

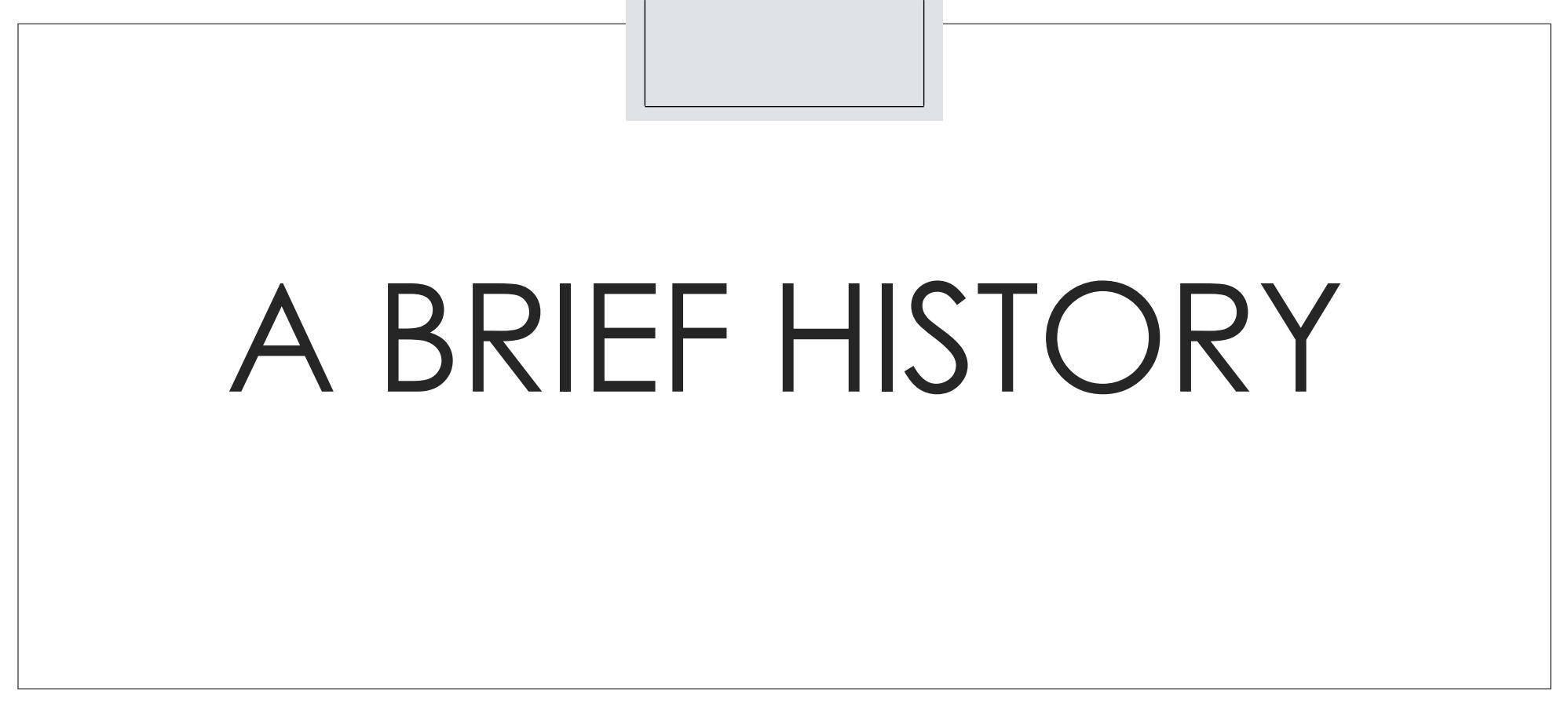
Trader Joe's Cultural and Marketing Plan



TRADER JOE'S

International Business Final Project

- ✿ Hailey Skoglund
- ✿ Gus Lipkin
- ✿ Jack Levitt



A BRIEF HISTORY

ABOUT TRADER JOE'S

Headquarters: Monrovia, California

First Opened: 1967

Current Locations: 530

Estimated Net Sales: \$13.7 Billion

Hawaiian Décor

Sells Unique Items



PIRATE JOE'S

- Pirate Joe's was started in 2012 by Mike Hallatt located in the Kitsilano neighborhood of Vancouver
- It moved to a bigger location in 2016
- Trader Joe's sued and lost when a US Federal court ruled that Trader Joe's was not losing sales because they are not in Canada
- At one point they had three vans and a warehouse to facilitate operations
- Items are marked up 30% with frozen foods, coffee, wild rice, and body care products selling best



“There are people who appreciate the selection that having Trader Joe’s products in Vancouver gives them”



