

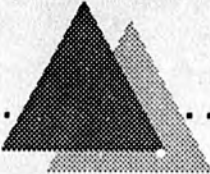
SCOMM

95:16



ASMI FY95 BUDGET

◆ 1% Salmon Harvester Tax	\$4,200,000
◆ .03% Onshore Processor Tax	2,700,000
◆ Federal MPP Funding	5,641,690
◆ Federal MPP Cash Match	1,090,400
◆ Publication	30,000
◆ FY94 Tax Carry Forward	1,500,000
◆ Total ASMI Budget	15,162,090





REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

SPONSOR STATEMENT

HB 116 - "EXEMPTING ASMI FROM THE STATE PROCUREMENT CODE"

February 13, 1995

House Bill 116 would exempt the Alaska Seafood Marketing Institute (ASMI) from the state procurement code under AS 36.30.850(b) for all domestic marketing and board-related activities.

ASMI is a state seafood commodity commission which is solely dependent upon fishing industry assessments for supporting domestic marketing. The 1% marketing tax is levied on all commercial salmon fishers -- so only private industry dollars go towards the domestic marketing efforts addressed in this bill.

The institute has four legislative mandates: 1) to promote all species of Alaska seafood worldwide; 2) to maintain and promote quality awareness from point of harvest to final distribution; 3) to disseminate information on prices paid and market conditions for raw salmon and salmon products; and, 4) to investigate new product forms and future markets for Alaska salmon.

The board is seeking to eliminate the restrictive requirements of the state procurement code in marketing Alaska products in the United States. The procurement requirements restrict the

institute's private sector economy. As an example, ASMI cannot advertise and procure services over \$25,000 in the lower 48 states without an elaborate, time consuming and costly bid process that does not adequately consider unique vendor knowledge and abilities.

The delays, restrictions and selection criteria required by the state procedures cripple ASMI efforts in implementing promotional activities and is a barrier to the board in making direct decisions regarding expenditures of industry funds. ASMI's unique mission requires purchasing non-governmental services such as coupon distribution and redemption, advertising, retail store product demonstration, sales representatives, foodservice catering, product sample distribution, market research, consumer education, product development and industry cooperative promotions.

The state procurement procedures are not designed to address these needs and result in significant inefficiencies. The proposed procurement exemption will allow ASMI to purchase marketing services and supplies that meet industry imperatives.

HOUSE COMMITTEE REPORT

(5)

Date Referred: January 25, 1995

FURTHER REFERRALS: Labor & Commerce
Finance

Date of Committee Action: 2/13/95

The SPECIAL COMMITTEE ON FISHERIES Committee considered:

HB 116

HOUSE BILL NO. 116

EXEMPT ASMI FROM PROCUREMENT CODE

"An Act exempting the Alaska Seafood Marketing Institute from the State Procurement Code."

recommends it be replaced ☐ the same title
with the following committee substitute _____ ☐ a new title

☐ additional referral to _____ Committee
☐ attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

☐ fiscal note(s) _____ ☐ fiscal note(s) _____

☒ zero fiscal note(s) DOA & CED ☐ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			☒	
<i>Carol E. Moses</i>	☒			
<i>Scotty</i>			☒	
<i>[Signature]</i>	☒			
<i>Allen [Signature]</i>			☒	

CHAIR'S SIGNATURE

[Signature]

2/13/95

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 116

Revision Date:

Title: "An act exempting the Alaska Seafood Marketing Institute
 from the State Procurement Code"

Department: Commerce and Economic Development

BRU: Alaska Seafood Marketing Institute

Component: Alaska Seafood Marketing Institute

Sponsor: House Special Committee on Fisheries

Requestor: House Special Committee on Fisheries

COMPONENT SERIAL NO.

#393

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES

PERSONAL SERVICES

TRAVEL

CONTRACTUAL

SUPPLIES

EQUIPMENT

LAND & STRUCTURES

GRANTS, CLAIMS

MISCELLANEOUS

TOTAL OPERATING

FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts

1003 GF Match

1004 General Fund

1005 GF/Program Receipts

1006 GF/MHTIA

Other

TOTAL

0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$

0.0

POSITIONS

FULL-TIME

PART-TIME

TEMPORARY

0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill does not have a fiscal impact on the Alaska Seafood Marketing Institute.

Prepared by:

Art Scheunemann, Executive Director

Division:

Alaska Seafood Marketing Institute

Phone: 465-5560

Date:

Approved by Commissioner:

Commerce and Economic Development

Date: 2/10/95

Agency:

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Page 1 of 1

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 116

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act exempting the Alaska Seafood Marketing
Institute from the State Procurement Code." BRU: General Services
 Sponsor: House Special Committee on Fisheries Component: Purchasing
 Requestor: _____ COMPONENT SERIAL NO. 60

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY95) impact: \$ 0

ANALYSIS: (attach a separate page if necessary.)

None.

Prepared By: Vern Jones, Chief Procurement Officer Phone: 465-2250
 Division: General Services Date: _____
 Approved by Commissioner: Mark Boyer Date: 2/6/95
 Agency: Department of Administration

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STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF ECONOMIC DEVELOPMENT

WALTER J. HICKEL, GOVERNOR

P.O. BOX 110804
JUNEAU, ALASKA 99811-0804
PHONE: (907) 465-2017

Division of Economic Development Department of Commerce and Economic Development

comments in support of HB 116

House Bill 116 will facilitate the ability of the Alaska Seafood Marketing Institute (ASMI) to move in a timely and cost-effective manner in the marketplace. It seeks to exempt ASMI from the state procurement code and provides for the adoption of similar procedures for procurement.

The task assigned to ASMI to market Alaska's seafood products worldwide requires more flexibility than is offered within the state's procurement code. The funding sources for ASMI are a processor's assessment, a tax on salmon limited entry permit holders, and federal Market Promotion Program. HB 116 would assist ASMI in their marketing efforts, serve their constituents better, and benefit the state through better management of their programs and more effective marketing returns.

Section 2 of this bill amends the definition of "agency" in AS 36.30.990 (1) by exempting the Alaska Seafood Marketing Institute. AS 36.30.850(b) states that the Procurement Code applies to expenditures of State money by the State, acting through an agency. Exempting ASMI from the definition of "agency" exempts them from the requirements of the State Procurement Code.

RECEIVED

MAR 14 1995

Ans'd.....

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 116

BY REPRESENTATIVE AUSTERMAN

1 Page 1, after line 3:

2 Insert a new bill section to read:

3 **"* Section 1.** AS 36.30.015 is amended by adding a new subsection to read:

4 (h) The board of directors of the Alaska Seafood Marketing Institute shall
5 adopt procedures to govern the procurement of supplies, services, and professional
6 services. The procedures must be similar to the procedures prescribed in this chapter
7 and in regulations adopted under this chapter."

8 Page 1, line 4:

9 Delete **"* Section 1."**

10 Insert **"* Sec. 2."**



Alaska State Legislature

House of Representatives Special Committee on Fisheries

Analysis of Amendment

to HB 116

Amendment 9-LS0086\C.1 to HB 116 was drafted to add accountability to ASMI's total exemption to the state procurement code. The inclusion of this language will also help ensure consistency, given a variety of procurement situations.

A new section one is inserted instructing the ASMI Board of Directors to adopt substantial procedures governing the procurement of supplies, services, and professional services.

The former section 1 becomes section 2. This section adds ASMI to the list of exempted government entities.

February 1, 1995

The Honorable Alan Austerman
Chairman, House Special Committee on Fisheries
State Capital Room 343
Juneau, AK 99801

Dear Representative Austerman:

I am requesting your assistance in obtaining an exemption from the onerous requirements of the state procurement laws for the Alaska Seafood Marketing Institute. This request is for the purpose of increasing efficiency and reducing the cost of promoting the consumption of our products within the United States.

The seafood industry is Alaska's largest private employer with the equivalent of over 33,000 full time jobs, which represents one-sixth of all employment within the state. Seafood and its related industries represents a multi-billion dollar impact on the Alaska economy and provides more than \$40 million dollars of tax revenue to state and local governments. The health of the industry and its multiple economic benefits to the state are dependent upon the successful marketing of Alaska products throughout the world.

Currently, the industry is experiencing heavy competition from farmed salmon, foreign seafood production and other protein sources. This competition has significantly eroded Alaska's market share and reduced prices for Alaska products directly affecting the incomes of all those dependent upon a healthy industry.

The Alaska Seafood Marketing Institute is the state's seafood commodity commission with offices in Juneau and Seattle, Washington. The institute's domestic marketing activities are solely funded through industry tax assessments from salmon fishermen and Alaska processors. ASMI is governed by a 25 member Board of Directors composed of fishermen and processors who are responsible for managing the finances and marketing services in the best interest of the industry. In meeting these responsibilities, the board has adopted a domestic marketing plan to aggressively promote Alaska products and increase consumption. In pursuing this plan,

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FEB 01 1995

Ans'd.....

Alaska Seafood Marketing Institute
1111 West 8th Street, Room 100
Juneau, Alaska 99801-1895
Tel: (907) 465-5560
In Alaska: 1-800-478-2903
Fax: (907) 465-5572



Representative Austerman

page 2

the board has unanimously decided to seek exemption from the restrictive requirements of the state procurement code. This is necessary in order for the institute to obtain tactical flexibility to effectively compete in a private sector economy.

The state procurement process is not designed to facilitate market promotion services in the private sector, conduct business in a cost effective manner or readily allow the board to participate in management of its own purchases. As an example, ASMI cannot readily advertise and to procure services valued over \$25,000 outside of Alaska. The current marketing plan is based upon contracting with region based sales representatives who have unique knowledge of local foodservice and retail distribution systems. Under the state procurement system, it is impossible for ASMI to contract directly with such individuals without an elaborate, time consuming and costly bid process that does not adequately consider unique knowledge and abilities.

In addition, the procurement requirements place extensive delays and prohibitions on ASMI's ability to act quickly and take advantage of unique promotional opportunities that often arise informally, and or in association with other marketing activities. As an example, if ASMI purchased a service utilizing a small procurement process (value less than \$25,000) and required an expansion above \$25,000, ASMI would have to resolicit or obtain approval from the Department of Administration. During the time required to adhere to these procedures, the promotion opportunity can often be lost.

The delays, restrictions and selection criteria required by the state procedures cripple ASMI efforts in implementing promotional activities and results in increased costs to the industry. ASMI's unique mission requires purchasing non-governmental associated services which state procedures are not designed to address. Any assistance you can provide in obtaining relief from these requirements is greatly appreciated.

Sincerely

A handwritten signature in cursive script, appearing to read "David Wilder".

David Wilder, Chairman
Board of Directors

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE AUSTERMAN

TO: HB 116

1 Page 1, after line 3:

2 Insert a new bill section to read:

3 **"* Section 1.** AS 36.30.015 is amended by adding a new subsection to read:4 (h) The board of directors of the Alaska Seafood Marketing Institute shall adopt
5 procedures to govern the procurement of supplies, services, and professional services.6 The procedures must be ^{Similar} (substantially equivalent) to the procedures prescribed in this
7 chapter and in regulations adopted under this chapter."

8 Page 1, line 4:

9 Delete **"* Section 1."**10 Insert **"* Sec. 2."***Procedures must assure adequate competition
and oversight.*

YOUR COPY
OF HB 116
AMENDMENT

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE AUSTERMAN

TO: HB 116

1 Page 1, after line 3:

2 Insert a new bill section to read:

3 **** Section 1.** AS 36.30.015 is amended by adding a new subsection to read:

4 (h) The board of directors of the Alaska Seafood Marketing Institute shall
5 adopt procedures to govern the procurement of supplies, services, and professional
6 services. The ~~procedures~~ must be similar to the procedures prescribed in this chapter
7 and in regulations adopted under this chapter."

8 Page 1, line 4:

9 Delete **** Section 1.**"

10 Insert **** Sec. 2.**"

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSHB 116(L&C)

BY SENATOR SHARP

1 Page 1, line 6, after "professional services":

2 Insert "when the procurement is solicited, administered, and obtained by employees
3 of the institute who are located in the state"

4 Page 1, line 9, through page 2, line 13:

5 Delete all material and insert:

6 **** Sec. 2.** AS 36.30.850(b) is amended by adding a new paragraph to read:

7 (33) the procurement of supplies, services, and professional services
8 by the Alaska Seafood Marketing Institute when the procurement is solicited,
9 administered, and obtained by employees of the institute who are located in the state."

Alaska Seafood Marketing Institute (ASMI)



~~FINAL~~ Proposed Marketing Plan January 1995 - June 1996

Presented:	October 1, 1994
Prepared By:	ASMI Staff Bradley/Reid Donaldson Group McCann-Erickson

Preface

What follows is a proposed Marketing Plan for the Alaska Seafood Marketing Institute (ASMI), for the 18 month period of January, 1995 - June, 1996. This plan focuses on the retail, foodservice, and consumer markets.

This marketing plan was developed with the collaboration of ASMI staff, Bradley/Reid, the Donaldson Group, and McCann-Erickson.

Information base data was largely gained by research conducted by the Research Department, an independent research consultant, in conjunction with studies commissioned to NPD, CREST, Nielsen's, and industry resource data.

Research data from these resources was used as the foundation for collaboration on direction, planning, and focus for this Marketing Plan.

For the past several years, the Alaska salmon industry has been losing share on a world-wide basis to farm produced salmon from both the Atlantic and Pacific ocean pens. There are many issues that need to be addressed before Alaska will experience any real expansion within the domestic salmon market. The programs and tactics implemented by ASMI in the year approaching could be key in helping to move Alaska Seafood back towards a leadership position.

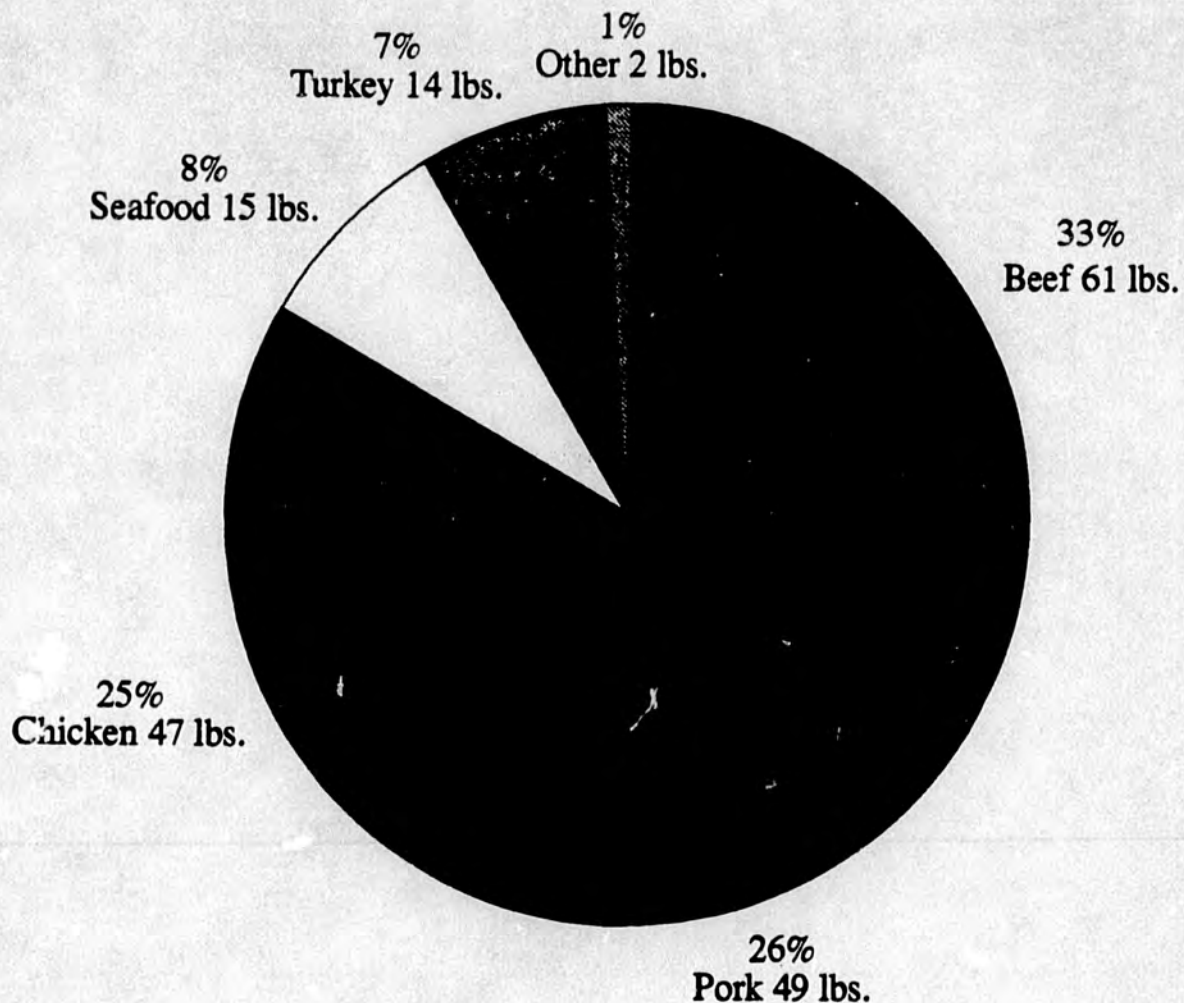
Industry Overview

Several industry conditions are important to understanding ASMI's current marketing position:

- Within the past 10 years, annual farmed salmon production has increased, from 1 percent of the total world production to well over 30 percent.
- The supply of wild Pacific salmon remains abundant, stable, high in quality and value, but domestic markets need to be developed in order for ASMI to maintain share.
- Seafood in general still has great appeal to the health-conscious consumer, and as a result has held steady while consumption of other protein sources like beef, pork, and turkey have declined in recent years.
- Canned salmon has had an old-fashioned, low-cost meal and ingredient perception which negatively affects price value dimensions of the product.
- There is a trade and consumer perception that farm-raised salmon is superior in quality to ocean-caught salmon. This is due to low awareness of the benefits of "the flash freezing" process, and a possible misperception of the term "fresh". The issue is not necessarily farmed vs. "wild", but fresh is what's important to the consumer. Consumers perceive farmed salmon as fresh.
- The trend towards convenience foods and convenience cooking appears to be continuing. The number of restaurant take-away meals is up, along with an increase in microwave usage and a corresponding decrease in stovetop, oven, and grill usage.

