

# AISAM 2010

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**“Exportation of Live Western Rock lobster  
(*Panulirus cygnus*) into the wholesale  
markets of India”**

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## 1.0 Executive Summary

The objective of this report was to ascertain the feasibility for the **Geraldton Fishermen's Co-operative (GFC)** to export Western Australian Western Rock Lobsters (*Panulirus cygnus*) into the new and emerging market opportunities of India at a comparative price premium when benchmarked against other Asian nations **such as China (presently Australia's largest Lobster customer).**

In order to pursue a competitive advantage in this emerging market, it is proposed the **company adopt a "first-mover"** strategy. This is based on the findings within the preliminary report that indicates that a majority of the qualitative and quantitative factors such as population demographics, logistics, government political and legal policies such as bilateral trade agreements and language barriers were at least as favourable to export to India as other existing Asian customers.

That said, less definable qualitative factors such as culture, religion and ultimately consumer acceptance not only of an imported product but more importantly the willingness to pay a **'price premium' similar to Asian competitors such as China and Japan** can only be gauged by testing the market.

Past history has indicated that entering into a fresh seafood market in Asian countries such as Japan, Taiwan, Hong Kong and China has numerous challenges. For instance market entry has long gestation periods to forge business relationships and trust as well as correctly positioning products to develop sustainable market share. It can therefore, be safely assumed that India is no different to these other countries in the region.

In the short term, it is strongly recommended not to enter through Joint Ventures (JV), Foreign Direct Investment (FDI) or Greenfield opportunities because of the Indian legal regimes and the culture of bribery/kickbacks that need be forthcoming so to facilitate reduced exit costs. Even though this strategy is no

**different to past GFC's strategies when entering** emerging markets, ultimately, the potential to create opportunities that may well give GFC the leverage and reduce diversifiable risks of **"all eggs in one basket"** that is presently the case with China, should be the main motivating factor to pursue this opportunity.

The target markets identified are in the major cities of Chennai, Mumbai, Kerala and Vishakhapatnam which are the four largest seafood-exporters by volume and value in the Indian sub-continent. In addition, the cities already have suitable logistical infrastructure, with business-trading hubs, they are geographically positioned near the coastal strips that have a **strong culture of eating 'fruits of the sea'** (all seafood)- is in high demand by consumers and lastly where a large percentage of the population have more disposable income than other Indian cities.

Furthermore, the preliminary environmental analysis highlighted less favourable factors such as higher published import tariffs than other Asian importers of Australian Lobster. That said the Western Australian lobster industry has indirect experience of the **'grey market' (China and Taiwan) and the forces that potentially can reduce published Tariff's**, for that reason further investigation with Indian wholesalers (primary research) will be needed, to facilitate finding the accurate cost. With that stated, well executed strategies to collate and decipher information are the key ingredients to forging **long-term relationships in India**. GFC's Marketing Department proposed sales strategy that provides **commission and/or incentive based schemes** to only reputable, experienced, and performance-proven wholesaler/distributor(s) to do business with will facilitate the **long term objective of successfully entering the Indian 'Live lobster' market**.

Finally, the potential benefits of greater value to the growth and **development of GFC's brand and presence in the global market** place must be considered in the decision making process.

Exploring new opportunities through innovation in an industry where differentiation is a crucial rung in the ladder of a well executed strategic plan, should be the key driver to continue **adding value for Geraldton Fishermen's Co-operative (GFC)** members/shareholders. The fact that in this case it can be achieved with minimal allocation of resources should be the catalysts in pursuing this opportunity further and ultimately, allowing time to decide.

## 2.0 Context

The following preliminary analysis will determine if it is feasible to **Export live western rock lobsters (*Panulirus cygnus*) into the wholesale markets of India.** Even though in the short term the necessity is minimal, mainly due to recent declining catches (Appendix A), Western Australian Government restrictions as a consequence of increased fishing effort (Chubb & Barker, 2005, p.6) and strong demand from the existing customer base. Given this, however, it may prove to be well worth considering given the similarities both in population demographics and economic growth forecasts only second to China (DeLong, 2001 p 32.), **presently GFC's largest market and** also given the amount of coastline that is bordered by the Indian Ocean, Adriatic Sea and Bay of Bengal-therefore high customer base and ease of logistical access to critical markets.

## 2.1 Limitations

Limitations that have been identified are mainly due to the nature of the secondary research methodology conducted. In order to mitigate unforeseen risks that management proposes the following steps need be taken:

- **Extensive due diligence into the integrity of wholesalers' live holding tanks.**

- A better understanding of the degree of influence that the “Grey Market” has in regards to tariffs and taxes.
- Quantifiably establish whether the Indian consumer is willing to pay a premium price for live West Australian lobsters.
- Extent of Hindu vegetarian attitude towards seafood, not withstanding approximately 250 million people are not Hindu.

### 3.0 Methods and Results

#### 3.1 Domestically

Out of the 6 domestic major processors and exporters in Western Australia, Geraldton Fishermen’s Co-operative (GFC) is by far the largest with approximately 50 percent of market share with three others, relatively similar sized totalling 40 percent and the remaining two 5 percent respectively (personal communication Chief Executive Officer GFC, 2010). Indirect competitors include other states of Australia with a different species called Southern rock lobsters (*Jasus edwardsii*), but have significantly much smaller volumes (total combined less than Western Australian total catch) and are also fragmented within their respective fisheries. Interestingly, the domestic consumption of Australian lobster is less than 5 percent of the total caught primarily mainly because of the price premium commanded overseas.

