

FORBES > BUSINESS > FOOD & DRINK

New Recipe For Supermarkets: Marrying Health, Tech, And Profits

Louis Biscotti Contributor ⓘ

National Leader, Food & Beverage Services Group, Marcum

Follow

🗨 0

Aug 23, 2023, 02:54pm EDT

Listen to article 7 minutes



Supermarkets are leveraging digital technology to promote health and nutrition, eyeing both improved ... [+] GETTY

Retailers hope that providing the right information, through apps and otherwise, will help keep consumers healthy – or at least happy with their stores.

BETA

Albertsons ACI +0.5% and Kroger KR -0.8%, for instance, are pumping up digital and in-store nutritional information as the nation spends massive amounts on healthcare along with diets and tools to battle them.

Consumers already spend heavily on healthcare, and “food as medicine,” a phrase Kroger often uses, could be the next frontier if consumers have the right information.

The pandemic certainly helped prompt a belief that there’s an untapped interest in health. ADM’s OutsideVoice research portal at the peak of the pandemic in 2020 found that 77% of consumers want to do more to stay healthy, including diet. Health remains top of mind, if not always top of the shopping list, for many consumers and even for some investors.

Pitchbook says “healthy, medically tailored meals and personalized nutrition programs” are attracting attention – and investment. “Investors are finally taking food-as-medicine startups seriously,” according to Pitchbook. According to the site, U.S. households with a member whose condition can be managed through diet spend \$270 billion on grocery sales annually, which the site calls “a major market opportunity. “Catering to diabetes alone can be, if not a gold mine, a big market.



BETA

Supermarkets, such as Albertsons and Kroger, are enhancing digital and in-store nutritional ...
 [+] GETTY

Nutrition, including the indispensable ingredient of information, is a food frontier for supermarkets, not being doctors but recommending products based on condition or health. After launching its Sincerely Health platform to give consumers nutrition tips, Albertsons added access to the USDA's MyPlate nutrition guidance. Information is available with each item in your digital shopping basket.

Albertsons Chief Digital Officer and EVP Health, Omer Gajjal, said his company is committed to "making wellness solutions more accessible to customers." They're hoping digital shoppers will be loyal to the retailer who looks after their health. Albertsons even connects customers' "loyalty account" to their Sincerely Health profile. Digital touch points also afford marketing opportunities. Albertsons' consumers can see if their baskets may lack "one or more essential food groups," possibly encouraging them to shop more. Don't overeat, but don't undernourish either.

Careers: Land the job, get a raise and learn to lead with our weekly Careers newsletter.

Sign Up

BETA

By signing up, you accept and agree to our [Terms of Service](#) (including the class action waiver and arbitration provisions), and [Privacy Statement](#).

Hoping consumers will look beyond labels, Kroger Health (part of Kroger) uses nutrition scoring and dietician services. Kroger has rolled out shelf tags and OptUp nutritional scoring, which could become a national nutrition standard. It's also using tele-nutrition and a diabetes prevention program.

Retailers want consumers to become accustomed to using their technology to shop and get value-added, such as nutritional data. They're not just selling what's on the shelves, but information to help select it. "We really believe that there's this huge opportunity for us to lead this wave of wellness across this entire nation," Colleen Lindholz, president of Kroger Health, has said.

Who and where are the healthiest food consumers? HealthReporter's "Happy Eating Rating: Discover the Top 10 Happiest States and Their Eating Habits" concluded the healthiest eaters are in Colorado, followed by Vermont, Washington, Massachusetts, Oregon, Minnesota, Utah, California, Arizona, and Connecticut. They also looked at where the most online health searches are. Oregon was tops in online searches for health tips, followed by Colorado, Arizona, Washington, New York, Utah, Nevada, California, Massachusetts, and Hawaii.

If many consumers are hungry for information, what do consumers want to know, and what are they looking for? AI can sort through information to figure out how to match and market health, tying it to specific diets. Supermarkets have a profusion of data they can use, giving consumers what they want and need.

Although nutrition is a big topic, the number one category of curiosity, according to Curious Plot's "Consumer Curiosity Report," is foods with cognitive health benefits. That's followed by foods that improve gut health, immunity-boosting foods, high-protein recipes, and superfoods. Then comes eating more fruits and vegetables, mood-boosting foods, antioxidants' benefits, and plant-based diets.

Consuming vegetables isn't just a subject of curiosity. Some regions consume more vegetables, according to HealthReporter. They found that the District of Columbia was No. 1 in vegetable consumption, followed by Vermont, New York, New Jersey, New Hampshire, Arkansas, Connecticut, Michigan, Rhode Island, and California.



Consumers are increasingly curious about specific diets, with a leading interest in foods offering ... [+] GETTY

Specific diets also are a big opportunity for retailers that can digitally respond, matching foods to the right regime. Everydayhealth.com ranked the Mediterranean diet, focusing on fruits, vegetables, and nuts, with some fish and meat at the top. The DASH DASH +1.3% diet, to lower blood pressure, ranked second, focusing on fruits along with low-fat dairy and

other items. Meanwhile, plant-based products remain all the rage. Tropical fruit sales increased in the U.S. since the pandemic, according to FreshFruitPortal.com. Kiwi and mango, for instance, have become mainstream for many.

BETA

You might think health is its own reward, but retailers are rewarding consumers who use their health apps, hoping they will stay loyal. Albertsons' customers can earn rewards, such as coupons and discounts, for meeting MyPlate recommendations. They also get a "health score" and rewards for reaching milestones. The app helps you keep track of prescriptions and set up telehealth and vaccine appointments. Albertsons also incentivizes consumers to join the program, giving up to \$25 off to those who join.

On one level, this is just a greater merging of pharmacy and supermarket functions, but more is at work. Kroger reportedly plans to add another 15,000 "healthier items" by 2025 and to continue rolling out OptUp scores for items. It's also encouraging suppliers to reduce sodium and sugar, hoping to hook shoppers on health even as some companies try to hook shoppers on sweets.



There's a potential backlash from consumers who may perceive healthier options as more costly, ... [+] GETTY

There is a danger of backlash if consumers think companies are force-feeding, not spoon-feeding, them information. Some people view healthier as possibly more expensive. And consumers don't want their choices dictated to them. Food is entertainment for many, and too much education could intimidate consumers. Pleasure has to be part of the equation, even if education is also the goal. We all want to be healthy, but will we make healthy choices? Retailers are rolling out rewards for those who do – hoping to be rewarded with strong sales.

With all the retailers' initiatives, could the motivation for mergers be healthy profits as they combine health programs and resources to lure customers? The question is whether this will lead to even healthier lives for consumers along with healthier earnings for the retailers.

Follow me on [LinkedIn](#).



Louis Biscotti

Follow

I am the national leader of Marcum’s Food and Beverage Services group. I've been an entrepreneurial leader in accounting for over 40 years, and am a frequent lecturer and published author... **Read More**

BETA

Editorial Standards

Reprints & Permissions

Join Our Conversation

One Community. Many Voices. Create a free account to share your thoughts. Read our community guidelines [here](#)

Louis B.



LB

Be the first to comment...



No one seems to have shared their thoughts on this topic yet

Leave a comment so your voice will be heard first.

Powered by  OpenWeb

[Terms](#) | [Privacy](#) | [Feedback](#)