







October 2022

Meat Shopper Insight Europe Report - Q3 2022

BORD BIA Thinking House

empathy

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.

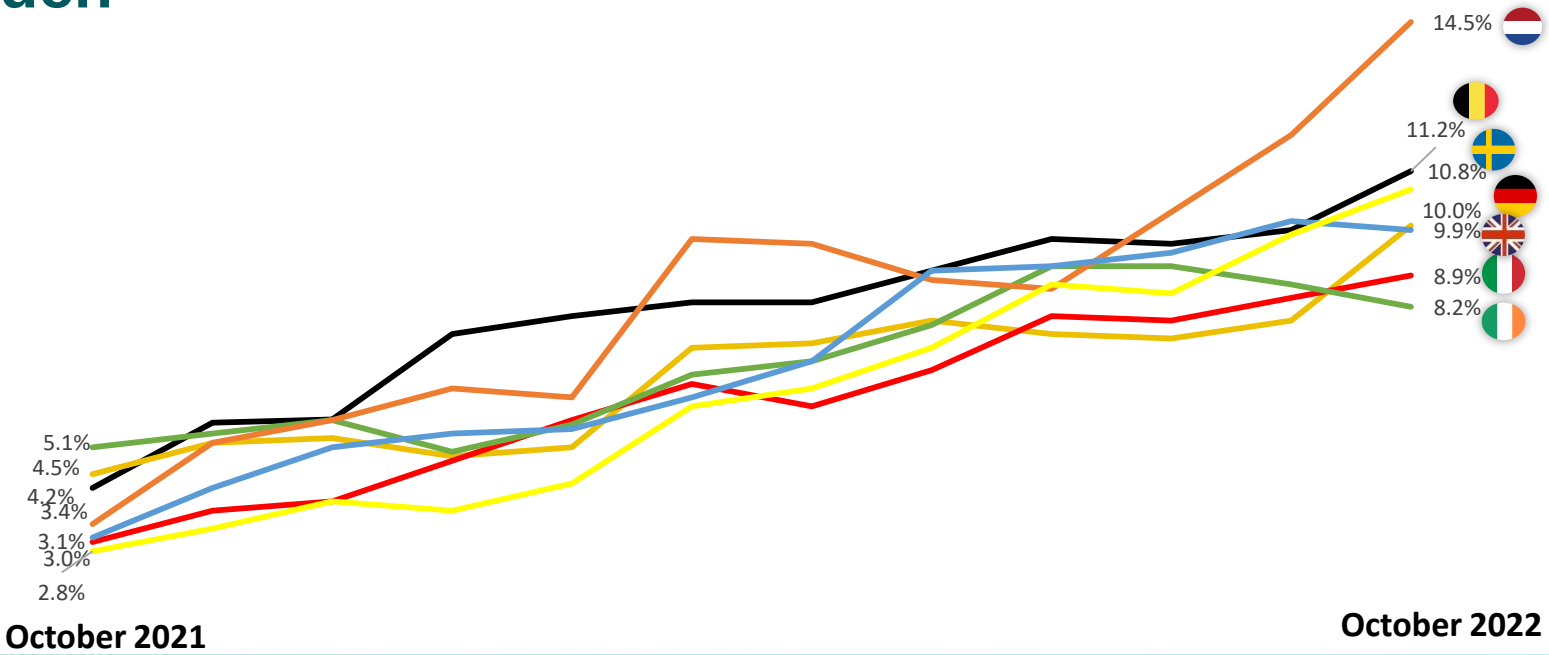
How Many Shoppers?

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 Q3 2022 compared to Q3 2021 and Q3 2020

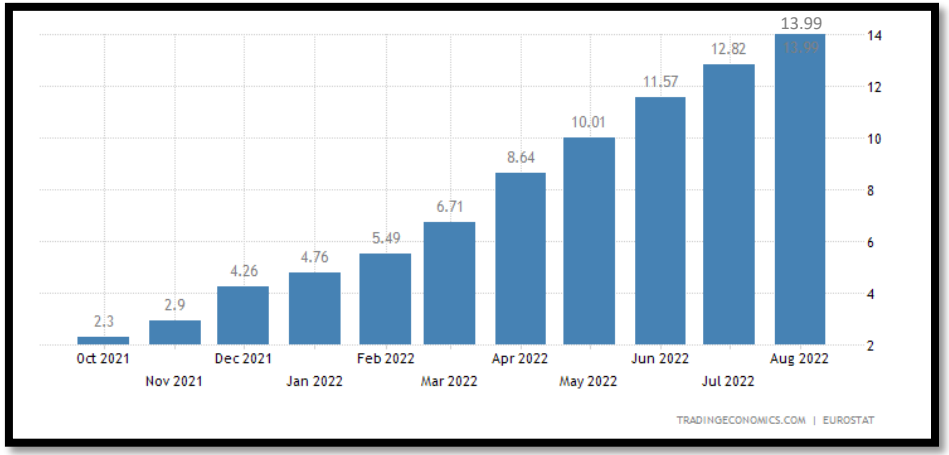
Inflation is continuing to increase across most markets, particularly in The Netherlands, Belgium and Sweden



