

FRDC PROJECT 2007/247 - “Establish the acceptability of the Queensland Endeavour prawn as a product of choice in the Queensland domestic market”



FINAL REPORT

QUEENSLAND SEAFOOD MARKETERS ASSOC. INC

A.B.N. 67 735 266 388

33 PANKINA STREET, SUNNYBANK

BRISBANE QLD 4109

TELEPHONE: (07) 3344 2055

FACSIMILE: (07) 3344 2620

MOBILE: 0411 231 057



Australian Government
Fisheries Research and
Development Corporation

FRDC PROJECT 2007/247 - “Establish the acceptability of the Queensland Endeavour prawn as a product of choice in the Queensland domestic market”



Copyright: Fisheries Research and Development Corporation and Queensland Seafood Marketers Assoc Inc 2008.

This work is copyright. Except as permitted under the Copyright Act 1968 (Cth), no part of this publication may be reproduced by any process, electronic or otherwise, without the specific written permission of the copyright owners. Neither may information be stored electronically in any form whatsoever without such permission.

The Fisheries Research and Development Corporation plan invests in and manages fisheries research and development throughout Australia. It is a statutory authority within the portfolio of the federal Minister for Agriculture, Fisheries and Forestry, jointly funded by the Australian Government and the fishing industry.

Disclaimer

The authors do not warrant that the information in this report is free from errors or omissions. The authors do not accept any form of liability, be it contractual, tortuous or otherwise, for the contents of this report or for any consequences arising from its use or any reliance placed upon it. The information, opinions and advice contained in this report may not relate to, or be relevant to, a reader's particular circumstances. Opinions expressed by the authors are the individual opinions of those persons and are not necessarily those of the publisher or the research provider.

TABLE OF CONTENTS

1.0 Non Technical Summary

2.0 Acknowledgements

3.0 Need

4.0 Objectives

5.0 Methods

6.0 Results

7.0 Benefits

8.0 Further Developments

9.0 Conclusions

Attachment 1 – Project Expenditure

Attachment 2 – Project Point of Sale Material

Attachment 3 – Radio Interviews

1.0 NON TECHNICAL SUMMARY

2007/247 – Establish the Acceptability of the Queensland Endeavour Prawn as a product of choice in the Queensland domestic market.

Principal Investigator: James Fogarty – Shearwater Consulting Pty Ltd.

ADDRESS: PO BOX 7562 CAIRNS QLD 4870.
TEL: 07 403 12345.
FAX: 07 403 12346.

Background

Queensland's annual catch of Endeavour prawn is approx 2,500tonnes.

About 400 licensed vessels operate in Queensland and another 50 plus in the Gulf of Carpentaria.
(However in Queensland in 2007 there were 100 vessels who did not work more than 100 days in the year).

There are 2 types of Endeavour prawns:

- The Red (*Metapenaeus ensis*) and
- The Blue (*Metapenaeus endeavouri*),

The Blue is the more common. They have a pale brown to pink body with a sliver of bright blue or red on the tail fin. They range in size from 22 to 30 grams each in weight and from seven to 14 centimeters in length. Red Endeavour prawns are slightly smaller.

The Project.

The project was to develop a successful marketing campaign to help promote Endeavour prawns (Queensland's ugly duckling) and increase its market appeal (turn it into a top-selling swan).

The Principal Investigator from the Queensland Seafood Marketers Assoc (QSMA) with FRDC support, (Project 2007/247) initiated the marketing R&D project

The campaign, with slogans like "Being ugly didn't stop it from being a prawn star" and "Queensland's own prawn", helped ensure publicity – from local radio to national television programs – boosting consumer awareness and consequently sales.

When the project commenced the product was virtually un-saleable. Beach prices in June 2007 were approximately \$5 per kilogram. At campaign end it was \$10 per kilogram. There is no doubt the campaign worked. A normal year-end scenario would have substantial quantities left in store. At the end of 2007 there was virtually nil stock.

Endeavour prawns are caught off the Northern Australian coast and have traditionally been exported to Europe, where despite their appearance they are celebrated for their sweet taste.

However, a few years ago new European laws and competition from Argentina curtailed this trade, meaning a new market was needed.

