

Transcript — Episode 4: The Store Is Our Brand

[Store noises... cash register, UPC scanner beeping, distant voices chatting]

Jay Jay: It's fun! You know, when thirty people come in and give me hugs, thirty people in one day... It's amazing. I've made new friends, you know. They're family.

Jay Jay: We have such an eclectic, diverse clientele base that I think that, uh, there's a million stories.

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

Matt: Let's go INSIDE TRADER JOE'S.

[2 bells ring at a neighborhood Trader Joe's.]

Tara: Welcome to episode four of a five part series that takes you Inside Trader Joe's. I'm Tara Miller.

Matt: And I'm Matt Sloan. Later in Episode 4, we'll taste some wine... and we'll also visit Napa Valley, California, where we search for more great wines and great values. But first, we'll explain one of the seven values that guides Trader Joe's. It says, "The store is our brand."

Tara: And I'm really excited for you to meet some of the customers and Crew Members in our stores. They really are some of the nicest people you'd ever meet.

Matt: And if you've ever thought about applying to work at a Trader Joe's, listen closely for some tips on how to ace the interview.

Jon: I'm Jon Basalone, President of Stores for Trader Joe's. I don't really use the title too much, but... uh, yeah... that's it.

Tara: Well, we're going to use it here.

Matt: The store is our brand.

Tara: The store... is our brand.

Jon: The store is our brand. People can't understand, "Why aren't you selling products online? How come you don't just sell wholesale to China? They want a bunch of your products. Why don't you just send truckloads and shiploads of, of products to other countries and make a bunch of money?" It's like, well, because that's not what Trader Joe's is, you know, for us the store is our brand and our products work the best when they're sold as part of this overall customer experience within the store. And so we're not, we're not ready to give that up. For us, the brand is too important, and the store is our brand.

Tara: More than 80% of the products we sell at Trader Joe's are private label. Keeping things in our label as opposed to the brand name label or a supplier's label helps us keep our costs low.

Matt: We don't collect slotting fees. We don't have the producers of the stuff that we sell, pay for the privilege of having space or any space in our stores.

Tara: And that happens everywhere else, by the way.

Matt: Totally normal grocery store stuff. It doesn't make a lot of sense to me and yet there it is.

[Soft, dark, ominous, futuristic music]

Matt: There aren't a bunch of flat screen TVs and monitors and electronic signs and... Why don't WE have those things in our stores?

Mitch: That's just not, that's not who we are.

Tara: Mitch Heeger. He started out as a part-time box boy and now he's EVP of Marketing and Merchandising.

Mitch: You know when you walk into a store that has a big, you know, screen TV there and you can see yourself on camera, the immediate feeling is someone's watching me, and they must be watching me for a reason.

Matt: And just to be clear, we are not spying on you. We don't have access to your data at Trader Joe's because we don't have any data on you. Do you like cats? Do you buy a lot of chocolate bars? A lot of Belgian chocolate bars? We don't know that about you. We wouldn't share that information with someone if we had it, but we don't have it.

Matt: That was weird.

Tara: (chuckling) It's actually kind of funny.

Matt: We don't know what we don't know and that's a problem. (laughs)

Mitch: God, you know, we have so many great products and they're so unique and people come to our stores for that product. But what they really get excited about and what they write in about a lot of times is the interaction they have with the Crew.

Mitch: A 93 year old man wrote in about he got to the check stand and they surprised him. It was his birthday, and they surprised him with a cake.

[Small group yelling "Happy Birthday!"]

[Cheers and applause]

Mitch: Grocery stores just don't do that.

Matt: I don't think *anybody* does that.

Mitch: But we do, and it's not something that we tell our Crew to do. It's just something that we just do.

[Store noise in background]

Rae: My name is Rae. I am purchasing level five colored bananas. They have green tips almost, almost ripe but not too ripe. Um, I like to ripen them myself. And we're going to be making banana bread. There's about a hundred bananas in there. And I spoke to Josh, a sales employee and I called him every day in the past three days, and he gave me an update on how the bananas are looking, when to come by, when to pick 'em up. So I really appreciate him. Thank you, Josh. Oh, he said, "Ask for me because I don't want anyone to think you're crazy." (laughs) So I appreciate it. (laughs)

Rosalio: My name is Rosalia Medina, and I've been with the company 23 years.

Tara: What's the part of being a Trader Joe's Captain that you enjoy the most?

Rosalio: It's talking to people. It's, it's, you know... We're in the people business, we sell groceries, but we're in the people business. The absolute best part is I get to come to work every day and talk to people and smile and meet new people and it's, I'm really lucky. I'm really blessed.

Tara: Ever wonder what it's like to be interviewed for a job at Trader Joe's?

