

2020

Steak of the Nation

MLA Domestic Consumer Tracker

Prepared for MLA by Kantar Australia

KANTAR



A reminder on our sample and methodology...



- **100 MGBs per week**
 - *Skews Female 75%*
- **18-64 years**
- **Sydney, Melbourne, Adelaide, Brisbane, Perth**
- **Buy meat**

- **Online Survey**
- **Results Oct19-Sep20**
(vs previous year)

Agenda...

1.
The year
that was

2.
Category
Dynamics

3.
Comms
Activity

4.
Equity
overview

5.
Protein
deep dives

6.
What next for
Beef and Lamb

1. The year that was...

THINKING
DIFFERENTLY

BEHAVING
DIFFERENTLY

SHOPPING
DIFFERENTLY

ENGAGING
WITH BRANDS
DIFFERENTLY

ATTENTION CUSTOMERS:

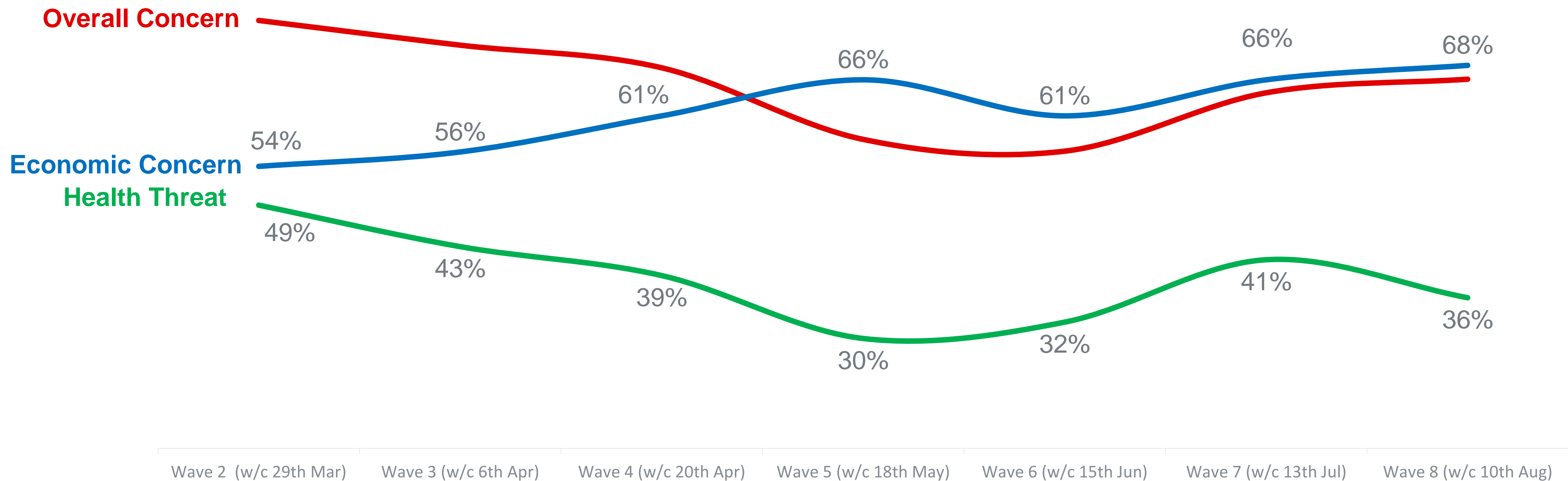
- Due to high demand these items
will be limited to two per customer:
- Bread
 - Paper towels
 - Bath tissue
 - Case water
 - Gallon milk
 - Hand sanitizers
 - Disinfecting wipes

THANK YOU

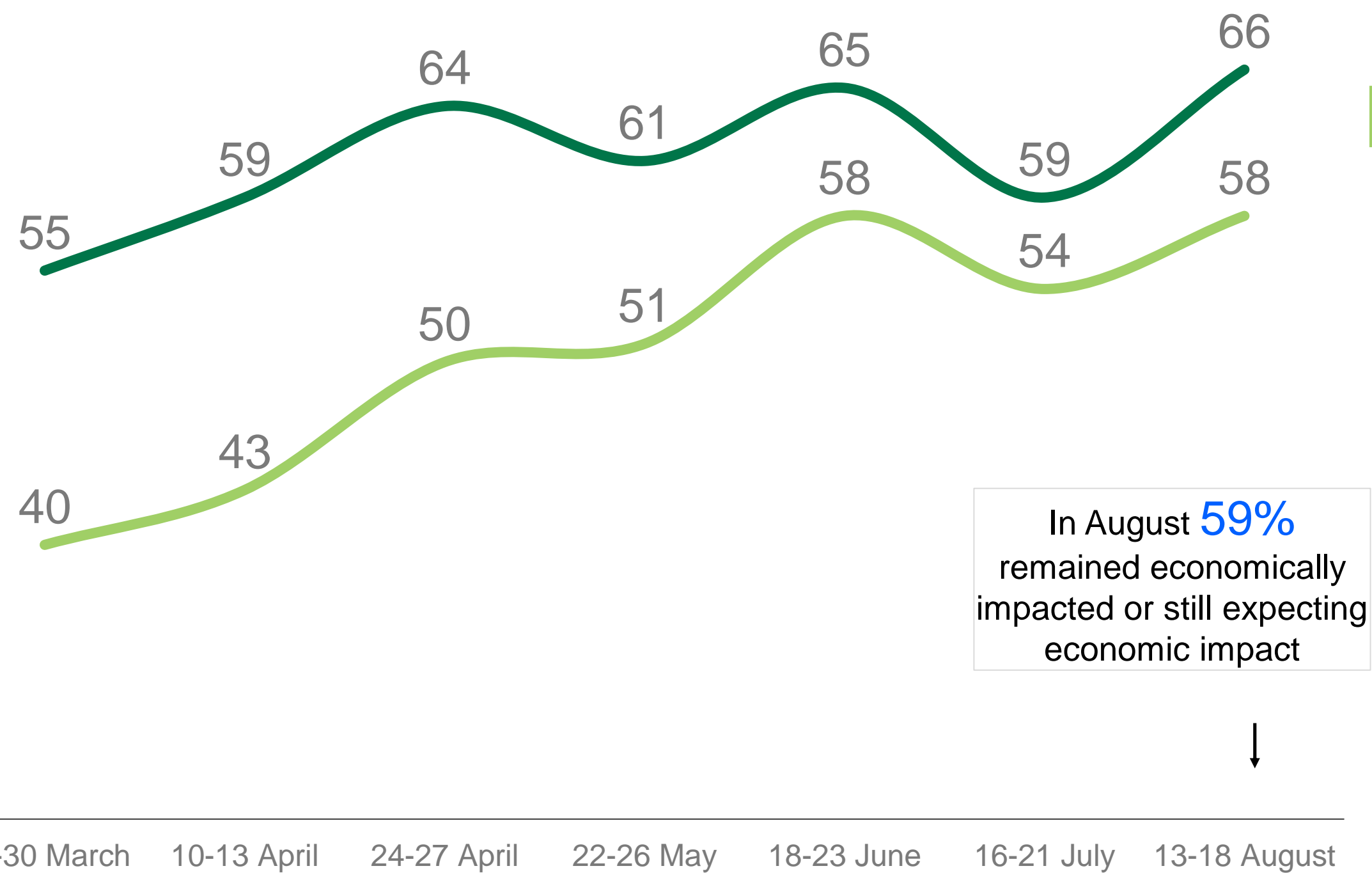
KANTAR


mia
MEAT & LIVESTOCK AUSTRALIA

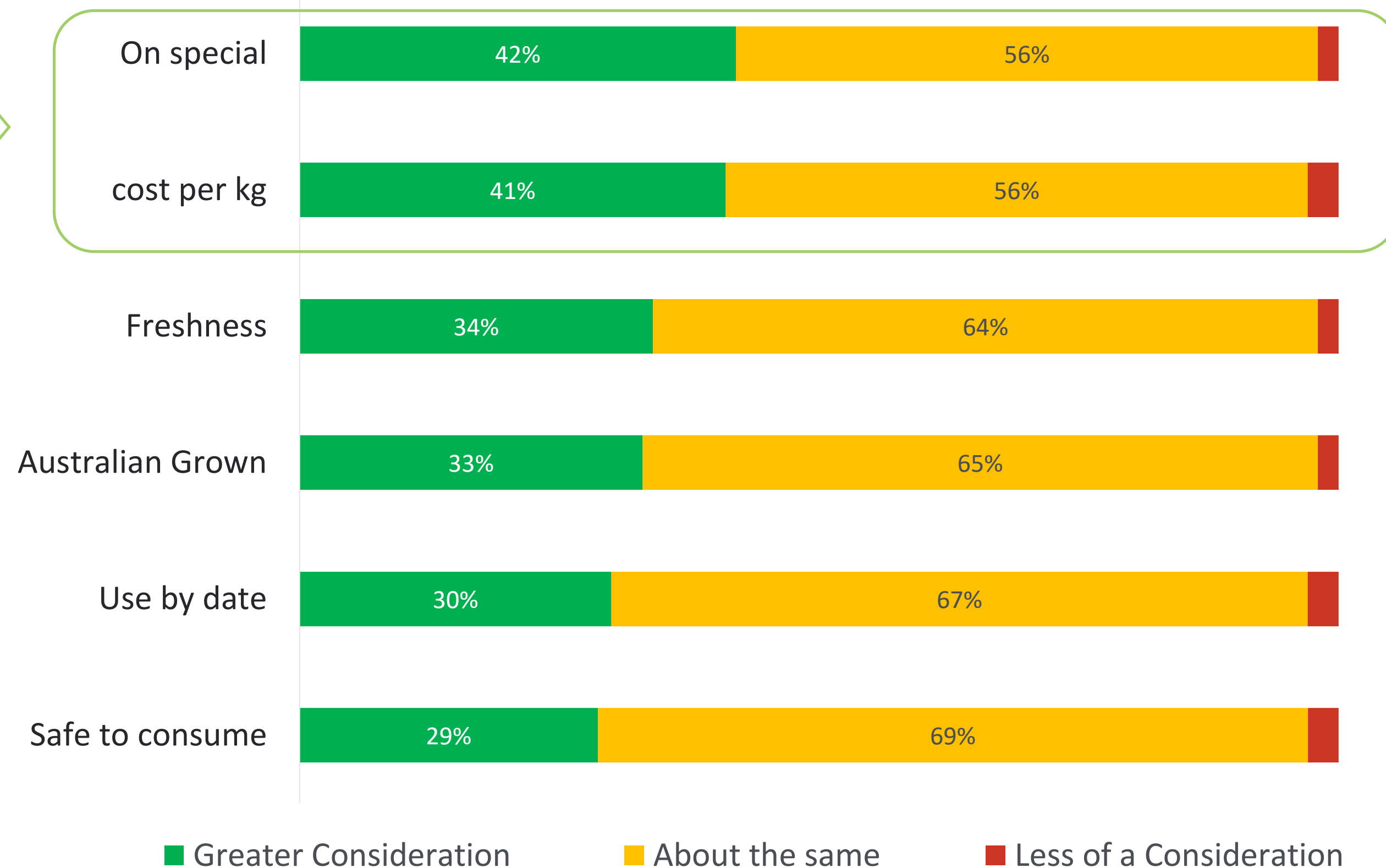
Throughout the pandemic, Australians' concern about the economic impact rises (at the expense of health concern) with the impact on decision making expected to continue.



Price consciousness has grown, with consumers expected to remain value focused. This has shifted red meat considerations with price, fresh and safe/local growing importance.

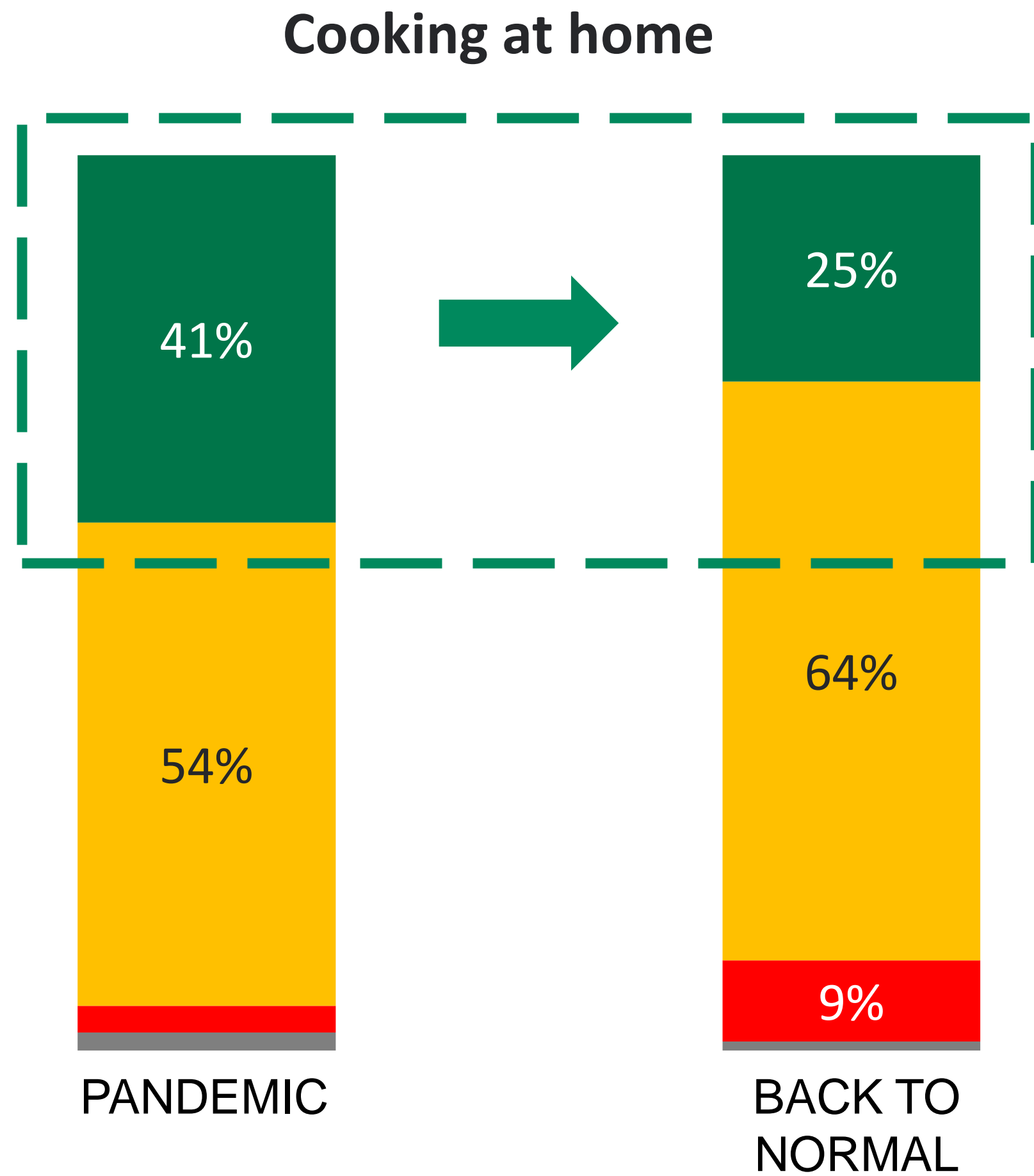


Top 6 increasing considerations when purchasing red meat during the pandemic...



— I pay more attention to prices — I pay more attention to products on sale

With more time and restrictions on food service, consumers increased the frequency of cooking at home - with 1 in 4 believing they'll maintain this habit moving forward



Who expects to maintain this behaviour?...

- Young Transitionals
- Start Up Families
- Small Scale Families

NOT Established Couples, Senior Couples

Other changing behaviours

Doing more

Having more free time to prepare meals **32%**

Looking for food inspiration much more **26%**

Doing less

Eating out much less during pandemic **47%**

■ Don't do this ■ Much less ■ About the same ■ Much more

2. How has this impacted Category Dynamics?

KANTAR


mla
MEAT & LIVESTOCK AUSTRALIA

Despite all the change, the factors driving consumer choice remain largely the same – ensuring the relevancy of Beef and Lamb strategies positioned on these factors

2019	34%	20%	10%	21%	11%	3%
2020	Easy Everyday 36% (+2%)	Trusted Quality 22% (+2%)	Good for You 15% (+5%)	A little bit special 14% (-7%)	A cut above 12% (+1%)	Limitation 2% (+1%)
	<ul style="list-style-type: none"> Is suitable for everyday meals Has options that fit well in my budget Can be used in a variety of meals Is something I'm confident to cook and prepare Makes healthy meals Is good for sharing <i>(new here from: A Little Bit Special)</i> 	<ul style="list-style-type: none"> I trust the safety of this meat Is consistently high quality Is Australian raised and produced Is full of flavour <i>(new here from: A Little Bit Special)</i> 	<ul style="list-style-type: none"> Contains a wide range of vitamins, minerals and nutrients Is free from chemicals, additives and preservatives Is an important part of a healthy, balanced lifestyle <i>(new here from: Easy Everyday)</i> 	<ul style="list-style-type: none"> Is perfect for special occasions Is something I'm proud to serve family and friends 	<ul style="list-style-type: none"> Is the greatest of all meats Is worth paying a bit more for 	<ul style="list-style-type: none"> Is something I'm limiting consumption of for health reasons

