

# Incentives for Change

Rewarding Healthy Improvements to Small Food Stores



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Law & policy innovation for the common good.

nplan

NATIONAL POLICY & LEGAL ANALYSIS NETWORK  
TO PREVENT CHILDHOOD OBESITY

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## Table of Contents

- 3..... **Why offer incentives to small food retailers?**
- 5..... **Choosing the right incentive**
- 7..... **Incentives for healthy small food retailers**
- 15..... **Conclusion**

## INTRODUCTION

Across the country, public health advocates are partnering with small food retailers to improve the quality, quantity, and affordability of produce and other healthy items. Many of these efforts also look to reduce unhealthy influences in communities that are saturated with alcohol, tobacco, and food and drink high in salt, fat, and sugar. Many healthy food retail advocates look to incentives to reward small business innovation, offset financial costs associated with store upgrades, and lay the foundation for expanding healthy food retailer initiatives through citywide policy. Although some initiatives offer direct financial rewards to small food retailers, there are many non-financial incentives available through the public sector, private foundations, and other sources. This guide provides an overview of how local communities can reward small food retailers who wish to make healthy changes to their business model and suggests funding sources and partnerships to implement incentive programs locally.



## WHY OFFER INCENTIVES TO SMALL FOOD RETAILERS?

Healthy corner store projects typically offer incentives to encourage store owner buy-in and can be a useful recruitment tool. Some types of incentives can build the capacity of the store owner to shift from a business model that depends solely on unhealthy products to one that introduces healthier and fresh foods. Other incentives can make it easier for store owners to stock healthier products by addressing distribution challenges. Incentives can also reduce the financial risk for changes that require a large up-front investment, such as new equipment or infrastructure upgrades.

However, incentives are not a required component of healthy corner store initiatives. Some store owners may be willing to make changes without incentives because they believe it will be more profitable or as a gesture of community goodwill. Other store owners may be willing to make small initial changes in the store without incentives. Adding two or three new healthy items or displaying marketing materials requires relatively little investment on the part of the owner. Advocates may wish to reserve incentives for store owners who make more substantial changes or who have already demonstrated a commitment to stocking healthier choices.



So how should advocates decide whether to include an incentive component in their healthy corner store work? ChangeLab Solutions' *Putting Business to Work for Health*<sup>1</sup> outlines four situations in which incentives makes sense:

**When businesses are asked to take on innovative practices.**

Incentives are particularly appropriate in the initial stages of a healthy small food retail program. Retailers may be reluctant to make change without evidence that the new products will sell. Incentives can help reward participation in a pilot program. Lessons learned from a successful pilot program can create a powerful argument for expanding a healthy small food retail initiative to other neighborhoods or citywide. Evidence of the demand for healthy products can help persuade other retailers to adopt changes as well.

**When businesses are asked to take on more expensive practices.**

Some store upgrades - such as new refrigeration units or changes to the store layout - require significant up-front capital investment. Incentives can reduce the financial risk associated with changes to the store's business model. Other costly investments, such as façade improvements, can have positive effects for other businesses in the neighborhood and may contribute to community safety.

**When widespread adoption of a business practice is not necessary.**

Not all small food retailers will be able to make the kinds of changes necessary to offer a full selection of healthy products. An incentive program allows communities to target those entrepreneurs who are willing and able to sustain changes to their business model. Incentives can be tailored to reflect whatever degree of change the retailer is willing to make. They can be strategically deployed to build the capacity of retailers to take on greater change over time. Incentives can also reward retailers willing to make more significant changes to their business model.

**When an incentive is more politically feasible than a mandate.**

Many healthy corner store programs are still in the early stages of development. A citywide policy that requires retailers to stock healthy choices may be a long-term goal for many advocates. Incentive programs can help build retailer goodwill and political support for store changes.

Incentives allow advocates and store owners to experiment, build relationships and political will, and evaluate their work. A successful incentive program can be a great first step toward a long-term goal of policy change and can help build the evidence base for healthy corner store interventions.

