PRODUCT DESCRIPTION AND LABELLING SYSTEM FOR THE DOMESTIC MARKET

MEAT RESEARCH CORPORATION

PRODUCT DESCRIPTION AND LABELLING SYSTEM FOR THE DOMESTIC MARKET

SUMMARY OF RESEARCH TO DATE

M360

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FOREWORD

This report summarises and integrates all the research findings to date. More significantly, it offers guidelines for the development of a uniform product description and labelling system and implementation strategy.

The report has been developed to provide the industry, via its peak councils and other representative groups, with details of the project to facilitate scrutiny, discussion and consideration of the on-going stage of the project to date. It is suggested that industry consider whether the project should proceed beyond the on-going research and development stage once the results of this current stage become available.

Accordingly, this report is not a final account of the project outcome.

Details of the stages of research completed and in progress are outlined in the report.

EXECUTIVE SUMMARY

In response to the continued decline in red meat consumption and industry debate on the issue of product description and labelling, and its relationship to meat grading, the MRC initiated a project of research and development.

In simple terms the basic objectives of the project are:

- To ascertain whether a uniform product description and labelling system would improve consumer confidence and satisfaction in beef and lamb to the extent that it would be reflected in increased consumption and/or better returns to the industry.
- In the event that the outcome from the above research was sufficiently positive, to identify the critical components from a consumer and an industry perspective and to use them as a basis for developing a proposed system and implementation strategy for industry consideration.

The market research has been national in scope covering all capital city markets. It has involved both qualitative and quantitative research with consumers and food service customers and, in the case of the former, has included sensory research aimed at measuring the contribution of various evaluative criteria in terms of overall satisfaction with beef and lamb.

Whilst the project has largely been consumer focused, the views of operators in the various stages of the marketing channel have also been taken into account.

The channel research involved comprehensive qualitative and quantitative research with stock agents, processors, wholesalers, value adders, independent retailers and supermarket meat managers throughout Australia.

In brief summary, the research has provided an extremely detailed data base and has concluded to date, that, from a consumer perspective, there is a need for a uniform product description and labelling system. The majority of consumers lack confidence in their ability to consistently select beef and lamb that they will be satisfied with in terms of its eating performance. This is particularly true of younger consumers who the research indicated are lower per capita meat consumers.

A significant proportion of meat is now purchased by self-selection with the percentage growing and, in these circumstances, the consumer must predict the eating quality without the help of the experienced retail butcher.

Of great significance are the sensory research results which indicate a fundamental conflict between the meat consumers prefer in a visual sense and the way they rate it for taste and appetite appeal. This conflict is a fundamental factor in consumer dissatisfaction in meat which is evident from the market research.

The research clearly shows that consumer propensity to repeat purchase a particular cut of beef or lamb and, to a lesser extent, red meat at all, is heavily influenced by their recent eating experience.

Food service operators are often dissatisfied with the consistency of meat which, to varying degrees, they believe is a factor in declining red meat consumption.

The detailed findings from the consumer research, to date, support the need for a uniform product description and labelling system.

The research has identified a number of key elements which need to be taken into account when developing a product description and labelling system, the key ones being:

- Focus on tenderness.
- Address conflict between visual characteristics and eating performance.
- Include recommended cooking techniques.
- Employ a number of quality levels, representing tenderness, which are identified by grades.
- Colour grading possibly incorporating symbols.
- Separate grading system for grain fed beef cannot be justified.
- Standard cut names and description terminology as an option.
- Truth in labelling.
- Encouragement of processor and retailer brands.
- Credible endorsement body with consumer integrity.
- Separate food service requirements.
- Even handed.
- Non-down-grading of secondary cuts.
- Support by use of QA systems.
- Voluntary adoption of system.
- Compatible with AUS-MEAT but not necessarily based on it.

As to the specifics of meat description and labelling, the research shows conclusively that consumer satisfaction with meat is judged almost totally by eating quality which in turn is almost totally based on tenderness.

Eating quality of meat is a function of:

- The carcase quality as determined by production and processing parameters. ✓
- The appropriate cut selection and method of cooking for a particular use. ✓
- The manner in which it is cooked. ✓

If the product description and labelling system is to confidently deliver consumer satisfaction based on eating quality, it must address all three points.

Its prime aim is to put consumers in touch with the meat they prefer given their budget and to assist them in cooking the meat by the method that will produce the best results.

The key elements of the proposed system are:

- The central element of the system would be a recommended cooking technique which would be based on the carcase quality and the particular cuts.
- Three acceptable grades of beef and one acceptable grade of lamb.
- The system would be voluntary with non-graded beef and lamb still available.
- Grades based on the traditional predictors of tenderness, age, weight, sex, pH etc. Grades to be specified in AUS-MEAT language.
- As well as specifications, there will be a QA system as eating quality can be strongly influenced by the pre and post slaughter treatment of the carcase.
- Quality grade to be communicated to the consumer by colour rosettes. These would be designed so as to be not strongly hierarchical.
- The quality grade would be assigned at the point where the carcase is broken down. Prior to that point it would be specified in AUS-MEAT language.
- It is proposed that there be a truth in labelling component with heavy penalties to those who mislabel product.

A draft model has been developed for further refinement and industry consideration.

Details of any implementation strategy are yet to be developed and are subject to industry acceptance of the proposed model and the outcome of the on-going trial. The research however does suggest a number of principles to guide the implementation strategy:

- It should be voluntary;
- Participants would be subject to a commercial licensing agreement which compels them to comply with specified practices in return for the use of the registered trademark which communicates the system;
- The will to comply would be driven by commercial advantages of being involved which encourages self-regulation rather than excessive reliance on policing.

From the industry perspective, a key issue is whether, with the current technology and practices, it is possible to consistently provide the consumer with meat of acceptable tenderness levels. It is universally agreed that this is essential to the success of the program and, if this can't be satisfactorily achieved, the project should not proceed.

Towards this end a trial, in conjunction with Woolworths Queensland, will determine whether, with the application of product specifications and a quality assurance program, acceptable quality and consistency can be achieved.

Subject to the approval of the Steering Committee and the AMLC, based on the outcome from the Queensland research, it is proposed to subsequently conduct a comprehensive test market project on a larger scale than the current trial to gauge the commercial viability and overall success of the proposed consumer oriented labelling system.

SOME KEY STATISTICS SUPPORTING THE NEED FOR A PRODUCT DESCRIPTION AND LABELLING SYSTEM

CONSUMERS

- 51% purchase red meat from butchers; 45% from supermarkets.
- 42% indicated they are eating less beef than a couple of years ago; 43% indicated they are eating the same amount and 15% indicated they are eating more. For lamb this was 38%, 49% and 13% respectively.
- 38% agree they experience difficulty in finding and buying beef of the quality they require; 48% disagree with this. For lamb this was 33% and 50% respectively.
- 77% stated that they would eat more meat if they could buy consistently tender, tasty meat.
- When comparing two pieces of uncooked beef, 57% of consumers state they find it difficult to tell which one is going to be more tender; 53% for lamb.
- 73% pay a lot of attention to fat amount when purchasing red meat, 72% to the colour and 62% to amount of marbling. Of these 77% prefer a brighter colour, 97% prefer less fat and 93% less marbling.
- In sensory analysis, the relative contributions of eating quality, price and description to purchase intent of beef are 65%, 28% and 7% respectively; for lamb these are 68%, 25% and 7% respectively.
- Eating quality is dominated by tenderness. In sensory analysis, for beef, 69% indicated that tenderness was the reason why one topside was liked more for eating than another, 82% indicated the same in tests for striploin and 71% for ALFA beef. In the case of lamb, 85% indicated that tenderness was the reason why one loin is liked more for eating than another and 87% in tests for leg lamb.
- Of those seeing the rosette concept, 70% indicated that they would be either very interested or probably interested in paying a little more for high quality meat.

FOOD SERVICE OPERATORS

- Beef is by far the most popular meat among the food service trade on average accounting for 39% of weekly sales, followed by 19% for fish/seafood and 16% for chicken. On average lamb represented 10% of sales.
- While 51% indicated they were using more chicken compared with two years ago and 49% more fish/seafood; only 26% said they were using more beef and 25% more lamb.
- The majority of food service operators still work on informal specifications when ordering meat with 38% indicating that they order beef by processor/wholesaler language and 32% use no formal specifications. For ordering lamb this was 35% and 27% respectively.
- 80% nominated that tenderness was very important in evaluating red meat performance followed by 73% for taste.
- 48% claimed that beef quality had improved over the past two years; 39% felt that it had stayed the same. For lamb this was 37% and 43% respectively.
- In regard to food service operators' satisfaction with quality, on a scale of (1) - not at all satisfied to (5) - very satisfied, on average beef rated 4.04 followed by 4.00 for chicken, 3.85 for pork, 3.81 for fish/seafood and lamb. In the case of consistency, on average chicken rated 4.02, pork 3.81, beef 3.80, lamb 3.69 and fish/seafood 3.65.
- While 73% of food service operators were very confident in their ability to select beef to requirements only 24% were very confident in their staff's ability. For lamb this was 68% and 25% respectively.
- Overall, 35% stated they preferred to buy branded meat; for the five star restaurant operators this was 48%.
- 89% considered it would be worthwhile to promote the establishment of a uniform product description system and over three-quarters felt that it would help either a little or a lot in judging meat quality.
- 77% believed they would be prepared to pay a premium for beef assured to be of consistently high quality; 73% for lamb. In the case of their customers, 50% felt that they would be prepared to pay a premium for beef; 49% for lamb.

RETAIL BUTCHERS

- 62% indicated that they relied on their wholesaler knowing what they wanted as their quality specification for ordering both beef and lamb.
- Only 22% indicated that they used AUS-MEAT language when ordering meat.
- 83% of butchers indicated that tenderness was a very important quality attribute of beef carcases, followed by 77% for meat colour and 67% for carcase yield. In the case of lamb 66% considered meat colour a very important quality attribute, 65% for tenderness and 64% for age.
- On average, butchers were satisfied with the quality of 87% of carcase beef, 72% of carton beef and 79% of lamb.
- 40% believed that the quality of carton beef had improved over the past five years, 35% for carcase beef and 30% for carcase lamb. While only 13% and 12% felt that carton beef and carcase beef quality respectively had deteriorated, 23% felt that carcase lamb quality had deteriorated.
- Overall, 32% felt that red meat consistency had improved over the past five years and 52% felt that it had stayed the same.
- 59% indicated that the most common problem for carcase beef was too much fat, 48% poor meat colour and 39% inconsistency of product quality. For lamb, this was 66%, 33%, 49% respectively. In the case of carton meat 69% indicated inconsistency of product quality as the main problem, 61% poor meat colour and 53% meat not being tender.
- 61% believed that poor or inconsistent meat quality was a factor in declining red meat consumption.
- 41% felt that the availability of a standard industry-wide product description system was an excellent idea and 32% a good idea. 58% indicated that it would be worthwhile to promote the establishment of such a system.
- 73% believed that it would improve customer satisfaction and 58% felt that it would sell more meat.
- 69% of butchers felt that customers would be prepared to pay a premium for beef guaranteed to be tender; 59% for lamb.

SUPERMARKETS

- To specify quality levels when ordering beef 41% of supermarket managers use their own specifications based on AUS-MEAT; 39% carcase weight and 32% meat colour. For lamb 34% have their own specifications based on AUS-MEAT, 30% use carcase weight and 25% rely on their wholesaler knowing what they want (all of whom were from independent stores).
- 75% of chain supermarket managers indicated that they use AUS-MEAT when ordering meat compared to 46% for independent supermarket managers.
- 84% of managers believed that tenderness was a very important attribute of beef carcases, 82% for meat colour and 77% for fat depth. For lamb this was 80%, 80% and 75% respectively.
- On average, chain supermarket managers were satisfied with the quality of 91% of carcase beef, for independents 88%; for carton beef this was 72% and 70% respectively and for carcase lamb 87% and 75%.
- While 57% believed that carton beef quality had improved over the past five years and 64% carcase beef, only 25% believed the same to be true for lamb. Overall, 61% believed that red meat consistency had improved over the past five years.
- Poor meat colour was the main quality problem experienced with carcase beef by 59% of managers, followed by too much fat, 57%, and inconsistency of product quality, 32%. In the case of carcase lamb, 61% of managers experienced too much fat, 41% poor meat colour and 39% inconsistency of product quality. The main problems experienced with carton meat were poor meat colour with 75% of managers noting this, 61% too much fat and 52% inconsistency of product quality.
- 64% felt that poor or inconsistent meat quality was a factor in declining red meat consumption.
- 68% felt that customers would be prepared to pay a premium for higher quality meat.
- 57% believed that customers were either not very skilled or not at all skilled at judging meat quality.
- 64% were very confident and 36% reasonably confident that they are able to supply customers with the quality of meat they require.
- On average 78% of meat is sold under chain supermarkets own brand; 55% for independents. In the case of supplier brands, this is 6% and 21% respectively. 57% indicated that there was a growing tendency to sell branded meat.
- 98% indicated that they have consumer labelling apart from price and weight, including use by dates (75%), cooking symbols (70%), usage tips (66%), quality levels (48%) and nutritional advice (27%). 77% felt that customers were responding well to this type of labelling.
- 88% felt that the availability of a product description and labelling system was either an excellent or good idea, and 86% believed that it would improve customer

satisfaction. 61% also believed it would sell more meat. 75% agreed that it would be worthwhile to promote the establishment of such a system.

- 61% believed that customers would pay a premium for beef that was guaranteed to be tender; 48% for lamb. The average price increase was seen to be 9%.

WHOLESALERS

- When ordering beef, the most common method of specifying quality level was by fat depth (mm) with 36% of wholesalers using this specification followed by 30% assessing live animal and 30% ordering by processor/other wholesaler language. In the case of lamb 40% relied on supplier language and 37% carcase weight.
- 82% of wholesalers believed that meat colour is a very important quality attribute of carcase beef, 73% tenderness and 67% fat depth. For lamb this is 60%, 70% and 83% respectively.
- On average, wholesalers were satisfied with beef quality in 86% of product purchases; for lamb 79%.
- 55% believed that carton beef quality had improved over the past five years, 39% for carcase beef and 37% for carcase lamb.
- 70% are very confident of being able to supply customers with quality of meat require; for lamb this was slightly lower at 63%.
- 58% nominated poor meat colour as one of the main quality problems experienced with beef followed by 52% for too much fat. In the case of lamb 73% had problems with too much fat and 47% under weight.
- 37% feel that meat quality is an issue in declining red meat consumption.
- 63% of wholesalers had established their own brands on cartons; 82% of whom used AUS-MEAT language as a product description system.
- 71% of wholesalers indicated that the availability of a standard product description system was either a good or excellent idea and 55% felt that it would be worthwhile to promote such a system whereby meat can be traded almost totally on objective measurements and standard language.
- The majority of wholesalers, 55% for beef and 47% for lamb, identified the food service segment as the customers who would be willing to pay a premium for meat guaranteed to be tender.
- The average premium considered possible for beef was 53 cents/kg for tenderness and 23 cents/kg for yield. For lamb this was 31 cents/kg and 18 cents/kg respectively.