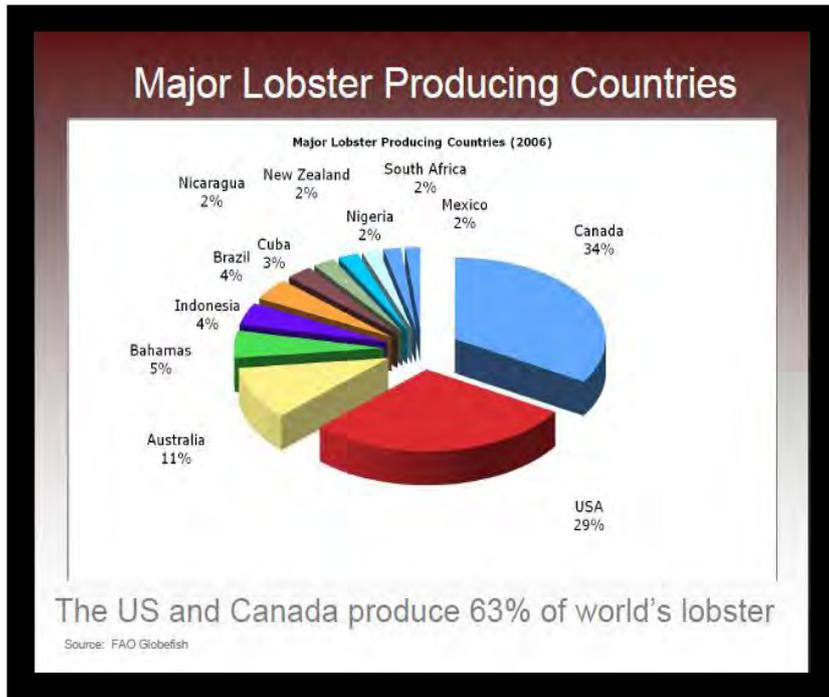
#### 3.2 Internationally

There are a large number of varieties of Lobsters globally including Spiny, Claw, and Rock in both cold and warm water as well as countless freshwater varieties, many of which are farmed. The Cold water lobsters (including Australian Lobsters) are the

highly sort after and command the highest price mainly due to taste preferences (Sackton, 2009, p. 10).

As the figure 1 below shows Australia was ranked 3<sup>rd</sup> largest and only supplied 11% of the world market in 2006.

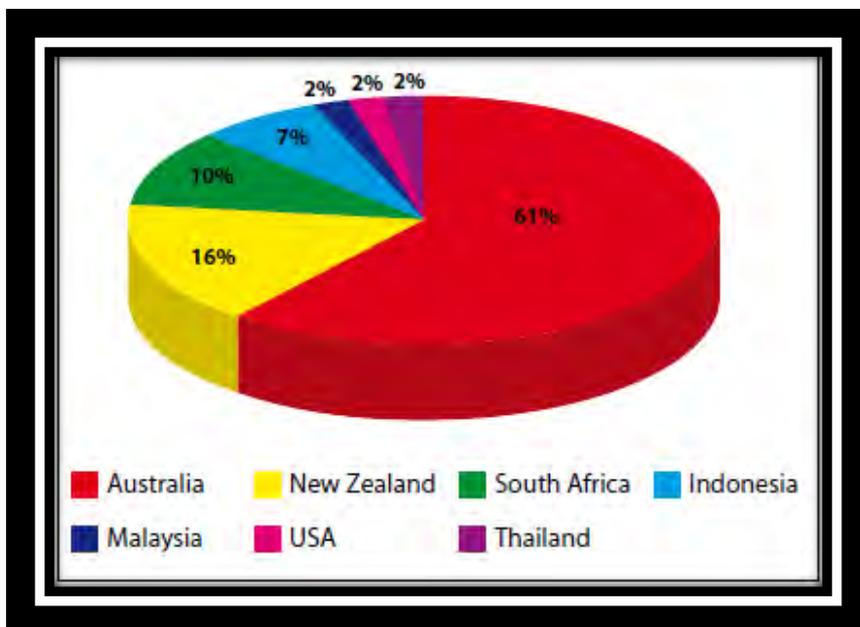
**Figure1: Major Lobster Producing Countries (2006)**



SOURCE: supply, global demand and market for lobsters. (Sackton 2009, P 4.)

From the above chart, Australia is only 11% of total world supply, but as Figure 2 below clearly shows, Australia supplied 61% of all live/Fresh Spiny/Rock Lobster imports into Hong Kong-China in the year ending March 2008. This provides further evidence to the **degree of preference for Australia's live product offering** particularly in the Chinese market place.

**Figure 2: Live Spiny/Rock Lobster Imports into Hong-Kong  
(kg, Yr End March 2008)**



SOURCE: Australian Global Lobster Market Database. Alice Hurlbatt, for the Western Rock Lobster Development Association, WA.

India ranked fourth in global fish production and second in aquaculture with an annual fish production of approximately six million tons in 2003 (Kulkarni, 2005 p. 3).

Among the 12 spiny lobster species recorded in India, only four species of spiny lobsters (three littoral and one deep sea) and one species of slipper lobster are commercially important. On the south-east coast in the gill-net fishery, *Panulirus ornatus* and *Panulirus homarus* are caught and on the north-west coast, the spiny lobster *Panulirus polyphagus* and the slipper lobster *Thenus orientalis* are a by-catch of trawl net fishing. Annual landings have been declining from a peak of 4075 t in 1985 to 1364 t in 2002. (Radhakrishnan et al 2005). India exported 1000 tonnes of frozen lobster in 2009 (Wild Oceans, 2009 p. 41).

Furthermore as these are warm water varieties they would be classed as indirect competitors.

## 4.0 Company Analysis

The Geraldton Fishermen's Co-operative Ltd (GFC) was established in 1950 by a small group of Geraldton fishermen in Western Australia with a vision to market their quality lobsters worldwide. 60 years later the GFC is proud to be the leading processor and exporter of Western Rock Lobsters throughout the world with annual turnover of more than AUD \$207 million (2009 Annual report) approximately 300 members and ranked 6<sup>th</sup> largest Cooperative in Western Australia (Appendix B).

Historically, 95% of the total seasonal catches are exported either "live" or "processed" (whole or tailed, raw and cooked frozen), with 'live' on average receiving a premium of at least 100 percent over the processed options. (Personal communication, General Manager Marketing GFC, 2010)

With up to 200 permanent, part-time and casual staff and a dedicated marketing team that are well experienced in conducting business in Asia, is one of the contributing factors that establishes **GFC as market leaders in Australia in 'Lobster Exports'**. In addition, the GFC has a greater "Live" holding capacity (150+ tonnes) than the rest of direct competitors combined.

Over the last three years, catch allocation in West Australian waters has reduced dramatically to 50 percent of long term averages. This is presumably due to a combination of environmental and sustainability issues. Catches are now set to 5500 tonnes for the next three years (Businessnews, 2010).

