

A & A Global Industries

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Bulk Vending FAQ's



temporary tattoos

candy & novelties

stickers

collectables

What is Bulk Vending?

Bulk vending distinguishes itself from other areas within the industry because generally the equipment is non-electric and the products are dispensed randomly, without the customer making a specific selection. Because the mechanisms are mechanical, the point of purchase price is limited to increments of a quarter, ranging from \$.25 to \$1.00.

Originally, these simple coin operated machines were designed to vend bulk (meaning unwrapped) candy and gum. Over the years however, these machines have evolved to also vend toys and novelties. These items vend through the machines because they are placed inside a plastic capsule.

What kinds of products are sold in bulk vending machines?

The average consumer refers to a bulk vending machine as “Bubble Gum Machine” because that is what they most commonly sell. The convenience and attraction of the machines appeal to every demographic. They are so common in fact that they have become part of our “Americana”. In their original form they can also sell jawbreakers and hand-full candy items like chicklettes, peanuts, and jelly beans.

These machines can also sell self-vending items like superballs, rings, puzzles as well as capsuled toys which can contain any item imaginable, as long as it fits inside the capsule. For these smaller machines, the size of the vend is limited to one inch.

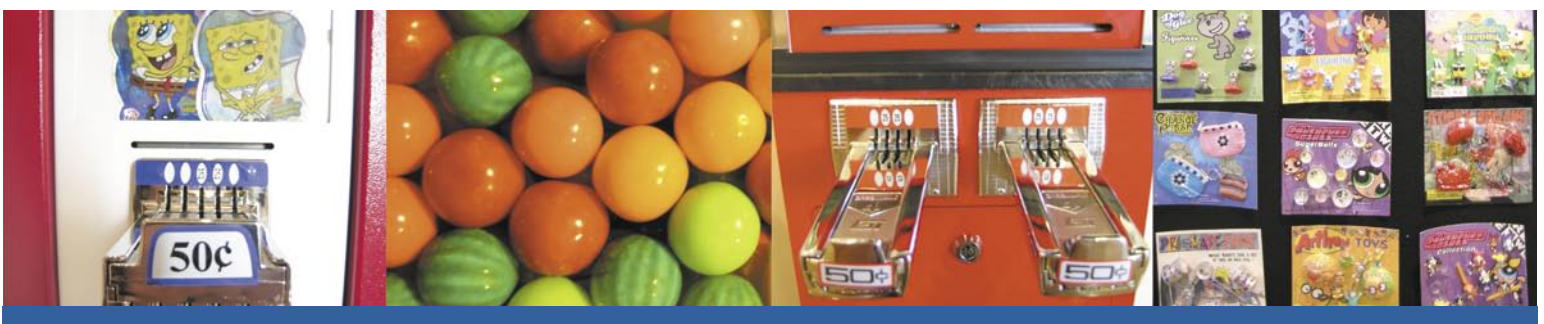
Larger bulk vending machines or “capsule machines” as they are known, can sell toys and novelties that are as big as two (2) inches. The most popular items are figurines, collectables and puzzles.

Also included within the bulk vending industry is the “Flat Vend”. This refers to paper items such as stickers and temporary tattoos that are vended through a special kind of machine. Quite simply, a sticker or temporary tattoo is placed in a cardboard folder and sold through a “sticker machine” which vends the product.

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WHERE ARE VENDING MACHINES PLACED?

Vending machines are placed in high traffic areas and can be found virtually anywhere in today's market place. Because there is no need for electricity, they are found on your local sidewalk, malls, family fun centers, amusement parks, arcades, grocery stores, both large and small retailers, and of course, your local shopping center.



WHO BUYS FROM BULK VENDING MACHINES?

Everyone. Parents use vending machines as a tool to keep their children behaved when shopping. Quarters are given as a reward and they are off to the machine. Teens and tweens buy from them to take advantage of the trendy and novel products they have to offer. Adults often buy from these machines because many of the items are collectable or nostalgic. For everyone, the excitement of putting the money in the machine, the interactive process of turning the handle and the satisfaction of getting an inexpensive toy, is an irresistible combination. But adults buy from these machines as well. Whether it's to collect a licensed figurine, temporary tattoo or just a nostalgic gumball, everyone is fascinated with vending.

HOW ARE THE PRODUCTS DISTRIBUTED?

The operator buys his equipment and supplies from manufacturers and distributors. He is charged with the responsibility of placing his machines in the best locations possible. While the product development is done by the suppliers, the operator decides what products go in his locations. The product is purchased outright by the operator and he will typically service a machine monthly.

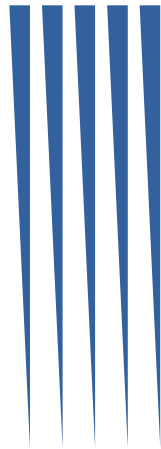
WHY SELL LICENSED PRODUCTS THROUGH VENDING?

Licensors find vending a very attractive category. First, the price points are low and the quality of the products is high. That gives the property the advantage of being part of a "paid promotion". The name, likeness, and goodwill of the property is distributed to the public while at the same time the company is collecting a royalty. Usually these types of items are given away to promote a brand. Secondly, the bulk vending industry is based on an impulse buy philosophy. That is why bulk vending items do not compete with the merchandise on a store's shelf. For example, a customer wishing to buy a \$20 toy will not forgo his purchase because he bought a .50 novelty. In fact, because vending is seen as an accessory purchase, sales of like licensed merchandise are complimented and other products seem to sell better. Another important point regarding vending is that there is a wide variety of products and ways that they can be marketed. This provides additional revenues to the licensor. Because of the variety of product combined with an inexpensive price point, bulk vending customers have a large rate of repeat purchases.

Great promotional advantages, sell through quality products, wide distribution, and a unique interactive point of sale experience are all great reasons why bulk vending is a category any licensor should not miss.

Great promotional advantages!





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