Growth continues as smart coolers move mainstream

Smart coolers are no longer an emerging technology. The latest State of the Industry report shows they are becoming a core component of operator growth strategies.

By Linda Becker, Head of Content

Revenue growth remained strong in 2025, but the biggest trend in this year's data was the growing role of smart coolers. More than half of respondents now operate them, and nearly one-third identified smart coolers as a primary operating format within their business. Micro market growth appears to be maturing, suggesting operators are increasingly using a mix of vending machines, micro markets and smart coolers to match the needs of individual locations.

THE BIG PICTURE

The convenience services industry continued its upward trajectory in 2025, with estimated revenue reaching $40.04 billion, an 18.3% increase from the $33.85 billion in 2024, according to research in the State of the Vending and Micro Market Industry report.

More than 65% of respondents reported revenue growth in 2025 while fewer than 20% reported revenue declines. More than 70% of respondents increased the number of locations they served. Micro markets remain an important part of operators' businesses, but the pace of expansion has slowed sharply from the 2021-2023 boom. In 2025, 38% of respondents reported adding micro market locations, while 52% reported no change. That compares with 84% reporting growth in 2023.

What is driving growth in the convenience services industry? Increasingly, the answer is smart coolers.

CHART 1A:
Industry revenue in billions

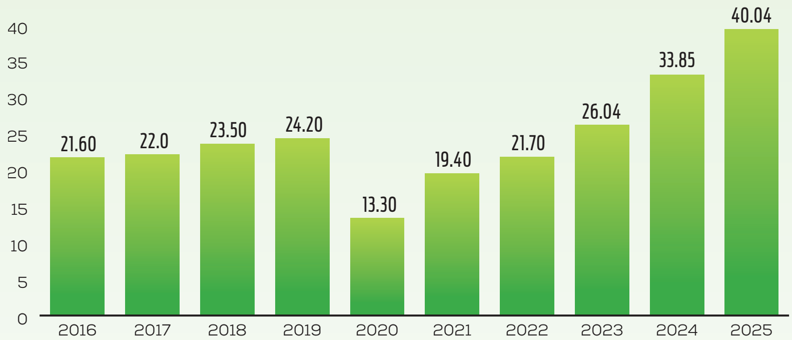


CHART 1B:
Micro market 2-year review

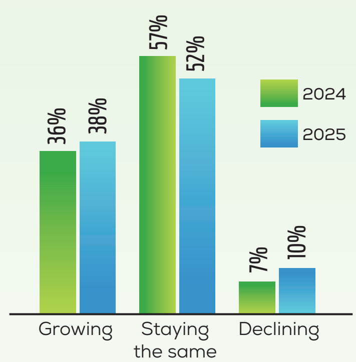


CHART 2:
Operator sales*

SIZE	REVENUE RANGE	% OF 2025 OPERATORS	PROJECTED 2025 SALES	% OF 2025 SALES
Small	under $1M	65.4%	$9.49B	23.70%
Medium	$1M–$4.9M	19.2%	$10.05B	25.10%
Large	$5M–$9.9M	0.0%	$0.00B	0.00%
Extra large	$10M +	15.4%	$20.50B	51.20%

*Among survey respondents

The vending and micro market industry climbs 18.3% in total revenue.