This dramatic reduction coincides with other Australian States Lobster catch reductions over the same period (Stateline South Australia 2010). This has resulted in an unprecedented demand with China now importing **57% of GFC's catch and anecdotal** evidence is showing that the rest of the country is trending the same way. (Graph 1 & 2, Appendix C)

## 5.0 Country/Market analysis

### 5.1 Economic

Presently, in India there are approximately 250 million middle-income earners and this number is growing. 64.6% of the total population is aged between 15-64 years and 2008 data indicates that the urban population is 29 percent of total population and rate of urbanization is 2.4 percent annual rate of change (2005-10 est.)

**India's economic** forecasted growth will rise from 6¾ percent in 2009/10 to 8 percent the following year, off the back of an expected pick-up in private consumption and investment. India is well placed **"With a doubling time for average GDP per capita of only sixteen years"** (DeLong, J. B. 2001).

Consumer price index (CPI) inflation has been running in double digits on the back of high food prices for more than a year to February 2010. Double-digit inflation is also showing up in the food component of the wholesale price index WPI. The index of food articles increased 17.8 percent in February 2010 from a year earlier (Patra & Ray 2010 p. 4).

Chennai, Mumbai, Kerala and Vishakapatnam are the four biggest seafood exporting ports in India with 30, 13, 10 and 8 percent share respectively by value and 11, 23, 12, and 21 percent by volume (Kulkarni 2005, p. 5).

India's marine product exports have for the first time crossed \$2 billion for financial year 2009-10. The European Union remained the largest market with a share of 30.07 percent, followed by China 17.73 percent and Japan 12.96 percent by value (Headlines India 2010).

## **5.2 Language**

Major languages are Hindi, English and at least 16 other official minor languages. Major religions are Hindu 80.5%, Muslim 13.4%, Christian 2.3%, Sikh 1.9%, other 1.8%, unspecified 0.1% (2001 census).

## **5.3 Cultural**

Indian culture resists the storage of food and prefers to buy and consume the same day. Anything left over is suspected of not being clean (Harris 1997, p. 53).

## **5.4 Logistics**

There are no issues identifiable with regard to services and logistics and as the urbanisation of India increases it is expected that Government infrastructure spending to upgrade will also increase. Airports are essential to timely transportation and minimise mortalities of live lobsters; in fact these are comparative with China as there are daily flights from Perth, through Singapore to major cities in the Indian sub-continent.

Notwithstanding further assessment and evaluation must be undertaken when considering which wholesaler(s) to go with including assessing infrastructure (tanks and aeration) to keep lobsters alive to sale.

## **5.5 Political/legal**

India is the largest democracy in the world. It consists of 28 states and seven union and national territories. The central government in New Delhi has exclusive jurisdiction over all matters of national interest such as defence, communication, banking and finance, international trade and foreign affairs. The state governments have primary responsibility for matters such

as law and order, education, health and agriculture. Parliament is bicameral and comprises of Lok Sabha (lower house) and Rajya Sabha (upper house).

The government is highly bureaucratic. Corruption is rampant in state and local governments. Good sound legal system Court 100% infavour of seller (IFC 2010, p. 41).

As members of the Commonwealth, India and Australia have a shared language and similar legal and government systems. With the increasing importance of the Asia-Pacific region, there are concerted efforts on both sides to expand and diversify bilateral relations.

The bilateral trade between India and Australia has grown annually over the past 5 years at around 30 percent. It reached \$15,413 million AUD during calendar year 2009 (Consulate General of India 2010).

In 2009, Australia was ranked 29th as India's principal export destinations at 0.8 percent and 5th as India's principal import sources at 4.2 percent mainly due to the resource sector (Consulate General of India 2010).

Austrade has 9 offices in India including Chennai and Mumbai identified in this report.

**Chennai hosted The International Conference on "Recent Advances in Lobster Biology, Aquaculture and Management (RALBAM)" held in January 2010. The conference objective was a review of lobster research around the world mid-way between the 2007 and 2011. The particular spotlight was on lobster research in India so to generate international cooperation in formulating projects on lobster conservation, management and biology with particular reference to aquaculture. Australian Prof. Bruce Phillips presented a talk on "Are the spiny lobster fisheries in Australia sustainable?" (The Lobster Newsletter 2010, p. 3).**

The Marine Products Export Development Authority (MPEDA) was constituted in 1972 and is the government agency for export promotion as well as a primary source of information for social, economics, legal and regulatory environments in the global marine product market (Kulkarni 2005, p. 5).

The Seafood Exporters Association of India (SEAI) was established in 1973. This is an organisation registered under the Registrar of Companies Act 1956 with an aim to safeguard and protect the interest of members of the industry by promoting cooperation. Almost 90 percent of the seafood exporters of India are members of this organisation.

The Marine Stewardship Council (MSC) is also well known in the Indian seafood industry because of the export trade with Europe. The fact that in March 2000 the Western Australian Western Rock **Lobster Managed Fishery became the world's first fishery** to receive Marine Stewardship Council (MSC) certification and successfully re-certified in 2006 and again in 2010 should be well received by clients and consumers alike. (Bellchambers 2010, p. 5)

## **5.6 Import Tariffs**

As import duties are quite product specific and may be altered in mid-year, companies are advised to verify the relevant rates for their products (ranging from zero to 65%) and currently 30% per Kilogram for lobster. The latest updated data will be available by the end of September 2010 (Ministry of commerce and Industry, 2008) (ICFC 2010).

This is an important issue as tariffs are imposed to protect local industries and ultimately affect the consumers willingness to pay before considering substitutes (local lobster) and may adversely impact the purchase making decision (Appendix M).

With regards to import duty in Japan and China, Import tax for Japan is 1.0%. The Japanese do however need to pay 5% sales

tax after the 1% import tax is calculated. In China it gets a little more complicated due the grey channel operation. The grey channel clearance fee does vary anywhere from RMB350 to RMB650 per carton. For the 2009/2010 season for the greater part, the clearance fee was at the higher end, around RMB600 (AUD\$100). Worth noting that it is a client initiative, which Western Australia companies play no part in, does not assist and has no control over.

In light of this, the Grey market does exist in India (Harris 1997, p. 68) and further investigation is needed to see if what is legislated next to what is payed is conflicting.