Although the Endeavour prawn met EU standards on heavy metal content when tested in Australia, there were numerous occasions when they failed subsequent testing in Europe, creating enormous problems for exporters.

At the same time a dramatic increase in the Argentine catch from the norm of 5,000tonnes per year to 40,000tonnes in one year, mostly destined for Europe completed the demise of this market.

With its export market gone the industry turned to the domestic market. However Endeavour prawns not only had to compete with low-cost imported prawn but with the more aesthetically pleasing prawns, such as kings and tigers.

With major seafood buyers unable to on-sell Endeavour prawns the price crashed making trawling unsustainable for many operators. 2007 was the worst year with many vessels not bothering to move. The QSMA decided action needed to be taken to resolve the situation and a test marketing campaign was developed for the Cairns region. This was the largest port by trawl numbers in the Fishery.

Although the immediate goal was to sell existing stocks and increase prices paid for them, the QSMA was also keen to establish Endeavour prawns as brand and not a commodity product.

The product was recognized as the best tasting prawn caught in Australian waters – an independent jury awarded it the tastiest prawn at the 2007 National Prawn Fisheries Conference – and that was used as leverage.

The test campaign, which ran for three months from October to December, also drew on Endeavour's ugliness.

It is easy to see the campaign has been a success. The 2008 prawn season commences on March 1 and normally the major buyers would have stock left over from the previous year. This year there is little stock on hand.

It should be remembered that fishing effort declined and this would also impact on stock levels.

That said, everyone spoke about the campaign with many reports of people specifically asking to try Endeavour prawns. This indicated that the message was being absorbed.

It has taken a lot of work to get to this stage and it is now critical to take it region wide.

A new campaign to run from April to mid June would solidify the good work. It is now branded as Queensland's own prawn and a new campaign that culminated on Queensland day (June 6) would add to the aura.

2.0 ACKNOWLEDGEMENTS

The contributions made by the program supporters were outstanding and we recognize their contributions as a large part of a successful program.

In no particular order they were:

- Fisheries Research & Development Corporation
- Queensland Seafood Marketers Assoc Inc.
- A Raptis & Sons – George & Arthur Raptis.
- North Queensland Trawler Supplies – Marshall Betzel.
- Urangan Fisheries – Nic Schultz
- M & M Fisheries – Clarrie MacGibbon
- Morgan's Seafood – Rick Morgan
- Queensland Seafood Industry Assoc – Neil Green
- Torres Strait Prawn Entitlement Holders Assoc – Mark Millward
- Shearwater Consulting – James Fogarty
- Adpower – Ben Hale
- Mediapower – Gary Cutler

3.0 NEED

The majority of Endeavour prawn has traditionally been sold into the Spanish market and also a reasonable demand into the domestic market in Sydney.

The Spanish market is now no longer available to exporters for any substantial quantities for the following reasons:

- Testing for Cadmium levels has become more severe and over the last few years it is not unknown for container loads to be rejected on arrival due to perceived high readings of Cadmium.
- The catch of Argentinean white prawn has expanded by large amounts. This product is presented in a manner that leaves the Australian product languishing in the rear and prices are much more acceptable to Spanish buyers than the Australian product.
- In addition a strong Australian dollar exacerbates the problem.

The domestic market that was a reasonable stand by for Endeavour prawn has gradually succumbed to the consistent inroads of the very inexpensive Vietnam vannamei prawn.

Suddenly the Endeavour prawn becomes un-saleable!

This prawn accounts for somewhere between 60-70% of the prawn catch in the Gulf of Carpentaria, Torres Strait, and Queensland East Coast Fisheries.

The consequence of this situation ensures boats cannot afford to go to work, buyers retreat from the market place and cold stores become clogged with unsaleable product.

A way to sell Endeavour prawn at price levels that allowed harvesters, buyers and wholesalers to make a profit needed to be found.

To go with the status quo meant the collapse of a substantial proportion of the Queensland Trawl Industry.

4.0 OBJECTIVES

The objectives of the project were:

- Develop a marketing and supply plan for Endeavour prawns in the Qld market.
- Assess the effectiveness of television, radio and press advertisements emphasizing the Endeavour “brand”.
- Assess and monitor the introduction of Endeavour prawn to Cairns retail outlets
- Produce a code of practice for handling Endeavor prawns for both harvesters and retailers.
- Assess the effectiveness of point of sale material for retail outlets.

