final report

Project code:	V.RMH.0065
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Date published:	10th November 2017

PUBLISHED BY
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Value adding goatmeat for domestic consumers

Meat & Livestock Australia acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this publication.

Executive summary

Australia is the leading exporter of goatmeat in the world (in 2016 exporting 88% of production), but apart from ethnic consumers remaining true to their cultural origins, it is not widely consumed amongst Australians. Whilst exporting goatmeat represent an attractive opportunity, a healthy level of domestic demand provides a degree of insurance against any export down-turn. But more importantly, domestic demand would also enhance the industry's reputation, encouraging more significant producers and supply chain players to participate in goatmeat production.

Domestic goatmeat consumption has largely failed to take off over the last 15 years, in contrast to other secondary animal proteins, such as duck, salmon, kangaroo and mussels that have grown in popularity. Each has found their 'reason for being' amongst different segments of consumers that value their unique qualities, realised through meal solutions. Yet whilst goatmeat has many desirable qualities, this is coupled with many others that act as barriers, resulting in those consumers who are new to goatmeat, not having a positive first experience. It is believed that new cooking technologies and well-conceived meal solutions, can value-add to goatmeat and overcome many of these barriers, leading to a desirable usage experience.

This project followed a design led methodology, with a 'push' approach, meaning the fundamental properties of goatmeat were determined before assessing where these might be applied in the market, to address 'food problems' consumers are currently experiencing. The foundations of the approach recognised that goatmeat is used extensively in other food cultures and sought the learning that can be gained from building a comprehensive picture of its usage. This provided an understanding of how best to bring the positive properties of goatmeat to the fore and conversely, how its perceived less desirable properties can be addressed.

Key market trends were assessed, to understand the market dynamics that could work in our favour, leveraged to accelerate goatmeats adoption – playing to what consumers are inherently more interested in (such as health and wellbeing). An understanding of how secondary proteins have risen to prominence in consumers' repertoire of meal occasions, was also sought, informing potential strategies for putting goatmeat 'on the map'.

The perspective of producers within the goatmeat supply chain was gained, revealing a diverse set of opinions. The challenges the industry faces, from a supply perspective were (understandably) paramount. Beyond this, their ambitions for where they would like / expect to see the goatmeat industry in the coming years, produced a polarising response. However, their beliefs as to the path forward, requiring a co-ordinated 'pull' and 'push' approach was consistent; to grow highly valued demand.

The perspective of supply chain intermediaries, butchers and key end users; chefs who are fans of goatmeat was also sought. This got to the heart of goatmeats perceived strengths, in the context of western food culture, as well as its perceived weaknesses – barriers to be overcome, in getting goatmeat adopted by non-ethnic consumers.

The goatmeat industry is held back by its introspective nature. Whilst there are many challenges on 'the producer' side of the industry, as consumer interest into alternative meat type grows, they desire to experience goatmeat for themselves. The industry needs to ensure consumer's first

experience with goatmeat is a positive one, leaving them wanting to come back for more. One of the greatest challenge is achieving internal alignment, bringing clarity as to what are the different versions of goatmeat, explaining their contrasting qualities and thus what they are most suited to.

Whilst past efforts to promote goatmeat domestically have been mostly deemed to have failed, it is believed that much was right in this approach, their failing was that the world was not yet ready! Thus, a more favourable outcome would now be achieved, with a combination of both ‘pull’ (such as inspiring goatmeat usage on a TV show like MasterChef) and ‘push’ strategies (to ensure goatmeat is available in key retail channels).

Several consumer-based, market usage opportunities have been presented, where a defined consumer segment and key occasion have been identified, with a range of existing pains that consumers are experiencing, as well as desired gains that they are seeking. Using our knowledge of the diversity of goatmeat dishes that exist, a suitable solution has been identified, where goatmeat’s qualities are best able to address these existing consumer pains and realise desired gains. In many instances, the opportunity for innovation to value-add has been identified which further accentuates goatmeat’s properties and overcomes some of its inherent barriers to usage, making it a more commercially viable as a solution.

These opportunities are as follows:

Who are they?	**Estimated volume of goatmeat (annual)**	**Estimated value (annual)**
Young Families - parents seeking to do the right thing by their kids with healthy and enjoyable mid-week, meals, but live in the real world	118T	$4.7M
Adventurous Cooks – taking the team to pursue their passion, creating something new and interesting	78T	$3.1M
Millennials – new age food values, seeking to realise their flexitarian ambitions	70T	$1.7M
Empty Nesters – Focusing back on themselves and their health needs, as they plan to lead a fulfilling and active life	58T	$2.9M
Professional Couples – seek to create for themselves the type of cosmopolitan dishes they experience when eating out, with the help of a meal kit	34T	$0.9M
Total	**360T**	**$13.3M**

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1 Background

As a category, the domestic goatmeat industry has been stagnant, with the consumption of goatmeat still a peripheral part of most Australian's diets (MLA's own Australian consumer tracker continues to not pick up any meaningful measurement of goatmeat usage, with a representative sample of 1,000 Australian shoppers – source: MLA Australia Consumer Tracker 2016). The industry has long promised potential, but has largely failed to develop. Whilst this is primarily due to challenges on the supply side of the industry, it is believed that whilst domestic consumption of goatmeat is still largely confined to those Australians who consume an ethnic diet, is also hampering its development.

This picture is in stark contrast to the export goatmeat market, where what was once considered a feral pest, is now seen as a lucrative and endless global demand for Australian goatmeat, with on average, Australia exporting 30,680 Tonnes of goatmeat per annum, representing 88% of goatmeat production (source DAWR, ABS, MLA estimates to 2016). The reality is goatmeat is recognised as being popular around the world and Australia is perceived as a trusted and plentiful supplier of goatmeat.

Over the last 20 years, several secondary proteins have risen to prominence beyond just the restaurant scene, to become mainstays of supermarket offerings, where most Australians buy their meat. Not only fresh seafood, like salmon and tuna, but duck, kangaroo, turkey, mussels and venison. Further to this, New Nutrition, in their trend report for 2016 predict that insects, like locusts, will be an important protein contributor in our diets.

This growth has been fuelled by several trends amongst Australian consumers. One example is consumers increasing cosmopolitan tastes, having moved on from a British style 'meat and three veg', to first embrace Italian food, but rapidly following with Chinese, Mexican, Thai, Spanish, Korean and Japanese. As these food cultures are embraced, consumers discover new animal proteins as the basis of their favourite dishes.

As such, consumers are generally interested in trying new animal proteins, so long as they are sufficiently inspired to try something new. It is believed that goatmeat is currently at this stage, with many consumers willing to give it a go. Goatmeat is finding its way onto restaurant menus and feedback from chefs in this study was that it was often chosen and their customers are having good experiences with it.

In this ever-changing world of greater choice of animal proteins, goatmeat is well placed to feature prominently, having many positive attributes, such as its full and complex flavour, which give it the potential to be embraced by consumers. However, goatmeat also has many potentially negative attributes, such as its tendency to be tough, that act as barriers to its usage. To date, these positive attributes have not been able to outweigh these barriers, with consumers' usage of goatmeat, for a variety of reasons, not having been a positive experience.

One significant and major negative attribute, is goatmeat's lack of availability, and further to this, a lack of consistent quality supply. With such a plethora of choice, most consumers are unwilling to search out what is not readily available to them.

Whilst goatmeat has fundamental properties, that are not easily or significantly changed, innovation can play a key role in the adoption of goatmeat. Innovation around how the product is prepared, channels of distribution or cooking technologies, can all play a role in enhancing goatmeats positive qualities and overcoming some of the existing barriers to its usage.

2 Objectives

This project is a feasibility study which will identify new usages, occasions and opportunity spaces for goatmeat domestically. A design led innovation approach (desirable-feasible-viable elements) was used, with consumers and value chain participants the focus, to identify high value opportunities and in the end, grow demand. This was an opportunity to:

- Identify different, high value product usages within the domestic market – i.e. are there food trends we can take advantage of and better position goatmeat whist managing supply expectations?
- Bring to life these opportunity spaces and engage with producers and brand owners to pursue higher valued / diversified value add solutions

Trial this methodology within the domestic market which, with the possibility of expanding to other market offerings and other markets, if deemed successful.

Areas of interest, that form the building blocks of developing the case for goatmeat to gain acceptance and adoption amongst Australian consumers, include:

1. Understand where goatmeat is currently at in the Australian market – how is it perceived by consumers, what is appealing about it and what are its barriers to usage?
2. Understand goatmeat offerings from around the world – how is goatmeat consumed in other markets that have long had it as a prominent part of their food culture.
3. Define the various goatmeat product types relevant to the domestic market and their corresponding strengths, weaknesses and value adding opportunities (that is, their viability)
4. Understand the perspective of a diversity of producers within the goatmeat industry, what are the challenges on the supply side and where do they see future market opportunities
5. Identify target consumer groups that represent an opportunity for goatmeat – where its properties are a potential benefit
6. Define existing behaviours for each target consumer group, to identify a specific meal occasion as a focus
7. Determine how goatmeat can win against existing offering on this occasion (at least three 'desirability' spaces to be defined)
8. Define how goatmeat can overcome usage barriers at this time (that is, deliver a product-market fit value proposition that can create and capture high value for the Australian goatmeat industry, with consideration given to managing supply)

3 Methodology

For the initial stages of this project, a breadth of background sources was accessed. Industry body websites and reports were used to understand the success of different animal proteins in achieving market success – i.e. kangaroo, duck, mussels.

The main body of this project was supported by interviews amongst key players, at every stage of the goatmeat supply chain. Interviewees were identified for the relevance to the project and were contacted prior, with the outline of the questions provided, in advance. The interview followed a structured question approach, with open-ended questions inviting a detailed response. The majority of interviews were of 30 minutes' duration, though many lasted more than an hour.

The following is a breakdown of interviews, by stage of the supply chain:

- Involved in the production of goatmeat – 17 interviews
- Butchers and intermediaries – 7 interviews
- Chefs and specialist end-users – 7 interviews
- Consumers across both ethnic and western cooking styles – 6 interviews

It should be noted, that individual responses are treated as confidential, all findings are at the aggregated level and were expressed by more than one interviewee.

A Design Led philosophy was followed taking a real-world, consumer behaviour perspective. Thus, understanding consumers underlying needs on each 'meal' occasion, the problems they experience and what they are seeking to achieve. In short, what do they most value. Knowing the capabilities of goatmeat allows an assessment of where it has the potential to play and how it could win in each of these contested market spaces.

Further to this, we must also recognise that goatmeat has many perceived negatives, when viewing its properties through the eyes of western food culture. Thus, whilst it works well in 'slow cooked, wet dishes' that are typically heavily flavoured, it is less suitable for quickly searing in a frying pan, with minimal flavouring. Thus, critical to our approach is identifying how innovation can enhance goatmeats inherent strengths, but also overcome these barriers to usage.

We used a 'push' approach, in which we first assess the strength of our offer, before determining where we can play an important role in consumers' lives?

