

Whole foods pestel analysis essay sample

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Grocery stores are the traditional destination for consumers looking to find many day to day items. The need of shoppers to continuously refill and restock their kitchens. Consumers usually have a wide range of grocers to choose from. They can choose from neighborhood supermarkets, as well as large retail chains and discount stores. The PESTEL analysis is a tool used to analyze the external environment of an organization. By using the PESTEL framework we can analyze the many different factors in a firm's macro environment. However, it is important not to just list PESTEL factors because this does not in itself tell very much. We need to think about which factors are most likely to change and which ones will have the greatest impact on each aspect of the company by identifying the key factors in their own environment. The macro environment of whole foods is relatively good, and each aspect of the PESTEL analysis plays a large role in determining the quality, standards and efficiency of a company. Political and Legal

Political and legal factors continually and constantly have an effect on the grocery industry. Since new laws and policies are constantly being implemented, companies need to make sure they are up to date with all the new policies. Companies need to be aware and comply with minimum wage since it is changing every few years. Companies strongly need to adhere to laws such as worker safety regulations (). These companies must abide by these regulations in order to ensure the safety of all workers. These companies have the ability to be impacted by different trade tariffs and policies that hinder the sale of their products. The union named the United Food and Commercial Workers International Union, is a union representing more than one million workers that primarily protects the rights of workers in

the grocery industry with jobs like retail, meat packing and food processing (UFCW. org). Although these companies need to keep up on all standards and laws, not many have been implemented over the past few years.

Economic

The Grocery industry has stayed afloat during the recent economic trends. The rising food costs coupled with the worldwide recession has resulted in a price war with competitors. The recession greatly affected some of the grocery industry, but they have the best chance of to stay afloat. The grocer sector as a whole has room and opportunity for growth, as consumers begin to move away from restaurants. There has always been a brutal price competition between competing grocery stores, which has resulted in increased competition between these stores. Different companies acquisitions and expansions have caused some grocers to become the leaders in the industry. Although the economic recession has caused grocery stores to have a fall in assets and profits across the industry, most stores continue to stay afloat. Grocers are also looking for ways to cut costs and boost profit margins. Even though the recessions affected all parts of the food industry, the grocery sector has been able to stay afloat better than others in recent years. If the economy continues to improve in a positive way, so will the profit margins of the grocery stores.

Sociocultural

With an increase in life expectancies, people are becoming trying to become more health conscious in their food consumption. Whole Foods customers have a greater sense of product knowledge, what is good for you and bad for

you. Whole Foods has a high brand value, promoting a healthy lifestyle. Along with having excellent employees, Whole Foods attracts affluent customers with big families. These customers have an extremely high brand loyalty to company, and have a low sensitivity regarding prices. Recently, Whole Foods has been trying to build “ healthy lifestyle communities, and have even created its own line of organic products for children, attracting families who want to keep their children healthy and away from the obesity epidemic spreading throughout the country. The technological aspect of the grocery industry is hasn’t changed all that much. There is only so much these companies can do regarding technological innovations. Whole Foods is emerging new Internet capabilities that includes online shopping services. They have also established new communication facilities which focus on the distribution and retail and products and goods.

Whole has advanced in new technologies for processing goods, as well as new technologies is harvesting higher quality vegetables and fish. Whole Foods is one of the leading companies in promoting and practicing environmental actions. Recently the company was ranked third on the EPA’s top 25 “ green power partners”. in 2004-2005, the company was the EPA green power award, which is given to a company who is trying to significantly advance the development of green power sources. The company was lined up to purchase massive amounts of wind energy credits with the hope of trying to reduce carbon dioxide emissions. recently, Whole Foods became the only fortune 500 company to offset all of its energy costs with wind power credits.

The company was also listed as the 2nd highest purchaser of green power nationwide. The company has had concerns about minimizing over fishing and damaging fishing practices, as well as recycling and energy conservation. Whole Foods legal obligations are different than regular grocery stores. They need to comply by not only FDA regulations, employment laws, environmental laws and health and safety laws, but since 2002, Whole Foods has had to meet the requirements of the “ organic rule”, which states that all foods deemed organic must meet the requirements of the USDA organic rule. In 2007, they created the Whole Trade guarantee, a purchasing initiative that emphasized the ethical and social responsibility concerning imported products from underdeveloped nations. Finally, Whole Foods has a security and loss prevention program which hires police officers and third party members to monitor stores. This program was implemented to prevent breaches in ethical conduct and minor violations such as shoplifting.