## CHOOSING THE RIGHT INCENTIVE

Advocates should carefully link the incentive to the desired change. The most effective incentive will depend on many variables, including a store owner's skill and motivation, the complexity of the desired change, and community support. Consider the following questions when designing an incentive package:

### **How difficult is it for the store owner to change stocking practices?**

The value of the incentive should match the complexity and financial risk associated with the desired change. Some healthy corner store initiatives offer a tiered menu of incentives, ranging from smaller participation incentives to shelving and refrigeration upgrades. Higher-value incentives, such as new refrigeration equipment or façade improvements, should be reserved for retailers who have demonstrated a significant commitment to changing stocking practices.

### **What kind of support would make it easier for the owner to carry healthier foods?**

Where possible, directly connect the incentive to the desired in-store change. For example, to increase the quantity of produce in the store, many healthy corner store programs offer free produce coolers - but gift cards for produce distribution companies, customer coupons for produce, training on how to stock produce and other incentives might also have the desired effect. Talk to store owners and managers to understand what incentive would be most valuable to them. Not all incentives need be directly related to stocking healthy foods. Many store owners can also benefit from general small-business technical assistance, such as help with setting up accounting systems, developing business plans, and marketing their store.



**How committed is the retailer to making healthy changes?**

Ideally, the store owners should make a direct financial or in-kind investment in the upgrade. This is particularly true for higher-value incentives. Instead of grants, consider partnering with local small business lenders to offer low-interest loans or recoverable grants (where grant funds must be repaid if changes are not sustained over time) to improve retailer accountability. Even with smaller incentives, advocates should be careful to require retailer buy-in before offering rewards. Most retailers can make modest changes to certain categories of product offerings (for example, offering low-fat milk or lower-sodium snack foods) with little risk or up-front investment. These small changes can be a good initial indicator of commitment to inventory change. If the store owner isn't able to make some changes to his or her product offering without financial incentives, the store may not be a good fit for the initiative.

**Does the retailer have a clear understanding of the desired changes?**

Advocates should establish clear performance standards for all incentives. For more information about how to select retailer standards and enter into a contract with the store owner, please see ChangeLab Solutions' [Health on the Shelf: A Guide to Healthy Small Food Retailer Certification Programs](#).<sup>2</sup> Clear performance standards for retailers are one way to ensure retailer buy-in to the initiative. Without written performance standards, retailers may not understand what they are agreeing to do. To avoid confusion, advocates should establish a formal contract between the store owner and the organization or agency running the initiative.<sup>3</sup> Ideally, advocates and their partners should regularly visit the store and provide the owner and managers with clear feedback on progress toward meeting the agreed-upon changes.

**Does the community support healthy changes at the store?**

Even the best-designed incentive program won't make a store successful if residents do not wish to shop there or purchase the healthy items. Community involvement is crucial to the success of healthy food retail initiatives. Store owners and advocates should take the time to understand what kind of changes neighborhood residents would like to see and tailor changes to meet local demand. Many incentive programs have a community engagement component that involves local residents in market research. Once the changes are under way, residents can also help provide incentives, such as neighborhood outreach, peer-to-peer nutrition education, and façade improvements.

**Does the incentive prepare the retailer to go it alone?**

Because most incentives carry a direct or in-kind cost, advocates should carefully weigh the sustainability of an incentive package. Ideally, incentives should prepare the store owner to offer healthy products without financial or technical assistance, rather than encouraging the retailer to depend on long-term support. Incentive programs should include time for pre-assessments, post-assessments, technical assistance, and weekly or monthly visits from consultants to ensure that issues are addressed as they arise and new practices are adopted by store owners and staff in a sustainable way over time. Some corner store projects offer report cards as a way of tracking store owners' progress toward program goals. Many corner store programs plan to offer

incentives for a predefined period of time, such as a year. However, be prepared to reevaluate what kind of support is needed once the program has launched. Midcourse corrections may help target and refine the types of incentives offered once the relationship with the retailer is more established.

There is no one-size-fits-all approach to designing an incentive package. Healthy food retail advocates should weigh the needs of retailers against the locally available resources to put together the right mix of incentives.