CULTURAL PROFILE

Hailey Skoglund, Jack Levitt, **Gus Lipkin**

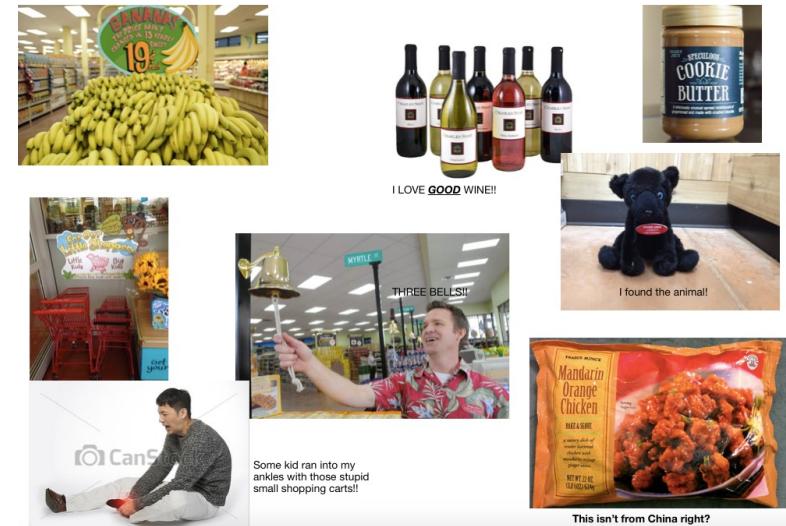
Trader Joe's employee starter pack



Middle aged white people hiking starter pack



LET'S GO SHOPPING AT TRADER JOE'S STARTER PACK





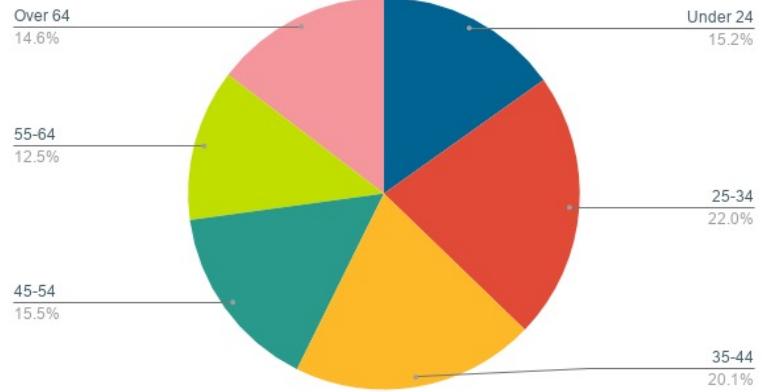
WHO SHOPS AT TRADER JOE'S?

Data sourced from Numerator: https://snapshot.numerator.com/retailer/trader_joes

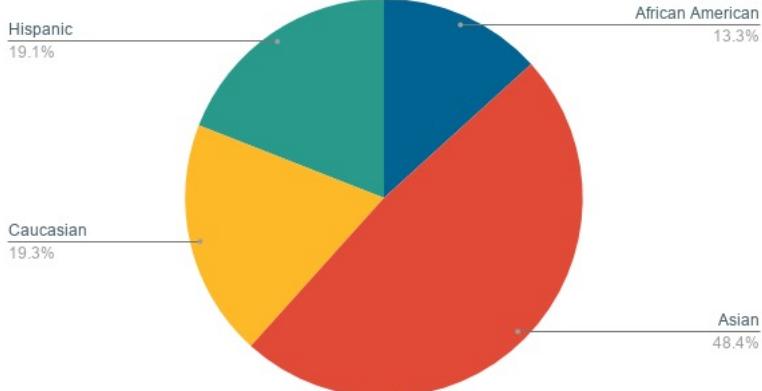
AGE AND RACE

- Roughly 50% of shoppers are middle aged (35-64)
- Nearly 50% of shoppers are Asian

Trader Joe's Shopper Age



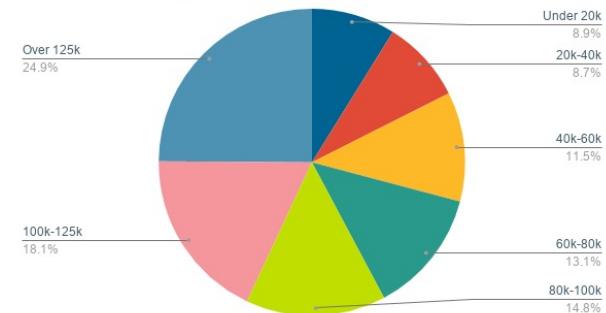
Trader Joe's Shopper Race



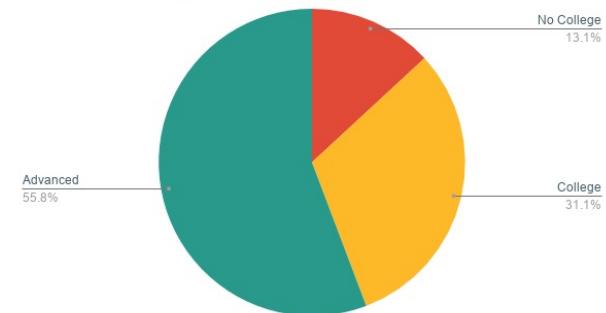
INCOME, EDUCATION, AND FAMILY

- 43% make over 100k a year
- 86.9% have a college degree or higher
- 48.3% are parents

