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BEATING 'HEALTHY' TARGETS

Sodexo Proves That Vending's New Wellness Category Can Drive Sales

By EMILY JED

Three years ago, Sodexo, in collaboration with the Partnership for a Healthier America, set an aggressive goal to make healthier choices more accessible to millions of consumers in the businesses, hospitals, schools, universities, museums and government institutions it serves. The contract foodservice and convenience solutions giant has exceeded its target a year early, driving healthy purchases through thousands of its vending machines. Sodexo credits this success to both an expanded array of “better for you” choices and an effort to transform purchasing behavior.

Created in 2010, PHA works with the private sector to make healthier choices easier for consumers. The group ensures

that commitments made by partners are kept, by working with third parties to monitor and publicly report on the

progress they are making.

In March 2014, Sodexo began working with PHA to fulfill a four-year commitment in six specific areas of focus with actions and benchmarks for each by 2018: healthy dining, healthy vending and healthy hospital food; better kids' meals in zoos, museums and aquariums; better access to breakfast for school children; and smarter lunchroom promotions in schools.

Shawn Murphy, senior director for Convenience Solutions by Sodexo, explained that at the core of Sodexo's philosophy as a global foodservice powerhouse is its responsibility to contribute to the quality of life for its customers. Ensuring that nutrition, health and wellness are a central focus in its vending machines, micromarkets, and office coffee and pantry accounts – which are grouped under the Convenience Solutions by Sodexo umbrella – is central to that commitment.

Driving Change

“Sodexo is focused not only on delivering healthier foods and beverages, but also on leveraging technology to engage and educate consumers,” Murphy said. “Our promotions and point-of-sale material are targeted at encouraging consumers to make healthy choices, and we have the tools to track our progress. We are so confident in our ability to drive healthy behavior, that our service-level agreements may include milestones and success metrics.”

Sodexo's clients and an unprecedented majority of consumers are on the same page, accelerating the healthy movement. According to a recent survey of more than 3,000 managers at the sites Sodexo serves, 54% of the company's U.S.

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OPTING IN: In some cases, Sodexo adjusts pricing to promote the healthier choice. It's found that making such selections less expensive than more traditional options increases healthy participation up to 15%. Combo deals also drive patrons to Opt Healthy selections.



clients, across all business lines, also had stated goals for advancing their health, wellness and nutrition.

Rick Francis, vice-president of Convenience Solutions by Sodexo, said the company's promise to expand healthy offerings in its accounts has helped establish a new kind of partnership with its clients.

"Thirty years ago, health-minded consumers were lucky if they found a package of raisins in a vending machine," he said. "Now 'healthy vending' is ingrained in our DNA. We consistently hear from clients on all levels that they must increase the quality of life of their employ-

ees in order to retain them, and wellness is a critical factor. We truly partner with them to deliver healthy choices and design solutions to meet their needs and we continue to exceed their expectations."

The numbers speak for themselves. In August 2016, through its Partnership for a Healthier America commitment, Sodexo reported that 48% of its snack and cold beverage vending machines were stocked with products that meet its "Opt Healthy" program's nutritional criteria. A random sample of these machines confirmed that all contained at least 30% healthier offerings. Sodexo's goal was for 48% of ma-



Shawn Murphy



Rick Francis



Rachel Sylvan

chines to meet the benchmark by 2018.

Rachel Sylvan, Sodexo's director of sustainability and corporate responsibility, pointed out that the company submitted its sales data late last year, which were verified through PHA by a third party. More than six months later, she added, Sodexo is confident the percentage of healthier fare in machines across the board is even higher as the company continues to work hand in hand with its clients to promote and expand its availability.

Micromarkets And Pantries

Opt Healthy is central to Convenience Solutions by Sodexo's health and wellness strategy across micromarkets and pantries, as well as vending machines. Healthy products in micromarkets are prominently tagged to inform and attract consumers.

Francis said micromarket customers are drawn "like magnets" at the point of purchase by Opt Healthy signage highlighting healthy options when they walk into the self-checkout stores. Additionally, breakroom pantries stocked with better-for-you food and beverages free for the taking are moving to the forefront as a way to meet contemporary demands by employees and clients alike.

"As clients optimize budgets, infrastructure and space utilization, micromarkets are increasingly appealing due to their smaller footprint and substantive offer," Francis said. "And pantry service is growing as employers are generous in supplying quality food and beverages as an amenity to recruit and engage employees."

