

Seafood Marketing: Is It Time for a Unified Approach?

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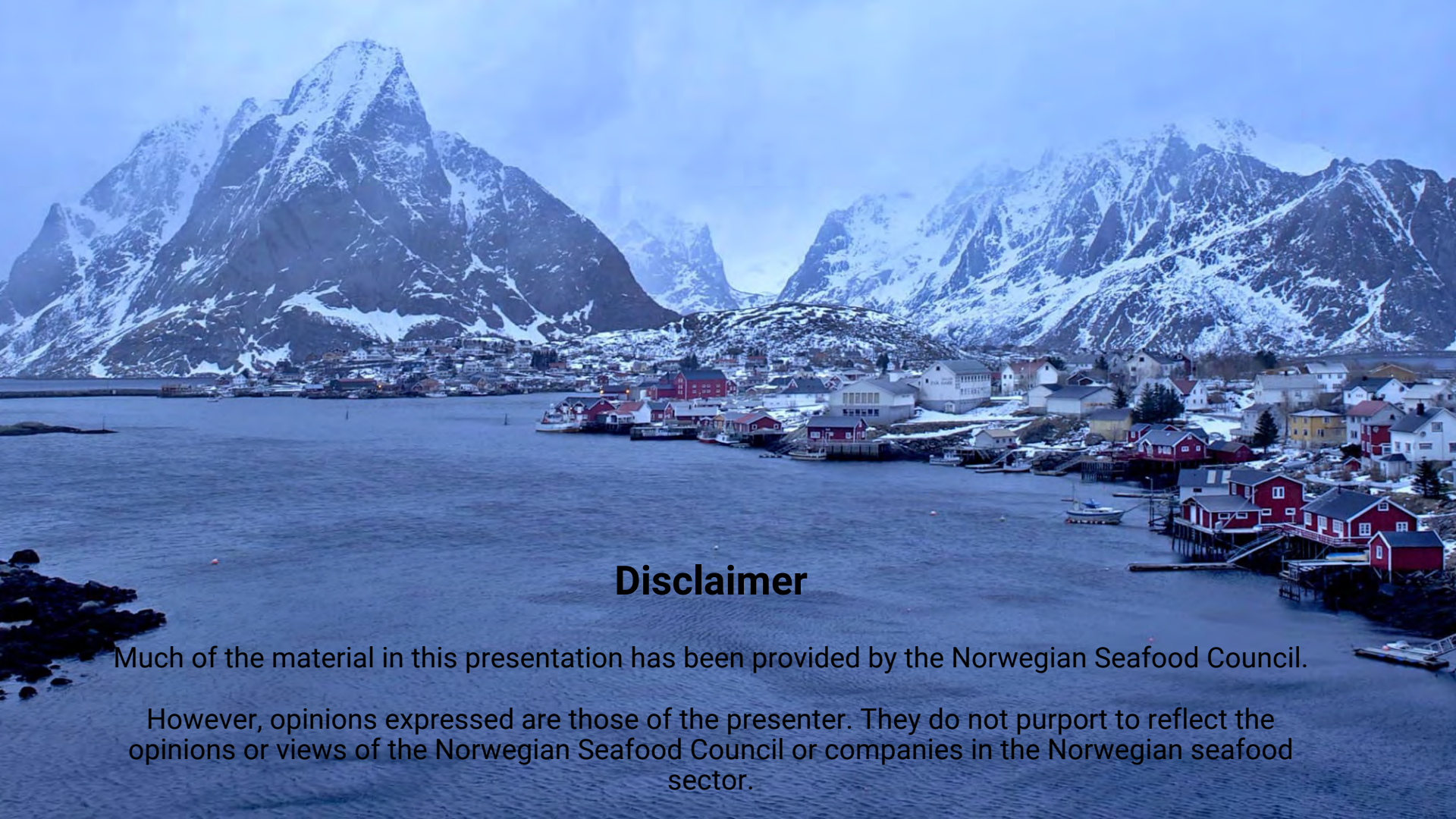
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Ragnar is a business economist at the University of Stavanger's Department for Industrial Economics, Risk Management and Planning in Norway. As a writer and lecturer, he maintains relationships with public authorities and private decision makers at the regional, national and international levels. Ragnar received the 2006 Scana research prize for his many publications and ability to communicate research findings beyond academia.

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Seafood Marketing: Is It Time for a Unified Approach? The Case of Norwegian Seafood

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Much of the material in this presentation has been provided by the Norwegian Seafood Council.

