

# Meat Maximizes its Storewide Appeals

**Supermarkets are beefing up their meat marketing and merchandising to engage consumers like never before.**

**T**oday's meatier practices entice consumers on the perimeter, in center-store, even outside the store, and along the path to purchase:

› Adjacent grocerants have theatrical appeals, design and operations savvy equal to restaurants. Wegmans The Pub and Market Cafe, Lunds & Byerlys Kitchen, Mariano's, Whole Foods Market The Butcher's Brother, and Hy-Vee Market Fresh Grille are among leading examples; some serve their food offerings with wines and craft beers.

› Prepared foods are seasoned to suit both ethnic and plainer tastes, create irresistible sensory appeals to target audiences, and maximize impulse sales of the utmost convenience – for breakfast, lunch, dinner and snack dayparts.

› At the fresh meat case, customer interactions with butchers trained to communicate ease purchase decisions. Displays organized by eating occasion rather than by meat type or cut also help.

Other improvements: pre-assembled meal components to ease buying and dinner prep; aggressive cross-merchandising with marinades, sauces, vegetables and related meal elements; transparency in labeling; stronger animal welfare and food safety policies; more grass-fed and antibiotic-free choices; more visible branding; assortments to suit ethnic audiences; grilling, demonstration and sampling areas, with recipes nearby and on websites, plus more.

› Frozen meat dishes provide portion control, especially for single-person households. They also make mix-and-match choices readily available to larger households; these augment home-



cooked meals and suit the varied, often unpredictable, dinnertime schedules of working adults, students after team practices, and elder generations living under the same roof. The heat-and-eat microwave option is ideal for eaters who lack time or cooking skills.

Trader Joe's open freezer bins limit space to fast movers. Consistently on display: bison burgers, grass-fed angus beef burgers, racks of lamb chops, steak and ale pies, turkey meatballs, and meat-based Mexican, Greek, Italian, Korean and Japanese dishes.

This past holiday season, Babeth's Feast in New York City showed frozen could be inspired – highlighting southwest-style scallops wrapped with bacon and duck leg confit with dessert options chocolate fondant cake and caramel sea salt gelato, among other choices, with free local delivery.

› Shelf-stable jerky and meat snacks, on a multi-year growth tear, give consumers the protein they crave in portable hand-held form.

› Meat-based services online and in circulars, such as catering and

pre-trip ordering for birthdays, graduations, Super Bowl, Christmas, and Thanksgiving conveniently leave major food events to the store experts.

## Supermarkets sizzle in new ways

These initiatives place meat at the center of meals – and store visits – with new flair.

Some retailers make meat sizzle as part of a festive shopping experience. A new Hy-Vee, for example, has a permanent cooking/demo/

sampling station between the fresh meat and seafood cases. "This area is constantly active with chefs engaging their customers with new recipes, new tastes and great information," says Phil Lempert, the food, retail and consumer trends analyst known as the SupermarketGuru, based in Santa Monica, CA. "As the price of beef and pork continues to rise, it is critical that supermarkets stretch their efforts to engage customers – otherwise they will lose those sales to other outlets.

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"The retailers that do the best are the ones that truly communicate with – and listen to – their shoppers. In today's market, it is not only about price. The meat department must offer 'value' – a combination of service, relationship, quality and price," Lempert continues. "It's taking the time to explain the difference between grass-fed and grain-fed, or what the real differences are between organic and conventional beef. It's not sufficient to hang up a sign and expect the consumer to read it and make their decision."

Mariano's also has a grill section in its meat department. "It's a great value-add with great smells as well," observes Neil Stern, senior partner, the McMillanDoolittle LLP consultancy, in Chicago. This attraction matters because "customers need education on recipes, how to cook, and how to be creative in the kitchen and grill," and stores need to "truly educate customers on different cuts, grades, healthier options, and meat's versatility to be part of a wide range of cuisines," Stern adds.

Other notable retailer efforts to build customer confidence in meat include these. Some are readily visible to customers, while others are less touted but vital to ensure that animal welfare and food safety standards are met:

▶ In the Publix Aprons program, chefs set up kiosks and offer customers tastings of the "meal of the week." The kiosks stock every

ingredient shoppers need to buy to replicate the recipes. Aprons also runs cooking classes within in-store kitchens.