SITUATION ANALYSIS

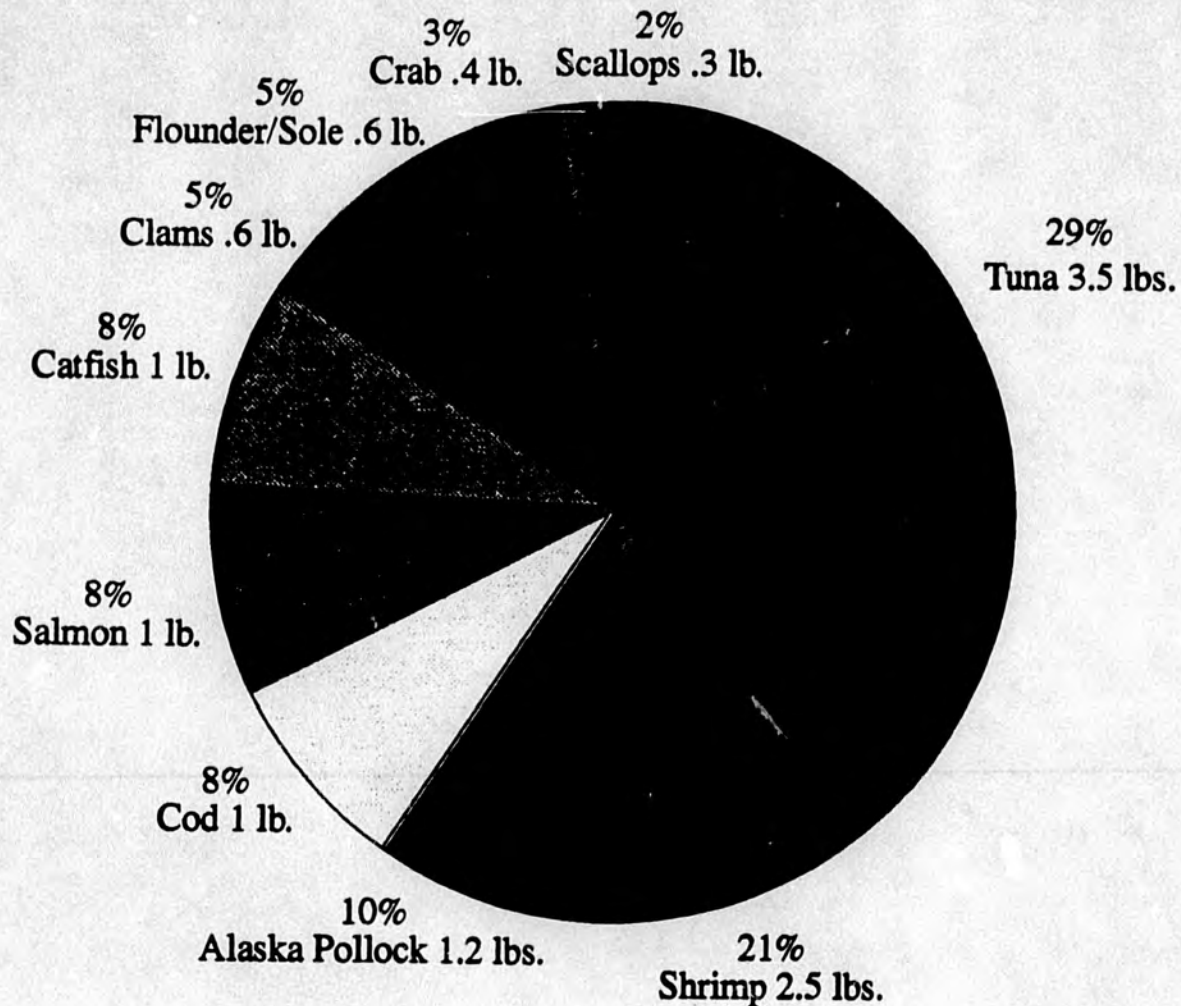
MEAT AND SEAFOOD CONSUMPTION Per Capita 1993



Source: United States Department of Agriculture (USDA)

- In 1993, the average American consumed a total of about 188 pounds of meat and seafood.
- Of this, nearly 15 pounds were fish and shellfish, which equals about 8% of total meat and seafood consumption.
- This compares with an average per capita consumption of 61 pounds of beef, 49 pounds of pork, 47 pounds of chicken, and 14 pounds of turkey.
- Only about one pound each of other protein sources like lamb and veal are consumed yearly.

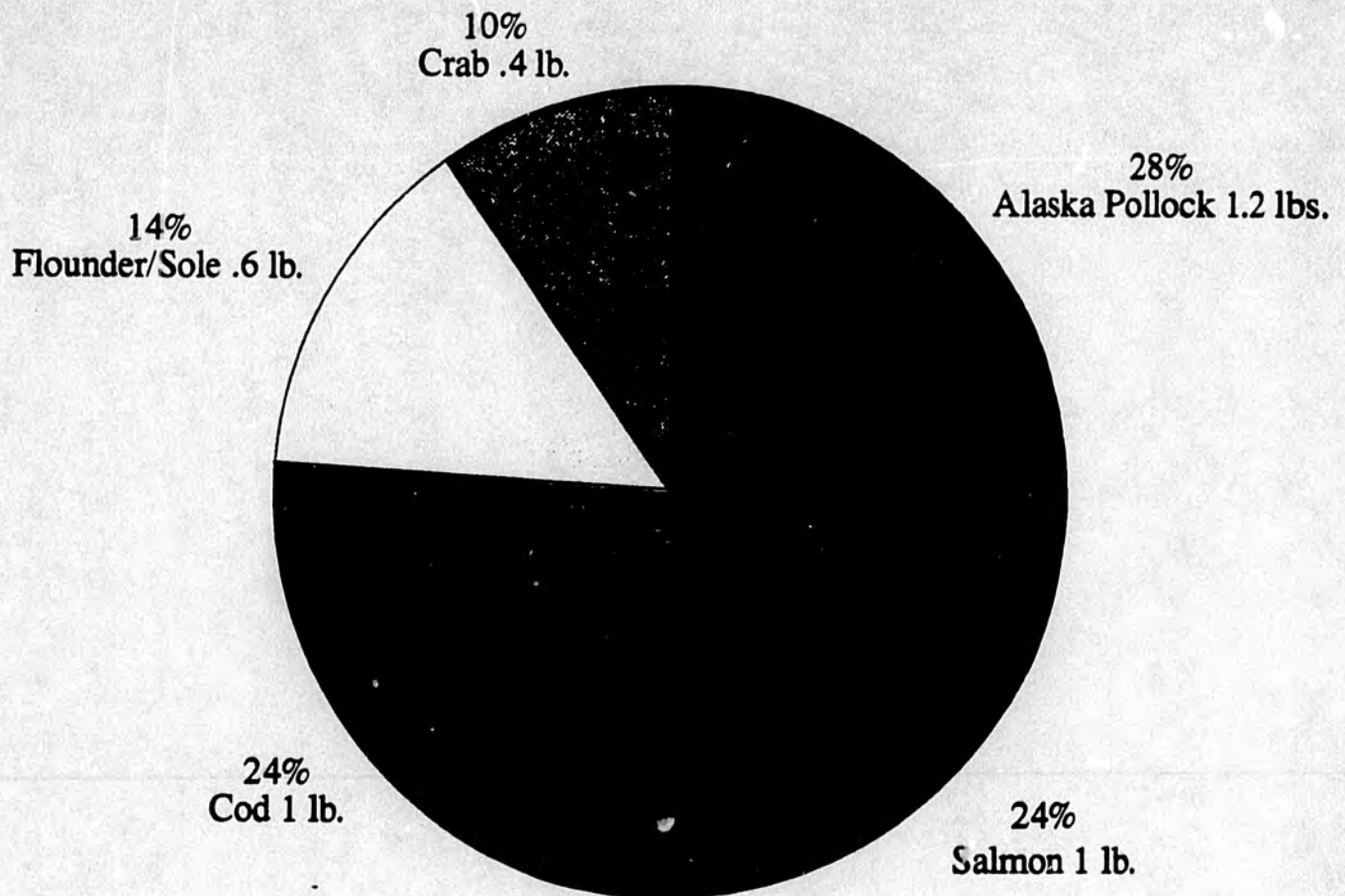
TOP TEN SEAFOOD ITEMS CONSUMED Per Capita 1993



Source: National Fisheries Institute

- Tuna continues to lead the seafood market in per capita consumption, maintaining a strong 30% share of the total seafood consumed.
- As the number two seafood item, shrimp commands close to a 21% share of the seafood market.
- Although halibut is a popular Alaska product, it is not one of the top ten seafood items consumed.

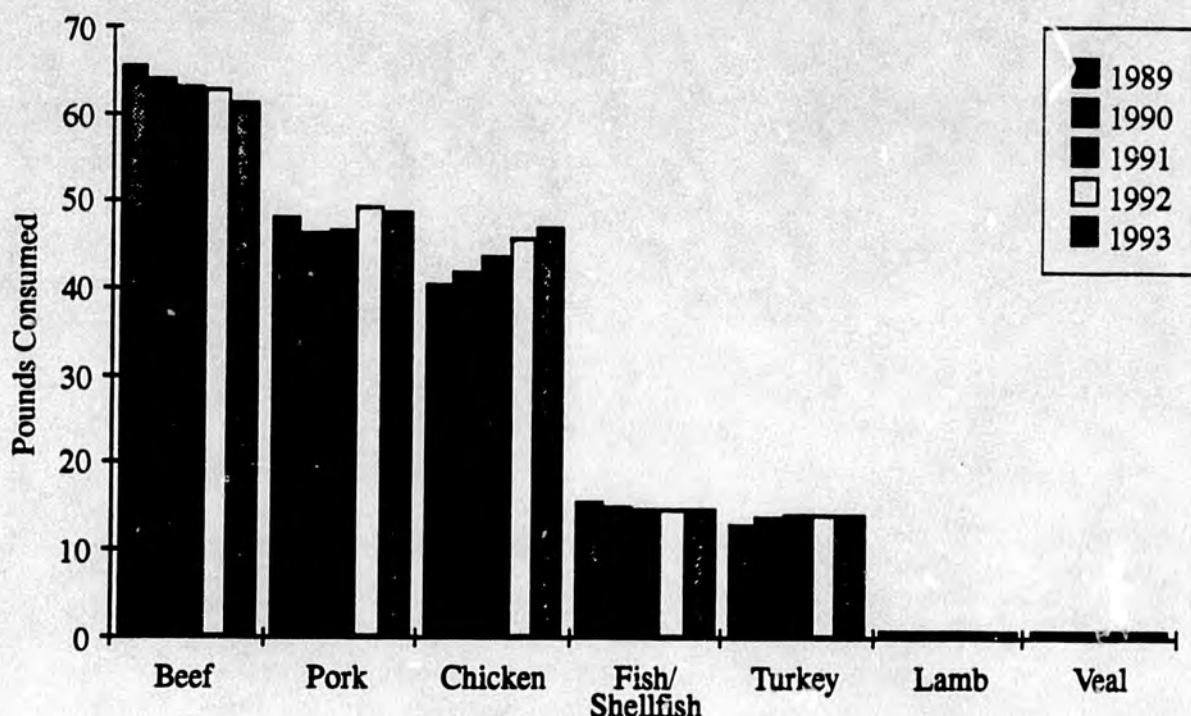
**CONSUMPTION OF SEAFOOD SPECIES THAT
ALASKA COMPETES IN
Per Capita 1993**



Source: National Fisheries Institute

- In 1993, total per capita seafood consumption equaled 14.9 pounds of which 4.2 pounds were species marketed by Alaska Seafood.
- This means that Alaska Seafood directly competes in close to 30% of the total seafood market.
- With total meat and seafood consumption of 188 pounds, there is a tremendous opportunity for Alaska Seafood to increase per capita consumption.

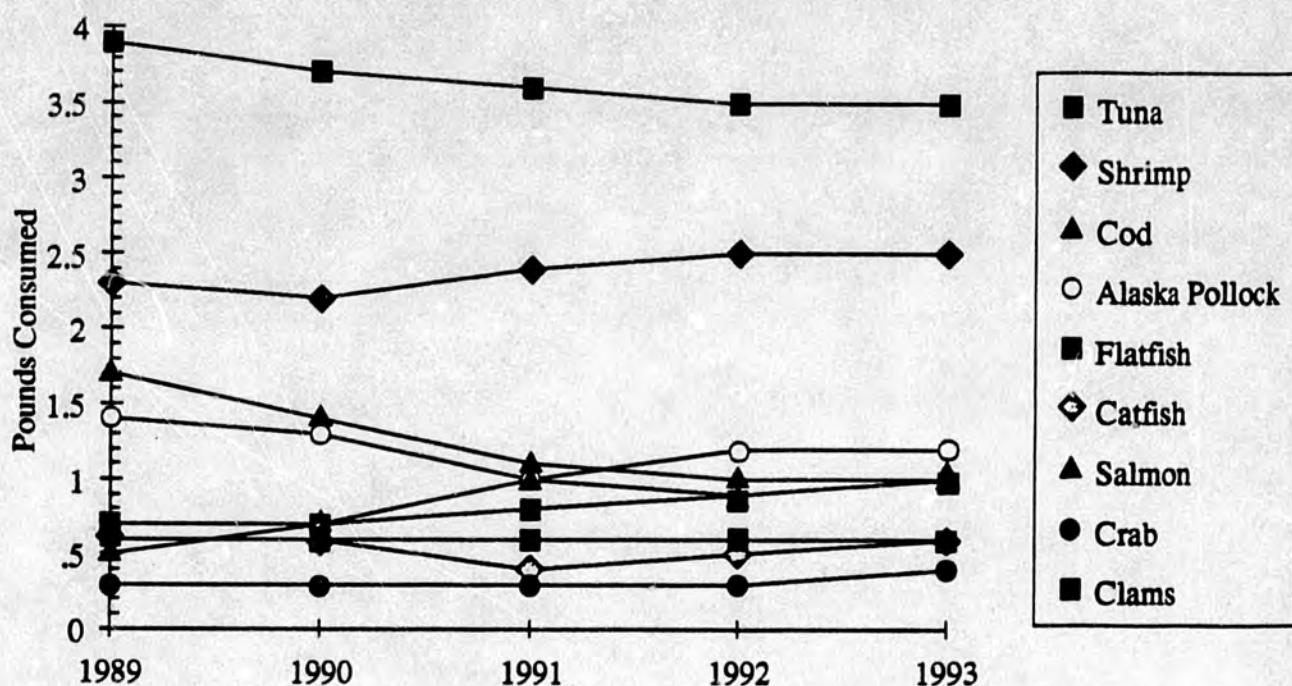
MEAT AND SEAFOOD CONSUMPTION 5 Year History



Source: United States Department of Agriculture (USDA)

- Although beef still accounts for nearly 32% of the average American's total meat consumption, this figure has continued to decline since 1976 when beef accounted for close to 50% of total meat consumption.
- This decline is due to a trend toward healthier eating, coupled with rising beef prices in recent years.
- In contrast, the popularity of chicken as a healthy alternative to red meat continues to increase, being the only protein source showing a significant gain in consumption this past year.
- Chicken's popularity can also be attributed in part to its low price relative to other protein sources.
- The decline of beef consumption and growth of poultry shows a tremendous opportunity for Alaska seafood to lead the growth of seafood usage expansion.
- Although down slightly since its peak in 1987, seafood consumption has remained relatively steady in recent years, driven by consumers' continued interest in healthy alternatives to red meat.
- The increase in average seafood consumption since 1970 occurred despite the fact that seafood prices outpaced those of other protein sources.