This cost is payed by importers and ultimately passed on to consumers.

## **5.7 Exchange Rates**

This macro economic indicator is extremely important to the competitiveness of a product in the country of sale. Only through extensive monitoring and benchmarking other countries that lobsters are sold into can short term currency fluctuations potentially enhance profitability to the sellers (Appendix D).

## **5.8 Other Factors**

With forecasted direct foreign investment growing and expanding tourism sector one can assume that there will be growing demand for premium products from the local growth in consumer affluence together with the influx of expatriates coming into India as well as business and holiday travellers including Chinese who already recognise and differentiate the Australian live lobster product offering.

Looking forward as the population become wealthier they have a **high 'income elasticity of demand' for luxury goods** and could potentially buy more (Browning & Zupan 2009 p. 41). Added to

this Indian cultural traits like 'power distance' and the 'caste system' (Harris 1997, p. 56) are strongly correlated to status and also a motivator.

## 6.0 Mode of Entry

It is not recommend entering through Joint Venture, Foreign Direct investment or Greenfield opportunities as India is ranked 133 out of 183 economies in the 'Ease of Doing Business'. Singapore is the top ranked economy while China is 65 (IFC 2010).

Relationship based Bribery/Kickback exists and need to be carefully considered in Joint Ventures and Foreign Direct Investment laws requires forming partnership.

**It is highly recommended to first 'test the market' through commission (incentive) based wholesalers/distributors and traders into the major cities, targeting mid-high dual income earners.**

There is also an annual Indian international seafood show last held February 2010 in Chennai showcasing Indian seafood exports. It also should be noted that these shows are **predominately for foreign customers to buy India's goods** not the other way around.

Therefore even though worth seeing, it would be prudent to identify and assess agents, wholesalers and traders individually and on a one on one basis. For a detailed list of 5 possibilities with contact details see Appendices E, F and G.

Incorporating India in the bi-**annual Geraldton Fishermen's Co-op** China, Taiwan and Japan marketing trips could potentially reduce travelling costs for the initial phase.

Finally expect long gestation period as it will take time to forge relationships, but will minimise exit costs if the market opportunity is not profitable.

## **7.0 Discussion of Results**

### **7.1 Strategic Assessment**

The internal analysis starting with the company capability profile (Appendix H) helps draw conclusions that GFC is a strong competitive company, built on strong foundations with 60 years of experience in lobster exports and regarded as a company of excellence in all facets of management, finance, technical know-how and innovation.

Given these main resources, capabilities, and competitive advantages as well as external factors such as a high demand (Appendix I) and limited supply GFC is well positioned to achieve its goal to penetrate the new emerging Indian live Lobster markets.

Put in context and broken down, for the next three years if GFC's market share averages 60 percent, 3300 tonnes or approx 6,000 000 individual lobsters are available to sell into the global market place annually. If a target of 10 percent or 600,000 lobsters could be sold into India annually this will impact favourable on supply and demand forces and the market will respond with the new higher price equilibrium. The added potential benefits would be realized when hopefully the West Australian catches in the long term (5 years) return to long term averages of 7000-8000 tonnes annually.

Examples of strategy types are defined in Michael Porter's generic strategies (Appendix J). The focus strategy is also known as a 'niche' strategy. Here it is envisioned that GFC will focus effort and resources on a narrow, defined segment of a market.

Western Australian Rock Lobster will be positioned with a differentiation focus and aim to create a competitive advantage through differentiation within the niche or segment. This will be better achieved through direct distribution channels to wholesaler(s) or distributor(s) on a commission (incentive) basis.

## **8.0 Action Agenda**

### **8.1 Operations Framework**

Even though in the short term there is no urgency to enter this market because of limited total catches for the next 3 years in Western Australia and the unprecedented international demand driven by China.

GFC has the strategic opportunity to reduce future diversifiable (unsystematic) risks by exploring new emerging market opportunities in the short term. For this to be realized key goals and objectives must be set taking into account that they are achievable and measurable (Appendix K).

The action plan is summarized as follows:

- Project plan and budget approved (Jan-Feb) [GM Marketing]
- Steering Committee established (Jan) [GM Marketing & Marketing Officer ]
- Launch (Feb) [GM Marketing and Marketing Officer]
- Extensive Primary research, direct contact through email and telephone [GM Marketing and Marketing Officer] (Feb-April)
- Liaise with Austrade India (Feb-Mar) [GM Marketing]
- Logistics-Final quotes for Air line carriers, flight times and pricing guides (April) [Marketing officer].

- Visit identified (several) premises to identify areas of concern (integrity of tanks and aeration systems), logistics and develop relationships (April) [GM Marketing]
- Communication through regular meetings with management and team (ongoing)
- Interview participants to obtain feedback on the project's strengths and weaknesses (June) [Independent adviser]
- Prepare report summarising the outcomes (success or failure) and possible future directions after initially testing the market [GM Marketing](July)
- If successful return trip to strengthen relationship(s) and address any customer concerns (Oct).
- 

## 9.0 Outcome Targets

If the recommended strategies are successfully implemented and allowing for realistic growth forecasts in respect to timely market development when benchmarked to other Asian customers like China (Appendix C). Referring to Graph 1 in Appendix C in years 2000 to 2003 the 'Live' catch exported to China averaged 7 percent. **It wasn't till the 2004 that** the export quantity tripled to 21 percent. The following projected outcomes are therefore realistic and achievable:

- 5% of total live exports to India in the first 12 months
- 10% of total live exports to India at the end of the 2<sup>nd</sup> year
- 15% of total live exports to India at the end of the 3<sup>rd</sup> year
- 20% of total live exports to India at the end of the 5<sup>th</sup> year.

## 10.0 Conclusion

From the Environmental analysis quantitative and qualitative factors and associated risks (Appendix L) including population demographics, logistics, government political and legal policies such as bilateral trade agreements and language barriers were identified at least as favourable to export to India as other existing Asian customers. Added to this, appropriate operating conditions, suppliers, logistics and telecommunications, it is therefore envisioned that GFC will focus effort and resources on a narrow, defined segment of a market as long as the limitations identified in this report are addressed and the subsequent testing of the market is successful.

