

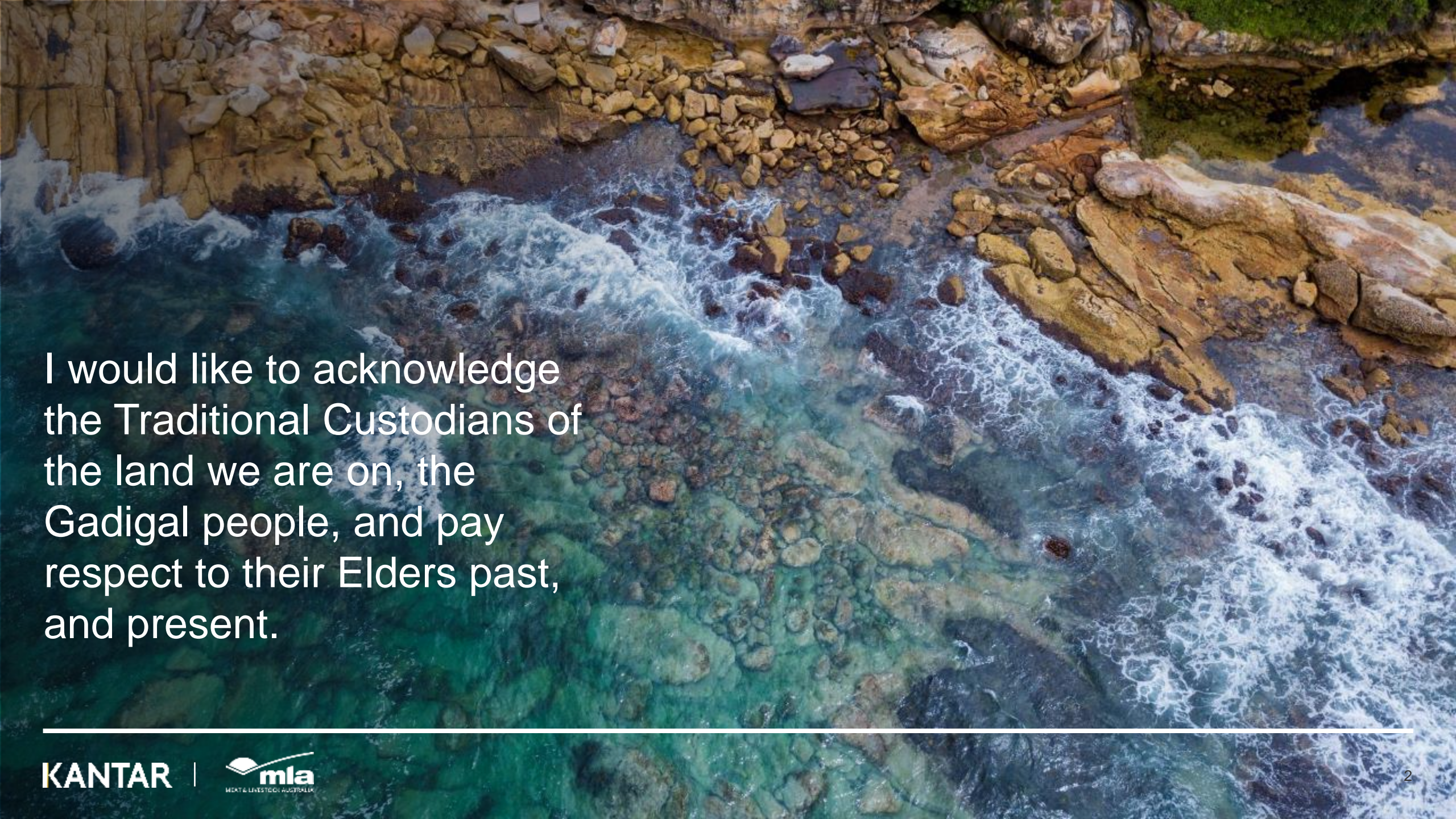


KANTAR

Annual Equity Update 2022

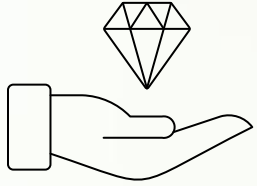
Steak of the Nation

Brought to you by your Kantar Team:
Nick Bounds, Lynsey Irwin,
Poorva Shinde & Michael Davis

An aerial photograph of a rugged coastline. The water is a deep blue-green, with white foam from waves crashing against a rocky shore. The rocks are brown and tan, with some green moss or algae visible. The text is overlaid on the left side of the image.

I would like to acknowledge
the Traditional Custodians of
the land we are on, the
Gadigal people, and pay
respect to their Elders past,
and present.

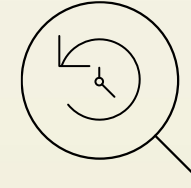
There are three sessions with Kantar this week



Justifying your value in a challenging environment



Understanding where we are today, so we know where we are going next.



Learning from the past to help us shape the future.

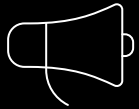
The Central Question

How can red meat continue to position itself in a relevant way to consumers' daily lives within the changing category landscape?

Contents of today's presentation



- 1 EQUITY UPDATE**
the latest equity position of the 5 core proteins (Oct21'-Sep'22)
-



- 2 ACTIVITY RECAP**
reminder of Beef and Lamb's key activities across this equity period
-



- 3 CHANGING MACRO CONTEXT**
key Longitudinal themes, inflation and the supermarket channel which influences the future
-



- 4 IMPLICATIONS ACTIVITY**
share and discuss our key implications
-

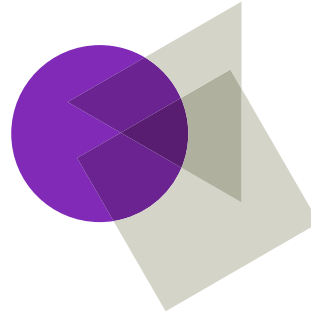
Firstly, a quick reminder. When we talk about equity what do we mean?

There are 3 different ways that brands build equity.



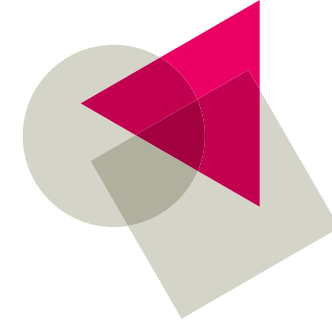
Meaningful

The extent to which brands build a clear and consistent **emotional connection** and are seen to deliver against **consumer needs**.



Different

The extent to which some brands are seen to **offer something that others don't** and **lead the way**.

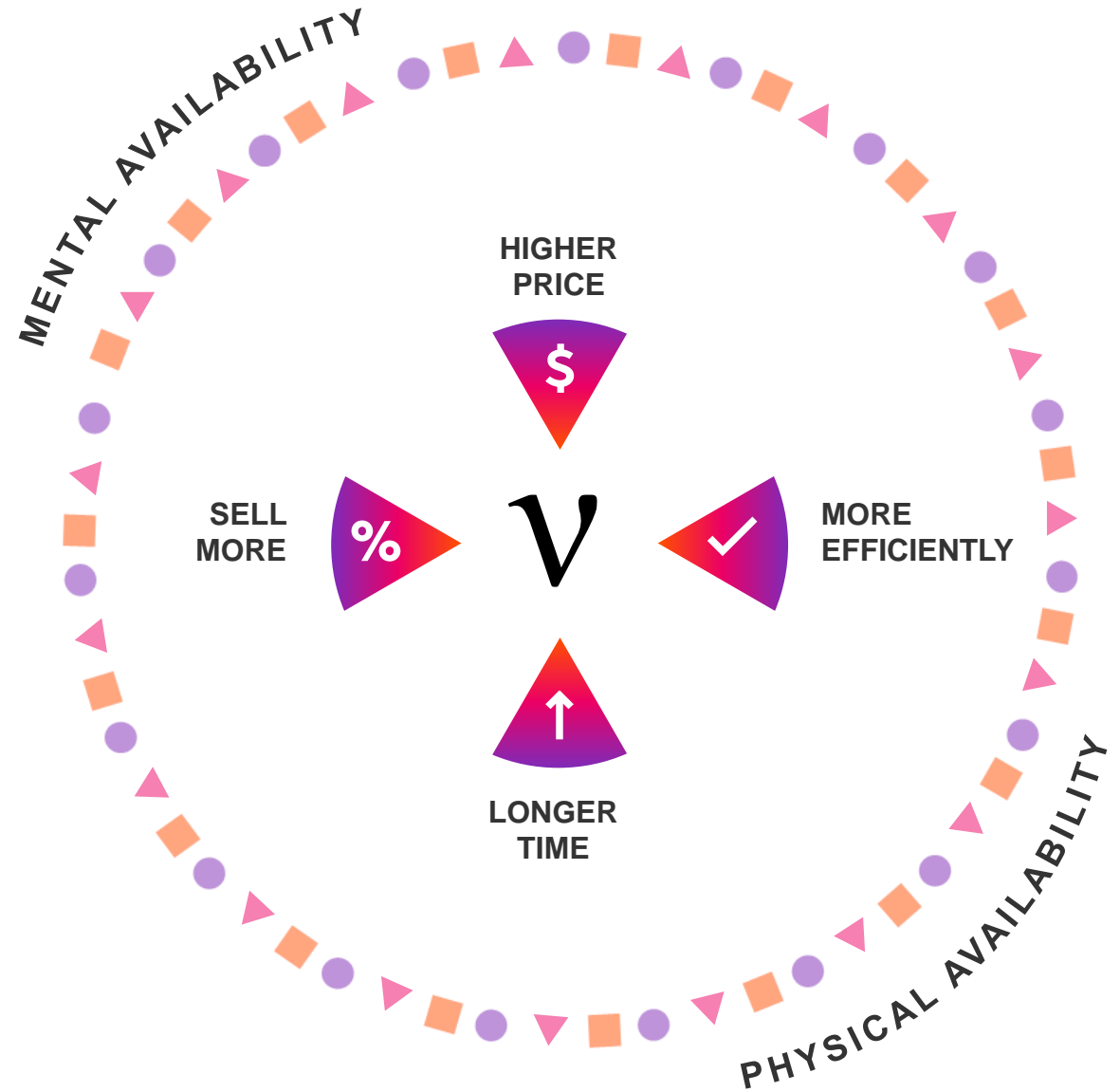


Salient

The mental availability of the brand: how **quickly** and **easily** it **comes to mind** in moments that matter; like making a purchase or usage decision.

