

**A survey of
Petite Beef by Headwater Farms
Customers**

Response summary and points for discussion

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November 22, 2002

Abstract

This is a presentation of the results of the second customer survey sent to purchasers of Petite Beef by Headwater Farms. It includes a background discussion of the Headwater Farms initiative, a question-by-question summary of responses, with some second-level analysis relating, for example, customer satisfaction and customer affiliation with non-profit groups. Attached is a sample customer survey sheet.

Overall, the survey shows that purchasers of Petite Beef consistently rate the product and its attributes highly with about 80% claiming that its taste, tenderness, and juiciness is either “good” or “excellent.” Similarly, customer responses indicate that the attributes of Petite Beef, ranging from no hormones or antibiotics and low-fat, to family farm preservation and environmental protection comprise an internally consistent package, much of which is highly valued by the customers.

The responses also provide suggestions where refinements may further enhance customer satisfaction. For example, a number of customers cited the packaging and the uniformity/distribution of cuts as less than ideal.

Finally, the responses indicated opportunities to more effectively market Petite Beef. For example, six customers claimed they would be interested in purchasing Petite Beef on a subscription basis.

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Introduction

Background

The Headwater Farms partnership is working to develop a profitable niche market for beef. Funded by NESARE in 2000, the goal of the partnership is to make environmentally progressive farm management a sound business decision that increases farm profits. Partners include the Hampshire County Feeder Calf Producers Association, the WVU Extension Service, Cacapon Institute (a science-based non-profit organization), Gourmet Central (a specialty food producer), WV University's Animal Sciences department, the Hampshire County Development Authority and the USDA-NRCS. Key elements of this program:

- produce a new beef product from senior calves weighing 750 pounds. The product name – Petite Beef – derives from using this size animal.
- produce naturally lean beef free of added antibiotics and hormones.
- sell regionally with all proceeds going to the participating farmers.
- foster sustainable agricultural management methods that protect the environment, such as rotational grazing and stream-side protection.
- link initial market development to members of the watershed community who value clean environment, rural lifestyles, family farms, healthful food and the consumption of humanely raised animals.

Overall, this program was designed to develop a new, value added niche market for farmers, with “added values” ranging from nutrition and health (lean meat, no hormones, no antibiotics) to environmental (protecting streams, preserving landscapes) and social (preserving family farms) issues. The name Headwater Farms™ was developed to describe agricultural products grown according to these values.

Customer Surveys

This report provides results of customer surveys conducted during the summer of 2002. These surveys were designed to test the acceptability of the Petite Beef product and assess the importance of the "added values" on the decision to purchase the product. This program officially began in May 2000. This evaluation comes during the final phase of the NESARE grant # LNE00-139. It was designed to glean broader lessons from the experience thus far, and to try to help refine the Headwater Farms (HF) Petite Beef (PB) marketing effort.

Through April 17, 2002, Headwater Farms had sold beef to 203 customers. These customers were distributed among people initially contacted by mail, other public media, events and personal contacts (Table 1). In general, the mailings were targeted at individuals interested in either environmental or farmland conservation issues, who are predominantly college educated and who have above average means. Table 1 indicates that the majority of customers came from groups targeted for their specific interests in environmental or farm conservation issues.

Presumed Source	Number of Customers
Mailings to members of Cacapon Institute, multiple times	68*
Mailing to members of a WV river group, June 2000	14
Mailings to regional members of River Network, a national land conservation organization and a national farm preservation organization.	71
newspaper advertisements	6*
newspaper and newsletter articles	4*
meal events	18*
personal contacts	6*
customer referrals	4*
unknown	12

The first 68 customers received a questionnaire in February 2001, to which 33 (49%) responded. These customers were obtained through sales efforts targeting, primarily, members of Cacapon Institute and a WV river conservation group. The questionnaire asked a series of Yes/No questions focusing on the HF story and their satisfaction with the product. Key results from that survey are provided in Table 2. These results indicated that the Headwater Farms "story" made sense to our customers, and demonstrated a strong correlation between attitudes over nutrition and health (particularly no antibiotics and hormones), the environment and preserving family farms. Somewhat surprising was the percentage of customers, targeted for their interest in environmental issues, who felt promoting sustainable agriculture and preserving family farms was the most important reason to purchase the product.

Table 2. Results of survey of first 68 Petite Beef customers. Thirty-three out of 68 responded to the request for information. If they did not "check" a response on the form, no response was assumed.

What "elements" of the Petite Beef by Headwater Farms program are important to you?	Yes	No	Which are most important?
Low fat?	92%	8%	4%
No added hormones and antibiotics?	100%	0%	17%
Mostly grass fed?	100%	0%	0%
Promote sustainable farming practices?	100%	0%	26%
Help support local, family farms?	100%	0%	26%
River friendly?	100%	0%	22%
Preserve open space?	100%	0%	4%
Does price reflect the quality and environmental benefits of the product?	91%	9%	n.a.
Will you reorder?	91%	9%	n.a.

A second questionnaire (Attachment 1) was mailed in June 2002 to all customers for whom we had contact information. This questionnaire was more explicit than the first, and was designed to quantify the acceptability of the Petite Beef product-- by asking responders to "rate" the product (steaks, roasts, ground beef)-- and the relative importance of elements of the Headwater Farms story and by asking responders to "rate" their reasons for buying -- on a scale from 1 (low) to 5 (high). The questionnaire also asked for narrative responses (such as - "Any comments on the roasts?") to give the responders more freedom in their answers. Fifty-two out of 198 customers responded to this questionnaire, for a return rate of 26% (seven of the responders also replied to the first questionnaire). The following report is based primarily on the first 50 responses received.

