

# 2008 Key Driving Forces

### DEEPENING DIVIDES

From Diverse Divisions to Shared Identities

Many differences divide the United States population—socio-economic characteristics, evolving living arrangements, media consumption patterns, definitions of health, food preferences, politics, culture, and biology. Yet Americans are transcending these categories and creating deepening connections and new ways to belong by emphasizing values, principles, and shared identity around important commons.

### ECOLOGIES OF RISK

From Institutional to Individual Risk Management

People are spending more time and money managing their personal ecologies of risk as our society moves from an era of lifelong employment, well-defined benefits, and guaranteed entitlements, to one in which individuals are responsible for funding their retirement, evaluating health benefits, and securing their food and water safety.

### HEALTH ECONOMY

From Narrow to Broad Definitions of Health

Americans are expanding the concept of what it means to be healthy, what is therapeutic, and what is an appropriate site for intervention or treatment. Healthier lifestyles and holistic approaches to aging, eating, parenting, working, and homemaking demand that daily life and the economy be viewed through a health lens.

### SCIENTIFIC KNOWLEDGE

From Fundamentals to Complex Interactions

Advances in bioscience, nutritional science, and food science will redefine the nature and form of food, and our awareness of its functions. New understandings of individuals' metabolisms, and how soil, plant, and animal health relate to human health, will encourage values-based affinity groups to form around biologies and environments.

### CONNECTIVITY IN MOTION

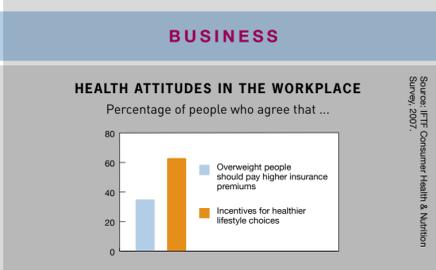
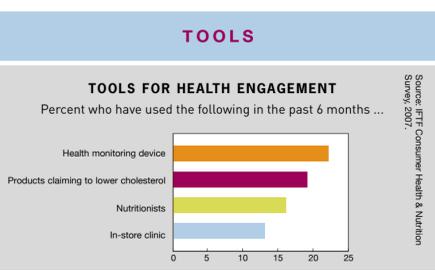
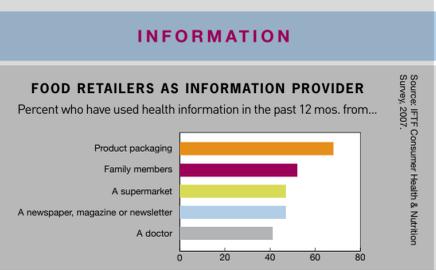
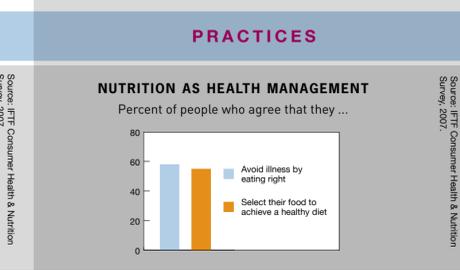
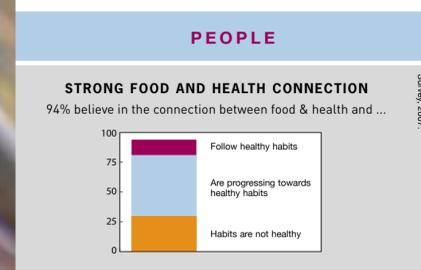
From Desktop to On the Go

Mobile devices and aware environments are emerging as platforms for delivering health-related information and consumer support. Technology embedded in objects, places, and even humans, will sense, understand, and act upon its environment, enabling people to monitor their physical, social, and emotional well-being as they go about their lives.

### SUSTAINABLE SYSTEMS

From Fragmented to Systems Thinking

Source resources and over-consumption lead stakeholders at all levels to take a longer view of their practices. The impact of a product's life cycle on personal health, as well as on the health of our communities and the environment, becomes transparent to customers thanks to new metrics and tools.