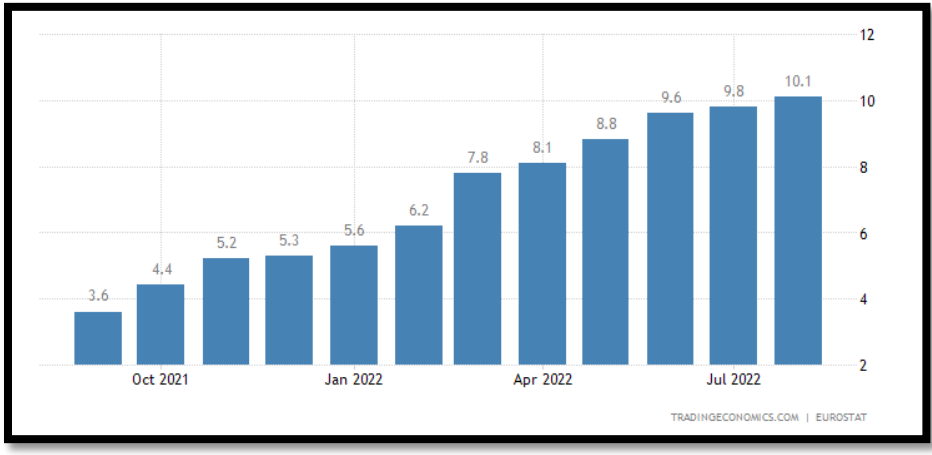
Source:
Trading.economics.com

Food inflation continues to accelerate across Europe, now standing at almost 14% and higher than overall inflation since Q2 2022

Food Inflation

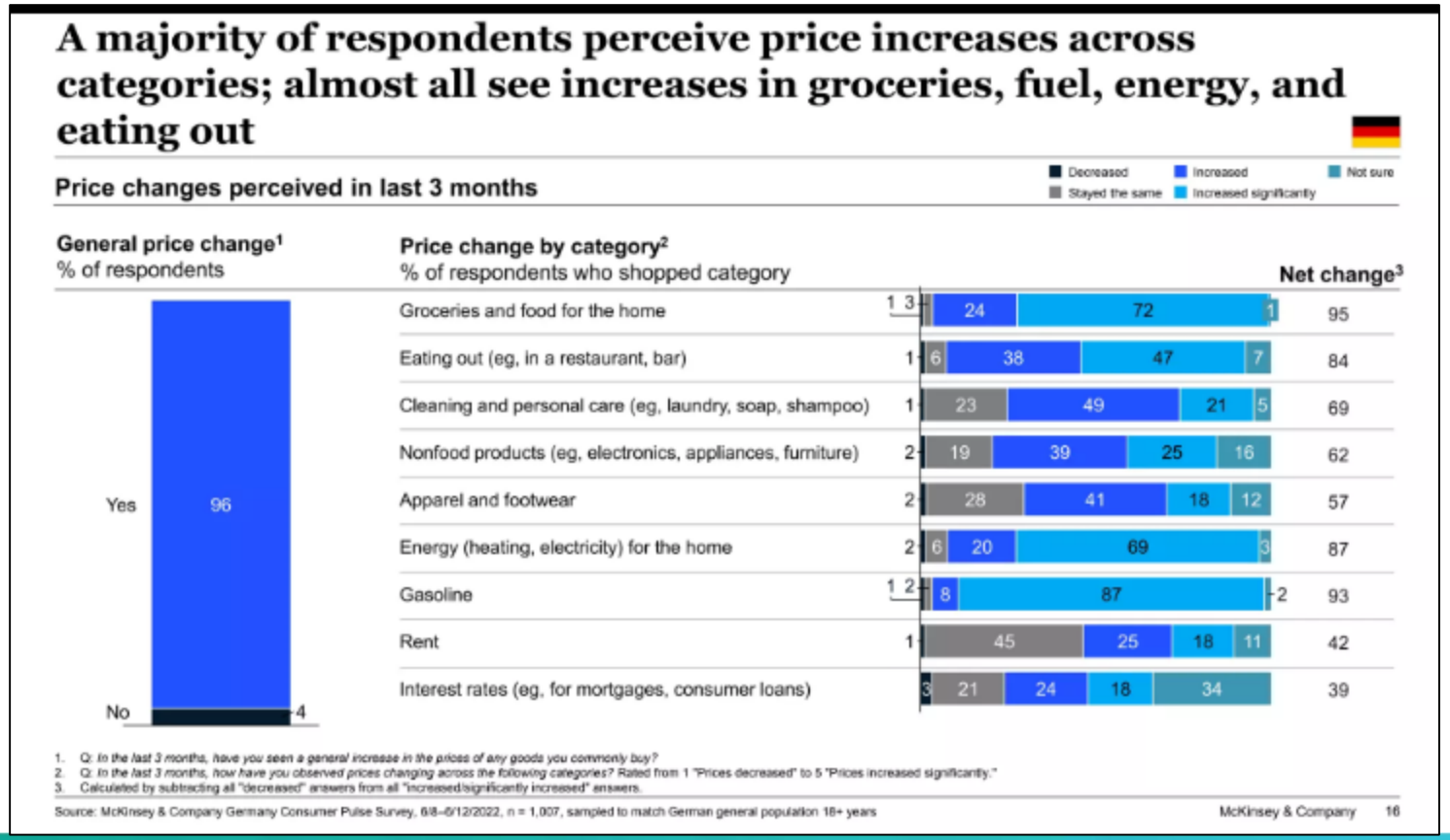


Inflation Rate



Source:
Trading.economics.com

As per this research in Germany, consumer perception is that grocery prices have increased at a similar rate to electricity and gasoline

