







July 2022

Total Market Report - Q2 2022

BORD BIA Thinking House

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Who Do We Survey?

We are interested in understanding real shopper behaviour at the point of purchase, in real bricks and mortar retail, as well as through online channels. We survey Grocery Shoppers but our analysis focusses on 'Beef Considerers', those who would consider purchasing beef for their main meals. We are tracking shopping behaviour in seven markets across Europe.

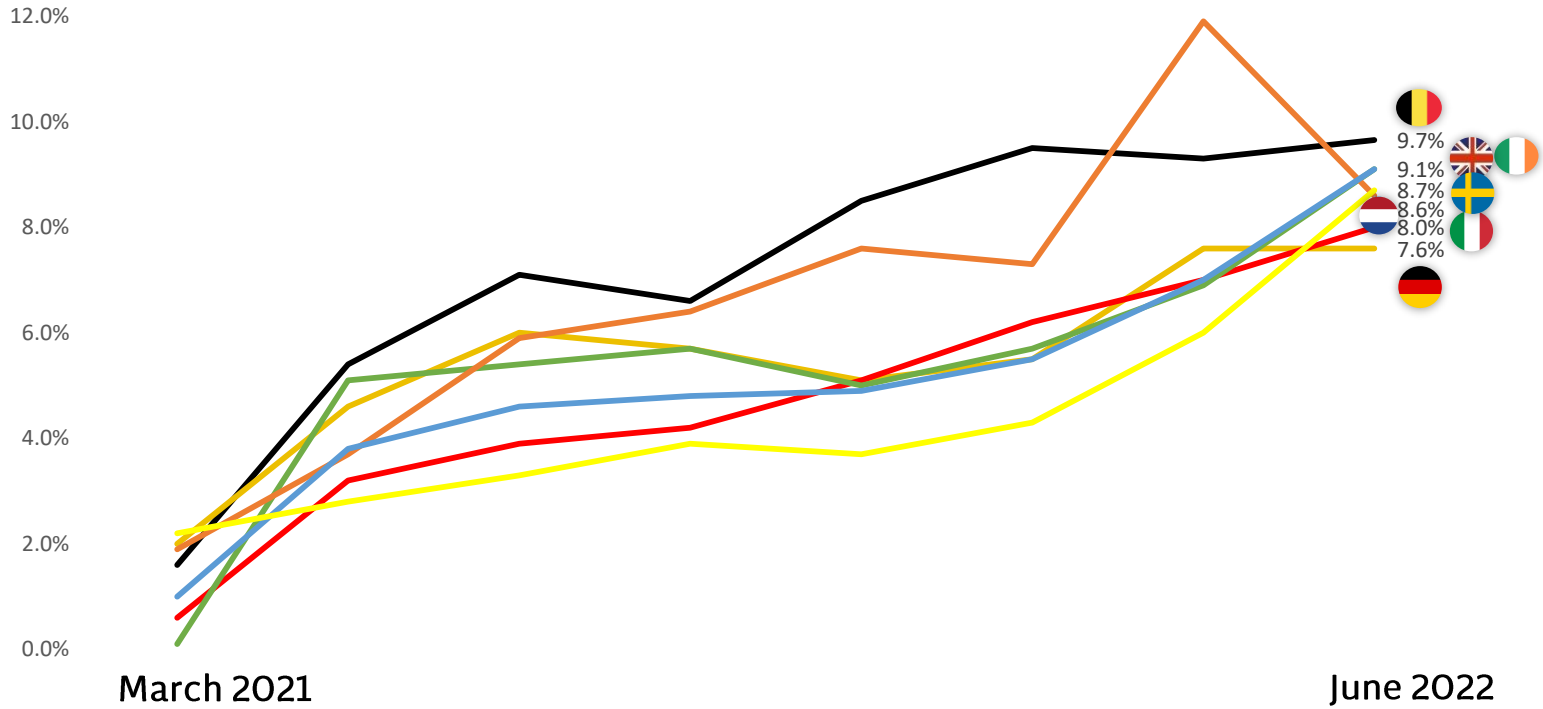
How Many Shoppers?

