Healthy Food and Beverage Sales in Recreation Facilities and Local Government Buildings

Impact on Industry Stakeholders Report

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Evaluation Team: Patti-Jean Naylor, PhD; Susanne Sørensen, M.Sc.; Suzanne Vander Wekken, BA

School of Exercise Science,
Exercise and Health Education
University of Victoria

University of Victoria

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1) Background

1.1 Rationale

Epidemic increases in child and adult obesity and chronic disease worldwide has intensified the need to support healthy food choices in public spaces. Municipal recreation has long been known for its role in supporting physical activity and recreation and for broader community development. Ironically it is also known for less than ideal food environments.

In 2006 a provincial needs assessment showed that the food environment in municipal recreation buildings did not promote or enable healthy choices by children and families but that recreation stakeholders were interested in change. One recreation provider described the situation in BC at the time with these words:

"We sell pop, we sell chips, we sell hotdogs" [1]

With over 50 million visits per year [2] and a mandate to promote health in the community; making the healthy choice the easy choice in recreation facilities is important.

In response to this need, the *BC Healthy Living Alliance* funded the *Healthy Food and Beverage Sales in Recreation Facilities and Local Government buildings* initiative *(HFBS)*. The purpose of this initiative was to support the transition to healthy choices by recreation centers and to facilitate the voluntary adoption of the *Nutritional Guidelines for Vending Machines in B.C. Public Buildings.* At the provincial level, initiative staff consulted with key stakeholders and created partnerships to support implementation and sustainability, they also developed the marketing materials for *HFBS;* also branded as the *Stay Active Eat Healthy* campaign for the public. Initiative staff also supported local community initiatives with planning tools, resources (tool kit), technical support (face-to-face, telephone, email) and seed funding to enhance the promotion and sale of healthy food and beverages in recreation centres. Following a successful pilot, Phase II of the initiative was implemented.

At both the provincial and local level there was recognition that interaction with the snack and beverage industry and its various stakeholders was going to be a key element of transition success. The reality was that those that supplied, distributed and manufactured food and beverage products played a key role in defining the choice of foods served through vending machines, concessions and programs. Thus it was critical not only to include these stakeholders in the evaluation of the *HFBS* initiative but also to understand their perspectives and the context in which they were operating. The purpose of this evaluation was to explore industry perspectives and responses to the transition in municipal recreation and to understand the impact of the initiative on their business and operations.

Specifically we wanted to understand:
- How do members of the snack and beverage industry perceive the transition to healthy choices?
- What strategies has the industry used to support the shift to healthier choices?
- How has the transition to healthy choices impacted and/or influenced their business?
- How were the *HFBS* resources used and perceived by industry?
- What will influence the initiative moving forward?

1.2 Methods

A total of 72 individuals representing 60 food industry members were contacted and invited to participate in a telephone interview. Amongst those invited were manufacturers, suppliers, distributors, and vendors who operate in BC. The goal was to interview around 10-15 stakeholders with representation from the different sectors. 16 individuals agreed to participate in a phone interview at their convenience during the month of October 2009. Interviews lasted approximately 25-40 minutes, during which respondents were asked questions regarding: the transition to healthier choices, their approach to customer service, the healthy eating guidelines, the Brand Name Food List (BNFL) and Dietitian Services and their perceptions on future trends.

Interviews were conducted, transcribed and analyzed using the software NVivo8.0 (©*QSR International Pty Ltd 2007)*, and all names and company identifiers were removed to ensure anonymity. Research ethics approval for this study was obtained from the University of Victoria Human Research Ethics Board and signed consent was received from each individual that participated in the interview.

1.3 Terms used

The Brand Name Food List (BNFL): a website presenting an up-to-date list of snack and beverage products rated in accordance with the *Provincial Guidelines.*

Dietitian Services: previously referred to as "Dial-A-Dietitian", a call-in support line providing professional nutritional consultation for the public and public health professionals, support for individuals responsible for implementing either school or public building guidelines and specific technical assistance for users of the *BNFL*.

Distributors: companies that deliver and stock the snack and/or beverages to be sold in recreation facilities and public buildings.

The Guidelines or **Guidelines for Public Buildings**: *Nutritional Guidelines for Vending Machines in B.C. Public Buildings (2007).*

Industry stakeholders: all individuals that work in the snack and beverage industry including vendors, suppliers, distributors, manufacturers and wholesale company representatives.

Manufacturers: companies that create or produce snack and/or beverages.

The Stay Active Eat Healthy campaign (SAEH): a marketing campaign for the public that was developed specifically for use in the recreation centers and communities that were implementing the HFBS initiative.

The School Guidelines: *Guidelines for Food and Beverage Sales in B.C. Schools Ministry of Education & Ministry of Health (revised 2007).*

Suppliers: companies that interface with manufacturers and store products to be distributed to and sold in recreation facilities and public buildings.

Support Services: services provided by government including both the *Brand Name Food List* and the *Dietitian Services*.

Other: representatives of the food industry that are not suppliers, distributors or manufacturers.

2) Description of Industry Stakeholders

The stakeholders interviewed represent a variety of business sectors within the snack and beverage industry including distributors/vending companies, suppliers to the vending and food service industry, food manufacturers and organizations representing the snack and beverage sector. It should be noted that some of the interviewed stakeholders had more experience with the implementation of the Guidelines within schools than public buildings. This was to be expected because the *HFBS* initiative was relatively new (January, 2008); and the *Nutritional Guidelines for Vending Machines in B.C. Public Buildings* more recent compared with the *Nutritional Guidelines for B.C. Public Schools.*

Some of the stakeholders identified their businesses as having more than one business role, (e.g. both manufacturing and supplying products). For the purposes of this report, stakeholders were identified by their primary business role.

The following table shows the classification of stakeholders and their business-related engagement in public schools, recreation and sports facilities as well as local government buildings. The classification was based on stakeholder's own description of their company and operations.

Table 1 Description of stakeholders according to sector role and type of facilities served

			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Sector Role	**Manufacturer**		√	√	√	√	√	√	(√)									
	Supplier							(√)	√	(√)		(√)				(√)	(√)	
	Distributor									√	√	√	√	√	√	√	√	
	Industry Representative																	√
	Importer		(√)															
	Retailer								(√)									
Facilities served	**Recreation facilities**	Direct○				√							√	√		√	√	
		Indirect	√	√					√		√	√						√
	Government buildings*	Direct	√										√	√	√		√	
		Indirect		√	√													√
	Public schools	Direct	√		√	√		√	√				√	√		√	√	
		Indirect		√	√						√	√						√

+ Brackets (√) indicate secondary business role.

