

### **Interview 1: Interview with S. Sainbileg, CEO of Khukh Uur Management LLC** **(the company offers commercial traditional fermented horse milk “airag”)**

**Good morning! Thank you for agreeing to this interview. Could you briefly describe your role and responsibilities at your company?**

Khukh Uur Airag Zoog Restaurant, established in 2017, has been at the forefront of bringing traditional Mongolian cuisines and food products, particularly airag, to a broader audience. As the CEO of Khukh Uur Management LLC, I'm deeply involved in overseeing the entire operation, from management to branding, and especially in the development of new products. Our flagship project, the Khukh Uur Terguun Airag, symbolizes our dedication to preserving and promoting traditional Mongolian fermented horse milk. We've also been working on the Khukh Sureg project, which integrates traditional livestock rearing and farming practices, underscoring our commitment to cultural and culinary heritage.

**What challenges did you face when introducing traditional “airag” (the fermented horse milk) to the Ulaanbaatar market?**

Introducing airag to Ulaanbaatar posed significant challenges, primarily around maintaining the product's integrity and safety. Traditional methods used by local herders often didn't align with the stringent food safety standards required in urban markets. We tackled this by standardizing collection processes at production sites and implementing food-safe packaging to ensure quality and safety. Our innovative use of quick freezing technology has been a game-changer, allowing us to break the seasonal constraints and offer airag throughout the year. This approach not only preserved the traditional flavor but also helped us navigate the pricing strategy effectively in a competitive market.

**How does your product stand out from competitors? What are its unique features and advantages?**

Our airag stands out due to its authentic production process and sourcing from Mongolia's most renowned airag-producing regions like Bulgan-Saikhan, Mogod, Arkhangai, Tuv, and Dundgovi provinces. We pride ourselves on being pioneers in realizing the value of branding in this sector, thereby establishing ourselves as a distinguished brand offering year-round production – a first in the industry. Our focus isn't just limited to traditional airag; we're continuously exploring ways to broaden our portfolio to include a variety of traditional foods and drinks, thereby capturing the essence of Mongolian culinary culture.

**How have you adapted your distribution network for selling traditional products in Ulaanbaatar's major market, and how do you maintain your brand's uniqueness during expansion?**

Adapting to the Ulaanbaatar market required innovative distribution strategies. While partnering with delivery companies has been pivotal, the challenge of managing large-scale deliveries due to limited storage capabilities is ongoing. Our distribution is confined to Minii Suljee, GS25, Emart supermarket branches as third-party channels; we leverage our own restaurants as primary outlets, ensuring direct reach to our customers. This approach helps in maintaining the brand's authenticity and keeps us in control of the consumer experience. We're also focusing on expanding our logistic capabilities to meet the demands of a growing market, ensuring our unique products are readily available to a wider audience.

**Could you share your experience in marketing the unique aspects of your product and the consumer reception?**

Our initial foray into the market taught us valuable lessons about consumer behavior. We were the first to commercialize airag, and understandably, there was initial price sensitivity among consumers. Our marketing strategy emphasized the importance of supporting local food traditions and the value of our traditional practices. This narrative not only helped in justifying our price points but also resonated with consumers' growing appreciation for authentic and traditional products. Our approach has been to position our traditional offerings as not just

alternatives but as premium choices compared to imported products, highlighting their cultural and nutritional value.

**What lessons have you learned from introducing traditional products to larger markets and consumer reception?**

Our expansion into international markets, particularly through our partnership with the American Anglo trade company, targeting the Mongolian diaspora in the USA, was an enlightening experience. We discovered that our airag, especially when it's at its ripest, is well-suited for long-distance transportation. Navigating through the complex web of documentation and permits was challenging, but our persistence paid off. This venture has opened up new avenues for us in terms of understanding global market dynamics and consumer preferences in different cultural contexts.

**Long-Term Vision for Khukh Uur LLC: What are your future plans regarding product development, market presence, and brand evolution?**

Looking forward, we are enthusiastic about diversifying our product range and increasing our market presence. We are in the process of developing a new line of products, including dried horse milk powder, which we see having great potential as a cosmetic ingredient, particularly in the Japanese and Chinese markets. This innovation is in line with Mongolia's free trade agreements and is backed by thorough market research funded by the World Bank. We plan to launch these new products by 2025. Additionally, expanding our restaurant chain and securing more contracts are part of our strategy to enhance our brand's reach and reputation. This ambitious vision is not just about growth; it's about cementing Khukh Uur LLC's role as a custodian of Mongolian culinary traditions and a pioneer in introducing these traditions to the world stage.

