EXECUTIVE REPORT

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Whole Foods (WF) centers its value proposition around sustainability: buyers, the environment, and the society, working in delivering organic and healthy products that improve well-being (Conaway, Regester, Martin, et.al, 2018). Those products follow a growing trend in the organic and natural food business that other competitors such as Kroger and COSTCO are incursioning on (Ritson, 2015), with a strategy of expanding the online stores. Therefore, for Whole Foods it would be critical to keep building the brand by having a dominant representation across the categories on the website, where competitors' brands are also sold. Moreover, this representation relies on having products with dietary preferences that engage customers and make them loyal over other brands. The analysis defines Whole Foods' brands as the subsidiaries related to Whole Foods Market, 365, and Allegro, following the report of the U.S. SEC (n.d.) that are also found in the database. Also, the domination across categories is defined by the comparison of WF products and those from other brands, where WF's is more likely to have equal or more dietary preferences. Lately, an underrepresentation is given by other brands' products offer having more dietary preferences.

Analysis and results

To determine if there are categories of products where Whole Foods is not represented, 13 dietary preferences were identified across a sample of 755 products distributed in 17 categories (Table 1) for Whole Foods and other brands. A primary analysis showed that for the categories Lifestyle, Supplements, Floral, and Wine, Beer & Spirits there were not enough observations to conclude if WF is represented, but the 53% of the categories showed that WF products have, in average, equal or more dietary preferences than other brands (Graph 1). However, it is also revealed that Whole Foods brands are underrepresented in 23.5% of the categories: Prepared foods, Seafood, Desserts, and Breads, Rolls & Bakery, where other brands' products surpass WF number of dietary preferences.

An additional analysis evaluated the probabilities of WF being represented in three categories where the primary analysis showed an underrepresentation and three ones where it showed representation. Table 2 exhibits that for categories such as Desserts and Breads, Rolls & Bakery there was not statistically significant evidence to guarantee that Whole Foods are being underrepresented. Meanwhile, for prepared foods there is a high probability of representation -against the first analysis findings- but it is not significant to affirm so either if it does or not. In cases where the primary analysis showed a representation, the statistical evidence has a high but no trustable probability of this being true. Later, the only case where it is reliable to conclude is for the category Pantry Essentials, where there is almost a 100% probability of WF products having equal or higher dietary preferences than other brands being sold in the same category.

The main reason why concluding about the underrepresentation of WF products in most of the categories is not possible is because only 20.6% of the times there were more than 30 observations of products for each brand by category (Table 1). However, it is possible to conclude that there may be at least one category where Whole Foods brands are underrepresented.

Recommendations

Given that Whole Foods brands are being underrepresented by dietary preferences across the online offer, compared with other brands' products, the company should work of diversifying sweet products such as Desserts, Rolls and Bakery, and Snacks with more than four dietary preferences. This is because currently the average of diets for these categories are higher in competitors' products and customers may be switching to them regardless how 'organic and healthy' WF may be. Also, Whole Foods should take advantage of their offer for Pantry Essentials because customers can find a selection of productions that, even when it not as larger as other brands', have more attractive features that engage people to buy them. A way for the company to do so may be by promoting recipes and reviews about the most popular products in that category on social media and encouraging the purchase or complementary items such as Lifestyle or Bread, Rolls & Bakery.

Finally, the results presented have the following constraints: a wider simplification should be made to find the significance of the representation or underrepresentation by category. Therefore, the conclusion about the efficiency of Whole Foods to engage the market will be more accurate. Also, a better stratification of the data should be done to guarantee a proportional number of products across categories and subcategories, if needed. In this way, insight will be found regarding excluded categories such as Wine, Beer & Spirits and Supplements. Moreover, as the approach considered dietary preferences, the Floral category and Lifestyle were not analyzed.

REFERENCES

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APENDIX

Table 1. Number of products collected by category and brand

	BRAND	
	WHOLE FOODS MARKET	*OTHER*
CATEGORY	**No. products**	**No. products**
Beauty	3	9
Beverages	19	79
Body Care	6	30
Bread Rolls And Bakery	7	22
Dairy And Eggs	23	44
Desserts	10	16
Floral	1	1
Frozen Food	22	43
Lifestyle	0	5
Meat	5	24
Pantry Essentials	66	155
Prepared Foods	9	8
Produce	6	25
Seafood	4	1
Snacks Chips Salsas And Dips	19	88
Supplements	3	0
Wine Beer Spirits	0	2
TOTAL	**203**	**552**

