MLA Global:
CONSUMER TRACKER

KOREA 2021

Presentation Deck

KANTAR

MEAT & LIVESTOCK AUSTRALIA

Agenda…

Intros, Background & Methodology

An overview of the sample structure, geographic spread, survey inclusions and approach

Protein Landscape

A look at the awareness, claimed usage and associations with the different main proteins

Beef COO Brand Health & Perceptions

Digging down the country of origin level for Beef to understand their 'brand' associations, any strengths and weaknesses

Topic 1: COO Trust perceptions

Trust in COO brands and key Trust related associations with each

Topic 2: True Aussie awareness & perceptions

True Aussie logo performance and key associations communicated by the TA brand.

Topic 3: Purchase Channel online

Usage, barriers and facilitators of online red-meat purchase

Korea: A recap of some of your specific areas of focus from the brief

True Aussie Awareness:

- Although we use the True Aussie logo, we officially include and use the term "Hojuchungjungwoo" in the logo to effectively raise awareness AND easy to understand, it makes more sense to ask if consumers are aware of the term "HCW" and not just "True Aussie".

We cover awareness in TA section

Brand Trust:

- If possible, it would be good to ask consumers if they feel more safe, confident in buying Aussie beef with "Hojuchungjungwoo" logo on packs than without it and the reasons for this

Can dig into this a little with the TA & Trust data

Purchase Channels:

- Consumers 3 top of mind online (e-commerce) and offline retail channels for purchasing beef/meat

We'll cover some online and channel purchase behaviours

INTRODUCING MLA'S GLOBAL CONSUMER TRACKER
Diverse markets, with some universal truths.

7,800 consumer interviews in 2021

*Annual quantitative consumer survey conducted via a 20-minute online interview**

Surveying consumers about

- *their meat consumption habits and attitudes*
- *their perception of Australian beef and lamb versus competitors*
- *Drivers of purchase, channels used*
- *Trust and recommendation of COO brands*

10 markets in 2021

Historical data allows tracking of trends over time

- *Respondents selected are aged 18-64, and both grocery buyers and meal planners for affluent households. They are deliberately pre-selected based on their potential openness to, and ability to purchase, Australian beef and/or lamb, and are not representative of the overall market in each country.*

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** UAE/KSA conducted with face to face interviewer*

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DEMOGRAPHICS

		COUNTRY INCIDENCE	SAMPLE STRUCTURE
Gender	Male	50%	-
	Female	50%	100%
Age	18-34	35%	30%
	35-49	42%	54%
	50-64	23%	16%
Cities	Seoul	31%	42%
	Busan	7%	20%
	Daegu	5%	16%
	Gyeonggi-do	25%	22%
Consumption	Buy Fresh Meat at Occasionally	98%	100%
MGBs	Main Grocery Buyers	91%	94%
Children	Households with Children	50%	38%
Income	Under 35,999,999 won	-	21%
	36,000,000 – 89,999,999 won	-	57%
	90,000,000 won+	-	21%

Sample is made up of n=800 consumers

PROTEIN LANDSCAPE

Beef and pork have both seen significant increases in spontaneous awareness in 2021. Purchase is stable in last month, as is past 7 day consumption.

SPONTANEOUS AWARENESS

	Top of Mind	Total Awareness	'20	'19	'18
Beef	42%	76% ▲	66	71	70
Pork	28%	71% ▲	64	66	66
Chicken	4%	38%	36	37	36
Lamb/ mutton		10%	11	16	14
Goat		1%	2	3	2

Top of Mind

Total Awareness

BOUGHT IN LAST MONTH

		'20	'19	'18
Beef	82%	82	87	86
Pork	91%	88	93	93
Chicken	77% ▲	72	79	76
Lamb/ mutton	8%	7	8	10
Goat	2%	3	3	4

AVERAGE SERVES LAST 7 DAYS

		'20	'19	'18
Beef	1.4	1.5	1.5	1.6
Pork	1.8	1.9	1.9	1.9
Chicken	1.5	1.5	1.4	1.4
Lamb/ mutton	0.2 ▼	0.3	0.3	0.3
Goat	0.1 ▼	0.2	0.2	0.2

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CH1 Spontaneous Awareness – When thinking about meat, which types come to mind?
CH2 Bought in the last month – Which types of meat have you bought in the last month to prepare for a meal at home?
CH10 How many meals that included the following meats have been prepared and eaten in your home in the last 7 days
Base: '21 (n=800), '20 (n=800), '19 (n=459), '18 (n=426)

▲▼ *Sig. different at 95%*

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IMAGE PROFILE: Understanding relative strengths and weaknesses

Image Profiling is a unique tool used by Kantar to analyse the ***relative* strengths and weaknesses** of each brand across a number of attributes/associations

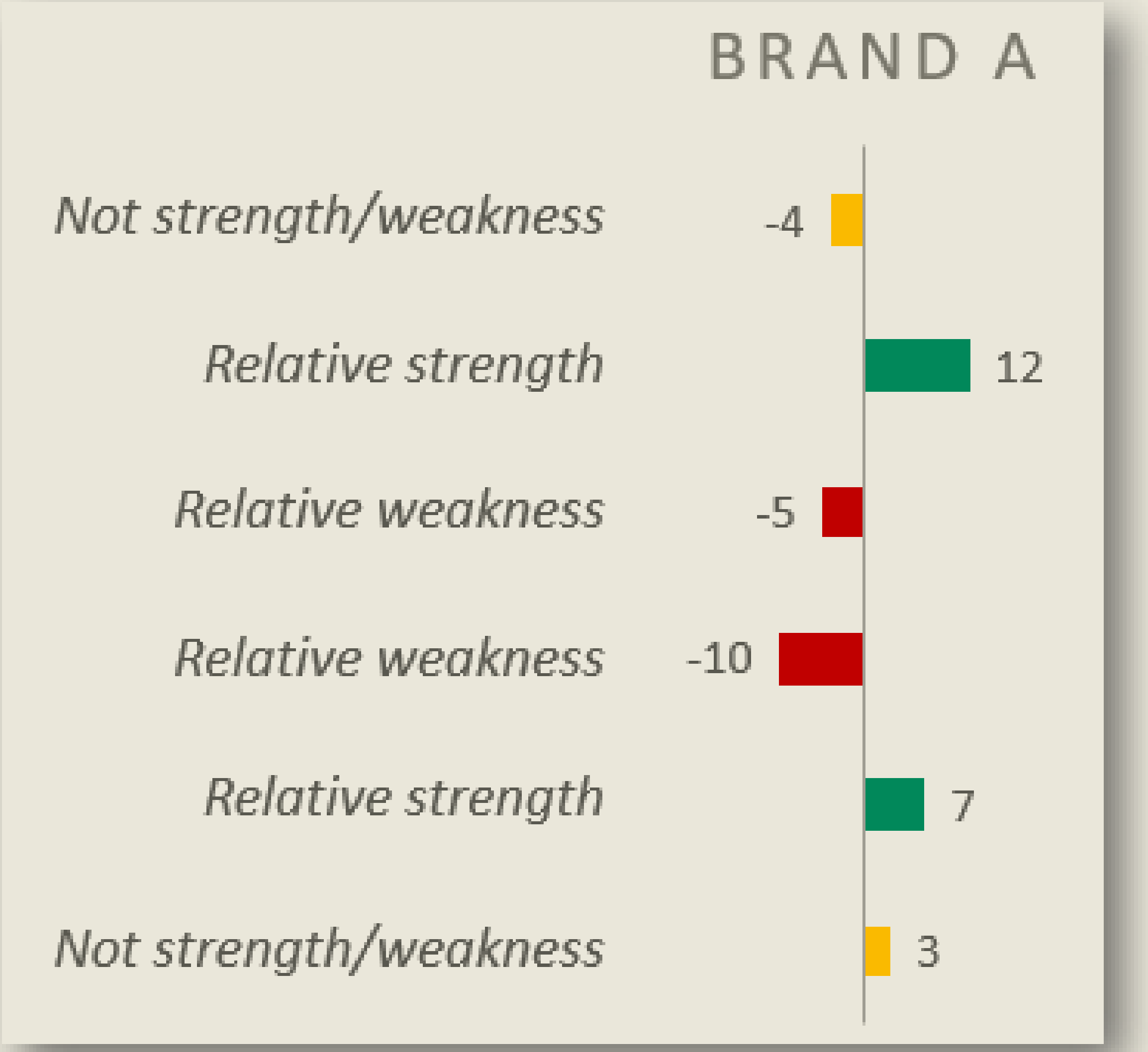
Image Profiling removes two effects from the data:

01 **Brand size / familiarity effect**

Some brands (or in this instance meat types) are more easily endorsed across all statements. This is often the case where larger, more well-known brands are more endorsed across all of the statements.

02 **Statement effect**

Certain image statements are more commonly used to evaluate brands than others, and therefore will be associated with more brands. For example, category hygiene statements may be endorsed for many brands – while other statements that are more discriminating.



Calculation

The number indicated on the chart is the **difference** between the score that brand is *expected* to receive (for that statement) and its *actual* score (for that statement).
The *expected* score is calculated based on the **average endorsement of that brand across all statements**, as well as the **average endorsement of that statement across all brands.**

If the brand scores a difference of **+5 or more** (from its expected score), this statement is considered a **relative strength** for that brand within the brands tested. Likewise, if that brand scores a differences of **-5 or more** (from its expected score), this statement is considered as a **relative weakness**.

As a result, all scores are relative as the calculation takes into account all the brands tested. Any changes to which or how many brands are tested impacts the *expected* scores and thus the final difference score for each brand.

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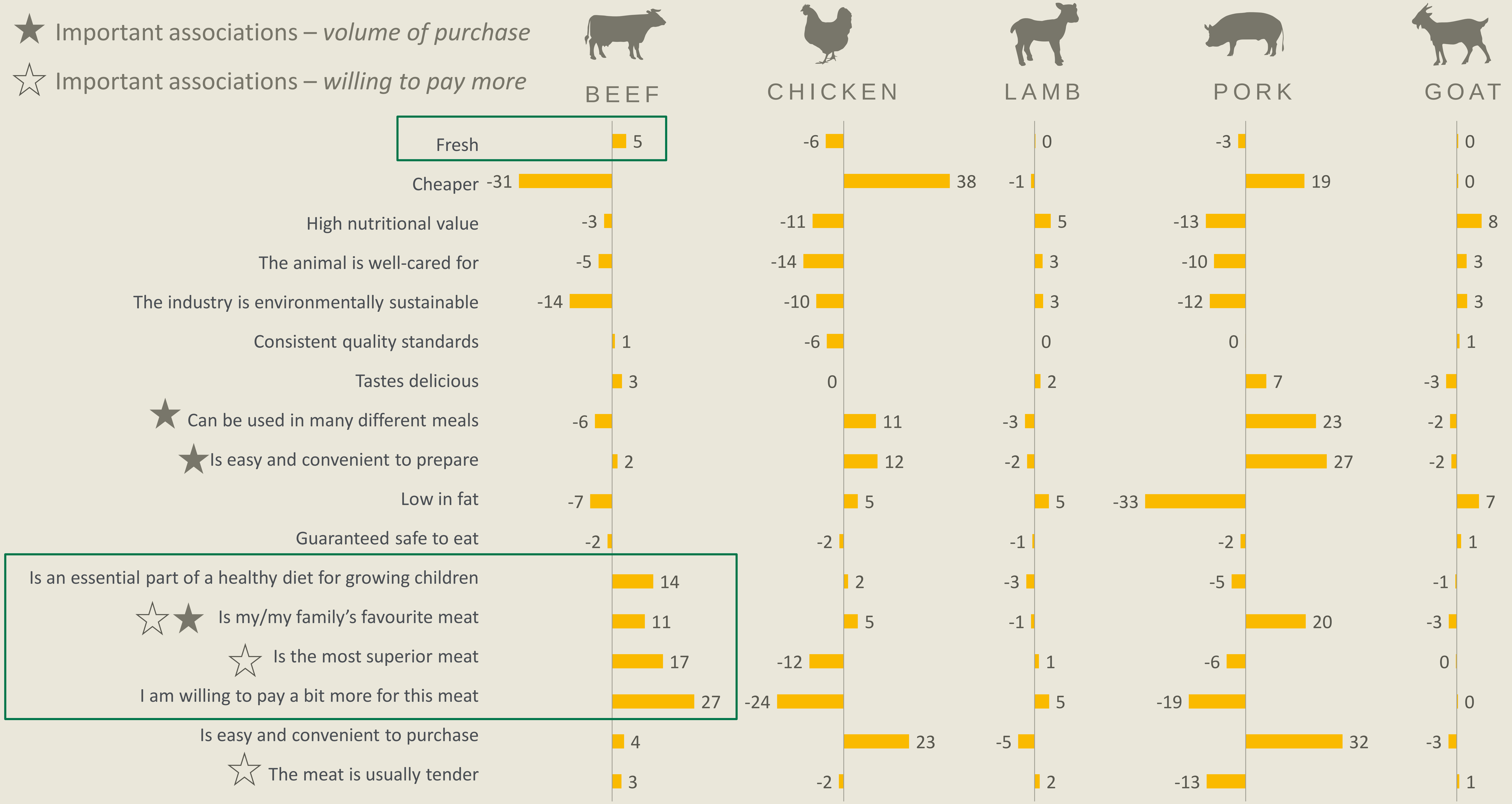
Beef is perceived as a family favourite – fresh, the most superior meat, an essential part of children's diet – the latter associations contributing to consumers willingness to pay more for this protein.



