

KANTAR

Global Tracker 2024

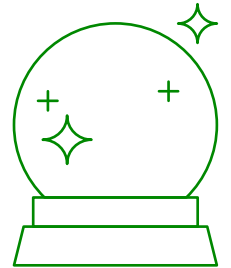
South Korea Presentation Deck

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

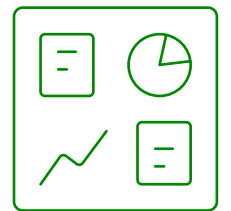


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MEAT & LIVESTOCK AUSTRALIA

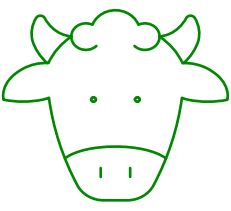
Contents of today's presentation



1 **MACRO MARKET CONTEXT**



2 **PROTEIN LANDSCAPE**



3 **IMPORTED BEEF CONSUMPTION & COUNTRY OF ORIGIN (COO)**



4 **FINAL THOUGHTS & DISCUSSION**



INTRODUCING MLA'S GLOBAL CONSUMER TRACKER

Diverse markets, with some universal truths.

2024 Study Details:



5,800 interviews globally
800 interviews in South Korea



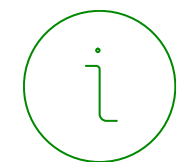
6 Markets (See right)



20-minute online survey
(supported by interviewer in MENA)



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)

























Captures meat consumption habits,
attitudes, perceptions of COO Beef.



Conducted annually, this study collects
historical data allowing the tracking of
trends overtime

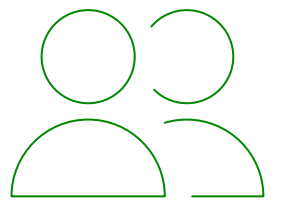


We have conducted the global tracker in 22 markets over the last 10 years, with South Korea fieldwork run every year.

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	█	█									█	█	█	█									11
2016	█	█										█	█	█	█								15
2017	█	█										█	█	█		█							11
2018	█	█							█				█	█					█	█	█	█	13
2019	█	█											█	█				█	█				10
2020	█	█						█					█	█									9
2021	█	█							█				█	█					█				11
2022	█	█			█		█					█	█	█				█					11
2023	█	█				█			█				█	█						█			11
2024	█	█									█		█										6



South Korea Sample – a deliberate skew (not Nationally Representative)



Women aged 18-64
Grocery buyers, meal planners
bought/consider imported beef
Skew to affluent households
(greater openness and ability to
buy AU Beef)
(Not representative of total market)

Sample is made up of n=800 consumers

		COUNTRY INCIDENCE	SAMPLE STRUCTURE
Gender	Male	50%	-
	Female	50%	100%
Age	18-34	-	32%
	35-49	-	53%
	50-64	-	14%
Cities	Seoul	19%	40%
	Busan	7%	20%
	Daegu	4%	20%
	Gyeonggi-do	26%	20%
Consumption	Buy Fresh Meat (at least occasionally)	-	100%
MGBs	Main Grocery Buyers	-	92%
Children	Households with Children	-	39%
Income	Under 35,999,999 won	-	17%
	36,000,000 – 89,999,999 won	-	57%
	90,000,000 won+	-	22%

The Central Question

How can Australian
Beef strengthen its
leadership position in
South Korea?

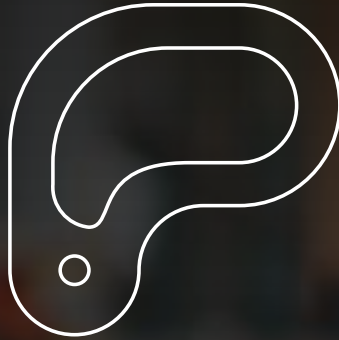
1
Macro- market context



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



Positive economic outlook



Increasing meat consumption



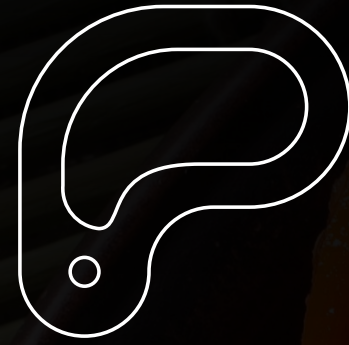
Food safety & quality are key

The growing economy and anticipated growth in the meat market suggest a favourable environment for the red meat industry in South Korea.



Positive economic outlook

- After a bumpy 2023, 2024 looks to be the year Korea focuses on re-stabilisation and economic growth.
- The economy grew 3.4% year on year, bigger than the forecasted 2.5%; driven by sustained export recovery.



Increasing meat consumption

- Koreans are eating more meat than they did in 2023, surpassing the consumption of staple food rice.
- Meat consumption increased 1.3% vs 2023 and is expected to continue to grow.
- Pork accounted for half of all meat consumption per capita last year, with the protein perceived as affordable and versatile.



Food safety and quality are key

- Consumers are highly sensitive to food safety concerns.
- In Mar'24, South Korea banned all imports of ruminant meat products, such as beef, sheep, and mutton, from 36 countries with a history of mad cow disease (BSE), benefiting countries such as Australia and New Zealand that have never had BSE.

