

Marketing the New Zealand Beef & Lamb Quality Mark

Rod Slater*

Introduction

Ladies and Gentleman. On Monday 29 September 1997 the New Zealand meat industry launched its biggest ever campaign to promote beef and lamb to the local market. Today it gives me great pleasure to be able to share with you the story behind the New Zealand Beef and Lamb Quality Mark - what we wanted to achieve, how we got there, and the significance of the Mark for New Zealand's meat industry and the country as a whole.

I trust most of you here are familiar with New Zealand via our rugby football heroes - the All Blacks - or, for those of you associated with yacht racing, our Black Magic America's Cup team. It therefore seemed appropriate to start by drawing on a sporting analogy of a football or yachting team to stress the importance of being the best, because it is a perfect metaphor for the Quality Mark. When a football or sailing team is picked, the focus becomes a co-operative effort of playing the best quality game together and winning. But a champion side is never static, it is dynamic. It adapts and re-invents itself when the laws of the game change to continue to be successful. This involves training and learning new skills and on the field or water moves for match day.

That basically sums up how we have worked together with scientists and New Zealand's meat industry to develop the Quality Mark. While our meat industry has been the backbone of our economy for almost a century, we cannot sit back. Our competitors are learning new skills and playing to their strengths. Our New Zealand consumers are expecting more all the time. In short, the Quality Mark was an essential element of a mix of initiatives needed if our beef and lamb was to maintain its dominance in the New Zealander's diet.

Today I will provide you with a little background on New Zealand, on our meat industry, and an overview of how we have worked to make the New Zealand Beef and Lamb Quality Mark a reality. But just before I kick off (if you'll pardon the pun), let me set the record straight re-

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garding your view of New Zealand men. Just so you don't epitomise Kiwi men by our rugby or America's Cup team or by blokes in colourful aprons and caps, I thought you might want to take a look at one of our most recent television advertisements which I'm sure will shed a whole new light on the average kiwi man in relation to beef and lamb...

Background on New Zealand

So there's a glimpse of New Zealand as the advertising industry sees it. Now for some facts and figures:- New Zealand lies in the south-west Pacific Ocean and comprises two main islands (imaginatively called the North and South Islands) and a number of smaller islands. Their combined area of over 270,000 square kilometres is similar to the size of Japan or the British Isles. The country is very mountainous, with approximately 20% of the land less than 200 metres above sea level. The demographics of New Zealand society have changed dramatically in the past hundred years. The nation has passed through a "demographic transition" similar to those experienced by most western countries, and despite continued reliance on agricultural exports, has become much more urbanised. Family formation patterns have changed radically, the divorce rate has soared, and de facto unions have become common. The average family size has shrunk to less than half of what it was and is now at an historic low. Substantial reductions in mortality mean that New Zealanders now expect to live, over 20 years longer on average, than they did a century ago. The number of elderly New Zealanders has increased over 20-fold since 1886. The population is aging – a process that is expected to hasten when the "baby boom" generation reaches retirement age after the turn of the century.

New Zealand's population has gradually been increased by a number of immigrants, with the most significant increase being from Asian countries. New Zealand has increasingly become a multi-ethnic society and, against this background, together with changing demographics, the challenge of moving New Zealand's meat industry in to the next millennium has presented meat marketers with both threats and opportunities.

Background on New Zealand Meat Industry

Most of you will probably be unaware of the role of the New Zealand Beef and Lamb Marketing Bureau as we are involved in the generic promotion of beef and lamb in New Zealand only. The Bureau was established just over ten years ago and is funded voluntarily by approximately 90% of New Zealand meat processors. This funding is backed up by a dollar for dollar subsidy from Meat New Zealand (formerly called The New Zealand Meat Producers Board).

New Zealand's meat industry is constantly evolving. Five years from now, it is certain we will see a markedly different industry to the one we have today. There are a number of issues facing the meat industry. I would like to touch on the opportunities and challenges our industry faces in the 21st century, why initiatives such as the New Zealand Beef and Lamb Quality Mark are so important, and why we need the continued involvement and support of the scientific community to meet those challenges.