Over the course of every year we survey N=42,000+ shoppers across Europe. Our survey is 'always on', with interviews being conducted daily across these seven markets, which ensures the following sample sizes:

							
Monthly Interviews	N=500	N= 500	N= 500	N= 500	N= 500	N= 500	N= 500

- The results of this report focus on the behaviour in Qtr.2 2022 compared to Qtr.2 2021 and Qtr.2 2020
- To get a monthly view of the data as the market faces inflationary pressures, we will provide headline monthly reports from July for each market

Inflation is continuing to increase across key markets



Source:
Trading.economics.com

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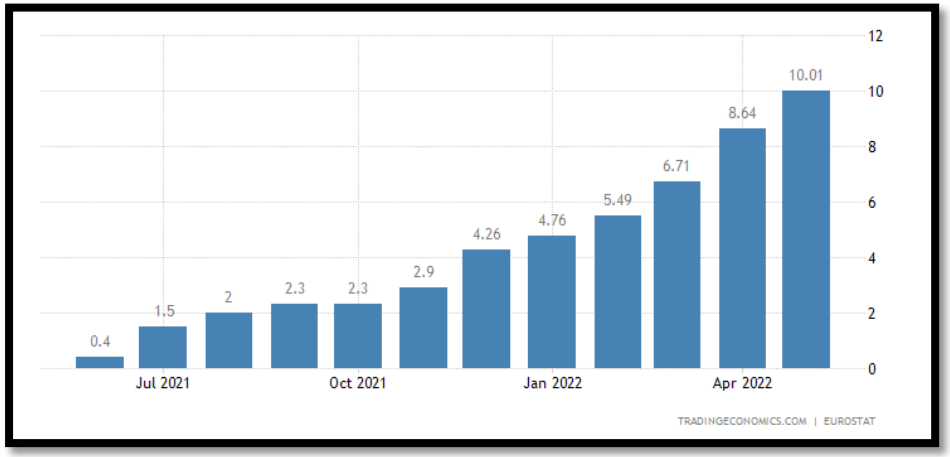
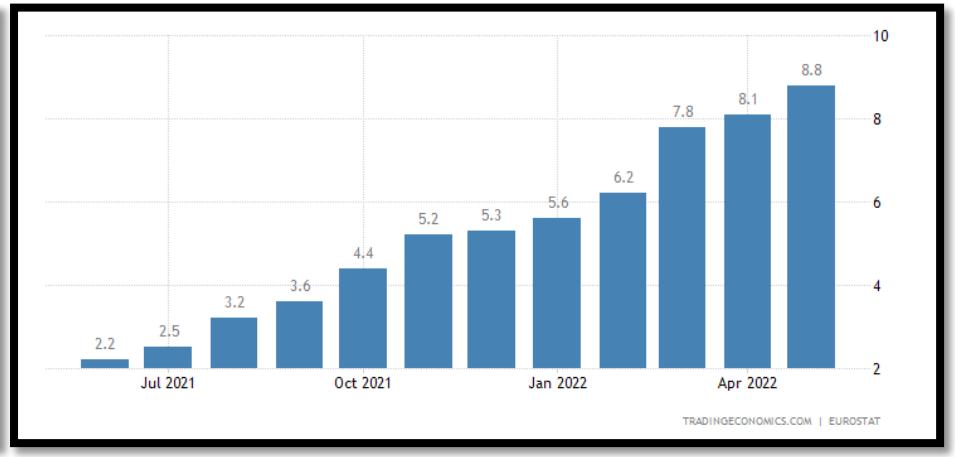
Food inflation continues to accelerate across Europe and is ahead of the overall inflation rate

Food Inflation



Inflation Rate



5% inflation is historical tipping point when shopping habits begin to change (Dunnhumby)

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Source: Trading.economics.com

Kantar beef retail figures for April 2022 show consumer price rises of 6.2% and sales declines of 13.8% compared with 2021 in the UK – similar 2-digit declines in Germany and France – but compared to an outlier year in 2021.

Q2 Report at a Glance

1. Overall consideration for beef is declining in key markets, driven by spending concerns. There is no clear shift in protein preference, but the number of proteins being considered by shoppers overall declining, as shoppers tighten up their meal plans. Chicken has maintained consideration levels for the most part with lamb, pork and meat substitutes also declining along with beef.

2. Amongst those who did consider beef on the last occasion shopping, the main challenge is in relation to shopper engagement, with purchase levels relatively consistent overall. The meat aisle is becoming even more important with a reduction in purchase at the butcher counter in some markets evident. As such, re-engaging with shoppers at these fixtures will be key. Think about new formats, new methods of presentation, meal suggestions to highlight versatility to counteract, as well as the more obvious promotions.

