

THE GROWTH OF MICROMARKET KIOSKS

Micromarkets are seeing rapid expansion because they bring together the best elements of a vending machine, a convenience store, and a cafe.

These automated storefronts offer a wide variety of fresh and healthy food items that can be customized to best fit the audience they are serving, and provide these goods in an automated self-service environment that gives the user all of the quick-checkout convenience of a vending machine.



OLEA KIOSKS 'CALIFORNIA' MICROMARKET KIOSK

Key Data about Micromarkets

Micromarkets offer important benefits to both owners and customers, and as a result, the micromarket industry is seeing unprecedented growth. The following are a few of the key statistics about the industry growth and why micromarkets are beloved by owners and customers alike.

\$7 Billion

Expected size of Micromarket Industry in next 5 years



50,000

Total number of micromarkets expected to be in operation in next 5 years (3,000 operating today)



99.2% Growth

Growth rate of micromarket industry from 2012 to 2013



17% Profit

Traditional profit margin in micromarket vending stores. (Traditional vending typically operates at 1.15% profit margin)



200 Items

Typical number of items offered in a micromarket (traditional vending machines typically offers 45 products)



1.5% Shrinkage

Micromarkets see an average of 1.5% loss due to shrinkage (i.e. theft), whereas typical retail sees as much as 20% shrinkage.



Micromarket Payment Options

One way that micromarkets offer a major advantage over vending machines, convenience stores, and cafes, is that they provide the most flexible payment options.

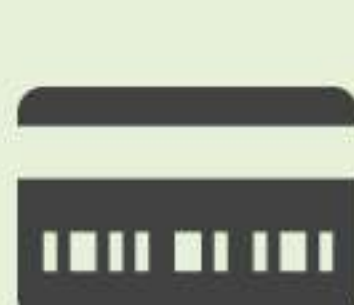
Consumers love the quick and easy self-service checkout options offered by micromarket kiosks, such as Olea's 'California' kiosk, and each owner can customize the payment systems that work best with their business models.



Mobile Payment Systems like Apple Pay



Traditional Credit & Debit Cards



Customized Pre-paid "declining balance" cards



Direct Debit from Pay Check

Advantages over Vending Machines

Micromarket kiosks offer a few key advantages over traditional vending machines that make these systems a much better option for both owner and consumer. The following are a few of the key advantages:

A consumer can physically touch a product and read the label before making a purchase.

Consumers can mix-and-match different types of products and then purchase all in a consolidated single checkout process.

Size doesn't dictate the product offerings, as is typically the case with vending machines.

Micromarkets can offer fresh foods, and many contract with local third-party services to offer goods prepared the same day.

Owners are not limited to price points that are easily compatible with coin denominations, which allows for high profit margins by pricing goods with typical retail prices (e.g. \$0.99)

Because micromarket kiosks have software that allows management of the system, loyalty programs, temporary pricing, promotions, and bundles can all be offered.

More products — typical vending machines offer roughly 45 products, while the average micro-market offers over 200.



Advantages over Cafes

Micromarket kiosks also offer a number advantages over traditional cafes. The following are a few of the top advantages:

Micromarkets have a lower barrier to entry and significantly lower operating costs. This makes micromarkets a particularly attractive option for smaller businesses that cannot invest in a full-service cafe.

Micromarkets can offer more products than a typical cafe, and because the fresh food is often outsourced, it is easier to change the menu with little notice.

Micromarkets never close. This is especially beneficial for companies that have staff working long hours and weekends. It is no longer necessary to have a cafe staff available to serve the employees during off-hours.

The product offerings are limitless - even including items outside of food. As long as an item can be barcoded, it can be sold!



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