Seafood Marketing Considerations

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Commercialization Status of Florida Pompano
Aquaculture Industry Workshop
January 19, 2023
Five Steps to Building an Aquaculture Business

1) Research and Training
2) Evaluations of Expectations
3) Planning:
   Market, Production, Business
4) Testing: Demonstration-Scale
5) Commercial Production
Market Analysis

- The analysis of the market can be difficult because selling your product is a long way off: 12 - 36 months.

- Need to plan 3 - 5 years ahead of the sale of your product.

- Need to know how the revenue will flow into the business.
The Market Mix – the Four Ps

1) Product
2) Price
3) Place
4) Promotion
Product

- Form
  - whole on ice, fresh, frozen, gutted or fillet

Whole (1.0 – 2.0 lbs)

Fillets
(4-6 or 5-7 ounce)
Product

- Quantity
  - estimate sales frequency and amount of product
  - Growout is approximately 1-year

- Packaging
  - iced in heavy waxed box, vacuum-packed, IQF, labeled

- Regulations
  - processing permits, HACCP
HACCP and Quality Assurance Programs

- In December 1995, the FDA issued seafood regulations based on Hazard Analysis and Critical Control Point

- HACCP is a preventive system to ensure safer foods and is designed to identify hazards, establish controls, and monitor those controls

- Other resources available: Cooperative Extension Service or Sea Grant Marine Advisory Service, seafood trade organizations, regional offices of the Food and Drug Administration or National Marine Fisheries Service
HACCP Flow Diagram

- cover all of the steps in the process which the business performs
- include receiving and storage steps for each of the ingredients, including non-fishery ingredients
- be verified on-site for accuracy
Price

- Farm gate price to the support the farm must meet or be below market price.

- 60-80% of seafood is sold through restaurants – e.g., deboned fillet of fish

- Farm gate price/Yield = product value
  - If $13.99 per pound whole fish*
  - $13.99/0.56 yield = $24.98 per pound for deboned fillet
# Prices

<table>
<thead>
<tr>
<th>Product</th>
<th>Crab-e-Bills (Sebastian, Florida)</th>
<th>All Fresh Seafood (Online)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Fish</td>
<td>$13.99</td>
<td>$13.99</td>
</tr>
<tr>
<td>Fillets</td>
<td>$28.99</td>
<td>$24.99</td>
</tr>
</tbody>
</table>

Dress out = 56-59%

*January 2023 Prices*
Price

- Need to include processing, packaging and delivery
- Intangible quality to price - value to buyer
- New products in short supply may demand a higher price
- Direct and niche marketing

Photo: Aquaco
Determining the Size of the Business

There are two main factors that will determine the size of the business:

• Resource availability
  » Land
  » Capital Resources
  » Labor

• Market Size
  » Direct market → Smaller sales volume
  » Commodity market → Larger sales volume
Direct Retail Sales

- Sell directly to the customer
- Achieve the greatest per unit profit
- Good direction for small-scale producers

Photo: All Fresh Seafood
Direct Market Ideas

- Local Customer Base
- Roadside Market
- Fish Fry Fund-raiser
- Fairs and Festivals
- Office Building Markets
- Restaurants
- Retail Stores
- Value-added Market
- Fee Fishing
Place

- Location of the farm = survival
- Buyers - processing plants
- Transportation - trucking, airports, highways
- Regulatory Services - inspectors
- Storage - freezers

Need to deliver at the least cost to have a competitive edge
Promotion

- How to introduce a new aquaculture species (Florida Pompano) into the marketplace at a local and national scale?
- Who is the target audience?
  - determine buyer and where they are located
- How can the audience be reached?
  - need to trigger action
- What is the cost of each option?
  - advertisement (business cards, magazine, social media)
    » identify what you sell
    » include the call to action
Advantages of Aquaculture Products

- Harvest times - consistency
- Fresh product or processed to market specifications
- Size is uniform
- Flavor is reliable
- Personal touches
- Meets the customer’s needs
Wild and Farmed Products

certifications
colabels
Know What is Important to the Consumer & Buyer

- Health
- Nutrition
- Convenience
- Variety
- Source – Wild, Farmed
- Value
- Sustainability
- Safety and Quality

Photo: Aquaco
Consumer and Buyer Behavior

- FAU course (2019, 2020) – Professor Eileen Acello
- Group projects –
  - Pitch seafood as a healthy protein choice to be consumed 2x per week with the goal to increase seafood consumption in US
  - What is the unmet consumer need and solutions to satisfy that need. Consumers:
    » Gen Z (born 1997 - 2010)
    » Gen Y (born between 1981- 1996)
    » Gen X (born between 1965 - 1980)
    » Baby Boomer (born between 1946-1964)
## Findings: Consumer and Buyer Behavior