However, opinions expressed are those of the presenter. They do not purport to reflect the opinions or views of the Norwegian Seafood Council or companies in the Norwegian seafood sector.

Norwegian Seafood Council (NSC)

What is the rationale for its establishment?

How is NSC organized and financed?

What are NSC's activities?

How is NSC evaluated?

What are concerns in the Norwegian industry?



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What is the rationale for establishment of NSC?

Need to increase demand for seafood from Norway



Commodity nature of many seafood products ➡ free rider problem of product promotion



Limited internal human and financial resources in companies

Collective financing and promotion from 1991



Mission

Increasing the value of Norwegian seafood



How is it organized and financed?

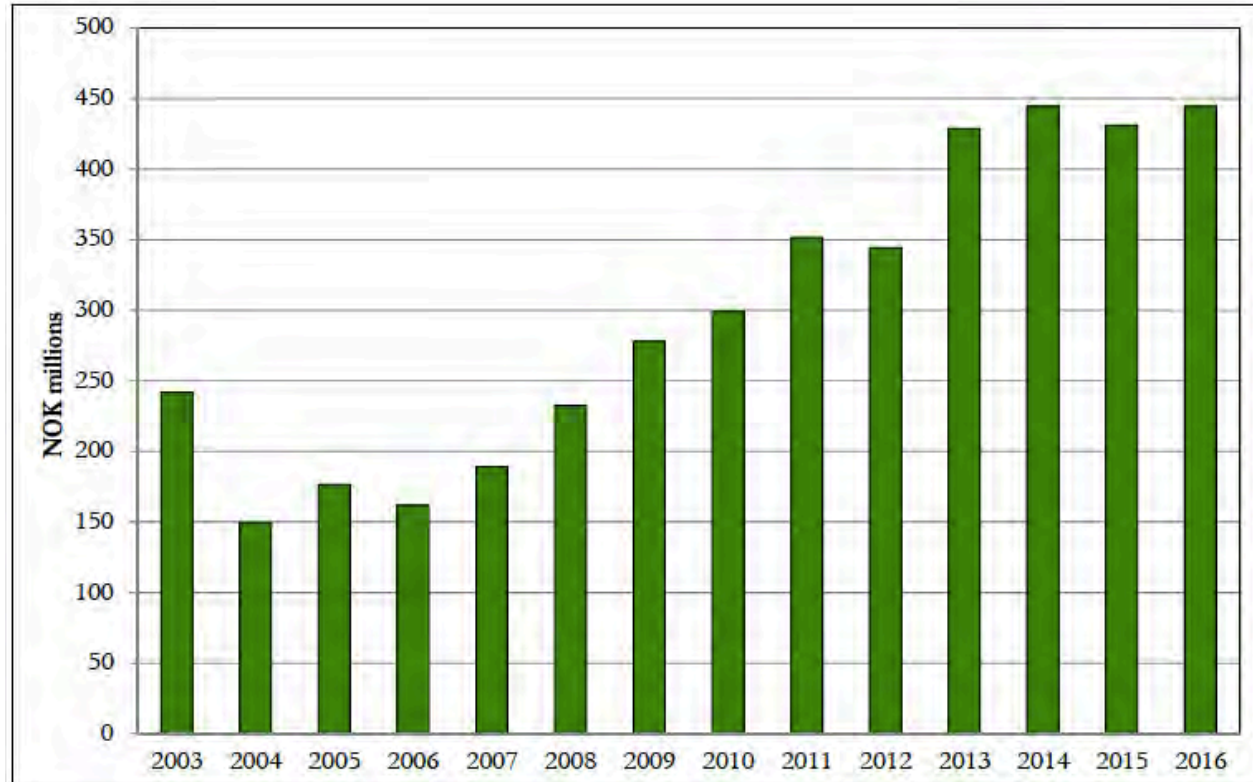
Mandate from Norwegian government through law
Necessary due to free rider problem

Seafood industry finances the activities of the Council through fees levied on all exports of Norwegian seafood

Salmonids and pelagics: Levy 0.3% of export value
Whitefish and other species: Levy 0.75% of export value

Budget of the Norwegian Seafood Council

- Expenditures increasing from 20 to over 50 million USD.
- In 2017 and 2018 also 50 million USD
- Salmon over 50%
- Promotion intensity – promotion expenditure divided by export revenues - on average 0.6%



Vision

Together we will win the world for Norwegian seafood

Mission

To increase the value of Norwegian seafood in established and new markets

Goals

To be an important contributor to the position and value creation (measured and perceived) of Norwegian seafood.

