



# **Alaska Seafood Marketing Institute Research on Salmon Consumption**

**Presented by Barbara Belknap to IIFET 2000  
Oregon State University  
April 2000**

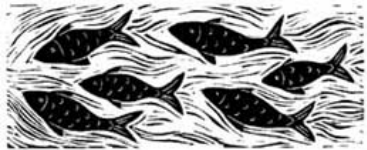




# Today's presentation

---

- ◆ **What is ASMI?**
- ◆ **Purpose of research**
- ◆ **Overview of Food Industry**
- ◆ **Research Methodology**
- ◆ **Top-Line Research Findings**
- ◆ **What will ASMI do now?**



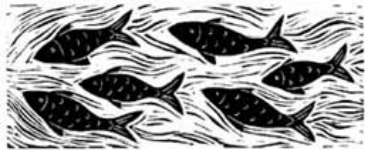
## What is the Alaska Seafood Marketing Institute?

- **Generic seafood marketing organization founded in 1981**
- **State government agency funded by the industry and federal grants**
- **Run by a 25-member board of fishers and processors appointed by the Governor**
- **Headquartered in Juneau, Alaska**
- **Marketing office in Bellevue, WA with reps. in Texas, Ohio, Florida, Japan, China, Taiwan, England, France, Spain, and Australia**



## Purpose of Research

**National salmon market study; requirement of federal grant to assist an American industry impacted by imports.**

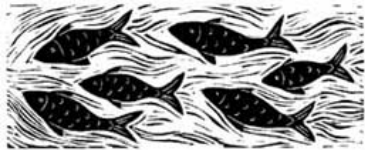


# Factors Influencing Consumers

**Demographic Trends**  
**Baby Boomers**  
**Smaller Families**  
**Working Women**  
**Health and Wellness**  
**Time Starved Lifestyles**  
**More Adventurous Eating**

**Consumers**  
**Seek:**  
**Convenience**  
**Variety**  
**Wellness**  
**Safety**  
**Value**  
**Comfort**

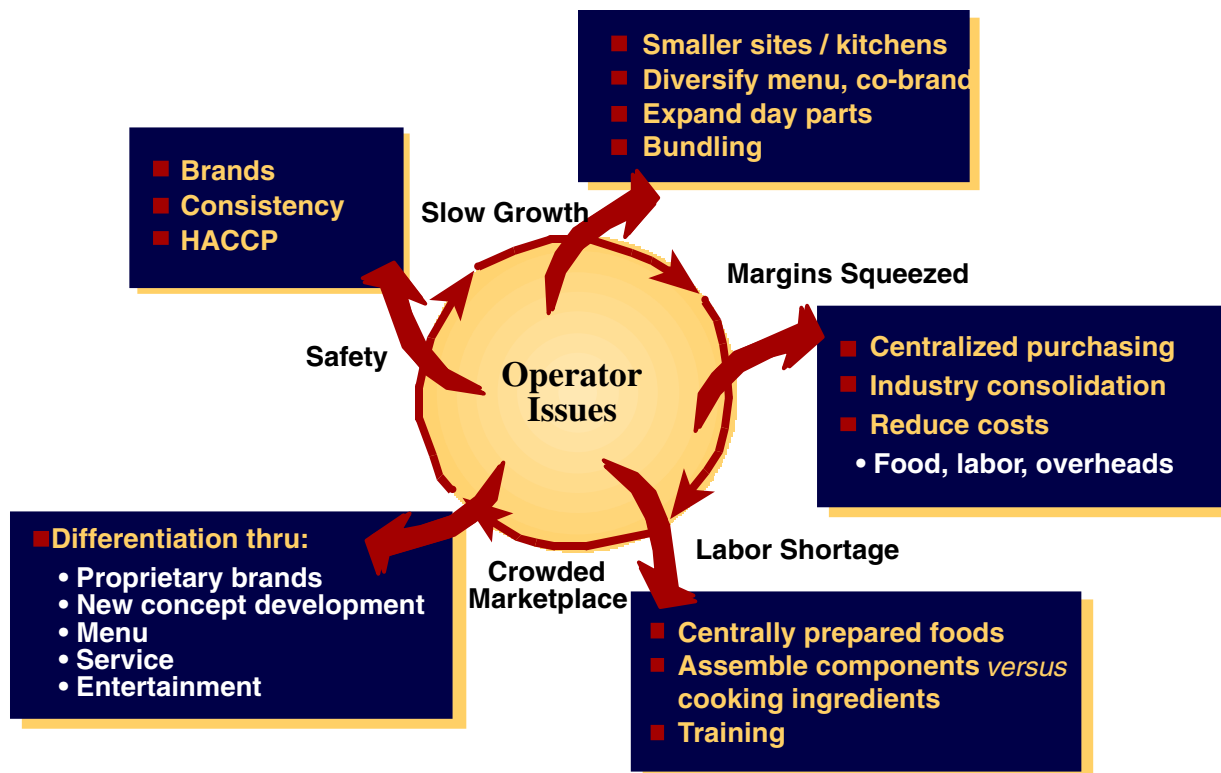
**Food Processors Are Responding with . . .  
New Products . . . New Options . . . New Solutions**



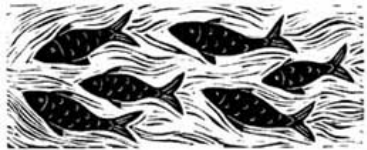
# Foodservice

Foodservice operators are dealing with several challenging issues that are impacting their individual strategies.

- Top tier suppliers provide *total solutions* to issues, not . . .



. . . simply more products.



# Retail

**Consumers “on-the-go” place great pressure on retailers to**

- **capture a customer base opting for food prepared by restaurants and / or other more convenient venues**

**This trend is causing the landscape of the retail food industry to change.**

- **Consolidation**
- **Rise of Prepared Foods**
- **Renewed Interest in Organic / Natural - “Eco-issues”**
- **Industry Goal: To Provide Full Solutions**



# New Products - Retailer Preferences\*

## Package

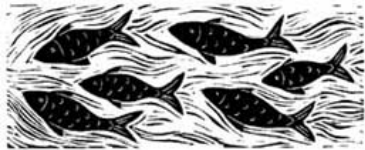
- High graphic content
- Unique, eye-catching
- Unusual
- Simplistic
- Fun and classic labeling
- Product is visible

## Product

- All natural ingredients
- Product uniqueness
- Local affiliation
- Ease of use
- Top quality ingredients
- Unusual ingredients
- Health Appeal