3. Shoppers continue to move away from steak with mince on the increase as shoppers look for their protein to stretch further; they're looking for formats that are flexible but still deliver on taste. Increased financial pressures at the household level driven by continued rising inflation also presents an opportunity to engage shoppers with compelling at-home solutions as they cutback on foodservice.

4. Perceived expensiveness is the main barrier at the point of purchase and is likely to prompt future reduction in the future if not tackled. However, communications need to reinforce the benefits of beef, to ensure shoppers don't leave the category for good, this includes continuing to talk about the sustainability benefits. Grass-fed remains a key driver, remaining relevant despite price concerns.

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1.

Consideration levels of beef continue to decline, with drops evident in key markets (UK/GER/IT)

Chicken maintains consideration levels for the most part with a reduction in the number of proteins considered overall

Shoppers are tightening their protein repertoire and the meal plans, leaving less room for impulse

Consideration of beef overall amongst grocery shoppers continues to trend downward in Ireland, the UK, Germany and Italy - largely driven by price as more shoppers begin to rule out beef

Overall Consideration

Overall consideration of beef amongst all grocery shoppers							
Q2 2022	74%	74%	68%	58%	75%	76%	74%
Q2 2021	78%	78%	73%	69%	77%	74%	74%
Q2 2020	81%	78%	74%	66%	n/a	n/a	73%

(Base: All Grocery shoppers)

Consideration for Chicken is more consistent - it affords more affordability and flexibility. Like beef, pork consideration is down

Overall Consideration

Chicken

	Q2 2022	YOY Change	Change Vs 2020
	89%	1%	-1%
	83%	-1%	-1%
	84%	-2%	
	87%	-3%	-1%
	81%	5% ↑	
	79%	-3%	0%
	77%	-1%	-2%

Pork

	Q2 2022	YOY Change	Change Vs 2020
	62%	-3%	
	58%	-4% ↓	-2%
	60%	-4% ↓	-3%
	62%	-3%	-6% ↓
	61%	0%	
	52%	-4% ↓	-3%
	47%	-10% ↓	-8% ↓

(Base: All Grocery Shoppers)

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Sharp declines in consideration of lamb as shoppers tighten their repertoire before store - meat alternatives are not growing in the face of decline in consideration of animal proteins

Overall Consideration

Lamb

	Q2 2022	YOY Change	Change Vs 2020
UK	56%	-5%	-9%
Ireland	41%	-2%	-4%
Belgium	42%	-7%	
Sweden	36%	-6%	
Netherlands	32%	-5%	-4%
Germany	34%	-5%	-3%
Italy	22%	-11%	-11%

Meat Alternatives

	Q2 2022	YOY Change	Change Vs 2020
UK	39%	-7%	-2%
Netherlands	36%	-5%	-2%
Sweden	32%	-3%	
Italy	21%	-10%	-6%
Belgium	26%	-6%	
Germany	24%	-5%	-3%
Ireland	20%	-2%	-3%

(Base: All Grocery Shoppers)

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Last Occasion Purchase of Beef

Generally purchase incidence is consistent, but not increasing.

Italy is the market where the biggest decline in purchase is evident, the market where steak purchase is highest.

	Q2 2022	YOY Change	Change Vs 2020
Ireland	49%	1%	-1%
Sweden	41%	2%	
UK	38%	3%	1%
Netherlands	35%	-1%	0%
Italy	35%	-4% ↓	-5% ↓
Belgium	39%	1%	
Germany	30%	-2%	0%

