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Whole Foods Refreshes Its Commitment to Stakeholders

INTRODUCTION

Whole Foods Market, a multinational supermarket chain, was founded in Austin, Texas, in 1980. The company began growing domestically in 1984 with its first expansion, and in 2007, Whole Foods opened its first stores in the United Kingdom. The company currently operates more than 500 stores throughout the United States, Canada, and the United Kingdom. Although customers are considered to be the company's highest valued stakeholder, Whole Foods adopts a stakeholder orientation that focuses on the needs of all of its stakeholders, including its employees and the community.

Whole Foods spearheaded efforts in the grocery industry to source its food products responsibly and search for innovative solutions to improve its environmental footprint. The company emphasizes healthy living and seeks to contribute to the communities where it does business. However, despite Whole Foods' significant accomplishments in business ethics, it has not been free from criticism. In pursuit of growth, it has been accused of running local stores out of business and received mixed responses from some consumers. Other issues include Amazon's acquisition of Whole Foods and its impact on the grocery store's reputation and culture.

This case begins by providing brief historical background information on Whole Foods. Next, its mission and values are examined, followed by a look at how the company strives to live out its values to become a good corporate citizen. We also consider ethical issues Whole Foods has faced to demonstrate the complexity companies may experience when engaging in ethical decision making. Finally, we examine some recent challenges Whole Foods is facing as competition in the healthy food industry continues to increase.

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COMPANY BACKGROUND

In 1978, two entrepreneurs in their twenties used a $45,000 loan to open a small natural foods store in Austin, Texas. John Mackey and his then-girlfriend Rene Lawson Hardy wanted to help people live better. At the time, there were fewer than a dozen natural foods markets in the nation. The couple named their business SaferWay as a spoof on Safeway. The entrepreneurs had a rocky start. At one time they used the store as a residence after being kicked out of their apartment for storing food products. After two years, Mackey and Hardy agreed to merge SaferWay with Clarksville Natural Grocery, owned by Craig Weller and Mark Skiles. The newly merged company called itself Whole Foods Market.

The company continued to face challenges. Less than a year after opening, a devastating flood hit Austin, wiping out the store's inventory. With no insurance and $400,000 in damages, the company's future looked dire. Yet with the help of the community, the store reopened four weeks after the flood. In 1984, the company expanded into Houston and Dallas. Four years later, it acquired a store in New Orleans, followed by one in Palo Alto, California, a year later. The company continued to grow during the 1990s as Whole Foods merged with more than a dozen smaller natural groceries across the nation. Whole Foods continued to thrive in the early twenty-first century and today has more than 500 locations and employs 91,000 workers. John Mackey continues to lead Whole Foods as the company's CEO.

From the onset, Mackey desired to create a company that incorporated the values of healthy living and conscious capitalism. According to Mackey, businesses should seek to balance the needs of all stakeholders rather than simply try to earn a profit. As a result, Whole Foods places the customer as the first priority. The company adopted criteria such as the Whole Trade Program and the Eco-Scale Rating system to ensure customers receive the highest quality products.

Although Whole Foods sells a number of brands, it also sells its own private labels including its 365 Everyday Value. Its 365 Everyday Value private brand is targeted toward customers who desire high-quality food but who also wish to save money. Because natural and organic foods usually cost more, the 365 Everyday Value is meant to appeal to more budget-conscious consumers.

Although Whole Foods recognizes the importance of customers, it also considers the health and well-being of its other stakeholders, including employees and communities. Whole Foods has adopted a stakeholder orientation to guide its activities. This approach, along with a strong adherence to its mission and core values, has been crucial in establishing Whole Foods' reputation as a firm committed toward benefiting stakeholders.

MISSION STATEMENT AND CORE VALUES

Whole Foods' mission is to "nourish people and the planet" by setting the standard for food retailer excellence and quality. Whole Foods' core values, described in Table 1, are an outreach of its mission statement. Whereas the mission statement provides a general direction, Whole Foods's values give additional details about how it is turning its mission into a reality. Their purpose is "to nourish people and the planet." The core values also provide an idea of how Whole Foods ranks various stakeholders. Whole Foods calls the company values its Declaration of Interdependence to emphasize how interdependent the company is upon its stakeholders.

