



The World Needs Vending

The role of consumer trends and technology

Increasing
Vending Sales :

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The world needs vending

Vending brands are in a prime position to be hugely profitable. They provide the ultimate solution to the needs of modern life through speed, convenience, and choice. It's no exaggeration to say the world needs vending. By adapting to these times, your vending business can become even more profitable.

Consumers are demanding. Specifically, they want more choice of products, healthier foods, and more varied payment options. With people's expectations shifting, it is of the utmost importance to understand consumer behaviour to satisfy demand and increase sales.

Technology is at the forefront of these changes; many more people are

reaching for cashless payment options due to their speed and convenience. The future of vending is cashless. This brings reduced costs, increased efficiency, and less risk. All of these changes are in favour of vending and, when implemented effectively, will result in more profit, less waste, and an enhanced customer experience.

This eBook will explore the two ingredients needed to maximise vending profits:

- Increasing sales
- Reducing costs

Technology allows vending brands to achieve both of these goals. Read on to find out how.



THAT'S A FACT

The global healthy snacks market is worth a whopping \$23 billion.

How to increase vending sales

Exploring the most effective ways to boost sales from vending machines

Increasing vending sales does not have to be an uphill struggle. It can be achieved by offering (and advertising) a compelling product range, and by ensuring a seamless payment experience.

Consumer trends are evolving in alignment with convenience, healthier eating, a more natural acceptance of digital technology, and indeed – a demand for automated self-service.

Vending machines have the potential to be the ultimate modern solution by combining total convenience with appealing products. This will ensure the best chance of growth in a thriving and competitive industry.

Better choice

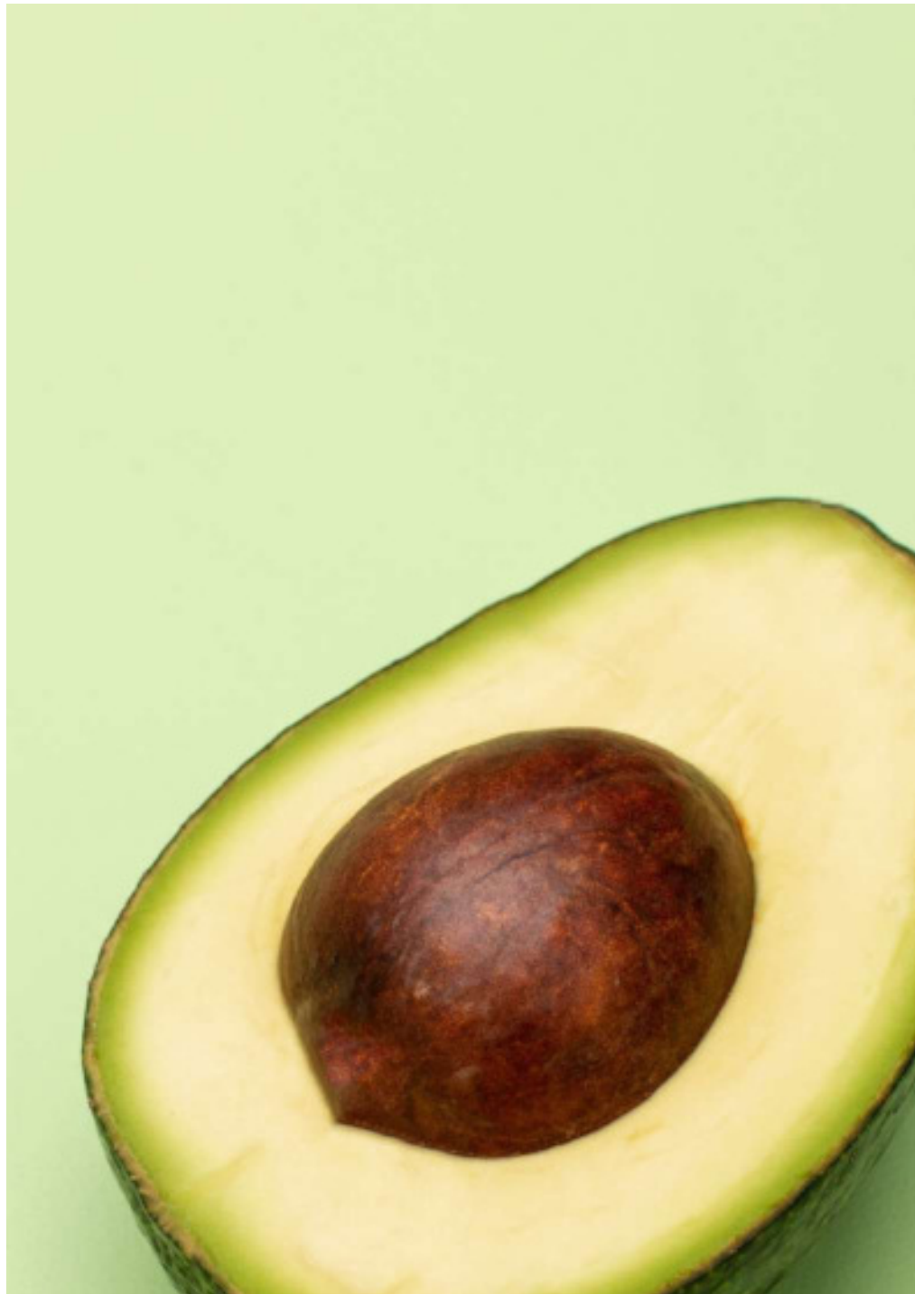
With consumer habits changing, offering more choice is vital for staying