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CH12. Which of the following things do you associate with each type of protein? Base: (n=800)

+5 or more = relative category strength

-5 or less = relative category weakness.

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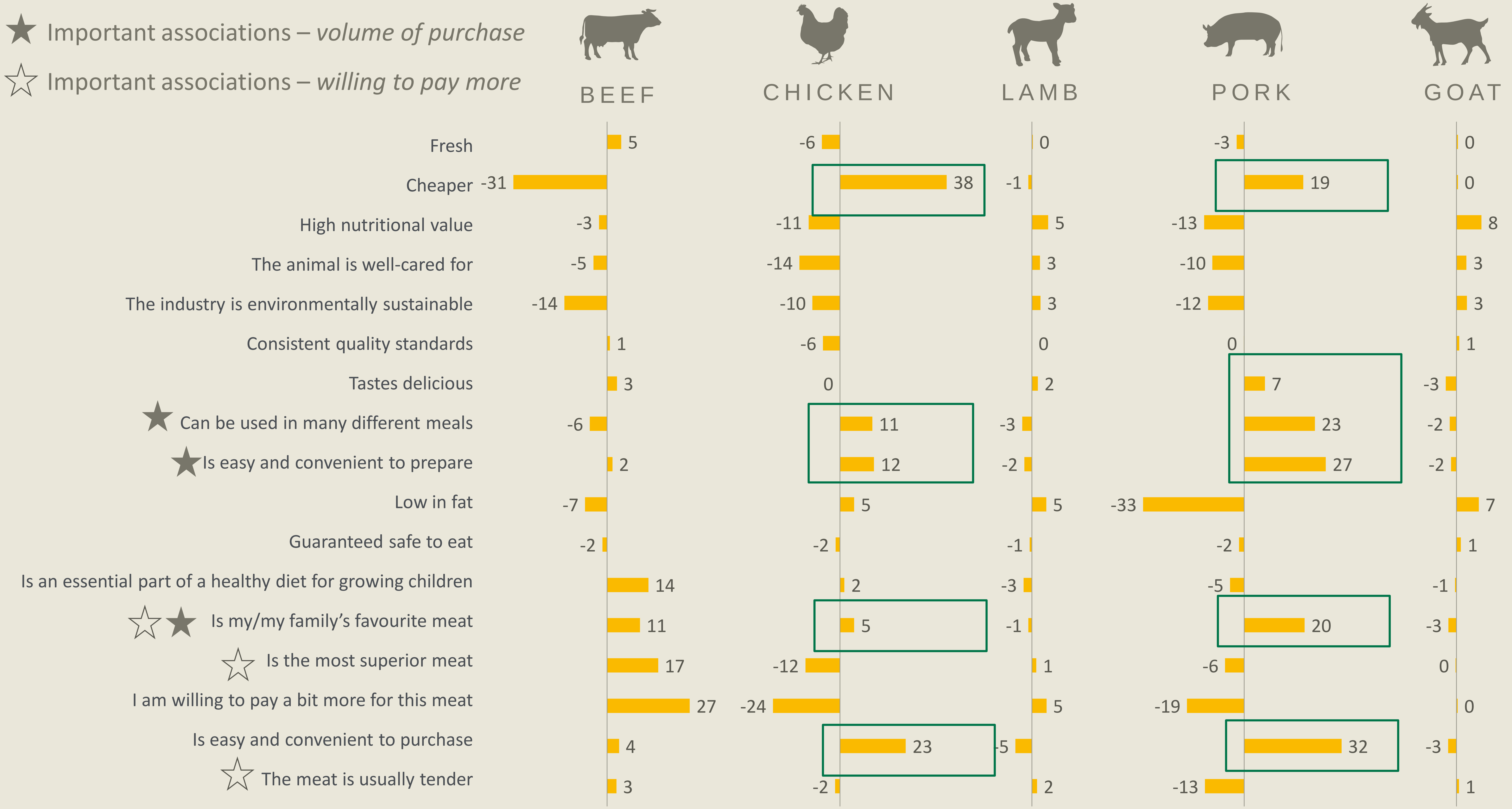
Pork and Chicken are also favourites, but for different reasons. They are convenient to purchase/ prepare, cheaper and offer versatility, but this doesn't generate greater willingness to pay. As such, substantial price increases would hurt these proteins.



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PROTEIN LANDSCAPE IMPLICATIONS:
Beef plays a clear and distinct role vs. Chicken and Pork, but Pork maintains a mix of easy benefits while also being the family's favourite.

What do we see?

1

Top 3 proteins maintain position

Beef, Chicken and Pork all remain as the key top of mind proteins in the Korea, with Beef and Pork clear 1 and 2, increasing spontaneous awareness this year.

2

Beef seen as premium, pork the easy and versatile option

Beef maintains the clearest positioning in consumers minds holding a clear premium position as the superior protein, with health benefits that's worth paying more for. Pork and Chicken share the same strengths around ease and versatility, but Pork is seen has having great taste.

Now what?

Beef has established a strong platform of salience, and a very clear set of distinctive strengths, but is seen as a more premium option. While Pork offers something different in its ease and versatility, cheap and being seen as the family's favourite suggests AU Beef need to keep leaning into beef's premium positioning and keep role distinct from Pork.

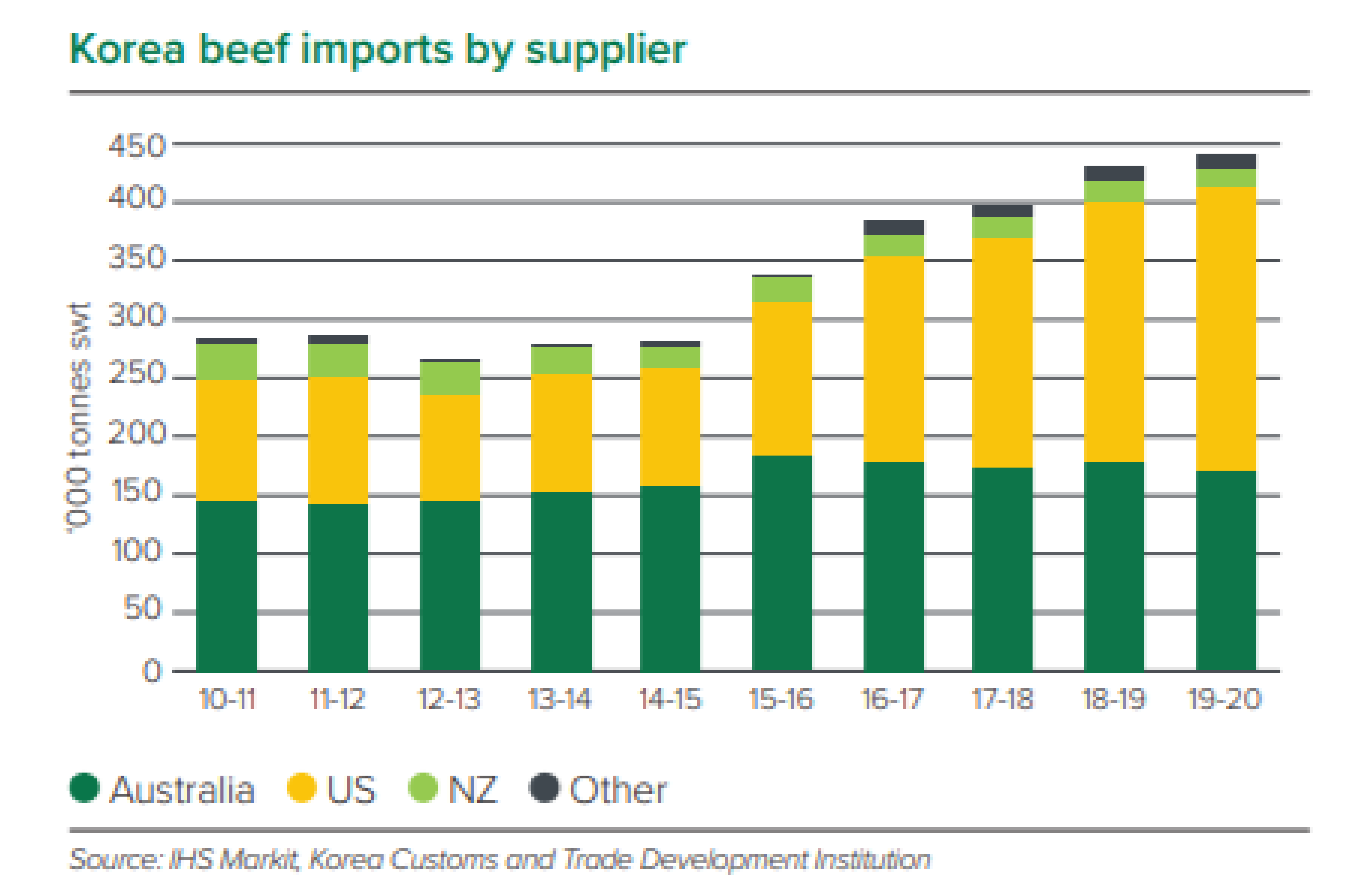
BEEF

BRAND HEALTH & PERCEPTIONS

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.

Setting the context before we dive in, since 2016 volumes of USA Beef have been steadily growing while AU has remained static, with USA overtaking AU in volume share from 17/18

MLA market snapshot – South Korea (2020)



https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/os-markets/red-meat-market-snapshots/2020/korea_2020-mla-mi-snapshot-28092020-distribution.pdf

