

Wellness at Retail: An Introduction

Use of the retail format to deliver medication, as well as healthcare information and products, has been a key path of access to care throughout American history. From early pharmacies, to grocery, to the emergence of “health products stores”, mixed with input from non-profits, the development of Wellness at Retail has been a story of American entrepreneurialism and creativity. Supposedly, the first U.S. retail pharmacy was established in Fredericksburg, Virginia in the 1700s, and legend has that it counted Martha Washington as a customer. It was not until the 1860s, however, that pharmacies moved from “conjecture and alchemy”⁽¹⁾ to the use of modern science and the dispensation of newly discovered drugs.



The pharmacy as we know it today began to emerge after the enactment of the Pure Food and Drug Act of 1906, when a series of regulatory safeguards professionalized the industry and helped to ensure that drugs dispensed and healthcare products sold were uniform and safe. In the 1950s, pharmacies began to appear in grocery stores at retailers that are still industry leaders today, such as Kroger, Safeway and H.E. Butt (HEB).

In parallel, during the early-to-mid 20th century, a new retail format appeared. In 1936, Frank A. Sawall, a biochemist, founded Sawall Health Food Products, in Michigan. The chain expanded and today is the oldest family-owned health food retailer in the U.S. Other early entrants with well-recognized names emerged during the same timeframe, including General Nutrition Centers (GNC; NYSE) founded in Pittsburg in 1935, and Vitamin Cottage (NGVC; NYSE) in Denver in 1955.

It was the emergence of the 1960s counterculture and ecology movement, however, that gave the

SAWALL HEALTH PRODUCTS STORE
Open for Business at
14325 E. JEFFERSON AVE.

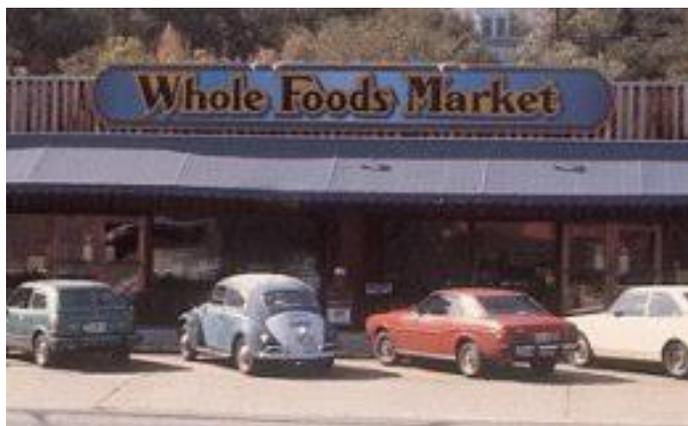
ALWAYS HAVE ON HAND A COMPLETE LINE OF HEALTH FOOD PRODUCTS

Diabetic Foods	Wheat Germ
Coffee Substitutes	Low Caloria Foods
Meat Substitutes	Vegetable Salt
Unsweetened Canned Fruits and Juices	Raw Sugar
Unsalted and Unsweetened Canned Vegetables	Fresh Vegetable Juices
Delicious Low Caloria Fruit and Nut Spreads	Soy Bread
Gluten Free, Graham, Whole Wheat, Rice, Soy Beans and Potato Flours	Whole Wheat Bread
	Whole Wheat Raisin
	Health Teas
	Whole Grain
	Breakfast Foods
	Molasses and Honey
	Flamit and Soyols

Have you the Problem of Overweight?
There are different types of overweight. Find out how to reduce your type while improving your nutritional health. Come in and talk over your nutritional problems.

Clara St. Jean — Mgrs. — Sylvia Beaupre
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health food industry its next leg up in growth and public consciousness.⁽²⁾ While smaller specialty health food stores began to become more commonplace, it was not until the founding of Whole Foods (AMZN; NYSE) in Austin TX in 1980, that a health food store appeared in a true grocery format. The concept almost died in infancy when the store was destroyed in a massive flood the next year and the founders had no insurance to cover the \$400,000 in losses. In the true collaborative spirit of the time, however, the

community came together to clean up the damage while creditors, vendors and investors provided breathing room for recovery, and the store was able to reopen after only 28 days.⁽³⁾ The format proved to be very popular and there was an explosion of health food grocery stores. The fact that many are now publicly traded is evidence of the acceptance of the concept by the shopping and investing public.

Then came a third leg of the health and wellness movement, that evolved into a full-fledged component of the Wellness at Retail trend. A variety of healthcare non-profits began to appear in the mid-1900s. Many were initially founded to address various diseases, such as the American Diabetes Association. Founded in 1940, the ADA was instrumental in working with the medical industry to develop a variety of wellness strategies, including the first meal planner in 1950, that divided foods into six groups based upon calories, carbohydrates, protein and fat per serving.⁽⁴⁾

Other non-profit participants eventually emerged. In 1971, the Center for Science in the Public Interest was founded, with an ultimate focus on nutrition and food safety. In 1984, Share Our Strength appeared, initially offering grants to help address long-term hunger. In the 1990s, with the creation of Cooking Matters, Share Our Strength moved into the arena of direct action, working with states, and later retailers, to address nutrition, family food-budgeting



and childhood hunger. Another very influential and impactful non-profit is The Food Trust. Initially known in 1992 as The Farmers Market Trust, The Food Trust fused nutrition information with access to affordable healthy food by working with farmers markets, retail grocers and community groups, creating what would become a national model of community collaboration.