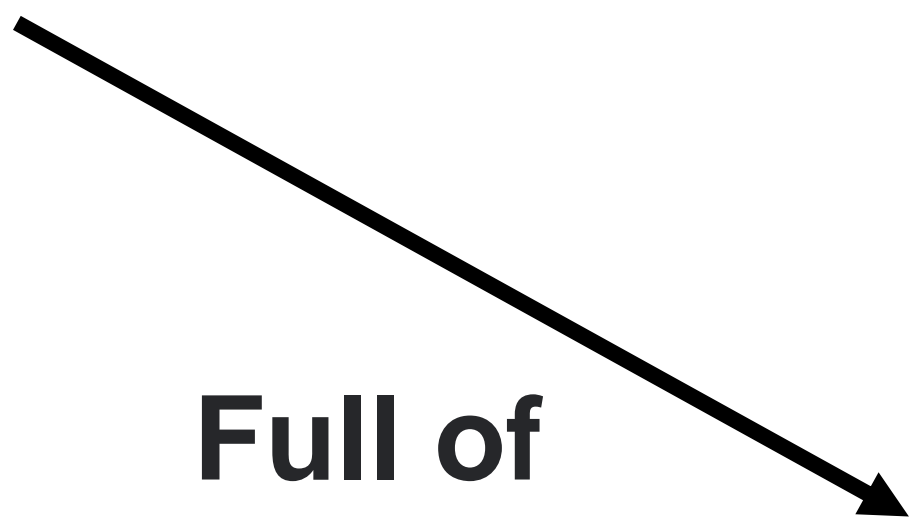
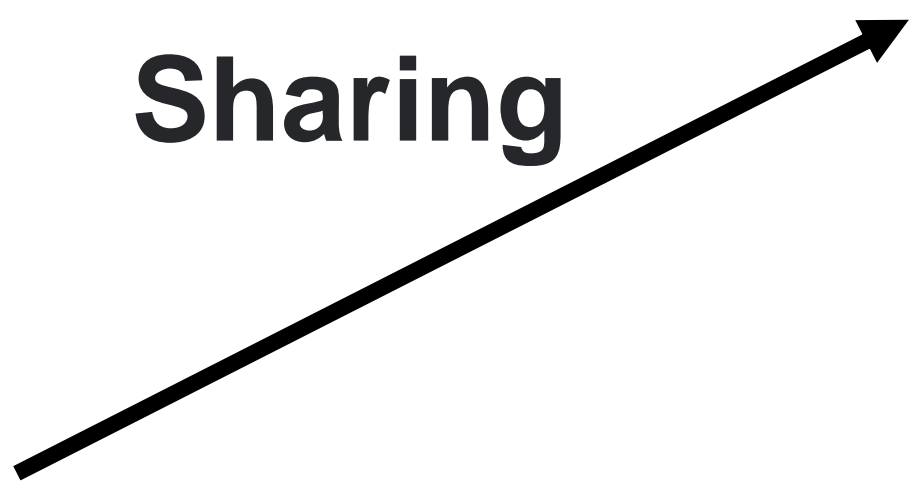
This year, consumers associate sharing less with specialness and more with the everyday – meanwhile flavour becomes more of a ‘marker of quality’ and trust than special



A little bit special

– Special – Pride –

Good for Sharing



Full of Flavour

Easy Everyday



– Everyday – Fits my budget –
Variety – Confident to cook –
Healthy Meals – Shareable

Trusted Quality



– Trust the safety – High Quality –
Australian – Flavour

And the more active concept of protein choice being a part of a healthy, balanced lifestyle is tied together with other elements of good for you - rather than everyday

Easy Everyday



- Everyday – Fits my budget –
- Variety – Confident to cook – Makes Healthy Meals – Shareable

Important part of a
healthy, balanced lifestyle

Good for You



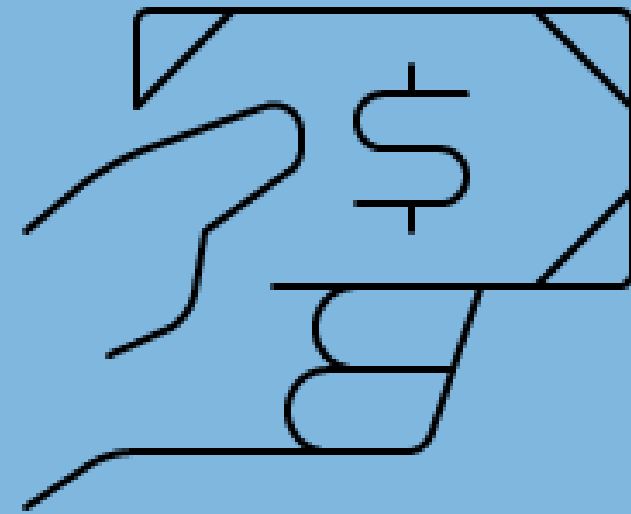
- Vitamins, minerals & nutrients –
- Free from chemicals, additives & preservatives – Important part of a healthy balanced diet

↳ **'Makes Healthy meals'** remains associated with Easy Everyday:
In consumers minds this could be healthy enough to serve everyday, can be turned into a variety of healthy, sharable meals etc.

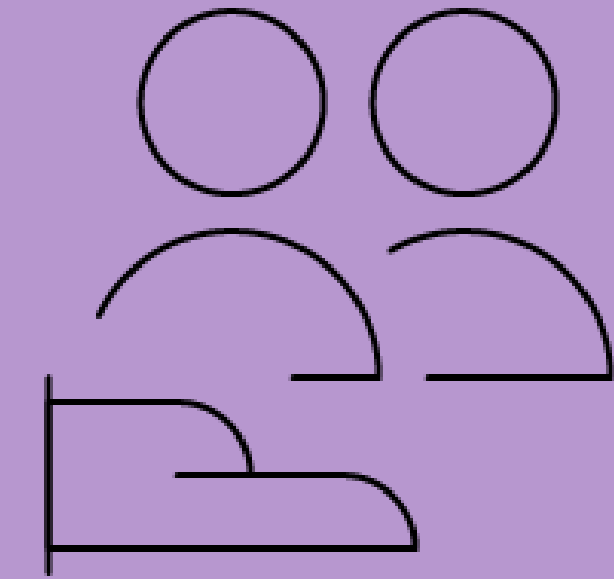
Some common themes emerging in this year's data...



**HEALTHY
MEALS**



**PRICE &
WORTH**



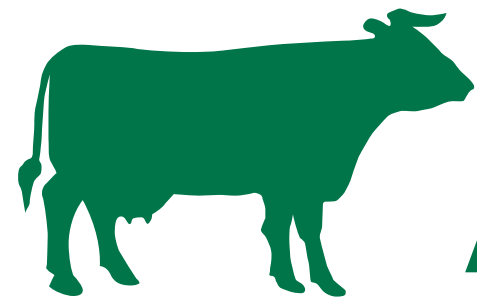
SHARING

Look out for these as we go through!



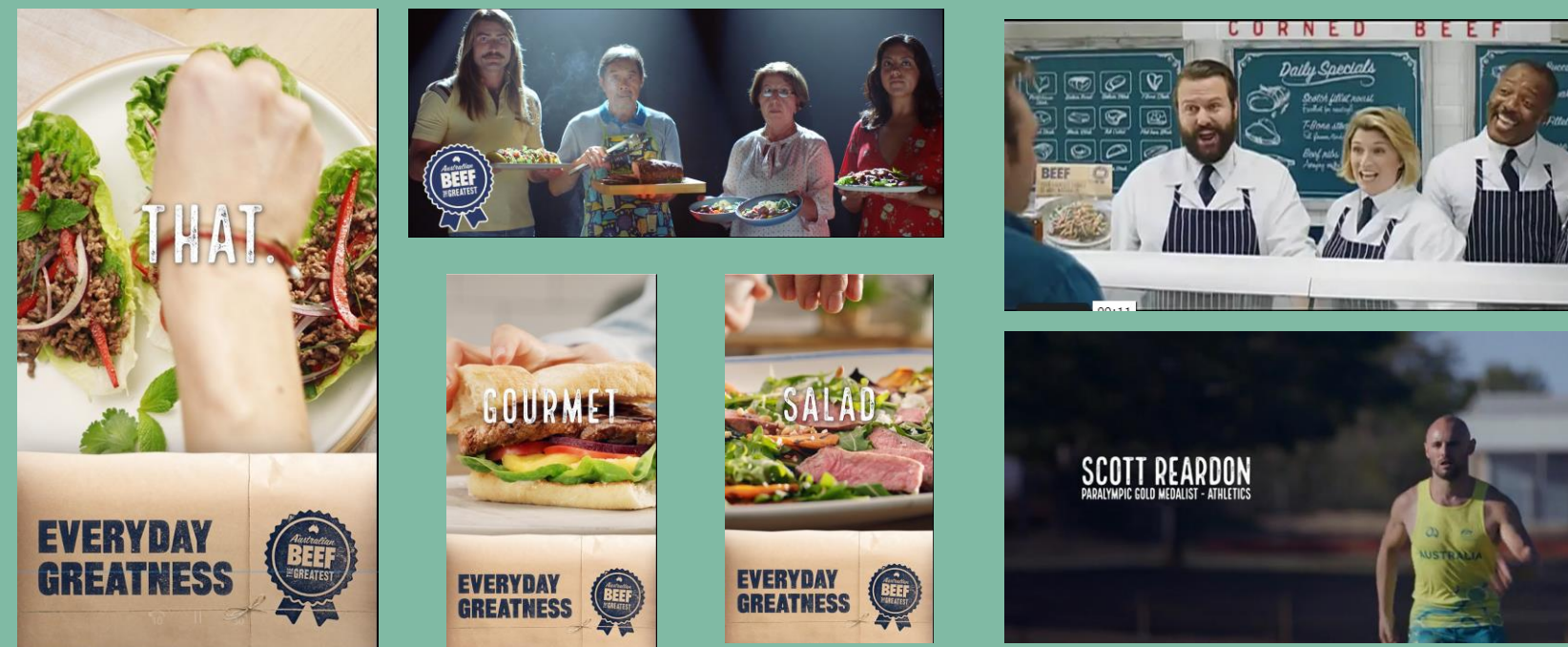
3. Communications activities...



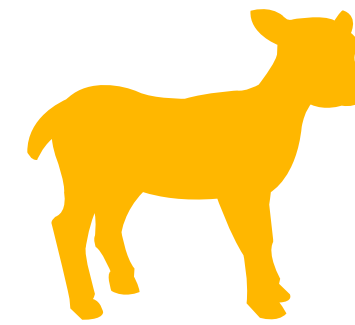


Activities:

- Singing Butcher
- Steak Sanga
- Lettuce Cups
- Sirloin Salad
- Paralympics content - pivoted away due to postponement to Singing Butcher

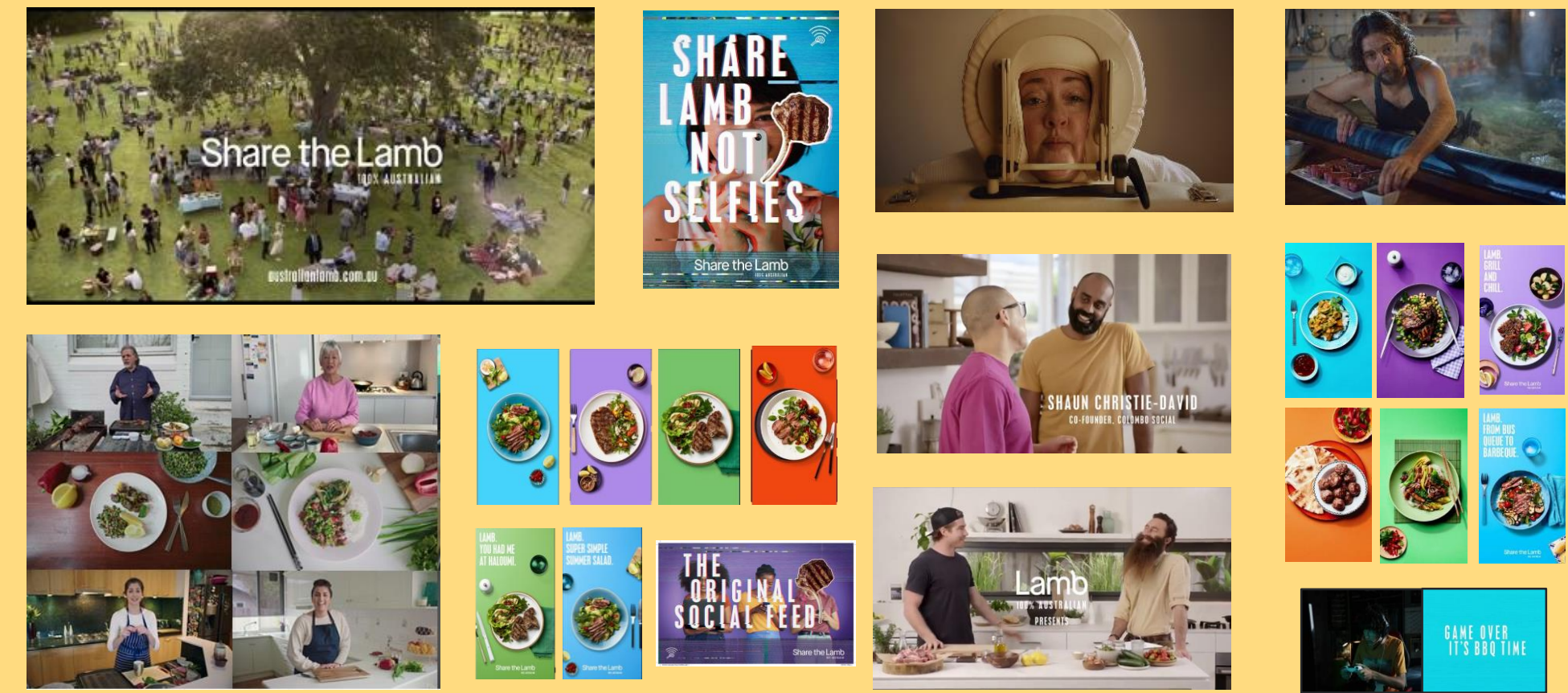


Consumers took out: **Premium & Provenance**



Activities:

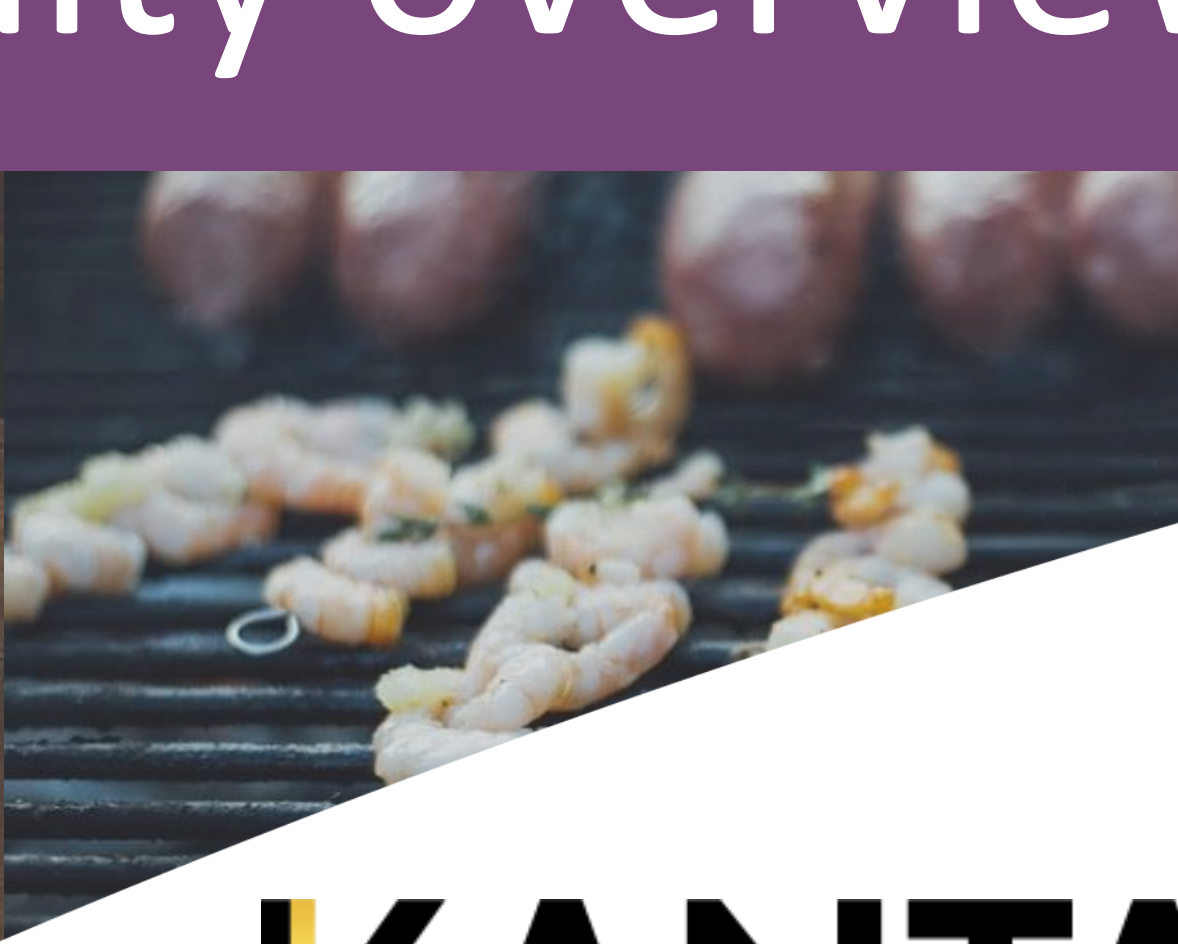
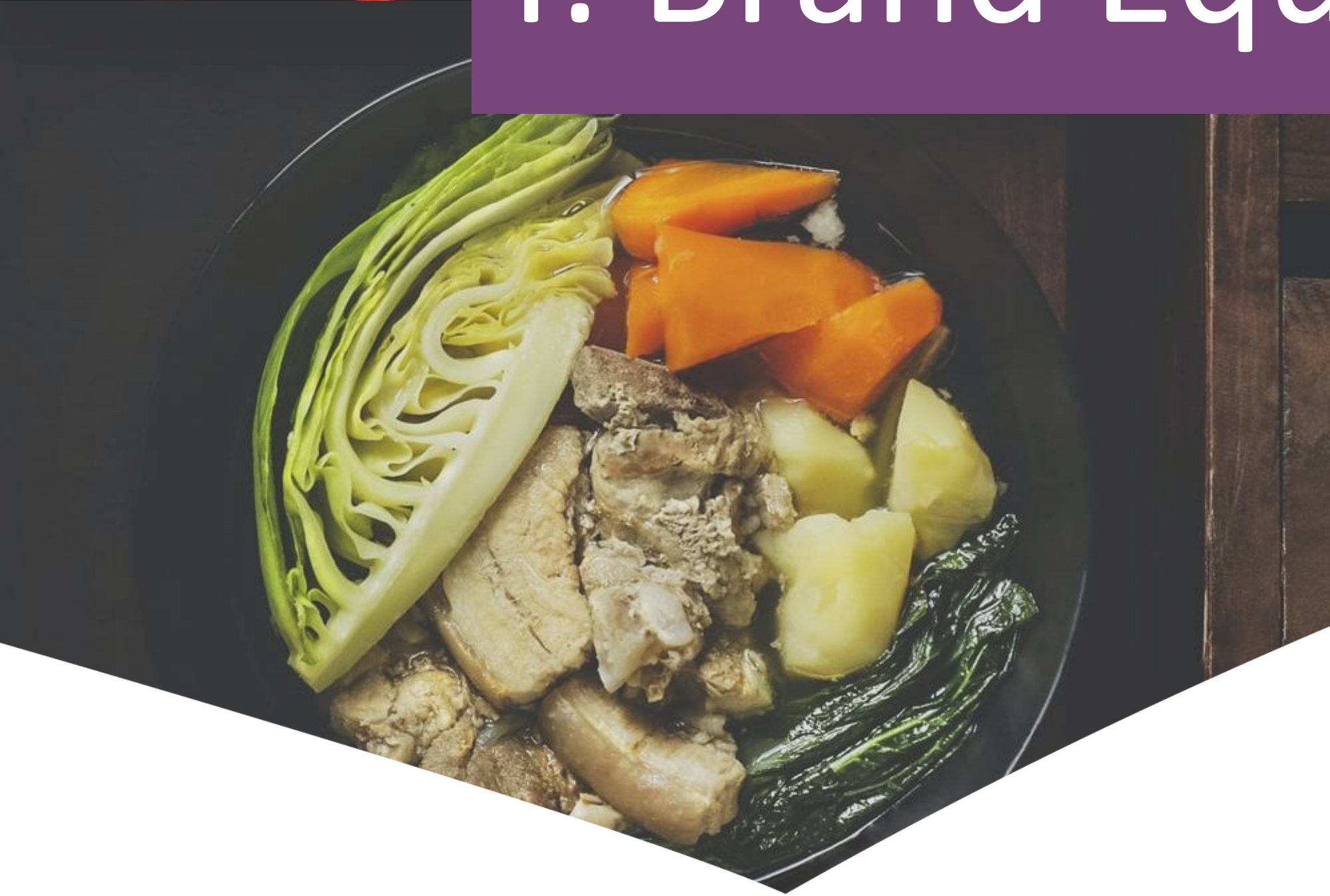
- Lamb – Too Easy
- Lambalytica + Tactical
- Secret Recipe
- Lamb Legends



