

Transcript — Episode 1: It's about the Products

Matt: Here's a taste of what's coming up on... Inside Trader Joe's.

[Trader Joe's store ambience including cash registers, customers chatting, groceries being bagged]

Tara: Why do you shop at Trader Joe's?

Katina: Because you have the most variety. I actually remember you guys when you guys just had like nuts and cheeses. (laugh)

Matt: We actually sold sandwiches by the inch and I always wondered, like, did someone say, "Give me an inch long ham on rye?"

Chris: There really are hundreds of thousands of wines available in the market. We carry about 500 in our stores. So we're tasting every day, literally every day.

Tara: There are people who work here at Trader Joe's, whose job is to go out into the universe and find the foods we don't know we need.

Lori: There are very few places I go that I, that I haven't really enjoyed, but I love Paris.

Matt: I will cop to having eaten some biscuits intended for animals other than humans recently. But I can say with conviction, we taste everything.

Voice: The Tasting Panel's meeting right now, so... follow me!

Bryan: I think our store's probably are all in the range of sharing from 600,000... 700,000 a year to over a million dollars with their local communities.

Xavier: I'm a marketing person. You guys are marketing people, so innovative, interesting, engaging.

Matt: In hindsight, we probably should have known that some of those products were going to be misses.

Tara: Like what?

Matt: We thought chunk pilchard in a can would be great.

Rosalio: We're in the people business. We sell groceries, but we're in the people business.

Tara: We'll even hear from Joe himself.

Joe: The demographics were changing in the United States, and I thought that these people would want something different.

Matt: Why is everybody so nice? It's... because they are.

Bryan: Because they are

[Singing... "Smile... Smile..."]

Tara: Everything is editable. Nothing's going out live.

Tina: We're not going to sound silly? (laughs)

Tara: Well you might, but that's ok! (laughs)

Matt: From the Trader Joe's mother ship in Monrovia, California, let's go INSIDE TRADER JOE'S.

[2 bells rung at a Trader Joe's store]

Tara: When you hear two bells in your neighborhood Trader Joe's, that means that someone has a question that needs to be answered.

Matt: Or a leaky thing of cottage cheese that needs to go back to the refrigerator. But really, customers have been asking questions about Trader Joe's for years.

Tara: We get a lot of email, letters, posts on social media, phone calls, people asking us what it is that makes Trader Joe's so special.

Matt: This isn't going to be a commercial, it's not a long ad. We're really not going to try to do that. We'd really like to just provide some insights into what we think makes Trader Joe's special and what we've also heard from those customers, too.

Tara: I'm Tara Miller, I'm the Director of Words and Phrases and Clause, also sometimes known as the Marketing Director. I've been here at Trader Joe's since 2002.

Matt: And I'm Matt Sloan. I'm Vice President of Marketing Product. I work with a team of crew members covering product related projects from the Tasting Panel, from the idea of the product through the actual product and all the work it takes to get it packaged, labeled accurately, and out to our stores to be on the shelves. And gosh, I've been a Trader Joe's crew member since 1993.

Tara: Wow.

Tara: We have so much to cover.

Matt: We'll take you inside a Trader Joe's Tasting Panel. That's where decisions get made about which products you'll find in your neighborhood Trader Joe's.

Tara: How Trader Joe's customers and crew members are feeding people in need right in their own neighborhoods.

Matt: What a customer said to our CEO that got a big laugh *and* changed how we sell bananas.

Matt: We'll let Joe explain why to this day we all wear Hawaiian shirts.

Tara: How the Fearless Flyer got to so... fearless?

Matt: and our take on values, both what value means in our stores and our products... and the 7 values we try to follow.

Matt: This is the first of a five part series.

Tara: And we're starting with a topic that's near and dear to many, Trader Joe's products.

Customer: Trader Joe's has a lot of products that I don't see at other stores that I really like. Also I'll try stuff that they have at the samples stand. I'll try stuff, and it's actually worked on me. So in that way I get to experience new things that I wouldn't find at another store.

