DATE: April 27, 2015

TO: ASMI Board of Directors

FROM: Larry Andrews, Retail Marketing Director

SUBJECT: **FY2015 RETAIL PROGRAM UPDATE**

RETAIL PROGRAM OBJECTIVES: Increase retail and consumer awareness of Alaska seafood by utilizing a three-tiered messaging platform:

- Differentiate wild Alaska seafood from other/farmed fisheries.
- Increase consumer preference for wild Alaska seafood.
- Increase retail merchandising and understanding of the importance of Alaska seafood through training and communication targeted directly to retailers.

Program activities fall under three separate initiatives:

1. Alignment with the Consumer Advertising/Public Relations program to increase awareness and preference for Alaska seafood;
2. Merchandising/POS development by retail chain partnerships; and
3. Retail training and communication.

All program activities reinforce the power of the Alaska Brand and engage both the consumer and the retailer.

**Platform #1: Alignment with the Consumer Advertising/PR Program to Increase Awareness and Preference for Alaska Seafood**

**A. Consumer Shows/Events:** The number of consumer shows/events was reduced this year: ASMI staff conducted sampling only at events negotiated as part of the Consumer Advertising buy with *Food & Wine* and *Cooking Light* magazines. The booth/exhibit space, catering and all travel costs were applied to the Consumer Advertising budget so there were no direct costs to the Retail program.

- **Newport Mansions Food & Wine Festival**, Newport, Rhode Island: 9/19/2014 – 9/21/2014
  - Alaska Snow crab cocktail claws were sampled to over 5,000 attendees
  - The new VIVA COCINA ALASKA recipe booklet featuring recipes from Chef Jake Rojas (Tallulah on Thames restaurant) was distributed to attendees
- **San Diego Bay Wine & Food Festival**: 11/22/2014
  - Alaska seafood was featured in the *Cooking Light* booth
  - *Cooking Light* promoted the event in their magazine and via targeted eblasts:
    - Logo inclusion on event promotion within *The Dish in Cooking Light*: 11.5 million impressions
    - Featured on geo-targeted promotional e-blast: 49,790 impressions
    - Exposure to guest attendees: 10,000 impressions
• Total event impressions: 11,560,490
  ⇒ Wild Alaska Canned Salmon Quinoa Cakes were sampled to 700 attendees

Upcoming events:
  ⇒ Alaska Smoked [Sockeye] Salmon Summer Pasta Salad will be served to attendees

B. Digital Marketing/Online Banner Advertising: The Retail program funded AdReady’s national online banner advertising from July through November 2014, keeping key messages and initiatives such as sustainability and recipes/cooking tips in front of the consumer. In December, the Consumer Advertising program took over funding for the national online program, leaving only retailer campaigns (Fred Meyer, Harris-Teeter and King Soopers) to hit the Retail budget.
C. **National Recipe/Video Releases:** To help move Alaska Sockeye salmon, two national recipe/video releases were scheduled:

- “Simple Seafood Recipes for Lent” is a premium release (one recipe released in print; digital release includes a video). After Lent, the copy was edited to remove any reference to Lent and the release will remain active for several more months.
  - Featured recipe: Pan-Steamed Alaska Seafood Marseilles (all-species recipe)
  - Featured video: Pan-Steaming Alaska Sockeye Salmon; budgeted for 250,000 guaranteed video plays
- A full-page grilling feature will be released in May featuring Alaska Sockeye salmon, cod and crab.
  - Featured video: Grilling Alaska Sockeye Salmon; we have budgeted for 500,000 guaranteed video plays
  - The release is currently under development but three recipes are planned, along with a side bar on cooking tips

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**Platform #2: Merchandising/POS Development by Retail Chain Partnerships**

Larry Andrews and Mark Jones, ASMI’s Retail Marketing Representative, make retail headquarter/division calls throughout the year offering retailers promotion assistance, training and point-of-sale material. The promotions tend to be either:

- Seasonal; or
- Custom promotions involving the development of co-branded point-of-sale material or other tactics that have worked for the retailer such as targeted emails, in-store merchandising contests, frequent shopper/reward card offers, etc.

