

Transcript — Episode 22: Trader Joe's Beauty Routine Is Pretty...

Matt: Thank you for making Inside Trader Joe's one of the most listened to food podcasts.

Tara: And on this episode, we're not talking about food.

Matt: What? No food?

[Suspenseful music begins.]

Tara: No food.

Matt: Well, if I bring up food, what's going to happen?

[Foot stomping on hollow floor.]

Matt: Is this a trap door?

Tara: Here's a sample of what we will explore on this episode of Inside Trader Joe's.

[Suspenseful music ends. Teaser Montage – Upbeat music begins.]

Jamie: Customers aren't only interested in what's in their food. They are interested in what's in their household cleaners, what they use around the house and even what they put on their body and their skin.

Taryn: A lot of money in cosmetics goes into marketing and at Trader Joe's, we don't have that, so we can really give all that value to our customers.

Jason: The Tea Tree Tingle. As a guy who cares a little bit about his hair but doesn't worry about it too much, going to this was amazing.

Matt: And at the conclusion of this episode, a few words of appreciation for the man whose name is on our stores as we remember Joe Coulombe.

[Upbeat music ends.]

Tara: From the Trader Joe's mothership in Monrovia, California.

Matt: Let's go Inside Trader Joe's.

[Theme music begins and 2 bells ring at a neighborhood Trader Joe's.]

Tara: I'm Tara Miller, the Director of Words and Phrases and Clauses.

Matt: And I'm Matt Sloan, the Marketing – Product guy.

Tara: Okay, let's start with some retail jargon acronyms, Matt. The first is H-A, B-A often pronounced as Haba.

Matt: That's right and it's not to be confused with “Hubba Hubba” as commonly said by Bob Hope.

Tara: Got any 21st century pop culture references for us, Matt?

Matt: I'll work that up later in the show.

Tara: Okay, good. So in this case, HABA stands for Health and Beauty Aids.

Matt: So in our world that could be toothpaste, shampoo, hand cream, stuff like that.

Tara: Yeah and another acronym we want to talk about today, H-H that stands for...

Matt: Yes, as in hands high, the height of a horse or happy holidays, hip hop, his holiness Hulk Hogan, hold harmless, hello, handsome, hi-hat. And of course, half and half.

Tara: Remember we will not talk about food in this episode.

Matt: Oh yes. H-H, that stands for household as in great products to use around the house, like paper towels or a spray bottle cleaner for your countertop. Stuff like that.

Tara: Right. And though Trader Joe's is a limited SKU format store.

Matt: Now let me see...skew, SKU, that stands for...

Tara: Okay, not again...

Matt: Stock Keeping Unit. And we're limited stock keeping unit stores. Our stores are small physically, and we have a relatively small number of products within those stores. Suffice it to say, every single thing in our store being offered to customers has gone through that tasting panel process, irrespective of category. So if it's a health and beauty aid product, it's gone through that process as well.

[Transition: Taryn Interview from Boston]

Matt: Boston is often known as the hub. I think it was Oliver Wendell Holmes who said it was the hub of the universe. I think he meant that in a less than kind way. It was about Bostonian self-importance. But then those Bostonians owned it. So I'm in the hub to talk about HABA – Health and Beauty Aids.

Taryn: Hi, I'm Taryn. I'm a Category Manager for Trader Joe's.

Matt: We are fundamentally a food and drink store. We are a grocery store and we have this complementary mix of other things. We don't have everything.

Taryn: The vision for the category is really to have your everyday basics like toilet paper, toothpaste, shampoo and conditioner, as well as fun things that'll bring in customers to the section where we can really show a value that they're great products, they're on trend but not too trendy. I'd say curated is a good word for it.

Matt: You're a curator, so that to me speaks to your opinion and your view and your engagement of the audience.

Taryn: I read a lot of magazines and a lot do sort of like best of beauty lists. I go to different stores and I try to go to a range. I look at what's happening in really high end. We'll speak to as many customers as possible. It's really great to sort of get a sense of what is really trending and what is out there. Korea is an area where they're sort of a couple of years ahead in beauty. So it's really interesting to not necessarily do everything that they're doing but to know about it and really sort of be informed. It's fun to me.

