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COMM 775

Integrated Marketing Plan

Whole Foods Market

1.0 Executive Summary

Whole Foods Market was founded in Austin, Texas, when four local businesspeople decided the natural foods industry was ready for a supermarket format. The original Whole Foods Market opened in 1980 with a staff of only 19 people. It was an immediate success. At the time, there were less than half a dozen natural food supermarkets in the United States. Whole Foods is a socially and environmentally conscience supermarket. Whole Foods customers value the store's commitment to superior quality in organic and natural products, as well as, their ethics and dedication to the environment, animal welfare and customer satisfaction. Whole Foods is more costly than a traditional supermarket; it has been nicknamed "Whole Paycheck."

Whole Foods Market's corporate objective is to become an international brand synonymous with, not just natural and organic foods, but also with being the best food retailer in every community in which they are located. They believe a heavy emphasis on perishable products is helping to reach that goal, differentiating the stores from conventional supermarkets and enabling them to attract a broader customer base. Their business objective is that all shoppers, not just natural and organic food shoppers, appreciate great produce, dairy, meat, seafood, bakery and prepared foods. Whole Food's objective is to produce higher sales growth, comparable store sales increases and sales per square foot, than their public competitors.

John Mackey is the CEO and co-founder of Whole Foods Market. He first opened Saferway in 1978. Mackey always believed in libertarian policies and free market principles

"Business with a Conscience" and is currently an animal rights activist and one of the biggest leaders in the movement for organic food. Mackey states that "We believe happy team members create happy customers, and happy customers create happy investors." Team Members are committed and dedicated to the store's core competencies which are to provide the highest quality natural and organic foods,

conveying to the customer the high quality of product, to offer a healthy lifestyle and unique experience in the stores, and caring about communities and environment.

Whole Foods Market is the largest organic and natural food retailer, regionally. There are of course, many local grocers who take advantage of locally grown and naturally produced products. Because of today's current economy, the falling dollar means less discretionary income. In addition, organic and natural product farms/ manufacturers are increasing;

traditional grocers are expanding their selections to satisfy this consumer. Also, web-based groceries are still only a small portion of market, however as familiarity with natural brands and products increases, web sales expected to increase. In addition, there is an increasing trend to provide consumers wholesome pre-prepared meals.

2.0 Corporate and Brand Strategies

2.1 Corporate Image Strategy – are achieved through their four core competencies

- Provide the highest quality natural and organic foods
- Conveying to the customer the high quality of product
- Offer a healthy lifestyle and unique experience in the stores
- Caring about communities and environment

2.2 Brand Development Strategy

In order to promote the Whole Foods brand name, the company will continue to promote through advertising using their image of Organic and Natural Living including:

- Continued use of an “healthy” Logo which promotes green living (green background with apple as the letter o)

- The company's name itself implies that their foods are unprocessed and natural

2.3 Brand Positioning Strategy

- Whole Foods will promote the higher quality of their food as opposed to pricing.
- Products are perceived by customers as healthier choice over their competitors

2.4 Public Relations

- Oversea loans to unprivileged families
- Continue work in third world nations
- Provide loans/subsides to local farmer that meet Whole Foods organic standards
- Sponsor a variety of "Green" events

2.5 Internet Marketing Strategy

- Whole Foods has a comprehensive website which includes information regarding the company, the stores, "Whole News," recipes, health and nutrition, forums and blogs
- Catering services may be ordered online
- CEO is a very avid blogger

3.0 Promotion Opportunity Analysis

3.1 Communications Market Analysis

3.1.1 Competitive Analysis

- Up until recently, the only competitors that Whole Foods had was other Organic Food retailers including Trader Joe's and Natural by Nature.
- There is no longer a defined market for natural and organic foods since now, so many traditional grocers are offering natural and organic foods such as Wal-Mart, King Kullen, Stop-n-Shop, Krogers, Albersons, Safeway and Fairway
- Competitors use mostly traditional advertising including television ads, weekly flyers, coupons, mailers and store location advantage.
- Stores such as Stop and Shop are market innovators assuming a lead role in the web-based groceries sales.

3.1.2 Opportunity Analysis

- Whole Foods Market consists of Organic Natural Foods
- Market values where the foods come from or grown
- Social Responsibility

3.1.3 Target Market Analysis

- Whole Foods markets towards customers who are willing to pay for high quality natural products
- Looking for customers who are focused on the health benefits of the products sold

3.1.4. Customer Analysis

- current company customers – educated affluent men/woman living in large cities
- competition's customers – consumers looking for convenience and bargains
- potential new customers – friends of current customers that are newly educated to the benefits of organic foods.