in the game. The largest sector of the vending industry remains beverages, with food snacks coming a close second.

More and more people are now looking for healthier options, and research shows [the global healthy snacks market is worth a whopping \\$23 billion](#). By promoting healthy options and increasing the types of items in line with demand, you'll increase the chance of people using your machines on a regular basis.

As we'll investigate shortly, the demand for more choice extends to a wider product range; more than just food and drink. As just one example, back in 2017 a [US-based pharmacy introduced vending machines offering vitamins, health care products, and other essentials such as phone chargers](#).

"digging into the **data** will show
how to improve choice in the
right areas"





KEY TAKEAWAY

The needs and expectations of consumers are changing. People are still searching for convenience, and busy lifestyles mean the need for on-the-go refreshment remains. In order to leverage this, your vending brand needs to offer what people want. Consumer trends show that there are certain markets, such as vegan food, that are gaining a lot of traction and popularity. By offering these options you are broadening your customer base and increasing the chance of making more sales and securing regular custom.



THAT'S A FACT

In Japan there is one vending machine for every 23 people.

The demand for healthier snacks

The demand for convenience snacks remains high, but now people are far more likely to be reaching for healthier options such as low-sugar, sugar-free, vegan, or gluten-free.

This isn't just due to public demand. Indeed, governments and councils are taking steps to battle obesity. For example, the policy in Glendale, California stated that at least 40% of stocked items in vending machines must be healthy. [In 2016, this policy was superseded when the City Council of Glendale voted to fully stock all vending machines in local parks and on city properties with healthy snacks such as nuts, fruits, and vegetables in a bid to tackle obesity.](#)

This action is reflective of a broader trend, and we spoke to Chloe Vichot at New York-based healthy vending company, [Fresh Bowl](#) to find out more.

“The main driver is that people want to eat well, but don't always have the time to enjoy a real meal. Our goal is to bring people restaurant-quality meals in a vending machine, and transform the rushed lunch break into a fulfilling experience. I think that in five or ten years, we will see vending machines or automats everywhere: for our morning latte, for breakfast, to buy a charger, an ice cream, and more. Rents and building costs are making it difficult

for storefronts to survive. Wages are going up. Above all, people are on-the-go more, and always look out for convenient options”

The demand for vegan and free-from snacks

It's no secret that the demand for vegan food is soaring. This is something that is being reflected in the world of fast food and convenience too. [Just Eat named veganism a top trend after there was a 94% increase in healthy food ordered in 2018. According to research, in 2014 just 1% of US consumers claimed to be vegan.](#) By 2016, this figure jumped to 6%. That's a massive 600% increase in just three years, and this trend is not just limited to America. It's global, and it's growing.