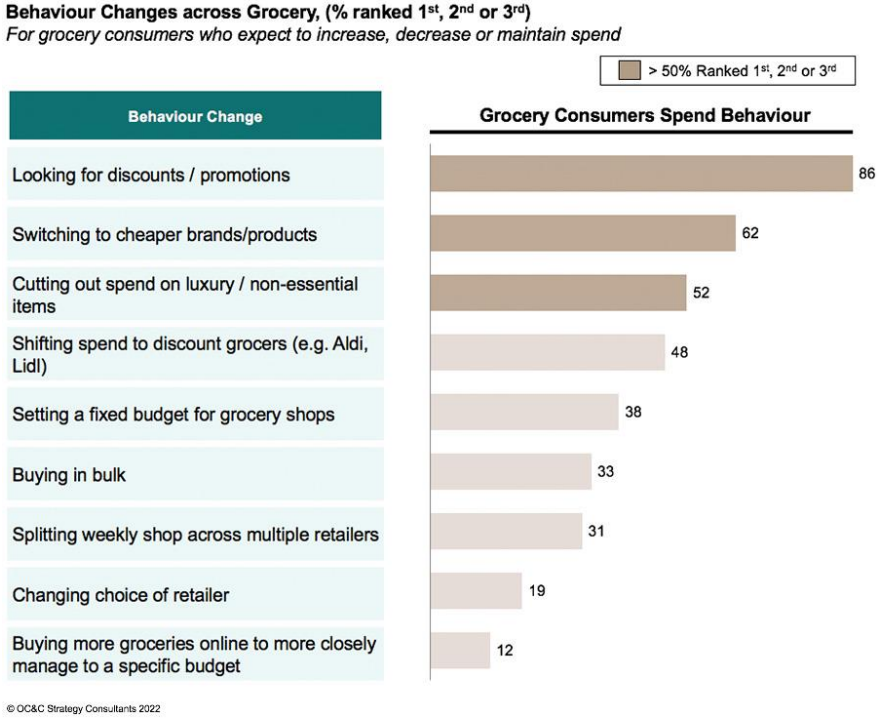


https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/survey-german-consumer-sentiment-during-the-coronavirus-crisis

Shoppers will “trade out” 25% of inflation (Kantar)

This means they will subsume the majority of additional inflationary costs and maintain some of their luxuries

Their first response is to look for promotions, or then to switch to cheaper products or cut down on luxuries



Source: Kantar Europanel Barometer 9 countries – 14 years from 2008 to 2021 – Monthly Year on Year – CPG Growth & Food Price Inflation
OC&C Strategy Consultants, Consumers scaling back spending due to energy spike and inflation, 20/09/22 https://www.consultancy.uk/news/32398/consumers-scaling-back-spending-due-to-energy-spike-and-inflation

Clear signs that shoppers are cutting back to reduce household expenditure – but they are more likely to be cutting their eating out than buyer cheaper meat

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Q3 2022

"I'm not eating out as much as I was earlier in the year to try and save money"	% Agree
	74%
	73%
	71%
	62%
	61%
	60%
	49%

"I'm buying cheaper types/formats of meat to reduce my household expenditure"	% Agree
	56%
	55%
	54%
	52%
	50%
	45%
	44%

Base: All Beef Considerers

But a promotion-driven strategy is not always the answer…

While the temptation to engage in promotions in strong, there is also a lot of evidence that this approach has its drawbacks. Econometric approaches suggest only a small proportion of promotion sales to be incremental (e.g. much of it is to existing customers) – generally they serve to reduce profits.

Some brands are not in a position to compete and win on price – instead they can focus on investing in and maintaining a strong brand that will convey the right benefits and value to consumers, even in recessionary times



Les Binet cautions against 'senseless' price promotions as recession looms

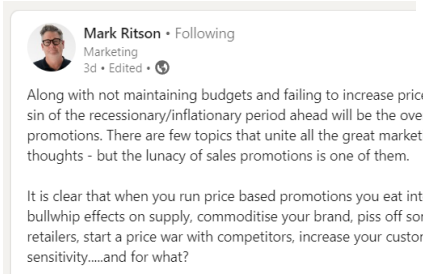
Only a "tiny" proportion of promotional sales are shown to be incremental, which means most price promotions actually reduce profits, Binet explained.

By Michaela Jefferson | 13 Oct 2022 Share this article

Data firm Nielsen estimates around 84% of price promotions are unprofitable

Over half of UK retail promotions are loss making for brands

A new study has found that up to 58% of UK grocery promotions – across 200 retail categories – are not making any money for FMCG brands as the supermarket price wars continue to put pressure on suppliers to discount products.



Mark Ritson • Following
Marketing
3d • Edited •

Along with not maintaining budgets and failing to increase price, the third great sin of the recessionary/inflationary period ahead will be the overuse of sales promotions. There are few topics that unite all the great marketing schools of thoughts - but the lunacy of sales promotions is one of them.

It is clear that when you run price based promotions you eat into margins, create bullwhip effects on supply, commoditise your brand, piss off some of your retailers, start a price war with competitors, increase your customer's price sensitivity.....and for what?

https://www.marketingweek.com/les-binet-price-promotions-recession/

Report Takeaways

1

There is no doubt inflation is taking hold for consumers, but there has been no big worsening of trends and attitudes from Q2. As shoppers look to control spending they are reducing their considered proteins, that's hurting red meat particularly.

2

Point of purchase pricing is clearly shocking some shoppers. Their first reaction is to look for discounts, then looking to trade down. This continues to hit the steak category as shoppers rely on more affordable formats.

3

We have to remember that they're doing less eating out and will want to reward themselves. Irish beef can still be a hero ingredient for shoppers if it comes with inspiration that taps into the experience of cooking great beef.

4

In this challenging economic environment value is absolutely central to how shoppers spend. But value doesn't jus mean price. It incorporates lots of other criteria. Grass-fed remains highly relevant to shoppers. But convincing on value means high quality packaging, meal inspiration, quality labels, etc. to warrant a higher price in-store.

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1.

Consideration levels for beef amongst grocery shoppers have levelled off somewhat year-on-year after some declines in the two year view. However, declines continue in Germany and Italy, who tend to be higher value purchasers of beef.

Amongst those who consider beef, engagement continues to be a challenge as shoppers are more blinkered.