Additionally, non-responders were polled for answers to a list of four basic questions by e-mail (10 contacts) and by telephone (15 contacts) in order to verify that the survey responses were indeed representative of the entire customer base. In the end, a total of 103 out of the 203 customers (51%) have answered at least some key questions about Petite Beef by Headwater Farms.

The section below is an analysis and discussion of the responses to the written June 2002 questionnaire, supplemented by responses to the email and telephone inquiries. Please note that this report is not meant to be a definitive analysis of the evaluation results. Rather, it is our hope that it evokes additional discussion and learning among project partners and other interested parties.

Discussion and Analysis

This section comes in two parts. Part one is a summary of responses to each question. Part two looks at relationships between questions, for example, were more satisfied customers more interested in taste or preserving family farms. Attachment 1 provides a copy of the 2002 questionnaire.

Part 1 Summary of Questions

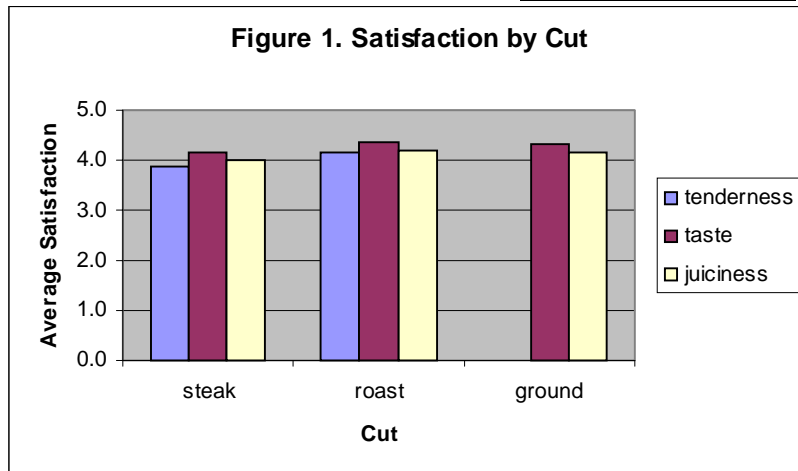
The questionnaire itself was divided into three distinct sections.

The first section asked questions about acceptability of the Petite Beef product. The second section sought to determine the importance of various elements of the "Headwater Farms story" on each customer's decision to purchase Petite Beef for the first time, and on their decision to reorder. The third section sought more general information.

Rating Petite Beef qualities.				
Unsatisfactory		Satisfactory		Excellent
1	2	3	4	5

Question 1, 2 and 3 Ratings of tenderness, taste, and juiciness

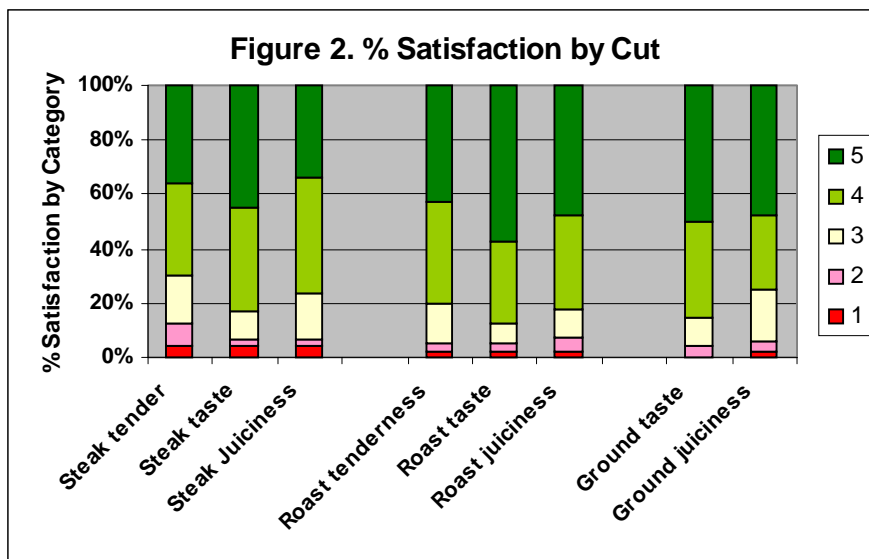
This question asked customers to rate the steaks, roasts, and ground beef for tenderness, taste, and juiciness on a scale ranging from 1 (unsatisfactory) through 3 (satisfactory) to 5 (excellent). There was also a space for comments. Figure 1 shows that responders had, on average, a positive experience with all three product groups, with average satisfaction midway between "satisfactory" and "excellent."



Since we're dealing with a product for which customers pay a premium

price, ultimately it is likely to be the quality of their eating experience that brings people back. For this type of product, satisfactory may not be good enough. It is therefore important to know more than the average response to their eating experience. Figure 2 provides a more detailed look at the distribution of responses to the first three questions. This figure is a "100% stacked-bar" type graph, which reveals the percentage of responses in each "satisfaction category." Roughly 40% of responders found the steaks to be excellent overall, while a slightly higher 50% rated the roasts and ground beef highly. Taste was rated

as excellent more often than either tenderness or juiciness. More people (20-30%) rated steaks as satisfactory or less, than roasts (13-20%) or ground beef (15-24%). Fewer than 10% of responders rated any aspect of these products, other than tenderness of steaks, as less than satisfactory.



