Edible inquiries:
Food Policy Research Connections

In-store interventions to encourage healthier purchasing: What we can learn from the supermarket industry

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1-2 PM EDT
Speakers

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NATIONAL

• FPN listserv with 1500+ members
• Food Policy Council Directory of 300+ councils
• Food Policy Resource Database with 1200+ resources
• Monthly webinars on federal, state and local food policy

TRAINING AND TECHNICAL ASSISTANCE

• Chesapeake Food Policy Leadership Initiative
• Pre-conference workshops & conference sessions
• One-on-one technical assistance
Where are people shopping for Groceries?

• SNAP Sales data suggests substantial Walmart Shopping

• Overall, supermarkets remain primary store (49%, slightly stronger than in prior years)
  – Retailers believe the supermarket has “stabilized” its role after years of decline (2005 saw 67% calling Supermarket primary store)

• Supercenters, 24%

• Growing role for Dollar Market, or stabilized?
PRIMARY STORE FOR GROCERIES, HISTORICAL TREND

Source: FMI U.S. Grocery Shopper Trends, 2018. Q: “Which store or service do you consider your PRIMARY source of grocery-type items? In other words, where do you spend the most money on grocery-type items such as food, beverages, paper goods, health and beauty items, cleaning supplies, etc. for use in your home?” n=2,136. *Note: ‘Other channels’ include dollar, drug, ethnic, military and online-only retail channels. ** “No primary store” not measured prior to 2011. (See Appendix Table A.9)
What is driving store selection?

CHART 1.7: MOST IMPORTANT ATTRIBUTES WHEN SELECTING A PRIMARY STORE

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-quality fruits and vegetables</td>
<td>80%</td>
</tr>
<tr>
<td>High-quality meat</td>
<td>77%</td>
</tr>
<tr>
<td>Low prices</td>
<td>77%</td>
</tr>
<tr>
<td>Great product selection and variety</td>
<td>74%</td>
</tr>
<tr>
<td>Clean, neat store</td>
<td>65%</td>
</tr>
<tr>
<td>Accurate information displayed at shelf</td>
<td>65%</td>
</tr>
<tr>
<td>Items on sale or money-saving specials</td>
<td>63%</td>
</tr>
<tr>
<td>Security of purchase history and other info</td>
<td>63%</td>
</tr>
<tr>
<td>Convenient from home</td>
<td>60%</td>
</tr>
<tr>
<td>Store/site layout that makes it easy to shop</td>
<td>57%</td>
</tr>
<tr>
<td>Fresh food deli or delicatessen</td>
<td>53%</td>
</tr>
<tr>
<td>Courteous, friendly employees</td>
<td>51%</td>
</tr>
<tr>
<td>Fast checkout</td>
<td>50%</td>
</tr>
<tr>
<td>Knowledgeable employees</td>
<td>49%</td>
</tr>
<tr>
<td>Open and honest about business practices</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: FMI U.S. Grocery Shopper Trends, 2018. Q: “Please indicate how important each of the following is to you when you select a primary grocery store/source. (Top-1 Box: Very important).” Top 15 displayed out of 32 items. Shoppers n=1,035. (See Appendix Tables A.13 & 14)
“Eating Well” as intention rather than “Pantry Stocking”

Desires for TASTE AND ENJOYMENT, DISCOVERY AND MINDFUL CONNECTION with food.
ESSENTIAL AND IMPORTANT COMPONENTS OF ‘EATING WELL’

Over the course of the week, I feel I’ve eaten well when...

- I ate nutritious food and beverages: 82%
- I ate in moderation: 77%
- I ate high-quality foods and beverages: 72%
- I ate foods/beverages with specific benefits: 63%
- I ate foods/beverages good for me in a holistic way: 48%
- I ate tasty foods and beverages: 84%
- I ate hearty and filling meals: 72%
- I ate with my family and/or friends: 57%
- I ate whatever I wanted: 41%
- I explored a diversity of preparation methods/tastes: 39%
- I ate in the company of others: 38%
- I ate unique foods and beverages: 30%
- I dined out: 25%
- I ate foods/beverages produced in an ethical way: 37%
- I ate foods/beverages produced in a sustainable way: 37%
- I ate within my budget: 70%

Significantly higher among men/women

Source: FMI U.S. Grocery Shopper Trends, 2018. Q: “In general, when you consider whether you have eaten well over the course of a week, how important are each of the following considerations? (Select one response per row)” n=1,035. (Showing essential + important) (See Appendix Table A.68)
Other Eating Well Elements

- Shoppers want recipes
- Grab and go foods
- Recommendations for nutrition and healthy eating
- How to instructions
- Convenient placement of all items for a healthy meal in one place (“Dinner solution”)
  - Meal kits
  - Tips on reducing **food waste**
Food Shopping Expenditures

HOUSEHOLD WEEKLY SPENDING FOR GROCERIES

Weekly spending on "grocery-type" items (FMI estimate)
Weekly spending on key grocery categories (U.S. Bureau of Labor Statistics estimate)

Spending Trends

- Relative stability since 2016, households spending about $105-109 per week.
- 1.6 weekly trips reported to a brick-and-mortar grocery retailer by primary shopper, unchanged since 2015; 2.2 household trips when you add in those made by other members.
- Increase in men shopping (1.5 trips v 1.2 for women)
  - 85% of US adults claim 50% or more of household shopping responsibility.