Free-from foods are also growing in popularity, as people avoid certain ingredients such as gluten, dairy, and wheat. [According to Kantar Worldpanel](#), more than 50% of households bought at least one free-from product in the first 3 months of 2017. [Industry reports](#) show that the global gluten-free market has grown by \$1.8 billion in 5 years - totalling \$3.5 billion in 2016.

Acknowledging these trends and catering to them is a huge part of attracting and maintaining regular custom. If you offer items to suit all dietary needs, then you will attract more people. If you have limited choice, it is far

more likely individuals - and groups of friends and colleagues - will move along and buy items elsewhere.

The demand for different types of products

Vending machines are known as just a place to grab snacks and drinks on-the-go, but in Japan it's a very different story. There's an abundance of vending machines in Japan. One vending machine for every twenty-three people is the number, according to the [Japan Vending Machine Manufacturers Association](#).

These machines aren't just full of classic snack food and drinks. They stock a huge range of products, including soup, hot food, fruit, cigarettes, surgical masks, and even umbrellas. There is a big value on convenience, which is a theme that has become commonplace around the world.

Vending flourishes in Japan because of low crime rates, the traditional reliance on cash, expensive real estate, and high population density. This is a perfect set of circumstances of course, but lessons can still be learned from the variety of products on offer in the 5 million vending machines across Japan.



THAT'S A FACT

The intelligent vending market is expected to reach \$11.84 billion by 2025.

Technology for increasing sales

Exploring how technology can be used to boost sales from vending machines

Smart vending

The era of clunky, cash-only vending machines is behind us. Now is the time to embrace technological advancements and the benefits they bring. The Internet of Things (IoT) is here, and here to stay.

[The global market for intelligent vending machines is expected to reach \\$11.84 billion by 2025, according to Grand View Research Inc.](#) Investing in smart vending won't only improve the customer experience, but it will also drastically enhance the machine upkeep process for vendors. The integration of intelligence refines operational monitoring, maintenance, and stocking.

Smart machines track user behaviour and provide real-time data on what is

and isn't selling. This data can be used to efficiently manage stock, understand sales patterns, and effectively forecast demand. The restocking process is optimised to ensure that you don't miss out on sales for popular items, and digging into the data will show how to improve choice in the right areas.

In addition to the optimised choice and stocking, smart vending can emphasise certain unsold products with on-screen advertising, or implement personalised discount deals. Beyond the bells and whistles of smart technology, the important aspect is that the customer will experience a seamless buying process.

Location insights

Data will help you learn more about the area where your vending machines are

located. The more you know about the location, the better your understanding of the particular requirements or preferences of the people who reside or pass through. This can be qualitative, and/or powered by machine learning.

With this additional information, you can offer fine-tuned products to increase sales. Located close to a popular surf spot? You can stock surfboard wax and other surfing-related goodies. Located up the street from a healthy vegan hotspot? Add plant-based products to your collection. The more deep information you have to hand, the better chance you have of stocking the machine to suit the audience.



KEY TAKEAWAY

The needs and expectations of consumers are changing. People are still searching for convenience, and busy lifestyles mean the need for on-the-go refreshment remains. In order to leverage this, your vending brand needs to offer what people want.

Consumer trends show that there are certain markets, such as vegan food, that are gaining a lot of traction and popularity. By offering these options you are broadening your customer base and increasing the chance of making more sales and securing regular custom.

Better Payments

Customers expect to see a variety of payment methods available to them, and don't want to be digging around in pockets or handbags to find loose coins. Tapping a credit card, debit card, or smartphone is preferred due to its speed and convenience. Offering this variety of payment options is essential to attracting different customers in different situations, and the process should be smooth and immediate.

At CCV, we remove friction from the payment process. Our solutions make payment smooth, secure, and comfortable for your customers. This seamless experience ensures that customers spend more and keep coming back to your machine. Better payments, happier customers, and higher profits.

