

Evolution of success:  
How MLA and The Campaign Palace  
achieved a 5 year turnaround in Red Meat



the  
campaign  
palace



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# Executive summary

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Only a decade ago many Australians believed eating Red Meat was like smoking cigarettes – if one didn't kill you, the other would.

Since then, a potent campaign conducted in 2 phases is changing attitudes and behaviour, underpinning significant growth in red meat demand.

From a conviction that they should limit the amount of red meat in the home, Mums increasingly believe it is essential for well-being and are well on their way to serving red meat 3-4 times a week.

In five years since launch, declining demand has been turned around and annual consumer expenditure on red meat has grown from \$6.3 billion (2001) to \$8.7 billion (2006) – a massive growth of \$2.4 billion per year.

Although several factors have contributed to this growth, the change in the nutritional reputation of red meat has been highly significant. Based on consumer expenditure and demand models, this 5 year, \$4-5 million p.a. campaign has been the catalyst for an outstanding cumulative return of \$3.4bn (2001 – 2006).

The consumer campaign has evolved since the 'Red Meat. Feel Good' (RMFG) launch in February 2002. Learnings from RMFG led to the development of a new, more provocative 'We were meant to eat it' campaign, launched in March 2006.

This paper highlights the power of continually reviewing and challenging the communications strategy, based on consumer insights and campaign learnings. It demonstrates the value of confronting negative attitudes head-on with powerful messages and breakthrough creative.

# Background

Prior to the Red Meat Feel Good (RMFG) campaign, consumer demand for red meat had been in long-term decline. In spite of short term successes, the decline continued inexorably. Three main forces helped depress demand and undermine confidence throughout the Red Meat industry:

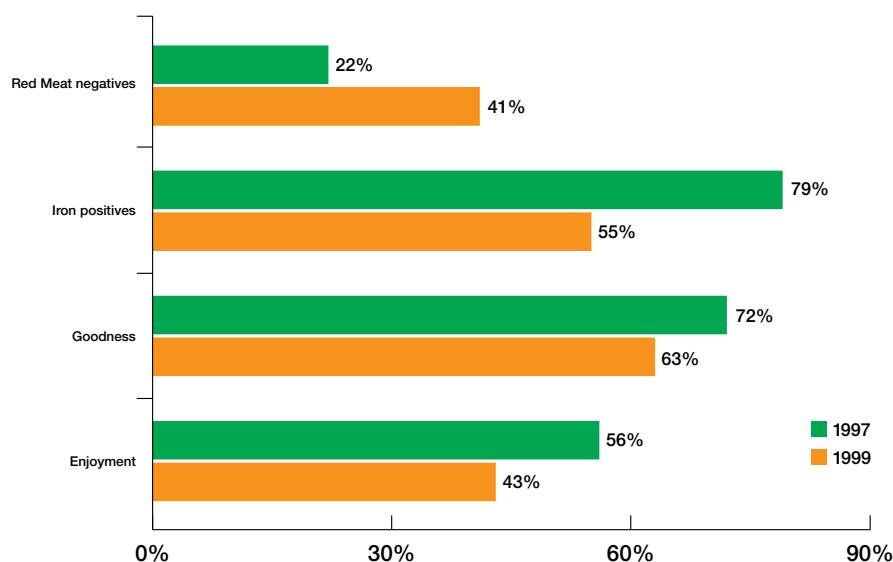
1. Concerns about red meat's health value
2. Inconsistent eating quality
3. Decline in retail butchers

## 1. Concerns about red meat's health value

In spite of the success of the earlier "Iron" campaign for beef, red meat faced an increasing stream of unbalanced and negative press, all condemning red meat on the basis of negative health outcomes. This continuous flow of 'eat less red meat for health' messages created an increasingly negative environment for red meat marketing.

Compared to 1997, consumer attitudes had deteriorated sharply by 1999. In two years, overall red meat negatives had almost doubled from 22% to 41%.

**Red Meat Consumer Impression Points Summary**



# Background

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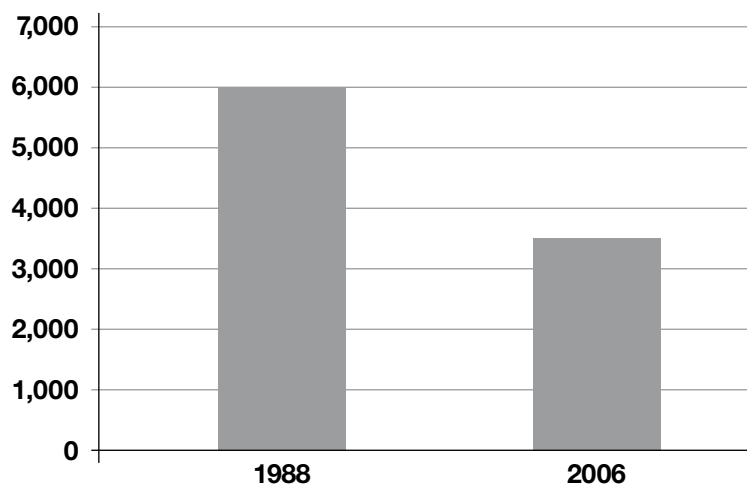
## 2. Inconsistent Eating Quality

Consumers continued to experience variable eating quality for beef, affecting demand. While earlier campaigns such as “Love Me Tender” had made an advertising impact, the consumer experience did not always match the promise.

## 3. Decline in Retail Butchers

Retail butchers had traditionally been the front line sales force for the red meat industry. As supermarkets grew share and consumers lost their personal interaction with their butchers, consumer knowledge of meat and appreciation of different cuts declined. This led to falling satisfaction and greater propensity for alternative foods. Falling re-investment by butchers in their businesses compounded this.

