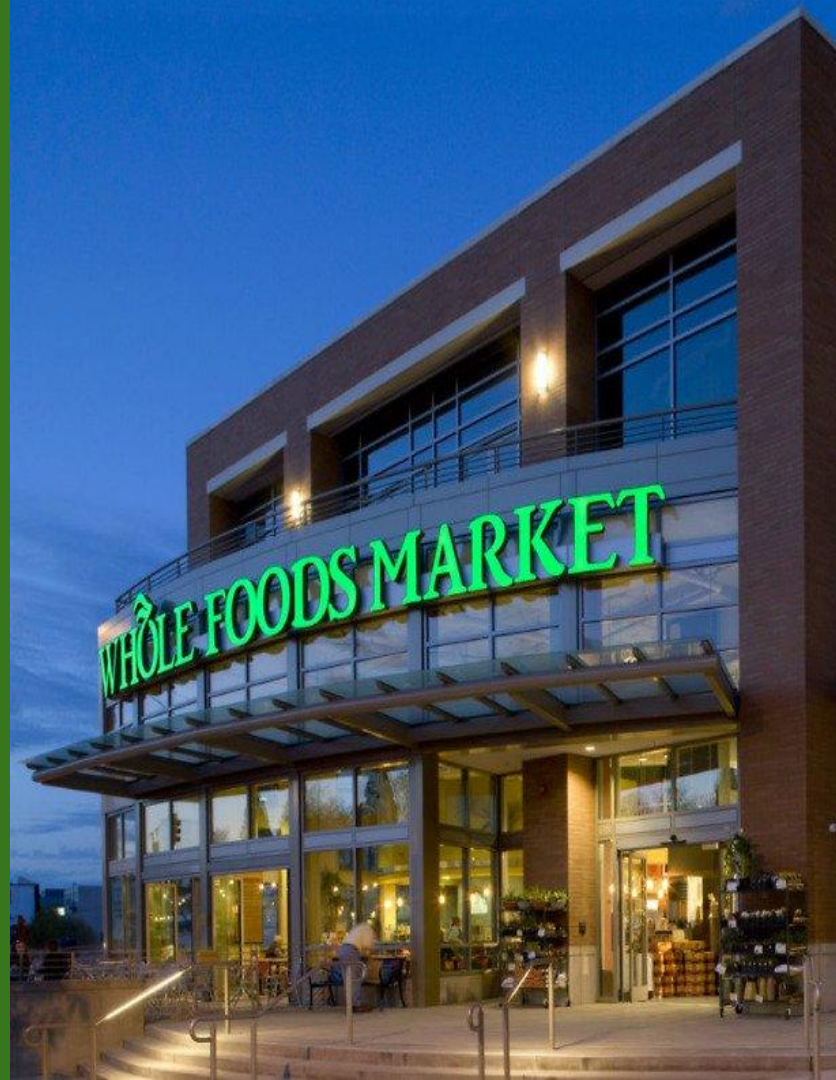

Whole Foods vs. Trader Joe's

By Sabrina Del Piano



The Whole Food's Story and Mission

- ❖ Founded in Austin, Texas in 1980
- ❖ Local business owners, John Mackey and Renee Lawson Hardy, Craig Weller and Mark Skiles wanted to capitalize on the natural, organic foods industry, making it available in a **supermarket format**
- ❖ As of 2018, there are 479 Whole Foods Market stores in the United States employing more than 87,000 people
- ❖ Coins itself as “America’s Healthiest Grocery Store”

