

Inside Trader Joe's Podcast Transcript — Episode 81: What We're Wine-ing About at Trader Joe's

[Upbeat music begins.]

Matt: You know, we've never done a wine episode quite like this one.

Tara: No? What about Episode 7?

Matt: Well, that was about nuts and cheese too.

Tara: Episode 42?

Matt: That was a fascinating tour of wineries in the Sonoma Valley and no, not like this episode.

Tara: But there was Episode 57.

Matt: Where we talked with the wine section leaders at our stores in the Santa Barbara area. That was a fun episode and not really like this one.

Tara: Okay. I think you're overlooking what's in Episode 73.

Matt: 73? There's no wine in that episode. That one's about air fryers.

Tara: Yeah, and you overlooked them.

Matt: Today we have not one or two or three, but four crew members from Trader Joe's wine team. This will be the most complete, comprehensive, exhaustive plenary view of our wine yet.

Tara: Somebody's been using his thesaurus. 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: Are we going to taste some new wines today?

Matt: The spittoons are at the ready so, you know, we might. Now it's true. Like all of our products, we taste and evaluate every wine to make sure that each represents value for our customers.

Tara: It's a tough job.

Matt: But somebody's got to do it.

Tara: Fortunately, we have help. Let's have everyone go around the room and introduce themselves and just for fun, quickly tell us your own personal favorite variety of wine.

Matt: And audience, as you watch your podcast player, we're going around the room counterclockwise.

[Theme music ends.]

Tara: This is audio, Matt.

Matt: This is theater of the mind, Tara.

[Upbeat music begins.]

James: Hi. I am James. I am the category manager for wine, beer, and spirits, sourcing for private label and control label products, as well as working with a team in the office on all of the national brands. And I will say, one of my favorites is Grenache, and in particular, when blended with other grapes.

Colin: And I'm Colin. I am a senior category manager, and I support wine, beer, and spirits, coffee and tea, shelf-stable beverages, fresh beverages, and cereal. Basically what I do is I make sure that our team has a cohesive strategy and that we form great vendor partnerships, and we do what's right for the customer every day. My favorite style of wine is Pinot Noir from Burgundy, France.

Brian: Aha. Hi, I am Brian. I am the buying manager for the alcohol team. My favorite varietal would certainly have to be Sauvignon Blancs from New Zealand.

Linda: I'm Linda. I am a buyer. I primarily do the East Coast and my favorite varietal is Champagne from France. The good bubbly.

Tara: Okay, actual Champagne.

Linda: Actual champagne.

Tara: Okay. Colin, you mentioned doing right by customers all the time. What do you mean by that?

Colin: Well, we want people to come in. We want them to find awesome products at awesome prices and to feel like they got a great deal. And we do that by having a really critical eye, first and foremost on quality and a close second is making sure that the vendors we work with are the best vendors we can find for those products. Talking to real people, most importantly, listening.

Matt: Is there something you always ask?

James: I think one area that's come up a lot is really the volume that we are going to require to keep our stores in stock and our customers happy.

Tara: Wine doesn't just happen, right? It's a growing season and it's a crushing season and it's aging and it's all of those things. So it can be years in the making for a new wine that comes into the store. That's a lot of planning.

James: Planning for volume and production and quality control, ensuring that it's consistent with the prior vintages.

[Music transition.]

Matt: I am a sucker for a good romantic story, as much as the next guy, but wine is so overly romanticized. It's magic and light in a bottle and all this other fun stuff, but you've got to have really rigorous standards.

Tara: It's farming, it's agriculture, and it's chemistry, subject to all kinds of outside interventions, whether it's cheese, or laundry detergent, or frozen dinners, or wine. We don't treat it differently just because it's wine.

Matt: I thought you just read my weekly shopping list, but...

Room: (laughs)

Colin: One of the differentiating factors I would say with us, is we always want to talk to the winemakers, the people who make the stuff.

