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HOW CONSUMER PREFERENCES FOR MEAT ATTRIBUTES RELATE TO SHOPPING CHOICES

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- *Overall, the current trend in supermarkets to "promote pro-ducts that address mind/ body bal-ance (through use of natural ingredients, herbs or vitamins)," illustrates the changing shop-ping experience for Americans.*

- *The meat counter is the most important non-service store charac-teristic, as well as the most frequently used department, at the grocery store.*

The Progressive Grocer reports that 99 percent of people shop at supermarkets, 76 percent shop at mass merchandisers, 29 percent at wholesale clubs and 11 percent at specialty food stores, thereby demonstrating consumers' willingness to "shop around" to find the products that best suit their specific preferences (Janoff, 2000). The interior of today's supermarket is an open format with a large floor size (minimum of 17,000 square feet), a consequence of the fact that volume driven sales are still the industry measure of profitability (Lewis, 2000). Selling to the largest pool of customers means that marketing, promotion, stocking and service decisions are based on the tastes and preferences of an average consumer while more unique preferences may be less valued. Yet, the average American has changed. Innovators in the grocery industry recognize a shift in consumer tastes and preferences, and are changing the industry to attract smaller segments of consumers. New store-formats cater to price-sensitive consumers (warehouse and club stores); up-scale markets service the least price-sensitive, quality-oriented shoppers (Wild Oats, Vitamin Cottage); and hypermarkets provide one-stop shopping for time-constrained customers (Super Wal-Mart, Super Kmart).

The objective of this article is to explore the opportunities for placing unique Colorado meat products into a variety of retail venues through differentiation, labeling and other promotional activities that target specific consumer preferences. In addition to illustrating current shopping habits of potential customers, this information may be used to persuade store buyers to include Colorado meat products in their stores' offerings. For example, if a consumer is concerned about the use of hormones in the production of beef, a producer could suggest that the consumer would purchase hormone-free beef at the supermarket rather than having to buy hormone-free beef from alternative outlets. This benefits the supermarket in that it maintains the business of the hormone sensitive consumer, and may be able to attract new customers since they have added an attractive product line to their store.

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The Progressive Grocer reported that the seventh most important factor to consumers in a choice of supermarket was the Meat Department (1-6 were all services) in 1999. Additionally, 50 percent of consumers indicated that they used the Service Meat section almost always or frequently (the most of any service usage reported), and another 33 percent used it occasionally. Thus, there is evidence that the perception of meat offerings is likely to influence whether the store gets a consumer's business. The relevant attributes when considering store choice as it relates to meat offerings may be price, production practices (organic, natural, conventional, fair trade), variety of product lines offered, flavor, freshness, visual quality and storability.

To better understand the opportunities for retailers to retain customers who would otherwise shop for meat at competitors, a graphical and statistical analysis of how consumers choose the purchase site for meat is developed. The data was collected through a mail survey conducted by the National Family Opinion (NFO) organization in 1998. The survey was funded by the USDA, the Rocky Mountain Farmer's Union (RMFU) and various local producer groups. The survey was designed to elicit a respondent's stated preference for natural meat products (ground beef, steak, ham, pork chops, sides of beef), past meat shopping practices and concern about certain livestock production practices. The survey sample was drawn from the Front Range and the Western Slope of Colorado and New Mexico including the cities of Albuquerque, Santa Fe and Farmington. It should be noted that Hispanic households were oversampled. [2] Rural areas were also oversampled given the marketing objectives of producer groups. [3]

To collect the information on multiple store choices, the survey was structured to allow responses on where most, some and none meat purchases were made. The question format allowed each respondent to choose at least one store for most meat shopping and multiple answers for the some and none choices. Results from the shopping matrix are reported in Table 1, and the overwhelming majority of respondents (87.7%) indicated that they did most of their meat shopping at supermarkets. Over 76 percent of respondents indicated that they only shopped at the supermarket for meat, but the remaining 24 percent of respondents represent a sizable potential market. The table shows the results of the urban and rural populations. The rural population was oversampled, and the responses show that there was a higher incidence of purchases from producers for the rural population, but it appears that a similarly small number of respondents did most of their meat shopping at natural foods store.

