

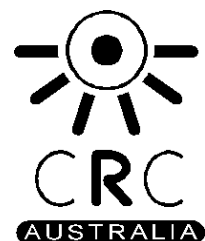


Interpretative Summary of Seafood Consumer Research

2009

Project 2008/913

Paul Graham
Market Strategy Ltd



Copyright Australian Seafood CRC and Market Strategy Ltd 2009.

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 Australian Seafood CRC is established and supported under the Australian Government's Cooperative Research Centres Programme. Other investors in the CRC are the Fisheries Research and Development Corporation, Seafood CRC company members, and supporting participants.



Prepared for the Seafood CRC by:
Market Strategy Ltd
Scarborough, WA
Contact:
Paul Graham, 0414 382 738

ISBN: 978-1-925982-95-4

Contents

	PAGE
1. Contents	3
2. Executive Summary	4
3. Introduction and Objectives	5
4. Documents Provided For Evaluation	6
5. Evaluation of Individual Documents	8
6. Evaluation Outcomes	15
a. Information Highlighted as Important For Consumer Research	
b. Gaps in Consumer Research Knowledge	
c. Usefulness of Existing Research	
d. Sources of Further Research	
e. Commercial Context of Consumer Research	
7. Interpretative Summary Research	21
8. Case Studies	26
9. Reiteration of Recommendations	28

2. Executive Summary

The 'Interpretative Overview of Consumer Seafood Research in Australia' is a result of the CRC Retail Transformation project. This project identified the need to review and consolidate the existing research available and assess its usefulness.

Publically available research was gathered from SEA, CRC and FRDC in consultation with various industry professionals. The work was assessed by Market Strategy Ltd, a commercial market development agency.

This research identifies the need for general socio economic information, food trend information, specific seafood trend information and specific seafood performance information. Gaps in Australian research knowledge are identified in all these areas, along with potential sources of information.

The current research is found to lack currency, consistency and accuracy. It also lacks trended perspectives and structured recommendations of consumer responses to research results.

The document highlights the fundamental importance of consumer research, but also suggests that commercial operators need to consider other research such as opportunity quantification, trade research, competitive analysis, market entry requirements etc.

Despite the criticisms of current research, there are over 15 key lessons that are drawn as interpretations of the research. These key lessons show that consumer focused programs are needed in product development; communications / marketing; packaging development; environmental sustainability; supply chain; and technical development. In addition 7 potential sub projects are identified for the CRC Retail Transformation Project.

Unfortunately, there are very few public examples of consumer research being used for commercial advantage in the seafood industry. Certain product examples are highlighted and a public project completed in the South Australian wine industry is recommended as a case study of consumer research for commercial advantage.

The report concludes with a summary of recommendations.

3. Introduction and Objectives

This work was commissioned as part of the CRC Retail Transformation Project.

Background

During the work to construct the CRC Retail Transformation Project, it became apparent that there was a need to review the consumer research available to the Australian seafood industry.

There are mixed feelings within the industry about how much we really know about consumer behaviour, how recent our data information sources are and how this consumer research is currently used by industry (if at all).

Before making critical decisions based on perceived knowledge of consumer behaviour, it was agreed that a review of consumer research was an essential part of this project development process.

As a standalone analysis, this document is useful to all stakeholders with an interest in what consumer research is available to industry and what learning's we can draw from this research.

Setting of Objectives

The following objectives were set for this piece of work:

- Itemise relevant publically available Australian consumer research documents.
- Assess of findings, usefulness and robustness of available research.
- Develop an interpretative summary (not reiteration) of key research results.
- Identify of knowledge gaps from a commercial perspective.
- Suggest examples of consumer research being used for commercial advantage (if any).

Process

The CRC asked Market Strategy Ltd to carry out this work as part of the construction of the Retail Transformation Project.

In order to carry out this work, Market Strategy Ltd was given consumer research documents held by Seafood Experience Australia. These documents were supplemented by other known pieces of research held by the CRC and FRDC. Key industry figures were asked to review the list of documents and add any additional documents to be reviewed.

The final list is thought to be a comprehensive list of relevant documents. Market Strategy Ltd conducted the analysis of the work. A commercial business perspective is applied to the assessment of available research. Market Strategy Ltd. has extensive experience of using consumer research for business development across many sectors, including seafood, and was able to draw on experience in this, and similar industries, in the assessment of the work.

Next Steps

This document will be used to assist the development of the CRC Retail Transformation Project. It will also be used to inform stakeholders considering seafood industry specific consumer research.

4. Documents Provided For Assessment

The following documents were supplied for assessment and interpretation of consumer research findings. The documents have been classified into 3 categories.

The table below is a list of documents that were considered to have relevance to consumer research:

Title	Organisation	Year	Relevance to Consumer Research
Queensland Seafood Supply Chain Study	Ruello / FRDC	2008	Supply chain based consumer opportunities
Red Galah Seafood	Red Galah	2008	Frequency and channel location of seafood consumption
Australian Prawn Consumption Drivers	Uni SA	2008	Consumer drivers in prawn purchase
Leveraging Sustainability for Consumer Advantage	Farm Foods Centre UK	2008	How to implement sustainability
SA Seafood Market Summary	PIRSA	2008	Consumer trends in seafood
Seafood Plus - Consumer Attitudes to Fish	Eurofish	2008	Purchase decision making
European Market Information	Australian CRC	2008	European food and seafood consumer trends
Australian Food Statistics 2007	DAFF	2007	Macro food trends
FRDC Omnibus Survey	FRDC	2006	Seafood consumption trends
Retail Sale and Consumption of Seafood Melbourne	Ruello / FRDC	2006	Consumer & Retailer attitudes and trends 
Consumer Responses to Country of Origin Labelling	FSANZ	2006	Purchase decision making
Consumer Attitudes to Environment and Seafood	Seafish	2005	Consumer environmental trends
Independent Fishmongers Study	Seafish	2005	Fishmonger business development
Aquaculture Research Study	NAC	2004	Australian consumer research insights 
EuroFish Fish Trends	Eurofish	2004	European seafood consumer drivers
Community Perceptions of Fishing	DAFF / FRDC	2003	Consumer perception of fishing industry
Consumer Attitudes to Health and Food Safety	Seafish	2001	Consumer health and safety trends



Indicates that these reports are perceived as the most useful consumer research documents for the Australian seafood industry.

