

**BECR
CENTER**

RNECE

Regional Nutrition Education and
Obesity Prevention Centers of Excellence

Southern Region at University of North Carolina at Chapel Hill

CEFS **NC GROWING TOGETHER**
Connecting Local Foods
to Mainstream Markets

USDA United States Department of Agriculture
National Institute of Food and Agriculture

Disclaimer

The views expressed in this publication are those of the authors and cannot be attributed to the U.S. Department of Agriculture, its Economic Research Service, or its Food and Nutrition Service.

What's in it for Retailers? Establishing Partnerships with Food Retailers to Conduct Healthy Food Choice Research



December 2016

Molly De Marco, PhD, MPH
Leah Chapman, MPH
Nasir Siddique

*Center for Health Promotion & Disease Prevention and Department of Nutrition, Gillings School of Global
Public Health
University of North Carolina at Chapel Hill*

Acknowledgement

This brief was funded by the USDA Duke-UNC Center for Behavioral Economics and Health Food Choice Research (BECR), NC Growing Together, and the Regional Nutrition Education, and Obesity Prevention Center of Excellence for the Southern Region (RNECE-South). The BECR Center is funded by grant 59-5000-4-0062 from the U.S. Department of Agriculture. NC Growing Together is an initiative of the Center for Environmental Farming Systems and is funded by the United States Department of Agriculture, National Institute of Food and Agriculture, grant #2013-68004-20363. The RNECE-South is funded by grant 2014-48757-22610 from the U.S. Department of Agriculture.

Introduction

Food retailers can and should be seen as vital partners as we work to improve nutrition. In this brief, we provide insights and strategies for establishing research partnerships with food retailers. This brief represents accumulated insights from researchers working with the following programs and projects: SNAP-Ed, BECR, NC Growing Together, and the RNECE-South, who have conducted healthy food retail interventions for 5 years with over 20 different corporate and family-owned retailers.

This brief is organized into six sections. After an overview of how to initially approach retailers and develop partnerships, the next three sections explain how healthy food choice research partnerships can increase a retailer's bottom line, contribute to a retailer's social responsibility platform, and provide valuable information to retailers about their customer base. The final two sections provide information and talking points regarding confidentiality/use of data and use of the SNAP and WIC programs. We conclude with tips and resources.

Approaching Retailers

A growing number of researchers are interested in partnering with food retailers to conduct intervention research into motivating the purchasing and consumption of healthy foods. We have found, though, as we build relationships with food retailers to carry out such research that retailers face a number of obstacles to participation. It is essential that researchers get to know their retail partners and appreciate the realities of their business and what makes their store unique. This is especially important prior to asking for resources such as sales data.

For example, retail partners may be reluctant to work with researchers due to concerns regarding the perceived onerousness of the time commitment for their personnel, the burden of data collection, uncertainty about whether their investment will pay off, and whether the presence of researchers and the implementation of new strategies could negatively impact their sales. Other concerns include crowding, shoplifting, or promoted items that do not sell.¹

Retailers that stock food products are quite diverse, from very large corporations to small, family-owned chains, to independent supermarkets to small corner stores. As a result, you will want to research the business before you initiate discussions around a partnership. For example:

- a. Read the company's mission statement, if available.
- b. Learn about the business's history, culture, and values.
- c. Determine whether or not the company has a Corporate Responsibility platform.
- d. Understand what types of customers they target.
- e. Determine whether they accept SNAP and/or WIC.

When first approaching a retailer to build a partnership, decide on the most appropriate mode of communication. If you are contacting a large, new store, an email may work best. However, if you are reaching out to a small, family-owned retailer, sending a letter or calling them on the phone may be your best option.

- f. If you do not hear back from the retailer, follow up after 2 weeks.
- g. If you still do not hear back, consider visiting the store and speaking with the owner/manager in person. However, some researchers advise against "unannounced drop-ins" because the owner/manager may feel pressured to participate in your intervention.¹

- h. You may also want to look for networking opportunities. For example, does the owner of a food retail establishment serve on the board of a local hospital or health promotion organization or collaborative? You could ask for an introduction from a medical or public health professional colleague who also serves on the board or is otherwise affiliated.