Rosalio: You know when we do interviews, people say, "Well what's... What do I not know coming in?" I say, "Well, the work part we can train you to do. That's easy, but it's all about the people. Just your ability to talk to people. We've got, um, interview questionnaires, and I'll start with that, and then I tend to get off base a little bit. One of the best of the best questions is, "What do you like to do in your off time?" And then you'll see their passion, and then from there you could talk about food and see how that works out.

Tara: You're not just trying to find someone who can fill a slot on your Crew roster. You're interviewing a person to get to know a person because you're hiring a person, not a widget.

[Acoustic guitar music transition]

Tara: Do you want to start, Tina? Like, just a little bit of your story as it relates to Trader Joe's. What brought you here? How long have you been here, and why have you stayed?

Tina: OK. I've been with Trader Joe's for probably 10 years. Have worked many jobs since I was 15 and this is just like... I see my other friends that don't work for the company and the things they complain about or how they don't have friends at work and I'm just... They don't get to drink wine at work or eat cheese. (laughs) I fit in, right?

Robert: Same here. I've worked for the company 12 years. Maybe like a couple of months into me starting here, they had me face paint. I'm artistic somewhat and so for them to just ask me, "Why don't you start face painting some of these kids? I was like, "Wow, I could... yeah, I could totally dig this." That's what helps is the fact that we can be ourselves. So it, you know, that translates with our energy, with the people.

Tina: I can talk like myself. I can just be myself. I've never ever felt out of place.

Dan: Mrs. Schwartz was a great customer of ours, still is, in Sherman Oaks.

Tara: Dan Bane is Chairman and CEO, but he still goes to Trader Joe's stores and helps out just like any other Crew Member.

Dan: That day I was bagging groceries, and my name tag, which usually says "Crew Member" on it, but that day my name tag said "Bagger First Class." And I was standing there bagging groceries with about a 20 year old clerk who was running the cash register. And I still remember Mrs. Schwartz coming up to the front of the line, and she starts having her, uh, her items scanned by the guy, and she looks at my name tag and she reads aloud, "Bagger First Class." I said, "Yes, ma'am." And she said, "Do you mind if I ask you a personal question?" "No, Ma'am." She said, "How old are you?" I said, "I'm 65." And she said, "Don't you aspire to anything greater?" I said, "No, ma'am." And the checker was like almost laughing out loud and he's having a hard time controlling himself. But I checked her out, took her bags

out to the car and she tried to tip me, and I said, "No, you know, the guys in the store take pretty good care of me," but she promised me that, you know, every day when I shaved, I should look in the mirror and think what I might become. And so I do that every day.

Matt: Thank you, Mrs. Schwartz. (laughs)

Matt: Once again we ask...

Tara: Do you have a favorite Trader Joe's product?

Rachel: I love your dark chocolate peanut butter cups. Those are always a go-to.

Voice: The grassfed buffalo burgers, I love those.

Curtis: The breast of chicken. Love that. They have a cauliflower in the frozen food section. Oh, love the tomato soup. Fabulous.

Tara: Have you tried the tomato soup crackers?

Curtis: No.

Tara: They're called "creamy tomato soup crackers," and it's like kind of having a bowl of tomato soup, but in a cracker.

[Wine pours.]

Chris: My name is Chris Condit, and I work with the wine... here. That was, what was that really your question? Let's see, I'm the category manager for wine for the company known as Trader Joe's.

Matt: We sell a lot of wine and for a lot of people, Trader Joe's is synonymous with wine. It's that place that's always had wine and, historically, wine has played an incredibly important part in our business... a real difference making part of the store.

Chris: I'm going to give you the secret to Trader Joe's here.

[Clip: Chris speaking at a wine tasting. "So far, they've all tasted like Tang, and not the good version if there is one."]

Chris: One thing that we do that sets us apart is we have a Tasting Panel. There's a lot of wine out there. 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.

[Back at the wine tasting, Chris says, "It's got the color, the acid. Yeah. It's pretty good though. It's Russian River, so it'd be 'Trader Joe's 2016 Russian River Petite Syrah.' Have we had a chance to try it, think about it? Who'd like to see that come in? Excellent. And lastly..." Fades.]

Chris: The source of the wine for our various private label and control label programs might change over time, but the wines are always going to be great, because we get to pick and choose. We don't have to carry every wine, and we don't have to always repeat that exact same thing every year. If it's not good, we don't think it's great value, if we don't love the wine, we don't buy it. There's a lot of people that sort of famously make a fortune in other businesses and then they love wine. So "I'm going to open a winery," right? Um, it's kind of like buying a boat, you know, just throw money at that hole in the water. And they, you know, they make their wine, they open that little winery and grow some grapes and then they wait for the customers to show up. Customers don't always show up or the customers already buy X, Y, Z, and they weren't, you know, they weren't just waiting around for this wine to appear before they would start drinking wine or buying wine. They need to clear out those tanks, they need to sell the wine at some point. No matter how wealthy the person is, it's always a bad business practice to not sell what you make. So in those situations, we're oftentimes willing to help them, um, at a lovely price for our customers. And so those, um, we call them hustle buys. Those wines come out in our stores at tremendous prices, and people are just like, "That's ridiculous. How do you do that?" And we sell through it real quickly, and then we're on to the next one.

