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Meats on the move

Protein sales are on the upswing, but the need for aggressive promotions remains. *By Richard Mitchell, Editor-in-Chief*



The meat sector remains one of the brighter lights in a dark economy.

Propelled by solid growth in the chicken, pork and beef arenas, overall meat dollar sales increased 3.1 percent for the 52-week period ending 11/23/08, while pound sales rose 1.9 percent, reports Hoffman Estates, Ill.-based FreshLook Marketing Group.

Yet, despite such gains, it is imperative that meat merchandisers remain active marketers to sustain activity. A key focus, analysts say, should be the offering of foods, recipes and cooking

tips that make it more attractive for shoppers to dine at home.

Kari Underly, principal with Range Inc., a Chicago-based meat marketing education firm, suggests that retailers distribute literature that emphasizes the cost savings from eating in. Operators, for instance, can note how several servings can be generated from a single cut of meat.

Merchandisers also should market items in smaller, less-expensive packages, she says.

"Consumers are tightening their belts and some may consider leaving higher-end categories, such as the beef middle meats,"

Underly states. "Giving proper portions also is a way to keep shoppers from jumping to the competing proteins that are gaining steam, such as soy or nuts. Value is the new sustainability."

It also is crucial for meat department associates—particularly butchers—to be versed on cooking methods so they can enlighten shoppers and generate interest in different cuts.

Attaching labels on packages with recipes and cooking data also is an effective method of educating consumers, Underly says.

Jarrod Sutton, director of retail marketing for the Clive,

The Meat Sales Picture

CLASS	DOLLAR SALES	CHANGE	POUND SALES	CHANGE
Beef	\$15,467,685,199	+2.5%	4,197,351,700	+2.3%
Chicken	\$6,448,465,402	+8.3%	3,163,872,097	+6.7%
Pork	\$5,761,877,956	+2.5%	2,298,317,831	+3.6%
Turkey	\$1,158,075,389	-10%	719,106,278	-19.8%
Lamb	\$269,011,359	-5.1%	50,519,059	-8.9%
Veal	\$91,783,543	-11.7%	13,653,306	-21.1%
Other	\$166,249,201	+8.0%	68,833,129	+7.4%
Total Meat	\$29,363,148,049	+3.1%	10,511,653,401	+1.9%

Source: FreshLook Marketing Group. Figures are for 52 weeks ending 11/23/08. Change is versus the year-earlier period.

Iowa-based National Pork Board (NPB), agrees, noting that NPB focus group research—which was conducted in five markets in December—found that many consumers don’t know how to properly cook pork.

“A top purchasing barrier is a lack of confidence in preparation,” Sutton notes. “Some consumers erroneously say that pork has to be overcooked to be safe, but that results in dry and tough meat.”

He adds that revenues increase when labels are applied to proteins.

Indeed, sales grew 4.5 percent when labels were affixed to pork chops in a NPB test last summer.

Sutton says the NPB can provide funding and create labels for retail initiatives. Labels typically cost about a half-cent each.

To further enhance sales, retailers also must keep selling

top-tier proteins, analysts state.

Merchandisers should resist the urge to lower prices by downgrading selections, which can damage a store’s reputation and alienate loyal customers, says Al Kober, director of retail for the Wooster, Ohio-based Certified Angus Beef brand.

“While retailers must offer high-quality meats, they can consider selling the products in smaller portions,” he states. “When the economy turns around, those sacrificing quality for price will be left holding the bag. Consumers will not return if they find the meat is not as good as it once was. They still want a great eating experience.”

Yet, with more shoppers eschewing restaurants—resulting in growing meat inventories—prices for many premium cuts are declining.

The average retail price of sir-

loin, for instance, fell 5.5 percent to \$5.49 a pound over the last year, while top sirloin declined 5.2 percent to \$4.67 and short loins—which include T-bone and porterhouse steaks—decreased 4.7 percent to \$6.92, FreshLook Marketing Group reports.

Lower-priced ground beef still accounts for a major share of total beef purchases and will remain popular because of the economic slowdown, says Randy Irion, director of channel marketing for the Centennial, Colo.-based National Cattlemen’s Beef Association (NCBA).

Pound and dollar sales for grinds were up 3 percent and 5.2 percent, respectively, for the 52-week period ending 11/23/08, and up 7.4 percent and 14.3 percent, respectively, over the preceding 13 weeks, FreshLook Marketing Group notes.

Ground beef is attractive to shoppers because of its many uses—such as for hamburgers, meatballs and meatloaf, Irion states.

“Consumers will buy the meat without knowing at the time how they will use it,” he says. “A big opportunity exists for retailers to aggressively feature beef.”

Beef ads, meanwhile, already are becoming more widespread with features up 6.4 percent for the 52-week period ending 11/22/08, reports Promodata, an Oakbrook Terrace, Ill.-based marketing research firm. Chicken ads, meanwhile, rose 4.7 percent and pork ads increased 3.9 percent.

Beef promotions accounted for 42.9 percent of all meat ads, followed by chicken at 21.8 percent and pork at 19.7 percent. **MDR**