# National Meat Case Study

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A second national meat case audit indicates a growing transformation of the retail meat case since 2002. This study was conducted to provide packers and retailers with further insights into emerging retail meat marketing trends on a national basis. Results from this study not only provide a current look at America s meat case, but can also help develop new meat merchandising applications to further drive incremental category growth.

The study, which was benchmarked in 2002 to help identify industry trends, was conducted across 43 key metro markets in over 100 major supermarket stores. Information was collected from more than 117,000 packages.

## The top learnings are summarized as follows:

10. ***The three core species of beef, pork and chicken represent 90% of the fresh meat and poultry linear feet and 91% of the packages.*** While total beef (including ground) remains the #1 species in terms of share of linear feet at 43% and share of packages at 41%, pork (at 22% respectively) and chicken (at 25% and 28% respectively) are also strong, ***reinforcing the importance of focusing on the three core species for category growth.***
    - This excludes processed and non-meat items located in the meat department because package data was not captured.

9. ***Despite core species strength, there has been a shift in merchandising strategies for the total meat department*** resulting in a 6 percentage point decline for fresh meat and poultry s share of total linear feet (from 69% in 2002 to 63% in 2004) and an increased share for processed meats (sausage, ham and other processed) and heat and serve both up 2 percentage points with ready-to-cook value added products and self serve seafood up 1 percentage point each.
    - Ready to eat (RTE)/heat & serve products were carried in 87% of the supermarkets surveyed. ***Within these, 82% merchandised heat and serve products with value added products*** (vs. within species) ***to create one location for convenience items.*** Chicken carried 39%, beef 30% and pork 18% of the SKU s merchandised followed by turkey with 10%.
    - While ready to cook (RTC)/value added products were merchandised in 100% of the supermarkets surveyed, they only represented 6% of the total packages. Pork had the highest percentage of RTC/value added packages at 12% followed by turkey at 8%, chicken at 6% and whole muscle beef at 4%.

8. ***Net weight packages represent 13% of the total packages.*** These were primarily represented by turkey at 34% and ground beef at 31% all other representation was quite low (chicken at 14%, pork at 6% and whole muscle beef at 4%).

7. ***Boneless products have gained momentum in the meat case representing 57% of the total packages (excluding grounds).***
    - While whole muscle beef s high share of boneless packages is no surprise at 82%, pork s boneless share of packages - at 58% - is impressive given the traditional focus and sales strength of bone-in pork products, particularly chops. *(Backup: According to FreshLook 2003 syndicated data, bone-in pork represents 60% of total fresh pork dollar sales (without any value added type products). If you include all types of value added products (RTC, RTE, & specialty cuts) which are mostly boneless, bone-in share of total pork dollar sales drops to 58% -- still higher than boneless).* Despite the strong sales contribution of boneless breasts, the majority of chicken packages remain bone-in at 58% due largely to the volume of thighs, drums, wings, bone-in breasts and whole birds sold.

6. ***Full service cases were in 70% of supermarkets surveyed representing approximately 6% of total meat***

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***case linear feet.*** Seafood remains the dominant species with 59% of service center space. Beef has a strong position at 17% of the linear feet followed by pork at 11%, chicken at 6% and other at 7%. Share of full service case space remained constant vs. 2002.

5. At only 21% of packages, ***enhanced representation*** may reflect supermarkets varying approaches towards merchandising these products. Pork had the largest enhanced representation at 45% of packages followed by chicken at 23% and whole muscle beef at 16%. Only 10% of enhanced pork packages were ready-to-cook value added products; this was even less for chicken at 4% and whole muscle beef at 3%.

   - ***Natural products had a similar presence*** with 22% of packages having a natural claim. This was predominately driven by chicken at 61%. Nine percent of pork packages had a natural claim, as well as 7% of ground beef and 2% of whole muscle beef.

4. ***Point of purchase materials remain an important component of meat case merchandising. While retailers continue to highlight price*** (represented by case danglers and price fins in over 90% of supermarkets surveyed), ***opportunities exist to focus on additional consumer communication elements*** such as species signage (only used in 74% of supermarkets surveyed), segment level signage, e.g. steaks, roasts, chops, and ribs (used in 56%), nutritional signs (used in 67%), rail strips (used in 65%), recipe racks (used in 43%) and event promotions (used in 8%).