Matt: What do you hear from customers?

Chris: Our customers oftentimes have a Crew Member that they learn to trust. Like, "I like what Sue likes. Is Sue here today? Because I'm looking for a recommendation for whatever, and everything Sue recommends that, um, I love it." Or you know, "I'm with Bill. Is Bill around? Because Bill's taste buds totally match my taste buds."

Matt: So, you have a long history with Trader Joe's. Is there anything about how the Trader Joe's wine business works now that's new or changing?

Chris: When I first started almost 30 years ago, it was this blend, that blend, so and so's wine. And then the fighting varietal thing happened, and people were like, "Oh, I don't want this blend. I really just like the Merlot or the Cabernet or the Chardonnay." And it became all about varietal wines and that really took over 25 plus years ago, and it's kinda stayed that way. But what's happening is, is some varietals have grown in favor, and some have completely fallen off the map. Merlot is one of the great, easy drinking, most approachable varietal wines there is, and people hate Merlot. They just hate it. "I don't want Merlot. Merlot! Merlot is dead to me."

Matt: You sound like a jerk if you order Merlot.

Chris: Yeah, if you order Merlot, you don't know what you're doing, you're a complete loser.

Matt: Yeah.

Chris: People still love Merlot. The Merlot didn't just like all of a sudden stop growing or something. It didn't go away. They just relabeled it all as "red blends."

Matt: Can we really trace it all back to that movie? Is it that one film's fault?

Tara: It seems that that's where it began, but that's when people decided, "Oh, it's not cool to like Merlot anymore."

Chris: Well, you know Paul Giamatti... So what's funny... *Sideways* is the movie. And, and he's the one that slammed Merlot, which is, which is fine. It was actually a great movie. The little known fact is at the end of the movie, he's drinking a Bordeaux in that burger joint, right? That was a Merlot-based Bordeaux that he's drinking. So his favorite, most prized wine was a Merlot. Anyway, life imitating art.

[Car door closes, ignition starts, shifts into gear, pulls away...]

Tara: So now you've met Chris Condit. I'd like to introduce you to Pat Address.

Pat: I started in the company in 1969. I was 17, and when I was 25, I became a Captain of a store. And here I am at 65, I've got this job that I wanted all my life.

Tara: Pat's got a great job. He rides around places like the Napa Valley, looking for great wines to bring to Trader Joe's.

Pat: The basic job today is sourcing wine that will fit into one of our programs... the highest quality juice that I can possibly find at great prices.

Winery Owner: This is my new baby.

Pat: This is Napa Valley Chardonnay? (sips)

Pat: I'd be interested in this. You haven't sold this yet, have you?

Winery Owner: I haven't sold this!

Pat: Oh, darn! Are you telling me this is 6-99?

Winery Owner: No, I'm not. I promise you this is NOT 6-99.

Pat: This is the best 3-99 wine I've ever had. (laughs)

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 clips from next episode:]

Adam: Chicago's very situated, especially Chicago proper by neighborhoods. So we do our best to make the stores a reflection of the neighborhood.

Jodi: Yeah, I mean, you might see an end cap of prune juice in the Florida market (laughs) before you're going to see that in the Chicago market.

Tim: The folks that come here... they are, they are us. They are working, they're retired, they have grandkids, they have aunts, uncles, they have baby brothers and sisters. They have dogs and cats. They're just like all of us. They just happen to need some assistance.

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

Maurice: This place is a blessing to my home.

Matt: We started this podcast with the goal of answering some of the questions we often hear about Trader Joe's.

Customer: I love ya, but what's up with the parking lot?

Jon: People ask all the time, "When do I get a Trader Joe's in my town?" And I say, "Isn't your town, like, two miles from a Trader Joe's?" "That's not... Yeah, that's not close enough. We need our own."

Mitch: There've been a number of surprises...

Matt: that we thought would work but didn't.

Mitch: Yeah. (laughs)

Lori: We used to have an eggplant wrap, the fresh one. And I would eat that constantly. When that went away, I was pretty sad.

Sheena: I was really into that almond jalapeno dip.

Dan: We're targeting to open 30-35 stores a year...

Voice: We could have a thousand stores but what's most important to us is that we have a thousand Trader Joe's stores.

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