2023

Global Tracker: **INDONESIA** – *Presentation Deck*

Brought to you by your Kantar Team:
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MEAT & LIVESTOCK AUSTRALIA

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Market context inc. inflation, sustainability and post-covid trends impacting consumer choice

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3 **IMPORTED BEEF CONSUMPTION & COUNTRY OF ORIGIN**
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4 **IMPORTED LAMB CONSUMPTION & COUNTRY OF ORIGIN**
COO associations, trust and how these build demand and willingness to pay

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Levers to pull to support choice of Australian Beef and Lamb

The Central Question

We have conducted the global tracker in 22 markets over the last 8 years, with Indonesia fieldwork run every year, besides 2022.

MARKETS	Japan	Korea	China	Indonesia	Singapore	Malaysia	Philippines	Taiwan	Thailand	Vietnam	USA	Canada	KSA	UAE	Oman	Jordan	Kuwait	Qatar	UK	Hong Kong	Mexico	Chile	*Total # of markets*
2015	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓	✓									*11*
2016	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓								*15*
2017	✓	✓	✓	✓	✓	✓					✓	✓	✓	✓		✓							*11*
2018	✓	✓	✓	✓		✓			✓		✓		✓	✓					✓	✓	✓	✓	*13*
2019	✓	✓	✓	✓		✓					✓		✓	✓			✓	✓					*10*
2020	✓	✓	✓	✓		✓		✓			✓		✓	✓									*9*
2021	✓	✓	✓	✓		✓			✓	✓	✓		✓	✓					✓				*11*
2022	✓	✓	✓		✓		✓			✓	✓	✓	✓	✓				✓					*11*
2023	✓	✓	✓	✓		✓			✓	✓	✓		✓	✓						✓			*11*

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Indonesia sample – a deliberate skew (not Nationally Representative)

Consumers aged 18-64
Grocery buyers, meal planners
Affluent households (skew)
Selected based on potential openness and ability to buy AU Beef and/or Lamb
(Not representative of total market)

Sample is made up of 443 consumers

		COUNTRY INCIDENCE	SAMPLE STRUCTURE
Gender	Male	-	-
	Female	100%	60%
Age	18-34	59%	55%
	35-49	38%	39%
	50-64	5%	4%
Cities	Jakarta	28%	100%
	Outer Jakarta	72%	
Consumption	Buy Fresh Meat at Least Occasionally	100%	100%
MGBs	Main Grocery Buyers	100%	97%
Children	Households with Children	86%	74%
Income	Under Rp39,999,999	9%	13%
	Rp40,000,000 – Rp69,999,999	13%	16%
	Rp70,000,000+	77%	71%

MACRO-MARKET CONTEXT

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

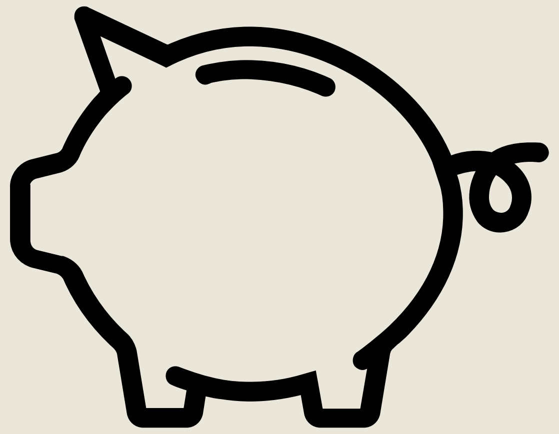
Inflation

Food Safety

Sustainability

Almost 1 in 2 claim to have noticed higher prices for imported red meat- higher compared to local red meat and other categories.

INFLATION

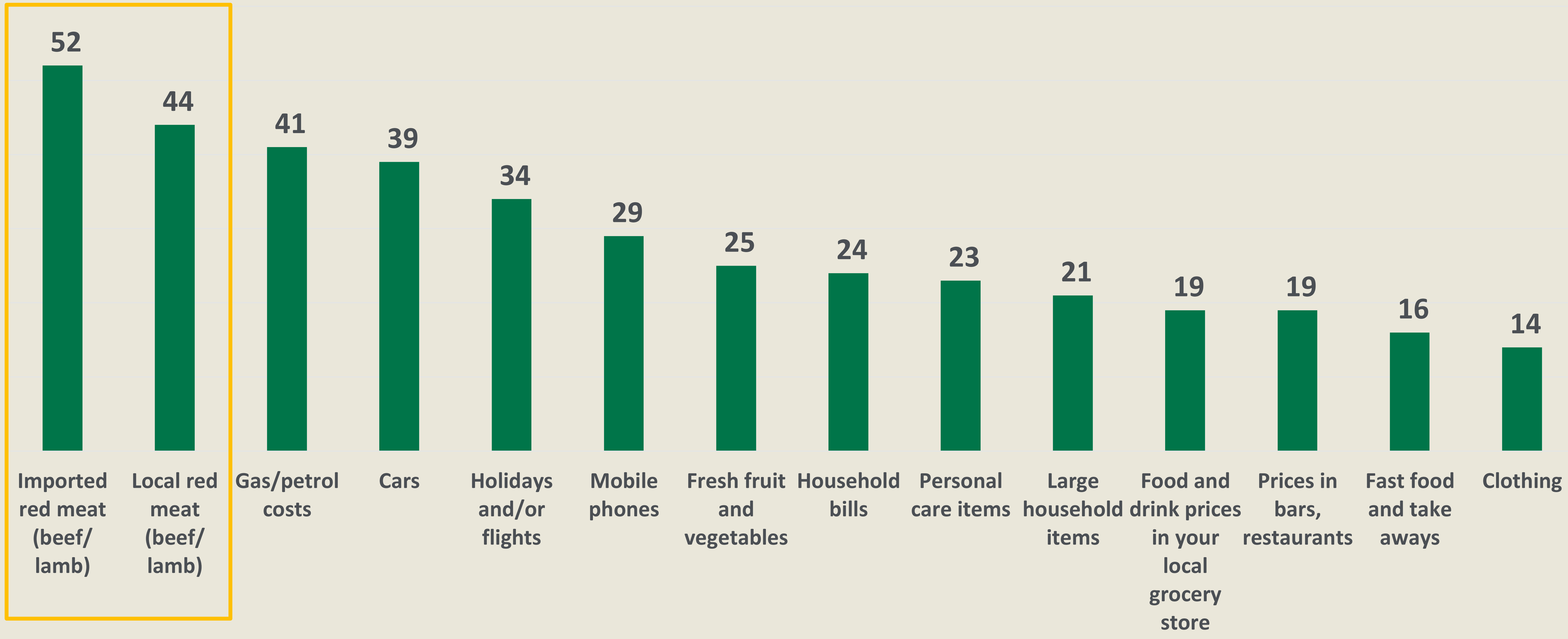


Inflation

With inflation climbing to its highest level in the past six or seven years, consumer confidence has recently taken a dip. As a result of this inflationary pressure, households are focusing more on necessities and holding back on spending non-essentials.

Over time, shoppers have been able to absorb the price increases, but are responding by reducing the size of their basket and buying cheaper products.

PRODUCTS AFFECTED BY INFLATION



Data from GT23 Indonesia Survey

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Base: Total (n=443)
VOL1: Which of these types of products have you noticed higher prices recently?
Source: 5 key factors influencing Indonesia's FMCG market in 2023 *(Kantar Source)*
https://kantar.turtl.co/story/fmcg-outlook-indonesia-2023-et

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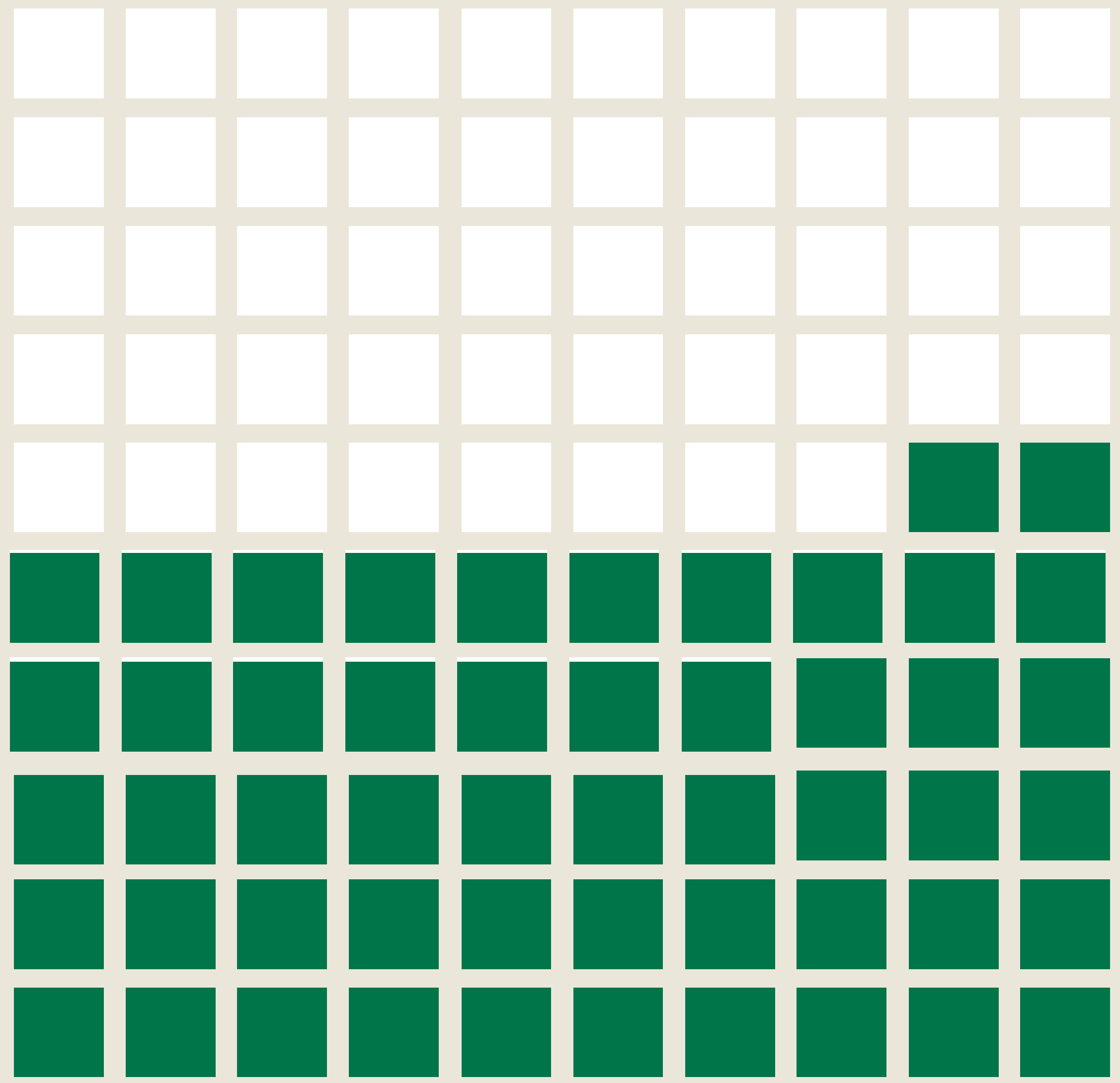
Most consumers who have noticed higher prices for imported red meat adjust their purchasing behaviour, seeking smaller quantities or cheaper options, but frequency broadly unimpacted

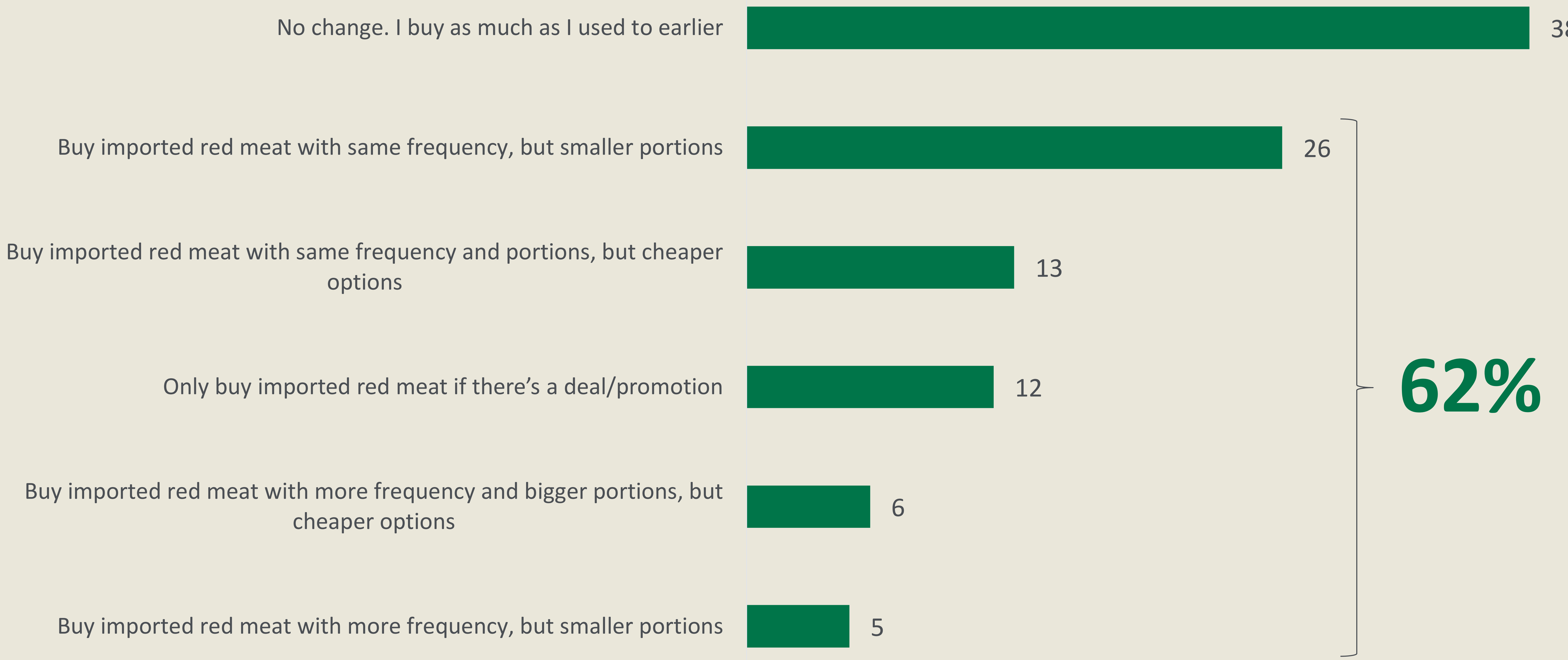
Impact of Inflation on Imported Red Meat Purchase

People who noticed higher prices for imported meat recently

52%



Changes in purchase behaviour of imported red meat considering higher prices



Base: Noticed higher prices for imported red meat recently (n=231)
VOL2: You mentioned you noticed higher prices for imported red meat recently. How has your purchase of imported red meat changed considering the higher prices?

