

Inside Trader Joe's Podcast Transcript — Episode 59: Looking Forward, Looking Back, with Trader Joe's

Matt: (clears throat, shuffling papers) All right.

[Light music begins.]

Matt: Ready for our E-O-Y podcast.

Tara: E-O-Y? Not H-A-B-A?

Matt: HABA, Health and Beauty Aids, different episode.

Tara: Not L-R-P?

Matt: Loyalty Rewards Program? No, at Trader Joe's we reward all our customers all the time. E-O-Y, End of Year.

Tara: Okay. We should get started if we're gonna be done by C-O-B.

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

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

Tara: Phew, what a year!

Matt: You can say that again.

Tara: Phew, what a year! I'm Tara Miller, director of words and phrases and clauses.

Matt: And I'm Matt Sloane, the marketing product guy.

Tara: We're gonna look back and forward to a new year filled with good food, good neighbors, and the best values in the grocery business.

Matt: Now, transparency is a big marketing buzzword these days, and we've always liked to share what's happening inside Trader Joe's.

Tara: Hey, that'd make a good name for a podcast.

Matt: We've taken you, our listeners, inside the Trader Joe's tasting panel where we decide which products to bring into the stores. Now, let's take you inside our boardroom if we actually had one.

[Music ends. Giant oak door opens revealing the murmur of a large group. Small gavel pounding.]

Matt: All right, let's bring this podcast to order.

Tara: Love your charts and graphs.

[Light holiday music begins.]

Matt: Theater of the mine, Tara. Let's begin with the sine qua non of our business, your stores.

Tara: You (chuckles) blinded me with Latin. Let's talk about stores. Matt.

Matt: We opened 11 new stores in 10 different states.

Tara: It's pretty cool. Every one of those stores involves a lot of people, a lot of work, a lot of effort.

Matt: We're absolutely looking and working to open many more stores, and I won't be able to give you a specific number here, but it's a lot more than 11 that we have our sights on for this upcoming year. We're not really being coy about not talking about specific locations.

Tara: We like to make sure that we have all our ducks in a row, that our buildings are gonna be ready, that the leases are all signed, that we have a captain at that store. But we do have two stores on the calendar for next year that we can reveal right now. Are we ready for this?

Matt: Okay, I'm sitting down.

[Announcement trumpets.]

Tara: Okay, one is on the east coast in Glastonbury, Connecticut. So not the location of the music festival, that would be in the UK and no, we're not opening stores in the UK.

Matt: Thank you for clarifying.

Tara: Right? And the other is in Draper, Utah. And that will be, I think, our fourth store in Utah. Is that right?

Female: Yes.

Tara: There's a whole lot more on the calendar. Since they're a little further out, we don't wanna share too much information yet.

[Music transition.]

Tara: And you know, what comes with new stores? New crew members.

Matt: Actual people to work in actual stores. That's kind of what we do.

Tara: Which means a whole bunch of people will get hired to work at Trader Joe's next year. But 2022? 2022 has been a really great year for hiring at Trader Joe's. You *are* sitting down.

Matt: I *am* still sitting down.

Tara: Okay.

[Drum roll.]

Tara: As of mid-November, Trader Joe's has hired 23,777 crew members.

[Light upbeat music begins.]

Matt: So just about 24,000 people now have crew member roles at Trader Joe's across the 540 stores.

Tara: Yeah. There are jobs constantly available at Trader Joe's because we are constantly growing. There's a very specific kind of person that we're looking for when we hire crew members at Trader Joe's. Our President of Stores Jon Basalone, I'll use his words, "When we hire people, we ask them to be nice, to be genuine, and to be yourself."

Matt: And thinking about nice crew members doing great things, being successful, we had just about 1,200 promotions within the crew this past year. A lot of those roles, crew members promoted to the mate level, 53 mates promoted to captains.

Tara: It's our job as a company to grow those people as we grow as a company.

Matt: So many companies these days are talking about shedding jobs, layoffs, furloughs, what have you. It's all euphemism for getting away from actual people. We want people, we're always looking for great people.

Tara: I went to a couple of different retailers over this past weekend. Each of those retailers had most of the cash registers with people closed and a whole lot of self-checkout stations open. And at every single one of those self-checkout stations, someone was having a problem.

