

Exhibit 59 to Plaintiff's  
Memorandum of Points and Authorities  
in Support of Its Motion for Temporary  
Restraining Order and Preliminary Injunction  
(PX00676)  
Part 15 of 17



# Grand Opening Strategies

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## Wild Oats

- Grand opening metrics targets
- Building awareness
- Driving traffic

## Henry's

- Grand opening metrics targets
- Building awareness
- Driving traffic



# Pre-opening Advertising/Marketing Costs

Pre-opening expense since Long Beach and Costa Mesa openings

	WILD OATS		HENRY'S	
	<u>Average</u>	<u>Current</u>	<u>Average</u>	<u>Current</u>
Advertising and marketing				
Supplies				
Employee benefits & taxes				
Payroll, training & recruiting				
Cleaning and laundry service				
Travel, meals & entertainment				
Legal, license & pro fees				
Phone, WAN, trash, utilities, ins.				
Other				
<b>Total pre-opening</b>				



# Grand Opening Metrics - Wild Oats

## Achieve key metrics for grand openings

- Assumptions:
  - Average weekly sales will decrease by █% after █ weeks in new store and █% in relocation store
- Achieve key targets:
  - Target average weekly sales of \$ █K in weeks █\*
  - Minimum average weekly sales settle in at \$ █K

Pro Forma Sales		Actual Sales			
	GO Week @ 60-70%	GO Week	Current (week 25)	% of GO week sales	
RNT	\$ █	\$ █	\$ █	█%	
SLU	\$ █	\$ █	\$ █	█%	
TUA	\$ █	\$ █	\$ █	█%	

[1] Pro forma based on real estate model

[2] SUP sales weeks █ were \$ █K and \$ █K, respectively



# Grand Opening Analysis - Wild Oats

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## 1. New versus existing markets:

- What is level of brand awareness in market? Is Wild Oats known and understood in market?
- Is this a new store in existing market with an old store? Does market have pre-existing perception of Wild Oats that needs to be augmented or refuted?

## 2. Development index of natural/organic awareness and usage:

- Does market understand and value natural/organic foods and products?
- How developed is organic/natural category in market, based on sales of leading product categories (e.g., organic milk) in grocery stores?

• [REDACTED]  
[REDACTED] (IRI/IAC Nielsen)?

## 3. Culinary sophistication:

- Is market generally recognized as foodie destination by media (e.g., [REDACTED] etc.)?
- Is there a predominance of highly acclaimed restaurants, farmers markets, specialty food retailers, etc.?

## 4. Existence of competition in the market:

- Are other high-end food retailers ([REDACTED] etc.) present in the market?



# Grand Opening Analysis – Wild Oats New vs. Existing Market

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## New market

- Depends on awareness and consumption of natural/organic foods. Although Wild Oats, the brand, may be new, the awareness of natural/organic may be high – and Wild Oats may be perceived to offer a valuable point of difference versus other food retailers in the market.

- Tactics

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]



# Grand Opening Analysis – Wild Oats New vs. Existing Market

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## Existing market

- Depending on size of market and extent of existing brand awareness, spending is focused on maximizing awareness of new store in the market

## Tactics

[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]



# Grand Opening Analysis – Wild Oats Natural/Organic Consumption

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## High index of natural/organic consumption

- Emphasize natural/organic offerings in marketing communications and that Wild Oats offers a huge selection of these products in a super-premium environment
- Build alliances with local organizations that appeal to Cultural Creatives
  - Arts, culinary, environmental, fitness, theatre

- Tactics

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# Grand Opening Analysis – Wild Oats Culinary Consumption

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## “Foodie” market

- Large concentration of “foodies” in the market – people with an appreciation and love of food and cooking
- Emphasize culinary offerings in marketing communications. This may include unique ingredients, upscale products and interesting recipes. Quality is important – emphasize organic and natural offering. Also, Promote connection with local farmers and ingredients (freshest, closest to the source)

- Tactics



Redacted



# Grand Opening Analysis – Wild Oats Culinary Consumption

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## Low culinary sophistication market

- Customers are not interested in cooking – see food as fuel – which requires broad education of what Wild Oats offers
- [REDACTED]
- Promote other aspects of food that are important to market (health, taste, quality convenience, etc.)

- Tactics

- [REDACTED]
- [REDACTED]
- [REDACTED]