

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



## Whole Foods Competitive Marketing Plan

- Process and timeline
- Goals and objectives
  - [REDACTED]
- Operations and HR issues
- Competitive tactics
  - Merchandising
  - Grassroots community outreach
  - Marketing



# Whole Foods Competitive Marketing Plan: Process and Timeline

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- Begin development of competitive intrusion plan (CIP) [REDACTED] months prior to known WFMI opening date
- Operations and Marketing to develop WFMI competitive intrusion plan and recommend to SLT [REDACTED] months prior to opening date
  - Strategy
  - Tactics
  - Budget
  - Sales impact estimate (loss)
- Budget approved [REDACTED] months out so CIP team can begin execution of tactics



## **Whole Foods Competitive Marketing Plan: Goals and Objectives**

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- Maintain store sales metrics to less than ██████ % decline
  - Average weekly sales
  - Transaction count
  - Basket size
- Maximize customer retention
- Minimize customer defection
- Engender loyalty to Wild Oats retail store
- Maintain share of wallet

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## Whole Foods Competitive Marketing Plan: [REDACTED] WFMI Openings

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- [REDACTED] **late September, 2005**
  - WFMI 2 miles west of OMA and 6 miles east of ONE
  - Impact will be primarily on OMA, which is located midtown
  - Plan is to promote ONE to the western suburbs and OMA to the eastern suburbs
  - WFMI buying radio
- [REDACTED] **mid-October, 2005**
  - WFMI store located 1.5 miles from Wild Oats
  - Wild Oats remodel estimated completion date: 10/12/05
  - Wild Oats will field a \$125K grand re-opening for 10/12
  - Remodel is expansion of foodservice, additional grocery space, expanded meat department
  - WFMI has already begun marketing in the area – radio, print, community relations, event marketing, etc.
- [REDACTED] **October, 2005**
  - WFMI new store is 65k square feet, located 8 miles away
  - Wild Oats expansions and remodel estimated completion date: Sep 2006
  - Wild Oats store is 7 years old
  - 2 Trader Joe's located in the area
  - Competition includes Fresh Fare (Kroger), Fresh Market



# Whole Foods Competitive Marketing Plan: Situation Assessment

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## Market evaluation:

- Natural/organic consumption index – how developed is the market?
- Awareness and appreciation of natural/organic
  - [redacted] high
  - [redacted] medium
  - [redacted] medium/low

## Store facilities evaluation:

- Age and size of store
- Store facilities
- How well is store positioned to compete against WFM?
- Strengths and weaknesses



# Whole Foods Competitive Marketing Plan: Competitive Tactics

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Objective: To be pre-emptive versus reactive

- Pricing
- Operations
- HR
- Marketing
  - Local media
  - Grassroots and community marketing



# Whole Foods Competitive Marketing Plan: Pricing

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## Objective:

[REDACTED]

between WFMI and Wild Oats [REDACTED]

[REDACTED]

- WFMI executes a new store pricing plan whereby [REDACTED] key items are priced below competition
- Wild Oats needs to counter this tactic by creating [REDACTED]  
[REDACTED]  
[REDACTED]
- Store Directors and Operations team can also provide feedback pricing and provide impressions of store visits