The following documents were previous versions (or summaries) of the pieces of research identified above:

Title	Organisation	Year
SEA Seafood Promotions Act document	SEA	2007
SEA Seafood Promotions Act presentation	SEA	2007
Retail Sale and Consumption of Seafood	Ruello / FRDC	2002
Retail Sale and Consumption of Seafood Perth	Ruello / FRDC	1999
Retail Sale and Consumption of Seafood Presentation	Ruello	2006

The following research was classified as not relevant (contained no consumer research insights):

Title	Organisation	Year
Fishery Economic Status Report	ABARE	2007
Australian Fisheries Statistics 2006	ABARE	2006
Australian Fisheries Survey Report	ABARE	2006
Australian Fisheries Statistics 2005	ABARE	2005
Australian Fisheries Statistics 2004	ABARE	2004
Focus on Foodservice 2003	Seafish	2003
Marketing Seafood on the North Central USA Coast	USDA	1999
Rispin Trends	Rispin	-

5. Assessment of Documents

The documents that were highlighted as relevant for consumer research are detailed individually below.

Each document was assessed for its recommendations, robustness and usefulness. In addition, relevant parts of the documents are highlighted and target audiences for the documents recommended.

The purpose of these assessments was to identify what credible consumer data exists on the Australian seafood consumer. Many of these pieces of research were not set up as 'consumer research projects' and the assessments are no reflection of their worth to their direct research topic.

Report Title	Building a world class aquaculture brand for Australia. 2004. By Market Equity, Principals and Bellamy Hayden for DAFF
Outline of Content	<ul style="list-style-type: none"> • Consumer research in Australia, US and Japanese markets • Leading to brand development and support concepts
Recommendations	<ul style="list-style-type: none"> • Consumers assume fresh seafood retailed in Australia is Australian origin. A brand needs to be developed which signposts Australian seafood • There is huge opportunity for in home seafood consumption. Overcoming traditional barriers to purchase by increasing availability of (pre)prepared seafood is critical
Robustness	<ul style="list-style-type: none"> • This data set used for this research was significant in volume and the findings are consistent with other international research.
Usefulness	<ul style="list-style-type: none"> • This study is now nearly 5 years old and the 'data' has lost consumer relevance. • However, the basic consumer findings are still relevant as are most of the recommendations. • This document had exceptionally tight circulation and has had very limited impact (unfortunately). Some of the recommendations were clearly hampered as there was no mechanism / industry structure to execute them • The report does not detail how to implement the in home seafood consumption opportunity
Key Read	<ul style="list-style-type: none"> • Consumer Research: Page 17 • Recommendations: Page 69
Who Should Read?	<ul style="list-style-type: none"> • If you want to develop a seafood industry brand • If you want a very concise summary of consumer seafood issues (key reads)

Report Title	Queensland Seafood Supply Chain Study 2008 <i>By Ruello & Associates for Queensland DPI and Seafood Associations</i>
Outline of Content	<ul style="list-style-type: none"> • An analysis of the domestic supply chain for Queensland caught prawns and fish to identify ways in which the profitability of fishers may be improved
Recommendations	<ul style="list-style-type: none"> • Establishment of a Seafood Industry Market Development Fund • Appointment of 2 development officers to direct the fund
Robustness	<ul style="list-style-type: none"> • Comprehensive interview process along the value chain by hugely experienced seafood professional • Very current research report
Usefulness	<ul style="list-style-type: none"> • This study (as the name suggests) considers profitability along the supply chain and deals with consumption from the retail purchase (not retailer sale) perspective • A good 'supply based' market assessment, but with little relevant consumer data
Key Read	<ul style="list-style-type: none"> • Consumption Trends: Page 21 – 24 • Retail Presentation of Seafood: Page 40 • Value Adding: Page 49
Who Should Read?	<ul style="list-style-type: none"> • Queensland seafood businesses and associations

Report Title	Retail Sale and Consumption of Seafood – Melbourne 2005 <i>By Ruello & Associates for FRDC</i>
Outline of Content	<ul style="list-style-type: none"> • An analysis of seafood sales and consumption in Melbourne (and a comparison to other studies in Perth and Sydney over the past 15 years) • Includes information on consumer attitudes and trends as well as retailer trends
Recommendations	<ul style="list-style-type: none"> • Recommendations for retailer communication strategies • Suggestions for value adding
Robustness	<ul style="list-style-type: none"> • Data set is reasonable, although some answers are not consistent with international research (though this might be right) • This report is now over 3 years old and relevance is diminishing • Questionable accuracy of reporting supermarket seafood sales. It is not clear how this data is captured
Usefulness	<ul style="list-style-type: none"> • As a background read to become familiar with the market, this is an excellent publication. It's a summary of what's happening • It does not contain specific information to make commercial decisions from and it does not contain specific plans for how to implement recommended changes
Key Read	<ul style="list-style-type: none"> • Retailer Development Recommendations: Page 11 • Value adding suggestions: Page 15
Who Should Read?	<ul style="list-style-type: none"> • This report is beneficial for fish retailers. Suppliers will find it interesting but there are few relevant recommendations for them to implement

NB There are 2 previous versions of this report dated 2002 and 1999. They consider the Sydney and Perth consumption patterns but are superseded by this report (and data is too old to be relevant now).

