

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. Berg Insight estimates that around 16 percent of the world's 16 million vending machines are connected. The market has gained momentum in recent years as vending operators have started to deploy solutions at a larger scale. Demand for cashless payments has so far been a main driver. 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 2.6 million units in 2017. North America is estimated to represent the largest share of around 1.3 million of these machines, whereas the corresponding number for the European market is 0.6 million. The number of connected vending machines in other parts of the world totalled an estimated 0.7 million units at the end of 2017, mainly in Japan and Australia. Berg Insight forecasts that the number of connected vending machines worldwide will grow at a compound annual growth rate (CAGR) of 16.2 percent to reach 5.4 million units by 2022. As a result, the global penetration rate will reach 32.2 percent at the end of the forecast period.

The global market for connected vending solutions is served by a variety of players. Many of the leading providers are specialised technology companies. USA Technologies is following the acquisition of Cantaloupe Systems in 2017 clearly established as the largest provider in terms of installed base. Other notable technology suppliers include Ingenico Group, Nayax and Televend (INTIS). 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 one of the leading positions from a global perspective through Crane Connectivity Solutions with a total of 400,000 connected machines. Vending operators active in the field of connected vending machines most often work with third-party technology providers, while some even have in-house solutions e.g. from M&As.