

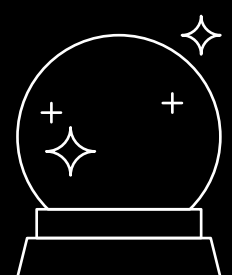
2023

# Global Tracker: Japan – *Presentation Deck*

*Brought to you by your Kantar Team:*  
Sally Kennedy, Poorva Shinde &  
Carolina Ferrando



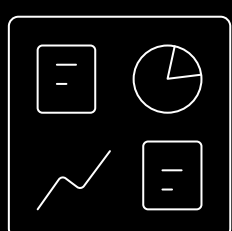
# Contents of today's presentation



1

## MACRO MARKET CONTEXT

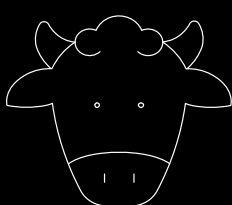
*Market context inc. inflation, sustainability and post-covid trends impacting consumer choice*



2

## PROTEIN LANDSCAPE

*Awareness, claimed consumption and perceptions of key proteins – including general beef buying behaviours.*



3

## IMPORTED BEEF CONSUMPTION & COUNTRY OF ORIGIN (COO)

*COO associations, trust and how these build demand and willingness to pay*



4

## FINAL THOUGHTS & DISCUSSION

*Levers to pull to support choice of Australian Beef*

# The Central Question

How can Australian Beef maintain its justified-premium positioning in the context of growing competitive pressure?

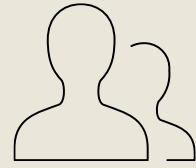
# We have conducted the global tracker in 22 markets over the last 8 years, with fieldwork in Japan run every year.

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	Green			Green		Green	Green	Green			Green	Green	Green	Green									11
2016	Green			Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green								15
2017	Green			Green	Green	Green					Green	Green	Green	Green		Green							11
2018	Green			Green		Green			Green		Green		Green	Green					Green	Green	Green	Green	13
2019	Green			Green		Green					Green		Green	Green			Green	Green					10
2020	Green			Green		Green		Green			Green		Green	Green									9
2021	Green			Green		Green			Green	Green	Green		Green	Green					Green				11
2022	Green				Green		Green			Green	Green	Green	Green	Green				Green					11
2023	Green			Green		Green			Green	Green	Green		Green	Green						Green			11





# DEMOGRAPHICS



**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 801 consumers**

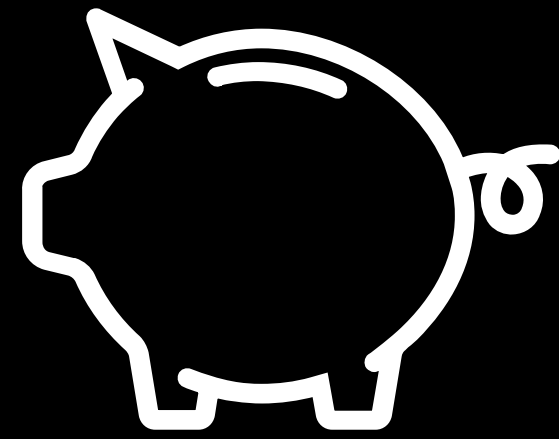
		COUNTRY INCIDENCE	SAMPLE STRUCTURE
Gender	Male	50%	-
	Female	50%	100%
Age	18-34	16%	30%
	35-49	21%	45%
	50-64	19%	25%
Cities	Sapporo	2%	12%
	Saitama	0.90%	6%
	Chiba	0.70%	6%
	Tokyo	7%	19%
	Kanagawa	7.20%	6%
	Nagoya	2%	12%
	Kyoto	1%	6%
	Osaka	2%	12%
	Hyogo	4%	6%
	Fukuoka	1%	12%
Consumption	Buy Fresh Meat at Least Occasionally	96%	100%
MGBs	Main Grocery Buyers	97%	91%
Children	Households with Children	23%	36%
Income	Under 2,000,000 yen	51%	30%
	4,000,000 yen – 6,000,000 yen		28%
	6,000,001 yen+	49%	43%



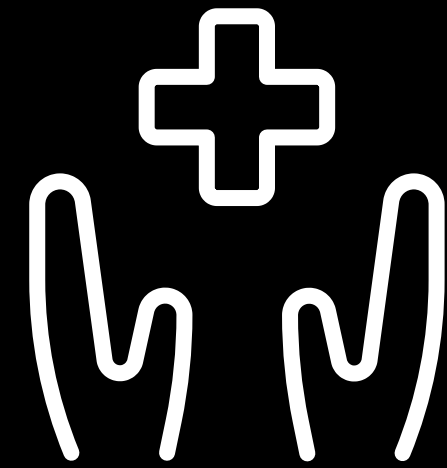
# MACRO- MARKET CONTEXT



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



**Inflation**



**Focus on Health**



**Sustainability**

# Inflation noticed most for Household bills, Fresh fruits and vegetables. Not many appear to notice an increase in the cost of imported meat. More consumers see inflation for local red meat compared to imported red meat

## INFLATION

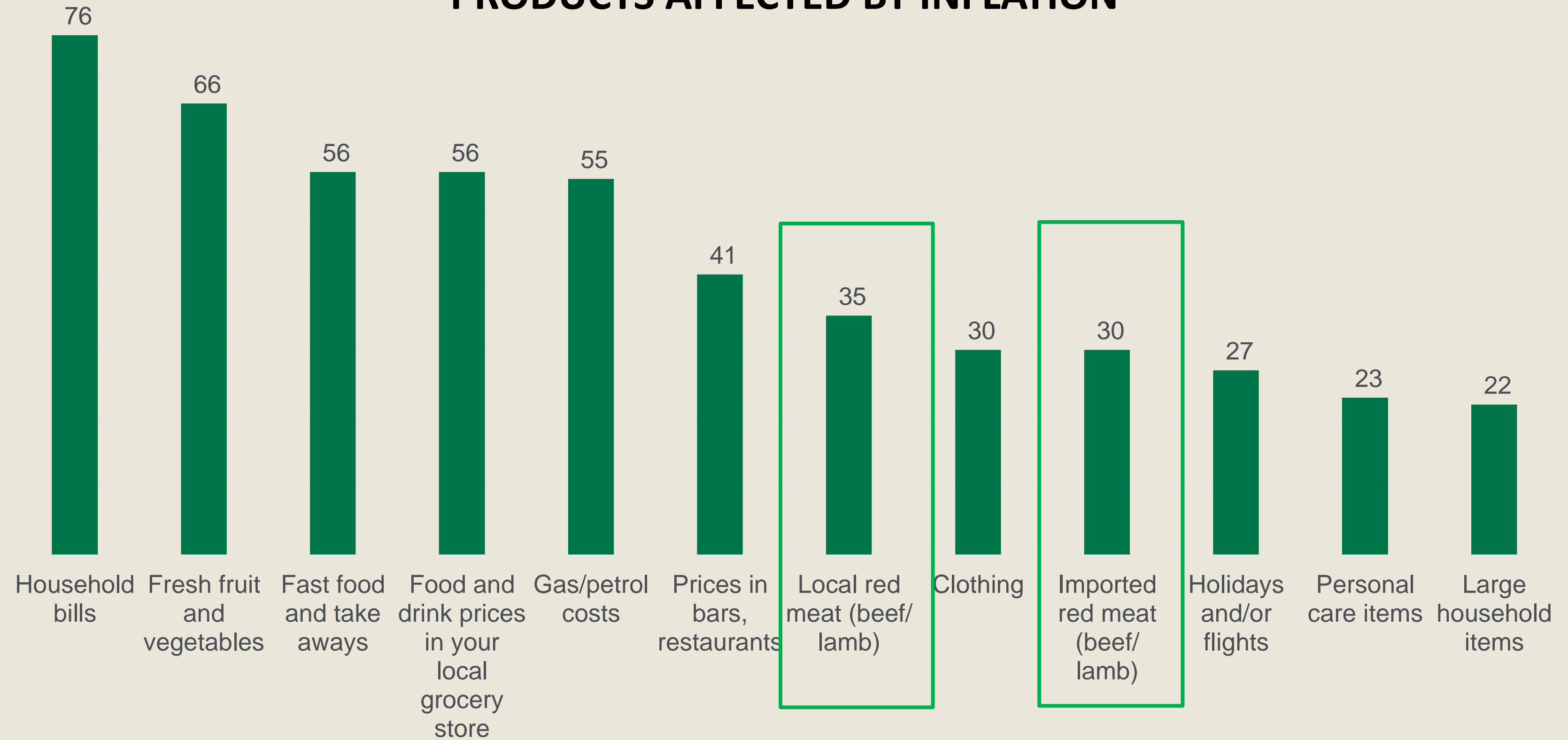


### Inflation

Prolonged economic stagnation in Japan has shaped consumer behaviours and spending habits, with more consumers prioritising value for money.

Although Japanese consumers are price conscious, they are willing to pay for a product if its value propositions are well aligned with their needs

### PRODUCTS AFFECTED BY INFLATION



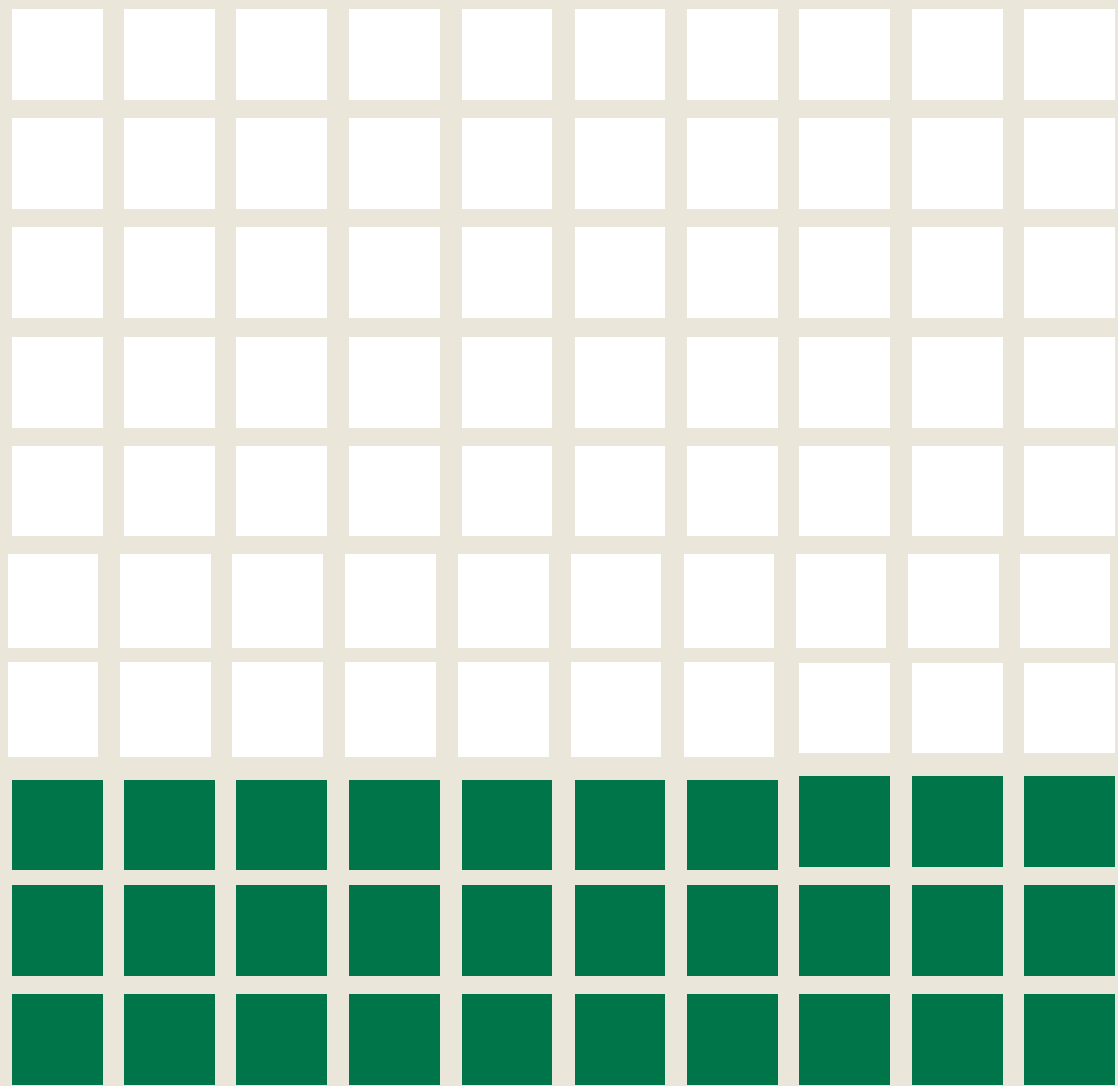
Data from the GT23 Japan Survey

# Among those who notice higher prices for imported red meat, majority are adopting economising behaviours. 1 in 4 however continue to buy as earlier