**Interview 2: with the CEO of Gandan Uul LLC**  
**(a local processed noodle producer)**

**What are the most significant challenges you face as a local food producer in Mongolia?**

One of our primary challenges is navigating Mongolia's distinct four seasons, particularly the harsh winters. Our product consumption sees a significant uptick during summer, almost 50% more than in winter months. This fluctuation contrasts sharply with Ulaanbaatar, where consumption patterns are more stable and less affected by seasonal changes, unlike the more variable demand we experience in Orkhon province.

**What motivated Gandan Uul LLC's expansion to the capital, Ulaanbaatar, and how does it fit into your broader business strategy?**

After completing my higher education abroad, I recognized that larger cities, particularly Ulaanbaatar, presented more significant opportunities for growth and networking. The capital offered an expansive, untapped market compared to the limited scope of Orkhon province. This strategic move was pivotal in scaling up our business and reaching a broader customer base, aligning perfectly with our long-term vision of expansion and market penetration.

**In expanding your brand from Orkhon province to Ulaanbaatar, what challenges did you encounter, particularly considering market differences?**

The journey into Ulaanbaatar's market was more challenging and time-consuming than anticipated. Initially, my focus wasn't on immediate profit but rather on establishing a solid foundation through contracts with large supermarket chains and engaging in extensive marketing activities. This included creative approaches like lottery and gift promotions, along with a robust social media campaign targeting consumers. It was a strategic investment, and we only started seeing tangible profits after two years of persistent effort and brand building.

**How do consumer preferences and market dynamics in Ulaanbaatar differ from those in Orkhon province, and how have you adapted your products and marketing strategies to these differences?**

In Orkhon province, the market is notably smaller, and consumers are significantly more sensitive to price changes. This contrasts with the urban market of Ulaanbaatar, where consumers exhibit heightened health consciousness and prioritize products that adhere to environmentally friendly and ethical production practices. Understanding these nuances, we tailored our marketing strategies to emphasize the quality and ethical sourcing of our products, catering to the less price-sensitive but more quality-focused urban consumers.

**How have you adapted your supply chain to address the increased demand and geographic distribution challenges following your expansion to Ulaanbaatar?**

To overcome the logistical challenges posed by our expansion, we strategically partnered with intercity transportation services, including food truck drivers. This approach was supplemented by utilizing railway transportation for more significant inventory transfers, despite the higher associated costs. These logistics adjustments were crucial for ensuring timely and efficient delivery to our Ulaanbaatar storage facilities and maintaining a consistent supply chain amidst growing demand.

**How do you ensure the quality and consistency of your products as production scales up?**

Our commitment to quality and consistency, even as production scales, is a testament to our chief operating officer's dedication. Operating from our production unit in Orkhon province, we strictly adhere to food safety procedures and utilize safe handling practices during deliveries. This includes the use of appropriate containers and food trucks, ensuring that our products maintain their high standards from production to delivery.

**What branding and marketing strategies have proven effective in the competitive landscape of Ulaanbaatar's urban market?**

Our successful branding and marketing strategies in Ulaanbaatar included innovative gift and lottery promotions, coupled with dynamic social media content creation, especially on popular food channels and chef shows. Our responsiveness during the COVID pandemic, particularly through our door-to-door delivery service, significantly enhanced customer loyalty. We recognized the importance of product accessibility and visibility, and our branding strategy

highlighted the home-like quality of our noodles, evoking a sense of homemade authenticity that resonated well with our target audience.

**Long-Term Vision for Gandan Uul LLC: Can you outline your future plans for product development, market expansion, and brand evolution?**

Looking ahead, we are excited to unveil a new range of noodle products specifically designed for health-conscious consumers. These noodles will boast functional properties, aligning with the growing trend towards healthier eating. To support this expansion, we are planning to establish a second factory in Ulaanbaatar, which will feature automated production lines. This move is not only a step towards increasing our production capacity but also a significant leap in modernizing our manufacturing processes, thereby enhancing our efficiency and product quality. This forward-thinking approach is central to our strategy for not just sustaining, but also elevating our presence in both local and potentially international markets.

**Interview 3: with the CEO of Iderbayalag LLC**  
**(local sausage & meat-based products)**

**Good morning! Thank you for allowing this interview. Could you please provide a brief description of your company's main activities and the role of your team?**

Since our establishment in 2005, we've been a prominent family-owned company specializing in meat processing and sales in Erdenet city. As the founder and director of operations, I oversee the overall management and direction of the company.

