final report

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Scoping opportunities for red meat in emerging dietary trends

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Executive summary

Red meat has always been a major part of the Australian food identity. However, in recent times there have been significant changes in dietary and food consumption trends. MLA commissioned this project; V.RHM.0058 – Scoping opportunities for Red Meat in Emerging Dietary Trends, in search of gaining a greater in-depth assessment of specific emerging dietary patterns and food product trends along with its continually changing market. In order to remain competitive, the red-meat industry needs to add further value through diversification from their current commodity-based range.

The aim of this project was to equip the Australian Meat & Livestock industry with the knowledge and tools necessary to take advantage of potential industry opportunities that come from emerging dietary patterns and food product trends poised to increase in prevalence amongst the Australian population.

The objectives of this project were:

1. To understand emerging trends in dietary patterns and food product trends at a Global, Asia-pacific and Australian level which relate to the red meat industry.
2. To understand why each trend has developed, and hypothesise their longevity using Millennium Monitor theory.
3. To understand how we can harness and influence trends, and to develop opportunities using Behaviour Change theory.
4. Validate the top 10 opportunities with a nationally representative online study with N=1,000 Australian consumers.

Meat plays an important role in Australian culture. Within total Australian food expenditure, 40% is allocated to meat-based products (Wong, Selvanathan & Selvanathan, 2013). Australian consumers, along with the rest of the world, are becoming more and more emotionally invested in their food decisions. Consumers are looking to understand where their food came from, how it was grown and how to get the most out of their food purchases.

At an overall level, global meat consumption has continued to increase. Largely attributed to the expansion of the middle class, population growth and large population countries like China and India are continuing to demand more meat. Australia has become the world's largest meat consumer. Since 2008, there has been an increased consumption of chicken, whilst beef and lamb have slightly declined in consumption. Pork has continuously trended upwards since 2000 (OECD/Food and Agriculture Organization of the United Nations, 2015).

Within the red meat industry, several dietary patterns and food product trends have emerged, and these have been thoroughly explored within the report. Some of these trends identified as part of this research program include:

1. Emerging diets
2. Dietary guidelines
3. Meat free diets
4. Environmental sustainability
5. Convenience and snacking
6. Technology
7. Packaging
8. Channel
9. Premiumisation
10. Nose to tail

The theory of the Millennium Monitor comes from bespoke research conducted by Colmar Brunton in an ongoing longitudinal study with its inception in 1999. The theory states that social sentiment moves in a cyclical motion through with four definable eras; Power, Enjoyment, Conformity and Rebellion. These eras represent a push toward, or away from individualism vs. collectivism, or desire for or restriction of growth. Each era has its own challenges and priorities for government, manufacturers and services industries.

Our research has identified that Australia is currently in Conformity moving into Rebellion. Conformity is defined by a desire for process, closeness of community and predictability. There is currently a desire to move away from processed foods to those closer to the source of origin. This is illustrated by an increase in vegetarianism and provenance marketing.

Over the next decade it has been identified that we will move into a time of Rebellion defined by personalisation, customisation, innovation, and finding a better way. Rebellion by comparison encapsulates increasing power for the individual, customisability and breaking away from the way things have always been done. We have identified that other developed countries are further along the spectrum toward Rebellion, and Australia typically follows the rest of the world closely.

At an overall level, global meat consumption has continued to increase, with countries like China and India continuing to demand more meat. Australia has also become the world's largest meat consumer. For consumers specifically, they will want to know the unique benefits of red meat (i.e. high iron from red meat is good for brain function) as well as looking for new products that can provide immediate functional health benefits similar to fresh produce.

Achieving a change in perception (i.e. relevance and assigned value for red meat products in the upcoming era of Rebellion) will be a significant challenge where understanding needs, as well as leveraging relevant behaviour change methods and successful examples of adjacent categories will be key.

The opportunities for the growth in the meat industry were identified within each of the emerging trends. Successful innovation must sync with the most relevant trends. Through a quantitative online survey, a broad range of consumers around Australia were targeted, and the data weighted to be nationally representative. Concepts developed from the trends analysis were found to be moderately well liked overall with only 5% (mostly younger, female consumers) indicating that they would not purchase red meat products. Ideas aligned to consumer sentiment eras of Conformity, Power and Enjoyment performed well. Despite this, red meat products specifically designed for the upcoming Rebellion Era fared less well. Emerging diets suggest that a reduction of red meat consumption is the go to thinking for "doing it better" in this space, and as such there is much work to do in order to turn that perception around.

The next stage is to take the insights and turn them into measurable outcomes. This will require a synthesised effort from the entire supply chain from the grower to the retailer. A consumer led approach will enable the industry to provide what the consumer actually wants and influence them in a way that aligns to their values and behaviours at that time. There are emerging food and dietary macro trends in the market that the industry must be able to anticipate and prepare for, as they will an impact on red meat consumption. Marketing and creative agencies must understand the importance of working together and positioning the entire red meat category rather than for individual brands. It is recommended that future research test new marketing communication strategies and packaging concepts with the relevant target market in order to measure overall liking, purchase intent, and frequency of purchase.

For the industry – increased demand for Australia red meat will benefit our economy via higher revenue and ideally higher margins. For international consumers - an improved and relevant Australian offer that better meets their needs, increased consumption and associated value would be the ultimate goal. The ultimate outcome should come to light through in tracking Australia's red meat export volume over time.

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1 Background

Meat has always been a major part of the Australian food identity. However, in recent times there have been significant changes in dietary and food consumption trends.

MLA commissioned this project in search of gaining a greater in-depth assessment of specific emerging dietary patterns and food product trends along with its continually changing market.
In order to remain competitive, the red-meat industry needs to add further value through diversification from their current commodity-based range.

1.1 Societal trends and taste preferences

Many things influence our taste preferences. Tasting ability is largely determined by our genetic makeup. In infancy we develop preferences for sweet or sour tastes. Our food preferences then develop progressively based upon the predominant food style in our cultures, along with our upbringing and life experiences. Born with survival instincts, humans have a predisposition towards sweet and savoury flavours and tastes, and we initially steer away from bitter, sour tastes protecting us from poisons and toxins

Successful global innovation relies on understanding unique market palates. There are several examples of this. Australians like crunch whereas Chinese like softer textures. Australians tend towards salty, sour and bitter with moderate sweetness have an increasing desire for heat and spice. In general China is oriented towards salt and umami. Their use of chopsticks has determined a unique way of constructing meals and eating style. The Australian palate is influenced by the salty flavour of Vegemite, the sourness of our butter and a preference for bananas and summer fruits. Australians are also the biggest consumers of meat, whilst other Asia Pacific markets consume less meat and tend to prefer rice or roots rather than wheat.

Understanding the past allows us to predict the future. Human values are beliefs tied to emotion. They guide actions and are ordered by importance. This importance changes over time. By tracking values over time we can predict trends in behaviour. This has implications for what kinds of food people want to consume, as well as what brands and communication styles are successful at different points in time. Colmar Brunton has tracked prevailing values for 16 years in Australia and beyond.

2 Project objectives

The aim of this project was to equip the Australian Meat & Livestock industry with the knowledge and tools necessary to take advantage of potential industry opportunities that come from emerging dietary patterns and food product trends poised to increase in prevalence amongst the Australian population.