5.0 METHODS

The journey from “species” to “gourmet brand” required a multi layered carefully timed program that would **identify, explain, educate, persuade and reinforce**.

The elements of this program were as follows:

- Establish an Endeavour prawn logo that would be used in every item of promotional material, be that TV, press, point of sale etc. The final logo can be seen in Attachment 2.
- Produce a promotional theme that would also be used in all material. In this case the **superior taste, Queensland’s own – wild caught in clean seas and recognition of its less than endearing appearance would be the focus**.
- Point of sale material emphasizing all of the above was produced for distribution to retail outlets. See attachment 2.
- Similarly press advertisements were produced along the same lines.
- A TV advertisement was produced, again focusing on taste, appearance and Queensland’s own.
- A website <http://www.endeavourprawns.com.au/> was constructed to be the central repository for all communications and also as a channel for feedback. From the consumer side the web site would tell the Endeavour Prawn story in absolute detail, offering recipes, history, nutritional information, hints on storage and transportation and engaging content on all things Endeavour.
- A download section on the web site would enable retailers, marketers and the restaurant industry easy access to design assets, logos and material to assist promotion.
- PR – Campaign launch. Representatives from the pre-selected retail outlets and restaurateurs were invited to the campaign launch. They were presented with campaign packs containing Point of Sale material, stickers etc. They were also shown the television advertisement and the suggested schedule.
- The advertising campaign went to air and press ads were lodged over the 3-month period. During this time the web site was closely monitored for traffic and from where this traffic was originating.
- Over the 3-month period retail outlets were visited on a regular basis to monitor feedback.

Important note:

As part of the development of the campaign, a large amount of work was undertaken between the Queensland Seafood Marketers Association (QSMA) and the marketing company Adpower to develop the strategy and framework for the campaign.

This work was undertaken prior to this project; as such it is not included in this report. To obtain more information regarding this work and the campaign framework contact QSMA on 07 3344 2055 or visit the Endeavour prawn website <http://www.endeavourprawns.com.au/>

6.0 Results

The Campaign created extraordinary interest within the local Cairns area and also the wider Queensland community. Numerous press stories, Television and Radio interviews were generated as the campaign commenced.

The seven selected retail outlets were canvassed on a regular basis during and after the campaign was concluded. All their feedback was positive. All parties confirmed sales increases of more than 30% over previous figures with customers for the first time specifically asking for Endeavour prawns.

When the Campaign was first planned Endeavour prawns were unsaleable and prices paid to trawlers were as low as \$4.00 per kg for 21/30 count prawn. Major buyers also held substantial stockholdings in Cold Stores that could not be moved.

Estimates indicated between 400-500 tonnes of product in store at campaign start.

By Campaign end there was basically no stock and beach prices had moved up to around \$8.00 per kg plus for a similar prawn.

Post Campaign Interviews.

Ocean Wild Seafood's: "Customers are buying fish and then saying let me have half a kilo of Endeavour prawns."

"It made people aware of the product and has probably put a bit more excitement into the prawn fishing industry"

"It is moving more stock than I can source at the moment and made the product a little harder to source."

Cairns Ocean Products: "Approximately 30% of customers asked for the product by name – Did not happen before."

"The promotion increased my overall sales by at least 10%"

"About 20% of customers discussed the appearance of the product"

Captain Cook Seafood's: "Approximately 30% of customers asked for the product by name. Usually customers do not know the name of the prawn"

"Increased prawn sales by 20% overall but Endeavour's took a larger % increase at other species expense"

Independent Seafood Producers: "The point of sale material was recognized from the TV commercial"

“People specifically asked for Endeavour prawn”

“Overall sales did not increase but Endeavour did”

Wendy’s Prawn Cutlets: “People asked for Endeavour by name – unusual – Appearance was a big talking point.

Sales were well up – people just wanted Endeavour prawn.

Visits to the Endeavour Website <http://www.endeavourprawns.com.au/> :

	Unique Visits	No of Visits	Pages	Hits
Oct	381	620	3202	24,343
Nov	563	616	1,461	11,474
Dec	1,183	1,274	2,423	25,538
Jan	789	844	1,598	16,122
Feb	636	688	1,154	12,759
Mar	640	718	1,222	12,975
	4,192	4,760	11,060	107,211

There were unique visits from over 20 countries with over 90% from Australia and the USA.

