

Mother
DBA Design Effectiveness Award
For Publication

B&B

Mother.

Vending.
Reinvented.



PUSH

Executive summary.

Mother is a food and drink vending machine brand that is reinventing the vending experience through its innovative combination of digital technology and healthy food. It's a business with multiple revenue streams and multiple customers: one part healthy food retailer, working with progressive healthy food brands to bring a curated product offer to its end consumers; one part machine supplier, offering its clients an innovative tech-led machine with its own proprietary software and built-in data analytics; and one part advertising space provider, offering its brand partners the opportunity to advertise through the machine's high definition video screen.

It's also a start-up, founded by one man and funded through the sale of his house and the investment of his life savings. This case study charts how Phil Davison's initial investment into intelligent and effective brand design and its impact on the look and feel of the machine, its touchscreen digital interface and the user experience has enabled Mother to successfully introduce smart vending to the UK. As the only brand-led business in a sector where machine suppliers are largely anonymous, the strength of Mother's design and its ability to appeal equally to consumers, clients, brands and advertisers*, has been fundamental to business success.

The direction for design was clear from the start: to humanise technology, enabling people to have a more meaningful relationship with a machine-based retailer, and emphasising the brand's mission to provide healthy, wholesome and nurturing food. The name Mother was a direct expression of this mission, and every design decision since has been made with the aim of combining human traits with digital technology – a combination that has helped shaped the business and build its success over the past five years.

Headlines.

- Smashing the UK's average weekly vending machine sales by **239%** **REDACTED CONFIDENTIAL DATA** making Mother the **market-leading machine** on a sales per machine basis
- Securing a target **REDACTED CONFIDENTIAL DATA**
- the **highest early stage** external investment in UK vending history
- Placing **83 machines in 5 years**, out-performing targets by **22%**
- Becoming certified vending partners with the UK's **three biggest** caterers: Baxter Storey, Elior and Aramark
- Bringing **new flagship clients** to the vending category including Apple, ASOS, Amazon, Barclays, Zoopla, PwC, Virgin Active, BT Sport, Schrodgers, Bauer Media and BP.

*Consumers are those purchasing products through the machine; clients are those entering into contracts to have a machine; brands are those selling their product within the machine; advertisers are brands choosing to advertise on the machine.

Project brief.

Business objectives

- Place 5 live contracted machines within 12 months of launch
- Achieve a minimum average of REDACTED CONFIDENTIAL DATA for purchase of wholesale products
- Achieve an average of REDACTED CONFIDENTIAL DATA in machine consumer sales within the first year
- Become a certified partner with 1 leading national caterer within 12 months
- Reach year 1 turnover of REDACTED CONFIDENTIAL DATA
- Raise the maximum £110,000 of SEIS (Seed Enterprise Investment Scheme) funding on completion of initial 5 machine trial



Business challenge

Key to the brief was a need to create a brand able to reassure on both healthy food credentials and innovative tech delivery – an unusual combination. It had to excel at both B2C and B2B communication: be compelling enough to engage consumers; desirable enough to attract healthy food brands and advertisers; and professional enough to reassure clients entering into three to five year contracts with the brand. As a whole, the brand needed to revolutionise perceptions of vending – a category typically associated with unhealthy fizzy drinks, crisps and chocolate bars, as well as archaic and temperamental coin-operated machinery.

Scope of work

The creation of the Mother brand included brand positioning and creative strategy; naming; logo and visual identity; machine design look and feel; user experience, interface design and tone of voice. It was carried out by a single agency in 2014.



Description.

After struggling to find healthy food after-hours at his City-based job, founder Phil Davison decided to create a healthy vending business. Within months, he had sold his house and invested his life savings into a powerful piece of branding executed through a single, beautifully designed, digital vending machine – Mother was born.