Ease, versatility, sharing, BBQ/Australian




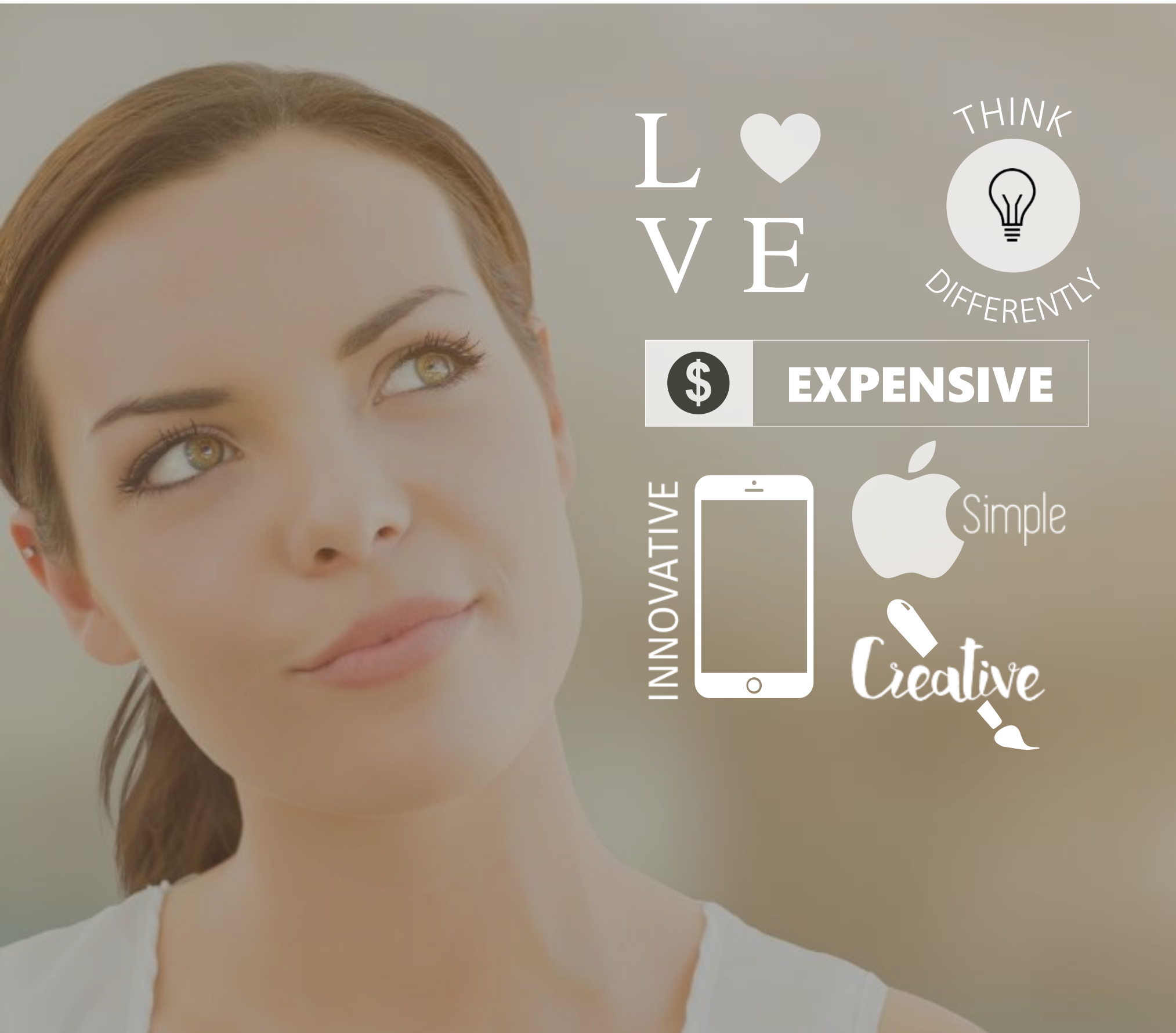
4. Brand Equity overview...



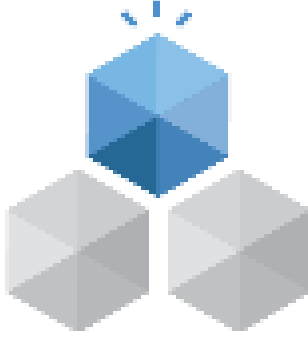
KANTAR




A reminder of how our model of brand equity works...



Meaningful
Consumers **feel an affinity** for the brand or **think it meets their needs**



Different
Feels different from other brands or **sets the trends** for the category



Salient
Comes to **mind quickly and readily** when activated by ideas relating to category purchase



POWER
IS A PREDICTION OF THE BRAND'S VOLUME SHARE BASED PURELY ON PERCEPTION, ABSENT OF ACTIVATION FACTORS.

WE REPORT THE POWER SCORE AS A PERCENTAGE SHARE BECAUSE WE WANT TO REFLECT THE RELATIONSHIP IT HAS WITH VOLUME SHARE.

THE 'MEANINGFULLY DIFFERENT' SIGNATURE VISUAL: THE PROPELLER

01

First we plot how important Meaningful, Different and Salient are in explaining Power within the category, as in a pie chart.

02

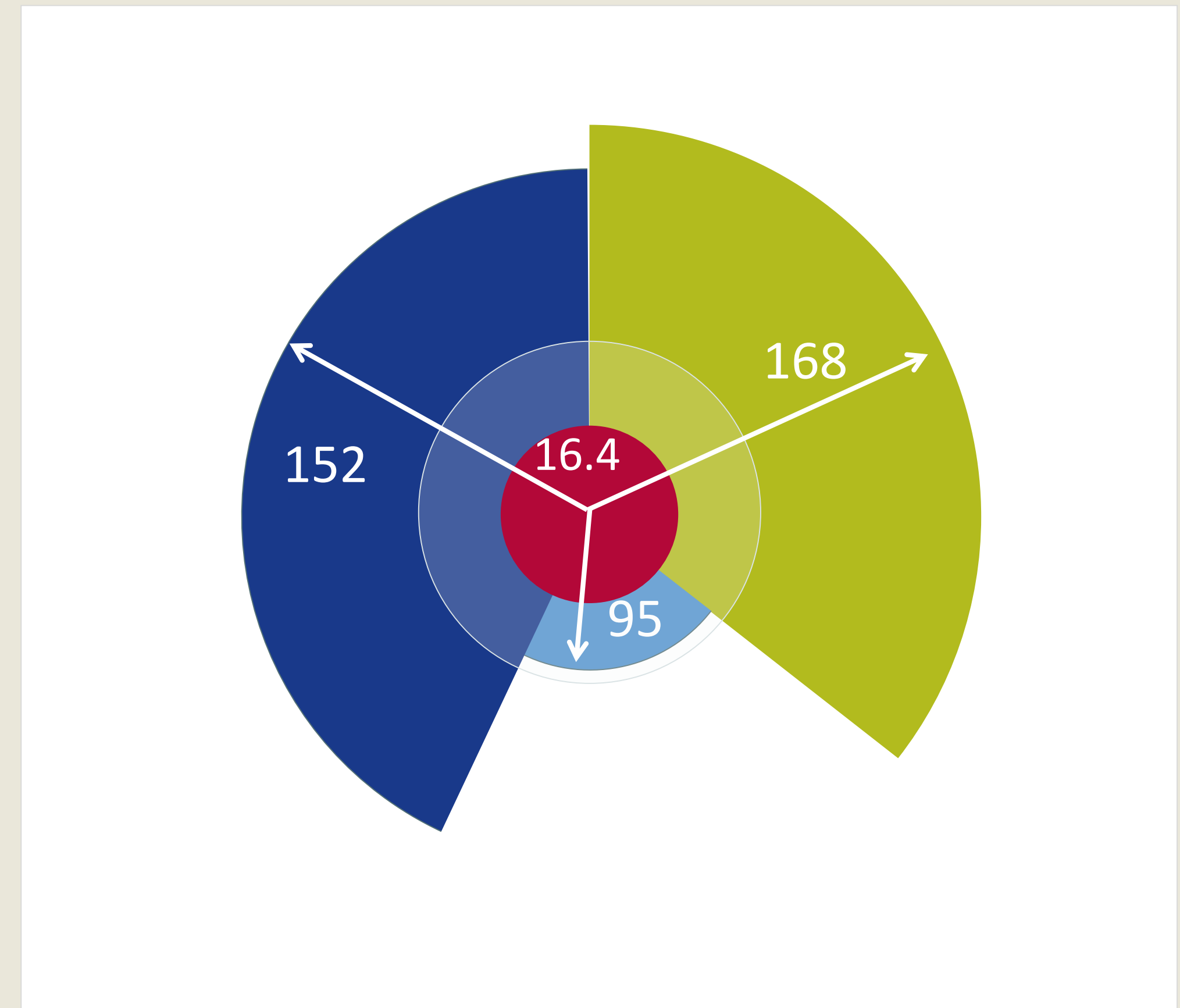
We then add how strongly each brand performs on each of Meaningful, Different and Salient. The numbers are indexed against the category average.

03

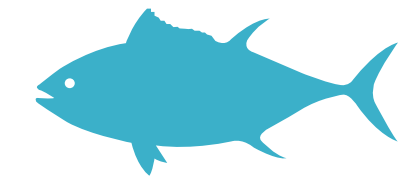
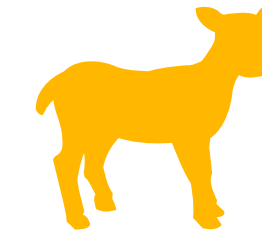
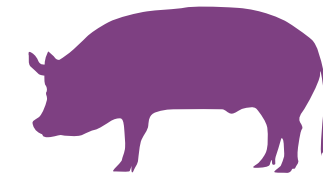
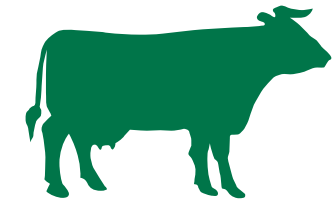
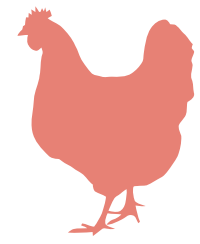
We overlay an 'average' circle (100) so you can see how each brand is performing compared with the category.

04

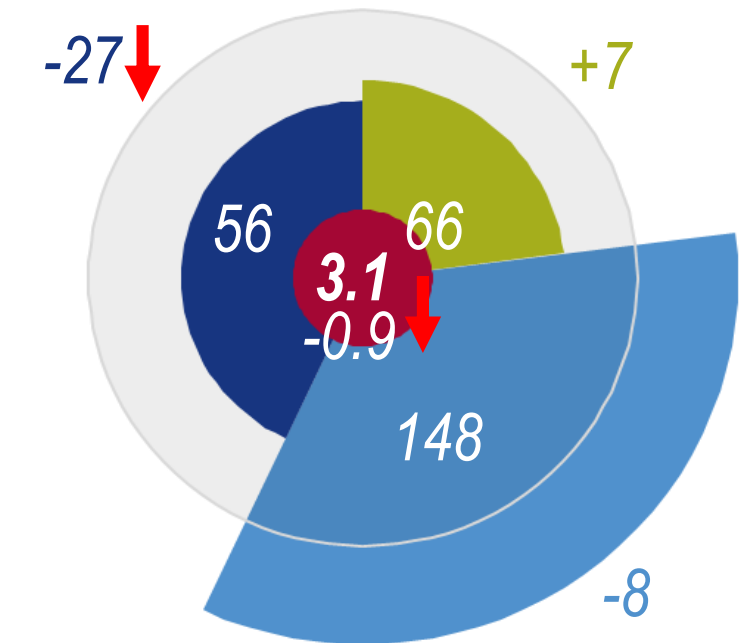
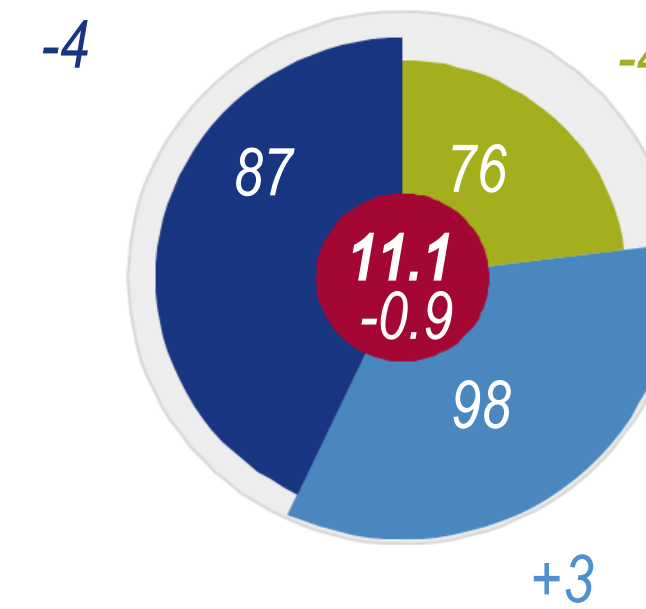
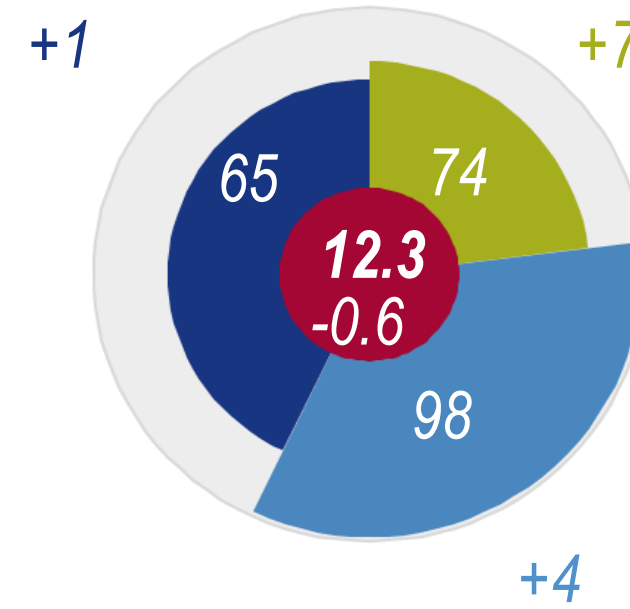
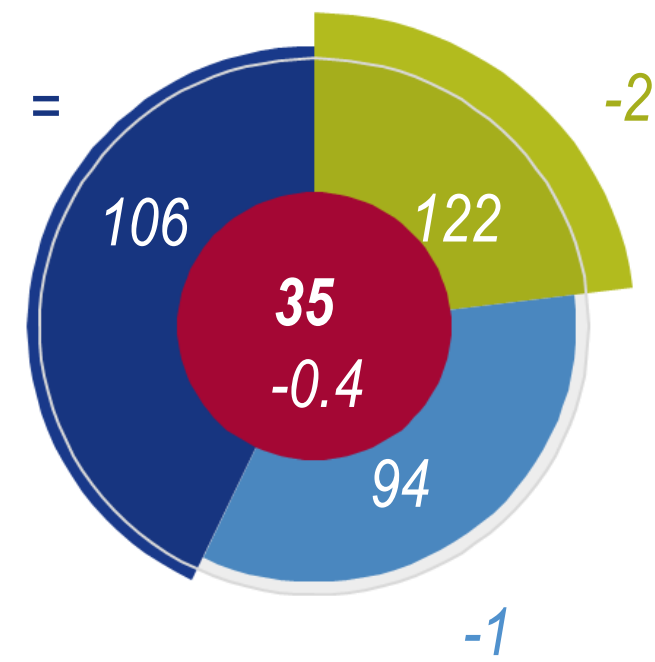
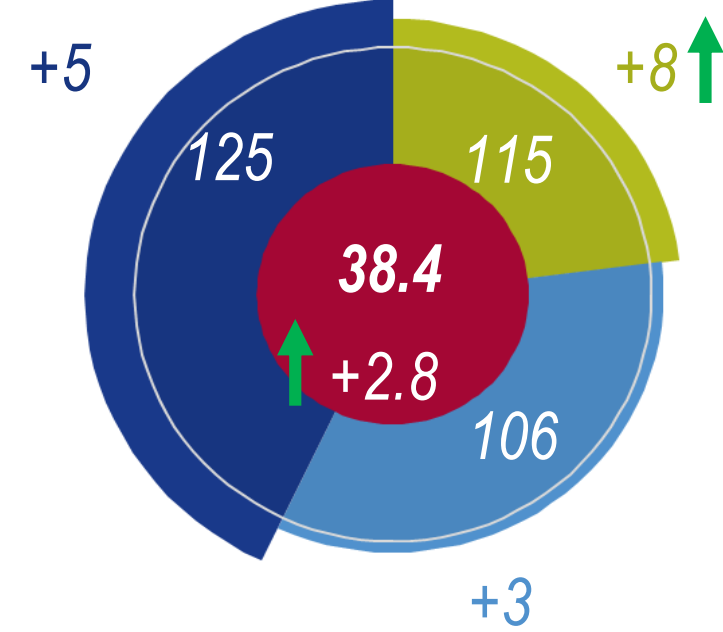
The final circle at the centre indicates each brand's Power, the likely share of market based purely on predisposition.



