Beyond the Headlines- Meat Case Metrics
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by Steve Bjerklie

Retail market analysis by Mintel International Group, the market research organization, shows that the recession is causing a divide among shoppers in the meat and poultry department.

"What we are seeing in the market is polarization," Erin Murray, a global food and drink analyst for Mintel, told MEATPOULTRY.com. "About half of consumers are buying less expensive cuts of meat, trying to save money. But there's also an opportunity for premium meats because people are eating out less."

Moreover, processed meats, including luncheon meats and hot dogs, continue to do well. With more people bringing lunch to work rather than spending money in a cafeteria or restaurant, luncheon meat sales have remained strong. Hot dogs have also benefited from cost-conscious shopping.

Murray is particularly enthusiastic about the Angus line of Ballpark brand franks introduced by Sara Lee in 2008. "It's really a brilliant idea that came along at just the right time," she said. "What a premium line like this does is give people permission to eat hot dogs." According to Mintel's data, the Angus line has already brought Sara Lee $40 million in sales. "A low-fat version was introduced last year," she added, "so already there's a line extension."

She also likes the "wholistic solutions," cross-branding campaigns that Kraft and Hormel have introduced in their advertising. "The Kraft campaign is the biggest they've ever done in 125 years, and the Hormel campaign is very large for them. But promoting the company, rather than a specific food, as a solution for meals is a really good idea, we think." Murray believes that when the recession comes to an end, the campaigns will be able to retain consumer loyalty that has built up, she said.

Poultry products are also doing well despite the economic climate, according to Mintel's analysis. "Poultry has three big things going for it. One, it's a great value compared to other meats. Two, there's the 'health halo' still surrounding poultry, the idea that these are good-for-you foods. And three, poultry tends to satisfy everyone at the table. Just cook it well enough and everyone's happy. No one's saying they wanted it rare or medium-rare or what have you," she commented.

While a recession focuses attention on wallets and budgets, meat and poultry companies would be wise to remember fundamental lessons already learned, she said. "As important as value is during a recession, quality and convenience have not gone away."