

## Background

Erewhon, a natural foods pioneer in the United States, was founded by Michio and Aveline Kushi in 1966 when they began selling macrobiotic and organic foods out of a 10x20 stall below street-level in Boston. Serving as a model for many other natural food stores across the nation, Erewhon then moved to Los Angeles and opened its first brick and mortar store in 1968. During these years, Erewhon grew with the idea that, “if we fill our bodies with the very best that Earth has to offer, we can become our best selves,” (Erewhon) which became a major pillar for the brand and its identity. After years of operation Erewhon was bought by Tony and Josephine Antoci in 2011 and became the phenomenon that it is known as today. With its central Beverly Boulevard location, right next to the LA tourist attraction The Grove, Erewhon had the opportunity to become a fixture of the Los Angeles lifestyle. Over the next 11 years, Erewhon was able to do just that, opening their doors across the Los Angeles area in Silver Lake, Calabasas, Studio City, Santa Monica, Venice and most recently in Beverly Hills. As an upscale grocery store, Erewhon specialized in locally produced and organic foods. Erewhon offers a wide variety of foods tailoring to many dietary restrictions and preferences such as vegan, gluten free, keto, among others, cementing themselves as a unique retailer having something for those with niche needs. The brand is also known for its ready-made meals, hot bar, smoothies and other Erewhon exclusive items. In 2021, it became a Certified B Corporation which means that it met, “high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.” Erewhon also recently achieved the status of a Certified Organic Retailer, this certification is hard to achieve for retailers as it entails upholding the integrity of USDA organic farming practices after the items leave the farm. One of the only other retailers to achieve this has been Whole Foods, a large competitor of Erewhon. The brand has become increasingly popular in recent years due to its association with celebrities, often called a grocery store to the stars, due to its luxury pricing and shopping experience, it has become a favorite for many celebrities and influencers in the area. Due to this, over the past three years, it has received attention from various news outlets due to its niche product offerings, high prices and connection to celebrities. This has in turn caused a frenzy on social media to occur in which more and more people are visiting Erewhon for the experience and the small possibility of seeing their favorite celebrity. Erewhon has now become a phenomenon which connects to a main brand tenet. The brand hopes to be, “more than

a grocery store”, rather it is, “a community of people who are united in love for pure products that protect the health of people and the planet.” (Erewhon). Erewhon has achieved just that as among the one time visitors, the store also has many repeat customers from not only Los Angeles, but those that visit their website to get exclusive items shipped across the country

#### Mission Statement.

- “At Erewhon, we believe that nutrition is the key to a radiant lifestyle. Through our markets, we endeavor to provide exceptional organic products that inspire good decision-making and healthier communities.” (Erewhon)
- Erewhon hopes to inspire people to eat better, by providing nutrient-rich foods, helping their customers live longer, happier and healthier lives.

#### Brand Positioning

To: Wealthy men and women who prefer organic, fresh and niche food products

Erewhon is the: top of the line luxury organic grocery store

That: Provides organic, sustainable, and unique groceries for the community it fosters

Because: Erewhon provides a community like no other whilst also providing high quality, specialized product offerings tailored to their customers’ desires.

#### Statement of Opportunity

Living a healthy lifestyle, eating raw and organic foods and only shopping at health stores is a prevalent trend that Erewhon has been at the forefront of for the past three years. The rise of social media, specifically TikTok, took Erewhon and placed it on the map for everyone to see. It not only became the place to get your healthy, raw and organic foods, but it quickly became the place to see and to be seen. Erewhon elevated the mundane task of grocery shopping into an experience that makes eating healthy seem cool (Chang, 2021). From its elaborate and aesthetically pleasing smoothies to its endless healthy grab-and-go meals, Erewhon has created a brand that has permeated itself into Los Angeles culture. In 2019, Forbes reported that “Erewhon generated \$2,500 in sales per square foot of floor space – which at the time was over four times more than the average grocery store” (Barkho, 2022). By glamorizing healthy eating, Erewhon has established itself as one of the leading brands in the health-lifestyle space, which is a rapidly

growing industry. They took the idea of healthy eating and turned it into a trend that has taken over social media and shifted the way people view health food stores. As Erewhon continues to expand throughout Los Angeles, its strong brand image has quickly spread beyond California state lines leaving consumers to wonder when this one-of-a-kind grocery store will be available in their neighborhoods.

