

Intercept marketing and vending machines

[Business](#), [Marketing](#)



What is intercept marketing?

The word 'intercept' means to capture, interrupt, or catch. Thus, the term intercept marketing is the form of marketing where the targets are made aware of the product to be marketed while they are doing some other activity.

Thus, the term intercept marketing, a relatively novel form of marketing, encompasses all those promotional activities where the target is given the promotional presentation etc., while he is doing something else.

What is the basis of intercept marketing?

The intercept marketing is based on the idea of diverting prospect's attention to one's marketing vehicle, like kiosk, vending machine etc. Traditionally, the intercept marketing exists in a number of forms. One of its popular forms is the one known as 'mall intercept', when the promotion is carried out inside or nearby the shopping malls. Likewise, another form is through vending machine. Usually, the vending machine is placed on locations where people or expect to gather or pass by in masses, such as near shopping malls, at bus stops etc. There is yet another variant for intercept marketing in the cyber realm. This means that when a person searches for something on internet, divert him to one's products or services also comes conceptually under the domain of intercept marketing.

What are the benefits of selling through vending machine?

There are a number of benefits of selling through vending machine. Some most important of them are as follows:

Immediate Cash Flow

The first and foremost benefit of selling through vending machine is that all transactions are on cash, thus there are expectations of no issues of cash shortage etc. One of the most common reasons for the failure of start-ups is that of lack of cash flow, which is usually not the case with vending machine business.

All-Cash Business

Very few businesses in this world are all cash business, thus having no bad debts.

Round the clock business

With a traditional business setup, there are a number of frustrations for the owner, such as long coffee breaks by the employees, informing about sick leaves in the eleventh hour etc. Moreover, for the owner himself, if he is away or at vacation, he is losing some opportunity cost at least. However, the business through vending machine is the one that is done round the clock. The owner does not require any sales person. The business goes on with every passing second.

Incredible Return on Investment

What any businessman or investor requires from an investment is the return on investment (ROI). It is commonly said that the money makes money. Researchers estimate that usually the return on investment for a vending machine is not more than a year, however, it greatly varies from the product to product.

Home based business

The business through vending machine requires no staff, no advertising cost, no business hours, no utilities etc.

Tax benefits

To promote the businesses through vending machine, the government is providing remarkable tax benefits.

The vending machine is a growing business with millions of dollars being poured into vending machines each week. According to an estimate, 7 out of 10 people do some sort of business with the vending machine.

What are the drawbacks of the vending machine?**Chances of Tempering or Cheating**

The basic assumption for the selling through vending machine is that the customer is assumed to be the honest. This is the reason why sometimes vending machine is called the 'honor box'. However, at occasions, this is not the case. For example, in the vending machine for newspaper, upon inserting the coin, the door opens. If the person picks all the newspapers out of it or place something between the door not to let it close, so others can get the newspaper without inserting the coin.

Power supply

Many vending machines require continuous power supply, which is an issue in the developing countries, where load shedding is a norm.

Vandalism

In case of law and peace disorders, there are chances of vandalism with the vending machine, resulting in heavy losses for the company. Sometimes, vandalism may be in form of severe damages to these machines.

Delivery Mechanism

There may be several mechanical disorders in the machine. For example, in many machines, the delivery outlet is in spiral shape. Slight disorder in that may result in the products being delivered by vending machine improperly.

Age factor

In many countries beers and cigarettes are also sold through vending machines. The vending machine cannot distinguish between the minor and major and thus those items can also be sold to minors, whom selling those items is prohibited.

What are being sold in the vending machines?

There are a number of items being sold through vending machine. These items range from those readymade stuff like newspapers to those items which are prepared and delivered upon inserting the coin such as printing of tickets and preparing coffees. Some of these items are listed below.

- Cigarettes
- Snacks
- Newspaper
- Drinks
- French fries
- Condom
- Fishing bait
- Book
- DVD
- Ice cream
- Noodles

Where vending machines are placed?

The location for the vending machine depends on the product which is being served through the vending machine. The location is dependent on the fact that who will use the product. The basic guideline is that the location should be such where the potential buyers of the product gather. Such places may include the bus stops, railway stations and lunch rooms. For example, those products that attract the kids, such as candy, bubble gum etc., the best locations are nearby the restaurants, outside amusement parts etc. For the items like drinks, beers, condoms, tissues, airports and restroom serves as ideal locations.

Once you have decided on a product you have to choose a proper location, where people stay or gather, places like lunch rooms, bus or train stations, access ways. The location is of critical importance and must be according to what you are selling – for candy, balls, gumballs the best places are where kids may wait like in front of restaurants or at zoos. Restrooms or airports are the best locations to place vending machines selling condoms or tissues.

What is the opportunity to sell healthyfood(i. e salads) thru vending machine (any one is doing it)

Although, there is already emergence of selling healthy food such as salad or fresh fruits through vending machines, yet the trend is not much widespread yet. So, this idea can be exploited to reap profits. The ideal locations for this would be the schools and hospitals. It can be a good replacement for canteens.

One such example is that of Dole Food Company. It is a US based company which, according to the Food Business Review, the article of February 2007, is under the process of putting vending machines in schools with the aim to provide greater access to students to the healthy and nutritious food such as, fruits, salads, sandwich wraps and milk etc.

References

1. Aboulafia, J. (1992). How to Make Big Money in the Candy Vending Machine Business. New York: Vantage Press.
2. Carini, J. (2002). Pocket Guide to Coin-op Vending Machines. Lancaster, PA: Schiffer Publishing.
3. Ellis, L. (n. d.). Dole to put healthy vending machines in US schools - Food Business Review. Retrieved January 5, 2009, from http://www.food-business-review.com/article_news.asp?guid=484E3EED-9A62-4605-A6B2-765C5AF2DD58.
4. Hanna, C. (1979). The Vending Industry: History, Trends, Secrets, Opportunities, Scams. Portland: Morris Pub. Co.