

# Trader Joe's Cultural and Marketing Plan



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

## Trader Joe's employee starter pack

"Have you tried the cauliflower gnocchi???"



"Ohh look out these are addicting"

@hoez4traderjoez

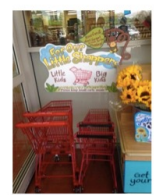
## Middle aged white people hiking starterpack



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



I LOVE **GOOD** WINE!!



I found the animal!



Some kid ran into my ankles with those stupid small shopping carts!!



This isn't from China right?



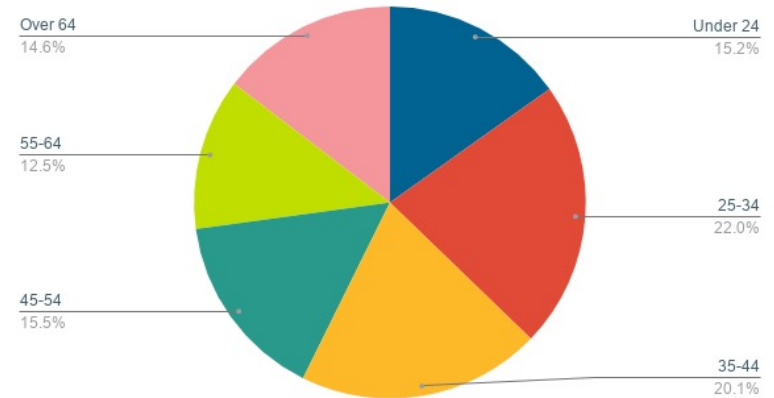
# WHO SHOPS AT TRADER JOE'S?

Data sourced from Numerator: [https://snapshot.numerator.com/retailer/trader\\_joes](https://snapshot.numerator.com/retailer/trader_joes)

