Amazon Whole Foods: When E-Commerce Met Brick-and-Mortar and Saved the Brand of Conscientious Capitalism

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Many successful brick and mortar retail establishments lose business today to online sales, creating an important marketplace trend and confronting owners, managers, and stakeholders with new ways to adapt. Whole Foods Market represents this trend perhaps better than most and illustrates the complexity of marketing and branding issues in the organic food industry. Whole Foods announced in 2017 its sixth consecutive quarter of falling same-store sales and revised its outlook for the year. Whole Foods also had suffered from a combination of operational pricing scandals, public FDA issues, and a perceptional problem centered on corporate ethics that is counter to its branding. On June 17, 2017, Amazon's $13.7 billion cash purchase of Whole Foods appears to have reversed the fortune of the company. This paper investigates the impact of Amazon's acquisition on branding, reputation, and appeal to Whole Foods' stakeholders.

INTRODUCTION

Whole Foods opened its doors in Austin, Texas, in 1980 and quickly gained global success by developing a brand based on the concept of delivering a product that was good for you, good for the environment, and good to society. The motto of "Whole Foods, Whole People, Whole Planet," guided all store locations worldwide to promote its mission and values (Cheretis & Mujtaba, 2014). The main objective of Whole Foods in the public's eye was to promote good health among stakeholders in contrast to profit-making, which did not rank in importance as health and well-being. The company enjoyed first mover status and thought leader positioning with customers, as it had been segment leader since the organization's conception. Thus, Whole Foods captured market share through a dominant business strategy and moved into the new food preparation trend that was both highly profitable and answered new consumer demands for easier solutions that were fast and high quality. The company's unique positioning also allowed for significant organizational success and provided Whole Foods shareholders a platform to establish themselves as thought leaders on the topic of corporate responsibility.

Whole Foods also displayed a unique value-driven management (VDM) style, according to Cheretis & Mujtaba (2014), who compared the company's management philosophy to "market-based management and value-driven management" (p. 4). Value-driven management places emphasis on making decisions based on specific values of health and well-being. Whole Foods had fully integrated this management philosophy by the early nineties and become a national company, establishing itself as a key player in the hypercompetitive grocery industry. It acquired loyal customers who grew into a cultural phenomenon manifesting almost "cult like" loyalty to the brand. Chief Executive Officer John Mackey aptly promoted the vision of 'making the lives of people better off through corporate sustainability', which he termed *conscious capitalism* in a 2014 book co-authored with Rajendra Sisodia (Mackey & Sisodia, 2014). Prior to the publication of this book, Mackey had articulated his ideas years earlier in an article entitled, "Creating a New Paradigm for Business" (Strong, 2009). The concept of Capitalism with a Conscious in companies did not begin with Mackey. The first substantial writings appeared in Scott & Rothman (1992; 2002). O'Toole and Vogel (2011) argued companies associated with conscious capitalism exhibited a wide diversity of management practices, but seemed to have five common characteristics (p. 61):

- Higher Purpose (profits are not a primary goal, but are a means to a greater end).
- Stakeholder Orientation (companies meet legitimate needs of all organizational constituencies).
- Integrated Strategies (triple bottom-line integration of ethics, social responsibility and internal organizational sustainability practices).
- Healthy Cultures (internal organizational cultures manifest strong sense of community sharing of ownership and profits and employee participation in decision-making).
- Values-based Leaders (CEOs are "servant leaders" rather than celebrities with modest wages compared with average employee).

Such companies that distinguished themselves by their commitments to ethical and sustainable business practices were associated with conscious capitalism (O'Toole & Vogel, 2011).

Eventually, Whole Foods' success attracted the attention of larger supermarket chains and competition increased substantially. Whole Foods was known for its high price margins and had "begun promoting low-priced vertical extensions as a part of a plan to lower its price image" (Hamilton & Chernev, 2010, p. 52). Its 'infamously' high prices provided enough profits to grow to 440 stores across the U.S., although big players like Kroger and Costco began adding organic food items to their shelves at much lower prices. The year 2014 marked a downward turn when Whole Foods' stock prices began to fall, quarterly losses were reported, and further expansion plans came to a halt.

