

Good Health to All: Retail's Biggest Opportunity

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For more than two decades, we at WSL Strategic Retail have conducted proprietary quantified research called How America Shops®. Our objective in doing this research is to help our clients anticipate market changes that are emerging and how they will impact their businesses—be they manufacturing, retailing, or service industries. Over the last several years, we have closely tracked the attitudes of shoppers concerning their health: how they define being well, what they want and how they want to support their personal and their family's health, and where they want to buy these products. For those in the grain and grain-based industries, as well as those in U.S. industries at large, this is a macro trend that will provide significant growth opportunities for both the near and longer term.

Shifts in Consumer Attitudes toward Health

We first noted shifting attitudes toward health as the American economy was coming out of the recent global recession. These shifts were grounded in the changing values of American consumers: their drive for a better quality of life, more financial control, less stress, and greater well-being. Prior to the recession, Americans defined themselves much more by what they owned. "I Shop, Therefore I Am" was the title of one of our How America Shops studies in the early 2000s. For nearly two decades, from the late 1990s until global economies collapsed in 2008, American shoppers defined themselves by the brands they bought, the neighborhood in which they lived, and the car they drove, with little regard for the financial implications. By the second decade of the 21st century all that had changed. In 2014 How America Shops published a study called "The American Dream Reimagined," in which we first noted the emergence of new values. Although buying their own home was still at the top of Americans' lifestyle priorities lists, saving money and being smarter shoppers had moved up to numbers two and three on their lists. By 2016, the message that clearly resonated from consumers was that their focus had definitively changed. They were now (and are still) focused on what we termed "buying happiness," which was clearly reflected in their new purchasing desires.

It is important to recognize that this is where the new wellness movement began to take root. One of the reasons more and more Americans are immersed in the idea of health and wellness is because it supports their new value system. This is not a "here today, gone tomorrow" trend. It is grounded in a fundamental shift in how people want to live their lives.

Coming out of the recession Americans began to recognize that being healthy is both an economic imperative and a social proposition. "Economic" because of the cost of health care. In addition to the costs of seeking treatment and getting better, being sick often means there is an increased risk of being out

of work. "Social" because being well often means having a better quality of life.

It was at this point that Americans, as a broader group, began to read ingredient labels more closely, drink fewer carbonated beverages, eat less sugar and more organic or healthier foods, stop smoking, and get a little more exercise. For many, it was about being "a little less bad." For some, it became a passion.

This widespread interest in health has driven the growth of organic produce sales at retailers ranging from premium-priced chains such as Whole Foods to more affordable supermarkets such as Albertsons and Aldi. Water, vitamin drinks, smoothies, and herbal teas began to erode the carbonated beverage market, and healthier food options appeared at fast-food chains such as McDonald's. Probiotics and at-home health devices have become hot new health categories as well—new nutritional supplement brands such as Olly now abound among retailers, from big box discounters to drug stores.

Americans also began to look for ways to make their lives less stressful. Nine in ten women in our How America Shops survey said that simplifying their life has become imperative to their future wellness and their families' wellness too. The top five ways women said they were accomplishing this goal were through easier meal preparation, using simpler beauty products and routines, buying simpler products instead of those with inexplicable formulas, shopping more efficiently, and spending less time on social media—or at least trying to.

New Health-Related Business Opportunities

The chaos of 21st century life has created many new health-related business opportunities. One emerging opportunity is the American quest for energy. I don't mean energy as in gas and oil, but rather the energy required for everyday life. The two top barriers to good health today, as identified in our research, are stress and lack of sleep.

Being rested and physically fit translates into more energy, which is what shoppers tell us they want most and achieve least. Seven in ten shoppers tell us energy is a priority, yet only four in ten say they achieve it. The second key to overall health is a healthy mental outlook. Two-thirds of shoppers say it is a priority, but only four in ten say they achieve it. In addition, there is the "look of health": four in ten say it is a priority, but only one in four say they achieve it.

Many of the latest business success stories are grounded in addressing these gaps. Casper, a mattress company that has disrupted traditional mattress sales, offers a solution to better sleep and less stress, all at the same time, with its "one perfect mattress," easy delivery, 100 nights satisfaction guarantee or free return, affordable prices, and whimsical messaging. Since its initial success, it has expanded into healthier (breathable) bed linens and pillows, and a dog mattress (better sleep and less stress for the entire family).

Beyond mattresses, meal delivery services and meal kits such as Blue Apron and Go Fresh are now abundant in the market to



Energy is a priority; **only 40%** say they achieve it.



