



inmarket insights

Year One Assessment:
Amazon's Impact on Whole
Foods & CPG Brands



Overview

The [biggest grocery news of 2017](#) broke on June 16, 2017, when e-commerce juggernaut Amazon agreed to purchase natural-leaning grocer Whole Foods for \$13.7 billion. Since taking control in late August 2017, Amazon's impact has been felt in a variety of ways -- from the addition of lockers for in-store pickup of online purchases, to the juxtaposition of Amazon's own tech products on sale next to the milk, eggs and produce.

At inMarket, we've spent the past 8+ years helping brands connect with consumers inside stores like Whole Foods. To be effective in this space, you need a keen understanding of how shoppers act, evaluate and eventually make purchase decisions in the aisles -- especially when change is afoot. We achieve this by pairing purchase-level data with the industry's most accurate, first-party location targeting capabilities, in order to understand exactly how the path to purchase can be influenced.

In this inMarket inSights report, we're examining the powerful impact that Amazon has had on Whole Foods -- from visitation habits, frequency, dwell time and purchasing behavior inside the store. To learn more about our data, methodology or digital shopper marketing programs for CPG brands, please [contact us today](#).

Methodology:

InMarket utilizes location data from 50 million anonymous consumers to uncover trends across real world retail. By comparing shopper data from before and after Amazon control at Whole Foods, we can look at the drivers of change from an e-commerce goliath on the higher end grocery chain. By layering on purchase data, we can understand consumers are voting with their wallets on the merger through behavior inside and outside the store.



Key Takeaways:



Whole Foods' private label products — which quickly became top performers on Amazon.com post-acquisition — are also growing rapidly in their brick-and-mortar stores.



Despite fears of “going too mainstream,” major organic brands are some of the fastest growing products among Whole Foods shoppers.



Visitation patterns are clearly evolving -- with microtrips (<5 minutes in length) on the rise.

Impact on Purchase Behavior:

- Private brands sale volume at Whole Foods has increased by 15% since Amazon took control on 8/28/17 -- with products like organic spinach, organic brown eggs and bottled water leading the way. This echoes the success that 365 has had online.
- Private label isn't the only growth area. These brands have achieved the highest volume growth at Whole Foods thus far in 2018:



1.



2.



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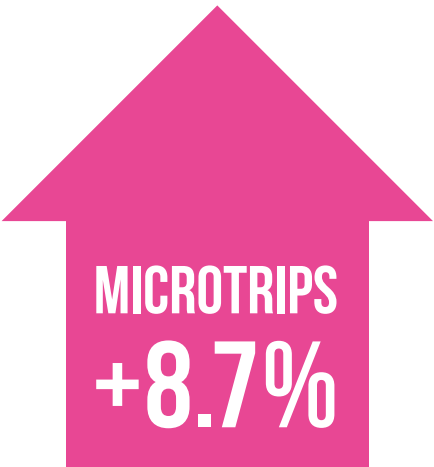


5.



Impact on Visitation:

Average microtrips (<5 minutes) per month have increased by 8.7% chainwide since Amazon took control of Whole Foods on 8/28/17. This is a continuation of what we have seen as Amazon Lockers roll out to most of Whole Foods' 470+ stores -- driving microtrips as shoppers pick up their e-commerce purchases.



The number of shoppers at Whole Foods is growing 5.5% faster than traditional grocery chains. This increase likely comes from the curiosity to try Whole Foods drummed up by the acquisition, as well as Locker traffic.

While net new shoppers at Whole Foods are growing in population, these shoppers are only visiting once out of every five grocery trips. Comparatively, Whole Foods “regulars” visit the chain three out of every five grocery trips. This indicates that Whole Foods doesn’t satisfy all of the new shoppers’ needs (yet).





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At inMarket, we analyze anonymous location data through direct publisher partnerships, reaching a comScore-verified 50 million devices to understand real world trends. These relationships also power one-to-one marketing with consumers at every point during the shopping cycle. inMarket is the only location intelligence company with 3rd party verified reach, and our one-to-one relationships with opted-in customers at scale allows us to speak directly to the right audience in the moments that matter.

To view additional Report Cards, please visit [inMarket inSights](#). For more information on inMarket inSights, or to learn about how inMarket's advanced audience segmentation, predictive targeting and one-to-one in-store advertising programs can help you drive business, please [contact us today](#).