



Micropayment

Trends Report 2024



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We're living in
**an increasingly
cashless world.**

Micropayments – any transaction less than \$10 – have been following that same trend. In this report, we're excited to share our analysis of these micropayment trends in self-service retail (including food & beverage vending machines and micro markets) and gaming & amusement machines. We also predict how they'll evolve into the future.

Our goal is to show operators how certain segments are growing and give insight into how their customers prefer to pay. Whether you have one location or one thousand, we hope you find this information valuable.

What are we looking at?

Our analysis included a set of **over 600,000 active card readers and kiosks in the US and Canada from January through December 2023.**

597k

active card readers on food & beverage vending machines.

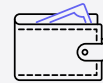
23k

active card readers on amusement or gaming machines.

13k

active kiosks in micro market locations.

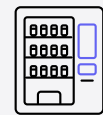
When looking at the payment transaction data, we organized transactions into the following categories:



Cash transactions are payments made with bills and coins.



Contactless transactions are cashless payments made by tapping a debit/credit card that has a chip, or a mobile wallet stored on a cellular device.



Cashless transactions at food & beverage machines are non-cash payments made by swiping, inserting/dipping, or tapping a credit/debit card, mobile wallet, loyalty card, or campus card.



Cashless transactions at amusement & gaming machines are non-cash payments made by swiping, inserting/dipping, or tapping a credit/debit card or mobile wallet.



Cashless transactions in micro markets are non-cash payments made via credit/debit card, mobile wallet, market account, payroll deduction, or a meal card/voucher.

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Trends in Self-Service Retail

Vending



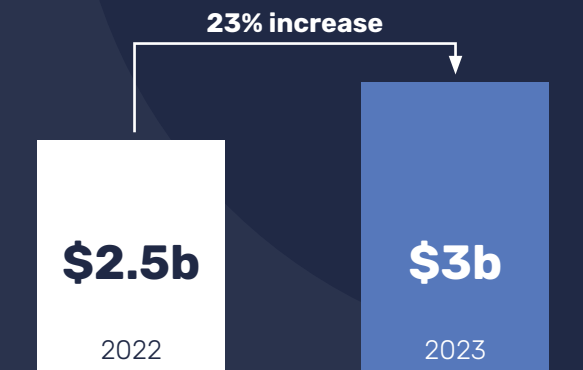
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Trends in Vending

Consumer Spending

Consumers spent **over \$3 billion at food & beverage vending machines in 2023.**

This is a \$500 million surge in consumer spending for 2023 – **a 23% increase compared to the previous year.** Not only does this show continued recovery for operators post-COVID, but it also indicates the self-service and convenience industry is thriving – putting operators in a solid position for future growth.

