

**Project Number & Title:** 3C-105 - Defining the relative importance of consumer drivers and perceptions of Australian pork in targeted export markets

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### **Aims and Objectives**

The focus of this study was to identify those countries that Australia can target for export; determine perceptions of Australian pork of consumers in these countries compared to domestically produced product and other sources of pork and whether Australia is regarded as a favourable source of pork compared to other sources and the relative importance of potential differentiators including credence values, food safety and quality attributes.

### **Key Findings**

An on-line market research study was conducted by IPSOS Marketing in September 2012 involving 300 consumers in Japan, 200 in Hong Kong and Korea and 800 in China across 4 cities. The major findings from this study were:

- 87% of Korean, 85% of Japanese, 97% of Chinese and 94% of Hong Kong consumers (who were all frequent pork consumers) were interested in Australian pork
  - For those consumers interested in Australian pork, a higher response for ‘definitely would consider’ was obtained from China, followed by Hong Kong
  - South Korean and Japanese consumers perceived locally produced/sourced pork to be of higher quality, extremely safer than imported pork and produced with better welfare standards and environmentally friendly practices than imported pork - indicating that there are two different segments - Northern Asia and China/Hong Kong
- Australian pork was favorably viewed in terms of:
  - Quality -by South Korean, Chinese and Hong Kong consumers
  - Safety -by South Korean, Chinese and Hong Kong consumers
  - Welfare - Chinese and Hong Kong consumers considered local product to be produced to lower welfare standards than sources of imported pork)
  - Environment - Australian pork was comparable to Denmark and Canada.
  - Being better than locally produced pork - rated highest for this attribute compared to pork from Canada, Denmark and USA by Chinese and Hong Kong consumers
  - Overall, 46% and 38% of consumers from China and Hong Kong, respectively, indicated that they’d be prepared to pay a premium of 30% or higher for Australian pork.
- Across all consumers, safety and quality rated higher than country of origin, welfare and environmental standards.

### **Application to Industry**

Strong opportunities for Australian pork were identified for China and Hong Kong, with moderate opportunity in South Korea. Further efforts aimed at understanding market conditions, opportunities and barriers to trade, focussed on obtaining market access for Australian pork into China are required to result in supply of pork to affluent Chinese consumers. Industry delegations are also required from Australia to develop relationships with importers and government officials. Further knowledge of the combination of credence, integrity, traceability as well as quality attributes being developed across the High Integrity Australian Pork CRC is required to establish Australia’s position as a trusted source of high quality, safe pork. Furthermore, market research, together with econometric modelling, is also required to both improve our understanding of what makes Australian pork ‘special’ to differentiate it and make it attractive to consumers for purchase from pork from other imported pork in the marketplace. Understanding of the range of pork products, and delivery formats required to meet consumer expectations and compete effectively against pork from other countries is also required.