

# The Truth About Natural Beef



## A Study of Industry and Public Perception

A Natural beef company looks to meat department managers to answer the industry's pressing questions concerning public perception and the level of consumer and sales staff understanding.

So as each company tries to differentiate itself from its competitors, thousands of different standards come into being. This inconsistent message confounds the buying public.

Beyond that, this statistic shows a great need for clarification in Natural foods marketing. The next two questions cement this need. Nearly 60% of meat managers agree that once the consumer better understands the difference between generic and Natural, the consumer generally will prefer the Natural option. Even without the title of 'Natural' an overwhelming majority of meat department managers agree that consumers will prefer meat products without added hormones or antibiotics. So if Natural product companies make the extra effort to communicate effectively the benefits of their products, they are likely to

### Third Party Certification

*Do you think certification for quality handling or taste by an independent third party would influence consumers' decisions to purchase Natural beef?*

Yes: 80.65%

No: 19.35%

As Natural and organic products engage in a battle of credibility against classic brand names and generic products, numerous organizations for independent review and certification have arisen. It appears as though consumers trust the credentials of the third parties enough to put their trust in their recommendation. As such, certification (in whatever specialty wished) by one of these credible organizations is advised.



*Even with labeling such as this, consumers are often still unclear on the meaning of the term "Natural."*

took a combination approach. An online survey was placed on the newly remodeled company website - effectively becoming an online focus group. This questionnaire addressed such things as the personal level of understanding concerning the Natural beef industry, standard raising claims, the public's perception of said claims, and other related topics.

Letters were sent out to all grocery store meat departments currently participating in the Painted Hills Natural Beef program. Managers were asked to visit the website and take the survey. As a token of thanks, participants were sent a package of Painted Hills Natural Beef Jerky and a Painted Hills hat.



## Respondents: Demographics

Of the 150 meat department managers invited to participate, only 31 responded. The survey team felt this excellent turnout yielded a great amount of information.

At the beginning of the study, the survey team knew they would come up against several obstacles that would lead to smaller response numbers. Meat department managers participating in the study tended to be males between the ages of 30 and 60. These indi-

viduals are generally very busy. Meat departments are quick moving with lots to do in too little time. The researchers understood that this sort of work environment could lead to a general disinterest - mostly disinterest in taking the time needed to take a survey or study.

When this group of people uses the Internet, it is probably from the comfort of their home, not work. Most meat departments, unless they are new or newly remodeled, are not yet connected technologically with their vendors and customers. This business is based more on "a smile and a handshake," than anything else. This is what made the probability of response lower for this group than it would be for others.

Locations of respondents varied, but collectively were from only West Coast locations. The length of time they have been selling Painted Hills Natural Beef varied from less than a month to nearly 8 years. For each respondent, the demographics of their clientele varied greatly as well.



Meat Cases such as this one in Vancouver, Washington are the backbone of the Natural Beef Industry.

The group of people who buy Natural Beef generally fit into several categories:

1) Concerned about Healthy Living.

People in this category are concerned about a healthy lifestyle for themselves and their families. These are generally females age 25-50. They value exercise and nutrition and strive to be the most nutritious food products available - even at a premium price.

2) Concerned about Safety

People in this category move toward the Natural and organic industry because of an increased concern about what goes into the products they feed themselves and their families. They are willing to pay a premium price for products they can be assured to the safety of their food.

3) High-end Consumers wanting the Best of the Best.

These consumers are concerned with obtaining the best of the best - regardless of cost or effort exerted. Only the best in taste, texture and benefits will do.

## Analysis Introduction

What follows is an analysis of the gathered information from this study. It included an analysis of the following topics: branded beef, Natural vs. generic beef, sales staff knowledge, third party certification, Natural vs. organic beef, claim of "No Added Antibiotics," claim of "No Added Hormones," and the claim of "100% Vegetarian Diet."

After presentation of the raw data, analysis will follow.

