

Inside Trader Joe's Podcast Transcript –

ICYMI: What the Heck is a Tasting Panel?

[Light music begins. Matt and Tara whispering.]

Matt: We're in the kitchen here at the Trader Joe's mothership in Monrovia, California.

Tara: This is where we usually conduct our Trader Joe's tasting panels.

Matt: What's a tasting panel you ask?

Tara: We'll explain because this is another ICYMI, in case you missed it, mini episode of Inside Trader Joe's.

Matt: Why are we whispering?

[Theme music begins.]

Tara: ICYMI, what the heck is a tasting panel?

Matt: You know, the tasting panel at Trader Joe's is a vitally important, critical mission making piece of work we conduct every week. The tasting panel is *the* thing that every single product we sell in our stores has in common. To put it bluntly, we don't sell anything unless it passes the tasting panel.

[Theme music ends, and light upbeat music begins.]

Tara: Wait a minute, how is that different from what happens at every other grocery store and what does it mean to *pass* the tasting panel?

Matt: Passing the tasting panel means that a super majority, 70% or more, of the Trader Joe's tasting panel panelists have voted in favor for us, Trader Joe's, to offer you our customers the product in question. How that's different from the whole other grocery industrial complex is that, well, they don't do that. They might be mildly interested in what something tastes like, but they're really more programmed around how much money they can make through cooperative advertising and slotting fees and product placement programs. We care about the value that a thing presents, the value as expressed by the quality you get for the price you pay, those two things are inseparable. The tasting panel is all about rooting that out and finding the best place for value in a product.

[Music transition.]

Tara: How does that whole tasting panel process happen? Who's in it and how does that all work?

Matt: Well, on the surface, it sounds like a dream job because it is. It's a bunch of people working on ideas for the next greatest flavor of ice cream or how we could really bring about a value laden frozen quesadilla. And then finding the producer, the manufacturer of that thing, to make it in a way that fits with all of our ingredient requirements and the things that we want to avoid at a price we think is a compelling, stop you in your tracks, kind of offering. And then we get to tasting it. We actually eat the thing, and we eat the thing independently of any other preconceived notions other than the first question being, "How does this taste? Is it any good?"

Tara: So, if it tastes good, that's step one. What about price?

[Music transition.]

Matt: Well, it's got to be price as compared to quality. So, it's not just price on its own, the lowest being the best. It's price relative to what you get for it. The value coming from the price is what you pay and what you get for that price. So how do we come at that? Well, we look at, are there any other products similar to this thing in the marketplace? And if so, what do they sell for? Are there any other things in our stores, within the four walls of your Trader Joe's, is there something that's a relatively reasonable point of comparison? How does that stack up? What are the costs that come with this thing? To source the ingredients, to make it, and to get it where we need it to be to your neighborhood Trader Joe's. All those things go into the giant math making puzzle machine to come out with, here's the total cost and what can we make reasonably by way of a markup on it.

Tara: So, the tasting panel is a bunch of people who sit around, eat food, talk about the food, and decide whether we're going to sell it.

Matt: So, it sounds like a great dinner party, or it sounds like a business model that's really different from how many other retail grocers bring things to market. They're looking for how can I make money any other place than at the cash register.

Tara: And I think it's interesting the idea of tasting versus eating.

Matt: Oh gosh, because I'm a big fan of the latter, but I do think that tasting matters and what you're tasting for, you're tasting through your personal biases and tasting for customers shopping in our stores. Is this the greatest expression of this idea? Does the idea make sense? Because we're constantly going back and saying, "You know what? Those vanilla bean flecks, they made me have an expectation that's not being met by the actual vanilla flavor. Let's work on that piece."

Tara: It's sort of eating with intention, which I guess eating with intention could be really focusing on that bowl of ice cream that you're having while you're watching Netflix. That's a different kind of eating with intention, right? This is having a taste of something and really focusing on what a customer is going to think when they have a taste of that product.

Matt: Because ultimately, we want to provide something that makes driving past three other grocery stores worth the effort.

Tara: As you mentioned earlier, every product at Trader Joe's has been through the tasting panel.

Matt: So those dog biscuits, dogs tasted them. And sometimes I might even taste them too. Every single product has been evaluated through real world experience.

Tara: Even if it's a household or health and beauty item. We're not eating it, but we are using it. If it's a candle, we're burning that candle and we're making sure that that scent is delivering on its promise and that its burn time is what we are telling customers.

Matt: If it's lotion, we lather up with it.

Tara: If it's shampoo, we're trying it. Well, not you necessarily, but the rest of us.

Matt: Well, thank you for that.

Tara: (laughs)

Matt: It's not just about something on the shelf, it's something worth its spot on the shelf.

Tara: Right.

Matt: And you know, this is where we are decidedly different on purpose. It's a deliberate move to taste things, to eat things because we would like you to do the same and we want you to enjoy it.

Tara: ICYMI, in case you missed it, that's what a Trader Joe's tasting panel is.

Matt: Oh, wait, wait. There's something else we want to mention on this episode, and something we do not want to miss.

[Music transition to Happy Birthday song.]

Matt: The opportunity to say Happy 100th birthday to Pearl, a longtime Trader Joe's customer.

Tara: She celebrated with a visit to her neighborhood store in Brick, New Jersey.

[Transition to Pearl and to light upbeat music.]

Pearl: We were met at the door. They said hello like they had known me before. When I looked at produce, they suggested this would be good for you, this you wouldn't like.

Matt: (chuckles)

Pearl: And for everything that I touched, someone else came over to give their opinion of whether it was good for me or not. So honest, so helpful, as if I was their mom. The people, A1+. My experience, unbelievable.

Tara: We found out that Pearl knows quite a bit about running a store and how to treat customers.

Pearl: As I watched as a teenager, growing up with parents in a store, I saw how they treated people when they came in in 1930. How they treated the clients as friends, as neighbors, with as much honesty and help as you can give. I could watch people on a Sunday leave the church and come to my mom and dad for a drink and ice cream and a polite conversation. Trader Joe's should give classes in how to treat a client. The people that come into that business must be treated with respect, whoever you are.

Matt: We wholeheartedly agree, Pearl, and we're proud to carry on your parents' tradition of customer service from all those years ago.

Pearl: Trader Joe's, you've got me for as long as I'm around.

Tara: Thank you, Pearl. We wish you many more years of happy and healthy shopping at Trader Joe's. I'm Tara Miller, thanks for listening.

Matt: And I'm Matt Sloan, and thanks for listening.