

CAB CONNECTION

Changing consumer attitudes toward beef

by Nicole Erceg, Certified Angus Beef LLC



Trust: It's a bond not easily formed, but effortlessly broken.

From Watergate to Exxon, the Clinton scandal, subprime mortgage crisis, BP oil spill, Lance Armstrong's fall from glory and today's #MeToo movement, media narratives have conditioned us to be skeptics. Generations of headlines have told us those we thought were trustworthy can't always be trusted.

It's a lesson learned again and again. Those who get big gain power, and power unchecked results in devastating consequences. We need checks and balances to hold everyone accountable to do the right things.

So when consumers read a headline that "Big Ag" doesn't have their best interests at heart, it's believable. When they hear that beef cattle are destroying the environment (even if it defies all logic), they believe it might be true.

Don't take it personally; the skepticism is a societal condition. Public trust has eroded in nearly every industry.

What can beef producers do to gain more consumer confidence?

The good news

Shifting the narrative (even with a big advertising budget) is easier said than done, but it can be done.

Today, beef demand is strong. USDA says domestic consumers enjoyed a whopping 57.2 pounds

(lb.) per person in 2018. The upward trend in quality has created more-consistent, great-tasting beef that keeps people coming back to the meatcase for more.

It's the beef version of proof in the pudding: Taste is the No. 1 driver of beef demand.

The taste factor, including the marbling that drives it, is the key metric in putting gold in the trust bank. It's following through on a brand promise, one the *Certified Angus Beef*® (CAB®) brand continuously makes for taste and quality.

It's what has grown our market share to a record 1.25 billion lb. But, it's not enough to keep it. Taste is a promise that must be delivered. Yes, but today's consumer demands more. Recent research confirms taste and quality are the top drivers, but our consumer is hunting for a brand that also promises sustainability, environmental stewardship and animal welfare.

You're probably thinking, "Good news! I do all of those things! That's an easy promise to deliver on, because the beef industry is already doing that!"



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We are, but not in the eyes of the consumer.

Science may say beef production is carbon neutral and that animal welfare is the best it's ever been; but, for consumers in an era of skepticism, science is just another person's opinion. Surveys show many consumers today would

rather reach for another product to stay within their values than "consume additional information" to justify buying beef.

The work ahead

Today, proof of shared values drives consumer trust more than facts. A July 2018 study published in peer-reviewed *Animals* indicates U.S. consumers are willing to pay up to \$5 per entrée more for welfare-certified products if they trust the label claims.

Trust is the key, and the same study reported only 49% of respondents trusted the beef

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industry to treat animals well.

We are no longer simply competing for consumer dollars; we're competing for their hearts, minds and voices. The latter three are vital to the future bottom line of the ranch.

At the end of the day, both consumers and producers want to do the right thing by the animals and environment we rely on. It's common ground we can build on, but fraught with skepticism we'll all need to overcome.

A *Baking Business* article on food trends reports the rise of the flexitarian (omnivore) diets that attempt to mitigate climate change, and those who don't halt meat consumption altogether, but shift one purchase a week to an alternative protein.

It's a burger that's part mushroom, part beef. It's a restaurant order switched from beef to salad or fish.

If we want our consumers to shift

their perspectives and not their purchases, it will require shifts on the ranch. When more than 50% of consumers lack trust in our ability to humanely raise animals, we'll need to create a brand promise and deliver. The proof is in the pudding.

Transparency is no longer optional; it's the price we must pay for trust.

The best direct-to-consumer channel we have isn't social media. Nor is it relying on the mass media to set our narrative, though both are important. It's the label on the meat package in the case and how that product performs in their kitchen.

Deeper relationships

As a brand we monitor the headlines, respond to media inquiries, create resources around hot topics and bring hundreds of our partners to the ranch each year. Those who have seen it and met you walk away as big Angus fans,

content that their beef comes from families they can trust.

Similarly, consumers grant authority by relationship, not by title, office or organization size. But it's physically impossible to have them all out to the ranch for a day. A deeper relationship with our consumer is key, one we're working to cultivate with the launch of our new consumer brand loyalty program: Steakholder Rewards.

Until there's a documented check-and-balance behind the label they read before buying, one that's more than just beef quality, we'll never be able to satisfy the beef eaters who are now hungry for simplified proof that brands have supply chains that are in line with their values.

It's not always just another efficiency that puts dollars in ranch pockets. Maintaining profitability moving forward could mean doing

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what our consumers consider the right thing, and showing our work. It might also mean doing things we don't want to, simply because our ultimate customer does.

The hard work to earn trust and keep it feels just a bit lighter when it's not only about consumer demands for change. It feels good to get glowing feedback for the work done so far: "My wife and I purchase *Certified Angus Beef* because we have found it to be the absolute BEST. We would like to thank everyone that produces this most outstanding product. I have some T-bones on the grill right now."

Trust = dollars. |

Editor's note: Nicole Lane-Erceg is assistant director of communications for CAB.