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RESEARCH

Consumer Demand Drivers

2023 Update



Funded by Beef Farmers and Ranchers



Primary Drivers of Consumer Demand

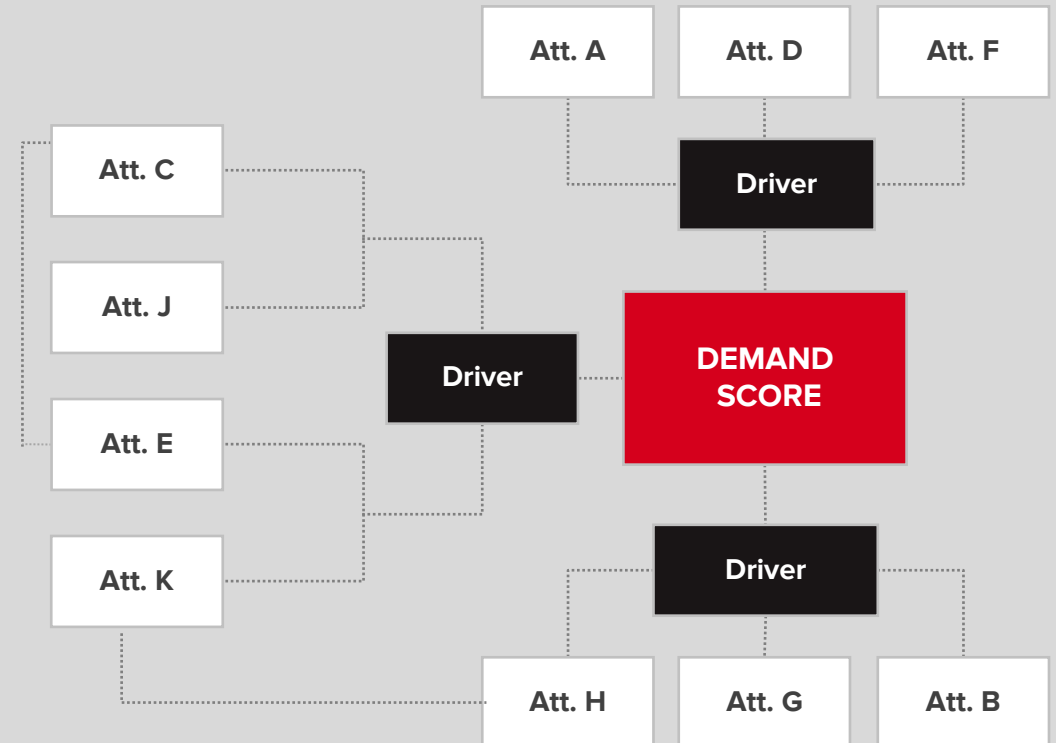
DEMAND SCORE MODELING

There are a number of models for measuring brand health & equity, most of which use a combination of factoring, laddering & regression techniques.

Decomposing various dimensions through multi-variate regression techniques enables the understanding of what is “driving” these metrics at a more granular level.

Multi-variate statistical tools are used to determine the importance of drivers and key indicators.

