

2023

Global Tracker: *Vietnam* *Presentation Deck*

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Contents of today's presentation



1 **MACRO MARKET CONTEXT**

Quick look at the market context and post covid trends that are impacting consumer choice in the Vietnamese market



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**

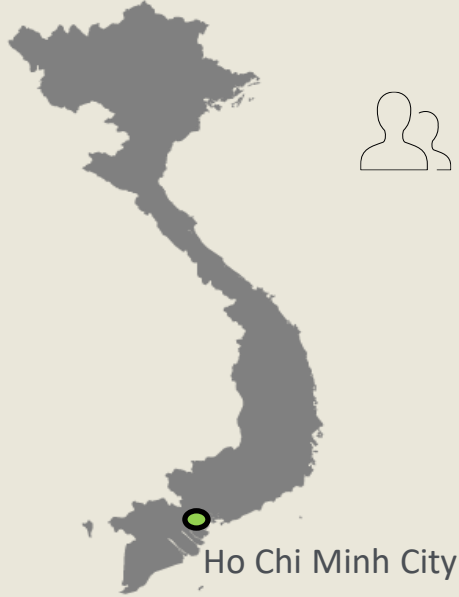
Levers to pull to support choice of Australian Beef

The Central Question

How can Australian red meat continue to build relevance while continuing to differentiate from other premium imports?



Vietnam sample – a deliberate Ho Chi Minh City, higher income 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)

Ho Chi Minh City

Sample is made up of 800 consumers

Changes in 2023:

BEEF: Russian Beef was added as a new COO

BEEF: Spanish Beef was added as a new COO

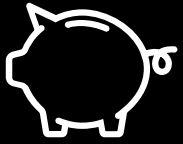
		COUNTRY INCIDENCE	SAMPLE STRUCTURE
Gender	Male	50%	33%
	Female	50%	67%
Age	18-34	-	53%
	35-49	-	36%
	50-64	-	10%
Cities	Ho Chi Minh City	8.7%	100%
Consumption	Buy Fresh Meat at Least Occasionally	-	10%
MGBs	Main Grocery Buyers	-	97%
Children	Households with Children	-	66%
Income	Under 180,000,000 dong	-	10%
	180,000,000 - 299,999,999 dong	-	26%
	300,000,000+ dong	-	65%



MACRO- MARKET CONTEXT



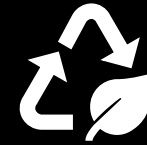
3 key factors that are influencing consumer decisions in Vietnam



**ECONOMIC
GROWTH**



**HEALTH AND
WELLNESS**



SUSTAINABILITY

Imported red meat and local red meat are amongst the top 3 categories to be similarly affected by inflation...

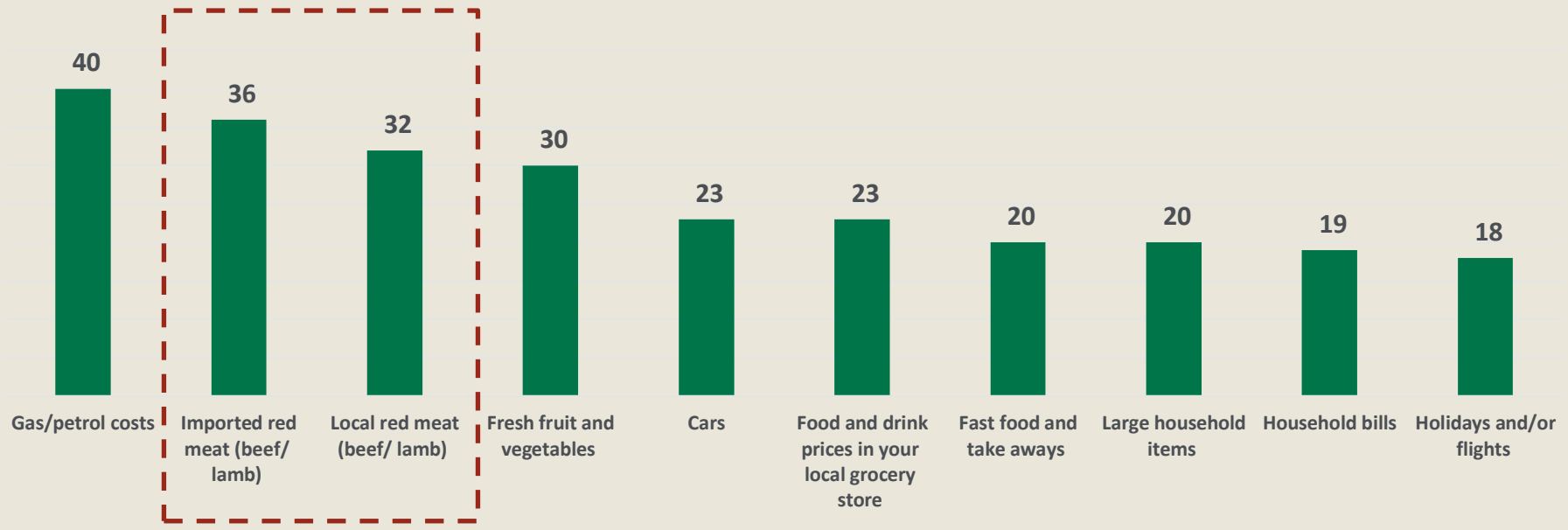


ECONOMIC GROWTH

Vietnam's strong economic growth continues to have a significant impact on the FMCG market.

With a rising middle class, increasing disposable income, and urbanization, there is a growing demand for consumer products, leading to expansion opportunities for FMCG companies.

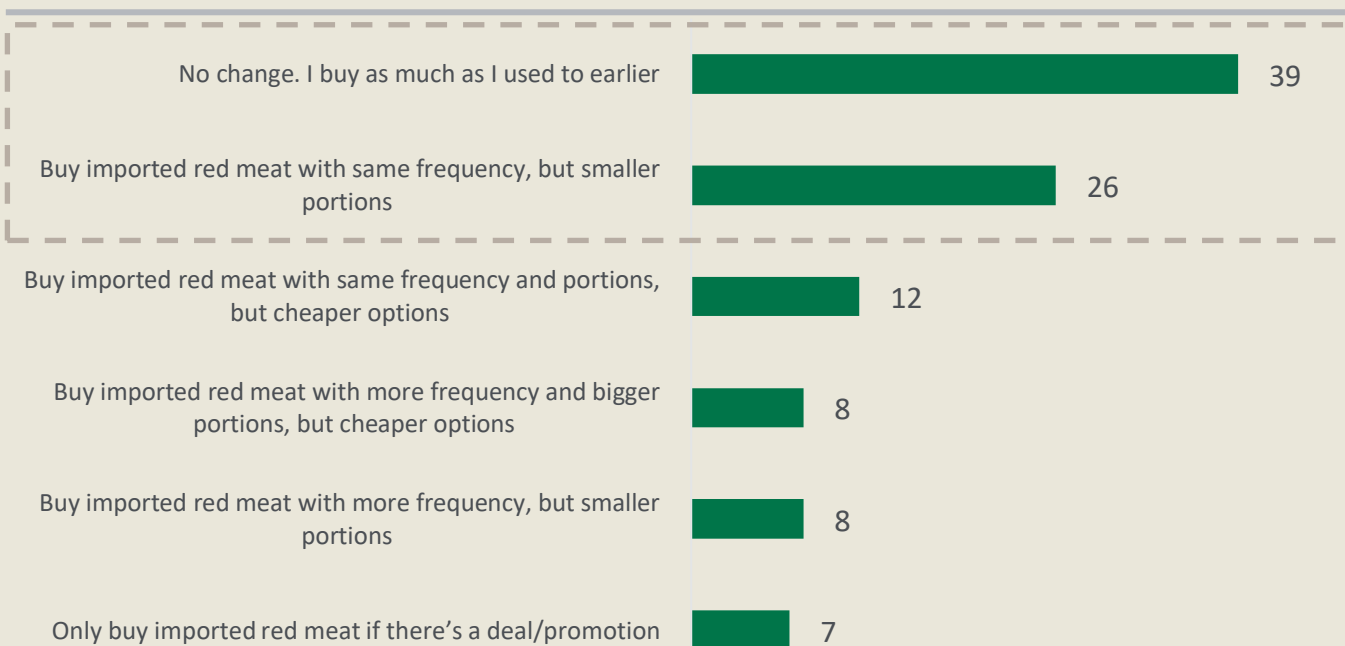
PRODUCTS AFFECTED BY INFLATION



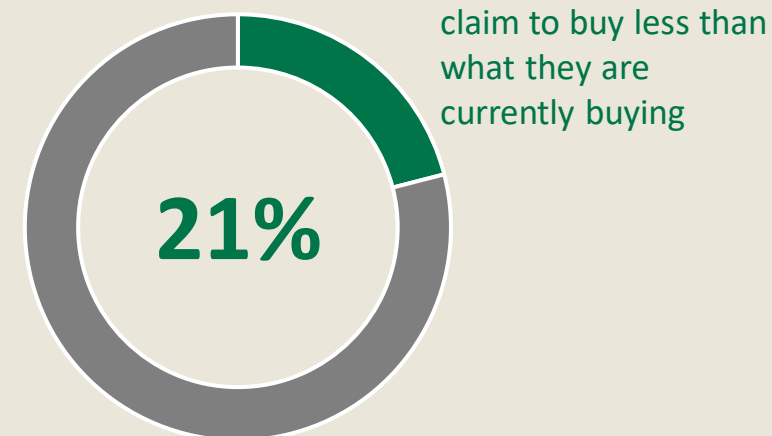
4 in 10 observe rising prices for imported red meat, a similar percentage continue to buy the same as before, while the remainder have begun to display economising behaviour in red meat purchase. Future purchases of red meat appear to be less influenced.