Report Title	Australian Food Statistics 2007 <i>By DAFF</i>
Outline of Content	<ul style="list-style-type: none"> • This publication is a outline of Australia's food production statistics in 2006/07 • It contains a large introduction which considers domestic and international retail and foodservice markets and forecast future trends
Recommendations	<ul style="list-style-type: none"> • -
Robustness	<ul style="list-style-type: none"> • Government approved statistics likely to be accurate • Fresh Logic Year in Review has good credibility through food industry
Usefulness	<ul style="list-style-type: none"> • As a background it is a good summary of the food industry • Very limited relevance to the seafood consumer
Key Read	<ul style="list-style-type: none"> • Year in Review: Page 15-25
Who Should Read?	<ul style="list-style-type: none"> • Anyone looking for background and context on the Australian food market

Report Title	FRDC Seafood Consumption Omnibus Survey 2006 <i>By FRDC</i>
Outline of Content	<ul style="list-style-type: none"> • List of questions and answers on seafood consumption
Recommendations	<ul style="list-style-type: none"> • -
Robustness	<ul style="list-style-type: none"> • The sample size is good, but no indication of how the questions are asked • There is no attempt to match the answers back to the size of the domestic seafood industry and some answers appear inconsistent to real sales data • Answers do not produce consistent results to international research
Usefulness	<ul style="list-style-type: none"> • This is a one off document, as part of a regular series (which 'Omnibus' indicates it should be) it would be more useful. This Omnibus series ended in 2006 • Data is no out of date, though remains a good indicator
Key Read	<ul style="list-style-type: none"> • Document is only 2 pages
Who Should Read?	<ul style="list-style-type: none"> • Anyone looking for a snapshot of consumption, frequency and purchase influencers

Report Title	Market Insight – Independent Fishmongers 2005 <i>By Seafish UK</i>
Outline of Content	<ul style="list-style-type: none"> • Review of UK independent fishmonger marketplace including suggestions for adaption in order to remain competitive
Recommendations	<ul style="list-style-type: none"> • Important factors in developing a point of difference are: use of expertise; product range; shop environment (hygiene); acting as a wholesaler to restaurants; complementary item sales; price expectations; opening hours; delivery/call collect services; position as specialists
Robustness	<ul style="list-style-type: none"> • The data is good. The report is from 2005 and beginning to age
Usefulness	<ul style="list-style-type: none"> • This is a UK study and not specific to Australian marketplace • However, there are a lot of similarities between the 2 markets
Key Read	<ul style="list-style-type: none"> • 4 page document
Who Should Read?	<ul style="list-style-type: none"> • Independent seafood retailers

Report Title	Consumer Attitudes Towards Health and Food Safety 2001 <i>By Seafish UK</i>
Outline of Content	<ul style="list-style-type: none"> This is a study that investigates all health and food safety issues relating to seafood
Recommendations	<ul style="list-style-type: none"> There are no key recommendations, but the report does state that health and food safety are not separate issues in the eyes of the consumer
Robustness	<ul style="list-style-type: none"> The data is good, but the study is from 2001 and lacks currency
Usefulness	<ul style="list-style-type: none"> As a broad picture and putting health in seafood in context this is interesting, but you can do little else with the information
Key Read	<ul style="list-style-type: none"> Page 20: Key findings
Who Should Read?	<ul style="list-style-type: none"> People who want some background information on the comparative health benefits of seafood versus other proteins in the eyes of the consumer

Report Title	Consumer Attitudes to the UK 2005 <i>By Seafish UK</i>
Outline of Content	<ul style="list-style-type: none"> Exploration of consumer attitudes towards environmental issues and identification of correlation between these issues and seafood purchase
Recommendations	<ul style="list-style-type: none"> Environmental concerns have had little impact on seafood purchasing behaviour
Robustness	<ul style="list-style-type: none"> While the organisation behind this report is respected, circumstantial information and behaviour of major retailers would suggest the findings are wrong This report is now quite old now, given the significant changes in environmental awareness over the past 3 years.
Usefulness	<ul style="list-style-type: none"> This research identifies different consumer typologies and a seafood purchase decision process which is interesting information
Key Read	<ul style="list-style-type: none"> 4 page document
Who Should Read?	<ul style="list-style-type: none"> Those wanting to investigate the hierarchy of the decision making process

Report Title	Community Perceptions of Fishing 2003 <i>By Bureau of Rural Sciences, DAFF / FRDC</i>
Outline of Content	<ul style="list-style-type: none"> A study of Australian public perceptions, knowledge and attitudes towards the fishing industry.
Recommendations	<ul style="list-style-type: none"> Universities / Research Centres; Books / Magazines; Environmental Organisations are the top 3 respected reliable information sources for consumers
Robustness	<ul style="list-style-type: none"> The study is robust
Usefulness	<ul style="list-style-type: none"> This study is set up to find consumer perceptions of the fishing industry. Any consumer trend information is a 'by product' of this. There are no relevant recommendations The study is nearly 6 years old
Key Read	<ul style="list-style-type: none"> Consumer Trends: Page 7-9 Consumer information sources: page 14-15
Who Should Read?	<ul style="list-style-type: none"> Seafood businesses and organisations interested in community responsibility

Report Title	Seafood 2008 By Red Galah for Sensory Solutions
Outline of Content	<ul style="list-style-type: none"> • Frequency and channel location of seafood consumption
Recommendations	<ul style="list-style-type: none"> • Statement of data
Robustness	<ul style="list-style-type: none"> • Source and methodology are unknown, but sample size is good and the data is current • Some data seems inaccurate – 41% of interviewees claim never to eat imported seafood. This might be belief but unlikely to be realistic
Usefulness	<ul style="list-style-type: none"> • As a one of snap shot for information it has interest • There are no recommendations or comparisons however
Key Read	<ul style="list-style-type: none"> • 4 slide document
Who Should Read?	<ul style="list-style-type: none"> • Anyone looking for frequency and purchase location information

