

A Survey of the Key Merchandising Requirements of Australian Seafood Retailers

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SEAFOOD SERVICES
AUSTRALIA



Australian Government

**Fisheries Research and
Development Corporation**

Project No. 2002/433

A Survey of the Key Merchandising Requirements of Australian Seafood Retailers

Report on a survey of seafood retail outlets conducted by Norman Grant, publisher of Seafood Australia magazine and the Quick + Easy Seafood recipe book series. The survey was to determine the usage and requirements of point-of-sale merchandising promotion in the seafood retail sector.

Final report submitted August 2005.

ISBN 0-9758064-0-8

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Disclaimer:

This project was designed primarily assist in the future distribution of the Quick+Easy Seafood recipe book series. Details of the commercialisation of the project's findings, by Seafood Australia Pty Ltd, are not included in this report. Specific information about the shops visited (including names) are also not included as some information obtained was considered commercial-in-confidence.

The report includes observations and comments in general, based on a survey of 49 shops undertaken over a two-year period in five States.

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Non Technical Summary

Three years ago, Seafood Australia Pty Ltd, which publishes *Seafood Australia* trade magazine, began a series of seafood recipe books titled Quick+Easy Seafood, for distribution through seafood retail shops. Their purpose is to assist retailers develop sales, and to convey industry profile messages to consumers.

To improve distribution of the books, the publisher (Principal Investigator) conducted a survey by personal visit to forty seven seafood shops in five States, to examine impediments to the use of Point-of-Sale (POS) promotion material, and to the process of information distribution generally, at retail level. The survey primarily targeted re-sellers of the Q+E Seafood books.

As a relatively small number of large, independent seafood shops are responsible for a significant proportion of total retail sales of Australian seafood, there is probably a great deal to be achieved by well planned and well supported POS communication through this sector.

General

The survey found that the use of POS promotion by the seafood industry around Australia is poor - in terms of the number of shops applying it effectively, and in the quality of material found (ie. content and style).

Although often talked about, POS promotion has not been driven by the industry's peak producer representative organisations. Although there have been occasional initiatives by some production sector groups and State marketing associations, (eg. Master Fish Merchants Association), POS promotion has not been a part of any on-going, broad seafood marketing strategy. Industry profile messages have rarely been adapted to POS communication - despite this being the consumer market 'coal face'.

Instead, retailers have been reliant on infrequent promotional campaigns by supplier companies (commercial operators) for much of their POS material. The objective of these promotions has generally been to build awareness of specific brands.

The survey found that a lack of a functional relationship between the sectors (ie. a means of conveying, and applying in practical terms, production sector aspirations and strategies to retail sector businesses) contributed to this situation. Most retailers surveyed had little knowledge of issues of major concern to producers - even those issues of mutual benefit.

The survey also found that, in the majority of shops, a business culture not conducive to POS promotion was a major impediment to its effectiveness. Most retailers have had little or no experience in developing sales by POS promotion.

As many retailers do not fully appreciate the potential of industry profile messages (eg. sustainability, health, food safety) to boost sales, nor are they familiar with the details, there is a need for training programs or training aids, to support POS communication.

The survey found that the accuracy, suitability and currency (datedness) of many POS items is questionable and goes largely unchecked by Industry. Indeed, the potential for negative consumer reactions, as a result of displaying out-of-date, incorrect or unattractive material, is high with some forms of POS material - such as posters. The survey found no evidence of a removal or replacement program with POS promotion campaigns to date.

In general, the acceptance of traditional POS merchandising material (eg. posters and recipe brochures) is roughly divided between older style shops (pre-2000) and newer, or revamped, shops.

As POS promotion/communication is a commercial decisions by retailers, it would be presumptive for producer organisations to consider that future POS promotions, or POS consumer communications strategies, will automatically be supported and endorsed by retailers. Retailers have to be convinced of the value of POS promotion/communication to them; and any POS material must be suitable to their shop, and their own business strategies for increasing sales.

The production sector (companies and institutions) will be more successful in their retail marketing/communication strategies if they engage more fully with the retail sector. They need to discuss their marketing plans, or the mutual benefit of industry messages, with retailers well before any campaign, and seek retailer input into the creation of any POS promotion.

The survey found that shop layouts do seriously inhibit POS promotion, and that suitable display/dispenser locations are often difficult to find.