(helped by being meaningful and a bit different)

These interact and they ultimately explain the likelihood that someone will choose your product more often and someone will pay more for you.

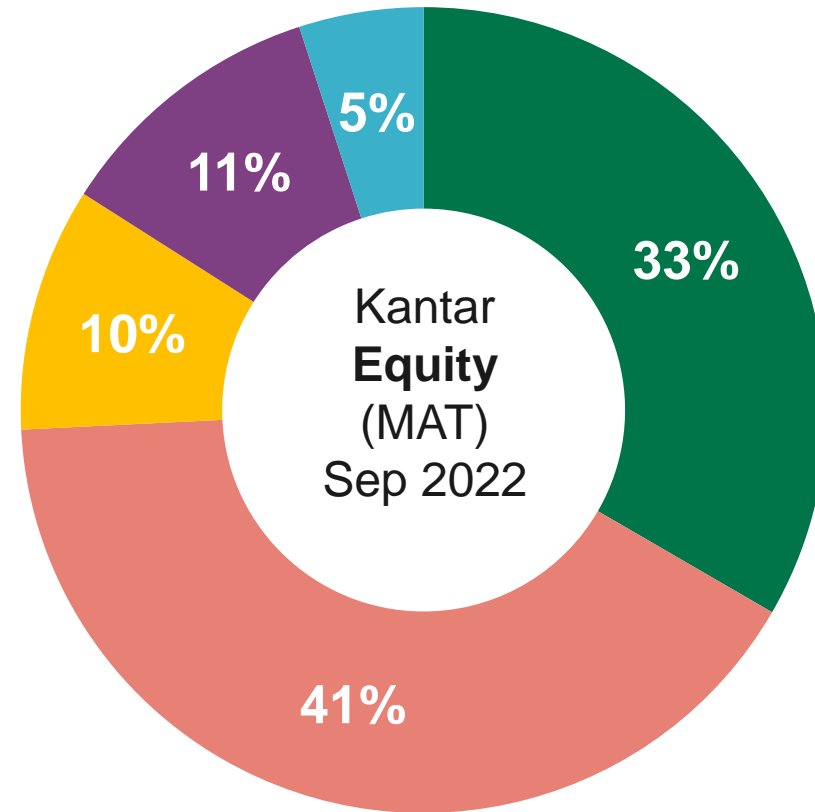
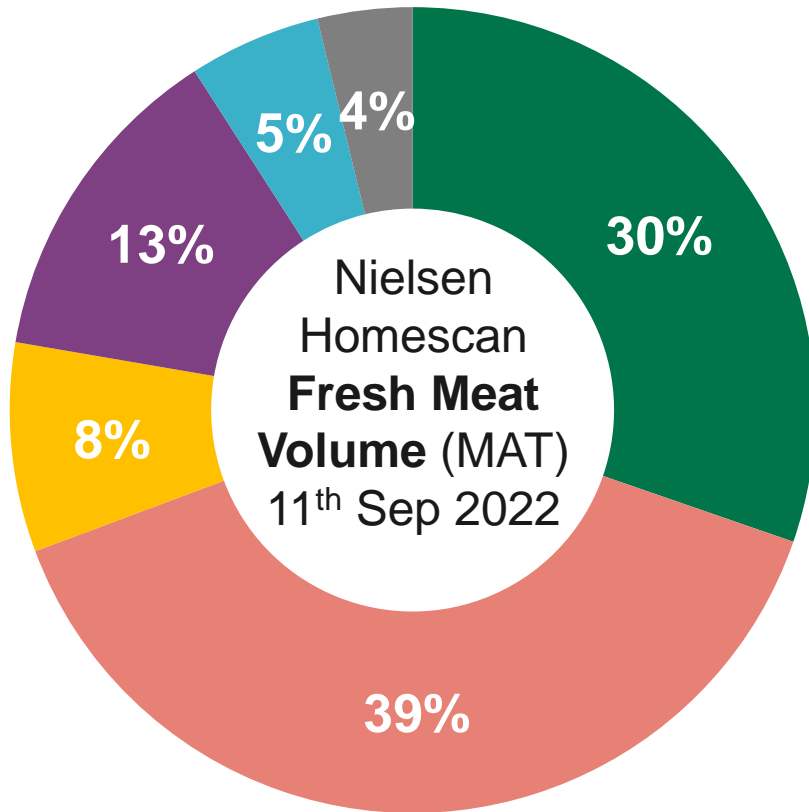




Equity Update

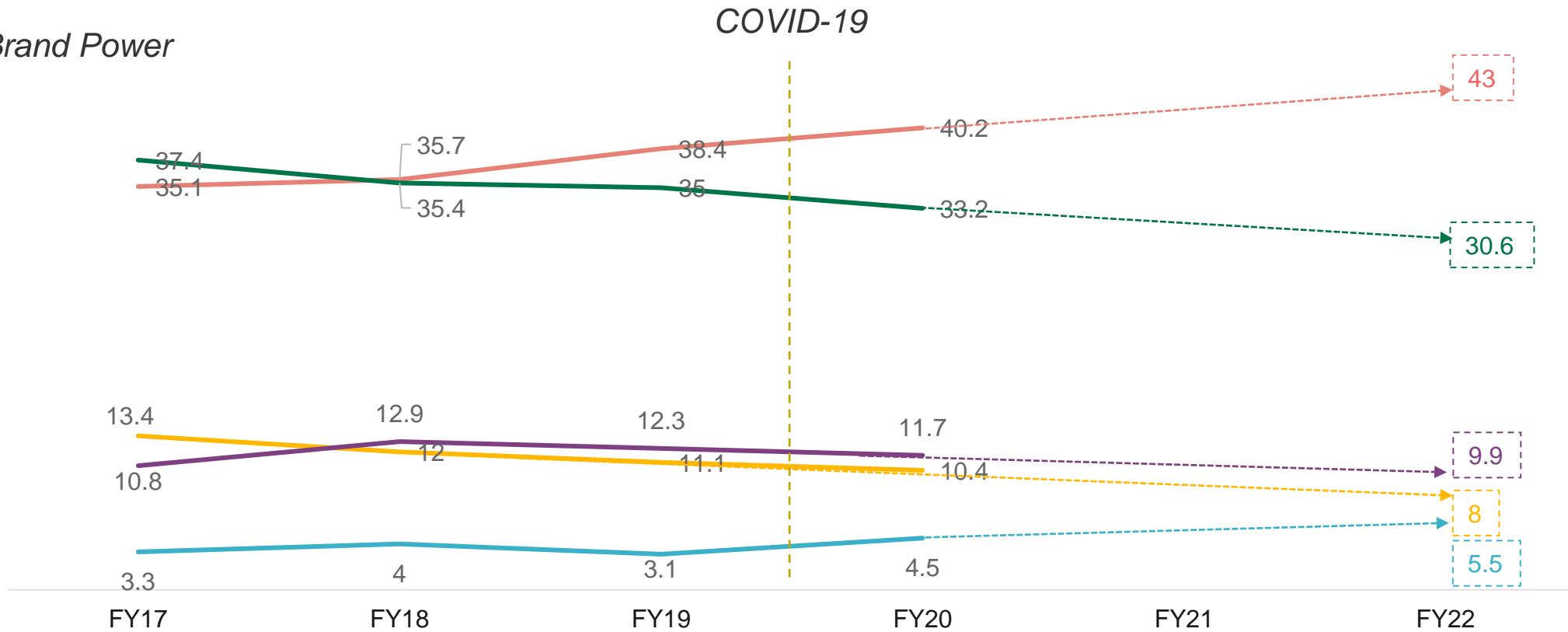
Looking at Equity and Drivers of Protein Choices in 2022

**We've just heard from our friends at Nielsen this morning.
As we've seen previously Brand Equity aligns very closely to Volume Share.**



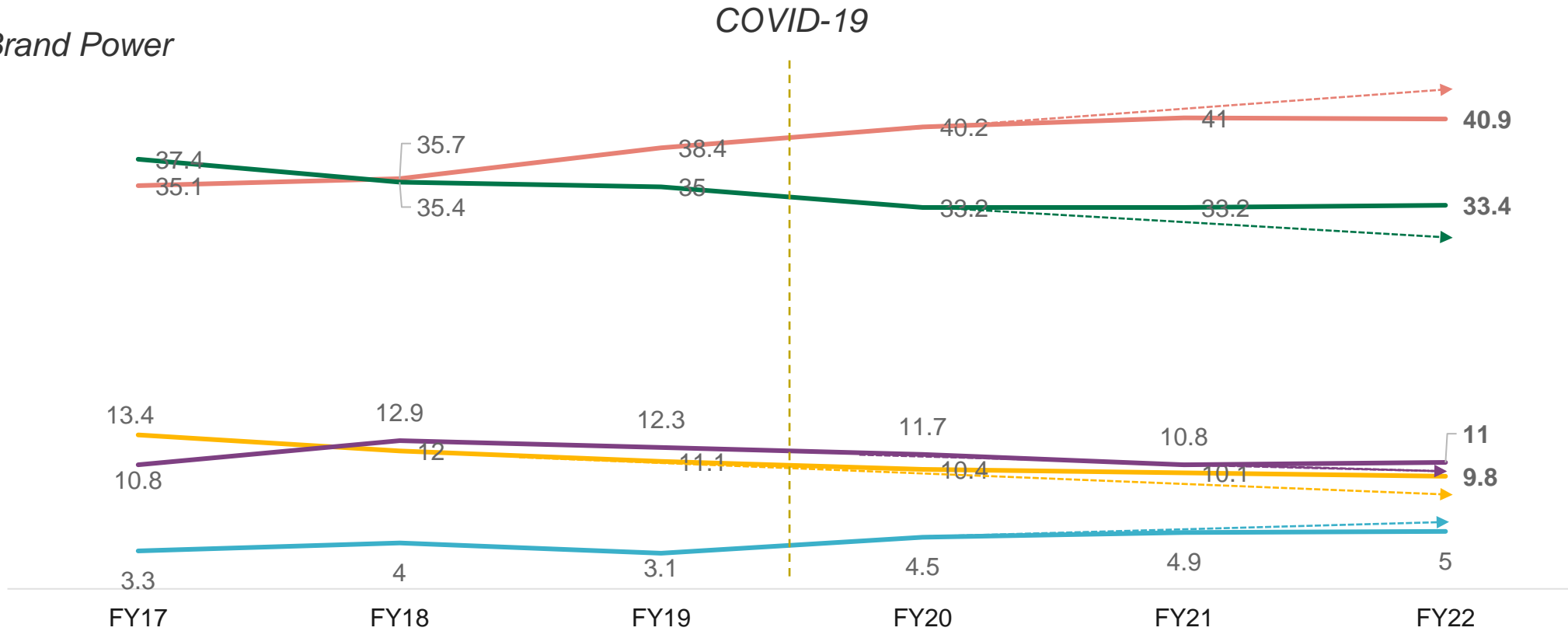
If things had kept following the trend pre 2019, Chicken would be miles ahead on equity...

