CHAMPIONS for CHANGE™

Mix It Up

A Guide to Changing Corner Store Offerings

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Introduction

Walk into any corner store and you are likely to find a familiar selection of unhealthy foods, alcohol, and tobacco products. Fresh produce and other healthy food items are typically in short supply. Store owners often claim that their product mix reflects what customers want to buy. At the same time, there is a growing demand in underserved communities for fresh, affordable food.

How can local health departments and community-based organizations help corner store owners add the right mix of healthy products—the ones that shoppers want to buy?

This fact sheet offers:

- Tools and strategies for getting to know the store's current and potential customer base.
- Tools and strategies to identify products that will draw shoppers to the store.
- Tactics for getting the word out about the healthy changes.

Store owners and their community partners can work together to determine which marketing mix will support the healthy lifestyle goals of customers, while maintaining store profits.

What goes into a marketing mix? *(The Four Cs)*

Traditional market research focuses on offering the right selection of products to attract more customers.

Corner store owners may be well positioned to understand customer needs, because they often have close relationships with their customers. But few corner store owners have formal training or methods in place to evaluate their target customers' needs or preferences.

Healthy corner store advocates can work with store owners to assess the four key elements in any store's marketing mix:

The Four Cs.

- **Consumer** (Customer)
- **Cost**
- **Convenience**
- **Communication**

This fact sheet will look at ways that healthy corner store advocates and store owners can use the *Four Cs* to identify which products will sell best, and how to promote them.

Consumer *(Customer)*

The right mix of products for any corner store starts with the customer. Work with the store owner to understand the who, what, when, why, and where of their customer base.

Customer research is a great way to involve community partners, including youth groups, in promoting healthy change. You can collect information about store customers through observation (in-store visits) and through surveys.

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- Spend time in the store and in the neighborhood to understand who does—and who does not—shop at the store.
- Is the store primarily attracting children? Youth? Seniors? Families?
- Help the store owner collect data about the age, sex, family status, and income of its customers.
- Visit other corner stores in the neighborhood and notice whether their customers are different in any way, and how.

Surveys can be in-person or online. You can find sample surveys to guide your research:

- NEOP's *Retail Fruit and Vegetable Marketing Guide* includes survey examples.
- The *Healthy Corner Stores Network* includes surveys from healthy corner store initiatives around the country, which you can customize for your research.

The customer information ("demographic data") collected through store surveys and observation can help the store owner select new products and market to their target customer base. For more insight into consumer demand, consider:

> Customer observation and surveys can give you a great deal of data.

- *Customer personas (typical shopper attitudes and habits).* The *Produce for Better Health Foundation* shows sample *persona* profiles for different categories of shoppers.
- Outside experts. You might want to bring in outside experts to help analyze customer data. Consider partnering with retired supermarket operators, local business schools, or small business development centers.

Look at what customers are currently buying, in addition to understanding who shops at the store. Few small store owners have systems in place to track sales electronically. But customer observation and surveys can give you a great deal of data about what is selling. Be sure to share these findings with the store owner or manager, and discuss opportunities to add new products that reflect what customers want to buy, and when they prefer to shop.

- Are there times of day or days of the week when the store is busier?
- Ask customers *where else* they shop for groceries.
- Ask customers why they shop at *this* corner store instead of another store, to understand more fully what is unique about this store.

Cost of Shopping

Once you have a better sense of the store's customer base and possible new healthy products, you must consider the cost to the customer.

Few corner stores can compete on the basis of price alone—and the profit margin in food retail is so narrow that the store owner may have limited leeway on price. But

small food retailers can offer a high value to their customers through excellent customer service, local products, and ease of shopping.

The price of individual items is just one element of cost. Other cost factors include:

- The effort it takes to change.
- The cost of shopping where the aisles are cluttered or in need of cleaning, or where the customers feel unsafe when they are shopping, may be too high, even if the prices are low.

Work with store owners to assess which values are most important to their customer base, and how these values should guide the marketing mix. Listen to customers—in the store, on the street, and in customer surveys—to learn what they value most. Emphasize values that the store can offer customers in all interactions.

- *Do customers frequent the store because it's a place to see friends?* Consider adding a seating area or a coffee counter to encourage neighbors to stay a while.
- *Do customers value shopping locally?* Consider stocking and promoting products from local farms and producers.
- *Are customers interested in international foods?* Consider adding products used by the neighborhood's immigrant community.
- *Do customers value excellent customer service?* Have the manager introduce him or herself to customers personally. Ask customers to let the manager know what products and changes they would like to see in the store.

Convenience

Most corner store owners place a high value on the convenience that they offer customers. They typically serve a primarily local market with a selection of everyday items.

But convenience can mean much more than a nearby store location.

Convenience also refers to how easy it is to locate a product in the store, find information about the product, and make a purchase. Many corner stores do not take full advantage of store layout to maximize their customers' convenience. Local health departments and community-based organizations can work with store owners to make it easier for customers to choose healthy products:

- Improve store layout to increase the visibility of new healthy products, which can increase sales.
- Consider partnering with a retail expert to offer technical assistance to store owners.
- Use simple, clear signs to help customers identify new, healthy products or seasonal promotions.
    - The *Retail Fruit and Vegetable Marketing Guide* is a fantastic resource for marketing materials that can be shared with retailers.
- Consider offering a variety of fresh grab-and-go snacks, such as cut up fruit, or pre-cut vegetable dinner kits.
- Take advantage of customer waits in the checkout line to offer more information about new healthy products.

- Offer healthy "impulse buys" at a healthy checkout aisle.
- Offer customers an easy way to give feedback on existing products or to request new ones.
    - Install display bulletin boards or a suggestion box
    - Make the store manager's phone number and email available to customers.

Communication

Communication is one of the most important elements of the marketing mix.

Communication includes all interactions between the customer and the store, starting with in-store promotions, and including local media and the Internet. Community-based organizations and youth groups can be fantastic partners in getting the word out, through their formal and informal networks.

As new products are introduced into the store, good communication becomes critical.

- Work with store owners to get the word out about healthy changes.
- Advocates can support stores by building a communication plan that includes in-store promotions, events, and local media.
- Use social media and neighborhood listservs (like Yahoo! Groups and other e-lists) to communicate with customers and the broader community.
- Customize messages to meet the needs of the store's customer base. For example:
    - *If your store's customer base includes working parents,* emphasize easy healthy meals.
    - *If youth are frequent shoppers,* promote healthy grab-and-go snacks.

Conclusion

Getting the right mix of products into corner stores is key to the long-term success of any corner store conversion. Assessing the demand for healthy food items has to start with getting to know the needs and concerns of the store's customer base.

Local health department staff and community partners can work with store owners to understand what customers value most, to make it easier for store owners to identify and purchase new products, and to get the word out to the surrounding community about healthy changes.

Resources

Retail Fruit and Vegetable Marketing Guide

Includes sample customer surveys and promotional materials (like posters and shelf tags) to help guide corner store shoppers to select healthy foods. Also includes basic information on selling fresh fruits and vegetables for the small- or medium-size store.

http://cdph.ca.gov/programs/cpns/Documents/Retail%20FV%20Marketing%20Guide_5_060811_FINAL.pdf

Healthy Corner Stores Network

Includes surveys developed by healthy corner store initiatives around the country, which you can customize for your research.

www.healthycornerstores.org/tag/surveys

Produce for Better Health Foundation Shopper Personas

Describes the *personas* (typical attitudes, food preferences, buying habits and media interests) for different categories of shoppers.

www.pbhfoundation.org/pdfs/about/res/pbh_res/Fruit_VegetableShopperPersonasBW.pdf

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