



Outside the Box

► by Tom Field, professor of animal science, Colorado State University

Be careful what you wish for

The first beef-marketing slogan I can remember was a bumper sticker on the back of my grandmother's Oldsmobile that proclaimed, "Beef is King." The slogan represented well the mind-set of the day — beef's role in the world of food was that of an undisputed champion in terms of consumer preference. In essence, it was game over, and, as such, little investment of time and energy was placed into assuring that the product met the needs of a rapidly changing consumer marketplace. Beef was not alone; auto manufacturers and a host of other businesses simply assumed their position would never be effectively challenged.

Don't get too comfortable

Of course, history proved otherwise. Volkswagen took market share from Ford Motor Co.; chicken took market share from the beef industry; and so forth. Fortunately, the end result of the poultry industry's not only having the nerve to challenge beef's standing but also capturing significant profits in the process, was that beef producers were stimulated into action. Passivity was replaced with a call for the industry to become "consumer-driven."

In conferences, meeting rooms and hallway discussions, industry leaders embraced the notion that long-term success was dependent on the ability to identify and meet consumer demands for products that were flavorful, convenient, healthy, wholesome, and produced with sensitivity to the environment and animal welfare.

It was an easy concept to become excited about, but I had one colleague who would conclude every discussion on the subject by saying, "We should be careful what we wish for."

His point was not that we should ignore consumer signals, but rather, by listening to consumers and committing our efforts to meeting their needs and demands, the industry would have to go through a substantial mind-set shift accompanied by very real changes in how we conduct business. He knew that being consumer-driven was more than a slogan and that the transformation would be accompanied by frustration and challenge.

He was right. The industry experienced significant levels of frustration as our awareness grew that consumer demand for beef was neither homogenous nor easily quantified. Frustration was clearly a part of the early days of developing beef brands.

For example, the early history of *Certified*

Angus Beef® (CAB®) points to the fact that a good idea alone would not equal instantaneous success, but instead required a level of commitment and tenacity that bordered on the heroic. We continue to be frustrated by consumers — international buyers confound us, domestic consumers represent a moving target, and in some cases big dreams failed to materialize when competitors beat us to the punch.

However, the challenges of developing a more consumer-driven approach in the beef industry have yielded significant economic benefits. Since 2002, per capita expenditures have hovered near \$240 billion following the remarkable growth in consumer demand since the late 1990s. Interestingly, during the same period of time, per capita disappearance of beef was relatively stable, at between 60 and 65 pounds (lb.) on a retail basis.

The industry has invested significant resources into the development of new products, making better utilization of previously undervalued cuts such as the chuck a priority. Nearly one-quarter of U.S. beef is marketed through various U.S. Department of Agriculture (USDA) certification programs, and although the beef industry was slow to embrace branding strategies, approximately 25% of the beef retail case is now brand-identified.

Export markets are slowly reopening, and global demand for beef has strong upside opportunity for U.S. producers. All in all, we can make the case that the industry has indeed moved proactively into the realm of consumer orientation and responsiveness.

Must keep working

However, it would be a strategic error to claim victory too early or to become overconfident. The world of consumer

marketing will be no less exasperating in the future. Interfacing with consumers and predicting consumer trends will always be unsettling, as the marketplace is dramatically differentiated, and consumers are often fickle in terms of their wants and demands. Nonetheless, it is on this slippery slope where the beef industry will ultimately create its future.

Relative to domestic consumers, there are three basic groups we must better understand — the "Baby Boomers"; the X, Y and Z generations; and women.

Baby Boomers control a significant proportion of current disposable income; future beef sales will be determined by consumers who today are younger than 25 years of age and who are in the process of forming their perceptions about diet and foods; and, finally, women comprise a very powerful consumer niche. In fact, consultant Tom Peters refers to women as "market opportunity No. 1."

Each of these three basic consumer groups requires developing a marketing and communication strategy that matches its unique needs, desires and demographics. Furthermore, each of these strategies will require beef industry participants to step outside of their comfort zones.

The beef message will increasingly have to deal with a broader range of consumer needs and issues — environmental impact, humane handling, locally or regionally grown, and provision of experiences (think Disney) as a central component of meeting consumer demand for food are just a few of the challenges. The international consumer brings an additional layer of cultural diversity that must be understood if we are to effectively market beef to foreign customers.

But, then again, it was never promised that being consumer-focused would be an easy task.

E-MAIL: tom.field@colostate.edu

Editor's Note: Tom Field is a professor at the Colorado State University (CSU) Department of Animal Sciences, where he is responsible for the seedstock cattle breeding program of the university teaching herd. He directs the Seedstock Merchandising Team and teaches Food Animal Sciences, Beef Production and Family Ranching. He is a contributor to the research efforts of the CSU Beef-Tec program. A frequent speaker at beef cattle events in the United States and internationally, Field is also a partner in his family's commercial cow-calf enterprise, which uses Angus as an important genetic component.