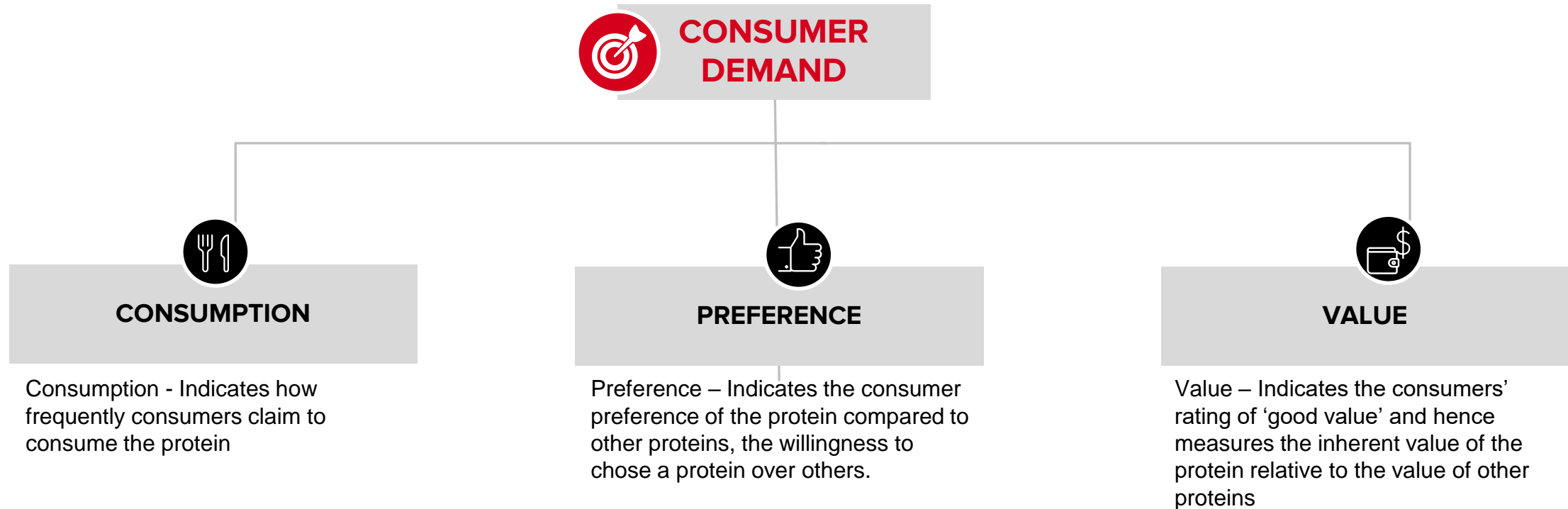
Example Demand Score Framework



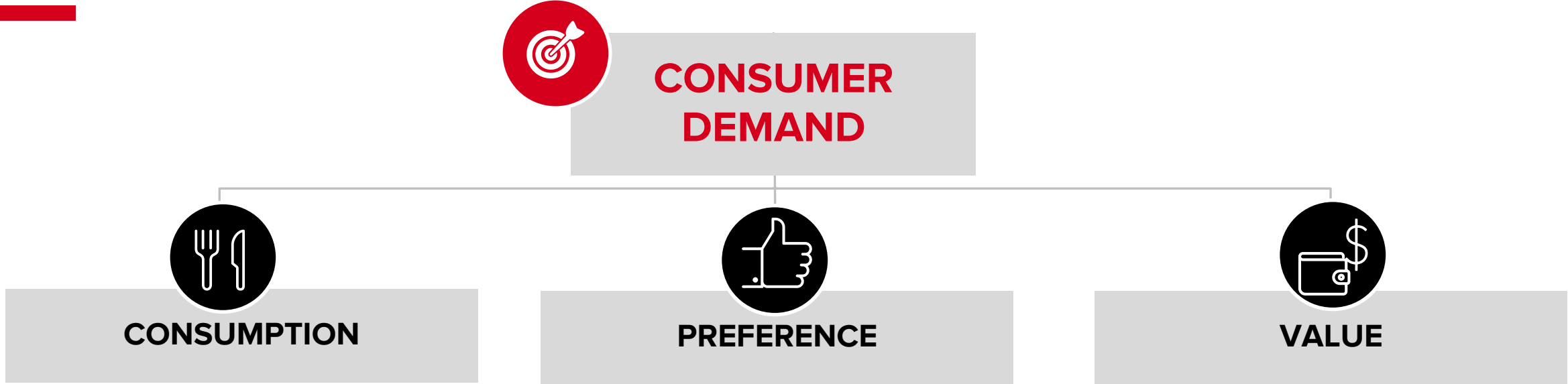
Consumer Self Perceived Demand Drivers

NCBA commissions an annual driver's analysis, on behalf of the Beef Checkoff, to understand which consumer attributes are driving the most influence across the three key performance indicators of consumption, protein preference and good value.