▶ Wegmans teaches consumers where its meats are raised, nutritional composition and various ways to prepare them. The chain also limits its meat suppliers, personally visits their facilities, and periodically authorizes third-party audits to ensure compliance with the latest animal welfare best practices. Wegmans also offers irradiated 100% ground beef as a choice to help prevent E.coli.

▶ Harris Teeter brands its beef to create distinguishable segments with names such as Harris Teeter Rancher, Reserve Angus, and Naturals.

▶ At Whole Foods Market, top-performing butchers among its roster of 3,000 – known for their insights and approachability – earn rewards from the chain. Whole Foods also works with the Global Animal Partnership to certify its meat producers' animal welfare practices. The chain's beef is free of antibiotics, supplemental growth hormones, and animal byproducts in its feed; suppliers' cattle are raised on a pasture or range for at least two-thirds of their lives.

▶ Costco, known to customers for its food sampling and inexpensive lunches, imposes strict food safety and animal welfare standards behind the scenes. Nearly four years ago, after a European E.coli scare, Costco jumped ahead of

the USDA to impose its own tests on all of the ground beef it sells, and ask trimmings suppliers to test as well. Today, Costco says it conducts extensive lab tests on all ground beef, meatballs and hot dogs at its massive meat plant in Tracy, CA. If a problem is found, the chain's "information system can block the sale of any item within minutes of a recall notification or public health alert." Costco can also notify anyone who bought the meat already, because cash registers record every purchase.

▶ Walmart and Sam's Club announced in December 2014 that all U.S. poultry suppliers must comply with new safety measures by June 2016 – and they "must achieve prevention-based certification against one of the Global Food Safety Initiative internationally recognized standards." The new program mandates they "implement holistic controls from farm to fork designed to significantly reduce potential contamination levels, including chicken parts." The retail giant partnered with CDC (The Centers for Disease Control and Prevention) on this initiative.

In the near future, retailers could potentially use meat imports from Cuba and Ireland – along with authentic recipes, cooking demos and lore about specific dishes – to stir further consumer interest in meats.

▶ The thaw in U.S.-Cuba relations could take time to develop

two-way food commerce between both nations. But past experience suggests the American palate would welcome exposure to these Hispanic tastes. "It is prime time for food trend spotters to team up with Cuban 'cuentapropistas' (self-employed entrepreneurs) to explore Cuban meat options for import. Over the past decade, the U.S. has exported agricultural products to Cuba, but there is an opportunity in the reverse direction to enhance Cuban cuisine in the U.S. with 'premium Cuban pork,'" says Gary Stibel, founder and CEO, The New England Consulting Group consultancy, in Norwalk, CT. "Contemporary consumers demand authentic and geographically oriented products, which could help bolster Cuban meat imports if supported by skilled marketing."

▶ Beef from Ireland – sometimes referred to as "green beef" because cows are grass-fed there – could soon be on its way to the U.S. A ban in place since 1998 followed a European epidemic of BSE (bovine spongiform encephalopathy), or mad cow disease. Since the U.S. said it would lift the ban, Ireland became the first European nation to have its beef approved for sale here, "following two years of intensive contacts and inspections of Irish production facilities by the U.S. authorities," the Financial Times reports. Expect marketing to target the Irish-American community.

Supermarkets can also differentiate their image through clever store design around meat. For example, "using lots of reclaimed wood and barn siding says – without saying – that the store supports farmers, and their products are local and fresh. Think Stew Leonard's," observes Arlene Spiegel, founder and president, the Arlene Spiegel & Associates hospitality, restaurant and retail consultancy in New York City. "Dark mahogany shelving and soft lighting says – again without saying – that the store exemplifies innovative and special experiences. Think The Fresh Market. Of course, big box stores, with their fluorescent lights and economy-sized packages, promote price and value. Think Costco and Walmart."

Further up the supply pipeline, U.S. cattle ranchers rebuilding their herds are about to help supermarkets as well by develop-

ing better quality, more marbled beef. They are using DNA tests "to help veterinarians and breeders identify prize animals whose offspring will yield a larger volume of tastier steaks.... Soaring cattle prices are helping fuel investment in beef genetics..... Bulls fetch as

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much as \$250,000 now, compared with about \$50,000 four years ago," reports *The Wall Street Journal*.