For example, one client requested Sodexo to provide 1,500 lbs. of organic whole fruit in a single month, complimentary to its employees.

"Our clients appreciate the value we create for their employees and their environment through healthier foods and transformative spaces that are highly designed," Francis said. "We're very passionate about doing the right thing to truly elevate the relationship we have with our clients on different levels to best serve their employees."

Opt Healthy Criteria

Sodexo's Opt Healthy program is designed to encourage consumers to make healthier choices in vending machines and micromarkets by giving them greater visibility than the more traditional, indulgent



TO THEIR HEALTH: Sodexo is working toward its ultimate goal to stock every one of its vending machines with at least 30% of the products meeting its Opt Healthy guidelines.



EYE-CATCHERS: Opt Healthy signage highlights better-for-you options as soon as consumers walk into Sodexo's micromarkets. Qualifying fresh foods, snacks and drinks are prominently tagged to attract and inform them as they shop. Through its Opt Healthy program, Sodexo is working with clients to transform purchasing behavior at vending machines and micromarkets.

options. Printed and digital communications also promote Opt Healthy choices.

In some cases, Sodexo adjusts pricing to promote the healthier choice. The company has found that making such selections less expensive than more traditional options increases healthy participation by 12% to 15%. Currently, the Opt Healthy portfolio has more than 400 beverages, snacks and fresh food items.

To meet Opt Healthy criteria, snacks must contain 200 or fewer calories, 35% or fewer calories from total fat (or 8 g. or less); and 10% or fewer calories from saturated fat. Sodexo's Opt Healthy snacks

also must contain no trans fat, 20 mg. or less of cholesterol, 300 mg. or less of sodium and at least 1g. of fiber.

Opt Healthy snacks must either meet all seven criteria, or four of the requirements and have at least 10% of the daily value of one or more major nutrients, such as vitamins A, C or E, iron, calcium or protein.

The Opt Healthy criteria for Convenience Solutions by Sodexo's sandwiches, entrées and salads are 550 or fewer calories, 35% or less calories from fat (or 15 g. or less fat); 10% or fewer calories from saturated fat; no trans fat; and

no more than 100 mg. cholesterol and 700mg. sodium.

Cold drinks that qualify as Opt Healthy include regular and enhanced waters, low-calorie sports drinks, nonfat milk, 100% fruit or vegetable juice, and low-calorie carbonated beverages. Energy drinks and full-sugar sports and carbonated beverages do not meet the criteria.

"The continued growth we see in the percentage of healthier offerings in vending and reaching our goal a year early says a lot about workplaces and other institutions we serve," Sylvan remarked. "They value the health and wellbeing of their

employees and see value in the ways we can serve them, and they want to see Opt Healthy deployed as much as we do.”

Give Them What They Want

Francis said Sodexo’s use of Crane Streamware’s VendMax software in all of its vending branches makes sales data available at its fingertips. This has helped the company track the success of Opt Healthy offerings across its equipment base and continue to expand them.

Murphy added that Sodexo is constantly researching to ensure the wellness-oriented products available through its vending machines, micromarkets and pantry services are the most desirable and in demand among today’s consumers, on both a national and local basis.

“Folks are truly requesting more nutritious and wholesome products,” she said. “The mindset has changed and we really have to be at the cutting edge of providing it – versus the days of 73 varieties of sticky buns. Even traditionally indulgent manufacturers, like candy companies, are

coming out with different, more nutritious, wholesome lines and marketing campaigns to promote them.”

“We share critical data with our clients, including sales mix, baselines and targets around indulgent versus Opt Healthy products in their machines,” Francis added. “We have amazing data versus 10 years ago, and healthier products are so much better today, with so many choices to satisfy today’s demands.”

He added that Sodexo has also deployed PepsiCo’s Hello Goodness vending machines “planogrammed” exclusively with beverages and snacks that meet exact nutritional criteria.

Sylvan emphasized that Sodexo’s wellness efforts fit into a larger corporate responsibility framework that addresses the environment and community, called Better Tomorrow 2025.

