

# Wired for Flavor

E-commerce is creating a new domain for selling Certified Angus Beef™ products.

by Steve Suther

Millions of shoppers would buy beef on the Internet if they could count on its quality and consistency. This opens a window to yet another "domain" for Certified Angus Beef™ (CAB) products.

Licensed retailers are opening cyber-storefronts, while several of the brand's foodservice licensees boast more than a year of Web-based marketing experience. With the licensing of the Internet-based grocer Webvan's Atlanta site in May, the Certified Angus Beef (CAB) Program seems poised to make it big in the virtual world.

That's one reason CAB consumer services manager Marylynn Roe, who operates the Program's consumer tip line at 1-877-2-EAT-C-A-B, was asked to take on another

role this year: Internet marketing specialist.

"It's an exciting area to explore," she says. Her first priority was to organize connecting links from the CAB Program Web site ([www.cabprogram.com](http://www.cabprogram.com)) to existing e-commerce sites of licensees. Roe is also organizing a CAB presence in several licensee gift catalogs and helping develop the new consumer Web site at [www.2eatcab.com](http://www.2eatcab.com).

"E-commerce is growing like a wild weed, and it will take a while to get it tamed," she says. That will include keeping standardized and current information on the growing number of Web sites that include information on CAB products. "On the Internet, outdated or wrong

information is easily picked up and spread quickly, so it's a challenge we take seriously."

Business volume is expected to grow rapidly this year, she says. "Until now, most of these licensees have not moved much product except during the holidays, but that is starting to change."

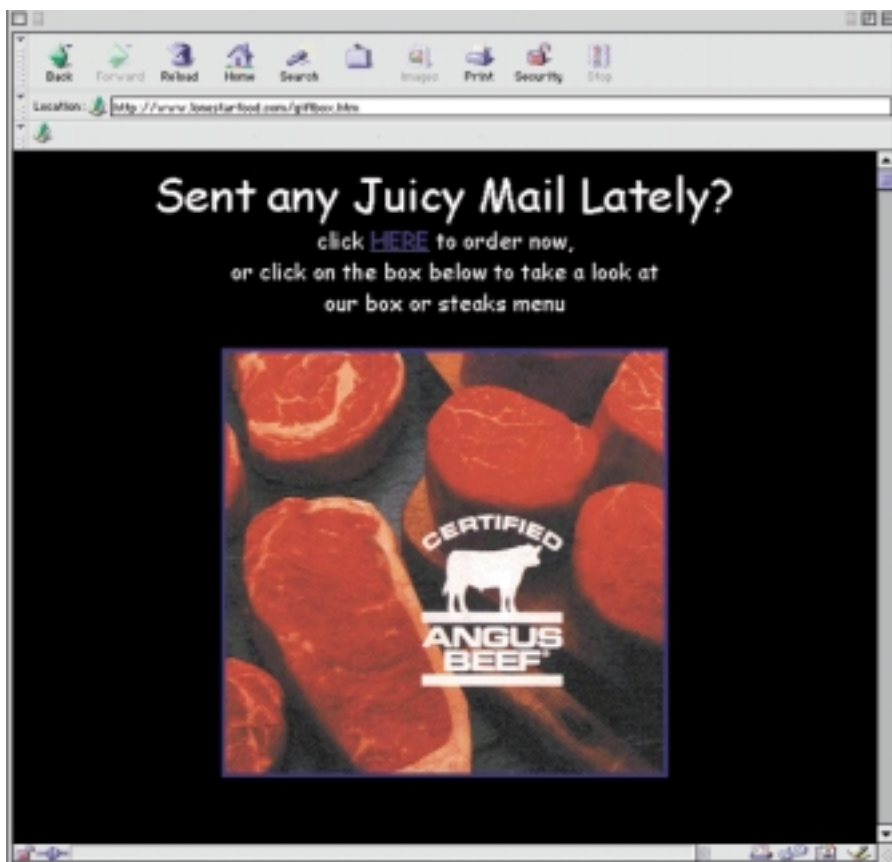
Shipping and handling charges can make routine purchases of individually packaged steaks impractical year-round, but volume buying offers possibilities. "Some of our foodservice and value-added licensees are looking at ways to more economically supply consumers with larger quantities and perhaps [with] wholesale cuts," Roe says.

Albertson's, one of the largest retail grocer chains and a CAB licensee, offers full Internet-based shopping in the Seattle market and next-day, free delivery for orders of more than \$60. The chain plans to expand such services to other markets.

Then there's Webvan, a new leader in the Internet grocery field where CAB has been cultivating contacts as fast as those weed problems come under control. The field, if you include nonprescription drugs and prepared foods along with groceries, could account for 1% of a \$650-billion "real world" market in three years, and that ain't hay.