In addition to the threat Whole Foods was facing from thriving competition, the company was also involved in a series of public scandals, causing its once loyal customers to question whether it could still be trusted and deemed a socially responsible corporation. The credible investment firm, Motley Fool, best described Whole Foods' problems in 2015 as flowing from three core areas: competition and cannibalization, brand differentiation, and square foot expansion (Sharma, 2015). The Whole Foods brand was strong enough to withstand a perception hit from the forgiving fan base, but multiple problems and a reluctance by the founders to address the problem head-on allowed for the erosion of the brand's ethical leadership position and market share. Instead, the acquisition by Amazon created new leadership and management over Whole Foods and placed future actions on hold. As a company that strictly offers organic items, Whole Foods has struggled more than most in dealing with the decreasing novelty effect of the organic food market as other brands dilute the premium aspects previously attributed to it.

THE ORGANIC INDUSTRY

The natural and organic foods supermarkets industry offers produce that has been independently certified to be grown free of chemicals. The United States Department of Agriculture (USDA) defines organic produce specifically as follows:

> *Organic food is produced by farmers who emphasize the use of renewable resources and the conservation of soil and water to enhance environmental quality for future generations. Organic meat, poultry, eggs, and dairy products come from animals that are given no antibiotics or growth hormones. Organic food is produced without using most conventional pesticides; fertilizers made with synthetic ingredients or sewage sludge; bioengineering; or ionizing radiation. Before a product can be labeled "organic," a Government-approved certifier inspects the farm where the food is grown to make sure the farmer is following all the rules necessary to meet USDA organic standards. Companies that handle or process organic food before it gets to your local supermarket or restaurant must be certified, too* (United States Department of Agriculture, 2016).

According to recent data, organic is the fastest growing sector of the U.S. food industry. Sales have increased by double digits annually, with total overall sales reported at $39.7 billion in 2015, meaning an 11% increase in 2015 from the previous year. Nearly 5% of all food sold in the U.S. in 2015 was organic. Organic products are now available in nearly 20,000 natural food stores and nearly 3 out of 4 conventional grocery stores. (United States Department of Agriculture, 2016)

Organic food consumers have been profiled using a variety of variables such as purchase intentions or usage rate (Hamzaoui-Essoussi & Zahaf, 2012; Zepeda & Li, 2007). The segmentation has also been based on demographic factors, food-related lifestyles, attitudes toward organic food and purchase intentions, and frequency of purchase (Essoussi & Zahaf, 2008). Some common results on the socio-economic profile of organic food consumers show that organic purchasing grows as consumers reach their 30s and have no children. People who are among the highest spenders on organic food are on average more affluent and younger. (Hamzaoui-Essoussi & Zahaf, 2009). But lower income households also purchase organic food when convinced that organic food is better quality (Hughner, McDonagh, Prothero, Shultz, & Stanton, 2007). Organic food consumers can be classified as "classic" or "emergent" consumers. The former is well-educated, a professional or white collar worker, willing to pay a premium for organics and to search out sources of organic food products (e.g. producer or farm markets). The latter is also well educated, a professional, committed to personal health, and shopping in supermarkets as convenience is an important factor in his/her purchasing decision. Despite these results, researchers overall have found that organic food consumers share attitudes and values rather than demographics. The purchase of organic food products tends to be based on reasons ranging from dealing with food allergies to valuing the philosophy upon which organic farming is based. Redefining an organic food consumer's profile helps to better address the specific values underlying their food consumption (Hamzaoui-Essoussi & Zahaf, 2009).

