



Wild, Natural & Sustainable

ASMI Domestic Marketing Committee Meeting

Tuesday, April 18, 2017

8:30 AM Alaska Time

The Captain Cook Hotel, Whitby Room

Anchorage, Alaska

Draft Minutes

Present Committee: Chair, Thea Thomas, Vice Chair, Julianne Curry, Bob Barnett, Tom Sunderland, Jennifer Castle, Ron Jolin, Lilani Estacio, Jessica Hathaway, Peggy Parker, Nicole Kimball, Board Member – Fritz Johnson

Absent Committee Members: Cassandra Squibb, Jamie Marshall

Present ASMI Staff: Victoria Parr, Linda Driscoll, Karl Uri, Heather Sobol, Jeremy Woodrow
On the Phone Staff: Alexa Tonkovich, Lisa Martinson

Others Present: Dana Lawnzak, Sandy Souter, Melanie Brown, Kate Consenstein, Christine Fanning,

On the Phone Others: Mark Jones, Katie Goldberg, Mike Cusack

I. Call to Order

Chair Thea Thomas called the meeting to order at 8:32am. Thomas reminded the group that this is a public meeting and that it is being recorded. Thomas thanked everyone for attending and explained how the committee was formed and how it's changed, since the programs merged. Thomas stated that it has been a difficult year for processors as well as ASMI and that a new season is coming up. Thomas stated that she is optimistic about the future, there is a lot to look forward to, and the focus of today's meeting will be to come out with draft budgets for each program to present to the Board of Directors.

II. Roll Call and Introductions

Thomas asked Heather Sobol, ASMI Marketing Specialist, to call the roll. It was determined a quorum was present at which time Thomas asked that each individual introduce themselves to the group.

III. Approval of Agenda

It was moved by Peggy Parker to approve the agenda. Julianne Curry seconded at which time there was discussion about making updates to the agenda. Curry asked to move the industry

update before the budget discussion. Curry asked Linda Driscoll, ASMI Retail Marketing Manager, if she would be discussing Canada under the program updates portion of the meeting to which Driscoll replied she would. Thomas requested that Alexa Tonkovich, ASMI Executive Director speak to the Seattle office change in the executive director update, to which Tonkovich replied she would. Thomas asked if there were any other changes to the agenda, to which there were none and the motion to approve the agenda as amended passed unanimously.

IV. Approval of Minutes

It was moved by Curry to approve the 1.30.17 meeting minutes. Parker seconded making one request; that motions are written “it was moved” rather than “X person motioned.” Thomas spoke to the motion on page 6 and clarified what the intent of the motion was. A discussion followed on the motion itself with Parker proposing that Cassandra Squibb redraft the motion to include 3rd party research, etc. as she was the maker of the motion. The minutes can then be updated and redistributed to the committee. After no further discussion, the motion passed unanimously.

V. Public Comment

No public comment.

VI. Executive Director Update - Alexa Tonkovich

Thomas invited Tonkovich to give her executive director update. Tonkovich spoke to the committee about the Seattle office closure and explained that the Board of Directors will be moving all positions (PCN’s) to Juneau by June 2018. Tonkovich is working with the Board of Directors on a transition plan. She explained these are Board level decisions, she didn’t feel comfortable sharing anything further at the time. Curry asked if a public notice could be distributed announcing the change and asked when they can expect a transition plan to be announced. Thomas asked about office location and if Anchorage is an option. Tonkovich stated that she is working on a cross analysis benefit to the benefits and costs of an office in Anchorage versus Juneau. Parker asked if the June 2018 date was a firm deadline and if the office might close sooner. Tonkovich replied that the only reason why the office would close sooner is if there were staffing changes.

Parker also asked about the budget and what is the legislature doing for the ASMI FY18 budget? Tonkovich replied that there is a proposed \$1M for the upcoming fiscal year. There have been attempts to zero out the budget, but the hope is to keep the funding. Lastly, Tonkovich spoke to the next Board of Director’s meeting and CAP meeting, both being held in Juneau on May 8th and 9th, respectively.