Tara: Well, it's a good relationship, right? If you sell wine to us, you will sell a lot of wine. We're not in the business of putting things on our shelves. We're in the business of getting things off of our shelves and into customers' shopping carts and into their homes.

Colin: James has an awesome wine here, that is going to be a limited buy.

Tara: More wine?

Colin: But the label is awesome.

Tara: Oh, my gosh.

Colin: I don't know if this was you, Matt or James, but the name is pretty awesome.

Tara: Okay, for those of you who are not in the room...

Matt: If it was awesome, it was James.

Tara: James, tell us what this wine label says.

James: Super Happy. And in itself, it's a great name, which I can't take credit for.

[Popping cork from bottle.]

James: It's coming from the Happy Canyon AVA of Santa Barbara County. It's essentially Sangiovese plus Cabernet and a little Malbec blended together, reflecting a version of Super Tuscan wine style. We will be selling it for \$9.99.

[Pouring wine into a glass.]

Matt: Well, we need to get some spittoons down here.

Tara: We need to get some spittoons down here.

Matt: This is an official...

Tara: Yeah. So, for all those people who don't like to hear us eat on the podcast, now they're going to hear us spit, because wine tasting is not wine drinking. This is not a day drinking exercise.

[Pouring wine into a glass.]

Matt: That's great, grippy, toothy tannins.

Colin: Oh, my gosh.

Matt: That was great. Okay. I overshot the spittoon, everybody.

Tara: (laughs)

Colin: Tara's wearing some Super Happy.

Matt: Yeah, funny. He doesn't look Super Happy. That is really nice.

Tara: Wow. That is a super value.

Linda: It's Super Happy.

Matt: Super Happy.

Tara: People will be super happy with that wine. It's a great name. Wow, love that.

[Pouring wine into a glass.]

Tara: What does that look like, when you're out there looking for a great wine to bring to our customers? How do you approach it from a value perspective?

James: Trader Joe's within the wine category has a long history of resetting what that value is. It's really looking at where the market is and really aiming to be much lower on price and over delivering on quality.

Colin: You're able to do that because you talk to many different suppliers, so you know if somebody's offering you a Napa Cabernet at this price and the other person is offering it a different price, you can kind of decide which one makes the most sense.

Matt: I liked your turn of phrase about resetting expectations. We are competing as much against what we last sold a customer as we are the larger world, so we have that expectation. When I think of an extreme value, of course the Charles Shaw wines come to mind, but there are other incredibly, dare I say, extreme value oriented wines on our shelves that are customer favorites. I'm thinking of the Espiral wine.

James: Yeah, that's a great point.

[Placing bottle of wine on the table.]

Tara: Oh, look at you with a bottle of Espiral.

Matt: That was the sound of a bottle being placed on the table.

Tara: Wow.

James: This is a great example of really one of the best value wines we offer. Coming out of Portugal, Vinho Verde is both a region and attributed to a style of wine. It's a very refreshing light and low alcohol white blend. There's a little spritz frizzante on it.

Matt: Lower alcohol, slightly sparkling frizzante, if you will, refreshing. Those all seem like very of-the-moment trends, but this is not a new wine or even a new style of wine.

Tara: Is that chilled?

James: It is chilled.

Tara: Should we become the tasting panel here and see if we agree with our customers on this one?

Matt: I think we should. I mean, I do agree with customers on this one.

Tara: Yeah. I haven't had it in a while.

Colin: Not just customers, some of our most treasured wine makers think this is one of the best wines we carry.

[Removing foil from bottle. Pouring wine into a glass.]

Colin: It is definitely popular in spring and summer, but people drink this all the time.

Tara: It's so good.

Colin: Yeah.

Tara: It's so good.

Colin: It's an excellent wine to open up your meal or party with.

Matt: It has like crunchy acidity like a Granny Smith apple level acidity.

Linda: Nice and gravelly.

Tara: Yeah.

Linda: Mm-hmm.

Tara: Bright, acidic.