"As DNA testing becomes more common, ranchers and Cargill will raise higher-quality herds. It will become harder to differentiate meat on the basis of quality," Konrad Gessler, Project Manager at New England Consulting Group tells *Supermarket News*. "Marketers will need to be creative when positioning their products, and perhaps come up with new vectors (besides value, taste, quality and fat content) to differentiate themselves."

### Meal solutions, guidance click with Millennials

Experts feel the retail energy spent to win in meat helps cast a positive halo over the rest of the store. "Since most shoppers shop the entire store, each department must reinforce the quality image of the others. Trust and confidence and a feeling of virtuosity is what supermarkets are selling – not just commodity goods," notes Spiegel.

"Leveraging the 'butcherista' will be a big opportunity for the meat

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aisle in coming years. The butcher is becoming to the high-end meat case what the barista became to the coffee shop. You and I were buying coffee in coffee shops before Starbucks was born. They romanced the language, product and buying and drinking experience to the point where people were willing to pay a premium," says NECG's Stibel. "Consumers continue to look for premium experiences in everyday shopping, and the meat aisle is no exception. Indeed, the complexity and detail involved in purchasing meat almost begs for the role of a 'butcherista' to guide shoppers through various cuts, locally sourced options and recipes."

This is not to ignore the very different demand of value-driven shoppers "by squeezing costs out of the supply chain to offer good quality meat at prices lower than anyone else," but to satisfy both ends of the spectrum, he adds. "Someone who lives alone – that's about 30% of the U.S. population, the highest percentage in our lifetime – might spend \$15 for a nice porterhouse to grill. But a family of five on one income might go to Walmart for ground chuck at a great value instead."

Once supermarkets regularly make people more confident cooking meat in their home kitchens, they're likely to open the door to greater success – more frequent, higher-ticket purchases of different meats, better grades and multiple accompaniments, experts agree. Suddenly, meat becomes more of a marvel and less of a mystery – and the meat case in supermarkets becomes a more approachable destination, albeit one that vies for meal trips with restaurants and takeout sources that utilize online delivery services such as Seamless and GrubHub.

Still, "This is dangerous competition for supermarkets," states Raymond D. Jones, Managing Director, the Dechert-Hampe & Co. consultancy, Northbrook, IL. "There are millions of consumers for whom phone calls and the Internet are the dinner solution. Supermarkets have to adjust and evolve into meal solutions centers. This isn't about incremental business, it's about survival."

Supermarkets could do well by targeting Millennials with education programs, since this generation grew up largely on convenience foods and many lack the skills to evaluate, buy and prepare meats.

NECG's Kessler suggests that "college students away from home, buying groceries and making meals for the first time on their own" are a prime audience. "The less people know about meat, the more they need pre-packaged meal components or accompaniments nearby."

Indeed, a powerhouse fresh meat case filled with ready meal solutions inspires chief household shoppers of all generations to solve any meal tedium issues on their own. Along the way, they feel satisfied that they've done it, are complimented by friends and family, and pay less than ordering from restaurants. Also, for today's surging base of health and wellness shoppers, it's important that they are able to know the ingredients in meals that they prepare themselves, unlike restaurant-delivered dishes.

"Food at home has re-emerged as a center for lifestyle and social activity. It had gone away, then came back partly due to the economy. Now people say, 'maybe we should do more of this,'" observes Jones. "The huge supermarket opportunity is to capture this dynamic with a 'what's for dinner' meal solution that conveys some

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of the same sense you feel when you go to a restaurant. This is especially true for meat because meat is such a versatile part of so many cuisines."

For her part, Spiegel advocates what she calls "kit shopping" – these are wholesome meal solutions with imaginative recipe ideas, along with photos of the finished dish and all ingredients a cook would need cross-merchandised. An Asian meal, for instance, would have thin cuts of beef or chicken, bundled with

julienne-cut vegetables and a spice blend.

Meat-based solutions are within easy reach of consumers beyond the fresh showcase – in prepared foods, deli, frozen and shelf-stable categories, as well as grocerants.