Report Title	Consumer Attitudes and Preferences for Seafood 2008 By Seafood Plus
Outline of Content	<ul style="list-style-type: none"> • Presentation at Seafood Plus conference on the EuroFish European consumer research project
Recommendations	<ul style="list-style-type: none"> • Consumer want tasty, healthy, convenient products that are produced in a desirable way • Value adding to make seafood more convenient, will drive purchase
Robustness	<ul style="list-style-type: none"> • Very large study, put together across a number of European academic institutions in partnership with industry.
Usefulness	<ul style="list-style-type: none"> • This study is about Europe, though learning's can be drawn from it • It stops short of recommending how to progress with the recommendations
Key Read	<ul style="list-style-type: none"> • Presentation is relatively short
Who Should Read?	<ul style="list-style-type: none"> • Those looking for factors that influence the purchase decision

Report Title	Drivers of Australia Consumers when Purchasing Prawns 2008 By Ehrenberg Bass, Uni SA
Outline of Content	<ul style="list-style-type: none"> • Information on drivers in prawn purchasing
Recommendations	<ul style="list-style-type: none"> • Development of an Australian prawn brand is a strong proposition • Health alone is not a strong consumer message • Eco-Friendly labelling should be considered • Farmed versus Wild caught is not an issue
Robustness	<ul style="list-style-type: none"> • This is a current study from a respected research organisation
Usefulness	<ul style="list-style-type: none"> • The study contains information which links to intention to purchase at different price points, making quantification of market opportunity possible • There is no analysis of the findings versus current sales data in this presentation (though that might have been done)
Key Read	<ul style="list-style-type: none"> • Presentation is relatively short
Who Should Read?	<ul style="list-style-type: none"> • Prawn producers

Report Title	SA Seafood Market Summary 2008 By Primary Industry and Resources SA
Outline of Content	<ul style="list-style-type: none"> • This report outlines South Australia's key seafood markets and competitive position • It also discusses consumer trends driving seafood purchase decisions
Recommendations	<ul style="list-style-type: none"> • Health, convenience and 'food patriotism' are key issues for South Australian seafood producers
Robustness	<ul style="list-style-type: none"> • This is a review of existing literature, not a primary data study
Usefulness	<ul style="list-style-type: none"> • For context
Key Read	<ul style="list-style-type: none"> • Consumer Trends Page: 4-5
Who Should Read?	<ul style="list-style-type: none"> • Those wanting perspective on South Australia's seafood capability

Report Title	Consumer Responses to Country of Origin Labelling 2006 By TNS for Food Standards Australia New Zealand
Outline of Content	<ul style="list-style-type: none"> • This study is about country and origin labelling, but contains interesting information on consumer purchase decision making
Recommendations	<ul style="list-style-type: none"> • There is sufficient evidence to support an application to use signs smaller than 9mm for country and origin labelling • Product appearance and price are more important than country and origin labelling
Robustness	<ul style="list-style-type: none"> • Large study, conducted by respected organisation
Usefulness	<ul style="list-style-type: none"> • Relatively current (2006) with sections of context on decision making • Measures intention to purchase and price point relativity, which allows some sort of quantification
Key Read	<ul style="list-style-type: none"> • Page 16-17
Who Should Read?	<ul style="list-style-type: none"> • Those interested in country of origin labelling and purchase decision making

Report Title	Leveraging Sustainability for Strategic Advantage 2008 By FMCG Sustainability Institute (UK)
Outline of Content	<ul style="list-style-type: none"> • Practical insights to assist businesses to deliver sustainable advantage in order to create real commercial opportunity and mitigate risk
Recommendations	<ul style="list-style-type: none"> • This report is a tool for sustainability capability development and is therefore a 'list' of recommendations
Robustness	<ul style="list-style-type: none"> • Very strong
Usefulness	<ul style="list-style-type: none"> • This is not a consumer research document, but is a very useful document for organisations looking at sustainability in response to current consumer trends
Key Read	<ul style="list-style-type: none"> • Whole document
Who Should Read?	<ul style="list-style-type: none"> • Any organisation looking at sustainability

Report Title	European Seafood Market Information 2008 <i>By Market Strategy Ltd for Australian Seafood CRC and PIRSA</i>
Outline of Content	<ul style="list-style-type: none"> • This document outlines the market opportunity for Australian seafood suppliers in Europe • It contains a brief summary of food trends and seafood trends in Europe
Recommendations	<ul style="list-style-type: none"> • This report is a outline of opportunities with no specific consumer recommendations
Robustness	<ul style="list-style-type: none"> • The report is a summary of other reports, not a primary data collection
Usefulness	<ul style="list-style-type: none"> • The report is useful for context on food and seafood consumption trends in Europe. This context can also be applied to the Australian market
Key Read	<ul style="list-style-type: none"> • Consumer Food Trends: Page 10-11 • Consumer Attitudes and Preferences: Page 22-23
Who Should Read?	<ul style="list-style-type: none"> • Businesses looking to enter the UK market • Organisations wanting context on consumer seafood behaviour

6. Evaluation Outcomes

A - Consumer Research - Important Factors

Based on the research evaluated and the experience of Market Strategy Ltd, the studies show that it is useful to measure the following information for consumer research:

1. *General Socio Economic Information.*

Social data such as household size, demographics etc. and economic data such as disposable income is a cause of consumer behaviour. Translation of this data into trend information is essential to understand macro consumer behaviour.

2. *General Food Trend Information.*

This information is specifically related to consumer behaviour in relation to food purchasing. Macro consumer trends appear across food categories. Understanding these trends allow you to evolve your category to keep satisfying consumer demand.