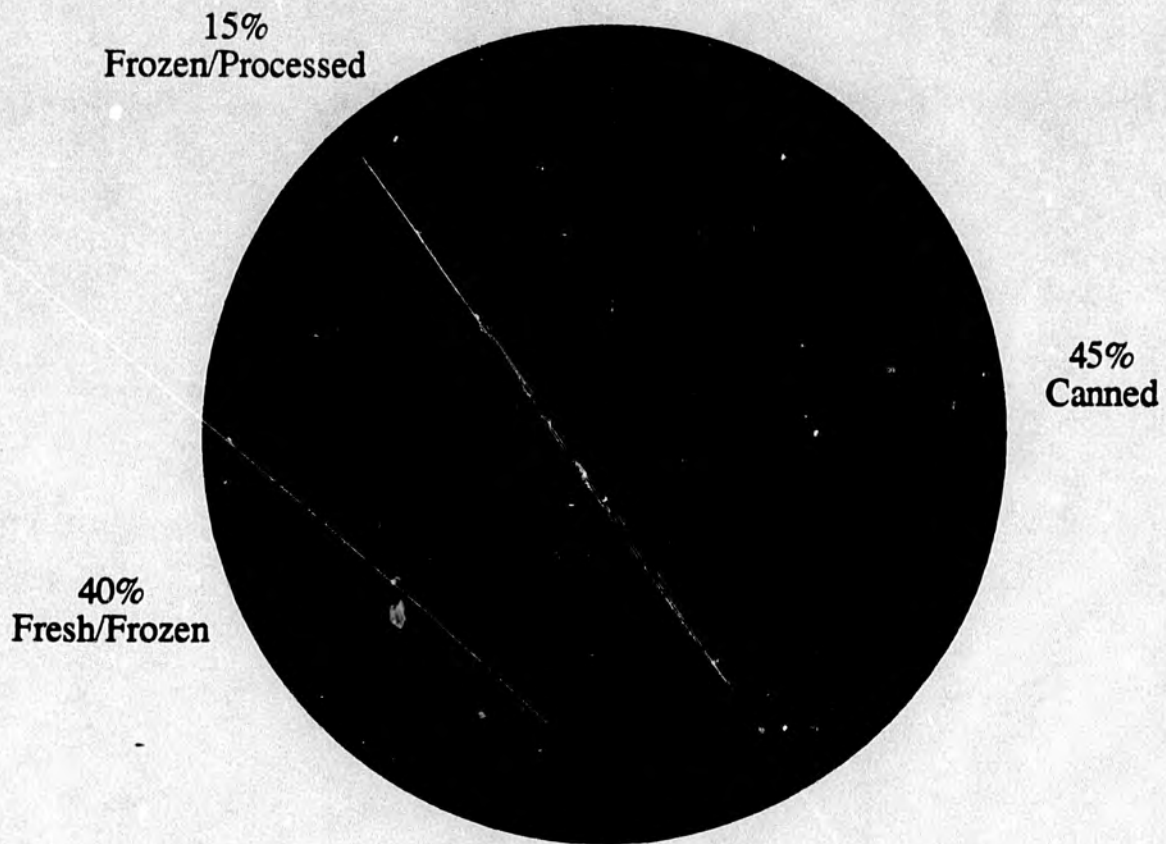
SEAFOOD SPECIES CONSUMPTION Five Year Per Capita Trends



Source: National Fisheries Institute

- The popularity of tuna and shrimp has remained high in the past five years, being the number one and number two seafood items consumed respectively.
- Salmon has shown the most impressive gains in popularity over the last five years, jumping from number eight five years ago to the fifth most popular seafood type in 1993. (In terms of per capita consumption it increased from .6 lbs. to over one pound in 1993.)
- Salmon's continued rise in popularity can be attributed to increased awareness of it's benefits, better availability, and better awareness of cooking/preparation methods.
- Likewise, crab has experienced an increase in popularity over the last five years, showing an impressive increase in consumption since 1989.
- Alaska pollock, which experienced a significant decrease in consumption during 1990 and 1991, has also shown impressive gains in the last 2 years.
- Tuna remains the major competition for canned salmon, due to its widespread acceptance and high usage across all demographic markets.
- Although currently the leader, we have seen a decrease in tuna consumption in the past five years.

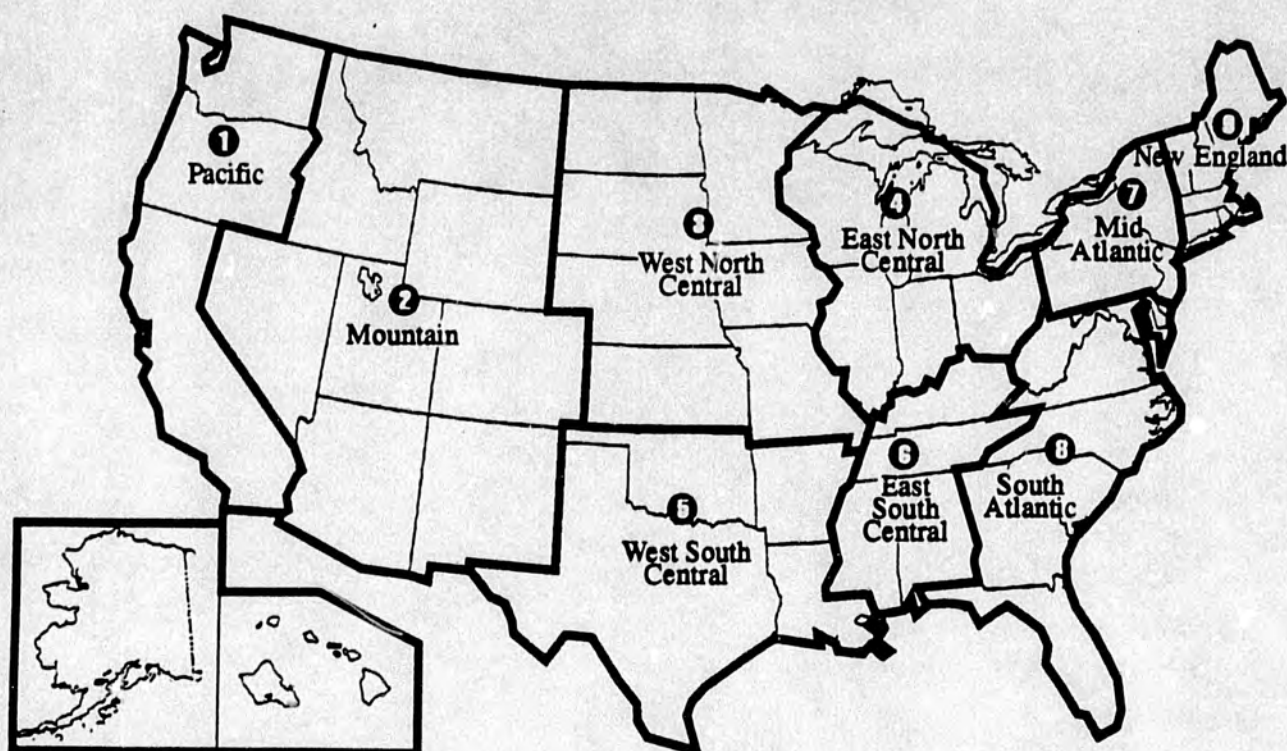
FISH/SEAFOOD EATINGS BY FORM



Source: NPD Group - National Eating Trends

- While canned is the dominate form for fish/seafood, most of this can be attributed to the use of canned tuna.
- Fresh and fresh/frozen seafood represent the second largest portion, making up well over 1/3 of the total seafood category.
- Frozen processed seafood is only a small portion of the total seafood market.

REGIONAL BREAKDOWN OF THE UNITED STATES



Source: U.S. Census Bureau

	POPULATION (000s)	% National
1. Pacific	43,316	16%
2. Mountain	15,142	6%
3. West North Central	18,211	7%
4. East North Central	43,258	16%
5. West South Central	28,555	11%
6. East South Central	15,844	6%
7. Mid Atlantic	38,522	15%
8. South Atlantic	46,988	18%
9. New England	<u>13,601</u>	<u>5%</u>
Total Population	263,437	100%

SEAFOOD USAGE Region Indices

<u>Region</u>	<u>Fresh/Frozen Finfish</u>	<u>Fresh/Frozen Shellfish</u>	<u>Canned Salmon</u>
New England	118	151	77
Mid Atlantic	93	100	75
East North Central	99	70	95
West North Central	87	70	131
South Atlantic	98	112	131
East South Central	110	116	151
West South Central	97	122	107
Mountain	101	81	69
Pacific	113	108	72

Source: NPD Group - National Eating Trends

- In general, seafood experiences much higher usage in the East South Central Region than in other parts of the country.
- Fresh and fresh/frozen finfish consumption is highest in New England, East South Central and Pacific Regions, all three of which have access to local fresh finfish species.
- Fresh/frozen shellfish has wider regional usage primarily due to shrimp consumption.
- Canned salmon usage is concentrated in the West North Central, South Atlantic, East South Central and West South Central Regions.

NOTE: Index numbers represent the difference of average per capita usage of seafood versus the national level per capita usage. For example: Per capita average seafood consumption is 15 lbs. on a national basis. An index of 110 means that a market consumes 16.5 lbs. or 10% more than the national average.

FRESH AND FRESH FROZEN SEAFOOD USAGE

By City Size Within Region

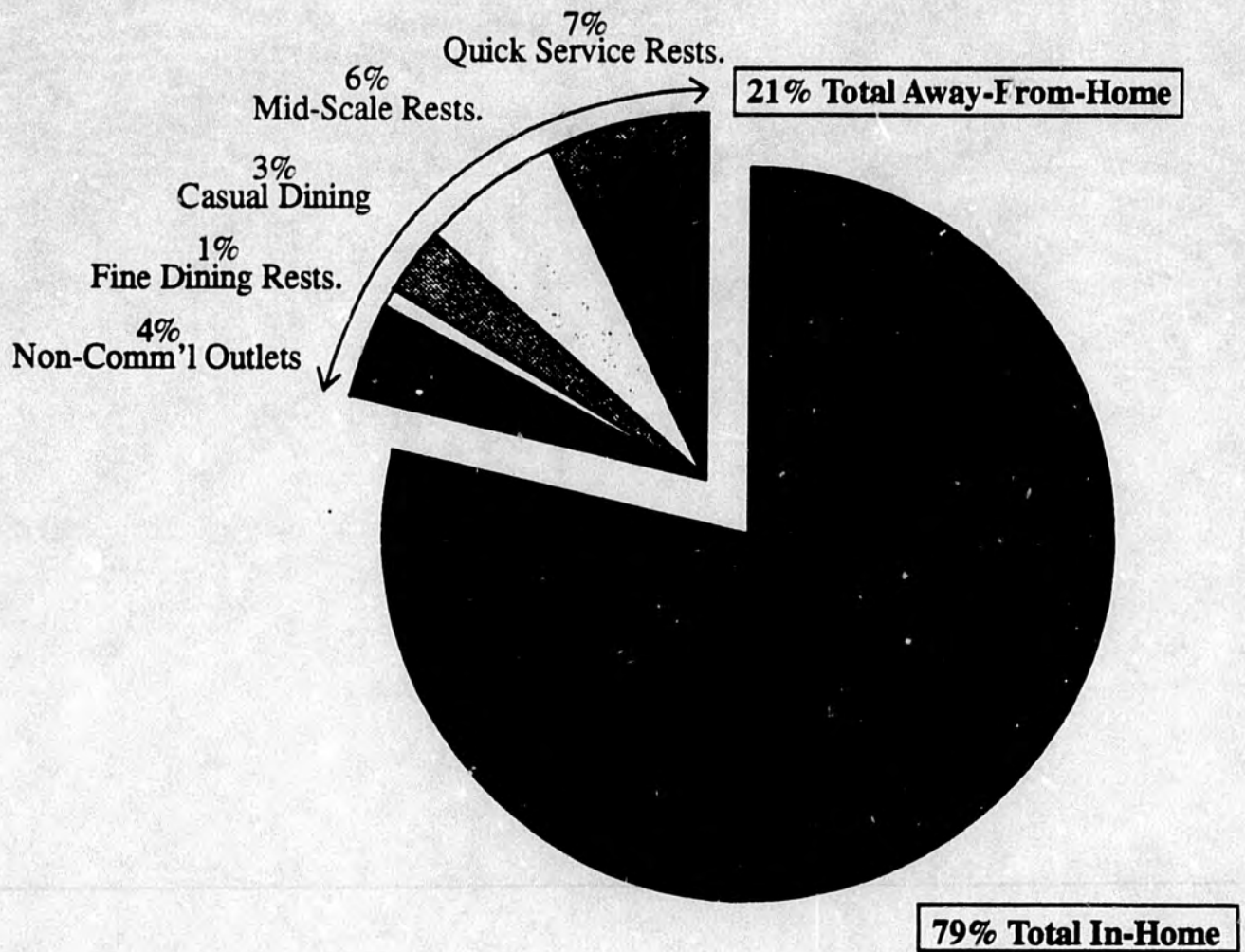
Region	2500M+	1000- 2499M	500- 999M	250- 499M	50- 249M	Non-SMSA
New England	134	117	64	108	137	132
Middle Atlantic	121	100	92	70	86	63
East North Central	118	92	77	76	66	86
West North Central	137	101	65	35	96	79
South Atlantic	104	98	103	92	111	96
East South Central	0	66	123	158	120	106
West South Central	103	141	72	125	126	107
Mountain	0	104	50	102	79	92
Pacific	110	111	63	113	76	155

Source: NPD Group - National Eating Trends

- In general, seafood consumption follows population, with larger U.S. cities showing higher usage.
- Large cities in New England, the Middle Atlantic, East North Central, West North Central, and Pacific regions have the highest usage.
- There are smaller markets that show high indices, with a majority being coastal cities, but volume is concentrated in larger city areas.

NOTE: Index numbers represent the difference of average per capita usage of seafood versus the national level per capita usage. **For example:** Per capita average seafood consumption is 15 lbs. on a national basis. An index of 110 means that a market consumes 16.5 lbs. or 10% more than the national average.

TOTAL FISH/SEAFOOD EATINGS BY VENUE



Source: NPD Group - Crest

- The vast majority, close to 80% of all seafood eatings occur in-home.
- This compares to 21% of seafood eatings done away-from-home.
- Of these, about 17% of eatings are done in restaurants, of which only 1% are at fine dining establishments.
- In contrast, only 4% of all seafood eatings occur at non-commercial outlets.

AT HOME EATINGS DISTRIBUTION OUTLETS

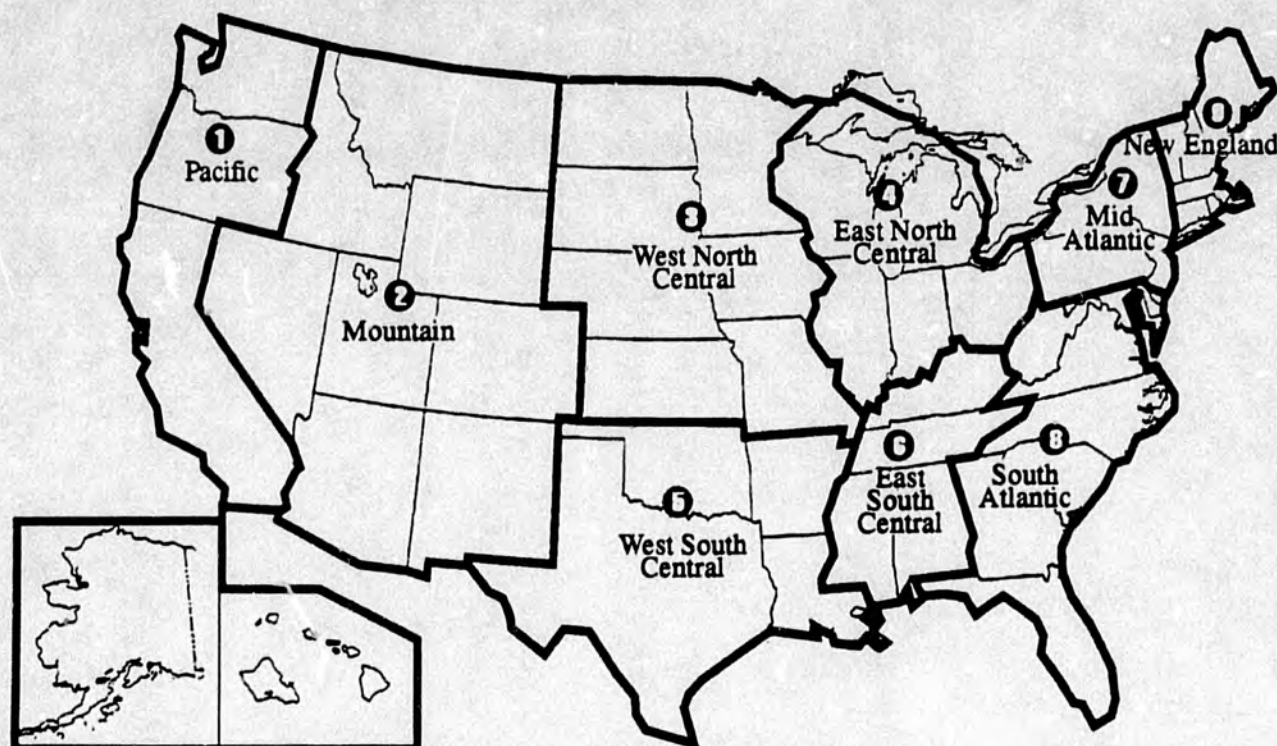
The following are the leading retail chains where consumers purchase their food for consumption at home:

A. Leading National Chains

	<u>Sales</u> <u>(\$ Billion)</u>	<u>Units</u>	<u>Divisions</u>
1. The Kroger Co.	20.3	1250	Kroger
2. American Stores	18.5	1149	Lucky, Jewel, Acme, Star
3. Safeway	15.0	1112	Safeway
4. Winn Dixie	10.0	1221	Winn Dixie
5. A&P	9.4	1257	A&P, Super Fresh, Waldbaum's, Farmer Jacks, Kohl's Food Emporium
6. Albertsons	8.2	539	Albertsons
7. Publix	5.8	378	Publix, Food World
8. Supermarket General	5.7	211	Pathmark, Heartland, Angelo's
9. Food Lion	5.6	778	Food Lion
10. The Vons Companies	5.3	3208	Vons, Tiangas, Pantry, Pavillions, Pavillions Place

- For the retail market, national headquarters are important and have historically been the retail focus for ASMI. The many divisions of the major chains have had limited attention from ASMI, due to limited resources.
- In the last several years, ASMI's Marketing Director has concentrated a majority of his efforts on key national chains with good success. Deeper, more concentrated results will require the coordination of both National Account calls and Division Operating Unit calls. More intense coverage will expand the type of programs that can be successfully implemented.