Encouraging the provision of dedicated POS display areas (eg. purpose built stands, or shelving on walls/columns close to staff) would be beneficial in overcoming this.

Recipe books/brochures/cards are the predominant form of POS promotion currently in use. Free recipes appear to be the most popular item with consumers - but this is based only on volume used. There is also evidence (based on the sales performance of some POS items) to suggest that consumers will pay for this material, if it is of good quality - thus sharing the cost.

Few POS items take advantage of cross-promotion with compatible food/beverage products, to mitigate costs.

Quick+Easy Seafood Recipe Books

The survey confirmed that the Quick+Easy Seafood recipe book series is by far the most popular book form of cost recovery POS promotion (with a Recommended Retail Price of \$3.95).

Few other forms of POS promotion seen during the survey shared the cost across the through-chain with inputs from producers (advertising/sponsorship), retailers (in kind) and consumers (retail price). Other than large recipe books, no other POS promotion provided a direct financial incentive for retailers to participate (eg. with a sales margin).

The Quick+Easy Seafood recipe books have proven to be a useful POS tool for retailers, not only in terms of generic promotion, but also as customer rewards and sales incentives. As the books contain information about current seafood industry issues, they are also an important communication tool for producers.

However, there is a need for strategies to address many of the impediments revealed in the survey, for the book series to reach its potential. It is unlikely that future growth in distribution will occur without additional action by Seafood Australia Pty Ltd. to enhance its marketing and distribution program.

Acknowledgements

Funding for this project was provided by the Australian Government's Fisheries Research and Development Corporation through the Seafood Industry Development Fund which is administered by Seafood Services Australia.

I would also like to thank Nick Ruello and Roy Palmer for their advice, and peer review, of this report.

Background

In June 2002 Seafood Australia Pty Ltd (which has published the seafood marketing sector trade magazine Seafood Australia since 1992) published the first in a series of seafood recipe booklets - titled Quick+Easy Seafood. The books were primarily intended for sale to the public, mainly through seafood retail shops (although newsagent distribution by Gordon & Gotch also resulted a significant portion of sales).

The commercial strategies behind the publications were as follows:

1. To provide a vehicle for producers to promote their products directly to a targeted consumer audience, in the form of advertising. This provided a much-needed service to producers, and contributed essential revenue to the project.
2. The books were also intended for over-the-counter sale by retailers, providing necessary additional revenue. A substantial retail margin was included in the recommended retail price of \$3.95, as an incentive for retailers to stock and utilise the books.

There were also non-commercial strategies involved.

1. For some time Seafood Australia had observed that there was little in the way of regular point-of-sale (POS) merchandising material to assist retailers. What material was available was often out-of-date, incorrect, of poor quality, or simply inappropriate for a seafood retail environment. As seafood recipes were identified as the most requested form of POS material by retailers, the Quick+Easy Seafood books were designed to replace the assortment of randomly distributed, loose-leaf recipes (often of dubious origin and quality), with a regular publication that consumers could rely on to be correct, was seasonally appropriate, and was properly informative. As such, a great deal of attention (and expense) was directed to producing high quality food images based on original recipes created by a qualified food consultant with seafood experience.

2. The books were also designed to extend consumer information about seafood - another service clearly identified as being needed. The Australian seafood industry has made a considerable investment in what might be consolidated (in communication terms) in several important messages for consumers about seafood. These relate to environmental management and sustainability, food safety and hygiene, health and nutrition - as well as intrinsic messages such as the industry's history, its importance to the economy and community, and its potential. Throughout the subsequent series, these subjects were included in the content of the books, as was information relating to 'issues of the day' - such as information for pregnant women and mothers in relation to mercury.

These strategies were in line with consumer research by Ruello & Associates (1999 and 2002) during which consumers nominated easy recipes and cooking ideas (along with cheaper prices) as the strongest inducements to buy more fish.

These studies observed that seafood was not 'top-of-mind', so that retail customers needed to be constantly reminded of all the factors inducing them to buy (eg. health and nutrition; convenience). The research also showed that customers wanted meal ideas, and were more positively influenced by photos of meal scenes and cooking ideas, than by 'fish pictures' commonly used to aid species identification.

The Ruello & Associates studies also suggested that, if Australian producers want price increases for under-utilised or less popular species, they need to provide ideas at POS to encourage customers as they make their choice.