3. *Specific Seafood Trend Information.*

This information can be useful at a sector or individual product level. The following types of information are useful to understanding consumer behaviour:

- a. Drivers of seafood consumption. These are the trends that motivate consumers to make a seafood purchase.
- b. Barriers of seafood consumption. These are the trends that prevent consumers from making a seafood purchase.
- c. Purchase decision making process. This is the process a consumer will go through when making a purchase decision. It is often complex with 'purchase decision trees' a key part of understanding consumer behaviour. Often it will include the following factors for seafood (not necessarily in this order):
 - i. In home / out of home. Will you be consuming your meal tonight at home, or out of home?
 - ii. Protein type. What type of protein (or not) would you like to eat tonight?
 - iii. Product format. Are you looking for a fully prepared meal, something to cook from scratch etc?
 - iv. Temperature regime. Do you want to buy something that is already frozen and will keep if you don't eat it etc?
- d. Consumer perceptions. This is perception of the consumer about important seafood issues. Many of these issues will play an important part in the purchase decision tree:
 - i. Fresh / frozen. Most people perceive fresh fish (even 'thawed for your convenience') to be of better quality than frozen fish.
 - ii. Fish / shellfish. Fish consumers are not necessarily shellfish consumers (and vice versa). There are often different consumption scenarios for these fish as well.
 - iii. Wild / aquaculture. Many consumers perceive wild capture fish to be better (as long as it's from sustainable fisheries) than aquaculture fish. Aquaculture seafood can position itself to take advantage of its sustainability. Most consumers are not adequately educated on either.

- iv. Local / imported. Australian consumers have a propensity to say they will support Australian product. Often price makes this intention a difficult reality to fulfil.

4. *Specific Seafood Performance Information.*

This information is again useful at a sector or individual product level. It means you can start measuring consumer behaviour versus consumer intent. (Research is important, but needs to be tested against reality.)

- a. Sales (value and volume). Product sales are the ultimate indicator of product performance (and should be considered with profitability data for both supplier and reseller).
- b. Frequency of purchase. How often is the product purchased? Knowledge of how often consumers are purchasing your product is critical.
- c. Weight of purchase (amount value and volume). Knowledge of how much of your product is being purchased at once is also critical.
- d. Household penetration. This is an amount of households that buy your product. Typically this is more useful for FMCG companies using EFTPOS scan sales data.
- e. Loyalty of purchase. This is loyalty of households to your brand of product. This shows the affinity that your consumers have for your product and the propensity for them to switch to competitors (typically during promotions etc). This is more useful for FMCG companies using EFTPOS scan sales data.
- f. Market Share (value and volume). This lets you understand your share of the total category and understand your performance versus your competitors.

Dependent on the data source there is a range of very complex information that can be gained and measured in this area.

B - Gaps in Consumer Research

This section is an assessment of the information that we have, based on the documents provided:

1. *General Socio Economic Information.*

- Australian Food Statistics 2007 has information in this area, but it is not a complete account.

2. *General Food Trend Information*

- Australian Food Statistics 2007 and European Market Information 2008 have some information in this area, but it is not a complete picture.

3. *Specific Seafood Trend Information*

- There is a lot of information which identifies the factors that affect consumer behaviour in seafood.
- NAC's Aquaculture Study; Seafood Plus – Consumer Attitudes to Fish; Ruello Retail Sale and Consumption of Seafood Melbourne are the best publications. In addition, there are some ad hoc studies consider consumer perception of the environment; health and safety etc.

- Although we know 'what to measure', there is a lack of current information (and trending) specifically relating to how these factors affect the Australian consumer. The 2 Australian studies are now out of date and the Seafood Plus study is European specific.
- A proper benchmarking study is needed on a continuing basis, in order to let industry track and measure these key factors over time. The study needs to be structured so it can give insightful information at industry, sector and, as far as possible, retailer/supplier level.

4. *Specific Seafood Performance Information*

- Several studies give information in this area. The information is at a macro industry level (NAC Aquaculture, Red Galah, and Ruello).
- However, the accuracy of this data is questionable.
- A good example is the household penetration of seafood consumption. This varies in different studies from 95% to 80%. European studies that have cross matched data show that penetration can be as low as 60%.
- This conclusion that must be drawn is that there is not enough current, accurate, robust, believable data specifically relating to the Australian seafood consumer.
- This information can be added to a benchmarking study.

C - Sources of Further Research

It is possible to get further information in the following areas from the sources detailed below:

1. *General Socio Economic Information.*

- Further data is available from the Australian Government.
- It would be easier to purchase a commercial report. A good source of reports would be large commercial research houses such as Mintel, AC Nielsen or Datamonitor.
- These companies provide reports that also deal with specialist food trend information.

2. *General Food Trend Information*

- This information is also widely available.
- Many organisations provide free snapshots of their interpretation of food trends.
- Specialist organisations translate these insights and apply them to your products and company.
- Mintel, AC Nielsen and Datamonitor would be good sources of this information.

3. *Specific Seafood Trend and Performance Information*

Ehrenberg Bass have a proposal with CRC / FRDC to complete extensive consumer research on the Australian seafood industry.

Other sources of information that the seafood industry might use are:

- AC Nielsen
 - Consumer panel information across existing households
 - Specialised market research
 - General trend reporting
 - Eftpos analysis of Coles scan data to interpret consumer behaviour

- Taylor Nelson Sofres
 - Primary research specialists
- Fresh Logic
 - Consumer panel research
 - Specialised primary research
- Synovate Aztec
 - Specialised primary research
 - Woolworths scan data analysis
- BDC Market Research
 - Sensory analysis

In addition to these service providers there is a large range of qualitative and quantitative research agencies spread throughout Australia.

