Going Nuts for Beauty: From California to China

Patrick Xiao, China Director
Laurel Muir, Managing Partner, Sterling Rice Group
Connie Cheng, China Program Consultant
Vivian Ling, Director, Ruder Finn Communication Group
1.38 Billion People
China's middle class is on fire. 76% of China's urban population will be considered middle class by 2022.
Healthy China 2030

Plan (1)

Plan (2)

Plan (3)

Plan (4)

Plan (5)
Almond Opportunity
Almond shipments on the rise

Source: Almond Board of California Position Report
Consumer attitudes and usage showed dramatic increases

<table>
<thead>
<tr>
<th></th>
<th>Total Sample</th>
<th>Almonds 2016 (n=2,000)</th>
<th>Almonds 2014 (n=2,000)</th>
<th>Gap ('16 vs. '14)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Awareness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuts Top-of-Mind Awareness (First Mention)</td>
<td>8%</td>
<td>4%</td>
<td>+4pts</td>
<td></td>
</tr>
<tr>
<td>Nuts Total Awareness (Any Mention)</td>
<td>23%</td>
<td>16%</td>
<td>+7pts</td>
<td></td>
</tr>
<tr>
<td>Positive Story, Almonds – % of those recalling story</td>
<td>45%</td>
<td>43%</td>
<td>+2pts</td>
<td></td>
</tr>
<tr>
<td>Association with Snacking</td>
<td>28%</td>
<td>18%</td>
<td>+10pts</td>
<td></td>
</tr>
<tr>
<td>Association with Bakery</td>
<td>17%</td>
<td>11%</td>
<td>+6pts</td>
<td></td>
</tr>
<tr>
<td>Association with Chocolate</td>
<td>16%</td>
<td>8%</td>
<td>+8pts</td>
<td></td>
</tr>
<tr>
<td><strong>Consumption</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg consumption frequency (total, avg. times/month)</td>
<td>5.6x</td>
<td>5.2x</td>
<td>+0.4x</td>
<td></td>
</tr>
<tr>
<td>Avg consumption frequency (as a snack, avg. times/month)</td>
<td>4.9x</td>
<td>4.7x</td>
<td>+0.2x</td>
<td></td>
</tr>
<tr>
<td>Nut Eaten Most Often as a Snack (% selecting)</td>
<td>26%</td>
<td>17%</td>
<td>+9pts</td>
<td></td>
</tr>
<tr>
<td>Nut Eaten Most Often in Other Foods (% selecting)</td>
<td>21%</td>
<td>15%</td>
<td>+6pts</td>
<td></td>
</tr>
<tr>
<td><strong>Attitudes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Almond Liking (top-2 box, 9/10 on 10pt scale)</td>
<td>51%</td>
<td>45%</td>
<td>+6pts</td>
<td></td>
</tr>
<tr>
<td>Almond Healthfulness (top-2 box, 9/10 on 10pt scale)</td>
<td>52%</td>
<td>48%</td>
<td>+4pts</td>
<td></td>
</tr>
<tr>
<td>Almond Delivery on… (% excellent/good, top-3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is a healthy food</td>
<td>84%</td>
<td>77%</td>
<td>+7pts</td>
<td></td>
</tr>
<tr>
<td>Great for sharing</td>
<td>82%</td>
<td>66%</td>
<td>+16pts</td>
<td></td>
</tr>
<tr>
<td>Tastes great</td>
<td>82%</td>
<td>66%</td>
<td>+16pts</td>
<td></td>
</tr>
<tr>
<td>Almonds as the nut best described by… (top-3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best tasting nut</td>
<td>24%</td>
<td>16%</td>
<td>+8pts</td>
<td></td>
</tr>
<tr>
<td>Good for giving as a gift</td>
<td>23%</td>
<td>n/a</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>My favorite nut (Know the origin / High in vitamin E)</td>
<td>22% (tie)</td>
<td>15%</td>
<td>+7pts</td>
<td></td>
</tr>
</tbody>
</table>
Strategic approach

Trade Relations

Brand Partnerships

Integration Approach

Tier 1 Markets

Awareness & Differentiation Programs

Bakery & ingredient

eCommerce

National
China Program Objective

Create a clear proposition that differentiates California Almonds from other nuts and make Almonds seen as a ‘everyday luxury that has relevance to our targets daily lives in order to justify the price premium.'
“Know thy self, know thy friends and thy enemies. A thousand battles, a thousand victories.”

(Sun Tze)
all nuts are good
brain health

fun and positive

good for kidneys
what could California Badanmu stand for that has relevance to our consumers?
Not only in charge of herself… but the whole family’s

CFO

A forever young girl
A wife
A professional
A mom
60%  
Take control of the whole family’s financial allocation

80%  
Decision maker of family spending

Source: 《Internet + She-era: female entrepreneur report》 《2016 female wealth management report》
70% of total Sales via Taobao & Tmall

Source: 《Internet + She-era: female entrepreneur report》 《2016 female wealth management report》
T-mall occupied a dominant position during the biggest eCommerce festival 11.11

The keywords of 11.11

“Buy Buy Buy”

China

$ 25.34 billion
2017.11.11 sales volume: T-mall

$ 18.39 billion
2017.11.01-11 sales volume: Jingdong

$ 1.66 billion
2017.11.11 sales volume: Suning

$ 7.9 billion
2017 Black Friday + Thanksgiving Day sales

$ 6.6 billion
2017 Cyber Monday sales (record-high)

Data source: SINA 2017.11 & FORBES 2017.11
target audience resonates with beauty benefit
“You are what you eat.”

