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**AMAZON + WHOLE FOODS: A NEW PLAYER IN THE  
INDUSTRY**

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This case has been published by the Research Division of San Telmo Business School, Spain. It has been written by Professor Julio Audicana Arcas and research assistants Luis Arribas Hervas and José Andrade Núñez as a basis for class discussion only and is not intended to illustrate any judgment on the effective or ineffective management of a specific situation.

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## AMAZON + WHOLE FOODS: A NEW PLAYER IN THE INDUSTRY<sup>1</sup>

*"Your margin is my opportunity".*  
Jeff Bezos<sup>2</sup>

### INTRODUCTION

In his office, the CEO of a leading company in the global grocery retail ranking reflected on one of the most unsettling news of recent months: *"On June 16<sup>th</sup> 2017, Amazon announced the acquisition of Whole Foods Market for 13.7 billion USD."*

Amazon was known as the *"big disrupter,"* capable of changing the industries of books, music, videos, consumer electronics, toys, and more. This acquisition launched the giant of electronic commerce into the world of brick & mortar grocery stores, until then apparently safe from this *"tsunami."* After several years and various initiatives within this industry, Amazon questioned everything the gurus of the food-chain business strategy had predicted: *"the end of the new economy?"*

During the last meeting of 2017, the members of the Board of Directors had requested him to prepare a memo with his reflections on this event, and, more importantly, to include what the next steps should be before the entrance of this *"new, agile, and aggressive actor."* *"Will the way we buy food change dramatically in the near future?"*

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<sup>2</sup> Amazon's Jeff Bezos: The Ultimate Disrupter <http://fortune.com/2012/11/16/amazons-jeff-bezos-the-ultimate-disrupter/>.