WHITE PAPER

Kiosks: An Easy and Effective Nutrition Labeling Solution

Kiosks are a simple solution that help Grocery and Convenience Stores meet complex FDA menu labeling requirements.

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Introduction

After much back and forth over the years, May 7, 2018 is the date for enforcement of updated federal menu-labeling requirements for chain restaurants (20 or more locations) and grocery stores that offer "restaurant-type" menu items. Failure to comply will result in penalties.

While the deadlines have shifted several times, U.S. Food and Drug Administration Commissioner Scott Gottlieb said his intent is to not delay the rules any longer. "I'm fully committed to implementing these provisions on the timetable we've already announced," Gottlieb wrote in a statement. "But I'm equally committed to making sure we implement these provisions in a way that is practical, efficient and sustainable."

This White Paper looks at key aspects of menu labeling, including what establishments are affected and how paperless solutions like touch screen kiosks and price checkers can help them ensure compliance.

BACKGROUND

- In March 2009, the Labeling Education and Nutrition Act of 2009 (LEAN Act) amended the Federal Food, Drug, and Cosmetic Act, which required nutrition labeling of standard food items in food service establishments of 20 or more stores.
- On March 23, 2010, the Affordable Care Act was signed into law, and the basic elements of the LEAN Act were absorbed into it.
- In November 2014, the FDA issued its final rule for "Nutrition Labeling of Standard Menu Items in Restaurants and Similar Retail Food Establishments." Unlike several similar state laws that had gone into affect, this ruling expanded this to include grocery stores that offer "restaurant-type" menu items.
- On July 9, 2015, the FDA delayed implementation, citing the need for more rules clarification amid opposition from supermarkets. Compliance deadlines have now been pushed back for two years, resulting in the May 7, 2018 deadline for compliance.

HEALTHY EATING

Today, over 60% of American adults and about 30% of children are overweight or obese, leading to weight-related health issues.

Consuming a diet too high in calories is one of the primary risk factors in becoming overweight or obese. Many people don't know the nutrient and calorie content, and greatly underestimate the calories, in foods that are not prepared in the home, like meals from restaurants or prepared take-home options from grocery stores.

According to the FDA, the benefit of these labeling requirements is that "providing accurate, clear, and consistent nutrition information, including the calorie content of foods, in restaurants and similar retail food establishments will make such nutrition information available to consumers in a direct and accessible manner to enable consumers to make informed and healthful dietary choices."

WHICH ESTABLISHMENTS NEED TO COMPLY?

The new menu labeling regulations apply to restaurants and similar retail food establishments that are part of a chain of 20 or more locations. These locations must be operating under the same name and offer most of the same menu items for sale.

COVERED:

- Restaurants of all kinds, including fast food and delivery
- Bakeries and Delicatessens
- Coffee Shops and Cafes
- Grocery Stores
- Convenience Stores
- Cafeterias not located in schools
- Concession stands in movie theaters and amusement parks.

NOT COVERED:

- Establishments with fewer than 20 locations.
- Establishments with 20 locations that do not serve substantially the same menu.
- Food trucks and Sidewalk cart vendors
- Transportation carriers such as airlines and passenger trains
- School Cafeterias

WHAT MENU ITEMS ARE COVERED?

The FDA ruling defines "restaurant-type" food as food that is served and prepared primarily in the establishment and meant to be consumed at the establishment, while walking away, or shortly after arriving at another location. Items have to fit this description and are also standard menu items, meaning they are routinely offered and not temporary or seasonal.

EXAMPLES OF COVERED ITEMS:

- A standard meal or item from a restaurant or drive-through
- A snack or beverage from a coffee shop or bakery
- Take-out or delivery foods, *ie* pizza, including hot or take-and-bake
- Made-to-order sandwiches from a delicatesson or grocery store deli counter
- Salad or hot food self-serve bar
- Popcorn at a movie theater

NOT COVERED OR EXEMPT:

- Whole cakes, loaves of bread, dinner rolls, etc.
- Nuts or olives from bulk bins
- Deli meats, cheeses, and deli salads sold by the pound
- Condiments for general use
- Seasonal or special Items offered less than 60 days per year or market test items offered 90 consecutive days or less
- Custom orders

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What information needs to be provided?

Establishments that meet all of the requirements, must supply the following information for all of the items they sell that are covered.

CALORIE CONTENT

The number of calories in each item must be disclosed on all menus and menu boards. For items on display or in a self-serve bar, calories can be declared on labels or on a posted list of items.

CALORIE STATEMENT

Each menu or menu board must include the following statement or something similar:

"A 2,000 calorie daily diet is used as the basis for general nutrition advice; however, individual calorie needs may vary."

Nutrition Facts

2 servings per container
Serving size 1 1/2 cup (208g)

Amount per serving
Calories **240**

	% Daily Value*
Total Fat 4g	5%
Saturated Fat 1.5g	8%
Trans Fat 0g	
Cholesterol 5mg	2%
Sodium 430mg	19%
Total Carbohydrate 46g	17%
Dietary Fiber 7g	25%
Total Sugars 4g	
Includes 2g Added Sugars	4%
Protein 11g	
Vitamin D 2mcg	10%
Calcium 260mg	20%
Iron 6mg	35%

ADDITIONAL NUTRITION INFORMATION

In addition to the Calorie statement, your menus or menu boards must also indicate that there is additional nutrition information available for each item upon request. This information must be available for all standard menu items and include the following:

• Calories from fat
• Total fat
• Saturated fat
• Trans fat
• Cholesterol
• Sodium
• Total carbohydrate
• Dietary fiber
• Sugars
• Protein.

