



EUROPEAN
VENDING ASSOCIATION



TELLING THE GOOD STORY OF COFFEE SERVICE AND VENDING



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KEY DEFINITIONS

What is a Vending Machine?

A Vending Machine is an operational machine located at either a client site or in a public location designed specifically for the sale and dispensing of food, drinks, and other goods. This definition excludes cigarette and gaming machines.

What is Office Coffee Service (OCS)?

OCS is a specific part of vending and involves a hot drink table-top operation in the office environment, maintained and supplied with ingredients by the operator. OCS machines, however, are filled by the company where the machines are located, and these systems do not usually have coin/payment systems.

THE MARKET

Key Figures

- There are **295 million consumers** who use machines at least once a week
- There are approximately **3.8 million vending machines in Europe**
- **2.36 million machines (~62%)** are hot drinks machines; the majority of these being table-top vending or OCS machines
- This corresponds on average to **130 people per vending machine** across Europe
- The machines are run by some **10.000 companies**, mostly SMEs and family businesses
- The industry employs directly more than **85,000 people** and many more in supportive industries
- Vending across Europe has a turnover of **€14.6 billion** annually

The 6 biggest markets in Europe are Italy, France, United Kingdom, Germany, Spain and the Netherlands, which in total make up around 75% of the total European market.

Vending is a European **manufacturing sector** with plants principally in Italy, Germany, the Netherlands, Spain, and the United Kingdom. It is an **innovative** industry, designing and producing machines with the latest technological developments.





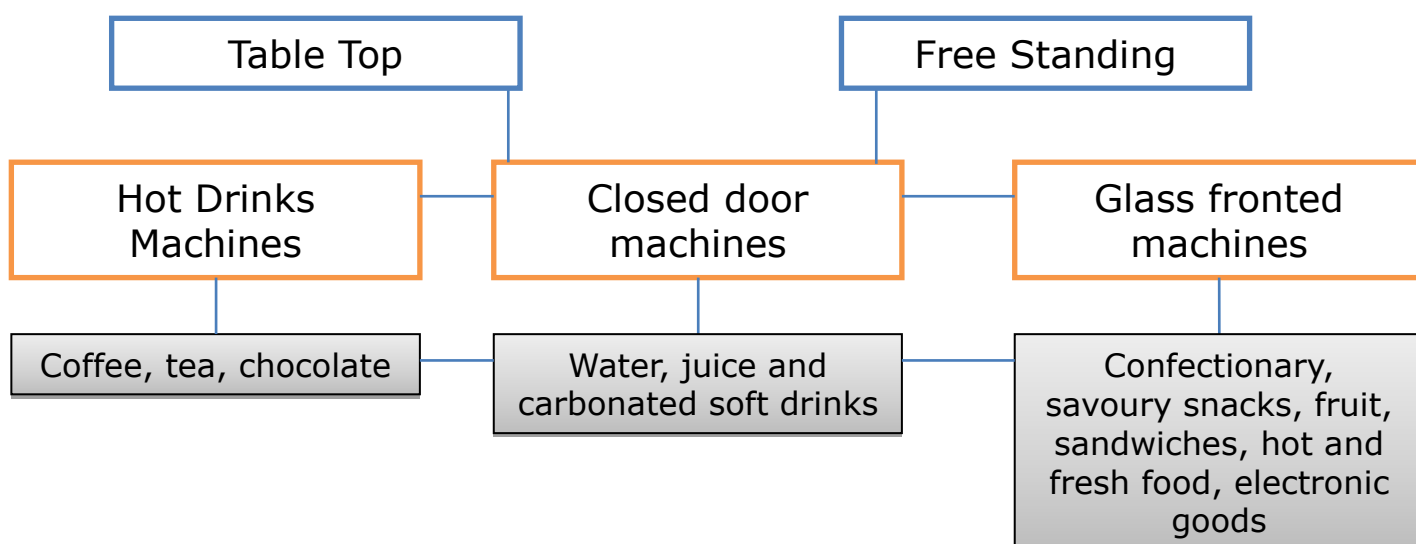
The industry employs a significant number of (mainly) blue-collar workers, thereby contributing to maintaining the job market in the EU's industrial sector. Vending across Europe employs people with low qualifications and provides them with **training on hygiene and/or technical issues**. This is a local industry, offering employment opportunities and serving customers, locally.

While the majority of vending machines serve hot drinks (particularly coffee), the remaining vend anything from sandwiches, cold drinks, hot meals and snacks, to hygiene products and electronic goods. The machines are a convenient point of sale equivalent in size to a shop of 1m². While most machines are located in companies and offices, the rest are placed in public locations such as transport hubs, hospitals and the leisure sector.



The below chart shows examples of the various types of machines used in the industry





Furthermore, **Coffee Service machines** are divided into **3 categories**:

- **“Instant”** - the coffee is prepared mixing hot water with coffee powder, soluble or freeze dried, in special mixing bowls, or directly in the cup.
- **“Freshbrew”** - the coffee is prepared in a special brewer, where hot water passes through the ground fresh coffee with a pressure close to 0 bar
- **“Espresso”** - the coffee is prepared in a special brewer, where a pump pushes hot water through the ground fresh coffee with a pressure between 4 and 10 bars.

