



Tips for Better Vending

Picture yourself at a park, fitness club or a sports complex in your community. When visiting these types of locations, where does food fall on your list of priorities? Most people don't think a lot about the food in these places for a number of reasons. They don't intend to be there for a long time or to eat a meal there, or they just assume that options will be available if they want some thing to eat or drink. Municipalities and facility operators across the country, however, are thinking about the food and drinks in their vending machines, and are increasingly interested in providing healthy options. Healthy vending machines are quickly becoming a highly sought after option. But revenue is also important, and many municipalities and facility owners struggle with keeping their vending operations profitable. So when choosing to provide healthy options, facility operators must also consider what will sell well.

This guide provides a high level overview of some of the considerations around making food and beverage vending both healthy and financially successful.



This publication is part of a collection of resources designed to support healthier food and beverage operations. The collection includes the fact sheet *Tips for Better Vending*, and the webinar *Boosting Profits, Boosting Health in Food and Beverage Operations*. These resources and others are available at www.publichealthlawcenter.org.

Vending for Success

Just having a vending machine on-site does not mean instant added revenue. Just like any business, profitable vending requires planning and good management. The following tips can help promote a successful vending operation.

Customer Service and Appeal Matters.

Just as with any food and beverage operation, a vending outlet should be convenient, appealing, and properly maintained. The following tips are designed to maximize the customer appeal aspects of vending machines.

- **Location, location, location.** Place machines in areas with high foot traffic.
- **It should look good.** Vending outlets should be attractive and appealing to the eye. They should have bright colors, and feature products with recognizable brands. Product packaging needs to be intact and in good shape. The product should not look like it has been sitting in the machine for years.
- **Fast turnover is the goal.** Choosing fast-moving products can help avoid the problem of staleness or faded packaging. Beverages typically sell the fastest.
- **Choose your vending machine wisely.** Select a machine that operates effectively and reliably. Machines that break down often or are not user-friendly are the same as poor customer service.

Choose Products Strategically

Of course, what is inside the machine matters to customers, as does the price and quality.

- **Taste matters.** Products must taste great. In food and beverage operations, taste is one of the most important selling points.
- **Know your customer.** Choose familiar products and brands that your consumers already love. Think about the needs of customers and the location—a gym or park would sell a lot of water products.

Why Offer Healthier Options?

- Obesity rates have more than doubled in children and tripled in teens since the 1980s.¹ In Minnesota, 63% of Minnesota adults are overweight or obese,² with obesity at 25.7% for adults,³ 12.6% for children ages 10-17, and 14% for low-income preschoolers ages 2-4 years old.⁴
- Being overweight is the leading cause of medical rejection by the U.S. military. The U.S. military rejects over 20% of all recruits and applicants for being overweight.⁵
- Adults with obesity spend 42% more on healthcare costs than healthy-weight adults.⁶
- In 2011, American families and individuals spent 42% of their total food budgets on food-away-from-home.⁷
- For children born today, 1 out of 3 boys and 2 out of 5 girls are predicted to develop Type 2 diabetes in their lifetimes. The numbers are even higher for Black and Hispanic children.⁸

- **Keep customers interested.** Change up the product mix often. While old favorites are important, customers also appreciate variety.
- **Be strategic when setting prices.** Products must be affordable. At the same time, the cost of staff time and managing machines also must be taken into account. One technique to bolster sales is to keep products priced tightly together. Allow customers to see that for 25 cents more, they can get another option.

Another technique to encourage sales of healthier choices is to price healthier options lower than their less healthy alternatives—for example, water and non-fat milk could be offered for a lower price than soda. Also, healthier products can be placed at eye level or in more prominent places to make them easiest for customers to see, and help increase their sales.

Choose the Right Vending Partner

As with any business, finding the right partner is important. Just as you need to provide good customer service to your guests, you deserve to receive good customer service from your business partners.

- **Make an informed choice.** As with all new team members, there should be an interview process to help you find and select the partner who can best meet your needs.
- **Maximize the partnership potential.** During the interview process, ask about what the vending partner can bring to the table—what marketing tools can the partner provide to help bring added value to your location? How can the partner help increase sales?
- **Hold the partner accountable.** Make sure you have a system in place to evaluate the partner, so you can make sure the partner is helping you get the best results possible, and to help with troubleshooting.
- **Do your due diligence.** As part of your evaluation system, periodically visit sites where the partner has machines in place. Are the machines being cared for and stocked properly? If you are using a labeling system or placement planagram to highlight healthier choices, are the right products in the right places?
- **Choose a partner that is responsive.** How your partner responds to customer service concerns, whether from you or vending customers, is important. How effectively does the partner respond to problems or concerns? Does the partner have a customer service policy for refunds, damaged goods, expired goods, and maintenance? What is the response time?

Tips When Moving to Healthier Options

- Choose appropriate items for your location
- Keep in mind the shelf life of the product
- Choose popular products
- Make your machine look appealing and fun
- Choose bright colors that attract customers
- Be creative with marketing and signage
- Avoid using the word “healthy” unless you know your customers are looking for healthy products

Popular, Healthier Vending Products

pretzels
yogurt
soy, low or non-fat milk
dehydrated fruit products
squeeze apple sauce and similar products
vegetable packs
baked chips
water
wraps
fruit cups

Nutrition Standards

Many municipalities and facilities are developing and applying nutritional standards in their vending operations. Not all standards are created equal—some are better than others. Finding a standard that is truly healthier but that is also workable may take a little research. Fortunately, there are many good resources and guides to help (see Additional Resources below). Once you decide your standard, then ask potential vending partners to provide you with product lists that meet the standard.