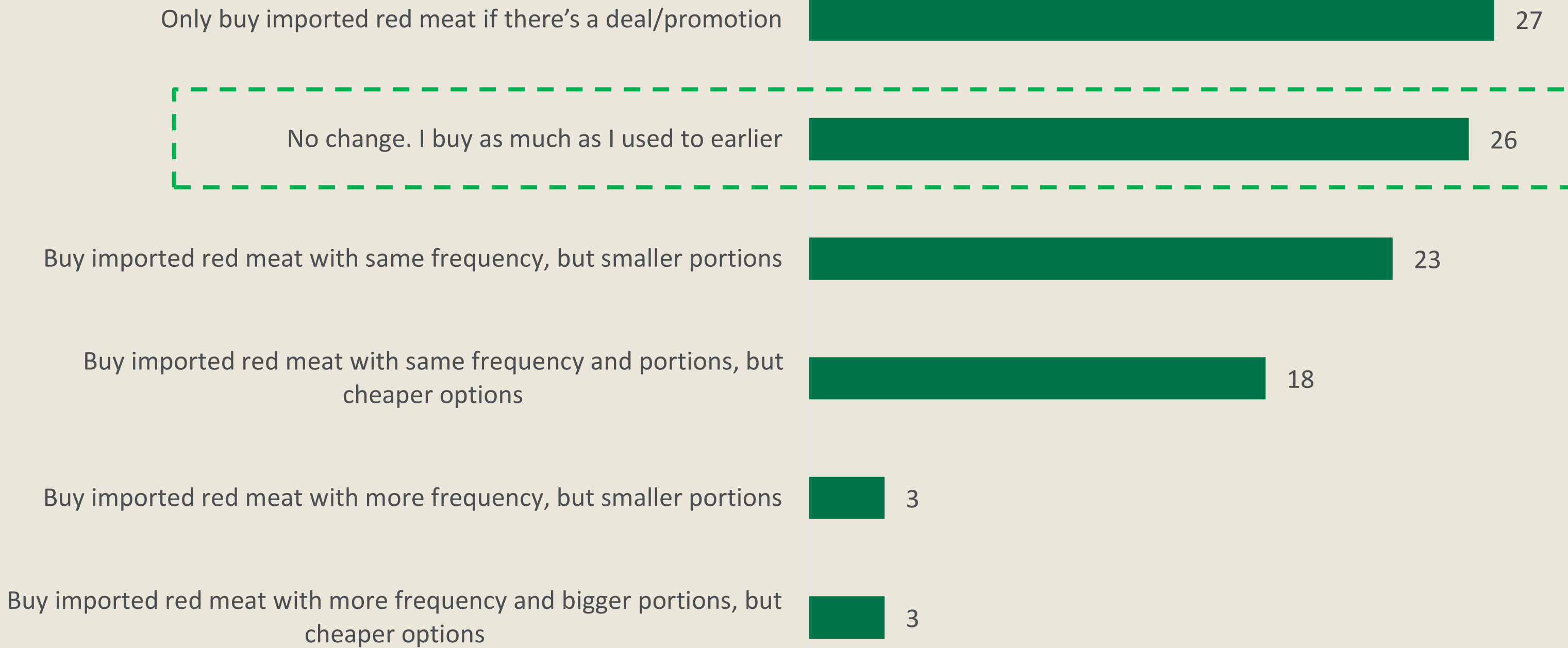
## IMPACT OF INFLATION ON IMPORTED RED MEAT PURCHASE

People who noticed higher prices for imported meat recently

30%

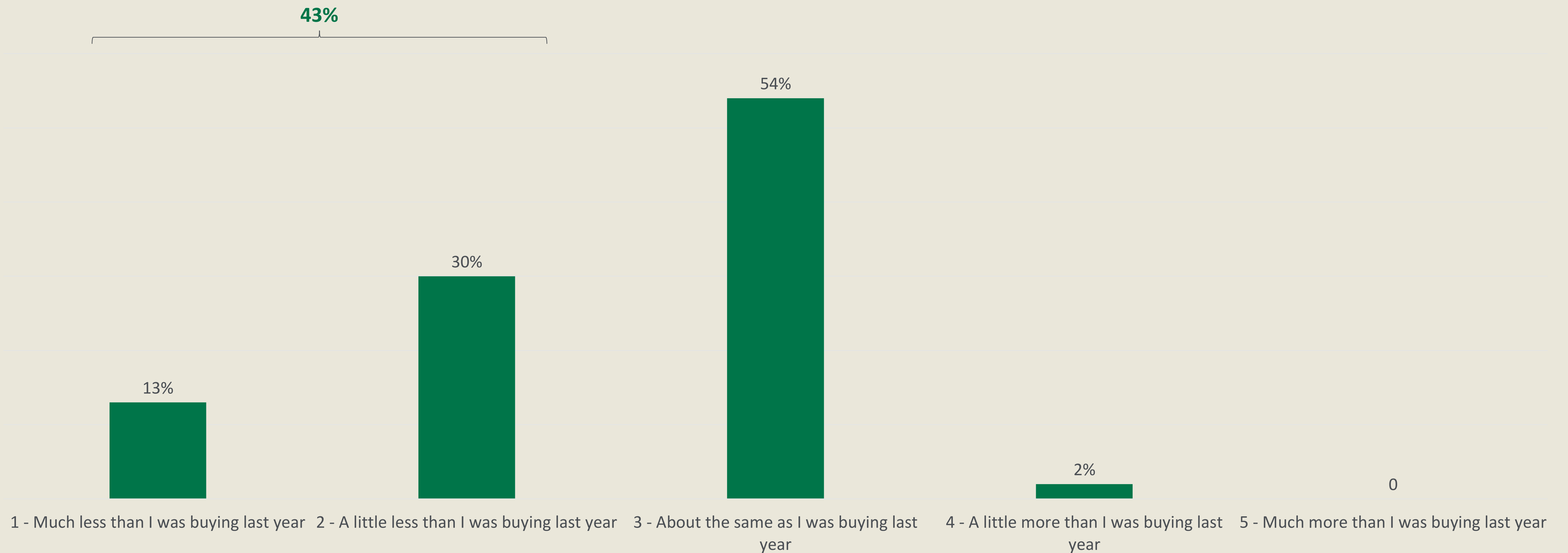


Changes in purchase behaviour of imported red meat considering higher prices



4 in 10 expect to buy less red meat next year. Majority, expect to purchase the same, indicating, inflation isn't yet prohibitive with regards to imported red meat purchase. Demonstrating value, however, will be important.

## IMPACT OF INFLATION ON FUTURE IMPORTED RED MEAT PURCHASE



# Japanese are highly health conscious and this reflects somewhat in their beef buying behaviours – increase in consumption of organic beef which has strong perceptions of being ‘Natural’ and ‘Better for my health’

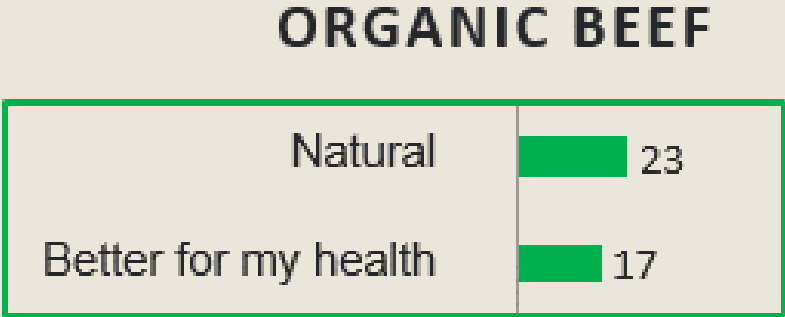
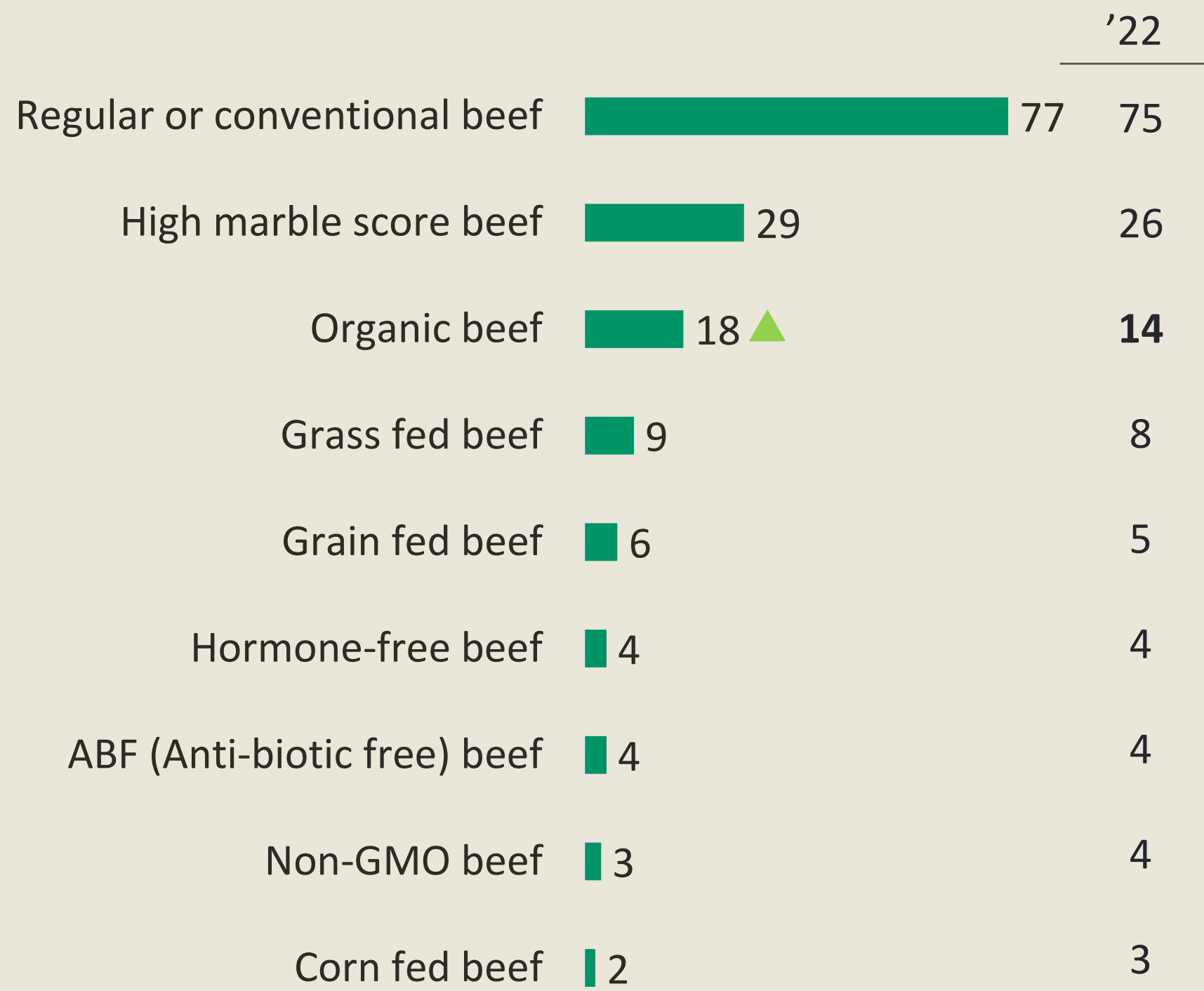
## FOCUS ON HEALTH



### Focus on Health

Japanese consumers are highly health conscious and COVID-19 pandemic has further accelerated this trend.  
 Many consumers have started to pay more attention to their diets and nutritional intake.  
 Rising health consciousness has resulted in growing interest in leaner meat.