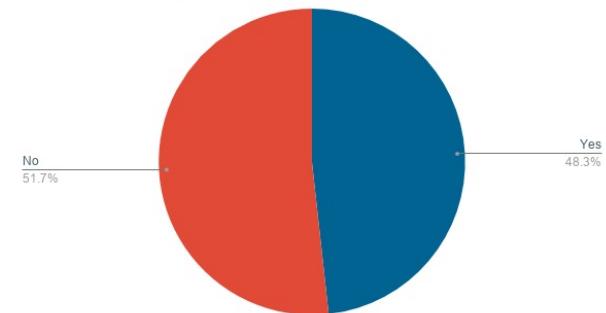
Trader Joe's Shopper Income



Trader Joe's Shopper Education



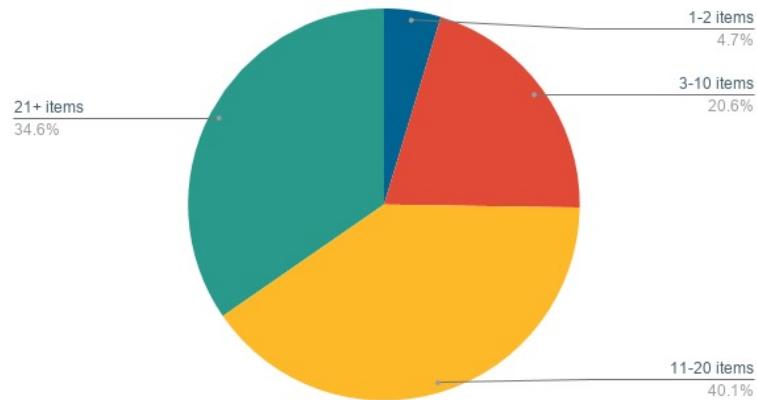
Trader Joe's Shopper Parental Status



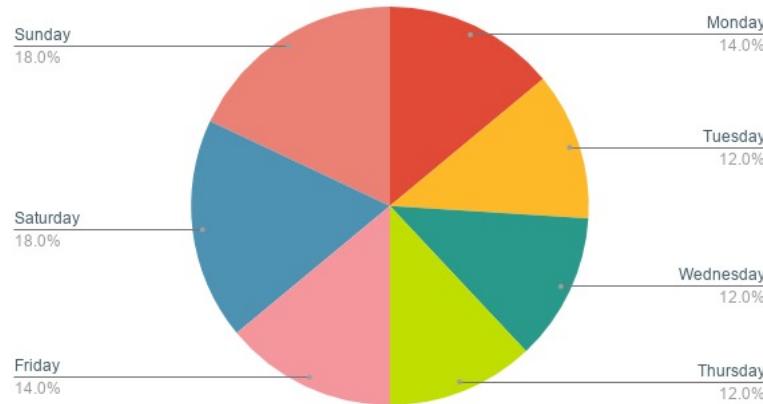
BASKET SIZE AND SHOPPING DAY

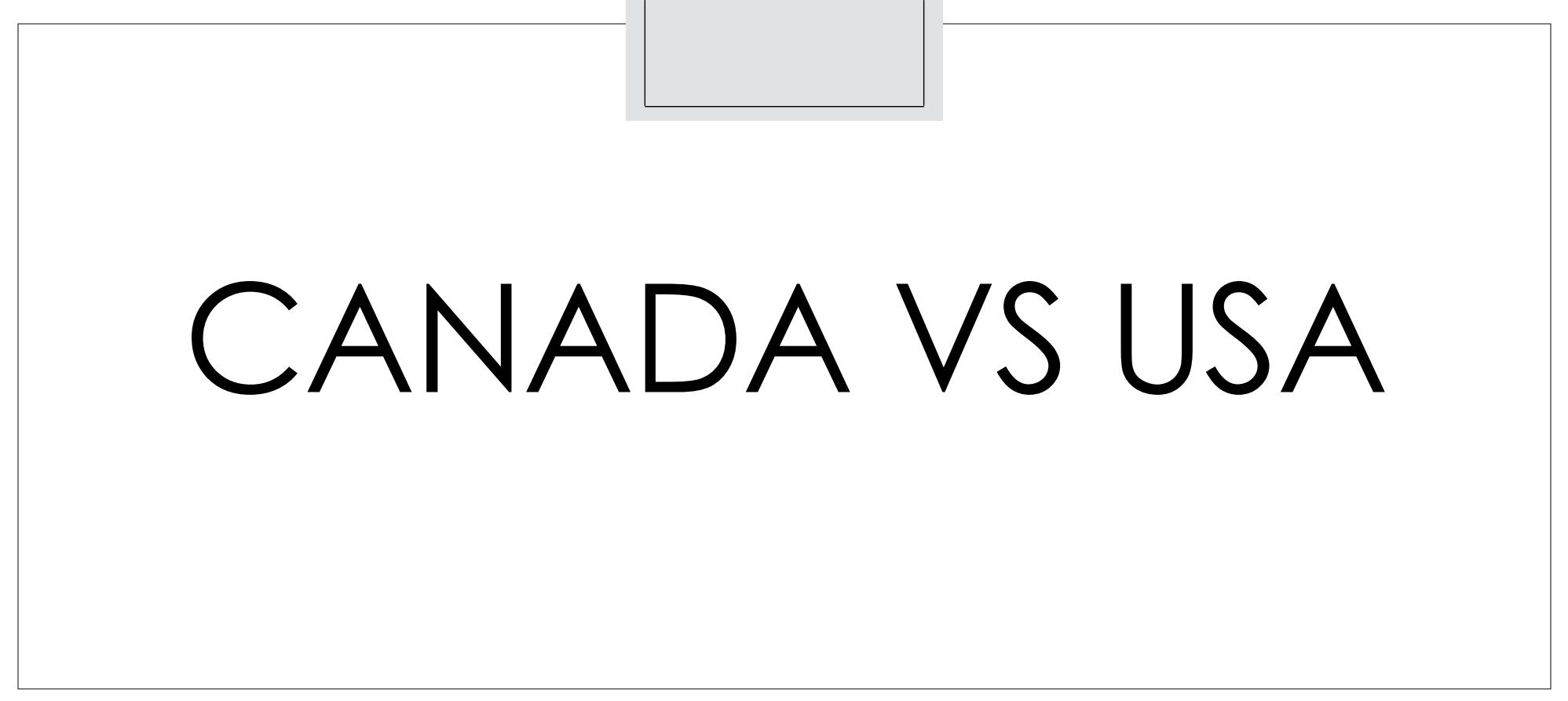
- 74.7% have more than 10 items
- 50% shop on Friday, Saturday, or Sunday

