

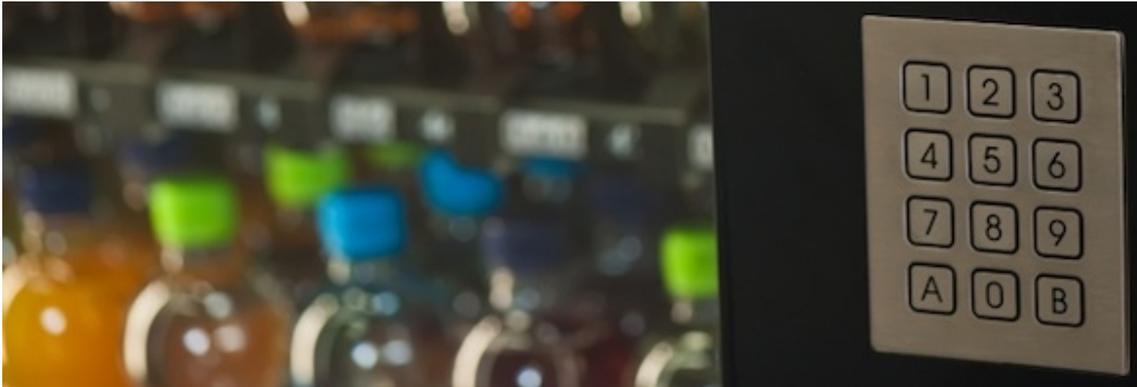
# Post

Smart Industry



## ‘Out of stock’ ... no more with connected vending

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Machines that [lower the prices](#) of beverages when it's hotter outside, others that identify a person's demographic with [facial recognition](#) technology to recommend one product or another... vending machines are taking steps to be smarter.

Technology such as telemetry, which enable remote control and monitorization; NFC communications, which empowers cashless payment; and integrated camera circuits that are able to identify and classify the client according to different criteria; all these applications makes Connected Vending a reality, enabled through M2M, that makes businesses more profitable and improves customer experience.

Of course, there are technologies that are boosting the adoption of Connected Vending more than others. A [study](#) by Frost & Sullivan for Intel shows that entrepreneurs are more interested in telemetry systems that alert the company when machines are nearly depleted or malfunctioning. A close second position is cashless payment systems, which takes coins and notes out of the equation.

Connected Vending entails several advantages for the entrepreneur, but of course everything revolves around the key element of this business: the ends users, the customers, which benefit from a more reliable service (avoiding depleted products or broken machines) and a customized experience through a selection of products fit their taste and with easier payment method.

### Great potential and some barriers

From the point of view of the M2M sector, there is enormous potential for Connected Vending market. According to a [research](#) by Berg Insight, Europe and the United States are expected to have 1.36 million of machines connected with telemetry in the next five years.



However, the implementation of connected vending machines is not being as smooth as the sector would wish. There are some technical and cultural barriers. For example, these solutions have to meet a series of [standards](#) in communication protocols so they are compatible with any model of any brand. Another issue is a matter of age: M2M technology can only be applied to electronic machines, not to the older, mechanical ones.

There is also a cultural clash between the old ways and the new ways of how to run a company. A change of mind is necessary; companies must adapt their management methods and internal processes to adapt to the new model, a change that causes resistance in a large number of companies. But, with time, the boldest are paving the way for the rest.

Telefónica is working equally in all of these solutions and expanding the use of vending machines to other kind of products. Our value proposition targets the whole value chain of the vending industry, providing the different applications that the client might need, whether they are monitorization and control devices, communications or data collection and analysis platforms.



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