

# Changing the Menu: Challenging Companies to Make Nutrition a Priority

By Sarah Margolis

Concerns about the childhood obesity epidemic are at the heart of ICCR's access to nutrition work, where our coalition of investors advocates increasing the access, affordability, and availability of nutritious food for children and families. ICCR investors view the need to address obesity as both a financial issue and an issue of justice for our communities. As a result, on March 18th, ICCR and the Partnership for a Healthier America (PHA) convened stakeholders to discuss how retailers, as well as food and beverage companies, can play a pivotal role in helping families have greater access to more affordable and nutritious food, and also how they can contribute to reducing childhood obesity.

This Roundtable built upon our 2013 convening, *Corporate Leadership in Addressing Childhood Obesity: Public Health Impact through Core Business Strategy*. The March Roundtable, *Innovative In-Store Marketing Strategies: How Today's Grocery Retailer Can Positively Impact Childhood Obesity*, brought together ICCR's partners in the public health community, including universities, non-profits, and NGOs; representatives from the corporate sector, including food and beverage companies, retail companies, and trade associations; and representatives from the socially responsible investment community.

ICCR's access to nutrition work has seen companies take many positive steps since our 2013 Roundtable. The retail, and food/beverage sectors have now recognized that they have a social responsibility to address the risks of obesity, and have also begun working internally to make meaningful changes to the nutritional profiles of their products, and to improve marketing efforts

and labeling. Since the 2013 convening, ICCR's members have consistently pushed companies to take steps that promote sales of healthy products and ensure that those products are accessible to all communities.

Pamela Long, Director of Strategy at PHA and cohost of the Roundtable stated, "We partnered with ICCR for this convening because we share ICCR's view that corporations have a positive role to play in addressing the obesity epidemic in this country. PHA values the opportunity to support multi-stakeholder discussion and to increase understanding of the ways to make a positive impact."

The Roundtable's objective was an open and substantive dialogue that would point to feasible steps retailers can take to help consumers identify and purchase healthier food and beverage products while shopping in store. Opportunities include: more prominent displays of healthy items such as fresh produce, using indicators such as shelf signs and floor stickers to direct consumers' attention to healthier products, developing healthier private-label products in retail locations, and placing healthier items in grocery checkout aisles.

The Roundtable was designed as a conversation to address effective in-store marketing tactics, for public health advocates and investors to help companies to understand the opportunities available in this space, and for companies to explain and discuss the challenges they face when trying to access new opportunities. Key challenges



include: consumer perception of reformulated items (i.e., low-fat, low-salt items are likely to be "bland"), consistency of healthy promotions in retail locations, and the need for consumer demand for healthy products to be proven through research.

Roundtable participants received a background report to prepare for the Roundtable's discussion topics, including increasing interest in healthy options, traditional marketing techniques for improved in-store healthy marketing, digital marketing, and current successes in healthy marketing.

The Roundtable was conducted under the Chatham House Rule, meaning that participants were free to use the information they received during the day, but neither the identity nor the affiliation of the speaker(s), nor any other participant, could be revealed. This led to a productive conversation between participants, and created a positive atmosphere that was noted by many participants.

The day's discussion featured:

- Presentations from the public health community on consumer behavior and in-store marketing efforts
- A presentation on the opportunities to market fruits and vegetables effectively

- A panel discussion that included representatives from the investor, retail, and food and beverage sectors
- Table discussions on methods to improve access to healthy foods in-store
- Large and small group discussions

Key discussion questions for the morning discussion included:

1. How would you measure the effectiveness of healthy in-store marketing campaigns seeking to persuade consumers to make healthier choices?
2. How can retailers use their effective marketing tactics to promote healthier choices?

Discussion addressed the need for metrics to demonstrate consumer demand for healthier foods, opportunities for consumer education, incentives for purchasing healthier options, challenges and opportunities for marketing and promoting private-label products, consumer preferences and opinions regarding product reformulations, and the need to increase healthy food access in low-income communities and communities of color.

The panel discussion furthered these ideas by discussing the need to be active in the wellness space in-store. Private-label products and improved packaging of healthy branded and private-label products was discussed, as well as how to drive demand for healthier items.

The afternoon discussion sessions noted a number of opportunities and steps forward available to retailers and food and beverage companies. Through breakout discussions, the Roundtable discussed healthy checkout aisles, a grocery scorecard nudging consumers toward healthier purchases, and digital marketing opportunities.

• **Healthy checkout aisles:** Checkout aisles in grocery locations are almost always stocked with non-nutritious foods. Healthy checkout aisles offer retailers a new opportunity: instead of only candy and sugar-sweetened beverages, retailers can



Left to Right: Barbara Aires, moderator Patrick Field (Consensus Building Institute), Sarah Margolis, Lauren Compere, Cathy Rowan, and Donna Meyer.

place produce, healthy snack bars, and water for sale at checkout. Participants noted that healthy checkouts can produce a more positive in-store shopping experience for parents with children, increase customer loyalty, increase the opportunities to offer single-serve products in a grab-and-go environment, and expand the opportunities for collaboration with local health agencies to increase impact.

• **Grocery scorecard:** Participants discussed a new grocery scorecard that grades retailers on the efforts they make to promote and facilitate healthier choices. This scorecard encourages retailers to help nudge consumers toward healthier purchases, leading to greater sales, particularly of produce. Roundtable participants viewed the scorecard as an opportunity to both increase sales and increase healthy purchases and consumption, with a significant opportunity for change in food deserts.

• **Digital marketing:** The group discussed privacy concerns around digital marketing. However, discussions also addressed the opportunity to responsibly target mothers through digital marketing, and that using digital marketing to promote healthy items could make the tool a force for good.

Anna Falkenberg, Executive Director of the Socially Responsible Investment Coalition, stated, “It is critical that we understand all perspectives: industry, public health, and investors. This Roundtable allowed investors to learn, not only the challenges and opportunities in the space from the companies’

points of view, but also the relationships between industries. With the greater understanding of how retail and food and beverage companies partner together, investors can better identify and present important ideas to address childhood obesity in all of our engagements in these sectors.”

Joseph Sena, marketing attorney with the Campbell Soup Company, reflected, “The mix of stakeholders and perspectives was very helpful to me and, I believe, to all of the others. I commend ICCR for providing such an informative and considerate framework within which to discuss the issue.”

Moving forward from the Roundtable, there are several areas where ICCR’s coalition of investors can focus in our ongoing engagement with companies:

- Push food and beverage companies to develop new formulas for healthier products, with packaging that effectively markets healthier offerings
- Encourage food and beverage companies to work with retailers to develop in-store promotions and displays for healthier items
- Help to develop more responsible marketing practices for private label products in-store, in circulars, and through coupons and promotions
- Actively promote the Grocery Retail Scorecard in all retail locations, including convenience stores
- Urge retailers to adopt and maintain healthy checkout aisles
- Work to ensure that healthy food access is expanded equally to all communities

In the upcoming year, ICCR members will take these important steps and implement them into our work with retail, and food & beverage companies. The Roundtable brought forward a number of important ways that investors can help companies as they make healthy choices easier for consumers. We look forward to building upon this discussion and creating greater access to nutrition for all consumers in all communities so that, together, we can end the childhood obesity epidemic.