### BEEF BOUGHT IN THE PAST (%)



Data from the GT23 Japan Survey

# 3 in 10 Japanese consumers are actively pursuing a more sustainable lifestyle – lowest compared to all other markets surveyed in 2023

## SUSTAINABILITY



### Sustainability

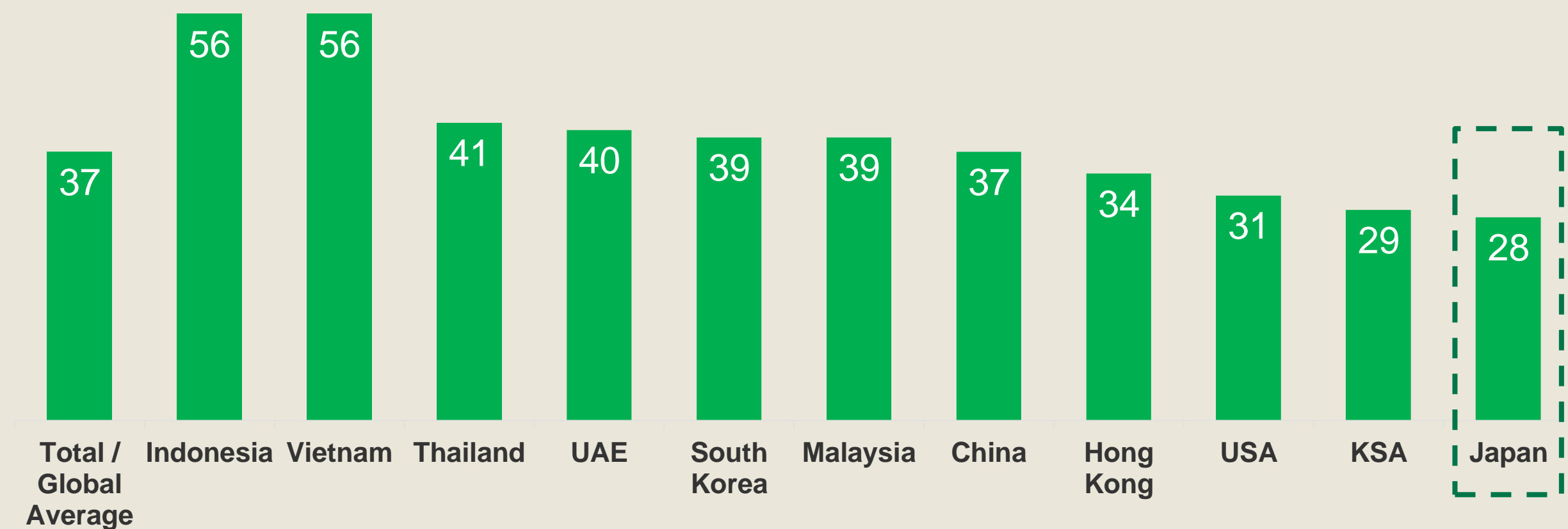
Sustainability is by no means new to Japan, renowned for traditions like mottainai (minimising waste), osusowake (sharing of goods or profit), and sanpo yoshi (business that benefits buyer, seller and society).

Yet now, as global and integrated idea of sustainability is becoming commonplace over the world, Japan finds itself falling behind global standards.

### 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...



Data from the GT23 Japan Survey



# PROTEIN LANDSCAPE

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



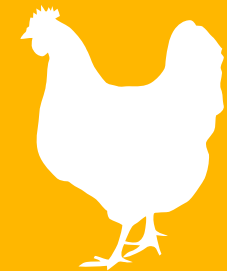
Global  
Summary

## PROTEIN PERCEPTIONS – GLOBAL

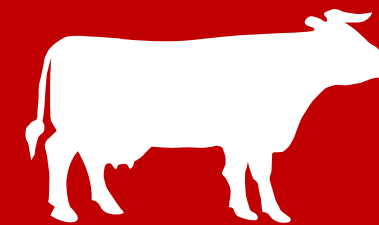
### THE STAPLE



- 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



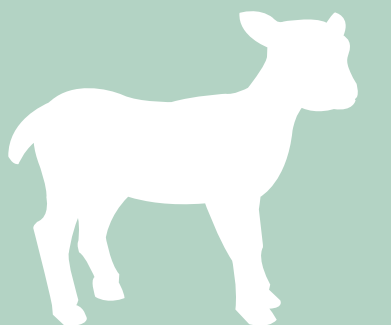
### THE SUPERIOR



- 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 SPECIALTY



- Few strengths or weaknesses
- Taste is a barrier
- Lean/tough
- Unfamiliar and uncommon except amongst certain groups



### THE HEALTHY ALTERNATIVE

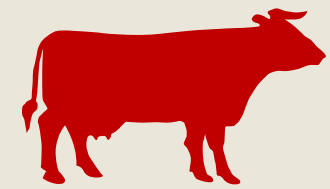
- Fresh
- Nutritious – especially for children
- Low in fat
- Tricky to use
- Welfare is not great
- *In SEA, fish is a cheap, low value protein - elsewhere it is premium*



In Japan, this is even more pronounced. Beef is premium, with a distinct profile. Chicken and Pork largely offer the everyday alternative. Perceptions on the whole, remain stable over recent years.

## PROTEIN PERCEPTIONS – JAPAN

### The Superior, delicious, versatile option



#### Beef

##### Strengths *vs others*

- Superior
- Delicious
- Versatile
- ★ • Easy & convenient to prepare
- ★ • Family favourite
- Willing to pay more for
- Tender

##### Weaknesses *vs others*

- Not Fresh
- Not Cheap
- ☆ • Low nutritional value
- ☆ • Animal is not well cared for
- Not sustainable
- High in fat

### The affordable, convenient, versatile option



#### Chicken & Pork

##### Strengths *vs. others*

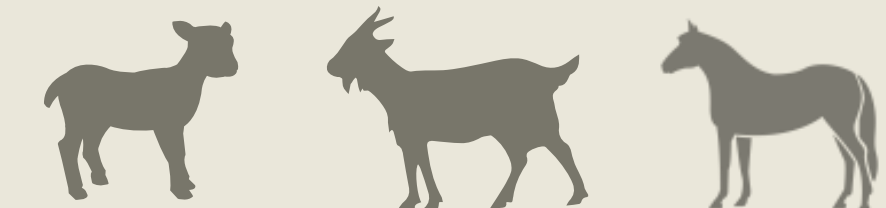
- Cheaper
- Versatile
- ★ • Easy and convenient to purchase & prepare
- Essential part of healthy diet for growing children
- ★ • Family favorite

##### Weaknesses *vs. others*

- ☆ • Not nutritious
- Not delicious
- Not superior
- Not willing to pay more

Pork has additional weakness:  
High fat  
Animal not cared for  
Not sustainable

### The alternative



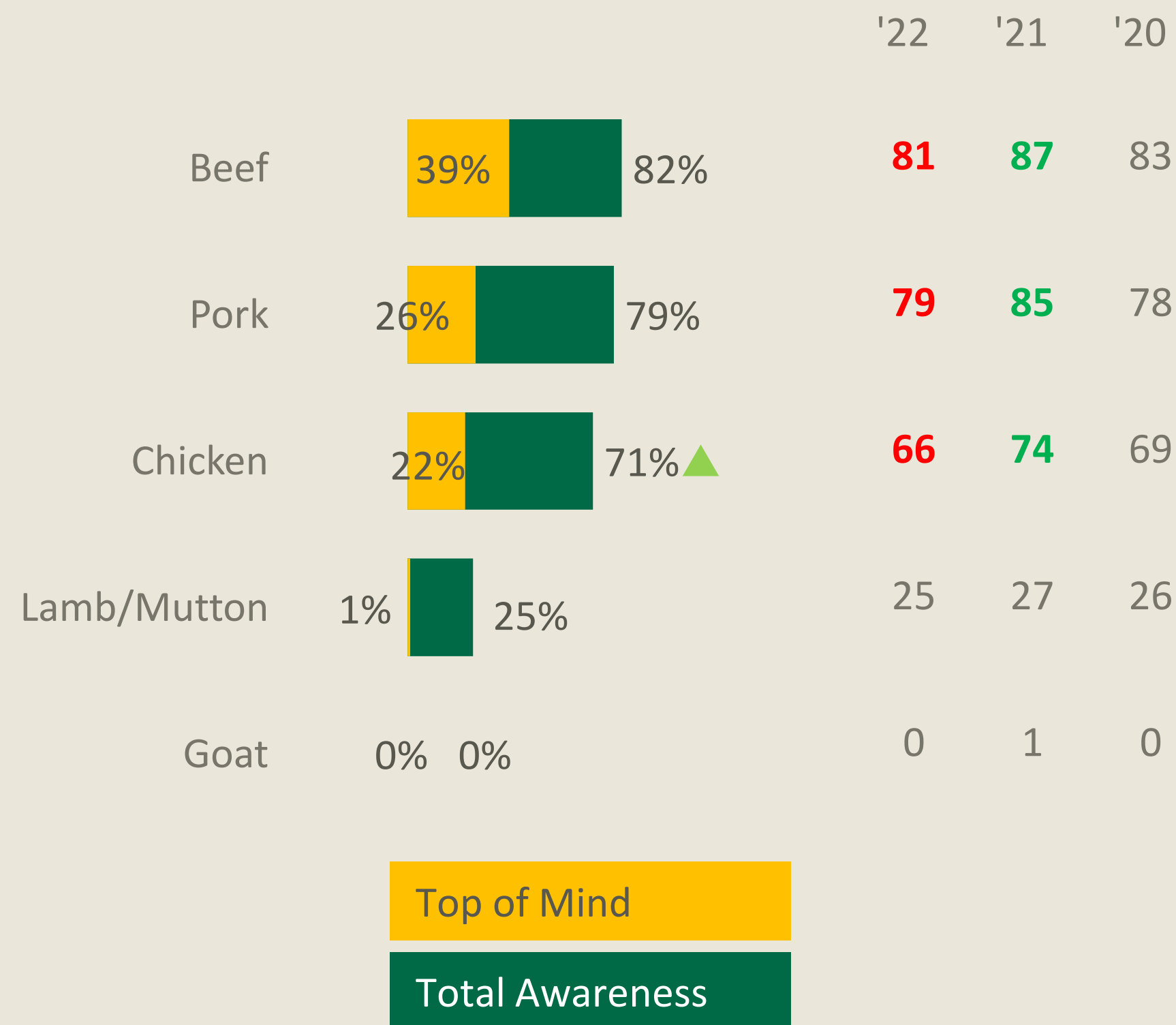
- Stand for the same things - Low in fat and high nutrition
- (horse also superior and fresh)