The following stages were undertaken as part of a design led innovation approach:

1. Define our offering – what is so unique and special about goatmeat?
   - ⇨ Review existing information and consumer research into its usage and adoption
   - ⇨ Research how goatmeat is used in other markets around the world and identify key characteristics in its preparation – what seems to work for goatmeat
   - ⇨ Understand the key market trends that are working in our favour – how could we benefit from playing to these trends?
2. How far does our offering extend – what are the variables we are dealing with and what will / could the goatmeat of tomorrow be like? What is our vision for the industry?
   - ⇨ Interview key players on the supply side of the industry – what developments are in the pipeline, what would they like to see the goatmeat industry become?

  - ⇨ Identify the meaningful 'versions' within goatmeat – what are the different offerings?

3. How is goatmeat seen amongst intermediaries and end users – what advantages do we offer? How are we successfully used? What barriers are holding us back?
   - ⇨ Interview key supply chain partners – butchers, wholesalers, grocery
   - ⇨ Interview key end users – chefs, 'good cooks', ethnic groups
   - ⇨ Identify goatmeats strengths and weaknesses – in the context of typical Western food drivers (i.e. with convenience being key)
   - ⇨ Develop a value map for goatmeat per se – what attributes does it possess, and how might these qualities alleviate pain points, or provide gains for consumers?
   - ⇨ Develop value maps for the two key versions of goatmeat, across attributes, alleviating pains and realising gains
4. Map out consumers' food usage – develop holistic picture of segment personas and their repertoire of meal occasions
   - ⇨ Past research and our knowledge of consumers' food behaviour to build this picture
   - ⇨ Assess the drivers of success for popular choices, on these occasions
5. Identify where there is a good fit between our offering and consumer usage - where could we play a role, both now and looking to the future at emerging consumer behaviours.
   - ⇨ Workshop with key MLA personnel and representatives of the goatmeat Industry
   - ⇨ Deeper exploration of each opportunity – develop a rationale for success, the framework for next steps and a customised innovation strategy following discussions with goatmeat producers and brand owners

Ultimately, the Design Led approach leads one to addressing three fundamental questions, that forms the basis for assessing the opportunity for goatmeat in the Australian market:

Is it **Desirable** - Can we conceive a product / service that enough customers want, which solves a big enough problem for them?

Is it **Feasible** - Do we have the ability to access the key resources and capabilities required to deliver the solution?

Is it **Viable** - Are we able to achieve desired revenue levels with associated cost structures that make it a commercially viable business?

The focus for this project was identifying goatmeats desirability - can we conceive goatmeat based meals that enough customers want, which solves a big enough problem for them?

Breaking down desirability into its component parts, allows us to assess whether goatmeat's list of qualities are a good fit to existing pains and desired gains that customers currently face. These ideas are structured around the Value Map and the Customer Profile, as follows in figure 1 below.

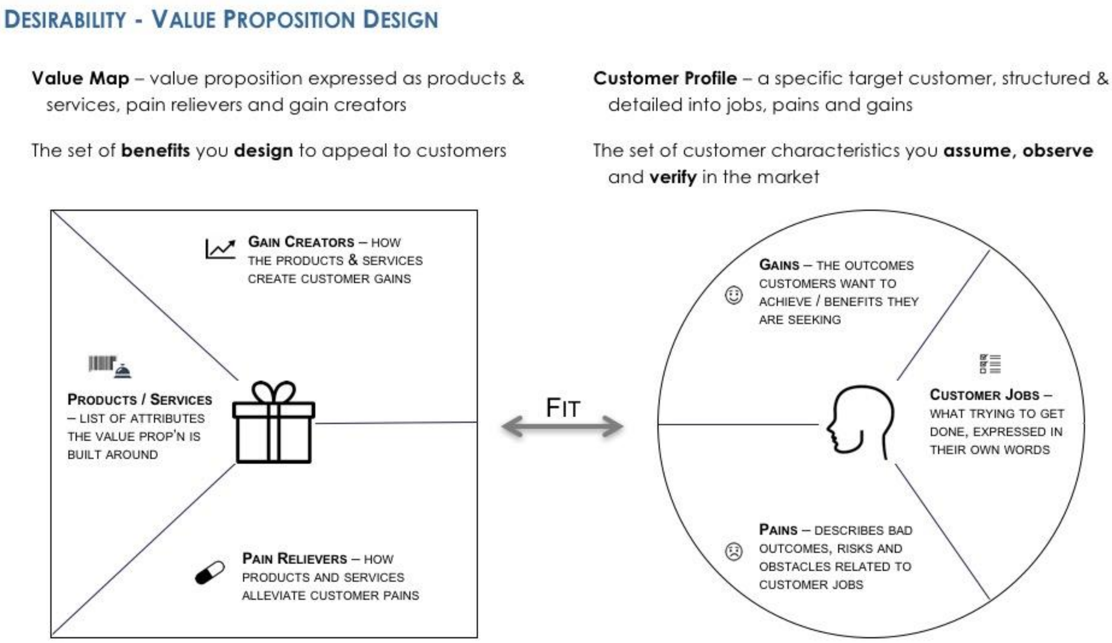


Figure 1: Value Map and the Customer Profile

4 Results / Findings

4.1 Stage 1: Defining the Goatmeat Offering

4.1.1 Domestic Goatmeat usage – key insights

Goatmeat is perceived to be 'becoming more popular' – which typically translates to consumer interest in trialling it for themselves. In many areas of life, whether it be a new movie, a new restaurant, or a new iPhone, consumers find it hard to make well-informed judgments as to how something performs, thus they tend to form opinions based upon their beliefs about how others see it – 'the fear of missing out'.

The greatest barrier to goatmeaconsumption is that consumers don't believe it:
- 'Tastes Delicious'
- 'Is easy and convenient to prepare'
- 'Can be used in different ways'

People need goatmeat based meal suggestions to overcome these perceptions.

Goatmeat's health credentials are not resonating – whilst seen as being 'low in fat', it does not translate to:

- 'An essential part of a healthy diet for growing children'
- 'High nutritional value'

Table 1: Goatmeat perceptions vs. other animal proteins

In Australia, whilst regular usage is still infrequent, at only 8%, there are four times as many consumers who would consider eating it – i.e. if saw it on the menu in a restaurant, they would likely order it. However, these figures do include ethnic Australian consumers.

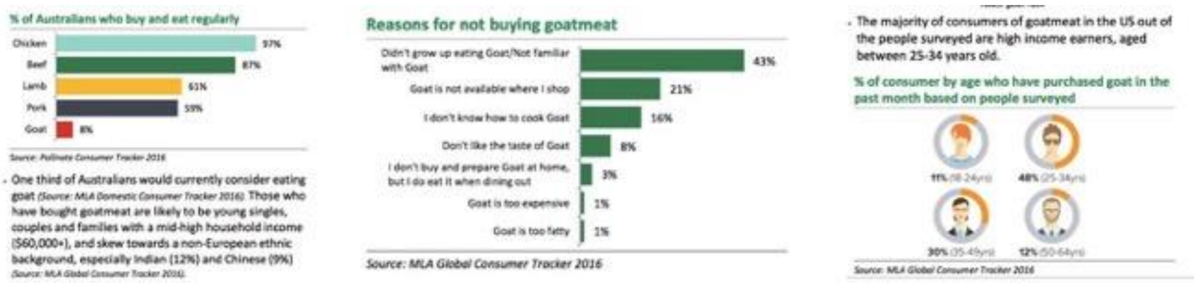
The greatest barrier to goatmeat usage, is consumers claiming they are unfamiliar with how to use it – they don't know how to cook with it. There is also currently so MSA cut/cook pathway available. Thus, they have no 'meal' that they want to cook, for which goatmeat is the essential ingredient – most consumers think of a desired meal first, then work out what ingredients they need.

However, lack of availability is also a significant, though secondary barrier to usage – most consumers, in most situations will choose between the meat offerings that are available to them (unless seeking to follow a recipe – i.e. lamb shank stew).

All indications are that it is a younger (25 to 49) and more upscale audience that represent the greatest opportunity:

- ⇒ In Australia, it is young singles, couples and families, with a generally high household income who are most interested in goatmeat.
- ⇒ In the US, where growth has been stronger, the core audience is high income earners aged 25 to 34, plus similarly high income families (35 to 49).

Table 2: Goatmeat motivators and usage by age groups



4.1.2 How goatmeat is consumed in other food cultures

Goatmeat is consumed widely, across many countries of the world. Whilst westernised cook books from these cultures hardly give goatmeat a mention, it is fundamental to many food cultures. Goatmeat is typically the most accessible form of meat, particularly in the more arid countries.

Caribbean food: Shaped by many cultures – African, Creole, Spanish, Arab, Cajun, Portuguese. Its climate means that it has an abundance of coconuts and plantain, whereas meat is scarce.

Mediterranean: Goatmeat is more of a staple often one of the few types of meat that is readily available (i.e. across Africa). In Italy it is more of a special occasion.

North African: Their food culture dictates that cuisine is often a shared experience, with large families sitting round focal dishes, with numerous accompaniments. The food is eaten with one's hands, using flat bread.

Indian: For most, meat is not consumed daily, with pulses and grains making up the core of their diet. Thus, meat is considered a luxury, with goats one of the most accessible meats in rural India

Figure 2: Key dishes from diverse food cultures and associated eating occasions

Looking across these diverse food cultures and the way they use goatmeat, reveals some 'truisms' as to goatmeats properties and how it is best used in a meal:

Recipes require long and slow cooking, at a lower temperature, to stop it becoming dry and tough.

⇒ This is important as it can become dry and tough, if cooked too fast and on too high a heat – you can't fight against these fundamental properties.

Other than kid, goatmeat tends to be cooked with a variety of strong flavours, such as pungent spices and strong / bold flavours (such as black olives).

⇒ The 'gamey' flavour of goatmeat is over-powering in isolation, for many people, requiring it to be masked by other strong flavours.

Goatmeat is typically cooked with a diversity of contrasting flavours, with most dishes having a long list of flavoursome ingredients.

⇒ Goatmeat has a complex taste, meaning it works best when it is complementing rich and full tastes.

The goatmeat dishes are typically cooked by someone who is experienced in cooking it and able to devote time and attention to its preparation.

⇒ Getting a good outcome with goatmeat is challenging. It requires experience and knowledge to get the best out of it.

Goatmeat often appears on special occasions, when 'the village' comes together for some form of celebration.

⇒ Whilst in many cultures, meat itself is a special occasion, its flavour profile and cooking challenges make it more occasional (than chicken or pork).

Goatmeat is used extensively in recipes where a small meat component is desired, as the dish contains other wholesome and nutritious food items, such as nuts and pulses.

⇒ Goatmeat adds desirable meat flavour, even when only present in small quantities.

However, there is one key point to remember in drawing comparisons from some of these food cultures. In many instances, meat is not the mainstay of their diet in quite the same way as it is in the western diet, where it is widely available, accessible and safe to eat. Thus, in many instances, meat is hard to source and is only consumed on special occasions, given their standard of living.