In recent months, Erewhon has received feedback on social media to open a store on the East Coast (Barkho, 2022). Additionally, New York City has gained significant traction in the influencer field that Los Angeles is typically known for. On social media, Erewhon is portrayed as the mecca of healthy food, and this has greatly connected the Los Angeles market with the Manhattan market, creating a fan base on the East Coast. With the combination of consumer desire and the growing market for health food stores in New York City, Erewhon has the opportunity to launch a store in Manhattan. With Whole Foods being Manhattan's only well-known and go-to health food store, Erewhon has the ability to launch a Manhattan store that will have a strong consumer audience and little market competition. Erewhon is known to open stores in affluent areas and there are many neighborhoods within Manhattan where Erewhon will succeed and reach its target audiences. Erewhon should use its strong brand image, audience and relationships with celebrities and influencers to create a successful launch of a Manhattan Erewhon store.

## Research

### Research Goals:

- Understand what groups have an interest in an Erewhon location in New York City, and what aspects of Erewhon should be tailored to them enticing them to purchase from the store.
- Get a landscape of the luxury grocery market in New York City to understand competitors and if the target audience for Erewhon overlaps with the loyal customers of the competitors
- Questions to guide research include: Who is the target audience? How old are they? What are their values? What do people think about Erewhon? Do they like the brand? Dislike it? Think it is too expensive? How does Erewhon compare to other competitors? Are consumers willing to make the switch from a competitor to Erewhon?

## Primary Research

### 1. Qualitative

1. Conduct interviews in NYC outside of competing grocery stores like Whole Foods asking: Have you heard of Erewhon? What do you think of the brand? Would you purchase from Erewhon if there was a store in New York? Would Erewhon become your new go-to grocery store?
  - i. There should be 150 interview conducted with people leaving higher end grocery stores, obtaining demographic information from these participants as well.
  - ii. Comparing the results to the demographic information helps to understand who the target audience is and gauge whether there would be excited for an Erewhon in NYC.

### 2. Quantitative: Conduct an online survey at checkout when customers place an online order.

1. The survey will ask consumers: Why do you choose to shop at Erewhon? What is your favorite thing about Erewhon? Would you recommend Erewhon to a friend? Is Erewhon the main place you get your groceries.
2. Only customers who are between the ages 25-40 will receive the survey.
  - i. Since customers have to have an account to place an order, we will be able to see the age of the people making a purchase.
  - ii. The first 500 people who place an order will receive the survey questions
3. This will help to gauge what makes Erewhon special and what aspects of the brand should it highlight when trying to win over a group of people that may otherwise be unaware of it.

## Secondary Research

1. Look back at Erewhon's company report to see who are the major demographics that purchase from Erewhon as well as what sectors are their best performers. Understanding

this will help to influence the messaging and what aspects of the brand to showcase to the new consumer.

2. Inquire into media coverage in traditional press outlets and social media to gauge general appeal as well as understanding of the brand. Looking at what share of positive and negative comments are coming from the east coast versus the west coast helps to determine if reputation building work must be done before opening a new location.

a. [New York Times article on Erewhon](#)

b. [Is Erewhon America's Most Expensive Grocery Store](#)

3. Examine the market Share of Erewhon vs. Whole Foods to understand what drives customers to buy from one instead of the other to help determine which types of people to target in the launch of the new store.

a. [Article on Erewhon's appeal](#)

## SWOT

### Strengths

- The brand brings unique product offerings to its markets, unlike other luxury grocery retailers.
- Erewhon has a large “cult-like” following, but engages target audiences extremely well.
- It has grown to be known as a grocery store for celebrities and the elite, giving it an air of exclusivity and intrigue to other consumers.
- The brand has gained viral success with collaborations between the brand and various celebrities and influencers.