Matt: This is my opinion, limited to my perspective, self-checkout is an admission of defeat. You've given up on being able to work a register so you've let robots take over.

Tara: Yeah, it's interesting.

Matt: Not our style.

Tara: In retail you hear a lot about turnover and in some companies you hear a lot about intentional turnover. I think our business operations are set up to be exactly the opposite of that. I reached out to one of the folks here in the office to see if I could get some information about longevity. We have just under 10,000 people working at Trader Joe's who've been with the company for five to nine years. That's a crazy amount. And I thought, wow, that's crazy. And then I looked at the next number, which is people who worked for Trader Joe's for 10 to 19 years. So that's a big spread but these are over 10 years, over 9,300 people. That's almost 20% of all crew members in the company who have been here for more than 10 years. That's a lot.

Matt: It is a lot. And it's interesting because you're looking at people with a tenure of 10 years or more all the way up to people who have, just a couple of 'em, who have been with the company for more than 50 years and that it's a fifth of the crew pop population with that kind of experience. Just about 36% of our crew has been a crew member at Trader Joe's for five or more years. So you, shopping in your store, have a lot of crew members to talk with too, and ask them, "What's going on with this? Hey, what gives?"

[Music transition.]

Tara: One of the highlights of the year at Trader Joe's is the Annual Captains' Meeting.

Matt: And at Trader Joe's, captains are kind of like a store manager but with more decision-making authority and better snacks.

Tara: And we get to talk to a lot of captains at this meeting.

Matt: Now sometimes you'll talk with people who have been captains for five years, 10, 20, even 30 years. This one really surprised me.

Tara: Is this a flashback sequence?

Matt: Yeah, kinda like on *Wayne's World*.

Tara: Ooo, ooo, ooo, here we go. (mimicking the flashback sequence sound that *Wayne's World* does)

[Flashback/dream sequence.]

Kate: Hi, I'm Kate. I'm the captain of the Rochester, New York store.

Matt: Kate, thanks for coming by, and how long have you been a captain?

Kate: Um, three days. (laughs)

Matt: Thanks for stopping by!

Kate: I actually have not started at my store yet. I start on Monday.

[Return to present.]

Tara: Whoa. Three days?

[Light upbeat music begins.]

Matt: Now that was in late August. Let's call Kate in Rochester now to see how it's going. Kate, what is the weather like in Rochester today?

Kate: Well, it did start snowing yesterday.

Matt: A lot of snow? Or a suggestion of snow?

Kate: It was my favorite type. It was the suggestion where it's just light and fluffy and pretty, and then it doesn't stick to anything.

Tara: Kate?

Kate: Yeah?

Tara: How's it going at your store since you've been there as captain?

Kate: It's amazing. It is such a beautiful location with an awesome crew, awesome team. The customers are so great in Rochester. We haven't increased our prices as much as other retailers in our industry, and we are just seeing the benefits of our customers coming in and enjoying the value.

Matt: We're always looking forward, always moving onward. What are some things that you're hoping to put into place for the coming year?

Kate: Just keep those deliveries coming, keep the food on the shelf, and make people's day with that value and that quality. And it's a very great time to work for Trader Joe's. I'm very proud of the decisions that we've made during this supply chain wonky (laughs) wonky time.

Matt: Wonky time is the nicest way to describe it.

Kate: Yeah, it's a wonky time. Our products have always been interesting and exciting anyway. And I talked to so many different customers that are finding us for the first time and it's honestly that word of mouth, you know, it's getting around town

very quickly, you know, that you can save with us and, um, you know, and leave with a full shopping cart.

Matt: Your store operates at a pretty good distance from the distribution center support network, and you operate in a place with real actual weather.

Kate: Yeah.

Matt: So that's no small undertaking to...

Kate: No.

Matt: ...effectively rebuild a store from scratch 365 times a year,...

Kate: Yeah.

Matt: ...give or take. That's cool.

Kate: We've got, you know, an extra delivery too, just to make sure that we can keep stocked.

Matt: Probably all smoked trout, right?

Kate: Yeah.

Matt: It's just the extra trout delivery.

Tara: (chuckles)

Kate: Yeah, yeah, and definitely bananas. There's bananas on there too.