#### DIVERSIFYING HOUSEHOLDS

- U.S. households consisting of married couples with children dropped from 40% (1970) to 23% (2003)
- Households now include more singles, multi-generational families-and cooperatives
- Household networks

#### MIGRATION AND IMMIGRATION

- New metropolitan areas
- Growth away from the coasts
- Family dispersion
- New immigrant flows

#### NEW LOCALISM

- Contested boundaries of local foods

#### DIGITAL/PHYSICAL DIVIDES

- Multiple formats, modes of access, filters, and cohorts

#### DIGITAL NATIVES

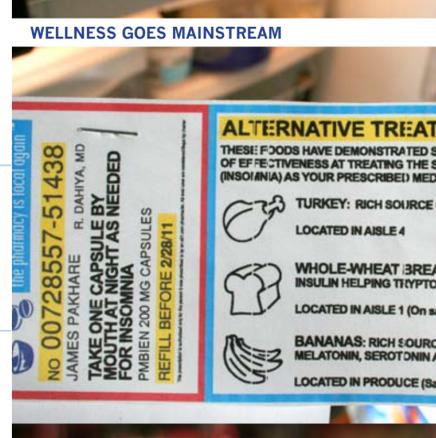
- Early pervasive media experiences
- Formative branding, faster and earlier

#### FOCUS ON REDUCING HEALTH COSTS

- Engaged employees cooperate to increase prevention
- Collaboration between and among retailers and employees
- Rewards for healthier lifestyles
- Danger in vilifying "bad" health choices

#### DIVERSITY IN THE GROCERY CART

- U.S. Latinos shop three times more than average per month
- Migrants seek flavors from home and influence taste in the U.S.



#### ECO-HEALTH LITERACY

- Environment, community, and animal health contribute to personal health risk
- Genetics, behavior, and access to care persist as risk factors

#### EMPLOYEES AS HEALTH ADVISORS

- Recommendations for products and practices
- Examples from experience

#### FOOD AS A PRIMARY HEALTH STRATEGY

- Prevention and therapy
- Energy and immunity
- Enhancement and longevity

#### RISK AND ANXIETY AMPLIFIED

- Exacerbated by the media
- Nutritional information and risky foods tagged by customers

#### new metrics

- Overall Nutritional Quality Index

#### COMMUNITY HEALTH COMMONS

- Retailers as important stakeholders in new partnerships
- Health as a shared resource to be defended from risk

#### Spectrum of Green Health

Personal health increasingly tied to community and environmental health, creating new markets

#### HEALTH IDENTITIES

- Chronic disease managers
- Food allergy sufferers
- Body enhancement enthusiasts
- Immuno-compromised populations

#### DO IT YOURSELF

- Resurgence of cooking from scratch
- Collective in-store food preparations
- Community sourcing experiments
- Personal and community health

#### FOOD AWAY FROM HOME

- Americans spent 48.9 cents per food dollar away from home in 2006
- Health benefits and transparency valued alongside convenience

#### Map market needs

- Build competencies of customization
- Coherence adds value
- Filter information to meet consumers' needs

#### nutrition feedback

- Healthnotes' in-store kiosks

#### re-branding toward wellness

- Kaiser's "Thrive"
- Unilever's "Vitality"
- Safeway's "Ingredients for Life"

#### Build the green narrative

- Follow through with products and services



#### METABOLIC PROFILES

- Communities of metabolic similarity

#### BACKLASH AGAINST COMPLIANCE

- People reject pan-optimum diets, literacy, and compliance models

#### BOUNDARIES DEFINED BY HEALTH

- Regional health advantages
- Marginalized communities protect themselves

#### new venues for health

- Elephant Pharmacy
- Minute Clinic
- The Little Clinic

#### A PLETHORA OF LABELS

- Beyond "organic"
- Highlight ecological impact, health benefits
- Contested standards

#### FUNCTIONAL PACKAGING

- As health management
- For health benefits

#### HEALTH DIFFUSES ACROSS CHANNELS

- Big box stores
- Farmers' markets
- Direct-to-consumer delivery
- Specialty retailers



#### NEW MOBILITIES

- 73% of U.S. adults own a cell phone
- 30% of U.S. adults own a laptop

#### NETWORKING IQ

- Digital connectivity skills
- Collective coordination
- Dynamic group participation

#### NEW MAPPINGS OF HEALTH

- Invisible risks made visible
- Bottom-up monitoring
- New health commons

#### LAYERS OF INFORMATION IN CONTEXT

- Embedded in man-made environments
- Accessible through mobile devices

#### PERSONAL HEALTH TECHNOLOGIES

- Compliance devices
- Mobile applications

#### retailers redefine supplier engagements

- Wal-Mart

#### MARKETS OF SMALL NETWORKS



## How To Use This Map

### FORESIGHT TO INSIGHT TO ACTION

The Institute for the Future's map of *The Future of Health and Wellness in Food Retailing* is designed as a tool to help you use foresight to reveal insights that can lead to more effective action in the present. You can use it as a simple road map, pointing to signposts in a landscape that you can't afford to overlook. But you can also tap into it more deeply to provoke strategic conversations, using group processes to discover how your own organization—your strategies and goals—will be shaped by the next ten years.

