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Toward a Sustainable Model for Small-Scale Healthy Food Retail

Findings from the Healthy Corner Stores Symposium convened by the National Policy & Legal Analysis Network to Prevent Childhood Obesity



NATIONAL POLICY & LEGAL ANALYSIS NETWORK
TO PREVENT CHILDHOOD OBESITY

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Introduction

Increasing the quantity and quality of healthy foods corner stores offer is one promising strategy for improving food access in underserved urban and rural communities. Despite a decade of experience with a variety of approaches to corner store conversion and an emerging body of evaluation on their impact, many questions remain about the long-term economic viability and health effects of corner store interventions. Funded by the Robert Wood Johnson Foundation, the National Legal & Policy Network to Prevent Childhood Obesity (NPLAN) convened key stakeholders in June 2012 in San Francisco.

Practitioners, funders, lenders, academics, and other thought leaders from a variety of fields were asked to identify opportunities and barriers for small-scale healthy food retailers as they shift to a sustainable business model. The goal of the symposium was to better understand the technical assistance and financing needs of small store owners so their businesses can maximize the positive impact they have on their communities.

Several important opportunities and challenges emerged from the meeting:

- 1. Financing:** Expanded financing opportunities for stores, including funding opportunities between \$50,000 and \$100,000, will be key to their success.
- 2. Distribution:** Distribution systems for produce remain inadequate and cripple small stores' ability to procure and sell healthy, affordable food.
- 3. Marketing Research:** It is important to assess new ideas for promoting healthy foods in stores, including store layout and advertising.
- 4. Policy Barriers and Opportunities:** Local healthy stores policies, such as city regulations, should be evaluated carefully as they expand nationally.
- 5. Multisector Collaboration:** There is a continued need for multisector efforts where experts from marketing, behavioral economics, manufacturers, stores, public health, and economic development contribute to a conversation about best practices.
- 6. Enhancing Store Owner Capacity:** Increasing store owners' business skills, including bookkeeping, negotiating with distributors, marketing, and handling produce, is critical to achieve sustainable changes.

The purpose of this brief is to summarize the most salient issues facing healthy corner store advocates, provide analysis of the strengths and weaknesses of current efforts, identify what additional research is needed to guide targeted interventions, and make recommendations about how to support promising efforts in the field. The Food Trust and ChangeLab Solutions have worked for years to create the *National Healthy Corner Stores Network* (ChangeLab Solutions is the parent organization that houses NPLAN); this report represents their collective knowledge of the field.

Why Small Food Retailers?

Many low-income families live in neighborhoods where corner stores proliferate and grocery stores are few. Growing evidence suggests that enhancing the offerings at small stores has the potential to improve health and economic outcomes in communities with the greatest need.^{1,2} Below we provide an overview of findings to date.

FACT 1

Lower-income neighborhoods have a disproportionate number of small food stores.

We know that there are disproportionately more small food retailers in low-income neighborhoods than in their higher income counterparts. Specifically, studies have shown that low-income areas have more than twice as many convenience stores and four times as many small grocery stores as high-income areas.

FACT 2

Small food stores tend to sell fewer healthy products than larger stores.

Store size matters because of the items smaller stores tend to stock. Without intervention, they typically sell less healthy foods, including highly processed items that are high in fat and low in nutrients. For example a 2009 study found that the vast majority of these stores lack even a minimal amount of fresh food; when they do stock such items, they are often low quality. However when stores have more shelf space devoted to healthy food, consumption goes up.

FACT 3

Small food stores tend to be more expensive.

In addition to concerns about the types of products neighborhood stores sell, there is also considerable concern about their prices. Studies consistently show that the cost of food at smaller stores is higher than at larger stores like supermarkets.

FACT 4

Small food retailers locate near schools and attract children.

Children in urban areas frequently shop at corner stores. In one study more than half of elementary-school-aged children reported shopping at a corner store each day and 40 percent reported shopping two times a day. On these trips children spend just \$1 but eat more than 250 calories, often in the form of chips, candy, and soda. A similar study found that low-income African American youth shop at corner stores an average of two times a week, with chips, candy, and soda being the most commonly purchased items. Stores are often located close to schools, and students at highest risk for obesity are also more likely to attend schools with convenience stores and snack stores within 1,300–2,600 feet.