VII. Domestic Marketing Research & Messaging

Thomas asked Victoria Parr, Domestic Marketing Director, to speak to the messaging that was distributed to the committee. Parr spoke to the secondary research that she presented, who it was targeted to, the values, etc. She clarified the use of her saying the word millennial and targeting that generation only, rather she means a specific psychographic, rather than a specific generation. Parr spoke to the population growth in Orlando, Austin, Dallas, San Francisco, and Seattle.

Parr then spoke to the Ibotta slide, highlighting the Ibotta program which featured Alaska pollock and that the program launched on March 1st and would carry through to Easter. Parr explained that the question that was asked on that platform to unlock the coupon was “If you felt you were reducing your environmental impact by eating Alaska seafood, would you choose to eat it more often?” The answer was yes, 82% of the time. Dana Lawnzak asked if demographics to those individuals were provided, to which Parr answered, yes, they are provided and women were the ones mostly answering the question. Driscoll spoke to how she is really liking the Ibotta platform and that the redemption rate is high. Lawnzak asked about an average redemption rate, to which Driscoll replied Ibotta’s average is 23% and the Alaska seafood coupon is being redeemed at 27.6%. Nicole Kimball asked if we have any additional demographic information. Driscoll stated that 89% are female and 11% male, that they are located throughout the country, but mostly in Ohio, Pennsylvania, and Texas; Walmart and Kroger were the top 2 retailers.

Parr continued with her presentation and going through the secondary research packet. A discussion followed. There was conversation on each slide between the Committee and Parr.

Jessica Hathaway asked if we have considered going to historically black colleges. Karl Uri, ASMI Foodservice Marketing Manager, responded we had not but it is something that we could consider going forward.

Parr continued on with her presentation. At the conclusion, Lawnzak asked, what does this all mean? Parr replied that how she sees this all coming to fruition is to actively reach out to ethnically diverse, specific operators and distributors and retail partners. A discussion followed about the potential new direction and actually looking to move the focus from our current, real target during a financially crucial time.

Parker stated that she is scared by this presentation. What she doesn’t want to see is ASMI shifting efforts to marginalized communities when it won’t move the needle for Alaska seafood. Tom Sunderland asked Parker to clarify. Parker stated she doesn’t see the research specific to Alaska seafood. A discussion followed on how the findings have been presented, what does this mean for Alaska seafood, and is this the right direction for ASMI and is it different from how we are currently going to market.

Lilani Estacio asked if this is an opportunity to reach out to untapped markets. Hathaway stated that it could be worth testing the waters. Parker asked if this would mean a significant shift and Parr responded no, it wouldn’t. Thomas stated that she wanted to go back to the motion that was made at the January meeting and ask *if our target audience has changed?* Thomas stated that she still doesn’t feel that we have a firm answer to who that is. She asked where is the actual data that backs that up and answers the questions who is buying our seafood, who will be buying it in the future?

Curry stated that shifting focus and marketing strategy couldn’t come at a better time or a worse time. The demographics in this country have changed, but ASMI also doesn’t have any money, so it has to be iron clad that it is targeting the right people and targeting in the right way. Sunderland stated that it is always a bad time to change, that as an industry, we need ASMI to look to see what the future is and ask are we moving in the right direction. That marketing’s role

is to try to predict the future and how can we get there? A discussion followed on who the committee believes their focus is and who they wanted to target.

Jeremy Woodrow, ASMI Communications Director spoke to \$25,000 being left in the Edelman budget and if the committee would like, he is happy to focus that to research and have Edelman use their resources to aid in this effort. Thomas agreed that our target might be changing and she is open to that, but without data showing the changes, she isn't convinced to make the change. Thomas stated that she wants to know who our new core audience is and then change our targeting to what the data shows. That our dollars are tight and we need to spend them well.