2 Protein landscape

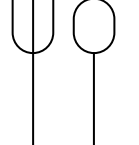


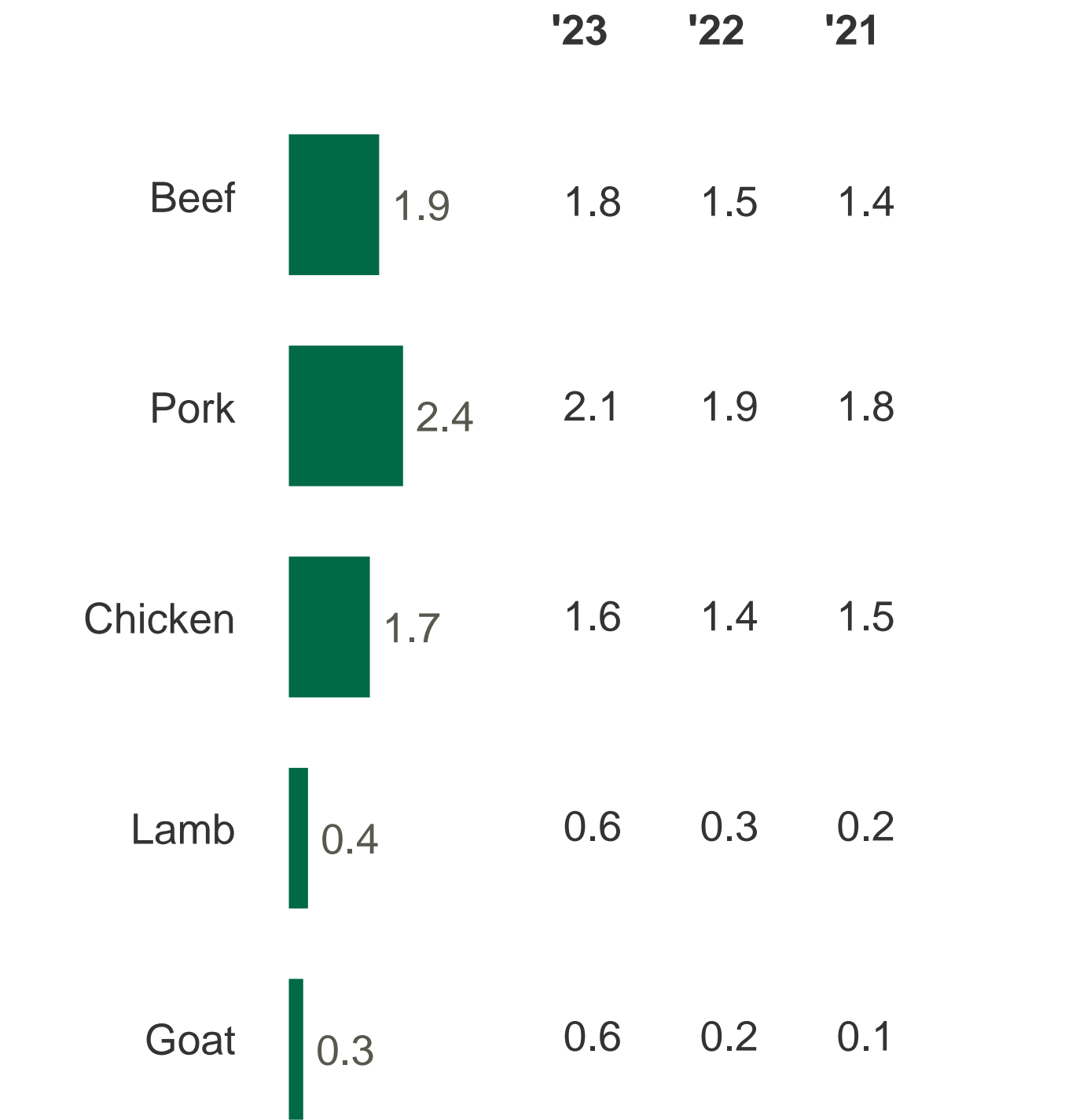
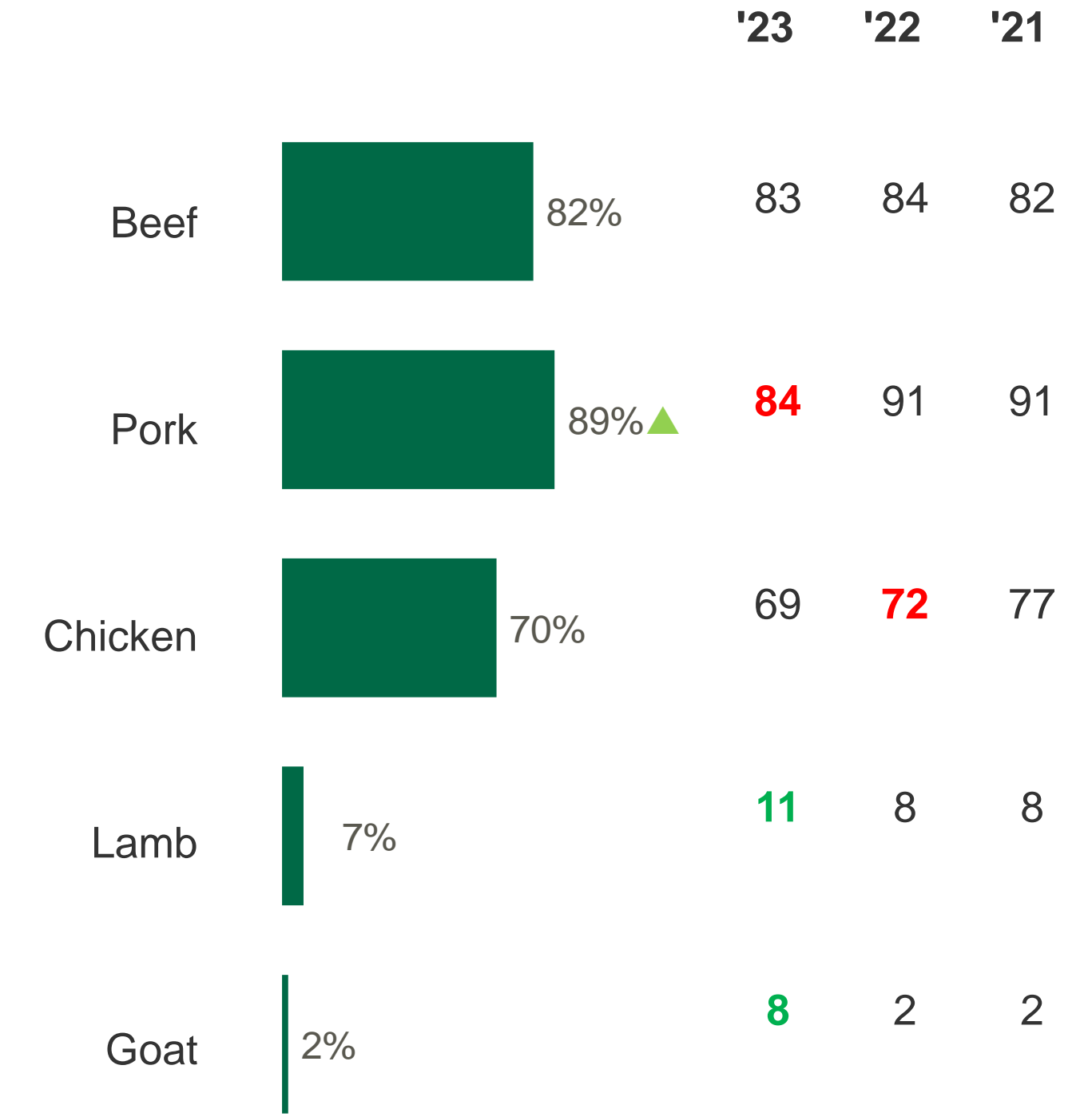
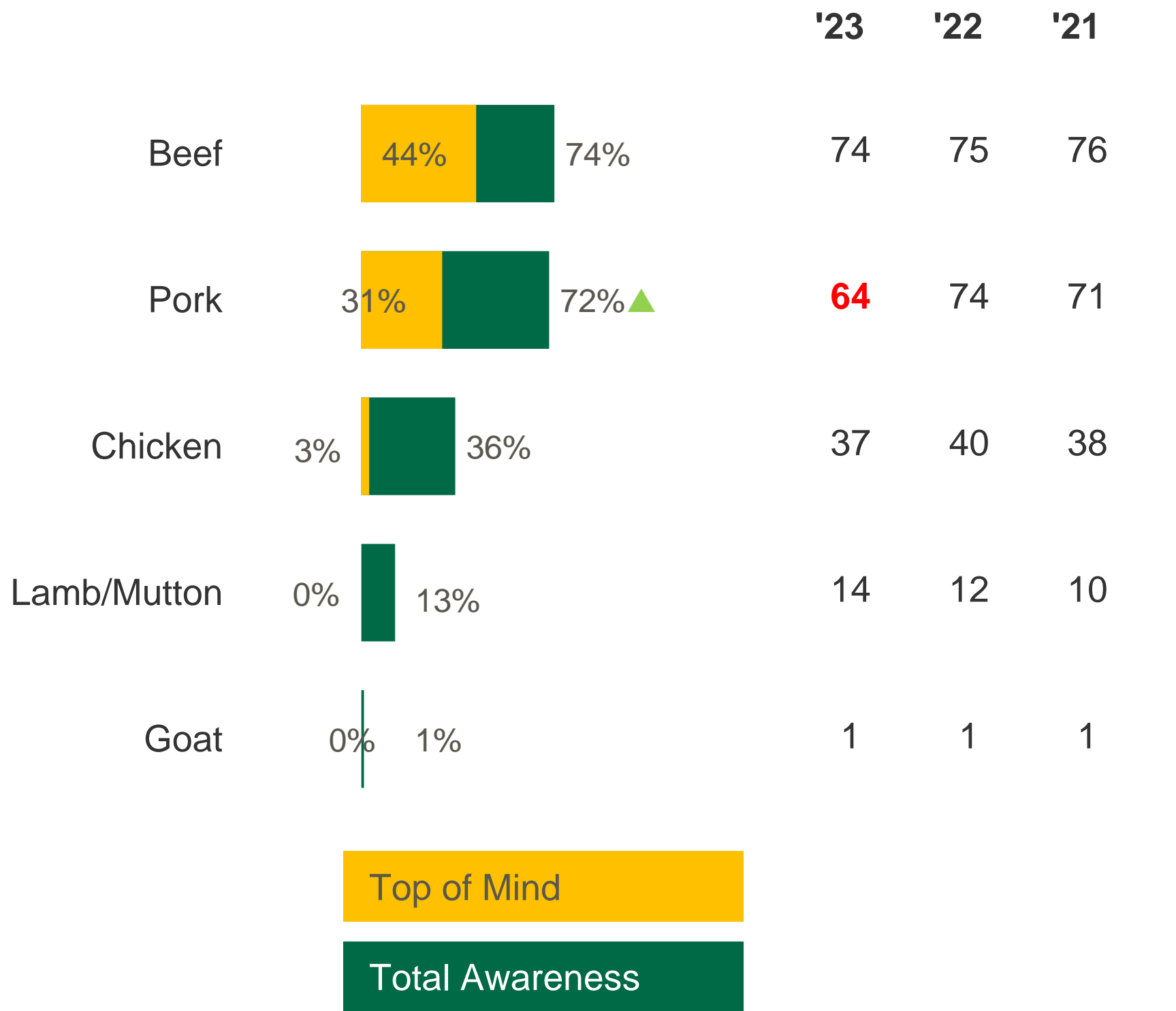
Overall protein salience and past-month purchases have been stable over the last few years, as pork consumption and salience return to 2022 levels.

Key Protein Metrics

 Spontaneous Awareness

 Bought In Last Month

 Average Serves Last 7 Days



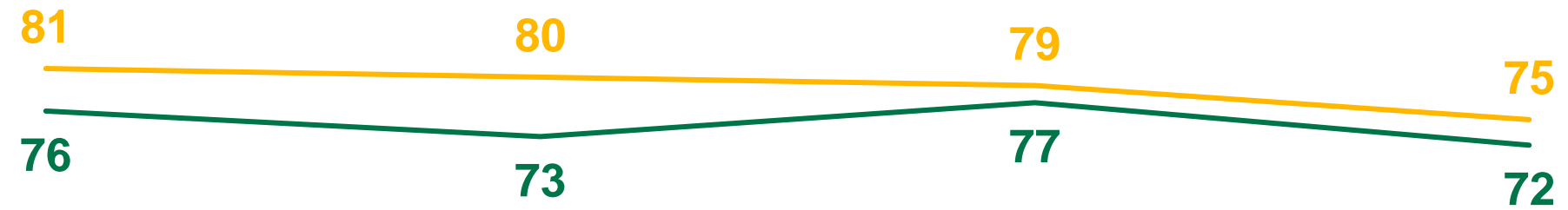
Imported beef is purchased more frequently compared to local beef whereas in most other countries we see local beef purchased more often