# Whole Foods Competitive Marketing Plan: Operations

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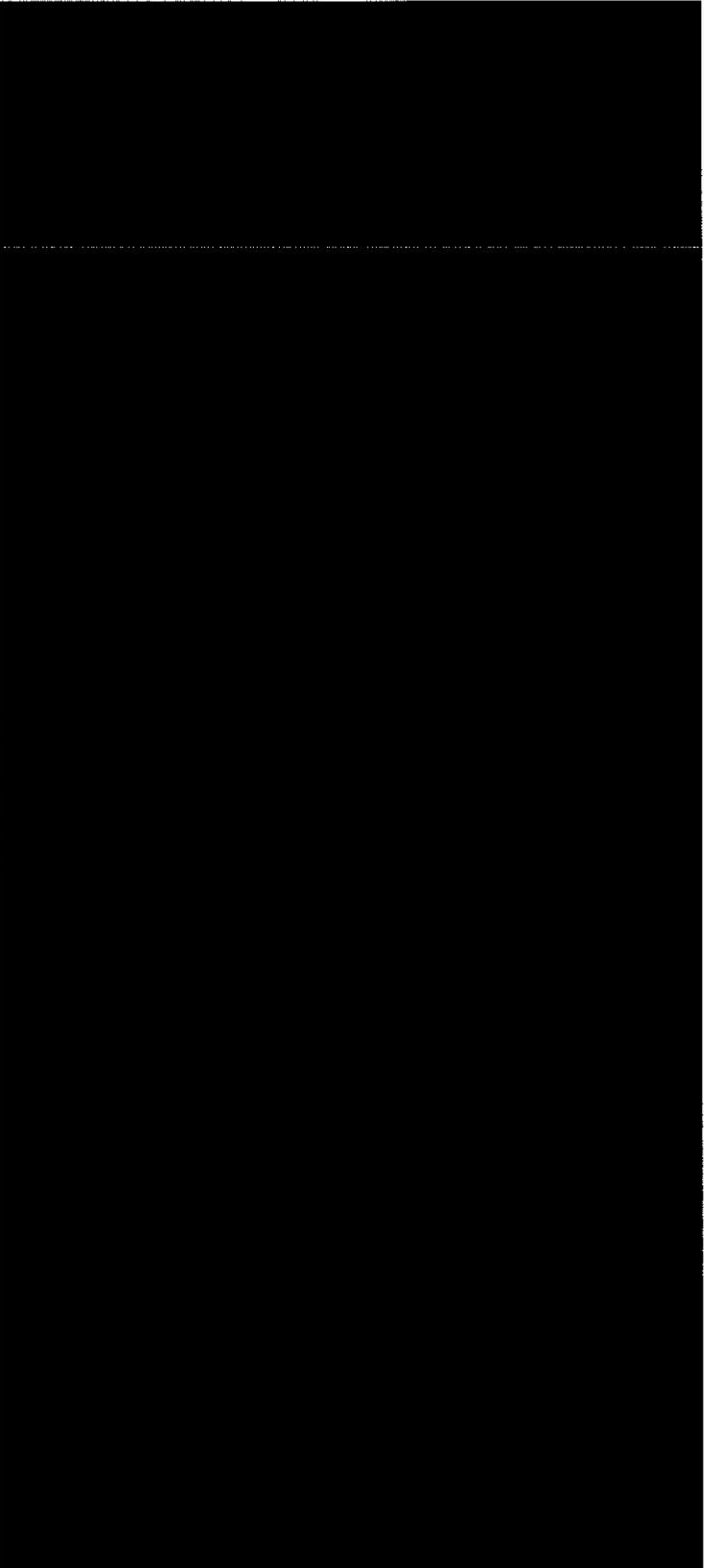
**Objective:** To offer a superb shopping experience

- Recommendation:
  - Consider a CIP store P&L which allows for larger labor budget and lower perishable margins
    - Add [REDACTED] basis points on % basis for labor [REDACTED] months prior to WFMI opening
    - Maintain labor budget dollars level for [REDACTED] months after WFMI opening [REDACTED]
    - Develop new labor schedules based on dayparts
  - Will allow store to maintain highest quality standards – fresh produce, seafood and meat and highest service levels
- Consider other value-added services that can engender customer loyalty
  - [REDACTED]
  - [REDACTED]
- Expand sampling program to support ongoing sampling throughout the day
  - This program needs to be enhanced
  - HR to develop new training module for [REDACTED]
  - [REDACTED] program



# Whole Foods Competitive Marketing Plan: Human Resources

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# Whole Foods Competitive Marketing Plan: Marketing

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## Direct marketing

- Assemble store direct marketing list and develop direct marketing communication plan
  - Sales promotions
  - Store information
- Develop new customer direct mail list and target strategic geographic areas

## Online marketing

- Email communication

## Mass media

## Outdoor advertising

- [Redacted]



# Whole Foods Competitive Marketing Plan: Grassroots Community Marketing

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**Objective:** Preempt WFMI in community outreach

- Maintain high-visibility presence at local events and venues that have mass appeal and fit lifestyle of target audience
  - Secure [REDACTED] in the natural/organic food retailer category at events/venues
  - Expand sponsorships based on food/product donations [REDACTED]
  - Sponsor non-profit events (staff members can also use volunteer hours)
- Seek out events that provide brand exposure and sampling (even sales opportunities)
  - Athletic
  - arts
  - non-profit
  - health and wellness
- Business community outreach

[REDACTED]



## **Whole Foods Competitive Marketing Plan: In-Store Marketing**

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**Objective:** Build on Wild Oats' reputation as the market leader for great food, natural/organic and nutrition

- Cooking classes
- Guest lectures
- Events