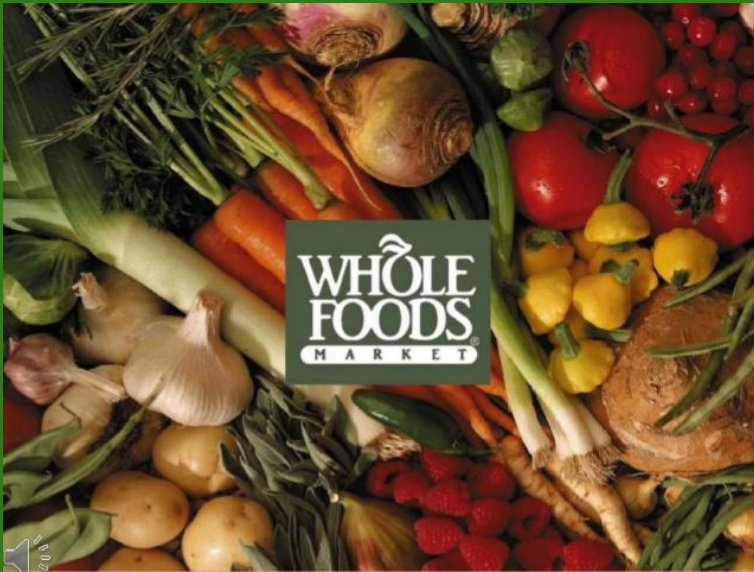




The Trader Joe's Story and Mission

- ❖ Founded in 1958 as “Pronto Markets” in Pasadena, California
 - Changed name to Trader Joe’s in 1967
- ❖ Cedar-planked walls and employees in Hawaiian T-shirts
- ❖ Push the concept of “Value” and low prices
 - transparent about process of buying and selling products
- ❖ Trader Joe’s makes it a point to ‘talk’ in a “down-to-Earth,” quirky tone
 - Timeline of Milestones on website

Whole Foods Communication



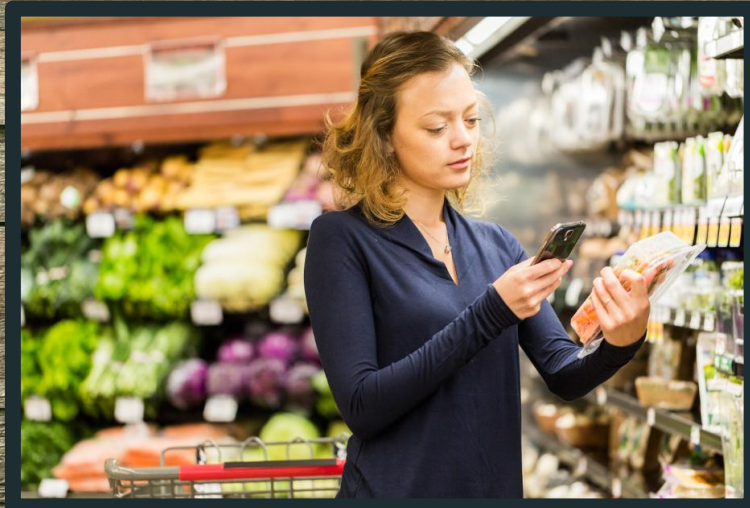
- ❖ Vision focuses on “Sustainability and Our Future”
 - Promotes holistic thinking
 - “Changing the way we think about the relationships between our food supply, the environment, and our bodies.”
 - Multiple charities geared toward local communities
 - Whole Planet Foundation, Whole Kids Foundation, Whole Trade Guarantee
- ❖ Social Media includes Facebook, Twitter, Snapchat, and Instagram

- ❖ Committed to “being the good neighbor our customers deserve”
- ❖ Donates unsold food to food banks
 - Donated \$350 million of product, 70 million pounds of food
- ❖ Environmentally conscious in recycling cardboard, and plastic wrap
 - 2017, recycled and reused 280 million pounds
- ❖ Use LED lights in stores that use 50% less energy than fluorescent bulbs
- ❖ Blog entitled “In The Neighborhood” to keep customers updated about programs and initiatives
- ❖ Ringing of the Bells in stores