3.2 Distribution Strategy

- Whole Foods Market engages the customer to turn customers into advocates/brand ambassadors which then promote the store through word of mouth and customer referrals.

4.0 **Integrated Marketing Communications Management**

4.1 IMC Objectives

- Higher Sales Volume - \$12 Billion by 2010 through new store openings
- Increased Market Share
- Profits
- A New Competitive Position
- Desired Customer Actions – visiting a store/make a purchase

4.2 IMC Budget

- Promotions Business-to-Business – with farms and other green companies
- Promotions Consumer – reusable grocery bags, in-store samples
- Type of Budget – Whole Foods uses the The Objective and Task Method to plan their budget. They have very specific goals that they wish to accomplish throughout the year such as using wind power and supporting local farmers. Once these goals are accomplished, money can be allocated toward Communications.

4.3 Agency Selection

- An In-house agency is used for advertising
- Better sense of the company's mission

4.4 Internet Web site

- High Audience Interest
- Search Engines – no money allocated towards internet marketing. All search engine crawl the carefully chosen metatags.

5.0 **Integrated Marketing Communication Objective One (Consumer)**

5.1 Budget

- Budgeting Expenditures
 - 25% Advertising
 - 50% Trade Promotions
 - 25% Consumer Promotions
- Promotional Strategies – Customer-focused promotions including

5.2 Integrated Marketing Communication Methodologies

5.2.1 Advertising

5.2.1.1 Advertising Goals and Budget

- Goals – Building Brand Image, Providing Information, Persuasion, Supporting Marketing Efforts, Encouraging Action
- Budget – advertising during the Holiday Seasons

5.2.1.2 Creative Brief

- Objective - increase Brand Awareness, Building Brand Image, Increasing Customer Traffic, Increasing Retailer or Wholesaler Orders, Responding to inquiries from users, Providing Quality information
- The Target Audience – Health Conscience financial well-off urban individuals
- The Message Theme – Organic Natural and worth the price
- The Support – products are natural and free of preservative, antibiotics and fillers
- The Constraints – none

5.2.1.3 Advertising Design

- Leverage Points – appeal to a specific target audience
- Verbal and Visual Images – logo is green, which gives the impression of natural
- Types of Appeals – rational (awareness, knowledge, liking, preference, conviction, purchase)

5.2.2 Consumer Promotions

5.2.2.1 Budget Allocation

- Whole Foods focuses a majority of their advertising budget towards Consumer promotions verses Business-to-Business

5.2.2.2 Consumer Promotion Selection

5.2.2.3 Sample Consumer Promotions

- In-Store Samples
- Coupons
- Special Events
- Bag Refund

- 5.2.3 Personal Selling
- 5.2.4 Sponsorship Programs
- 5.2.5 Database Programs
 - 5.2.5.1 Data Warehouse
 - 5.2.5.2 Direct Marketing
 - 5.2.5.3 Permission Marketing
 - 5.2.5.4 Frequent Shopper Program

5.3 Media Plan

News Advisories

- Hold news-worthy events
- Alert the media of the event
- Release 1 week prior to event

Press releases

- Submit on a weekly basis
- Releases are posted on the Whole Food Website

Advertising

- Spends little on advertising – relies on word of mouth and customer referrals
- Spend less than .5% of sales on advertising and marketing

Whole Foods Press Room

- The Press Room is a section on the Whole Foods website that focuses on media relations
- <http://media.wholefoodsmarket.com/pr/wf/default.aspx>
- The Latest Company News is posted
- Visitors can sign up to receive email news alerts
- Visitors can also add an RSS Feed to their browser
- Whole Foods also post frequent podcast and blogs on various subjects

5.4 Evaluation

Whole Foods Market will continue grow based on their slogan “Whole Foods, Whole People, Whole Planet.” They will offer the highest quality, least processed, most flavorful, naturally preserved foods, as well as, recruit the best people, who are passionate about food, and empower them in order to become well rounded human beings who play a critical role in helping to build the company into a profitable and beneficial part of every community in which Whole Foods operates. It will continue to support organic farming on a global basis, support food banks, neighborhood events, and donate 5% of after-tax profits to not-for-profit organizations.