



*CAB Corner on Quality*  
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**November 2009**

## **Brand extensions**

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Not too many years ago, the only change in a brand label across those years might be the occasional, “new and improved.” The old version was obsolete and no longer available. Then somebody realized the old version would still be preferred by many, so they left it as Classic and called the new one Heavy Duty, Light or Premium, for example.

Today, brand extensions are everywhere. A big grocery store can devote a whole aisle to Doritos<sup>®</sup> variations. And who can name even half of the car or truck models available? Manufacturers and marketers are trying to increase market share and sales by meeting increasingly specific customer demand.

If you’re an Angus producer famous for registered females, you may decide to start selling a few embryos, or form a partnership to sell bulls in another region of the country.

Those ideas fit the logic behind the Prime and Natural extensions found within the *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) brand. Some may find it hard to believe there’s an upgrade from USDA Prime, but that’s exactly what CAB Prime offers. Meeting demand at the extreme upper end of the quality spectrum, it encompasses the same Prime level of marbling with the added benefit of nine more specifications.

The Natural line meets demand from customers who want the brand’s traditionally consistent high quality, but also place a high value on the management practices used to raise the animals. Even further is the one-two punch that merges both worlds with CAB brand Prime Natural, arguably the most exclusive beef available in the world.

Consistent production of CAB Prime started in August 1996 at Tarpoff Packing, Granite City, Ill. In that first year, sales totaled 43,000 pounds. A decade later, CAB Prime annual sales reached the 6-million-pound area. Virtually every licensed packing company has embraced the program, although production has only scratched the surface of demand.

For the most likely customer, those already using USDA Prime, it's not too much of a stretch. We ask customers to trade their best for our exceptional product. They have already made a commitment to excellence in serving their customers, so we simply point out they can still raise the bar with CAB Prime. Beyond the added quality and consistency, they get a whole new layer of brand recognition above the commodity alternative.

Given the "nature of the beast," the Natural extension is much more involved, going beyond product selection at the plant and reaching all the way back to identification on the ranch. Rather than settle for the USDA minimum requirements to claim natural (no additives, minimally processed), CAB Natural adheres to standards that we believe natural consumers expect: No antibiotics or added hormones while raised on a 100% vegetarian diet. As a result, it's much more consolidated, starting with only one processor and evolving to only two today, Tyson Fresh Meats and Niman Ranch.

Introduced in April 2004, CAB Natural sales have eclipsed the Prime extension, expected to reach nearly 8 million pounds this year, down somewhat from last year's high. While it is a continuously evolving landscape, the natural program is well positioned to provide a high-quality option with unequivocal standards for natural claims.

The biggest questions when venturing into a brand extension are, how many resources do I need to commit to get the program off the ground? And once it is up and going, what resources are needed to sustain or even take it to the next level?

CAB has answered the latter question by hiring David O'Diam as brand extension manager to champion these product lines within our company and customers. Rather than letting these product lines simply operate on autopilot, this brand has chosen to commit significant resources to ensure their growth and success, adding materials and support for licensees that sell them.

Of course, these programs won't replace the traditional CAB line any more than your embryo sales will supplant your cattle sales. But the combined CAB brand extensions can grow to comprise 5% to 10% of the total, compared to 2% today. That's why we are committing the resources toward their continued success.

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