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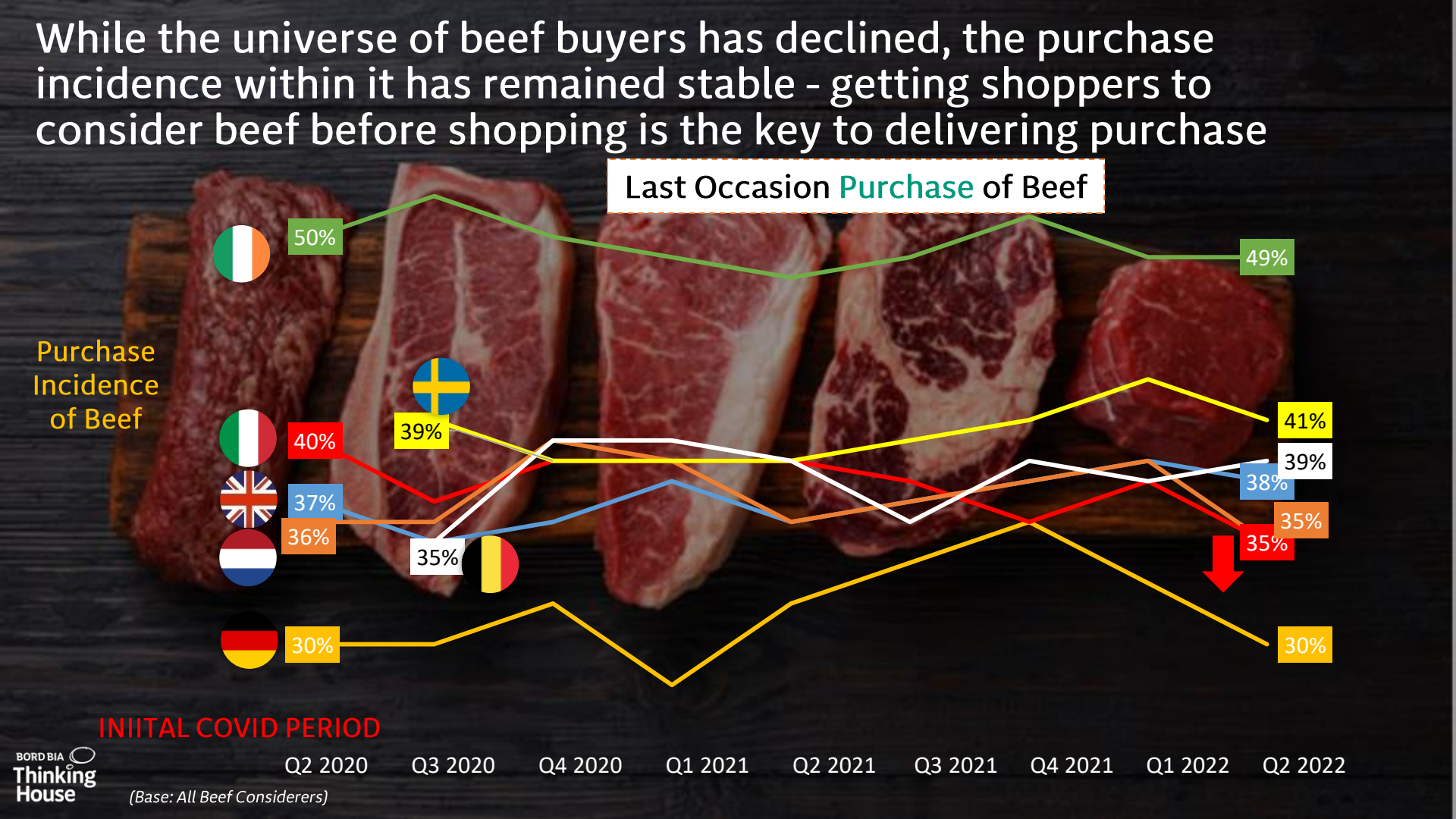
(Base: All Beef Considerers)

While the universe of beef buyers has declined, the purchase incidence within it has remained stable - getting shoppers to consider beef before shopping is the key to delivering purchase



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(Base: All Beef Considerers)

However, the number of formats is edging down in most markets, with biggest declines evident in Italy and Belgium

Number of types of beef purchased on the last occasion

Q2 2022	2.1	2.6	2.9	2.4	2.4	2.2	2.3
Q2 2021	2.0	2.6	3.6	2.6	2.9	2.5	2.9

The main challenge for the category now is keeping shoppers involved and considering at a total level. Shoppers are not switching from beef elsewhere, they are doing more meal planning, less impulse shopping, and beef is failing to get on the shopping list in more cases. Financial pressures are resulting in less proteins being considered overall and a focus on more cost-effective types of protein.

Chicken offers flexibility and affordability for shoppers. Can beef be presented as an equally flexible protein with meal suggestions that allow shoppers to stretch the protein further.

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2.

Shoppers are wholly less engaged when they shop, meaning more effort is needed to get across key proofpoints.

Amongst those who purchase, we record a move away from steak to mince as shoppers still want beef but need it to stretch further.

Beef Engagement

Engagement (actively reviewing what's on offer) has dropped off somewhat year-on-year, but is down over the longer-term more significantly

	Q2 2022	YOY Change	Change Vs 2020
	40%	1%	-5%
	38%	-3%	
	32%	-3%	-10%
	28%	-1%	
	38%	-2%	-4%
	25%	-7%	-5%
	30%	-3%	-9%

This time 2 years ago our only time out of the house was shopping so we took the chance to engage with what was on offer. Now, spending makes us anxious so we keep it to a limit.