CHART 3A:
Smart cooler adoption

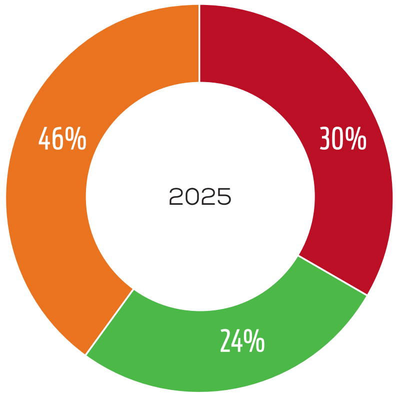


CHART 4A:
Average shrinkage rate in micro markets

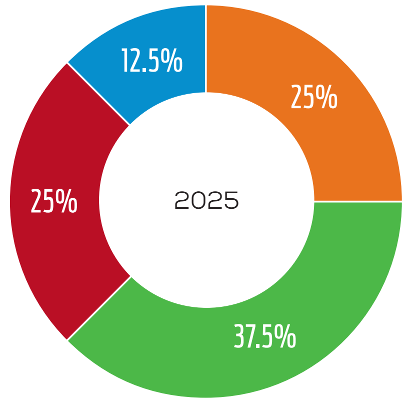


CHART 3B:
Equipment mix

Percentage of each type that makes up placed equipment

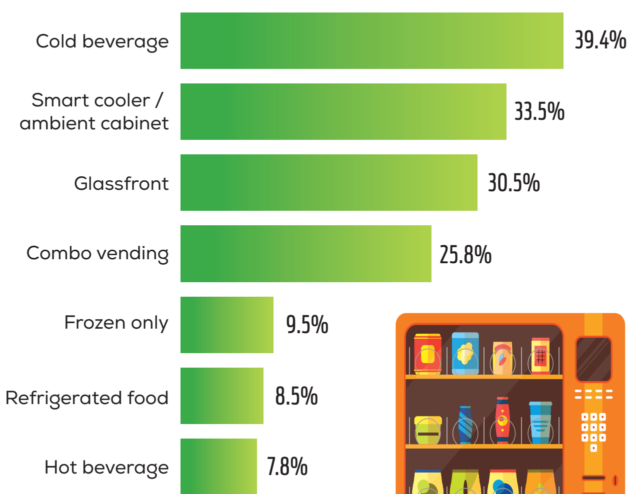
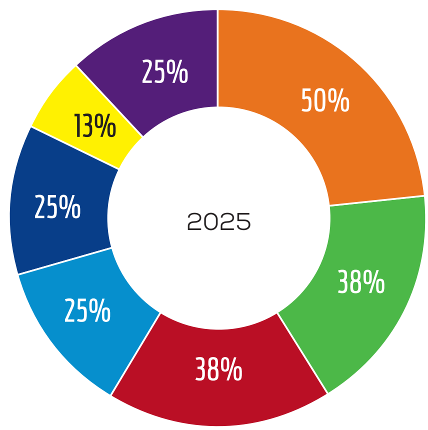


CHART 4B:
Most common loss prevention techniques



Smart cooler penetration

54.3%

of respondents operate smart coolers

30.4%

identify smart coolers as a primary operating format

SMART COOLERS MOVE INTO THE MAINSTREAM

Anyone who attended the 2026 NAMA Show in April can attest: Smart coolers and smart stores dominated the show floor.

No longer are operators choosing only between traditional vending and micro markets. Smart coolers bridge the gap: functioning like a high-tech, secure, unattended vending machine, yet with an aesthetically and experientially market-style presentation. Moreover, smart coolers are creating a third option for locations that may be too small or too vulnerable to shrinkage for a traditional micro market.

Who are the operators leaning into smart coolers? Certainly, they include new operators who, without a stockpile of existing equipment, are moving directly into smart markets. They also include established operators of all sizes who see smart coolers as yet another option to help them optimize their businesses.

The equipment mix data support that conclusion. Smart coolers accounted for 33.5% of the equipment deployed by respondents, nearly matching traditional glass-front vending machines. At the same time, cold beverage vending remained the largest equipment

71.4%
operators increased the number of locations served

45.7%
operators reported a decline in locations served

CHART 5A:
Vending/smart cooler locations

- Manufacturing
- Offices/workspaces
- Colleges/universities
- K-12 schools
- Retail
- Healthcare
- Restaurants/bars
- Hotels/motels
- Military bases
- Correctional facilities

