

Whole foods market swot analysis

[Finance](#), [Market](#)



Whole Foods Market is one of the largest retailers of organic food products in the world. The company is successful because of its skilful growth strategy, huge product variety, and big profits. Whole Foods Market's motto is "Whole Foods, Whole People, Whole Planet", and this motto, as well as the core values, are very important for the company's strategy and operating practices. However, the company does not execute the motto completely due to its poor international operations, which is one of the biggest weaknesses of Whole Foods Market. One of the opportunities of the company is the superiority in the market of high demand for the organic products. An increase in the competition in the market is one of the biggest threats for Whole Foods Market.

Firm's Strengths

Whole Foods Market grew from a local market to one of the largest organic product retailers around the world. By 2008, Whole Foods Market operated and owned 276 stores in the United States and internationally. The company's expansion strategy consists mostly of acquisitions of other companies. One of the biggest and most important acquisitions was the acquisition of Wild Oats stores, which gave Whole Foods Market opportunity to operate with large-scale stores and with less competition in that segment of market.

The company offers a huge variety of products which includes: grocery, bakery, poultry and meat, seafood, deli, wines, cheese, and household products. The regular average size of a Whole Foods Market store is around 45,000 to 60,000 sq ft. In the bigger stores, which size up from 60,000 to 80,000 sq ft, they offer even a bigger variety of products and catering

service. An example of this would be the Austin 78, 000 sq ft store which included hundreds types of cheese, beers, wines, and seafood items.

Whole Foods Market's revenue was rapidly growing since the early 1990's with an increase of 30%, and 20% increase since year 2000. By 2007 the company recorded sales of around \$6. 6 billion. The revenue growth let the company to continue the expansions and acquisition of many more stores. Whole Foods Market acquired 134 stores since 1991 through 15 acquisitions.

Firm's Weaknesses

Whole Foods Market has three stores in Canada, and six stores in the United Kingdom. The possession of such few stores internationally, the company is not able to arrive at the effect of economies of scale in distribution and purchasing. Because of weak operations internationally, the company's prices are high, therefore lacking the company to compete with other international companies which have a larger operations scale.

Opportunities

Whole Foods Market is in a good market segment because of the rapid growth of demand for organic products around the world. Consumers tend to slowly start preferring organic products to regular packaged products. The organic market is growing very fast every year and everywhere around the world. Because of the increase in demand for organic products, which Whole Foods Market supplies, the company is going to experience an increase in sales and revenues.

Threats

Since the market for organic products is becoming more popular and growing, there are more players involved in the market. There are a lot of small companies and huge corporations who are entering the same market like Whole Foods Market, and some of them could be considered a respectful threat. Small supermarkets that supply organic foods, specialty supermarkets and restaurants are the small competitors. Wal-Mart on other hand is a potential strong competitor who announced in 2006 that the company is going to focus on organic segment, and is able to provide the consumers with low price organic products.

Strenghts

- Skilful growth strategy
- Huge product variety
- Big profits

Weaknesses

- Poor international operations

Opportunity

- Marketleadershipin high demand market

Threats

Increase of Competition