

Inside Trader Joe's Podcast Transcript — Episode 80: Building A Bigger Trader Joe's

[Game show music.]

Tara: True or false? Trader Joe's is growing.

Matt: True.

[Game show ding, golf clap.]

Matt: Very true.

Tara: Trader Joe's is in a hurry to grow.

Matt: False.

[Game show buzzer.]

Tara: Hmm.

Matt: We are focused on controlled growth. The kind built upon what's special about Trader Joe's. That's something you can do quickly, but not in a hurry.

Tara: True or false?

[Timpani roll.]

Tara: What I'm holding here in my hands is the basic architectural blueprint for every new Trader Joe's store.

Matt: That has to be false.

[Game show buzzer. Light upbeat music begins.]

Matt: What is that?

Tara: Oh, it's actually a map of Italy with locations marked for us to sample pizza and pasta.

Matt: Upcoming podcast?

Tara: Absolutely.

Matt: Well, there isn't a single blueprint for every new neighborhood Trader Joe's because each neighborhood is different, and each neighborhood Trader Joe's must be unique.

Tara: Spoiler alert. That's what this episode is all about.

Matt: Let's go *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: You know, this episode is going to be wicked smaht because we're in Boston.

Matt: And the stores we're gonna visit, well, they're pretty much in the same neighborhood, but I mean totally different stores. So our first stop it's gonna be on Boylston Street and what the locals call the Back Bay.

Tara: So will our second stop.

Matt: Yeah, same but different. You know that pretty much sums up Trader Joe's stores.

Tara: Let's go inside Trader Joe's store 510 at 899 Boylston Street. Not to be confused with the other one on Boylston.

Matt: Hey, are we gonna walk or take the cah?

[Music ends. City traffic. Light music begins.]

Tara: OK, Matt. We're here at store 510 in Boston on Boylston Street to talk to Captain Vanessa. Vanessa, you're a brand new captain.

Vanessa: I am.

Matt: We're here because we've just recently opened up another store.

Vanessa: Yup.

Matt: Just down the street. What is it? Maybe a 10 minute...

Tara: Ten minute walk.

Vanessa: Yeah. Literally.

Matt: Maybe if you're hoofing it, right?

Vanessa: Yeah. It's like a 15, yeah.

Tara: Yeah, we did it in 10. Pretty proud, proud of that. What has happened at this store since the new store opened?

Vanessa: Good question. This store is obviously small, so a lot of the times customers would come in to shop and there would already be a line leading to the registers. You were shopping in line as you go. And people were picking out their lunches in line. I think it's just a better shopping experience in general. People can actually browse and take the time to see all our seasonal products instead of just being, "Oh, that looks good," and like grabbing and running.

Matt: I'm so fascinated by this idea of stores so close to one another and yet still so busy. And in real estate jargon, this might be an example of what we would call infill or filling in an area, especially if a store like you were saying, is so busy it might be actually busier than we would want it to be.

Vanessa: Yep.

Matt: And yet just looking at recent numbers, this store, your store, more than 2,000 people shop here every day.

Tara: I think it's counterintuitive to a lot of people that we would want to diminish the business in any of our stores.

Vanessa: Yeah.

Tara: Right? But if there are too many people, customers aren't having a good time, crew members probably aren't having a good time, and that just makes the Trader Joe's experience a little bit less fun.

Vanessa: Definitely, yeah.

Tara: We want it to be fun.

Vanessa: Yeah.

Matt: Well, I think finding things in this store, the smallest Trader Joe's, is so much fun because there really are, I mean, I guess we're in New England, so I'll talk about English muffins, even though they're not from here. There are nooks and crannies in this store filled with amazing things. Are you able to handle all products in this little space?

Vanessa: That's a good question especially with the newer products, we kind of give them a chance. But we have to keep them there long enough to figure out how much space we need for them. And with old products too, like if there's a product that's not selling as much as Mandarin Orange Chicken, we're gonna cut it down to one facing and give something else a bigger facing, so we definitely have to be strategic. But for the most part, we pretty much have everything.

Matt: That's fantastic. With the exception of wine and beer or spirits, but that store, a 10 minute walk away, that store does have those things. The store's more than 20 years old.