D - Usefulness of Existing Consumer Research

Given the research provided, it is possible to draw the following conclusions:

- The 2 most useful pieces of consumer insights on the Australian market are from 2006 and 2004. In an ever evolving market, there is a lack of **current** consumer information.
- The most insightful, recent study was conducted in Europe, which means there is a lack of **relevant** consumer information.
- Most studies are ad hoc and despite the Ruello reports, there is a lack of **trended** consumer information collated over time to measure consumer behaviour.
- The majority of this research does not 'sense' check consumer responses to actual consumer behaviours. This results in a lack of **accurate** consumer information.
- A lot of the consumer reports are very general – done on an industry, sector or issue specific basis. This means there is a lot of 'issue identification' but a lack of detailed **structured recommendations and activities**, to solve the identified issues.

E - Commercial Context of Consumer Research

The research documents do give a general overview of consumer behaviour. However, the section above has identified that the existing consumer research lacks currency, consistency and accuracy in addition to a trended perspective and set of structured recommendations. This would make it hard to use to make commercial decision from.

From a commercial perspective consumer research is a very important insight and is should be the defining piece of research used by a business. Having a product offering with a point of difference which satisfies consumer drivers is fundamental to product success.

However, there are other pieces of research which must be done, in order to work out a business proposition. Other pieces of complementary research which must be conducted include:

- Market opportunity quantification – without knowledge of the size of the opportunity it is difficult to justify investment in the opportunity. Fundamental to a business decision will be the cost of investment versus to return on investment. Typically this work is conducted at the outset of a project, to see if it is worth pursuing further. It might be based on top down forecasting based on market size, or ‘bottom up’ forecast based on product sale potential. This will give a scale of opportunity that is refined as the project progresses.
- Trade research – product propositions must satisfy the interests of buyers (retailers, chefs, distributors etc). Buyers often have a set of criteria for products that are based around price and margin aspirations. It is essential to fulfil the requirements of product buyers; otherwise you never get the opportunity to make sales to the consumer.
- Competitive analysis – without knowledge of your competitive set and competitor environment, it is difficult to come up with a unique point of difference which will provide you with sustainable competitive advantage. Ongoing competitor intelligence is important once products launch, as you may need to adapt your product offering to remain competitive.
- Market entry requirements – exporting brings familiar issues that need to be solved such as legislation, tariffs etc. There are also ‘entry requirements’ for supply to domestic markets eg. Woolworths Vendor Assurance scheme. These need to be fully understood in order to understand the ‘true cost’ of market entry.
- Supply chain / business model – there needs to be a way to deliver the consumer opportunity with maximum profitability. The business will consider this as part of the integrated research process.

Section 6 – Recommendations

1. Consumer research is of fundamental importance to a business and should drive its future success. However, you cannot consider consumer research in isolation to other pieces of research that must be undertaken to put together a sustainable business model.
2. The existing consumer research lacks currency, consistency and accuracy in addition to a trended perspective and a set of structured recommendations. The consumer research provided to the seafood industry needs to be overhauled. Future consumer research must:
 - a. Make clear recommendations based on findings
 - b. Give some sort of quantification (of opportunity of findings)
 - c. Sense check findings versus known consumer behaviours in the market
 - d. Be able to be repeated at regular intervals to measure results over time
3. The capacity of the industry and industry organisations to conduct, analyse and implement consumer research does not currently appear to be effective. Consumer research is a specialist area. Application of consumer research within businesses and organisations is a separate specialist skill. Larger organisations (eg Simplot) are more likely to be effective at this. Smaller organisation may need assistance:
 - a. To get consumer research
 - b. To develop their capabilities to use and effect change with this research

4. There is a clear need for consumer research in the industry. Market Strategy Ltd is not familiar with the Ehrenberg Bass proposal, the current private research held by CRC member organisations, the attitude of CRC members to the project, the other potential organisations involved and the budget available.

On the assumption that there is a relatively small amount of private consumer research held by CRC members, it is critically important that the consumer information available to industry is upgraded urgently and repeated regularly.

7. Interpretative Summary of Research

Despite the criticisms of the research, there are lessons that can be drawn from it. One of the purposes of this review is to interpret the results of the research in order to provide insights for the proposed CRC Retail Transformation project.

The following is an interpretative summary with practical implications for seafood businesses to consider. These interpretations should be taken in the spirit which they are intended – an interpretation of existing research, not a fundamental assessment of the Australian consumer!

Interpretations

1. Consumers are demanding more **easy to prepare** products. Cooking skills and confidence in seafood preparation is dramatically waning and consumers are demanding products that are pre or part prepared.

Practical Implications

- Product development of pre or part prepared products is needed.
- Packaging development to assist consumer preparation of seafood products.
- Development of the consumer seafood preparation skills is needed.

2. Consumers are demanding **great tasting** products. Competitive sectors to seafood are far more developed in their product offerings and Seafood has been left behind.

Practical Implications

- Product development of new, exciting product offerings. Where is our 'Rack of Lamb'? Think 'Pint of Prawns' etc.
- Supply chain robustness needed to ensure delivery of product taste/quality.

3. Consumers are demanding more **convenient product offerings**. As consumers have become increasingly time poor, they have developed a requirement for convenient meal solutions. Seafood has to offer convenience and can offer convenience! The growth of sushi is an excellent example of a convenient seafood proposition.

Practical Implications

- Product development of convenient products
- Packaging of convenient products
- Distribution of product to convenience locations

4. Consumers would like to **purchase Australian** products. Consumer's value Australian product and many of them are under the impression (perhaps mistakenly) that they are eating lots of Australian seafood. The price premium that consumers are willing to pay for Australian product is relatively unknown as research (and sales) has given mixed messages.

Practical Implications

- Development of an Australian seafood endorsement branding mechanism

5. Consumers value **economic, social and environmental factors** when purchasing seafood. They would like to know that there is minimum environmental impact (they would prefer maximum environmental benefit). They would like to know that they are not economically exploiting participants in the production process (they would prefer to know they are benefitting

(Australian) communities. They would like to know that they are not creating social disruption (they would prefer to know they are creating positive social benefit).

Practical Implications

- Seafood businesses must look at developing frameworks for capturing their economic, social and environmental credentials.
- These policies must be translated into marketing communications collectively and as individual businesses.