The number of proteins considered is down everywhere, most notably in Italy. More people are shopping ‘little and often’ to control spend and reduce waste

Average Number of Proteins Considered

Number of proteins considered							
Q3 2022	4.3	4.1	3.9	4.2	4.6	4.5	4.6
Q3 2021	4.6	4.3	4.5	4.4	4.8	4.6	4.8

(Base: All Grocery shoppers)

Consideration of beef decreased year-on-year in Germany and Italy, with plateaus elsewhere after earlier drops

Overall Consideration

Overall consideration of beef amongst all grocery shoppers



Q3 2022	76%	73%	68%	62%	61%	76%	79%
Q3 2021	76%	74%	73%	68%	60%	74%	77%
Q3 2020	86%	78%	74%	69%	65%	75%	76%

(Base: All Grocery shoppers)

Downward trend continues for pork in Germany, UK, Italy and Ireland – chicken remains the key staple protein

Overall Consideration

Chicken

	Q3 2022	YOY Change	Change Vs 2020
	88%	2%	-1%
	85%	-3%	1%
	86%	0%	0%
	87%	-2%	-5%
	79%	-1%	0%
	80%	-3%	-3%
	76%	-1%	-5% ↓

Pork

	Q3 2022	YOY Change	Change Vs 2020
	65%	-1%	-2%
	62%	-2%	1%
	59%	-2%	-6% ↓
	60%	-2%	-9% ↓
	62%	0%	+1%
	52%	-2%	-8% ↓
	47%	-9% ↓	-11% ↓

(Base: All Grocery Shoppers)

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Lamb is trending downwards. No considered move away from animal protein however as meat alternatives also lose shoppers

Overall Consideration

Lamb

	Q3 2022	YOY Change	Change Vs 2020
	54%	-6%	-9%
	43%	-5%	-7%
	41%	-5%	-8%
	35%	-3%	-4%
	33%	-1%	-4%
	31%	-4%	-8%
	23%	-10%	-11%

(Base: All Grocery Shoppers)

Meat Alternatives

	Q3 2022	YOY Change	Change Vs 2020
	36%	-5%	-6%
	37%	-5%	-1%
	35%	-2%	-2%
	26%	-4%	-5%
	27%	+2%	-4%
	29%	0%	-3%
	22%	-1%	+2%

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Last Occasion Purchase of Lamb

As well as consideration, last occasion purchase incidence of lamb decreasing across markets over the past 12 months in particular

	Q2 2022	YOY Change	Change Vs 2020
	12%	-3%	0%
	9%	-4%	0%
	7%	-3%	-2%
	7%	+1%	0%
	6%	-1%	+2%
	5%	0%	-3%
	5%	-3%	-2%

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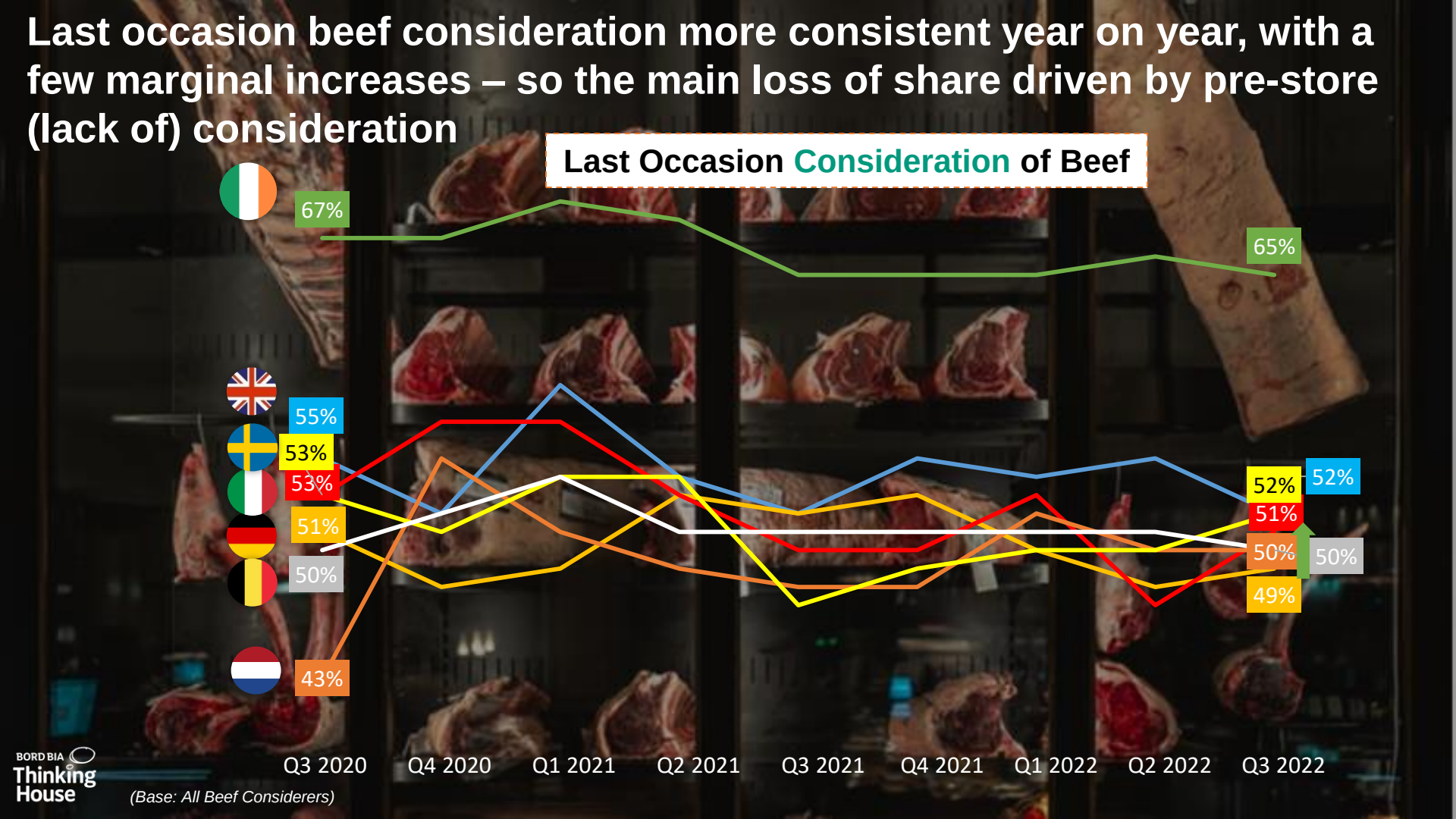
(Base: All Beef Considerers)

Last occasion beef consideration more consistent year on year, with a few marginal increases – so the main loss of share driven by pre-store (lack of) consideration



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(Base: All Beef Considerers)

Engagement (actively reviewing what's on offer) trending down across markets (except Sweden).