Alongside this redefinition, competitive rivalry is increasingly strong in the organic and natural food industry. More companies are entering into and expanding their presence in the organic and natural food business due to customer inclinations toward fresh and organic products. Mainstream supermarket chains such as Kroger Company (KR) and mass merchandisers like Costco Wholesale Corporation (COST) and Wal-Mart Stores (WMT) are now offering customers natural and organic foods at much more competitive prices. As a company that strictly offers organic items, Whole Foods has struggled more than most in dealing with the decreasing novelty effect of the organic food market as other brands dilute the premium aspects previously attributed to it. We first review several major lawsuits and customer trust issues that has slowed Whole Foods progress in the competitive landscape. These challenges highlight significantly the impact of Amazon's purchase.

TROUBLE BEGINS

Before stock prices fell significantly and lawsuits were filed against Whole Foods, John Mackey had earlier experienced another form of negative criticism for voicing his personal opinions of the 2009 Obama administration's health-care reforms (Kang, 2012). The criticism was public and widespread, and expressed through a Facebook campaign called, "Boycott Whole Foods." Mackey had written an editorial column in *The Wall Street Journal* on August 12, 2009. The column "elicited immediate reaction from the public, who had associated the Whole Foods brand with progressive images of environmental concern, fair trade, and labor consciousness. Within a matter of days, the company's Web site was inundated with self –identified loyal customers expressing shock that Mackey stood against the proposed health-care reform" (Kang, 2012, p. 562). The Facebook page drew 30,000 members within the first two weeks and became a national movement. In retrospect, the negative campaign seemed to illustrate how volatility in today's cyberactivism in social media can immediately reflect poorly on a company's brand and ethical reputation. Apparently, an underlying theme of the Facebook campaign was a shared emotion among those posting of "a sense of betrayal by Whole Foods" (Kang, 2012, p. 571).

The Facebook wave of criticism receded until the latter part of 2015. At that time troubling news about Whole Foods appeared again in major media outlets and addressed various civil and regulatory issues that had been building up throughout that year. The Fiscal Times (Dent, 2015, September 28) reported signals of organizational stress in that Whole Foods was laying off 1.6 percent, or 1500 jobs after adding 9,000 in 2014 and that its stock price had plunged more than 40 percent over the past six months. Additionally, the company had been served a lawsuit by PETA and were under investigation by the New York Consumer Affairs for price gouging. All of these issues struck to the heart of the grocery industry star that had captured enough market share to alarm and invite response from giants like Wal-Mart and Kroger. By the end of 2015, Whole Foods' woes had gained the attention of multiple media outlets. Surprisingly, Whole Foods did not have a strong publicized response during this time.

These publicized issues struck to the heart of the brand's strength and market position. Corporate loyalty to workers was an equally important segment of the brand. For example, consideration of human factors at Whole Foods was a major brand differentiator to competitors. Wal-Mart, for example, has held the public perception of profits-first before employees for some time. John Mackey's book, *Conscious Capitalism: Liberating the Heroic Spirit of Business,* was essentially a corporate responsibility manifesto that played very well to the customer base and acted to shine the light onto the organization in terms of loyalty and human factors.

LOSS OF CONSUMER TRUST

Whole Foods was contending with well-positioned competition as it faced new industry growth demands, and it was losing leader positioning in customer response to downward earnings reports. Early into 2016, Whole Foods focused its plan on marketing campaigns and store pricing strategy toward recovery. It was sound business strategy, but did not take into account that corporate ethics and trust were each a cornerstone from which customer value derived. Customer satisfaction was rooted in the knowledge that the value in shopping at Whole Foods was more than price positioning. The concept of differentiation was the *ideal* that Whole Foods was part of something more than a simple transaction, but this value seemed to be lost on company leaders and analysts as late as July 2016. Market Watch reported one analyst as saying, "[We] remain confused about why the company's transaction counts continue to fall despite accelerated promotions, more advertising, more everyday low prices and a stronger consumer overall" (Garcia, 2016).

By July 2016, other industry detractors had helped promote the negative perception of 'Whole Paycheck' that continued to push the question of value to the forefront of the buyer's purchase decisions. 'Whole Paycheck' was the derogatory phrase to say, "Whole Foods was so expensive, it took your whole paycheck". Competitors such as Walmart and Kroger had caught up with Whole Foods' natural concept angle and incorporated that into a significant portion of its business. This allowed the competitors to gain market share now that the value to the customer had returned to price alone, rather than idealism.