PROCESSORS

- 35% of processors indicated they experienced problems obtaining the type/quality of livestock they required.
- While 65% felt that cattle quality had greatly improved over the past five years, only 31% said the same for lamb and 19% felt that it had declined.
- In evaluating the various quality attributes of beef carcases, 85% indicated both meat colour and carcase yield as very important and 80% for tenderness. In the case of lamb 69% felt that fat depth, age and tenderness were all very important.
- The quality of carcase beef was seen to have improved over the past five years by 55% of beef processors, while only 31% felt the same happening with carcase lamb and 30% for carton beef.
- While 65% of processors felt that beef consistency had improved; only 31% believed the same for lamb.
- 19% of processors considered it easy to get a price premium for better quality carcases or cuts, 62% felt that it was either difficult or extremely difficult.
- 40% of processors had established their own trade brand for beef; for lamb this was only 19%. Of these, 88% use AUS-MEAT language to define their beef brands; 33% for lamb. 35% of processors had considered developing brands for beef promoted to consumers; only 19% for lamb.
- 38% believed that the availability of a standard product description was either an excellent or good idea; 24% a poor idea. 33% thought that it would be worthwhile to promote the establishment of such a system whereby meat can be traded almost totally based on objective measurements and standard language.
- 50% of processors considered that supermarkets and butchers buying beef would be the most likely customers to pay a premium for meat guaranteed tender; in the case of lamb the majority, 31%, also indicated these two customer segments.
- The average premium considered possible for beef was 11.25 cents/kg for tenderness and 9.11 cents/kg for yield. For lamb this was 10 cents/kg and 9.40 cents/kg respectively.

SAMPLE SIZE

Statistical data was drawn from the following sample sizes:

- 1,486 consumers - quantitative research
- 900 consumers - sensory analysis research
- 131 food service operators
- 120 retail butchers
- 44 supermarket meat managers
- 35 wholesalers
- 21 processors

SECTION 1

INTRODUCTION, OBJECTIVES & BACKGROUND

INTRODUCTION

This is the latest report in a series of reports covering a project which addresses the issue of the domestic market's need for product description.

The objectives of the project are:

- To ascertain whether a uniform product description and labelling system would improve consumer confidence and satisfaction in beef and lamb to the extent that it would be reflected in increased consumption and/or better returns to the industry.

- In the event that the outcome from the above research was sufficiently positive, to identify the critical components from a consumer and an industry perspective and to use them as a basis for developing a proposed system and implementation strategy for industry consideration.

The project has involved an extensive program of research with relevant industry bodies, consumers, consumer decision influencers, the food service sector and channel members, both qualitative and quantitative, which has resulted in several data bases being brought together to develop a coherent strategy.

The purpose of this report is to bring together the main findings of various studies in a summarised and manageable form as a foundation for industry consideration and discussion on the subject of product description and labelling.

Specifically, it involves:

(1) Summarising the key points to emerge from each report.

(2) Drawing conclusions on key issues.

(3) Identifying the key issues and parameters and developing a set of guidelines which could be followed in the development of a product description and labelling system and implementation strategy.

(4) Outlining details of the next planned stages of research and development.

This report signposts the development of a labelling model and implementation strategy by setting the dimensions and guidelines and is presented in six parts:

(i) Introduction, Objectives and Background (this section)
(ii) Summary of Research Findings
(iii) Conclusions
(iv) Guidelines for the Development of a Product Description and Labelling System
(v) Details of Potential Implementation Strategy
(vi) The Next Stages of Research and Development

REPORTS COVERED

This report summarises a comprehensive program of research which to date has been documented in the fifteen reports listed below.

(1) *Channel Qualitative Research including Consumer Decision Influencers*
David McKinna et al Pty Ltd - 27th August, 1993.

(2) *Channel Quantitative Research*
David McKinna et al Pty Ltd - 16th February, 1994.

(3) *Food Service Qualitative Report*
David McKinna et al Pty Ltd - 14th October, 1993.

(4) *Food Service Quantitative Research*
David McKinna et al Pty Ltd - 4th July, 1994.

(5) *Supermarket Quantitative Research*
David McKinna et al Pty Ltd - 19th September, 1994.

(6) *Consumer Research Program - Findings of Stage 1 - Qualitative Research*
Yann Campbell Hoare Wheeler - September, 1993.

(7) *Supplementary Consumer Qualitative Research - Concept Evaluation*
David McKinna et al Pty Ltd - 25th November, 1993.

(8) *Consumer Research Program - Findings of Stage 2: Quantitative Research*
Yann Campbell Hoare Wheeler - February, 1994.

(9) *Executive Summary for Sensory Analysis*
SMART Research - 20th June, 1994.

(10) *Sensory Analysis to Identify Consumers' Revealed Preferences for Product Description*
SMART Research - 20th June, 1994.

(11) *Conjoint and Trade Off for Sensory Analysis*
SMART Research - 20th June, 1994.

(12) *Sensory Analysis of ALFA Beef*
SMART Research - 20th June, 1994.

(13) *The Relationship between Objective Measures and Sensory Tenderness*
SMART Research - 20th June, 1994.

(14) *Proposed Model & Implementation Strategy*
David McKinna et al Pty Ltd - 15th September, 1994.

(15) *Qualitative Assessment of Graphic Design Concepts*
David McKinna et al Pty Ltd - 20th December, 1994.

In addition the report summarises the output from special workshops:

Beef Specifications Workshop: November 30, 1994.
Lamb Specifications Workshop: December 1, 1994.
Cookery Method Workshop: December 14, 1994.
and
Analysis of QA requirements:
- QA for beef
- QA for lamb

At the time of printing, one further stage of research is underway (1) and one is planned (2);

(1) Technical Development and Market Research Trial in Brisbane in conjunction with Woolworths Queensland/Australian Meat Standards/SMART Research/David McKinna et al Pty Ltd
(2) Proposed Outline for full Test Market.

These are outlined in this report.

SECTION 2

SUMMARY OF RESEARCH FINDINGS

IS THERE A NEED FOR A PRODUCT DESCRIPTION AND LABELLING SYSTEM?

CUSTOMER/CONSUMERS

- The YCHW quantitative study found that 38% of buyers have difficulty finding and buying beef of the quality they are seeking - 33% for lamb.

- It also found that 57% of buyers have difficulty in telling which of two pieces of uncooked beef is going to be more tender - 53% for lamb. In the 25-34 age group this increased to 65% and 61% respectively.

Consumers need help in judging and selecting beef and lamb.

- 42% of beef eaters indicated in the YCHW research that they were eating less beef than a couple of years ago - 38% for lamb.

- 81% of consumers consider that price is a poor indicator of beef quality - 76% for lamb.

- 45% of participants revealed that they purchased most of their red meat at supermarkets, 51% at butchers and 4% at other outlets. Industry reports are that the percentage of meat purchased by self-selection is increasing resulting in more consumers having to choose their meat without the help of the experienced retail butcher as occurred in the past.

Increasing amount of meat purchased by self selection.

- The SMART analysis found that tenderness/taste is the major determinant of re-purchase behaviour. For both beef and lamb liking of eating contributes markedly to purchase intent; 65% and 68% respectively followed by price and description.

The biggest issue is the conflict between perceived visual quality and eating satisfaction.

- *Fundamental conflict between how they judge meat in terms of appearance and taste; often selecting meat that does not satisfy their taste sensations.*

- In qualitative research where there is an opportunity to fully explain it, consumers were enthusiastic about a product description and labelling system.

Consumers often selecting meat that does not satisfy their taste sensations.

FOOD SERVICE OPERATORS

- Approximately 70% of food service operators use no formal specifications or use processor/wholesaler language when ordering meat. Use of the AUS-MEAT language is greater in more sophisticated operations.

- Overall, 70% are very confident in their ability to buy beef or lamb; however only 25% were very confident in their staff's ability.

- 80% of food service operators surveyed specified that tenderness was very important in evaluating red meat performance followed by 73% for taste.

- Virtually all sections of the food service market were enthusiastic about a uniform product description and labelling system. In total, 89% thought that it was worthwhile to promote the establishment of uniform product description and labelling system. Over three-quarters felt it would help either a little or a lot in judging meat quality.

Majority still work on informal specifications.

Tenderness and taste very important in evaluating performance.

Food service operators generally can see value in a product description and labelling system.

- Larger operators such as catering firms, government institution, airlines, etc. most, enthusiastic with approximately 80% considering that it would help a lot in judging meat quality. Smaller, single sub-operators supportive in principle, but less enthusiastic with around 50% indicating that it would help a lot.

- Key problem is variation, even within a certain specification. Common problem is variation in sizes of primals, size ranges too broad.

Variation in primal size within cartons is a key issue

RETAILERS

RETAIL BUTCHERS

- Nearly three-quarters of butchers felt positive towards the concept of the availability of a standard, industry-wide product description system; 41% indicated that it was an excellent idea and 32% a good idea. 73% also felt that it would improve customer satisfaction.

Retail butchers accept the principle of the system but concerned that it could not work in practice.

- However, in qualitative research it was found that many believe that a system is okay in theory, but would never work in practice. Meat is a product of nature with eating quality varying greatly and that in practice a system that delivers consistent quality is difficult to achieve notwithstanding its desirability.

- Not possible to accurately predict eating quality. Two carcases may be identical according to AUS-MEAT specifications but eat quite differently.

- In the final analysis need skilled professional butchers to make the judgement on behalf of the customers.

- A large amount of emphasis should be on educating the consumer. A perfect piece of meat will eat badly if cooked incorrectly.

Strong component consumer education

SUPERMARKET

- Strongly support the principle of a uniform product description and labelling system. Believe that consumers are quite ignorant about selecting meat and need all the help they can get. The quantitative research found that over 52% of managers felt that a product description and labelling system was an excellent idea and 36% a good idea. 86% indicated that it would improve customer satisfaction.

Supermarkets highly supportive of the concept.

- Virtually all, supermarkets, 98% surveyed, already have comprehensive labelling.

- Believe that the system should focus on recommended cooking usage and educating consumers of correct cooking technique.

Must have a component dealing with recommended cooking.

- 64% were very confident and 36% reasonably confident that they are able to supply customers with the quality of meat they require.

- Feel that they have greatly improved their meat quality and that most consumer dissatisfaction stems from incorrect selection, handling or cooking technique. 57% of supermarket managers surveyed felt that customers were not very skilled in judging meat quality.

- Most supermarkets are moving towards their own branding system as a way of building consumer confidence in their meat. On average 78% of meat sold in chain supermarkets is under their own brand; for independents this is 55%.

Large proportion of meat sold under own brands.

- Believe that if a product description labelling system was introduced, it would need to have sufficient flexibility for supermarkets to develop their own brands within the framework of the system.

Supermarkets strongly believe in such a system provided it has the flexibility for them to develop their own brand.

WHOLESALERS/VALUE ADDERS

- 37% of wholesalers believe that a product description and labelling system is either an excellent idea and 34% a good idea. However, despite their support of the principle, they believe that there are some significant practical problems:

  (1) Meat eating quality can never be accurately predicted; in the final analysis an expert human eye is needed.

  (2) Product description and labelling systems have a natural tendency to be hierarchical which means that lower quality meat and secondary cuts will be down-graded and undermine the economies of their business.

  (3) A system would add further cost to an already marginal business.

Wholesalers agree in the principle but have some concerns about the practicality of any system.

Visual analysis is needed.

Concerns that it may further polarise acceptance of prime versus secondary cuts.

Cost.

PROCESSORS

- Processors have mixed views on the subject. 38% felt that the concept was either an excellent or good idea and another 19% indicated that it was fair. 33% believed that is worthwhile to promote a system which is almost totally based on objective measurements and standard language.

Processors have mixed views on the subject.

- Main concerns raised in qualitative research were:
  - Difficulty in accurately predicting meat quality.
  - Difficulty in sourcing the desired livestock; processors claim to know what is required but have difficulty in getting the desired article.
  - Economics of disposing of the whole carcase. A product description and labelling system will further down-grade secondary cuts. Not possible to get a sufficient premium for preferred cuts/quality to cover the inevitable further down-grading of secondary cuts.
  - The system will add cost.
  - Industry is already over regulated.
  - A uniform, industry wide system would encourage cheating.
  - System would tend favour to larger exporters.

Processors' main concerns relate to possible impact on the economics of their business.

- There is a trend towards the development of processor brands as a way of building customer confidence in quality. Feel that they have a far greater incentive to do the right thing in terms of quality assurance with their own brand. 40% of processors stated that they had established their own trade brand for beef and 19% for lamb. 35% and 30% of processors respectively had considered developing a consumer brand.

Processor brands achieving the same end result.

- A group of processors are currently trialing a system of graded beef exports to Japan. These grades match well with carcase specifications included in the domestic product and description and labelling system.

- Whilst not surveyed, many producers and lot feeders are supportive of the system believing that it will ultimately improve consumer satisfaction and therefore consumption level, at the same time providing an incentive for producers to deliver the desired product.

Many producers and lot feeders supportive of the system.

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Generally, strong support for a system; processors, wholesalers and retailers have some concerns.

System must include a strong component of consumer education with regard to cooking.

There must be sufficient flexibility for retailers and processor brands within the framework of the system, otherwise it will not gain industry support.

Consumers are very enthusiastic provided the system has integrity.

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Will need strong marketing and promotional support.

Consumers will need to be educated to better understand the link between appearance, eating quality and cooking technique.

IS THE INTRODUCTION OF AN EFFECTIVE PRODUCT DESCRIPTION AND LABELLING SYSTEM LIKELY TO LEAD TO AN INCREASE IN RED MEAT CONSUMPTION?

CONSUMERS

- There is no effective way to gain a meaningful direct answer to this question until the system is tested in a full commercial trial. However, the YCHW research indicates that consumers are often disappointed with the eating result from red meat. In its quantitative research findings, around 44% of meat eaters claim that they are eating less beef today than they did a couple of years ago and 38% are eating less lamb.

- Overall, in the YCHW quantitative research, 38% of consumers find it difficult to consistently buy the quality of beef they require; 33% for lamb. However, figures are higher for the 18 - 34 age group; 41% for 18-24 year olds buying beef; 43% for 25-34 year olds - for lamb 42% and 37% respectively. The consequence of this is greater levels of dissatisfaction with meat quality among younger consumers.

- However, in consumer qualitative research it was found that increasingly consumers, particularly younger housewives, are shopping for meat in supermarkets where they do not have the advantage of personal advice from their butcher.

Whilst it cannot be proven definitively, there is a logical link between the absence of a product description and labelling system and declining red meat consumption.

The link is generally recognised by most sectors of the red meat industry.

- Consumer qualitative research found that they have put in place coping mechanisms which usually involve establishing a close relationship with a retail outlet. A significant point is if it is an important occasion they often cope by serving an alternative to red meat.

- The YCHW research found that around 40% of consumers are likely to increase buying meat if sold with the addition of a production description and labelling system.