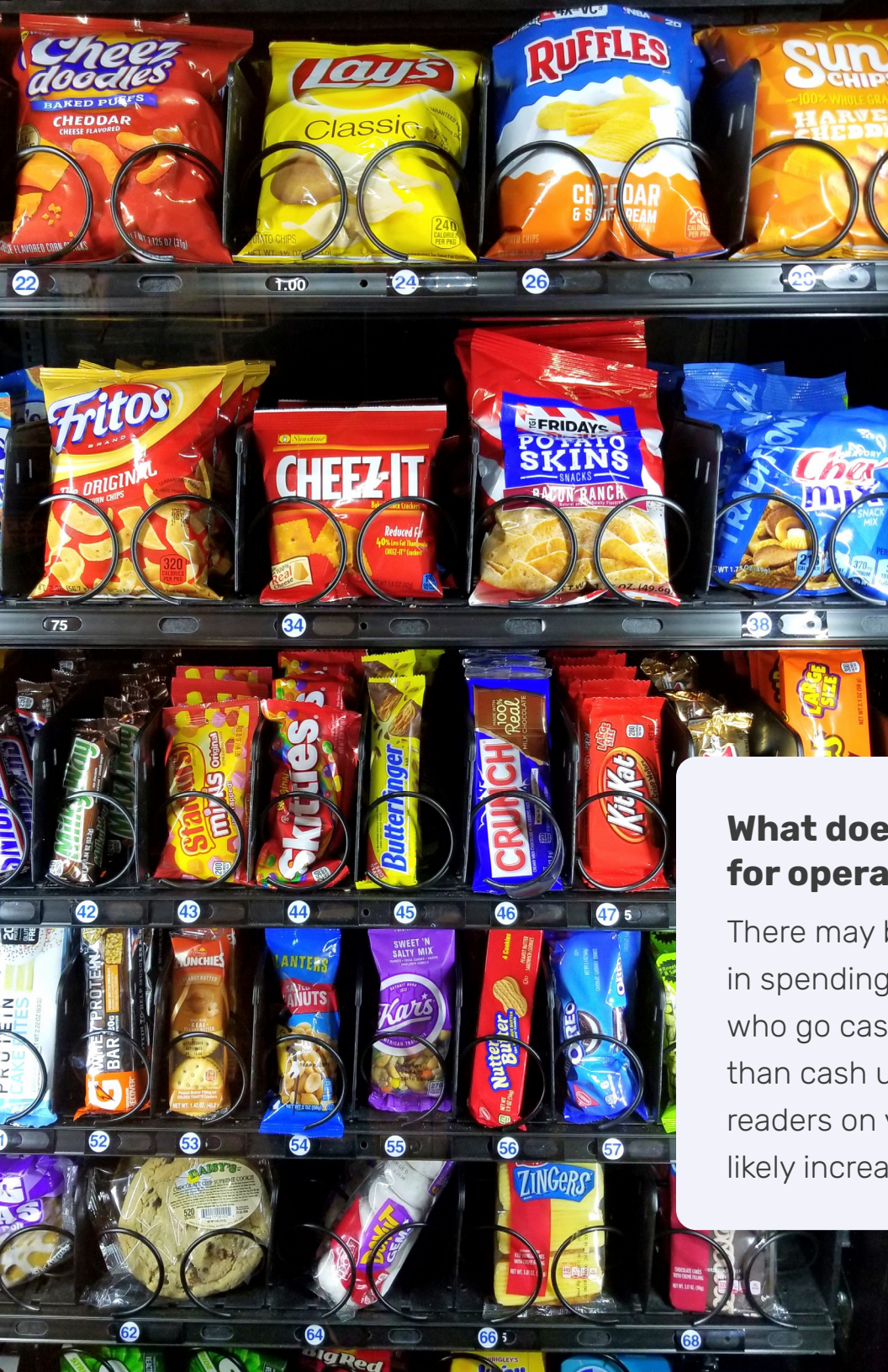


Payment Trends

Cashless payments made up an average of 69% of all sales at food & beverage vending machines in 2023. That means the value of cashless sales **increased 29%** over 2022.

Of those cashless payments, **contactless payments accounted for 65% of sales** – which means consumers are consistently moving toward tap payments with their card or mobile device.





Trends in Vending

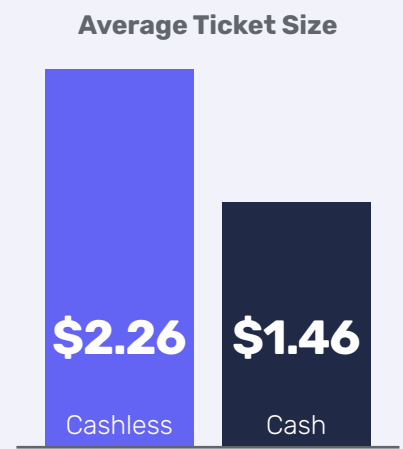
Average Ticket Size

Not only do consumers prefer to use cashless payment methods, but they also spend more when they do.

The gap between ticket sizes for cashless versus cash purchases continues to widen. In 2023 the average cashless ticket size for vending machine purchases was **\$2.26**, compared to only **\$1.46** for cash purchases. **That's almost 55% more.**

What does this mean for operators?

There may be several reasons for the gap in spending, but it's likely that customers who go cashless are less price-sensitive than cash users. So, installing card readers on your vending machines will likely increase your revenue.





Trends in Vending

Predictions for 2024

Based on the analysis of data from 2023, we're encouraged that food & beverage vending will maintain an upward trajectory in 2024.

We expect total sales at vending machines to grow 18% in 2024 as consumers tend toward convenient options for their food and beverage intake.

As the popularity of cashless payments continues to surge, we expect the total number of cashless transactions to grow 15% in 2024. With that continued growth, we believe that **the total percentage of cashless sales will grow 22%.**

Additionally, we expect contactless payments (transactions) as a share of cashless transactions to grow 17% in 2024. This growth will likely lead to the total contactless sales to expand 42% in 2024.

With the steady growth we've seen year over year in the average cashless ticket size, we can expect **ticket size to grow to \$2.45, or 8%**, and the average **cash ticket size to grow to \$1.59, or 9%.**



Trends in Self-Service Retail

Micro Markets



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Trends in Micro Markets

Segment Growth

Micro markets are self-service retail spaces with payment kiosks and a mix of coolers, freezers, cabinetry, and shelving. They offer a product variety that surpasses traditional food & beverage vending machines, and keep labor costs low because they don't require an attendant.