**\*1998 survey of retailers on successful product launches, Food Distribution Magazine**



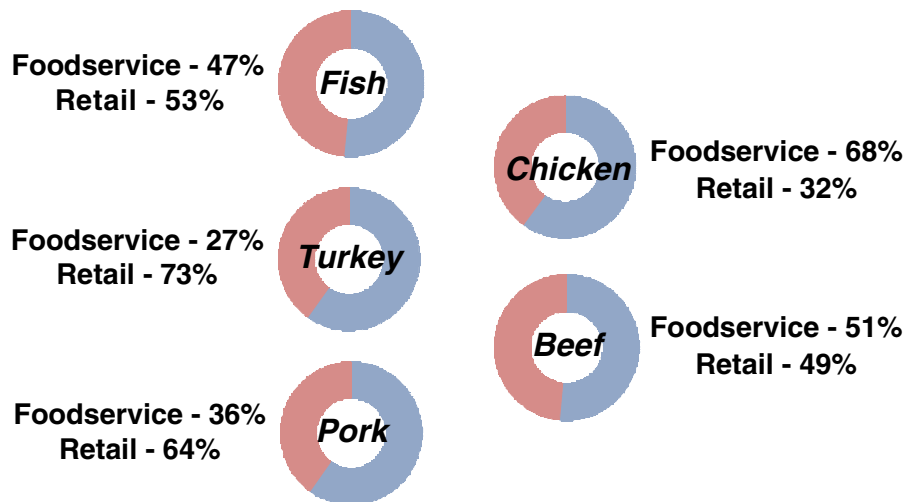


# Swimming upstream in value-added category

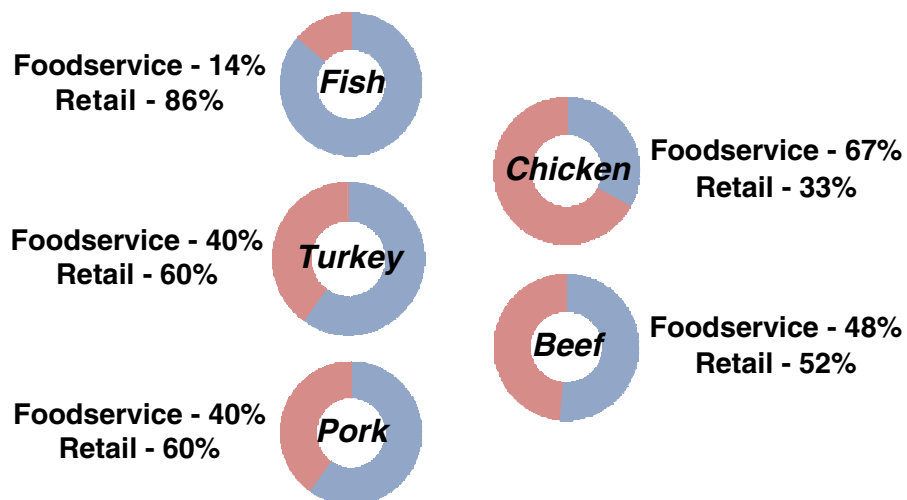
Protein sources have varied functionalities in both foodservice and retail which have evolved with the development of new consumer products.

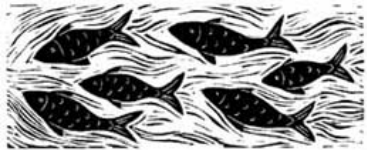
## *Protein Usage in Foodservice and Retail – Ground / Formed versus Filets / Cuts*

### **Ground / Formed**



### **Filets / Cuts**





# Overview of Research Process

- **Phase I and Phase II Consumer Focus Groups**
  - ◆ Twelve groups in total
  - ◆ Phase I: San Francisco, Chicago, Birmingham, Phoenix,
  - ◆ Phase II: Boston, Washington
- **Consumer Telephone Survey**
  - ◆ 2,000 Surveys, National Sample December 1999, January 2000
- **Consumer Supermarket Intercepts**
  - ◆ Eight stores complete in January and February 2000
- **Trade (Grocery, Foodservice) Interviews**
  - ◆ In-person interviews in San Francisco, Minneapolis, Phoenix, Kansas City, Houston, Birmingham
  - ◆ Telephone surveys



## **Top-Line Findings Consumer Focus Groups**

**Focus groups are used to understand attitudes, find a vocabulary, craft questions for quantitative work.**



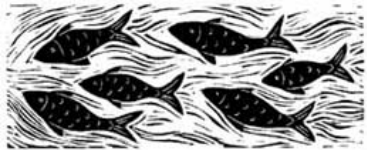
# Focus Group Top-Line Findings

## Methodology: Round 1

8 focus groups were held in November and December of 1999 in four cities: San Francisco, Birmingham, Phoenix, and Chicago.

### *Screening Criteria*

- Groups were separated according to heavy and light salmon consumption habits.
  1. Heavy users were defined to be those who had purchased salmon in a grocery store or at a restaurant 2+ times in the past 8 weeks.
  2. Light users were defined to be those who had purchased salmon in a grocery store or at a restaurant 1 time in the past 8 weeks.



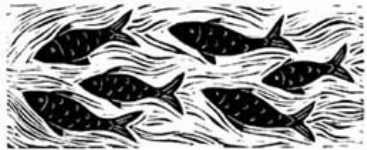
# Focus Group Top-Line Findings

## Methodology: Round 2

4 focus groups were held in February, 2000 in two cities: Boston and Washington D.C.

### *Screening Criteria*

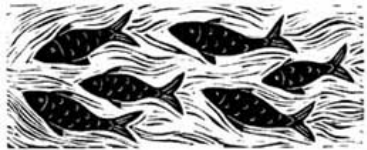
- Groups were separated according to Canned and Increases of salmon consumption over the past year.
  
- Additional Research Objectives
  - ◆ Probe health benefits
  - ◆ Retail messages (labels, ice-pick signage in case)
  - ◆ Branding



# Focus Group Research Objectives

## Research Objectives of the Focus Groups :

- Understand current seafood/fish purchasing and consumption behavior
- Gauge awareness and knowledge of salmon in general, and of Alaska salmon in particular
- Determine what appeals and doesn't appeal about seafood and salmon preparation and consumption
- Understand the fish/salmon "hierarchy of needs" (relative importance of: taste, price, freshness, etc.)
- Gauge consumer sophistication relative to preparing salmon dishes at home
- Understand what, if any, problems or benefits arise pertinent to the farming of fish
- Evaluate new product ideas



# Focus Group Top-Line Findings

## Shopping Habits

- **The majority of participants in these groups say they buy meat, poultry, and fish fresh, subdivide it into small servings, and then freeze it.**
- **Most rarely buy pre-marinated or spiced fish or seafood.**
- **Freshness appears to take precedence over all other considerations when buying fish. Price is a secondary, but also highly important consideration.**