THE KEY PLAYERS

Operators





- The coffee service and vending machines are managed by operators.
- They manage the machines as their core business.
- They are responsible for cleaning and filling the machines with products (be it coffee beans, drinks, snacks, cups, electronic goods etc.).

Machine manufacturers

- Machine manufacturers make the vending machines used by the operators. The machines exist in a wide range of different types and sizes (see earlier chart).
- The machines are very sophisticated and can sell almost any product, including hot and/or cold drinks, ambient or refrigerated foods, deep-frozen food and hot meals. Certain machines can even operate simultaneously at different temperature levels.
- Manufacturers also design machines to dispense non-food items such as hygiene products, electronic goods etc.
- New vending machines can be manufactured to connect to the internet, incorporate large touch screens for ease of use, or even to integrate cameras which sense the proximity of a customer in order to display targeted information.
- Most of the global vending machine manufacturers are located in Europe.
- Machine manufacturers sell their machines to the operators.

Water filter/dispenser manufacturers and operators

- These manufacturers make the water filters used in drinks machines.
- They also manufacture water dispensers which are commonplace in the office environment.
- Similar to coffee and vending machine operators, water dispensers and filters are maintained and serviced by specific operators.



Cup and disposable manufacturers



- Cup and disposable manufacturers produce the containers used to deliver drinks to the customer.
- They also produce the disposables commonly seen with vending machines, such as sugar and creamer sachets, plastic stirrers etc.
- Cup manufacturers can produce plastic and/or paper hot drinks cups, as well as clear plastic glasses used for water dispensers.
- In line with the trend of “premiumisation” for coffee service delivery, cups are now often made of high quality paper, similar to those used in coffee shops.

Product suppliers

- Product suppliers provide the operators with items demanded by costumers.
- They develop new products to follow consumers’ changing tastes and desires – this may include a more diverse and nutritious offering.
- As vending machines are very versatile, the range of items supplied to operators is consequently very diverse.

Payment system manufacturers

- Payment system manufacturers design and build coin and banknote validators.
- They also supply electronic payment systems, enabling customers to pay with their (contactless) credit or debit cards, or mobile device.
- The operator will decide which payment system they want and which is most suitable for that location.

THE BENEFITS

- Vending Machines offer **convenience, speed, and 24/7 opening**.





- They are **very versatile** and can sell almost any product.
- New machines use cutting edge technology, including **internet connectivity** and the use of **large touchscreens** to interact better with the consumer.
- Machines can employ a wide range of payment options, including mobile payment.
- Machines are cleaned and filled regularly by operators. It is a very **hygienic and safe** manner to deliver quality food and drinks, as the machine is always at the right temperature.
- Research and Development departments continuously develop new, tasty products with **health benefits**.
- **Fruits and Vegetables** are now more frequently on offer in vending machines.
- The industry is encouraging a **more nutritious and diverse offering** in Vending Machines through healthy eating projects in different European countries.
- Machines offer **social benefits** as they are a natural a place to meet with colleagues/friends.
- Machines provide **hydration & energy** – important for a competitive workforce.
- They encourage moderate coffee consumption, which brings many **physical and mental benefits**.
- Vending Machines provide refreshment and countless **moments of pleasure** for workers, travellers and those at leisure.





MORE SUSTAINABLE VENDING

The vending industry has been becoming more sustainable for years. A lot of initiatives, coupled with sector-endorsed measures, have reshaped the ecological footprint of the vending sector.

- Vending Machines in Europe are fully compliant with the **WEEE** (Waste Electrical and Electronic Equipment) legislation, and in fact machines and parts are re-used many times over.
- The machines comply with the **RoHS** (Restriction of the use of certain Hazardous Substances in electrical and electronic equipment) Directive.
- The EVA has developed a protocol to measure the energy consumption of vending machines: the **EVA EMP** (Energy Measurement Protocol). This helps buyers benchmark the different machines.
- Vending companies invest a lot in Research and Development (R&D) in the areas of **energy-efficiency, insulation products and refrigeration**.
- **Paper cups or biodegradable cups** are used as alternatives to traditional plastic cups.
- Soft drinks and bottled water are packaged with **PET**, which has a high recycling rate. Some companies have developed lighter packaging for their soft drinks.
- **Small devices** can also be installed on vending machines to turn off lights and cooling systems at certain less intensive periods, such as during the night. Machines however, still ensure a safe temperature for perishable items is maintained.
- LED lights are fitted to new machines because they consume **less energy**.
- Vending machines placed outdoors are made with a special glass and with an isolating structure, to limit the energy and heat generated by the sun.
- Operators, in line with customer demands, are offering more and more Fairtrade products in machines.
- Products that correspond to a healthier lifestyle as part of a balanced diet are being offered in Vending Machines in more and more European countries.