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(Base: All Beef Considerers)

Shopper desire to cutback is clear from the channel used

(Base: All Beef Considerers)

All markets are claiming to shop more in the Discounters

Shoppers are more reliant on the standard meat aisle - while purchasing at the butcher counter has dropped back

At the same time we see less shoppers buying beef for special occasions, more associated with trading up and looking to the butcher counter for advice in the search for quality beef



Steak continues to be under pressure in most markets with annual and/or biennial declines evident, with fillet declining and a shift to mince evident

PURCHASE OF STEAK ON THE LAST OCCASION

	Q2 2022	YOY Change	Change Vs 2020	
	60%	-8%	-8%	Driven by a decline in fillet purchase, with ribeye dropping back also. Roasts and strips also decline with mince and rump steady.
	46%	-3%	-11%	Year-on-year decline driven by a drop in striploin purchase Burgers on the rise
	44%	-7%		Driven by a decline in striploin purchase
	39%	-4%	-13%	Driven by an drop in fillet steak/striploin purchase year-on-year
	33%	-14%	-11%	Driven by a decline in fillet steak/striploin purchase Mince on the rise
	31%	-7%		Driven by an drop in fillet steak purchase, with striploin also dropping back. Mince on the rise
	27%	0%	2%	Steak purchase remains low but is steady. Increase in the purchase of mince evident overall. Ribeye up marginally.

(Base: All Beef Considerers who purchased beef on the last occasion)

Innovation as a way to Deal with Inflation







Image source: V360

- Alternative, more affordable, cuts of meat, are appearing on shelves, e.g. Oxtail, shin
- These take more time in preparation, and need to be accompanied by meal suggestions
- They can highlight the versatility of beef and can make the great taste stretch further

Remember - Shoppers are looking to cut back services (like restaurants and travel) quicker than spending on goods (like groceries)



- According to research out of the US, shoppers are looking to cut back on dining out first as a way to cut spending
- Consumers will have to get creative, like they did during lockdowns, with their cooking to get their treat
- How can retail replace dining out? Be clear on your benefit proposition - the “treat yourself” narrative doesn’t really work as the more constrained in spending you feel, the less happiness you get from spending - you have to dial up the opportunity cost - what does buying this beef provide you, how is it better than the alternative (Canvas8, 2022)

Sources:
Abha Bhattarai, Americans are starting to pull back on travel and restaurants, June 18 2022, https://www.washingtonpost.com/business/2022/06/18/consumer-spending-slowing-economy/
Carmen Reinicke, Inflation remained near a 40-year high in April. Here’s where consumers plan to cut spending, 11 May 2022 https://www.cnbc.com/2022/05/11/where-consumers-plan-to-cut-spending-as-high-inflation-persists.html
Bord Bia, Feeling the Pinch, 2020
Canvas8, Meat-lovers seek ways to make restaurant meals at home, 18 April 22
Canvas 8, Spotlight On: Festive Spending,
https://vimeo.com/725225040/4bd47706d4?utm_campaign=Spotlight%20on%3A%20Festive%20Spending&utm_medium=email&_hsmi=218039906&_hsenc=p2ANqtz-8vfuEXuJujzbi3NQyzxWNazhy4RvrVuKreS8D2EMgssrATc9zHJ8B6LnAo9gd9wVyohQsg7pEW45yUczVizRYd-6eyiA&utm_content=218039906&utm_source=hs_email

With purchase levels relatively consistent overall, the key concern once shoppers have considered beef pre-store is engagement. As shoppers are less engaged they trade down. One way to counteract this is through innovation, put new formats, new cuts, new flavours in the meat aisle to get shoppers interested.

Shoppers continue to move away from steak with mince on the increase as shoppers look for their protein to stretch further; they're looking for formats that are flexible but still deliver on taste. Increased financial pressures at the household level driven by continued rising inflation also presents an opportunity to engage shoppers with compelling at-home solutions as they cutback on foodservice. This requires the benefit derived to be clear.

Our next section can help explain what some of those benefits could be.

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3.

No surprises as perceived expensiveness is a growing barrier to beef purchase on last occasion, but also into the next 3 years.

Demonstrating value for money will be crucial to keep shoppers purchasing beef in the coming months - taste and grass-fed messaging are ways to do that.

Barrier to purchasing Beef on the last occasion

Barrier to Purchase

Expensiveness is increasing as a barrier to purchase in all markets and ranked as either 1st or 2nd in all markets with the exception of Belgium (3rd) and Italy (7th).