Matt: You mentioned high end and so that's going to be expensive, big price tag, big ticket. And I feel like that a lot of health beauty stuff is necessarily expensive. Why is that

Taryn: A lot of money in cosmetics goes into marketing and at Trader Joe's, we don't have that so we can really focus on just the ingredient cost. And we also, just like in food, work directly with suppliers who are manufacturing the materials. We have innovation teams that go out to different countries and find suppliers.

Matt: Think about a really involved project. Was there a beauty care project that was just really full of twists and turns?

Taryn: I would probably say the new beauty advent calendar.

Matt: So we're of course talking about the 12 Days of Beauty. That calendar from, at this point now is the 2019 holiday season. So last year's holiday season.

Taryn: We put some of our favorite existing items into that and we also had to develop every other ingredient and product that went into that.

Matt: There were some things in that are already existing already on our shelves, but I noticed a few things that we don't sell regularly on their own. Is this a little bit of a spoiler alert? What's going to happen? Are we going to maybe see some of those products or is it too soon to tell or is it secret?

Taryn: (chuckles) There's a couple of the items in there that we've gotten some really positive feedback on so it's too soon to tell, but potentially.

Matt: You talked a little bit about product innovators, about going to places, going to places like Korea.

Taryn: It just kind of blossomed into a center for innovation on skincare and beauty.

Matt: Do you see specific things coming to the U.S. and how long does that take or are there specific products that we've introduced because of what these people have seen and going on in Korea?

Taryn: A lot of times it's ingredients. I know they were using a lot of different fruit extracts and things like that and we might have some really fun items coming this summer.

Matt: Can you give us a hint? Just a little clue? Like is it, I mean, stone fruit? Is it a melon? Is it a grape? Is it...

Taryn: Watermelon and strawberry.

Matt: Okay. Two great tastes that taste great together.

Taryn: Yes, I would not suggest you eat it.

Matt: I'm not sure that I can wait. Can you give us a little bit more info? That sounds interesting.

Taryn: So we have two items...

[Tympani roll.]

Taryn: The first is a Watermelon Face Spray and that has both watermelon fruit extract, watermelon juice and watermelon seed oil and squalane and hyaluronic acid. Should be in stores by June.

Matt: What else is happening?

[Tympani roll.]

Taryn: We also have a Watermelon Overnight Face Mask, which is like a super concentrated version of the gel moisturizer with watermelon extract and watermelon seed oil and you put it on your face and it absorbs in really quickly and you sleep on it overnight and wash your face in the morning. And it should be really moisturizing and you should wake up glowing.

Matt: Anything else coming out soon?

[Tympani roll.]

Taryn: Strawberry. We have a really fun body scrub. A sugar-based body scrub. So there's sugar as an exfoliant, but there's actual strawberry seeds in the formulation to use as an exfoliator.

Matt: Salt was the scrub thing of choice. And is it now sugar or does it just depend?

Taryn: There's both. Sugar can be a little coarser than sort of the fine grains of salt. So it's better for a body scrub.

Matt: Interesting, okay. Are there other types of products that we're looking at or that you're thinking about?

Taryn: Hair care.

Matt: Hair care.

Taryn: Is an area that we've really been looking at updating. We brought in first the hair mask and a hair serum. We approved a dry shampoo that should be coming in 2020 sometime, that's non aerosol, which is really exciting.

[Transition – Upbeat music begins.]

Matt: What you just described sounds a lot to me like the Trader Joe business model, just making itself real in product. So if you go out after specific ingredients, great quality ingredients and you work directly with the producer of the stuff, the maker of the product, and you don't have a bunch of expensive fancy marketing campaigns, so then it's just the product. It's the cost of goods. I hear people tell/talk of like, "Wow, well this moisturizer that you sell for \$8 it's like this other thing that's \$40."

