

# Innovators showcase new vending concepts to competing retail channels

By Paul Schlossberg, Contributing Editor

Last year at this time, I reported that convenience stores are using vending machines to build their sales. This year, trade shows in Chicago from the foodservice and snack food retail industries indicate that other channels are following suit.

There appears to be a whole generation of vending innovators

working outside of the traditional vending industry. The traditional vending industry has suffered a lot over the years as the U.S. economy has changed. The traditional work-sites have gotten smaller.

Can the traditional vending operators meet the challenges of a changing customer base? This is a question that the industry has to address. There are some very exciting things going on out there, but they are being showcased to other retailers.

## NEW VENDERS APPEAR IN OTHER CHANNELS

Following the National Automatic Merchandising Association (NAMA) OneShow in April, it was quite surprising a few weeks later to find vending machines at both the National Restaurant Show, which serves foodservice, and the Sweets & Snacks Expo, which caters to retailers.

My conclusion is that traditional vending must engage our prospective customers and provide a shopping experience that satisfies their needs.

By now, many of you have seen the Coca-Cola Interactive Vender. But Coca-Cola has some other news. We'll start with the Coca-Cola Freestyle™ machine at the Restaurant Show. It's not a vending machine — at least not yet. For

now, it is a fountain dispensing system for restaurants.

Each Freestyle™ unit can dispense more than 100 different brands, including regular and low-calorie sparkling beverages, flavored waters, sports drinks, lemonades, and options from the Coca-Cola trademark family. The machines blend concentrated ingredients with water and sweetener at the point where the beverage is dispensed using medical dosing technology. They made the point about the factory-fresh taste being so much better than post-mix and even bottles or cans.

I asked if there are plans to bring the Freestyle™ to the vending channel. The answer was not a direct yes or no. "It is a possibility in the future" was the response.

## NEW COFFEE CONCEPTS EMERGE

Coca-Cola had more news at the Restaurant Show. They are testing a specialty coffee and tea system under the Far Coast® brand. Far Coast® products are delivered via b-disc™ technology in a simple, 1-step process, which eliminates the guesswork. Each individually-sealed b-disc contains tamped coffee or tea. No barista training is required either, thanks to easy-to-use, push-button equipment.



The Coca-Cola Freestyle™ provides machine factory-fresh taste.



The Douwe Egberts® BeMoved! vending machine from Sara Lee Foodservice offers an interactive coffee experience.

When a customer orders a beverage, the staff simply puts the b-disc in the equipment and, with the push of a button, prepares the beverage. On average, prepping a specialty coffee or tea drink takes 30 seconds. Three varieties of espresso-based coffees — medium, dark and decaf — and three infused long-leaf tea options — green, black and chai — make up the line.

Sara Lee Foodservice presented the big surprise at the Restaurant Show and probably the best thing we saw at any of the shows — the Douwe Egberts® BeMoved! interactive vending machine. And better than that, it delivered a great cup of coffee. This is a prototype unit — there is no payment system available. Adding a payment system could be an option in the future.

You can shop the machine as if you are a barista. Make the choices for caffeinated or decaf, tea or hot chocolate, lattes or cappuccinos. Add flavors, milk, cream, sugar or artificial sweetener.

You can engage in a game where you move around and your movements are picked up by the machine's camera. Score enough points and you get your cup of coffee.

You can go online to register with BeMoved! Upload your photo and set your own recipe preference. When you approach the machine,



The Coca-Cola Far Coast® machine uses a sealed container to provide reliable coffee quality.

select your photo and order your pre-set drink. The best part of this feature is that you can have a 10 a.m. recipe and 3 p.m. recipe. If your preferences change during the day — coffee in the morning and tea in the afternoon — it's easy to program in what you want to have and when you want it.

There is another screen with interactive graphics where you follow the decision path to make your choices.

We've watched the hot and cold beverage categories for many years. Beverage consumption has been fragmented in recent years. It has been interesting to see younger people switching morning and afternoon beverage breaks away from soft drinks to upscale coffee — lattes, cappuccinos, and various teas.



