Seafood Marketing: Is It Time for a Unified Approach?

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SEAFOOD ECONOMIST UNIVERSITY OF STAVANGER



Ragnar Tveterås

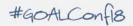
Ragnar is a business economist at the University of Stavanger's Department for Industrial Economics, Risk Management and Planning in Norway. As a writer and lecturer, he maintains relationships with public authorities and private decision makers at the regional, national and international levels. Ragnar received the 2006 Scana research prize for his many publications and ability to communicate research findings beyond academia.





Seafood Marketing: Is It Time for a Unified Approach? The Case of Norwegian Seafood

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Disclaimer

Much of the material in this presentation has been provided by the Norwegian Seafood Council.

However, opinions expressed are those of the presenter. They do not purport to reflect the opinions or views of the Norwegian Seafood Council or companies in the Norwegian seafood sector.

Norwegian Seafood Council (NSC)

What is the rationale for its establishment?

How is NSC organized and financed?

What are NSC's activities?

How is NSC evaluated?

What are concerns in the Norwegian industry?



What is the rationale for establishment of NSC?

Need to increase demand for seafood from Norway

Commodity nature of many seafood products IPP free rider problem of product promotion

Limited internal human and financial resources in companies

Collective financing and promotion from 1991

Carrie Citra

Mission

Increasing the value of Norwegian seafood

12 PETE

How is it organized and financed?

Mandate from Norwegian government through law Necessary due to free rider problem

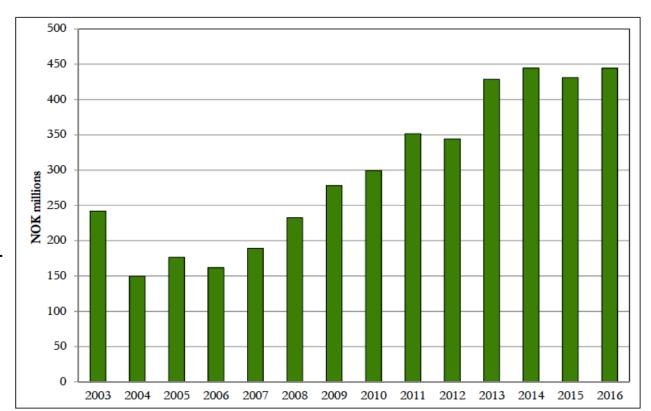
Seafood industry finances the activities of the Council through fees levied on all exports of Norwegian seafood

Salmonids and pelagics: Levy 0.3% of export value Whitefish and other species: Levy 0.75% of export value



Budget of the Norwegian Seafood Council

- Expenditures increasing from 20 to over 50 million USD.
- In 2017 and 2018 also 50 million USD
- Salmon over 50%
- Promotion intensity promotion expenditure divided by export revenues on average 0.6%



Together we will win the world for Norwegian seafood

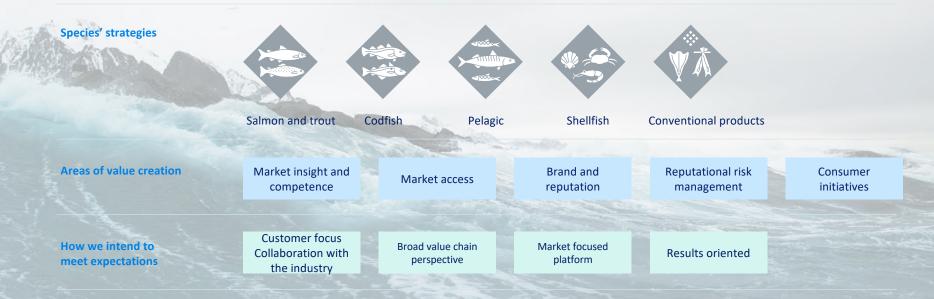
Mission

Vision

Goals

To be an important contributor to the position and value creation (measured and perceived) of Norwegian seafood.

To increase the value of Norwegian seafood in established and new markets



Governance structure



Industry ownership and representation



What are NSC's activities?

Marketing Increase demand for Norwegian seafood through a broad range of marketing activities

Market insight Market insight to industry based on statistics, trade information, consumption and consumer insight.

Communication and market risk management Safeguard the reputation of Norwegian seafood, including proactive market risk management



Salmon campaign in Spain

Noruega tiene unas condiciones de vida perfectas.

Para el salmón.

/Por qué alguien elegiria un lugar tan inhéspito para vivir?

Porque es el lugar perfecto para los peces.

Las oguas fitias y cristalinas hacen que el salmán noruego crezca lentamente y adquiera un sabor perfecto.





POS MATERIALS NATIONWIDE KEY RETAILERS





Poeque es el lugar perfecto para los peces. Las agass frías y cristalizas hacen que todas las especies marinas norurgas circum lentam adquieran un sabor y una iextara perfectos.

Le cocantacă separate en su plano.

Noncego se encuentos en el extremo seguentornol de Europo y estál notecedo de egans galidades. Aunque esta puede seguente tado un desofilo pora llos humanos, para pacos camo el tadimion, el bacellos, llo cabello y abos aquedes um fas condiciones perfectos.

La combinección directo del clinito entremo y les eguesta filosi y crientaliteta de Norways oporto al pascado norwayo una calidad superior y el esbor inconfunctalite que hava las delicas de los grandes socienais y guarretas de tedira el muedo.

Cuondo prvebe el preciado de los opuce noruegos, ya no podrá conformona con menos, y la será difícil encontror un pescado de mijor collidad en cuoliquier otro lugar del mundo.