As might be expected from the above results, there were more positive written comments than negative, with 11 out of 15 negative comments having something to do with the cuts. For example, "Meat cuts are poor. Prefer fewer cuts and better cuts", "Are thicker cuts available?" and "they were too small - rather have less in number and have larger roast." A number of comments indicated the ground beef had more fat than they expected -- "I wouldn't mind if it was leaner...." One comment that rather stood out: "We did not actually receive roasts (with a explanatory comment questioning the size of the cuts that were labeled as roasts.

Question 4. “What did you like most about Petite Beef?”

Tallying responses to this question was challenging because the question was open-ended, allowing people to write anything. Therefore some subjectivity was necessary in the processing of the responses, and we urge readers to be conservative in their conclusions.

People cited qualities of Petite Beef such as tenderness, taste, and quality approximately 18 times. Surprisingly, given the position of this question in the meat quality section of the questionnaire, environmental issues and sustainable farming was also cited often with about 14 customers saying something like, “environment friendly”, “produced sustainably”, and “commitment to watershed conservation.” A number of other attributes received multiple responses, including overall concept (5), no hormones/antibiotics, (5), no additives (3), low fat or heart-related (4), serving size (3), naturally raised or grass fed (4), small/family farms (4).

Question 5. “What did you like least about Petite Beef?”

There were fewer responses to this question than to question 4. Like question 3, but this time in a negative sense, product attributes like “the meatballs were dry”, “toughness of steaks”, and “It's too bad it has to be frozen - but I see why.” were cited most (7). In addition, six customers cited specific problems with the packaging such as leaking, or “didn't hold up.” Other responses related to cost (3), cuts (4), allocation of cuts or buying a set package (5), and inconvenience/pick-up (5).

Question 6. “Is Petite Beef a "good value:" i.e. does its price appropriately reflect the quality, social, and environmental benefits?”

Thirty-four customers said, unambiguously, that it was a good value, with two not sure, and five said no.

Comments in this section highlight some of the issues that challenge niche products with prices that exceed regular commodity products. A sampling: "For me the price is ok, but of course, it keeps others from buying. Many prefer to pay the lower price of conventional beef while all of us subsidize it because it doesn't reflect the internal costs" and "yes but this doesn't mean that I can necessarily afford it as part of my food budget." One answer relates to the eating quality of the product: "A good value in the terms stated above, but less so in terms of family budget and outstanding flavor." Another comment speaks to the local competition: "No. We purchased beef from a local farmer last fall for less than \$2.(illegible) per pound, and it is of excellent quality."

Question 7. “Do you like our brochure?” with the follow-on question “Would you change anything?”

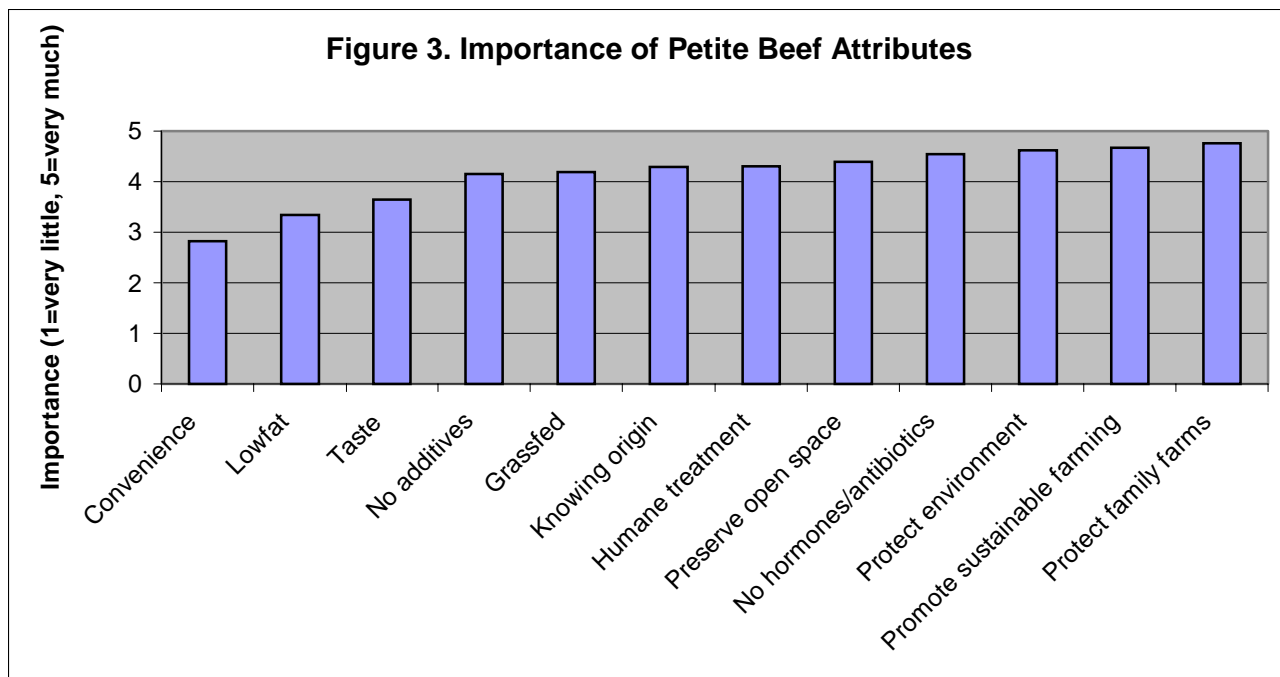
Of the people that answered, 44 said that they did like the brochure and one said “no.” With respect to part two of the question, eleven customers commented and nine offered substantive comments as follow:

- You might consider mentioning Gourmet Central as a source to purchase the meat.
- Some of the language is vague. I would like more detail, I.e., are cattle kept completely out of the streams and rivers? Do they eat nothing but grass, or are they supplemented with grain? What are slaughter conditions, since that is where a lot of beef contamination (e. coli, etc.) occurs?
- The thought of "green" beef is a trifle peculiar. Is the quote "the flavor is spectacular!" a direct one? If so, whose? The brochure is a bit ho-hum. Hate to breathe the phrase "better marketing" but a better job of selling the sizzle may be needed. Who are your major buyers?
- Maybe more explaining the source.
- More emphasis on taste - the stuff is delicious!
- Would emphasize grass-fed and its CLA and omega-3 content.

