TECH IN THE NEWS Vending Machines 2022



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Vending machines will sell you (almost) anything

Eggs, champagne, underwear, hats for your cat. Here's why "unattended retail" is taking off — especially with Gen Z.

By Alix Strauss

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Vending machines used to be simple: minor vice, immediate gratification. You put some coins in a slot, decided what snack, candy, or soda you wanted, pulled a knob, and on a good day, watched your item robotically move forward and drop to the bottom of the machine. On a bad day, your ingestible got caught between the glass and metal coil and sadly stayed there.

But yesterday's candy machines are today's everything machines, offering an array of high-end, lowbrow, and highly unlikely items: live lobsters, anyone? Food and drink options have grown wackier: a 24hour goat-cheese vending machine in northern Michigan, a champagne vending machine at a high-end Boston food hall, egg vending machines in the farmlands of Oklahoma and the mountains of Japan. The San Antonio International Airport has a pizza vending machine that can cook a 10-inch brick-oven pie in minutes.

And vending machines have expanded well beyond food — to keys, socks, violin strings, umbrellas, crochet hooks, fresh flowers, hats to fit on cats, and fortunes that reference the Chinese Zodiac. In one bustling district in Tokyo in 2021, the Japanese domestic carrier Peach Airlines installed a vending machine that sold flights to mystery destinations for 5,000 yen, or about \$44. In some U.S. states that have legalized marijuana, vending machines act as dispensaries, doling out cannabis, hemp, and CBD-related products. In 2019, New York's Rockefeller Center installed a bank of machines with such items as a

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Many of the new machines are touchless and technology-savvy, experiential and Instagrammable, reflecting the modern ways we consume, shop, and even live. But vending machines offer something old-school, too: an analog thrill that even the slickest e-commerce site can't promise. They "can compete with our online lifestyles while offering a small and secure level of immediacy because they are physically right there," says Mark Sivak, a professor of engineering at Northeastern University who teaches courses in design and technology. "If you're in the same building as a vending machine, that's faster than Amazon."

The first patent for an automatic vending device — for stamps — was filed in Britain in 1857, according to the book *Vending Machines: An American Social History* by Kerry Segrave. Bottled soda vending machines appeared in the 1930s, followed by machines that sold cigarettes, snacks, and water. With advances in technology in the 1990s came vending machines for hot items, such as reheated frozen burritos. But what fueled the current explosion of vending machines, Sivak says, was the advent of credit card readers in the early 2000s, paving the way for higher-end fare — like an iPad at an airport — and for items people might never have dreamed of buying from an automated box.

"They're starting to be diverse because they have a value proposition,"

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maintenance, "an anytime, no-staff-needed experience that's efficient, cheap, and deliverable." And the pandemic cemented the appeal of a retail sale that's free of human contact. "In the last two years, these machines became popular, because it's a touchless transaction. You don't have to be near another human who could potentially have COVID," Sivak says.

"If you can buy something that you've never seen before in a vending machine, you might buy it just because it comes out of a vending machine."

-Elizabeth White Nelson, a professor of history and American culture at the University of Nevada, Las Vegas.

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But convenience can't be the only reason vending machines are so popular. The vending machine experience — standing in front of an array of items, "shopping" and choosing and watching them fall within reach — is a selling point in itself, says Elizabeth White Nelson, a professor of history and American culture at the University of Nevada, Las Vegas. "If you can buy something that you've never seen before in a vending machine, you might buy it just *because* it comes out of a vending machine," she says. "The anticipation part is much more important than the actual acquisition. We get much more pleasure out of thinking about what we're going to buy than we do about actually having it."

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To witness both sides of the phenomenon, just go to any airport that doubles as a shopping mall — a place where people are stuck, sometimes with hours to kill, and with consumption needs they can't fulfill anywhere else. At airports around the world, vending machines have cropped up beside the newsstands and doughnut shops, selling items that range from the quirky (a machine from the French company Short Édition dispenses short stories on scrolls of paper) to the prosaic: life insurance, umbrellas, COVID tests, underwear.