Trader Joe's Shopper Basket Size



Trader Joe's Shopper Shopping Day Preference





CANADA VS USA

CANADA'S KEY DIFFERENCES

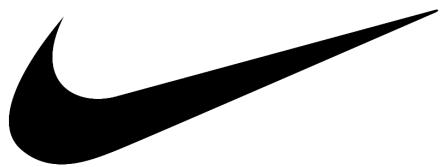
- Canadian Consumer Packaging and Labeling Act
- Net Quantity Declaration
- Milk from Bags

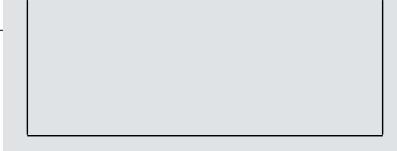


CULTURAL ANALYSIS

- United States and Canada are very similar
- Currently desired in the Canadian market
- Subtle changes required to enter the Canadian market



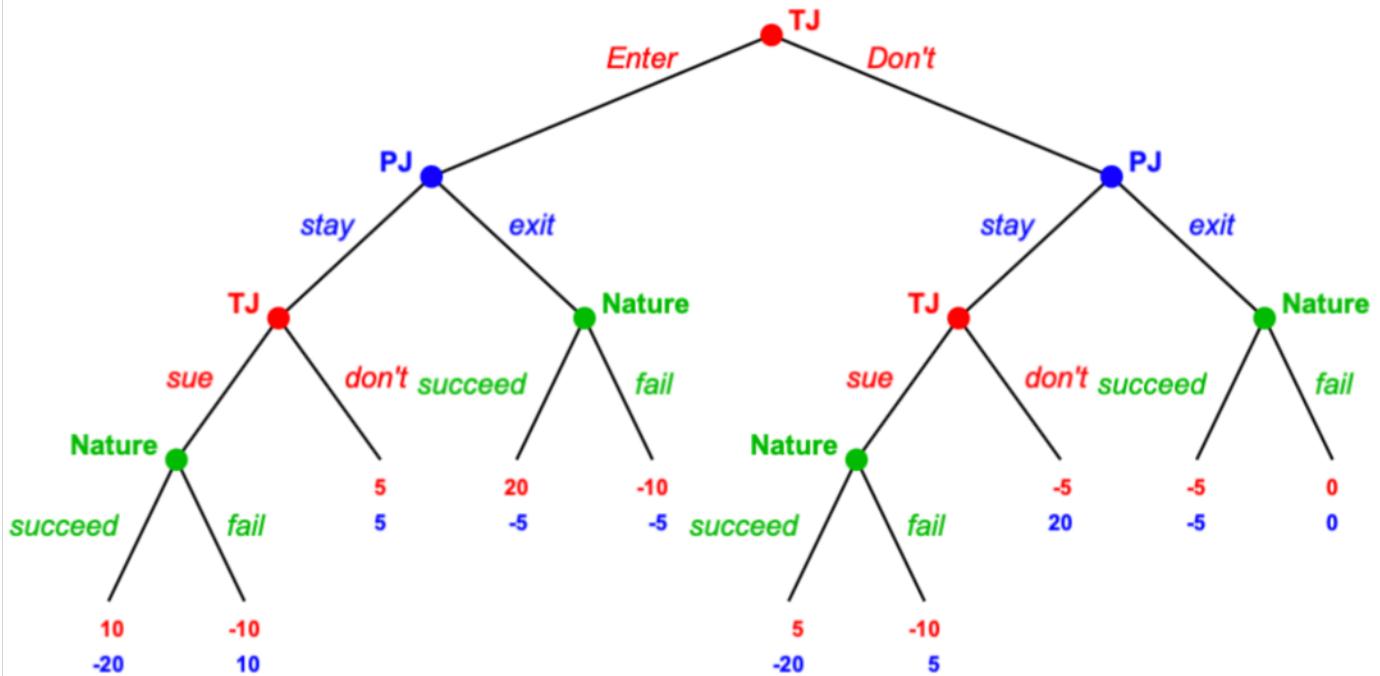




ECONOMIC ANALYSIS

WHAT DO WE NEED TO KNOW?

