

Record of Proceedings:
ASMI Customer Advisory Panel
Cordova Workshop, 2011

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ASMI Customer Advisory Panel Strategic Workshop

Purpose

The purpose of the ASMI Customer Advisory Panel (CAP) is to provide ASMI and the Alaska seafood industry with the highest level of market feedback expertise available in the world. CAP members were carefully selected to insure not only the utmost in competence, but also to provide a wide range of supply chain feedback in Alaska's most important markets – European Union, Japan, China, and the United States. In turn, CAP members gain priority and ongoing access to the Alaska seafood industry's production, marketing, government, and resource management leaders.

This second ASMI CAP Strategic Workshop, held in Cordova on May 25, 2011, had a three-fold purpose. First, to continue to develop long-term relationships with the esteemed members of the CAP; second, to refine the communications and activity agenda for enhancing these relationships over the long term; and, third, to conduct the workshop in the delightful and educational Cordova environment – a small Alaska coastal seafood-dependent community featuring a fleet of small family boats harvesting the world-renowned Copper River salmon fishery, the first of the Alaska season.

This document summarizes the essence of the major facilitated discussion session – 1PM to 5PM on May 25 – and the brief summarizing session the morning of May 26.

ASMI Customer Advisory Panel Members Attending

Jennifer Keith
Director, Seafood Procurement
Darden's Restaurants, Inc.
Orlando, Florida

Phil Gibson
Group Director, Seafood
Safeway, Inc.
Pleasanton, California

Mark Abbott
Director of Seafood
Monarch Food Group
Rosemont, Illinois

Mr. Jerry Y. Iwasa
Counselor
Kibun Foods Inc.
Tokyo, Japan

Phillip Gadsden
Director of Seafood Merchandising and Procurement
Harris Teeter
Matthews, North Carolina

Tracey Heyworth
Group Technical Manager for Fish
Birds Eye Iglo
Middlesex, United Kingdom

Jeremy Ryland Langley
Specialist Buyer, Fish & Shellfish
Waitrose Ltd.
Bracknell Berks, United Kingdom

The Process

Prior to their travel to Alaska, CAP members were provided a list of questions developed by the professional staff and Executive Director of ASMI. CAP members were asked to consider, in depth, the five major topical areas listed below. Further, between four and nine detailed questions were asked under each of the five categories to insure CAP input on specific issues within each topical area.

- **ASMI FAO 3RD PARTY CERTIFICATION**
- **DIGITAL AND SOCIAL MEDIA**
- **CRISIS COMMUNICATIONS**
- **ASMI APPROACH TO THE MARKET PLACE**
- **GENERAL AND FUTURE OUTLOOK AND TRENDS**

While the facilitated session focused primarily on CAP members, the ASMI Board of Directors and Executive Director were seated at the same table and participated substantially in the discussion of these critical Alaska seafood issues.

ASMI FAO 3rd Party Certification

This priority issue was perhaps the session's most important. The massive proliferation of certifying NGO bodies, the sometimes arbitrary criteria employed by them, confusion about certification of sustainably managed fisheries at the trade, retail, and especially the consumer level, and the potentially dramatic political and business implications of generic sustainability certification all make it imperative that a major seafood source such as Alaska make the right decisions on this issue.

In summary of this extensive discussion, the CAP was resoundingly unanimous in support of the ASMI 3rd Party Certification Program for sustainably managed fisheries. CAP members were particularly adamant in their support for Alaska's use of the objective, credible, and universally accepted FAO sustainability standards, and for the use of the totally independent certifier (one that is not revenue-driven – an important point for the CAP), namely Global Trust, that ASMI has selected. The fact that Iceland has chosen the same certification path was an additional support factor with CAP members.

The following quotes summarize CAP support for ASMI's sustainability certification program:

- **"We sourced Atlantic cod from Iceland because of the independent certification. What you have done is exactly right."**
- **"The independent certification based on set (FAO) standards is absolutely right."**
- **Outlook: "Sustainability and chain of custody are not going away and in fact will increase in importance over the long run."**

- “The Alaska Seafood logo is a positive reinforcer.”
- Overall consensus: “Yes, ASMI is doing the right things. Better to use a set standard rather than a fisheries-based model. What you have done is exactly the right program.”

