Business Question:

Is the conglomerate of Whole Food brands underrepresented in any category?

Included in the definition of “Whole Foods Brands” for this analysis are the brands “365 by Whole Foods Market”, “365 Everyday Value”, and “Whole Foods Market” (Whole Foods, 2022). This aims to include only the portion of Whole Foods brands that are perceived as such by the consumer, purposely excluding the majority of other private labels currently sold by Whole Foods under non-recognizable names.

Whether those brands are underrepresented is benchmarked against two variables, the overall proportion of those brands in the sample which is 27%, as well as to the international market share of private labels at 17.1% (ter Braak et al., 2013).

Based on the proportions calculated the following categories proportions are above Whole Foods average: Dairy and Egg 34%, Pantry Essentials 30%, Bread Roll and Bakery 32%, Desserts 38%, Frozen Food 34%. The following are below average categories: Meat 18%, Produce 19%, Body Care 17%, Snack Chip salsa 20%, Beverages 20%.

It is insightful that compared to the market average Whole Foods Brands have a statistically significant representation within all mentioned categories except for beverages.

Testing against the global market share we can conclude that none of the categories are underrepresented at a 5% significance level.

Actionable Insights

One actionable insight for Whole Foods could be to expand their private label offerings in the plant-based and vegan snack categories, which is a growing trend in the food industry, with many consumers seeking out plant-based and vegan options for health, environmental, and ethical reasons (Wunsch, 2022).

The proportion of Whole Foods Brands in organic snacks is comparably low at 21%, although there is no underrepresentation according to the defined definition.

Whole Foods should capitalize on this trend by offering a wider range of high-quality, private label plant-based and vegan options, which could help them to solidify their positioning of 365 as a sustainable high-quality brand and access a rapidly growing market.

The second actionable insight is to expand the private label offerings of gluten free products. These products are rewarded with a price premium and customers are not price sensitive, as this dietary restriction is a non-debatable part of their diet (Gorgitano & Sodano, 2019).

Investigating the representation of Whole Foods brands in this specific category we can conclude that these brands are underrepresented compared to the portion of Whole Foods Brands in the relevant categories. Relevant categories for expansion are Bread, Rolls and Bakery, but especially Snacks, Chips and Salsa. Expanding the product range in this category will give access to a new customer segment, while again taking advantage of the growing snack market (Wunsch, 2022).

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