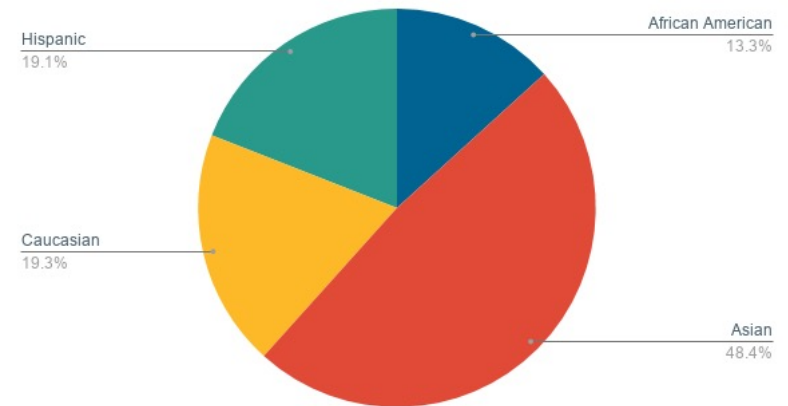
# AGE AND RACE

- 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

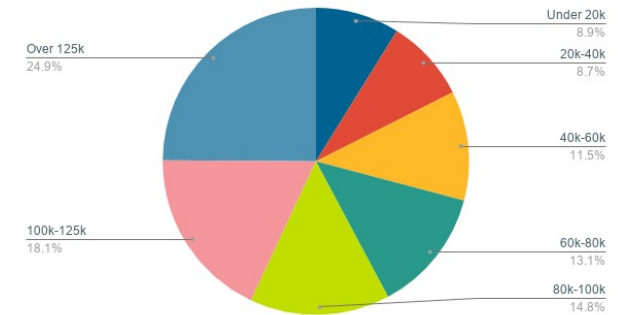




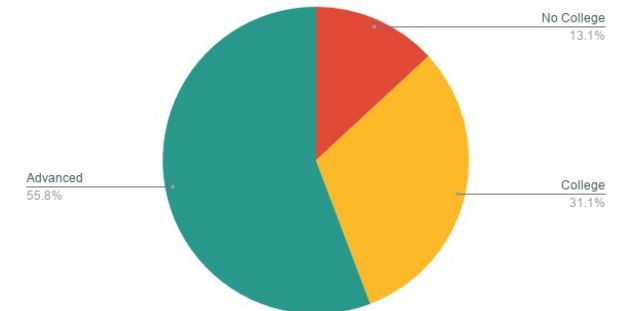
# INCOME, EDUCATION, AND FAMILY

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

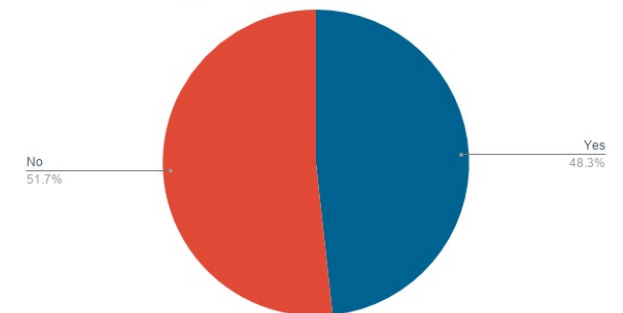
Trader Joe's Shopper Income



Trader Joe's Shopper Education



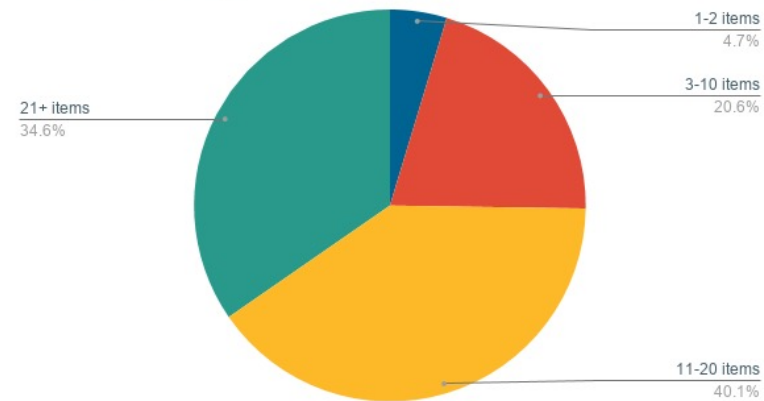