- Excellent - fresh colors and photos- really carries the message. Would like to see poster-sized versions around the county (Libraries, Post Offices, Ruritan Bldgs, etc.) and more articles in The Review and other newspapers.
- No, The information is clear and attractively presented.
- Provide more information on commitment/action for watershed river and water quality protection.

Questions 8 “Why did you decide to buy Petite Beef by Headwater Farms the first time?”

Here, customers were asked to rank the importance of twelve Petite Beef attributes: i.e. the Headwater farms “story.” The average ranking for each attribute is shown in Figure 3.



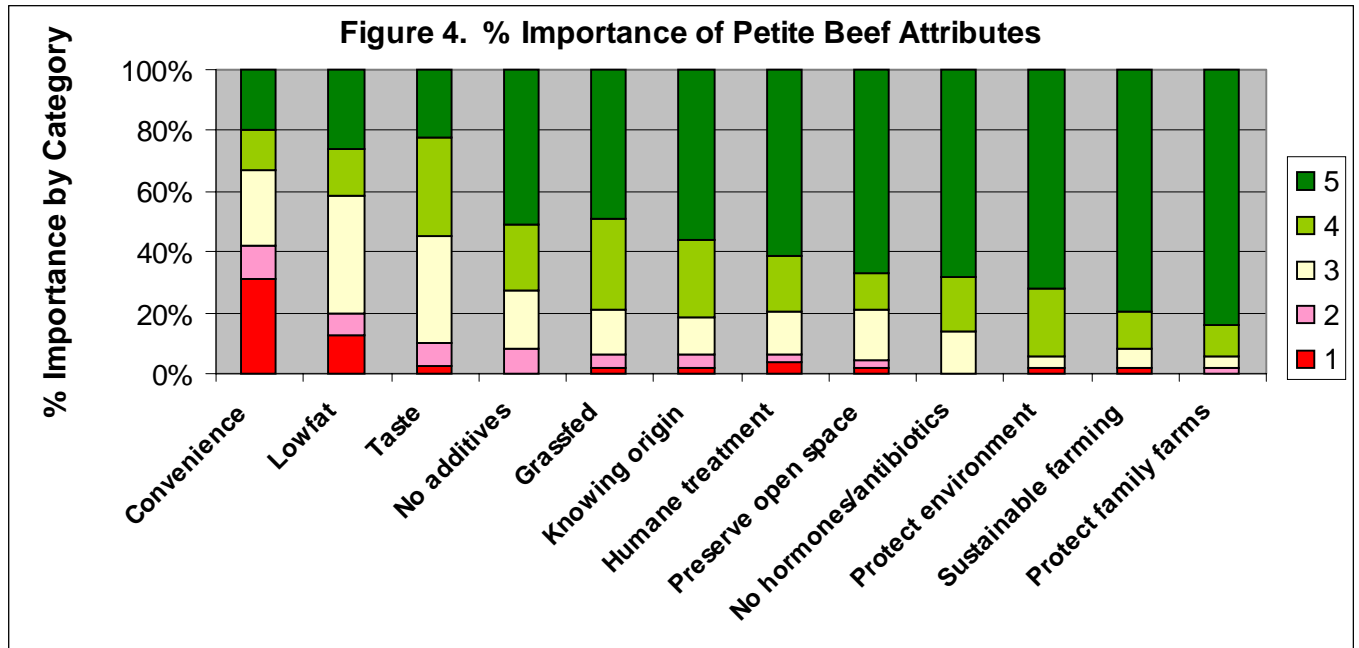
We were surprised to see that convenience, fat content, and taste ranked lowest in average importance, although in the latter case relatively few customers had an opportunity to try Petite Beef before purchasing the product. An email response from a passionate supporter of the program provided insight on the issue of convenience: "The only drawbacks (obstacles, really) are two: (1) our freezer keeps getting full of other stuff (but I'm on a concerted effort to clear it out to make room for another order of beef) and (2) we are used to less planning ahead than it takes for a frozen product (particularly meat, which generally takes marinating after defrosting.) Plus it takes a little extra effort to order which you can see I'm not good at since I haven't even sent in the survey despite my best intentions!" It would seem worthwhile to explore the issues raised by these comments about convenience further.

Very Little		Somewhat		Very Much
1	2	3	4	5

We were also surprised to see the importance assigned to the fact that the beef is largely grassfed because the issues surrounding grassfed animals are still relatively new. The high ranking may be because the customers targeted were a more informed group of people than the general population.

As with satisfaction concerning the product, average results do not tell the whole story. Figure 4 provides another “100% stacked-bar” graph, in this case looking at the distribution of customer responses on the question “Why did you decide to buy....?” This information is particularly important for the trio of “attributes” that ranked lowest in average customer importance: convenience, fat content, and taste. About 30% of the customers ranked convenience as an important reason to buy the product (scores 4-5)

while 40% ranked convenience as relatively unimportant (scores 1-2). Having 30% considering convenience to be important makes the problems the customer had making “room for another order of beef” loom somewhat larger. Forty percent of the customers consider lowfat to be important, 20% thought it unimportant, and nearly 40% considered lowfat “somewhat important”(score=3). Taste was considered important by 55% of the customers, unimportant by 10% and somewhat important by 35%.



