

Inside Trader Joe's Podcast Transcript — Episode 83: Holiday Tasting Panel 2024

[Fun holiday music begins.]

Matt: All right, Tara, holiday movie trivia time.

Tara: I am ready.

Matt: When was the movie *Elf* made?

Tara: Oh, I looked that up because I knew you would ask about *Elf*. That was made in 2003.

[Error buzzer.]

Matt: Nope, it was released that year, but filming began a year before, in November of 2002. What about *Polar Express*?

Tara: Okay, let's see. *Polar Express, Polar Express. 2004.*

[Error buzzer.]

Matt: But filming began in May of the previous year.

Tara: Hmm. Months and months in advance.

Matt: Similarly, here we are in the holiday season of 2024, and we've been getting ready for months. I mean, years actually. We may not have any movie stars, but the holidays at Trader Joe's, they're quite a production.

Tara: Fortunately, we recorded some of our early meetings about this year's holiday products way back in January.

Matt: So think of these as field recordings. And the field is a meeting in a conference room which also doubles as a training room. Now, we don't normally record in this space, and we think we had enough microphones. Let's check it out.

Tara: Let's go inside, I mean, really *Inside Trader Joe's*.

[Theme music begins with two bells at a neighborhood Trader Joe's.]

Tara: I'm Tara Miller, director of words and phrases and clauses.

Matt: And I'm Matt Sloan, the culture and innovation guy at Trader Joe's.

Tara: As any good host or hostess knows, the holidays require planning. And so we've been working.

Matt: We don't have any elves, just crew members, researching, searching, talking with vendors all over the world, trying out possible new products, making suggestions about how to improve last year's things.

Tara: And then right after the holidays ended last year, our product development team brought out all their hard work and did a little show and tell.

Matt: And taste.

Tara: The top secret Trader Joe's tasting panel evaluates every possible product to make sure that each would provide value for our customers.

Matt: It is top secret.

[Theme music ends. Light upbeat music begins.]

Matt: Now, you may hear some voices on these recordings that sound familiar. You might think, "Hey, that's my Uncle Brian" or "That sounds like my neighbor, Kara," but don't ask them, they will neither confirm nor deny that they are a member of the Trader Joe's tasting panel.

Tara: And to be sure, the Trader Joe's tasting panel is a tough crowd. We're only going to let you hear them evaluate products that passed, that were approved, and that are now available in your neighborhood Trader Joe's. But dozens of products were not approved and had to go back to development. Some might return after more development and more modifications, and some will never show up at Trader Joe's.

Matt: And hundreds more products never even made it to the tasting panel in the first place. Let's get to the meat of this episode.

Tara: I see what you did there.

Matt: Let's listen in as a voice that may sound familiar to podcast listeners tells the tasting panel about the boneless rib roast.

[Music transition.]

Panel Member: Okay, so up next is a holiday classic, real quintessential center-of-the-plate protein option for a lot of people's holiday meals. One of my personal favorite dishes, it's a rib roast, also known as prime rib. We're looking to bring this in as a random item for the meat category for \$13.99 a pound. Each roast would range between three and five pounds, which would be an average ring at the register of \$55.96 per unit.

Prepared it for you today very simply with kosher salt, pepper and some 21 Salute Seasoning. It's an Argentinian Black Angus rib roast. It's boneless, so it will merchandise easily at the stores. We don't have to deal with punctures in the bags. We're not charging our customers for bones and we're not asking them to deal with carving it off the bone and slicing it around the bone.

Contrary to what most might assume, it's actually a really easy dish to prepare. The rule of thumb when buying raw prime rib for entertaining is to buy a half a pound per person you plan to

serve, which means each of our roasts would serve between six to 10 people. We're purposely looking at a smaller weight range to keep the ring at the registers reasonable. And we're looking to bring this in as a four unit pack so stores can easily manage the inventory on it.

I hope it's tasting as good as it did when we tested it last week. But I'm going to turn it over to Dan to talk a little bit about why we're pursuing this specific product and why we're sourcing it from Argentina.

Panel Member: So, for the turkey yesterday it was exciting, but this is a pretty emotional item for a lot of folks.

Room: (laughter)

Panel Member: What I would tell you is that, in all of my conversations with store captains, customers, one of the questions that came up during the holiday was like, "Well, where's the beef?" Right? Because you think of what is center plate at Christmastime. Yeah, it's turkey. Yeah, it's ham, but a lot of people it's prime rib. Why Argentina? But if you Google Argentina, what you find is it is one of the most reputable beef producers in the world. It goes to Europe, goes all over the place. And saying that, the Argentinian market, there's five grades of beef, one to five. One being lowest, five being the highest. This is going to be a three plus. This is somewhere right above what we sell in our stores today up to prime.