TABLE 1 Whole Foods Market's Core Values

We sell the highest quality natural and organic foods
We satisfy and delight our customers
We promote team member growth and happiness
We create profits and prosperity
We care about our community and the environment
We practice win-win partnerships with our suppliers

Source: Whole Foods, "Our Core Values," https://www.wholefoodsmarket.com/mission-values/core-values (accessed April 9, 2020).

The first two values involve meeting customer needs. Whole Foods describes its commitment toward selling the highest quality natural and organic products available as attempts to be buying agents for customers and not selling agents for manufacturers. Next, Whole Foods turns its attention to the happiness of its employees. Whole Foods believes satisfying customers and employees creates wealth for shareholders. Communities, the environment, and suppliers are essential stakeholders for Whole Foods and are included in its value statements. It is clear from Whole Foods's core values that the company strives toward a stakeholder orientation as part of its core business practice.

LIVING ITS VALUES

The success of Whole Foods can be credited to the fact that it modeled its operations around its key stakeholders. Mackey's vision of a model company was one that earned a profit while also acting as a responsible corporate citizen by benefitting society. This vision turned Whole Foods into one of the most successful organic grocers in the world. The following section delves further into how Whole Foods meets the needs of its customers, employees, communities, and the environment.

Commitment to Customers

Because customers are the highest priority at Whole Foods, the company adopted a number of strategies to meet the needs of this stakeholder group. For instance, Whole Foods retail stores maintain an inviting environment, complete with eateries and tables both inside and outside the store for visitors to dine. Free sampling is common at Whole Foods locations to allow customers to try the products. Additionally, employees are instructed to treat customers like a valued part of the family. The company also builds customer relationships through the use of social media. Whole Foods actively uses Facebook, Twitter, and Instagram accounts to post information on sales, highlight seasonal product offerings, answer customer concerns, share food preparation tips, and provide recipes. The company also takes advantage of YouTube to feature 365 by Whole Foods Market products, give viewers an inside look at the grocery store's supply chain, and share information about the Whole Planet Foundation—Whole Foods's nonprofit arm. Additionally, the company made its website user friendly with the ability to browse products, view weekly sales, find a store, and ordering online—from in-store pickup to catering.

QUALITY STANDARDS

Whole Foods largely differentiates itself from its rivals by emphasizing quality over price. As consumers become more health-conscious and the trend toward natural and organic food continues, Whole Foods is well suited to attract this demographic. To reassure consumers its products are of the highest quality, Whole Foods offers a number of quality standards. For instance, more than 100 ingredients, such as hydrogenated fats and high-fructose corn syrup, are banned from Whole Foods. Additionally, all wild-caught seafood carried at the grocery chain is certified or rated for sustainability while its farmed seafood products are third-party verified has been responsibly farmed.

One way that Whole Foods has differentiated itself from competitors is alerting customers to the presence of genetically modified foods (GMOs). If the company cannot find a product that is GMO-free, then the product is labeled to inform customers they are buying something that is not completely "all natural." Until recently, when a bill was passed that would require GMOs to be labeled, the United States required no such labeling for products containing GMOs. However, Whole Foods voluntarily provided GMO labeling information to consumers even though there was no law requiring it. While the U.S. Department of Agriculture now has disclosure standards for bioengineered foods, Whole Foods suppliers are also held to additional labeling requirements. Whole Foods requires that all non-GMO labeled claims be third-party verified or certified. This commitment demonstrates the company's intent to reduce or eliminate genetically modified products from all parts of the supply chain. Although GMO labeling might dissuade customers from purchasing a particular product, it also gives Whole Foods a competitive advantage because customers can trust the company to be truthful.

Commitment to Employees

If customers are the highest priority stakeholder at Whole Foods, then employees come as a close second. At a time when executive pay has been highly criticized in proportion to employee salaries, Whole Foods capped the pay of its executives at 19 times the companies' average full-time employee salary. CEO John Mackey takes $1 per year in compensation. Since 2007, he has received an annual salary of $1, and he elected to forgo any bonus or stock grants. The intention of the board of directors was to donate all Mackey's future eligible stock options to the two company foundations. He said he "no longer wanted to work for money, but simply for the joy of the work itself."

Employees receive 20 percent discounts on company products with the opportunity to increase the discount to 30 percent after six months. Full-time team members are provided with comprehensive health insurance, including vision and dental coverage. The company also offers career and learning development opportunities, volunteer programs, and team member assistance plans. To help team members achieve financial health, the company offers competitive pay, 401(k) plans and health savings accounts, corporate discounts, and paid time off. Additionally, eligible team members in the United States can convert unused paid time off hours into pay.