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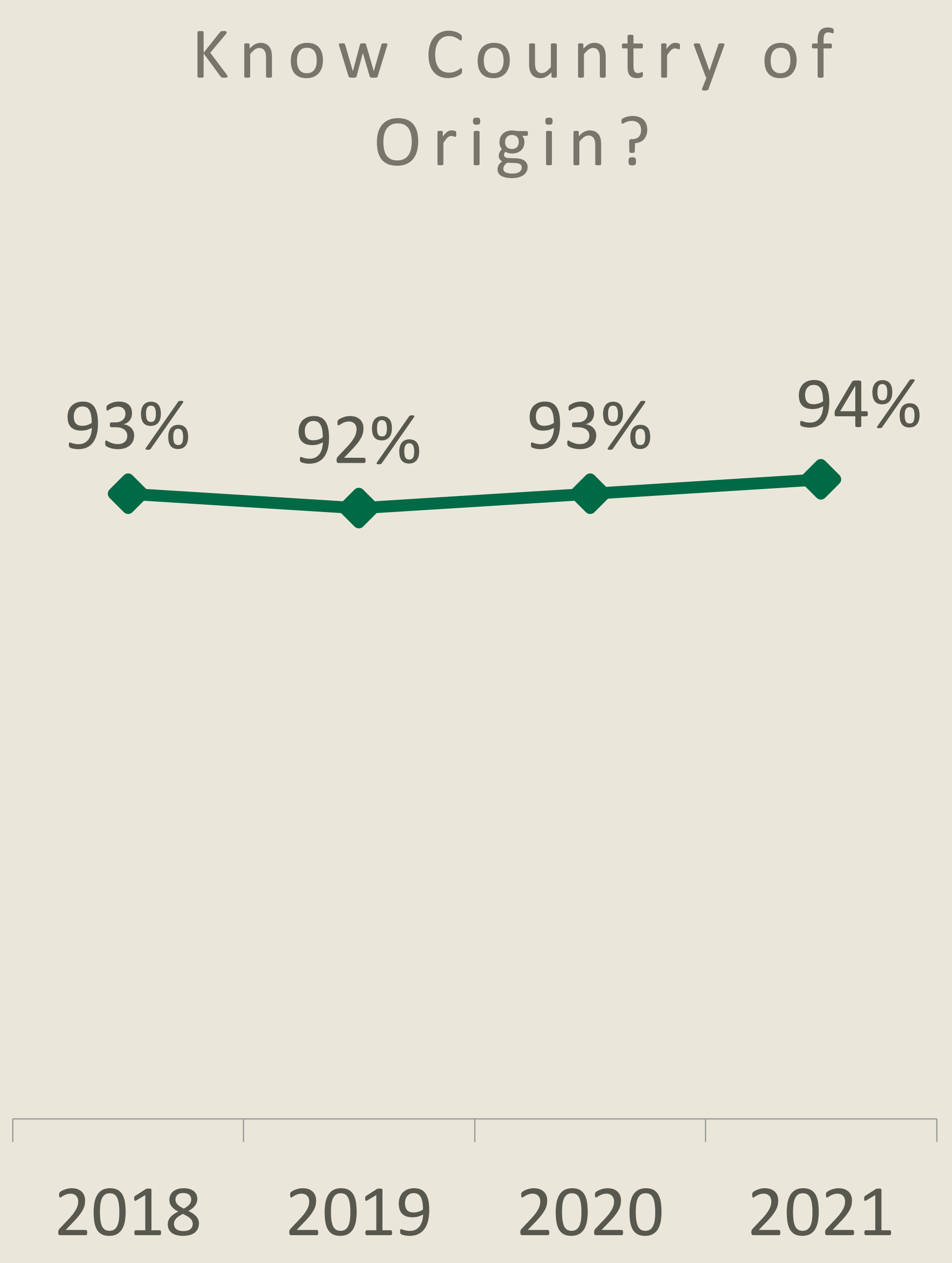
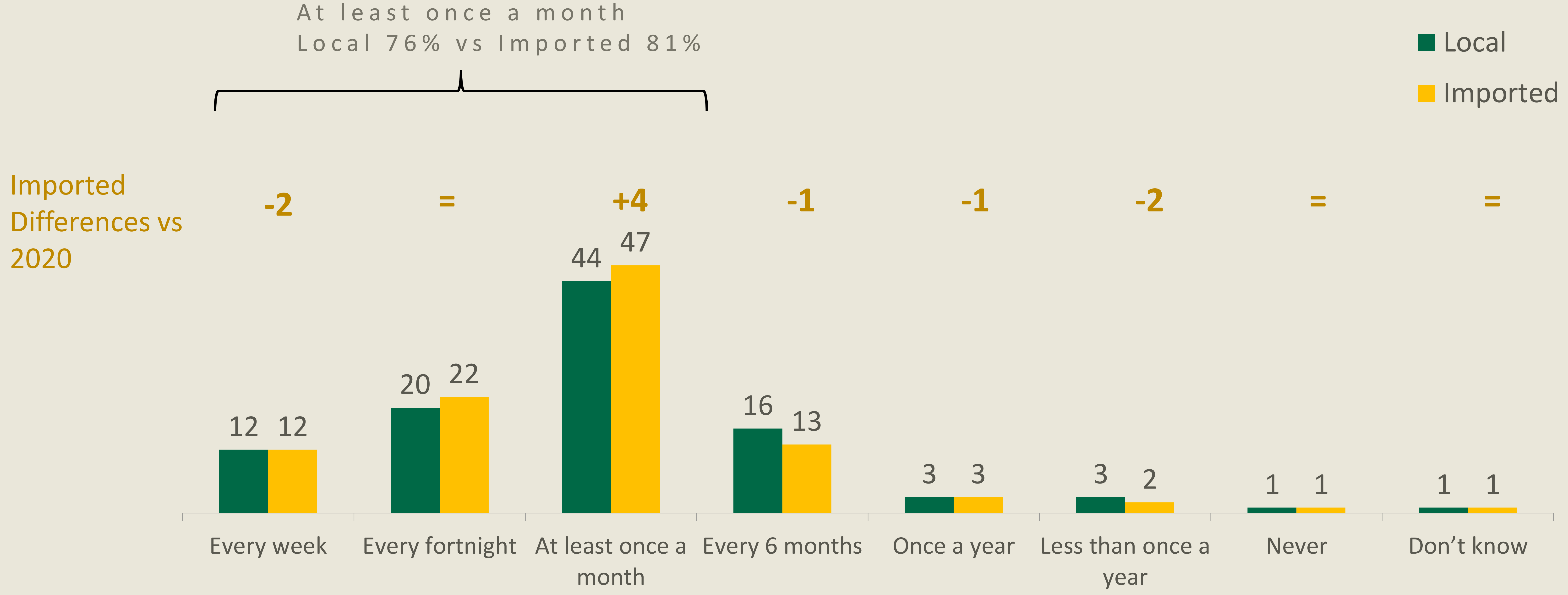
The vast majority of consumers surveyed claim to know the COO of the beef they purchase. 4 in 5 consumers of imported beef purchase it at least once a month, and claim to purchase local beef at a similar frequency (76% P1M vs Imported 81% P1M).



FREQUENCY OF BUYING
KEY: **LOCAL** AND **IMPORTED** BEEF



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(GF3B) Do you know the country of origin of the beef you buy? Base: (n=800)
(CH4) How often do you buy imported beef? Base: (n=800)
(CH4LOC) How often do you buy local beef? Base: (n=800)

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AU beef remains the most known and consumed imported beef – with a strong lead on bought most often. In the context of growing volume, US increases awareness, trial and most often overtime.

BRAND HEALTH – BEEF

	AUSTRALIAN BEEF %	'20	'19	'18	AMERICAN BEEF %	'20	'19	'18	NEW ZEALAND BEEF %	'20	'19	'18	CANADIAN BEEF %	'20	'19	'18
Spontaneous awareness	84 ▲	80	81	82	82 ▲	74	76	**77**	19 ▲	**15**	**21**	**16**	9	12	11	**9**
Total Awareness	97	96	96	97	96	95	96	95	65	68	**71**	**66**	50	54	**57**	**49**
Ever Eaten	93	92	93	94	89 ▲	85	**86**	**81**	37	35	**37**	**31**	26	27	**24**	**19**
Eat P12M	87	86	88	87	79	75	**75**	69	26	25	**27**	**21**	17	19	**17**	**12**
Eat P3M	68	70	**72**	**67**	59	55	**51**	**44**	15	15	**14**	**8**	9	11	**9**	**5**
Past Month	55	58	**60**	**52**	47	42	**39**	**30**	10	9	**10**	**4**	6	7	**7**	**4**
Most Often	44	48	51	**47**	27 ▲	21	19	17	2	3	**3**	**1**	1	1	1	**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: '21 (n=800) '20 (n=800) '19 (n=800), '18 (n=634)
Base – Bought beef in past month or ever buy beef

▲▼ *Sig. different at 95%*

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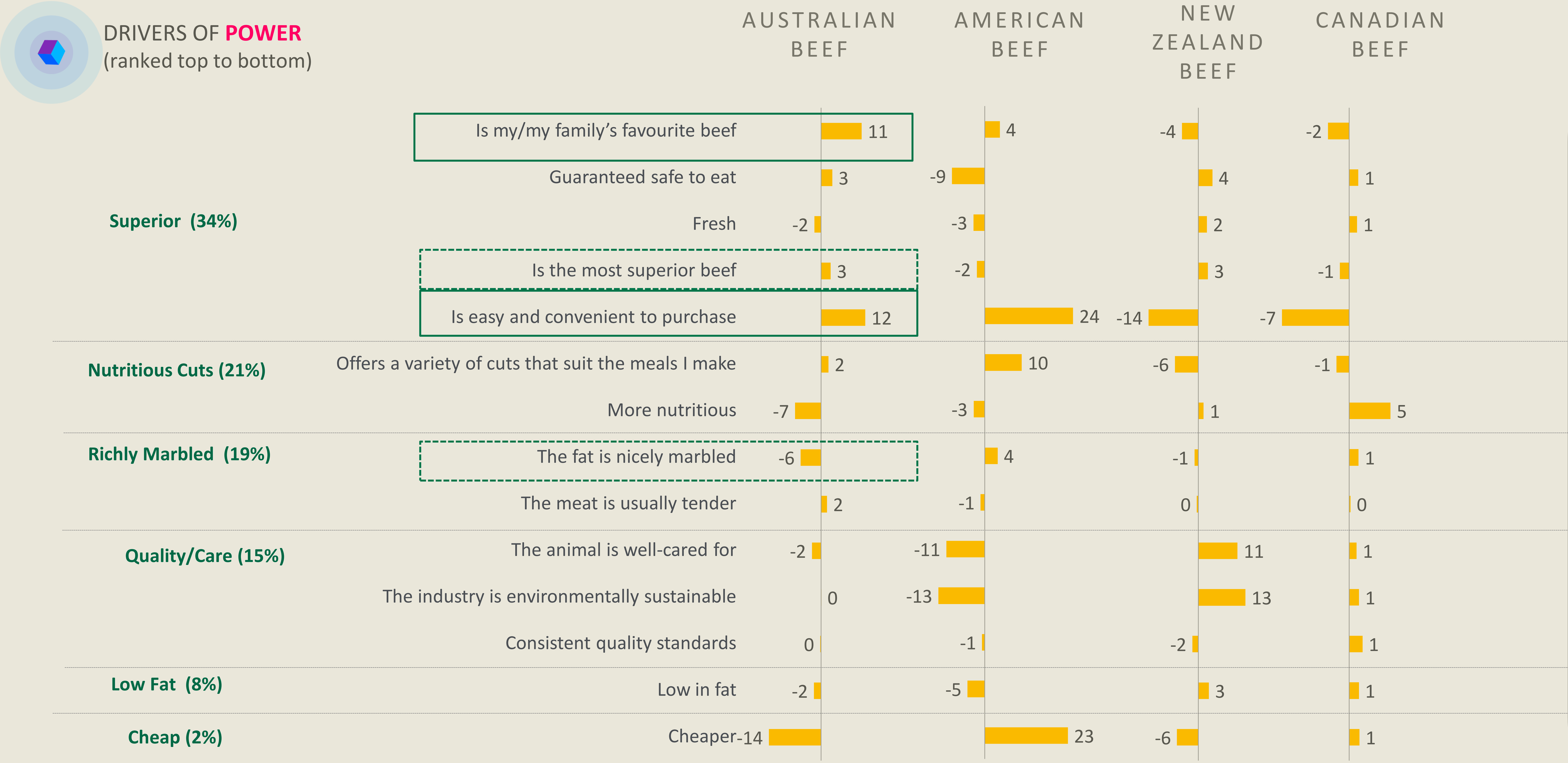
Family favourite and convenient purchase remain AU's defining strengths in the Korean market; important drivers of choice. However, AU beef softened in superiority and marbling.



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 the most appropriate name.

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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=800). *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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USA has clear strengths on convenience, variety and price and is building marbling and favourite (where AU softened); potentially impacting AU's perceived superiority.

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

		AUSTRALIAN BEEF	AMERICAN BEEF	NEW ZEALAND BEEF	CANADIAN BEEF
Superior (34%)	Is my/my family's favourite beef	11	4	-4	-2
	Guaranteed safe to eat	3	-9	4	1
	Fresh	-2	-3	2	1
	Is the most superior beef	3	-2	3	-1
	Is easy and convenient to purchase	12	24	-14	-7
Nutritious Cuts (21%)	Offers a variety of cuts that suit the meals I make	2	10	-6	-1
	More nutritious	-7	-3	1	5
Richly Marbled (19%)	The fat is nicely marbled	-6	4	-1	1
	The meat is usually tender	2	-1	0	0
Quality/Care (15%)	The animal is well-cared for	-2	-11	11	1
	The industry is environmentally sustainable	0	-13	13	1
	Consistent quality standards	0	-1	-2	1
Low Fat (8%)	Low in fat	-2	-5	3	1
Cheap (2%)	Cheaper	-14	23	-6	1

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Meanwhile NZ plays to Quality/Care where consumers associate being well cared for and sustainable along with delivering consistent quality. Canada plays to nutrition.

