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To the Graduate Council:

I am submitting herewith a thesis written by Leslie Erin Williams entitled "Consumer Perceptions of Branded Beef Products." I have examined the final electronic copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Agriculture and Extension Education.

Carrie Fritz, Major Professor

We have read this thesis and recommend its acceptance:

Margaret Morrison, Randol G. Waters

Accepted for the Council:

Carolyn R. Hodges

Vice Provost and Dean of the Graduate School

(Original signatures are on file with official student records.)

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Margaret Morrison

Randol G. Waters

Acceptance for the Council:

Linda Painter
Interim Dean of
the Graduate School

(Original signatures are on file with official student records.)

CONSUMER PERCEPTIONS OF BRANDED BEEF PRODUCTS

A Thesis
Presented for the
Master of Science
Degree
The University of Tennessee, Knoxville

Leslie Erin Williams
December 2006

Dedication

This thesis is dedicated to my dearly loved parents, Wade and Sharon Williams. Without their devoted support, I would not have had the drive or the ability to succeed in my academic pursuits. With their guidance in childhood and adulthood, they have made me the person I am today and given me the strength to take on any challenge. For all the sacrifices they have made to support me, I could not ask for two better people to call mom and dad. Thank you mom and dad; I love you both very much.

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I would like to thank my thesis committee for devoting their time and effort into working with me throughout this process. Dr. Fritz, thank you for working the extra mile to help me complete a task I thought I never would. Thanks to all of you who made the completion of this master's degree a reality.

Abstract

This study examined consumer perceptions of branded beef products. Research was conducted to determine what motivates consumers to purchase branded beef products. In addition, this study focused on consumer perceptions of quality, risk, added value, credibility and loyalty toward both branded beef products in general and branded beef products when compared to non-branded beef products.

A self-developed question guide was used as a guide for the focus group and the in-depth interviews. This study entailed one focus group with nine participants and nine one-on-one in-depth interviews.

The majority of participants in this study held a positive impression of branded beef products. More specifically, the majority of participants found branded beef products to be of higher quality when compared to non-branded beef products.

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Part I

Introduction and General Information

Introduction

Between 1995 and 2004, per capita consumption of beef in the United States rose and fell with each year, while per capita consumption of poultry steadily increased with every year (see appendix I) (Agriculture Outlook). In response to a perceived commercial threat from rival meat producers, the beef industry decided to dramatically change the ways in which it presented its product to the American consumer. As a result, branding, defined in the *American Heritage College Dictionary* as “a traditional advertising method used to create an acquired response from a target audience based on cumulative impressions and positive reinforcement,” has become a major concept in the marketing of beef products in recent years (p. 170).

Branded beef products carry labels or registered trademarks for beef commodities. Today these brands can be found in grocery stores as well as dine-in and fast food restaurants, and each brand differs in its standards for qualification, such as how the cattle must be fed or the purity of hide color. Presently, the beef industry has 43 brands registered and regulated by the USDA (see appendix II)(USDA Branded Beef Programs). With this high number of brands on the market today, it is imperative to examine whether brands have a positive or negative affect on consumers’ perceptions of beef.

This study focused on gaining consumer perceptions of both branded beef products in general and branded beef products when compared with non-branded beef products. The results reflect consumers’ desires and perceptions of current branded beef products, and retailers of beef should acknowledge and consider these findings in the development of future advertising campaign messages.

Purpose of the Study

The purpose of this study was to gain insight into consumer perceptions of branded beef products. The specific objectives of this study were as follows:

1. Understand consumers' perceptions of branded beef products vs. non-branded beef products; and
2. Understand consumer perceptions of quality, risk, added value and other relevant product characteristics of branded beef products.

Thesis Organization

This thesis is organized into five parts. Part I contains the introduction to the thesis, including the purpose of the study. Part II is a review of literature concerning beef branding campaigns. Part III presents the findings of this study's research in the form of an independent article written for potential publication in an academic journal. Part IV further presents the findings of this study and is also written in the form of an independent article prepared for future publication in a cattle producer's magazine, such as *Tennessee Cattle Business* or *Cattle Today*. Part V consists of the conclusion of the study and implications of the results for future research.

Part II
Review of Literature

Introduction

Today, branding is used for numerous products in many different industries worldwide, including the beef industry. The branding effort truly began in 1997, when more than 30 branded beef products entered the market and received labels on numerous products (“Convenient Beef Products Receive Beef Industry’s Brand Mark,” 2000). The industry has changed drastically both nationwide and globally due to this branding concept. In the United States, 43 branded beef programs have formed and all are in operation under USDA regulations (American Angus Association, 2005). In 2005, branded beef accounted for 20 percent of beef sales in supermarkets (Lusby & Troxel, 2005). Many branded beef labels have shown a significant increase in sales since joining in the branding effort. Certified Angus Beef (CAB) is one of the most recognizable brands of beef products. In 1978, CAB was created due to the dissatisfaction of beef products among consumers in the 1970s. The establishment of the CAB brand is credited to Mick Colvin who was a member and employee of the American Angus Association. Since its inception, the goal of the CAB Company has been to provide assurance of the quality of its beef to consumers, namely that every bite will be as tender and delicious as the one before (American Angus Association, 2005).

Today, CAB reports sales of 533 million pounds of beef sold with the CAB label in 2005 (see appendix III) (Certified Angus Beef Brand). In 2004 and 2005, CAB obtained a 15.6 percent acceptance rate among consumers of its products (see appendix IV) (Certified Angus Beef Brand). However, CAB sales did not rise significantly until 1999, over two decades after its establishment in 1978. Many have speculated as to the

reasons for this increased popularity, but none have identified the catalysts for this trend. CAB is presently the only Angus influenced branded beef program that is monitored by the USDA and endorsed by the American Angus Association. CAB today holds 80% of the branded beef market and is the world's largest branded beef program (American Angus Association, 2005).

Researchers suggest that consumer perception plays a major role in the success of any branded product on the market. This holds true for branded beef products as well. Consumer behavior is influenced by a perception gained of a product during the cognitive process (Gauvain, 2001). The cognitive process of the consumer is believed to play a role in the purchasing of branded products, such as beef (Foxall, 2005). This phenomenon will be discussed in the next section of this chapter.

The branding of a product has its advantages and disadvantages from the perspective of the producer. One of the main objectives of branding any product is to gain a differentiation perception of the brand among consumers. This objective is met when the consumer goes to purchase a product and chooses a brand of the product he believes is superior to competing brands (Sherrington, 2003). However, perceived brand parity can also influence consumer behavior in a way that is adverse to the goals of the producer, as consumers may see the attributes of a particular beef brand to be small compared to other beef brands or non-branded beef products on the market. This literature review explores these and other key concepts that play a role in consumer perceptions of branded beef products.

Cognitive Process

Consumer behavior is usually modeled as a cognitive process, which is an intellectual sequence of thinking, evaluating and deciding (Foxall, 2005). Consumers may choose branded beef products based on the information they have obtained, perhaps from a recent advertisement, salesperson or word of mouth. The cognitive process is developed at a young age in humans and is carried with them throughout their lives.

As an individual physically develops, the perceptions and behaviors of that individual also change. As children grow, their ability to develop intellectual and social skills adapt to the circumstances in which growth occurs. “Human beings learn to think about and solve problems in their everyday lives through the appropriate use, and adaptation, of social practices and material and symbolic tools developed by their culture” (Gauvain, 2001, p. 45). Children experience life lessons in social environments, and these lessons are used in the cognitive process for the duration of their lives.

Interactions that take place between a child and an adult, such as a parent taking his child grocery shopping, are examples of life lessons that occur within the family environment. These interactions influence the development of the child’s cognitive process. In this instance children learn from their parents what to look for when shopping for groceries. Furthermore, social environmental factors, such as how often the parent and child interact, the variety of settings in which they do interact and the emotional tone of the interaction, define and direct the way in which information is processed by humans. Material and symbolic tools and social practices mediate the origin and conduct of human behavior, therefore connecting the developing child, not only with the world of objects, but also with the world of people (Gauvain, 2001).