## Branded Beef

### Do you feel that Branded Beef programs have affected Sales in your department?

Yes: 93.55%

No: 6.45%

### What percentage of consumers come in specifically looking for branded beef products?

0-25%: 54.84%

25-50%: 16.13%

50-75%: 22.58%

75-100%: 6.45%

While branded beef is definitely having a positive impact in meat departments, it's clear by this response that branded beef does not yet have a large foothold in the meat industry. Nearly 30% of respondents said that a majority (over 50%) of their customers come in looking for branded beef, this could speak to several variables.

A large majority of the stores that responded in the 50-100% span are high end markets that specialize in high quality products including a wide selection of Natural and organic offerings. Consumers who tend to shop these types of establishments are more likely to seek out specific brands and product benefits that most branded beef programs offer.

## Natural vs. Generic Beef

Can you (as a meat manager) easily explain the difference between generic and Natural beef to your customers?

Yes: 100%  
No: 0%

About how often do you field the question, "what's the difference [between Natural and generic beef]?"

Never: 0%  
Sometimes: 45.16%  
Often: 41.94%  
Usually: 12.90%  
Almost Always: 0%

When beef is advertised as "Natural beef" consumers generally understand what that means.

Strongly Disagree: 6.45%  
Disagree: 51.61%  
Agree: 32.26%  
Strongly Agree: 9.68%

Knowing the difference between Natural and generic beef, consumers prefer Natural beef over generic when given the option.

Strongly Disagree: 0%  
Disagree: 6.45%  
Agree: 58.06%  
Strongly Agree: 22.58%  
No Response: 12.90%

Regardless of title, consumers generally prefer meat with no added antibiotics or added hormones.

Strongly Disagree; 0%  
Disagree: 12.90%  
Agree: 48.39%  
Strongly Agree: 38.17%

Researchers were encouraged to note that of those managers who responded 100% of them feel that they are able to adequately explain the differences between Natural and generic beef. What is more encouraging, is that consumers are interested in the difference - they are asking questions and seeking information.

What's more disconcerting is the report that most meat department managers believe that consumers generally do NOT understand what Natural beef is or stands for. As seen in the statistics, nearly 60% of meat department managers do not believe consumers understand the meaning of Natural.

This points to a lack of clarification and education among consumers. The largest factor that leads to confusion is a lack of definition from a USDA level. Unlike the Certified Organic Program, products labeled as "Natural" have no standard beyond the required statement of "No artificial ingredients and minimally processed."

# Natural Beef: The Emerging Market

The Natural Beef industry is coming of age. Born out of a newly health-conscience society, Natural Beef seeks to revolutionize supermarkets and butcher shops around the country by bringing to the classic meat case something consumers have never had: options. For the first time in history, beef is branded as a nearly endless number of companies, farms and cooperatives vie for position – position on the plates and dinner tables of our great country.



## The Company: Painted Hills Natural Beef

Painted Hills Natural Beef is at the forefront of the Natural Beef industry on the West Coast. They currently serve over 350 restaurants, meat markets and grocery stores around the country. Like most Natural Beef companies, they follow a specific list of claims that serve as their raising standards and practices. They are as follows:

- No Added Hormones
- No Added Antibiotics
- 100% Vegetarian Diet

As they evaluated their current operations, they realized that there is a certain amount of confusion among consumers and sales staff alike as to the meaning of these statements. So, with help from the Western Sustainable Agriculture Research and Education group, they set out to measure this confusion and find the most effective way to alleviate it.

## The Study: An Online Focus Group

The information that Painted Hills wanted to gather goes beyond the standard consumer and into the meat departments themselves. Not only did they need to know consumer perceptions, but also level of understanding among meat sales staff.

It was realized that the meat department managers could be the key to both groups. Unlike the company itself, the managers are in daily contact with consumers – taking requests, fielding questions, and relaying information. It was decided that these managers would be the most effective group to question.

In order to collect this information in the most cost effective manner, the Painted Hills management team looked to the Internet. While this medium has grown, there are still various audiences to which the Internet is a foreign object.

