

Vend-Inc

Need An Item, We Provide Them

Marketing Plan 2015



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Table of Contents

External Environment

Industry analysis.....	Page 3
Real.....	Page 3
Virtual.....	Page 3
Competitive analysis.....	Page 4

Marketing Plan

Target market & market segmentation.....	Page 4
Marketing Mix.....	Page 5
Product	Page 5
Price	Page 5
Placement.....	Page 5
Promotion.....	Page 6
Positioning	Page 6
Business risks.....	Page 6

External Environment

Industry Analysis

Revenue from U.S. vending consumable merchandise was about \$25 billion, an increase of 5%, according to the Automatic Merchandiser magazine's State of the Vending Industry Report in August 2000. Small companies, with sales of less than \$1 million, accounted for 5.8% of the market and had projected sales of \$1.35 billion. Three quarters of all vending operators are classified in the small category.

1.5% market growth in 2015, on the heels of vending machine innovation that promises higher food and beverage quality, increased consumer interaction, increased cashless payment acceptance, and more aggressive competition with foodservice.

Within the industry, snacks and cold beverages are the largest product segments, representing 29% and 25% of the industry, respectively. These two segments are the driving force of the industry. The food category grew at a rate of 7% last year, according to the Automatic Merchandiser. Cold storage machines grew at an even more impressive 42%, with this growth coming at the expense of shelf-stable products.

Consumer preferences about taste, price, nutrition, and convenience are changing. These changes favor the vending industry, which now has the opportunity to spot these trends and develop their markets.

According to the DfoodDrive® that explored vending trends in the U.S. it was found that the industry which had years of declining sales has turn the corner and it is estimating that there will be significant market growth 2016. Technological innovation holds the keys to future growth. Social and interactive vending, touchscreens, and wireless supply-side networking are a big part of the equation, offering tremendous upside for consumer engagement. But virtually every vending macro driver is heavily influenced by technological change, from cashless payments to health and quality vending enhancements. And while the strength of vending lies in snacking convenience, growth will come from delivering health, freshness and quality. Sales of fresh food are growing, and natural vending solutions bring the promise of higher-quality, higher-status food and drink to the market.

Competitive Analysis

Current Alternatives

Vend-Inc has 2 competitors in orange county that offer the same products; Absolute Vending and Company Kitchen. They are a vending machine company who attract people that like to eat healthy. Customers may choose them over us because they offer vending machines fully stocked, with no contract, and leasing is free. Absolute Vending will be receiving from 30 to 50% from your profit.

Our Advantages

All vending machine companies provide leasing and partnership options for anyone looking for vending services. The advantages that our company has over our competitors are that we provide purchase options for new and remanufactured vending machines, this allows a customer to own a machine and not have to share profits. In addition, we provide specialized vending and personal dispensing options. Another advantage that Vend-Inc has over those companies is that we have different bundles for any specific vending machine that you might want. For example, you can buy an Aqua Vending Machine and it comes with all different types of water. These are features that Absolute Vending and Company Kitchen do not provide.

Marketing Plan

Target Market & Market Segmentation

Vend-Inc's target market will have public and private corporations and organizations all over the nation. We are not focusing on a specific gender or ethnic group. We are instead looking for corporations that want to provide high quality food and other items for their employees without requiring additional staff and who would additionally like to make a little extra profit from these machines. That our company plan to provide a reliable food and item source for our client's needs. Our target market will consist of large corporations with many employees.

Marketing Mix:

Products

Vend-Inc sets itself apart from its competitors by offering different varieties of products and services. We will provide the following products on a regular basis:

Vending machines

- Small, Medium, & Large Snack and Beverage machines
- Personal dispensing (gum-ball, candy machines & coffee dispensers)

Vending machine supplies

- Snack packs: chips, candies, protein bars, cookies etc.
- Emergency products: beauty products, travel products
- Bulk refill: gum-balls, candies (skittles, M&M peanuts, M&M plain, trail mix, Mike, Ike, etc.)

Pricing Strategy

Our pricing strategy consists of product line pricing; determining the prices of a product based on their different features. We base our pricing on the model of machine and the weight/capacity. Pricing also depends on what special features and merchandise added. For example, a small vending machine with snacks would cost less than a medium or large vending machine with snacks because of its capacity, weight, and variety of product supplies within the machine. Products with high quality branding are likely to be more expensive. We are going to be pricing our products (snacks within the vending machines) at a price that are competitive with other branding stores. We will also include the pricing of shipping.

Placement

Vend-Inc has 75% network sells, business contract, 20% trade show and 5% website sells.

Promotion

In the vending industry product promotion is very important. General population will not be purchasing vending machines and products. Therefore we have a very narrow clientele for the promotion and advertising of our products. Vend-Inc will be promoting it's products on a banner, online website, newsletter named "Vending Times", and on social media. On our advertisement we will include our contact information and examples of our products.

Positioning

When customers think our company, our goal for our image and brand is to have them think reliable, high quality, and convenient. In marketing we want customers to know that our vending machines are fully customizable and can be owned or leased. We support customer base by providing the products that they need to maintain the vending machines at their site. We provide them with the most high quality product we can offer.

Business Risks

Our company may run three different types of risks which are marketing risks, financial risks, and competitive risks.

- **Marketing Risks:** Our marketing risks involve not selling enough vending machines in order to pay off all of our debts. Also the business may not grow as much as we expected.
- **Financial Risks:** Our inventory risk include our financial team mismanaging our money. Which may lead us not having enough money to pay all of our employee leading us to bankrupt
- **Competitive risks:** Other companies are a threat to our potential customers because they sell products very similar to ours. They have more advantages then us due to their economic prices.