The research provides some indication that the addition of a system will increase consumption.

- In the SMART analysis indicated that 77% of consumers stated that they would eat more meat if they could buy constantly tender, tasty meat.

- Significantly, SMART research also indicates that often consumers tend to choose meat which in a blind taste is not their preferred product. In other words, consumers are not capable of selecting meat that satisfies them in terms of eating quality. The YCHW research indicates that they are often disappointed with the eating quality of the meat they choose. If they are regularly disappointed it is reasonable to conclude that they will tend to purchase less red meat.

Sensory research concludes that often consumers are not visually selecting red meat they prefer to eat.

- Whatever contribution a product description and labelling system can provide to improve the link between the purchase decision and the eating result, i.e. help them select their preferred product, it will result in increased product satisfaction which will translate into increased consumption.

Improved link between purchase decision and eating result will translate into increased consumption

FOOD SERVICE OPERATORS

- Most food service operators do not believe that such a system would sell more meat because they, as professionals, have the task of turning whatever is available into an acceptable product. In other words they need to compensate for lower quality meat through choosing a cooking technique which is more forgiving. Notwithstanding this, 89% agree that it would be worthwhile to promote the establishment of a product description and labelling system; they are strongly in favour of a system because it would make their job easier and reduce wastage and cost.

Food service operators believe that a system would reduce wastage and cost.

RETAILERS

RETAIL BUTCHERS

- The majority of retail butchers surveyed favour the introduction of a uniform product description and labelling system and 58% were positive that it would sell more meat.

- In the survey results 73% believed that a standard production description and labelling system would improve customer satisfaction.

Retail butchers believe that it would improve customer satisfaction.

- However, a significant proportion, 38%, doubt the ability of such a system to increase sales. They doubt whether, even with the latest in classification technology, it is possible to accurately measure eating quality; they consider that an expert human eye is needed.

Some doubt that such a system would sell more meat.

- In the qualitative research, some retailers were concerned that it will increase costs leading to a reduction in sales.

- Butchers generally feel that the emphasis should be on educating consumers to cook meat correctly.

Retailers believe that the emphasis should be on educating consumers how to cook.

SUPERMARKETS

- Supermarket management are enthusiastic about the system with 86% of managers believing that it would improve customer satisfaction. 61% felt that this translated in to more meat being sold.

System will improve customer satisfaction

- The quantitative research found that over three-quarters of managers felt that their customers were responding well to labelling that they already had in place. On average, 78% of meat sold in supermarket chains and 55% sold in independent stores is sold under the supermarket's own brand. Overall, nearly 60% felt there was a growing tendency to sell branded meat. Supermarkets believe that they are going part of the way in addressing the issue through their own branding or labelling systems.

Supermarkets strongly believe that such a system would sell more meat supporting their on-going efforts

WHOLESALERS/VALUE ADDERS

- This group are guardedly positive about the ability of such a system to increase meat consumption and believe that it is a step in the right direction. While 71% were positive about the availability of a standard product description and labelling system in the quantitative research, in the qualitative research some wholesalers expressed doubts about the ability of such a system to increase meat consumption.

Processors and wholesalers agree with the concept in principle. However, they have concerns about the underlying ability to deliver a reliable system.

PROCESSORS

- Processors have mixed views on this question although their feeling is more of hope than confidence; most are sceptical that the system will work. While 38% thought it was an excellent or good idea 43% felt that the availability of such a system was only a fair or poor idea.

WILL CONSUMERS PAY A PREMIUM FOR QUALITY ASSURED MEAT BASED ON A DESCRIPTION AND LABELLING SYSTEM?

CONSUMERS

- The YCHW study indicates that around one-third of consumers are willing to pay a premium for meat which is accurately labelled based on quality. (The qualitative research suggests that the proportion would be higher than this.) Of those seeing the rosette concept, 70% indicated that they would be either very interested or probably interested in paying a little more for high quality meat.

- The SMART research provides strong evidence that consumers will pay a premium for their preferred quality of meat. Consumers also indicated that they would pay up to 28% more for meat with the rosette labelling (the most preferred labelling system) over meat with no labelling system.

- In the sensory analysis consumers indicated they would pay 5 - 15% more for meat in cluster 2 than in cluster 3 and 7 - 17% more for meat in cluster 1 than in cluster 2. Clusters are based on tenderness, the most important meat characteristic identified; cluster 1 - high acceptability, cluster 2 - medium acceptability, cluster 3 - low acceptability.

Consumers willing to pay a significant premium for meat with rosette labelling.

A significant percentage of consumers will pay a premium for quality assured meat.

- The YCHW study indicates that, at present, there is a very poor correlation between meat quality and price, i.e. paying more doesn't necessarily guarantee better quality. 81% of beef buyers and 76% of lamb buyers agreed that price is not always a reliable guide to how the meat will taste when it is cooked.

Presently poor correlation between meat quality and price.

FOOD SERVICE OPERATORS

- Overall, 77% of food service operators indicated that they would pay a premium for beef; 73% for lamb, however, these are mainly top end restaurants. Approximately 50% of larger institutions, catering and airline type users would not be inclined to pay a premium but would use their bargaining power to get the high quality meat at the same price.

- Food service operators are less confident about the willingness of their customers to pay a premium for consistent quality meat; only half felt that they would be prepared to do so.

Only top end food service operators will pay a premium.

RETAILERS

RETAIL BUTCHERS

- In the quantitative research 69% of butchers felt that their customers would pay a premium for beef which was guaranteed to be tender; 59% for lamb. The average premium considered attainable was judged to be an 11% price increase.

Quite positive that premiums can be achieved.

- In the qualitative research, retail butchers were more pessimistic on the likelihood of gaining premiums. Opinions on the subject varied depending on where their business is positioned on the price/quality spectrum. Those operating at the top end of the scale claim that they are regularly getting a premium but they are achieving this without any product description and labelling system. Those at the budget meat end of the business are adamant that they would not be able to get a premium; that price dominates the purchase decision.

Ability to gain premiums dependent on positioning of business.

SUPERMARKETS

- Supermarket operators have mixed views on this question; some believe they will achieve a premium as is evidenced by their current pricing strategies based on their own brand. The larger supermarket groups doubt that they can achieve a premium but are enthusiastic about such a system. They would look for ways to streamline their system and procedures to be able to offer the better quality product at the same price. They believe that this is the key to their success.

Supermarkets generally feel that the survival of the meat industry depends on providing consumers with consistent quality meat within current pricing.

- Survey results confirmed these findings; 71% of independents believed customers would pay a premium for beef and 61% for lamb. The figure for supermarket chains was lower; 44% and 25% respectively. On average, independent supermarket managers indicated an 11% price increase; for chains this was only 5%.

WHOLESALERS/VALUE ADDERS

- Quantitative research found that wholesalers believe some of their customers are more likely to pay a premium. For beef 55% felt that the food service sector would, followed by 48% for retail butchers and 45% for supermarkets. In the case of lamb this was 47%, 37% and 33% respectively. The average premium considered possible for beef was 53 cents for tenderness and 23 cents for yield. For lamb this was 31 cents and 18 cents respectively.

- However, in in-depth discussions, this group were adamant that they would not be able to achieve a premium and that the market is total price driven. They would, however, have more satisfied customers.

Some wholesalers' customers more likely to pay a premium than others.

More satisfied customers.

PROCESSORS

- Processors in general believe that it is possible to achieve a modest premium for preferred quality meat which is appropriately labelled.

- In the quantitative research supermarkets and butchers buying beef were considered by far the most likely to pay a premium with 50% of processors indicating so for both segments - for lamb 31% and 25% respectively. Only 35% felt that wholesalers would be prepared to pay a premium for beef - 31% for lamb.

- The average premium considered attainable for beef was 11 cents per kilogram for tenderness and 9 cents for yield. For lamb this was 10 cents and 9 cents respectively.

Processors consider that a modest premium is achievable for preferred quality and appropriately labelled meat.

WHAT CRITERIA SHOULD A PRODUCT DESCRIPTION AND LABELLING SYSTEM INCLUDE?

CONSUMERS

- Visual appearance currently dominates the purchase decision as no description system is available. The YCHW study clearly shows that consumers judge meat quality on the amount of fat/marbling and meat colour. Younger consumers are more sensitive to fat than their older counterparts. Other criteria are very much of secondary importance in the selection decision. Consumers want bright coloured meat with low levels of fat.

Consumers judge meat quality on fat, colour and marbling

- Some of the relevant findings from the YCHW survey are:
  - 73% pay a lot of attention to fat amount when purchasing red meat - of these 97% prefer less fat.
  - 72% pay a lot of attention to colour - 77% of whom prefer a brighter colour
  - 62% pay a lot of attention to the amount of marbling - 93% of these liking less of it.
  - 61% believe that colour tells something about the tenderness of red meat, 52% the cut type, 33% for both fat amount and marbling and 24% for fat colour.

- In the sensory analysis research over 90% indicated that they like one piece of beef more in appearance than another because it had less marbling and less amount of fat.

At present 92%-99% of the purchase decision for beef is based on visual characteristics of fat content.

- In the case of lamb, 58% preferred one leg of lamb in appearance to another because it had whiter fat colour and more fine appearance (42% less amount of fat and less marbling). When comparing one lamb loin to another 99% liked the look of less marbling, more fine appearance and less amount of fat.

- The SMART analysis highlights a well recognised conflict between the visual and the eating characteristics. Consumers base their purchase decision on visual characteristics and price. However, their satisfaction with the product is totally based on eating performance.

The most important issue is the consumer contradiction between visual appraisal and eating performance.

- The conflict is that for the vast majority of consumers, the product they prefer in a visual sense can rate poorly in eating.

- Propensity to re-purchase is heavily linked to eating performance. If consumers have a positive eating experience they will be strongly pre-disposed to try more of the same type of product.

Repurchase is linked to eating performance.

- A key issue is fat. Consumers visually downgrade meat with a visible content of fat yet often show a preference for it when cooked. The YCHW research indicates that dislike for fat is far higher among younger consumers. Consumers over 55 are more tolerant of fat and believe that a piece of meat needs fat to make it tender and tasty when cooked. 68% agreed that a piece of meat needs a bit of fat on it so that it is tasty and tender when cooked - only 35% thought the same in the 18-24 age bracket and 32% in the 25-34 bracket. This suggests that the issue is likely to become progressively more important over time.

Fat a key issue.

- The product description and labelling system needs to address this conflict. The SMART data puts a weighting on the relative importance of visual versus the eating characteristics and eating characteristics predominate.

Eating characteristics predominate over visual characteristics in consumer liking.

- Overall, acceptability of beef and lamb is dominated by liking of eating which contributes around 91% - 99% of why consumers would eat the piece of meat again. Visual appearance, either raw or cooked, contributes very little to their *overall liking.*

Acceptability of beef is dominated (91%-99%) by liking of eating

- Overall eating quality accounts for 65 - 68%, label description 7% and price 25 - 28% in *repurchase intent.*

Price and description also important in repurchase intent

- Eating quality is overwhelmingly determined by tenderness. Propensity to repeat purchase is strongly influenced by recent eating experience, i.e. tenderness. In sensory analysis, for beef, 69% indicated that tenderness was the reason why one topside was liked more for eating than another, 82% indicated the same in tests for striploin and 71% for ALFA beef. In the case of lamb, 85% indicated that tenderness was the reason why one loin is liked more for eating than another and 87% in tests for leg lamb.

Eating quality dominated by tenderness.

- The YCHW study indicates that apart from the quality characteristics, consumers also place a value on other labelling information. 90% indicated they would pay a lot of attention to use by date, 87% to packing date, 76% to price per kilogram, 73% to price per piece/portion, 70% to type of meat, 60% to net weight and 47% to most appropriate cooking method.

- Based on the SMART research there is no basis for establishing a separate grading system for grain fed versus grass fed beef.

Consumers place a value on product information other than quality such use by and packing dates, price per kg and per portion, type of meat, net weight and cooking methods.

From a consumer's point of view the system must take into account visual and eating characteristics, price and appropriate product description and information.

The program will need to be supported by an education program to reconcile the conflict between visual and eating characteristics.

FOOD SERVICE OPERATORS

- Food service customers base their purchase decision and quality judgement on customer satisfaction and cost. Customer satisfaction is dominated by the eating performance and plate appearance; the latter of which is mainly to do with the preparation but takes into account the level of trim.

- Food service operators have a better understanding of the link between visual appearance and eating satisfaction and are more receptive to fat content.

- All of the factors identified as being important to consumers also apply to food service operators. In addition, food service operators place a high weighting on consistency of primal/muscle and portion size and also the slaughter and packaging date together with a trace back mechanism.

- In descending order of importance, the majority of food service operators, 59%, rate age at slaughter as being a very important quality attribute for carcase meat for inclusion in a product description and labelling system, followed by 54% for slaughter date, 53% tenderness, 44% weight.

- For carton meat, the majority, 67%, felt that the date packed on was a very important attribute, followed by 62% for tenderness, 59% for slaughter date and 57% for age at slaughter.

In addition to customer satisfaction, primal/muscle and portion size, slaughter and packaging dates and a trace back mechanism are important descriptions for food service operators

RETAILERS

- One point that retail butchers and supermarkets tend to agree on is that the product description and labelling system needs to include a strong element of education for consumers on the selection and cooking of meat cuts.

- Retailers believe that it is virtually impossible to convince consumers to buy meat which is not visually appealing despite the fact that it may perform better in eating. They therefore believe that the program must educate the consumer.

- The majority of retail butchers believe that there needs to be standardisation in cut names and enforcement of truth in labelling.

- Supermarket managers believe that there is a great opportunity to promote meat on the basis of health and nutrition and that nutrition labelling should be incorporated into a labelling system.

- Hygiene, health and safety are also important issues to supermarkets.

In the view of retailers, an element of cooking education should be included.

Standardisation of names and truth in labelling are considered necessary.

WHOLESALERS AND PROCESSORS

- Wholesalers and processors do not have strongly formed views about the criteria for the labelling system although they agree that in the final analysis consumer satisfaction is directly linked to tenderness.

- Truth in labelling is considered important because of passing off of one quality for another, e.g. mutton for lamb or *export quality* for prime.

Wholesalers and processors believe that truth in labelling is important.

In summary the criteria for end retail product should be:

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Consumers	*Food Service Operators*	*Retailers*
Eating - Tenderness - Taste **Visual** - Degree of marbling - Amount of fat - Meat colour - Fat colour **Price** **Other** - Cooking instructions - Grade symbol - Cut of meat - Net weight - Handling and storage advice - Nutrition information - Use by date	**Eating** - Tenderness - Taste **Visual** - Degree of marbling - Amount of fat - Meat colour - Fat colour **Price** **Other** As for consumers plus: - Primal and portion size range - Packed on date - Trace mechanism	**Customer appeal** - Tenderness - Taste - Degree of marbling - Amount of fat - Meat colour - Fat colour **Price** **Carcase Traits** (Based on AUS-MEAT) - Age - Sex - pH - Grain/grass fed - Fat content - Grade **Cartons** As for above plus: - Packed on date - Brand names - Trace back mechanism **Other** - Standard labels - Standard cut names - Cooking instructions - Truth in labelling

HOW MANY QUALITY LEVELS OR GRADES SHOULD THERE BE?