Matt: Yeah, kind of wipes everything that you had going on before right off of your palate. It's good.

Tara: What's the alcohol?

Linda: Nine.

Tara: Wow.

Brian: Which is certainly something currently, that low-alc folks looking for their non-alc or low-alc options.

Colin: Well, the key difference though is that this is naturally low alcohol. This is not a winemaker making it intentionally low alcohol. It's what happens through this process in these grapes.

Tara: It's really nice.

Colin: Low alcohol and it's a crazy low price.

Tara: In California, this wine is \$4.99.

James: \$4.99.

Tara: And in other parts of the country it's \$5.99 or \$6.99. At any of those prices, that's a tremendous value. I mean, that's a really nice tasting wine.

James: Yeah, I think we've really made an effort to keep the pricing very competitive and part of the ability to do that is the large volume of the wine that we bring in each year.

Tara: Thank you for indulging my desire to taste a little bit of the Espiral Vinho Verde. So, Linda and Brian, you are the buying team. We have stores in 42 states and the District of Columbia. How do we make sure that we have the right amount of this in the individual distribution centers that service specific stores? Because I imagine that's a challenging puzzle.

Brian: It's certainly a moving target. On trend is really going to dictate how it's moving. Although a lot of the magic happens in our stores, our supply chain truly does work because of our partners. You can tell that they really do care as much about our products and customers as we do, whether it's a small domestic product. We recently did the release of our Pumpkin Spice Chardonnay, which was kind of a fun seasonal in and out product, to something as big as Espiral Vinho Verde.

Tara: What has been the reaction to the Pumpkin Spice Chardonnay?

Matt: I mean, eye roll, eye roll, eye roll, grudging acceptance.

Tara: Okay, but that's just you. What has it been from customers?

Linda: They love it. They absolutely love it. Honestly, nice and chilled, great as a fall sipper on the porch, watching the leaves change. You can't get any better than that.

Tara: Watching the leaves change, is that like watching paint dry?

Linda: It is.

Tara: (laughs)

Linda: It is. It's pretty.

Matt: I think this is a great example of the power of the tasting panel, because conceptually I think we would've thought like, "Well, I don't know," and then we tried it and dang it, it was tasty.

Tara: What our tasting panel shows us with wine, is that you want it to be a good representation of what that wine varietal or region represents, but at the end of the day, does this represent a great value for our customers. Your team does such a great job, but then it's up to the panel and it's a democracy. It's a super majority democracy. It needs a 70% approval rating to get through that tasting panel.

Matt: I don't think it's disrespectful to say that's not the most serious bottle of wine and that's the point. It's just fun.

Colin: And most customers are not wine snobs.

Tara: Right.

Colin: Most customers want something to enjoy with their friends and family and with a meal.

Tara: Yeah, yeah, which is a good lesson for all of us. Right?

Brian: Before it gets to the primary panel, there's a lot of tasting we do just internally within our team.

Matt: So those are like supporting the tasting panel by being a development panel. Is it just culling through some infinite number of bottles?

Brian: There's a good amount of product that does come through, that a majority of it we would say wouldn't necessarily make sense to bring to our customers.

Matt: You're really polite. I would just say that it's done.

Tara: Wow, yes. That was really nice.

Matt: Gone. Boo.

Colin: So how many wines did we taste yesterday?

Linda: 20.

Brian: 30.

Linda: Somewhere in that range.

Colin: And out of that, how many did we think were worth pursuing?

James: Maybe 10%.

Brian: So maybe...

James: Two or three?

Brian: Yeah.

Tara: Wow.

Colin: So we're really discerning.

Matt: What are some of the factors that keep it from clearing that first hurdle? Is it just more of the same, it's not particularly good, it's cost?

James: It's a combination of those factors. In some cases there's competing proposals as well, so there may be three Syrahs on the table from Washington and ultimately we would look for the best of the three, but also consider what we have already and if it's even a top priority.