USA visitors made up more than 45% of the Hits.

Even at the end of March when the campaign has been over for three months there are still substantial hits on the website.

In future programs the opportunity to sell advertising on the site looks to be possible.

7.0 BENEFITS

Positive outcomes from this project are still being quantified however at the time of compiling this report include the following:

- A large proportion of the Cairns population now knows there is a Queensland prawn called the Endeavour.
- They are aware that it was selected as the best tasting prawn by prawn industry peers at a taste off in 2007.
- They are aware that the prawn has image problems but the ease of cooking and taste far out weigh the image.
- The price that people are now conditioned to accept is at a level that will encourage trawler owners to spend more time at sea with the opportunity of positive outcomes.
- The 2008 prawn season will commence with very little stock in cold stores enabling buyers to be active on the beach in a much more positive manner in 2008.

8.0 CONCLUSIONS

The test market program in the Cairns area was successful. A well-put together marketing program for Seafood will establish recognition and create increased demand, which will have a flow on affect with pricing.

The program will increase demand for all seafood and just not the target item.

9.0 FUTURE DEVELOPMENTS

The test marketing campaign in Cairns has convinced the QSMA that this project should be taken State wide in the coming season.

A Statewide campaign has the potential to position the Endeavour prawn as a first choice gourmet product in the Queensland domestic market.

The benefits of this will be twofold:

Firstly it will produce a beach price to trawlers that will move them from loss making operations to profitability with consequent benefits to all parties.

Secondly wholesalers and retailers will improve not only their volume of throughput but also their profit margins.

The assets from the test market campaign would be used in the Statewide campaign. All that would be required is the money for the advertising.

The quantity of Endeavour prawn harvested would be able to sustain a statewide campaign.

As a part of this campaign the QSMA has produced an Endeavour code of practice that will be distributed to all harvesters of Endeavour prawns in 2008.

Quality control assessments will be carried out on all landings and feed back given to harvesters for continual product improvement.

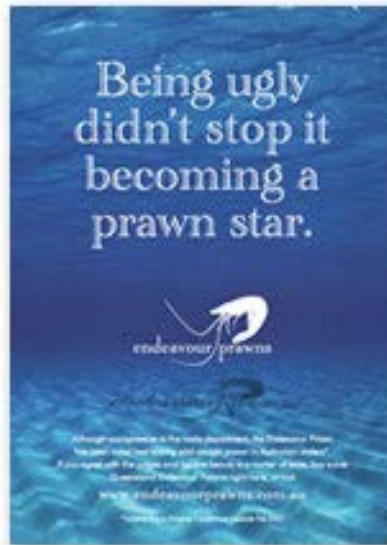
It is the view of QSMA that perhaps WA could pick up this campaign with little alteration for their fishery.

ATTACHMENT 1 – BUDGET

ENDEAVOUR PROJECT - EXPENDITURE V BUDGET

SERVICE	AMOUNT	GST	TOTAL	BUDGET
Logo Design & Man	\$3,186.00	\$318.60	\$3,504.60	3,500.00
Website	\$3,634.00	\$363.42	\$3,997.62	4,000.00
POS Logo Stand	\$1,180.44	\$118.04	\$1,298.48	2,100.00
POS Posters	\$942.04	\$94.20	\$1,036.24	1,100.00
POS Posters	\$2,415.10	\$241.51	\$2,656.61	2,300.00
Press Creative	\$1,814.40	\$181.44	\$1,995.84	2,000.00
Bumper Stickers	\$621.00	\$62.10	\$683.10	
TV Commercial	\$11,080.80	\$1,108.08	\$12,188.88	12,200.00
Launch Collateral	\$1,246.32	\$124.63	\$1,370.95	1,300.00
	\$4,000.00	\$400.00	\$4,400.00	4,000.00
Oct Cairns Post	\$4,073.98	\$407.40	\$4,481.38	8,000.00
Oct Channel 7	\$3,243.24	\$324.32	\$3,567.56	
Oct Channel 10	\$2,968.46	\$296.95	\$3,266.41	15,000.00
Oct Cairns Post	\$4,073.98	\$407.40	\$4,481.38	
Oct Channel 7	\$3,243.24	\$324.23	\$3,567.56	
Oct Channel 10	\$2,968.46	\$296.95	\$3,266.41	
Nov Cairns Post	\$8,240.62	\$824.06	\$9,064.68	6,000.00
Nov TV Channel 10	\$5,416.20	\$541.62	\$5,957.82	
Nov TV channel 7	\$3,246.48	\$324.65	\$3,571.13	8,000.00
Dec Cairns Post	\$5,028.48	\$502.85	\$5,531.33	5,000.00
Dec Channel 10	\$5,394.60	\$539.46	\$5,934.06	
Dec Channel 7	\$3,246.48	\$324.65	\$3,571.13	8,000.00
	\$81,264.32	\$8,126.56	\$89,393.17	82,500.00

