

# EXCLUSIVE REPORT

What it means to the Australian  
Premium Meat Industry as our  
Asian neighbours...

## "UPGRADE A BOWL OF RICE TO A BOWL OF PROTEIN"

*Presented by*

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There is an evolution going on in the kitchens and dining rooms of middle class Asian households as their fiscal situations continue to “grow and prosper”.

Per a recent MLA (Meat & Livestock Australia) snapshot, middle class Asian households have increased their consumption of protein from sources such as poultry, meat and seafood.

Extrapolating this trend across the markets of Singapore, Malaysia and Vietnam... means that 42.4 million people are now consuming greater than 50kg/capita of poultry, meat and seafood.

Notably this 42.4 million people which is almost double the entire population of Australia, **does not even** consider the projected protein consumption of **population giants** namely **China** and **Indonesia**. In a recent presentation by an Austrade commissioner it was quoted that by the year 2030 about 59% of China's population or 826 million people would be regarded as middle class. This is a market the Australian Premium Meat Industry should get excited about.

## **Marketing 101**

For an opportunity to be marketable it requires two key ingredients – **Supply & Demand**. There is no doubt our middle-class neighbours will provide the demand but there is no guarantee that they will knock on the door of the Australian Premium Meat Industry to furnish the supply.

Even though it seems obvious to we parochial Australians that we should be the first option – the fact is that many other protein powerhouses are mobilising for the challenge. For the last 18 months, The Meat Specialist has been working with a range of premium meat distributors and outlets across Malaysia, Indonesia and Singapore and it has become apparent that across these operations meat supply from the USA, Brazil and New Zealand occupy significant shelf space inside each of these butchery operations.

Meat & Livestock Australia, Department of Agriculture, Austrade, State Governments and private meat producers continue to travel the well-worn path called Australian Meat Industry promotion into Asia. These activities involving trade shows, tastings, chef promotions, butcher training, meat distributor hospitality and the like are all doing their bit in the advancing of the cause. Same too, the almost unanimous reliance on using meat distributors remains the best way to ensure the movement of volume.

But to be frank the entire prosperity of the Australian Meat Industry positioning themselves to fill the bountiful “bowls of protein” hinges on the **opinions, experiences and decisions** of a select few individuals.

These individuals are responsible for what protein choices are put before middle class Asian shoppers. These individuals are all called upon by the diligent meat distributors; but be under no illusions these wholesale meat agents also represent the supply of meat from USA, Brazil and New Zealand. Our greatest rivals for the space on the shelves inside the premium butcher shops and restaurants.

Let’s be honest – if Australian premium meat was readily available to all middle-class Asians in their boutique butcher shops close to their homes... the concierge at the Crown Casinos would not need the private after hour phone numbers of Perth and Melbourne butchers to drop everything and commence vacuum packing \$2000 meat orders for wealthy Asian gamblers the night before they were due to fly back home.

The Meat Specialist has had unrestricted access to the decision-making custodians of the shelves of these premium butcher shops. In fact, The Meat Specialist has been called upon to develop training programs and consultancy services specifically for this powerful selection of individuals. These individuals better known as “**Buyers**” are sophisticated, dedicated, highly intelligent and not easily fooled. They control budgets in the tens and hundreds of millions of currencies. In many cases, they are young millennial women who are not influenced by the “blokey” Australian way of “let’s go for a beer”...

The Meat Specialist has coined a phrase to best influence the purchasing decisions of these important buyers, it’s called “The Pincer Protocol”.

Here are **six ways** for the Australian Premium Meat Industry to apply the “Pincer Protocol” and **position "Australian produce" onto the shelves and under the noses of middle class consumers.**

## **1. It is not always just about "price"**

It is Not always just about "price".

I know that is not what your agent says!

I wonder why?

Remember the end consumer is the same person using a casino concierge to do their nocturnal meat shopping, **never fall for the fact it is all about price.**

Producers work on gross margins but Retail butchers work on gross profit minus expenses.

Increasingly Buyers are understanding (particularly the ones that have been trained by The Meat Specialist), that retail sales price is not as simple as purchase price plus profit. They know purchase price can be a killer BUT they also know it is just one factor.

That's why you should always ...

## **2. Clearly promote the specifications of Australian produce**

We all know that there are occasions where you can save 50 cents a kg at purchase but this can result in triple the cost if the yield performance is poor.