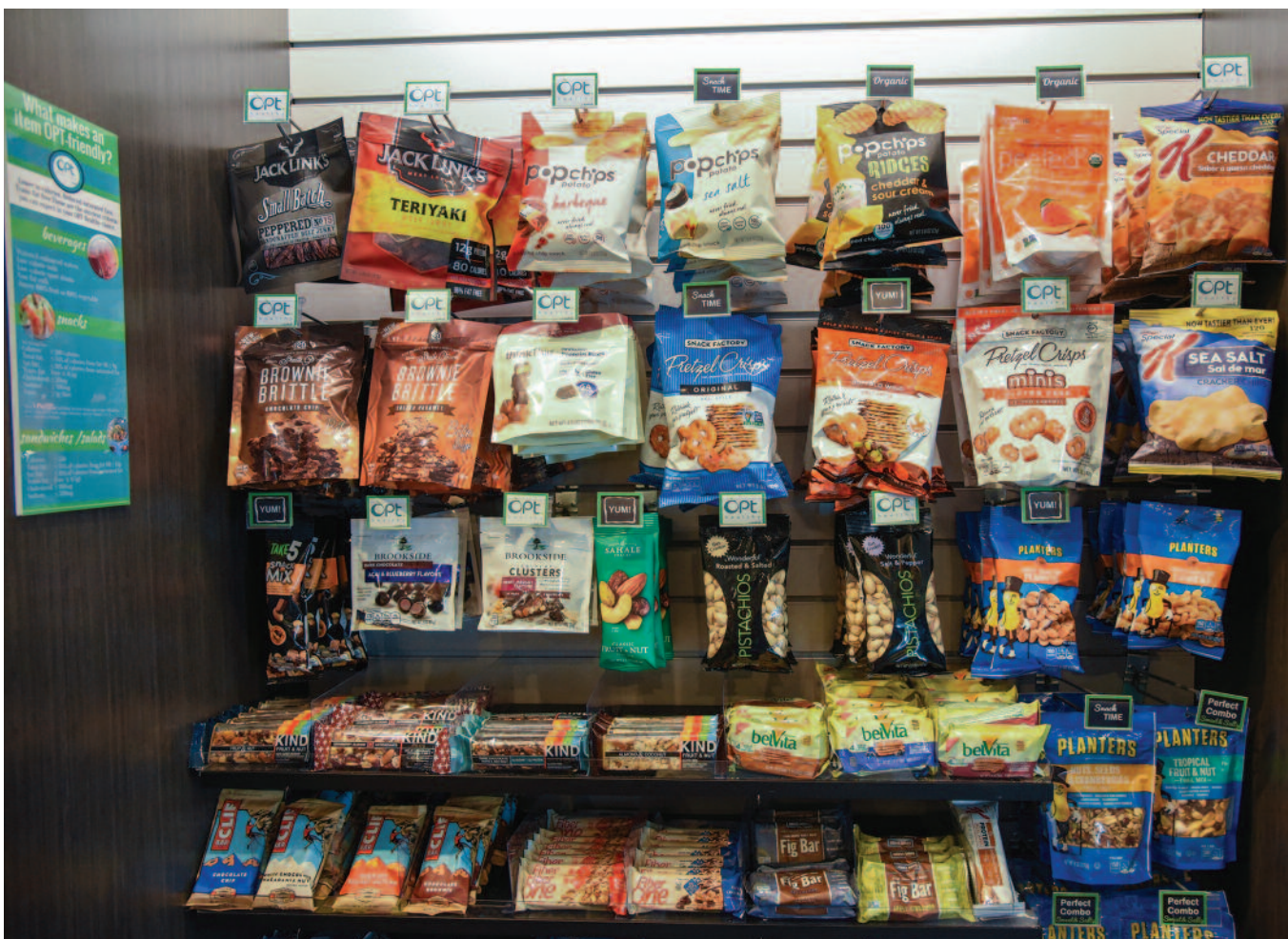
“We view it as our role as a service provider and corporate citizen on a global level to contribute to improving the quality of life,” she said. “PHA helped us set and exceed some aggressive goals related to

the wellness component.”

Specifically, Sodexo’s areas of focus through its PHA commitment involve implementing its Opt Healthy vending program and expanding the reach of the Mindful by Sodexo healthy dining program by 2018. Since 2014, total sales of Mindful by Sodexo menu options reportedly jumped from six million to 15 million units – an increase of more than 250%.

The foodservice giant also committed to one in five hospitals meeting the PHA Hospital Healthier Food Initiative; implementing Smarter Lunchroom tactics in K-12 schools and expanding better-for-you choices for children in zoo, museum and aquarium accounts; and serving 17 million additional free breakfasts to K-12 students by 2018.

In addition to exceeding its vending target, Sodexo has surpassed its goal for providing better-for-you children’s meals at zoos, museums, aquariums, implementing Smarter Lunchroom tactics, and its 17 million additional free breakfasts target in primary and secondary schools.



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