CONSUMERS

Three acceptable quality levels for beef and one acceptable quality level for lamb are identified by the sensory research.

- The SMART research indicates that, based on eating quality, consumers are capable of differentiating between three acceptable quality levels of beef, depending on which cuts, and one acceptable quality level of lamb. The SMART report refers to these as clusters; this report interprets these quality levels as grades.

- For beef, the sensory research shows three clusters, of which the third is judged unsuitable for grading. In addition a top grade is likely to exist, which was not represented by the product tested. Product likely to fall within this top grade will be tested in the trial with Woolworths (see Section 6(a)). For lamb, the research shows two clusters, of which the second is judged unsuitable for grading. The number of grades for both beef and lamb, however, is subject to further research and refinement. In a marketing sense, there may be a benefit in having three categories for both beef and lamb.

- Grade suitability for a particular cut would appear to be influenced by the cooking technique employed, e.g. dry or wet cooking methods.

- There is no evidence in the SMART research to suggest that consumers are capable of differentiating between grain or grass fed beef. The differentiation is based on tenderness and hence grain feeding is only relevant if it affects tenderness. The research suggests that consumers are just as satisfied with grass fed beef provided it is equally as tender.

Tenderness is the major determinant - not grass or grain production systems.

FOOD SERVICE OPERATORS

- It is difficult to draw any meaningful conclusions on this issue for food service operators as situations vary greatly from segment to segment.

- The larger, more sophisticated operators are satisfied with the AUS-MEAT language for selecting and ordering meat.

- There is no evidence to suggest that food service operators would not be happy with three grades for beef and one grade for lamb as for consumers.

- Larger food service operators currently purchase up to three grades of beef, and quality lamb, to suit their various dining venues.

Food service operators would also accept three grades for beef and one grade of lamb.

RETAILERS

RETAIL BUTCHERS

- It was found that different butchers service different customer segments but with only one segment and only one quality offering in the same shop. 46% indicated that they were in the medium quality/price range. The only exception to this seemed to be with rump and mince where often two quality levels were offered. Some butchers who had tried offering different quality/price levels found that the higher quality/price was not selling.

Usually only one quality level - exception to this is rump and mince with two quality levels being offered.

SUPERMARKETS

- The larger supermarkets believe that there should only be two grades for beef, and quality lamb. They have test marketed a three grade system and found it to be too cumbersome and difficult to manage from a marketing point of view. This does not necessarily present a dilemma if a three grade system was introduced because it is likely that supermarkets would choose to promote only two of the grades depending on their market positioning and customer profile.

Supermarkets' experience that three grades can be cumbersome in a marketing sense.

WHOLESALERS/VALUE ADDERS

- Although wholesalers see value in product description, they are generally opposed to grading. Their major concern on the issue of grading is that it naturally tends to be hierarchical which means that lower quality meat and secondary cuts are downgraded undermining the economies of their business.

Major concern that grading downgrades secondary cuts.

PROCESSORS

- Processors tend to be opposed to discrete grades, as distinct from product specification, because they believe it downgrades lesser preferred product. They believe that the current AUS-MEAT system is generally adequate, apart from a small amount of fine-tuning.

Processors generally advocate product description based on AUS-MEAT in preference to grading.

WHAT IS THE PREFERRED LABELLING SYSTEM?

CONSUMERS

- Of the four descriptions evaluated, the SMART research indicates a strong consumer preference for the rosette system, i.e. blue, red and green. Participants viewing all four descriptions felt that rosettes contributed 36% - 59% (depending on cut of meat) towards repurchase intent when taking just the description into account and ignoring factors of price and eating quality.

- The McKinna qualitative research indicates that the appeal of the rosette system was its simplicity, however, while the rosette system was the preferred system, the consumers could also see virtue in the other systems such as Right Meat, etc.

- The YCHW research indicates very strong consumer support for Right Meat with the rosette system and the Tendertaste concepts also scoring highly. Of those seeing each concept, 90% felt that Right Meat was a great or fairly good idea; for the rosette system this was 85% and for Tendertaste 80%.

- 70% seeing the rosette system indicated they would be either very interested or probably interested in paying a little more for high quality meat; for Right Meat and Tendertaste this was 61%.

- 42% of those seeing the Right Meat concept felt that they would be either very likely to, or somewhat likely to, increase buying of meat sold this way; for the rosette system this was 39%, for Tendertaste 36%.

Consumers revealed preference is strongly for a rosette style system.

Other description systems also have appeal, particularly Right Meat.

- Industry and retailer brands did not perform well in the qualitative research.

Industry and retailer brand are much less preferred.

- Collectively through focus groups undertaken to assess the graphic design concepts, the following attributes were highlighted as being essential for an effective product description and labelling system:
  - Design must be simple - immediately obvious what is being communicated
  - Unambiguous
  - Able to be quickly interpreted by shopper
  - Cannot totally rely on person's literacy
  - Cannot totally rely on colour because of colour blindness
  - Must be seen to be a consumer information device rather than a marketing gimmick
  - Must communicate sense of integrity

Simple, unambiguous and easily identifiable design.

- Overall, the most preferred concept in the qualitative research assessing designs was the rosette design submitted by Campaign Palace. The appeal of this was seen to be:
  - Very positive, simple and clear
  - Relating to meat - Royal Show connotation
  - Blue, red and green - simple and traditional
  - Clear to most that blue is best
  - Not blatantly hierarchical
  - Words *Prime, Choice, Select* not strongly hierarchical
  - Australian symbol - very positive.

Rosette concept simple and clear.

FOOD SERVICE OPERATORS

- This issue was not specifically researched with food service users. The qualitative research, however, indicates that many food service users have faith in processor brands as a labelling system on the basis that the processors have a vested interest in protecting their brand. Increasingly, food service operators are moving in favour of processor brands. In the survey, overall 35% indicated that they preferred to buy branded meat, although the figure is significantly higher for five star restaurants.

Processor brands have credibility with food service customers.

RETAILERS

RETAIL BUTCHERS

- Retail butchers feel that a labelling system should have a strong element of consumer education.

- Butchers involved in previous Right Meat trials found the most positive aspect of it was that it provided customers with much needed education, however, is was seen as a promotional vehicle rather than a product description and labelling system.

Strong consumer education element required.

Right Meat effective in this regard.

SUPERMARKETS

- Supermarkets are strongly moving towards their own brands as a device to label meat. They believe that over time consumers will develop confidence in their brands and their integrity in delivering consistency.

- Virtually all supermarkets have incorporated their own version of the Right Meat System.

- Overall, 52% indicated that they would be likely to adopt a Right Meat system and another 16% said they would but in a modified version. 7% indicated that they had already adopted their own version.

Supermarkets' new strategies are based on developing their own brands as a labelling system

Nearly all supermarkets incorporate a Right Meat component.

- Also believe that with quality assurance programs, largely based on the AUS-MEAT language, they now have the ability to provide consistent quality under their various brands.

- The general trend amongst supermarkets is to have two brands; a premium quality brand and a budget price oriented brand.

Trend is to have two brands.

WHOLESALERS/VALUE ADDERS

- Of those wholesalers who believe that labelling has any relevance, they tend to favour their own branding system. 63% of wholesalers stated that they had established their own brands on cartons; 82% of whom used AUS-MEAT language as a product description system.

Some wholesalers favour their own branding system.

PROCESSORS

- Processors are progressively working towards developing their own brands offering their customers various quality levels under a range of brands. 40% surveyed indicated they had established their own trade brand for beef; 19% for lamb. Of these 88% used AUS-MEAT language to define their brands for beef; for lamb this was only 33%.

Processor strategies are increasingly moving towards processor trade brands.

- For beef and lamb, 35% and 30% of processors respectively had considered developing a brand which is promoted to the consumer.

- Processors are against a system which is blatantly hierarchical, i.e. gold, silver and bronze, because they feel it would strongly down-grade less preferred products. They are quite comfortable with non-hierarchical colour based systems. In fact, most processor brands are based on non-hierarchical colour grades.

They are comfortable with non-hierarchical based systems.

There are differences of opinions at various levels of the marketing chain as to the preferred system of labelling.

However, this does not necessarily present a dilemma as there is no reason why the various labelling system should be mutually exclusive. There is no reason why colour rosettes, Right Meat, retailer and processor brands could not be brought together.

One thing is clear, supermarkets and processors will not accept a system that does not provide them with sufficient flexibility to provide their own brands.

In other words, the system must provide a framework with which they individually can develop their own marketing and labelling strategies.

A non-hierarchical colour rosette system linked to a Right Meat type suggested usage system satisfies most people's requirements.

The system must have sufficient flexibility to accommodate processor and retailer brands.

IS THERE ANYTHING THAT CAN BE LEARNT FROM THE RIGHT MEAT PROGRAM THAT HAS RELEVANCE?

CONSUMERS

- Consumers were enthusiastic about Right Meat when it was explained to them in the qualitative research. Also, the feedback from the monitoring research at the time was that consumers received a lot of value from Right Meat.

- In the YCHW quantitative research, Right Meat achieved the highest consumer rating with 46% believed it was a great idea and 44% a fairly good idea, indicating strong appeal to the approach.

Right Meat has support from consumers and retailers, particularly the educational aspects.

RETAILERS

RETAIL BUTCHERS

- The retailers who participated in Right Meat were generally quite positive about it and were disappointed that it did not keep going. In particular, they felt that the education aspects were particularly useful.

- There were, however, differences of opinion about incorporating quality levels. Some retailers felt that linking to quality was essential whilst others felt it was counter-productive.

- There was some concerns about the name 'Right Meat' which they felt tended to down-grade the secondary cuts.

- Retail butchers feel very strongly that the single biggest issue in meat marketing is to teach consumers to select and cook meat correctly. They believe that Right Meat has made a major contribution towards this.

Biggest issue is to teach consumers to select and cook meat correctly.

SUPERMARKETS

- Supermarkets are generally very enthusiastic about Right Meat to the extent that the main groups are still running their own version of Right Meat. 66% believed that it was either an excellent or good idea and 52% indicated they would adopt the system.

Supermarkets are adopting their own versions of Right Meat.

- Unlike retail butchers, supermarkets feel very strongly that Right Meat must have a quality component.

WHOLESALERS AND PROCESSORS

- Wholesalers and processors are concerned that Right Meat further amplifies the already existing polarisation in appeal of prime versus secondary cuts. The Right Meat system, as tested, tended to accentuate the problem.

Wholesalers and processors are concerned that Right Meat tended to downgrade secondary cuts.

- They feel that a different name would go a long way to rectifying the problem, together with more promotion on the use of secondary cuts.

Right Meat name should be changed.

TRUTH IN LABELLING

CONSUMERS

- Consumers are clearly confused by many of the terms commonly used in meat retailing. For example, the majority of consumers believe that *export quality* is superior quality meat and that *aged* meat is from an old animal.

- Furthermore, because of their lack of knowledge in meat selection, there is the potential that they can buy mutton as lamb and beef as veal. When this occurs they are often disappointed with the results.

Consumers are often confused or misled by terminology.

FOOD SERVICE OPERATORS

- Similar to consumers, food service operators, particularly the smaller ones, can be confused or misled by meat labelling.

- The most common occurrence is mislabelling in terms of either the age or quality of the meat.

Food service operators confused or misled by labelling.

RETAILERS

RETAIL BUTCHERS

- Retail butchers complain that many of their competitors often blatantly mislead their customers through false labelling and passing off meat as being of a higher quality than it really is.

Retail butchers claim that their competitors often blatantly mislead the public through false labelling.

SUPERMARKETS

- Supermarket managers also complain about misleading labelling in the industry. They are concerned about the lack of standardisation of cut names and other terms between states which makes it difficult to run multi-state operations.

- They would like to see national standardisation of names and terminology.

Supermarket operators are frustrated by the lack of standardisation of cut names and terminology.

WHOLESALERS

- Wholesalers, like retail butchers, are critical of the fact that many operators often mislead their customers through mislabelling. In their case, passing off mutton as lamb is the most common occurrence.

- They would like to see national standardisation of names and terminology.

Wholesalers claim that passing off mutton as lamb is common.

WOULD THE PROPOSED SYSTEM BE COMPATIBLE WITH AUS-MEAT?

CONSUMERS

- Although the issue of AUS-MEAT was not raised with consumers, in qualitative research they indicated that they would be reassured to know that a system was supervised by a suitably qualified, independent body.

Consumers would be reassured by a system supervised by a qualified independent body.

FOOD SERVICE OPERATORS

- On average around 20% use AUS-MEAT language as the quality specification when ordering red meat, although the larger food service operators, particularly airlines, catering firms, large hotel groups, etc., are the more prominent users of AUS-MEAT as a basis for their specifications and quality control systems. Smaller operators tend only to be vaguely aware of AUS-MEAT. In their view, the system should be an extension of AUS-MEAT and totally compatible with it.

- Those using AUS-MEAT are reasonably satisfied with it. The main complaint is that it does not adequately deal with ranges of primal sizes.

- Some operators also believe that it needs to get down to the level of specifying individual cuts because of the growing trend towards portion control cuts by the food service industry.

Larger operations are more prominent users of AUS-MEAT

Food service operators generally consider that the AUS-MEAT language is an effective foundation for a product description and labelling system, perhaps with some minor adjustments.

RETAILERS

RETAIL BUTCHERS

- Most retail butchers are not very involved with AUS-MEAT; in the survey although 66% believed that they are either very familiar or reasonably familiar, only 22% stated that they use it when ordering meat.

Only a small percentage of retailer butchers use AUS-MEAT.

SUPERMARKETS

- In general, supermarkets are quite enthusiastic about AUS-MEAT and use it as an integral part of their specifications, ordering and quality control systems. Most of them have their own manuals based on the AUS-MEAT language and insist that their suppliers are AUS-MEAT accredited. 75% of supermarket chains use AUS-MEAT when ordering meat and 69% specify that suppliers must be accredited. For independents these figures are 46% and 18% respectively.

Supermarkets are unlikely to accept a labelling system that was not based on the AUS-MEAT language.

- Supermarkets meat managers generally acknowledge that their adoption of AUS-MEAT has been the single biggest contribution to the increase in meat quality. They feel that the system in its current form is adequate.

AUS-MEAT has led to significant improvement in their meat quality.

- Because their systems and procedures are based on AUS-MEAT they would be reluctant to adopt a system that was not totally compatible with the AUS-MEAT language.

WHOLESALERS/VALUE ADDERS

- Although approximately 90% of wholesalers believed they were very familiar or familiar with AUS-MEAT language, only 24% indicated that they used it when ordering beef; 17% for lamb. Supermarket were the main customer users of it when ordering from them.

Vast majority of wholesalers are familiar with AUS-MEAT, however, only limited use.

- Of those who had established their own brands 82% used AUS-MEAT language as a product description system.

