



Retail Marketing Strategies

by **Brooke Byrd**

What do retail marketing strategies mean to cattlemen?

DENVER, CO (Feb. 2, 2006) — During the Beef Industry Issues Forum Thursday, Feb. 2, Jack Allen from Michigan State University spoke about what's happening in the retail marketplace in regard to beef.

Part of understanding the beef industry, he said, "is understanding what's going on in the marketplace." Beef producers need to become "constant students" and monitor the changes around them to be better prepared for what changes may come.

"What retailers do really matters," Allen said. "Are we going to help make things happen at retail?" The entire way that retail marketplaces do business has changed in recent years, he explained. Instead of a butcher, most consumers simply pick up case-ready beef.

Convenience and price have become some of the biggest indicators of a consumer's willingness to buy. And, he said, "those differences are going to be more pronounced than ever before."

With so many new products and brand marketing, Allen said, "you

have very, very, very strong partners in the processors."

Retail developments are also driving consumers and competition, he said. Wal-Mart, especially, cannot be ignored, he said. "The best retailers are those who have the skill to satisfy the shoppers they have targeted," Allen explained. Wal-Mart, he said, "is everybody's best customer."

He demonstrated advances in products, including packaging vegetables with beef for complete meals and modified atmosphere (MAT) packaging with more oxygen to extend shelf life. "Concentration of the industry has spurred competition and differentiation," Allen noted. With every other retailer forced to compete with Wal-Mart, "retailer operations are shaped by innovation."

The introduction of case-ready products forms what he called a "structural change" in the marketplace. "Not meat, not produce, but meals," he said, are the wave of the future for the beef retail market.



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