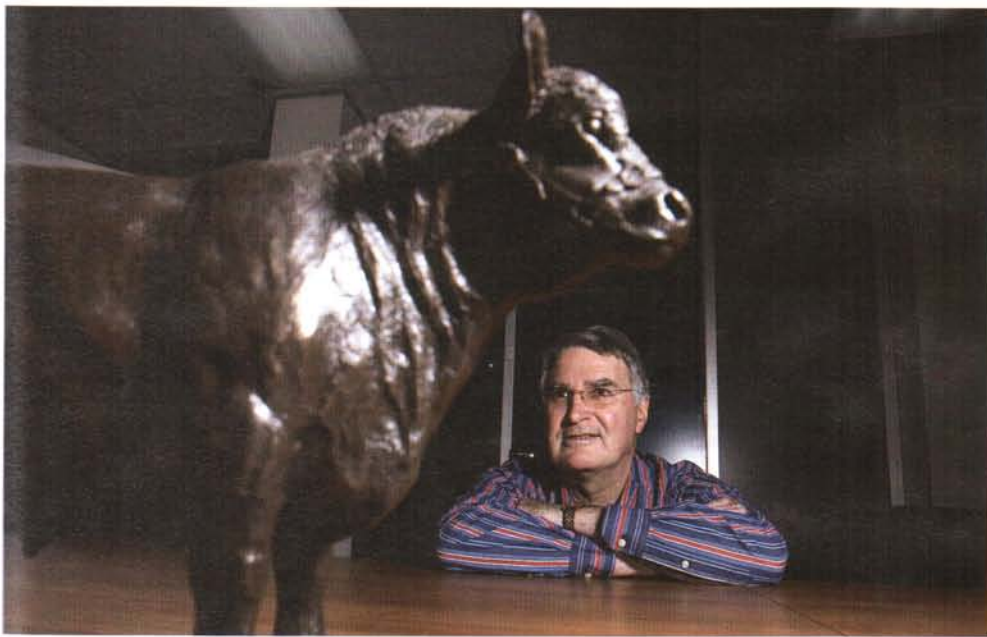


# ANGUS MAKES ITS MARK

Make way, bland sausage-machine products, for premium brands built on clever marketing.

Report: Leo D'Angelo Fisher



● Not so long ago branded beef was strictly niche and mainly confined to organic and boutique premium meats. But branding what most consumers have long considered a generic product no longer seems a marketing extravagance since Angus beef producers went mass market with their own brand.

The company behind the branding success is Certified Australian Angus Beef – a marketing and licensing company owned by Angus beef growers through the peak body Angus Australia.

If CAAB doesn't ring a bell, these might: McDonald's, Hungry Jack's, Coles and Four'N Twenty pies. All have released product lines that feature Angus beef and carry the CAAB logo.

CAAB chief executive Phil Morley says the more exposure for Angus beef through these brand associations, the better for producers. "The amount of brand awareness we've achieved through these associations has been invaluable," he says.

McDonald's introduced its Grand Angus and Mighty Angus premium hamburgers in August 2009, contracting CAAB to verify that its patties are made from certified Angus beef.

**Meat 'n' greet: Certified Australian Angus Beef chief executive Phil Morley**

The hamburgers, which were introduced in a \$10 million marketing campaign, made an estimated \$2 million in weekly sales at their peak. A McDonald's spokesman declined to comment on figures but says the Angus range is "a very strong product for us" that now has a permanent spot on the menu.

That's good news for Angus producers. The success of the McDonald's Angus range, coupled with increased consumer awareness of Angus beef has resulted in a 35 per cent rise in sales of CAAB beef. Hungry Jack's joined the party when it began offering its own range of Angus beef hamburgers.

CAAB was formed in 1996 to promote the sale of Angus beef. It's only been in recent years that aggressive branding has left its mark.

National beef buyer for Coles supermarkets Jon Watson says beef branding is more common overseas than in Australia, where consumers have viewed beef as a generic product.

But that's changed. "The Angus category has

grown quite substantially. Customer registration of the Angus brand is very strong," Watson says.

Three years ago Coles introduced CAAB-branded steak and mince and a year ago started exclusive sales of a range of CAAB-branded Angus beef sausages.

Illustrating the flow-on effect of growing consumer awareness, Watson notes that at the height of the McDonald's marketing blitz for its Angus hamburgers, Coles experienced a "significant" jump in sales of its Angus beef products. These sales have been maintained.

Morley says there are "five or six" smaller Angus brands in Australia but CAAB is the market leader, with an estimated 40 per cent of the Angus beef market. He welcomes the competition: "The more Angus brands out there, the more people there are buying Angus beef."

When CAAB was established in 1996, its marketing efforts resulted in just 12 head of livestock processed for domestic and export markets. Since 2007, an average 100,000 head of cattle have been processed under the CAAB brand a year. About 30 per cent of CAAB beef is sold domestically and the rest is exported to 30-plus countries.

The chief executive of Angus Australia, Peter Parnell, says CAAB's marketing blitz has not only raised awareness and demand, but ensured that producers are paid a premium for their product.

Hamburger mince that previously would not have attracted the prices paid for Angus beef destined for restaurants and export markets is now commanding a premium of 5 per cent to 10 per cent thanks to high-profile products developed by McDonald's and Hungry Jack's.

"By getting involved with these and other products, we're able to sell more of each beast as branded Angus beef at premium prices," Parnell says.

Patties Foods, maker of the Four'N Twenty pie, spent \$1.3 million developing its Legendary Angus Beef meat pie, which it released in May with a \$1.7 million campaign. Patties has an exclusive agreement with CAAB that ensures it is the only pie maker to carry its endorsement on packaging and advertising.

Patties managing director Greg Bourke says releasing an Angus version of its famous pie was a "no-brainer".

"The meat pie is a mature category and we want to bring people back to the category as well as attract new people," he says. "We believe we can put more life into the meat pie category with the Legendary Angus Beef range." **BRW**