



Wild, Natural & Sustainable®

Domestic Retail Program
Special Project: Pink Salmon
November 26, 2013

Situation Analysis: Alaska's record pink salmon harvest in 2013 will lead to a large increase in supply of canned pink salmon, and to a lesser extent, frozen pink salmon. Analysts predict a large pack of unsold canned salmon being held at this time. Sales of frozen H/G pink salmon increased significantly in 2013, with prices falling. Sales of frozen fillets were up, though this represents a small volume compared to frozen H/G.

The Retail Committee believes that the funds should be spent on canned salmon rather than frozen, for the following reasons:

- 1) Only a small number of Alaska processors produce and market frozen value-added pink salmon products in the US, so there would be no way to equitably distribute the impact; and
- 2) Exported pink salmon face a long and indirect supply chain until they are reprocessed and sold in final form.

However, frozen forms of pink salmon can be addressed in the copy block of all promotion tactics, playing up the ease of preparation and health and nutrition aspects.

We also believe the best spend on branded canned salmon is in the domestic US market, exclusively to support tall pinks. (Coupons would be good on all brands, including third-party brands such as Bumble Bee and true retailer-label private brands.) Tall pinks represent more volume than any other canned form, and have the biggest potential volume impact of any canned product we could promote.

Timing: In order to implement any of the proposed tactics, we will need to receive funding approval immediately due to space reservations and lead times.

Market Research: Canned pink salmon is currently consumed in the highest concentration in the Southeastern United States, in markets such as Charlotte, Raleigh, Atlanta, Birmingham, Baltimore, Louisville and Nashville. The traditional consumers of canned salmon are the Silent Generation or Traditionalists, born from 1927-1945, and the Baby Boomer generation, born between 1946 and 1964.

- Long-term targets include domestic Gen Y Consumers also known as Millennials. (*Generation Y were born into an emerging world of technology, born between the 1980's to the early 1990's and have grown up surrounded by smart phones, laptops, tablets and other gadgets.*)
- Attracting this generation will take a great deal of education to get them comfortable with traditional canned salmon. Not only do they not frequent the canned food aisle, they have an aversion to the issue of skin and bones. They do, however, show an overwhelming preference for wild fish over farmed (65% to 28%, respectively.) Their favorite source of salmon is Alaska.

Spoken like a true Gen Y: *"I love the idea of canned salmon as a better alternative to tuna for salads. But every time I've bought it (multiple brands) it comes skin-on with large bones in (the spine I believe). By the time I finish cleaning it, it has lost volume and sort of grosses me out - not a good prelude to a meal."* NGL June 16, 2006

Goal: The goal is to drive sales of pink salmon between launch and April, in order to relieve the industry of potential carryover inventory. The campaign is designed to create immediate lift and as well build awareness; we also believe it to be equitable to the various Alaska processors and ASMI programs. **Creating lift is a difficult challenge and limited at best, given the 5M case inventory. Both Valassis and FSI's provide minimal lift opportunities.*

Concern: Various methods to create lift can be expensive due to setup/insertion fees and actual redemption is often uncertain. Also consideration should be given to the projected actual number of cases that are to be moved and at a reasonable per case cost.

Product placement on the shelf should also be considered when evaluating the potential success of in-aisle coupon dispensers.

Strategy: Develop several marketing plan options for review by the Retail Marketing Committee: 1) To drive immediate sales and 2) Begin to educate & develop a new user base of light to non-users that are interested in health & nutrition as well as the value, ease of preparation and versatility which Alaska canned pink salmon can provide.

Tactics:

Valassis: In-Store In-Aisle 8 Week Coupon Dispensing Program \$.55 OFF coupon

 <p>CouponPOP™</p>	<ul style="list-style-type: none">• Drives incremental sales from new and current users• Encourages interaction• Outside box dedicated to client creative – generating brand awareness
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Competitor Brand Publications: Targeting healthy lifestyles with a nutrition message and recipe ideas.



Five publications dedicated to running, cycling, triathlon and the world of multisport including *Velo*, *Inside Triathlon*, *Triathlete*, *Women's Running* and *Competitor* with a combined monthly circulation of over 700,000

Other Publications: Targeting an older canned salmon buyer to drive product awareness with a health and nutrition message



Free Standing Inserts (FSI): 8½ X 11 inserts with coupon dropped in Sunday newspapers in high volume canned pink markets with \$1.25 OFF coupon on the purchase of 2 cans + health and nutrition message.



Ad Ready: Online banner ads touting health & nutrition, ease of use and directing consumers to recipe section of WildAlaskaFlavor.com

Public Relations: Will play a critical role in a multi-platform campaign to educate consumers about, and increase demand for, Alaska as the source of pink salmon. While efforts will be concentrated among industry and trade, a proportionate effort should be made to educate the public and create consumer demand. This will be developed through the current PR budget.

