [20].
2. **Two coils for the top sellers,** side by side. At one operator, four candy bars made up 75% of candy sales [21].
3. **Group by category,** so someone looking for chips finds every chip in one place.
4. **Fit the product to the coil.** A product that is too loose or too tight jams.
5. **Price by row,** so similar items share a price and the machine is easy to read.
6. **Keep a test slot and a request slot** on every machine.

The four-week review

- Rank every coil by units sold since the last review.
- Swap out the slowest few, and move a strong seller into the gap.
- Promote a test item that sold, and try the next one.
- Move par levels toward what actually sells.

70% of operators refresh their product mix monthly or quarterly [22].

In Dryline VMS. Scan a barcode to put a product in a coil, save a layout as a template, and review every change in plain English with a way to roll it back. On DrylineVMS Pro, **AI Planogram Assist** asks five short questions, then drafts a plan for the machine from your own products and sales, with the reason for every pick. Nothing reaches a machine until you publish it.



AI Planogram Assist projections, on the demo account.

Buy by the case and know your cost per unit.

Where you buy changes as you grow. A warehouse club works for the first few machines. A wholesaler or distributor makes sense once you buy for a whole route.

SOURCE	BEST FOR	KNOW BEFORE YOU BUY
Warehouse clubs	Your first machines	A paid membership (Sam's Club starts at $60 a year [23]), small quantities, and prices that move with promotions
Cash-and-carry wholesalers	A growing route	A business account and your resale certificate
Vending distributors	A full route	Minimum orders and delivery days, which you ask about directly. Vistar, for example, runs 24 distribution centers for candy, snacks and drinks [24]
Manufacturers, brokers and bottlers	Drinks and high-volume items	Volume requirements, and the drink programs your local bottler offers
Online business buying	Specialty and healthier items	Shipping time, case sizes and dates

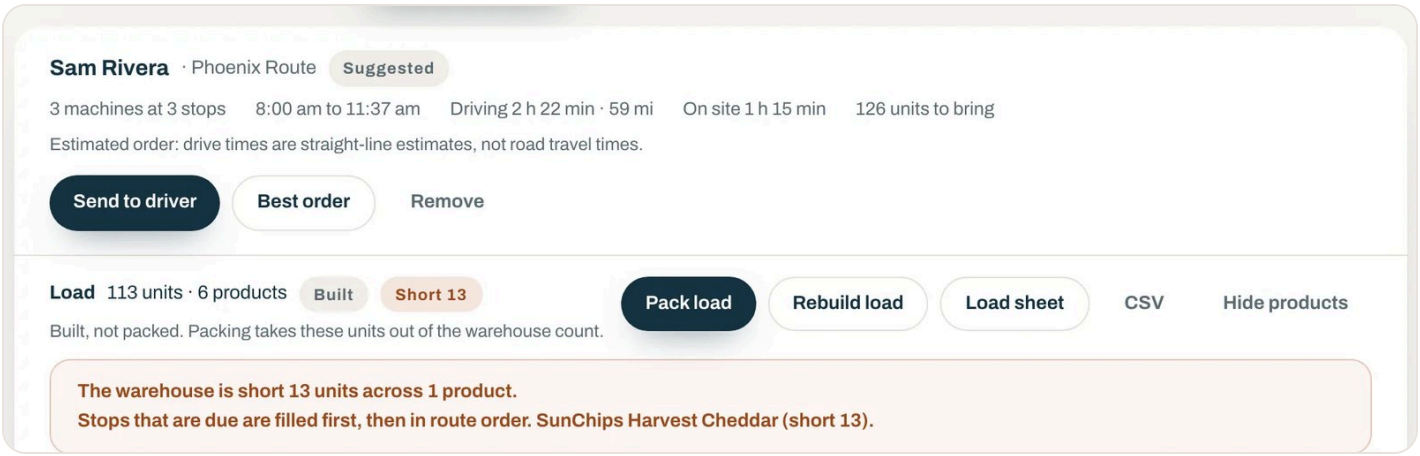
Buy for resale without paying sales tax

Products you buy to resell can be bought without sales tax when you give the seller a resale certificate. Texas, for example, exempts a taxable item bought for resale when the seller accepts a completed resale certificate, and a sales tax permit number alone is not a substitute [25]. California charges penalties and interest for misusing one [26]. Vending sales are taxed their own way too: California taxes 33% of gross receipts from cold food sold in vending machines, and carbonated drinks in full [27].