Commitment to Other Stakeholders

As Whole Foods demonstrates with its values, consumers and employees are not the only stakeholders the firm recognizes as important. Its fourth value includes creating wealth through profits and growth, which is essential for any organization to survive. The more profit Whole Foods is able to generate, the better financial return for Whole Foods stockholders and investors. Whole Foods believes meeting the needs of consumers and employees translates into more wealth for its investors. Such a stakeholder orientation recognizes the interconnectedness of all the companies' stakeholders. Whole Foods demonstrates that a company can succeed with a socially responsible focus on organic foods and quality standards.

Whole Foods strongly believes in giving back to the global community, and this is perhaps best emphasized through its Whole Planet Foundation established in October 2005. The foundation was created with the mission to create economic partnerships with the poor in developing-world communities. Rather than simply providing immediate items such as food or clothing, Whole Foods creates strategic partnerships with microfinance institutions. Microfinance provides small loans, typically $200 or less, to entrepreneurs in developing countries wanting to start their own small businesses. The company's first grant in 2006 helped develop a microfinance program in Costa Rica. Consumers and employees interested in donating can do so on the foundation's website. Over the years the foundation has authorized more than $101 million through microlending partners worldwide which has funded 4 million microcredit loans. This has created opportunities for over 22 million microentrepreneurs and their families.

On a more local level, Whole Foods also established the Whole Kids Foundation. The Whole Kids Foundation was founded with the mission to improve the nutrition of children. The company partners with schools and other organizations to increase children's access to healthier food. Company partnerships include the Salad Bar Grant that provided funds to increase the number of salad bars in schools across the United States. As a grocery store committed to selling healthy and organic foods, Whole Foods has been able to link its philanthropic endeavors to its value of supporting stakeholder health through healthy eating education.

In terms of supplier partnerships, Whole Foods partners with local farmers to offer a variety of produce. Whole Foods is committed to sourcing from local farmers that meet its quality standards, particularly from organic farmers who engage in sustainable agriculture. To qualify as local, food products must have traveled less than seven hours by car or truck to the store. Every one of Whole Foods's regions has guidelines about how to use the term "local" in their stores, and some stores have chosen to adopt stricter criteria for local products by lessening the travel time. Whole Foods believes that sourcing locally grown produce embodies its values of giving back to the community, contributing to sustainability, and offering consumers a variety of high-quality product choices. For instance, because there is less of a need to package and transport products for long distances, local farmers can make more money, which they in turn can use to stimulate local economies. Additionally, Whole Foods states that support for local farmers encourages them to diversify, which increases Whole Foods' product selection and contributes to biodiversity in the environment. Transporting products shorter distances also reduces the greenhouse gas emissions released from vehicles. These win-win relationships with farmers help Whole Foods "give back" to its suppliers and to the environment.

Finally, although not specifically mentioned in its values statement, Whole Foods also considers the concerns of special interest groups. Whole Foods became the first large supermarket to adopt humane animal treatment standards for the meat products it sells. In developing these standards, Whole Foods discussed ideas with animal rights special interest groups to decide criteria for sourcing its meat products. Many companies pay little attention to special interest groups because they are considered secondary stakeholders. In other words, they are not necessarily required for the company's survival. However, Whole Foods realized that collaborating with special interest groups would not only secure their support but also provide an opportunity for input on how the company could improve its practices to become more socially responsible. Whole Foods also introduced the similar "responsibly grown" rating system that ranks produce based on whether pesticides were used by the farmer. A "best" label indicates that a number of pesticides designated by Whole Foods were not used in the produce cultivation process. These ranking systems reiterate Whole Foods' concern for the environment as well as consumer choice.

Commitment to Sustainability

Last but not least, Whole Foods is strongly committed to the environment. We have already seen how Whole Foods strives to reduce its environmental impact by selling organic food, sourcing from local farmers, selling eco-friendly products, and reducing transport times for its products. However, Whole Foods also strives to incorporate green practices at an operational level as well. The firm is invested significantly in renewable energy, such as solar, wind power, and biodiesel.

On the other hand, this does not necessarily mean Whole Foods relies solely on renewable energy sources—the company continues to use conventional electricity as it is difficult for any large firm to use 100 percent renewable energy. Instead, Whole Foods purchases wind energy credits to offset its nonrenewable energy use. This money goes to fund renewable energy projects associated with wind farms.