Frequency of buying local and imported beef

LOCAL/IMPORTED

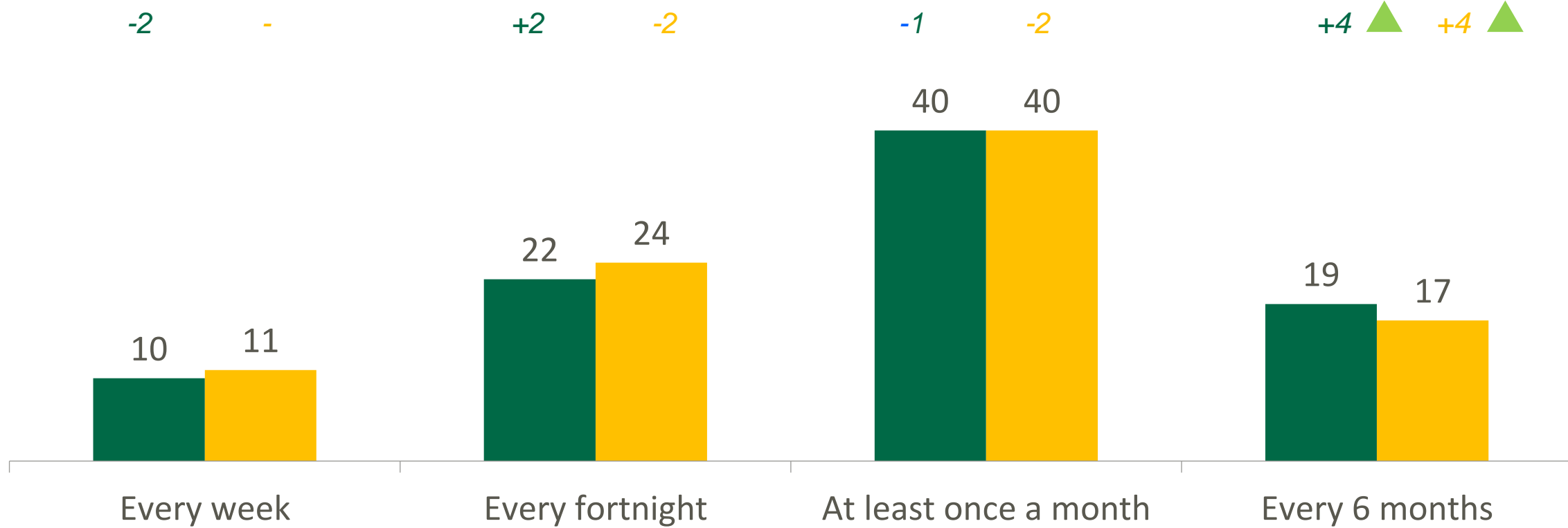
NET Monthly purchase of local/imported beef

NET Monthly



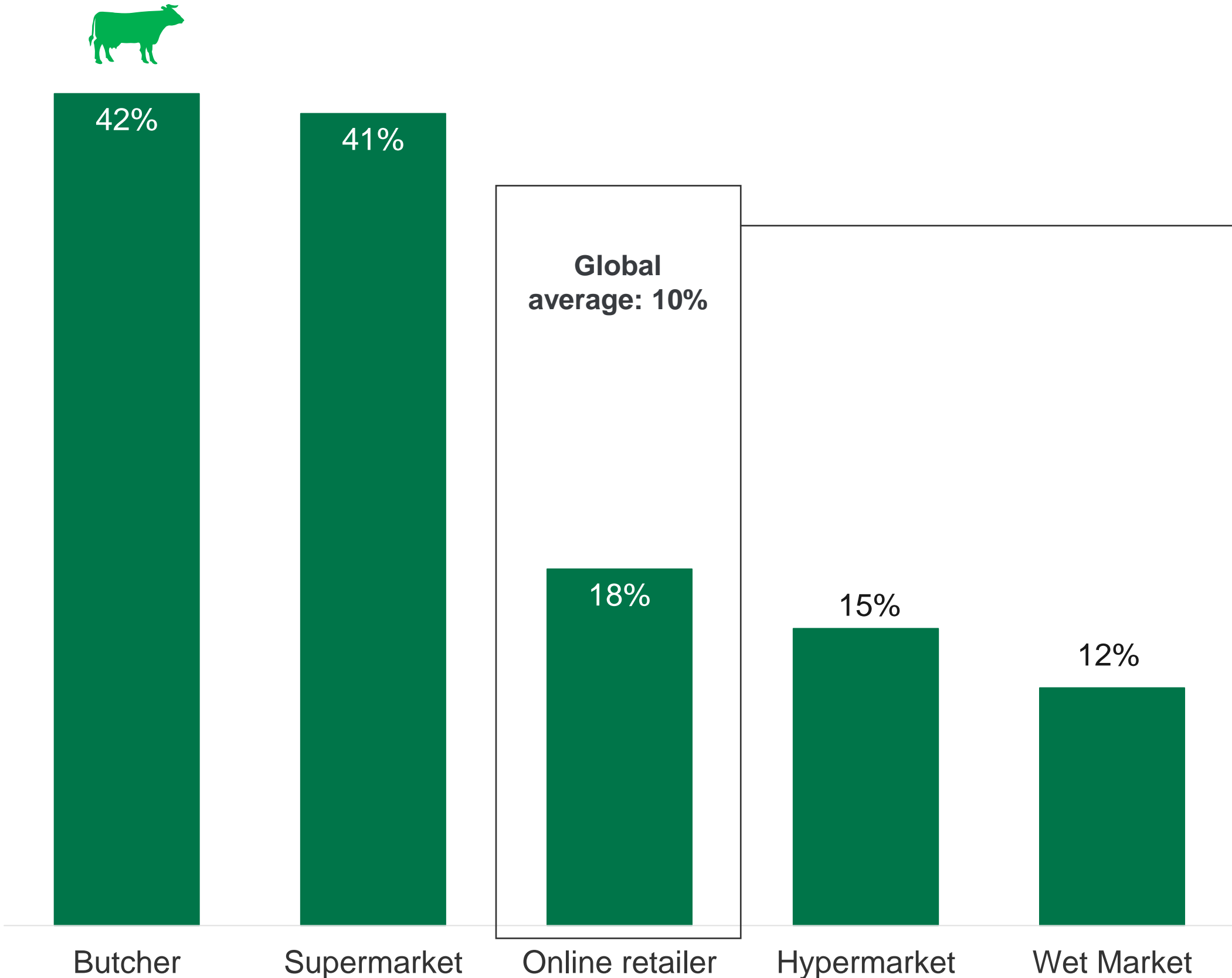
—Local —Imported

Frequency of purchase of local/imported beef



While physical channels are most popular for buying beef, online in South Korea is higher than global average - driven mainly by the time-saving and convenience it offers.

