



2025 Best Practices Submission

Presentation Title:

Turning a Loss Leader Into a Self-Sustaining Business Model

Presenters:

Brett Jackson, University of Georgia

Bryan Varin, University of Georgia

Presentation Description:

Learn how UGA Dining Services transformed low-traffic areas on campus into profitable, self-service micromarkets. By introducing cashless, unmanned micromarkets in "food deserts," they reduced labor costs and provided 24/7 access to fresh, high-quality food. This innovative approach converted previously unprofitable locations into sustainable assets, supporting campus-wide food access. Join this session to discover practical strategies for turning "loss leaders" into valuable, self-sustaining parts of your business model.

Statement of the Problem:

UGA Dining was asked to provide services to parts of campus that do not have a large volume of customers. Considered "food deserts," these areas of campus do not typically justify or support a staffed dining location, but there is a desire and need to have food and beverage options for students, faculty, and staff.

Identify the Solution:

UGA Dining Services has successfully transformed its approach to serving areas of campus traditionally considered "food deserts" by implementing unmanned micromarkets. These innovative markets are strategically placed in locations where low customer volumes would make it unprofitable to operate a staffed facility. Instead of abandoning these areas, UGA Dining introduced self-service micromarkets, providing students, faculty, and staff with access to fresh food and beverages 24/7.

By using cashless payment technology and strategically stocking items that cater to diverse dietary preferences, these micromarkets operate without on-site staff, significantly

reducing labor costs while still meeting the demand for convenient, high-quality food options. This approach allows Dining Services to maintain a presence across campus, even in areas that typically would not justify a traditional dining facility.

The result is a profitable, sustainable solution that ensures UGA can continue to support the entire campus community. Not only has this initiative expanded food access to underserved areas, but it has also allowed Dining Services to turn previous "loss leaders" into a self-sustaining part of their business model. Through these micromarkets, UGA Dining demonstrates its commitment to adaptability and innovation, ensuring that every corner of campus has access to food service, regardless of location profitability.

Implementation Timeline:

Typically, UGA departments outside of UGA Dining identify the need or desire to have a micromarket in their respective area. For UGA, the following implementation has been used for 18 micromarkets:

1. Location is identified, either by Dining Services, or is requested by an on-campus unit.
2. Location is reviewed by Dining Services to see if it is a fit for an unmanned market (1 week).
3. If the space will be converted, Dining Services coordinates with various UGA departments including Facilities Management, the Office of University Architects and departmental building representatives to identify the infrastructure needs to convert an available space into a micromarket (one to two months).
4. UGA Dining contacts the contracted campus vending provider who is responsible for supplying service equipment to include refrigeration, shelving, brewers etc. The vendor also provides marketing materials and point of sale hardware (one month).
5. Auxiliary Services provides security support and hardware such as cameras for monitoring micromarket locations.
6. Total time frame for a converted market: two to three months.
7. Markets in newly constructed buildings are at the mercy of the construction timeline for those projects. However, once a Certificate of Occupancy is received, the work to open the market usually only takes one to two weeks.

Benefits & Retrospect:

The result of unmanned micromarkets is a profitable, sustainable solution that ensures UGA can continue to support the entire campus community. Not only has this initiative expanded food access to underserved areas, but it has also allowed Dining Services to turn previous "loss leaders" into a self-sustaining part of its business model.