Seafood Marketing: Is It Time for a Unified Approach?

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Global Aquaculture Alliance

Seafood Marketing: Is It Time for a Unified Approach?

The Case of Norwegian Seafood

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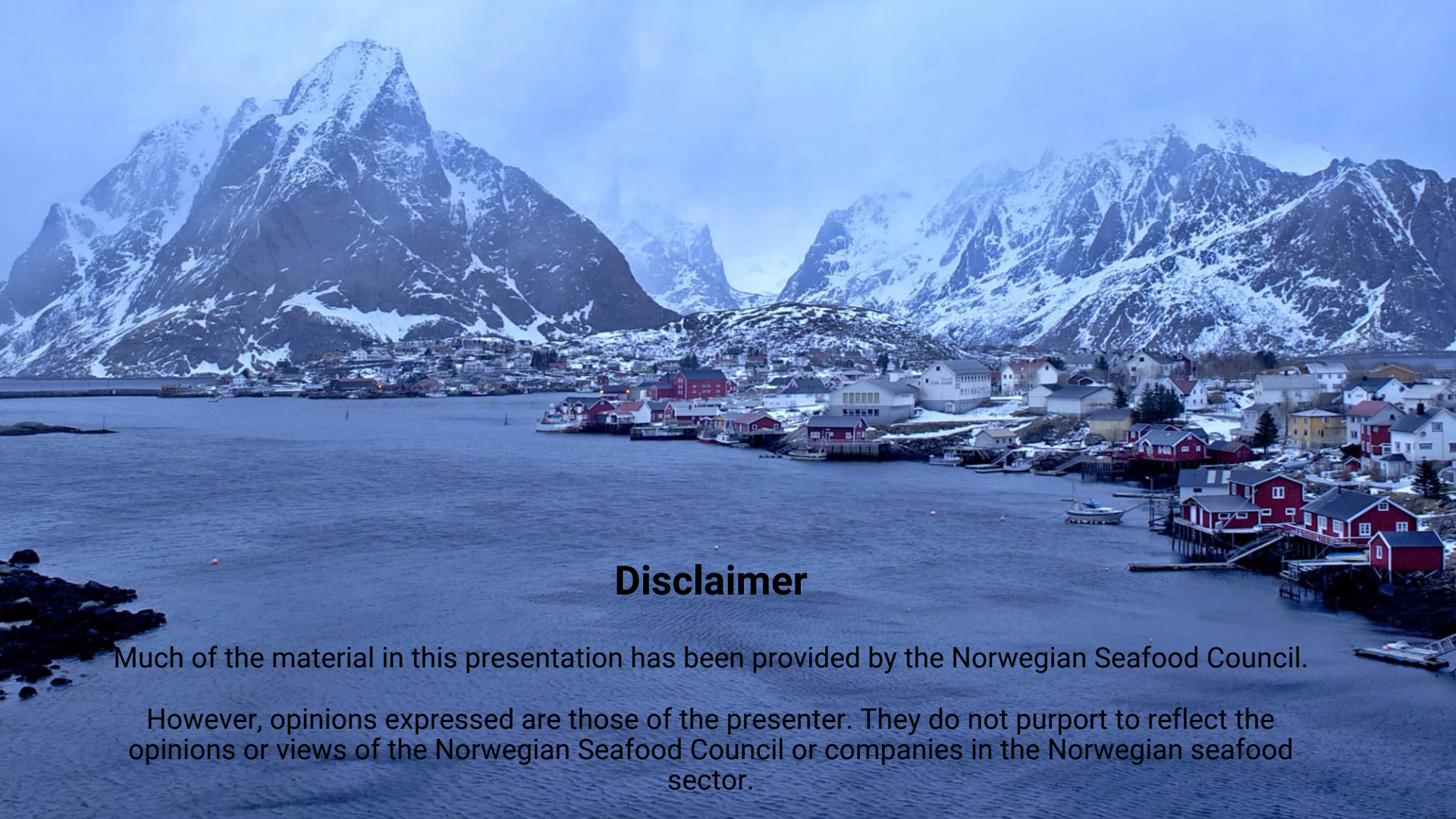
University of Stavanger



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?