The cognitive process consists of data entered into the consumer's mind by different outlets, which makes up his existing ideas and memories (Foxall, 2005). However, the impact made on the consumer by these means may not always have a lasting impression. Consumer awareness is not a spontaneous happening that automatically affects purchase choices. Consumers are bombarded with advertisements and messages every day, and these advertisements compete for the attention and acceptance of their target audiences. However, the majority of these messages have no affect on the decision-making process (Foxall, 2005).

Consumer attitudes about any type of brand are formulated on the basis of many beliefs, which lead consumers to purchase or to not purchase a product (Chaudhuri, 2006). Attitudes towards a beef brand are arrived at in the early stages of the cognitive process (i.e. first encounter with the product). When consumers learn or choose to gain more knowledge about a brand, they have moved into the next step of brand evaluation. This stage can lead the consumer into a behavior change, which is the last step of the decision-making process (Chaudhuri, 2006).

When a purchase is made, the consumer's decision process is still not final. A consumer's first purchase of a beef brand or any product is considered to be no more than a trial. The evaluation of the product when in use is the time when the clearest indication of the product value is incurred (Foxall, 2005). The consumer decides whether or not the product is worth the monetary trade off. At this point, the consumer decides if the product has any exceptional value and makes subsequent purchases based on this decision.

Understanding consumer behavior is essential to the food industry, as most new products in the food and drink area fail (Jongen & Meulenberg, 2005). The understanding of cognitive development as a deciding factor in consumer behavior can help reduce failure rates for new products introduced in the beef industry (Jongen & Meulenberg, 2005). Consumer behavior is difficult to interpret in many cases. However, an understanding of how the human mind develops, and how cognitive development plays a critical role in the decision-making process, can give marketers some insight as to how to market new products as brands.

The Branding Concept

Branding is defined in the *American Heritage College Dictionary* as “a traditional advertising method used to create an acquired response from a target audience based on cumulative impressions and positive reinforcement. Ads of brands are geared towards increased product or company name awareness and lifelong customers” (p. 170). In the beef industry, there are three different types of branded beef programs; breed specific, company specific and store specific. Breed specific “chooses cattle from a specific breed of beef cattle” (National Cattlemen’s Association, n.d., p. 1). Company specific “chooses beef from all types of breeds but includes other criteria in terms of grade, marbling, size, types of feed used and/or restrictions on the use of pesticides, antibiotics and growth hormones” (National Cattlemen’s Association, n.d., p. 1). Store specific “are stores that are now branding their beef” (National Cattlemen’s Association, n.d., p. 1).

In the past few years marketers have suggested that the power of strong branding has been recognized by unskilled people, which weakens overall branding success (Haigh, 2004). In many cases, the marketer focuses on superficial factors rather than

substantial attributes. In these cases, branding becomes a false exercise. With these shortcomings, business leaders have begun to stray away from emphasizing the brand of a product. However, with the right philosophy and leaders, branding can be a successful practice for companies. “With a full understanding of what a brand can mean, along with the ability to handle its strengths and drawbacks, branding will still undoubtedly deliver a positive financial impact” (Haigh, 2004, pp. 24-29). Currently, numerous beef producers feel branding of their beef commodities has increased profits and helped the beef industry tremendously. In fact, CAB reported in 2002 that Angus influenced calves, are 51% black by CAB regulations, sold \$10 to \$20 higher at market than non-Angus influence cattle (American Angus Association, 2005).

Generic brands are the major competition for branded beef products, especially if a consumer perceives that a beef brand does not have superior quality over generic products. This is when the branding concept fails. Retailers know that in order to market generic brands successfully, the products must satisfy the shoppers’ needs and wants. Research has shown that higher income families spend one percent or less of their income on groceries, whereas lower income families spent at least two percent of their annual income on groceries (Yelkur, 2000). Higher income families, in general, feel that the quality of generic products is lower than those of branded products. Higher income families also feel that it is more of a risk to purchase generic products than branded products. Generic products are now a regular stock item all over the world and are considered to play a major role in causing brand parity, especially when there is a growing response of price sensitive consumers (Yelkur, 2000). Beef producers currently receive more money for cattle that are Angus influenced. In turn, the consumer price of

the branded beef product is increased. If higher income families do not consume enough beef to meet the supply of a more expensive Angus beef brand, such as CAB, the branded companies will need to adjust the price of their products so that the price does not exceed the available funds of their consumers.

Branding as a Strategy

In the past, branding was used as a tool to achieve marketing objectives. Today, branding is seen as more as a marketing discipline than a technique. As a marketing discipline, branding can provide a focus for awareness of the product, in turn increasing the number and occurrence of repeat customers (Miller & Muir, 2004).

With many beef brands on the market today, a brand strategy must be fully aligned with the general marketing strategy of the product; otherwise, researchers suggest success will not be likely. A branding strategy is more than just superior communication with target consumers. The main objective of a branding strategy is to persuade consumers of the idea of the brand. Many branded beef products attempt to persuade consumers with a perception of quality about the beef (Miller & Muir, 2004). In a brand strategy, gaining differentiation is the ultimate challenge marketers face in trying to persuade consumers of their brand. It is difficult to differentiate a brand of any product in consumers' minds because the message of one brand is always competing with similar messages that are being sent to the consumer by rival brands. However, in the case of branded products versus non-branded products, the mere fact that one is labeled and the other is not may be enough to initially capture the consumer's attention. "Building passion brands is one of the answers to this critical challenge, since brands have become

the ultimate differentiation factor for many companies, provided of course that they are managed properly” (Kashani, 2005, p. 149).

Added Value

The perception of added value plays a major role in the success of a branding campaign. Value is defined as, “the trade-off between customers’ perceptions of benefits received and sacrifices incurred” (Chernatony, 2000, p. 40). Quality, as an added value, is seen as the primary benefit the customer receives from a product. Research has shown that consumers do not solely buy on the basis of low price but that added value plays a major role in the decision-making process of the consumer (Chernatony, 2000). If a consumer has a favorable experience with a product, and the price is higher than that of the competition, studies suggest that if the customer perceives the value of the experience to be greater than the trade off of monetary needs, then the customer will stay loyal to the product (Sherrington, 2003).

“Consumers use attributes as the basis for evaluating a product and attributes promise benefits consumers seek when purchasing a product. Consumers also use attributes to make comparisons between competitive brands” (Ewing, 1999, p. 38). A firm adapts either a cost leadership or a differentiation strategy to create value of products by lowering their costs or raising the performance of the products (Chernatony, 2000). Added value is said to be one of the factors that contributes to the consumer’s perception of differentiation of a particular company’s product among all others (Sherrington, 2003). “The traditional role of added value was to distinguish brands from commodities” (Chernatony, 2000, p. 43). Now, however, a more competitive framework has emerged. Companies stress superior value through operational excellence, customer intimacy or

product leadership to communicate added value to the consumer. Research has revealed that the role of added value leads to a more competitive advantage and sustained success over time (Sherrington, 2003). Moreover, while the products' attributes may change over time, the brand and the value of the brand should stay the same (Sherrington, 2003).

With differences in what is being used to sell the added value of products to the consumer, greater pressure is placed on companies for the production of generally superior products. "Studies have shown in the past 20 years there has been an increase by a factor of 14 in media advertisements" (Davis, 2005, p. 198). This inundation of advertising messages is reducing their effectiveness on consumers. Therefore, it is important that companies begin a branding campaign by ensuring that two of the most common factors that influence consumer perception of added value of a product are accounted for: customer service and internal communications of the branded product.

Branding campaigns do not start with the consumer. Internal communications of the branded product within the company results in an in-house acceptance of the brand that creates a sense of uniqueness and camaraderie among employees and sellers of the branded product. This helps the employees understand their roles in the brand team and responsibilities in upholding the brand promise, a commitment that will hopefully translate in the production of a superior product and advertising campaign that communicates with consumers on a personal level.

Another problem faced by producers of any commodity is the fact that media costs for advertising continue to rise. One of the main reasons that the cost for advertising in the media is increasing is because consumers have begun to react against overexposure to advertisements. For instance, many consumers attempt to bypass

television commercials altogether by investing in programs such as TiVo, which enables a person to record television shows for later viewing and fast forward through commercials. “Employees must be armed to deliver on the brand promise and cultivate customer relationships, requiring marketing to take a front-and-center role in developing internal communications and branding strategies to guide them” (Davis, 2005, p. 198). In turn, there is a need to explore alternative avenues for securing the customer’s perception of added value. Brand marketers are now using their retailers to market their products and influence perceived added value to the consumer (Davis, 2005). Certified Angus Beef is a prime example of a company that has used and benefited from this marketing strategy.