Discussion Questions:

CAP members were sent the following questions in advance and the facilitator listed them at the start of the discussion. While not every question is answered specifically, these questions are the basis for discussion.

Based on the guidance you provided at last year’s CAP meeting, ASMI embarked on a 3rd party FAO certification program. We have two fisheries (salmon and halibut) complete and are actively working to finish the other Alaska fisheries.

Will ASMI’s 3rd party FAO certification meet the “MSC or equivalent” standard that is being adopted as part of a number of CSR programs in the food industry? If not, what is missing?

- *Will our Chain of custody program work for you?*
- *Do you see a need for the ASMI FAO certification seal in your business or will you use this primarily as a background certification.*
- *Even though we have about a year to go to finish all the fisheries, we are ready to start signing up groups for salmon and halibut now...other fisheries as they come on line. With that in mind, what roll out strategy do you recommend we follow to get our message out to Trade?*
- *Is 3rd party certification primarily a Trade issue so we don’t need to spend a lot of effort trying to educate consumers about it?”*

Representative Sustainability and Certification Quotes:

- Sustainability issue is very different for retail, food service, and the consumer.
- Sustainability is the retailer brand foundation.
- Consumer confusion and ignorance prevail.
- Sustainability to the consumer is totally different from how we see it... sustainability is recycling to the consumer. It has been very difficult to explain to the consumer what sustainability is.
- Just saw a report on the importance of sustainability to the customer in 2009 it was 9th this year it is third. They don’t know what it is . . . they think it is recycling. Not what we are talking about.
- For the customer, sustainability is down the list but in the political world, it’s very important. Fish today, fish for tomorrow – simple answer to consumers.
- We (a major foodservice chain) don’t use certification seals; consumers don’t understand that difference in foodservice. Seal should be focused toward retail.

- Many logos out there, many have different meanings. The best eco-label you can have is your own brand; other eco-labels are confusing to the consumers.
- Foodservice customers aren't interested in certification on the menus. A certification doesn't bring customers in the door.
- Sustainability to the consumer is totally different from how we see it... sustainability is recycling to the consumer. Fish today for fish for tomorrow – simple answer to consumers. It has been very difficult to explain to the consumer what sustainability is.
- Can you charge more for a certified product? Answer: No, then you have to raise the price for consumers. With the certification alone you eliminate the cheaters. The customer who wants sustainable seafood will always ask for it. The general public wants to know we are doing the right thing.
- Be cautious of which sustainability groups we endorse. We all need to deliver the same message in the right way. We don't want to create more levels of certification. It creates more confusion for consumers. The concept of sustainability also covers water, packaging, and energy; it goes beyond the fishery itself.
- Will ASMI's 3rd party FAO certification meet the "MSC or equivalent" standard being adopted in many parts of the food industry? Answer: "Yes it will, this is the right thing, overall consensus is yes, ASMI is doing the right thing."
- Our company (a nationwide major grocery chain) has used ASMI logo for 15 years. We don't use certification labels on our products because consumers don't have the recognition. In foodservice, it is more important because you are speaking to the people preparing seafood for consumers. Focus on foodservice for the certifications, for us Alaska is more important.
- There are many logos. When people look at buying fish, sustainability is way down the list. Why? Consumers expect retailers to do the work and (the proliferation of) ecolabels are getting in the way of our own message.
- We (a national food service chain) don't see value in certification. It doesn't increase traffic or tickets. But for smaller guys they could have some value because it gives some authenticity. We don't want some certified fish on the menu and some not.
- Alaska's goal is to have Alaska certified to the point where all products from Alaska are understood to be sustainable. I've been in chain restaurants in Seattle I heard a number of folks ask if the seafood on the menu was sustainable.
- Just saw a report on the importance of sustainability to the customer in 2009 - it was 9th then, and this year it is third. They don't know what it is though... they think it is recycling. That is not what we are talking about.

- We don't want to create levels of certification that add cost. We are expected to be doing the right thing but we don't want to pass on cost.

Digital and Social Media

The digital and social media discussion was lively and revealing. CAP member firms are intensely involved in digital and social media in most every possible form, and are continually testing and evaluating techniques and forums. All have substantial staff dedicated to digital and social media and intend to continue expansion, while reducing their commitments to print and TV as well. Their advice to ASMI is to be immediately accessible and helpful as possible, including having direct professional relationships with their social media specialists.