Vanessa: Yeah.

Matt: It doesn't look a day over 10. And this store has always been busier than we expected it to be.

Tara: It is the world's smallest Trader Joe's. I see people post pictures of this store on social media all the time and it's like, "I just went to the world's smallest Trader Joe's." and it's like a point of pride, right?

Vanessa: Yeah. Especially like the mural when you come down, a lot of people snap that photo going down the escalator.

Tara: What else about this store really makes it a unique neighborhood store?

Vanessa: Yeah. I know a lot of the newer stores have like, they're still Trader Joe's-y, but it feels like maybe a little more modern touch to it. I just feel like this store's nostalgic. Like you walk in, you're like, "This is definitely a Trader Joe's," you know, cedar wall to wall. It has that vibe, like that old school Trader Joe's vibe to me.

Matt: Because people interact.

Vanessa: Yeah.

Matt: Complete strangers are rhapsodizing, is that even a word?

Tara: It is now.

Vanessa: Yeah.

Matt: Guess it is. Over their new thing that they want to share, and I think it brings an amazing energy to the whole neighborhood, the street. And you can see that there are people lightening up and brightening up coming down the escalator, right? You have to go into a basement, which is usually not a light and bright place, but this one is.

Vanessa: Yes. You almost forget there's no windows.

Tara: It's true.

Vanessa: Yeah.

Matt: I never realized that.

Vanessa: It's so bright. See what I mean? Yeah.

Tara: How could there be windows?

Vanessa: But you wouldn't open them. (laughs)

Matt: You can have windows. They would just look out on like sedimentary rock or something, but still, I mean, okay.

Tara: (laughs)

Matt: Well taken point.

Tara: Okay, sorry

Matt: I never missed them. Just chatting up Parker and Jim and Alexa at the registers, I mean, they're the brightness.

Tara: Yeah.

Vanessa: Yeah.

Matt: They're the lights in here.

Tara: That was kind of profound, Matt Sloan.

Matt: Well, you know, there's soup after the sermon. Um, 'cause we do have some good soup.

Vanessa: (laughs)

Tara: (laughs) It's a little early. And you're like, spewing profundities over here.

Matt: Exactly. Spewing, always. Here's a question. What was your first impression of this store as a captain and was it different from when you maybe had visited before being promoted to captain?

Vanessa: Actually not. I always felt like the crew was always like super friendly at this store, and so when I first came here, they came right up to me, asked me a million questions, they wanted to get to know me.

Matt: It's so great to have great people.

Vanessa: Yeah.

Matt: I mean it such a foundationally important aspect of our business, our stores.

Tara: I noticed your crew; you have a lot of young people in your crew.

Vanessa: Yes. College kids. Yeah.

Tara: So do they come and during the school year and then transfer to the Trader Joe's where they live?

Vanessa: Some of them do. Um, there's a couple that like live on the other side of the country, so they go home for the summer and then they come back in the winter. But a good chunk of them actually live around here.

Tara: Okay.

Vanessa: So they're working, you know, if they have classes at night, they'll work morning shifts. If they have classes in the morning, they work night shifts.

Tara: Okay.

Vanessa: So it's pretty flex, we're pretty flexible with them.

Tara: Sure.

Vanessa: 'Cause they are too actually. (laughs)

Tara: Yeah.

Vanessa: We gotta support them, you know?

Tara: Because I'm guessing that you probably started working at Trader Joe's when you were very young.

Vanessa: I was 19 years old.

Tara: Yeah.

Vanessa: (laughs) Yeah. I feel like it just quickly became home to me. I was like, "I really like it here." I could see this being a future for me and that's what happened. (laughs)

Matt: What is something about this store that you want to hang onto forever? Think about preserving it in amber for time immemorial.

Vanessa: That's a good one. I would say just the neighborhood. The customers that come in here every day, that live nearby, they're just so great. They're like, "This is my home." And that just feels so good to me.

Tara: Yeah.

Matt: That is probably as good a customer testimonial as you can get.

Tara: Yeah.