The Buyers are becoming increasingly cognisant of the fact that yield based performance of their purchased produce is the main factor in determining actual cost price.

**They no longer are prepared to trade blind and end up in a black hole.**

Buyers are now asking for and factoring into their buying process:

- Eating Quality – good/better/best comparison
- Grass or Grain Fed
- Yield loss
- Cutting specs
- Shelf life management
- Marketing support
- Shrinkage/ disposal metrics

The days of these premium meat retailers making decisions of what they think they are making and what they are actually making are over.

In fact ...

### **3. Failure rate can cripple the growth rate and sales**

It is not just other countries that are supplying meat that we must be conscious of but it is also the phenomenon of failure rate. \*\*\* Not meeting consumer expectations. What is more, too much shrinkage will result in a decrease of retail butcher shelf space and allow for other forms of protein to take up market share.

It can take up to six weeks to revisit a protein if it has failed – have it occur once and Buyers may tolerate it, get it wrong twice and you now have a serious problem, get it wrong three times and we Australians have a “term” to describe where you will be... chances are the Buyers may never come back to you.

The Meat Specialist works with Buyers to have them better understand the value of an “eating quality program” and the difference it can make in their retail and food service outlets; this provides an opportunity for the Australian Premium Meat industry to entrench themselves, so why are we leaving this responsibility to the agents?

**This approach can fail** you if the skill of meat handlers in Asia is not anywhere near the standards of Australia, so poor meat handling will cost business ...no matter how persuasive your agent is.

Here's how to counter it:

Instead of turning a blind eye with your "fingers crossed", invest in understanding and assisting in...

### **4. Cold Chain Management**

Why it is deemed so important:

**No matter how much assistance the Australian Meat Industry provides in training Asian butchers – there remains a dire shortage of skill set.**

As all Australian meat professionals know Meat Standards Australia (MSA) and AUSMEAT have programs developed by the Australian red meat industry to improve the eating quality consistency of beef and sheep meat. As such within Australia adherence to these programs results in satisfied eating quality because of established practises from the paddock to the plate.

**Here's how this applies to you.**

Several weak points exist in the cold chain management of meat in Asia, especially transferring products from one chain actor to another, whereby waiting times during consolidation and deconsolidation, and temperature abuse during transport can dramatically affect the performance of meat.

These practices can also affect reputations.

Cold chain abuses result in variations of product quality and **shelf life diminishment**, in some cases even before the Best before dates are reached. The onus is on the supplier of the meat products, and not just the agents, to ensure the Client that purchased meat will arrive at the retailer fit for purpose and the tasty consumption to discerning eaters.

## **This represents a Major Opportunity**

**Presenting a concept to integrate a quality tracing methodology into cold chain management for Australian Premium meat products.** Particularly to show, how its application will impact logistics processes to reduce losses along the meat supply chain.

Reassure Buyers that Australian Premium meat will be handled like no other in their market.

And this means your chances of making the sale are immediately enhanced.

**The Meat Specialist has provided this cold chain management audit and analysis service for several forward-thinking clients, which then allows them to ensure that their investment is being well managed and the product integrity and safety is not jeopardised.**

**\*\*Selling meat does not stop once you have sold to your distributor. If you can build a partnership with your distributor and retailer and provide them with the tips and tools, they will sell more meat.**

And this allows them to employ the next strategy with Buyers ...

## **5. Eye Appeal is Buy Appeal**

**First impressions are everything – you generally only get one chance, maybe two if you are lucky. It is essential to speak the same language as the BUYER/retailer /customer. Remember if a customer is prepared to pay, the buyer will always buy.**

Eye appeal comes in many different forms:

Creating a Partnership with the Buyer/retailer, not just sell them meat.

Support them by supplying marketing material/ recipes/instore monthly promotions / tastings and do everything to drive your brands sales.

**Make sure you are doing what your competitors are not. That way you will share the wins and the losses together.**

One of the biggest issues with Asia is they struggle to comprehend how to incorporate yield loss, consequently they leave as much fat on as possible (commercially makes sense, the white meat has the same value as the red meat... right!) **BUT** what doesn't make sense is customers are becoming increasingly health conscious and are looking to keep away from excess animal fats and associate it as poor quality and no longer see it as value for money.

It is important to continue to educate retailers to factor in the yield loss to determine cost of saleable meat giving them a more accurate RSP/GP%. All research says, consumers will pay more for meat if one can guarantee the quality.