These studies also concluded that POS can only provide part of the promotion solution, as customers need to be near a seafood shop for it to work. The Seafood Australia distribution strategy for Q+E Seafood directs a substantial proportion of each edition print run to be sold through general newsagents - to encourage readers to visit a seafood outlet.

Need

Although the concept was well accepted by both producers (advertisers) and retailers - with circulation growing from 10,000 to 30,000 during the first series - there was apparent resistance to stocking the books by many retailers which, on closer examination, revealed that significant impediments existed to the use of POS promotion material, and to the process of information distribution generally, at retail level.

As these impediments were likely to be similar for all products seeking merchandising/promotion support, this project - to examine these impediments - was developed. As the investigation needed to have a national focus, funding was sought from the SIDF to assist - primarily with travel expenses.

Objectives

1. Identify key merchandising needs/requirements of Australian seafood retailers, and common impediments to better in-store product promotion, customer awareness and delivery of fishing/aquaculture industry profile, by both suppliers and retailers.
2. Obtain feedback/ideas on the above from a national (rather than regional) perspective; summarise the information; and make/implement recommendations to improve the availability, usefulness and use of merchandising material/POS aids (including the Quick+Easy Seafood recipe book series) thus leading to improved seafood sales and enhanced delivery of industry profile messages.

Methods

The primary method of undertaking the research was to conduct a survey of current POS promotion, requirements and impediments.

The survey was conducted by personal visits by the Principal Investigator. A uniform survey form was used but this was completed by the Principal Investigator, not the shop owner/manager, to record observations of shop layout, current POS promotion, obvious impediments, etc.

In addition, a series of similar (but not uniform) questions were designed to reveal attitudes and ideas, and the responses were interpreted and discussed at the time. (Questions varied according to environment encountered.) The responses included shop owner/managers' solutions to (apparent) impediments, their assessment of what kind of POS promotion was most effective to date, their ideas for suitable assistance, and their interpretation of consumer needs.

Some information acquired using the forms/questions was considered Commercial-in-Confidence. As such, the information was aggregated, but the completed forms were not retained.

The period of the survey was extended (from the original schedule) to correspond with periods just after publication and distribution of the latest Q+E Seafood books. This was to better assess the merchandising requirements of retailers as they began their latest sales round; or alternatively, rejected the book (perhaps because of display/merchandising impediments). The survey was also conducted on a broader scale than first anticipated so the results were more comprehensive.

Forty seven shops were personally visited by the Principal Investigator during the project. Observations from shops visited outside the project, and interviews with marketing managers of retail chains and major supermarkets, provided additional information.

Results/Discussion

The majority of shops visited already stocked Quick+Easy Seafood books (as a result of previous mail/phone promotion) but impediments to better distribution were identified in most of these.

Although format (shop layout) impediments were evident in most shops, only in two of those surveyed did this appear insurmountable.

In the majority of shops, the major impediment was a business culture not conducive to POS promotion.

In general, the acceptance of traditional POS merchandising is roughly divided between older style shops (pre-2000) and newer (or revamped) shops. In the latter case, where significant emphasis is given to shop design/style and functional expedience, traditional POS material is not fashionable with shop owners (nor corporate marketing staff, in the case of franchised outlets).

There are also questions of how effective traditional POS material is, in communicating messages to consumers - particularly in busy city shops. Shop owners questioned the benefits (to them) of POS promotion in situations where there is a high proportion of non-return customers. The currency and suitability of available material was also questioned. This was noted during the survey, as was a lack of staff training to answer questions raised by POS messages.

On the other hand, older style shops placed more emphasis on POS promotion; particularly those shops in slower traffic areas where there is more inter-action between shop owners/staff and regular customers, and where POS displays are less at odds with shop or system design.

Current Usage

Overall, the current usage of POS promotion material in seafood retail outlets around Australia is poor compared to other food retail environments, and certainly when compared to retail shops in general.

The styles of material, in order of use found during the survey, were recipe books, recipe leaflets/cards, posters, blackboards/signs, cardboard counter-top stands and plastic flags. All of the latter two items seen were provided by two companies.

Gill tags (with recognisable branding) were common on a narrow range of products. Surprisingly, other than gill tags, no price ticket promotion or other POS material designed for use inside display counters or directly on seafood, was seen - even though this was suggested as a preferred POS form by many retailers.

The majority of POS items encountered had been provided by private companies promoting products or brands.