The committee took a break at 10:23am and reconvened at 10:41am.

Thomas turned the floor over to Parker where the discussion continued on the research findings. Thomas then asked Katie Goldberg, Edelman, what her thoughts were and Goldberg spoke to the Mintel research. A discussion followed and Thomas asked if the committee wanted to accept the Mintel research which was only 2,000 people as our new target audience or does the committee feel we need more primary research to determine who our target audience is? A discussion followed.

The discussion then moved to have Driscoll speak to the HR2 research findings. Driscoll spoke to the history ASMI has with Costco and how to we have tried to work together. Driscoll spoke to wanting to find gems in the research and what could be pulled from the findings. Does the Alaska Seafood logo on packages increase sales? Yes, it does! She spoke to how the research was conducted, including the round table sessions that were held and how individuals were prescreened to be in the seafood category, etc. Lawnzak asked why fresh? Driscoll explained that frozen is identified really well in Costco already, fresh is not. Thomas clarified that there were two phases to the study but that the findings were compiled into the one recap. Lawnzak said that Costco recognizes Millennials are important, however until they start spending money, they aren't going to be a focus for Costco. Driscoll then walked the group through the key research findings.

- Influences on protein choices – page 5
- Replace proteins with seafood – page 6
- Preference of where seafood comes from – page 8
- Frequency of seafood purchases – page 9
- Benefits of Alaska seafood – page 13
- What the Alaska seafood logo means – page 17
- Alaska seafood logo influence on decisions to purchase – page 18
- Eating habits and seafood environmental impacts – page 19

Curry asked if there were qualifiers for the question on environmental impacts. Driscoll said no, there is no definitive, but if we were to craft some messaging, this might be an opportunity. Woodrow asked if this is beyond sustainability, to which the consensus was yes, it was beyond sustainability. Curry responded that we need to be very careful with the messaging on this topic and that we should never use the phrase “carbon footprint.” A discussion then followed on what environmental impact means and how it is different to each person.

Branching out from that discussion, a discussion followed on the research study as a whole. Parker stated she would like to not have open ended questions in research studies so that we can get more bang for the buck. Driscoll reiterated that this study is specific to Costco. Driscoll said that we are seeing a growing indifference between farmed vs wild, per the foodservice programs research that was presented in October. Uri commented that it is being tracked and that it is shifting, but slowly. A discussion followed on wild vs farmed and how it is being perceived in the marketplace, by celebrity chefs, and that we still need to stay true to our messaging of wild, natural and sustainable.

Thomas asked about the Datassential study, to which Driscoll replied that it will mirror the 2009 and 2011 studies, and it will be fielded very soon. Curry asked if Driscoll would send information out as it is made available, even between meetings. Driscoll agreed that she would and she also said that she will redistribute the 2011 study to the committee as well.

Thomas then asked Uri to speak about his upcoming research, Menu Alaska in FY18. Uri explained that this too is apples-to-apples and conducted every other year, and will field the same way as years prior, with Datassential. He added it would be great to partner with retail and see how efforts can be combined. Jennifer Castle stated the research is helpful, and foodservice has used it effectively in the marketplace.

Thomas asked again if we are in agreement of who our target audience is, from the January meeting. Because there was not an overwhelming agreement, Thomas suggested that the committee move on and come back to this topic later in the day.

VIII. Domestic Program Update

Parr talked about SENA (Seafood Expo North America) in Boston and the good reception we received on having meeting space and the ability for industry to utilize the meeting space in the ASMI booth. She highlighted the great conversations and meetings held in Boston and connections that were made with Ahold, Target, and more. She listed costs for Boston, and a budget discussion followed.

Parr walked the Committee through the rest of the Domestic Marketing Update. She spoke about SeaWeb; Blue Apron and Disney will be attending, registrations sponsored by the Domestic Program. Thomas asked for clarification on Disney. It was explained that they serve Alaska seafood in their theme parks and on their cruises. With regard to SeaWeb, the Committee asked that the RFM Committee provide input and guidance.