Twelve thousand restaurants and grocers worldwide carry CAB brand products. Therefore, CAB decided to train retailers more effectively about the added value of its products. The main focus was to educate the actual seller of the product in order to increase sales without the expense of major advertising techniques, such as media advertising, that solely target consumers. The company created a CD-ROM course with classes for meat and deli department associates, checkout clerks and other store employees. The company also offered chefs a new learning opportunity, entitled *760 Days in 60 Minutes*. This presentation explains the process of bringing the cattle to market. CAB also responded to sales increases in Mexico, making the training program *Science Behind the Sizzle* available in Spanish (Keller, 2005).

To a company, added value is embedded in the organization’s culture, beliefs, values, management style, structure and reward system. This means that organizational perception of added value contributes something of significance that makes a difference

to both the organization and the individuals who are buying its products (Chernatony, 2000).

The problem with brand perceptions is that, while consumers could be subject to conditions of advertising, they could receive the message in a way other than what was intended by the marketing strategist. As perception is naturally a subjective process, it will never be fully understood to the point of prediction. However, by using a products attributes to sell a brand to the consumer, companies at least have a chance of setting their brand apart from the competition in the eyes of the consumer. It is suggested that a marketer should look closely into product positioning strategies based on the products attributes. For example, organically grown beef could be marketed to the more health conscious consumer. This can give the marketer a clearer understanding of consumer perceptions of the market offerings and guide them in selecting the appropriate attributes of the product to sell to the consumer (Ewing, 1999).

Gaining Credibility

“Credibility of the company and the brand is considered to be one of the most important characteristics of a brand” (Maathuis, Rodenburg & Sikkel, 2004, p. 333). Without credibility, many critics argue branding of a product is worth nothing.

Brand credibility is defined as “the believability of the product position information contained in a brand, which depends on the willingness and ability of firms to deliver what they promise” (Erdem, 2006, p. 34). Credibility is an important component when it is difficult to create distinctions among other products in the market and is the ultimate differentiation factor needed for a product to become successful in a market (Erdem, 2006). With the increase of beef brands registered to the USDA,

consumers could potentially see all beef brands as the same, in turn reducing the differentiation factor needed for consumers to perceive various levels of value among brands and between branded and non-branded beef. Therefore, the need for credibility of beef brands is high.

Researchers suggest that perceptions of higher credibility among consumers can increase the perceived quality of a particular brand to consumers. In a 2004 study of various retailers and service organizations consumers were asked what credibility of a product meant to them (Maathuis, 2004). Many respondents stated: “to meet one’s commitments, and to prove what one says” (Maathuis et al., 2004, p. 337). Within the study, supermarkets were evaluated by respondents. Participants stated supermarkets should lower prices to gain credibility. Frozen food and food in general areas were both required to be forthcoming about details of the production process, such as what food products are made from, to gain credibility. In all three cases, a loss of perceived credibility would result in a loss of perceived quality of the product as reported by respondents. The results of this study can be applied directly to the beef industry as a supplier of food, in that beef producers may need to be more open with its consumers in order to gain credibility (Maathuis, et al. 2004).

Research has shown that people pay little attention to the actual content of the message given by a company when a crisis occurs (Erdem, Swait & Valenzuela, 2006). Instead, their attention is led to peripheral cues, such as the way a message is presented. For example, the source that is delivering the message is usually seen as a peripheral cue. The spokesperson must be known as a credible source (Erdem, et al. 2006). For example, if a beef spokesperson is discovered to actually be a vegetarian, this would lower the

company's credibility in the eyes of consumers. Details such as the selection of an appropriate spokesperson are of the utmost importance in the case of a crisis in which the company's product is the source. The tactics a beef company may employ in responding to a crisis, such as a breakout of Bovine Spongiform Encephalopathy (BSE), also known as "Mad Cow Disease," contribute to its perceived credibility.

Food Quality and Consumer Acceptance

In the food industry, quality has become one of most important factors influencing consumer choice (Jongen & Meulenberg, 2005). However, in the food industry, there is no one set of quality standards, but various standards that have been created in accordance to various consumer demands for quality. Researchers suggest food quality is important to consumers based on the emotional relationship between food products and the consumer (Jongen & Meulenberg, 2005). Today, the concept of food quality has broadened to include many other characteristics, such as health, convenience and production characteristics (Jongen & Meulenberg, 2005).

The demand for organic foods and quality consistency is gaining popularity in the beef industry. "While organic food was perceived environmentally friendly 10-15 years ago, today's growth in consumption of organic foods may be due to the increasing focus on private-good attributes such as health, taste and quality and increasing food safety concerns" (Krarup & Russell, 2005, p. 161).

There are various types of product attributes, such as private and public goods. Private goods are those purchased by consumers in one household. Public goods can be the utility shared within the consumption of the product in many households. For example, private values may be for taste or health, while public values could be related to

improved environment and/or animal welfare. Previous studies have shown these values to be the core reasons for organic food purchases among consumers in the United States (Krarup & Russell, 2005).

Perceived Consumer Risk

Emotion is the driving factor of perceived risk among consumers. “Emotion and perceived risk are related because emotion is knowledge and knowledge affects risk” (Chaudhuri, 2006, p. 104). Consumers could find health risk to be a main determinant in the decision to purchase branded beef products. Two main factors that influence the perception of risk have been identified by researchers: probability of occurrence of the risk and the severity of the consequences of the threat factor. Five other risk factors have been identified that relate to consumer perceived risk: financial, performance, social, psychological and physical (Chaudhuri, 2006). Research has also found that consumers find information in order to reduce perceived risk (Chaudhuri, 2006). In the beef industry, consumers may think beef is unsafe due to media portrayals or word of mouth. It is therefore up to the industry to ensure that consumers are aware of and have access to factual information about beef products.

Differences in consumers’ perceived risk are influenced by individual characteristics, as personality traits, whether the consumer is male or female, cultural background, age and personal experience with the product (Jongen & Meulenberg, 2006). Some consumers may fear that BSE will get into the beef supply, while others fear that vaccinations given to cattle by the producers can be unhealthy for consumption. This can account for the increase in sales among branded beef products. Since many brands are organic or promise “no additives” in their product messages, consumers could potentially

perceive a smaller risk factor in consuming branded beef products over non-branded beef products.

Brand Parity

No matter how great the products attributes actually are, brand parity could play a major role in consumer choice of branded beef products. “Perceived brand parity is the overall perception held by the consumer that the differences between the major brand alternatives in a product category are small” (Iyer & Muncy, 2005, p. 222). Perceived brand parity can cause consumers to not purchase branded beef products based on their belief that the differences among choices are insignificant. A major concern of many companies is that their brands could fail to gain distinction in the minds of consumers (Iyer & Muncy, 2005).

There are two main reasons why brand managers fear brand parity. The first is that consumers may be more price sensitive when shopping. A solution would be to lower prices and reduce profits; however, this could cause a company to lower the quality of its products, therefore distinguishing its brand only by price rather than product characteristics. The second reason brand parity is feared is the belief that brand parity is inversely related to brand loyalty. Research performed at Valdosta State University indicated “strong empirical support for the notion that parity moderates the relationships among customer satisfaction, quality perceptions, and brand loyalty” (Iyer & Muncy, 2005, p. 225). Product quality and satisfaction have been reported to increase dividends when consumers realize the distinct product differences (Iyer & Muncy, 2005).

In advertising, marketers use attributes to influence the consumers’ choice between alternative products. Researchers suggest the main objective is to influence the

consumer in such a way that he or she will associate the attribute of the product with the brand name to reduce brand parity (Ewing, 1999). Attributes can also be used to change a current perception a consumer may hold about a brand. Marketers should determine which attributes are perceived to be of the most value to a consumer in the product category. The marketers should then evaluate the selected attributes to see if credibility is gained or if the attributes are of actual value to the consumer. In addition to mentioning the product's identified attributes, marketers should also emphasize the product's differentiating attributes to diminish the concern of brand parity taking effect among the 43 branded beef labels (Ewing, 1999).

