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Healthy Profits: An Interdisciplinary Retail Framework that Increases the Sales of Healthy Foods

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Abstract

Disruptive layouts, smart carts, suggestive signage, GPS alerts, and touch-screen preordering all foreshadow an evolution in how healthy foods will be sold in grocery stores. Although seemingly unrelated, they will all influence sales by altering either how convenient, attractive, or normal (CAN) it is to purchase a healthy target food. A Retail Intervention Matrix shows how a retailer's actions in these three areas can be redirected to target shoppers based on whether the shoppers are Health Vigilant, Health Predisposed, or Health Disinterested. For researchers, this review offers an organizing framework that integrates marketing, nutrition, psychology, public health, and behavioral economics to identify next generation research. For managers, this framework underscores how small, low cost changes can surprisingly increase sales of entire categories of healthy food.

Keywords: Fruits and vegetables; Environmental sustainability; Food Deserts; USDA; SNAP benefits; CAN approach; Slim by Design

Introduction

Our best and worst eating habits start in the grocery store. Although critics claim that retailers are primarily motivated to sell unhealthy processed food – Froot Loops instead of fruit or fish sticks instead of fish – the opposite is true for the savvy ones. If the fruit turns mushy and the fish begin to smell, retailers may lose more money in sunk inventory costs then they would otherwise gain by selling the processed versions. Grocers are motivated to sell healthy, profitable foods. Unfortunately, they do not know how to effectively do so (Chandon and Wansink 2012; Guthrie 2017; Inman and Nikolova 2016), so retail fruit and vegetable sales continue to drop (Haywood 2016; Produce for Better Health 2015).

Each issue of *Supermarket News* and *Progressive Grocer* highlights clever twists on how retailers can increase sales: novel POP displays, creative cross-promotions, compelling incentive programs, colorful floor decals, and trendy planogram arrangements. Most of these tactics are driven by manufacturers of branded, less-than-healthy packaged goods. In contrast, most of the newest and most creative solutions for selling unbranded healthy products – such as fish, poultry, fruits, and vegetables – have been discovered in academia (Johnson et al. 2012).

Regretfully, however, many of these discoveries are not widely adopted or used beyond one or two field test stores (Inman 2012). First, these discoveries appear disorganized or disjoint because together they use a wide range of interventions to investigate a wide range of outcomes (such as sales, satisfaction, loyalty, repatronage, eye-tracking, and so on). This combination is overwhelming to a manager who is looking for a single solution, such as how to simply sell more fish. Instead of giving managers a useful toolbox of organized solutions, what we give them is more like a shoebox full of tax-time receipts.

The second reason our work is infrequently translated into practice is because its conclusions are either uncompelling or inconsistent (Vermeir and Van Kenhove 2005). We tend to focus on interactions or boundary conditions where an intervention might work with some customers and with some food categories, but not with others (List, Samek, and Zhu 2015). For instance,

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a Traffic Light-type rating system may be useful to some shoppers (Dzhogleva, Inman, and Maurer 2013; Grunert, Bolton, and Raats 2011; Trudel et al. 2015), but to others it might be a glaring warning sign that the food will taste bad (Werle et al. 2011). Academia thrives on interactions and exceptions, but the rest of the world runs on main effects.

The future of healthy retailing will be guided by the future of new research. All of the research in this review has been published or conducted after 2011 and half are still working papers. This framework integrates the newest discoveries in marketing, health psychology, public health, consumer research, nutrition, and behavioral economics to identify what might be the most actionable and compelling new research to influence practice and theory. First, the framework collapses the myriad of individual differences among shoppers into a three-segment hierarchy which summarizes their healthy shopping disposition. Second, it offers a useful way to organize the receipt box full of findings in a way that shows *how* various interventions work (improving convenience, attractiveness, and norms) and *where* they can work within grocery stores (by altering the signage, structure, service mix). Fig. 1 foreshadows how these pieces will combine to eventually create a Retail Intervention Matrix framework that can organize existing findings and stimulate useful new insights.