Since then, Mother has evolved from a single machine to 83 machines in a vending market that overall is on the decline with UK forecasts for the next 5 years to be down from 10.7% CAGR in 2018 to 5.1% CAGR by 2022. Mother's difference is its design: a brand identity, machine design and touchscreen user interface that work in harmony to reinvent the experience of vending. And it's this design-led approach that has enabled the brand to thrive in a declining market by attracting incremental customers to the category – brands and businesses like Amazon, Apple, Barclays and BT Sport, who didn't invest in vending machines before, but are now keen to invest in the Mother machine and house it in 'tier one' spaces, on show in their reception areas and communal spaces.



Mother
was born



machines



thriving in a
declining market



While healthy vending machines in the USA were following a design approach that emphasised foodie naturalness by disguising the machines themselves in grass or wooden cladding, Mother's agency took the decision to celebrate technology. The strategic work that informed the brand, machine and interface design was inspired by future insight regarding the coming normalisation of artificial intelligence and virtual assistants. This was before the launch of Amazon Alexa et al, so represented innovative thinking from the design agency. As a result, the creative vision for the brand was to humanise technology, and the Mother name was created to represent the human desire to nurture through healthy food.



humanising
technology

Every touchpoint was driven by Mother's warm and friendly tone of voice, while still celebrating digital technology through a slick and stylish identity and machine design. It's this combination of humanity and technology that has enabled Mother to appeal to consumers, brands and clients – it's design that celebrates the brand's multi-faceted offer rather than trying to disguise any element of it.



multi-faceted
offer

The hardware and software of the machine have been built to meet the needs of the design vision. While other smart vending machines combine a traditional glass-front with a digital side panel, the Mother machine is a single 43" HD touchscreen. It is able to take on the appearance of a fully-stocked machine with visible products, adding value by allowing consumers to touch a product image and find out all its nutritional information to enable more informed and healthier choices. The decision to digitally reflect the familiarity of a traditional vending machine rather than a design more inspired by e-commerce was a crucial one and reflects the brand's natural, human and intuitive values. Consumers need to be able to interact with the machine without guidance, and this approach has been invaluable in building sales. What's more, when not in direct use, the screen is able to become a video advertising space for partner brands to showcase their products – a clear example of the machine design creating a whole new revenue stream for the business.



easy to use
interface

The decision to design a healthy vending machine that had more in common with an iPhone than a salad bar has been instrumental in forming customer perceptions of the brand's capabilities.

Clients and brands see Mother as a tech partner, delivering them real-time data analytics, live pricing changes and instant error fixing. Design has shaped Mother's identity as a tech brand that sells food, not a food brand that uses tech, which has been vital to building a business model that is dependent on long-term machine contracts rather than individual product sales.



informed
choices



real-time
data analytics

Market Overview.

Of the 17 million vending machines globally, only 5% use smart technology and the vast majority of these retain a traditional glass-fronted machine design. Overall, the vending category is in decline but smart vending is beginning to grow, reaching 15.4% in 2018. Uptake of smart vending has been sluggish due to the high cost of smart machines for clients, the necessary technological investment for suppliers, and an entrenched system of long-term corporate vending contracts.

In the UK specifically, there are 500,000 vending machines with an industry turnover of £1.5bn. The overall market is in decline with UK forecasts for the next 5 years to be down from 10.7% CAGR in 2018 to 5.1% CAGR by 2022 (Euromonitor UK Vending Market 2018). The market is dominated by a small number of big companies, including Selecta who own 70-75% of the market. The vending model of long-term machine contracts with large corporate and catering clients makes entering and disrupting the market expensive and time-consuming.

It has been exceptionally challenging for a self-funded start-up like Mother.

Key Facts.

The Mother brand and its first machine launched in June 2015. Agency fees, not including production, REDACTED CONFIDENTIAL DATA.



Results.

The rise of the machines

Mother's turnover relies on growing its machine estate. The brand placed 6 machines (with 3-year contracts) within the first 9 months of launch, beating its original target of 5 machines within 12 months.