- The modeling utilizes the inputs from the Consumer Beef Tracker, which is a continuous online survey, comprised of 7,752 annual responses from consumers on protein usage, perceptions and attitudes. The data is self reported by consumers and does not include outside 3rd party information.



Consumer Self Perceived Demand Drivers

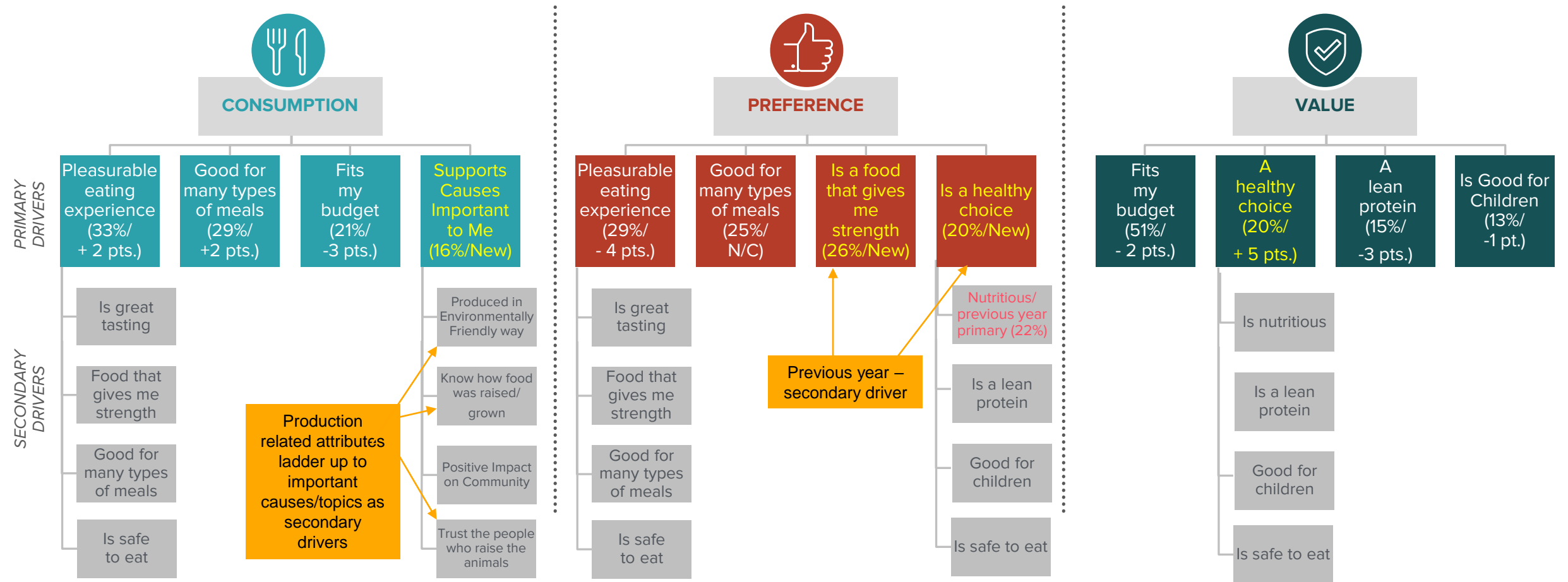


Five primary drivers were discovered through multi-variate regression analysis across the three components of consumer demand

Source: Demand Drivers Report Jan 1, 2022 – Dec 31, 2022; N=7,752. Independent analysis of self reported consumer data, commissioned by the National Cattlemen’s Beef Association, a contractor to the Beef Checkoff

Component Drivers - 2022

Seeing driver gains as it relates to nutrition, specifically “food that gives me strength” and “is a healthy choice” as a primary driver in 2022 when compared to year ago



Source: Demand Drivers Report Jan 1, 2022 – Dec 31, 2022; N=7,752 compared to Jan 1, 2021 – Dec 31, 2021; N = 6,003. Independent analysis of self reported consumer data, commissioned by the National Cattlemen’s Beef Association, a contractor to the Beef Checkoff

While Beef maintains an advantage over Chicken on many component drivers, it continues to trail in four primary areas.