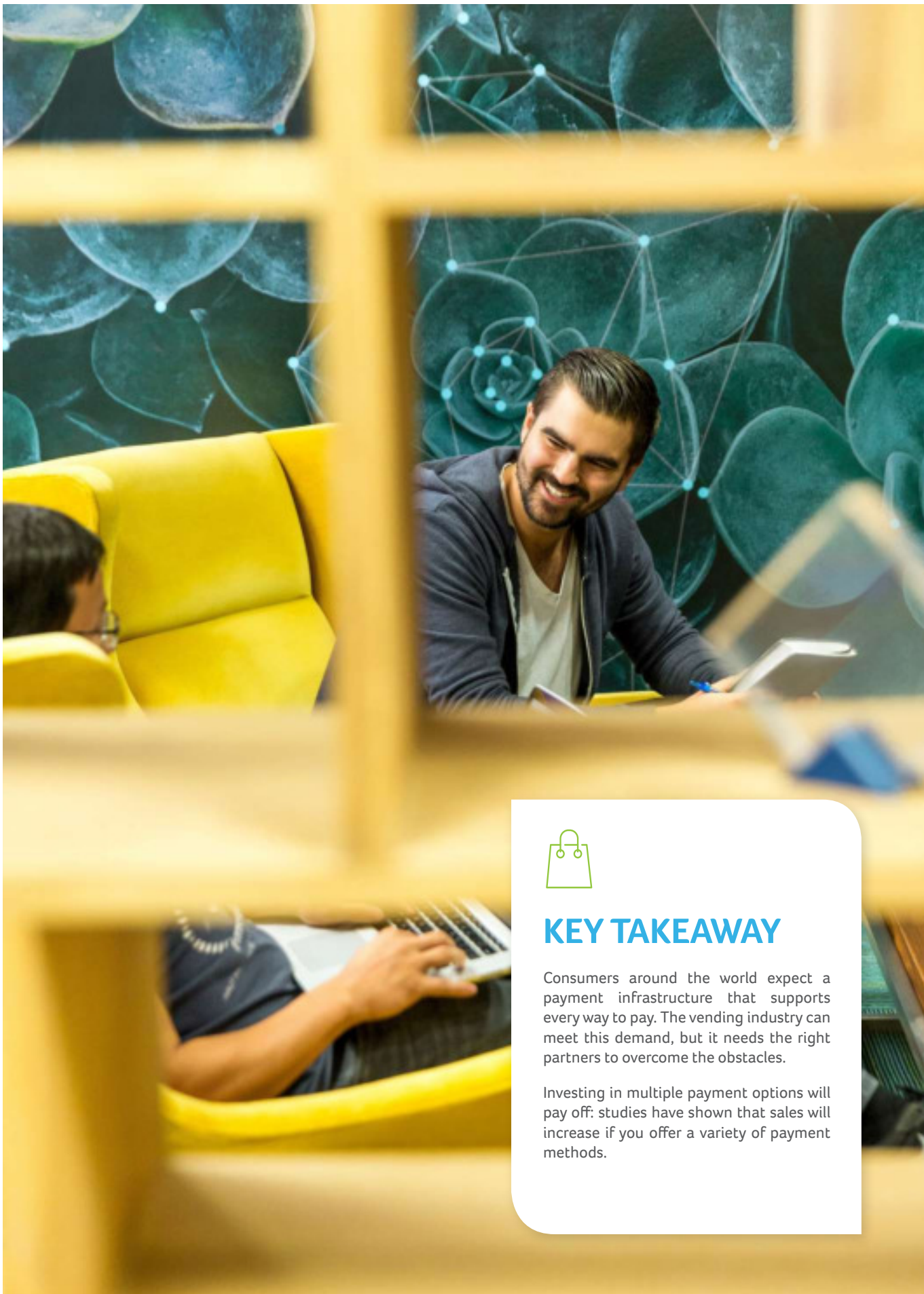
Cashless payments for vending

In recent years, there has been a disruptive shift in payment trends. [Whilst cash still retains prominence](#)

[overall, there is huge disparity between European nations in how payments are made.](#) The Netherlands, for example, is much more focused on card payments than Germany. [Sweden is outpacing everyone, and is set to become a totally cashless society very soon.](#)

Businesses have had to adapt, and fast. To avoid missing out on customers, vending machines must welcome cashless payments at every opportunity. Less people are carrying any cash, and the people that do tend to carry less than in the past. The expectation in many countries around the world is that infrastructure should support every way to pay. The vending industry can do this, but it needs the right technology partners to overcome the obstacles.