Beef Places Of Purchase At Least Once A Month & Online Purchase Barriers

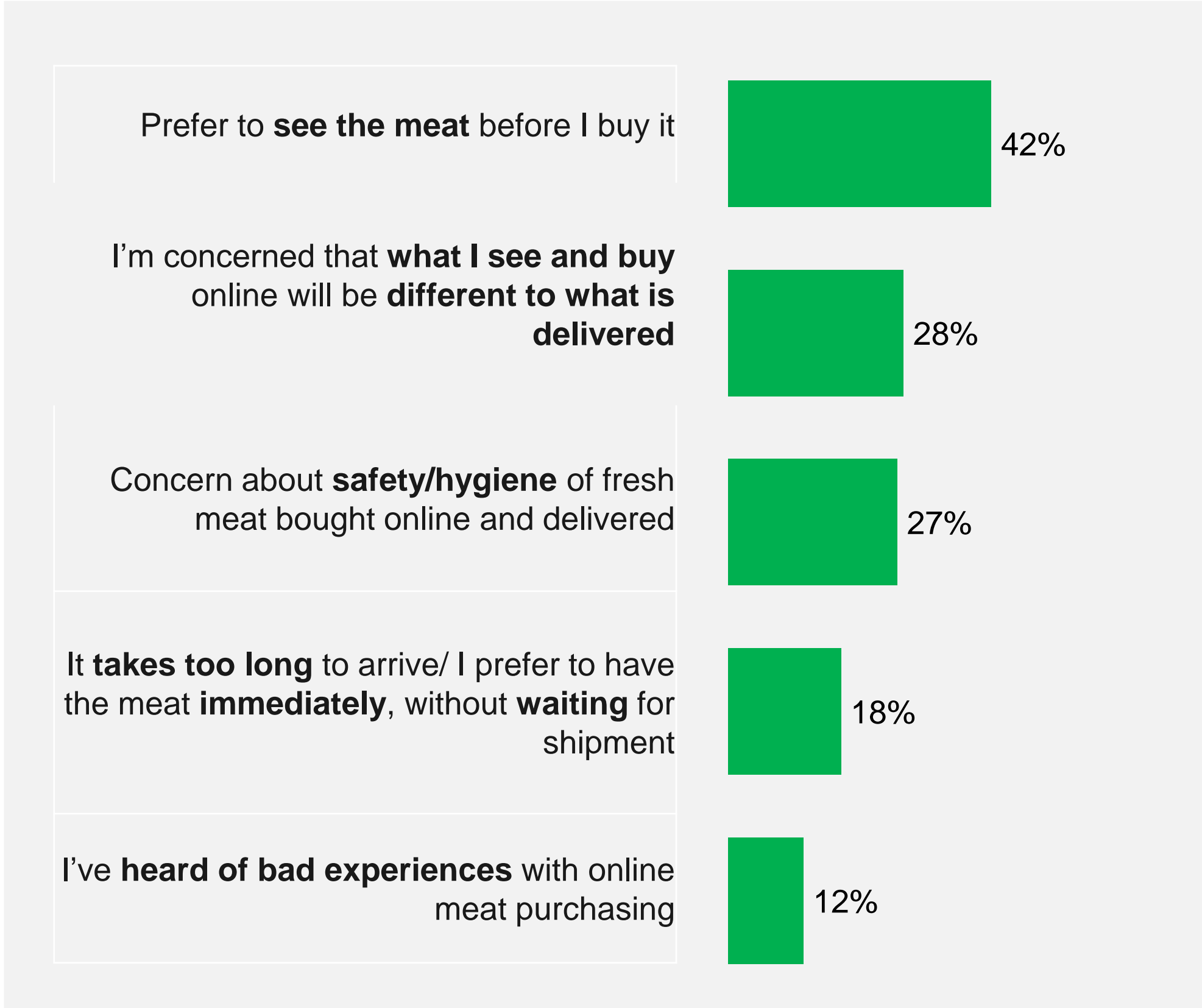


Reasons behind online beef purchase

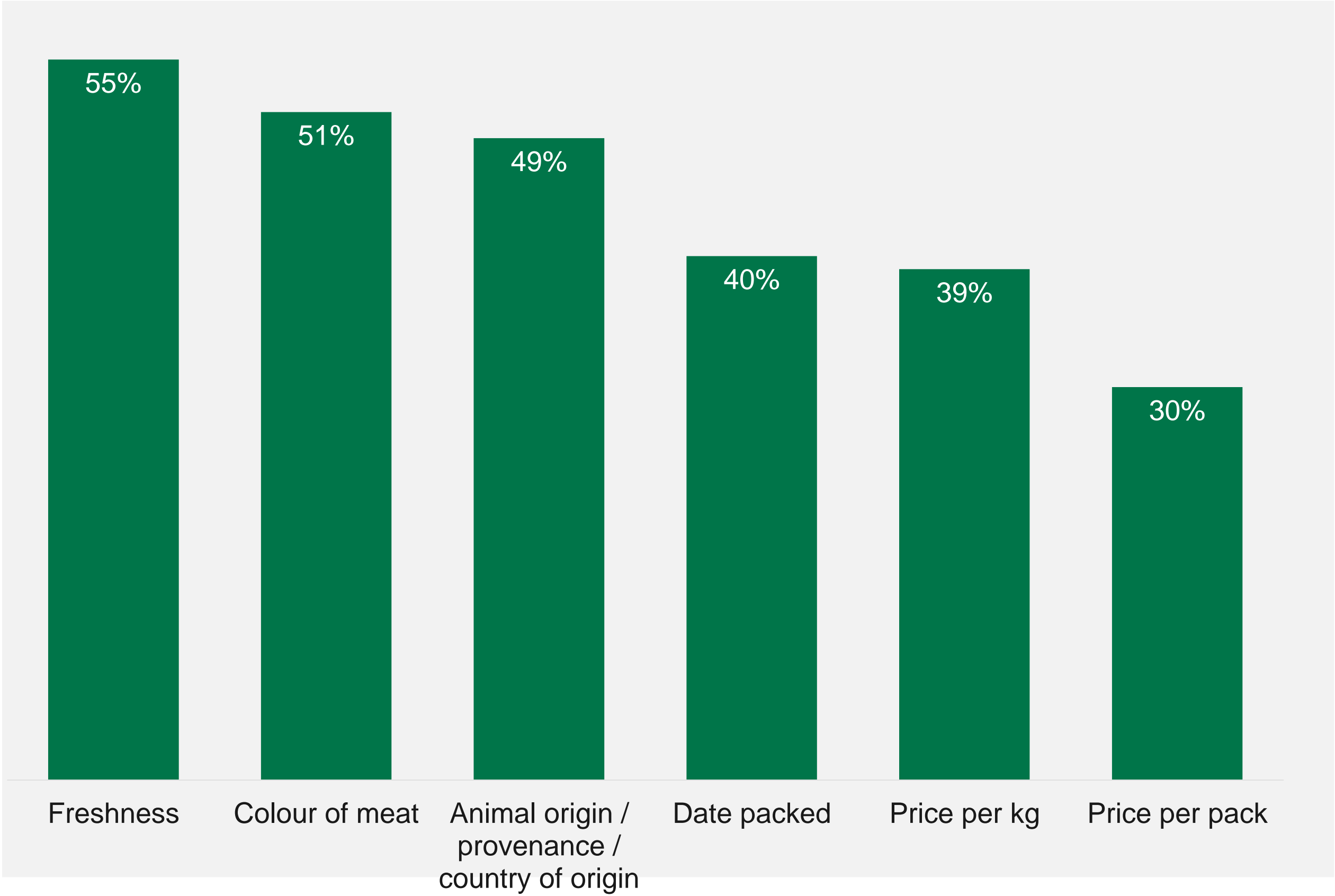


Those still hesitant to buy beef online prefer to see it before buying to ensure quality and safety. Freshness, colour and provenance are the key factors that buyers look for when buying beef.

Top 5 reasons for not buying beef online



Top cues looked for when buying beef



Summarising Protein landscape in South Korea

Protein consumption

In South Korea, protein consumption has been relatively steady in recent years.

Beef has an opportunity to gain from the increasing meat consumption and Pork demonstrates the largest opportunity to convert serves from, having the largest protein consumption.

Food safety, quality and convenience are key

Food safety and quality are very important in South Korea; thus, animal provenance/ country of origin is among the top things consumers look at when purchasing beef.

Australian beef is well placed to meet this demand as it caters to both functional and emotional needs.

It is important to ensure availability in all relevant channels especially with high preference for online purchase in South Korea.

3 Beef- Brand Health By Country of Origin



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.

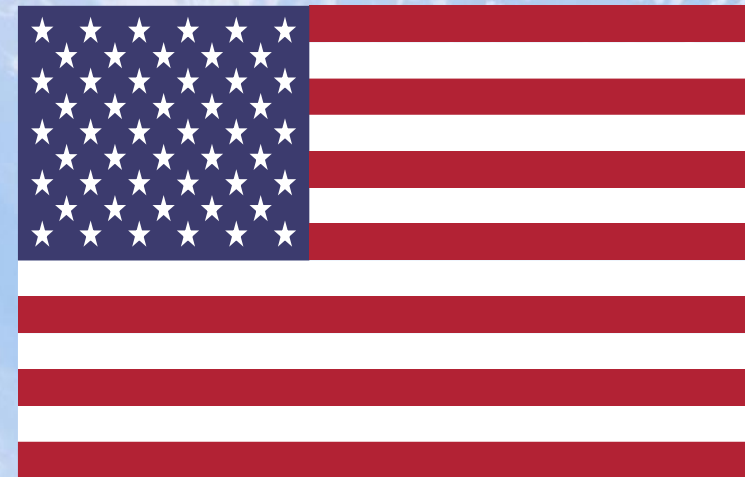
The brand list remains consistent with 2023 allowing year on year comparisons

Beef Brands Tracked In 2024

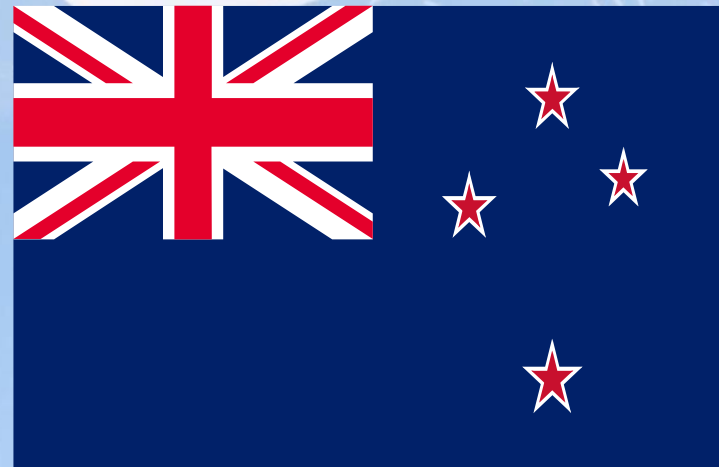
Australian beef



American beef



New Zealand beef



Canadian beef

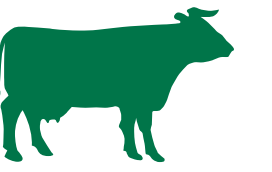


Despite a higher tariff than the US, AU beef imports grew compared to 2023, compensating for a drop in imports from competitors and indicating that the overall trend for AU beef imports in South Korea is positive and expanding.

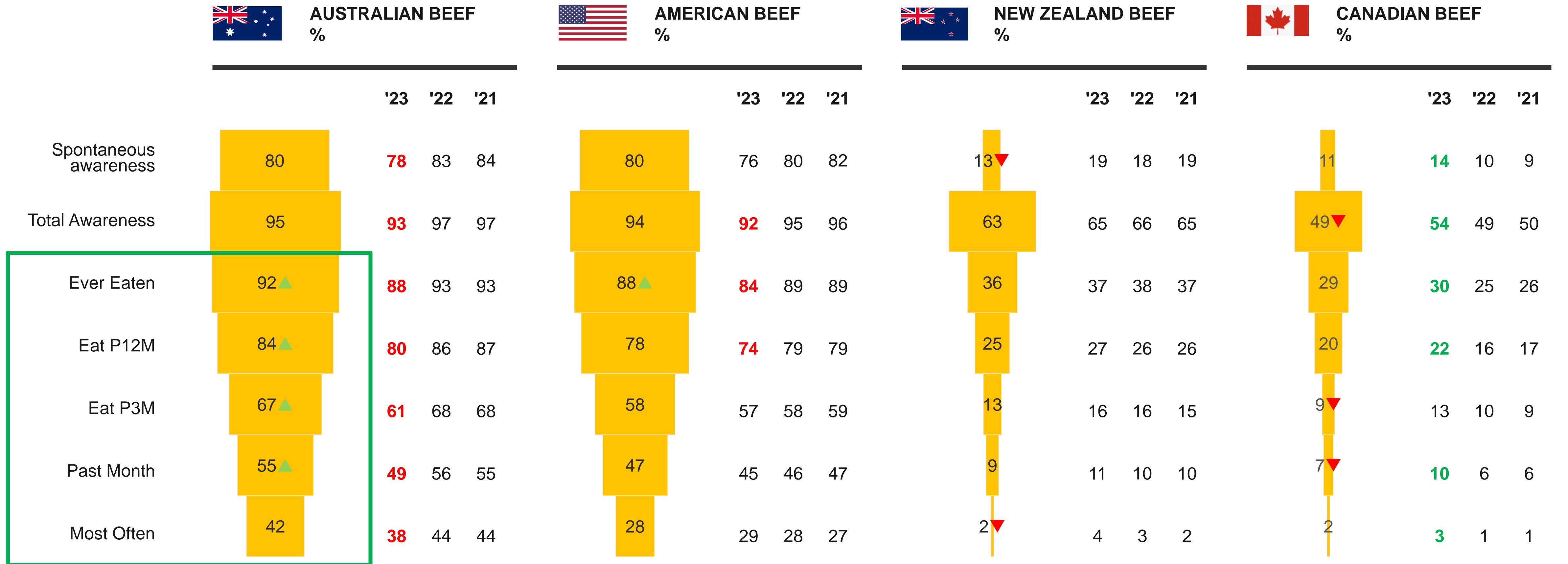
Korea Beef Imports By Suppliers

- US beef has a distinctive competitive advantage over AU beef as its tariff is 50% lower than AU beef tariff (whose tariff has dropped to 10.6%)
- However, **December imports from the US were down by 24%** compared to previous year due to lower production.
- Overall **Australian beef imports increased by 10%**, offsetting the decrease from the US and other countries.
- The USDA forecasts that overall South Korean beef imports will grow further by 2% in 2024.

