

International Marketing Plan

Trader Joes in Australia



Key Points

❖ Economic Environment

❖ Political Environment

❖ Cultural Environment

❖ Competition

❖ Mode of Entry

❖ Target Markets

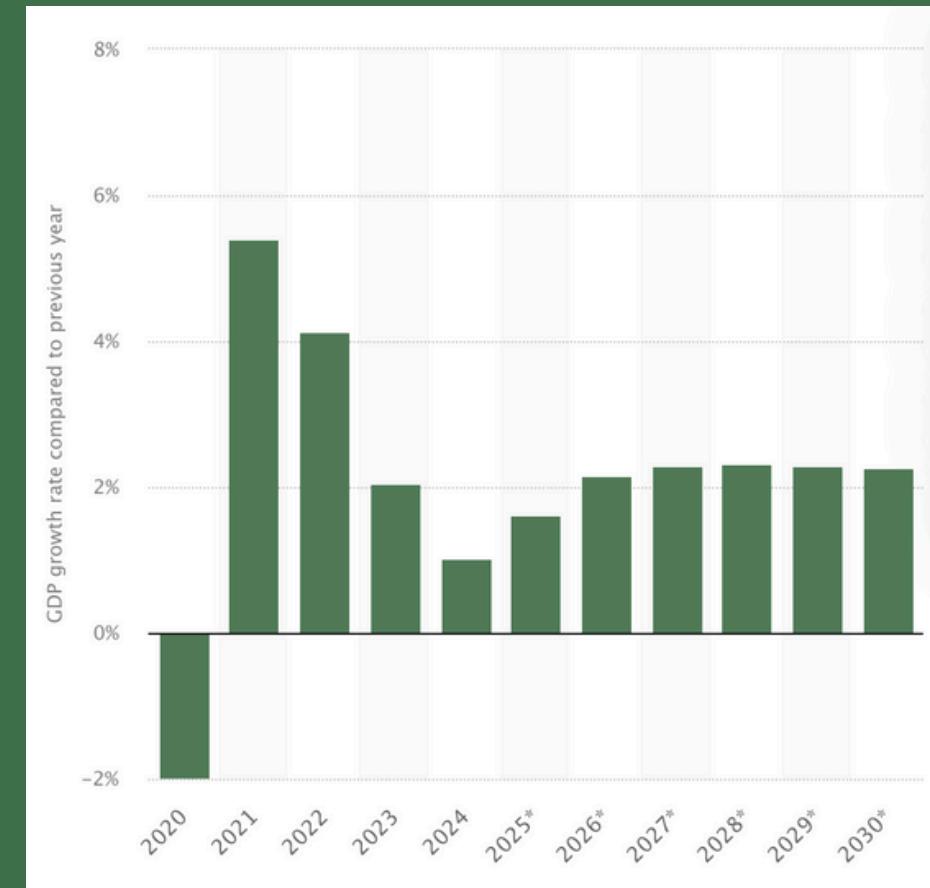
❖ Marketing Strategy

Economic Environment.

Australia's Economic Landscape

1. Strong Consumer Demand
 - a. GDP \$1.818 Trillion in 2025 (1.7%+)
2. Strong Market Potential for New Entrants
 - a. Grocery Sector A\$140B per year
3. Currency Volatility 2022: AUD \$0.70 → 2025: below \$0.61
4. Open Trade Environment
 - a. Minimal Trade Restrictions
 - b. Membership in 6 Key Economic Organizations
 - i. WTO, APEC, G20, RCEP, CPTPP, OECD