Species' strategies



Salmon and trout



Codfish



Pelagic



Shellfish



Conventional products

Areas of value creation

Market insight and competence

Market access

Brand and reputation

Reputational risk management

Consumer initiatives

How we intend to meet expectations

Customer focus
Collaboration with the industry

Broad value chain perspective

Market focused platform

Results oriented

Governance structure

Norwegian Ministry of
Trade, Industry and
Fisheries

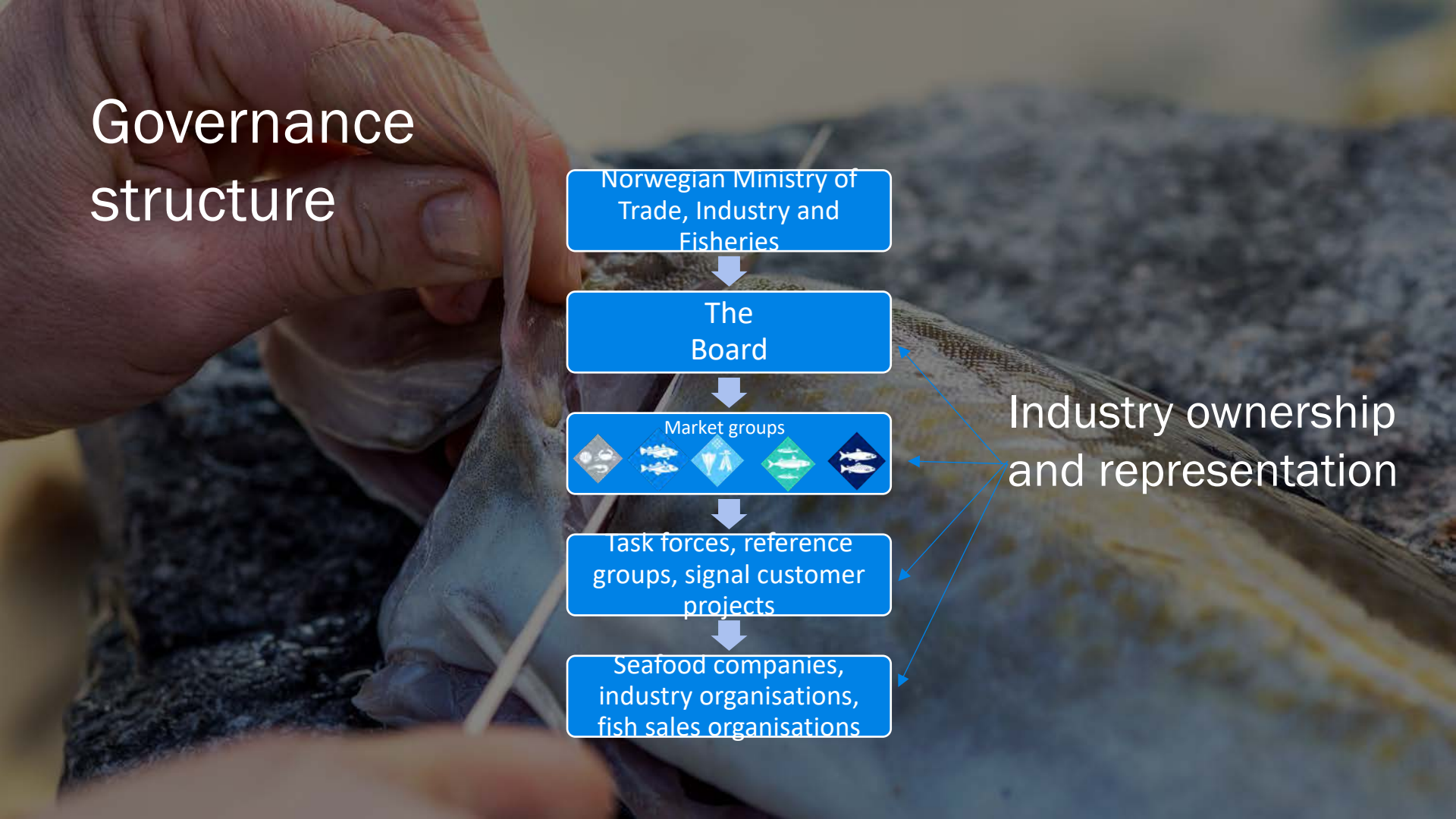
The
Board



Task forces, reference
groups, signal customer
projects

Seafood companies,
industry organisations,
fish sales organisations

Industry ownership
and representation





What are NSC's activities?

