

Vending Machines Accept RFID Cards

In New York City and Atlanta, USA Technologies is installing RFID-enabled cashless payment terminals in vending machines and kiosks.

By Mary Catherine O'Connor

Nov. 2, 2005—[USA Technologies](#) is installing RFID-enabled versions of its cashless payment terminals, e-Port, in 500 vending machines across New York City and Atlanta. Based in Malvern, Pa., the company provides wireless, cashless, micro-transaction and networking services to the vending machine, hospitality and laundry industries.

The e-Port terminals have a magnetic-stripe reader for conventional credit card transactions. To ready them for RFID-based payments, USA Technologies embedded an RFID reader into the units, provided by [ViVOtech](#), an RFID payment technology provider in Santa Clara, Calif.

Approximately 50 of the RFID-enabled terminals have already been installed in vending machines, according to Stephen Herbert, president and COO of USA Technologies. Next week, the company will install 100 more RFID-enabled terminals in New York City, with the remaining 350 expected to become operational within 90 days thereafter. USA Technologies is working with a handful of vending machines operators in each market, including Southern Refreshment Services in Atlanta and Answer Vending in New York.

The RFID-enabled e-Port terminals accept contactless payments from any credit or debit card carrying the MasterCard PayPass, American Express ExpressPay, Chase blink or Visa Contactless logo. Encrypted account data is passed between the e-Port RFID-enabled terminal and the payment card, using the ISO 14443 air-interface protocol. Last week, Chase began issuing blink MasterCard and Visa cards to more than 2 million customers in New York, New Jersey and Connecticut (see [Chase Expands Blink's East Coast Presence](#)).

USA Technologies has already installed a few thousand non-RFID e-Port payment terminals with magnetic-stripe readers in beverage, snack and sundry vending machines. The terminals are also used in self-service laundries, as well as in kiosks such as those used to purchase transit tickets, event tickets or other similar items. USA Technologies integrates its e-Port terminals directly into these kiosks or vending machines.

According to Herbert, there is a tremendous opportunity to deploy the cashless payments option throughout the vending and kiosk industries. "It's perfect for USA Technologies to combine RF and magnetic-stripe technology and prepare the vending industry for the future," says Herbert. Unlike merchants that have already invested in magnetic-stripe payment terminals, most of the \$40 billion global beverage and snack-food vending and kiosk payment industry is cash-based. Herbert believes the e-Port cashless payment and networking services, combined with the RFID-enabled payment cards being offered by the credit card organizations and issuing banks, could revolutionize the global vending industry by providing consumers an alternative to cash and coins.

USA Technologies initiated the development of the RFID-enabled e-Port after MasterCard asked the company to help the credit card organization deploy a trial of RFID-enabled payment terminals in vending machines within MasterCard's corporate offices. During early summer, USA Technologies provided terminals that accepted only PayPass payment cards, and the trial was successful. Since then, USA Technologies has installed RFID-enabled e-Ports in vending machines at American Express' corporate office. Those terminals only accept ExpressPay cards.

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