4.1.3 Consumer trends working in our favour

Slow cooking and the appeal of secondary cuts: No longer relegated to the family pet, these cuts have been discovered by adventurous cooks along with slow cooking devices that make preparation easy.

Ethnic foods, our ever-widening interest: Our once limited repertoire of food choices has mushroomed to embrace multiple food cultures, inspired by restaurant experiences, overseas travel and enabled by cook books.

Wellbeing from simple, rustic foods, in season: Our appreciation of different food cultures goes beyond favourites recipes, to understand their philosophy about food experiences and being healthy, sharing dishes with blends of flavours and textures.

The desire to cut back on meat consumption: Rather than compromise on red meat enjoyment, many consumers are seeking to eat it less frequently, seeking alternatives on other occasions.

Figure 3: Examples of key consumer trends working in our favour

4.1.4 Success drivers of secondary proteins

Whilst beef, lamb, chicken, seafood and pork fight it out for most consumers day-to-day shopping dollar, there are a host of ‘secondary proteins’ that are making a mark. But whilst this former list generally fight it out on dimensions such as value, convenience and popular liking, these secondary proteins play a different game to be successful.

A bit special, everyday: Duck has long been a ’special’ item, but hard to replicate for oneself. Luv-a-Duck have developed a quick and easy solution that gives a ‘close to’ restaurant experience.

Seasonal suitability: Mussels are available all year round, but their flavour is best suited to the summer months with chilled white wine. Most people enjoy mussels, when they have not had them for a while.

Superior health credentials: Salmon has excelled by educating us as to the importance of Omega 3 and 6 in our diets. Whilst it has its challenges in cooking, it is embraced by many for its health properties.

Embracing new food cultures: Tuna has ridden the interest in Japanese food, with its clean and healthy associations. Consumers are increasingly trialling for themselves, buying the cooking implements.

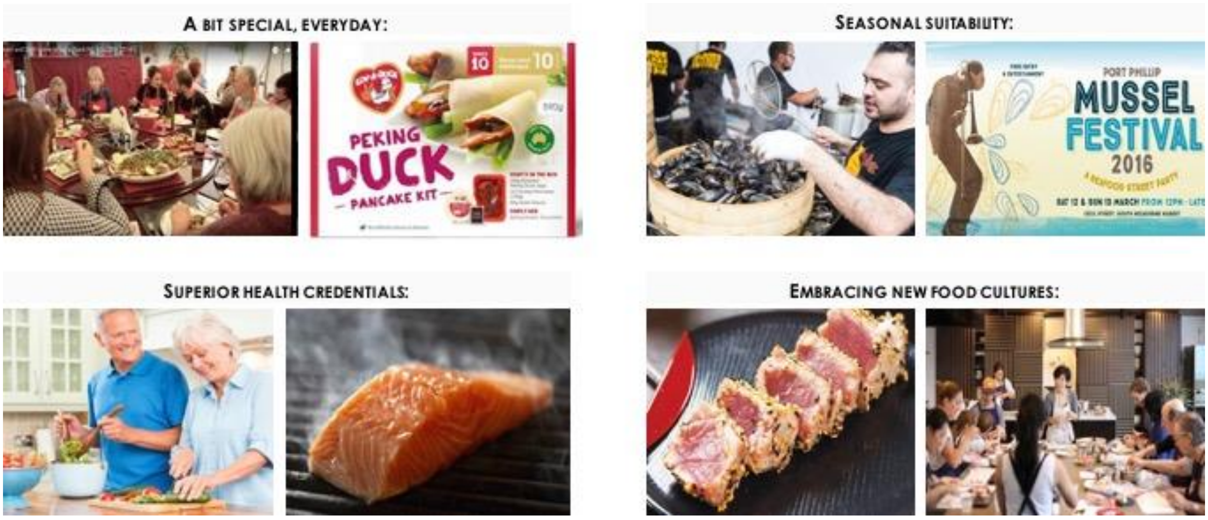


Figure 4: Key secondary proteins

4.2 The breadth of our offer and industry ambition

4.2.1 Interviews within the goatmeat industry

A wide variety of Australian goatmeat producers were interviewed as a part of this project. This sample covered the following:

- Boer goat stud operators
- Boer goat producers, who typically sell product at farmers markets
- Dairy goat producers who seek a goatmeat opportunity
- Producers who manage rangeland goats on their large properties
- Those who are part of the opportunistic rangeland goat industry

Telephone interviews were arranged and undertaken with 18 different producers, with an intention for them to be between 20 to 30 minutes, but many took well over an hour.

The broader themes that came out of these interviews were:

1. The general feeling is that the industry has not developed over the last 15 years due to its negative reputation and being unable to overcome the fundamental supply issues of being able to deliver consistent quality and volumes.
2. There is a fair disconnect between the two sides of the industry (farmed and harvesting)– at best they are dismissive of each other's efforts, at worst, they don't want to see the other do well.
3. Many producers feel like the industry has 'run its race' and are giving up hope – particularly as many are in semi-retirement mode.
4. For the most part the producers interviewed exhibited a purely supplier mindset, with little affinity with how the goatmeat is embraced by the end-user, instead thinking in terms of their cost of production vs. $'s / Kg sales value.
5. There is a great deal of mistrust across the levels within the industry – Farmed Boer goatmeat producers feel they are not being rewarded by processors for delivering a superior product.
6. A view that attempts have been made in the past to develop the market and the impacts have not been lasting.

4.2.2 There is a disconnect between the farmed and harvesting sides of the industry

How the farmed Boer goat industry is stereotyped:

- Producing an animal for showing and more concerned with how they look, than delivering a 'meat-producing' animal
- Short term herd building sales to hobby farmers unfamiliar with the industry based not on a fit for purpose animal, but that Boer is best
- Breeding an animal that is not suited to the Australian conditions – impractical beyond a small hobby farms.

How the rangeland goat industry is stereotyped:

- Purely opportunistic and out to make a quick buck
- Little concern or affinity for the sustainability of the industry – no attempt to retain does for breeding
- See as undermining the farmed Boer product through product substitution with buyers
- Blaming predation as the cause of declining numbers when harvest rates and lack of doe retention may well be the real reason

Figure 5: Negative perceptions within the industry

4.2.3 How is domestic consumption going? Who is driving demand?

- The domestic market is growing, but off a small base as Australia's rising population of ethnic consumers and bringing their food culture with them
- Large spikes in demand around ethnic festivals - volume goes through ethnic butchers, i.e. Western Sydney
- The farmed, Boer goat sales volumes have stayed steady for several years
- Some of farmed Boer goatmeat finds its way to premium butchers on the North Shore and restaurants
- There remains a steady volume of Boer goat, sold by producers at farmers markets
- Producers receive plenty of calls from butchers and restaurants wanting supply – so it is a buoyant market
- No one felt it had been adopted as a healthier form of red meat, by those with 'western tastes'

Figure 6: Contrasting goatmeat usage – ethnic users and sourcing for western tastes

4.2.4 How should the goatmeat offering be structured?

- Rangeland and Boer goat are seen as being quite different, though there is little understanding as to whether the consumer is, or is not, confused by this
- Rangeland goat seen as only being suitable to ethnic tastes – strongly flavoured and fibrous
- Most believe rangeland goatmeat must only be used in long, slow, wet cooking dishes, combined with strong flavours, such as in a curry
- Boer goat is seen as being a far more expensive thing to produce, thus only suitable for the butchers of the north shore and associated restaurants

- Farmed Boer goatmeat is described as tender, full flavoured and having a desirable sweetness.
- Capretto, whilst not front of mind for most, is seen as being a unique offering, of limited and seasonal availability (a view expressed by WA butchers, where it appears to be most prevalent)

Figure 7: Different cooking styles for goatmeat

4.2.5 Challenges and barriers to developing one's business as a goatmeat producer – key perceptions gleaned from interviews

Rangeland producers:

- High prices may be leading to unsustainable harvesting rates
- The wild dog problem, particularly in WA has decimated the rangeland herds
- Undervaluing of breeding does leading to slaughter of females by opportunist producers
- The negative / traditional reputation of goats, means that many broad acre farmers still don't see the potential
- Perceived and real difficulties in fencing for goats leading to potential conflict with neighbours
- The cost of fencing over such large land areas and to contain goats, can be a deterrent

Figure 8: Rangeland goatmeat challenges

Farmed Boer producers:

- Boer goat industry promised so much, and for the most part has not delivered.
- Too many tree-changers have tried and failed – hard to get the right people into the industry
- Lack of fit for purpose animals produced for the Australian climate
- Lack of support and experience i.e. few vets are experienced in goat treatments

- Very hard to scale up operations – the common view was that it was hard to move beyond a herd of about 500 does, though the reason for this, was not clear
- Processing can be difficult as the animals become stressed which badly taints the meat. Good handling is critical. Butchers themselves don't appreciate the difference – likely to swap out quality product for something cheaper

Figure 9: Farmed Boer goats and goatmeat

4.2.6 Where would you like to see the industry in 5 years' time?

The Pessimists View- most

- I've run my race – we're scaling down. I can't see it being any further progressed than it is today! We will never overcome supply inconsistency – quality and volumes!
- It seems many came into the industry 10 or 15 years ago, seeking a new direction in life, in their latter working years
- The dream has not been realised and there is little prospect of things improving
- Developing the market has become a 'chicken and egg' argument – can't grow demand if supply is not there. Conversely, can't build supply, if there is not the demand and recognition of premium quality goatmeat.
- The big processors have seen the opportunity and are coming in and benefitting from the work undertaken with limited value captured by the producer.

The Optimists

- There is an opportunity to take a step back and take a new course – taking the best of what currently exists and play to the emerging trends to realise new higher valued, targeted possibilities
- A market that recognises the different styles of goatmeat and promotes their different usages and rewards producers accordingly
- Accept rangeland goat will never appeal to western tastes, and farmed Boer goat has commercial limitations - develop a cross breed that loses little in terms of meat qualities, but adds a whole heap of commercial benefits
- Adopt a managed approach to rangeland goats, so they become a more reliable source of supply
- Find someone with deep pockets, who is willing to invest in the scale to establish a commercial supply chain for goat
- Too hard to have a big farmed goat operation – need far more farmers running goats on the side

Figure 10: Optimists view – development of a cross-breed and the backing of someone with deep pockets

4.2.7 What do producers feel is the key to developing domestic consumption?

- Too often the industry has aimed high and failed – a focus on small but achievable goals is required
- The recipes we promote as an industry are good, but need to recognise the different types of goatmeat
- Getting it on MKR or MasterChef, would have by far the greatest impact – backed up with distribution
- Offering up samples at some of the state shows – it is possible to sample tens of thousands of consumers
- 10 years ago, we tried to educate butchers and developed brochures and posters, with some suggesting that they still might be useful today.

It is important to note that the world has changed since many of the past promotional campaigns were undertaken. Consumers are now more interested in alternative culinary styles and premium butchers who seek to add value to their customers.