International
Marketing Plan

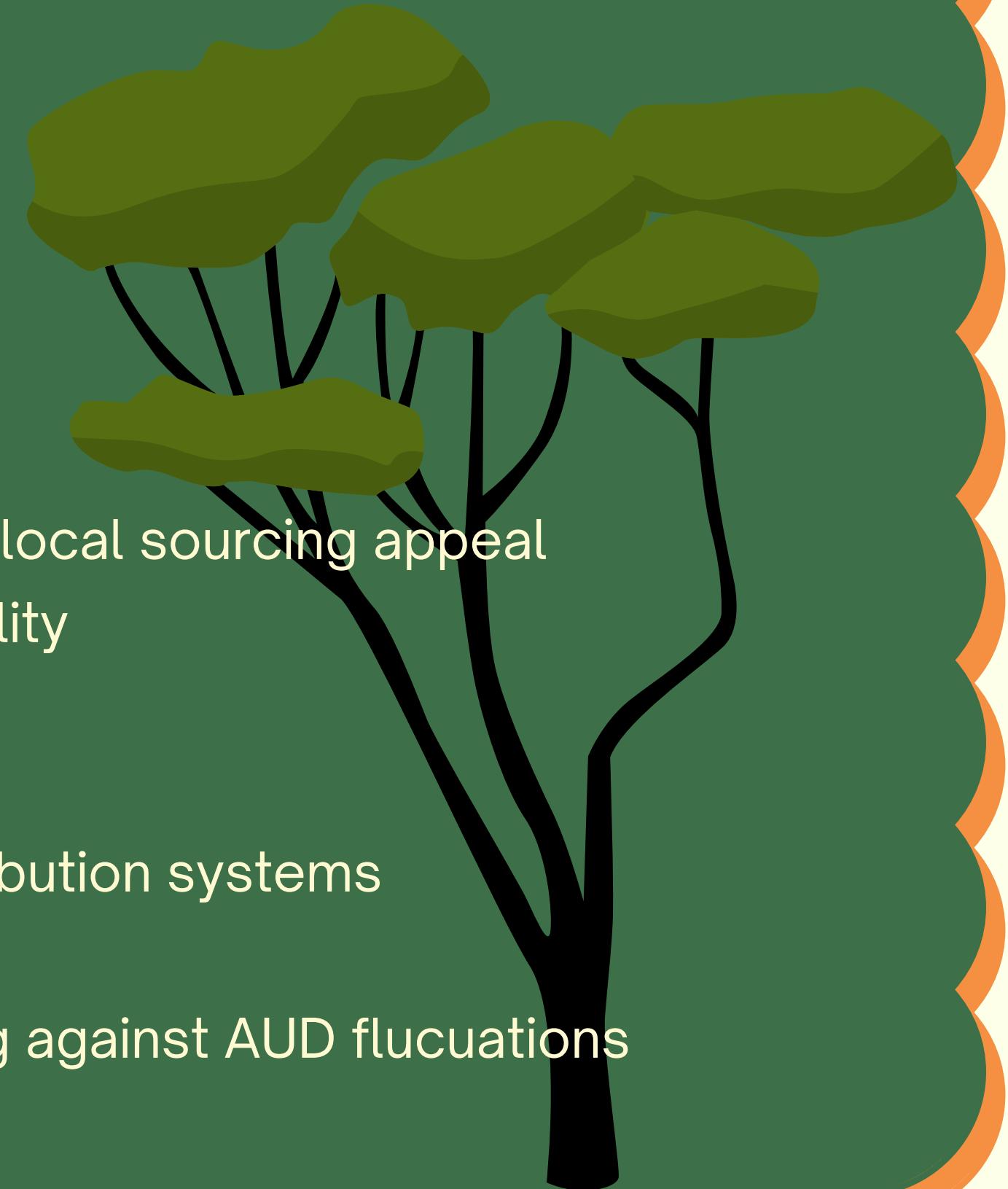


Australia: Real gross domestic product (GDP)
growth rate from 2020 to 2030

Economic Environment •

Strategic Implications for Trader Joe's

1. Navigating Currency Flutuations:
 - a. Weaker AUD, Increased Import Costs = Enhanced local sourcing appeal
 - b. Strategic Pricing Adjustments to Maintain Profitability
 - i. Stick with US “market based pricing model”
2. Local Sourcing Advantage
 - a. Prioritize partnerships with local farmers and distribution systems
3. Risk Management - Forward Contracts
 - a. Currency Hedging: Using Financial tools protecting against AUD flucuations



Political Environment •

- Australia is one the easiest countries to do business in ranking in the top 25 countries consistently
- Short term risks associated with bringing Trader Joe's to Australia are that inflation and interest rates continue to rise which makes consumers very sensitive to pricing and spending. Australia's trade partners pose a risk as well as there are tensions there that could hurt importing and shipping
- Micro political risks include retail food regulations that are becoming stricter and governmental scrutiny stemming from past malpractices of our biggest competitors
- **FSANZ:** regulates and makes sure that all products sold in grocery stores comply with the food labeling, the disclosure of ingredient and nutritional facts, and any allergens contained in the food
- **ACCC:** makes sure that grocery stores are practicing fair and ethical business practices in regards to competition amongst other brands
- **Customs Regulations:** strict inspections occur on every imported shipment of food, which would increase the time foreign made products sat in customs
- Australia ranks in the top 15 in least corrupt countries in the world

Cultural Environment.

1. Food Culture & Consumer Preferences:

- a. Diverse, multicultural food culture driven by strong immigration patterns.
- b. Consumers are open to international cuisines and have a high awareness of healthy, sustainable, and organic products.

2. Communication & Business Culture:

- a. Direct communication is key in personal and business relationships, and this cultural preference extends to how products are marketed, with Australians appreciating clear, honest, and simple messaging in advertisements and store interactions.

3. Regulatory & Partner Relationships:

- a. Food safety and labeling regulations are strict, with tight controls on genetically modified ingredients, additives, and health claims

Competition.