[Studies have shown that sales will increase if you offer a variety of payment methods.](#) The technology



KEY TAKEAWAY

Consumers around the world expect a payment infrastructure that supports every way to pay. The vending industry can meet this demand, but it needs the right partners to overcome the obstacles.

Investing in multiple payment options will pay off: studies have shown that sales will increase if you offer a variety of payment methods.

allows for contactless cards, mobile wallets, and app-based payments. This offers increased convenience for the customer and opens up any preferred method of payment. As we'll see later, a cashless system also decreases admin and cash management duties. It also reduces the risk of theft-based crime.

Mobile wallet payments for vending

Cashless doesn't merely relate to card payments anymore. [Almost 940 million individuals will use a mobile payment app in 2019](#). Smartphones are redefining how we pay, and smart vending must remain aligned with this trend in particular. [According to research, WeChat Pay dominates the market with 600 million users due to its popularity in China](#). Alipay follows with 400 million users. Apple Pay and Samsung Pay are the most popular in Europe and the USA.

This is a huge amount of people using their mobile phones to make payments. The figures continue to rise. [Data shows that the mobile payments market is expected to be worth \\$3,388 billion by 2022](#). By investing in the payment technology that allows you to accept mobile wallets, you are in good standing now and for the future. Cash is no longer king, at least not by divine right.

Blockchain wallet payments

Another payment method that has seen increasing popularity in recent years is cryptocurrency such as Bitcoin. [There are currently 32 million blockchain wallet users worldwide](#). Whilst this is far fewer than the number of people using contactless cards and the mobile wallet payments mentioned above, these cryptocurrencies are becoming more common.

It's unclear whether blockchain payment will become truly mainstream anytime soon, but this has huge potential and is something for vending industry stakeholders and payment providers to monitor closely. As proofs of concept, Bitcoin vending machines have already been developed. It remains to be seen whether the market demands more investment in this technology.

Closed membership systems and digital accounts

Closed memberships with a digital account is a system that can be introduced where your customer base is regular, consistent, and captive. This is particularly suitable for somewhere like a school or workplace. In this scenario, the customer will have an account which can be topped-up online, or at a central unit. A membership card can be issued, or credits can be paid through a dedicated app or mobile website.

Due to the closed nature of this system, it is also effective for large sports events or music festivals. This will increase efficiency, eliminate cash-handling, reduce queuing times, and minimise personnel costs. If there is a captive audience, this works. However, this type of system doesn't match the convenience of contactless and mobile in other scenarios; it would need significant incentives to push a customer to download an app and maintain their digital account for traditional vending situations.