## INCENTIVES FOR HEALTHY SMALL FOOD RETAILERS

The following list of incentives is organized by type of small food retailer intervention. Not meant to be exhaustive, this is a starting point for advocates wishing to support and reward small food retailers who wish to make healthy changes to their business. The list includes potential funding sources. For more information about the kinds of changes retailers might make to the store offerings, layout, marketing, and more, please see ChangeLab Solutions' [Health on the Shelf: A Guide to Healthy Small Food Retailer Certification Programs](#).

### Make it easier to do business

Small food retailers are regulated by several state and local agencies. It can be difficult for retailers to stay abreast of all relevant regulatory requirements. In addition, not knowing about the services available from local governments can put small food stores at a disadvantage. Advocates can make it easier for small-business owners to comply with regulations and take advantage of existing government programs. Implementing this incentive requires strong partnerships with staff at local government agencies who may or may not understand the opportunities for improving health outcomes. Advocates should take time to build relationships with staff in these agencies and to develop the staff's understanding of the intended goals of existing programs.

Advocates and their partners can:

#### 1. Educate store owners on the local incentives and regulations for small business.

Local governments may not have the staff or resources to promote the services they offer small businesses. And store owners may have difficulty accessing information about relevant regulations. Advocates should contact their local economic development agency or small business development center to learn what types of services are offered and hear their suggestions on how to help get the word out. Advocates with the Central California Regional Obesity Prevention Project convened a meeting of store owners, farmers, the health department, and the economic development agency in Fresno, California, to discuss opportunities for collaboration. Organizers of Seattle's Healthy Foods Here developed a toolkit for store owners with information about local regulations after they discovered that many small stores were not in full compliance with public health regulations. Through the toolkit and outreach, the project organizers have been able to help store owners bring their businesses up to code.<sup>4,5</sup> The city of Minneapolis' Healthy Corner Store Program also provides information on the business development resources that the city government makes available to participating retailers.<sup>6</sup>





## 2. Address administrative requirements, fees, or taxes.

Small food retailers are subject to regulation by multiple local, state, and federal agencies. Navigating the rules and regulations can be cumbersome and time-intensive. Some healthy corner store advocates are working to make it easier for small stores to comply with all regulations. For example, in San Francisco, the Department of Public Health, the Office of Small Business, the Planning Department, the Human Services Agency, and community groups are beginning to coordinate efforts to support retailers participating in the city's Healthy Food Retailer Incentives Program. The San Francisco incentive program provides a host of incentives for small food retailers who increase healthy options and decrease unhealthy products. Incentives include technical assistance, community outreach, and access to façade improvement and loan programs. The city also plans to develop a centralized resource center website where small food retailers can learn about all available services.<sup>7</sup>

Small food retailers are subject to many local fees, including fees associated with business permits, food retailer licensing, and the sale of alcohol (among others).<sup>8</sup> Some healthy corner store initiatives are investigating whether is possible to simplify the permitting and licensing process. In West Virginia's Mid-Ohio Valley, store owners are eligible for a 20 percent reduction in the cost of a retail food permit for each additional type of fruit or vegetable offered in the store.<sup>9</sup>

Tax reductions or exemptions are a part of some local and state programs that are designed to attract healthy food retail, such as New York City's FRESH (Food Retail Expansion to Support Health) initiative.<sup>10</sup> However, corner stores may not meet eligibility requirements for these incentive programs, which often focus on larger food retailers. Look instead for existing small business incentive programs that target small business owners. For example, many cities offer tax abatement to property owners in qualified census tracts who make improvements to commercial properties. The tax savings could offset the cost of renovations to the store building.



## KEY PARTNERS

Efforts to make it easier to do business are a low- or no-cost strategy, because they take advantage of existing programs. Key local government partners include the economic or community development agency, the planning department, the public and environmental health department, and the human services agency. Community-based organizations, such as the chamber of commerce or the small business development center, may also have resources to contribute. For more information on key partners in healthy corner store work, see ChangeLab Solutions' [Health on the Shelf: A Guide to Healthy Small Food Retailer Certification Programs](#).

