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Assessment of Kansas Beef Producers' Perception and Knowledge Level of Business-to-Consumer Marketing

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Abstract

The objective of this study was to assess the perception and knowledge level of Kansas beef producers regarding business-to-consumer (B2C) marketing. A digital survey (Qualtrics Software, Provo, UT) was created to assess the perception and knowledge level of B2C marketing of Kansas beef producers. The survey was disseminated to Kansas beef producers utilizing the Shop Kansas Farms online social networking group. Finished beef cattle sales consisted of 20 or fewer head for 50.0% of respondents, with 43.9% selling 100% of their beef to individual consumers. An increase in sales to individual consumers in 2020 compared to previous years was reported by 61.0% of respondents. The use of B2C marketing associated with an increase in individual consumer sales was identified as “very desirable” by 73.0% of respondents. Producers noted challenges due to consumer concerns or complaints (38.9%) and indicated an increase in state extension resources would be “moderately” or “very” effective in improving the knowledge of both consumers (46.9%) and producers (33.3%). The results from this study confirm the need for more state extension resources to support B2C marketing for beef producers in Kansas and set the foundation for future research priorities.

Introduction

The COVID-19 pandemic that reached the United States in 2020 severely disrupted the beef supply chain (Thilmany et al., 2021), leaving grocery store shelves empty and consumers uncertain about how they would obtain their food. These events led to an increase in the demand for local beef (McKay et al., 2019; Atkins, 2020), and an opportunity for small- and medium-sized beef producers to capitalize on the growing interest of consumers to purchase beef products directly from beef producers. However, many producers faced concerns or complaints from consumers as they worked to expand the business-to-consumer (B2C) marketing channel. Therefore, it was the objective of this study to assess the perception and knowledge level of Kansas beef producers regarding B2C marketing of beef products.

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Experimental Procedures

To accomplish the study objectives, a digital survey (Qualtrics Software, Provo, UT) was created to assess the perception and knowledge level of B2C marketing of Kansas beef producers. The survey was disseminated to Kansas beef producers utilizing the Shop Kansas Farms online social networking group. This group has a membership of over 130 Kansas beef producers, many of whom participate directly in B2C marketing channels. A total of 43 producers completed the survey. All responses were self-reported digitally by the participating producers.

Results and Discussion

Results from this study showed that 25.5% of beef producer respondents ($n = 41$) raise another species in addition to beef. It was found that 50.0% of survey respondents sold 20 or fewer head of finished beef cattle in 2020, with 43.9% selling 100% of their beef to individual consumers. Furthermore, 61.0% of respondents reported an increase in sales to individual consumers in 2020 compared to previous years, with 75.0% indicating sales to large beef processors were about the same. An increase in individual consumer sales was considered “very desirable” by 73.0% of respondents, and 87.1% believe sales to individual consumers are the most profitable marketing channel. There were 72.2% of respondents selling beef in a B2C market for 1–10 years, with 47.2% reporting that repeat customers make up 75% of their sales (Table 1). Word of mouth was the most common method of product marketing, as indicated by 91.6% of producers (Table 1). Concerns or complaints from consumers were noted by 38.9% (Table 1). It was believed by 47.1% of respondents that an improvement in consumer knowledge would be “very effective” to prevent future complaints or concerns (Table 2). Moreover, 31.0% of respondents believed that an increase in producer knowledge would be “extremely effective” in preventing future complaints or concerns (Table 2). Finally, it was believed that an increase in state extension resources would be “moderately” or “very” effective in improving consumer and producer knowledge by 46.9% and 33.3% of respondents, respectively (Table 2).

Implications

Producers self-reported that B2C was the most profitable marketing channel within their operation. However, many are not utilizing this channel to its full potential, and many have experienced consumer concerns or complaints. This study confirms the need for more state extension resources to support B2C marketing for beef producers in Kansas and sets the foundation for future research priorities.

Acknowledgments

This project was funded by USDA, NIFA, Farm Business Management and Benchmarking Program, Award # 2021 – 05867.