**Are we doing enough to support male shoppers?**

- ONLINE: 28% of shoppers shop online only grocery stores (v. 16% in 2015), especially Millennials (ages 18-37) with children (58%);
  - 34% of all shoppers on online shoppers.
Online Shoppers Shop Differently

- Spend more $127/week on average
- Have all or most responsibility for shopping
- Shop at more kinds of stores (banners)
  - More have lists, more have different lists for different stores
- Use a grocery App (46% v 27% non online shopper), also more likely to go online to get product information.
- **Millennials**
What do these trends mean for retail marketing?

• First, are we aligned with market-research trends?
  – Understanding retailer perspectives
• Are they aligned with families facing more adversity, public benefits
In-Store Marketing, Traditional Understanding of Approaches

<table>
<thead>
<tr>
<th>PRODUCT</th>
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</thead>
<tbody>
<tr>
<td>• Product mix</td>
</tr>
<tr>
<td>• Quality and variety</td>
</tr>
<tr>
<td>• Nutrition composition</td>
</tr>
<tr>
<td>• Packaging (e.g. package design/color, illustrations, targeting specific groups, front-of-pack labeling, menu labeling, portion size)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>PLACEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Location of products</td>
</tr>
<tr>
<td>• General store lay out</td>
</tr>
<tr>
<td>• Check-out aisles</td>
</tr>
<tr>
<td>• End-of-aisle (end-cap) displays</td>
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<tr>
<td>• Quantity of facings/shelf space and store layout</td>
</tr>
<tr>
<td>• Eye-level (children’s, women’s, men’s)</td>
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<table>
<thead>
<tr>
<th>PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Coupons</td>
</tr>
<tr>
<td>• Specials</td>
</tr>
<tr>
<td>• Differential prices</td>
</tr>
<tr>
<td>• Private label/store brands</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>PROMOTION</th>
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<tbody>
<tr>
<td>• In-store and out-of-store shopper marketing</td>
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<tr>
<td>• Single and cross-brand promotions</td>
</tr>
<tr>
<td>• Item and shelf tagging</td>
</tr>
<tr>
<td>• Storewide nutrition guidance systems and educational programs</td>
</tr>
<tr>
<td>• Use of loyalty card feedback to guide healthier purchases</td>
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<tr>
<td>• In-store product sampling</td>
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What is new in the Literature

- Emphasis on Retailer perspectives
- Feedback from healthy food retail approaches to date
All these factors will influence US food store retailer decision making to various degrees regarding profitability and thus the ability/willingness to apply marketing-mix and choice-architecture strategies to encourage healthy consumer food and beverage purchases.
Retailer Perspectives on Our Approaches

• 20 full-service retailer interviews, NY
• DEALS drive product selection, and customer demand
• Distributors and Manufacturers remain critical (and have been)

• HOWEVER retailers have autonomy to modify planograms, move products

“Previously, when we first opened our supplier came in and had some basic planograms to get us started. But, over the time, we have definitely moved stuff where it's made more sense [...]” (Non-Urban, Low Income, Interview 5)
Other strategies retailers find that work

• PLACEMENT
  – Move it and they will come?
    • “You’ll see the difference in sales – just by resetting something”
  – Grab and Go
    • “if you place it in the front, it’s like a grab and go cup you put a decent price on it, one person might try it.”

Though still Express Frustration
• “We’ve been working to lean into try to bring in more healthy food. The only issue is that in this community it’s kinda tough because people really don’t go – don’t really – so most of the time we do try to bring it in. It’ll go bad or expires.”
Review: Customer Choice and Purchase Intentions

• Review of articles 2000-2015
• Quantitative only
• Marketing, Business sector literature
  – Major categories of findings related to
    • SHELF DISPLAY
    • BRANDING
    • NUTRITION LABELING
    • FOOD SAMPLING
    • PRICING AND PRICE PROMOTION FACTORS
Shelf display

- Attention to product is correlated with choice
- Strong support for product location as critical factor in choice
- Horizontal center placement on aisle stands out.
  - **Shelf based scarcity creates sense of popularity** for the items. (And higher purchase intention)
  - However disorganization on shelf or other sense that others are touching (and putting back) products creates reliance on familiar brands.
Brand Familiarity

- Matters, more likely to select a brand you know
- Purchase of private label brands is dependent on
  - Product category
  - Financial, functional and social risks associated with it.
  - Mimicking national brand packaging creates sense of similar source as national brand, and higher quality perceptions.
  - Brands with multiple product lines in same brand benefit from extrapolation of product qualities
  - Drink color matters.
Nutrition Labeling

