

BRINGING VENDING TO NIGERIA

By MARK KRONENBERG, CompuVend Systems, Metairie, La.

Imagine living in a world where you never see a vending machine. For many people outside the U.S., this is a way of life; however, some forward-thinking people in Nigeria, Africa, are changing that. Nigeria is a country in western Africa with a population of 130 million people. The largest city is Lagos with a population of nine million people. A company by the name of Citiserve along with the help of CompuVend Systems and Royal Vendors, has been working together to bring vending to Nigeria. I traveled to Lagos to train the staff on its new CompuVend system, and learned first-hand about this interesting country. It was a memorable experience!

Bringing vending to a country that has never had vending before involves many obstacles that vendors in our country have never had to consider. One of the biggest is how do you introduce and educate an entire country about what a vending machine is when they have never seen one before? We all take vending for granted and have grown up with

vending machines as part of our everyday lives. To introduce vending you must first educate the population about what a vending machine is, how it works, and (from the customer's point of view) how to use it. The staff at Citiserve is truly introducing a new industry and developing a client base from ground up. It is interesting to observe people walking up to this large machine with buttons and pictures of cold drinks that just appeared and try to figure out what it is.

Prices in Nigeria dictate using bills rather than coins so the machines only have bill validators and will eventually accept credit cards. The currency in Nigeria is called Naira, and the exchange rate is about 135 Naira per \$1. The denominations are N5, N10, N20, N50, N100, N200 and N500, and while I was there, I never saw a N5, N10 or N20 and few N50's. Coins are only N1 and I never saw one of them. When you consider that their standard pricing through vending is N100, you can see why there is really no coinage. Citiserve has a target

market of white-collar locations as the typical laborer makes about 500 Naira per day.

Venders which dispense bottles and cans are the machines being placed. Water, carbonated flavored drinks and Coke items are among the products offered. A local bottler is a major supplier while some are imported. It was interesting to see people try to figure out how to insert the bills. In one instance I observed a person trying to insert two bills on top of one another which I thought was silly and made me laugh until I realized that he had never used a vending machine before, never saw anyone use a vending machine, so how would he know the proper way to insert a bill? The picture on the machine only shows the direction to insert a bill. To overcome this obstacle, Citiserve employs people to stay by the machines and explain what the machines do and how to use them. At first people appear skeptical but later return to try the machine.

Another challenge is electricity. Unlike the abundant source of quality electricity we rely on and take for granted, in Nigeria voltages often fluctuate and frequently there is a total loss of electricity. Most facilities have backup generators that are used when the electricity goes out. Unfortunately, when the power goes out so does the machine so Citiserve has to put voltage regulators on all the machines to overcome the problem with the fluctuating voltages.

We are also fortunate enough to have bills that are taken out of use when they start to get old and are then replaced. In Nigeria many of the bills are very old, torn and crumpled. This causes more bill jams than we are accustomed to in this country.

The management and staff at Citiserve have been very innovative in developing ways to overcome these obstacles. It is interesting to see every person in the operation so committed to the success of the company and work hard to meet this goal. I