Taryn: And I know which product you're talking about. It's my favorite product to the category. It's the gel, Ultra Hydrating Gel Moisturizer. When I moved to Boston, my skin went crazy with the cold weather in the winter. I was breaking out and my skin was simultaneously dry and oily and I started using this gel moisturizer that was \$50 a bottle and it was amazing. It immediately cleared up my skin. It was great, but it was \$50. And so I got to thinking, well, this sort of gel moisturizer is really trending. So I went to one of our suppliers who really focuses on facial products and has dermatologists on staff and said, "Hey, I really love this product but it's really expensive and I would love, and think a lot of other people would love, something like this in our stores. Can you work on this for me?" We went back and forth with a few different iterations using a lot of the same ingredients and fell in love. And that's what you see now on the shelf. And you know, \$8.99 was actually a pretty big stretch in our category. That was one of our highest cost moisturizers. But we really felt the value was there and comparatively in the marketplace, it was still a really amazing value.

Matt: Everything goes through the tasting panel process. We're not eating the moisturizer necessarily, but we're evaluating it.

Taryn: It's a little longer process because you can't just try a face cream once and know if you like it. So we send home small amounts of the product to lots of the people in our office. We try and use a different set of people who have different skin types, different hair types, and we send them home with the product to actually use for however long of a number of weeks.

Matt: So there you have a little bit of inside Trader Joe's knowledge. Another perk of working in the office is you are literally the guinea pig, the tester for these products. And I don't mean to make fun at the expense of guinea pigs, we actually don't have anything tested on animals. And that's been an important aspect or an attribute of these products for us for quite a long time.

Taryn: Absolutely not. All of our items are cruelty-free and we plan to keep it that way.

Matt: Unless you're on the tasting panel and you have a bad experience with it, right.

Taryn: Well, yes, we have had one or two people have slight reactions and usually we go back to the drawing board then.

Matt: That was that session where I had the bag on my face for the tasting panel.

Taryn: (chuckles)

Matt: Is there anything that you want to make sure that, that we cover where it's like, man, this...

Taryn: There's another item that's in our household category. We have a summer candle trio that has some really fantastic summer scents. There's a strawberry basil, watermelon mint and pineapple cilantro. And I'm just really excited to see what our art team does. I expect the label to be lots of bright colors and watermelons and pineapples and just very summery.

Matt: It sounds like some variant of like the folk movement with the Kingston Trio, the summer candle trio.

Taryn: It's the best smelling day in our conference room when our candle suppliers come in.

Matt: The work that you've done with the team on these different candle products, I mean, they've really clicked with customers.

Matt: We'll catch up again soon. Thank you, thank you.

Taryn: Thanks for having me.

Tara: We'll go back to Boston for more with Matt about H-H and HABA. But first...

[News breaking music begins.]

Tara: We interrupt this podcast to bring you Habum, Habam? HABAM! Health and Beauty Aids for Men. Okay, listen that's not really a separate category. We just made it up.

Jason: Hi! I'm Jason and I'm a guy. I am from our merchandising department, Buying Excellence Manager and I get to do a lot of forecasting and projections with our buying team, which is a lot of fun.

Tara: When you are shopping at Trader Joe's and you're looking for personal care stuff, what are you looking for? What are you buying?

Jason: Yeah, I have a few go-to's. As of late, the tea tree shampoo and conditioner.

Tara: Uh-huh.

Jason: The Tea Tree Tingle to be exact, is what it does too, is it tingles.

Tara: I have a teenager, a teenage son who swears by this stuff.

Jason: Another one of my go-to items is our Moisturizing Cream Shave.

Tara: The mango one?

Jason: The mango.

Tara: Okay.

Jason: You can't go wrong with that. I have very sensitive skin. Being in Southern California where we live, there's times when it's very dry out.

Tara: Yeah.

Jason: And it does the trick.

Tara: I hear you on that one.

Jason: Another item used daily and that is a body wash. It is our Citrus Refresh Body Wash.