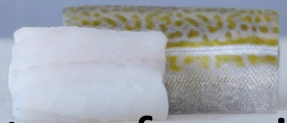
What are NSC's activities?

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 ☞ free rider problem of product promotion

Limited internal human and financial resources in companies

Collective financing and promotion from 1991

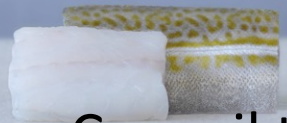
Mission

Increasing the value of Norwegian seafood

How is it organized and financed?

Mandate from Norwegian government through law

Necessary due to free rider problem

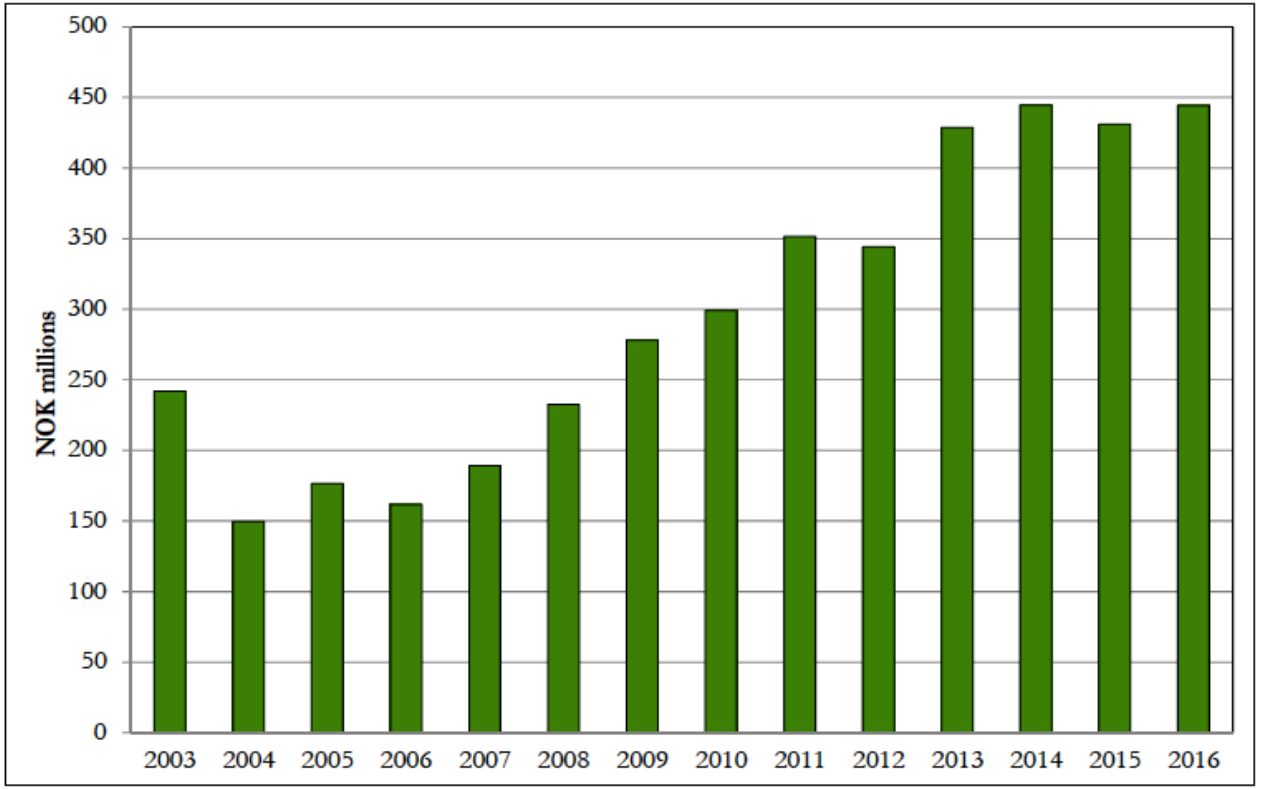


Seafood industry finances the activities of the Council through fees levied on all exports of Norwegian seafood

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%



Vision	Together we will win the world for Norwegian seafood
Mission	To increase the value of Norwegian seafood in established and new markets
Goals	To be an important contributor to the position and value creation (measured and perceived) of Norwegian seafood.