More than 60 Whole Foods stores and facilities supplement traditional energy sources with rooftop solar installations. Also, several stores Leadership in Energy and Environmental Design (LEED) or Green Globes certified, meaning the stores adhere to strict environmental standards and are constructed with more eco-friendly building materials such as recycled wood. Additionally, Whole Foods has pledged to only use Roundtable on Sustainable Palm Oil (RSPO) certified sustainable oil products in its Whole Foods Market 365 Everyday Value line.

Whole Foods embraces the concept of Reduce, Reuse, and Recycle in its stores. The company does not use plastic bags and encourages its customers to use renewable grocery bags when shopping. Additionally, its paper bags are made with 100 percent post-consumer recycled content. In fact, all printing and packaging use recycled paper and water- or vegetable-based materials, and the stores compost to decrease its contribution to landfills. Similarly, Whole Foods offers collection bins for batteries, print cartridges, cell phones, corks, plastic bags, and toothbrushes for proper disposal and recycling.

Perhaps one of its biggest landmark commitments, however, is a dedication to seafood sustainability. Whole Foods was the first grocery chain to adopt a sustainability program for wild-caught seafood. Because overfishing has become a substantial problem, Whole Foods implemented a three-color labeling system to help consumers make informed decisions. Red labels are a sign that the seafood should be avoided because it harms the environment or other marine life. Whole Foods has also developed standards for farmed seafood to make sure the fish are being harvested responsibly.

CRITICISM AND ETHICAL ISSUES

Whole Foods has made great strides in social responsibility. By adopting a stakeholder orientation, Whole Foods has received recognition for ethical business practices, environmental responsibility, and customer satisfaction. However, no company can avoid ethical issues completely, and even those that are the highest rated in social responsibility can make mistakes. The bigger the organization, the more ethical risks it assumes. As Whole Foods grew, it encountered several ethical issues that needed to be addressed. The following section describes some criticisms and legal issues that Whole Foods has faced, some of which represent risk areas for the company.

Struggles with Amazon

Whole Foods dropped off of the *Fortune* 100 Best Companies to Work For list for the first time in 20 years, immediately after Amazon's acquisition, an indicator that the company has a lot of work ahead to improve its reputation. Since Whole Foods was purchased by Amazon in 2017, employees have noted a change in working conditions. The pressure to promote Amazon Prime deals and memberships, coupled with understaffing and heavier workloads and budget cuts have made it difficult for employees of Whole Foods. One year after the acquisition, current and former employees organized Whole Worker, an employee-led grassroots community, to push for improved working conditions. Employees feel that Whole Foods has become a grocery retail outlet for Amazon to push online sales, Prime memberships, and Prime devices. For instance, online grocery orders for Whole Foods must be placed through Amazon's site or app.

In addition to the changes Whole Foods employees faced, the acquisition meant large grocery stores were now competing with Amazon. The acquisition offered special benefits for Amazon Prime members, including online ordering and 2-hour home delivery, curbside pickup for online orders, and special in-store discounts. Many consumers and industry experts anticipated the acquisition would lead to more affordable products overall, but progress has been slow. Amazon made a series of price cuts to products, yet a study released by Morgan Stanley, there is still a significant price premium gap at Whole Foods compared to mainstream grocery stores such as Kroger.

Many see the match of Whole Foods and Amazon as a poor cultural fit. Whole Foods, with its background of conscious capitalism and commitment to quality, seems at odds with Amazon and its reputation for aggressive growth and low prices. For instance, after the acquisition, Amazon cut back on the number of local farms used by Whole Foods in order to cut costs. And, to cut back on labor, in-store signage is now professionally printed rather than being handwritten by employees. Some changes fell flat as Amazon executives found the seasonality of fresh produce made predictable pricing much harder than with the shelf-stable goods it was used to selling online.

Unions

It is no secret that Whole Foods prefers not to have unions. Mackey has cited unions as creating "an adversarial relationship in the workplace." However, he maintains that managers cannot stop employees from unionizing if they so desire. Some disagree and have accused Whole Foods of union busting by threatening reprisals if employees join a union. For example, Whole Foods joined with Starbucks and Costco to oppose the proposed Employee Free Choice Act that gives employees the ability to form unions if a majority signs cards suggesting they desire to have a union. The three retailers instead advocated for a secret ballot process for unionization. While it is not necessarily unethical to be against unions, union busting—or purposefully trying to prevent unions by threats or other underhanded tactics—has ethical and legal implications. In 2020, it was discovered that Whole Foods uses interactive heat maps to monitor its stores, assigning each location a unionization risk score based on criteria such as employee loyalty, turnover rate, and racial diversity. Some suggest this anti-union tactic is another result of the company's acquisition by Amazon as Amazon also has a reputation for being against unions. Whole Foods should remain vigilant to ensure store managers and other officials respect employee rights to organize.