FACT 5

Living closer to stores that sell healthy food means eating more healthy food.

People who live near a high number of convenience stores have higher rates of mortality, diabetes, and obesity, while those who live closer to a supermarket, especially if they are part of underserved minority groups, are more likely to meet the Dietary Guidelines for Americans' recommendations for fruit, vegetable, fat, and saturated fat intake. One study found that for each additional supermarket in an African American community, fruit and vegetable consumption increased by over 30 percent. In a study of teenagers, those who lived near convenience stores had higher BMIs and consumed more sugar-sweetened beverages than teenagers who lived farther away. A study of Supplemental Nutrition Assistance Program (SNAP) participants found that those who live farther than five miles from their primary grocery store consume significantly less fruit than those who live within one mile.

What Types of Corner Store Projects Exist?

The interest in working with small stores grew out of the food security movement. In the late 1990s, Hartford Food Systems developed one of the first initiatives to improve the quality of healthy foods in stores. Since then the number of corner store interventions has grown significantly. The Food Trust and the Johns Hopkins Bloomberg School of Public Health launched the Healthy Corner Stores Network in 2004; it has become an important mechanism for tracking and documenting corner store interventions. Following several years of leadership by the Community Food Security Coalition (CFSC), the network is now convened by ChangeLab Solutions, The Food Trust, and Urbane Development. Membership has grown steadily each year, as shown in Figure 1. The network currently includes nearly 600 members, including health department staff, community-based organizations, community development financial institutions, academics, and store owners.

Program funding for corner store work has also expanded notably in recent years. Through Communities Putting Prevention to Work (CPPW), the American Reinvestment and Recovery Act of 2009 (ARRA) has provided \$650 million in funding over the past three years for local preventative health projects, including healthy corner store work. The Patient Protection and Affordable Care Act (ACA) has continued funding for similar projects through Community Transformation Grants, which distributed over \$100 million in 2011. Further, the Healthy Food Financing Initiative, which the departments of Treasury, Health and Human Services, and Agriculture launched in 2011, has committed over \$50 million to developing food retailers and equipping them to sell healthy, affordable food.

Figure 1:



Advocates have used a variety of approaches to healthy corner store conversions. While there is no single way to make a store healthy, corner store interventions tend to fall into five broad categories:

1. Multiple Product Category Programs

Perhaps the most common approach to healthy corner store conversion is to encourage store owners to stock healthier options across multiple product categories from frozen foods to baked goods and beyond. Programs vary in the number of product categories and the definition of healthy foods within those categories.

In New Orleans, for example, healthy products include fresh fruits and vegetables, frozen fruits and vegetables, low-sodium or unsweetened canned fruits and vegetables, dried fruit or nuts, whole wheat bread, bagels and other grains, brown rice, low-fat or skim milk yogurt and other dairy products, lower-sugar cereals, 100 percent fruit juice, lean meats and seafood, and light dressings and condiments, as well as water.

In Philadelphia, The Food Trust developed a program that now reaches more than 500 store owners. It provides a menu with categories of recommended store items. Such an approach encourages store owners to select the healthier items they believe will sell in their stores and to steadily integrate healthier foods. In order to participate in the program, store owners are asked to select two categories of items within which they should integrate at least two new items. For example, a store owner may elect to introduce low-fat dairy and whole grain items, including low-fat milk and yogurt as well as whole grain tortillas and bread.

2. Single Product Category Programs

Several programs have targeted a single product (most commonly milk) or product category (most commonly produce) as a way to promote healthier stores across larger geographic areas. Typically programs that focus on a single item or product category develop in-store marketing campaigns to promote these items.

New York City's Moovoo to 1% Milk program provided promotional materials to bodega customers and encouraged stores to stock lower-fat products. After the intervention 21 percent of the over 1,000 participating stores began stocking low-fat milk for the first time and 45 percent reported an increase in the sale of low-fat milk. The city then launched a similar program with over 500 stores; Move to Fresh Fruits and Vegetables focused on getting more produce into corner stores. That program also reported success in reaching its goals: 32 percent of bodegas reported an increase in fruit sales; 26 percent reported an increase in vegetable sales; 53 percent upped the variety of fruits and/or vegetables they offered; and 46 percent increased the quantity of fruit and/or vegetables for sale.