Following are the questions sent in advance to CAP members to initiate this discussion:

Has social media helped you effectively communicate with your customers, helped you build your brand and driven traffic to your stores?

- *How much time and effort does your company devote to social/digital marketing?*
- *If you don't have a social media strategy do you plan to develop one?*
- *Do you or have you considered doing a blog?*
- *How do you handle negative comments or posts on platforms like Facebook?*
- *Which social media platforms have you found most effective?*
- *What tradeoffs have you made or are you planning to make between traditional media and social media applications?*
- *How do you measure ROI?*
- *How can ASMI best structure its social and digital media strategy to complement or mesh with yours?*

Representative Digital and Social Media Quotes:

- We believe print will be dead in a few years, we believe the ROI is the money we are not spending on print and we think we have not lost anything. In the social side, we are working on it, ROI is difficult to quantify... negative comments are allowed to remain so as not to be allowed to grow. We use it to give offers and drive traffic to our site. We don't use 2-way. 4-5 years into it we are not seeing much in the way of additional cost. We use a loyalty card for targeted marketing, we directly email 900,000 people every Wednesday morning with an eblast.
- We use it all - live, YouTube, Facebook, Twitter, we use queries and dialogue - that is different. Still in to print. Color supplement in the weekend paper. We do features on fisheries and other things. Direct mail through loyalty schemes. We have marketing team of 150 plus 50 pr staff. We put a lot of effort in to communications. We can do more on social side here because you have a great story here.
- Social media is a good way to do market testing. Just hired a VP of social media, used to be an intern. We still use print drops, coupons for large brands, but less than we used to.

- We just started to have special sales team using email. We are slow to get in this digital game. Japan overall is very, very active in this field.
- Started recently, definitely a time sink. Online forum “mom to mom” will pose a question and discussions... good success there. Linked print coupons to online coupons. “Just for you” opt-in program with special deals for loyalty cardholders. We mostly let negative comments go... always hold back a response option.
- We are present in 16 markets in EU. Just getting into social and digital. We use many promotions and advertise on TV. Clarence the Polar Bear promotions work well for us... we should do something for Alaska soon. We are not very in to print. Link to forever food website so we can have direct links back and forth.
- We have different chefs blogging with recipe ideas. Our biggest push is on the Internet. 2 months on, 1 month off. Monitor for 4 months after to see trial... good pay off.
- We (national retail chain) revamped social media efforts about a year ago. We have five full time people doing social media. Have an online forum where we post new products or concepts. Has been very effective. Still maintain print, coupons are very big, but now using online coupons for focus groups.

Question to CAP: Is ASMI content usable for your website?

- Does it require permission? That usually slows us down.
- Your website is great. Videos are great. We use simple pictures . . . keep it simple for sustainability info and message... for the housewife.
- Just came off a Lent promotion, it took two days to get going. If things pop up we need to be able to get it immediately.
- If we had a password-protected site with content that our guys could use it would be great.
- It took a day or two to get info heading our way for a promotion, seemed difficult for you and us.

CAP advice to ASMI:

- Intern is a good idea for strategy.
- Message should be sharp, short, and memorable.
- ASMI should work with CAP member companies’ social media specialists

Crisis Communications

With the recent Japanese disaster as background, the CAP discussion focused on the absolute necessity of immediate, factual response to a crisis, and continued information flow through the duration of the crisis. ASMI was given good marks for e-communications related to the Japanese crisis and any potential impact on Alaska resources. Every CAP entity had a crisis response plan. A critical issue open for ASMI discussion is how to define “crisis” that requires management and what role ASMI should be playing. ASMI has an internal response plan in place.

Crises communications discussion points:

The recent nuclear incident in Japan caused ASMI to set up a crises communication team to ensure our industry had the correct information available to provide to our customers. Currently ASMI uses a traditional Incident Command System (ICS) structure to deal with crises management. This is being updated as a result of lessons learned from this latest incident.

- *Did you receive any of this information from ASMI or your suppliers? Was it helpful?*
- *Does your company have a crises action or communication plan?*
- *What recommendations do you have for us to better deal with crises communications?*

How do you handle crisis Communication?

