Potential Channels to Market

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Seedlab Startup Plan – reaching your target consumer

Customer Segments Who is your target consumer/customer?	**Problem** List the top three problems you are solving for your customers	**Solution** Outline a possible solution to the problem	**Unique Value Proposition** State why you are different and worth attention	**Channels** List the path to your customers
Early Adopters Who is your target consumer/customer?	**Existing Alternatives** List how these problems are currently solved	**Key Metrics** List key numbers to know if your business is a success	**Brand Positioning Statement** Your competitive positioning	**Unfair Advantage** Something that cannot be easily bought or copied

Expenses List your fixed and variable costs	**Income** List your revenue sources

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Where will I sell my brand and products or services?

Routes to the end Consumer

Where will your target consumer buy your brand and products or services?

FINISHED DIRECT	FINISHED INDIRECT	TRANSFORMED	
OWNED	RETAIL (incl. On-line)	FOODSERVICE	MANUFACTURE
• Store On-site • Owned Retail Stores • On-line Stores	• Grocery (incl. Private Label) • Convenience • Foodservice • Specialist General • Specialist Luxury • Duty Free • eCommerce only	• Takeaway • Dining Out • Events • Institutional	• Ingredients • Packaging • Services

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Where to Go?

Domestic

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The Australian Market Overview: Retail

Domestic Channels Overview:

- 72% Spend
- 10.5 million
- main grocery buyers

Retail	Grocery > 3000 stores	• Full Service Supermarkets • Independent Supermarkets
	Convenience >5,700 stores	• Independent stores • Convenience Stores
	Specialised >20,000 stores	• Bakery, cake and pastry • Delicatessen • Butcher, poultry, seafood • Fruits & vegetables • Liquor merchants
	On-line	E-COMMERCE AVAILABLE ACROSS ALL RETAIL SECTORS

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The Australian Market Overview: Food Service

Domestic Channels Overview:

- 25% Spend
- 100,000 food & beverage outlets

Food Service	Takeaway 6,500 stores	• Sandwich bars • Independent takeaway • Quick-serve restaurant (QSR)
	Dining out 35,000 stores	• Restaurant & cafés • Pubs, clubs & function centres
	Event/leisure	• Event, leisure & travel • Accommodation
	Institutional	• Hospitals • Aged care • Defence