When you are having your first meetings to build your partnership with a retailer, you should be clear about both what the retailer can expect to gain and what you hope to gain. You should also address what each partner brings to the table. Be as flexible as you can be to the concerns and recommendations of the retailer. For example:

- a. What data will you request from the retailer and what might you collect as part of your research?
 - i. Sales/purchasing data?
 - ii. Customer survey data?
 - iii. Manager interviews?
 - iv. Customer interviews?
- b. What exactly will your intervention entail?
- c. How will you smoothly execute your intervention?
- d. Who will implement the intervention?
 - i. Will the researchers solely implement the intervention, or do you need the retailer to participate in the intervention implementation as well? How much labor/help can the researchers provide?
- e. How long will your intervention run?
- f. How long will your data collection period(s) run?

Increasing the Bottom Line

When approaching a retailer, remember that their decisions must often be based on “the bottom line.” (Businesses refer to their net earnings as “the bottom line.”) Emphasizing how your research could help retailers improve their bottom line is an absolute necessity and should be one of the first points of discussion. Below is a list of fiscal talking points that our team has found helpful when discussing research partnerships with food retailers:

1. Healthy food interventions can increase sales.
 - a. Research shows that a major retail promotion of fresh produce can increase sales by an average of 75%.²
 - b. Interventions can increase the amount of time customers spend in the store (for example, in-store taste tests or cooking demonstrations). Increasing time spent in store can increase the number of unplanned purchases.³
2. Healthy food interventions can provide free advertising for the retailer’s products, such as fruits and vegetables.
3. Healthy food interventions can provide retailers with technical assistance to improve availability, affordability, and attractiveness of their healthy foods inventory through help with sourcing, merchandising, and marketing support around healthy food choice.

Financial benefits to retailers

- Promotion of fresh produce can increase sales.
- Interventions can increase the amount of time customers spend in the store, which can increase the number of unplanned purchases.
- Healthy food interventions can provide free advertising.
- Healthy food interventions can provide retailers with technical assistance to improve availability, affordability, and attractiveness of their healthy foods.

Being “Part of the Solution” and Improving Social Responsibility Platforms

The president of one chain of convenience stores with which we partner shared that his motivation for partnering with researchers to promote healthier food choices was to be seen as part of the solution to the problem of obesity. He noted that convenience stores take much of the blame for poor health because they often carry alcohol, tobacco products, and highly processed foods because these items sell well. Hearing from a local health department that convenience stores are the culprit confirmed his belief in the need to partner on this type of research.

Because many companies, particularly large national or regional retailers, have Corporate Responsibility (CR) platforms or a marketing or public relations department,⁴ explaining that your research could contribute to the company’s CR platform and improve public perception of their business could be a convincing argument. The following talking points may prove helpful:

1. A healthy foods intervention can improve customers’ perceptions of the store.
 - a. Customers may feel that the store’s intervention shows support for its community by helping customers make healthier food choices. In doing so, the intervention may strengthen community relationships and make customers feel welcome in the store.¹
2. Selling and promoting healthy foods may satisfy consumer demand for healthy food while also building customer loyalty.

Gaining Insights About Customers

Often, healthy foods retail interventions collect data to better understand or shape customers’ purchasing behavior. Information on shopping behavior is not only valuable to a researcher, but also to a retailer. Retailers are very interested in understanding why customers make certain purchasing decisions, which may require hiring market research firms. Your research could provide retailers with this information at little cost, as an incentive for the partnership. Healthy foods interventions often require interacting with customers (for activities such as in-store taste tests or cooking demonstrations), which may provide valuable qualitative information regarding customers’ purchasing motivations and behaviors.

Keeping Proprietary Information Confidential and Secure

One of the key ways to evaluate a healthy retail intervention is through use of sales data provided by the retailer. Sales data allows the determination of whether promotion of certain food products affected sales by showing amount of sales of items before and after an intervention. Retailers are often reticent to provide sales data because they are concerned this data could be used by their competitors to gain an advantage, an understandable concern given the tight margins of food retailers. As a result of this very salient concern to retailers, it is essential to explain how your research team will keep a retailer’s sales data and other proprietary information secure and confidential. The following assurances can be offered when proposing a research partnership with a retailer:

1. Offer the option of a Data Use Agreement (DUA) or Memorandum of Understanding (MOU) that spells out the scope of the project, security measures, data confidentiality, and rights of all parties. An MOU would be broader and detail the resources brought to bear by both partners plus a timeline.
2. Assure data security and provide details on where the data would be maintained.
3. Offer the retailer anonymity in any publications or interviews regarding your research with the option to identify them if doing so provides benefit to the retailer. The decision to publish identifiable information should be the decision of the retailer.

