

They KNOW MEAT

When it comes to selling shoppers on premium natural meat, regional chain The Golub Corp. can really cut it.

By Meg Major

Many consumers are clearly clamoring for more information before they'll fork over top dollar for premium-positioned proteins. Schenectady, N.Y.-based The Golub Corp., operator of Price Chopper supermarkets in the Northeast, is a grocer that's delivering the goods. The chain's exemplary fresh meat program has not only produced steadily growing sales, but also a more loyal following with each passing year—and its facility with the premium natural meats segment plays a big role in that success.

In its much admired 115 Price Chopper units operating throughout New York, Vermont, Connecticut, Pennsylvania, Massachusetts, and New Hampshire, The Golub Corp. has established a tradition of innovative merchandising and enthusiastic consumer outreach. What's more, in the minds of some observers, its fresh meat departments are unsurpassed in quality.

The regional chain runs inspired promotions, such as "House of BBQ"—billed as the one-stop shop for smokin' grilling tips, recipes, food safety information, and more, and the multimedia "We Know Meat" campaign, which is brought to life in-store with a series of product demonstrations, cooking classes, and other educational devices.

Certifiable success

The grocer also does a first-rate job

with branded fresh meat programs, among them Certified Angus Beef's (CAB) "never/never/ never" all-natural beef line. (The "never" refers to cattle that have never been given growth hormones and antibiotics, and that have only been fed a nature-based vegetarian diet since birth.)

As one of Wooster, Ohio-based CAB's top 10 grocery accounts, Price Chopper offers an impressive assortment of CAB's traditional beef products, in addition to Prime and dry-aged items.

Price Chopper v.p. of public relations and consumer services Mona Golub says the Certified Angus Beef program's positioning

as the "Best Beef You Can Buy, Naturally" really connects with consumers. "We've seen significant increases in our natural beef sales" over the chain's four-year partnership with CAB, says Golub. She attributes that in large part to consumer education via hand-



Price Chopper has positioned its meat departments as top destinations for premium natural proteins.

out materials and cooking classes, as well as regular in-store promotions and weekly ads. "Defining the brand with our consumers in mind has been a wonderful collaboration," adds Golub. "In our marketplace, consumers now understand that CAB is the best beef money can buy."

Price Chopper's premium natural meat program extends well beyond beef. Its full line of top-shelf pork and poultry also features a large selec-

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Grocery list

According to the consumer study *The Power of Meat—An In-Depth Look at Meat Through the Shoppers' Eyes*:

- **73 percent of occasional organic shoppers would purchase more** if prices were lower, up from 63 percent in 2007.

- Many consumers **want more information on where their fresh meats are produced**, and on the nutritional content. They also want reduced portion sizes, cleaner service counters, and well-trained staff.

tion of processed natural items, such as bacon, franks, and sausages, notes Golub.

"We've developed our natural fresh meat program over the course of the last eight years," says Golub. The chain significantly fortified its natural meat lineup in both the refrigerated and frozen cases roughly a year ago, as part of a major expansion of its natural and organic offerings across all categories.

"We continue to increase the offerings of our natural and organic products," says Golub. At the same time, the chain is educating consumers about the attributes those products offer.

"We're also noticing changes on the manufacturer side of the business, among traditional companies that are really stepping up to the plate by developing their own all-natural offerings," she adds.

Not all new entries make the cut, and Golub says the chain relies heavily on shopper input to refine the mix.

"We work to stay very close to our consumers, and we are definitely noticing more interest in natural products among those consumers who are committed to a natural and/or organic lifestyle; they recognize the quality of the product, as well as its nutritive attributes, so for them, there's not a question about which beef [they'll want to purchase]."

Beyond the committed consumers of natural meats is a segment that Price Chopper perceives is now more curious about the dif-

ferences between natural and conventional. "What consumers observe this week is perhaps what they will purchase next week," suggests Golub.

It's this potential to snag new converts to natural, or at least to get the curious to give it a try, that's prompting the chain to put its best merchandising foot forward on a routine basis. The goal: "Ensuring that the product is out there and looking its best, and that the information and messages that connect the natural products are visible and enticing to consumers."