Tara: So Matt, how does a Trader Joe's product happen? How does it go from idea to shelf?

Matt: Well, it really is about that. It's about making something in your head real about making something that's an idea into a tangible thing that we can show and offer and hopefully people want to buy. It's often best for us to get out into the world and not just wait for things to come to us. And so once upon a time, once upon a time someone who was out looking for products for Trader Joe's was visiting a place in Canada outside of Montreal that makes great frozen soup, and they make the soup and this very specific way. It's actually sold in little pucks. You might even think about the French onion soup that Trader Joe's has sold for so long in that format. And this person from Trader Joe's, this product

developing type person, who happened to be me at that point in time... So it was me. I was there, and watching them make the soup. And at this point I was thinking like, "Wow, what else could they do here?" They kept showing other soups and lots of soups and I kept thinking, "We don't need any more soup." But at this time, steel cut oatmeal was really popular, and the biggest downside to steel cut oats at that point was how long it took to make it... Like 45 minutes. You know the pot's gonna boil over, it's going to make a mess. All this for breakfast! How can we make it simpler? And so I asked the soup people, "Hey, you guys ever cooked oatmeal in that giant machine over there?" And they thought I was nuts and they thought I was crazy. "I cannot do it!" in like your québécois accent. But we started working on it, and we started working on cooking steel cut oats and putting them in these portioned pucks if you will, and selling them. And we're actually still selling that product now.

So it's often just thinking about how to solve a problem and looking at the immediate situation of where you're at, a frozen soup factory, and thinking like, "Wow, can I actually use these resources to solve this other problem?" So you took the soup situation and used it for breakfast.

Tara: What are the attributes that make a Trader Joe's product a Trader Joe's product? Why are Trader Joe's products different than any others?

Matt: There's so much variety in terms of what goes into our products, but there is a very consistent thing that has hit, we hope, product to product to product. It's great. It tastes great. It's enjoyable to eat, to drink. That's really important. Our products really are about what they are. So you can have a laundry list of what's not in them, like artificial red dye. We might use juice from a beet to do the same thing, to give a nice red color, but it really is about what that product conveys and what it is. Is it a great tasting wine? Is it a delicious cheese? And to get there, there are a lot of things that we don't allow in our products. Synthetic preservatives... We don't use any genetically engineered or genetically modified organism ingredients. And while those are really important and customers expect those attributes from our products, products live and die by whether or not they taste good.

Matt: Listening for tips on great Trader Joe's products to try for yourself? We'll have lots of 'em throughout our 5 part series.

Michelle: I really like the Trader Joe's vegetarian chili and right now they're out of it still. They still carry it, but they're out of it.

Xavier: Oh, favorite Trader Joe's product? All the produce. I constantly am on the trail mix.

Sheena: I was really into that almond jalapeno dip we were carrying, so I'm kind of waiting for that to come back.

Ray: My favorite Trader Joe's product would be that orange chicken, which everybody loves, you know. It's so easy, and it's so delicious, and sometimes you just want something quick, fast that you can

eat and know it's going to be delicious and have it with some of that jasmine rice and some of those peas, and that's a dinner for me, you know? Yeah. I love that.

Jon: I'm Jon Basalone, President of Stores for Trader Joe's, and I've been with Trader Joe's for 28 years. Held all sorts of jobs with Trader Joe's. Started as a crew member, was the captain of a store in Arizona, came to Southern California as a regional, worked in the office for awhile, you know, kind of trying to find my niche, I suppose. (laughter) Now I've been in this position for about three years. Looks good on my business card, but you know, we're all crew members, so...

Tara: One of the jobs you had in the Trader Joe's office along the way as you looked to find your niche was Vice President of the Merchandising Department, which is leading up the buying group that brings in all the new products. Can you explain a little bit how we buy things has evolved over the years?