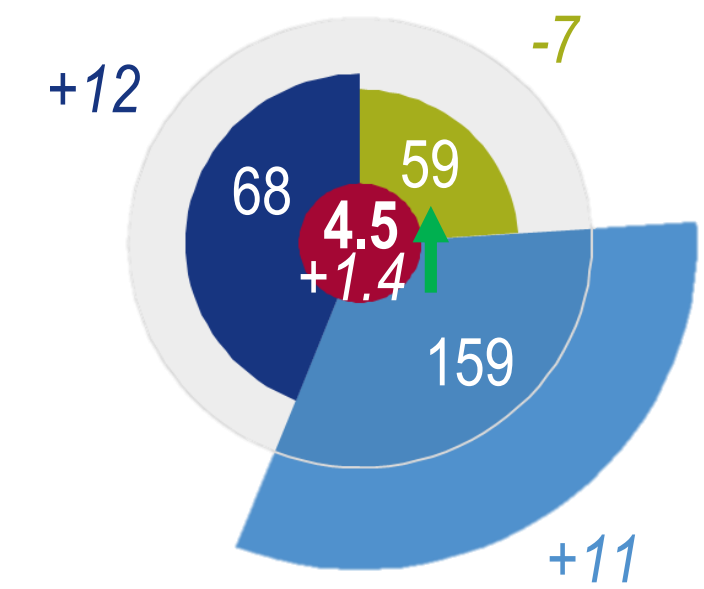
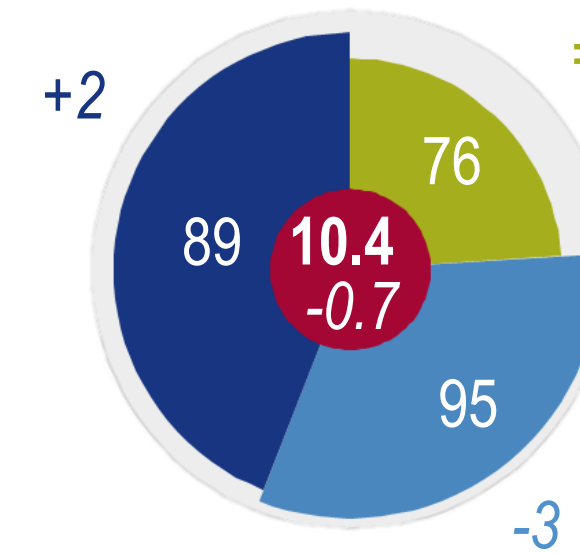
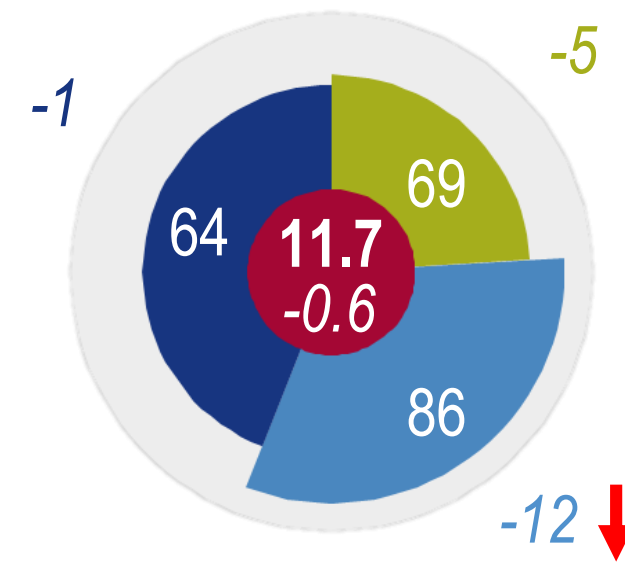
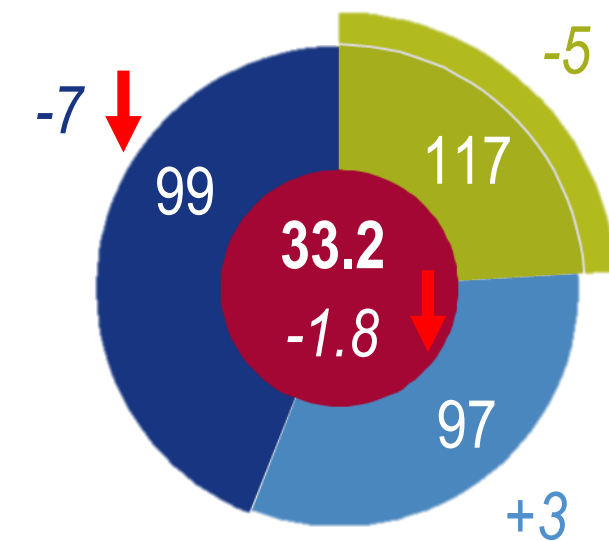
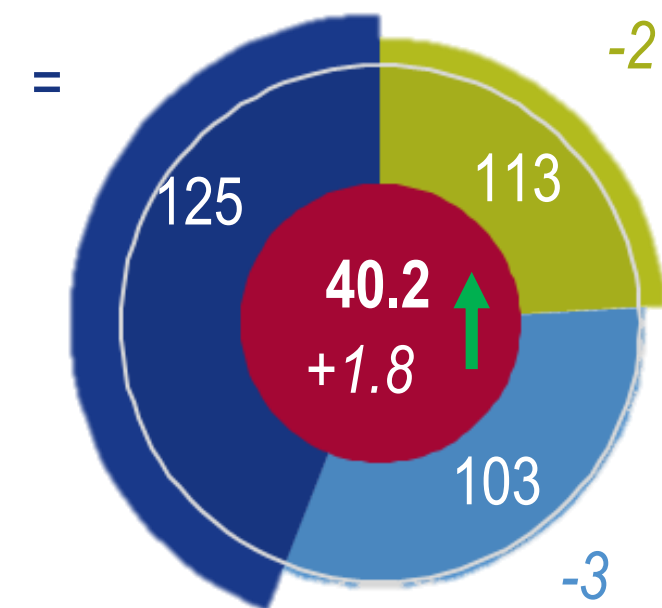
So, how has equity shifted in 2020?



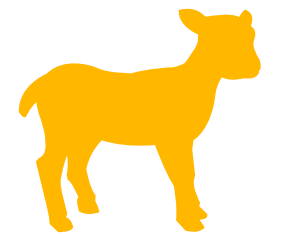
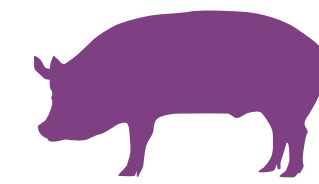
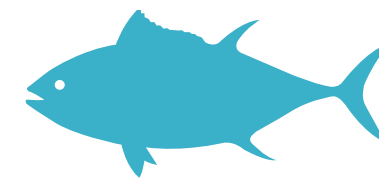
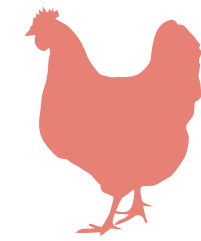
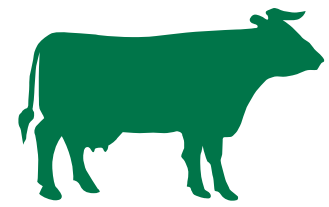
2019
(vs 18)



2020
(vs 19)



In the next section we will dive into each protein to unpick the key challenge



Beef has seen a significant decline in Brand Power due to falling Meaning.

Chickens Brand Power has increased significantly (in exactly the same proportion to beefs decline)

Fish has achieved its strongest Brand Power to date, in particular by bouncing back on Meaning and Difference

After a strong 2019 Pork has slipped back a little – losing some Difference.

Lamb's equity is stable but Brand Power has softened again reflecting a longer term decline

Why are Australians seeing beef as less loved or less relevant and who are the people feeling this way?

Why have they maintained such strong Meaning in the context of 2020?

What has Fish/Seafood changed in order to regain the equity lost last year and grow share in 2020?

What perceptions have changed this year to impact Difference this year?

How is Lamb performing on key drivers of choice given our consistent strategy and shifts in category dynamics?

A large piece of raw beef is shown on a wooden cutting board. The beef is marbled with fat and has several sprigs of fresh rosemary and two red chili peppers placed on top of it. The background is a dark, textured wooden surface.

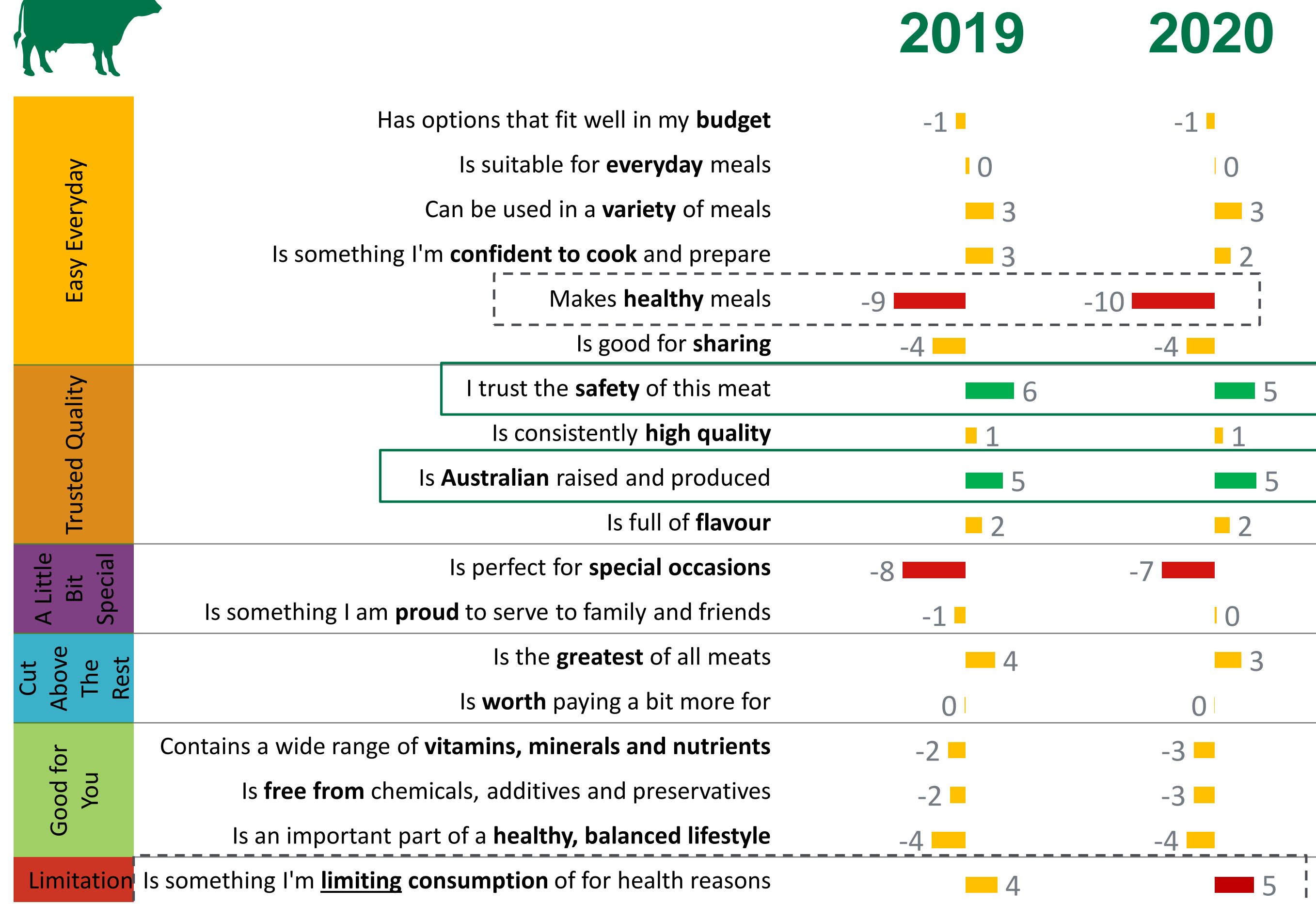
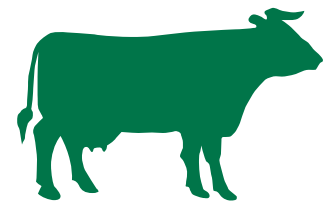
Beef...

KANTAR



mla
MEAT & LIVESTOCK AUSTRALIA

At a total level, what beef stands for in consumers minds is fairly stable...



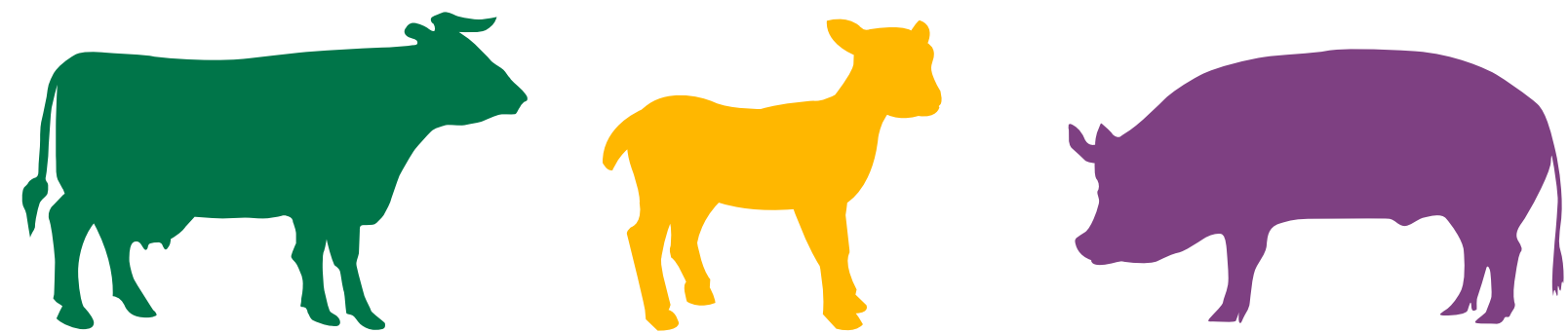
vs. the competition
Beef is seen as...



Safe Australian

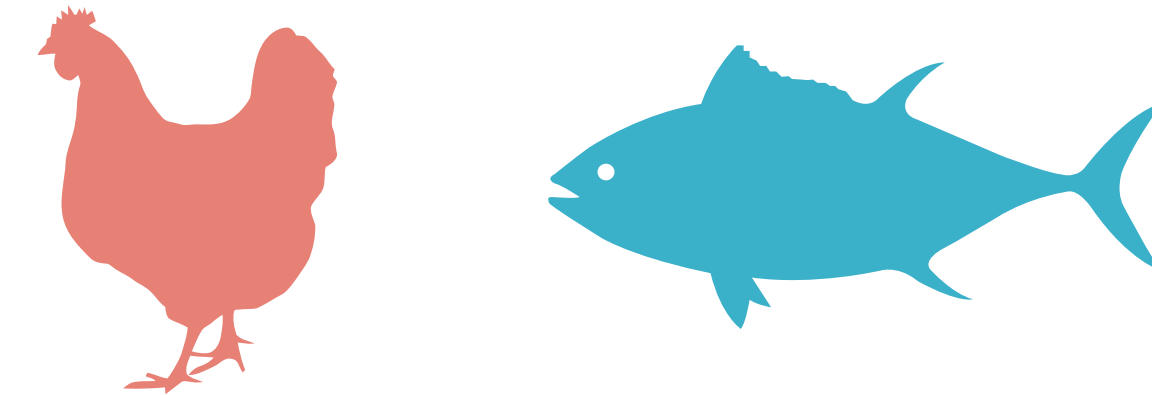
But not as healthy, so is something to limit

Proteins that can be part of a healthy meal are gaining power/equity, while those that aren't are falling back.



No/limited associations of making healthy meals / part of a healthy balanced lifestyle

Softening Equity ▼



Associations of making healthy meals / part of a healthy balanced lifestyle

Growing Equity ▲

This is particularly apparent amongst Young Transitionals, Bustling Families & Senior Couples where consideration is softens along with health perceptions.

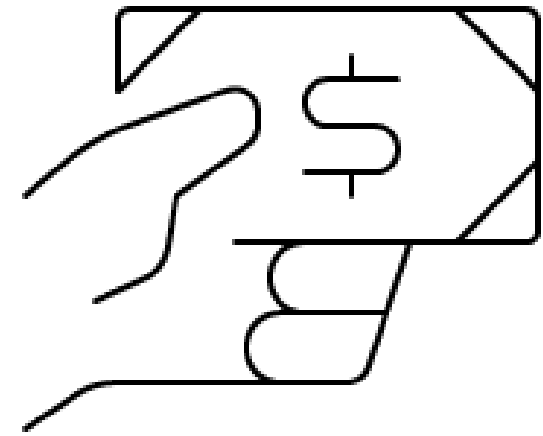
Consideration (T2B):

2018 2019 2020



Size:

Positively, our ATL activities support increased perceptions of being Australian raised and produced, proud to serve and worth paying more for.



