



VENDING MACHINE SOLUTION

TRIZ WAY

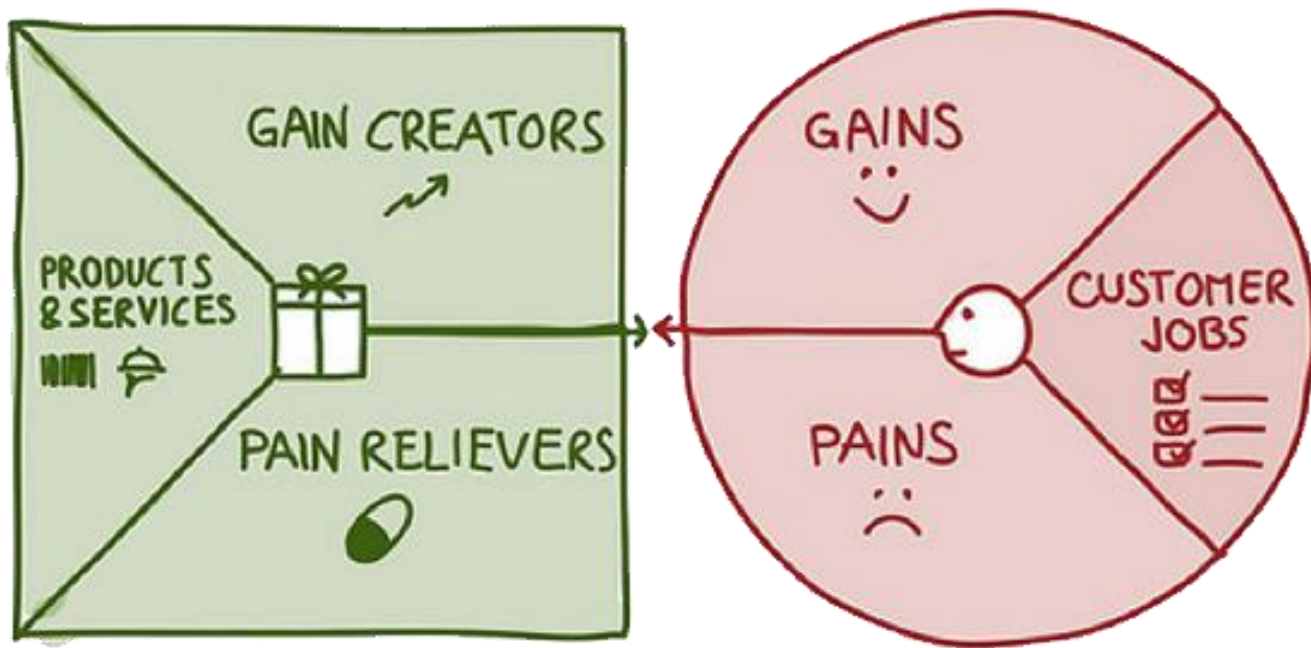
FEBRUARY 7, 2017

BUSINESS OBJECTIVE



Increase revenue through new channel

HOW VALUE IS BUILT – VALUE PROPOSITION MODEL



CUSTOMERS – WHO ARE THEY?



Olga the Woman
Buyer, woman 32 y.o.

Regularly buys cosmetics, high awareness about brands, quality, specifications of cosmetics



Igor the Man
Buyer, man 38 y.o.

Looking for a present for someone else, infrequent cosmetics buyer



Inna the Student
Buyer, young man/woman with low income

Looking for a present for a friend, has limited budget

4th PERSONA – Company

Company

One of the largest cosmetics retailers on Russian market with over 800 stores..

Existing market player looking for the ways to increase sales through new channels / widening omni-channel.

Company considers vending machines as a basis solution for new channel.

