



# MAINTAINING A HEALTHY AND PROFITABLE CANTEEN



There's a common myth that introducing healthier foods and drinks in your canteen or kiosk will have a negative impact on your finances – but this couldn't be further from the truth.

By marketing your foods and drinks well, shopping smart and consulting your customers – healthy canteens CAN be profitable canteens!

## MARKETING YOUR FOODS AND DRINKS

Make your healthier items your new best sellers using the **4Ps of marketing**:

### PRODUCT

- Ensure your healthy items on display look fresh, colourful and appealing.
- Label your items clearly and try using creative names to generate interest.
- Offer a variety of healthy items – for example, offer fruit salad cups, instead of whole fruit in a bowl.
- Look at the size of your menu and consider offering a smaller range using your popular items, rather than a large menu with many items that do not sell well.

### PRICE

- Ensure you have healthy options available at a variety of price points, as some customers might only have a few dollars to spend.
- Price the healthy options so customers aren't driven to purchase less healthy options just because they're the cheapest.
- Consider cross-subsidisation – for example, instead of a 50% mark-up on all your items, put a higher mark-up on less healthy options (such as 75%). This allows for a smaller mark-up on your healthier options (for example, a 25% mark-up).

### PLACE

- Put your healthier options in the most prominent places, such as at the front counter, near the register or at eye level in fridges.
- Put your less healthy options in less prominent places, such as on the back counter or at the bottom of the fridge.

### PROMOTION

- Put up posters or signage promoting the healthier options.
- Advertise new healthier options in newsletters, announcements or social media.
- Offer free taste-tests to get customers to try new healthier options.
- Offer meal deals with healthier options – for example, salad roll and water for \$6.
- Put items on sale if they are not selling well or are getting close to their use-by date.



## BE A SAVVY SHOPPER

Get the best value for your budget – try our tips below:

- Buy ingredients in bulk, in season and/or when they are on special.
- Look for cheaper versions of similar products.
- Negotiate pricing with your suppliers.
- Form a canteen buyers' group with other similar organisations in your area. This way you can buy in bulk to share the cost.
- Keep track of food waste and adjust your ordering accordingly. You can also get creative with leftovers – for example, turn overripe fruit and veggies into smoothies or freeze leftover soup or curries to use another day.
- Purchase canned, frozen or dried fruit and veggies – they are just as nutritious but may be cheaper and last longer.

## MEET CUSTOMER NEEDS

Meeting the needs of your customers will ensure repeat business for your canteen.

- Ask your customers for feedback on the new items introduced.
- Ask your customers for ideas for new foods and drinks they'd like to see offered.
- Do a survey or get staff to ask customers for feedback when they're at the canteen.



## EVIDENCE OF HEALTHY AND PROFITABLE CANTEENS – SPORTS FACILITIES

Still unsure you can have a healthy AND profitable canteen? Read about some successful sport facilities below:

### [Water in Sport](#)

- Results from the VicHealth Water in Sport initiative showed no change in overall drinks revenue following promotion of water and healthier drinks and reduction of sugary drinks. The study was conducted across eight local government areas in Victoria and included 39 facilities (sport and recreation centres and sports clubs).

### [Western Leisure Services](#)

- Two Western Leisure facilities found no clear change in profit and loss data when they made healthy changes to their canteens by following the Healthy Choices Guidelines.

### [YMCA Victoria's 'Soft Drink Free Summer'](#)

- Results from nine YMCA Victoria sport and recreation facilities showed no change in overall beverage dollar sales after removing soft drinks from sale, as part of their 'Soft Drink Free Summer' campaign.

### [YMCA Victoria's everyday pricing initiative](#)

- One YMCA Victoria sport and recreation facility demonstrated that decreasing the price of healthier items and increasing the price of less healthy items nudged customers towards healthier items, with no impact on profits.

## EVIDENCE OF HEALTHY AND PROFITABLE CANTEENS – SCHOOLS

Still unsure you can have a healthy AND profitable canteen? Read how the below schools were able to do both:

- A 2017 study of 10 New South Wales schools showed that when healthier options were actively promoted, there was no significant difference in the average weekly canteen revenue<sup>1</sup>.
- Most schools implementing the New South Wales Fresh Tastes @ School canteen policy reported making a profit<sup>2</sup>.
- A 2016 study showed 82% of Western Australian school canteens broke even or made a profit with healthy canteen menus<sup>3</sup>.
- In 2018, a Queensland study found menus with a greater proportion of healthy items were more likely to make a profit and had a greater value of sales<sup>4</sup>.

## REFERENCES

1. Delaney, T. et al. Cluster randomized controlled trial of a consumer behavior intervention to improve healthy food purchases from online canteens. *American Journal of Clinical Nutrition* 2017.
2. Nutrition and Physical Activity Branch. NSW Healthy School Canteen Strategy Evaluation Report 2005. Sydney: NSW Department of Health, 2006.
3. Stakeholder perceptions of a school food policy ten years on, S Pettigrew et al., 2017, *Public Health Nutrition*.
4. Improve our tuckshops - 2018 Queensland Tuckshop Snapshot survey. Christine Stewart, Aimee Johnston, QAST, Queensland Government, 2019.

