

Amazon to acquire Whole Foods Market

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The all-cash transaction is expected to close during the second half of 2017 and is subject to approval by Whole Foods Market shareholders, regulatory approvals and other customary closing conditions. According to the news reported by Food Business News, Whole Foods Market will retain its headquarters in Austin, Texas, and John Mackey will remain chief executive officer. The retailer will continue to operate stores under the Whole Foods Market brand and source from established vendors and partners around the world, the company said.

Amazon was rumored to be considering different retail formats with a focus on consumer packaged goods. Amazon has become so pervasive in retail that 42% of U.S. consumers made a purchase on Amazon.com last year, according to The NPD Group. Comparatively, 20% of Americans shopped at a Whole Foods Market store last year, which was down 3 percentage points from the prior year. The deal would give Amazon control of Whole Foods's stores, most of which are located in affluent neighborhoods, solving the "last-mile" delivery challenge for fresh groceries, which may be Amazon's biggest barrier in that segment of the marketplace, The NPD Group said to Food Business News.