Matt: Because the world is big and our section is not, we have to choose and choose carefully. How do you fill that out?

James: We do have an ongoing assortment and then on top of that, have some flexibility to plan for limited buys. Some may only be in stores for one to two months before selling out, within our assortment and what we're shopping for, we're always looking for some improvements and ways to keep evolving the assortment.

Matt: What are some things that are on your mind right now that could use improving?

[Music transition.]

James: One area that in part comes out of customer requests or conversations with store crew is the need for more options of wine made with organic grapes and going beyond the entry level price points that we're covering fairly well to mid-tier and other price points and higher quality levels.

Matt: It feels like old school. It's sort of historically what winemaker was and why wine couldn't always be counted on to be consistent from batch to batch or vintage to vintage, and yet there's interest and buzz, if you will, pun intended, around natural wines. People are asking for them, and we've tried some, and I think that we've found some really good producing partners that are maybe better in control of the outcome, because I feel like we've had some natural wines that don't go all crazy from batch to batch or bottle to bottle.

James: Yeah. One great example of that is the Cuy Malbec that we have been carrying since last year. That project was prompted by customer requests. That producer partner in particular already had some history of carrying a national brand in the US and being able to maintain quality control.

Tara: What's the name of that one?

James: Cuy Malbec.

Linda: It has the greatest label.

Tara: How do you spell that?

Linda: C-U-Y.

James: C-U-Y.

Tara: C-U-Y.

Linda: Bright pink, white label and has a guinea pig on it. It's striking on the shelf.

Tara: That's fantastic.

Linda: Even better in the glass.

Tara: A private label has our name on it. The most sort of high profile private label wines that we sell are our reserve wines, the varying tiers of reserve wines.

James: There are really four main tiers, starting with the Reserve label at \$9.99. The Grand Reserve is next at \$12.99. Platinum Reserve \$14.99 to \$17.99 in some cases. The top tier is the Diamond Reserve at \$19.99.

Colin: As the pricing goes up, it's really because those wines in those tiers generally even at higher prices are more scarce.

Tara: Those prices are California.

Linda: Uh-uh.

Tara: No?

James: In this program, we do maintain a focus of keeping the same price around the country.

Tara: Everywhere. That's a tremendous value and that's a result of all the work that you all have done over the years to build that profile, to have such high quality wines in those bottles that customers look at them and say, "I can trust that." How on earth are we able to get some of those values?

James: Those projects sometimes come up opportunistically, but they are an ongoing part of our strategy to keep bringing in new limited wines and offering them at a range of price points. It's really about seeking out some really unique wines that are keeping our customers engaged and the crew excited about the new releases and trying to hit a range of different types of wine within the program.

Tara: The reserve wines, those are not in our stores every day. It's like a buy of a specific amount that we are able to get and then that's gone and we're always looking for the next one.

[Music transition.]

Colin: Part of this is James being very clear with all of our partners about what types of wines are interesting to us and at what prices. It's having regular conversations, because when

the opportunity comes up, we want to make sure they think of Trader Joe's first. The product itself is excellent, but somebody needs to move it quickly. A desperate partner, not a desperate product. We're one of the few retailers in the US that can do that, and most importantly, we always honor our word. If we say that we're going to take 10,000 cases of wine, we're going to take 10,000 cases. In some situations, it's tough selling 10,000 cases. We will still take all 10,000 cases, because that's our word, and it matters enormously.

Tara: But if we have a really great wine that represents a fantastic value, it's not that tough to sell 10,000 cases.

Colin: We typically break it down to cases per store. This is what Brian and Linda and the team really do well. For example, there are places around the country, like Virginia, where those customers really like our reserve wines and those stores sell way more than, for example, a typical store in California. We did lay the groundwork over many years, well over a decade, making sure that every reserve wine was awesome for the price, and now because people know it, we can keep building on that.

Tara: We have to maintain that trust every day.

Colin: We're only as good as our last reserve.