Summary

The beef industry has seen many changes in consumer demands of its products over the last decade, from using USDA grades as the main characteristic to look for when choosing beef products to today, when brand labels are taking the front row at the meat counter. The branding concept has influenced the way cattle are raised, fed and eventually labeled before entering the supply chain, while many beef brands have thrived on the use of the brand itself, such as CAB. Consumer perceptions of added value, quality, risk, brand parity and credibility of the product and the company all play a major role in the success of any branded product on the market. One of the main objectives of branding any product is to gain a differentiation perception of the brand among consumers (i.e. branded beef vs. non-branded beef). Added value, quality and credibility of beef products can create the needed differentiation perception to sell the brand. Consumers may perceive the attributes of a beef brand to be small when compared to other beef brands or non-branded beefs on the market. Perceived risk of non-branded

beef could also be the cause of high demands for beef brands due to risk concerns, such as BSE or organically produced beef. All of these consumer perception concepts are constantly developing throughout the lives of consumers and eventually the decision-making process of whether or not to purchase a product. This literature review has explored a variety of concepts that play a central role in consumer perceptions of branded beef products. In the next two chapters consumer perceptions of branded beef products will be presented.

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Part III

Branded Beef Products: A study of consumers' perceptions

Abstract

This study examines consumer perceptions of branded beef products. Nine in-depth interviews and one focus group were conducted by the researcher to determine perceptions of branded beef products that exist among the general public. The two objectives of the study were to gain an understanding of consumer perceptions of branded beef products in general and to gain an understanding of consumer perceptions of branded beef versus non-branded beef products. The majority of participants held positive perceptions of branded beef over non-branded beef products. Quality was the most common factor perceived by participants that added value to branded beef products over non-branded beef products.

Introduction/Theoretical Framework

The beef industry has seen many changes in consumer demand for its products over the years. The concept of branding beef products has changed the way cattle are raised, fed and eventually labeled before entering the supply chain. Certified Angus Beef (CAB) is one brand that has made a significant impact on the way beef products are presented to consumers. CAB is one of the most recognizable brands of beef products on the market. In 1978, CAB was created due to the dissatisfaction of beef products among consumers in the 1970s. Since its inception, the goal of the CAB company has been to provide assurance of the quality of its beef to consumers (American Angus Association, 2005).

Consumer perceptions of added value, quality, risk, brand parity and credibility of the company all play a major role in the success of any branded product on the market.

One of the main objectives of branding any product is to gain a differentiation perception of the brand among consumers (i.e. branded beef vs. non-branded beef). As a marketing discipline, branding can be the simplest way for a product to achieve distinction from non-brand competition in the eyes of the consumer. The main objective of a branding strategy is to persuade consumers with an idea of the brand. In addition, many branded beef products try to persuade consumers with a perception of quality about the beef (Miller & Muir, 2004). Perhaps the most successful beef label currently on the market is CAB, founded in 1978. Today, CAB holds 80% of the branded beef market and is the world's largest branded beef program. It is currently the only Angus influenced branded beef program that is monitored by the USDA and endorsed by the American Angus Association (American Angus Association, 2005). CAB uses its standards of quality and accountability to persuade consumers of the superiority of its product and, therefore, the idea that its brand is distinguishable from those of other beef producers.

Perception of added value, quality and credibility of beef products can create differentiation needed to sell the brand. Quality, as an added value, is seen as the primary benefit customers receive from a product. Research has shown that consumers do not solely buy on the basis of reasonable pricing but that added value plays a major role in the decision-making process of the consumer (Chernatony, 2000).

Perceived risk of non-branded versus branded beef, such as concerns of Bovine Spongiform Encephopathy (BSE), commonly known as "Mad Cow Disease," or the perceived benefits of organically produced beef, can also influence consumer demand for beef brands. However, fear of risks associated with a particular product is experienced

differently by different consumers. This is important to consider, as emotion is the driving factor of perceived risk among most consumers. “Emotion and perceived risk are related because emotion is knowledge and knowledge affects risk” (Chaudhuri, 2006, p. 104).

Brand parity, no matter how great the attributes of the product are, could also play a detrimental role in the selection of branded beef products. “Perceived brand parity is the overall perception held by the consumer that the differences between the major brand alternatives in a product category are small” (Iyer & Muncy, 2005, p. 222). Perceived brand parity can cause consumers to not purchase branded beef products based on their perception that the attributes of different branded products are negligible at best.

In the food industry, quality has become one of most important factors influencing consumer choice (Jongen & Meulenberg, 2005). However, in the food industry, there is no one set of quality standards, but various standards that have been created in accordance to various consumer demands for quality. Researchers suggest food quality is important to consumers based on the emotional relationship between food products and the consumer. Today, the concept of food quality has broadened to include many other characteristics, such as health, convenience and production characteristics (Jongen & Meulenberg, 2005).

Credibility also plays a major role in brand perceptions among consumers. Research has shown that people pay little attention to the actual content of the message given by a company when a crisis occurs (Erdem, Swait & Valenzuela, 2006). Instead, their attention is led to peripheral cues, such as the way a message is presented. For example, the source that is delivering the message is usually seen as a peripheral cue.

The spokesperson must be known as a credible source (Erdem, et al. 2006). For example, if a beef spokesperson is discovered to actually be a vegetarian, this would lower the company's credibility in the eyes of consumers. Details such as the selection of an appropriate spokesperson are of the utmost importance in the case of a crisis in which the company's product is the source. The tactics a beef company may employ in responding to a crisis, such as a case of BSE, can contribute to its perceived credibility and, therefore, the credibility of its product.

Consumer behavior is usually modeled as a cognitive process, which is an intellectual sequence of thinking, evaluating and deciding (Foxall, 2005). Consumers may choose branded beef products based on the information they have obtained, perhaps from a recent advertisement, salesperson or word of mouth. The cognitive process is developed at a young age in humans and is carried with them throughout their lives. A person's cognitive structure is fluid, in that new information is constantly being integrated, ignored or rejected. A person's decision to purchase or not purchase a product is based upon the composition of this structure at any given moment in time.

The present study explores concepts that could play a role in consumer perceptions of branded beef products. In this section, the research findings are presented in detail. The purpose of this study is to gain consumer perceptions of branded beef products and a comparison of branded versus non-branded beef products. The two main objectives of this study were as follows:

1. Understand consumers' perceptions of branded beef products, including quality, risk, perceived added value and any dissatisfaction seen by the consumer.

2. Understand consumers' perceptions of branded versus non-branded beef products.

Methods

A total of 18 consumers were asked a series of open-ended questions to gain insight into both their perceptions of branded versus non-branded beef products and their ideas of beef in general and what they look for when shopping for beef products.

Two qualitative methods, in-depth interviews and a focus group were used for this study. "Qualitative methodology refers to the broadest sense of conducting research. This form of research is people's written or spoken words and the use of observational behavior" (Taylor & Bogdan, 1998, p. 7). In this study observational and spoken words were the main focus of the researcher.

The focus group was held first and lasted for approximately two hours. The session was recorded both by tape and notes taken by the researcher throughout the discussion. The focus group was invaluable in gaining participants thoughts in a group setting, which allowed the individuals to openly discuss and evaluate one another's thoughts and experiences. The focus group also aided in the finalization of the questionnaire for the in-depth interviews. The questionnaire was originally based on key concepts taken from the literature review; however, revisions were made after the conclusion of the focus group based on issues introduced in the focus group that were not anticipated by the researcher.

The in-depth interviews highlighted individual rather than group views (Taylor & Bogdan, 1998). The in-depth interviews revealed participants personal experiences as well as outlier attitudes on the topic. In-depth interviews proved to be a useful technique

in revealing specific experiences affecting participants' attitudes of branded beef products. Many participants may have felt uncertain as to how candid they could be in a group setting. The in-depth interviews allowed the researcher to adapt each interview to fit the interviewee. Participants were prodded to give full explanations of their responses. Each interview lasted approximately one hour and was recorded both by tape and notes taken by the researcher throughout the session.

There were nine participants in the focus group and nine in the in-depth interviews. These participants were obtained through a variety of outlets. Participants were approached at fast food restaurants, grocery stores and in their homes. The researcher asked questions to the potential participants to ensure that they met the qualifications of participation in the study, which pertained to their involvement in the beef industry. The researcher did not want participants who were involved in the agriculture industry who had specialized knowledge of beef industry practices that would make them experts rather than representatives of the typical consumer. The focus group participants were given information about the research and asked if their participation would be possible. Potential focus group participants who were interested gave the researcher their contact information. The in-depth interview participants were interviewed on the spot by the researcher.

