

## MSU Product Center

*For Agriculture and Natural Resources*

Funding: USDA Rural Development Cooperative Service Market Advisor: The Hale Group

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### **Processed Beef Products – Many opportunities**

#### **Market drivers that provide many opportunities**

- There are many opportunities for processed beef products that appeal to the demand drivers of **ethnicity** and **indulgence**.

#### **Specific opportunities**

- There is an increased demand for dinner sausages that come from ethnic food sources. Kielbasa and authentic German wursts are examples.
- Blacks and Hispanics consume more beef than other groups. Bilingual packaging could be used to appeal to Hispanic consumers.
- Asians consume fewer processed beef products than other groups; however, younger Asian consumers are more likely to consume processed beef products than older consumers.
- Most consumers, particularly affluent consumers, prefer fresh meat products from deli counters. A high quality product could find an outlet to specialty retailers such as butcher shops and gourmet food stores.
- Only 6 percent of households consume gourmet sausages. There is likely room for growth in this market. Specialty stores may be an outlet for these types of products.
- Hot bratwurst flavors are preferred by all ethnic groups except whites. This presents an opportunity. Particularly given the strong consumption of sausage products by Hispanic consumers.

#### **New product examples**

- Nathan's Famous Old Fashioned Beef Smoked Sausage.
- Aldi, La Mas Rica, Barbacoa, fully cooked beef with seasoning.

#### **Special issues**

- The five largest firms in the industry control almost 50 percent of all sales. Entry may be difficult.
- The market for specialty and gourmet products is increasing.
- There does appear to be some ability to sell indulgence products through gourmet stores.
- Specialty ethnic markets also may provide some opportunities.

#### **Key to success**

- Consider whether or not it would be possible to combine products attributes to appeal to more than one demand driver. Consider alternative marketing arrangements such as cooperatives or contracting with retailers or wholesalers, especially gourmet and specialty food retailers.
- Be sure the product is truly unique if appealing to the demand driver of indulgence.

#### **Sources**

Mintel. Breakfast and Sandwich Meats.

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