### TAKE A FORESIGHT TOUR

This map organizes IFTF's research into a matrix describing six external DRIVING FORCES shaping the future context of food and health for food retailers in North America. These forces cross seven columns or IMPACT AREAS: people, practices, places, information, tools, business, and markets. We're interested in the intersections where trends converge on the horizon.

### Focal Point

Focal points are the forecasts that emerged from our research. These big stories will give the decade in which food and health converge its distinctive form. Each focal point describes the full spectrum of analysis from foresight to insight to action.

### Signals

Signals are the details that add up to the big stories that make up our forecasts. These signals are indicators, innovations, and examples that suggest larger trends. Track these across the map and see what kind of story they tell together. Read the back of the map to get a richer understanding of what these signals mean.

### Innovators

These are examples of what is working today and what has potential for tomorrow.

### Artifacts

"Artifacts from the Future" are illustrated scenarios that combine several future trends into a product or service we might see sometime in the coming decade. Think about the implications of the "What/So What" paragraphs on the back of the map.

### BUILD YOUR OWN FORESIGHT

No map is ever complete. So add to it. The easiest way is to add signals or examples. Use the matrix to organize your intelligence about the future. Ask yourself: where do you see these trends playing out today? Where do your most important internal forecasts fit into this bigger picture?

### CAPTURE INSIGHTS

Insight often emerges from juxtaposition. Circle three of the most important signals (or forecasts) on the map. What makes them important—especially when you consider them together? How will they interact? The answers to these key questions are insights.

### LINK TO ACTION

Link your foresight and insights to action. Link specific signals to key indicators you already track. You might want to translate an insight into an initiative or experiment. Or you may need to bring more people into the conversation.

## WHAT MIGHT THE CONNECTIONS BETWEEN FOOD, HEALTH, AND FOOD RETAILING LOOK LIKE OVER THE NEXT 10 YEARS

The Institute for the Future distilled its answers to this question into seven big stories, presented here as focal points using IFTF's "Foresight to Insight to Action" framework.



### FORESIGHT: WHAT DOES THE FUTURE LOOK LIKE?

These statements provide a context for understanding the signals of change that surround them. Taken together, they allow us to envision what the future might hold for the intuitive journey to insights.

### INSIGHT: WHAT DOES THIS MEAN TO YOU?

Insights come from working with foresights within your own organization. The seven key insights we provide are by no means exhaustive; they are intended to serve as a starting point for making sense of the issues that the foresights may raise for you.

### ACTION: WHAT IS THE NEXT STEP?

The action steps of these focal points provide a glimpse of how you can use foresight to provoke strategy and innovation. Action is aimed at getting results.

Try not to leave the map without jotting down at least one new action step of your own, specific to your retail environment. The process of formulating action steps itself stimulates new foresights, generates insights, and leads to more possibilities for competing in the present.

## BIOCITIZENS AND SOCIAL NETWORKING

### HEALTH AS A FILTER FOR DECISION MAKING

#### CUSTOMIZED NUTRITION

#### DO-IT-YOURSELF HEALTH

**What?** Using existing technology, the retail store becomes a focal point for social interactions around health, with the store providing tools that enable consumers to customize options for their own health needs, like heart disease management, immunity, or even conditions like celiac disease.

**So What?** As biocitizen networks form, retailers will have the opportunity to engage with them by helping them connect to each other to share information, concerns, even recipes, and by tailoring food offerings to their specific needs. This active engagement will give shoppers voice, not just choice, in the purchasing cycle.

## WELLNESS GOES MAINSTREAM

### SIGNAL/NOISE FILTERING

#### FOOD AS HEALTH MANAGEMENT

#### GLOBAL HEALTH ECONOMY

**What?** Wellness in the mainstream has to be simple, filtering through the noise and finding what is relevant, legitimate, and directly applicable to people's health needs. Retailers bring clarity to wellness by making the invisible visible and offering whole food options that complement prescribed medical treatment.

**So What?** Being an agent of signal/noise management increases the value the retailer provides to the consumer. Making the connection between food and health conditions defines an expanded role for retailers in consumer health management and wellness practices.

## ANYTIME, ANYPLACE HEALTH

### NEW HEALTH ADVISORS

#### RETAIL HEALTH

#### BETTER THAN WELL

#### CUSTOMIZED NUTRITION

**What?** Consumers often filter food-purchasing decisions without enough information, making tradeoffs among taste, price, and health benefits. As consumers reprioritize these tradeoffs, health information and health-plan sponsored in-store nutritionists will help bring clarity and guidance to food purchasing decisions.

**So What?** As health moves out of the clinical setting and into the context of people's everyday lives, food retailers play a unique role in connecting food and health. By providing a third space (outside of work and home) for health management, retailers can engage with consumers' expanding definitions of health, delivering new forms of value.

## HEALTH-DRIVEN TRANSPARENCY

### NEW METRICS

#### USER-GENERATED INFORMATION

#### MOBILE HEALTH

#### HEALTH AWARE ENVIRONMENTS

#### PERSONAL HEALTH TECHNOLOGIES

### BIOCITIZENS AND SOCIAL NETWORKING

**What?** Consumers evaluate food and food retailers on-the-fly. Tensions between user-generated evaluations and brand messages may emerge as consumers triangulate information from different sources in the aisle and at the point of purchase.

**So What?** As information beyond the package becomes available to consumers, retailers and their suppliers will no longer be able to control messages. Cereal branded "healthy" may not get a "healthy star." Retailers will have to be aware that new transparencies can create new tensions, as new metrics and labels get contested in biocitizen networks.

## HEALTH IN THE FOOD SYSTEM

### SUSTAINABLE SYSTEMS

#### ECO-HEALTH LITERACY

#### FOOD SYSTEM TRANSITION

#### NEW PARTNERSHIPS

**What?** Retailers can communicate health-related messages directly to their customers: "Sustainable farm practices cost more, but provide value to your community's ecological system, reducing the burden on your watershed." "Organic products are pesticide free; consider your family's health today."

In order to see the value added, consumers must be aware of the product and understand why it is better. Keeping the message simple and visible is key.

**So What?** Retailers need to create value tailored to their local regions. Communicating valuable market information is the first step. Incrementally offering additional value propositions can help the retailer stay consistent with local market demands.

## SPECTRUM OF GREEN HEALTH

### ECO-HEALTH LITERACY

#### ECOLOGIES OF RISK

#### ANXIETIES AMPLIFIED

**What?** With toy and food safety scares from China, perceptions of risk across the entire food supply chain get amplified. New concerns for food safety empower the retailer and the consumer to take action.

**So What?** Everyone wants safe food, but until recently, people have taken safety for granted. Produce brushes, fruit and vegetable washes, litmus tests (among other new technologies) are tools that address safety, but their lack of widespread availability limits their usefulness. Creating an entire aisle devoted to food safety helps put tools in consumers' hands.

## PEOPLE

#### Demographic shifts diversify households and markets

For decades, baby boomers have transformed the American household by defining new social dynamics and living arrangements. Households can no longer be considered as isolated units—they have become nodes in familial and social networks. Immigration patterns and internal migration throughout the United States have fragmented local markets as new flows of people move to new metros, large and small, away from the coasts. At the same time, family and immigrant dispersion throughout the United States spreads new tastes, values, and lifestyles.

#### Ecological determinants of health define a new literacy

Deepening income inequality, stalling economic mobility, rising numbers of uninsured, and escalating health care costs accentuate risks on multiple levels. Faced with greater responsibility for managing their own health, consumers will turn to advances in science, media, and technology to better understand their own health risk profiles, which may be based on genetic, environmental, social, and behavioral factors. Greater understanding of the interaction of these health risks will define a new eco-health literacy that focuses on the connection between these factors and community well-being.

#### Health affinities proliferate

As wellness goes mainstream, more and more people are finding they share similar health identities with others. As a result, they are joining multiple health communities to address different health concerns, including disease management, food allergies, stress reduction, and weight loss. These health communities, which serve as valuable sources of support, interact face-to-face in neighborhood and retail settings, and online at social networking websites.

#### Metabolic profiles define new needs, new markets

Advances in science will expand our current understandings of the role of food and metabolism in disease progression and will lead to the availability of individuals' metabolic profiles. These profiles will change the way we think about our health and what we determine to be therapeutic or healing. New risk categories will emerge, such as those whose metabolic profiles put them at risk for "diabetes," for example. Expect new communities of metabolic similarity to emerge and exert their influence in the marketplace and politics.

#### Mobile connectivity expands networking IQ

Mobile devices are now ubiquitous and are becoming the primary computing and communication platform across geographic markets and segments of the population, including lower income people and households. As the computing capacity of mobile devices becomes even more robust, the power of collective online intelligence will influence in-store shopping experiences. Diverse and sometimes marginal users will make and receive referrals and innovate with unexpected applications and interventions tied to health and sustainability.

#### Thinking long drives new personal sustainability practices

From household online carbon footprint calculators to more modest energy calculators for light bulbs, means are proliferating for understanding and implementing sustainability practices in our daily lives. Carbon Reduction Action Groups are a budding social movement in the United Kingdom that promotes holistic small-footprint living at the community level. In the United States, consumers will ask not only about the healthfulness but also about the environmental impact of products. These consumers will make demands for sustainable business practices on new and unexpected parts of the supply chain.

## PRACTICES

#### Personal health networks focus on healthy choices

Personal health networks are the relationships, technologies, information, products, providers, and places on which people rely to manage their health. Consumers are seeking healthier alternatives in many areas of their lives, including the products they purchase, from household cleaning supplies to the foods they eat. As retailers move beyond value pricing to position themselves in the health economy as health stakeholders, more consumers will begin to view the grocery store as an important resource in their personal health network.

#### Filtering health risks and benefits at the point of purchase

Customers are vetting brands and products—from toys to dinner ingredients—for perceived risks and benefits. When they exhaust their own knowledge at the point of purchase, they will scan the retail environment for trusted signals. These signals come from labels, messaging, health indices in the store, or may be provided by staff members. Employees live in the same world of risks and can provide health and wellness guidance for purchasing decisions, sometimes relying on their own experiences.

#### Do-it-yourself health drives citizen engagement

As more people take on the burden of managing their own health, more will engage in do-it-yourself (DIY) health practices. Three key behaviors will underpin these practices: self-agency, self-customization, and self-organization. DIY health will drive interest in cooking from scratch; in-store preparation and wellness classes; community sourcing arrangements; and citizen mapping projects that focus on food deserts (neighborhoods with limited access to fresh food). The unprecedented calls for food policy changes in the context of the 2007 Farm Bill provide an example of citizen engagement in health.

#### New collectives challenge compliance models

As science leads to greater understanding of the complex interactions among foods, diets, and individual metabolisms, people will reject nutritional advice based on general optimism diets and compliance models. Biocitizen groups that form around health and metabolic affinities will define new literacies of nutrition and health through user-generated content. Ideas about what constitutes a healthy diet will shift as people incorporate new practices learned from their networks.

#### Consumer collectives emerge as market authorities

Online platforms that aggregate and diffuse people's opinions about manufacturers and retailers, combined with mobile devices that put this vast collective intelligence at shoppers' fingertips, will lead to unprecedented collectives of informed consumers. They will become authorities in their own right, engaging in practices to collaboratively obtain food products and information about them. Ways to engage local businesses will be uneven at first, but will diffuse through networks from market to market.

#### Transparency strengthens the influence of green values

As consumers become more aware of the environmental implications of various practices along supply chains, they will apply green values to their purchasing decisions. Some will consider the direct effects of products on their health and home, while others may focus on packaging and waste, business pollution practices, or food miles. Global concerns about the effects on future generations will become important considerations, and may prompt people to reduce their consumption of goods or participate in competing supply channels with small businesses and collaborative buying arrangements.

## PLACES

#### Local health comes into focus

Awareness of local health disparities and socio-economic inequalities will drive the need for new efforts to alleviate risks and build capacities for protecting health. These goals will fuel a powerful new localism that will focus health concerns at the local or regional level. Many cities and states already restrict the foods and packaging allowed in schools, while others are regulating the use of certain food products within their jurisdictions. Eventually, local regulatory debates on food and health will converge into comprehensive health-capacity building plans. "Local food" is an idiom for both safeguarding personal health and building the health of local economies; retailers must be sensitive to the meaning and boundaries of the term in their area.

#### Food origins gain importance

Federal labeling requirements may no longer be able to satisfy growing consumer anxiety about the complexity, opacity, and risk of global food sourcing. Some companies are already responding by providing food origin information. For some, concerns will go beyond food contamination to include companies' social and environmental responsibility practices. Retailers will be in the middle of this push-pull for transparency, and must be prepared to respond clearly.

#### Health moves into new venues

From retail-based health clinics to in-store, phone-based, or online nutritionists, new offerings are appearing in retail spaces to fill holes in our current health care system. Elephant Pharmacy combines natural foods and products with space for individualized services and participatory activities (like exercise classes and seminars on treatments and spiritual practices). We will continue to see the development of group spaces that will allow people to build communities around shared health aspirations and risks. These spaces might facilitate cooking, parenting, exercise, and activities that contribute to home safety and wellness.

#### Health infuses and redefines place

Health risks attached to place play out across many different scales, from neighborhoods with limited access to fresh food to whole regions with lower life expectancies. These health risks have their own geographies—vector migration paths, historical sites of dangerous work and waste disposal, and minute variations in medical practice—which may or may not follow natural, social, or political boundaries. As information about these regional health advantages and disadvantages becomes more accessible to the public, populations will recognize themselves as marginal or at risk and will innovate to protect their health.

#### Bottom-up mapping makes the invisible visible

Mash-ups, which integrate layers of data onto an online map, can be used to collect and graphically share information about health resources and risks in a given location. The connection between place and health concerns is represented in mash-ups that focus on hospital closures, ground, air and water contamination, self-reported illnesses, and even fast food restaurants. New mobile technologies will allow people to collectively map and evaluate their communities' food and health resources.

#### Resource concerns in retail spaces

As energy costs continue to rise, retailers will face mounting community, political, and economic pressures to respond to concerns about water scarcity, sustainable food production, and energy use. In-store and transportation infrastructures will need to rapidly adapt to these forces. Expect diverse demands and an emphasis on local level accountability around green building standards, carbon emissions, and waste (like San Francisco's recent ban on plastic bags).

## INFORMATION

#### Media divides and connects

Differences in media use and preferences continue to define and differentiate consumer markets making it particularly challenging to reach customers. Traditional mass media is fragmenting into niche interest outlets, and consumers are increasingly participating in, and engaging with, user-generated content. Companies will need to prioritize in building communication strategies that reach the full range of media channels in their market.

#### How information is managed affects trust

Trust is not just an attribute of consumers or of information; it is an interaction with information at its core. In a world of complex risks and fragmented information, consumer anxiety must be met with transparency, and contradicting claims must be addressed with clarity. Trust will be gained not only by providing more information, but also from listening to the needs of individual and collective customers. Trusted sources will remain an important consideration; continue to look for partnerships with professional and celebrity figures to help guide customers' choices.

#### Collective intelligence influence purchasing decisions

Consumers who rely on user-generated information about healthy eating, dieting, parenting, and disease management often regard social networking websites as more trusted sources of information than traditional health care authorities. DailyStrength is one example of communities of health affinities finding and sharing recommendations and experiences. Using a variety of participatory tools, people are bringing the shared values, principles, and lifestyles of their households, networks, and broader collectives into purchasing decisions.

#### Complexity vies with contradiction

Today's single-nutrient claims (like the benefits of Omega 3 fatty acids) are heralded and bottled, despite their often-contradictory nature. Similarly, some ingredients (like trans fats) and elements (like heavy metals in fish) are vilified, even though the severity of risk they present is contested. However, emerging systems-based approaches to studying health, nutrition, and the environment will reframe our understanding of ourselves and our diets. These scientific breakthroughs will not always be communicated clearly, and retailers will have a stake in disseminating this information in its complexity. Customized communication, not mass marketing, will be key.

#### Layers of information in the aisle

Thanks to mobile technology and the access it can provide to online resources, consumers will soon have in-the-aisle access to information about business practices, other shoppers' experiences, and product attributes well beyond what's on the package. For example, iBuyRight is a prototype application for mobile phones that scans product codes and checks them against a social and environmental responsibility database. Online reputation platforms like dothrighting.com provide unfiltered user-generated ratings of companies. These layers of information may challenge some products' branding and in-store messaging; retailers will need to manage these contradictions without stifling the value to customers of this rich supply of feedback.

#### From information to feedback

Businesses and customers alike will expect information resources to provide them with systemic feedback. Consumers will self-report to online coaches and calculators to help understand the effects of their choices on their health and the environment. Businesses will acquire new ways of considering the impact of their actions within large-scale social and environmental systems, as well as smaller systems of local communities. Expect new relationships between retailers, customers, and third-party providers of feedback.

## TOOLS

#### Media tools define diverse cohorts

Over the last decade, rapid developments in technology and communication have created divides in the market around digital and physical modes of access, age cohorts, and levels of engagement. Digital natives are defined by the ubiquitous role mobile technology, social networking platforms, and user-generated content play in their daily lives. As a result, they shop, interact, and communicate differently than others. Look for innovative tools for those both more and less engaged with their own health.

#### New metrics find their place

Even as the information environment around products becomes more complex, we will see the development of new food and health indices, driven by academic collaborations, government entities, food manufacturers, and retailers themselves. There are now several science-based systems in play that cut across brands and product categories to compare nutrients. Food retailers will need to ensure that new metric and labeling schemes are aligned with their local markets' health values and needs.

#### Food retailers emerge as resources for health management

Food retailers are ideally situated to provide tools to help consumers navigate the connections between food and health. Many stores already provide access to nutritionists in person, online, or by phone; Safeway's Foodflex program goes a step further by personalizing nutrition feedback from analyzed point-of-sale data. Customers will value such efforts as they try to synthesize nutritional information and its importance to their health identities. Expect a number of in-store and on-line tools to support customization and personalization of nutrition feedback.

#### Functional packaging grows amidst diverse labels

Innovations in packaging materials limit food contamination and even enhance specific benefits of the foods they contain. At the same time, the current profusion of labels and the product categories they define—organic, artisan, low-carbon, low-footprint, local, fair trade, and others—will continue to expand and compete to capitalize on values of safety, health, and sustainability. For example, the Carbon Trust label in the United Kingdom indicates that a product's manufacturer has committed to measuring and reducing its carbon footprint. Labels that convey specific health benefits and target health affinity groups will begin to appear.

#### New tools for personal health and nutrition

Mobile technology already offers a number of applications and functions that support healthier living. For example, MyFoodPhone is a mobile service that allows users to journal their food choices, consult with nutritional coaches, track biometric data, and share tips and encouragement with a network of other users. Mobile devices and applications that connect people to health and wellness support resources will continue to emerge and will diffuse and evolve rapidly as people shoulder more responsibility for their health.

#### Green technologies change business practices

As centralized energy infrastructures become unstable and fuel costs increase, reducing energy usage will be an obvious first step in developing sustainable business practices. Shipping, warehousing, and in-store fixtures will become pressure points for reducing long-term costs and lowering environmental impact. Green energy will benefit from technical advances and initiatives to link into lightweight infrastructures: from familiar alternatives (like biodiesel, wind, and solar power) to emergent ones (like hydrokinetic energy).

## BUSINESS

#### Cost reduction drives focus on prevention

As the costs of illness and health care continue to rise, creating conditions and incentives for prevention and wellness programs will be essential in the workplace and the marketplace. Retailers will continue to collaborate with each other to press for lower costs, and will negotiate with employees for appropriate plans and participation. Engaged employees will collaborate with retailers and each other to support better health practices.

#### New health commons expand the range of stakeholders

The good health of community members and future generations can be seen as a resource, a key component of strong future earning and spending powers in a vital economy. As a result, health concerns will no longer be considered only a matter of individual responsibility; customers, employees, and government entities will recast them as problems of the commons. Food retailers will be important stakeholders in these new health commons—as suppliers of sustenance, community hubs, and employers. New forms of cooperation will encourage retailers to go beyond supporting consumer decision making to promoting the overall health of local people and markets.

#### Diverse companies re-brand towards wellness

Unilever's "Vitality" is an example of how companies are repositioning themselves and their product portfolios towards the health and wellness marketplace. These brand platforms go beyond re-branding efforts in the traditional marketing sense—they offer brand narratives that are aspirational not only to customers but also to employees.

#### Health benefits of food take priority, drive innovation

As nutritional science moves away from an emphasis on single nutrients and instead focuses on the complex interactions of whole foods, meals, diets and environments, scientists and entrepreneurs will look for ways to enhance and deliver these systems-based benefits. Food retailers will need to make nutrient content and specific health benefits priorities in their stocking practices, on par with price and cosmetic appearance.

#### Interactive tagging facilitates customization

While retailers and manufacturers are negotiating the use of tagging technologies such as QR codes and RFIDs, other stakeholders will start to appropriate them for their own, often customized, use. These technologies will become cheaper and more ubiquitous, and mobile applications will allow customers to easily access the information they hold. Tagging from manufacturers, retailers, third parties, or consumers themselves will communicate more about products. New kinds of business interactions in the grocery store aisle will be possible, even as stakeholders wrestle with questions of privacy and brand control.