Shoppers don't want to be inspired, they want to stick to their lists – trading up needs more inspiration and encouragement

Beef Engagement

	Q3 2022	YOY Change	Change Vs 2020
	37%	-3%	-7%
	41%	+5%	-1%
	30%	-3%	-6%
	28%	-1%	-2%
	25%	-1%	-2%
	25%	-4%	-4%
	28%	-6%	+3%

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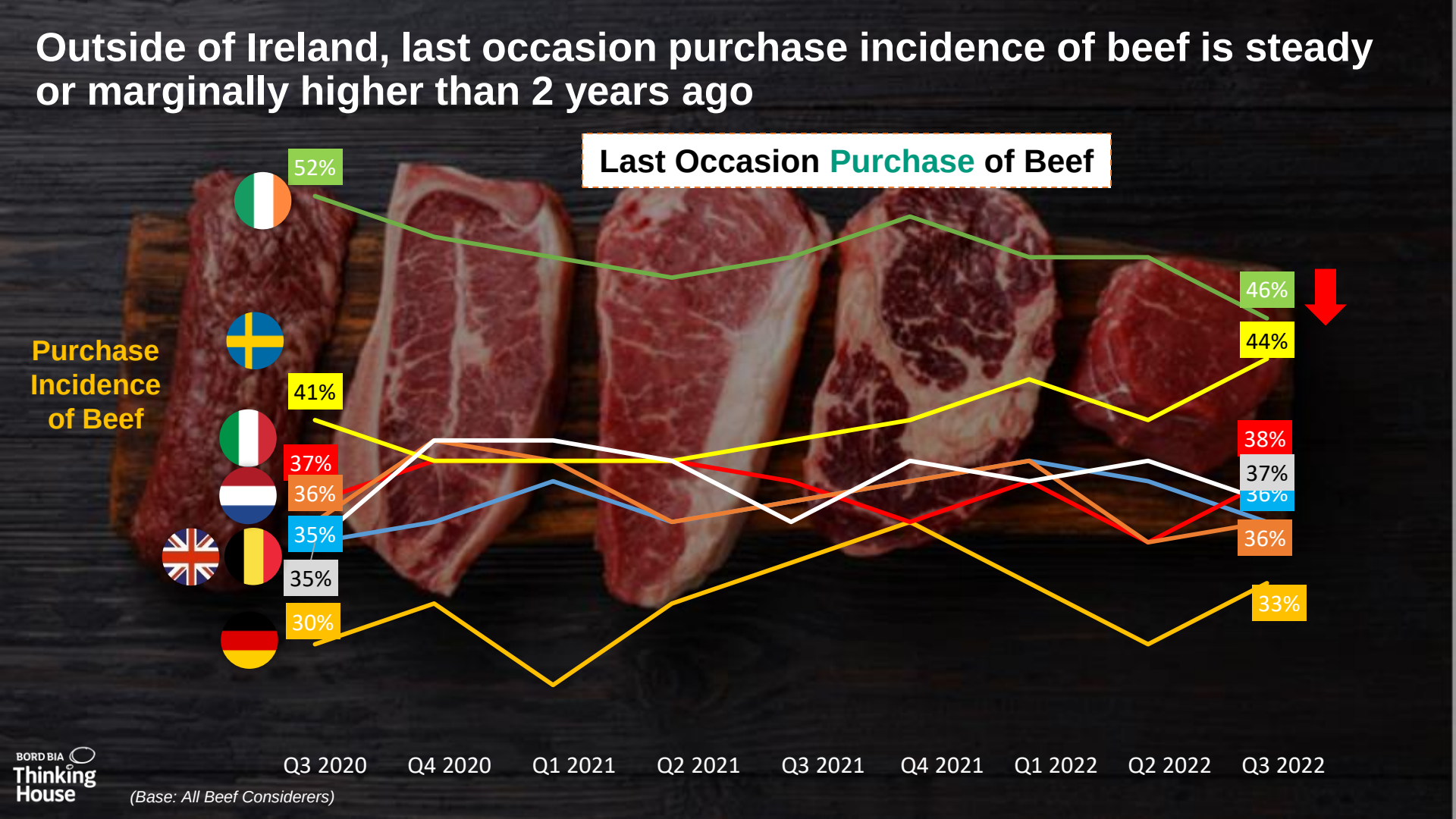
(Base: All Beef Considerers)

Outside of Ireland, last occasion purchase incidence of beef is steady or marginally higher than 2 years ago



(Base: All Beef Considerers)

The number of formats is edging down in most markets, with biggest declines evident in Italy and the UK – where you see average beef spend highest you see the most notable declines of formats bought

Number of types of beef purchased on the last occasion							
	Q3 2022	2.0	2.0	2.3	2.2	2.2	1.9	2.0
	Q3 2021	2.0	2.0	2.7	2.1	2.5	1.8	2.2
Average Spend	Q3 2022	€9.60	€11.70	€17.30	€12.90	€11.53	€11.24	€13.90

Largely the trends seen in Q2 are continuing, but slowing down. This is positive, but we still need to be mindful of the overall consideration level for beef and lamb. Shoppers are taking control of their spending by reducing their repertoire. They're also continually less engaged when shopping, hoping to stick to lists. Our challenge is to convince of the value, joy and experience shoppers can get from beef and lamb to ensure it is on shopping lists or at least considered before getting into store.