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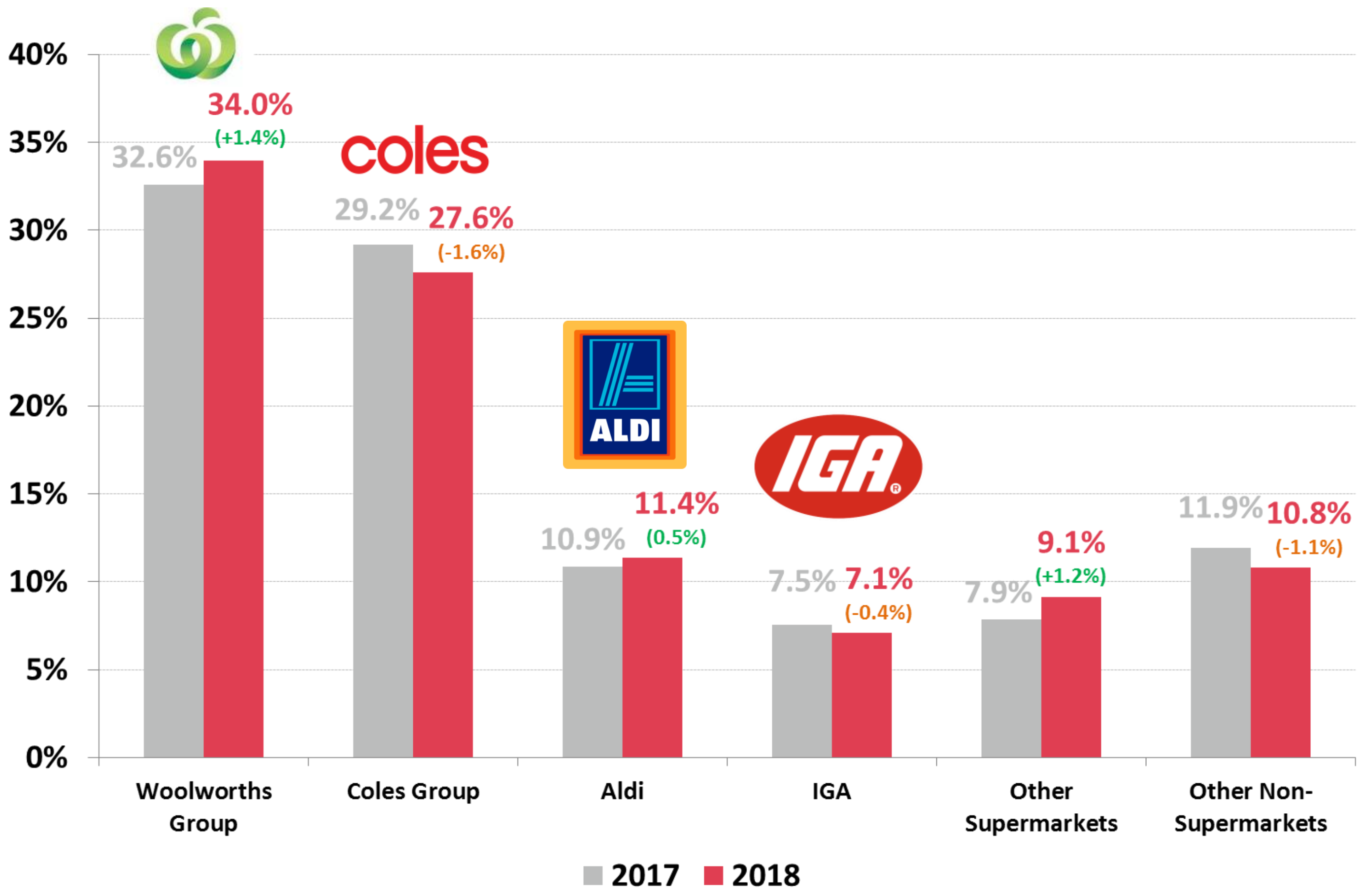
Grocery Retailer Share



Source: Roy Morgan Single Source.
Base: Grocery Buyers 14+, Jan-Dec 2017, n=12,312, Jan-Dec 2018, n=12,310

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The Australian Market Overview: Grocery Market

Grocery Retailer & Distributor Average Margins (Profit on cost)

- Ambient Products: 30% - 40%
- Chilled Products: 40% - 50%
- Frozen products: 40% -50%
- Distributor margins: average 25%

Source: AFGC

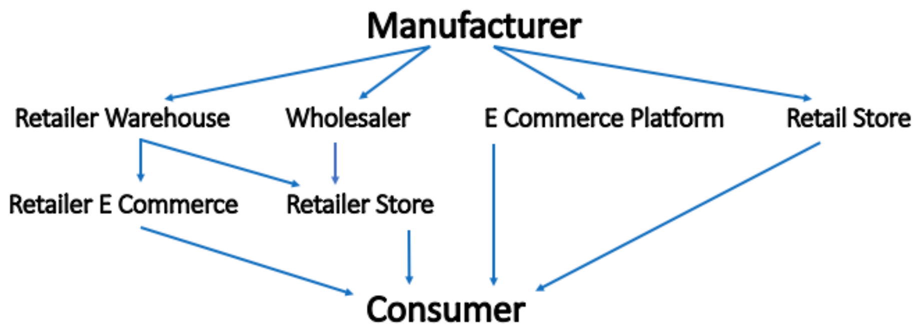
Food Sales By Channel

	$B	%
Retail Grocery	127	83
Food Service*	24	16
Online	3	1

- Out of home

Source: ABS, AFGC

Grocery Supply Chain



Source: AFGC

How do you help Woolworths deliver their strategy?

