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CONVENIENCE BEEF PRODUCTS
TRIALS AND TRIBULATIONS IN DEVELOPMENT AND MARKETING

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Introduction

The evolution of convenient beef products is not only an exciting phenomenon that is occurring within the beef industry but is an essential strategy and revolution that must take place if beef is to reverse its downward demand curve. It is not a matter of if, but when, not how, but how fast and certainly it is not a matter of telling the consumer how they will like their beef but rather listening as they tell us "How they would like their beef". It has begun and their will be no retreat.

The Category Discovered

The Category of convenient beef products was discovered the way most industry innovations come about. A customer request. Some of the first forays into the category were made in the areas of food service and mail order. As a result of labor concerns and consistency issues the food service segment's need for commercially produced quality and convenient products has driven many new ideas to the surface. The Mail Order segment is often a precursor to retail as it seeks to satisfy an upscale discriminating buyer that understands and desires convenience.

The Category Created

The category move into the retail sector of the mid 90's was driven by the innovator companies that had realized the potential from the success of the products in the Food Service and Mail Order segments. Companies such as Flint hill Foods, Burnettes & Sons, and RMH Foods reasoned that retail consumers were looking for the convenience and quality these types of products could deliver. They were right. Someone, however, forgot to inform the retailer. The barrier to the consumer over the past 4-5 years has consistently been at the retail level.

The Category Recognized

While these small innovator companies were struggling to establish a beach head for the category at retail, the leadership within the beef producer segment began to take notice. Data was emerging that indicated the traditional "value equation: for the consumer was changing rapidly. Up through the 70's the consumer related food value to price and quality, by the 80's a shift had begun that has been immensely accelerated in the 90's. Time pressure and stress reduction are now integral parts of the consumers purchasing decision." (George Morris Centre, July 1999)

	Where:
1970's V = Q/P	P = Price
1980's V= Q/P x T	Q= Quality
1990's V = Q/P x T2 x S	T= Time
	S= Stress

Coupled with this discovery came the realization that time and knowledge were the two key components required to sell the majority of the carcuss that being the round and chuck. This did not indicate good news for the demand curve for beef and consequently the recognition that today's beef must fit today's consumer began to emerge. The first step taken to acknowledge the importance of this category was the inaugural "Best New Beef Product In America" Contest. RMH Foods was the only company to place two products as top five finalists. The second phase of recognition begun with the marketing strategy set forth by the NBC. The $25 million campaign that focused national print and electronic media attention on "Easy Beef" was critical to raising the awareness of the category to both the consumer and the retail segment. Coupled with NCBA's historic decision to co-op marketing with selected partners, this initiative was largely responsible for the raised awareness and receptivity processors are finding at retail.

Finally, the recognition of the category was confirmed by the emergence of the national consumer brands into the category. Through partnering with selected members of the innovator processors Jimmy Dean Foods of Sara Lee, Hormel and Oscar Mayer are emerging in the market place to secure a position at America's dinner table.

The Category Challenges

The challenges associated with convenient beef products are numerous. First and foremost is the recognition that his truly is a new category in the marketplace and must be viewed as such by all segments, the producer, processor, retailer and even the consumer. Product quality is of vital importance if we are to convince the consumer that this category isn't their mother's TV dinner alternative. While we will always have levels of quality to meet the various segments of our society, it is critical that the initial focus is on "taste" not "time". Convenience must be "a given" to be considered but with retail's reluctance to display multiple lines of the category one bad apple can certainly sour the consumer on the category.

Another major challenge continues to be the retailer. It has become abundantly evident that the decisions related to carrying new and innovative products are rarely based on consumers needs and desires but on the profits and politics that drive the retail industry. The philosophy of making money on the manufacturer as opposed to making money on the sale is a detrimental change. These barriers make it difficult for small innovative companies to make the necessary roads to truly satisfying the consumer.

Finally, the greatest challenge of all will be to continue to focus our attention on the consumer. There are ever present competing realities that must be addressed as we continue to bring life to the category of convenient beef products. The consumer has spoken with their dollars in the past and consequently McDonalds and Poultry have been the benefactors. If we are to make significant roast into challenging the landscape for beef we will have to continually listen and respond.