- Is it really a good idea for Trader Joe's to enter the Canadian market from an economic standpoint?
- Market Saturation
- Market Power
- Competitive Entry
- Market Differentiation



GAME THEORY

Players:

- Trader Joe's (TJ)
- Pirate Joe's (PJ)
- Nature

Choices:

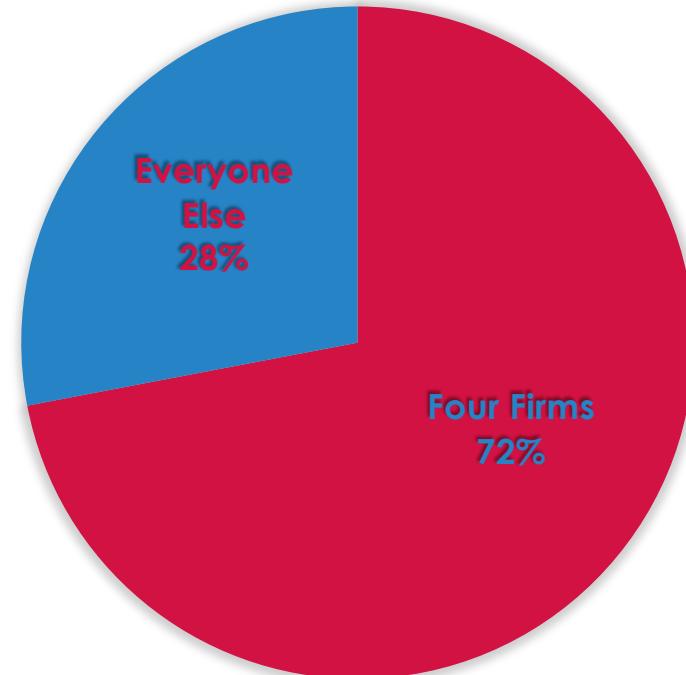
- Trader Joe's can enter the Canada market or not
- Pirate Joe's can stay in the market or exit the market
- Trader Joe's can sue Pirate Joes or not
- Nature decides with probability if Trader Joe's succeeds or fails

FOUR FIRM CONCENTRATION

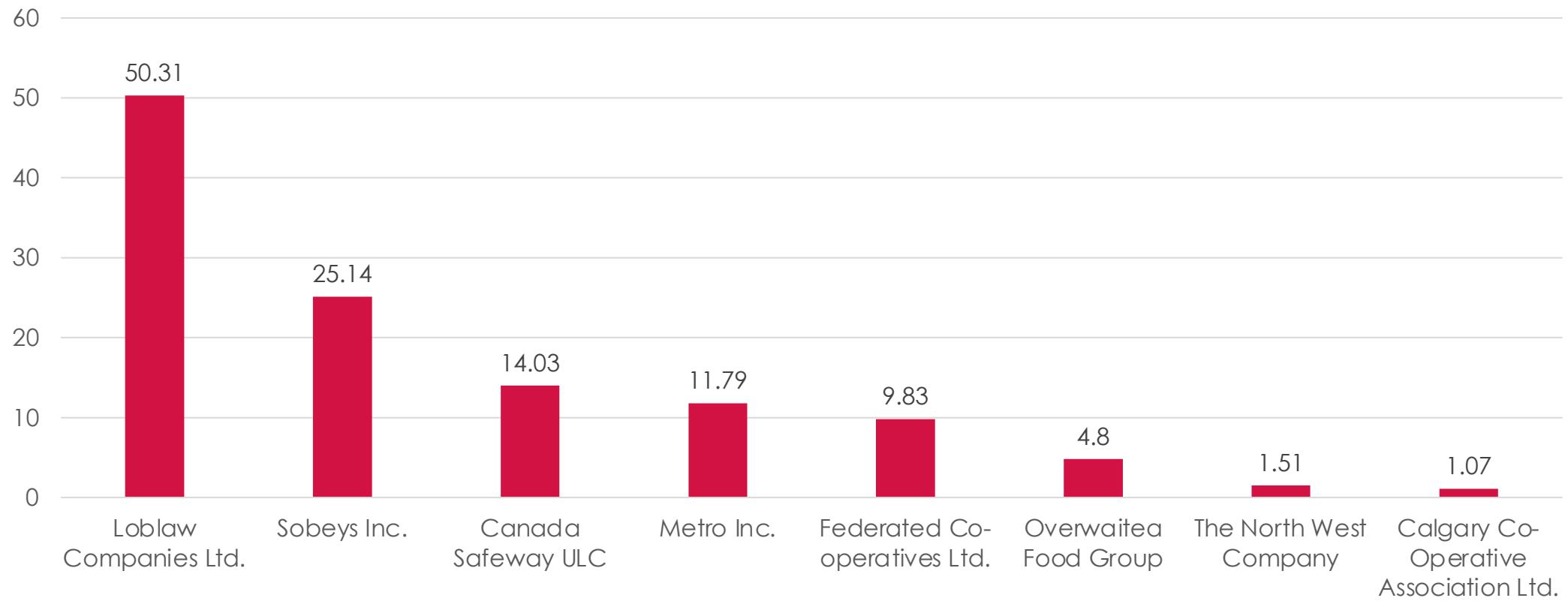
72% of the Canadian grocery market is held by Loblaw, Metro, Sobeys, or Safeway