PRICE GOUGING

In 2015, an independent audit revealed that Whole Foods had been mislabeling weights on meat and products and, therefore, overcharging customers in some of its stores. The mislabeling occurred in 9 New York stores only, yet the story received national attention and Whole Foods was in the spotlight once again. Price gouging again suggested that Whole Foods had ethics problems, which was contrary to its charter and the inherent promise to be a more responsible corporation. This news brought pricing specifically into focus and fed the negative perception that not only were Whole Foods' products overpriced, its pricing strategies were illegal.

This negative pricing perception had plagued Whole Foods long before the current scandal came into focus, evidenced by the popular nickname "Whole Paycheck" given to it by social media. As discussed earlier, when the Whole Foods price-gouging story went viral, John Mackey, Co-CEO of Whole Foods, publicly acknowledged the issue, but his poorly worded comments were not received well. He did not admit the problem fully nor took full responsibility. Not surprisingly, customers reacted negatively to this interview and felt that Whole Foods missed the opportunity to own up to its mistake with sincerity and humility, not assuring customers it took the problem very seriously.

PETA LAWSUIT

In 2016, Whole Foods found themselves the target of a lawsuit from PETA (People for the Ethical Treatment of Animals), a well-known animal rights activist group. As reported on PETA's website, the lawsuit claimed:

> *Whole Foods' "5-Step™ Animal Welfare Rating System" violated California Consumer-protection laws by snowing shoppers into paying higher prices for meat from animals on farms raised under standards that differ little, if at all, from the industry's paltry minimum standard* (Sullivan, 2017).

The reason why the loss of consumer trust as represented by PETA's lawsuit is an important focus is that the Whole Foods brand was built around the belief that Whole Foods is following through with its corporate social responsibility. The diluted belief that this is not happening removes the premium brand for which people are willing to pay. Trust at this level will be especially difficult to get back and should be addressed as a priority. Although Whole Foods was successful in having the lawsuit from PETA dismissed in 2017, the damage from being accused of deceiving customers was still be detrimental to their reputation and difficult to come back from. Once considered a leader among big-name grocers in animal welfare, this lawsuit was a major blow to the charter under which Whole Foods was established, specifically corporate responsibility. A consumer segment has been identified as those who are very sensitive to the ethical treatment of animals, making a lawsuit by PETA especially egregious. This leads to questions about the corporate ethics commitment to this cause of Whole Foods or lack thereof. Previously, Whole Foods had positioned itself as a champion of this specific cause with animals. The championship title was lost and the company faced much work to restore its reputation.

Prior to Amazon's acquisition, Whole Foods was challenged with the loss of opportunity to retain customer trust and blunt the impact of the problems and emergence of strong competition that has changed the purchasing decision back to price. Now Whole Foods will need to look at strategic decisions in terms of traditional brand placement and diversification. This fact is exemplified by a follow up article by Marketwatch in November of 2016 that stated, "During the fourth quarter, Whole Foods' prices were flat year-over year, as were input costs. Yet its gross margin declined" (Garcia, 2016). The lack of response and damage control by Whole Foods' leadership team opened a gap for competition to invalidate the previously successful strategy. There remains an opportunity to win back an element of the previous brand position, but it will rest solely on the ability of the leaders to publicly accept responsibility for the problems and recommit to the ideals that made a substantial part of the organization's charter.