ATTACHMENT 2 – CAMPAIGN MATERIALS



A3 Size Poster
Printed on 200gsm gloss stock
with UV stabilised inks



White Plastic Display Stand
126mm x 88mm display area, 15mm stand
Sticker with UV stabilised inks



Cabinet/Bumper Sticker
210mm x 15mm
Adhesive Vynil with UV stabilised inks



A1 Size Poster
Printed on 170gsm gloss stock
with UV stabilised inks



ATTACHMENT 3 – MEDIA ARTICLES

ENDEAVOURING TO CHANGE PRAWN'S FORTUNE

By Adam Stephen

Tuesday, 21/08/2007

'Don't judge a prawn by its cover'. That will be the message delivered to north Queensland consumers from October, as the Queensland seafood industry looks for a market to soak up large stocks of endeavour prawns.

Endeavours are normally exported to Europe but recently they've struggled in that market because of the high value of the Australia dollar and increased competition from Asian farmed prawns.

Large amounts of endeavours have been directed to the domestic market where they've also struggled because of their appearance.

Now the Queensland Seafood Marketers Association is starting a three month public advertising campaign highlighting what it says is the prawn's superior taste.

Marshall Betzel from North Queensland Trawler Supplies says endeavours are the ugly duckling of the Queensland prawn varieties.

"It is fairly pale in comparison to the Queensland Tiger and the Queensland East Coast King Prawns, and to a certain extent Banana prawns."

"But, at the second Australian Prawn conference held in South Australia earlier this year, there was a taste test conducted ... they voted overwhelmingly that the Queensland Endeavour prawn was the best tasting prawn of numbers of Australian varieties of prawn," Mr Betzel says.

Retailers who have struggled to sell endeavour prawns are supportive of the campaign.

David McAtamney is managing director of Independent Seafood Producers.

"If they can create public demand, if the public come in asking their local seafood supplier for it, that in turn will stimulate some stock movement," Mr McAtamney says.

On the water, trawler operators are losing money at current prices.

Prices as low as \$5 a kilo are on offer for endeavour prawns, which make up at least one third of trawlers' catches north of Mackay.

Mark Millward, the President Torres Strait Prawn Entitlement Holders Association, says fishermen are sitting on frozen product hoping for a change in

fortunes.

"The cold stores in Cairns actually have got a lot of product stored in it and i'm not sure how that is going to go, they might be anticipating an increase."

"Historically prawn prices come up a little bit from August onwards, maybe guys are banking on that."

In this report: Marshall Betzel, campaign supporter, North Queensland Trawler Supplies; David McAtamney, retailer, Independent Seafood Producers; Mark Millward, President, Torres Strait Prawn Entitlement Holders Association

Endeavour prawns are the flavour of the month

A bold marketing campaign to increase the profile of Queensland Endeavour prawns appears to be paying dividends.

Considered the ugly ducking of prawn species, Endeavour's don't look as appealing as other varieties, but what they lack in visual amenity, they make up for in flavour.

Endeavour prawns are caught wild in the northern oceans of Australia, and represent about 50-60 per cent of the catch in North Queensland waters.

In recent years Endeavour prawns have lost market share locally and internationally due to the high Australian dollar and strong competition with farmed product from Asia.

So the Queensland Seafood Marketers Association embarked on a major advertising campaign to draw attention to the Endeavour in a bid to increase sales of the product.