The PepsiCo Dream Machine empties used containers into separate bins for aluminum cans or plastic bottles.

### BRANDED VENDING CONCEPTS RISE

At the Sweet & Snacks Expo, which caters to retailers, Branded Vending Concepts offered a bulk vending machine where the shopper can select from five columns featuring candy, nuts, trail mix, cereal and small-piece snacks. The machine can also be set to dispense breakfast cereals. With the cereal offering, the machine can be set to slave to a milk vending machine.

This machine combines easy-to-use graphical customer interface with smooth robotic arm to collect and deliver the product. Shoppers can take up to three selections from five bins of product, giving the shopper countless combinations to choose from.

According to Kevin Zimmerman, president of Branded Vending Concepts, they will be announcing new

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Branded Vending Concepts has a dry cereal machine dispensing from bulk columns.

brand partnerships across several product categories. At NAMA we saw their Discovery line of machines

including the bulk candy, soups, and soft serve yogurt with toppings.

Branded Vending Concepts is at work on a branded dry cereal machine dispensing from bulk columns. This vending machine is connected to a refrigerated machine which will dispense single serve milk. Juices, packaged fresh fruit and cereal bars will also be available. There will be a single menu board and one payment system to permit menu pricing. Products will be delivered simultaneously from both machines.

#### REVERSE VENDING MACHINES EVOLVE

Next at the National Restaurant Show was the PepsiCo Foodservice booth where they were showing the Dream Machine. This new unit does not dispense cold beverages. Its purpose is just the opposite – to accept and recycle empty cold drink containers, either plastic bottles or aluminum cans. Using the Dream Machine is simple. Simply scan the UPC bar code and you’ll be directed

to drop the aluminum can in the slot on the one side or plastic bottles on the other side. You can register with the Dream Machine and earn points that can be collected and redeemed for rewards.

My view of the future is that the ability to customize what we order will be very important for the future of vending, OCS and onsite foodservice. These new machines being developed match up well with what shoppers, especially younger shoppers, want in customizing food purchases. | ◀



#### ABOUT THE AUTHOR

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intense selling environments, such as vending, foodservice and convenience stores. He can be reached at [Paul@DFW-Consulting.net](mailto:Paul@DFW-Consulting.net) or 972.877-2972.

## Why vending has moved to other channels

There are five primary reasons why these exciting new vending developments are being presented at shows where vending is not normally featured.

1. Branded vending machines deliver brand name impressions all day as people pass by or when they actively engage the machine to make a purchase. Those brand impressions really do matter. It’s about reinforcing a brand’s image and its positive impact on the loyalty of individual shoppers. Deploying branded vending machines delivers a “shop here” message – even before people approach the machines. In vending – merchandising begins at 30 feet away from the machines.

2. An increasing number of brands see an opportunity to engage shoppers and dramatically improve the vending shopping experience with sensory appeal. Vending is an analog solution in a digital world. Vending is at risk of being irrelevant and might be obsolete in the next few years if we do not make big changes. We must go beyond selling to only the sense of sight. We can offer sound, motion, video and learning too – as shoppers

“go deeper” to find nutritional information, allergen facts and more.

3. Shoppers can now customize their purchases – and that is very important to younger people. They want to buy what they want – not necessarily what you’re selling. Allowing them to customize what they order, even at a vending machine, is the future.

4. Gen-X and Gen-Y shoppers don’t carry cash. It is time we offer cashless payment options at most, if not all, of the locations we serve. We have no alternative. Now we must accept credit and debit cards. And sooner than we think, it will be payments from cell phones and smart phones.

5. Young people are deeply committed to sustainability and recycling – they’re green. It’s time for vending, OCS and onsite foodservice operators to take the initiative in reducing food waste (think composting) and decreasing trash volume (think recycling systems for beverage cans and bottles – in deposit states and non-deposit states too).