Trader Joe's Communication

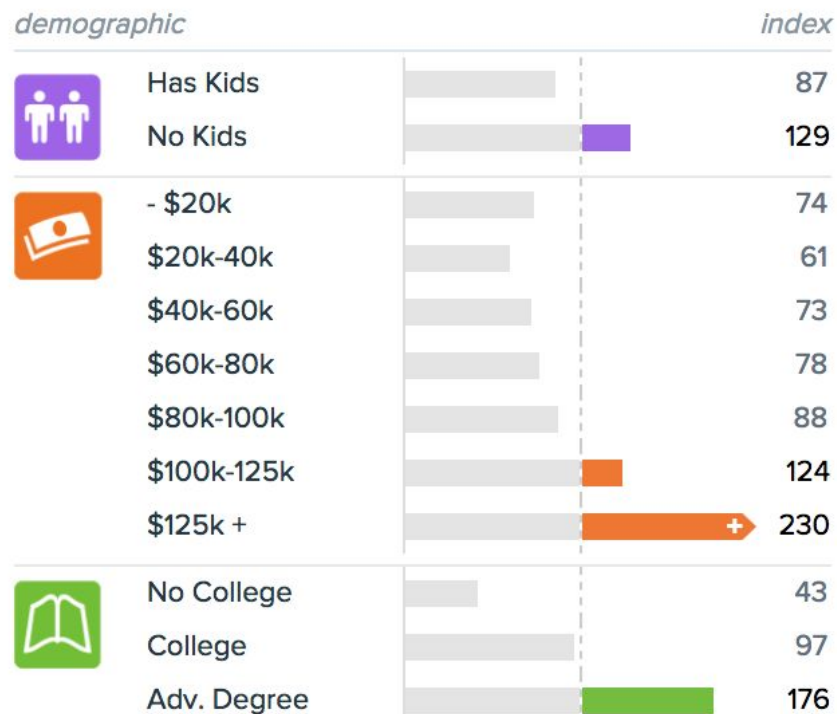
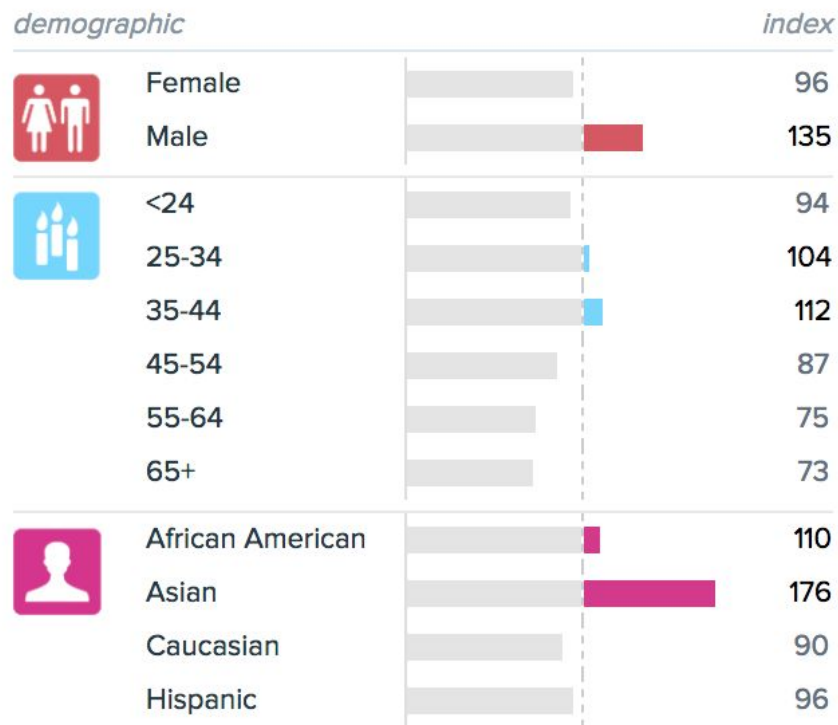


Whole Foods Market Customers



Whole Foods Shopper Demographics

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Trader Joe's Customers



Amazon Buys Whole Foods



- ❖ In 2017, Amazon bought Whole Foods for \$13.1 billion
- ❖ Changes included slashing prices, selling, Amazon products in stores, and awarding discounts to Amazon Prime members
- ❖ Internal changes included restructuring and how certain brands pitch their products
 - According to WSJ, part of Amazon's goal is to centralize decision making and to "conventionalize Whole Foods."

Reaction to Changes

- ❖ Whole Foods reps informed brand reps about changes in a series of closed door meetings at an industry conference
- ❖ Whole Foods still claims that “local suppliers and products are crucial to the success of the company”
- ❖ Some brands are not happy, others are on board
- ❖ One Whole Foods spokeswoman said having brand advocates in stores is distracting



Trader Joe's Success



- ❖ Trader Joe's has only had three CEO's in its 60-year history
- ❖ Trader Joe's gives store managers authority to plan and run their own individual stores
- ❖ Continually goes through change, but grows at a steady pace
- ❖ Higher profits than Whole Foods, and has 474 stores
 - sells \$1,734 per square foot, according to Forbes.
Whole Foods sells \$930 per square foot.

Two stores with similar missions, doing things differently...



- ❖ Both want to make the world a better place and provide consumer with quality products
- ❖ Whole Foods puts emphasis on selling agricultural narrative
- ❖ Trader Joe's sells nostalgia and doesn't take themselves too seriously
 - Still rivals Whole Foods with emphasis on local products and Corporate Social Responsibility
- ❖ Hawaiian shirts vs. images of rolling pastures
- ❖ **Centralized corporation** with orders from top to bottom versus **decentralized local grocery store** with empowered managers and employees
- ❖ Who will stick to original mission in long run?
Who will change?

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