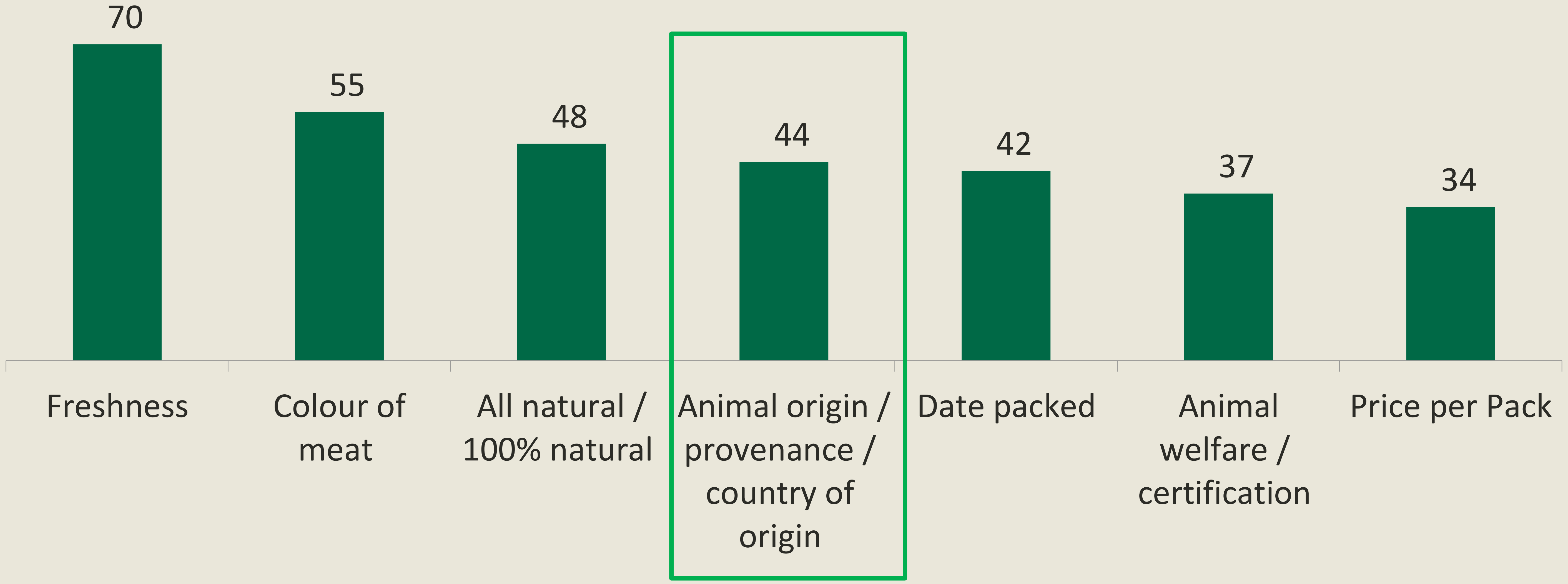
Concerns about meat safety and provenance have heightened in Indonesia. When buying beef, cues of Animal origin/ provenance are among the top things consumers look at

FOOD SAFETY

Food Safety

The recent outbreaks of foot-and-mouth disease and lumpy skin disease have heightened concerns about meat safety and provenance in Indonesia.
This has also increased demand for Australian boxed product, particularly from Indonesia's rapidly expanding, digitally-connected middle class.

TOP 'ON PACK' CUES LOOKED AT WHILE BUYING BEEF



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Source: Market Snapshot Indonesia ***(MLA)***
https://www.mla.com.au/contentassets/c58db1124ae6489f9f4615eafe9b8613/indonesia_2022-mla-industry-insights-market-snapshot_300123-1.pdf
PACK 1- Can you please select up to 6 things you look for (on the pack, on the shelf etc.) when buying beef? Base: (n=1398)

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More than half of Indonesians claim to be actively engaged in sustainability– believing they can make a difference through their actions and are willing to pay more for a brand with shared values.

SUSTAINABILITY

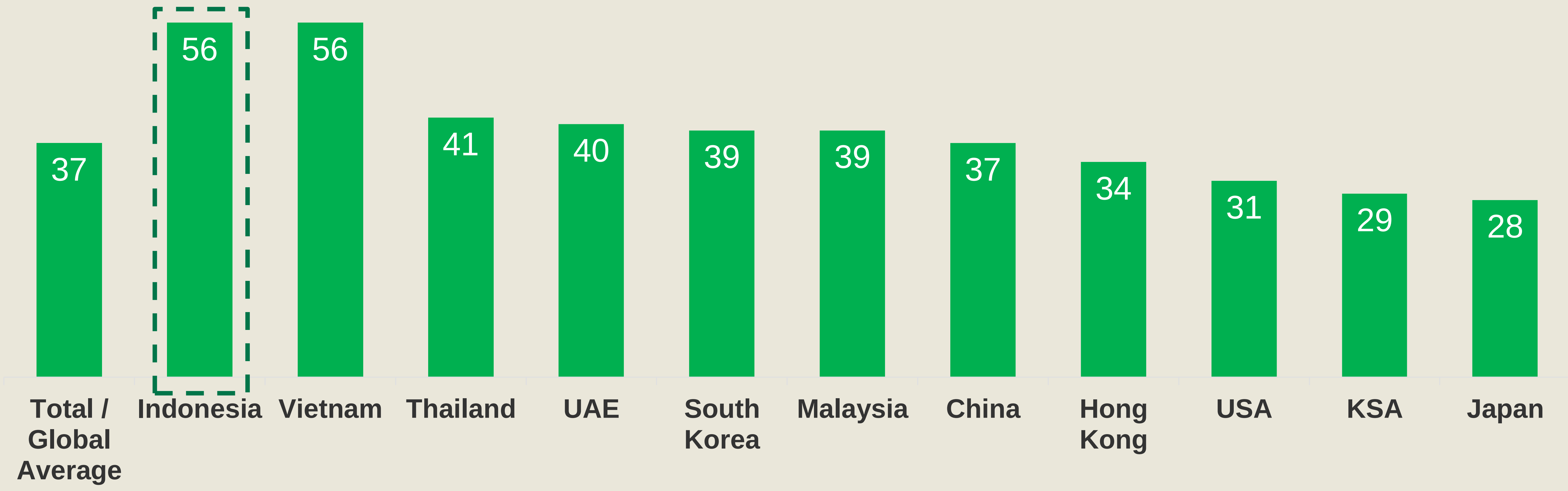
Sustainability

Despite being one of the world's top contributors to greenhouse-gas emissions, Indonesia is leading the way in sustainable, inclusive growth, pledging to attain net-zero emissions by 2060—or sooner. It is perfectly positioned to drive sustainable, inclusive growth and challenge carbon dependency on a global scale, with a population reaching 300 million and an economy anticipated to be one of the world's most powerful by 2045.

Actives

- **Much more likely to believe that they can make a real difference** through their actions
- Believe they are personally **affected by social and environmental issues**
- Their actions match their values, they want to do more, and they are willing to invest their time and money to support companies that try to do good like offsetting their impact

% OF 'ACTIVE' SUSTAINABLE CONSUMERS IN…



Base: Total (443)
SUS_SEG
Now we'd like to ask you some questions about your values regarding sustainability and the environment.
Please tell us how much you agree or disagree with each statement.

PROTEIN LANDSCAPE

There are some consistent themes for the key proteins across our different markets. Beef is consistently seen as the 'Superior' protein.

PROTEIN PERCEPTIONS – GLOBAL

THE STAPLE

- Cheap (cost less) and easily available
- Versatile and easy to prepare
- Family favourite
- Doesn't play to taste
- Not nutritious
- Animals treated poorly
- Not environmentally friendly
- Questionable safety
- Not premium or superior

THE SPECIALTY

- Few strengths or weaknesses
- Weakly positive on animal welfare and sustainability
- Taste is a barrier
- Lean/tough
- Unfamiliar and uncommon except amongst certain groups

THE SUPERIOR

- Good quality, great taste, superior
- Family favourite
- Worth paying more for
- Nutritious & versatile

THE CURIOSITY

- Unfamiliar, occasional purchase
- Premium, superior option
- Not sure what to do with it
- Fatty & tender
- Taste is a barrier for some
- *In MENA lamb is Superior*

THE HEALTHY ALTERNATIVE

- Fresh
- Nutritious – especially for children
- Low in fat
- Tricky to use
- Welfare is not great
- *In SEA, fish is a cheap, low value protein - elsewhere it is premium*

Based on image profiles which show relative strengths and weaknesses relative to other proteins in the consideration set. The consideration set is different for every market hence these are broad characterisations only.

Red meat stands out on Animal welfare, Quality and Superiority. Beef is the family favourite while Chicken and Fish are the Affordable, Convenient and Versatile staples.

PROTEIN PERCEPTIONS – INDONESIA

The Superior, high-quality, favourite

Beef

Strengths vs others:
- The animal is well-cared for
- ☆ Consistent quality
- ☆ Tastes delicious
- Family favourite
- ☆ Superior
- Willing to pay more for it

Weaknesses vs others:
- Not fresh
- ★ Not cheap
- ★ Not easy and convenient to prepare
- High in fat
- Not safe to eat

The Superior, high-quality, favourite

Lamb

Strengths vs others:
- The animal is well-cared for
- ☆ Consistent quality
- ☆ Superior
- Willing to pay more for it
- The meat is usually tender

Weaknesses vs others:
- ★ Not cheap
- Not versatile
- ★ Not easy and convenient to prepare or purchase

The safe alternative

Mutton & Goat

Strengths vs others:
- The animal is well-cared for
- Guaranteed safe to eat
- Willing to pay mor for Goat

Weaknesses vs others:
- ★ Not easy and convenient to purchase or prepare
- Goat: Not essential for growing children
- Mutton: Not a family favourite

The affordable and convenient

Chicken

Strengths vs others:
- ★ Cheaper
- Versatile
- ★ Easy and convenient to purchase and prepare

Weaknesses vs others:
- Not fresh or nutritious
- Animal not well-cared for
- Not sustainable
- ☆ Not consistent quality
- ☆ Not delicious & high in fat
- Not essential for children
- ☆ Not superior
- Not willing to pay more for it

The nutritious, convenient

Fish

Strengths vs others:
- Fresh
- ★ Cheaper
- Nutritious
- Low in fat
- Essential for children
- Easy and convenient to purchase

Weaknesses vs others:
- Animal not well-cared for
- ☆ Not consistent quality
- ☆ Not delicious
- Not versatile
- Not a family favourite
- ☆ Not superior
- Not willing to pay more for it

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Based on image profiles which show relative strengths and weaknesses relative to other proteins in the consideration set. The consideration set is different for every market hence these are broad characterisations only.

★ Important associations – *volume of purchase*
☆ Important associations – *willing to pay more*

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Chicken and Fish continue to be most consumed followed by Beef. Goat and Lamb see momentum on consumption

KEY PROTEIN METRICS

SPONTANEOUS AWARENESS

	Top of Mind	Total Awareness	'21	'20	'19
Beef	63%	90%	89	90	87
Chicken	15%	56%	60	63	58
Goat	2%	31%▲	21	21	19
Lamb/Mutton	2%	23%▼	30	**28**	22
Pork	2%	12%▼	**17**	**11**	16

BOUGHT IN LAST MONTH

		'21	'20	'19
Beef	94%	90	89	86
Chicken	95%	96	93	94
Goat	46%▲	35	**34**	28
Lamb	28%▲	22	**23**	14
Mutton	26%	21	**17**	11
Fish	81%	**85**	80	82
Other seafood	42%	44	39	42

AVERAGE SERVES LAST 7 DAYS

		'21	'20	'19
Beef	2.4	2.1	2.2	2.4
Chicken	3.3	3.2	3.3	3.6
Goat	1.2	1.1	1.1	1.2
Lamb	1.3	1.1	1	1
Mutton	1.2	0.9	0.8	0.9
Fish	2.7	2.7	3	3.3
Other seafood	2	1.8	1.9	2.3

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CH1 Spontaneous Awareness – When thinking about meat, which types come to mind?
CH10 How many meals that included the following meats have been prepared and eaten in your home in the last 7 days?
CH2 Bought in the last month – Which types of meat have you bought in the last month to prepare for a meal at home?
Base: '23 (n=443), '21 (n=500), '20 (n=500), '19 (n=499)