To bridge this gap, Painted Hills

## 100% Vegetarian Diet

Our cattle are fed a 100% vegetarian diet. Describe what they means to you.

No Animal By-Products:	77.42%
No Chance of BSE:	3.23%
Other:	9.68%
No Response:	6.45%

What is the public perception concerning this claim?

No Animal By-Product:	22.58%
No BSE:	22.58%
Unsure/Don't know:	19.35%
Public would like more information on diet content:	9.68%
Other:	9.68%
No Responses:	16.13%

One of the main reasons consumers buy Natural beef products is because they know that the cattle are raised on a 100% vegetarian diet.

Strongly Disagree:	0%
Disagree:	4.68%
Agree:	48.38%
Strongly Agree:	41.94%

While most people understand that our vegetarian diet guarantees the absence of animal by-products in our animal feed, few make the connection to Mad Cow disease - at least not enough to mention it. However, because so many respondents immediately mentioned the lack of animal by-products it could be conjectured that managers and the public so

closely relate animal by-products to the risk of BSE that they don't feel it's necessary to mention this. This conjecture is a result of the final statistic in this set. The lack of animal by-products must be a vital trait - 90% of meat manager respondents agreed or strongly agreed that this trait is one of the "main reasons" that consumers are driven to buy Natural beef. The evidence speaks for itself.

## Final Comments

Taking all of this information into account, it is clear: education is the key. It must begin with management staff - they must be well educated so that they can sell the product. From that, consumer education can take place. Informational brochures, flyers, and reference guides that clearly and concisely explain even the most complicated of concepts. Only those educated on the various aspects of the program will be willing to buy and sell the meat.

There is an ever-present outcry for more information. From ranch locations to slaughter protocols, consumers are hungry - hungry for the details and hungry for great tasting beef that has all of the added benefits that Natural beef provides. The key is education.



# The Big Three

The three most common characteristics of Natural Beef products, regardless of brand, are as follows:

- NO ADDED HORMONES
- NO ADDED ANTIBIOTICS
- 100% VEGETARIAN DIET

But how much does the “general public” really understand about these key concepts? These three principles are communicated to the public as positive and important - but that doesn't mean they understand the ideas behind the statements. That was the purpose of the following questions - to find out just how much buying consumers - as well as meat sales staff and managers - understand about these central concepts.



## No Added Hormones

As a meat department manager, do you feel you can easily explain the claim 'No Added Hormones' to your consumers? Do you feel that you fully understand this concept?

Yes: 90.32%

No: 9.68%

If yes, what do you understand it to mean?

Plain & simple: no added hormones: 22.58%

Deeper understanding: beyond the Basics: 54.84%

No Response: 22.58%

Do you believe that consumers understand "No Added Hormones" and what is meant by that claim?

Yes: 67.74%

No: 32.24%

If yes, what do they understand it to mean?

Plain & Simple: No Added Hormones: 22.58%

Deeper Understanding: 12.90%

Partially Understood: basic understanding, but confusion one or more key points: 19.35%

Don't Understand: Responses indicate that the public does NOT understand the significance of the comment: 3.23%

Some Do, Some Don't: 6.45%

No Response: 35.48%

Does this claim influence consumers to buy Natural Beef?

Never:	3.23%
Sometimes:	41.94%
Often:	12.90%
Usually:	25.81%
Almost Always:	16.13%



A local rancher sits horseback after roping a calf on branding day.

A large percentage of meat department managers feel that they understand this concept. But what is it that they understand? Nearly 78% of respondents understand the role that hormones play in the raising of American cattle - with nearly 71% of *those* having a deeper understanding of not only the reasons behind why it's utilized, but also why Natural beef companies choose not to.

Beyond the sales managers and staff members, the consumers need to have an understanding of the concept - they are the ultimate buying power. Sadly, only 35% managers feel that consumers have a basic or deeper understanding of the concept. But a bit more encouraging is that the number of managers who felt that consumers completely don't understand at all was quite low as well. This leads to the hope that more consumers understand than managers know. Or, a majority of meat department managers simply aren't knowledgeable in this area, which would account for

the higher percentage of managers who simply didn't respond to the question.