We face both external and internal pressures as an industry. Externally, we face a global trend toward more meatless meals, as beef and lamb are no longer the 'heros' of the meal. It was once thought that beef and lamb were part of what made New Zealand great; they were the driving force behind tall, strong Kiwis and were epitomised by Mum's roasts or Dad's barbecues. A meal was not a meal without a decent helping of meat.

However, there is now a larger proportion of the population – mainly female and aged under 35 years – who see beef and lamb as old fashioned; difficult to prepare; expensive; confusing because of the different cuts; and something we should cut down on, generally because of health misconceptions. There are many more choices out there for this group, including ethnic foods and pre-prepared meals derived from other ingredients that fit their lifestyles. This same group is more diet conscious than ever and they are eating out more frequently. They are less inclined to have the time or even to want to prepare food. Sound familiar?

In addition, the New Zealand café, restaurant and takeaway bar sector is expanding by around 10% per annum. So there is a vast range of reasons for the trend towards meatless meals which contribute to the shrinking relevance of meat to the consumer.

Food Safety/BSE/Animal Welfare

As you know, another major threat we face is from the product itself. People are dying in the 90s from food poisoning as a result of poor food handling practices. Overseas incidents are directly impacting on our market. In many countries this has put food safety back to the top of the consumers' needs list.

BSE in Britain hasn't helped. It has impacted on New Zealand consumers who are looking for assurances that the beef they eat is 100% safe.

Some consumers today also want to demonstrate their support for the environment or for animal welfare which affects their purchasing decisions. Where once quality, convenience, and price criteria drove the consumer in terms of meat purchasing decisions; today there are enough social pressures to take meat-eating out of the social norm.

Animal welfare is a key area for some consumers. The vegetarian lobby uses animal welfare as a platform to turn the population towards vegetarianism. Recent scares such as BSE have provided them with further opportunities to focus attention in this area. Furthermore, amongst the wide choice of meal solutions now available from supermarkets are a wide range of easy to prepare vegetarian dishes.

Rebuilding Confidence - The Quality Mark

With these issues in mind, consumer assurance and confidence in our product and our industry is critical. The work the Bureau does centres on promoting the benefits of eating beef and lamb and encouraging best practice methods throughout the industry.

With regard to the Quality Mark, our challenge was to firstly rebuild the confidence of our consumers in all the areas where it had been undermined, and secondly to build some 'insurance' by being proactive in areas *before* they became an issue. In a country where the choice of foods is growing rapidly, consumers have to feel good about what the meat industry has to offer.

If I were to define it in a nutshell, the New Zealand Beef and Lamb Quality Mark is a pro-active initiative that has brought about a set of standards designed to improve product quality, consistency, and food safety. The Quality Mark recognises standards that have been met by the industry; standards involving animal welfare, food safety in handling, processing, and tenderness. The standards are a tangible indication of how all sections of our industry are becoming more and more consumer conscious as, indeed, they must do.

We needed to present the image of the meat industry as dynamic and forward thinking and its attitude as one of pride and accountability. We also wanted to present the product as 'what the consumer wants'. However, while we believed we could emphasise the relevance of beef and lamb in a variety of ways, we couldn't do it on our own.

The Bureau had to work very closely with its scientific partners to ensure the industry would be able to support the campaign by delivering product that was consistently tender and met all the Quality Mark standards.

So what did this finally entail? Two years of extremely hard work, scientific and consumer research, and education of members of the industry whose "buy-in" was of

critical importance. That buy-in from industry was the key to taking the Quality Mark from an idea to a reality.

The retailers were identified as the main target. If we could not only convince retailers that the Quality Mark was the way to the future and get them actively excited about it, then convincing the industry as a whole was going to get a lot easier.

For the processing industry of New Zealand –their commitment in terms of dollar investment would be significant. Having spent 25 years as a retailer, I had an insight into which “buttons to press” to get retailers excited about the concept. We were dealing with a generic brand and symbol so we had to allay their fears that the Quality Mark would be an averaging tool that raised the standards of the not-so-good industry players and vice versa to the industry leaders. We had to convince all retailers that this new Mark was not a brand but an underpinning device which guaranteed a minimum set of standards for the consumer. The Mark was developed to complement their brand, not to compete with it. We did convince them and achieved a buy-in from every supermarket chain in New Zealand. They then put pressure on the processing industry to buy in to the concept.

