WHITEPAPER

Kiosks: An Easy and Effective Nutrition Labeling Solution for Grocery Stores

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Kiosks: An Easy and Effective Nutrition Labeling Solution for Grocery Stores

With nutrition labeling a certainty for supermarkets, grocers should consider a kiosk solution that can transform the upcoming Federal regulation into a "win-win" benefit for stores and their customers.

The Food and Drug Administration (FDA) says establishments such as restaurants and grocery stores with 20 or more locations that sell restaurant-type food must make written nutrition information available to all consumers. This includes:

- Foods, such as made-to-order sandwiches, ordered from a menu or menu board at a grocery store or delicatessen.
- Foods you serve yourself from a salad or hot food bar at a restaurant or grocery store.

December 1, 2016 had been the deadline for compliance. This has been pushed back to one year after the date that FDA issues a final Level 1 guidance on nutrition labeling. The delay is designed to help supermarkets and others, such as convenience stores and movie theaters, prepare for a rule that was designed for restaurants.

THE KIOSK SOLUTION

In a bow to technology advancements, the FDA states that written information can be provided on electronic devices as well as other materials. For supermarkets, this opens the door to a viable and easy-to-implement solution - kiosk price checkers with printing capabilities.

All the ingredients for FDA compliance exist within a kiosk system, which has proven in hundreds of locations to easily integrate with a store's existing labeling system. By adding nutritional information available from the grocer, the kiosk offers a simple way of meeting the FDA requirement of information and disseminating it to customers in print.

Having the right software is critical to an effective kiosk solution. With kiosk price checker software, changes are fast and easy. Universal product codes (UPC) are already in the system for pricing purposes, and this will trigger the kiosk system to retrieve the list of ingredients and additional information.

In fact, software is the easy part of kiosk implementation. Typically, the more difficult tasks have been resolved, such as integrating the printer to the scanner in order to get the right data coming to the printer. Getting that data from the grocer's host system is as easy as retrieving pricing and descriptions from them now.

For FDA purposes, grocers who already have kiosks throughout their store should locate one in or near the prepared food section. They should enhance that price checker with a printing capability and equip it with the appropriate software. The grocer already has the ingredients printed on the price sticker for everything in the prepared food section. Price checkers will print out whatever the store is doing and make it accessible to the consumer.

TRACKING PREPARED FOOD ITEMS

Could menu boards or printed handouts just as easily be used for disseminating nutritional information? The answer is "yes" and this might be fine for some consumers but others will want to take the printed kiosk slip home for a closer look or for future reference. Others may be ordering half a dozen sandwiches for the office where some co-workers may want to look at the slip and know the ingredients in their food.

For a salad bar where changes occur less frequently, it may be feasible to have a piece of paper listing information. But a paper solution could be a nightmare when the deli is making half a dozen sandwiches and half a dozen entrees every night. This would require numerous manual menu changes and too much paper.

In supermarkets and retail establishments, software reacts to UPC bar codes for everything in the store. The bar code's first five digits are assigned by manufacturer (Coke, and Pepsi for example). The second five digits are assigned by the store for the products within the store's catalogue.

There are exceptions for in-house and prepared foods. Within the first five digits there is a scheme where a certain digit is used for an in-house item. Thanks to the UPC format, the store recognizes that it is prepared food. It is recommended that grocers equip their designated price checkers with software that will recognize these prepared foods. They should also consider a second option - not just to print out a reminder of what that price is, but also to print out ingredients and nutritional information.

KIOSKS: A "WIN-WIN" FOR STORES AND CUSTOMERS

FDA compliance aside, kiosks have been delivering major benefits to supermarkets for years.

Data says that a new kiosk comes online every 11 minutes. This growth is no surprise since kiosks have proven to increase customer satisfaction and improve sales. With kiosks in place, shoppers enjoy convenient self-service options at checkout and throughout the store as they shop. This lets them quickly check prices on their own. In addition, customers who are part of a loyalty program can scan their rewards card for coupons based on past purchases. And, as these statistics indicate, the value of kiosks is undeniable:

88% — *88% of Best-in-class Opertators improved customer satisfaction with kiosk systems.*
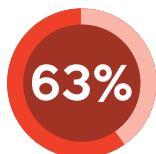
63% — *Customer conversion rates increased by 63% with kiosks.*

100% — *100% of retailers reported decreased labor costs with kiosk systems in place.*

Overall, with kiosks in place, customer satisfaction increased by an average of 58%

AN UPDATE ON NUTRITION LABELING LEGISLATION

In March 2009, the Labeling Education and Nutrition Act of 2009 (LEAN Act) was introduced in the Senate and House of Representatives to amend the Federal Food, Drug, and Cosmetic Act, which required nutrition labeling of standard food items offered in a food service establishment that is part of a chain that operates 20 or more establishments under the same trade name.

On March 23, 2010, the Affordable Care Act was signed into law. The basic elements of the LEAN Act were absorbed into Section 4205 of Affordable Care Act.

In November 2014, the FDA issued its final rule for "Nutrition Labeling of Standard Menu Items in Restaurants and Similar Retail Food Establishments." This ruling specifically included grocery stores.

On July 9, 2015, the FDA delayed implementation from December 1, 2015 to December 1, 2016, citing the need for more rules clarification amid opposition from supermarkets.

This latest deadline has since been pushed back to a date that is one year after the FDA issues a final Level 1 guidance on nutrition labeling.

ABOUT OPTICAL PHUSION

Optical Phusion, Inc. (OPI) is a kiosk and enterprise mobility integration company that helps customers manage the entire lifecycle of kiosk and wireless technology projects with application-based solutions for a range of markets specializing in retail, supply chain and field sales organizations. Its mobile device management solution supports a broad range of kiosk and enterprise mobile assets. OPI has implemented a variety of Kiosk systems for promotional Video presentation, Coupon Printing, Loyalty Registration and Price Verification. OPI's creative kiosk designs, quality manufacturing and experience with critical components will deliver a responsive solution to your needs, reduced total cost of ownership (TCO) and greater return on investment (ROI).

Optical Phusion, Inc. (OPI) Won 2014 Innovative Solutions Award for Its Consumer Price Scanner.
The award recognizes innovation in Customer Engagement Technology and is presented by Vertical Systems Reseller (VSR) magazine and the Retail Solutions Providers Association (RSPA). The honor is based on integrating products from multiple vendors to solve a problem and drive innovation while creating something unique in a retail solution.

Optical Phusion and Kiosks
As a leader provider of kiosks to retailers, including hundreds of installations in supermarkets, OPI is developing a package of electronic menu boards that grocery stores can use in conjunction with kiosks or as a stand-alone solution for nutritional labeling compliance.

CALL US TODAY

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