Retail Butchers in Australia

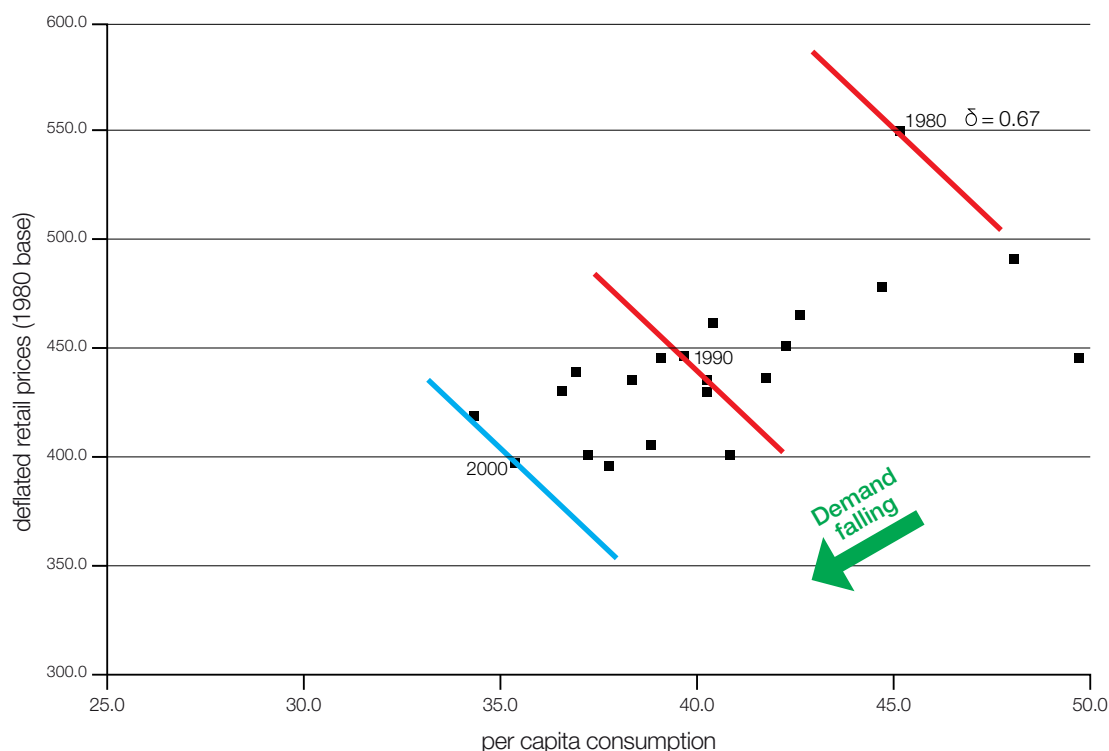


# Background

In spite of short term spikes in consumer demand associated with campaigns such as “Iron” and “Trim Lamb”, long term demand\* continued to decline. Heavy industry investment in advertising during this time hadn’t altered this trend and industry confidence in advertising was shaken.

Fresh thinking was needed.

## Beef demand prior to campaign in long-term decline



Source: MLA.

\*See Appendix: Consumer Demand Modelling

# The strategic challenges

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Turning around a major, ubiquitous and complex category like meat was only going to be achieved by addressing the fundamental causes of the decline. “Clever” ads had been tried, and failed.

**Challenge 1 – Quality:** In 1998, MLA and the industry embarked on a major quality program, encouraging producers to think of themselves as being in the “food business”, not the “cattle business”. A major research program identified the causes of variability in eating quality, leading the industry to build eating quality parameters into their specifications, not just price and yield.

Consumer confidence in the quality of beef and lamb is now the highest of all meats.

**Challenge 2 – Butchers:** Stale supermarket meat presentation and the decline of butchers were addressed with a “Raising The Standard” strategy – reinforcing the importance of meat for supermarkets and showcasing world meat merchandising trends. This helped meat managers develop new approaches to quality, range, presentation and promotion.

A new Red Meat Networking Club identified progressive butchers, helping them develop new store standards and marketing practices. A crucial benefit of our “Singing Butchers” TVC was celebrating the pride that butchers felt about their profession.

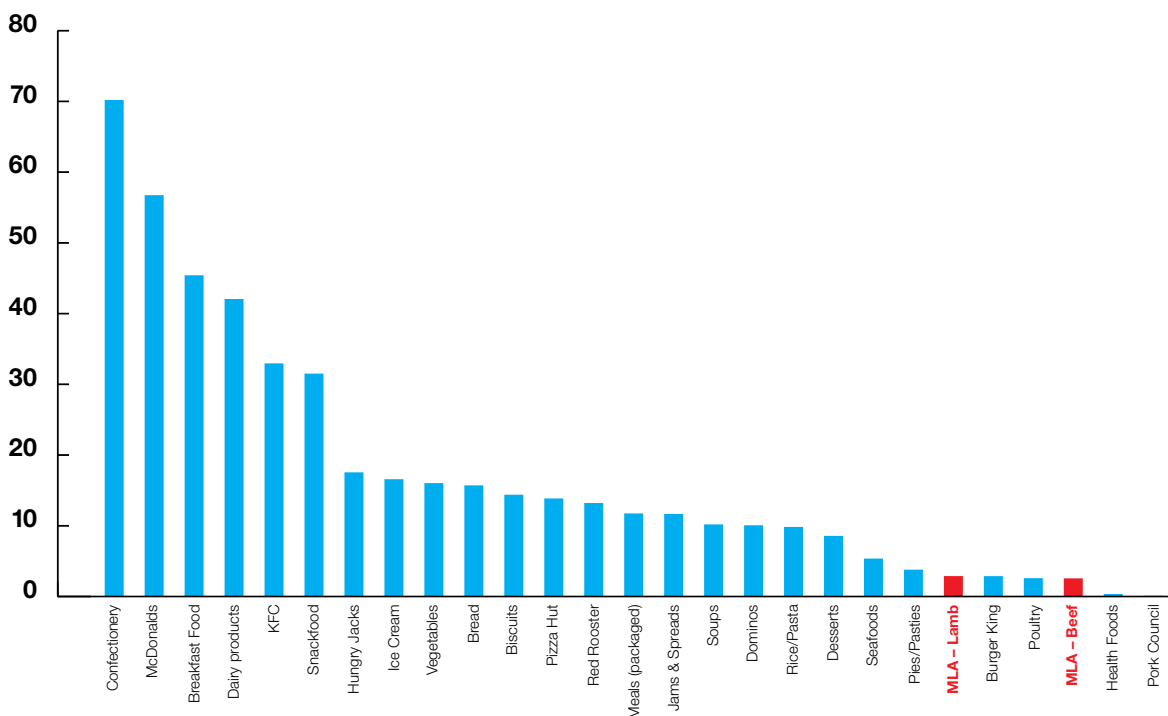
In contrast to their long-term decline, retail butchers are now growing share and reinvesting in their businesses.

# The strategic challenges

**Challenge 3 - Addressing the long term and growing negative health perceptions around red meat:** This was the task of our Red Meat communications campaign.

We faced two key issues in red meat health marketing. Firstly, limited marketing funds - compared to the major food marketers, MLA had far less to spend.

Comparative Food Marketers Media Spends 2002



Red Meat's budget could only buy a 1½ minute conversation with 80% of Australians over a full year. Clearly the communication would have to punch well above its weight.

The second (larger) challenge was that of dealing with a dietary staple – routinely purchased, in a category with little excitement or retailer innovation - how to get past 'non-think' behaviour and deeply embedded beliefs.



# Five guiding principles

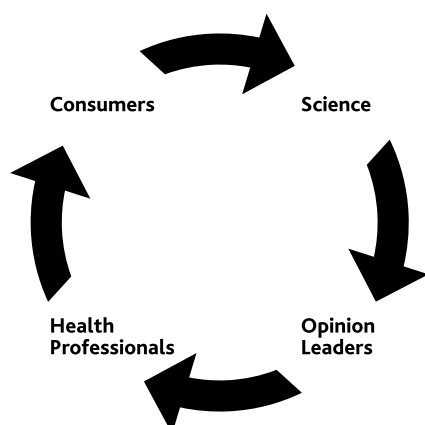
Five principles have consistently guided everything we do:

## 1. Communication Integrity.

All campaign information must be backed up by sound science for long-term campaign effectiveness.

The RMFG campaign was based on the findings of an Expert Advisory Committee Report ('The role of Red Meat in healthy Australian diets') published in February 2001. This evidence-based report debunked many of the prevalent myths about red meat consumption ('makes you fat'; 'causes heart disease') and recommended Australians eat 3-4 red meat meals per week. This became the consumption frequency goal for nutrition marketing activity.

Ongoing research investment and consultation with world experts continues building our understanding of red meat's nutritional benefits.



## 2. Key opinion leaders

Building and maintaining relationships with key opinion leaders (key experts and health and nutrition organisations) is essential. Ongoing communication with these organisations ensures accuracy in our messages, support for these messages and consistency in red meat communication within the health community.

