

Trader Joes

Michelle Child

Brand

– "Trader Joes is a destination: a place consumers seek out and travel to over long distances." ReportBuyer, 2014

– "Basically I married a health food store to a liquor store." Joe Coulombe, Founder, Trader Joe's, Mar 1988

Trader Joe's offer high quality products at affordable prices sold to you by relaxed, friendly employees. By using a simplified product portfolio, buying directly from manufacturers, using private labels, and knowing their consumer, they keep prices down and quality high.

Adjectives

- quirky
- unique
- simple and spartan (store layout)
- natural, organic (food selection)
- nautical, maritime (décor)
- tropical, exotic, South Seas
- kitschy
- healthy not hardcore
- gourmet
- international (selection)
- small, convenient
- fun, friendly, knowledgeable (staff)

Simplified Product Portfolio

Trader Joe's doesn't try to be everything to everybody. They carry high-quality gourmet and health foods, wine/beer at an affordable price. They carry less than 10% of the number of product variants than that of your average supermarket. They are designed as a secondary-stop grocer.

They never use loss-leaders (products sold at a loss to entice customers). They don't do discounts at all for that matter- just everyday low prices. They have very limited advertising: some radio spots and their Fearless Flyer, a free newsletter in-stores that comes out five times a year, outlining new products and recipes.

Trader Joe's Private Label

By buying directly from manufacturers, Trader Joe's cuts down the costs of using a supplier. Over 80% of their products are under a Trader Joe's private label: Trader Giotto, Trader Jacques, Trader Ming, Trader Jose, etc.

Their buyers are well-traveled, tasting products and cutting deals around the world. They hire resident artists to individualize each store.

High Turnover for Product, Not Employees

Trader Joes is constantly adding and removing products from their shelf based on sales and opportunity. They consider food as fashion. Their employees on the other hand, are some of the best-paid retail positions with good benefits and treatment. They are passionate about the product and the experience. There is very little turnover at Trader Joe's.

Small stores, convenient locations

Trader Joes is very deliberate when it comes to expansion. They are willing to wait for the right area and/or location, which consists of a small space (less than 12,000 sq.ft.), a convenient but not prime retail location, usually within 2-3 miles of a university. Oh, and ample parking space.

Target Audience

Trader Joe's targets the well-educated and underpaid, who are more likely to be well-traveled, health-conscious and informed, and experiment with food and drink. The founder Joe Coulombe considered its main consumer 'a school teacher with good taste'.

- "The unemployed Ph.D"
- "The educated jet-set"
- "The adventuresome middle-class"
- "Gourmets on a budget" "

4 categories of shopper profiles Coral Research, May 2006

- "The frugal foodie" looking for the next new thing.
- "The iconoclast" who resents "customer loyalty cards" and dislikes big-box retailers.
- "The sensitive parent" seeking organic and pesticide-free foods, environmentally friendly cleaning supplies and wholesome snacks.
- "Child-free working couples and singles" who favor the convenience foods packaged just right for one or two.

Competitors

- Whole Foods Market

- Fresh Market
- Fresh Thyme Farmer's Market
- Sprouts Farmers Market
- Natural Grocers by Vitamin Cottage

(Last two are West Coast companies)

Amongst competitors, Trader Joe's seems to always have an aspect that makes them stand out. With competitors like Whole Foods and Fresh Market whose focus is premium quality and huge selection, Trader Joe's has a sharply edited assortment of great products at great **prices**. With more locally-based stores like Sprout's Farmer's Market, it's the international offerings and staple snacks and indulgences.

Possible Problems

- Such high product turnover that consumer's favorite products are often discontinued.
- The founder had a knack for avoiding competition by changing the game. When they were a convenience store and 7-11 came along, they got rid of everyday brands and focused on their unique selections and wines. When the economy recessed and there was little interest in travel and wine, Joe added to the health side of TJ offering natural soaps, lotions, and environmentally aware products as that was a burgeoning interest in the country. **With the wrong person or poorly-researched idea, this strategy could fail, big time.**

Game Plan

Pages: Home + Our Story + Dig In + Recipes + Stores(Product List)

I would to redesign the current layout, typography, color, and navigation of their (new) site.

Layout : Change the header style (especially banner across sub-pages). Add a top-middle fixed nav, background image with foreground container.

Typography: Slab-serif font for body type with a slightly handwritten or scripted font (like chalkboards).

Color: Change the blue.