KNOWLEDGE IS POWER? THE ROLE OF MARKET INFORMATION IN VALUE CREATION BY DEVELOPING COUNTRY AQUACULTURE PRODUCERS

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Overview

• Introduction
• Methodology
• Reported EU Consumer seafood values
• Communication of seafood values
• Comparative position of Bangladeshi & Thai value chains
• Conclusion
Introduction

• International seafood trade via Global Value Chains (GVCs)
• GVCs aim to optimise competitive advantage – but for whom?
• Aim: Exploration of the role of information in South/ North seafood GVCs

• Research sponsored in part by EU Sustaining Ethical Aquaculture Trade (SEAT) Project: 4 species produced in 4 countries http://seatglobal.eu/
Introduction

• Market information is central to the ability to understand, create, communicate & deliver consumer satisfaction

• GVCs are increasingly complex, thus more challenging to acquire market data at necessary levels – which are themselves variable/unknown...

• Market information has a short shelf life – ongoing dynamic change

http://seatglobal.eu/
SE Asia/ EU Seafood GVCs

- Seafood is among the most internationally traded food commodities.
- Radical changes in the food marketing environment include: *consolidation, centralisation, globalisation, large-scale operations, growth of supermarkets, green consumer et al*
- Evolution in global trading regime.
- EU is not a homogenous market, as reflected in consumption per capita.

![Graph showing projected consumption per capita in 2010 (kg/capita/annum)](source: (7))
Evolving GVC approach

- Retention of a production orientation not conducive to understanding markets
- Tendency to underplay assessment of the ability to utilise information – essential to creation, dissemination & adoption
Methodology

• Literature Review of GVC approach
• Assess inter-linkages of different actors in production processing & distribution of selected products
• Assess flows & blockages of information; Co-ordination & governance structures; institutional environment
• F2F interviews of key actors GVC actors - identified through literature & preliminary scoping. Stratified by size.
Methodology

• Data collection and timings
3 months in each of Bangladesh, Thailand and the EU.
Asian study sites based on major production systems concentrations
EU selection criteria: key import hubs/ final markets with easily accessible distribution networks & sufficient secondary data to support analysis (France, Germany, UK. Secondary tier: Netherlands, Belgium as import hubs).

• Methods of primary data collection
Key informants identified through a purposive sampling strategy and interviewed with checklists. + Market observations
84 interviews in Bangladesh Shrimp (black tiger) and prawn chains, 75 in Thailand shrimp (vannamei) and tilapia chains and 41 in Europe
Reported EU Consumer seafood values

- Low Price
- Food and *brand* safety ~ brand expectations
- Product convenience & portion size
- Product range ~ including NPD proactivity
- Traceability ~ integral to certification
- Quality ~ with linkages to price expectations
Reported EU Consumer seafood values

- Sustainability ~ but increasingly integral to products: a foundation baseline
- Brands supersede reliance upon additional sustainability on-pack communications
- Packaging & on-shelf imagery of innovation
- Reliability of product range presence
Communication of seafood values in the Bangladesh chain

- Quality *but often in a different context* contributing to basics rather than end value
- Complex network of internal & external agents
- Absence of more sophisticated market intelligence
Communication of seafood values in the Thailand chain

• Govt. imposition of international export standards & compliance
• More engaged private sector & high R&D
• Supporting information on food & brand safety, quality and sustainability
• Channel networks (clubs) to share information
Comparative position of Bangladeshi & Thai value chains

• Gaps persist between domestic & international market criteria
• Differential quality of Thai & Bangladeshi market information
• Differential ability to reach similar target markets
Comparative position of Bangladeshi & Thai value chains

• Thai tendency to have shorter, more direct channels

• Superior access to EU market information sources but cost implications

• Roles for co-operation but trade-offs for downstream agents & data exchange

• Issues of data granularity – what detail?
Retail fish sustainability communications

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Common challenges to market knowledge

• Deficient knowledge of access to market information
• Financial barriers to entry
• Contextual barriers to entry
• Limited interpretative ability & background market intelligence
• Generally low skills capacity undermining responses to market information.
Emergent consumer knowledge is power?
Deeper consumer knowledge is power?

US may push Thailand on to human trafficking blacklist over revelations
Deeper consumer knowledge is confusion?

• Food authenticity & adulteration
• More complex choices
Conclusions

• EU agents’ trade-offs of competitor standing and information sharing \textbf{Vs} power

• Possession of market information remains a control mechanism for downstream agents

• Incentives to share?

• (Safety) – sustainability – subliminal tendencies?

• ‘Higher order’ ethical & more complex issues emergent
Thank you
Questions?

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