Exhibit 35 to Plaintiff's
Memorandum of Points and Authorities
in Support of Its Motion for Temporary
Restraining Order and Preliminary Injunction
(PX00677)
Part 3 of 3

Marketing Tactics: [redacted]

[redacted]	[redacted]			
	New vs. Exiting Markets	Natural / Organic Dev't	Culinary Sophistication	Competition

Code: More shading indicates situation more difficult

[redacted]

- Educate the market about the benefits of natural/organic
- Talk to the customer – sample products, hand out coupons, etc.
- Offer low prices on staple items
- Emphasize event marketing to build awareness
- Outreach to the community - partner with schools, hospitals, gluten-free groups, etc.
- Target local businesses – promote deli for lunch crowd and catering for businesses

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Marketing Tactics: [redacted]

[redacted]	[redacted]			
	New vs. Exiting Markets	Natural / Organic Dev't	Culinary Sophistication	Competition

Code: More shading indicates situation more difficult

[redacted]

- Communicate wide offering of natural and organic
- Communicate affiliation with local farms and wineries
- Create in-store signage to highlight local products
- Hold demos that highlight local food and wine
- Offer cooking school classes and demonstrations
- Hold in-store health fairs with nutritionists, chefs fitness trainers, local farmers etc.
- Advertise in local "foodie" cooking publications

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Marketing Tactics: [redacted]

[redacted]	[redacted]			
	New vs. Exiting Markets	Natural / Organic Dev't	Culinary Sophistication	Competition

Code: More shading indicates situation more difficult

[redacted]

[redacted]

[redacted]

- Build awareness with direct mail, newspaper advertising campaign and partnership with NPR
- Communicate health and fitness benefits of natural/organic.
- Target affluent families through cultural sponsorships of arts, music and culinary events
- Put on a "Wild Chef" cooking competition with local celebrity chefs and members of the media as judges
- Sponsor high profile cultural community events to increase awareness

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Wild Oats: Building Awareness

Communication Tactics

- Mass media
  - Invest heavily in advertising to build awareness quickly - spend [redacted]% of advertising budget in pre-opening week through week [redacted] and balance of budget spent weeks [redacted]
- Print
  - Target likely shoppers based on lifestyle profile and proximity
- Local marketing support
  - Appoint CMC [redacted] months prior to grand opening

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Wild Oats: Driving Traffic

Community outreach

- Grassroots marketing
  - Build alliances with local organizations that appeal to cultural creatives
    - Arts, culinary, environmental, fitness, theatre, cooking schools, etc.
  - Target local businesses – promote deli for lunch crowd and catering services for business functions

- Guerilla marketing
  - [redacted]
  - [redacted]
  - [redacted]

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Henry's: Grand Opening Strategies

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Henry's: Grand Opening Metrics

Achieve key metrics for grand openings

- Assumptions:
  - Average weekly sales will decrease by [redacted] after 2 weeks
- Achieve key targets:
  - Weeks 1 and 2 - target minimum average weekly sales of [redacted] transactions/week
  - Weeks 3 and beyond – target minimum average weekly sales at [redacted] and average weekly customer count at [redacted]

				Actuals			
	Pro Forma Sales	GO Week @ 60-70%		GO Week	Current (week 25)	% of GO week sales	Index current actual vs. pro forma
[redacted]	$ [redacted]	$ [redacted]		$ [redacted]	$ [redacted]	[redacted] %	[redacted]
	$	$		$	$	%	
	$	$		$	$	%	
	$	$		$	$	%	
	$	$		$	$	%	
	$	$		$	$	%	

Notes: [redacted] GO week was $[redacted]K, sales sank to $[redacted]K range at week 7, then gradually built back to $[redacted]K range

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Henry's: Marketing Criteria

[redacted]

- Communicate the launch of a new store and location

- Other considerations
  - Competition: other value-oriented health food stores in the market area

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Henry's: Building Awareness

[redacted]

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Henry's: Driving Traffic

[redacted]

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Henry's:
Phoenix Market Entry Post-Mortem

[redacted]

Redacted

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Whole Foods Competitive Marketing Plan

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Whole Foods Competitive Marketing Plan

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

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Whole Foods Competitive Marketing Plan: Process and Timeline

- 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

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Whole Foods Competitive Marketing Plan: Goals and Objectives

- Maintain store sales metrics to less than [redacted]% 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

- [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

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PX00677-075

Whole Foods Competitive Marketing Plan: Situation Assessment

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 WFMI?
- Strengths and weaknesses

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Whole Foods Competitive Marketing Plan: Competitive Tactics

Objective: To be pre-emptive versus reactive

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

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Whole Foods Competitive Marketing Plan: Pricing

Objective: [redacted] between WFMI and Wild Oats [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 a [redacted]
  - [redacted]
- Store Directors and Operations team can also provide feedback pricing and provide impressions of store visits

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Whole Foods Competitive Marketing Plan: Operations

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 enhanced
  - HR to develop new training module for [redacted]
  - [redacted] program

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Whole Foods Competitive Marketing Plan: Human Resources

[redacted]

Redacted

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Whole Foods Competitive Marketing Plan: Marketing

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]

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Whole Foods Competitive Marketing Plan: Grassroots Community Marketing

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]

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Whole Foods Competitive Marketing Plan: In-Store Marketing

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

- Cooking classes
- Guest lectures
- Events

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Whole Foods Competitive Marketing Plan: Old vs. New Store

- In the case of a new WFMI opening up against a smaller, older WOMI store, the situation requires a different approach.
- [redacted]
- Maintain standards on perishables
-
- Communications to emphasize Wild Oats heritage in the community [redacted]
- Optimize in-store experience – [redacted]
- Ensure that pricing is competitive
- Focus on heavy grass roots marketing to maintain profile in community and stay top of mind

Redacted

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