▲▼ *Sig. different at 95%*

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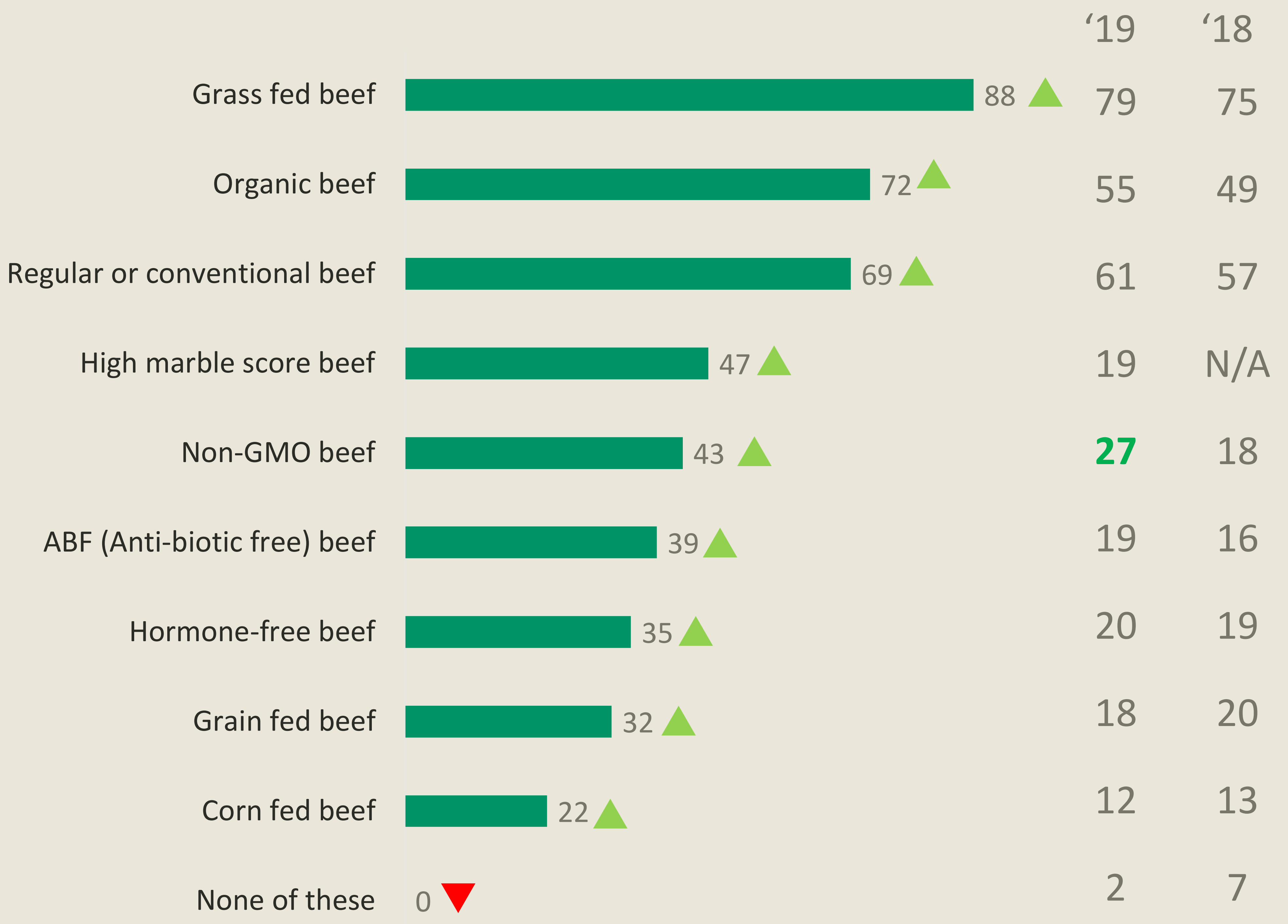
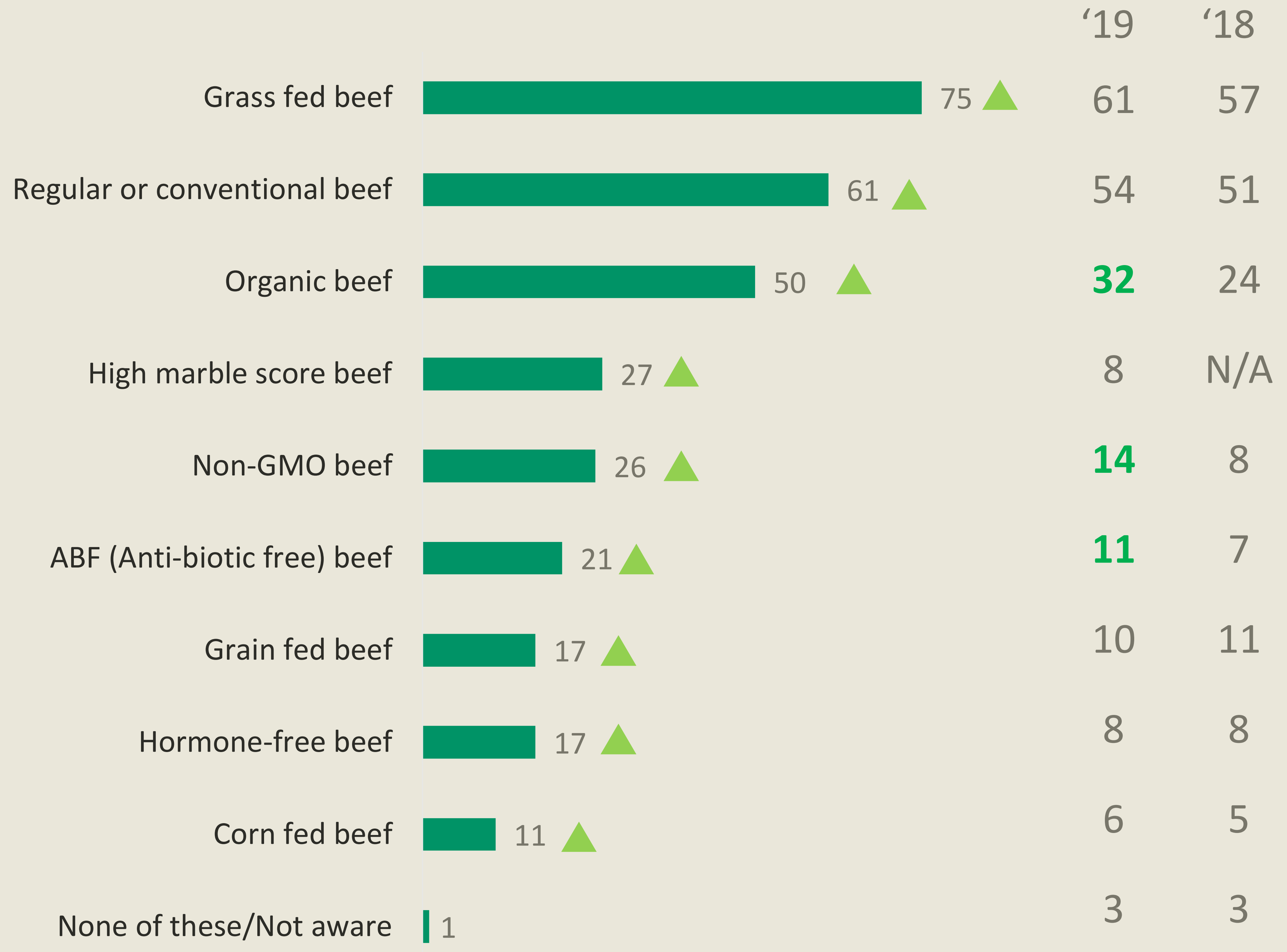
Consumers seem to be more aware of the different types of Beef compared to 2019. Trial across different types has also increased while Grass fed continues to be the most salient and consumed.

AWARENESS AND PURCHASE OF DIFFERENT TYPES OF BEEF

AWARENESS OF TYPES OF BEEF (%)



BEEF BOUGHT IN THE PAST (%)



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*Not asked in 2020 & 2021
QGF1. Which of the following types of beef are you aware of?
QGF2. And which types of beef have you bought in the past? (rebased to QGF1)
Base '23 (n=443), '19 (n-499), '18 (n=457),

Sig. different at 95%

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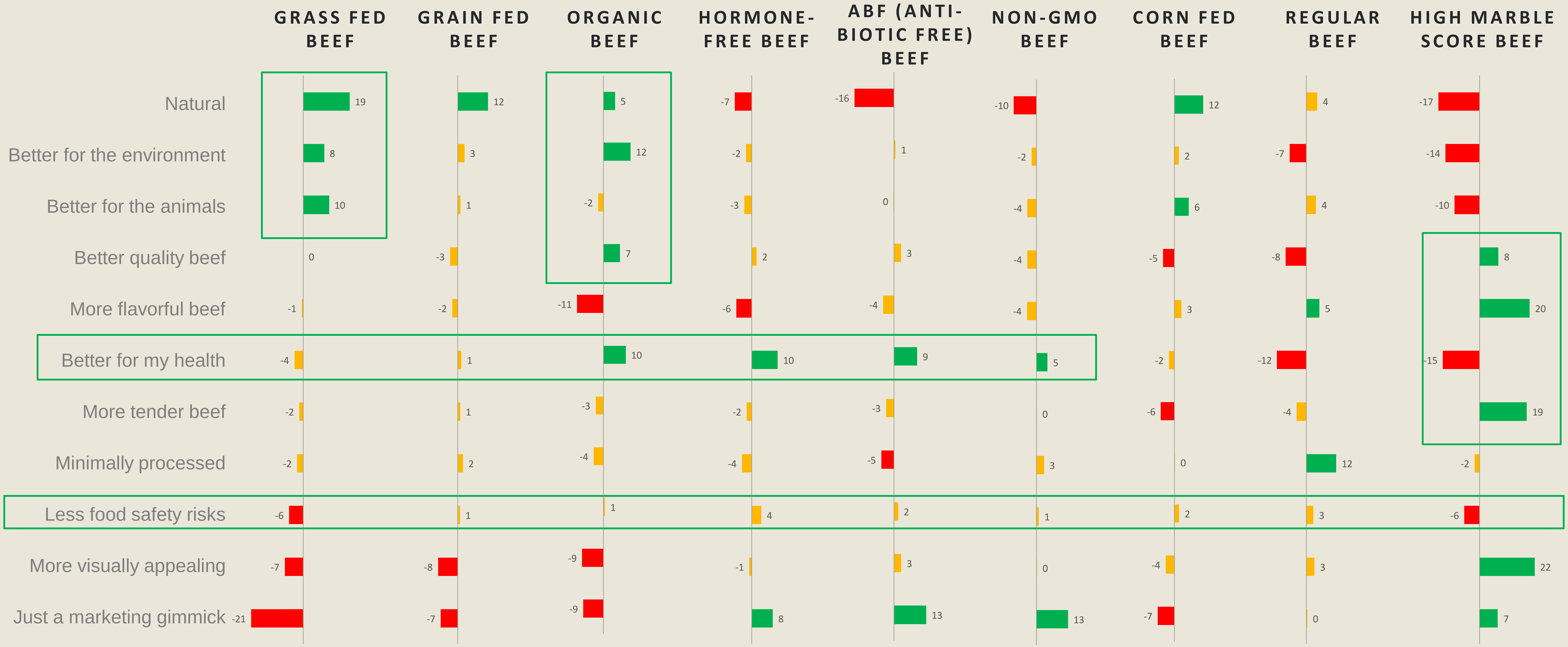
Grass fed beef has strong perceptions on Natural, Better for environment & animals, supporting its high consumption. Organic, Hormone free and ABF have strong perceptions of 'better for health' but weaker perceptions on flavour while the reverse is seen for High marble score beef.

PERCEPTIONS OF DIFFERENT TYPES OF BEEF



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+5 or more = relative category strength
-5 or less = relative category weakness.

GF5. Which of the following things do you associate with each type of beef below?

Base: Grass Fed Beef (n=390), Grain Fed Beef (n=140), Organic Beef (n=321), Hormone-Free Beef (n=153), Abf (Anti-Biotic Free) Beef (n=173), Non-Gmo Beef (n=189), Corn Fed Beef (n=96), Regular Beef (n=307), High Marble Score Beef (n=208)

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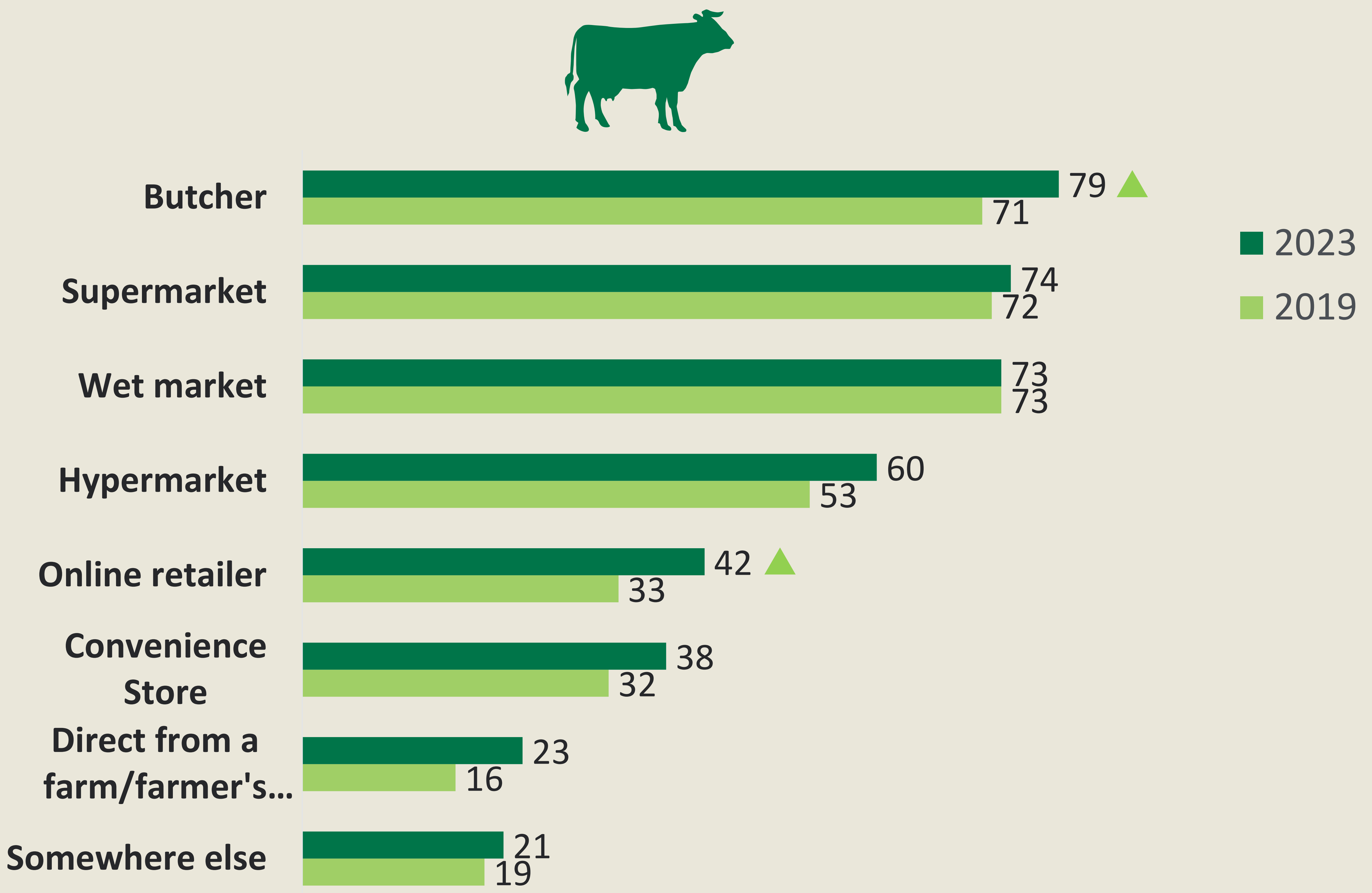
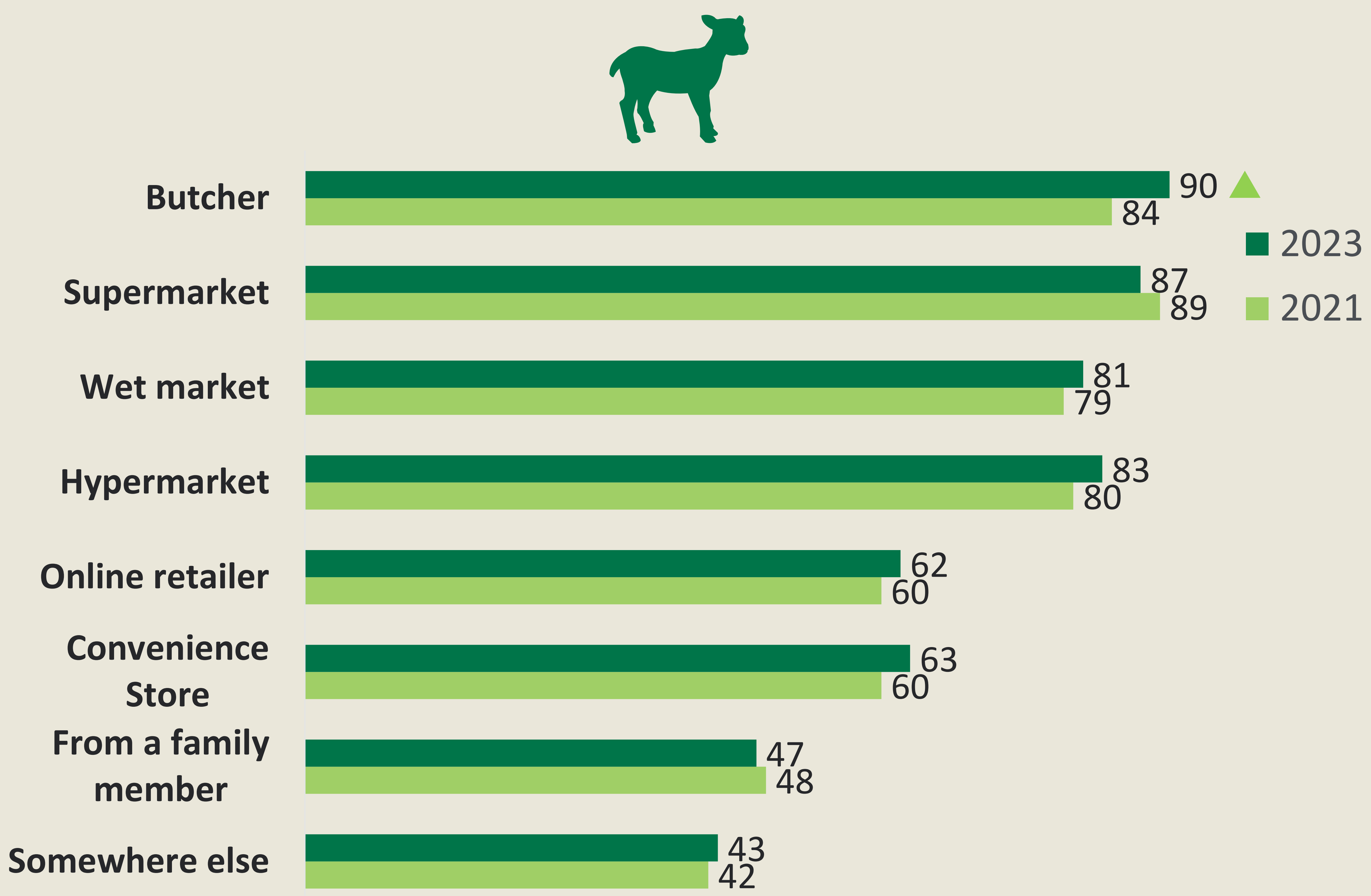
Butchers and Supermarkets are the most popular source for red meat purchase. Online shops are becoming more popular - aligns with overall growth of online purchase in the market