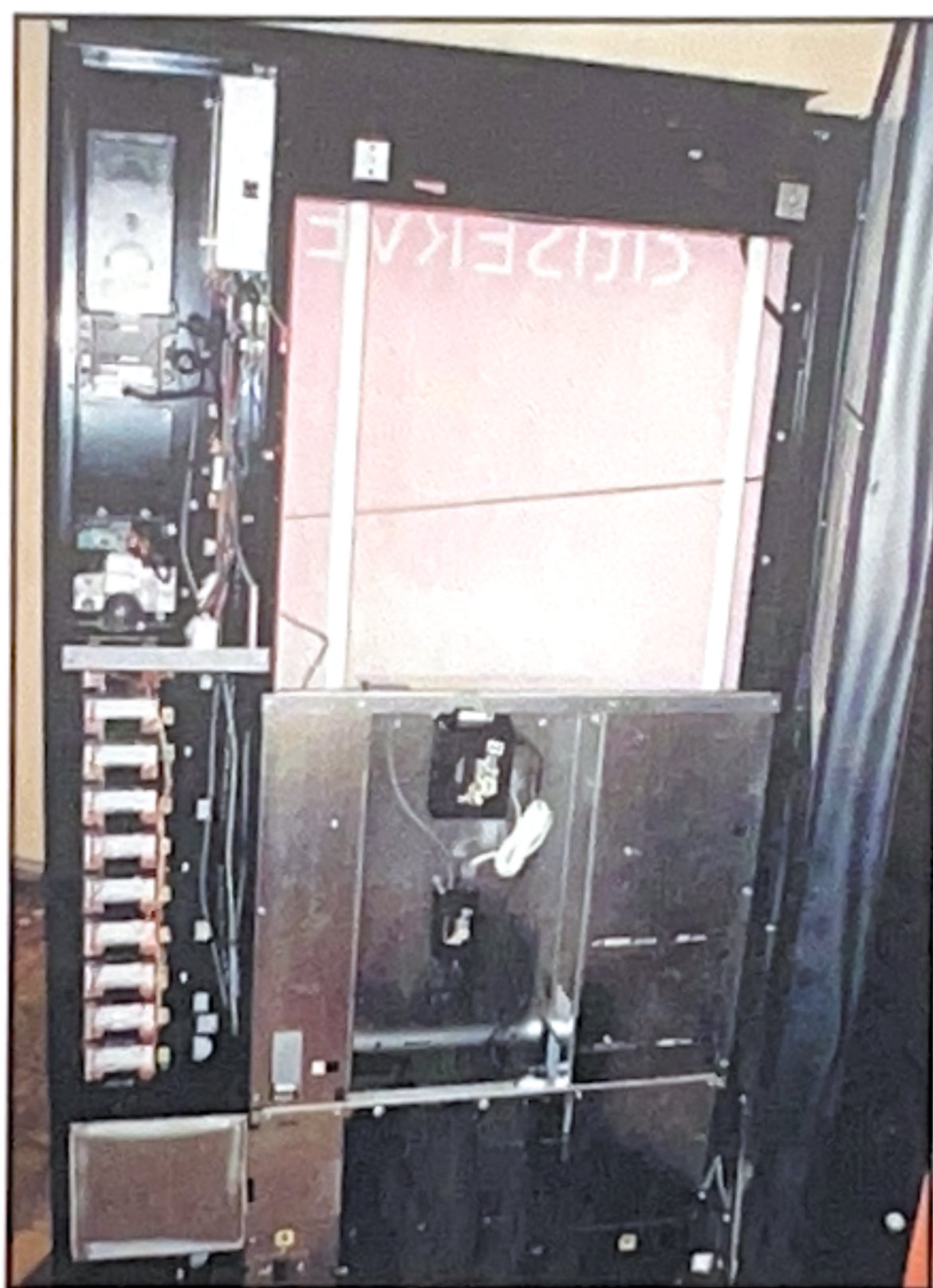
continued on page 70



MARK KRONENBERG with staff members of Citiserve: DELE OLAOYE, at far left; BAMI AKINLADE, second from right; AYO ADEDIJI, far right. CompuVend and Royal Vendors combined to bring vending to the western African country.



Education in the use of vending equipment is a necessary function when introducing machines into an environment not used to their presence. Such was the situation in Nigeria and Citiserve personnel demonstrated their operation to prospective consumers. As pictured on the right, a CompuVend Buzz Box has been installed on a Royal vender.



have never before seen so many people within a company so enthusiastic and work so hard to promote the company, improve its operation and efficiency and make sure that the customers are happy.

Citiserve is taking a progressive approach to ensure that it is able to meet its goals. From the beginning they wanted to make sure they had controls in place to account for all money and inventory and provide the most efficient service to the customers. They utilized CompuVend Systems' Vending Management software to track all aspects of their operation. This included utilizing handheld computers to record information when the drivers (or in their terminology Route Marshals) serviced the machines including capturing the DEX information from the machines to account for every bill and sale more accurately. They also

use handheld computers to scan and track all their inventory throughout the company and provide reporting in a quick and timely manner. Citiserve realized that in order to be successful they needed to be able to respond to problems quickly. Since their biggest obstacle is customer confidence, they need to make sure that as people use the machines they believe in them and see their value. They also need strong accountability controls in order to accommodate operating machines throughout the entire country. Citiserve currently has several branches throughout the country and will continue to open more.

Another component of Citiserve's strategy is utilizing CompuVend's BuzzBox wireless technology so that the driver knows exactly how much product is needed to stock the machines. The driver no longer needs

to make multiple trips between the truck and the machines or spend time writing down how much product each machine needs. BuzzBox tells the driver exactly what is needed. Using this technology will allow Citiserve to service more machines with fewer people. In order to utilize this technology Citiserve selected Royal Vendors to supply machines with DEX capability to provide the information needed for the strongest cash and inventory control. Citiserve will also utilize these machines as a vehicle to sell additional products such as snacks and pre-paid phone cards.

Efficiency on the routes will be of utmost importance because of traffic. Driving over there is very interesting because they do not have any lanes marked on their streets. It basically seems like an organized free-for-all. There is very little mass transit; however, taxis are very common. Their taxis are different from ours because they are more like buses. They are yellow vans that are owned by individual drivers and will take as many people as they will fit. To take a taxi, you negotiate a price and get in with all the other people who got in before you. In addition, you could also hire a person on a motorcycle to drive you to your destination. The advantage to this method of transportation is that motorcycles can get around in traffic.

Traffic often seemed heavy, and was good for the street vendors. Unlike what we would think of as street vendors selling goods on the sidewalks, their street vendors were actually in the street in congested areas or by traffic lights. They will sell things to you in your car while you are stopped. It seemed like you could buy almost anything including water, bottle drinks, snacks, clothes, children's toys, kitchen utensils, etc. Street vendors are the biggest competition to vending because you can find them everywhere; however, the benefit of vending is it conveniently provides products to people without the need to walk outside and brave traffic to find a vendor.

Here in the U.S. we take many things for granted and it is not until we look elsewhere that we can see how fortunate we are. We think of vending as being a worldwide industry but in fact it is not. But, Citiserve has brought our industry to Nigeria and I was honored to have been present for its introduction. □