- Wholesalers tend not to be very enthusiastic about AUS-MEAT believing that in the final analysis an expert eye is needed to make the final judgement about meat quality. They believe that AUS-MEAT unnecessarily adds to the cost without contributing much in terms of providing them with a marketing edge.

Wholesalers believe that an expert eye is needed to make final judgement about meat quality.

PROCESSORS

- Many processors are closely involved with AUS-MEAT; accreditation is a requirement to supplying most supermarkets and large food service customers. In general they are satisfied with the system in its current form as regards to describing product.

Processors generally satisfied with AUS-MEAT in its current form.

- 86% of processors were AUS-MEAT accredited. Of their customers, supermarkets use AUS-MEAT language the most when ordering meat. 38% of processors felt that the language enabled customers to specify products sufficiently to ensure that they receive the quality of meat they require.

Supermarkets main customers using language.

- Satisfaction with the AUS-MEAT language is lower for lamb than beef; 85% of processors were either very satisfied or reasonably satisfied in the case of beef; for lamb this was only 62%.

Satisfaction with language lower for lamb than beef.

- Of those processors who had established a trade brand for beef, the vast majority, 88%, used AUS-MEAT language to define brands, however, only 33% did so for lamb.

To achieve widespread industry support, the system would need to be totally compatible with the AUS-MEAT language.

Some parties believe that the AUS-MEAT language would need to be further refined, notably addressing the main complaint that categories are too broad, to ensure that it gives maximum contribution to a consumer oriented product description and labelling system.

However, there is a body of people from all sectors of the industry who have expressed a lack of confidence in AUS-MEAT and feel strongly that if this proposal is to be successful the product specifications/ measurements and quality assurance procedures need to be conducted in a manner which is not reliant on AUS-MEAT although still compatible with it.

ARE THERE ANY RELATIONSHIPS BETWEEN OBJECTIVE MEASUREMENTS OF BEEF PROPERTIES AND CONSUMER PREFERENCES?

- SMART research found that:
  - Consumers are prepared to like to eat beef which is either lean in appearance or marbled (i.e. up to marble score 3 which was used in the research), *provided it is of good eating quality i.e. tender.*
  - Some lean meats in the research were not perceived to be tender.
  - Consumers, however, do not like the appearance of beef which shows any degree of marbling.
  - The research therefore highlighted the fact that, even though some lean meats can be tender, some are not. Consumers may buy these less tender lean meats because they like the appearance, but will be dissatisfied with the eating quality.
  - The research therefore also highlights the fact that consumers will not buy the more marbled meats because they do not like the appearance, but could like the eating quality if they were convinced to buy.
  - It is possible to have both lean and marbled meats which are of high eating quality, i.e. mainly tender, but consumers cannot predict this from how much they like the appearance of the beef.

Good eating quality is the reason why consumers like to eat beef, regardless of its appearance.

Some lean meats not perceived to be tender.
More marbled meat could be more tender, however consumers do not like its appearance.

- SMART research also used mathematical models to determine whether there were any relationships between various objective measures and consumer liking of eating quality and found that:

- Relationships between fat measures, such as chiller assessment, marbling and total fat and consumer liking of eating quality were not strong (ie at best accounted for a low level of variance - around 20% to 40% - when used in combinations of variables; if used alone variance explained was even lower).
- * Relationships between physical measures (such as Warner Bratzler, Instron compression, Mirinz) and consumer liking of eating quality similarly were not strong.
- * This type of result has been found in many other scientific studies.

There is only a weak relationship between tenderness and traditional objective measures.

- The Beef CRC in Armidale is currently undertaking research to ascertain the relationship between marbling and sensory tenderness.

ARE THE SYSTEMS AND TECHNOLOGY IN PLACE TO DELIVER CONSISTENTLY TENDER MEAT?

- The SMART research concludes that the conventional chiller assessment measures currently being used by the industry, *when measured alone without a quality assurance system*, are not good predictors of tenderness; the major determinant of eating quality as judged by consumers.

The preliminary scientific results indicate a poor correlation between traditional tenderness measures and consumer satisfaction.

- The ideal situation would be to have a system based on equipment which accurately measures tenderness, such as *Tendertec* and *VIA*. Indeed, some parties in the industry believe that the proposal should not proceed until these objective measures are perfected.

- However, there is a high level of support for the notion that the industry must urgently do whatever it can do to improve consumer satisfaction and usage of its product.

Urgent need to improve customer satisfaction.

- Experienced meat scientists are confident that it is possible to deliver tender meat to the consumer at acceptable levels of consistency by applying best available quality assurance practices. In other words, quality specifications supported with rigorous QA will achieve an acceptable result with current know-how and technology.

Quality specifications with QA believed able to achieve acceptable levels of consistency.

- Processors are confident that if required they can consistently deliver meat of a required quality. They claim that the reason why meat is inconsistent at present is because of a natural variability in carcase quality, often seasonally influenced, and that their job is to clear available meat.

- Although processors considered that there was a major practical problem of the availability of suitable stock to satisfy demand, they acknowledged that provided clear signals flow down the channel, over time it will stimulate production of the desired animals.

- Based on the qualitative research, processors are confident that if a uniform product description and labelling system was in place, they would be able to deliver suitable quality meat 90% of the time.

Processors confident they could delivery suitable quality meat 90% of time.

- Wholesalers are sceptical of processors' ability to provide consistent quality meat. In their view, the problem is not so much the ability of the industry to judge meat quality, but more one of availability.

⇩

- On this issue there needs to be a degree of pragmatism. Whilst the current system cannot meet the rigours of a controlled scientific test, all sectors of the industry would defend their ability to deliver consistent quality meat to acceptable commercial standards.

- The industry is confident in its ability to greatly improve the consistency of meat and ability to meet quality standards and that a uniform product description and labelling system is the missing link in the chain. A uniform system would provide the incentive to deliver better quality meat because of the ability to achieve a premium.

Industry pragmatists would argue that there are systems and procedures in place to greatly improve consumer satisfaction levels.

⇩

The prime objective of the trial to be conducted in conjunction with Woolworths Queensland (section 6a) is to determine whether with the application of best practice and current technology it is possible to consistently deliver tender meat to acceptable levels as judged by the consumer.

HOW SHOULD THE SYSTEM BE ENFORCED?

CONSUMERS

- From a consumer's perspective, there needs to be a credible authority, either government or semi-government endorsed, to protect their interests. In the consumer qualitative work, the major appeal of the USDA labelling system was that it was enforced by a credible government authority.

- Consumers expressed a distrust of industry self-regulation or retailer or processor driven product description and labelling systems.

Consumers believe that a credible authority is needed to protect their interests.

FOOD SERVICE

- This point was not specifically researched with food service operators. However, some food service operators believe that there should be a strongly enforced, truth in labelling element to prevent unscrupulous operators from passing off meat as being better quality than it really is.

Some food service operators believe that strongly enforced truth in labelling required.

RETAILERS

- Retailers, both retail butchers and supermarkets, feel very strongly that there should not be more regulation in the industry.

- Supermarkets have a big commitment to developing their own brands and would resist any system which detracted from their strategies.

Retailers are likely to resist further compulsory regulations.

- Some sections of MATFA are considering the adoption of a franchising system and would want the system to be compatible with this.

To the degree possible the system should work on commercial incentives with maximum flexibility for parties to pursue their own marketing strategies.

WHOLESALERS/VALUE ADDERS

- Most wholesalers are of the opinion that there is no need for enforcement; that market forces serve the industry well.

- Some wholesalers do believe, however, that there needs to be an enforced system of truth in labelling.

PROCESSORS

Processors believe the industry is already over regulated.

- Processors strongly believe that the Australian red meat industry is already over regulated and there should be less, rather than more. They believe that more regulation simply adds cost without serving any purpose.

Commercial pressures to protect their own brands more powerful than industry regulation.

- Processors believe that the growing trend towards processor brands will achieve the desired results through market forces obviating the need for any industry involvement. In their view, it would be committing commercial suicide not to have a high level of integrity with their brands.

- In the final analysis, the commercial pressures to protect their own brands will be far more powerful than any form of industry regulation.

To the maximum extent possible, any product description and labelling system must be voluntary and based on commercial footings with a minimum amount of regulation.

However, consumers will feel far more reassured in the knowledge that there is a credible, independent body protecting their interests.

There is a widespread feeling that the system can be enforced. However, it needs to be voluntary as well as licence based and there needs to be a demonstrable commercial advantage in the operations adopting the system.

In the final analysis the question as to whether the system can be effectively enforced can only be resolved by a substantial test market.

SECTION 3

CONCLUSIONS

WOULD IT BE IN THE INDUSTRY'S INTEREST TO PROCEED WITH THE DEVELOPMENT OF A UNIFORM PRODUCT DESCRIPTION AND LABELLING SYSTEM?

There is evidence to suggest the need for a uniform product description and labelling system and that, to be effective, it should improve consumer satisfaction which would increase their propensity to purchase more red meat.

⇩

Most parties in the industry agree in principle with the need for a system but have some doubts about the practicalities.

There is also a general tendency in the industry to resist further regulation or involvement meaning that, if there was an attempt to force a compulsory, inflexible system on them it would meet with a large amount of resistance.

⇨ There is evidence of consumer dissatisfaction with meat quality and consistency and an inability of consumers to confidently predict the eating performance of meat from its visual appearance.

Consumer dissatisfaction with meat quality, consistency.

⇨ An effective product description and labelling system would assist consumers in judging meat quality.

Effective product description and labelling system - assist consumers judging meat quality.

⇨ It is essential to support the system with a strong consumer education program. In particular, it must address the fundamental conflict within consumers between their visual preferences and the eating performance, particularly with respect to fat content and, to a lesser degree, meat colour.

Consumer education program.

⇨ The various parties in the industry generally accept the principle of a uniform product description and labelling system although see some practical problems that will need to be addressed.

Practical problems to be addressed.

⇨ Whilst the majority of the industry would support the introduction of a system, they would strongly resist any model which did not provide them with the flexibility to promote their own brands and marketing formulae.

Industry will resist inflexible system.

- From the industry perspective, a concern is the expectation that a grading system would tend to further polarise preferred quality over less quality and prime cuts over secondary cuts. The system would therefore need to be supported with a promotional campaign to encourage usage of lesser quality and secondary cuts.

Industry concern that grading system will further polarise preferred quality over less quality.

- It is recommended that the project proceeds to the development of a draft product description and labelling system based on the guidelines outlined in Section 4 for consideration by the project's Steering Committee.

Development of draft product description and labelling system

SECTION 4

GUIDELINES FOR THE DEVELOPMENT OF A PRODUCT DESCRIPTION AND LABELLING SYSTEM

4(a) CRITERIA TO BE COVERED BY A UNIFORM PRODUCT DESCRIPTION AND LABELLING SYSTEM

Collectively, the program of research suggests the following guidelines in the development of a product description and labelling system

1. It should primarily focus on the eating performance of the product, particularly tenderness and, to a lesser extent, taste.

2. It must address the strong conflict in consumer senses between visual characteristics and the eating performance. Commonly consumers are not selecting the type of meat that they prefer to eat.

3. There should be three quality levels for beef cuts and one for lamb, although the number of quality levels will need further consideration.

4. There is no basis for having a different grading system for grain fed beef. There is a need for standard terminology, whether applied to grass or grain fed beef, supported with appropriate codes of practice.

A system should:

Focus on tenderness

Address conflict between visual characteristics and eating performance

Employ a number of grades; possibly three beef grades and one lamb grade

Separate grades for grain fed beef cannot be justified.

(5) The quality levels should be indicated by a simple system and colour coding, but which is not to strongly hierarchical, e.g. blue, red and green, and could incorporate symbols as used in the rosette system.

Non-hierarchical colour grading possibly incorporating symbols.

(6) There needs to be a system of recommended cooking methods supported by a strong program of education about correct cooking techniques.

Recommended cooking techniques.

(7) The system should incorporate standard cut names and product description terminology at the consumer level.

Standard cut names and description terminology.

(8) There needs to be truth in labelling applied to descriptions.

Truth in labelling.

(9) The system must provide adequate flexibility for retailers, wholesalers and processors to develop their own brands based around their individual marketing mixes. At the same time, their brands must be complementary to the system without compromise to the overall industry interests.

Flexibility for processors and retailer brands.

(10) There needs to be a highly visible and credible independent body which is seen to be acting in the consumer's interest.

Credible endorsement body.

(11) There needs to be a quite separate but compatible version to cater for the specific needs of the food service market.

Separate food service arm.

(12) The system must be capable of being delivered by both retail butchers and supermarkets.

Even handed.

(13) The system must not favour prime cuts and downgrade secondary cuts.

Non down-grading of secondary cuts.

4(b) GUIDELINES IN THE DEVELOPMENT OF GRAPHIC SYMBOLS

The original stages of consumer research identified a number of critical parameters. Based on these early findings a detailed brief was developed and four graphic design firms were invited to develop graphic concepts which were then put into a further stage of market research. In all, 40 combinations and variations were evaluated. The following conclusions and guidelines were developed from this research.

Choice of graphic symbol critical to success.

⇨ The consumer research clearly indicates that the choice of graphic symbols used is critical to success and that the labelling device must fully appreciate the underlying psychology.

Blue, red and green colours

⇨ In line with the requirement that the design not be blatantly hierarchical, the use of colours blue, red and green are preferred being simple, clear, universally understood and unambiguous, but without being strongly hierarchical.

Preferred symbol rosette or shield.

⇨ The preferred symbols are either a rosette or a shield although both have strengths and weaknesses. The appeal of the rosette is that it is associated with meat quality. The shield, on the other hand, conveys a greater sense of integrity; the ribbons were seen to be more "showy" or promotional, something that would be associated more with a brand than an industry-wide quality system.

⇨ Symbols, particularly stars, are generally more acceptable than words such as prime, choice and select. It is difficult to find words which clearly indicate quality, but without being blatantly hierarchical.

Symbols preferred to words.

⇨ The design should not be reliant on colours or words to make it identifiable to ensure that customers who may be colour blind or illiterate can still select meat to their preference.

Not reliant on colour or words.

⇨ The more preferred support to indicate the grade is one with 5, 4 or 3 stars because they are well understood in the context of food. Clearly 5 stars is seen to be the best and 3 stars the lowest, but still quite acceptable without any stigma associated with purchasing the 3 star product. Numbers or roman numerals confuse consumers in terms of their order.

5, 4 and 3 stars the preferred support to indicate grade.

⇨ There needs to be an additional quality guarantee symbol, one that conveys the feeling of integrity and independence, such as a logo, seal or some other device, a device that symbolises that this is a credible body overseeing the system and testifying to its integrity.

Need to develop seal of integrity.

⇨ The inclusion of the map of Australia appeals to the patriotism and supports local companies as well as adding to the consumer's confidence.

Map of Australia positive.

⇨ The symbols must be able to be protected under law.

Must be protectable.

⇩

The preferred labelling system is one which is based on blue, red and green symbols, either rosettes or shields, combined with 5, 4 and 3 stars to indicate quality levels and including an integrity symbol inside a map of Australia.