AU and US beef maintain dominance in South Korea. In line with rising imports, AU beef consumption recovered back to 21/22 levels.



Brand Health Funnels – By Country Of Origin



There are two paths to brand growth

By increasing the likelihood
that a consumer will buy a brand

We call this **Demand Power**

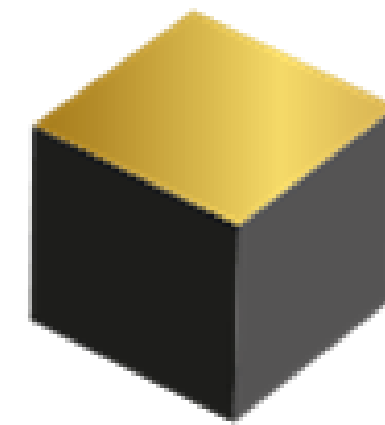


Demand Power

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

By increasing the likelihood
consumers will pay for a brand

We call this **Pricing Power**



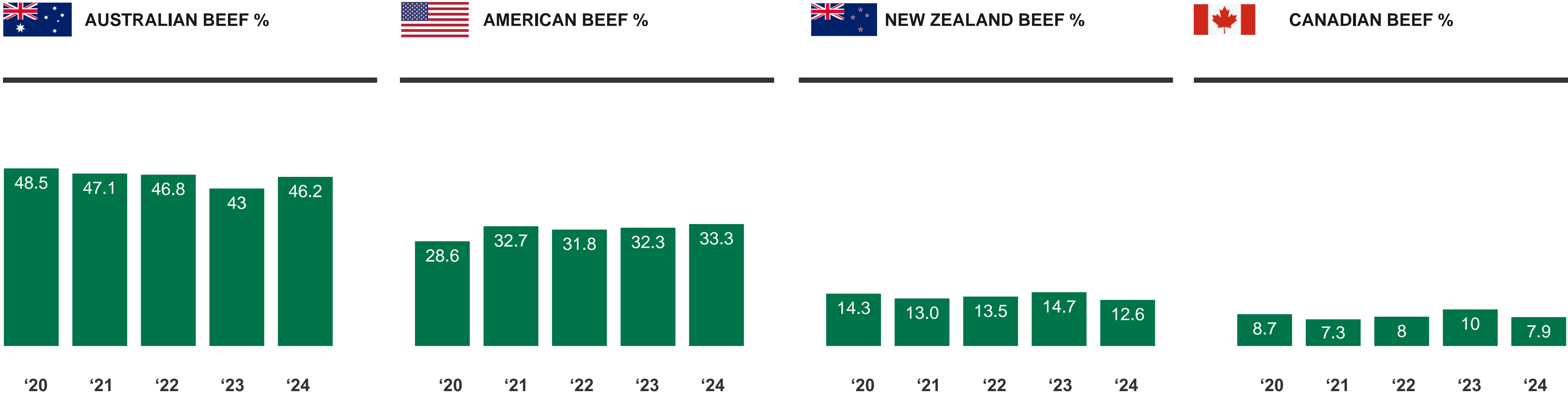
Pricing Power

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

South Korean consumers are most likely to choose AU Beef. Its lead has strengthened in 2024, drawing predisposition away from smaller competitors such as NZ and CN beef.

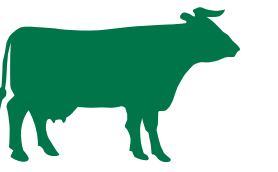


Beef Country Of Origin – Equity/ Demand Power

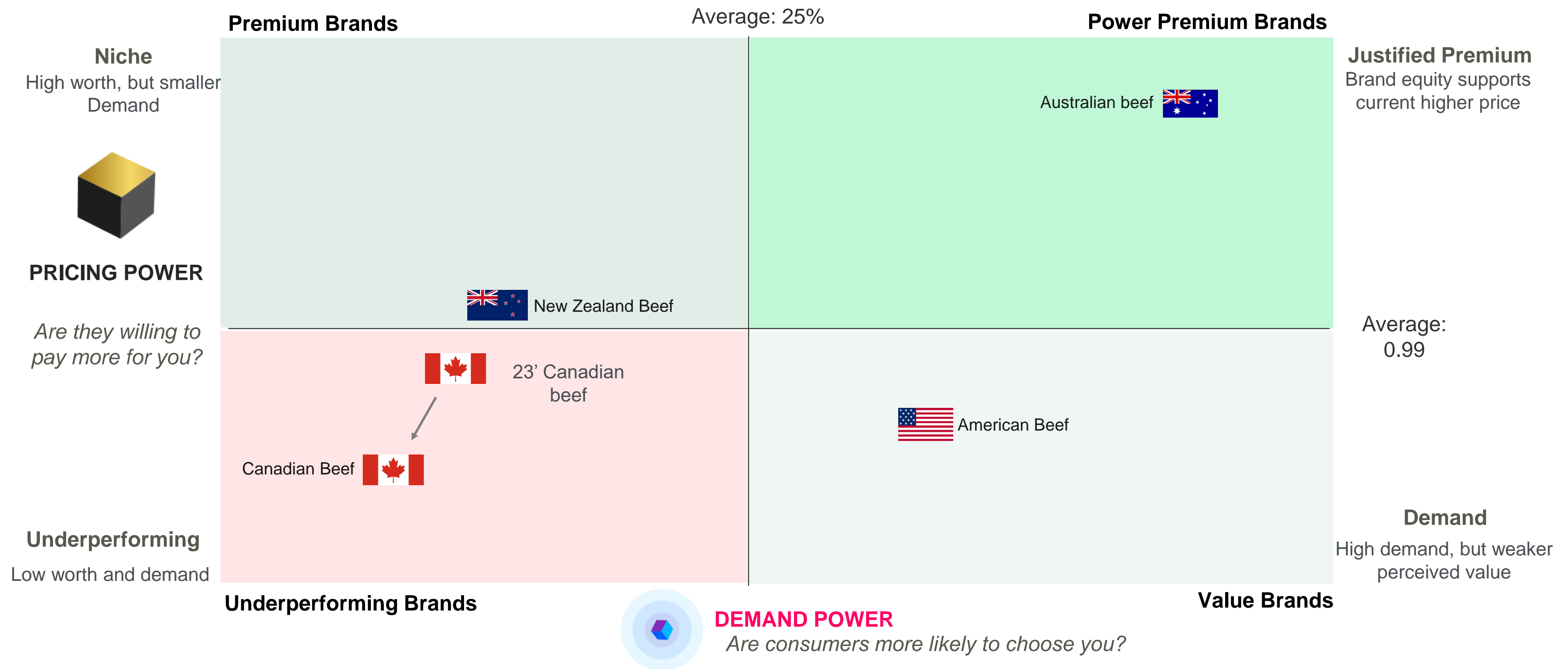


■ Demand Power

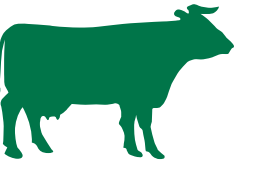
US beef is the value option while AU beef holds a justified premium position, as consumers are willing to pay a higher-than-average price for it. It is important for AU beef to further grow its position in the market.