**Headquarter/Division Calls:**

- A & P, Corporate (283 stores)
- ACME Stores (110 stores)
- Ahold USA
  - Giant Food (169 stores)
  - Stop & Shop (400 stores)
- Albertsons LLC
  - Intermountain (93 stores)
  - Southern Cal (178 stores)
  - Southwest (112 stores)
- Aldi USA (1,219 stores)
- Amazon Fresh (online)
- Associated Wholesale Grocers
  - Kansas City (276 stores)
  - Springfield (335 stores)
- BJ’s Wholesale Club (200 stores)
- Balls/Hen House (28 stores)
- Basha’s/AJ’s Fine Foods (125 stores)
- Big Y (64 stores)
- Bi-Lo/Winn-Dixie (699 stores)
- Clark’s Markets (8 stores)
- Costco Wholesale (533 stores)
- Crosby’s Markets (6 stores)
- D&W Fresh Markets (11 stores)
- Dan’s Supermarkets (6 stores)
- Kroger, Corporate (3449 stores)
  - Atlanta (213 stores)
  - Central (Indianapolis, 138 stores)
  - Cincinnati (113 stores)
  - Columbus (125 stores)
  - Delta (Memphis, 116 stores)
  - Michigan (129 stores)
  - Mid-Atlantic (Roanoke, 121 stores)
  - Mid-South (Louisville, 161 stores)
  - Southwest (Houston, 211 stores)
- Lowes Food Stores (102 stores)
- Lunds/Byerly’s (23 stores)
- Marsh Supermarkets (83 stores)
- Meijer (370 stores)
- Met Foods (NY, 4 stores)
- Piggly Wiggly Carolina (94 stores)
- Price Chopper/Golub Corp. (132 stores)
- Publix Supermarkets (1,080 stores)
- QFC (67 stores)
- Raley’s Supermarkets (137 stores)
- Ralphs Grocery Co. (369 stores)
- Reasor’s, OK (22 stores)
- Roundy’s Supermarkets (150 stores)
- Rouses Enterprises (43 stores)
• Delhaize America
  ⇒ Food Lion (1,183 stores)
  ⇒ Hannaford (183 stores)
  ⇒ DeMoulas Market Basket (72 stores)
  ⇒ Dierbergs Markets (25 stores)
  ⇒ Dorothy Lane (3 stores)
  ⇒ Earth Fare (28 stores)
  ⇒ Fiesta Mart (61 stores)
  ⇒ Food City, ME (8 stores)
  ⇒ Foodland (32 stores)
  ⇒ Fred Meyer (132 stores)
  ⇒ Fresh & Easy (175 stores)
  ⇒ Fry’s Food & Drug (120 stores)
  ⇒ Gelson’s Markets (CA, 18 stores)
  ⇒ Giant Eagle (419 stores)
  ⇒ H.E.B./Central Market (311 stores)
  ⇒ Haggen/TOP Foods (20 stores)
  ⇒ Harmon’s Markets (17 stores)
  ⇒ Harris-Teeter (222 stores)
  ⇒ Heinen’s (18 stores)
  ⇒ Homeland Stores (84 stores)
  ⇒ Hugo’s Family Mkts (ND, 8 stores)
  ⇒ Hy-Vee (367 stores)
  ⇒ Ingle’s Markets (204 stores)
  ⇒ Kennies Markets (MD, 2 stores)
  ⇒ King Kullen (45 stores)
  ⇒ King Soopers/City Mkt. (145 stores)
  ⇒ Kowalski’s Market (9 stores)
• Safeway, Corporate (1,363 stores)
• SAM’s Club (631 stores)
• Schnuck Markets (105 stores)
• Shaw’s Supermarkets (155 stores)
• Smith’s Food & Drug (133 stores)
• Stew Leonard’s, CT (4 stores)
• Sunflower/United, CO (40 stores)
• Sunset Foods, IL (5 stores)
• SuperValu, Corporate (3,651 stores)
  ⇒ Cub Foods (44 stores)
• Target (251 SuperTargets)
• The Fresh Market (156 stores)
• Tops Markets, NY (162 stores)
• Unified Grocers
  ⇒ Pacific NW (224 stores)
  ⇒ Seattle (166 stores)
• United Supermarkets, TX (59 stores)
• Wakefern/ShopRite (352 stores)
• WalMart (4,536 stores)
• Wegmans Food Markets (83 stores)
• Whole Foods, Corporate (365 stores)
  ⇒ Florida (20 stores)
  ⇒ Mid-Atlantic (42 stores)
  ⇒ South (28 stores)
• WinCo Foods (94 stores)
• Woodman’s Food Mkts, WI (15 stores)