In Louisville, Ky., the Happy Food Mart began to promote fruits and vegetables as part of a citywide campaign to encourage healthier stores. In order to emphasize this new single category of items, the store used approximately \$17,000 in grant funds to buy signage and equipment, secure garner technical assistance, and purchase a first order of produce.

3. New Store Developments

In several communities, advocates have built their own healthy corner stores from the ground up. In Atlanta, two community activists started The Boxcar Grocer in a low-income community of color. In Oakland, Calif., a local nonprofit business incubator, Mandela MarketPlace, started a worker-owned cooperative that offers affordable, local, and organic options in a diverse, low-income neighborhood. New stores present an opportunity to design a retail environment based on healthy priorities, dramatically influencing its look and feel. Clearly, such significant investment in a store requires sizable resources.

4. Certification Programs

A number of municipalities have developed certification programs for participating corner stores. Healthy corner store certification programs require participating stores to increase the variety of healthy foods they sell, proactively market them, and reduce unhealthy offerings. In return, participating stores receive incentives developed by the sponsoring agency or organization, such as help complying with program standards, free in-store promotional materials, free advertising in the community and at city-sponsored events, and access to business loans or grants. For example the Shop Healthy NYC Program in New York City helps participating retailers apply for permits to sell produce on the sidewalk outside their stores. The Douglas County (Neb.) Healthy Neighborhood Store program connects store owners to the University of Nebraska agriculture extension office, which provides training on stocking produce, pricing, and marketing. A healthy corner store certification program requires a commitment from the store operator to increase healthy offerings and the sponsoring agency to provide specific types of support.

5. Restrictions on Unhealthy Products

As noted earlier, corner stores tend to stock less healthy food than full-service grocery stores.³ Although most healthy corner store programs focus on increasing healthy options, some programs also seek to reduce the number of unhealthy items as part of their core framework. For instance, many corner store programs ask store owners to voluntarily remove alcohol and tobacco advertising. Others request that store owners make junk food and sugar-sweetened beverages less prominent in the store. Youth involved with Market Makeovers in Los Angeles worked with store owners to replace signs, racks, and shelves of unhealthy products at the front of the store with a simple, appealing display of produce. However, voluntary programs that ask store owners to reduce in-store marketing have been difficult to maintain because tobacco and alcohol companies provide incentives to store owners for promoting their products.

A few communities are experimenting with policy interventions that limit unhealthy foods in corner stores. For example, as part of the business licensing process for store owners, the city of Minneapolis requires corner stores to stock a certain amount fresh produce. This may have the effect of limiting the space available for unhealthy food. Drawing inspiration from federal menu labeling policy, some advocates are exploring whether stores can be required to provide calorie information about specific foods. In Baltimore, a small study found that when signs with calorie information about sugar-sweetened beverages were placed in corner stores, sales fell by nearly 50%.⁴ There may also be policy strategies related to the placement or price of foods and beverages that prompt consumers to purchase healthier products. For example, certain policies could create incentives that lead store owners to place highly processed, high-fat, high-sugar foods at the back of their store or on less accessible shelves. To date however, interventions that address price, location or nutritional content of products, are limited and more research is needed to assess their feasibility and impact.⁵

Implementation Strategies

It can be difficult to take a concept, such as shifting purchasing habits, or a vision for transforming a store, and create a workable plan to implement those changes. Currently there are several toolkits available to support corner store work. These include:

Delridge Healthy Corner Store Project: A Toolkit for Community Organizers & Store Owners

www.healthycornerstores.org/wp-content/uploads/resources/Delridge_HCS_Toolkit.pdf

Published in 2009 by the Delridge Neighborhoods Development Association and the University of Washington's Department of Urban Design and Planning, this manual includes technical, educational, and marketing information for both the store owner and the community advocate or program organizer.

Healthy Corner Stores for Healthy New Orleans Neighborhoods

www.healthycornerstores.org/wp-content/uploads/resources/NOLA_Healthy_Corner_Stores_Toolkit.pdf

A toolkit for neighborhood groups that want to improve their food environment, this resource describes the nature of the problem in Louisiana, helps to define *healthy food* in the corner store context and puts forth a clear strategy for selecting stores, surveying community members, and supporting store owners as they identify suppliers and promote healthy foods.