Buying rules

- **Work out cost per unit** on every purchase: the case price divided by the units in the case.
- **Buy what sells.** Order from your sales by product, not from what was on sale.
- **Check the dates** before you buy, and buy short-dated items only when they will sell in time.
- **Keep backstock small.** Backstock is the product you keep in storage between visits. Hold enough for your next few visits.
- **Watch the promotions** from manufacturers and your distributor, and stock up only on proven sellers.

In Dryline VMS. Every product carries its **unit cost** beside its price, which is what reports and commissions on gross profit use. On DrylineVMS Pro, the **central warehouse** tracks the stock you hold, builds each route's load in one step and lists any shortage before you leave.



A route's load from the central warehouse, with a shortage listed, on the demo account.

Price from your cost, then check the store down the street.

Customers pay for the convenience of a machine that is right there. A price that covers cost and leaves the margin you need, set close to what a convenience store charges, works for both of you. The government's price index for food from vending machines and mobile vendors rose about 50% from December 2019 to September 2026, and 2.0% in the most recent year [28][29].

1. **Know the unit cost** of every product, including any delivery charge.
2. **Set a target margin.** Margin is the share of the price you keep after the product's cost: (price – unit cost) ÷ price. Vending prices include sales tax, so take the tax out first [30].
3. **Check local prices** at the nearest convenience store, not the grocery store.
4. **Round to a simple price ladder** by category, so similar items share a price.
5. **Review when costs change.** Change one price at a time and watch units sold for a few weeks.

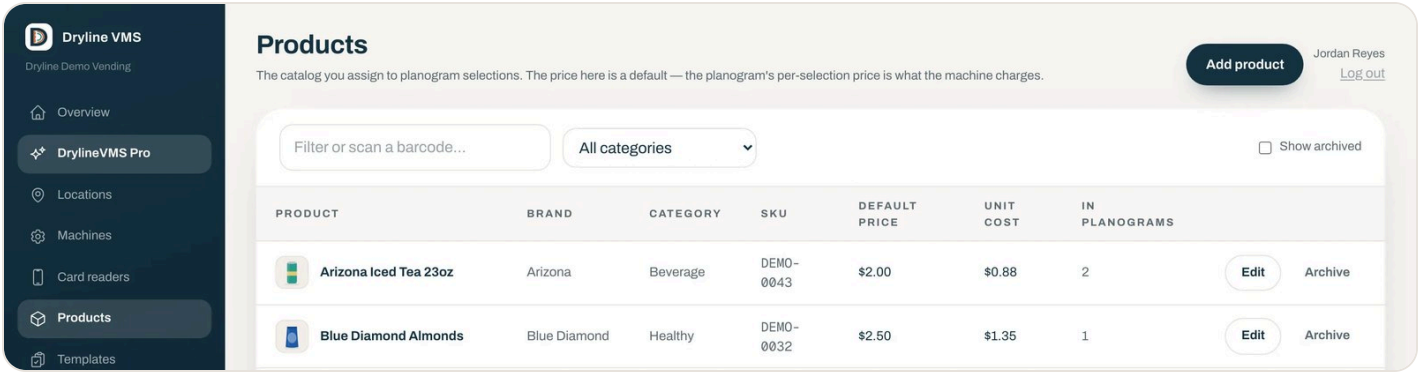
Pricing worksheet (example)

PRODUCT	CASE COST	UNITS	UNIT COST	PRICE	MARGIN
Chips, 1 oz bag	$47.50	50	$0.95	$2.00	52.5%
Soda, 20 oz bottle	$28.32	24	$1.18	$2.50	52.8%
Water, 20 oz bottle	$14.88	24	$0.62	$1.75	64.6%
Protein bar	$19.80	12	$1.65	$3.00	45.0%
Almonds, single serve	$16.20	12	$1.35	$2.50	46.0%

Pricing with card readers

- A card pays the exact price, so a price no longer has to suit the coins in a pocket.
- Visa allows a surcharge only on credit cards, capped at 3% or your processing cost, and several states ban surcharges [31]. One price for every customer is simpler.
- A fixed per-sale fee weighs most on small sales: 2.6% plus 10¢ is 8.3% of a $1.75 sale [32].