BEEF PLACES OF PURCHASE

Once per month or more often (net)





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QR3A. How often have you bought beef from each of these locations in the last six months? Base: ‘23 (n=163), '21 (n=243)
QR3B. How often have you bought lamb from each of these locations in the last six months? Base: ‘23 (n=274), '21 (n=239)

▲▼ *Sig. different at 95%*

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Protein landscape- Indonesia

Inflation & Food safety are key factors influencing protein choices

Food safety has become more important for Indonesian consumers. It is thus important for Australian red meat to communicate clearly about its Quality & Safety standards

With increased prices, majority of the consumers are demonstrating economising behaviours. In this context it becomes important for Australian red meat to demonstrate value and justify its premium price.

Red meat clearly stands out as Superior & Premium

Beef and lamb are regarded high-quality, superior proteins worth paying more for, which is an advantage given market inflation concerns. Beef is also a family favourite in Indonesia.

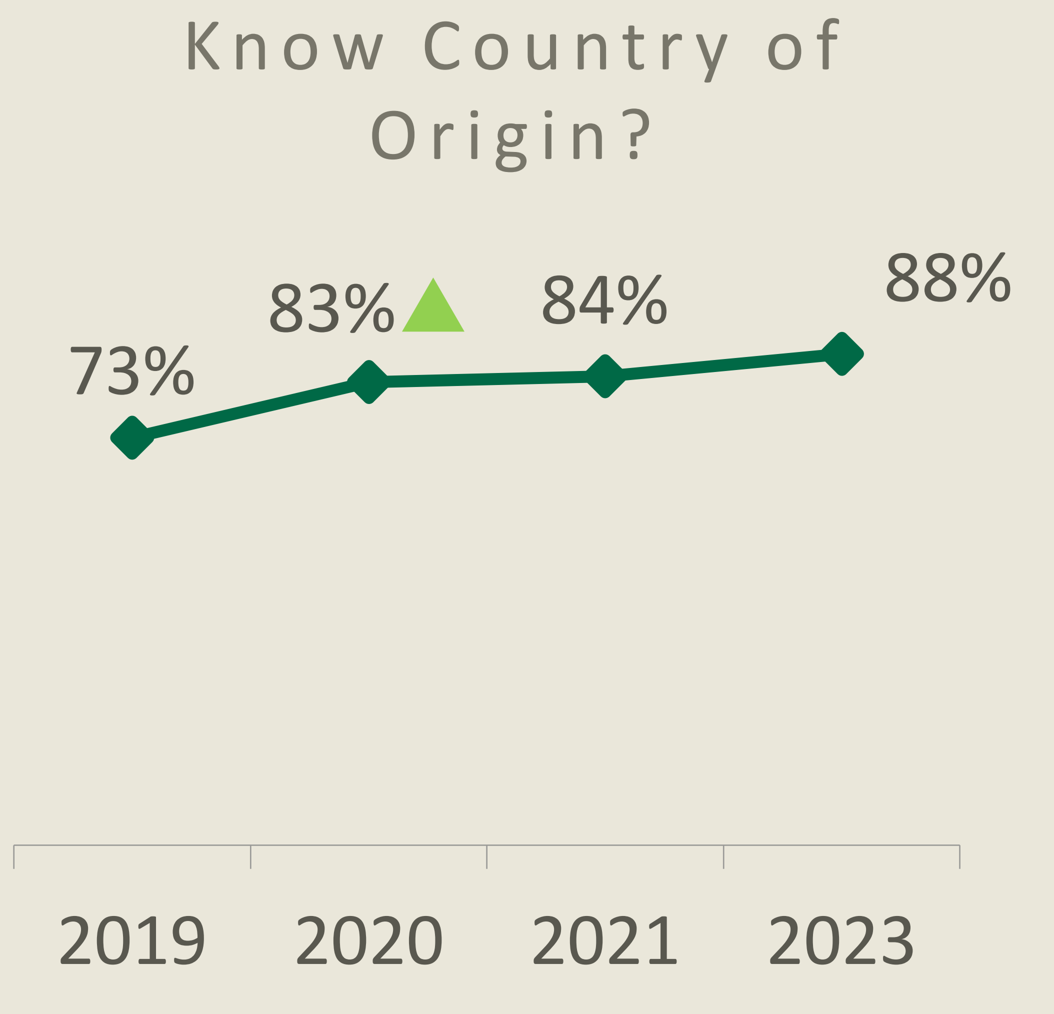
Furthermore, red meat has gained significant recognition as supporting animal welfare, which is key in a market that is so protective of its animals and environment.

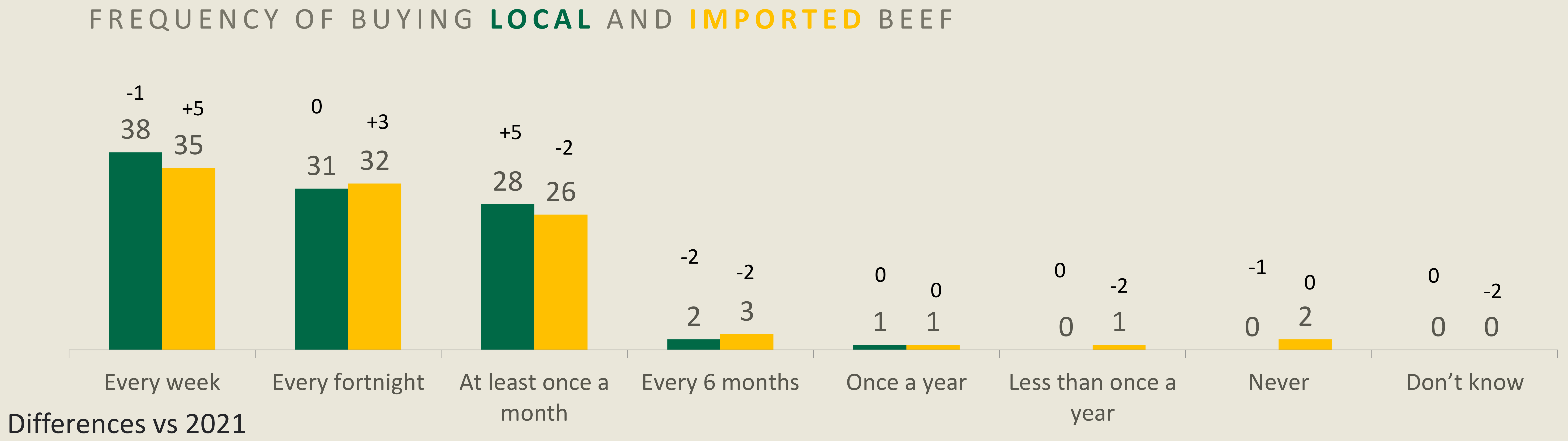
BEEF
COUNTRY OF ORIGIN

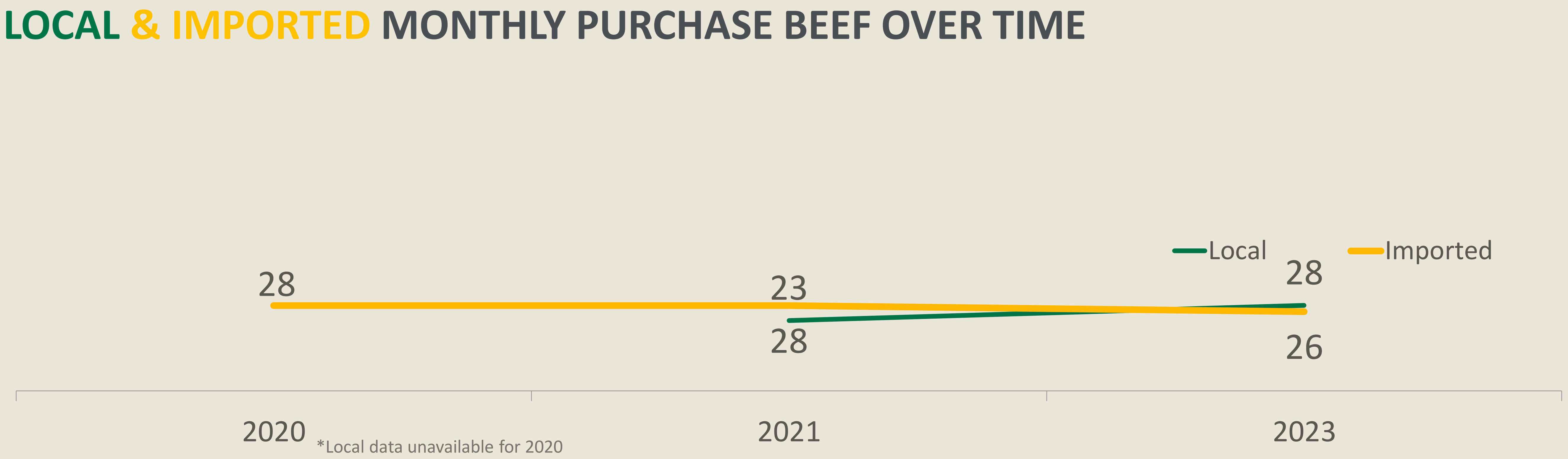
All questions in this section were asked of <u>beef buyers</u> only (must have ever bought beef). They also must have previously bought, or would consider buying, imported beef.

The purchase frequency of imported beef and awareness of the provenance of the beef they buy remain consistent but on the rise.

AWARENESS OF COUNTRY OF ORIGIN AND FREQUENCY OF PURCHASE FOR BEEF







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(GF3B) Do you know the country of origin of the beef you buy? (n=443)
(CH4) How often do you buy imported beef? (n=443)
(CH4LOC) How often do you buy local beef? (n=443)

Sig. different at 95%

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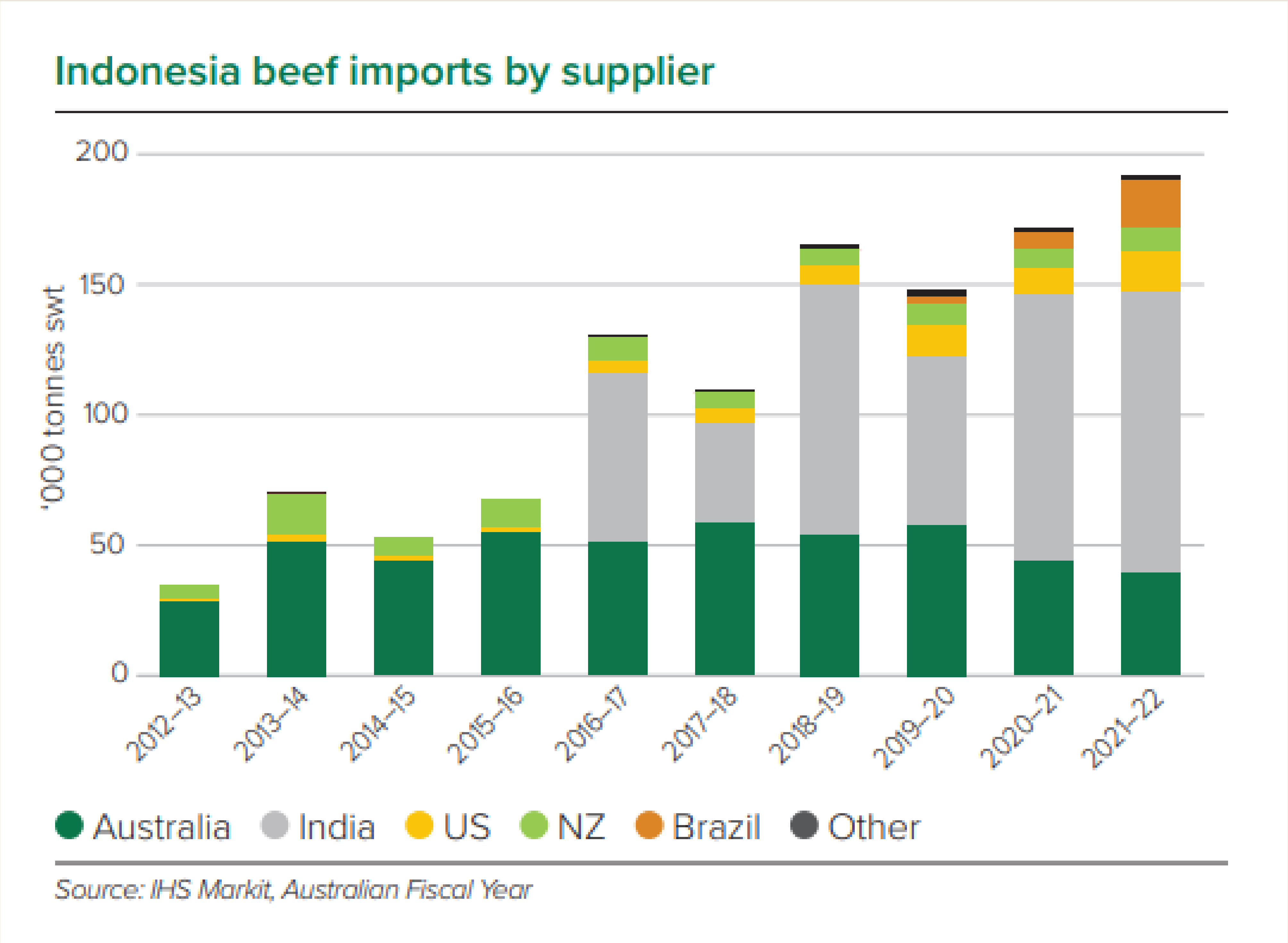
Indian Beef dominates the beef imports in Indonesia then followed by Australia. Australian imports have slightly reduced post 2020 while US seems to be gaining more share

BEEF IMPORTS BY SUPPLIER – MLA DATA

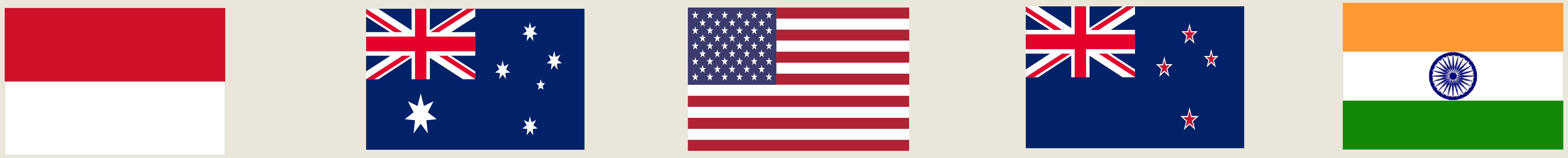


- Indonesia has long been a major red meat and livestock trade partner for Australia. The country is now Australia's largest export market for live cattle and beef offal, and fifth largest for boxed beef.
- Australia's total red meat and livestock exports to Indonesia in FY2021–22 were valued at A$1.1 billion, representing 7% of Australia's total export value.
- While Australian live cattle exports have been impacted by recent disease outbreaks in Indonesia, heightened concerns about meat safety and provenance have seen greater demand for Australian boxed product, particularly from Indonesia's rapidly expanding, digitally-connected middle class.