6. Consumers purchase product based on **value**. Value is a trade off between their fundamental purchase drivers. Being able to satisfy consumer drivers gives the ability to command a higher price point. Australian seafood is a higher price point and must satisfy the consumer expectations of that market.

Practical Implications

- Supply chain robustness in order to ensure delivery of product quality
- Product and packaging development to suit consumer drivers

7. Consumers want to eat **healthy** food. There is an increasing knowledge of health orientated foods. The growth in popularity of salmon is an ideal example of a food that has ridden the health surge.

Practical Implications

- Communication of seafood health benefits to exploit seafood natural competitive advantage is a necessity.

8. Consumers want to purchase products with '**ingredient integrity**'. The concept of 'no artificial, preservatives, flavourings' is very popular. In addition, there is backlash against over engineered food (eg GM) and over processed foods (eg artificial fruit juices). Increasingly consumers are looking to purchase minimally transformed food in order to capture the full nutritional benefits.

Practical Implications

- Primary process implications for aquaculture production.
- Product development implications for prepared products.

9. Consumers are consistently purchasing **familiar species**. Future growth in seafood consumption is predicted to come from product format extension and not from consumers taking up new species offerings.

Practical Implications

- Product development of new formats to suit consumer niche's is integral to future success.

10. Consumers value the **appearance** of their seafood. One study has ranked product appearance as the most priority factor over price and product origin.

Practical Implications

- Presentation of product to final consumer is integral to product success.
- Packaging development to solve product appearance concerns necessary.
- Retailer relationship development and education needed.

11. Consumers **compare** across categories. Australian fish is generally expensive and price is a major barrier, especially when cross protein comparisons are made.

Practical Implications:

- Communicate portion sizes to demonstrate value for money.
- Develop product offerings based on competitive portion sizes.

12. Consumers value **freshness labelling** as a motivating factor to increase purchase intent.

Practical Implications:

- Develop packaging technology (or use technology) that allows freshness labelling to appear on product packaging.

13. Consumers are **open to the production method** of their seafood (wild capture or aquaculture). When pushed, they prefer (sustainable) wild capture fish. However, this isn't generally top of mind in the decision process.

Practical Implications:

- Do not over utilise communication of wild capture or aquaculture origins.

14. Consumers **prefer great product shot images**. Food sells food. Imagery strongly associated with final product is a motivating factor at point of purchase.

Practical Implications:

- Use product photography that is 'food' orientated, preferably showing final product shots. Do not use technical, processing, boat, cage etc shots.

15. Consumers **do not perceive seafood as a family food** as it is not (perceived) to be child friendly. It misses out on eating occasions for this reason.

Practical Implications:

- Product development of seafood for younger consumers.
- Communication of health benefits of seafood to parents.

16. Consumers are **fragmented** into many niches. Generally targeted products are not as likely to be successful. Niche targeted products at specific consumers stand a better chance of success.

Practical Implications:

- Target propositions at individual consumer niches, not across the whole category.

What can we learn from some inconsistent research results?

17. The supermarket is the main place for purchase of seafood! Independent retailers are the main place of seafood purchase! People are mainly purchasing seafood when they eat out!

Practical Implications:

- Seafood has potential in all channels! We need to target them effectively in order to make sure the opportunities are realised.

18. People don't eat seafood because they don't like the taste or have allergies! People don't eat seafood because it's not front of mind in their purchasing repertoire!

Practical Implications:

- There is a large opportunity to converting existing purchasers to purchase more regularly. There is also a large opportunity to make seafood a 'front of mind' shopping purchase.

What No Value Adding?

Value adding is a term that has come up frequently during the research analysis. While its place in developing the seafood industry is not in question, the term is not particularly insightful.

In reality, every step taken along the chain should be adding value to the product in the eyes of the consumer – otherwise time, money and effort are wasted.

Historically, 'value adding' has meant transforming the product into something else. This is no longer the case. Value can be added to a product in ways which do not alter its intrinsic make up.

For example, Sashimi is a good example of a product that has an increased value over a product of similar format, due to a set of practices that make it possible to get a price premium from the consumer. To compare versus another unrelated category, imagine two identical garments, one marked with the Nike brand, one unbranded. The Nike garment will sell for more, as Nike has created value through Marketing.

Recommendations

1. Consistent themes in the practical implications are work programs in:
 - a. Product Development
 - b. Communications / Marketing
 - c. Packaging Development
 - d. Environmental Sustainability
 - e. Supply Chain Robustness
 - f. Technical Development

Real consumer benefit can be delivered through programs in these areas.

2. The CRC Retail Transformation should seek to add the following projects to the pre prospectus generated for its members (if not already covered in other CRC projects):
 - a. Store loyalty card program. Experiment – by working with a retailer with a store loyalty program we can find out more about the consumer and instigate a range of activities that will lead to an increase in product profitability.
 - b. Australian seafood brand endorsement program. Experiment – by developing and using an Australian seafood brand endorsement, it is possible to increase product profitability.
 - c. Fresh labelling packaging development program. Experiment – by developing a packaging labelling concept that allows freshness to be highlighted, it is possible to increase product profitability.
 - d. Food picture packaging program. Experiment – by developing an attractive food shots on packaging, it is possible to increase product profitability.

- e. Cross promotional strategy to other categories. Experiment – by developing cross promotional activities into other sectors, it is possible to increase seafood sales (eg a cross promotion between prawns and Old El Paso).
 - f. Health education campaign. Experiment – by developing a simple health promotion message it is possible to inspire extra sales (eg haveanaussieappleaday.com.au)
 - g. Consumer education campaign. Experiment – by creating a simple consumer education campaign in a discreet area, it is possible to increase seafood consumption.
3. The document has been critical of the accuracy and research of the documents reviewed, but has tried to interpret them into this summary. Any research programs undertaken should try and sense check these interpretations for accuracy.

