



fractal

# RETAIL HEALTH

2023 & BEYOND

FUTURES BY FRACTAL | GLOBAL RETAIL - MODULE 3 | JANUARY 2023

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For better or for worse, the pandemic has altered our perception of health. It helped us realise that health is more than medicine, care is beyond clinics & pharmacies, medication beyond prescriptions & OTC aisles, and that health is part of small, everyday decisions.

This reframing created an opportunity for retailers to explore products and services under the *health-as-lifestyle* proposition.

In this changing landscape of both industries where the lines of health and retail continue to blur, we also see a need for the democratisation of health-related data. This would help create touch points to better understand consumers and focus more on individual and collective well-being.

In this document, we explore these shifts, with **3 focus areas** under the banner of Retail Health, with related implications for retailers.

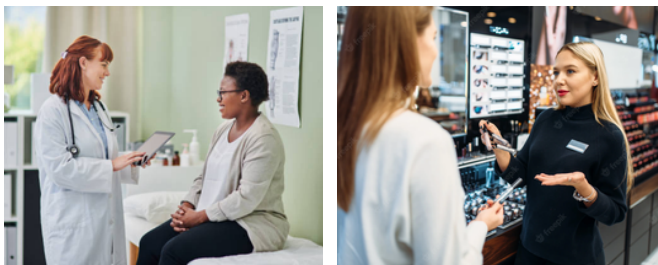
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  - a PHYSICAL HEALTH
  - b SOCIAL & MENTAL HEALTH
  - c ENVIRONMENTAL HEALTH
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# THE CHANGING LANDSCAPE OF RETAIL HEALTH

## Then

Historically, health was associated with medicine, visiting the doctor, the pharmacy, etc. While wellness was a concept that was connected to beauty and fitness. The worlds of healthcare, wellness, nutrition and products lived further away from one another.



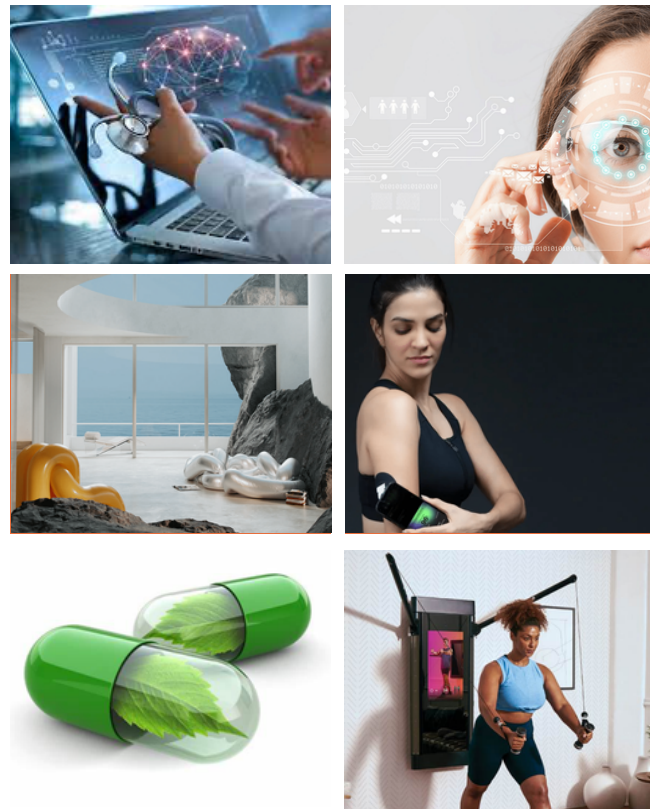
## Now

Technology has disrupted the industry by increasing accessibility with models like DTC, tracker apps, IOT, wearable tech. In parallel, it's worth noting the rising trend of detoxing, cleanses, holistic living, intuitive eating, slow down culture and self-care. Thus, there is a shift for wellness to include well-being.

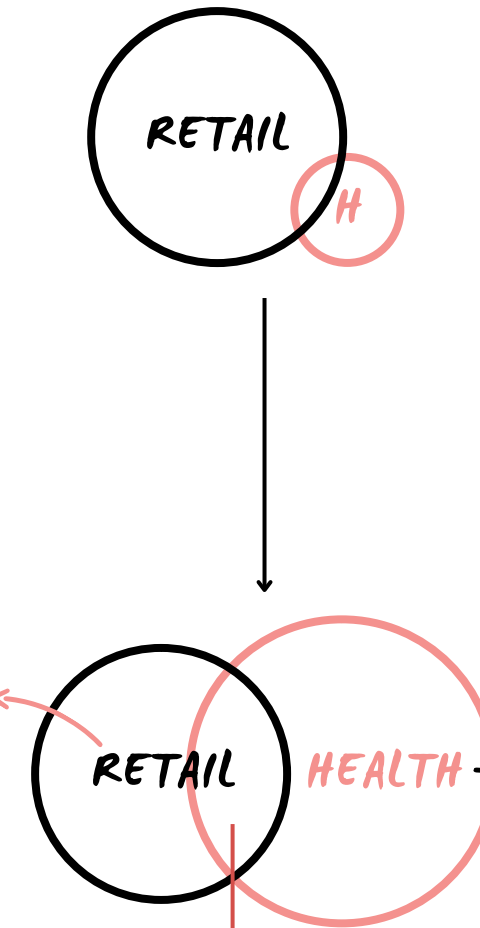


## Near

With the advancements in technology and an upward trend of self-governance, monitoring, diagnostics - intervention will become more in-the-moment and ongoing. People won't have to go far to feel better. Care will be embedded in the products and services that surround people every day.



Evolving construct  
of business



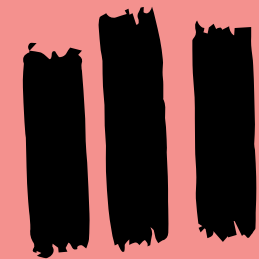
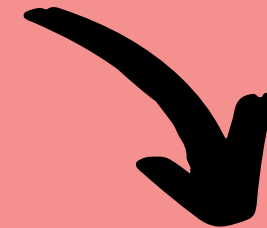
Emergence of  
retail health

- Physical Health
- Social & Mental Health
- Environmental Health

Evolving notion  
of health

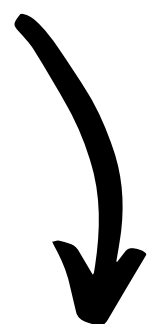
# KEY AREAS OF FOCUS:

# RETAIL HEALTH



- Physical Health
- Social and Mental Health
- Environmental Health

# PHYSICAL HEALTH



FITNESS

PRIMARY CARE

NUTRITION

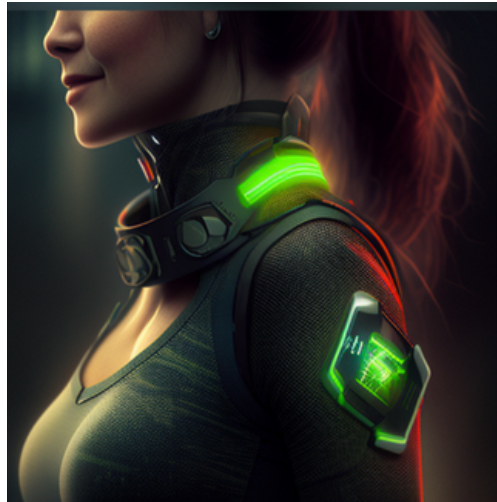
PERSONAL CARE



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# INDIVIDUALS SEEK COMPANIONSHIP IN FITNESS, WEARABLES & THE QUANTIFIED SELF

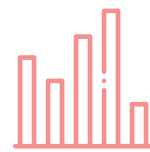
## Connected, inclusive wearables & trackers



- Fitness for everyone - Regardless of age, gender, location, individuals now wish (and expect) to have deep visibility into their fitness levels more seamlessly than ever
- Consumers desire quality activewear that lasts and has features beyond comfort, such as being paired with near devices, integrating fitness data, weather protection, dry-fit, etc. Technology will continue to blend with everyday wear

“  
I use a smartwatch to stay active and fit. Its tracking features such as the pedometer enable me to achieve my fitness goals through its constant reminders.

- 30 years, Male



75% of users agree that wearables help them keep track of their health

-Insider Intelligence, 2022

## Experience-led studios & spaces



- Across segments, people are looking for more shared workout experiences (Millennials, Boomers displaying similar patterns) across online, offline & integrated fitness experiences
- Willingness to partake in 'merch' that represents their community
- Fitness studios and clubs are a hub for feel-good moments as they are transforming into cafe-like destinations; with a reinforced focus on healthy eating, healthy living - all in one

“  
With the work-from-home situation during and after the pandemic, I wanted to get out of the gloomy environment. So I joined virtual yoga and meditation classes and continued to attend the classes even when the yoga studios re-opened. This was fun and gave me an opportunity to interact with a lot of people.