The objectives of this project were:

1. To understand emerging trends in dietary patterns and food product trends at a Global, Asia-pacific and Australian level which relate to the red meat industry.
2. To understand why each trend has developed, and hypothesise their longevity using Millennium Monitor theory.
3. To understand how we can harness and influence trends, and to develop opportunities using Behaviour Change theory.

4. Validate the top 10 opportunities with a nationally representative online study with N=1,000 Australian consumers.

3 Methodology

3.1 Deliverable 1

Before commencement of the first stage, a program setup meeting was conducted with key stakeholders to the research. In this meeting objectives and the expectations regarding the outcomes of the study were aligned. At the conclusion of this meeting, we provided 1) Comprehensive documentation of the minutes from the Program Set up meeting, 2) Any amendments necessary to the methodology for the program of research.

3.1.1 Stage 1

Desk Research on Evolution of Diets – Colmar Brunton researched trends within Australia and around the world which were poised to affect meat consumption. This was done through a number of data sources.

a. Through the partnership with **Mintel**, we had access to a searchable database of all FMCG products launched globally and had developed a process to systematically review launches to give strong trend insight.
b. Colmar Brunton also partnered with **theFoodPeople** who collated food trends through analysing menus and collating publicly available food trend presentations.
c. Another key source we used to help understand trends' affecting the meat industry was a review of **international guidelines** for diet and sustainability, such as those released by the World Health Organization & the Food and Agriculture Organization of the United Nations. Guidelines are regularly being updated and can have a profound impact on what food we consume.
d. **Instagram** is a powerful tool for measuring the degree of influence of social trends. The platform is easily searchable and audience size is quickly obtainable. We analysed Instagram hashtags to understand the degree of emphasis being placed on meat consumption, in what formats and food pairings. For example, the prevalence of red meat use as a source of protein for muscle building. This was conducted in a qualitative manner taking into consideration the context of the audience for particular Instagram posts.

3.1.2 Stage 2

Evolution Drivers – the initial desk research was then analysed using a Millennium Monitor overlay. Each identifiable trend affecting the meat industry was placed on the Millennium Monitor map to represent which era the trend aligns with best. It was used to understand whether each trend sits at the precipice of change into the next era, or whether they sit within the current era. This has provided insight into whether we may expect more or less of particular trends in the future.

3.2 Deliverable 2

The second deliverable for the program of research was an interim report of the relevant trends identified mapped on the Millennium Monitor. These were ordered in terms of prevalence and shown visually with examples of each trend and products which fit that trend.

3.2.1 Stage 3

Product Focus – all identified trends were categorised as potentially benefiting or hindering the Australian Meat industry. Using Behaviour Change theory we proposed strategies and innovations which harness and amplify current trends that benefit the meat industry. We have also considered strategies that may help move consumers away from trends which can potentially hinder the meat industry. A key outcome of this stage has been ideation for product development.

3.2.2 Stage 4

Red Meat Opportunities – once all opportunities were identified, we quantified and validated their market potential through an online study. This important final stage gathered consumer feedback to validate the direction we've taken. We conducted an Online study with N=1,000 Australian consumers through our weekly Omnibus service. We included the top 10 opportunities or products identified, and these were presented as concepts. Consumers rated the appeal of each, and their likelihood to act on the opportunity, or purchase the product presented. Through analysing demographic data splits such as age, location, household structure and income, we were able to pinpoint the specific opportunities with key target audiences.

3.3 Materials

3.3.1 Millennium Monitor

The theory of the Millennium Monitor comes from bespoke research conducted by Colmar Brunton in an ongoing longitudinal study with its inception in 1999. The theory states that social sentiment moves in a cyclical motion through with four definable eras; Power, Enjoyment, Conformity and Rebellion. These eras represent a push toward, or away from individualism vs. collectivism, or desire for or restriction of growth. Each era has its own challenges and priorities for government, manufacturers and services industries.

Our research has identified that Australia is currently in Conformity moving into Rebellion. Conformity is defined by a desire for process, closeness of community and predictability. Rebellion by comparison encapsulates increasing power for the individual, customisability and breaking away from the way things have always been done.

We have identified that other developed countries are further along the spectrum toward Rebellion, and Australia typically follows the rest of the world closely.

In 2016, the Millennium Monitor explored past, current and future food preferences amongst Millennials, Gen X and Baby Boomers. From this data, we are able to overlay diet and flavour preferences across generations, and Millennium Monitor eras. The research was commissioned by

Colmar Brunton and therefore can be provided as added insight into potential food pairing of flavours in the future.

3.3.2 Behaviour change

We have used Behaviour Change theory numerous times to enact observable behavioural shifts amongst people. A study submitted by Colmar Brunton which utilised Behaviour Change theory saw a 500% increase in female applicants for the Canberra Fire Department, and won best paper at the 2016 AMSRS conference.

The theory assesses an individual's readiness to change their behaviour, placing them in one of 5 sequential mental states; rejection, pre-contemplation, contemplation, action, and maintenance. Each state has unique strategies which preclude a movement into the next stage toward changing their behaviour.

Behaviour Change theory was applied to understand and influence changing dietary habits, and added an additional layer to our understanding of trends, and provided insight into specific market strategies that may be adopted by Meat & Livestock Australia.

4 Results

4.1 Implications for meat consumption

Most recently majority sentiment has moved from a time of Enjoyment into Conformity. Here health is defined as "natural", and there is a desire to move away from processed foods to those closer to the source of origin. This is illustrated by an increase in vegetarianism and provenance marketing. Over the next decade we will move into a time of Rebellion defined by personalisation, customisation, innovation, and finding a better way. It is important for the industry to position themselves for the future in order to maintain or increase current levels of red meat consumption.

4.2 Category state of play

Meat plays an important role in Australian culture. Within total Australian food expenditure, 40% is allocated to meat-based products (Wong, Selvanathan & Selvanathan, 2013). Australian consumers, along with the rest of the world, are becoming more and more emotionally invested in their food decisions. Consumers are looking to understand where their food came from, how it was grown and how to get the most out of their food purchases.

At an overall level, global meat consumption has continued to increase. Largely attributed to the expansion of the middle class, population growth and large population countries like China and India are continuing to demand more meat. Australia has become the world's largest meat consumer. Since 2008, there has been an increased consumption of chicken, whilst beef and lamb have slightly declined in consumption. Pork has continuously trended upwards since 2000 (OECD/Food and Agriculture Organization of the United Nations, 2015).

4.3 Trends affecting the Meat Industry

4.3.1 Emerging diets

Diet trends are closely aligned with societal values at the particular point in time. Over the years, Australia has seen many diets come into fashion. Using the Millennium Monitor, we can track how these diet fads have shifted over time. Currently in the Conformity Era, the focus concerns on individual health and wellbeing with popular diets being natural, organic and raw. In line with the shifting trends, the CSIRO and other organisations around the world have also updated their dietary recommendations.

4.3.2 Dietary guidelines

The increased awareness of a 'healthy diet' has meant consumers are more closely monitoring their red meat consumption. Trends in the 1980s were very focused on just 'healthy eating'. From 1999-2007 trends began to combine healthy eating with physical activity in a broad sense and diet trends shifted from healthy eating to healthy lifestyles.