Jon: I think in the very early days, we were relying on outside sources to offer us a product. "Here's the list of products to choose from," or "Here's some things you can look at." It might have been a little more curatorial in aspect when it came to what was in a Trader Joe's store, where Joe was maybe the curator. "Hey, this is the kind of stuff we should sell." And he just found suppliers that had lists of products, and he kind of chose what those were. Over time we sort of moved into, "We could probably do this and make this really interesting if we went out and tried to find this stuff ourselves, not be sitting around the office waiting for people to bring us stuff. Let's send them out and see what they can find."

"Hey, we're not like anybody else. We don't need all your advertising dollars and your marketing dollars. You don't need to buy space in our store. By the way, we want you to take all those other costs out of it because you don't have that cost with us."

[In-store noises...]

Crew Member: "The customers are very intelligent. They're very smart with their shopping and what they want."

Customer: "Everyone's so friendly. The prices are wonderful."

Tara: People talk a lot about value. Value means different things to different people. What does it mean for us?

Matt: A lot of times, value is equated to meaning the lowest price ever with no consideration for what you get for that price. For us, what you get at a price is what really matters. We're interested in great quality at a great price, and you can't separate the two.

Matt: Really, who doesn't love finding something new and who doesn't love a little bit of a treasure hunt? It's really just become expected from our customers of us to be out there finding stuff. We need to be actively on the road looking for things.

[Sound of car driving by on highway]

And we're going to talk with someone whose whole mission is just that: Being those boots on the ground in a place we didn't think we needed to go find something that we didn't know we cannot live without. But now that we have it, we're so excited.

[French street café noises, French music in background behind...]

Lori: I love Paris, but there are a lot of places I really like. I mean I've been to so many countries and seen so many things and found really cool things I didn't know existed. A lot of which are in the store, which I enjoy that aspect of it. There are very few places I go that I, that I haven't really enjoyed, but I love Paris. (laughs)

Tara: That's Lori Latta. She travels all around the world as our VP of Product Innovation.

Lori: What I've done recently, which has worked really well, is... I'll find, or I'll go online or I talk to different people in the country that I'm going to and say, "I'm really looking for somebody who's really an expert in food, and I don't want to take the normal tour of the normal places, but I want somebody who can show me the markets and show me ... like ... really interesting, very traditional foods from that place."

[Car doors closing, distant voices]

So I've hired a couple of different people for a day or for two days in several countries and that's turned out to be a really great way to do it. I tell them exactly what I'm doing, where I'm from and such, and so far, I've done really well that way. That's turned out to be a really fun way to see cities.

Tara: Can you pinpoint a product that you have guided through development that is the most unique?

Lori: Tara, people always ask me about, like, what do you have coming? You know, I actually, I do so many products that it's really hard for me to remember. I do have a very favorite product coming, which I won't tell until the next time when we actually have it in the store, and that's something you will have never seen. But I would say that in the store right now are the mango and sticky rice spring rolls.

Tara: Those are fantastic.

Lori: So that, that's probably one of my favorites right now, but there have been so many... the riced cauliflower? You know, you see it everywhere. We never had... I mean, you never saw it in a grocery store until we, we did that. I think the cauliflower pizza crust is similar. Now you can find that around. But for a really cool product, I'd say that, the spring roll.

[Electronic chirp notification noise]

Tara: Here's an update since we talked with Lori here in our Trader Joe's mother ship.

[Factory noises, equipment humming, French voice in background]

Tara: Right now, she's in France and if you listen closely, you can hear her talking with a gentleman with a heavy French accent? They're at the world's largest Madeleine factory.

Lori shouting: 1600 kilos an hour!

Matt: Knowing Lori, she's hitting up some great French restaurants and markets while she's there too, looking for some flavors to bring back home.

Lori shouting: On her line... and there are a lot of lines. So it's a lot of Madeleine.

Matt (off mic): You good level-wise? Dan, could you please tell us your name and your title?