Almost no POS items produced by seafood Industry organisations, were seen. (The exception to this were fish identification posters - several of which have been produced or endorsed by State organisations for local species, and by other industry/government bodies for various species groups. It is debatable if these should be classified as sales promotion.)

Recipe Books

Other than gill tags, the predominant POS items encountered were Q+E Seafood books - although these weren't always displayed. (The books are often given away as premiums or rewards.) This observation was made during the survey period and excludes the recent Tasmanian Salmonid Growers Association promotion - see below*.

Recipe Cards

Recipe cards (mainly produced by the Master Fish Merchants Association) were the next most encountered form of POS promotion.

There was, however, a large range of miscellaneous recipe material in various formats (eg cards, single sheets, brochures) - some produced by seafood companies, some by ancillary companies cross-promoting, and some 'home-made' by retailers. Many of these were very old publications, and the 'home-made' items were generally of poor quality (eg. uncoated bond paper - not suitable for wet environments).

An exception to the generally poor standard of recipe items found were those produced recently by some franchise chains. These tended to be large, high-quality recipe cards or brochures, but clearly expensive to produce (so limited numbers) and heavily branded.

*Towards the end of the project, (and outside the survey period), the entire 'picture' of POS promotion was altered when the Tasmanian Salmonid Growers Association distributed several hundred thousand new recipe brochures (A4 folded to DL) to independent fishmongers and supermarkets. These featured high quality photography and original recipes, and were produced in an economic format. The fulfillment (distribution) program was also one of the largest ever undertaken by any seafood industry group. The sheer volume of the recipes, made available free (along with dispensers), and effective distribution, resulted in considerable up-take by retailers, and this probably ranks as one of seafood's biggest short-term POS promotions, despite its relative simplicity.

Posters

Branded product posters appeared in low numbers (1 to 3) in many shops and were generally of very poor quality/condition, and almost always out-of-date.

Posters, of all POS material, have the biggest capacity for negative impact if they are out of date, inaccurate or of poor quality - and this was the likely result in many shops surveyed where posters were displayed.

Private companies were the original source of most branded product posters and clearly there was no effective merchandising program for the on-going replacement or removal of these by the companies. This reflects the ad hoc nature of promotion and budget planning by the seafood industry generally. (Two exceptions to this were consistently seen and reflected well on the companies involved).

Home-made 'Sale' posters were very common, as they are in most retail categories, and were probably most effective at generating increased sales. Although 'Sale' posters are generally linked to a price advantage, they also increase awareness of the species they are promoting.

Despite the often poor quality of material and artwork used, 'Sale' posters were probably the least offensive and most current, of all posters encountered (and probably the most acceptable by consumers because of their widespread use in retail).

Species Identification Posters

These appeared in many pre-2000 shops. Most were very old and of varying quality. Many featured species exotic to Australia. Their effectiveness was questioned as part of the survey. In most shops where they occurred the shop owners/managers chose them for 'colour and fisheries atmosphere' rather than sales generating potential. Nor was the identification function considered important to sales. However, some owners/managers did find some posters useful in showing customers the whole fish form of certain 'cuts'. No post-2000 shop surveyed either displayed, or was seeking, fish identification posters.

Condition and Currency

Fading, staining, curling and adhesion are significant problems with long-use paper products such as posters. As such, few modern shops (post-2000) will permit them.

It is also unlikely that posters will suit modern shop designs and colour schemes, making retailers unwilling to display them, regardless of the message. Most shop designers prefer to integrate signage into their design.

In the past it has been common practice in seafood retail environments to frame posters to protect them from stains and curling, and to make cleaning easier. This, however, adds considerably to their cost (framing, locating and removal) and severely limits the number and turn-over of posters likely to be used by the retail sector. Indeed, it contributes considerably to lack of currency (datedness).

As the provision of free posters is rarely (if ever) followed by a program of replacement or removal, currency is a major issue with their usage - presenting a significant potential for negative impact.

Black Boards/Signs

Blackboards have been traditionally used in fast-food outlets and produce markets to accommodate rapidly changing product ranges and prices. However, only a handful of seafood shops surveyed used blackboards (or similar changeable signs). This was primarily due to an increasing customer expectation of more professional signage and (therefore) the lack of skilled staff to write-up the boards suitably. Time constraints and space restrictions were also considerations. There was little evidence of home computer generated signage (apart from 'Sale posters').