- We work with an external PR agency to handle and deal with the press.
- We have a PR team, main focal point to outside media. We have talking points from an internal team to restaurants; work with NFI and ASMI, outside agencies. We have action plans set up.
- We have different programs but you must produce a report on the day of the event, specific information, to the point, state the facts. Be proactive and quick.
- We can't develop our response without the outside help of ASMI and other agencies.
- Japan information from ASMI went directly to our corporate PR team.
- Japanese government was slow to share whole story of catastrophe. We found that we had lack of emergency planning and equipment. Japan lost several days before we got info out about what was going on, especially with overseas.
- We learned some groups will jump on a situation to spread their message. Greenpeace Europe, for example. Current media will report things as true that are at best opinions.
- We (in Japan) didn't explain what we were doing with the reactor to people overseas. Open up info to the world.

Advice to ASMI:

- Respond immediately, factual and unemotional.
- You have to direct the tone and be preemptive. How not to do it – the reaction to the gulf oil spill; daily negative press.
- Be fast or be screwed.
- Bad news doesn't get better with age.
- Understand that current day modern media is inaccurate and inconsistent.
- Our process is the same as what I'm hearing from everyone here. ASMI has to get us info right away.

- The Chile mine people did it good. We can become the clearinghouse for questions when there is a crisis.
- ASMI has done a great job on these things and it was in tune with our mission of raising the value of Alaska seafood.
- Your statement was right on time.

Maintaining good relations with the press is very important. We get asked often to fact check stories. You have to be credible otherwise you are just a piece of noise.

ASMI Approach to the Marketplace

CAP members had good knowledge about ASMI activities and promotions. When asked, “What works well?” the Fish Taco promotion got multiple positive mentions, as did “Cook it frozen.” Seafood University, the “Like their fathers before them” brochure, and POS material got good marks. Perhaps the most flattering comment was, “We plagiarize your recipes!” from a major retailer. Suggested improvements centered mostly on increased communications between ASMI and major retailers and trade customers.

Discussion points sent in advance:

In your view, how is ASMI doing in the way we approach the market place?

- *What are we doing that works well for you?*
- *What are we doing that doesn't work?*

What Works Well?

- Really like the, ‘Like Their Fathers Before Them’ brochure.
- Fish Taco promotion was very well done (multiple mentions).
- POS material? Sustainability in plain English.
- Really like the “Cook It Frozen” activity.
- It’s a precious resource; utilize it to the extent that we can – full utilization.
- Seafood University has been helpful and the Cook It Frozen app.
- We plagiarize your recipes.
- Frozen is often better than fresh.
- Rationalized fisheries give you the opportunity to plan promotions.
- ASMI helps us to create value. ASMI is flexible in helping us with promotions that we need help on. POS materials are easily modified to incorporate into different brands.

What Can Work Better?

- Plan major stuff well in advance, it is not quite instantaneous, but we need to work with ASMI to create some dialogue and ongoing conversation.
- It is important to have ASMI flexibility to create value where we need it. Aligning promotion schedule with harvest season and the POS materials that are easily modified are really important.
- We should be reaching out to ASMI to facilitate a 2-way discussion to see what ASMI views as priorities and what is going to be coming up. Retailer needs to initiate that.
- ASMI promotion calendar is not one of my first tools - I think the human contact is important.

General and Future Outlook and Trends

CAP emphasized a number of trends and strategies that should help Alaska and ASMI. “Buy local”, teaching customers the story behind the food (fishing families), the outstanding health message of Alaska seafood, bringing customers close to the source with knowledge, and put faces to the product were all trend advice from the CAP. Further, insure traceability to conclusively answer the questions, “Is it safe.” and “Is it legal.” Will continue to grow in importance in all major markets. Acknowledging the business is getting more complex and providing retail clerk training and education to compensate is important.

Participants were offered a list of thought-provoking questions about trends and outlook:

General and Future outlook

- *What consumer behaviors do you believe will positively affect seafood purchases over the next 5-10 years? What consumer behaviors will negatively affect seafood purchases?*
- *What in-store marketing methods work best for you? Will this change in the future?*
- *How are you communicating to customers outside the store/operation, in order to drive traffic?*
- *What training techniques for retail seafood counter staff and buyers, and for foodservice wait staff and chefs, work best for your organization?*
- *How, if at all, do you proactively communicate to your customers regarding food safety? Will this change in the future?*
- *What types of new products would you like to see coming out of the seafood industry?*
- *How do other products/brands conduct marketing/communications that you deem most successful?*
- *What are the top three reasons your customers buy Alaska seafood?*
- *How do you promote seafood in your businesses? Do you promote Health/Nutrition/Sustainability?*

Representative Trend and Outlook Quotes:

- Buy local is big everywhere, especially with produce. If we can fill the message about Alaska Seafood family businesses, we'll have a good response.
- The perception of local is a bit off, put faces to the brand and people will respond.