# Consumption remains largely stable across proteins- Pork and Chicken most consumed followed by Beef. Awareness for Beef and Pork remains at similar level as 2022 while Chicken gains

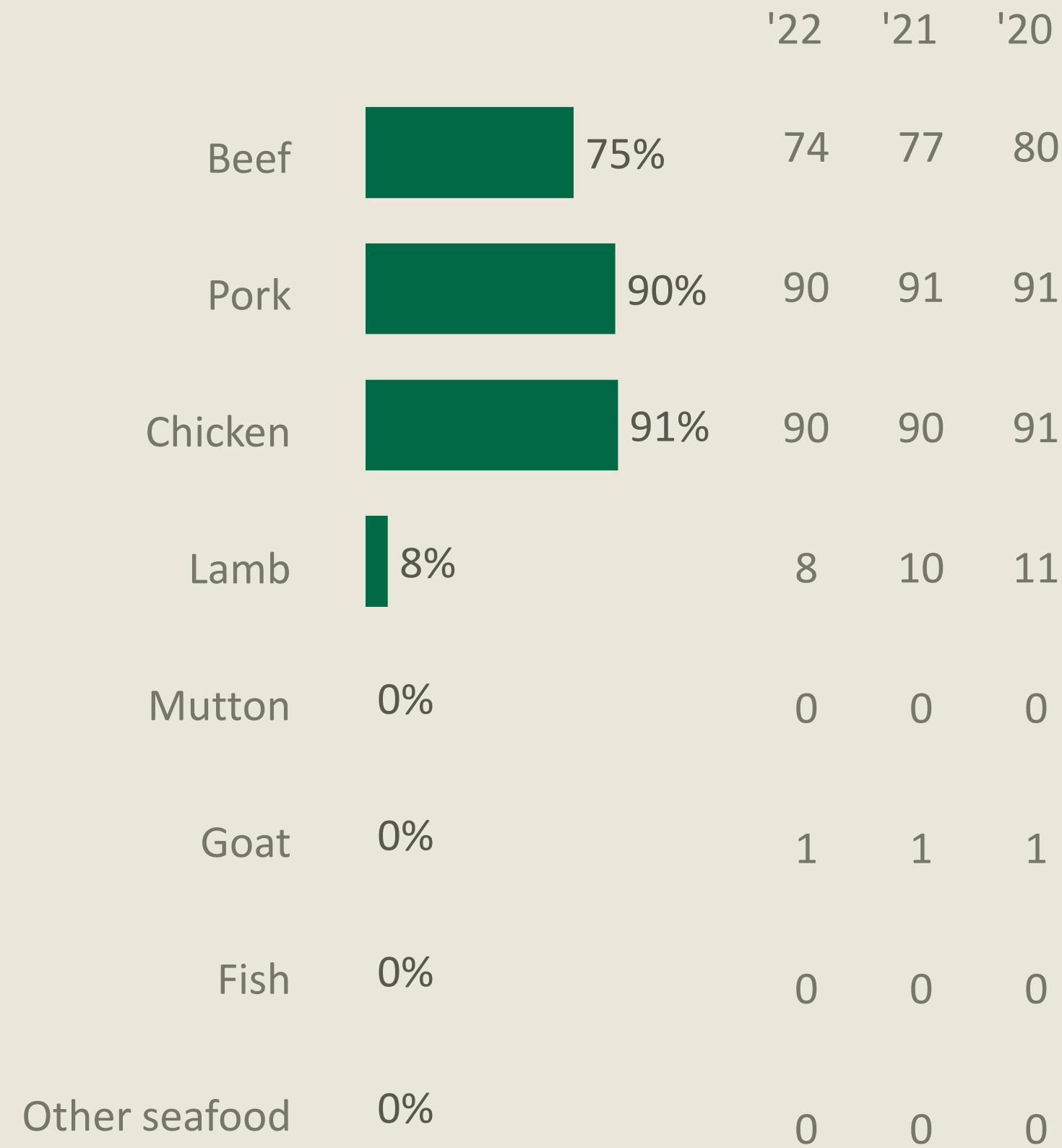
## KEY PROTEIN METRICS



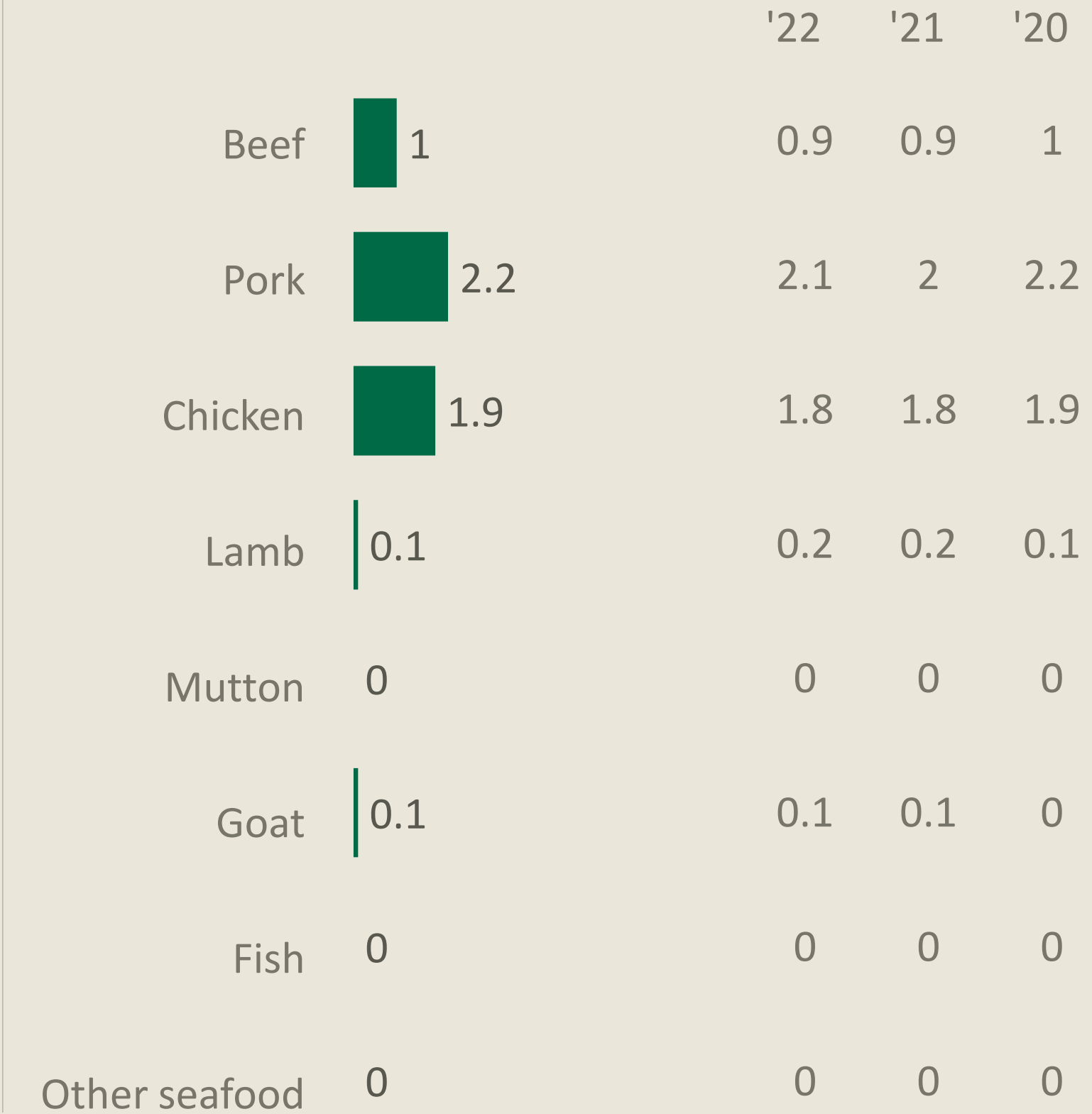
### SPONTANEOUS AWARENESS



### BOUGHT IN LAST MONTH



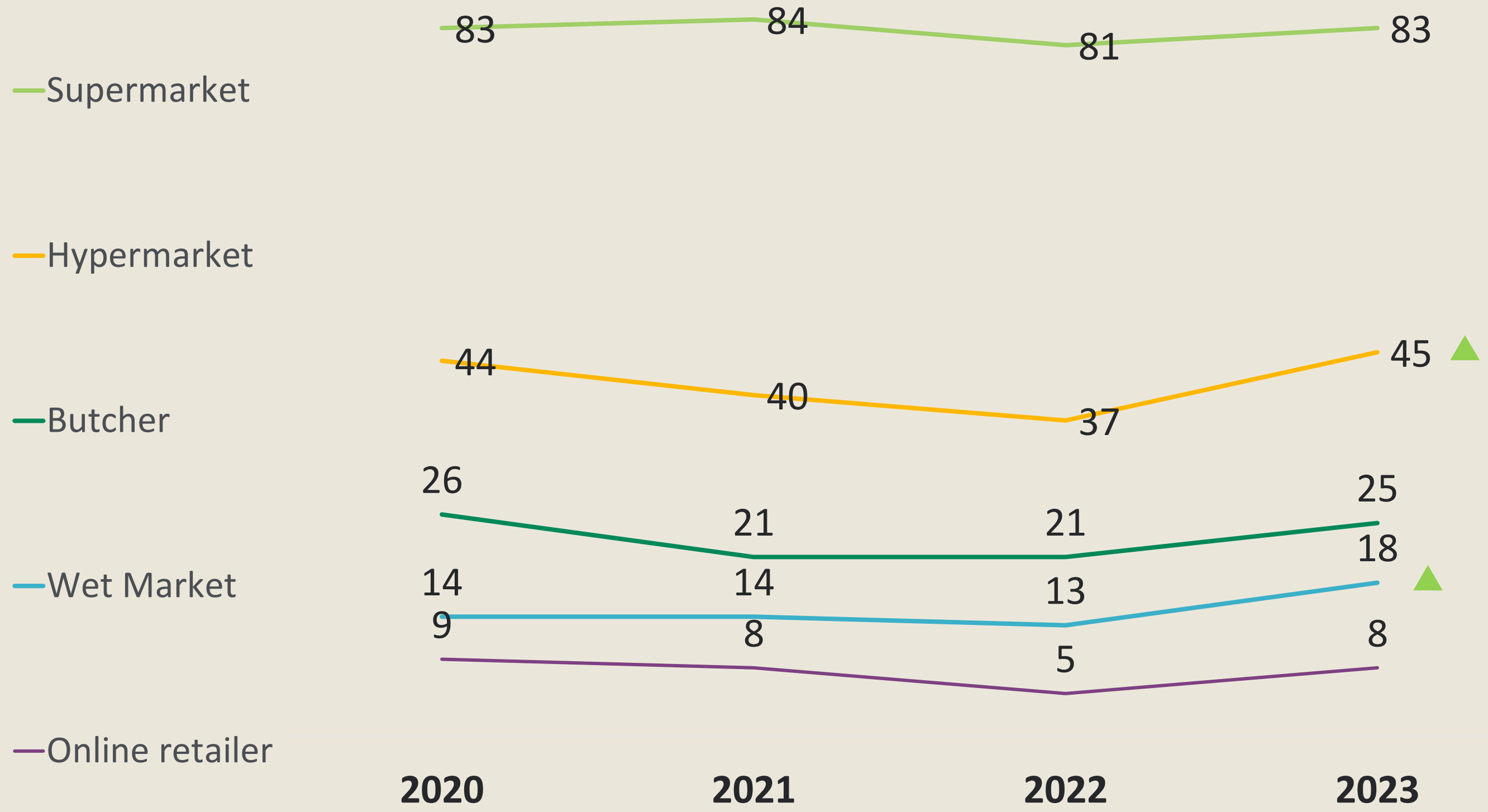
### AVERAGE SERVES LAST 7 DAYS



Supermarkets continue to remain the most popular channel whereas Hypermarket and wet market increase significantly. Japan trails other markets for claimed online purchase of beef as majority consumers still prefer buying fresh food at physical stores