**As a local meat producer, what are the major challenges you face? What difficulties do you encounter in bringing your products to the market? How have you resolved them?**

Competition has intensified with the emergence of three major supermarket chains and two significant convenience stores in Erdenet city over the last three years. This influx has brought numerous products from Ulaanbaatar and imported goods, presenting a challenging landscape for local producers like us to compete with their products they have introduced. Maintaining consistent product quality amidst these market dynamics and supply chain complexities has been a primary challenge. To address this, we've implemented stringent quality control measures and cheap prices.

**How do you differentiate your products from those of your competitors? What are the unique features and advantages of your products?**

Our products stand out through their unwavering commitment to consistent quality and taste backed by decades of industry expertise. Furthermore, our competitive pricing strategy ensures accessibility to a wide range of consumers without compromising on quality.

**How do you carry out the promotion of your products? And how do you maintain the brand's integrity when expanding distribution networks?**

Our promotional efforts are multifaceted, encompassing various channels such as targeted advertising, social media engagement, and strategic partnerships. By leveraging these platforms,

we aim to increase brand visibility and attract new customers while reinforcing our brand identity. As we expand our distribution networks, preserving brand integrity remains paramount. We achieve this by carefully vetting potential partners, providing comprehensive training on brand standards, and implementing robust quality assurance protocols throughout the supply chain.

**In terms of consumer acceptance and the positioning of your products, what branding and marketing strategies have been successful?**

One of our most successful branding strategies has been our commitment to competitive pricing without compromising on quality. This approach has resonated well with consumers, allowing us to carve out a distinct market position and foster brand loyalty. Additionally, fostering strong relationships with suppliers and distributors has helped us streamline our operations and ensure timely product delivery, our focus on transparent communication and customer engagement has further strengthened our brand's reputation and credibility in the marketplace.

**Long-Term Vision for Iderbayalag LLC:**

Looking ahead, we remain committed to continuous product innovation and development to meet evolving consumer preferences and market trends. We plan to expand our market presence by targeting new demographic segments and exploring opportunities for geographical expansion and export diversification. Additionally, we aim to play a pivotal role in marketing Mongolian meat products, showcasing the quality and uniqueness of our locally sourced ingredients. Our aim is to become a top player in the meat processing industry, providing products that meet the varied needs of our customers both locally and internationally, with a focus on expanding our export capabilities.



## **Survey questionnaire**

Welcome to our survey on sausage products in the food industry! Your input is invaluable in aiding our understanding of consumer preferences and purchasing behavior concerning sausage products. By participating in this survey, you're helping shape insights that can benefit both consumers and businesses in the sausage industry.

### **Consumption Frequency:**

How often do you consume sausage products in a typical month?

- Daily
- Several times a week
- Once a week
- Several times a month
- Once a month
- Rarely
- Never

### **Demographic Information:**

- 1. Age:
  - Under 18
  - 18-24
  - 25-34
  - 35-44
  - 45-54
  - 55-64
  - 65 or above
- 2. Gender:
  - Male
  - Female
  - Non-binary/Other
- 3. Location:
  - Urban
  - Suburban
  - Rural
- 4. Income Level:
  - Less than \$25,000
  - \$25,000 - \$50,000
  - \$50,000 - \$75,000
  - \$75,000 - \$100,000
  - Over \$100,000
- Education Level:

- High School or lower
- Some College/Associate Degree
- Bachelor's Degree
- Master's Degree or higher
- Dietary Preferences:
  - Omnivore
  - Vegetarian
  - Vegan
  - Flexitarian

### **Consumer product preferences:**

#### Organoleptic Characteristics for Smoked Sausage:

- Texture Preference for Smoked Sausage:
  - Which texture profile do you prefer for smoked sausage products? (Select all that apply)
    - Firm
    - Tender
    - Juicy
    - Crumbly
    - Chewy
    - Other (please specify): [Open text field]
- Appearance Importance for Smoked Sausage:
  - How important is the appearance of smoked sausage products to you when making purchasing decisions?
    - Very important
    - Somewhat important
    - Neutral
    - Not very important
    - Not important at all
- Aroma Preference for Smoked Sausage:
  - Which aroma profile do you prefer for smoked sausage products? (Select all that apply)
    - Smoky
    - Spicy
    - Savory
    - Herbal
    - Sweet
    - Other (please specify): [Open text field]
- Taste Preference for Smoked Sausage:
  - Which taste profile do you prefer for smoked sausage products? (Select all that apply)
    - Smoky
    - Sweet

- Savory/Umami
  - Spicy
  - Tangy
  - Other (please specify): [Open text field]
- Overall Satisfaction with Organoleptic Characteristics of Smoked Sausage:
  - How satisfied are you with the overall sensory experience (texture, appearance, aroma, taste) of the smoked sausage products you typically purchase?
    - Very satisfied
    - Satisfied
    - Neutral
    - Dissatisfied
    - Very dissatisfied