Matt: Where there's a brand new, shiny thing 10 minutes away and you want to come to this place.

Vanessa: Yeah. Because they love it.

Tara: Because it's their neighborhood store.

Vanessa: They know a lot of the crew members here, so that's cool too.

Matt: It makes me think of another Boston place where they know your name.

Vanessa: (laughs)

Tara: Oh, let's not go there. Let's not go

Matt: I could hum the melody, but then we'd have to do licensing.

Tara: That's exactly right.

Matt: And then that would presume that I can hum the tune. And I can't.

Tara: Vanessa, thank you for joining us.

Vanessa: Yeah.

Tara: So much fun.

Vanessa: Thank you for having me.

[Transition. Music transition.]

Matt: And now for something completely different.

Tara: We have another stop to make. It's our other Back Bay store. It's in a really cool location that's actually unlike any other Trader Joe's.

Matt: You know, around the country there are lots of Trader Joe's stores in places you just wouldn't expect to find a grocery store. For example, like an old armory building just outside of Philadelphia.

Tara: Or how about the old bank building in Brooklyn?

Matt: Or the Alabama movie theater, which happens to be in Houston, Texas.

Tara: Oh, the Bridgemarket space underneath the Queensboro Bridge in Manhattan.

Matt: Feeling groovy. That's like right by 59th Street.

Tara: Super cool. Love that store. So after the Trader Joe's real estate team secures a new location, finds a place to put a Trader Joe's, what happens next?

Matt: Before we head over to the newest Boston store, let's talk with the experts from our construction and facilities teams about just that topic.

Shane: Good morning. My name is Shane. I'm the senior director of construction and facilities for Trader Joe's. I came to the company from a retail background in a similar role. We have a great team and it's a lot of fun to come to work every day here.

Dan: My name is Dan. I've been with Trader Joe's 20 years. I've been a captain in the Boston area. Currently I am the senior facilities manager.

Tara: I wanna go back to the beginning and I wanna talk about building a store. How does that process begin?

Shane: So, we hire architects and engineers to go out and, one of the fun things about Trader Joe's is that each store is a little bit unique to one another, we tend not to go into rectangular spaces, which keeps it fun and interesting.

Tara: So, we don't have a set plan that every store looks exactly the same.

Matt: Do most of our stores take a place in an already built building?

Shane: It's probably about 50/50 lately.

Matt: Okay.

Shane: Way back in the early beginnings of Trader Joe's, we were going into mostly existing stores, but as we develop and grow, we are going into more stores that are built to suit our needs.

Tara: We'd really love to go see a new store and talk to you about how that store came together. Would you be open to that?

Dan: Yeah, that sounds like a blast.

[Transition. Music transition.]

Tara: We're at Trader Joe's store number 500 which, you know quite coincidentally, happens to be located at 500 Boylston Street in Boston.

Matt: I'm curious because this building doesn't look like a grocery store or necessarily a place where you would expect to find a grocery store.

Dan: There's hundreds of stores across the country that are in unique buildings, and it just has a Trader Joe's sign in the front. But when you walk through that unique space, there's cedar and there's fixtures, and there's bananas, and there's cans of corn, and you feel like you're at a Trader Joe's.

Tara: It also looks like the neighborhood that happens to be in a building in a city that's been here for a long time.

Shane: Correct. This building was built decades ago.

Tara: I'm staring up at the walls and looking at all of the things that look like Boston, but that also look like Trader Joe's.

Matt: Ben, who did the mural drawings in this space, he's a local artist. He does amazing work. You can actually see more of his work over by Quincy Market on some roll up doors.

Tara: Pretty cool. I'm looking at a famous baseball stadium, but it is not, the team you're expecting does not play there. It houses a team called the Red Sauce. Which is fantastic. That's really great. And here is the finish line which I guess references the marathon finish line, which is right out here, right?

Dan: It's a couple of blocks up the street.

Tara: So, people by the time they get here, they've done the run and then they're like, "Okay, I'm done. I'm gonna just hobble down to Trader Joe's and get a snack?"

Shane: They're wrapped in their tinfoil and they're coming in looking for some snacks.

Tara: What was the biggest challenge that you faced in building this store?

