An overview of the vending industry

Vending is the sale of goods and services via machines. The machines are installed and operated by operators. They manage the machines as their core business and are responsible for cleaning and filling the machines with products.

Employing around 15,000 people, the German vending sector is a significant branch of industry of the away-from-home market. Strong competition and the low barriers of market entry encourage entrepreneurship and the development of individually tailor-made service solutions.

In Germany, machines, which issue ready-to-eat food and other basic consumables at the push of a button, have been an indispensable element of catering for employees in companies for decades. The changed consumption behaviour of the consumers, also due to their mobility has contributed towards drink and snack machines being found in many other areas of life too. Every day 15.2 million beverages and snacks are consumed from vending machines in Germany. According to internal industry estimates, the number of drink and vending machines operated in Germany is approx. 555,000. These are broken down as follows:

- 96,400 hot beverage machines
- 240,600 professional table-top machines
- 90,600 machines for snacks and food
- 127,300 cold drink machines

The overall sales volume for drinks and snacks from vending machines in Germany is around 3.11 billion Euros. This is broken down as follows:

- 73 % is achieved with hot drinks
- 13 % is achieved with cold drinks
- 14 % is achieved with snacks

Over 80% of the drinks and snack machines are located in companies where they serve as a source of light refreshments for the employees. In companies with shift working, light main meals are also offered in vending machines, partly in combination with microwaves. In smaller firms, vending machines are in most cases the only internal catering offer, particularly in those companies where a canteen can no longer be viably operated due to the high operating costs.

In addition to this, around 20% of the vending machines are found in the so-called „public vending sector“. These machines are located in schools, universities and other educational establishments, at public authorities, in hospitals, petrol and service stations, hotels and at train stations, in tube stations, airports and public areas. The current generation of machines convince here with robust stainless steel casings, burglar-proof locks and additional floor mountings.

The so-called „Office Coffee Service (OCS)“ supplies employees in offices with all kinds of hot drinks. OCS machines are easy to operate and low-maintenance. The exterior appearance of OCS coffee machines is often similar to that of large household appliances, however in terms of their construction and robustness they are comparable to catering coffee machines. Depending on the supplier, various office coffee service packages are offered, which include the installation of the machine, delivery of coffee, cleaning and technical services.
The German vending industry comprises:

- Over 1,000 mostly small and medium-sized vending machine operators operating food and beverage vending machines on their own accounts
- Vending machine manufacturers
- Food industry companies distributing foods suitable for vending machines
- Manufacturers of point-of-use (POU) water coolers
- Manufacturers of vending cups
- Manufacturers of vending machine payment systems (coin-operated machines, banknote readers, cashless payment systems)
- Manufacturers of water filters, vending machine accessories and peripheral devices
- Companies providing technical services for vending machines and payment systems
- Specialist publishing houses, consultancy companies

Six large vending machine operators operate nationally; these account for 20% of the industry’s total sales and include:

- Alois Dallmayr Automaten-Service, Munich
- ARAMARK, Neu-Isenburg
- Coca-Cola European Partners Deutschland GmbH, Berlin
- Maas International, Bruchsal
- Mars Drinks, Viersen
- Selecta Deutschland, Bad Soden

Two groups of independent vending machine operators collaborate in purchasing and marketing, and in servicing supra-regional customers:

- AP Automaten-Partner, Eichenzell
- CA Vending, Hamburg

There are a number of key players active in the office coffee service (OCS) segment, including:

- Coffee at work
- Coffema
- Coffenco
- CP Group
- Idee OCS
- Kaffee Partner
- Seeberger
- Tchibo
- WMF

The vending industry has enjoyed positive business developments over a number of years, and the BDV expects this trend to continue for the foreseeable future: The large variety in food and beverage vending machines reflects customers’ increasingly differentiated preferences. Modern vending machines are highly reliable, and the around-the-clock availability of snacks and beverages for purchase is in keeping with customers’ current consumption habits.

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<th>Convenience</th>
<th>Speed</th>
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<td>Around-the-clock (24/7) availability</td>
<td>Variety: vending machines can be used to sell virtually any product</td>
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<tr>
<td>Broad range of payment options</td>
<td>Cleanliness, hygiene, reliability, consistently appropriate temperatures</td>
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<td>Consistent food/beverage quality</td>
<td>Personalised vending machines/vending machine branding</td>
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<td>Enjoyment and energy for greater staff motivation</td>
<td>Flexible business models (purchase, lease, rent)</td>
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Wide range of products and applications

Food and beverage vending machines form an indispensable part of in-house employee services in companies (production, administration etc.). As vending machines operate around the clock 7 days a week, they are particularly valuable in companies with shift or weekend work. Societies have additionally become more and more mobile, and people like to enjoy food and beverages any time, at any place. Take-away coffee has become a global phenomenon. As vending machines are capable of dispensing products at any time while taking up little space, they are well suited for meeting today's consumer requirements.

