

Where Do Consumers



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South Dakota survey provides insight.

by **Kindra Gordon**, field editor

Where do South Dakotans turn for recommendations on meat purchasing? That's the question assistant professor Kuo-Liang "Matt" Chang and a team of South Dakota State University (SDSU) researchers sought to answer when trying to determine the best way to use social media to encourage beef consumption. The study was funded through a \$9,100 grant from the South Dakota Beef Industry Council.

"We want to know what information our consumers want to see from us," explains Briana Burgers, nutrition assistant and director of online communications for the South Dakota Beef Industry Council. The study was conducted to help provide that qualitative data to aid South Dakota beef industry leadership — as well as other state beef councils — in better understanding beef demand and how to

tailor marketing efforts to fit consumer needs.

Recipes, nutritional information

Based on an online survey filled out by 126 South Dakotans, websites are their No. 1 source of nutrition information and recipes, followed by family and friends, according to Chang. Most respondents were in the 24 to 45 age range.

Other meat marketing efforts

A **Tennessee** study suggests that consumers in the metropolitan areas of the state are willing to pay a premium for ribeye steaks and ground beef labeled as Tennessee Beef. The study was conducted by faculty in the University of Tennessee Department of Ag & Resource Economics.

Input for the research was gathered through a 2013 telephone survey of randomly selected participants from counties in and around Memphis, Nashville, Chattanooga, Knoxville and Tri-Cities (Kingsport, Johnson City, Bristol).

The willingness to pay a premium for locally raised beef was evaluated for two products, ground beef and a boneless ribeye steak. In addition, preferences regarding outlets where they would purchase Tennessee Beef, form of the beef, and type of packaging were examined to gain further insights about how Tennessee beef steaks and ground beef might be marketed.

The researchers reported that Tennessee consumers would be

willing to pay a \$2.96 premium for a ribeye steak and a \$0.70 per pound premium for ground beef labeled as Tennessee Beef.

Survey respondents indicated that purchasing Tennessee Beef would give the potential buyers a sense of supporting farmers and the economy within their state. Respondents who selected Tennessee Beef also viewed it as fresher and safer than out-of-state beef.

Respondents expressed a preference for a fresh product over a frozen or frozen then thawed or cooked product.

Those choosing a Tennessee Beef product tended to be younger, have some farm background and have higher incomes than the overall set of respondents.

The researchers suggest that because freshness, safety, support of local farms and support of local economies appear to be important to the respondents in making their product selections, marketing Tennessee Beef-labeled products might emphasize these issues.

Get Beef Info?



More than 80% of the respondents used Facebook, while just more than 50% visited Pinterest, with Twitter coming in third, Chang reports, noting that the South Dakota Beef Council currently maintains a presence on all three.

► **Above:** Assistant professor Kuo-Liang “Matt” Chang and a team of South Dakota State University (SDSU) researchers found that consumers viewed nutrition and health as top priorities when purchasing both beef and poultry, but when considering price, 55% felt it was important when purchasing beef and 58% when buying chicken. This difference, though, is not statistically significant, Chang points out.

The third-most-popular place the respondents find recipes is magazines, followed by social media, the consumer economist explains. However, for nutrition information, social media takes a back seat

to health professionals, magazines and television — in that order.

In looking at consumers’ nutritional knowledge, Chang found that more than half the respondents identified beef as containing more iron than other meats, but only 25% knew that a chicken thigh has more fat than a steak.

Nearly 45% of respondents had shopped for groceries based on information posted on social media, according to Chang. Though only 27% of the respondents had done meat shopping online, about 77% said they are willing to try new products based on their friends’ suggestions on social media.

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“This suggests that the beef council can take increasing advantage of the great marketing opportunities on these platforms,” he says.

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Approximately 37% of the respondents buy their beef at a chain store, such as Hy-Vee or Walmart, while 33% purchase a half or quarter of beef from a friend or family member, according to Chang.

When faced with higher beef prices, South Dakota consumers purchase less meat in general, rather than selecting less-expensive alternatives, such as chicken, explains Chang. However, Midwesterners consume 10% more beef than the rest of the nation.

“One type of meat does not necessarily compete with the other,” says Chang of the findings from this survey. Consumers purchase a variety of meats that complement rather than substitute for one another.

For additional information, Chang plans to interview 25 respondents to find out how the beef council can draw visitors to its website and tailor its social media messages to their needs.

In addition to the South Dakota Beef Industry Council’s current social media efforts on Facebook, Twitter and Pinterest, Burgers writes a blog in an effort to connect with millennials and provide easy, convenient and nutritious beef recipes with how-to photos.



Editor’s Note: Kindra Gordon is a cattlegirl and freelance writer from Whitewood, S.D.

Montana is evaluating the feasibility of building a meat processing plant. One Montana program manager, Matt Bitz, reports that results of their Feasibility Study for a Montana Meat Processing Plant indicate that under the right conditions, a plant in Montana could process 250 head of beef or bison daily.

One Montana, a Bozeman-based nonprofit organization, recently completed the feasibility study showing that it is possible to build a mid-sized meat processing plant in Montana, one that could process up to a combined 60,000 head of beef and bison annually.

Bitz calls the opportunity “a real game-changer for Montana producers.” As one of the largest beef-producing states in the United States, Bitz explains that an in-state processing plant would allow Montana producers to eventually sell product with a “Montana beef” label.

Montana has assembled a team of experts across a wide set of disciplines to conduct research in plant design, marketing,

wastewater, labor and economic impacts. Support for the study has come from the Economic Development Administration’s Planning and Technical Assistance Program; the Big Sky Trust Fund, which is managed through the Montana Department of Commerce; the Montana State University (MSU) Department of Ag; and multiple private donors.

In **South Dakota**, the Aberdeen beef processing plant that has been in the works since 2006 has yet to open, but CEO Doug Cooper said in a late-December interview that he feels confident the plant will become operational in 2015.

Currently called New Angus, the 425,000-square-foot facility has the capacity to process up to 1,000 cattle daily and employ more than 500 people. The company says it will begin hiring in early 2015.