Figure 11: Combining a consumer pull and retail push approach

4.2.8 Developing the value proposition for each version of Goatmeat

The umbrella goatmeat offering: All goatmeat is …

- Healthier - with less fat and those fats that are there, have less cholesterol
- Lean – very little fat through the muscle, requiring low temperature cooking, or it tends to dry out
- Full flavoured – has a rich and complex flavour, that takes a little getting used to

- Widely consumed – many diverse recipes from around the world, though many are not aspirational (i.e. African stews) Responds well to marinating as it adds flavour and helps to break down the fibrous nature of the meat

Figure 12: Alternate versions of goatmeat

Capretto* – A Unique & Distinctive offering

- A flavoursome but much lighter style of goatmeat, far more suitable for rich but subtle flavours
- Though a lean meat, it is tender and juicy
- Whilst many like to slow cook it, on an open charcoal fire, with frequent basting, it also works well as an open dish, cooked in an outdoor pizza oven

Desirability:

Consumers seek to replicate authentic Italian food, beyond the obvious. The product itself is also quite an experience – often described as ‘beautiful’.

Feasibility:

Opportunity for the goat dairy industry as an outlet for male kids.

Figure 13: Young goats and Capretto product

*AUSMEAT defines Capretto or Kid Goat as a carcase which meeting the following requirements by being within the following weight classes (HSCW):

class 6 – up to 6 (kg)	class 12 – over 10 and up to 12 (kg)
class 8 – over 6 and up to 8 (kg)	Have pale pink meat colour of the internal flank muscle.
class 10 – over 8 and up to 10 (kg)	In male shows no evidence of Secondary Sexual Characteristics (SSC).

Rangeland Goat – An authentic meat, eaten the world over

- Strong and gamey, which for most people needs to be complimented / masked by strong spices
- Fibrous and stringy, with a low fat through the muscle, requires long slow cooking, in a wet dish, to make it tender
- Best cooked long and slow, particularly on the bone, as 'wet dishes, such as curries or tagines, with strong contrasting spices and other flavours

Desirability:

Australian consumers who are the more adventurous cooks, and those with cosmopolitan tastes, seek authentic dishes from emerging regions of the world – i.e. Moroccan.

Feasibility:

Plentiful supply of rangeland goats in Australia, the most obvious limit to this, is overseas demand.

Figure 14: Rangeland goat

Farmed Boer goat – A premium experience, much like Angus beef

- Full flavoured, a step up from lamb, with a slightly richer and sweeter taste
- Whilst not as juicy as other red meats, it is still easy to eat, particularly when slow cooked, with a few simple, bold flavours
- Whilst best cooked at a lower temperature, it works well wrapped in foil, with the addition of a few simple flavours, to produce a delicious dish

Desirability:

Australian consumers seek an enhanced version of lamb, less fatty, but with a fuller, more well-rounded flavour.

Feasibility:

The sticking point for farmed Boer goat is delivering consistent supply and quality – limiting its availability to farmers' markets.

Figure 15: Farmed Boer

4.3 Goatmeat's reputation amongst key channel customers and end users

4.3.1 Butchers and meat wholesalers

1. Goat is seen by butchers as offering something a bit different, a bit exotic and more interesting than what one's customers would normally consider.
   - ⇨ Goatmeat is well placed to assist those butchers with a more progressive mindset, differentiate themselves from supermarkets.
   - ⇨ There are significant challenges in sourcing goatmeat – consistency of supply and quality being the main issues Accepting inconsistency in supply, the goatmeat industry is better off in managing this issue, or seeking to make an asset of this lack of supply – making it more 'special' (see case study on mussels later in this report)
2. Butchers don't fully understand the contrasting qualities of different versions of goatmeat, but recognised the different sourcing options and associated price difference.
   - ⇨ Butcher education is required so they appreciate the product differences
3. There was broad agreement the goatmeat should be promoted to the more adventurous cooks, combining both 'customer pull' and 'channel push' activity
   - ⇨ In accordance with the overall theme, it would be better to have a singular 'splash' in the market with goatmeat, ensuring all bases are covered

Figure 16: Butchers and intermediaries in the goatmeat supply chain

4.3.2 Chefs

1. Goat is seen as a good addition to the menu – an authentic offering and a bit different to the usual fare.
    - ⇨ Goatmeat is well placed to take advantage of increasing interest amongst chefs to give their customers a new experience.
2. Chef's quite like working with goatmeat – it encourages the addition of spices and other intense flavours, that other meats would be over-powered by.
    - ⇨ Goatmeat has an important point of difference – the ability to accommodate the addition of bold and interesting flavours.
3. At the premium end of the market (not curries), chefs struggle to secure consistent supply of the specifications of goatmeat that they require for their dishes.
    - ⇨ Goatmeat based dishes are a 'special' on the menu, as suppliers can't guarantee it will always be available.
4. Goatmeat is felt to work particularly well on the menu in the winter months – its full and robust flavours lend it to being used in stews and curry type dishes.
    - ⇨ The opportunity to own a season is very real – and the industry needs to consider if it would be better placed to focus on a season as against year-round supply.
5. Goatmeat is felt to be well suited to a restaurant menu as it typically requires many diverse ingredients and a long and attentive cooking service.
    - ⇨ These challenges, inherent in getting the best out of goatmeat, make it potentially suitable for the addition of value-adding processes.

Figure 17: Chefs leading the way in adopting goatmeat on their menu

4.3.3 End users – consumer experience

1. Consumers don't generally know what they're doing when it comes to cooking goatmeat. They underestimate what's involved and default to cooking it like lamb.
2. Consumers require a recipe that works for them – a good fit with the meal occasions that are prevalent in their lives and a cooking style they can handle (i.e. not a 4 hour, 40+ ingredient curry).
3. Consumers are largely unaware of the different versions of goatmeat. Thus, when exploring goatmeat usage, they are liable to make an inappropriate choice and have a poor experience using the wrong kind of goatmeat for their purpose.

Figure 18: A diversity of consumers using and experimenting with goatmeat

4.3.4 Goatmeat's perceived strengths and weaknesses

Strengths:

- **Healthier red meat** – customers are looking to make healthier choices, without compromise
- **Interesting alternative** – whilst most consumers are looking to explore, they seek a 'safe step'
- **Full and rich flavour** – chefs / consumers are interested in meat cuts with more character and depth of flavour
- **Locally sourced** – ethical users, such as chefs, want to be assured the meat they use is local
- **Cultural diversity** – goatmeat is used in many countries, providing a breadth of diverse dishes
- **Skill and effort justifies the reward** – despite the many steps and long ingredient list, the end result is worth it

Weaknesses:

- **Gamey** – customers' tastes have changed whereby they don't like strong gamey flavours
- **Requires long and slow cooking** – the fibrous nature of goatmeat means it doesn't work with quick cooking
- **Feral associations** – particularly older customers and those form the bush, have long memories of goat
- **Inconsistent qualities** – cooking goatmeat requires a fair degree of care and attention, to bring out its best
- **It takes a lot of cooking** – with more than one stage of cooking, plus the breadth of required ingredients
- **Inaccessible** – not only its lack of availability, but it's not generally visible in cook books or on restaurant menus as a source of inspiration

4.4 Target consumer segments and occasions – domestic market opportunity fit

4.4.1 Design Led Approach: Encouraging consumers to embrace goatmeat

1. Identifying target consumer segments where we believe goatmeat's positive properties has potential appeal

2. Identify a meal occasion this segment has where goatmeat can overcome existing problems they experience

3. Determine a goatmeat based meal that would appeal to this consumer segment specifically for this occasion

4. Identify a food preparation approach that adds value – enhancing goatmeat's positive properties and overcoming its negatives that act as barriers to adoption

Goatmeat recommendations

Develop value-added solutions for goatmeat, delivering a desirable experience for different customer segments, solving a problem for them:

1. Leverage the advantages goatmeat offers to address an existing consumer pain point (i.e. concerns over the healthiness of red meat)
2. Overcome the inherent barriers that are currently limiting goatmeat's usage (i.e. complex list of ingredients, long cooking times)
3. Target an 'event/season' to drive demand and unlock supply constraints

Figure 19: Examples of the diversity of goatmeat dishes that could be considered for the domestic market

4.4.2 Young Families – Parents seeking to do the right thing by their kids, but live in the real world

Who are they?

- White collar families, with kids of primary school age. Well educated and able to make choices in life
- Daily life and most choices revolve around the kids – the car they drive, entertainment, food, etc.
- Want to do the right thing by their kids – establish healthy habits for the rest of their life

- Meal occasions through the week vary significantly, balancing practicality with health and enjoyment

Figure 20: Converting young families to goatmeat

Customer Profile: Young Families. Occasion: 'Making an Effort' mid-week.

Meal Occasion: Preparing raw ingredients, a recipe done before that everyone enjoys

Figure 21: Examples of young families

Key Insight: Mum wants to feel she's using wholesome ingredients, but hasn't got the time to cook from scratch.

Value Map: Goatmeat balls (though burgers or sausages could equally apply)

Boer goatmeat balls: A flavoursome and healthy alternative to pork or beef that the whole family can enjoy

Rationale: Mums know her kids love red meat – a favourite.

- Mum would rather give them healthier forms of red meat, but can't risk them not liking it / it being too tough.
- Meat balls are fun and easy form of meat to eat – bite sized, little chewing required.
- Mums believes meat balls (pork, beef) use fatty meat – this excess fat must be rendered off.
- Mum would like to make her own, but doesn't have time.
- Meat balls carry between a 20% to 50% premium over basic mince.

- Further processing goatmeat beyond six-way boning cuts will generate trimmings which require value adding
- Line extensions and category reviews can quickly change with simple changes in seasonings.

The Size of the Prize:

-> Segment Size: 630K HH (30% of families)

-> Occasion Frequency: 2x per week

-> Typical Spend: $8 per meal

Overall Opportunity: $525 Million

Volume Estimate:

-> Typical portion size of 200g for 2 children

-> Assuming 4Kg of trimmings per carcase

⇒ Annual volumes of **118 Tonnes** of goatmeat, or approximately **570 head per week**

Goatmeat fit to the Opportunity :

-> Goatmeats 'set of benefits' solves an important problem for target customer

-> Target customer is willing to explore new solutions

⇒ Estimate: 20% would trial goatmeat, of which 30% would adopt, achieving a 15% share of occasion

⇒ 11.3K goatmeat meals consumed per week

Value Estimate & Scope to Value Add:

-> Estimated forecasted sales of **$4.7M** (retained) of meatballs per year.