 Brand Power

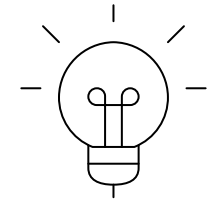
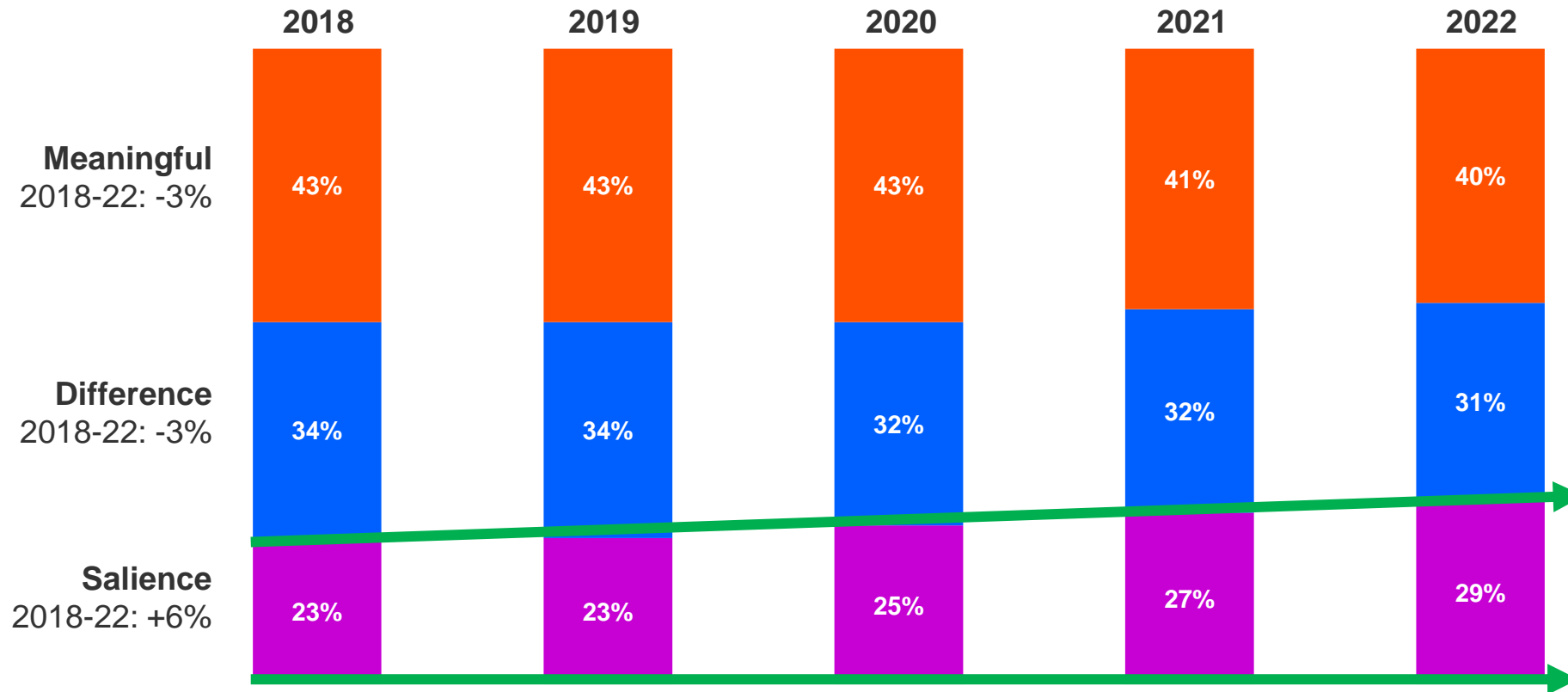


But in fact, since Covid, equity has stabilised for all proteins. Red Meat's downward trend has been stemmed, replaced by stability and consistency.

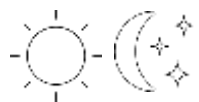
 Brand Power



What we have also seen is, during that same period **Saliency** has increased in its importance in driving equity



Don't forget that **Meaning** and **Difference** are still most important!



The growing importance of Saliency (or 'mental availability') favours an 'always on' approach – which Beef/Lamb are moving closer towards

So we see that protein choices are fairly consistent with 2021.

However, being **Salient** is becoming more important with each passing year.

Have drivers of protein choices changed?

A quick reminder: What are imagery associations?

When people think of things (products, brands, places, people) they hold certain associations in their minds. These are a reflection of all of their previous experiences with the brand, product, person, place.

That **steak** I had yesterday was **delicious**, but maybe I should eat something **healthier** today.

Chicken is so **versatile**, I just wish it had more **flavour**.

Lamb is **flavourful**, but I just don't really know what to do with it if I'm not on the **BBQ**

Fish would be a **healthy** choice tonight, I wish it was **easier to cook...**



In the protein category there are different ways that people think about the benefits proteins offer them – these things **DRIVE** their decisions.

TRUSTED QUALITY
I can **trust** the **quality** of this protein, it **won't let me down**.

A LITTLE BIT SPECIAL
I'm looking to impress and I need something a little bit **special**

A CUT ABOVE
This protein is a little **better** than the others, I'll splash out

EASY EVERYDAY
Buying this protein is going to **make my life a little easier**

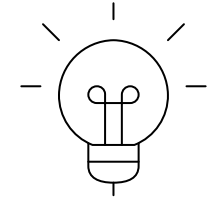
GOOD FOR YOU
This protein is better for me and my **health**.

LIMITATION
I **better not** have too much of that protein



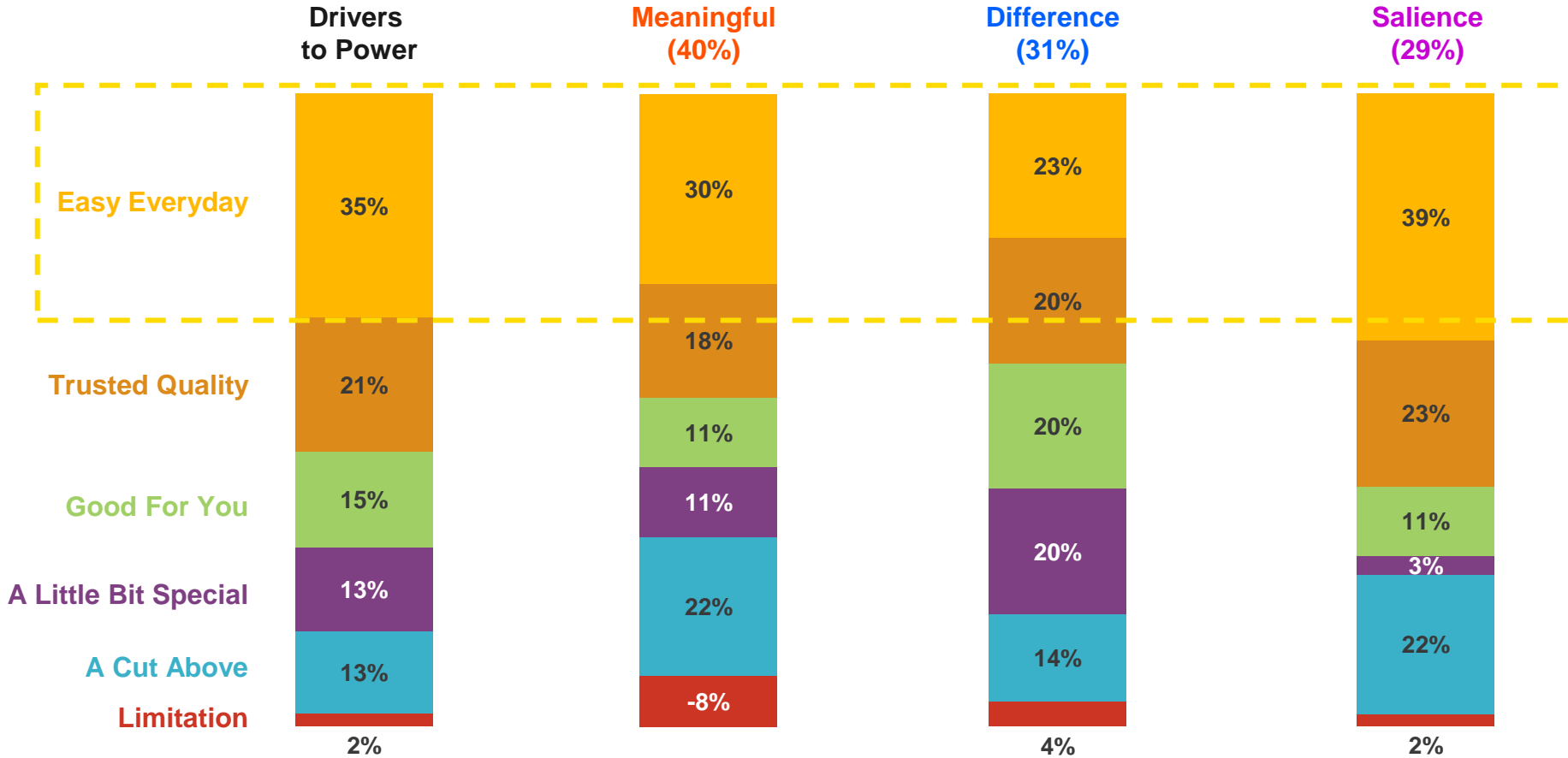
These different perceptions come together to makeup the bigger ideas/concepts, and each of these is a DRIVER.