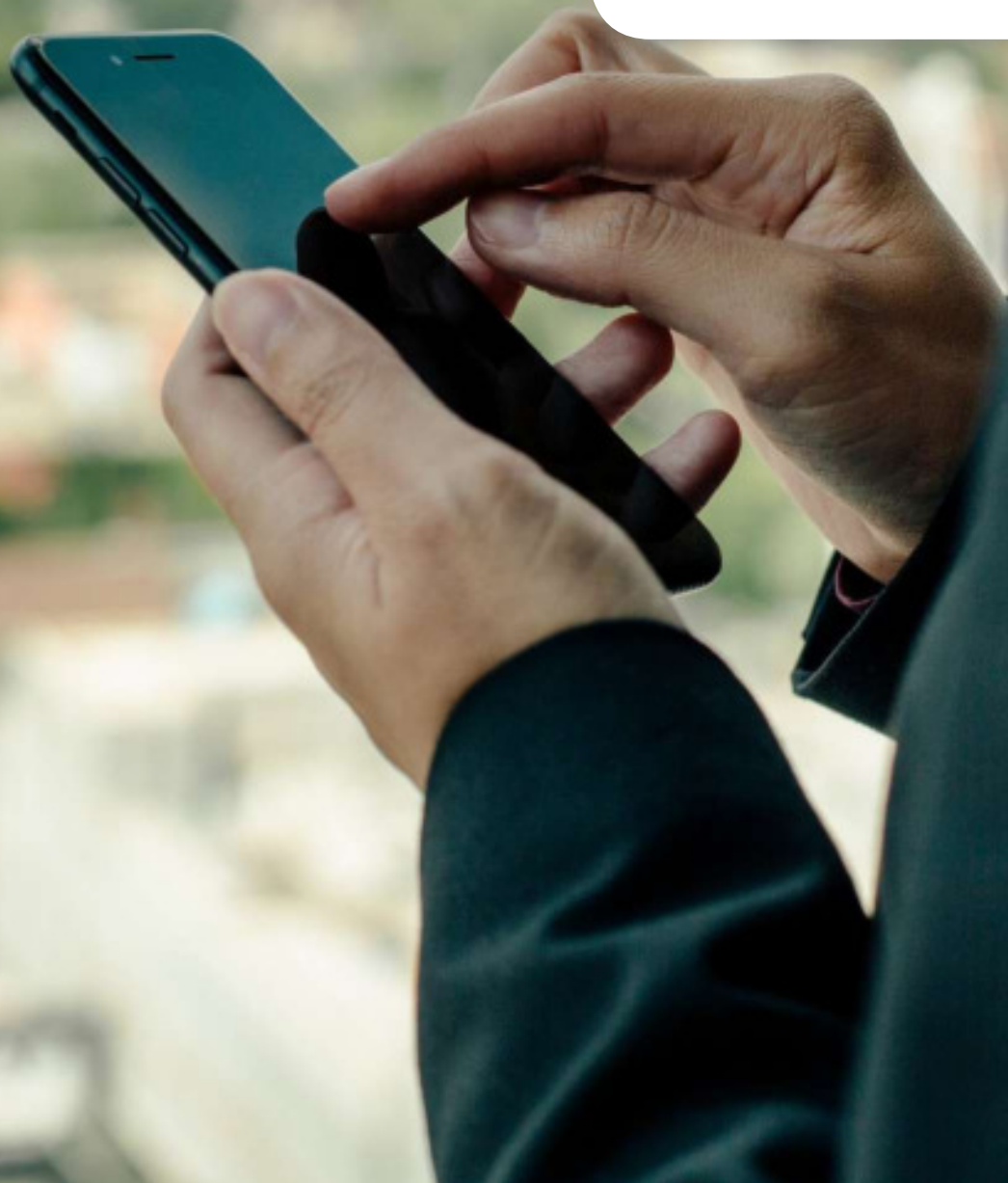
THAT'S A FACT

The mobile payments market is expected to be worth \$3,388 billion by 2022.



KEY TAKEAWAY

There are multiple payment options for vending, like mobile wallet payments and closed memberships with a digital account. What option would work best, depends on the specific situation. Given the amount of people with smartphones, it's safe to state that by investing in mobile payment solutions, your business is ready for the growing use of mobile devices.



Reduced waiting times

By investing in smart vending machines and updated payment technology, you give your customers a faster and more fluid experience. At large events in particular, there are crowds of people wanting to buy food and drinks at the same time. Using a manned cash-based system is cumbersome, causing customer frustration as well as loss of custom due to long queues.

If people are able to pay using contactless cards or mobile wallet payments, tap-and-go will speed up the process, reducing waiting times and increasing the number of sales. Smart vending or dispensing machines at these events will also reduce the costs of personnel. Investing in smart payment technology will attract more customers, improve their overall experience, and increase the likelihood of loyalty.

At CCV, we have first-hand experience of this through our work with Johan Crujff ArenA.



CASE STUDY

Self-service, optimised.