If you want to take a look at it later, there's a lot of marbling in here. What do most retailers do at Christmastime? They'll find the cheapest beef rib to sell for \$10, no marbling, all fat on top. And that's how they sell it for \$9. Could be previously frozen. This is not. This is as fresh as you're going to get. The aging on it is you've got about 21 days from the time that we actually cut it. And why is it so small? The US beef market is all about big. They want 1,400 pound live cattle. Argentina, they're looking for somewhere around 1,000. You naturally get this. This is not something custom. This is natural for them. This is what they do every day.

Our customer is going to get something like Alex said, for \$50. And that's about what they're paying for a turkey. And I know myself, I love turkey. Don't get me wrong, but if I'm spending \$50...

Room: (laughter)

Panel Member: ...I'm spending \$50 on... You know what I'm saying? This really speaks to what our customer's looking for there. They want quality.

Panel Member: Dan, you talk about the five labels. How is it labeled?

Panel Member: We would label this in our store is no different than what we have today. We can call this premium Angus beef. There's nothing wrong with that. The only thing we can't do with this is it's because it's imported you can't use USDA choice, USDA prime.

Panel Member: Got it.

Panel Member: For anyone that would say, "13.99," this will be a value. I will use two retailers. I'll go low-end and high-end.

Panel Member: One was selling bonus ribs for \$13.99 this year. And they were selling just straight choice, which is going to be less than what this is.

Panel Member: We're selling a bone-in rib for \$12.49, and their prime bonus rib was \$17.99.

Panel Member: How is the supply?

Panel Member: Argentina has not had the droughts that we've had here. Anyone that would like to go on a short trip to Argentina to go see this...

Room: (laughter)

Panel Member: ...the Pampas region there where the cattle is raised, it's very beautiful. It's very lush. They get rain every year. They're not in drought conditions.

Panel Member: There's plenty.

Panel Member: There's plenty.

Panel Member: Not like the shrimp.

Panel Member: There's plenty.

Panel Member: First off, from an emotional level, you had me at marbling.

Room: (laughter)

Panel Member: I don't know if our customer's ready to walk into our store today and put \$100 down on something. But this, yeah, \$50, that's more palpable for them because they're already paying it for turkeys.

Panel Member: Who else is doing beef the from Argentina?

Panel Member: Organic beef is pretty much all imported from, whether it's Australia, Uruguay, South America. On beef, it's very few and far between because the retailers, they brand their whole meat department, USDA Choice, USDA Prime, they do that. This is very unique. I think people will have to get strategic this year because again, where beef prices are going and where they're going to stay for the next couple of years, it's going to be very, very interesting where they go.

Panel Member: You'll see Argentinian beef on menus. And it's partially grass-fed, isn't it?

Panel Member: Yeah, it's grass-fed the majority of its life. But then the last 150 days, it's pure corn, so that's why you get the taste out of this. It's pure corn.

Panel Member: So, the cow's moving.

Room: (laughter)

Panel Member: Oh, no, it's corn time. Keep it.

Room: (chatter)

Panel Member: What's the shelf point? Is 20, 30?

Panel Member: This would be about 21 days, if not slightly more, but that'll be what we get.

Panel Member: And then the spec would be three to five pounds?

Panel Member: Yeah, it's going to hit about four, but we don't want to just say that we wouldn't have anything big. You're going to see mostly three or four.

Panel Member: I mean, I think three is probably too small, honestly. I'm not worried about the price. I'm more worried about people having enough for their dinner.

Panel Member: Yeah. That's fair.

Panel Member: Last week when we tested, we cooked a three pound, just three and a quarter. And we made seven very nice slices from it. And it actually wasn't that hard to slice if you're okay eating it and there's usually someone who likes it a little more well done.

Panel Member: Okay.

Matt: I think a round of applause.

Room: (applause)

[Music transition.]

Matt: That's a nice example of listening to customers. They wanted Trader Joe's to offer a beef roast during the holidays.

Tara: And the vote was unanimous. 21 out of 21. That's a rarity.

Matt: Now when we are voting at the tasting panel, we need a super majority for something to pass 70%.

Tara: But that's even more than a super majority of governmental organizations. Right?

Matt: It's a super, super majority.