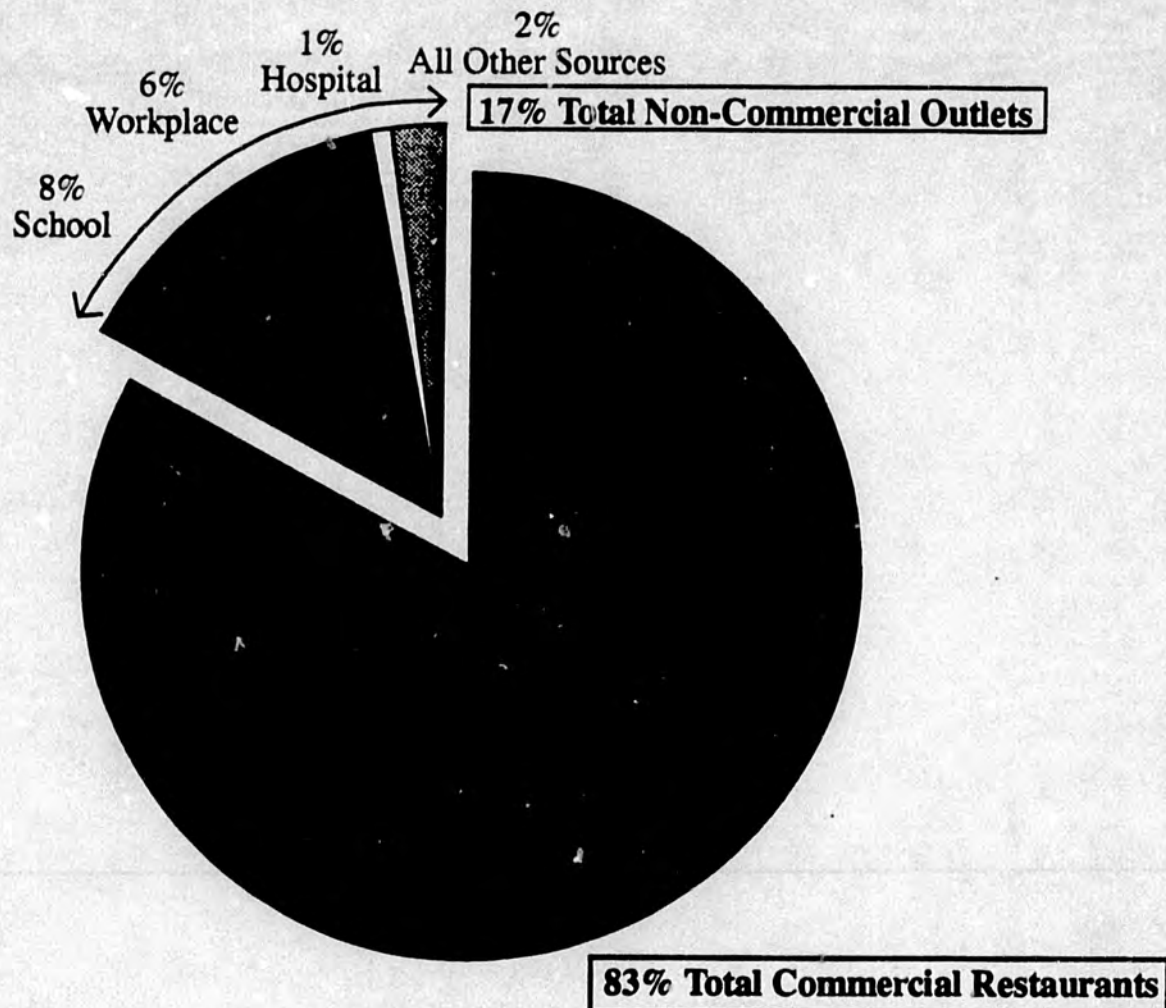
REGIONAL RETAIL CHAIN HEADQUARTERS



<u>Region</u>	<u>Key Chain Headquarters</u>	<u>%National Grocery Volume</u>
1. Pacific Region	19	6.1
2. Mountain	9	1.1
3. West North Central	10	1.9
4. East North Central	18	4.6
5. West South Central	16	3.1
6. East South Central	2	.3
7. Mid Atlantic	24	6.6
8. South Atlantic	14	2.7
9. New England	<u>6</u>	<u>1.6</u>
	118	28.0

- On a regional basis, these key chain headquarters are the trend-setting accounts in the largest 38 U.S. cities.
- In most major markets there are many key accounts to call on in order to ensure proper coverage in these areas. For example, in Los Angeles there are 7 grocery headquarter calls to be made: Houston, 6; Chicago, 6; New York, 10; and Philadelphia, 7.

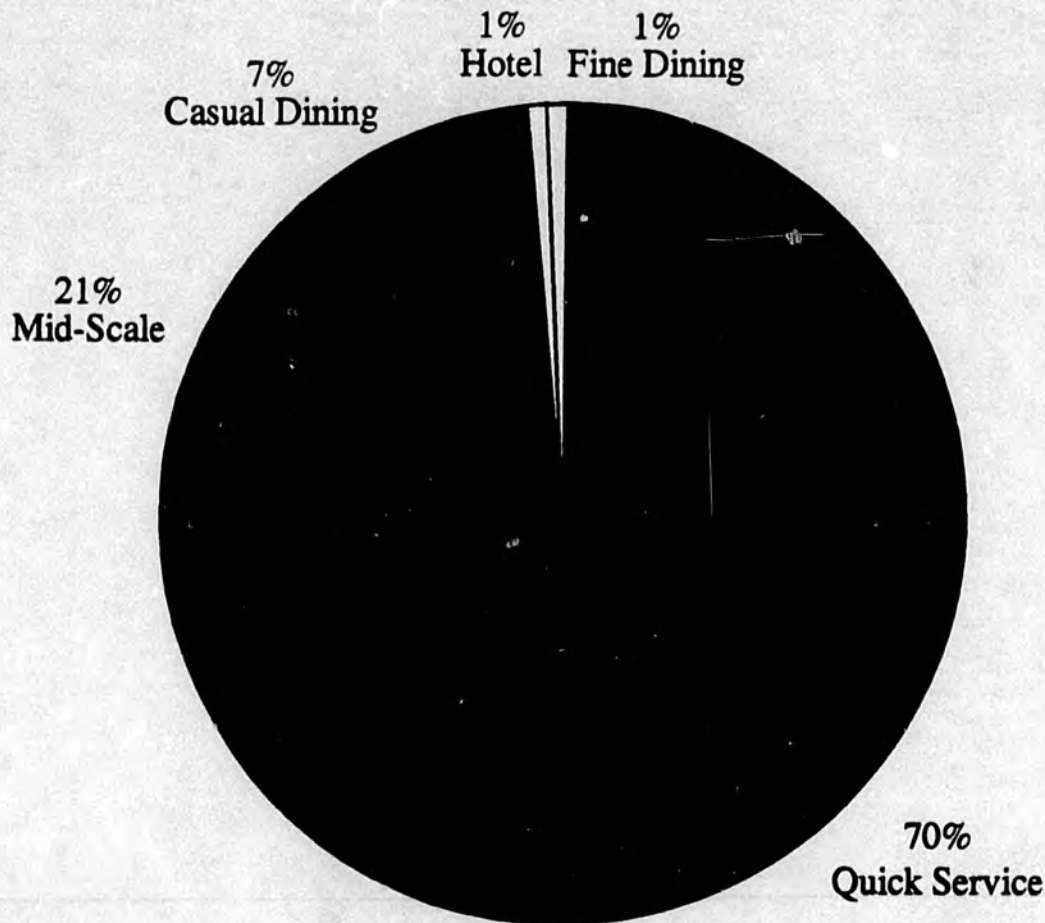
AWAY FROM HOME FISH/SEAFOOD EATINGS BY SOURCE



Source: NPD Group - Crest

- Commercial restaurants dominate out of home eatings. Of the two seafood eating occasions that happen "away from home" (8 out of 10 eatings were at home), 83% took place in commercial restaurants.
- While the non-commercial segment of the foodservice market is a much smaller portion (only 17%), it should not be ignored. Access in this category can be simplified if products are sold in with key distributors.

COMMERCIAL RESTAURANTS Segment Breakdown



Source: NPD Group - Crest

- Of the four primary commercial foodservice segments studied, (quick service, casual theme, midscale and fine dining), we know that seafood is served at 1 out of 14 restaurant meals versus beef, the top protein, at 1 out of 4 meals.
- With steady increases since 1988, casual dining concepts appear to be gaining over all other segments in fish/seafood restaurant traffic.
- Casual theme and some family-style restaurants afford the greatest opportunities to promote Alaska fresh and fresh/frozen seafood, while fine dining continues to be the biggest opportunity for fresh seafood.
- Casual-theme and family-style segments offer an abundance of national and regional chains that are renewing their emphasis on menu expansion and promotions within the early evening, early news and prime time periods as a means of competitive differentiation and long-term growth.

FISH/SEAFOOD EATINGS BY RESTAURANT TYPE

Region Indices

Region	QSR	TOTAL Midscale:	Family Style	Family Steak	Midscale Fish/Seafood Specialty	Casual	Fine Dining
New England	82	127	103	51	203	159	208
Mid-Atlantic	87	106	132	67	56	114	167
East North Central	111	98	101	101	57	98	69
West North Central	83	74	69	104	35	54	30
South Atlantic	114	114	123	104	178	124	103
East South Central	186	109	125	145	200	64	44
West South Central	112	110	49	133	141	99	73
Mountain	62	77	82	84	24	67	80
Pacific	67	80	87	106	55	88	109

Source: The NPD Group - National Eating Trends

- Midscale, casual, and fine dining restaurants all index high in the New England area.
- Midscale and casual restaurants also index high in the South Atlantic Region, showing potential areas of opportunity for ASMI.
- The Mountain and Pacific Regions tend to index low across all categories, showing an area of lower priority for ASMI.

NOTE: Index numbers represent the difference of average per capita usage of seafood versus the national level per capita usage. For example: Per capita average seafood consumption is 15 lbs. on a national basis. An index of 110 means that a market consumes 16.5 lbs. or 10% more than the national average.

TOP 10 CASUAL DINNER-HOUSE CHAINS

<u>RANK</u>	<u>CHAIN</u>	<u>HEADQUARTER LOCATION</u>	<u>1994 SALES (Million \$'s)</u>	<u>UNITS</u>
1	Red Lobster	Orlando, FL	1848.0	660
2	Olive Garden	Orlando, FL	1300.0	479
3	Chili's Grill & Bar	Dallas, TX	950.0	415
4	Applebee's Neighborhood Grill & Bar	Dallas, TX	848.0	481
5	T.G.I. Friday's	Dallas, TX	722.8	269
6	Outback Steakhouse	Tampa, FL	531.6	205
7	Bennigan's	Dallas, TX	446.7	223
8	Ruby Tuesday	Mobile, AL	433.2	268
9	Chi-Chi's	Louisville, KY	430.6	216
10	Ground Round	Braintree, MA	315.0	215

LEADING FAMILY-STYLE CHAINS

<u>RANK</u>	<u>CHAIN</u>	<u>HEADQUARTER LOCATION</u>	<u>1994 SALES (Million \$'s)</u>	<u>UNITS</u>
1	Denny's	Spartanburg, SC	1555.2	1452
2	Shoney's	Nashville, TN	1384.0	957
3	Big Boy	Warren, MI	1024.0	869
4	Cracker Barrel Old Country Store	Lebanon, TN	805.2	218
5	Friendly's Restaurants	Wilbraham, MA	645.0	753
6	International House of Pancakes	Glendale, CA	632.5	622
7	Perkins	Memphis, TN	626.5	455
8	Bob Evans Farms	Columbus, OH	513.9	355
9	Coco's	Irvine, CA	280.3	185
10	Waffle House	Norcross, GA	279.5	810

LEADING FAMILY STEAK CHAINS

<u>RANK</u>	<u>CHAIN</u>	<u>HEADQUARTER LOCATION</u>	<u>1994 SALES (Million \$'s)</u>	<u>UNITS</u>
1	Ponderosa Steakhouse	Dallas, TX	750.5	747
2	Sizzler	Los Angeles, CA	620.5	560
3	Golden Corral	Raleigh, NC	575.0	430
4	Ryan's Family Steak House	Greer, SC	498.0	240
5	Western Sizzlin'	Nashville, TN	360.0	300
6	Quincy's Family Steakhouse	Spartanburg, SC	282.7	211
7	Bonanza	Dayton, OH	245.6	250

- Headquarter calls as well as division headquarter calls are needed to get national accounts menuing and promoting Alaska Seafood.

TOP TEN BROADLINE DISTRIBUTORS **Ranked by 1994 U.S. Systemwide Sales**

	<u># of Units</u>	<u>Sales (Millions \$'s)</u>
1. Sysco Corporation	106	\$10,700
2. Kraft Foods	43	3,800
3. US Food Service	14	1,530
4. Ry Kott - Sexton	26	1,500
5. PYA/Monarch	8	1,380
6. J.P. Food Service	14	1,200
7. Gordon Food Service	2	910
8. Food Service of America	16	825
9. Consolidated Food Service Cos.	5	485
10. Shamrock Foods Company	2	455

- There are 50 Broadline Distributors that have units located in 1-43 cities throughout the U.S.
- As with retail, the largest Broadline Distributors require headquarter calls as well as division unit calls to gain maximum results.

NON-COMMERCIAL FOODSERVICE MARKET

The non-commercial foodservice business is comprised of the following segments:

	<u>% Sales</u>	<u>#Units In Thousands</u>
Health Care	23%	27.0
Schools/Colleges	34%	18.7
Business & Industry (B&I)	23%	15.7
Other (military, prisons, vending, catering, etc.)	20%	57.0
	100%	118.4

- Business and Industry (B&I) offers the best opportunity for ASMI in this segment. Other areas in the non-commercial side tend to be much more fragmented (i.e., individual locations that must be sold to separately rather than "chains") and often are on a bid, low cost, contract basis. On the other hand, the B&I segment tends to be controlled by "contract management" firms that often manage over 1,000 accounts. Because of this, they tend to be willing to work to develop usage and theme programs for their volume.
- Within the B&I segment, the top contract management firms are as follows:

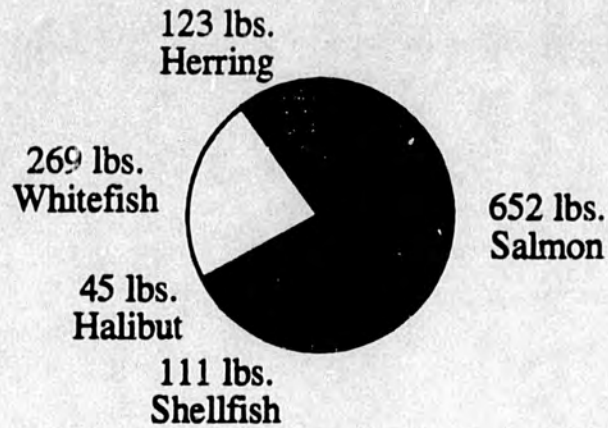
	<u>Sales Volume</u>	<u># of Contracts</u>
Marriott	\$4 Billion	3,333
ARA Sevvo	\$3 Billion	2,724
Canteen	\$1.4 Billion	2,064

- Overall, there are 52 primary contract management firms throughout the U.S. with headquarters and contracts widely dispersed.

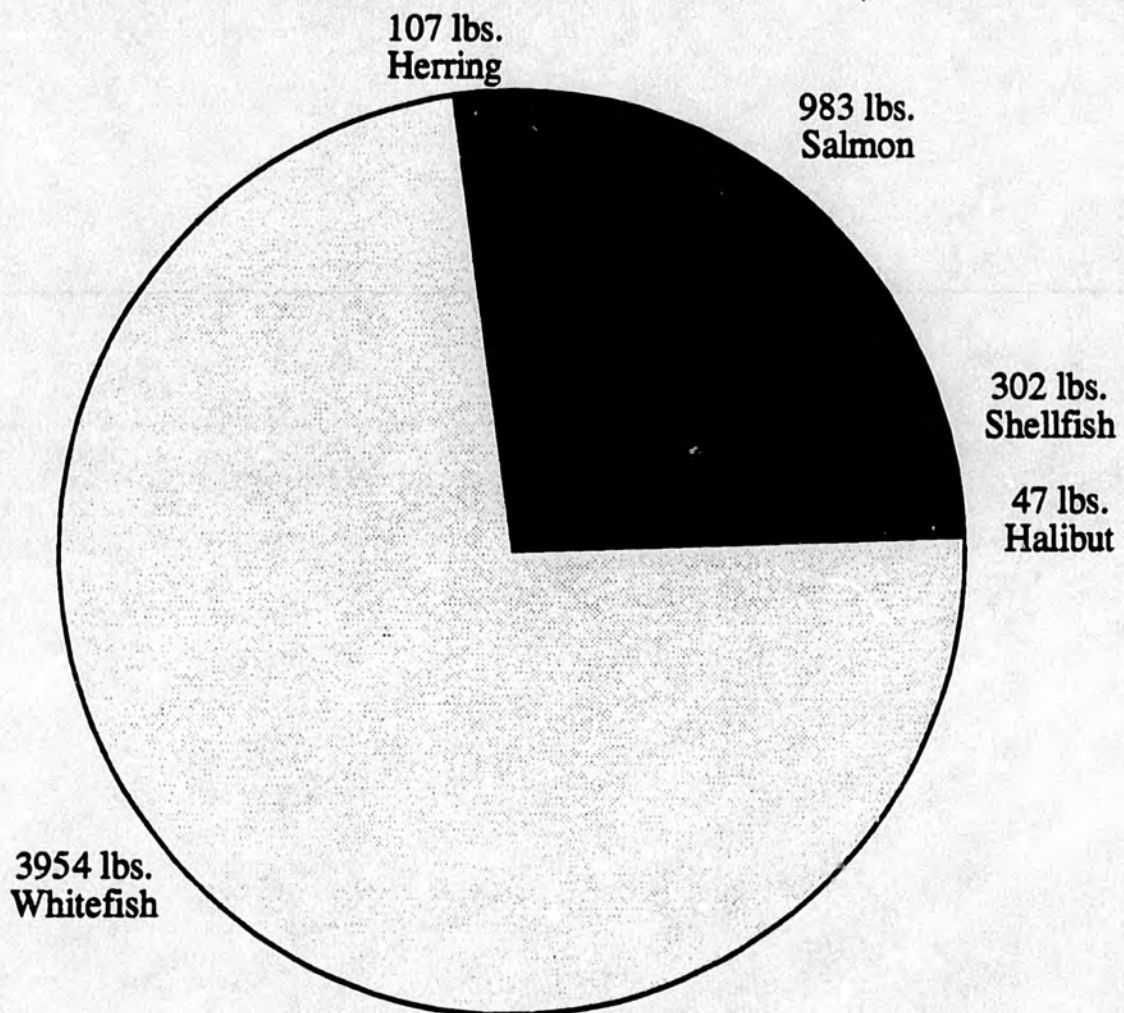
VOLUME & SALES

ALASKA SEAFOOD VOLUME BY HARVEST

1985 Alaska Harvest By Species
Millions of Pounds = 1,200.5



1993 Alaska Harvest By Species
Millions of Pounds = 5,905.6



01/29/92 Source: Alaska Fish and Game May 1994 U.S. Dept. of Commerce

**VOLUME & SALES
1994/95 HARVEST OUTLOOK
ALASKA SEAFOOD**

I. Salmon: High volumes for canned pink salmon; fresh/frozen volumes are low

- Total supply of red salmon from Alaska will be approximately 72,000 tons (some 53,000 tons coming from Bristol Bay alone) and some 22,000 tons are dressed reds from the rest of the state. Canned red salmon from Bristol Bay is estimated at around 660,000 cases. This leaves about 69,000 tons going to frozen from the Bay. At 75% yield, total supply of dressed reds from Bristol Bay should be about 44,000 tons (source: B. Atkinson).
- Chum, coho, and king volumes are healthy; SE chum and coho stocks were especially strong this year. Expect good supplies of frozen chum and coho for some time.

