



Case Study: Healthy Checkout Pilot Test

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The Purpose: In February 2017, Utah State University launched a healthy checkout pilot test to determine whether sales of healthier items would increase when placed near the register or checkout area where impulse purchases most often occur.

Location

Utah State University (USU) is a public research university located in Logan, Utah. USU has more than 28,000 students enrolled with nearly 18,000 students living on or near campus, making it Utah's largest public residential campus. In addition to three full-service dine-in cafeterias, USU has seven food retail locations, two of which are convenience stores. The on-campus convenience stores, Quickstop and Emma's Nook, are open Monday-Saturday and serve a variety of hot and cold foods, snacks and beverages. Of the other food retail locations, Shaw's 88 Kitchen features a variety of grab-n-go items and is open Monday-Friday. The stores serve students and staff; however, students make up the biggest portion of USU's customer base across all of the food retail stores.

USU worked with the National Association of Convenience Stores (NACS) and the Project on Nutrition and Wellness (PNW) to design and execute the healthy checkout pilot test.

Design

The checkout area of a store is usually defined as any area within 6 feet of the register or a line where customers wait to check out. Generally, there are three reasons convenience stores sell items at or near the register, including impulse purchases, government requirements (such as age-restricted products like



tobacco), and items that are more likely to be stolen. With that in mind, the concept of the test was to see if impulse purchasing of healthier items would increase if those items were placed next to or near the checkout area. The test was designed to determine if impulse purchasing of healthier items would increase because of the new displays by the register.

Items selected for the test were determined based on the U.S. Dietary Guidelines for Americans, an evidenced-

based set of guidelines crafted by a group of nationally recognized nutrition and medical experts, and released every five years by the U.S. Department of Agriculture and U.S Department of Health and Human Services.

Key criteria that snacks must adhere to:

- + Have no more than 200 calories per item/package;
- + Have no more than 35% fat (unless the item contains 100% nuts or seeds);
- + Have no more than 10% calories from saturated fat;
- + Have 0 grams of trans fat;
- + Have no more than 35% of calories from total sugars and a maximum of no more than 10 grams of total sugars in the product;
- + Have no more than 200 mg of sodium per item.

The items that were selected for the pilot test include:

- + Whole fruit (including bananas, apples and oranges)
- + Kellogg Nutri-Grain Soft Baked Breakfast Bar Apple Cinnamon
- + Kellogg Nutri-Grain Breakfast Bar Strawberry Yogurt
- + Kellogg Nutri-Grain Soft Baked Breakfast Bar Strawberry
- + KIND bar almond & coconut
- + KIND bar caramel almond & sea salt
- + KIND bar fruit & nut peanut butter & strawberry
- + Lucky Charms Marshmallow Treats Bar
- + PowerBar Performance Energy Bar Chocolate
- + PowerBar Performance Energy Bar Peanut Butter
- + ProBar Chocolate Coconut
- + ProBar Coffee Crunch

- + Rice Krispies Treats Original bar
- + Rice Krispies Treats Double Chocolatey Chunk bar
- + Special K Pastry Crisps
- + Wrigley's 5 Gum Cobalt Sugarfree
- + Wrigley's 5 Gum Rain Sugarfree
- + Wrigley's 5 Gum React 2.0 Mint Sugarfree
- + Wrigley's 5 Gum RPM Mint Sugarfree
- + Wrigley's Gum Extra Peppermint Sugarfree
- + Wrigley's Gum Extra Polar Ice Sugarfree
- + Wrigley's Gum Extra Spearmint Sugarfree
- + Wrigley's Gum Extra Winterfresh Sugarfree
- + Wrigley's Gum Extra Sour Green Apple Sugarfree Gum

Most of the items selected were already being sold at USU's convenience stores, with the addition of the ProBars for the pilot test.

Execution

The first healthy checkout display launched at USU's Quickstop convenience store in January 2017. USU set up new display racks by the register at Quickstop to feature the items prominently (*Figure A*). The store was chosen as the first location for the pilot test given its central location in the student center. Quickstop is USU's most popular convenience store and has the highest sales of all both convenience stores on campus.

Initially, USU started with a small countertop display at Quickstop and later switched to a larger, floor display given the early success of the pilot.

In March 2017, a second food retail location, Shaw's 88 Kitchen, was selected as the second campus store to feature the healthy checkout display. Also during this time, USU added a second display to the Quickstop location because of the early on success of the pilot. In August 2017, USU added a third convenience store to the pilot, Emma's Nook.



Figure A

Top left: Quickstop location prior to the pilot test (December 2016).

