

# Whole Foods looks to open 30 new stores a year

Article

**The news:** Amazon-owned Whole Foods Market is back in expansion mode, with plans to add at least 100 new locations at a pace of at least 30 stores a year, [per](#) Winsight Grocery Business.

- That's roughly three times the 11 stores it opened last year.

**An odd juxtaposition:** Curiously, the push comes at the same time that Amazon is engaged in layoffs and other [cost-cutting measures](#), including pausing the expansion of its **Amazon Fresh** grocery store chain.

- While Amazon was opening roughly two Amazon Fresh locations per month between September 2020 and September 2022, it hasn't opened a new store since then—even though at least seven new US locations appear to be fully built out and 26 more are in development, [per](#) The Information.

**Grocery prices soar:** Amazon's pivot toward Whole Foods comes at a time when many consumers are feeling the pinch of soaring grocery prices and are looking for opportunities to cut costs.

- **Prices continue to surge.** They were up 10.4% year-over-year (YoY) in December, [according](#) to the US Labor Department.
- **Grocery delivery is falling as shoppers return to stores.** With consumers growing more cost conscious and abandoning pandemic-era precautions, grocery delivery sales declined 1.8% in December, [per](#) a survey by Brick Meets Click and Mercatus.
- **Shoppers are looking for deals.** Inflation has caused 29% of grocery buyers to begin shopping at less expensive stores such as **Aldi**. That increased exposure (and its expansion) helped Aldi earn the title of the most popular grocery store in the United States, with 65% of consumers having a positive opinion of it in Q4, [per](#) YouGov data reported in Chain Store Age.

**Different is better:** Shoppers didn't just like Aldi's cheap prices; they also liked their experience at Whole Foods, which helped the high-end grocer rank fifth in the same survey, with 57% of respondents having a positive impression of the high-end grocer (Amazon Fresh ranked 11th, at 43%).

- Whole Foods has long thrived on offering consumers an experience that's distinct from mainstream grocers thanks to its wide array of organic produce, eco-conscious and local brands, and theatrical shopping experience.
- The retailer's new "Growing with Purpose" strategic plan leans into those differentiators, while it also experiments with new store sizes and formats.

**The big takeaway:** Building a technology-focused supermarket chain from scratch is a capital-intensive endeavor that no longer makes sense for the newly penny-pinching Amazon.

- That said, embarking on an ambitious expansion strategy for its high-end grocery chain is puzzling given grocery inflation is shifting consumers' buying habits. In fact, its chief rival, **Walmart**, recently boasted that nearly 75% of its grocery share gains in the third quarter came from households making more than \$100,000 annually.
- Amazon would be wise to find more ways to emphasize its private label brands and other value-oriented items as part of its strategy.

**Go further:** Read our [Spotlight: Grocery Inflation](#) report to learn how rising prices are shifting shoppers' spending patterns.

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