Question 9 “Which one of the above elements of the Headwater Farms program is most important to you?”

Element	Sole reference	In combination with others	Total per attribute
No hormones antibiotics	7	7	14
Environment/Rivers	10	5	15
Family Farms	7	8	15
Low Fat	2	0	2
Open Space	0	1	1
No additives	0	3	3
Knowing origin	1	0	1
Sustainable farming	2	4	6
Convenience	0	1	1
Taste	0	1	1
Grassfed	0	1	1
Humane treatment	2	3	5
Other/all	4		4

Responses to this question are tallied in Table 3. Some people answered with one element, while others cited more than one. When an element was cited by itself, it is listed as a sole reference. When a customer included a number of elements, each is tallied in the combination column.

Question 10. “If you are a repeat customer, why did you buy Petite Beef the second time?”

Element	Sole reference	In combination with others	Total per attribute
No hormones antibiotics	0	6	6
Environment/Rivers	0	7	7
Family Farms	0	5	5
Low Fat	0	1	1
Open Space	0	1	1
No additives	0	2	2
Knowing origin	0	3	3
Sustainable farming	0	5	5
Convenience	0	0	0
Taste	1	7	8
Grassfed	0	3	3
Humane treatment	0	4	4
Other/all	4	7	11

Responses to this question are tallied in Table 4 as they were for Question 9. Twenty-four out of fifty customers responded indicating that about 50% of them had bought a second time. Also some claimed they intended to buy again but had not yet. Comparing Table 3 and 4 shows that taste is a more important factor for return buyers, with many of them deciding the taste was a reason to

buy again. A number of customers included attributes like tenderness, and quality in their responses.

Question 11 “Are you interested in ordering Petite Beef on a subscription basis, with beef arriving on a regular schedule? “

Six customers said they would be interested, 39 said “no,” and 2 were unsure.

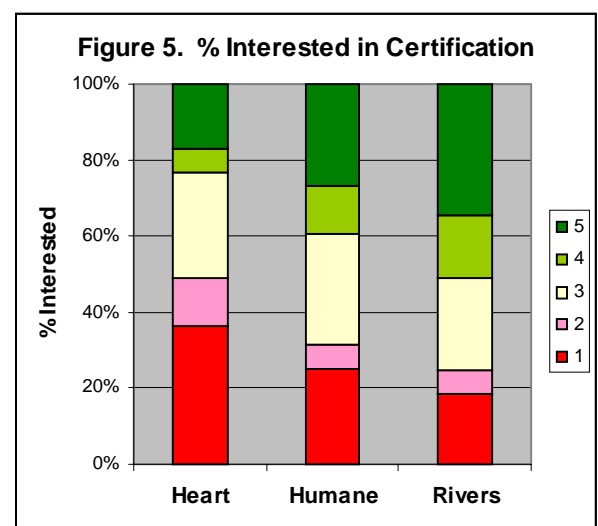
Question 12 “If you decided not to reorder, would you tell us why not?”

Responses to Question 12 are tallied below. A number of customers under “too much beef” implied that they would be buying more when they finished what they had. Overall, nineteen customers cited reasons related to qualities, cost, or inconvenience.

Cuts size/uniformity	3
Cuts selection	3
Price	6
Convenience	2
Too much beef	9
More fat than expected	1
Other	7
Taste	1
Packaging	2

Question 13 “Would it make a difference if Petite Beef was certified as: “heart safe” by the American Heart Association, “humanely raised” by the Humane Society, or “river friendly” by Cacapon Institute?”

There was no customer consensus on the need for product certification with each of the three options getting an average rating of between 2.5 and a 3.5 on a scale of 1 to 5. However, the distribution of responses (Figure 5) tells us that 40 and 50% of the customers were more than “somewhat” interested in certification for, respectively, humane treatment and river protection. Perhaps reflecting the particular interests of the customers targeted with the marketing effort thus far, “heart safe”



certification was of relatively little interest - a result consistent with the surveyed customers relative lack of interest in "Low Fat" as a reason for buying Petite Beef.

A few customers commented on the certification issue: "Excellent marketing idea!" "We just believed it-are we naïve?" "I would want to see the criteria for these certifications." Regarding heart certification: "AMA, like FDA, may be dangerous to our health."

Question 14 “Do you belong to organizations concerned with,... “

Organization type	Number of respondents claiming affiliation
River protection	29
Sustainable agriculture	10
Land conservation	27
Environmental Protection	32
Farm protection	11
Nutrition and Health	9

On average Petite Beef customers belong to 2.3 organizations, with five people saying they belonged to six, and eleven saying they didn't belong to any of the group types indicated. Table 5 tallies the number of customers saying they belonged to each type of organization. These affiliations reflect the direct mailings use to market Petite Beef. These mailings targeted people

belonging to organizations working to protect family farms, agriculture and the environment.

Question 15. Where did you first hear about Headwater Farms?

ID of first contact	Number of respondents
Received a letter solicitation	24
The Cacapon Institute website	3
Read a news article	8
Referred by a friend	6
Other...	11

Responses to this question reflect the direct mail marketing efforts of the past year with nearly half of the respondents saying that they had received a letter solicitation. Responses to this question by relatively long term customers may reflect a bit of memory editing. Table 6 is a tally of Question 15 responses.

Part 2. Additional Considerations

In this section, we sort and analyze combinations of question responses to raise additional points for discussion.