**BEEF- PLACES OF PURCHASE**

Once per month or more often (net)



ONLINE- Once per month or more often (net)  
(GT 2023)

Japan	China	South Korea	Hong Kong	Indonesia	Malaysia	Vietnam	Thailand
8	59	28	33	42	31	42	45

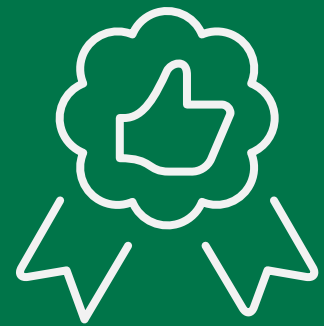


QR3A. How often have you bought beef from each of these locations in the last six months?  
Base: '22 (n=649) '21(n=586) '20(n= 597) '19(n=629) '18(n=587)

▲ ▼ Sig. different at 95%



## Protein landscape in Japan



### Red meat continues to be the most superior protein

Beef is the family's favourite meat, known for its superior quality, delicious taste and versatility.

However, due to its perceived fatty image beef tends to have a weaker health profile compared to other key proteins.

Consumption for organic beef albeit still lower, saw an increase supported by its strong perceptions of- Better for my health



### Reputational strength is important in this price-sensitive market

Although Japanese consumers are becoming price conscious, they are willing to pay more for a product that demonstrates value.

Findings indicate, inflation isn't yet prohibitive with regards to imported red meat purchase.

Demonstrating value, however, will be important.

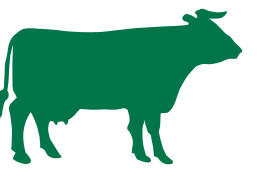
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**BEEF** COUNTRY OF  
ORIGIN (COO) BRAND  
HEALTH, TRUST &  
PERCEPTIONS

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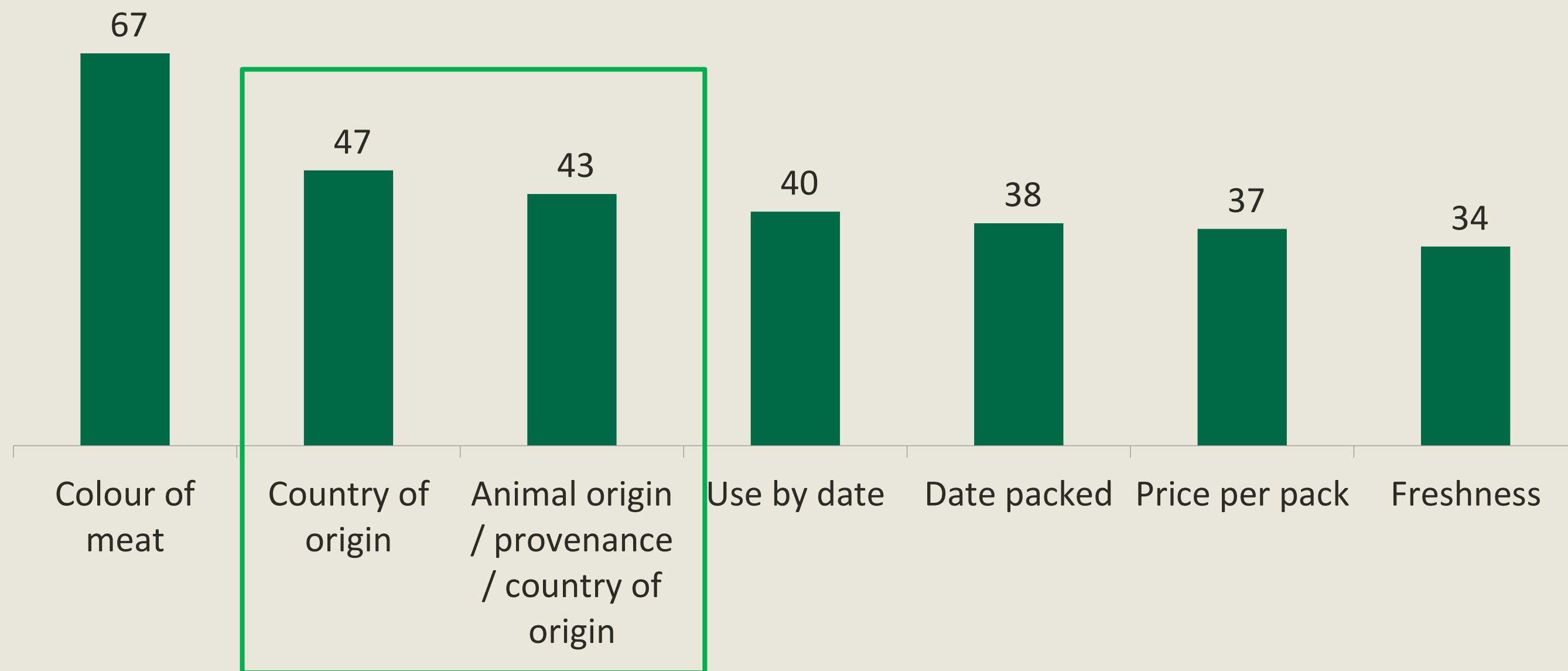


With animal origin/ country of origin being one of the most important aspects when purchasing beef, a consistently high proportion of Japanese claim to know the country of origin of their beef.

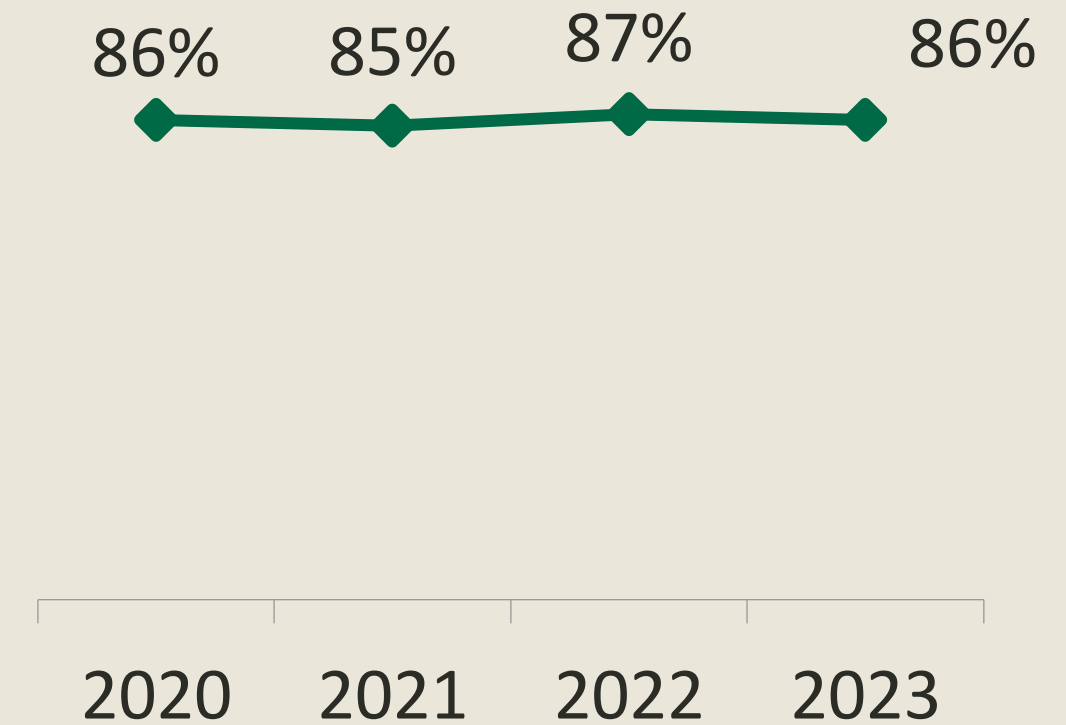


## COUNTRY OF ORIGIN AWARENESS

### TOP 'ON PACK' CUES SOUGHT WHILE BUYING BEEF



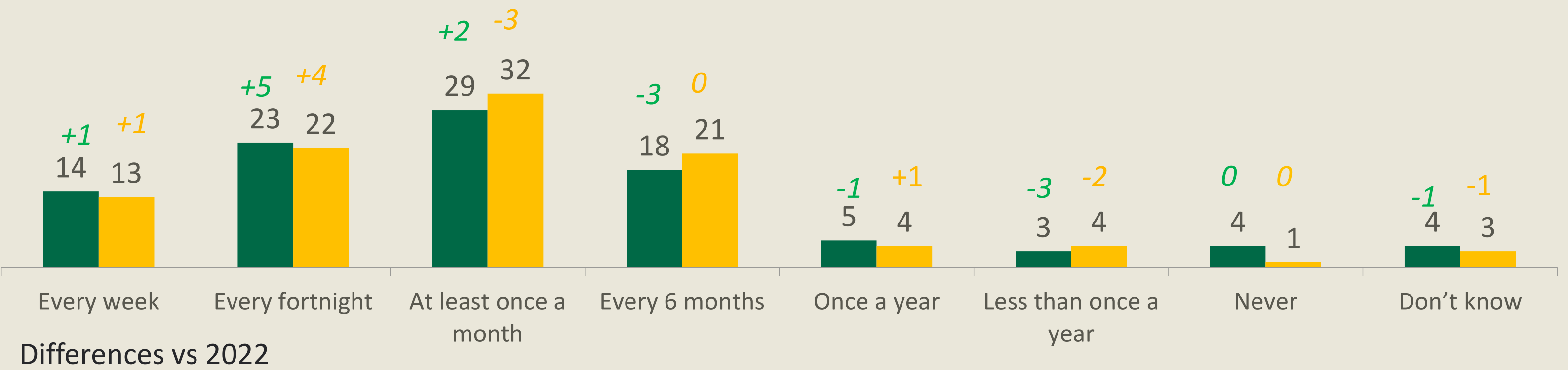
### KNOW COUNTRY OF ORIGIN?



