

Retailers in Cattle Country

A brand to hang their hats on.

by Natalie Jones, Certified Angus Beef LLC

Mick Varilek doesn't do much of the grocery shopping for his household, but one day he heard a radio ad that sent him straight to his closest retail store.

The magic keywords? "Now selling *Certified Angus Beef*® (CAB)."

At first the Geddes, S.D., cattleman thought it was too good to be

true. The meat department hadn't yet been branded with case dividers or signage, so he almost doubted if the product was indeed the brand he and every American Angus Association member across the country owns.

So Varilek checked into it, and was pleased to learn the partnership was in its early stages.

Now the cattleman can drive a half hour to Platte Food Center in Platte, S.D., or go the other direction in the same time to Buche Foods in Wagner, S.D. Either way, he'll find a meatcase full of the product his bulls help create. And the marketing materials quickly caught up, so his neighbors are now well aware that it is the CAB® brand.

"I mean it's recognized now in my backyard," he says. "Even though we produce a lot of it in our part of the world, it really wasn't heard about much until the last year or so."

An expanding sales map

Doubling CAB brand supplies in little more than a decade, cattlemen

responded to demand from the big cities. Many, like Varilek, saw the brand selling in 50 other countries long before family and friends could

buy it local. But that's changing.

In the last few years, CAB has licensed more than 100 grocery stores in rural Kansas, Nebraska and South Dakota. Those brand partners have much in common with the families that supply their beef, including passion and roots that run deep.

Lou's Thrifty Way, 48 years in Norfolk, Neb., just joined as a CAB partner in 2018. A year later it stood out for months as the largest independent retailer for the brand on the planet.

To the northwest, Buche Foods signed up in late 2018 with its 115-year family legacy and five locations in the heart of ranch country.

That was partly because of common membership in Associated Wholesale Grocers (AWG), a distributor cooperative with Lou's and with White's Foodliner, a 67-year-old Kansas family business and CAB partner since 2016 in its five locations across the western half of the state.

Another commonality: They sell beef in communities where more than a few customers could stock their deep freeze from their own herds.

How they sell beef in ranch country stems from who they are.



Mike Brtek (left) and his son Nathan carry on the family legacy as grocers in northeastern Nebraska. In 2019, they won the *Certified Angus Beef*® brand's Independent Retailer of the Year Award, recognizing both a high volume of sales and commitment to marketing.



Lou's Thrifty Way

Founded by Lou Brtek in 1972, Lou's Thrifty Way serves a large and still-growing base of shoppers at its 20,000-square-foot store on the west side of Norfolk in the Elkhorn River Valley.

It's always sold a high volume of beef in "The Beef State," but offering the CAB brand with its 95% consumer recognition made a big difference. The bustling town of 25,000 is home to competition from three major grocery chains.

Lou's son Mike grew up watching his dad and learning how to run the store. After graduating from Creighton University in 1986, it was back to work for a couple of decades until he and wife, Nancy, bought the store in 2010. They operate it with the help of their second-born son Nathan, the third generation building the tradition.

Mike Brtek first heard about CAB at an AWG food show in Omaha. At the time, a competitor was winning price wars with lower quality beef of the commodity brand they both sold.

"People didn't perceive the change in quality so much, mostly just that our beef was \$2 a pound more," Brtek recalls. Brands mean a lot to Lou's, but it always comes back to quality.

"The CAB brand fit right in with my philosophy at the store and the quality, so that's when we switched," he says. Worldwide sales records suggest it was the right decision; local customers are willing to pay

more for the consistent quality. "And everybody in the community knows their Angus-producing friends and neighbors are raising those animals."

Hamburger and ribeye are favorites, but the store runs weekly features and sales, still growing the volume sold.

"Being No. 1 in the world just shows that our customers love

"The guys behind the meat counter also know our customers by name, and they're trusted advisers on marbling and various cuts. I think of my customers and employees as family. I care about my employees, I care about my customers." — Mike Brtek

everything," Brtek says. "And they buy a lot of it."

Among the more popular special cuts are a 20-oz. steak called "Lou's Lunker," along with a bone-in tomahawk and the traditional T-bone.

Brtek promotes the brand on a big electronic billboard on busy 13th Street (U.S. 81), not far from his business on the same north-south route.

Once inside the store, the meatcase boasts all of the CAB case dividers and rail strips as well as TV monitors constantly sharing videos about the brand with cooking and serving ideas.

Lou's highlights that it is the only full-service grocery store in northeast Nebraska. That includes meat cut to specification, staff who bag and carry groceries to the car and an extensive delivery service with four vehicles serving 120 homes each week in a 15-mile radius. One of those sports an eye-catching *Certified Angus Beef* logo, and everyone for miles around knows its home base.