4. Offer the retailer the opportunity to review products of the research, not for approval, but as an effort to ensure that you comply with the DUA and any other preapproved requests.

While use of sales data to evaluate the success of healthy food choice experiments is fairly new in the social sciences, economists have been employing such data for quite a while. Review of manuscripts from the economics field, which use sales data such as data obtained from cash register scanners, can be useful when determining how to use such data in healthy food choice research.⁵⁻¹²

Encouraging the Use of SNAP and/or WIC

Many healthy eating researchers are interested in working within low-resource communities. Retailers located in such communities typically have high SNAP and/or WIC sales. One strategy for initiating a partnership with a retailer in a low-resource community is to help them navigate SNAP and WIC authorization, which can be complicated because SNAP and WIC administration differs by state. Further, with the likely advent of minimum stocking requirements within the SNAP program, retailers will find even more challenges with accepting SNAP benefits. Researchers can assist retail partners to address these challenges.

For stores that do accept SNAP and WIC, you can point out that healthy food choice experiments can serve to encourage greater use of SNAP/WIC benefits in a store, which may be an important selling point to the retailer for such a partnership given the onerousness of becoming a WIC and/or SNAP vendor. Research demonstrates that a retailer will sell more items if the store accepts forms of tender like SNAP and WIC dollars.⁴ For example, participating in research could identify strategies to encourage full WIC benefit redemption in the store, which could result in greater revenue for that retailer. Below are several strategies and statistics that can be used to encourage retailers to accept SNAP and WIC and/or to partner in research:

1. Provide the retailer information on the average dollar amount of a monthly allotment of SNAP benefits or WIC vouchers for an individual or family.
2. If applicable, inform the retailer that, while many individuals use their SNAP benefits at large chain stores, 20% of SNAP transactions occur at small stores.¹³
3. Provide the retailer with the following information that can be obtained from county SNAP and WIC offices:
 - a. The average amount that SNAP and WIC customers usually spend in a store visit.
 - b. The number of people eligible for SNAP and WIC in their county.
 - c. How much money in sales the store would earn on average if the store brought in ten new WIC or SNAP customers each day.

Other Tips and Resources

We have chronicled a number of healthy food choice research opportunities related to both the SNAP and WIC programs that could be of use to researchers interested in this area. **Resources** on these can be found below:

- *Use of Uses of Behavioral Economics Nudges within Healthy Retail Interventions in the SNAP-Ed Program: Research Opportunities* (https://becr.sanford.duke.edu/wp-content/uploads/2016/06/SNAP-Ed_BE_ResearchOpps.pdf)
- *Behavioral Economics in the Healthy Retail Environment: Working Within the SNAP-Ed Context* (<http://www.rnce-south.org/#/training/archived>)

- *Buying Wisely and Well: Managing WIC Food Costs While Improving the WIC Customer's Shopping Experience* (<https://becr.sanford.duke.edu/wp-content/uploads/2016/05/BECD-WIC-Research-Brief.pdf>)

A list of several other **tips** for working with retailers can be found here:

- Explain that previous research has shown that healthy foods retail interventions are associated with health benefits such as beneficial diet change, weight loss, improved cooking methods and attitudes about healthy food.
- Share with retailers that such interventions have been shown to increase the purchasing of healthy foods promoted in the store.

Here are three examples you can share:

Baltimore Healthy Stores (BHS) program: Customer results showed a significant improvement in cooking methods and frequency of purchase of promoted food. Customers also showed a positive trend in intentions to purchase healthy foods.¹⁴

Baltimore Healthy Eating Zones (BHEZ): BHEZ reduced BMI among youth who were overweight or obese at baseline, and improved selected psychosocial factors.¹⁴

The Vida Sana Hoy y Manana (Healthy Life, Today and Tomorrow) study in Burlington, NC: Customers in the intervention stores reported a daily increase of one FV serving compared with control store customers.¹⁵

Websites that provide helpful information include:

- The Healthy Food Access Portal, a campaign launched by PolicyLink, the Food Trust, and Reinvestment Fund (www.healthyfoodaccess.org)
- The Food Trust's Healthy Corner Store Network (<http://thefoodtrust.org/what-we-do/administrative/healthy-corner-stores-network>)

Conclusion

Retail partnerships provide unique opportunities for intervention research and for understanding nutrition-related behavior, but working with retailers can be challenging. Using the above tips and strategies may help researchers establish strong ongoing partnerships with retailers.