### 3. Expand access to competitive government loan or grant programs.

Some communities have offered food retailers priority or expanded access to existing government loan or grant programs. Some of these programs categorically exclude retailers as applicants, so healthy food advocates have worked to change program eligibility guidelines. For example, the state of Oklahoma extended eligibility for an existing agricultural loan program to include healthy corner stores.<sup>11</sup> This strategy has the advantage of not requiring additional appropriations to fund the incentive.

### 4. Lower store owners' costs for healthy products.

Some healthy corner store projects have found it effective to lower the store owner's up-front costs for healthy products. Advocates have used financial incentives and trainings to encourage store owners to choose new suppliers that offer better quality or better prices. In Baltimore, for example, store owners received \$25 to \$50 vouchers towards orders from a distributor who stocked healthy foods.<sup>12</sup> In Philadelphia, The Food Trust trains store owners on how to shop at the wholesale produce terminal, allowing them to negotiate more favorable prices.<sup>13</sup> New York City's Department of Mental Health and Hygiene partners with two distribution companies serving the region's small food retailers and has made it easier for retailers to identify healthy products on ordering forms and at the warehouse. And New Haven's healthy corner store program offers up to \$500 in "take-back" funds if the store owner stocks a product that doesn't sell. By helping store owners shift to more economical sources of healthy products and by lowering the risk of stocking new foods, these advocates are making it easier for the stores to thrive financially.

## Train store owners

Shifting from a business model that relies on the sale of junk food, tobacco, and alcohol to a business built around fresh food may require a new set of skills. Many corner store programs have developed training programs to strengthen the entrepreneurial skills of food retail owners and managers. To accomplish this, healthy corner store advocates often partner with organizations with expertise in small business development and the grocery industry.

Advocates and their partners can offer the following kinds of training:

#### 1. Offer technical assistance to store owners to build a strong business.

Small food retailers, like other small business owners, may benefit from training on business planning, financial management, and marketing, among other skills. This type of assistance may be particularly beneficial for store owners who wish to apply for loans to support their store transformation. In St. Louis, store owners are offered technical assistance, including accounting and business planning, through the University of Missouri Extension's business development program.<sup>14</sup> Consider partnering with the local small business development center or the chamber of commerce to help business owners understand available services and support. Although these organizations may not share an interest in promoting health, their small business expertise makes them valuable partners.

## KEY FUNDING SOURCES

Private foundations and public funding can support the cost of training store owners. The U.S. Department of the Treasury published a comprehensive guide to financing healthy food retail which includes a list of private foundations with an interest in small food stores.<sup>21</sup> Key sources of public funding for retailer training include programs that focus on small business development, such as the USDA's Rural Business Opportunity Grant and HUD's Community Development Block Grant.<sup>22</sup>

Programs that focus on promoting fresh produce, such as the USDA's Specialty Crop Block Grant and the Healthy Urban Food Enterprise Development Center, may also be useful. A number of partner organizations, including the small business development center and the chamber of commerce, may be able to offer free or low-cost store-owner training. Grocery industry experts and graduate students in business programs may also be sources of volunteer expertise.

## 2. Offer trainings to store owners to stock, merchandise, and promote healthier products.

Some small food retailers will benefit from training targeted specifically at carrying healthier products. This may be particularly true if the retailer is adding or expanding their produce selection. Offering information about best practices for marketing in a small store environment could help all retailers. Small changes to shelving units, product placement, and in-store promotion can make a big difference in customer purchasing. For more information on improving the supply of produce to small stores, please see ChangeLab Solutions' guide, [Providing Fresh Produce in Small Food Stores](#).

Healthy corner store projects around the country have experimented with a variety of approaches to store-owner training. A few programs, including California's Network for a Healthy California, Seattle's Healthy Foods Here project, and Philadelphia's The Food Trust, have produced manuals for store owners.<sup>15,16,17</sup> Others have developed training modules, often implemented on-site by program staff because many store owners find it difficult to travel to off-site trainings. In communities where small food stores are owned and operated by immigrants, advocates have provided translated materials or employed trainers who speak the same language as the store owners.<sup>18</sup> Some healthy corner store initiatives, including San Francisco's Southeast Food Guardian program in Bayview Hunter's Point and St. Louis' Healthy Corner Store Project, have engaged grocery industry experts and other small food store owners to provide mentoring on all aspects of the small food retail business.<sup>19,20</sup>