Poultry meat and fish are often seen as a leaner and healthier alternative to many red meat products. Australian consumers favour chicken meat, which is a staple of many Australian diets. The 2015 – 2020 US dietary guidelines have called for a shift to increase the variety in protein foods in order to make more nutrient dense sources; this in turn has led to recommendations to increase the consumption of seafood, and therefore replace other sources of protein in at least two meals per week.

4.3.3 Meat free diets

In recent years, meat free diets have increased in popularity, specifically vegetarianism and veganism. These diets have directly influenced the meat industry. These diets are heavily focused on sustainability, social responsibility and transparency. A combination of changing nutritional guidelines, famous influencers, and animal rights is causing a shift in reduced meat consumption. In 2012 1.7 million Australians (9.7% of population) adopted a vegetarian based diet. This figure increased in 2016 to almost 2.1 million (11.2% of population) (Roy Morgan, 2016). As meat-free diets continue to grow globally, companies are now beginning to innovate and find new ways of presenting meat-free and plant based products. The value of packaged vegan food in Australia is forecast to grow at a rate of approximately 10% per year (Euromonitor International, 2017).

4.3.4 Environmental sustainability

The heightened focus on environmental sustainability has meant that consumers are now more conscious than ever to minimise their carbon footprint. Consumers are seeking alternative ways to reduce greenhouse emissions throughout various aspects of their life (i.e. reduce driving, minimising meat consumption, turning off electricity at the power point). Whilst these actions individually make minimal difference in the overall landscape, consumers feel that they are taking action into their own hands and playing a role for the greater society. Recent initiatives to reduce environmental impact align with Conformist values. Global governments are now seeking ways to reduce meat consumption, help the planet and improve the health and obesity issues that currently exist in their respective countries.

4.3.5 Convenience and snacking

Convenience based products are becoming an increasingly popular product format. Consumers are shifting towards a perception that supermarkets are becoming part of their extended ‘pantry’ where they buy just enough groceries for a couple of days. The snacking category in Australia continues an upwards trend over the past few years. In the United States, the meat snack category has seen consistent annual compound growth of 7% over the past 4 years (Nielsen, 2017). The increasing number of time-poor consumers in Australia has boosted demand for value-added products, such as pre-cooked chicken pieces or slow cooked red meat.

4.3.6 Technology

The rapid adoption of smart technology will soon play an influential role in our daily lives, monitoring all aspects of what we do. Rebellion will see a shift away from standardised approaches and towards a fully customised meal plan for each individual. Technology will tell us what to eat and when to eat throughout the day. Research and development have also meant the introduction of cultured meat (grown in a laboratory).

Whilst there are still a number of ethical and financial challenges ahead, the role of technology has opened many new opportunities in the food industry. The commercialisation of cultured meat is only 3 to 4 years away, with Europe being the first market to be able to purchase cultured meat from the supermarket.

4.3.7 Packaging

The time is now for the red meat industry to investigate opportunities to optimise the packaging of products. Packaging of meat needs to align to the consumers’ needs. For Australia, this means using environmentally friendly packaging, provenance, and calling out key functional benefits. In Asia, highlighting Australian grown meat and trust (i.e. phrases such as clean & green) and providing flavour expectations & cooking recipes will assist in the purchase decision making process of consumers.

New packaging formats should investigate and consider the following types of innovation:

- Active packaging (can remove oxygen or odour from the package)
- Vacuum packaging
- Intelligent packaging (temperature indicators, time–temperature integrators, and gas-level controls)
- Edible coatings/films packaging
- Bio-based/biodegradable
- Nanotechnology (stronger, high-barrier packaging materials, more potent antimicrobial agents and sensors which track microbes).

4.3.8 Channel

The retail landscape in Australia is facing rapid change with the rise of the digital generation and an influx of global brands such as Amazon, Aldi and Costco. Supply chain efficiency is also an area in need of improvement that the meat industry could champion. The supermarket duopoly has encouraged massive price discounting to gain consumers. However with the introduction of new players, strategy will need to change. As trends turn towards local and consumers become more mistrusting, it highlights the role that local butchers can play in providing meat for communities. Online food purchase is huge in Asia, especially China with 40% of consumers buying food online (McKinsey, 2015). Whilst in Australia, the uptake is limited to less than 2.3% of grocery sales- presenting the industry with a large growth opportunity (Miles, 2016).

4.3.9 Premiumisation

Australia's leading reputation around the world as a producer of high quality, safe and nutritious red meat must be clearly communicated to the end consumer. There is an opportunity to increase quantity and value of premium quality meat such as Wagyu beef and lean red meats when imported into Asian countries. Accompanying the meat with premium packaging will be essential in adding value to the category. Premium translates through the quality of the meat, the price, the packaging and the purchase channel. Effectively communicating this message of premium may be through a variety of means.

4.3.10 Nose to tail

A lot of wastage occurs in meat products. Consumers are only familiar with eating certain cuts of an animal. Therefore, the majority of the animal is not effectively utilised. This is similar to the stem to root philosophy for vegetables. Educating consumers on cooking styles and methods for various cuts of meats typically not used in Australian cuisines, along with highlight the specific health and nutritional benefits of the cuts of meat may help consumers with familiarising themselves with the cut as well as increase appeal. Consumers will need to be provided with clear cooking instructions on pack and instore. Combining the meat with all the ingredients required for the dish will minimise effort required

4.4 Red meat opportunities – concept testing

Figure 1. Concepts tested in the quantitative online survey phase of the project.

	Concept Name	Millennium Monitor Era
1	Organic Food Boxes	Conformity
2	Craft Meats	Conformity
3	Natural energy boosters	Rebellion
4	Indigenous Red Meat	Rebellion
5	Carbon offset consumption	Rebellion
6	Nose to Tail Products	Rebellion
7	Super Premium Red Meat	Power
8	Beef Tataki	Power
9	Australian made ready-made meals	Enjoyment
10	Dried Meat Snacks	Enjoyment

Concepts were moderately well liked overall with only 5% (mostly younger, female consumers) indicating that they would not purchase red meat products. The top echelon of high-value ideas overall were Super Premium, Australian Ready-Made and Organic Food Boxes.

Although at a mass level, concepts fell short on grocery benchmarks for overall liking and purchase intent – consumers aged 18-29 were more likely to find these concepts more appealing, with Organic Food Boxes and Carbon Offset Consumption meeting the overall liking benchmark.

Those aged 18-29 were willing to pay more for a number of these products, specifically the ideas of Super Premium Red Meat, Craft Meats, Organic Food Boxes.

Although ideas aligned to consumer sentiment eras of Conformity, Power and Enjoyment did well, red meat products specifically designed for the upcoming Rebellion Era have fared less well. Emerging diets suggest that a reduction of red meat consumption is the go to thinking for “doing it better” in this space and as such there is much work to do in order to turn that perception around (i.e. red meat has a role, and a valuable one).

Achieving a change in perception (i.e. relevance and assigned value for red meat products in the upcoming era of Rebellion) will be a significant challenge where understanding needs, as well as leveraging relevant behaviour change methods and successful examples of adjacent categories will be key.