A. Seasonal Promotions: A national co-op promotion with Ste. Michelle Wine Estates featuring Alaska salmon (Sockeye and Keta) was executed over the summer of 2014, ending September 30th. The coupon/rebate offer applied to all Alaska seafood species; ASMI paid for all coupon redemption.

<table>
<thead>
<tr>
<th>Summer 2014 Co-op Participation:</th>
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<tbody>
<tr>
<td>25 retailers, representing 10,586 stores</td>
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</tbody>
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**Coupon redemption to date:**
- $2 IRC = 18.2% LY = 9.6%
- $1 IRC = 3.7% LY = 1.0%
- $4 Mail in rebate = <1% LY = <1%

Coupon redemption for this promotion ran extremely high, particularly in the Southeast where we saw 40% redemption from one retailer. Inquiries show strong Alaska salmon sales in the region over the promotion timeframe (+40%) and Ste. Michelle reported wine sales were also up +40%.

Coupons continue to come in, although very slowly. The total coupon redemption cost is currently at $71,250.
**Summer 2015 Co-op Promotion:** We are putting the final touches on another summer co-op promotion with Ste. Michelle Wine Estates. Alaska Sockeye salmon will be featured, although the coupons/rebate will apply to all Alaska seafood species.

B. **Custom Promotions:** ASMI’s new digital asset library has been a tremendous resource for retailers across the country, as they now have instant access to over 700 assets: recipes, photography and videos. We continue to load assets into the library as they are developed, and are also adding sections for Alaska’s Regional Seafood Development Associations.
Fall/Holiday 2014 Custom/In-store Promotions: In addition to the national co-op promotion which ran through the summer and ended September 30th, we had the following custom promotions in-store over the fall/holiday period:

- ACME Stores (110 stores): Alaska cod
- Albertsons LLC
  - Southern Cal (178 Stores): Alaska cod
  - Southwest (112 stores): Alaska salmon and cod
- Bi-Lo/Winn-Dixie (699 stores): Alaska Pollock and salmon
- Delhaize America
  - Hannaford (183 stores): Alaska cod
- Fiesta Mart (61 stores): Alaska salmon and cod
- Fred Meyer (132 stores): Alaska salmon and cod
- Harmon’s Markets (17 stores): Alaska cod and crab
- Harris-Teeter (222 stores): Alaska salmon and cod
- Heinen’s (18 stores): Alaska salmon and cod
- Hy-Vee (367 stores): Alaska salmon, cod and crab
- King Soopers/City Mkt. (145 stores): Alaska cod
- Roundy’s Supermarkets (150 stores): Alaska crab
- Rouse’s Enterprises (43 stores): Alaska salmon, cod and crab
- Tops Markets, NY (162 stores): Alaska salmon and cod

Custom/In-Store Promotions Lent 2015:

- AWG: Alaska Cod
  - Kansas City (276 stores)
  - Springfield (335 stores)
- ACME Stores (110 stores): Alaska salmon and cod
- Cub Foods (69 stores): Alaska salmon and cod
- Dan’s Supermarkets (6 stores): Alaska salmon
- Earth Fare (28 stores): Alaska salmon, cod and Bairdi
- Fiesta Mart (61 stores): Alaska pollock, salmon and cod
- Fry’s Food & Drug (120 stores): Alaska salmon, cod and shellfish
- Giant Eagle (419 stores): Alaska salmon, cod and halibut
- Harris-Teeter (222 stores): Alaska salmon and cod
- Heinen’s (18 stores): Alaska salmon, cod and halibut
- Hy-Vee (367 stores): Alaska salmon and cod
- King Soopers/City Mkt. (145 stores): Alaska salmon and cod
- Lunds/Byerly’s (23 stores): Alaska salmon, cod and shellfish
- Roundy’s Supermarkets (150 stores): Alaska King crab
- Schnuck Markets (105 stores): Alaska salmon, cod and salmon burgers
- Shaw’s Supermarkets (155 stores)
- Top’s Markets (162 stores): Alaska Pollock, cod and salmon
- Wakefern/ShopRite (352 stores): Alaska salmon and cod
- WalMart (4,536 stores): Rolling out new Alaska seafood sections which include Alaska salmon, cod, halibut, rockfish, sole and crab (King and Snow)