The Hierarchy of Health Predispostion

Not all shoppers shop alike. Health food enthusiasts shop differently than mothers shopping with kids; a "hot" fast-thinker shops differently than a "cold" slow-thinker; and variety-seekers shop differently than budget-constrained shoppers (Hui, Huang et al. 2013; Verhoef and van Doorn 2016). There will always be an exception or an untested segment. This sometimes leads our results to appear frustratingly inconclusive when we have to admit that we do not know whether our new intervention works the same way with elderly shoppers as it does with shoppers using SNAP benefits (Guthrie 2017).

One solution is to only view shoppers based on how predisposed they are to making a healthier shopping decision. We can view them as belonging to one of three fluid groups that belong to a Hierarchy of Health Predisposition (Wansink, 2017). The top segment of this hierarchy are Health Vigilant shoppers (Fig. 2). They are highly informed, conscious of calories, and are influenced by nutrition information. At the bottom extreme, Health Disinterested shoppers have little interest in changing their eating choices because of either the effort, sacrifice, or perceived futility. The segment in the middle are the Health Predisposed shoppers. They would prefer to make healthier food choices, but they have difficulty consistently doing so unless it involves very little sacrifice. This Predisposed segment is the one that buys the 100-calorie packages of snacks and the sugar-free yogurt. This segment is larger on New Year's Day than it was in December; it was larger this past Monday morning than it was during the prior Friday night's shopping trip.

One reason nutrition guidance systems (such traffic lights or Guiding Stars) have had only modest influences on the sales of healthy food (Cawley et al. 2015; Nikolova and Inman 2015) may be because they mainly resonate with only the top of the Hierarchy. Health Disinterested shoppers ignore these programs, and Heath Predisposed shoppers inconsistently follow them. If the only segment they reach are the Vigilant shoppers, interventions like this will have hardly any sizable impact on health since this segment is already shopping in a healthy way. Even if the same intervention is perfectly targeted at the bottom portion

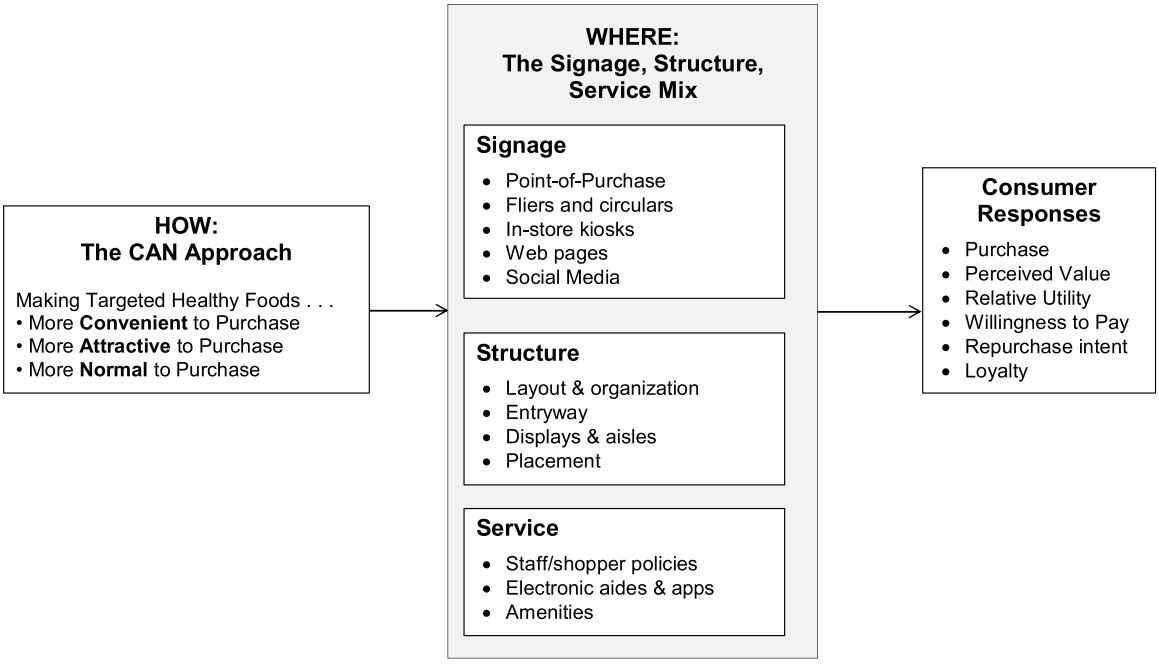

Fig. 1. How and where retail interventions can influence shoppers.