

Healthy Vending Toolkit



Guide for
Federal Healthy
Vending Options

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Introduction to Healthy Eating

What is “Healthy” eating?

Simply put healthy eating emphasizes nutrient-dense foods and beverages, while limiting sodium, solid fats, added sugars, and refined grains.

The following guidelines were put together by the Health and Human Services (HHS) and the General Services Administration (GSA). The goal of the guidelines is to assist contractors in maximizing a healthier food service in vending machines for their customers.

A Growing Demand for Healthier Food Options

The demand for healthier snack and beverage options in vending machines is growing. Many vending machines in schools, hospitals, and office buildings have switched to healthier snack and beverage alternatives to accommodate the growing demands and have seen positive results. “Over the last few years, vending machine sales of candy and salty snacks have fallen while sales of ‘nutrition snacks’ — a category that includes breakfast bars, granola bars, rice cakes and trail mix — have grown. In 2010 alone, nutrition snack sales increased 7.7% from 2009”². According to the 2012 Snacking Consumer Trend Report, Technomic found that 40% of customers acknowledge they are snacking on healthier options more than they did two years ago⁴.

As of May 2011, Generation Y was 32.1% of the total workforce in the U.S. according to the catalyst⁵ and OPM estimates that by 2014, approximately 53% of permanent full-time Federal Employees will be eligible to retire, opening Federal employment opportunities to Generation Y talent. With the continual growth of Generation Y in the workforce, the demand for healthy vending has been increasing due to their healthier eating habits. According to Jean Twenge, author of Generation Me, Generation Y knows what they want, and particularly the foods they want to consume. This is exemplified in grocery stores by changes in labeling which now distinguishes food as locally produced, organic, kosher, halal, gluten-free etc.

“We're at the beginning of a major movement in vending,’ says Jolly Backer, founder of Fresh Healthy Vending, a San Diego startup that sells organic vending franchises. ‘It's out with the junk food and in with the healthy food.’”¹. Consumers are becoming more and more interested in healthy “In 2010 alone, nutrition snack sales increased 7.7% from 2009”².

food options, especially since an increasing number of Americans are being diagnosed with many different ailments from not eating properly. “One-third of consumers now buy organic products monthly, according to the Organic Trade Association. But Backer expects "exponential" growth, mirroring that of the natural foods and organic industry”

1. Incorporating healthier food options into vending machines will expand the vending machine market to health conscious consumers.

Eric Berniker, vice president of marketing for Pirate Brands, has seen the rising demand for healthier snack options first hand with Pirate Brand products. “‘It's becoming bigger and bigger every day,’ says Eric Berniker, vice president of marketing for Pirate Brands, which makes the puffed snack Pirate's Booty. The Sea Cliff, N.Y., company's sales have already doubled to \$100 million since 2008 in part because Pirate's Booty is

allergy-friendly; it's gluten-free and nut-free"1. Pirate's Booty is already stocked in many of the local DC Metropolitan Area vending machines.

Many local vendors who have made the switch to healthier vending machine options recall a slight decline in sales at first, but an overall increase in sales over time. Incorporating healthier snacks and beverages into vending machine owners to capitalize on this growing trend of health conscious consumers.

As of May 2011 Generation Y was 32.1% of the total workforce

Healthy Guidelines for Vending Operations

Snacks

In order to meet the HHS/GSA guidelines all snacks, individual meal items and packaged food MUST CONTAIN 0 grams trans fat per serving as defined by FDA and must meet the below criteria for Sodium. In addition, at least 25% of all packaged food must meet the criteria listed below.

Categories Sodium Calories Calories from Saturated Fat

* Excluding refrigerated meals ** Excluding nuts and seeds without added fats, oils, or caloric sweeteners *** Excluding nuts and seeds without added fats or oils ****Excluding fruits and vegetables without added caloric sweeteners

Calories from Sugars Snack Items ≤ 230 mg per serving*

≤ 200 per item** $\leq 10\%$ *** $\leq 35\%$ of total

weight**** Individual Meal Items

≤ 480 mg per serving

At least 25% of Packaged Food

≤ 200 per item**

$\leq 10\%$ *** $\leq 35\%$ of total

weight****

Healthy Guidelines for Vending Operations

Categories Calories Sodium Dairy Type 100% Juice

At least 50% of Available Beverage Choices (excluding 100% juice and unsweetened milk)

≤40 calories per serving

Milk 2%, 1%, and

non-fat Juice At least one with no

added caloric sweeteners

Vegetable Juice ≤230 mg per serving

Beverages In order to meet HHS/GSA guidelines, beverages must meet the following criteria.

Above Standards for Beverages

For beverages with more than 40 calories per serving, only offer 12 oz or less (excluding unsweetened milk and 100% juice).

At least 75% of beverage choices (other than 100% juice and unsweetened milk) must contain ≤40 calories per serving.

a non-dairy, calcium-fortified beverage (such as soy or an almond beverage) that does not encompass more sugars, provides less than 5g total fat, and provides at least the same amount of protein and calcium as milk.

Offer at least one low sodium vegetable juice (≤140 mg sodium per 8 oz).

Best Practices and Vendor Concerns

After meeting with Federal vending machine owners in the DC area, it is apparent that there are apprehensions towards incorporating more healthy options in vending machines. This section addresses general concerns with healthy vending and provides necessary tools for a successful transition to healthier food options.

Concern: When introducing new healthy products there is the risk that the sales rebate number will not be reached.

Best practice: Move healthier products to eye level and top sellers to the bottom row. Items such as Snickers and other candy bars will sell regardless of where they are placed. Use prime spots for items that you are trying to introduce.

Concern: Consumers will go to a nearby convenience store instead of vending machines to purchase items if prices are too high or when cash is required.

Best practice: Provide customers with the option to use credit cards. Studies show that people are more likely to purchase items when they can use their credit card even at higher prices.

Also utilize glass front machines for beverages. Glass front machines allow people to see what they are buying, giving them confidence in their purchase. These machines provide a shopping experience similar to a convenience store.

Concern: What healthy items will my customers like?

Best practice: Reach out to customers and allow them to give you feedback on the items you're providing. Supply feedback cards on the side of your machine to determine what items they like and what else they would like to have offered. Additionally, schedule time to provide a taste test for customers. This will give you direct feedback on items and there is a better chance a customer will buy a healthier product.

Concern: Healthier food products have a shorter shelf life and will require more monitoring.

Best Practice: Get your customers interested from the beginning. Hosting a sampling session in the building is a great way to build interest in the healthier items. It also increases the chances of customers buying the items since they know what they're getting and what it tastes like.

Another best practice is to adopt remote monitoring practices. Today, technology allows vending machine operators to electronically track and monitor the stock of items in their machines. The technology allows vendors to track product flow and measure the consumption of each product offered. Valuable product data collected through remote monitoring can be used to improve product sales and track the best (and worst) selling products for future reference.

Concern: Once I go over 25% healthy items in my machine I begin to see a drop in sales.

Best Practice: Although there may be an initial drop in sales, vendors who have switched to healthier options saw an increase in sales over time. Providing healthier options may open the market to a new demographic of healthy eaters.

Sources

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