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MEMORANDUM

DATE: April 29, 2021  
TO: ASMI Board of Directors  
FROM: Megan Rider, Domestic Marketing Director  
SUBJECT: Domestic Budget

Please find herein the proposed Domestic marketing budget for fiscal year 2022, which highlights the reinstatement of the tradeshow/conference and travel lines, as well as recommendations for the remainder of the carryover funds from fiscal year 2020 that were not spent due to the global pandemic.

***Retail:***

The ASMI retail program covers the U.S. domestic market, as well as Canada. We partner with over 36,000 units currently.

In light of the global pandemic, we have witnessed an unprecedented boom in this sector as more consumers are cooking at home due to the closure of indoor dining of the country's foodservice establishments as a precautionary safety measure. Both brick and mortar and ecommerce have thrived during the pandemic. This has been a boon for certain categories such as frozen fresh, and shelf stabled canned.

The ASMI team pivoted during the beginning of the pandemic in a myriad of ways to accommodate the quickly evolving retail landscape.

Firstly, we partnered with Chef Barton Seaver to create canned salmon webinars on the platform Rouxbe educating both trade and consumers on the benefits of cooking with this product. We also supplied Chef Barton with a variety of Alaska seafood for him to showcase on his platform to tell the Alaska seafood story in his unique, approachable, inspiring, and authoritative way and tout the benefits of frozen seafood. We amplified our focus on canned and frozen through custom content advertising in a variety of trade publications.

Next, we are working with a variety of retailers such as PCC and Publix for virtual cooking classes featuring prominent Alaska seafood chef ambassadors marrying foodservice with retail.

Also, we revamped our Cook It Frozen! campaign with a refreshed logo and eight new recipes and tutorial videos featuring sockeye salmon, halibut, cod, and pollock, being prepared with different techniques (pan seared, grilled, instant pot, roasted, poached, air fry and baked). We showcased these videos with accompanying banners on the Serious Eats platform along with shoppable recipes integrated through multiple grocery delivery and pick up services to include: Kroger, Amazon Fresh, Walmart, Instacart, Albertsons, Target, and more. We also created an eblast to share with our trade partners, as well as amplified this through social media, banner ads on recipes, and native ads. The overall engagement was at an all-time high proving to be our most successful campaign to date with over five million impressions, 37 thousand page views, 11 minute average page view time, and an open rate of 28% on the newsletters.

We created QR codes for on pack to create a positive, contactless shopping experience for the consumer with the goal of educating these shoppers on the benefits of eating Alaska seafood, telling the Alaska seafood story and creating simple and delicious recipes for the at home cook.

Next, we ventured into the ecommerce space in a dynamic and robust fashion working with various partners such as Fulton Fish Market, Target, and ShopRite with results pending.

**Key FY22 Proposed Domestic Budget Changes - Retail**

- Allocate remaining 30% of funds in FY22 for a total of \$89,420. We plan on continuing to be on the offense in this sector. We will continue to focus on frozen and canned product with the objective of keeping new customers in these categories that have historically not purchased Alaska seafood and creating loyalty and repeat purchases for years to come. Our strategy is to focus on not only B to B marketing but also B to C, as many shoppers are frequently brick and mortar less frequently. Finally, we want to maximize opportunities in the ecommerce space.

FY21 Reserved funds	\$89,420
<i>Total Available Funds for FY21:</i>	<i>\$89,420</i>

**Proposed Activity Additions:**

1.) Chicory	\$89,420
<i>Total Proposed Carryforward to FY21</i>	<i>\$89,420</i>

[Chicory](#)

As ecommerce is expected to account for 21.5% of all grocery spend by 2025 we would like to put extra emphasis on this space. We know that 84% of shoppers use recipes to make their shopping lists and 82% of shoppers visit digital recipes on their devices when determining what to make for dinner. Since, recipes are the #1 driver of new product trial (according to Chicory) we leaned in to shoppable, online recipes on various platforms to support this digital shopping experience.

Chicory is a brand safe recipe network which included hundreds of independent recipe blogs and legacy media sites. It enables ASMI to equitably represent Alaska seafood products by featuring products contextually in relevant recipes. Chicory has over 1,500 recipe sites with a reach of 100m+ shoppers and a library of 5.4 million recipes.

Consumers who click on the randomized and optimized shoppable banner ads can add their choice of Alaska seafood and recipe ingredients directly to their digital shopping cart for a seamless checkout experience.

***Foodservice:***

The ASMI Foodservice program covers both the commercial (restaurant operators) and noncommercial (College & University, Healthcare, Broadline and Specialty Distributors) sectors in the U.S. market, as well as Canada.

In light of the global pandemic, the foodservice sector nearly collapsed in some cases, in the United States with many fine-dining and casual dining restaurants struggling and some shuttering indefinitely. This is an incredibly important segment for ASMI as foodservice accounts for nearly two-thirds of domestic seafood consumption. Many restaurants were quick to pivot to delivery and take-out, as guests were not able to dine in due to strict safety measures.

One silver lining was that many of the operators ASMI currently partners with are in the fast casual and fast food segment which is already accustomed to these mechanisms to reach their customers. Fortunately, the majority of planned promotions were executed as planned as the lions share were in the quick service segment.

As more Americans are inoculated and restrictions have lessened (depending on the state and their respective governmental policies) the foodservice segment is being revitalized and restored. According to Datassential, seafood is the number two most missed entree at restaurants. Therefore, Alaska seafood is poised to shine when diners can return to brick and mortar establishments.

ASMI domestic was quick to pivot in a myriad of ways to be responsive to the rapidly changing and evolving marketplace. For starters, we worked with a variety of chefs to create recipes highlighting trends that arose during Covid but that would be lasting and relevant such as immunity boosting, vibrant, innovative and healthful ways to prepare Alaska seafood.

Next, we partnered with acclaimed chef, seafood champion, and cookbook author Barton Seaver to create a series of videos in conjunction with the platform Rouxbe through the Seafood Literacy program highlighting take out menu recipes and tips. Also, with Chef Barton we created videos educating trade on full utilization in a commercial kitchen.

As we move into the next fiscal year, although the foodservice landscape is still a bit precarious due to new variants of Covid, different restrictions on a state-by-state basis, many operators transitioning to ghost kitchens or still primarily focused on take-out and delivery, and other extenuating circumstances. We will still support our foodservice trade partners as we feel this is a pivotal moment to continue to cultivate key relationships, build brand awareness, and keep Alaska seafood top of mind as we can see the light.

#### Key FY22 Proposed Domestic Budget Changes - Foodservice

- Save 100% of funds in a rainy day account. In light of the fact that the U.S. foodservice market is still relatively unstable, we think it is prudent to keep these funds in the reserve. We still wish to maintain a strong presence in this sector, continue to build brand awareness and be top of mind for trade and consumers. As many traditional promotions are now being executed such as LTOs, spiffs, sales contests etc. we will continue to support our partners in whatever way we can during the rebuilding and rebirth of this segment.

FY20 Foodservice Budget Carryforward:	\$271,615
<b><i>Total Available Funds in Reserve:</i></b>	<b><i>\$271,615</i></b>