Walgreens Tackles ‘Food Deserts’

By ROB WALKER
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Among students of the contemporary metropolis, “food deserts” have become a widely known problem. The term is generally used to describe urban neighborhoods where there are few grocers selling fresh produce, but a cornucopia of fast-food places and convenience stores selling salty snacks (though, strictly speaking, the term can be applied to rural or suburban areas, too). Often the problem afflicts low-income areas abandoned or shunned by food businesses that focus on better-off consumers; the residents of food deserts, apparently, are not providing enough profit to be offered more healthful grub. These are places where the market for nutritious food is essentially failed.

Perhaps the marketplace can reverse its own failure, but a little prodding from other entities may be required. One example emerged this summer in Chicago when Walgreens, the drugstore chain founded in that city more than 100 years ago, started selling an expanded selection of food, including fresh fruits and vegetables, at 10 locations selected because they were in food deserts. The experiment in creating these “food oases” is intriguing because it involves a well-known retail brand not typically associated with groceries — and, really, because it involves a well-known retail brand at all.

Chicago was the focus of a 2006 study by the Mari Gallagher Research and Consulting Group (commissioned by LaSalle Bank) that helped popularize the phrase “food desert” by linking it to block-by-block grocery-access data and made forceful arguments about the impact the lack of options had on public health. While the same issues exist in many places (and Gallagher has since assessed locales like Detroit and Birmingham, Ala.), it seems likely that the prominent association between Chicago and the food-desert problem played some role in motivating city politicians; the Walgreens foray into groceries followed an appeal from Mayor Richard Daley’s office.

A drugstore might not seem the obvious venue for solving a grocery-store problem, but Walgreens offered something useful: ubiquity. “That’s the exciting thing about Walgreens, says Gallagher. (It was during her research on Detroit that she was struck by the fact that pharmacies were practically the only mainstream chain in many places — and Gallagher has since assessed locales like Detroit and Birmingham, Ala.), it seems likely that the prominent association between Chicago and the food-desert problem played some role in motivating city politicians; the Walgreens foray into groceries followed an appeal from Mayor Richard Daley’s office.

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Thus the pharmacy chain did not have to open new stores in food deserts, because it was already operating in plenty of them, and could use Gallagher’s data to pick locations for its experiment. Still, refitting the stores to offer 750 or so new products, including whole new categories, without expanding their actual size was a big undertaking. (About 20 to 25 percent of the square footage in each participating store is now given over to food.) And Walgreens had to line up new suppliers and adjust to the risks of selling things like lettuce and bananas that can go bad on the shelf if not bought quickly, says Jim Jensen, the chain’s divisional merchandise manager for consumables.

Then again, if you’re a big retailer looking to explore a new category, there are advantages to knowing in advance that the market isn’t exactly saturated. Walgreens is offering few specifics about how the test run is going. (The company put
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It’s certainly easy, given the scope of the food-desert challenge, to imagine other municipalities encouraging Walgreens to bring its concept elsewhere; customers in other cities who have heard about the effort have already starting asking local Walgreens managers when produce will be available. Meanwhile, more non-junk-food items and ready-made meal options (sandwiches, for example) have been spotted at drugstore chains like CVS and Duane Reade; Wal-Mart has said it will test smaller stores within cities instead of at their fringes.

Gallagher, whose research has evidently done a great deal to spark all this experimentation, has been working with new measurements to help more retailers adjust their product mix to more healthful foods in areas that lack access to them. Another clever attention-getting statistic she has come up with is a measurement of “years of life gained” through access to better food.

While Gallagher is pleased to see the Walgreens experiment unfold, “there’s not a single solution,” she says. And in fact there’s an overlap between that view and her general theme, which is that the goal is fundamentally to increase choice. She is less concerned about purging food deserts of fast food or other processed-sustenance options than she is with adding more healthful options to the menu. “Choice,” she maintains, “is a good driver.” In other words, if this marketplace failure is going to be resolved, it’s hard to see how anything but the marketplace can do it.

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