Matt: What's important about those like all the other products and categories, is what we leave out. We're not supporting national or even international marketing campaigns. We're not supporting celebrity spokespeople. We're not carrying all those costs and all of that's removed from our equation. Our very simple business model.

Tara: The label says Trader Joe's. That's the brand. It's been 23 years, but Charles Shaw is a brand that we are still very much associated with. What does that brand look like at Trader Joe's in 2024? 2025?

Colin: The Cabernet and the Chardonnay still are two best-selling wines.

Tara: Really?

Colin: But more importantly, there's a reason and when you taste it, you know. When James and Brian and I visit stores and do tastings, we will have them taste Charles Shaw Chardonnay and the...

Tara: Blind? You'll have them taste it?

Colin: We'll have them taste it blind, and they're always impressed with the quality. And the winemaker and the winemaking team are some of the best in the world. Yesterday we tasted the new vintage of the Charles Shaw Nouveau, and it was lights-out awesome. So, we're bullish on Charles Shaw.

Matt: Well, I think customers agree. I mean, one out of every 10 bottles of wine that customers buy is Charles Shaw, said differently is 10%.

Tara: That's mind boggling to me, after all these years.

Matt: Lots of years.

Colin: 23.

Matt: He doesn't look a day over 20. I'm heartened to hear that this year's Nouveau, that Gamay under the Shaw label is great and fresh. It's still just a really important brand for our customers.

[Music transition.]

Colin: I think that we are in a really great position to take advantage of some of the changes that are happening in the wine industry. What happened was is that the demand has actually fallen in the US and around the world, and the growers have not been able to react quick enough, and so that's creating the situation. That will be rectified, they will figure this out, but we're in a unique spot. For us, that means that prices have fallen. Because of our relationships, we're going to start getting buys that are unbelievable. It's really an exciting time coming up.

Matt: Supply and demand it turns out is a real thing. Too much supply, not enough demand. Costs go down, great thing for customers.

Colin: Good example, a Cabernet from Oakville that will be in our Diamond Reserve, so \$19.99 for the holidays, and that wine would easily be sold for upwards of \$50 or more, and we're selling it for \$19.99. As you guys know, from the captain's meeting, it was an absolutely phenomenal bottle of wine.

Tara: If I am a customer walking into Trader Joe's to buy wine for the first time, how do I approach it? What am I looking for?

Matt: Crew member.

James: In addition to talking to a crew member, I would look for some of the wines that are featured in case stacks or extra displays. Those are essentially the crews' picks. They know they are some of the most popular wines with our other customers, so they want to make sure there's plenty on display and available all the time.

Matt: I like that tip. That's kind of simple and about my speed.

Colin: The other tip I would say is anything that has our name on it is going to be awesome. Those are always going to be the best values.

Linda: Get adventurous, grab anything that looks appealing. Our labels are great. You will not be disappointed. Sometimes it's a win and it's your new favorite wine. Sometimes you're like, "You know what, that's great when Aunt Sally comes over because she's really going to enjoy it." But honestly...

Matt: Those neighbors that you sort of like.

Linda: Your son's teacher, it's the holidays. Who wouldn't want a bottle of wine? So everything that's one of our labels, honestly, you will not find a better wine.

[Music transition.]

Matt: All right, quick speed round, back to your favorites. Linda, we'll start with you.

[Stopwatch ticking.]

Matt: A couple of pairing ideas, things you like to have with champagne.

Linda: Honestly, favorite thing with champagne, fried chicken and buttered popcorn.

[Ding.]

Linda: It sounds...

Matt: Yes, love them.

Tara: Together with?

Linda: Not together. Buttered popcorn and champagne or fried chicken and champagne. You cannot get a better combo.

Tara: Really?

Linda: Ah.

Tara: Okay.

Matt: I love it. I love it. Okay, Brian.

[Stopwatch ticking.]

Matt: Crisp, New Zealand Sauvignon Blanc.

Brian: Oh, yeah.

Matt: You like it with?