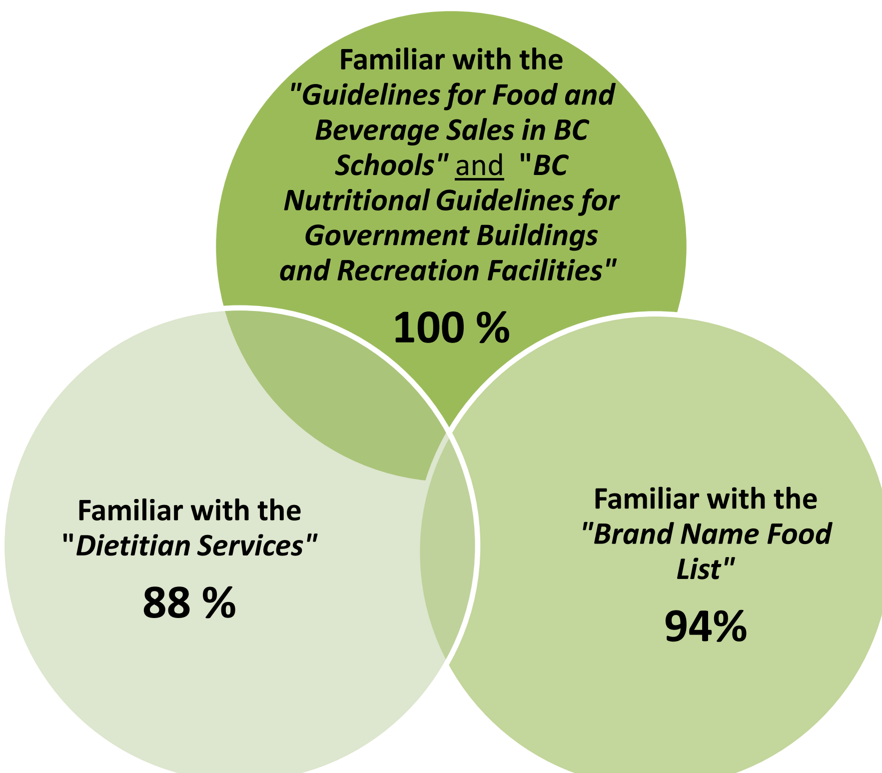
○ Direct indicates that business is done directly with the facility; indirect indicates business through a middle man (e.g. a manufacturer who sells through a supplier or distributor)

* Government buildings include hospitals, government administrative buildings, and other municipal buildings apart from recreation facilities

2.1 Awareness of *HFBS*, *Guidelines* and *Support Services*

- All 16 industry members interviewed (100%) indicated they were familiar with both the *Guidelines for Food and Beverage Sales in B.C. Schools* **and** with the *Nutritional Guidelines for Vending Machines in B.C. Public Buildings.*
- However, it was apparent that several stakeholders did/could not differentiate between the guidelines for schools and those for public buildings. This is likely due to the fact that these stakeholders currently serve more schools (where the guidelines are mandated) than recreation facilities (where the guidelines must be voluntarily adopted); and also because there are only subtle differences between the guidelines (e.g. caffeine is allowed in public buildings).
- A majority of stakeholders (however not all) were familiar with *Dietician Services* (formally *"Dial-A-Dietitian*") (n=14, 88%) and the *Brand Name Food List* (n=15, 94%).
- Several also referred to the guidelines and the related support services interchangeably (e.g. the *Brand Name Food List*).
- The relatively high awareness of the guidelines and support services may be related to participation bias: those industry members already most familiar with the *Guidelines* and the *HFBS* project may have been more willing to participate in this study.

Figure 1 Industry stakeholders familiar with the guidelines and related support services



3) Transition to Healthier Choices

3.1 Willingness to Transition

- Only one out of 16 industry members expressed a reluctance to make the transition to healthier products (meeting the *Guidelines*). However, through discussion with industry members it was apparent that this perspective was more prevalent in the industry in general than was evident in the interviews.
- Several vendors were choosing to avoid operating in buildings affected by the guidelines.
- It is also likely that industry members less keen on transitioning to healthier choices chose not to participate in the interview.

Figure 2 Distribution of stakeholders who have transitioned/not transitioned towards providing healthier choices and their reasons for doing so

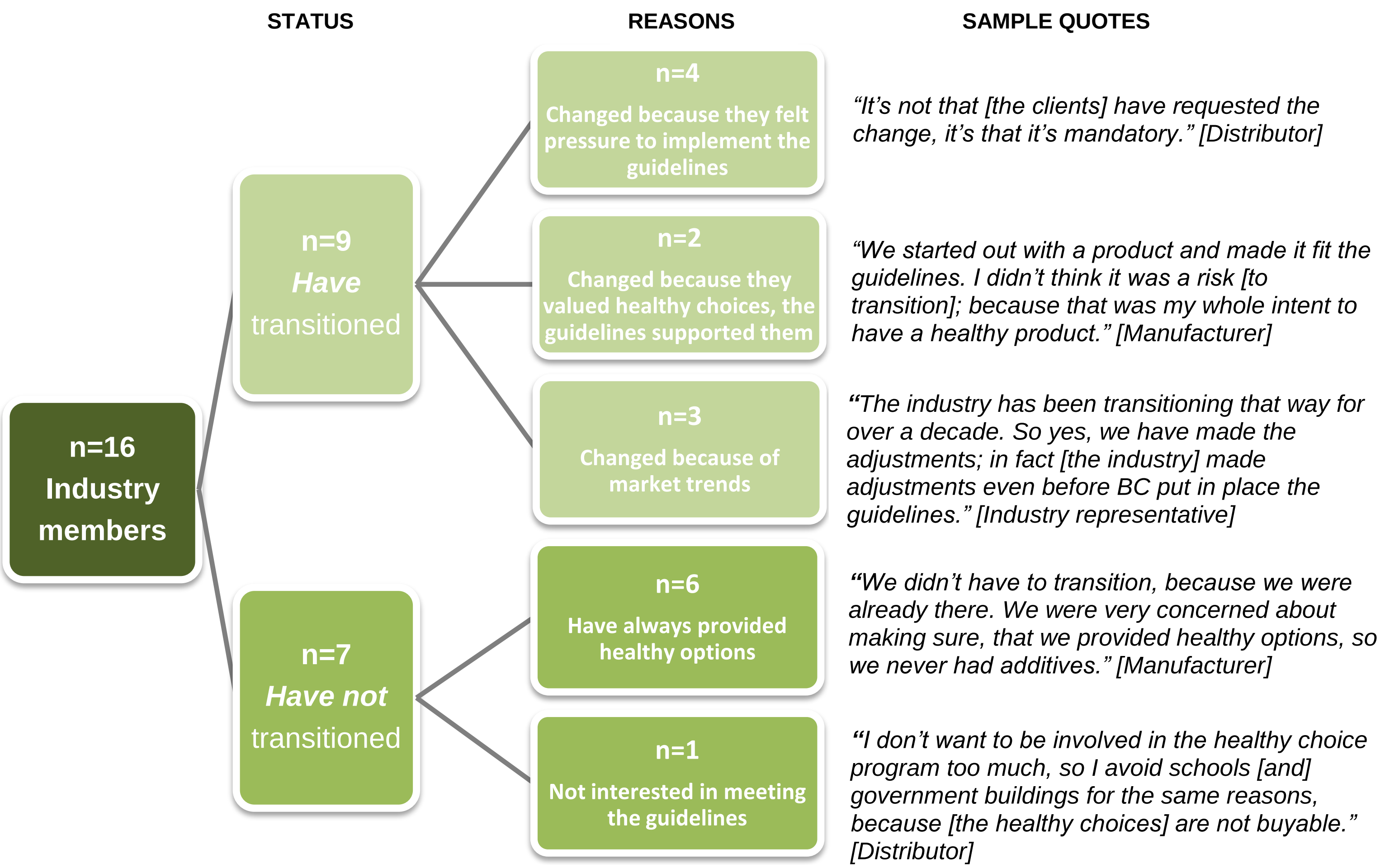
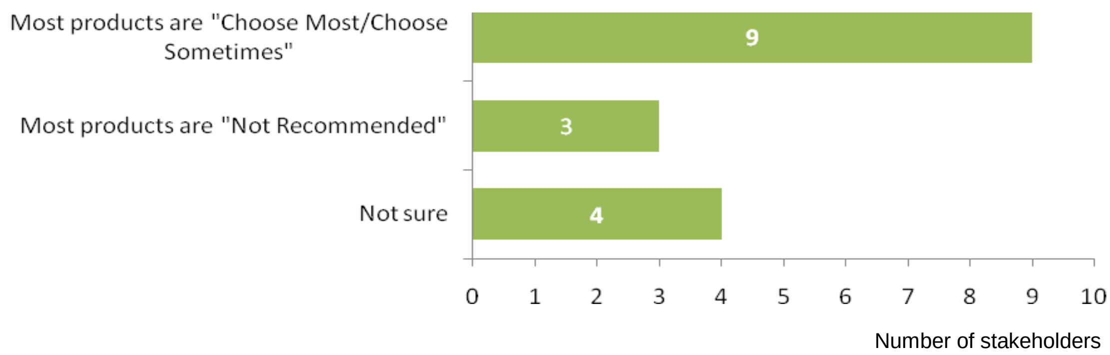