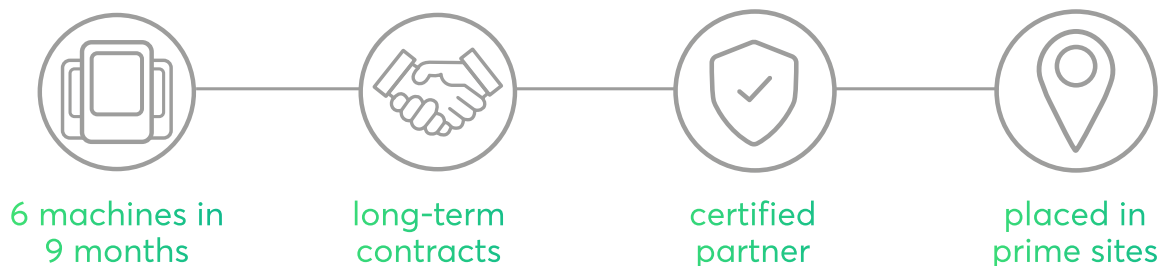
Since then, the brand has grown its distribution with consecutive triple digit growth for the past 3 years, and has outperformed its 2019 machine sales target **REDACTED CONFIDENTIAL DATA** by 15% **REDACTED CONFIDENTIAL DATA**. With 83 machines now in operation – 22% over target – the brand has made significant headway in a declining market through a design-driven approach that has shifted perceptions of the vending experience.

Winning long term contracts

With vending contracts averaging at 3-5 years, it's no small matter for a national caterer to switch to an unproven start-up brand. However, Mother was able to meet its original year one objective of becoming a certified partner with one of the UK's top three caterers by teaming up with Aramark, and is now a certified vending partner with all three, adding Baxter Storey and Elior to its client list.

Driving incremental growth

However, it is the new customers that Mother has brought to the vending category that truly prove the effectiveness of its design-driven approach. Clients Apple and Amazon are new to the vending category, while ASOS and BT Sport had got rid of vending machines in the past due to their poor reputation and off brand appearance. While Mother's healthy food offer has of course helped attract these incremental customers, the machine's aesthetic and user interface has played a key role too. Traditionally, office vending machines are placed in basements, stairwells and canteens, while for these clients Mother machines take pride of place in lobbies and public areas – prime sites that help drive commerciality and sales success.



Market-leading sales

Mother's first 6 machines achieved an average of REDACTED CONFIDENTIAL DATA, **beating the year one target REDACTED CONFIDENTIAL DATA by over 21%**. This was by no means a low target – UK vending machines take on average £85 per week (£4,420 annually), so Mother was smashing the category average by REDACTED CONFIDENTIAL DATA within its first year. Today, the best-performing Mother machines can expect to reach REDACTED CONFIDENTIAL DATA per machine. Mother's current average annual sales per machine is REDACTED CONFIDENTIAL DATA, which is **3.4 times more sales** than traditional vending – making Mother the UK's market-leading vending machine on a sales per machine basis.

Of course, its well-curated range of healthy branded products helps drive Mother's machine sales, but consumer engagement is key too. The design of the touchscreen enables consumers to interact with each product and reveal its ingredients, brand story and nutritional information, as well as filtering products by consumer-focused claims like dairy-free, gluten-free or vegan. Emulating the process of reading a back of pack in-store, this function brings a new dimension to the vending experience and helps solve the problem of having to purchase at face value.



Attracting leading brands

As a retailer, Mother is in huge demand. The business receives upwards of 20 requests a week from both emerging and established food brands who want to sell through the machine. On average, Mother delivers a redacted confidential data on its wholesale brand products, **beating its own target of 40%** and the market standard of 36%. Mother's brand partners tend to be the challenger food and drink brands, such as Hippeas, Graze and Kind, that align with its philosophy and approach. They are keen to offer lower purchase prices in order to get into the machine owing to Mother's premium client list, its potential for future growth and a disruptive brand identity that chimes with their own. Importantly, these brands would not have considered vending machines as a sales platform before.

"Mother is a major player in retail."