Trader Joe's Shopper Parental Status



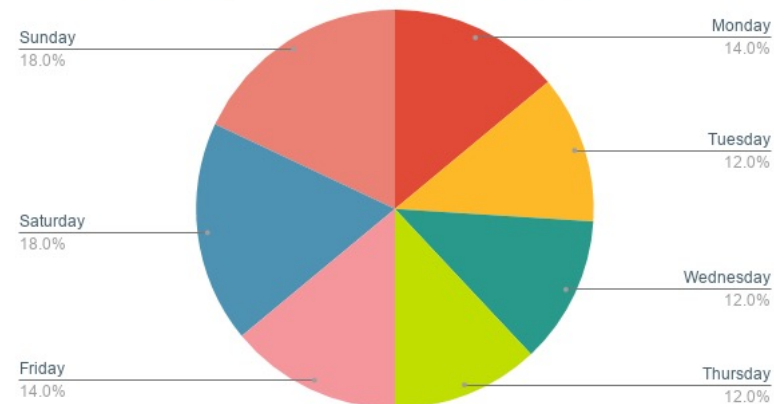
# BASKET SIZE AND SHOPPING DAY

- 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



THE FINEST QUALITY  
THE  
**Herschel**  
SUPPLY CO. BRAND

TRADE MARK



Walmart 



 lululemon

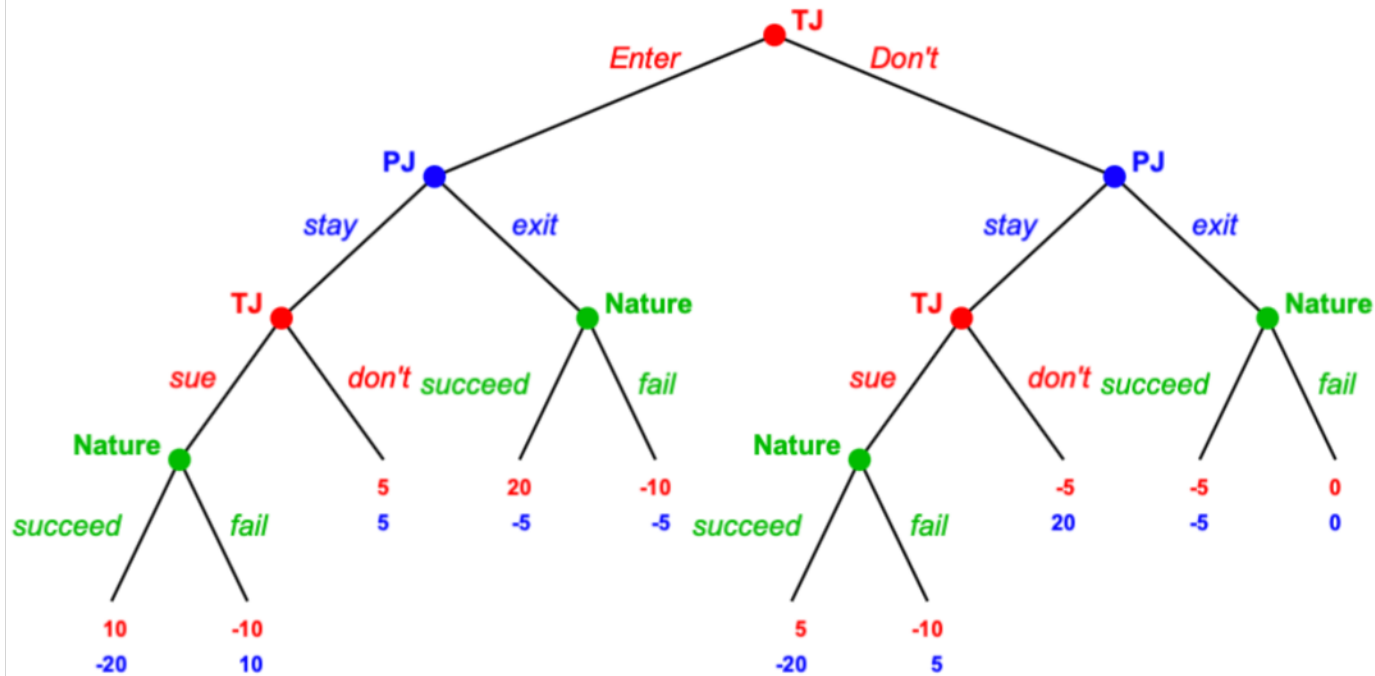


# ECONOMIC ANALYSIS

# 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

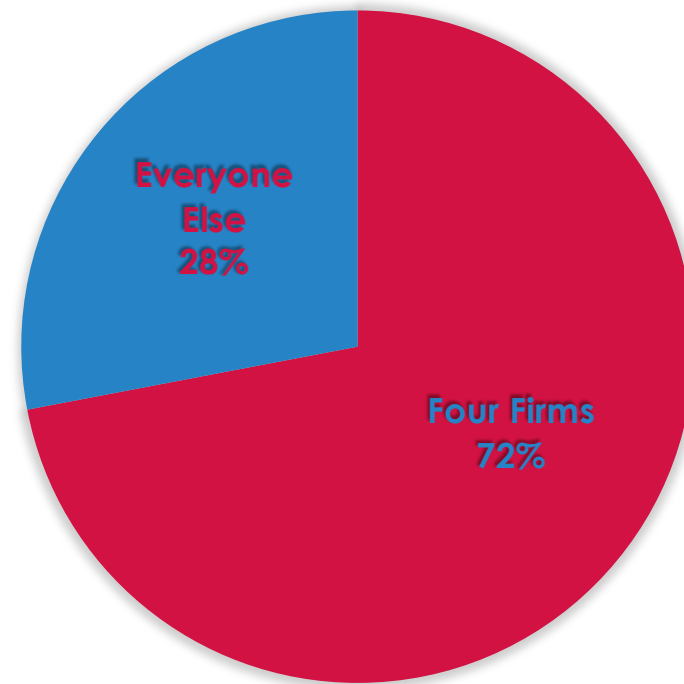
Choices:

- 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 Joe's or not
- Nature decides with probability if Trader Joe's succeeds or fails

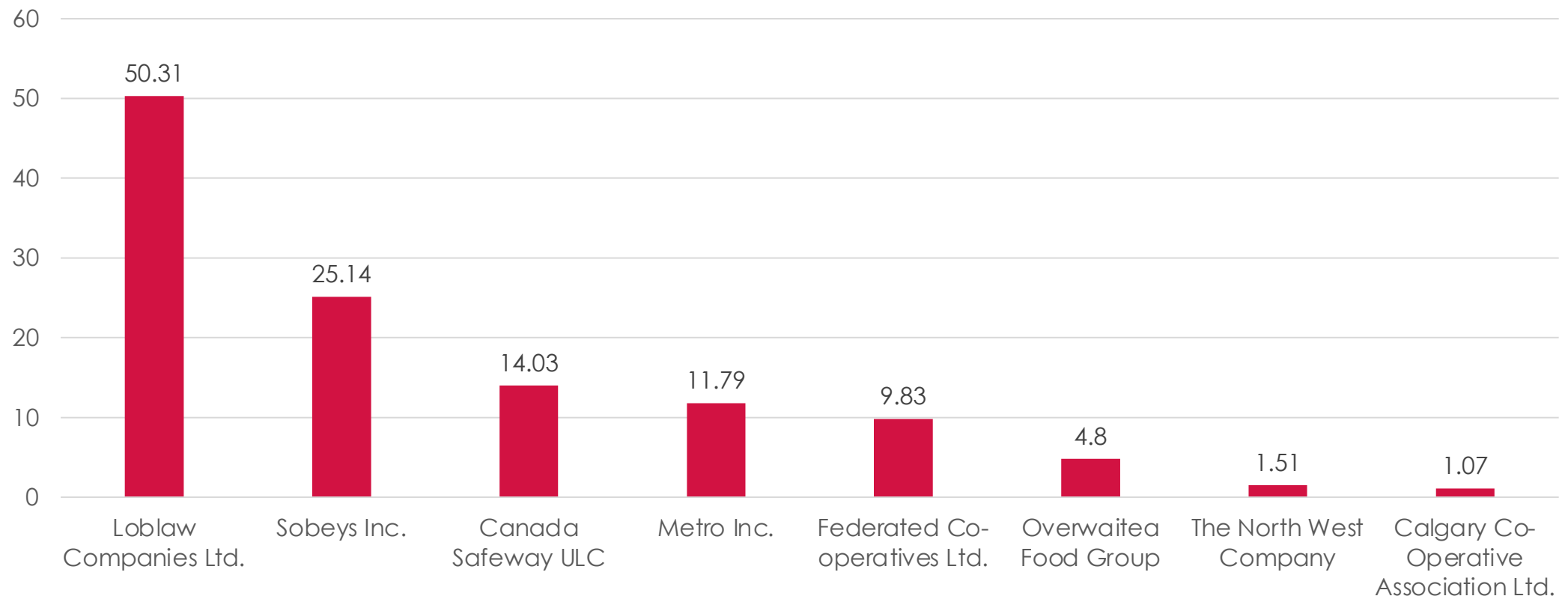
# FOUR FIRM CONCENTRATION

72% of the Canadian grocery market is held by  
Loblaw, Metro, Sobeys, or Safeway  
The Empire Company owns Sobeys and  
Safeway