6 Live our Purpose and Build a Customer 1st Team 1st Culture

Build growth platforms for the future

5 Create Connected, Personalised and Convenient Shopping Experiences

Create differentiation in all of our businesses

2 Differentiate our Food Customer Propositions

3 Accelerate Innovation in our Drinks Business

4 Unlock Value in our Portfolio

Redesign our E2E operating model

1 E2E Processes – 'Better for Customers' and 'Simpler for Stores'

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Woolworths
Australia's fresh food people

Aldi Strategy - Simplification

Why do Australians love ALDI?
Low Prices and Value for Money

1. Store is cheaper (55%)
2. Food & Groceries are Good Value for money (53%)
3. Prices have increased: CPI impact (23%)
4. Provides their own brands of groceries which are a good alternative to the main brand (37%)
5. Convenient to get to (30%)

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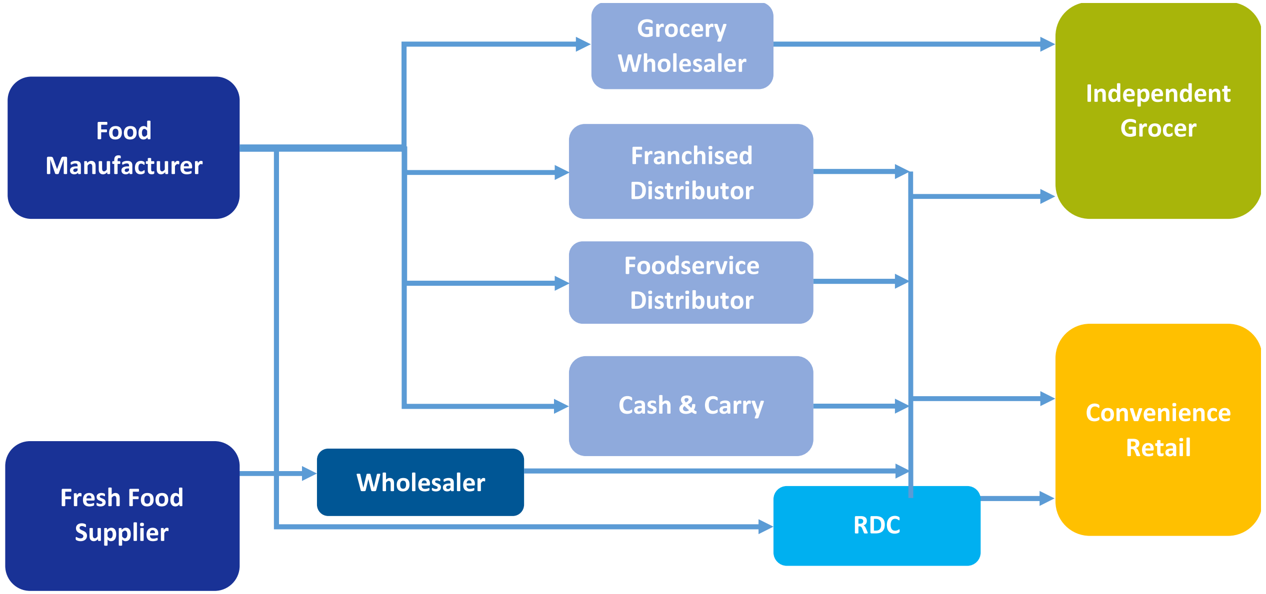
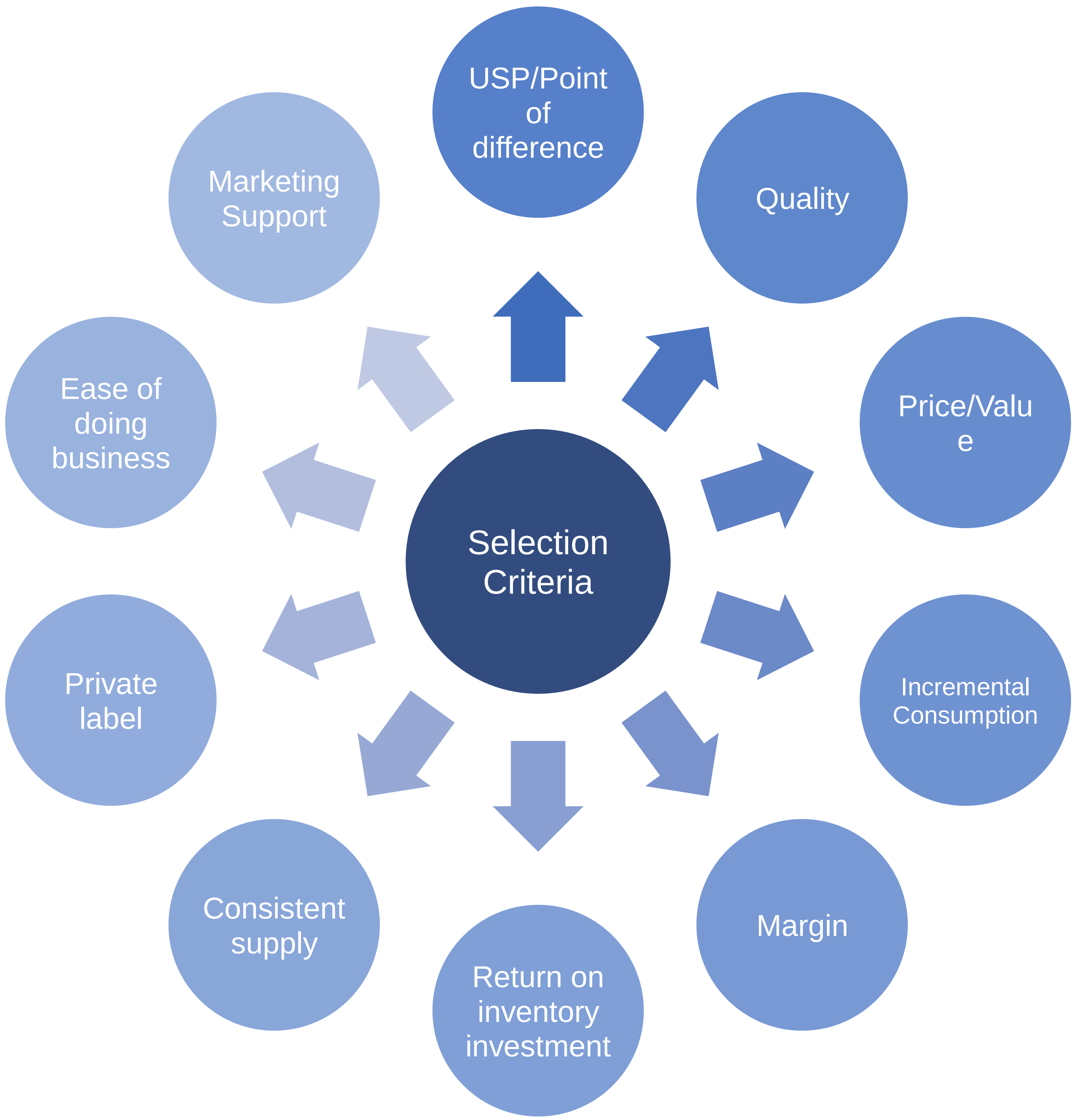
Reaching Independents