   - ***A great opportunity exists for on-pack cooking information which declined 3 percentage points in 2004*** vs. 2002 to 34% of the packages. This decline was predominately driven by whole muscle beef (-9 percentage points) and ground beef (-15 percentage points). Pork, lamb and veal were all up (+3, +10 and +12 percentage points respectively) which is important as recipes for these products are sometimes less top of mind for consumers. Chicken also saw an increase (+2 percentage points).

   - ***44% of packages have on-package nutrition information.*** This is up 10 percentage points from 2002. Key contributors include turkey at 78%, ground beef at 68%, chicken at 58% and pork at 41%. Whole muscle beef was at 16%.

3. ***Case ready represents 60% of the total self serve meat case packages. This has grown 11 percentage points since 2002.*** Increased gains were seen across all species. Poultry (chicken and turkey) has the largest share of packages that are case ready at 95% of all packages. This is followed by ground beef at 66%, pork at 50% and whole muscle beef at 23%.

   - In addition, ***case ready products experienced a greater in stock position*** (as measured by at least 5 packages in the case) than store wrapped products. ***In-stock position is important to ensure that good variety is available throughout the day across products to aid consumer comparison/selection.*** Overall, 71% of case ready products were in-stock vs. only 50% for store wrapped products. This was also true across species: Whole muscle beef = 62% vs. 48%, ground beef = 84% vs. 69%, pork = 63% vs. 50% and chicken = 81% vs. 53%.

2. ***Zero Stock occurrences were surprisingly high among leading meat case items.*** (Note: Zero Stock percents represent the percent of stores that had no SKUs of an item in-stock during the audit visit.) For example, among the top five tonnage items in whole muscle beef, loin top sirloin steak boneless (ranked 5th) was not represented in 41% of the stores and chuck roast boneless (ranked 4th) was missing in 26%. Whole muscle beef s #1 item, top round steak boneless, had zero stock in 25% of stores. Within ground beef ground chuck, ground round and ground sirloin were not represented in 3%, 9% and 5% of stores respectively.

   - Zero stock occurrences were even higher for leading pork items as bone-in assorted chops (ranked 2nd in pork) was not represented in 58% of the stores and pork bone-in loin chops (ranked 4th) was missing in 43%. Pork s #1 item, bone-in spare ribs, had zero stock in 20% of stores.

   - Outside of ground beef, chicken had the best representation of leading items. Their #1 item, boneless chicken breasts was not represented in 9% of stores, chicken wings (ranked 5th) was missing in 8% and chicken drumsticks (ranked 3rd) had zero stock in only 3% of stores.

   - ***Implementing stocking guidelines with identification of core/flex items can help ensure lead items are in-stock every day to prevent lost sales due to out-of-stocks.***

1. Consumers needs must play a critical role in meat case merchandising. Numerous studies have shown that consumers want variety in protein selection, a simplified shopping experience and cooking information/recipes to help them prepare meals at home and/or quick and easy meal options from their meat departments.

   - The shifts seen in this study show that increases in value-added products, enhanced items, case ready products, and net weight packages all point to a step-up in providing consumers with increasing variety and convenience at the fresh meat case.

- ***The merchandising shifts we have seen through this study are only the beginning. The meat case continues to evolve to stay ahead of consumer trends and to meet the growing demands consumers have on this key destination department. As an industry, we must work together to meet these needs to help achieve incremental category growth.***

## Additional Learnings Include:

- ***Sausage and ham are also important in meat case merchandising***. While several retailers are merchandising sausage/ham in another location of the store, 95% of supermarkets surveyed included sausage products in the fresh meat department and 66% merchandised ham here as well. When included in the meat case, sausage and ham represent approximately 4% each of the total linear feet.
- ***Supplier branded packages represent 50% of the total self serve packages.*** This was up from 45% in 2002 and was driven predominately by turkey at 86%, chicken at 77% and pork at 56%. Whole muscle beef and ground beef remain low at 27% and 18% respectively ( no brand products posted the highest share at 58% and 75% respectively).

Source: National Meat Case Study2004 sponsored by the Cryovac Food Packaging Division of Sealed Air Corporation, America s Beef Producers through the Beef Checkoff Program and the National Pork Board.