Furthermore the report identifies that **GFC's** has the capabilities and motives to develop a three to five year strategic plan and incorporate the potential impact that India can have when and if catches return to long term averages of 50 to 100 percent more than those set for next three years.

Added to this a strategic risk plan must also incorporate all high risk factors identified when this market is entered as direct competitors inevitably enter because of low entry barriers and ensuing competitor price wars.

Medium risk should be evaluated individually to see if it can be managed and low level may be monitored such as macro economical changes particularly exchange rate fluctuations. Like all plans there should be trigger points so as to facilitate reassessment of all unsystematic and systematic risks if the micro and/or macro environment changes.

To be successful GFC will need to engage better with the Indian consumer decision making process (Appendix M) so as to understand these high-end consumers who value intangible attributes of 'Live Lobsters', somewhat more than its intrinsic value. Furthermore relationship building with experienced

wholesalers and direct distribution channels will make easy developing niche markets to guarantee this value.

Ultimately, if successful being well positioned to capitalise on **being the 'first mover' in a market that has low entry barriers will play a significant role in gaining and retaining a sustainable competitive advantage for GFC over 'late comers' both directly domestically and indirectly internationally.**

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## Appendices

### Appendix A

**Table 1:** Predicted and actual western lobster catches for the commercial sector.

Predicted and actual western rock lobster catches for the commercial sector (tonnes)				
Fishing Season	A zone	B Zone	C Zone	Total
2005/06 <b>actual</b>	2,000 <b>2,061</b>	2,750 <b>2,886</b>	5,100 <b>5,437</b>	9,850 <b>10,384</b>
2006/07 <b>actual</b>	1,950 <b>1,987</b>	3,000 <b>2,976</b>	3,650 <b>3,620</b>	8,600 <b>8,583</b>
2007/08 <b>actual</b>	1,950 <b>1,881</b>	3,000 <b>3,087</b>	4,000 <b>3,952</b>	8,950 <b>8,920</b>
2008/09 <b>actual</b>	1,850 <b>1,337</b>	2,350 <b>2,577</b>	3,250 <b>3,604</b>	7,450 <b>7,519</b>
2009/10*	1,045	1,980	2,475	5,500

\* Catch target.

Note: The catch targets for 2010/11 and 2011/12 will be set at a similar level to 2009/10.

Source: Dept of Fisheries W. Australia web site, fishing for Rock Lobster p.11

### Appendix B

**Table 2:** Top twelve co-operatives money earners ranking for 2009.

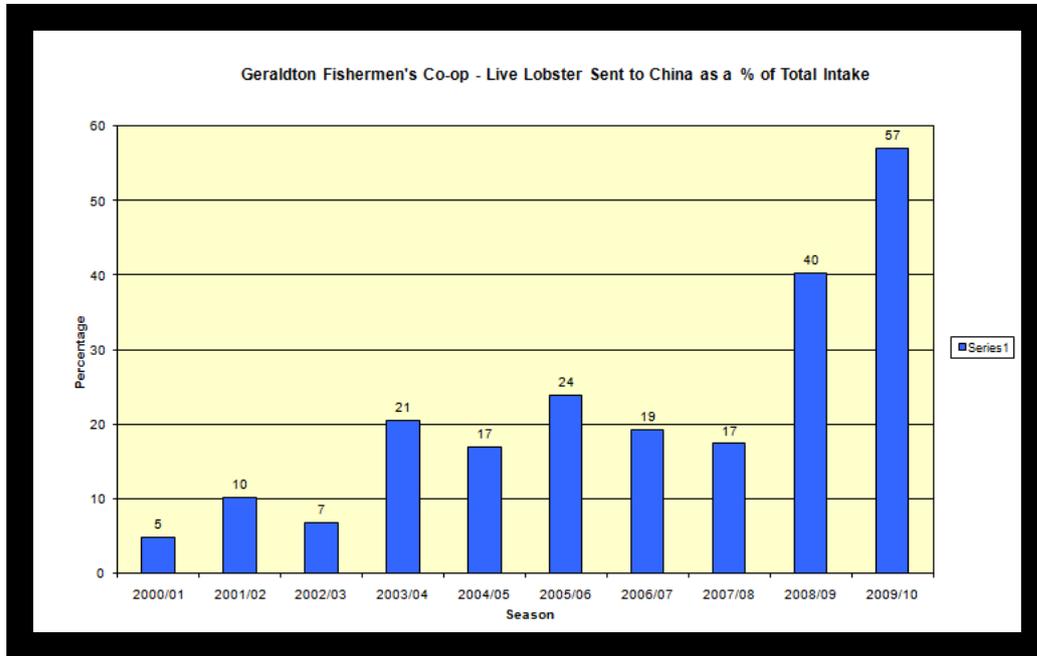
MAJOR SOCIAL BUSINESSES IN WA	
 CBH Group	\$1.55bn
 HBF	\$1.02bn
Capricorn Society	\$850m
RAC	\$399m
Geraldton Fishermen's Co-op	\$207m
Ravensdown Fertiliser Co-op	\$169m
WA Meat Marketing Co-op	\$108m
Police & Nurses Credit Society	\$67m
Travellers Choice	\$39m
Cooperative Purchasing Services	\$35m
Mount Barker Cooperative	\$25m
Wesbuilders Cooperative	\$17m

Source: Cooperatives WA and company reports, ranked by annual turnover

Source: Business news, social business July 8-14 2010.