IMPACT OF INFLATION ON IMPORTED RED MEAT PURCHASE

Changes in purchase behaviour of imported red meat considering higher prices



Future purchase behaviour (next 12 months) of Imported Red Meat



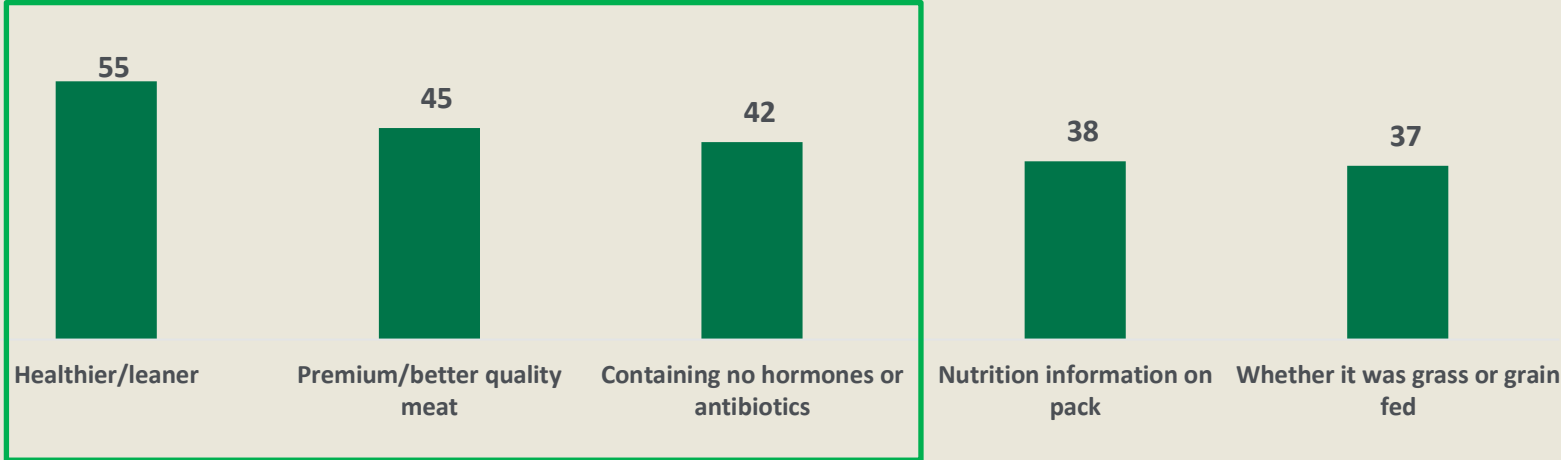
Vietnamese consumers are becoming more health conscious seeking products that promote wellness, this reflects in red meat purchase behaviour. They are conscious about whether or not the beef contains hormones or antibiotics.



HEALTH & WELLNESS

Consumers are becoming more health-conscious, seeking products that promote wellness. There is a rising demand for organic, natural, and functional products in categories such as food and beverages, personal care, and household items. FMCG companies need to cater to these evolving preferences by offering healthier options and highlighting the health benefits of their products.

Important factors when deciding on fresh red meat purchase
Ranking most (1st) to least (5th) important - Showing Top 5 statements only



Almost 6 in 10 Vietnamese red meat consumers are 'Actives', willing to invest their time and money to support companies that try to do good, this is higher than most other markets. This presents a marketing opportunity to attract this segment of the population that care about sustainability.

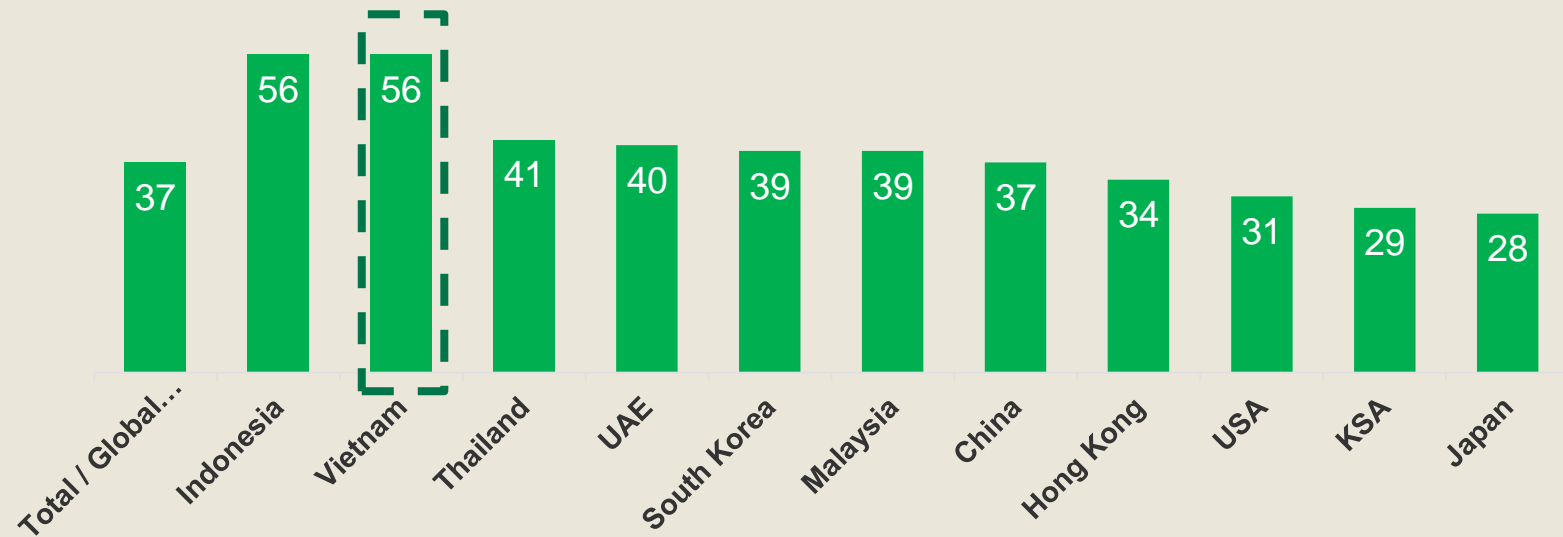


SUSTAINABILITY

Sustainability is gaining relevance in Vietnam, with consumers being more conscious about the impact of their purchasing decisions.

Companies are expected to incorporate sustainable practices into their operations, such as waste reduction, and responsible sourcing methods. Emphasizing sustainability initiatives can help companies attract environmentally aware consumers.

% OF 'ACTIVE' SUSTAINABLE CONSUMERS IN...



- **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



PROTEIN LANDSCAPE

A reminder, we know that there are consistent themes when it comes to what the different proteins stand for across all of our markets. Beef is 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
- Weakly positive on animal welfare and sustainability
- 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*



Red meat continues to have strong 'Superior' perceptions, which supports its high price. Chicken, fish, and pork remain staples with strong perceptions of being Cheaper and Versatile

PROTEIN PERCEPTIONS - VIETNAM



PREMIUM



**Superior,
Premium**



**Healthy,
premium, tender**

Beef

Strengths *vs others*

- Is the most superior meat ★★
- I am willing to pay a bit more for this meat

Weaknesses *vs others*

- Not cheap

Lamb

Strengths *vs others*

- The animal is well-cared for
- Is nutritious
- Is the most superior meat ★★
- I am willing to pay a bit more for this meat
- The meat is usually tender

Weaknesses *vs others*

- Not fresh
- Not versatile
- Animal not well-cared for
- Not easy or convenient to purchase or prepare



**Easy, affordable,
versatile**

Chicken

Strengths *vs. others*

- Cheaper
- Versatile
- Is easy and convenient to purchase and prepare

Weaknesses *vs. others*

- Not nutritious ★★
- Not superior ★★
- Not willing to pay more for this meat



STAPLES



**Easy, affordable,
versatile**

Pork

Strengths *vs. others*

- Cheaper
- Versatile
- Is easy and convenient to purchase & prepare
- Is my/my family favourite's meat ★★

Weaknesses *vs. others*

- Not nutritious
- High in fat
- Not superior ★★
- Not willing to pay more for this meat



**Affordable,
low in fat**

Fish

Strengths *vs. others*

- Cheaper
- Low in fat

Weaknesses *vs. others*

- The animal is not well-cared for
- Not delicious ★
- Not superior ★★
- Not willing to pay more for this meat

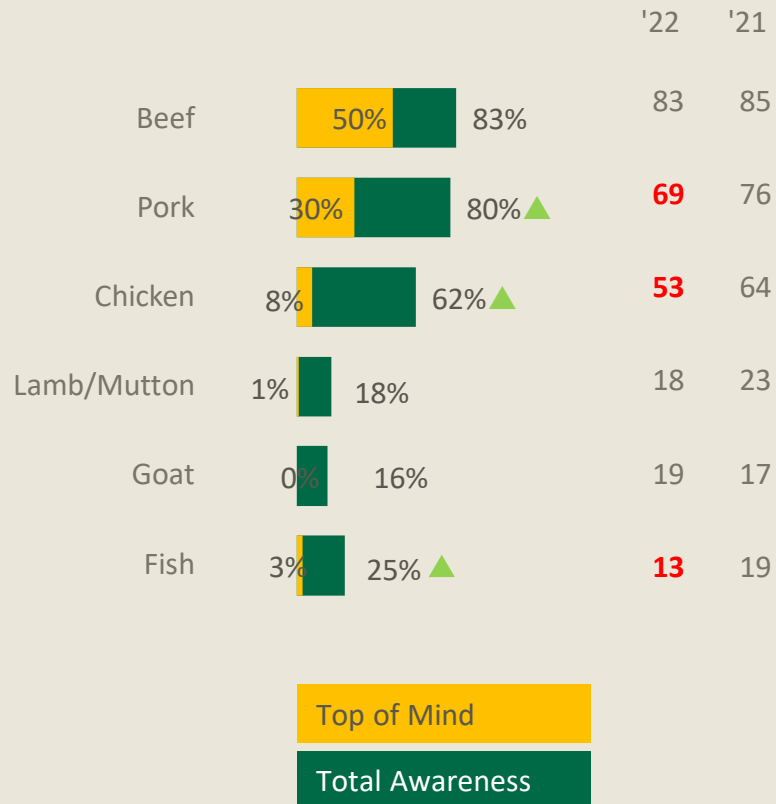


Chicken, pork, and fish significantly improved their overall awareness and, together with beef, remain the most purchased proteins on a monthly basis. While pork's weekly consumption hasn't changed, monthly sales have recovered, capitalising on a reduction in lamb and goat consumption.

