



PUBLIC PLACES SHOULD OFFER BETTER OPTIONS.

It's time to Restock our Future™.



MAKING EACH DAY HEALTHIER FOR ALL CHILDREN™

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## Financial Implications of Healthy Vending

Many vendors have found that revenue is unaffected by implementing healthy vending, and some vendors have experienced an increase in sales when they increased healthier options.<sup>1</sup> The transition can be coupled with nutrition education, taste tests, promotions, and changes to pricing to support healthy choices.

### Consumers want (and are purchasing) healthier foods

Consumers are taking steps to eat more healthful diets. The International Food Information Council's 2017 Food & Health Survey found that in the last year, nearly 90% of respondents drank more water and 70% opted for low- or no-calorie beverage options, while 60% reported cutting back on salt and saturated fat.<sup>2</sup>

According to a 2015 Nielsen survey, about half of U.S. respondents reported trying to lose weight. Of those, 83% reported changing their diets, including cutting down on fats, sweets, processed foods, and portion sizes, while eating more natural and fresh foods.<sup>3</sup>

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*"If you don't add some healthy items, you'll lose sales."*  
- Dan Sippl, President of Randolph Sheppard Vendors Association

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*Providing exclusively healthier options in vending machines is not only a responsible business practice, but a lucrative one."*  
- Sean Kelly, CEO & Founder of HUMAN Healthy Vending

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Sales growth of healthier snacks outpaced traditional snack foods between 2007 and 2011, contributing to increased sales growth and higher profits.<sup>4</sup>

Between 2011 and 2015, the market for healthier snacks grew by 4.7% and is expected to continue growing through 2020.<sup>5</sup>

### Increasing healthier choices and revenue

A 2017 intervention study found that when the number of healthier products in vending machines increased, paired with both price incentives and promotional signage, revenue increased by \$1,039, and the number of units sold increased by 460 for snacks and 204 for beverages over the 5-month study period.<sup>6</sup>

In February 2012, the Chicago Parks District implemented 100% healthier products in all park vending machines. A 2014 study found that 88% of park-goers reacted positively to the healthier options; the leading complaint was that the options were not healthy enough. Average monthly per-machine sales increased over 15 months (from \$84 to \$371).<sup>7</sup>

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*Price incentives and promotional signs can increase revenue and sales of healthier snacks and beverages.*

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A three-month pilot program in the Missouri Department of Health and Senior Services demonstrated that with 50–60% of healthier options stocked in vending machines, the vendor experienced a \$670 increase in revenue compared to the same three-month period the previous year.<sup>8</sup> By month, sales increased 5.9% in November, 16.4% in December, and 6.2% January.<sup>8</sup>

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*Promotional signage, public events, and social media can make current customers aware of new offerings and attract new customers.*

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Rady Children's Hospital, in San Diego, California, increased the number of healthier beverage options in cafeterias and vending machines, conducted an education campaign, and implemented strategic placement strategies. Over four months, revenue for all drinks remained stable while there was a 36% decrease in sales of red (unhealthy) beverages and a 241% increase in the sales of green (healthiest) beverages.<sup>9</sup>

A healthy vending pilot was conducted in three Delaware state agency buildings from October 2011 through April 2012. During the pilot, healthy selections were increased to 75% of food or beverage selections. In one location, sales of unhealthy beverages dropped from 75% of the units sold to 38%, while the overall units sold during those months increased.<sup>10</sup> An 18-month intervention in bus garages produced similar results—increasing availability and reducing price by an average of 31% led to higher purchases of healthier options five to one, compared to machines with no change in availability or price.<sup>11</sup>

After implementing a healthy beverage policy, St. Elizabeth's Hospital in Boston, Massachusetts, experienced a 30% increase in healthy beverage sales, and overall sales increased compared to the previous year.<sup>12</sup> In 2011, Nationwide Children's Hospital in Columbus, Ohio, removed sugar drinks from non-vending food locations and experienced no revenue loss.<sup>13</sup>

Baldwin Park, California implemented nutrition standards for all foods and beverages sold in city vending machines. During the initial six months, the city experienced a dip in sales, but after six months revenue returned to and stayed at previous levels.<sup>14</sup>

The Centers for Disease Control and Prevention and U.S. Department of Agriculture examined 17 schools and districts across the country that implemented nutrition standards for the foods and beverages sold through vending machines, a la carte, snack bars, and school stores. After a period of adjustment, most schools and districts found that revenue increased (71% of schools) or stayed the same (33% of schools).<sup>15</sup>

When the University of Minnesota decreased the price of healthier vending machine snacks by 50 percent, sales increased by 80–93% (depending on the snack option).<sup>16</sup>

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*Consumers might take a few months to get used to new products. One way to mitigate dips in sales is to educate consumers about the changes and offer taste tests to find out which healthier products work best in different facilities.*

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