Matt: Okay, I'll look, maybe.

Kate: The thing that I am very excited about seeing coming up is the electric trucking that we are going to roll out and just being ahead of that curve and just becoming, you know, more sustainable as a company. I just think that this one is huge.

Matt: Yeah, we've got 100 of those trucks. That's not the finish line, that's just the start. We've gotta figure out how to use them and how to best put them to work. That is exciting.

Kate: It's so exciting. If we're able to do this, my gosh, we can do anything.

Tara: Since you got to your store, have you had the opportunity to hire any new crew members?

Kate: Oh, definitely. Yeah, my mate team and I have pulled in, you know, probably over 20 new hires just for the holiday season. I hope they stay on. It's such a neighborhood store. It's just so nice that welcoming, friendly attitude. Instantly making friends and instantly, um, you know, part of the club. That is a question that, you know, a lot of people wonder about today, like, is this a great place to work or not? And I, you know, I really, truly believe that it is, and I think that the more we grow, the more opportunities we can give as far as crew member positions or mate positions or captain positions. We have a great day every day and that's the honest truth. Like we really do. (laughs)

Tara: Well, we are wishing you a great holiday season, and we will look forward to talking to you again in 2023.

Kate: Awesome. All right, thank you guys.

[Transition. Music ends.]

Tara: The Trader Joe's store in every Trader Joe's neighborhood around the country gives back to that neighborhood seven days a week.

[Light music begins.]

Jenn: My name is Jenn and I oversee the Neighborhood Shares Program for our stores nationwide. They're doing the everyday neighborhood work, which is donating our products that are not fit for sale, but fit to be enjoyed and consumed to our network of nonprofit partners across the country.

Matt: It's not fit for sale, it's fit for use. So we wouldn't expect a customer to pay for the dented can of beans or the bag of apples with the proverbial one bad apple, but those apples and those beans are absolutely good to be eaten, to be shared. And that's what we do, we share those with outside resources, other groups.

Jenn: Right now we have more than 1,000 community partners. You know, we opened 11 stores this year and those 11 stores now support 44 new community based nonprofit organizations in their respective neighborhoods.

Matt: I think it's been an incredible process to see where we are now, through the good work that every single store is doing, as compared to where we used to be. I mean, we now have an expectation that every single store does this every day, but we weren't always like that.

Tara: We actually had an opportunity to speak with a captain at one of our Colorado stores earlier this year, Matt, who spoke to that point exactly.

[Audio clip of Trader Joe's Colorado Captain Ty.]

Ty: I've worked with this company a long time. I've seen us grow and I've maybe seen the biggest growth in our Neighborhood Shares Program. And I think when I first started, we weren't great at it, but we decided to be great at it. And I think it's sort of a testament to how we grow and change as a company. You know, I think also like the way we've decided that we're gonna do better and really be a neighborhood store.

Tara: Jenn, over the course of this year, how much food have we donated? Like what does that program look like?

Jenn: From January 1 of this year, we donated \$400 million worth of food and beverage to our partners across the country.

Tara: I get very sort of emotional about this work because that's feeding a lot of people.

Jenn: You just see the joy in their eyes to know that they're gonna be receiving fresh fruit and vegetables and our bread and deli meats, and food that is going to sustain them in a meaningful way. When I talk to hunger relief organizations that we don't currently support, they often are customers of ours. Some didn't know that we were donating in such a robust way seven days a week. It's always received in a way that is just full of gratitude.

Tara: When we're looking back to 2022 and talking about having opened 11 stores, how far in advance do you start working with the folks on the ground at the new store location to find shares partners for them to work with so they're ready on their opening day to help their neighbors?

Jenn: Generally speaking, the research begins three, about three months in advance. We wanna take into consideration the demographics of the area. We wanna take the time to have a meaningful conversation with the captain and the crew. It's their Neighborhood Shares Program and they own it entirely. I'm here to support them and provide them the resources to make those decisions of who their community partner is gonna be. We care for our customers and our crew deeply, but we also care about the well-being of our neighbors. Recently at our Annual Captains' Meeting in Los Angeles, we were able to donate all of the remaining products from our food show. About 25,000 pounds of food or roughly 16,000 meals, and that went to benefit Angelenos in the immediate days following the meeting.