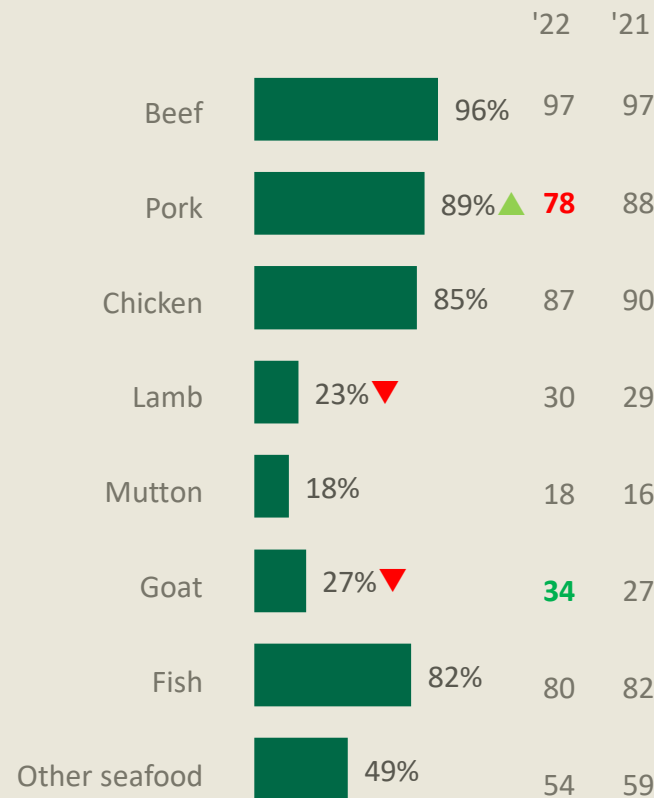
KEY PROTEIN METRICS



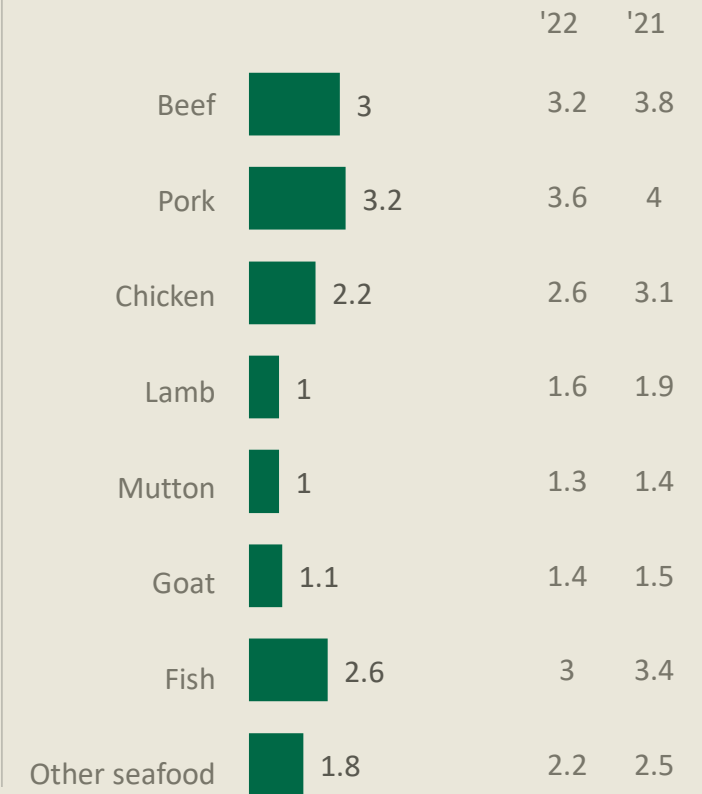
SPONTANEOUS AWARENESS



BOUGHT IN LAST MONTH



AVERAGE SERVES LAST 7 DAYS



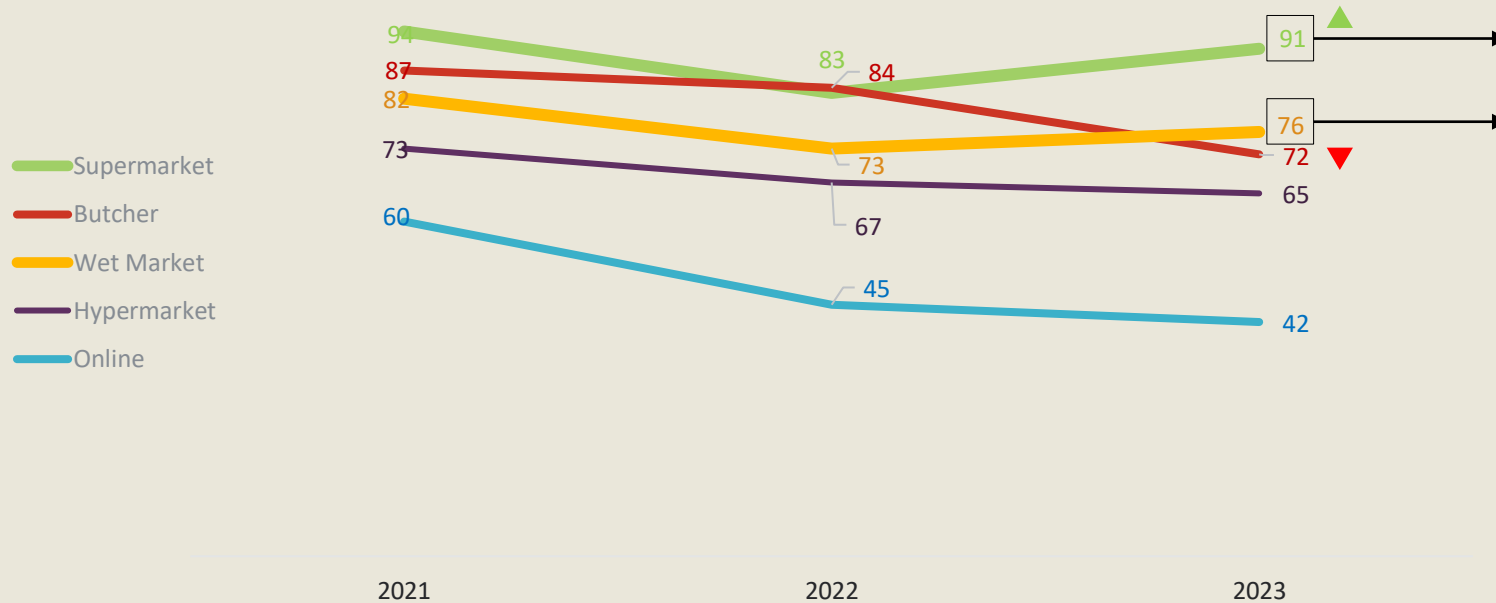
Beef purchases in supermarkets are increasing while butchers' are declining, possibly due to a sense of safer and more sanitary practises, leading to greater trust in this channel.



PLACES OF PURCHASE- BEEF



Once per month or more often (net)



The top factors that keep Vietnamese consumers visiting wet markets and supermarkets for beef

Wet market: Habits that have been passed down for generations and perceived better taste of fresh beef.

Supermarket: Desires for food safety, health and peace of mind as beef in supermarkets is thought to be kept clean, hygienic, safety-guaranteed as the meat goes through food safety control processes, with greater transparency and has provenance or country of origin information.

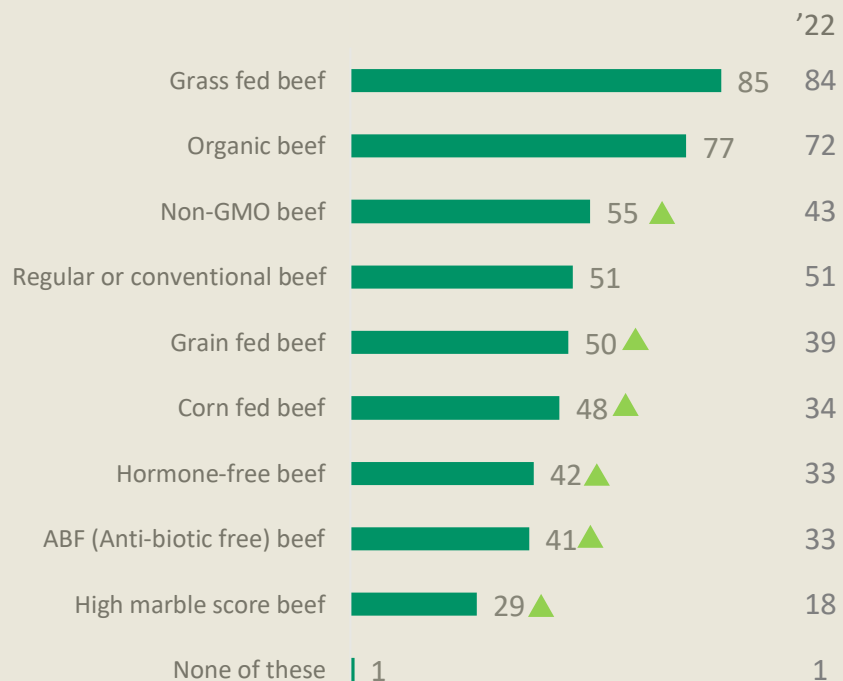
Source: MLA Vietnam Wet Market Shoppers Research 2020

Among the different kinds of beef, grass-fed beef continues to have the highest awareness and consumption. Since 2022, most types of beef have seen large gains in awareness, but only a few have seen considerable increases in consumption, including marbled and organic beef.

