China: Importance of Origin for Growing Demand

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China by the numbers

3 2 7 1
China’s imports have fluctuated over the last 5 years.
1.36 Billion People
$9.24 Trillion GDP
Huge upside potential
1.36 billion people
$9.24 trillion GDP
Middle class: 70% of the urban population
Rise of G2 consumers
Chinese consumers are far more worried about their health and work-life balance than they are about job security.”

Nielsen Q4 2015 China Consumer Confidence
My life is a mess. Very busy with work and family. Sometimes I am going home late and it is a bit of a mess there as well. Ideally, I would have more time to relax. To go and travel with my family.

Health Seekers
Life Envisioned…
Chinese consumers yearn to escape through travel, time with friends, and the beach

“I want to get away from the pressure and pollution.”
Health Seekers

“Ideally I would be on a beach in the Philippines, under a tree. Enjoying life and taking it slow.”
Health Seekers

“I want to go to the beach, but not in Beijing. I want to go somewhere with less people.”
Health Seekers
Life Envisioned
• Escape, freedom, exploration, togetherness, were common themes across all consumers
California has very strong equities

- Fresh
- Sunshine
- Food safety, western standards
- Imported
- Healthy
- Pollution free
- Stress free, refreshing
- Full of life, vitality
- Ideal growing environment
- Good soil = nutritious and flavorful almonds
We have opportunities for growth...and a few barriers
Opportunity: Nuts fit any snacking occasions

WHY

- Filling
- Nutrition related benefits
- Easy to take and consume on the way

Replacement of Breakfast

- Line your stomach

In between breakfast & lunch

- Energy boost before continuing with work
- Clean and easy to consume while working at the same time
- Small, individual size, easy to share with others

Afternoon Tea

- Line your stomach
- Easy to take and consume on the way

Before Dinner

- Kill boredom, e.g. eating nuts while cracking
- Nutrition related benefits - good to share with kids or family members
- Good to pair with dairy products, e.g. crushed nuts with yogurt

Pastime in the Evening
Opportunity: Nuts have a lot of health associations

- Heart health
- Blood pressure
- Skin care – whiter skin
- Hair care – shiny black hair
- Lung health
- Good for digestion
- Omega 3 and 6
- Saturated fat – “rich fat”
- Contain micronutrients/amino acids
How do almonds stand out?

- Heart health
- Weight management and satiety
- Skin and Beauty
- Energy and vitality
Beauty benefits allow almonds to stand out from other nut products and further enhances the image of almonds

• Apart from the general health benefits in the overall nuts category, the beauty idea of health “inside out”, “combating stress and pollution”, “antioxidant” makes almonds unique and differentiates them from other nuts

• Currently, no other nuts are associated with “antioxidant” benefits, and it is naturally linked with anti-aging
Confusion: Almonds vs. Apricot Kernels

“Aren’t they different kinds of Xing Ren?”

Trend Setter
Size is the main differentiator when referring to Almonds or Apricot Kernels

1. Almond/ Xing Ren/ 杏仁
2. Almond/ Xing Ren/ 杏仁
3. Small Almond/ Xiao Xing Ren/ 小杏仁
4. Almond/ Xing Ren/ 杏仁

• Almond/ Xing Ren/ 杏仁
• Big Almond/ Da Xing Ren/ 大杏仁
• American Almond/ 美国大杏仁
• Sweet Almond/ 甜杏仁
•  Badam/ Ba Dan Mu/ 巴旦木 （some have the perception that Ba Dan Mu is with shell）
• Flat Almond/ Bian Tao Ren/ 扁桃仁
•  Small Almond/ Xiao Xing Ren/ 小杏仁
•  Local Almond/ Local Xing Ren/ 国产杏仁

Name used by Consumers
Almonds are:
- Healthy Snack
- Sweet taste
- Big American variety
- Premium
- For gifting
- Sharable
- Imported or domestic
- Associated with beauty, whiter skin
- Protein for brain health, satiety
- Fun
- Unsaturated fat
- Top of mind as a snack

- Persona:
  - Youthful
  - Athletic
  - American Male

Apricot Kernels are:
- Traditional Chinese Medicine
- Used in cooking and cold dishes
- Bitter
- Eating too many causes toxicity
- Smaller
- Lower quality
- Used by older people
- Lung heath
- Grown in China

- Persona:
  - Elderly person
  - Professor or doctor
  - Old fashion (vs. contemporary or relevant)
After seeing the comparison chart they understood “they are really different”

<table>
<thead>
<tr>
<th>巴旦木</th>
<th>杏子</th>
<th>桃</th>
<th>樱桃</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALMOND</td>
<td>APRICOT</td>
<td>PEACH</td>
<td>CHERRY</td>
</tr>
</tbody>
</table>

They are really different. Like Walnut vs. Xing Ren. It’s not a varietal.