Figure 3 Stakeholders' perspective on how well their products comply with guidelines



3.2 Strategies Used by Industry to Support the Transition

- Shelf cards, slogans on products, brochures in stores
- Check marks according to rating on the *Brand Name Food List* on products in vending machines, clings on vending machines
- Using the *Brand Name Food List* and rating on the list
- Displaying complete nutritional information on packages
- Promoting on the company website
- Offering sample nights for stakeholders
- Handing out samples at sport events, races etc.
- Inviting stakeholders to the factory/ store to show the manufacturing procedures, ingredients etc./ learn about healthy nutrition
- Tradeshow booths (with samples, information, brochures)

3.3 Monitoring the Impact of Transition on Business and Customers

The stakeholders used different strategies to measure how their customers responded to the transitioning and how satisfied they were with the change in products. The monitoring systems were primarily determined by the size of the business, with the smaller companies relying on personal feedback from customers more than the larger companies.

- Manufacturers:
  - Feedback systems through website, (website is displayed on packages)
  - Some personal feedback in sales and demo situations
  - Surveys in stores
  - Introduce new products to a limited market before potentially launching in larger scale
- Distributors:
  - Personal feedback from customers
  - Use sales numbers as guidelines
  - Suggestion sheets on vending machine for customers to provide feedback

3.4 Challenges with Making the Transition

At this point, many stakeholders have had more experience with operating under the guidelines in public schools than in public buildings and recreation facilities. As a result, much of the discussion regarding challenges with making the transition to healthier choices is in the context of public buildings, recreation facilities and public schools.

In interviewing industry members, it became very evident that the transition has posed numerous challenges to their sector. Based on the feedback, out of all industry members, distributors/vending companies appeared to be more substantially impacted by the activities of the *HFBS* initiative and the overall movement to healthier choices in B.C. public buildings, recreation facilities and schools. Below is a graphic illustration of the four main themes of challenges that arose from the data analysis. Challenges related to: ***impact on "the bottom line"*** (business profitability), ***healthy products***, the ***limitations and the development process of the guidelines*** and ***fairness - "leveling the playing field"***. As much as the industry was willing to transition towards healthier choices, the "customer is still king", and thus customers' perception of healthy products and the product turn over were obviously vital to the industry. The challenges are supported by sample quotes in

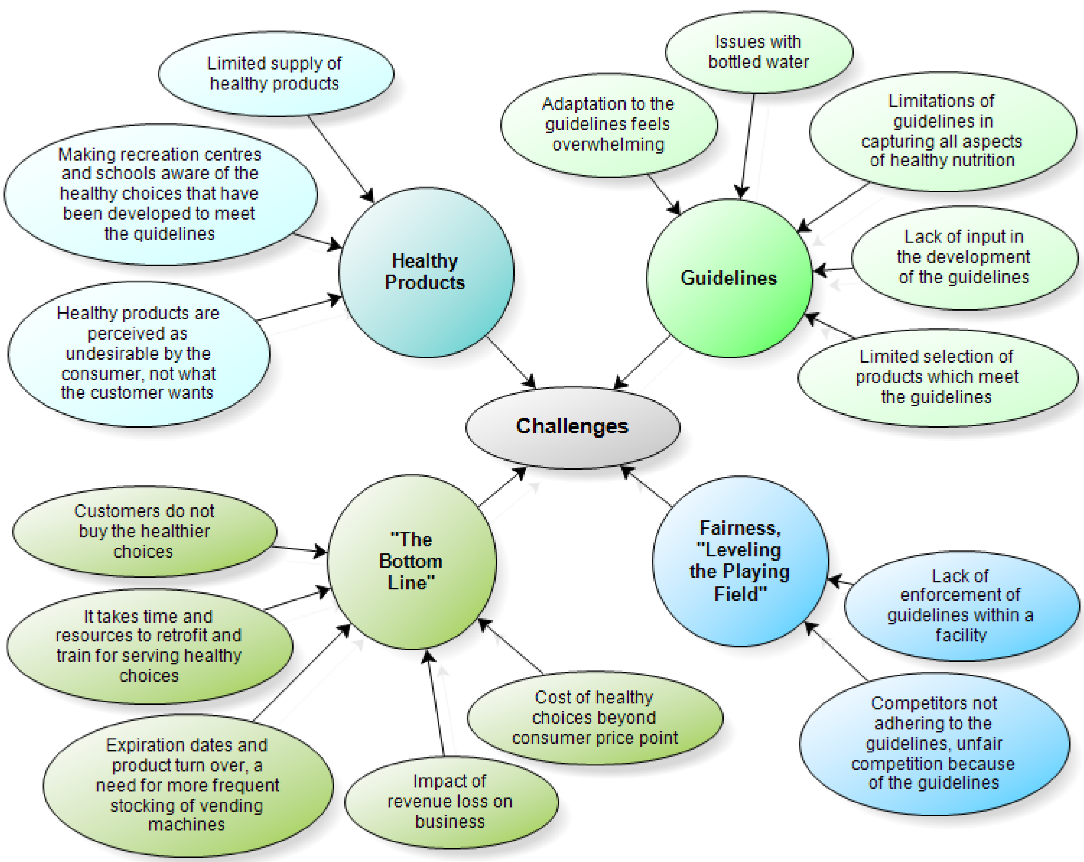


Table **2**. For a further compilation of quotes please refer to Appendix B.