- 28 years, Female



**CAUTION: CONNECTED-SOLUTION PROVIDERS HOLD SENSITIVE INFORMATION AND CAN BE VULNERABLE TO LEAKS, RANSOMWARE ATTACKS**

# STORIES IN FOCUS



Fig 1.A

**Experience Chicago's First Fitness Festival With SoulCycle, Lululemon, And More**

Fig 1.B



Fig 1.C

**The rising role of smart technologies in chronic disease management**

New research finds using a smartphone app more than doubles detection and treatment rates in older people

Fig 1.D



Fig 1.E



Fig 1.F



**The Lululemon Studio is a great home gym and a slick full-length mirror in one**

Fig 1.G



Fig 1.H



**CVS collaborates with Microsoft**

Fig 1.I

CVS joined hands with Microsoft to advance its "digital-first" strategy. CVS aims to use Microsoft's technologies, including cloud computing and AI to aid personalised care to their consumers. Microsoft is also enabling CVS to provide personalised health recommendations to consumers as and when they need them by combining information across different areas of the company.

## Obe fitness class at Bloomingdales

Department stores such as Bloomingdales are embracing the shift that consumers bring toward wellness and fitness. Bloomingdales partnered with Obe fitness to produce a series of digital fitness content which was hosted at the company's "On Screen" events.



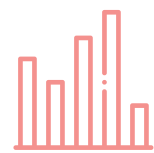
Fig 1.J

# AI-POWERED EVERYTHING AS A WAY TO INCREASE ACCESSIBILITY FOR CARE IN RETAIL SPACES

## In-store clinics: Best of retail and healthcare?



- Retailers are inching closer toward becoming a trusted, easy-to-access spot for primary care with doctor-staffed clinics, travel clinics, and stand-alone primary care facility centers
- With the introduction of telehealth provision at retail clinics, consumers are able to access quality consultation services and care with ease. The interaction goes beyond the physical into virtual settings, making for a smooth, integrated, more delightful experience



49% of the consumers feel more satisfied with retail health clinics as better as or much better than their doctor's office

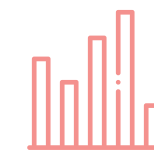
-Progressive Grocers, 2021



## Responsible telemedicine: From Apps to VR



- With Telemedicine, there are regulations and concerns around data privacy. Delivering responsible, evidence-based care with a clear rationale for data capture as and when needed will help retailers emerge stronger
- Integration of AR and VR (with purpose) can enable deeper communication between the doctor and the client, over video consultations; especially when treating mental health conditions



Consumers adoption of telehealth applications boomed, from 11% of US consumers using telehealth in 2019 to 46% in 2021

-Insider Intelligence, 2022



**CAUTION: RETAIL CLINICS TO PROACTIVELY MANAGE RISK OF LIABILITY (EX. URGENT CARE, ADDICTION, DATA LEAKS)**



# STORIES IN FOCUS

Retail Clinics Market is Expected To Reach a Valuation of US\$ 8.05 Bn by The End of 2028 While Expanding at a CAGR of 9.6% | Future Market Insights, Inc.

Fig 2.A

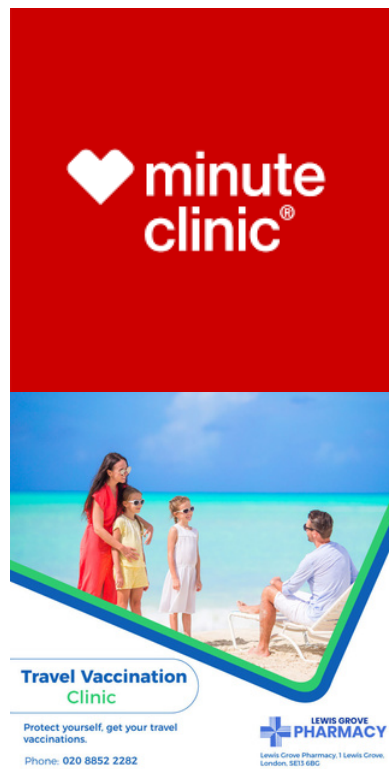


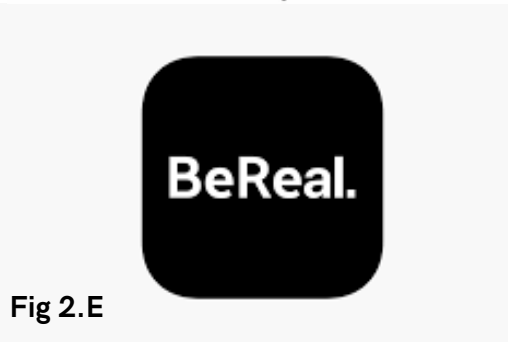
Fig 2.D

Fig 2.B



Roman Health Ventures' Roman line offers telemedicine appointments for men and ships products like erectile dysfunction medication and hair loss treatments directly to consumers.

Fig 2.E



BeReal app helps build meaningful connections for improved well-being

Fig 2.C



Surgeons use the mixed reality of Microsoft HoloLens to visualize their approaches before and during surgery.

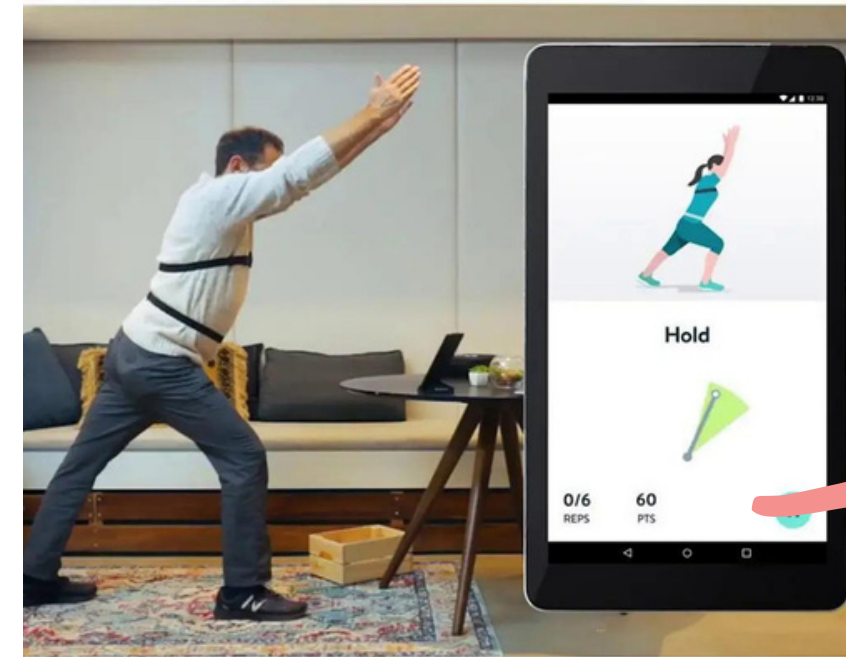


Fig 2.F

## In-patient monitoring with Hinge Health

Companies such as Hinge Health go a step beyond retail clinics as they offer remote patient monitoring. Its app and sensors enable in-home personalized physical therapy. Hinge Health is aided by expert clinical care and advanced technology.

## Reimagining remote diagnosis via BiovitalstHF

According to Biofourmis, less than 1% of heart failure patients receive the optimal dose of their medication on a regular basis.

The BiovitalstHF app incorporates sensors and AI which aids in a better diagnosis of the patient for the doctor. It automates the usage of medicines in the correct proportion and in the right intervals. The app also ensures that the patient's medical history, changes in heart rate, lab results, and symptoms are accounted for.



Fig 2.G

# BLENDED FUTURE OF MEDICINE AND HYPER-CURATION OF FOOD IMPACTING RETAILERS

## Functional food as medicine



- Consumers are seeking more individual and customized approaches in online nutrition programs as well as in product aisles at physical stores
- Through modified diet plans, value-added services, and interactions, retailers can become a destination and partner in healthcare journeys

“

*I always believe in following a nutritious and a well-balanced diet. I prefer to include vitamins, and minerals in my daily diet and consume juice/soups as immunity boosters. I also avoid going to the doctor for minor health issues.*

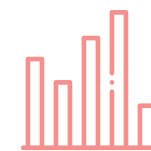
- 40 years, Female

”

## The world of nutraceuticals & preventive care



- Sweet spot - There is an opportunity for food retailers to create a brands that have a more clinical image and for pharmaceutical retailers to make more consumer-oriented products because of the increasing demand for nutraceuticals
- Stricter regulations by bodies such as the Food and Drug Administration (FDA), growing consumer curiosity and fast-and-wide-spread information puts heightened scrutiny on retailers to avoid missteps, mislabels or misleading claims



Global market for nutraceuticals valued at US\$233.9 Bn in 2020 to estimated at US\$358.5 Bn by 2027

-Food Research Lab, 2021



**CAUTION: PEOPLE/RETAILERS OVER LEVERAGING LIFESTYLE FADS OR UNVERIFIED TRENDS CAN LEAD TO DANGEROUS HEALTH OUTCOMES**

# STORIES IN FOCUS



**Fig 3.A**  
Psychosis, Addiction, Chronic Vomiting: As Weed Becomes More Potent, Teens Are Getting Sick  
With THC levels close to 100 percent, today's cannabis products are making some teenagers highly dependent and dangerously ill.

