



Wild, Natural & Sustainable

ASMI Domestic Marketing Committee Meeting

Wednesday, April 18, 2018
8:30AM– 4:30PM Alaska Time
APICDA Conference Room
ASMI Office
311 N. Franklin St. Ste. 200
Juneau, AK 99801

Draft Minutes

Present Committee: Chair Thea Thomas, Ron Jolin, Lilani Estacio, Branson Spiers, Mike Cusack, Kendall Whitney, John Salle

Present Committee (via teleconference): Bob Barnett, Tom Sunderland, John Daly

Absent Committee: Fritz Johnson

Present ASMI Staff: Victoria Parr, Megan Rider, Emily Gisler, Sarah Cannard, Susan Marks, Michael Kohan

Others Present (via teleconference): Tricia Sanguinetti, Mark Jones, Tomi Marsh, Tyson Fick

I. Call to Order

Chair Thea Thomas called the meeting to order at 8:30am.

II. Roll Call and Introductions

Thomas requested a roll call. It was determined a quorum was present. Thomas asked the group to introduce themselves for the new members, then gave a brief history of the Domestic Committee and where it stands today. Salle asked for clarification on how the Domestic and Communications team interact, and Thomas agreed that this should be discussed. Parr explained that the Domestic team has a standing call every Tuesday with the Communications team and PR agency Edelman to ensure everyone is on the same page. Cusack recommended to move this discussion to the end under New Business and move forward with the agenda.

III. Approval of Agenda

Thomas recommended for the committee to make a motion to add a vote under item VIII: FY18/FY19 Budget Review & Planning, as well as to add a discussion of the consumer PR program after item IX: Industry Update. It was moved by Jolin to approve the agenda as amended. Estacio seconded. Thomas asked for any opposition, there was none.

IV. Approval of Minutes

It was moved by Jolin to approve the 11/24/2017 meeting minutes from All Hands. Cusack seconded. Thomas asked for any opposition, there was none.

V. Public Comment

There was no public comment.

VI. Program Review

Domestic Marketing Director Victoria Parr presented an update of the FY18 Retail and Foodservice programs including: Foodable TV, SmartBrief sponsorships, digital Ibotta coupons, shoppable recipes with Amazon Prime Now, Costco in-store demos and SmartBrief sponsorships, and new partners in both programs.

Salle wanted to ensure that the Costco frozen salmon promotion doesn't interfere with fresh season, and Thomas also noted that the team should be sensitive to the promotion timing. Estacio noted that frozen needs greater attention and doesn't think it will compete with Copper River. Whitney added that consumers aren't hyper aware of seasons, so it shouldn't be of great concern.

Costco has been a longtime target of ASMI's, and Thomas explained research previously done with Costco, which proved that promoting Alaska on packaging would definitely promote a larger sales lift in customer purchasing decisions.

VII. Strategic Planning

Parr gave a brief background on the Technomic research that supports many of the FY19 strategies. From the research, the two key targets identified are the Originator and the Optimizer: The Originator is always on trend/always socializing and the first to adopt new trends, while the Optimizer is taking advantage of what the Originators have already identified, and uses technology to help facilitate their busy lifestyles.

1. Encourage people all over the country to eat more seafood

The primary new strategy that was discussed at length, was to encourage people to eat more seafood, as it relates to a potential partnership with the farmed salmon industry. Several committee members expressed their concern, as well as the potential political ramifications within the state of Alaska and what response would be heard within Alaska and its communities.

Executive Director Alexa Tonkovich, Domestic Marketing Manager Megan Rider, and committee member Tom Sunderland will be meeting with the newly formed, Chilean Salmon Marketing Council in Brussels who, according to recent trade press, are also getting behind the message of, "Eat More Seafood". Other organizations such as Seafood Nutrition Partnership (SNP) and National Fisheries Institute (NFI) as well as FDA are also promoting "Eat More Seafood" to help diffuse confusion in the marketplace, something that was discovered in the recent Technomic research, by combining marketing dollars to increase the seafood category.

The committee strongly cautioned that they should be consulted before any joint action be taken with a farmed seafood marketing organization, and Parr agreed she would report back and confirm with the committee before moving forward.

2. Position Alaska as the world's most trusted source of premium quality seafood

The goal is to set Alaska apart for its premium table stakes (quality, flavor and texture), as well as the pristine frontier origin, gold-standard sustainability, way of life, and American jobs.

3. *Promote the functional nutrition message of Alaska seafood products*

The Domestic program is coordinating with the Technical program to make this a collaborative effort moving forward, as they did when creating the Healthy Lifestyle infographic displaying key nutritional benefits of Alaska seafood.

4. *Increase focus on B2B channel promotion in the fitness and healthcare space*

The committee commented that it may be more effective to work with the large distributors such as US Foods, Sysco and Gordon to push Alaska seafood into the growing healthcare segment. ASMI's limited resources may be better spent in these efforts rather than working with doctors or fitness chains.

Parr explained that the team has been in recent conversations with the American Heart Association, Arthritis Foundation, American Institute for Cancer Research and American Diabetes Association.