However, it does seem that this claim tends to impact consumer buying decisions. Collectively, nearly 55% of managers reported that this claim often, usually or almost always influences consumers to buy Natural beef

From this information, the conjecture can be made that the claim of No Added Hormones, while complicated, does have a higher level of understanding than was previously thought. However, more clarification is needed. Recommended actions will be located at the conclusion of this analysis.

No Added Antibiotics

As a meat department manager, do you feel you can easily explain the claim 'No Added Antibiotics' to your consumers? Do you feel that you fully understand this concept?

Yes:	77.42%
No:	22.58%

Sometimes:	35.48%
Often:	9.68%
Usually:	29.03%
Almost Always:	22.58%

If yes, what does it mean to you?

Plain & Simple: No Added Antibiotics:	38.17%
No Antibiotics for Life, including those used from Growth Stimulants:	
~	9.68%
No Vaccinations:	19.35%
Other:	6.45%
No Response:	25.81%

Do you think the buying public understand "No Added Antibiotics" and what is meant by that claim?

Yes:	48.39%
No:	51.61%

If yes, what do they think it means?

Plain & Simple: No Antibiotics Added:	22.58%
No Antibiotics or Vaccinations:	
~	12.90%
People partially understand: public understands, but are confused about certain aspects:	6.45%
Public doesn't understand:	
~	6.45%
Some do, Some don't:	6.45%
No Response:	45.16%

Does the claim "No Added Antibiotics influence consumers to buy Natural beef?

Never:	3.23%
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The level of understanding concerning this claim is lower than other areas. This seems to be, by far, the area of most confusion. While 77% of meat department employees feel confident in explaining the concept, another 23% don't. Those that do believe they understand are sometimes mistaken. For example, 19% of managers responding believe that 'No Added Antibiotics' means that they are never given any shots of any kinds. This is, in fact, not true. Just as you would vaccinate a school child, Natural cattle are generally vaccinated for basic diseases as recommended by veterinary professionals.

Even more alarming, 65% of respondents believe that consumers do not understand or only partially understand this concept. The importance of this claim is seen in the next statistic. Once consumers understand the significance of the



## Natural vs. Organic

### Do you feel that there is more value in Natural or Organic products?

Yes: 96.77%

No: 3.23%

### If so, why?

Safety/Health Issues: 30.77%

Taste: 11.54%

Price (perceived added value because of higher price): 15.38%

All of the Above: 15.38%

Other: 11.54%

No Response: 11.54%

### Can you easily explain the difference between Natural and Organic products?

Yes: 96.77%

No: 3.23%

### Do you feel there is more value in product labeled as Natural vs. products labeled as Organic?

Natural: 80%

Organic: 20%

Since the inception of the National Certified Organic Program, there has been confusion between the Natural and Organic products. However, meat department managers believe there is added value in Natural or organic products - for a variety of reasons. Most revolve around the advertised benefits of the products: Safety, Health, and Taste. A somewhat

unexpected response was Price. Several respondents said that they felt there was added value in these products because of the higher price. However, several commented that the price was the most important factor in the consumers' decision making process and because the price was higher than generic beef, consumers were less likely to buy. This points back to a need to reemphasize the benefits. As consumers understand the benefits, those that value those benefits will be willing to pay a moderately higher price to get those benefits.

The final question in this segment measured the perceived value of Organic products vs. Natural products. Due to a proofing error, few managers understood the intent of this question. However, those that did showed an unexpected answer. According to the comments made with this question, those respondents that voted for Natural did so because they felt that the added cost needed to certify products as Organic would push the cost of the products into a range that was financially less viable. To them, certified Organic is an added cost. They understand that Natural beef companies couldn't make their claims if they were not backed by some sort of documentation.

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Agricultural Research and Education.  
Prepared by: Painted Hills Natural Beef, Inc.  
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Painted Hills Natural Beef  
PO Box 245  
Fossil, OR 97830