Canned Salmon in the NEU: Proposed Additional Activities

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Spot analysis

• Canned salmon continues to decline in NEU
• Since 2006
  – Ambient canned category declined by 34% by volume
  – Salmon has declined in same period by 57% in volume
  – Salmon is becoming a minor product in ambient category
  – Market share (UK) fallen from 13.1% to 8.4%
• In last six years canned salmon volume has halved

Current and forward look:
• UK inventory still high (volume and price)
• Stock from 2014 still to be purchased
• Anticipated good season in 2015 expected to add to problem
• An example of Market Failure?

An economic term that encompasses a situation where, in any given market, the quantity of a product demanded by consumers does not equate to the quantity supplied by suppliers.
• Volume decline mainly price driven
• But also ongoing decline in category
• Levelling out as price stabilises
• 2014 pink pricing/activity helped

• At current pricing: levels slow decline
• Potential loss of shelf facing/brands
• Continued market share erosion
• Lack of category investment
Addressing Market Failure longer term

• Recognise the importance of canned in that
  – Helps buffer intra and inter seasonal volumes
  – Helps buffer intra and inter seasonal size changes
  – Absorbs “outgrades and slightly damaged” fish
  – Provides a production capacity mix
  – Has a robust stock and low energy stock life

• Is a classic “mature market product”: neglected in terms of marketing, innovation and production investment

• Consider developing a long term market and innovation programme aimed at
  – Reducing unit price (not just can size!)
  – Modernising product – e.g. ring pull
  – Widening product range and introducing “price fighters” eg: pink flake
  – Extend skinless boneless
  – Invest in long term strategic market support programme
  – Open other new markets – food aid

• This will not be resolved in one season
Dealing with stock issue and new season

- Will have to be led by a “price regime shift”

- **ASMI** - Cannot directly support price promotions/reductions but could:
  - Place: editorial and linked advertorial (6-12wks lead time)
  - Sponsor: banner advertorial on ecommerce sites (6-10 wks lead)
  - Try n buy: product tastings (8+ week lead)
  - Radio: Pre – Easter local radio campaign (6-8 weeks lead)
  - Engage: Feed your fitness – endurance event samples and info (event led)

Cost, Scope, Impact, timing on each above covered in next 5 slides

- Producers have to liaise with NEU importers/retailers on price changes
- Producers should consider targeting discounters through importers or directly
- Messages: “value, well managed fishery, healthy superfood, its all salmon in the tin, versatile”
- Challenges: coordinating ASMI activity with importers and retailers, lead times. Will require good communications.
- Timing: Pre Easter/Early March
<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope &amp; Reach</th>
<th>Target Channel</th>
<th>Cost</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place: Advertorial</td>
<td>Advertorial &amp; possibly linked editorial</td>
<td>Female Shopper. Circulation 5,000,000</td>
<td>$160,000</td>
<td>+200-300% volume if linked with price promotion, this adds 40-50%. Alone 20-40%</td>
</tr>
<tr>
<td>Sponsor: online</td>
<td>Online banners, web links</td>
<td>Retailers, specialist online grocers 2,000,000</td>
<td>$80,000</td>
<td>5% groceries bought online. 1000% increase combined with price. 20-40% standalone</td>
</tr>
<tr>
<td>Try N buy: Shopping centres</td>
<td>Tasting and sampling</td>
<td>General public C. 30,000 ppl</td>
<td>$60,000</td>
<td>Increases awareness long-term: +5% overall?</td>
</tr>
<tr>
<td>Radio: local radio</td>
<td>Local radio program/slot</td>
<td>Use journalist who has Alaska knowledge 1,000,000+</td>
<td>$25,000</td>
<td>Awareness increase. Guestimate 5-10% overall</td>
</tr>
<tr>
<td>Engage: Endurance event</td>
<td>Tasting and sampling endurance event</td>
<td>Event dependent direct-20,000 PR linked- 200,000</td>
<td>$15,000</td>
<td>Awareness increase. Guestimate 5-10% overall</td>
</tr>
</tbody>
</table>
Place: editorial and linked advertorial

- **Activity**: Display, advertorial and possibly linked editorial consumer magazines
- **Scope and Reach**: One or two placements insufficient. Seeking wide reach to mainly female shopper and fitness aficionado. Reach: 5+ Million
- **Target**: 4 retailer magazines (Tesco, Sainsbury, ASDA, Waitrose) 2 food glossy (Observer, Good Food) 2 Women's or Fitness magazines (e.g. Women’s Health, Men’s Health, Health and Fitness)
- **Cost**: Range from $10,000-$30,000. Average $20,000 Total: $160,000
- **Impact**: If linked with strong price promotion 2-300% in linked stores, adds 40-50% to promotion, stand alone 20-40%
- **Timing**: 6-12wks lead time, greater linkage longer leads. Quicker turnaround with display than advertorial. To coincide with Lent, we would probably be looking at display, with advertorials for Easter
Sponsor: banner advertorial on ecommerce shopping sites

- **Activity**: banners, recipe links, product links, shopping basket links & repeats
- **Scope and Reach**: Retailers and specialist grocery sites. 5% of grocery sales online. Total Reach: 2,000,000+
- **Target**: Sainsbury, Tesco, ASDA, Ocado
- **Cost**: Range from $10,000-$30,000. Average $20,000 Total: $80,000
- **Impact**: If linked with strong price promotion 1000% (on 5% of sales) in that channel, stand alone 20-40%,
- **Timing**: 4 weeks – this activity could be implemented in time for Lent as stand alone.
Try n buy: product tastings

- **Activity**: tasting and sampling direct to public
- **Scope and Reach**: Limited reach dependent on location and demonstrator
- **Target**: Major shopping centres with grocery presence. Target 10 centres over 3 days
- **Cost**: Still being evaluated: estimate $60,000? TBA.
- **Impact**: long-term awareness. Limited reach reduces impact to less than 5% overall volume increase
- **Timing**: 8 weeks + lead time, greater linkage longer leads
Radio: Pre – Easter local radio campaign

- **Activity**: radio programme or slot featuring local radio and podcasts. Healthy & versatile eating

- **Scope and Reach**: In evaluation. Use Chef/cook/writer CJ Jackson who visited Alaska 2013 to create an engaging story for radio broadcast. Reach: 1,000,000+ - dependent on interest of story and assets available to us (e.g. celebrity cooperation etc.)

- **Target**: Local radio, shopping radio, internet radio

- **Cost**: Still being evaluated: estimate $25,000 TBA.

- **Impact**: long-term awareness. Impact guestimate 5-10% overall volume increase

- **Timing**: 6 weeks + lead time
Engage: Feed your fitness
Sampling and information leaflets at endurance event

- **Activity:** tasting and sampling direct to event competitors
- **Scope and Reach:** Limited reach dependent on event and location. Theme Feed your fitness, natural etc. (use US ASMI Retail materials) Reach 20,000? Direct + 200,000 indirect
- **Target:** Major events e.g. triathlons or marathon
- **Cost:** Still being evaluated: estimate $15,000? TBA.
- **Impact:** from event likely to be low/not measurable. But create linked media interest across number of channels. Product image building
- **Timing:** Event dependent