References

1. Gittelsohn J, Laska M, Karpyn A, Klingler K, Ayala G. (2014). Lessons Learned From Small Store Programs to Increase Healthy Food Access. *Am J Health Behav.* 38(2):307-315.
2. McLaughlin E. (2004). The Dynamics of Fresh Fruit and Vegetable Pricing in the Supermarket Channel. *Prev Med.* 39:81-87.
3. Hui SK, Inman JJ, Huang Y, Suher J. (2013). The Effect of In-Store Travel Distance on Unplanned Spending: Applications to Mobile Promotion Strategies. *J Marketing.* 77(2):1-16.
4. Rangan, V. Kasturi, Chase, Lisa, Karim, Sohel. "The Truth About CSR." Harvard Business Review. Feb. 2015: 1-16, *Harvard Business Review Social Responsibility*. Web. Accessed October 20th, 2016 at <https://hbr.org/2015/01/the-truth-about-csr>.
5. Ayala, G. X., Baquero, B., Laraia, B. A., Ji, M., & Linnan, L. (2013). Efficacy of a store-based

- environmental change intervention compared with a delayed treatment control condition on store customers' intake of fruits and vegetables. *Public Health Nutrition*, 16(11), 1953–1960.
<https://doi.org/10.1017/S1368980013000955>
6. Gittelsohn, J., Laska, M. N., Karpyn, A., Klingler, K., & Ayala, G. X. (2014). Lessons Learned From Small Store Programs to Increase Healthy Food Access. *American Journal of Health Behavior*, 38(2), 307–315. <https://doi.org/10.5993/AJHB.38.2.16>
 7. Gittelsohn, J., Song, H.-J., Suratkar, S., Kumar, M. B., Henry, E. G., Sharma, S., ... Anliker, J. A. (2009). An urban food store intervention positively affects food-related psychosocial variables and food behaviors. *Health Education & Behavior*.
 8. Harding, M., & Lovenheim, M. (2014). *The effect of prices on nutrition: comparing the impact of product-and nutrient-specific taxes*. National Bureau of Economic Research.
 9. Hui, S. K., Inman, J. J., Huang, Y., & Suher, J. (2013). The Effect of In-Store Travel Distance on Unplanned Spending: Applications to Mobile Promotion Strategies. *Journal of Marketing*, 77(2), 1–16. <https://doi.org/10.1509/jm.11.0436>
 10. Laska, M. N., Caspi, C. E., Pelletier, J. E., Frieur, R., & Harnack, L. J. (2015). Lack of Healthy Food in Small-Size to Mid-Size Retailers Participating in the Supplemental Nutrition Assistance Program, Minneapolis–St. Paul, Minnesota, 2014. *Preventing Chronic Disease*, 12, E135. <https://doi.org/10.5888/pcd12.150171>
 11. McLaughlin, E. W. (2004). The dynamics of fresh fruit and vegetable pricing in the supermarket channel. *Fruit and Vegetable Environment, Policy, and Pricing Workshop*, 39, Supplement 2, 81–87. <https://doi.org/10.1016/j.ypped.2003.12.026>
 12. Rangan, K., Chase, L., & Karim, S. (2015). The truth about CSR. *Harvard Business Review*, 93(1/2), 40–49.
 13. Laska MN, Caspi CE, Pelletier JE, Frieur R, Harnack LJ. (2015). Lack of Healthy Food in Small-Size to Mid-Size Retailers Participating in the Supplemental Nutrition Assistance Program, Minneapolis–St. Paul, Minnesota, 2014. *Prev Chron Dis*. 12:E135.
 14. Gittelsohn J, Song H-J, Suratkar S, Kumar MB, Henry EG, Sharma S, Mattingly M, Anliker JA. (2010). An urban food store intervention positively affects food-related psychosocial variables and food behaviors. *Health Educ Behav*. 37(3):390–402.
 15. Ayala GX, Baquero B, Laraia BA, Ji M, Linnan L. (2013). Efficacy of a storebased environmental change intervention compared with a delayed treatment control condition on store customers' intake of fruits and vegetables. *Public Health Nutr*. 16(11):1953-60.