The focus group participants ranged in age, with six in the 18-29 category, two in the 30-39 category and one in the 40-49 category. Two were female, and seven were male. Two were African-American and seven were Caucasian. All of the nine participants were residents of the eastern region of Tennessee for the majority of each calendar year. None of the focus group participants had had previous involvement with

the beef industry or had been raised on a farm. The focus group took place in a home setting and hamburgers were used as an incentive to recruit these participants on a voluntary basis.

There were nine in-depth interview participants. These participants were also acquired on a volunteer basis. Participants were approached at a public park, in restaurants, at grocery stores and at their homes. The interviews took places at the same places in which the participants were approached by the researcher. These individuals ranged in age, with three in the 18 to 29 category, two in the 30 to 39 category and three in the 50-59 category. Two participants were male, and seven were female. All participants were Caucasian and all but one stated they had no involvement with the beef industry and were not raised on a farm. The one participant raised on a farm stated that she did not know anything about the beef industry or farming in general and had lived in the city limits for the majority of her adulthood. All participants resided in the eastern region of Tennessee for the majority of each calendar year. Participants and locations for the in-depth interviews were selected at random. Participants were approached and interviewed in a variety of places, including fast food restaurants, recreational parks, grocery stores and at their homes. All potential participants were asked questions about their involvement as consumers to the beef industry prior to the initial interviews took place. The interviews that took place in the participant's home were the least distracting for both the interviewee and the interviewer.

The transcription of the recordings of focus group and in-depth interview discussion was performed by the researcher. The researcher then coded the data by categorizing comments as falling under one of two themes: consumer perceptions of

branded beef products and consumer perceptions of branded versus non-branded beef products. Each theme was then divided into subthemes. For the case of consumer perceptions of branded beef products, data were organized into four subthemes: perceptions of quality, perceptions of risk, perceptions of added value and perceptions of dissatisfaction of branded beef products. For the case of consumer perceptions of branded versus non-branded beef products, data were divided into three subthemes: perceptions of quality, perceptions of company credibility and consumer loyalty. These subthemes were chosen by the researcher based on their emergence in the analysis of the data.

Findings

Participants were asked if they knew what branded beef was. Only one participant responded in the affirmative. However, after examples were given, such as CAB and Nolan Ryan's Tender Aged Angus Beef, participants all agreed that they knew what branded beef was.

Participants were also asked where they had heard of branded beef products. Responses included TV commercials, on menus at restaurants, at fast food restaurants and at grocery stores. Participants did not realize that these names were particular brands, only that they were referring to beef in general. The fact that most participants did not understand that "Angus Beef" was in fact a brand of beef should be considered with the information presented in the following sections concerning the content of focus group and in-depth interview discussion.

Perceived Quality of Branded Beef

Participant responses related to the quality of branded beef products were all generally positive. One participant who did not have a positive response simply stated he was unfamiliar with the quality of branded beef products. The majority of participants stated at one point in the discussion that branded beef had a good taste. For example, participant number seven stated,

I would say the taste is a lot better than what you would get somewhere else that is not the brand.

Furthermore, participants also recurrently stated that quality of branded beef was “more tender” than non-branded beef. Participant number five declared,

It seems to be more tender. I don't know why; maybe it is caused by what the cows are fed.

Participants frequently implied branded beef was less greasy, or less fatty. They felt as though the branded beef still tasted better because it had less grease. Participant number five stated,

It is less greasy when I cook it. At least it seems that way to me, and it just seems like it tastes better and does not cook away as quickly as the cheap stuff.

Participants also stated that the quality of branded beef was superior to non-branded beef and that the cuts seemed to be thicker.

Overall, participants felt that branded beef products were the best they could purchase on the retail market. The taste of branded beef products was the most common determinant of quality given by respondents. These observations were recurring themes throughout discussion.

Perceived Risk of Branded Beef

Participants were asked if they perceived any risk involved in consuming branded beef over non-branded beef. The majority of participants said they assumed there could be some type of risk in consuming non-branded beef. In addition, participants stated health risks to be the biggest risk in the consuming non-branded beef. For example, participant number six noted,

I think it is healthier to eat branded beef because it is less fatty and the regulations are probably safer.

Participant number three stated,

I have never read the ingredients of either type, but I am certain that the non-branded beef has a lot of added stuff that is not good for our bodies. I have heard before that steroids are added to the beef and this makes it very unhealthy for humans.

These participants felt as though safer regulations on brands made the meat safer for them to consume.

A small portion of the participants perceived there is no risk or minimal risk involved in purchasing non-branded beef. They felt that if the USDA regulates the beef industry, then any type of beef would be safe to them as consumers.

Another risk of consuming non-branded beef brought up in discussion was that farmers would be encouraged to actually produce low quality meat if that was all that was being purchased in the market.

Generally, participants found health to be the top risk involved in consuming beef that is not a brand. Participants were adamant about their concerns of beef products that

may contain additives, such as growth hormones, that could potentially be harmful to their bodies.

Perceived Added Value of Branded Beef

Participants were asked if they perceived any added value of branded beef. All but one of the participants found some form of added value with branded beef products.

Participant number one who did not find any form of added value stated,

I really do not think there is that much of a difference between the two types [branded beef vs. non-branded beef products]. I think that the brand is just overpriced, and I usually cannot afford to just pay for a brand label.

An interesting point is that every participant who found some form of added value named a different attribute that made branded beef products superior. These attributes mentioned were better quality, better taste, real beef as opposed to soy meat, tenderness and that the brand is better for one's body. Participant number eight stated,

Probably just that it is real beef and not fake like soy meat.

All of the positive attributes given to branded beef products consisted mainly of quality factors such as tenderness and taste. Once again, the quality of the beef brands seems to be the number one factor in the perception of superiority of branded beef products.

Consumer Complaints with Branded Beef

Participants were asked if they had encountered any problems with branded beef products or if they had any complaints about any particular brand of beef on the market today. Only one person in this section of the interview stated that he felt that branded beef was overpriced. Participant number one stated,

I think because it has the label, the price is definitely going to go up.

Others stated that the quality of the branded beef was always good. Participant number three declared,

If I buy the cheap stuff and I am making burgers, they seem to become a lot smaller. They never seem to taste as good. It could just be the way I cook, but I think it is mainly the cheap beef is fattier and that is why it turns out to be such small hamburgers when I finish.

The participants were generally pleased with the outcomes of their experiences with most branded beef products. Overall, there were no complaints with the quality of branded beef other than its price. Participant number one, who voiced this complaint, was the same who stated earlier in the discussion that he perceived that there was no added value of branded beef products. The cost of branded beef products is discussed as more of a factor in later research findings.

Perceptions of Branded Beef vs. Non-branded Beef

Participants were asked for their perceptions of the differences between branded and non-branded beef products. Most participants agreed that the branded beef was indeed better than non-branded beef. Participant number seven stated,

The Kroger brand or the Wal-Mart brand is not as good as the Angus Beef.

Participant number five claimed,

I cannot speak for all brands, but I know Tender Aged Angus is the top of the line beef. It is always better than any other steak I get. The other brands I do not think I have ever eaten, so I do not know if all brands are better. But definitely, the aged beef is much better than non-branded beef.

However, participants also felt that branded beef is much more expensive than non-branded beef products. Although some participants felt that the quality of the product was worth its higher price, others stated that, even if the quality was better, they did not buy branded beef due to the higher price. For example, participant number seven stated,

I know it is more expensive to buy than non-branded meat. So usually I do not buy it unless it is on sale.

Participant number four declared,

Sometimes with meat, you are just better off paying a little more because, if you don't like it or it is tough, you are not going to eat it; you are just going to waste it.

A small number of participants attributed the superiority of branded beef to the chef's preparation of the meat. For example, participant number five claimed,

It may not be just the brand; it may be just how the fast food place focuses on making the brand better.

This participant also felt that Hardee's, which carries an Angus label of beef, is a much better fast food restaurant than its competition because of both the brand and its skillful preparation of the product. Therefore, some consumers found that the brand product is simply better prepared, which increases the quality of the brand to them as consumers.