**Kombucha Gains in Popularity as Functional Beverage Market Growth Continues**



Fig 3.C

**HEADLINE**  
Marijuana firm Flora Growth acquires JustCBD wellness brand for \$16M, shares

Fig 3.D

**Fig 3.B**  
How beverage brands are innovating with superfood

Other interesting superfoods like dragonfruit, pomegranate, wheatgrass and pumpkin seeds are accounting for the innovation taking place in the beverage industry.



More than mere supermarkets, Whole Foods and Trader Joe's are health food meccas

Fig 3.F



Fig 3.G

## Pop-up grocers

Pop-Up Grocers is the discovery destination for new, better-for-you products! It is disrupting the traditional grocery store experience by offering healthy products in a pop-up store setup that is filled with vibrant decor and customer pulls like 'happy hour'

## Target's tryst with Nutraceuticals

Target recently signed a partnership with Bloom, a health and wellness company to launch Greens & Superfoods Powder on the shelves of 600+ Target stores. Target is also increasing its health and wellness offerings with the help of DTC brands. Medicine cabinet-focused brands Hilma and Beekeeper's Naturals are sold in Target stores.

Bloom Nutrition Announces First Retail Partnership with Target

Fig 3.H

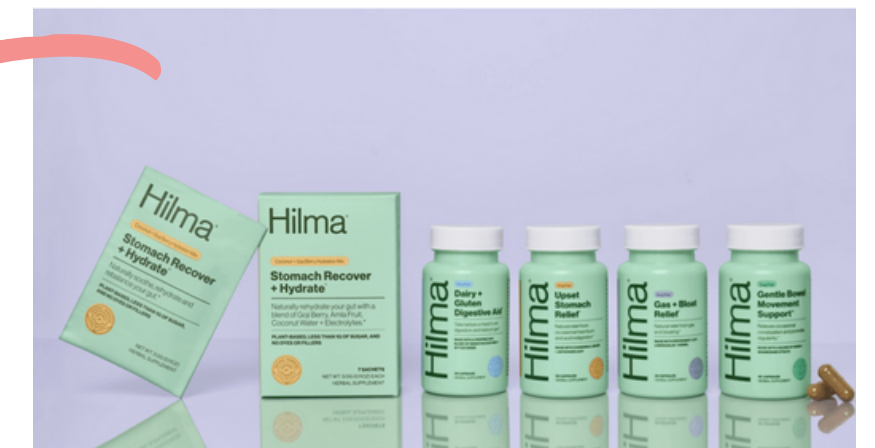


Fig 3.I

# CONSUMERS CHALLENGE & REFRAME BEAUTY STANDARDS, BRINGING SELF-CARE INTO ROUTINE & LUXURY

## Real(istic) beauty - Come as you are



- The concept of wellness today incorporates an expanded view of beauty (and rightly so). Beauty products can emphasize on wellness as a category with products related to everyday care, private care services, and spa-like experiences at home
- Simplified and sophisticated beauty is on the rise with the growing importance of products that have proven benefits for their health and wellness

“

*I don't to buy products that make me feel 'less-than' anymore, I choose feel good over looking good.*

- 29 years, Female

”

## Proactive, ongoing care - For you, by you



- Beauty has moved from a 'pleasing' to a 'caring' mental model, sometimes even as an indulgence for oneself
- Consumers are now caring for their skin with at-home multi-step rituals, sometimes more than once a day
- With Covid lockdown(s) - upskilling in haircuts, nail art, pedicures, make-up, etc. became DIY projects and served as a coping mechanism for distressed individuals

*80% of adults said they intend to be more mindful about practicing self-care regularly after the pandemic. Global research conducted in 2021 found that consumers' prioritization of wellness has jumped as much as 65% in the past two to three years.*

-Johnson & Johnson, 2021



**CAUTION: BRANDS THAT REINFORCE OUTDATED NORMS WILL LIKELY FACE SOCIAL BOYCOTTS/CANCEL CULTURE**

# STORIES IN FOCUS



Fig 5.A

The #NoMakeup trend encourages women to embrace their natural beauty and post makeup-free selfies. How can that be wrong?



Fig 5.C

Essential Oils  
For Self Care



Fig 5.E

Multi-use- hybrid cosmetics will abound with rising costs of living

Fig 5.B

- skin care vitamin c
- skin care routine with vitamin c serum
- skin care products with vitamin c
- skin care routine with vitamin c and retinol
- skin care with retinol and vitamin c
- skin care vitamin c
- skin care by hiram vitamin c
- skin care products with retinol and vitamin c
- skin care routine vitamin c
- skin care vitamin c serum
- skin care products that contain vitamin c



Fig 5.H

## Feel good bar @ Selfridges

A pop-up at the Selfridges department store that turned into a permanent installation is dedicated to the discovery of feeling good. Some of their services for well-being include acupuncture sessions, hypnotherapy, and sleep aids. The bar offers more than 250 products in well-being and reimagines the drinking culture through its energy-lifting bar.

## Wellness, delivered

Soothe connects you with top on-demand massage, skincare, hair, and beauty service professionals. Taking care of yourself has never been this easy and convenient.

Fig 5.D

BEAUTY PIE REPORT SHOWS COST-OF-LIVING CRISIS IS DRIVING ERA OF FINANCIALLY INCLUSIVE BEAUTY

Fig 5.F

## 5 Best Drugstore Skincare Brands

Fig 5.G

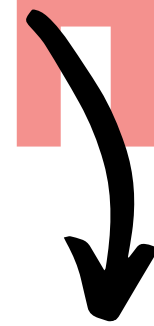
## Perso by Loreal

Perso is an at-home device that can gauge conditions such as dark spots, acne, environmental conditions, etc., surrounding the individual. It then uses this data to dispense custom-formulated makeup every day. At-home beauty rituals are further simplified with the presence of Perso!

Fig 5.I



# SOCIAL *AND* MENTAL HEALTH



REPRESENTATION  
AND INCLUSION

IDENTITY AND  
VIRTUAL-SELF

SOCIAL  
CONNECTEDNESS

MINDFULNESS



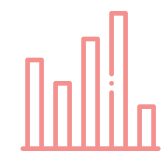
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# REPRESENTATION IN ALL DIRECTIONS CAN LOOK LIKE HYPER-NICHE PRODUCT LINES

## All-inclusive, yet just for you



- Consumers look for products that are catered to their needs - for their skin, hair, ethnicity and body type; products that make them feel authentically and functionally represented
- Designing for all-inclusive beauty is an opportunity for small, meaningful shifts across the value chain from bias-free hiring, representative teams making decisions, local vendors & suppliers, signage, and shopfloor assistants



Demand for inclusivity in beauty gets louder: 25% of Gen Z feel left out of beauty advertisements

-PR Newswire, 2022



## Shopping gets political and personal



- Identity is more than a mere physical makeover to consumers today. It means addressing self-confidence and more self-esteem and circling back meaningfully to mental and social wellbeing
- It is important for retailers to define what they wish to stand for and how they can connect with consumers through authentic influencer partnerships and visible investments in their stated interests



*I feel confident about my curly hair now more than ever as there are so many options out there for hair-care products that are now available for my hair type.*

- 30 years, Female



**CAUTION: EVOLVING LANGUAGE OF IDENTITY CAN MAKE EVEN "PROGRESSIVE" RETAILERS LOOK OUTDATED/OFFENSIVE IF THEY DON'T STAY ADAPTIVE**