Parr continued the Update; Foodservice Meets Retail and Youth Marketing Outreach. Curry asked how we move the needle on marketing to youth. Uri spoke to coming up with a new way for colleges and universities to come up with themed events. He explained that *Alaska Seafood Celebration in a Box* is a new concept that he is putting together and it is a kit that can be used in each college and university that is custom to what that school wants. Uri stated that he is trying to have prototypes ready by NACUFS before it goes into production so that he is able to get feedback before going into production.

Driscoll spoke to paid search, display ads and keywords and walked the committee through her handout.

Uri spoke about distributor promotions, and thanked David Woolley, ASMI Distributor Promotions Representative, for his hard work.

Uri spoke about Operator Promotions, and specifically pointed out Morrison Healthcare as this is the first time we have a partner in the healthcare sector. Lawnzak pointed out healthcare might be the in-roads to US Foods, which had come into question during the discussion of distributor promotions. Curry thanked Uri for getting that partnership together, and stated she hopes this is the first of many to come in healthcare.

Driscoll addressed in-store demos, the retail partners ASMI has been working with, and the species they have been featuring. Bob Barnett asked if we are going to entertain using other species if we continue on the Ibotta platform. Driscoll answered yes, and added the success of the Ibotta promotion has opened a window to promotions less than the \$50,000 level. This would enable more of a variety, or doing a promotion that isn't species specific. Curry said that she would like to see this program moved to other species, not just Alaska pollock.

Driscoll reiterated to the Committee that the ASMI Board of Directors assigned the Domestic Program with oversight of the Canadian market. She explained the efforts that she and Jones have been working on in Canada. Uri updated the Committee on the foodservice promotions that are upcoming and shared that both retail and foodservice are continuing to look for opportunities to work in Canada.

Sandy Souter from Alaska General was asked to speak to the Committee about salmon. He walked them through his report. Souter explained that fillets are growing and the refresh fillet market is increasing. He explained the differences between eastern and western Canada: east dominated by farmed salmon more-so than west. When it comes to fresh salmon and right now, the biggest hurdle is the exchange rate.

The Committee took a break at 12:45pm, and reconvened at 1:00pm.

Thomas stated that there has been a request to go into Executive Session, and that the agenda will need to be amended.

It was moved by Curry to amend the meeting agenda, to go into Executive Session, after the budget discussion. Parker seconded. With no discussion, the motion passed unanimously.

IX. Communications & Consumer PR Update

Thomas asked Woodrow to speak to the Committee. Woodrow walked the group through his presentation for consumer PR and spoke to the FY17 update that was distributed detailing PR and digital results. Woodrow spoke about the New York Media Tour, which was held right after the Boston Seafood Show, in collaboration with Edelman. He stated that Uri also attended this event. Upcoming events include salmon season kickoff which will include a press release being distributed, the FAM trip is coming up in June also, with this being the largest FAM trip that ASMI

has ever done. There will be 9 international chefs, 6 domestic media guests and 3 domestic foodservice/ retail guests.

Woodrow then shifted focus to the Communications Program and upcoming efforts. It supports the other ASMI programs. Ongoing and current projects include:

- Eat Alaska Recipe Videos
- Alaska Seafood 101 Rack Card
- Fisherman Profiles to wildalaskaseafood.com
- Event Sponsorships – Juneau Maritime Festival, etc.
- FAM Trip Planning
- Technical Videos
- Fisherman Ambassador Outreach
- Weekly Updates
- Monthly Marketing Updates
- Trade Advertising
- Digital Asset Management
 - Photos
 - Videos
 - Printed collateral
 - Secure & accessible by industry partners
 - Clear usage rights
- Improved Communications
 - Email list management
 - Updated event calendar
- Message Maps/ Fact Sheets
 - i.e. Fisherman, Parasites, etc.
- ASMI Style Guide

Woodrow then spoke to additional upcoming communications events including the salmon summer season, SeaWeb Summit, and the FAM trip. There was an open discussion about various issues that have been brought up or been covered in the media and if ASMI is seeing any feedback or responses to which we need to respond to? Woodrow stated that he hasn't seen any at this time.