Some participants claimed they could not tell a difference between branded and non-branded beef. Some felt that even if there was a difference between the two, it was not a big enough difference to justify a difference in price. Others simply stated that they just did not know if there was a difference between branded and non-branded beef

because they had never thought about the two types in comparison. Participant number eight stated that the branded beef was much better because she knew it was real beef and not a combination of soy meat and real beef.

Overall, the highest percentage of participants believed that branded beef products were of better quality than non-branded beef products. However, more concerns related to the price difference between the two arose in the discussion.

Perceptions of Company Credibility

Participants were asked if they perceived differences in the credibility of branded beef as opposed to non-branded beef companies. All participants stated that they felt as though the branded company had more credibility because they promise to take better care of the products, care more about their customers and stand behind their products more than non-branded beef companies. Participant number four stated,

They usually back up their product more than just a regular beef company would do.

Participant number nine claimed,

They probably care a lot more about their customers than the meat companies that do not brand their meat.

For the most part, participants felt that branded beef companies gave the product added value because of their credibility. Participants revealed that company credibility reduced perceived risk of the consumption of the products.

Participant Loyalty

Even though the majority of the participants felt as though branded beef was of better quality than non-branded beef, the majority did not consistently purchase only

branded beef. Most were loyal when the brand was offered; however, they did not refuse a different brand or non-branded product when it was all they had to choose from. For example, participant number three stated,

We try to look for it as much as we can. Sometimes we just cannot get it in certain things that we want.

Participant number six said,

If I am in a restaurant and it is offered then, yes, I will get the steak. So I guess I am loyal when it is offered.

A few participants claimed that they did look for branded beef on a regular basis.

Participant number five stated,

Yes, I would say I am loyal to Hardee's over somewhere like McDonald's because the burgers are so much better at Hardee's than at McDonald's.

Taken as a whole, participants are not strictly loyal to a particular brand of beef.

Participants emphasized the need of opportunity in order to always purchase a branded beef product.

USDA Grades and What Participants Look for When Shopping

Participants were asked what they looked for on a regular basis when shopping for groceries and if they looked for USDA grades when shopping for beef products. The majority of participants stated they looked for a bargain or visual aspects of the beef, such as color or perceived freshness. Others stated they looked for the fat content of the beef.

For example, participant number seven stated,

First I determine which one looks the best and secondly the fat content.

While these participants looked for more of a visual appearance of quality, they did not look for USDA grades of the beef. In fact, the majority of the participants did not look for USDA grades because they did not understand what the grades meant. Only one participant stated that he understood USDA grades, but did not look for USDA grades when shopping. For example participant number four stated,

I really do not know what they mean. To be honest with you I really do not know what the difference is between them all.

This shows that the average consumer does not understand USDA grades and an effort should be made to inform consumers of the differences. However, a frequent characteristic looked at by participants was the fat content and the visual color of the meat. In addition to looking at the visual aspects and fat content of the beef, participants generally considered the price of the product in the decision to make a purchase.

Conclusion

Credibility is the ultimate differentiation factor needed for a product to become successful in a market, especially when it is difficult to create distinctions among other products in the market (Erdem, 2006). With the increase in number of beef brands registered to the USDA over the last decade, consumers could potentially see all beef brands as the same, in turn reducing the differentiation factor needed for consumers to perceive various levels of value among brands and between branded and non-branded beef. Participants did not realize what branded beef products were in the beginning of the interviews and the focus group. The researcher had to give examples, such as Certified Angus Beef, to help participants realize what branded beef entailed. Participants then went on to establish that they had heard of “Angus Beef” and many consumed “Angus

Beef” on a regular basis; however, they did not differentiate between brands. Based on this response, it can be said that the general public does not understand that “Angus beef” is both a brand of beef and a breed of beef cattle; instead, consumers assume “Angus” refers to a standard of quality for beef. Participants did not distinguish between brands of beef; instead, they only recognized labels that entailed “Angus Beef.” Participants generally held positive attitudes towards branded beef products, yet did not fully realize that these products were simply brands, just as Starbucks is a brand of coffee.

Participants also felt as though branded beef was not only of better quality, but healthier and safer for them as consumers. Even though consumers do not understand that these beef brands are just like brands of any other product, they seem to have positive attitudes towards brands with the name “Angus” in the label. Therefore, it can be said that, although the general public does not understand much about the details of the beef industry, companies that produce or sell any form of Angus beef have won the favor of consumers. In turn, the general population has a more positive impression of the beef industry in general thanks to the conception of branding beef products.

Participants also believed that branded beef products had stricter regulations to be followed by packers and meat counter employees. Surprisingly, however, none of the participants stated that they did not purchase non-branded beef due to concerns of Bovine Spongiform Encephalopathy (BSE), commonly known as “Mad Cow Disease.” Most participants believed branded beef products were healthier because they contained less fat or were often produced organically rather than because they posed a lower perceived risk of disease. Participants also felt that branded beef companies were more credible because they stood behind their products and produced safer products for consumers. One can

infer from these findings that consumers believe branded beef products are safer and healthier for them as consumers. One can correlate the perception of company credibility to the reduction of consumers' perceived risk.

Participants in this study also perceived many forms of added value that were attributed to the fact that a beef product was branded. From the variety of points made by participants, one can conclude that branded beef products are seen by consumers as holding added value when compared to non-branded products. Most of the attributes of branded beef products perceived by participants were quality-related. Quality, as an added value, is seen as the primary benefit customers receive from a product (Chernatony, 2000).

This study also found that branded beef products are generally believed by consumers to be overpriced. If a consumer has a favorable experience with a product, and the price is higher than that of the competition, studies suggest that if the customer perceives the favorable experience to be greater than the trade off of monetary needs, then the customer will stay loyal to the product. However, if the customer does not find that the added value of the product trumps monetary needs, then the consumer will not stay loyal to the product (Sherrington, 2003). The cost of branded beef products was the main complaint of branded beef products expressed by participants, and a serious one for beef producers to consider. As most participants shared they recognized the superior quality of branded beef, their purchase behavior was typically motivated by opportunity and convenience rather than preference. Today, the concept of food quality has broadened to include many other factors, such as health, convenience and production characteristics (Jongen & Meulenberg, 2005). This could potentially be a problem for

branded beef companies in the future if they continue to market their products through only high-end retailers.

Another finding was none of the participants understood USDA grades of beef products, which implies that the general public has strayed from relying on USDA standards in determining quality of beef. Instead, they equate the term “Angus” with quality. Therefore, beef producers who are not producing cattle that can be classified as “Angus” will likely suffer in the market unless efforts are made to educate the general public of the attributes of various breeds of beef cattle. However, producers who are reaping the benefits of branding beef products may not want to see these changes made, as their occurrence would increase their level of competition.

The general public believes branded beef is better than non-branded beef because perceived differences in taste, health benefits and overall quality. Brands of beef seem to be increasingly gaining the favor of the general public that could ensure a long successful existence of these products on the market. However, the findings of this study suggest that brands need to become more readily available for busy consumers who would buy more branded beef if it was more affordable. Currently, the cost of branded beef could be holding the market steady. However, future increases in prices could reduce the participation of buyers in the lower income bracket of the target audience of consumers. All of these factors should be considered when a branded beef company is thinking out an increase in price so that any change can be adapted to fulfill the demands of the target consumers.

Based on the findings of this study, it can be said that branded beef products are thought of in a positive manner by consumers. Fast food companies, grocery stores and

other beef retailers are increasingly choosing to brand their beef products to meet consumer demand, and beef producers should take advantage of the increased prices at market for cattle that can potentially be used in branded beef products.

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Part IV

A Study of Perceptions of Branded Beef Products

Armour, Green Giant and Certified Angus Beef. What do all of these products have in common? They are all brands of agricultural products that can be found in supermarkets around the country. Today's beef producers are looking for ways to make their products more appealing to the consumer, and, whether they are aware of it or not, consumer desires and perceptions play a major role in the success of these products. This article provides details of a study performed to gain an understanding of consumer perceptions of branded beef products.