The butcher can be the persona of what Lempert calls "the return of a new enthusiasm, as competition from independent butcher shops and new formats challenges the supermarket. The meat manager, who traditionally was a butcher, is stepping out and talking with customers, offering special cuts or orders and adding excitement to the department." The day may even come soon when butchers gain credentials as trusted advisers, and compete in local events for awards, in order to be seen as traffic-pulling, accessible, local authorities.

Even more powerfully for supermarkets, meat in its many forms can continue to be the center of many kinds of satisfying meals. Jones calls this "the pizza model," which has high value because Americans eat some \$40 billion worth of pizza from all outlets annually – and nearly half of the pizzas consumed come from grocery stores. Consider, Jones says, that besides restaurants and pizzerias (independents and chains), consumers can go the supermarket for freshly made pizza from stone hearth ovens, numerous frozen varieties (including Mexican and Asian), ingredients to make their own pizza, or shells upon which they can add their own ingredients. "Meat is similarly versatile. Look at it in all its forms, and use ethnic tastes as a sales engine," he suggests. ●

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# Restaurant Trends Carry into Supermarkets

The synergy between grocerants and meats sold elsewhere in the supermarket could quickly become evident to retail operators, as more open and run these eateries. Imagine the referral sales when these in-store or adjacent dining spots present meat dishes prepared impeccably by chefs – and use table toppers, menu descriptors or mobile apps to inform diners exactly where the meat, spices and accompaniments to prepare them are displayed for sale in the store.

This is no fledgling trend: NPDP Group reports that “eating dinner at grocery stores has risen 7% over

the past five years to 1.8 billion visits annually,” according to a *Wall Street Journal* account.

In addition, 66% of consumers brought home prepared foods from a supermarket within 30 days of being surveyed by Acosta and Technomic for their 2014 study, *The Why? Behind the Dine*. Their #1 reason for doing so: “not wanting to cook” (46%), followed by “already in the grocery store” (44%), “cost compared to eating out” (34%), and “easier than preparing foods from scratch” (34%).

For the millions of Americans each day who don't feel like

preparing dinner, supermarkets offer plenty of alternative options – many featuring meat and other proteins, often with a dose of sociability. “A few weeks ago at a Mariano's in Chicago, I saw a line of over a dozen people at its Todd's BBQ – and it wasn't lunch or dinner

time,” says SupermarketGuru Phil Lempert. “Look for more alliances like this, where a local favorite becomes a foodservice store brand. The same store boasts an Oyster Bar that has become the go-to spot for Happy Hour, and is packed almost every night. Think of supermarkets as ‘all things food all day’ – and how and where meats can play a part – it is not in black plastic trays with overwrap.”

Supermarkets trying to tap this meat-driven foodservice energy should realize that “Millennials appreciate operators that do one thing very well,” notes Gary Stibel,

CEO of New England Consulting Group. He lists as examples Five Guys, which makes great burgers without exotic flavors. Theater matters too: Jersey Mike's slices sandwich meats in front of customers as they order to underscore freshness. Chipotle displays ingredients in massive tubs so customers feel confident and excited building their own burritos, salads and other dishes. The Pig in Washington, DC, serves every part of the animal nose to tail, and describes each cut in granular detail.

In his opinion, rotisserie chickens exemplify theater in the supermarket. “Quality is high, the rotating product visually captivates, the aroma drives profitable purchases, and it generates companion sales of salad, salty snacks, beer, soda and other prepared foods,” he says. The rotisseries can be focal points like open kitchens in restaurants.

Indeed, deli-prepared chickens generate 28.2% of deli prepared

food sales, according to Nielsen Perishables Group FreshFacts data for the 52 weeks ended November 29, 2014. Dollar sales per store per week rose 5.3% to \$3,943 from a year earlier. Volume per store per week grew 4.8% from a year earlier. The average retail price was stable, up just two cents to \$4.37.

Experts say these other restaurant trends could easily migrate to supermarkets too:

- ▶ Hearty, over-the-top flavors such as chorizo and curry
- ▶ Healthier ingredients – spices instead of sodium, hummus instead of other dips, ancient grains, sweet potatoes, purple carrots, beets, cauliflower and Brussels sprouts accompaniments to meat
- ▶ Artisanal flavors
- ▶ Local meats and produce
- ▶ More ethnic diversity. Especially popular now are Thai, Vietnamese, South American and Indian cuisines. ●

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