Policy Link: Corner Store Toolkit

www.policylink.org/atf/cf/%7B97c6d565-bb43-406d-a6d5-eca3bbf35af0%7D/CORNERSTORES.PDF

This product provides an overview of key issues and strategies in the field. It includes a rationale for the work, several case studies, a discussion of funding mechanisms, and examples of current funding challenges and opportunities.

The Food Trust: Healthy Corner Stores Toolkit

www.thefoodtrust.org/php/programs/corner.store.campaign.php

This “Sell Healthy Guide” aims to help store owners and program managers learn how to sell healthy foods, increase sales, and attract more customers. It explains healthy products and displays, effective pricing and promotion strategies, and efforts to improve store appearance.

In addition to the toolkits described here, there are several other noteworthy resources. These include:

- The D.C. Hunger Solutions Healthy Corner Store Program
www.dchunger.org/projects/cornerstore.html
- The Centers for Disease Control and Prevention's Healthy Retail Initiatives report and LiveWell Denver's Healthy Corner Store toolkit
www.catalyst.uw.edu/workspace/skt8/14501/81114
- Johns Hopkins Healthy Corner Store Initiative has a detailed website and toolkit discussing implementation strategies
www.healthystores.org

Healthy corner store advocates have used a number of implementation strategies to achieve desired changes in stores. These documents describe those strategies in detail, including investment in new or energy-efficient equipment, marketing and promotional campaigns, on-site nutrition education, technical assistance for store owners, and strategic support to develop effective distribution networks. A program may integrate all or some of these tactics, depending on funding and relevance.

How Do We Know if Corner Store Programs Are Working?

An emerging body of research has evaluated the health and economic impacts of healthy corner store interventions. Although programs have been found to improve access, relatively few studies have evaluated the economic impact or the sustainability of in-store changes over time.

In the most recent review of impact studies to date, Joel Gittelsohn, Megan Rowan, and Preeti Gadhoke at Johns Hopkins University identified and reviewed 16 small store studies across six countries. Small stores were defined as those smaller than 1,000 square feet. The goals of the study were to characterize the nature of corner store programs to date and to summarize the impact programs have had based on available evidence.

The review found that corner store programs included the following strategies or elements:

1. Strategies to increase availability of healthy foods, especially produce
2. Efforts to implement point-of-purchase promotions (shelf labels/posters)
3. Approaches for community engagement
4. Business training and nutrition education

The authors found that projects effectively increased the availability of healthy foods. Sales (and purchasing) of promoted products went up, including an increase of 25 percent to 50 percent for produce. In the one study that examined the longer-term impacts, stores sustained sales for six months after the intervention.

In a corner store impact study by Karen Glanz and Amy Yaroch at Emory University, a rise in consumer knowledge about nutrition was found to be associated with increased sales of fruits and vegetables. Improved placement of healthy items (including produce) resulted in increased sales of those products.

What does a comprehensive corner store evaluation look like?

In one example, the Philadelphia Department of Public Health (PDPH) received funding to assess individual and environmental impacts of Get Healthy Philly's corner store conversion program. The evaluation sought to identify the effects of policy, systems, and environmental changes on food environments and food purchases at corner stores. The evaluation was designed to assess stores' nutrition environments immediately before and after the in-store changes. Specifically, the research:

Evaluated the change in the availability, quality, and price of healthy and less healthy foods in corner stores, using an adaptation of the Nutrition Environment Measures Survey in Stores (NEMS-S)

Collected energy intake data through intercept surveys of approximately 8,500 unidentified store shoppers at around 200 corner stores. The intercepts provided an objective measure of purchases (e.g., type, number, nutritional value, and cost) and allowed for an accurate accounting of the caloric value of the purchased items.

Other data that can be incorporated into such evaluations includes:

- Store owner surveys about sales and general feedback about the intervention
- Community member feedback (focus groups or interviews) about product changes or signage

Current Opportunities and Challenges

Participants in the Healthy Corner Stores Symposium identified several challenges to developing a sustainable business model for small-scale healthy food retail. This group of practitioners, funders, lenders, academics, and other leaders ranked what they saw as the most promising opportunities for maximizing the positive impact these businesses have on the community. The central challenges and a prioritized list of research questions are discussed below.

