

# On the EDGES

With CAB®, Clemens Markets Inc. becomes Philadelphia's No. 1 meatcase.

by Eric Grant

**A**l Kober isn't big on being No. 2. So a couple years back when a consumer survey in *Philly!* magazine ranked his meatcase as the second-best in the Philadelphia area, he rolled up his sleeves and went to work, identifying marketing and product strategies that would move his meatcase into the top slot.

Kober, who manages the meat department for Clemens Markets Inc., knew the quality of beef he had was better than his competitor's. After all, he'd been selling the *Certified Angus Beef*® (CAB®) brand, "the most recognized and highest-quality beef in the world," for several years before the magazine rankings came out.

What Kober hadn't done, however, was to effectively promote the product to consumers.

"We needed to find EDGES, which stands for exciting differences that generate extra sales," Kober says. "In conducting market research, we found that our No. 1 strength was the fact that we sold CAB beef."

The product, adds Kober, differentiated Clemens Markets from other grocers in the area, giving him exactly what he was after: a sales and marketing edge.

"So we started producing full-page ads promoting the fact that we had restaurant-quality beef at retail prices," explains Kober. "We ran these ads, along with a photo of a British Airways airliner (which also serves CAB beef) with the tagline: 'First-class quality at coach prices.'"

The company also worked hard at increasing customer traffic by selling some beef cuts at extremely discounted prices, without sacrificing the quality of his offering. This summer, for instance, Kober featured 200,000 pounds (lb.) of beef, which he bought at \$1.99/lb. and featured on sale for 99¢/lb.

The reason? "The more beef we move, the better off we are. But the beef we sell must have quality," he explains. "When I give up that amount of money, I've got to get it back, and I get it back through increases in



PHOTOS COURTESY OF BETH BARNER

► Al Kober, manager of Clemens Markets Inc., promoted *Certified Angus Beef*® (CAB), which put his meatcase on top in the Philadelphia area.

customer traffic and higher volume of total sales. We're not getting rich. If we can make a 1% return on investment we'll be happy. We average about 0.7%."

The cut-rate prices also drew customers into the stores to see firsthand the quality and service that Kober offered at the meatcase.

## Reaping the benefits

The results of Kober's efforts were exceptional.

"Sales volume grew. We got more customer compliments. And the next time *Philly!* magazine came out with its survey, our meatcase took top honors," Kober says. "Suddenly, we were seen as the best place to buy beef."

Clemens Markets Inc., which was formed in the late 1930s, has a long tradition of delivering value and quality to the marketplace. The company's mission statement purposes to "serve the community by creating the most pleasant shopping experience possible through service, pricing and quality."

Currently, the company has 19 supermarkets in the northwest Philadelphia area, with operations centered in Kulpville, Pa.

Perhaps most importantly, Clemens Markets understands that in order to deliver value, you don't have to sacrifice quality. Believing in this completely has helped the

retail chain expand beef sales instead of sacrificing them to promote other meat products or even lower-quality beef.

This is a lesson learned by retailers across the country during the last four or five years. In fact, consumer demand for beef has been increasing during the last 24 months for the first time in 25 years. Many industry experts credit the beef industry's renewed commitment to quality, led by the efforts of CAB and Angus genetics, as the key reason for this resurgence.

## Looking to the future

But Kober says he believes there are three significant issues that the beef industry — and especially Angus breeders — must address to see continued market expansion in the future.

First, there is a need to differentiate CAB from other branded beef programs.

Today, there are dozens of branded beef programs across the country. Nearly 40 of these use the word "Angus" in their brand names. This is a double-edged sword, says Kober, who isn't convinced that all of these Angus branded programs have the quality that CAB has. In fact, this could eventually hurt consumer demand for CAB if they have a less-than-satisfying eating experience with one of these other products, he says.

But since CAB can't trademark the

CONTINUED ON PAGE 212

## On the EDGES CONTINUED FROM PAGE 211

“Angus” name, the only way around it is to ensure these other programs get the highest-quality cattle into their systems as well.

“If producers produce and feed only cattle that qualify as CAB, then there will not be any inferior cattle for our competitors,” Kober explains. “As producers of Angus cattle, you are responsible for taking the information on genetics, performance and carcass quality and making the best of it. Your job is really important. You need to find all the bulls that don’t produce CAB-type cattle and get rid of them. Why? Because we’ve built CAB on reputation, and we need complete commitment on your end to make this success story better.”

Second, there is a need for greater cooperation between industry segments, especially between feeders and packers.

“A major challenge for the beef industry is its fragmentation. A specific problem is the lack of trust between packers and feeders,” Kober explains. “Each segment sees the customer as the next guy in the chain. But all of us have to understand that all of us have just one customer: the consumer.

“There is great damage done because of the bickering between feeders and packers,”

Kober adds. “When they do this, and feeders hold back cattle from being processed as they wait for better prices, they’re artificially controlling supply and demand. It’s a false situation, and this causes long-term damage to our industry. It’s time for more alliances, and we need to eliminate these unnecessary price fluctuations.”

Third, there is a need for providing products and services that make customers’ lives easier and more time-efficient.

“Consumers aren’t dumb, so never underestimate them. They want convenience, and they want time,” Kober adds. “Our job is to package and deliver time. We must provide meal components, and meat managers must become meal solutions consultants.

“What we’ve learned about consumers is that they don’t make decisions today about what they’re going to eat tonight,” he adds.

“Instead, they plan what they’re going to have tomorrow night and the next night.”

“The industry has come up with this ‘HMR’ term, which means Home Meal Replacement,” Kober says. “I hate that. So we changed it to Home Meal Solutions, or HMS.”

As part of this commitment to HMS, Kober has many of his meat cutters who used to work in the back rooms now in direct contact with customers. That way, they’re there to answer any questions customers may have when it comes to meal preparation, recipes or what cuts of beef would work best for each cooking situation.

In addition, there have been an increasing number of value-added, case-ready products rolled out into the marketplace. CAB is a worldwide leader in the development of these products, which satisfy three important needs of consumers: the need for convenience, because they’re easy to prepare; the need for quality; and the need for value.

Kober says he believes CAB’s commitment to both high-quality fresh beef and case-ready products will go a long way in ensuring that the industry maintains its market expansion into the future.

“We’ve made significant strides in delivering quality and value to the marketplace,” he says, adding that the industry must be diligent to keep beef demand on the rise.