Micro markets have exploded in popularity over the last few years and continue to be a growing segment of the vending and convenience industry. In 2023 alone, the **number of installed micro market locations increased by 36%**. Activity at micro markets accounted for over

\$756 million

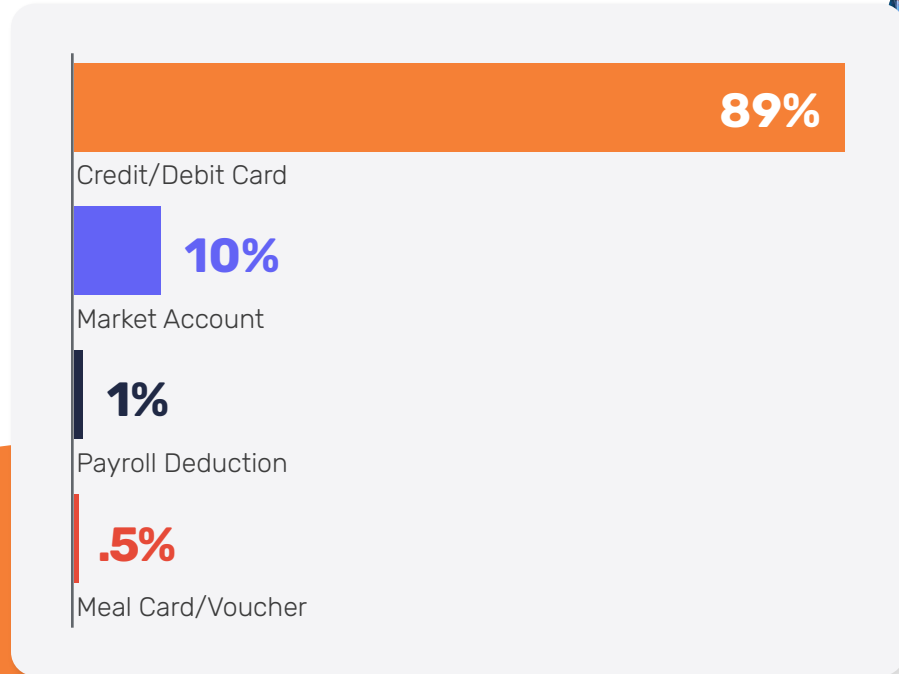
in sales and over 300 million transactions in 2023.

Trends in Micro Markets

Payment Trends

Micro market sales are overwhelmingly cashless. In fact, cashless sales made up **96% of market sales in 2023***.

Here's a breakdown of all cashless payment types:



**Data derived from a subset of approximately 3,100 micro market locations.*

Trends in Micro Markets

Comparison: Micro Markets and Vending

There may be less overall micro market locations compared to vending machine locations, but when it comes to sales, they punch above their weight class.

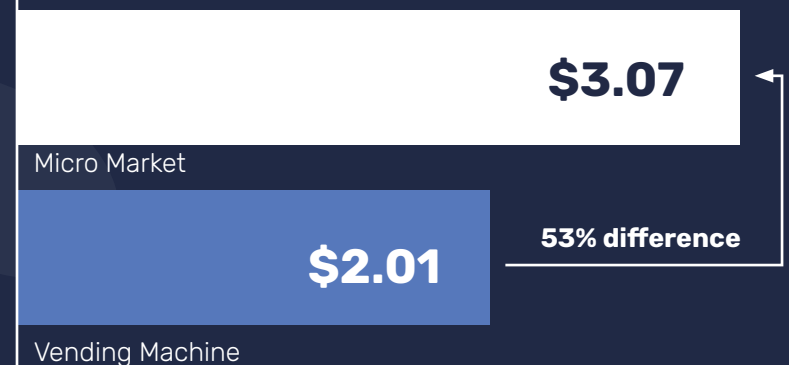
Consumers spend 53% more at a micro market than they do at a vending machine. The average ticket size at markets in 2023 was \$3.07*, compared to the average vending machine ticket size of \$2.01.

There are a few factors that could contribute to the higher average ticket size we see in micro markets. They're often located in break rooms and residential areas, which offers convenience for consumers who want on-site food and beverage options. Plus, micro market can offer a variety of higher-priced products: fresh and frozen foods, convenience items, and more.