Component Drivers (Ranked 1st)

| | | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | |
|-------------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|
| PRIMARY DRIVERS | Pleasurable eating experience | 23% | 28% | 27% | 22% | 20% | 24% | 27% | 28% | 26% | 29% | 26% | 29% | 28% | 27% | 28% | 28% | 30% | 29% | |
| | Food that gives me strength | 22% | 22% | 21% | 21% | 12% | 23% | 22% | 25% | 20% | 29% | 28% | 27% | 23% | 27% | 22% | 26% | 25% | 24% | |
| | Supports causes important to me | 13% | 17% | 15% | 18% | 15% | 20% | 20% | 22% | 21% | 25% | 20% | 24% | 23% | 22% | 20% | 22% | 22% | 22% | |
| | Good for many types of meals | -1% | 4% | 5% | 4% | 1% | 6% | 10% | 6% | 10% | 11% | 12% | 8% | 12% | 11% | 7% | 7% | 10% | 11% | |
| | Good for children | -25% | -18% | -16% | -18% | -20% | -17% | -16% | -12% | -7% | -7% | -9% | -16% | -8% | -5% | -10% | -8% | -11% | -12% | |
| | A lean protein | -27% | -24% | -21% | -21% | -17% | -20% | -18% | -13% | -13% | -10% | -16% | -12% | -12% | -10% | -17% | -13% | -19% | -15% | |
| | A healthy choice | -32% | -22% | -19% | -22% | -20% | -21% | -18% | -15% | -12% | -9% | -13% | -13% | -13% | -10% | -17% | -13% | -16% | -17% | |
| | Fits my budget | -26% | -21% | -21% | -26% | -24% | -24% | -18% | -16% | -22% | -15% | -17% | -18% | -19% | -13% | -21% | -17% | -17% | -20% | |
| SECONDARY DRIVERS | Great tasting | 25% | 30% | 23% | 25% | 19% | 27% | 30% | 30% | 26% | 33% | 28% | 26% | 29% | 27% | 27% | 27% | 26% | 32% | |
| | Positive impact on community | 18% | 20% | 22% | 22% | 19% | 23% | 24% | 22% | 20% | 25% | 28% | 26% | 23% | 24% | 24% | 22% | 27% | 26% | |
| | Trust people that raise animals | 19% | 19% | 19% | 19% | 15% | 21% | 23% | 22% | 22% | 28% | 24% | 25% | 24% | 24% | 22% | 24% | 26% | 24% | |
| | Know how food source was raised/grown | 13% | 18% | 18% | 20% | 16% | 16% | 19% | 23% | 18% | 20% | 24% | 20% | 19% | 23% | 20% | 21% | 21% | 23% | |
| | Produced in environmentally friendly way | 12% | 11% | 16% | 13% | 8% | 12% | 14% | 15% | 17% | 19% | 18% | 17% | 17% | 17% | 14% | 14% | 18% | 18% | |
| | Safe to eat | 8% | 9% | 13% | 10% | 8% | 8% | 15% | 13% | 16% | 18% | 16% | 19% | 16% | 17% | 17% | 18% | 17% | 16% | |
| | Nutritious | -11% | -6% | -4% | -6% | -4% | -4% | -3% | 1% | 0% | 4% | 7% | 1% | 5% | 7% | 0% | 1% | 1% | 6% | |

Beef vs. Chicken Gap Analysis

Beef Ranked Higher

Chicken Ranked Higher

Gap between Beef and Chicken “Ranked 1st” scores
Attributes sorted based on correlation with NCBA Demand Score.