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2.

Unsurprisingly, the impact of financial household pressure is even more clearly impacting purchase consideration and purchase behaviour of beef than it was in the last quarter.

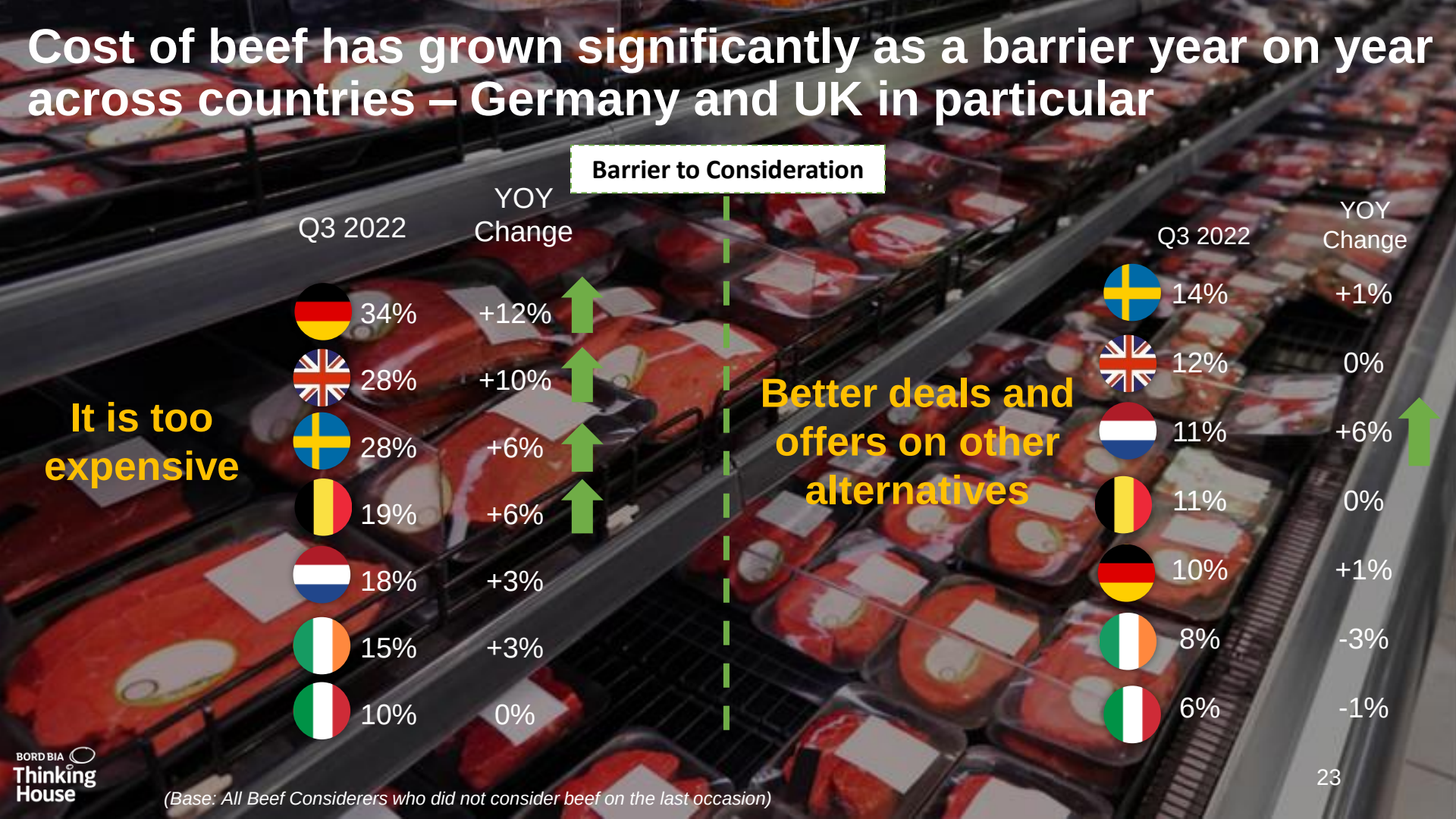
We also record a continued move away within species as they shift from steak to mince.

‘Too expensive’ continues to grow as a barrier to considering beef, and is top in both Germany and Sweden

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

Barrier to Consideration *Q2 2022*								Average Q3 2022	Average Q2 2022
It simply wasn't in my meal plans	1	1	1	2	1	2	2	26%	28%
It is too expensive	3	3	6	1	2	1	3	22%	20%
I felt like a change	2	2	2	7	6	4	1	16%	17%
I wanted something easier to cook	4	4	3	6	3	7	6	13%	13%
I am trying to reduce beef intake	5	5	4	3	4	5	5	11%	12%

Cost of beef has grown significantly as a barrier year on year across countries – Germany and UK in particular



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

The cost of beef is the most significant barrier at point of purchase, with better deals and offers on alternatives now the second highest barrier

(Base: All Beef Considerers who considered beef on the last occasion but did not purchase)

Barrier to Purchase *Q3 2022*								Average Q3 2022
It is too expensive	2	2	3	1	1	1	1	27%
Better deals and offers on other alternatives	3	4	6	2	2	2	2	20%
I felt like a change	1	1	1	5	3	5	3	19%
I saw an alternative that looked really good	4	5	2	8	6	6	4	14%
It simply wasn't in my meal plans	7	3	4	4	5	4	9	14%