II. Whitefish

- Overall, halibut biomass is declining, but the resource is carefully managed (IHPC). In 1994, halibut will be down about 6 million pounds from the 1993, 48 million harvest level.
- Pollock supplies approximate last year's harvest volume. There will be good inventories of fillets.

III. Shellfish

- Supplies of king crab will be down in 1994 due to closures of Bristol Bay. B.B. was originally expected to supply the market with as much as 16 million pounds of king crab. A red king crab closure in the Pribilofs will also eliminate an expected 2 million pounds of supply from that area. This, in effect, eliminates the king crab supply from Alaska in 1994.

CHARACTERISTICS OF THE MARKET

Fresh/Frozen Salmon

A. Highest Development: Salmon's Best Markets

		<u>Penetration Indices</u>	<u>Volume/Eatings Indices</u>
Regions:	Pacific	187	196
	South Atlantic	121	132
	Mountain	116	106
Cities:	2,500M+	127	131
	1,000M-2,500M	111	98
Income:	\$40M - 50M	122	121
	\$50M - 70M	105	111
	\$70M +	154	175
Occupation:	Retired	150	140
Household Size:	Two	153	148
Age:	45 - 54	118	117
	55 - 64	167	152
	65+	145	131
Education:	College Grad	112	112

B. Average Development: Salmon's Highest Potential

Regions:	East North Central	88	88
	West North Central	86	74
	East South Central	78	89
	West South Central	83	73
Cities:	1,000M+		
Consumer:	Upscale Empty Nester		

Note: Other demographics for this group, i.e. income, education, etc., are the same as those for the above, Salmon's Best Markets.

CHARACTERISTICS OF THE MARKET

Other Finfish

- Each region has finfish species that are strong due to local availability (local/regional fish).
- Key Alaska whitefish species are strongest in the following regions:

		<u>Index</u>
Halibut:	Pacific	418
	Mountain	230
	East North Central	85
Cod:	Pacific	204
	Mountain	157
Sole:	Pacific	238
	Mountain	121
	New England	125
	Mid Atlantic	133

NOTE: Focus Group studies on whitefish are currently being done to further expand this profile.

- The majority of volume is found in city sizes of:
 - 2,500M +
 - 1,000 - 2,500M
- The highest potential:
 - New distribution
 - Undeveloped North and South Central regions
- Fresh and fresh/frozen fish usage:

* Fish Dishes	40%
* Combination Dishes	17%
* Sandwiches	15%
* Salad	8%
* Seafood Dishes	8%
* Soup	4%
* Other	6%

CHARACTERISTICS OF THE MARKET

Canned Salmon

A. Total Canned

		<u>Penetration</u>	<u>Volume/Eatings</u>
Regions:	West North Central	131	134
	South Atlantic	131	134
	East South Central	151	162
	West South Central	107	107
City Sizes:	Large 2,500M+	107	111
	Medium 500M - 1,000M	112	113
	Small (non SMSA)	116	116

Consumer:

- There are two main users of canned salmon:
 - Low income families in small, medium-size cities using low cost food alternatives for their families.
 - Low income/high income empty nesters out of the work-force stretching fixed income dollars and using products perceived as healthy.
- There is also an emerging user of canned salmon:
 - Middle income, large families wanting quick, efficient meal preparation and meal extension alternatives.
 - The age demographics have expanded to a wider profile. People between 45-54 years of age have shown an increased penetration and usage of canned salmon.
- Additional Focus Group Research is being done on canned salmon to further define this market.

CHARACTERISTICS OF THE MARKET

Canned Salmon (cont.)

- Canned salmon is dominated by pinks. Pink and red salmon appeal to different markets; pink appeal is more downscale, while red appeal is more upscale, due to price and perceived quality image.
- Pink salmon skews heavily to:
 - South (Atlantic and South Central Regions); secondarily North Central
 - Non-SMSA regions
 - Older, 45+, empty nesters, "getting by", to poorer households
 - Two - five-member households
 - Black households
- Red salmon skews more to:
 - East, secondarily West and North Central
 - Very large and smaller cities (2,500M+ and secondarily 50M-250M)
 - Older, 55+, empty nesters and older singles, more affluent
 - Two-member households
 - All ethnic backgrounds

B. Canned Salmon Usage

- If a household uses one type of fresh/frozen fish/seafood they are more likely to use other types, including canned salmon.
- Canned salmon is eaten more "as is" (38%) vs. tuna (11%).
 - Tuna used predominantly in sandwiches
 - Salmon used most frequently in fish dishes (e.g., croquettes)

Canned Tuna

Sandwiches	67%
Salad	17%
Combination Dishes	7%
Fish Dishes	2%
Other	5%

Canned Salmon

Fish Dishes	64%
(Croquettes 48%, Loaf 7%)	
Sandwich	22%
Salad	6%
Combination Dishes	3%
Other	5%

- Canned Salmon does not appear as versatile to consumers as tuna.
- Purchasing canned salmon is not top of mind for most consumers. Display and ad features are the key components to purchase.

CHARACTERISTICS OF THE MARKET

Fresh/Frozen Crab User

- Fresh/frozen crab users are most likely to be (strongest):
 - South Atlantic, secondarily West South Central Region
 - Larger cities (1,000M - 2,500M) and smaller cities (50M - 250M)
 - Middle/higher income (\$30,000 - 49,999)
 - 2-5 person households
 - Middle age (45-54, secondarily 55-64) to empty nesters, kids 13-17 years
 - High school graduate, (female head)
- Markets with average to slightly below average potential include:
 - West North Central, Pacific
 - Largest cities (2,500M+) and non-SMSA
 - Incomes \$50,000+
 - Blue collar, white collar
 - 3-4 person households
 - Older (65+), middle age 45+, 54+ years
 - Those with any children and no children
 - College graduates
- A review of shrimp usage shows that consumers perceive it to be easier to use than crab and is more versatile, thus is used in more combination dishes.
- Shrimp is also seen as having more value. It's a lower cost alternative.

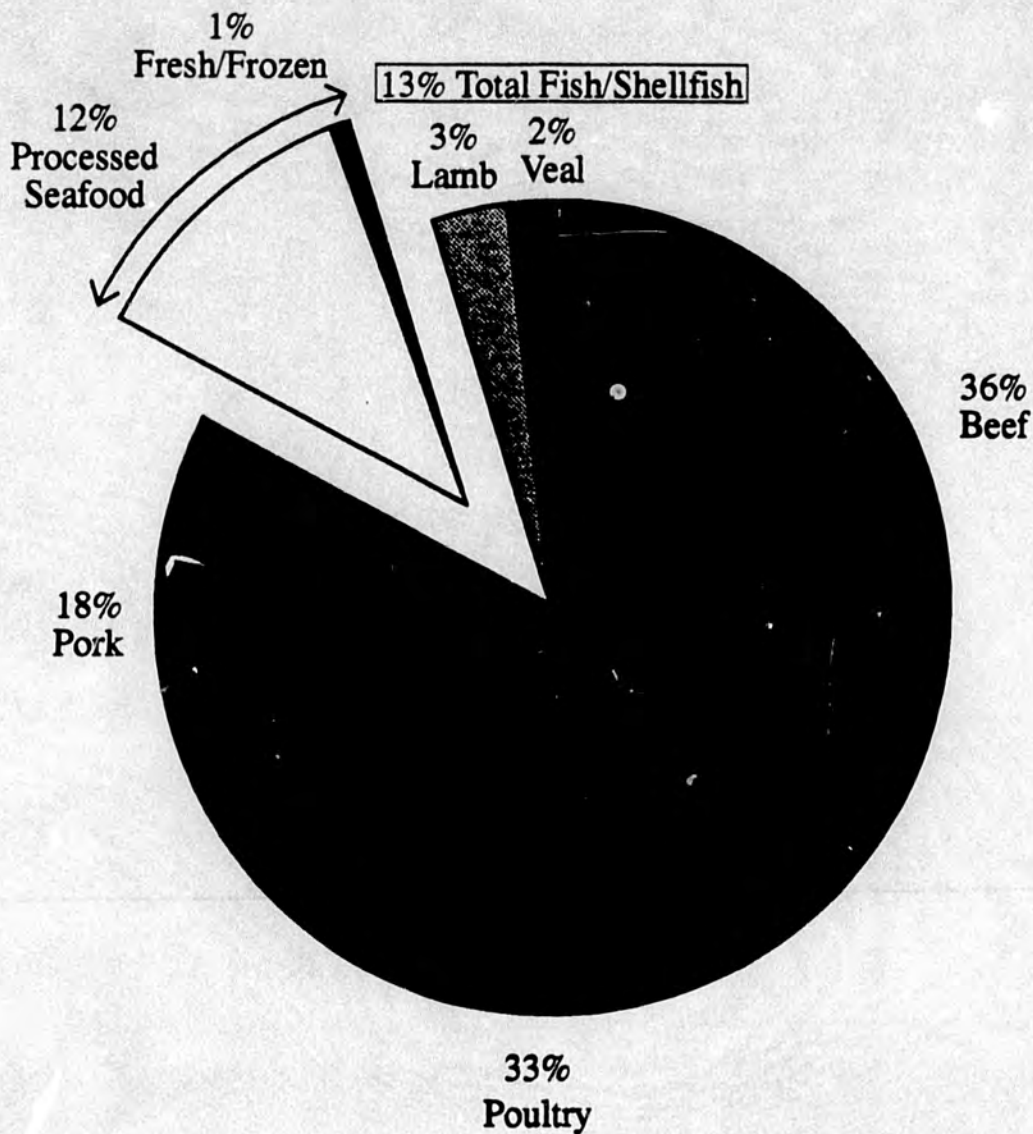
Crab

Combination Dishes	26%
Seafood Salad	22%
Soup	11%
Seafood Sandwich	9%
Seafood Dishes	5%

Shrimp

Combination Dishes	43%
Seafood Salad	16%
Breaded Shrimp	9%
Soup	8%
Other	7%

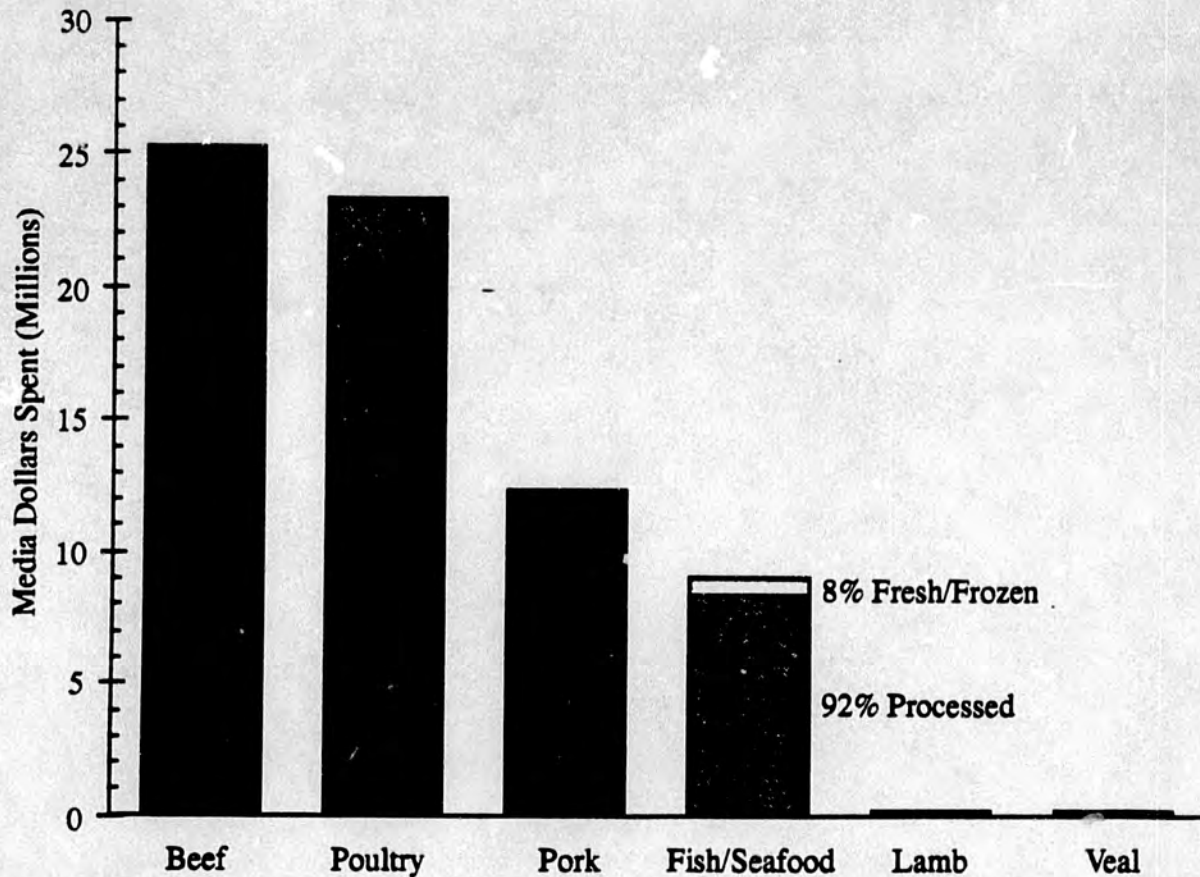
1993 SHARE OF VOICE



Source: LNA Competitive Spending Analysis

- With 36% of the share of voice, beef continues to maintain its number one standing.
- Poultry, which includes both turkey and chicken, also maintains a high share of voice at 33%.
- Pork is the only category showing consistent gains in share of voice over the past five years.
- Fish/shellfish currently holds a 13% share of voice, down from 17% last year and a high of 27% in 1990.
- Of this, fresh and fresh frozen seafood have never had a significant share of voice, currently representing only 1% of the total meat and seafood category.