GAINS AND PAINS OF THE SERVICE

Identified **11 gains**
and **23 pains.**

EXAMPLES OF GAINS

GAINS	GAIN CREATORS	GAPS
Ecstasy of purchase	Buying process is easy and comfortable	No people to talk and discuss
More attractive look	High-quality products are available	
Fast purchase	Buying requires little time	Vending machine can be far from current location Queues at vending machine
Diversification of selling channels	Vending machine is an additional selling channel	
Boosting other channels	Integration with internet shop - vending machines may serve as pick up points	Unclear boosting for regular shops

EXAMPLES OF PAINS

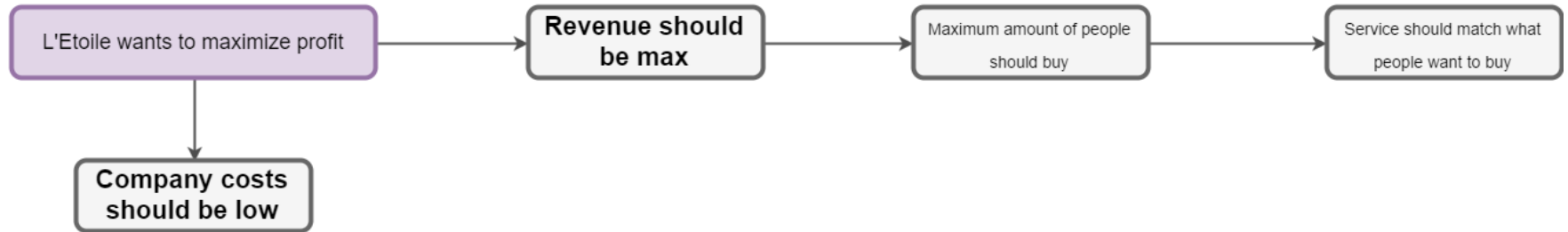
NEEDS	PAINS
Information about the products	Not sure about the safety of a product, composition, effect, allergic reactions
Information how to match	Don't know how to choose cosmetics
Select specific product which is the best for this customer	Possibly missing some particular product in stock
Pay with available means	Not all payment forms are usually supported
Get the product in good state	Product can get broken in the process
Product purchased lives up to expectations	Disappointment in case of too high expectations