FACTORS / DRIVERS	ASSOCIATIONS
Easy Everyday 35% (= vs 2021)	Has options that fit well in my budget
	Is suitable for everyday meals
	Can be used in a variety of meals
	Is something I'm confident to cook and prepare
	Makes healthy meals
	Is good for sharing
Trusted Quality 21% (-1% vs 2021)	I trust the safety of this meat
	Is consistently high quality
	Is Australian raised and produced
	Is full of flavour
Good for You 15% (+1% vs 2021)	Contains a wide range of vitamins, minerals and nutrients
	Is an important part of a healthy, balanced lifestyle
	Is free from chemicals, additives and preservatives
A little bit special 13% (-1% vs 2021)	Is perfect for special occasions
	Is something I am proud to serve to family and friends
A cut above 13% (+1% vs 2021)	Is the greatest of all meats
	Is worth paying a bit more for
Limitation 2% (-1% vs 2021)	Is something I'm limiting consumption of for health reasons



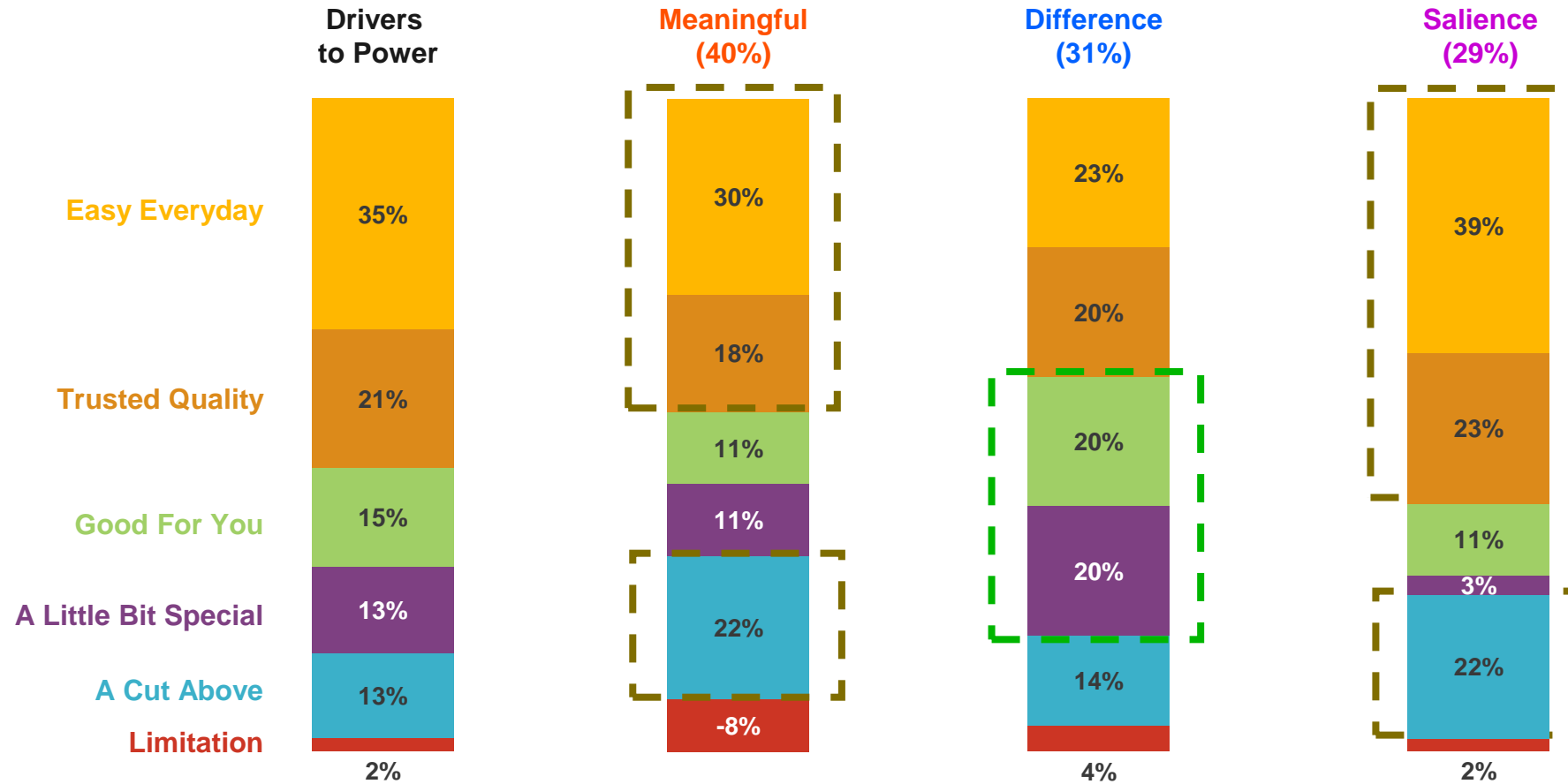
We will see where the new **Sustainability** statement fits shortly!

Being an Easy Everyday protein makes people choose you by building relevance, coming to mind in moments that matter and even contributes to a sense of difference.



Health: Limitation for health reasons has a negative impact on affinity/meeting needs

What makes brands **Meaningful**, also tends to bring them to mind more readily (**Salience**).
 In contrast, what brings about a sense of **Difference** relates to a little more to health, special.



Health: Limitation for health reasons has a negative impact on affinity/meeting needs

So, why has equity stabilised in recent times?



vs 2021



DEMAND POWER

-0.1

+0.2

+0.2

-0.3

-0.3



MEANINGFUL

+2

+4

+1

+2

+2



DIFFERENT

-4

+4

+2

+2

+2



SALIENT

+3

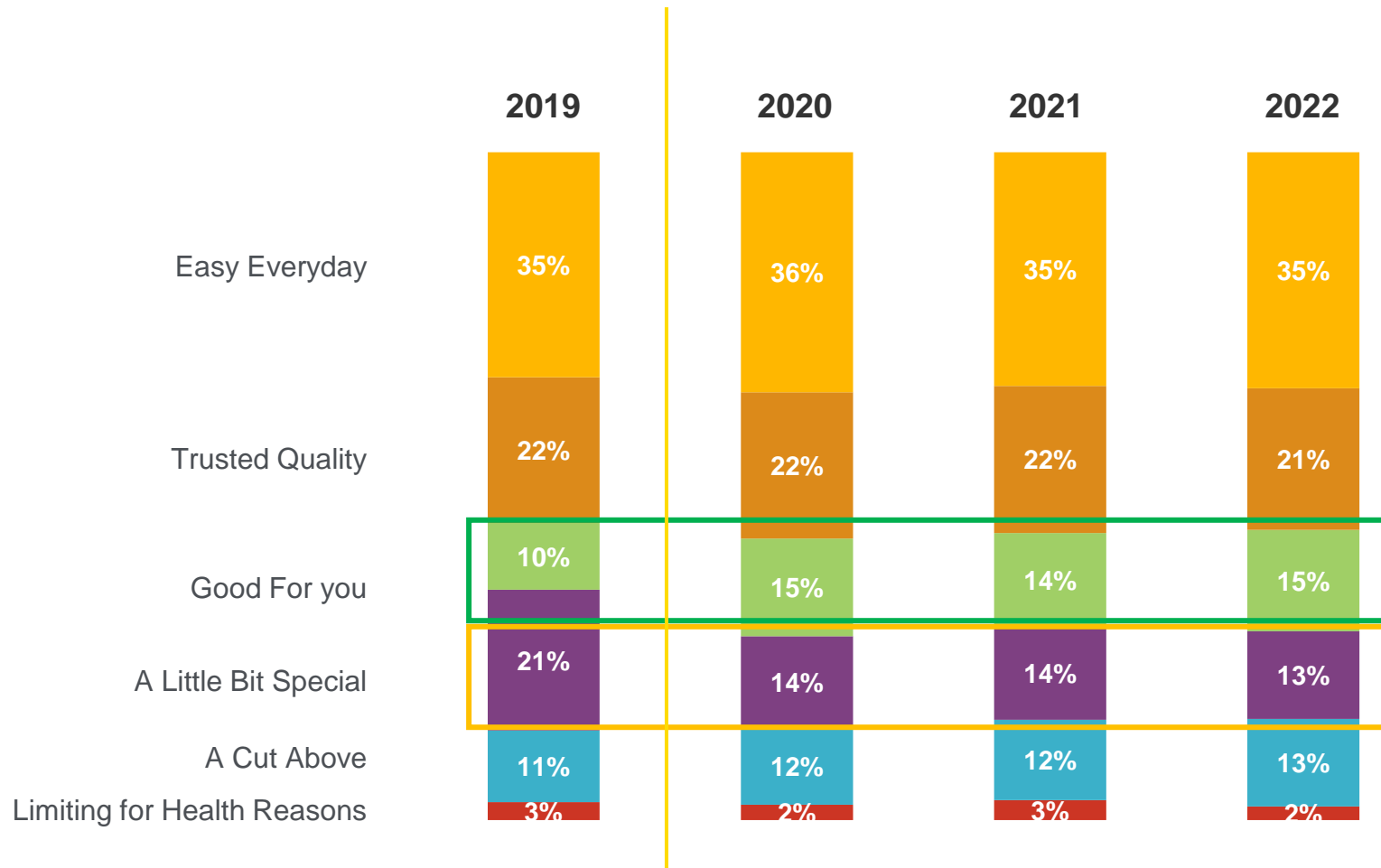
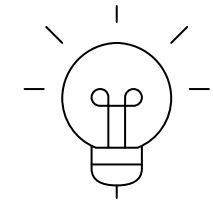
+3

