PROJECT SUMMARY

What They Wanted
Articles for the retail industry with up-to-the-minute news and advice. A main goal: To attract clicks.

What We Did
Jumped on the news about Amazon buying Whole Foods, nailed down interviews with retail sources, and crafted an article with a controversial headline and expert insights—in just two days.

Why It Worked
We sleuthed out a source who wasn’t afraid to tell it like it is, and he let us quote him in the headline. This article nabbed over 80,000 visits in just two days.

Analyst Says Whole Foods Competitors Are 'Screwed' After Amazon Deal

Linda Formichelli  Contributor  Retail

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On Friday we learned that Amazon is buying Whole Foods in a deal that's valued at $13.7 billion, and we've heard from analysts about how this will affect retail in general, low-priced grocers like Walmart, Amazon's current grocery delivery services, Whole Foods itself and even cashiers.
But what about smaller natural-grocery rivals like Sprouts Farmers Market, Earth Fare and Fresh Thyme? Whole Foods has been losing market share to these aggressive competitors for a number of years. Will this move turn the organics-laden tables?

"I think competitors like Sprouts, The Fresh Market, Fresh Thyme, Earth Fare and Natural Grocers are totally screwed," says David J Livingston, owner of DJL Research, which provides market research and competitive intelligence for the grocery industry. "They are not that good to begin with. Trader Joe's is the undisputed sales-per-square-foot performer. Then comes Whole Foods. All the rest are distant also-rans."

Livingston points out that most of these chains have seen it coming. "Lucky's sold out to Kroger. The Fresh Market sold out to a private equity group," he says. "If they're under-performing now, just wait until Whole Foods is able to tap into the buying power of Amazon and access their distribution network to lower delivery costs—and Amazon gets access to over 400 prime retail spots. All those Whole Foods wannabe chains mostly have B and C locations and are up to their eyeballs in debt."

Michelle Grant, Head of Retailing at Euromonitor International, predicted in a note to reporters that regional and middle-market grocery retailers will suffer the most—but also noted that this is
nothing new. "The higher end grocers and low end grocers have done well at the expense of the middle," Grant says. "Market exits and consolidation have been happening and this is likely to speed up."

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I worked in retail for nine years before becoming a full-time journalist in 1997. I've written for over 150 print and online publications, ranging from trade pubs like T... Read More