The final result was a full team effort from the entire industry. This is probably best demonstrated in a Quality Mark video which we produced which shows the important roles of every person in the industry chain.

In the midst of our planning toward the end of 1996, we were faced with a major issue close to the hearts of many of you here today - growth promotants. Little did we realise to begin with, but growth promotants were to have a huge impact on the strategy and implementation of the Quality Mark, as well as repercussions off-shore.

In November 1996, a question was raised at the annual general meeting of the New Zealand Beef and Lamb Marketing Bureau relating to the issue of meat that came from animals supplemented with growth promotants qualifying for the Quality Mark. This prompted widespread media reports that focused on the Quality Mark in relation to growth promotants. The nature of the reports that followed were sufficient to confuse and concern consumers. Media comments from pressure groups such as the Safe Food Campaign kept the issue in the public arena for more than three months. In addition to confusion with the Quality Mark, there were also indications that some consumers believed there was a connection between growth promotants in meat and growth hormones used in humans who had developed Creutzfeldt-Jakob Disease (CJD). In the minds of the public the two phrases were interchangeable.

The Bureau was also aware that this was an issue under discussion within the industry, with indications that at least one processor would be refusing to process meat from growth promotant supplemented animals, and a likelihood that others would follow.

Retailers also spoke out saying they would refuse to stock meat that had come from growth promotant supple-

mented animals believing it would impact negatively on sales. The issue had escalated and there was a very real danger that it would destroy the integrity of the Quality Mark before it was launched.

Against this background there were calls from inside and outside the industry for meat from animals supplemented with growth promotants to be excluded from the Quality Mark. Eventually, after much deliberation, Meat New Zealand was forced to step back from scientific evidence that proved the safety of growth promotants and respond to consumer concerns by stipulating that meat from animals supplemented with growth promotants would not be included in the Quality Mark.

I would stress that there are **no** demonstrable differences between natural hormones and their synthetic analogues licensed for use in New Zealand from a health point of view. The decision to exclude meat from cattle supplemented with growth promotants from the Quality Mark program was made solely in response to consumer demand and consumer research conducted by the Bureau indicating consumers would not buy meat from cattle supplemented with growth promotants.

To meet the “no growth promotants” requirement, farmers need to ensure cattle are properly tagged and declared when delivered to processing plants. At the processing level, growth promotant free status must be documented and is checked by auditors - about whom I will talk later.

Along with growth promotants, tenderness was the next big issue facing us. Working with the Meat Industry Research Institute of New Zealand (MIRINZ), research showed that there was a lot of good, tender meat on the New Zealand market. But there was also a lot of variability and a popular perception that “all the best meat is exported” – I’ll explain why.

Over the course of six-eight months, MIRINZ visited every processing plant in New Zealand, checking the temperatures for the cooling of meat and the time taken to cool it. Traditionally, the chilling regimes were designed for export ground meat trade, or hamburger beef. When MIRINZ surveyed local market beef processors, it found the chilling rates were much faster than those required to produce tender cuts of beef, which would meet the Quality Mark standards.

Our scientists used a computer model which enabled them to evaluate tenderness levels. By measuring the temperature in processing chillers, they were able to predict how long it would take for meat to reach certain tenderness levels.

As you will know a significant part of the tenderness process revolves around aging. As many processing plants were already operating near to capacity, this created problems. In many cases the MIRINZ tender model was showing plants they had to hold products up to 36 hours longer than they were currently holding them. Most companies did not have the financial resources nor the time to build new storage facilities.

The problem was solved through the cooperation of the retailers based on an acknowledgment by all in our industry that they had a part to play. Hence the term "retail ready" was born and, with the Quality Mark scheme, every processing plant in New Zealand that kills meat for the local market now has to work to a "retail ready time." This means they cannot sell meat to the customer before a certain time has lapsed. The retail ready time is totally dependent on the temperature regime and the type of electrical stimulation supplied to hasten the rigor mortis.