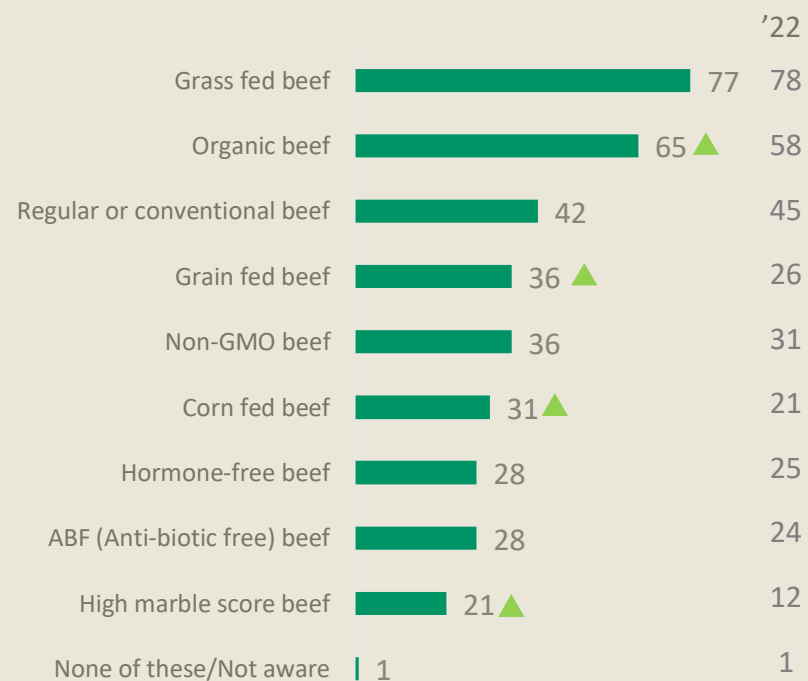


AWARENESS AND PURCHASE OF DIFFERENT TYPES OF BEEF

AWARENESS OF TYPES OF BEEF (%)



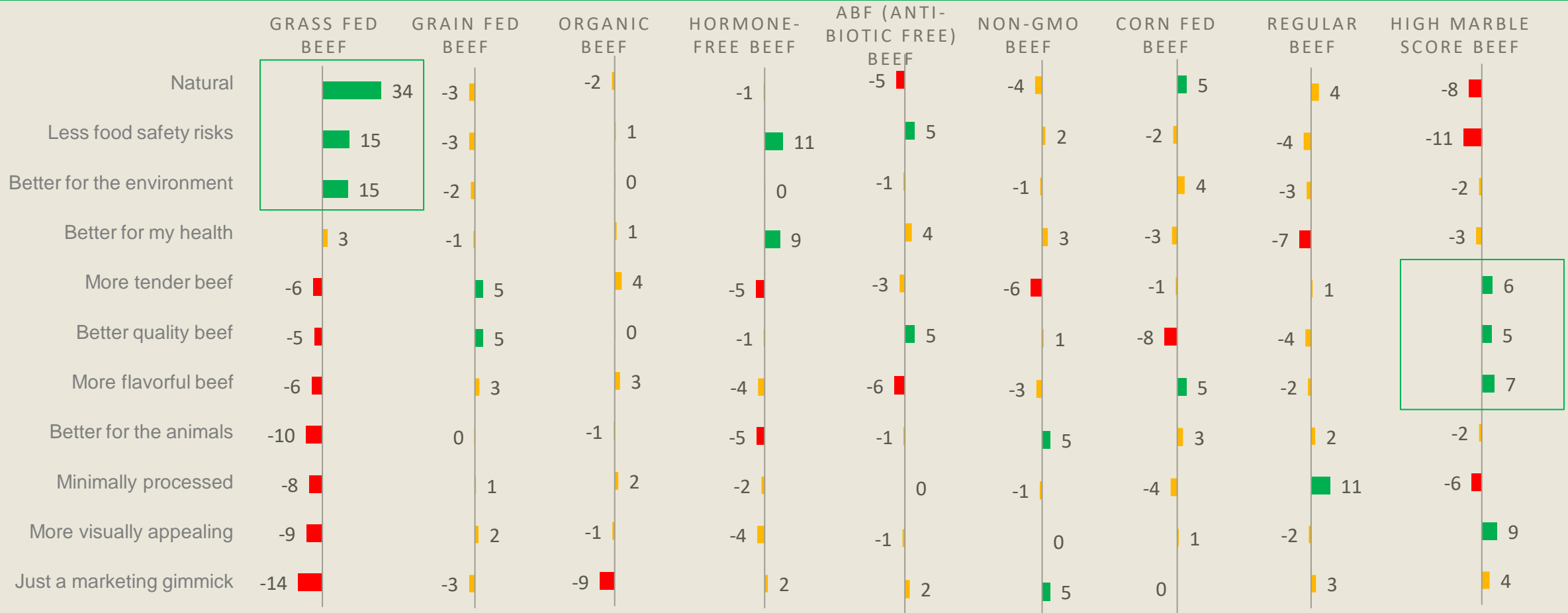
BEEF BOUGHT IN THE PAST (%)



While grass fed beef is clearly associated with natural, having less food safety risks and better for the environment, marbled beef is regarded as a more tender, flavourful, and high-quality meat.



PERCEPTIONS OF DIFFERENT TYPES OF BEEF



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

Base: Grass Fed Beef (n=430), Grain Fed Beef (n=250), Organic Beef (n=385), Hormone-Free Beef (n=212), Abf (Anti-Biotic Free) Beef (n=208), Non-Gmo Beef (n=277), Corn Fed Beef (n=241), Regular Beef (n=258), High Marble Score Beef (n=145)



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

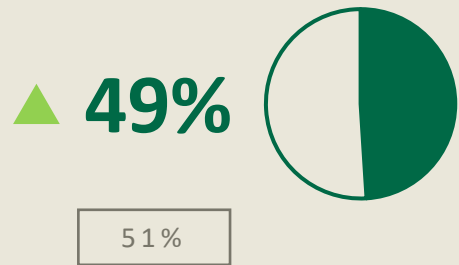
People are buying less lamb since last year, either to a lack of familiarity with it or a lack of knowledge on how to prepare it. Availability is also a barrier, but to a lesser extent. Comms with recipes or different ways of consumption may help boost consumption or at least return it to former levels.



LAMB – REASONS WHY DON'T BUY LAMB

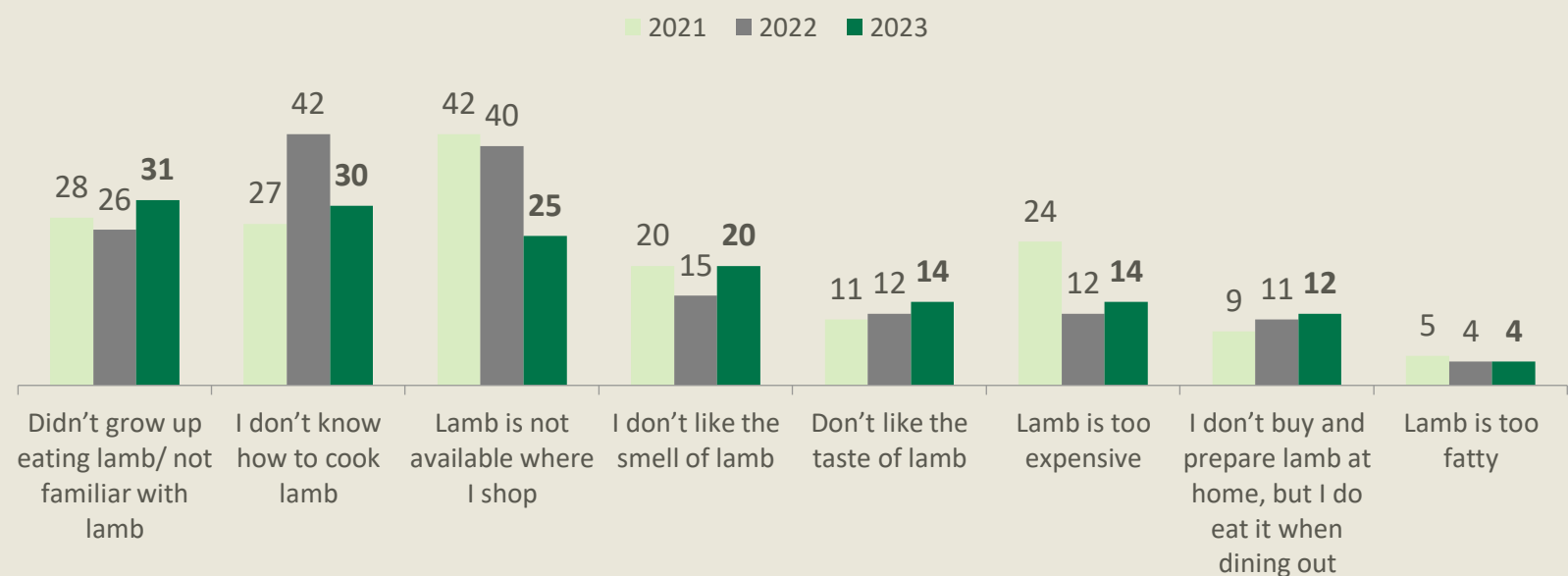
Global Average:

29	26	14	26	26	16	16	7
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Of the sample have never bought lamb

2022: 36%
2021: 33%



AU beef has two very strong benefits that can be leveraged over other beef brands in Vietnam

Red meat continues to be Superior

Red meat continues to be perceived as superior and worth paying a Premium for. Neither protein is however linked with being environmentally sustainable, offering an opportunity for AU beef to own this space in a market where sustainability is becoming more relevant.



Grass-fed association

Grass-fed beef is strongly associated to being natural, safer to eat, and better for the environment, although not regarded as healthy, flavourful, or of good quality, nor as being better for the animals.

Consumer education will be key to shift these perceptions, as they are all key market drivers.

