

Cracking the mobile-market code could create food-desert oasis

August 23 2017, by Rick Hellman



Credit: University of Kansas

With perishable inventory and slim profit margins, the grocery business is notoriously tough. The mobile grocery business is even tougher. Two entities – one for-profit and the other not—that in recent years ran mobile groceries in the Kansas City area have shut down.

But Professor of Architecture & Design Nils Gore and doctoral student Matt Kleinmann think they've cracked the code with a soon-to-hit-the-streets [mobile market](#). It's under construction right now in the University

of Kansas School of Architecture & Design's East Hills Design-Build Center.

Gore and Kleinmann believe they have some good ideas for transforming a former beer-delivery truck into a mobile grocery store. But more important than that, they say, is the work Kleinmann, whose educational focus is on public health, has done over the past 18 months studying the food-desert landscape and lining up partners from both the nonprofit and for-profit worlds.

It all began as a project of the Dotte Agency, founded in 2013 by Gore, Kleinmann and Associate Professor of Architecture Shannon Criss. The storefront at 611 N. Sixth St. in Kansas City, Kansas, serves as a base for the public-interest design work of the principals and their students.

Kleinmann said that in early 2016 Jerry S. Jones Jr., executive director of the nonprofit Wyandotte County Community Health Council, invited him to a meeting with representatives of Humana health insurance company.

"They said they'd like to do a mobile market and asked whether I was interested," Kleinmann said. "I said yes. We have the capacity, the students. We spent six months brainstorming. I met with people who run mobile markets like Harvesters, grocers and community groups. There is a huge amount of need in Wyandotte County. Specifically, northeast Kansas City, Kansas, is considered a food desert, which simply means a place where people have low incomes and low access to fresh foods. Over 21,000 people there live in a food desert."

And yet, Kleinmann noted, mobile markets "fail all the time."

The nonprofit Cultivate Kansas City ran one for four years, he said, "until their grant funds ran out and they had to close. And one that

launched in March 2016, Rollin' Grocer, just announced that they have ceased operations for a year. It's not a totally sustainable business. ... The challenge is when we can't get grocery stores built – for whatever reason – do we wait, or do we find other ways to get food to people?"

Part of the problem, Kleinmann said, is the \$30,000 fee the area's dominant grocery supplier, Associated Wholesale Grocers, charges customers to join its cooperative creates a barrier to entry. Also, in order for grocery stores to join the federal government's WIC (Women, Infants & Children) nutrition program, which Kleinmann called "the easiest thing we can do to increase public health," a grocer must carry a variety of foods that enables customers to make healthy meals.

So Kleinmann has reached an agreement with an alternative, grassroots grocery supplier, Texas Valley Foods, which is an outgrowth of Kansas City's popular El Torito Supermart and restaurant, and the mobile market will be WIC-compliant.

The sustainability question

Then there is the issue of design. As opposed to a school bus or trailer that some mobile markets have used, doors on one side of the former beer truck can be raised once on site to reveal its contents, drawing in potential customers.

"Most mobile markets require you to climb up inside to see what's for sale, but at least you can see what's available with our design," Kleinmann said.

The truck was purchased with grants from Humana, the Community Health Council and ECS, and it is being renovated with funding from Menorah Heritage Foundation and the Health Care Foundation of Greater Kansas City.

Another issue that has occupied Kleinmann's time is that of zoning and permitting.

"We're treated like a farmers' market," he said. "If we make 20 stops a week, we would need 20 permits. And what if we want to go to a church or school that is not zoned for commercial? Legally, we can't go."

Thus, Kleinmann said, he's been working with community partners and officials of the Unified Government of Wyandotte County/Kansas City, Kansas, to address this pitfall. A solution may require a change in city regulations.

If those hurdles can be overcome, there is still the sustainability question.

"The biggest thing we heard from the community is that it needs to be affordable," Kleinmann said.

The truck will be owned by the nonprofit Episcopal Community Services. And the Health Care Foundation of Greater Kansas City has provided ECS with a \$75,000 grant that the mobile market will use to employ two staffers – one to drive and stock the truck and another who will serve as a bilingual English-Spanish clerk and nutrition educator.

Per the agreement, most of the profit from mobile market sales will go to Texas Valley. The organizers are also developing a network of health care partners that can provide additional rebates to customers who shop at the mobile market.

Kleinmann said he has consulted with Charlotte Tritch, associate director of entrepreneurship programs and a lecturer at KU's School of Business, and her students about the mobile market business plan.

"They concluded that if the startup costs could be covered by others and

ECS owns the truck and Texas Valley owns the inventory, that will equate to better prices and allow a profit margin to make it economically sustainable," he said.

"This type of research is about prototyping things, developing new business models," Gore said. "That's where the innovation is. They are micro changes on a lot of different levels, but if you add them up, it could be significant."

"It's interdisciplinary," Kleinmann said. "It's a little business, a little design, a little public health, a little bit law."

If the legal challenges can be surmounted, Kleinmann and Gore hope the mobile market can hit the streets of Wyandotte County and Kansas City by year's end. Kleinmann said he hopes the mobile market will ultimately be run by a community advisory board. One of their first tasks will be to choose a name for the mobile [market](#) based on submissions being received from Wyandotte County residents.

"As long as it's economically sustainable, there is no reason it can't keep operating indefinitely," Kleinmann said.

Provided by University of Kansas

Citation: Cracking the mobile-market code could create food-desert oasis (2017, August 23) retrieved 26 April 2024 from <https://phys.org/news/2017-08-mobile-market-code-food-desert-oasis.html>

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