1. Financing

Debt financing may be required for significant store improvements, such as investments in refrigeration and other energy efficiency upgrades. However, corner stores, like many small businesses, often find it difficult to secure loans from conventional lenders. The business may be too small, too new, or may not have the equity to secure the loan. The business owner may also require technical support before applying for a loan.

From the lender perspective, the lack of data or metrics for evaluating risk and the cost and time for underwriting loans to small stores is often prohibitive. There is a need for tools and metrics to assess store owners' readiness to apply for financing. Moreover, many community development financial institutions (CDFIs) have minimum loan-size requirements, which are larger than appropriate for most corner store projects. There is a need to expand financing opportunities for stores, including microloans and financing opportunities between \$50,000 and \$100,000.

Solution: Microlending

Microlenders may be able to offer small loans that are more appropriate for these small businesses. In Seattle, for example, the JumpStart Fund at the Refugee Resettlement Office provides small loans (under \$10,000) to owners of small stores seeking to make upgrades to their businesses. These store owners also receive support from Urban Food Link and a consortium of other partners funded through Seattle's Communities Putting Prevention to Work initiative.

Solution: Leveraging grant dollars

Other communities are experimenting with strategically leveraging grant dollars to provide support to corner store owners. For example, the California FreshWorks Fund recently offered \$1 million of capital to support 10 healthy corner store conversion programs. This investment comes in the form of low-interest loans to a qualified intermediary, with partial forgiveness of loan principal based on performance after three years.

Key Questions:

- **Is it profitable to sell healthy food?**

There is a need to examine the business case for selling healthy foods, for example, by conducting case studies of comparable stores selling healthy food. To date we don't know which items are most profitable for small stores, how healthy items compare in profitability to other items for sale, and how personnel and refrigeration costs may shift the balance. Store owners need this kind of data in order to understand the strengths and limitations of adopting a healthy store model and to develop business plans.

- **How can we leverage the impact of grant dollars?**

Symposium participants identified a need for better coordination between the philanthropic sector and lenders to leverage the impact of grant dollars. For example, grantmakers could work with lenders to offer forgivable or zero interest loans.

The philanthropic sector could also structure grants to behave more like loans; for example they could issue requests for proposals to which individual stores could respond. Further collaboration between the philanthropic sector and lenders could also lead to more targeted technical assistance to prepare stores for debt financing, including market research, business planning, and accounting.

2. Distribution

Smaller stores, which have limited storage capacity and lower sales volumes, require smaller and more frequent deliveries than their larger counterparts. Because of this, corner stores do not benefit from the discounted wholesale prices that larger buyers can negotiate. This in turn translates to higher prices for the consumer. Many grocery distributors that sell to supermarkets have minimum delivery requirements of \$5,000 to \$10,000 per week, far outside of the needs of the average corner store. Wholesalers and distributors often refuse to “break cases,” or sell at less than case-sized quantities. Additionally, the distributors that do cater to small stores—many of them smaller operators themselves—often have higher prices and, in the case of produce, lower-quality products. Store owners are frequently left to shop at cash-and-carry wholesalers like Jetro or large-scale retailers like Costco, Sam’s Club, or Walmart. Some owners will even buy products at the local grocery store to resell at a markup. In sum, without affordable, frequent deliveries, store owners either have to sell at high prices or sell lower-quality food items, or both.

Solution: Partnerships with Distributors

To overcome these barriers, corner store associations and healthy corner store programs are building partnerships to improve the distribution system for small stores. One successful strategy is to invite distributors and wholesalers to the table as partners in addressing healthy food access. As a partner in the California FreshWorks Fund, Unified Grocers, one of the largest grocery distributors in the western region of the US, agreed to reduce minimum order amounts from \$5,000 to \$500 to better serve smaller grocers and corner stores. Other corner store programs have attempted to develop new distribution systems, often with the goal of connecting small stores to local producers. The Fresh Bodegas program, operated by GrowNYC, delivers locally grown produce to corner stores in the Harlem and Bedford Stuyvesant neighborhoods of New York City. To make the program viable, they also sell produce to local grocery chains along the existing delivery route. They aggregate the produce at a newly established food hub in the Bronx.