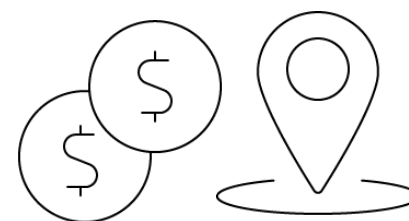
Absolute Endorsements:

Strengthening Associations

- ✓ Has options that fit well in my **budget**
- ✓ **Australian** raised and produced
- ✓ Is something I am **proud** to serve to family and friends
- ✓ Is **worth** paying a bit more for



Consumers took our **Provenance & Premium** messages:

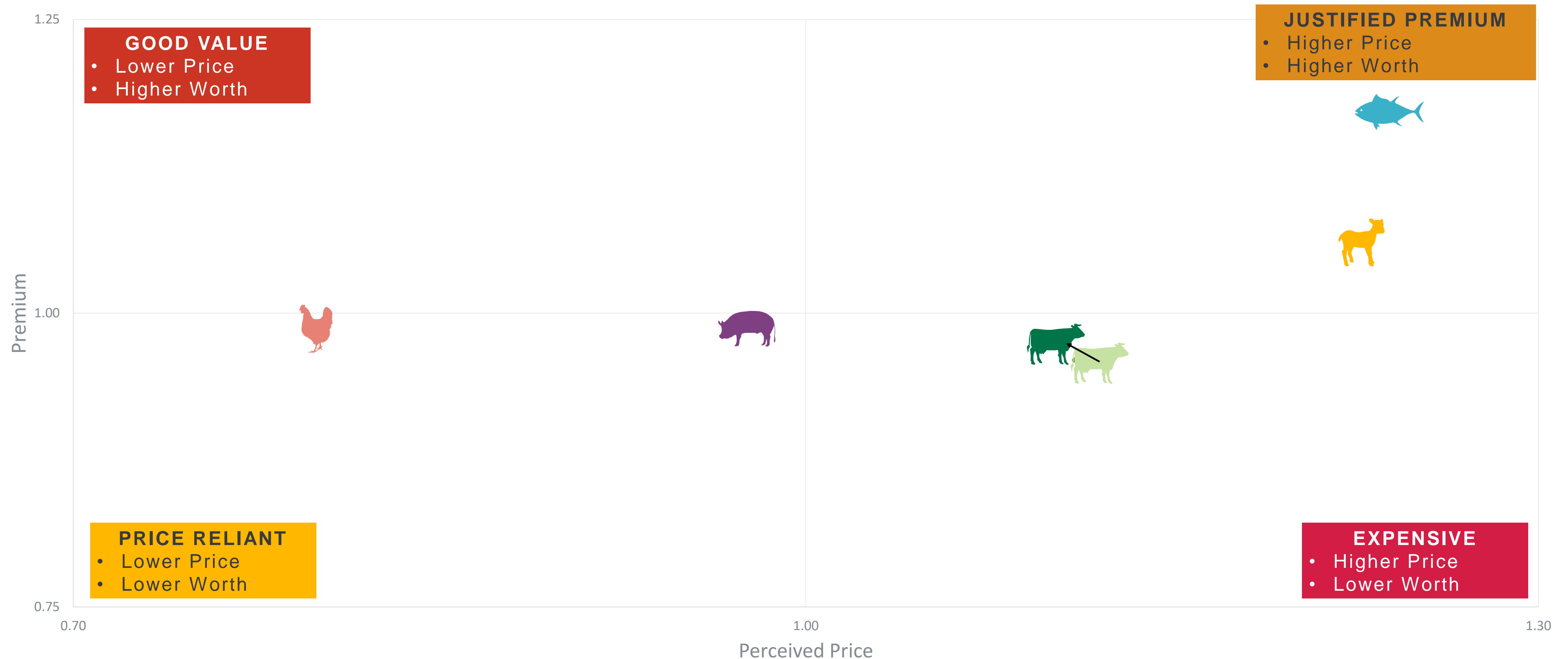


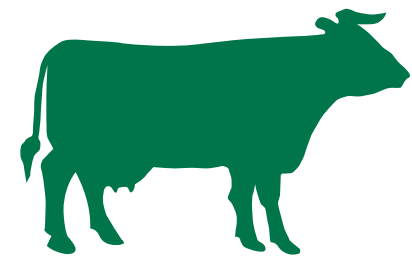
Weakening Associations

- Makes **healthy** meals
- Contains a wide range of **vitamins, minerals and nutrients**
- Is consistently **high quality**



While Beef is still seen as 'expensive', improvements in worth YoY help justify price. Beef should continue to address worth with increased price sensitivity.





Summary...

The context:

What have we learned?

What to do next?

1.



Health and economic considerations are up, and cooking at home has increased.

2.



Proteins that can be part of a healthy meal are gaining power, while those that aren't are falling back.

3.



We're still expensive – and while we can't influence price our comms which talked to premium / worth and Australian provenance help Beef improve its worth / and justify increasing prices

4.



Health, pride, confidence in cooking, versatility and shareability all contribute to justifying premium

Focus on portraying beef's role in a variety of healthy meals that are easy to prepare. This can help shift the dial on healthy meals from an easy everyday POV (rather than strictly nutrition)

As price continues to rise, keep supporting activities that justify price like pride – as well as confidence, makes healthy meals and variety

Can we shape channel and touchpoint strategy to engage Young Transitionals, Senior Couples and Bustling Families whose consideration is softening most?



Lamb...



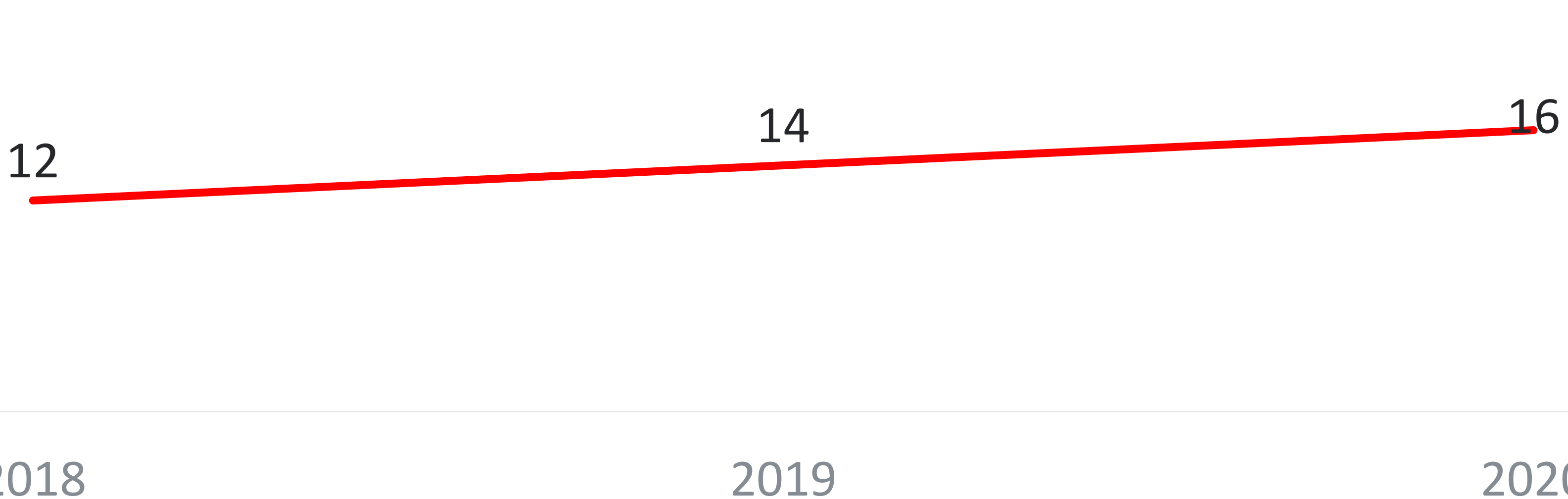
KANTAR



mila

MEAT & LIVESTOCK AUSTRALIA

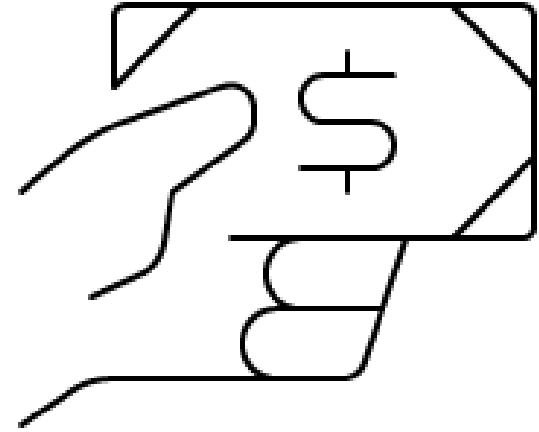
Lamb's equity continues to soften in 2020, aligning with a growing group of consumers who no longer consider Lamb. Overtime, the scale of our loss of equity is decreasing.



Increased rejection driven by **Young Transitionals** and **Independent Singles** as well as our heartland (**Established/Senior Couples**) in the past year

— Would not consider

Lamb strengthened associations that it is historically aligned to such as safety, Australian, special and worth as consumers revert to ingrained perceptions

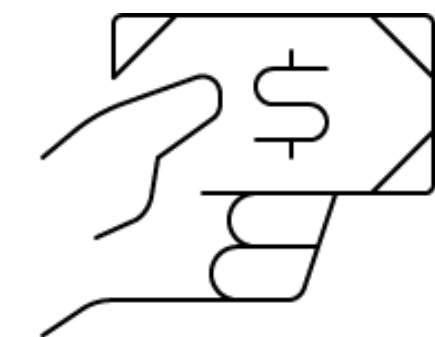
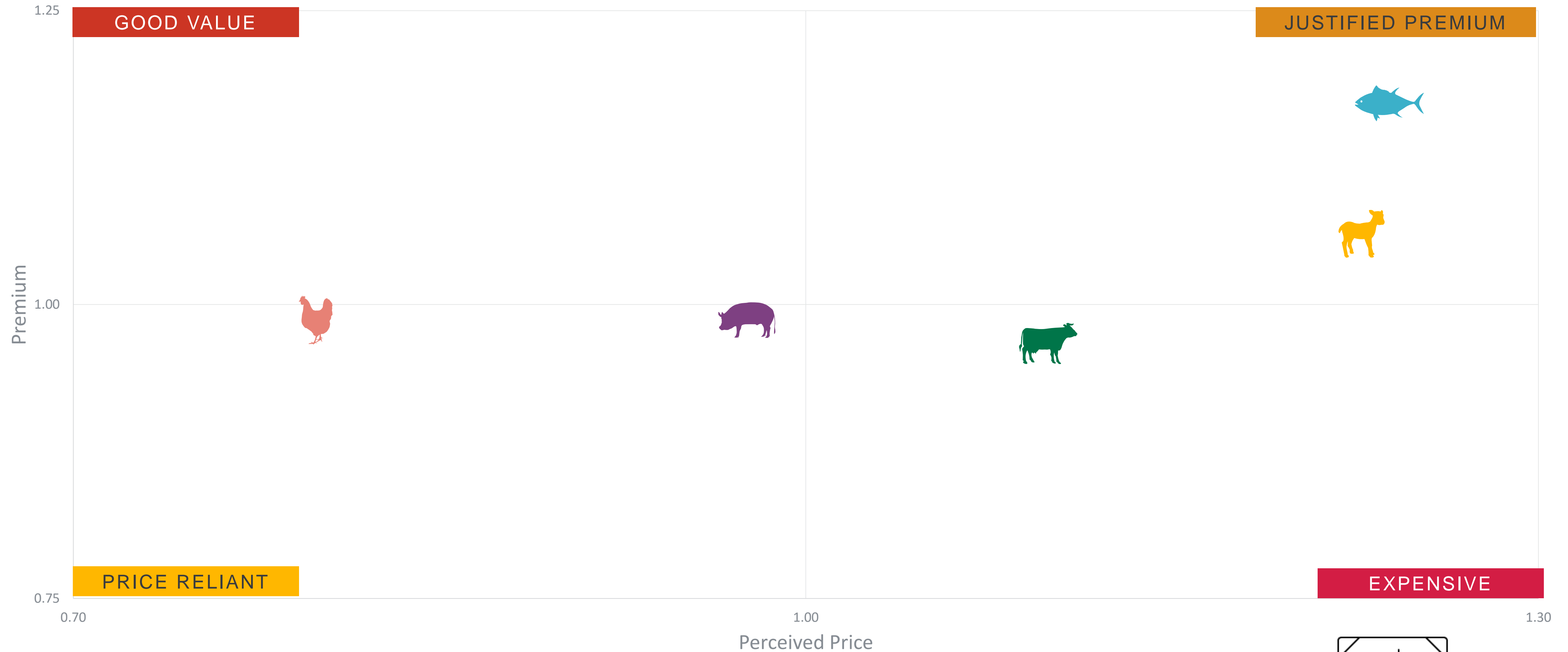


Strengthening Associations

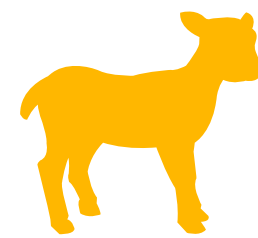
- ✓ Has options that fit well in my **budget**
- ✓ I trust the **safety** of this meat
- ✓ **Australian** raised and produced
- ✓ Is perfect for **special occasions**
- ✓ Is **worth** paying a bit more for

All proteins saw an **increase** on **options to suit my budget** – linking to higher sales of **value cuts**

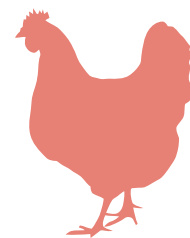
These core perceptions have been key to maintaining Lamb's position as a protein with in a justified premium position



Although we've talked to Easy Everyday in our ATL, Chicken's improved strengths here and the wider price context means that Lamb has not gained the ground we might expect

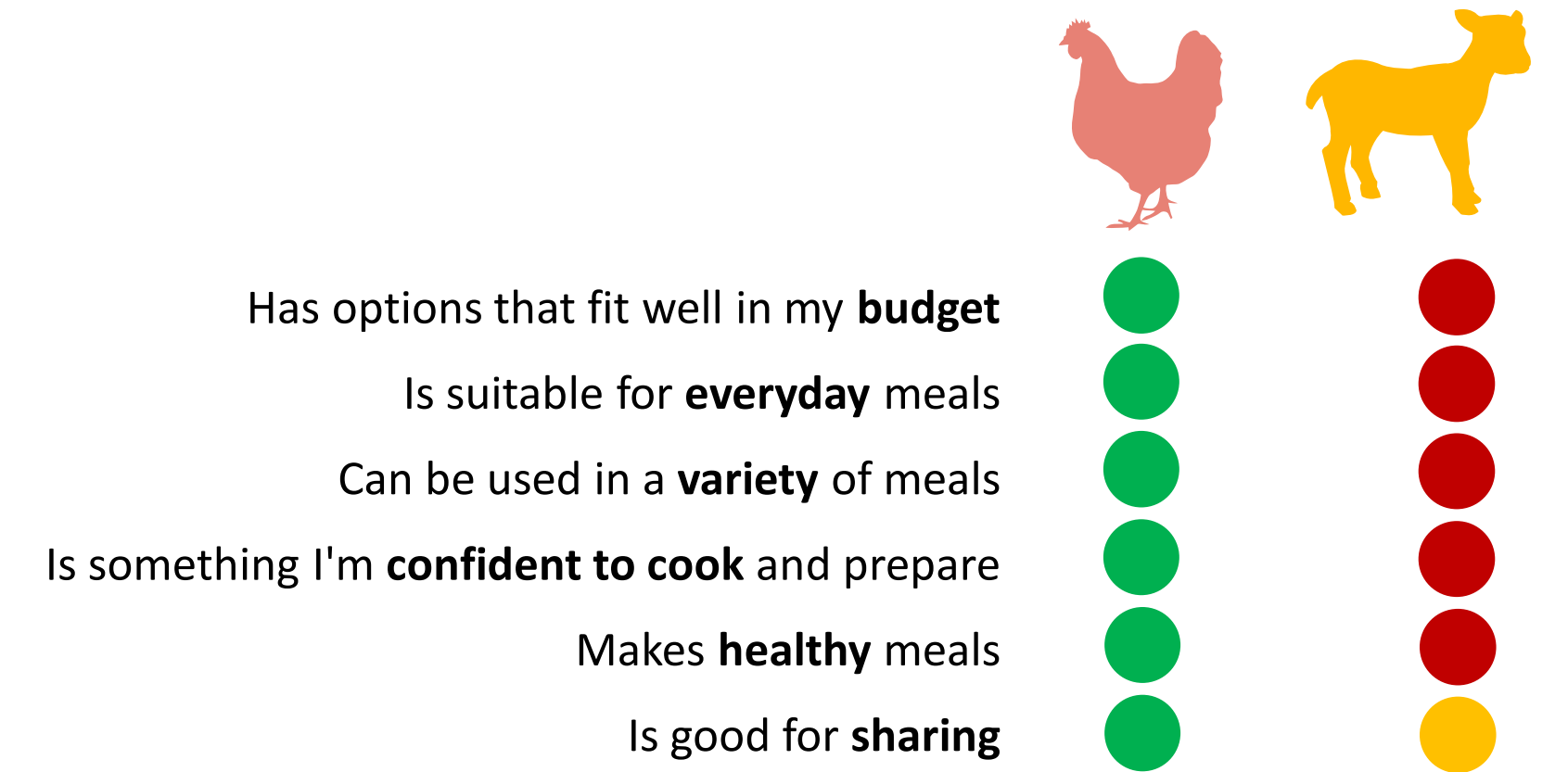


Although we've talked to Easy Everyday ATL Lamb has been unable to reduce these **relative** weaknesses



This is due to Chicken further improving their strengths here as consumers revert to ingrained perceptions

Easy Everyday



Our **weakness** in **confidence** returned in 2020 - driven by Young Transitionals and Start-Up Families

Lamb should continue to talk the aspects of Easy Everyday where we have a right to play (i.e. variety, confidence, shareability) as these remain relevant to consumers and prevent us losing further equity / becoming more niche

Perception	Change in absolute endorsement	Weakens Meaningful Difference	Impact on Equity
Is something I'm confident to cook and prepare	→ -5	→ - Meaning Difference	→ -0.4
Can be used in a variety of meals	→ -5	→ - Meaning Difference	→ -0.4
Is good for sharing	→ -5	→ - Meaning Difference	→ -0.4

Lamb Summary

What have we learned?



Lamb's softening equity is driven by increased rejection (+4%) over the past 2 years. YT, Couples and Independent Single segments are behind this



Lamb has returned (for Aussies) to its roots of being a special, more premium option.



These strengths help us to justify our price premium over other proteins in the category



Lamb should keep communicating Easy Everyday to avoid becoming more niche. A particular watchout for softer confidence in 2020 for YTs and Small Scale families.



Chicken...

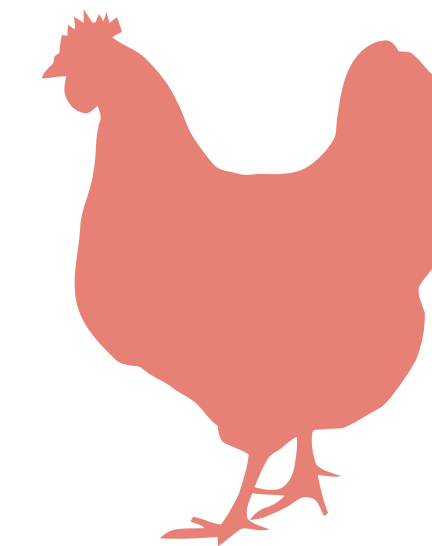
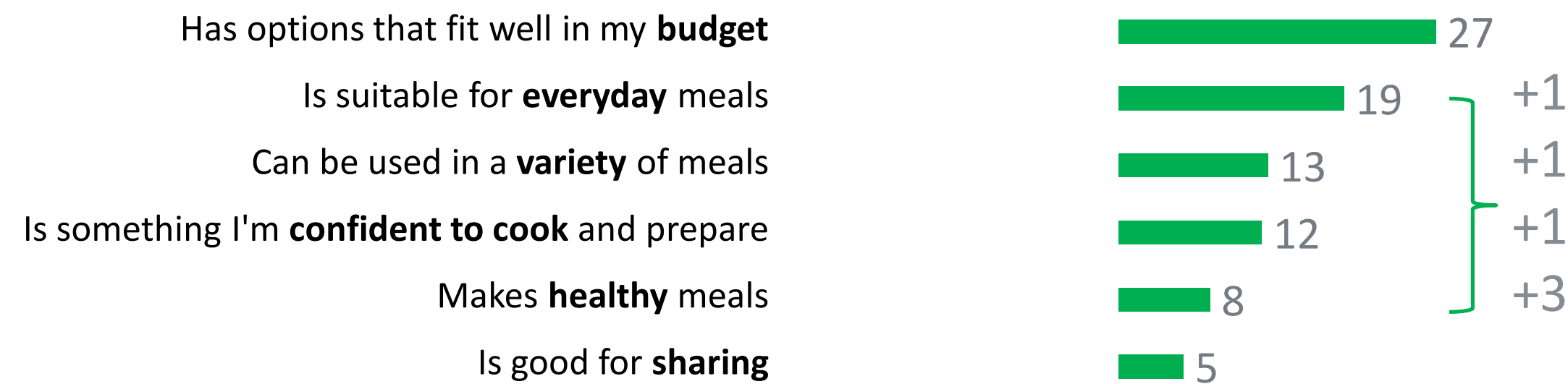
KANTAR



mla
MEAT & LIVESTOCK AUSTRALIA

In 2020, chicken solidified its clarity in consumers' minds by doubling-down on its easy everyday strengths – especially makes healthy meals.