Tara: OK.

Jason: And between these three items, I feel like I'm set.

Tara: Okay. There's a little tingle, a little refresh.

Jason: (chuckles)

Tara: Okay. And the shave cream, it's like a little moisturizing, makes your skin feel soft. Just sort of an easy way to understand that these products are as applicable to men as they are to women.

Jason: They are. And thank you for allowing me to share.

Tara: And now we're going to head back to the other mothership in Boston where Matt is ready to talk to Jamie.

Matt: Jamiee, how are you?

Jamie: Great.

Matt: Just give us a little bit of a rundown. Who are you, what do you have going on?

Jamie: I'm a Director of Nutrition here at Trader Joe's. We work with our vendors to make sure that we're reviewing our labels and making sure that everything that goes on our labels, is not only compliant with the regulations that apply to that particular category or that product, as well as making sure that everything on that label is truthful.

Matt: So you're sort of crossing a lot of T's and dotting I's from this regulatory compliance perspective, but you're also, you're a customer and so you're looking at that through the lens of like, what's this gonna look like?

Jamie: We don't only sell food, so labels, as well as cosmetics and household products are also regulated. It's not only about the ingredients, but it's about the claims and the other product marketing that go on that package in order to market and sell what that product is to our customer. So our team is very much involved in ensuring that those marketed claims, I would say, are truthful and not misleading especially with things like cosmetics, they are not drugs. So we need to make sure that we're not making any claims that are curing, preventing or treating any diseases. We want to make sure that everything we put on the package is validated. So an example, Matt, would be something like hypoallergenic or even biodegradable on our cleaners. We need to make sure that those are substantiated.

Matt: Hypoallergenic. What does that actually mean? I've kinda been wondering for a long time now.

Jamie: Trying to put it in simple terms.

Matt: That would pretty much work for me.

Jamie: So with cosmetics we think differently than cleaners cause they're used on your skin. So all of the vendors that we work with would have to do testing with the product that we're going to sell in the stores to ensure that there isn't any sensitivity or reactions to it.

Matt: And I know that, well, those tests are not conducted on animals, so how do we go about that?

Jamie: It's always under the supervision of a dermatologist. So those particular claims need to be done with ingredients and products that we know are safe and approved by the FDA.

Matt: I'm picturing a guy who gets like the moisturizer squirted in his eye or something and he's like, "Nope, I'm good."

Jamie: (laughs) Also too, things like ultra hydrating and we need to make sure that, and it gets complicated there too because things can be hydrating, but when you start using terminology like ultra, we need to make sure that it is more hydrating than your typical lotion.

Matt: It sounds like a superhero. It's like ultra man, ultra hydrating.

Jamie: So that's where it gets tricky, Matt, where you're getting into a bit of the marketing twist on how to portray one product and its ingredients differently than the others and its usage. So you may just see hydrating or moisturizing or leaves your skin feeling soft.

Matt: How ingredients are listed on these types of products, it's been going through some changes and it feels like it's getting sort of, at least from my perspective, a little trickier to read, not necessarily easier. Why is that?

Jamie: The FDA regulates ingredients, statements for cosmetics and it's called the I-N-C-I, International Nomenclature of Cosmetic Ingredients.

Matt: Oh, I always love a good use of nomenclature. The I N C I!

Jamie: So if there were some previous common names in English that were used once this system was adopted, the English term carried over into a parenthetical phrase within the ingredients statement. So you might see pomegranate in parentheses or olive in parentheses, but there are some ingredients like green tea extract that might be called out in the front panel if the product contains it. But then when you go to the ingredient statement and it would have the scientific name.

Matt: So on the front of the package, such and such with green tea extract, and is it the Latinic botanical name? So it's going to say *Camellia sinensis*? I mean, I would know cause I know what tea is called, but like you might not know that those are the one and the same.

Jamie: It does cause a little bit of confusion. I can see from the customer standpoint.

Matt: This was a change that is required. I mean it's not just a, "Hey, let's make these labels more difficult to read."

