

# OUTSIDE THE BOX



by Tom Field, University of Nebraska–Lincoln

## Prove it

*Helping my mother sort through the storage boxes stacked at one end of her garage is a bit of an adventure, but a treasure or two always emerges.*

*In this case, it was one of those oversize magazines from the 1950s.*

As I absentmindedly thumbed through the pages, I was drawn to an advertisement featuring what I assume was a portrayal of the “perfect” housewife — an attractive woman wearing a stylish mid-calf dress, a matching apron, hair done expertly, exuding happiness and clearly able to command the workings of the kitchen with a minimum of fuss.

I pointed out the page to my mom and asked if the image was how she remembered her life. In a tone and matter-of-fact fashion that only a 80-year-old woman can achieve, she responded, “Honey, that gal isn’t real!”

My earliest experiences in discussions related to beef promotion focused on meeting the needs of the stay-at-home mom and for many years, the beef industry rolled along with the assumption that the key consumer target was the embodiment of the Betty Crocker image adorning the chocolate cake mix box in the pantry. However, that assumption is no longer valid — consumers are anything but a homogeneous demographic.

The market has fragmented to the point that the use of the word “consumer” without the addition of

descriptors that define the specific slice of the market is misleading.

Stephen Burnett at the Kellogg School of Management at Northwestern University states that the truly market-focused organization has six fundamental characteristics that define and focus their efforts:

1. Serve a limited number of carefully chosen customer categories.
2. Aspire to command high volumes of market share (40% or more).
3. Crystal-clear positioning with the target customer — brand equity.
4. Every decision, at every level of the organization, is focused on the target customer.
5. Everyone in the organization thinks like target customers and behaves accordingly.
6. Know the customer better than anyone else and no one (especially at the top) is isolated from a customer.

The key words and phrases from Burnett’s list are: limited number of carefully chosen customers, command high market share, crystal-clear positioning, all decisions

focused on chosen customer categories, plus deep knowledge and empathy with the selected customers. Great companies spend the time, energy and resources to develop market focus.

Contrast this with the conversation I had not long ago with an organizational leader who stated that his goal was to provide meaningful value to every person in an entire state. A well-intentioned goal perhaps, but it will spread their resources so thinly they will most certainly lose traction and relevancy. In short, strategies designed to be everything to everybody are doomed to failure.

### Earning trust and keeping it

However, across all customer categories, one element must be present to create strong customer loyalty — trust. It is fast becoming the dominant table stake as people seek to find comfort, meaning and value in a world that is increasingly complex and chaotic. Trust development is increasingly challenging given the diversity of consumer segments complete with different wants, needs and values for each. The globalization of the marketplace, the prevalence of social

media in communication, and the speed of technological change only add to the complexity.

Lasting trust between individuals and small groups is built on face-to-face interactions, shared experiences and a deep level of personal knowledge among the group. Establishing trust along an entire supply chain and between large organizations or industries and millions of customers is an altogether different process. In the macro scenario, trust is built from confidence in both the reliability of the product but also for the processes deployed to create the product. Furthermore, large entities no longer have the luxury of using a carefully crafted public relations campaign to create an aura of trust — they have to provide proof.

Remember those fifth-grade arguments. As the debate escalated with each player alleging some

different version of reality, the opposing players would throw out “facts” to support their position; this would continue until someone played the pivotal card by declaring, “Prove it.”

We are in the age of “prove it” and thus the beef industry players must provide evidence. Evidence will come from several efforts:

1. Establishing standards for critical elements (food safety, animal well-being, sustainability);
2. Measuring performance and progress in meeting the standards; and
3. Claiming ownership of the choices, impacts and value created.

In summary, consumers are anything but homogeneous and the beef industry is transforming into unique supply chains to meet the

needs of divergent market segments. However, across nearly all customer categories, trust in both product and process is rapidly becoming a table stake for market entry. Given these realities, the time has come for the beef industry to prove it. Tracking and traceability, process management and verification systems will be required to establish trust. We ignore these realities at our own peril.

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*Editor's Note: Tom Field is a rancher from Parlin, Colo., and the director of the Engler Agribusiness Entrepreneurship Program at the University of Nebraska-Lincoln.*

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**WEDNESDAY, JANUARY 16**  
8:00 AM • Angus Bull ROV Show  
11:30 AM • Angus Bull Sale Show  
4:00 PM • Angus Sale Social  
6:00 PM • Angus Bull Sale

**THURSDAY, JANUARY 17**  
8:00 AM • Junior Angus Heifer Show  
2:00 PM • Denim & Diamonds Sale Display  
5:00 PM • Denim & Diamonds Sale  
7:00 PM • Trowbridge Family & Friends Sale (Yards)

**FRIDAY, JANUARY 18**  
8:00 AM • Angus Female ROV Show  
2:30 PM • CO Angus Assn. Foundation Female Sale (Yards)

**SATURDAY, JANUARY 19**  
8:00 AM • Angus Bull & Heifer Pen/Carload Shows (Yards)

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