



Retail Marketing Committee Meeting
All Hands, Anchorage, Alaska, Egan Center, Room 6
Thursday, October 22, 2015
Draft Minutes

A meeting of ASMI's Retail Marketing Committee was held on Thursday, October 22, 2015 at the Egan Center in Anchorage, Alaska during the annual All Hands meeting.

Present were: Tom Sunderland, Chair (Ocean Beauty Seafoods)
Matt Christenson, Vice Chair (Trident Seafoods)
Bob Barnett (Harvester)
Yvonne Shay (Peter Pan Seafoods)
Ron Jolin (Harvester)
Arni Thomson (Alaska Salmon Alliance)
Mark Gleason (Alaska Bering Sea Crabbers)

ASMI Staff: Larry Andrews, ASMI Retail Director
Linda Driscoll, ASMI Assistant Retail Director
Heather Sobol, ASMI Marketing Specialist
Mark Jones, ASMI Retail
Tyson Fick, ASMI Communications Director
Shannen O'Brien, ASMI Fiscal

Guests: Carol Merry, Carol Merry Marketing Services
Pat Shanahan, GAPP
Liz Powell, Edelman
Cassandra Squibb, Copper River Seafoods

I. CALL TO ORDER:

The meeting was called to order by Chair Tom Sunderland at 2:58pm. Heather Sobol called the roll; it was determined that a quorum was present.

II. APPROVAL OF MINUTES:

Sunderland invited the committee to review the previous meeting's minutes.

Ron Jolin moved that the minutes be approved as submitted. Bob Barnett seconded the motion, which passed unanimously.

III. ANNOUNCEMENTS AND PUBLIC COMMENT:

Sunderland reminded the committee that ASMI meetings are public and recorded and that all comments and discussion points are public. He also reminded the committee that anything that might violate anti-trust law cannot be discussed (such as pricing, sales,

customers, etc.) and to keep the meeting focused on what ASMI can take action on, not on what the needs of each company might be. Larry Andrews asked to add an item to the agenda regarding a *Costco Connection* advertising proposal. The committee agreed to add the topic to the end of the Retail Program update. There was no further public comment.

IV. RETAIL PROGRAM UPDATES AND DISCUSSION:

Andrews gave a brief update on retail program activities, including a summary of the Alaska Sockeye Salmon in-store demos. There were 4964 in-store demos conducted between April and early June in 1857 stores (10 retail chains across the country). The average price for the in-store demos was \$54.31 with an average price reduction of 29% and lift of 56.2% YTD. The response to the in-store demos was the best of any activity that ASMI retail has undertaken. Moving into the month of October, Andrews explained that there are COOK IT FROZEN! in-store demos underway and that there will be enough budget left for a second push in the Lenten season, where retailers will demo either Alaska salmon, cod or both.

The Uber-Athlete program is being conducted by the Consumer Advertising program this fiscal year with the Retail program funding the sampling and travel to the various Rock 'n' Roll marathons which draw 40,000 runners to most events. Linda Driscoll stated that attendance at the Rock 'n' Roll marathons seems to be a large and growing sector of the population. Christenson questioned the size of this population. Driscoll replied that it is a small group, but certainly in our wheelhouse. There is declining attendance at Food & Wine events, but that is not the case with the Rock 'n' Roll marathons. Andrews also mentioned that the Marine Corps Marathon, also attended by the Retail program, drew over 100,000 consumers to the Health & Fitness Expo. Those that attend these marathons care about what they are eating, which includes seafood. Andrews spoke about the new Feed Your Fitness/Training Table materials and how they will be used by several programs, including Consumer PR. Driscoll pointed out that six of the 12 recipes in the new brochure feature Alaska canned salmon. Andrews further stated that we used Ryan Hall to help us figure out which events to participate in and what he would recommend. The venues that Ryan Hall suggested were Las Vegas (November), Phoenix (January) and San Diego (June), which are the three marathons we are slated to attend. A discussion followed on the Uber-Athlete program and its activities.

Andrews stated that Ste. Michelle Wine Estates (Chateau Ste. Michelle wines) has been our partner in the past and we hope to continue partnering with them in the future, but may need to curtail this activity if the budget is cut. For the summer 2015 promotion we had 22 retail chains participate, for a total of over 15,000 stores. Social media was used by both ASMI and Ste. Michelle Wine Estates, resulting in a 3% lift in ASMI's social media "likes." Christenson asked if ASMI felt the promotion had more lift this year than in years past and if the promotion is worth the money with creative and coupon redemption. Jones stated that yes, it did and that there is more retail acceptance this year, that retailers like the promotion and look forward to it. Sunderland also spoke to us having great return on the promotion. Andrews added that when you have both wine and

Alaska seafood in your shopping basket, the average ring is \$83.00, whereas without those items, the average ring is only around \$23.00.

Andrews spoke to the Multi-Ad digital asset library. We are in the process of upgrading to their new “Brand Center” platform which will allow us to manage the assets ourselves and features keyword-based search functionality. The library currently contains over 800 assets for retailers/operators to download: recipes, videos, themed promotions (such as co-op) materials, etc. To date, there have been over 33,000 downloads, which proves the tool is quite successful.

Gleason and Jones spoke to the Hy-Vee “Crab is King” in-store promotion, which featured a merchandising contest between the stores, billboard ads and wrapped trucks. Alaska fishermen appeared at seven or eight stores over three days. Hy-Vee stated that they will only be purchasing crab from Alaska going forward.

Thomson asked if Andrews could explain how the results were calculated for the frozen sockeye in-store demos. Discussion followed about what metrics retail captures, such as sales results. Thomson said ASMI should make the legislature aware of how ASMI is maximizing our funding through promotional partners.