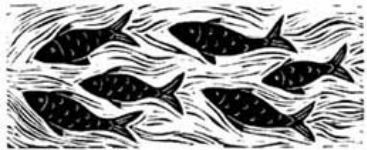


# Focus Group Top-Line Findings

## Seafood purchasing and consumption behavior

- **Seafood consumption has increased in the last few years for both at home consumption and in restaurants.**
- **The majority of fish purchased for home preparation is purchased in grocery stores, in fish markets and wholesale clubs. Consumers prioritize their purchasing as follows:**
  - ◆ **Freshness**
  - ◆ **Appealing color**
  - ◆ **Good price**
  - ◆ **Easy to prepare**
- **Most popular form of salmon is filet, then steak. Rarely is frozen fish purchased and when it is it is usually at Traders Joes or a wholesale club.**





# Focus Group Top-Line Findings

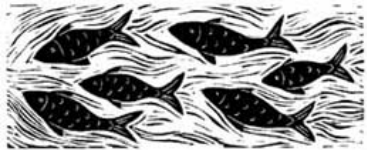
## Home Preparation of Salmon

### Preparation of Canned Salmon

- **Salmon Melt**
- **Canned Salmon, tomatoes and pasta**
- **Salmon Chowder with potatoes, onions, milk**
- **Salmon Patties or Croquettes**
- **Salmon Loaf [like meatloaf]**
- **Salmon Salad**
- **Salmon added to Spinach Dip**

### Preparation of Salmon Fillets

- **Poached with lemon [to get rid of smell and fish taste]**
- **Broiled**
- **Baked**
- **Blackened, Peppered, Cajun**
- **BBQ**
- **Marinated**
- **Stir-Fried**



# Focus Group Top-Line Findings

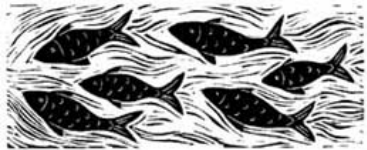
**Consumers give reasons for their positive or negative attitudes toward seafood or salmon.**

## **Positives**

- **Healthy for you**
- **Low in fat**
- **Easy to prepare**
- **Good source of protein**
- **Inexpensive**
- **Good tasting**
- **Good texture**

## **Negatives**

- **Bones!**
- **Skin**
- **Odor**
- **Strong taste**
- **Mercury, toxins**
- **Uncertainty  
about freezing**

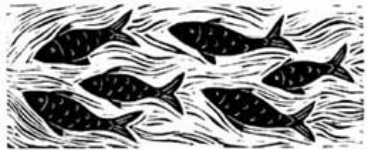


# Focus Group Top-Line Findings

**Salmon is considered an easy and convenient food to prepare.**

- **Versatility**
- **Grill, broil, sauté, bake, or patties (canned)**
- **Fast cooking / preparation**
- **Little mess**
- **Limited resistance to canned salmon - skin & bones not viewed as much of a negative**

**Overall consumers are not afraid or turned away from preparing salmon at home.**

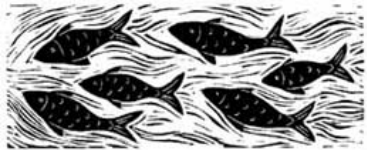


# Focus Group Top-Line Findings

## Awareness and Knowledge of Salmon

**Very few consumers are aware of**

- **The origin of salmon**
- **If it is farm-raised or naturally caught**
- **Differences of salmon species**
- **Alaska salmon characteristics**
- **Specific health attributes of salmon**



# Focus Group Top-Line Findings

## Merchandising and Packaging

- **Consumers like to point out the fresh seafood they are purchasing and determine the quantity they want**
- **Pre-packed fresh fish, though convenient, is not appealing**
- **Eye catching signs with color and large print promoting health features and origin of fish, especially if it is from Alaska, has strong appeal. These signs can be directly in the fish case**
- **Canned salmon could be repositioned with the auxiliary products at the fresh fish counter**



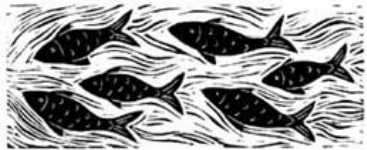
## **Top-Line Results Consumer Telephone Survey**