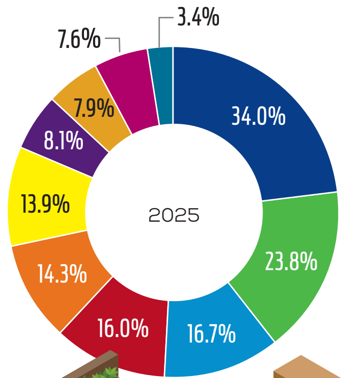


CHART 5B:
Number of vending/smart cooler locations served

- Increased
- Remained the same
- Decreased

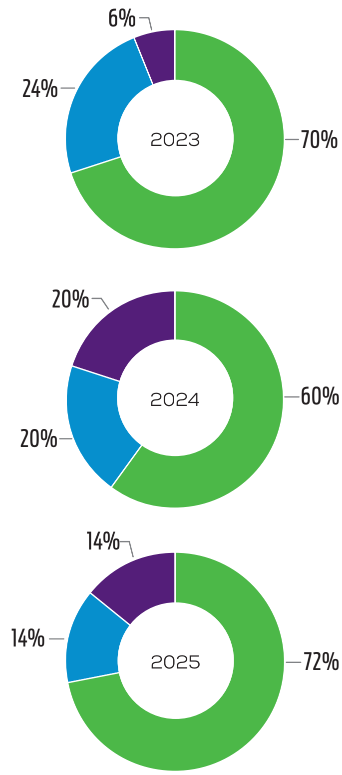


CHART 6A:
Micro markets locations

- Manufacturing/industrial
- Office workspaces
- K-12 schools
- Retail locations
- Colleges/universities
- Hotels/hospitality
- Healthcare
- Distribution/logistics
- Military bases
- Correctional facilities

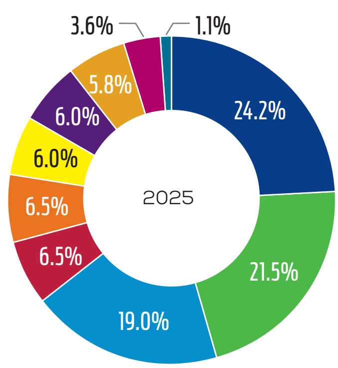
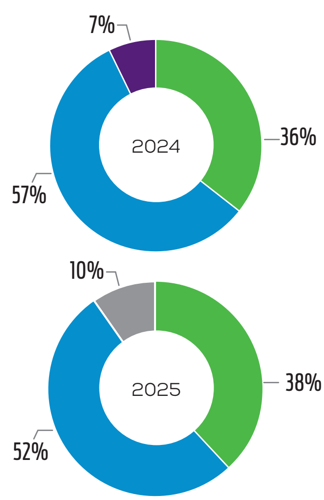


CHART 6B:
Number of micro market locations served

- Increased
- Decreased
- Remained the same



30.4%

identify smart coolers as a primary operating format

33.5%

of deployed equipment is now smart coolers

category, underscoring that operators are adding formats rather than replacing them outright.

MICRO MARKET GROWTH SLOWS

The rise of smart coolers coincides with respondents reporting a slower rate of micro market growth. While micro markets remain an important part of the convenience services landscape, more than half (52.4%) of respondents reported no change in the number of micro market locations they operate, compared with just 16% in 2023. Rather than replacing micro markets, smart coolers appear to be giving operators another way to serve locations that may not support a traditional market.

Operators are becoming increasingly strategic in how they deploy equipment, serve locations and build their business mix. The evolution of convenience services continues: the use of smart coolers as a mainstream operating format is the latest significant shift the industry has seen since the rise of micro markets about 10 years ago.

Meanwhile, on the product side, operators continue to respond to consumer demand for better-for-you options. Protein-oriented categories dominated the better-for-you rankings. Jerky (27%), protein bars (18%) and fresh food (18%) accounted for 63% of responses. Yet, sweet snacks aren't going anywhere: traditional indulgent categories such as snacks, candy and sweet baked goods still account for more than one-third of vending and smart cooler sales.

LOSS PREVENTION SOLUTIONS

Micro market theft remains a concern for operators although the survey data suggests many have made progress in managing shrink. Nearly two-thirds of respondents reported shrink rates below 5%, while only 12.5% reported shrink exceeding 10%.