⇩

Some further refinement is needed.

4(c) ELEMENTS OF THE PROPOSED SYSTEM

INTRODUCTION

- The research shows conclusively that consumer satisfaction with meat is judged almost totally by eating quality which in turn is almost totally based on tenderness.

Consumer satisfaction with meat judged by eating quality.

- Eating quality of meat is a function of:
  - The carcase quality as determined by production and processing parameters.
  - The appropriate cut selection and method of cooking for a particular use.
  - The manner in which it is cooked.

- If the product description and labelling system is to confidently deliver consumer satisfaction based on eating quality, it must address all three points.

Satisfactory product description labelling system must address eating quality of meat.

- Little is achieved if the industry delivers consistently tender meat but the outcome is disappointing due to consumers cooking a particular cut in the wrong way.

- Its prime aim is to put consumers in touch with the meat they prefer given their budget and to assist them in cooking the meat by the method that will produce the best results.

Aim of system - deliver customer satisfaction relative to their expectations.

- In other words, the aim of the system is to deliver customer satisfaction relative to their expectations.

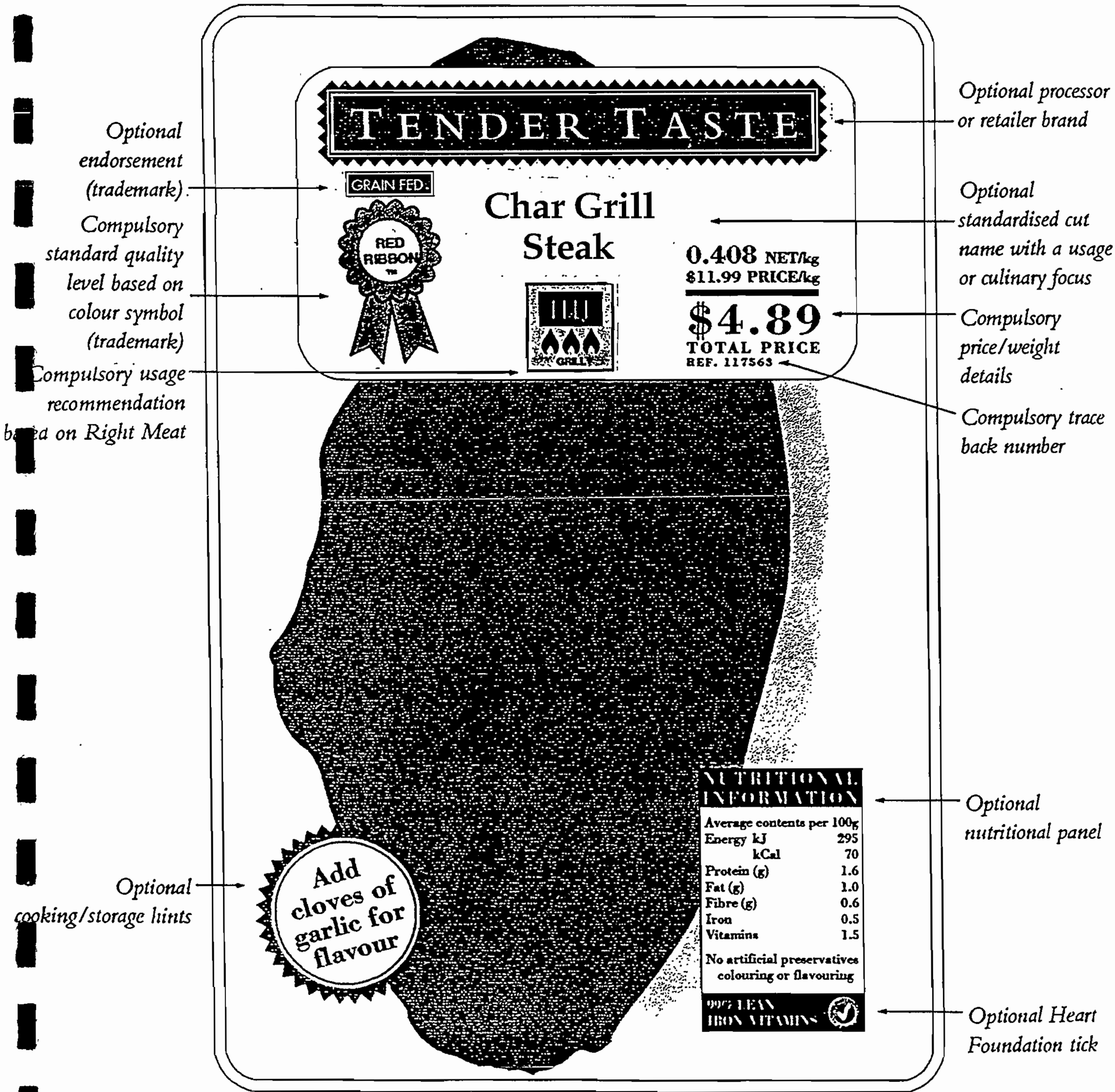
KEY ELEMENTS OF PROPOSED SYSTEM

• Three grades of beef and one grade of lamb.	**3 grades beef, 1 grade lamb.**
• Grades based on the traditional predictors of tenderness, age, weight, sex, pH etc. Grades to be specified in AUS-MEAT language.	**Grades specified in AUS-MEAT language.**
• As well as specifications, there will be a QA system as eating quality can be strongly influenced by the pre and post slaughter treatment of the carcase.	**Specifications & QA system.**
• The central element of the system would be a recommended cooking technique which would be based on the carcase quality and the particular cuts.	**Recommended cooking technique.**
• Quality grade to be communicated to the consumer by colour rosettes. These would be designed based around the guidelines presented in section 4(b).	**Quality grade - colour rosettes.**
• The quality grade would be assigned at the point where the carcase is broken down. Prior to that point it would be specified in AUS-MEAT language.	**Quality grade - point where carcase broken down.**
• It is proposed that there be a truth in labelling component with heavy penalties to those who mislabel product.	**Truth in labelling component.**

The accompanying graphics give an example of how the system might be communicated to the consumer. The supermarket prepack is designed to give prominence to the grade while the cooking method is secondary. The retail butcher's price ticket is designed to give prominence to the cooking method, while the grade is secondary. These approaches represent alternatives of emphasis which can be decided at a later date according to which would be most consumer appropriate, say prior to the commencement of the full test market.

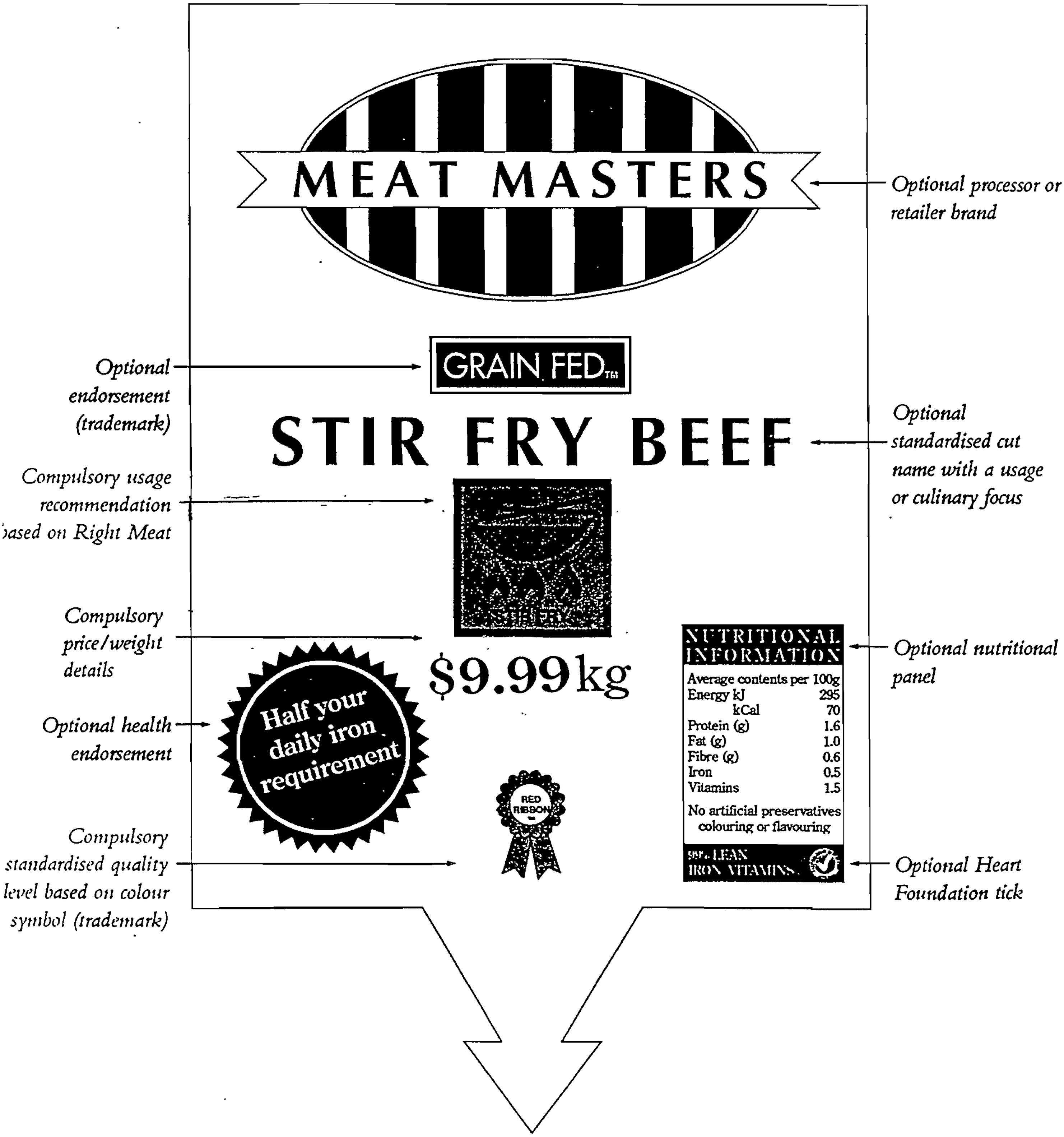
SUPERMARKET (PRE-PACK)

(Crude Mock Up)



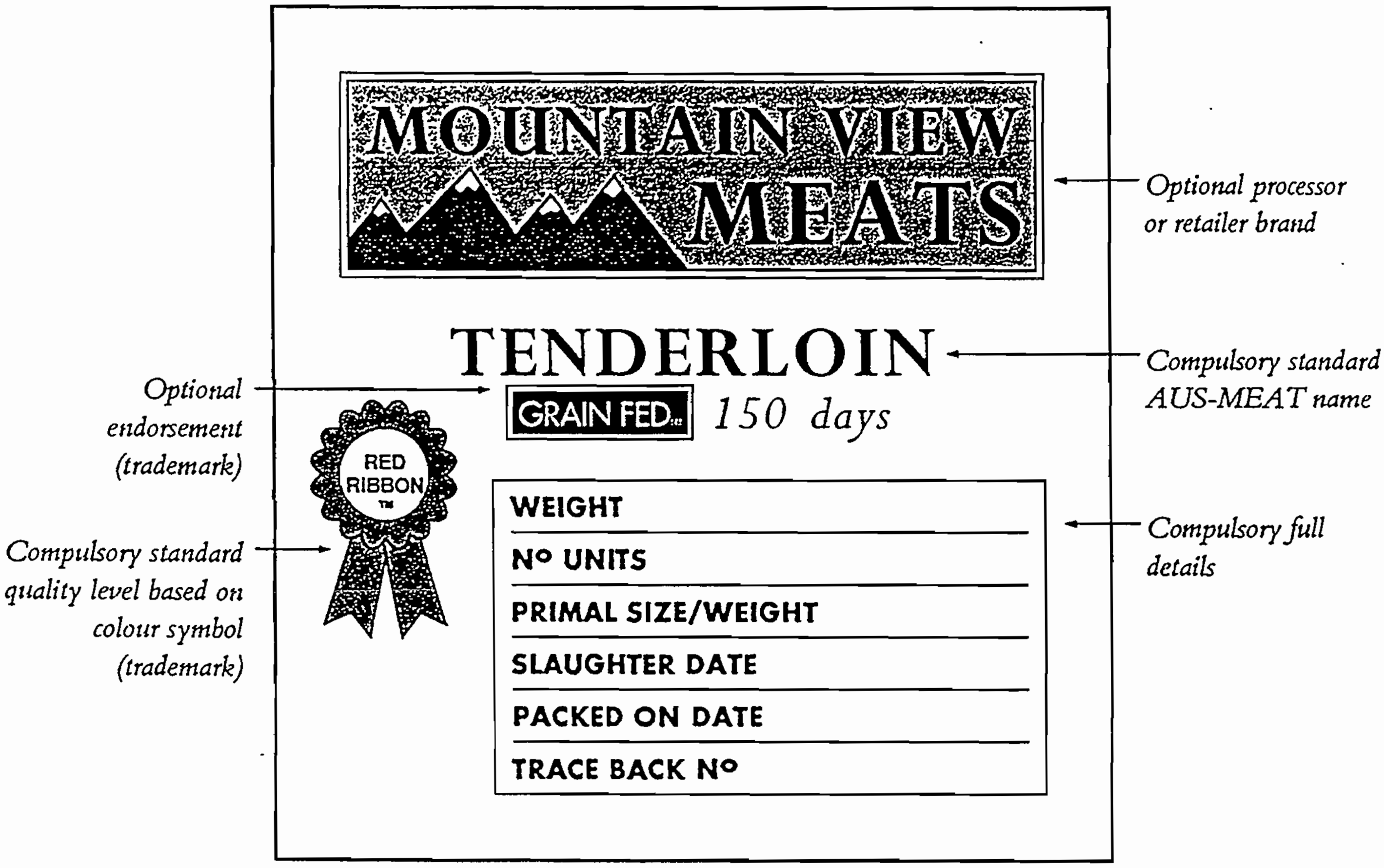
RETAIL BUTCHERS (PRICE TICKET)

(Crude Mock Up)



FOOD SERVICE (CARTON LABEL)

(Crude Mock Up)



4(d) PROPOSED GRADING & QA SPECIFICATIONS

INTRODUCTION

The proposed system would utilise the best available quality assurance procedures and would continually update these as they came on hand.

The following are the draft specifications and quality assurance procedures developed by two workshops, a beef workshop and a sheepmeat workshop, comprising a group of specialists with solid credentials respectively in beef and sheepmeat quality. These QA specifications are at the moment indicative only. A number of parties in the industry are presently working in detail on QA systems. It is recommended that a QA sub-committee be established, should the Woolworths Queensland trial be successful, to:

- Integrate the QA experience of that trial.
- Integrate the experience of the broader QA work being undertaken.
- Develop a practical, widely accepted QA best practice to support the full market trial and, in time, the system set up.