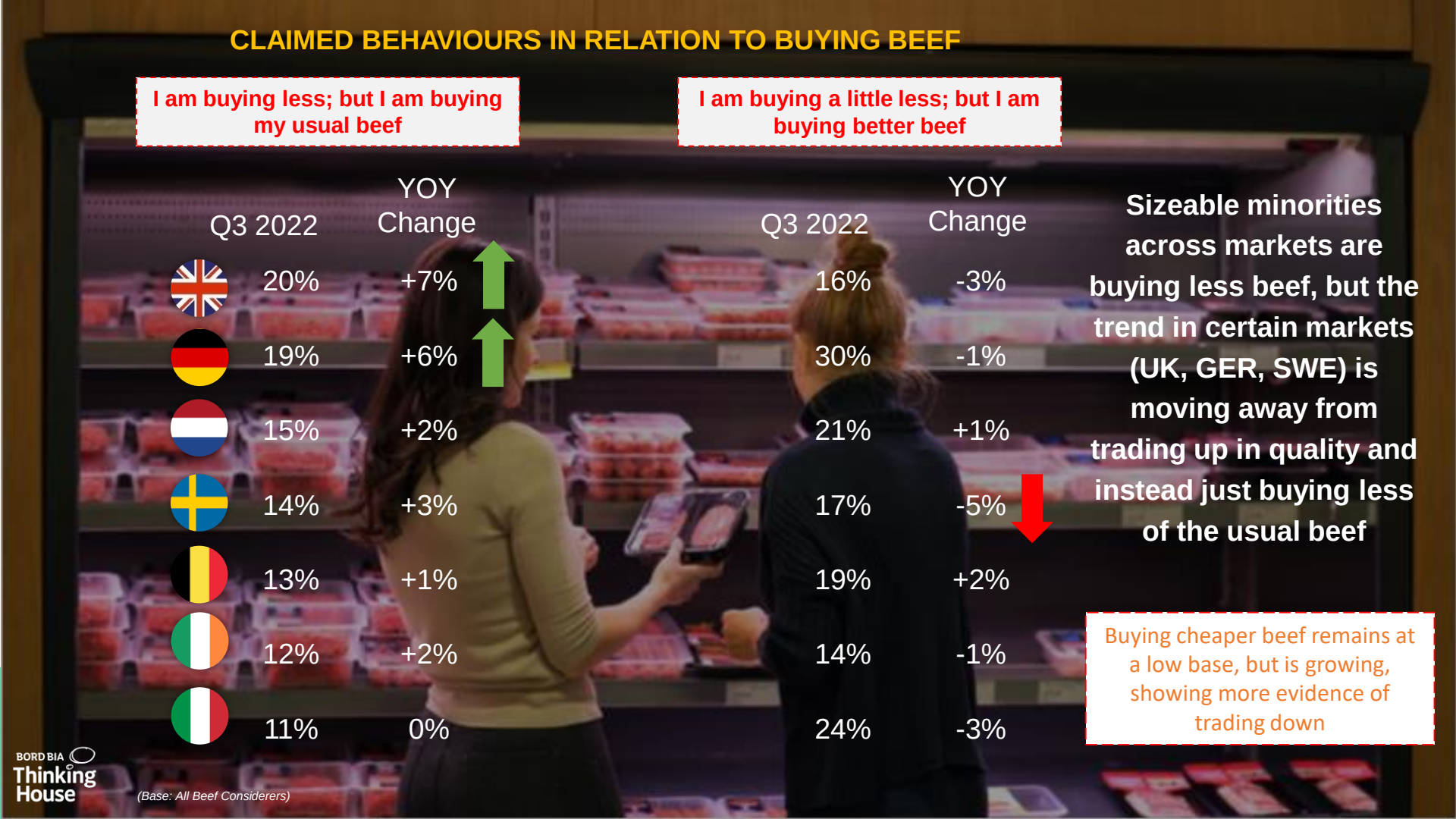
Steak continues to be under pressure in most markets with annual and/or biennial declines evident – shoppers are relying more on mince

PURCHASE OF STEAK ON THE LAST OCCASION

	Q3 2022	YOY Change	Change Vs 2020	
	55%	-12%	-11%	Most notable drop among **striploin** and **fillet** purchase - Rib Roast another significant faller.
	48%	-4%	-6%	Driven by a drop in **striploin** purchase
	41%	-1%	+5%	**Chuck steak** down
	40%	+2%	-4%	Driven by a drop in **peppered/seasoned steaks** purchase, with **beef rump** purchase also decreasing
	39%	-5%	-5%	Slight decrease across all steak types, but **beef rump** showing the biggest decrease in purchase
	33%	+2%	-7%	Notable drops v 2020 for **fillet steak, striploin, beef rump and housekeeper's cut**
	24%	0%	-2%	**Steak** purchase remains low but is steady. Other beef types largely consistent also, but with a decrease for **beef rump**

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

CLAIMED BEHAVIOURS IN RELATION TO BUYING BEEF



	I am buying less; but I am buying my usual beef		I am buying a little less; but I am buying better beef	
	Q3 2022	YOY Change	Q3 2022	YOY Change
	20%	+7%	16%	-3%
	19%	+6%	30%	-1%
	15%	+2%	21%	+1%
	14%	+3%	17%	-5%
	13%	+1%	19%	+2%
	12%	+2%	14%	-1%
	11%	0%	24%	-3%

Sizeable minorities across markets are buying less beef, but the trend in certain markets (UK, GER, SWE) is moving away from trading up in quality and instead just buying less of the usual beef

Buying cheaper beef remains at a low base, but is growing, showing more evidence of trading down

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(Base: All Beef Considerers)

Intended Consumption of Beef Over the Next 3 Years

Q3 2022

The level of intention to reduce beef consumption remains broadly consistent, but expense is increasing significantly as a reason to cut consumption

	NET CONSUMPTION (Proportion Claiming to Consume More vs. Less)	YOY Change
	-49%	No change
	-36%	No change
	-33%	No change
	-31%	Increased expectation that future consumption will decline
	-30%	No change
	-29%	No change
	-29%	No change

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



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(Base: All Beef Considerers)

Point of purchase pricing is clearly shocking some shoppers. But it's about reframing the tradedown. Meal inspiration and highlighting the joy of cooking quality, comforting food, while understanding shoppers' challenges around cost of living in communications is vital. A good example of this is M&S and their partnership with Tom Kerridge – acknowledging consumers' desire for value but in the context of quality restaurant food. Remember, shoppers are also doing less eating out.

