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Food retail industry feels pressure to offer healthier checkouts

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As more food retailers around the country are starting to revamp checkout lanes by ditching candy and other unhealthy snacks, pressure is mounting on other industry members to follow suit.



And while not everyone in food retail might be ready to jump right away on the healthy checkout bandwagon, one of the supermarket chains leading the new movement says that while making the switch has some challenges, it is the way of the future.

That is the view of Raley's, a West Sacramento-headquartered grocery chain, which in September introduced a new, healthier checkout model in all of its 129 food stores in Northern California and Northern Nevada.

Raley's stores have removed all conventional candy and soda from checkout lanes, slashed all candy offerings by the cash registers by 25% and expanded the selection of innovative and nutritionally-dense snacks sold at those locations.

And while at Raley's the change has been gradual and not without some difficulties, the response so far has been positive, not just from customers, but also from vendors, said Chelsea Minor, spokesperson for the company.

“What we found is our vendors have really responded favorably,” she said.

Knowing that Raley’s would no longer stock shelves by the registers with salty or sugary snacks or drinks, vendors have stepped up efforts to provide other, non-traditional and healthier snacks to fill up the heavy-traffic, high-attention area. As a result, Raley’s checkouts now feature anything from seaweed snacks, to Cliff bars, rolled rice cakes and even resealable grab-and-go packs of Lindsey’s black olives.

“Our hope is that we create the new norm,” Minor told *IEG Policy* on Oct. 9. “I actually think we challenge our other partners to do this as well. Because if it becomes the new norm, we are setting ourselves up for a healthier tomorrow,” she said.

“Given the highly competitive nature of grocery, our hope is to prove that it can be done,” she added.

Raley’s supermarkets are not the first to debut healthier checkouts. Feeling a growing consumer demand for healthier snack options in checkouts, discount food retailer Aldi was among the first in 2016 to revamp cash register areas, replacing impulse buys candy and chocolate, with packets of nuts, trail mix, dried fruits and granola bars.

CVS has made a similar shift, reducing candy at cash registers by 25%, while Target is also experimenting with at least one healthier, “family-oriented” checkout in at least 300 locations. Other, smaller grocers, such as Los Angeles-based Numero Uno and Minnesota-based Coborn’s are also moving in that direction, says the Center for Science in the Public Interest (CSPI), which has been tracking the shift through its healthy checkout initiative, launched in 2016.

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Still, on a national scale the change has been spotty, which is leading consumer advocates to step up efforts to convince other big players in the food retail arena that the days of checkout isles stocked with soda, chips and candy are numbered.

Meijer supermarkets feel pressure to update checkout offerings

Advocates’ biggest push for change has been on Meijer – a Grand Rapids, Mich.-based retailer, which operates more than 230 stores in the Mid-West and is the nation’s seventh largest supermarket chain.

In July this year, a coalition of national, regional and local grassroots advocacy groups, including CSPI, the NorthWest Initiative, Capital Area Health Alliance, Capital Area Food Council, launched an intense campaign, urging the store to at least try a pilot healthy checkout project.

Advocates summer put up billboards with images of fruits, nuts and vegetables that urge: “ask Meijer for #HealthyCheckouts.” And, just last week, they gathered a South Lansing, Mich. Meijer store for a second walk, designed to bring attention to the issue.

Advocates say their walk was not a protest, and organizers even urged participants to shop at Meijer after the walk.

At the center of those efforts stands Jane Kramer, a local mother, who in 2016 presented the supermarket with a Change.org petition - signed by more than 1,500 Meijer customers - requesting the store to stop placing tempting, but empty-calorie snacks in checkout areas.

Kramer began paying attention to the offerings at store checkouts after adopting her 5-year-old son, who is now 15, from China. When he first came to the United States, Kramer's son knew how to ask for three foods in English - banana, pear and apple.

"So, when he would get tired at the end of a shopping trip, he would ask for food, and that's how I realized how junky it was." Kramer said Oct. 9. "I wanted to give him something that he wanted, which was healthy food, and there was nothing at the checkout isle to give to him. That made me look at it from a different lens."

This request has resonated with parents and was even featured on Good Morning America in 2016. Kramer later connected with CSPI, which also submitted a second, 2,000-signature petition to the store.

Kramer who has met with Meijer representatives about her concerns, remains a loyal Meijer customer, and hopes the supermarket chain will agree to clean up at least one checkout - possibly the express isle - at some of its stores.

Kramer believes she has a good reason to be optimistic. Meijer, she says, is opening a new style of convenience stores, that are bigger and feature an island, near the checkout, that will be filled with healthy and fresh foods, like cut fruits, yogurt and hummus, encouraging customers to pick up healthier items.

"The fact that they are doing that is very promising," Kramer said. "And I've been on social media trying to point out that that's exactly what we want at the bigger stores."

"They are actually listening, but they are just slow in making changes," she added.