5 Discussion

5.1 Objectives met

5.1.1 To understand emerging trends in dietary patterns and food product trends at a Global, Asia-pacific and Australian level which relate to the red meat industry.

Within the red meat industry, several dietary patterns and food product trends have emerged, and these have been thoroughly explored within **the** report. Some of these trends surround meat free diets, the importance of environmental sustainability, convenience & snacking, technology, packaging, premiumisation and wastage.

5.1.2 To understand why each trend has developed, and hypothesise their longevity using Millennium Monitor theory.

Several emerging trends have been identified within the red meat industry. Currently there is a desire to move away from processed foods to those closer to the source of origin. This is illustrated by an increase in vegetarianism and provenance marketing. Over the next decade it has been identified that we will move into a time of Rebellion defined by personalisation, customisation, innovation, and finding a better way. At an overall level, global meat consumption has continued to increase, with countries like China and India continuing to demand more meat. Australia has also become the world’s largest meat consumer.

5.1.3 To understand how we can harness and influence trends, and develop opportunities using Behaviour Change theory.

Opportunities for the growth in the meat industry have been identified within each of the emerging trends. Successful innovation must sync with the most relevant trends.

5.1.4 Validate the top 10 opportunities with a nationally representative online study with N=1,000 Australian consumers.

A broad range of consumers around Australia were targeted, and the data weighted to be nationally representative. Concepts were found to be moderately well liked overall with only 5% (mostly younger, female consumers) indicating that they would not purchase red meat products. Ideas aligned to consumer sentiment eras of Conformity, Power and Enjoyment performed well. Despite this, red meat products specifically designed for the upcoming Rebellion Era have fared less well. Emerging diets suggest that a reduction of red meat consumption is the go to thinking for "doing it better" in this space and as such there is much work to do in order to turn that perception around.

The specific objectives of this project were met. The research conducted has provided practical implications for the industry by providing a deeper understanding of the values and behaviours of specific target markets. The next stage is to take the insights and turn them into measurable outcomes. This will require a synthesised effort from the entire supply chain from the grower to the retailer. A consumer led approach will enable the industry to provide what the consumer actually wants and influence them in a way that aligns to their values and behaviours at that time.

There are emerging food and dietary macro trends in the market that the industry must be able to anticipate and prepare for, as they will an impact on red meat consumption. Marketing and creative agencies must understand the importance of working together and positioning the entire red meat category rather than for individual brands.

It is recommended that future research tests new marketing communication strategies and packaging concepts with the relevant target market in order to measure overall liking, purchase intent, and frequency of purchase.

6 Conclusions/recommendations

There are number of key insights and recommendations from this research program, these include:

1. Highlighting the socially responsible measures and ensuring that active steps are continuously being undertaken in the meat industry will assist in minimising any negative perceptions some consumers may currently have.
2. There is a significant opportunity for further New Product Development (NPD) in the meat snacking space. Convenience based meat products should be further explored in the next stages of research.
3. The food industry in general must be prepared to harness the next wave of smart technologies which will essentially monitor all facets of our life in the near future.

4. Focus should be on looking to increase quality and freshness expectations, engagement with consumers, environmentally friendly packaging, and highlighting key value propositions for the consumer (i.e. functional benefits).
5. A consideration for the industry is how the new generation of consumers will shop for meat. *Making sure produce maintains wide availability, strengthens online investment and reviews efficiencies in supply chain.*
6. Synthesising strategic marketing efforts for the industry is essential in effectively communicating the 'premium' message to the end consumer.
7. Further education is required to encourage consumers to cook and eat unfamiliar cuts of animal meat. This is a longer term strategic approach which requires behaviour change, particularly in Western societies. Look to Asian cultures for successful incorporation into regular diets.
8. Achieving a change in perception (i.e. relevance and assigned value for red meat products in the upcoming era of Rebellion) will be a significant challenge where understanding needs, as well as leveraging relevant behaviour change methods and successful examples of adjacent categories will be key.

7 Key messages

The upcoming Rebellion Era always focuses on doing things in a better way. Consumer sentiment and values in the next Rebellion Era will focus around being customisation, understanding the individual, minimising wastage and utilising functional benefits. The predominant change in sentiment from a consumer perspective is a shift from social benefit to the individual benefit. There will be greater customisation and personalisation that eventuates in a better outcome for the individual. Functional health benefits should be the focus for the upcoming Rebellion Era. Consumers will want to know of the unique benefits of red meat (i.e. high iron from red meat is good for brain function) as well as looking for new products that can provide immediate functional health benefits similar to fresh produce.

The core outcome of this study is to provide MLA and the red meat industry with actionable insights and recommendations that underpin future product developments, marketing strategy and brand positioning, in order to maximise sales potential. With the implementation of findings through the proposed research program, the benefits of this research will be seen for all relevant stakeholders in the red meat industry in both the domestic and overseas markets.

For the industry – increased demand for Australia red meat will benefit our economy via higher revenue and ideally higher margins. For international consumers - an improved and relevant Australian offer that better meets their needs, increased consumption and associated value would be the ultimate goal. The ultimate outcome should come to light through in tracking Australia's red meat export volume over time.