Can your meal inspiration allow shoppers to extend the reach of a steak or a roast? Or can you introduce new cuts that could be more affordable but just as tasty? How can you inspire shoppers to up-stage what they are doing at home? Also think about how much your packaging and communication is doing to warrant an increased price.

Bord Bia will support the steak category in particular with a renewed promotion in key European markets in Q4.

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Supermarkets have been prominent in efforts to show consumers they are trying to help



British supermarket chain Sainsbury's is promoting recipes that use affordable ingredients and can be easily adapted depending on what needs using up in the fridge, with some recipes coming in at less than £1 per meal.

- Both M&S and Sainsbury's with good examples of brand communication that incorporates shopper concerns about money with inspiration to eat well
- The M&S example in particular uses a Michelin-star chef to convey quality and a great meal experience at home, addressing the wider issue of value rather than purely price
- Think about product innovation to engage shoppers as well as pack size and product bundles – these elements can help engage shoppers and help associate your product with value and meal inspiration

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3.

As we head into the Winter months and the cost of living crisis takes even stronger hold demonstrating the value of high quality, well-reared, tender and tasty beef is vital. Value does not mean cost only, but it means lots of elements that are important to consumers. Grass-fed and taste remain important.

Demonstrating Value For Money will be crucial in the coming months, but there is an opportunity to upsell also as shoppers do less eating out

Motivators of Future Purchase

Beef which is good value for money

	Q3 2022	Rank
	50%	1
	49%	2
	43%	1
	39%	1
	36%	1
	35%	1
	33%	1

Also showing up in "what better quality beef means"

Shopper Behaviours

"I purchase nicer foods to consume at home at the weekend instead of eating out"

% Agree

	62%
	62%
	57%
	55%
	54%
	52%
	48%

(Base: All Beef Considerers)

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While value increases in importance, there are some declines relating to quality credentials like origin and traceability

Motivators of Future Purchase

Origin of the beef

	Q3 2022	YOY
	31%	-5%
	28%	-6%
	28%	-6%
	28%	-3%
	24%	-3%
	20%	+2%
	20%	-1%

Traceability of meat to farm

	Q3 2022	YOY
	30%	-6%
	24%	-3%
	22%	-2%
	21%	-7%
	20%	-2%
	17%	-4%
	11%	-2%

(Base: All Beef Considerers)

Taste is a key strength of Beef and something which can signify better quality – and we know Irish grass-fed beef wins on taste

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

	Q3 2022
	89%
	89%
	88%
	87%
	86%
	85%
	84%

Mostly unchanged year-on-year

And taste is has a strong association with better quality beef

Association of taste with Better Quality

	Q3 2022	Rank
	43%	1
	40%	1
	40%	3
	37%	3
	35%	1
	34%	2
	34%	5

Grass fed highest in Italy

(Base: All Beef Considerers)

Grass-fed beef has the ability to keep category shoppers engaged and entice shoppers to trade-up.

It plays a big role everywhere but especially in Italy where overall consideration is declining

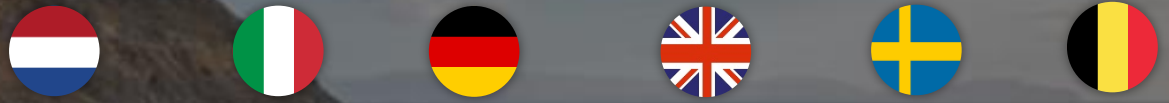
	Association with Better Quality beef		Impacting on enticing shoppers to trade-up	
	Q3 2022	Rank	Q3 2022	Rank
	48%	1	32%	1
	40%	4	24%	3
	35%	4	20%	4
	34%	6	20%	4
	31%	4	17%	4
	26%	5	17%	4
	25%	6	15%	5

Mostly unchanged for most markets, with a slight improvement in The Netherlands

(Base: All Beef Considerers)

Despite cost concerns, there is consistently strong interest in Irish versions of key cuts

Q3 2022



Interest in Irish Versions

Steaks	41%	59%	45%	49%	32%	55%
Burgers	32%	37%	28%	35%	24%	31%
Mince	39%	35%	35%	41%	30%	34%

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

Interest in Grass fed Versions

Steaks	41%	64%	47%	48%	38%	56%
Burgers	31%	41%	28%	34%	30%	32%
Mince	42%	42%	41%	42%	39%	38%

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)

Value does not just mean price - Trading-down behaviours can also be an opportunity

Changing consumer behaviour can be seen as a threat, but some of this, such as eating out less, can also be an opportunity

There is enough evidence that there remains strong demand for premium beef products that have a sufficiently strong brand

Premium beef, such as Irish steak, can capitalize on such trends by reframing the trade-down. The restaurant occasion can instead become a premium at-home occasion with a hero product.

½ US consumers say they are eating out less than they were pre-Covid (Supermarket News)

The global Wagyu market is expected to grow over the next 4 years despite cost concerns

Lots of elements go into a shopper's value equation. If you're asking shoppers to pay more you have to demonstrate that it is worth it across a range of elements, e.g. packaging, quality labels, grass-fed claims. We need to do more to convince shoppers something is worth the extra price.

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Thank You

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