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

Group	Attribute	AUSTRALIAN BEEF	AMERICAN BEEF	NEW ZEALAND BEEF	CANADIAN BEEF
Superior (34%)	Is my/my family's favourite beef	11	4	-4	-2
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AU Beef's strengths as the convenient favourite support the COO's premium while NZ's carves out a point of premium difference in Quality/Care. US building favourite and marbling can support a higher price, but consumers still see them as cheap for now.

DRIVERS OF **PREMIUM**
(ranked top to bottom)

		AUSTRALIAN BEEF	AMERICAN BEEF	NEW ZEALAND BEEF	CANADIAN BEEF
Quality/Care (22%)	The animal is well-cared for	-2	-11	11	1
	The industry is environmentally sustainable	0	-13	13	1
	Consistent quality standards	0	-1	-2	1
Superior (21%)	Is my/my family's favourite beef	11	4	-4	-2
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Family favourite, freshness, safety and nutrition are key to driving both equity for Australian beef, and to ensure AU beef remains at a justified premium in Korea.

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

OBJECTIVE:

	GROWING **EQUITY/VOLUME**	GROWING **PREMIUM/VALUE**
KEY AREAS TO FOCUS ON WHEN DRIVING THESE OBJECTIVES IN THIS MARKET…	1. Is my/my family's favourite beef	1. Fresh
	2. Is easy and convenient to purchase	2. Is my/my family's favourite beef
	3. Fresh	3. Guaranteed safe to eat
	4. Guaranteed safe to eat	4. Consistent quality standards
	5. More nutritious	5. More nutritious

BEEF BRAND HEALTH & PERCEPTIONS - IMPLICATIONS:

AU Beef has strong equity which justifies its premium price. AU should continue to leverage these, but be mindful of US beef which is growing salience and perceptions beyond accessibility.

What do we see?

1 — A two horse race – AU vs. USA

AU and USA are the dominant imported beef brands, seeing strong awareness, penetration and claimed consumption – with AU holding the lead over USA (especially in bought most often).

2 — Leverage our premium associations, to contrast with USA

AU is the convenient family favourite, and has a slight strength in superiority.

Meanwhile, US Beef is known for being accessible (cheap and convenient to purchase)

3 — Fresh, safe and nutritious associations drive dual goals

Three specific associations are drivers of both POWER and Premium, providing the dual outcomes of growing volume as well as people's willingness to pay more to be Korean family's favourite beef.

Now what?

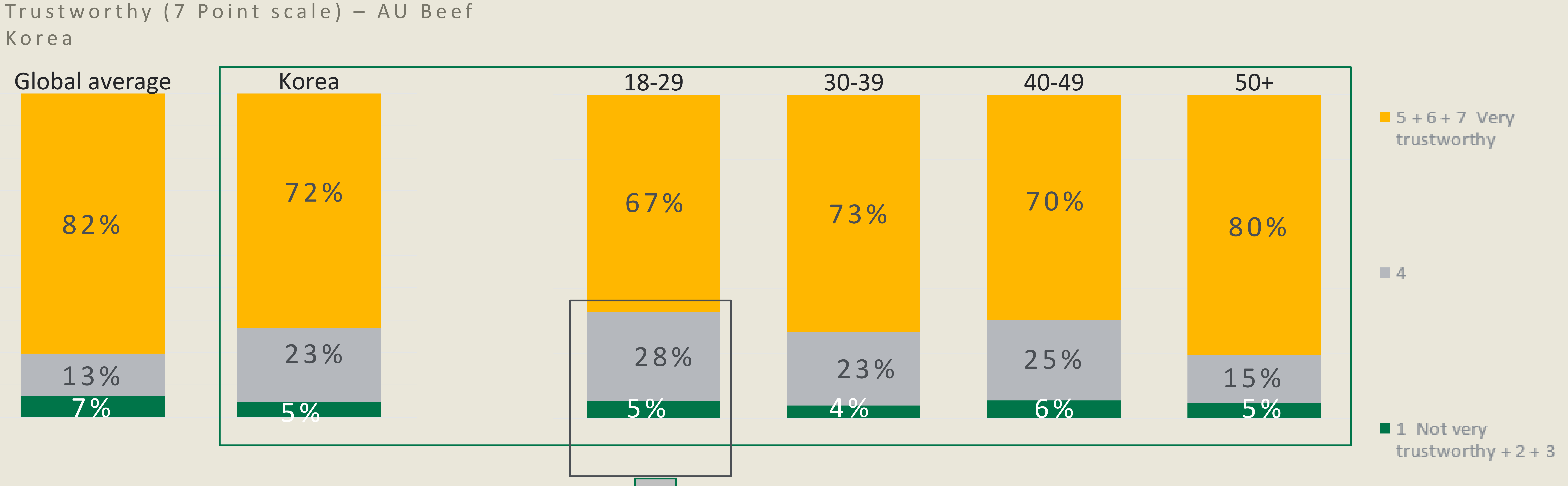
With the long term growth of USA Beef – driven by increasing volume/availability and accessible pricing – AU should continue to reinforce its relevant point of difference to remain the convenient family favourite, and justify premium position. However, watchout for US's growing marbling perceptions

AU Beef should focus on communicating freshness and safety to reinforce quality perceptions which build POWER and Premium.

BEEF
COO 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.

In Korea almost ¾ say they Trust AU Beef, a little behind the global average, with about a quarter sitting in the 'neutral' space. It is amongst younger Korean consumers where Trust could be improved.



AMONGST NEUTRALS: Transparency in the process, Better for my health, seeing others eating it are the key perceptions gaps vs the rest

Is there competition for imported product from local Korean product that we should be aware of, particularly for younger consumers?

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BTR2B. How trustworthy is the imported beef from these countries – 7 Point scale
Base: Korea (774); 18-29 (94), 30-39 (302), 40-49 (251), 50+ (127)

Global average – 10 markets – Japan, Korea, China, Malayisa, Indonesia, USA, KSA, UAE, Vietnam, Thailand

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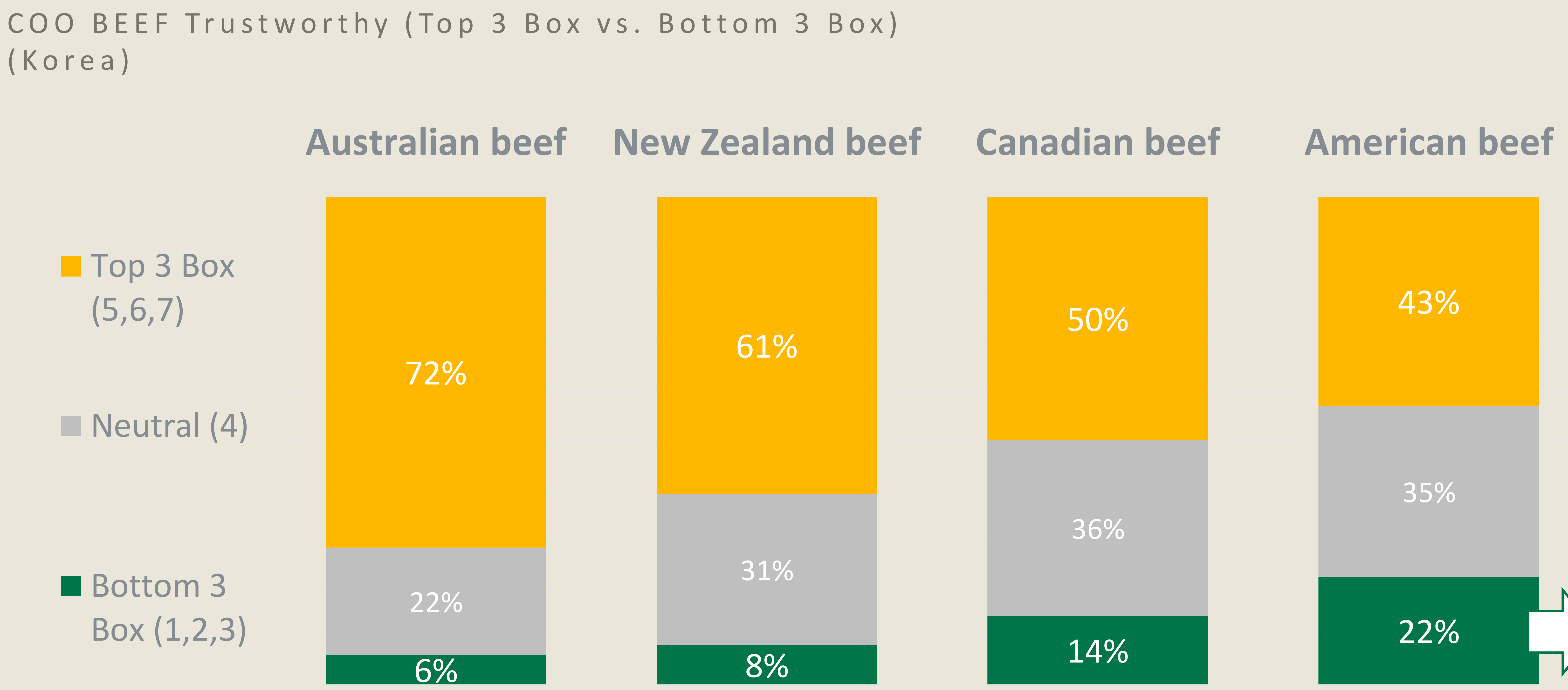
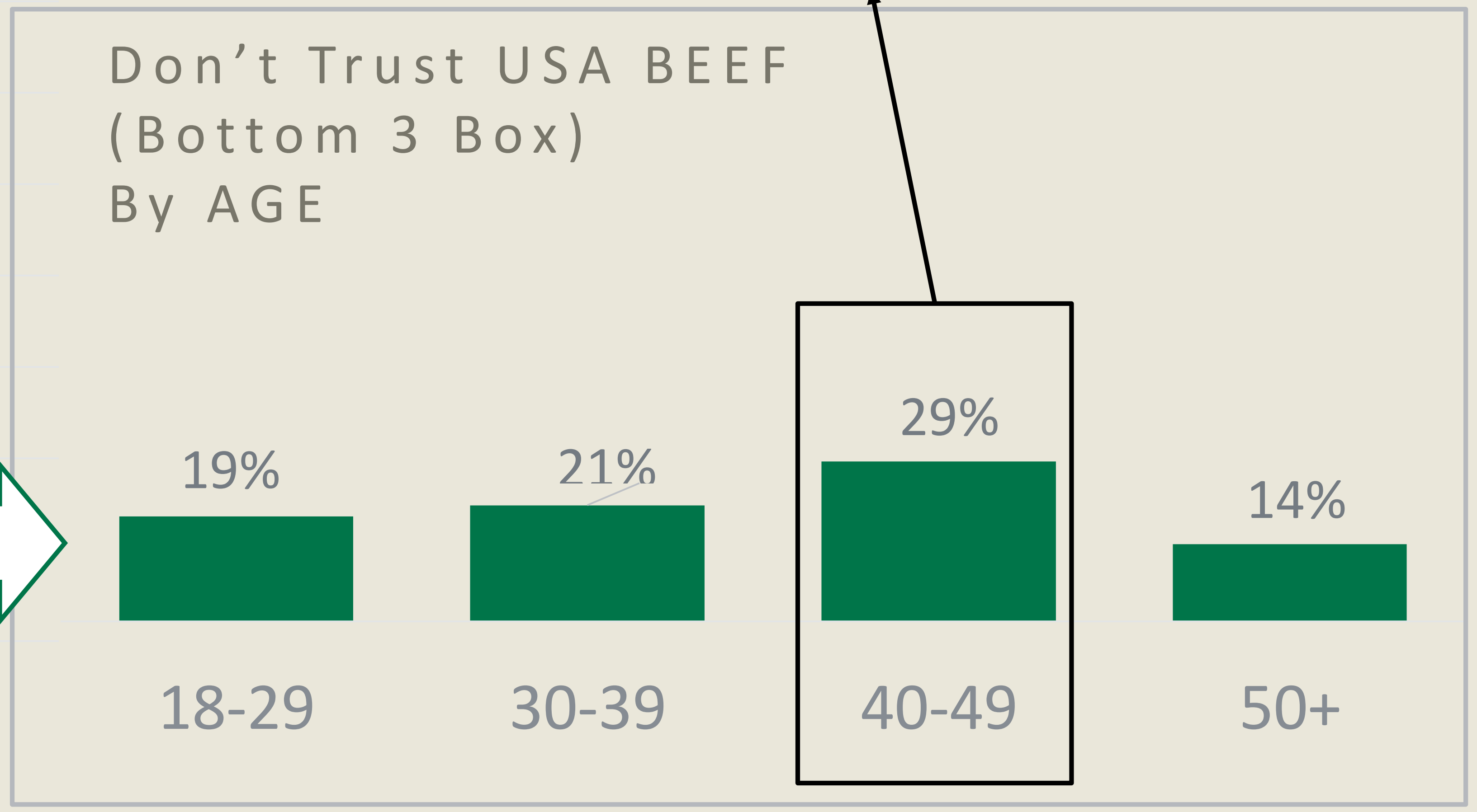
In comparison to other COOs, AU is clearly the most trusted.
US Beef is well behind other COOs on Trust, with almost 1 in 4 saying they don't trust USA COO Beef, skewing heavily to the 40-49 age group



USA not safe, hangover from 15 years ago

This group (who don't Trust USA Beef) was aged 23-32 during the BSE crisis. Almost **none of them endorse USA as being *guaranteed safe to eat*** - only 4% vs. 26% for all 40-49 year olds.