In effect, the industry has adopted AC & A (Accelerated Conditioning and Aging) criteria as the new standard for the Quality Mark. This is the same standard which has applied to export lamb for the last 12 years and lead to the perception that the best meat is exported. As you will know under AC & A, electrical stimulation of the carcass hastens the conditioning phase which means the natural enzymes in the meat start to tenderise it sooner than normal. Additionally, raised chiller temperatures enable the tenderising enzymes to work faster. The new controlled temperature chilling regime, along with a pH that does not exceed 5.8, gives better meat hygiene, better colour in the meat cabinet, less product variability and, therefore, a reduced chance of a bad eating experience.

MIRINZ measured the tenderness of cooked meat with a tenderometer using a kilograms per force scale. A measure of 11kgF or less is acceptable. The Quality Mark requires meat to have an average tenderness of 8kgF at the time of retail sale. This system, together with others, is having a significant, positive impact on beef and lamb sold on the domestic market.

With food safety and animal welfare issues still as prominent today as they were a year ago, the benefits of traceability and accountability offered by the Quality Mark are proving invaluable to the industry.

Perhaps most significant is the fact that the Quality Mark project has also brought together communications and alliances not seen before in New Zealand's meat industry. In fact the only way it could work was if every member of the value chain played their part in understanding and meeting the various Quality Mark standards. This proved no easy task and we conducted many information seminars throughout the country for retailers, processors and their staff prior to launch day. It was our aim that on launch day, as many people as possible in our industry would know why we were initiating a Mark and how important their role would be in the future success of our industry.

I am pleased to report that by the consumer launch date of September 29, 1997, 90% of supermarkets and 40% of independent retailers were able to offer the Quality Mark promise. In addition, feedback to date has been very positive. For the first time ever, processors are complying with customer quality standards as opposed to regulatory body requirements. The industry has become much closer to the

consumer because of a "transparent" system, which is more accountable to the consumer.

But the consumer needs more than just safe standards; they need excitement and an appealing argument to buy Quality Mark meat now. From a marketing point of view, the essential task we have had over the last six months is to ensure that consumers recognise the Quality Mark and have a basic understanding of what it means, so they can easily and readily choose New Zealand's best product in store. Our advertising campaign to date has concentrated on selling to the consumer the twin concepts of consistent quality and tenderness, as well as easy to prepare, enjoyable meals.

What I showed you to begin with was an example of our "famous meals" advertising, designed to encourage even the most amateur of cooks to try simple, easy-to-prepare Quality Mark beef and lamb recipes. What I'm about to show you is an example of our current advertisements which have been designed solely to drive home the messages of consistency and tenderness.

But for our promise to come true and retain credibility with consumers, the industry must deliver the actual product – consistently tender, looking great in-store, and safe to eat. In order to ensure that the Quality Mark standards set by the industry itself have been met, we have appointed people to oversee the auditing process for wholesalers and retailers who have applied to us to use the Mark. In spite of a very efficient auditing process, I have to tell you that the Quality Mark scheme hasn't been without a few hitches.

Towards the end of last year, four retailers were disqualified from the scheme for failing to meet the Quality Mark standards. In addition, there has been a shortage of Quality Mark beef and lamb, due to unseasonable drought conditions causing high pH level rejection.

Conclusion

The Quality Mark standards are a starting point only. There is a commitment to continued upgrading of them to assure the industry's future. In the face of New Zealand's changing society and an increasingly devalued meat industry, the Quality Mark option was the only one. Either we listened to consumer demands and delivered to their expectations, or we faced the inevitable demise of our product and our industry.

I suspect that the same can be said on the world stage. The way we did it in the good ol' days is no longer good enough. The food market is dynamic and the entire world is changing along with consumer lifestyles.

Given time we believe the Quality Mark will make a great kiwi industry and product even better. Positive results are already beginning to emerge.

It is with great pride that I reflect on the industry people behind the Quality Mark who worked and are working

together - the scientists, marketers, producers, processors and retailers. However, while we are proud of our success and our traditions, we cannot afford to rest on our laurels. An industry like ours must be proactive to ensure we protect our competitive advantage in a dynamic global marketplace. We will encourage our people to keep pushing themselves and to gain new skills. It is this continued effort to improve and adapt that is embodied in the cooperative spirit of the New Zealand Beef and Lamb Quality Mark and which, I believe, helps make New Zealand a unique place on the world stage.