Table 1: Meat Shopping Choices Across Store Outlets

	Supermarket	Natural Food Store	Meat Shop	Producer
MOST	87.7%	1.2%	1.8%	4.8%
SOME	7.9%	6.0%	14.3%	6.0%
NONE	4.4%	92.9%	83.9%	89.1%
Rural Population				
MOST	84.5%	1.4%	.8%	9.0%
SOME	9.0%	4.2%	11.9%	9.3%
Urban Population				
MOST	89.7%	1.1%	2.2%	3.3%
SOME	7.6%	6.6%	15.2%	5.0%

2 However, results show that only 6.1% of the respondents were Hispanics, though the 2000 census estimated Colorado's and New Mexico's Hispanic populations at 17% and 42%, respectively.

3 The oversampling of rural areas may contribute to the results seen in the supermarket and producer equations. Thus, results should be interpreted and generalize d with caution since urban areas and rural areas have markedly different retail food market structure.

Until now, the introduction of organic products into supermarkets has been limited to a small number of products with low sales (Richman, 2000). By increasing the number of organic/natural products carried, the retailer can benefit by attracting customers who have purchased meat at alternative markets. In the survey instrument, *naturally produced meats* were defined as "..from animals raised using environmentally sound practices with no antibiotics or hormones and never confined in small or crowded pens. Cattle grazing is managed to preserve streams and protect endangered species." Though the survey was written and conducted in 1998, it is similar to the National Organic Program final rules that include no use of hormones and antibiotics as being essential components of organic production.

Those respondents indicating they purchased most of their meat from producers, rated *no growth hormones, grazing managed to protect streams* and *grazing managed to protect endangered species* lower than respondents doing only *some* of their meat shopping directly with producers (Table 2). Those respondents doing *most* of their meat shopping from meat shops were relatively more concerned about the *use of confining pens*, *antibiotics*, *hormones*, *streams*, *endangered species*, and *grassfeeding.* These results suggest that respondents choosing to purchase at least some of their meat at outlets other than the supermarket have, on average, rated production characteristics higher than supermarket shoppers.

This study shows that the majority of all consumers shop at a conventional supermarkets, but that certain product attributes and past beef purchasing patterns may be important to the decision to shop alternative stores. These findings may lend support to the *Progressive Grocer's* study showing that the meat counter is the most important non-service store characteristic, as well as the most frequently used department at the grocery store. It seems that store choice is highly influenced by the price, types and particular mix of meat products available.

Table 2: Average Attribute Ratings Across Store Choice and Frequency of Shopping

(n)=size of sub-sample	**PENS**	**ANTIBIOTICS**	**HORMONES**	**STREAMS**	**ENDANGERED**	**LOCAL**	**AGED**	**GRASSFED**
SUPERMARKET RATINGS								
Most (1204)	3.09	3.44	3.81	3.40	3.26	2.36	2.96	3.01
Some (108)	2.98	3.39	3.66	3.26	3.18	2.17	2.89	2.93
NATURAL FOOD RATINGS								
Most (16)	3.38	3.38	3.75	3.44	3.25	2.31	2.94	3.88
Some (82)	3.43	3.50	4.09	3.30	3.07	2.40	2.93	3.37
MEAT SHOP RATINGS								
Most (25)	3.12	3.76	3.96	3.60	3.60	2.28	3.00	3.56
Some (196)	2.95	3.42	3.68	3.31	3.12	2.54	3.12	2.96
PRODUCER RATINGS								
Most (66)	3.53	3.56	4.02	3.27	3.06	2.44	3.00	3.53
Some (83)	3.24	3.45	4.12	3.49	3.28	2.37	2.76	3.20

Producers could show that customers already shopping at the supermarket can be encouraged to increase their purchases at any retailer by the retailer's choice of increasing the availability of preferred products. Similarly, customers not normally inclined to purchase meat at the supermarket can be attracted by the emphasis on meats differentiated by production practices, thereby increasing sales. Overall, the current trend in supermarkets to "promote products that address mind/body balance (through use of natural ingredients, herbs or vitamins)," illustrates the changing shopping experience for Americans. Markets that move from promoting service attributes of their stores to, "selling stories behind their products," will continue to attract customers and be well prepared for the changing nature of consumer demand (Rolf Jensen from The Dream Society as quoted by Hauptman and Cavanaugh, 2001).

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