

The trader joes marketing plan marketing essay



Trader Joes is one of the most successful grocery store chains in United States. The brand started as a small convenience store in Los Angeles and has grown to be one of the most recognizable brands selling organic and high quality products. The trademark difference between Trader Joe's from their competitions, especially Whole Food Market, is stocking and selling the product produced by Trader Joe's. By that, they have responsibility on their product and they do not need to pay the fee to any manufactures, or third party companies, so they will keep the price at affordable for the customer.

It is undeniable that Trade Joe' is widely recognized as one of America's successful and trustworthy brands. However, due to the high cost of living, consumers today are watching their budget. Through this marketing plan, we want to make Trader Joe's a well-known grocery store in youth adult market not only by the high quality product but also by the affordable price to bring in customers, and to successful in the new segment.

Introduction

The owner, Joe Coulombe, opened trader Joe's in 1958 in Pasadena, California. At that time, Trader Joe's were named Pronto Markets, the popular convenience stores at that time. In the following decades, Trader Joe's expanded to locations throughout the United States. Trader Joe's recent annual earnings were estimated to be \$9.5 billion in sale in fiscal 2012 (ends June), up about \$1 billion from a year earlier. In order to generate such a return of profit, Trader Joe's has been using all means to keep down expenses, such as implementing no service departments which may reduce renting costs.

Trader Joe's sells all types of food and non-food items and is well-known for more than two thousands private-label products under its brand name, which counts for about 70% of the annual sale. Not only selling daily consumed food such as freshly picked and organic fruits and vegetables, bread, milk, juices, Trader Joe's also provides other frozen or ready-to-serve products. For instance: spreads, gourmet cheese, frozen meat and other ethnic food ranging from Italian, Hispanic to Chinese, Indian etc. Nonfood items are available as well, such as Trade Joe's soap, vitamins, lotions and creams. With alcohol selling permit, like other grocery stores, Trade Joe's also carries beer and wine. One of its most famous selections is its wine brand Charles Shaw, which is often called as "Two Buck Chuck", because of affordable price.

Nowadays, with almost 400 stores across the country, Trade Joe's has made its company image as high quality food, a one-stop for all with full of shopping ease and conveniences.

Marketing Analysis

TARGET MARKET Targeting at office professionals aged 18 to mid-40's with annual income around \$35, 000 to \$60, 000 as primary market; Trader Joe is looking at consumers who are in the middle stage of their life. Those would be more ecologically conscious about healthiness of the food they consume. This target market tends to eat locally and spends more on groceries. A lot of them are vegetarians and require their food to be gluten-free.

The above primary group is finalized as Trade Jose company adding two sub-groups when studying their target market. The first sub-group is young

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professionals and the second one is the current target demographics of the growing multinational population and people who tend to buy food from vending machines

Trade Joe's also plans to have a secondary target market of those born between the early 1980s to early 2000s. This generation is considered in the marketing plan because they are most likely willing to buy healthy and organic products. Since this young population has been adapted to nowadays fast-paced life, they are more critical with time and demand more convenience.

CONSUMER/SOCIAL FACTOR On current movement, people prefer the organic and healthy food and they support local business, local farmer market. They willing to go for unique or store brand instead of big brand names as long as it promote healthy products, ingredients, and ethical, green production process. In other hand, the customer now prepares for them enough knowledge about nutrition, so they are so picky on their choice. Moreover, due to the high living cost, the customer also watches their budget for grocery.

COMPETITIVE FACTOR The primary competitor of Trader Joe's is Whole Food market.

Marketing Plan

Trader Joe's is successful in United States by their high quality product and good service. However, Trader Joe's needs specifically targeted marketing goals and strategies in order to succeed in target customer.

MARKETING OBJECTIVE Through the marketing plan, Trader Joe's will reach their target customer through social media. Moreover, this plan will help the company raise their awareness in new adult, from 18 to 33 years old market by 30 percent over six months period through social media and advertising.

MARKETING RESEARCH Trader Joe's does not use any kind of advertising form. The company follows their low profile in core philosophy; they eschew advertising agencies and television completely. Trader Joe's use their employee and customer serves as an ambassador of the brand, or using the "Word by Mouth" strategy. Therefore, the company leans on the current customer database and however, they are attracting the new customer in a passive way, especially the young adult who uses social media regularly.

PRICING For competitively with other competitors, Trader Joe's should have a good pricing strategy. This strategy would keep their product at a competitive price but still have a quality of the product. For some product like grocery, base on the local farm, we can use the discount, or the sale to make the price lower than competitors.

SALE PROMOTION For attracting more customers, Trader Joe's would have weekly sale promotion in store, and post in the Facebook or Twitter or do "The Fearless Flyer". The unique of the Fearless Flyer is in that flyer, Trader Joe's not only consists the advertising of their in store promotion at that moment, but also include the recipe, the tips for cooking. Therefore, the customer when receive that flyer, they tend to read a whole flyer and keep it if they think it useful.

PUBLIC RELATIONS One of the primaries of Trader Joe's, the Whole Food Market is very good in public relation. They donate their food in the local food bank every week, and of course, they receive the award and certificate for that good will. However, if Trader Joe's step in this charity, it would be late, and it doesn't help to increase the fame. So I would recommend another plan, like support the after school program, the senior living or sponsor for some organization like breast cancer, marathon 2K... Our target market is a youth adult, who cares about their environment and social. So if we keep doing this strategy, I believe that we will catch their attention and bring more customers to our store because they will realize that their spending money would help them back by our program support for their children, their parent or their grandparents.

INTERNET/SOCIAL MEDIA Our target is the youth adult, who was born in the technology decade, and the best way to catch their attention is using their own way. They using Facebook or Twitter like the primary way to communicate with each other. The first thing is Trader Joe's have to open social media account. Then for attracting they follow us on Facebook or Twitter; Trader Joe should release any coupon or special sale in store and if they want to get these coupons, they have to follow or "like" the fan page. By that, we will have a fan on social media, and for any update, any news from Trader Joe's, this fan base would the first one who receive that news and expand it. Moreover, Trader Joe website and fan page can build awareness about its own brand by updating the social support, the new product, or any helpful information like recipe and nutrition chart for the product.

Executing and Implementing the Marketing Plan

BUDGET ALLOCATION

Trader joe's company. (2013). (). Austin, United States, Austin: Dun and Bradstreet, Inc. Retrieved from <http://search.proquest.com/docview/230609054?accountid=10351>