Solution: Shared Purchasing Arrangements

Cooperative or shared purchasing arrangements are another way small stores can access grocery wholesale prices within the existing distribution system. Some cities such as Louisville, Ky. and Los Angeles are in the process of forming healthy corner store associations that can purchase collectively. More commonly, however, smaller stores may be able to arrange to purchase from a wholesaler as an add-on to an order made by a larger supermarket through a shared docking agreement. An innovative twist on shared docking involves partnering with a local institution such as a school or church, instead of a grocery store.

These approaches to distribution challenges all share the end goal of allowing stores to access higher quality, more affordable produce and healthy foods in small quantities, which can translate into a better business model for stores and improved selection and prices for local residents.

Key Questions:

- **How can lessons learned from the group purchasing strategies pursued by schools, hospitals, and municipalities be applied to healthy corner stores?**

NPLAN's legal research into similar group purchasing arrangements among school districts indicates that this may be a promising strategy for lowering the price of healthy foods. This strategy may work best for communities where corner store owners are already organized in a business association (such as the Korean American Grocers Association) or affiliated with a common distribution company. For this strategy to succeed, there will need to be strong buy-in from local retailers.

- **How can healthy corner store advocates work with wholesalers and distributors to influence store purchases?**

Although advocates have clearly identified distribution as a barrier to increasing the availability of healthy foods in small stores, the impact of partnerships with wholesalers and distributors has not yet been adequately evaluated. We need to understand these strategies better in order to determine and disseminate best practices. ChangeLab Solutions will write a toolkit on these strategies with the New York Department of Health and Mental Hygiene for distribution in 2014.

3. Marketing Research

New ideas for promoting healthy foods in stores, including store layout and promotion, must be tested. Although advocates of healthy corner stores share a general framework for the types of changes stores need to make, there is a need to apply best practices in the four P's of marketing—price, promotion, placement, and product—to the corner store environment. The higher prices typically found in small stores may be a barrier to sustaining healthy changes, particularly with the introduction of more perishable goods.

Solution: Front-of-Store Placement

Like many supermarkets, corner stores have succeeded by placing healthier products near the entrance and at the register. Philadelphia's healthy corner store program requires the equipment it funds to be placed in high traffic areas. Owners therefore place the refrigeration and/or shelving at the front of the store and often move junk food racks to the back of the store or eliminate them altogether to make room for the shelving.

Solution: Maximizing Visual Appeal of Healthy Items

Colorful displays of clean, ripe produce at eye level move product better than cardboard boxes on the floor. Efforts to train owners on display techniques like alternating colors, rotating produce, removing spoiled items, and displaying prices have been critical to maximizing sales.

Key Questions:

- **How can store layout and design maximize healthy product sales?**

The healthy corner store movement needs to engage retail marketing experts to understand how to promote healthy products effectively in the small store setting, which is often cluttered. It is important to test new ideas for promoting healthy foods in stores, including store layout and product placement. Food manufacturers have a strong understanding of what sells in stores, including smaller stores. More dialogue and communication between the manufacturing and public health communities will build awareness of where common interests lie and will allow each group to develop a parallel understanding of behavioral economics.

- **What incentives, if any, do small stores receive from the food and beverage industry? How common are these incentives?**

Advocates of healthy corner stores must contend with the reality that store owners receive financial incentives from the alcohol, tobacco, and sugar-sweetened beverage industries. The tobacco and alcohol industries' marketing practices are well understood; additional research is needed to learn about the food industry's incentives.

4. Policy Barriers and Opportunities

Local policies promoting healthy stores, such as city regulations, should be examined carefully and tested as they are reproduced nationally. Corner store owners operate in a complex regulatory environment; their businesses are subject to dozens of local, state, and federal laws. Store owners need additional training to ensure that they are complying with these regulations, particularly those that pertain to food safety.

Solution: Simplifying the Regulatory Environment for Healthy Food Retailers

Several cities, including San Francisco and Chicago, are investigating whether they can simplify the regulatory process as an incentive for healthy food retailers (for example, by streamlining the permitting process). Other cities are developing coordinated outreach strategies to help food retailers navigate regulations and better understand the government services available to them.