# Five guiding principles

## 3. Alerting health professionals with new red meat and health information.

GPs and dietitians are major influencers on consumer attitudes to health and nutrition. We communicate to these important influencers prior to, and during the campaign to ensure they are abreast of the new information and support the key messages.

## 4. Emotionally engaging consumer communication, not just rational information.

There is plenty of nutrition advertising, most of which is just noise and clutter. It is mainly rational and tonally overly worthy. Unsurprisingly, it passes consumers by with little effect:

*"We hear so much about nutrition these days. Most just washes over me."*

*"I don't want to hear about daily nutrients. We hear the same for cereals, bread and dairy. It's just getting on the bandwagon."*



By contrast, large strides have been made in understanding message processing. This new learning recognises the importance of first engaging emotionally prior to trying to impart rational information. (Kahneman, Gordon)

# Five guiding principles

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## 5. Passion for breakthrough strategy and advertising.

A dedicated and passionate team, who are not afraid to break new ground and challenge conventional thinking.

Advertising	The Campaign Palace
Media Planning	The Media Palace (2002), Bellamy Hayden (2002–2006)
Media Buying	Zenith (2002), Universal McCann (2003–2006)
Public Relations	Fleishman Hillard (2002–2005), Hausmann (2005–2006)
Market Research	The Leading Edge (2002–2006), Milward Brown (2006)  Liz Dangar (2002–2003), Julie Dang (2004–2006)
Street Theatre	Maverick

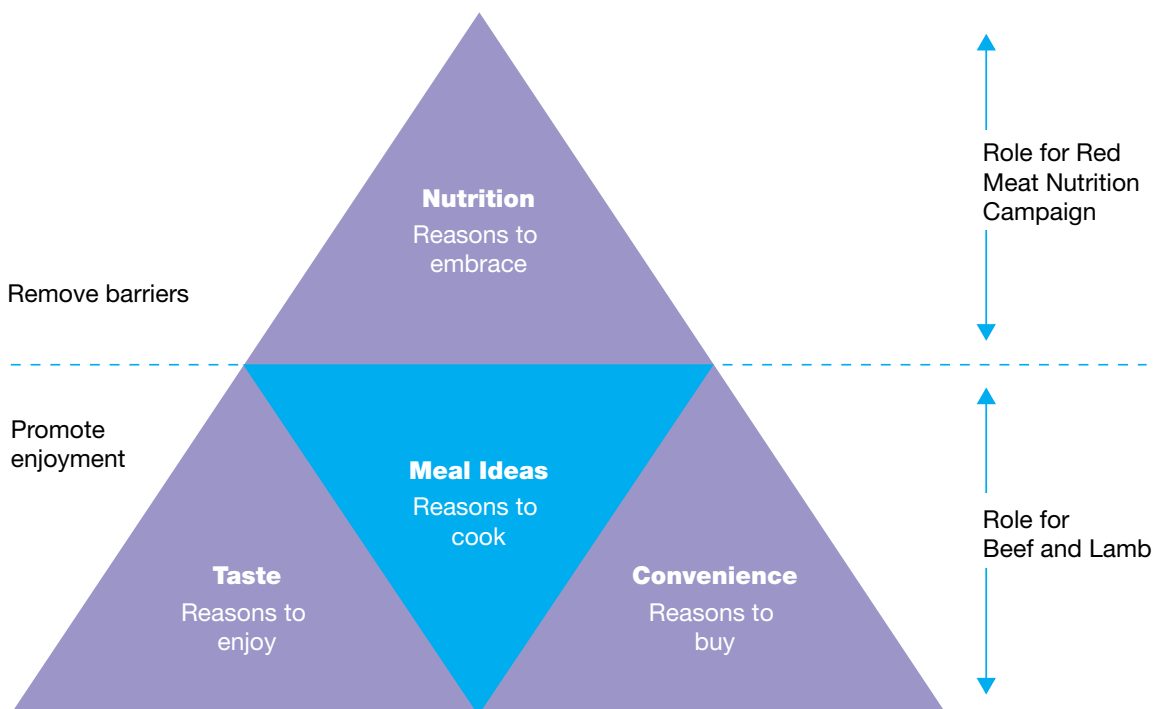
# The business goal and strategy

MLA's over-riding objective for all marketing campaigns is to grow demand for beef and lamb.

To achieve this, MLA set in place 2 parallel, complementary strategies intended to grow Beef and Lamb demand. The first strategy (the focus of this paper) is to remove barriers to consumption.

The second strategy is to promote meal enjoyment (role of the beef and lamb brands)

## Role for Red Meat Nutrition, Lamb and Beef



# Communication strategy development

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The objective for the Red Meat Nutrition campaign was to reduce barriers to overall red meat consumption.

We developed a long-term program, knowing it was a major challenge to turn around deeply entrenched consumer health beliefs. This was not going to be quick or easy!

## **Phase 1: 'Red Meat. Feel Good' Strategy Development**

The campaign strategy aimed to position red meat as a source of vitality and well-being and to capture the joy of living.

We ran extensive qualitative research with our target (mothers with kids 5-17). We uncovered a significant shift in thinking – health was becoming much more than disease control, but also about vitality and well-being.

The challenge was to communicate the positive nutrition story with a feel-good take-out. This led to the creation of the 'Red Meat. Feel Good' (RMFG) campaign.

## **RMFG Campaign**

This is a fully integrated campaign led by TV, including print, online and POS. It commenced in February 2002. The "Dancing Butchers" execution was the flagship creative and ran in all 3 years.

## Dancing Butchers – 45 sec TVC



We open on a busy city centre street. There are lots of people mulling about.



We hear and catch glimpses of a group of people who are singing and chanting.



As the singing group come through the crowd we see they are a group of butchers who are handing out recipe cards...



...and singing the benefits of red meat... Chant...high in iron, high in protein...



M/V/O: To attain an overall sense of vitality and wellbeing you need iron, omega 3's, protein, zinc and vitamin B12.



M/V/O: All of which you can get from your local butcher. Eat lean red meat at least 3 to 4 times a week and you'll feel better for it.

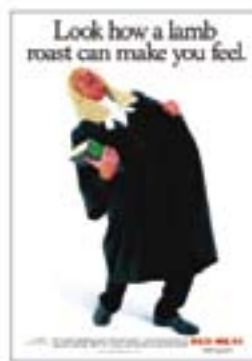
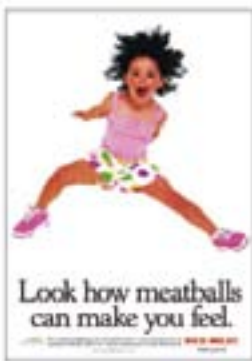


We cut to the butchers dancing to 'I Love to Boogie'



We cut to: Super: Red Meat. Feel Good.

### Print, POS & poster



# Communication strategy development

## The ongoing challenge

Phase 1 was extraordinarily successful, and was awarded the AFA's Gold Pinnacle in 2003. It shifted consumer attitudes significantly and helped grow red meat demand.

Our success led more marketers to also adopt a "feel good" positioning, making it harder for us to stand out in the increasing clutter.

The campaign increased red meat's positive profile in the community. This also had the effect of drawing out meat's critics, who became more aggressive in pushing a 'limit red meat intake' message.