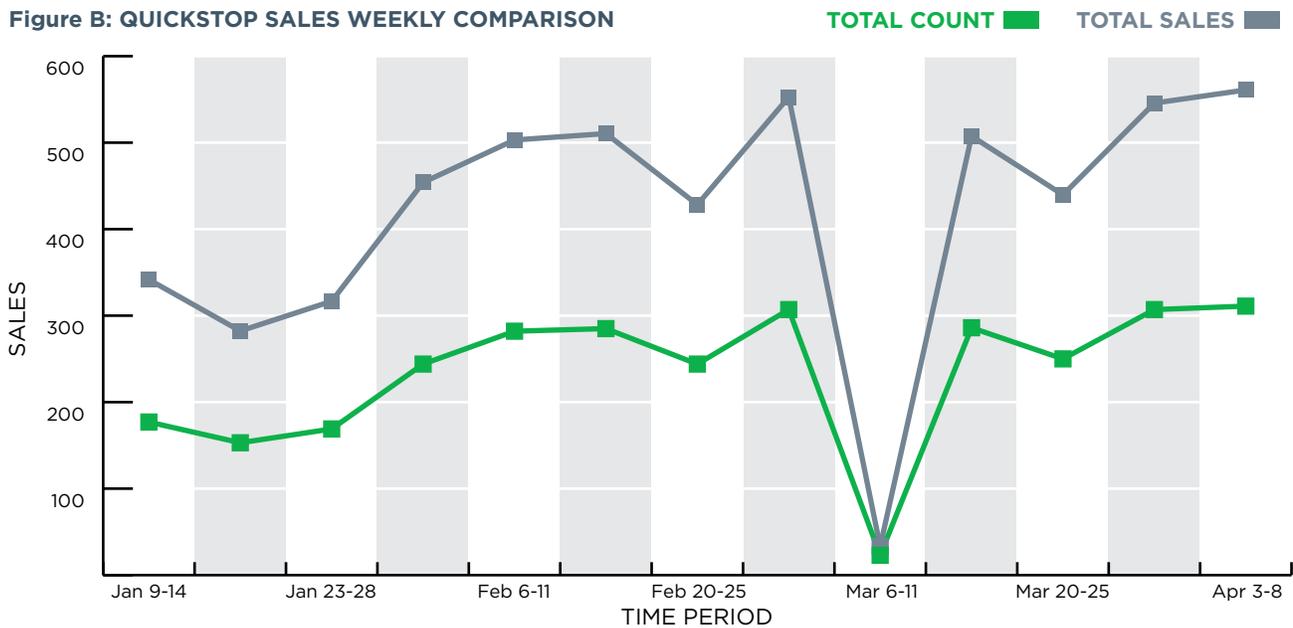
Bottom left: Quickstop location at the start of the pilot test: high calorie items have been replaced with healthier snack items (January 2017).

Top right: Countertop display replaced with larger floor display at Quickstop location; fruit basket added to countertop (February 2017).

Bottom right: Floor display added to Shaw's 88 Kitchen (March 2017).



Figure B: QUICKSTOP SALES WEEKLY COMPARISON



Results

The healthy checkout pilot demonstrated an increase in sales of the selected healthier items early on in the test (*Figure B*). At the Quickstop store, sales of these items increased from the first week that they were displayed by the register. The significant sales drop during the week of March 6-11 was during the USU’s spring break week when many students and staff are not on campus

As 95% of these items were already being sold in USU’s stores, this demonstrates that moving the items to the checkout area, where impulse purchases are high, led to increased sales of all items. USU also incorporated signs by the displays to label the items as healthy options and call attention to them at the point of purchase (*Figure C*).

Lessons Learned

This pilot test demonstrates that moving better-for-you options to the checkout area, and calling attention to their healthy attributes can increase sales of these items.

+ Convenience matters: USU noted that their customers were looking for healthy options, but by making these snacks conveniently located by the checkout area, students and staff were more likely to purchase them.

+ Sales growth opportunity: According to a 2015 Hudson Institute report commissioned by NACS, 75% of convenience store customers are eating healthier than they used to, and 66% of convenience store shoppers looking for healthy foods that can be eaten on-the-go. There is ample opportunity to apply the results of this pilot test to other convenience stores now that healthy snacking is the norm.



Figure C

USU also incorporated signs by the displays to label the items as healthy options and call attention to them at the point of purchase

Summary

The convenience store industry shares more ideas than any other retail channel. For this project, retailers allowed NACS to test key insights and share the results with other retailers who can consider how these findings may improve their own operations. As part of its reFresh initiative, NACS worked with food and merchandising experts to develop eight convenience store-specific ideas to grow sales based on evidence-based practices.

NACS then undertook additional pilot tests to further define how these practices could grow sales (read more at convenience.org/refresh).

This pilot test examined the concepts to grab them immediately by offering a “grab-and-go” area at the store entrance and to remember the convenience factor by offering healthier snack options at the register.