**Quantitative research is needed before resources are committed to a plan of action.**



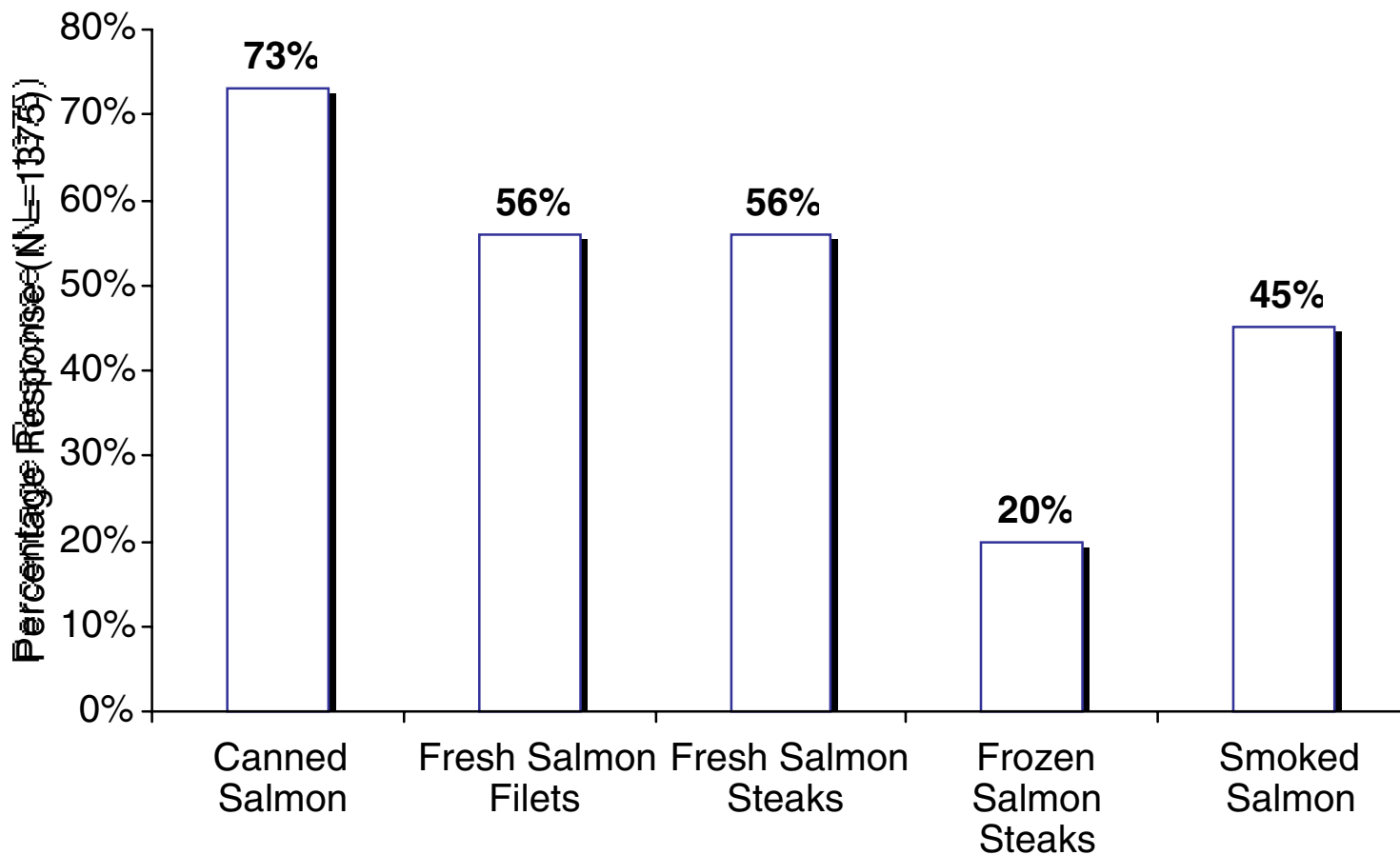
# Overview of Consumer Telephone Survey

- **1,994 completed interviews**
- **Nationwide Sample**
- **Geographically Balanced**
- **Demographically Balanced**
- **Statistically Projectable with a Margin of Error of  $\pm 5\%$  at the 95% Confidence Level**
- **Completed December 1999 and January 2000**

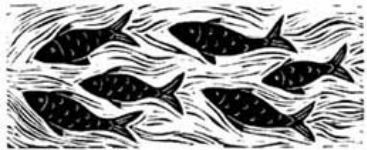


# Purchase of Salmon

The chart below illustrates consumers who have ever purchased salmon, by type of salmon process.







# Purchase of Salmon

- **Canned Salmon Usage Skews . . .**
  - ◆ **South Atlantic**
  - ◆ **South Central**
  - ◆ **North Central**
  - ◆ **55 +**
  - ◆ **Less educated**
  - ◆ **Lower income**
  - ◆ **Retired**



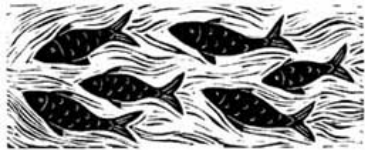
# Purchase of Salmon

## Fresh Salmon Filets and Steak Usage Skews . . .

- **Northeast**
- **Pacific**
- **Higher income**
- **Better educated**

## Smoked Salmon Skews . . .

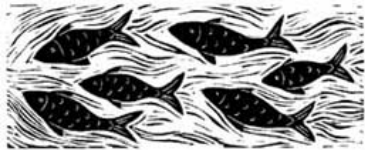
- **Pacific**
- **Higher Income**



## 1988 - 1999 Trend Analysis

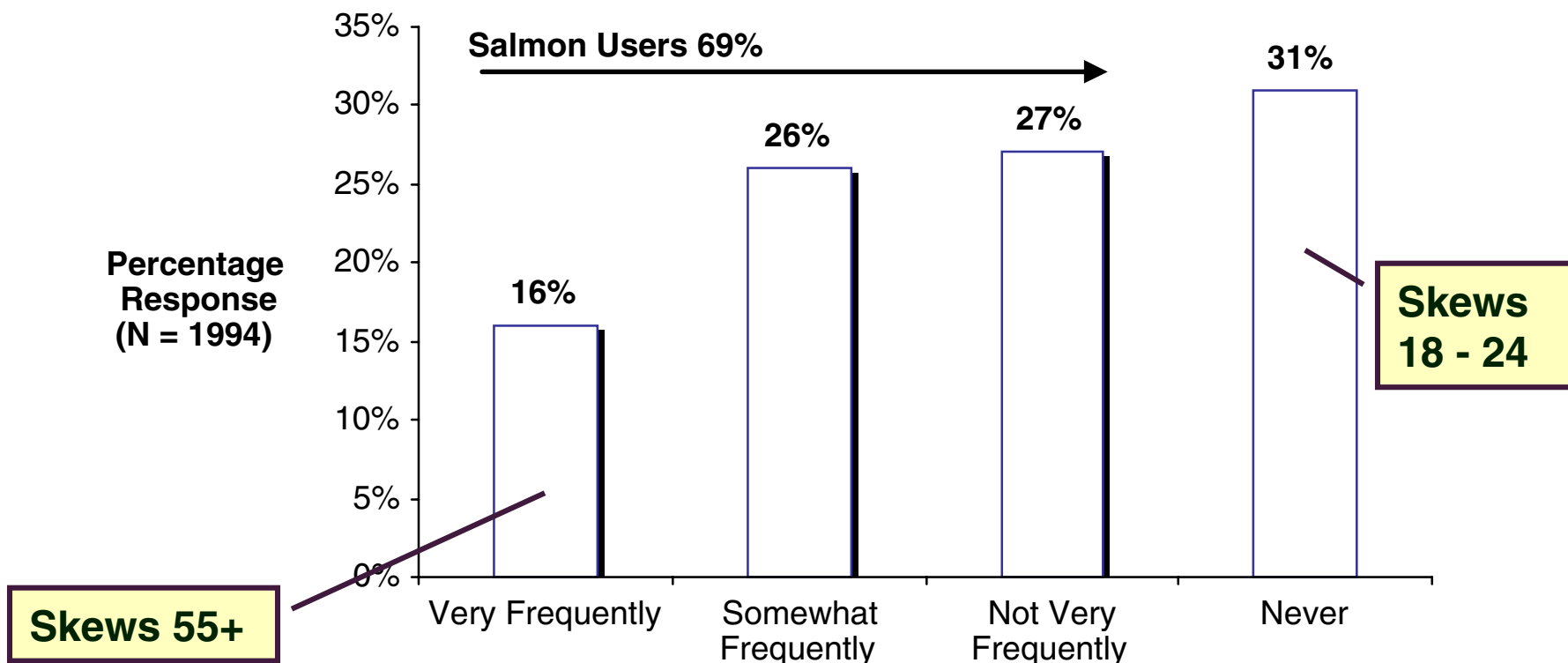
**Frequency of Canned Salmon Purchases on a yearly basis (scale has been modified for comparison). Rumors of its demise are greatly exaggerated.**

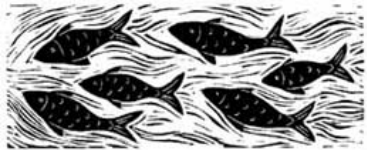
	<u>1988</u>	<u>1999</u>
None to Low Frequency	33%	30%
Several Times Per Year	45%	43%
High Frequency (10+ times)	23%	25%