# STORIES IN FOCUS

Fig 7.A

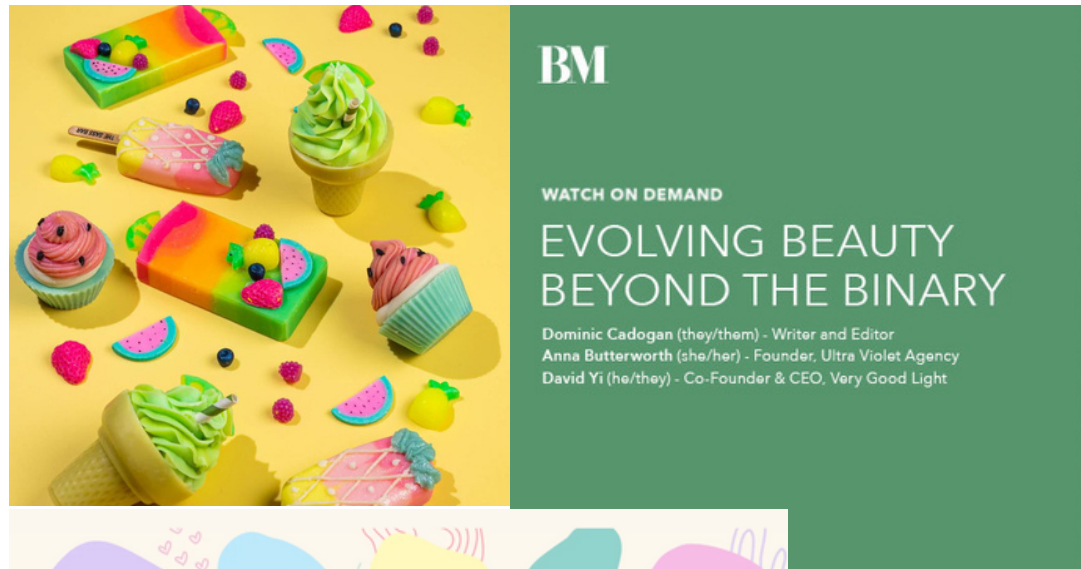


Fig 7.B

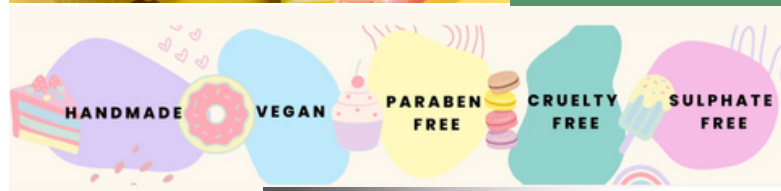


Fig 7.C Hair Health Leader Nutrafol Launches at Sephora U.S.



Fig 7.D MAC Shanghai custom 3D prints eyeshadow palettes for customers

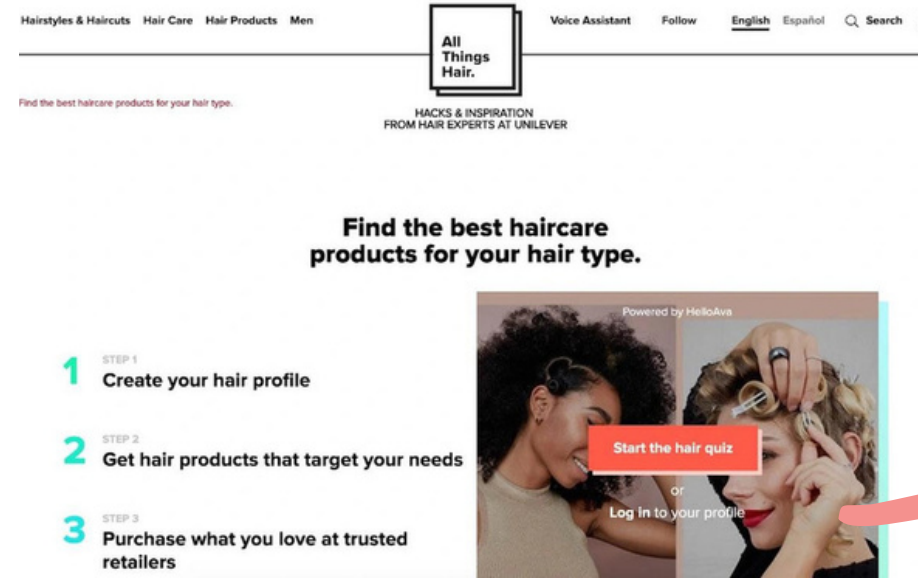


Fig 7.E

## Unilever leverages AI to personalize hair care

HelloAva is a personalized AI recommendation engine for skin-care products. Visitors are directed to a quiz where they are asked questions about hair texture, hair goals, styling preferences, and steps needed for daily hair care routine. They receive a set of recommendations that are directed to the products at Unilever's partners, Walmart, Target

## Beauty by Zara

The tagline of this newly launched range is 'There is NO BEAUTY, only BEAUTIES.' It is a minimalistic and inclusive make-up line, that caters to all. The line is crafted to be playful, personal, and individualistic. The products are made using high-performance ingredients and true innovation with colors, tones, and shades.

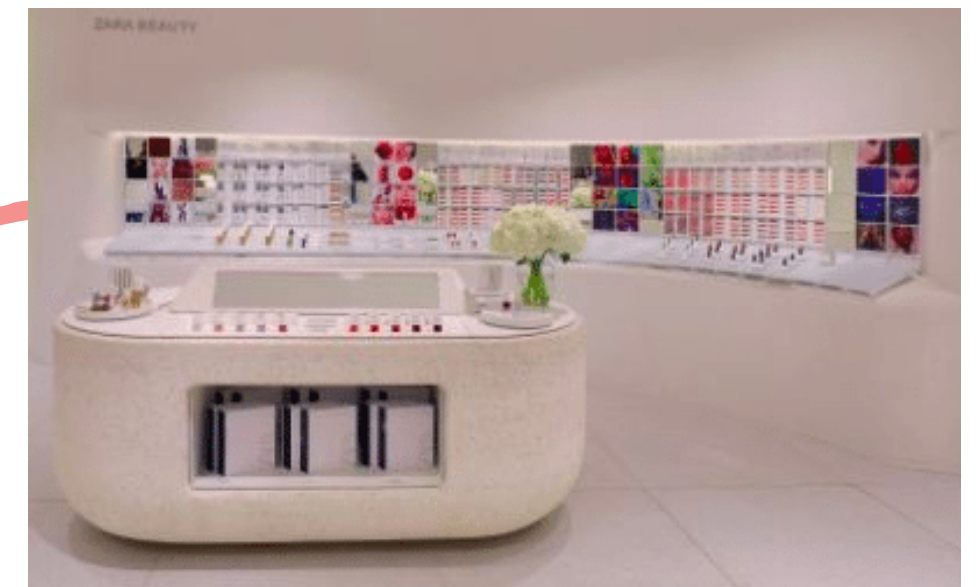


Fig 7.F

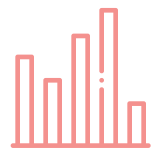


# VIRTUAL SELVES & IDENTITY SIMULATIONS INTEGRATE INTO INDIVIDUAL'S "REAL WORLD" SELF-CONCEPT & SPENDS

## Virtual identity over 'real life' for self-presentation



- Consumers tend to get emotionally attached to their in-game avatars. The intention is often to feel a sense of belonging/connection via online communities, a space to zone-in while tuning out or even as a temporary escape
- Investing in creating ones "real" avatar via immersive and interactive experiences can result in greater engagement, motivation and retention over time
- Time, money and mind space as core resources are growingly spent in the virtual world



80% of users reported feeling (more) included in the metaverse

-PR Newswire, 2022



**CAUTION: IDENTITY THEFT, CYBERBULLYING, UNDERAGE ACCESS TO ADULT-ONLY SPACES**

## Hybrid model of physical and digital IDs



- Consumers' interest in creating and customizing their virtual avatars and digital twins in all retail categories be it fashion, beauty, and NFT accessories is on the rise
- As digital IDs begin to gain acceptance socially, there is an opportunity for retailers to positively impact behavioral health
- Opportunity to curate Web3 experiences and forums that align with the evolving attitudes and preferences of consumers. To provide a hybrid identification model that can easily engage and activate both new and existing segments

# STORIES IN FOCUS

Meet Pineapple, the platform aiming to reshape professional networking for Gen Z

Fig 8.A



"Ready player me" is an avatar platform for builders, creators, and residents of the metaverse



Fig 8.D

This Social Club Runs on Crypto Tokens and Vibes

Fig 8.B

Friends With Benefits is a V.I.P. lounge for crypto's creative class. Fig 8.C



Fig 8.E

Prolonged Social Isolation and Loneliness are Equivalent to Smoking 15 Cigarettes A Day

These digital platforms foster friendships and connections in non-traditional formats, leading to increased social, emotional and mental well-being.



Fig 8.F

## IMVU by Together Labs

Together Labs brings technologies to reimagine social networking. VMU forms a part of the Together Labs portfolio as it builds the world's largest friendship discovery and social metaverse platform. It's geared toward one's overall well-being through increased emotional connection.

## Bump Galaxy and Metaverse

Bump Galaxy is built in the metaverse and is based on the world of Minecraft. The gaming environment and mechanics are used to aid in therapy and well-being. Here, people can visit different landscapes for meditation and reflection or meet with mental health professionals from across the world.