1993 MEDIA SPENDINGS

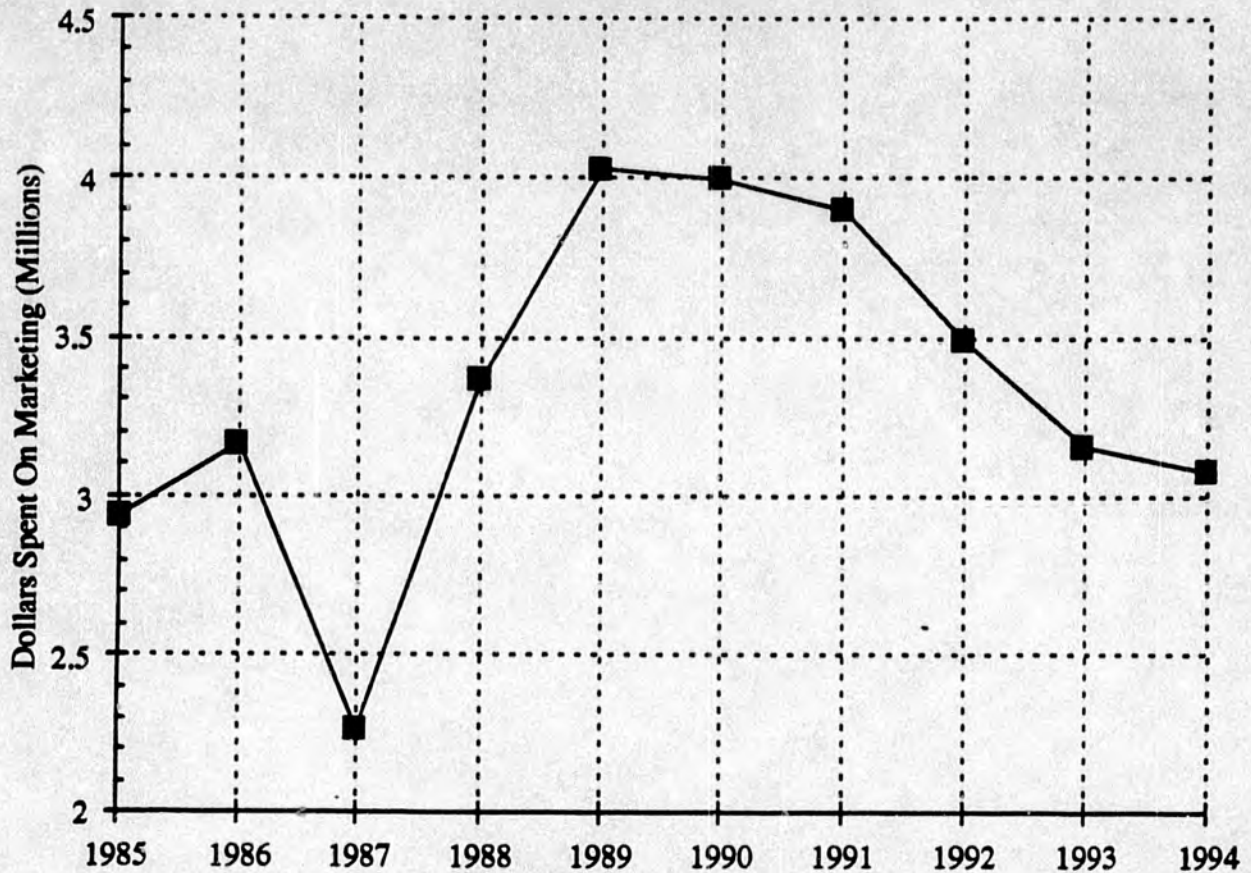


Source: LNA Competitive Spending Analysis

- Beef continues to lead the category in media expenditures, spending over \$25 million dollars this past year.
- Fish/shellfish saw one of the biggest declines in media spending over the last year, spending close to \$7 million less than in 1992.
- Fresh/frozen makes up 40% of the total fish/seafood eaten, 45% is canned, and only 15% for frozen/processed seafood, but the frozen/processed category spends over 10 times more to advertise its products than the fresh/frozen/canned category.
- As a result, the primary consumer advertising message received is about frozen processed seafood. - i.e., fishsticks, etc.

ASMI SPENDING HISTORY

Marketing Dollars



Source: Alaska Seafood Marketing Institute

- Last year, ASMI spent just over \$3 million on Marketing.
- This compares to a high four years ago of over \$4 million.
- Of this, only about \$750,000 was in media spending.
- In contrast, both the beef and poultry industries spend about \$25 million each year on advertising alone.
- With this limited marketing budget, Alaska Seafood faces stiff competition in its efforts to be "heard" — both within the seafood category (versus processed seafood), as well as against other major protein sources that spend far more dollars to get their messages out to people.

ALASKA SEAFOOD

Consumer Attitudes And Perceptions

1. Total unaided awareness of Alaska as a seafood-producing region:

ASMI Mktg. \$	4 million	3.5 million	3.2 million	3.1 million
	<u>Jan. '90</u>	<u>Apr. '92</u>	<u>Apr. '93</u>	<u>Mar. '94</u>
Awareness	17%	21%	20%	21%

2. Mentions of Alaska as the one best region for seafood; all mentions of Alaska as a producer of high-quality seafood:

	<u>Jan. '90</u>	<u>Apr. '92</u>	<u>Apr. '93</u>	<u>Mar. '94</u>
Best	8%	29%	21%	10%
All Mentions	15	18	19	19

3. Incidence of purchasing fresh, frozen, canned, or smoked Alaska Seafood in the past month:

	<u>Jan. '90</u>	<u>Apr. '92</u>	<u>Apr. '93</u>	<u>Mar. '94</u>
Total	12%	19%	20%	23%
West	21	21	24	29
Central	11	21	21	22
East	10	15	15	17

4. "Freshness" as a reason for purchase:

	<u>Jan. '90</u>	<u>Apr. '92</u>	<u>Apr. '93</u>	<u>Mar. '94</u>
Freshness	8%	9%	16%	37%

5. Key attitudinal measures (on a 10 point scale):

	<u>Jan. '90</u>	<u>Apr. '92</u>	<u>Apr. '93</u>	<u>Mar. '94</u>	Net Change (Jan. '90 to Mar. '94)
Good Value	6.1	6.6	6.6	6.4	+0.3
Larger Variety	4.6	5.3	5.2	5.4	+0.8
I Look for					
Alaska Seafood	3.0	3.7	3.4	4.0	+1.0
Available Year-Round	6.7	6.9	7.1	7.1	+0.4
Best Seafood Comes					
from Alaska	5.4	5.6	5.4	5.6	+0.2
Alaska Seafood					
Tastes Better	5.2	5.4	5.3	5.4	+0.2
OTHER MEASURES					
More Expensive	5.9	5.5	5.6	5.2	-0.7
Frozen Quality	3.5	4.3	3.8	4.0	+0.5

Source: '94 Tracking Study; The Research Department

6. Consumers' likelihood for future purchases of Alaska Seafood:

	<u>Jan. '90</u>	<u>Apr. '92</u>	<u>Apr. '93</u>	<u>Mar. '94</u>
Very Likely	27%	38%	33%	41%

Show increases over January 1990 for all attributes:

	<u>Jan. '90</u>	<u>Apr. '92</u>	<u>Apr. '93</u>	<u>Mar. '94</u>
Convincing	6.6	7.3	6.9	7.3
Caught My Attention	6.5	7.7	7.6	7.4
Good Reason To Buy	5.4	6.4	6.5	6.1
Alaska Seafood				
Is Better	4.7	6.7	6.2	5.9
Told Me Something				
I Didn't Know	3.7	5.2	4.9	5.0

7. Among those aware of advertising, most key measures are significantly higher among those not aware of advertising.

- Purchase fresh, frozen, canned, and smoked Alaska seafood past month.
- Most attitude and belief scores.
- Future purchase likelihood

8. Overall since 1990, the marketing program has been effective in improving attitudes and increasing actual purchase incidence and future purchase likelihood – all by significant margins.

9. The following key measures are significantly higher among cable television households:

- Attitudes:
 - Best seafood comes from Alaska
 - Tastes better
- Future purchase likelihood
- Advertising attitudes
 - Convincing
 - Told me something I didn't know
- Specific ad recall (Alaska Fisherman TV commercial)

Source: '94 Tracking Study; The Research Department

PROMOTIONAL HISTORY

Success Stories

The following programs have proven to be very successful for ASMI and should continue to be utilized:

:30/:30 RADIO – Offering :30/:30 radio packages to leading retailers in select cities across the country has highlighted the availability of Alaska canned salmon products at store level. In exchange, retailers must have met pre-specified promotional requirements and show proof of advertising.

- Helps build retail markets for Alaska Seafood with grocery buyers.
- Increases volume by gaining displays and ad feature activity with retail chains.
- Builds sales in the canned seafood departments and works to establish relationships with grocery buyers. (We are currently executing a fresh/frozen program with national chains.)

INCENTIVES – Incentives encourage retailers to promote Alaska Seafood during specific time periods, both through advertising and in-store demos. In exchange for the chance to win, retailers must have met pre-specified promotional requirements and have backed up results with proof of advertising features.

- Successful incentives have included all-expense paid fishing trips to Alaska and luxury cruises through Alaska's Inside Passage.
- Helped build retail markets for Alaska Seafood with grocery buyers.
- Increased volumes by gaining displays and ad feature activity with chains.
- Built loyalty with retailers, while generating excitement of Alaska Seafood in both the fresh and fresh frozen seafood and canned seafood departments.

IN-STORE DEMOS – In-store demo packages have been used with leading retailers in select cities, in return for stocking, promoting, displaying and running ad features on the agreed-to product form.

- In-store demos have included such things as staff training seminars by Chef Puetz and in-store demos by authentic Alaska fishermen.
- Helped build retail and consumer markets for fresh-frozen Alaska salmon.
- Increased volume by allowing customers to try Alaska seafood at no cost.
- Educated retailers and consumers on product usage and cooking techniques.
- Increased volumes due to feature value-pricing during demo period.

FOODSERVICE PROMOTIONS — Foodservice concentrated primarily on casual-theme and family chains, as well as non-commercial B&I contract management companies looking to expand their menus to include more seafood. Promotions featuring multiple species menus, rather than being species specific, ran for a minimum of 30 days and carried an "Alaska Seafood Festival" theme, the Alaska Seafood logo, and "branded" Alaska Seafood menu items. Participating outlets included the Westin, Omni, Marriott, Hyatt, and Hilton Hotels, as well as Stuart Anderson's, Bob's Big Boy, Sfuzzi, and the Melting Pot restaurant chains. Non-commercial operations who participated included Kodak, Ford Motor Company, Marriott, and Guckenheimer contract management companies.

- Promotions offered high returns on investment and worked to move cases of Alaska Seafood.
- Helped to establish positive operator feedback, and increased sales/case movement, Alaska seafood menu placement, consumer traffic, and repeat promotions with those who participated.
- A more organized effort by the Regional Marketing Managers on a targeted regional basis could help expand the results of these types of promotions in the future.
- Continued National Account Calls along with Regional Calls will benefit Alaska Seafood with Foodservice Operators long term.

PROMOTIONAL HISTORY

Not So Successful Retail Promotions

LENT RETAIL DIRECT MAIL KIT — In an effort to promote seafood purchases during the Lent period, ASMI mailed a promotional kit to select retailers across the country offering incentives if they participated in the program.

Although this direct mail program was not highly successful for ASMI. The program specifics enable us to draw some powerful conclusions that can help us to create even more successful programs in the future.

- While this program worked well with retailers who usually participate, many winners had won ASMI contests previously.
- Overall, it seems that this type of program would have been better received with more one-on-one involvement with larger individual retailers.
- Bottomline, a program of this nature can best be used to attract results from small market retailers, but must be developed on a smaller scale.

IMPLICATIONS OF FINDINGS

Retail is the biggest opportunity for growth.

- Seafood's biggest opportunity for growth is at retail. The seafood department is currently expected to be 2.4% of grocery sales at current rates by the year 2000. Current volume is 2% of grocery volume. This compares to over 14% for meat and poultry and the service deli with 4.6% of volume.
- As more and more retailers move to an everyday low price strategy, the perimeter of the store is becoming even more important for retail profits. Deli, seafood, prepared food, bakery, and produce are all seen as growth areas.
- Seafood sales volumes, particularly those of canned salmon, tend to increase in relation to in-store features and display activity.
 - ASMI should work to increase sales volumes through more in-store feature and display activity.
 - Support existing business with continuous pressure on display, feature, and ad activity with highest developed retailers.
- There is a need for better consumer education about handling, cooking and usage ideas for Alaska Seafood.
 - Expanded efforts by ASMI in retail in use of POP materials (i.e. counter cards, recipes, etc.), consumer demos, and in-store programs will increase awareness and results.
- Overall, ASMI has experienced significant success throughout the country with the use of a variety of retail programs.
- Retail programs which appear to work best for ASMI require "selling in" on the front end, and their success seems to correlate in part to the ASMI resources allotted to one-on-one interaction at the retail division level.
- The addition of Regional Marketing Managers in strategic regions of the country would help to ensure that ASMI has the resources necessary to allow continued success of these retail programs in the future.
- National headquarter calls will continue to be important to gaining results on a division/region basis.

IMPLICATIONS OF FINDINGS

Increased household penetration will build consumer usage.

- It appears that seafood in general still has great appeal to the health-conscious consumer, but with a total of 65% of at-home penetration, there is definite room to increase Alaska Seafood penetration as shown below:

Current At-Home Penetration

Canned Salmon	5.0%
Fresh and Fresh/Frozen Salmon	5.0%
Fresh and Fresh/Frozen Crab	1.8%

- The central regions of the country are the biggest areas of opportunity for increased seafood penetration and usage.
 - These markets have a below average penetration but have a high level of interest for seafood products.
 - These markets are away from the coastal areas dominated by local species.
 - The large cities in these regions show high seafood usage.
- The coastal regions have potential for increased use of non-local species because they provide a desired change of pace and variety.
- Demographically the consumer group with the largest prospect for growth lies with two distinct groups:
 - Upscale empty nesters 55+
 - Established, financially comfortable families, 45-54

IMPLICATIONS OF FINDINGS

Canned salmon has growth potential

- Marketing efforts should be directed toward getting current consumers to use canned salmon as an alternative to tuna in sandwiches and salads.
 - Show ways to use
 - Focus on sandwiches, salads, additional fish dishes
 - Simple/Easy to make meals
- Increased penetration of canned red salmon is possible among current fish/seafood users if it is positioned as a convenient substitute for fresh salmon, canned red salmon offers:
 - Quality
 - Taste
 - Versatility
 - Shelf stable (have on hand)
 - Next best thing to fresh/frozen
- Canned salmon must gain a higher level of ad features and displays to reach its full potential.
- Targeting the younger, middle income family 45-54, who currently use other protein extenders, can develop a large new user base.

Advertising must support the retail efforts

- It appears the current advertising does work to move the needle for ASMI, particularly if used in conjunction with high levels of advertising and promotional support in the retail sector.
- Advertising should be used on a region-by-region, market support basis, and should be used as leverage to gain significant cooperative efforts with key retailers.

IMPLICATIONS OF FINDINGS

Food Service has three target potentials:

1. Top 50 Broadline Foodservice Distributors
2. Commercial, chain restaurants with \$1,000M+ annual sales
 - Casual theme/specialty multi-unit chains (25+ units)
 - Mid-scale family-style, multi-unit chains segmented by menu type:
 - Fish/seafood specialty
 - Family steak
 - Cafeterias
 - Fine dining restaurants (fresh)
3. Non-commercial contract management companies who manage multi-unit contracts in the B&I, college and healthcare field

These account types must be called on nationally as well as regionally.

MISSION/STRATEGY

ASMI MISSION STATEMENT

The mission of the Alaska Seafood Marketing Institute (ASMI) is to increase the consumption of Alaska Seafood and to promote the quality and superiority of Alaska Seafood products in all areas of the domestic market.

ASMI WAVE 1 MARKETING OBJECTIVES

I. Primary Objectives

- Sell the special attributes of Alaska salmon - Determine what attributes are important to which customers so strategies can be identified and tactics set.
- Educate retailers on the benefits of frozen and canned salmon - Ease of handling issues and food safety issues, as well as quality. Get beyond the fresh issue.
- Joint marketing - Extend the reach of our budget and help broaden our reach with joint promotions, in-store demonstrations in cooperation with chains and retail with fishermen participation, menu promotions with food service institutional feeding programs. To recognize budget limitations and maximize impact.
- Focus marketing - Identify demographic groups and their needs and wants (ethnic, traditional eaters, aging populations of baby boomers, and others). Goal is target marketing.

II. Second Tier Objectives:

- 1) Nurture industry efforts to develop new product forms
- 2) Expand fresh sales in season
- 3) Standardize salmon nomenclature to avoid confusion
- 4) Provide information for intelligent business decisions (a white paper)
- 5) Cross pollinate with other commodity groups
- 6) Increase ASMI visibility and leadership in the industry

SALMON COMMITTEE OBJECTIVES

- Use 60% of the annual committee budget for short-term promotional programs, with the remaining devoted to long-term programs. Both short and long-term programs must be quantifiable;
- Boost the consumption of Alaska salmon by one-tenth pound per capita per year from the base consumption of .97 pounds per person in 1993 by concentrating on current seafood users;
- Increase the use of frozen and canned salmon at the retail and foodservice level;
- Encourage the use of standard nomenclature for Alaska salmon identified by origin in the domestic marketplace within the next two years;
- Build Alaska brand awareness by having 10% of Alaska salmon identified by origin in the domestic marketplace within the next two years;
- Change consumer attitude by 10% percent annually, from a base of 4 on a 1-10 scale, (March 1994) to increase awareness that the quality and taste of frozen seafood/salmon is just as good as fresh;
- Change consumer attitude by 10% annually from a base of 7% for fresh/frozen, first mention, (March 1994) to increase awareness of Alaska as a source of salmon;
- Increase the use of frozen and canned salmon through direct education of consumers.