# Profile of Salmon Usage at Home

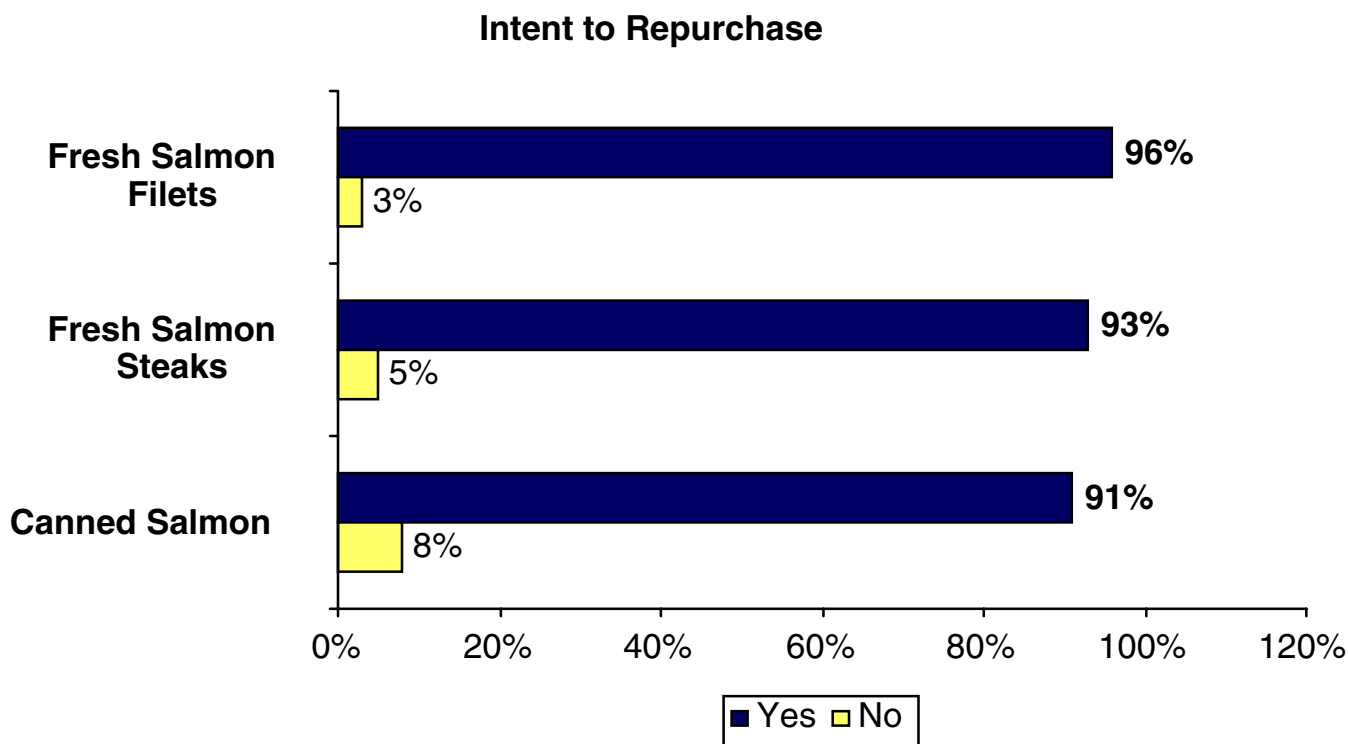
Consumers were asked how frequently they purchase salmon to prepare at home.

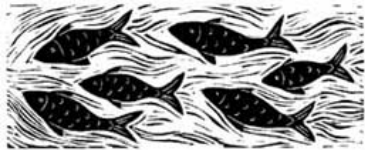




# Intent to Repurchase

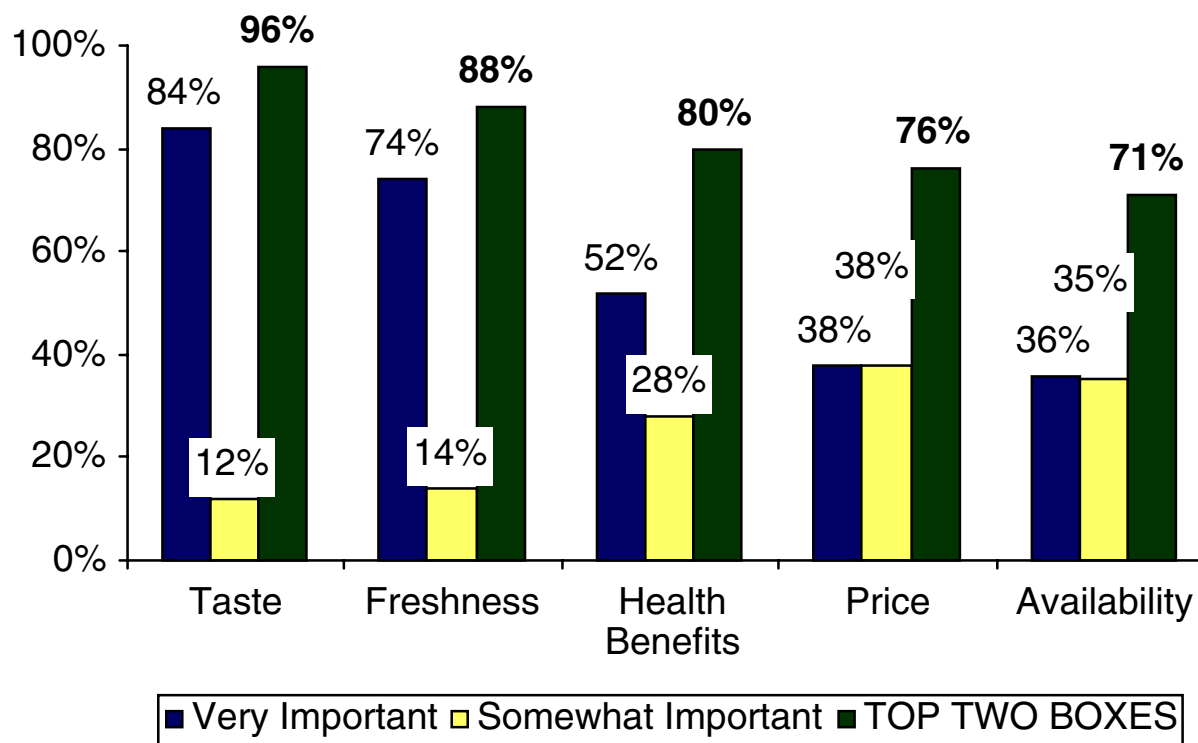
Salmon buyers were asked if they would buy each salmon type again. Repurchase intent is extremely high.