The brand list was consistent with 2021

BEEF BRANDS TRACKED IN 2023

Local Indonesia beef | Australian beef | American beef | New Zealand beef | Indian beef/buffalo



While Local beef continues to lead, all imported beef brands in Indonesia have strengthened their Salience and Consumption. Consumption of AU beef is significantly higher compared to other imports

Brand Health Funnels – By Country of Origin

	AUSTRALIAN BEEF %	'21	'20	'19	LOCAL BEEF %	'21	'20	'19	NEW ZEALAND BEEF %	'21	'20	'19	AMERICAN BEEF %	'21	'20	'19	INDIAN IBM %	'21	'20	'19
Spontaneous awareness	79	83	75	72	33	32	41	28	34	30	27	32	41	34	33	28	14	9	12	8
Total Awareness	96	94	92	83	96	92	89	81	82▲	63	68	61	76▲	65	66	57	45▲	34	46	35
Ever Eaten	86	81	76	70	95	91	83	78	56▲	44	42	32	56▲	38	41	32	19	13	16	16
Eat P12M	77▲	65	61	59	91	90	80	75	50▲	33	34	23	46▲	27	32	25	17▲	9	14	10
Eat P3M	66▲	50	50	44	87	85	74	72	41▲	23	22	15	36▲	16	22	16	13▲	7	10	7
Past Month	55▲	38	43	32	83	81	71	68	33▲	17	15	12	25▲	10	16	12	11	6	6	4
Most Often	31▲	19	23	15	55▼	69	59	64	10▲	2	2	4	3	2	4	1	1	0	0	1

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BBH1. Spontaneous Awareness, BBH2. Prompted Awareness, BBH3. Ever Eaten, BBH4. Eaten last year, BBH5. Eaten in the last 3 months, BBH6. Eaten last month, BBH8. Most often
Base: '23 (n=200), '21 (n=247), '20 (n=256), '19 (n=260) – Bought beef in past month or ever buy beef

▲▼ *Sig. different at 95%*

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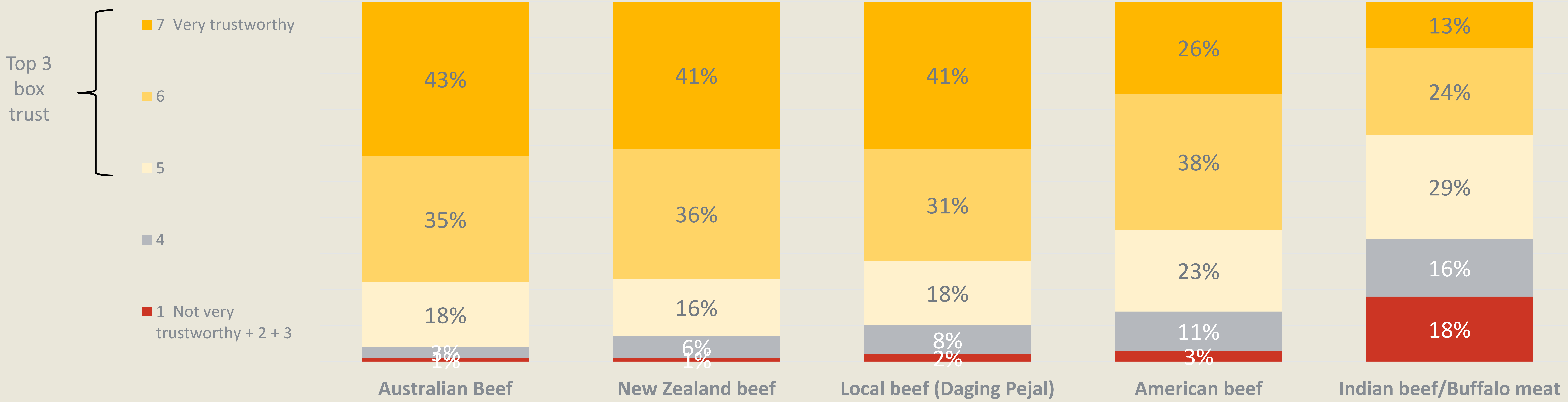
Imported beef brands are becoming more trustworthy. To maintain lead in a highly competitive market, focus on what inspires trust in this industry.

Trust Module – COO Beef Brands

2021	Top 2 Box	74%	72%	67%	54%	31%
2023	Top 2 Box	78%	77%	72%	64%	37%



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BTR2B. How trustworthy is the imported beef from these countries – 7 point scale

Base: Australian Beef (191) American beef (151), Indian beef/Buffalo meat (89), New Zealand beef (164), Local beef (Daging Pejal) (192)

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WHAT NEXT FOR AU BEEF IN INDONESIA?

All questions in this section were asked of beef buyers only (must have ever bought beef). They also must have previously bought, or would consider buying, imported beef.

There are two paths to brand growth.

By increasing the likelihood
that a consumer will buy a brand

We call this Demand Power

Demand Power

High Demand Power brands capture **5× higher** volume share

By increasing the likelihood
consumers will pay for a brand

We call this Pricing Power

Pricing Power

High Pricing Power brands can charge **25% more** than brands with a low Pricing Power score

AU and Local beef have a similar equity and are perceived as ‘Justified Premium’ brands. Important for AU beef to leverage higher trust and further strengthen its equity

BEEF DEMAND POWER VS PRICING POWER – BY COUNTRY OF ORIGIN

Not worth it
Above average price not supported by brand equity

PRICING POWER/VALUE

Are they willing to pay more for you?

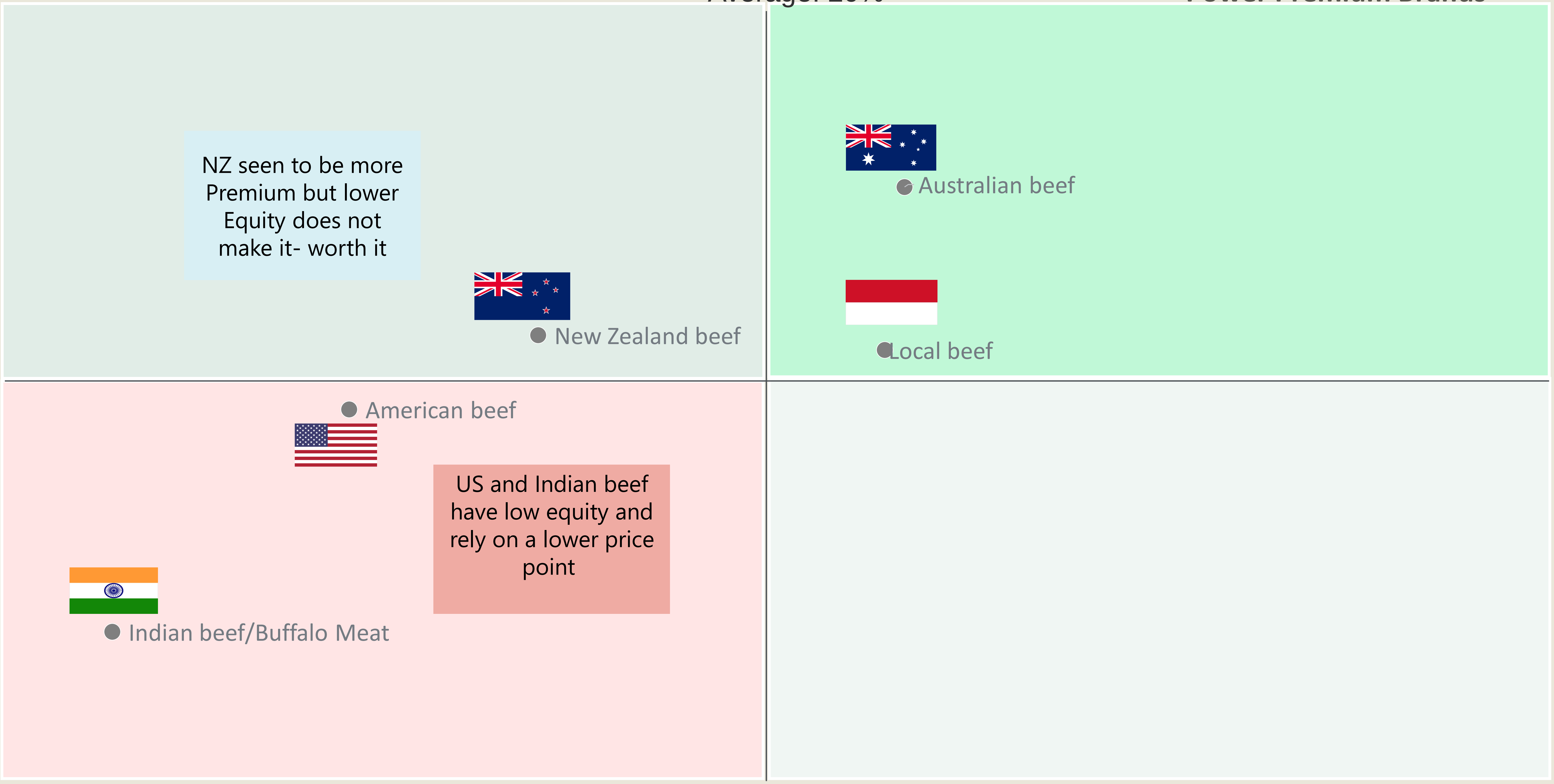
Price reliant

Below average price not supported by brand equity

Premium Brands

Average: 20%

Power Premium Brands



Justified Premium

Brand equity supports current price, which is above average

Average: 0.98

Underperforming Brands

DEMAND POWER
Are consumers more likely to choose you?

Value Brands

Good Value

Brand equity supports current price, which is below average

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Shifts likely driven by name adjustment: Removing Daging Pejal to show just ‘Daging Sapi Lokal’

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The associations that consumers hold in their minds for beef in Indonesia break up into 5 themes

DRIVERS OF DEMAND POWER

SUPERIOR QUALITY 31%

Consistent quality standards
Guaranteed safe to eat
More nutritious
Is easy and convenient to purchase
Is my/my family's favourite beef
Fresh
Is the most superior beef

ENVIRONMENT 23%

The meat is usually tender

The industry is environmentally sustainable

VARIETY & CUTS 21%

Offers a variety of cuts that suit the meals
The fat is nicely marbled
Low in fat

HALAL 16%

Animal is well-cared for
I trust that this beef is slaughtered according to sharia law and is therefore Halal

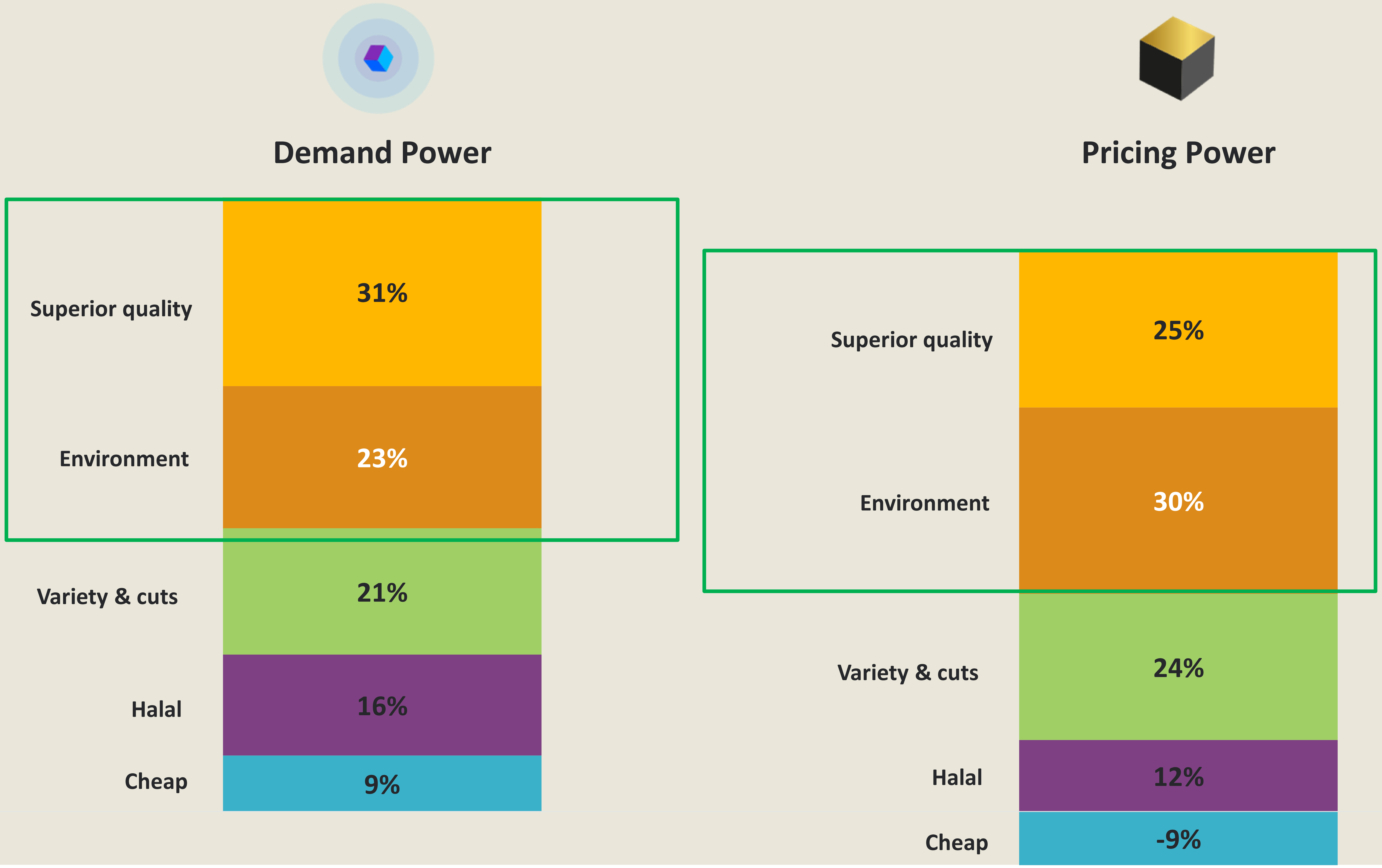
CHEAP 9%

Cheaper

NOTE: GRASS FED LEVEL

Strong perceptions on ‘Superior quality’ and ‘Environment’ are key to strengthen Demand Power. Perceptions related to ‘ Environment’ are more important to be able to justify a premium price.