-3

-8

-8

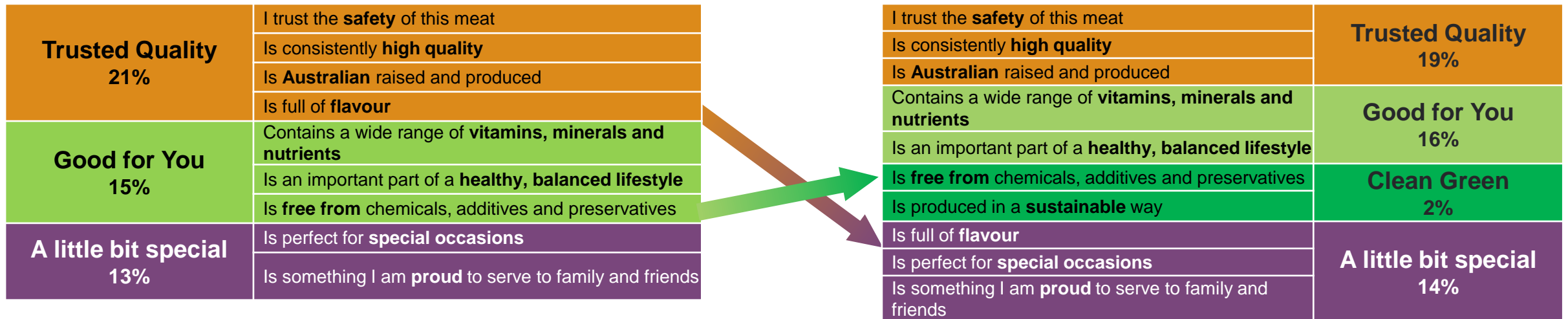
The changed context of COVID had an impact on the importance of health and special, flipping their contributions to volume, as well as difference in the category.



NOTE: We will see in Longitudinal Profiling that this has had a long term impact on protein perceptions in the category

Adding Sustainability creates a more nuanced view of ways to build Difference in the category.

1. The 'Good For You' factor divides into 2 concepts of 'Good for You' and 'Clean Green',
2. 'Full of flavour' aligns more with a little bit special

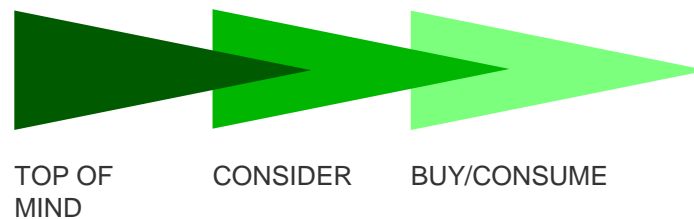
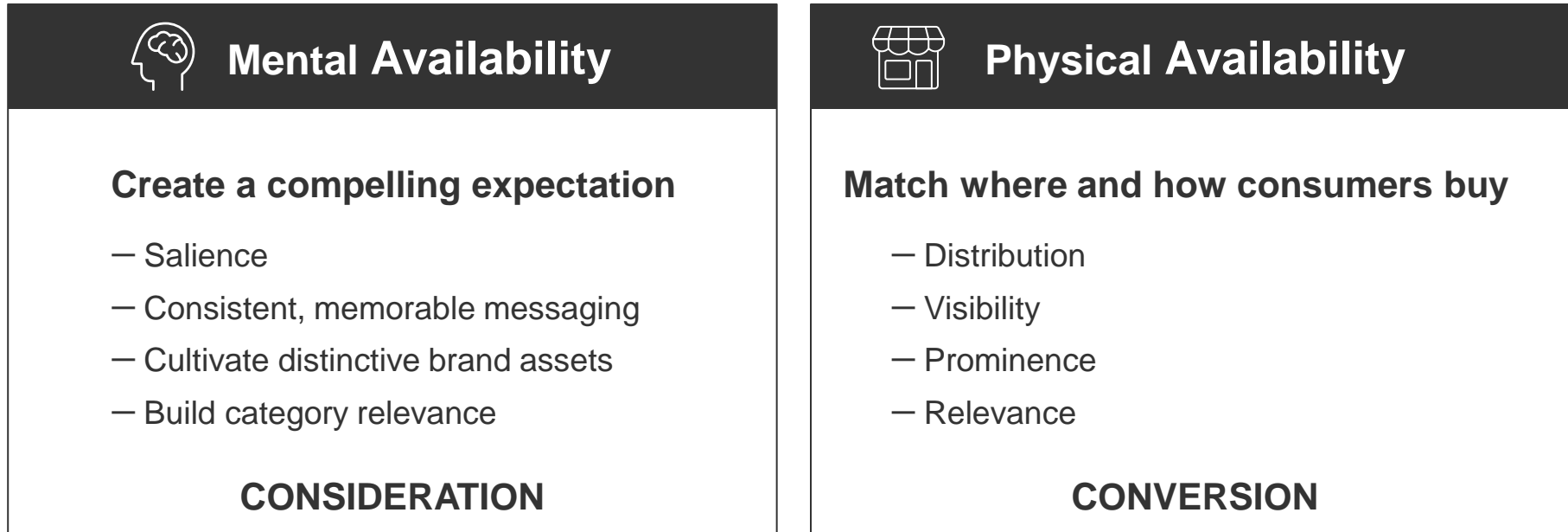


Overall, protein choices, as well as drivers of protein choices, are consistent vs 2021.


Beef has done a good job in arresting the longer term equity decline by improving Meaningful Difference and Salience.

So what is the role of our campaign activity in shaping perceptions?

Drivers of mental and physical availability are BOTH important in growing brand predisposition, leading to choice and resulting sales



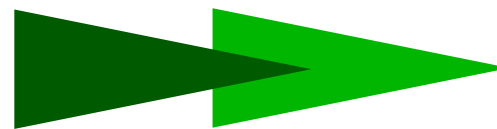
Above the line campaigns and other paid activation reinforces perceptions and grows Salience of proteins.

 **Mental Availability**

Create a compelling expectation

- Salience
- Consistent, memorable messaging
- Cultivate distinctive brand assets
- Build category relevance

CONSIDERATION



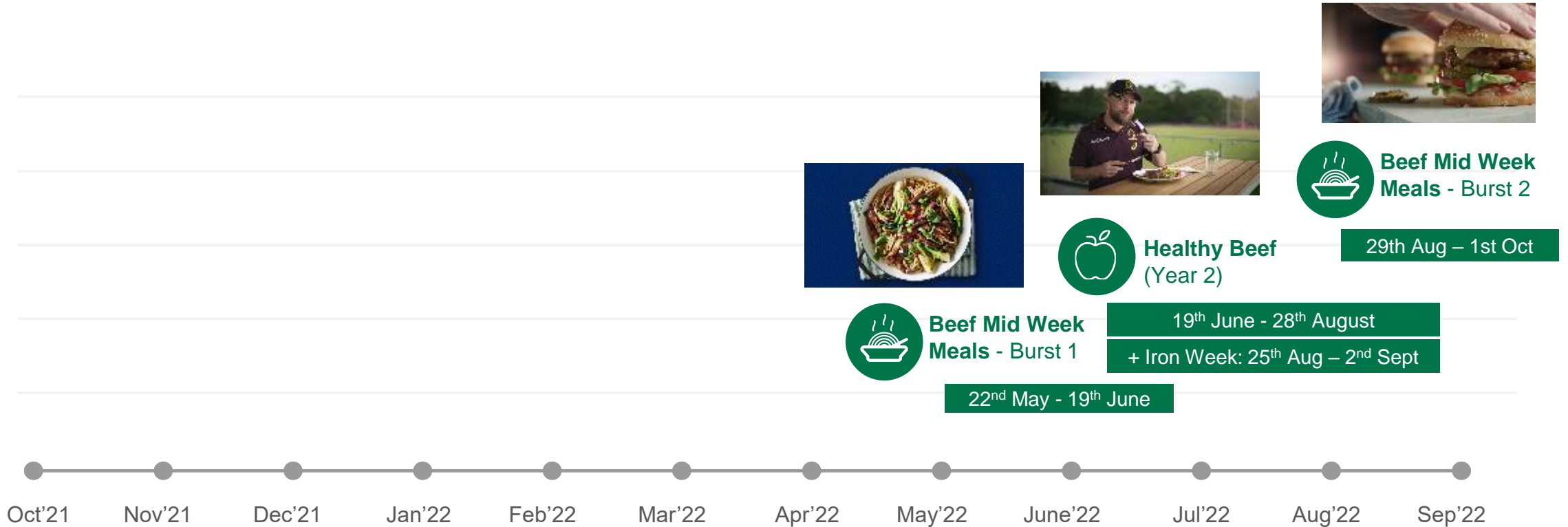
TOP OF
MIND

CONSIDER

**So what has Beef done
over the past 12
months which has
helped stabilise equity?**

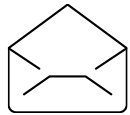


Beef's key activities over the 2022 equity period include Mid-Week Meals and Healthy Beef; demonstrating a shift to a more 'always-on' approach



The campaigns focussed on promoting Beef's health and everyday credentials to build key driver of choice perceptions: Easy Everyday

Mid Week Meals - Burst 1



Messages:

1. Versatility
2. Specific Recipe
3. Ease
4. Quick

Target Drivers:

Easy Everyday

Rank #1, 35%

Healthy Beef



1. Healthy
2. Protein
3. Iron

Good for You

Rank #3, 15%

Mid Week Meals - Burst 2

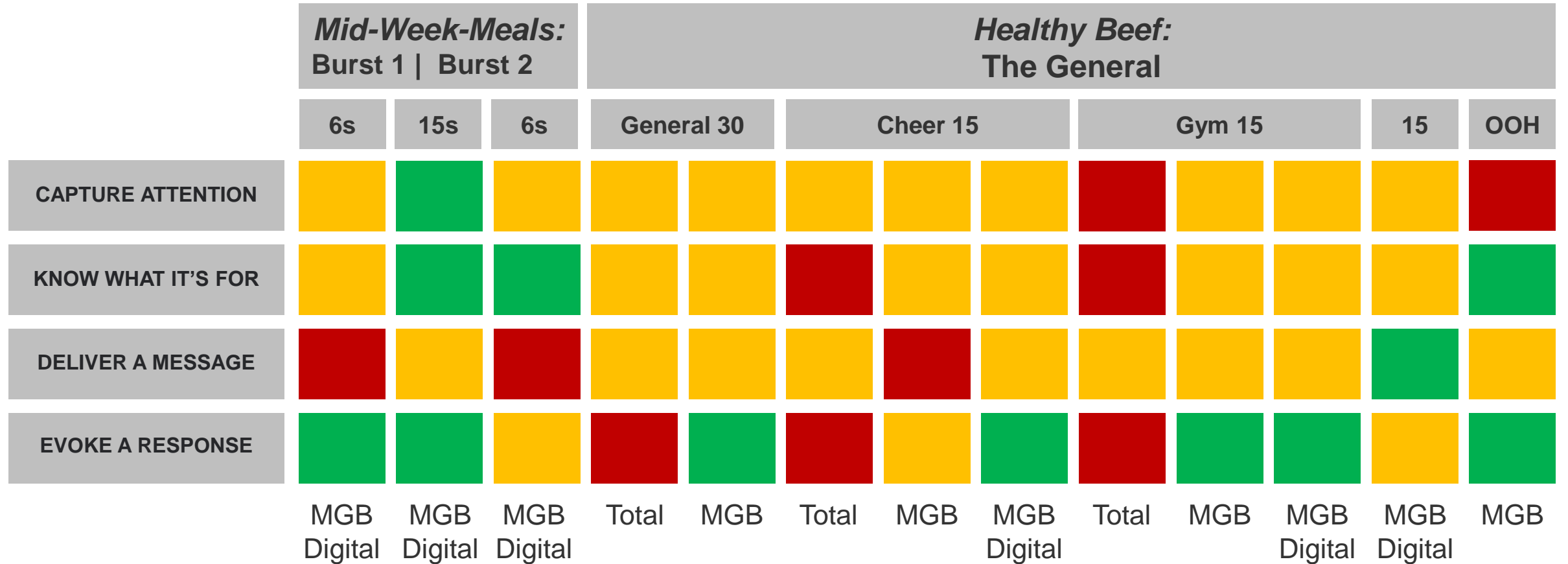


1. Versatility
2. Ease
3. Taste
4. Specific Recipe

Easy Everyday

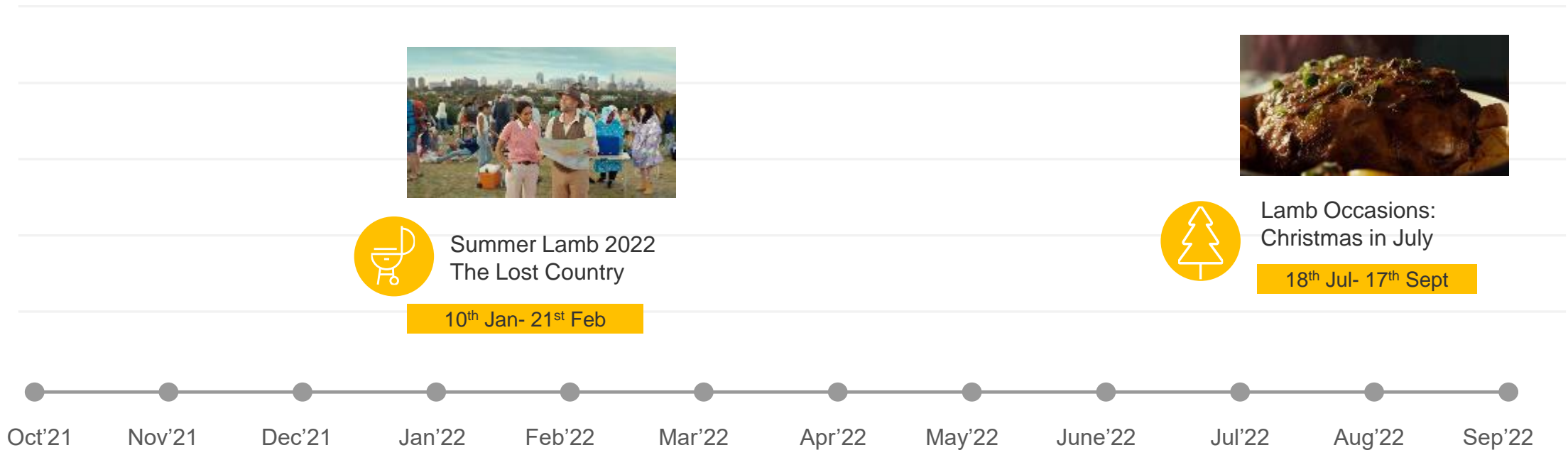
Rank #1, 35%

While compelling for the MGB audience, the campaigns had opportunity to cut through more efficiently with a clearer, single minded message:



**And what has Lamb done
over the past 12 months
which has helped reduce
the declining equity?**

Lamb's key activities over the 2022 equity period include Summer Lamb and the 1st burst of Lamb Occasions; shifting to a special occasion focus



The campaigns promote Lamb's shareability in Summer and Family and Special occasions, including provenance, taste appeal and versatility.

Summer: The Lost Country

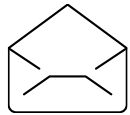


1. Australian Provenance
2. Eat Lamb
3. Sharing

Christmas in July



1. Sharing / Family
2. Taste
3. Versatile
4. Recipe



Messages:

Target Drivers:

Trusted Quality	Easy Everyday	Trusted Quality	Easy Everyday	Little bit special
Rank #2, 21%	Rank #1, 35%	Rank #2, 21%	Rank #1, 35%	Rank #4, 13%

All assets clearly link to Lamb - opportunity to hone message delivery to effectively shift perceptions and drive action. Occasions kick off looks strong.

	Summer Lamb: The Lost Country					Lamb Occasions: Christmas in July		
	180s	30s	15s	6s	OOH	15s	6s	OOH
CAPTURE ATTENTION	Strength	Strength	Room to Improve	Room to Improve	Strength	Strength	Strength	Room to Improve
KNOW WHAT IT'S FOR	Strength	Strength	Strength	Strength	Strength	Strength	Strength	Strength
DELIVER A MESSAGE	Room to Improve	Room to Improve	Weakness	Room to Improve	Strength	Room to Improve	Strength	Room to Improve
EVOKE A RESPONSE	Strength	Room to Improve	Room to Improve	Room to Improve	Strength	Strength	Strength	Strength



While performance in the last year has been fairly consistent, we see some trends that can potentially impact consumer behaviour in the future

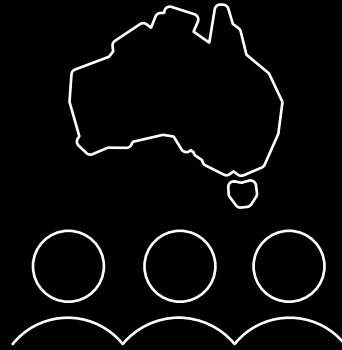


3 key trends we see influencing consumer decisions now and into the future:

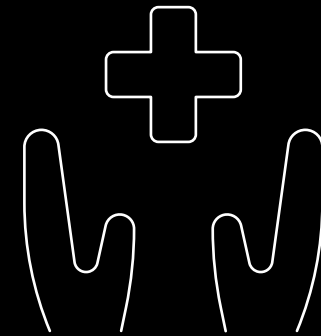


Changing economic circumstances

We will look at this right now



Changing demography and new Australians



Changing approach to health

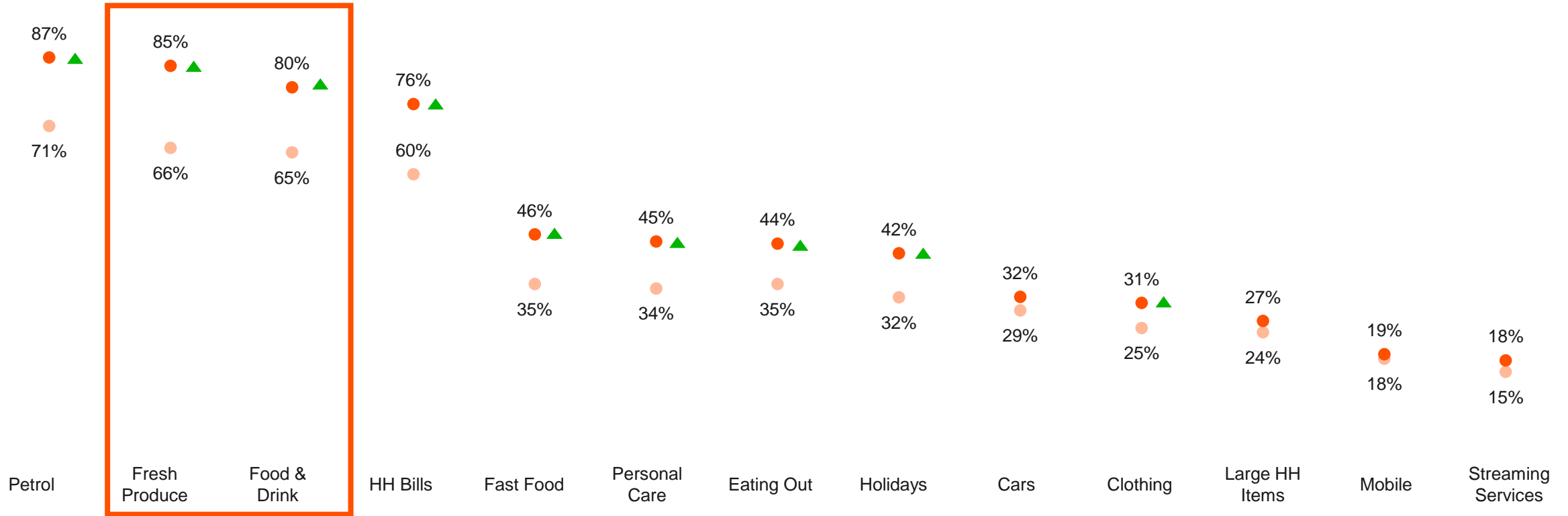
We will save these for later today



Inflation is now the top concern for Aussies (up from #2 in early September) with 4 in 5 noticing price increases, our category heavily impacted