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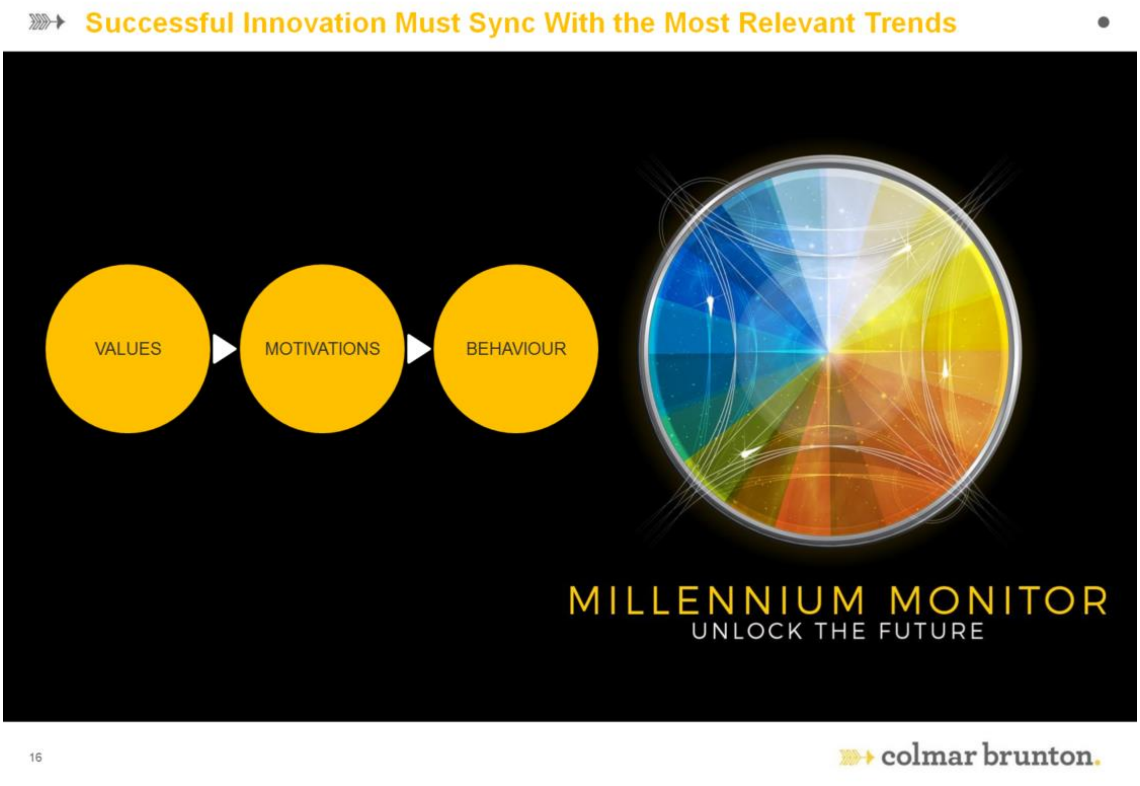
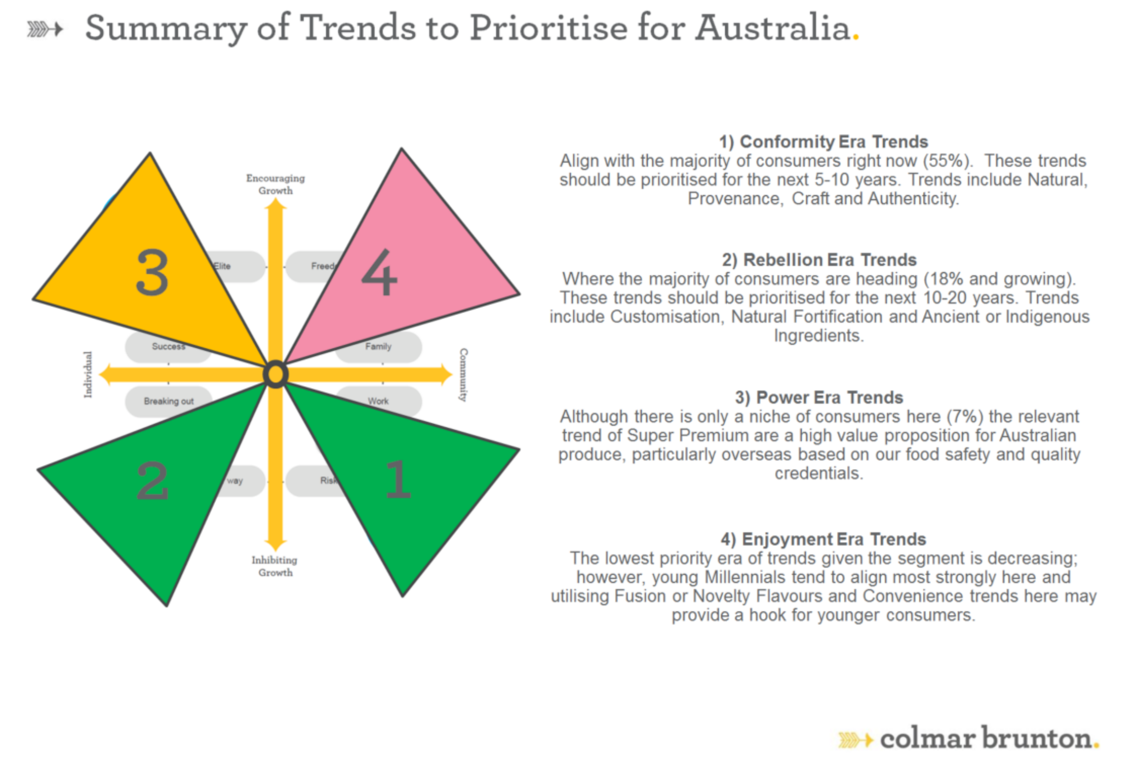
9 Appendix

9.1 Reporting output examples

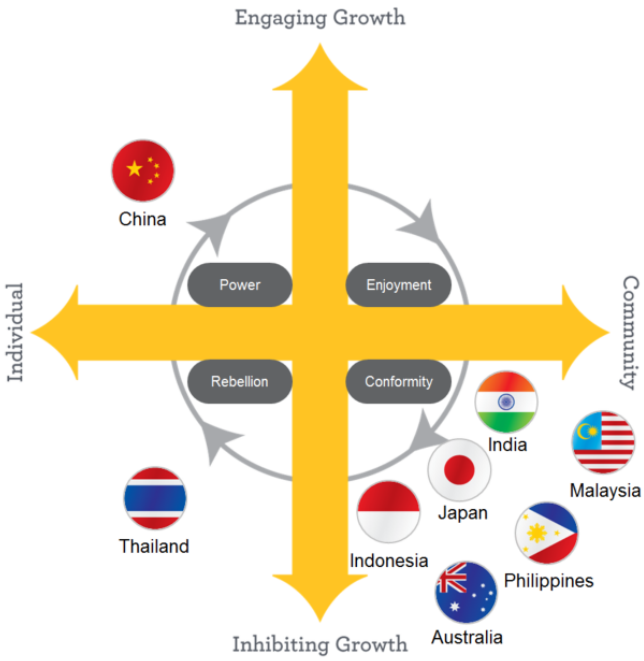
9.1.1 Trends report





A similar prioritisation applies to other Asian Pacific Markets...

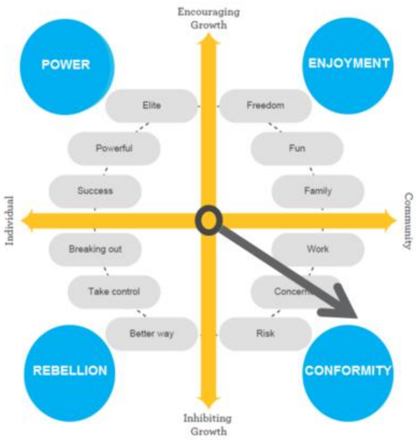
- Colmar Brunton's Millennium Monitor has been applied globally. Similarly to Australia, many other AP markets have a majority of consumer sentiment in the Conformity Era.
- For these markets, Conformity Trends should be prioritised (Natural, Provenance, Craft, Authenticity) along with those aligned with Rebellion (Customisation, Natural Fortification, Indigenous Ingredients).
- Exceptions to note are Thailand (already in Rebellion) and China in Power. China is an ideal market for Super Premium Australian meat innovation.



Relevant for meat products + Conformity Era trends a primary priority

Provenance.

Locally sourced, traceable ingredients, packaging and manufacturing, Australian source of origin, lowering food miles.



San Jose's Fresh Chorizo – José uses fresh pork, exclusively from South Australian farmers, including totally free-range paddock roaming, female heritage Black Pigs.

Daintree Estates Chocolate. Established in 2010 by a group of cocoa growers in Far North QLD. This is Australia's first single origin cocoa beans and chocolate. They use Australian sugar and dairy ingredient to ensure that the product is 100% Australian.

Madura Green Tea Australia's first sub-tropical tea plantation located near Murwillumbah, NSW. All green tea development, tasting, grading, blending and packaging is done on the estate.

