



Marketing of Agri Products

Handout 2

Niche Market Case Study

Case Study

Niche marketing with grass-fed beef – AI African Cattle Farm

The two defining characteristics that differentiate the *AI African Cattle Farm* from other beef cattle farmers are their product and market. When they first set out to direct market, they were determined to give the public an opportunity to eat the kind of beef they grew for themselves. Convinced that there was a niche market for clean, range-grown beef, they proceeded to sell a product that was free of unwanted chemicals, growth hormones, and antibiotics.

The *AI African Cattle Farm* maintains that conventional wisdom does not apply in the marketing of grass-fed beef. Beef raised entirely on grass has the leanness of wild game and the flavour of sweet beef. It is not heavily marbled as is grain-fed beef. The cattle are butchered between the ages of 18–20 months; the younger the steer, the more delicate and tender the meat. Not much fat needs to be trimmed off the carcass and the beef is sold with cooking instructions and recipes.

It took some time and some crushingly expensive mistakes for the *AI African Cattle Farm* to learn how to tap into their niche market. Glossy advertising in a local tourist guides, press releases and bulk mailings brought few or no sales. The poor response convinced them that they were better off addressing themselves exclusively to the small percentage of meat-eaters who frequent health food stores or similar establishments and who would buy organic meat. On the downside, of course, was the fact that many health foods store themselves steer clear of red meat because of perceived health risks. Their mission is now:

Convince them that there are people out there who will joyfully eat clean, range-grown beef, precisely because of the health benefits. We show them photos and describe the ranch and the lives of our cattle. We point out the obvious that beef is a very high-quality, nutrient-dense source of protein and obscure nutrients like B12, folic acid and zinc, that it is utterly delicious and deeply satisfying.

Today, their main wholesale outlet is a local warehouse. The warehouse itself markets only their ground beef but trucks orders to buying clubs—groups of private individuals—and allows the *AI African Cattle Farm* to ship on their vehicles. This is an enormous bit of luck because it allows them to ship their product around the country for little expense. The other, and costlier alternative would be to use delivery services, which do not have freezer trucks and require insulated packaging.

The owners of *AI African Cattle Farm* note that they really ought to invest more time and effort into in-store presentations and demonstrations. They have refrained from this partly because they do not wish to offend vegetarians present in the store and partly because they are still uncomfortable playing the role of salespeople.

Yet, store managers have found their obvious naiveté and lack of sophistication refreshing and different from the spell of professional salespeople. The owners do not make "cold" calls but prefer to write a letter of introduction in advance before paying a visit to the store.

Their ideal marketing strategy would entail getting to know all the mainstream grocery stores with alternative clientele, and health food stores within a three-hour driving radius, contact them on a regular basis—perhaps weekly, bi-weekly or monthly—and keep the stores regularly stocked with their product. So far, they have been able to sell everything they produce without actively marketing.