### Weaknesses

- The price point is high for a regular, everyday shopper.
- Supporters are mainly on the West Coast because of their regional locations.
- Many of their customers go for specialty items rather than doing their regular grocery shopping at the store.

### Opportunities

- Health and Wellness: Influencers and celebrities are investing in health and wellness through healthy eating and living

- Collaboration culture: Celebrities are having more and more collaborations with “unconventional” brands including previous collaboration with Hailey Bieber for her smoothie.
- Sustainability: Being a grocery store that is organic and carrying environmentally friendly products helps with the trend of sustainability for businesses and consumer practices.
- Return to the office: With more people returning to work, Erewhon can push its ready made and hot bar menu items as perfect for an after work dinner

### **Threats**

- Economy: The U.S. is experiencing large levels of inflation, which is causing customers to go to the grocery store less, buying generic and in bulk (CNBC).
- Competition: Whole foods with its growing integration with amazon is helping to change the grocery landscape with services like Amazon Fresh.
- Alternative health trends: The potential of the current societal trend of healthy eating/healthy lifestyle to decline.
- Real Estate: New York City real estate is increasingly expensive and brings challenges to expansion for a company that needs a larger storefront to operate.

### **Strategic Insights**

- Erewhon has a unique opportunity to leverage its cult following on the west coast in expansion to the east coast starting in New York City. NYC is home to many wealthy neighborhoods that are in need of exclusive, luxury, high-end grocery stores. Erewhon needs to target these areas to ensure customer loyalty and higher traffic (Tribeca, West Village, Upper East Side).
- Erewhon must continue to demonstrate its unique product offerings to differentiate itself from its competitors through emphasizing sustainability of its business operations and tapping into the collaboration culture. Continuing its line of celebrity specialty items at Erewhon can help them to bring in more intrigue about the brand as it expands across the country. They have the unique opportunity as well to make the New York collaborations different from the LA ones by choosing an in store item that is more specific and localized to New York like bagels for instance.
- With New York City being such a metropolitan hub, home to various industries, Erewhon must work to emphasize how it is perfect for lunch at the office or for grabbing a meal

after a long day at work, capitalizing on the trend of companies returning to the office. This way, the brand can engage with multiple audiences, those that grocery shop in the upscale neighborhoods as well as those that work in these neighborhoods, connecting to both their grocery offerings as well as the hot bar food.

#### Communication Goals

- Increase customer awareness of the brand leading up to and following the launch of the NYC location that will cause more foot traffic, and success for the new store.
  - Being a popular grocery store on the West Coast, increasing customer awareness on the East Coast will help to bring more people to the new location and also will increase the popularity of Erewhon, causing people to choose to shop there over other companies. Through building interest leading up to and in the first months of opening, the brand can help to ensure a steady customer base.

#### Communication Objectives

- Have positive media coverage in 5 general outlets and 3 food network related magazines discussing the new launch in NYC by July of 2023.
  - The media coverage will bring awareness to Erewhon opening a new location in the New York, by reaching audiences outside of its main one in Los Angeles. With this Erewhon will be able to reach their regular consumer, but in addition to coverage in food magazines, they get the attention and excitement of foodies, restaurateurs and more who would take an interest in Erewhon NYC.
- Increase web traffic by 30% on Erewhons website by January 2024.
  - Increasing web traffic will allow people to place an order without having to go and shop themselves, making it easier to shop at Erewhon. Monitoring this leading up and after the New York City launch will help gauge how many people are visiting the site to learn more about the new location. Looking at specific page analytics will help to see the traffic on the dedicated New York City page helping to understand if marketing efforts are working. Continuing this into well into the launch will help to see what the New York audience prefers, if they are buying for delivery, etc.