Johan Cruijff ArenA - The biggest sporting venue in the Netherlands, home to Ajax and Oranje



OVERVIEW

Johan Cruijff ArenA, previously known as Amsterdam ArenA, has a capacity of 55,000. As the largest stadium in the Netherlands, it has hosted global sporting events such as the 1998 Champions League Final and the 2013 Europa League Final. The ArenA has also welcomed musical superstars such as Madonna, David Bowie, The Rolling Stones, and Beyoncé.

CCV helped develop a smart self-service soft drinks dispenser, which cuts waiting times and improves the customer experience.

PROBLEM

The ArenA has over 600 cash tills around the stadium, each of which is in high demand during events. At peak matchday times before kick-off and at half time, queues and overcrowding are common in these areas. When analysing this problem, the ArenA team calculated that 60% of people wait in line to buy only a drink. This was an opportunity to create efficiencies, reduce the burden on serving staff, and improve the experience for event attendees.

CONCEPT

Initially, the ArenA explored the idea of a separate cash till. However, it was quickly apparent that a more innovative solution was needed. Self-service came to the fore. A partnership emerged between Coca-Cola, CCV, and Lancer Europe. Together, these teams developed a cutting-edge concept for a self-service soft drinks dispenser with an integrated payment system.

CHALLENGES

Key challenges presented themselves at the outset. The first question was how to integrate a smart cashless payment solution with a self-service drinks dispenser. Next, this system had to be secure to

prevent misuse, ensuring that the customer couldn't take multiple drinks after a single payment. A basic mechanical system would not be sufficient. Instead, the project team was tasked with delivering a smart, secure, and scalable solution.

SOLUTION

We helped design a self-service soft drinks dispensing tower with an intuitive touch screen. Two options were on offer for bringing intelligence to this type of system: an Internet of Things (IoT) box in the middle, or an intelligent protocol. The team selected the latter, which is a technology already utilised in vending. This allowed the successful integration of a payment system with the dispenser, and controlled the volume of product that was delivered per purchase.

PARTNERS

This was a proud partnership success, celebrated by Johan Cruijff ArenA, CCV, Lancer Europe, and Coca-Cola. This collaboration enabled ArenA to leverage the precise skills and experience of different parties to achieve something truly groundbreaking.

RESULTS

Initial tests have been extremely successful. Most people who use the self-service dispenser return for a second or third time. Qualitative surveys and assessments are overwhelmingly positive. The payment experience is perceived as perfect, with contactless card transactions clearing in just 0.78 seconds. A real-time data stream is also delivered to the ArenA team.

The self-service dispenser is set to be introduced across the stadium, and CCV will continue to work with partners to improve the solution and add more value to Johan Cruijff ArenA and their customers.

Reducing Costs

Exploring how smart vending reduces costs to increase profits

We've looked at how profits can be increased by offering more choice and better payment systems, so let's investigate how technology can increase profits by reducing operational costs for your business.

The key outgoing expenses for vendors include cash-handling, personnel wages, and maintenance vans. Furthermore, vending companies have to account for outdated and unsold stock - which must of course be kept to a minimum. These costs can all be reduced with the help of an updated, optimised, and automated smart vending system.

Below, we discuss each of the areas where you can expect to see reduced costs and significant positive impact. This section is about increasing operational efficiency across the board.

Streamline supply chains

The supply chain is made far more efficient thanks to better real-time

data. Alerts and processes can be automated when it comes to restocking. No longer does the vendor need to estimate when products are running low, and this means the whole back-end system can be optimised for efficiency. No overbuying or overhauling, and driver routes can be selected based on urgency of restocking requirements.

Stock and personnel are only paid for when they're really required, not when pre-established schedules or estimated stock levels dictate. This reduces wasted energy, and allows vending companies to shift to more of a "[just in time](#)" approach when it comes to supply.

Reduce waste

Real-time stock updates ensure that you don't repeatedly buy stock that is not selling. This allows for an iterative improvement of stock over time, with less risk. Data will highlight what needs to be replenished, and what shouldn't be bought again - on a local level.