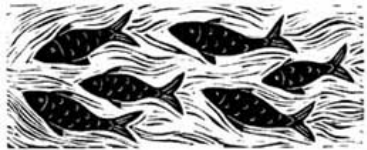




# Importance of Various Factors

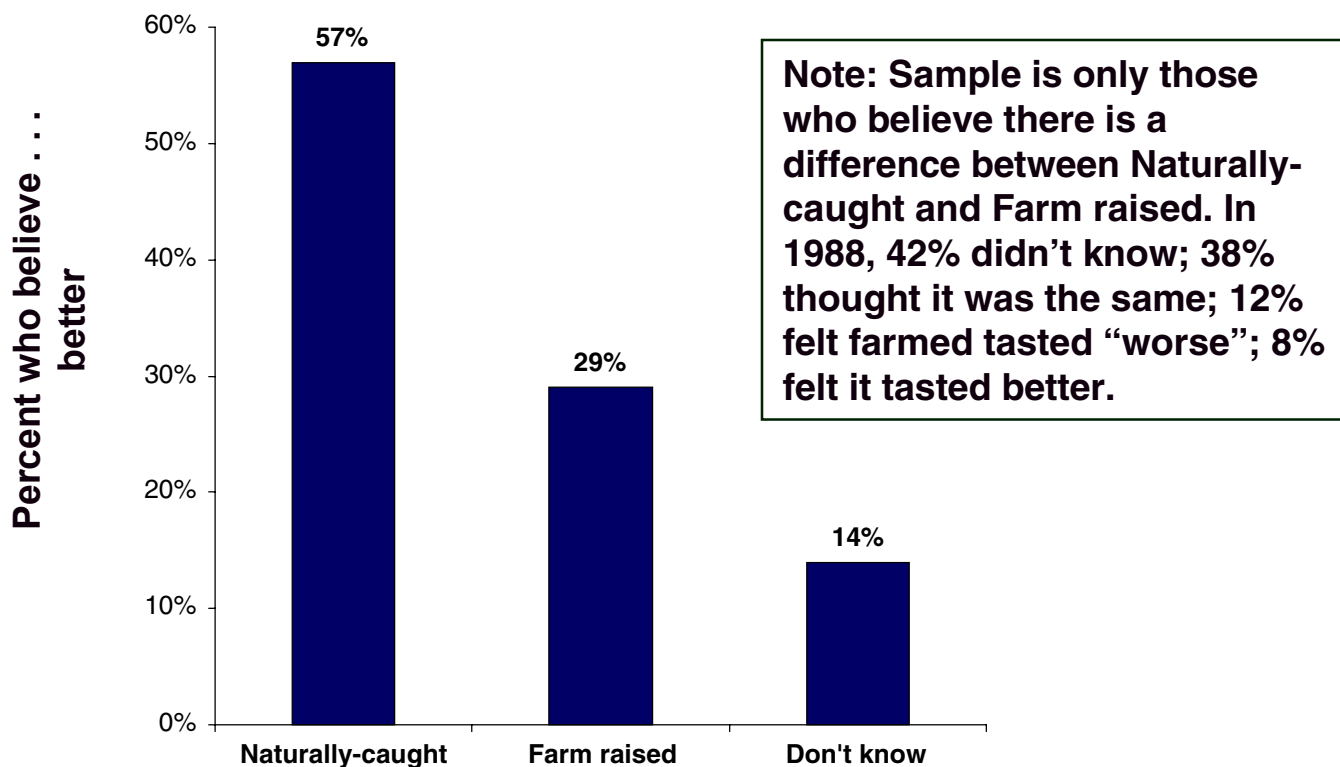
Survey respondents were asked about the importance of several factors in their decision to serve salmon at home.

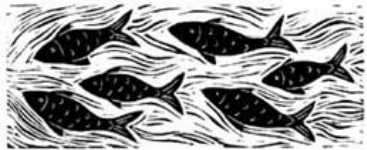




## Perceptions of Farm-Raised *versus* Naturally-Caught

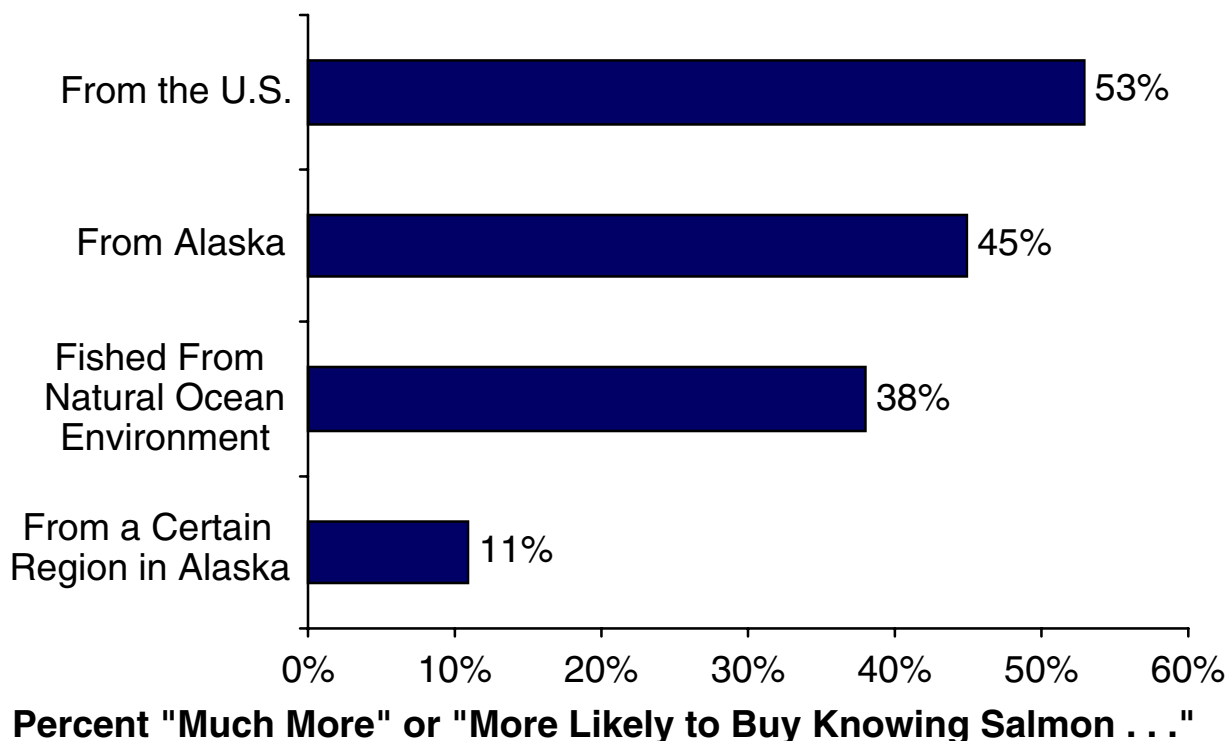
Consumers who believe there is a difference between farm-raised and naturally caught salmon (28% of total sample) tend to believe naturally caught salmon are better.





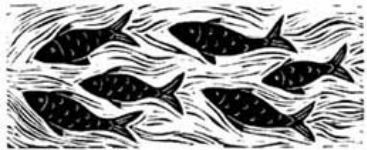
## Effect of Information on Likelihood to Purchase

The chart below illustrates the importance of salmon origin to buying decision.