Species' strategies

Salmon and trout

Codfish

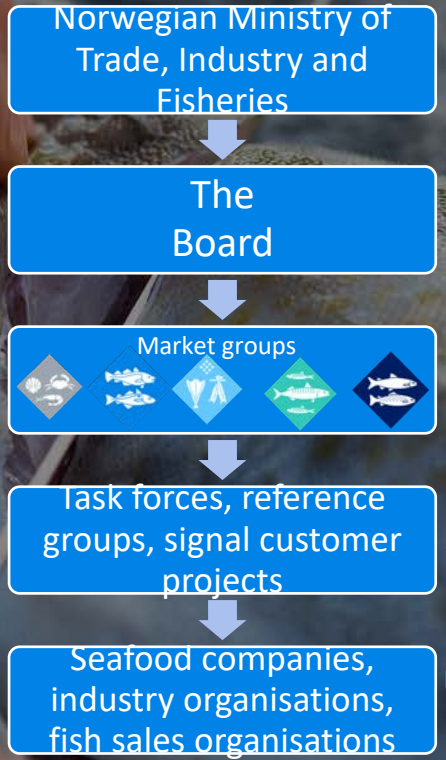
Pelagic

Shellfish

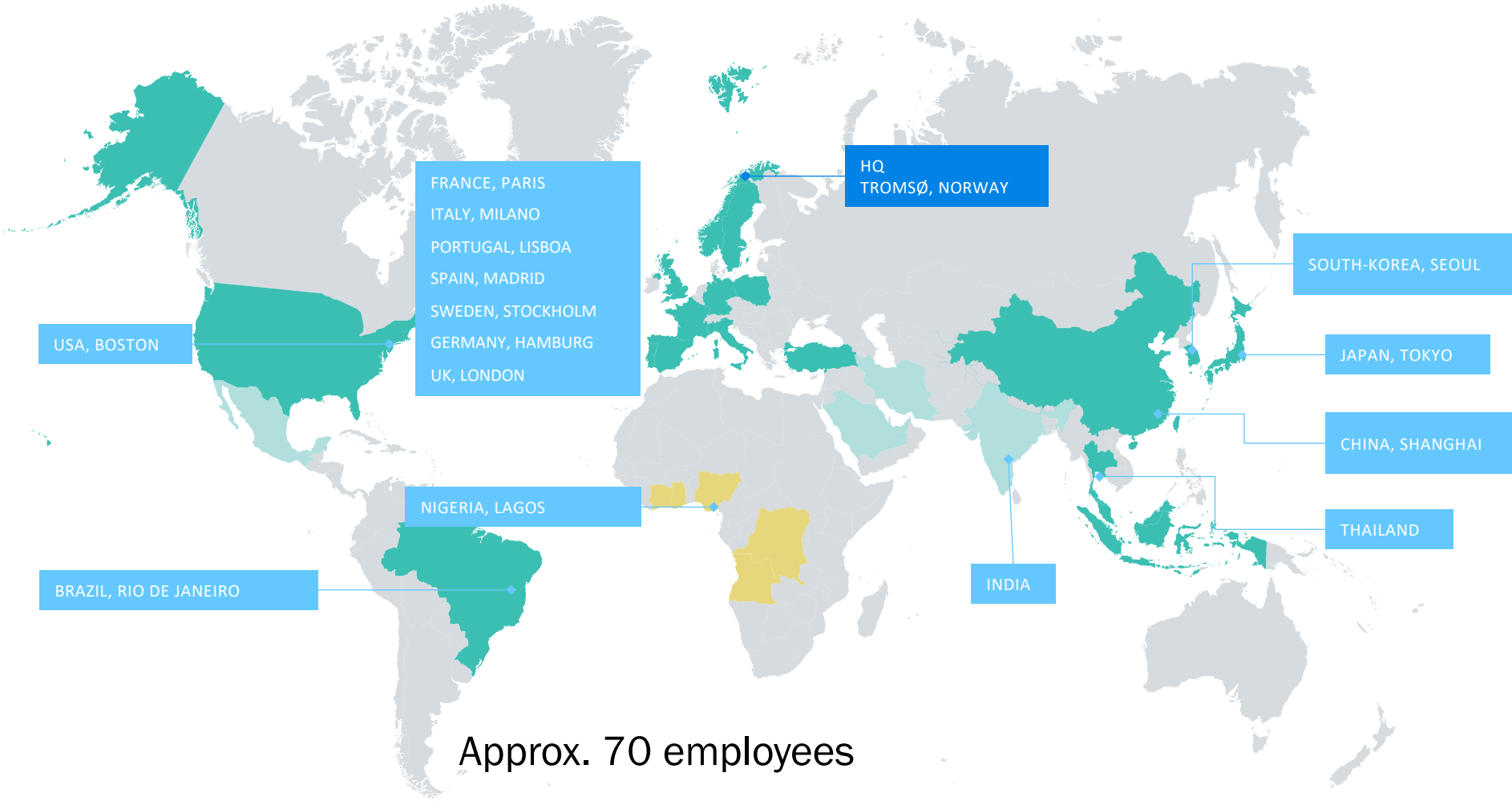
Conventional products

Areas of value creation	Market insight and competence	Market access	Brand and reputation	Reputational risk management	Consumer initiatives
How we intend to meet expectations	Customer focus Collaboration with the industry	Broad value chain perspective	Market focused platform	Results oriented	

Governance structure



Industry ownership and representation



Approx. 70 employees

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.

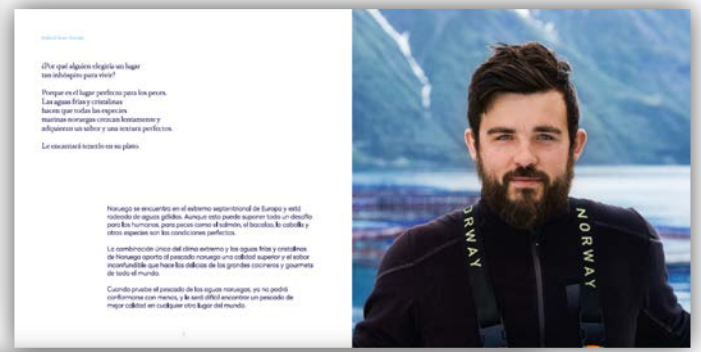
Communication and market risk management