Different models for reaching independent retailers



Retail Product Selection Criteria



Where to Go?

Export

Export Market Prioritisation Criteria

- Openness to Trade
- Country Socio-demographic alignment
- Specific Market Attractiveness
- Market Concentration
- Categories
- Channels of Sale

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Open-ness to trade

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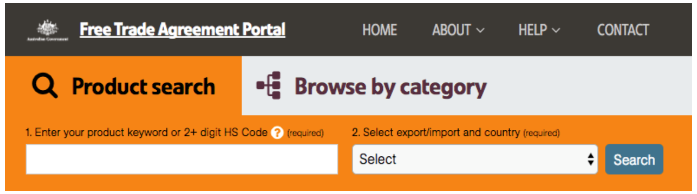
Free Trade Agreements (FTAs) in Force



Source: Austrade

Australia has concluded FTAs with:		EFFECTIVE
Indonesia	IA-CEPA	2020 +
Peru	PAFTA	11 February 2020
Hong Kong	AHKFTA	17 January 2020
Trans Pacific	CPTPP	30 December 2018
China	(ChAFTA)	20 December 2016
Japan	(JAEPA)	15 January 2015
The Republic of Korea	(KAFTA)	12 December 2014
Malaysia	(MAFTA)	1 January 2013
ASEAN–Australia–New Zealand Free Trade Area	(AANZFTA)	1 January 2010
Chile	(ACI-FTA)	6 March 2009
United States	(AUSFTA)	1 January 2005
Thailand	(TAFTA)	1 January 2005
Singapore	(SAFTA)	28 July 2003
New Zealand	(ANZCERTA)	1 January 1983

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Other Barriers to Entry

What other barriers to trade do you need to consider?