Satisfaction as a function of first contact

We related responses to question 15, where customers first heard about Petite Beef, to questions 1, 2, and 3 that estimated customers' satisfaction, as measured by their ratings of taste, juiciness, and tenderness. We found that where a person first heard of Petite Beef was not tied to his or her average satisfaction. Stated differently, people that bought Petite Beef because of a personal communication from a friend liked Petite Beef about as much as people that received a letter solicitation. Perhaps this is due to the value-driven nature of Petite Beef marketing—whether the solicitation was targeted or widely broadcast, only people that “connected with the message bought the product and subsequently responded to the questionnaire.

Satisfaction as a function of group affiliation

The data do not allow us to determine if people claiming affiliation with a given type of group, i.e. farm preservation, river conservation..., liked Petite Beef more or less than people in other groups. It does let us look at satisfaction as a function of the number of groups a person claims to be affiliated with. We would expect that more activist people that claimed affiliation with multiple groups would be more likely to identify with the attributes of Petite Beef, and therefore, register higher levels of satisfaction. However, this was not the case, with average satisfaction ranging from 3.5 to 4.6 and unrelated to the number of group affiliations claimed by the customer.

Satisfaction as a function of Petite Beef attributes

To address the question “Do people that value strongly the attributes of Petite Beef tend to have a better eating experience?” we examined the relationship between the importance a customer assigned to the attributes of Petite Beef and the customer’s level of satisfaction. Figure 5 is a plot of each customer’s averaged satisfaction (numerical responses to questions 1, 2 and 3) versus averaged importance he or she assigned to the Petite Beef attributes. Although the data are related ($r=0.35$, $p>0.05$) they are poorly distributed across the range of satisfaction. Figure 6 is a similar plot but with customers grouped by satisfaction class. For example, customers with an average satisfaction between 1.0 and 1.9 were grouped together, and we calculated an average satisfaction and average attribute importance for the group. The data in this plot show a relationship ($r=0.97$, $p>0.01$) more clearly. However, because of the grouping of data we think the results are inconclusive, particularly because of the small sample size for unsatisfied customers. (Of course, it’s a good thing that there were so few unsatisfied customers and the statistical rigor of the analysis will just have to suffer for the lack). With this in mind we present it here as something that may be worth further discussion and investigation--do customers that value Petite Beef’s attributes more highly also tend to register greater satisfaction?

Figure 5

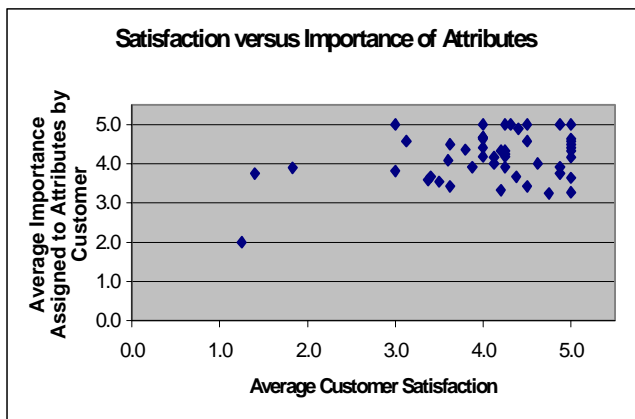
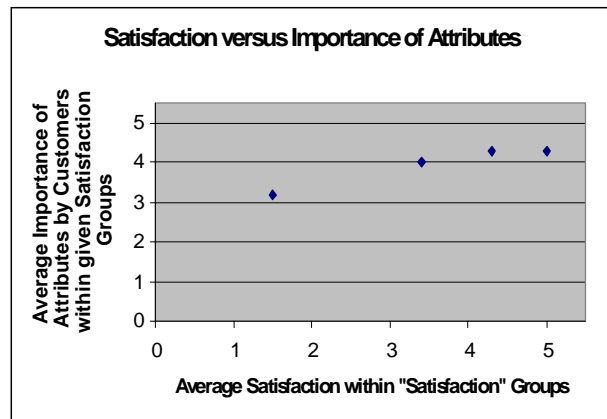


Figure 6



Repeat customers as a function of Petite Beef attributes

Here we asked if repeat customers assigned a higher importance to Petite Beef attributes than non-repeat buyers. We found that there was very little difference between the importance placed on the attributes by repeat and non-repeat buyers. The average importance across attributes was 4.2 for repeat buyers, and 4.1 for non-repeat buyers. Moreover, both groups assigned very similar importance to each attribute.

Are there two sub-groups among the attributes?

Question 8 asked customers to rate the importance of the Petite Beef attributes. In addition to looking at the average importance, we examined the relationships between the attributes, for example, did people that rated “knowing origin” highly, consistently rate “protect environment” highly?

