

The birth of a brand

As IBP invests multi-millions on the launch of its Thomas E. Wilson brand, the payoff could transform the firm's image—and strategy—in the marketplace

Nearly every major meat-industry merger or acquisition the past five years has been driven in large part by the lure of acquiring market share and established brand equity.

Not that some of these deals aren't significant in terms of potential synergy, but with enough money and moxie, virtually any company can punch up its portfolio by absorbing the "trade assets" of a competitor.

Far less common is the company that contemplates creating its own brand-new brand—and even rarer is the launch that succeeds.

Who has time to cook from scratch these days?

IBP inc. stands out as one of the rarest of meatpackers: They're determined to build their own national brand from the ground up.

"The process [of arriving]

at our Thomas E. Wilson brand name was long and grueling," admits Jack Dunn, president of IBP's Consumer Branded Products Group. "We interviewed people from more than 800 households in 20 cities, one-on-one with our key consumer target groups: families with older children and dual-income households."

Although IBP brass had determined in the early 1990s to pursue a value-added acquisition strategy, as well as develop its own branded lines, the search for a suitable brand identity began in earnest in the spring of 1999. IBP hired Minneapolis-based Fallon McElligott/Duffy to help create what was then termed only a "new branding initiative." After what agency president Rob White termed "an exhaustive inventory of IBP's entire catalog" of brands—a process that took more than a year of research and focus group testing—the company and the agency finally hit a home run.

"The reaction to the raft of potential brand names we researched was mixed—until we put the Thomas E. Wilson name was put in front of consumers," recalls Rob White, Fallon McElligott/Duffy president. "Then, the name tested 'off the charts.'"

But it had to be the exact name. "Not 'Wilson,' not 'Thomas Wilson,' but 'Thomas E. Wilson.' I don't know why exactly, but over and over consumers told us it was a name they could trust," White says. "To an overwhelming

majority, the name represented a person consumers felt they could trust, who would stand behind the quality of the products."

Ironically, however, although the real Thomas Wilson, a legendary meat-packer responsible for building the company that marketed the original Wilson brand, was quite trustworthy—from all accounts—IBP determined that the "legacy" behind Thomas E. Wilson would be promoted only indirectly.

"We're not going to try to create a 'persona' around [the real] Thomas E. Wilson," says Gene Lehman, CEO of IBP Fresh Meats Co. "We are marketing our branded products with the idea of a 150-year tradition, but we won't actually link that to the person himself. Consumers wouldn't relate."

Already, as both fresh beef and pork cuts, as well as a line of precooked meat entrées enter a limited rollout, IBP's new agency, Chicago-based FCB, has already developed the first of a series of television spots and four print ads—all emphasizing how Thomas E. Wilson products fit today's lifestyles.

"Our creative shows busy families," says Jerry Conner, FCB senior vice president. "It puts moms right into the situation depicted in the ads, so they can envision themselves being able to serve their families delicious meals even though they're pressed for time."

Quality is important, but FCB is also targeting deeper consumer concerns.

"The end benefit stressed in the advertising is that by using Thomas E. Wilson products, the family gets to spend more time enjoying the meal," explains Peter Switzer, FCB management director. "The ads say, 'We're giv-



Soft appeal:
FCB's creative on the Thomas E. Wilson precooked products targets busy moms who still want a "special" dinner for their families.

ing you time to make something special.' That combines a quality appeal and addresses the time constraints busy moms and parents face these days."

Conner says IBP plans an ambitious schedule of television spots rotating through December, backed by print ad placements in 11 women's and lifestyle magazines, plus trade promotions, retail merchandising and special \$1-off coupon runs.

The depth of that schedule corresponds with the ambitious timetable IBP is pursuing on the product development end. Dunn says many Wal-Mart SuperCenters are already carrying the case-ready fresh beef and pork products, which are MAP-packaged with a high-end tray/lidding system.

"There's one primary reason Wal-Mart is on board," Dunn says, "Consistency. The rib eyes look the same every time. The pork roast is identical. And there are no leakers, the product blooms beautifully and the overall look is clean and classy."

At the end of the day, Dunn says food safety and economics are like twin pincers squeezing all retailers. It's powerful pressure that will virtually

guarantee that case-ready will be the preferred format for meat products—preferably sooner, not later.

"When a leading, cost-conscious, highly efficient opera-



The merchandising map

IBP's meat case display plan for Thomas E. Wilson launch

- ◆ Case set with eight facings across
- ◆ Includes shelf-set organizers, rail strips, display signs
- ◆ Combines fully cooked pork and beef products
- ◆ Features seven different precooked selections
- ◆ Includes double facings of beef pot roast

Source: IBP Inc.

tor such as Wal-Mart embraces a concept, [we feel that] everyone needs to take a look at it," Dunn says. "Case-ready definitely becomes more of a joint venture between packer and retailer, but we know we have to do our part be delivering a product both customer and consumer can trust."

One thing most of IBP's competitors have learned is that they can trust that the Dakota Dunes, S.D.-based giant

will not back off on the throttle once a launch is underway. Thomas E. Wilson will be no exception.

"This is a \$100-million brand launch, counting all we have and all we plan to invest," Lehman says, including more than \$20 million invested in renovating the Council Bluffs, Iowa, cook plant and close to \$50 million budgeted for new a case-ready facility in Sherman, Texas. Once remodeled, the Sherman facility will produce case-ready retail cuts of fresh beef and pork, eventually producing several million pounds a week, primarily to retailers in the South.

In addition, IBP also has a \$40-million renovation underway on a 365,000 square-foot processing plant in Goodlettsville, Tenn., that will be geared up by late summer 2001 for production of retail-ready fresh cuts.

The sequence is set to progress from fresh case-ready cuts to precooked entrées to specialty products.

"Our goal is to make Thomas E. Wilson a 'mega-brand'—the preferred choice for fresh meats and eventually for cooked products," Lehman says. "We've got a long-term strategy, and it involves a journey of many years still to come."

MMT

Friedrich



Visit our website at
www.friedrichmetalproducts.com

New expanded product line!

- Smokehouses 500-16000lbs. capacity
- Microprocessor and PLC controls
- Natural & liquid smoke systems
- Blast Chillers/Drying Rooms/ Steam Cabinets
- Emission control systems

Our 50th year

For more information and price quotes, call:

Friedrich Metal Products

P.O. Box 14069

Greensboro, NC 27415

Tom Campbell, 716-754-1402

Laura Friedrich-Bargebuhr, 336-375-3067