V. ELECTION OF NEW CHAIR AND VICE CHAIR:

Sunderland announced that by unanimous vote Thea Thomas would be the new committee Chair and that by majority vote Sunderland would be the Vice Chair.

VI. COSTCO CONNECTION ADVERTISING PROPOSAL:

Christenson recused himself since this is a Trident-sponsored proposal in support of Alaska pollock to ensure that no committee member feels as though the conversation is biased. Sunderland stated that he feels the same way as Christenson.

Costco is the largest purchaser of Alaska seafood in the domestic market; Alaska pollock is part of that seafood but it can be found in-store only in Trident-branded products: Alaska Pollock Burgers and The Ultimate Fish Stick. Andrews explained in the case of the pollock burgers, Trident buys from four or five Alaska pollock suppliers in order to supply the product so any promotion actually benefits the pollock industry at large. In addition, surimi seafood is sold in several Costco divisions (but not nationwide).

The committee needs to determine if the proposal should be moved forward to the Board of Directors for a special funding request, outside of the approved retail budget. Rough campaign sketches and copy were presented by Andrews. The proposal addresses pollock in general terms and does not feature the Trident brand.

The proposal is for a number of consecutive print advertisements in the *Costco Connection* magazine, introducing Alaska pollock. There were three different media options:

- 1) Full-page ads in three issues: \$376,295 + creative;
- 2) Center spread ads in three issues: \$478,444 + creative; or
- 3) 1/3-page ads in five issues: \$620,766 + creative.

Andrews pointed out that this campaign, even at option A, would run approximately \$400,000+. The request is coming at a time of projected budget cuts: possibly 10% this fiscal year and as much as 30% next fiscal.

Costco carries many different Alaska seafood items (the list is quite long) and includes Alaska salmon, cod, halibut, king crab, scallops and canned salmon. Right now, ASMI cannot promote branded product so this may need a revision to the by-laws, should the proposal move forward.

Mark Gleason moved to advance the proposal to the ASMI Board of Directors for their consideration. The motion was seconded by Bob Barnett. A discussion followed and then the committee voted via secret ballot. The motion passed with three yes votes, one no vote and two abstentions. (Note: Shay had to leave the meeting at 4:00pm to catch a flight).

ADDENDUM: DURING THE ALL HANDS MEETING, THE BOARD OF DIRECTORS ASKED THE RETAIL MARKETING COMMITTEE TO LOOK AT FUNDING THE *COSTCO CONNECTION* PROMOTION OUT OF EXISTING FY2016 RETAIL PROGRAM FUNDS (WITHOUT A SPECIAL ALLOCATION FROM THE BOARD OF DIRECTORS).

- ON TUESDAY, OCTOBER 27, 2015, ANDREWS ASKED THE RETAIL MARKETING COMMITTEE TO VOTE VIA EMAIL ON BUDGET REDUCTIONS TO FUND THE *COSTCO CONNECTION*.
- ON WEDNESDAY, NOVEMBER 4, 2015, ANDREWS INFORMED EXECUTIVE DIRECTOR ALEXA TONKOVICH THAT THE RETAIL MARKETING COMMITTEE HAD VOTED ON WHETHER TO ADVERTISE ALASKA POLLOCK IN THE *COSTCO CONNECTION* MAGAZINE USING FUNDS CUT FROM THE CURRENT RETAIL PROGRAM BUDGET.
 - THE MOTION FAILED WITH SIX NO VOTES, AND ONE ABSTENTION. ANDREWS ASKED THAT TONKOVICH NOTIFY THE BOARD OF DIRECTORS OF THE RETAIL MARKETING COMMITTEE'S DECISION.

VII. QUESTIONS TO OPERATIONAL COMMITTEES:

Q: Taking into account comments from the species committees, are there any changes you would suggest be made in the ASMI program you guide?

A: Promoting Bairdi crab, once nomenclature clarification is provided.

Q: What is working well with the program you guide? What is not? What adjustments would you like to see made?

A: Going well: in-store demos. Not going well: no comment. Adjustments: none recommended.

Q: Are there questions or comments you hear coming from consumers that ASMI should take into account?

A: Consumers: Where can I find your product?

Q: Are there questions or comments from stakeholders that ASMI should take into account?

A: With regard to the Canadian market, who does that belong to? Domestic or International? Sunderland recommended that we ask the Board for clarification with regard to Canada.

VIII. BUDGET DISCUSSION:

Sunderland weighed in on the COOK IT FROZEN! in-store demo program and how it benefited the industry, was multi-species, and that he would like to see this program protected. Thomson asked for more information on the in-store demo program, including information on average cost reduction and sales lift. Jones and Driscoll spoke to the in-store displays associated with the in-store demos as well. Driscoll pointed out that some activities had to be cancelled to fund the in-store demos (such as trade advertising) and that moving forward other hard decisions may have to be made.

IX. NEXT MEETING:

The next Retail Marketing Committee meeting will be determined at a later date once the dates are set for the spring 2016 Board of Directors meeting.

X. GOOD OF THE ORDER:

Andrews distributed new Alaska Seafood U flash drives to the committee and explained that an internet connection is not required for use of the flash drive.

XI. LAST COMMENTS AND ADJOURNMENT:

- Gleason stated that the digital asset library is a very valuable resource.
- Jolin thanked Sunderland for his service as Chairman.
- Andrews announced his retirement in March 2016.

Ron Jolin moved to adjourn the meeting. The motion was seconded by Mark Gleason and passed unanimously. The meeting was adjourned at 4:50pm.

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