In modern shops, illuminated panels are popular. The availability of large (A2 size) jet printers, for single copies, means panels can be produced at affordable prices and changed periodically. These panels are computer generated and accurately reproduce high quality images. There was no evidence of companies or industry bodies being involved (eg. sharing cost/use) in the production of such panels.

Effectiveness of POS Promotion

According to shop owners/managers, the most effective POS promotions (in terms of generating immediate sales) are in-store cooking demonstrations). These are, however, quite expensive and difficult to organise.

It is not surprising then, to find that POS products linked to television/magazine cooking shows/articles are also effective (and more affordable). However, there are very few of these promotions in the seafood industry, and one would expect that this provides major opportunities for companies or organisations in the future.

One manifestation of this is the popularity of celebrity seafood recipe books. Given that most re-sell above \$20.00 each, there is a surprising and significant

demand for these in seafood shops, according to many retailers. The industry's support for the publication of recipe books, through sponsorship, and incentives for retailers to stock them, would therefore seem worthwhile.

The less expensive format (RRP \$3.95) adopted for the Quick+Easy Seafood series, is by far the most popular book, as reflected in sales of about 100,000 so far - the majority through about 100 independent retailers. (These same retailers probably account for about 40% of all non-packaged seafood retail sales.)

The books have proven to be a useful POS tool for retailers, not only in terms of generic promotion, but as customer rewards and sales incentives. As the books contain information about current seafood industry issues (sustainability, health and nutrition, and food safety) they are also an important communication tool.

The fact that customers pay for the books, and that there is a retail margin for shops, (as well as producer sponsorship), means the cost is more fairly distributed along the supply-chain, than other forms of promotion.

There was no evidence (apparent or anecdotal) that posters of any kind generate additional sales. In terms of product branding, however, posters, counter-stands and flags, do alert customers to the presence of familiar brands, and it is likely that they are effective in maintaining market share.

Cross Promotion

Of the POS items encountered, few were jointly funded by compatible food products. Recipe cards published by the MFMA are part-funded by a wine company, and carry a wine recommendation. Similarly, Q+E Seafood books are part-sponsored by a wine company and by various non-seafood product suppliers and NGOs.

Again, there would appear to be considerable scope for mitigating POS promotion costs through appropriate cross promotion and joint funding.

Meeting Producer Needs

During the survey, despite several incidents of negative publicity involving seafood in that period, no industry messages at point-of-sale, in any format (other than those in Q+E Seafood books) were encountered. However, several retailers said they had attempted to convey information about changes to the recommended consumption of seafood for pregnant women, about mercury in general, and about seafood safety issues (relating to oysters in particular), through home-made posters and leaflets.

That there were no official (ie. industry/government) posters or signs relating to any of these issues or matters of interest, seems remarkable.

As both sectors (production and retail) have a strong interest in providing accurate consumer information, this would appear to be a shared responsibility. Although producers have access to information resources (and funding), and retailers present a practical and significant distribution network, there is no effective mechanism for implementing the sort of communication strategy envisioned by industry leaders.

Meeting Consumer Needs

This survey did not attempt to ask consumers about their preferred form of POS promotion. As a result, it is difficult to determine - simply on a volume basis - the most preferred form. Certainly free recipes (cards, brochures, books, etc.,) are in demand, based on volume used. However, there is no method of measuring their effectiveness (the sales generated, either at that visit or subsequent visits) nor the extent to which they meet consumer needs for information. Very few of these items carry additional information. There is also no practical system in place to ensure such information is accurate, timely and appropriate to purchase choices.

The Q+E Seafood recipe books have attempted to overcome some of the above problems by presenting recipes in seasonal groupings; by offering species alternatives for each recipe; and by explaining various cooking methods in detail - so that consumers are not misled.

Larger recipe books have the advantage of providing the level of detail many aspiring home-chefs require. However, they are limited by cost, and tend to be one-off and therefore short-lived in terms of changing trends in species popularity, availability, and latest culinary fashions. (From a publishing perspective, changing trends in photography, page design and book presentation, are extremely important to the success of books - an important subtlety unlikely to be appreciated by the seafood industry).

It would thus appear that the Q+E Seafood model (a regular, seasonal booklet capable of providing both basic and current information, as well as recipes and photos) is an effective method of meeting consumer needs.

There was no evidence in the survey to suggest that posters convey anything other than brand reinforcement or impulse messages to consumers. Fish identification posters undoubtedly provide considerable information for those interested, but the survey found no evidence to link these posters to increased sales.