AMAZON'S ACQUISITION

Not surprisingly, the loss of consumer trust, degrading brand perception, and eroding competitive edge worked together to devalue Whole Foods stock and make the entity an attractive acquisition target. After talking with Whole Foods for almost a year, Amazon made a bid on June 16, 2017 to purchase the 460 stores of Whole Foods for $13.7 billion dollars (Turner, Wang, & Soper, 2017). This significant event hit the news with a flash. Bloomberg used numerous superlatives to describe the deal, including bombshell, shockwaves, and radical change for the grocer industry, and reported this was the largest acquisition of a brick-and-mortar retailer in history. Major grocery store chains stock plunged dramatically at the announcement – "Wal-Mart stores Inc. fell as much as 7.1 percent, while Kroger Co. tumbled 17 percent" (Turner, Wang, & Soper, 2017). The Street's founder and Action Alerts PLUS Portfolio Manager, Jim Cramer, summarizes the move as, "A total disruption of society, to destroy the margins and own the business of food and groceries in this country" (Kramer, 2017). As a result, Amazon created an opportunity for Whole Foods to resurge from the brink of collapse and become a revitalized brand consumers will associate with customer satisfaction. The market responded positively that Amazon has the management willpower and resources available to complete a retooling of the brand. Whole Foods' stock soared 27 percent. Analysts predicted Amazon, a brand synonymous with innovation and industry disruption, to make disruptive changes to the grocery industry in general and Whole Foods in particular. John Mackey assumed his position as sole CEO over former co-CEO Jana Partners.

BRAND LOYALTY WITH AMAZON PRIME

Amazon Prime is an important part of the disruption and strategy to gain grocery store market share. According to Amazon, Prime is a value-added disruptive tool that can bring in more first time users to become a market share multiplier. The program has an estimated 100 million plus members as of June 2018, according to Market Watch and *The Wall Street Journal* (Garcia, 2018; Stevens, 2018), even with increased individual membership cost to U.S.$120 in 2018. Estimates indicate 60 percent of shoppers at Whole Foods are Prime members and Amazon's new deals are designed to lure the remaining 40 percent who are not prime members to join, according to Morgan Stanley analysts (Stevens, 2018). Amazon links Prime members with discounts on Whole Foods items, adds value through rewards points, and gives free two-hour delivery to Prime members from Whole Foods through its Prime Now in big city markets. Amazon also appears to lead the industry toward home delivery of perishable and non-perishable groceries.

Further, Amazon's purchasing power appears to give financial leverage in increasing ROI in long-term initiatives and investments. To the authors, the challenge seems to be in marketing this initiative to a wider audience to spike the market segment of early adopters. We assume Amazon knows ways to capture market share during this period of disruption. Once consumers trust a company with their food, then they will become adherent toward their e-commerce platforms, including video and music services. There is significant opportunity to draw in new Amazon Prime customers that will look at the bundling possibilities akin to a digital Wal-Mart without the associated stigmas attached to that brand over the past 30 years. Amazon will work to maintain its competitive advantage, even as Target, a traditional brick-and-mortar retailer, announced in December 2017 a $550 million purchase of Shipt, indicating it will bring same-day delivery to about half of its stores by early 2018. Shipt, an entity competing with Instacart, "uses a network of over 20,000 personal shoppers to fulfill orders from various retailers, delivering them within hours in more than 72 markets" (Isidore, 2017, p. 3) and should boost delivery services for Target. Walmart appears to be the strongest competitor as it develops same-day delivery for online purchases.

As Arun Sundararajan, Professor of Information, Operations and Management Sciences, New York University, emphasized the competitive advantage for Amazon, "The New Deal could create a 'version of Instacart' on steroids" (Rubin, 2017). In the past, Amazon has been slow in the development to grow its Amazon Fresh grocery delivery business. However, over 460 Whole Foods physical locations could change that trend. The potential to utilize these stores as hubs for delivery drones is also a futuristic possibility (Rubin, 2017). At the same time, Whole Foods has been 'woefully' behind on technology that can woo the largest growing consumer, millennials. Combining these weaknesses with Amazon's foreseeable ownership, these deficits could wither instantaneously. According to Kathleen Kusek, contributor for Forbes, "The combination of procuring high-quality products from the physical world with sophisticated technology for doorway delivery is a millennial dream come true" (Kusek, 2017, p. 3).