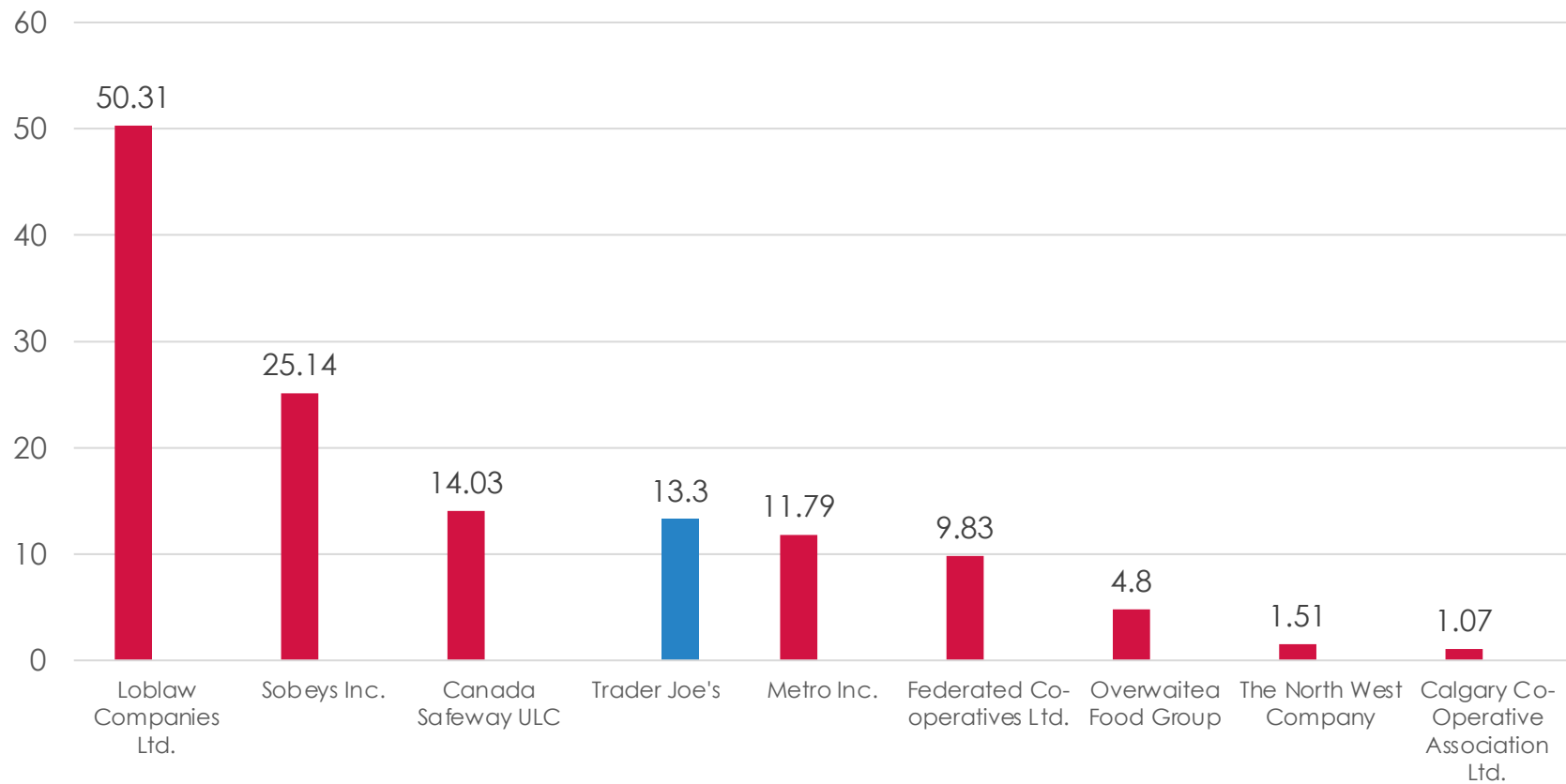
## MARKET SHARE



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

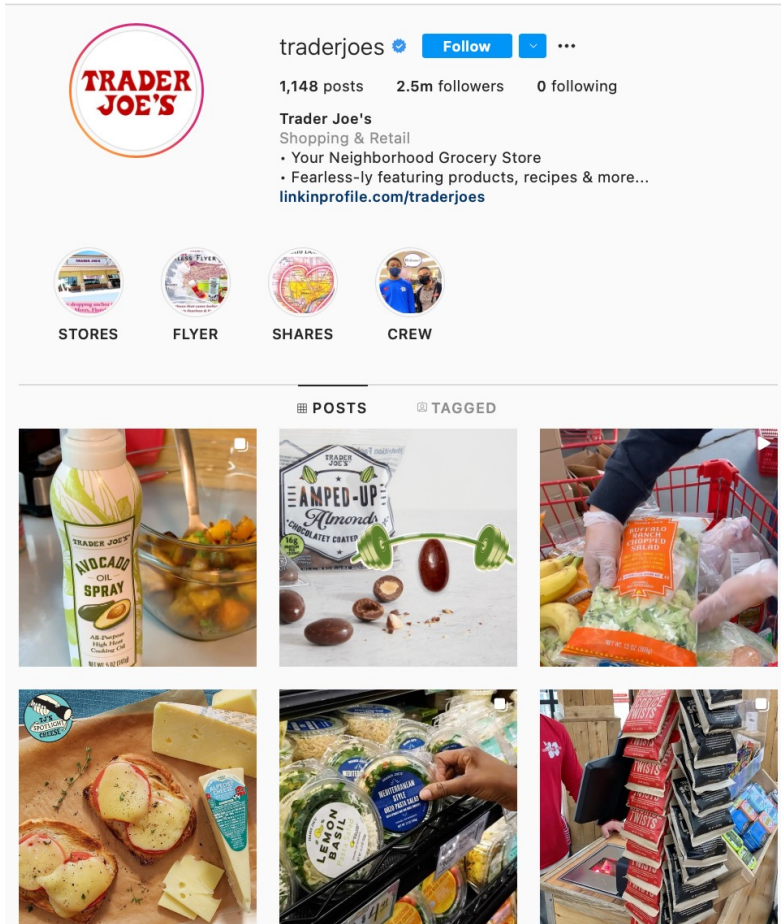


## CANADIAN SUPERMARKET GROCERY SALES VALUE (BILLIONS) IN FY 2019-2020 WITH TRADER JOE'S US SALES FOR THE SAME PERIOD





# MARKETING STRATEGY



# TARGET MARKET

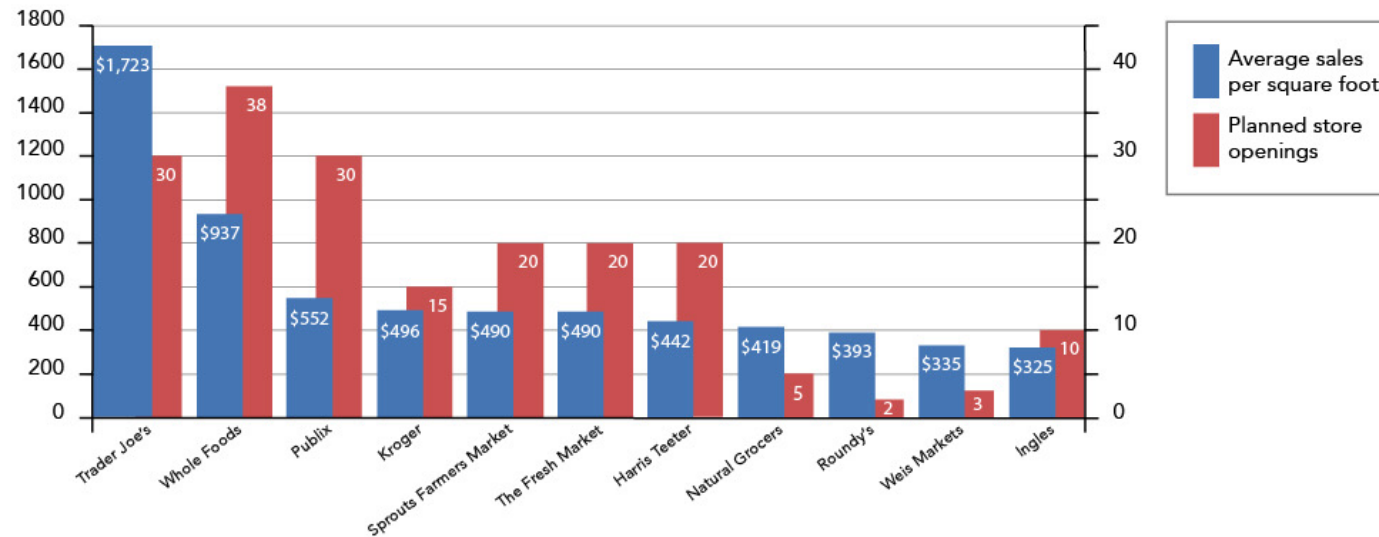