# Monthly purchase of Local beef has increased significantly compared to 2022 while for Imported beef it is stable

## FREQUENCY OF BUYING LOCAL AND IMPORTED BEEF

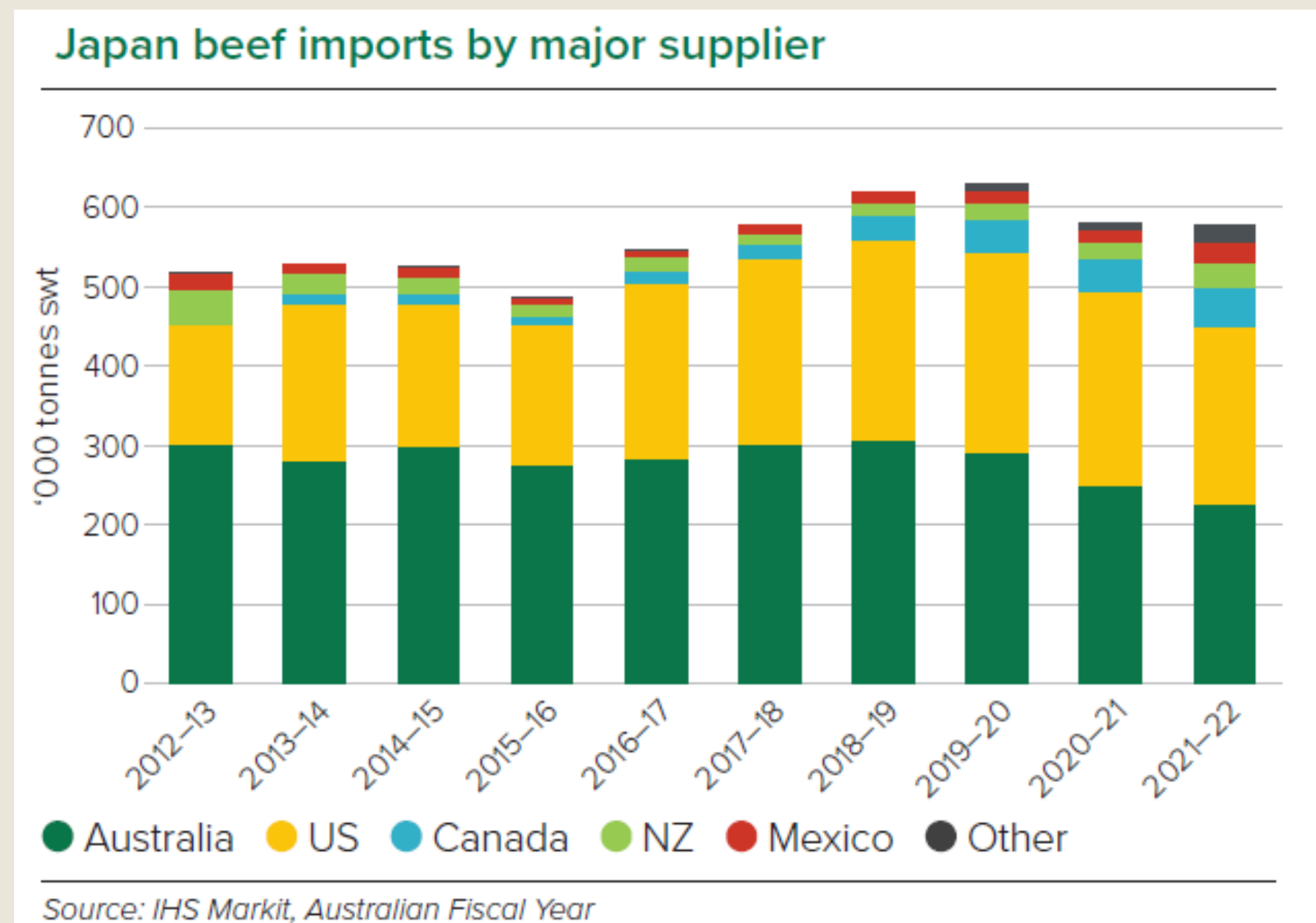
FREQUENCY OF BUYING LOCAL AND IMPORTED BEEF



Monthly purchase		
	2022	2023
Local beef	58%	66% ▲
Imported beef	65%	67%

# Increasing share of local beef and wider access to global suppliers is likely to increase competition for Australian beef in Japan in the near future

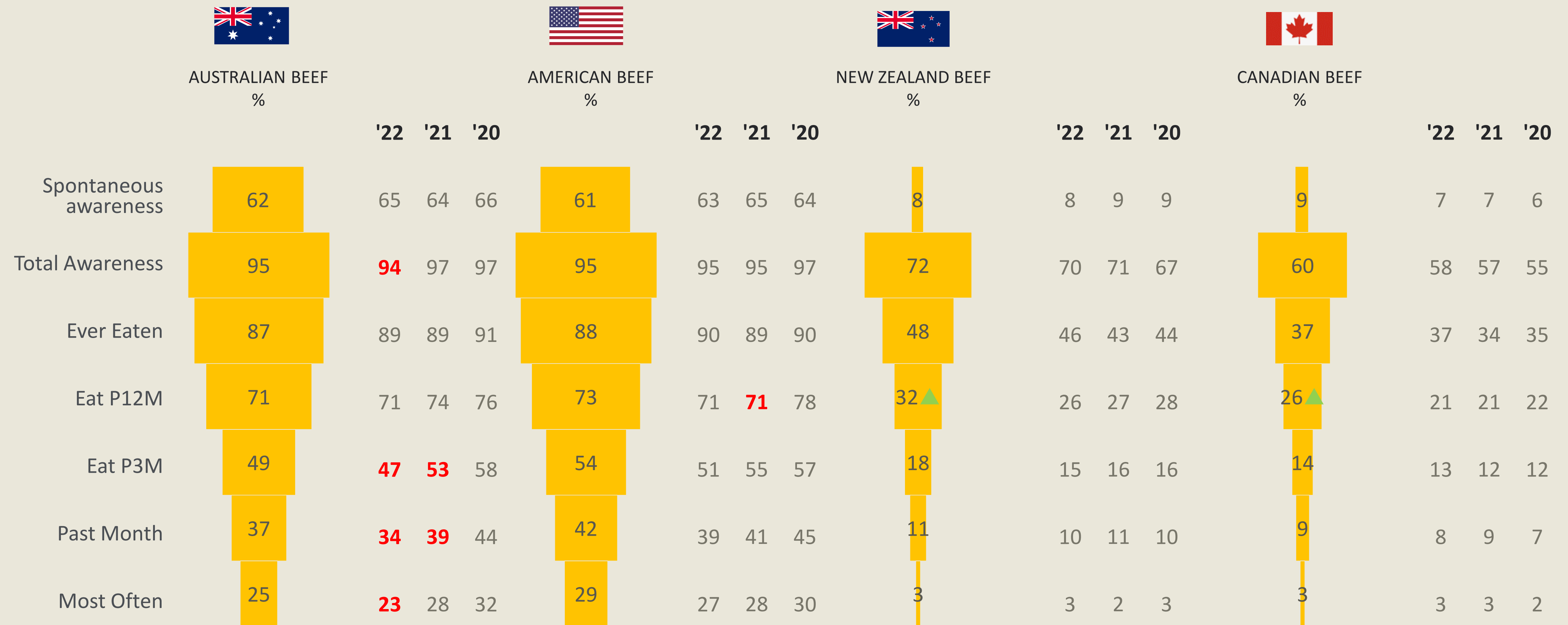
## BEEF IMPORTS CONTEXT



- Local beef is most preferred by Japanese consumers. The market share of local beef slightly increased to 37% in 2021-2022, supported by improved production.
- Australia and US are largest suppliers to Japan representing about 78% of the total imports.
- Softening consumer demand due to inflation have reduced Japan's demands for imports and price is expected to be a challenge in this high value yet price sensitive market.
- Competition is expected to grow as Japan seeks to open up to wider global suppliers as one of the country's efforts to diversify its beef supply chain.

# Australian and American beef continue to enjoy strong awareness and consumption. Decline on consumption metrics for Australian beef has now been arrested. NZ and Canadian beef see some momentum on consumption

## BRAND HEALTH BEEF FUNNELS- BY COUNTRY OF ORIGIN





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# WHAT NEXT FOR AUSTRALIAN BEEF IN JAPAN?

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# 9 There are two paths to brand growth.

By increasing the likelihood  
**that a consumer will buy a brand**

We call this Demand  
Power

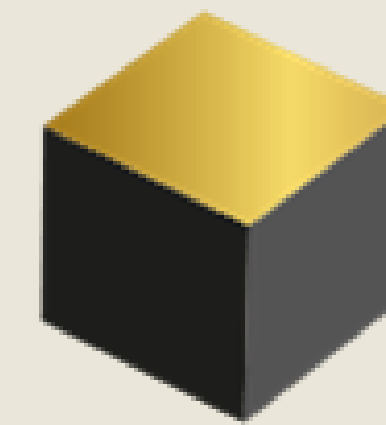


**Demand Power**

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

By increasing the likelihood  
**consumers will pay for a brand**

We call this Pricing  
Power

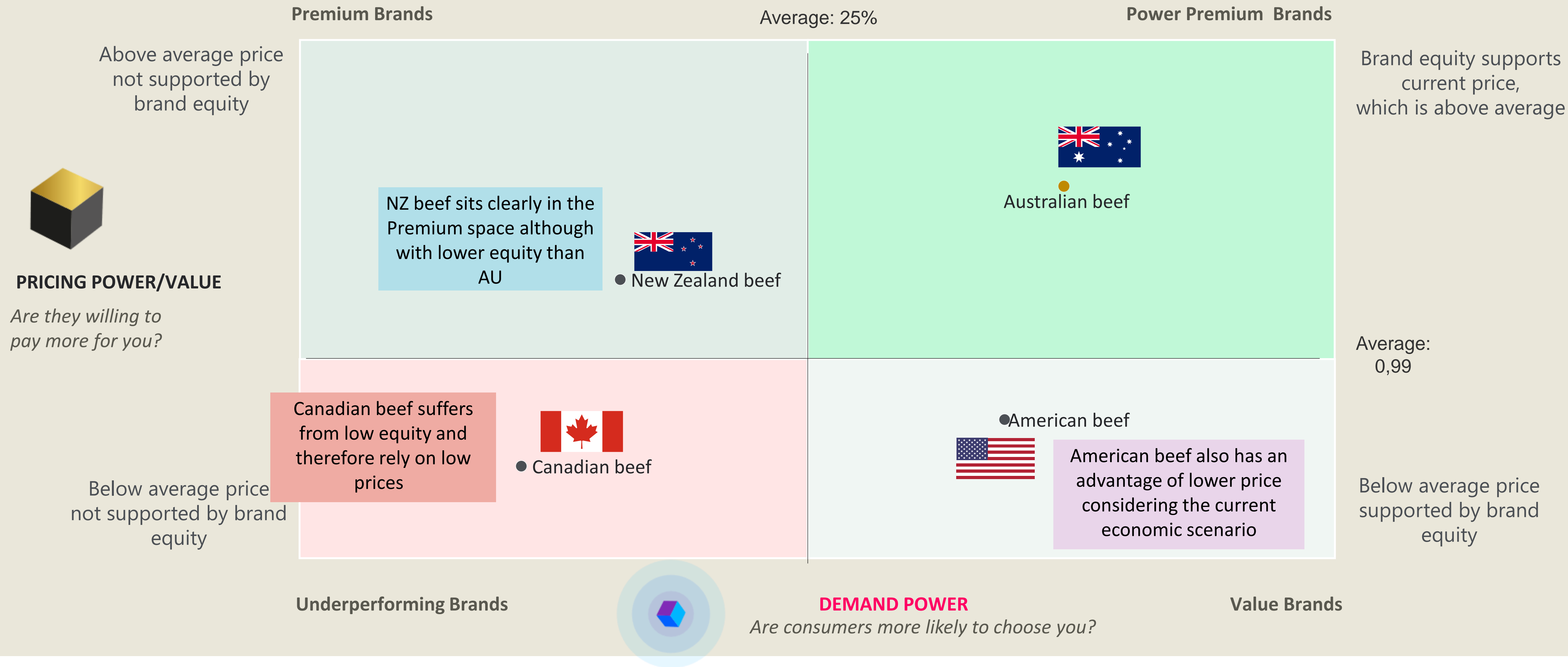


**Pricing Power**

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

**AU and US beef have distinct perceptions. AU is the more Premium option while US offers value. In view of increased competitive pressure, it's key for AU to maintain its leadership position and ensure justifying premium**

