

Josh Newton

Dr. Sagarnaga

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Whole Foods Company Analysis

In order to begin the process of launching a Whole Foods location in Germany, we must first understand the type of customer that shops at Whole Foods, and the competition that Whole Foods would face in Germany. First, we must identify the population demographics of Whole Foods. In a study conducted by Emily Rogers, a writer for Drive Research, in April of 2024, out of 1,000 Americans surveyed 22% stated that they shopped at a Natural or Specialty Grocery Store, like Whole Foods. In comparison, the largest demographic, 61%, opted for mainstream grocery chains like Publix and Kroger (Rodgers). While Whole Foods occupies a more niche market in the United States, its regular customers prefer its fresh produce, meats, and dairy products over typical grocery chains, supercenters, and club stores. Now that we have an idea of how big the market for Whole Foods is in the United States, let's dive deeper into what a typical Whole Foods customer looks like.

According to Statista, as of 2024 12 percent of 30 to 49 year olds in the United States shop at Whole Foods, and 15 percent of 18 to 29 year olds shop there (Bashir). This statistic is quite interesting because it highlights that more young people shop at Whole Foods today than their middle aged counterparts. An inference that can be drawn from this difference is that the 30 to 49 year old group may have to buy more groceries on average for a larger family, while the 18 to 29 age group may have a

surplus of income to spend on healthier, more nutritious groceries. This inference is further supported by Nick Desimone, a writer for Mashed, when he references a Business Insider article that claims the average Whole Foods customer is a millennial woman that has a graduate degree, lives on the west coast, and makes more than \$80,000 annually (Desimone). For comparison, according to an article written by the United States Census Bureau in 2021, the average household income in 2020 in the United States was \$67,521 (Shrider et al). So, the typical Whole Foods customer makes around \$12,500 more annually than the average American household. Desimone continues by noting that according to Business Insider, Whole Foods is around 19% more expensive than its specialty grocery counterparts, and its meat in particular is about 40% more expensive (Desimone). This price difference for meats is especially staggering when it is taken into account that 62% of American shoppers purchase butcher meats in a typical grocery store visit (Rodgers). Taking into consideration this price difference, it is no wonder that the typical Whole Foods customer makes around \$12,500 more annually than the average American household, because one would have to have that high of an income in order to consistently afford the prices of groceries at Whole Foods.

The final aspect of Whole Foods' market is the frequency at which Americans shop at grocery stores. Referring back to the Drive Research article by Emily Rogers, as of 2024 American customers make an average of six grocery visits per month, which in turn adds up to a grand total of seventy-two grocery visits per customer per year. While at a first glance this statistic may seem high, the average grocery visits per month in fact decrease from eight visits per month in 2022. Rogers claims that online shopping

and delivery services, like Instacart, have offered more convenient alternatives for consumers in recent years, resulting in less overall trips to the grocery store (Rodgers). While this claim is true, another important factor to consider is that grocery prices in America have become increasingly more expensive in the last couple of years, and have become a hot button issue in politics and civil discourse — especially the price of eggs. So, it is important to consider that customers are shopping in brick-and-mortar grocery stores less on average due to higher overall prices and more convenient delivery alternatives.

Now that we have a more detailed understanding of the typical Whole Foods customer, let's dive into the competition that Whole Foods would face in Germany. While Aldi and Lidl are great German companies that are established in the country, we think that there is a larger competitor that offers a closer shopping experience to Whole Foods than the aforementioned companies. The main competitor for Whole Foods in Germany is Alnatura, a chain of organic food supermarkets and a producer of organic goods. Alnatura prides itself on offering organic food items to its customers while becoming increasingly more sustainable by eliminating single-use plastic bags for fruits and vegetables, and eliminating disposable cups for drinks as early as 2018 (*Alnatura*). According to Statista's Umair Bashir, as of April 2025 83% of surveyed German consumers knew the brand Alnatura, and 61% respondents stated that they liked the brand. Additionally, Bashir found that 87% of Alnatura customers showed loyalty to the brand by expressing their continued support of the grocery retailer (Bashir). With such a high percentage of brand recognition and loyalty in Germany, one may think that entering the market in competition with Alnatura would be a tall order, but Alnatura has

one glaring weakness: no online store. In 2020 amid the global pandemic, Alnatura closed its online store, and has yet to reopen it (*Alnatura*). So, Whole Foods has the perfect opportunity to fill this unmet demand for an online grocery and delivery service experience. As seen in the market analysis, when given the option consumers are trending towards preferring delivery options for groceries in recent years. Additionally, this opportunity is especially enticing when its parent company, Amazon, is factored into the conversation. Boasting one of the world's largest online delivery services, Amazon would give Whole Foods the perfect opportunity to offer German consumers an organic grocery retailer, online shopping experience, and seamless delivery experience all in one neat package. As such, we think that Whole Foods has a great opportunity to capitalize on this competitive advantage, and enter the German Market.

Sources

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