

Ozark Natural Foods Anticipates Customers Support, Competition From National Franchise

Cynthia Benson | Posted: Wednesday, February 12, 2014 8:00 am

The local, organic food store, Ozark Natural Foods, may face customer loss with the possibility of an organic food franchise moving into the area, but store employees said they expect long term benefits.

Whole Foods Market is an organic food franchise that intends to open a store location in Fayetteville, with their closest sister location in central Arkansas.

Whole Foods originated in Texas in 1980 and operates in a supermarket format. It has acquired 16 natural food chains and developed more than 360 stores in North America and the United Kingdom, according to the company website.

A decrease in Ozark Natural Foods sales and customer traffic is anticipated once Whole Foods moves into the area, according to Alexa McGriff, Ozark Natural Foods marketing director.

“Anytime another market opens up in this area, we do see a slight decrease for a period of time, but we've always gained that traffic back in the past and hope we could do so again,” McGriff said.

Whole Foods does sell cheaper products than Ozark Natural Foods, such as their private label brand, but many of those products are not organic or high-quality, McGriff said.

“We only sell 100 percent USDA Certified Organic produce and 100 percent Certified Naturally Grown produce, which is grown by the same standards as USDA certified organic,” McGriff said. “Whole Foods carries conventional produce right along with organic. We'll keep doing what we've been doing in produce because people love it, and because it's a better alternative to carrying conventional in our store.”

Although Whole Foods offers some products for cheaper prices, ONF does not expect to lower their prices because they have analyzed shopping comparisons between ONF and Whole Foods that prove their prices are ultimately cheaper.

“We actually come in just under Whole Foods on pricing when you look at whole shopping cart,” McGriff said. “We think Whole Foods coming here will help people understand more about the true cost of food.”

Consumers may substitute the purchase of cheaper Whole Foods products for ONF products depending on the importance that the consumers places on buying local or buying “chain” organic food, said Jeff Cooperstein, a UA economics professor.

ONF recognizes several benefits that come from the production and sales of local foods, and the majority of the foods sold at ONF are grown locally by farmers within a 100-miles radius, according to

the ONF website.

Ozark Natural Foods was founded in Fayetteville nearly half a century ago. It was established as a co-op, in which members paid dues and collectively owned and operated the enterprise that functioned as a buying club. Food was stored on the enclosed back porch of one member, according to the website.

The co-op introduced healthy and moderately priced foods that were not easily attainable in the area at the time. Since then, the co-op has evolved and now the large storefront sits on College Avenue and has more than 10,000 owners, according to ONF administrators.

The company continues to live by the “your community market” slogan. Members are granted discounts and benefits with store purchases. Annual owners meetings are held and health-centered classes are offered to all store customers.

“We work on a different business profile than any other store ,so I don’t think a new organic store opening will affect our customer base,” said Kristina Reeves, a co-op employee. “I think our customers really appreciate that we are a co-op.”

Dorothy, an ONF shopper and owner of 16 years, said she will continue to be loyal once Whole Foods comes to Fayetteville.

“Big companies do what is financially good for them,” she said. “The customer is not always in their best interest. At ONF we have a voice. I trust this place, it has a good record and it is convenient.”

McGriff said there are 500 UA student owners at ONF, and several who shop there who are not owners.

“Our biggest hope is that as many people as possible have access to healthy foods in Northwest Arkansas, McGriff said. “Whole Foods is competition for us, definitely, but we believe that we have a better business model, one that involves the community, since we are a co-op. These things will always be who we are here at Ozark Natural Foods, and we hope that the community stands behind us when Whole Foods comes in.”

Whole Foods administrators said they will release a statement when they plan to open a location in the area, after they lease a building.