By the turn of the century, and especially over the past 10 years, the three legs of Wellness at Retail (grocery-based pharmacies, health food markets and non-profit partnerships) have begun to merge into new models, with innovative applications.

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Groceries and pharmacies have begun to sprout in-store clinics:



Partnerships between insurers and retailers to incent healthy buying have formed:

Walmart and Humana



Zipongo



Personalized in-store healthcare services have emerged:

Health Monitoring Kiosks by Higi



Grocers have even begun to offer exercise and wellness services in-store:

HyVee and Orangetheory



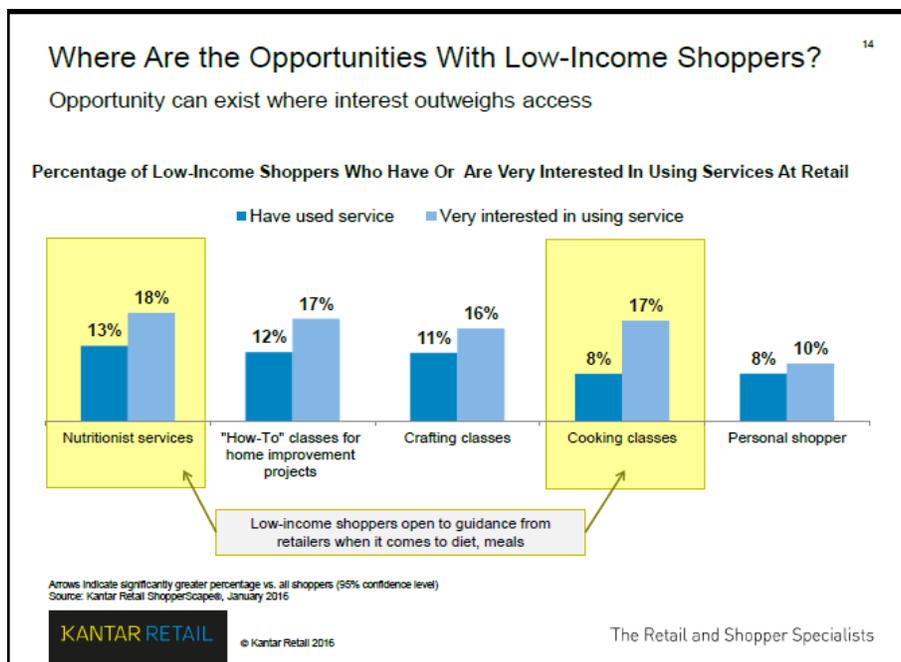
Wellness and Nutrition Tours at Giant



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At a time when healthcare costs and chronic conditions like diabetes and high blood pressure are rising sharply, preventive programs such as those listed above are important additions to the healthcare landscape. The most significant challenge is the availability of these types of programs across the shopper income gap. Most of these programs are only available through conventional grocers which may be more expensive than lower-income shoppers can afford. And some programs are tied to private or government insurance, which many low-income consumers might not have or realize they are eligible for, as in the case of Medicare and Medicaid.

Ironically, according to research by Kantar Retail, low-income consumers are actually more comfortable receiving health and wellness services in a retail environment. In a 2016 landmark study⁽⁵⁾, Kantar found that money, time and access are the most common barriers to healthcare for this cohort. Not surprisingly, lower-income consumers often shop at discount and independent retailers, making these merchants a natural point of access, because they can meet the needs of these consumers “where they are”, literally, figuratively and financially.



Just as there is an income gap between different kinds of shoppers, there is also a retailer technology and service gap. Discount retailers are popular with lower-income consumers like those receiving SNAP benefits (aka food stamps) because of the low prices, yet it is low prices and small margins that limit the ability of discount and independent retailers to offer valuable but expensive digital, health and wellness services.

This “Retailer Gap” (i.e. a gap between the technology and service offerings of larger better-funded grocery retailers and discount and smaller independent retailers) is currently being filled by many of the organizations previously mentioned. The Food Trust, Share Our Strength/Cooking Matters and the American Diabetes Association sponsor in-store healthy shopping and budgeting education, as well as a variety of digital assets to assist lower-income consumers, who are rapidly adopting smartphone technology.

The demand for Wellness at Retail is also being filled by innovative mobile apps that are emerging to serve this market segment.

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Snap2Save, currently being tested in Colorado Save-A-Lot stores, is a health and wellness focused loyalty app that gives shoppers 3X points for the purchase of fresh fruit and vegetables.



FreshEBT combines popular EBT (Electronic Benefits Transfer, such as SNAP and WIC) balance tracking, with shopping lists, recipes and coupons.



WIC Shopper helps WIC recipients manage their benefits, and offers recipes and other content.

As successful as these providers are at offering lower-income shoppers critical information on nutrition, recipes, health tips, government services and shopping incentives, it is fair to say that there is a need for a broader, more unified health and wellness program that will fit within the budgets of discount and smaller independent retailers. These retailers are community hubs, available to consumers where they live and work. **Bringing preventive, educational and even clinical healthcare services to these retailers and their shoppers would benefit community health needs and fill in a final piece in the puzzle of Wellness at Retail.**

- (1) www.drugstoremuseum.com - Soderlund Drugstore Museum
- (2) https://en.wikipedia.org/wiki/Health_food_store – “Health Food Stores”
- (3) www.wholefoods.com “The Early Years”
- (4) www.diabetes.org “History of Diabetes”
- (5) *Low Income Health and Wellness: Barriers and Solutions; Kantar Retail 2016*