KEY TAKEAWAY

To keep a business profitable and future-proof, you should keep an eye on your expenses. You can reduce costs in five different ways: streamline supply chains, reduce waste, simplify maintenance, reduce cash-handling and keep a lean workforce.





"consumers are ready for **self-service** in supermarkets, and there is no reason why this can't be extended to **other areas**"

An optimised product inventory can be supported further by enhanced advertising on smart displays, to push potential buyers towards unsold stock.

In the vending industry, there is always the risk of having unsold stock. But with better monitoring and processes, this risk is reduced. Just one example of this is [the Coca-Cola smart machines](#), which issue inventory warnings to prompt restocking orders. If items don't sell strongly, the prices can be dropped automatically and advertised to passers-by.

Simplify maintenance

Using smart systems allows vendors to support a range of popular payment methods, whilst reducing costs and risks. Unmanned machines that hold cash are at high risk of crime, because they're naturally a prime target for vandalism and theft. In turn, this risk increases your spending on maintenance and repair. By utilising a system that accepts cashless payments, the risk of crime is mitigated.

Furthermore, you also have the ability to monitor machines remotely. Any faults can be flagged in real-time, so fast repairs can be made. So, you have the magic mixture: the reduced risk of damage and the ability to fix faults

quicker and more efficiently - thus, getting the machines operational and selling again quicker than ever before. Reduced down-time equals more sales. [According to a Vending International article, 80% can be saved on engineering costs by using advanced technology.](#)

Reduce cash-handling

Cash is slow, high-maintenance and expensive to handle. With less cash being used by consumers, less businesses will view it as a necessary payment method. The less businesses that accept cash, the more expensive it is going to become to handle and manage. Cash is becoming less and less appealing due to expenses, risks, and personnel requirements. You will need to take security precautions when operating an unmanned cash-accepting vending machine.

As we stated earlier, cash is still in play. But we're in a time when stakeholders are weighing up the pros and cons of accepting cash payments. Scrapping coins does reduce the associated headaches, but many countries are not yet ready for the sole focus on digital payments. It's a tricky balance. However, when working with cash it's not just the ability to accept that matters; it's the handling,

management, transfer, and security of that cash that needs to be considered.

Keep a lean workforce

Personnel are not cheap, and this cost can be reduced by automating processes where possible. Smart vending enables this advancement. It's possible to run a leaner operation when the data is accurate and repair or restocking tasks can be allocated without wasted efforts. A connected IoT device will transfer payments digitally, meaning that cashless systems don't need hands-on attention to collect revenue.

Smart vending can also reduce the staff requirements for event venues such as stadiums, concerts, and festivals. With self-service becoming a more realistic option, there is less need to hire a full workforce for serving drinks, in particular. Of course, this has big societal impacts that need to be acknowledged; as the widespread adoption of artificial intelligence puts pressure on employment opportunities.

However, we have seen that consumers are ready for self-service in supermarkets, and there is no reason why this can't be extended to other areas when combined with vending or dispensing at big events.



THAT'S A FACT

80% can be saved on engineering costs by using advanced technology.

Vending, Reimagined

Exploring how smart vending
reduces costs to increase profits

This truly is the best time to adapt your vending brand to consumer trends and new technologies. Consumers are living busy, on-the-go lifestyles. But they don't want to sacrifice quality, choice, or convenience. These days, they don't need to.

It's time to reimagine the vending machine, and look for innovative change. We can adopt technology to streamline digital payments, enhance product choices, and improve the customer experience from start to finish. Consumer demands are always changing, but technology allows vendors to offer the flavour of the month, whatever the month. Don't get left behind.

NEXT STEPS?



At CCV, we work with the vending industry to provide seamless payment solutions. We are trusted by the vending industry to integrate contactless and mobile payment options with Intelligent machines.

If you would like to know more about our payment solutions, please contact us on [+31 88 228 99 65](tel:+31882289965), or send us an email with your question to: supportme@ccv.eu

Visit our website: ccv.eu/self-service

let's make
payment
happen