## Beef Power vs. Premium by Country of Origin



# There are certain associations that consumers hold in their minds for beef. In Japan these associations break up into 5 broad themes



## EASY EVERYDAY

Offers a variety of cuts that suit the meals I make  
Is easy and convenient to purchase  
Cheaper



## HIGH QUALITY

Consistent quality standards  
Guaranteed safe to eat  
Is my/my family's favourite beef



## SUPERIOR

The meat is usually tender  
The fat is nicely marbled  
Helps make me and my family feel genki  
Is the most superior beef



## HEALTHY

Low in fat  
More nutritious



## WELFARE

The industry is environmentally sustainable  
The animal is well-cared for  
Fresh

# There are differences in which levers to pull depending on the need to drive brand equity vs premium associations Being premium, an important aspect for AU Beef, centres around communicating Superiority and High Quality

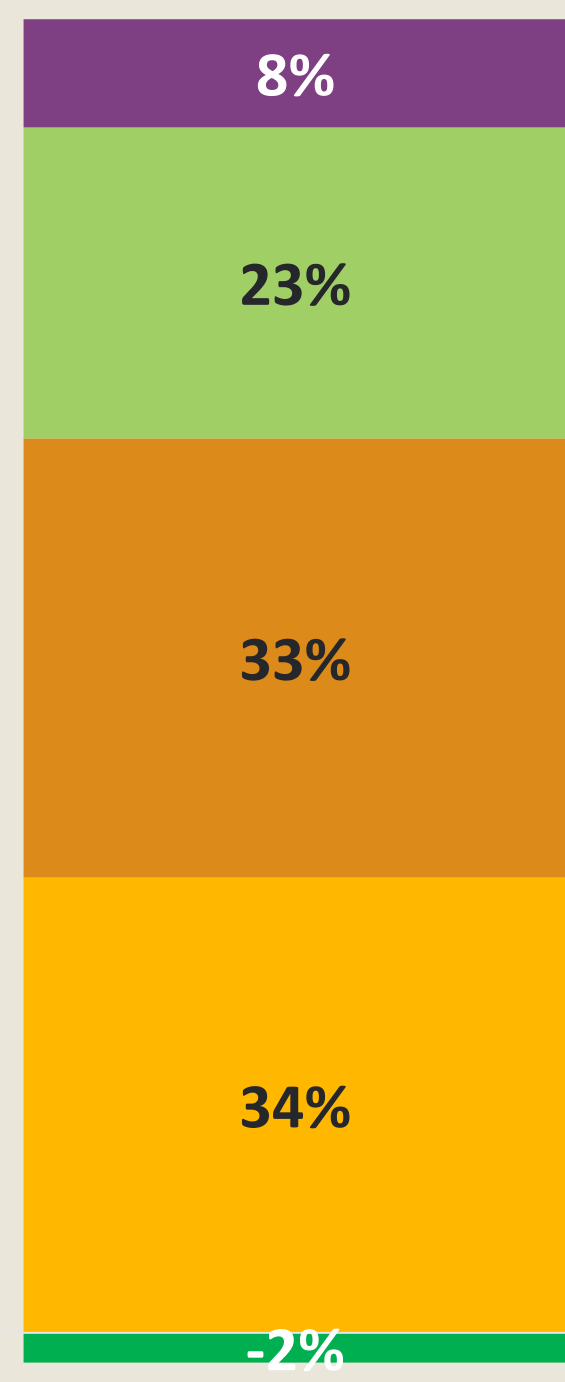
## WHAT DRIVERS DEMAND POWER AND PRICING POWER

Factors Ranked in order of importance for Demand Power

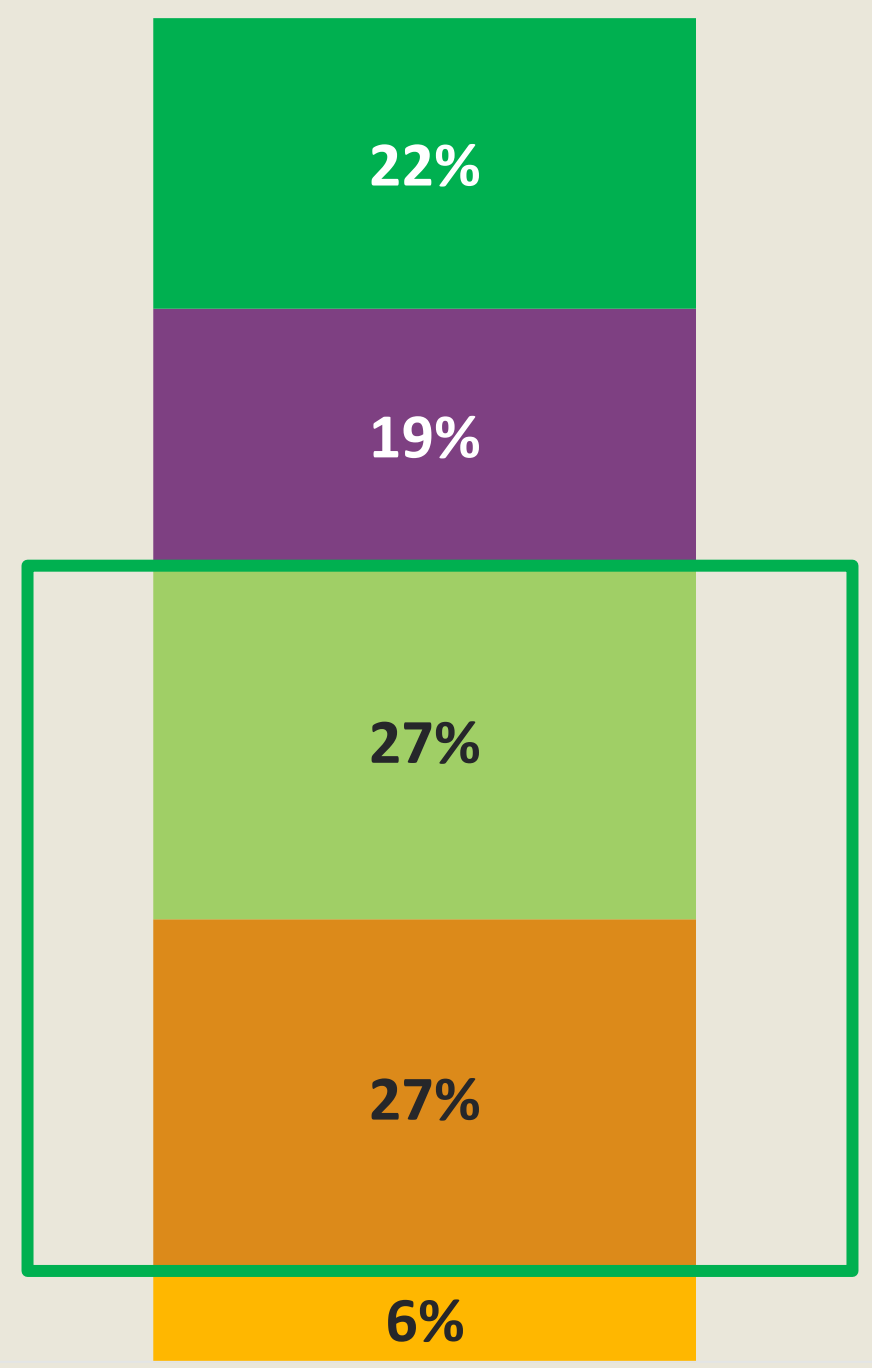


Demand Power

- WELFARE
- HEALTHY
- SUPERIOR
- HIGH QUALITY
- EASY EVERYDAY



Pricing Power

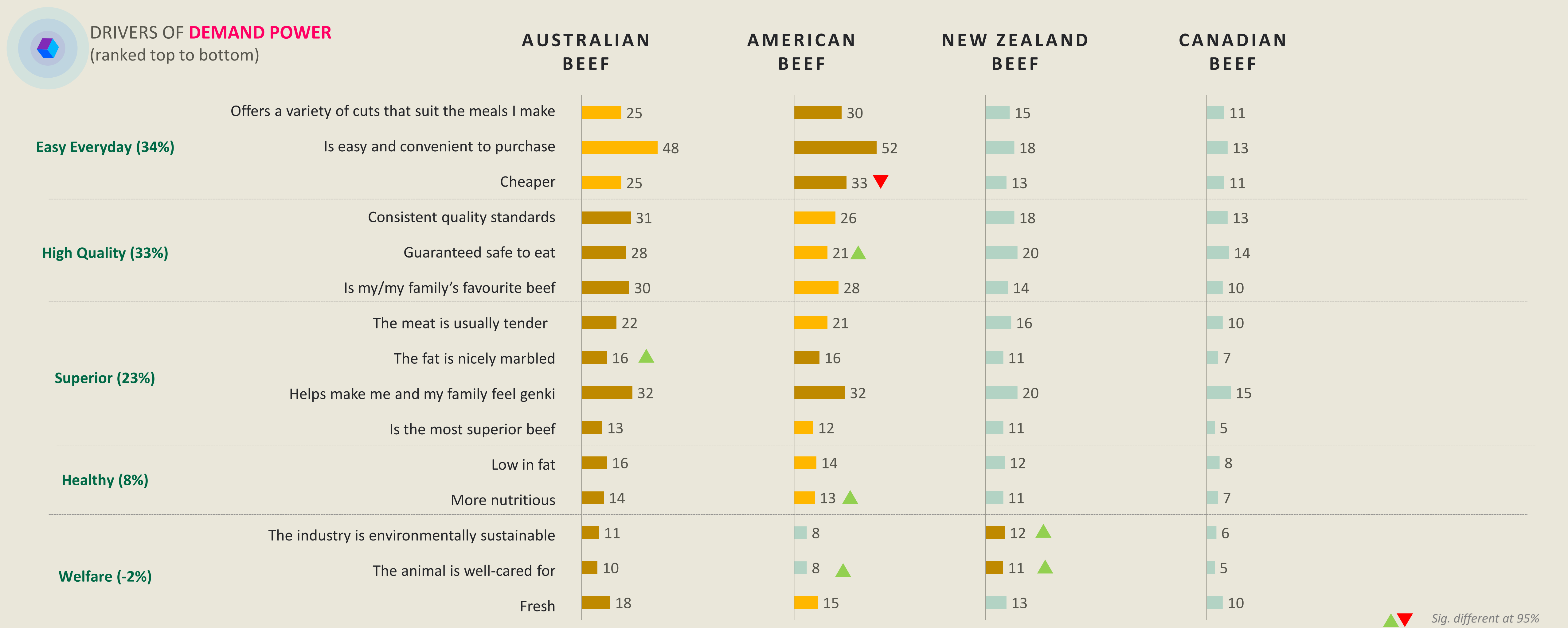


**EASY EVERYDAY**  
Offers a variety of cuts that suit the meals I make  
Is easy and convenient to purchase  
Cheaper

**HIGH QUALITY**  
Consistent quality standards  
Guaranteed safe to eat  
Is my/my family's favourite beef

**SUPERIOR**  
The meat is usually tender  
The fat is nicely marbled  
Helps make me and my family feel genki  
Is the most superior beef

# AU beef currently has strong associations with ‘Superiority’ and ‘High quality’, however, only slightly ahead of US beef. US beef also sees momentum with improved associations on ‘Safety’ and ‘Nutrition’. With their strong value perceptions this is a challenge to AU beef.



There are also ongoing declines in perceptions of AU Beef’s consistent quality, Makes feel genki, Family favourite, guaranteed safety and tender– key to maintain/ grow our premium position. US beef, on the other hand, is gaining momentum.

