

Summary

Executive summary

The first solutions for including connectivity in vending machines became commercially available more than two decades ago. It has however taken years for the technology to gain the interest of mainstream vending operators. Today, global penetration is still relatively modest and Berg Insight estimates that only around 10 percent of the world's 17 million vending machines are connected. The market has however gained momentum in recent years as more and more vending operators have started to deploy cashless payment systems and vending telemetry solutions at a larger scale. Demand for cashless payments has so far been a main driver for connectivity in vending machines. Vending telemetry is however anticipated to have a more transformational effect on the industry as these solutions enable vending operators to substantially improve their operational efficiency.

The global installed base of connected vending machines reached an estimated 1.51 million units in 2015. North America is estimated to represent the largest share of around 0.80 million of these machines, whereas the corresponding number for the European market is 0.20 million. The number of connected vending machines in other parts of the world totalled an estimated 0.51 million units at the end of 2015, mainly in Japan and Australia. Berg Insight forecasts that the number of connected machines worldwide will grow at a compound annual growth rate (CAGR) of 18.7 percent to reach 3.6 million units by 2020. As a result, the global penetration rate will reach 20.3 percent at the end of the forecast period.

The global market for connected vending solutions is highly fragmented. Many of the leading providers are small- and mid-sized specialised technology companies such as USA Technologies, Cantaloupe Systems and Nayax. Numerous vending machine manufacturers are also active in the connected vending space, either directly by developing proprietary solutions in-house, or by partnering with established vending telemetry and cashless payment solution providers. The manufacturer Crane even holds a leading position from a global perspective with more than 300,000 connected vending machines. Also a number of vending operators have entered the field of connected vending machines, most often through partnerships with third-party technology providers.