Meijer representatives did not respond to *IEG Policy's* request to comment.

But the store has insisted in the past that it has been expanding its range of healthy offerings at checkouts with foods that low or free from sodium, sugar, fat and calories. A Meijer representative told local media in June that the company is already offers healthier options - such as pretzels, beef jerky, peanuts and water - at checkout.

CSPI, however, says the company can do more, starting with ending the practice of offering 32-ounce plastic cups that customers can pick up at the checkout and fill with soda from fountains located right next to the registers. That practice is uncommon for most supermarkets and simply pushes a "last-ditch sugar binge on shoppers," the group says.

The consumer group also says it recently completed a survey - which assessed more than 6,700 offerings at 25 checkout isles in six Meijer stores - and found that just 3% of the checkout food offerings qualified as 'healthy.'

"Meijer offers different flavors and varieties at checkout, but the underlying options are limited - almost all were candy, chips and sugary drinks," CSPI said in a summary those findings.

CSPI pushes on with Healthy Checkout project

CSPI's focus on Meijer is part of a larger effort to improve food offerings at supermarkets and ultimately help consumers make healthier food choices, said Julia McCarthy, senior nutrition policy associate with the group.

"Supermarkets are Americans' primary source of food and beverages," McCarthy says. "Everyone - across all income levels and education levels - buys more than 60% of their calories from grocery stores."

And while CSPI has made progress with other healthy initiatives, such as menu labeling, "the elephant in the room remains how to improve supermarkets and what people buy at supermarkets," McCarthy noted.

Pushing companies to rethink what foods they offer in checkout isles, will continue to be a key part of those ongoing efforts, McCarthy suggested.

Every shopper has to pass through a checkout isle and often wait in line there, making it very tempting to pick up whatever snack or drink the retailer has chosen to place in that area, McCarthy explained.

“[Shoppers] are also quite vulnerable – they’ve just chosen among 30,000 to 50,000 items ... and so they are more likely to make choices that are against their best interest, like buying candy.”

That is why historically, grocery stores have come to treat checkouts like a “beachfront property” for highly processed, low-cost and tempting items.

But times are changing, and in some countries, governments are starting to take notice at what stores offer in checkout isles. In the United Kingdom, for instance, government officials in June announced a plan to reduce childhood obesity by banning the sale of sweets and fatty snacks at checkouts by 2030. The plan will also ban including such foods in buy-one-get-one-free deals.

Before the plan was announced, Tesco, Aldi and Lidl had already eliminated candy from their UK stores.

The U.S., however, has been slower to move with the trend, McCarthy suggested.

“We are seeing these incremental ... changes towards healthier checkout, but we’d like to see more stores provide customers with healthier options,” McCarthy said.

Consumer Goods Forum, PepsiCo look for ways to make checkouts healthier

Still there’s been some progress.

The Consumer Goods Forum, which is a collaboration of food retailers and manufacturers, has started a pilot program to test how traditional checkout food items can be replaced with healthier-for-you options.

Food manufacturers are also starting to look for ways to maintain presence at checkouts through healthier product options. PepsiCo, for example, is working on a plan that includes finding new ways to make better- and good-for-you foods more accessible – an initiative that runs parallel to the company’s efforts to reduce sugar, salt, and fat across all product categories.

As part of these efforts, Pepsi has teamed up with Martin’s stores and is trying new strategies for showcasing good-for-you products in prominent areas inside three Martin’s stores in Hagerstown, Md. The pilot includes including fixtures in prominent areas of the stores, to showcase products, such as Quaker oatmeal and breakfast bars, Tropicana, baked and reduced fat chips, water, and no-calorie teas.

The soft drink giant has also been testing multiple ways for encouraging shoppers to try the healthier options, including providing seasonal recipes and holding sampling events that demonstrate how to use such healthier products in better-for-you meals and snack pairings.

The move toward healthier checkouts is also getting food retailers to consider featuring non-traditional snacks and drinks at checkouts – including fruits that are not typically featured at that spot, such as blueberries, McCarthy noted.

“We’ve seen some stores actually put blueberries in what looks like a sippy cup,” she said. “It has a lid on it, so you can put it in the cupholder in your car and you can eat them as you drive.”

CSPI offers strategies and support

Encouraged by such changes, CSPI has been working to provide retailers with new strategies that can make the transition to healthier checkouts easier. For instance, the group has been encouraging retailers to consider

filling up checkout isles with non-food items that are popular with shoppers – from phone chargers and batteries, reusable bags, hand sanitizer and lip balm.

The group also offers other resources and education materials for companies that may be interested in making the switch.

Stores interested in making the change, for instance, can consult CSPI's model nutrition standards for store checkouts, which offers specific suggested parameters for determining what snacks or drinks can be considered healthy.