Salmón noruego confitado en aceite de romero con tirabeques y setas shitake

gradientes 4 Lomos de selmán de 150 (p. 1 Romáliste de somero 400 gr de trobeçues 100 gr de setas situale 1 Bondepto de go tiene Apete de obre Cui Dientos de ijo

Caboracido

P En una sontain grande ponemos obundante acetta de obra, incorporames el nomes, las dentes de las y colectamos el hago leota, cuando el ajo está dendo, estaremos junta con l acetta y acetta dendo, estaremos junta con el acitado y deponto que se ocone lestamente.

2° En un caso bianquecimos los trateques, los enformos rejedomente por contar la contrón, contarnos las estas en trona y tracesamos los ajos tienos, en una sarán com a noco de acete ablecimos los ajos tienos, los estos y por útimo, las trategues, solgementamos ol gueta.

3º Retiramos el salmón del oceite y servimos con los verduros solteados.



Salmón al vapor con puerro y jengibre Ingradientes 200 gr de solimón sin piel ni espinos

200 gr de salmon sin pel in experio 50 gr de puero en tros 30 gr de jengtine en tros 2 Cachenados de soles de seju 2 Cachenados de caeste de pluis fail maldon 2 Higas de bamba laleconacióni

Philippinging

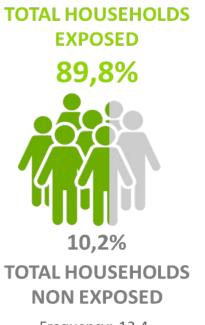
The same also all vapor cocernos el solmán durante & minutos. 2º En una sartan a fuego medio confitornos el puero y el proglama en el acata de olivo, cuando está dorado, oñadimas la salsa de seja.

P Cubrienos el pescado con la solas y añadimos un poto de sol maldon y servimos.

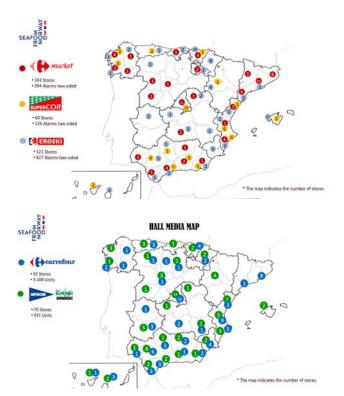




Exposure in Spain



Frequency: 12,4



How is NSC evaluated?

Is the investment profitable?

Measured by: ROI/ROMI

Is the industry satisfied with the execution?

Measured by: Satisfaction measurement

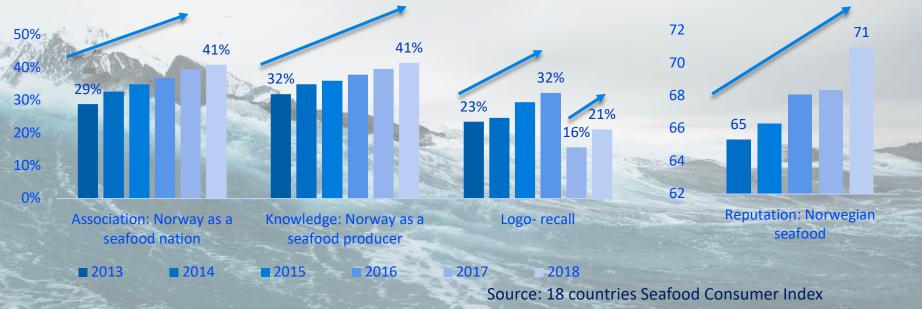
Do we influence attitudes in a positive matter?

Measured by: Awareness, preference and reputation (SCI)

Is the execution world class?

Measured by: Involvement and motivation (TNS AdEval)

Does NSC influence attitudes in a positive direction?



Note: Change of logo in 2017, thus the low rate of logo-recall

Results of campaign in Spain: Facebook, TV and POS

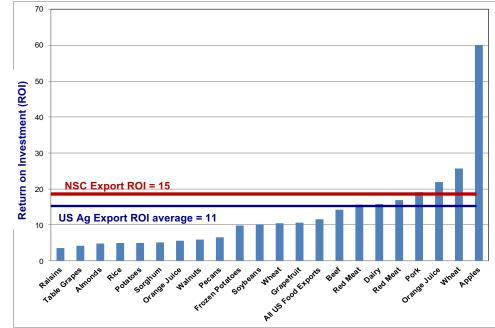
	ROI (return per 1 Euro invested)	Food and Beverage benchmark	Benchmark
Total	1.54	1.03	0.97
TV	1.56	0.82	0.77
POS	1.11	- Clarke	
Facebook	5.44	2.60	2.38

Returns to investment? Increase in sales due to promotion

Increase in export revenue divided by promotion expenditure is estimated at 15:1 for Norwegian seafood.

For salmon in particular typical estimates in the range 5:1 to 10:1.

US agricultural export average is 11:1.



Source: Capps and Williams (2017).

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What are concerns about NSC in the Norwegian industry?

Challenges with the generic commodity promotion

A company funding the NSC program...

- can clearly observe the costs of the program in its accounts
- but may struggle to isolate the effect of the program on its own sales revenue

Some companies funding the NSC program may...

- think that other producer countries may benefit from Norwegian investments
- think that NSC has not chosen the "right" marketing mix, markets, etc.
- agree that the industry have some benefits in sum, but that their own company do not benefit because of its particular products and geographic markets
- think that they can spend the money themselves and get higher private returns

Summary – lessons from Norway

- Much of the Norwegian seafood marketed to consumers including salmon - still has commodity characteristics
- NSC still enjoy broad support in the industry, but with vocal critics
- A promotion program with an efficient and adaptive portfolio of marketing activities can provide high returns to the seafood industry
- The industry has to own the program through board representation, participation in marketing activities, etc.
- Continuous debate within the industry about different dimensions of the program is necessary