33 Source: *The Food People Monthly Report - Australia/Asia April 2015*

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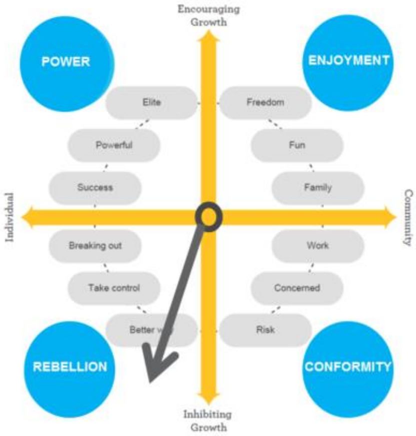
Relevant for meat products, Enjoyment Era trends a secondary priority

Natural Fortification.

Natural Energy Boosters – vitamins, minerals, green tea, spices and other botanicals, kefir (dairy), etc.



Little Miracles
Organic energy drinks feature revitalising super fruits, green, white and black tea as well as ginseng, claiming to provide a natural uplift.

Perky Jerky
Perky Jerky is fortified with the stimulant guarana that "powers professional adults to keep them focused and alert all day long."

X'tagin Green Tea
Chlorophyll Latte Natural Herbal Drink contains antioxidants that are good to prevent free radicals from pollution and unhealthy lifestyles. Product is made from soya, featuring essential amino acids, fat free vegetable protein and medium chain triglycerides which help maintain body vitality, skin and hair.

37 *Source: Mintel, Non-carbonated beverages and RTD, 2013,*

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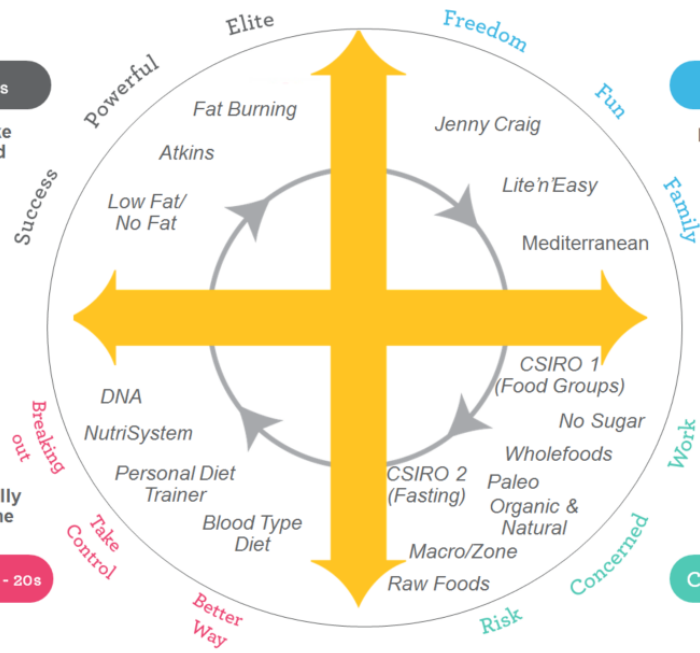
Diets Mapped on the Millennium Monitor.

Power: 80s - 90s

Designed to make you look big and strong.

Enjoyment: 00s

Lack of diets in this era due to focus on enjoyment of life.



Diets which are fully customised for the individual.

Rebellion: Future 10s - 20s

Concerned with own health and wellbeing, many diets emerge in this era.

Conformity: 00s - 10s

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Diet Influencers.

Whether it's developing the diet themselves or campaigning to bring it more awareness, these passionate groups, individuals or organisations are sometimes why a diet will receive more traction.

Power.

Professionals pushed these diets, using science and fact to explain diets and why they will be effective. For example Robert Atkins, who was a physician and cardiologist, responsible for the Atkins Diet.

Enjoyment.

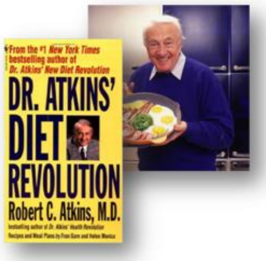
Diets here used celebrities to push their diets, with familiar faces to build trust and to lead by example. Such as Jenny Craig and their use of celebrities such as Mel B and Kirstie Alley to promote their diet.

Conformity.

This era has seen specialists (rather than professionals or celebrities) and those who work in the field push for those personal issues they are most passionate about, such as Sarah Wilson and her stance on no sugar, or Pete Evans and his push for the Paleo diet.

Rebellion.

Emerging entrepreneurs, champions of their fields with ground breaking technology-changes to the notion of "healthy living", such as Neil Grimmer, founder of *Habit*.



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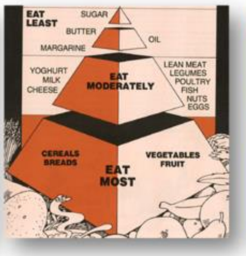
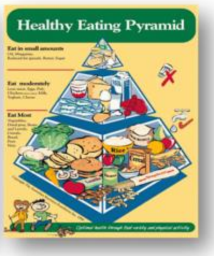
Australia: Changes In The Healthy Eating Pyramid Over Time.

Nutrition Australia first introduced the Healthy Eating Pyramid in 1980 and was inspired partly due to the *more to less* concept developed in Sweden during the 1970s. Its design is simple and aims to show Australians what adequate nutrition is and how to have a varied and balanced diet. In 2004, there was again a design overhaul after the 2003 Australian Dietary Guidelines were released. The 2004 model included a 'move more' layer at the bottom to promote physical activity again showing major shifts towards the importance of exercise in diet trends. The name of the model also changed for the first time going from the 'Healthy Eating Pyramid' to the 'Healthy Living Pyramid'. The name change highlighting the shift in dietary trends from strictly 'food focused' and eating well to a more flexible approach targeting 'overall wellbeing and health' tying exercise into dietary behaviours.

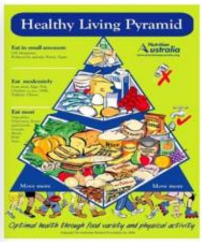

1982 Model



1986 Model



1999 Model



2004 Model

2007 Model

77 *Source: http://www.nutritionaustralia.org/national/healthy-eating-pyramid/brief-history-pyramid* colmar brunton.

Customisation.

The rapid adoption of smart technologies will mean that all facets of our life will be monitored in the near future. Tracking calories as well as other nutritional information have become much easier due to smart watches. But in the near future, restaurant menus will infuse virtual reality features which will provide access to useful information on calories and nutritional content of dishes served. Shopping trolleys will also start to flag unhealthy items to ensure you purchase items that only your diet allows. Fridge and cupboard analysers will become common gadgets in the near future to help consumers make wise choices. Smart bathroom mirrors with screens behind will be able to show you not only your current shape but also reveal how you will look when reaching your target weight. As an industry, we must be prepared to embrace these changes and incorporate smart technology moving into the future.

Early 2000s – Calls for more nutrition information communicated in store and on pack

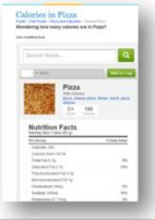
2005 – Communication of nutritional information on websites

2008 – Focus from fast food chains to revamp menus to include healthier menu items

2012 – Increased popularity of Nutritional Calculators online.

2013 – Nutritional information accessible via mobile apps

2016 – Widespread adoption of Fitbits



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Cultured Meat.