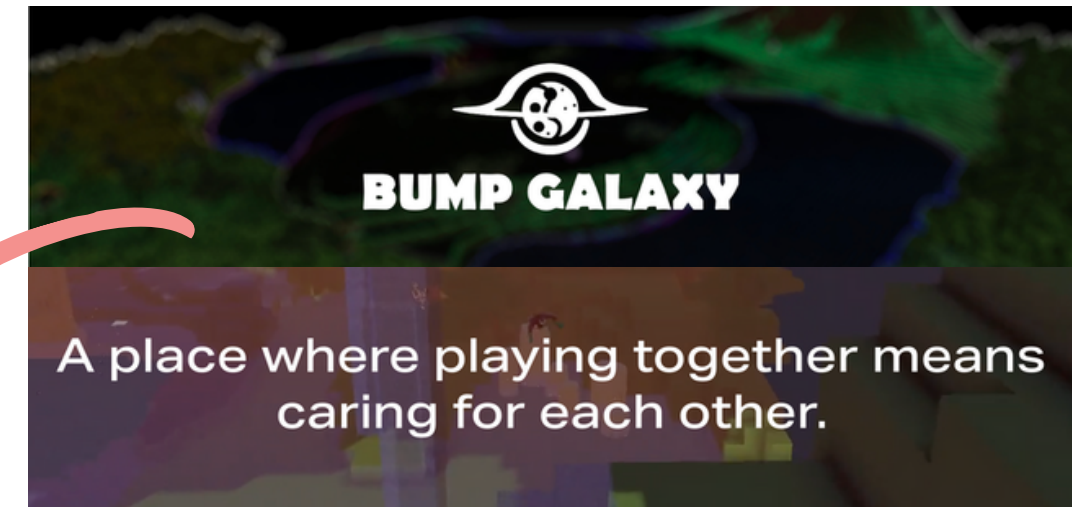


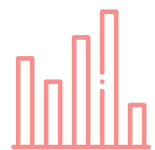
Fig 8.G

# FOSTERING CONNECTION VIA SMALL, SILLY, HONEST MOMENTS OF DELIGHT

## Deep emotional connection at a social level



- Consumers look for community forums, focused groups, and memberships to training programs, edutainment services, and networking activities where they can build more intimate relationships with each other
- Consumers wish to co-create their retail health journeys with community members and brands who understand and resonate with their fitness/wellness goals



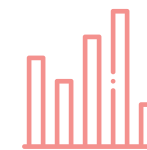
84 percent of customers say being treated like a person, not a number, is very important to winning their business.  
- Salesforce, State of the Connected Customer report



## Embracing cringe – end of embarrassment?



- Consumers are seeking avenues for expression; brands can create their own playbooks to make related communities feel like their quirky interests, sub-cultures and novel preferences are validated
- The changing definition of "cool" and shift towards not taking oneself too seriously, embracing silliness (ex. meme culture) to signal acceptance that's bigger, brighter and fun for one's customer base



Reddit- r/skincareaddiction has 1.6 million members. Through this, consumers have an outlet to learn about and discover products. Brands need to take advantage of everything that a community can offer.  
- The Cut (updated, 2023)



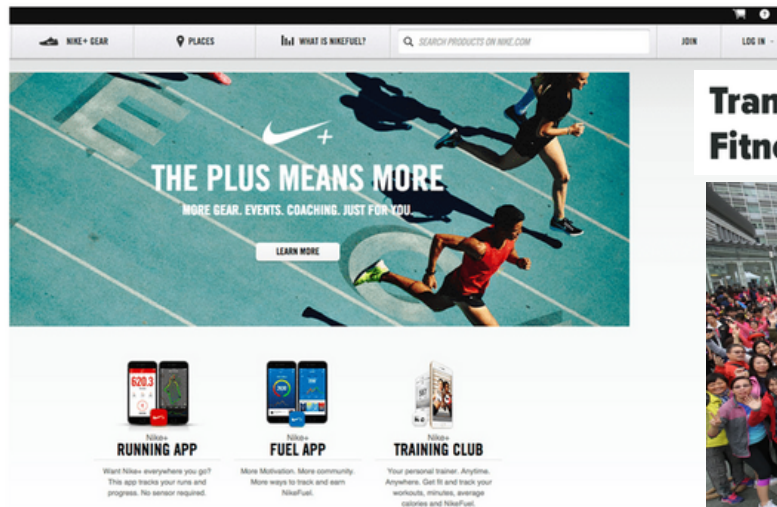
**CAUTION: COMMUNITIES MOVING INTO "CULT" FOLLOWING AND EXTREME GROUP-MIND BEHAVIORS; SELF-CENSORSHIP WITH THE FEAR OF CANCEL CULTURE**

# STORIES IN FOCUS



## How Nike Just Do It With its Nike+ Community

Fig 9.A



## Transforming a Community Through Fitness and Nutrition

Fig 9.B



Baylor Scott & White Health  
@bswhealth

Newsflash: Getting the #flushot isn't all about you



Baylor Scott & White

Fig 9.C

scrubbing.in  
Herd immunity: Why getting the flu shot isn't all about you  
Have you ever hesitated to get the flu shot? Maybe because you didn't have the time, or thought you were invincible to catching the virus? As flu season is upo...



Fitbit

Fig 9.D

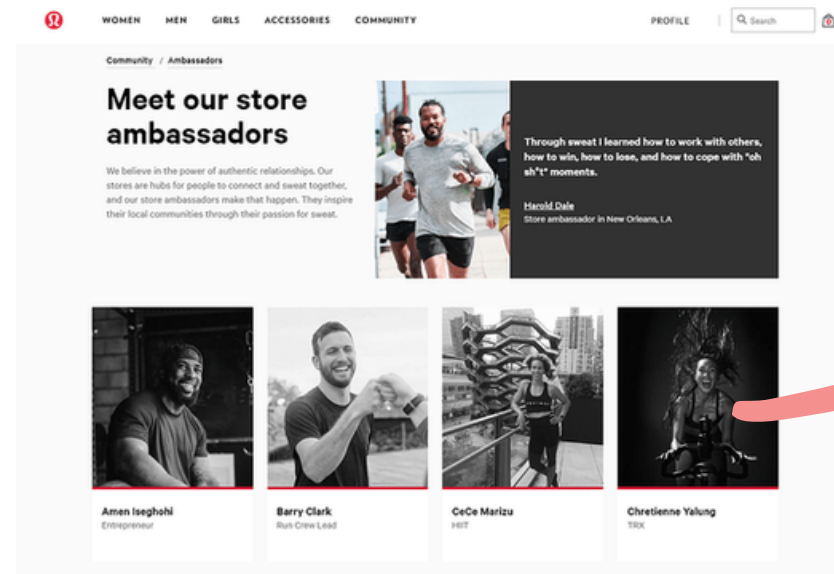


Fig 9.E

## Lululemon Community

Lululemon has a unique community-building strategy to increase engagement. Instead of relying on digital platforms, the brand focuses on localized communities that operate in the physical world. The brand collaborates with local fitness trainers and yoga instructors to reach a larger target group.

## Mr Beast

The influencer-turned-entrepreneur has a large following on social media. He built a community by understanding his audience very deeply and by engaging them with his content. This helped him increase credibility and brand recall on businesses that they started/ acquired.



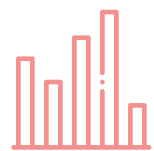
Fig 9.F

# MENTAL HEALTH INTERSECTS WITH PHYSICAL HEALTH, SEEPS INTO DECISIONS ACROSS CATEGORIES

## Digital is the future: Efficacy of Mindfulness Meditation



- In a setting where mental health and physical health converge, counseling services will evolve to provide more real-time support with alternate care protocols, retailers as potential touch points for activation
- Both brands and individuals have become more intentional with well-being. Consumers are willing to invest in services that can productize wellness to provide visibility, consistency and access that they haven't had before



A report from WHO found a 25% rise in symptoms of anxiety and depression across the globe as a result of the pandemic.

-Smithsonian, 2022

## De-stigmatize to drive access



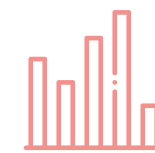
- Opportunity to create retail spaces that are part multi-purpose mental health hubs - Convenience will be the driver of preference
- Consumer behaviors are inclined towards entering a space where they can access therapy sessions, medications, wellness products and other general needs (ex. groceries) in one place

“

Prior to the pandemic, we served about 1% of that population via tele-mental health. Now, two and a half years later, we serve about 60% of that population.

- Cara McNulty, president of Behavioral Health and Mental Well-Being at CVS Health

”



Meditation apps are the most purchased health app category in the US.

-App Inventive, 2022



**CAUTION: RISE OF MISINFORMATION, FALSE CLAIMS & UNLICENSED PROVIDERS POSE A DANGER FOR RETAILERS AND CONSUMERS; NEED FOR DUE DILIGENCE**

# STORIES IN FOCUS



Fig 4.A

## Pet and Animal-Assisted Therapy is on the Rise in the U.S.

Fig 4.B



Fig 4.C

Gravity Blanket



Yoga Retreats

Fig 4.D



Fig 4.E

CBD Gummy aisles at CVS and Walgreens

Fig 4.F



## Calm + Jay Shetty

Calm has been ranked the #1 app for sleep and meditation. People are living through challenging and uncertain times and hence, the need to invest in one's personal health has never been more key. Calm has partnered with life and well-being coach, Jay Shetty to introduce mindfulness to people such that they can incorporate it amidst their busy lives. This partnership particularly targets working professionals and aims to remove the stigma around mental well-being.