	Q2 2022	YOY Change
	33%	+9%
	32%	+8%
	22%	+5%
	21%	+4%
	19%	+2%
	18%	+2%
	13%	+0%

Key Barriers in Belgium & Italy

Saw an alternative that looked good
Desire for change/not in meal plans

Better deals/offers on alternatives
Desire for change

(Base: All Beef Considerers who did not consider beef on the last occasion)

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Barrier to purchasing Beef on the last occasion

I am trying to reduce my intake of beef

While further down as a barrier to purchase, the desire to reduce beef intake is increasing.

We need to ensure the perceived expensiveness of beef does not give consumers the prompt they may have been looking for to exit the category - reinforcing the positives will be key, including around sustainability.

	Q2 2022	YOY Change	Change Vs 2020
	16%	+5%	+7%
	13%	+3%	+7%
	12%	0%	+4%
	11%	0%	
	11%	+3%	-1%
	10%	+1%	
	8%	-6%	-3%



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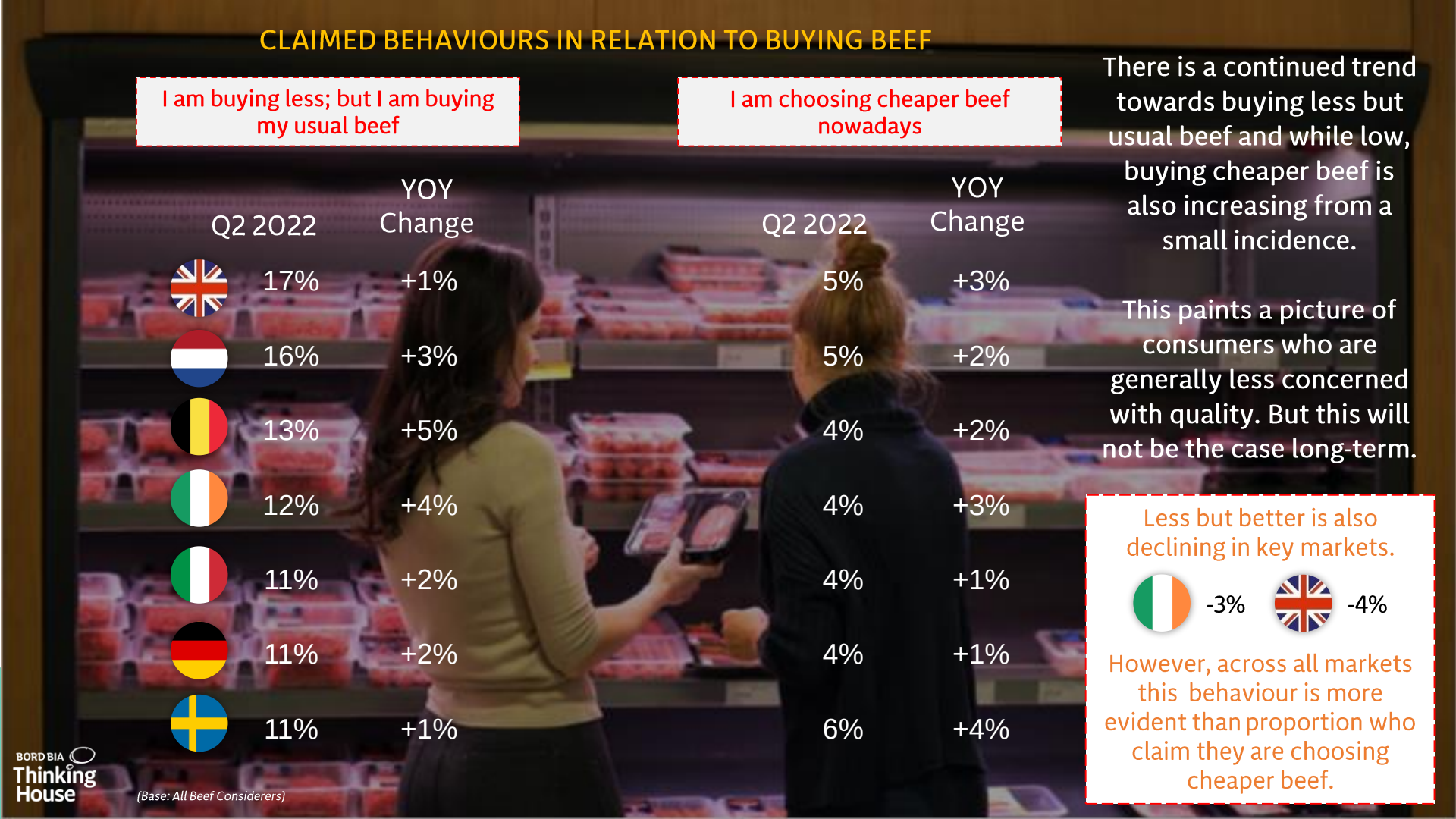
(Base: All Beef Considerers)