8. Case Studies

One of the objectives of this document is to give examples of consumer research being used for commercial advantage and detail how CRC members might engage with consumer research.

Consumer Research

There is a dearth of examples from the Australian seafood industry on how consumer research has been used for commercial advantage. Historically the Australian seafood industry has been production led and not consumer focused.

The lack of examples is an indication of the problem faced by the industry.

Examples of Responding to the Consumer

While it not possible to detail any examples of the use of consumer research for commercial advantage, it is possible to emphasise the need to satisfy consumer drivers through some examples of success from the seafood industry.

They are successful because they have met the needs and wants of the consumer:

- Sushi. This is an example of a product format that has gone through exponential growth in many markets across Asia, Europe and America. The product satisfy 2 main consumer drivers – it is health and convenient. Through this product, seafood has been able to enter the ‘convenience’ food sector.
- Salmon is also a product that has shown exponential growth across these markets. This is because it is a health and tasty product – satisfying 2 prevalent consumer trends.
- Flavoured Tuna Variants is a product that has reenergised its category. The product already satisfied 2 major consumer drivers – health and convenience. The creation of different flavours added a new taste component, satisfying a third consumer driver.

In addition to these examples, readers may want to consider the launch of Sydney Fish Markets ‘Market Pride’ range which is clear response to need to develop convenient fish meal solutions.

South Australia Vine to Dine Project

Looking outside the seafood industry, readers may wish to consider the following example of wine producer, who used consumer research to guide its business development.

This project was completed by a leading wine producer in combination with the South Australian government, with the intention of demonstrating the value of consumer research to value chain development.

The appropriate information can be found at http://www.pir.sa.gov.au/wine/value_chains.

One of the concluding lessons from this study is that in depth consumer research has allowed the wine producer to break out of the commodity trap and more effectively reach distinct market segments targeting their differential preferences with specific product attributes.

Recommendations

1. A project should be established that works with a company to research specific consumer behaviours, implements a change program to respond to these behaviours then measures the results. This study should be conducted openly so results can be shared as an example to industry.
2. Subject to interest of its members, the CRC might consider approaching large seafood organisations to give presentations which clearly demonstrate the commercial advantages of consumer research. Simplot and Sydney Fish Markets would be prime examples of businesses that may be able to help communicate this information. Case studies might also be run on an overseas business such as Young's Seafood.

9. Reiteration of Recommendations

1. Consumer research is of fundamental importance to a business and should drive its future success. However, you cannot consider consumer research in isolation to other pieces of research that must be undertaken to put together a sustainable business model.
2. The existing consumer research lacks currency, consistency and accuracy in addition to a trended perspective and a set of structured recommendations. The consumer research provided to the seafood industry needs to be overhauled. Future consumer research must:
 - a. Make clear recommendations based on findings
 - b. Give some sort of quantification (of opportunity of findings)
 - c. Sense check findings versus known consumer behaviours in the market
 - d. Be able to be repeated at regular intervals to measure results over time
3. The capacity of the industry and industry organisations to conduct, analyse and implement consumer research does not currently appear to be effective. Consumer research is a specialist area. Application of consumer research within businesses and organisations is a separate specialist skill. Larger organisations (eg Simplot) are more likely to be effective at this. Smaller organisation may need assistance:
 - c. To get consumer research
 - d. To develop their capabilities to use and effect change with this research
4. There is a clear need for consumer research in the industry. Market Strategy Ltd is not familiar with the Ehrenberg Bass proposal, the current private research held by CRC member organisations, the attitude of CRC members to the project, the other potential organisations involved and the budget available.

On the assumption that there are relatively low amounts of private consumer research held by CRC members, it is critically important that the consumer information available to industry is upgraded urgently and repeated regularly.

4. Consistent themes in the practical implications are work programs in:
 - a. Product Development
 - b. Communications / Marketing
 - c. Packaging Development
 - d. Environmental Sustainability
 - e. Supply Chain Robustness
 - f. Technical Development

Real consumer benefit can be delivered through programs in these areas.

5. The CRC Retail Transformation should seek to add the following projects to the pre prospectus generated for its members (if not already covered in other CRC projects):
 - a. Store loyalty card program. Experiment – by working with a retailer with a store loyalty program we can find out more about the consumer and instigate a range of activities that will lead to an increase in product profitability.

- b. Australian seafood brand endorsement program. Experiment – by developing and using an Australian seafood brand endorsement, it is possible to increase product profitability.
 - c. Fresh labelling packaging development program. Experiment – by developing a packaging labelling concept that allows freshness to be highlighted, it is possible to increase product profitability.
 - d. Food picture packaging program. Experiment – by developing an attractive food shots on packaging, it is possible to increase product profitability.
 - e. Cross promotional strategy to other categories. Experiment – by developing cross promotional activities into other sectors, it is possible to increase seafood sales (eg a cross promotion between prawns and Old El Paso).
 - f. Health education campaign. Experiment – by developing a simple health promotion message it is possible to inspire extra sales (eg haveanaussieappleaday.com.au)
 - g. Consumer education campaign. Experiment – by creating a simple consumer education campaign in a discreet area, it is possible to increase seafood consumption.
6. The document has been critical of the accuracy and research of the documents reviewed, but has tried to interpret them into this summary. Any research programs undertaken should try and sense check these interpretations for accuracy.
7. A project should be established that works with a company to research specific consumer behaviours, implements a change program to respond to these behaviours then measures the results. This study should be conducted openly so results can be shared as an example to industry.
8. Subject to interest of its members, the CRC might consider approaching large seafood organisations to give presentations which clearly demonstrate the commercial advantages of consumer research. Simplot and Sydney Fish Markets would be prime examples of businesses that may be able to help communicate this information. Case studies might also be run on an overseas business such as Young's Seafood.