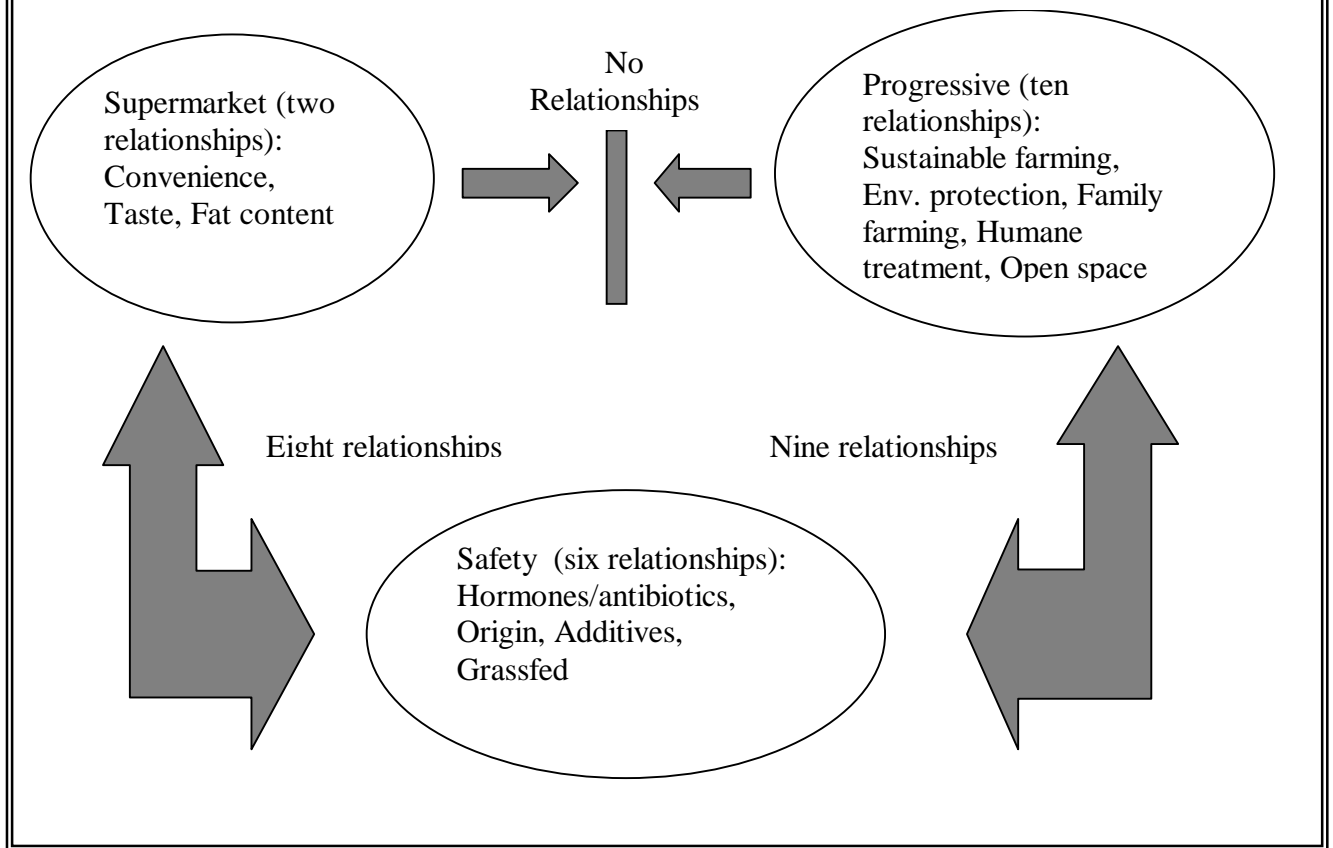
There were no statistically significant “negative” relationships where people consistently assigned one attribute high importance and another low. The absence of negative relationships seems to tell us that the attributes that make up the Petite Beef concept go well together.

	Lowfat	Taste	No additives	Grassfed	Knowing origin	Humane treatment	Preserve open space	No hormones/antibiotics	Protect environment	Promote sustainable farming	Protect family farms
Convenience		.40	.42		.34			.36			
Lowfat		.67	.46	.35							
Taste			.63		.47			.35			
No additives				.36	.69	.30		.69			
Grassfed					.44	.36		.63			
Knowing origin						.53	.38	.65	.45	.29	.49
Humane treatment							.70	.35	.69	.50	.48
Preserve open space									.82	.56	.60
No hormones/antibiotics									.30		
Protect environment										.65	.63
Promote sustainable farming											.71

There were 32 pairs of relationships where one attribute was related positively to another. These are summarized in Table 7. Interestingly enough, these pairs seem to fall into three subtle but distinct groups. The first consists of convenience, taste, and fat content—for lack of a better definition “supermarket concerns.” The second consists of protecting family farms, protecting rivers/environment, humane treatment of animals, promoting sustainable agriculture, and preserving open space—“progressive concerns.” The third group is made up of knowing the meat’s origin, grassfed, absence of additives, and no antibiotics/hormones—“safety concerns.” Looking at the linkages within and between these three groups produces the map shown in Figure 7. There are no relationships between the supermarket concerns and the progressive concerns, and the safety concerns bridge both other sets of concerns.

It would be wrong to say that, based on the above, a person who places a lot of importance on taste is not concerned with river conservation. (For example, one individual – a CI Board member - who was obviously predisposed to want to buy the product did not place a second order because he also appreciated great beef - and he didn’t particularly like the product.) This is especially true when considering the statistically significant but only slightly illuminating value of many of the correlation coefficients--a correlation coefficient of .50 only explains 25% (0.50×0.50) of the variability in the respondents’ answers. For example, using data from Table 7 “humane treatment” and “no additives” have a correlation coefficient of .30 meaning that only 9% ($.30 \times .30$) of the respondents’ opinion on “humane treatment” can be explained by their rating of the importance of “no additives.” There were also limitations in the data, with only 5 categories used to rate importance. After some testing of the data, we decided that the number of responses (45- 50) was large enough to compensate for the categorical nature of the data.

Figure 7 The number of statistically significant relationships between three groupings of attributes (number of relationships within groups)



With these limitations in mind, we think that the above information may help refine the Petite Beef sales effort. More specifically, future sales letters, graphic advertisements, and ad copy may want to consider lumping attributes based on their group, i.e., taste, convenience and low-fat together instead of mixed with other attributes. In addition, when ad space is very limited these groupings may help to decide what to leave out. For example, given the close relationship between protecting the environment and preserving open space, it may be the most efficient to cite one of these attributes, along with an attribute from a different group.