Beef Country of Origin – Equity Drivers



SUPERIOR QUALITY

Consistent quality standards

Guaranteed safe to eat

More nutritious

Is easy and convenient to purchase

Is my/my family’s favourite beef

Fresh

Is the most superior beef

ENVIRONMENT

The meat is usually tender

The industry is environmentally sustainable

AU beef is best-positioned compared to other imports on key drivers while being challenged by local beef on safety, convenience, family favourite and freshness

Drivers of Demand Power

DRIVERS OF **DEMAND POWER**
(ranked top to bottom)

		AUSTRALIAN BEEF	AMERICAN BEEF	INDIAN BEEF/BUFFALO MEAT	NEW ZEALAND BEEF	LOCAL BEEF (DAGING SAPI LOKAL)
Superior Quality (31%)	Consistent quality standards	74	41	14	50	53
	Guaranteed safe to eat	63	43	21	49	68
	More nutritious	71	40	13	46	52
	Is easy and convenient to purchase	50	30	13	26	83
	Is my/my family's favourite beef	64	28	12	34	65
	Fresh	63	43	19	45	76
	Is the most superior beef	76	40	15	53	48
Environmental (23%)	The meat is usually tender	71	34	15	49	52
	The industry is environmentally sustainable	62	34	12	44	49
Variety & Fat Cuts (21%)	Offers a variety of cuts that suit the meals I make	70	39	17	40	64
	The fat is nicely marbled	63	33	13	47	38
	Low in fat	56	28	14	39	46
Halal (16%)	The animal is well-cared for	74	44	12	54	51
	I trust that this beef is slaughtered according to sharia law and is therefore Halal	43	22	13	28	80
Cheap (9%)	Cheaper	30	13	21	16	76

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+5 or more = relative category strength
-5 or less = relative category weakness.

BBH9. Here are some things which people have said about beef. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Base: (n=xxx). *Attributes are grouped according to level of co-endorsement i.e. when respondents endorse one attribute for a brand, they are likely to endorse the others in the group. In this way the attributes are linked, then the groups are given an appropriate, summary name.*

Highest Association
Second Highest
Third Highest

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AU and NZ beef have both seen significant increases across several demand power drivers. In fact, Local beef has decreased in being a favourite while AU and NZ beef have increased.

Drivers of Demand Power

	AUSTRALIAN BEEF		AMERICAN BEEF		INDIAN BEEF/BUFFALO MEAT		NEW ZEALAND BEEF		LOCAL BEEF	
	'21 %	'23 %	'21 %	'23 %	'21 %	'23 %	'21 %	'23 %	'21 %	'23 %
Fresh	55	63	31	43 ▲	11	19 ▲	35	45 ▲	79	76
Cheaper	25	30	12	13	13	21 ▲	9	16 ▲	81	76
The animal is well-cared for	65	74	36	44	14	12	46	54	49	51
The industry is environmentally sustainable	53	62	26	34	11	12	40	44	49	49
Consistent quality standards	71	74	37	41	11	14	44	50	49	53
Offers a variety of cuts that suit the meals I make	59	70 ▲	35	39	10	17 ▲	36	40	68	64
Low in fat	45	56 ▲	24	28	9	14	29	39 ▲	41	46
Guaranteed safe to eat	58	63	32	43 ▲	14	21	38	49 ▲	77	68 ▼
Is my/my family's favourite beef	50	64 ▲	20	28	9	12	24	34 ▲	77	65 ▼
Is the most superior beef	70	76	37	40	11	15	45	53	47	48
More nutritious	58	71 ▲	32	40	11	13	41	46	54	52
Is easy and convenient to purchase	39	50 ▲	19	30 ▲	10	13	18	26	87	83
The meat is usually tender	65	71	31	34	11	15	42	49	50	52
The fat is nicely marbled	60	63	35	33	7	13 ▲	35	47 ▲	28	38 ▲
I trust that this beef is slaughtered according to sharia law and is therefore Halal	34	43	15	22	11	13	17	28 ▲	83	80

KANTAR

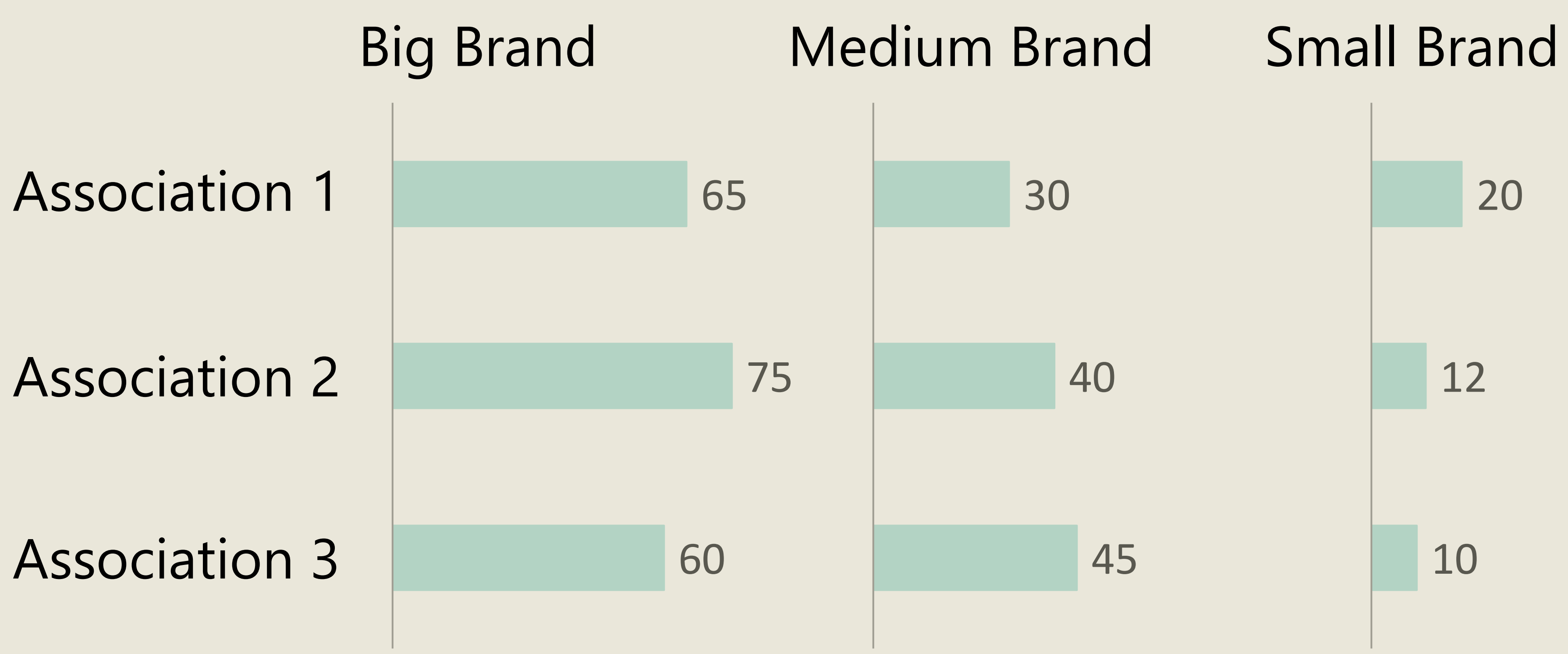
Base: '23 (n=200), '21 (n=247)
QBBH9. Here are some things which people have said about beef. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like.

▲▼ *Sig. different at 95%*

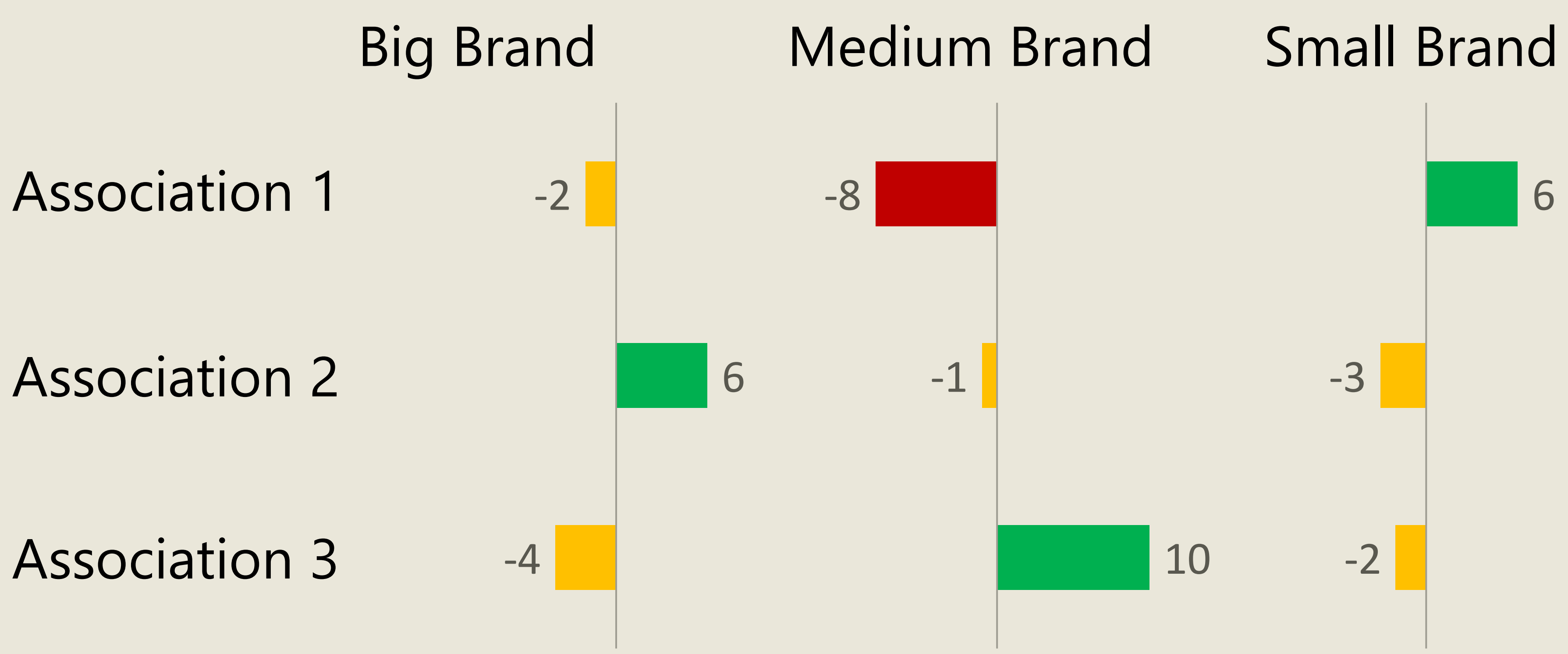
MEAT & LIVESTOCK AUSTRALIA

Big brands naturally attract high endorsement, which can limit insights.
But we can run a statistical analysis to strip out size to identify relative strengths and weaknesses.

BIP ANALYSIS AND WHY WE SHOULD LOOK AT IT?



Statistical Analysis



Limited Insights:
Big Brand leads on everything, followed by Medium Brand and Small Brand.

More Insights:

- Big brand's strength is driven by Association 2
- Medium brand's role is clear in consumers' minds – it is known for Association 3, but not for Association 1
- While small, Small Brand is a threat on Association 1

We can then **overlay what drives demand and willingness to pay** to help you pursue what matters most (choice/price driving associations, differentiation/competitive white space)

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Note: +/- 5 = relative strength or weakness
It is not possible to have a relative strength on everything - brands with relative strengths/weaknesses typically perform best because they play a clear role for consumers

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Despite its strong associations, AU beef does not have any unique strengths. Considering the importance of food safety in this market, important for AU beef to strengthen associations on the same

DRIVERS OF **DEMAND POWER**
(ranked top to bottom)

Group	Attribute	AUSTRALIAN BEEF	AMERICAN BEEF	INDIAN BEEF/BUFFALO MEAT	NEW ZEALAND BEEF	LOCAL BEEF
Superior Quality (31%)	Consistent quality standards	8	4	-3	5	-12
	Guaranteed safe to eat	-6	3	2	1	0
	More nutritious	7	5	-3	4	-11
	Is easy and convenient to purchase	-11	-2	-1	-13	24
	Is my/my family's favourite beef	4	-3	-1	-4	6
	Fresh	-7	2	0	-4	8
	Is the most superior beef	9	2	-2	8	-17
Environmental (23%)	The meat is usually tender	7	-1	-1	6	-11
	The industry is environmentally sustainable	2	3	-1	6	-9
Variety & Fat Cuts (21%)	Offers a variety of cuts that suit the meals I make	4	2	0	-5	-1
	The fat is nicely marbled	4	3	0	10	-19
	Low in fat	0	0	2	4	-9
Halal (16%)	The animal is well-cared for	7	7	-5	9	-14
	I trust that this beef is slaughtered according to sharia law and is therefore Halal	-14	-7	1	-7	24
Cheap (9%)	Cheaper	-19	-10	12	-12	28

KANTAR

+5 or more = relative category strength
-5 or less = relative category weakness.

BBH9. Here are some things which people have said about beef. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Base: (n=xxx). *Attributes are grouped according to level of co-endorsement i.e. when respondents endorse one attribute for a brand, they are likely to endorse the others in the group. In this way the attributes are linked, then the groups are given an appropriate, summary name.*

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What does AU beef need to focus on to target growth in Indonesia?

All questions in this section were asked of beef buyers only (must have ever bought beef). They also must have previously bought, or would consider buying, imported beef.

AU beef has strengths in key drivers of Consistency, Well-cared for animals and Superior. Communication needs to focus on strengthening associations on the other key drivers of Food safety and Freshness.

Top 5 Associations to Grow - Volume & Value (Ordered based on impact on building equity*)

1.
Guaranteed safe to eat

A white space opportunity AU beef should look to differentiate in.

2.
Consistent quality standards

AU beef owns this space. Maintain quality assurance

3.
Fresh

Currently a weakness owned by local beef

4.
The animal is well-cared for

Strength shared with US beef. Communicate about animal welfare practices

5.
Is the most superior beef

Current strength shared with New Zealand

NOTE: GRASS FED LEVEL

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These associations are simulated in the Meaningfully Different model to ascertain which will drive the greatest growth in Power and Premium

Associations for AU to communicate

MEAT & LIVESTOCK AUSTRALIA

Summarising the Beef Module

Strengthen Australian Beef's leadership position

While AU beef has a strong position in Indonesia and consumption is increasing, NZ and US beef are gradually establishing trust and strengthening their positioning too.