Consumption

Preference

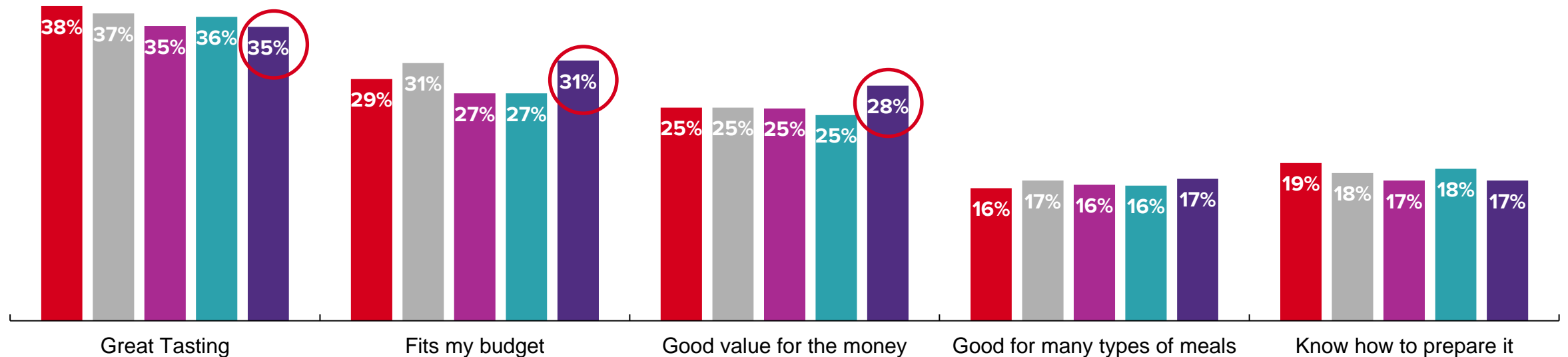
Value

Source: Demand Drivers Report Jan 1, 2022 – Dec 31, 2022; N=7,752. Independent analysis of self reported consumer data, commissioned by the National Cattlemen’s Beef Association, a contractor to the Beef Checkoff

Top Considerations for Protein at Home

Consumers still place taste as their top priority when choosing a meal with protein at home. However, budget and variety of use become important very quickly.

■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022



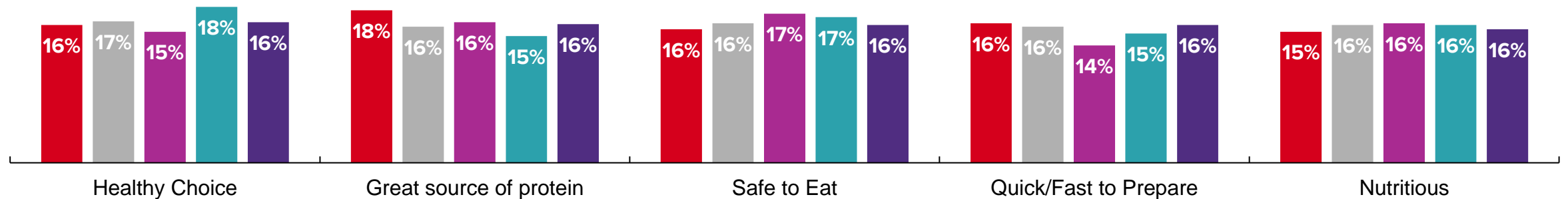
Source: Consumer Beef Tracker January – December 2022. Q10a1: Top 3 factors consider most when deciding to have a meal at home with protein.

Analysis: National Cattlemen's Beef Association, a contractor to The Beef Checkoff.

Top Considerations for Protein at Home (cont.)

Additionally, we see nutritional attributes in the top priorities for meals at home.

■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022



Source: Consumer Beef Tracker January – December 2022. Q10a1: Top 3 factors consider most when deciding to have a meal at home with protein.

Analysis: National Cattlemen's Beef Association, a contractor to The Beef Checkoff.

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THANK YOU



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