Figure 4 Illustration of the themes and sub themes related to making the transition to healthier choices

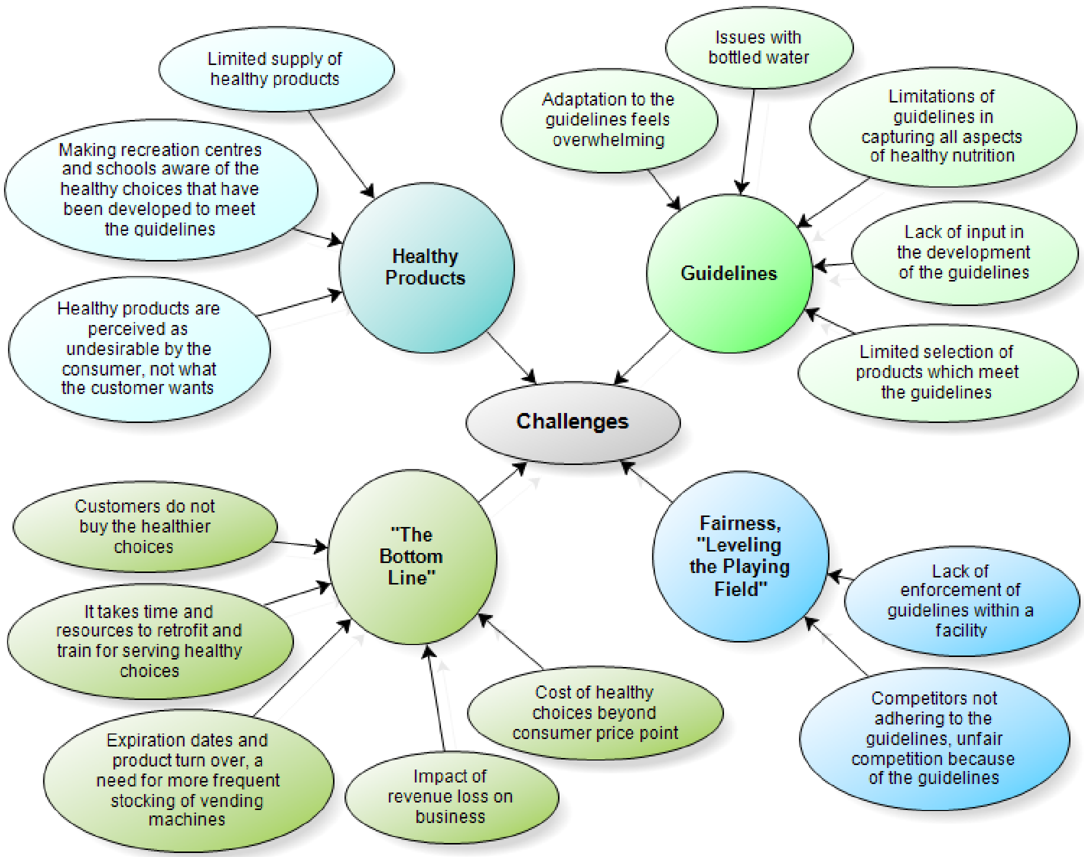


Table 2 Overview of the most commonly expressed challenges regarding making the transition

	Challenges	Sample Quotes
Bottom Line	• Cost of healthy choices beyond consumer price point *[everyone]*	➢ *"Generally 2 dollars and less works in a vending machine, once you cross the 2 dollar mark people are looking to get a sandwich or a food item or something like that. A lot of the new healthier choices are just too expensive, and that's part of the problem."*
	• Impact of revenue loss on business *[distributors]*	➢ *"We've let half our staff go, we are looking for different warehousing facilities, less square feet, lower cost, we've taken trucks off the routes".*
	• Customers do not buy the healthier choices *[distributors]*	➢ "*We understand that a lot of the products that have been categorized by the dietitians and government are not products that end user customers want to eat."*

	• Expiration dates and product turn over, a need for more frequent stocking of vending machines *[distributors]*	➢ *"Sometimes we can only put in two or three products based on the low volume turnover, and matched up with our next visit or the best before date. Quite often a product can be sold out or you have to go and visit more often, so again the cost of waste and the costs of service are many times higher."*
	• It takes time and resources to retrofit and train for serving healthy choices *[distributors]*	➢ *"We have had to supply refrigerated food and the structure to put that into a machine and [having] vehicles in our warehouses or at our suppliers for refrigerated food products are extremely expensive.*
Healthy Products	• Healthy products are perceived as undesirable by the consumer, "not what the customer want" [everyone]	➢ *"One of our recreation facilities attempted to change the snack machine, and they were successful to a point, but they could not meet the guidelines without having a lot of complaints from the patrons of the complex."*
	• Making recreation centres and schools aware of the healthy choices that have been developed to meet the guidelines *[manufacturers]*	➢ *"The whole disconnect with this process has been that the facilities had to make the changes, and the companies have also made the changes; but how do the companies and rec. centres get together?"…The biggest challenge with this is to be able to say to the recreation centres: "I have worked really hard on your behalf; I just really want you to know that I am here."*
	• Limited supply of healthy products *[distributors]*	➢ *"We are scrambling all the time to get products available for our drivers."*
Guidelines	• Limitations of guidelines in capturing all aspects of healthy nutrition *[manufacturers]*	➢ *"They are basing it on numbers instead of looking at the nutritional components and where the sugar comes from."*
	• Limited selection of products which meet the guidelines *[distributors]*	➢ *"The availability of choose most and choose sometimes products are very limited. So finding products to fill into the machines is a major challenge."*
	• Issues with bottled water *[distributors]*	➢ *"Water has become a major issue, because in all those places they have been told not to sell pop and sugary drinks, so bottled water has taking off like crazy and now they are complaining about plastic bottles from water."*
	• Lack of input in the development of the guidelines *[distributors]*	➢ *"The one thing this area missed completely initially was a lot of input from vendors. I know there was one major vending company involved, but other than that, most of the vendors just heard it by worth of mouth."*
	• Adaptation to the guidelines feels overwhelming *[distributors]*	➢ *"I've talked to other vending companies, and they are telling me "We kind of don't follow the guidelines, because we don't know where to start"."*
level of playing	• Lack of enforcement of guidelines within a facility *[distributors]*	➢ *"In facilities that are 100% compliant there seems to be an initial short term drop in the vending sales, and then slowly it starts to come back…But if it's not 100% compliant then what happens is the vending machine guy gets hurt."*

	• Competitors not adhering to the guidelines, unfair competition because of the guidelines *[distributors]*	➢ *"And some of the schools or recreation centres, if they go healthy, there is a [corner store] or something across the street and there will be a line up with kids, so it's very difficult."*

3.5 Finding Opportunity in Transition

The table below summarizes the existing and potential business opportunities as a result of the transition and the *HFBS* initiative as expressed by industry members.

