



New product campaigns, promotions and better labels are being implemented in the retail sector.

by *Kindra Gordon*

During the past decade, the meatcase has undergone its fair share of change, with more heat-and-serve and value-added beef products made available than ever before. While that trend is expected to continue, there are also changes planned for fresh meat cuts to help boost beef's appeal. Here's a glimpse at what's ahead.

More on-package information

In the near future, American consumers will likely find more nutritional information on the packages of all foods they purchase — including beef. Leah Wilkinson, National Cattlemen's Beef Association (NCBA), confirms there is a movement toward food packages more prominently displaying information such as calories per serving, serving size, trans-fatty acid content and how the food fits into recommended dietary guidelines.

These nutrition labeling changes are said to be a direct result of the federal government's effort to address the obesity

epidemic in the United States. Reportedly, two out of three Americans are overweight. To that end, the U.S. Department of Agriculture (USDA) unveiled the revamped 2005 *Dietary Guidelines for Americans* in January in an attempt to encourage consumers to eat healthier. Additionally, Wilkinson reports that by Jan. 1, 2006, a new Food and Drug Administration (FDA) rule will require that all food manufacturers report the amount of trans fat in food products on nutrition labels. The other changes — calories, serving size, etc. — are still only in the discussion phase, but are expected to be implemented to some degree to help enhance consumer food choices.

Beef industry proponents say these changes should be beneficial for beef retail sales. A central theme of the 2005 dietary guidelines is to "get the most nutrition out of your calories," or eat more naturally nutrient-rich foods. Lean beef is one example. Moreover, a 2003 in-store

pilot program conducted by NCBA on behalf of the Cattlemen's Beef Promotion and Research Board (CBB) found that detailed nutrition information in the meatcase has the potential to increase consumer awareness of the nutrient content of fresh meats and increase retail meat sales.

Along with nutrition information, consumers can expect to see enhanced on-package recipe and serving suggestion information on protein products in the meatcase. This is in response to findings from a 2004 study that indicate on-package labeling — such as appetizing photography, cooking charts, serving suggestions, and simple preparation tips and recipes — helps consumers eliminate boredom with their current meal routines and prompts them to try unfamiliar cuts on impulse buys.

Some of the consumers surveyed even said they would be willing to pay an extra 5¢ for the additional information. And, the study found that consumers are interested in point-of-purchase information for less-familiar cuts such as beef round, and they are receptive to new cooking ideas for familiar cuts.

The study was funded by the CBB, the National Pork Board and Yerecic Label, in partnership with NCBA. Some retailers such as Whole Foods Market, Food City and Safeway are already including the informative labels on items in their meatcases in an effort to move more meat product.

Foodservice partnerships moving more beef

The Cattlemen's Beef Promotion and Research Board (CBB) reports that partnering with national foodservice restaurant chains for beef product promotions has greatly helped leverage checkoff dollars — and move more beef.

During the last three years, the Beef Checkoff Program has leveraged a small percentage of cattlemen's \$1-per-head investments via more than 20 promotions with national foodservice restaurant chains to help extend the consumer message about beef and get more beef items on restaurant menus.

The CBB and state beef councils invested a combined total of \$1.4 million, while foodservice partners have invested more than \$95.7 million in consumer media outreach for the beef promotions. That means that for every checkoff dollar invested in these beef promotions, restaurant chains chipped in \$68.

Some of the partnerships that the Beef Checkoff Program pursued in 2004 included The Pizza Ranch, Quiznos Sub, Domino's Pizza, Taco Bell, Arby's, Ground Round, Stuart Anderson's, Buckhead Brewery and Dunkin' Donuts.

Results of the partnerships include millions of public-relations impressions, the addition of new beef items to the chains' menus and incremental sales of millions of pounds of beef for the promotions.

Source: National Cattlemen's Beef Association.

Teaming up with retailers

Other effective tools to increase consumer awareness and beef sales are in-store promotions and partnerships with retailers.

