

AQUACULTURE INFORMATION SERIES: NO. 1

MARKETING CONCEPTS

I. INTRODUCTION

The process of producing a marketable foodfish is usually quite uneventful, despite episodes of infectious and noninfectious diseases. However, what to do with the fish when they become marketable often creates a sense of panic because most fish farmers have limited experience with marketing. The majority of texts addressing the art and science of aquaculture describe the various individual components of an aquaculture system in detail with little attention to the processes of planning and implementing production. Totally lacking, in most cases, is some attention to marketing farm-raised products.

Marketing begins with an assessment of what the market expectations are for table fish. These must be established BEFORE beginning the production planning process. Based upon the opinions of those who practice this concept, this is the best known way to assure having a long-standing and profitable business venture. The market expectations can best be described as the PRODUCT DEFINITION, which consists of when how many of what size fish prepared in what fashion for a specific market niche.

II. DEVELOPING THE PRODUCT DEFINITION

The Product Definition is based on the marketing potential, which is based upon evaluating quantitative data collected from the marketplace. The majority of the required data can be collected by responding to the "Five W" questions; namely, WHO is buying WHAT, WHERE, WHEN, and WHY?

The process of collecting the data can be quite sophisticated; e.g., retain a professional marketing survey consultancy, or it can be quite simple; e.g., conduct a "door-to-door" survey. In some regions, public agricultural agencies and universities can collect the necessary data as part of their service missions.

In outline form, the "Five W" questions and their sources of response materials are:

1. WHO is buying?
 - a. Retailer
 - b. Chef
 - c. Homemaker
 - d. Processor
 - e. Wholesaler
 - f. Live-hauler
 - g. Fee-fishing proprietor

Each of these individuals is probably the third or later person to judge the quality of the product. The first and second persons are the producer and the processor, respectively. The final judge of product quality is usually the diner. If a product of less than desirable quality is presented, the likelihood of return purchases is very slim. Thus, quality control must begin on the farm.

2. WHAT are they buying? (Table 1)

- a. Product style -
 - alive
 - round
 - eviscerated
 - fillet, pin bone in
 - fillet, pin bone out
 - value-added -
 - smoked
 - pate
 - ready-to-cook items
- b. Presentation -
 - fresh, iced
 - fresh, frozen
 - canned
 - shelf-packs
- c. Quantity -
 - total weight
 - numbers
 - servings

According to a limited nationwide survey of distributors and retailers of rainbow trout in America reported by McCain and Guenther (1991), preferences were heavily in favor of a frozen, individually "sleeved", boned (pinbones removed, skin on), portion-controlled fillet. Value-added rainbow trout products have been slow in getting into the marketplace while salmon and channel catfish value-added products enjoy high acceptance in the marketplace.

3. WHERE are they buying?

- a. Farm
- b. Processor
- c. Wholesaler
- d. Restaurants -
 - family-style
 - fast food
 - white table cloth
- e. Retail outlets -
 - specialty market
 - supermarket
 - farm gate
- f. Region -
 - urban
 - suburban
 - rural
 - national
 - international

Many nontraditional markets are not served by the rainbow trout community. Among these are sales to convention centers, institutions (schools, hospitals, and retirement centers), and airlines. The capture fishery and channel catfish products have done rather well in these markets.

4. WHEN are they buying?

- a. Season -
 - winter
 - spring
 - summer

- autumn
- Lent
- Christmas/New Year
- Thanksgiving
- b. Time - day of the week
- hour (s) of the day

Table 1: Processed products of rainbow trout available worldwide.
Availability of value-added products in America is limited.

		<u>Cooked or Ready to Cook</u>
Iced	- round dressed fillets	Pate Quiche
Frozen	- dressed boned boned and breaded boned and stuffed fillets	Croquettes Paste Crepes Mousse Kedgeree "Burger"
Smoked	- dressed fillets boned sausage roll	Soup - creamed Goulash Vol-au-vents Pancakes Toast Toppers
Kippered	- dressed fillets boned	Pickled - fillets Canned - minced whole Pet food

Production planning should be based upon this aspect, especially if the product is being sold as a fresh, unfrozen item with an established "Sell By" or "Pull By" date. Even with freezing to extend the shelf-life, farmed fish should have a "Pull-By" date because it is still a highly perishable product.

5. WHY are they buying?

- a. Quality
- b. Timeliness
- c. Portion control
- d. Price
- e. Service
- f. Satisfaction

This is the "bottom-line" of successful production and marketing. It has been said many times "Selling is not marketing - Marketing is selling". The foregoing criteria are listed in an approximate order of priority. Note the relative position of price. Purchasers are willing to pay a fair price for a high quality product which is available in the desired portion size at the time it is needed. Most restaurants set

their menu price using a multiplier of the cost of ingredients. So, price is important but is "passed along" to the diner, who must be satisfied with the presentation, food quality, and service.

Additional information about marketing farmed fish can be obtained from publications by McCain and Guenther (1991), Smith and Klontz (1991), Avault (1991), and Chaston (1983). Of the four, the Chaston text is the most comprehensive and should be used as a basis for developing a marketing plan.

BIBLIOGRAPHY AND SUGGESTED READINGS

- Avault, J. A. 1991. Marketing in aquaculture: Product, price, promotion, and place. *Aquaculture Magazine* May/June: 68-75
- Chaston, I. 1983. *Marketing in Fisheries and Aquaculture*. Fishing News Books, Ltd, England. 144 pp
- Klontz, G. W. 1991. *A Manual for Rainbow Trout Production on the Family-Owned Farm*. Nelson and Sons, Inc., Murray, Utah
- McCain, G. and J. F. Guenther. 1991. U. S. trout markets: A survey of wholesale and retail distributors of freshwater farm-raised rainbow trout. A.E. Research Series No. 91-3, University of Idaho Agricultural Experiment Station.
- Smith, G. A. and G. W. Klontz. 1991. Organise your marketing: Part 1 and Part 2. *Fish Farmer* 14(4):38-40 and 14(5):25-29

Prepared by G. W. Klontz, Technical Services Advisor to Nelson and Sons, Inc.