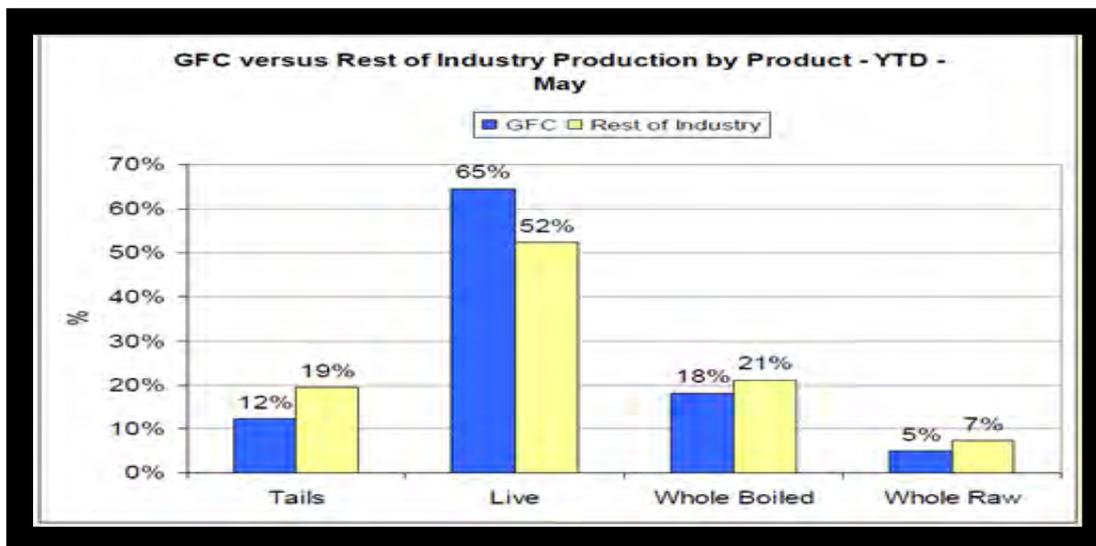
## Appendix C

**Graph 1:** Geraldton Fishermen's Co-op – Live Lobster Sent to China as a % of Total intake for 2000-2010.



*SOURCE: Geraldton Fishermen's Co-op Marketing Department August 2010*

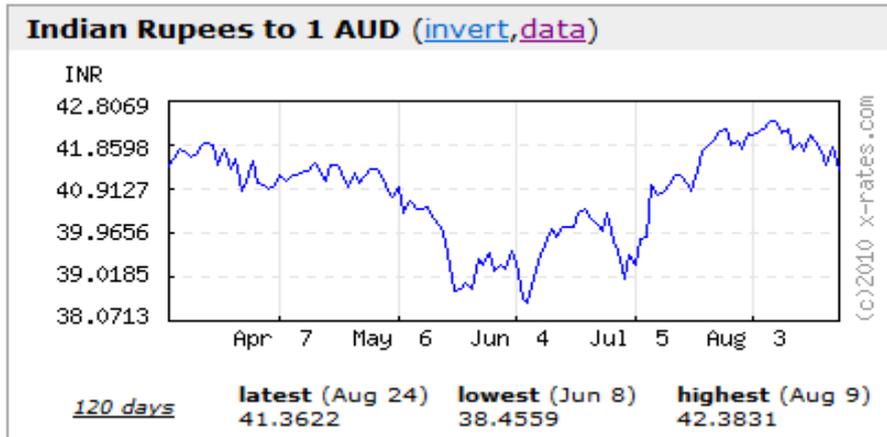
**Graph 2:** Geraldton Fishermen's Co-op – Live Lobster Exported as a % of Total intake for year to date May 2010.



*SOURCE: Geraldton Fishermen's Co-op. BROLOS NEWSLETTER 6 JULY 2010. Issue No. 20*

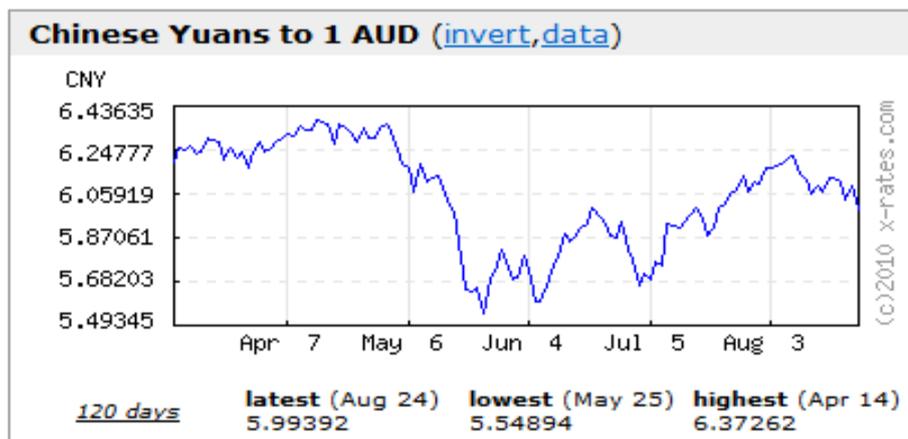
## Appendix D

**Graph 3:** 120 day comparison Indian Rupees to 1 Australian Dollar.



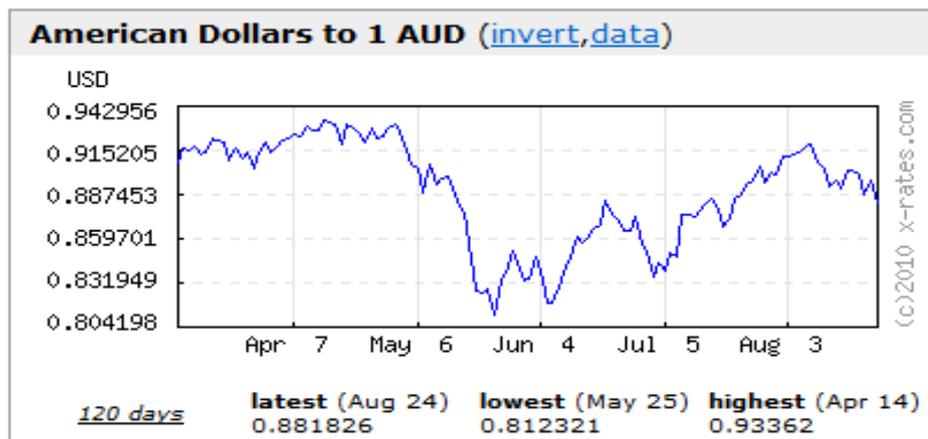
SOURCE: x-rates.com

**Graph 4:** 120 day comparison Chinese Yuans to 1 Australian Dollar.



SOURCE: x-rates.com

**Graph 5:** 120 day comparison American Dollars to 1 Australian Dollar.



SOURCE: x-rates.com

## Appendix E

**Table 3:** Orchid Marine contact details

### Orchid Marine

<i>Contact Name:</i>	Anwar Sadath
<i>Company Position:</i>	Managing Partner
<i>Address:</i>	Anwar Palace
<i>City:</i>	Chandiroor, Alappuzha, Kerala, 688547
<i>Country:</i>	INDIA
<i>Telephone:</i>	+91 944 717 3337                      +91 944 717 3337
<i>Fax:</i>	+91 478 287 3237
<i>E-mail:</i>	<a href="mailto:orchidmarinexim@gmail.com">orchidmarinexim@gmail.com</a>
<i>Website:</i>	<a href="http://www.orchidmarine.com">www.orchidmarine.com</a>