Easy Everyday



Chicken stands for:

BUDGET
SUITABLE EVERYDAY
VARIETY
CONFIDENT TO COOK
HEALTHY
SHAREABLE

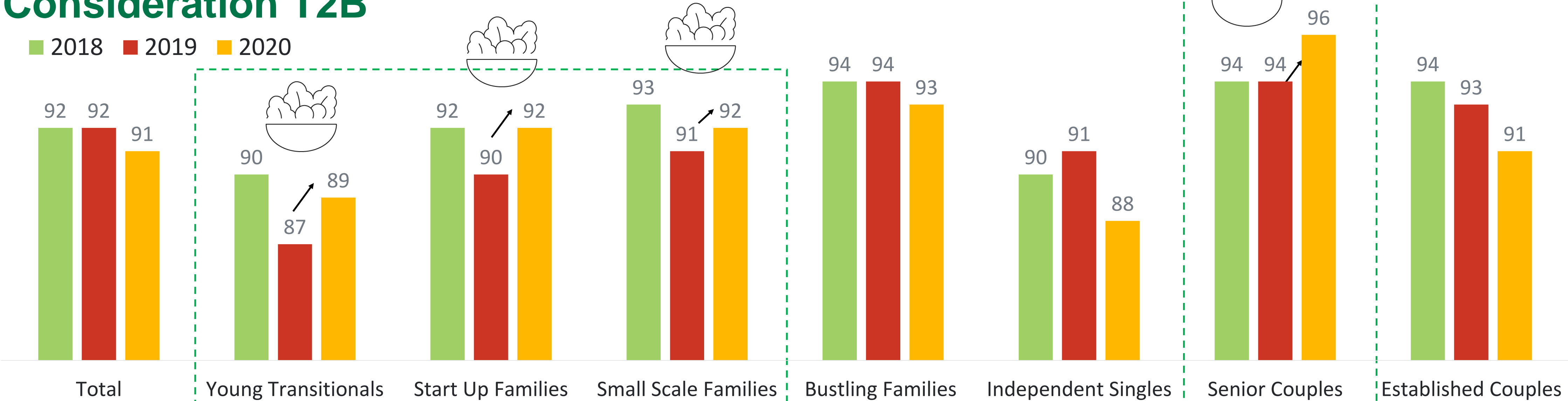
Good for You
 Limitation



These growing health perceptions have strengthened Chicken's consideration for younger consumers/families and senior couples

Consideration T2B

2018 2019 2020



Size:

Improving Perception YoY
Softening Perceptions YoY:

8%

Important part of a healthy, balanced lifestyle

5%

Gen Z and Millennials were most impacted financially by the C19 pandemic

11%

Makes healthy meals and sharing

13%

21%

Greater weakness on flavour, special and free from chemicals

20%

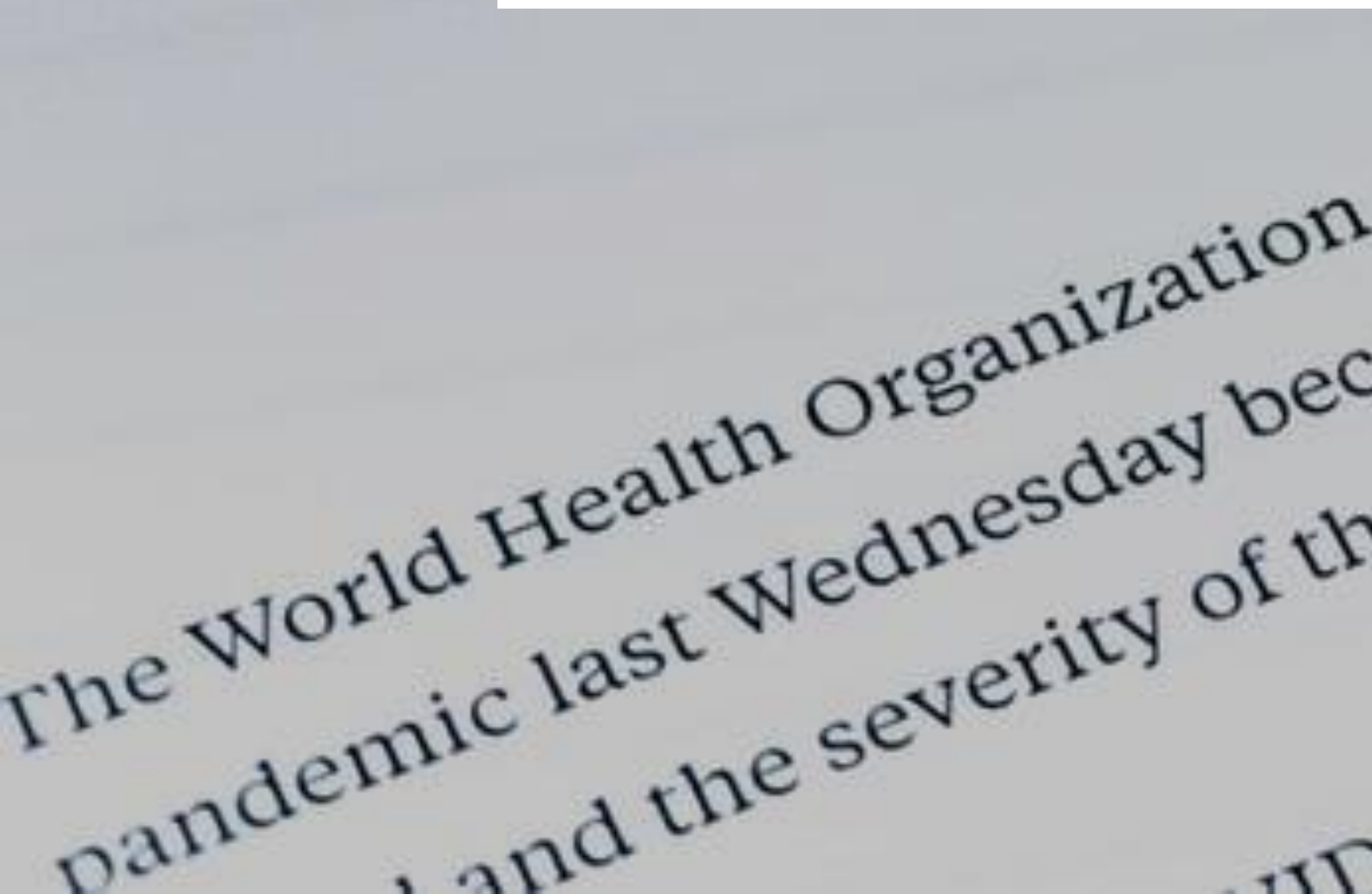
Confidence, healthy meals and sharing

21%

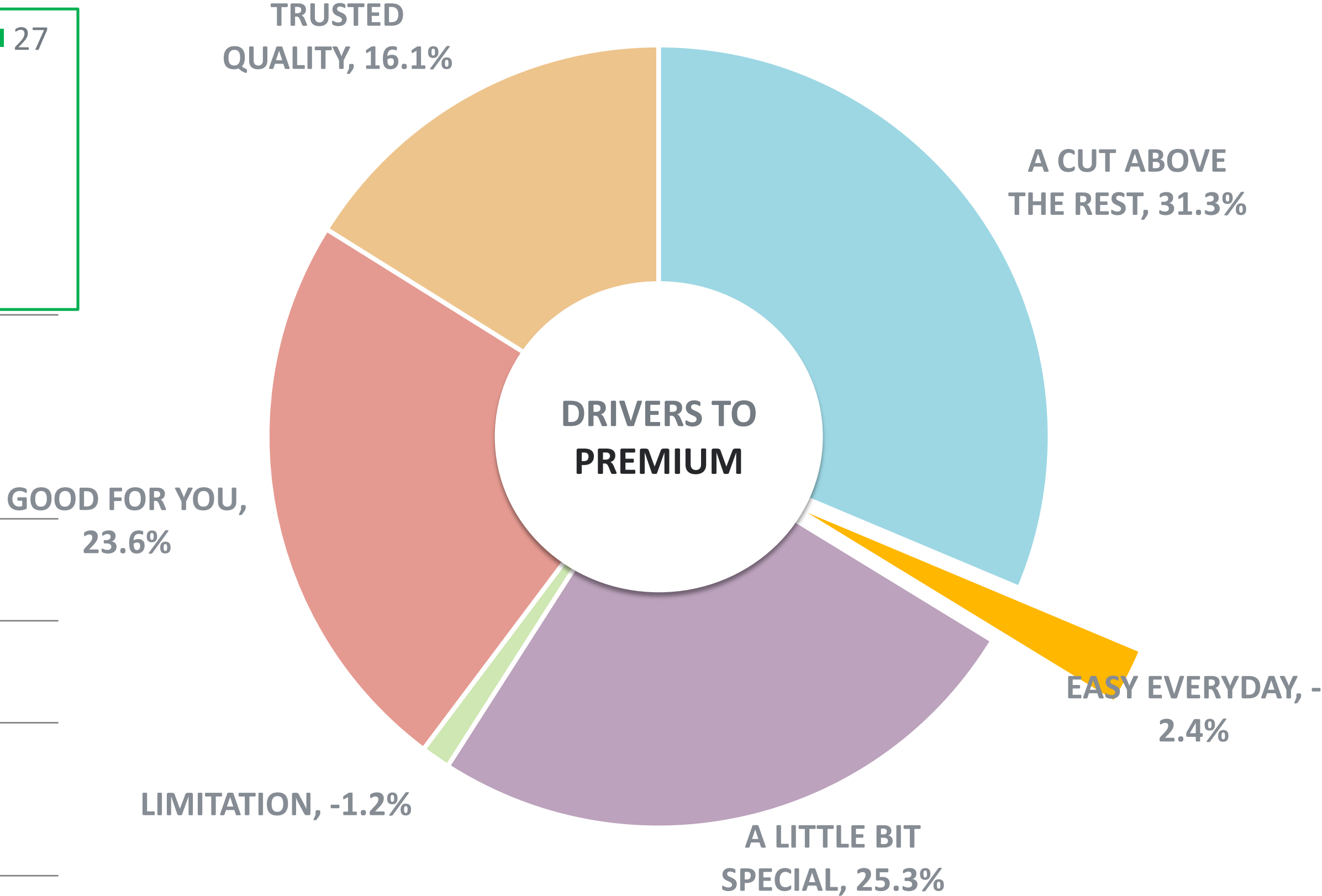
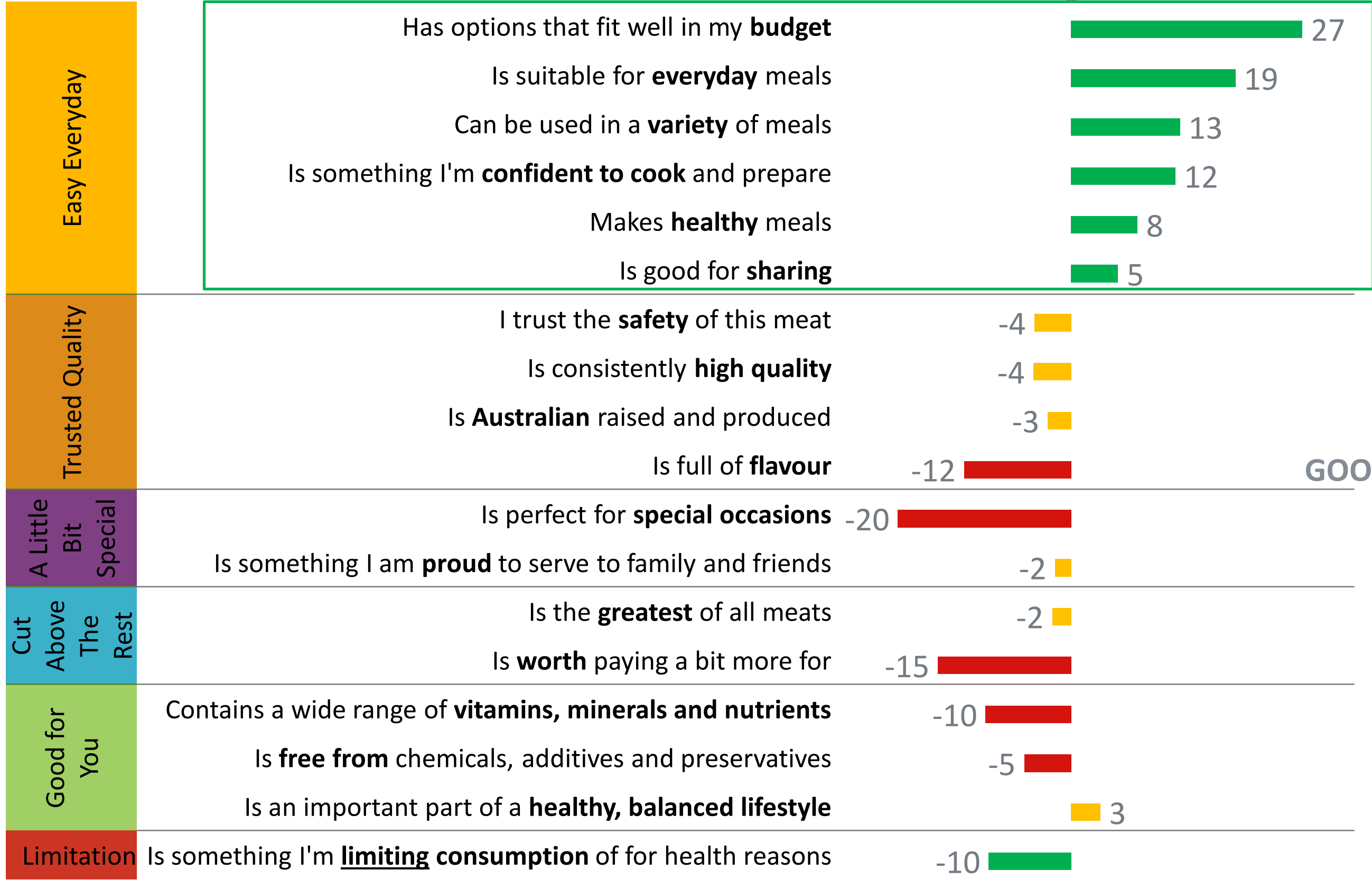
Greater weakness on flavour and special and worth

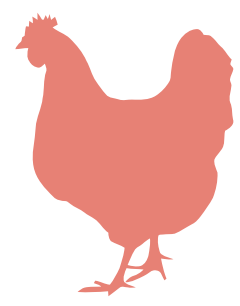


In the current climate of economic uncertainty combined with concerns on health – being the cheapest protein, that can make healthy meals, has played to chicken's advantage



However, being Easy Everyday is all chicken is known for – having relative weaknesses in the areas that drive premium / willingness to pay more for like greatest/worth, trusted quality and special.





Summary...

The context:



Chicken has benefitted from concerns about health and the economy – which play to chicken's strengths

What have we learned?



2. Chicken has improved on its delivery of being easy everyday

(budget, versatile, healthy, confident to cook, suitable everyday and shareable)



3. Healthiness, both a part of easy meal and as part of a health balanced diet, are up for chicken – especially for young transitionals and families who consider chicken more YoY



4. However, Chicken's equity is very price reliant (supported by a significant price differential) and has no strengths in associations that justify paying more for it.



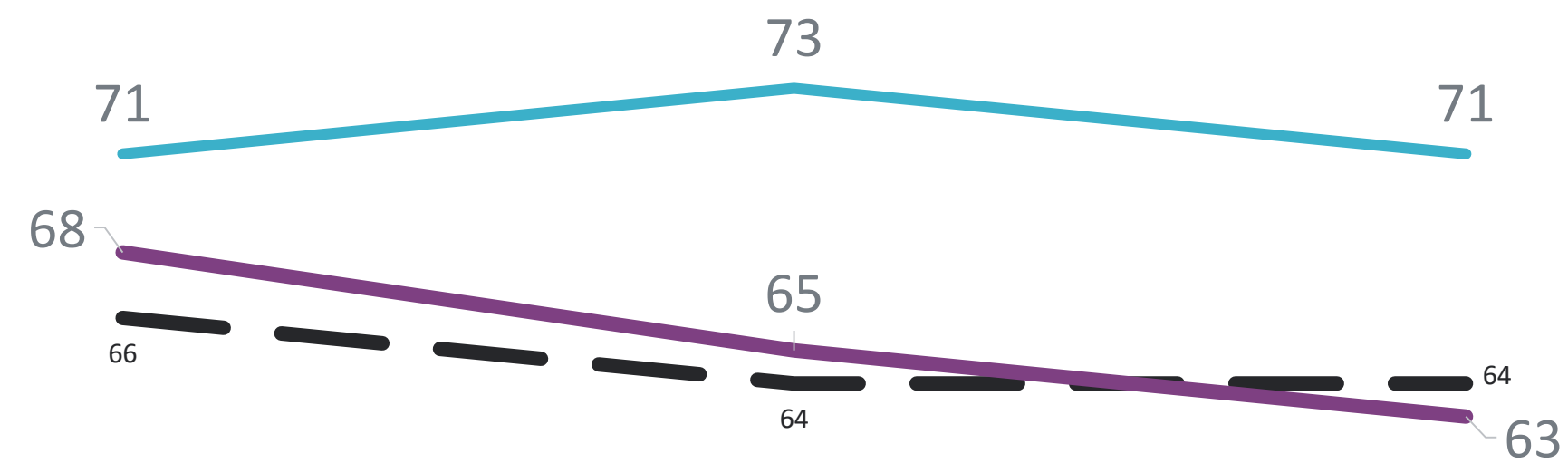
Fish/Seafood...