In August 2013, Dr. Mark Post made headlines around the world by eating a burger made with the world's first beef patty grown in a lab. Four years on, and Dr. Mark Post says the commercialisation of cultured meat is only 3 to 4 years away, with Europe being the first market to be able to purchase cultured meat from the supermarket.

Other more conservative estimates place commercialisation at between 5 and 15 years away, considering there are some significant barriers yet to overcome. According to Dr. Mark Post, the founder of Mosa Meat, a startup working to commercialise cultured meat, the biggest challenge is achieving economies of scale in order to bring the cost of cultured meat in line with current meat prices.

After significant investment from philanthropists and entrepreneurs, there are several start up companies working on producing pork, turkey, chicken, eggs, lobster and many other previously living tissues in laboratories around the world.

105 http://www.sciencedirect.com/science/article/pii/S0195666317303811

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Packaging Optimisation.

The packaging of a product is essential in the purchase decision making process of a consumer. Our research has shown that the packaging's fit with the brand must be aligned in order for the product to be successful. There have been many new product introductions to the industry over the past five years, including products made from organic meat and meat from specially fed cattle. In order to effectively communicate the message across to the end consumer, it is necessary to comprehensively evaluate the best value proposition for the market.

Visual representation on the cut of meat, as well as flavour and textural expectations.

Emphasising all benefits to ensure that consumers clearly understand the value of the product.

Clearly stating whether it is suitable or supported by certain diets.

Highlighting the quality of the meat.

Ensuring 'windows' to view the product inside, especially if combined with other ingredients.

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Value Add Packaging.

There is a need for convenience based packaging in both Australia and in the Asia Pacific region, however they are primarily for different reasons. For Australia, convenience packaging allows consumers to save time and effort when preparing meals. In contrast, convenience based meals and packaging can be part of an education process of how to incorporate more red meat into their diets. This will help to minimise barriers around not knowing how to cook with high quality red meat.

The opportunity for packaging innovation exists for both the Australian market as well as the Asia Pacific market.

Opportunities for product optimisation:

- Ready to cook formats (with vegetables, sauces etc.)
- Premium ready to eat meals
- Smaller portions: consumers may perceive this to be better value for money as well as improving quality and freshness expectations
- Meat pre-cut into pieces suitable for popular cooking styles

Smaller Portion Options

Ready to Cook Meal Kits

Ready to Eat Meals

Yellow Rice with Beef (Netherlands)

Beef Curry with Rice (Thailand)

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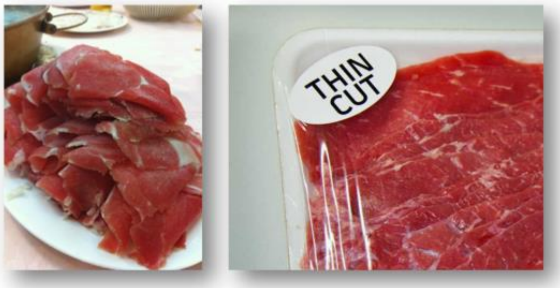
Asian Market: Packaging that Reduces Aroma.

A barrier in China and Japan towards lamb and goat meat consumption is the perception of a 'bad aroma'. Additionally, Chinese consumers are accustomed to the taste of mutton instead of lamb. A way of negating this smell may be through a combination of innovative packaging, as well as using traditional cooking methods such as thinly sliced lamb that is cooked all the way through to minimise this aroma.

- This aroma is known as '膻味' (shān wèi) in Chinese, a specific term used for red meat.
- However, with Chinese culture being increasingly influenced by the Western world, the acceptance of red meat has slowly changed.
- In China, various cooking methods have been suggested to remove this smell (i.e. boiled with dates, boiled in pepper water, cooking with cane sugar).
- To help further this transition into a Western style of eating, this aroma must be negated. Recipe suggestions may also be required, or even NPD in pre-cooked meals. Further research is required in this area.

Packaging that focuses on increasing shelf life and reducing the aromas may help increase re-purchase.



Recommendations that enable consumers to minimise the aroma such as thinly cutting the meat and cooking the meat right through may alleviate the current barrier to consumption.

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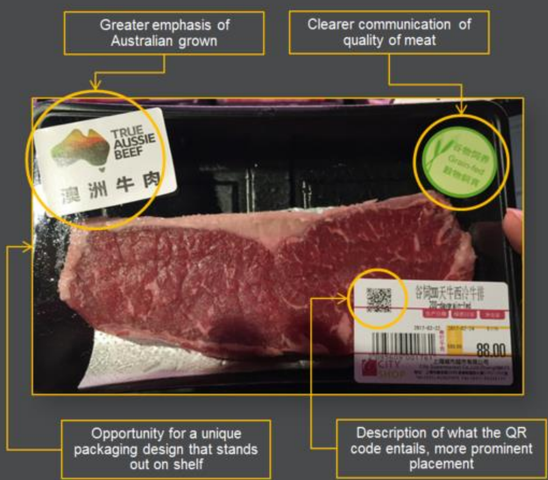
09. Premiumisation

Australia's leading reputation around the world as a producer of high quality, safe and nutritious red meat must be clearly communicated to the end consumer.

- There is an opportunity to increase quantity and value of premium quality meat such as Wagyu beef and lean red meats when imported into Asian countries.
- Accompanied the meat with premium packaging will be essential in adding value to the category.
- Premium translates through the quality of the meat, the price, the packaging and the purchase channel.
- Effectively communicating this message of premium may be through a variety of means.



Synthesising strategic marketing efforts for the industry is essential in effectively communicating the 'premium' message to the end consumer.