Leading exporters of **Fresh & Frozen Seafood Products.**

**Table 4:** M/s Intermas contact details.

### M/s Intermas

<i>Contact Name:</i>	<b>Sadhaam Latheef</b>
<i>Company Position:</i>	Director
<i>Address:</i>	12/24 College Road
<i>City:</i>	Panayapally, Cochin
<i>State:</i>	Kerala
<i>Telephone:</i>	+91 484 222 7764
<i>Fax:</i>	+91 484 222 9464
<i>Email:</i>	<a href="mailto:intermas@asianetonline.net">intermas@asianetonline.net</a>
<i>Website:</i>	<a href="http://www.intermas.in">http://www.intermas.in</a>

INTERMAS is engaged in the export and import business of premium quality frozen marine products

## Appendix F

**Table5:** Amigo Seafoods Frozen Seafood Trading Establishment contact details.

### Amigo Seafoods Frozen Seafood Trading Establishment

<i>Contact Name:</i>	Haris Nasir	
<i>Company Position:</i>	Managing Director	
<i>Address:</i>	8/2144 Sun 'N' Moon, Parvana Junction	
<i>City:</i>	Kochi	
<b>State:</b>	Kerala	
<i>Country:</i>	INDIA	
<i>Telephone:</i>	+91 484 221 0643	+91 484 221 0643
<i>Fax:</i>	+91 484 222 6415	
<i>Skype:</i>	amigofoods1	
<i>E-mail:</i>	<a href="mailto:amigooverseas@eth.net">amigooverseas@eth.net</a>	
<i>Website:</i>	<a href="http://www.amigoseafoods.com">http://www.amigoseafoods.com</a>	

**ARE EXPORTERS AND TRADERS OF QUALITY SEA FOODS**

**Table6:** Fishmart contact details.

### Fishmart

<i>Contact Name:</i>	Mr Anand Shukla	
<i>Address:</i>	Shanti Tower, 2nd Floor, Rajendra Bhuvan Road	
<i>City:</i>	Veraval	
<b>State:</b>	Gujarat	
<b>Postal (Zip) Code:</b>	362265	
<i>Country:</i>	INDIA	
<i>Telephone:</i>	+91 2876 652 246	+91 2876 652 246
<i>Fax:</i>	+91 2876 222 401	
<i>E-mail:</i>	<a href="mailto:info@fishmart.info">info@fishmart.info</a>	

'Fishmart' is trading arm of 'Foodex Corporation' & situated in Veraval, Gujrat, India.

## Appendix G

**Table 7:** Sarora Traders contact details.

### Sarora Traders

<b>Contact Name</b>	Joseph	
<b>Company Position</b>	Proprietor	
<b>Address</b>	Ashoka Road	
<b>Address Cont.</b>	Kaloor	
<b>City</b>	Cochin	
<b>State</b>	Kerala	
<b>Postal (Zip) Code</b>	682017	
<b>Country</b>	INDIA	
<b>Tel</b>	+91 484 306 1640	+91 484 306 1640
<b>Mobile (Cell) Phone</b>	+91 974 500 9145	+91 974 500 9145
<b>Fax</b>	+91 484 306 1640	
<b>Skype</b>	<a href="#">Get Skype – cheap international calls</a>	
<b>Email</b>	<a href="mailto:saroratraders@gmail.com">saroratraders@gmail.com</a>	

Sarora Traders is seafood buyer agency in India. 10 years of experience in seafood processing and buying.

## Appendix H

**Table8: Geraldton fishermen’s Co-op Internal Capability Profile 2010.**

<b>Managerial</b>	WEAKNESS			NORMAL			STRENGTH		
Corporate Image, Social Responsibility							X		
Use of Strategic Plans & Strategic Analysis							X		
Environmental Assessment & Forecasting							X		
Speed of Response to Changing Conditions					X				
Flexibility of Organisational Structure					X				
Management Communication and Control						X			
Entrepreneurial Orientation			X						
Ability to Attract and Retain Highly Creative People						X			
Ability to Meet Changing Technology						X			
Ability to Handle Inflation						X			
Aggressiveness in Meeting Competition									X
<b>Competitive</b>	WEAKNESS			NORMAL			STRENGTH		
Product Strength, Quality, Uniqueness								X	
Customer Loyalty and Satisfaction							X		
Market Share									X
Low selling and Distribution Costs									X
Use of Experience Curve for pricing							X		
Use of Life Cycle of Products and Replacement Cycle						X			
R&D Investment in New Product Development							X		
High Barriers to Entry into the Company’s Markets				X					
Advantage Taken of Market Growth Potential						X			
Supplier Strength and Material Availability					X				
Customer Concentration							X		
<b>Financial</b>	WEAKNESS			NORMAL			STRENGTH		
Access to Capital When Required									X
Degree of Capacity Utilisation				X					
Ease Of Exit from the Market									X
Profitability, Return on Investment							X		
Liquidity, Available Internal Funds									X
Degree of Leverage, Financial Stability									X
Ability to Compete on Prices									X
Capital Investment, Capacity To Meet Demand							X		
Stability of Costs							X		
Ability to Sustain Effort in Cyclic Demand							X		
Price Elasticity of Demand							X		
<b>Technical</b>	WEAKNESS			NORMAL			STRENGTH		
Technical and Manufacturing Skills							X		
Resource and Personnel Utilization								X	
Level of Technology used in Products					X				
Strength of Patents and Processes					X				
Production Effectiveness and Delivery Schedules									X
Value added to Product									X
Intensity of Labour in the product								X	
Economies of Scale								X	
Newness of Plant and Equipment								X	