The prevalence and acceptance of vending machines keeps giving rise to innovation in the vending industry: vending machines are used to sell not only “conventional” foods, but also non-food items such as shoes, tools, lingerie, swimwear, jeans, electronics items, souvenirs, umbrellas or even bars of gold. The vending industry is guided by consumers’ preferences and needs and continually develops new solutions. As a result, there is now a wide range of regional goods being sold in vending machines, that is butchers, bakers and farmers use innovative vending solutions to offer their goods even outside standard opening hours.

In the hotel industry, vending machines have additionally become established as attractive, extra guest services with a decisive effect on sales. The broad range of vending machine types available on the market offers great flexibility to allow virtually any type of goods in any size of packaging to be sold. Vending machine operators offer high-quality solutions not only in the form of maxibars for diverse product portfolios, but also as part of professional coffee supply services in lobby, breakfast or congress areas.

Factors for vending success

Vending machines are supported by professionals. Vending machine operators are coffee experts with barista expertise. They have profound specialist knowledge regarding coffee itself, product variety, electronics and machine security, payment systems, food safety (HACCP), logistics, management and marketing.

Products prepared by vending machines are of high quality and offer great variety. More than 73% of vending machines in Germany dispense hot beverages. The coffee quality served by vending machines has long reached the level expected from sophisticated gastronomy outlets thanks to optimised brewing technology (fresh brew and espresso, in-cup, capsules, instant etc.) and the quality of products used. Vending machines have become an important sales channel for coffee, Germans’ favourite beverage. With a per-capita consumption of 162 litres per year, this caffeinated hot beverage is the unchallenged market leader, even ahead of beer and water.

New coffee concepts for the checkout areas of large supermarket chains ensure that coffee is available to customers at any time. New vending machine concepts such as coffee & cash to go, a symbiosis of savings banks ATMs and vending machines in public areas, or vending machine cafés offering sustainable premium coffee, fresh snacks and small hot meals as well as a directly connected charging station for electric cars round off the range of exciting, future-ready solutions.

Innovative technologies are deployed in energy-efficient high-tech vending machines. Glass front doors, lift systems and robotic claws attract attention and deliver goods at a comfortable height for customers. Touchscreens offer an ideal platform for product presentation and advertising. Vending machine design is characterised by user-friendly operating elements, visual communication, voice control and multi-functionality. Some coffee vending machines also dispense lids for take-away cups to convert the machines into the “world’s smallest coffee shops”! Remote data transfer from and to vending machines is already a reality in a growing number of machines. This makes vending machines even more customer-friendly and reduces service needs.

The number of payment options available for vending machines keeps growing. While coin-based systems continue to dominate, about 25% of all vending machines feature cashless payment options. Contactless chip card, contactless credit card and smartphone payment systems work flawlessly with vending machines. Payment apps and NFC (near-field communication) technologies can also be used without any problems.
Current issues in the vending industry

Food sector:
• Food labelling on vending machines
• Cooperation with FAIRTRADE Germany for sustainable vending machine products
• Nutrition and catering in schools

Legal issues:
• Minimum wages: subcontractor liability and recording obligations for “mini-jobbers”
• Amended packaging regulations/laws, e.g. regarding cup disposal
• Deposits on beverage packaging: non-returnable/returnable bottles in vending machines

BDV Certifications and Guidelines:
• Industry certification for member businesses under the BDV quality label and ISO 9001:2015
• Best hygiene practice guidelines for point-of-use watercoolers
• Energy efficiency of hot and cold drink vending machines

Fiscal issues:
• Introduction of new contactless payment systems (e.g. girocard, mobile payment options)
• Introduction of new euro banknotes (Europe series): adaptation of banknote readers
• Remote data transmission from and to vending machines
• Cash handling
• Electronic reading of vending machine and payment system data

Industry-specific training:
• Specific vending industry training for “qualified vending machine specialists”

„Eu’Vend & coffeena” - the leading European trade fair

The “Eu’Vend & coffeena”, the vending industry’s leading European trade fair, is held every other year. The trade fair is organised jointly by the BDV, being the promotional supporter, and Koelnmesse. Industry visitors are invited to attend this year’s trade fair at the Cologne exhibition centre between 09 and 11 May 2019 to learn about the latest industry trends and developments.

All information on the trade fair at: www.euvend-coffeena.de

About the BDV

The German Vending Association (Bundesverband der Deutschen Vending-Automatenwirtschaft e.V./BDV) is the leading industry association of manufacturers of food and beverage vending machines, vending machine operators (i.e. service providers) and food manufacturers in the industry. The BDV has about 350 members, 200 of whom are independent vending machine operators, most of them small to medium-sized regional companies. The vending machine operators organised within the BDV account for about two thirds of the entire market.

All information on BDV at: