

An Unsuccessful Approach to Improving Healthy Food Access

INTRODUCTION

The store was a small, community grocery store located in the north central region of Baltimore City, Maryland (see **Figure 1**).

- One of the first non-profit grocery stores in the USA.
- The store received international attention upon its inception in March 2018, attracting visitors and media.
- Store mission: *“to provide healthy and affordable food for all members of the community.”*
- The non-profit model was intended to provide reduced cost of foods for the consumer in an effort to increase food access and improve food security in the surrounding area.
- Customer use of the store was low throughout its lifespan, and the store ultimately closed in February 2021.



Figure 1: The Store from the outside

Store Setting

The store was located on the edge of a healthy food priority area (HFPA), but not within one.¹ Therefore, several other grocery stores, corner stores, and carryout restaurants were already in operation in close proximity. Located on the same block was a McDonalds, KFC, several carryout restaurants, and a brewery. There was also a Family Dollar located one block over, and a Giant supermarket one mile down the road. The store was open Monday-Saturday from 7:00 AM to 7:00 PM, and was closed on Sundays.

Methods	
Data Collection Tool	Number of Data Points
NEMS-S Short Form	4
Sales Recall	3
Staff In-Depth Interviews	9
Reports	9
News Articles	5
Other	Photos, maps, peer debriefing

STORE OPERATIONS (prior to 2020)

Organizational Structure

- Upon opening, the store was overseen by two staff members from the parent non-profit organization. They visited the store daily for the first several months of operations.
- The manager initially hired was not well liked by staff which caused friction in the team dynamic, so a new store manager was hired in July 2019 who was well received by the store staff.
- The new store manager was in charge of inventory, ordering, and community outreach programs, as well as hiring and managing store staff of 12 employees. The majority of the store staff were community members from the surrounding neighborhoods, whereas the manager resided outside of Baltimore.

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Store Timeline

DATE	DETAIL
MAR 2018	Store opens – initial positive media attention
JAN 2019	Store collaboration with Johns Hopkins University begins
JUL 2019	New manager is hired
AUG 2019	Johns Hopkins presented preliminary findings to store management
JAN 2020	Johns Hopkins provides recommendations to revamp the store
FEB 2020	Richards Group marketing firm provides recommendations to revamp the store
MAR 2020	Coronavirus pandemic begins
SEP 2020	Transition of store leadership
FEB 2021	Store closes

Store Features

The Baltimore store was a relatively small supermarket, spanning about 7,000 square feet with three aisles and three registers, and had several unique and positive features for a smaller-scale store. It had a large produce section, a butcher, a prepared foods kitchen, dry goods, and a non-foods section.

Customers immediately saw the produce section when entering the front door to face a large wall of produce displayed in a refrigeration unit. The butcher was located within the prepared foods kitchen – not easily seen by customers. The full-service kitchen allowed for repurposing of produce and meat into prepared foods which helped reduce food waste. The hot/prepared-foods station offered fried chicken

and French fries – menu options seen as necessary given the perceived high demand for such foods and that the surrounding competition sold these items. Government food assistance program benefits were accepted including SNAP and WIC. The store also had a loyalty card program where cardholders received discounts on various food.

FOOD STOCKING AND SALES

The store manager was responsible for the ordering, stocking, and pricing of inventory. Deliveries took place on a weekly basis, and out-of-stock items were tracked by the computer software. The manager opted to sell name brand and store brand versions of almost every food and beverage item, as he felt that brand recognition was important to some customers, and the lower price of the store-brand would be important to others.

Use of Wholesalers/Vendors

The store initially used several wholesalers, including specialized wholesalers for produce and dairy products. Over time, this was reduced to just one wholesaler. The reason for this is unclear, but appears to be related to store size. They could not find another wholesaler that would deliver a small order for a reasonable price. The wholesaler used by the store was the same supplier for other larger stores in the area such as Giant and Save-A-Lot, and other small corner stores in the area. The wholesaler ran their own pricing promotions each month, and the store manager also offered items on sale during the holidays, when they had a surplus, or when items were reaching the end of their shelf life.

The use of a single wholesaler became problematic for marketing as the circular provided to the store was a generic circular given to all the stores served.

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This left customers dissatisfied when they came to the store looking for a particular item from the circular that was not actually available at the store. It was also problematic in terms of setting prices given the store would have had to have sold a higher number of certain items in order to be able to purchase and sell it for a lower price, which wasn't possible due to very low foot traffic.

How Prices Were Set

Prices were set by the wholesaler, who supplied several other stores in the area, and initially by the store manager. In an earlier study conducted with store stakeholders, one wholesaler reported that they “took the lowest price that would cover our manufacturing cost and delivery cost” which created a very small margin. However, competing food stores such as Giant supermarket, were able to purchase and sell certain items at lower prices because they sold a larger quantity as compared to the Baltimore store.

Therefore, prices at the Baltimore store were not perceived by customers as being lower than other stores in the area. Johns Hopkins University provided data-driven written reports outlining these discrepancies which were sent and presented to store and higher-level management staff. This study also demonstrated that low prices was the most important reason customers selected the Baltimore store, however, customers also acknowledge that some items were cheaper at other stores.

COMMUNITY ENGAGEMENT

While a high level of community engagement was intended, many initial plans never came to fruition. Community input was not included in store planning, but the business plan included ongoing community

engagement through a number of different approaches. The manager described several planned engagement activities including in-store taste-tests, nutrition education, cooking classes, a designated meeting space for community members to hold meetings or events, and a butcher apprenticeship program. There were also plans to have a workforce development program to train food retail employees at the store and prepare them to enter the workforce.

Very little of these intended plans actually took place, but the following strategies were used:

- A website and in-store kiosks for weekly deals and as coupons that could be printed out and used in-store.
- A Facebook page was intended to promote sales, as well as promote community events. However, the page wasn't created until January of 2020, almost two years after opening. Activity and engagement were low, with about 1 post per month and less than 100 followers.
- Use of a weekly circular. However, cost and misalignment existed with what was sold in store, and it was ultimately discontinued.

REGIONAL IMPACT OF COVID-19 PANDEMIC

The pandemic response in Baltimore City was guided by the Maryland state response. The highest number of recorded COVID-19 cases occurred in January 2020, just two months before the store closed.

- The neighborhood lost several food establishments like Save A Lot grocery store, Eddies Market, and a few full-service restaurants during the pandemic.^{2,3,4}
- Transportation usage was diminished and compared to the prior year, “transportation encounters” decreased by as much as 58%.

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- Unemployment rates were as high as 11.5% in Baltimore city during the height of the pandemic and up to 9.6% in the county.
- Applications for the Supplemental Nutrition Assistance Program (SNAP) increased by 600% in April 2020 and by August 2020, there was a 22% increase in enrollment as compared to March 2020.

Some changes were reported:

- Case reporting protocols were put in place in for when a staff member tested positive for COVID-19.
- The store implemented a policy to require that staff and customers wear a mask, in compliance with the state mask mandate.
- Limit of one item per customer was set for certain products such as hand sanitizer and paper products.
- A more specific cleaning protocol was put into place with a more frequent schedule implemented every two hours.

Baltimore COVID-19 Response Timeline

DATE	DETAIL
MAR 2020	State of Emergency declared, Stay at Home orders implemented
MAY 2020	Limited opening of retail businesses
JUN 2020	Stay at Home order rescinded; limited opening of religious facilities, fitness centers, libraries, and non-essential businesses
JUL 2020	Masking mandate implemented
SEP 2020	Some schools reopen for in-person learning
JAN 2021	Vaccination efforts initiated
MAY 2021	City restrictions rescinded; Guidance provided to comply with State orders

