

CONTACT: Jim Henger **303.850.3379** jhenger@beef.org
Caroline Ahn **773.276.9712** c.ahn@midanmarketing.com

Hispanic Toolkit Makes Impact on Customers at Meat Case

Sales of Hispanic preferred beef cuts increase 28 percent

Denver, Colo. (June 5, 2008) - The Beef Checkoff Program announced the results of a pilot study conducted to test the performance of a newly developed beef checkoff-funded Hispanic Toolkit.

With 44.3 million people, the Hispanic population is the largest minority group in the United States and is growing faster than any other ethnic group.¹ To best reach Hispanics and address their shopping needs, the beef checkoff developed the Hispanic Toolkit in 2007. The Toolkit was designed to help supermarkets across the country to better serve their growing Hispanic customer base by providing beef cuts and information needed to prepare authentic Latino dishes. The beef checkoff-funded Hispanic Toolkit was the recipient of the 2008 Silver Level Effie Award from the American Marketing Association in the Hispanic category, acknowledging the toolkit's effectiveness in marketing to Hispanic consumers.

Research Results

Results of the pilot test indicate that the Hispanic Toolkit was successful in boosting sales of beef cuts preferred by Hispanic customers at mainstream supermarkets, provided meat department staff with tools to better identify and merchandise these cuts, and improved communication between store personnel and customers. During this period, test stores achieved a significant sales increase of 28 percent for beef cuts preferred by Hispanics compared to the sales of the same cuts in control stores.

“The goal of the pilot study was to test the effectiveness of the materials we developed to assist mainstream retailers in their marketing efforts toward Hispanic beef customers at the meat case,” said Jim Henger, executive director of channel marketing for the National Cattlemen's Beef Association, which contracts to manage retail programs for the beef checkoff. “We first worked to gain insight into the barriers Hispanic consumers face when shopping at mainstream meat departments. Then we tested our findings in-store.”

Consumer response to the Hispanic Toolkit was very positive. More than 90 percent of the intercept participants picked up the Beef Cuts & Dishes Dictionary while at the meat case. Additionally, almost all of the respondents who picked up the dictionary rated it as excellent or very good. The bilingual recipe labels also performed very well with customers. Overall, 18 percent of test store respondents who noticed the bilingual recipe label said they purchased a beef item because of the label.

The Hispanic Toolkit also helped to increase customer loyalty in test stores as evidenced by customers' willingness to recommend the store to a friend. Of the respondents in test stores that had noticed the elements, 83 percent said they were very likely to or have already recommended the store to a friend. After the program was implemented, test store meat department ratings moved significantly higher, with 51 percent of test store respondents rating the meat department as excellent compared to 32 percent at control stores.

(more)

DENVER OFFICE

9110 E. Nichols Ave.
Suite 300
Centennial, CO 80112
303.694.0305

CHICAGO OFFICE

444 N. Michigan Ave.
Suite 1800
Chicago, IL 60611
312.467.5520

www.beef.org



Funded by The Beef Checkoff

According to Javier Corona, director of Hispanic marketing for HEILBrice, the marketing agency that the beef checkoff contracted to create the toolkit: “Hispanics love beef but prefer different, thinner cuts. Therefore, retailers need to pay particular attention to the special needs of Latino beef customers by providing them with the product selection and bilingual information they require.”

Methodology

Prior to the research study, beef checkoff-funded focus groups and phone surveys were conducted in the spring of 2007 to determine what was important to Hispanic customers when shopping for beef. The findings were then used to develop the Hispanic Toolkit. The toolkit included a bilingual Beef Cuts & Dishes Dictionary, bilingual peel-off recipe labels, bilingual signs and bilingual recipes. The resources were placed in a separate section in the meat case of cuts preferred by Hispanic shoppers.

Consumer intercepts were conducted among 440 Hispanic shoppers at four test and three control Albertsons and Lucky stores in Southern California and Las Vegas to measure reaction to the toolkit resources. The intercepts were conducted six to eight weeks after the implementation of the Hispanic toolkit resources. Effectiveness of the toolkit was also measured by evaluating sales data of cuts preferred by Hispanic customers at test stores and comparing them to sales at control stores.

More information on the beef checkoff’s Hispanic Marketing Initiative and Hispanic recipes can be found on www.BeefRetail.org and www.LaCarneDeRes.com.

The Beef Checkoff Program was established as part of the 1985 Farm Bill. The checkoff assesses \$1 per head on the sale of live domestic and imported cattle, in addition to a comparable assessment on imported beef and beef products. States retain up to 50 cents on the dollar and forward the other 50 cents per head to the Cattlemen's Beef Promotion and Research Board, which administers the national checkoff program, subject to USDA approval. The checkoff assessment became mandatory when the program was approved by 79 percent of producers in a 1988 national referendum vote. Checkoff revenues may be used for promotion, education and research programs to improve the marketing climate for beef.

Producer-directed and consumer-focused, NCBA is the trade association of America's cattle farmers and ranchers, and the marketing organization for the largest segment of the nation's food and fiber industry.

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¹ US Census, 2000