Table 3 Opportunities with the *HFBS* initiative

What opportunities do you see with the *HFBS* initiative?
• Recreation facilities are a new market for manufacturers, suppliers and distributors of healthy products • Stimulating growth in local BC companies willing to lead the way with healthy choice products (e.g. replace vending machines operated by large corporations) • Increased promotion and awareness of businesses that provide healthy choices available through the *Brand Name Food List* • Evolution and adaptation of the *Provincial Guidelines* to take into account other nutritional factors • Partnering with the *HFBS* and the *Stay Active Eat Healthy* marketing campaign and involvement in community events and possibly partnering with recreation facilities • Changing the image of the vending industry, moving away from being solely a junk food industry to an industry that provides more choice

4) Feedback on *Guidelines & Support Services* available through *HFBS*

Industry members were asked how and why they had accessed the *Guidelines*, *Brand Name Food List* website and *Dietitian Services* support line. Their feedback revealed various frequency and purposes for accessing between individuals and the different industry sectors, a summary of which is presented below.

Table 4 Summary of industry members' access and use of the *Guidelines*, *BNFL* and *Dietitian Services*

	The Guidelines	The BNFL	Dietitian Services
Manufacturers (n=6)	• **Access often*** • Use in the development of new products • Use to ensure products meet the criteria	• **Access often*** • Use as a marketing platform to list products for the public • Use as an information tool to compare products	• **Access often*** • Access for consultation when developing products to ensure they meet the guidelines • Access in the process of

	necessary to classified as a healthy choice on the *BNFL* • Use as a reference tool when promoting business and launching products	and figure out the competition with other companies • A selling platform for breaking into new markets	getting products accepted on the *BNFL* • Access for nutritional information not found anywhere else
Distributors (n=8)	• **Access infrequently+** • Access to gain knowledge about products • Use them to learn about the *Stay Active Eat Healthy-Campaign* and to adjust sales and products according to the *guidelines*	• **Access often*** • Use as a marketing platform to list products for the public • Use it as a information tool to research what is on the market • Use it to be able to meet the *Guidelines*	• **Access often*** • Use as a consultant service to see if products meet the guidelines
Others (n=2)	• **Access often*** • Refer to for answering questions about company products	• **Access rarely**○ • Check for updates infrequently	• **Access rarely**○ • Refer the services to customers with nutrition related questions

* **Access often** indicates consistent use of resource
+**Access infrequently** indicates various access levels within group
○ **Access rarely** indicates very low access level

For supportive quotes please refer to Appendix C.

4.1 Feedback on *Guidelines*

The guidelines were well accessed by all sectors of the industry and they were found to have provided an official standard for what was considered healthy. However, as shown earlier among the challenges with transition, not all stakeholders agreed with how this standard was developed.

How have the *guidelines* been useful?

- *"[The guidelines] are useful because they make everybody understand that certain products we thought were healthy aren't."*
- *"If these guidelines hadn't been there I could stand back and say this is very healthy, but that is an opinion, but if you meet this guideline that's a fact".*
- *"[The guidelines] are incredibly restrictive, they are not science based".*
- *"Well they are useful, and I don't think they are challenging from a manufacturing point of view."*

4.2 Feedback on *Support Services*

Both the *Brand Name Food List* and the *Dietitian Services* were well accessed by manufacturers and distributors but rarely accessed by "other" stakeholders.

The *Brand Name Food List*

The *Brand Name Food List* website was used by the industry primarily as an information access point to 1) ***learn more about the guidelines and product rating***, to 2) ***promote products and provide nutritional information to clients*** and *to 3)* ***monitor and stay updated on the competition and new products*** on the market. It played an instrumental role in helping industry follow the provincial guidelines both in the schools, public buildings and recreation centres.

Industry members were asked what it would mean to them if the resource were no longer available. The feedback indicated that it would have a significant impact on the promotion of their companies and their products and also deprive them of an important resource that helps them comply with the *guidelines*. Following is a sample of quotes related to the benefits and the challenges with the *Brand Name Food List*.

Benefits

- *"We rely on it because our machines have to be compliant. So for utilizing a product for our approached percentage of choose most and then suddenly it falls to choose sometimes, we don't have compliant machines, but not only that, we don't know!"*
- *"It would impact our business in terms of how we promote ourselves…we say: "You can look us up at the Brand Name Food List and see for yourself". As a customer you need information from a more objective source than the vendor. The BNFL helps us a lot."*
- *"I think [the Brand Name Food List] is really good for people to do a bit of research."*
- *"I think [the Brand Name Food List] is really easy to use, if I was in a park or public office and had to make food choices, I think it is really clear."*
- *"The people that are actually trying to fill the need in the school or in the rec. are using it to find out what they can use and not use. I think it's more from the parks and rec. side, that they would miss it."*

Challenges

- Challenges related to getting products accepted on the *Brand Name Food List*
  - *"Getting new products on the Brand Name Food List is a fairly lengthy process, it's cumbersome, and there is a lack of transparency about the process ... We would like to understand why some products are accepted and some products are not."*
- The nature of the *Brand Name Food List* as a resource, it is an incomplete list
  - *"There are products that haven't been added to the Brand Name Food List; because they haven't been either submitted or we are not aware of that they could be, so it's an incomplete list. I think it's better to have the criteria and the guidelines and how you interpret those, so it's a criteria basis rather than naming brands."*
- Practical issues and the setup of the *Brand Name Food List*

- *"I think it needs to be divided up … from my industry's stand point vending and food service should be separated. I just think there is getting so many items in there, that if a vendor was going in there to look for a particular product, there is a lot to go though that has nothing to do with vending".*

The *Dietitian Services*

The access pattern of the *Dietitian Services* was identical to that of the *Brand Name Food List*, with manufacturers and distributors accessing the resource more often than other stakeholders. The *Dietitian Services* was being used as a consultant service for all groups of stakeholders, and was especially useful in the process of developing or introducing new products.