BEEF COO KNOWLEDGE, TRUST & PERCEPTIONS



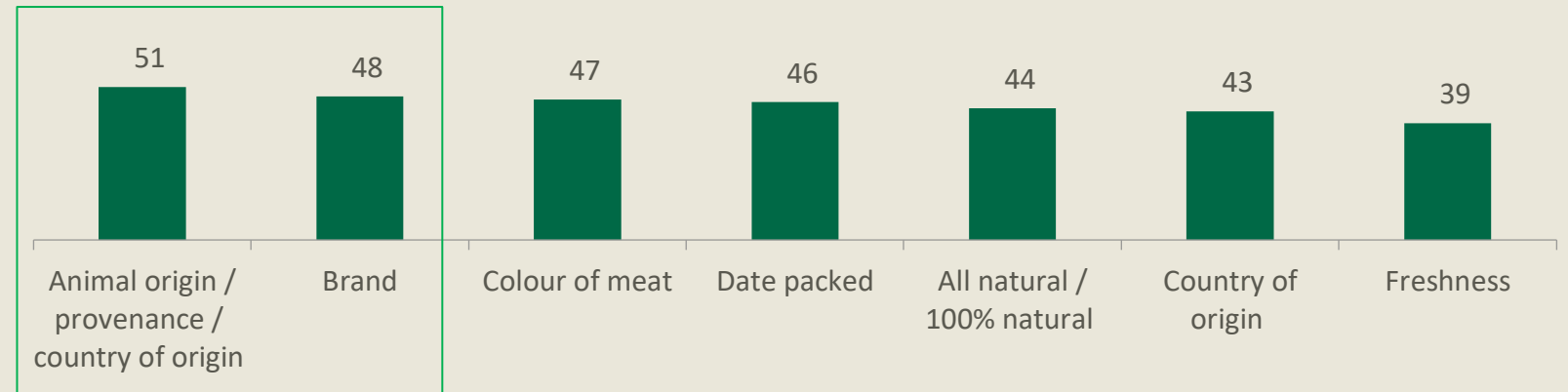
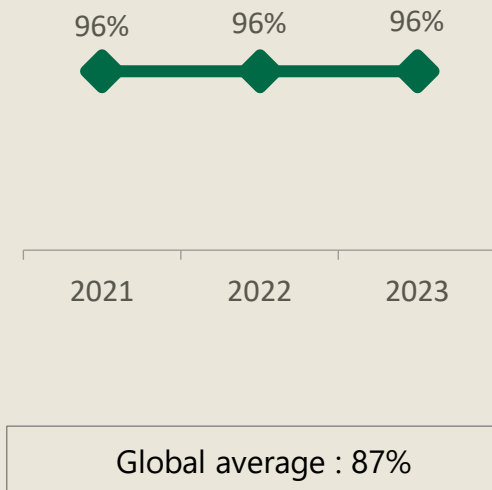
All questions in this section were asked of beef buyers only (must have ever bought beef). They also must have previously bought, or would consider buying, imported beef.

Awareness of COOs is broadly stable and higher than the global average showing the importance of COO in Vietnam, where animal origin and brand are the main factors considered when buying meat.



COO AWARENESS & TOP 'ON PACK' CUES SOUGHT WHILE BUYING PRODUCT

Know Country of Origin?

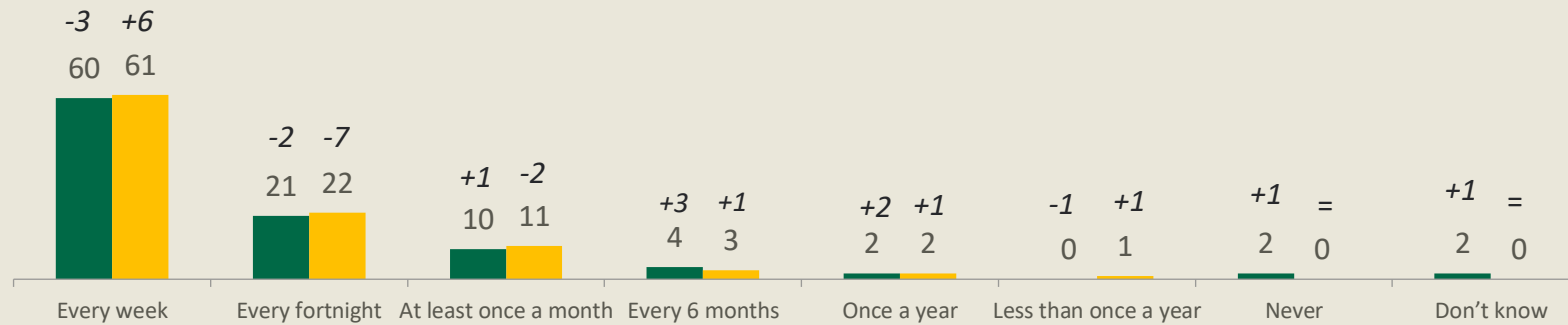


Local monthly purchases have declined over time, whereas monthly imported meat consumption has remained stable. Consumers are purchasing imported beef more frequently than a year ago, mostly on a weekly basis.

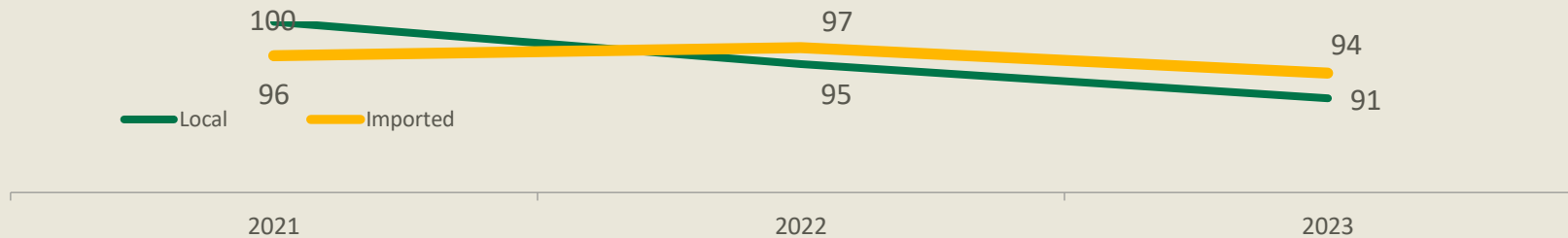


BEEF BUYING BEHAVIOUR

FREQUENCY OF BUYING LOCAL AND IMPORTED BEEF



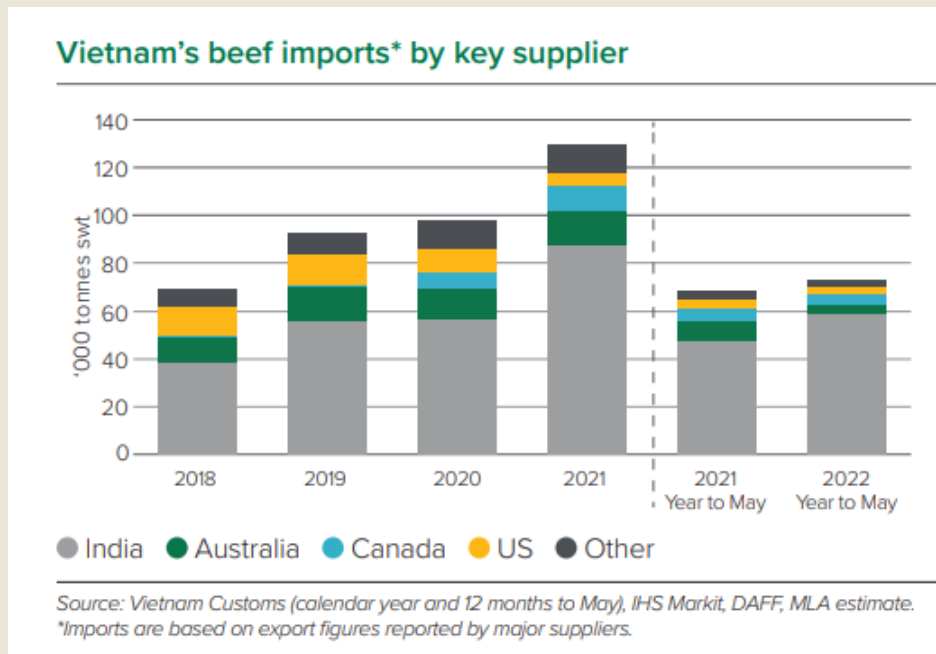
LOCAL & IMPORTED MONTHLY PURCHASE BEEF OVER TIME



Indian Buffalo Meat is the most imported beef in Vietnam while Australia's imports are being challenged by Canada after signing a Partnership Agreement.



BEEF IMPORTS BY SUPPLIER – MLA DATA



- Indian buffalo meat (IBM) imports grew significantly in 2021 due to demand for cheaper product in the backdrop of global high prices.
- Vietnam has been one of the fastest-growing markets for Australian beef exports since 2018, accelerated by the removal of Vietnam's import tariffs for Australian products under the ASEAN-Australian-New Zealand Free Trade Agreement, increasing Vietnamese consumer interest in Australian products.
- Since 2020, Canada has replaced the US as the third largest beef supplier to Vietnam. as they signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CP-TPP).