Marketing

Increase demand for Norwegian seafood through a broad range of marketing activities

Market insight

Market insight to industry based on statistics, trade information, consumption and consumer insight.

Communication and market risk management

Safeguard the reputation of Norwegian seafood, including proactive market risk management



**Noruega
tiene unas
condiciones
de vida
perfectas.**

Para el salmón.

¿Por qué alguien elegiría
un lugar tan inhóspito
para vivir?

Porque es el lugar
perfecto para los peces.

Las aguas frías y
cristalinas hacen que el
salmón noruego crezca
lentamente y adquiere
un sabor perfecto.

**SEAFOOD
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NORWAY**



Salmon campaign in Spain



POS MATERIALS

NATIONWIDE KEY RETAILERS



Exposure in Spain

TOTAL HOUSEHOLDS
EXPOSED

89,8%



10,2%

TOTAL HOUSEHOLDS
NON EXPOSED

Frequency: 12,4



A scenic landscape at dusk or dawn. The sky is a deep blue, transitioning from a lighter blue near the horizon to a darker blue at the top. In the foreground, a calm body of water reflects the sky and the distant lights. The middle ground features a range of rugged, snow-covered mountains. A small town or village is visible along the base of the mountains, with its lights reflecting in the water. The overall mood is serene and quiet.

How is NSC evaluated?

