

Painted Hills Natural Beef *presents...*

Beliefs About Branded Beef

Painted Hills Natural Beef, based out of Fossil, Oregon, has been in business for 8 years. The company exclusively uses cattle from the Pacific Northwest in its program - a program that is now available up and down the West Coast and across the country. With the help of Western Sustainable Agriculture Research and Education (SARE), Painted Hills created a virtual focus group in order to measure the impact of Branded beef on the natural meat market. Hopefully this information will be useful to those interested in entering the market as well as those who are already there.

Demographic Information

Painted Hills is featured in over 150 grocery and retail stores around the country. Most of these stores serve middle to high-end consumers with one or more of the following reasons for pursuing a natural product:

- 1) High-end consumers who desire only highest quality products
- 2) Those concerned with safety
- 3) Those concerned about healthy living

To obtain the requested information, we invited meat department managers to participate in the study. These individuals are the vital link between the company and the consumer because of the daily interaction they have with the buying public.

Of the 150 managers invited, we had 31 participated. This 21% turnout yielded excellent information. As the study began, researchers knew that they'd encounter several obstacles that would lead to smaller response numbers. Meat departments are generally busy areas full of movement. Managers might simply not be able to take the time to respond. In addition, this group is one who generally will use the internet from the comfort of their homes, rather than at the hustling, bustling workplace. To compound this, these meat departments, unless newly remodeled, are often not even equipped for Internet use.

Researchers then began to look at the basic benefits that the Painted Hills Natural Beef program specifically claims: No Added Hormones, No Added Antibiotics, and a 100% Vegetarian Diet. The results of these questions show that while the removal of hormones and antibiotics from production creates interest, there are still other factors that affect the purchase of beef.

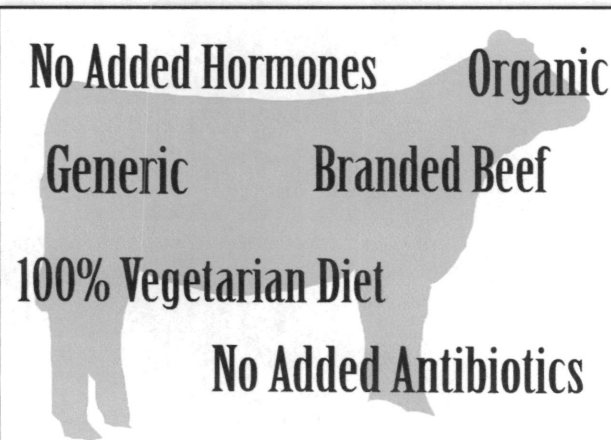
Respondents noted two factors in particular that affect sales. Taste was one such factor. Respondents independently noted that the excellent taste profile of our beef and beef products is one of the greatest factors leading to the purchase of natural products.

Another outside factor that affects sales is price. As the market fluctuates, so does the price. Respondents indicated that price is a factor - either the added cost discourages purchase (due to lack of perceived value for benefits) or encourages purchase (perceived as added cost = added value) depending on the consumer and circumstances.

It was interesting to note that managers believe that it is the claim of a 100% vegetarian diet that may potentially affect sales the most. Far more than the lack of antibiotics and hormones, it is the vegetarian diet that most strongly influences consumers to purchase natural beef.

Final Words

American consumers are more aware of the characteristics of their food than ever before. They're asking a lot of questions. It is the job of branded beef to educate not only the consumer, but also the sales and meat department staff who sell it. As more branded beef products come to the market in the future, more and more companies will aim to differentiate themselves from the pack. It is only the informed consumer who will be interested in even looking at the alternatives. The rest is up to good, old-fashioned competition. ■



Survey Analysis & Findings

The survey began by looking at the broader picture: branded beef products. An overwhelming number of department managers (over 93%) felt that branded beef lines have definitely had an impact on sales. This by itself is encouraging, but not all that surprising when it's put in context. The establishments that were surveyed are only those that currently carry our products. It would be safe to assume that these stores are natural choices for such products, or they would otherwise not be carrying the product.

However, over 54% of respondents reported that only 0-25% of their consumers come in specifically looking for branded beef products. This indicates that branded beef programs have a lot of marketing to do before they gain a solid foothold in the market against generic products.

But consumers are asking questions. All of the reporting managers said that their consumers sometimes, often or usually inquire as to the difference between natural products and organic products. Regardless of the title, these managers believe that consumers generally prefer meat without added antibiotics or added hormones. This leads to the conclusion that when educated, consumers will generally prefer a naturally raised product.