Tara: It's super, super, super cool.

[Music transition.]

Matt: All right, everybody. Grab a pencil and paper. I'll wait.

Tara: Oh, good idea.

Matt: I meant for our listeners, because this might get the award for one of the longest product names we've ever had. It's Trader Joe's Crunchy Milk Chocolate Hazelnut Pralines.

Tara: Wow, that is a pretty long product.

Matt: No, wait, there's more.

Tara: Oh.

Matt: Trader Joe's Crunchy Milk Chocolate Hazelnut Pralines With A Whole Hazelnut Center.

Tara: Hold on. I hope everyone jotted that down because you're going to want to remember these. They're really good.

Panel Member: Our customers really like that hazelnut chocolate flavor for the holidays. This item here that Trang's proposing is a smaller size, but it still has that combination of flavors that our customers love.

Panel Member: When we showed this to a few different people in the office and we thought there was space for it based on what Alison said, \$3.99 retail in a milk chocolate, which is trending in our category, neck and neck with dark chocolate at this point. There's not that much else to say about it. It's made for us in Germany. We love the packaging, we're able to change up the foil. And so it's just a fun eating experience.

Panel Member: How many pieces? Sorry.

Panel Member: There are 12 in there? Twelve in there.

Panel Member: An interesting absence of in-depth discussion, because it was just so delicious.

Panel Member: That one was close to a unanimous vote. That was 19 out of 21 panelists voted for this really exciting product. They really are that really nice, rich, creamy, truffle-y texture.

Panel Member: Okay, next up we have something jumbo. I went to visit our vegan marshmallow supplier earlier last year and they were running jumbo marshmallows. And I tried to think of a way of how can we incorporate this into our stores. And so the fourth quarter is such a great time to have something fun and just a little bit ridiculous. And so, we enrobed it in chocolate, and it added some peppermint. This would be because of the delicate nature of the marshmallow, we would have it in a box. And there's four giant marshmallows in the box for \$4.49. The entire product is gluten-free as well as vegan.

Panel Member: Have you made a s'more yet with this?

Panel Member: It's big.

Panel Member: It's too big.

Panel Member: Definitely not plastic spoon.

Panel Member: We can definitely have them be smaller.

Panel Member: Can you use it bite size?

Panel Member: It can be like this.

Panel Member: Even if it was half the size. The idea to replace the Minty Mallows with something new and interesting is great. So much social media feedback about the Minty Mallows being MIA this year. This is just awkward.

Panel Member: That was tasty though. I don't normally even like marshmallows. I thought it was.

[Music transition.]

Matt: Yes, those Dark Chocolate Peppermint Marshmallows were originally, well, substantial.

Tara: Biggish?

Matt: Vast.

Tara: Supersized.

Matt: Unhinged jaw python bites.

Tara: Yeah. I'm actually really glad we played that clip because it's an excellent demonstration of how the tasting panel process can make a really good product even better. We have the finished product with us. It is Trader Joe's Dark Chocolate Dipped Candy Cane Marshmallows. So we adjusted the name a little bit because they have candy cane pieces on the top. Want to see if they're a better size?

Matt: I think we need to. In the name of science, the answer is yes.

Tara: Yeah. Here we go. They look like the size of a standard marshmallow coated in chocolate and peppermint.

Matt: Like your classic campfire s'more marshmallow size.

Tara: And every package has eight pieces. (package crinkling) You want to try one? Cheers.

Matt: Cheers. They kind of look irregular in the best of way. They're not identical. Some of the marshmallows appear to be struggling under the weight of the chocolate and the peppermint pieces. So they're not perfectly shaped, but I find that charming.

Tara: If you're struggling under the weight of chocolate and candy cane pieces, then I think you're living your best life.

Matt: The struggle continues. And the smell is wonderful.

Tara: I love everything about this. I want to put that in a cup of hot cocoa and just let it float around. And add a little bit of extra oomph to the hot cocoa and then enjoy the marshmallow. That's really good.

Matt: I like all the textural components. There's a good amount of chocolate in that chocolate coating.

Tara: Mm-hmm.

Matt: It's thick, the marshmallow is squishy and pillowy. The candy cane pieces have just enough of that tooth-sticking chewy quality that you want. Now keep in mind that the product development team had already put in a lot of work to get this product right. And I guess that there had probably already been changes from the original version that they reviewed, but the feedback from the panel got those down in size and we think improved the overall eat-ability.

Tara: The end result here eventually passed the tasting panel I think unanimously by the time the size and shape were determined to be right. And now they're available for a very brief window at your neighborhood Trader Joe's.