Kombucha Labelling Settlement

Whole Foods and Health-Ade, a California-based kombucha company, settled a class action lawsuit for $4 million to end claims that the company sold mislabelled Health-Ade kombucha. Kombucha beverages are fermented tea drinks that are marketed to have many health benefits. The lawsuit was originally filed by two customers against Whole Foods because the Health-Ade drinks contained more sugar and alcohol than advertised. According to these customers, the beverages contained more than 0.5 percent alcohol by volume which is over the amount allowed by federal law for a beverage to be labeled as non-alcoholic. Though the labeling error was due to the hard to control nature of kombucha fermentation, Whole Foods became entangled in the lawsuit. The class action lawsuit stated this alcohol content could be harmful to consumers intending to avoid alcohol particularly consumers who are pregnant, breast-feeding, or battling alcohol addiction. The lawsuit settlement allowed all consumers who purchased kombucha a refund of $4 per bottle, customers who provided proof of purchase were eligible to receive up to $80, and those who did not could receive up to $40. According to the settlement terms Health-Ade agreed to change the labels on products to warn consumers that the drink could contain traces of alcohol. Additionally, Health-Ade agreed to change its recipe to gain better control over the fermentation process and test the products for alcohol amounts.

Medical Benefits

In 2019, Whole Foods confirmed plans to eliminate health care benefits for part-time workers which constitute 2 percent of its workforce. As a result, employees who work at least 20 hours but less than 30 hours per week could no longer enroll in company-provided medical benefits. Only 2 percent of this employee segment had previously been enrolled in the company health plan, so the move was widely criticized. The change was made to streamline the company into a single-tier structure of part-time employees instead of the prior two-tier structure. Whole Foods stated it would not impact jobs, 401(k) plans, paid time off hours, or company discounts received by those employees. The company provided the team members with resources to find other health care options or to explore full-time eligible positions. Amazon CEO Jeff Bezos received criticism from the United Food and Commercial Workers (UFCW) stating that most part-time workers are already working multiple jobs in order to receive the hours and benefits they need. The UFCW, as the largest grocery union in the U.S., argued this was one of many aggressive moves by Amazon to continually "devalue and degrade grocery jobs at Whole Foods."

Corporate Response to COVID-19

The COVID-19 (coronavirus) pandemic severely impacted the global economy. To ensure health and safety in light of the virus, Whole Foods adjusted store hours and allowed customers age 60 and up to shop one hour before store opening time to keep them protected from large crowds. Whole Foods also closed stores early to give team members more time to restock, sanitize, and rest before the next day. They shut down hot bars, salad bars, and other self-serve food counters and installed plexiglass shields to protect team members and customers at the cash register. Additionally, they took measures to implement crowd control by limiting the number of customers in the store. For customers who were not comfortable or unable to shop in-store, Whole Foods provided free two-hour grocery delivery for Amazon Prime members in more than

2,000 cities and offered store pickup at a number of locations. To support employees, Whole Foods allowed unlimited call-outs to team members who were unwilling or unable to work their scheduled shifts. For a limited time, all team members received a $2 hourly wage increase with enhanced overtime pay. Also, any team member placed into quarantine or diagnosed with COVID-19 received up to two weeks additional paid time off. Parent company Amazon committed $1.6 million to the Team Member Emergency Fund which was created by Whole Foods for those facing a critical unforeseen situation.

Despite these safety measures and efforts to support employees, Whole Foods received backlash for an email sent by Mackey. The email suggested employees donate their paid time off to co-workers facing medical emergencies or death in the family. While it may seem like a policy that promoted unity and care for one another within the company, employees and the media criticized the communication. As a subsidiary of the world's largest company, employees argued that Whole Foods could afford to pay its hourly employees for sick days taken during the pandemic rather than encouraging employees to redistribute earned paid time off. While Whole Foods paid for employees with a COVID-19 diagnosis or those placed into quarantine, many felt there were gaps in coverage. Those who did not have a diagnosis had to choose between taking unpaid time off, receiving donations from co-workers, or working while sick. Workers felt Whole Foods could have been more generous considering the financial position of Amazon.