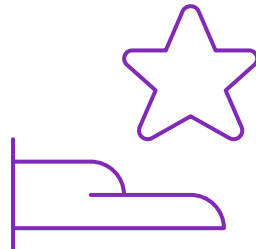
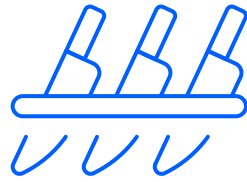

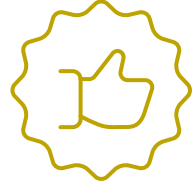

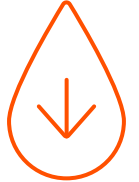
Beef Power VS. Premium By Country Of Origin



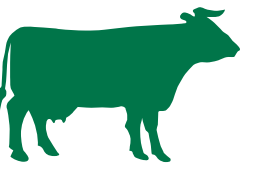
There are certain associations that consumers hold in their minds for beef. In South Korea, these associations break up into 6 broad themes



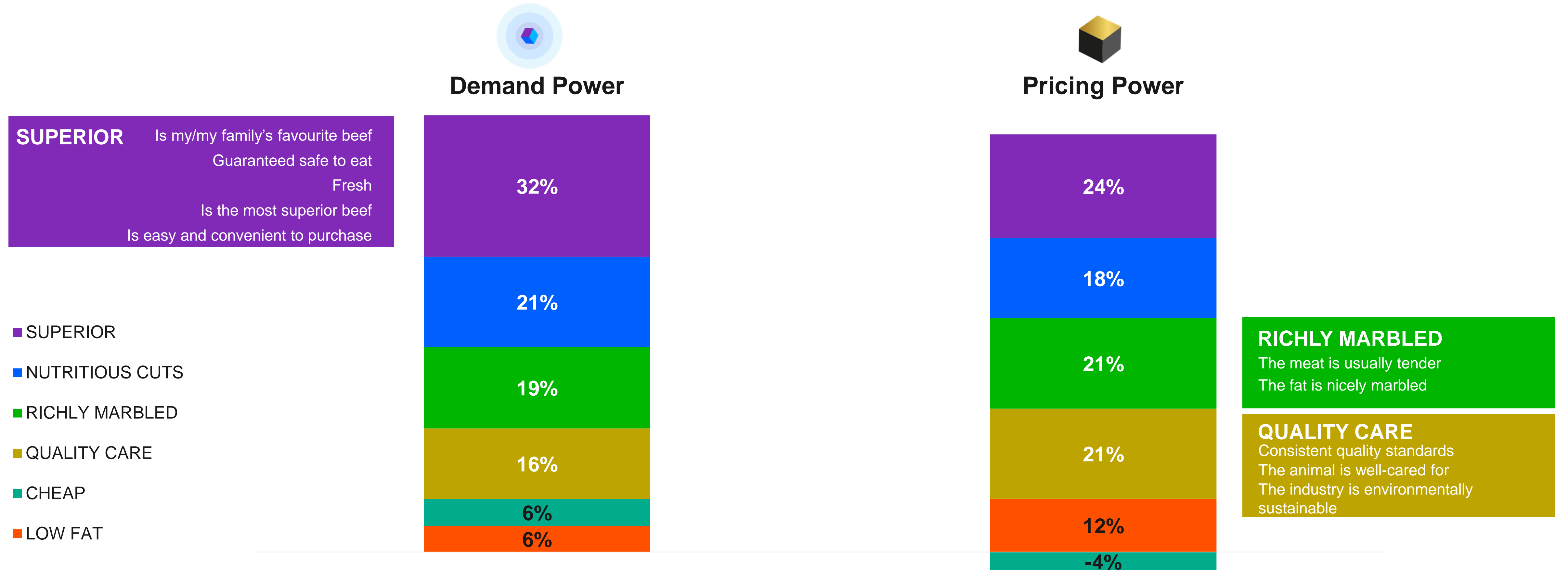
Importance In Driving Demand Power

 Superior	 Nutritious Cuts	 Richly Marbled	 Quality & Care	 Cheap	 Low in fat
32% (38%)	21% (21%)	19% (18%)	16% (14%)	6% (7%)	6% (2%)
<ul style="list-style-type: none"> – Is my/my family’s favourite beef – Guaranteed safe to eat – Fresh – Is the most superior beef – Is easy and convenient to purchase 	<ul style="list-style-type: none"> – Offers a variety of cuts that suit the meals I make – More nutritious 	<ul style="list-style-type: none"> – The meat is usually tender – The fat is nicely marbled 	<ul style="list-style-type: none"> – Consistent quality standards – The animal is well-cared for – The industry is environmentally sustainable 	<ul style="list-style-type: none"> – Cheaper 	<ul style="list-style-type: none"> – Is low in fat

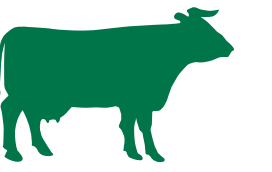
Safety, freshness, superiority, and accessibility are key for driving both Demand and justifying a Premium price. **Tenderness, marbling** and **quality, sustainable practices & low fat** options can also help justify a premium price.



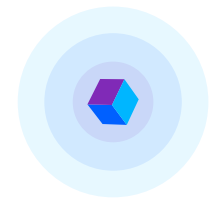
Beef Country Of Origin – Equity Drivers



As competitors' perceptions weaken, AU's stronger links to freshness, accessibility, variety of cuts and sustainable practices are driving its recovery in consumption.

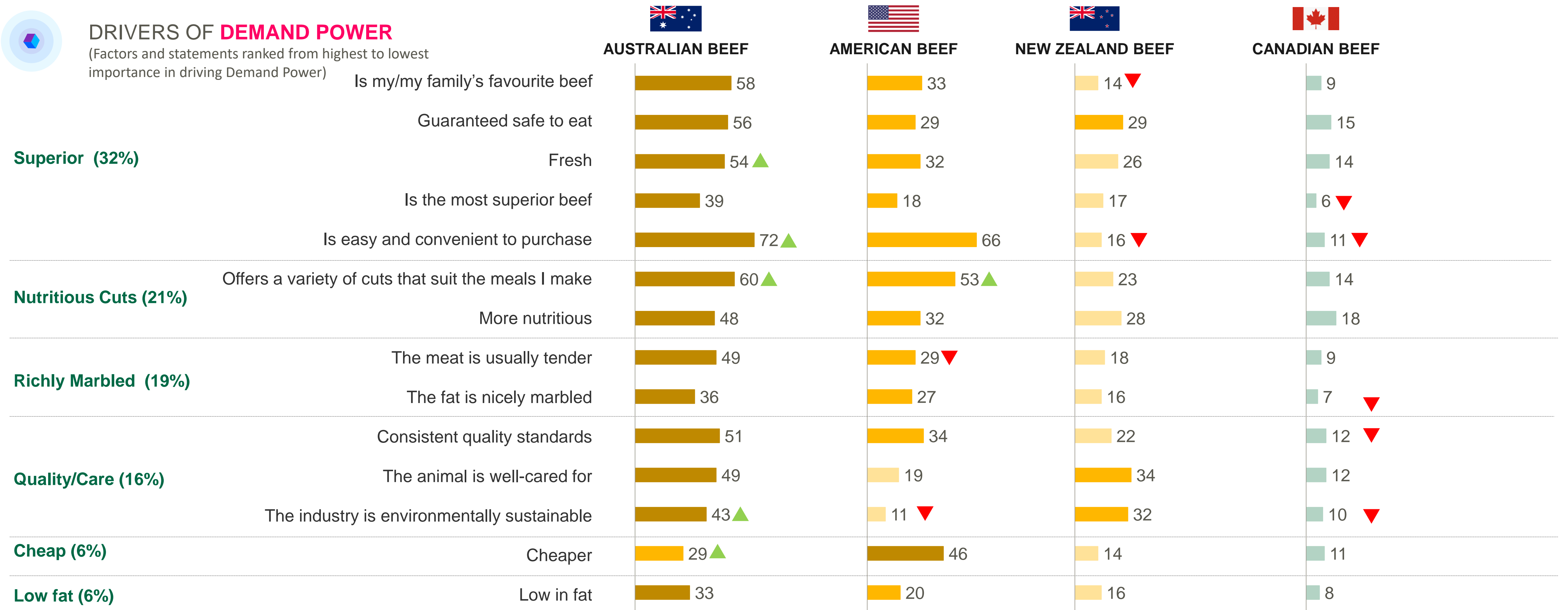


Drivers Of Demand Power



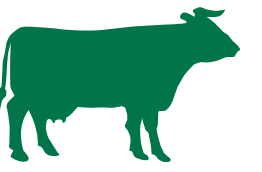
DRIVERS OF DEMAND POWER

(Factors and statements ranked from highest to lowest importance in driving Demand Power)

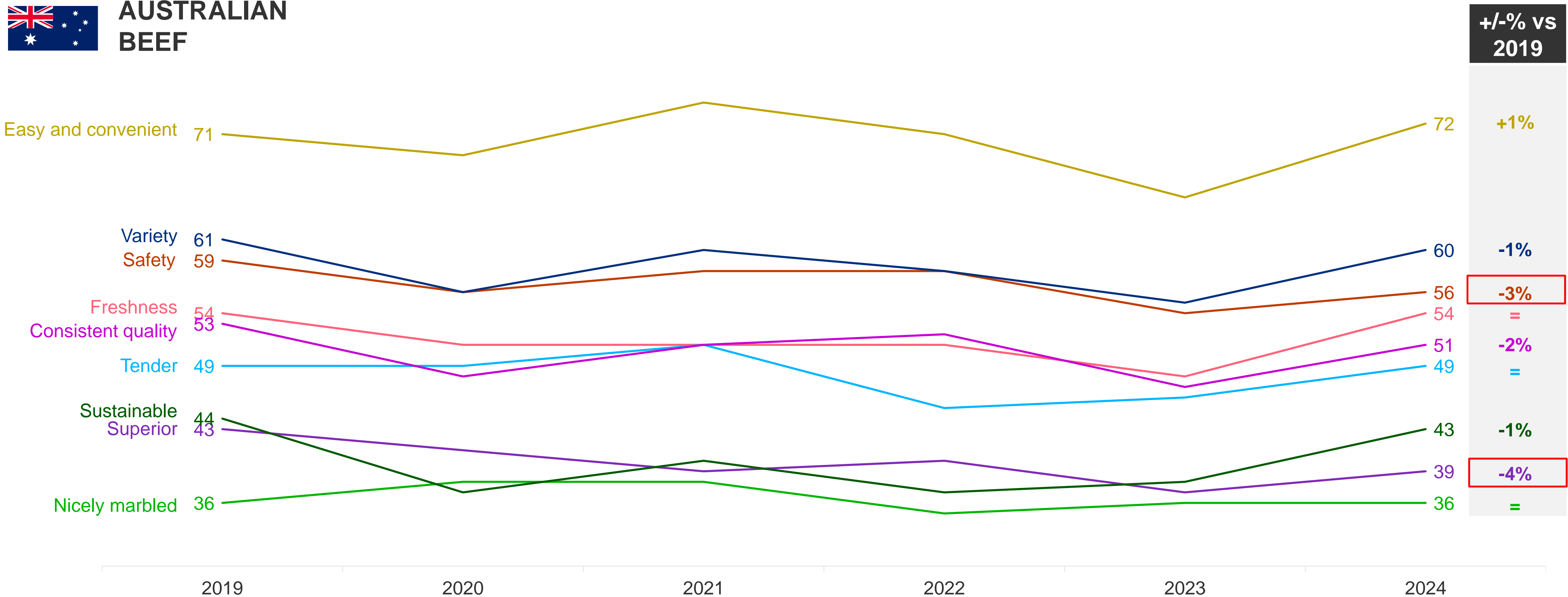


▲ ▼ Sig. different at 95% vs 2023

AU beef has the strongest association across attributes; however, to strengthen its leadership position, it is important to grow among the key drivers.



