

BMA506

Case Study Part A

Beyond Burger - Beyond Meat

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INTRODUCTION

This case study focuses on the marketing strategy of Beyond Burger. The marketing strategies contain marketing environment, segmentation, value proposition and positioning (Grewal et al, 2018). This essay will analyse and discuss through these sections respectively by identifying the market environment and opportunities. Following the discussion of market segmentation and target market, and finally the value proposition and marketing positions.

Beyond Burger is a product launched to the Australia market by Beyond Meat Inc in 2018, two years after it was first introduced in the USA in 2016 (Beyond Meat, 2018). Beyond Meat Inc. is a Los Angeles based company, it offers various plant-based meat products. Sourcing from plant-based non-GMO ingredients, such as pea and beetroot, Beyond Burger creates meat-like taste. Beyond Meat aims to feed the plant by shifting from animal to plant-based meat (Beyond Meat, 2020).

MARKETING ENVIRONMENT

The marketing environment contains micro-environment and macro-environment. Micro-environment can have a direct influence on customers, this includes the action from the company, its competitors and corporate partners (Grewal et al, 2018).

Micro-environment

Company capabilities should match their targeted customer's needs (Grewal et al, 2018). Beyond Meat offers plant protein meat solutions. The company takes advantage of the latest food technology to address health, climate change, plant resources, and animal welfare issues (Future Farm, 2020).

Competitors are important factors in the micro-environment, it is important for marketers to understand the strengths and weaknesses of their competitors, therefore able to react and act in the market swiftly. The direct competition that Beyond Burger faces in the plant-based burger area is

the Next Gen burgers from Farm Foods Australia, and the penitential new entry to the Australia market - Impossible Burger from Impossible Foods (Vegconomist, 2020).

The indirect competitors that operate in the same burger and food space, such as pea and bean protein-based meats, the “Italian beef meatballs” and “Thai green chicken curry” from Aussie food manufacturer Soulfresh’s Eaty, as well as the beef burger patty products from a range of traditional manufacturers.

Corporate Partners - Adding partners is an important strategy for firms’ growth. Beyond meat has developed partnerships across Australia with supermarkets such as Coles and IGA, and food services such as Ribs & Burgers, Lord of the Fries, as well as with high profile restaurants such as KFC, Subway globally. The supermarket partners help Beyond Burger reach shoppers who want to make burgers by themselves, and the food-service partners help reach a number of their existing customers.

Macro-environment

In addition to micro-environment, the company and customers are influenced by the macro-environment, which includes demographics, social and cultural, economic, political/legal, and technology factors (Grewal et al, 2018). This section will address the related factors and discuss the opportunity associated respectively.

Demographic Factors: According to a study by Roy Morgan (2018), more than 84% of Australians over the age of 14 buy food from major fast-food stores like McDonald's, KFC, subway or local store. More young consumers are adopting the vegetarian diet following the trends in Australia. According to Snapshot.numerator.com (2020), the main targeted consumers are young adults aged between 25 -34, who have no kids, with an average education degree, middle and high-income consumers are the top two groups of key consumers.

Cultural and Social Trends: Australia is the one with the highest annual consumption of meat in the world (Marinova et al, 2019). Meanwhile, Australia was the most popular country for veganism

in 2018, followed by the UK and New Zealand (Ismail et al, 2020). When analyzing Google search trends (2020) from 2019 to 2020, the search word "vegan" in Australia was the second in the world after the UK.

According to a study by Roy Morgan (2019), in 2018 about 12.1% of the Australian population were found to be vegetarian or eating a similar diet. People are driven by moral, animal welfare, health, and environmental concerns. According to Ismail et al (2020), among above reasons, healthy foods and a sustainable environment are the top concerns.

Technological Factors: Technological advances that improve the value of goods and services. Advanced food technologies have enabled the extraction of the meat aroma, and then produce meat-like patties by a plant-based ingredient (Levy, 2019).

Natural Factors: The meat supply shortage in the meat industry due to natural disasters, global warming, water and land resources could push consumers to alternative plant-based food.

Economic Factors: The food demand growth will be underpinned by income growth. For people of higher-income households, they are willing to pay more for a premium quality of food, including convenience factors (Data.gov.au, 2018).

Political and Legal Factors: Australia has implemented new food laws to ensure fair practices in food trade, as well as to protect human health and the interests of consumers (Gerber et al, 2013).

SEGMENTATION

Segmentation is an important part of targeted marketing, including dividing the market into segments and focusing the marketing efforts on key customer segments that best fit the offering of the products (Ward, 2020).