Epicurean, the UK's leading healthy snacking wholesaler

Enabling advertising sales

Mother's digital touchscreens – a core element of the machine's design – has enabled a whole new revenue stream for the brand in the shape of digital advertising, promoting the brands inside when the machine is not being used. Such advertising deals lead to an average of **35% sales uplift**, and Mother secured **REDACTED CONFIDENTIAL DATA**. It's worth noting that this functionality was not a part of the original brief or business model – it is an additional element to the business that has been created through forward-thinking machine design.

Winning essential investment

Mother proved the viability of its concept by placing 6 machines within 9 months, enabling the business to secure its goal of raising the maximum **REDACTED CONFIDENTIAL DATA** of SEIS funding within the first year of launch. More recently, Mother was able to secure its target investment of **£3,000,000** for future growth – the highest early stage external investment in UK vending history.

"We look for alternative investments in disruptive companies. Mother has the potential to revolutionise the global vending industry. The team and technology were clear core strengths of the business, but we were also attracted by the new consumer-centric brand-led approach they were bringing to the sector. The strength and positioning of the Mother brand have been fundamental to the business's success to date and were instrumental in our investment rationale."

Mother Investor

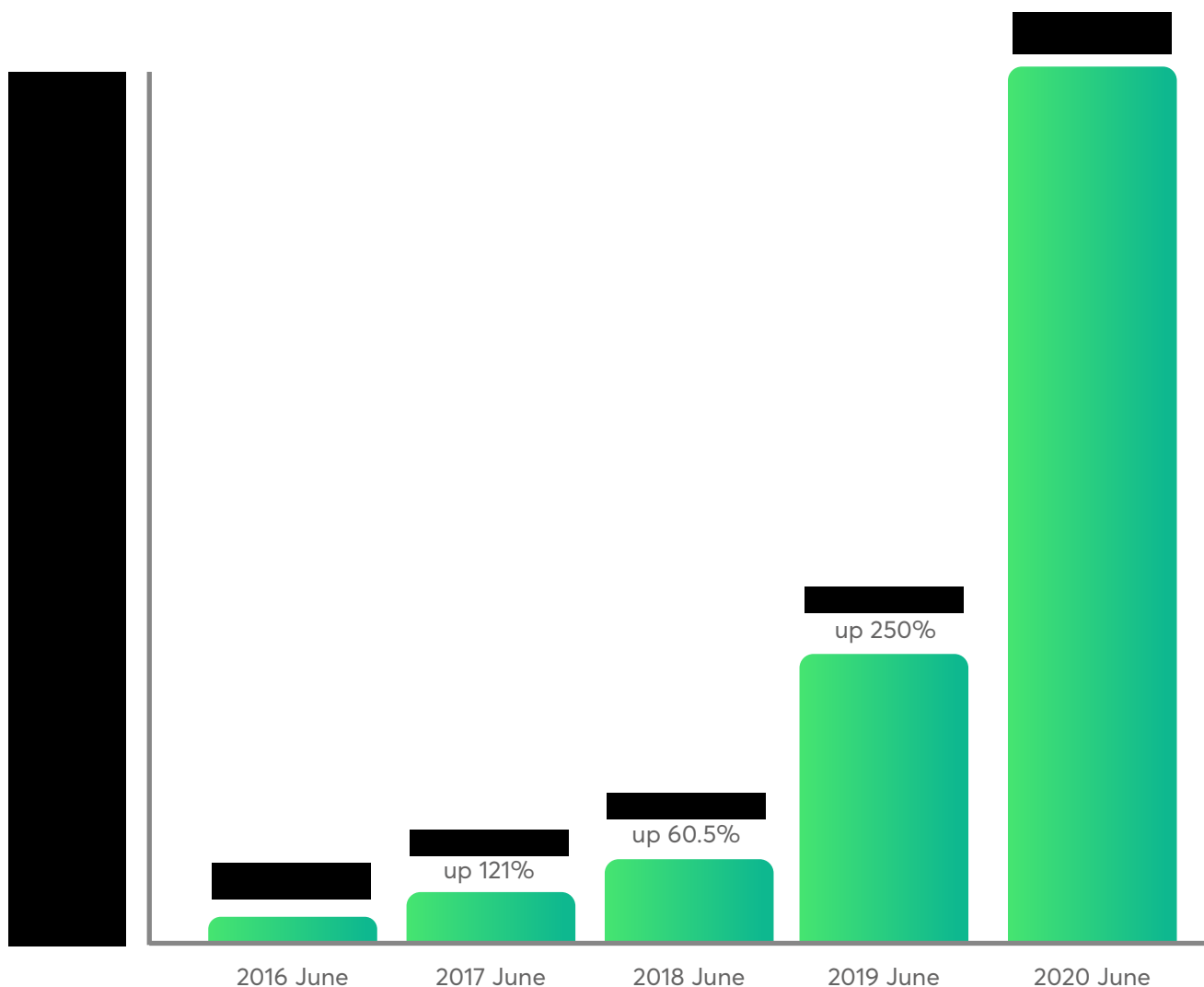
Reinventing vending

It's no overstatement to claim that Mother has reinvented vending. The functionality and desirability of the machine and its interface has attracted the attention of blue chip brands including Boots, PepsiCo, Sainsbury's and Beats Headphones who wish to use the same model – co-branded with Mother – to sell their own products. It's testament to how Mother has changed the reputation of the vending industry that such brands are considering vending at all, and proof that the machine's design is the most highly valued in the marketplace

Turnover on target

For Mother, scalability has been exceptionally challenging due to the high cost of building each machine and the need for clients to commit to long-term contracts. While the brand's initial turnover targets may seem low, they reflect the commercial realities of entering and disrupting the vending category. Nevertheless, Mother smashed its year 1 turnover target of REDACTED CONFIDENTIAL DATA by 67%, REDACTED CONFIDENTIAL DATA. Since then, the brand has grown steadily, and recently achieved annual growth of 250% REDACTED CONFIDENTIAL DATA.

The business model relies on aligning with large-scale partners to whom machines, software, brand and products can be licensed at a percentage fee. Getting to this point has been slow and challenging, but the business is now on the brink of fast-paced commercial growth. Over the next five years, turnover is predicted REDACTED CONFIDENTIAL DATA.



