





DESCRIPTION OF THE CHALLENGE

The challenge put forward by EROSKI is titled: *How can we deliver digital solutions that facilitate healthy and sustainable lifestyles in a personalised way?*

This challenge addresses the needs described below:

- How can we in the food sector develop, integrate, and complement solutions that seek to address this challenge?
- How can we offer the user a personalised experience according to their tastes, preferences, or needs?
- How can we contribute to the well-being of the tool's users?

CONTEXT

EROSKI has over 50 years of history, following the union of seven small consumer cooperatives with a common goal: to provide quality products at a good price and to defend the rights of consumers. We have grown steadily towards this aim, becoming the leading cooperative retail distribution group for consumer goods and services in Spain. We are a leading operator in Galicia, the Basque Country, Navarre, Catalonia, and the Balearic Islands. We currently have a sales network of over 1,600 shops, more than six million customer members, and over 28,000 employees. Our social aim and our business characteristics mean that we prioritise quality and providing the best service to our customers through our business model. We work to promote local produce and healthy food at a good price and are committed to social responsibility and the sustainable development of the communities in which we are present.

We are a cooperative distribution group of mass consumer products and services and we want to be known for: the high level of commitment and involvement of the people who make up the group; offering welcoming, healthy, and constantly innovating shops; obtaining profits that allow us to generate more wealth and distribute it based on solidarity; integrating into our strategy an unwavering commitment to the health and well-being of consumers and to the sustainable development of society.

EROSKI's commitment to healthy and responsible food

At EROSKI, we believe that education is a key tool for promoting change towards healthier and more responsible eating. For this reason, we promote the Educational Programmes on Nutrition and Healthy Lifestyles (PEAHS), which provide children with educational tools on these topics in a didactic and playful way. of this is the almost 160,000 students from 1,853 schools across the country who took part in PEAHS during the 2021/2022 school year.







In addition to carrying out various initiatives to promote balanced and healthy eating, at EROSKI we are committed to food safety, an essential cornerstone for building a strategy aimed at facilitating healthy eating for people. Our Quality Management Model guarantees that the final product that reaches consumers has passed all safety controls. This model brings together standards, processes, procedures, tools, and definitions that ensure safety throughout the value chain. This has been something that has set us apart throughout our history due to the drive and utmost commitment with which we have been carrying out this work.

EROSKI has also become the first retailer in Spain to implement new environmental labelling on a dozen own brand products. This is Planet-Score, a label that indicates the environmental impact of products using a scale of letters and colours.

<u>Information on the nutritional content and balance of products</u>

At EROSKI, we recognise the value of the information provided to consumers as an essential element in defending and protecting their interests, as this is the only way for them to make informed decisions in line with their needs. For this reason, we provide comprehensive, complete, and truthful information about their content and the importance of maintaining a healthy diet.

As part of its efforts to achieve the proposed objective, EROSKI has implemented two different initiatives:

- The Nutritional Traffic Light: a system that allows us to know in a clear, simple way and at a glance the amount of calories, sugars, fat, saturated fat, and salt that a portion of a product provides us with.
- Nutri-Score: a labelling system that classifies food according to its nutritional quality and allows consumers to compare which product of the same type is better from that point of view.

Our commitment goes beyond providing customers with information for healthier eating. We also continue to improve our products by reducing saturated fat, salt, and sugar, reformulating recipes to achieve a better nutritional profile.

Purchase-based nutrition report

To achieve our aim of contributing to the health and well-being of consumers, we have a pioneering health programme, EROSKI Club, which offers free personalised information and incentives for a healthier and more balanced diet and shopping to all our customer members. In 2022, 32,734 people used this nutritional information service based on their purchases registered under the EROSKI Club card.







This report provides a detailed and personalised analysis of how household purchases are aligned with the recommendations for the Mediterranean diet. Its purpose is to guide the customer on the foods, quantities, and frequency of consumption needed to maintain a balanced diet.

In addition, throughout 2022, EROSKI Club has regularly sent health-related information and activities to 643,391 members and 65,348 have actively participated in challenges related to healthy eating. One of the initiatives launched is #AlimentaLoQuePiensas (#EatWhatYouThink), a comprehensive content project to help and guide families towards healthier eating.

INVOLVED AGENTS

The challenge posed, to generate new digital solutions that allow consumers to have access to healthy and sustainable food options, alongside being able to receive personalised support allowing users to obtain alternatives oriented to their needs and adjusted to their nutritional profile, involves various actors both directly and indirectly:

- Firstly, EROSKI has various internal departments and areas involved in the project. The
 Health and Sustainability Department establishes the strategy for the measures we
 implement. Innovation and Digital Development, together with Marketing, can provide
 the information needed to create the solution.
- The challenge also impacts the consumers and users of the candidate startups, who
 could be the end recipients of the digital solutions developed as a result of the challenge
 and could integrate the developed tool into their value propositions.
- It is important to highlight the opportunity to have an impact on other external agents such as those dedicated to digital health, medical care through nutrition, etc. in order to offer a personalised service to the customer based on their needs.
- Lastly, the challenge will have a positive impact on society and the environment by encouraging the production and consumption of sustainable food and reducing the carbon footprint of the food sector, as well as making it easier for users to adopt healthy lifestyles.

NEEDS

At EROSKI, we are seeking solutions that allow us to continue to strengthen our clear stance on health and sustainability in order to offer a more complete value proposition based on healthy and balanced diets and taking into account the tastes, preferences, and nutritional needs of users.