-> Meat balls typically command between a **20% to 50% premium** to mince, at retail

Note: If adopted as a 'family meal', then volume & value would be 2.5x greater

Figure 22: Sales opportunity for goatmeat – converting young white collar families

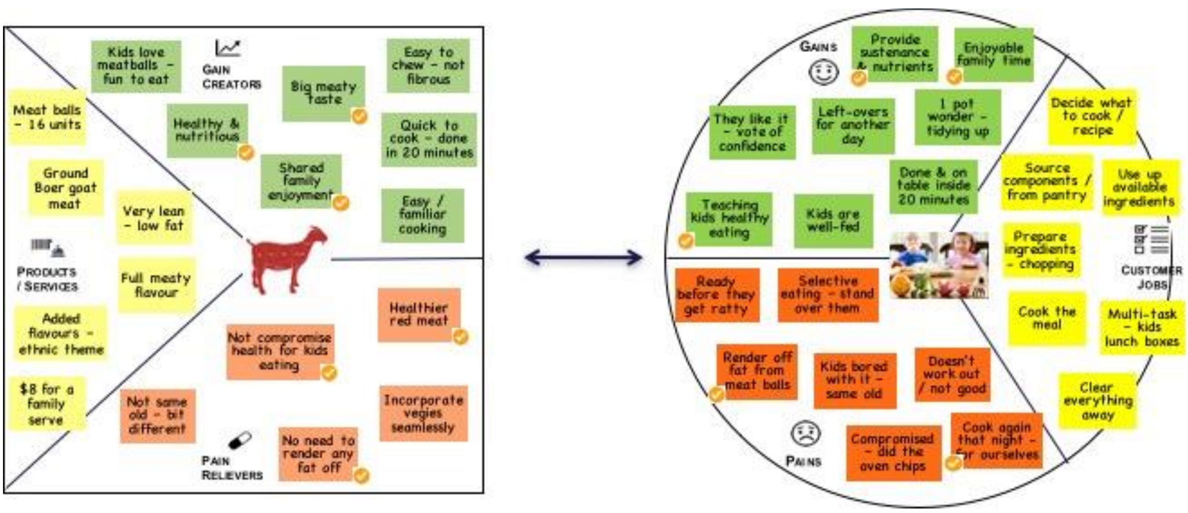


Figure 23: Fit between Value Map and Customer Profile

Value proposition:

A mid-week dinner that not only the kids will love for its big meaty taste. It gets mum's tick of approval, for its wholesome, healthy benefits and unlike other types of meat balls, does not require mum to render the fat off first.

Overcoming usage barriers:

Whilst 'mum' knows how to, she has not got the time, so looks for pre-prepared meat balls that she trusts.

Subtle ethnic flavours, that give it an extra twist, would enhance and broaden its appeal (i.e. the whole family).

4.4.3 Adventurous cooks – taking the time to do some real cooking

Who are they?

- A journey of education and discovery – follow the cooking shows for inspiration
- Sourcing the ingredients is often part of the journey – going to new places / the right places
- Immersing themselves in the experience – lost in their world of cooking
- An appreciative audience is a final part of the journey – though often the journey is shared one (i.e. a couple)

Figure 24: Converting adventurous cooks to goatmeat

Customer Profile: Adventurous Cooks. Occasion: Living their Passion

Meal Occasion: Spending a day on the weekend conjuring up something wonderful for ourselves

Figure 25: Goatmeat usages

Key Insight: Adventurous cooks enjoy the challenge of working with new ingredients, seeking to 'do like they do' on MasterChef / MKR.

Value Map: Goatmeat Tagine, a Moroccan experience

Goatmeat Tagine: Made with authentic rangeland goat (Chevon) and real spices.

Rationale: Adventurous cooks have a never-ending thirst for taking on new food challenges

- Their interest in different foods, changes with the season – look out for what's at its best
- Love working with wholesome ingredients – some even go as far as learning to debone a joint of meat
- The more involved the cooking process, the better – it is all about the journey
- The value-adding is hard to quantify – this segment made lamb shanks popular and as a result, they now command double the price of 10 years ago

The Size of the Prize:

-> Segment Size:	250K (25% of MC & MKR)
-> Occasion Frequency:	1x per week
-> Typical Spend:	$20 per meal
⇒ **Overall Opportunity:**	**$260 Million**

Volume Estimate:

-> Typical portion size of 500g for a meal

-> Cut selection is dependent upon recipe (4Kg leg cut per carcase)

⇒ Annual volumes of **78 Tonnes** of goatmeat, or approximately **375 head per week** equivalent

Goatmeat fit to the Opportunity :

-> Goatmeats 'set of benefits' solves an important problem for target customer

-> Target customer is always looking to explore something new, but this makes it hard to achieve a big share

⇒ Estimate: 30% would trial goatmeat, of which 40% would adopt, achieving a 10% share of occasion

⇒ 3K goatmeat meals consumed per week

Value Estimate & Scope to Value Add:

-> Estimated forecasted sales of **$3.1M** (retained) of goatmeat per year.

-> This group has taken lamb shanks from dog food to a rustic delight – doubling in value **100%**

Figure 26: Sales opportunity for goatmeat to adventurous cooks

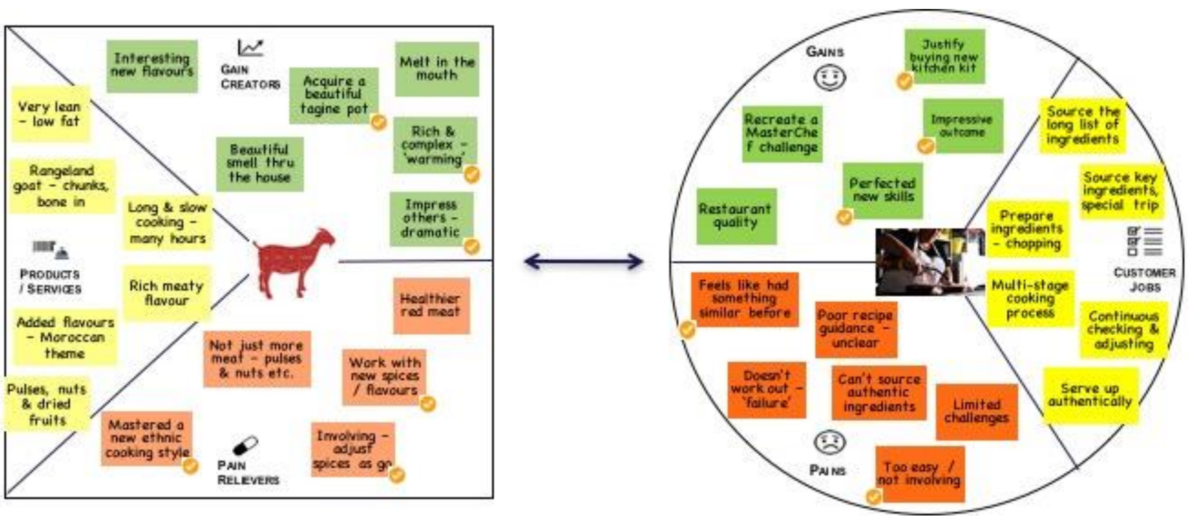


Figure 27: Fit between Value Map and Customer Profile

Value proposition:

For Adventurous cooks, looking for the next addition to their repertoire of dishes they can create, goatmeat offers a wealth of opportunities. Authentic dishes from emerging food cultures, that done well, produce outstanding results.

Overcoming usage barriers:

Provide the right inspiration – feature on a leading cooking show, that captures Adventurous cooks' imagination.

It's not just 'goat' – Adventurous cooks need educating to work with the right kind of goatmeat to suit their tastes.

4.4.4 New Age Foodies – Millennials seeking to realise the Flexitarian Ambitions

Who are they?

- Innovators in technology – do everything thru their mobile phones, shopping, social media, etc.
- Avocado mash is the order of the day, for breakfast at the local café
- Their aspirations run ahead of their knowledge and capabilities – seeking Jamie Oliver's advice and guidance
- Important for them to make 'positive choices' in in all areas of life – see the bigger picture; i.e. health of the planet

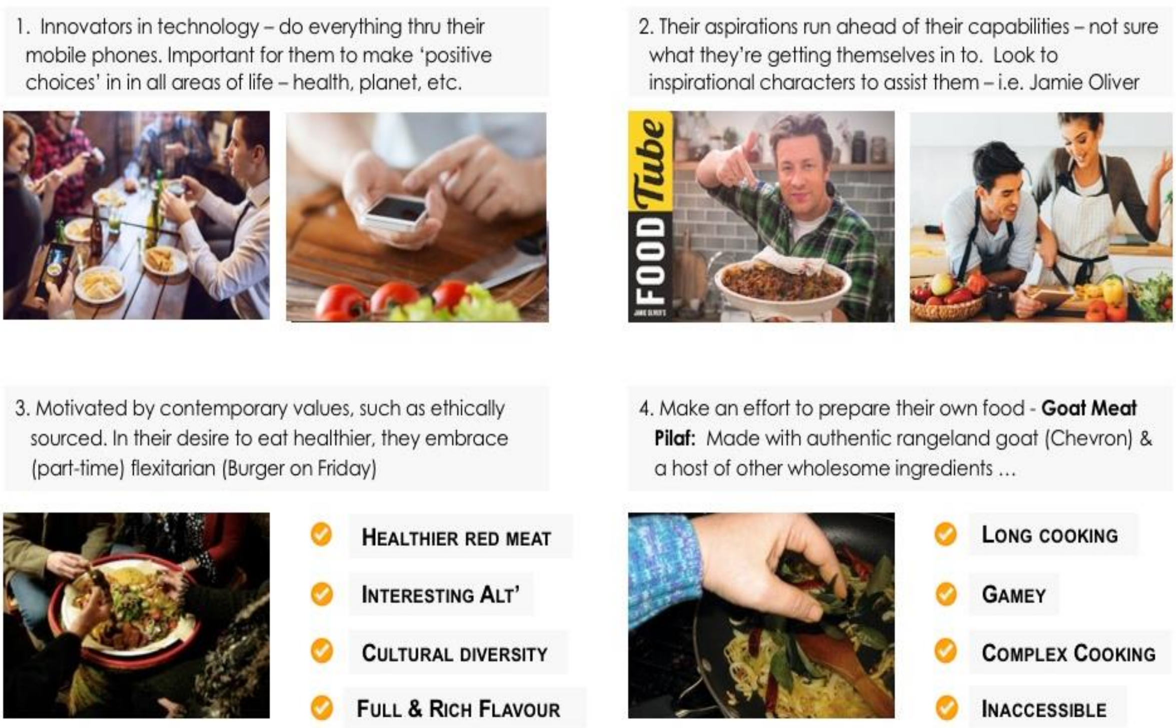


Figure 28: Converting millennials to goatmeat

Customer Profile: Millennial, New Age Foodies, seeking to realise their Flexitarian ambitions

Meal Occasion: Making an effort to prepare their own interesting food, that reflects their values

Figure 29: Goatmeat usages

Key Insight: Their aspirations run ahead of their capabilities – not sure what they're getting themselves in to. Look to inspirational characters to assist them – i.e. Jamie Oliver

Value Map: Goatmeat Pilau / Pilaf

Goatmeat Pilaf: Made with authentic rangeland goat (Chevon) and a host of other wholesome ingredients - pulses, nuts, vegetables,

Rationale: Millennials are motivated by new values that shape their food choices – ethically sourced

- They also reject the idea of big meals, with a large meat component – enjoy small shared plates
- In their desire to eat healthier, they are the ones who embrace (part-time) flexitarian, though they still have their Grill'd burger on a Friday
- Their cooking aspirations tend to run ahead of their capabilities – i.e. the use of meal kits
- Meal kits typically command a 100% premium over the cost of the raw ingredients – i.e. Old El Paso.
- The meat component, is not typically part of this, but could be – different ways of conceiving kits, such as 'Hello Fresh'

The Size of the Prize:

-> Segment Size:	280K (20% of Couples)
-> Occasion Frequency:	1.5x per week
-> Typical Spend:	$10 per meal (for two)
⇒ **Overall Opportunity:**	**$220 Million**

Volume Estimate:

-> Typical portion size of 400g for a meal

-> Cut selection is dependent upon recipe (4Kg leg cut per carcase)

⇒ Annual volumes of **70 Tonnes** of goatmeat, or approximately **340 head per week** equivalent

Goatmeat fit to the Opportunity :

-> Goatmeats 'set of benefits' addresses some fairly important problems for target customer

-> Millennials are eager to explore new alternatives, forming new favourites as they go

⇒ Estimate: 20% would trial goatmeat, of which 20% would adopt, achieving a 20% share of occasion

⇒ 3.4K goatmeat meals consumed per week

Value Estimate & Scope to Value Add:

-> Estimated forecasted sales of **$1.7M** (retained) of goatmeat per year.