Health Seekers

“ahhh!”

Trend Setter

“Wow! It’s not about the shell!”

Health Seekers
Messaging Roadmap

1. Establish visual differentiation between almonds and apricot kernels

2. Clear and consistent naming of almonds across all consumer communication touch points

3. Elevate California

4. Focus almond benefit on skin and beauty
China Marketing Crop Year 2015–16
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.”
category truth

consumer truth

connectivity

brand advantage
all nuts are good
brain health

fun and positive

good for kidneys

?
Consumer Truth
consumer truth

Worry about growing old

Concerns pollution unhealthy living

Desire for reliefs

Balanced work and life Escape from the daily grind
...as such, insecure about their appearance

percentage of women who described themselves as very attractive

15%  37%  48%  50%  51%
look conscious
beautiful women have an advantage in life

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
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</thead>
<tbody>
<tr>
<td>Taiwan</td>
<td>83</td>
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<tr>
<td>China</td>
<td>77</td>
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<tr>
<td>HK</td>
<td>72</td>
</tr>
<tr>
<td>Singapore</td>
<td>71</td>
</tr>
</tbody>
</table>
luminous and radiant skin
international travel

2010
37MM

2015
101MM

151%
snacking

an enjoyable snack to transcend themselves from the daily routine of everyday chinese living
Brand Truth
CALIFORNIA IN CHINA

Chinese consumers love the idea of California... admiring the relaxing, carefree lifestyle. Chinese consumers have a huge appetite to bring California to daily life.
“California has the sun shining on it all year long. Badam will bring you health. It is rich in sunshine.”

Health Seekers

“California has a great image of being sunny and no pollution. Therefore you are attracted to it.”

Trend Setters
point of difference
California Badanmu are packed with the goodness of California sunshine, are full of natural antioxidants & Vitamin E that provides beauty benefits.
Almond benefit:
California Badanmu gives you a taste of California sunshine that helps your skin look luminous and radiant, glowing from inside out
Program Framework
Integrated education campaign

Advertising
PR
Trade
Social Media
online video and TV ad
PR
Media Outreach
MEDIA STRATEGY

IDENTIFY suitable media

CATEGORIZE media into three tiers

Engage media through DIVERSIFIED PR assets
MEDIA COVERAGE OVERVIEW

F&B
- Various nutrients
- Rich tastes
- Mid-afternoon snack pairing

Beauty & Lifestyle
- Various nutrients
- Shining California lifestyle

Health & Nutrition
- Vitamin E and protein
- Fiber for weight control and satiety
Social Media
Social platforms deliver in China?

- Creative content to impress
- Interaction to engage
- KOL To amplify

From a land of sunshine in California.
KOL Amplification

Lifestyle/Beauty

Travel

Gourmet

Fitness
Integrated Campaign
‘Follow the Sunshine’ Promotion
PROMOTION TACTICS
OUR TACTICS

INTEGRATE WITH AD CAMPAIGN

OFFERS FUN & REWARDS

SOCIAL BY DESIGN

TRADE ENGAGEMENT
KEY MESSAGES

- Vitamin E to Help You Shine from Inside Out
- California-ness for a Healthy Lifestyle
- A Convenient/Healthy Mid-Afternoon Snack
- Create differentiation and reinforce product benefit
PROMOTION PLAN
INTEGRATED COMMUNICATION CHANNELS

- Advertising
- Public Relation
- Social

Trade Engagement
Phase 1: PLANT CURIOSITY

Lead Channels:
- Social platforms
- Advertisement

Phase 2: GROW NAME RECOGNITION, BENEFIT DIFFERENTIATION AND ENGAGEMENT

Lead Channels:
- Social platforms
- Advertisement

Phase 3: SUSTAIN CAMPAIGN

Lead Channels:
- Convertional PR, print and TV coverage
- Social platforms
- Advertisement
PROMOTION MECHANISM

Advertisement

Social Platforms

Convertible PR
GAME ACTIVATION OVERVIEW

Brand Loading Page

Game 1

Game 2

Game 3
TRADE COMMUNICATION
Industry Events

On-going Communications
Thank You