Superior quality and **environmental** factors are key drivers of demand and power, as customers become more concerned about the safety and origin of the meat they buy. To further establish equity and justify its premium price, AU Beef must focus more on its Superiority and Safety credentials.

Consider ensuring availability on online channels as well and **leveraging** True Aussie as it expresses all the key factors that Indonesians seek.

Clean, Green and Natural for Quality and Safety

Indonesians are more concerned with food quality and safety - AU can deliver to this need functionally and with its clean, green, natural image.

Sustainable practices can also play a role, especially if positioned as a component of health and quality which appeals beyond the core Active sustainability segment/ audience..

LAMB
COUNTRY OF ORIGIN

All questions in this section were asked of lamb buyers only (must have ever bought lamb). They also must have previously bought, or would consider buying, imported lamb.

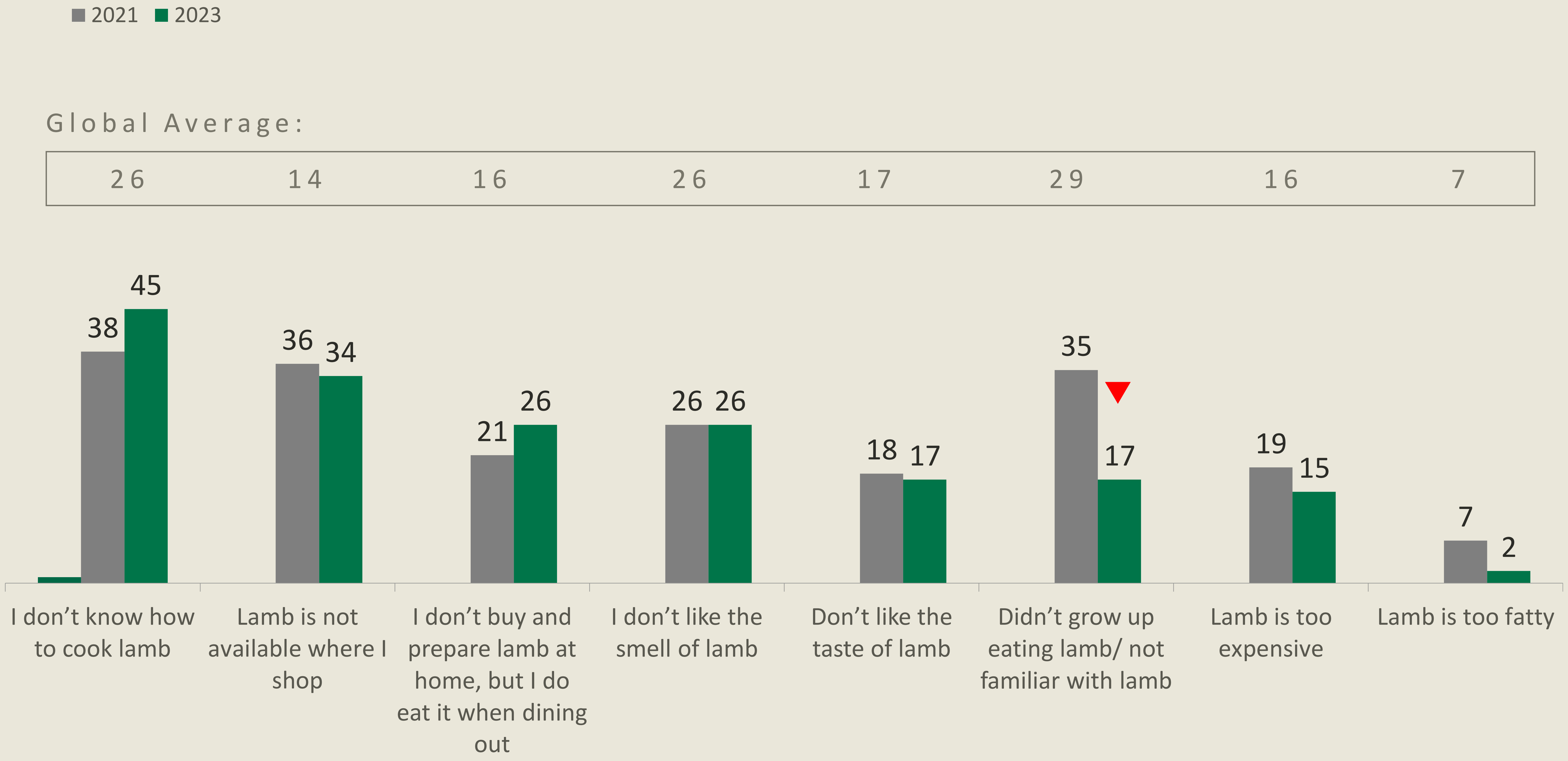
In Indonesia, lamb consumption has increased significantly. Lack of knowledge of how to cook lamb and availability continue to be key barriers while familiarity is no longer a key concern

LAMB – REASONS WHY DON'T BUY

12%

Of the sample have never bought lamb

2021: 35%
2020: 32%



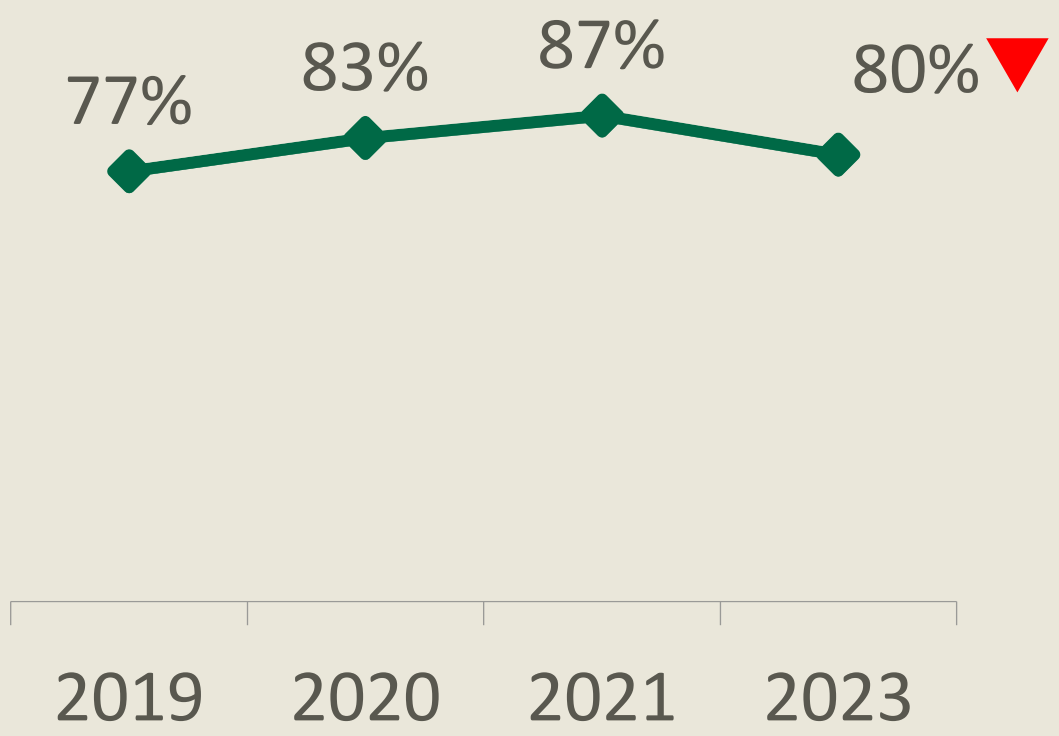
CH6. Do you ever buy lamb? Base: (n=443) (Never bought lamb rebased to total sample)
QCH6a. Why do you not buy lamb? Base: '23 (n=53), '21 (n=176)

Sig. different at 95%

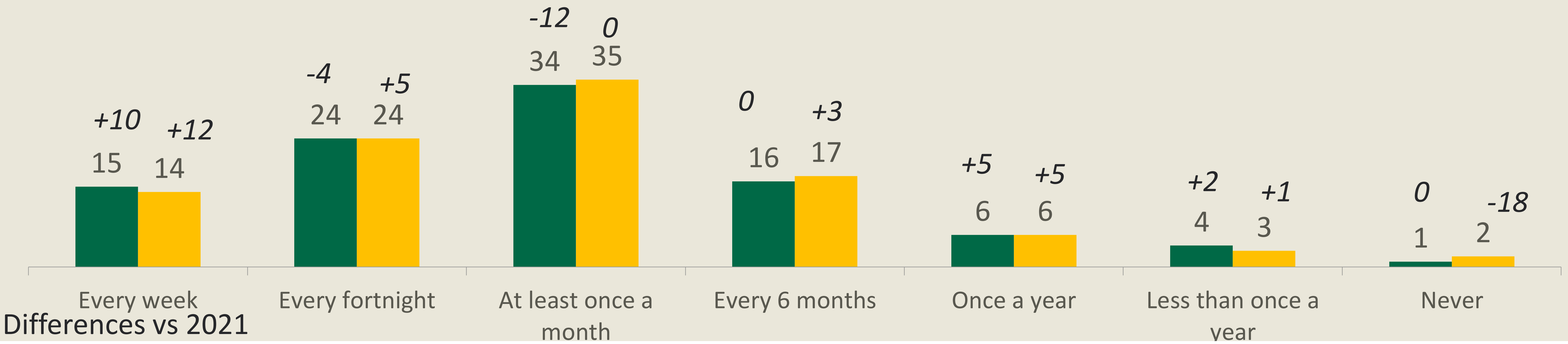
Awareness of the COO of the lamb they buy has fallen yet it remains high. Local and imported lamb purchases are similar, with local growing its monthly purchase. Could price be a factor?

LAMB BUYING BEHAVIOUR

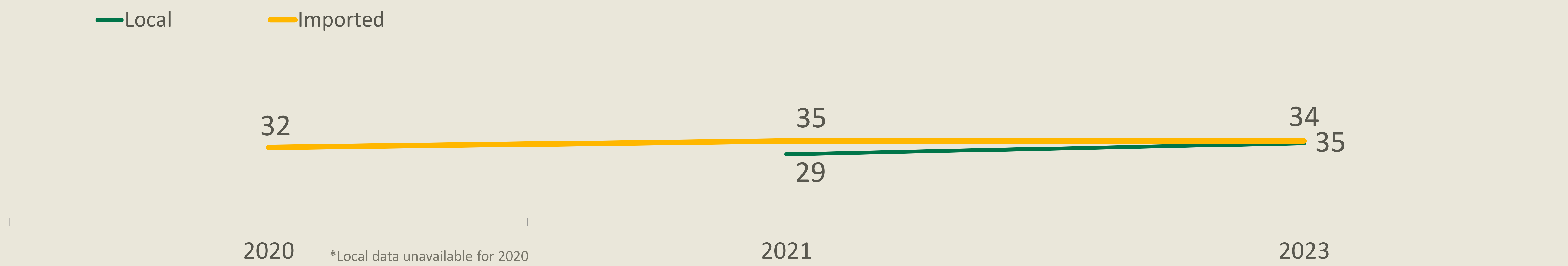
Know Country of Origin?



FREQUENCY OF BUYING LOCAL AND IMPORTED LAMB



LOCAL & IMPORTED MONTHLY PURCHASE LAMB OVER TIME



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(LBH1A) Do you know the country of origin of the lamb you buy? Base: (n=390)
(CH7) How often do you buy imported lamb/Halal compliant lamb? Base: (n=390)
(CH7LOC) How often do you buy local lamb/Halal compliant lamb? Base: (n=390)

Sig. different at 95%

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Brand list was consistent with 2021

LAMB BRANDS TRACKED IN 2023

Local Indonesian goat

Australian lamb

New Zealand lamb

Local lamb continues to lead across consumption metrics. While AU lamb has strong salience, conversion to trial continues to be an issue and has further dropped in 2023

LAMB - BRAND HEALTH BY COUNTRY OF ORIGIN

	LOCAL INDONESIAN GOAT %	'21	'20	'19	AUSTRALIAN LAMB %	'21	'20	'19	NEW ZEALAND LAMB %	'21	'20	'19
Spontaneous awareness	30	32	**35**	26	69	74	73	67	39	40	43	44
Total Awareness	100 ▲	96	95	96	95	95	92	93	88	86	88	86
Ever Eaten	92	88	90	90	63 ▼	75	70	64	41	49	50	47
Eat P12M	86	81	84	85	53 ▼	65	59	51	35	39	43	37
Eat P3M	78	73	75	76	43 ▼	53	44	39	26	29	32	28
Past Month	67	64	66	64	35	40	37	33	22	23	24	21
Most Often	54	51	55	55	23	23	24	21	9	12	10	8

KANTAR

LBH1. Spontaneous Awareness, LBH2. Prompted Awareness, LBH3. Ever Eaten, LBH4. Eaten last year, LBH5. Eaten in the last 3 months, LBH6. Eaten last month, LBH8. Most often

Base: '23 (n=243), '21 (n=253), '20 (n=244), '19 (n=239) – Bought lamb in past month or ever buy lamb

▲▼ *Sig. different at 95%*

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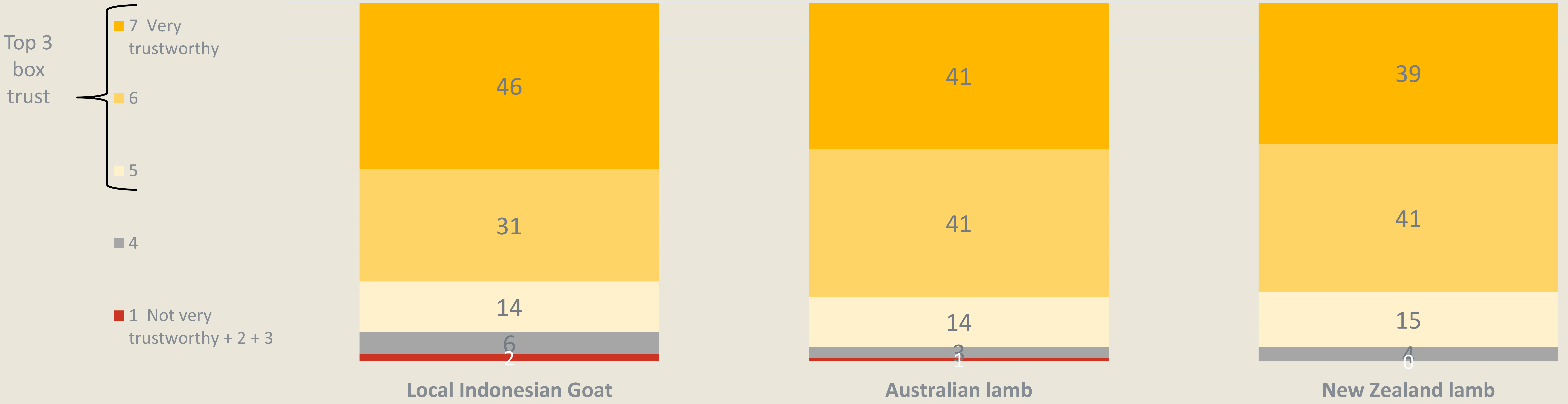
Imported lamb is slightly more trusted than local. Trust does not appear to be an issue for AU lamb, although key to reinforce our origin and quality standards

Trust Module – COO Lamb Brands

Top 2 Box 2021	73	84	83
Top 2 Box 2023	77	82	80



KANTAR

BTR2L. How trustworthy is the imported lamb from these countries

Base: Australian lamb (232) New Zealand lamb (215), Local Indonesian Goat (242)

MEAT & LIVESTOCK AUSTRALIA

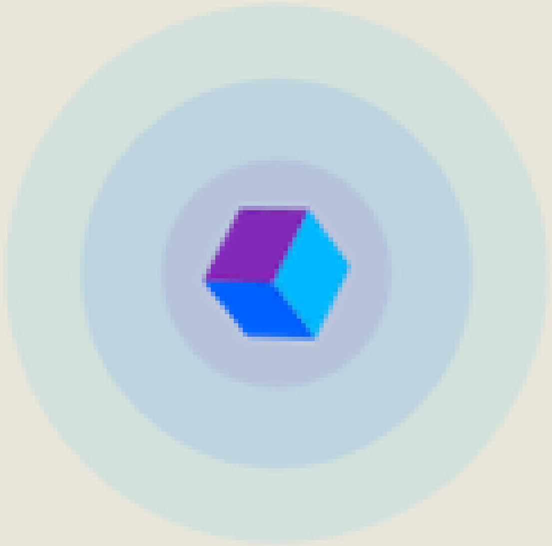
WHAT NEXT FOR AU LAMB IN INDONESIA?