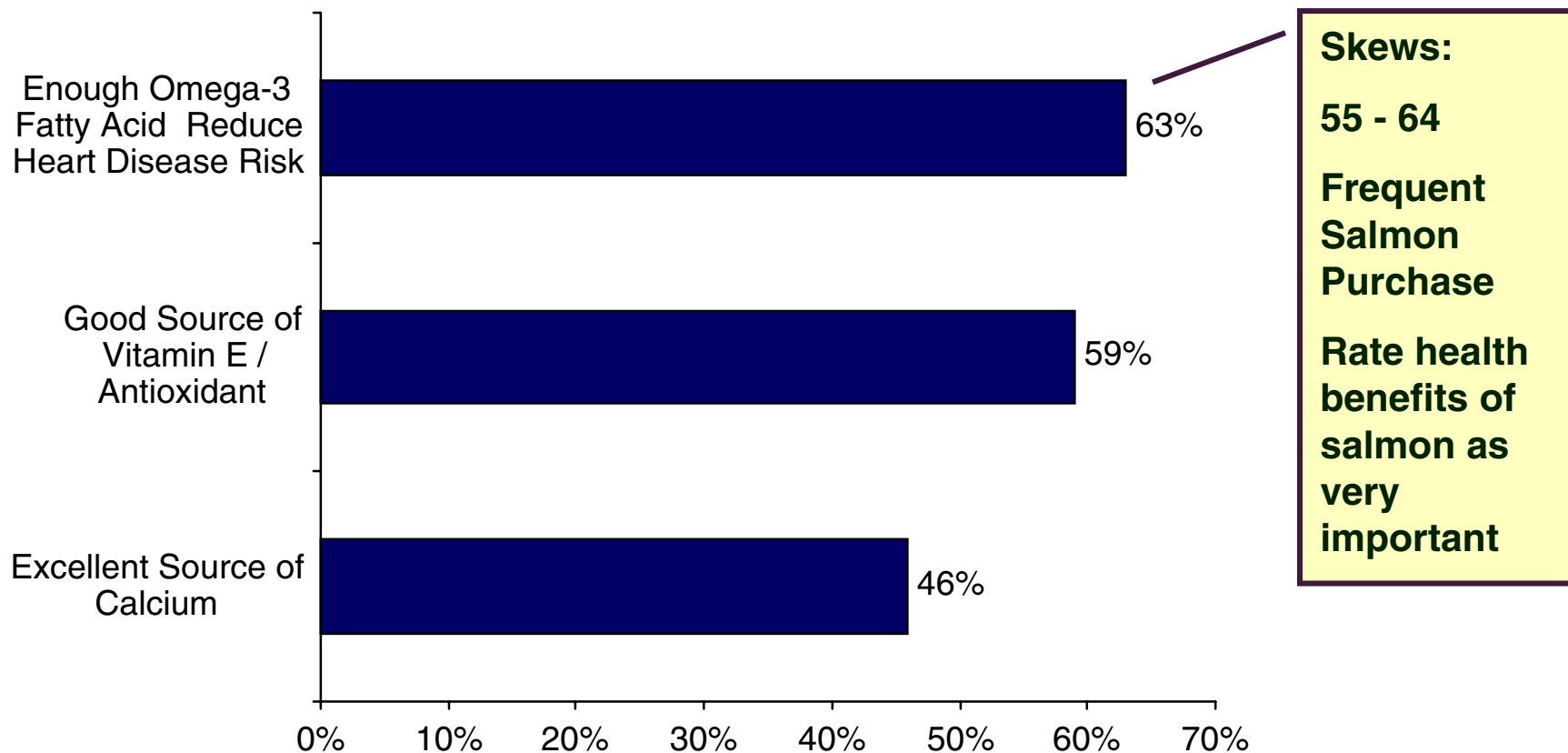
*(Survey text on following page)*



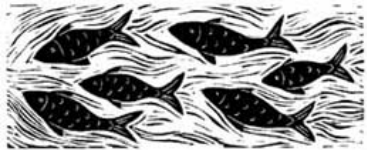


# Impact of Nutritional / Health Messages

**Messages regarding health were among the most impactful.**

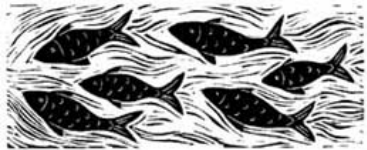


*(Survey text on following page)*



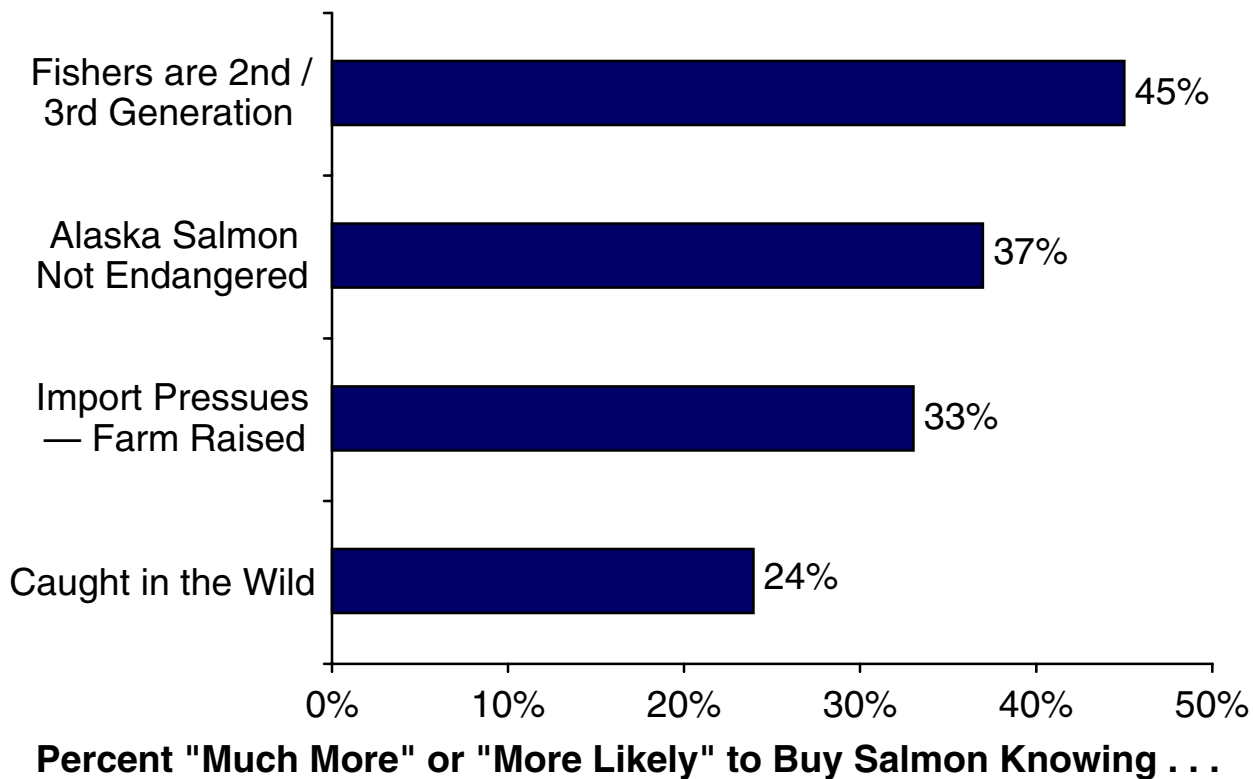
## Survey Text — Impact of Nutrition / Health Information on Likelihood to Purchase Salmon