BEEF SPECIFICATIONS

Grade Name	(1) Gourmet Choice	(2) Tender Choice		(3) Market Choice
Age	Max. 4 teeth, 28 months, A maturity	0 - 2 teeth	4 teeth	Max 4 teeth
Marbling	3+	1**	Min 2	Not specified
Fat depth	6 mm rib min	5 mm rib min		5 mm rib min
Ultimate pH	5.3 - 5.7	5.3 - 5.7		5.3 - 5.8
Fat distribution	Even & adequate	Even & adequate		Even & adequate
Meat colour	1B-2	1A-2		Max 3
Fat colour	0-2	0-3		0 - 4
Texture	3	3		2 or 3
Aging	Min 14 days (vac packed)	14 days (vac packed)		Min 14 days (vac packed)
Sex	Males no SSC; females no calves	Males no SSC; females no calves		Males no SSC; females no calves
Firmness	3	3		-
% Bos Indicus	<25%	<50%		-
QA.	Through out the chain	Through out the chain		Through out the chain

1** = new one score (some marbling present)

FACTORS TO BE COVERED BY QUALITY ASSURANCE PROCEDURES FOR BEEF

Channel Stage	*Key Quality Assurance Points*
Pre-slaughter, on farm • Planning phase • Breeding • Calving/Calf Husbandry • Mustering • Yards • Calf marking • Weaning • Weaning - slaughter • Backgrounding • Feedlot • Handling and trucking	• Establish product goal allowing for: - Prevailing farm environment - Existing facilities - Management expertise - Existing cattle genotype capabilities • Breeding decisions: - Breed type configuration - Sire/female selection - Joining * Season * Single sire/multiple joining * Sire to cow ration * Artificial insemination * Joining interval • Husbandry: - Record calving interval - Record calving difficulties - Breed cow/heifer management • Mustering: - Minimal stress - Preferably move coolest part of day. • Yards: - Designed for largest mob sizes and to minimise bruising/stress - Sturdy construction - Provide shade and shelter - Water available and some method of dust control - Yard and loading race approaches need to allow all weather access

BEEF QA (continued)

Channel Stage	*Key Quality Assurance Points*
	• Marking: - Booster injections for cow/heifer - 7 in 1 - Initial 5:1 injection for cow/heifer - Male calf castration carried out according to code of practice to reduce hide and carcase damage - Calf identification - development of individual identification • Weaning - Suitable solid yards - Cull temperamental calves - Record weights and gain - Apply ID device if not done at birth or marking - Drench for internal parasites - Weaning process should take about 10 days. • Weaning - Slaughter - Monitor progress of growth to aspired specification - Ensure nutrition sufficient for gain of 1.0kg/day for the last 100 days - If food supplementation required obtain from supplier certification of freedom from contaminates - Adherence to withholding periods for antibiotics, drench, etc. - Provide HGP treatment history - Check ID of slaughter animal - apply tail tag.

BEEF QA (continued)

Channel Stage	*Key Quality Assurance Points*
	• Backgrounding - Check ID status of cattle accepted from breeder - Check for injury - perform health treatments as pre-determined with breeder and feedlot - If food supplementation required obtain from supplier certification of freedom from contaminates - Observe withholding periods - Provide feedlot with treatment dates and substances used. • Feedlot - According to ALFA Feedlot Accreditation Quality Assurance Manual. • Handling and trucking - Direct to abattoir - preferably less than 500km; smooth uninterrupted journey. - Truck to be clean and in good repair. - Electrolyte dosing of water pre and post travelling. - Careful loading of cattle to minimise stress. - Minimum noise, use of electric prodders or dogs. - No mixing of unfamiliar cattle. - Prevention of over or under-crowding. - Crate to minimise bruising. - Record of times and dates for yarding, loading and despatch.

BEEF QA (continued)

Channel Stage	*Key Quality Assurance Points*
Slaughter • Delivery records • Lairage • Hygiene • Carcase identification	• Delivery details recorded on arrival • Quiet handling pre slaughter • Kill time with 24 hours of departure • Individual identification of carcasses linked to live animal lot no./origin • ID ticket affixed to all quarters • High standard of hygiene at all points • Fully effective electrical stimulation
Chiller • Chiller control system design. • Chiller system testing and frequent maintenance of refrigeration system • Monitoring of temperature • Hygiene • Chiller storage • Chiller assessment • Full and frequent maintenance of refrigeration system • Identification	• Development and adherence to appropriate QA procedures for chiller system for accreditation and approval by auditing inspector for ongoing grading • Chiller control system designed to account and modify for variations in carcasses, electrical stimulation and overnight/weekend chilling • Full testing of chiller system and continuous logging of carcass pH, loin and butt temperature to prevent cold shortening • Regulation of temperature and air velocity to maintain even chilling. • Carcass pH to be below 6.0 prior to LD muscle reaching 12°C • Deep butt temperature to below 30°C within 10 hours of kill and below 16°C within 20 hours. • Correct positioning of chart recording thermometers and regular reading. • High standard of hygiene at all points. • Chiller not to be overcrowded

BEEF QA (continued)

Channel Stage	*Key Quality Assurance Points*
	• Carcasses not to be loaded out prior to chilling and chiller assessment • Hot carcasses not to be added to previous days kill. • Full and frequent maintenance of refrigeration system. • Chill quarters (air temperature -2°C - 0°C) • Ribbing time to be at required LD muscle temperature no earlier than 18 hours after kill or chiller less than 10°C. Recording of chiller and LD muscle temperature at ribbing time - desired that LD muscle be at 5°C - 6°C by ribbing time. • Carcass to be presented to fixed grading stations at constant temperature and light. • Chiller assessment to be made 20 minutes to 2 hours from ribbing to ensure bloom and before discolouration. • Carcasses measured objectively and subjectively for marbling, texture, moisture, fat and meat colour. • VIA and assessor measurements to use AUS-MEAT standards. • VIA to be backed by qualified QA grading assessor. • Indelible carcass marking with grade and serial number and all prime cuts require physical mark. • Carcasses grouped into their grades prior to boning and dispatch.

BEEF QA (continued)

Channel Stage	*Key Quality Assurance Points*
Post Chiller • Feedback information to suppliers, auditors and assessors. • Grade • Data linkage to live animal	• Information to suppliers, external auditing group covering origin, weight, days on feed and weight gain, breed, sex, health problems, ES, dentition, p8 fat/mm, muscle score, bruising, bloodsplash, delivery dates and kill time, HSCW, pH/temperature, grade. • Grade details: - Assessor information - butt and loin temperature, muscle and fat colour, marbling score, texture. - VIA information - muscle and fat colour, marbling score, marbling and fat %, rib fat, fat distribution, eye muscle area and yield. • Linkage of data to all animals not mandatory but encouraged to provide breeding and management incentives.
Transport & Distribution • Temperature • Health and hygiene	• Maintain truck temperature below 4°C to maintain deep butt temperature of carcase. • Adherence to health and hygiene requirements. • Temperature logged by thermometers in truck and checked by driver and inspector on departure and arrival.
Boning Room to Consumer • Identification • Temperature • Aging	• Individual cuts carry grade, abattoir and date marks. Marks trace to grader and individual animal. • Optional marking systems - ink stamping of cuts, collagen marks on primals at boning, ink-jet printing on vac packs, external seal on packaging.

BEEF QA (continued)

Channel Stage	*Key Quality Assurance Points*
	• Monitor boning room temperature by thermometer. • Minimum 14 days aging as required by grade. • Grouped grades of same dated vac packs of meat to be aged at -2°C to +2°C. • Identification maintained to last point that grade is identified.
Retail and Food Service • Identification • Aging • Hygiene • Coolroom and display temperature • Lighting • Trim	• Individual cuts/primals identified by grade mark. • Aged min. 14 days - not before date seal on carton/pack. • High standard of hygiene at all points. • Coolroom temperature between -1°C and 4°C, display cabinet to maintain temperature of 0°C. • Low intensity lighting. • Trim to standard of external fat depth.

LAMB SPECIFICATIONS

Category - Lamb *L*	Female or castrate or male ovine that has no evidence of eruption of permanent incisor teeth (cryptorchid lambs included; ram lambs excluded)
HSCW	18.1kg and above
Fat class	2 or 3 (6 to 15mm GR)
Product ageing	3 days (> 48 hours post-slaughter date)
Product trim	Denuded of fat for Trim lamb; or external fat trimmed to maximum of 4mm otherwise

FACTORS TO BE COVERED BY QUALITY ASSURANCE PROCEDURES FOR LAMB

Channel Stage	*Key Quality Assurance Points*
Pre-slaughter, on farm • Breeding • Marking and vaccination • Pastures • Fodder crops • Management • Sex • Supplementary feeding • Lot feeding • Mustering • Assessment for sale • Drenches, dips and antibiotics • Loading • Marketing method	• Use fast growing, lean LAMBPLAN tested sires • Do not graze lambs on single species lucerne or vetch pastures, rape or turnips for 3 weeks pre-slaughter • Manage lambs to achieve fast growth of at least 220 gms/day average between birth and sale • Fat score and weigh all lambs individually • Market cryptorchids before 8 months of age • Observe withholding periods
Slaughter • Pre-slaughter • Purchasing lamb • Slaughter procedure • Identification of the carcase as lamb • Measurement of carcases • Chilling regime • Feedback • Loadout	• Lambs to be slaughtered within one day of arrival at the abattoir • Purchase lambs on cents/kg over-the-hooks basis only • Weigh carcases to Hot Standard Carcase Weight and record the weight on the carcase ticket • Measure fat score/fat depth by sheep probe or a GR knife or estimate by manual palpation and record on the carcase ticket • Record slaughter date on the carcase ticket • Attach a ticket to the hind leg of each carcase • Chill lamb carcases to achieve 8-10°C deep butt temperature (or other temperature as required by state legislation) prior to loadout. • Provide feedback to producers.

LAMB QA (continued)

Channel Stage	*Key Quality Assurance Points*
Transport & Distribution • Temperature • Health and hygiene	• Maintain truck temperature at required °C to maintain deep butt temperature of carcase. • Adherence to health and hygiene requirements.
Boning Room • Purchase of QA carcase • Identification of QA lamb • Temperature • Vacuum pack standards	• Use only carcases of 18.1kg or over and fat score 2 or 3. • Place carcases of above description on separate rails for batch processing to retain correct specifications. • Identify QA lamb primals, cartons by symbol • Specification of slaughter date • Monitor boning room temperature every 2 hours to ensure that temperature is under the nominated temperature of 10°C. • "Keep chilled" label to be attached to carton etc. • Observe appropriate preparation standards for vacuum packaged lamb and store at less than 5°C.
Wholesale • Purchase of QA carcase • Identification • Temperature • Separation of QA lamb from non-QA	• Purchase lamb carcase by ticket specifying HSCW, fat score (and/or mm GR), slaughter date. • Retain ticket on carcase if supplied to retail or other customer. • Maintain lamb carcase temperature (deep butt) at 8-10°C or as required by state legislation. • Maintain physical separation of QA lamb from other lamb, hogget or mutton. • Identify broken lamb derived from QA carcases by symbol.

LAMB QA (continued)

Channel Stage	*Key Quality Assurance Points*
Retail • Buy ticketed carcases to specification • Age carcases/primals/cartons • Cool room temperature • Display cabinet • Meat colour • Cooking recommendations • Trim	• Purchase meat which meets specification 18.1kg or above HSCW and fat score 2 or 3 • Age meat for a minimum of 2 days (48 hours beyond slaughter date). • Retain cool room temperature between -1°C and 4°C; for display cabinets 0°C. • Use low intensity lighting to prevent warming and drying • Reject cuts of dark colour. • Provide recommended cooking method and cooking time for each cut. • Trim all cuts with external fat to a maximum of 4 mm external fat depth.
Food Service • Buy quality specified lamb product • Aging requirements • Vacuum packaging procedures • Trim	• Identification of QA lamb by carcase ticket or QA symbol - will provide proof of age, carcase weight, fat score and slaughter date. • Age cuts to a minimum of 48 hours beyond date of slaughter. • Trim all cuts with external fat to a maximum of 4mm external fat.

4(e) PROPOSED COOKING TECHNIQUE RECOMMENDATIONS

The following outlines the first draft of the cooking recommendations developed by the Cooking Workshop. As the tables indicate, further testing and development work is required for some cuts.

RECOMMENDATIONS ON COOKING METHODS FOR CUTS OF BEEF TO TENDERNESS GRADE STANDARDS AT 95% CONFIDENCE LEVEL

	Fillet			Rump			Rib Ribeye			T/Bone Bone-in			Blade Boneless			Round			Topside			Silver-side			Striploin			P. Brisket			N. Brisket			Chuck		
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
Dry Cooking																																				
Grill/Pan Fry/BBQ:																																				
- Direct	O	O	O	O	O	T	O	O	O	O	O	O	T	X	X	X	X	X	X	X	X	X	X	X	O	O	O	X	X	X	X	X	X	X	X	X
- Marinade	-	-	-	-	-	T	-	-	-	-	-	-	T	T	T	X	X	X	T	X	X	X	X	X	-	-	-	X	X	X	X	X	X	X	X	X
- Mech. Tender	-	-	-	-	-	O	-	-	-	-	-	-	O	O	O	O	O	T	O	O	O	O	O	T	-	-	-	X	X	X	X	X	X	X	X	X
Crumb Fry	-	-	-	-	-	O	-	-	-	X	X	X	O	O	O	O	O	T	O	O	O	O	O	T	X	X	X	X	X	X	X	X	X	X	X	X
Stir Fry	O	O	O	O	O	O	-	-	-	X	X	X	O	T	X	O	T	X	X	X	X	X	X	X	O	O	O	X	X	X	X	X	X	X	X	X
Oven Roast	O	O	O	O	O	O	O	O	O	X	X	X	O	O	T	X	X	X	X	X	X	T	T	T	O	O	O	X	X	X	X	X	X	X	X	X
Wet Cooking																																				
Pot Roast	-	-	-	-	-	O	-	-	-	X	X	X	O	O	O	O	O	O	O	O	O	O	O	O	-	-	-	X	X	X	X	X	X	O	O	O
Casserole/Stew	-	-	-	-	-	-	-	-	-	X	X	X	-	O	O	T	T	T	T	T	T	T	T	T	-	-	-	O	O	O	O	O	O	O	O	O
Braise	-	-	-	-	-	-	-	-	-	X	X	X	O	O	O	O	O	O	X	X	X	X	X	X	-	-	-	X	X	X	O	O	O	X	X	X
Simmer/ Corned	-	-	-	-	-	-	-	-	-	X	X	X	X	X	X	X	X	X	X	X	X	O	O	O	X	X	X	O	O	O	O	O	O	X	X	X

Legend

O: Recommended

-: Suitable but more cost effective cuts available

X: Not recommended

T: May possibly be tested in sensory analysis at later stage.

Note: Tenderness grades identified by numbers 1 (top), 2 (middle) and 3 (lower)
Marinade for tenderness only.