Graph 1. Categories representing Whole Foods' brands over others

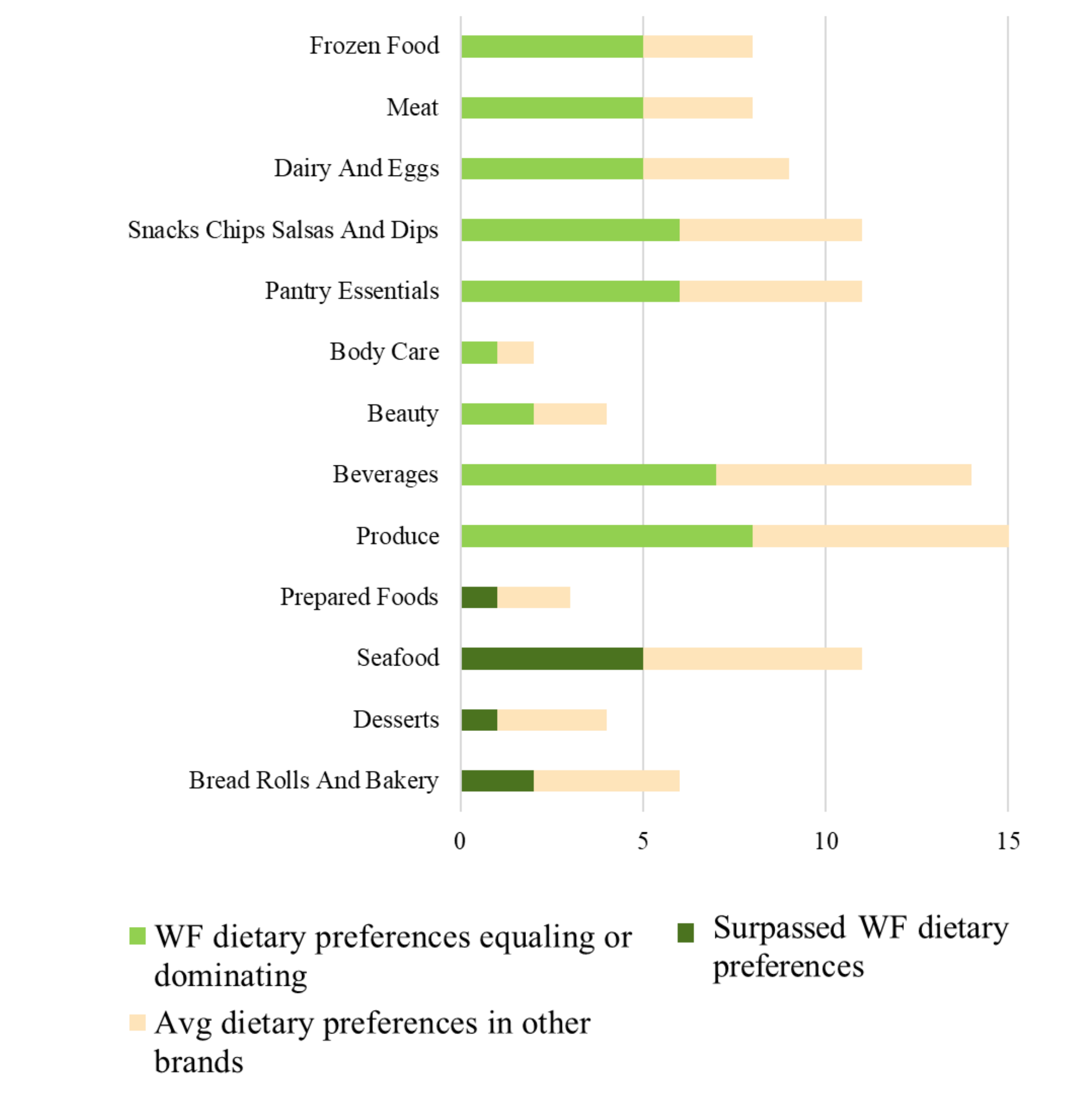

Table 2. Statistical tests

CATEGORY	Probability	Representing Whole Foods?	Significancy	Representation by primary analysis
Bread Rolls And Bakery	2.60%	✖	✖	✖
Prepared Foods	14.85%	✔	✖	✖
Desserts	0.07%	✖	✖	✖
Snacks Chips Salsas And Dips	96.33%	✔	✖	✔
Dairy And Eggs	99.26%	✔	✖	✔
Pantry Essentials	99.92%	✔	✔	✔

Access Statistical Analysis

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