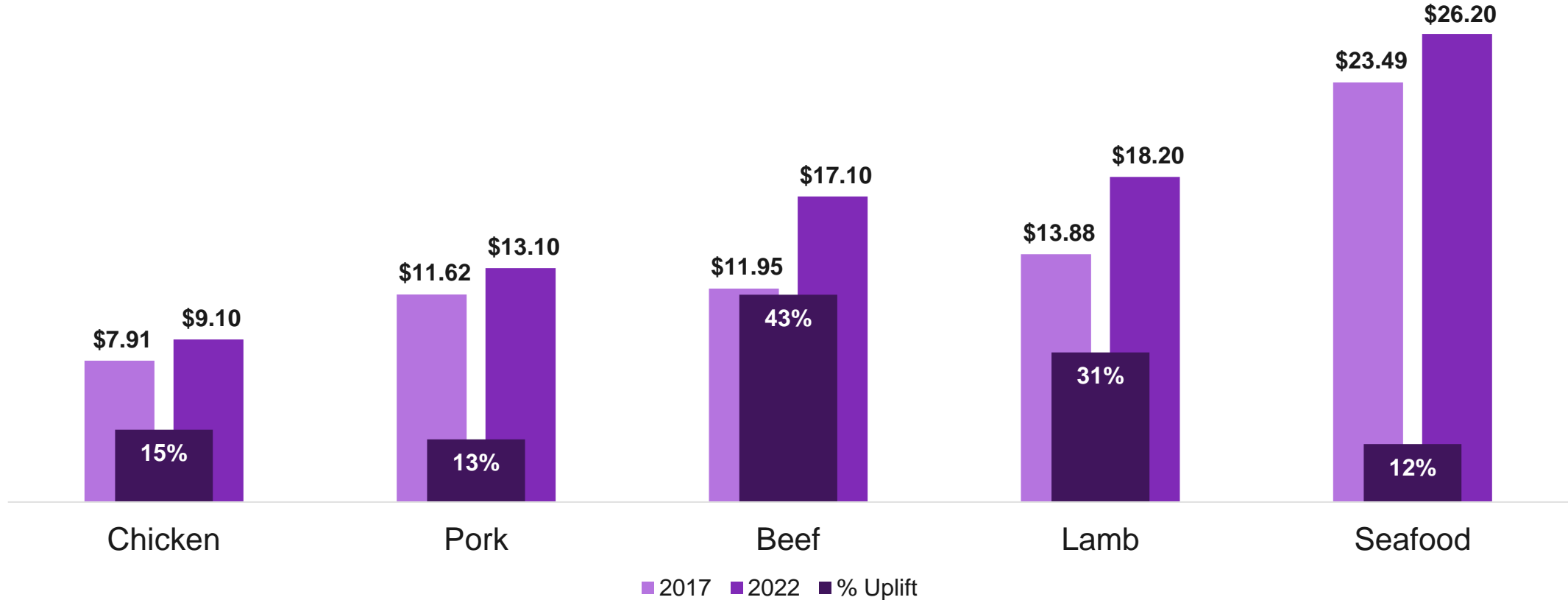
Products affected by inflation | Australia

● Wave 3 | Sep 22 ● Wave 4 | Nov 22



While the 5 key proteins maintain price ranks, relativities shift. Beef saw the largest relative growth in price +43% vs 2017, gap to chicken widens.

Price Per Kilo MAT





Half of Aussies are finding it difficult to meet household budgets, provoking various economising behaviours, including food e.g. downtrading

Monthly Household Budget | Australia

■ Am able to meet ■ Is difficult to meet ■ Unable to meet



Among this group

60%

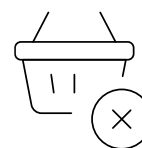
are finding it **more difficult** now compared to a year ago

Behavioural Changes | Australia

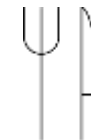
48% 31% 28% 22% 20%



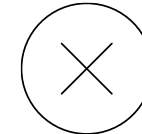
Reducing eating out / restaurants



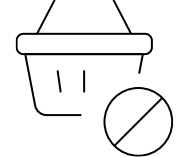
Made cutbacks on general expenditure



Economising food to make savings



Cancelled/ stopped doing certain things




Stopped buying some types of products completely



Dinner Main Protein:

Frozen Meat Sep'19: 6% Sep'22 11% (+5%)▲

Vegan/Vegetarian Sep'19: 8% Sep'22 10% (+2%)



We see that pricing pressures can influence consumer mindset in the shopping journey.

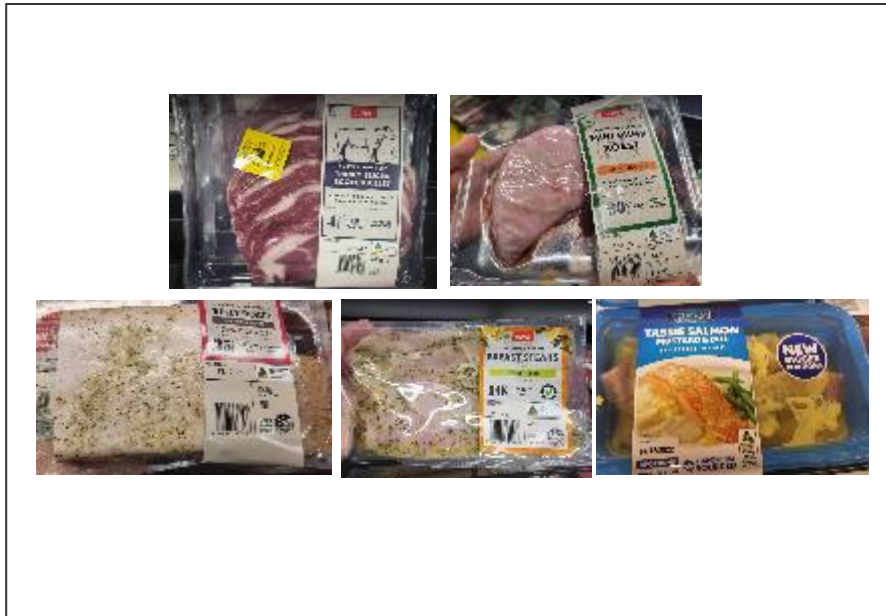
Thus, important to also understand their current shopping behaviours

We know that three quarters of brand-building happens through the experiences that happen outside of paid media.

25%
Paid Media

75%
Impact by other Touchpoints

Physical availability touchpoints convert the demand created by mental availability touchpoints...But they also build pre-disposition at the same time

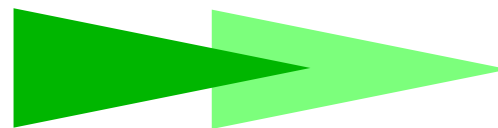


Physical Availability

Match where and how consumers buy

- Distribution
- Visibility
- Prominence
- Relevance

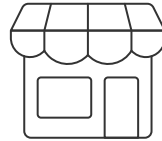
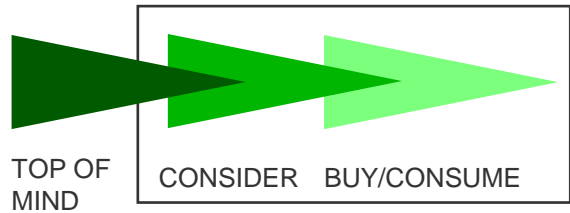
CONVERSION



CONSIDER

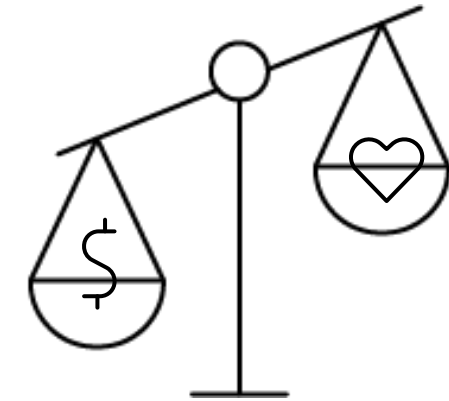
BUY/CONSUME

Everyday suitability and confidence are key to being considered, however, having affordable options doubles in importance for making it into the basket.



Top 10 Drivers to...

	Consideration	Consumption	+/-
Is suitable for everyday meals	12%	17%	6%
Is something I'm confident to cook and prepare	11%	13%	1%
Is something I am proud to serve to family and friends	9%	5%	-4%
Has options that fit well in my budget	8%	19%	10%
Can be used in a variety of meals	8%	9%	1%
Is an important part of a healthy balanced lifestyle	7%	5%	-2%
Is the greatest of all meats	6%	6%	0%
Makes healthy meals	6%	5%	-1%
Is full of flavour	6%	2%	-5%
Is good for sharing	5%	3%	-2%



Indicates having to compromise on pride and taste/flavour for something consumers can afford on a more everyday basis

Supermarkets remain the core channel of focus, with 2 in 3 dinner meals made from ingredients bought from visiting a supermarket, 10% online supermarkets