As the environment became more polarised, it was clear that we needed to review the communications strategy and aim for a higher ground – migrating from the 'feel good' positioning to 'essential'. We needed to strengthen consumer recognition of red meat's essential nature to ensure criticism of red meat gained limited traction in the community.

We commenced a major discovery program, reviewing all our quantitative research and commissioning qualitative research with Julie Dang in 2004.

We identified four attitudinal segments;

Definition	Appreciator	Acceptor	Resistor	Rejector
Identifying statement	I enjoy red meat, it's an important part of my diet	I like red meat well enough. It's a regular part of my diet	I do eat some red meat although truthfully, it wouldn't fuss me if I didn't	I rarely eat red meat
Average red meat serving frequency per week	3.6	2.8	2.2	1
Proportion of target market	30%	38%	27%	5%



# Communication strategy development

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A review of our tracking (TLE, 2005) revealed a gem - it was clear that the RMFG campaign had impacted most significantly on one key consumer segment - 'Appreciators' - who represent around one-third (30%) of Mums. The RMFG campaign affirmed their desire and enjoyment for red meat, and in a climate of increasingly high red meat prices, the RMFG campaign provided the nutritional legitimacy to continue to serve red meat 3-4 times a week.

However, to further shift attitudes and grow demand, we needed to tackle two additional key consumer segments who were continuing to restrain red meat intake – 'Acceptors' and 'Resistors'. 'Acceptors' represented around 38% of Mums and although enjoying red meat, were restricting intake for balance and health. They consumed red meat 2-3 times a week. 'Resistors' represented around 27% of Mums and thought that red meat is OK but restrict it to around twice a week. Resistors actively restrained intake believing eating red meat is not natural and they can get the benefits elsewhere.

A new, more challenging communications platform was required. It was time to 'up the ante'.

# Communication strategy development

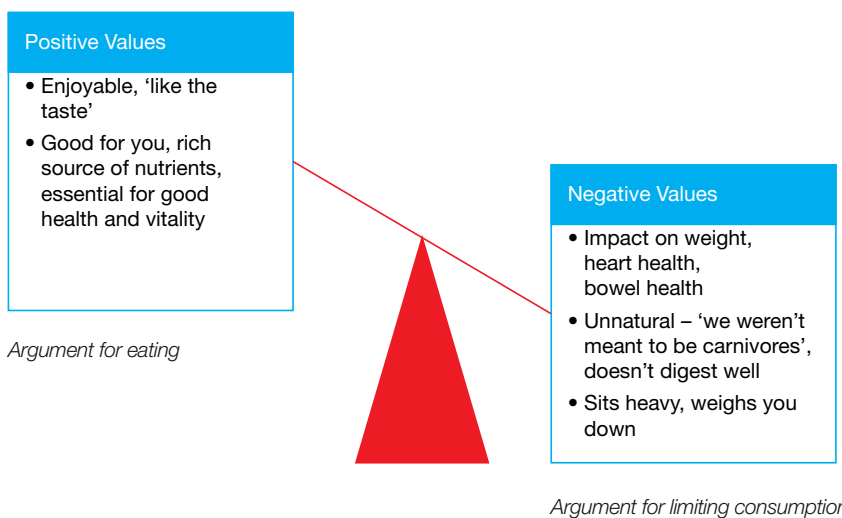
## Breakthrough consumer insight

Early qualitative research revealed that the RMFG advertising had left Acceptors and Resistors 'feeling good', but not convinced they needed to change behaviour. The campaign did not challenge their existing beliefs about frequency of consumption. In a nutshell, red meat needed to get more serious in its communication, more hard-edged to be taken seriously and provoke a major shift in thinking and behaviour.

The research uncovered a significant internal tension in Acceptors and Resistors. This became key to the evolution of the strategy. There is ambivalence to red meat characterised by mixed emotions. These women are continually torn between the 'positive' and 'negative' of red meat.

### The internal tension

*Acceptor/Resistor status depends on where weight of the 'internal argument' tips*



Source: Julie Dang Research.

Whether Mums are Acceptors or Resistors depends on where the weight of their 'internal argument' tips.

# Communication strategy development

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The challenge – how to engage these two groups emotionally?  
How to strip away the negatives which currently roadblock  
'good feelings' from encouraging consumption? Of the  
negatives, which is the true bogey man?

Resistors proved key. We found the strategic idea for Resistors  
would work across all segments.

*"Indications are that this segment (Resistors) is unlikely to  
reconnect with the positive values of red meat (both health and  
experiential) until the 'unnatural' issue is addressed. Only then  
are they likely to entertain the notion of eating more often."*

Julie Dang, December 2004

# Communication strategy development

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## **Breakthrough insight: The science**

So how essential is red meat to modern man's health? Is it natural for man to eat red meat? And how do we convince Acceptors and Resisters (and retain Appreciators)?

Again, we turned to science, consulting world experts in anthropology, paleolithic nutrition and archaeology – including Professors Robert Winston (London), Loren Cordain (Colorado), Michael Richards (Leipzig) and Dr Mark Horton (Bristol).

We uncovered an essential truth that was not widely known, that red meat was essential to human evolution. That, when man descended from the trees and started to eat red meat, humans came to be.

Simply put – the difference between man and ape is red meat.

# Communication strategy development

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## The proposition for Phase 2 Communication

Red meat is the foundation food of our evolution

### Creative Development research

This is a confronting proposition and even though factually right, we knew people would find it challenging.

Early creative concept research (Julie Dang, 2005) found:

1. The concept that man is meant to eat red meat is confronting.
2. Its implication that without red meat we would not have evolved beyond apes, causes real discomfort for many.
3. The execution needs to be watertight – it causes such discomfort that people look for a way to avoid engaging. They'd prefer to escape the communication rather than acknowledge the truth it contains. Inaccuracy or carelessness in execution would give them 'wriggle room' allowing them to reduce their internal tension by dismissing the communication – classic cognitive dissonance.

To quote but one example, any depiction of cave men gave people 'an out':

*"Well cave men didn't live very well or very long - did they?"*

Acceptor: Julie Dang 2005

# Communication strategy development

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One of our key creative challenges was how to communicate such a serious message in an emotionally engaging manner. In research we identified two key executional clues.

1. Engaging and credible presenter. We explored a range of candidates and identified the perfect presenter – Sam Neill. This was his first foray into advertising – because he believed wholeheartedly in the message. His credibility and likeability have proven integral.
2. Retain the “feel good” payoff. The ‘Red Meat Boogie’ was core to the RMFG campaign, encapsulating the benefits of eating red meat. The inclusion of the boogie at the end of each TVC ensures we continue to capture the feeling of vitality and wellbeing red meat provides.

## **Creative Evaluation Research**

Recognising the need to be ‘watertight’, we researched the finished advertising to exclude any ‘wriggle-room’.

The communication worked well across our three key consumer segments, ‘Appreciators’, ‘Acceptors’ and ‘Resistors’. It forced all groups to re-evaluate their red meat beliefs, shifting red meat from “good” to “have to” and providing permission to eat more and feel good about it.