ALSO ANALYZED

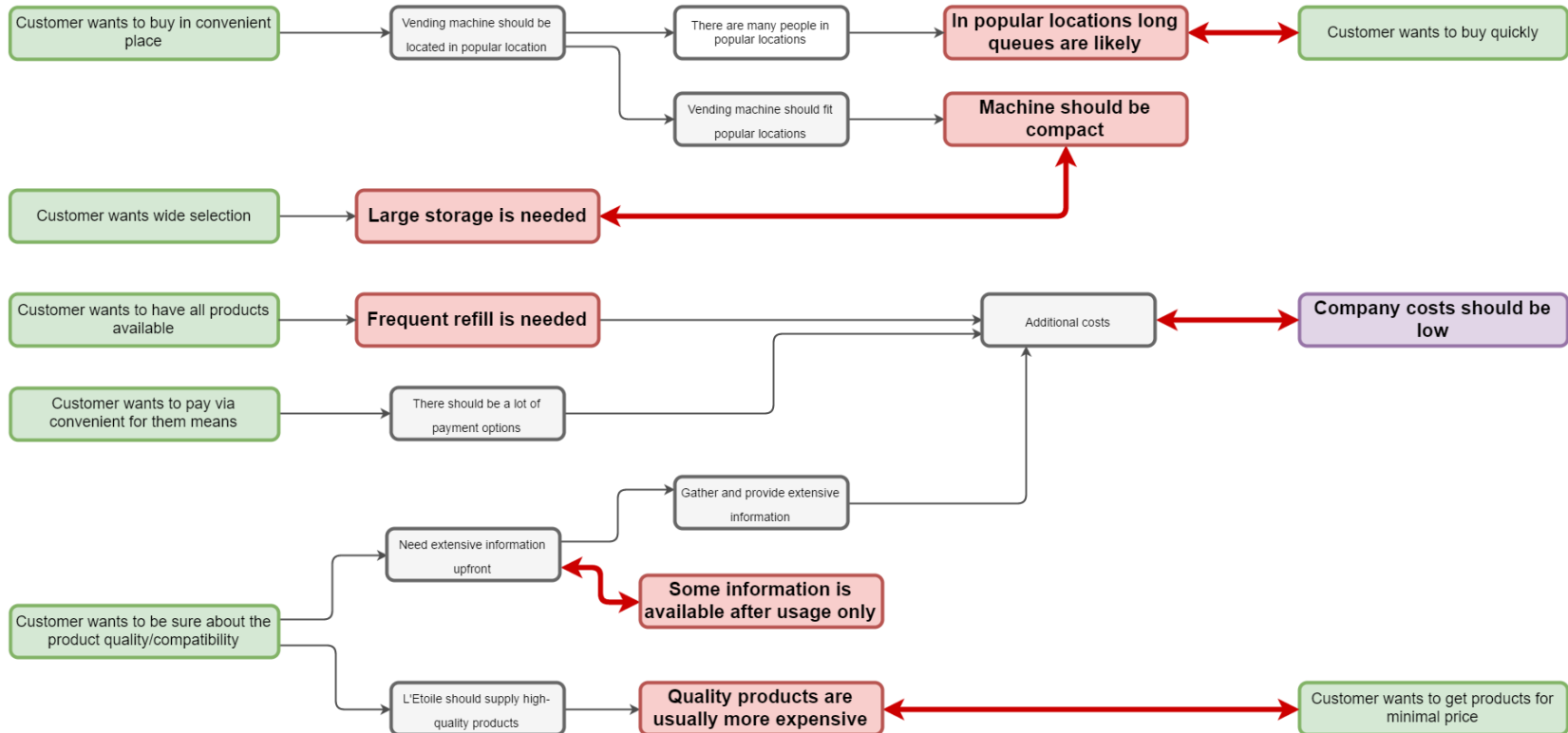


- Functional model
- Process
- Value network
- User needs

RCA: BUSINESS POINT OF VIEW IS CLEAR



BUT CUSTOMERS... AS ALWAYS MESSED THINGS UP



CONTRADICTIONS

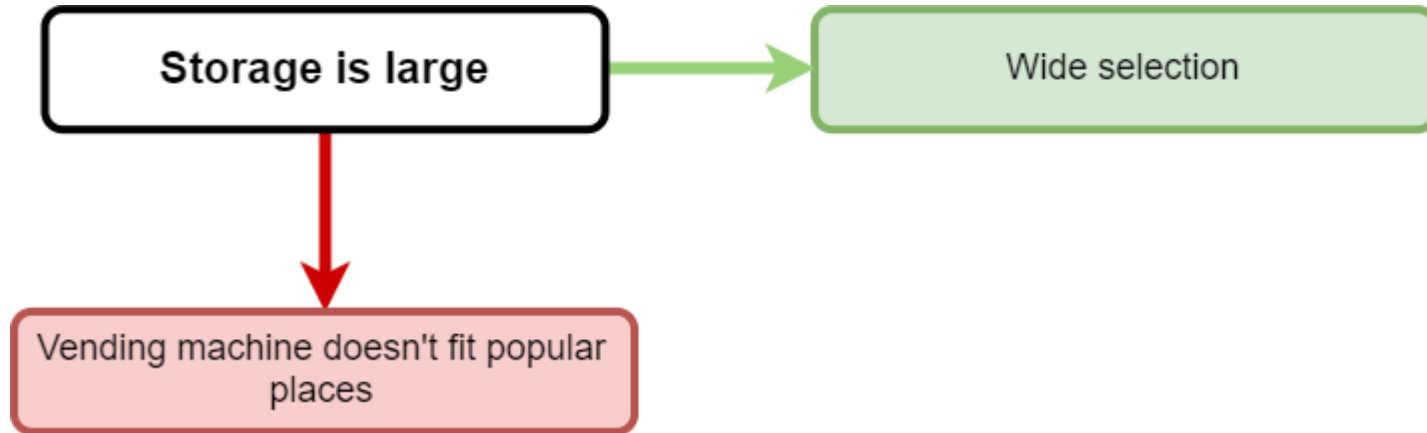
- Vending machine should be compact and have large assortment
- There always should be goods available and refilling process should be rare to minimize costs
- Customers want to get all information before the purchase and in the same time some information is available after purchase only
- Vending machine should serve as much people as possible while there should be no queues
- Quality products are expensive while customers want to buy at minimal price