Healthy Outlook is a priority; **only 40%** say they achieve it.



Look of Health is a priority; **only 25%** say they achieve it.

Source: WSL How America Shops® 2017 Redefining Wellness for All, Base: Women | Copyright © 2018 WSL Marketing Inc.

Consumer priorities for promoting health and wellness.

Who is Trusted for Health Advice



Source: WSL How America Shops® 2017 Redefining Wellness for All, Base: Total Population | Copyright © 2018 WSL Marketing Inc.

Sources trusted by consumers for advice on health and wellness.

make people’s lives easier and healthier. There are also health subscription services for vitamins (e.g., Wellpath and Care Of) and oral care (e.g., Cusp) and prescription delivery services such as Capsule.com. These are just some of the many business innovations that have emerged.

Broader based opportunities are found in the “look of health” categories—both services and products. For example, health and beauty company Naturopathica offers consultative services, a “vitality bar” with custom drinks and teas, yoga classes, and health and beauty products in its stores and online, while Skin Laundry enables people to receive laser skin treatments in just 15 minutes. Fitness studios, such as Bandier, feature not only exercise classes but also cafés with healthier menus, music, and clothes.

Even department stores are getting in on the movement. London-based Selfridges department store has expanded its athleisure department to include a spa and yoga classes. It also offers an extensive selection of healthy food options in its food hall, including the Detox Salad Bar.

Of course, there is also a health and wellness app for everything, and alternative health and wellness “advisors,” such as nutritionists (52% of shoppers surveyed), are beginning to rival pharmacists (62% of shoppers surveyed) as trusted sources of advice. This willingness to look beyond traditional sources and places is driven by a growing distrust of established institutions. Americans are now searching for and comparing products and services to decide for themselves what is best for them, and access to information enables them to do this. This is not to suggest that scientific-based sources are no longer relevant, but it does put increased pressure on companies to be more open about what they sell and say to shoppers.

This willingness to trust “alternatives” has opened the door for smaller companies and more one-of-a-kind artisan products (from breads to sneakers). Niche, personalized, and handmade



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provide insight into consumers, retail, and shopping. Wendy is a recognized speaker, addressing business and educational organizations around the world. She has been recognized by the National Retail Federation as an “Influencer Shaping Retail’s Future”; by Women’s Wear Daily/Beauty Inc. as “One of the 50 Most Powerful Women in Beauty”; and by the Path to Purchase Institute as “A Woman of Excellence.” She is a distinguished faculty member of the Path to Purchase Institute, sits on the board of Cosmetic Executive Women, is vice chair of the advisory board of the Fashion Institute of Technology’s master’s degree program in cosmetics and fragrance marketing and management, and is a board member emeritus of Women In Need, an organization that helps homeless women and children build productive lives.

products and brands are the latest retail success stories—especially in foods and beverages.

Impact on Business

So, how does all this impact your business? In so many ways. First, the desire to be healthier (if even only a little bit) means that grain and grain-based products have a role to play. The key is to deliver ingredients and products in the ways in which shoppers now want them: with fewer additives and with simple, healthier, and transparent stories that tell shoppers why your ingredients and products are worth their time and money. Recognize too that there is a small but growing number of people interested in more exotic grains (e.g., faro). There is an opportunity to reach these adventurous consumers, but you need to explain what these grains provide and how they can be used—on the package, on the shelf, and in social media. These are educated and passionate shoppers who demand to know why they should make a purchase.

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Second, families want easier meal solutions. Help them save time and take the stress out of planning, shopping, and making meals, not only dinner but school lunches, quick to make and eat breakfasts, and snacks as well. Explain how different grains suit or can be used in different meal occasions, how they can address different health needs, and how easy they are to use.

Third, with an increasingly diverse American population remember that grains play different roles in different lives. Some communities have grown up thinking of grains solely as breakfast cereals. Educate them about how grains can play a broader, healthier role in the diet. Reach out to those who have grown up using grains and grain-based products for any eating occasion. Tell the right story to the right audience, so they know you un-

derstand their lives and values. Last, do not just sell ingredients and products, tell people how what you offer will make their lives easier and healthier, and how it is worth the price.

Conclusions

Health, wellness, and well-being will continue to be topics writ large for many Americans. As such, opportunities exist in the development of ingredients, product forms, delivery systems, packaging, and messaging. There are opportunities in every aspect of how you develop and deliver your products and services and, most importantly, how you communicate what you do and how you deliver products to shoppers and the retailers who sell them. View this as a friendly call to action—and fast. May good health be with you.