Physical Impediments To POS Promotion

a) Storage and Durability

There is no doubt that seafood retail shops are an unfriendly environment for many kinds of POS promotion. Dry storage, odor absorption, and safe display, are just some of the problems associated with paper products, and often necessitates their constant removal during cleaning. This can be, to some extent, mitigated by the use of varnishes and non-absorbent coatings on paper - providing the supplier is aware of this need, and prepared to pay the additional cost. Paper products, (books, recipe cards, brochures, posters, counter stands, 'shelf-talkers', etc) are, and are likely to remain, the predominant form of POS promotion due to their ability to be produced cost effectively in large volumes. Therefore, long-term dry storage is essential. This is generally a shop format issue.

Plastic products clearly have a longevity and storage advantage - especially as they are usually used in small volumes. However, constant re-use and cleaning (eg. as when used directly on seafood in counter displays) degrades their appearance, and regular replacement is necessary, but does not always occur.

b) Display Location and Customer Access

Dispenser locations are also remarkably difficult to find in many shops. Flat counter tops are suitable in some situations, although (depending on height) they can obscure customers, and in small shops, may impede parcels and money being transferred. However, this is the most common location of POS dispensers. Round top counters (popular in early 90's shop design) prevent almost all types of dispensers being used and are a major impediment. Cough barrier style displays (no top) are also difficult, although dispensers can be designed to hang on the (usually) flat/angled glass. However this impedes vision and again this design is a major impediment. Display counters are usually the only location for stand-alone dispensers, so their use is surprisingly limited.

Wall mounted dispensers are also common but, again, suitable locations are surprisingly limited. Where POS promotion items have a sale price, using walls in public areas of shops increases the risk of theft and is unpopular with retailers. Behind-the-counter walls (staff areas) are usually too far away for customers to see the displays clearly - and certainly prevents them from reading and assessing the material for purchase.

Most of these problems can be overcome by a pro-active approach by retailers. The provision of dedicated POS display areas (eg. purpose built stands, or shelving on walls/columns close to staff) is one method. Where locations are still difficult, it is often possible to display a single copy, or to direct staff to show customers POS items not on display.

Overall, the lack of suitable locations in shops for effectively displaying and dispensing POS material is a significant impediment - and particularly for items requiring purchase.

Suitable locations for posters are less difficult to find (as they usually don't require storage or dispensing/re-sale). They can be displayed on walls, windows, (rarely on counters) and columns, or suspended from ceilings (with firm backing). However, as they are most effective in sizes above A3, and generally require protection (eg framing) or access for regular replacement/removal, their application is by no means universal. Indeed, in most post-2000 shops, suitable locations can be extremely difficult to find.

Language

Language impediments were not included in this survey and would be best understood in the context of studies of the demographics of cities/regions. However, the following observations may be useful:

The benefits or purpose of POS communication must first be conveyed to retailers. Where there is an initial language problem (and lack of understanding) with the owner/manager, it is unlikely that any POS promotion will be supported or effectively carried out.

Multi-language publications, or even single language publications relevant to the predominant ethnic groups in a retailer's catchment, clearly add a high degree of complexity and cost to the provision of POS material, and is unlikely to be pursued by private companies. (eg. What is the limit to the number of languages covered?) However, important industry messages may warrant this effort/expense, and there are many precedents, such as multi-language regulatory advisories. Therefore, if a benefit was perceived, the initiative and funding would have to come from Industry sources.

There is apparently a significant proportion of consumers from ethnic backgrounds who are illiterate in their original first language, and simply cannot be reached by written word.

In the case of recipes, the effectiveness of promoting western style cuisine to ethnic consumer markets must be questioned. There may also be a danger of offending cultural sensitivities by this.

Both language and cultural barriers are likely to be generational. Therefore, whilst POS promotion might have limited impact on older people, its persistence (in English) may have a significant influence on future markets.

Business Culture

This is the most significant factor impeding sales. The majority of seafood retailers do not come from a general retail background, and are not familiar with the extent and success of POS promotion and merchandising in other retail categories. Nor has there been a history of strong POS promotion in the seafood industry. Most retailers, therefore, have had little or no experience in developing sales by POS promotion.

