

## **Whole Foods Market: The Beauty of Imperfection**

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### **Introduction**

Current statistics are showing that 20% of all farm produce does not make to the supermarket shelves because of small imperfections and is wasted. For the purpose of this work, sustainability is defined as zero farm produce waste.

Changing consumer habits poses a substantial task: how consumer's attention and buying behaviours could be directed towards imperfect fruits and vegetables reducing considerably farm produce waste? An organisation with a good reputation for caring for the environment could initiate the challenge: the Texas based supermarket chain, Whole Foods Market with operations in the US (since 1980) and in the UK (since 2004) has been ranked among the most socially responsible businesses (The Wall Street Journal, 2007) for its emphasis on natural and organic products. Whole Foods Market only sells products that meet its self-created quality standards for being natural, which the store defines as 'minimally processed foods that are free of hydrogenated fats as well as artificial flavours, colours, sweeteners, preservatives', and many others as listed on their online 'Unacceptable Food Ingredients' list (Company's Website). Because of its involvement and well known sustainable practices, engaging all the stakeholders involved in the production consumption process, the company serves a good example to the proposed case.

## **Memorandum**

**To:** John Mackey, founder and CEO of Whole Foods Market

**From:** A Whole Foods admirer

**Date:** 27th April, 2013

Dear Mr. Mackey

I'm writing to congratulate you not only for the successful enterprise you have founded and currently manage, but additionally for the inspiration you are bringing to people like me, whom truly believe that a more sustainable planet starts with small actions at the local level. I know you have started Whole Foods with money borrowed from your parents and a small local shop. Getting in contact with the "Whole Foods Market's Green Mission Report 2012" allowed me to discover that your organisation does much more than I had imagined: beyond advocating for organic food, it also primes for investing in renewable and alternative energy, green building design, and responsible packaging, among many other important initiatives. It's most definitely a groundbreaking and visionary work. I also researched about Whole Foods' mission and values, ideas and actions for the future and identified myself with several of them, especially the ones related to corporate responsibility, enhancing the experience of the customers and innovation. You are a role model for everyone who believes in sustainable consumer practices.

I'm writing you so that I could share an experience which happened in one of your stores and prompted me to have a valuable insight into how Whole Foods can

enhance its mission for a better planet. As David Kelley from IDEO says, innovation begins with an eye. Considering that I partake the experience of other fellow customers at your carefully designed stores, I took extra time to observe people selecting fruits and vegetables. As Whole Foods has a reputation for quality, it's not often that an apple or a carrot will present marks, bumps, spots or skin defects. However, it caught my attention how much time people spend looking for the perfect tomato and the impeccable capsicum. And even more surprising was the number of people who would not buy something because of its appearance.

So here is my insight:

*How to make the graceless form of an heirloom tomato or twisted carrots to have more appeal than the prettier selected to be in the supermarket shelves?*

Statistics are not very precise, but an estimate 20% of farm produce is wasted every year for not reaching beauty standards. When customers are buying fruits and vegetables, they look for the most beautiful and perfect ones misinterpreting lack of beauty as lack of quality. As stated by Whole Foods Market, "our business is to sell the highest quality foods we can find at the most competitive prices possible. We evaluate quality in terms of nutrition, freshness, 'appearance', and taste". Following that statement, Whole Foods Market implies to disregard fruits and vegetables whose appearance does not appeal to consumers, even though organic products might allegedly have an inferior look to those typically displayed. Industrialised societies' current consumer habits tend to value only fruits and vegetables that look

perfect and without a great degree of manipulation, which accounts to the great number of 'imperfect' ones being discarded, and, therefore, inadvertently or purposely wasted.

This letter is based on two strong beliefs: not only selling 'imperfection' agrees with the company's advocacy, enhancing the will to build a better planet, but it also can be used as a perfect way to educate and share the responsibility with consumers. Only a company with a proven record of environmental-sound actions like Whole Foods Market can help changing the cultural values and behaviours associated to consuming imperfect fruits and vegetables.

