



TRADER JOE'S

By: Joshua Stein, Principal, Joshua Stein PLLC

Joshua Stein
JOSHUA STEIN PLLC
501 Madison Avenue, Suite 402
New York, NY 10022
joshua@joshuastein.com
www.joshuastein.com

Usually I write about legal, real estate, and business topics, but I decided to devote this month's column to a review of a food store—Trader Joe's. Maybe it's a real estate topic.

For me, the story began when I moved to Los Angeles in 1981, right after I finished law school. Someone told me I ought to check out a handful of food stores in West Los Angeles. They went under the name Trader Joe's, except one or two were still called Pronto Market, their original name. The chain had all of about a half dozen stores, not super visible, a local secret. The stores had a devoted fan base, great prices, and a limited and changing selection of high quality but always reasonably priced grocery items, with some emphasis on cheese and alcoholic beverages. I became a fan immediately, and shopped at Trader Joe's, and once in a while Pronto Market, whenever I could.

When I moved from Los Angeles to New York in 1984, I assumed I would never shop at Trader Joe's again. Fortunately, I turned out to be wrong. At some point in the late '90s, while visiting Massachusetts, I was pleasantly surprised to see my first Trader Joe's since I had left Los Angeles. I stuck my head in. The store looked and felt just like the handful of Trader Joe's stores I remembered.

Now, about two decades later, Trader Joe's has about 500 stores, all over the United States. And they still mostly look and feel just like those half dozen original stores in Los Angeles. The staff still wears ridiculous flowered South Seas

shirts. Bells still ring occasionally. The place still has homemade signs, sometimes silly but always making me feel welcome and as if real people own and operate the store.

Whenever I ask a Trader Joe's employee where to find something, they respond with a smile and often take me to the right place in the store. Sometimes, though, they give me the bad news: whatever product I want has been discontinued, temporarily or permanently. That's part of the charm of Trader Joe's. But I also know that if I come back enough times, that product will probably come back too.

Back in the 1980's, Trader Joe's stocked a variety of brands. Over time, they seem to have gotten rid of almost all brands except their own. But their own branded products are always high quality, reasonably priced, and attractively packaged. I don't miss having 10 brands of something. I'll settle for one solid good brand: Trader Joe's.

Partly because of the very limited inventory in any Trader Joe's, the stores are tiny by food store standards—easy to get into, easy to find things in, and easy to leave. It turns out Pronto Markets, the predecessor to Trader Joe's, started when Rexall, a large drugstore chain, decided to go into convenience stores. So the stores started small. They stayed small when Rexall abandoned convenience stores and the real Trader Joe, Joe Coulombe, bought the chain. And they've stayed small ever since. A German supermarket family, the Albrechts, bought out Coulombe in 1979, a few years before I started shopping at Trader Joe's in Los

Angeles. The Albrechts didn't change a thing, except they expanded Trader Joe's massively, which I very much appreciate.

Some of the appeal of Trader Joe's comes from the fact that its staff seems to enjoy working there and enjoy dealing with customers. At Trader Joe's, I've never encountered the kind of sullen stupidity that I expect to find at supermarkets, especially in the city. I once heard that someone had filed an unfair labor practice claim against Trader Joe's because they require their staff to be happy. Fortunately, Trader Joe's won that fight.

What else do they do right? The stores have good sound systems, playing music that I enjoy hearing, and I guess other people do, too. I've never had to stand in line for very long at Trader Joe's. In the rare case where I want to return something (e.g., some unsulfured dried fruit that I hated), Trader Joe's took it back with a smile. They maintain the same prices at all their stores, including those in New York City—a huge benefit to local shoppers who expect to pay more than shoppers anywhere else.

And what do they do wrong? Some people say Trader Joe's is weak in the produce department, though overall I haven't had a lot of trouble there. As a company, they are famous for being secretive about how they do business, source their products, and negotiate their leases. That's their privilege as a private company. But it's a bit inconsistent with the friendly, fun, relaxed, warm, and fuzzy experience that they present to customers. It won't stop Trader Joe's from being my food store of choice.