STRATEGY PREMISE

With the overall goal of target marketing by ASMI, this marketing plan was developed on the basis of having:

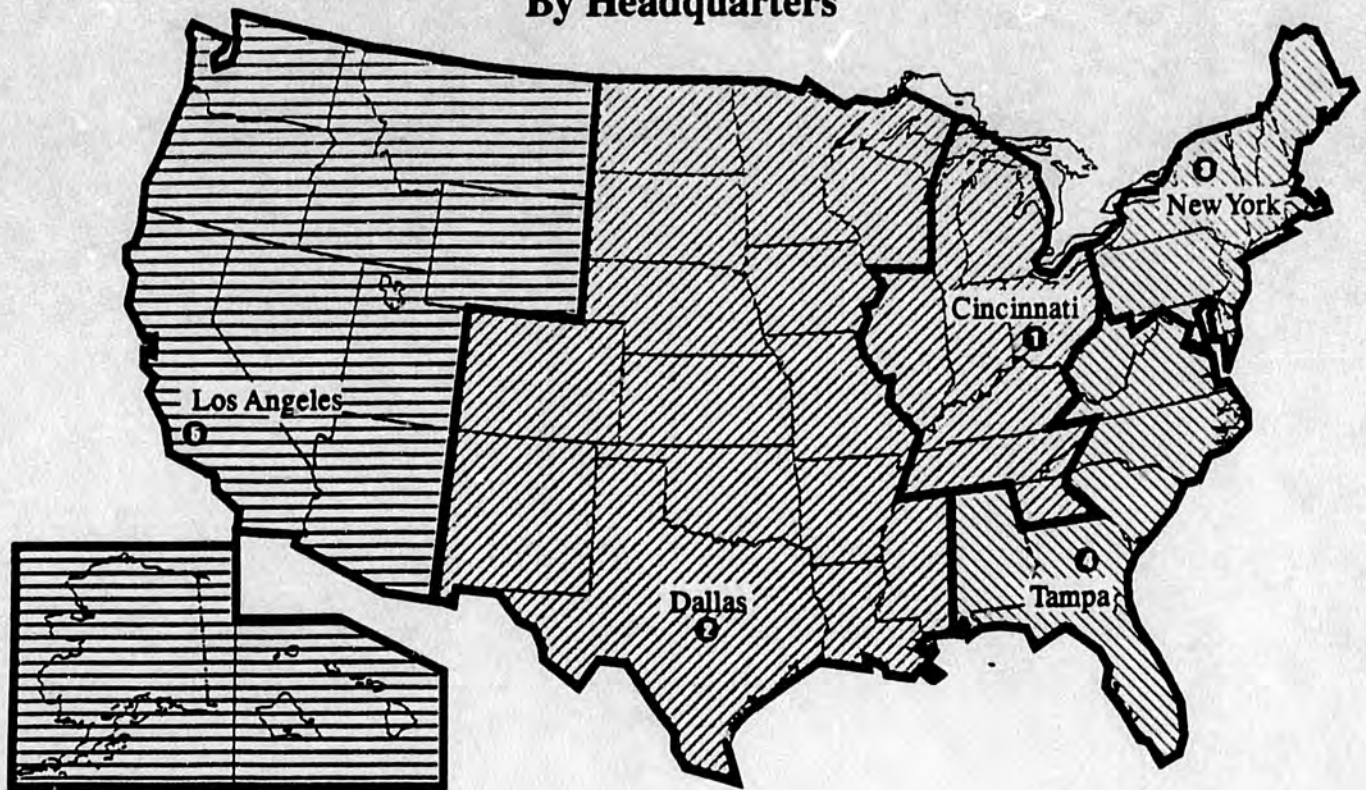
- Regional Marketing Managers to call on key retail (approximately 65%) and food service (approximately 35%) buyers on a region-by-region basis, in order of priority with the largest opportunities first.
- A focus on primary and secondary cities within regions that show the highest propensity to use seafood.
- Continued success in targeting national accounts in both the retail and food service segments.
- All marketing spending focused on a region-by-region basis.

This will be accomplished by rolling out an expansion of this marketing program in three phases. This will enable ASMI staff to evaluate progress, understand results, fine tune programs, and maximize results.

Programs must be adaptable to changes of species needs on a year-to-year basis taking into account:

- The fluctuation of product availability
- Species revenue generation/budget breakdown
- Individual committee objectives

SUPPORT/PERSONNEL TERRITORY BREAKDOWN By Headquarters



This Marketing Program is based on funding for the following personnel during the time periods outlined:

I. PHASE 1: JANUARY - JUNE, 1995:

- Retail Marketing Director
 - Two Regional Marketing Managers
 - Territory One: Cincinnati Region
 - Territory Two: Dallas Region
- Food Service Marketing Director
- Two Administrative Assistants

II. PHASE 2: JULY, 1995 - DECEMBER, 1995:

- All of the above, plus:
 - Two Additional Regional Marketing Managers
 - Territory Three: New York Region
 - Territory Four: Tampa Region

III. PHASE 3: DECEMBER, 1995 - JUNE, 1996

- All of the above, plus:
 - One Additional Regional Marketing Manager
 - Territory Five: Los Angeles Region
 - Assistant Food Service Manager

ALASKA SEAFOOD TERRITORY DEFINITION

TERRITORY ONE

<u>Primary Markets</u>	<u>Index</u>
Chicago	118
Detroit	118
Pittsburgh	118
St. Louis	137

<u>Secondary Markets</u>	<u>Index</u>
Atlanta	104
Cincinnati	92
Cleveland	92
Columbus	92
Grand Rapids	92
Indianapolis	92
Memphis	66
Nashville	66

TERRITORY THREE

<u>Primary Markets</u>	<u>Index</u>
Boston	134
Hartford	117
New York	121
Philadelphia	121
Orlando	98

<u>Secondary Markets</u>	<u>Index</u>
Baltimore	104
Buffalo	100
Harrisburg	92
Washington D.C.	104

TERRITORY TWO

<u>Primary Markets</u>	<u>Index</u>
Dallas/Ft. Worth	141
Minneapolis	137
Oklahoma City	141
San Antonio	141

<u>Secondary Markets</u>	<u>Index</u>
Denver	104
Houston	103
Kansas City	101
Milwaukee	92
New Orleans	101

TERRITORY FOUR

<u>Secondary Markets</u>	<u>Index</u>
Charlotte	98
Greenville	98
Miami	98
Norfolk	98
Raleigh	103
West Palm Beach	103

TERRITORY FIVE

<u>Secondary Markets</u>	<u>Index</u>
Los Angeles	110
Phoenix/Mesa	104
Sacramento	111
Seattle	111
San Diego	110
Portland	111
Salt Lake City	111
San Francisco	111

NOTE: Index numbers represent the difference of average per capita usage of seafood versus the national level per capita usage. For example: Per capita average seafood consumption is 15 lbs. on a national basis. An index of 110 means that a market consumes 16.5 lbs. or 10% more than the national average.

RETAIL PROGRAM

RETAIL PROGRAM

I. OBJECTIVES

1. Develop distribution and identity for Alaska Seafood at the retail level.
2. Gain three ad features for three items, during key periods with each national chain:

 Fall: National Seafood Month, August 15 - November 11
 Winter: Lent, January 1 - April 30
3. Gain three ad features for three items during key periods in key markets supported by assigned field staff with chains accounting for over 60% of All Commodity Volume:

 Fall: National Seafood Month
 Winter: Lent
 Summer: June/July
4. Increase trial of Alaska Seafood products.

II. STRATEGIES AND TACTICS

1. Use the ASMI seal to develop an identity at point-of-purchase:
 - a. Use seal as proof of performance for ad feature activities
 - b. Use Television/Radio schedules for tagged TV, :30/:30 radio to gain ad feature results and awareness of the seal.
 - c. Continue to develop collateral materials to educate consumers on handling, cooking, and recipes for Alaska Seafood.
 - d. Offer the seal in plaque form signifying retailers as quality handlers of Alaska Seafood.

2. Use successful promotions to extend feature results with select chains.
 - a. Use successful incentive programs with select chains to gain ad feature results:
 - 50 cruise line trips
 - 25 fishing trips
 - b. Develop five themed newspaper run of page (ROP) programs for each major promotion to communicate product and gain features with select chains
 - full page
 - 1/2 page
 - 1/4 page
 - c. Introduce an ad coupon program to retailers to motivate consumers with trial of Alaska Seafood.
3. Extend Alaska Seafood trial by introduction of an education program to retail trade and consumer.
 - a. One day demonstration program to 25 chains:
 1. Training seminar with Gary Puetz with demo staff in the morning
 2. Training seminar with Gary Puetz for chain staff in the afternoon
 - b. Demonstration program at retail level with 25% of stores of 25 chains participating
 - Use fishermen wherever possible to increase results of this program
 - c. Attend two trade shows per year and demonstrate Alaska Seafood Products
 - Boston Seafood Show
 - Long Beach Seafood Show
 - d. Conduct two market education trips for fishermen to develop an understanding of the selling process from wholesalers, buyers, and retail stores. Use this program to further educate retailers of seafood from Alaska
 - two times per year
 - 8 fishermen
 - 4 processor sales personnel
 - e. Continue the Alaska education trip for retailers, food service operators, and magazine editors. Include fishing plant tours, observing gill netters/trollers, viewing a resource presentation, and tasting Alaska Seafood.
4. Develop a National Retail Advisory Council to meet and develop ideas to better promote Alaska Seafood at the retail level.

FOODSERVICE PROGRAM

FOODSERVICE PROGRAM

I. OBJECTIVES

- Increase sales of fresh, fresh/frozen, and canned Alaska seafood by increasing the menuing of Alaska seafood in targeted foodservice accounts during key promotional periods:

Fall: National Seafood Month, August 15 – November 11

Lent: January 1 - April 30

- Gain penetration of Alaska seafood in the top 50 Broadline Foodservice Distributors with two ad features with at least three Alaska Seafood items during these key periods.
- Achieve five Alaska seafood promotions with regional, commercial restaurant chains: casual dinner-house, family-style and/or family-steak chains within each sales territory.
- Target top 60 contract management firms; achieve Alaska seafood promotions with headquarter locations of the top 15 contract management companies.

II. STRATEGIES

- Develop high impact, regional sales promotional programs designed to increase menuing/distribution of Alaska seafood, with primary emphasis on Alaska salmon.
- Support regional promotional activity with educational programs, demonstrations, recipes and collateral materials to sell Alaska seafood's superior features/benefits.
- Utilize Regional Marketing Managers to sell-in promotional programs at the chain headquarter level on a regional basis; utilize Foodservice Marketing Director to sell-in promotions at the national account level.
- Utilize foodservice publicity to highlight successes of promotional activity.

III. TACTICS

1. Direct Mail

On a regional basis, execute direct mail programs to targeted foodservice and distributor accounts:

- Develop an ASMI Foodservice Newsletter designed to create visibility for the entire line with emphasis on the five species of Alaska salmon.
- Highlight successful restaurant case histories and promotions using Alaska seafood, and key contests, special event notices.

2. Trade Show Conferences/Seminars

Attend the most influential trade shows and conferences to create visibility among key target audience decision makers:

- National Restaurant Show
- American Culinary Federation (chefs/culinary prof.)
- American Dietetic Association (healthcare, dietitians)
- Society for Foodservice Mgmt. (contract mgmt conference)

Utilize Gary Puetz as ASMI foodservice chef/spokesperson; create higher visibility for cooking demonstrations at the booth (i.e. enhance cooking station); maximize ASMI's "presence" on all trade show/conference seminar agendas.

3. Industry Round Table

To further enhance our understanding of the industry's needs, establish an annual ASMI foodservice conference/round table (i.e. focus group) at the Boston Seafood Show. Assemble a board of industry experts (operators and foodservice distributors) to "roundtable" on key issues surrounding Alaska seafood.

4. State Restaurant Association Seminars

Gain visibility through local, regional restaurant associations. Schedule demonstrations about Alaska seafood at the local events and/or trade conventions.

On a regional basis, work with select restaurant associations to organize an Alaska seafood recipe contest. Direct mail announcement and entry form to target chain accounts in foodservice newsletter.

5. Restaurant Promotions

Develop a variety of five "Alaska Seafood Promotion Kits" that provide target chains with generic "turn key" merchandising materials to promote Alaska seafood in their operations. Kits will contain poster, table tent, menu shells and recipe cards.

1. "The Wild, Alaska Seafood Promotion"
2. "Alaska Salmon Burgers"
3. "The Great Alaska Salmon Run"
4. "The Alaska Crab Festival"
5. "Great Alaska Seafood Sensations"

Schedule chain headquarter Alaska Seafood training demonstrations (with Gary Puetz) to educate chefs and regional managers on care, handling and preparation ideas.

Wherever possible, offer Alaska fishermen at kick-off promotions in flagship locations.

Incentive funds will be available to cover costs for customized chain promotions (i.e., collateral, recipe, photography support and manager/waitstaff incentives).

6. Waitstaff Training Video

Develop an educational video, "Alaska Seafood Primer" for foodservice waitstaff to build knowledge and confidence in serving Alaska seafood. Video to review background on benefits of fresh vs. fresh frozen, the range of Alaska seafood, serving tips, etc.

7. Distributor Promotions

Secure Alaska Seafood ad features within distributor flyers; develop ad slicks to encourage feature activity (i.e., at least three items must be featured).

To foster feature activity, Regional Marketing Managers will organize local incentive programs on a regional/national headquarter basis.

Conduct Alaska Seafood sales training demonstrations at local/chain headquarters of target distributors to further enhance the distributor sales representative's (DSR) understanding of the Alaska Seafood line of products, fresh frozen advantages, etc.

Develop a series of three DSR sales "tip" sheets on salmon, whitefish and shellfish to encourage sales activity and increase knowledge base.

8. **Culinary Schools/Scholarship Program**

To impact young chefs during their culinary school training, utilize Gary Puetz as spokesperson/educator on a regional basis to conduct Alaska seafood training sessions at top five culinary institutions:

- Johnson & Wales, Providence, RI
- CIA, Hyde Park, NY
- CIA, Napa, CA
- California Culinary Academy, San Francisco, CA
- New England Culinary Academy, MA

Develop an incentive program with all 5 locations to grant a \$5M Alaska Seafood Scholarship Program to the chef that demonstrates the most concentrated "success" in an Alaska seafood "challenge"

9. **Foodservice Public Relations**

Work with in-house marketing departments at top broadline distributors to gain publicity for Alaska Seafood within their monthly and/or quarterly flyers/sales magazines.

Attend the annual IFEC conference in November 1995 to meet desk-side with key foodservice editors; encourage Alaska Seafood feature activity.

Develop 10 case histories/feature articles to submit to foodservice trade publications; develop photography of chef-developed Alaska Seafood entree and place article, recipe and photo in leading foodservice magazines.

CONSUMER PROGRAM

CONSUMER

I. OBJECTIVES

1. Leverage advertising programs to gain retailer distribution, featuring, and displaying Alaska Seafood and maximizing results.
2. Target purchasers, women 35-64 of age who are medium to heavy seafood users who buy seafood for their families.
3. Increase penetration, and usage of Alaska Seafood on a region-by-region basis by targeting markets with highest potential that are supported by Regional Marketing Managers.
4. Maximize impact and take advantage of seasonal trends by focusing on key promotional periods each calendar year:
 - Fall
 - Lent

II. STRATEGIES

1. Increase awareness and stimulate purchase during key promotion periods with tagged TV and :30/:30 radio in key markets with high seafood consumption.
 - Deliver combined television and radio sustaining reach of 50% at the 3+ level during each 4 week period in primary markets.
 - Deliver 900 radio spots in secondary markets.
2. Continue successful national account programs using :30/:30 radio during:
 - Fall
 - Lent
3. Roll-out program in phases as Regional Marketing Managers are added.

III. TACTICS

PHASE I: MEDIA SUPPORT

TERRITORY I

PRIMARY

Television

Radio

SECONDARY

Radio

TERRITORY II

PRIMARY

Television

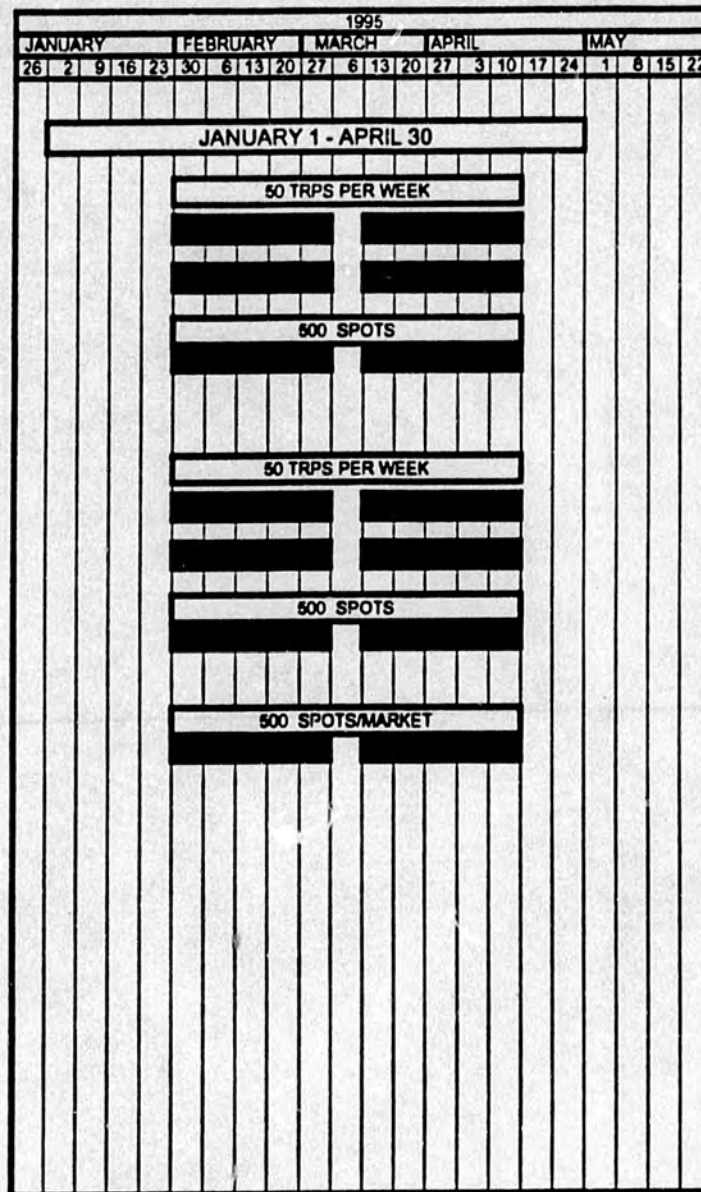
Radio

SECONDARY

Radio

NATIONAL ACCOUNTS

Radio



Note: Territory Definitions listed on page #43

III. TACTICS (CONT.)

PHASE II: MEDIA SUPPORT

TERRITORY I

PRIMARY

Television

Radio

SECONDARY

Radio

TERRITORY II

PRIMARY

Television

Radio

SECONDARY

Radio

TERRITORY III

PRIMARY

Television

Radio

SECONDARY

Radio

TERRITORY IV

SECONDARY

Radio

NATIONAL ACCOUNTS

Radio

AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
31 7 14 21 28	4 11 18 25	2 9 16 23 30	6 13 20
AUGUST 15 - NOVEMBER 11			
60 TRPS PER WEEK			
500 SPOTS			
60 TRPS PER WEEK			
500 SPOTS			
60 TRPS PER WEEK			
500 SPOTS			
600 SPOTS			
200 SPOTS/Market			