The motto for the campaign could emphasise that 'we are about inner quality, not outer appearance'. And the same would apply to flawed vegetables and fruits. As human beings, our point of connection lies in imperfection. And imperfection generates authenticity. Therefore, the marketing strategy could start by placing installations in the stores that would help educate the consumer to buy imperfect fruits and vegetables, stressing the importance of this behavioural change and its impact in the world.

As a major current consumer trend, consumers have been seeking 'authenticity' from products and services, and increasingly it is the imperfect that will feel especially authentic - opposing the mass-produced, standardised offerings that

triumph today and the shiny exteriors of our digital devices. Imperfection is what makes something unique, healthy and ultimately authentic.

A few successful examples worth mentioning are: 1) Dove's Campaign for Real Beauty, which features 'real' women in their underwear happily enjoying life; 2) a famous chocolate company was selling raw chocolate chunks packed in brown paper bag branded with old-fashioned handwriting. The bag had hand-made chocolates cut into uneven pieces. Undoubtedly they had an authentic and fresh look as it could be - until acknowledging that all the imperfect, hand-cut pieces had a perfectly matched partner in a different bag bag: the broken chunks were moulded to look like random broken pieces; a very clear scheme to make the chocolate look home-made; 3) the most watched videos on YouTube. Are they perfect? Not at all. Most are by regular people whose work looks amateurish. The same goes for reality shows - despite all predictions that they are on their way out, it's clear (based on the huge amount of new programs of the sort featured on television every day), authentic situations are in demand.

The benefits of such initiatives are associated with cultural and mindset changes of a group of consumers in a position to influence other consumers. Whole Foods is regarded for selling to a premium segment, one that is more likely to be copied or identified as trendsetter. And pragmatically, a year of poor harvest or sharing the accountability with the customer could increase brand awareness. With such initiative a broad group of stakeholders would be involved: from the producers to

the consumers, to the thousands of people that just believe in the mission of Whole Foods.

However, regardless of such evidence, brands continue in their quest to present only the perfect; it is not in the advertisement culture to present reality to their customers, whom, in turn, tend to fantasise about ideal situations and have far less consideration for the product itself than to the life style or ideal that is being sold to them. Some resistance might be faced during the implementation of such ideas and concepts, but creating social change is at the heart of your business and, with effective communication initiatives, behavioural changes can be made.

I hope you appreciate these ideas, for they could improve not only your business but the lives of many people - selling imperfect goods could affect the whole production and consumption chain: from those who produce the goods up to the final customer - producing added value to the organisation and shareholders, and ultimately, benefiting the planet.

## **Introduction**

Sustainable consumption practices have been widely debated across a number of academic disciplines and became a latent topic in a planet that is using its resources in a hurried pace (Meadow & al., 2004). Drawing on the insight outlined in the memorandum, this essay will attempt to bring a conceptual and theoretical background to support the suggested course of action. It is organised in three content blocks: the first introduces social identity theory (Tajfel & Turner 1986), authenticity and the halo effect (Thorndike, 1920) as a system to categorise individuals in a group that will be more likely to deal with the proposition. The second content block introduces Installation Theory (Lahlou, 2011) and cognitive dissonance (Festinger 1957) as strategies for efficient change. The third will showcase that current consumer routines could be an impediment itself for the project and how important is to be a category creator for the success of the organisation.

### **Social Identity, Authenticity and the Halo Effect: Culinary Misfits**

The first main argument supporting the introduction of imperfect vegetables and fruits lies on the combination of Social Identity Theory, the seek for authenticity as a differentiator and the halo effect. According to the first, developed by Tajfel & Turner (1986), part of the concept of *self* derives from social group membership. Individuals develop a sense of who they are based on group belongingness, that is: human beings are motivated to achieve a positive self-evaluation which occurs through group membership. Moreover, individuals enhance the status of the group they