The phenomenon of Web grocery shopping is considered more likely to succeed in East Coast and West Coast markets and some Midwestern and Southern cities, where population centers allow a critical mass of demand within a 50-mile radius. That means the "e-grocer" wave is unlikely to spread through open ranch country anytime soon.

The key challenges that e-grocers must overcome in the cities include the coordination of delivery times, thin profit margins and lack of trust in having strangers pick people's tomatoes and fresh meats. That's why CAB's consistency and consumer-satisfaction record are attractive in building that trust.



\*The Certified Angus Beef (CAB) Program is owned and administered by Certified Angus Beef LLC, a wholly owned subsidiary of the American Angus Association.

Webvan, which wants at least \$1 billion/year of that market, started in San Francisco last summer, but it didn't become a CAB licensee until opening its first expansion into Atlanta this May. By year's end it hopes to have similar warehouse "hub-and-spoke" distribution centers in Chicago and Seattle on the way to a 26-market, \$1-billion total rollout, according to company publicity.

It may be one of the most automated "e-grocers," but business analysts note it is also the most capitalized. Competing Web-based grocers, such as Peapod, NetGrocer and GroceryWorks, have set up shop in similar markets for a tenth of Webvan's start-up cost, but time will tell if the investment pays off with delivery of other nonfood items through its infrastructure.

The world's leading beef brand is familiar to virtually all retail entrepreneurs, and as top executives from CAB-licensed retailers move into Web-business leadership, you can expect CAB products to find their way into more and more Web-page menus.



## Licensed Certified Angus Beef (CAB) Program mail-order services listed on [www.2eatcab.com](http://www.2eatcab.com)

**Rocke's, a division of RMH Foods**—Morton, Ill.; 1-800-397-7013;  
[www.ilovemeat.com](http://www.ilovemeat.com)

**Buckhead Beef Co.**—Atlanta, Ga.; 1-800-888-5578; [www.buckheadbeef.com](http://www.buckheadbeef.com)

**Cusack Meats**—The Prime Connection, Oklahoma City, Okla.; 1-800-241-MEAT;  
[www.cusackmeats.com/catalog.htm](http://www.cusackmeats.com/catalog.htm)

**Ellsworth Foods**—Tifton, Ga.; fax: (912) 387-9749; [www.gourmet-express.com](http://www.gourmet-express.com)

**Evans' Family**—Online Meats, Richmond, Mich.; 1-877-WEB-MEAT;  
[www.onlinemeats.com](http://www.onlinemeats.com)

**Festival Sausage Co.**—Oakland, Ill.; 1-800-861-5462; [www.festivalsausage.com](http://www.festivalsausage.com)

**Gibb's Butcher Block**—Columbia Station, Ohio; 1-800-646-BEEF;  
[www.great-steaks.com](http://www.great-steaks.com)

**Golden Trophy (Bruss Co.)**—Chicago, Ill.; [www.giftsteaksonline.com](http://www.giftsteaksonline.com)

**The HoneyBaked Ham Co.**—Holland, Ohio; 1-800-892-4267;  
<http://hbf.honeybaked.com>

**Imperial Meats**—Missoula, Mont.; 1-800-332-6210; [www.imperialmeats.com](http://www.imperialmeats.com)

**Lauren Foods**—Willoughby, Ohio; 1-800-545-1048; [www.laurenfoods.com](http://www.laurenfoods.com)

**Lombardi Gift Meats**—Denver, Colo.; 1-800-421-4412

**Lone Star Foodservice Co.**—Austin, Texas; 1-800-880-3161;  
[www.lonestarfood.com/giftbox.htm](http://www.lonestarfood.com/giftbox.htm)

**Neesvig's**—Madison, Wis.; 1-800-633-4494, Ext. 306; [www.neesvigs.com](http://www.neesvigs.com)

**Nesson Meat Sales**—Norfolk, Va.; 1-800-622-2275

**Otto W. Liebold & Co.**—Flint, Mich.; 1-800-999-MEAT; [www.otto-w-liebold.com](http://www.otto-w-liebold.com)

**P.A. Braunger Food Service**—Sioux City, Iowa; 1-800-397-1027

**Passanantes**—Bristol, Pa.; 1-888-814-GIFT; [www.foodgifts.com/angusmenu.htm](http://www.foodgifts.com/angusmenu.htm)

**Quality Meats & Seafood**—West Fargo, N.D.; 1-800-342-4250

**Steve's Steak Central**—Rochester, N.Y.; 1-888-9-STEAKS;  
[www.bestbeef.com/store/place-order.html](http://www.bestbeef.com/store/place-order.html)

**Usinger's**—Milwaukee, Wis.; 1-800-558-9998; [www.usingers.com/online.html](http://www.usingers.com/online.html)

**Southern Foods**—Greensboro, N.C.; fax: 1-888-STEAKS4U; [www.greatsteaks.com](http://www.greatsteaks.com)