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Table 1. Summary of responses from producers who reported beef production within their operation regarding sales to individual consumers and concerns or complaints (n = 41)

Characteristic	Response	Percentage of consumers
Estimate number of years selling to individual consumers (n = 36)	0	5.6%
	1 – 5	44.4%
	6 – 10	27.8%
	11 – 15	2.8%
	16 – 20	5.6%
	> 20	13.9%
Percentage of customers being repeat customers (n = 36)	0%	13.9%
	25%	22.2%
	50%	8.3%
	75%	47.2%
	100%	8.3%
Form of sales (n = 35)	Half beef	5.7%
	Half beef, portion cuts	2.9%
	Half beef, quarter beef	8.6%
	Portion cuts	5.7%
	Portion cuts, butcher bag	2.9%
	Whole beef	8.6%
	Whole beef, half beef	8.6%
	Whole beef, half beef, quarter beef	34.3%
	Whole beef, half beef, quarter beef, portion cuts	14.3%
	Whole beef, half beef, quarter beef, portion cuts, butcher bag	5.7%
Method of product marketing (n = 35)	Whole beef, portion cuts	2.9%
	Farmer's market, social media, other marketplace ¹	2.9%
	Other marketplace ¹	2.9%
	Social media	2.9%
	Word of mouth	22.9%
	Word of mouth, stand-alone website, farmer's market, other marketplace ¹	2.9%
	Word of mouth, stand-alone website, farmer's market, social media, other marketplace ¹	5.7%
	Word of mouth, stand-alone website, social media, other marketplace ¹	8.6%
	Word of mouth, farmer's market, social media, other marketplace ¹	2.9%
	Word of mouth, other marketplace ¹	2.9%
	Word of mouth, social media	17.1%
	Word of mouth, social media, other marketplace ¹	28.6%

continued

Table 1. Summary of responses from producers who reported beef production within their operation regarding sales to individual consumers and concerns or complaints (n = 41)

Characteristic	Response	Percentage of consumers
Experienced trouble (n = 36)	Yes	38.9%
	No	61.1%
Concern or complaint ² (n = 14)	Unsatisfied portions	7.1%
	Unsatisfied portions, other	7.1%
	Low take-home weight	7.1%
	Low take-home weight, unsatisfied portions	7.1%
	Low take-home weight, unsatisfied portions, high price	7.1%
	Low take-home weight, unsatisfied portions, high price, other	7.1%
	Low take-home weight, unsatisfied portions, unexpected costs ³	7.1%
	Low take-home weight, unexpected costs ³	7.1%
	Unsatisfied quality	7.1%
	High price	14.3%
	High price, unexpected costs ³	7.1%
	Other	14.3%
Other concern or complaint ² (n = 5)	Lack of knowledge regarding buying process	20.0%
	Order cancellations	40.0%
	Poor workmanship	20.0%
	Customer didn't believe product met USDA inspection standards	20.0%
Attempted to resolve issue ² (n = 14)	Yes	92.9%
	No	7.1%
Description of attempt made ³ (n = 12)	Provided a discount	25.0%
	Provided additional beef or other products	8.3%
	Other	66.7%
Other attempts made ⁴ (n = 6)	Provided an explanation or education	100.0%
Consumer satisfaction with attempt made ⁴ (n = 12)	Yes	75.0%
	No	25.0%

¹Including Shop Kansas Farms and Facebook Marketplace.

²Question appeared only to producers who responded yes to experiencing trouble.

³Including processing fees and disposal fees.

⁴Question appeared only to producers who responded yes to attempted to resolve issue.