Perceptions Australian Beef – Trended Overtime



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.

Brand Image Profiling and Why We Should Look At It?



Limited Insights:

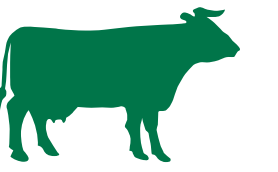
Big Brand leads on everything, followed by Medium Brand and Small Brand.

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

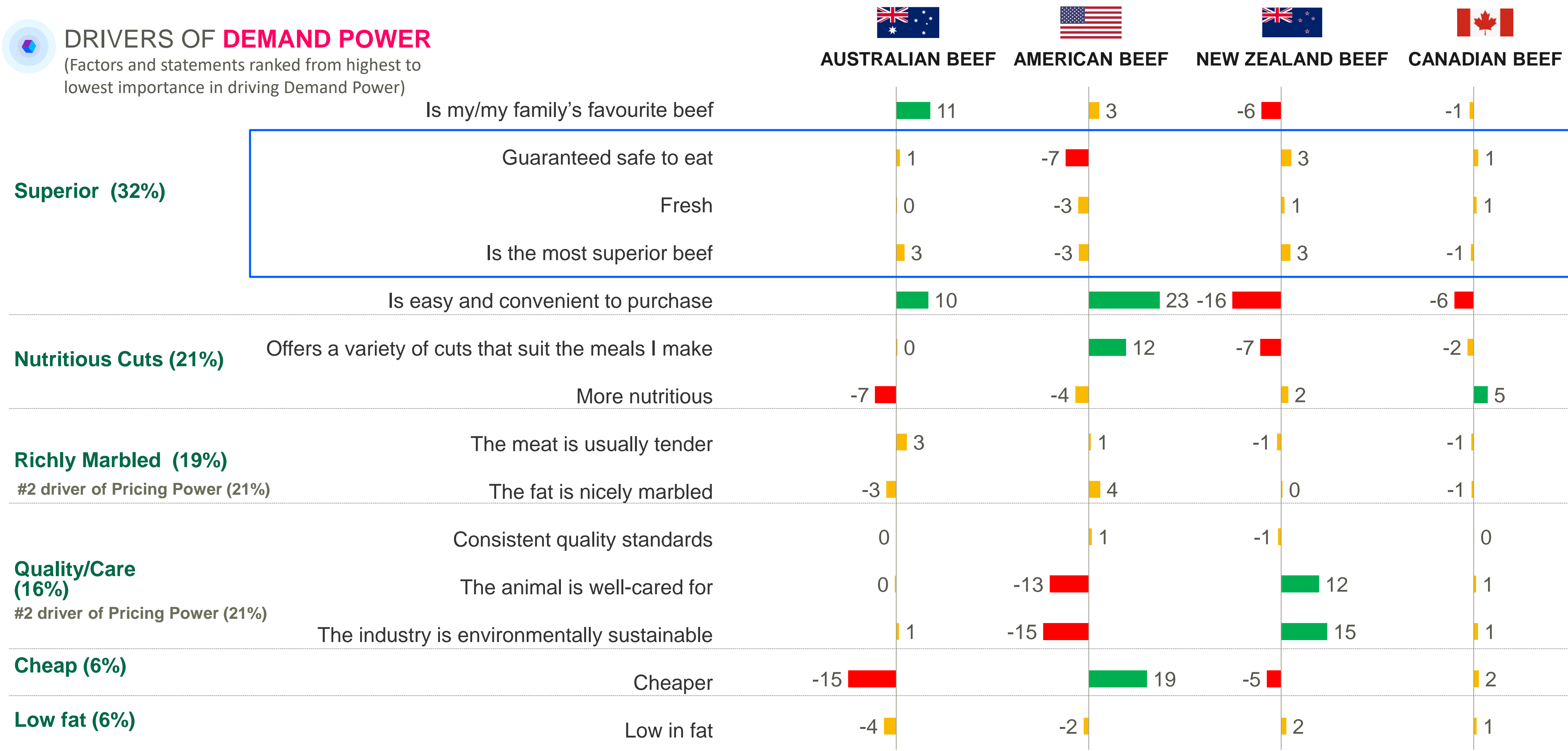
We can then **overlay what drives demand and willingness to pay** to help you pursue what matters most (choice/price driving associations, differentiation/competitive white space)

There is a clear opportunity to own the association with safety, freshness and superiority - that are key drivers to both demand (volume) and premium (value) and are currently white spaces.



Drivers Of Demand Power

DRIVERS OF DEMAND POWER
(Factors and statements ranked from highest to lowest importance in driving Demand Power)



US beef stands out in Nutritious Cuts while NZ dominates Quality/Care, both key to justify a premium price.

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

Modelling helps us identify that the strongest returns for AU Beef lie in ensuring the availability and variety of safe, superior cuts that AU Beef offers, ensuring nutritious meals.



Top Associations To Grow (Ordered Based On Impact On Building Equity)

1

Is easy and convenient to purchase

Strength for AU and US beef, although US beef currently owns the convenience space

2

Guaranteed safe to eat

White space

3

Is the most superior beef

White space (Potential future strength for AU and NZ beef)

4

Offers a variety of cuts that suit the meals I make

Currently owned by US beef

5

More nutritious

Currently owned by Canadian Beef

4

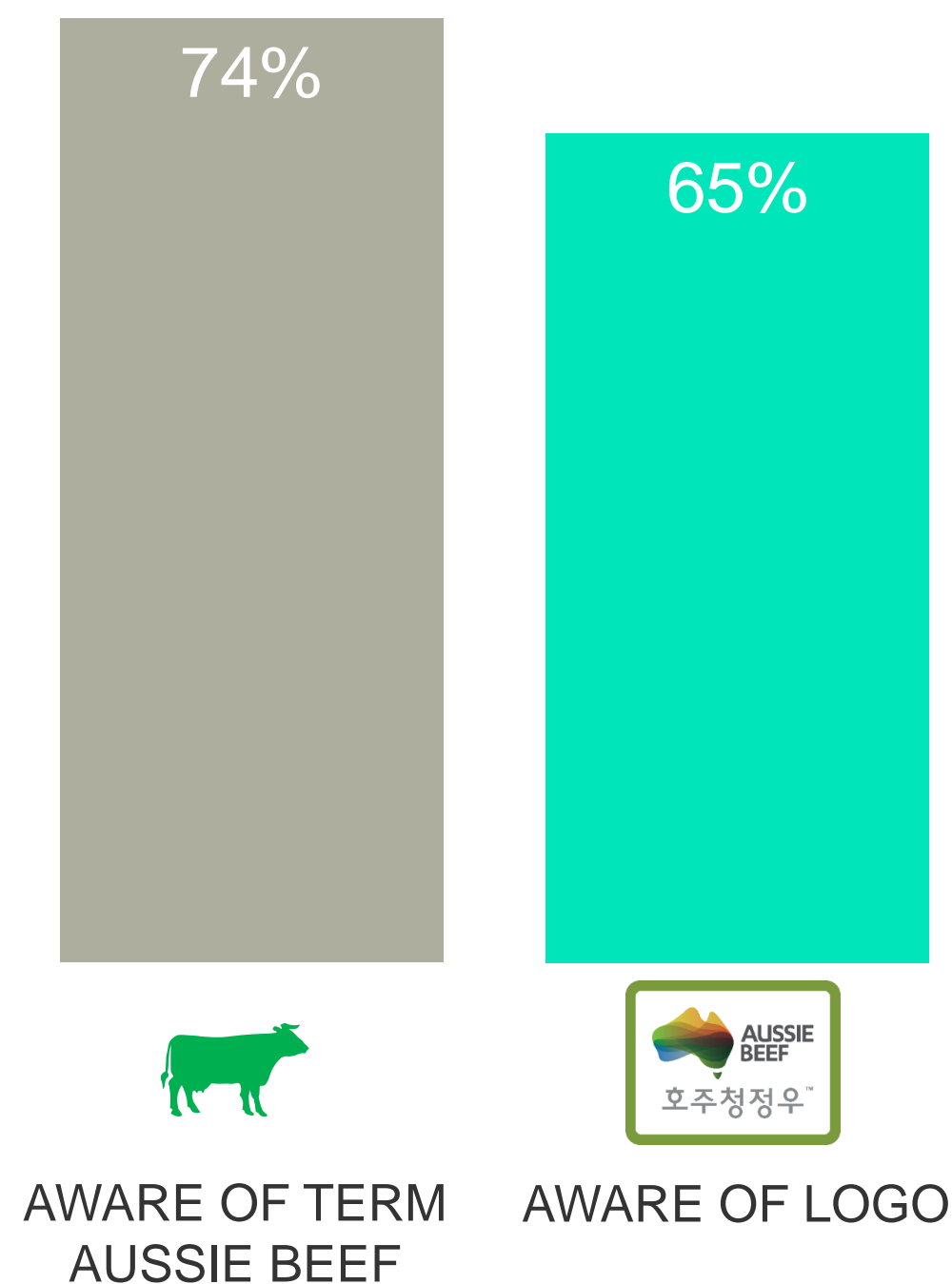
Aussie Beef- Awareness & Associations





Due to its resemblance to the previous version, the Aussie Beef term and logo are well-known, as the logo is strongly associated with all functional and emotional attributes.