Benefits

- *"I think [the Dietitian Services] was very beneficial, because it was helping us to get a better understanding of what it is, that we need to do and where we needed to go for meeting the criteria and stuff. It's nice to have a live body as opposed to just looking at the criteria laid out on paper."*

- *"The people that I have been dealing with, specifically with updating our stuff have been awesome, so there have been zero challenges there."*

Challenges

- Dietitian Services support line not always able to provide the requested knowledge
  - *"There is a wait time usually on the phone, before you get a hold of somebody. And then sometimes the dietitian doesn't have all the info at the time, so she has to phone back."*

- Dietitian Services being run by dietitians Canada is a conflict of interests
  - *"I think the dietitian services being run by the dietitians of Canada is definitely a conflict of interest.…It should be run by the college, or the provincial college of dietitians, rather than by the advocacy group. Because they are putting their position forward to the government repeatedly on what guidelines should look like".*

A further compilation of quotes regarding feedback on both the *BNFL* and the *Dietitian Services* is included in Appendix D.

5) Trends – Moving forward into the future

Industry stakeholders were asked what they thought the vending/food market will want in the next few years and what opportunities they saw with the changing trends. The common opinion among the stakeholders was that healthy snacking was the future. They also believed that snacking as a phenomenon was growing; as convenience was important to the customers. They also saw a trend of consumers being more aware and selective in terms of snack items; wanting fortified foods and snacks that address specific health issues and the environment.

Table 5 summarizes the key response according to the more general and specific trends expected by the snack and beverage industry within the next years. (For supportive quotes please refer to Appendix E).

Table 5 Trends in the snack and beverage market according to the industry members

What will the food market want in the next few years?

Broad Societal Trends	Specific Trends
• Consumers will focus more on healthy eating and personal health • Healthy eating will be sustained, although it is a slow process • Convenience will continue to rule and snacking becomes bigger • Consumers want choice • Moving from BC to the rest of Canada • Changing image of the vending machine • Impact of the financial crisis on eating habits • Environmental focus in the snack industry	• Moving away from classic junk foods • Fortified snacks and beverages • Allergy and disease friendly foods • Fresh produce • Portion control

6) Future Recommendations

The transition to healthier choices within public buildings has not been an easy road for most industry stakeholders in BC. Considering the current challenges and opportunities, the food industry stakeholders have proposed the following recommendations to encourage compliance with the *Nutritional Guidelines for Vending Machines in B.C. Public Buildings* while also allowing their businesses to thrive with the changes.

- Establish 100% compliance within facilities.
- Establish an effective monitoring system to enforce guidelines.
- Improve networking and communication between industry and recreation facilities (especially for smaller manufacturing companies).
- Revise and refine the nutritional criteria of the guidelines.
- Involve the end-user-customer and food and beverage industry members in future development or adjustments of guidelines.

For supporting sample quotes please refer to Appendix F.

7) Conclusions

The industry members' enthusiasm regarding participating in this study showed a strong need to have their voices heard in the evaluation of the *HFBS* initiative.

Stakeholders recognized healthy choices as the future, and were very willing to transition to meet the *Nutritional Guidelines for B.C. Public Buildings.* However, the process of transitioning to healthier options and compliance with the *guidelines* has dramatically impacted the bottom line and business operation strategies of the Industry members.

The most prevalent challenges experienced by the industry included higher costs of healthy options, limited product variety, consumer desirability, more frequent stocking and competition between food operations within and outside facilities. Conversely, added credibility and opportunities for companies with healthy products were benefits from engaging in the *HFBS* initiative. In general the *manufacturers* seemed more positive and saw the *HFBS* initiative potentially leading to more opportunities for their businesses as opposed to the *distributors*.

Suggestions from the industry included: 1) establishment of an effective monitoring system to promote compliance within facilities and across settings (distributors) and 2) revision of and refinements to the nutritional criteria of the guidelines (manufacturers). Furthermore, the present study showed a need for an improved communication network between the snack and beverage industry and the recreation sector as they are implementing the *guidelines*.

8) References

1 **Henderson, D.; Jackson, G.; Naylor, P.J.; Gunn-MacQuillan, J**. Making the Healthy Choice the Easy Choice in Municipal Recreation: Healthy Food on the Go Panel, Annual Conference of the British Columbia Recreation and Parks Association, Sun Peaks, BC, May 2008

2 **British Columbia Recreation and Parks Association:** Phase I-Inventory: British Columbia community recreation facilities assessment study. 2004.

APPENDIX A:

Interview Questions

1. **General Operations:**
    a) Please describe your business and the type of services and products you offer.
    b) Who are your clients?

2. **Healthy Eating Guidelines**

    a) Are you aware of the BC Provincial Guidelines for Food and Beverage Sales in Schools? The Guidelines for Public Buildings?
    b) If yes, has anyone in your company accessed these guidelines at any point? Please describe how and why.
    c) How have these guidelines been useful? What challenges do they pose to your business? How has your business responded to them?

3. **Support Services**

    a) Are you aware of the *Brand Name Food List* (www.brandnamefoodlist.ca)?

If yes,

    i. Please describe how your company accessed this website.
    ii. How useful is this resource? What challenges are there with using it?
    iii. What would it mean for you if this resource was no longer available?

If no,

    iv. What are the reasons you have not accessed the Brand Name Food List?

    b) Are you aware of *Dietitians Services (previously "Dial-A-Dietitian") "8-1-1"* phone support service?
        i. Please describe how your company accessed this service.
        ii. How useful is this resource? What challenges are there with it?

4. **Transitioning to Healthier Choices**

    a) Has your company been able to transition to offering healthier choices?
        i. If no, has your company considered this? What factors make this challenging?
        ii. If yes, what have been the biggest challenges in making this transition and how has your company responded?
        iii. How do you feel about all these changes and guidelines? What other pressures and demands is your company experiencing?
    b) How healthy do you think your company's products are?
    c) How well do your company's products comply with the Provincial Guidelines?

5. **Customer Service**

    a) Do you advertise that your company supplies healthy options? If so, how?
    b) Does your company monitoring customer satisfaction?

6. **Trends**
    a) What do you think the vending/food market will want in the next few years?
    b) What opportunities do you see with the changing trends?