Explore Arrangements For Added Value

Establishing contracts with large beverage companies can be helpful to any successful food and beverage operation, including vending. It is often possible to contract directly with a supplier even when working with a third party vendor or partner who assists with operations. Contracting with major suppliers can open the door to higher profits by allowing you to purchase goods at the best prices.

The major beverage companies all have a large variety of healthy options to choose from, and funded marketing programs in place to help increase sales at specific locations, and other value-added programs. For example, free vending machines and other products can typically be written into a contract. You could also specify that water brands be featured on machines instead of sugary drink brands.



Conclusion

Food and beverage vending outlets in parks, recreation, and community centers can provide customers with convenience, while also generating revenue. With just a little thought and planning, these operations can be not only more profitable, but also help promote longer lives and better health for customers.

Additional Resources

Several organizations offer helpful vending standards, guidelines, labeling guides, and toolkits available free and online. Here are some examples:

- Alliance for a Healthier Generation, Healthy Schools Program, [Healthy Vending webpage](#)⁹
- Bay Area Nutrition and Physical Activity Collaborative (BANPAC) [Vending Machine Toolkit](#)¹⁰
- National Alliance for Nutrition and Activity (NANA) [Model Beverage and Food Vending Machine Standards](#)¹¹
- Nemours Health and Prevention Services [Healthy Vending Guide](#)¹²
- Seattle & King County Public Health Department [Healthy Vending Guidelines and Implementation Toolkit](#)¹³

Last updated: November 2013

This publication was commissioned by the Public Health Law Center at William Mitchell College of Law, St. Paul, Minnesota, and was drafted by Profitable Food Facilities. Financial support for this publication was provided by Blue Cross and Blue Shield of Minnesota, the Minnesota Department of Health's Community Transformation Grant initiative and the Statewide Health Improvement Program.

The Public Health Law Center thanks Katherine Bishop, Nutrition Policy Associate with the Center for Science in the Public Interest, for her review and comments on a draft of this publication.



Profitable Food Facilities, www.profitablefood.com, specializes in captive market food and beverage operations and restaurants, including in large casinos, private country clubs, high end daily fee courses, resorts, ski operations, aquatic centers, theme parks, wellness centers and day spas. PFF focuses on improving the sales, quality, and profitability of food service operations, and has worked with more than 370 facilities in 48 states, Canada, England, and the Middle East.

The Public Health Law Center provides information and legal technical assistance on issues related to public health. The Center does not provide legal representation or advice.

Endnotes

- ¹ CENTERS FOR DISEASE CONTROL AND PREVENTION [CDC], ADOLSCENT AND SCHOOL HEALTH, CHILDHOOD OBESITY FACTS, <http://www.cdc.gov/healthyouth/obesity/facts.htm> (last visited Nov. 11, 2013) (citations omitted).
- ² TRUST FOR AMERICA'S HEALTH, F AS IN FAT: HOW OBESITY THREATENS AMERICA 8 (2013), available at <http://healthyamericans.org/assets/files/TFAH2013FasInFatReportFinal%209.9.pdf> (hereinafter, F AS IN FAT 2013).
- ³ CDC, BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM: PREVALENCE OF SELF-REPORTED OBESITY AMONG U.S. ADULTS, (2011), available at <http://www.cdc.gov/obesity/data/adult.html#Prevalence>.
- ⁴ F AS IN FAT 2013, *supra* note 2, at 9.
- ⁵ MISSION: READINESS MILITARY LEADERS FOR KIDS, TOO FAT TO FIGHT 2 and note 7 (2010), available at http://cdn.missionreadiness.org/MR_Too_Fat_to_Fight-1.pdf.
- ⁶ F AS IN FAT 2013, *supra* note 2, at 25.
- ⁷ U.S. DEPT OF AGRICULTURE ECONOMIC RESEARCH SERVICE, FOOD EXPENDITURES-TABLE 10 - FOOD AWAY FROM HOME AS A SHARE OF FOOD EXPENDITURES, <http://www.ers.usda.gov/data-products/food-expenditures.aspx#Un-q71vmkpik> (last visited Nov. 11, 2013).
- ⁸ K. M. Venkat Narayan et al., *Lifetime Risk for Diabetes Mellitus in the United States*, 290 J. AM. MED. ASS'N 1884, 1887-88 (2003), available at <http://jama.jamanetwork.com/article.aspx?articleid=197439>.
- ⁹ https://schools.healthiergeneration.org/wellness_categories/healthy_vending/ (provides standards that align with the new federal school food standards, a product identifier tool, and other resources).
- ¹⁰ http://www.banpac.org/healthy_vending_machine_toolkit.htm (includes a variety of resources to help with bidding and contracting for a new vendor, as well as sample policies).
- ¹¹ <http://cspinet.org/new/pdf/final-model-vending-standards.pdf> (provides healthy vending labeling criteria, strategies, and messaging).
- ¹² <http://www.nemours.org/content/dam/nemours/www/filebox/service/preventive/nhps/resource/healthyvending.pdf> (provides sample healthy vending guidelines, policies, and marketing strategies).
- ¹³ <http://www.kingcounty.gov/healthservices/health/nutrition.aspx> (this page includes a link to vending guidelines and an implementation toolkit for use in county facilities and for voluntary adoption by organizations in the county).