

How Trader Joe's, Erewhon, and H-E-B, have cultivated a cult following

Article

By sticking to its values, Trader Joe's has maintained the feeling of a neighborhood store while scaling across the country, while H-E-B's commitment to caring for its community has won it

the heart of Texas. Erewhon has taken a different approach, leveraging its famous clientele and access to lifestyle brands to become a pop culture icon.

Here's how each niche grocer has earned its dedicated following.

1. Erewhon is all about the lifestyle

Though it started as a **simple natural foods grocery store in Boston in 1966**, Erewhon has outgrown its humble East Coast roots to become a status symbol of the West Coast known for its celebrity shoppers, health-food packed aisles, and fresh-made smoothies.

- Justin Bieber, Kourtney Kardashian, and Bella Hadid are habitual shoppers at Erewhon. **Hailey Bieber even has a smoothie** named after her on the store's Tonic Bar menu.
- The store has two membership levels starting at \$100 a year. In addition to perks and rewards, membership gives customers access to Erewhon's Lifestyle Collective, which offers exclusive and curated offers from leading lifestyle brands.

Erewhon's cult status is so massive that **some people work three jobs to afford shopping there**.

"I've made jokes about how no matter what, it'll always be in my budget, even though I'm a starving artist," one 23-year-old shopper, told The Cut. "It's become my identity."

That's what Erewhon is counting on.

"Eventually, once you've enjoyed the experience enough, we will hopefully have you as a member," Kabir Jain, **Erewhon's chief growth officer, told Fast Company**. "And once you're a member, you've effectively bought into Erewhon, and you've decided, 'I'm going to allocate some portion of my spend to Erewhon, because I like the customer experience, I believe in the products, I'm loyal to the brand.'"

2. H-E-B takes care of its community

Many grocers invest in their local community, but Texas chain H-E-B has won the heart of its customers by taking it a step further.

Not only does H-E-B have a full-time director of emergency preparedness, but it also has **mobile kitchens, a Disaster Relief Unit (DRU)**, and water tanker trucks (**four as of 2020**).

- During **Hurricane Harvey in 2017**, H-E-B used all of those resources to help bring food, supplies, and water to those affected alongside organizations like the Red Cross and Salvation Army.
- After last year's school shooting in Uvalde, Texas, **H-E-B committed money and resources to the victims and families affected**.
- It goes beyond Texas, too. H-E-B has donated to causes ranging from **families impacted by the conflict in Ukraine** to those in need after the **deadly wildfires ravaged Maui earlier this year**.

This year, H-E-B was named the “ultimate Texas brand” in **Texas Monthly's voter-based bracket competition**, defeating other Texas giants like Whataburger, Dr Pepper, and Blue Bell ice cream.

“They are not only a beloved grocery store in Texas, but they are certainly a guiding beacon for many other retailers in this industry,” Anne-Marie Roerink, the head of 210 Analytics, a San Antonio research firm with a specialization in the food industry **told the Houston Chronicle**.

3. Trader Joe's goes against the grain

Walking into a Trader Joe's, with its chalkboard signs and low-tech checkout lines, kind of feels like you're walking into your neighborhood grocer.

That feeling is due to Trader Joe's dedication to what it believes makes a good customer experience, which is slightly different than other grocery stores.

- **In a recent Insider Trader Joe's podcast**, host Matt Sloan shared the reasoning behind why Trader Joe's doesn't have a loyalty program, saying of other grocery's programs: “The idea is that the store is gaining your loyalty by providing you discounts. The discounts are paid for by the manufacturers of the products. So they're paying the store to offer discounts so you'll buy more of their, the [sic] products. It's very convoluted. To me, it sounds anything but something that would engender loyalty.”
- On another podcast episode, CEO Bryan Palbaum shot down a rumor that the store would implement self-checkout kiosks. “We believe in people,” he said “We're not trying to get rid of our crew members for efficiency's sake.”

These decisions, while bucking grocery tradition, haven't steered Trader Joe's wrong. The chain took first place in the **2023 American Customer Satisfaction Index Retail and Consumer Shipping Study**, scoring 84 out of 100 points.

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