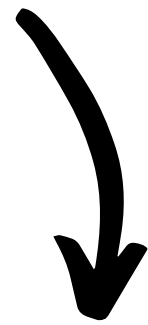
## Remedy Place, a social wellness club

Remedy offers a range of wellness experiences and holistic healthcare treatments. Examples of these are ice baths, breath work, saunas, acupuncture, and vitamin IV suits, among others. It's driven by the fact that social-care is an intrinsic part of self-care. People seek authentic friendships and wish to build meaningful relationships. Remedy Place enables an atmosphere to build those connections.

Fig 4.G



# ENVIRONMENTAL HEALTH



CAUSE-DRIVEN

AFFORDABILITY



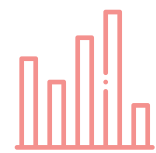
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# CURATING ETHICAL OFFERINGS & STRATEGIC PARTNERSHIPS FOR INFORMATION-DRIVEN ENTHUSIASTS

## Planet-friendly = clean beauty



- Consumers are seeking less processed products and more environmentally friendly packaging
- Ex. rising demand for "cruelty-free", "vegan", "natural", and "halal" cosmetics across the globe
- Social media influences and content creators are key contributors to the evolving concept of clean beauty and how it corresponds to their definition of wellness



66% of American consumers agreed that environmental issues are having an adverse impact on their current and future health.

-NielsenIQ, 2022



## Transparency & evidence for validation-seeking consumers

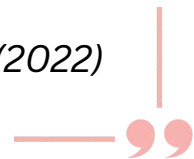


- Consumers have become more conscious of the ingredients used and the alarming side effects of chemically formulated products for their skin, hair, and body
- Retailers have the opportunity to provide holistic health education with what they sell: helping people make better choices for the planet and for people (from packaging to disposal)



*The trend for minimalist beauty is rooted in a desire for a healthy planet as much as in a desire for a healthier appearance.*

- Wallpaper (2022)



**CAUTION: HYPER-CONVENIENCE COMES AT THE COST OF PEOPLE, PLANET AND SOMETIMES BUSINESS; ROUTES TO SUSTAINABILITY - SUPERFICIAL, INEFFECTIVE, INCORRECTLY MEASURED**

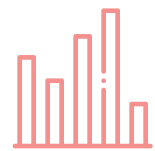


# MAKE SUSTAINABLE MORE ATTAINABLE & AFFORDABLE TO SCALE

## Options increase, perception of affordability remains low



- The availability of products marked organic / sustainable increasing as their social demand grows; actual uptake and consistent purchases (especially in economic downturns) remains questionable
- The perception of 'sustainable' and 'ethical' remain with the upper strata of society, a problem for the privileged
- Big box retailers have the opportunity to create affordable, more sustainable product lines that please consumers and their wallets



Green products are 75-85 per cent more expensive than conventional products.

-Kearny, 2020



## Expensive does not = better

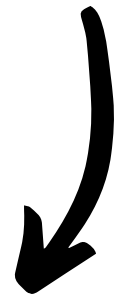


- Retailers could tap into hyperlocal purveyors to enable exclusivity with affordability
- Expensive = good is a mental model of the past, larger brands can be challenged by less expensive, sustainable substitutes of products publicized by local experts/influencers in the space



Experts attribute the rise of makeup sales in tough economic times to people indulging in affordable splurges. Target began opening hundreds of Ulta Beauty shops and has introduced more than 40 brands to its stable of beauty products, including “clean” products that are free of certain ingredients and Black-owned and Black-founded brands.

- CNBC (2022)



**CAUTION: DESPITE POSITIVE INTENT FOR CONSCIOUS SPENDING, IN CONTEXTS OF SOCIAL/ECONOMIC DISTRESS, CONSUMERS SLIDE INTO FAMILIAR PATTERNS**

# STORIES IN FOCUS



Fig 6.I



Bliss Pads- "Organic Made Affordable" The Comfort Of Hygiene Under The Coverage Of Organic Aura

## Bliss Pads

Designed by two fashion technology graduates the brand produced organic pads that do not give a false odor and prevent bacterial infections. Their tagline "Organic Made Affordable" describes their proposition.

Fig 6.B

Ulta Beauty And Sephora Take Different Approaches To Raising Their Clean Beauty Profiles

Fig 6.A

'We have a new cohort of customer experts who are now challenging the status quo and challenging what cosmetic companies may have told them before, wanting to go deeper'

Fig 6.D Tesco to boost sales of healthy foods after investor pressure



Fig 6.E

Fig 6.C



## The New Knew- affordable organic products

The writer has listed some 50 affordable skin-care products which are organic, eco-friendly, and wouldn't break the bank. Some examples of these brands include Live Botanical, Wildcraft, Cocokind (where the founder promises to make nothing over \$20!), Skin Owl, Avalon Organics among others.

*Paying less usually means compromising a bit on formulations or the quality of ingredients. But not today! I'm so excited to bring you The Ultimate Organic Beauty Budget Buying Guide – say that three times fast. So I've rounded up over 50 brands that won't break the bank but are still clean and most importantly, WORK!*



Fig 6.F

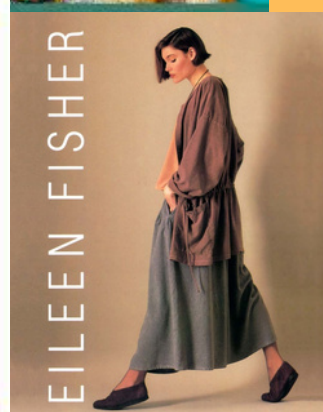


Fig 6.G



Fig 6.H

*here's the scoop*



## THE NEW KNEW

Fig 6.J

Welcome! I'm Lisa, the founder of [TNK](#), an ethical lifestyle site for women. We cover everything from clean beauty to sustainable fashion to natural wine, organic mattresses and more. We believe that by simply CHOOSING, we can make a positive impact on our health and the health of the planet. Always no B.S. Always real. Always fun. Let's make some change.

# ILLUSTRATIVE STRATEGIC DIRECTIONS TO WIN IN 2023

How might retailers be the bridge for experiential breakpoints in wellbeing journeys, by providing a more inclusive and omnipresent retail-health ecosystem?

## SUB-TOPICS IN FOCUS



- FITNESS
- NUTRITION
- SELF-CARE
- REPRESENTATION & INCLUSION
- SOCIAL CONNECTEDNESS
- PRIMARY CARE
- MINDFULNESS
- IDENTITY AND VIRTUAL-SELF
- CAUSE-DRIVEN
- AFFORDABILITY

### 01 CURATE

Personalized experiences and solutions for individual, community needs

Give a sense of control to their customers to own digital experience with regards to interface, preferences, and needs

Gamify experiences, bring play to the mundane to have enhanced involvement of shoppers across touch points

Deliver experiences to support individuals holistically across their physical, social, financial and behavioral health

Leverage/integrate tech that creates safe, engaging spaces for shoppers to tap into new "skins" in virtual environments

### 02 REINFORCE

Positive intent for consumers across multiple touchpoints

Be proactive about the status of health across touch points; timely information provided clearly can address several gaps

Data-driven strategy for enhancing consumer experiences with converging physical and digital health

Go beyond demographics, leverage consumer analytics to know how individuals are actually feeling

Non fungible tokens (NFTs) as a way to unlock personal history and exclusive only-for-me experiences

### 03 AID

Effective decision-making with comprehensive intelligence for better health outcomes

Create a sense of connectedness and belonging by leveraging digital and real-world technologies simultaneously

Amplify value-based care services as consumers demand quality over quantity

Make mental and physical care easily accessible for people who live in and are further nurtured by communities

Digital therapeutics & virtual-made-real offerings to explore fresh routes community building, and commerce

# AI AND DESIGN RECOMMENDATIONS - SAMPLE PROTOTYPES

## 01 CURATE

Recommendation: Incentivizing people to take care of themselves

“

Looks like you haven't exercised today. Click [here](#) to check out our library of home work out videos!



Keep this streak going to unlock Level 3 benefits!

## 02 REINFORCE

Recommendation: Community-building by bringing together people with similar physical and mental health conditions

You told us that you were trying to do yoga, we have found yoga groups nearby, would you like to connect with them?

Connect Individually

Connect as a Group

Not Right Now

This can come up as a banner or a pop up on the common dashboard

## 03 AID

Recommendation: Amplify value based care

“

We've noticed that you've last purchased your thyroid medication on 09/20/2021. You might be running out soon. Would you like us to add it to your cart?