When participants were asked if they knew of any branded beef products, most were bewildered by the question. After examples of brands such as Certified Angus Beef (CAB) were presented, all of the participants claimed they knew exactly what branded beef products were and were especially familiar with the term "Angus Beef." However, consumers did not realize that Angus was a breed of beef cattle; instead, they believed "Angus Beef" was simply a standard of quality and was that best beef they could purchase on the market. While participants did detect differences in quality between branded and non-branded beef, they could not distinguish among the different brands of beef that are available in today's market.

Participants stated that most beef brands had an exceptional taste over non-branded beef products, which shows that the general population views branded beef products in a positive light. The quality of branded beef products was given as the most significant factor of added value participants gained from consuming branded beef products.

Participants also perceive branded beef products as safer and healthier to consume than non-branded products. Interestingly enough, considering the recent U.S. scares;

participants did not bring up BSE, commonly known as “Mad Cow Disease,” as a health-related factor in purchasing beef products. Rather, they believed branded beef was healthier due to the lower “fat content” of the products. Most of the participants found health to be the main risk involved in consuming generic beef products. Participants also felt that branded beef labels added credibility to the product due to their perceptions that branded products followed higher standards of production than non-branded products. Therefore, company credibility lowers the perceived risk of branded beef products for consumers.

Participants also felt branded beef possessed attributes superior to non-branded beef, such as better taste, health benefits and the perceived value of real beef over soy-based products. However, participants shared that they did not go out of their way to purchase only branded beef products, but instead chose to consume branded beef only when the opportunity presented itself.

The cost of branded beef products also seems to play a role in the consumer’s decision to purchase a branded beef product. Participants found that branded beef products were overpriced compared to generic beef products, and many participants claimed they would buy more branded beef if it was more reasonably priced. This is an indicator that consumers may become even more price-sensitive if prices of branded beef products continue to rise.

Even though participants generally preferred branded over non-branded beef products, they were not loyal to particular brands. Instead, they would look for the most convenient product. If branded beef products are not offered at more than just high end

food retailers, then sales may not increase over time due to inconvenience for the busy consumer.

One may infer that the general public does in fact hold a positive perception of branded beef products and the companies that produce these brands. However, non-branded beef products seem to have been labeled with all of the negative perceptions that the beef industry has been bombarded with over the years. Participants do not remember any particular brand names other than “Angus Beef,” yet they do not understand that Angus is a breed of cattle. Instead, it appears that participants merely see “Angus Beef” as the best beef they can buy, regardless of USDA grade choices.

The general public believes branded beef products are superior to non-branded products because of general quality, better taste and higher standards of production. Brands of beef are gaining credibility and favor among the general public that could enable a long and successful existence of these products on the market. However, brands need to become more readily available for busy consumers who make choices of convenience rather than preference.

Part V

Conclusions and Implications

Conclusions

Participants did not realize what branded beef products were in the beginning of the interviews and the focus group. The researcher had to give examples, such as Certified Angus Beef, to help participants realize what branded beef entailed. Participants then went on to establish that they had heard of “Angus Beef” and many consumed “Angus Beef” on a regular basis. Based on this response, it can be said that the general public does not understand that “Angus beef” is both a brand of beef and a breed of beef cattle; instead, consumers assume “Angus” refers to a standard of quality for beef. Participants’ generally held positive attitudes towards branded beef products, yet did not fully realize that these products are simply brands, just as Starbucks is a brand of coffee. Participants also felt as though branded beef was not only of better quality, but healthier and safer for them as consumers. Based on these findings, one may assume that, even though consumers do not understand that beef brands are just like brands of any other product, they seem to have positive attitudes towards brands with the name “Angus” in the label. Therefore, it can be said that, although the general public does not understand much about the details of the beef industry, companies that produce or sell any form of Angus beef have won the favor of consumers.

Participants also believed that branded beef products had stricter regulations to be followed by packers and meat counter employees. Surprisingly, however, none of the participants stated that they did not purchase non-branded beef due to concerns of Bovine Spongiform Encephalopathy (BSE), commonly known as “Mad Cow Disease.” Most participants believed branded beef products were healthier because they contained less fat or were often produced organically rather than because they posed a lower perceived risk

of disease. Participants also felt that branded beef companies were more credible because they stood behind their products and produced safer products for consumers. One can infer from these findings that consumers believe brand names in general market a safer and healthier product, therefore reducing consumers' perceived risk of health concerns.

The study also found that branded beef products are generally believed by consumers to be overpriced. This was the main complaint of branded beef products expressed by participants, and a serious one for beef producers to consider. Most participants shared that, although they recognized the superior quality of branded beef, their purchase behavior was typically motivated by opportunity and convenience rather than preference. This could potentially be a problem for branded beef companies in the future if they continue to market their products through only high-end retailers.

Another finding was that none of the participants understood USDA grades of beef products, which implies that the general public has strayed from relying on USDA standards in determining quality of beef. Instead, consumers equate the term "Angus" with quality. Therefore, beef producers who are not producing cattle that can be classified as "Angus" will very likely suffer in the market unless efforts are made to educate the general public as to the attributes of alternative breeds of beef cattle.

The general public believes branded beef is better than non-branded beef because of perceived differences in taste, health benefits and overall quality. Brands of beef seem to be increasingly gaining the favor of the general public, which could ensure a long and successful existence of these products on the market. However, the findings of this study suggest that brands need to become more readily available for busy consumers who would buy more branded beef if it were more affordable. Currently, the cost of branded

beef could be holding the market steady. However, future increases in prices could reduce the participation of buyers in the lower income bracket of the target audience of consumers. All of these factors should be considered when a branded beef company is contemplating an increase in price so that any change can be adapted to fulfill the demands of the target consumers.

Based on the findings of this study, it can be said that branded beef products are thought of in a positive manner by consumers. Fast food companies, grocery stores and other beef retailers are increasingly choosing to brand their beef products to meet consumer demand, and beef producers should take advantage of the increased prices at market for cattle that can potentially be used in branded beef products.

Implications for Future Research

While the initial objectives of this study were met, the findings raise more questions than answers regarding consumer perceptions of branded beef products. Some of those questions are as follows:

1. Why do consumers only recognize the term “Angus Beef” instead of actual full brand names?
2. Why is the average consumer’s knowledge of the beef industry so superficial, and what are the most effective ways to mend this knowledge gap?
3. How much of an impact do cases of BSE actually have on consumer purchase behavior in choosing among chicken, pork or beef?
4. How big an influence are the media on consumers’ decisions to purchase any agricultural commodity?

All of these topics should be investigated, not only for the benefit of the beef industry, but the agricultural industry in general, as the latter could play a more central role in communicating information regarding agricultural products with the general public.

Appendices

Appendix I

Table 1
Per Capita Consumption of Major Food Commodities,
United States, 1995 –
2004

Commodity	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Red meats 2/3/4/	164.3	160.3	157.4	163.4	166	164.1	160.7	164.5	160.9	161.6
Beef	95.5	95.7	93.6	95	96.2	96.5	94.3	96.4	92.5	94.1
Veal	1.2	1.4	1.2	1	0.8	0.8	0.7	0.7	0.7	0.6
Lamb & mutton	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Pork	66.3	62	61.4	66.1	67.7	65.5	64.4	66.1	66.4	65.6
Poultry 2/3/4/	96.9	98.8	100.3	101.4	106.5	107.4	107.2	112	112.9	115.4
Chicken	79.3	80.6	83.1	83.8	89	90.1	89.7	94.3	95.5	98.4
Turkey	17.6	18.1	17.2	17.6	17.5	17.3	17.5	17.7	17.4	17
Fish & shellfish 3/	14.8	14.5	14.3	14.5	14.8	15.2	14.7	15.6	16.3	16.5

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use and ending stocks.

Calendar-year data, excluding fresh citrus fruits, peanuts, tree nuts and rice, which are on crop-year basis.

2/ Totals may not add to exactly 100 due to rounding.

3/ Boneless, trimmed weight

4/ Excludes shipments to the U.S. territories

Source: *Agricultural Outlook*, Economics Research Service (ERS), USDA or on the web at www.ers.usda.gov/data/FoodConsumption/FoodAvailSpreadsheet.htm.