# Communication strategy development

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The verbatims speak for themselves:

*"It's saying if we didn't eat it then, we'd still be dragging our knuckles... and I believe that from everything I know...and it's giving you a pretty good reason not to stop..."*

Appreciator: Julie Dang, 2005

*"I've always secretly loved red meat but I know we are not supposed to eat it that much..that's what everyone says..it's a relief to know you should eat it 3-4 times a week..it's natural after all.. that leaves me thinking I should eat more"*

Acceptor: Julie Dang, 2005

*"It evokes me to question my belief when I look at the big picture... it is quite a compelling argument ... it makes me confront how we did evolve, if not for red meat..."*

Resistor: Julie Dang, 2005

Julie Dang's own summary was: *"The message evoked an impassioned response, being described as deep but clever, bringing it all back to the 'foundations' of 'the most highly developed creature on the planet'." - in the words of a respondent: "We didn't get there on grass."*

# Communication strategy development

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## **Phase 2 Communication – ‘Red Meat. We were meant to eat it’**

The second phase launched in March 2006 as a fully integrated campaign with a blend of brand and tactical elements. It is expressed in a range of channels including TV, magazine, online and POS.

The flagship television ad is: 60 second “Evolution” which tells of Red Meat’s role in helping man evolve from apes. It ran through 2006 in tandem with “Library” – specifically talking to Mums about children’s brain development.

There are other focused topics to run in 2007 and 2008.



## Red Meat – We were meant to eat it – "Evolution" TVC



Open on Sam Neill sitting in a tree. He clings to a branch as he talks to camera. SN: "Over 2 million years ago, our ancestors took a giant leap. They jumped out of the trees and started to eat red meat."



Cut to an evolution sequence showing an ape turning into Sam Neill. SN: "The natural proteins helped our brain grow...hunting forced us to think... red meat was helping us come to be."



Cut to Sam Neill in a butcher store. Two customers are waiting to be served. SN: "We instinctively desired red meat for its nutrients. Omega 3's, zinc, iron, and B12 provided us with vitality and wellbeing".



Cut to Sam Neill standing outside a suburban home at night. He peers through a window and observes a family as they eat dinner. SN: "Lean red meat 3-4 times a week is still a central part of the diet of the most highly developed species on the planet".



Cut to the son gnawing on a cutlet in a primitive fashion. The mother shoots the son a dirty look. He then takes the remains out of his mouth and places it back on his plate.



Sam Neill turns to camera and shrugs SN: "Red Meat. We were meant to eat it." Cut to the butcher, the family and Sam Neill dancing.



Cut to appetising meal.  
SUPER: 3 to 4 times a week.  
SUPER: Red meat. We were meant to eat it

## Red Meat – We were meant to eat it – "Library" TVC



Sam Neill is in a primary school library surrounded by long desks of studious boys and girls. In line with library etiquette, he whispers to camera: SN: "When our early ancestors – the Homo Habilis, started to eat red meat, our brains began to grow".



A student reaches for a book that's sitting on a high shelf. She opens it and points out something to this friend.



SN: "Today, lean red meat is just as important. Its nutrients – Omega 3's, iron, B12, are still essential for brain development. If Homo Habilis hadn't eaten red meat, our brains wouldn't be the size they are today".



Student: (quietly) "But here it says: Homo Rudolfensis".



Sam Neill turns to camera as self-doubt spreads across his face. SN: "Red Meat. We were meant to eat it".



Cut to students and Sam Neill dancing



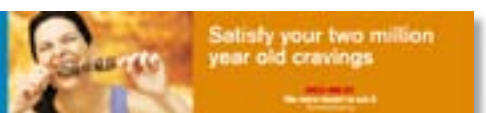
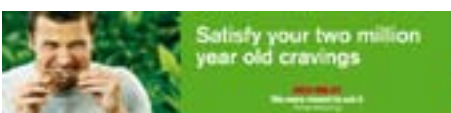
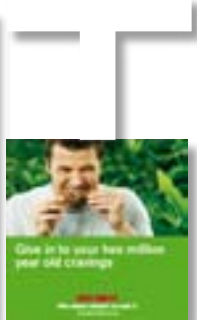
Cut to appetising meal.  
SUPER: 3 to 4 times a week.  
SUPER: Red meat. We were meant to eat it

Hard hitting magazine provides extra information for those in whom the television has prompted a desire to know more.

**Magazine**



**POS**



# Campaign effect

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This long-term campaign has had a major impact on consumer attitudes and has contributed significantly to an increase in overall red meat demand. It is difficult (perhaps pointless) to try to isolate this impact separately as it has formed one of the central pillars of the red meat turn-around strategy.

It is clear, however, that this campaign has been the catalyst for a fundamental re-think of red meat by consumers and the trade, supported and sustained by improving quality, rising retail standards and further campaign development.

- The turn-around coincides with the launch of the RMFG campaign in 2002, while the quality and retail standards activities had been building earlier;
- An initial impact of a boost in share in March 2002 accompanied the launch;
- While earlier campaigns have produced similar short term responses in demand, this campaign is unique as growth has been sustained.

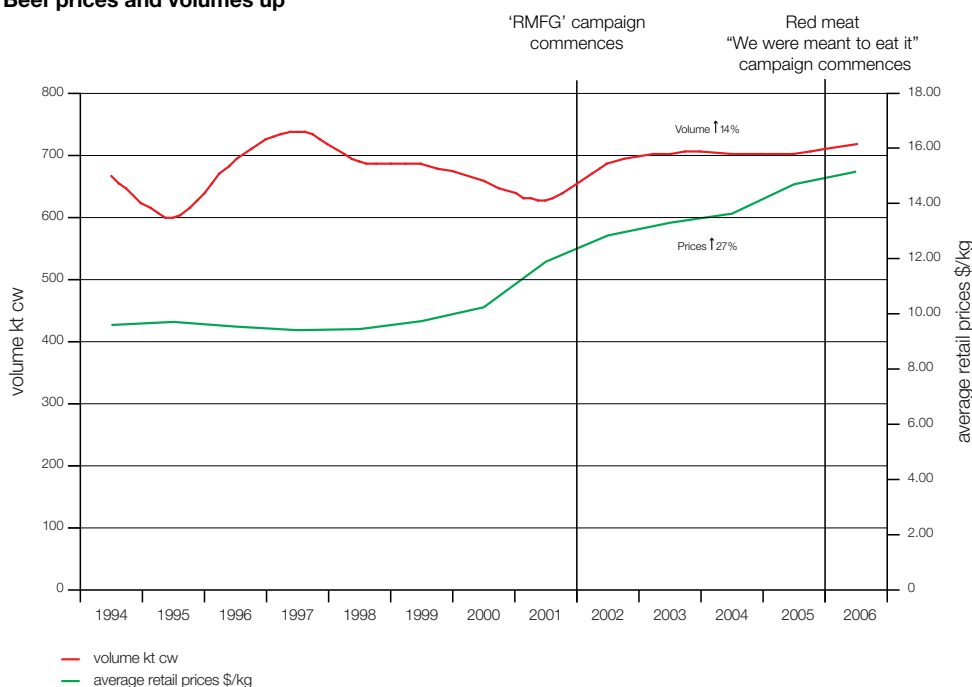
# Campaign effect

## Financial Impact

Consumer expenditure on red meat had been relatively stable over a long period of time, but rose somewhat in 2001 due to high global beef prices. However, in response to these higher prices (retail prices up 16%), per capita consumption fell predictably, to its lowest point on record.

With the launch of the RMFG campaign early in 2002, beef volumes jumped extraordinarily by 9% in the face of even further increases in retail prices, up another 8%. This remarkable performance has continued, with volumes rising by 14% and retail prices by 27% since the launch of the campaign.