The Empire Company owns Sobeys and Safeway

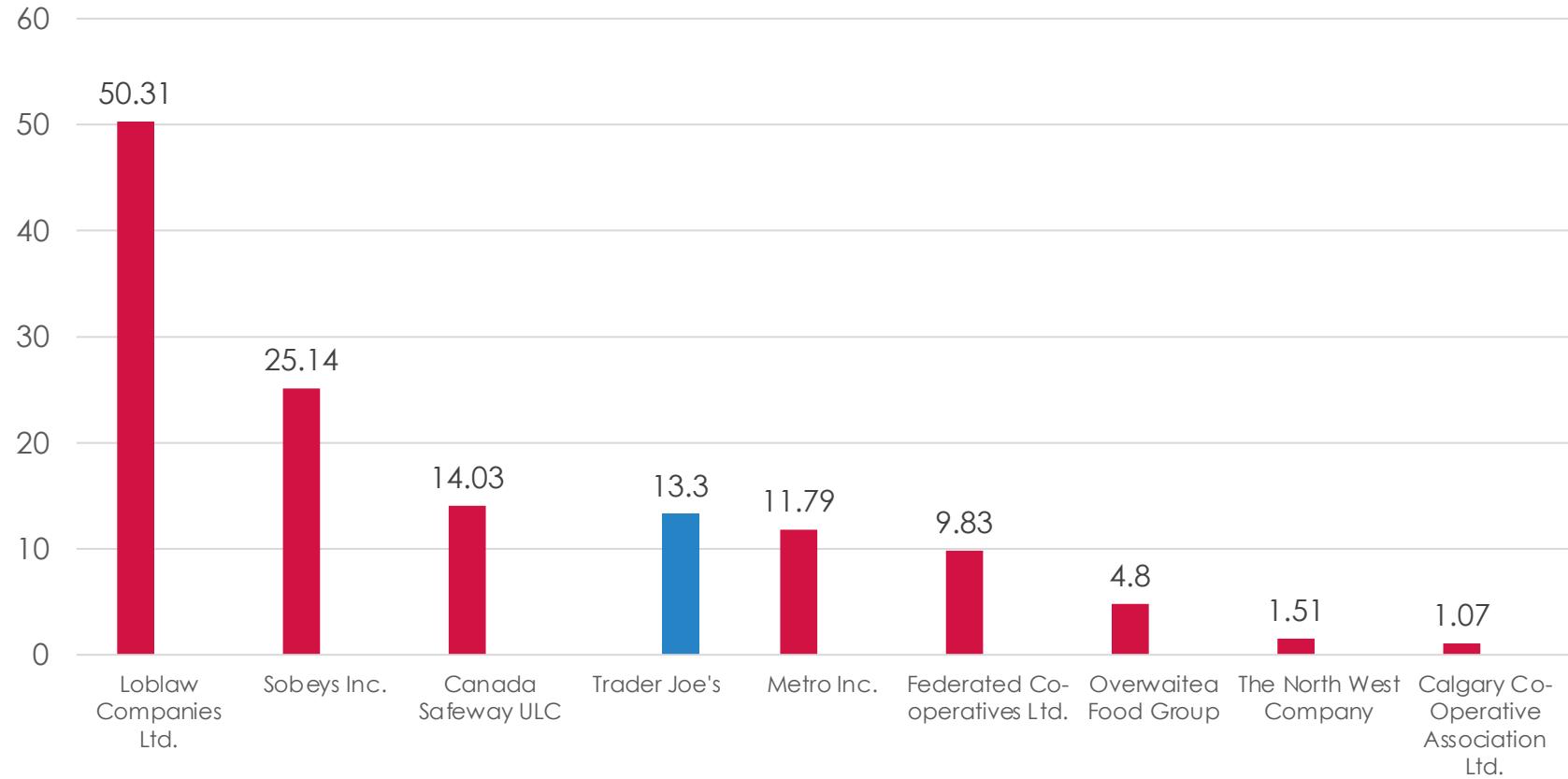
MARKET SHARE



CANADIAN SUPERMARKET GROCERY SALES VALUE (BILLIONS) IN FY 2019-2020



CANADIAN SUPERMARKET GROCERY SALES VALUE (BILLIONS) IN FY 2019-2020 WITH TRADER JOE'S US SALES FOR THE SAME PERIOD

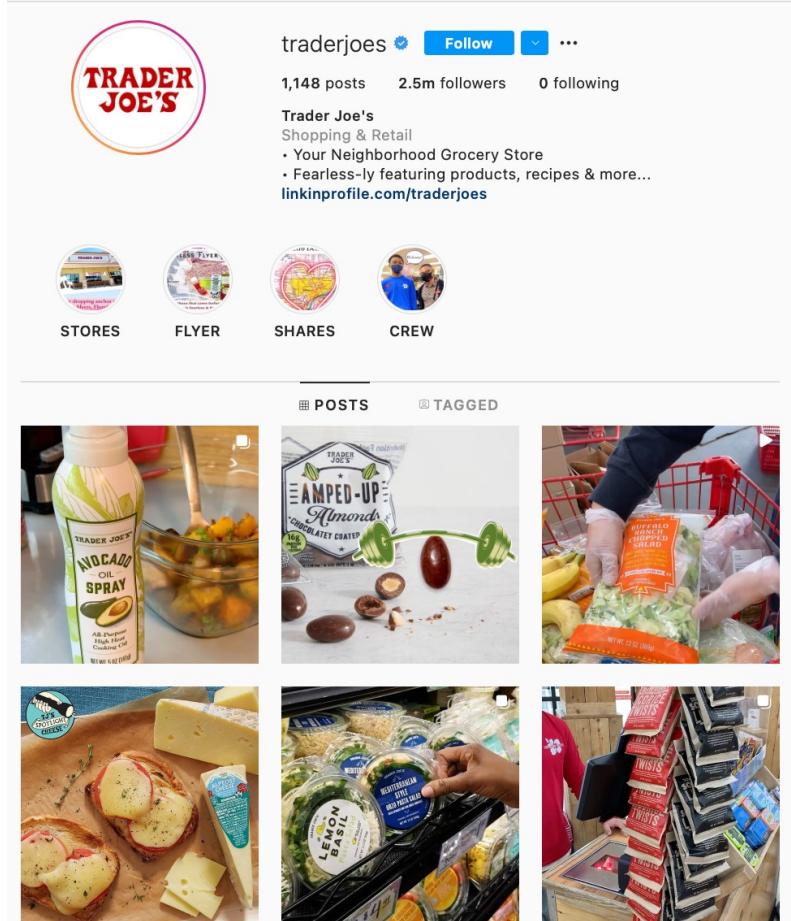




MARKETING STRATEGY

TARGET MARKET

- Consumer Demographics
- College graduates - young professionals in their 20's-30's
- Annual household Income: \$100,000+