A vending machine offers a perfect combination of impulse purchase, practicality, and whimsy, Nelson says. "People need umbrellas. People might need life insurance if they're getting on a plane and don't have any," she says. "We've taken some necessities and made them look like candy."

If one demographic is most likely to embrace the expansion of the vending machine, it's Gen Z — the generation that came of age with COVID, online sales, and nonstop mail-order deliveries. That's why, when Chloe Welch and Hanna Elzaridi wanted to start a business, they turned to automation. Welch and Elzaridi, both 21, met as first-year roommates at Northeastern University in 2019 and discovered they had a couple of things in common: a love of fitness and a frustration with the selection of health supplements they found in nutrition stores. If you wanted to make your own supplement

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In summer 2021, Welch and Elzaridi hatched a plan to create a protein powder vending machine. They called their new business SOAR Vending and enlisted help from Sivak, who is also director of Northeastern's Sherman Center for Engineering Entrepreneurship Education. From an Italian vendor, they bought a 2010 candy machine and transformed it to fit their product, installing a system to distribute and agitate powder, and replacing the old candy spout with 3D-printed parts.

Their first machine was installed in Northeastern's Marino Recreation Center in spring 2022. It featured a hands-free robotic arm that moved a cup underneath one of four flavors — vanilla ice cream, double rich chocolate, peanut butter, and "vanilla indulgence" — and dispensed 30 grams of protein powder, for a charge of \$1.99. The prototype is offline now, Welch and Elzaridi say, as SOAR develops a new version that will combine about a dozen powder offerings with water or plant-based milk. Customers will also be able to preorder a drink from an app, due out in 2023 and developed in part by Generate, a Northeastern student-led development studio.

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A vending machine, Welch and Elzaridi say, has been a perfect tool for their modern retail startup. It didn't require much capital to launch and needs minimal staffing and little to no upkeep. "The machine is shelf-stable and able to last for about two years. A few part-time employees will refill the machines and make sure everything is working," says Welch, who says SOAR plans to install several more machines near gyms around Boston.

And because modern vending machines also double as smart devices — able to keep and share information from time-stamped sales and credit card transactions — retailers like SOAR can use them to learn more about their customers' behavior. Today, Sivak says, "if you're a [vending machine] owner, you're getting the money right away but you're also seeing analytics about its usage — when to restock, what products are selling, and what aren't." In the future, Welch says, SOAR could use that data to track repeat purchases and explore ways to keep customers coming back, in the vein of Amazon subscriptions or a membership rewards programs at a grocery store.

Welch and Elzaridi were confident that a vending machine would appeal to college students, who don't expect a human touch with every sales transaction. "A lot of people don't want to interact with others when they purchase things. They're very used to an online environment," says Elzaridi. A vending machine is equally impersonal, but with a physical advantage: "People still like to see the product, and

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As a Gen Z-er, she says, she'd be comfortable buying many things from a vending machine — even eggs. "I don't care what brand of eggs I buy, so if I saw them in a vending machine, I'd be more likely to try them out, just because that sounds really cool," she says.

But "vending machine" still sounds old-school, evoking the image of coins dropping into a well and candy bars stuck in a shaft. Indeed, as they shared their concept with early investors, Welch says, the biggest thing they needed to change was the verbiage. During pitch meetings, she says, they refer to their creation as a "sports supplement dispensing machines" and use buzzwords like "Internet of Things technology."

"We are focusing on bringing vending into the 21st century," Welch says. "We started calling ourselves 'unattended retail space."

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Alix Strauss is a trend and lifestyle writer based in New York. She is a frequent contributor to the *New York Times* and a four-time published author of both fiction and non-fiction.

Photo: Champagne vending machine at High Street Place food hall in Boston. Photo by Jonathan Wiggs/The Boston Globe via Getty Images

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