

pop opinion

Vending: A Powerful POP Opportunity

Two million convenient locations — that's how many vending sites there are in the United States.

And more than 2.5 million times each day, consumers shop at vending machines. Vending is the most pervasive retail-shopping venue in the country, with far more locations than supermarkets (25,000), convenience stores (100,000) or even restaurants (200,000 plus).

Vending machines are most prevalent at work-related locations (e.g., offices, factories) as well as at colleges, hospitals and other public locations. It's relatively easy to match the demographics of your best customers with various sub-segments of the vending business.

You probably walk past a vending machine almost daily and might even buy a cold drink, candy or a salty snack — the three leading product categories for vending machine sales. As you might expect, carbonated soft drinks are the leader in both purchase frequency and units sold.

The Report Card

But how well has vending done in offering an attractive and well-merchandised presence at the point of purchase? With a few exceptions —



M&M/Mars saw a sales volume lift with this branded vender (vs. traditional, glass-front machines) because of its "brand billboard" effect on impulse purchases.

mostly in the soft drink category — not very well.

One reality of vending is that the lighting in vending areas is often less than optimal. Frequently, site owners place vending machines in less-than-desirable locations. But brands don't take this into consideration when designing packaging graphics. Particularly for on-pack promotions, copy and graphics are often much too small for shoppers to see, and, unlike in other retail environments, they can't simply pick up the product to inspect the package more closely.

Another frequent problem is that signs, danglers and other merchandising elements are not compatible with vending machines/locations. For example, static clings are often designed to be placed on glass-front machines, but though one or two are useful, more than that will obscure the products.

Vending Innovation

On the flip side, many marketers are leading the way by using technology to advertise more effectively at vending points of purchase. Voice-activated teasers, for instance, are being used by brands such as Joe Boxer — yes, underwear is sold in vending machines. And in France, M&M/Mars has used a small video screen on a vending machine that can be used to run promotional video loops.

In the early 1990s, M&M/Mars introduced a branded M&M's candy machine in the United States that was designed to look like a giant M&M's bag standing on end. This exciting machine has produced volume increases vs. traditional glass-front machines. Why? Because the machine's "brand billboard" creates impulse purchase activity more effectively than previous machines.

And there are some new technological advances on the vending machine horizon. Coca-Cola is working with Greensboro, N.C.-based Marconi Commerce Systems to allow consumers to use cell phones to pay for soft drinks. And Web-enabled machines (wired and/or wireless) will now let you shop with a debit or credit card. The brand new world of vending will be coming soon to a neighborhood near you.

Vending Marketing Tips

There are some guidelines to keep in mind when looking to vending machines

In vending, **the message you deliver** to consumers must often be contained on a **single facing** of your product, so make sure the **message is clear** in this venue. **The biggest mistake** that brands make is in **not keeping the brand image and message simple**.

as another POP marketing opportunity. Some are simply extensions of established marketing principles, while others are unique to this venue.

1. Use vending to generate trial.

You can accelerate consumer trial of new products or revitalize an existing product by making sure your product is available in vending machines. For example, Frito-Lay's launch of Cool Ranch Doritos in 1986 generated 37 percent of its total trial through vending and foodservice channels — the company's most successful line extension at that time. One advantage to vending trial is that consumers are more willing to experiment on a single-serve purchase than on a larger, family-size package.

2. Appeal to all the senses.

Currently, vending is essentially a visual medium. New technologies, however, will soon allow marketers to expand vending machine advertising to include sound and smell. Bestfoods, a European food manufacturer, has designed a vending machine that looks like a jukebox and plays attention-grabbing music. And companies have already figured out how to dispense aroma, so why not incorporate this technique into a vending machine as well?

3. Be different, yet consistent.

Just as you customize POP for different channels (e.g., small vs. large supermarkets), consider vending to be a channel with its own requirements, including limited space for elements such as static clings. Consider giving your vending customer a variety of tools to promote your product. One creative idea is to offer retail customers tear pads with coupons valid on product inside the store. And just as you create an integrated message across broadcast, print and POP, make sure your vending POP is consistent with creative used in other channels.

4. Use smart packaging.

In vending, the message you deliver to consumers must often be contained on a single facing of your product, so make sure the message is clear in this venue. The biggest mistake brands

make is in not keeping the brand image and message *simple*. Once developed, test to make sure the message is visible in some real-world locations.

5. Don't forget the vending-size package.

Whatever your brand is promoting, consider the vending consumer. Whether it's a free extra ounce or a rebate, your consumers should see the same offer in vending machines and at retail. Remember that single-serve packages are often a high percentage of your brand's consumer transaction base. Make sure to involve the people in your company who are responsible for both vending and foodservice. They can help make sure your marketing communications reach all your customers.

POP merchandising is a critical tool in delivering your message at the vending point of purchase. And with new technologies on the horizon, all this venue needs is some imagination to take advantage of an underutilized point of purchase. ●



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What's your reaction? Do you see vending as an important POP opportunity? Share your thoughts by sending us an e-mail (lnajjar@popmag.com), fax (770.777.8749) or letter (Point of Purchase Magazine, 1115 Northmeadow Pkwy., Roswell, GA 30076). We also welcome interest in voicing your own POP Opinion on the topic of your choice.