Shane: All of that duct work.

Matt: It is like Ducting Central. There are so many ducts, D-U-C-T.

Shane: These mechanical systems are brand new to our space and very unique to grocery. Controlling the temperature, controlling the humidity in the space and all of this duct work back here is what does that for us.

Tara: Okay. So, we're in the front of the store now, and the check stand situation here is a little bit different than people might expect from a suburban Trader Joe's where it's just a bunch of individual cash register lines. This is more like a flow through one line system, right? And we do that in a lot of our bigger city stores. We wanna be able to move as many people through as possible. How many check stands are there in this store?

Dan: Looks like, it looks like 19.

Tara: Nineteen. Oh that's a nice round number. (laughs) How do we settle on 19? Like that's...

Matt: 'Cause there wasn't room for 20.

Tara: (laughs)

Matt: I mean the 20th would be out on the sidewalk.

[Music transition.]

Tara: This arch looks like it's made of steel girders that have been painted a lovely blue.

Shane: Initially this was a big X made out of steel. And would not allow someone to walk through that check stand area. We worked with our building owner to redesign that steel to create this feature element that still supports the building above but allows for free space to be able to walk through.

Matt: That's a really neat feat of engineering to allow a pass-through tunnel, and still hold everything up. There's a bunch of stuff on top of this building, like the building itself.

Tara: Are there other places in the store that you would like to show us? Are there other things that you think are interesting?

Dan: How about the standpipe valves that are in the cabinets.

Shane: We have this standpipe over here which is part of the fire suppression system that everybody has to look at, but we've made it quite interesting.

Tara: (laughs) That's really cute.

[Click of a camera. Music transition.]

Tara: You know what I'm thinking, Matt? I just saw you taking a photo. Maybe we'll include a photo of these standpipe drawings in the show notes for this episode because that's super fun.

Matt: Does this store have more frozen food space than a "regular location"?

Shane: So, we've been trying to incorporate more frozen in all of our new designs.

Matt: 'Cause it looks like we've got plenty of room for pizza, which is a fascinating thing.

Tara: Looking at the pizza selection here, it's super impressive.

Matt: The new South Pasadena store, we're putting a bunch of frozen in that, I think.

Shane: We are.

Matt: That's gonna be really, that's gonna be so fun to see.

Shane: Mm-hmm.

Matt: Like how much easier it'll be to be in stock.

Tara: If you have more space for each product, you're gonna be refilling them less, which is great for customers because they're not gonna have to be constantly asking, "Do you have this in the back? Do you have this in the back?" Yay for new freezers. What's next?

Shane: Would you be interested in seeing the Rack Room? It's really loud in there, but that's where the refrigeration equipment is.

[Music transition.]

Tara: Totally. I love that it's called the Rack Room. It could mean lots of things.

[Transition to Rack Room. Loud refrigerator equipment buzzing in background.]

Matt: So, in keeping with our maritime theme, this is like being in the engine room of a ship. This is really cool

Shane: It's exactly what it is.

Dan: Yeah, don't touch (laughs).

Tara: This is crazy. Like the amount of equipment that you have to produce all the cold that goes into the store. All those refrigerators and freezers.

Matt: And all of that work is done by a system that's using CO2 that has a much different potential impact on the environment. It's very different from the classic refrigerants like Freon. And so that's pretty exciting. You can keep things frozen and not have to use those other, I mean just frankly, bad refrigerant chemicals.

Shane: Uh, very true.

Tara: There's no, like toxic chemicals being used in the refrigeration.

Shane: That's correct.

Tara: As a shopper, I'm walking through the store, it's like "Okay, it's a store," but like behind the scenes there's so much that goes on. It's loud. Let's get the heck outta here.

[Quieter, outside of the Rack Room.]

Tara: Yeah, I think we can let you guys go.

Shane: Great.

Dan: Happy to help.

Shane: No, this has been a lot of fun. Thanks so much.

[Transition. Music transition.]

Tara: Back to our true or false questions. One more. The captains at these new Trader Joe's stores we're opening were often managers of stores and other companies.

Matt: False.

[Game show buzzer.]