- Singles, couples, and small families
- Small package sizes
- Advertising
- Social Media
- No actual ads!

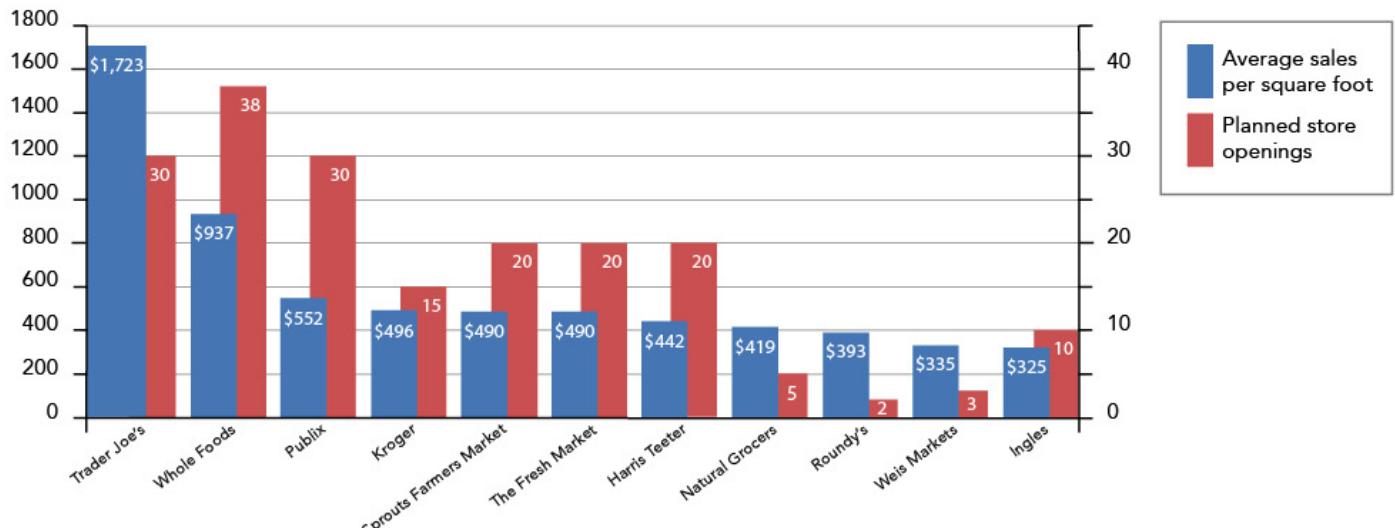


PRODUCT DIFFERENTIATION



- Private Label Products
 - agreement with third-party sellers to buy and sell products under the Trader Joe's label
 - Unique and interesting products that cannot be found at other grocery stores
 - Organic and natural foods
 - Wide variety, small selection

Grocery Store Sales and Planned Store Openings (2014)