IMPLICATIONS AND CONCLUSIONS

"Whole Foods Market has been satisfying, delighting and nourishing customers for nearly four decades- they're doing and amazing job and we want that to continue."
- Jeff Bezos, CEO, Amazon (Shen, 2017)

As with any potential demonstration of acute business acumen, there will be a pushback of criticism, some valid and other unrelated. Whole Foods merging with Amazon is no different. The latest comes from a Rhode Island Congressman, David Cicilline. "Amazon's proposed acquisition of Whole Foods raises important questions concerning competition policy, such as how the transaction will affect the future of retail grocery stores," Cicilline wrote. "Some have also raised concerns that the transaction will also increase Amazon's online dominance, enabling it to prioritize its products and services over competitors" (Shen, 2017).

We direct our final analysis away from policy, dominance, or monopoly questions, such as those raised by Congressman David Cicilline, and focuses on Whole Foods ability (with Amazon's help) to (1) rebuild consumer trust, (2) maintain competitive advantage or regain previously held market share, and (3) revive its novelty of organic labeled food products.

Rebuilding Trust

First, we address implications of the loss of consumer trust resulting from the perception fallout of PETA's lawsuit and the ethical questions surrounding Whole Foods Market's alleged price gouging. Although Whole Foods is now a part of Amazon, we propose a revised business model to address trust and realign corporate strategy in Whole Foods Brand with stakeholders' interests, creating transparency between organizational management, employees and customers. Change management provides a vehicle for organizational structure, quality assurance, and a culture that would decrease the likelihood of a repeated scenario.

The reason why the loss of consumer trust, as represented by PETA's lawsuit, is that Whole Foods brand was built around the belief that Whole Foods was following through with Corporate Responsibility. The belief received a "black eye" and it removes the premium brand people are willing to pay for. Trust at this level will be especially difficult to get back and should be addressed as a priority. Although Whole Foods was successful in having the lawsuit from PETA dismissed in 2017, the damage from being accused of deceiving customers can still be detrimental to their reputation and difficult to come back from.

Once considered a leader among big-name grocers in animal welfare, this lawsuit was a major blow to the charter under which Whole Foods was established, specifically corporate responsibility. Segmentation of Whole Foods Consumer database identified those who are very sensitive to the ethical treatment of animals, which makes a lawsuit by PETA especially egregious. This leads to questions about the dubious corporate ethics commitment of Whole Foods. Previously, Whole Foods had positioned itself as a champion of this specific cause. In the future, Whole Foods can ensure ethical practices throughout its supply chain, publicize those practices, and maintain involvement with independent organizations to monitor its practices. Such transparency will go a long way in re-establishing trust with consumers.

Yet this negative perception has plagued Whole Foods long before the current scandal came into focus, which is evident by the popular nickname given to it by social media - "Whole Paycheck." Amazon could hire a Communications Director to manage public relations at Whole Foods and discourage the CEO from speaking publicly, or at least offering script on what to say. Besides a Director of communications, the company could develop a stronger social media presence and develop its technology in general. Cumulatively, these points indicate the need to change the culture that was susceptible to broken down quality assurance, loss of moral compass, and shirking of employees. These points evidenced a lack of quality assurance that led to conditions where food could be contaminated, promises overinflated, and oversight by incorrectly pricing their products. In summary, one corporate strategy Amazon and Whole Foods could follow is to realign its brand with stakeholders' interests and create transparency between organizational management, employees and customers. Change management would focus on organizational structure, quality assurance, and creating a culture that would decrease the likelihood of a repeated scenario.

Regaining Market Share

The second implication we consider examines how to regain market share among Whole Foods' competition. With the giant, Amazon, guiding its pathway, some may assume market share will automatically grow. Amazon Prime and its technology for home delivery of perishable groceries are significant. Despite this, we propose new marketing techniques through ad campaigns and technology such as SAP Hana certification specifically related to Whole Foods. Such technologies could rebuild an interest in the brand and secure an opportunity to win business back. Further brand development measures through social media, differentiation, and competition profiles would likely be effective with the traditional Whole Foods Market customer profile and that aligns with Amazon.

