

Consumer Close-up

NCBA's John Lundeen provides insight on current beef demand drivers and consumer trends.

by *Kindra Gordon*

Have you ever wandered around a grocery store just to observe what consumers are putting into their carts? Have you kept a watchful eye on the meat case to study what products consumers are spending their hard-earned dollars on?

John Lundeen, senior executive director of market research for the National Cattlemen's Beef Association (NCBA), is tasked with finding the answers to these and other questions — and extrapolating that information for the beef industry.

Through Beef Checkoff-funded research, Lundeen explains that consumer data can be gathered and analyzed to better position beef to meet consumer demand in the future. For instance, an understanding of current consumer demographics, trends and concerns can allow the beef industry to adapt messaging and product development to suit consumers' needs.

What's currently driving consumer food purchases? Lundeen says, "Consumers are thinking about taste, nutrition, safety and if they can put a meal on the table in 30 minutes."

With regard to beef, Lundeen says Beef Checkoff research has

helped reveal a litany of information about what is on consumers' minds. Here's a closer look.

Beef vs. chicken

Overall, Lundeen reports that consumer perceptions of beef are considerably more positive than their perceptions of raising cattle.

Unfortunately, in a matchup of beef vs. chicken on the plate, consumers tend to have a more positive perception of chicken — especially when it comes to value, says Lundeen.

In a survey of consumers, chicken was ranked above beef in the categories of good value, consistently good results, balance of taste/nutrition, ability to prepare well, smart choice and consistent tenderness. With regard to taste, consumers did rank beef above chicken.

"Chicken beats us on value and several of the other categories. That is why beef has always got to taste great," says Lundeen. He notes that the ability to prepare beef is also a hindrance for many consumers — meaning the beef industry must continue to work to develop convenient products and to help educate consumers on cooking preparation.



Changing demographics

Within the population, one of the biggest changes being seen, according to Lundeen, is a shift in dominance from the Baby Boomer generation (consumers ages 49 to 64) to the Millennials (consumers ages 15 to 36).

"Millennials are now 80 million strong. They represent the largest sector for food spending, so it is important for the beef industry to embrace Millennials," reports Lundeen. Boomers represent 76 million people, while Gen Xers (ages 37 to 48) number only 51 million.

Regarding Millennials, Lundeen points out that they are a generation whose decisions are influenced by social media, and, given their age, many are just finding their niche in life and society.

Additionally, the beef industry must recognize that Millennials have less knowledge about beef. Lundeen says, "They know ground beef; they are unsure of steak; and they have no idea what to do with a roast."

Based on these factors, Lundeen notes that it will be important for the beef industry to continue growing its role as part of the social media dialogue, as well as continuing to develop convenient beef products.

Some other demographic changes also speak to the need for smaller portions and convenient products. For example, Lundeen shares that according to the 2010 U.S. Census, smaller households have become the norm. Sixty-two percent of American households have one to two people compared to 38% with three or more people.

As well, in most households, both adults work — meaning after a busy day, meal preparation time is limited. According to findings of a 2010 Beef Checkoff-funded Convenience Framework study, 31% of consumers said 40 minutes from start to table is too long for a beef meal, and 70% said 60 minutes from start to table is too long.

Based on this information, Lundeen notes that traditional beef roasts do not fit current consumer demand.

He also gives this example: If consumers decide to have spaghetti for supper but the ground beef is frozen, they are more likely to have the sauce without meat.

Lundeen says, "The majority of meals are same day decisions, and the beef industry must figure out how to get our product to fit that."

Through Beef Checkoff investments, the Beef Innovations Group is working to help manufacturers bring new, convenient beef products to consumers. This spring, the beef industry introduced a microwaveable roast, as well as ground beef in a microwaveable bag to address changing consumer needs. Convenient beef skillet and sandwich kits are also currently being tested in the marketplace. **HW**

Addressing cost, nutrition and other factors

National Cattlemen's Beef Association's (NCBA's) John Lundeen notes that the top limiting factor of beef consumption is cost or price per pound. "This is the biggest thing, especially in the context of the recession," Lundeen says.

He points out that 50% of Americans have an annual income of less than \$50,000/year. And, as families have to pay higher prices for gas and other commodities, they may spend less money on beef.

A second factor concerning consumers is nutrition — and fat. Lundeen shares, "Consumers are still eating protein, but they are looking for a healthy balance, so they may replace a beef meal with seafood."

Lundeen expects health to be a major focus related to food in the future. He points to the statistics that indicate that currently 34% of the U.S. population is classified as obese, and by 2030 that percentage is projected to grow to 42%.

With regard to beef, Lundeen notes that more messaging about the positive nutrition attributes of lean beef can be shared to address this concern.

Additionally, Lundeen says consumers — Millennials especially — are seeking assurances that their food is safe. Thus, he says the connection with consumers of where food comes from and the transparency in the food chain will continue to be critical.

A final factor that could influence beef trends in the future is the population's increase in ethnic diversity. Lundeen reports that by the year 2050, the number of Hispanic and Asian households in the U.S. will double. As a result, cultural influences may reflect the types of beef products being sought. **HW**