Barnett asked about why in New York the taste testing wasn't a recipe, rather just the seafood with olive oil and salt/ pepper. Uri answered that because they are trying to show the editors the difference between the 5 species of salmon. Simple preparation is best to allow the flavor profiles of each of the salmon species comes through. The editors really loved the taste experience. Woodrow also explained that there were 4 tray passed appetizers for editors to enjoy as well. Hathaway suggested hiring a freelance journalist to interview the editors at these media events. Both Uri and Woodrow agreed and will pass along to Edelman.

Curry asked about the Communications Program developing a written plan to support ASMI within the industry and working with the committee to aid in the efforts for improvement.

Woodrow said a plan exists but it isn't as detailed, and developing a new one would not be a problem at all.

X. Industry Update

Thomas gave the Committee the floor.

Lawnzak stated that people still don't know what Alaska pollock is and to keep up the educating and promoting to get the word out.

Sunderland stated he hopes that the pink salmon show up. That inventories are low so we can expect sales to be quick when the fish do come in. He stated he's hopeful for pricing stability, and is cautiously optimistic. Sunderland also stated that canned reds are not looking good.

Souter stated fresh salmon are getting a lot more movement out of Bristol Bay. Expect to see less canned, but more fresh and frozen. He stated that some canneries aren't going to can out of the bay this year.

Ron Jolin stated that we've lost a lot of fisherman in the legislature.

Parker stated that Canadian production is large and getting bigger. She stated that we need good in-state PR.

Thomas brought up the fact that Alaska Air Cargo is reducing their fleet with the elimination of the "Combi" plane. Uri mentioned that ASMI has a good relationship with Alaska Air Cargo and will inquire with them about making a presentation at the All-Hands meeting about their change.

XI. FY17/ FY18 Budget Review & Planning

Thomas asked that each program director, or manager walk the committee through their proposed FY18 budgets, to which Sobol started by explaining the format of the budget top sheet that had been distributed to the committee.

Driscoll spoke specifically to the retail budget and her recommendations, which is mostly recommending taking money out of the retail trade advertising category (which is mostly consumer advertising funded by the retail program) and putting it into retail marketing operations, retail special projects/ co-op promotions, retail trade promotions, retail trade shows & conferences and retail trade support. Sunderland stated that he is in favor of the budget changes that Driscoll had put forward.

Thomas asked about radio traffic sponsorships and Driscoll stated they would go away in this current budget recommendation. Parr stated, in response to the Committee's previous questioning about ROI, staff feels in-store demos are a better use of our funding. Curry asked if we can find a better blend of the two, which prompted a larger discussion. Thomas invited Jones to speak to the return on the in-store demos. Jones stated that there is more to the in-store demos than just the demos, that there is an in-store presence, displays, etc. which pleased the Committee. The Committee asked if there is a way to keep the drive-time radio spots below 200 markets. Driscoll stated she believes so. The recommendation ended up being to not completely drop the radio traffic spots, to keep the major urban markets and see where funding can be

factored in from other areas of the retail budget to keep the radio traffic spots in the budget. Driscoll agreed to re-look at the budget and take the committee recommendation.