Two months in, and QSMA President James Fogarty says it's working wonders.

"The Endeavour prawn is the best tasting prawn in Australia, we believe that and lots of testing has indicated that."

"The reason we did this is because we were having great difficulty in people achieving reasonable prices for Endeavour prawns."

"The amount being paid to the harvesters was declining rapidly and we felt that we had to do something about that as the Endeavour prawn is the major species caught in Queensland waters," Mr Fogarty says.

"This promotion is just in the Cairns area at the moment as a test market."

"What we set out to do was turn the Endeavour prawn from a commodity that was worth very little, into a brand name that was worth something."

"If as we move that along, we also add value to all the other prawns, and increased consumption to all the other prawns, we think we would have been successful," Mr Fogarty says.

The campaign will conclude at Christmas and a decision will then be made about whether it will be rolled out across Queensland.

The Western Australian and New South Wales fishing sectors are watching with interest as they weigh up whether to adopt a similar campaign.

At the shop front, retailers say the Endeavour prawn has never been more popular than it is in Cairns at the moment.

Peter 'Grizzly' Adams runs retail outlet Ocean World Seafood Market, and he says they can't get enough prawns to satisfy demand at the moment.

"It's all been positive, the response from my customers they are coming in and asking for the prawn by its name."

"They are buying some fish, and then saying let me have half a kilo of Endeavour prawns and they are actually asking for them from a result of the campaign."

"It has made people aware of the product and it has probably put a bit more excitement into the prawn fishing industry," Mr Adams says.

"It's probably moving more stock than I can purchase at the moment, it has now probably made the Endeavour prawn a little bit harder to find."

"You still try and offer it at a competitive price, it has increased the price with the demand and that's for both sides," Mr Adams says.

One spin-off of the Endeavour promotion is that the popularity of other prawn species appears to be suffering as a result.

Mr Adams says he is selling less King Prawns at the moment.

"I have on display four prawns, and I always have a Tiger, generally I always had a Tiger cooked and green, but I only use them cooked now."

"It's more so that people are asking for Endeavour's rather than the others," Mr Adams says

CAIRNS SEAFOOD CONSUMERS RALLY BEHIND 'UGLY' PRAWNS

By Adam Stephen

Tuesday, 11/12/2007

The endeavour prawn has gone from zero to hero in two months in far north Queensland and now seafood marketers want to promote it as a unique individual across Queensland.

The Queensland Seafood Marketers Association is behind an advertising campaign in Cairns aimed at increasing local consumption of the prawn species, considered the ugly duckling of Australian prawns despite their good flavour.

Endeavour Prawns are caught wild in the northern oceans of Australia and represent the largest single species catch of the Queensland trawl fleet. In recent years prices paid to trawler operators for Endeavours have fallen away dramatically.

The prawn has lost market share locally and internationally due to the high Australian dollar and strong competition with farmed product from Asia.

The QSMA president James Fogarty says the promotional campaign appears to be working.

"The reason we did this is because we were having great difficulty in people achieving reasonable prices for Endeavour prawns ... we felt that we had to do something about that."

"This promotion is just in the Cairns area at the moment as a test market."

"What we set out to do was turn the Endeavour prawn from a commodity that was worth very little, into a brand name that was worth something."

"If as we move that along, we also add value to all the other prawns, and increased consumption to all the other prawns, we think we would have been successful," Mr Fogarty says.

The campaign will conclude at Christmas and a decision will then be made about whether it will be rolled out across Queensland.

The Western Australian and New South Wales fishing sectors are watching with interest as they weigh up whether to adopt a similar campaign.

Cairns retailers say the Endeavour prawn has never been more popular.

Peter Adams from Ocean World Seafood Market says he has no doubts the campaign would work across Queensland.

"It's probably moving more stock than I can purchase at the moment, it has now probably made the Endeavour prawn a little bit harder to find."

"You still try and offer it at a competitive price, it has increased the price with the demand and that's for both sides."

"It's a great campaign, it's great for the industry. I think it has probably put a lot more positive energies back into the seafood industry," Mr Adams says.

In this report: James Fogarty, president, Queensland Seafood Marketers Association; Peter Adams, retailer, Ocean World Seafood Market.