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BTR2B. How trustworthy is the imported beef from these countries 7 Point scale
Base: Australia (n=774); America (n=769) New Zealand (n=521), Canada (n=402)

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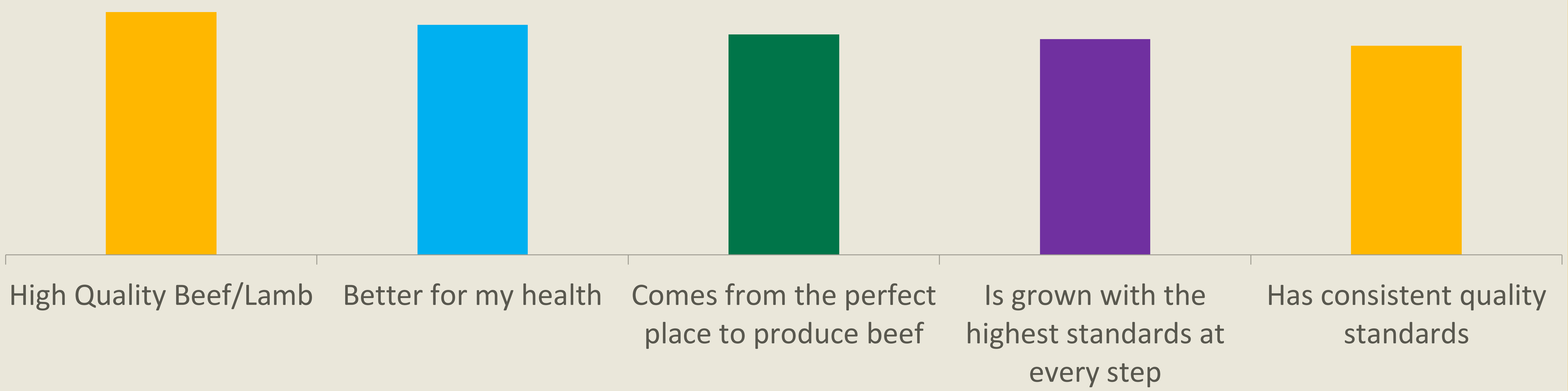
Quality and process standards are key in Korea to driving Trust, Provenance also important and one of only 2 markets where this is in the top 5, the other being KSA. These same attributes were verified in our qual as underpinning Trust.

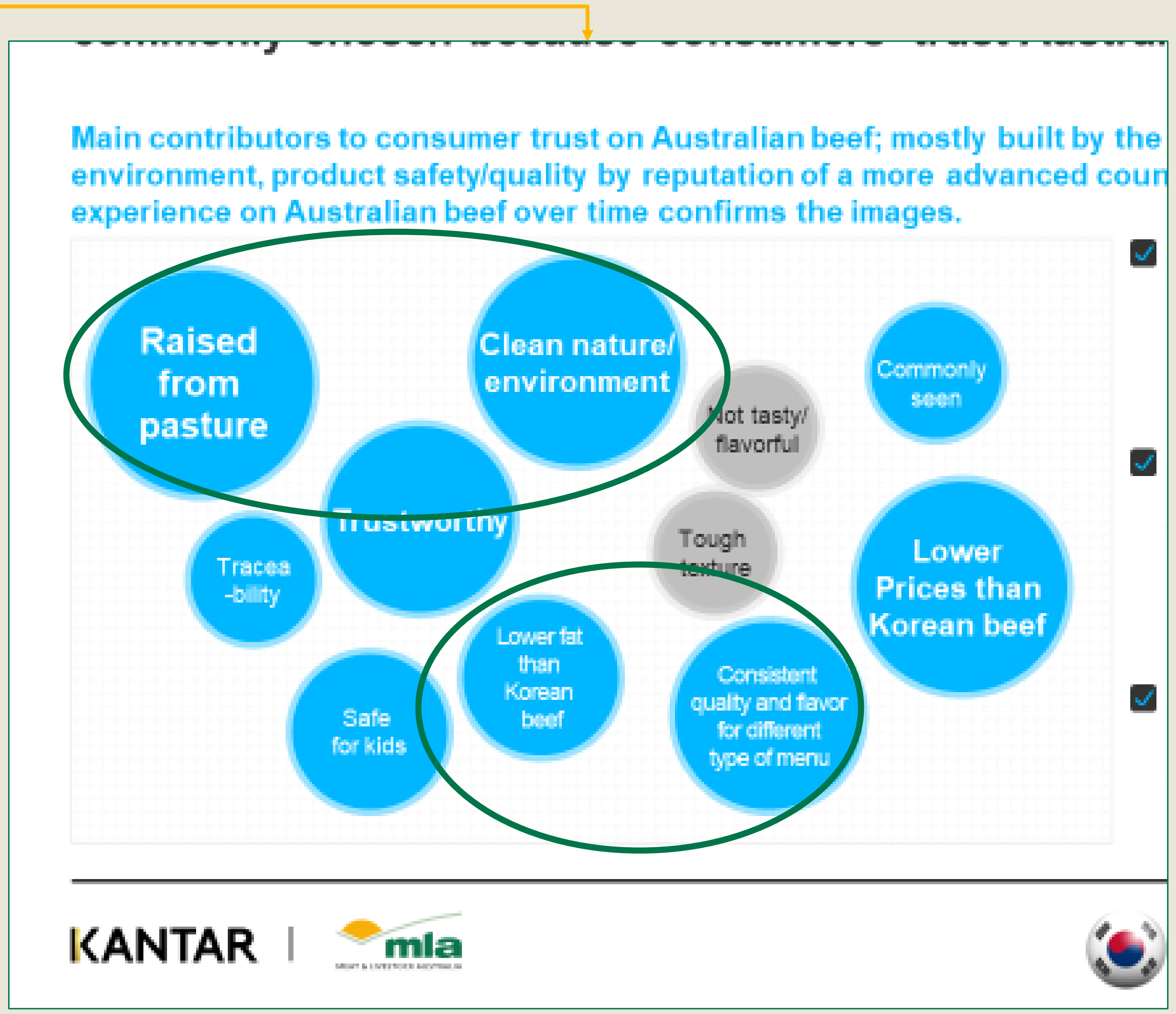
Trust imagery – Trust Image statements
Ordered by strength of correlation with Trust of AU Beef
(Japan)

***"Australian cattle for beef are grown on a big grass field freely, and fed with safer ones, so I can trust Australian beef." [*Female, buys Australian beef]**

Top 5 Trust image attributes most strongly positively correlated with Trust of AU Beef



Quality | Process | Provenance | Traceability & Transparency | Taste/Health/Shelf life



Source: Project Cyclone, September 2021 – Korea Market Report

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IMGB. Associate with each of the different countries for imported beef (Australian Beef)
Base: Japan (n=776);
Correlations with Trustworthiness – positively correlated

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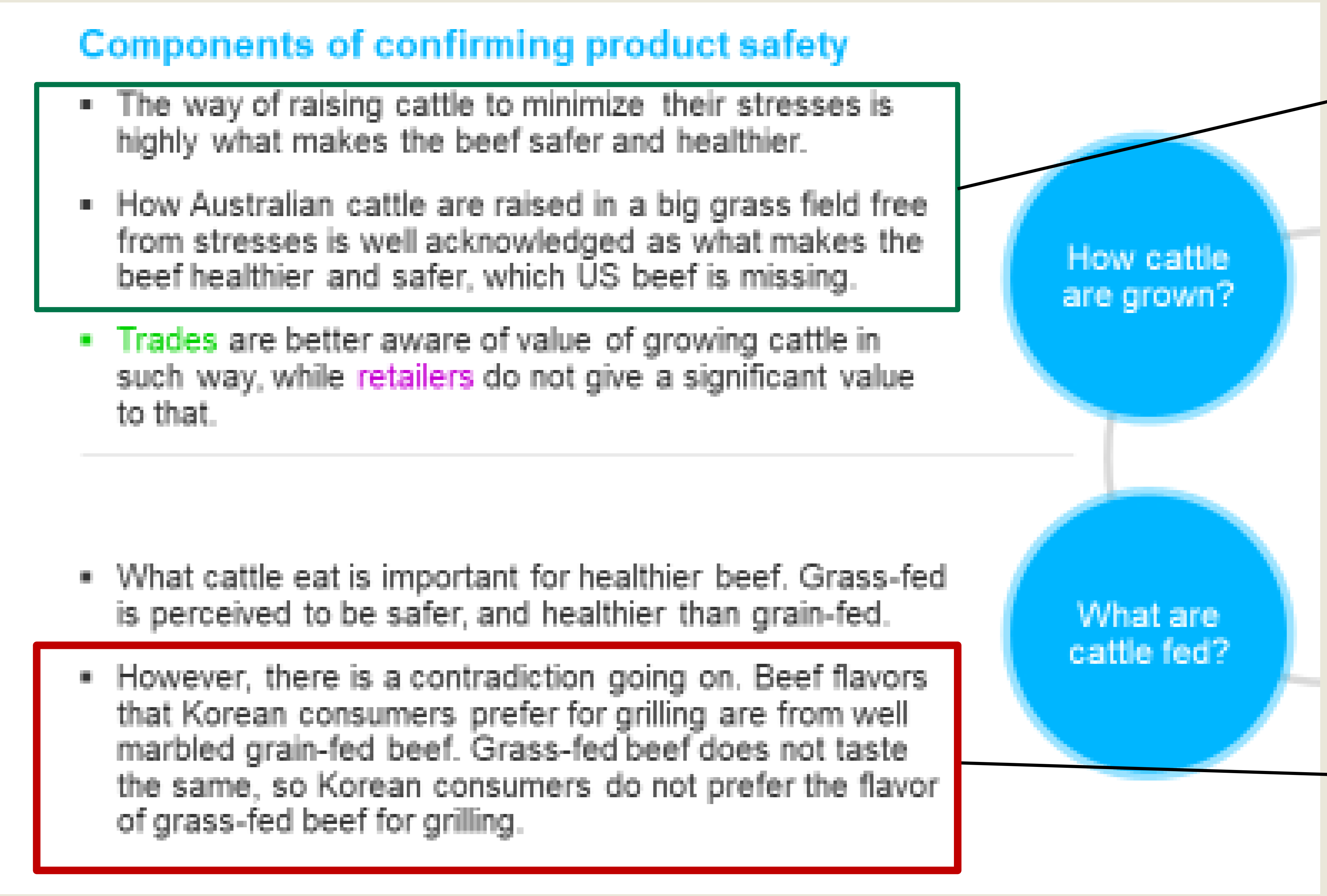
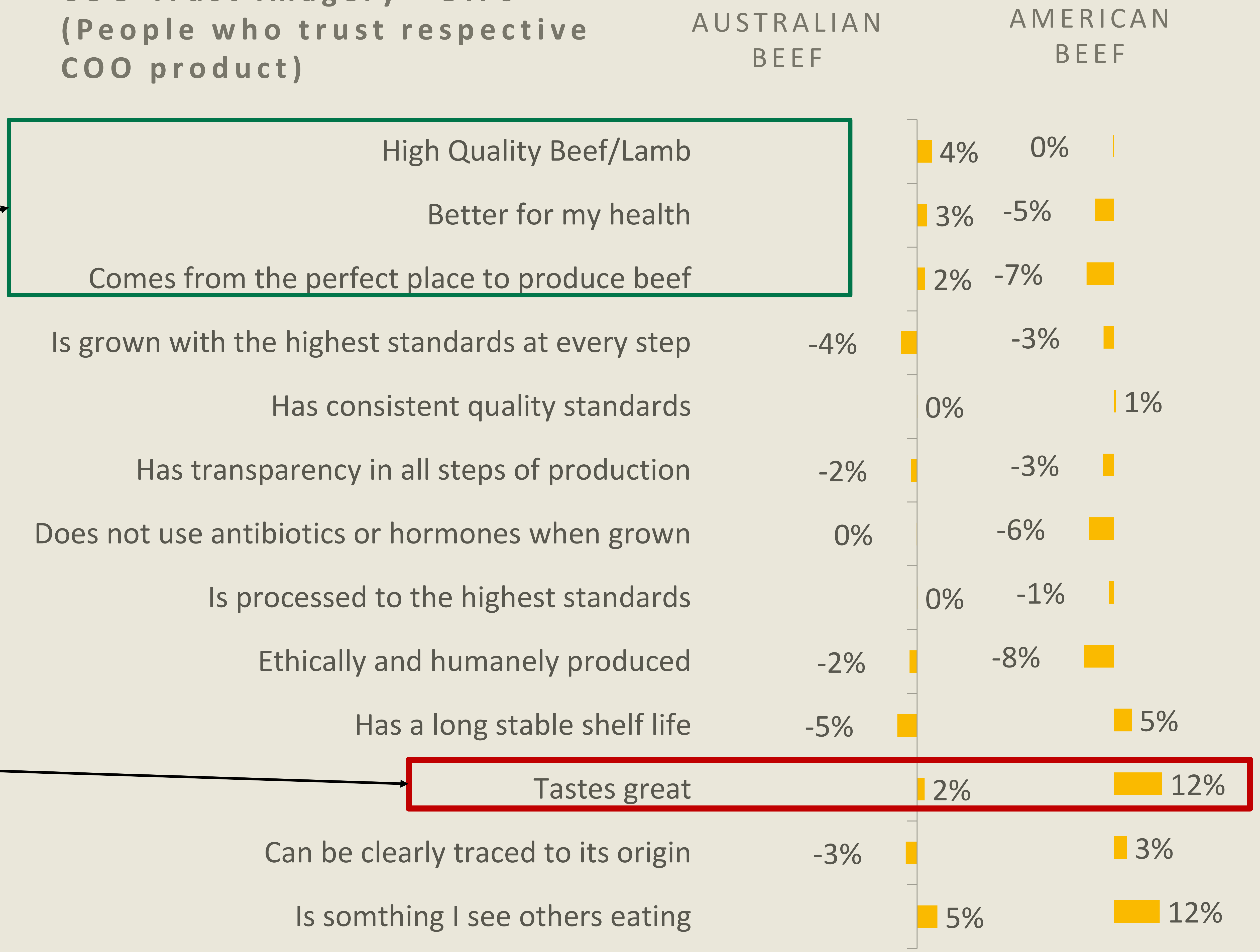
Amongst those who say they Trust the COO product, the relative strengths align with what we saw in our Korean leg of the qual. Quality and our clean rearing environment come through as strengths. Taste is associated with USA due to grain-fed preference.