belong by increasing its status and seek to find negative aspects of out-groups. The process of developing social identity occurs in three stages. 1) Categorisation, where individuals create 'labels' to categorise people and, therefore, make sense of the environment. Consequently, appropriate social behaviour is defined for each one of the categories. Whole Foods Market could belong to categories such as 'expensive food shop', 'organic food', 'sustainable', 'fancy store' and 'high quality', to name a few. 2) Social identification follows categorisation. Individuals would adopt the identity of the group they have categorised themselves into. A Whole Foods consumer would identify himself with 'high quality sustainable products', therefore valuing and being able to afford the products sold by the chain and the lifestyle. 3) Social comparison: in order to maintain or gain more self-esteem, the in-group needs to compare itself favourably in relation to out-groups. Applied to the case in discussion, people shopping at Whole Foods would perceive themselves as belonging to the group that contributes to a better world because they shop in a supermarket that is in line with the categorisation they created in detriment to competitor supermarkets, where products are not perceived as sustainable (or "are perceived as industrialised, sterile and not environment-friendly). This self-categorisation, already aligned to Whole Foods' consumers, will be necessary to introduce a category of products perceived by them as inferior. Whole Foods' clients most likely would buy the culinary misfits in order to remain part of the in-group they think they belong to.



Although social identity theory helps with prediction and control of behaviour, it might not be perceived as an argument strong enough in order to introduce imperfect fruits and vegetables to consumers. The theories' key component (positive distinctness) is already present in Whole Foods consumers. Therefore buying culinary misfits need to be perceived as a self-esteem enhancement in order to produce an emotional connection. As pointed out in a comprehensive review by Rubin & Hewstone (1998, p.56) ,“it would seem as if the intergroup discrimination leads to an increase in self-esteem but is not motivated by a need for self-esteem”. Therefore, “the majority of the evidence does not support social identity theory’s self esteem hypothesis in its full” (p.56). That is, the need for self-esteem needs to be categorised further and combined with an additional approach in order to be effective.

Trait self-esteem, as opposing to state self-esteem (which refers only to the present), is the result of a long period self-evaluation (Rubin & Hewstone, 1998). The majority of the studies on self-esteem scales have considered it a stable trait. “However, self-esteem may also be conceived as the product of dynamic process of self-evaluation that is constantly updating previous self-attitudes according to new experiences (p. 42). Considering specifically the case of imperfect vegetables and fruits, the strategy could appeal to enhance state self-esteem. Consumers visiting the store after an long and exhaustive day at work, already influenced by group positive distinctness, could easily relate to advertisement promoting ‘inner quality, not outer appearance’. The advertisement campaign could

take advantage of the qualities and the uniqueness present in the imperfect fruits and vegetables that are also present in human beings - in order to provoke an emotional response and make them feel better.

Additionally, the theory known as the Halo Effect, coined by Edward Thorndike (Nisbett & Wilson, 1977), would enhance even more the attractiveness to Whole Foods initiative. The halo effect, as originally described, extends the first impression individuals made about other people to the overall character. Whole Foods Market can take advantage of its already consolidated reputation: if everything that a store sells is certified and has quality, this perception can be extended to the new culinary misfits.

The need individuals have to belong to social groups, the appeal to individual's self-esteem, and the halo effect combined, can become a powerful strategy to introduce imperfect fruits and vegetables to consumers creating a new social identity to the first users.

### **Installation Theory and Cognitive Dissonance: Setting the Table**

Installation Theory can help to provide ways to consolidate the introduction of imperfect fruits and vegetables to consumers. The theory describes three general layers in order to determine individual's behaviour: 1) the social layer, or the institutions, responsible to generate the sets of rules and allowances for action to take place; 2) the psychological layers, that contains people's social

representations; and 3) the physical layer, that contains tangible objects linked to actions (Lahlou, 2011). The model implies that the acceptance of change is more likely to be successful if all the three layers are simultaneously operated. Applying the model to Whole Foods, the social layer is the organisation itself that would allow the table to be set, or the products to be sold and would provide all the structure necessary so that it could happen. It could also promote an educational campaign informing the consumers about the advantages of imperfect fruits and vegetables. The physical layer could refer to displaying the products irregularly or using odd shapes of containers to pack them in order to be coherent with the strategy. When consumers start to see the success of the initiative, their social representation of what makes a good tomato will be affected and positively changed. Traditional introduction of new products will concentrate in expensive marketing campaigns that cannot have the desired effect. Changing representations through practice can be more efficient and sustainable in the long term.