Solution: Using Business Licensing to Encourage Healthy Offerings

Other municipalities are exploring how the business licensing process can create incentives for healthy food retail. For example, six counties in the Mid-Ohio Valley area of West Virginia offer a 20 percent discount on the cost of a business license for each additional fruit or vegetable offered. Minneapolis has adopted a staple foods ordinance, which requires food retailers to stock a minimum selection of healthy foods and offers extensive technical assistance to small stores, including help with marketing and promotion.

Key Questions:

- **How can local municipalities streamline basic government support to small businesses?**

Expedited or coordinated local permitting processes can create incentives for retailers to improve offerings. This strategy has particular potential for larger cities with more complex regulatory environments. Advocates of healthy food retail may need to work with local regulatory agencies to help understand the unique needs of small business operators. In municipalities that offer business assistance to small store operators, healthy store advocates can educate store owners about available resources.

- **What role do federal nutrition assistance programs play in offering incentives for healthy food retail?**

One idea is to tie the stocking requirements for SNAP-authorized retailers to the Dietary Guidelines for Americans. Additional research is needed to understand the cost of implementing such a policy change. The Women, Infants and Children (WIC) program does require retailers to stock a specific selection of healthy foods, including fresh fruits and vegetables, whole grain cereals, and culturally appropriate foods such as whole wheat tortillas, soy beverages, and brown rice. However, because the prices at small stores tend to be higher than at grocery stores, authorizing new small stores could result in higher costs for the WIC program, which might lead to fewer participants being served. Additional research is needed to explore how WIC certification could be leveraged to provide economic incentives for store owners without adding costs to program administration.

- **What are the most effective incentives for healthy food retail?**

More research is needed to understand the most effective local incentives for small-scale healthy food retail. Healthy corner store advocates need to reach out to the local agencies that regulate food retailers—from planning to economic development to public health—to develop an effective approach.

5. Multisector Collaboration

There is a continued need for multisector efforts where experts from marketing, behavioral economics, manufacturers, stores, public health, economic development, and environmental sectors can contribute to a dialogue about best practices. Even within the public health sector, advocates for alcohol and tobacco control and healthy eating often work in separate funding spheres and do not coordinate their work on the retail environment. Marketing experts can help develop effective in-store marketing efforts. Economic development agencies are now becoming interested in how healthy stores can change communities, although to date very little research has been done to quantify economic impacts. Similarly, the environmental impacts of store renovations remain largely unstudied. Green building experts—architects, energy efficiency consultants, and others—can advise store owners on energy efficiency upgrades. Further research will help identify the potential environmental impact of applying environmentally sustainable building practices in small stores.

Solution: Collaboration Between Tobacco, Alcohol, and Nutrition Advocates

In 2012 the California Department of Public Health's Tobacco Control Program convened the first statewide gathering of tobacco, alcohol, and nutrition advocates. The goal of the conference was to explore ways in which the retail environment can help build healthier communities and neighborhoods. Local public health advocates identified strategies for promoting retail environments that limit tobacco availability and pro-tobacco influences, reduce alcohol access to minors and problem users, and encourage healthier food and beverage choices.

Key Questions:

- **What are the best practices for evaluating healthy corner store projects?**

There is a continued need to develop robust metrics for assessing the impact of healthy corner store efforts. For the field to advance, we need a richer understanding of the longitudinal health and economic impacts of corner store efforts. However, we also need to develop realistic goals for evaluating the short-term impacts of interventions. Researchers and practitioners should create regular opportunities to keep abreast of one another's work.

- **How can funders promote multisector collaboration?**

Funders can require healthy corner store projects to engage experts from a variety of fields. Many corner store projects are led by public health departments and community groups, which are committed to solving problems of food access. But while they are often well positioned to bring together other stakeholders, these groups lack much of the expertise needed to shift business practices. It is important to include business and marketing experts from the earliest stages of the project.