**PERCEPTIONS AUSTRALIAN AND AMERICAN BEEF – TRENDED OVERTIME**



AUSTRALIAN BEEF



AMERICAN BEEF

- Tender
- Nicely marbled
- Makes feel genki
- Superior
- Consistent quality standards
- Guaranteed safety
- Family’s favourite

2020      2021      2022      2023

- Tender
- Nicely marbled
- Makes feel genki
- Superior
- Consistent quality standards
- Guaranteed safety
- Family’s favourite

2020      2021      2022      2023

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?**

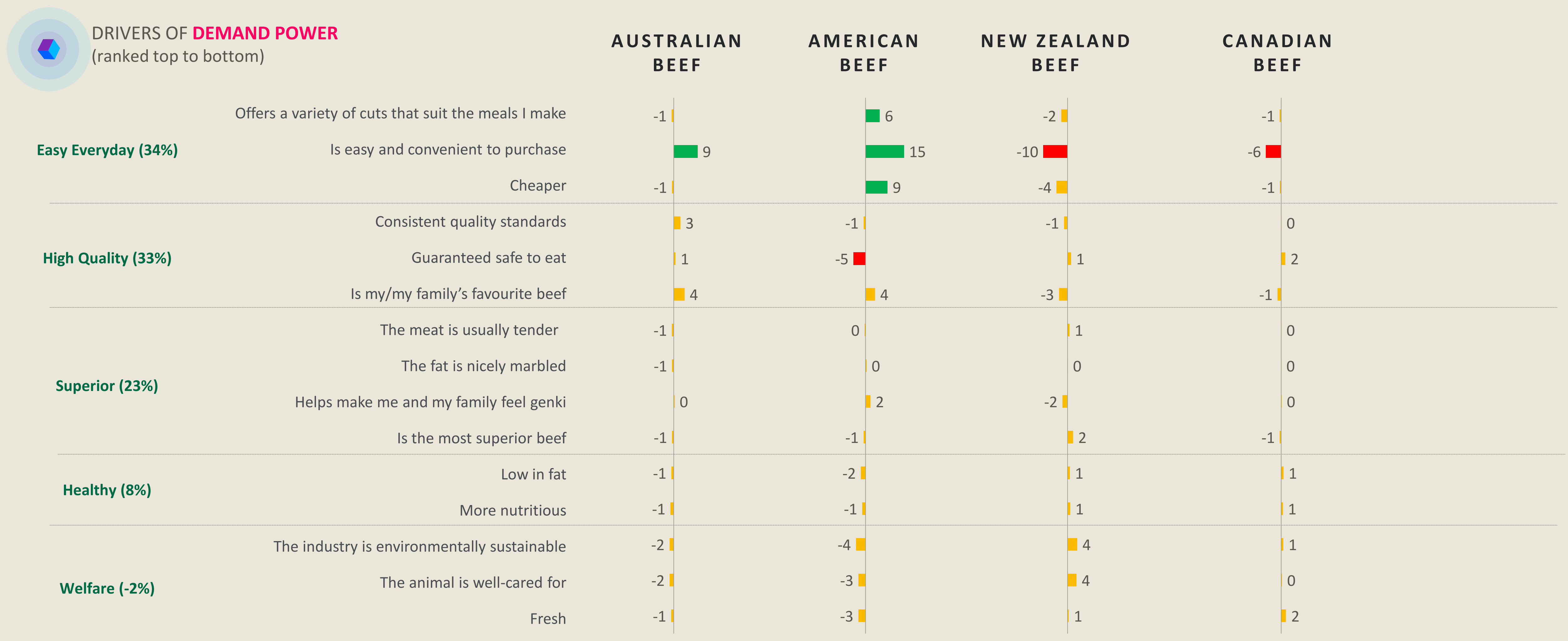


**Limited Insights:**  
 Big Brand leads on everything, followed by Medium Brand and Small Brand.

- 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)

# US has a strengths in all three 'Easy Everyday' perceptions. None of the imported beef brands are differentiated on 'Superiority' and 'High quality'. AU beef thus needs to work on differentiating itself from US as well as NZ beef on these key attributes.



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**What does AU beef  
need to focus on to  
target further growth  
in Japan?**

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Family favourite, Makes feel Genki, Safe & Tender are key levers AU beef needs to focus on to differentiate. While US beef's perceptions on safety & nutrition are strengthening, AU has an advantage in being more Trusted and also its clean & green rearing environment which can be leveraged to reinforce high Quality

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

**PRIORITY: Grows Volume and Premium**

Mostly grows Volume

Mostly grows Premium

**1.**  
Helps me and my family feel genki



**2. Family Favourite**




**3. Tender**



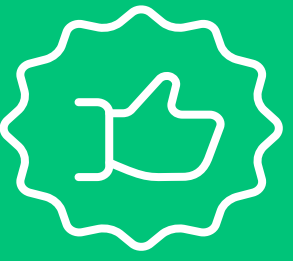
**4. Guaranteed safe to eat**



**4. Consistent Quality Standards**



**4. More Nutritious**

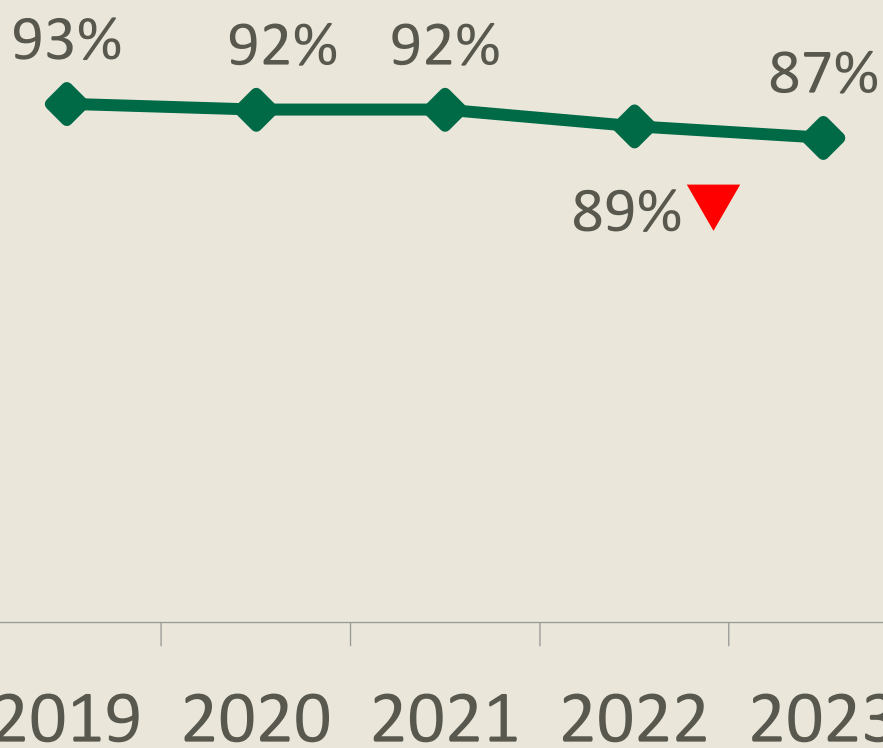


\*These associations are simulated in the Meaningfully Different model to ascertain which will drive the greatest growth in Power and Premium

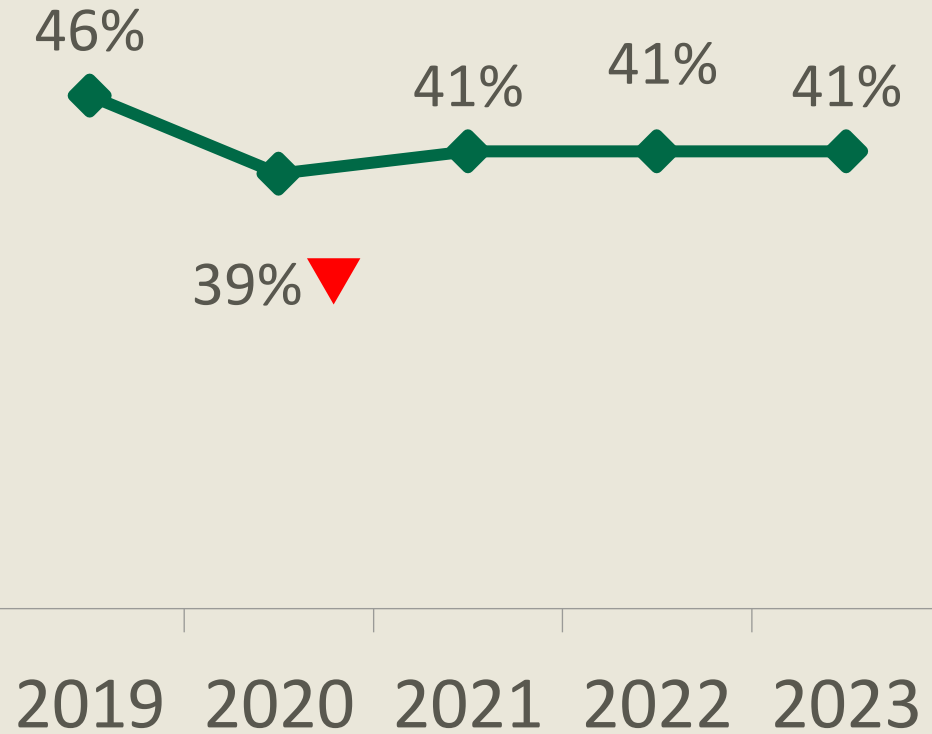
True Aussie is helping build image associations around safety, trust, quality and freshness- a consistent asset we can leverage when communicating our brand.

# TRUE AUSSIE TERM & LOGO

AWARE OF TRUE AUSSIE?



AWARE OF LOGO



## Top 5 impressions of True Aussie logo:

1. Guaranteed safe to eat
2. Trust beef from here
3. Consistent quality standards
4. Family favourite
5. Fresh

## Term: 'True Aussie'

## Top Associations to Grow - Volume & Value

Family Favourite	Tender	Safe to Eat
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# Summarising Beef Module

## Asserting AU Beef's Leadership over the US

**Maintaining leadership is the task at hand** – requiring AU Beef to push harder on its superior quality and trust credentials to justify its higher price and stem superiority and quality erosion (brought about by competitors growing access).

## Clean, Green and Natural for Quality and Safety

While consumers are becoming more price-sensitive, Japanese consumers are willing to pay for high quality products - **AU can deliver to this need functionally with its clean, green, natural image.**

As a consistent marker for AU Beef, True Aussie can be leveraged to build and sustain trust due to its association with trust, quality, safety and freshness.

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# FINAL THOUGHTS & DISCUSSION

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## 1. INFLATION & INCREASED COMPETITION

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Australian beef sits in a strong position as a 'Justified Premium' brand.

The current economic scenario, however, presents an opportunity for US beef which is clearly positioned as a value brand challenging AU beef.

US beef has strong perceptions in the 'Easy Everyday' space and is also strengthening on perceptions of Quality and Superiority – now not really far behind AU beef.

AU beef needs to focus on strengthening perceptions of Superiority and Quality to differentiate itself vis-à-vis US beef with clear communication on these aspects

## 2. INCREASED FOCUS ON HEALTH

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Rising health consciousness has resulted in growing interest in leaner meat. This presents an opportunity to accelerate further the natural and healthy image of Australian beef.

Leveraging the narrative of Australia's clean and green rearing environment can help reinforce the health, and quality credentials

As a consistent marker for AU Beef, True Aussie can be leveraged to build and sustain trust due to its association with trust, quality, safety and freshness.

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