Brian: I would go seafood.

[Ding.]

Brian: I would say something like an oysters or maybe some kind of white fish.

Matt: Do you do accoutrement with your oysters? How do you like oysters?

Brian: Usually just a little lemon, maybe a little hot sauce too.

Linda: No mignonette?

Brian: No, nothing too crazy.

Linda: I was going to go crazy, and I would do an apple mignonette with that one to bring out the brightness.

[Ding, ding.]

Matt: Wow. Whoa, that sounds good.

Brian: Much more of a foodie than I.

Tara: Y'all are fancy.

Brian: Apple mignonette could be my stage name.

Tara: I don't even know what a mignonette is.

Linda: Shallot, fresh cracked pepper and vinegar.

Colin: She did train to be a chef.

Linda: I am my trained chef.

Matt: Okay. Colin, Burgundy and Pinot goes with?

Colin: I'm given a twofer, actually.

Matt: Twofer?

Colin: Yes. Pinot and Rosé.

Matt: Mmm.

Colin: Okay, and the reason is, those are two of the best wines to have on your Thanksgiving table, so I would go with ham.

[Ding.]

Colin: Both of those go awesome with spiral cut ham.

Matt: James, Grenache?

James: I think grilled sausages is always a great option.

[Ding.]

Matt: Okay. Just like full paleo, like the caveman?

James: Grilled sausage with toasted bun and caramelized onions and sauteed peppers.

Matt: Phew.

Tara: I am all in.

Matt: You were dangerously close to no veggies, but okay.

Tara: I'm all in on that one.

Matt: Peppers and onions count.
Tara: Okay, all. Thank you so much for...
Matt: Do you want to talk about your espresso martini?
Tara: We have more?
Linda: Oh, yeah.
James: Oh, yeah. I wasn't sure if we should dive into spirits or not.
Linda: But wait, there's more.
Tara: Are we talking spirits too?

[Music transition.]

James: We will be launching our Trader Joe's Espresso Martini. Classic cocktail. Our developer, Arlene, really did a great job nailing this project. We've tried a lot of different brands that are out there and have carried several, and I think this one really stands above all of those in terms of quality, taste profile and just that quality coffee flavor as well as the vanilla notes. And it does have vodka.

Colin: And the price.

Tara: Which is?

[Tympani roll.]

James: \$9.99 for this 375 ML bottle, essentially equates to four drinks. So martini for \$2.50 each.

Tara: Wow. Okay, so...

Matt: What's the time of day for this?

Linda: Any.

Tara: It's 5:00 somewhere, Matt.

Linda: On vacation, that's a great breakfast.

Tara: I want to go on vacation with you, Linda.

Linda: Yeah.

Tara: I think we should try it. What's the alcohol on this one?

James: 20% or 40 proof.

Tara: It really does look like a cup of black coffee, so one must be careful.

Brian: I think one of the things they really nailed here was that coffee espresso flavor. Quite delicious.

James: And it is ready to enjoy right out of the bottle. So, pre-mixed, just served chilled.

Tara: That's good.

Matt: That actually tastes like someone tending bar just made it.

James: Yeah.

Matt: It does not taste like a prefabricated thing.

Tara: Uh-uh.

James: That was really our goal.

Matt: Yeah.

Tara: That's really good. Well, I'm glad you brought a non-wine product into the room, because that was a fun way to end.

Matt: It's pretty sneaky, really. But...

Tara: Yeah.

James: Glad you like it.

Tara: Okay everybody, thank you.

James: Thank you.

Linda: Thank you.

Colin: Thank you.

[Closing music begins.]

Tara: I have to admit, this was almost as fun as the air fryer episode.

Matt: And I have a feeling the wine section at your neighborhood Trader Joe's is going to come in pretty handy during the holidays.

Tara: Oh, speaking of holidays, the holiday episodes of *Inside Trader Joe's* are coming soon, so to make sure they arrive in your podcast inbox, please 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.