## Renovate the store

In many communities, small food retail businesses operate in older, poorly maintained buildings with outdated, inefficient equipment. Since store renovations require an initial capital investment, many building owners have deferred maintenance until the physical plant becomes a drain on store profits. Upgrades to equipment can result in significant savings; improvements in store layout can result in increased sales; and renovations to the store's appearance can be a valuable marketing tool, a signal to the customers and neighbors that healthy changes are taking place in the store. Efforts to support store renovations will require nontraditional partnerships with lenders, builders, grocery industry experts, and a host of community-based organizations. Healthy corner store advocates can serve as conveners to bring together new partners.

Advocates and their partners can:

### **1. Offer low- or no-interest loans or recoverable grants to store owners to make improvements or invest in equipment.**

Some improvements to small food stores require a substantial investment of capital. For projects such as improvements to store layout, upgrades to electrical systems, investments in energy efficiency, and improved inventory management tools, advocates may wish to connect retailers to sources of low- or no-interest loans or recoverable grants that offset the risk to the business owner. In Multnomah County, Oregon, participating stores are offered grants of up to \$4,500 for investments in equipment or inventory by the health department.<sup>23</sup> The Healthy Corner Store Program in East Baton Rouge, Louisiana, offers grants up to \$20,000 for interior fixtures, displays, refrigeration, and small exterior improvements.<sup>24</sup> Store owners are required to match 10 percent of the funds. Advocates should speak to the local small business development center to learn which lenders make loans to small businesses. Community development financial institutions, community banks, and community development corporations may have lending programs that can work with small food retailers. In Seattle, Healthy Foods Here organizers partnered with a refugee resettlement program to offer small loans to store owners, who were themselves refugees.<sup>25</sup>

It may be particularly helpful to offer loans for energy efficiency upgrades, since utilities represent one of the highest operating costs after labor.<sup>26</sup> Small food retailers' energy costs may be particularly high due to outdated, inefficient refrigeration systems. Energy cost savings can translate into increased profits. Furthermore, more efficient refrigeration systems extend the life of perishable products, especially produce. For these reasons, many healthy corner store advocates look to energy efficiency incentives as part of an overall store upgrade strategy. In Newark, New Jersey, Brick City Development Corporation offered store owners forgivable loans or recoverable grants of up to \$30,000 for store improvements, including upgrades to refrigeration, HVAC systems, and lighting.<sup>27</sup>

Structuring these larger financial incentives as loans or recoverable grants (rather than an outright gift) creates accountability on the part of the store owner and may require



up-front investment of his or her own capital. Healthy corner store advocates may wish to connect store owners with small business development centers, which can offer assistance with loan applications or provide basic guidance themselves. For example, in Philadelphia, The Food Trust developed a simple guide to applying for a loan, complete with referrals to local small business lenders.<sup>28</sup> Small food retailers may need significant support to strengthen their business management practices before they can qualify for a loan. Healthy food retail advocates can connect owners to sources of technical assistance, including local government and small business development centers.

## **2. Provide free or low-cost equipment for stocking healthy foods.**

Many small food retailers lack appropriate shelving and refrigeration equipment to stock and display healthy foods. Providing free or low-cost equipment can help jump-start a healthy corner store project by improving the visibility and quality of healthy food sold. Many healthy corner store advocates offer stocking equipment that incorporates the project's brand or social marketing message. For example, the Cook County, Georgia, healthy corner store initiative offers free equipment to store owners who agree to stock a minimum selection of healthy foods.<sup>29</sup> The Food Trust provides small refrigerators and ice barrels with the Philadelphia healthy corner store brand.<sup>30</sup> In San Francisco, the public health department provides produce display cases and wire shelving units that can more efficiently display products. In Richmond, Virginia, a local nonprofit not only provides a refrigeration unit to the store owner, but also agrees to stock it with produce grown on an urban farm.<sup>31</sup> When offering an outright gift of equipment, advocates face the challenge of maintaining store-owner buy-in. Advocates should establish clear, up-front expectations about the use of the refrigeration and consider requiring some up-front investment in the unit's cost by the store owner. For example, Seattle's Healthy Foods Here project required store owners to contribute 20 percent of the cost of the refrigeration unit and other eligible improvements.<sup>32</sup> ChangeLab Solutions' *Health on the Shelf: A Guide to Healthy Small Food Retailer Certification Programs* includes a model memorandum of understanding that outlines how to establish clear expectations between a store owner and the organization providing the incentive.