- Motivation and knowledge drive use.
- Knowledge as a precursor to use
- Customers walk around with pre-conceived biased impressions, and objective information can increase or decrease choice.
- Known differences for how labeling systems influence purchases:
  - a single icon (call an evaluative label) works best when a customer is comparing products
  - though a “reductive label” (ie. calories and three nutrients o limit) is better for evaluating a single item.
  - Front of pack influences CHILDREN…and perhaps not just how you think
    - 2011 study found when the cereal choices included a “Good For You” possibility it created a “backlash effect” whereby kids went for the unhealthy choice (8-12 year olds)
    - Healthier curriculum had no real impact on choice.
Food Sampling

• It works to promote healthy food choices, though unclear temporal stability of effect (long term?)
• Also works for unhealthy items!
• Best to provide at beginning of shopping trip to allow for enjoyment of sample.
Price Promotions

• 8 for $8 type “multiple unit price promotions” increase purchase quantities for higher consumption products
  – AND higher numbers do lead to more than lower numbers (2 for $2) for example.
• Wording: Think about ALLITERATION (2 TWIX $2) facilitates message processing
• Fame it against the usual price to allow comparisons (sale v regular price)
  – Put it in absolute amounts when relative discount is low ($0.20 off)
  – And % off when its high (though consumers may not be able to compute that amount)
• Unexpected in-store coupons stimulate impulse purchasing, especially for “treat” items.
Price Promotions (cont.)

- Price promotions HOWEVER, can decrease sales of that item after promotion ends. (especially ones that before offered a high % off, vs. amount off)
- When receiving free money, still concern that you want a deal, impacts willingness to buy without a sale.
- Responses to price promotions are individually unique too – analytical vs. intuitive decision making styles which hinge on utility, feel good benefits.
In Store and Customer Decision Making Factors

• **Factors leading to LESS HEALTHY PURCHASES:**
  – Implicit beliefs about the relationship between taste and healthfulness (if its healthy it tastes bad).
  – Bringing reusable bags to the store (and deserve a treat)
  – Making multiple choices in a row, following a list with details (gets too hard, need a treat)
  – If on a budget and you receiving real-time feedback on spending while on a budget, (vs. those not on a budget)
  – paying with a credit/debit card – cash still more “painful”
  – If focus is “enjoyment”

• Feeling confined (small aisles) = more varied choices
• Scents in the environment increases the number of items selected that are not on your list/required.
In-Store Marketing

• Overall, there is a dearth of retailer information available within the literature.
• More reviews coming out, but still neglect details about lower income, ethnic audiences.
• Few long-term studies where implementation is more than few weeks or months.
List of Citations


• Castro I.A., Morales A.C., Nowlis S.M. The influence of disorganized shelf displays and limited product quantity on consumer purchase.


THANK YOU

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Healthy Retail:
Strategies for Improving the Retail Food Environment
Center for Science in the Public Interest (CSPI)

Since 1971, CSPI has worked to:
- Make it easier to eat healthfully
- Prevent and mitigate diet- and obesity-related diseases

Our strategies:
- National, state, local policy
- Education (newsletter, social media)
- Advocacy (regulatory, legislative)
- Litigation
Why Healthy Retail?
Grocery stores provide a majority of Americans’ calories.

Figure 1. Share of SNAP Dollars Redeemed by Store Type, FY2015

- Super Stores and Supermarkets: 82.0% ($57.0 billion)
- Medium and Large Grocery Stores: 10.1% ($7.8 billion)
- Convenience Stores: 5.0% ($3.5 billion)
- Specialty Stores: 1.2% ($812 million)
- Small Grocery Stores: 1.1% ($756 million)
- All Other Authorized Retailers: 0.6% ($426 million)


Notes: In order to more clearly highlight small grocery stores and convenience stores, CRS collapsed categories of retailer types. See 2015 Retailer Management Year End Summaries for narrower category data.
In-store placement induces impulse purchases
Placement fees are big money

Source: American Antitrust Institute, 2013
Retailers sell checkout shelf space by the inch
Category Captains
You can’t miss the chips
CSPI’s Approach

Corporate Engagement  
Technical Assistance for community-led efforts  
Public Policy
Los Angeles, CA
Nashville, TN
Lessons Learned from Retailers

- Small vs. large retailers
- Health in the mission
- Different product mix from manufacturer portfolio
- Leveraging incentive programs
OUR CUSTOMERS

Healthier Checkouts.
Encouraging healthy, balanced lifestyles.

Everyday Amazing.

Helping customers make healthier shopping choices.

You'll only find good stuff at the tills when you shop at Aldi UK, like delicious dried fruits and nuts or nutritious snack bars. In fact, we've been helping customers make healthier shopping choices at the tills since January 2013. Two years later and we're still committed to supporting customers in making healthy food choices. We even have specific Aldi health criteria to help us do just that.
Policy Approaches

- Healthy checkout ordinance
- Licensing ordinance
- Limiting non-sale distribution incentives
- Zoning ordinance
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