In regards to the substantial loss of revenue gained by competition, Whole Foods has been linked with organic products for years. Since this is the entire business model within a niche market, the best way Whole Foods can return to prominence is by expanding their stores, electronically. Amazon and Whole Foods have recently taken steps to make this dream a reality. By incorporating technology in this way, Whole Foods can embark on advanced marketing techniques, revitalize the conscientious consumer, and ensure an opportunity for millennials to become a part of something new.

Effective marketing techniques give Whole Foods the ability to wrest control of the narrative from the competition and re-establish themselves as the experts of the organic food market. Faltering trust by consumers and loss of competitive advantage exists in part because of Whole Foods' lack of timely response to the initial incidents. Its silence was 'read' as an indictment by the public. By ceding this message to the competition, Whole Foods is allowing consumer imagination to fill in the blanks of suggestive marketing by the competition. Through market segmentation, marketing is laser-focused on consumers who are willing to pay a premium for Whole Foods' goods. This included individuals that were more environmentally centric, health-conscious, and more sensitive to philanthropic causes.

Social media-focused brand development would allow a two-way conversation between Whole Foods and the customers. This would also create an opportunity for brand champions to emerge, helping to defend on more fronts. Allowing the message to play on many different channels such as Facebook, Twitter, Instagram, and YouTube would go a long way in reconditioning the way consumers think about Whole Foods. Testimonials from suppliers, farmers, and customers would be highly effective. This type of third-party testimonial would be more trusted and relatable than a direct message from Whole Foods since they tend to project more traditional values of honesty and sincerity.

Crisis management plays a role in this instance because Whole Foods market has less incoming revenue to battle the loss leader challenge. The current market conditions are contrary to Whole Foods' established business model. Strong leadership is necessary to address lost market share coupled with diminished ROI and needed change to the strategic plan. Due to the philanthropic sensitivity of the market segment, strong leadership will need to emerge to take personal ownership of the corporate failings and become a standard bearer for needed corrective action. It is believed that by doing so, there may be an opportunity to win back segment consumer trust followed by consumer dollars.

Revive Novelty of Organic Foods

Finally, our third implication considers the issue surrounding novelty in the organic food market, as other brands dilute the premium aspects previously attributed to it. Value creation efforts are necessary to rebuild lost zeal in the organic champions. Crisis management exercised by Whole Foods Market creators would re-engage those who lost their zeal in the concept and help retake the moral high ground by vigorous, and public, investigations of alleged wrongdoing followed by swift action.

We believe that taking decisive and transparent action focused around these actions would provide an effective start toward helping Whole Foods Market counter the negative perception that exists around this brand. Strategy alone cannot blunt the result of the negative attention the brand has received. Only decisive action born of recommitment and focus on re-engaging the traditional customer base will open opportunity for a new play on market share. In doing so, Whole Foods Market may realize the ability to reclaim the organic message from the competition that continues to threaten market share. The anti-establishment undertones that began the organic movement would likely continue to play well in the face of big corporations. Only time will tell if Whole Foods Market within the Amazon context will be able to enjoy the premium brand image it once held.

We assume any brand built upon a cause has a stronger following a non-cause branding, as compared to Walmart, which has been cited as "The feeding trough of America." The cause of dilution was Wal-Mart's aggressive behavior that nullified the first mover advantage that Whole Foods enjoyed through purchasing power. The organic food identifier lost value when more farmers switched to organic production to meet Wal-Mart's demand. The result was a surplus of product on the market allowing supply and demand principles to take effect. Where they once had an almost exclusive niche and competed with only mom and pop shops, they are now competing with the entire grocery industry through Amazon, creating an influx of complements and substitutes on the market. In essence, Whole Foods is no longer alone in the market.

We believe there is an opportunity to re-engage a community's desire to support itself through Whole Food's local supplier procurement. This would appeal to customer's sense of contribution to local economy and small business. It would also influence a sense of 'neighbor' emotionalism that is supported by other forms of existing Whole Foods marketing.

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