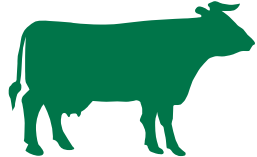
Aussie Beef - Awareness And Perception



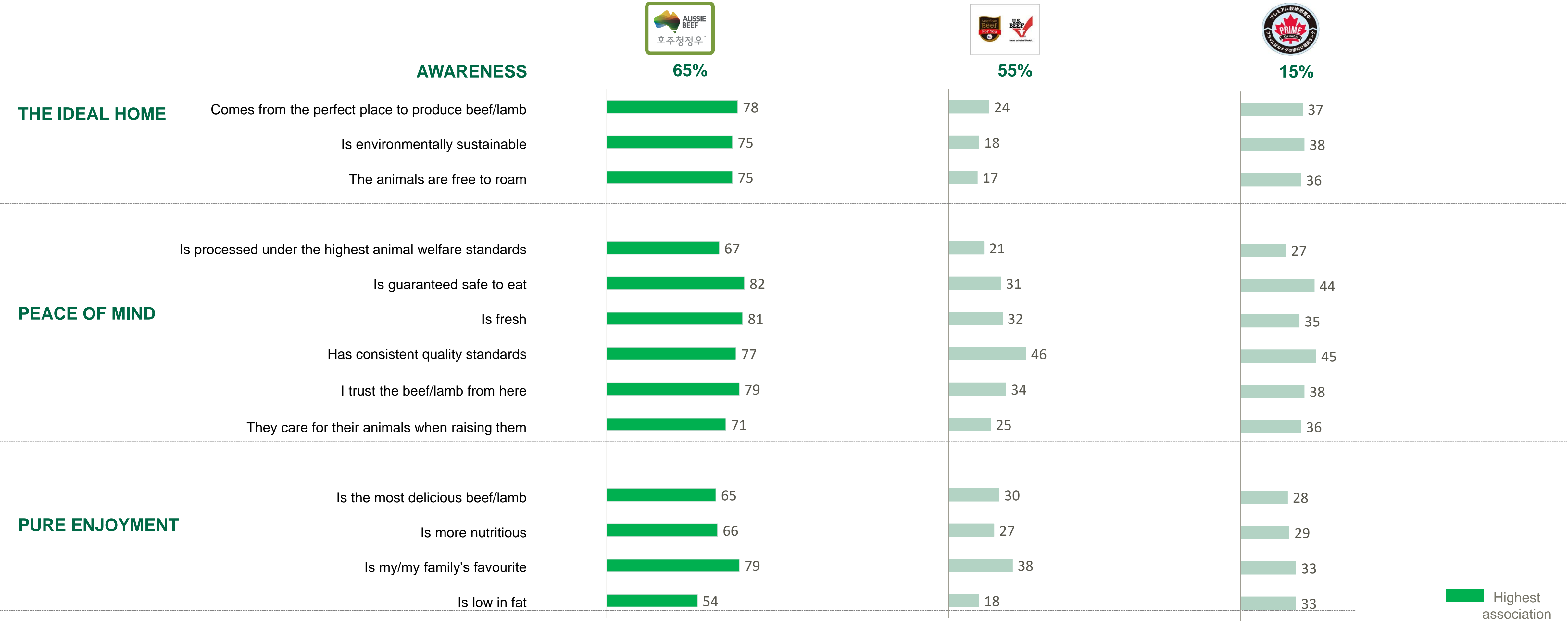
Top 5 impressions of Aussie beef logo:

1. Comes from the perfect place to produce beef
2. Is environmentally sustainable
3. The animals are free to roam
4. Is processed under the highest animal welfare standards
5. Is guaranteed safe to eat

Aussie Beef is the most well-known Beef brand; most strongly linked with both functional and emotional attributes.

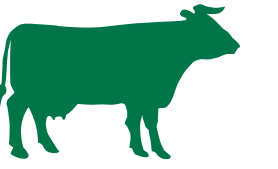


Aussie Beef - Awareness And Perception

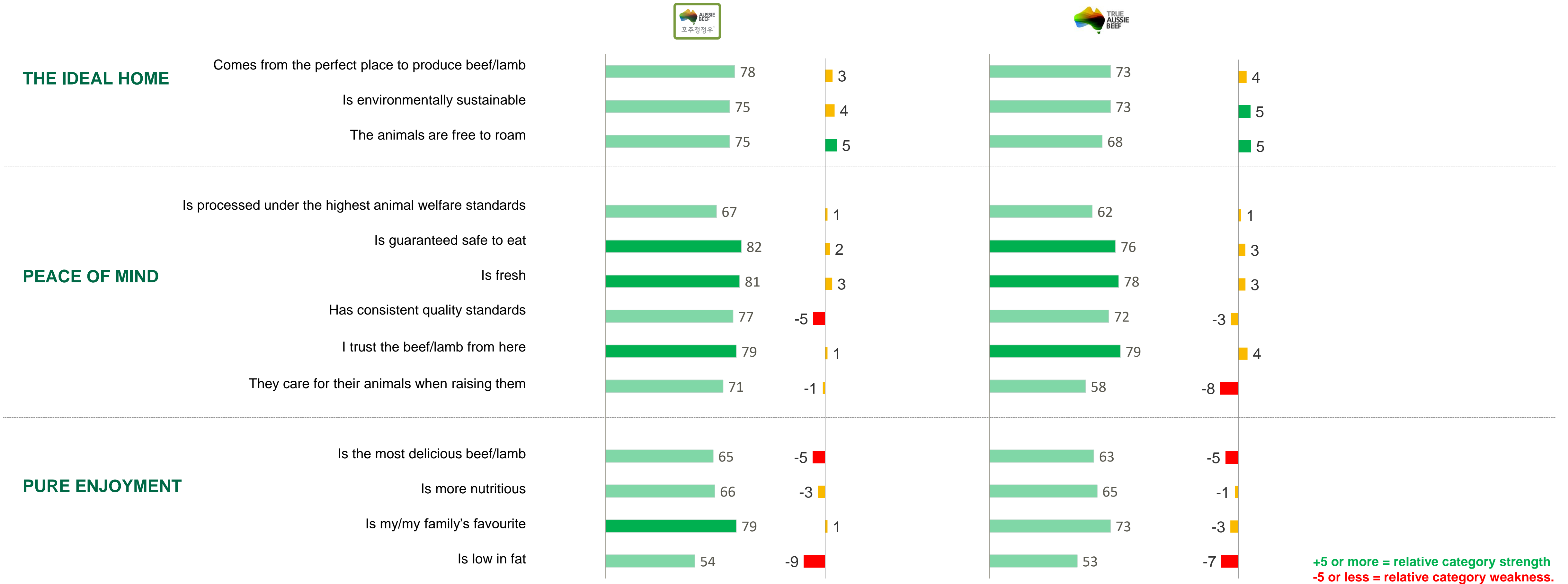


QTA3. Have you ever seen this logo before? (n=801) QTA6. The logos below are used to brand beef as being from particular countries (n=517). Which of these logos have you seen before when buying beef? QTA7. We would like to know which of the following statements apply to the beef brands you have selected. You may choose as many or as few logos as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Aussie Beef/Lamb (n=326), US Meat (n=283), Canadian Beef (n=78)

Given that Aussie Beef was launched in 2023, it is encouraging to see that it has not lost any of its essential perceptions or brand pillars so continues to be a brand asset we can leverage.



Aussie Beef (2024) Vs True Aussie (2023) – Comparison On Perceptions



5
Final thoughts and
discussion



Final thoughts and discussion

1. Boost Beef's consumption

Pork and Beef are perceived differently, playing different roles in consumers' repertoire.

As such, it is **Beef's everyday cuts** that have the potential to credibly **deliver versatile affordability**, fuelling switching potential.

Beef's **premium cuts** can continue to **strengthen** the perceptions of **superiority** and **quality**.

2. AU beef is dominating the category

AU beef has **recovered in consumption** and **strengthened its lead** in the market, well ahead of USA and NZ, maintaining its **premium position**.

To strengthen its leadership position and capitalise on the drop in imports from US, AU beef must **emphasize its unique qualities** and continue to be **perceived as the superior choice**.

Ensure the **availability and variety of safe, nutritious and superior cuts**.

3. Continue emphasising Superior quality

South Koreans **value convenience** and choose meat that is **fresh, safe** and comes from **trusted** sources, emphasizing the need for quality assurance.

With BSE bans in the news, AU can **leverage its safe status** (watch out for NZ which has this same beneficial status albeit much weaker in the market vs AU).

'Aussie Beef' is well-known and provides consumers with peace of mind, building stronger awareness to target demand-driving perceptions can help the asset in brand building in South Korea.

KANTAR

Global Tracker 2024

South Korea Presentation Deck

Brought to you by your Kantar Team:
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Noah Watson



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