



# Demand Strategies '93 Explores Industry Partnerships

The fifth annual Demand Strategies Conference held in Chicago, Aug. 12, addressed the challenges of maintaining livestock industry coalitions and developing exceptional strategic alliances—partnerships—that allow for more effective marketing on behalf of meat products.

Place, promotion, product and price are all important parts of the marketing equation. These “P’s” were examined in the opening session, “Understanding Today’s Meat Consumer,” to better understand the role of partnerships and how they relate to marketing meat to today’s consumer.

A review of the successes of some ongoing partnerships in the meat industry showed that gains are being made in marketing meat. Michael Hudson, co-director of the personal enterprise program, Cornell University, cautioned conference participants.

“Traditionally, people in agriculture look for the Holy Grail—the one answer that will solve all industry problems,” Hudson said. “In reality, success will take place by small individual companies who first try a strategic alliance or a new product. They can better bear the risk with a value-added product because they can produce it better; they’re more flexible. This is where successes will occur.”

Several workshops further explored some of these individual partnerships and the opportunities, challenges and benefits they have produced.

## Partnerships in Healthcare

In the healthcare workshop, the panel addressed the question, “Will partnerships with a healthcare organization be a marriage made in heaven?” The group explored the benefits of working with thought-leader groups, specifically relating the benefits to overall industry marketing objectives.

American Heart Association represen-

tative Barbara Hatley Jenkins described the “vows” industry and healthcare organizations must take to create successful partnerships. These include mutual benefits, an understanding of objectives and an agreement on what success is. She pointed out the HeartRide partnership with the Meat Board met the criteria that results in a winning program—positive messages for each organization.

Illinois Academy of Family Physicians (IAFP) Executive Vice President Vincent D. Keenan concurred with Jenkins. He highlighted IAFP’s outstanding results in developing and promoting “Eating Right: The Adventure Begins,” an educational video for physicians to deliver to 5th through 8th grade students, developed by IAFP and the Meat Board. “Your industry had to make the first move and we are pleased that you did,” Keenan said.

Darlene Lansing, executive director, Society for Nutrition Education (SNE), emphasized trust as the critical element in successful partnerships, citing the critically acclaimed “What’s On Your Plate?” public service announcement series created by McDonald’s and SNE. “Partnerships succeed when the partners have realistic expectations and an understanding and acceptance of each others’ roles,” said Lansing.

## Partnerships In Research

The research workshop illustrated how industry-wide players can work together toward attaining shared goals. Three major studies coordinated by the Meat Board were explored: HACCP (Hazard Analysis Critical Control Points)/Organic Rinse, Vitamin E Supplementation and Value-Based Pricing/Cents-Per-Pound.

“Each project produced efficient, effective alliances formed to advance research and promote the resulting technology,” said Gary Smith, professor of animal sci-

ence, Colorado State University. “The projects have contributed to the industry’s welfare by boosting consumer confidence in meat safety, increasing perceived value of meat products and extending shelf-life and profitability of meat products.”

The workshop offered various perspectives on research partnerships and included speakers from producer, processor, government and academic backgrounds. The speakers agreed that alliances combining resources, people, ideas and dollars ultimately make meat products more competitive with other foods.

“The key is to be competitive in all segments of the meat industry,” said H. Kenneth Johnson, Meat Board vice president of meat science. “One of the major challenges in research is how to move technology from the laboratory to the everyday working of a business. Partnerships are critical to that transfer.”

## Partnerships in Foodservice & Retail

The foodservice and retail workshop assessed the success of a good partnership based on the bottomline value to each partner. The dynamics of three newly formed strategic alliances that promise to further the success of the meat industry were explored.

The first presentation reviewed the Beef Industry Council’s (BIC) work in bringing together two companies which would mutually benefit from a partnership. Gordon Food Service, a distributor, and Choice Meats, a producer of value-added beef and pork items, joined hands to develop a variety of proprietary beef items to add to Gordon’s product line.

“This partnership was ideal,” says Dan Bender, manager of meat, poultry and seafood for Gordon Food Service. “Choice Meats contributed sophisticated technology and delicious, convenient products that have met with great suc-

cess. We offered fantastic marketing strength and the BIC invested beef checkoff dollars to develop point-of-sale and other promotional materials."

Retail opportunities through a Cattle-Fax/BIC alliance were highlighted next. The retail featuring program encourages retailers to increase beef ads which significantly increases beef sales, while bringing the cattle industry a \$30 return for each dollar invested in this program.

"Cattle-Fax and the BIC monitor the fed cattle market to determine critical marketing periods," said Tom Brink, director of market research, Cattle-Fax. "The BIC then works with retailers, offering them incentives to increase advertising and featuring. This motivates consumers to purchase more beef, thereby moving more product through the retail channel."

### Total Quality Management

During the closing session of Demand Strategies, Selwyn W. Becker, professor of psychology and quality management for the University of Chicago, addressed "Beginning with the End in Mind — Total Quality Management." Through role-playing activities, familiar production and distribution segments of the nation's meat and livestock industry were portrayed.