Consistency is king, says Golub. "There's a lot to be said about the consistency in the way which we display the product, maintain the selection and variety, and advertise natural meats in our ads on a weekly basis. All of this really defines the product

for the consumer when they're considering their options."

Uphill battle

The most frequently purchased proteins in the natural and organic realm are chicken (73 percent) and beef (49 percent), according to the findings of a consumer survey showcased at last month's Annual Meat Conference in Nashville, Tenn.

Interestingly, market share for case-ready natural meat products gained 7 percent in 2007, according to the survey, but the share of

organic case-ready packages remained negligible. While rising prices will undoubtedly continue to spook some consumers in the short term, demand for organic meats might well begin to make more impactful inroads in sales in the not-too-distant future.

Organic foods, including fruits, meats, and dairy, are not necessarily on everyone's shopping list at present, confirms a recent story in *ShopSmart* magazine, a consumer magazine that's a sister publication to *Consumer Reports*. But more people are reach-

ing for them anyway, and many more might potentially do so as the consumer press continues to promote certain certified organic foods, including meat, poultry, eggs, and dairy, as worth the extra money, compared with, as *ShopSmart* puts it, "the 'natural' label...[that] gets slapped on all kinds of products."

ShopSmart called certified organic meats "the real deal" because of the assurances "that animals are given 100 percent organic feed, which helps consumers avoid toxins such as arsenic in conventional feed, and that the product is friendlier to the environment."

Such an endorsement is music to the ears of Tedd Heilmann, general manager for LaFarge, Wis.-based Organic Prairie, the nation's largest farmer-owned cooperative, with more than 1,200 farmers in 34 states and one Canadian province.

Citing strong increases in consumer demand for traditional natural proteins over the past year, Heilmann says Organic Prairie is now focusing heavily "on value-added items that will allow consumers to enter the organic meat market by purchasing items that are convenient and family-friendly."

Cognizant that many consumers are only now beginning to consider purchasing organic meats at the supermarket, Organic Prairie offers an extensive in-store marketing program that allows retailers to draw maximum attention to all organic meat via the use of posters, door dings, POP materials, and retail education.

Heilmann acknowledges it can be an uphill battle, given that organic meat "is two to three times more expensive than conventional meat, and that can be a barrier to consumer trial of organic meat." To counter that resistance, "We focus on the benefits to consumers of buying organic meat, and suggest that people eat high-quality meats, but in moderate amounts," he explains.



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Certified Angus Beef sets its natural meat apart with distinctive signage.

'Through the shoppers' eyes'

Although one in five folks is now buying premium natural and organic meat products, consumer purchasing habits regarding higher-end hams, steaks, and chicken breasts have remained unchanged from a year ago, according to the latest insights from the third annual *Power of Meat—An In-Depth Look at Meat Through the Shoppers' Eyes*, a report presented at last month's Annual Meat Conference in Nashville, Tenn., and based on a national online poll of 1,147 consumers conducted in November 2007.

Conventional supermarkets head up the list of the retail outlets where consumers purchase organic and natural meats. However, the report indicates that unfamiliarity with the specific attributes of these more pricey, premium proteins is a major impediment to further growth in sales. Higher prices are an even bigger barrier to growth of branded all-natural and organic meats in supermarkets, according to the study, which was commissioned by the American Meat Institute and the Food Marketing Institute, and sponsored by Sealed Air Corp.'s Cryovac food-packaging division.

Anne-Marie Roerink, FMI's director of research, said an increasing number of occasional buyers indicated they would purchase more natural and organic products, if the prices were more in line with conventional meat and poultry.

But considering the supply-side market conditions of high grain prices and shrinking profits from lost production efficiency, it stands to reason that retailers will have a difficult time surmounting that price gap. Instead, they'd be better off focusing on promoting the top reasons survey respondents said they buy natural and organic meat: The positive long-term personal health effects, better nutritional value, and better treatment of the animal from which the meat came, according to the study.

When asked what improvements they'd like to see made in the average retail meat department, respondents pointed to better quality and more variety. They also requested more information on where the meat is produced, and they want to know more about the nutritional content of fresh meats, the taste of the cuts, and variations between the types of meat.