-> Little scope to value add to core ingredients with this style of cooking – value-adding opportunity is with providing consumer guidance, hence **20%**

Figure 30: Sales opportunity for goatmeat – converting millennials

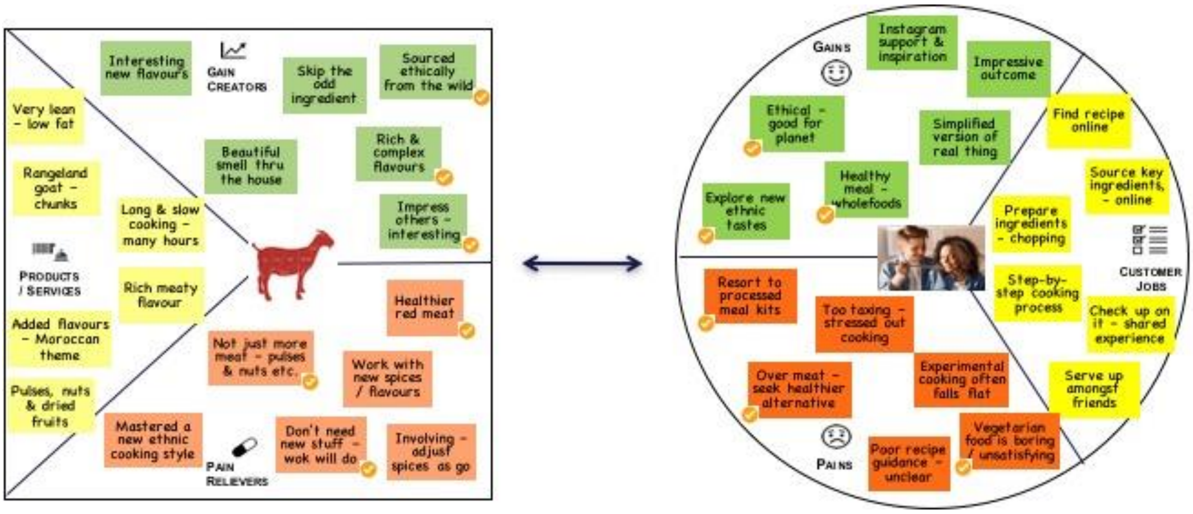


Figure 31: Fit between Value Map and Customer Profile

Value proposition:

For New Age Foodies, seeking to realise their flexitarian ambitions, a little goatmeat goes a long way (e.g. 300g for two people), providing a rich and flavoursome meatiness, whilst also combining well with other wholesome ingredients (nuts, dried fruits etc.).

Overcoming usage barriers:

Meals that do not require an overly long and arduous marinating and cooking process to make the goatmeat tender.

Be able to access all the ingredients, quickly and easily, without having to shop around, or buy 'big packs' of stuff.

4.4.5 Empty Nesters – Focusing on themselves, planning to lead a fulfilling and active life

Who are they?

- Kids are no longer their focus, can renovate the kitchen and take up new hobbies and interests
- Doing what they can to look after themselves, is an important part of being in control
- Not prepared to compromise on life enjoyment – food and wine is a great source of fulfilment
- Have a new lease of life – embrace new technology and pay a premium for life enhancing devices
- Likely to have lower appetite and therefore smaller meat serving size

Figure 32: Converting baby boomers to goatmeat

Customer Profile: Empty Nesters Occasion: Extra effort to eat healthily

Meal Occasion: Preparing raw ingredients, a recipe done before which everyone enjoys

Figure 33: Goatmeat usages

Key Insight: Eating healthily over the summer months is easy, there's so much choice. But it's a very different story when it comes to the colder, autumn and winter months.

Value Map: Goatmeat loin that has been pre-cooked 'sous vide' (cooked in a bag)

Goatmeat Loin: Complemented by subtle aromatic spices, long and slow pre-cooked in a 'sous vide' to impart flavours through the meat and keep it moist and tender.

Rationale: Empty Nesters are not prepared to compromise on their enjoyment – they expect the best

- Eating healthily is a priority – have educated themselves and follow through with their actions
- Look for something that fits the colder months of the year, that works with winter vegetables

- Whilst enjoy cooking healthily, not prepared to devote themselves to arduous cooking schedules
- Semi-cooked meats typically command a 50% premium
- Willing to buy new kitchen appliances if captures their imagination (i.e. Thermomix) – time and food enjoyment

The Size of the Prize:

-> Segment Size (55 to 75):	550K (25% of Boomer HH)
-> Occasion Frequency:	1.5x per week
-> Typical Spend:	$15 per meal (for two)
⇒ **Overall Opportunity:**	**$645 Million**

Volume Estimate:

-> Typical portion size of 300g for a meal

-> Require premium primals – 4Kg per carcase)

⇒ Annual volumes of **58 Tonnes** of goatmeat, or approximately **280 head per week** equivalent

Goatmeat fit to the Opportunity :

-> Goatmeats 'set of benefits' solves an important problem for target customer

-> However, older consumers don't readily trial now foods, or easily shift behaviour

-> Estimate: 15% would trial goatmeat, of which 20% would adopt, achieving a 15% share of occasion

⇒ 3.7K goatmeat meals consumed per week

Value Estimate & Scope to Value Add:

-> Estimated forecasted sales of **$2.9M** (retained) of goatmeat per year.

-> Sous Vide type solutions are able to command a significant premium to the basic alternative **100%**

Figure 34: Sales opportunity for goatmeat – converting baby boomers

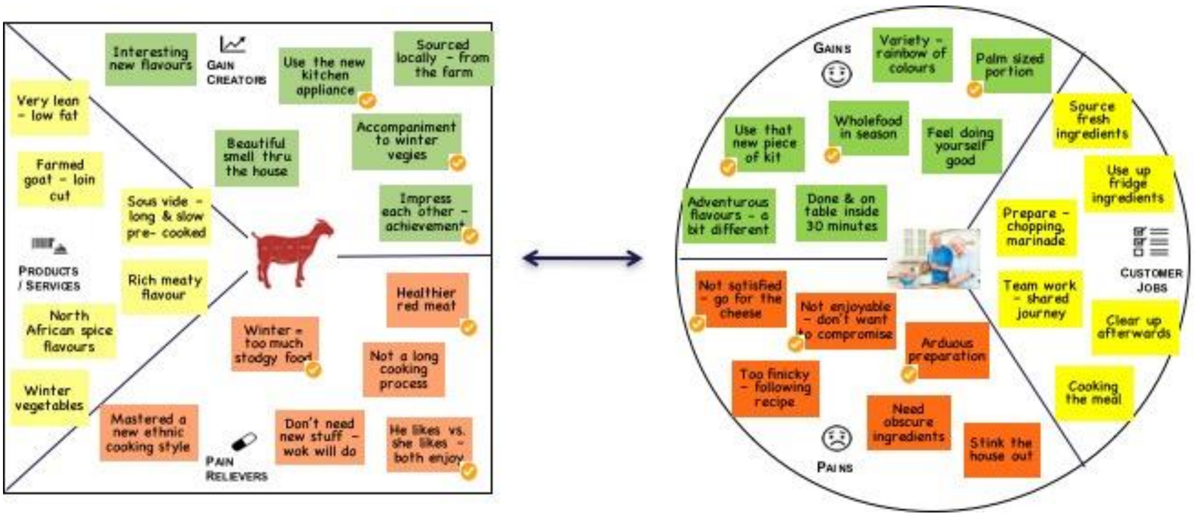


Figure 35: Fit between Value Map and Customer Profile

Value proposition:

For Empty Nesters who are making an extra effort to eat healthily, but struggle in winter to find appropriate solutions. Goatmeat provides the healthiest of red meat, without having to compromise on enjoyment.

Overcoming usage barriers:

Require some form of pre-cooked option – not prepared to do the long cooking themselves.

Consistently the finest quality – must deliver every time, tasty, tender, melt in the mouth (restaurant quality).

4.4.6 Professional Couples – Seek their own Food Experience

Who are they?

- White collar, professional couples – live in apartment or townhouse, with high discretionary expenditure
- Lead a full and active life – weekends away and catching up with friends for experiences
- Their careers come first – often get to the end of the week and feel their paths have hardly crossed
- Day-to-day life tends to fit in with activities and priorities – making it to the gym, checking emails

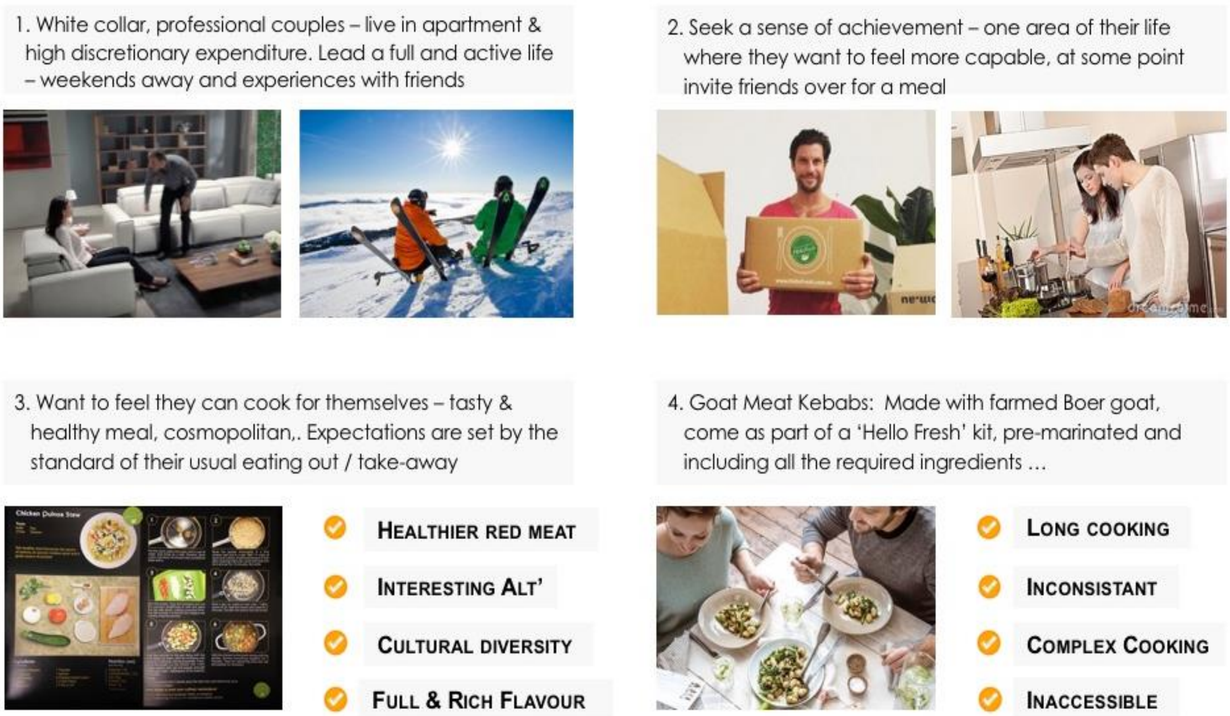


Figure 36: Converting professional couples to eat goatmeat

Customer Profile: Professional Couples. Occasion: Doing it for themselves

Meal Occasion: Using a fresh meal kit to prepare a meal for themselves, on a hectic mid-week night

Figure 37: Goatmeat usages

Key Insight: Professional couples want to feel they can cook for themselves – cosmopolitan, tasty and healthy meals.