Russia and Spain were new brands included in 2023 , meaning equity and imagery scores cannot be compared to previous years. Funnels can be compared with caution

BEEF BRANDS TRACKED IN 2023

Local Vietnamese beef



Australian beef



New Zealand beef



American beef



Brazilian beef



Japanese beef



Argentinian beef



Canadian beef



Indian/Buffalo beef



Spanish beef



Russian beef

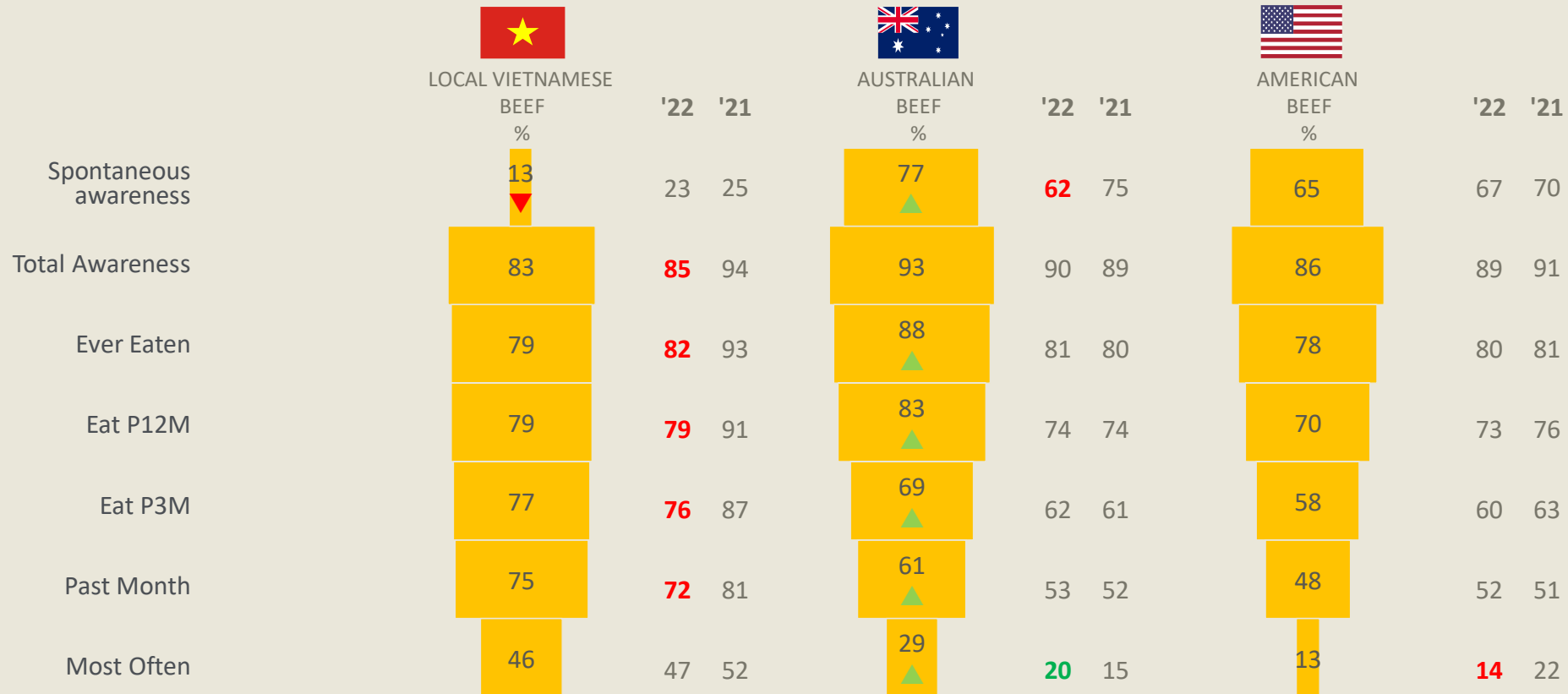


New brands added

Local, Australian, and US beef remain the strongest brands, however Australian is the most top of mind beef and the only brand that grew in terms of overall consumption compared to 2022.



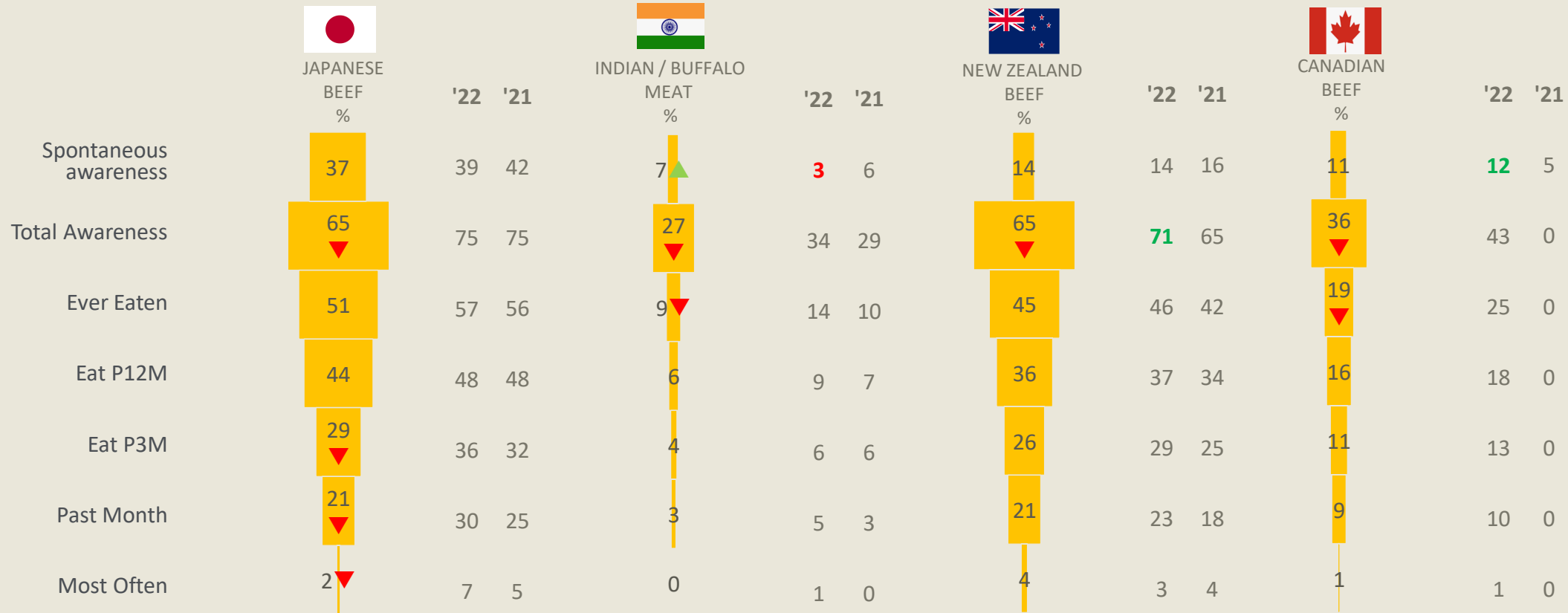
BEEF- BRAND HEALTH FUNNELS BY COUNTRY OF ORIGIN



Japanese beef has seen a significant decline in awareness and frequent consumption, and while Indian and Canadian beef exports are challenging us, their brand health is much weaker indicating lower brand predisposition.



BEEF- BRAND HEALTH BY COO

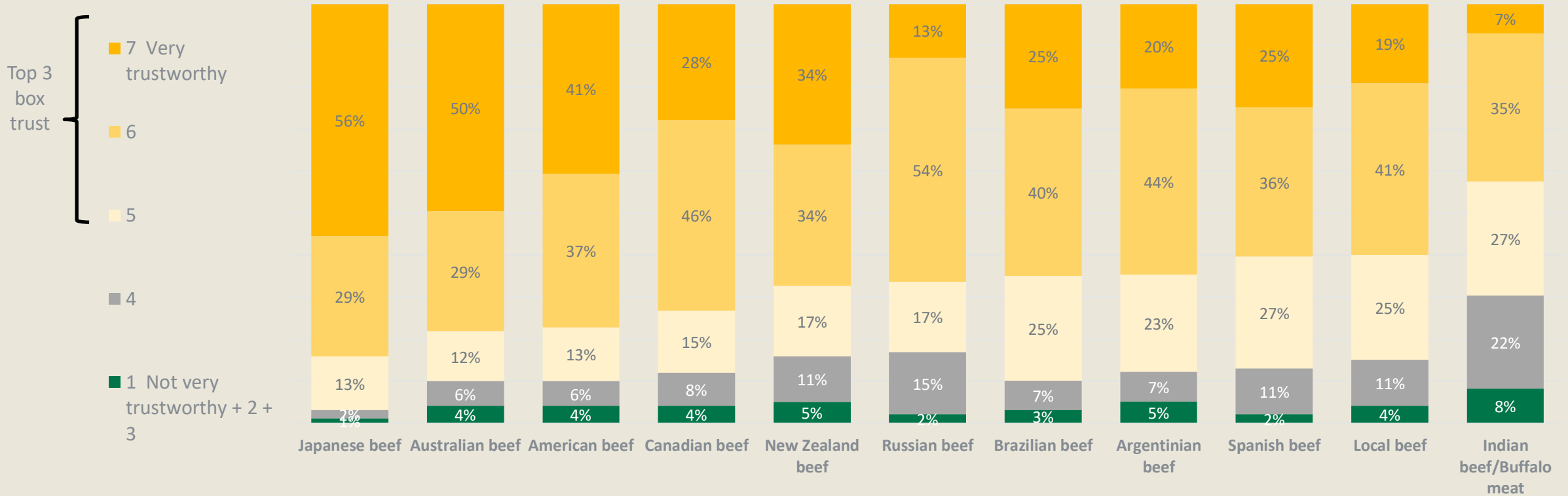


AU beef can leverage the overall weakening of JP beef, as well as its growing awareness, consumption and strong Trust associations to strengthen perceptions on 'Quality standards' even further.



BEEF- TRUST PERCEPTIONS BY COO

2022	Top 2 Box	90%	82%	80%	70%	72%	-	74%	58%	-	65%	49%
2023	Top 2 Box	85% ▼	79%	78%	74%	68%	67%	65%	64%	61%	60%	42%



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

Base: Local beef (418) Australian beef (470), American beef (431), Indian beef/ Buffalo meat (135), New Zealand beef (325), Japanese beef (325), Canadian beef (182), Argentinian beef (99), Brazilian beef (161), Russian beef (96), Spanish beef (133)

▲ ▼ Sig. different at 95%



WHAT NEXT FOR AU BEEF IN VIETNAM?