Under the CSPI model for instance, a healthy snack food should have no more than 200 calories per package, no more than 35% calories from fat (with the exception of packages that contain just nuts or seeds); should not exceed 35% of calories from total sugars and 10 grams of total sugars (except for fruits in which sugar is naturally occurring) and should not have more than 200 mg of sodium per item.

On the flip side, healthy snacks should contain at least one of either: 1) ½ cup of fruit, vegetable or fat-free or low-fat dairy; 2) 1 oz. of nuts or seeds; or 3) at least 50% of whole grains, the group said. .

To make it easier for retailers to make the switch, CSPI also offers a list of snacks, beverages, and entrees that meet these standards.

Consumer demand increasing for healthier, clean-label checkout offerings

The bottom line, advocates insist, is that creating healthier checkout lanes is not just beneficial for consumers, but also good for business.

That is because consumer preferences are shifting, and shoppers are already looking to purchase healthier, fresh food. A 2017 report by the Food Marketing Institute (FMI), for instance, found that that 33% of shoppers are already specifically looking for low-sugar products, and 32% are seeking out low-sodium food items.

Millennials are also looking for snacks that are minimally processed and have few ingredients.

Meanwhile, a 2010 online survey by Caravan International, which polled more than 1,600 adults, also found that 78% of shoppers are not interested in buying the standard food and drink options that are currently available at checkouts, while 80% said they would rather see healthier offerings by store registers.

The supermarket industry recognizes those trends. But there are other forces that are shaping how grocery stores do business today, including the increasingly prominent role of online shopping, said Heather Garlich, spokesperson for the Food Marketing Institute (FMI).

“We’ve had discussions with CSPI about the shifting food retail landscape and encouraged them to consider the viewpoint of the digital shopper,” Garlich said in an Oct. 9 email. “More of our members are investing in omnichannel strategies – from click-and-collect- to ecommerce-models – and as consumer preferences change, so too will the front-end checkout experience. The marketplace is evolving in addition to consumers’ desire for products that meet their wellness goals.”

For the in-store experience, however, food retailers are trying to offer choices to the consumer, Garlich said.

“Many already have “parent friendly” aisles or try creative foodservice experiences to entice all of us who shop for dinner at 3 p.m., such as showcasing rotisserie chickens or low-calorie gelato in freezer cases near checkout or floral centerpieces,” she noted.

Supermarkets report positive changes

So far, the supermarkets that have improved food offerings at checkout, have been reporting largely positive results.

Utah-based Associated Food Stores, which have healthy checkout lanes at 43 locations, for instance, reported that the lanes experienced more than 8 million visits within their first three months of use, resulting in the sale of 60,000 healthy items. That represents a 49% increase in the sales of healthy items.

Harmon's Grocery in Utah, on the other hand, has seen increases in sales for healthy foods since it began spotlighting them at checkouts. The most significant jumps in sales was for dried fruit (144%), followed by hard-boiled eggs (56%) and yogurt (47%), the store has reported.

"We will not go back" Raley's stores say

Officials at Raley's also say they are moving forward with their healthy checkout transition with no major issues. According to Minor, one reason for the success been the fact that the store made changes gradually, which allowed to slowly lead shoppers into the new, no-soda, no-traditional candy checkout model.

"We did this in a very systematic approach to bring the customer along," Minor said. "If we had just eliminated all conventional candy at once, we would have really alienated the customer."

Raley's started the process in 2010 by freeing one "family friendly" aisle from provocative magazines and traditional candy. Then in 2016, the company updated all check stands and cleared all traditional candy (such as Snickers, Reese's pieces or Skittles) from the top, eye-level shelves.

The chain also eliminated the sale sugar-laden drinks at checkouts, replacing them with low- or no-sugar alternatives. While the store now continues to allocate the same shelf space to big brands such as Pepsi, the products featured in the space are non-soda, low-sugar alternatives, including ice tea, cold brew coffee products or water.

"That helped us move the customer in that direction," Minor explained.

The chain made the final shift in September, by removing all conventional candy from all registers and reducing overall candy offerings by 25%.

"There is still candy, there are some snacks that have sugar in them," Minor noted.

However, they come in smaller portions, offer more nutrients and feature mostly "clean" ingredients. So, instead of Reese's Pieces, shoppers at Riley's can buy Justin's peanut butter cups – a nearly identical product that features higher quality chocolate and fewer additives.

The change has not been without some hiccups, Minor noted, and when soda was removed from checkouts, staff fielded many calls from consumers who did not realize that soda could be found at a different, less prominent location.

There has also been some hit in profits, which the chain hopes to recoup as customers become more comfortable with the new model, Minor said. But that that has not been significant enough to cause alarm, she suggested.

"Our goal is to let this run its course for a few months and then start to look at the customer data and buying patterns to make additional adjustments, and really let the customers' demand for the offerings really drive our future decisions," she said. "But we will not go back by adding conventional candy by any means."