COO Trust Imagery - BIPs
(People who trust respective COO product)



Source: Project Cyclone – Trust and Traceability, South Korea Market report, Sep 2021

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IMGB. Associate with each of the different countries for imported beef
Base: Trust AU Australia (n=xxx); America (n=766)

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COO BRAND TRUST - IMPLICATIONS:
AU Beef is the most Trusted imported product, USA lacks Trust. Our clean environment is important in reinforcing quality and safety and ultimately Trust.

What do we see?

1 Ahead of other COO on Trust, but younger consumers holding AU back

AU Trusted by upwards of 7 in 10 Korean consumers, but trails global slightly with the lowest levels of Trust amongst younger consumers.

2 USA product less trusted, held back by history

USA, while growing, is still associated with less safe product and the less 'clean' image of grain fed production, impacting Trust in the product.

3 Quality, reinforced by provenance and process.

SK is one of 3 markets where the clean rearing environment is a key correlation with Trust. This reinforces the other key attributes of high quality, better for my health and high processing standards.

Now what?

Is there competition for imported product from local Korean product that we should be aware of, particularly for younger consumers?

There is a clear opportunity to leverage our processes and unique asset of clean country and rearing, tying this to health and quality to continue building Trust in AU Beef in Korea.

BEEF

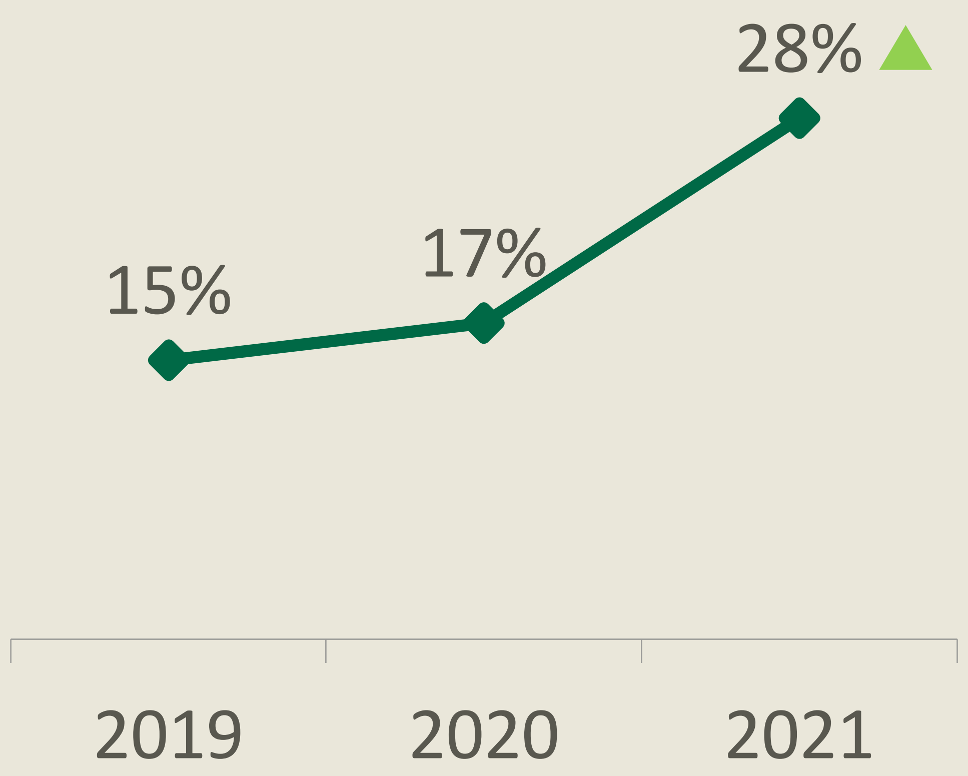
TRUE AUSSIE

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.

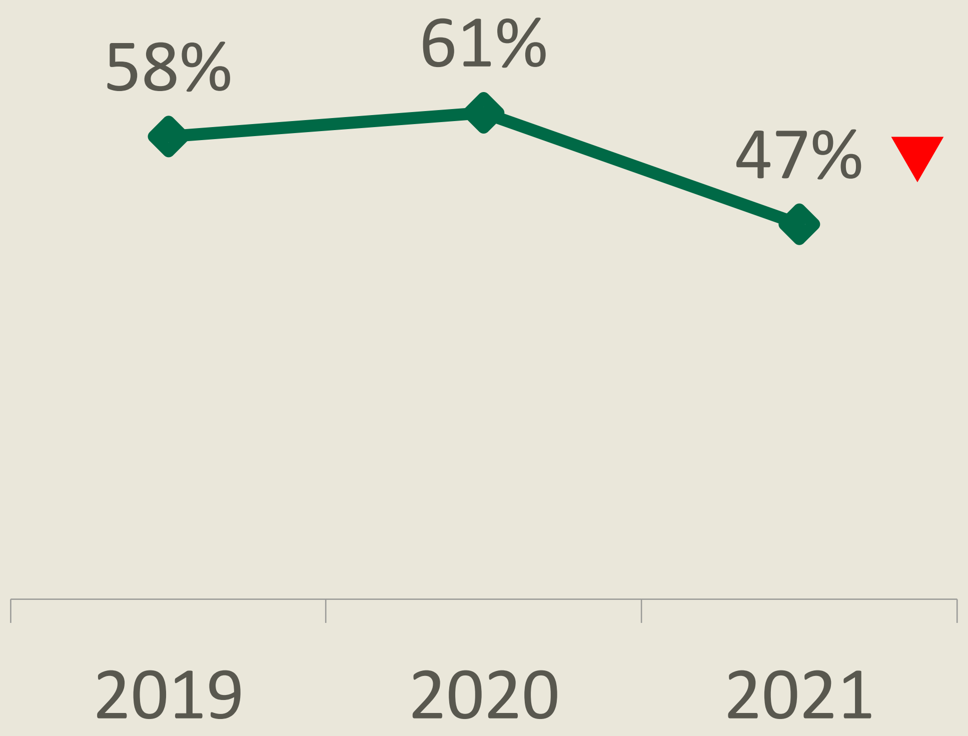
Awareness of True Aussie strengthens now paired with the Hojuchungjungwoo term. Claimed awareness of the logo, however, has dipped to 47% this year (not driven by a particular group, with the dip across all regions, ages and incomes).

AWARE OF TRUE AUSSIE TERM?

2021: 'True Aussie Hojuchungjungwoo'
Previously: 'True Aussie'



AWARE OF LOGO



KANTAR

QTA1. Have you heard the term "True Aussie" before? Base: '21(n=800); '20 (n=800) '19 (n=800), '18 (n=837),'17 (n=420)
QTA3. Have you ever seen this logo before? Base: Beef '21 (n=800); Beef '20 (n=800), Beef '19 (n=800); Beef '18 (n=634); Beef '17 (n=420)