6. Store Owner Skills and Capacity

Many store owners will need training in order to shift to a healthy business model. Operators may need to learn how to manage and merchandise fresh produce and other healthy products. They may need training to negotiate favorable terms with suppliers and to ensure the most profitable product mix. Strong inventory management skills are necessary for profitability. Stores also need to know how to manage ordering and monitor the performance of products. This margin analysis is particularly critical for products with a short shelf life (e.g., produce and dairy). Store owners also need appropriate insurance coverage for spoilage. Training on equipment and building maintenance is another critical area of support. Customer service and marketing to better position businesses to meet community needs represents a final area where such assistance will both bolster business operations and also encourage the sale of healthier products. Accessing existing business support mechanisms is important. Technical assistance providers may include community development corporations, microenterprise developers, local economic development agencies, and other community-based organizations.

Solution: Engaging Marketing Experts

The San Francisco Department of Public Health has partnered with Sutti and Associates, a food marketing consultancy, to increase sales of produce at corner stores in Bayview Hunters Point, a low-income community of color in San Francisco. Store owners received in-depth training on food merchandising. For one store, Super Save, sales of produce jumped from 2 percent to 17 percent of total sales over an eight-year period.

Key Questions:

- **Is it possible to develop a matrix to evaluate when loans and/or technical assistance are most appropriate?**

More resources are needed to help corner store advocates evaluate which incentives are most appropriate for a given store. Technical assistance providers and lenders should consider building a matrix to help advocates understand which businesses are good candidates for debt financing and when technical assistance or other incentives would be more appropriate. Improved coordination between technical assistance providers and lenders will help build the pipeline of businesses eligible for small business loans.

- **How can we build a cadre of technical assistance providers?**

Healthy corner store advocates may need help identifying local providers of technical assistance. Local organizations and government agencies with expertise may need to be brought up to speed on the community health improvement goals that are at the core of most corner store interventions so that they can tailor their technical assistance appropriately. Some communities may wish to explore developing peer-to-peer training programs. This approach was used very successfully in Oakland, Calif., to transition Korean American-owned dry cleaning businesses to cleaner technologies. Because there was already a high level of trust among the business owners, they adopted new business practices very quickly. Could a similar approach be applied to healthy corner store work?

Conclusion and Next Steps

In order to create a sustainable business model for small-scale healthy food retail in low-income neighborhoods across the United States, we need to fill the gaps in our research, produce much-needed materials, organize strategy discussions, and coordinate multisector efforts.

To advance the healthy corner stores movement, advocates should prioritize the following measures:

- ***Continue to support the Healthy Corner Stores Network:*** With more than 600 members, the Healthy Corner Stores Network is uniquely situated to share resources, collect and disseminate best practices, and build on existing local corner store initiatives. The network currently offers online resources, a listserv, and networking opportunities to further the movement.
- ***Convene multisector healthy corner store movement leadership:*** Experts from diverse disciplines, as well as a wide variety of stakeholders, will have to collaborate in order to meet the challenges of providing healthy options in the small store environment. In local communities and nationally, stakeholders from community-based organizations, representatives from local government, funders, lenders, academics, architects, and others are needed to develop, test, and disseminate new strategies.
- ***Foster communication between researchers and practitioners:*** Researchers and practitioners need a continuous feedback mechanism so that one group can learn from the other. As best practices emerge, the results of their work need to be widely disseminated and expanded upon.

There is still a great deal of work to be done to understand the technical assistance and financing needs of store owners who wish to shift to a healthy business model. As the field continues to grow, mechanisms like these will help communicate best practices, improve efficiency, and ensure that all residents have access to healthy foods in their communities.

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The National Policy & Legal Analysis Network to Prevent Childhood Obesity (NPLAN) is a project of ChangeLab Solutions. ChangeLab Solutions is a nonprofit organization that provides legal information on matters relating to public health. The legal information in this document does not constitute legal advice or legal representation. For legal advice, readers should consult a lawyer in their state.

The Food Trust, a nonprofit founded in 1992, strives to make healthy food available to all. Over the last two decades, The Food Trust has worked with neighborhoods, schools, grocers, farmers and policy-makers to change how we think about healthy food and to increase its availability throughout the city. Together, we've brought supermarkets to communities that have gone decades without one. We've helped corner store owners introduce fresh produce, low-fat dairy and whole grains. We've taken soda and junk food out of Philadelphia schools, and we've taught students to appreciate foods like apples and cherry tomatoes. Working with neighborhoods, schools, grocers, farmers and policymakers, The Food Trust has developed a comprehensive approach that combines nutrition education and greater availability of affordable, healthy food.

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