“

You have missed 2 appointments and we want to make sure you're okay. If you'd like to come by, but are facing a challenge - tell us what can we do to help you..  
Click to see our accessibility and aid resources.

# GET IN TOUCH

*As you craft your way ahead, we would love to engage more deeply in a conversation with you to discuss:*

- Building resilient Retail organizations by powering every human decision in the enterprise
- Leveraging customer analytics spanning across acquisition, engagement, retention, and growth
- Improving the Inventory ROI and profitability by enabling intelligent merchandising decisions across Plan to Sell cycle
- Enabling an insight and demand-driven supply chain by leveraging advanced analytics and intelligent automation
- Helping boost sales, and productivity and reduce costs across every facet of store operations
- Operating in today's 'Data Economy' using a Modern Data Estate

*Questions, thoughts, ideas?*

Let's talk: [Retail@fractal.ai](mailto:Retail@fractal.ai)



You just finished **Module 3: RETAIL HEALTH**

*Thank you for reading!*

*Module 1:*

Navigating to Win in 2023

*Module 2:*

Everywhere, Embedded Commerce

## UPCOMING MODULES..... *WHAT'S IN STORE*

*Module 4:*

ESG in Retail

*Module 5:*

Emerging Shopping Missions, Mindsets & Moments

*Module 6:*

Role of Data, AI & Automation in Retail

For more information

Contact  [Retail@fractal.ai](mailto:Retail@fractal.ai)

# BEHIND THE SCENES

PROCESS, TEAM  
AND REFERENCES



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# PROCESS OVERVIEW

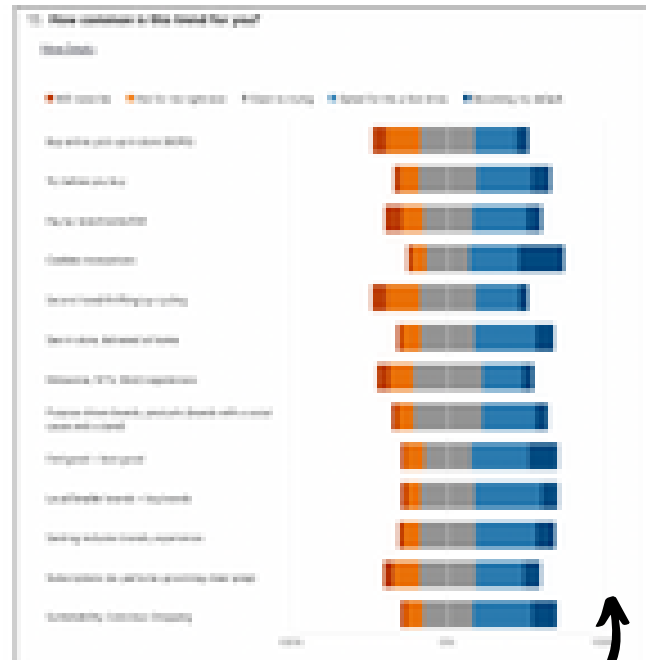
AI MEETS HUMAN INSIGHT FOR APPLIED FORESIGHT



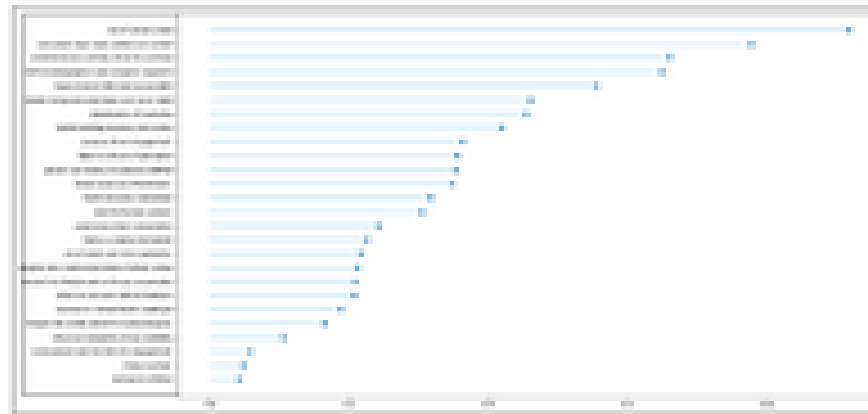
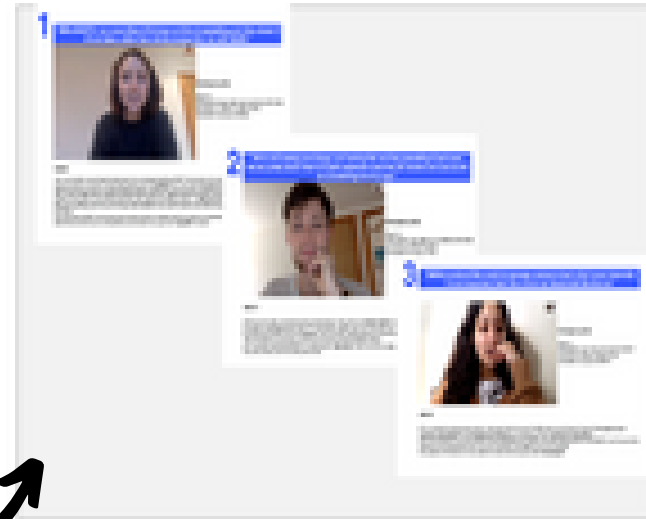
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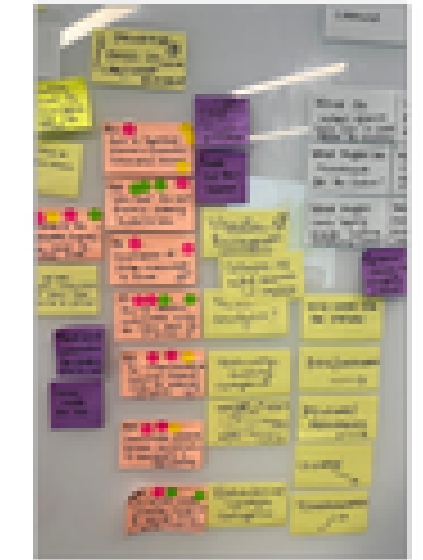
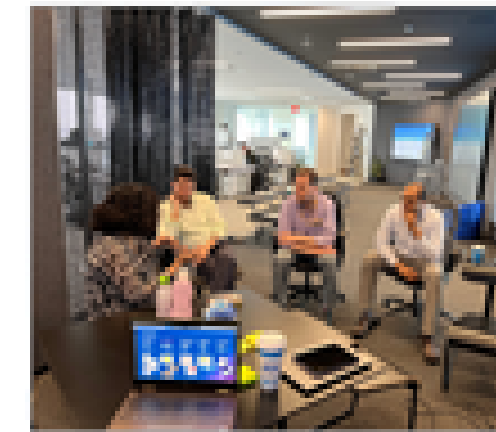
# SIGNAL SCAN, TREND WORKSHOPS AND EMOTIONS UNCOVERED IN A CONSUMER DIPSTICK