- **Woolworths and Coles Group:**

- Combine for 65-80% of the market share
- The 2 largest supermarket chains
- Supermarket chains with high customer loyalty
- Offer price matching and promotions
- However they don't offer a lot of variety and quality made products

- **Country of Origin Effect:**

- Trader Joe's should experience a strong country of origin effect
- Due to it being a US brand and providing new products not typically sold in Australia
- The brand is known for being high quality and healthy which will carry over to Australia

- **Aldi and IGA:**

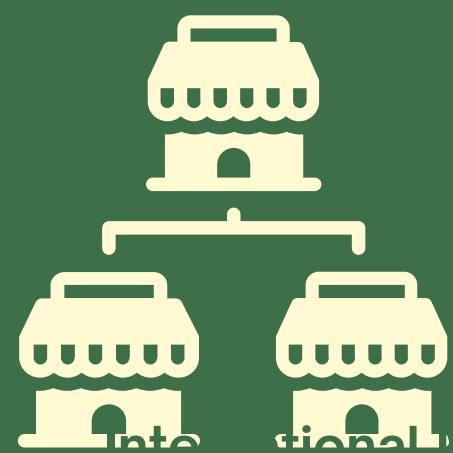
- German chain of grocery stores
- Specializes in great prices and value-perception
- IGA are small convenience stores
- They are the most in touch with local culture

- **Costco and Amazon Fresh:**

- Bulk pricing strategy with a private label
- Membership based shopping experience
- People in Australia don't consume in bulk as much in the US
- Amazon Fresh is a online shopping experience
- Fast delivery to your door
- Not a big following as it is a purely online experience



Mode of Entry •



Wholly-Owned Subsidiaries

- Complete Control
 - Ensures consistency in store design, product selection, customer experience, and supply chain management
- Aligns with TJ's US Direct Ownership Model
- Brand Integrity
 - Maintaining high standards and experience across all locations

Mode of Entry:

Strategic Partnerships



WHAT: Logistics partner for efficient warehousing and distribution

WHY: Ensures reliable delivery and streamlined supply chain



WHAT: Primary source of locally grown fruits and vegetables (wholesale)

WHY: Connects Trader Joe's with a wide network of Australian Farmers



WHAT: Leading supplier of premium fresh produce

WHY: Provides access to fresh, locally sourced produce, ensuring product quality and sustainability.

Target Markets

1

Price-Conscious Foodies

- **Demographic:** Aged 20–34
- **Lifestyle:** Enjoy trying new, unique foods but avoid premium pricing
- **Opportunity:** Private-label, curated, high-quality yet affordable offerings align with this segment's values.

2

Health-Conscious Consumers

- **Demographic:** Aged 25–60
- **Lifestyle:** Highly ingredient aware, focused on clean eating and long-term health
- **Opportunity:** Demand is rising for affordable, healthy, and sustainable grocery alternatives.

3

Urban Convenience Seekers

- **Demographic:**
 - Young professionals (25–40)
 - Young families (30–45)
 - Students (18–25)
- **Lifestyle:** Value convenience, speed, and affordable pricing
- **Opportunity:** Easy-to-navigate stores with quality ready-to-eat options



Marketing Strategy

- ❖ Product and Service Adaptations
- ❖ Distribution Strategy
- ❖ Promotion Strategy

Product and Service Adaptations •

- Maintain core identity products and adapt 20%
 - Lean into local flavors, ingredients, and dishes
- 80% should be US items that are staples
- The rest should be local products or adaptations of already sold products
- This would also help us be less reliant on imported products that could get bottlenecked at customs due to previously mentioned regulations
- Seasonal items should also be on the shelves for limited time
- Change language on packaging to fit Australian language habits and slang

Distribution Strategy •

Direct Distribution Model (Full Control)

- Operate through wholly-owned stores in Sydney and Melbourne

Centralized Distribution Hub:

- Regional Distribution Center
- Centralized product sorting, storage, and packaging



Distribution Strategy •

Strategic Logistic Partnership (Linfox)

- Linfox: Manage warehousing, temperature-controlled storage, product delivery

Local Sourcing for Fresh Produce

- Direct partnerships with Sydney Markets and Premier Fresh Australia.
- Guaranteed supply of high-quality, locally sourced fruits and vegetables.



Promotion Strategy •

- 1. Message to Target Market:**
 - a. Trader Joe's will focus on delivering high-quality, unique, and healthy food options at everyday low prices, while offering exceptional customer experiences.
- 2. Promotion Options:**
 - a. Advertising via social media (Instagram, Facebook, TikTok) given the target market's familiarity with the internet.
 - b. In-store promotions and product sampling to allow customers to try Trader Joe's products firsthand
- 3. Regulations Pertaining to Promotion:**
 - a. Australian Competition and Consumer Commission (ACCC) regulates advertising practices, ensuring that any health-related claims are honest and transparent

Promotion Strategy •

4. Media Strategy & Agency Choice:

- a. Partnering with an Australian agency (ex: Grapevine PR w/ over 20 years in the food & beverage industry) that understands local cultural will help ensure that messaging resonates with the target audience.

5. Local or Global Campaign?:

- a. A localized marketing campaign would be more effective for Trader Joe's in Australia, as it can better reflect local values like sustainability and health, which a global campaign may overlook.

6. Corporate Social Responsibility (CSR):

- a. Trader Joe's has a history of community engagement and sustainability efforts in the U.S., through initiatives like reducing food waste, sourcing products ethically, and supporting local charities (Neighborhood Shares Program)



Thank You!