- The story behind the food is a big success.
- Emphasize the health message.
- No real trend of home deliveries increasing in US.
- Home deliveries and online shopping are big in the UK.
- Promotions development of underutilized species will become increasingly important. Need to address inhumane slaughtering of fish.
- Another trend: food safety act that requires traceability all the way to the beginning.
- Full traceability is key to our company with regards to food safety.
- Is it safe? Is it legal?
- Bring the consumer closer to the source with knowledge about the source.
- Business is getting more complicated, we'll need to revamp the training. Need tools that will be easy to convey - retail clerk training.
- Your food is one of the best health foods there are and that works well for us.
- In surimi it is very important for bilingual. Home delivery is hit and miss, pays for itself but isn't universal.
- Home delivery only in high-density markets.
- Bilingual on all packages for us
- Promotion of underutilized species is going to increase. 3rd party cert is not going away. How do you humanely slaughter wild fish? Just letting you know it is out there.
- Food safety act requires traceability; we are all going to have to deal with it.
- Bringing the customer closer to the source, teach consumers about where the food comes from.
- Ramp up training of retail sales clerks. Must be consistent with that. Seafood U is great.
- More educational info on traceability and sustainability of AK seafood.

Closure

At the end of the facilitated session participants were asked to evaluate the discussion. Both CAP members and ASMI Board members were asked to respond.

Both CAP and ASMI Board members highly valued the process, with special appreciation for bringing together producers and sellers from around the world, and for the unique Cordova experience of being at the source of quality Alaska seafood harvested by fishing families.

Customer Advisory Panel Closing Comments

- Morning information (presentation in the morning of 5/25) helps planning and forecast when we see the TAC for the next two years. It helps us to better plan. ASMI is doing a great job and has been very helpful with our planning.

- Morning was very helpful and was very informative. Third party certification is great.
- Having it here in Cordova has been very eye opening, especially with the aspect of sustainability. Going to the source has been very beneficial. Day was very enlightening.
- Japanese market is in need of educational material.
- Really appreciate being here, was especially interested in the University of Alaska activity. Have always been proud of what Alaska has done.
- Excited to bring what we were presented today back to our UK and EU operations.
- I have pages of work to take back.
- Wow! Great insight today.
- Current trends were good. Being part of this group is great, no other group is operating in the same way you are, keep doing that.
- Good session, our company can do more to promote your product now that I know more about it. 3rd party cert fits with what we are up to. Top 5 species of fish we have will all be certified by 2012. Good to hear different views but we do agree on a lot.
- Good to have meeting in Cordova. Sustainable communities is a good new message.
- Especially happy to hear from U of A and proactive efforts of Alaska. The rest of the country should be more like Alaska.

ASMI Board Closing Comments

- I was very impressed with what the CAP had to say about ASMI, which is a reflection of the hard work of the staff. Great to be in Cordova. Very little negative feedback from the panel. Staff direction is very commendable.
- Private/Public partnership that the legislature holds very high; ASMI is a model agency.
- We're very passionate about our resource and we're our own worst critics. I appreciate the conversation and feedback; it gives us a good return on our investment.
- Excited to hear there is interested in underutilized species. Would like to figure out a practical way to go forward with that. Looking for the next steps for the development of underutilized species. Would like to have a local take-away for next trip. Fishing families!
- The perspective the CAP members bring is very valuable to the Alaska Seafood industry.
- The seafood you buy comes from our rural villages. We're very passionate about that. The feedback from the CAP members has been very helpful. Brilliant idea to bring the CAP together.
- Fisherman to end seller all at the same table. What we get out of this is invaluable to staff at ASMI.
- It has been a real privilege to meet with the CAP and BOD members, led by Ray's leadership.
- Very good to get validation of the staff efforts on all fronts.
- Perspective is good to hear - we don't hear or think about things that you deal with every day.
- We are a customer-driven organization. Thank you for taking the time to meet with us.