Value Map: Goatmeat kebabs with rice & salad

Goatmeat Kebabs: Made with farmed Boer goat, packed as part of a 'Hello Fresh' kit, pre-marinated and including all the required ingredients.

Rationale: Young Professionals expectations are set by the standard of their usual eating out / take-away

- They have cosmopolitan tastes – seek to experience foods from a variety of different cultures
- They desire to eat healthily – conscious that they compromise at other times
- Seek a sense of achievement – one area of their life where they want to feel more capable, at some point invite friends over for a meal
- Meal kits typically cost $75 for two people, for three days – the ingredients component is 60% of this cost

The Size of the Prize:

-> Segment Size (28 – 35): 200K HH (20% of segment)

-> Occasion Frequency: 3x per week

-> Typical Spend: $10 per meal (for two)

⇒ **Overall Opportunity:** **$312 Million**

Volume Estimate:

-> Typical portion size of 350g for a meal (4 x 75g kebabs)

-> Leg primals (4Kg per carcase) – likely need tenderising & infusion of moisture, to prevent drying out

⇒ Annual volumes of **34 Tonnes** of goatmeat, or approximately **160 head per week** equivalent

Goatmeat fit to the Opportunity :

-> Goatmeats 'set of benefits' addresses some fairly important problems for target customer

-> White collar professionals are eager to explore new alternatives, that reflect their restaurant choices

⇒ Estimate: 20% would trial goatmeat, of which 15% would adopt, achieving a 10% share of occasion

⇒ 1.8K goatmeat meals consumed per week

Value Estimate & Scope to Value Add:

-> Estimated forecasted sales of **$0.9M** (retained) of goatmeat per year.

-> Little scope to value add to core ingredients with this style of cooking – value-adding opportunity with providing consumer guidance, hence **20%**

Figure 38: Sales opportunity for goatmeat – converting professional couples

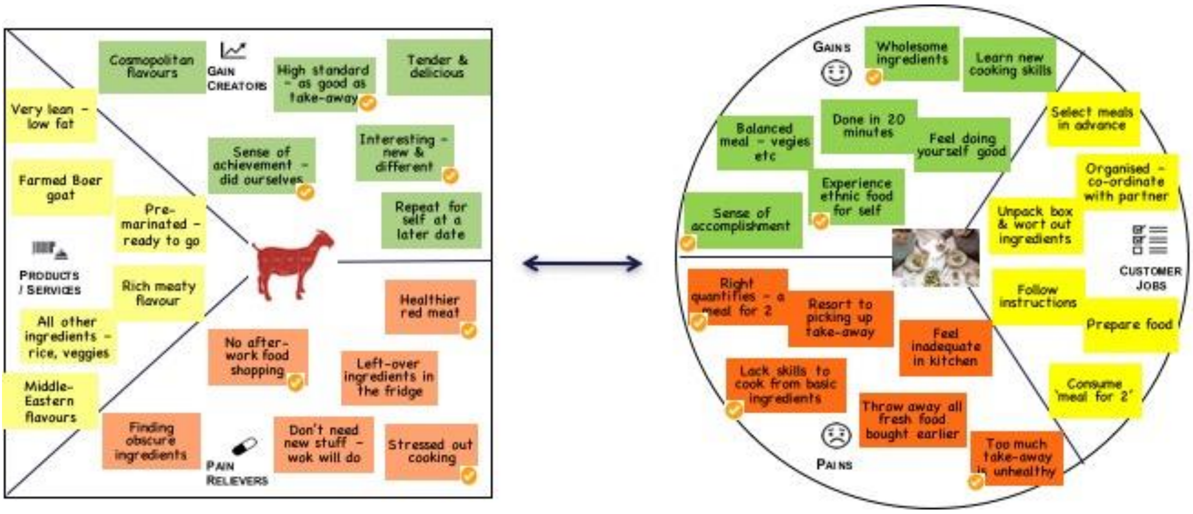


Figure 39: Fit between Value Map and Customer Profile

Value proposition:

For Young Professionals wanting to cook for themselves, but find the process too arduous to fit into their busy lives, a goatmeat based fresh meal kit provides an exciting and healthy meal that delivers a great sense of achievement.

Overcoming usage barriers:

Everything needed to put together the meal – all ingredients in exactly the right quantities. Goatmeat must be specially selected and pre-prepared, to ensure an excellent end-use experience.

5 Discussion

5.1 The merits of a Design Led Approach

A design led approach was fundamental to the success of this project, ensuring realistic market opportunities were identified where goatmeat has the potential to flourish as a solution for consumers 'meal related' problems.

If we had not followed a design led approach, we would have fallen into viewing the world from our own 'merits of goatmeat' perspective. This leads to asking the question "what do you like about goatmeat". Whilst this is useful, it doubtfully identifies and leads to ongoing usage of goatmeat, as 'liking' is a pre-cursor to usage, but does little to identify a role in consumers' pattern of meal behaviours. For example, this strategy leads one to trying to convert a broad group of consumers to eating healthier red meat.

Taking a design led approach, ensured we viewed the world through the eyes of our target consumers, understanding the typical meal occasions they have of a week and the problems they experience, in and around each meal occasion. We identified where we believe goatmeat has the greatest opportunity, to address those problems that target consumers are experiencing, where the qualities of goatmeat are a good fit to the occasion. The design led approach leads to identifying more focused opportunity spaces where goat is more likely to 'stick' as a solution, and so become adopted by consumers.

The other advantage of a design led approach, is it supports the identification of value-adding opportunities for goatmeat, through innovation. Identifying where goatmeat's most relevant qualities can counter consumer pain points, and conversely barriers that inhibit goatmeat's adoption, provides a focus for innovation – a specific problem to solve that, for example, a food preparation approach can address.

This project enables a stage two program funded by industry partners to validate, build and test these desirable-viable-feasible assumptions.

5.2 What goatmeat stands for

It is believed that too often, those in the domestic goatmeat industry have tried to play the same game as the 'primary proteins'. Thus, they have tried to beat the collective chicken, pork, beef and lamb, at their own game, namely convenience, value and popular taste (with health and ethical sourcing of secondary importance). We believe this is futile, as our fundamental qualities don't stack up on these three leading dimensions.

Instead there are several examples from the success of secondary proteins that goatmeat could adopt and suitably adapt to enhance its cause:

- Seasonal skew – goatmeat is best suited to the autumn and winter months, where its long slow cooking times, as well as richer and more complex flavours seem a better fit to consumers cooking aspirations and taste expectations.

The strengths & weaknesses of Mussels:

Mussels are available all year round, but their flavour is best suited to the summer months – chilled white wine

Most people enjoy mussels, when they have not had them for a while – something new and different

However, there a limited number of things you can have with mussels – people's enthusiasm soon wanes

Whilst mussels are cheap & fun to eat (in a social way) – in reality they are a pain to get at, with little actual meat

Goat's potential as 'seasonal suitability':

-> Is goat at its best during a certain season – post when their pastures have been at their most lush (Spring?)

-> Does the taste of goat meat work better at certain times of years – its full & robust flavour suits winter?

-> Would consumers welcome its return, but soon get over it – finding the flavours a bit over-powering (mutton factor)!

-> Is its limited availability, seasonally based?

Figure 40: Using seasonality to make something more desirable - Mussel festival

- Special everyday – taking learnings from the success of Luv-a-duck, whilst goatmeat is highly desirable, consumers feel they need to work too hard and with too much risk of failure, to realise a desired outcome. Value-adding can be achieved by providing solutions that overcome some of goatmeat's inherent barriers.

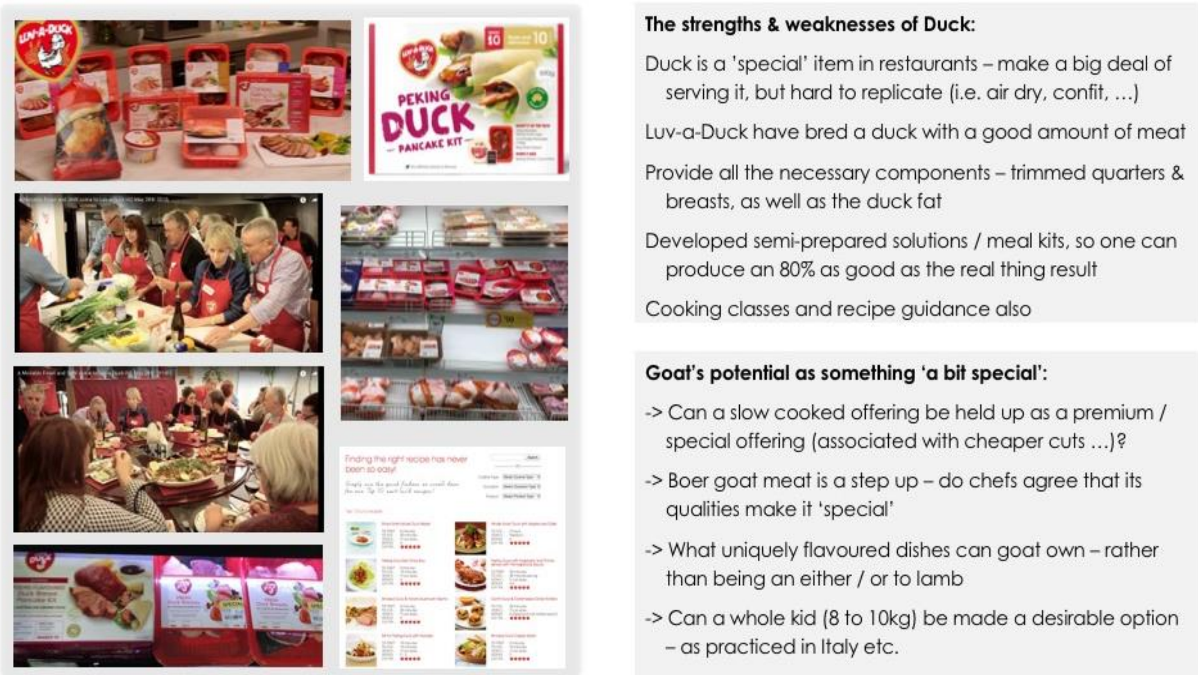


Figure 41: Luv-a-duck making a restaurant dish accessible

5.3 Right strategy, wrong time

During interviews with producers, and those involved in the supply side of the industry, there were many stories told of how market based initiatives had been put in place, but had failed to gain traction. It is our contention, that many of these strategies were in fact correct, but ahead of their time, for two major reasons:

1. 15 years ago, far fewer consumers were into exploration and experimental cooking, as they are today. Back then, the most adventurous and inspiring cooking was Women's Weekly. Since that time, we have seen the emergence of celebrity chefs (i.e. Jamie Oliver) and popular cooking shows (i.e. MasterChef). Thus, it is contended that a very different response would be achieved today, if goatmeat was promoted as something new and different.
2. It is believed that 15 years ago, there were many more butchers shops, but they were in a general state of decline. With the pressure from supermarket meat offering intensifying and consumers shifting their behaviour, to make meat shopping part of the overall grocery shop, many butchers were feeling the pinch, and as a result 'running scarred'. Thus, if they could make a 'quick buck' by swapping out a more expensive form of goatmeat, with a cheaper alternative, un-be-known to the customer, then they would. It is contended that the situation has now changed, with the emergence of 'progressive butchers' who look to differentiate their offering from the supermarkets, thus are far more likely to support different version of goatmeat.

Thus, strategies that were tried 15 years ago, could well be successful in today's world.

5.4 Validation of recommendations

It would have been great to have gone a step further and validated the recommendations, by giving the target consumer segments some goatmeat to trial, in the recommended way. Thus, rather than hypothesising where the opportunity is for goatmeat, based upon insights gained from consumers' broader food behaviours and embracing of other types of meats, it could be based upon 'small scale' evidence of actual usage.

In the context of the overall project, whilst it was felt important to collect the views of a diverse range of producers, it is doubted that many of the findings are more than confirming or crystallising existing beliefs. Thus, it is hoped that a bolder approach could be taken and real world, in-market testing be undertaken with consumers next time around.

5.5 Adoption of new cooking technologies

We often forget how much the impact of new cooking implements changes our cooking and food behaviours, as they become a seamless part of our daily lives. Not only microwaves, but health grills broke down our barriers towards cooking salmon steaks and now the Webber Q is enabling consumers to embrace Pulled Pork. These days, consumers think nothing of spending $2,000 on a Thermomix, if they believe it will enhance their culinary experiences.

There are cooking technologies that are currently used within restaurant kitchens that 'bring out the best in goatmeat', that will become accessible to those willing to furnish their homes with the latest devices. In particular, 'Sous Vide' seems to offer a lot as a cooking technology that can greatly enhance consumers experience with goatmeat.

Figure 42: Sous vide home unit – the process of slow cooking and the end result

Further, there may be novel uses yesterday's fads such as the outdoor pizza oven being used to slow cook goat dishes into the future.

6 Conclusions/recommendations

6.1 Learnings from adjacent categories

Though it is somewhat outside the scope if this project, we believe that goatmeat has been 'barking up the wrong tree' in terms of promoting itself to consumers on a health / nutritional based platform. Our interpretation is that most consumers love red meat, but know they shouldn't consume it to excess. Thus, they would rather cut back on frequency of consumption than look for a healthier, but compromised alternative – the same thing has happened in the beer market, with the death of 'light beer'.

Instead, we believe that the most motivating proposition for goatmeat for encouraging domestic consumption, is around its diverse global appeal. Consumers are interested to know more about other food cultures, and knowing that goatmeat is popular in each of these countries is intriguing. It also leads them to learning about relevant 'dishes' that make experiencing goatmeat 'real' (just as sushi did for raw tuna).

Thus:

More people, in more countries, choose goatmeat

Or, to express it in its simplest form:

Flavours of the World

6.2 Goatmeat's versions need to be clearly distinguished

It is recommended that an industry wide 'standard' is developed to distinguish different versions of goatmeat and this is consistently carried through every stage of the customer journey. Currently, inexperienced end-users (non-ethnic food culture), who know no difference, are having a poor experience with goatmeat and it is believed that using an inappropriate version for its intended use, is a contributory factor. These consumers have no clear reference point from their previous meat usage (maybe cooking grass vs. grain fed steak on the BBQ), to know this is an issue.

Further, those who are well credentialed – chefs who use goatmeat, are quite particular as to what version they seek, not only in terms of our classification, but also specifying carcass weight and even the sex of the animal.

That exact form of goatmeat is less important. What is critical, is that it is adopted and used at every stage of the customer journey – restaurant menus, cooking shows, butchers, recipes etc. as the consumer experiencing goatmeat is appropriately well informed.

6.3 Adopt a seasonal focus to promote goatmeat

It is recommended that goatmeat focus its efforts on a season to get it trialled and established with consumers who have had little past experiences with it. In particular, Autumn and / or Winter is felt to be a good fit. There are several reasons to support this view:

- Chefs volunteered this view, believing goatmeat to be a better winter dish on their menus

- Consumers are becoming more sophisticated, increasingly changing their food choices with the seasons – i.e. salad peaks hugely in the summer and lamb shanks in the winter
- As a red meat with strong health credentials, consumers generally find it easier to be healthy in the summer months, than winter months. Thus, one of the problems we solve for consumers, is of greater importance, at this time of year.
- If we have limited funds, we are better off having a more significant splash at one time of the year, than spreading ourselves too thinly
- An Autumn / Winter promotion, distances us from lamb, which is all about Spring

Figure 43: Melbourne Mussel Festival

6.4 Adopt a pull and push approach, achieving small, sustainable gains

Whilst in the past, 'giant leaps' have been sought, focusing on specific tasks, such as mass 'raising the awareness of goatmeat', we believe a more holistic job needs to be done. Aiming too high has meant that whilst there has been an impact in the market place, it has not been sustainable. We recommend two key principles in moving forward:

1. Co-ordinated activity is required to ensure a target customer is engaged at every stage along their journey, to have a great first experience with goatmeat. Many people who were part of this study voiced the same opinion, whether they be producers or progressive butchers: consumers need to be inspired to use goatmeat, through a property such as MasterChef or My Kitchen Rules. They then need to be able to find the relevant version of goatmeat, when they visit their local butcher, otherwise the opportunity is wasted. Otherwise, consumers soon move on with their lives, embracing the next thing that comes along. This pull and push approach is required to give ourselves the best chance of a consumer following through and experiencing goatmeat for themselves, in the ideal circumstances.

2. The required task is not to try and convert everyone, but focus on a single consumer segment and take them on the journey to having a great experience with goatmeat, that places it firmly in their ongoing repertoire. Too often, in aiming too broad, our efforts have dissipated, achieving little behavioural shift.

6.5 Play the adoption curve

Having decided on the merits of focusing on a target consumer group, the question becomes, which one? Our belief is to focus on those consumers who represent the innovators in the food and cooking space, as against necessarily going for the largest target group. Thus, whilst it is important to consider how good a 'fit' a goatmeat based meal is to a target consumer segment, consideration must also be given as to what role they play in paving the way to influence a broader group of consumers down the track. Thus, we recommend the following two consumer groups are the innovators that we seek to engage to realise our goal:

1. Adventurous cooks are the one's whom possess both the desire and the capability to successfully embrace new food cultures and hero ingredients. They possess the necessary culinary skills and are eager to learn more, as well as educate themselves along the way. For example, they would likely positively embrace the idea that there are different versions of goatmeat, with different qualities, that are best suited to different purposes.

2. More mature Millennials are willing to explore new offerings, and are the most innovative when it comes to new food behaviours. They are the ones who are embracing healthy snacks as an important part of a grazing life style, having rejected the idea of sticking to set meals throughout the day. They are also the ones who are most likely seeking to moderate their meat consumption, having days when they are less inclined to indulge in meat (which they love). Thus, we believe their desire to embrace being Flexitarian, means they are looking for new solutions, of which goatmeat is a good fit for that role.

Initially focusing on those consumers who are the most experimental and have the greatest influence on others, will pay dividends in the long run, in terms of sustainably and incrementally building demand for goatmeat in the domestic market.

Therefore, using the examples presented, the initial opportunities for the domestic market to consider are:

Who are they?	**Estimated volume of goatmeat (annual)**	**Estimated value (annual)**
Young Families - parents seeking to do the right thing by their kids with healthy and enjoyable mid-week, meals, but live in the real world	118T	$4.7M
Adventurous Cooks – taking the team to pursue their passion, creating something new and interesting	78T	$3.1M
Millennials – new age food values, seeking to realise their flexitarian ambitions	70T	$1.7M
Empty Nesters – Focusing back on themselves and their health needs, as they plan to lead a fulfilling and active life	58T	$2.9M
Professional Couples – seek to create for themselves the type of cosmopolitan dishes they experience when eating out, with the help of a meal kit	34T	$0.9M
Total	**360T**	**$13.3M**

7 Key messages

7.1 Industry Internal Alignment

What: it is recommended that all stakeholders within the goatmeat industry support a classification that distinguishes different versions of goatmeat, through the supply chain and when presenting goatmeat to the intended end user.

Why: To give ourselves the best chance of Australian consumers adopting goatmeat, they must have a positive initial experience. If they are confused as to what version of goatmeat they are buying, and what its qualities are (as against quality), then it must be appropriately distinguished.

7.2 Adopt an alternate proposition – 'Flavours of the World'

What: To date, goatmeat has been promoted on a superior health platform. We believe goatmeat is more appealing on the basis that it is consumed widely around the world. This alone, is not enough, it is the variety of ways in which it is used that is most appealing.

Why: It is hard to win on health – consumers are liable to resort to 'eating in moderation / less frequently', rather than compromising on what they most enjoy. In contrast, flavour and enjoyment are key motivators, particularly where they represent the tastes of new and alternative food cultures.

7.3 Have the confidence to take our offering to the market

What: Support a more focused 'pull' and 'push' strategy to have the desired impact in the market place. Focusing on an agreed initial consumer segment and ensuring that all aspects are working together to inspire them to trial it and ensure it is accessible at that time.

Why: There is positive momentum for goatmeat – leading chefs are trialling it and consumers are interested, believing it to be gaining in popularity. Most consumers look to others, more knowledgeable and capable than themselves, to show them the way with goatmeat.

Finally, it is recommended that this research approach be utilised in target export markets to seek out desirable-viable-feasible opportunity spaces.

A stage two customised program with goat producers and brand owners will now be sought to act on these findings.