



*CAB Corner on Quality*  
(graphic file logo for  
heading available on  
request)

**May 2010**

## **SMACKDOWN!**

*By Mark Polzer, CAB Vice President, Business Development*

When most people think about high-quality beef, the first impression is of a juicy, well-marbled steak sizzling on a grill. However, consumers felt economic pressure to trade down over the last couple of years.

The “middle meats” from the ribeye and loin make up less than 20% of the beef carcass, but they carry more than 40% of the value. It’s great that we have added much value to the end meats of the chuck and round, and even ground beef, but recovery in consumer demand must include recovering the demand for steak.

Economic reports were discouraging, with fine-dining restaurants shouldering proportionately more loss of business than mid-scale or casual, while fast food picked up a little. Although foodservice sales among *Certified Angus Beef*<sup>®</sup> (CAB<sup>®</sup>) brand licensees were less affected than average, we had work to do.

When the going gets tough, it’s time for some serious marketing. Our team at Certified Angus Beef LLC came up with a fun contest that combines the rivalry of professional wrestling with the tournament excitement of college basketball’s March Madness. Starting in February, CAB foodservice distributors across the world entered the ring for the brand’s Middle Meat Smackdown.

What could we expect in this off-season when grills were covered with snow and consumers were paying Christmas credit-card bills or figuring taxes owed? And how could we structure a contest that would let the “David” distributors compete fairly against the Goliaths?

We set it up based on the previous year’s three-month sales base, or an agreed base if the company was just starting. Then the Smackdown would award two points for every 1,000-pound increase over base, and another point for every percentage increase. Contestants would draw upon CAB strips, ribs, tenderloins, top butts and short loins, and just for fun, a bonus for frankfurters.

Winners would receive expense-paid trips to the CAB Annual Conference in Puerto Rico this fall, along with extra cash and prizes.

Scores of distributors quickly got into the spirit as several company leagues developed, and their presidents began “talking smack” to rivals while setting up internal Smackdown performance incentives. They worked with our staff to step up focused sales training programs that will maintain higher performance well after the final round.

We hoped to regain 5% of sales, but soon realized this thing was bigger than that. Some already top-selling companies doubled their sales, and 25% increases were common in the early months. After three months, the net effect on total CAB middle meat sales had climbed by nearly 10%. The Smackdown just might pin down an extra million pounds in sales of our brand’s most worthy steak items to hungry and appreciative diners by the time the final rounds end in August.

It was encouraging to see the system-wide effort and enthusiastic participation, even though the rules of tournament play meant some close matches and worthy competitors would be out in the first round. The professionals selling the beef that starts on your ranch accepted all of that in stride as they aimed to be “the last account standing” in the Smackdown’s fight to the finish.

Efforts among CAB distributors alone can’t restore middle meats to their traditional role of carrying more of overall carcass value, but we have helped lead a comeback evident across the beef industry since mid-April.

The modest increases in restaurant traffic and orders for steaks remind those managers that they stand to make more money on beef than the lower-priced proteins on their menus. As restaurateurs regained their familiarity with that math, they also got reacquainted with the fact that people talk about a great steak and come back with friends.

END