## Appendix I

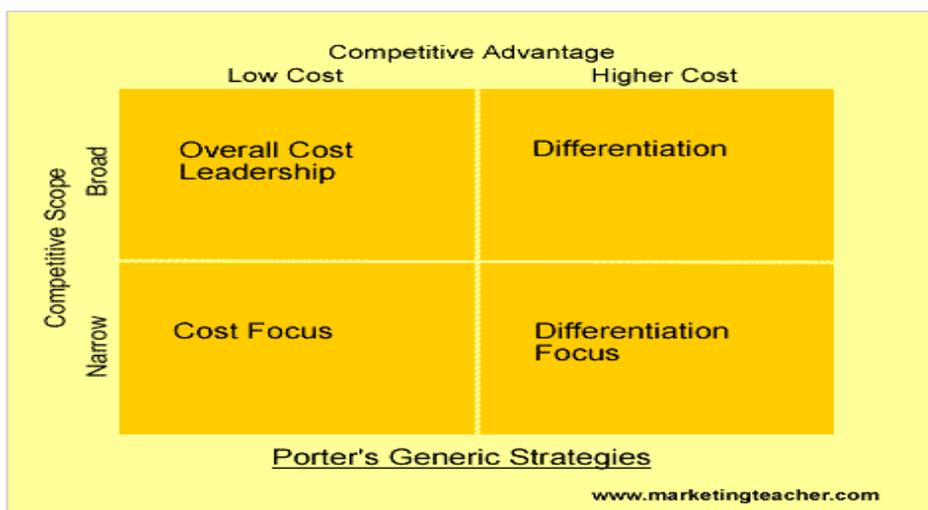
### Model 1: Indian Seafood Industry SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Wild caught and from sustainable source MSC certification</li> <li>• <b>Don't need to sell as China will buy anyway.</b></li> <li>• Extensive experience in other Asian markets</li> <li>• Product differentiation</li> </ul>	<ul style="list-style-type: none"> <li>• Low entry barriers</li> <li>• High required initial outlay by wholesalers</li> <li>• Low consumer awareness</li> <li>• Long gestation periods</li> <li>• Consumer willingness to pay</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Create awareness for premium product.</li> <li>• Enhance brand image</li> <li>• Leverage India against other countries such as China to create value for GFC</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in Import Tariffs</li> <li>• Direct and Indirect Competitors following GFC lead.</li> <li>• Low entry barriers and Price wars</li> </ul>

As the SWOT analysis table shows, the Live Lobster industry entails strong strengths and opportunities. Live Lobster wholesalers should be wary however of the evident weaknesses and threats, as they can quickly effect the profitability of this industry, and leave the Geraldton Fishermen's Co-op exposed.

## Appendix J

### Model 2: Michael Porter's Generic Strategies



## Appendix K

**Table 9: Geraldton Fishermen's Co-operative 2011 Action Plan for 'testing the market' in India.**

NO	ACTION	BY WHOM	BY WHEN	OUTCOME/PROGRESS
1	Plan and budget approval	GM Marketing	Jan-Feb 11	
2	Steering committee Established (GM and SME)	Senior Marketing Executive (SME)	Jan 11	
3	Launch subject to independent assessment CEO	GM	Feb 11	
4	Initialize direct contact with proposed buyers	GM and SME	Feb-Mar 11	
5	Communication Meeting and feedback	GM and SME	March 11	
6	Continued direct contact with proposed buyers and liaise with Austrade India if needed	GM and SME	April 11	
7	Logistics- final quotes for airlines, flight times and pricing	SME	April 11	
8	Communication Meeting and feedback	GM and SME	May 11	
9	Visit list of potential customers in India and check integrity of tanks	GM or SME	June 11	
10	Independent Meeting and feedback with CEO upon return	CEO	July 11	
11	Communication Meeting and feedback	GM and SME	Aug 11	
12	Prepare detailed report to board and management on initial testing of market	GM	Aug 11	
13	Overseas return trip to Strengthen ties and address issues if successful	GM or SME	Oct 11	

## Appendix L

Model 3: CAGE distance Model.

CAGE Distance Model	
<b>Cultural Distance</b>	Med (shared official language)
<b>Administrative Distance</b>	Low (Law, Colonialism, Political System)
<b>Geographic Distance</b>	Med (Communications, Time Zones, Country Size, Shared Ocean)
<b>Economic Distance</b>	Med-High (Consumer income, Natural and Financial Resources)

## Appendix M

Model 4: Consumer Buying Process and Characteristics

<b>Problem Recognition</b>	<p>What are the main motivation factors behind the need for wanting to pursue the information search:</p> <ul style="list-style-type: none"> <li>• Personal Belief - Value towards trying alternatives</li> <li>• Salary to increase attractiveness to purchase</li> <li>• Family pressure to buy from sustainable fisheries</li> <li>• Seasonal limited supply</li> </ul>
<b>Information Search</b>	<p>Information need Critical information to ensure informed decision</p> <ul style="list-style-type: none"> <li>• Why? – Prestige, status, taste and bragging rights</li> <li>• Who? – Can I get it from one or multiple suppliers? Eg Premium Restaurants</li> <li>• When? – Seasonal and supply demand periods.</li> <li>• Where? – Restaurants, Fish mongers</li> </ul>
<b>Evaluation of Alternatives</b>	<ul style="list-style-type: none"> <li>• Cost – Out of pocket expense</li> <li>• Credible Information</li> <li>• Prestige</li> <li>• Green Appeal (caught from a sustainable fishery (MSC certification))</li> </ul>
<b>Purchase Decision</b>	<ul style="list-style-type: none"> <li>• Price</li> <li>• Substitute at a price differential</li> <li>• Festive season</li> </ul>
<b>Post Purchase Behaviour</b>	<p>Does the customer gain an increased sense of satisfaction by purchasing the West Australian Live Lobster product and has this satisfied the need. Other post-purchase behaviours:</p> <ul style="list-style-type: none"> <li>• Degree that it has met expectations (reduces cognitive dissonance)</li> <li>• Bragging rights</li> </ul>

The above model was developed from “Consumer Buying Process Model” (Kotler & Keller 2009). Aim is to try to understand how the stimuli are changed into responses inside the consumers’ minds. This is achieved by looking at the consumers buying behaviour then the decision making process.