

Inside Trader Joe's Podcast Transcript — ICYMI: How Do I Get a Trader Joe's in My Neighborhood?

[Light upbeat music begins.]

Tara: The crew members at your neighborhood Trader Joe's get so many questions, and they love answering them.

Matt: And when someone doesn't have a Trader Joe's in their neighborhood, a question they might have and might ask us here at the mothership in Monrovia, California is, "Well, how can we get one?"

Tara: That's a great question for another ICYMI, In Case You Missed It, mini episode of Inside Trader Joe's.

[Theme music begins with no two bells at a neighborhood Trader Joe's.]

Tara: This is a really good question. How do you get a Trader Joe's in your neighborhood? What's that look like?

Matt: Well, it looks like a place with people, customers, of course. We want and love customers and we need lots of people to be customers in any of our stores. So, I'd say first and foremost, we're looking where people are.

[Theme music ends. Light music begins.]

Tara: Is it like the number of people? Does an area have to have a certain amount of population density? Does it have to be close or far away from another Trader Joe's? Like what are, what do we look at?

Matt: Like so many things here, it just depends. It could be an area where there is no currently available Trader Joe's store. Although it might be an area that's really densely populated and traffic patterns are such that getting from one Trader Joe's to another neighborhood, it may be close, but it might take a really long time, that could be interesting. The numbers of people, well, more typically is better. So, dense population, or people coming from a larger trade area, that area over which people will reasonably travel to get from where they live to come shop at hopefully what becomes their neighborhood Trader Joe's.

Tara: We're adding lots of stores even though we're a company that's been in business for close to 60 years at this point, we are growing, and we are growing at a pretty good rate right now, adding more and more stores.

Matt: And that pretty good growth rate is of course qualified as pretty good for us. Because there are some things that we don't do, things that we deliberately avoid. We really don't, and we're not interested in growth by just buying another chain and putting a different sign on the building. It wouldn't really feel like a neighborhood Trader Joe's. So, we're looking at things that are opportunities for us to make that neighborhood store a great Trader Joe's for that area. And that ends up being tricky and it can sometimes take time. And especially when that bumps up against what we hear from so many people, how much they'd like to have a store closer to them.

[Music ends.]

Tara: Okay, I gotta say, it's the greatest problem in the world to have.

[Music transition.]

Tara: People so excited about the prospect of one of our stores coming to their neighborhood that they start a social media campaign, or they start a letter writing campaign.

Matt: While we love the energy and enthusiasm often expressed in any of those various social media campaigns, they really from the hate to break it to your department of maybe not what you were hoping to hear news, they really don't have much, if any, impact on what we end up deciding.

Tara: Our decisions, they're business decisions. We're excited when people are excited about us, but that's really not what's driving the decisions about what brings a Trader Joe's.

Matt: It's true, and it's a great point, we're out looking for places. And we have a list of criteria, and the criteria are really about access and ease of getting into and out of, and the flow of traffic patterns, again, traffic patterns being driven by those numbers of people, but we have to look at a huge number of potential sites to make sure that we wind up getting the best site that we can.

Tara: Does this shopping center have enough parking to support a Trader Joe's? And I know people think that we don't care about parking. We do care about parking. We want to make sure that we're putting stores in places where it's relatively easy to get in and out of either a shopping center or just a standalone parking lot. There will be a lot of traffic coming into that spot.

Matt: Again, we're not growing by acquiring, we're growing by one store at a time, very deliberately. We're looking at what I think more than 1,000 sites right now, which just boggles my mind because of course, for sake of clarity, we don't have anywhere near 1,000 stores right now.

Tara: And we don't have any plans to have 1,000 stores in the near future. We are growing at a pace that we can sustain. While we find locations making sure that we're in the right place, we're also growing people, we're growing leadership. Most of the crew we hire when we open a store is new crew. And so those are folks who then have to be trained to work at a Trader Joe's. So, it's a process, right? It's not something that just happens overnight.

Matt: Absolutely. And it might seem obvious, but with such a deliberate process and so much time and energy behind it, none of this is casual. We're not just flippantly opening a store location to see like maybe that works and then closing it a few years later. This is very deliberate, and for us, what's important is that it's controlled growth. You just listed off variables of important factors. There are even more things to that list. But with so much stuff going on, we have to be in control. We have to grow in a way that fits our business model. And so, we're going to really only be able to grow when we have places and people ready. People by way of crew and even people by way of customers. When we first opened on the east coast, all the way across the country, leaping in 1996, most customers who happened in, we're wondering, "Is this actually a hardware store?" Nowadays a different issue there, right? But we've got to stay focused on the controlled part of this growth. And also, just for clarity sake, we're still focused on those 48 contiguous states, the 48 states that are hooked up together with apologies to Alaska and Hawaii.

Tara: There's sort of a TLDR version of this entire ICYMI.

Matt: I need an acronym breakdown, please.

Tara: Oh, okay. TLDR, Too Long, Didn't Read. So, maybe it would be TLDL. Too Long, Didn't Listen. If the question is, "Can I get a Trader Joe's in my neighborhood?" The answer is, "We certainly hope so." We'd like to be in neighborhoods all around the country, but it takes time. We're not going to rush it because rushing it would result in stores that don't live up to our expectations or quite honestly, to our customers' expectations.

[Music ends. Transition to close. Upbeat music begins.]

Tara: I'm Tara Miller. Thanks for listening.

Matt: And I'm Matt Sloan. And thanks for listening. ICYMI, In Case You Missed it.

Tara: That's how we're bringing Trader Joe's to more neighborhoods around the country.

[Music ends.]