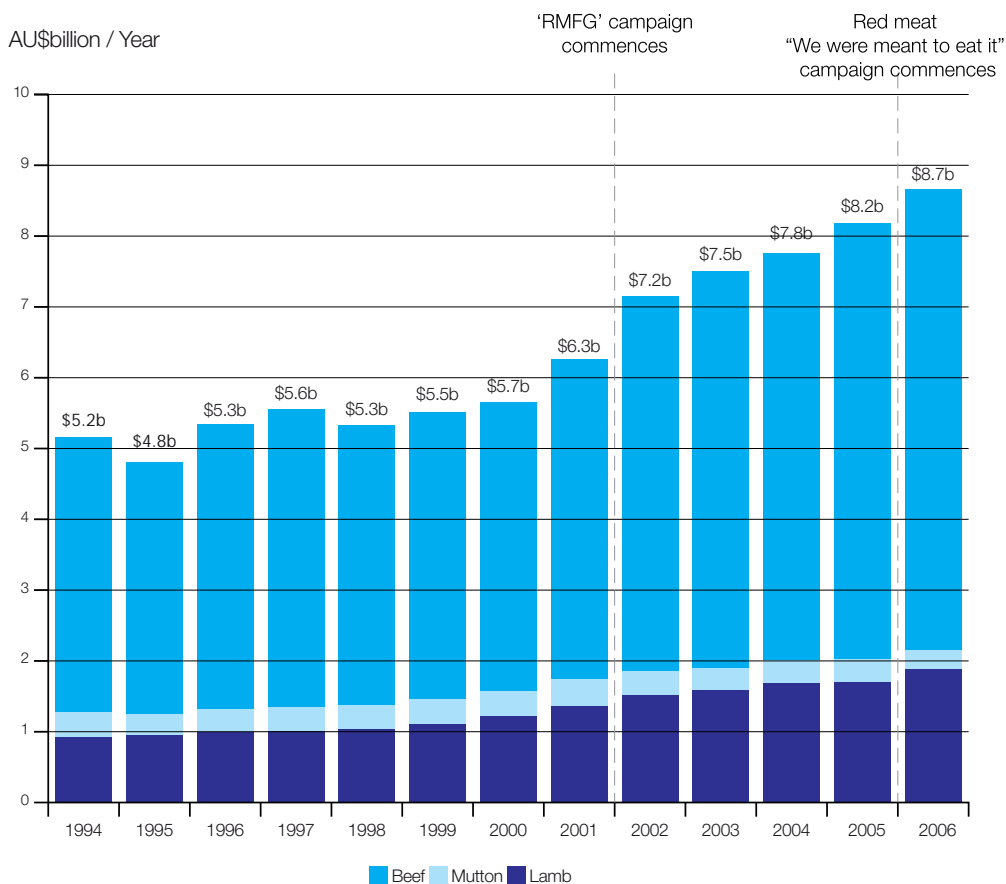
### Beef prices and volumes up



# Campaign effect

Consumer expenditure on beef has increased from \$4.5bn in 2001 to \$6.5bn in 2006. Expenditure on lamb increased from \$1.4bn to \$1.9bn over the same period.

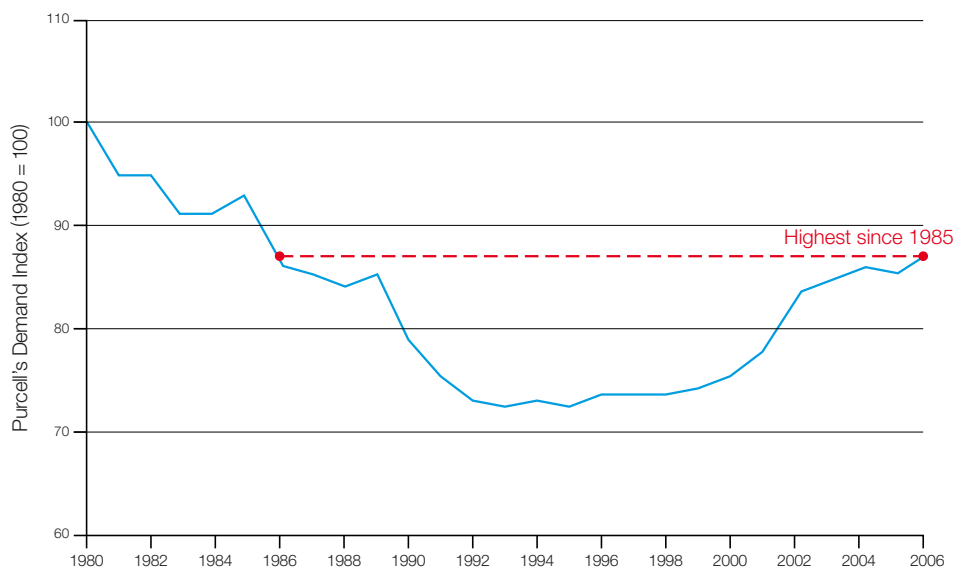
## Consumer expenditure



# Campaign effect

Lamb has enjoyed its own advertising campaign. While it is difficult to isolate the precise effect of the Red Meat nutrition campaign from Lamb's own advertising, the lamb demand chart shows a strong upturn in 2002 coinciding with the launch of "RMFG".

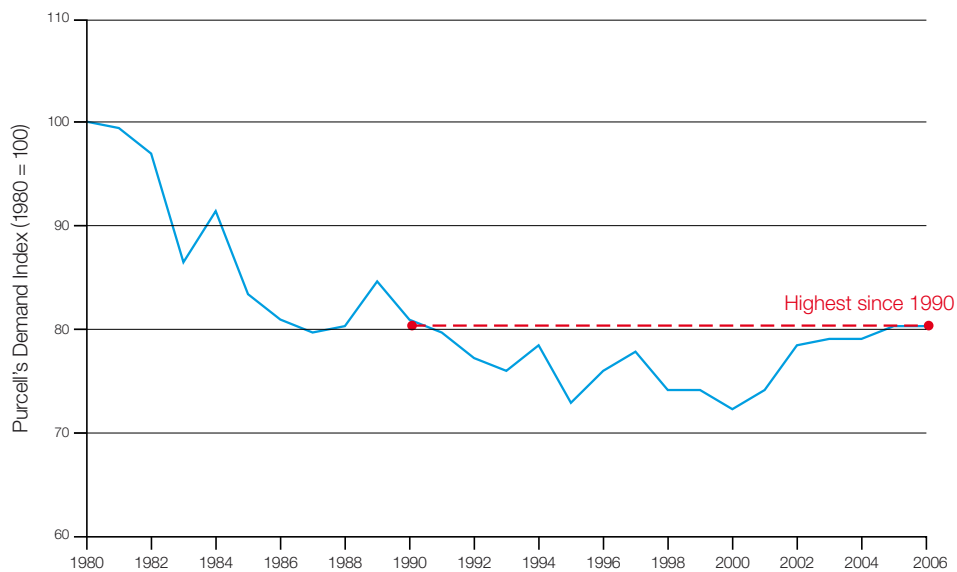
## Lamb demand up



# Campaign effect

By contrast, Beef had no advertising of its own over the period. This gives us a clean read of the effect of the campaign on Beef. This firms our belief in the campaign's contribution to lamb's success – its role in making lamb promotion work harder.