Retailers are generally not in a position to initiate co-ordinated POS campaigns themselves, nor do they have the resources to research and implement such campaigns. As a result, POS material available to them from other sources is often not applicable to their product range or marketing strategies. (Eg. they may not stock branded products being promoted). There is also very little objective data to support the effectiveness of POS promotion.

This is not to say that retailers lack incentive altogether. During periods of negative publicity about seafood, their demand for POS responses can be very high. However, it is rarely met by Industry.

In many pre-2000 shops, competitive pricing and low overheads are common, and POS promotion is generally seen as simply another cost. Often, POS items that have a retail price, (eg. recipe books) are evaluated only for their margin, not promotion value. In many post-2000 shops, where overheads (such as franchise costs) are often high, and prices are also higher, retailers seem more interested in industry messages (sustainability, health, food safety) as marketing tools, but lack POS material appropriate to their shops.

In high-traffic areas (eg. busy city markets) with high volume sales, POS promotion is often considered an unwarranted cost for the following reasons:

1. No time to maintain POS displays/stock.
2. No time to talk to customers about issues raised by POS promotion.
3. Low return-customer business (so no benefit to the shop).

Conversely, in low traffic areas (such as regional areas and community shops), retailers place a greater importance on POS promotion both in terms of immediate sales, and in generating return business.

Through Chain Communication

Although often talked about, POS promotion has not been driven by Industry institutions and, with the exception of occasional initiatives by State marketing

bodies and associations, has not been a part of any on-going, broad seafood marketing strategy.

Retailers have been reliant on infrequent promotional campaigns by private companies for much of their POS material. Industry 'institutional' messages have rarely been adapted to POS communication - despite this being the consumer market 'coal face'.

The lack of a functional, institutional relationship between the sectors, can certainly be blamed for part of this (as the majority of retailers surveyed had little knowledge of issues of major concern to producers - even those issues of mutual benefit).

Recognising this gap, it would be presumptive for Industry institutions to consider that future POS promotions, or POS consumer communications strategies, would automatically be supported and endorsed by retailers.

Firstly, retailers have to be convinced of the value of such messages to them; and any POS material must be suitable to their shop, and their retail own strategies. Secondly, POS communication is two-way, and retailers (and staff) will need to conversant with any issues being promoted. This probably means that any Industry POS communication strategy will need to be complemented by some education/training - both in communication skills and in the issues at hand.

Commercial Decisions

Despite the best intentions of companies wishing to assist retailers in promoting their products, or Industry institutions trying to communicate directly to retail customers (on issues of mutual benefit), POS activity is still subject to commercial decisions by retailers.

Individual retailers (or franchise managers) must, 'at the end of the day', assess the cost/benefit of POS promotion to their business. There may be implications for supplier loyalties, competition, staffing, lease conditions, regulations, shop style/appearance, etc., that must be considered by the owner/manager. As a result, all POS promotion is subject to what might appear to be inconsistent up-take by the retail sector. This can, unfortunately, create the impression that some outlets do not support a product or message, or that the sector is divided on a subject.

Much of this, however, can be overcome simply by companies and institutions engaging with the retail sector, and discussing their marketing plans or the mutual benefit of industry messages, well before any campaign, and seeking retailer input into the design of any POS promotion.

Benefits

The result of the survey and the above comments should be of considerable assistance to those planning future promotion campaigns for the domestic seafood industry, where those promotions will involve a POS component.

This report will give producers and their institutions, a greater insight into the complexities of a rapidly changing retail environment. It highlights the need to fully engage retailers in POS planning and implementation - rather than simply producing standard POS items with the expectation of 'automatic' acceptance and distribution by the sector, as has happened frequently in the past.

The survey itself, in raising this issue with many retailers and inviting discussion on the subject, may well have paved the way for more successful approaches by industry in the future, in terms of greater co-operation and understanding and training in planning POS campaigns.

The survey greatly assisted Seafood Australia in its distribution of the last two editions of the Quick+Easy Seafood recipe book series, with significant increases in circulation (print-run) and the number of participating retailers. Given that each of the recipe books effectively promotes up to a hundred* different species of fish and seafood from all States, the flow of benefits to all nominated sectors will have been more than adequately met.

(* ie. an average of 30 recipes per book, with several suitable alternative species suggested for each recipe.)

This project will also assist Seafood Australia in planning the future production and distribution of useful publications for the industry.