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

Salmon campaign in Spain

POS MATERIALS

NATIONWIDE KEY RETAILERS



Exposure in Spain

TOTAL HOUSEHOLDS EXPOSED

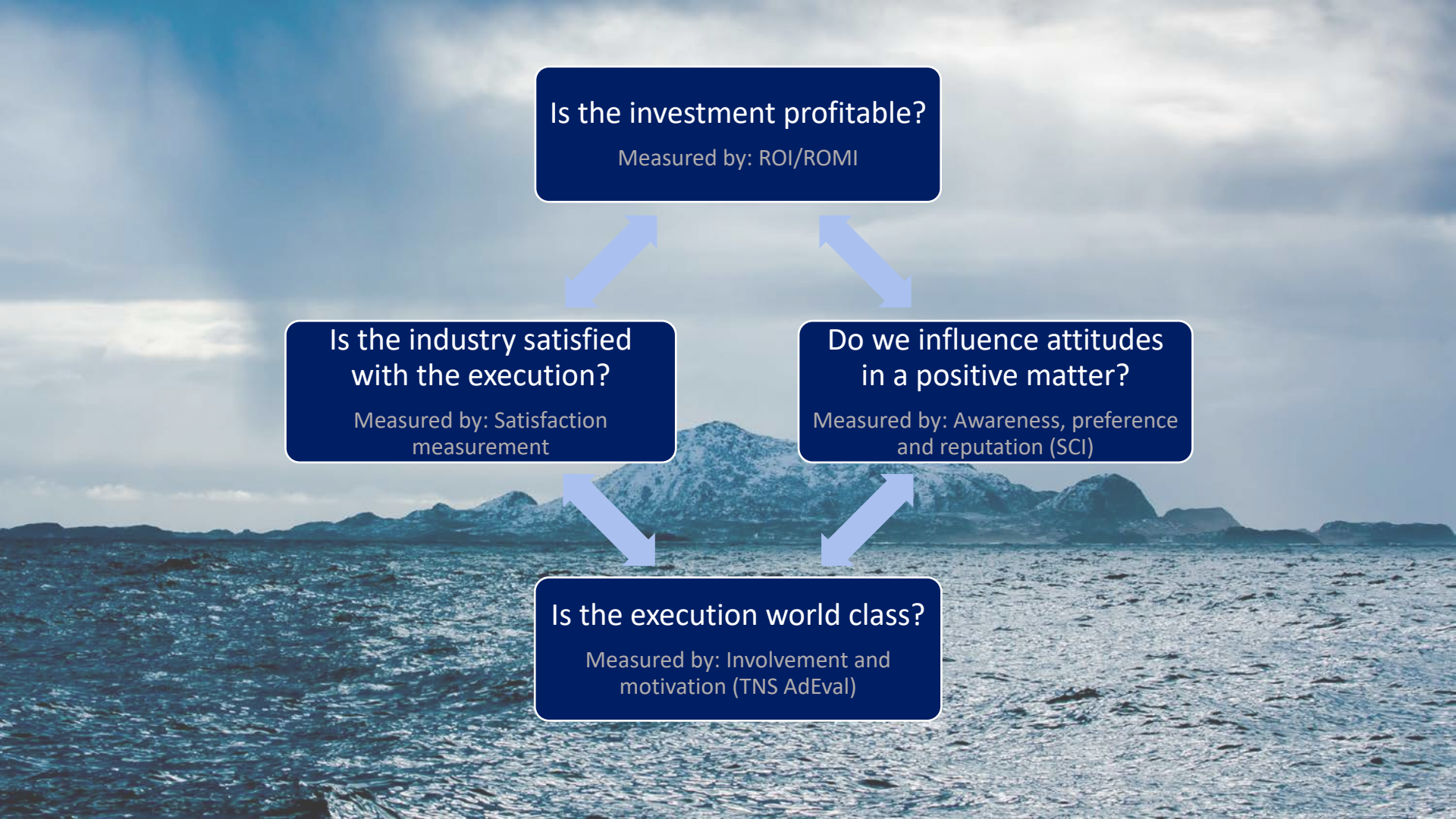
89,8%

10,2%

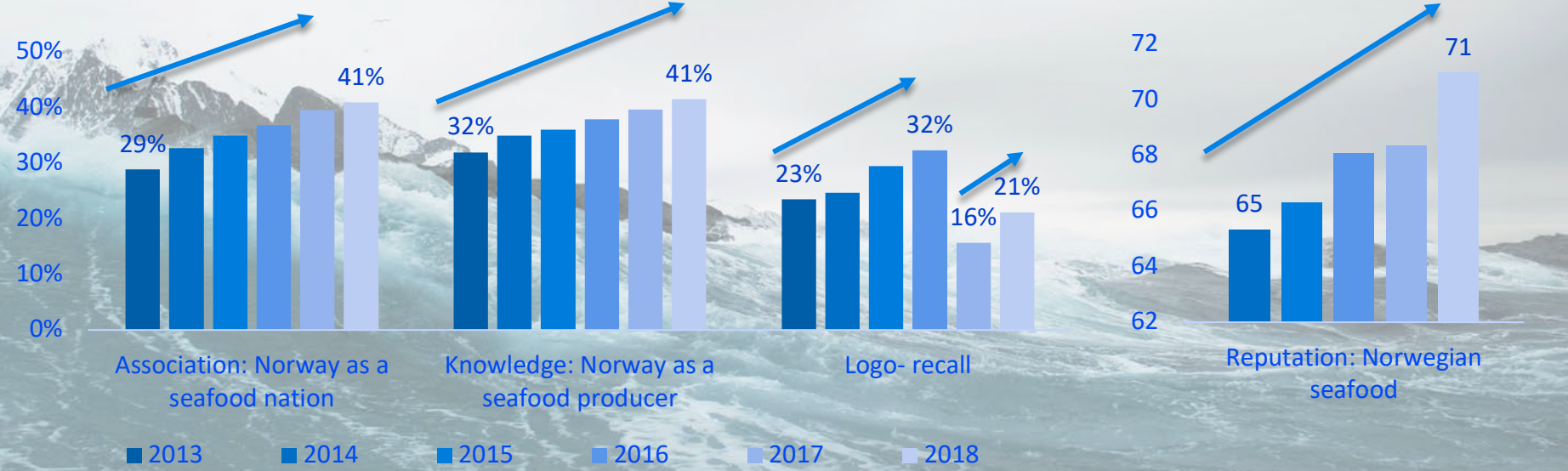
TOTAL HOUSEHOLDS NON EXPOSED

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?



Source: 18 countries Seafood Consumer Index