Appendix II

Table 2
Branded Beef Programs Registered to the USDA
2006

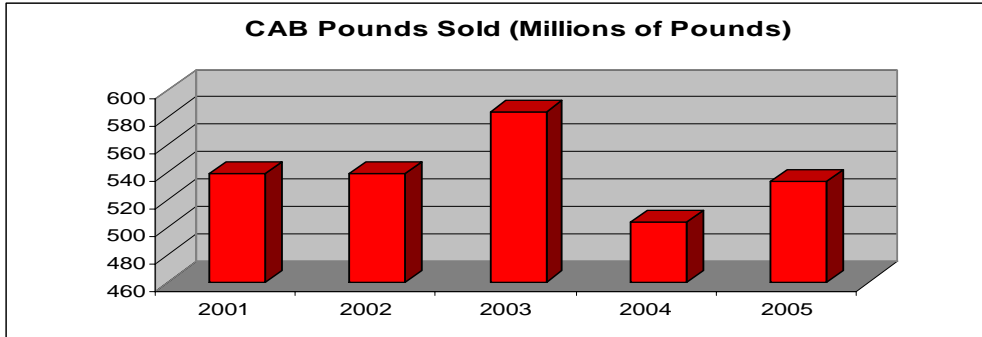
<u>Branded Program</u>	<u>USDA Requirement Grade</u>
1. Certified Angus Beef	Prime & Choice
2. G.F. Swift 1855 Black Angus Beef	Prime & Choice
3. Gordon Food Service Black Angus Beef	Prime & Choice
4. Mapac's Steakhouse Classic Angus Beef	Prime & Choice
5. Stock Yards Private Reserve Angus Beef	Prime & Choice
6. Misty Isle Farms Natural Black Angus Beef	Prime & Choice
7. Iowa Best Beef Black Angus	Prime & Choice
8. Ohio Signature Beef	Prime & Choice
9. National Beef Black Angus Beef	Prime & Choice
10. Excel Corporation Angus Pride	Prime & Choice
11. Washington Beef Inc, Signature Double R Ranch Premium Northwest Brand Beef	Prime & Choice
12. Sysco Butcher's Block Reserve Beef	Prime & Choice
13. Stock Yards Private Reserve Beef	Prime & Choice
14. Swift/E.A. Miller- Chef's Exclusive	Prime & Choice
15. G.F. Swift 1855	Prime & Choice
16. IBP Chairman's Reserve Beef Programs	Prime & Choice
17. National Beef Certified Premium	Prime & Choice
18. Excel Corporation Sterling Silver	Prime & Choice
19. American Foods Group- America's Gourmet Reserve Beef	Prime & Choice
20. Elkhorn Valley Packing Angus Beef	Prime & Choice

Table 2 Continued

<u>Branded Program</u>	<u>USDA Requirement Grade</u>
21. Certified Hereford Beef	Choice & Select
22. Ridgefield Farms Premium Hereford Beef	Choice & Select
23. National Beef Black Canyon Angus Beef	Choice & Select
26. Nolan Ryan's Tender Aged Beef	Choice & Select
27. Swift Angus Select Beef	Select
28. Swift Corral Creek Angus Beef	Standard or Higher Standard, Commercial, & Utility
29. Elkhorn Valley Packing Angus Beef	Utility or Higher
30. American Foods Group- Preferred Angus Beef	Utility or Commercial
31. Booker Angus One	Prime, Choice, Select, or Standard
32. Booker Packing Company- Booker Angus Beef	Prime, Choice & Select
33. Creekstone Farms International Black Angus Beef	Prime, Choice & Select
34. American Food Group- Heartland Angus Beef	Prime, Choice & Select
35. Sysco Butcher's Block Angus Beef	Prime, Choice & Select
36. Oregon Trail Beef	Prime, Choice & Select
37. PM Beef Certified Preferred Stock Angus Beef	Prime, Choice & Select
38. Premium Gold Angus	Prime, Choice & Select
39. H-E-B Natural Angus Beef	Prime, Choice & Select
40. Harris Ranch Natural Black Angus Beef	Prime, Choice & Select
41. Creekstone Farms Natural Black Angus Beef	Prime, Choice & Select
42. Creekstone Farms Black Angus Beef	Prime, Choice & Select
43. American Food Group- Black Angus Reserve Beef	Prime, Choice & Select

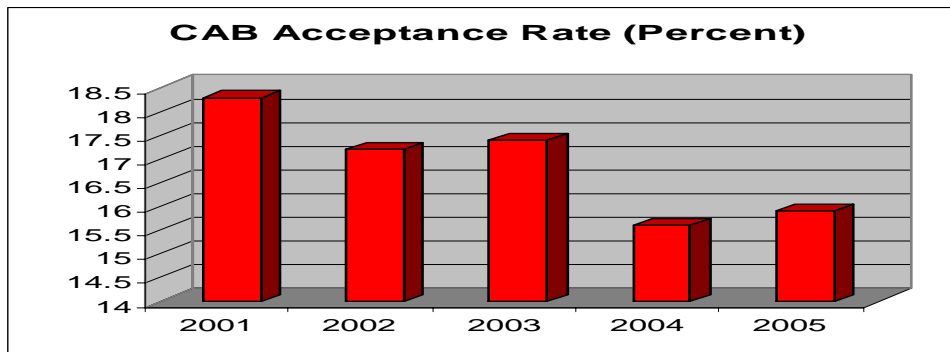
Source: USDA Branded Beef Programs or www.usda.gov/wps/portal/usdahome

Appendix III



Source: *Certified Angus Beef Brand*, Issue 1, Fiscal 2005 or www.certifiedangusbeef.com
Figure 1 CAB Pounds Sold

Appendix IV



Source: *Certified Angus Beef Brand*, Issue 1, Fiscal 2005 or www.certifiedangusbeef.com
Figure 2 CAB Acceptance Rate

Appendix V

Consumer Perceptions of Branded Beef Products Question Guide (Focus Group Question Guide)

Category #1 Questions (The answers to these questions will determine if the participant meets the requirements needed to participate in the interview or focus group)

- Do you know what branded beef is? If so, what is branded beef?
- What is your involvement in the beef industry?
 - More questions will be asked based on participant responses.

Category #2 Questions

- What beef brand labels or advertisements have you encountered in your everyday life?
- Can you describe the quality of branded beef products?
- Have you ever been dissatisfied by any aspect of a beef brand, which includes the product, the company, et cetera?
- Do you think branded beef products offer any type of added value to you as a consumer?
- Do you feel there is any risk in consuming branded beef or non-branded beef?
- Are you loyal to one brand of beef?
- Do you think there is any difference in branded beef and non-branded beef?
 - More questions will be asked based on participant responses.

Consumer Perceptions of Branded Beef Products Question Guide (Revised)

Category #1 Questions (The answers to these questions will determine if the participant meets the requirements needed to participate in the interview)

- What is your involvement in the beef industry?
 - More questions will be asked based on participant responses.

(IF the potential participant has any involvement in the beef industry then he or she will not be asked to participate within this study.)

Category #2 Questions (more questions are asked based on participants responses)

- Do you know what branded beef is? If so, what is branded beef? (If the answer is no, then researcher give examples.)
- What beef brand labels or advertisements have you encountered in your everyday life? If respondent has encountered labels and/or advertisements where have you encounter these labels and/or advertisements?
- Can you describe the quality of branded beef products?
 - Based on the branded beef products you have consumed were they consistent in the qualities you just stated every time you purchased?
- Have you ever been dissatisfied by any aspect of a beef brand, which includes the product, the company, et cetera?
- Do you think branded beef products offer any type of added value to you as a consumer?
 - What is the #1 attribute you receive from a branded beef product?
- Do you feel there is any risk in consuming branded beef or non-branded beef?

- Are you loyal to one brand of beef?
- Do you think there is any difference in branded beef and non-branded beef?
- Do you know what USDA grades are and do you look for them when shopping?
- What aspects of beef products do you look for on a regular day to the grocery store?
- Do you consume beef brands that say they are organic?
- Overall what is the best thing about branded beef products in your mind?

***More questions will be asked based on participant responses.

Vita

Leslie Erin Williams was born in Huntsville, Alabama, on October 2, 1982. She was raised in Fayetteville, Tennessee, on a family beef and dairy farm. She graduated from Lincoln County High School in 2001. She attended Tennessee Technological University in Cookeville, Tennessee, and received a bachelor of science in agriculture in 2005. In the fall of 2005, she began pursuing a master's of science in agriculture extension and education at the University of Tennessee in Knoxville, Tennessee.