67% agree that beauty is associated with what you eat, how much exercise, and life balance.

Source: Mintel Facial Skincare - China 2015
most preferred country to travel outside Asia

USA #1

most preferred city to travel

CA #8

Source: weibo index & Mafengwo (self-guide tourism Website in China)
The love of “California-ness”

“California has the sun shining on it all year long. California almonds bring you health. It is rich in sunshine”

“California has the great image of being sunny and no pollution. You are attracted by it”
California sunshine is bright, positive, healthy, friendly, full of life, fresh... and we are nutritious, rich in VE. This helps create an unique almond proposition.
Almond benefit:

California Badanmu gives you a taste of California sunshine that helps your skin look luminous and radiant, glowing from inside out.
Going forward

We want to make it more explicit when linking California Almonds to skin beauty benefit
Make California Almonds a daily beauty ritual
California badanmu is your daily dose of sunshine.

California badanmu is great for your skin.
And because it’s great for your skin, you should have them every day.
Program Framework
Communications work online and offline to deliver one single message

‘California Almonds a daily beauty ritual’
加州巴旦木
尝味阳光

让加州巴旦木成为每天美肌保养的一部分！加州巴旦木满载加州阳光精华，富含维生素E，让你每天都光彩动人。
加州巴旦木
尝味阳光

让加州巴旦木成为每天美肌保养的一部分！加州巴旦木满载加州阳光精华，富含维生素E，让你每天都光彩动人。

California Almonds
jaehousdsnmu.com
FY 17-18 Launched Marketing Materials
California Almond is “official snack” of Shanghai Fashion Week
Social Exposure
E-commerce Promotion

Snack. Beauty. Fashion
Core China trade engagement pillars to reach and influence trade professionals

- **Insights Provision**: Continuous knowledge and information delivery through various platforms
- **Industry Education**: Continuous relationship building via focused trade events and seminars
- **Brand Collaboration**: Leverage brand resources to maximize California Almond promotion
Insights provision: Continuous news/insights delivery and trade interaction with consistent messages across various media platforms

- **Application & Nutrition**
- **Trend & Research**
- **Marketing Efforts & Consumer Campaign with VE Beauty Key Message**

**Trade Media**

**WeChat**

**E-Newsletter**
Maintaining a strong industry presence and continuously expanding reach with a clear focus on 3 key sectors

- Nuts & Seeds
- F&B
- Bakery
Nuts Industry Events

• Continuously maintaining healthy relationship with industry organizations

• Sharing marketing efforts and beauty message to build trade audiences’ confidence, as well as to win Chinese brands & industry’s support to California Almonds

• Bridge Chinese traders and handlers
F&B Industry

• Providing tech knowledge and handler information to generate business leads

• Sharing latest market & consumer trends (health, beauty needs etc.) to drive the market trends for CA’s application in a wider industry landscape

SAIL Food Exhibition

FBIF Innovation Forum
Bakery Industry

• Leveraging the exhibition's networks to expanding our TA reach in bakery industry

• Boosting CA’s application in bakery sector through product demo, recipe sharing and onsite interaction

Bakery & Confectionary Trade Show
BRAND COLLABORATION
Our key is to build OPEN platforms to effectively leverage China’s various nuts brands’ influence for market education and promotion

“Follow the Sunshine” Campaign
Follow the Sunshine campaign:
Great brand collaboration momentums for latest two waves

Total reach 1,083,133
E-commerce Diversion 50.22%
Total registration 3,785
2018 Chinese New Year CAMPAIGN IDEA

Taste the Beautiful Year
Stunning all the way home

Integrating almonds into all kinds of occasions in Chinese new year with highlights on their beauty/skin benefits
Tasting The Beautiful Year campaign: Customized viral video
To showcase how CA keep you stay stunning all the way home

Scenario of putting on make-ups, with almonds being the beauty secret
Scenario of taxi stopping by for her sunny smiles
Scenario of her eating almonds while waiting for the train, and being the most shiny girl on the station
Scenario of bringing almonds as festival gifts to her family
Scenario of her eating snacks and enjoying leisure time with friends
Taste The Beautiful Year Campaign: Brand Collaboration
Special lucky gift bag to further leverage the festive atmosphere

Lucky gift bag, containing brand-featured HONGBAOs & lovely almond containers
Taste The Beautiful Year Campaign: Systemized collaborated promotion to reach win-win outcome with brands

**Content**
- Video
- H5 game
- AR Interactions
- Lucky gift bag

**Media Promotion**
- OOH Metro Ads display
- e-HONGBAOs and coupons
- APPs
- KOLs

**E-commerce Conversion**
- Ecommerce platform collaboration
THANK YOU