Matt: Every captain at every Trader Joe's store was promoted from the mate role, promoted from within. If we want customers to have a deep connection to their Trader Joe's, well that assumes that the crew really understands how to deliver that experience. And we need captains. We need leaders in those stores with tremendous experience.

[Music transition.]

Paul: Hi, my name is Paul, and I am the captain here at 500 Boylston Street.

Tara: So, how long have you worked for Trader Joe's, Paul?

Paul: It'll be 17 years in September.

Tara: Wow.

Paul: I've been a captain for about 13 of those years. This is my fourth store, and this is my 13th store that I've worked in for Trader Joe's though.

Tara: Have you ever opened a brand new store?

Paul: I have not. This was my first time opening a new store.

Matt: Someone says, "Hey Paul, you feel like opening the store?" And then what happens?

Paul: A little panic sets in it first, and then I kind of thought of some of the other captains I know that have open stores previously, so I reached out to them.

Tara: And then what was the timeframe to when you actually open the store?

Paul: Probably about two months, but me actually being on site was probably about a month.

Tara: In those four weeks you're doing all the hiring and you're doing all of the final planning with the construction and facilities crews. That's a busy four weeks.

Paul: Fortunately, I have a really great leadership team that have helped me along the way. So, there's a lot of people that helped get us to the process of opening the new store.

Tara: How many people came from other stores and how many people did you hire fresh to come work as their first Trader Joe's?

Paul: Yeah, I think we probably took about 10 transfers from other Trader Joe's from across the region and some as far as California. And then we probably hired about 110 brand new hires.

Matt: Coming up Boylston and looking at this building, I might not have immediately guessed, "Oh, there's gonna be a Trader Joe's here." But when you get inside your store, this neighborhood store, it is absolutely that. I am amazed that in a four week period of time, you and the team put together a space, a store that is absolutely Trader Joe's. Congratulations.

Paul: Thank you.

Matt: The store's open. It looks incredible to me. I love it. And I feel like you've got some things that you're already thinking about adjusting or changing. What might some of those things be?

Paul: After observing the customers after the first 10 days to two weeks, we get a better a feel for what kind of products they're looking for. Whether that's single items in produce that can go along with a customer grabbing their sandwich or salad with their beverage for lunch or dinner. So we're, I think we're gonna look to really change some of the merchandising to meet what they're really looking to buy.

Tara: You're in your smack dab in the middle of office buildings. You have people coming in for lunch to buy just a couple of things. But it's also a residential neighborhood. The Back Bay is a dense residential area of Boston.

Paul: There is a different customer on the weekends versus during the week. The customers that are coming in Saturday and Sunday are spending more time in the store, 'cause they are actually doing their weekly shopping versus coming in and grabbing their lunch or, you know, grabbing their dinner on the way home.

Matt: This will be a lightning round, Paul. Favorite part of your new store.

Paul: The produce section.

[Ding with light applause.]

Matt: Trader Joe's product that's always on your shopping list.

Paul: Strawberry Vanilla Greek Yogurt.

[Ding with light applause.]

Matt: What's next on your list for the store we're always fine tuning?

Paul: Advancing our training with our new hires to get them to feel confident in all areas of the store.

[Ding with light applause.]

Paul: Maybe identify some future leaders down the road that could potentially be able to help this store or another Trader Joe's.

Matt: Well, just having spent some time with the crew walking the aisles, you have an amazing group of people, so I think you're gonna find all of that and more.

[Music ends. Transition to close.]

Tara: Thanks for taking some time to sit and talk with us.

Paul: Good to see you guys.

Tara: I'm gonna go do some shopping.

[Closing music begins.]

Matt: This is an exciting time to work at Trader Joe's. And we hope to shop at Trader Joe's. And we're working to bring more Trader Joe's to more neighborhoods across the country.

Tara: It's gonna take a little time and a bunch of effort to do it right, and that's what we're focused on doing. Meanwhile, give us a little time and we'll send you another episode of *Inside Trader Joe's*. Please click on that free subscribe or follow button to make sure you get it.

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

Tara: Until next time, thanks for listening.

Matt: And thanks for listening.