KANTAR

mla
MEAT & LIVESTOCK AUSTRALIA

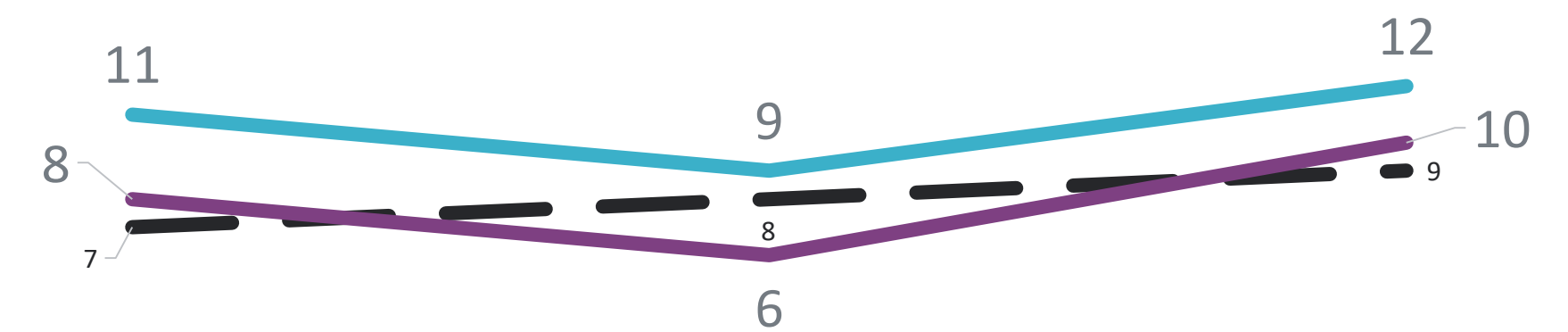
Fish consideration remains lower than Chicken and Beef and has shifted down slightly. This is driven by older Australians. However there has also been a rise in preference for fish amongst these very same segments – this is key to their gain in Power.

Consideration T2B - Fish



BUT...

First choice - Fish



2018

2019

2020

— Total — Senior Couples — Established Couples

T2B Consideration (Total):

Chicken 91%, Beef 81%, Lamb 57%, Pork 57%

2018

2019

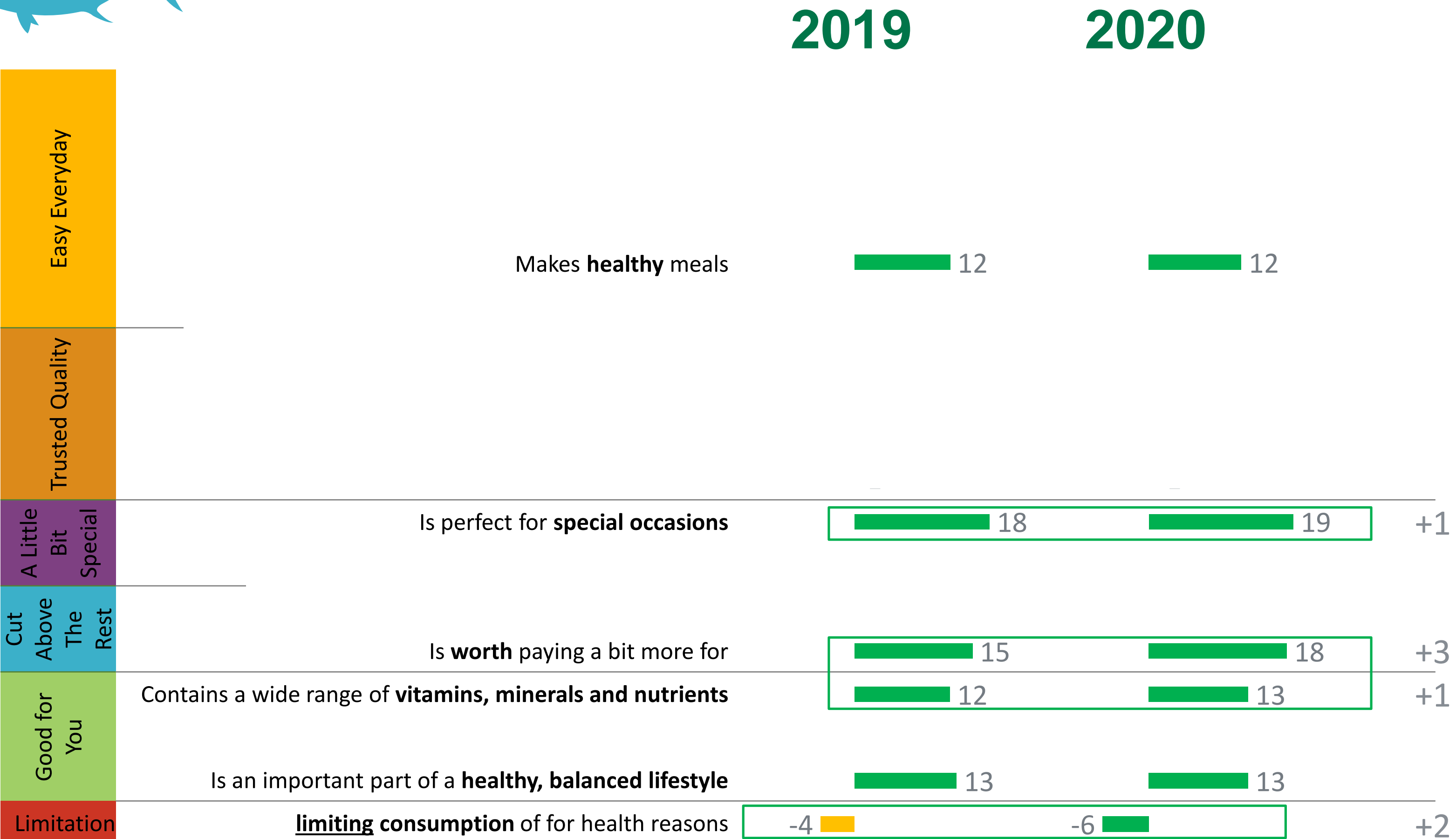
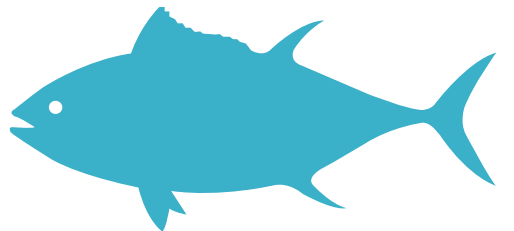
2020

— Total — Senior Couples — Established Couples

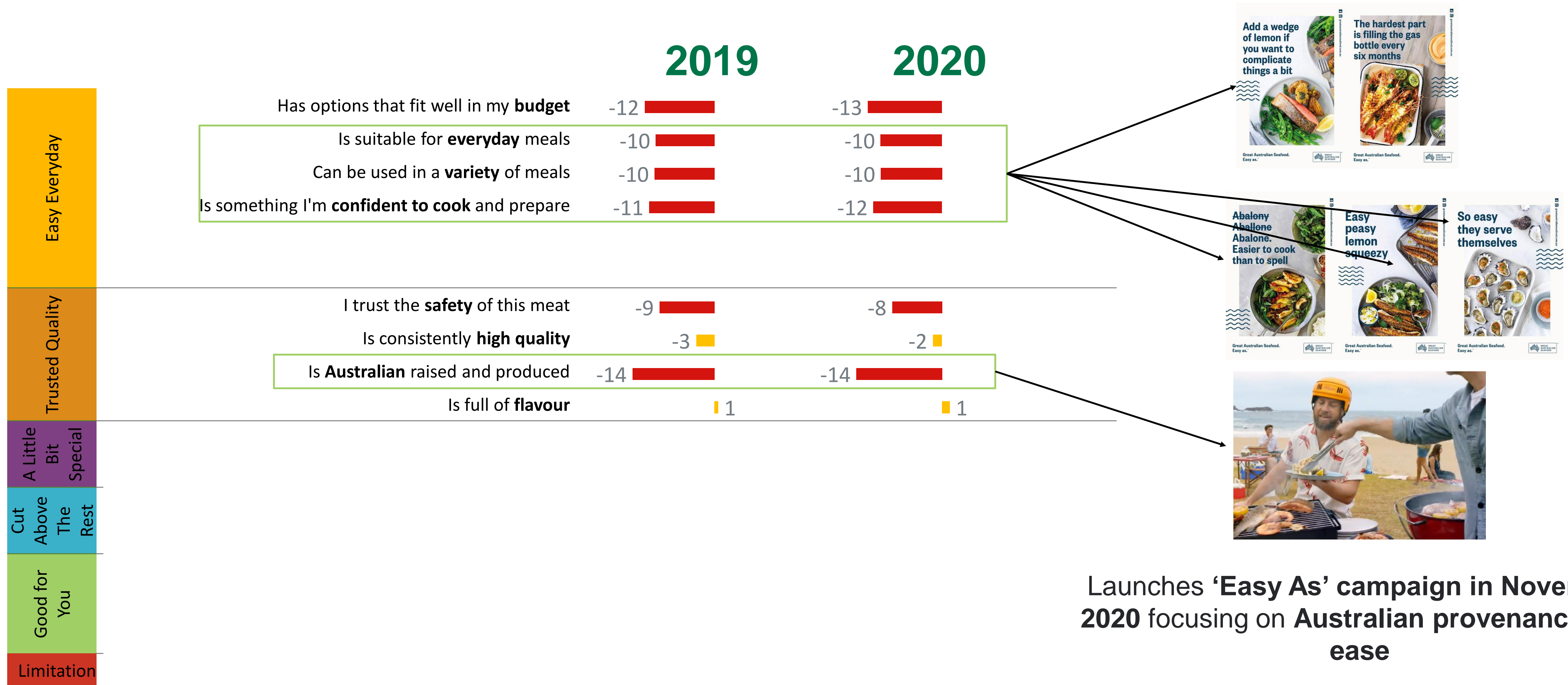
Preference (Total):

Chicken 32%, Beef 18%, Lamb 7%, Pork 5%

Fish/seafood has a very clear set of associations – standing for health, nutrition, special and worth. In 2020 Fish has built on these strengths across many segments.



Like its strengths, Fish/seafood weaknesses are clear. The 'Easy As' campaign is clearly seeking to address some of these key weaknesses are holding fish/seafood back.



Launches 'Easy As' campaign in November 2020 focusing on **Australian provenance** and **ease**

Summary...

What have we learned?



People are claiming that they have bought more fish this year.

But for most Australians their consideration of fish remains lower than Beef and Chicken and softens.



However, there is a small group, for whom preference for fish has increased making it the first choice protein for more Australians.



In the context of this year, the health credentials of fish and seafood have shone through and grown.

(Contains vitamins and minerals, less limitation)



And the result is a rebound in love and relevance of fish vs. last year which has grown Meaning and Equity.

This is amongst the youngest and the oldest segments.

What next?

Fish and Seafood have recognised their weaknesses and are focussing on those in their upcoming campaigns.

We need to consider the dual challenge fish and seafood poses:

Healthier alternative for Beef.

And an alternative for lamb in special occasions.



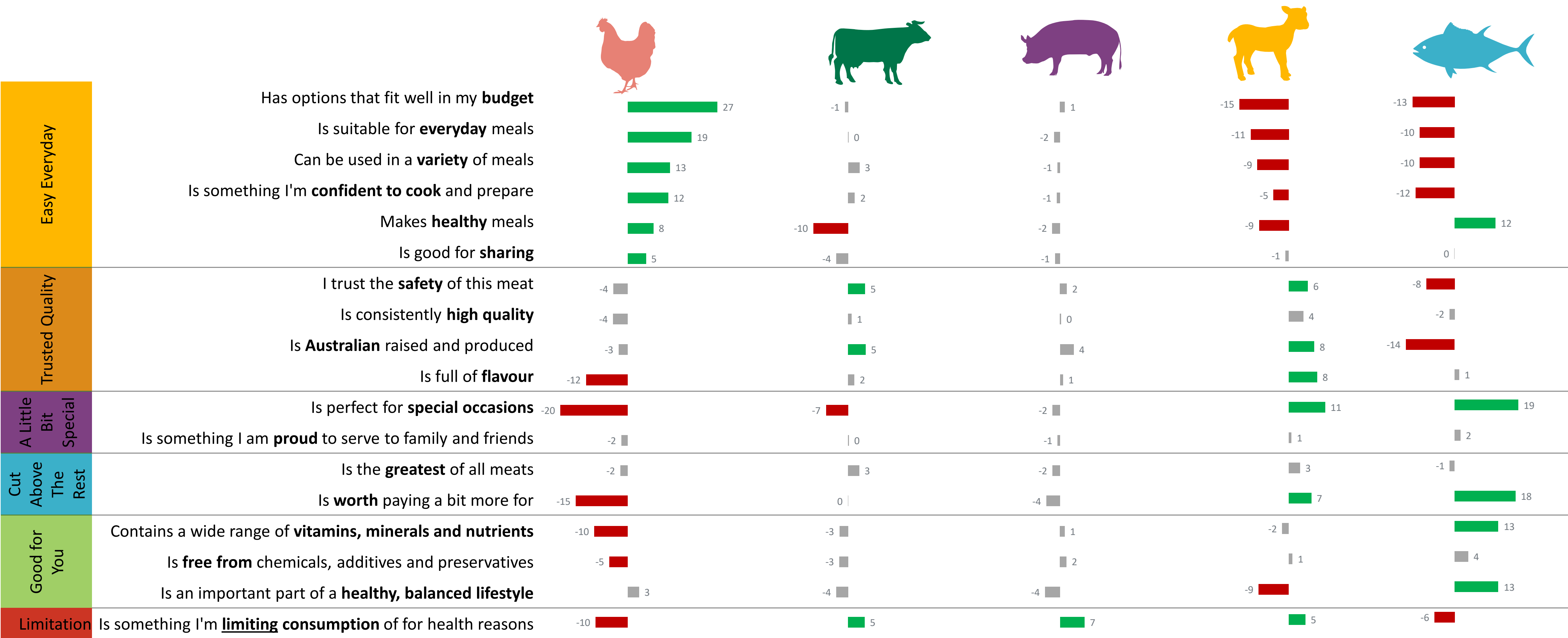
Pork...



KANTAR

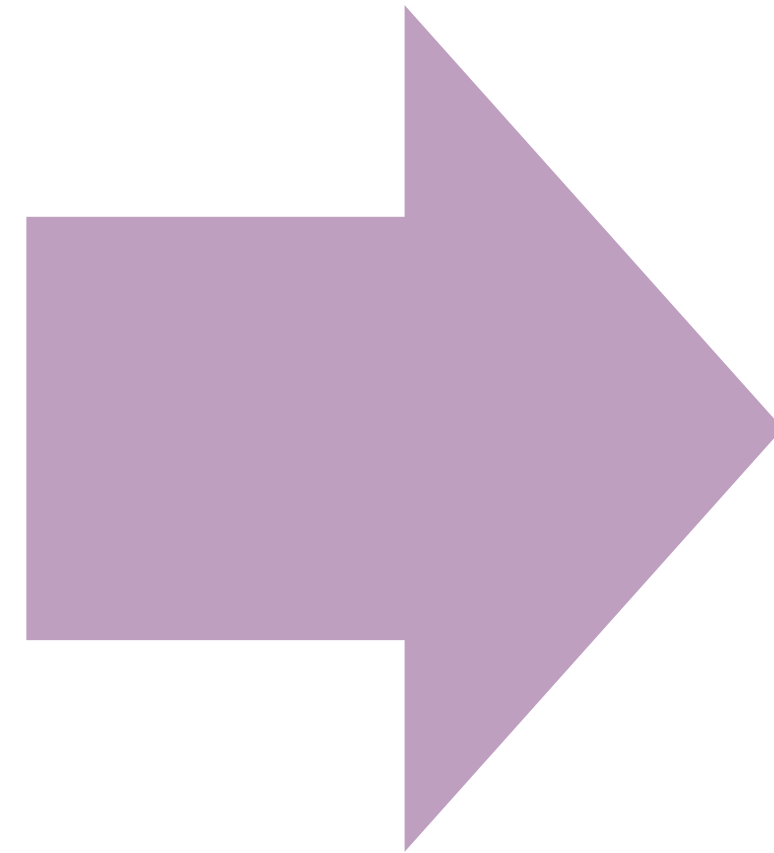

mia
MEAT & LIVESTOCK AUSTRALIA

Pork remains an undifferentiated protein in the competitive set

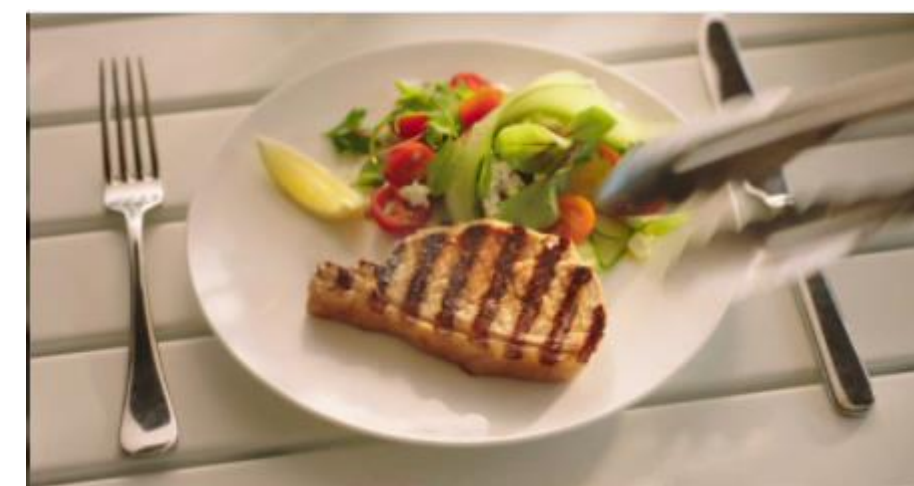


Their communication strategy shifted from talking about health & nutrition to focus on ease and versatility

('Pork More Often' Campaign 2018)



