

**VENDING AS PERSPECTIVE DIRECTION OF ENTERPRISES  
DEVELOPMENT THAT OPERATE ON MINERAL WATER MARKET**

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The essence of vending business and level of its development in Ukraine is described. The different types of vending machines are considered, that it is possible to use for trading in mineral water. Vending machines that are most suitable for trading in mineral water are described. The advantages and disadvantages of vending machines use are given.

**Keywords:** vending, vending machines, mineral water, market, sale, advertisement.

**I. Introduction.** For today consumers need not only quality products on moderate prices but also comfortable place of its purchase with the most rapid service. The headily development of vending in the world are predefined. In Ukraine this type of trade only begin to develop. It includes, first of all, vending machines that acquire all greater popularity among the consumers, in fact they are comfortable, do not need much time on ordering fulfillment and work around the clock. Unlike a booth with a living salesman, work of automat is not subject to the mood and it always takes place jam-free. Besides, an automat can serve customers around the clock, i. e. without breaks and weekends, that positively will influence on the amount of profit yields from the use of such device.

One of the most suitable commodities to the sale through the vending machines is mineral water. Now these products have greater demand among the consumers, which is shown the stable increase of the Ukrainian market of mineral water. Many enterprises that operate on this market need new ways for bringing new consumers that is why vending can become the effective means of expansion of sale network and increase of market share.

**II. Formulation of the problem.** The problems of vending introduction for different types of products were studied by such researchers, as A.Barannik, I.Volkova, E.Gabriel, M.Galaguzova, E.Kameron, K.Sailer and others. These researchers in their works tried to define the efficiency of vending introduction, its role in sale enterprises politics, and also subtleties of doing business, its advantages and disadvantages. Many from scientists' works are the practical pointing for those who wishes to begin vending business.

As, vending only begins to develop in Ukraine, the experience of other countries, that concerned this type of business is useful. However, analysing labour of foreign scientists, it is possible to draw the conclusion, that some questions about efficiency of the trade automat use remained not fully exposed. The types of automats, that are most optimal for the sale of concrete types of products, are not outlined. The efficiency of the external surfaces of automats use is not certain for selling aids. A question is not fully exposed also, how exactly to choose the most optimal place of establishment of vending machines.

The aim of this work consists of determination of perspective use of vending machines by industrial enterprises that work at the market of mineral water.

**Results.** The concept of vending comes from Latin "vendere" - to sell [1]. Thus, vending is a trade, sale, street method of distribution of commodities, sale of commodities and services in a tray or through the vending machines. The basic commodities, which will be realized by means of vending, are food of fast food, drinks, magazines, cigarettes, candies, digital technique, medication, meal and clothing, flowers and green goods, services of massage and different entertainments.

Vending includes a few methods of realization of commodities:

1. Saling by means of mobile street trays(sale of hot dogs, pop corn, boiled corn);
2. Saling with the help of salesmen "walking between people"(bijouterie, souvenirs);
3. Saling through vending machines (cigarettes, drinks, hamburgers);
4. Payment of services and commodities by means of payment terminals.

It should be noted that for today vending is equate, as a rule, only with trade through automats.

At first it follows to find out what is a vending machine. It is a device that carries out the finely-retail trading of commodities, payment and delivery of which comes true by means of technical adaptations that does not require direct participation of salesman[2].

Vending machines on the sale of mineral water were set at Soviet Union times and were very popular. It was possible to buy a glass of cool water very cheap, thus in any place, similar automats were widespread. The disappearance of these automats resulted by the disappearance of commodity vending in Ukraine.

According to this the modern Ukrainian market of vending machines is only at the beginning level of its development: on the estimation of analysts, on 3.5 thousand of the country's habitants is only one vending machine [3]. The initial level of the development stipulates the absence of clear and analysed statistics in relation to the efficiency of establishment of vending machines. Most enterprises that decided to use this type of products realization must use the European countries experience, American and Japanese, where this business exists long ago. There is one vending machine on 20-40 persons and it makes profit, that is measured in ten milliards of dollars. Through the automats you can buy almost everything: from coffee to the mobile telephones and other gadgets.

Among the vending machines that are used in Ukraine, the most is widespread those automats that sell coffee and tea. Less is an amount, so-called, automat of sandwich that sell the packaged products, juice, mineral and sweet water in the bottle. The automats with sandwich are widely used for realization of mineral water. However, it is impossible to say, that companies producers get a considerable result from this method of trade. In fact, such automats, as a rule, are not the property of these enterprises, and thus, it is an ordinary trade through a mediator. He sets his own prices on the products, that does not almost differ from prices in shops. If the enterprise-producer of mineral water plans independently to use the automats of sandwich, then he must present the wide assortment of the products or bring over the

producers of other products(chips, rusks, hamburgers and other like that, that can be sold through the automats). The use of automats with sandwiches can be useful for an enterprise, but it should be remembered that this type of trade does not influence on the assortment of products of the firm and is only the analogue of traditional trade.

