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## From teddy bears to Wagyu beef dishes, homegrown brand believes smart vending machines are the future

By CHEN LIN



Nicholas Chng/TODAY

Mr Azan Tengku said Kalms aims to have 1,500 vending machines sold or rented within the next year.

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Its transformation wasn't complete.

“We felt there is still a gap between traditional retail and e-commerce, and that is the instant gratification that consumers (get from buying) things right then,” said Kalms chief executive Azan Tengku, who bought over the company with partners three years ago.

Vending machines turned out to be the “perfect platform” to bridge the gap. Not only would they help reduce rentals and manpower costs, business hours would also be extended.

Kalms deployed vending machines selling gifts at Raffles City and Downtown East during the 2015 Christmas season and saw sales skyrocket. But a dip followed, and the company, a 54-year-old homegrown brand, realised it needed to diversify its offerings.

Forty per cent of the 55 vending machines Kalms has deployed islandwide now sell food such as snacks and drinks.

The company now wants to get aspiring entrepreneurs and other businesses on board, and has set up a smart vending solutions gallery – touted as Asia's first – at Kallang Place.

Mr Tengku said Kalms aims to have 1,500 vending machines sold or rented within the next year. They cost S\$13,500 to S\$20,000 each and can be rented for less than S\$1,000 a month, he said.

Kalms' machines are imported from countries like Japan, South Korea and China, with software programmed by its in-house team. Interactive touch-screen panels enable customers to select the products being sold and display screens can play pre-loaded ads.

The machines can be customised to specific requirements and sell anything from luxury-car rentals to high-value or bulky items.

The machines are able to track and transmit data on sales and inventory in real-time and alert retailers via email and text messages when products are sold or when stocks are running low.

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centre for remote troubleshooting and service recovery.

Kalms aims to help retailers shave at least 50 per cent off their operating costs and scale up in a cost-effective way. Mr Tengku said multiple parties may collaborate to offer products through a single machines.

It has teamed up with two Japanese firms – a large exporter of food and beverage products and an importer of premium meats – to set up a premium vending Japanese café that will be launched in the third quarter of the year at Suntec City.

Taking up a mere 208 square feet, customers will be able to buy Japanese desserts, bento meals, Wagyu beef and Kurobota pork dishes as well as freshly ground coffee at the intensity and with the amount of milk and sugar they prefer. Payment options will include credit cards and ez-link cards.

The café will also have a microwave oven for food to be heated up and table tops for people to consume their purchases.

In the interim, premium bento meals will be available at Kalms' grab-and-go machines at International Plaza by the end of this month.

“This is a proof of concept to show other retailers that everything is possible, it is possible to sell their products in physical store in a vending machine,” said Mr Tengku.

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