

Grocers as health and wellness gurus

In seeking better health overall, it's the grocery store consumers are turning to
Rosalind Stefanac | September 09, 2019

KETO, PALEO, LOW-SUGAR AND VEGAN DIETS ARE JUST A FEW OF THE TRENDS GARNERING MEDIA

attention for their health benefits in 2019. In 2020, there are bound to be others. But while Canadians may be fickle with their food fads year to year, the one constant theme they keep coming back to is much more holistic: finding a balanced lifestyle that incorporates health and wellness.

According to the second annual Health and Wellness in Canada survey, produced by Toronto-based Pearl Strategy & Innovation Design Inc., eating healthier, aging well, staying mentally sharp and exercising more are top of mind for Canadians in 2019.

Aligned with these findings are the latest reports from U.K.-based IGD, which show that 94% of shoppers have an interest in health generally and 88% are actively looking to improve their diet in some way. This means eating more fruits and vegetables, reducing sugar and drinking more fluids. Best of all, 70% of shoppers say they would like more information from food and grocery companies to inspire them to make healthier choices.

Once the domain of specialty health stores and fresh food markets, consumers are turning to grocery stores more than ever before to fulfill their health and wellness needs. The question now is whether grocers are up to the challenge.

"Health and wellness is vitally important for shoppers, governments and retailers ... but aspirations don't always translate into action," says Nick Gladding, IGD's senior business analyst. That's why supporting shoppers to fulfill these goals will continue to be a major priority for both retailers and suppliers, he says. "Retailers and brands are looking to differentiate themselves by helping shoppers and consumers live healthier lives through advice both online and in-store."

In fact, he says, retailers who aren't proactive on health risk losing customers to those that are, simply because healthier choices are becoming increasingly expected by consumers. And when customers feel supported in their overall health, they'll keep coming back.

Gladding also notes there are a number of ways the industry, as a whole, can better address consumers' unmet needs related to health and wellness. These include helping consumers better understand nutrition labels, working on portion sizes and making healthy foods as affordable as possible.

Susan Weaver, managing director at Pearl Strategy, believes the health and wellness category presents enormous potential for grocers. "Food is the No. 1 category for health and wellness so grocers have a very big opportunity here—even more so than doctors," she says. "Plus, only 20% of Canadians are very or completely satisfied with their personal health and wellness, which reveals a big gap that retailers can help them with."

Beyond just nutrition, the research shows an increasing focus by consumers to nurture their mental health. Weaver points to survey results that show millennials, in particular, are putting greater emphasis on avoiding/reducing stress and improving mental health compared to other demographics. "I think the younger generation gets it because they've been exposed to these messages a lot more and see lots of stars and influencers talking about mental health," explains Weaver. "We also know there are foods and supplements that are good for mental health, promote sleep, etc., that [grocery retailers] could be focusing on."

With the millennial set, Weaver says it's critical for grocers to have a solid website because this demographic is looking to retailer sites as sources of information more than any other. "Retailers need to ensure any promotion or communication of healthy products is shareable, particularly on social media," she says.

TARGETING THE NEXT GENERATION

Another area where analysts say grocers could have a huge impact is in overturning the perception of health as boring, especially as a way to encourage children to eat better. IGD's Gladding points to Australian grocer Coles partnering with Healthy Kids Australia to offer a collection of 24 fruit- and vegetable-themed figurines. One Strikeez character is offered for every \$30 spent and the promotion includes a "Rainbow Challenge" checklist to encourage families to track their fruit and vegetable intake.

To that end, Ontario-based natural food chain Goodness Me! is rolling out a program this fall that targets students. Its Healthy Living Educators (who are holistic nutritionists, dietitians and educators) will be visiting schools and communities to talk about cooking skills, menu planning, organic farming and sustainability. This initiative complements the grocer's already robust in-store education offering of innovative cooking classes, yoga and other wellness sessions on topics such as how to boost your mental health.

Beyond even food and wellness, the grocer is looking to implement classes that touch on other topics impacting health such as budgeting and future financial planning. "We have a reputation and brand now that says we are consistently growing everyone's understanding of what it takes to be healthy," says CEO Bruce Beacham. "There's something here to learn for everyone, even those who have already been eating healthy for the last decade."

For those grocers who are only starting to put health and wellness on their radar, analysts and grocery veterans say there are still a number of ways to meet consumers' unmet needs without breaking the bank or exhausting resources.

"Trends come and go, but consumers are increasingly more vested in their health and that's not going away," says Longo's category manager Lisa Warszawski. "If you stand in a store and watch consumers, they're not just grabbing a package and putting it in their cart anymore—they're looking at the grams of sugar, sodium and carbohydrates they'll be consuming with this product."

It's this heightened focus on health that prompted Longo's to launch its Living Well initiative. A clearly marked section within several of its stores, it features more than 1,000 health and wellness products, ranging from plant-based proteins to "better for you" snacks. Living Well is now available in six stores with more on the horizon, and the size of the space varies by location.

At Choices Market in Vancouver, free store nutrition tours have become a popular service, says the grocer's nutrition operations manager Hanna Rakowska. "Customers will sign up online or in store and get a 60-minute tour with our dietitian or nutritionist around all sections," she says. "We cater to what they want to focus on, such as gluten-free options or cancer prevention." Rakowska says the demographics on these tours vary widely and most definitely influence the focus. She notes, for instance, that there are a large number of people living in British Columbia who are 35 years or younger that identify as vegan or vegetarian, while "the 40-year-old with a family is athletic and looking for healthy 'grab and go' options."



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Rakowska believes there is still a huge gap in knowledge that grocers can help eradicate when it comes to healthy eating. “It’s really interesting that our leading cause of death in North America is chronic diseases (such as heart disease, diabetes and cancer), and that the No. 1 risk factor for all of these is diet,” she says. To that end, Choices will be working with the City of Vancouver this year in developing future food policies that focus on sustainable, healthy diets.

Price, too, is another aspect of the health and wellness category that grocers can play a part in. “Our latest research shows that the biggest barrier for even those consumers committed to health and wellness is price,” says Shelley Balanko, senior vice-president at The Hartman Group, which recently released a report and podcast on trends in health and wellness. “Retailers have the power of private label and that’s a strong avenue to connect [with shoppers],” she says. “More consumers appreciate private label now and they recognize that it can be an option for high-quality, healthy food.”

Finally, overall store design can even be a factor in consumers’ health and wellness needs. Beyond providing dedicated spaces for products and staffing healthcare experts to guide shoppers, Balanko says grocers should be thinking about how to make the entire shopping experience less mentally taxing. “In the U.S., for the first time ever, stress and anxiety have overtaken weight management as primary concerns,” she says. Those [grocers] doing it right don’t have beach chairs crowding the front entrance, or bulky end caps creating barriers to movement, she notes.

Balanko advises grocers to consider what might be causing stress in the shopping experience and then do whatever they can to minimize it. “You want to provide a nice store flow and experience, and if you have a point of view about health and wellness, consider curating products category by category and being transparent about why you’re choosing them so consumers don’t have to do as much thinking,” says Balanko. “Sometimes even too much choice is overwhelming.”

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