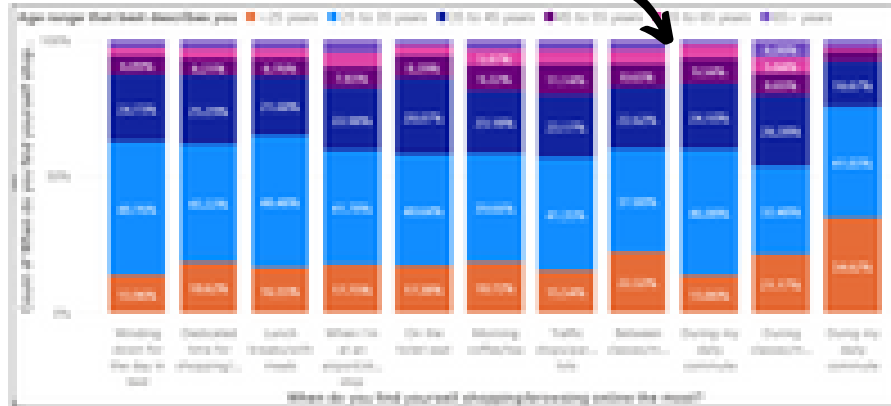
Measurement model



AI models



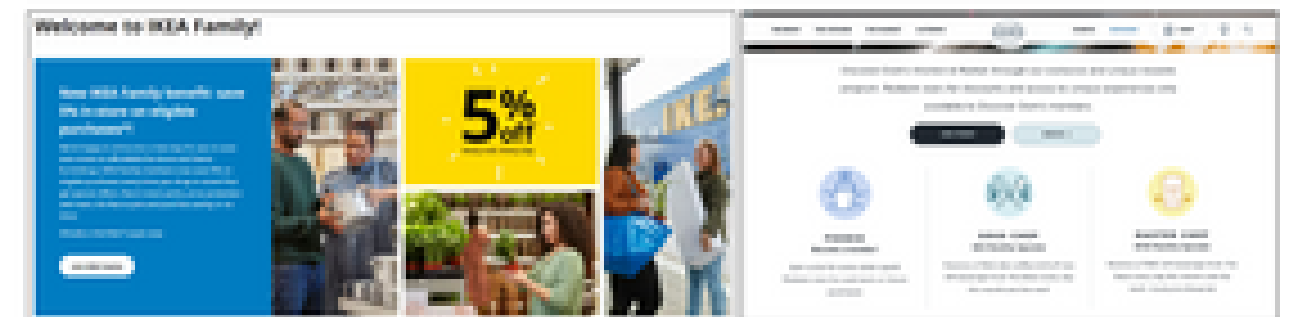
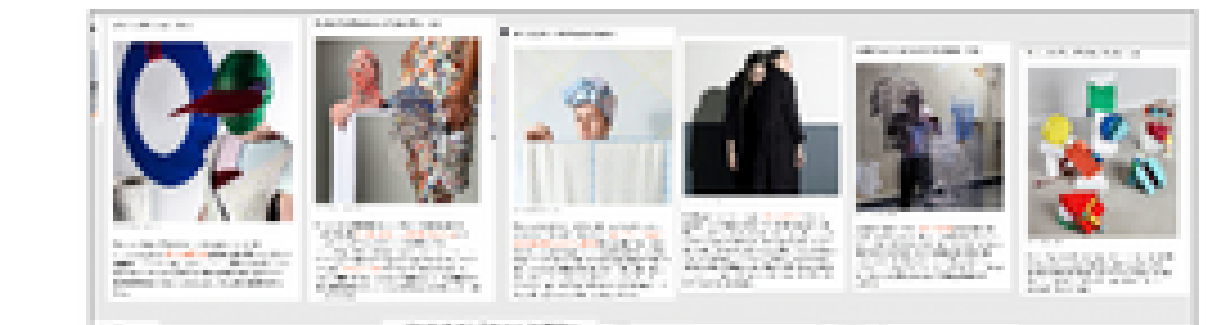
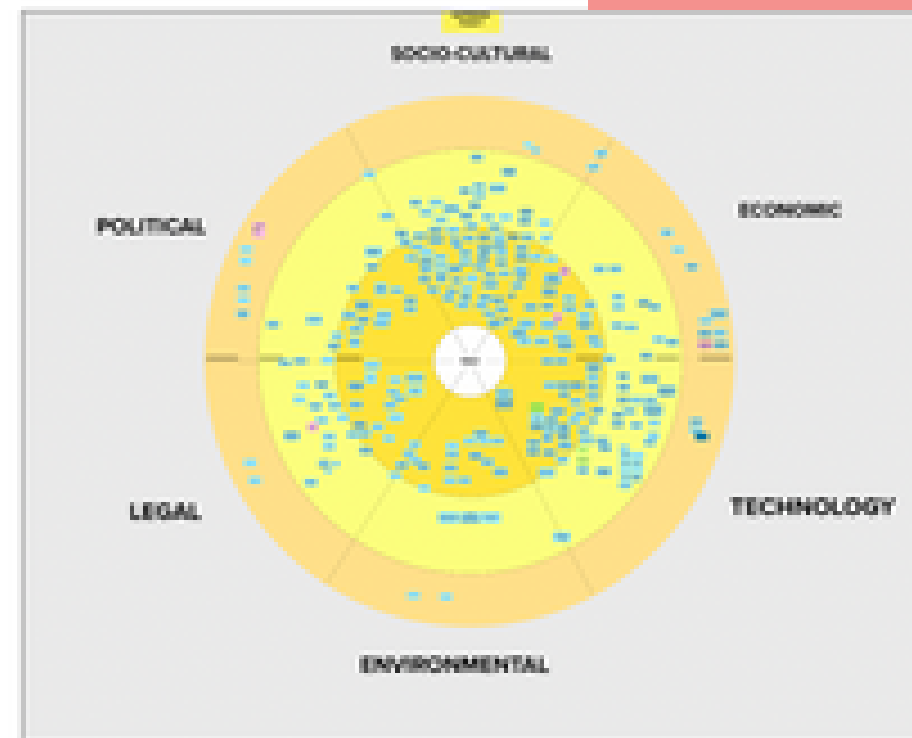
Hybrid workshops & hackathon



In-person store visits



PESTLE Scan



# MEET THE TEAM

Sangeetha Chandru: Chief Practice Officer Retail | Analytics & AI

Ann Hintzman: Chief Design Officer | Fractal Experience

Satish Kumar: Principal Consultant | Retail Advisory

Sharada Karmakar: Engagement Manager | Retail AI Strategy & Enablement

Shivani Gupta: Lead Behavior Architect | Fractal Dimension

Ashna Taneja: Decision Science Consultant | Fractal Dimension

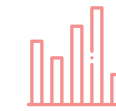
Lavanya Julaniya: Senior Design Consultant | Fractal Experience

Gurjyotkaur Bindra: Design Consultant | Fractal Experience

Shagun Parab: Design Consultant | Fractal Dimension

Krittika Sharma: Domain Consultant | Fractal Experience

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- 1.B** [Chicago Fitness Festival headline: Mlchicagosocial](#)
- 1.C** [Community Workout : Mlchicagosocial](#)
- 1.D** [Smart Tech in Chronic Disease headline: MobiHealth News](#)
- 1.E** [Image of ring tracker: MobiHealth News](#)
- 1.F** [Image of Vufine brand: Kickstarter](#)
- 1.G** [Lululemon + Mirror image and headline: CNN](#)
- 1.H** [Wearable tracker in yoga pants: Hybrid Rituals](#)
- 1.I** [Joule with ear-rings: GadgetsandWearables](#)
- 1.J** [Obe and Bloomingdale collab: Wunderman Thompson](#)
  
- 3.A** [Teens falling sick due to potent weed: New York Times](#)
- 3.B** [Beverage brands innovating with super foods: Restaurant Indian Retailer](#)
- 3.C** [Kombucha headline and image: Food Institute](#)
- 3.D** [Acquisition of CBD Wellness Brand: MJBizDaily](#)
- 3.E** [Headline on supermarkets: Packaged Facts](#)
- 3.F** [Healthy food aisle at Trader Joes: Business Insider](#)
- 3.G** [Pop-Up Grocers: Company website](#)
- 3.H** [Bloom Headline: Prnewswire](#)
- 3.I** [Hilma Products: Modern Retail](#)
  
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- 2.B** [Roman Health ventures Headline and Image: S&P Global](#)
- 2.C** [Surgeons using mixed reality: FTI Tech Trends](#)
- 2.D** [Travel Clinic: Twitter](#)
- 2.E** [Be Real app: Parentzone](#)
- 2.F** [Hinge Health: Business Insider](#)
- 2.G** [BiovitalsHF for heart failure patients: Edbi](#)
  
- 4.A** [Pet and animal assisted therapy headline: Yahoo Finance](#)
- 4.B** [Sound and Reiki Healing: Wearecrane](#)
- 4.C** [Gravity Blanket: Wanted Online](#)
- 4.D** [Yoga Retreat: Mind is the Master](#)
- 4.E** [CBD Gummies: Forbes](#)
- 4.F** [Jay Shetty and Calm Collaboration: Business Wire](#)
- 4.G** [Wellness Club image: Wunderman Thompson](#)

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- 5.A** [No make-up trend](#): Beauty Packaging
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- 5.C** [Veda's essential oils](#): Company website
- 5.D** [Wellness delivered via soothe](#): Company website
- 5.E** [4-in-1 glow- Maybelline](#): Pinterest
- 5.F** [Quote by on rising costs and wellness](#): Beauty Pie
- 5.G** [News Headline of top brands](#): NDTV
- 5.H** [Perso at Loreal](#): Company website
- 5.I** [Joule with ear-rings](#): GadgetsandWearables
- 5.J** [Obe and Bloomingdale collab](#): Wunderman Thompson
  
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- 7.B** [Very Good Light/ Beyond the Binary](#): Bigmarker
- 7.C** [Hair health at Sephora](#): PR Newswire
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- 7.E** [Unilever tie-up with Helloava](#): Glossy
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- 6.B** [Headline on Sephora and Ulta Beauty](#): Beauty Independent
- 6.C** [Burt's Bees Image](#): Wicked Sisters Co
- 6.D** [Tesco and healthy food](#): Financial Times
- 6.E** [Fast Fashion](#): Imperfect Idealist
- 6.F** [Imperfect Foods Image](#) : Imperfect Foods Website
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- 6.H** [Arbonne Image](#): Facebook
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- 9.B** [Herbalife: Herbalife Nutrition](#)
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- 9.F** [Mr Beast: Shopify](#)