7. Is there anything else that I have missed that you would like to add?

APPENDIX B:

Sample Quotes for Table 2 Challenges with Transition

Bottom line

Cost of healthy choices beyond consumer price point *[everyone]*

- *"The guidelines are not asking for anything difficult to make. The only thing is that it increases the costs. When we talk to retailers, the first thing they say is that it is very expensive."*
- *"There is far less profit over all, because it costs more to buy these healthier products, yet you can't sell them for a huge amount of money more, because it's just not buyable to make that sell."*

Impact of revenue loss on business *[distributors]*

- *"It is financially challenging for a company, it has challenged our ability to survive."*
- *When you lose half your sales, definitely the bottom line is impacted, and unless you take some drastic measures to cut costs you are going to not fit in there. It's a very expensive situation."*
- *"I've seen some of the vending companies close the doors, and I have seen a lot of then taking out vending machines, because they are not making any money anymore."*
- *"The reality is as much as [the program] is working in some areas, we sell way more healthier stuff than we ever did, there is still a long way up from the losses*."
- *"Most of the vendors are off in their sales in the neighborhood from 25-50%, when it comes to different areas. Not as bad at this point in parks and recreation, it's more the BC public buildings and particularly schools. In actual arenas and things like that it hasn't been as bad, yet."*

Customers do not buy the healthier choices *[distributors]*

- *"As much as there is a demand for healthier choices, whether people actually want to make the better choice when they realize that it might mean a change of habits from their point of view as well, that is another tough one."*

Expiration dates and product turn over

- *"My guys are now going out and are under filling machines, and have to go back more often and we are just not running the business efficiently, and it's nobody's fault".*

It takes time and resources to retrofit and train for serving healthy choices *[distributors]*

- *Certain products now have to go to certain columns because some have to be choose most and some have to be choose sometimes, that is very, very hard."*
- *"It takes about 3-4 hours to change a machine; involving…resetting statuses, price changes, creating tags etc. And the thing with the healthy options is that you look at the machine and it is confusing to decide what to buy, because the healthy stuff looks funny in the machines."*
- *'Over a very short period of time we have had to retool the people to handle the products and the equipment we use to transport the new products."*

Healthy Products

Healthy products are perceived as undesirable by the consumer, "not what customers want"

- *So when you take salt out, you do change the flavor of things, and we definitely notice that, when we create lower sodium choices that people don't think they are tasty. So to be able to reduce the sodium and keep the flavor is a touch one, to also to ensure that the product gets sold enough that you can keep it in the stores.*

Making recreation centres and schools aware of the healthy choices that have been developed to meet the guidelines

- Both the school system and the parks board are very segregated and it is hard to communicate to them who we are and what we offer."

Limited supply of healthy products

- *"There is a lack of wide spread availability of products to put into the machines, which sends us to staff going shopping retail to get that. The product is there on the market, but it's not provided by our normal suppliers."*

Guidelines, limitations and the implementation process

Limitations of guidelines in capturing all aspects of healthy nutrition

- *"They are very complicated, and as accurate as they are, they are not a 100% accurate."*

- *"For example the 100 % juices used to be choose least [on the Brand Name Food List], yet diet pop was coming up as choose sometimes… Food is not just what its' contents are, it's also what the benefits are of the contents."*

Limited selection of products, which meet the *Guidelines*

- *"I think the guidelines are too narrow, to really be practical."*

- *"In 2008 I decided that we are going to get close which is going to be good enough, because I cannot put vending machines out there with 50 of the same thing."*

Lack of input in the development of the *guidelines*

- *"We have lost control over the products that we sell, and it's not being determined by customers, it's being determined by the government."*

- *"Both in the secondary school environment and also in the BC government buildings guidelines, there were no end user customer survey or input requested or required. That has been the biggest challenge; it has been a failure by the guideline implementation group to meet the needs of the end use customer."*

Adaptation to the *Guidelines* feels overwhelming

- *"In a lot of cases, we haven't had a choice in what the products are, someone else has decided that, and we have just tried to pick up the pieces."*

Fairness, -leveling the playing field

Lack of enforcement of guidelines within a facility

- *"Also, we have a competition with the school stores, because to some degree there is no monitoring going on in those, so that they are able to offer products that do not meet the guidelines."*

- *"The vending machines are adhering to the guidelines, and right beside the machine there will be a [fast food restaurant] or concession that is not dictated by guidelines. I think the government has made a significant mistake, not to apply the guidelines to all food services in a building, but only to one arm of the food services. So, it has been a very inconsistent application of the guidelines."*

Competitors not adhering to the guidelines, unfair competition because of the guidelines

- *"So we implemented this program, and two days later, the [corner store] next door started to sell chips and chocolate bars and pop, and we were so stuck doing the healthy thing with healthy signage and all that sort of stuff in the location, and it just didn't have a chance, -it failed."*

APPENDIX C:

Sample quotes supporting Table 4 Access and use of *Guidelines* and *Support Services*

Industry's Use of the *Brand Name Food List*

Frequency of Use

- *"I use it quite regularly, I go in and I check for updates, see if there are any products that have been added that I might not be aware of."*
- "*We check for the updates, and the updates are usually put on within a one month period. So usually once a month or more frequently."*

Meeting the *Guidelines* by using the *BNFL*

- *"The main way we access the BC Guidelines is through the Brand Name Food List."*
- *"It been useful for me to know what is being recommended, especially with the Brand Name Food list."*
- *"I go onto the Brand Name Food List, and I will deal a lot with one of the government dietitians. I submit products to be put on to the list, from my manufacturers, we will check if they meet the guidelines."*

Using the *BNFL* as a marketing platform to list products and verify healthy choice rating

- *"We use this as part of a marketing platform… to show that we are a healthy choice product, so we do talk about the Brand Name Food List; that we meet the nutritional criteria for schools legislated in BC."*
- *"We went on there, listed our products and send in the label information form. What was good for us was, once we were listed on there, when we presented our products to potential vending companies, we could say, our products are already on there."*
- *"The most important thing is that I meet these Guidelines, and [being on the Brand Name Food List] gives me a stamp of approval, it gives my company credibility."*

Use the list as an information tool to research the market, and be aware of competition

- *"I've used it to list our products, but I've also used it to look at all the products offered by other companies. To see what the competition is, and to evaluate the moving towards choose most products."*
- *"We have used the Brand Name Food List to create a score card or research product (…) Also my suppliers, most of them are aware of the list, and I've sometimes got information from them about new products on the list."*

Use the list as a tool to break into new markets

- *"We are getting into recreation facilities now, and that is partly because we are listed on there".*

APPENDIX D:

Sample quotes for section 4.2 feedback on *Support Services*

Question 3aiii: [What would it mean to you if the *Brand Name Food List* was no longer available?]