## **3. Help store owners improve store façades and surrounding streetscapes.**

Improvements to a store's façade and surrounding streetscape can be an essential component of a store upgrade. A new exterior can communicate to neighbors and customers that the store has a new business model. Store façade improvements can include washing or painting the exterior (perhaps with an appropriately themed mural), installing new awnings, replacing bars with solid grating, and more. The surrounding streetscape can be made more inviting (and possibly safer) by installing pedestrian-level lighting, planters, and trash cans. Consider reaching out to neighborhood associations and other community groups to partner on these types of improvements. Investments in the walk- and bike-ability of the surrounding neighborhood (such as installing bike racks, enforcing speed limits, and making safer road crossings) can make the store a more attractive neighborhood destination. Healthy food retail advocates should consider partnering with local bicycle or pedestrian advocacy organizations.

### FUNDING RENOVATIONS

Efforts to renovate small food stores can be financed through a variety of public and private sources. For energy efficiency upgrades, advocates should check with the local utility company or search the Database of State Incentives for Renewable Energy (DSIRE) to find energy efficiency grant and loan programs by state. Local economic development agencies and planning departments may offer programs to support façade improvements and other costs of renovation. Community-based organizations with an interest in neighborhood economic development can also be important partners. Reach out to local mural arts programs, community development corporations, and community development financial institutions to see what support they can offer.

In some municipalities, local government may support these types of improvements. In other communities, local businesses may band together to form a business improvement district, known as a BID.<sup>33</sup> The BID collects annual fees from its members to pay for services such as sanitation and maintenance, landscaping, security, and marketing. A BID is most appropriate for stores located in commercial corridors with low vacancy rates and little vacant land. But even if an area isn't ready for a BID, business owners can join or create a business association to lay the foundation for a thriving commercial area. Advocates of healthy food retail can partner with neighborhood organizations or other groups with an interest in community economic development, such as community development corporations (CDCs) to support efforts to launch a BID or create a business association. Façade and other streetscape improvements can be critical to the success of a healthy corner store initiative, by increasing foot traffic in the neighborhood and bringing new customers to the store.

### Bring in new customers

The success of any corner store conversion depends on customers purchasing the new healthy products. For many small food stores, success also hinges on bringing in new customers to sample and purchase healthier items. Store owners may benefit from targeted outreach to draw new customers and encourage existing ones to buy new products. Since many healthy corner store advocates have a background in community organizing and nutrition education, they may lead some of this work themselves. However, many advocates have also found it valuable to involve community residents and other partners with expertise in marketing.



Advocates and their partners can:

**1. Host nutrition education events in the store and surrounding community.**

One of the most important roles for healthy corner store advocates is to build customer demand for new healthy products. In-store nutrition education – including taste testing, recipe cards, and cooking demonstrations – can be a great way to increase demand for new products. In Cook County, Georgia, the health department organized field trips to the corner store for local students to familiarize them with the healthy choices.<sup>34</sup> Many healthy corner store projects also offer nutrition education in the surrounding community – at schools, churches, worksites, and recreation centers – with the goal of bringing in new customers. Several projects have trained community residents to provide nutrition education. For example, the San Francisco Department of Public Health recruits and hires community members, known as Food Guardians, to offer nutrition education and food retail training to participating store owners. The Food Guardians organize community events to get the word out about healthy changes in the store. For example, in October they sponsored a “healthy Halloween” event at a corner store adjacent to an elementary school. Costumed students got “healthy snacks” (fresh produce) at the store.<sup>35</sup> New York City’s Adopt-a-Bodega Program offers training to community-based organizations and residents who wish to partner with their local stores. The program’s Adopt-a-Bodega Toolkit provides suggestions for in-store nutrition education activities and includes a simple postcard that neighbors can use to request new healthy products at the store.<sup>36,37</sup>