CLAIMED BEHAVIOURS IN RELATION TO BUYING BEEF



	I am buying less; but I am buying my usual beef		I am choosing cheaper beef nowadays	
	Q2 2022	YOY Change	Q2 2022	YOY Change
	17%	+1%	5%	+3%
	16%	+3%	5%	+2%
	13%	+5%	4%	+2%
	12%	+4%	4%	+3%
	11%	+2%	4%	+1%
	11%	+2%	4%	+1%
	11%	+1%	6%	+4%

There is a continued trend towards buying less but usual beef and while low, buying cheaper beef is also increasing from a small incidence.

This paints a picture of consumers who are generally less concerned with quality. But this will not be the case long-term.

Less but better is also declining in key markets.

-3% -4%

However, across all markets this behaviour is more evident than proportion who claim they are choosing cheaper beef.

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(Base: All Beef Considerers)

Intended Consumption of Beef Over the Next 3 Years

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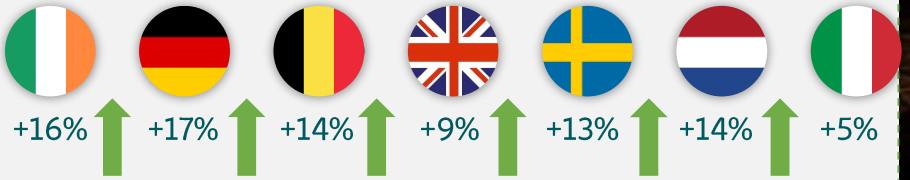
The more medium term view of expected behaviour slightly more considered, but there has been a significant move towards reduce consumption in Germany

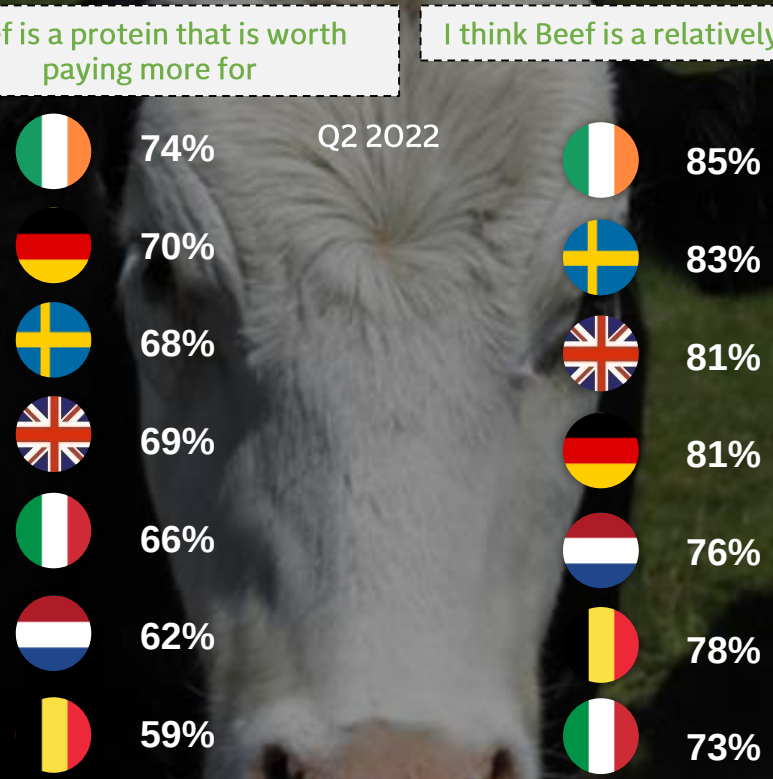
	NET CONSUMPTION (Proportion Claiming to Consume More vs. Less)	YOY Change
	-50%	Future consumption will decline
	-33%	No change
	-32%	Future consumption will decline
	-31%	No change
	-31%	No change
	-29%	No change
	-27%	No change

Expensiveness also impacting significantly here as a likely future deterrent. Increasing year-on-year in most key markets



(Base: All Beef Considerers)

However, there is still recognition that beef is a protein worth paying more for and that beef is a healthy protein



Added to this there has been no significant increases in any of the more negative associations towards beef and beef production in the markets.