To position products in the market, marketers need to perform segmentation, targeting and position analysis. The first step in the segmentation process is to identify the goals of your company's

marketing strategy based on your mission, objective and current situation (Grewal et al, 2018). The second step is to segment the market using one or more segmentation methods so that marketers can distinguish consumers from one large segmentation to several distinguished sub segmentations (Dibb and Simkin, 2016). The geographic, demographic, psychographic, and behavioral segments of the target audience of Beyond Burger are shown below:

Segmentation	Variables	Details
Geographic	<i>Density</i>	<i>Live in urban areas Australia</i>
Demographic	<i>Age</i>	<i>Aged 20-35 years;</i>
	<i>Gender</i>	<i>Male and Female</i>
	<i>Income</i>	<i>Middle to high income;</i>
	<i>Occupation</i>	<i>Professional; Athletes;</i>
	<i>Education</i>	<i>Tertiary level +</i>
Psychographic	<i>Lifestyle</i>	<i>Flexitarians Vegetarian/Vegan</i>
	<i>Socio-economic status</i>	<i>Middle to upper class;</i>
	<i>Values</i>	<i>Animal welfare; Sustainable.</i>
Benefit	<i>Convenience</i>	<i>Quality; Beyond meaty taste.</i>
	<i>Prestige</i>	<i>Premine; Ethical.</i>
	<i>Health</i>	<i>Nutritional; Non-GMO.</i>
Behavioral	<i>Usage rate</i>	<i>Medium user;</i>
	<i>Loyalty status</i>	<i>Loyalty to an extent;</i>
	<i>Purchase occasion</i>	<i>Weekly.</i>

Justifications:

Beyond Burger targeted one main group of consumers – the semi-vegetarian increasing rapidly, their dietary decisions tend to be eating healthier, care animal's welfare and fight climate change (Ismail et al, 2020).

Beyond Burger is available in urban areas nationwide at Coles and IGA. It aimed primarily at the health-focused young generation, aged 20 to 35, in major Australian cities. It represents 21.9% of the Australian population (Abs.gov.au, 2019).

Income wise, those with higher education tend to choose healthier food (Science Daily, 2013), and those with above-average income are more likely to purchase healthier options (Kenny, 2018). For new products, millennials trust the opinion of their peers and social media influencers. They want to try new products, but due to price sensitivity, brand loyalty may decrease (Moreno, 2017).

Beyond Meat's targeting gender is lean to female from the logo and design and the majority in the current vegan/vegetarian community is female. However, Beyond Meat has their male athlete ambassadors featuring their products such as Kyrie Irving, Alex Honnold and Victor Oladipo (Beyond Meat, 2019), it could argue that there is no specific targeting gender.

POSITIONING

Marketing positioning involves the process of defining the variables in segmentation so that the consumers understand what value the product is able to offer (Camilleri, 2018).

Beyond Meat was born with the idea of using science to reproduce the texture and properties of meat using vegetable proteins. The value proposition is based entirely on plant-based products that use GMO-free, soy-free and gluten-free ingredients to replace animal protein with vegetable protein via cutting edge food technology. Beyond Meat offers value for the improvement of human health, a positive impact on climate change, conservation of natural resources and respect for animal welfare.

Compared to its competitors in Australia, legacy brands like Veggie Delights, which are using such as soy and wheat - traditional ingredients and processing methods, Beyond Burger along with the Alternative Meat Co. sausages as the 'new generation' plant-based meat products, uses new processes and ingredients to create a sensory experience comparable to new meat.

Beyond Burger breaks the stereotype of traditional plant-based food as a dietary restricted, tasteless, not meat-like. Beyond Burger recreates the image of plant-based foods as an alternative to meat, yet it is able to offer more, an innovative, tasty and justice beef like eating experience as well as great health benefits.

CONCLUSION

Through the analysis of the marketing environment, the Australian market presents a great potential value as well as challenges for Beyond Burger, the opportunity comes from the rising number of flexitarians due to social trends, the challenge comes from the heavy meat consumption "culture" in history. To reach a wider and deeper market, marketers should focus on convenience, branding and customer loyalty, as there are competitions in the local market who are able to offer similar meat alternatives products, which meets the needs of the targeted consumers. Regarding the value proposition, Beyond Burger should continue its invitation journey in the food industry, as this is one of the key values that set Beyond Burger apart from the other traditional or plant-based meat alternatives.

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