- Increase social media engagement on Erewhon's page customers by 15% by May 2023.
  - To connect to its current audience while also reaching a new one in NYC, Erewhon needs to increase their levels of engagement from both groups. This entails current customers sharing announcement posts to east coast friends, increase in followers across the east coast, and more comments and likes on the page. Through this effort, they will have a larger group knowing of the grand opening before it happens, getting more people into the store as soon as it opens.

### Target Audiences

#### Pilates Moms/Wives

- These are women ages 30-40 that live in the West Village or surrounding areas like Tribeca and Soho. They are mothers of young children or recently married, starting their families. They live in dual income households where both them and their spouses make \$130,000+ a year.
- They do the grocery shopping for their families and like to buy clean and organic food as they follow health trends. These women cook dinner for their families 4-5 times a week so they consistently need to buy groceries on a biweekly or monthly basis. They have bought from places like Citarella and Whole Foods among other higher end grocery stores. They have heard of Erewhon from social media and are intrigued by the type of product offerings they have.
- Following food trends, they are keen to buy the newest organic food, vitamins, etc. They are looking for a new place to shop within the West Village and also are willing to travel some distances for a high quality product. Because of their frequent shopping, these women also would love the Erewhon membership that gives them special perks and an ability to get groceries delivered with no fee if they are too busy to go shopping.

#### Working Professionals

- These are professionals working in the West Village area, both men and women aged 27-35 who have busy schedules with their work and day to day lives. They live in surrounding areas and commute to and from the West Village for work. With high paying jobs (\$100,000+), they are willing to spend more on higher quality products, especially food.



- They sporadically cook meals for dinner but often find themselves eating out for dinner and lunch especially. They have tried places in the area for lunches or take-home dinners for later, but haven't had a truly elevated experience like at Erewhon.
- They look for healthy alternatives to fast food for lunch and are looking for a steady place to get a variety of meals at lunch time. They also want a place where they can go and grab dinner and some extra groceries for the week that is close to their office and has good product offerings.

#### TikTok Tastemakers (Influencers)

- These are young women ages 23-29 that have a following on social media for their lifestyle content living in New York City. They make a good living from platforms like YouTube and TikTok so are able to splurge on certain luxuries like upscale gym memberships and groceries to benefit their health and wellness.
- They are aware of Erewhon from influencers that live in Los Angeles and may have been to the stores on visits to LA and enjoyed the upscale atmosphere and products. They wish for a similar place in New York where they can do their grocery shopping and get pre made meals as well from the hot bar. As they have been influenced by the influencers that they follow who go to Erewhon, they will be able to offer the same thing to their followers who are ages 18-27 and possibly live in New York or the surrounding areas, who may now want to visit because there is an Erewhon in their area.
- These women are attracted much to the allure of Erewhon and its status more than the product offerings although they enjoy those as well. They want to visit to be seen and also show their followers the lifestyle they can live buying from Erewhon and demonstrating values of health and wellness. They would also be interested in the membership for the perks that come with it including special deals for workout classes, clothing and more.

#### Current Audience Brand Perception

Erewhon offers unique, organic, and nutrient-rich foods for wealthy women and men in Los Angeles.

## Desired Audience Brand Perception

Erewhon is a community offering high-quality food and healthy ideas for healthy living with sustainable operation on the East and West Coast.

## Key Message Mapping

Single Minded Message: Erewhon is expanding across the country, so New Yorkers can experience the Erewhon community and values because after all, it is more than just a grocery store.

- Working to demonstrate the mission of Erewhon is important, because it helps those who have not heard of it to understand what it is truly about. Understanding the lifestyle that it is able to put forth and that consciously sourced organic products are at the heart of the organization, allows people to see the value that Erewhon brings to New York City.