Summary

The survey described above was designed to assess the acceptability of the Petite Beef product, which is harvested from large calves weighing approximately 750 pounds. The questionnaire was also designed to assess the importance of various elements of the Headwater Farms story in the decision to purchase the product, and in the decision to reorder.

More than 70% of customers found the Petite Beef product to be “more than” satisfactory. Taste tended to be rated “excellent” more often than either tenderness or juiciness. Fewer than 10% of responders rated any aspect of these products, other than the tenderness of steaks, as less than satisfactory. Overall, responders were somewhat happier with roasts and ground beef than with steaks. A solid majority of responders thought Petite Beef offered a good value where price appropriately reflected the quality, social and environmental benefits of the product.

Customers first decided to purchase Petite Beef primarily because of the Headwater Farms “story.” In order from most to least important, customers first bought to: protect family farms; promote sustainable agriculture; protect the environment; to eat beef raised without using hormones and antibiotics; to preserve open space; to promote humane treatment of livestock; because they knew where their food was coming from; because it was primarily grass-fed; because the beef was packaged without additives (such as salt-water – an increasingly common practice); for the taste; because the beef is leaner and; finally, for convenience. Taste became a more important consideration for repeat buyers, with many deciding the taste was a reason to buy again. Those who decided not to reorder cited reasons related to qualities (cut size, cut selection, “too much beef”, taste, etc), cost or inconvenience.

There was no customer consensus on the need for product certification. However, 40 and 50% of the customers were more than “somewhat” interested in certification for, respectively, humane treatment and river protection. Perhaps reflecting the particular interests of the product's target audience, “heart safe” certification was of relatively little interest.

Buyers tended to fall into one of two groups – those with supermarket concerns (taste, convenience and fat content) and those with progressive concerns (protecting family farms, protecting rivers and environment, humane treatment of animals, promoting sustainable agriculture, and preserving open space). There were no significant correlations between the supermarket concerns and the progressive concerns, but a third group bridged these two groups - safety concerns (knowing the meat’s origin, grassfed, absence of additives, and no antibiotics/hormones).

Attachment 1 Customer/Partner Questionnaire 2002

<p>Thank you for your honest responses to the questions below--nothing is too general or specific, too long or short, to write about. If you want to add a page so you can say more, please do. Your answers will prove invaluable in refining our efforts at Headwater Farms.</p>	Unsatisfactory		Satisfactory		Excellent	
<p>1. How would you rate the steaks for:</p>	Tenderness	1	2	3	4	5
	Taste	1	2	3	4	5
	Juiciness	1	2	3	4	5
<p>Any comments on the steaks:</p>						
<p>2. How would you rate the roasts for:</p>	Tenderness	1	2	3	4	5
	Taste	1	2	3	4	5
	Juiciness	1	2	3	4	5
<p>Any comments on the roasts:</p>						
<p>3. How would you rate the ground beef for:</p>	Taste	1	2	3	4	5
	Juiciness	1	2	3	4	5
<p>Any comments on the ground beef:</p>						
<p>4. What did you like most about Petite Beef?</p>						
<p>5. What did you like least about Petite Beef?</p>						
<p>6. Is Petite Beef a "good value:" i.e. does its price appropriately reflect the quality, social, and environmental benefits?</p>						
<p>7. Do you like our brochure? ____ Yes ____ No Would you change anything?</p>						

8. Why did you decide to buy Petite Beef by Headwater Farms the first time?	Very Little		Some-what		Very Much
A. Low fat?	1	2	3	4	5
B. No added hormones and antibiotics?	1	2	3	4	5
C. Taste?	1	2	3	4	5
D. Grass fed beef?	1	2	3	4	5
E. Promote sustainable farming practices?	1	2	3	4	5
F. Help support local, family farms?	1	2	3	4	5
G. Humane treatment of livestock?	1	2	3	4	5
H. Protect rivers/environment?	1	2	3	4	5
I. Preserve open space?	1	2	3	4	5
J. Knowing where your food comes from?	1	2	3	4	5
K. Convenience of delivery	1	2	3	4	5
L. Free of additives (such as water and salt) that may be found in grocery store beef.	1	2	3	4	5
9. Which one of the above elements of the Headwater Farms program is most important to you?					
10. If you are a repeat customer, why did you buy Petite Beef the second time?					
11. Are you interested in ordering Petite Beef on a subscription basis, with beef arriving on a regular schedule? ___ Yes ___ No					
12. If you decided not to reorder, would you tell us why not?					
13. Would it make a difference if Petite Beef was certified as:	Very Little		Some-what		Very Much
"heart safe" by the American Heart Association?	1	2	3	4	5
"humanely raised" by the Humane Society?	1	2	3	4	5
"river friendly" by Cacapon Institute?	1	2	3	4	5
14. Do you belong to organizations concerned with: ___ River protection. ___ Sustainable agriculture. ___ Land conservation. ___ Environmental Protection. ___ Farm protection. ___ Nutrition and Health.					
15. Where did you first hear about Headwater Farms? ___ Received a letter solicitation. ___ The Cacapon Institute website. ___ Read a news article. ___ Referred by a friend. ___ The Headwater Farms website. ___ Other...					
16. Do we have permission to "quote" your comments? ___yes ___ no					
17. Name/date: _____ (optional, but very helpful and required for participation in the Petite Beef Family Pack drawing.					