The more attractive method of trade through automats for enterprises that specialized on the production of mineral water using the automats those sell water on an overflow. These can be automats analogical to those that were popular in Soviet times. However, the basic problem of Soviet automats on water sale, in opinion of many consumers, there was only one glass of non-expendable on every automat. Modern automats allow to use non-permanent glasses that are in the special compartment.

These vending machines can be in two kinds: those, that get water from a reservoir through a pump and those, that work due to the bulbs with water, that is contained in overhead part of the automat. Exactly the last type of automat is the most advantageous for the enterprises that wish to sell water through the automats. Except bulbs, in the complement of vending machines that can be used for the sale of mineral water, there is a bulb with gas. In some situations a vending machine can be reequipped by advertisement monitor and basket for the used glasses. For payment of commodity it is needed to envisage a few ways: by means of coins, notes and electronic cards.

The basic advantages of trade by means of vending introduction are:

- simple technical arrangement of automats, namely: small scope of area by a vending machine and feed from the ordinary electric system;
- simple service that needs the small amount of personnel for technical service and loading of new products(one or two men);
- the absence of cash register, that gives an opportunity to use the simplified system of taxation, account and accounting;
- small running expenses on the first stages of introduction and use;
- the protracted term of use.

Also, it should be noted that the basic factor of profitability of vending has an advantageous place of location and, certainly, correct choice of products. It is not needed to be stopped only on the carbonated mineral water. Now there are automats, where it is possible to place compartments with different syrups, i.e. a consumer will be able to order sweet water. Such expansion of assortment of the offered water can positively influence on a consumer and increase the volume of products realization.

Also, it should be noted high economic efficiency of the vending machines use. Businessmen that have an experience in this area of business, it is said that at the average cost of automat in 3.5 - 5 thousand of euro, its profitability in 300% and taking into account the average indexes on a profit yield, leasing of place and other charges on business, the most advantageous are trade networks minimum of five vending machines [3].

Considerable influence on the increase of income carries out a presence of advertisement display in the automat. Certainly, the cost of these automats are 500 - 1000 euros higher than at simpler models, however the income from the advertisement show increases considerably.

In general, vending machines are not only the mechanism of products realization but also the effective method of advertising, even there is not the advertisement display. For the aim of advertisement it is possible to use external surfaces, where it is possible to place advertisement information. For example, the firm-producer of mineral water can order an automat that will be executed in accordance with brandname style of a customer. It will attract consumers attention to the automat and at once will inform them about the producer of products.

A positive moment in doing automat business is that vending machines are equipped by the meters of the sold commodity, and that is why technically equated with cash registers and does not need an additional account. Moreover, the verifications from the side of sanitary station and fire services such automats are not subject too, as every machine is properly certificated. Extremely facilitates in practical sense a supervision upon the automat and possibility of it to be controlled over the Internet, namely to watch the supplies of foods and got profit yield.

The use of vending machines has some disadvantages. One of the problems is high and sometimes the unjustified overpriced rent cost. The average cost of automat area is 800 - 1500 hrivnas/month [4]. It will be able to level all positive results from the vending use. Another negative factor is vandalism but unfortunately it is widespread in Ukraine. Vandals break up automats, trying to get products or money. Certainly, to avoid such situations automats can be set in apartments that is guarded. However, it should be remembered that in summer automats on the sale of mineral water are more appropriate outside, that every passer-by was able to buy water. In such case for automats defence additional frameworks and corps are used against vandals.

Among marked advantages, it follows to take into account the circumstance that it is very important to choose correctly the place of automat location. Actually, well chosen place of automat setting presents almost 90% of all success of automat business [3]. The trade areas of supermarkets, office centers, posts, banks, refuelling, and hotels are good for these aims. Also, automats can be placed in the streets, and in the underground passages, however, as it was already said, they can suffer from the actions of vandals, i. e. they must be protected.

**Conclusions.** Nowadays the market of mineral water needs the new methods of trade, among which vending is in priority. Companies that will be able to react quickly on the development of this type of business and attract to it, will have the opportunity to get not only the new ways of product distribution but also extend the assortment, advertise the products and promote the efficiency of activity.

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