In Dryline VMS. Each selection's price lives in the planogram, and on a card sale the Rain Pay reader asks for exactly that amount. Reports show sales and margin by machine and product, and the **Tax Center** works out the sales tax in each sale at the machine's address.



The product catalog, with each product's price and unit cost, on the demo account.

Your first 90 days and the numbers to watch.

Days 1 to 30

- Form the business, get your permits and insurance.
- Build a lead list and score each site.
- Pitch every week and sign your first locations.

Days 31 to 60

- Install, stock to par and put your number on the machine.
- Service on a schedule and record every visit.
- Track sales by product at each location.

Days 61 to 90

- Run your first planogram review.
- Compare locations, then fix or replace the weakest.
- Add machines only where a site has proved itself.

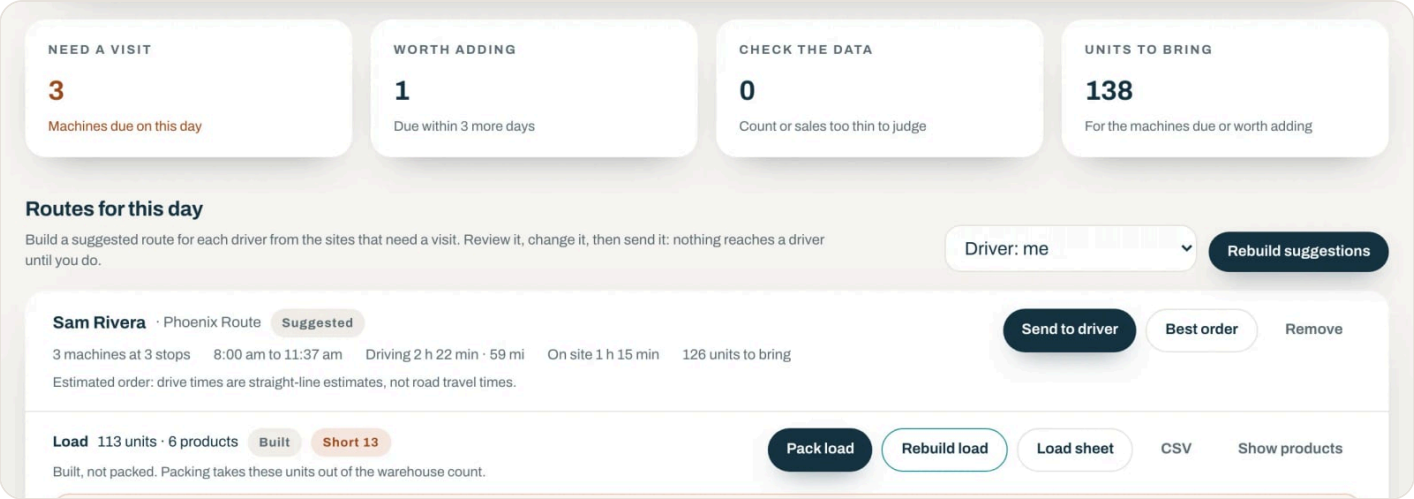
Numbers to watch every week

- Sales per machine, and the trend from last month.
- Margin by product and by machine.
- Coils that were empty when you arrived.
- Stock thrown away, by product.
- The share of sales paid by card.
- Commission as a share of each location's sales.
- Failed vends, sales where nothing dropped.

Where Dryline VMS fits

Dryline VMS is AI-native vending management software that works as one system with the Rain Pay card reader. Every machine is drawn as its real front, every card sale is tied to the product that dropped, and DEX, sales and settlement are reconciled for every machine.

DrylineVMS Core comes with every reader. DrylineVMS Pro adds the AI tools, forecasting, benchmarking and the route planner. There is no contract or activation fee, and support is US-based, from the team that builds it in Arizona.



The route planner in DrylineVMS Pro, on the demo account.

Set up your first machine with us.

Book a 20-minute demo and we will walk through a machine, a planogram and a location's commission on real screens.

drylinevms.com/demo sales@drylinevms.com 844-723-9732

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Each figure in this playbook was checked against its source in November 2026.

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