ONGOING CHALLENGES

Although Whole Foods continues to have ethical risks it must address, today the firm faces more competitive challenges than ethical ones. Despite Whole Foods's massive success, there is increased competition in the natural and organic food industry from Kroger, Walmart, Costco. For instance, Kroger has greatly expanded its range of dairy and meat alternatives. Although

Whole Foods remains popular among Millennials, it has lost customers from the Baby Boomer and Gen X generations. It is estimated that within an 18-month period, Whole Foods lost 9–14 million customers to its competitors. Ironically, one reason why Whole Foods has struggled is due to the giant leap of popularity in organic food. Organic food sales have more than doubled in the last decade. While this should act as a boost to Whole Foods, traditional mass-market retailers that have invested heavily in selling organic food at lower prices have benefited as well.

Although Whole Foods has focused on expanding its national footprint in the past, the expansion has not had the intended effect. Some suggest Whole Foods developed stores too close in proximity to each other, leading different stores to compete for the same customers rather than attracting new ones. Whole Foods slowed down its expansion efforts to refocus its strategy. For instance, while Whole Foods have long been located in affluent neighborhoods, the company announced plans to open in more far-flung locations, focusing on areas covered by Prime Now two-house delivery service. Time will tell if this strategy will pay off.

Though Whole Foods has cut more than $300 million in costs in order to lower prices on some of its standard fare, many say the price cuts have been insufficient. Even if the company achieves widespread low prices, this strategy is more likely to be a temporary Band-Aid to Whole Foods's struggles. Lowering prices too much is likely to compromise the perception of quality that differentiates Whole Foods and makes it beloved by its loyal customers. Whole Foods must carefully balance pricing its products more competitively while maintaining the high-quality image of its products.

Additionally, part of this cost-cutting effort involves centralizing more of its operations. Whole Foods previously operated under a regional buying system, where different stores had different products depending upon the location. Also, regionally Whole Foods touted its sourcing from local farms. This type of strategy is expensive, and centralizing operations cuts down on costs. Again, Whole Foods faces a delicate balancing act as centralizing operations too much could compromise the unique community feel of individual stores. Many were disappointed that Whole Foods cut back on the number of local farms it works with. The trick for Whole Foods will be developing a more centralized approach without sacrificing the unique qualities that solidified its reputation.

Although Whole Foods is facing one of its greatest struggles, the firm still has a powerful advantage: its unique foodie aspect and the strong connections it develops with its stakeholders. One investor commented on Whole Foods's ability to create strong emotional connections with customers. These types of connections can be hard to cultivate, especially among mass-market retailers. As a result, many customers are fiercely loyal to Whole Foods. Whole Foods' customer orientation will be the key in any effort to revitalize the company.

CONCLUSION

Whole Foods strives to be a profitable company while also maintaining an ethical standpoint when making decisions related to its customers, employees, and all affected stakeholders. Whole Foods has demonstrated its commitment toward selling organic food, satisfying customers, and incorporating quality and sustainability into its products. Whole Foods evaluates all of the products it sells so it can more effectively educate customers about what they are buying and if it meets certain quality standards. The company has continually demonstrated its commitment to the environment and making a beneficial impact within each community it operates in by adopting a stakeholder orientation. These actions contribute to Whole Foods's current status as one of the top natural grocers in the United States.

However, as Whole Foods expands, it has encountered its fair share of criticism, ethical issues, and competitive challenges. For example, Amazon's acquisition of Whole Foods demonstrates the difficulties of merging two culturally different companies. Whole Foods must continue to leverage its strong customer connections—a core strength that other grocery stores lack—and its stakeholder orientation to overcome the ethical and competitive obstacles it faces. Although Whole Foods has experienced negative backlash, overall the company has developed a strong positive reputation among its stakeholders. As a desire for green product options and a concern for corporate social responsibility continually evolve among stakeholders, Whole Foods's careful attention to stakeholder needs and a strong commitment to core values provide it with a significant competitive advantage.

QUESTIONS FOR DISCUSSION

1. How has a commitment to corporate values contributed to Whole Foods's success?
2. Describe how Whole Foods's adoption of a stakeholder orientation has influenced the way it operates.
3. Why has Whole Foods attracted criticism after its acquisition by Amazon?

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