

Vending Reinvented

It's amazing how technology has changed our lives over the last few decades with the advent of personal computers, smart phones, and the internet. However, with the exception of improvements at self check-out, the retail store remains essentially unchanged, especially the store shelves. As marketers seek to satisfy the desires and preferences of an ever growing populous with pre-packaged flavors, scents and sizes, the proliferation of product offerings clogs our shelves, confuses our shoppers and stresses our planet.

We need to rethink product packaging, as it is the single largest category of landfill waste and the biggest component of ocean litter that harms marine life. The average American produces about 4.4 pounds of garbage a day and 1,600 pounds a year.

Imagine a supermarket where packaged goods are made to order.

The Environmental Protection Agency reports that the energy to produce, use and dispose of products and packaging, accounts for 44 percent of total US greenhouse gas emissions. While we have embraced the convenience of disposability, the reality is that a disposable society is no longer a sustainable one.

The world simply cannot continue to satisfy the variety of consumer desires with pre-packaged goods. I envision something radically different. By incorporating the sophisticated technologies of modern culture, we can create game-changing packaging solutions for a more sustainable future.

GEORGE COSTANZA'S REVENGE

Bringing modern technology to the store shelf could fundamentally change the shopping experience and help the planet. As we rethink our

store shelves, vending may provide a viable platform. Vending machines already have come a long way since the frustrating one from which *Seinfeld's* George Costanza desperately tried to get a Twix bar. Today, there are vending machines dispensing such diverse products as beverages, pizza, eggs, crabs, produce and wine, for example. That's just the beginning. Vending machines with form/fill/seal equipment, commonly found at a filling plant, could enable on-demand fulfillment without the confusing clutter and negative environmental impact of pre-packaged goods. This would shorten the supply chain and reduce greenhouse-gas emissions by eliminating the unnecessary shipping of water.

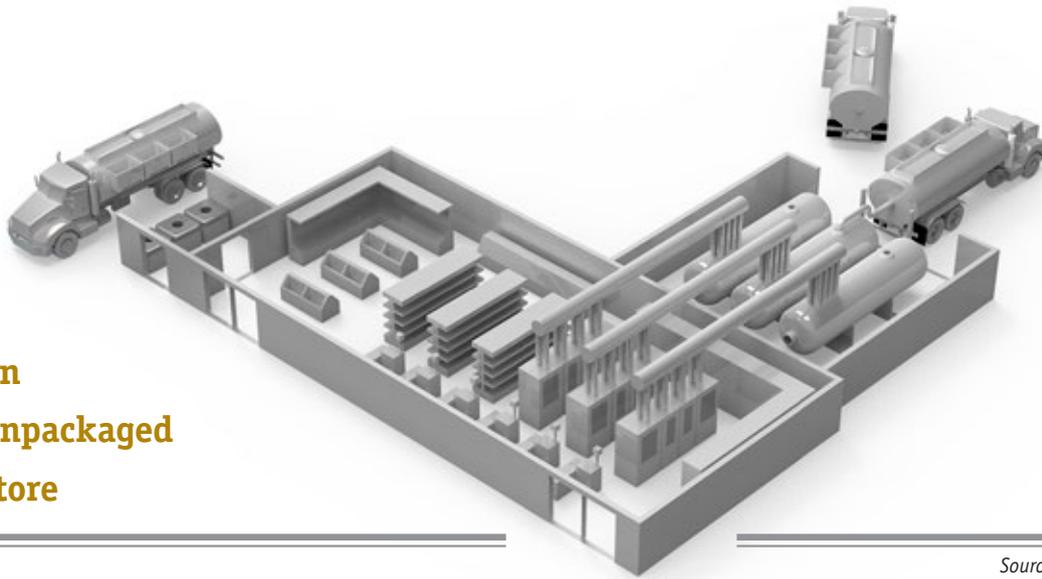
Coca-Cola's Freestyle Machine, which features more than 100 different beverage options and allows consumers to create their own custom drinks, is perhaps the best-known example of the possibilities. Ingredients are blended on the spot, eliminating the waste associated with packaging more than 100 different beverage varieties. The Freestyle machine also takes water completely out of the supply chain by adding it to the concentrate on the spot.

The Pouchlink concentrated beverage vending system, via The Green Drinks Company in the UK, meanwhile enables "a packaging factory in a box." Pouchlink offers a wide choice of juice drinks to be made and packaged within the vending machine.

Pouchlink also eliminates the unnecessary transportation of water, while its pouches use 75 percent less material than PET bottles. Pouchlink's patented aseptic beverage dispensing system can serve natural, non-preserved, chilled beverages directly to the consumer without concerns related to sanitation or shelf life. It also features the world's first chemical-free, self-cleaning post-mix system, which eliminates harmful chemicals and the need for cleaning.

By combining these modern technologies, vending machines can be envisioned as a way to custom-package various quantities of product. Vending kiosks would be plumbed to bulk product supply,

An Unpackaged Store



Source: Product Ventures

allowing for sterile product transfer and packaging. The machines could be configured to receive a large supply of product via hoppers and piping. At the push of a button, the machine would form the container to the product quantity specification, fill the container with the consumer's product selection, seal the container, and dispense the package.

The supermarket of the future may very well be tomorrow's filling plant. This technological ability is now within reach and could transform packaging formats and the supermarket experience that we know today. By utilizing bulk product delivery and in-store product creation and packaging, the consumer could control the product mix, package size, and applicator type, allowing for both personalization and customization.

On-demand packaging could also provide potentially fresher products by shortening the lifespan requirements and removing the need for a pre-packed product to withstand warehousing, shipping and shelf life, eliminating the need for preservatives.

A NEW BRANDING EXPERIENCE

Vending machines have also proven themselves to be effective in-store marketing tools, as the technology could run educational video tutorials, commercials and enable the easy navigation of the myriad choices. When connected to the internet, the technology can enable instant inventory tracking and sales-data tracking, making it a great test-marketing platform, as well.

Vending machines can provide potential customers with a wealth of information about the product offering, taking the communication burden off of the package. They offer tremendous potential to enhance the experience in other ways, too.

For example, JR East Water's touchscreen beverage vending machine, rolled out in 2010 in a Tokyo train station, is one of the first to utilize facial

recognition. It detects when someone is near the machine's three motion sensors. A tiny camera above the 47-inch touchscreen then estimates the buyer's age and gender, and recommends appropriate products. Behavioral economists have long found that too many choices confuse consumers; these new machines help solve that problem.

Taiwan Brand's interactive vending machine employs two-way conversation. A virtual pharmacist prompts consumers to answer questions regarding their health and prescribes medication based on symptoms entered via a touchscreen. The medicine is then immediately dosed to the consumer through the vending machine. Facial recognition cameras may also be integrated into the machine to help determine personal characteristics, such as gender, weight and age, to accurately diagnose potential medical conditions.

If the retailer controls the shopping experience, what does the future hold for national brands? After all, national brands have seen increased competition from private-label products, as their product quality and packaging have vastly improved. National brands have leveraged their quality, brand recognition, and experience as their points-of-difference.

A future without pre-packaged goods would result in a profound change in dynamics, as national and store brands continue their fight to win consumer hearts and dollars. ■



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