[Music transition.]

Tara: Hey, Matt, do you say pee-kan or puh-kahn?

Matt: Puh-kahn.

Tara: So you think I'm wrong when I say pee-kan?

Matt: No, you're just from a different part of the country.

Tara: I don't remember how our product developer said it during the holiday tasting panel, but I do remember that the Teeny Tiny Pecan Pies were really tasty.

Matt: This is a case where we learned from the success of a holiday product from last year and came up with a similar product that's new for this year.

Panel Member: For our holiday this year, I would say the item that got the most enthusiasm, both in stores and customers without a doubt were the Teeny Tiny Apple Hand Pies. They were one of our top-selling high holiday items for this year. So I think there's definitely an opportunity to expand its format in another flavor profile. It's a great classic holiday item. And I think partnering with this format, which we know our customers love and brings a lot of enthusiasm to the category during the fourth quarter is just a win on both sides.

Panel Member: Yes. What we're presenting today is essentially a line extension of our apple version. It would be the same format. You'd get four pies for \$5.49. It's really a traditional pecan pie flavor. If you're a pecan pie lover, we think that this delivers. The sugar is actually a little bit 30% less in this formulation than our large slice format. Not that we developed this as a low sugar SKU because it's not. It just for that nutritional, the serving size is technically two pies. I think customers would really only eat one.

Room: (laughter)

Panel Member: I would recommend one. These are great for entertaining. They're great for somebody who doesn't want to buy a whole pie and commit to that. I think the price point given the ingredients is still quite compelling. Our apple version is at \$4.99. The nuts are just a more expensive ingredient. We played with the amount of nuts, the amount of salt to feel like you're really getting enough pecans, but not too much that it would push it too expensive of a retail. Thank you.

Matt: And the Teeny Tiny Pecan Pies received 19 out of 21 votes. Solid.

Tara: He said puh-kahn. (chuckles)

Matt: Yes.

Tara: (laughs) Spoiler alert (alert sfx) this next product was approved unanimously by the tasting panel, 21 out of 21 votes.

Matt: And this is how the English Toffee Ice Cream was presented to the panel, and we loved it.

Panel Member: Next up, we have an English Toffee Ice Cream that we're proposing for the holiday time period, like Thanksgiving into Christmastime period. We've done well with ice cream, and products within the stores that play off of other favorites. When Marion and I were trying to come up with what are the gaps or potential gaps within our ice cream subcategory, English toffee was one that came to mind. We sell a lot of it in candy. It's super delicious. It's one of my favorite things to buy during the holidays as a treat. And we thought that this was a format that we could kind of pull in another product from our store. So, what we have here is a brown butter/toffee base with English toffee pieces that do contain almonds. I just think it's sweetness level, it's on par with a lot of the items that we've been launching. It's not really for the faint of heart when it comes to sugar, but I think most of our customers are turning to ice cream for that decadent, delightful bite.

Panel Member: I might be an outlier. I was hoping for a little more chocolate. It's like one of the things I like about the toffee is it's like the blend of the chocolate and the toffee. And it makes it like, the contrast with the sweet of the toffee is sort of helpful a little bit.

Panel Member: I got a fair amount in mine, Ben.

Panel Member: Oh, did you?

Panel Member: Yeah. I mean you can see it on the pieces. I've got...

Panel Member: Maybe I didn't eat far enough?

Panel Member: Maybe you got.... Either that or you just got a bad scoop.

Panel Member: Eat some more, Ben.

Room: (laughter)

Panel Member: Super smooth ice cream.

Panel Member: That's really good.

Matt: You didn't hear a lot of questions or discussion about that ice cream and there are two reasons for that.

Tara: Okay. Reason number one, our mouths were full.

Matt: And reason number two, sometimes the tasting panel, everyone is speechless because the product is perfect as is. So, pick up some English Toffee Ice Cream before it runs out. 21 out of 21 tasting panel members thought you'd love it.

[Music transition to upbeat holiday music.]

Tara: Matt, it's hard to believe the holidays are here.

Matt: It's really hard to believe that we're only a month away from the holiday tasting panels for next year.

Tara: Gosh, that's true. You know, we only have one more episode of Inside Trader Joe's to share with you this year. It'll be in your podcast app inbox if you hit that free subscribe or follow button.

Matt: It *is* free and worth every penny.

Tara: Until next time, thanks for listening.

Matt: And thanks for listening. And Happy Holidays.