- Consumer Demographics
- College graduates - young professionals in their 20's-30's
- Annual household Income: \$100,000+
- Singles, couples, and small families
- Small package sizes
- Advertising
- Social Media
- No actual ads!

# 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)



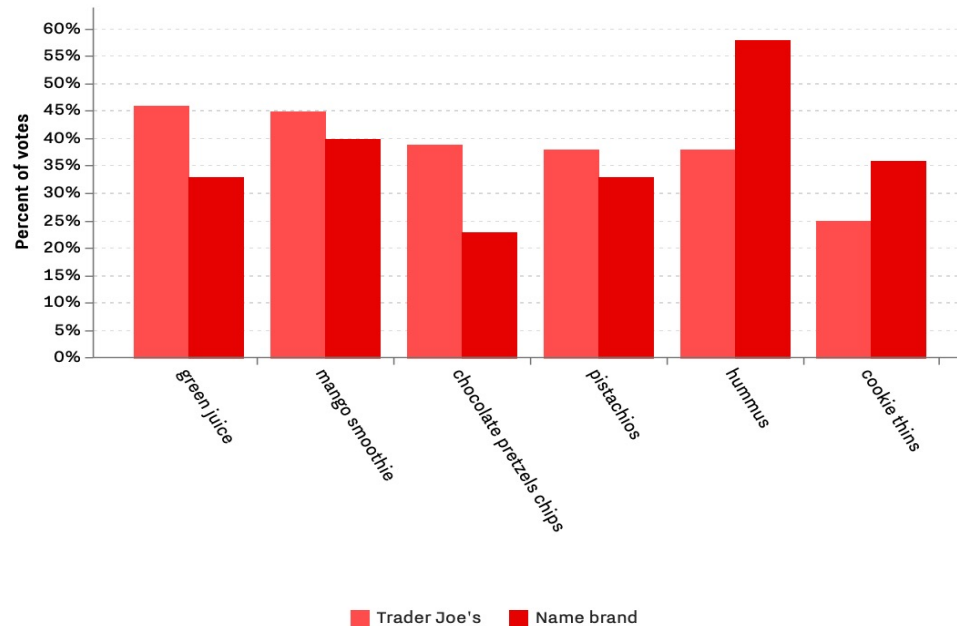
Source: <https://www.businessinsider.com/trader-joes-sales-strategy-2014-10>

# 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

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## Questions?

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