#### Green retail emerges

As consumers become increasingly concerned with sustainability issues, they will factor them in to their purchasing decisions, including where they choose to shop. Large retailers like Wal-Mart and Tesco are already changing their energy and resource use, as well placing new packaging and recycling requirements on their suppliers. While Whole Foods has created its own trade certification program for producers who commit to specific levels of environmental and social responsibility, others are participating in third-party benchmarking organizations. A commitment to green retail will lead to initiatives that go beyond architecture and packaging and will have a broad impact across the industry.

## MARKETS

#### Diversity and risk create new markets

The influx of new immigrants and cuisines into the United States drives diversity in the aisles and in the shopping cart. For example, the growing Hispanic market is reshaping the overall shopping experience with distinct needs and higher spending on food than average. New and old immigration flows will continue to drive demand for brands and products from home, influencing the mass market even as they contribute to market fragmentation. At the same time, new markets are emerging around shared health affinities and risks. Those seeking products to prevent, mitigate, and even heal disease will cut across and complicate the ethnic, cultural, and economic diversity of the United States.

#### Green values shape health practices and markets

People's perceptions of health risk are expanding not only to include the mind, body, and soul but the environment, as well. Ecological disruptions, global warming, and zoonotic disease threats are being tied to actions at the household level. These health-driven green values will increase demand for new and alternative products and diagnostics that mitigate risks in the household, the community, and the global environment.

#### Health diffuses across shopping channels

A wide range of health and wellness products and services are becoming available in diverse channels. Herbal and naturopathic remedies are sharing shelf space with traditional over-the-counter pharmaceuticals and personal care products. Medical clinics are springing up in big box stores, pharmacies, and supermarkets, while chiropractors and acupuncturists are advertising at farmer's markets. Expect retailers across the spectrum to look for novel combinations, sources of trusted information, and tools that will allow them to bring convenience and value to their customers.

#### Science comes home

Simple over-the-counter disease management tools are cheaper and more accessible than ever before. Expect these to be joined by a new generation of genomic and nutrigenomic diagnostics that will allow customers to understand their health risks and needs in unprecedented detail. These technologies will bring ever more nuanced scientific understandings—although not necessarily accurately interpreted ones—into the home, democratizing health metrics and creating new demands for prevention, treatment, and customization. In response, the already booming market for nutraceuticals will continue to grow. With access to options unevenly distributed, some consumers will look for low-budget ways to mitigate risks.

#### Fragmented markets give rise to niche collectives

Mass markets will continue to fragment, creating unprecedented numbers of local variations and niche markets. Online platforms and mobile applications will allow people in these micro-niche markets to find each other and self-organize. These affinity-based groups will harness their collective buying power to demand products that fulfill their specific needs and values. Food retailers will need to find spaces, formats, and strategies to engage with the flexibility called for in this new marketplace.

#### Organics grow and diversify

More and more consumers view the label "organic" as a proxy for safety and higher nutritional quality, even in a climate of scientific controversy. Although still an unevenly distributed market, demand for organic foods and products has given rise to large-scale operations and imports that increase food miles. As the organics market evolves, a new generation of products and produce will be developed to satisfy concerns about health claims and sustainable production.

## THE FUTURE

# of Health & Wellness in Food Retailing



Food is fundamental to health. Indeed, what we eat is becoming intertwined with how we think about wellness and healthy living. Whether we're concerned about balance and energy, prevention and disease management, or ecology and environment, our food choices reflect our evolving needs and values.

Of course, health is not the only filter on food choices. Taste, price, and convenience are still important dimensions of value when it comes to purchasing food. However, the costs and burdens of disease are mounting and are reordering how these tradeoffs are made. What will this mean for the food retailer?

As understandings of health expand, consumers will be looking for health resources in a broad marketplace that we call the "global health economy." This map highlights how people's interactions with retailers, and each other, are changing in this economy. In an information age that lacks clarity and credibility, trust will be up for grabs and opportunities for new players will emerge.

So where is all of this heading? No one can predict the future, but understanding the fundamental directions of change can help us make better decisions today. What you have in front of you is a forecast map prepared by the Institute for the Future (ITF) on behalf of the Coca-Cola Retailing Research Council, North America. It is a map of the evolving retail food landscape—a landscape of diversity and risk, of an expanding health marketplace and deepening scientific knowledge, of pervasive information technology and emergent sustainable systems. Think of this map as a tool to help you navigate the future.



INSTITUTE FOR THE FUTURE  
HEALTH HORIZONS PROGRAM  
124 University Avenue, 2nd Floor  
Palo Alto, CA 94301  
650.854.6322 www.itff.org  
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