<table>
<thead>
<tr>
<th>Category</th>
<th>Gen Z</th>
<th>Gen Y</th>
<th>Gen X</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consume Seafood (%)</td>
<td>87</td>
<td>89</td>
<td>96</td>
<td>94</td>
</tr>
<tr>
<td>Reason to Eat Seafood</td>
<td>Health Taste</td>
<td>Health Taste</td>
<td>Health Taste</td>
<td>Health Taste</td>
</tr>
<tr>
<td>Reason Not to Eat Seafood</td>
<td>Smell, taste, contaminants, unfamiliar, texture, allergies</td>
<td>Taste, price</td>
<td>Price, cooking know how, smell, taste</td>
<td>Price, taste, smell, allergies</td>
</tr>
<tr>
<td>Place of Consumption</td>
<td>Home Restaurant</td>
<td>Home Restaurant</td>
<td>Home preference b/c budget</td>
<td>Home Restaurant</td>
</tr>
</tbody>
</table>
# SWOT: Consumer and Buyer Behavior

<table>
<thead>
<tr>
<th>Categories</th>
<th>Summary (Gen Z, Y, X, Boomers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengths</td>
<td>Healthy, Nutritious, Sustainable</td>
</tr>
<tr>
<td>Weaknesses</td>
<td>Price, Taste, Smell, Lack of Knowledge on How to Prepare</td>
</tr>
<tr>
<td>Opportunities</td>
<td>Easy Access to Recipes and How to Cook, Online Deliveries, Health</td>
</tr>
<tr>
<td>Threats</td>
<td>Other Proteins, Misinformation, Hesitant to Try, Contaminants</td>
</tr>
</tbody>
</table>
Principles of Advertising

- FAU course (2020) – Professor Eileen Acello
- Group projects – (by demographics)
  - How to reach the consumer about seafood?
  - How make the consumer feel comfortable to try seafood?
  - How to build consumer confidence in buying and cooking seafood?
  - How to educate the consumer?
    » Seafood is healthy to eat
    » Seafood is easy to cook at home
    » Aquacultured seafood is safe and healthy to eat
    » Consuming seafood 2x per week is recommended as part of a healthy diet
# Principles of Advertising

<table>
<thead>
<tr>
<th></th>
<th>Gen Z</th>
<th>Gen Y</th>
<th>Gen X</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Media</strong></td>
<td>Instagram and Snapchat</td>
<td>Instagram and Facebook</td>
<td>Facebook and Friends</td>
<td>Facebook and In Store</td>
</tr>
<tr>
<td><strong>Information Gathering</strong></td>
<td>Through Videos, Online</td>
<td>Foodie Influencers</td>
<td>Online Reviews, TV Ads, Videos</td>
<td>Online and Print Ads</td>
</tr>
<tr>
<td><strong>Place of Consumption</strong></td>
<td>Variety</td>
<td>Need to feel comfortable cooking</td>
<td>Home</td>
<td>Home</td>
</tr>
<tr>
<td><strong>Type of Seafood</strong></td>
<td>Organic and Natural</td>
<td>Preference to Salmon but Eat Variety</td>
<td>Variety</td>
<td>Wild, Fresh</td>
</tr>
</tbody>
</table>

Overall – target the health benefits of eating seafood
Simply Served Seafood

"Seafood is Superfood"
“I’m on a seafood diet, I eat everything I sea”

Aqua-Marketing Agency
Agency

“From the sea into our hearts!”

Alex Fox, Dalton Haskin, Eric Naphor, Joe Burgese, Nelson Rengifo

(Generation X)
Resources:

- Seafood Markets, restaurants, online sales
- Seafood Nutrition Partnership
  [https://www.seafoodnutrition.org/](https://www.seafoodnutrition.org/)
- Seafood Source
  [https://www.seafoodsource.com/](https://www.seafoodsource.com/)
- NOAA Fisheries Fishwatch
  [https://www.fishwatch.gov/](https://www.fishwatch.gov/)
- Shamshak et al. 2019. US Seafood consumption JWAS
- USAS webinar Seafood in the Diet: Consumption Patterns at Retail and Food Service
  [https://youtu.be/PhWnTZgpi44](https://youtu.be/PhWnTZgpi44)
  [https://doi.org/10.3390/nu12061810](https://doi.org/10.3390/nu12061810)