

Inside Trader Joe's Podcast Transcript –

ICYMI: Why is Trader Joe's a “bricks and mortar” store?

[Light piano music begins.]

Tara:

At Trader Joe's, we say the store is our brand.

Matt:

And that means so many things, including the idea that we're really into what consumer package goods people, CPG people, what they refer to as bricks and mortar.

Tara:

Why is that? We should explain.

Matt:

It's another ICYMI, In Case You Missed It, mini episode of Inside Trader Joe's.

[Theme music begins.]

Tara:

ICYMI, *why* is Trader Joe's a bricks and mortar store?

Matt:

We should start with this idea of bricks and mortar. It's such a literal, physical built-out kind of thing, the actual building blocks of a store.

[Light upbeat music begins.]

Matt:

It really just means a real place, with real people, buying real products. And that is what we do. That is our business model, and we love it. We love being a real place for a whole bunch of reasons and not just because it's where we started. It's because we're good at it, and it's because we know how to go about it. And it's because doing it allows us to keep doing it really well, without any of the distractions and all of the costs that ultimately might get passed onto those shopping with us, were we to pursue them.

Tara:

All of those other things that retailers have started doing in the last couple of decades add costs. Somewhere in the chain there are costs involved with ordering things online, shipping things to your door, with trucks and warehouses that are dedicated to not servicing a store location, which services a *lot* of people, but servicing individual homes where products get delivered.

Matt:

Over time a lot of the entities behind these marketplace changes have framed up those changes as moments of disruption, and the entities themselves as being the disruptors. And what I think they've really upset is people's understanding that there are actual costs from each of those things, and all of that work combined, meaning that free shipping doesn't really exist. Tara, you said the store is our brand. Absolutely, and I think what we mean by that is the store is the place obviously where the business happens, our business, and it really happens through three different things: Our customers, our crew, our products. It's our products in a place peopled with our crew and our customers, those three things have to be equally present.

[Thoughtful acoustic guitar music begins.]

Tara:

It's that experience of being inside the four walls of Trader Joe's that makes Trader Joe's what it is. That experience would not be the same if you were trying to order something from a website that just showed you the products you already know about. Walking through the store and meeting up with a crew member who talks to you about a product that just arrived this week in the store. You might not know about that product when you are shopping virtually as opposed to in a physical space, you tend to have blinders on and you see the products you are already looking for. When you walk into a Trader Joe's, you're confronted with products you may not have ever seen before. That's part of the Trader Joe's experience.

Matt:

Yes, there's this treasure hunt that we hope is experienced by customers, and there's also a bunch of efficiencies that come with being an actual grocery store with real people crew members and real people customers, hopefully finding the great products that they both expect and unexpectedly happen onto. Anything different from other than that, we're neither set up to do, we're not really interested in, we won't be good at, and it would only just add cost. It would add cost throughout the equation for everybody, whether they used and took part in those services or not.

Tara:

One of the things that I think makes Trader Joe's truly unique is that while we are solely a bricks and mortar retailer, we're not a big box. We very intentionally have smaller footprint stores. It helps us to have a more personal connection with our crew members, with our customers, with the products that we sell. There are always going to be costs associated with running a business, we prefer that those costs be people, we're familiar with our products, we're familiar with our neighborhoods, we're familiar with our customers. That small, more intimate setting really does set us apart from everyone else selling food.

Matt:

The physical limitations of the space of our stores, it drives a lot of behavioral stuff too. We can only fit so many things, so many products, and people come in and they interact. They have to navigate around other people and they speak with those people and that's all on purpose too, and it's such an important factor. It's something that we see when we look at a new store site, and we say like, "Wow, how will we fill it up to make it feel like a Trader Joe's?" Of course, that's really only ever accomplished fully with customers. So when we think about being a brick and mortar business, when we think about the store being our brand, we think about our customers' emotional experience when they're shopping in their Trader Joe's. We're thinking about our customers coming to our stores to see our crew and get our products.

[Violin-based up-tempo 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 why Trader Joe's is a bricks and mortar retailer.

[Music ends with one final flourish.]