**Data derived from full set of approximately 13,000 micro market locations.*



Average Ticket Size





Trends in Micro Markets

Predictions for 2024

We're confident that micro markets will continue to be a driving factor in the growth of the vending and convenience industry. Based on the analysis of data from 2023, **we expect sales at current micro markets to grow 30% in 2024.**

Additionally, we anticipate the **average ticket size for all (cash and cashless) transactions to grow \$3.19, or 4%, in 2024.**

30%

expected micro market sales growth.

\$3.19

expected average ticket size in dollars.

4%

expected percent growth in average ticket size.



Trends in

Amusement and Gaming



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Consumer Spending Trends

Consumers spent over **\$100 million on gaming and amusement machines in 2023**. That's a 17% increase over the previous year.

These machines include arcade games, pinball machines, jukeboxes, kid rides, and crane machines.

\$85m+

Spent on gaming and amusement machines in **2022**.

↑ **17%**

Increase from previous year

\$100m+

Spent on gaming and amusement machines in **2023**.



Payment Trends

The percentage of cashless payments at amusement machines took a step back in 2023, making up only an **average of 20% of all transactions – compared to 33% in 2022**. However, **cashless payments made up an average of 63% of total sales volume**, driving significant revenue for amusement and gaming machine operators.

Overall, the comparison data between cash and cashless payments highlights the revenue value that adding a card reader to your gaming or amusement machine can provide.



**Total 2023
Sales Volume**

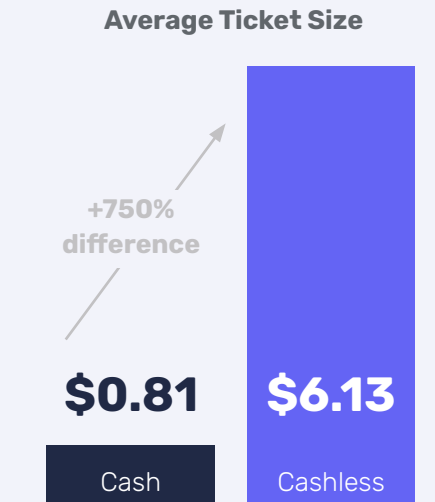


Trends in Amusement and Gaming

Average Ticket Size

While more consumers are paying with cash at amusement machines, the ones who go cashless are spending more time and money. In 2023, the **average cashless ticket size for amusement machines was \$6.13, compared to only \$0.81 for cash purchases. That's a difference of over 750%!**

The massive disparity between average transaction sizes is likely a result of the ease of playing multiple rounds at a gaming machine with a credit/debit card or mobile wallet. Cashless payments are far less disruptive to the overall gaming experience.





Trends in Amusement and Gaming

Predictions for 2024

Based on the analysis of data from 2023, we anticipate that the amusement industry will continue to experience significant growth in 2024.

We expect total sales to grow by 19% in 2024. As consumers become more acclimated to cashless devices in gaming, we expect the total percentage of cashless payments (transactions) to grow 17% in 2024. We expect the trend to continue with cashless payments (sales) with projected growth of 18%, with the **average ticket size for cashless transactions growing to \$6.18, or 0.8%.**

Despite the increasing popularity of cashless payments, there will still be a portion of consumers who prefer to use cash. **We expect average cash transactions to grow to \$0.82, or 1%.**



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Cantaloupe, Inc. is a global technology leader powering self-service commerce. With over a million active locations, processing more than a billion transactions every year, Cantaloupe is enabling businesses of all sizes to provide self-service experiences for consumers. The company's vertically integrated solutions fuel growth by offering micro-payments processing, enterprise cloud software, IoT technology, as well as kiosk and POS innovations. Cantaloupe's end-to-end platform increases consumer engagement and sales revenue through digital payments, consumer promotions and loyalty programs, while providing business owners increased profitability by leveraging software to drive efficiencies across an entire operation. Cantaloupe's solutions are used by a variety of consumer services in the U.S., Europe, and Australia including vending machines, micro markets and smart retail, EV charging stations, laundromats, metered parking terminals, amusement and entertainment venues, IoT services and more. To learn more about Cantaloupe, Inc., visit cantaloupe.com or follow the company on LinkedIn, Twitter, Facebook, Instagram or YouTube.

Disclaimer: Any forward-looking statements or predictions for food & beverage vending, micro markets, and amusement categories for the year 2024 are not intended to reflect Cantaloupe's financial performance. All predictions are made based on the data sets used to generate the report, and actual 2024 performance could differ.

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