## Beef demand up

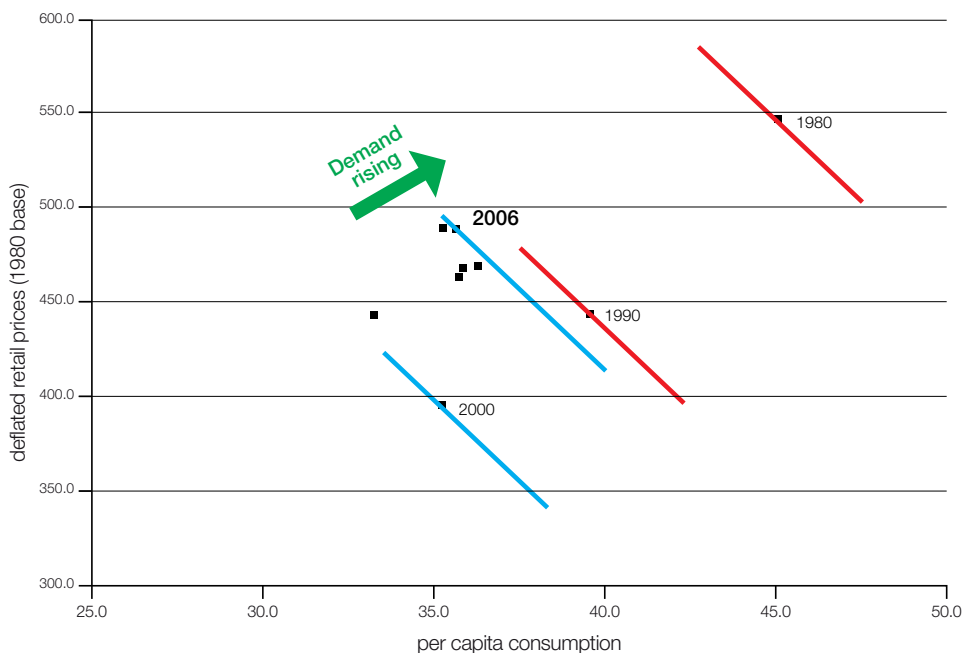




# Campaign effect

Both Beef and Lamb Demand have reached their highest levels since 1990. Consumer Demand is now recovering the declines of the '80s and 90s.

## The Campaign Effect: Strong Demand Rebound in Beef



## Attitudinal Impact

Mums' attitudes have clearly improved. While our tracking data has lost some sensitivity (due to methodology and supplier changes), on a pre/post basis, the effect of the campaign is clear.

Red meat is now positioned in consumers' minds as an essential food:

- an essential part of a healthy diet (87%)
- needs to be eaten 3-4 times a week (62%)
- "very healthy" (56%).

All tracking has been quantitative.

# Campaign effect

Phase 1 improvements were measured on a pre-post, face-to-face basis (2005 was a gap year with virtually no advertising in which some declines are evident - Prof. Kotler's laws of slow learning and fast forgetting, perhaps?).

Phase 2 methodology changed to CATI but still shows marked pre-post shifts. We offer a second post wave for Phase 2 but urge caution due to changes in both supplier and methodology – results of this wave are directional.

Pre-post advertising attitude shifts for phases 1 and 2	Phase 1		Gap year	Phase 2		
	Pre Feb 02	Post Dec 03	2005 Sept 05	Pre March 06	Post 1 July 06	Post 2 Nov 06
Very positive disposition	45%	54%	43%	47%	58%	71%
"Red meat is very healthy"	37%	47%	28%	35%	47%	56%
"essential part of a healthy diet"	58%	71%	70%	75%	80%	87%
	Face to face*		CATI*			Online**

\* The Leading Edge

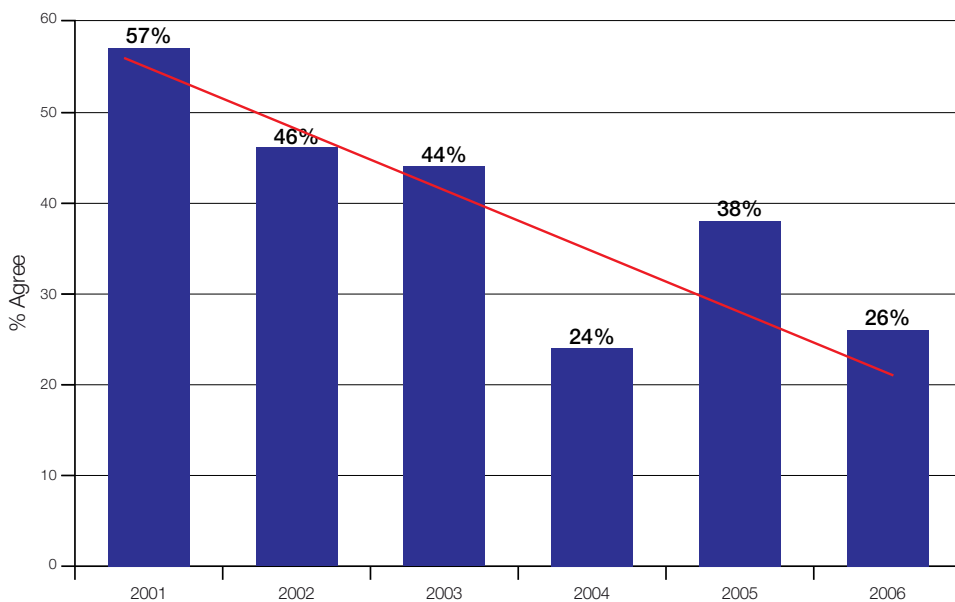
\*\*Millward Brown

Mums are now less inclined to limit consumption. Their confidence in red meat's nutrition has improved markedly (the tracking highlights the impact of the 2005 'gap year' together with adverse Press during our field work, setting attitudes back).

# Campaign effect

## Mums more confident on nutrition

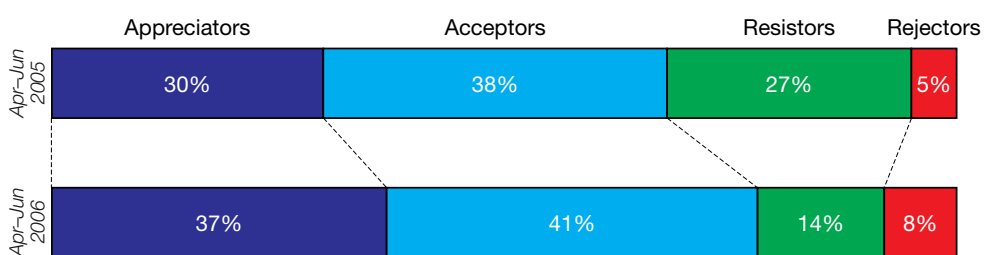
*% Mums who limit red meat consumption to avoid possible health problems*



Source: Sweeney, Millward Brown

Importantly, the campaign has shifted the attitudes we set out to influence. In removing barriers, it has opened more Mums' hearts and minds to red meat. The chart below shows how Phase 2 is converting Resistors to Acceptors and Acceptors to Appreciators, in so doing raising average frequency.

## Improved attitudes are linked to average serving growth



Source: The Leading Edge

# Campaign effect

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## Retailer Impact

Each sector of the retail trade – independent butchers and supermarkets – has invested in their own meat category development, with the campaign being a catalyst for much of this investment. Both parties' efforts (MLA and retailers) have worked synergistically to grow demand.