Beef remains loved and relevant despite inflationary challenges. Tapping into that is key to keep shoppers in the category.

(Base: All Beef Considerers)

Demonstrating Value For Money Will be Crucial in the coming months

Motivators of Future Purchase

Beef which is good value for money

	Q2 2022	Rank
	50%	2
	49%	1
	41%	1
	41%	1
	35%	1
	34%	1
	34%	1

Impact on enticing shoppers to trade-up

Special Offers

	Q2 2022	Rank
	47%	1
	45%	1
	38%	1
	33%	1
	27%	1
	31%	3
	31%	**1**

Value is also showing up in "what better quality beef means" again suggesting a lower concern for quality credentials overall, and a need for value - but this doesn't necessarily mean low price.

(Base: All Beef Considerers)

Can taste tests be utilised to remind shoppers of the joy of beef? Taste is key to getting shoppers trading up

I think Beef tastes great; it's a real treat

	Q2 2022
	88%
	89%
	86%
	87%
	85%
	85%
	82%

Mostly unchanged year-on-year

And taste is a growing association with better quality beef

Association with Better Quality beef

	Q2 2022	YOY Change
	42%	+3%
	42%	+1%
	40%	+1%
	33%	+3%
	35%	-2%
	36%	0%
	31%	0%

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(Base: All Beef Considerers)

Despite less concern for quality credentials overall, grass-fed remains strongly motivating - it has the ability to keep category shoppers engaged and can justify shoppers in their decision to trade-up...it can also help tell the story on taste

Beef which is grass-fed

	Association with Better Quality beef Q2 2022	Rank	Impacting on enticing shoppers to trade-up Q2 2022	Rank
Ireland	47%	1	33%	1
Germany	40%	5	24%	4
UK	35%	4	22%	4
Germany	37%	4	20%	4
Sweden	30%	5	20%	5
Belgium	31%	3	22%	3
Netherlands	23%	9	16%	5

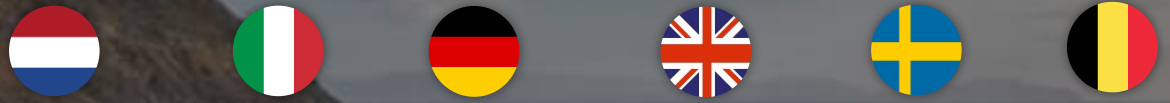
Mostly unchanged for most markets, with slight drop in the Netherlands, Sweden and UK

Slight drop in most markets with slight increase in Italy and Netherlands

(Base: All Beef Considerers)

Consistently strong interest in Irish versions of key cuts, with Irish Steak holding strong appeal in Mainland Europe. Burgers and Mince also exhibit relatively strong levels of appeal.

Q2 2022



Interest in Irish Versions

Steaks	42%	53%	51%	43%	30%	54%
Burgers	33%	34%	26%	31%	22%	28%
Mince	38%	30%	34%	42%	27%	29%

Interest in Irish versions is stable or slightly increasing for most markets

Interest in Grass fed Versions

Steaks	41%	60%	53%	44%	40%	59%
Burgers	32%	37%	26%	30%	28%	30%
Mince	39%	39%	39%	42%	36%	36%

Interest in Grass Fed versions is slightly decreasing in the UK and Italy, slightly increasing for most markets

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(Base: All Beef Considerers)

Communications need to focus meeting consumers current needs, while also ensuring that we do not lose sight of the overall positioning of Irish beef. There is a tactical/rational response required in driving shopper engagement in the category, but we need to continue to dial-up the benefits of Irish grass-fed beef to the shopper; taste, natural etc. Research has shown consumers are now less concerned about health, organic, sustainability credentials but it's very positive to see grass-fed remaining relatively strong as a driver and something that remains relevant to consumers across Europe.

Taste remains a key way to get shoppers engaged, think about utilising tastings in-store. Bord Bia taste test research in Netherlands and Sweden show that Irish grass-fed has a superior taste to other options on the market.

With rising costs shoppers may look to drop out of the beef category, so continued messaging around the benefits are key, even to tap into consumer aspiration in the medium-term. Studies show that the brands who do best out of economic downturns are those who continue to invest in longer-term branding communication.

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