

Whole foods market



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Whole Foods Market is the worlds leading retailer in United States to offer products that are certified organic and naturally grown; which are not being treated with chemical or hormones. WFM embrace a mission of “ Whole Foods- Whole People - Whole Planet”; which signify them as a company which pursues the best organic, natural and gourmet products available, with regards to the environment and planet; commit an unshakeable responsibility to the earth and sustainable agriculture. WFM prioritize quality standards and customer commitments; strive to provide the customers a exciting and satisfying shopping experience everytime they patronize the WFM. (Gamble et al, 2010)

Generic Strategies

WFM utilised the differentiation strategy by narrowing the competitive scope focus; they feature differentiation in several ways. WFM has furthered a social dimension to its value proposal with its wind energy practice and many other environmental-friendly practices; for instance; they are the first supermarket to abolish the use of plastic bags in the stores. They also

contribute to developing their seafood and animal welfare systems, and boosting new creative animal production practices. These social concerns are vital to what marks WFM unique in the supermarket industry and with this uniqueness, WFM differentiate themselves from the other industry players. (Dess G, 2000)

However, despite WFM did a great job in differentiating itself from its competitors, the real competitive strategy lies in its justly narrow focus strategy. The benefits of product differentiation they initially relished on has faded as the market place altered; WFM has established an excellent place within the health-conscious, affluent, educated consumers in Canada, United Kingdom and United States, by attending to the necessities and needs for these customers, offering healthy , environmentally and socially responsible goods and products that are challenging to find elsewhere; at a competitive price. Though WFM ' s strategy is not entirely narrow as they still sell to anyone who walks in the door, they are undeniably strategically targeting on a specific group of customers.

External Environment

The factors that comprise WFM's external environment are political, economic, social, technological and ecological.

With the varying political times, WFM should take into consideration of certain political factors, such as new United States administration is liberal and tax increases should be anticipated, along with the economic stimulus plan which put more money into the budget which contains an amount of incentives for green customers; despite creating more debts for the country,

it is a factor which WFM should consider. (111 Congress of the USA, 2009) On top of that, WFM should forestall the possibility of Food and Drug Administration food labeling requirements.

In concern of the economic environment, the prices for food are increasing which leads to the shrinkage of customers'spending power. There are also tremendously high unemployment rate in the US, these happenings can be accredited to the current economic crisis.

Socially, consumers are getting more health conscious, this is an important element considering WFM's healthy choices. Furthermore, the ' green mission' is fetching more attention by the consumers, thus, as a ' green' organization, WFM stands an excellent opportunity of attracting these health-conscious customers. (wholefoodsmarket. com, 2009)

As technology advances, improvements could be expected in distribution, agriculture and communication, these developments will benefit WFM to be more effective and efficient.

In place of WFM being dedicated to a ' Whole Planet', it should consider the ecological environment. As mentioned above, the increase popularity of ' green movement' will carry on bringing in more customers for WFM, WFM should also continue to progress on decreasing carbon footprint and renewable energy. Last but not least, increase importance on eco-friendliness will help WFM to be leading in this area.

Core Competencies

The core competencies are derived from an organization's resources and capabilities, on what they have and how they utilised the resources. The core competencies are assess by the following criteria: Value, Rarity, Imitability and Non-substitutability (VRIN) to evaluate if it offers a root for achieving sustainable competitive advantage.

This essay identified the satisfying shopping experience as the core competencies for WFM.

Entering a WFM and it is clear: the products are stacked head high, arranged meticulously, each pear stem and carrot stalk are aligned the same direction, the savoury food are mouth-watering, the freshly baked breads are appealing. There are fact sheets about organic food, brochures on animal welfare rating programme and posters celebrating the merits of sustainable agriculture. The staffs are jovial, knowledgeable, enthusiastic to answer any questions and offer free sample with a big smile on their face.

The satisfying shopping experience is accomplished through the company's culture. Their mission of " Whole Foods- Whole People - Whole Planet", each plays a vital role in WFM's success. As stated above, not only for the search of quality product and supporting sustainable farming, WFM believes in their people make their company. Each and every staffs working in WFM has to go through stringent hiring process. WFM culture grounds on decentralized teamwork, the team is crucial unit of activity. Each store composed of an average of 10 self-directed teams, all encouraged to create a humble and respectful working environment where everyone is fairly treated and

motivated to succeed; with designated leaders and clear performance objectives.

WFM operates in a transparent financial system; it gathers and distributes information from figures of stores sales, profit margins and even wages to everyone in every location. There are also internal competition within the teams, stores and regions to outshine each other in quality, profitability and service, which is decode as rewards and recognition. According to the CEO of WFM John Mackey, WFM uses peer pressure to substitute for bureaucracy, and just that peer pressure enlists loyalty in ways that a government does not. (Fishman, 2009)

Hence, with these cultures incorporate within the staffs, they are able to inspire and transfer the positive energy into their daily life and interactions with the customer, providing the customer a satisfying shopping experience. The staffs are able to relate the benefits of their products to the customers personally that results in good quality service.

As more people are more health-conscious and getting into ' green movement', consumers not only look for quality products, but quality service too. With the satisfying shopping experience the customers get, a strong relationship is built and brand loyalty is established.

In terms of VRIN, the satisfying experience that allows the consumer to purchase quality, affordable organic goods and helping the planet makes the consumers to feel exclusive which is not common in the normal business model. It provides a competitive advantage for WFM over other supermarkets as WFM is able to relate to the needs of consumers and

improve their health and by changing the way they eat, resulting in better service. This experience is valuable to the consumer and WFM.

WFM culture that were inculcated into the staffs are rare and inimitable as the culture is in the root of the company, thus difficult to replica.

Personalized service can be easily copied, but the fulfilling experience might not be substitutable due to the high brand loyalty between WFM and the consumers.

From the above analysis, it demonstrates how culture can achieve competitive advantage for an organization and the satisfying experience for the consumers are seen as a sustainable competitive advantage for WFM.

Value Chain

WFM creates value for the customers by the mission of Whole Foods- Whole People - Whole Planet. This chain of activities not only differentiate the products and attend to customers' requirements swiftly, it also helps to strength the WFM brand. Consumers can purchase an organic tomato from many alternative shops, but buying an organic tomato at WFM signifies getting a whole food and supporting whole people and a sustainable whole planet - that is value-added.

On the value chain, primary activities that consist of outbound logistics, service, marketing and sales exemplify the strengths of WFM. These activities depends heavily on the supporting activity of human resource management. As WFM believes that their people make their company, and

WFM make available tremendous support for their staffs. Human resource management is seen as a strength and a source of competitive advantage.

The challenge that WFM faces at primary activities is probably inbound logistics; which is sustaining procurement methods along with cultivating the whole planet while lowering costs. As WFM develops, inbound logistics may be vital to lowering costs.

Conclusion

Through the analysis, it concluded that WFM is doing well despite the competitive environment in the supermarket industry, with their dedicated staffs and high value system. They are able to grow further with immense potential; with the increase of health and food enthusiast, yet it is essential to widen the target market to escalate profitability and stabilise competitive position.