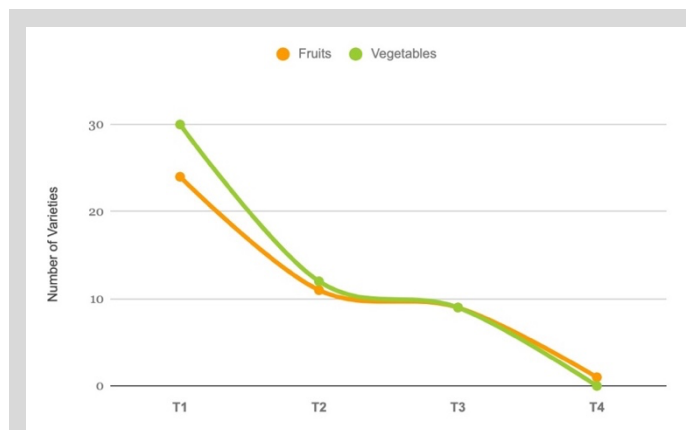


Figure 2: Declining availability of fruits and vegetables at the Baltimore store

Changes to Procurement & Pricing

At the start of the pandemic the manager had a difficult time stocking certain products such as cleaning products, canned goods, and paper products. There were restrictions implemented by the wholesaler on how much the manager could purchase at one time. Meat products were extremely difficult to get at the start of the pandemic, and when they were available the prices were higher than usual. As a consequence, the store had to sell meat products at a higher price.

STORE OPERATIONS DURING THE PANDEMIC (2020 - FEB 2021 (Closure))

Operational Changes

The manager felt that, in general, his managerial responsibilities stayed the same during the pandemic. He reported that store operations remained relatively stable during the COVID-19 pandemic, including hours of operation and number of staff employed.

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Customer Changes During the Pandemic

There was an initial increase in the number of customers when the pandemic first started. The manager describes that there were long lines at grocery stores in the area which brought more people to the Baltimore store. After this initial increase, the store saw a decline in general, which may have been a result of lockdowns and restrictions, as well as a shift to online shopping, delivery, and curbside pick-up.

Availability of Healthy Foods

The total Healthy Food Availability Index (HFAI) score was adapted from the NEMS-S SF sub-score to include additional food items including low-fat cheese and yogurt, frozen fruits and vegetables, white fish, and non-meat proteins (beans, eggs). An average score across time points was calculated. Time point four was excluded given data were collected two days before store closure at this time point, and store shelves were virtually empty. See **Figure 2**.

PLANS FOR REBRANDING

In January 2019, store usage was low and the Baltimore store began collaborating with Johns Hopkins University and The Richards Group marketing firm to help identify reasons for lack of customer foot traffic and to create a strategy for moving forward.

Rebranding

Of the overlapping recommendations presented by both Johns Hopkins and the Richards Group, the Salvation Army chose to move forward with rebranding the store. They selected a new name, “29th Street Market” and designed a new logo to be used for the sign out front, staff uniforms, and marketing materials.

Store Closure

Despite these initial efforts, the Salvation Army aborted the plans for rebranding the store and ultimately decided to close in February 2021.

LESSONS LEARNED

- Select new store location carefully. The store was not placed in a HFPA, and community engagement was not used to select the location.
- Maintain high-level oversight: “But it [the store] was basically left to its own devices and there was no, no general oversight above the manager.” –Interview #10
- Prioritize community engagement. Community engagement was lacking from the outset in determining the location. Therefore, when the store opened, there was low awareness that the store existed, and brand confusion about what the nature of the store was. In addition, none of the community programs initially planned were sustained if started at all, including the cooking demos, nutrition education, and workforce development program.
- Have a marketing plan. Promotional activity was low and the store lacked a marketing plan.
- Secure funding from donors and investors. Staff reported having difficulties finding willing funders and convincing them that the store was worth investing in, and instead suggested utilizing an endowment strategy.

“I think because the model, the model is different. It's you know you're asking

somebody to essentially fund your business... I'm asking them to fund a business, and so when people put money into a business, they expect a return generally on that investment. There isn't one.” -Interview #09

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IMPLICATIONS/SUMMARY

This case study provides the experience of a community store that was unsuccessful and closed after less than three years. There are multiple reasons for this ultimate store closure, including significant lack of community engagement from beginning to end, brand confusion, and lack of oversight at the organizational level.

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