Further Development

As a relatively small number of large, independent seafood shops are responsible for a significant proportion of the total retail sales of Australian seafood, there is probably a great deal to be achieved by well planned and well supported POS communication through this sector in terms of growing sales revenues, and in gaining public support for the industry.

The results of the survey and comments presented in the section above point to a number of opportunities for Industry to take advantage of this situation, and to avoid mistakes.

It was not the objective of this survey report to recommend specific actions or projects for Industry to undertake - but to provide information to assist it with future assessment and planning.

However, it is clear that greater engagement with the sector to resolve issues of co-operation, operational support and training, and to influence the current business culture in favour of POS promotion, would be beneficial.

Although the biggest impediment to POS promotion was retailers' attitude (business culture), there are also significant physical impediments in shop layout, etc. One simple specific objective Industry could pursue with the sector, is to encourage the provision of dedicated POS display areas (eg. purpose built stands, or shelving on walls/columns close to staff) in each shop - which consumers could come to expect as part of the service.

Based on this project's research, Seafood Australia will adopt a new strategy for the production and distribution of its POS promotion items on a commercial basis. This strategy will include a mechanism for a more inclusive through-chain discussion and co-operation process. Seafood Australia will also investigate the potential for staff training and improved information distribution systems to assist retailers (again, on a commercial basis).

Conclusion

General

The use of POS promotion by the seafood industry around Australia is poor.

POS promotion/communication has not been driven by industry institutions - even during periods of negative publicity about seafood, when demand for POS response is high.

The industry lacks a functional, institutional relationship between the production and retail sectors.

In the majority of shops, a business culture not conducive to POS promotion is a major impediment to its effectiveness. Most retailers have had little or no experience in developing sales by POS promotion. Most do not fully appreciate the potential of industry messages (eg. sustainability, health, food safety) to be of mutual benefit.

There is, and will be, a need for training programs/training aids for shop owners and staff, to support industry messages displayed or distributed at POS.

POS activity is, ultimately, subject to commercial decisions by retailers. As such, a large degree of engagement by Industry institutions or private companies is required to encourage effective and broad take-up by the sector, of POS campaigns.

In general, the acceptance of traditional POS merchandising is roughly divided between older style shops (pre-2000) and newer (or revamped) shops.

Recipe books/brochures/cards are the predominant form of POS promotion currently in use. Free recipes appear to be the most popular item with consumers (based only on volume used).

Shop layouts do inhibit POS promotion, and display/dispenser locations are difficult to find in many shops.

Encouraging the provision of dedicated POS display areas (eg. purpose built stands, or shelving on walls/columns close to staff) would be beneficial in overcoming this.

The accuracy, suitability and currency (datedness) of many POS items is questionable and goes largely unchecked by Industry.

There is no objective evidence that most current POS promotion meets the needs of either Industry or consumers, in terms of conveying positive information about the industry (aquaculture or fisheries.)

There is no evidence (apparent or anecdotal) that posters generate additional sales, although they may be effective in maintaining market share for branded products.

Posters have the biggest capacity for negative impact, resulting from deteriorating condition and currency. The provision of free posters is rarely (if ever) followed by a program of replacement or removal.

Quick+Easy Seafood Recipe Books

It would appear that the Q+E Seafood model (a regular, seasonal booklet capable of providing both basic and current information, as well as recipes and photos) is an effective method of meeting consumer needs.

Few other POS items take advantage of cross-promotion with compatible food/beverage products, to mitigate costs.

Other than recipe books, no other form of POS promotion seen during the survey attempted (let alone succeeded) to share the cost of promotion across the through-chain with inputs from producers (advertising/sponsorship), retailers (in kind) and consumers (retail price).

Other than recipe books, no other POS promotion provided a direct financial incentive for retailers to participate (eg. with a sales margin).

The less expensive format (RRP \$3.95) adopted for the Quick+Easy Seafood series, is by far the most popular book, as reflected in sales of about 100,000 so far - the majority through about 100 independent retailers. (These same retailers probably account for about 40% of all non-packaged seafood retail sales - private estimate.)

The books have proven to be a useful POS tool for retailers, not only in terms of generic promotion, but as customer rewards and sales incentives. As the books contain information about current seafood industry issues (sustainability, health and nutrition, and food safety) they are also an important communication tool.

There is a need for strategies to address many of the impediments revealed in the survey, for the Quick+Easy Seafood recipe book series to its potential. It is unlikely that future growth will occur with no further action.

References

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