Uri spoke to the group and walked them through the small changes in the foodservice budget. He explained that with staffing changes, there is a \$25,000 savings in the personnel line item to cover the real cost of SENA (Seafood Expo North America) in Boston, to which he would recommend adding \$15,000 to trade shows & conferences. The other \$10,000 will be added to trade support. Uri stated most trade advertising is digital, that there is a little print. The creative is 2 years old, so new creative will be developed, which is why he suggested adding the \$10,000 to trade support, to cover the cost of new creative. Castle spoke about how the foodservice program and the way the budget is structured is beneficial and works well for ASMI. Uri spoke specifically about Flavor & the Menu. Lawnzak agreed saying, how they elevate seafood and that it is a great publication. Uri stated that the foodservice program runs in 4 out of 5 issues and usually has 2 covers a year, which is fantastic. Lawnzak asked if we track trade leads at the tradeshow and conferences, to which Uri stated that it isn't tracked at that level, but partnerships and relationships are started, but take time to come fruition.

Woodrow presented the Communications budget and explained the difference in the personnel line item. In previous fiscal years, one of the two communications positions were paid ½ by international and the other position was partially paid by international as well. He explained how those positions are being fully funded by the Communications Program for the upcoming fiscal year. He worked with Tonkovich to ask for an additional \$60,000 to help offset these costs. Tonkovich explained International paid for a portion of the personnel with match funding. Since there is no longer match funding, and International Program's budget was cut, it no longer makes sense for another program to pay for personnel costs for Communications.

Barnett asked if we have the same number of positions (PCN's), and Tonkovich replied we do, but that there are vacancies. Tonkovich went on to explain Larry Andrews' vacant PCN, etc. She explained that if you delete or eliminate a PCN, you can never get it back, but that the positions can be retitled with new responsibilities, so the PCN's are kept.

Woodrow then went on to explain that the Consumer PR budget is being proposed at the same \$1M contract level as in the past, and once the budget is approved, Edelman will present a plan.

Thomas stated that the next steps are to approve the budgets as they have been put forth, with amendments if necessary.

It was moved by Parker to approve the FY18 Foodservice, Communications and Consumer PR budgets as presented. Seconded by Barnett. After discussion, there is no opposition and the motion passes unanimously.

It was moved by Parker to approve the FY18 Retail budget with the understanding that changes may be made to the trade media line. Seconded by Kimball. After discussion, there is no opposition and the motion passes unanimously.

On a separate note, Curry brought up that there are 7 staff members between these programs, as well as 7 contractors. She asked if there is a way to consolidate responsibilities and positions for

budgetary purposes with diminishing funds. Curry stated that this is just something to keep in mind. Tonkovich suggested that this conversation be tabled and the committee agreed.

XII. Executive Session and Back into Open Session

It was moved by Curry to amend the agenda and to go into Executive Session to discuss personnel and staffing issues. Seconded by Jolin. After discussion with Tonkovich, it was determined that there was not a need for dial-in information and after no further discussion, the motion passed unanimously and the Committee moved into Executive Session.

It was moved by Sunderland to come out of executive session and reconvene in open session. Seconded by Curry and the motion passed unanimously.

The meeting is back in open session at 4:04pm.

XIII. Domestic Marketing Research & Marketing – cont.

The discussion moved back to research and discussing who our target audience is. Parr stated that she believes our target is still 25-54, college educated and does primary shopping for the household and isn't suggesting leaving our current partners or changing our current focus entirely, but expanding who our reach is and focusing on new opportunities that are more ethnically diverse. Thomas disagree with that. She wants to see the research with data that supports that. Hathaway stated that she believes converting land protein consumers to Alaska seafood is a leap and perhaps it would be better to narrow our focus to convert non-Alaska seafood consumers into Alaska seafood consumers. Castle agreed with Hathaway.

It was moved by Parker to direct staff to get information about the cost of research, to identify the current and future seafood consumer. Seconded by Castle. No opposition, the motion passed unanimously.

XIV. Schedule Next Meeting

The next meeting will be held in the fall, either the last part of September or the first week of October would be best for post fishing. A specific date will be identified at a later time, with the meeting being held via teleconference.

XV. Adjourn

It was moved by Barnett to adjourn the meeting. Seconded by Jolin, after no discussion, the motion passed unanimously. Meeting adjourned at 4:32pm.