- **Press Release:** Syndicated press release outlining record pink salmon harvest in Alaska.
- **Press Release:** To inform trade on ASMI's Marketing Plan for canned pink salmon.
- **Media Relations:** Targeted burst of pitching to food editors of all major online, print, newspaper, blog and broadcast outlets serving the US Southeast markets about benefits of canned Alaska pink salmon.
- **"Pinkapalooza"** – Campaign focused on mom-bloggers positioning pink salmon as a kid-friendly and budget-friendly meal choice.
- **Partnership with the Can Manufacturers Institute "Cans Get You Cooking"**
<http://cansgetyoucooking.com/>

Cans Get You Cooking™ is a fully-integrated campaign that launched nationwide during National Canned Food Month in February 2013. The campaign builds on the insights from a new, comprehensive values-based consumer research study revealing consumers' strong, positive associations with canned food. The program deploys various media tactics: TV, social media, public relations and direct retailer contact. ASMI will provide various assets: recipes, photography, video and health & nutrition information for inclusion on a twice per month basis. This is offered to ASMI at NO CHARGE.



Strategy #1 Cost Outline:

- **Strategy #1** (Valassis Plus): Move the pack at the retail shelf plus build overall awareness! Generate sales via \$.55 instant redeem coupons (IRC) in the aisle of 10,000 supermarkets nationally for 8 weeks. This would involve a combination of on-shelf Point-of-Purchase vehicles (produced by Valassis), shelf talkers/tear pads and in-aisle coupon dispenser (see below). These vehicles operate on a 4-week cycle.
 - Limited space available on the coupon dispenser or tear pad for editorial copy touting the health and nutritional benefits of canned salmon.
- **Strategy #1** also includes an awareness-building campaign involving PR outreach, through ASMI's current PR program, Family Features releases (in print & web-based) and a print ad campaign with the Competitor Group: *Women's Running and Competitor* publications. This strategy targets the current user group as well as new Gen Y consumers dedicated to health and a healthy lifestyle.

Cost Breakdown of Suggested Tactics

Valassis: 12 weeks of lead-time, 8 week campaign and their cycles begin 12/30, 1/27 & 2/24

- Launching 2/24 we'd hit the beginning of Lent (Ash Wednesday is March 5)
- **Valassis** **\$921,684**

	Coupon Dispenser	Tear Pad
55¢ OFF any branded tall pink	55¢	55¢
Stores	10,000	10,000
Coupon pulls per store per week	55	25
Coupon pulls per week all stores	550,000	250,000
Redemptions (10.0% of pull)	55,000	25,000
Potential Total Redemptions	220,000	100,000
Coupon Redemption Value	\$0.55	\$0.55
Coupon Handling Fee	\$0.09	\$0.09
4-week redemption cost	\$140,800	\$64,000
Insertion Cost	\$340,042	\$376,842
SUBTOTALS	\$480,842	\$440,842
TOTAL COST		\$921,684

Potential total cases moved: 13,333
Cost per can \$2.88 or \$69.13 per case

Family Features (\$36,500 print & Digital + \$5,000 Video). **\$41,500**

**(2013) - If contracted and invoiced before year-end:*

Family Features Premium Feature	
Feature Cost (contracted & invoiced before year end)	\$36,500
Guaranteed Print	6,000,000
Max. Ordering Circulation	Unlimited up to 6 months
Guaranteed Digital Audience	19,000,000
Total Minimum Print & Digital Impressions	25,000,000
Total Cost	\$36,500
Video Distribution + Guaranteed Plays	\$5,000
Digital Audience	1,000,000
Plays of Content	100,000
Total Cost	\$41,500

Competitor..... **\$98,864**

Publications	Circulation	Ad Size	Freq.	Issue/Issues	Cost per Insertion	Cost per Publication
Competitor	500,000	Cover 2	1	Jan-14	\$22,156	\$22,156
		Page 1				
Competitor	500,000	Full Page	3	Feb, Mar & Apr	\$13,540	\$40,620
Women's Running	74,000	Full Page	3	Jan/Feb., Mar & Apr	\$3,696	\$11,088
Total Circ.	1,074,000					
Total Prod.						\$25,000
Total Cost						\$98,864

Total Strategy #1**\$1,062,048.00**

Remaining balance from Strategy #1 including International, Food Aid & Foodservice program plans: \$5,952.00

Strategy #2 Cost Outline:

- **Strategy #2 (FSI's +):** Increase consumer awareness of canned Alaska pink salmon by targeting the heaviest buyer group (the Silent Generation and Baby Boomers) through Free Standing Inserts (FSI's) featuring a \$1.25 OFF coupon on the purchase of two tall cans of Alaska pink salmon. We would run these inserts in the current heaviest canned pink markets, primarily the S.E. US. See examples of FSI's below.
 - The advantage of using FSI's is that they are easy to execute and are delivered in a vehicle that is heavily used by the traditional canned salmon buyer. FSI's do provide the ability (unlike Valassis limited editorial space) to not only offer a price incentive but to also inform the consumer on the health and nutritional benefits of canned salmon. FSI's are a proven performer in ASMI's history unlike Valassis, which would be a new venture for ASMI.
- **Strategy #2** like Strategy #1 also includes an awareness-building campaign however far heavier due to the cost savings FSI's provide. Strategy #2 uses some of the same tactics as #1: PR outreach, Family Features releases (both in print and web based) and a print ad campaign with the Competitor Group but also adds electronic banner ads through AdReady and the expansion of magazine ads in *Good Housekeeping* (S. Atlantic Div. only), *Prevention*, *Readers Digest* and *Paula Deen*. The ad buy targets both the current highest user group (Southeast US and other strategic markets in the Mid-Atlantic area) as well as Gen Y consumers dedicated to health and a healthy lifestyle.
 - Strategy #2 also provides the capability not only talk about canned salmon but also address pink salmon in frozen forms found at retail and the ability to play up the health and nutritional benefits as well as versatility and ease of use.

Cost Breakdown of Suggested Tactics

FSI's: 90 day lead-time to reserve space (depending on publication)

- Launching 3/4/2014 we'd hit the beginning of Lent (Ash Wednesday is March 5)

City	Newspaper	Sunday Circ.	CDI
Charlotte, NC	Observer		362
Raleigh, NC	News & Observer		342
Atlanta, GA	Journal-Constitution		297
Birmingham, AL	AL News		286
Baltimore, MA	Baltimore Sun		278
Nashville, TN	Tennessean		245
Louisville, KY	Courier Journal		245
Memphis, TN	Commercial Appeal		192
Richmond, VA	Times-Dispatch		189
Pittsburgh, PA	Post Gazette		138
Washington DC	Washington Post		137
Kansas City, MO	City Star		137
Oklahoma, OK	The Oklahoman		127
Cincinnati, OH	Cincinnati Inquirer		114
Omaha, NE	World-Herald		113
Jacksonville, FL	Times-Union		112
Little Rock, AR	Democrat Gazette		107
St. Louis, MO	Post Dispatch		104
		9,293,999	
Total Insert Cost		\$30,573	

Potential total cases moved: 15,490 (*One FSI to highest volume markets)

Cost of \$0.78 per can or \$18.78 per case

FSI's	\$290,870
Insertion cost	\$30,573
Redemption 2% @ \$1.25 OFF.....	\$232,350
Handling	\$20,447
Production	\$7,500

Ad Ready **\$25,000**

Family Features.... *Same as above* (\$36,500 print & Digital + \$5,000 Video). **\$41,500**

**(2013) - If contracted and invoiced before year-end:*

Family Features Premium Feature	
Feature Cost (contracted & invoiced before year end)	\$36,500
Guaranteed Print	6,000,000
Max. Ordering Circulation	Unlimited up to 6 months
Guaranteed Digital Audience	19,000,000
Total Minimum Print & Digital Impressions	25,000,000
Total Cost	\$36,500
Video Distribution + Guaranteed Plays	\$5,000
Digital Audience	1,000,000
Plays of Content	100,000
Total Cost	\$41,500

Competitor..... *Same as above* **\$98,864**

Publication	Circulation	Ad Size	Frequency	Issue Dates	Cost Per Insertion	Cost Per Publication
Competitor	500,000	Cover 2 or Page 1	1	Jan. 14	\$ 22,156.00	\$ 22,156.00
Competitor	500,000	Full Page	3	Feb,Mar,Apr	\$ 13,540.00	\$ 40,620.00
Women's Running	74,000	Full Page	3	Jan/Feb, Mar, Apr	\$ 3,696.00	\$ 11,088.00
Total Circulation	1,074,000					
Total Readership	2,685,000					
Total Production						\$ 25,000.00
Total Cost						\$ 98,864.00

Other Magazines \$506,100

Magazine	Circulation	Full Page Cost
Good Housekeeping (South Atlantic Reg. Only)	989,000	\$112,600
Prevention	2,800,000	\$157,800
Southern Living	2,800,000	\$210,700
Paula Deen	2,900,000	\$23,715
Total Circulation	9,489,000	
Total Readership	23,722,500	
Production Cost		\$25,000
Total Cost		\$506,100

Total Strategy #2 \$962,334

Remaining balance from Strategy #1 including International, Food Aid & Foodservice program plans: \$105,666.00 based on only running one FSI.

**Note additional FSI markets could be added or retarget those markets that preformed the best.*