5. *Increase brand impact with strategic brand partners*

Parr discussed partnering with Inmar as a new digital coupon partner, and is in conversations with several new brand partners for collaboration including: Kona Brewing Co., Uncle Bens and Barilla. The team will continue elevating its strong partnership with Chateau Ste. Michelle.

6. *Pursue emerging technologies to ensure inclusion in the path-to-purchase*

The team is exploring opportunities such as meal kits, new AI/voice tech as the smart kitchens in foodservice and homes grow exponentially in America.

7. *Elevate the perception in the marketplace of frozen seafood*

Parr suggested transitioning the COOK IT FROZEN campaign into a different "frozen fresh" direction. The committee does not want this program replaced, but would like it to include information on slacking out product to be cooked once thawed. The program was developed years ago to increase consumer confidence in cooking Alaska seafood at home, and increasing the awareness that frozen fresh seafood is a great product.

Once all new strategies had been discussed, Parr clarified that the existing strategies/tactics that have always been in place for both retail and foodservice partnerships/promotions will certainly continue. The above strategies are meant to focus the program on the Originator and Optimizer as a new target.

VIII. FY18/FY19 Budget Review & Planning

Parr presented the draft FY19 budget as compared to FY18; differences summarized below:

Foodservice

- Program Operations: \$17K increase as job vacancies are filled and salaries balanced between programs.
- Marketing Operations: Down \$45K reflecting Sanguinetti fees split between programs and starting contract fee level with new National Accounts Representative.
- Foodservice Operator Promotions: Down \$62K, as the team seeks new partnerships that are popular with the super consumer segments.
- Distributor Promotions: No change
- Trade Shows & Conferences: No change
- Trade Support: Down \$61K by incorporating recipe development with training programs contracts, better management print materials – reducing silos between programs, and exploring digital collateral packages.

- Trade Relations: Down \$18K as a result of balancing Revelry contract fee between programs.
- Trade Advertising: No change

Retail

- Program Operations: Down \$8K due to balancing staff salaries, up \$10K travel for new trade show opportunities.
- Marketing Operations: Up \$18K reflecting evenly splitting Sanguinetti fees between Retail and Foodservice programs.
- Special Projects: Up \$51K reflecting new partnerships and digital coupons.
- Retail Trade Promotions: No change.
- Trade Shows: Up \$50K for new trade show opportunities.
- Trade Support: Down \$49K by controlling print costs and reducing storage costs as well as developing digital promotional packages.
- Trade Relations: Up \$18K due to balancing between the two programs.
- Retail Trade Advertising: Down \$100K to focus on the new B2B mission and new target consumer.

Voting

A motion was made by Jolin, seconded by Estacio, to approve the draft FY19 budget as presented. The committee approved by unanimous vote a motion to forward the joint Retail and Foodservice budget of \$3,860,000 on to the board.

IX. Industry Update

Salmon: For the 2018 season, there is a large sockeye salmon projection and a reduced pink salmon projection. With large amounts of sockeye coming into the plants, processors will have to put sockeye into cans, which is a lower value product and presents a challenge. This is also the year that the Frazier River is projected to have a very large late season run of sockeye. During that time, the market gets saturated with those fish, making it difficult to move any fresh or frozen product from Alaska, and causes a downward pressure on the price of fall coho salmon. With the large projection of Alaska and Canadian sockeye, there is a good chance that there will be substantial inventory of frozen salmon next spring. There may need to be extra effort from ASMI to help move the frozen inventory.

Alaska Pollock: This remains an important resource for the industry and source of tax dollars for ASMI. Alaska pollock should be a continued area of focus for ASMI. The value of the Alaska harvest by species was provided after the meeting as reference, although dated 2014 and needs updating.

Sustainability: The committee is very concerned with the Monterey Bay Aquarium's large presence at retail and their Seafood Watch program, which gives farmed salmon a higher sustainability grade than Alaska salmon, halibut or Alaska pollock. In-store information lists Alaska salmon and halibut as a second best choice to farmed salmon. These three species (Alaska pollock, salmon and halibut) are not even mentioned in the MBA Seafood Guidelines, which presents a large problem. The committee has instructed Thomas to write to the RFM committee requesting that they work with MBA to upgrade ASMI's sustainability status and presence in the Seafood Guidelines.

Parasites: The parasite issues with salmon and whitefish are a continued concern among consumers, and ASMI needs to develop a straightforward and honest response.

Halibut: East coast production of halibut has jumped 170% in the past year, driving down prices for Alaska halibut. ASMI may need to look at further promotions to help Alaska halibut.

General: In the future, the committee would like input from the species committees about challenges their species are facing prior to meetings.

Additionally, the committee would like clarification from the board as to how we are to interact with the Communications committee in overseeing the Consumer PR program. Edelman could benefit from input from both committees and it seems redundant and confusing to review the program separately.

X. Election

An anonymous vote took place. Rider announced Thomas as the continuing Chair, and Salle as Vice Chair until the formal election at All Hands in October 2018.

XI. Next Meeting

The next meeting will tentatively be held Wed., 9/12 at 9am AKST by telephone.

XII. Adjourn

It was moved by Jolin to adjourn the meeting, seconded by Cusack. The motion passed unanimously, and the meeting adjourned at 1:30pm.