## **What are the shoppers (your clients) looking for?**

No great surprises in these answers but just like here in Australia, the upwardly mobile Asian shoppers WishList for meat includes:

- Clean and safe product for their family to eat
- A product that has stable shelf life
- A product that meets consumers' expectations - eating quality and freshness.
- looking to be inspired...

At the meat counter, whilst we in the industry may think we sell meat, the customers are looking for a meal. Research says that this is increasingly likely to be something they have seen in a magazine, social media or on TV but they remain even more influenced by an instore promotion or tasting. With Australian beef and Lamb renown for being the tastiest and safest in the world, we would be mad not to foster tastings.

## **But there is a twist.**

**Remember there is a skill shortage of trained and accomplished butchers in Asia.**

With all sorts of meat options such as:

- Grass fed
- Grain fed
- Black Angus
- Wagyu
- organic

the list goes on... ensuring the butcher staff understand their customers' needs is an ongoing and great challenge.

And the way to overcome this is to ...

## **6. Assist Retailers in becoming Meat Specialists**

This has proved to be another breakthrough.

**Partner with your retailer instead of just trying to sell them meat.**

Quality product needs quality processing and marketing, therefore investing time in developing tips and tools – that start educating the end user along with the local butcher staff so that they are in accord – returns exceptional dividends.

## **Cabinet space is just like real-estate**

Is your product getting maximum exposure or are you leaving sales behind?

Australians struggle to get their minds around just how busy Asian retail grocery stores can be. Influencing the purchasing decisions of just a small percentage of shoppers will result in a significant sell through of produce.

The Meat Specialist has devised simple yet effective point of sale campaigns aimed directly at retail ready cuts, which have the dual purpose of satisfying end user needs but also upskilling local butchers just in time to meet the demand.

These programs are designed to increase the local butchers understanding of cut by cooking methods, resulting in helping the end user make the correct choice. Research shows that most customers get confused when buying beef and lamb and therefore pass up the opportunity to purchase.

**Providing training of staff along with targeted point of sale marketing all results in giving shoppers an excuse to buy quality meat and spend more money.**

These programs are designed with one clear result in mind..

**More premium Australian meat purchased!**

The six ways outlined above in implementing the “Pincer Protocol” work because there is no sleight of hand or cutting corners. It is a program that focusses on;

- less wastage
- extended shelf life
- better customer satisfaction
- better margins for the retailers
- great joint branding opportunities

These are all the key outcomes that these select, highly savvy and extremely important individuals - **the Buyers** - carry with them as KPI's.

Just remembering this is the essential ingredient in understanding ...

**How to become a part of that bigger bowl of PROTEIN!**

I trust you have found this exclusive report valuable. It aims to highlight just how the Australian Premium Meat Industry can succeed in Asia. We hope you feel that you could now pick up this report and go and do it all for yourself.

Obviously, we would love to proceed to the next step and do this for you.

**Here's The Bottom Line...**

The prosperity of Australian Premium Meat really is in the hands of a small few. They are well worth investing in, just not in the way you're used to.

You can't bludgeon these people into action with pitches and offers and expect it to work. But if you have a truly dynamic campaign that involves the "pincer protocol" behaviour ...**you can see your sales grow like nothing before.**

If you want to invest in something like this, Here's Some Great News - We've set aside some time to personally review your current sales and marketing processes, and design a fully customized audit for you. In fact, it's even better than you realize.

Not only do we audit your campaign for you, but we are also available to create a detailed blueprint of exactly how to increase your international market penetration ...so you can deploy it immediately.

We will work with you in developing your own unique, good-better- best offering to assist you in developing a quality program that will result in satisfaction for your customers and theirs.

**The "Catch" You've Been Looking For. There are two.**

First, we're unable to extend this offer to just anybody. There are some qualifications you'll need to meet - the "biggest" being that you are passionate about exporting premium Australian meat into Asia and are prepared to demonstrate this by having an open mind. The second is, we can only offer this competitive advantage to only a few operators. As it will cease to be a competitive advantage if we spread it too far.

We're a small consultancy (by design) and work on our contracts personally, so we can only offer a handful of these audits and blueprints.

So, if you found this article helpful, and would like to see exactly how these types of strategies could improve your international sales on a consistent basis, please drop us an email to [themeatspecialist@outlook.com](mailto:themeatspecialist@outlook.com) or give us (Rafael – The Meat Specialist) a call on 0408 083 014.