

# The Rise of Digital Payments in Vending

As consumers sought touch-free, convenient and safe payment options during the pandemic, the use of digital payments (credit and debit card, contactless credit card, and mobile payments) at vending machines accelerated, surpassing cash for the first time.

To better understand this growth and what it means for the future of unattended retail, Cantaloupe partnered with Michigan State University (MSU) to study sales and transaction data from approximately 122,000 vending machines connected to our digital payment platform across the United States.

## Survey Snapshot

**+122,000**

**total vending machines analyzed**

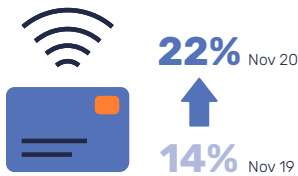
**23 months**

**Results from January 2019 to November 2020**

**70+ Location Types**

**High and Low Volume Machines**

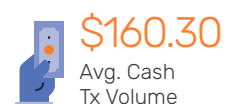
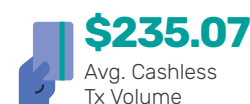
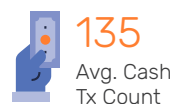
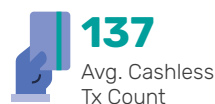
## The Contactless Surge



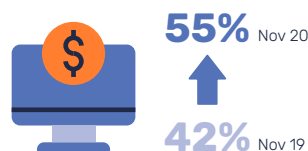
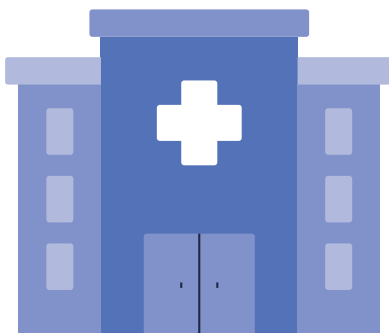
Usage of Contactless Credit Cards **increased 57%**.

## Digital Payments Surpassed Cash

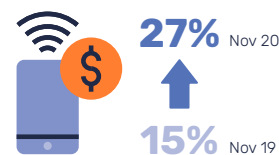
In April of 2020, **more payments were made using digital**—including magstripe, contactless credit cards and mobile—than cash.



## Hospital Workers Embrace Contactless Payments



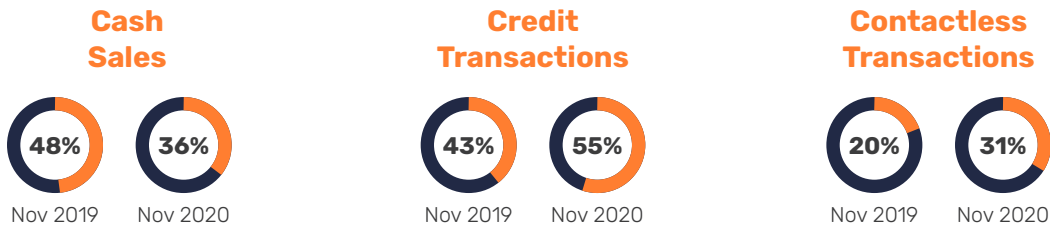
Of primary locations averaging 25,000 transactions annually, **digital sales at hospitals were up 15%**.



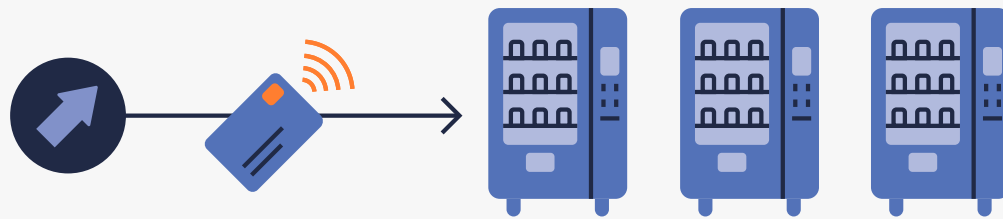
**Contactless payments increased by 12% year over year**, likely fueled by an increased need for touch-free payment options due to COVID-19.

## Low Volume Machines See Significant Adoption of Digital Payments

Machines with less than \$2,000 in sales per year showed growth of digital payments from 46% of sales in 2019 to 57% in 2020. **Contactless digital payments also grew from 15% in 2019 to 25% in 2020.**



## The Future of Digital Payments



**62%** of vending sales will be made through a digital payment method.

**30%** of all digital payments in vending will be made using a contactless credit card.

Based on observed trends, **use of digital payments is expected to continue to rise in both sales volume and transactions at approximately 0.62% per month during 2021.**

The study was conducted by Michigan State University's Broad College of Business—MS Business Analytics (MBSA) program, which provides an educational experience that combines a number of University resources in addressing the study, research, and application of analytics.