- **If you knew that a portion of canned salmon was an excellent source of calcium, would you be much more likely to buy canned salmon, somewhat more likely, or would it make no difference?**
- **If you knew that a portion of salmon had enough Omega-3 fatty acids to reduce the risk of coronary heart disease when combined with a heart healthy lifestyle, would you be much more likely to buy salmon, somewhat more likely, or would it make no difference?**
- **If you knew salmon was a good sources of vitamin E, an important antioxidant, would you be much more likely to buy salmon, somewhat more likely, or would it make no difference?**



## Effect of Information on Likelihood to Purchase

**Additional information was shared with consumers to gauge its importance to their purchase intent.**



*(Survey text on following page)*



# Top-line Results Supermarket Consumer Intercepts

**Where the rubber meets  
the road -**



# Supermarket Intercepts

## Participating Retailers

- **Schnuck's – St. Louis**
- **Fiesta Mart — Houston**
- **Rice Epicurean Market - Houston**
- **Ball's Hen House – Kansas City**
- **Ball's Price Chopper – Kansas City**
- **Price Chopper – Albany, NY**
- **Wegman's – Rochester, NY**
- **Larry's Market — Seattle**

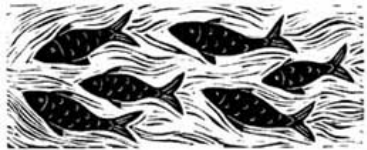
Research was conducted over January and February 2000.



# Supermarket Intercepts

## Top-Line Research Findings

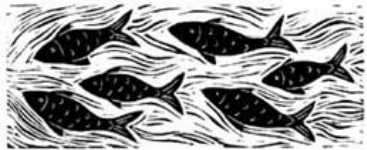
- **When it comes to selecting a specific fish or seafood, taste and meal variety are what matters to shoppers.**
- **Price matters a lot to many consumers, and few felt they were getting a bargain on salmon the day they were surveyed.**



# Supermarket Intercepts

## Top-Line Research Findings (continued)

- While taste is the most appealing aspect of fresh salmon, convenience and availability are the motivating characteristics of canned fish.
- Healthy or Good for You is the primary reason shoppers serve fish to their families.
- **Omega-3 fatty acids** is the most motivating sales messages.

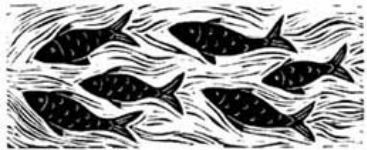


# Supermarket Intercepts

## Top-Line Research Findings (continued)

- The preferred method of preparing fresh seafood at home is baking. Making tuna or salmon salad is most common for canned fish.
  - ◆ Consumers are looking for recipe ideas and preparation methods.
  
- Consumers to a large extent come to a grocery store with a shopping list in mind, they have already decided to buy seafood.





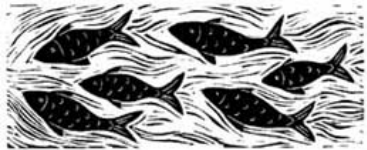
## **Support for Recommendations** (continued)

- **Only about half of consumers have purchased fresh or frozen salmon in the grocery store**
  - ◆ **Yet satisfaction is high, and intent to repurchase is extremely high (96%)**
  - ◆ **Therefore, stimulating trial is important**
- **People do not know what kind of fish they will buy until they get there**
  - ◆ **Fish on the list, salmon not on the list**
  - ◆ **Decision based on taste, healthy, meal variety, price**
  - ◆ **View entire seafood case before making a decision**



# Support for Recommendations

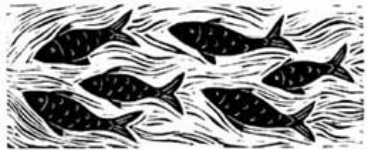
- **A very high percentage of consumers purchase canned salmon**
  - ◆ **However, purchase frequency is low, overall, and there is a large consumer segment which purchases canned salmon once a year or less**
- **Repurchase intent is very high (91%) . . . The question is when**
- **Consumers have few objections to canned salmon . . . They just do not know how to use it other than the one way they grew up with**



# Recommended Implementation Elements

## FOCUS ON STIMULATING REPURCHASE OF CANNED

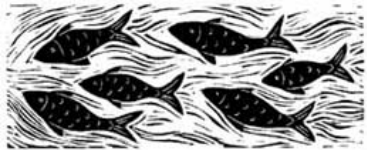
- **Draw Consumer Attention to Cans**
  - ◆ **Communicate health message**
  - ◆ **Offer application ideas: bill salmon as versatile as tuna**
- **Educate Processors about Importance of Packaging**
  - ◆ **Reposition canned as healthy and versatile**
  - ◆ **Need to update label — consumers perceive as old-fashioned**
    - **Omega 3 / Health**
    - **Smaller cans**
    - **Feature Alaska**
    - **Recipe on can**



# Support for Messages

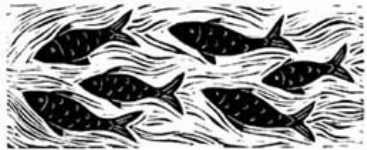
## Healthy

- **Two-thirds of Fresh Salmon Buyers gave “good for you or healthy” as reasons they serve fish to their families; 48% of Canned Salmon Buyers gave this reason**
- **Two-thirds said knowing about Omega 3 would make them more likely to buy salmon**
- **Salmon has unique position as #1**
- **Anti-oxidant attributes are also positive (59% said they would be more likely to buy)**
- **Baby Boomer consumers determined to thwart aging process**



## Convenience

- **72% of consumers say salmon is the same or less difficult to make than other seafood prepared at home**
- **68% of consumers chose recipes for meals in 30 minutes or less as the most appealing idea — number one in a ranking of about two dozen ideas**
- **Time pressured consumers are seeking easy alternatives**
  - ◆ **Many consumers do not know what they are making for dinner at 4:00 PM**



### Alaska

- **More than half said knowing the product was from the US or from Alaska would make them more likely to purchase**
- **Knowing that many Alaskan fishermen are second or third generation would influence 45% of consumers' likelihood to buy**
- **More than a third say the fact Alaska Salmon are not endangered is important to their purchase decision**