Manufacturers (N=6)

- *"It would be a real shame, if it was no longer available, because I think it provides a venue for facility managers and so on to educate themselves."*

- *"I think the resource is a good thing to have … for the consumer and the people running these programs that are looking at what they can bring in, I think it is important for them to have it".*

- *"It's more for the schools and the government buildings, so there is huge benefit, but it's a different business segment [than mine]."*

Distributors (N=8)

- *"I don't think you could have done what has been done with the healthy food, if you didn't have that resource. You couldn't nail down and say this is good and this is bad … you need some guidelines."*

- *"We would be spending a lot more time on the phone to the Dietitian Services getting them to run the new products available".*

Others (N=2)

- *"It really would not mean anything to us."*

- *"Maybe people would call us and say: "You need to tell us which of the products you carry we could have at the school". Maybe that would mean we would have to look at providing that type of service, and the challenge of course would be the resources."*

- *"I think it is more of a consumer type of thing. The people that are looking for a list of the products that fit and want to know what they can offer.*

Challenges related to the *Brand Name Food List*

Challenges related to getting products accepted on the *Brand Name Food List*

- *"We just don't have the ability to provide our database with all the nutritional information to the dietitian nutrition services, for them to put it up on the Brand Name Food List."*

The nature of the *Brand Name Food List* as a resource, it is an incomplete list

- *"It's hard when you make a list like [the Brand Name Food List] all this information goes into it, and it's great, but we don't always have to trust other people's decisions, things changes."*

Practical issues and the setup of the *Brand Name Food List*

- *"If you want to go and print off a search that you've done, you can only print off page by page and the lines that are displayed on every page is very limited. It's very time consuming."*

- *"With being a company that is not retail, there is not enough information [about my company] on the Brand Name Food List, [the recreation centres] still wouldn't know the company."*

Benefits of the *Dietitian Services*

- *“In 1995, before the web, I was getting very frustrated in the process of trying to develop this product, and there were things about ingredients I couldn’t found out. Dial a dietitian was able to tell me that, and from there I used it as a building block for building my business. I was able to find information that I couldn’t find anywhere else.*

- *“I like the idea, that it is a diverse group, that there is a specialist for people with cancer and one for different other areas, so you can ask a special question and you know you are going to have a good answer.”*

- *“We phone them on an ongoing basis when we come across new products, that look like they match, but before we put them in the machines we better double check.”*

- *“We might [contact them] ones every month or ones every two months, pretty well by the beginning of the school we have our product line-up for the year, and unless something new comes out that we know is not going to be on the Brand Name Food List ... then we phone them”*

Challenges related to the *Dietitian Services*

Dietitian Services support line not always able to provide the requested knowledge

- *“At one point before the Brand Name Food List came out I had a question about a product, and they couldn’t tell me. There were some complications with it.”*

APPENDIX E:

Sample quotes for section 5: Trends

Broad Societal Trends in the Snack and Beverage Market

Consumers focus on healthy eating and personal health

- *"It seems pretty obvious to me that now people have decided that they want to be healthy, they want to have healthy food. There is a huge revolution right now in the consumers' interest, and suddenly they are just not going to accept that French fries and that type of food are perfectly ok anymore."*

- *"I think there is a move towards healthier food, I mean organic also."*

Healthy eating will be sustained, although it is a slow transition

- *"And I think it is going to start at the younger generation and education on the way up. And then I think the vending will slowly adapt, and it will survive but it's going to have a different face if this trend continues. I think it will change, I really do, but it is going to take a long time."*

  "I think that is something that will be sustained, and to what degree will be determined by the provincial governing authority."

Convenience will continue to rule and snacking becomes bigger

"Snacking is a huge growth area. … I guess people are just on the go and snacking is easy".

Consumers want choice

"I think variety will constantly be what the customers want. And when I say variety, I think they will want healthy options, but they will not want to eliminate the other products. …There will always be a desire out there for things that are not recommended."

Moving from BC to the rest of Canada

"So I think [the focus on healthy options] is only going to grow, especially with what has happened in BC, where they took this on with the Olympics coming up and wanting to do something special for that. Now it's starting in Ontario, and I believe that the rest of Canada will go that way."

Changing image of the vending machine

"I think a vending machine sells what people want; we need to start thinking that it is not a junk-food selling machine."

Impact on the financial crisis on eating habits

"I think with the economy down turn, lots of people are cooking more at home."

Focus on the environment mirrored in the snack industry

"Some of the environmentally friendly, fair-trade, ethical pieces coming into some of those snack options, so whether it is packaging that's biodegradable, I think we might start to see some of that impact the snacking category because that is creating lots of garbage."

Specific Trends Related to the Snack Market

Moving away from classic junk foods

- *"I think that potato chips and soda have too much product in them, that doesn't need to be in them. And I think that people are naturally moving away from those products already, and I also think that the suppliers are naturally moving into healthier products as well."*

Fortified foods and drinks

- *"I think it is going to continue to be a big thing where you add a functional piece like fiber, omega 3, psyllium or something that is trendy and out there and add it to a not too healthy food and try to make it appear healthier, I think that will continue to be a big thing."*
- **"***And we've seen quite a lot of vitamin waters, and canned and fortified products coming forward in the market, and doing very well, and I expect that trend to continue at least for the next couple of years. Also juice blends are increasingly popular as opposed to just 100% orange."*

Allergy and disease friendly foods

- *"Strong growing trends are wheat-free, gluten-free and foods for diabetics."*

Fresh produce

- *"I think fresh fruit will continue to be huge,…I think portable healthy food will continue to be a big thing, people know that it's fresh and quality, and I think fresh produce is a big thing that will grow."*

Portion control

- *"I think portion control is still a very important thing for people, so the 100 cal. type of snacking thing will be huge, I think for another couple of years."*

APPENDIX F:

Sample quotes for section 6: Future Recommendations

Establish 100% compliance within and between facilities

- *"If you do this in parks and recreation, then make sure it is going to be 100% compliant [within the facility]."*

- *"If you want to succeed, everybody needs to do it at the same time."*

- *"The government chose to implement guidelines for vending machines, but not implement guidelines for all food services, which are in the same building. I think the government has made a significant mistake, not to apply the guidelines to all food services, but only to one arm of the food services. So, it has been a very inconsistent application of the guidelines*

Establishing an effective monitoring system to enforce *Guidelines*

- *"I think that the government needs to do one of two things. Either enforce [the Guidelines], or back off and make some slight changes and do a one, two or three-step program."*

Improve networking and communication between industry and recreation facilities

- *"A suggestion could be a big consumer show where you bring all the BC companies that meet these guidelines together with the schools and rec. centres, to connect and show them that we exist and that we have a solution."*

Revise and refine the nutritional criteria of the Guidelines

- *"I know the guidelines are pretty good at looking at calories from fat, sugars etc. but one area that I have seen very little on, and that's really big in Europe, is in regard to the addition of artificial color."*

- *"So, from our perspective, if I was to suggest anything to be done with them, I think the science behind the guidelines should be reviewed to ensure that they are science based, and based on the latest available information in every single product category rather than political will."*

Involve the end user-customer and food and beverage industry members in future development or adjustments of *guidelines*

- *"I wish that [the government] would approach the dietitians and get us involved, but that boils down to money, so it's unfortunate."*

- *"If we can do it all over again, educate the end user customer, create the demand with the end user customer, make the adjustment at retail, and let it go from there. It has been implemented with no idea of whether it would fail or fly."*