Jamie: And it's important to think about cosmetics and household cleaners differently. Customers aren't only interested in what's in their food. They are interested in what's in their

household cleaners and what they use around the house and even what they put on their body and their skin.

Matt: It hasn't always been necessary or a requirement to list ingredients for certain types of products.

Jamie: For household. Yes.

Matt: I just would have assumed that you had to. And so that could be why if I'm used to buying a certain dish soap and it's like, "I'm pretty sure it's the same dish soap," but it looks like all of a sudden it has a bunch of stuff in it that I didn't think it did before. That's because we just added some clarity or we went to this model of listing everything.

Jamie: Exactly. In terms of household cleaners, you will see obviously those chemical sounding names, but there are ingredients that we wouldn't allow like ammonia and chlorine bleach. Obviously the number one goal here is to make sure that the product is safe for use, there's nothing growing in it and you're able to keep it in your shower and in your cabinet. But in regards to what we might not allow in our products, Matt, it would be something like parabens, a sodium lauryl sulfate, phthalates, synthetic colors.

Matt: We want to provide information to customers, we want to help customers make decisions that work for them, for their family and friends. So at this point, does that mean that for health and beauty products, household products, that whatever is in there is listed on the label?

Jamie: Yes.

Matt: You might have to go to a dictionary or some sort of plant guide to get the Latin name figured out, but it is there. Jamie, thanks so much for spending some time with me here.

Jamie: Thank you for having me.

Matt: We catch up again soon.

[Transition back to LA.]

Tara: Matt, I'm really glad you were able to get to the other mothership in Boston because there are some folks there who are really knowledgeable about HABA and Household. I want to introduce Rachel who is a coworker of ours here at the mothership. Hi Rachel.

Rachel: Hello. Great to be here. I work in the marketing department and I do all kinds of things as many of us here do at Trader Joe's. We wear a lot of hats. So one of the things I do

is, I manage our Instagram account. If you're not following at Trader Joe's, click a follow. That would be great.

Tara: Rachel, in addition to all of these things that you do here at Trader Joe's, you are truly a HABA super user.

[Superhero trumpet fanfare.]

Rachel: That I am Tara, that I am. (chuckles)

Tara: Do you have a cape?

Rachel: I mean, yeah. Sits in the bottom drawer of my cubicle.

Tara: Because you need to write about these things, you will get samples early and get to try them out.

Rachel: Full disclaimer. I'm not a skincare expert. I'm not a dermatologist, nor am I any kind of, you know, skin YouTuber. You won't find me if you Google me,

Tara: But you use the stuff.

Rachel: But I love skincare stuff. I've been a skincare HABA junkie since I was a little kid.

Tara: What Trader Joe's HABA stuff do you use?

Rachel: I've really been perfecting my routine here. What don't I use, Tara? I use it all. I love our Hyaluronic Moisture Boost Serum because for me that is sort of like this double-edged thing because it not only moisturizes the skin, but it also kind of acts as a barrier. And so I put that as the first layer. Well, first I wash my face, let's start there.

Tara: Okay, well that's important.

Rachel: I like our All-In-One Cleanser. I think that's really nice. I kind of tend to be on the drier side with my skin so then I'll put on the moisture boost serum. Usually what I'll do next is I'll take the Ultra Hydrating Gel Moisturizer, which is so nice. I store mine in the fridge just because I love the way it feels when it's chilly. It just feels so refreshing in the morning. And then what I've been doing lately is I've been using another serum, which is our Nourish Antioxidant Serum. And this is an off-label use, folks, so it acts as a really fantastic primer for makeup...if that's a thing that you do.

Matt: It could be.

Rachel: The first thing that we launched that like completely blew my beauty mind was the Rose Water Facial Toner. I'm sure my cubicle mates love me, but I keep a bottle of the rose water toner on my desk. I'll spray it midday and it just feels, it feels like a boost.

Matt: And those cubicle mates with the secondhand mist, do they get a little boost too?

Rachel: I think Eric's looking marvelous just from sitting downwind from me.