Seafood skews towards

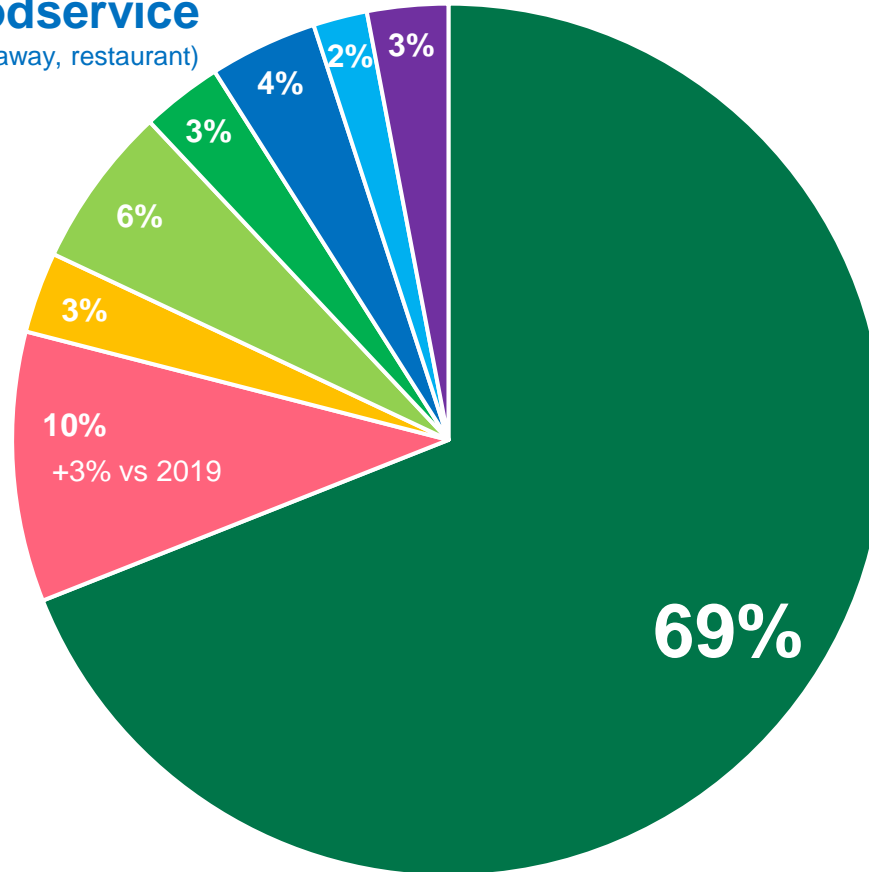


Foodservice

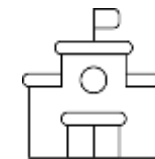
(take away, restaurant)

Supermarket Website:
Most likely families

Skews slightly more to
Lamb and less to Fish
(likely freshness related)

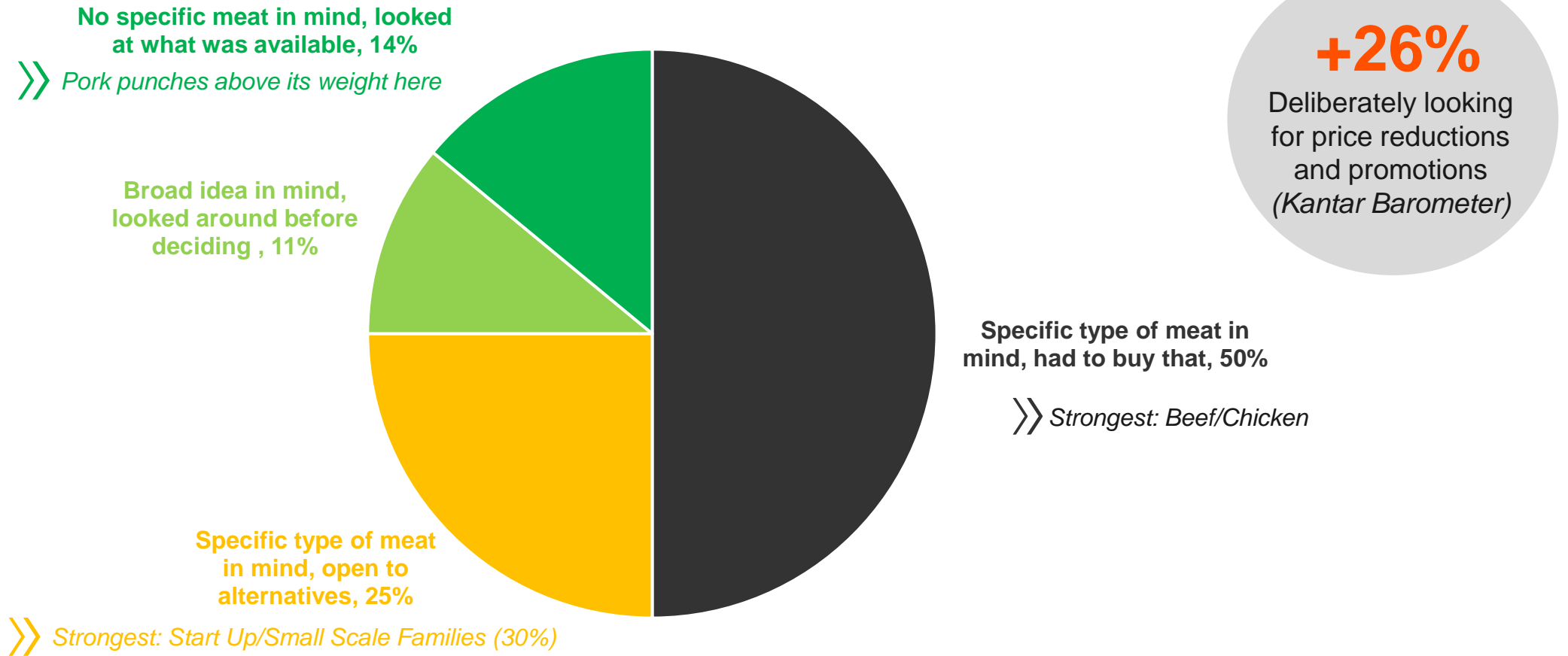


- Visit Supermarket
- Supermarket Website
- Delivery App
- Takeaway
- Meal Delivery Service (e.g. HelloFresh)
- Eaten out (e.g. Restaurant)
- Family/Friends Place
- Other



Visit Supermarket

1 in 2 consumers are somewhat flexible on their main protein in the supermarket – especially Families (a core TG for meat). Increasingly looking for promos.





What does this mean for MLA and red-meat today?

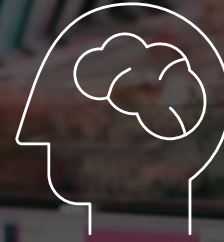
1.



Consistent good quality comms are important for reinforcing brand, and building Salience.

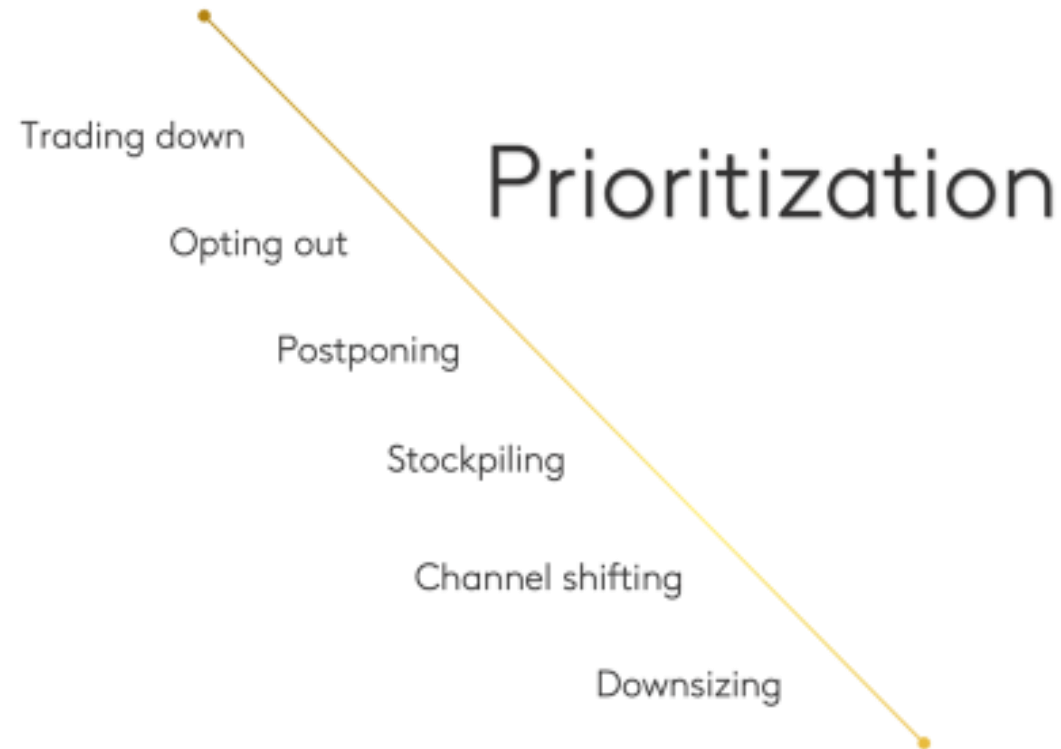
50% of this is down to the **Creative Quality**, while the other half is **Media** (reach, frequency, synergy)

2.



Be in **place** – clear, in moment channel triggers so we are **available** and **top of mind**

Shopping is always about prioritising – but this intensifies in difficult economic times. Brands must try to stay a top priority by providing value.



Some provocations:

With 'Salience' becoming increasingly important to the category, what else could we be doing **in-store/online/at shelf** to ensure we are **catching consumers' attention** and **triggering decisions** in a more meaningful and relevant manner?

(especially as we can't always 'beat on price')

And how do we think differently about showcasing our 'range' to reflect greater options to suit varying budgets, needs and entry points?

How can we give consumers reasons to keep red meat in the priority bucket and save money elsewhere.

Invest in what makes something a priority – taking this away removes the reasons people can't live without it.

What does this mean for future activity?



Healthy Beef (Year 3)

Consistently position Beef as nutritious and healthy, to tap into this growing need.

How can we connect Beef to the modern, relevant expression of health and fitness in our comms and partnerships?



Summer Lamb (2023)

Summer salience driver – linked with sharing, BBQ occasions

What does the Summer Campaign need to amplify, to reinforce meaningful perceptions for Lamb?



Lamb Occasions (Eid, Easter)

Connects Lamb to emotive, sharing moments in special cultural occasions, showcases premium cuts

How do we marry these special moments with elements that help retain Lamb's easy everyday?



Red Meat has an enviable portfolio of cuts. Do we need to be clearer/more overt about where people can enter red meat at their price point (e.g. expensive but accessible) via clear, effective tiering to show it has options to suit all budgets



Thank you

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