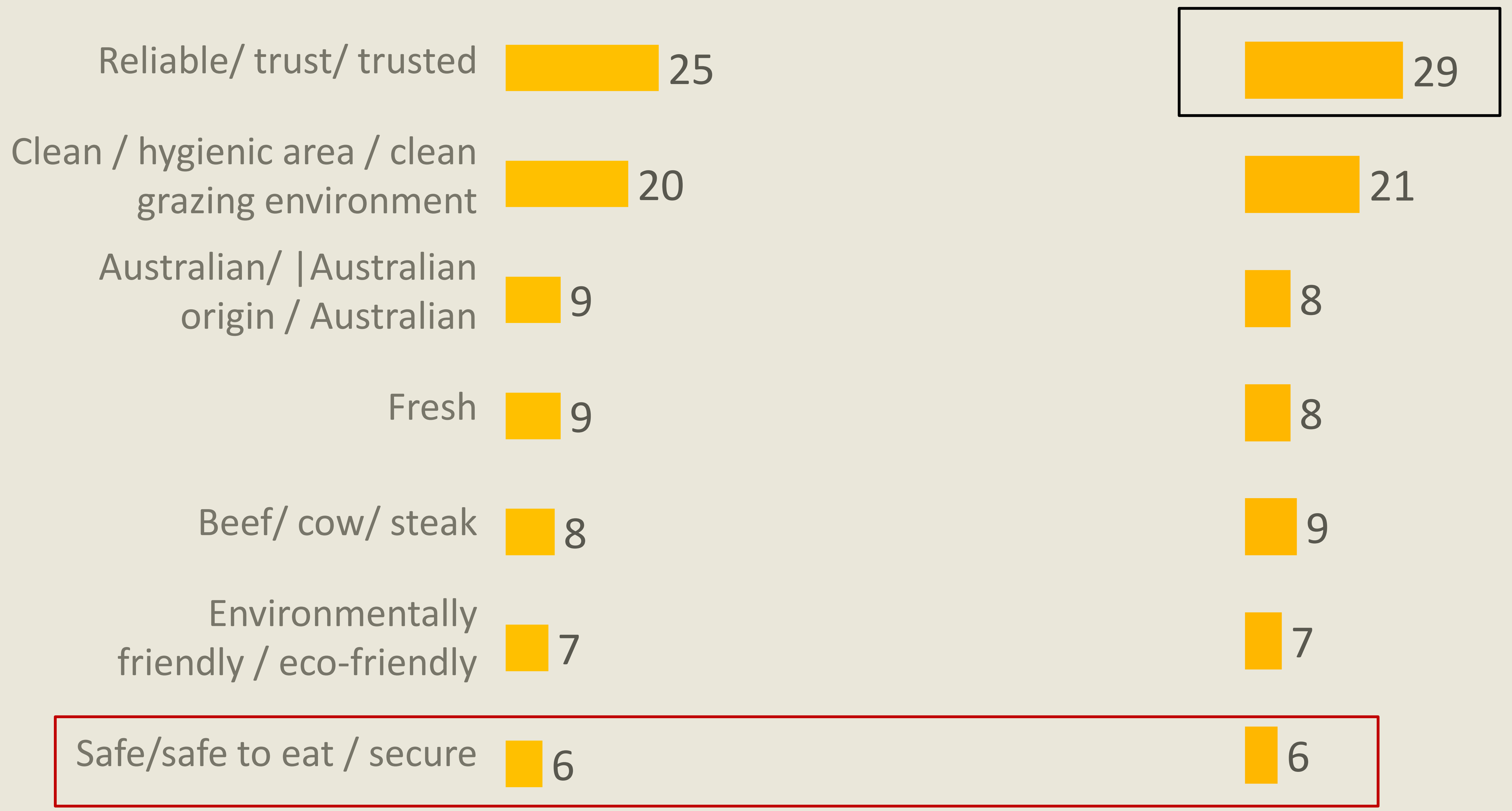
Sig. different at 95%

mla MEAT & LIVESTOCK AUSTRALIA

True Aussie logo, for those aware of it, has two clear associations - reliability and trust for 1 in 4 consumers and cleanliness/hygiene for 1 in 5. Reliability goes up amongst those who associate AU beef with being safe, but no difference in the explicit communication of safety.

% of respondents who spontaneously mention:

***Amongst the 58%** of Korean consumers who say AU beef is 'Guaranteed Safe to Eat'*



TRUE AUSSIE BEEF®
호주청정우

Your query from the Brief:
Brand Trust
If possible, it would be good to ask consumers if they feel more safe, confident in buying Aussie beef with "Hojuchungjungwoo" logo on packs than without it and the reasons for this

KANTAR

(QTA5) If you saw this logo on a packaged piece beef/lamb, what would it make you think about the meat? Base: Beef '21 (n=374)

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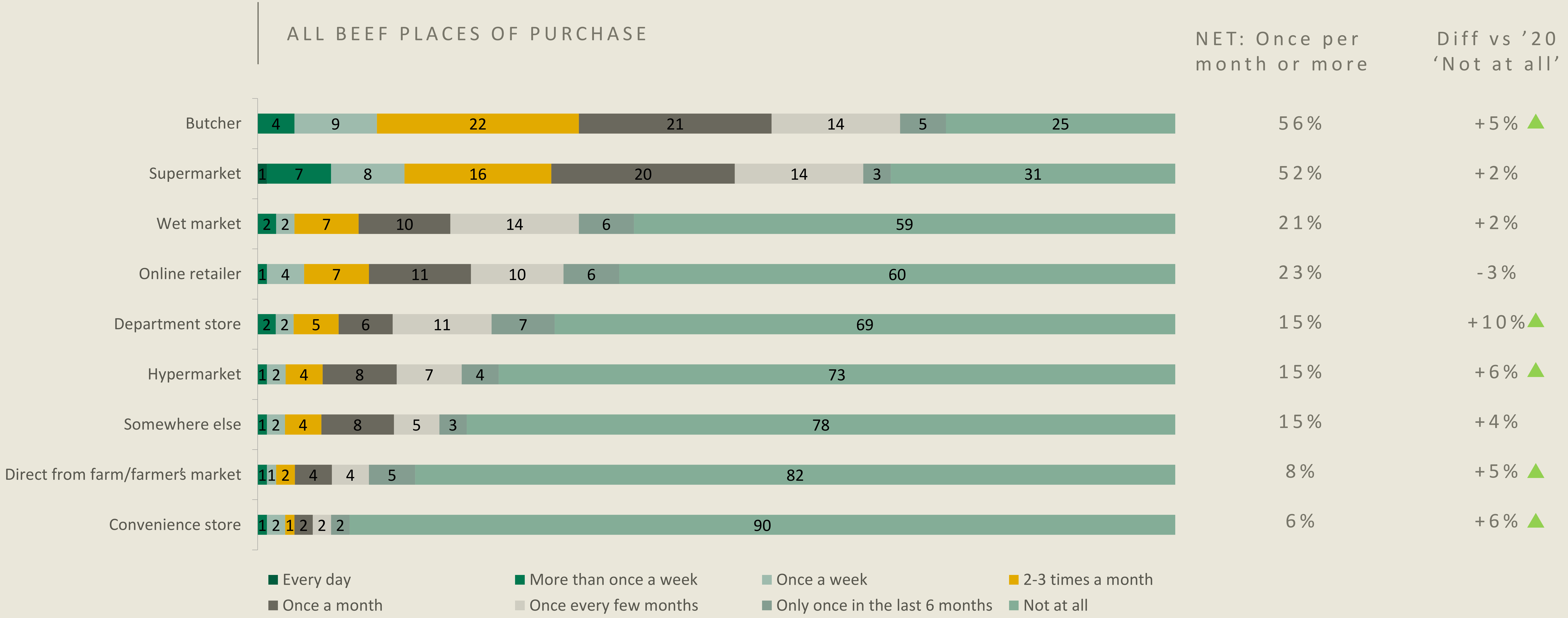
TRUE AUSSIE - IMPLICATIONS:
True Aussie has established consistent brand recognition in Korea and the logo communicates reliability and trust

	1	2
What do we see?	**A dip in logo awareness, but improvement in recognition with in-language term** True Aussie accompanied with Hojuchungjungwoo has significantly improved recognition to almost 3 in 10.	**Reliability the key message communicated** The #1 association with the logo, unprompted is reliability and this increases amongst those who hold other associations with AU Beef such as seeing it as safe to eat. This is not an explicitly communicated attribute.
Now what?	There is an apparent base of recognition established in the market – younger consumers are the target for building this awareness.	This suggests there is a role for TA assets to reinforce the associations that will allow AU product to win in market, and continue to build the Trust that underpins brand choice.

SHOPPING BEHAVIOUR

Butchers and Supermarkets standout with a greater proportion of higher frequency use for beef purchase in Korea.



KANTAR

QR3A. How often have you bought beef from each of these locations in the last six months? Base: '21 (n=649), '20 (n=654)
Online Retailer: Online Supermarket 59%, Online-Only Retailer 41%, Other 8% (ONL5B. Where did you buy your beef online)

Sig. different at 95%

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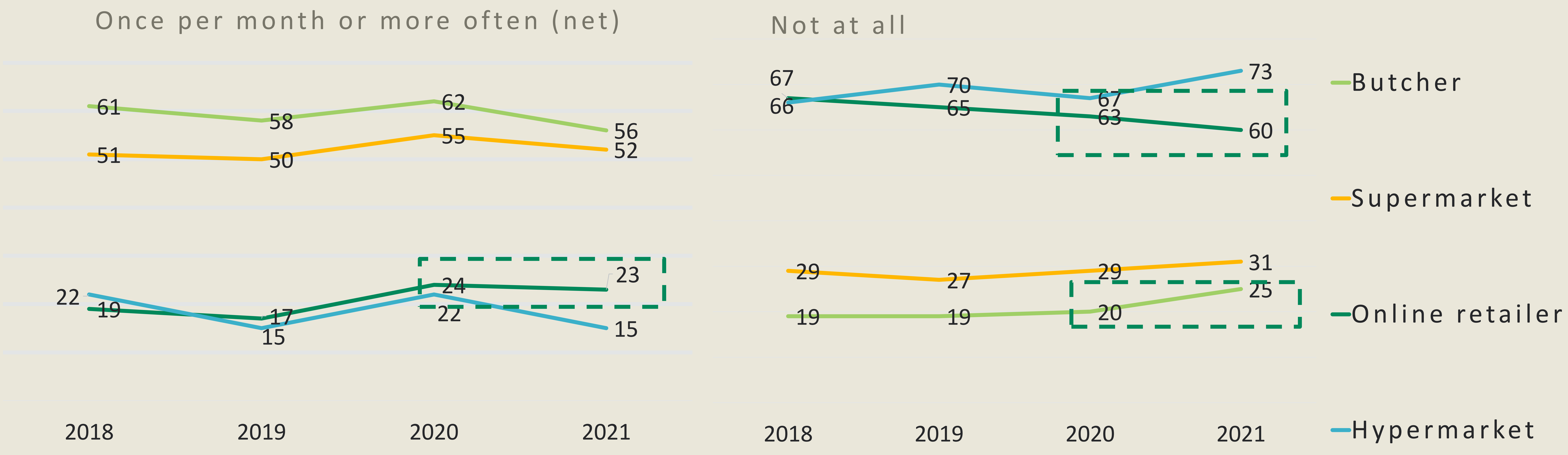
The COVID pandemic prompted shifts in consumers' shopping behaviours across markets and categories. For beef, these shifts have largely returned to 2019 levels, with the exception of online which maintains its increased use. Butchers & hypermarkets increase in consumers not using them.

ALL BEEF PLACES OF PURCHASE



KANTAR

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

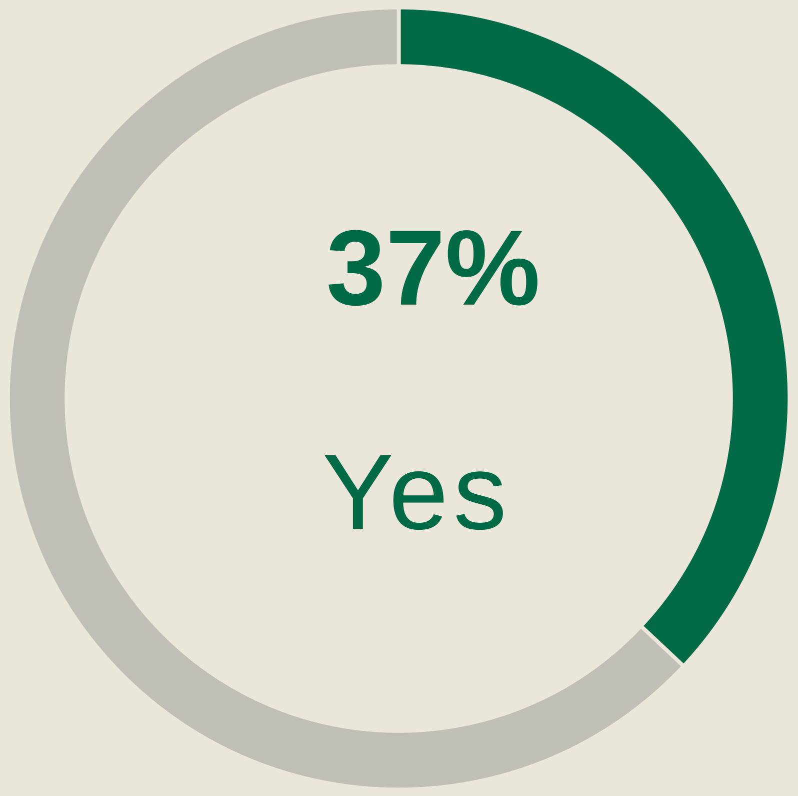
Sig. different at 95%

MEAT & LIVESTOCK AUSTRALIA

RED MEAT ONLINE

Almost 2 in 5 claim to have bought beef online at some point, with the majority doing so infrequently (once every few months or less often). It's currently undertaken by the more frequent beef buyers.

EVER BOUGHT BEEF ONLINE:



SKEWS: Seoul and Gyeonggi-do (Kyunggi), frequent beef buyers, children in household

FREQUENCY:

More frequent online beef purchasers skew to 35-49, frequent beef buyers and are more likely than average to have kids in the household.