Matt: Now that you mention it.

Rachel: (laughs)

[Transition.]

Tara: We've been taking the time to update our product offering so it not offering more, it just changing what's on the shelves mostly from older formulations that might have been en vogue 10-12 years ago to newer formulations.

Rachel: So I grew up very close to the South Pasadena Trader Joe's. I rode my bike there all the time. And so I grew up with Trader Joe's and for me, Trader Joe's health and beauty products are my mom's beauty products. My mom is a lovely woman, but they're like...

Matt: Okay, hold on, I think I've got...this is your mom calling.

Rachel: (laughs) I love you mom, I love you. What's so exciting to me is that now we've sort of moved into this other space of like, a more youthful space, which is sort of what you want when you think of beauty products, health and beauty products.

Tara: And one of the things that just came out is the Almond Shower and Bath Cleansing Oil.

Rachel: I love the scent that it leaves behind too. It's so nice

Tara: We've had a lot of customer feedback about sunscreen. Moving forward, Trader Joe's sunscreens will no longer have oxybenzone in them. It's something that blocks UVA rays. It does its job, but there's some evidence that it's not so great for coral and other things. And so we had a lot of customers who got in touch with us and said, "Hey, we love your products and we want to use your sunscreen, but you got to get this out of there."

Matt: There are physical barriers and chemical barriers and that oxybenzone is a chemical barrier. Zinc oxide is easier environmentally than some of the newer chemical

barriers. But there's been a lot of work going into sunscreens, not just at Trader Joe's certainly, but in the larger world that I think we'll see some continued change there.

Tara: We have some really cool new household things coming in like the tea tree oil liquid soap and this one is made with actual tea tree oil but there's one that I want to ask you about. I'm holding a little bag.

Rachel: Do I have to guess what it is?

Matt: You have to name this household product in three bars.

Tara: Here it is. This is inside a little muslin bag with a drawstring. Do you know what they are?

Rachel: These have to be the laundry soap nuts.

Matt: Botanically speaking, they're a droop, so they're like a mango. So it's like a little fruit from a smallish tree and you throw those into the wash.

Tara: In the bag.

Matt: In the bag. And they kind of cruise around and they break down over time, dissolve, but they clean clothes.

Tara: This is mind blowing.

Matt: I was incredibly skeptical of these cause I have kids at home, it's like, how are we gonna get these clothes clean? And they actually work. So the soap that goes in the laundry, it goes away, right? And so this is not a detergent. I would call this sort of a plant based soap.

Tara: It's going to be awhile before they make it to the stores too, right? But that is something to be on the lookout for.

Matt: I'm very curious to hear customer reaction.

Tara: Rachel, I actually learned quite a bit during this conversation. Mostly that I'm going to try putting my gel...

Rachel: Toner in the fridge?

Tara: My toner and my gel moisturizer in the fridge. I'm going to see what that does. I'm going to try that out.

Rachel: I hope you enjoy it.

[Music ends.]

Matt: We'd like to take a moment to express our appreciation for the "Joe" behind Trader Joe's, our founder Joe Coulombe. Thank you, Joe, for the intensity of your entrepreneurial spirit for seeing opportunity at every turn and for going against conventional industry norms for opening the first trader Joe's in Pasadena in 1967. For building a company that introduced something welcomingly different in the grocery retail space. For making surprise, discovery and change necessary ingredients in grocery shopping. For including cartoons in the Fearless Flyer. For understanding that while what you know is interesting, that what you are learning is vitally important. And for sharing your intellectual adventures with those around you. Thank you, Joe.

Tara: Joe's curiosity, philanthropic generosity and irreverent sense of humor were woven into the fabric of the culture that defines Trader Joe's stores. Joe retired in 1988, but that culture carried on and is evident today. Joe said he always believed that it is the quality of the people that set Trader Joe's apart, and we acknowledge that that started with Joe.

Tara: We think Joe said it best:

Joe: Lighten it up. Don't take it so goddamn seriously.