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

Results of campaign in Spain: Facebook, TV and POS

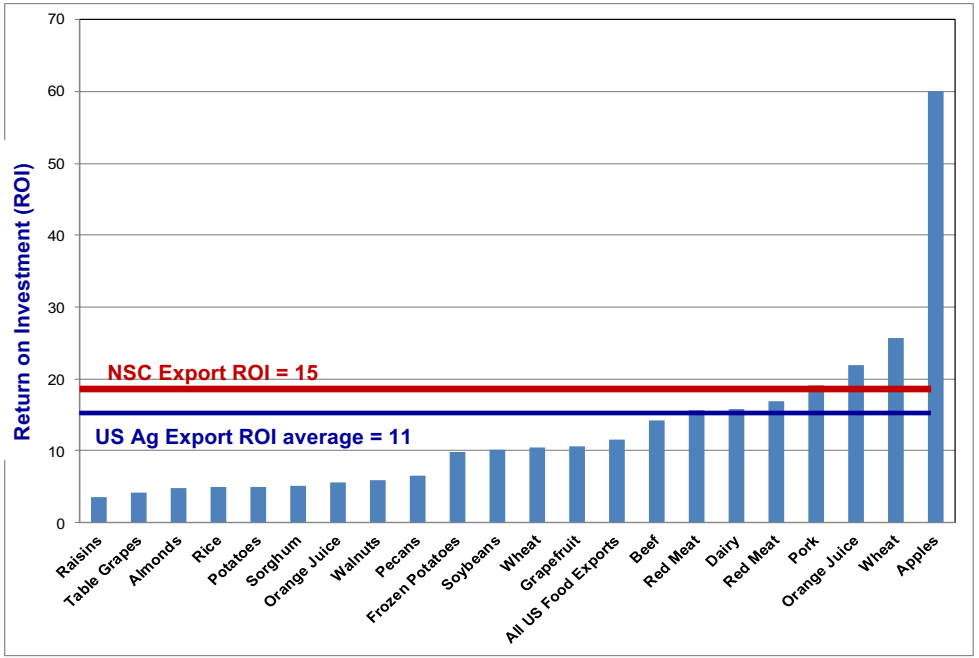
	ROI (return per 1 Euro invested)	Food and Beverage benchmark	Benchmark
Total	1.54	1.03	0.97
TV	1.56	0.82	0.77
POS	1.11	-	
Facebook	5.44	2.60	2.38

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).

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