As an example, for the past three years between May and Labor Day, the beef industry has implemented a "Summer Grilling" campaign designed to grow

CONTINUED ON PAGE 92

consumer demand for beef at a time when supply increases, consumers are firing up their grills and retailers are featuring grilling cuts. In 2004 the promotion boosted beef sales 8.2% on a dollar basis and 2.2% on a pound basis vs. the same period the year before.

The 2005 Summer Grilling plans include a freestanding insert with A.1. Steak Sauce that will run in Sunday newspapers on May 22 and June 26, as well as retail tagged radio ads that will run in markets that reach more than 50% of the U.S. population. Consumers will also be offered \$1-off beef savings on meat packages when A.1. is purchased. Displays of A.1. that contain reprints of a grilling guide from *Midwest Living Magazine* will be featured in stores.

New product acceptance

In-store promotions and demonstrations are going to be key in 2005 to familiarize more consumers with new Beef Value Cuts like the flat-iron, ranch cut and petite tender steaks, says Tony Mata, technical coordinator of new product development for NCBA.

Mata reports that in the foodservice sector, acceptance of these new Beef Value Cuts has been phenomenal — with more than 11,000 restaurants offering at least one of these items. That has translated to 10 million pounds of steaks and \$200 million in business at restaurants. However, retail response has been more moderate, with just

729 stores carrying Beef Value Cuts and little data on consumer response.

Mata says, “At retail, demonstrations are going to be key for these new items because consumers are not familiar with them. You look at the flat iron in the meatcase, and it is not the typical shape of a steak. Consumers need to know what it is and how to cook it.”

In an effort to boost interest in Beef Value Cuts at retail, Mata says a “pull strategy” is being targeted at consumers in 2005. The beef industry will be partnering with big retailers in large metro areas, and, rather than visit 10 retailers one time, they may visit three stores numerous times to help them educate consumers and merchandise these new beef products.

The new on-package recipe and serving suggestion labels should also help better educate consumers on new products. Mata says he and his staff have learned that new cuts either need to be positioned as lean or with a value/tenderness aspect to garner consumer support.

Looking ahead, Mata says the future focus in marketing new beef products will be a “targeted push” approach. He says this strategy will target manufacturers and processors in working with them to develop value-added branded products and new concepts.

Mata says more partnerships and communication will also be pursued with foodservice and retailers prior to future new product development. “There is no need to

spend time and money on a product no one is interested in. After partnerships are formalized, then we will undertake product developments,” he says.

To better partner and communicate with retailers, NCBA launched two new resources last fall to help meat department staff enhance their beef merchandising. Those resources include the “Beef Training Camp” educational course and <http://beefretail.org>, a Web site featuring new product and nutrition research, marketing programs, and recipes.

Enjoyable advertising

Continued beef industry advertising campaigns are also planned throughout 2005 to drive consumers to the retail meatcase. The bulk of the advertising — nearly 80% — will center around the theme of enjoyment, with nutrition and retail messages accounting for the other 20% of the focus.

Consumer research indicates that enjoyment advertising produced strong, measurable results in 2004, both in terms of reach and consumer attitude. The advertisements reached 93% of adults age 25-54 an average of 11.5 times during the year. Consumers who saw the enjoyment advertisements also gave more positive responses to attitude survey questions regarding beef. For instance,

- ▶ 80% of consumers reached by the ads rated beef as food they would “have a hard time giving up,” compared to 62% of consumers not reached by the ads;
- ▶ 66% of consumers reached by the ads rated beef as the best source of protein, compared to 57% of those not seeing the ads; and
- ▶ 62% rated beef as “expensive, but worth it” if they saw the ads, compared to 51% if they did not.

As explained at the Cattle Industry Annual Convention in San Antonio, Texas, in February, the Beef Checkoff Program will shift away from national television advertising in 2005 due to the pending checkoff court case and the commitments required to purchase television ads so far in advance. But, national print and radio ads will be used to meet the program’s advertising objectives, which include maintaining a strong media presence and continuing to fuel consumer passion for beef.