Pialtes Moms/Wives: Erewhon wants to give more people the opportunity to access the top-of-the-line organic products, harvested with sustainable practices, helping more people live healthier lives.

- The Mothers and Wives are looking for healthy foods to feed their families and by showing them that Erewhon offers the best of the best can help to both justify the prices that they are willing to pay and also help to get them in the door.

Working Professionals Message: Offering more than just groceries, Erewhon is the perfect place for people who are just too busy to cook every night, but still want healthy, clean food.

- Connecting to the busy lifestyle of working New Yorkers is necessary because these people may not do their daily shopping at Erewhon, but showing how it's one of the best options for healthy meals on the go that work with their lifestyle.

TikTok Tastemaker Message: Expanding what it means to be a grocery store, Erewhon offers not only a luxury shopping and dining experience, but with our membership, customers can get everything they need and more with exclusive specials with our partners.

- Pushing the exclusive, luxury lifestyle that Erewhon can bring connects to the influencers' desire to create content around a positive lifestyle and shows them how Erewhon works to support the whole of health and wellness.

## Strategies

- Utilize vital New York City influencers across platforms to increase intrigue around the new store opening before and during the launch.
  - o Getting a diverse group of influencers to reach all of the target audiences will help to deliver more searches and mentions of the brand as the move to expanding in New York.
- Tease launch and location information through paid, earned, owned media
  - o Since Erewhon is somewhat unknown to certain groups in New York, it needs to “introduce” itself before it opens, so people know what it is. Through working on multiple forms of media, Erewhon can make the messaging positive about them for their perspective customers.
- Create interactive experiences around the launch of the new store.
  - o To get more people through the door, interactive events similar to those held at previous openings will not only engage the target audiences, but also get attention from the public. This widespread, positive attention is beneficial to the brand as it is making its name and place in New York City, while also increasing its possible customer base.
- Connect to culture and trends of New York City through meshing Erewhon’s branding with key New York food, people, and places.
  - o For Erewhon to stay relevant it cannot make a carbon copy of itself in New York, rather they have to work to create a distinct culture for the new store. This can be achieved through specialty items, partnerships, and more to engage with the people of New York that may be apprehensive to the expansion of Erewhon into their neighborhoods.

## Tactics

### Paid

- Advertising on buildings and in subways around the West Village area and other affluent neighborhoods.
  - o Utilizing out of home advertising will help spread awareness and increase attention, anticipation and continued promotion of the new store. Although

Erewhon never uses OOH advertising, it would be beneficial for spreading the word in New York City.

- Collaborate with Equinox with Erewhon memberships, delivering discounts on memberships and exclusive merchandise.
  - To create strong business relationships in the New York City area, Erewhon can partner with Equinox to increase audience traffic and awareness. Members of Equinox are a large part of Erewhon's target audience. Erewhon can incentivize Equinox members to shop more by providing them with exclusive perks and discounts. This will benefit both Erewhon and Equinox.
- Partner with Alex Cooper and the Real Housewives of New York to help to tease the launch.
  - To tease and build anticipation, Erewhon will be partnering with podcast host Alex Cooper and the new cast of the Real Housewives of New York. Alex Cooper has a wide audience that would reach both the working professionals and the influencer target audiences to create buzz around the launch. By having her create a video in the style of her podcast teasers introducing a new guest, Erewhon New York City, will help in the roll out of the new store. The Real Housewives of New York can help to reach the wives and mothers and build interest in the new location. By having the stars of the show visit Erewhon regularly, allure for the location can be built, bringing more guests to the store as it opens.

#### Earned

- Soft open with influencers, press and celebrities to view the new location and get first access.
  - A week before the grand opening, inviting influencers, food bloggers, press, and celebrities to a soft open event will help to build knowledge of the upcoming launch. This can help to drive earned media from the press as well as getting content from celebrities and influencers that is posted on their social media. A soft open will help to spread engagement prior to store opening and those that are invited help to build the atmosphere as desirable among the target audience.
- Send PR boxes to New York City influencers with new Erewhon merch and staple items like juices, vitamins, etc.