RECOMMENDATIONS ON COOKING METHODS FOR CUTS OF TRIM LAMB TO TENDERNESS GRADE STANDARDS AT 95% CONFIDENCE LEVEL

	Tunnel Boned Leg	Silver Top Roast	Round Roast	Topside Roast	Neck Fillet Roast	Round Steak	Topside Steak	Butterfly Steak (loin)	Round & Topside Schnitzel	Eye of Loin (back-strap)	Fillet (tender-loin)	Mince	Strips	Diced (from leg cuts)
Dry Cooking														
Grill/Pan Fry/BBQ:														
- Direct	X	X	X	X	X	O	O	O	O	O	O	O[1]	X	O[2]
- Marinade	X	X	X	X	X	X	X	X	X	X	X	X	X	X
- Mech. Tender	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Crumb Fry	X	X	X	X	X	O	O	O	O	X	X	X	X	X
Stir Fry	X	X	X	X	X	X	X	X	X	X	X	O	O	O
Oven Roast	O	O	O	O	O	X	X	X	X	O	X	O[3]	X	X
Wet Cooking														
Pot Roast	O	O	O	O	O	X	X	X	X	X	X	X	X	X
Casserole/ Stew	X	X	X	X	X	X	X	X	X	X	X	O	O	O
Braise	X	X	X	X	X	O	O	O	-	-	-	X	X	X
Simmer/ Corned	-	-	-	-	-	X	X	X	X	X	X	X	X	X

Legend
O: Recommended -: Suitable but more cost effective cuts available X: Not recommended Note: Marinade for tenderness only.

[1]Patties/meatballs
[2]Kebabs
[3]Meatloaf

RECOMMENDATIONS ON COOKING METHODS FOR CUTS OF TRADITIONAL LAMB TO TENDERNESS GRADE STANDARDS AT 95% CONFIDENCE LEVEL

	Diced from F/Q	Leg (bone-in)	Easy Carve Leg	Boned & Rolled Shldr	Easy Carve Shldr	Boned & Rolled Loin	Lamb Drum-sticks (shank)	Loin Rack	Party Rack (from 13 rib f/q)	Four Rib Roast	Party Ribs (breast)	Loin Chops	Chump Chops	F/Q Chops	Best Neck Chops	Neck Chops	Cutlets
Dry Cooking																	
Grill/Pan Fry/BBQ:																	
- Direct	X	X	X	X	X	X	X	X	X	X	O	O	O	O	O	X	O
- Marinade	X	X	X	X	X	X	X	X	X	X	O	X	X	O	O	X	X
- Mech. Tender	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Crumb Fry	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	O
Stir Fry	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Oven Roast	X	O	O	O	O	O	O	O	O	O	O	X	X	X	X	X	X
Wet Cooking																	
Pot Roast	X	O	O	O	O	O	X	X	X	O	X	X	X	X	X	X	X
Casserole/ Stew	O	X	X	X	X	X	O	X	X	X	X	-	-	O	O	O	-
Braise	O	X	X	X	X	X	O	X	X	X	O	-	-	O	O	O	-
Simmer/ Corned	X	O	O	O	O	-	X	X	X	X	X	X	X	X	X	X	X

Legend
O: Recommended **-:** Suitable but more cost effective cuts available **X:** Not recommended
Note: Marinade for tenderness only.

SECTION 5

DETAILS OF POTENTIAL IMPLEMENTATION STRATEGY

DETAILS OF POTENTIAL IMPLEMENTATION STRATEGY

Details of how the program could be implemented need to be developed if, and when, it is decided by the industry to proceed. The research and development phases suggest some guidelines which are put forward here for discussion.

- The system should be voluntary at all levels.

Voluntary participation.

- Stores choosing to participate would be required to strictly comply with specified standards and procedures.

Strict compliance for participants.

- Participants would be controlled by licensing agreements. Agreements would be written to authorise the party to use the system under specified conditions.

Licensing agreements.

- Industry control would be through registered and commercially enforced trade marks.

Registered trade marks.

- An appropriate industry body would direct and manage the system. It is essential that this body is seen to have a degree of independence and consumer integrity.

Independent controlling body with integrity.

- Emphasis would be on self-regulation delivered by commercial incentives and disincentives.

Compliance based on commercial incentives.

- Parties who repeatedly do not conform to the requirements would lose the right to participate in the scheme. To the extent that the system is effective, there will be a commercial benefit for participants. The threat of losing the commercial advantage would provide the incentive to comply.

QA adherence is integral.

- Guidance and inspection of QA standards could be contracted out.

- Participating parties would be encouraged to develop their own brands with relevant unique selling points over and above those defined by the guidelines.

Participants encouraged to develop their own brand.

- Funding mechanisms will need to be agreed but options include allocation from industry levies, licensing fees for participants - either flat annual fee or based on turnover.

Funding mechanism needs to be established.

SECTION 6

THE NEXT STAGES OF RESEARCH AND DEVELOPMENT

6(a) QUEENSLAND SUPERMARKET TRIAL

BACKGROUND

There is a high level of support with regard to the need for a consumer oriented labelling system for meat based around quality grades.

However, it is agreed that for the system to be successful it must be capable of consistently delivering product to an acceptable standard of eating quality as judged by the consumer. Some people have doubts about the industry's ability to deliver consistent quality with the current expertise and measurement system.

The SMART research concluded that specifications by themselves are not reliable predictors of eating quality. Meat scientists believe that in order to deliver consistent quality meat it is necessary to support grading with a comprehensive quality assurance system.

A technical assessment and marketing trial is underway in conjunction with Woolworths Queensland and ALFA's subsidiary company, Australian Meat Standards Pty Ltd. The central aim of the Woolworths Queensland research is to assess whether a grading system, supported with a full quality assurance program, can deliver acceptable level of consistency.

PROJECT OBJECTIVES

The project's objectives, to be achieved by the end of November, 1995, are:

(1) Further develop and refine quality specifications and assurance programs put forward by the earlier stage of the project.

(2) Trial the QA program in a commercial environment and to monitor its effectiveness.

(3) Assess whether the system is capable of consistently providing the consumer with meat of acceptable tenderness levels.

(4) Describe the customer response to Woolworths and competitor beef product on the Brisbane market with reference to:

- whether product meets the expected grades under blind sensory testing;
- whether product consistently meets these grades;
- how customers react to pricing of product by Woolworths and competitors.

ELEMENTS OF THE WOOLWORTHS TRIAL

IDENTIFICATION OF QUALITY SPECIFICATIONS AND ASSURANCE PROGRAM

- ALFA's subsidiary company, Australian Meat Standards Pty Ltd., contracted to identify and describe quality specifications and quality assurance systems.
- Quality specifications and systems will, in this trial, emphasise the Tender Choice equivalent grade. Gourmet Choice equivalent product is also being trialed.

IMPLEMENTATION OF QUALITY PROGRAM

- Australian Meat Standards Pty Ltd. contracted for the period of the trial to work with Woolworths to implement the program.
- This involves:
  - ensuring appropriate QA/support equipment in place;
  - ensuring adequately trained/experienced personnel in place;
  - staff training;
  - quality monitoring procedures;
  - appropriate labelling systems (trace back mechanisms).

PRODUCT LABELLING

- For purposes of this trial, product is graded to back door only - no system customised consumer labelling for grading.
- Woolworths to decide how product to be handled/labelled in store.
- Product labelled with cooking recommendation based on matrix developed in the workshop. For this trial the cooking symbols currently employed by Woolworths will be used.

RETAIL

- Various Brisbane metropolitan stores to be nominated to participate in Woolworths' trial.
- Tender Choice equivalent product to be subjected to QA program. Gourmet Choice product subject to supplier's QA.
- Trial stage will apply only to beef.
- From customer's perspective nothing would change - no advertising/marketing support, etc., just standard Woolworths labelling.

MARKET RESEARCH

(i) Consumer Quantitative Research

- Consumer quantitative research to assess consumer perceptions of the product.
- Research staff in test stores. A sample of customers to take home test product, cook it according to recommendation and complete a mail back questionnaire. Response emphasis on ratings for quality, intention to repeat purchase and overall satisfaction level.
- Customer incentive given to increase response rate with emphasis on ratings for quality, intention to repeat purchase and overall satisfaction level.
- Data analysed.
- Total sample of 600 completed questionnaires with quota for Tender Choice and Gourmet Choice responses.

(ii) Sensory Research

- Research Design.
  - Monadic sequential taste test, once a month for three months. Samples purchased at random from Woolworths and local competitors in Brisbane. Consumers will evaluate six products - four categories of Woolworths' products and two of competitors' products. Comparison of products with and without the specified QA will also be made.
- Product range and specification
  - Striploin and rump steak cuts from Gourmet Choice, Tender Choice and the Woolworths' product and certain equivalent from local competitors.
  - Pricing analysis will only cover Gourmet Choice and Tender Choice.
  - Woolworths product range is their standard product, subject to the QA program. Gourmet Choice product supplied by ALFA.
  - ALFA will provide summary product specifications.
- Consumer description
  - 128 consumers per month:
    * aged 20-50 years;
    * have eaten steak at least once in last month;
    * males & females random selection;
    * do not dislike eating steak;
    * 64 consumers from low socioeconomic areas and 64 from high socioeconomic areas.

  - Each month 64 consumers will sensory test each of two cuts, sirloin and rump - equally divided between two socioeconomic areas.
  - As a one off exercise, 50 consumers will evaluate product with and without the specified QA
- Locations of purchase and testing
  - Test stores spaced geographically across the two socioeconomic areas in Brisbane. Test whether there are different responses in different areas.
  - Samples drawn at random from designated Woolworths stores and competitor stores in each area without prior notice to the store.

TIMING OF THE TRIAL

- QA arrangements were in place by end of July 1995.
- Project started in July 1995 and to be completed by end of November, 1995, including both consumer and sensory research.

6(b) GROUND WORK FOR TEST MARKET

INTRODUCTION

A number of issues will need to be addressed as ground work for a full test market (see 6(c)).

GROUND WORK ELEMENTS

To resolve outstanding issues, the following are likely to be required:

- Consideration by the Steering Committee and others of the results of the Queensland Supermarket Trial.
- Resolution of any outstanding QA issues through an expert sub-committee.
- Resolution of outstanding grade issues (perhaps through additional sensory research or expert sub-committees). These issues are presently defined as:
    - How reliable is the grading system for beef? Consistency achievable by supply through a best practice QA system is being assessed in the Queensland Supermarket Trial. However, this assessment may need to be extended in a larger trial for some, or all, of the grades.
    - How many grades are present when dry and wet cooking is applied to beef? Grades are cut/cooking dependant. The number of grades present under wet cooking has yet to be trialed. Also, for some cuts attribution of grade according to particular wet and dry cooking method needs testing.
    - Are the bounds of the grades correct, e.g. within Tender Choice where there are different teeth/marbling combinations, and with Market Choice?
    - How sensitive are the grading results in key areas such as bos indicus and chemical fat content?
    - How reliable is the grading system for lamb? A more comprehensive range of product needs to be tested.
- Resolution of outstanding description issues through consumer assessment, such as decision on the grade, integrity and cooking symbols to be employed and cooking method/grade emphasis and design on labels.

TIMING

It is proposed that this work begins in November 1995 for completion by February 1996.

6(*c*) TEST MARKET

INTRODUCTION

Provided results from the Woolworths Queensland trial are satisfactory, a full scale test market to validate the proposed model, and particularly to test consumer response, is proposed. The following are views only at this stage. The details will require resolution following the Queensland trial and the agreement of the Steering Committee.

OBJECTIVE

The broad objective of the test market is to ascertain whether the proposed model and implementation strategy is effective in a commercial situation in terms of:

- Improving consumer satisfaction and confidence in consistently selecting meat for a proposed cooking method within their budget requirements.
- Consistently delivering meat of an acceptable level of tenderness as judged by the consumer within specified performance ranges.
- Providing commercial rewards for participants in the scheme in terms of revenue greater than the cost of participation and particularly by achieving premiums for the preferred product.
- Whether the scheme can be implemented with acceptable levels of integrity, given the commercial temptations for unscrupulous operators to pass off.

KEY ELEMENTS OF THE TEST MARKET

CHOICE OF CITY

- Test market needs to be conducted in a major capital city (for representative results).
- Factors to be considered:
    - Population represents a cross section of Australia in terms of demographics, socioeconomics, ethnic mix and lifestyle;
    - Meat retailing structure is typical of Australia, i.e. mix of supermarkets, butchers and markets;
    - Full range of media;
    - Cost effective media coverage.

CHANNEL PARTICIPATION

- To obtain a true reading of the proposed scheme the test market needs to involve:
  - at least one major supermarket chain;
  - cross section of retail butchers;
  - cross section of food service customers;
  - more than one processing firm;
  - wholesalers.

PRODUCT EVALUATED

- Product description and labelling system test version finalised at completion of Woolworths Queensland trial.
- Key elements:
  - Standard cooking symbols linked to quality based on matrix.
  - Three grades beef, one grade lamb, based on tenderness.
  - Grades/QA fully developed by working groups.
  - Grades designated by blue, red and green rosettes.

PRODUCT IDENTIFICATION

- Supermarket product labelled by their standard meat labels to include the proposed consumer product description and labelling system.
- Retail butcher - lease computerised scales and ticketing printing systems.
- Food service wholesalers - standard carton label developed (can include wholesaler/processor brand).

REGISTRATION OF MARKS

- Procedures put in place to register all marks.

LEGALITIES

- Trial to be run as a defacto licensing system with the necessary formalities put in place.
- All marks need to be registered and adequately protected under trade mark law.
- Participants likely to be required to sign legal agreement.

PROCEDURES MANUAL

- Prior to test market a procedures manual will need to be developed.
- Manual details to include:
    - Specifications and QA procedures relating to labelled meat for various grade levels.
    - Cooking recommendation directions.
    - Channel/in store QA procedures.
    - Directions/procedures on labelling product.
    - List of *do's* and *don'ts*.

CO-ORDINATION

- Participating supermarkets will need to work directly with the State Office of the participating group in close liaison with the National Office.
- For independent butchers it is preferable to work through the state MATFA office if it is agreeable.
- A few of the major food service wholesalers would be encouraged to work closely on the food service aspects of the test.

BRIEFING AND TRAINING

- Briefing and training sessions for all participating parties.
- Separate sessions required for:
    - supermarket staff;
    - independent butchers;
    - food service wholesalers;
    - processors;
    - participating consultants.

CONSUMER COMMUNICATION

- Full scale communication program required.
- Advertising agency selected to run this part of the program.
- Program should include electronic media, daily newspapers, magazines.

TIMING

- Test market program to run for minimum of six months - full marketing support.
- Three month development period prior to program launch to consumer public.
- Program to continue after full marketing program - scaled down level marketing support.
- Proposed that work begin February 1996 - consumer launch of program in June 1996.

MONITORING

- Underlying rationale for test market - demonstrate viability of proposal to the industry. Rigorous monitoring process essential - evaluate performance of program against pre-determined criteria.
- Independent consultancy commissioned to evaluate performance of system in test market.
- Set of performance benchmarks to be established prior to test.
- Monitoring methodology to involve pre and post measures.
- Project Steering Committee agree on key performance measures/decision rules.