

Czech University of Agriculture Prague
Faculty of Economics and Management
Major specialization: Agriculture Economics and Management



MARKETING RESEARCH OF VENDING MACHINES

A b s t r a c t

The author: Pavel SKŘIVÁNEK

The Diploma Thesis Supervisor: Ing. Richard Selby

Methodology and Objectives

This diploma thesis is aimed at an issue of vending machines. It focuses on **two main objectives**. The first one is to characterize the vending machine market and compose an integrated report about it. The second one is to make proposals for suitable innovations, which would facilitate usage of vending machines as well as possibly attracting potential consumers.

To reach them, it was important to determine the position of vending machine within the distribution network, observe their service, analyse a situation on the vending machine market at our university and the operators (Coca-Cola Beverages Czech Republic and Delikomat, s.r.o.) acting there, and finally realize marketing research. The primary data collection was done by survey research and the most common instrument – questionnaire – was used. Results were provided to Coca-Cola Beverages Czech Republic because of my cooperation with this company.

Structure of the Thesis

The first chapter of my thesis is focused on **marketing mix**. Place (distribution) is one of its tools – and automatic vending is a part of distribution. For better understanding, I thoroughly analyze the above-mentioned distribution in the following chapter and properly specify the position of the vending machines.

I outline a **historical development** of vending machines and their advantages and disadvantages in the third chapter. There is also offered a detailed typology of vending machines at the end of the chapter.

The fourth chapter explains the **buying decision behaviour of the consumer** and how much it differs from the buying decision behaviour of the company.

As one of the objectives in my diploma thesis it is to find **innovation** ideas and incentives, which could increase the sales and improve the service of vending machines, there is a few words about innovation in the fifth chapter.

In the sixth chapter, Coca-Cola Beverages Czech Republic and Delikomat, s.r.o. are introduced and **mutually compared**.

Marketing research is analysed in detail in the seventh chapter.

The main part of my diploma thesis consists of the **preliminary research**, which is followed by **marketing research**. The final part of this chapter offers all possible **recommendations** for Coca-Cola Beverages Czech Republic (they are mentioned at the end of this abstract as well).

Concepts

The most important **concepts**, which form the basis of my diploma thesis, are now defined.

Marketing mix is “the set of marketing tools that the firm uses to pursue its marketing objectives in the target market.”

A vending machine is “... a coin-operated machine for selling certain kinds of articles and refreshments...”

Innovation is “the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learned, capable of being practiced. Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation. And they need to know and to apply the principles of successful innovation.”

Marketing research is “the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.”

Research

The objective of the research is to propose appropriate innovations, which could make the shopping more comfortable for the customers and could attract potential customers at the same time.

The **target segment** is formed by students of ČZU, who are the vending machines users.

The basic **hypothesis** is that the students of ČZU are interested in increasing the quality of vending machine services. I can state that the research results *confirmed the hypothesis*.

I will now specify the **recommendations** at a general level and then I will focus on the particular recommendations, which are based on the marketing research done.

General Recommendations

(Based on secondary observations and secondary information sources)

- Adapt the vending machine service, its appearance, and possibilities of payment to new trends
- Form a strategic partnership with a corresponding local firm
- Brief, transparent, but complete information about the vending machine operation
- The operation time of vending machine should be as quick as possible
- The posting of maintenance summaries and the description of the treatment process should be posted on the machine
- A free telephone line for the customers
- The company should listen to the customers' comments.

Particular Recommendations

(Gained from the realized research)

- Stop operating in case of defect
- Verbal or understandable warning about who to appeal to in case of defect
- The napkin and the chewing gum for free with every item of food and drink
- Wide variety of cup size
- Deduction of money from bank account (without usage of any electronic cards, money)
- Easier access to the bought product (the vendor door should not hurt the customer's hand)
- A universal vendor offering all kinds of products
- More advanced design, rounder shape, and more coloured
- Wider variety of an assortment
- A drink from a Czech manufacturer
- Draught Coca-Cola
- Vegetable salad
- Pizza
- Daily press
- More coloured and funny advertisements
- To increase the attractiveness of the current competitions and their campaigns.

Conclusion

The diploma thesis described the vending machine market at our university and the position of the main players there. At the same time, interesting innovations were offered.

Now, I would like to evaluate the fulfilment of two defined objectives.

The first objective “*to characterize the vending machine market and compose an integrated report about it*” is present throughout the whole work. I tried to select the most important information because I did not want to go into details too much. On the other hand, some theoretical parts were missing so I tried to complete them. I would like to mention that some information could not be published because of the trade secret of Coca-Cola Beverages Czech Republic.

The second objective “*to make proposals for suitable innovations, which would facilitate usage of vending machines as well as possibly attracting potential consumers*” is present throughout the whole work too. Due to the particular analysis, I found out some recommendations even before the realized research. However these recommendations are based on history, they have the same chance to be successful as the innovations suggested in the research.

References

BINGHAM, Frank G.: *Business marketing management*. 1st title, NTC/Contemporary Publishing Company, 1998. ISBN 0-8442-2964-4

DRUCKER, Peter F.: *The executive in action*. 1st ed., HarperCollins Publishers, Inc., 1996. ISBN 0-88730-828-7

KOTLER, Philip: *Marketing Management (The Millennium edition)*. 1st title, 2nd series; Prentice-Hall, Upper Saddle River, New Jersey, 2000. ISBN 0-13-012217-3

KOTLER, Philip, ARMSTRONG, Gary: *Principles of marketing*. 4th ed., 2nd title; Prentice-Hall, 1989. ISBN 0-13-705360-6

Web sides of National Automatic Merchandising Association:

http://www.vending.org/about_vending/index.html