We have seen:

1. Woolworths and Coles respond with consumer campaigns focusing on the quality of their red meat:

*"The 'Red Meat. Feel Good' campaign has played an important part in our weekly promotional format, our catalogue panels have delivered over and above sales which will achieve ongoing new business."*

Phil Morley – Coles

2½ years into the campaign, Woolworths re-launched their red meat department with tighter quality specification, better merchandising and a better range of product:

*"Everyone is excited about meat and what we are doing in our meat departments."*

Pat McEntee – Woolworths

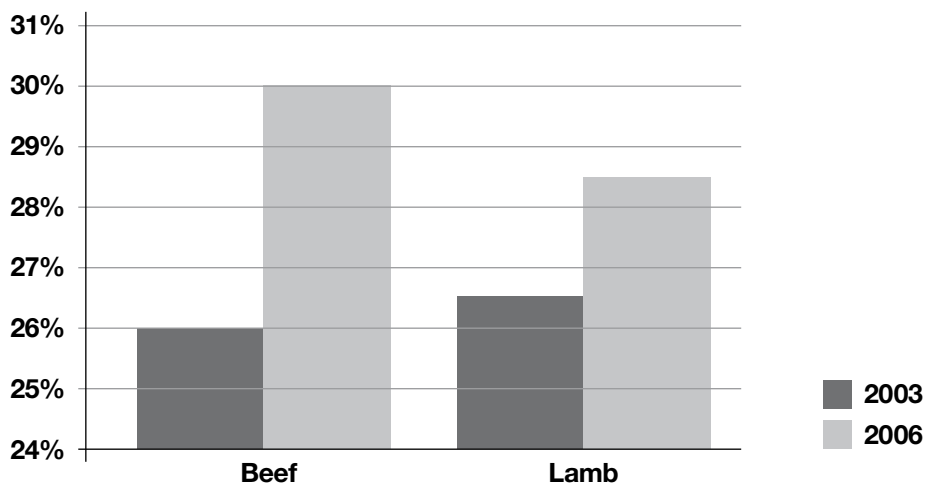
2. Independent butchers - whose days seemed numbered - have gained in confidence. They have re-invested in their businesses (product, display equipment and presentation), regaining their lead over supermarkets in Beef and arresting their decline in Lamb.

*"The red meat campaign has changed the way we and our customers think about red meat. Our staff feel professional pride in communicating the red meat message. We're great supporters of the campaign as it assists our customers and our business."*

Frank Russo, CEO, Rainbow Meats

# Campaign effect

Retail Butcher Market Share



# Campaign effect

The photographs below from a butcher in regional Queensland illustrate the effort butchers are making in product and presentation.



# Campaign effect

Our troupe of “Dancing Butchers” consists mainly of real butchers who give up their time to promote the message at key events e.g. The Royal Easter Show, Melbourne Cup, and Ekka.



3. Steakhouse restaurants claim growth as a result of the campaign:

*“As the ‘Red Meat. Feel Good’ campaign has taken hold, we have seen a shift from chicken and seafood sales towards more red meat.”* Jim Smith, CEO Lone Star

# Other variables

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Other factors which occurred during the campaign period (2002-2006) include:

1. Atkins Diet – Quantitative research showed consumers understood this to be about low carbohydrate, not increased protein. The uptake of Atkins in Australia has been very low.

Its impact on red meat demand is considered negligible.

2. The CSIRO Total Wellbeing Diet (TWD) – launched in August 2005.

The TWD has been a phenomenon in Australian publishing with sales approaching 1 million copies. Again, it is difficult to isolate its impact from RMFG. There's no doubt the diet and its surrounding publicity have added further credibility to our campaign messages.

The CSIRO TWD has contributed synergistically with our longer term nutrition campaign to build a stronger reputation for red meat and grow consumer demand



# Conclusion

The 5 year turn-around in red meat demand is the result of a well-founded industry strategy and a challenging, evolving, long-term advertising campaign. It has helped consumers re-think red meat and has renewed red meat industry confidence.

From 'Dancing Butchers' to Sam Neill, this campaign has created a huge shift in consumer thinking.

After 5 years, we've still got a lot to boogie about!



# Appendix

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## **Consumer Demand modelling**

Red meat is a complex market with many competitors at every level of the supply chain. Because around  $\frac{2}{3}$ rds of Australia's production is exported, prices and margins at producer, at processor, at wholesaler and even at retail fluctuate on a daily basis due to changes in supply and demand. And product will flow to whichever market is offering the best price on the day.

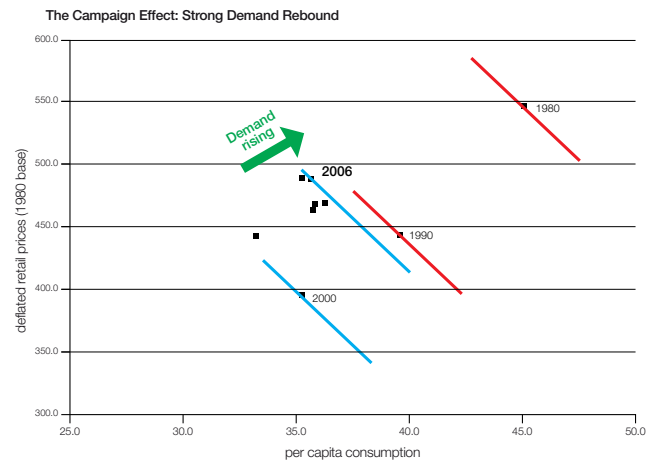
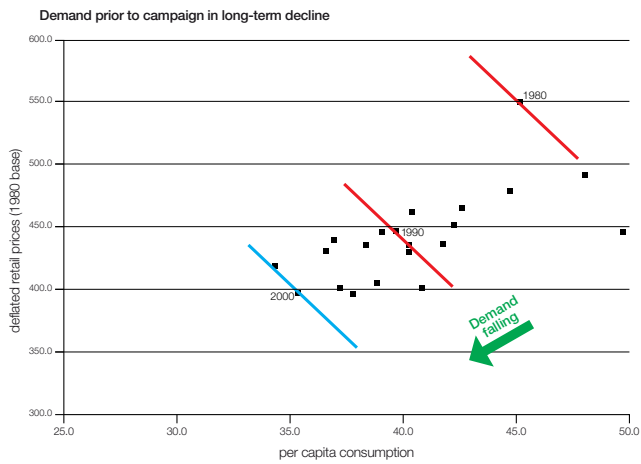
In FMCG businesses where retail prices are generally stable both in relative and absolute terms, changes in market shares, volumes and consumption can be reliable indicators of the strength of demand. However, these measures are not reliable guides in volatile market conditions such as red meat's because they neglect the impact of fluctuations in retail prices.

## **The Consumer Demand Index**

While Consumer Expenditure is therefore a more accurate reflection of consumer demand in meat than traditional measures of share or volumes, the Consumer Demand Index is a further refinement that also takes into account price changes, price inflation, population growth and consumer price elasticity.

By plotting the annual position of the demand curve for beef and for lamb and measuring changes in its position, we are able to observe changes in underlying consumer demand.

# Appendix



By further plotting changes in the position of the demand curve, we can derive a graphical representation of True Consumer Demand.