The challenge is based on a specific level of knowledge regarding aspects such as product information (Nutri-Score, Nutritional Data, etc.) and user consumption habits (EROSKI Club). To address the ambition of the challenge, solutions may be required that are able to provide more insight into users, from microbiota or genomics to being able to include variables such as physical activity, sleep habits, menstrual health, allergies, intolerances, or lifestyles, among others. All of this is aimed at offering a holistic approach and valuable content, recommendations, gamified experiences, and valuable insights.

This is why the proposed solutions should be able to bring together information from different sources and then use this to create a scalable, user-friendly, and valuable service for the users of the tool, as well as for the rest of the stakeholders.

OBJECTIVES

The ultimate objective for EROSKI is to find a solution to **facilitate healthy and sustainable lifestyle habits in a personalised way**.

The functional needs that the challenge is intended to address are listed in the following table, classified as a requirement or weighted according to their level of importance with three being the lowest level and nine being the highest:

Variable		Functional need	Weighting
		1.1. The solution allows interoperability with other apps, both internal (EROSKI) and external (the startup's own or others)	Requirement
1.	The solution can be integrated into different platforms	1.2. The solution must comply with data protection and privacy regulations	Requirement
		2.1. The solution is easy to use for different types of users	Requirement
2.	The solution is attractive and	2.2. The solution offers a UX that ensures a positive user experience	Requirement
	intuitive in terms	2.3. The solution helps to build a community	8
	of usability	2.4. The solution allows user interaction	7
		2.5. The solution encourages healthy lifestyles through gamification	Requirement







3.	The solution allows user segmentation	3.1. The solution allows the generation of an individual record for each user	Requirement
		3.2. The solution allows classification by user type (age, dietary restrictions, health habits, sport, etc.)	Requirement
		3.3. The solution allows user data to be generated from different sources	Requirement
		3.4. The solution allows the generation of data to be repeated through gamification	8
4.	The solution proposes a	4.1. The solution allows different ways of generating revenue	Requirement
	sustainable and scalable business model	4.2. The solution facilitates the tracking of target audiences	6

SCOPE OF THE PILOT – SCALABILITY OF IMPLEMENTATION

Throughout the challenge, the solution proposed by the startup will focus on defining the area to be developed, establishing the segment to be focused on, describing the concept to be developed and the customer journey, as well as evaluating which data sources will be necessary to develop the value proposition.

It will also be necessary to link the solution to the existing significant user base willing to use and pay for the service, as well as to create an edge in the competitive environment in which we are going to operate, as well as to evaluate the risks, opportunities, weaknesses, and strengths of the new solution.

Once the value proposition has been defined, the additional partners and sources of information necessary to carry it out will be identified, as well as the necessary resources, identifying the cost and revenue structure of the new service to be offered.

The scope of the challenge should end with a minimum viable product that can be tested with a sample of potential customers on the aspects specified in the functional needs required for the solution.

Once the pilot has been completed, the potential to scale the solution developed through different formulas will be explored, from the pursuit of its compatibility with EROSKI's digital relationship channels to its operation by other actors in the value chain through an independent business model.







CONTEXT OF USE - EXAMPLE

In the context of using a service such as the one we envisage, the user might experience the following:

- The user has been using the healthy and sustainable lifestyle app for a couple of weeks, and
 has already noticed a big difference in how they feel. They have been following the app's
 personalised food recommendations, which has allowed them to discover new healthy
 foods and dishes they had never tried before and they have learned to cook healthier and
 prepare delicious and nutritious meals.
- In addition, the app has provided the user with personalised exercise advice based on their current level of physical activity and their health and well-being goals. They have been following a regular exercise plan, and have noticed that they have more energy and feel less tired during the day.
- The digital solution has also helped the user to manage their stress and improve their emotional state. They have been practising relaxation exercises and meditation, which has allowed them to reduce stress levels and improve their ability to handle difficult situations.
- The app has helped them to monitor their progress and make adjustments to their plan for healthy and sustainable lifestyle habits. They have been tracking their meals and physical activity on the app, which has allowed them to see how they are progressing towards their health and well-being goals. The app provides recommendations for adjustments to the plan if necessary, helping the user to stay motivated and focused on their goals.
- The digital solution for healthy and sustainable lifestyle habits is proving to be a very useful tool for the user in their journey towards a healthier and more sustainable life. The app and the other digital environments in which the solution has been developed have provided the user with personalised guidance based on data from various sources, enabling them to make significant changes to their diet, levels of physical activity, and emotional state. They feel healthier, more energetic, and happier thanks to the app and want to continue on their journey towards a healthier and more sustainable life.







REFERENCES

This set of references aims to help participating startups to have a broader overview of the state of the art in nutrition, sustainability, trends in the food and health sector, and emerging technologies applicable to this area:

Scientific references:

- "Nutrition and health" by Walter Willett, Meir Stampfer, and Frank Hu (Harvard School of Public Health)
- "Sustainability and Nutrition" by David Tilman, Michael Clark, et al. (University of Minnesota)
- "The Role of Retail in Improving Diets" by Sharon D. Kirkpatrick, Charlene Elliott, et al. (University of Waterloo)

Trend references:

- "Plant-based diets" as a trend in the food sector
- "Direct-to-consumer healthcare" as an emerging business model in the health sector
- "Foodtech" as an area of technological innovation in the food industry
- "Internet of Things" (IoT) as an emerging technology applicable to the food and healthcare sector

References relating to EROSKI:

- Commitment to Health (2022 Annual Report)
 https://corporativo.eroski.es/wp-content/uploads/einf/einf-2022-cap-4 cast.pdf
- Commitment to Environmental Sustainability (2022 Annual Report)
 https://corporativo.eroski.es/wp-content/uploads/einf/einf-2022-cap-5 cast.pdf
- EKILIBRIA EROSKI Programme
 www.eroski.es/ekilibria-club-salud