Note: Territory Definitions listed on page #43

III. TACTICS (CONT.)

PHASE III: MEDIA SUPPORT

TERRITORY I

PRIMARY

Television

Radio

SECONDARY

Radio

TERRITORY II

PRIMARY

Television

Radio

SECONDARY

Radio

TERRITORY III

PRIMARY

Television

Radio

SECONDARY

Radio

TERRITORY IV

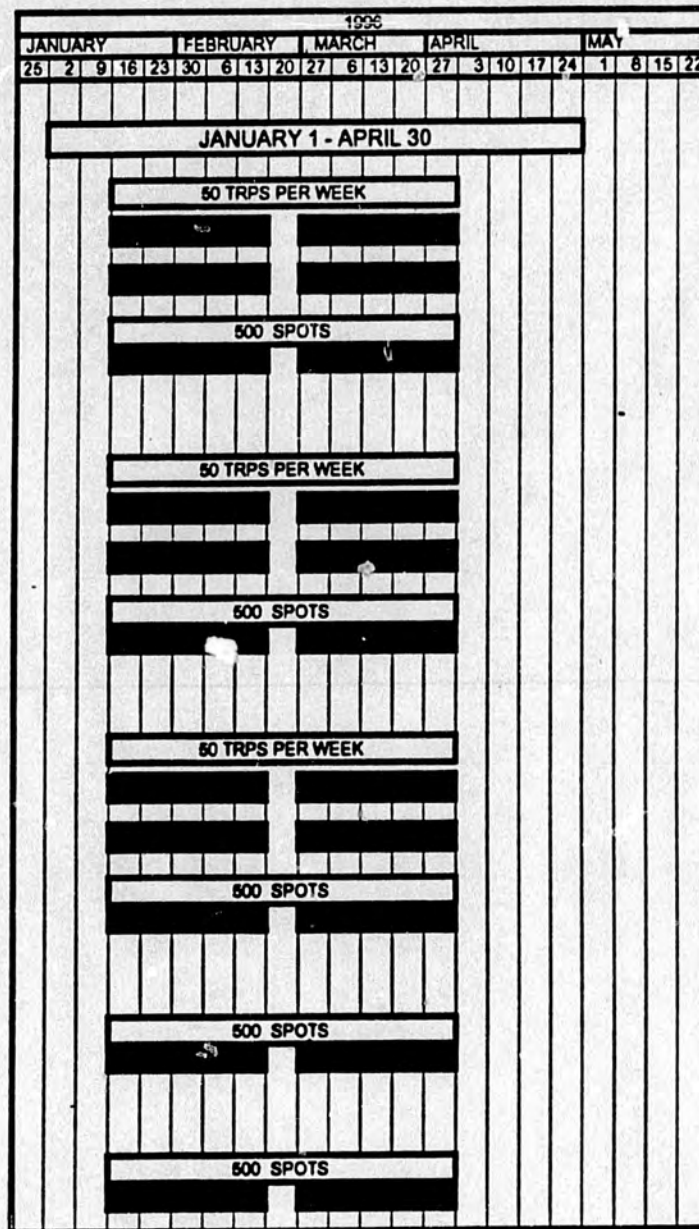
SECONDARY

Radio

TERRITORY V

SECONDARY

Radio



Note: Territory Definitions listed on page #43

CONSUMER PUBLIC RELATIONS PROGRAM

I. OBJECTIVES

The Consumer Public Relations Program will follow three objectives which fit within the overall objectives of ASMI's marketing plan.

- To increase awareness of the abundance and high quality of Alaska Seafood.
- To educate consumers on the basics of purchasing, handling and preparing Alaska Seafood.
- To stimulate purchase through increases in awareness and education.

The following public relations tactics meet our outlined objectives:

II. TACTICS

A. NEWSPAPER

A Series: The Basics of Cooking Seafood

This 4-part article series, distributed to all newspapers in each of the five sales territories within the designated time periods. This project will meet our objective to educate consumers on the basics of cooking seafood by focusing each article on a different cooking method, such as broiling, baking, grilling, etc. Additional information on selection, storage and the benefits of fresher/frozen seafood will stimulate consumer purchase.

Each release will include one Alaska Seafood recipe with accompanying lead copy and photography for a total of four salmon, four whitefish, and four shellfish recipes released. This is different from our previous newspaper releases because it enables the editor to set up a series-style article that will run in four parts. Although we are reducing the total number of recipes released to each editor, from five to four, we expect greater total pick-up because the editor will be encouraged to use all four parts of the series.

B. COLOR ROP PAGE

A four-color, full page ROP will meet our objective of educating the consumer on the ease of cooking seafood by focusing on the "10 minutes per inch" rule. Agency is exploring the possibility of creating a self-liquidating 1-inch ruler to offer as a consumer write-away on the page. Distributed to all newspapers in each of the five sales territories during the designated time periods, ROP pages differ from the newspaper releases described above by providing full-page coverage. Most ROPs are used as the front page of the newspaper food section. Recipes and photography accompanying the copy will help stimulate consumer purchases.

C. RADIO

Tips From the Alaska Seafood Expert

Agency will script, produce and distribute six radio releases, 50 seconds in length, to 3 to 5 stations per market. This will be leveraged by the retail :30/:30 radio program. Scripts will be voiced by spokesperson, Gary Puetz to lend the credibility of an expert to the material. To meet our objective of educating consumers on the basics of cooking seafood, some scripts will focus on easy cooking tips, such as the 10 minutes per inch rule. To meet our objective of increasing awareness of the abundance and quality of Alaska Seafood, other scripts will focus on industry reports, such as the importance of Alaska as a salmon resource as demonstrated by the harvest levels. Agency is investigating working in conjunction with *Simply Seafood Magazine* to lend further credibility to these releases.

D. COMBINED MEDIA

Media Tour in Primary Markets

Agency to arrange for media appearances during the designated time periods in top 3 cities of each of the five sales territories for a total of 15 markets. Utilizing chef Gary Puetz to meet our objectives of increasing awareness, educating the consumer on the basics of cooking seafood and stimulating product usage, agency will arrange for Gary to be interviewed on radio food news programs, to give cooking demonstrations on TV cooking shows and to meet with food editors of newspapers in each market to encourage articles about Alaska Seafood.

Additionally, desk-side visits will be arranged with key consumer newspaper (and/or) city magazine editors on a regional basis to encourage articles and recipe placement about Alaska Seafood.

E. CONSUMER PRESS CONFERENCES

International Association of Culinary Professionals (IACP)

The IACP has an international membership of over 2200 food professionals, ranging from cooking teachers and cookbook authors to caterers, food columnists and chefs. Participation in this conference will position ASMI as a resource for this influential group of food educators. To meet our objectives of increasing awareness and educating consumers, agency will submit a proposal to teach a master class on Alaska salmon, including a side-by-side tasting of the five species, at the annual conference, held this year April 5-9 in San Antonio. In addition, ASMI will be represented at the trade show portion of the conference. 1,000 members are expected to attend the conference, 125-150 are expected to attend the class.

F. OPPORTUNISTIC PROMOTIONS

Pursue opportunities with local/national newspaper and television media surrounding retail programs and other special events in local markets. This will include things like fulfilling special requests for recipes, photography and editorial from newspaper and magazine editors.

RESULTS/BUDGET

MEASUREMENT OF RESULTS

There will be an ongoing evaluation of program results, accomplished by measuring:

1. Proof of Performance:

- a. An evaluation will be made in each territory after each promotional period to compare results to objectives. This will be done within each territory by:
 - Retailer
 - Foodservice distributor
 - Regional commercial restaurant chain
 - Non-commercial management companies
- b. This same evaluation review will be done to national accounts assigned to Seattle personnel.

2. Consumer and Trade Attitudes and Use:

- a. A pre-promotion benchmark study will be done by an independent research contractor to better understand attitudes, use and intent to purchase dimensions for ASMI by consumer and trade audiences.
- b. A post-promotion benchmark study will be done by an independent research contractor on the same criteria to measure results.

3. Sales Volume Impact:

- a. Retailers, foodservice distributors, and foodservice operators would be asked to share volume impact of promotions.
- b. A representative sample of retail stores and foodservice operators would be used to gain examples of volume and thrust of promotions using varied promotional tools, i.e.,
 - In-store demos
 - Fishermen visits
 - Ad features
 - Table displays
 - Menuing

4. Publicity:

- a. Use a clipping service to measure ASMI's publicity in the consumer and trade media by monitoring press coverage and providing a compilation report to measure circulation and value.

ALASKA SEAFOOD DOMESTIC MARKETING PLAN

BUDGET FY95/FY96 JANUARY 1, 1995 TO JUNE 30, 1996

Anticipated Expenditure

PROGRAM	1/2 FY95	FY96	TOTAL
Administration	275,000	550,000	825,000
Administration	225,000	450,000	675,000
Fulfillment Service Contract	50,000	100,000	150,000
Board & Committee	50,000	90,000	140,000
Board Meetings	20,000	40,000	60,000
Committee Meetings	30,000	50,000	80,000
Quality	250,000	350,000	600,000
Industry/Trade Promotions	250,000	350,000	600,000
Program Development	280,000	400,000	680,000
ASMI Direct Development	180,000	200,000	380,000
Salmon Market Info.	100,000	200,000	300,000
Communication	180,000	300,000	480,000
Industry Relations	90,000	150,000	240,000
Trade/Consumer Relations	90,000	150,000	240,000
Domestic Retail	2,350,000	5,100,000	7,450,000
ASMI Direct Marketing	700,000	1,100,000	1,950,000
Regional Marketing Reps.	150,000	450,000	600,000
Retail Promotions	1,500,000	3,550,000	5,050,000
Domestic Foodservice	550,000	1,075,000	1,625,000
Foodservice Promotions	450,000	900,000	1,350,000
Consumer Promotions	100,000	175,000	275,000
Plan Total	3,935,000	7,865,000	11,800,000

**ALASKA SEAFOOD DOMESTIC MARKETING PLAN
BUDGET FY95/FY96
JANUARY 1, 1995 TO JUNE 30, 1996**

Anticipated Expenditure

	1/2 FY95	FY96	TOTAL
Offshore Processor	0	0	0
Salmon Harvester	1,505,000	3,665,000	5,170,000
Onshore Processor	1,000,000	2,500,000	3,500,000
Annual Carry-Over	1,430,000	1,700,000	3,130,000
Plan Total	3,935,000	7,865,000	11,800,000

Revenue Notes

- The projected revenue for the eighteen month period is \$11.8 million, of which \$1.43 million is a one-time carry-over from FY93 and FY94.
- The revenue for this eighteen month period represents annualized budget of \$7.7 million.
- Based upon conservative estimates for the budget period starting July 1, 1996 (SFY97), the annual revenues in subsequent years is anticipated to range between \$6 and \$7 million.
- If additional sources of revenue are not available in subsequent years, the program would be reduced to a sustainable effort that would allow aggressive marketing at 9% to 22% below the planned budget. This degree of reduction is manageable over a multi-year period.

GLOSSARY

GLOSSARY OF TERMS

City Sizes - Cities are broken down by population. The largest of the category is labeled 2500M+ which represents a city populated by 2.5 million people. 500M - 2499M represents a community ranging in population from 500,000 to 2,499,999 people, etc.

Commercial Restaurant - An independent eating establishment which sells food for profit to the general public.

Consumption - The using up of consumer goods, Alaska seafood for example.

CREST - A research group which gathers information on consumer behavior from 12,800 American households' diary of commercial restaurants visited over a specified period.

Finfish - All fish consumed by humans excluding shellfish.

Frequency - The average number of times an audience has the opportunity to be exposed to advertisements, a particular program or a program schedule within a measured period.

Household - A domestic establishment including the members of a family and others living under the same roof.

Index - A relative measurement of annual consumption based upon the national average which is represented by the number 100. For example, the Boston index for seafood consumption is 134. So, Boston indexes 34% higher than the national average for seafood consumption.

M - A symbol that represents the number 1,000.

Neilsen's - A research group which gathers information on consumer behavior from 15,000 households.

Non-Commercial Restaurant - An eating establishment in which the consumer is "captive". Eating facilities in the work place, hospitals, schools, and jails, etc. are included.

NPD - (National Purchase Diaries) A research group which gathers information on consumer behavior from 2,500 American households.

NSMA - (Non Metropolitan Statistical Area) A city of less than 50,000 people.

Penetration - The degree to which a product or service has reached the people of a certain area or market.

QSR - A foodservice abbreviation of Quick Service Restaurant.

Rating Points - A rating used in radio and TV to express the number of homes tuned into a particular program or station, at a specific time.

Reach - A measurement of the number of homes exposed to a program or a commercial one or more times.

Share of Voice - The percentage of all brand advertising done in a product category by any one brand, Alaska seafood for example.

Share of Market - The percentage of purchases in a product category that is enjoyed by any one brand.

Top of Mind - The first brand or advertising campaign that comes to a respondent's mind in research on awareness or attitude.

TRPS - (Targetted Rating Points) A radio and TV media term representing the percentage of the targetted demographic market exposed to advertisements, a particular program or a program schedule within a measured period. Theoretically, a rating of 50 TRPS per week would expose 50% of ASMI's demographic market to the ASMI TV and/or radio advertising over a week period.

Usage - A measurement of the use (or consumption) of a consumer product.

Upscale Empty Nester - A consumer at the upper end of a range in demographic analysis in terms of education, income, etc. without children at home.

What is ASMI?

The Alaska Seafood Marketing Institute (ASMI) is an innovative partnership of state government and private industry operating under the State of Alaska's Department of Commerce and Economic Development. Its programs, which generically promote Alaska seafood, are guided by a 25-member board of directors appointed by the Governor of Alaska and made up of commercial fishermen, representatives of large and small processing firms and the public. Serving under the board are committees which advise on domestic marketing, export marketing program and quality assurance.

The Alaska seafood industry produces 90% of all salmon in the U.S. and over 50% of total seafood. ASMI promotes all the seafood produced in Alaska as a generic product, not as individual brands. The marketing programs are conducted on both a national and international scale to get people to eat more Alaska seafood.

The ASMI marketing program in the U.S. targets both consumers and the seafood trade through television, radio and print advertising and promotional material distribution. Campaigns are divided into two major programs focusing on retail and foodservice activities. Fresh and frozen Alaska salmon, canned salmon, whitefish and shellfish are all highlighted through promotional efforts. Alaska processor and salmon fishermen assessments supply the funding for domestic seafood marketing.

The international marketing program promotes the sale of wild Alaska salmon in Japan, Korea, Australia, France, Netherlands, Ireland and the United Kingdom. In addition, ASMI research and trade missions continue to find new markets for Alaska salmon. ASMI uses a strategic mix of consumer and trade advertising campaigns to increase the overall export level of Alaska seafood. The program is conducted with funding provided by the federal government through participation in the Market Promotion Program for exclusive use in foreign countries.

The Quality Assurance Program at ASMI is designed to unite fishermen, processors, distributors and resource managers into an effective alliance. The program works to enhance the quality image of all Alaska seafood products through education, publicity and the development of seafood quality training and handling materials.



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THE ASMI SEAFOOD QUALITY PROGRAM

Helping to Build Seafood Quality Awareness

The seafood quality program at ASMI is designed to bring together commercial fishermen, seafood processors, distributors and the trade into an effective partnership. It is in everyone's best interest that Alaska seafood be known for its quality.

To help accomplish this, a 15 member committee of quality specialists from the harvesting, processing and university sectors have been appointed by the ASMI Board of Directors. These individuals are charged with recommending voluntary quality enhancement activities of the organization as mandated by the ASMI enabling legislation [AS 16.51.100]. The committee's four main goals are:

- * To develop voluntary market-oriented specifications for Alaska seafood which can be used in promoting a high quality image for these products in domestic and world markets. ASMI specifications shall meet or exceed the requirements established by the U.S. Food And Drug Administration (FDA) and the Alaska Department of Environmental Conservation (ADEC) and shall be complimentary to guidelines established by the FAO/WHO Codex Alimentarius Commission.
- * To adopt and distribute recommended handling guidelines for Alaska seafood from the moment of capture to the point of final distribution. These guidelines shall include, but not be limited to, recommended practices for fishing, tendering, fish transfer, dockside evaluation and processing, as well as transportation, cold storage, foodservice and retail. Such efforts shall be coordinated with the organizations having a similar mission whenever possible, to economize and reduce duplication of effort.
- * To review and recommend educational, research and other programs which will assist the Alaska seafood industry in helping to maintain or enhance the overall quality image of Alaska seafood.
- * To develop methods for the periodic evaluation of quality practices within the industry.

Perhaps the greatest strength of the committee process lies in using its creative, real-world approach to problem-solving quality issues within the limits under which the industry operates. Those limits include the management of the fishery; complexities of a wild product; the geography of Alaska and the voluntary, generic mission of ASMI.

To date, the Quality Committee has published voluntary recommended guidelines, written and distributed product specifications, conducted original research on product shelf life and performed detailed surveys on the status and capabilities of the Alaska salmon industry with regard to quality. The success of the ASMI quality program is based upon continued commitment to the quality awareness message of the ASMI information being made available to the seafood industry. Experience teaches us, that to be effective we need the active participation of YOU - the fisherman, processor, and tradesman - in ASMI activities.

When it comes to quality, you are the difference!