ELECTRONIC DEVICES AND COMPLIANCE

According to the FDA ruling, the required additional nutrition information can be provided in print or available for customers to review with an easily accessible electronic device located on the premises. Any kiosk or electronic signage that display menu items are also considered menus or menu boards, and are subject to the same requirements as print menus.Allowing electronic devices opens the door to a viable, easy-to-implement solution - touch screen kiosks and price checkers.

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Kiosks and Menu Labeling

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 prepared food menus with calorie disclosures and additional nutritional information, the kiosk offers a simple way of meeting all of the FDA menu labeling requirements.

PAPER NIGHTMARE

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 retailers. If there are just a few menu items that do not change frequently, it may be feasible to simply have a menu board and paper handouts with nutrition information for each menu item. But a paper solution could be a nightmare when the deli is making a dozen made-to-order sandwiches and wraps and half a dozen entrees every night.

CUSTOMER COMFORT AND CONVENIENCE

With a paper solution, patrons may be uncomfortable making requests for additional nutrition information, or may not want to wait for an employee to retrieve it if the store is busy. With a Kiosk solution, all of this information is at their fingertips, making them more inclined to take their time looking over the information, compare a few different options, and make healthier choices.

A PAPERLESS SOLUTION

For FDA purposes, grocers can simply locate one or more kiosks in or near the prepared food section and equip the kiosks with the appropriate content and software needed to retrieve and display the required information.

If the consumer can review the nutrition content on screen, printing isn't necessary for compliance, making it possible to have a completely paperless solution.

Benefits of a paperless solution include:

- Eliminating paper eliminates the ongoing costs of printing menus and nutritional information when you run out or when changes are made to the menus or recipes.
- Eliminating the drain on company time that goes with storing, organizing, retrieving and supplying information to customers upon request.
- Paperless solutions are also greener, which has become a priority for many retailers as well as their patrons.

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Nutrition Kiosk Requirements and Capabilities

SOFTWARE

Having the right software is critical to an effective kiosk solution. Kiosk price checker software can be slightly altered for FDA compliance. Universal product codes (UPC) for all items are already in the store's computer system for pricing purposes. Calorie and nutritional information can be added to the UPC listing for menu items.

When the kiosk is integrated into the system, barcodes can be scanned and required information can be retreived and displayed on screen as easily as pricing and descriptions.

SCANNING CAPABILITIES

Most Kiosk and Price Checking devices are equipped with integrated scanners that can read 1D or 2D barcodes and display information about the scanned product. This can be helpful for pre-packaged restaurant-type foods if the nutrition information is not printed on a label. Customers can quickly scan the item for nutrition facts.

PRINT CAPABILITIES

As previously stated, a printing capability isn't required for compliance. However, for some stores with existing price checkers as part of their compliance solution, a smaller screen makes displaying information difficult. In this case, price checkers should be equipped with printers, allowing customers to print nutrition information for review.

Print capabilities also enable consumers to take the nutrition information with them to review at a later time.

While a Kiosk solution with print capability isn't paperless, it will use significantly less paper than a print solution.

ORDERING KIOSKS

In addition to displaying prepared food menus and nutritional information, kiosks can be equipped to take customer orders. This reduces wait times and frees up employees to fulfill orders and attend to other tasks, increasing productivity.

One of the biggest benefits of this function is providing calories and nutrition for orders that involve a lot of options or toppings. For example, if a customer is ordering a sandwich from the deli, the kiosk can be equipped to display the running total calories in the sandwich as the customer selects the meats, cheeses, vegetables and other options. The specific nutrition information for those options can also be compiled for the order and displayed upon request.

The only way a print solution can provide the same information is to print tables of information for all the available options, forcing the customer to hunt for the ingredients that apply to their order and then add up the total calories and other nutrition content themselves.

# Kiosks: A "Win-Win" for Stores and Customers

FDA compliance aside, kiosks have been delivering major benefits to supermarkets for years. Those same benefits can also be applied to restaurants.

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 Operators improved customer satisfaction with kiosk systems.*
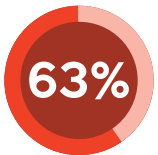
63% — *Customer conversion rates increased by 63% with kiosks.*

100% — *100% of retailers reported higher staff productivity with kiosk systems in place.*

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

58%

ABOUT OPTICAL PHUSION

Optical Phusion, **Inc**. (OPI) is an award-winning kiosk, enterprise mobility and wireless technology integration solutions company that helps customers manage the entire lifecycle of retail technology and PSS projects. Its Customer Facing and in-store solutions supports a broad range of PSS, kiosk and enterprise mobility assets. OPI's experience, expertise and partnerships with industry leading suppliers will deliver a responsive solution to your needs at a reduced total cost of ownership (TCO) and greater return on investment (ROI).

OPI SOLUTIONS BRING THINGS FULL CIRCLE.

For more information about Optical Phusion's Menu Labeling Solutions, as well as other fully integrated, end-to-end retail solutions, visit our website at **opticalphusion.com**.

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