Dan: Sure, I'm Dan Bane. I'm the Chairman and CEO of Trader Joe's

[Sound effect of mail arriving.]

Matt: This is just in from the TJ's mailbag: We get this question a lot actually. What's up with bananas? Why do we sell them 19 cents each?

Dan: Interesting story... I was in the Sun City store, and we used to sell bananas by the pound, like everybody else, but that meant because we don't have scales in the store, that we had to weigh them and package them in little plastic bags in the warehouse before they got shipped out and usually the smallest bag you could buy, it was like four or five bananas. I was watching in Sun City which was near a retirement complex. Customer... nice little lady... customer comes up and she looks at all the packages but didn't put one in her cart. And so I asked her, I said, "Ma'am, if you don't mind me asking, I saw you looking at the bananas but you didn't, you didn't put anything in your cart."

And she says to me, "Sonny..."

"Sonny, I may not live to that fourth banana."

[Laughs from others in the room.]

And so we decided the next day we were going to sell individual bananas. And they've been 19 cents ever since.

Matt: Just like that. That's incredible.

[Sound of small airplane buzzing by overhead (as in the Trader Joe's Fearless Flyer)]

Tara: I very specifically remember the Tasting Panel back in 2002 when we approved what would become Trader Joe's Mandarin Orange Chicken. I do remember the day because it was a phenomenal Tasting Panel. Everyone's like, "Oh my God, we need to bring this in." It was, it was, it was so good. Everyone wanted... Everyone wanted it in right away. Mandarin Orange Chicken came about because a chef who had created a very similar dish for a, a Southern California restaurant had come to us and said, "I have this great recipe that I created, that I own, and I would like to make this for you at Trader Joe's." And so we all got really excited, and we wanted to bring it in. And we planned to put it in a Fearless Flyer relatively quickly. And everything got moving and we were all excited about it and we wrote the article for the Fearless Flyer, we printed the fearless flyer, and the Fearless Flyer was getting ready to be put in the mail, and we found out that the product wasn't ready. It wouldn't be ready for quite a while because the packaging wasn't printed, and the packaging needed to be printed in a very specific place. But the product was featured on the front page of the Fearless Flyer. That's how excited we were about it. So all we could think of was, "The Fearless Flyer is going to arrive in people's homes, and they're going to get as excited as we were about this product because we wrote it in such a way to really show how excited we were." So we made a last minute decision.

Matt: What we were able to cobble together was basically a clear plastic bag with kind of a half-baked, if you will, sticker slapped on there. And I mean, it really was a testament to the power of language and words that the Fearless Flyer article could describe what you were getting, because it looked like you were getting a zip lock bag of leftovers for several months.

Tara: And Mandarin Orange Chicken would not only go on to become one of our best selling items, but it has been the overall favorite Trader Joe's product in every Customer Choice Awards survey that we have put out nine years running.

Matt: You're listening to a 5 part series that takes you Inside Trader Joe's. If you like Trader Joe's and you even liked this podcast, rate us on Apple Podcasts or wherever it is you found this.

Tara: Oh, we'd like that. And here's what's on the next Inside Trader Joe's.

[Montage of highlight clips:]

Matt: We're in the kitchen getting ready for a Trader Joe's Tasting Panel.

Tara: We once let a newspaper reporter into the tasting panel. Photos were taken only if the Tasting Panel participants wore bags over their heads.

Developer: Alright, so I think thin Joe Joe's are great, don't get me wrong, but today I have a cinnamon toast version for you in the classic format.

Tara: The theme of this episode is values.

Joe: The demographics were changing in the United States.

Matt: Joe is the classic entrepreneur.

Joe: And I thought that these people would want something different.

Robin: In the beginning, the store was not a success. It was so bad that Dave Hetzel and I would take turns dressed in a gorilla suit flagging people in.

[Street traffic, car honk, person grunting like a gorilla]

Tara: That's on the next Inside Trader Joe's.