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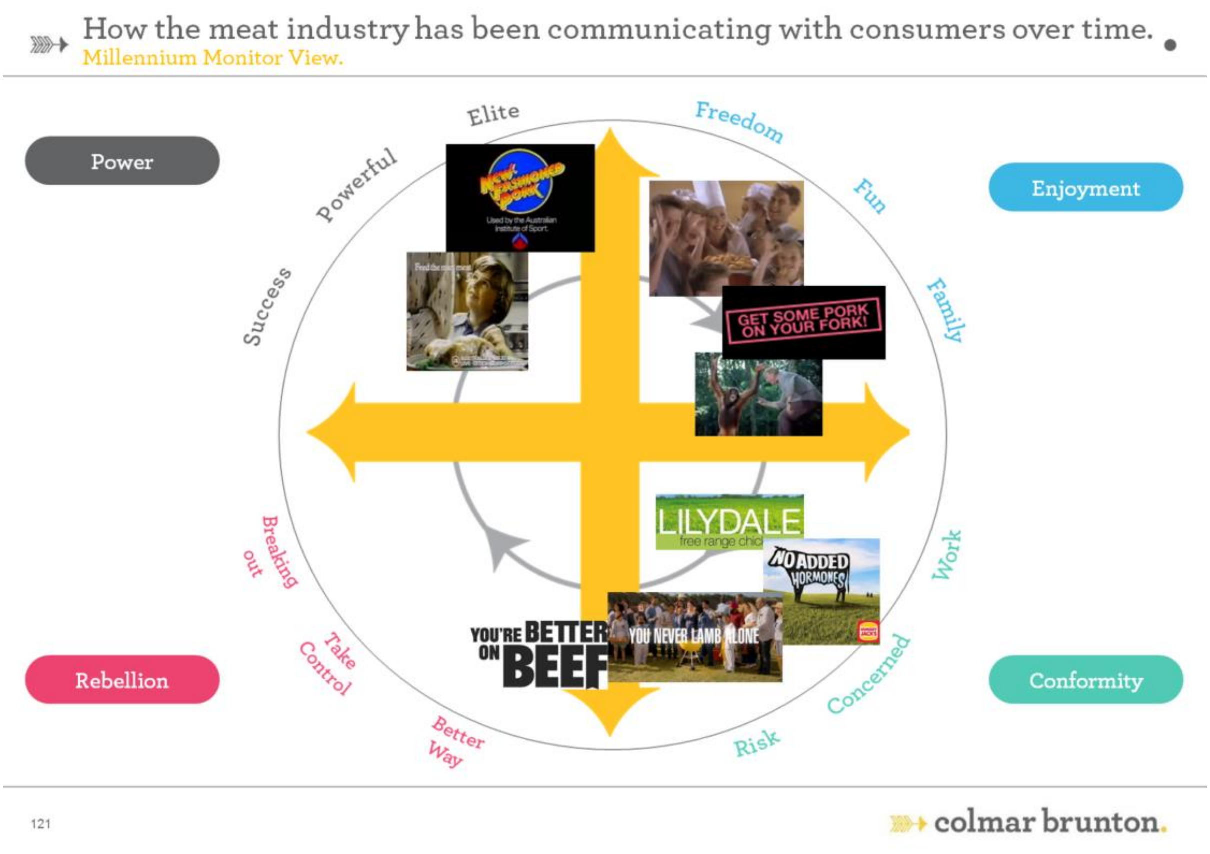
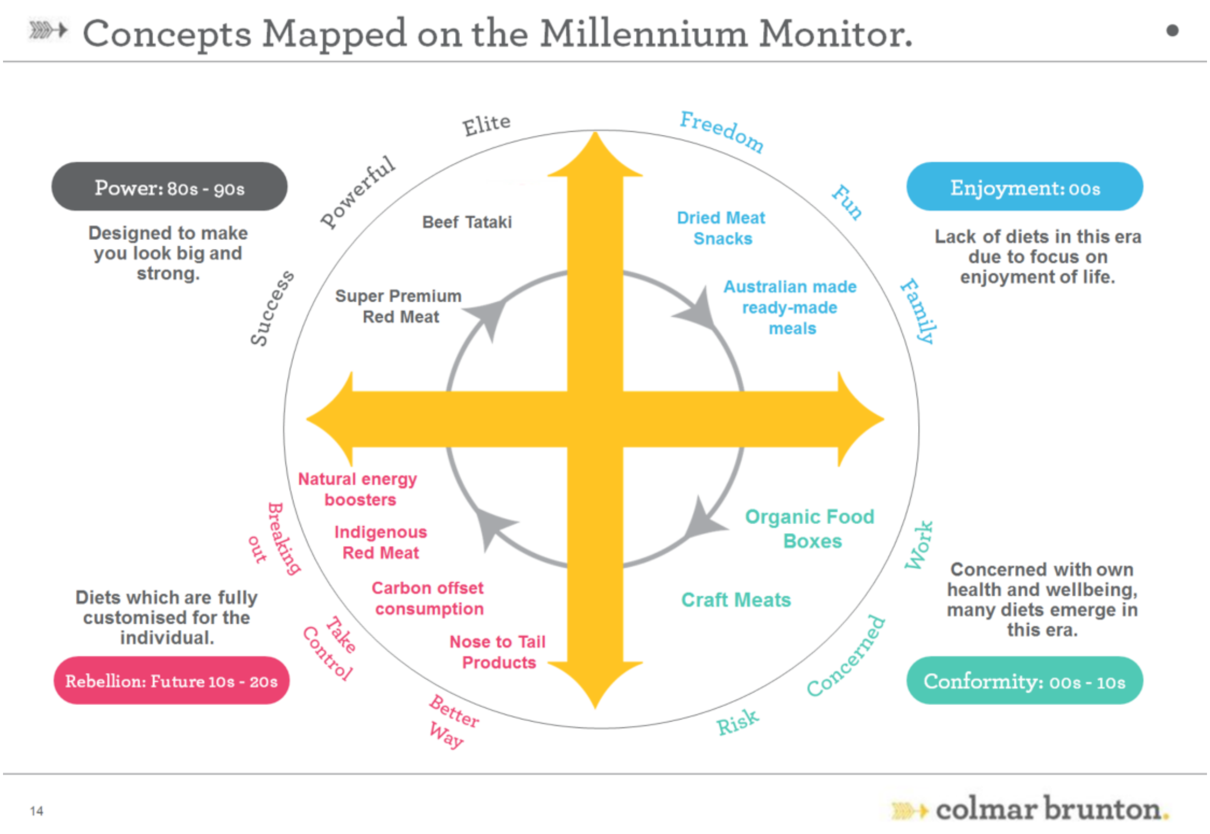


9.1.2 Concept Testing Report



Concept Benchmark
OL = 6.2/10
PI 60% Top 2 Box, WPI = 27

Conformity

Organic Food Boxes.

Overall Liking	Purchase Intent	Weighted Purchase Intent	Likely to Pay more
5.6	10/27 (37%)	13	5.1

29% Willing to Pay More*

Overall liking for the Organic Food Box scored relatively well in comparison to other concepts tested, Whilst it did not meet benchmarks at a total level, **the concept did meet benchmark in overall liking for 18-29 year olds (6.2/10)**.

Consumers indicated that they were willing to pay the same amount for Organic Food Boxes as they would for their current red meat purchases.

Concept Statement

These food boxes only include seasonal produce that is organically farmed. This is perfect for consumers who are looking for locally grown, clean and green products, with increased focus on a sustainable environment. Seasonal meat, such as beef and lamb, will be accompanied with seasonal vegetables that are farmed in the same regions. All ingredients and recipes are provided to guide each delicious meal.

20 *Willing to **pay a price premium** relative to their average spend on a red meat product?

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Concept Benchmark
OL = 6.2/10
PI 60% Top 2 Box, WPI = 27

Rebellion

Indigenous Red Meat.

Overall Liking	Purchase Intent	Weighted Purchase Intent	Likely to Pay More
5.0	9/27 (36%)	13	4.5

20% Willing to Pay More*

Overall liking for the Indigenous Red Meat concept scored mid-range out of all concepts tested, however consumers did not expect to pay as much as they would for their typical red meat purchase.

This concept was more popular amongst males (5.4/10) in comparison to females (4.5/10). Furthermore, 18-29 year olds and 30-39 year olds were more open to the concept (both 5.3/10).

Concept Statement

Indigenous Australian's lived off the land for thousands of years, fuelling their body with lean red meats such as kangaroo and emu. These new meat products along with natural red meat can provide you with such fuel and are fed with, then marinated in Indigenous spices (i.e. lemon myrtle, native thyme, pepperberry) to provide specific functional benefits such as superior absorption of iron.

23 *Willing to **pay a price premium** relative to their average spend on a red meat product?

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