Brtek gives back to his town and stays involved in the larger beef community, even buying the grand champion heifer at the local Beef Expo in Norfolk.

Lou's meat counter features the personal touch, from Brtek shaking hands with customer-friends, to the four cutters and two meat wrappers working to minimize waiting.

"The guys behind the meat counter also know our customers by name, and they're trusted advisers on marbling and various cuts," Brtek says. "I think of my customers and employees as family. I care about my employees, I care about my customers."



White's Foodliner

Retailers in cattle country try to keep pace with the variety, quality, pricing, mobile technology, big data and services of commerce giants like Amazon by localizing all those strategies successfully.

Kingman, Kan., 50 miles west of Wichita, is headquarters for White's Foodliner and third-generation grocer Jordan White. The rural chain spans western Kansas with five locations, but the company's roots go back to the first store White's grandparents Joe and Frances purchased in Coldwater, Kan., in 1953.

The stores always carried USDA Choice, but when presented with the CAB brand in October 2016, the whole management team knew: "We wanted to have the best beef we could offer our customers, and it was the best line hands down," White says.

Times are tough in rural America and the biggest challenges facing retailers are remaining consistent or better while evolving to compete in the marketplace.

Retailers battle with price and value decisions daily. White's

Continued on page 106

Foodliner keeps choosing the CAB brand's quality — even if it does come at a little bit higher price — and so do the customers.

Social media marketing and a customized app for mobile phones anchor the company's advertising connection. The app is a loyalty platform with more than 14,000 customers viewing ads monthly, then utilizing rewards and digital coupons.

Marketing specialists with the *Certified Angus Beef* brand helped tailor mobile advertising for prime rib through the app during the holidays, resulting in sales six times greater than the 2018 Christmas weeks with no app.

"I think the advantages of our marketing is we're young, we're open, we're students of the business. We're trying to learn things as we go and we're adaptive," White says.

He knows virtually all American consumers have their phones with them 24/7, which is why the app has been such a major part of success for his company and CAB.

In-store customers also see plenty of CAB flair. Every package in the meatcase has a branded sticker, divider and full-on marketing materials. Shoppers recognize the brand, and White says they notice its quality with confidence.

As a grocer, White says the best thing about CAB is the consistency.

"If you buy a ribeye from me, you're getting a Choice CAB every time. That's important. There's no swings up and down (such as lower Choice)."

All of White's Foodliner locations are in cattle country, typically in communities of 3,000 and at least 30 miles from any major city.



Buche Foods

Cattle-raising families instill passion and dedication in their young from an early age. That tradition holds true for the Buche family, based in Wagner, S.D.

GF Buche Company fourth-generation president R.F. Buche goes by initials, in keeping with the business name his great-grandfather Gus established in 1905 at nearby Lake Andes, S.D.

Young R.F. loved to go to the store with his father (Robert F. Buche, Jr.). At the age of 4, he snuck out of the house and walked two miles in a blizzard, just to be with his dad. R.F. hasn't been able to keep himself out of the grocery store ever since.

It wasn't until about a year ago that Buche Foods started carrying the brand, after discussions with AWG and other founding members of that CAB distributor.

Buche admits to some skepticism at first, mainly due to the higher price point than competition.

But good news travels fast — Varilek is proof — and customer buying choices soon affirmed the decision because they can count on the product.

"If you give it to the people to try, I just think that makes all the difference in the world," Buche says after the first year.

Customers regularly get CAB samples and observe in-store cooking demos as a kind of live-experience advertising. Last fall the retailer

began giving a free steak or roast to customers who have never tried CAB.

Buche identifies those customers through an interactive app where shoppers share profiles and purchasing habits. Feedback from the app lets Buche Foods change its marketing approach and better communicate with customers.

"It was really easy for us to go in and market CAB and hang our hat on it," Buche says.

Full circle

Kurt Brockhaus, executive account manager for the brand, covers seven states from Missouri to the Dakotas and works with distributors to bring beef to rural retailers.

"These top retail partners are in the heart of cattle country. Their managers and staff know how hard the ranchers work to hit our marks and get cattle accepted into the CAB brand," he says. "The numbers are growing, and it's exciting to watch what they're doing."

Varilek is not only happy his community can buy the brand, he's an engaged customer himself.

The cattleman used to drive 130 miles to Sioux Falls, S.D., to get beef for his bull sale. This year, he went to the meat manager he knows by name and got his top sirloin. Varilek told customers what they were eating is now available locally and it's what his family orients their herd toward. It's what he wants to help his customers produce.

It's a full circle. 



R.F. Buche