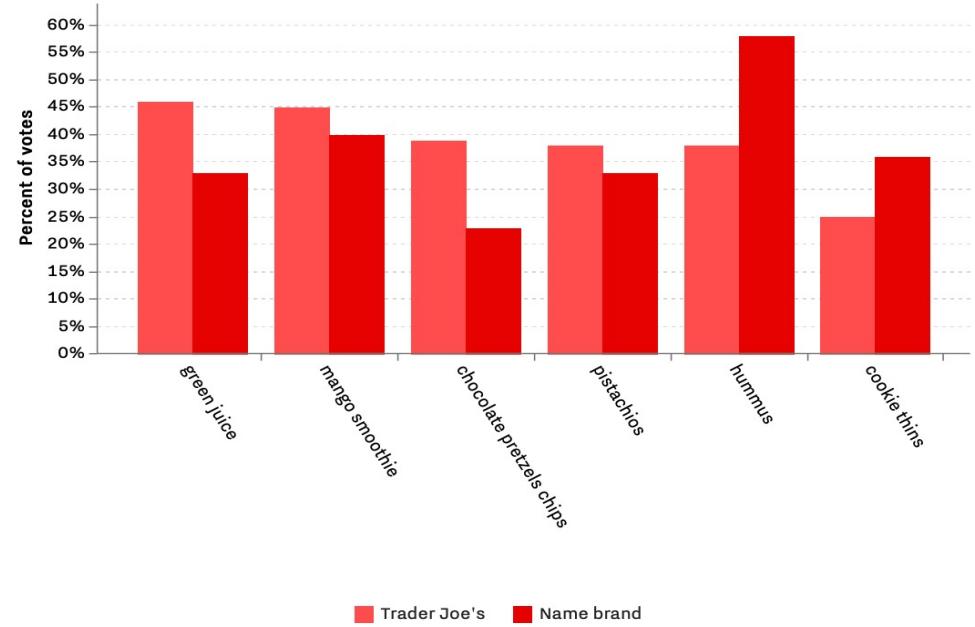


Source: <https://www.businessinsider.com/trader-joes-sales-strategy-2014-10>

COMPETITORS AND NEW ENTRANTS

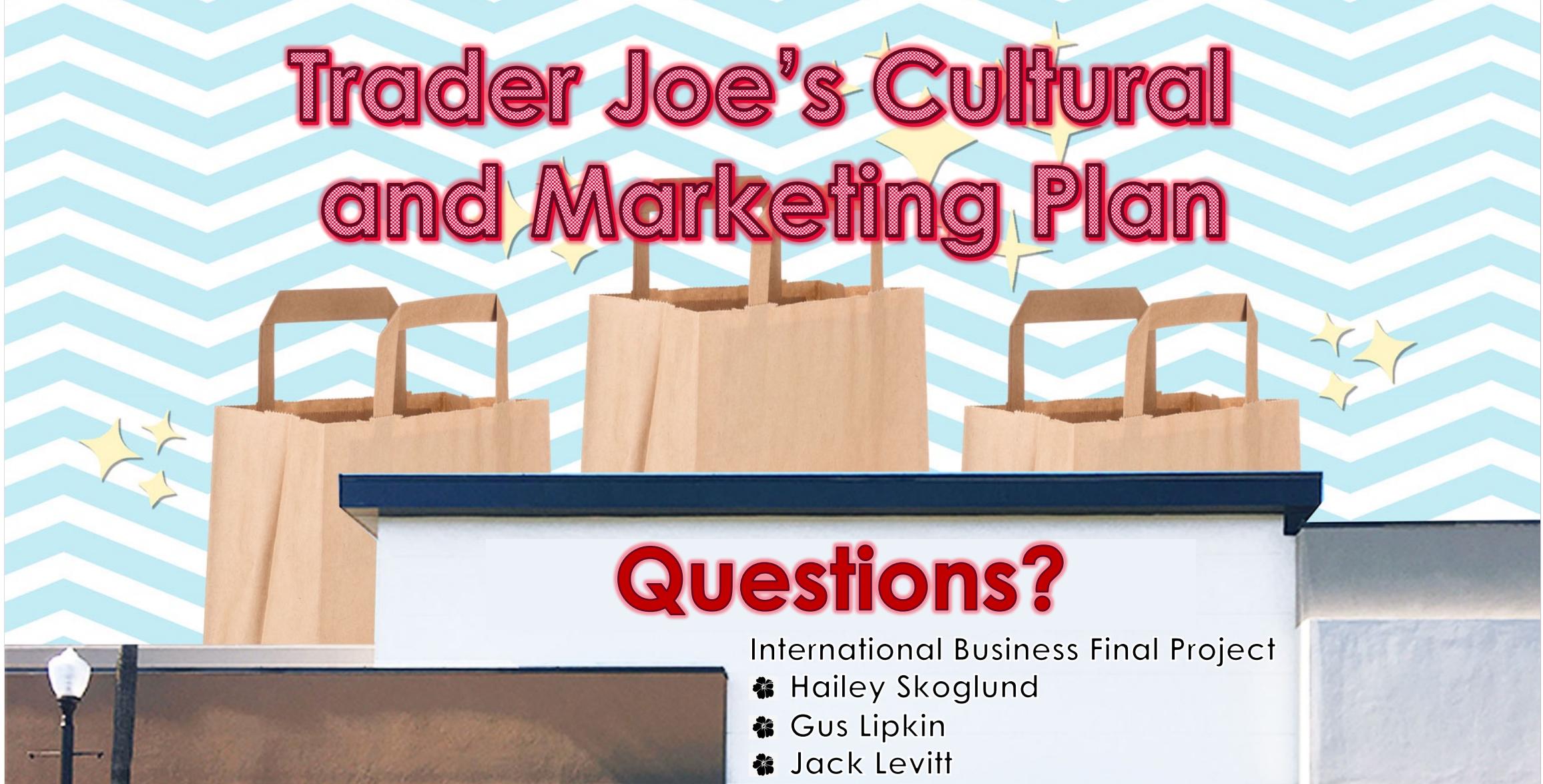
- Whole Foods
- Publix
- Kroger

PRODUCT SUBSTITUTES



- Since most of Trader Joe's products are supplied from third-party companies, there are many substitutes at other grocery stores
- By popular vote, consumers tend to prefer Trader Joe's products a bit more

Trader Joe's Cultural and Marketing Plan



Questions?

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