All questions in this section were asked of lamb buyers only (must have ever bought lamb). They also must have previously bought, or would consider buying, imported lamb.

There are two paths to brand growth.

By increasing the likelihood
that a consumer will buy a brand

We call this Demand Power

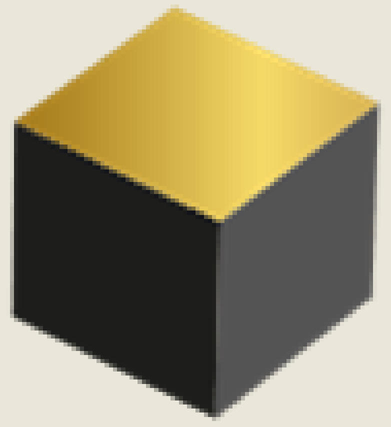


Demand Power

High Demand Power brands capture **5× higher** volume share

By increasing the likelihood
consumers will pay for a brand

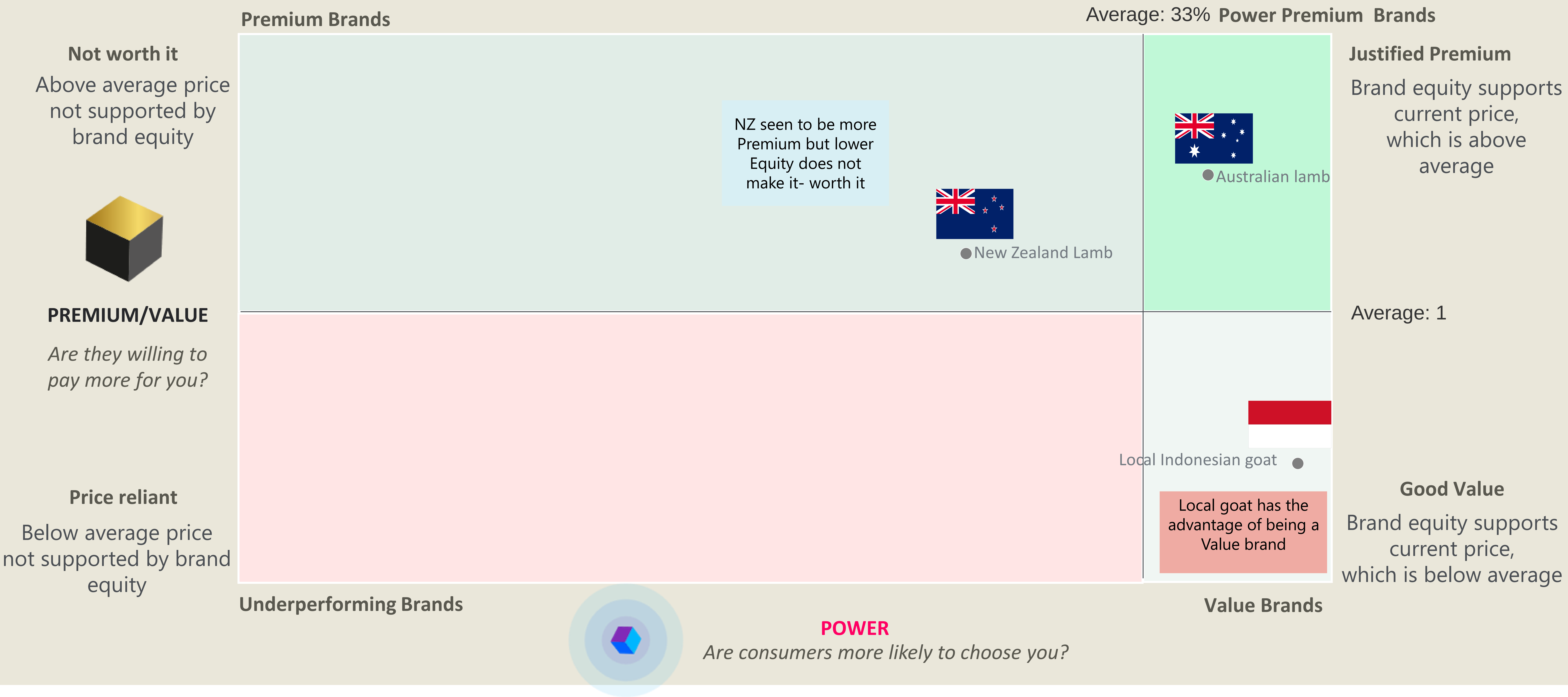
We call this Pricing Power



Pricing Power

High Pricing Power brands can charge **25% more** than brands with a low Pricing Power score

AU lamb and local goat have different perceptions in consumer minds- AU lamb is more premium while local is the more value option. AU lamb is in a strong position but with drops in consumption metrics, important to further strengthen equity as well as justify its premium price.



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MEAT & LIVESTOCK AUSTRALIA

The associations that consumers hold in their minds for beef in Indonesia breaks up into 6 themes

IMPORTANCE IN DRIVING DEMAND POWER

BETTER FOR MY FAMILY **34%**

- The meat is usually tender
- Guaranteed safe to eat
- More nutritious
- Is my/my family's favourite lamb
- Fresh
- Is the most superior lamb

QUALITY CUTS **26%**

- Offers a variety of cuts that suit the meals
- Consistent quality standards
- The animal is well-cared for

ENVIRONMENT **13%**

- The industry is environmentally sustainable

LOW FAT **12%**

- Low in fat

HALAL **8%**

- I trust that this lamb is slaughtered according to sharia law and is therefore Halal

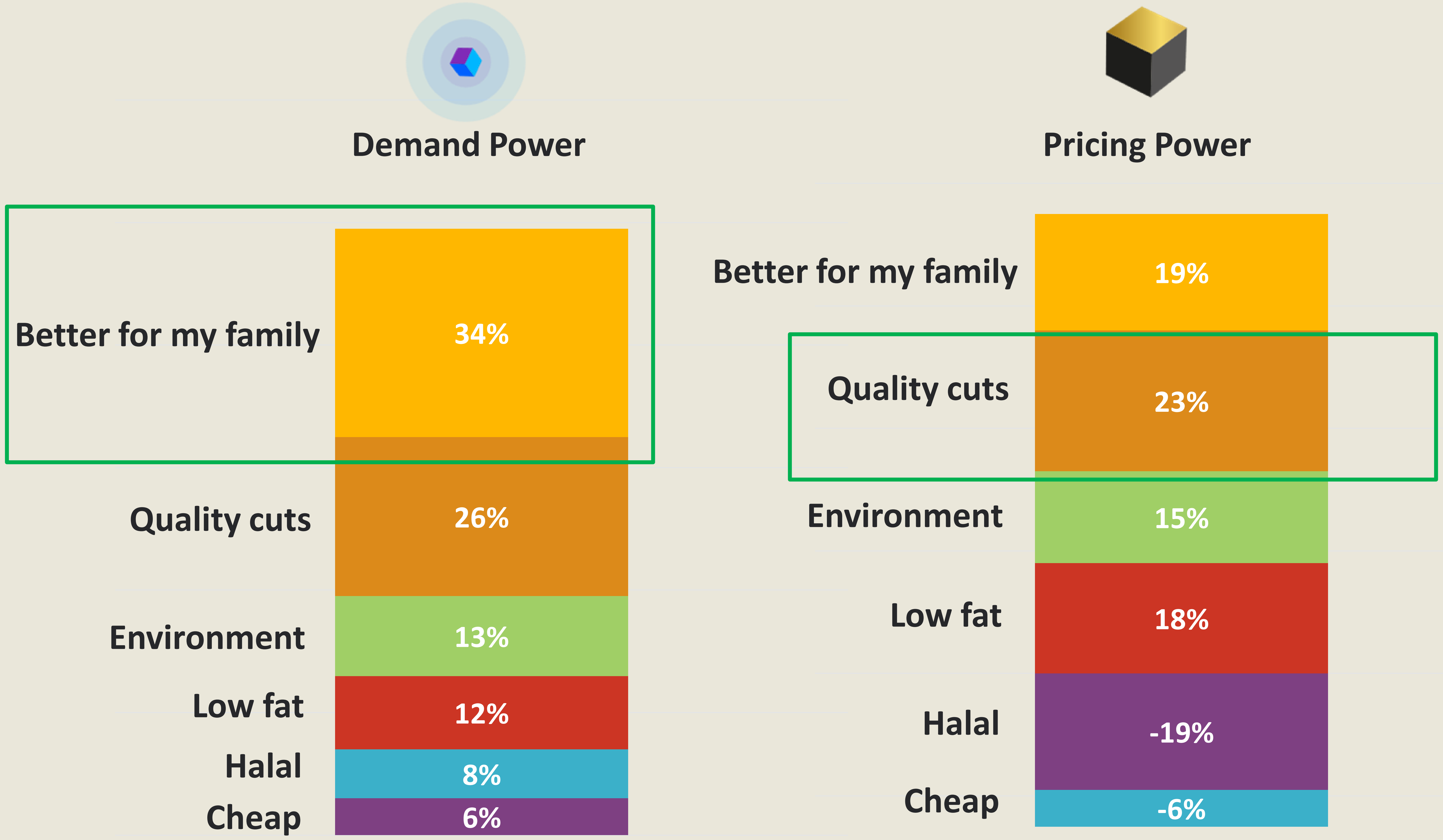
CHEAP **6%**

- Is easy and convenient to purchase
- Cheaper

NOTE: GRASS FED LEVEL

Strong perceptions of 'Better for my family' are key to drive Demand Power. Considering the premium positioning for AU beef, communication focused on 'Quality and variety of cuts' can help justify a premium price

WHAT DRIVES DEMAND POWER AND PRICING POWER



Better for my family
The meat is usually tender
Guaranteed safe to eat
More nutritious
Is my/my family's favourite beef
Fresh
Is the most superior beef

Quality cuts
Offers a variety of cuts that suit the meals I make
Consistent quality standards
The animal is well-cared for

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MEAT & LIVESTOCK AUSTRALIA

AU lamb is positively linked to attributes driving equity and is slightly better positioned in consumer minds than NZ lamb on many key drivers, including tenderness, nutrition, and superiority.

Drivers of Demand Power

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+5 or more = relative category strength
-5 or less = relative category weakness.

LBH9. Here are some things which people have said about lamb. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Base: (n=xxx). *Attributes are grouped according to level of co-endorsement i.e. when respondents endorse one attribute for a brand, they are likely to endorse the others in the group. In this way the attributes are linked, then the groups are given an appropriate, summary name.*

Highest Association
Second Highest
Third Highest

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While AU and NZ lamb share key strengths that must be maintained, AU could focus on strengthening perceptions on other key drivers. Local goat stands out on Cheap price, Convenience and Halal

KANTAR

+5 or more = relative category strength
-5 or less = relative category weakness.

LBH9. Here are some things which people have said about lamb. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Base: (n=xxx). *Attributes are grouped according to level of co-endorsement i.e. when respondents endorse one attribute for a brand, they are likely to endorse the others in the group. In this way the attributes are linked, then the groups are given an appropriate, summary name.*

MEAT & LIVESTOCK AUSTRALIA

What does AU lamb need to focus on to target growth in Indonesia?

All questions in this section were asked of lamb buyers only (must have ever bought lamb). They also must have previously bought, or would consider buying, imported lamb.

Continue to build on our current strengths and further strengthen perceptions of Safety. The narrative of our clean, green and natural environment can be leveraged in all communication.

TOP 5 ASSOCIATIONS TO GROW - VOLUME & VALUE (ORDERED BASED ON IMPACT ON BUILDING EQUITY*)

Will grow both volume and premium perceptions

1. Superiority

2. Guaranteed safe to eat — White space we can address with process and quality

3. Animal welfare

4. More nutritious — Strengths we must maintain

Will grow Volume

Fresh — White space we can address with process and quality

Will grow Premium

Consistent quality standards — Strengths we must maintain

These associations are simulated in the Meaningfully Different model to ascertain which will drive the greatest growth in Power and Premium

Associations for AU to communicate

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Summarising Lamb Module

Asserting AU Lamb’s Leadership over New Zealand Lamb

In Indonesia, while Australian lamb currently has higher equity compared to New Zealand Lamb, they have similar Trust credentials and imagery perceptions

With inflationary pressures it becomes more important for AU lamb to strengthen its position in the ‘Justified Premium’ space and assert its leadership over NZ lamb.

Focus on what will differentiate Australian from New Zealand Lamb

The main goals for Australian lamb are to continue to build on our current strengths and further strengthen perceptions of Safety. The narrative of our clean, green and natural environment can be leveraged in all communication.

FINAL THOUGHTS & DISCUSSION

Final thoughts and discussion

1. Increased focus on Food safety & Sustainability

Indonesian consumers are more concerned with food safety and choosing high quality items from reliable suppliers who care about animal welfare.

Australian beef as well as lamb have weaker perceptions on ‘Guaranteed safe to eat’. This needs to be addressed by leveraging the narrative of our clean, green and natural environment in all our communication.

Sustainable practices can also play a role, especially if positioned as a component of health and quality which appeals beyond the core Active sustainability segment/ audience.

2. Action points for Australian Beef

AU beef has a strong position in Indonesia as a high quality, premium product but NZ and US beef are slowly building trust and strengthening their positioning.

In the context of inflationary concerns, justifying premium pricing also becomes important. AU beef thus needs to focus more on strengthening its Superiority and Safety credentials.

Ensure availability across all channels and leverage True Aussie as it strongly conveys all the key factors that Indonesians seek.

3. Action points for Australian Lamb

Although AU Lamb sits as the only premium brand as it has strong equity and consumers are willing to pay more for it, we must build differentiation to maintain our leadership as it is being challenged by NZ Lamb.

Focus efforts in strengthening associations with food safety, freshness, availability and nutritional value as these may help Australian lamb strengthen its position in the market.

As AU and NZ share a similar image profile, it will be key to ensure that we are conveying these more effectively or uniquely and focus on gaining the strength in Family Favourite.

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