CONTRADICTIONS



Solved **3 contradictions**

LARGE BUT SMALL



APPLYING ARIZ



LARGE BUT SMALL – POSSIBLE SOLUTIONS

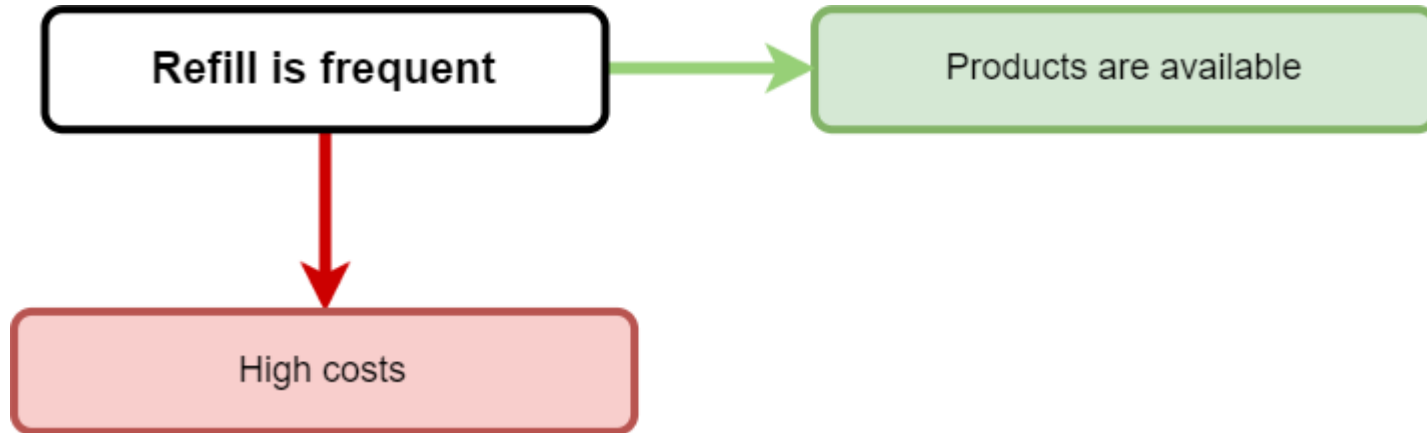
- **Use smaller pack size**

So you have more goods within the same storage

- **Use distributed storage**

So if there is no specific product in this vending machine you may direct consumer to the nearest location (other vending machine, store) where s/he can get this product

FREQUENT BUT RARE



Applying ARIZ...



FREQUENT BUT RARE – POSSIBLE SOLUTIONS

- **Use analytics**

Use analytics about purchases and load products that are in high demand for this specific location/season.

- **Use distributed storage**

So if there is no specific product in this vending machine you may direct consumer to the nearest location (other vending machine, store) where s/he can get this product.

- **Transfer to another organization**

Transfer refilling service to another organization and make payment terms in a way that will force that organization to optimize the process of refilling.

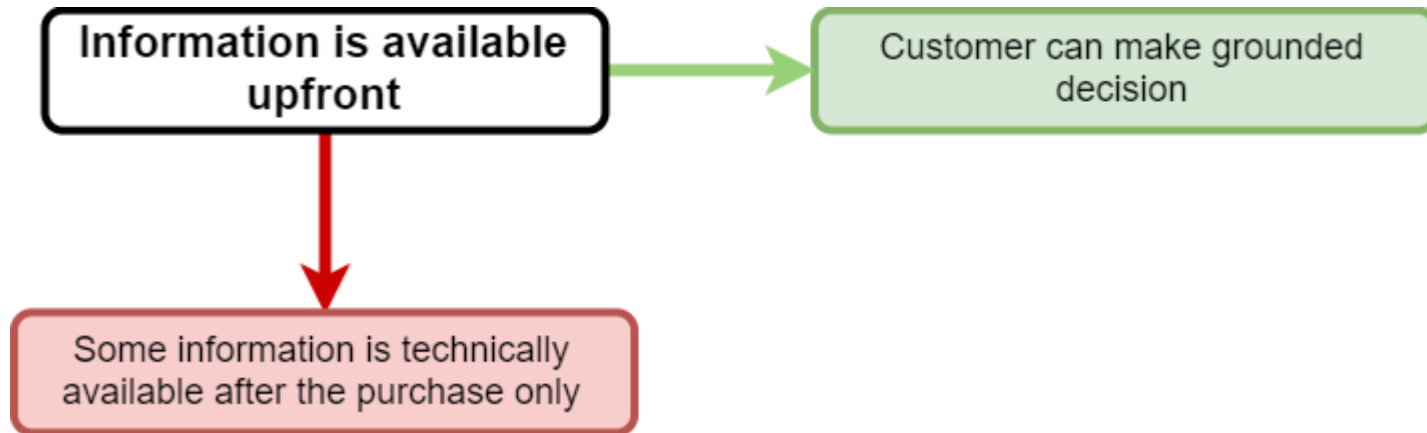
- **Order in advance**

Allow people ordering products (e.g. via web-site) in advance.