#### Organoleptic Characteristics for Cooked Sausage:

- Texture Preference for Cooked Sausage:
  - Which texture profile do you prefer for cooked sausage products? (Select all that apply)
    - Firm
    - Tender
    - Juicy
    - Crumbly
    - Chewy
    - Other (please specify): [Open text field]
- Appearance Importance for Cooked Sausage:
  - How important is the appearance of cooked sausage products to you when making purchasing decisions?
    - Very important
    - Somewhat important
    - Neutral
    - Not very important
    - Not important at all
- Aroma Preference for Cooked Sausage:
  - Which aroma profile do you prefer for cooked sausage products? (Select all that apply)
    - Savory
    - Herbal
    - Spicy
    - Mild
    - Other (please specify): [Open text field]
- Taste Preference for Cooked Sausage:

- Which taste profile do you prefer for cooked sausage products? (Select all that apply)
  - Savory/Umami
  - Spicy
  - Mild
  - Sweet
  - Tangy
  - Other (please specify): [Open text field]
- Overall Satisfaction with Organoleptic Characteristics of Cooked Sausage:
  - How satisfied are you with the overall sensory experience (texture, appearance, aroma, taste) of the cooked sausage products you typically purchase?
    - Very satisfied
    - Satisfied
    - Neutral
    - Dissatisfied

#### Organoleptic Characteristics for Frozen Meat Products:

- Texture Preference for Frozen Meat Products:
  - Which texture profile do you prefer for frozen meat products? (Select all that apply)
    - Tender
    - Juicy
    - Firm
    - Flaky
    - Chewy
    - Other (please specify): [Open text field]
- Appearance Importance for Frozen Meat Products:
  - How important is the appearance of frozen meat products to you when making purchasing decisions?
    - Very important
    - Somewhat important
    - Neutral
    - Not very important
    - Not important at all
- Aroma Preference for Frozen Meat Products:
  - Which aroma profile do you prefer for frozen meat products? (Select all that apply)
    - Savory
    - Spicy
    - Herbal
    - Mild
    - Other (please specify): [Open text field]
- Taste Preference for Frozen Meat Products:

- Which taste profile do you prefer for frozen meat products? (Select all that apply)
  - Savory/Umami
  - Spicy
  - Mild
  - Sweet
  - Tangy
  - Other (please specify): [Open text field]
- Overall Satisfaction with Organoleptic Characteristics of Frozen Meat Products:
  - How satisfied are you with the overall sensory experience (texture, appearance, aroma, taste) of the frozen meat products you typically purchase?
    - Very satisfied
    - Satisfied
    - Neutral
    - Dissatisfied
    - Very dissatisfied

### **Marketing-Related Questions:**

#### Price Importance:

- How important is the price of sausage products to you when making purchasing decisions?
  - Very important
  - Somewhat important
  - Neutral
  - Not very important
  - Not important at all
- Brand Perception:
  - How important is brand reputation when purchasing sausage products?
    - Very important
    - Somewhat important
    - Neutral
    - Not very important
    - Not important at all
- Influence of Packaging:
  - To what extent does the packaging design influence your decision to purchase sausage products?
    - Strongly influences
    - Moderately influences
    - Slightly influences
    - Does not influence
    - Not sure
- Advertising and Promotion:

- How often do you come across advertisements or promotions for sausage products?
    - Frequently
    - Occasionally
    - Rarely
    - Never
- Effectiveness of Marketing Channels:
  - Which marketing channels do you find most effective in promoting sausage products? (Select all that apply)
    - Television commercials
    - Social media ads
    - Online reviews/influencers
    - In-store promotions
    - Printed advertisements (magazines, newspapers)
    - Other (please specify): [Open text field]
- Brand Loyalty:
  - Are you more likely to purchase sausage products from brands you are familiar with, or are you open to trying new brands?
    - More likely to purchase from familiar brands
    - Open to trying new brands
    - Depends on various factors
- Perception of Global vs Local Brands:
  - Do you perceive global sausage brands differently from local ones in terms of quality, trustworthiness, and authenticity?
    - Yes, global brands are perceived more favorably
    - Yes, local brands are perceived more favorably
    - No, perception is similar for both
    - Not sure
- Consumer Engagement:
  - How likely are you to engage with sausage brands on social media platforms (e.g., liking posts, commenting, sharing)?
    - Very likely
    - Somewhat likely
    - Not very likely
    - Not likely at all
- Influence of Recommendations:
  - How much do recommendations from friends, family, or online reviews influence your decision to try new sausage products or brands?
    - Strongly influences
    - Moderately influences
    - Slightly influences
    - Does not influence
    - Not sure

Thank you!