As operators continue to balance labor costs, product costs and thin margins, loss prevention remains a priority. The industry's approach is also evolving. Cameras connected to monitoring services emerged as the most commonly reported deterrent, fol-

CHART 7A:
Technology rankings, averaged

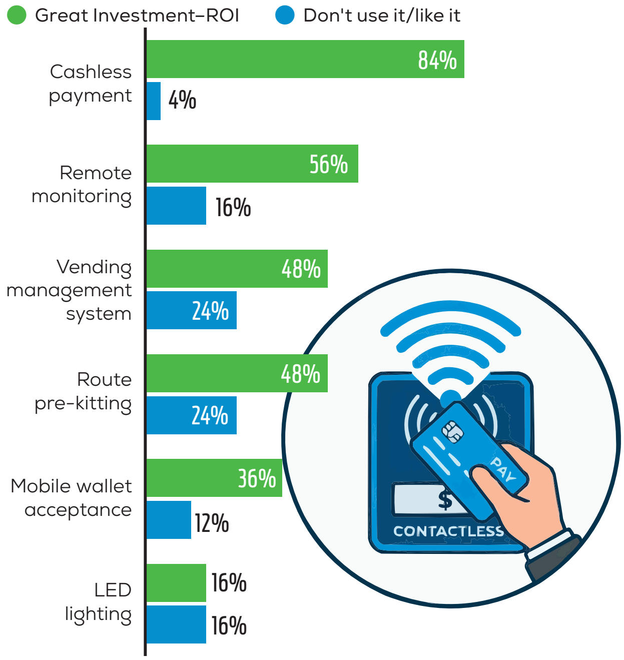


CHART 7B:
Vending data collection trends

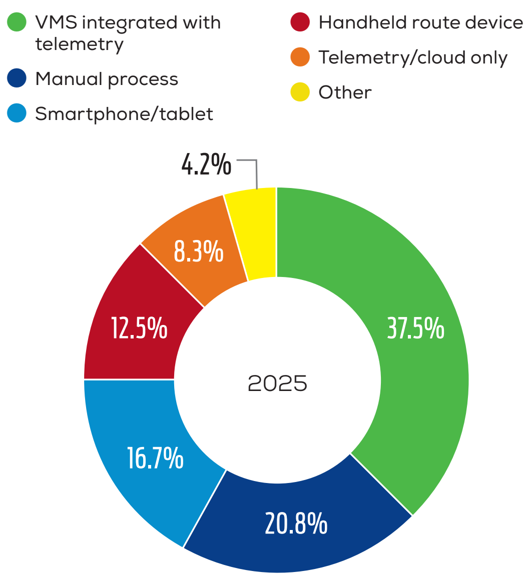


CHART8:
Best-selling better-for-you products in micro markets

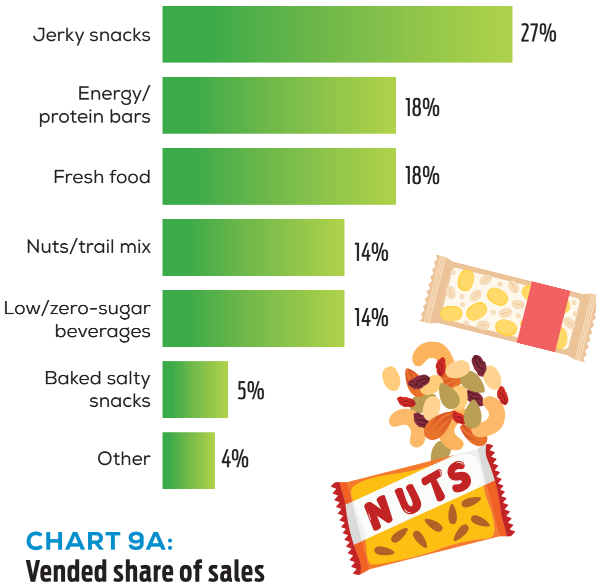


CHART 9A:
Vended share of sales by product category

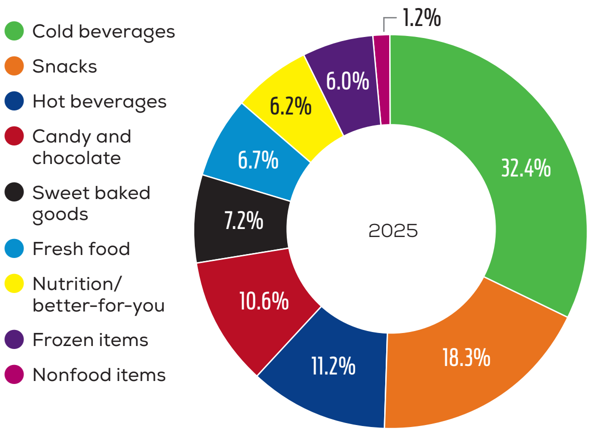


CHART 9B:
Micro market share of sales by product category

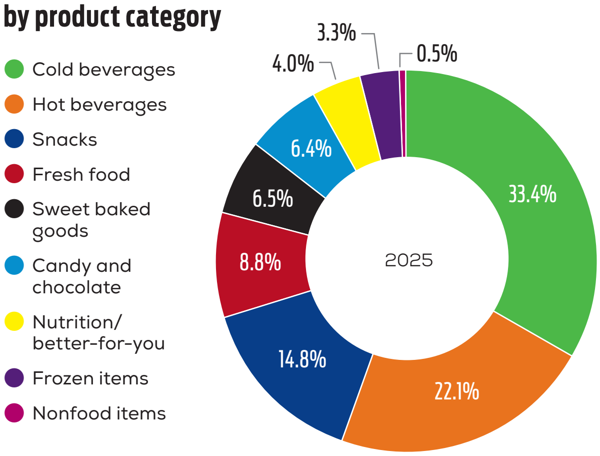
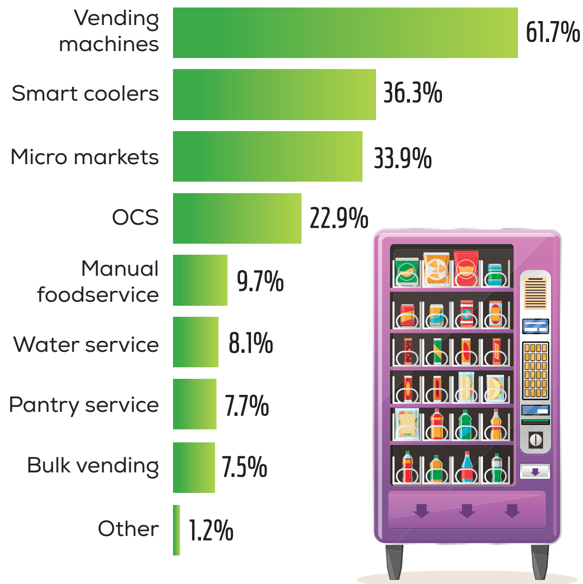


CHART 9C:
Share of sales by service category, combined services



Last year Energy bars dominated at 36%

Jerky was a distant second at 15%

Jerky moves into the top spot in 2026.

lowed by displaying camera feeds above kiosks and using signage to remind consumers that theft is being monitored. Regular inventory audits also remain an important tool for identifying and measuring losses.

Smart coolers likely contribute to those lower shrink numbers. By controlling access to products and tracking purchases at the point of removal, smart coolers offer operators an alternative in locations where traditional micro markets may pose a greater theft risk. ■

Methodology

Data in the *Automatic Merchandiser*'s State of the Industry report is compiled from a survey sent to operators in the spring. It collects responses from convenience services operators offering traditional vending, micro market and smart cooler refreshment and sundry services, as well as snack and soda operations. The State of the Industry report examines performance results across major product categories.