- Product Registration?
- Compliance? HACCP? ISO? BRC? GMP? etc.
- Certification? Halal? Kosher? Fairtrade? etc.

Reaching your target

Reaching Export Markets

5 key channels to
influence consumer
engagement and
purchase of your brand

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Australian Retail

Your own retail outlet is a critical window for China export

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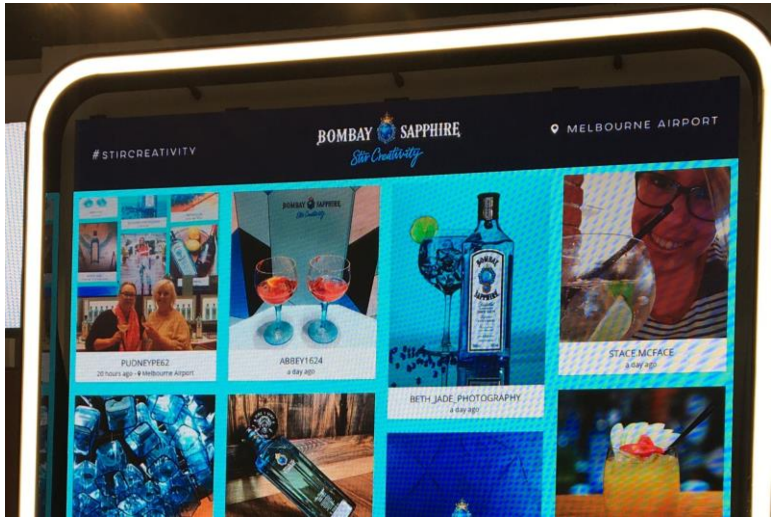
Australian Retail

If you are selling here ….   you may already be exporting!

Duty Free/ Airport Shopping

Embedding an image – last memories & gifts!



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Daigou Direct Stores

How do you manage Cross Channel Pricing?

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Cross-border eCommerce

How will you stand out in the crowd?

天猫 TMALL

考拉海购 KAOLA.com

京东全球购 JD Worldwide

唯品会 vip.com

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China Retail

Blending Bricks & Mortar with eCommerce

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Buyer Insights

There is a movement towards diversifying supply from different source countries:

- Vast majority of imports come from USA and EU
- Asian imports growing (particularly product made in Japan, Korea, Thailand and Malaysia)

Buyers are looking for products that have:

- A marketable story
- Unique attributes (USP)
- Price is not the main factor for high end supermarkets but still a consideration

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Routes to the end Consumer

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Route to the end Consumer

Primary Channel of Engagement Strategic Evaluation

Primary	Secondary	Ranking	Rationale/ Specific Customers
Finished Direct	On-site		
	Owned Retail/ Online		
Finished Indirect	Grocery[1]		
	Convenience[1]		
	Foodservice[2]		
	Specialty[1]		
	eCommerce only		
Transformed	Foodservice[2]		
	Manufacturing		

Channel Prioritisation Tool

Retail Channel Alternatives

Channel - Retail	Rank	Rationale/ Specific Customers
Full Service Supermarket Chains		
Independent Grocers		
Convenience Store Chains		
Independent Convenience Stores		
Specialised Stores - General		
Specialty Stores - Luxury		
Duty Free		

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Channel Prioritisation Tool

Foodservice Channel Alternatives

Channel - Foodservice	Rank	Rationale/ Specific Customers
Restaurants & Café's		
Quick Serve Restaurants		
Independent takeaway, Sandwich bars & Food courts		
Hotels, Accommodation		
Pub's clubs & function centres		
Events/ Leisure		
Institutional		

Seedlab Start-Up Plan – Summarise your channel priority

Customer Segments	Problem	Solution	Unique Value Proposition	Channels
Who is your target consumer/customer?	List the top three problems you are solving for your customers	Outline a possible solution to the problem	State why you are different and worth attention	List the path to your customers
Early Adopters	**Existing Alternatives**	**Key Metrics**	**Brand Positioning Statement**	**Unfair Advantage**
Who is your target consumer/customer?	List how these problems are currently solved	List key numbers to know if your business is a success	Your competitive positioning	Something that cannot be easily bought or copied

Expenses	Income
List your fixed and variable costs	List your revenue sources