Matt: Everyone at the meeting ate like mad people. So, I didn't think there would be anything left.

Matt: What are you excited about for this coming year?

Jenn: Ooh, that's a good one, Matt.

Matt: First time for everything.

Jenn: I'm excited to see the new neighborhoods that we are going to set roots in. Gives me goosebumps because they know how impactful that the program at each new store will have.

Matt: That is exciting.

Jenn: Let's do it.

[Music transition.]

Matt: The Neighborhood Shares Program at Trader Joe's addresses the matter of food waste, and that gets me thinking about matters under the heading of sustainability of not wasting things. If we look back in this moment of reflection over the past three years and think about packaging, specifically thinking about plastic, we have taken out a little more than 12 million pounds of plastic from our product packaging. And we're not done because we are a packaged goods business so we will always have packaging. Our work is how to do that ever better, always improving, never complacent about it.

Tara: We've made improvements in more than 400 of our private label products, in the labeling materials, so like what those materials are made of. We've eliminated excess components in some of the packaging, so there's not as much packaging going on in some of those products. We've increased the amount of recycled and sustainably sourced materials in a lot of packages, and we've removed non-sustainable materials from a lot of packages, and as you said, this is ongoing work. We don't make a big deal about it. Every time we bring in a product that has less packaging than it used to, we just kind of do it.

Matt: And we've got some great projects in development that we're not really given to talking about things that might be, so as we get closer to understanding the actual impact that these programs will have, I propose that we talk about it here on this podcast at some point in this year, 2023.

Tara: Yeah.

Matt: That's a plan.

Tara: Hey Matt, what'cha doin' New Year's Eve? Entertaining?

Matt: I'm always entertaining and unintentionally.

[Music transition.]

Matt: No, I've got a quiet evening planned. But if I did have a social life, you know, I would like some snack recommendations maybe for New Year's Eve. Something simple, something elegant. I'm thinking a nice Brut Rosé, a sparkling wine, and some popcorn.

Tara: Okay, well I will see your sparkling wine and popcorn and I will raise you Party Meatballs and the Trader Joe's sauce of your choice. You take those Party Meatballs, right? They're the little ones in the freezer section. They come in a bag, they're fully cooked, but they're frozen. You put them in a pot, very simple, and you top them with any kind of sauce. So a barbecue sauce, my family likes the Carolina Gold Barbecue Sauce. Um, or...

Matt: I like the Kansas City, actually.

Tara: Okay, or the Thai Sweet Chili Sauce.

Matt: Yes.

Tara: Or the Thai Sweet Ginger Sauce, which is relatively new. And you just let that simmer until everything comes together, the meatballs are all heated through. You can serve them in a bowl if you just want to eat a bunch of meatballs. Or you can serve them with, like, little toothpicks and you know, have them as sort of on a party tray kind of thing. They're really good. They're always, always satisfying. People love them and you can really pair them with any sauce.

Matt: Oh wow. Now I'm thinking of just the wonder that is the idea of a canapé, a well constructed canapé, maybe with smoked trout. I would also maybe think about some shishito peppers.

Tara: Okay.

Matt: Another plug for the shishito pepper growers of America. Let's get on this. And what else? You know, maybe something with that hot honey, that spicy honey that we have. Maybe the 1,000 Day Aged Gouda with a little bit of spicy honey. If you're the security guard at the gouda factory and you're just counting the days until you reach 1,000, and then the cheese is ready to ship.

[Music ends.]

Tara: All right, Matt, how about a New Year's toast?

[Champagne pops and pours. Auld Lang Syne begins.]

Matt: Well, think about time and I'm gonna think about being appreciative of the time that you've spent with us listening, the time you've spent in your Trader Joe's shopping, the time you've spent talking to the crew, hopefully asking them lots of

questions, and we hope that your time spent with Trader Joe's has been well-rewarded, and we look forward to spending even more time with you this coming year.

Tara: I'll drink to that.

[Glasses clink.]

Tara: Happy New Year, Matt.

Matt: And Happy New Year, Tara, and to all our customers and the crew.

Tara: We will be back next year, so hit that free subscribe or follow button so you don't miss an episode.

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

Tara: Thanks for listening.

Matt: And thanks for listening.