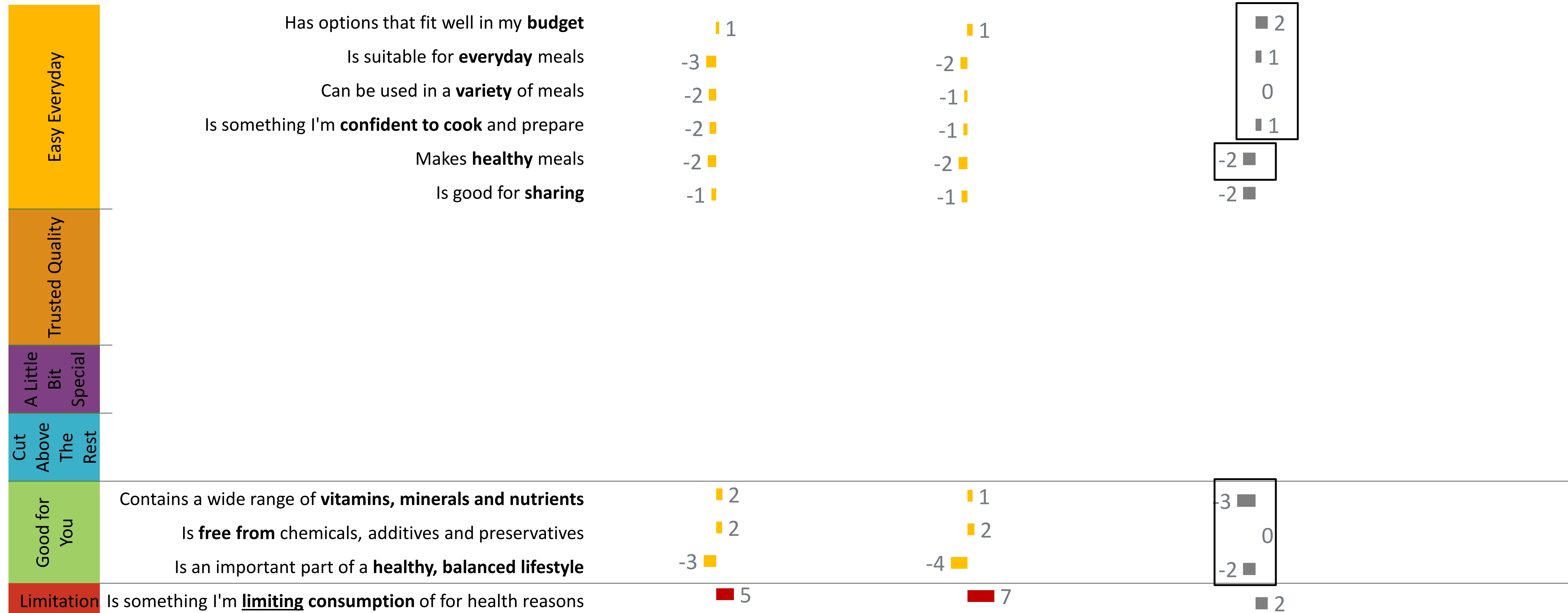
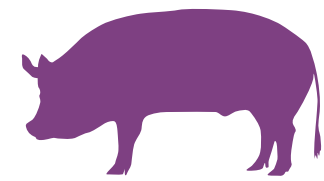
'Quickie' campaign



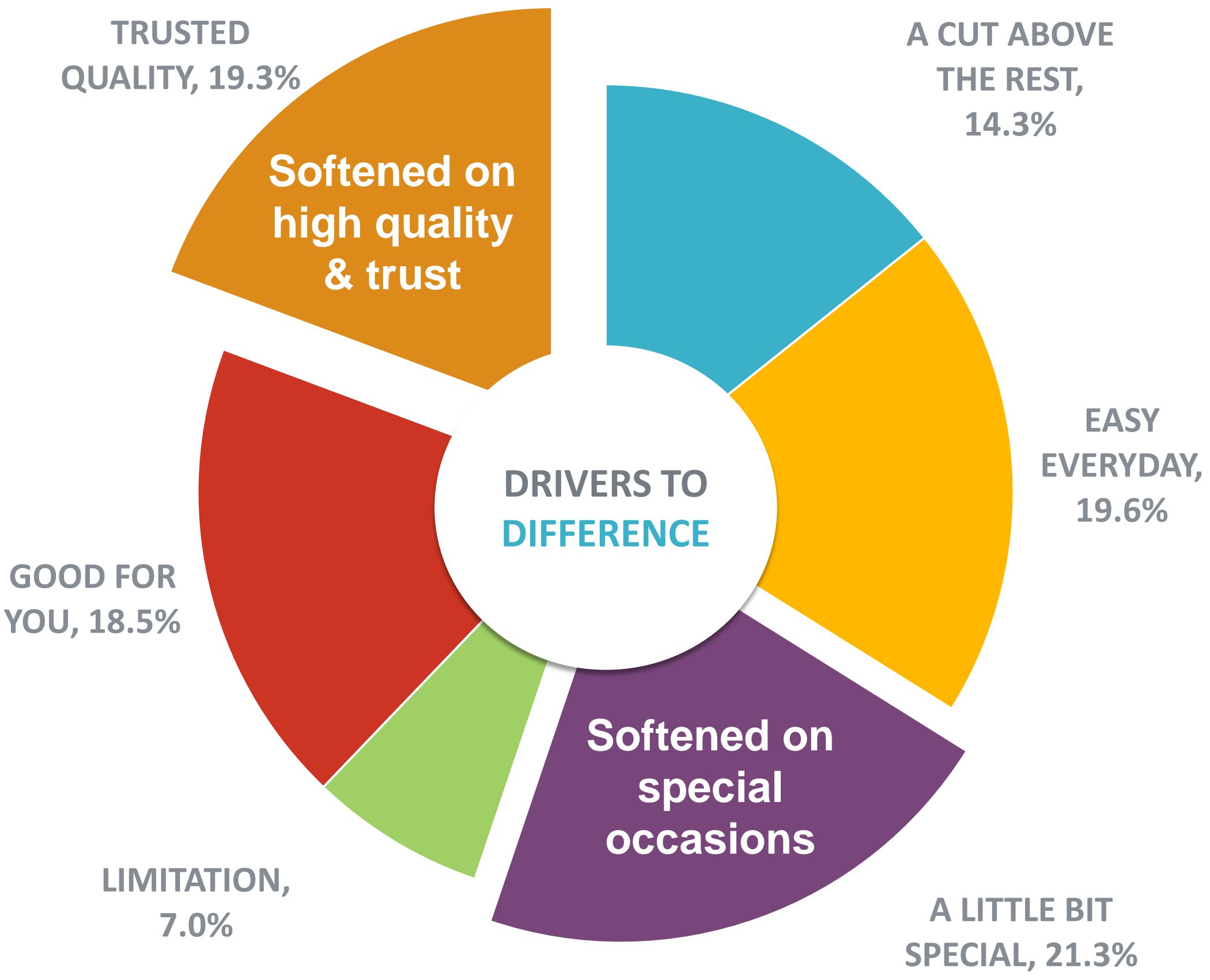
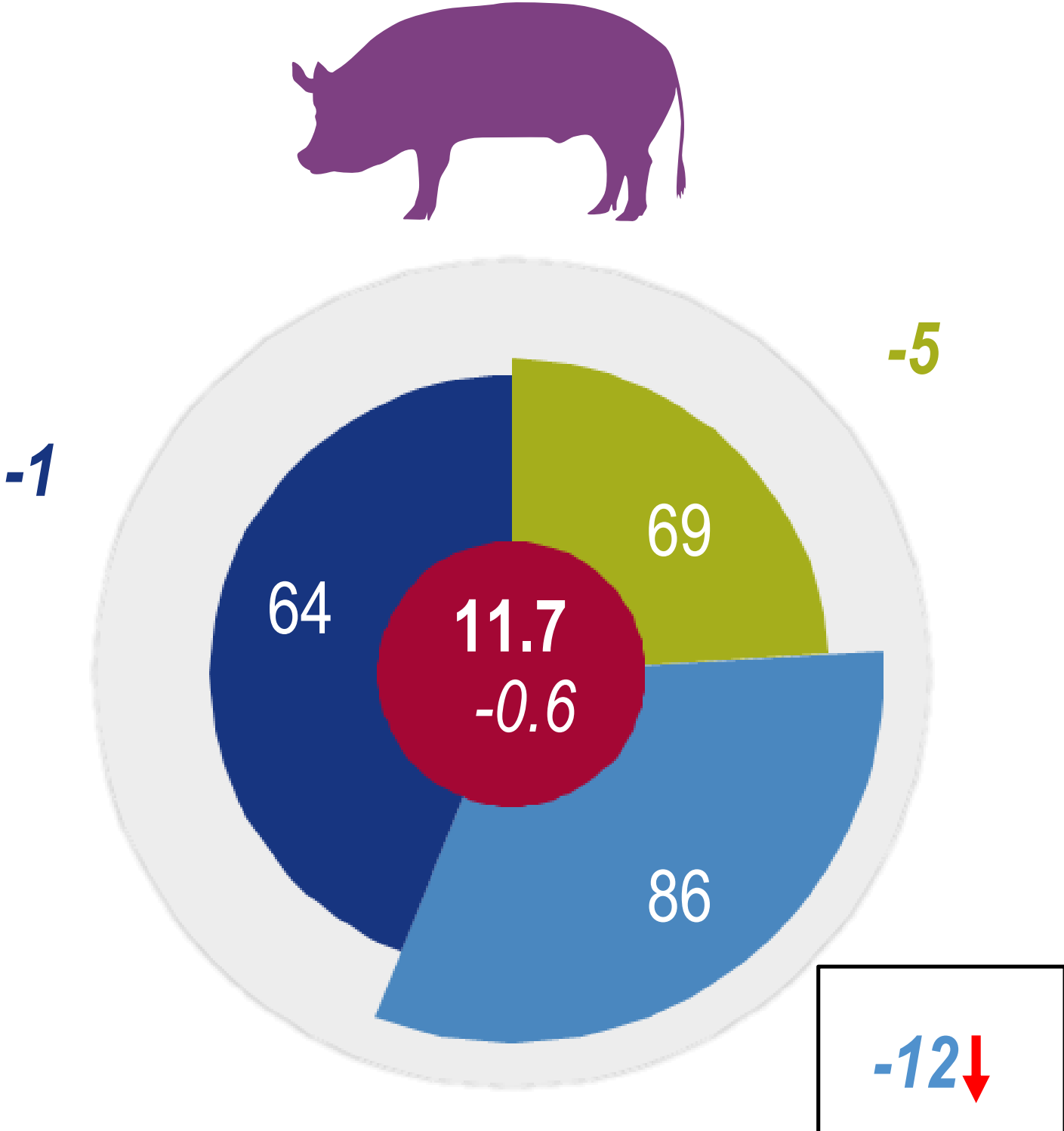
'Endless Pork Ideas'



After pivoting its strategy, Pork sees some traction behind Easy Everyday, but softens health perceptions



Ultimately Pork has not done much to shift equity, seeing a significant drop in difference, having not shifted any of the key drivers (including quality and trust).



Summary

What have we learned?



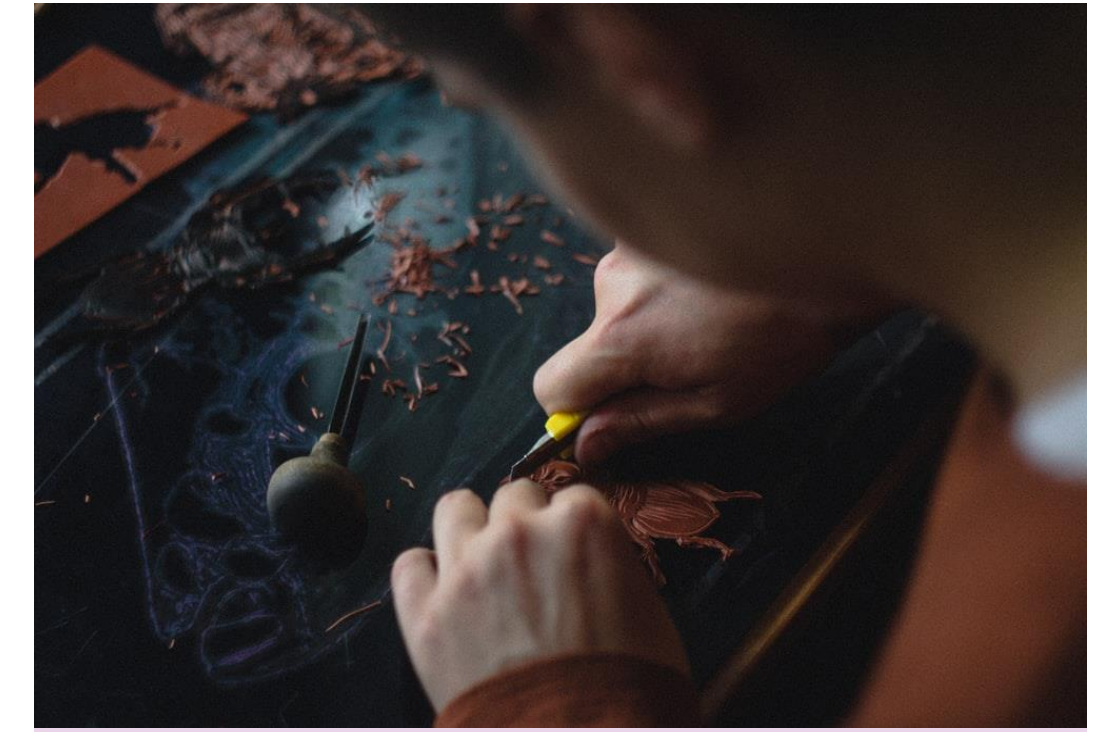
Pork has remained undifferentiated this year - and as a result has seen a significant drop in perceived uniqueness within the competitive set



Their communication strategy shifted from talking about health & nutrition to elements of Easy Everyday (confidence, everyday suitability) - seeing incremental improvements



Within the wider context, not addressing health perceptions has hurt Pork, with increasing limitation and falling perceptions of Good for you / makes healthy meals



Have softened on Trust and quality – this is the only area where they currently have scope to establish a strength is in Trusted Quality – a space that Beef currently owns



Wrapping up...what next?



KANTAR


mla
MEAT & LIVESTOCK AUSTRALIA

Wrapping up...What next for Beef?

Buttress perceptions of
'Healthy meals' in easy
everyday

Pride is the route to justifying
premium pricing

Young Transitionals, Bustling
families and Senior couples
the segments to watch

Focus on portraying beef's role in a variety of healthy meals that are easy to prepare. This can help shift the dial on healthy meals from an easy everyday POV (rather than strictly nutrition)

As price continues to rise, keep supporting activities that justify price, in particular 'proud to serve' as well as 'confidence', and 'variety'

Young Transitionals, Senior Couples and Bustling Families consideration is softening most of all segments.

Provocation

What can we do either through partnerships, channel or communication to achieve these dual goals?

What next for Lamb?

Stay on strategy with sharing and versatility to protect our position

But ensure that we retain specialness we are known for

Younger segments are our key focus for building confidence

Lamb should keep communicating some key elements of Easy Everyday (versatility, sharing, confidence) to avoid becoming more niche.
This is about maintaining position.

Lamb should play up to its specialness where it can (as a little luxury) to own the shared special moments. This will mean we can maintain our justified premium.

Watchout on softer confidence in 2020 for Young Transitionals and Small Scale families.

Provocation

What can we leverage in our range of sizes, cuts and formats to allow Australians to access lamb in more occasions, more easily, in more ways?

Terms of Use

Meat & Livestock Australia

Data, Reports and Information

– General

- The reports, data and information provided to you (Data) are owned by Meat & Livestock Australia Limited (ABN 39 081 678 364) ("MLA", "we", "us" or "our").
- "You" or "your" means the person or entity that is provided with a copy of the Data.
- Your access to and use of the Data is subject to these terms of use and any additional terms, notices and disclaimers which appear with or in the Data. If you do not agree with the terms, notice and disclaimers, you must not access or use the Data.
- MLA may amend these terms of use from time to time and will notify you of any amended terms of use. If you do not agree to the amended terms of use, you should not continue to use the Data. Your continued use of the Data after these terms of use have been amended constitutes your acceptance of them.

– Limited Licence

- MLA grants you a non-exclusive, royalty free licence to use the Data solely for your personal and business purposes. MLA may revoke this licence at any time by providing you with at least 14 days' notice, in which case you must cease all use of the Data on expiry of the notice period.
- You must not provide the Data to anyone else.

– Copyright

- All rights (including intellectual property rights such as copyright) in the Data, its content and design are owned by or licensed to MLA.
- You agree not to remove, alter or obscure any copyright notices that appear on the Data.
- You must not commercialise any information, content or designs contained in any part of the Data without the prior written consent of MLA.

– Trade Marks, trade names and logos

- All trade marks, trade names, service marks and other names and logos on the Data are owned by or licensed to MLA and are protected by applicable trade mark and copyright laws.
- You must not to remove, alter or obscure any trade marks, trade names and other names and logos that appear on the Data.

– Collection of information

- If MLA requires you to provide personal information in connection with your receipt of the Data, MLA will collect, store, use and disclose this information in accordance with its [privacy policy](http://www.mla.com.au/General/Privacy) (found at www.mla.com.au/General/Privacy) and you consent to this.

– Disclaimer and liability

- You acknowledge that the Data is provided on an 'as is' basis and MLA makes no representations regarding the completeness or accuracy of the Data and, to the extent permitted by law, expressly excludes all warranties and guarantees regarding the accuracy, completeness or currency of the information, recommendations and opinions contained in the Data.
- Information in the Data may be obtained from a variety of third party sources. You acknowledge that MLA has not verified all third party information. You further acknowledge that: (a) any forecasts and projections are imprecise and subject to a high degree of uncertainty; and (b) the Data provided may be a snapshot of certain markets and not reflect that market as a whole.
- The information, recommendations and opinions contained in the Data do not take into account, and may not be appropriate for, your individual circumstances. You should make your own enquiries and seek professional advice before making decisions concerning your interests or otherwise relying on the Data in any way. Any reliance will be at your own risk and MLA accepts no liability for any loss, damage, cost or expense arising from any use or misuse of the Data.
- Nothing in these terms of use is intended to exclude, restrict or modify rights, guarantees and remedies that may be conferred on you under the *Competition and Consumer Act 2010* (Cth) in relation to the provision by MLA of goods and services. All other rights, guarantees and remedies are excluded.
- To the extent permitted by law, MLA's liability for breach of any consumer guarantee, which cannot be excluded, is limited at the option of MLA to:
 - in the case of services supplied or offered by MLA, which are not of a kind ordinarily acquired for personal, domestic or household use or consumption, resupplying or paying the cost of resupplying the service; or
 - in the case of goods supplied or offered by MLA, which are not of a kind ordinarily acquired for personal, domestic or household use or consumption, replacing the goods, supplying equivalent goods, repairing the goods or paying the cost of replacing the goods, supplying equivalent goods or repairing the goods.
- MLA will not be liable for any loss of profit or for any direct, special, indirect, consequential or economic loss or damage.
- **Indemnity**
 - You indemnify MLA against all damages, losses, costs and expenses incurred by MLA arising out of or in connection with your breach of these terms of use or use of the Data.
- **Governing Law**
 - These terms of use are governed by the law applicable in the State of New South Wales, Australia.