- Leading up to events like the soft opening, sending a curated list of New York City influencers PR boxes will help to also drive engagement and awareness about the expansion of Erewhon. This can help to gain earned content from influencers posting in the exclusive merch and help to drive merch sales on the Erewhon website and in stores. These influencers' content can help to reach the working professionals who are avidly on social media, causing them to have awareness of and possibly the desire to visit Erewhon.

#### Shared

- Collaborate with New York City influencers and celebrities for special edition bagels.
  - A large part of Erewhon's appeal and fame has come from their celebrity and influencer collaboration smoothies. Extending this to New York, the brand can collaborate with influencers to create signature bagels, more connected to the culture of New York. These bagels will come out monthly and are offered in stores at the new bagel bar, that will help to drive more customers into the store and expand their reach outside of just lunch and dinner premade meals. This opportunity connects to the celebrity culture and allure of Erewhon but mixes it with food popular to New York City instead of LA it also helps with the longevity of the launch bringing new people into the store every month.
- Create an instagram post having followers guess what Erewhon's next announcement will be in the comments. The first 25 to guess will receive an Erewhon mystery bags and they are encouraged to post their box on social media.
  - To increase user generated content leading up to the opening of the store, a social media contest like this will help to deliver just that. By having an interactive game, Erewhon can connect with more than the influencers and celebrities that are a part of their audience. They can also engage the people that simply enjoy the brand and its product offerings and reward them for their support. This will help to again increase awareness leading up to the campaign across various audiences.

#### Owned

- Erewhon Essentials. Post profiles of celebrity chefs and food influencers where they detail their "erewhon essentials" on their shopping list.

- The recent rise in popularity of private chefs on social media has shifted the landscape of food influencing and created an inside look into the luxuries of having a private chef. To increase product awareness, Erewhon can utilize these influencers to share their favorite and essential ingredients that are exclusive to Erewhon.
- During the summer, have a Hamptons pop-up to continue the “buzz” of the New York launch.
  - Since the majority of Erewhon’s Manhattan target audience spend their summers in the Hamptons, Erewhon can keep the momentum of the New York City launch with a Hamptons pop-up. This will increase audience interest in the store opening and is an opportunity to connect with the community in an intimate and meaningful way.
- Every other Friday have dollar pizza slices for the first three months of launch.
  - Similar to the bagels, \$1 pizza slices are a well-known staple of New York City culture. Since many LA stores serve wood-fired organic pizzas, Erewhon can bring this aspect to the NYC store and serve \$1 slices every other Friday for the first 3 months to connect with the NYC community. This will increase traffic in stores while bringing a unique NYC feel to Erewhon.
- Hold opening weekend events focused on health and wellness while supporting local brands.
  - On opening weekend, Erewhon can have special health and wellness related events each day to attract customers while also connecting and forming relationships with local businesses. Each day can have a new theme and centered around a specific health topic. This will give customers an interactive experience while allowing them to try what Erewhon stores offer.

## KPIs

1. Social media coverage
  - a. Since Erewhon has a large social media presence, especially through influencer posts, they can monitor media coverage to gauge how well specific tactics are

performing. Additionally, monitoring media coverage through hashtags, etc. will provide insight into influencer and customer content on social media platforms.

2. Monitor audience interaction on owned media posts

a. Erewhon will be promoting the New York City launch on its own Instagram. As Erewhon posts to promote the launch, they can monitor audience engagement through comments and likes. This will help gain insight into what interests their audience and help measure excitement and success for the store opening.

### 3. Website hits

a. After announcing the launch, Erewhon can monitor the amount of times people located on the East Coast view their website. This will help gauge interest while also allowing Erewhon to measure the success of their advertising. On their subway OOH advertising, they can place a QR code that will lead to their website so people can easily access it.

## Timeline

[illegible]

[illegible]



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