Cognitive dissonance as introduced by Festinger (1957) could play a role in the strategy. The theory refers to the discomfort individuals experience when simultaneously holding two or more opposing ideas: people don't like to think in one way and act in another. Consumers have a strong tendency to buying goods at Whole Foods because of quality and sustainability. By refusing or ignoring imperfect fruits and vegetables sold by an organisation that believes in the products they sell, the consumer would be refuting the reason to go to Whole Foods Market: creating a better planet through sustainable consumption, generating cognitive dissonance.

## **Routine and category creation: Challenging the Chef**

Introducing change is not an easy task. It implies disturbing one of the biggest determinants of consumption: routine. According to Aarts, Verplanken & Knippenberg (1998), habit is a better predictor than intention. Consumers tend to buy the same things repeatedly because they have grown accustomed to buying them. It takes a great effort to make a consumer experiment something new or different. Routine takes a long time to develop and is a result of adaptive search, based on trial and error. In the same way culture is generated and ingrained on individuals based on the solutions that work best (Schein, 2010), the winner product is the one that has been proven to work successfully. Challenging consumers' habits will require a complete change of mindset. The habit as a predictor of future behaviour combined with our current representations of what makes consumable fruits and vegetables could be perceived as possible limitations to this project. Concerning this topic, two strategies could be used to helping overcome the posed challenge: 1) working closely with the consumer could help to change this reality. Consumers could become 'prosumers' in this process. The term 'prosumer' was created by Toffler (1981) in order to distinguish a passive consumer from a more active consumer with an active role in the process of customisation, design or elaboration of a product. Involving the consumers from the beginning could generate additional buy-in and insights for the market; 2) persuasion strategies could be in place, like cross selling or initially lower prices, in order to draw consumer attention. Persuasion influences directly on attitude formation and

attitude change. In fact, attitude formation and attitude change can be viewed as one and the same (Crano & Prislin, 2008).

It's also understandable that investing in an uncertain market might create a challenge for the investors as well. It would be rewarding to be the first big supermarket chain to come up with a good reason to offer imperfect fruits and vegetables in its shelves. That could be perceived as a truly sustainable pioneer and reaffirm the Whole Foods market leadership in the industry. The traditional benefits of being the first mover are associated with higher profits margins and larger market share (Lieberman & Montgomery, 1988) could make a difference to the organisation, but moreover, the psychological and social aspects would respond directly to the Whole Foods Market mission and values.

A study conducted by Yoon and Deeken (2013) has shown that among the 100 fastest-growing US based companies, from 2009 to 2011, the “companies that were instrumental in creating their categories accounted for 53% of incremental revenue growth and 74% of incremental market capitalisation growth” over the period (p. 21). It proves that categories creators experience much faster growth and receive much higher valuation from shareholders. This approach shows that investing in imperfect fruits and vegetables, as category creator also could be translated in benefits for the different stakeholders other than the consumer.

## **Conclusion**

This essay proposed an analysis, under different theories and backgrounds, on how Whole Foods could enter in a new market and create new demands, providing its consumers fruits and vegetables that now are traditionally discarded for their appearance. It's been argued that this particular organisation could benefit in multiple ways, fulfilling its mission as a more environmentally sound enterprise. It can also be thought that only a company with their reputation could influence consumers in such market. However, the ideas in this essay are subject to limitations.

A risk to the whole strategy could be the fact that consumers are not interested in purchasing imperfect fruits and vegetables because they simply could not see the benefits, competitive advantages or added value for their actions. This also could pose a risk to the investors and create some damage to the organisations' reputation, as the representation of quality involves perfect fruits and vegetables and selling imperfection could be perceived as an strategy to maximise profit rather than doing good for the planet.

In conclusion, the dynamics generated by a category creator might disrupt the industry, making the idea transferable to other supermarket chains in the future. The success of such initiative would represent a much lower rate of farm produce being wasted also affecting the production chain and not only the distribution chain.

Based on this initiative, eventually consumer would adopt more sustainable consumption habits, decelerating the use of the planet's resources.

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