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

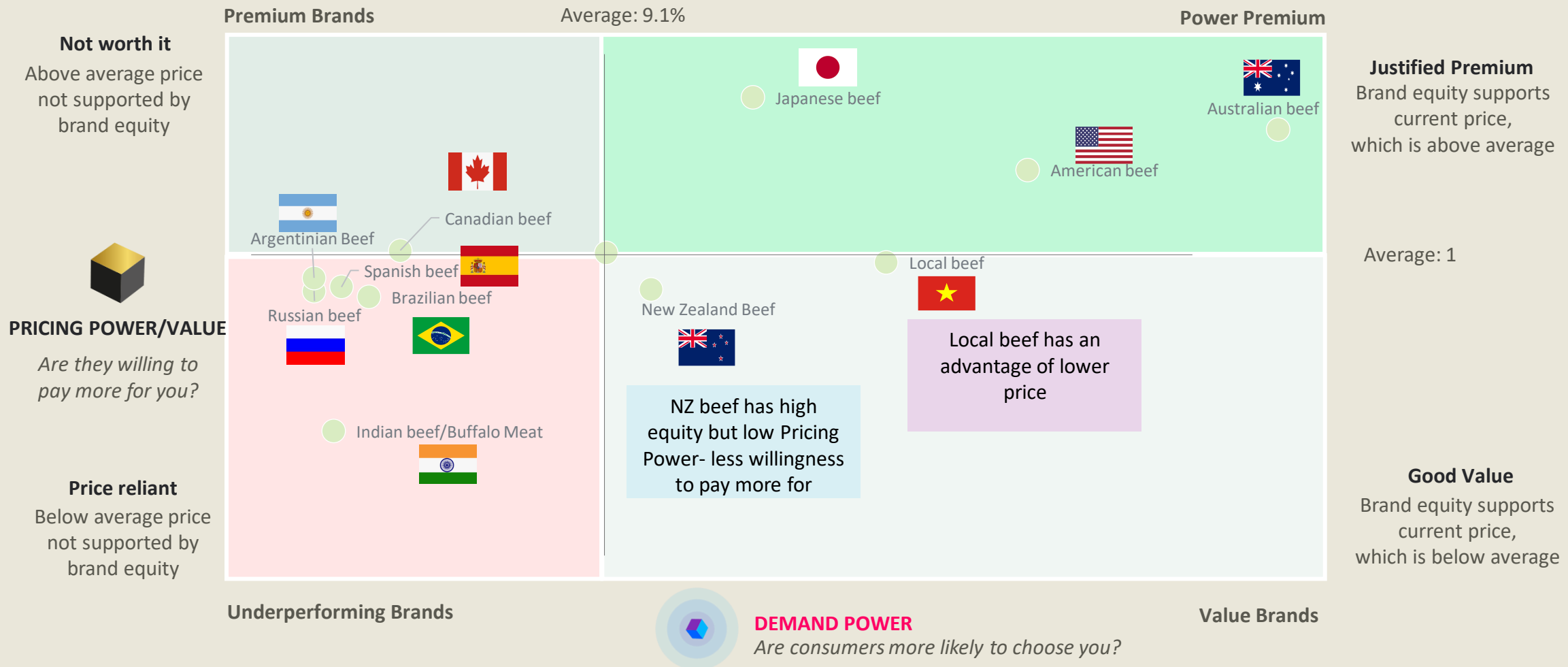
We call this Pricing
Power



Pricing Power

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

AU beef continues to be strongly positioned as justified premium in this market. American beef and Japanese beef also sit in the same space but have relatively lower equity. Indian buffalo meat suffers from low equity and relies on low price. Both local and NZ beef are seen as value brands



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



IMPORTANCE IN DRIVING DEMAND POWER



20%

SAFE & FAMILY FAVOURITE

Guaranteed safe to eat

Is my/my family's favourite meat



19%

SUPERIOR

Is the most superior beef

More nutritious

The fat is nicely marbled

The animal is well-cared for



18%

EASY EVERYDAY

Fresh

Is easy and convenient to purchase

Cheaper

Offers a variety of cuts that suit the meals I make



17%

QUALITY

The meat is usually tender

Consistent quality standards



13%

ENVIRONMENT

The industry is environmentally sustainable



13%

LOW FAT

Is low in fat

NOTE: GRASS FED LEVEL

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Strong perceptions of Safety, Family favourite and Superior help build predisposition for different types and also helps them justify a premium price



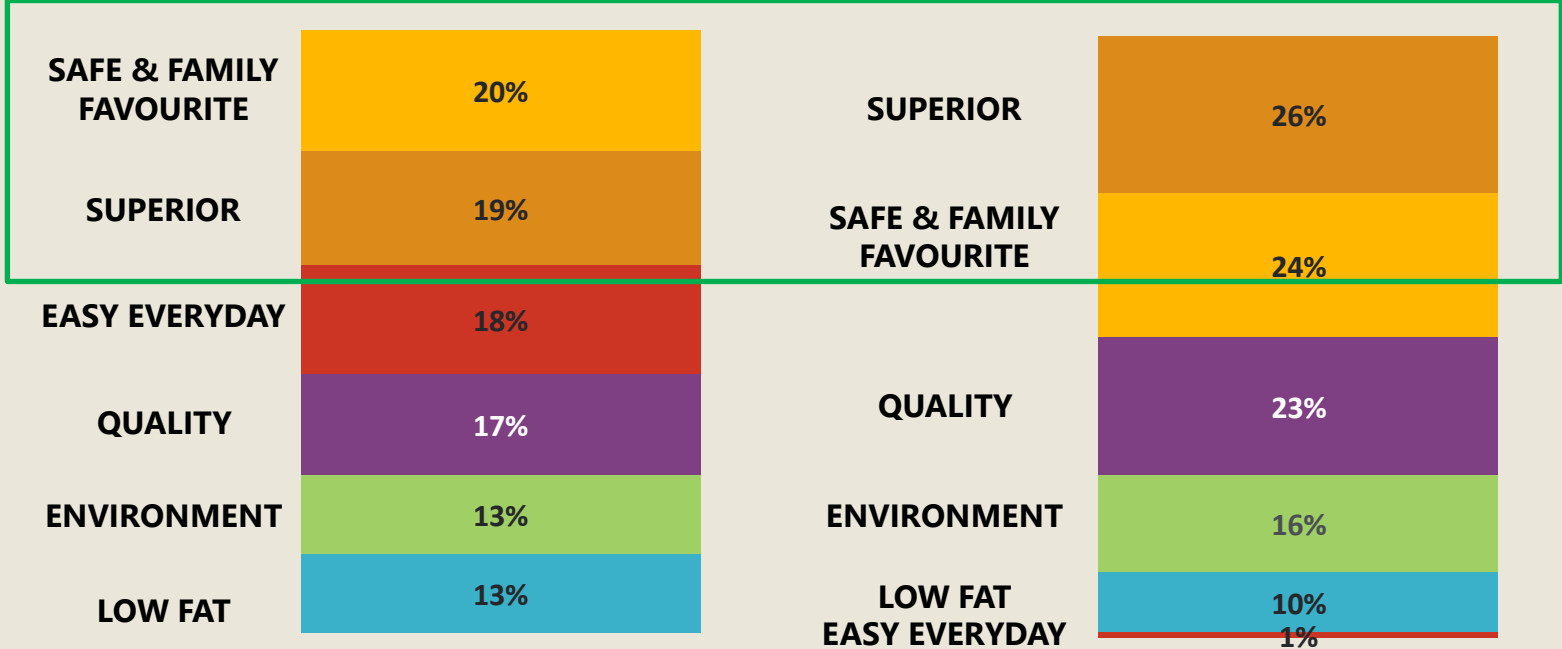
WHAT DRIVES DEMAND POWER AND PRICING POWER



Demand Power



Pricing Power



SUPERIOR
 Is the most superior beef
 More nutritious
 The fat is nicely marbled
 The animal is well-cared for

SAFE & FAMILY FAVOURITE
 Guaranteed safe to eat
 Is my/my family's favourite meat

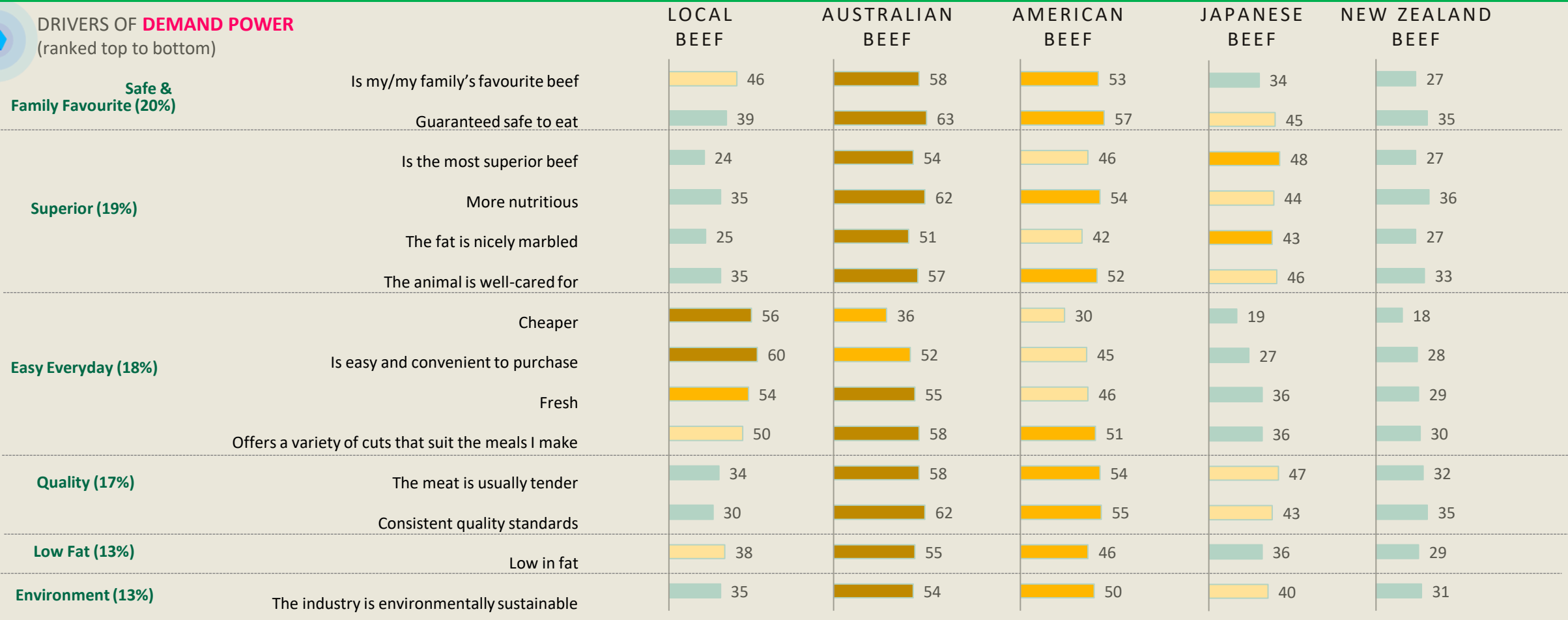
Australian beef delivers strongly on most key drivers, while local beef has the advantage of being the cheapest and most accessible.