"The process from farm to fork has evolved into a long and complicated journey — from the seedstock producer to the consumer. Few industries have more defined segments than the meat and livestock industry," said Becker.

In his address, Becker showed what the industry could achieve if each segment would approach the business from a total quality management perspective. "Alliances are easy to talk about, but harder to make happen," said Becker. "The meat industry needs to think of itself as a system and then find ways to make the subgroups within the system work to meet the industry's goals."

Becker was then joined by conference moderator, Wayne Talarzyk, professor of marketing for Ohio State University. Talarzyk asked those attending to examine the strategies the industry is taking and question if these are the right tactics.

Demand Strategies, initiated in 1989, is an industry conference sponsored by the National Live Stock and Meat Board, a coalition of the meat and livestock industry that has been working through industry checkoffs to build demand for beef, veal, pork, lamb and deli/prepared meats since 1922.

## Owen Elected to Lead Meat Board; \$51 Million Budget Approved

During the annual meeting of the National Live Stock and Meat Board, Aug. 13-14, directors representing all segments of the meat and livestock industry elected Polly Owen, a beef producer from Beavercreek, Ore., as chairman of the board. They also approved a \$51.7 million budget to fund demand-building programs for beef, veal, pork, lamb and deli/prepared meats during the coming year.

Owen, who served as 1990-91 BIC chairman, has raised registered Herefords for more than 20 years. Prior to being elected chairman she held the offices of chairman-elect and secretary/treasurer of the Meat Board. Owen was pivotal in the success of the National Beef Cook-Off® through her work on the BIC information committee, as past president of the Oregon CattleWomen and as a board member of the American National CattleWomen Inc. She has also served on the Beef Promotion operating committee and the Oregon Beef Council.

In addition to her cattle operation, she is currently the executive director of the Oregon Cattlemen's Association. Owen succeeds Robert N. Rebholtz, an Idaho beef and lamb producer from Boise.

Jim Hauge, a Leith, N.D., beef and pork producer, and Ray Larson, a Maple Park, Ill., cattle feeder, were elected chairman-elect and secretary/treasurer, respectively.

In addition to Owen, Hauge and Larson, the Meat Board elected the following members to serve on the Meat Board Executive Board: Ralph Bell Jr., Beef Industry Council chairman from Summerton, S.C.; J. Patrick Boyle, American Meat Institute director; L.R. Curtis, an Iowa beef director from Hastings; Max Deets, a Kansas beef director from Beloit; Ned Ellis, an Alabama beef director from Ft. Deposit; Lee Hall, a Kentucky beef director from Lexington; George Hammond, a Montana beef director from Hardin; Robert N. Rebholtz, immediate past chairman of the Board and an Idaho beef director from Boise; Darrel Saltzman, Shickley, Neb.; George Spencer, Dakota City, Neb.; Louise Willey, a California beef director from Brawley; and Steve Taylor, Missouri Beef Council, ex-officio member.

During the Meat Board Annual Meeting the fiscal 1994 budget for programs, which begin Oct. 1, 1993, was approved. Program expenditures include: \$32 million for promotion \$9.2 million for consumer information; \$6.3 million for research; \$1.9 million for industry communications and coordination; and \$2.1 million for meetings, contingencies, administration and reserves.

During the course of the meeting, the Meat Board reviewed ongoing research and consumer information efforts addressing food safety issue in the meat industry. It also passed a resolution directing chairman Owen to appoint a task force to give immediate strategic direction to enhance industry-wide consumer education and research efforts and develop a systems approach to assure the safety of meat and meat products.

Also accepted was the Meat Alliance Task Force Report which was formed to explore industry strategic alliances and formulate plans for developing and maintaining future alliances. In addition, the Meat Board was updated on the new nutrition labeling law, the Meat Board's Value Based Pricing retail meat case project, Meat Board Ad Watch and actions taken by the Youth Initiative Task Force.

### Report Highlights

A special new publication, entitled *Demand Strategies — The Meat Consumer 1993*, presents the latest consumer market research findings of the National Live Stock and Meat Board.

Presented during the recent industry-wide conference, Demand Strategies '93, the Meat Board market research report reveals how today's consumers make meat-buying decisions.

The booklet provides information on: per capita consumption, consumer attitudes, food purchase patterns, consumer segments, competitive proteins, youth perspectives and more.

"Consumer research is critical to the success of the meat industry," says Jeanne Sowa, executive vice president of marketing for the Meat Board. "The latest findings allow us to prepare for the

future and help form the foundation for promotional, educational and informational campaigns."

Adds Sowa, "Producers, packers, retailers, foodservice operators and all other meat industry professionals are sure to find the information contained in *Demand Strategies — The Meat Consumer 1993* both useful and enlightening. The more we know about the people buying and preparing meat, the more we can do to satisfy their needs and increase demand for our products."

Single copies are available free while supplies last. Please write the Information Department, National Live Stock and Meat Board, 444 N. Michigan Ave., Chicago, IL 60611-9909; or call Linda Uselding at (312) 670-9234.

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