**2. Advertise the store’s new healthy choices to potential customers.**

Healthy corner store advocates can promote a store’s new healthy choices in the store and in the community. Posters, refrigerator stickers, door hangers, and shelf labels (sometimes called “shelf talkers”) can all make it easier for customers to identify the healthy choices. The organizers of Detroit FRESH conduct door-to-door outreach to make sure neighbors know about the changes in a store.<sup>38</sup> In St. Louis, the Healthy Corner Store Project’s grocery industry expert consults with participating stores on promotion activities.<sup>39</sup> Healthy corner store advocates and their partners can also get the word out to the community through flyers, neighborhood listservs, partner organizations’ email lists and newsletters, local newspapers, television, and radio stations. A few healthy corner store initiatives are leveraging social media to bring new customers into the store. For example, Bronx Health REACH<sup>40</sup> sponsored a social media contest in which participants were asked to post photographs of healthy corner store snacks to Instagram and Facebook. Bringing in new customers with an interest in healthy products helps build the long-term sustainability of changes to store offerings.

**3. Offer customer incentives for healthy products.**

Incentives such as “buy one, get one free” or frequent buyer cards can help nudge customers to select new products. In Baltimore, customers who purchased three healthy products were offered the fourth one for free.<sup>41</sup> The USDA’s Healthy Food Purchase Pilot Program provided 30 cents for every dollar spent on targeted fruits and vegetables (which could then be used for any SNAP-approved purchase). Evaluation results showed a significant increase in fruit and vegetable consumption.<sup>42</sup> Other SNAP

## FUNDING EFFORTS TO BRING IN MORE CUSTOMERS

Private foundations and public agencies can fund efforts to bring in new customers. Federal programs such as the USDA's Community Food Projects and SNAP Education may support in-store nutrition education and community outreach. Community-based organizations such as churches, parks, and recreation centers, as well as local radio or television stations, may be able to provide in-kind support.

incentive programs are currently being piloted. In Detroit, the Fair Food Network is offering its Double Up Food Bucks program in small grocery stores.<sup>43</sup> And in Minnesota, the health department is offering \$5 vouchers for fruits and vegetables to SNAP recipients.<sup>44</sup> Customer incentives can be particularly effective when introducing new products.

### 4. Help store owners accept WIC and SNAP benefits.

Accepting SNAP and WIC benefits can draw new customers to a store. When corner stores are not already enrolled in these programs, advocates can help store owners understand program requirements and submit application materials. When stores are already enrolled in WIC and SNAP, advocates can make sure that the store owners clearly display relevant signage and include information about these benefits on outreach materials. Advocates should contact the relevant SNAP and WIC agencies in their state to learn more about the retailer enrollment process and how to partner to increase small retailer participation. For more information on working with WIC, please see ChangeLab Solutions' [Changes in the WIC Food Package: A Toolkit for Working with Neighborhood Stores](#).

## CONCLUSION

There are a wide variety of financial and technical assistance incentives to support store owners who wish to shift to a healthier business model. Healthy food advocates can serve as conveners to bring together the necessary expertise and funding to craft an incentive package. Local governments may offer funding and other services for small businesses that could be very valuable for small food retailers. Community-based organizations and grocery industry experts may also be able to provide technical assistance or other forms of support. Other costs of incentive programs may be funded through private foundations or a number of federal grant programs.

Advocates should carefully weigh the sustainability of incentive programs and ensure that whatever the funding source, the incentive prepares the retailer to carry forward the changes independently. Advocates may wish to provide smaller incentives in the early stages of a project and reserve larger incentives for retailers who have demonstrated a commitment to change. Incentives should not subsidize the business, but rather offset some of the initial costs and risks associated with shifting business models. Advocates should develop a written contract or memorandum of understanding that outlines expectations of the store owner. Ideally, incentive programs should include regular store visits with opportunities to provide feedback to the store owner on his or her progress toward meeting objectives. With the proper package of incentives, store owners can build their skills, invest in infrastructure, and develop the business practices necessary to sell fresh, affordable food where it is needed most.

## ENDNOTES

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