DRIVERS OF DEMAND POWER



DRIVERS OF DEMAND POWER
(ranked top to bottom)



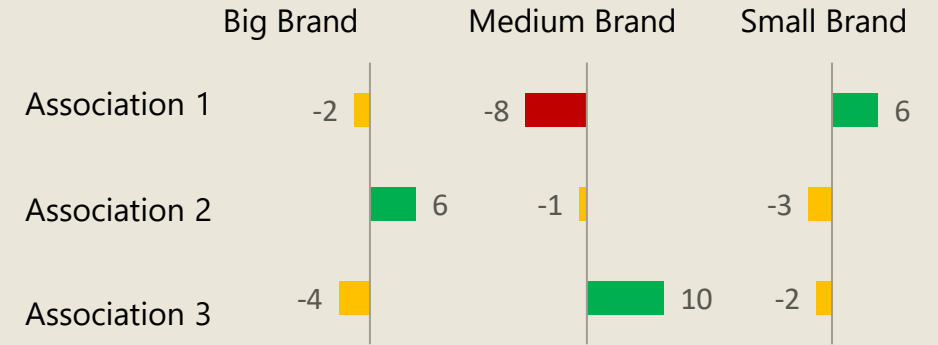
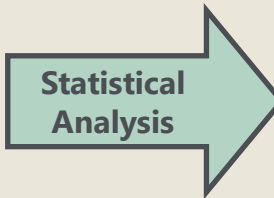
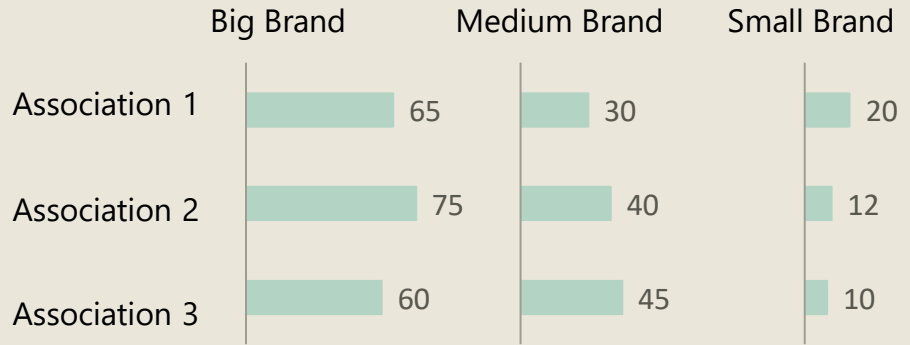
BBH9. Here are some things which people have said about beef. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions 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

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

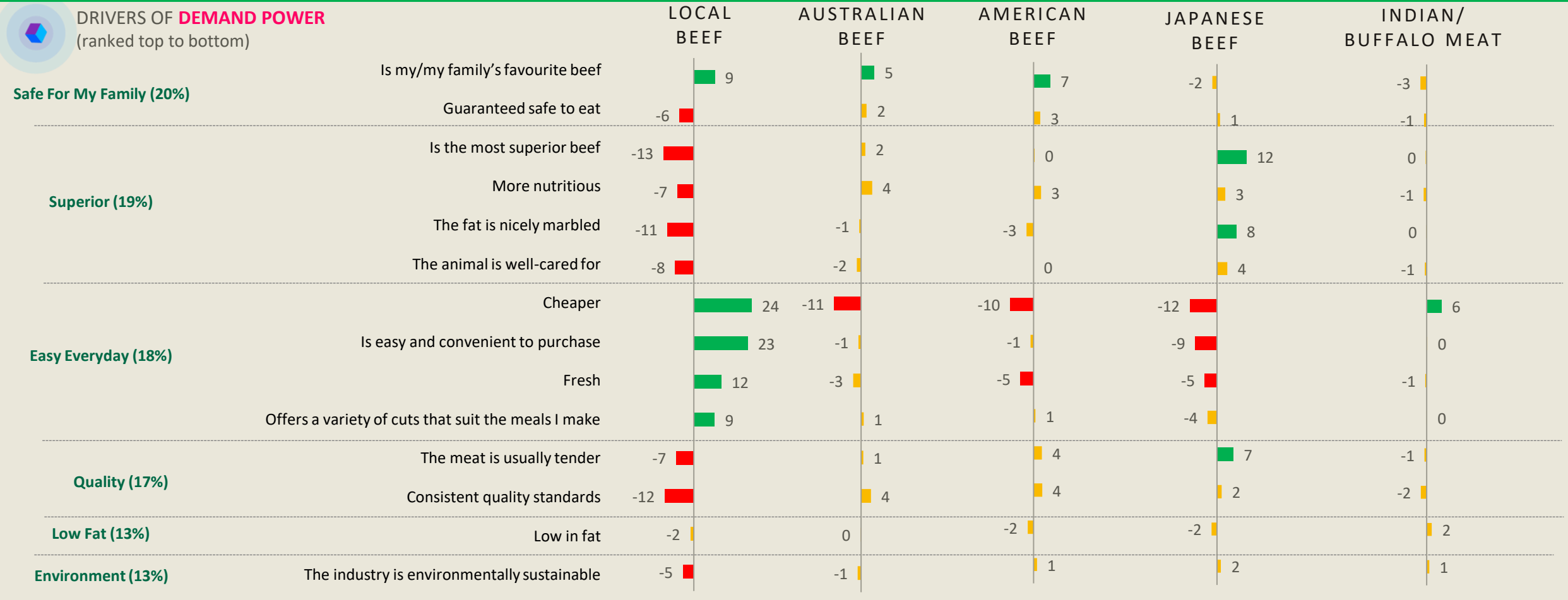


We can then **overlay what drives demand and willingness to pay** to help you pursue what matters most (choice/price driving associations, differentiation/competitive white space)

AU beef is however not differentiated on many key drivers. Local and Japanese beef are relatively more well-defined with local being the 'Easy everyday' option and JP being most superior, tender, and marbled.



DRIVERS OF DEMAND POWER



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





In a market where interest in health and sustainability is growing, differentiating on key drivers of safety, superiority, and quality will help AU beef strengthen its position in the market. Ensuring consumers that we treat animals fairly can be leveraged too, as no one owns this space.

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

1. Guaranteed safe to eat

AU Beef has high endorsement and currently a white space

2. Family Favourite

AU beef is best positioned on this and grew significantly since 2022

3. Meat is usually tender

Japanese beef owns this space

4. Animal is well cared for

White space we can address with process and quality

5. Consistent quality standards

AU Beef has the opportunity to stand out, having a relatively high endorsement.

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

True Aussie logo recognition has improved in 2023, and Vietnamese consumers have an outstanding perception of what it conveys, AU beef can leverage on these associations to continue to grow as a powerful and premium beef.

TRUE AUSSIE- AWARENESS AND PERCEPTION

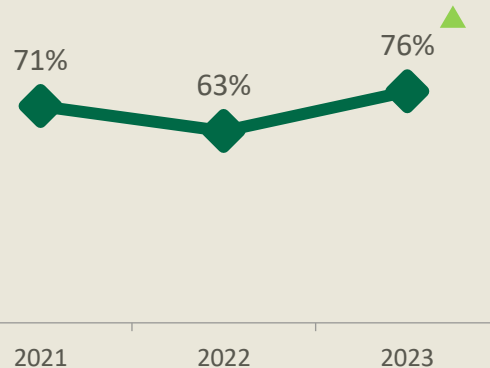
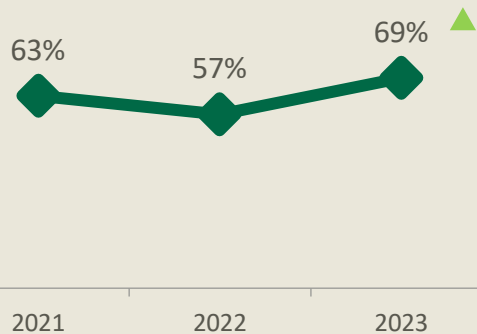
Aware of Term: 'True Aussie'



Aware of Logo:

Top impressions of True Aussie logo:

1. Is the most delicious beef/lamb
2. I trust the beef/lamb from here
3. Nutritious
4. Family Favourite
5. Safety & Quality
6. Animals are cared for/ highest welfare standards



* All True Aussie logo perceptions perform between 73% and 79%.

Summarising Beef Module

Maintaining Australian Beef's leadership position

AU beef is the strongest beef in the market, with potential to continue to grow as a premium brand. Distinctive communication and trust-building efforts, along with a focus on health and sustainability, will be key for strengthening position in the beef industry in Vietnam.

Clean, Green and Natural for Quality and Safety

Grass-fed beef is the most widely known and consumed type of beef, linked to being natural and ensuring safety and environmental benefits. AU can deliver to this need functionally with its clean, green, natural image. This narrative therefore needs to be leveraged in communication

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

FINAL THOUGHTS & DISCUSSION



Final thoughts and discussion

1. Increasing focus on Health

Grass fed beef which has strong perceptions of being Natural, Safe and Better for environment is most consumed.

Communication that highlights the advantages of AU grass-fed beef, such as its nutritional value and environmental sustainability can help build trust and increase demand.

2. Maintaining leadership position

Maintaining leadership position in the market and differentiating vis-à-vis key competition is the task at hand.

There is opportunity to strengthen AU beef perceptions of safety and quality by tapping into the 'clean, green' image of Australia, the concept of our rearing environment as perfect for raising cattle and underpinning our quality and taste associations. Continue to drive "family favourite" to build trust.

3. Sustainability

Vietnam has a fairly large proportion of Actives- consumers who are much more likely to believe that they can make a real difference through their actions.

Important to communicate about Australia's sustainable practices and processes and about animal welfare standards. This can also help differentiate vis-à-vis key competition on key drivers.

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

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