Platform #3: Retail Training and Communication

A. Trade Advertising: The trade advertising budget was reduced by 50% in FY2015, reflecting a shift to digital ads (print ads were scheduled only in Grocery Headquarters, along with a free half-page ad in several issues of Supermarket News magazine).
A new ad was developed to highlight the results of the Encore retail research study which identified a $300 million retail opportunity and “Best of Class” promotion tactics.

**FY2015 Trade Advertising Schedule:**

- **Grocery Headquarters** magazine
  - Print (total circulation: 33,037/issue):
    - Full-page print ads monthly, January through June 2015
    - Mock cover (double sided) April 2015 – Seafood Expo issue
    - Fresh Food Handbook (September 2014): 8 consecutive pages adjacent to seafood data
    - Consumer Perishables (June 2015): 8 consecutive pages adjacent to data
  - Digital (33,311 unique monthly impressions; 291,473 monthly page views)
    - 619x74 ad in 52 weekly newsletters
    - 619x74 ad in all 26 bi-weekly “Focus on Fresh” enewsletters

- **Seafood.com**
  - Digital (38,563 unique monthly impressions; 194,435 monthly page views)
    - Video sponsorship July 2014 through June 2015
    - 300x250 ad on website July 2014 through June 2015

- **SeafoodSource.com:**
  - Digital: 300x250 ad in monthly newsletter, January through June 2015
- **Intrafish.com**
  - Digital (18,430 unique monthly impressions; 121,121 monthly page views)
    - 160x600 ad on website October and November 2014, March, April and June 2015

- **Supermarket News**
  - Print (paid circulation: 10,260 plus 17,513 unpaid; total circulation 27,773/issue)
    - Free half-page ad December 2014, March and June 2015
  - Digital (125,514 unique monthly impressions; 600,656 monthly page views)
    - 300x250 ad on website October 2014, January through June 2015 (excluding April)

B. **Tradeshows:**
- Seafood Expo North America (Boston), 3/15/2015 – 3/17/2015

C. **Retail Training:**
- The Alaska Seafood U web-based interactive training program was updated
  - All videos were re-edited with updated graphics
  - Website redesigned (responsive desk-to-tablet, plus a mobile version)
  - The training program was also ported to a flash drive – it doesn’t require an internet connection – so retail associates can train even without internet access
    - Many of ASMI’s retail training materials were added to the flash drive:
      - Video: Meeting the Quality Challenge: Recommended Alaska Seafood Quality Practices for Retail Associates
      - New Video: Refreshing Seafood: Proper Thawing Techniques
      - Video: A Basic Overview of Alaska’s Major Seafood Species
      - Filleting and Steaking Instructions:
        - Alaska Halibut Cutting Brochure
        - How to Fillet an Alaska Salmon
        - How to Steak a Whole Alaska Salmon
        - Video: Filleting and Steaking Instructions
        - Wild Alaska Salmon Trim Guide
      - Line Art to Identify the Alaska Salmon Species:
        - Chinook Salmon Physical Diagram
        - Chum Salmon Physical Diagram
        - Coho Salmon Physical Diagram
        - Pink Salmon Physical Diagram
        - Sockeye Salmon Physical Diagram
      - Alaska Seafood Buyers Guides
        - Alaska King Crab Specification Guide
        - Alaska Salmon Buyers Guide
        - Alaska Shellfish Buyers Guide
        - Alaska Snow Crab Specification Guide
        - Alaska Whitefish Buyers Guide
        - Characteristics of Common Flatfishes
        - Sustainable Alaska Sole & Flounder
Uber-Athlete Promotion:

Last fiscal year the Board allocated additional funding for a canned pink salmon campaign that targeted current customers as well as a program to develop a new user group: the uber-athlete. Based on the overwhelmingly positive feedback received at marathons/sampling events, ASMI staff recommended moving forward with the uber-athlete program in FY2015 using Retail program funds. Several program refinements were made:

- The initial program focused on canned pink salmon; this year red/Sockeye salmon was included.
- A series of new print ads was developed to put more emphasis on nutrition and ease of preparation. The ads run with a free 1/3-page ad on the adjacent page in Competitor, Triathlete and Women’s Running magazines.
"ASMI Benedict"

"ASMI Flatbread"
- Two digital ads were created, along with a new landing page and nutrition page:

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<table>
<thead>
<tr>
<th>DOES YOUR TRAINING TABLE LOOK THIS GOOD?</th>
</tr>
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<tbody>
<tr>
<td>MAKE SURE THAT YOUR TRAINING TABLE DELIVERS FLAVOR &amp; THE NUTRITION YOU NEED!</td>
</tr>
<tr>
<td>REWARD YOUR MIND &amp; BODY WITH ALASKA CANNED SALMON.</td>
</tr>
<tr>
<td>FEED YOUR FITNESS WITH ALASKA CANNED SALMON</td>
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“Training Table”

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<table>
<thead>
<tr>
<th>READY FOR SOME FASTER FOOD?</th>
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<td>ALASKA CANNED SALMON DELIVERS FLAVOR &amp; THE NUTRITION YOU NEED!</td>
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<td>PURE, NATURAL PERFORMANCE-ENHANCING FUEL.</td>
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<td>FEED YOUR FITNESS WITH ALASKA CANNED SALMON</td>
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“Fuel”

• Uber-Athlete media schedule: Insertsions in red are funded by the Consumer Advertising program.
   Competitor magazine
    o Print: Full-page ad with free 1/3-page ad January and February 2015
    o Digital: 300x250 and 970x90 ads on Competitor Group network from January through May 2015
   Triathlete magazine
    o Print: Full-page ad with free 1/3-page ad February, March, April and May 2015
   Women’s Running magazine
    o Print: Full-page ad with free 1/3-page ad January, March, April and May 2015
   Bicycling magazine
    o Print: Full-page ad March, April and June 2015
   Runner’s World magazine
    o Print: Full-page ad March, May and July 2015

• Consumer events/sampling:
   Chicago Rock ‘n’ Roll Marathon: 7/18/2014 – 7/19/2014
    o Alaska Salmon Pesto Pasta Salad and Alaska Salmon Salad Sandwiches were sampled at the Health & Fitness Expo (41,000 attendees)
    o Event sponsorship included ads on Rock ‘n’ Roll Marathon website and print publicity, generating 194,014,612 media impressions (print, broadcast and online)
    o Alaska Salmon Pesto Pasta Salad and Alaska Salmon Salad Sandwiches were sampled at the Health & Fitness Expo (over 100,000 attendees)
    o Alaska Salmon Salad Sandwiches were sampled at the Health and Fitness Expo (44,000 attendees)
    o Event sponsorship included ads on Rock ‘n’ Roll Marathon website and print publicity, generating 102,907,176 media impressions (print, broadcast and online)
   Phoenix Rock ‘n’ Roll Marathon: 1/16/2015 – 1/17/2015
    o Alaska Salmon Salad Sandwiches were sampled at the Health & Fitness Expo (over 35,000 attendees)

Moving forward, we have finalized ASMI’s sponsorship of Ryan and Sara Hall through November 2015 and are developing an all-species “training table” recipe/nutrition brochure using recipes supplied by Sara. Ryan Hall will attend the Mayor’s Midnight Sun Marathon in Anchorage on June 30th but we do not have any additional consumer events/sampling scheduled until the training table materials are complete. In the meantime, the uber-athlete program has been incorporated into the Consumer PR program and has generated several good hits to date.