Table 2. Summary of responses from producers who reported beef production within their operation regarding complaints or concerns regarding options to prevent future complaints and concerns (n = 41)

Characteristic	Response	Percentage of consumers
Effectiveness of improved consumer knowledge (n = 34)	Extremely effective	32.4%
	Very effective	47.1%
	Moderately effective	20.6%
	Slightly effective	0.0%
	Not effective at all	0.0%
Effectiveness of improved producer knowledge (n = 32)	Extremely effective	31.3%
	Very effective	28.1%
	Moderately effective	25.0%
	Slightly effective	12.5%
	Not effective at all	3.1%
Effectiveness of improved locker knowledge (n = 32)	Extremely effective	34.4%
	Very effective	31.3%
	Moderately effective	21.9%
	Slightly effective	6.3%
	Not effective at all	6.3%
Effectiveness of improved communication between consumers and producers (n = 33)	Extremely effective	36.4%
	Very effective	42.4%
	Moderately effective	21.2%
	Slightly effective	0.0%
	Not effective at all	0.0%
Effectiveness of improved communication between consumers and lockers (n = 33)	Extremely effective	36.4%
	Very effective	33.3%
	Moderately effective	18.2%
	Slightly effective	12.1%
	Not effective at all	0.0%
Effectiveness of increased state extension resources to improve consumer knowledge ¹ (n = 32)	Extremely effective	12.5%
	Very effective	18.8%
	Moderately effective	46.9%
	Slightly effective	12.5%
	Not effective at all	9.4%
Effectiveness of increased USDA ² or KDA ³ resources to improve consumer knowledge ¹ (n = 31)	Extremely effective	12.9%
	Very effective	25.8%
	Moderately effective	38.7%
	Slightly effective	16.1%
	Not effective at all	6.5%
Effectiveness of non-government advocates to improve consumer knowledge ^{1,4} (n = 31)	Extremely effective	12.9%
	Very effective	32.3%
	Moderately effective	35.5%
	Slightly effective	12.9%
	Not effective at all	6.5%
Effectiveness of consumer testimonials to improve consumer knowledge ¹ (n = 31)	Extremely effective	45.2%
	Very effective	32.3%
	Moderately effective	19.4%
	Slightly effective	0.0%
	Not effective at all	3.2%

continued

Table 2. Summary of responses from producers who reported beef production within their operation regarding complaints or concerns regarding options to prevent future complaints and concerns (n = 41)

Characteristic	Response	Percentage of consumers
Effectiveness of producer or locker testimonials to improve consumer knowledge ¹ (n = 31)	Extremely effective	29.0%
	Very effective	29.0%
	Moderately effective	25.8%
	Slightly effective	12.9%
	Not effective at all	3.2%
Effectiveness of increased state extension resources to improve producer and locker knowledge ⁵ (n = 27)	Extremely effective	18.5%
	Very effective	33.3%
	Moderately effective	22.2%
	Slightly effective	22.2%
	Not effective at all	3.7%
Effectiveness of increased USDA ² or KDA ³ resources to improve producer and locker knowledge ⁵ (n = 27)	Extremely effective	14.8%
	Very effective	40.7%
	Moderately effective	25.9%
	Slightly effective	18.5%
	Not effective at all	0.0%
Effectiveness of non-government advocates to improve producer and locker knowledge ^{5,4} (n = 26)	Extremely effective	15.4%
	Very effective	38.5%
	Moderately effective	34.6%
	Slightly effective	7.7%
	Not effective at all	3.8%
Effectiveness of consumer testimonials to improve producer and locker knowledge ⁵ (n = 27)	Extremely effective	25.9%
	Very effective	40.7%
	Moderately effective	25.9%
	Slightly effective	3.7%
	Not effective at all	3.7%
Effectiveness of producer or locker testimonials to improve producer and locker knowledge ⁵ (n = 27)	Extremely effective	29.6%
	Very effective	29.6%
	Moderately effective	37.0%
	Slightly effective	3.7%
	Not effective at all	0.0%

¹Question appeared only to producers who responded extremely effective and very effective to improved consumer knowledge.

²United States Department of Agriculture.

³Kansas Department of Agriculture.

⁴Including National Cattlemen's Beef Association and Kansas Beef Council.

⁵Question appeared only to producers who responded extremely effective and very effective to improved producer knowledge and improved locker knowledge.