- **Make refill part of other frequent similar service**

So that additional expenses for refill will be minimal.

BEFORE BUT AFTER



APPLYING ARIZ



BEFORE BUT AFTER

- **Allow posting reviews**

Create a website where customers can leave reviews for previous purchases

- **Provide samples**

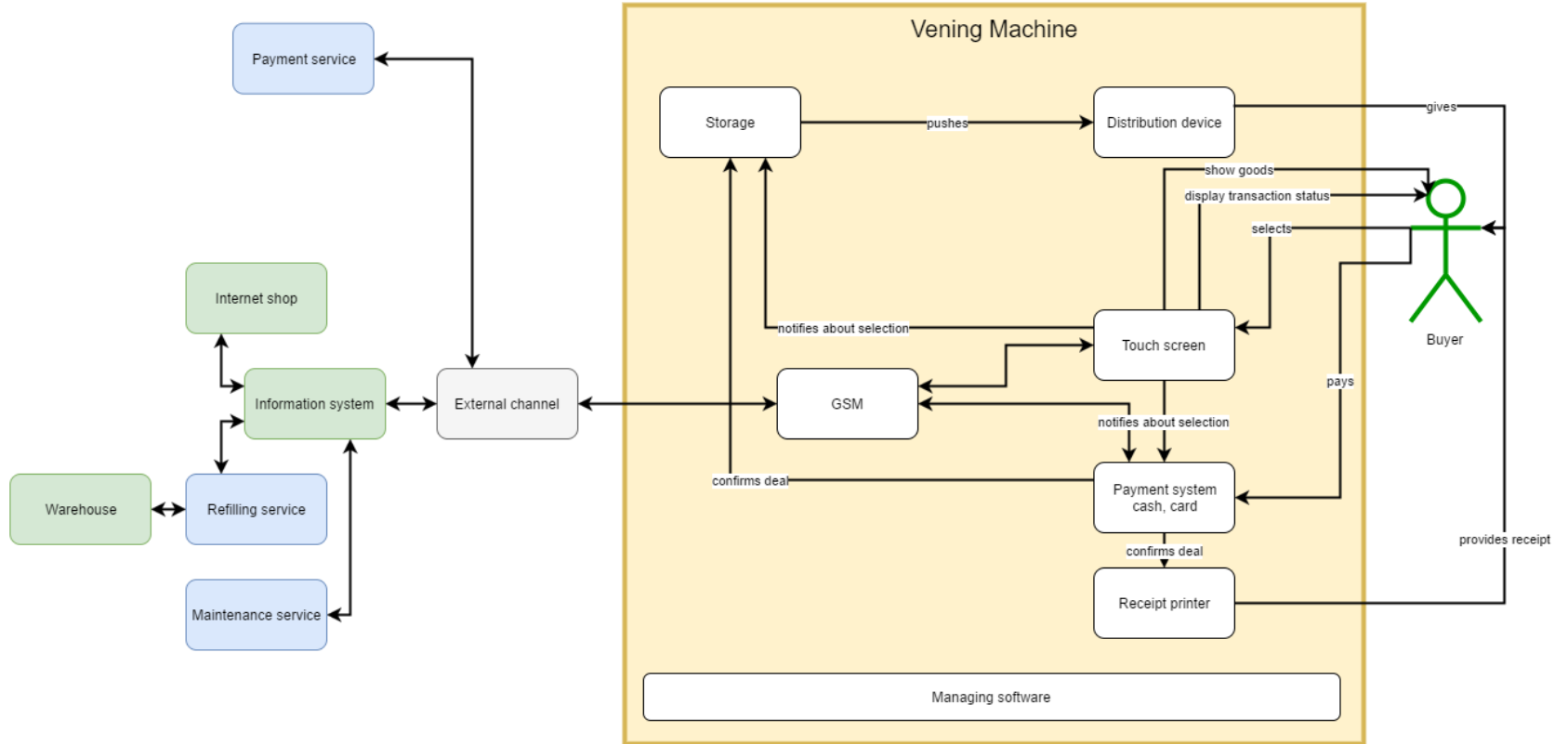
Usage of the samples that are provided with some purchase, instead of free samples

Implement the ability to purchase a sample

- **Process returns**

Customer can be eligible for some cash back if they return a product they didn't like and provide a detailed review about the product, why they did not like it and who might like it

FINAL SOLUTION





THANK YOU!