NOTE: This is total beef, not captured at imported or COO level

ONL2B. How often do you buy beef online
ONL3B. Which of the following reasons best describes why you buy beef online
ONL4B. Which of these reasons also contributes to why you buy beef online
Base: (n=340)

For those who've ever bought beef online, the main facilitator is access to offers and sales, which is significantly above global average. This is followed convenience drivers (saving time, ability to shop anywhere/anytime) which are more in line with global averages.

FACILITATORS TO BUYING BEEF ONLINE:

Is there any opportunity to support distributors in providing online specials to encourage usage?

KANTAR

ONL2B. How often do you buy beef online
ONL3B. Which of the following reasons best describes why you buy beef online
ONL4B. Which of these reasons also contributes to why you buy beef online
Base: (n=340)

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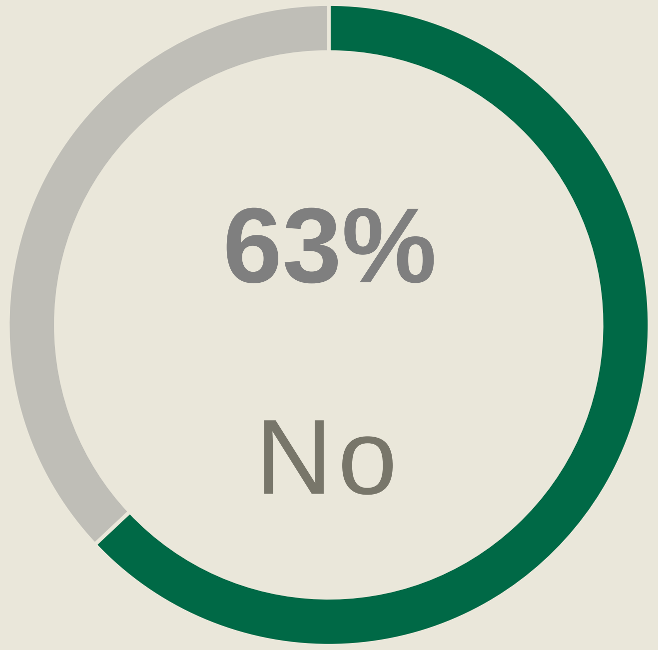
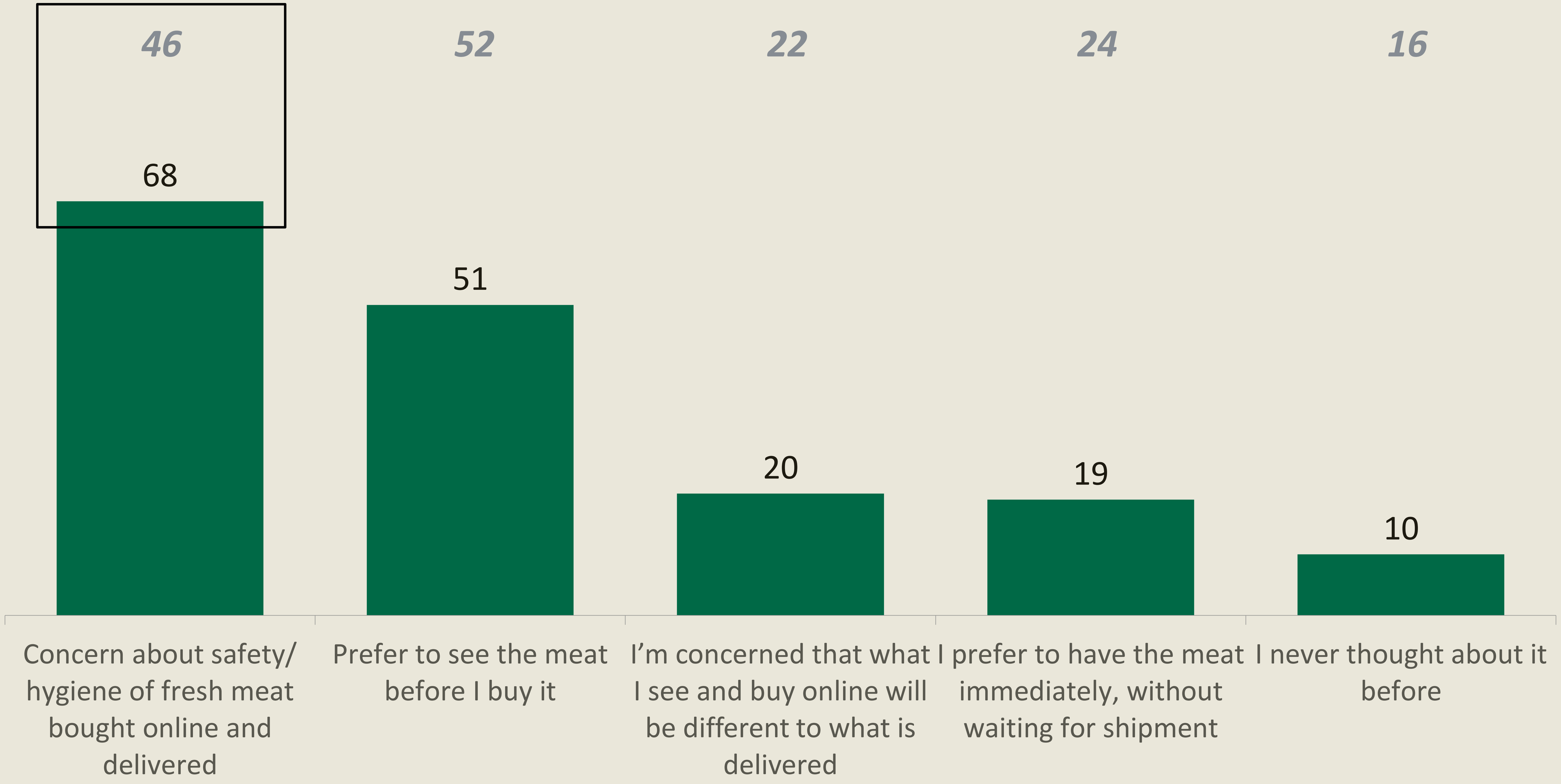
Most consumers have not yet bought beef online. The biggest barrier for Koreans is hygiene/freshness concerns; with levels above the global average. As such, dialling up or communicating freshness guarantees could support confidence and growth in the channel.

BARRIERS TO BUYING BEEF ONLINE:

Global Average Total Reasons %:

EVER BOUGHT BEEF ONLINE:



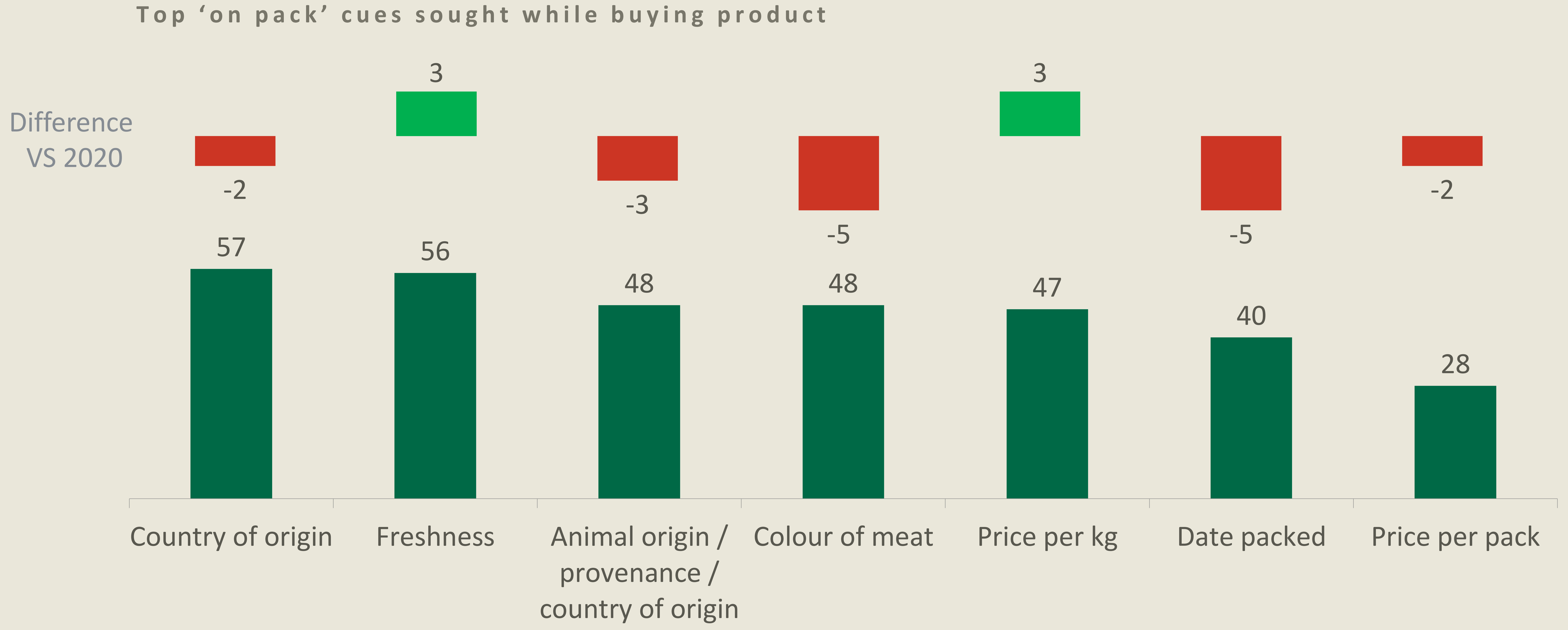


KANTAR

R10B. Which of the below would you say are the main reasons you have never done this
Base: (n=309)

MEAT & LIVESTOCK AUSTRALIA

In line with these online barriers (freshness, hygiene) and facilitators (specials) freshness and price per kilo grow in 'on pack' importance (freshness now #2 behind COO).



Thought starter

Consider how to continue to cue 'fresh' beyond colour/date packed soften in importance.

No added hormones saw the largest YoY increase from 7% up to 11%

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=649)

CHANNEL, ONLINE FACILITATORS & BARRIERS - IMPLICATIONS:
Increases in the usage of online channel seen in 2020 have remained in 2021, a change in mix of channels used vs long term trend presents opportunities for imported product.

	1 Growth in the channel is maintained	2 Access to offers and sales and convenience key facilitators	3 Limit to potential while seeing meat and freshness concerns remain
What do we see?	While online remains a relatively small vs traditional channels, monthly or more often purchase of beef online increased during 2020 which has maintained into 2021. It is driven by frequent beef buyers.	The largest facilitators of online beef purchase are access to offers and sales, (beyond typical global levels) and convenience drivers (saving time, ability to shop anywhere/anytime).	The biggest barrier for buying beef online in Korea is concerns about hygiene/freshness; with levels above the global average.
Now what?	Online channel growth will likely continue, but will take some time before it is mainstream. Current strategies should be built for specific needs rather than mass distribution.	Supporting distributors/retailers to facilitate convenience and offer and communicate exclusive online deals could help to increase the frequency of use amongst those already comfortable with the channel.	Dialling up fresh cues or communicating fresh guarantees can support confidence and growth in the online channels, but a preference for seeing/selecting meat in person will limit the opportunity to replace the regular shopping trip for now.

FINAL THOUGHTS & DISCUSSION

FINAL THOUGHTS

1

AU Beef has established a strong brand equity, being relevant, different and salient, by being seen as superior, the convenient family favourite and safe. Further opportunity to build both volume and value through consistent quality and freshness.

2

USA volumes have grown steadily in recent years and we see a recent uplift in their brand salience and brand Power. Be mindful of them establishing associations that can elevate their premium perceptions, such as easy favourite and marbling.

3

Trust in AU Beef is strongest of all imported COO brands, with USA still carrying negative associations of past safety issues. Our clean rearing conditions, and high standards in process reinforce our quality, healthiness of product and ladder up to Trust.

4

True Aussie is doing the job amongst those who recognise it of reinforcing reliability and trust. While not explicitly communicating safety, it does so through these higher order associations.

5

As in other markets, growth in online seen in 2020 has been maintained into 2021, driven by frequent beef buyers. It is still not a mainstream channel, and key barriers limit its potential for the moment. Guarantee of freshness will be important to ensure brand is not eroded through poor online experience.

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