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graph TD; A[Is the investment profitable?  
Measured by: ROI/ROMI] <--> B[Is the industry satisfied with the execution?  
Measured by: Satisfaction measurement]; A <--> C[Do we influence attitudes in a positive matter?  
Measured by: Awareness, preference and reputation (SCI)]; B <--> D[Is the execution world class?  
Measured by: Involvement and motivation (TNS AdEval)]; C <--> D;
```

Is the investment profitable?

Measured by: ROI/ROMI

Is the industry satisfied with the execution?

Measured by: Satisfaction measurement

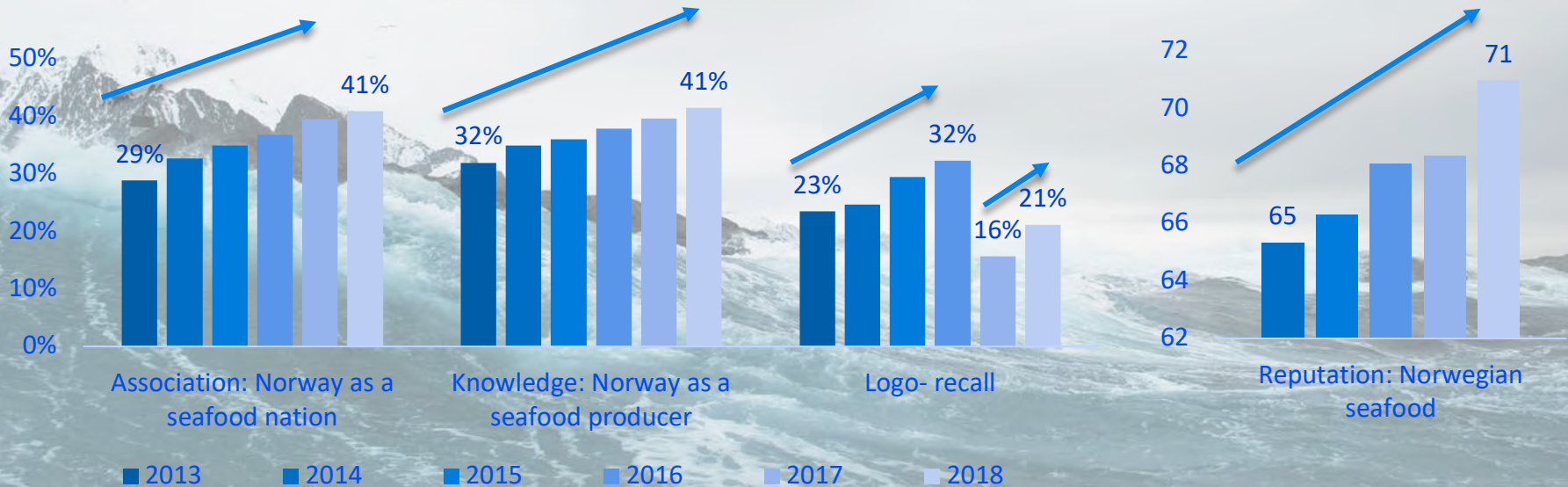
Do we influence attitudes in a positive matter?

Measured by: Awareness, preference and reputation (SCI)

Is the execution world class?

Measured by: Involvement and motivation (TNS AdEval)

Does NSC influence attitudes in a positive direction?



Source: 18 countries Seafood Consumer Index

Note: Change of logo in 2017, thus the low rate of logo-recall

Results of campaign in Spain: Facebook, TV and POS

	ROI (return per 1 Euro invested)	Food and Beverage benchmark	Benchmark
Total	1.54	1.03	0.97
TV	1.56	0.82	0.77
POS	1.11	-	
Facebook	5.44	2.60	2.38

Returns to investment?

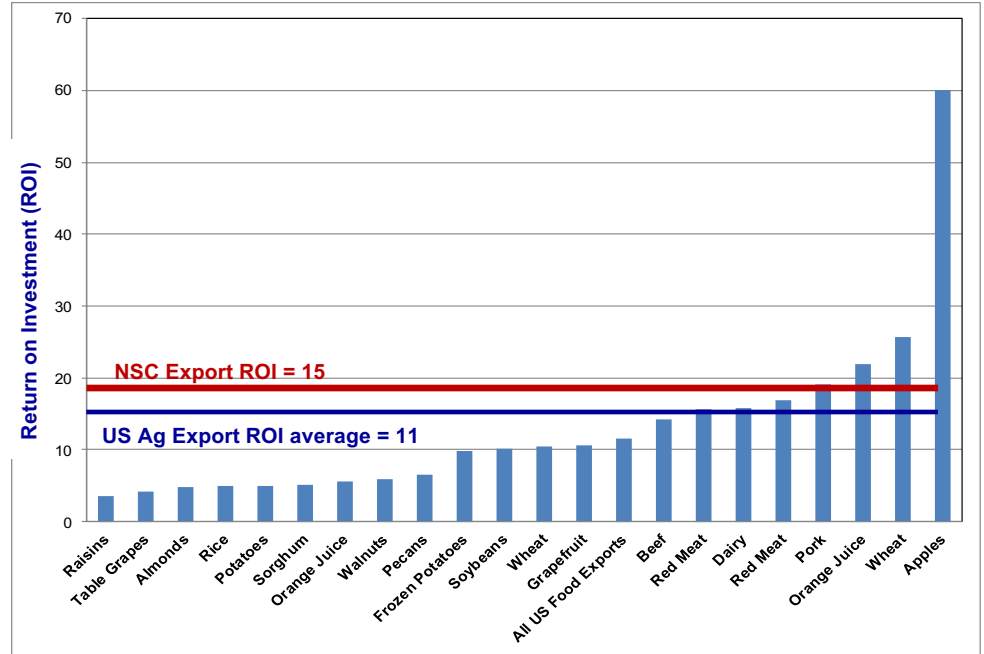
Increase in sales due to promotion

Increase in export revenue
divided by promotion
expenditure is estimated at 15:1
for Norwegian seafood.

For salmon in particular typical
estimates in the range 5:1 to
10:1.

US agricultural export average is
11:1.

Source: Capps and Williams (2017).





What are concerns about
NSC in the Norwegian
industry?

Challenges with the generic commodity promotion

A company funding the NSC program...

- can clearly observe the costs of the program in its accounts
- but may struggle to isolate the effect of the program on its own sales revenue

Some companies funding the NSC program may...

- think that other producer countries may benefit from Norwegian investments
- think that NSC has not chosen the "right" marketing mix, markets, etc.
- agree that the industry have some benefits in sum, but that their own company do not benefit because of its particular products and geographic markets
- think that they can spend the money themselves and get higher private returns

Summary – lessons from Norway

- Much of the Norwegian seafood marketed to consumers – including salmon - still has commodity characteristics
- NSC still enjoy broad support in the industry, but with vocal critics
- A promotion program with an efficient and adaptive portfolio of marketing activities can provide high returns to the seafood industry
- The industry has to own the program through board representation, participation in marketing activities, etc.
- Continuous debate within the industry about different dimensions of the program is necessary