Influencing factors.

As an entrepreneurial start-up brand financed by the sale of the founder's house, Mother has a limited marketing budget and relies on the strength of its identity and the machines themselves to grow brand awareness. The brand has generated organic PR in the trade press and spends just 0.2% of revenue on its digital marketing (industry norm is 3% or more). Potential partners search for the brand organically due to powerful word of mouth, and competitors target Mother's name in their own SEO.

Was success due to the products stocked inside or advertised on the machine's screen?

One could argue that it is the branded products being sold by the machine and advertised on the machines touchscreen that are influencing Mother's success. However, Mother's overarching brand and machine design empowered this form of advertising as a revenue stream for the Mother business. Similarly, it was the Mother brand and machine design that attracted the branded products stocked inside. These brands would not have previously considered selling through a vending machine.

Was it the healthy food boom?

72% of shoppers in the UK are buying healthier food containing less salt, sugar, fat or calories (IRI shopper data). This shift could be said to positively affect Mother's success as a retailer of healthier products. However, Mother's innovative touchscreen design enables people to access the nutritional information they need to make those informed decisions. Similarly, healthy food competition was increasing from high-street retailers as well.

Was it the technology?

As with any tech business, the ease of interaction and effectiveness of the technology is key and of course has contributed to the success of the brand and business. Part of the scope of the work was to design the machine and its screen, as well as the user experience. This vision has driven the software development.

Mother is a complex business with many contributing factors to growth, from a well-curated healthy food offer to industry-leading tech. But the design of its brand, machine and user-interface is the glue that brings all these elements together. The strategic decision to celebrate rather than disguise technology enabled a machine design that heroes a high definition touchscreen, a factor that has increased consumer engagement and delivered a whole new revenue stream through brand advertising; while the desire to introduce human and nurturing qualities to an automated retail interaction through the Mother name, personality and tone of voice has reinforced the brand's healthy positioning and its disruptive challenger status, helping win the hearts of consumers, the trust of clients and the respect of partner brands.