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A MARKET DEVELOPMENT PLAN

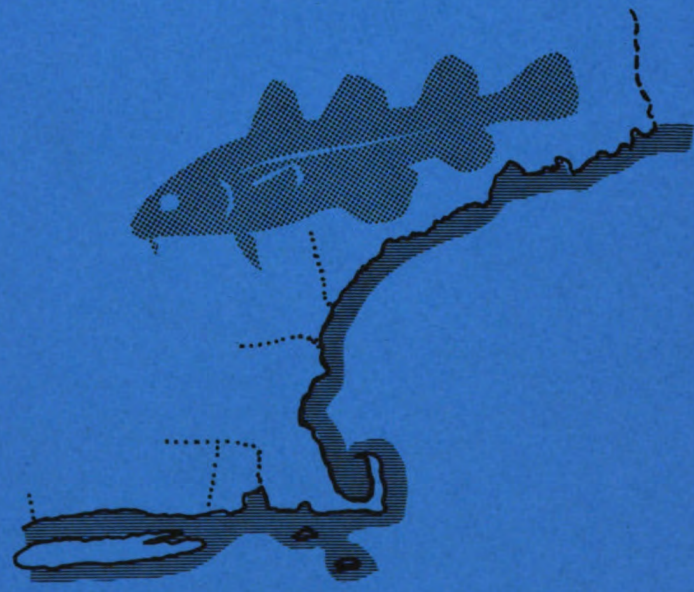
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NEW ENGLAND GROUND FISH INDUSTRY



Prepared for the
BUREAU OF COMMERCIAL FISHERIES
FISH AND WILDLIFE SERVICE
U.S. DEPARTMENT OF THE INTERIOR
by
TRADEWAYS, INC.
NEW YORK, NEW YORK

A MARKET DEVELOPMENT PLAN
for the
NEW ENGLAND GROUND FISH INDUSTRY

Prepared for the
Bureau of Commercial Fisheries
Fish and Wildlife Service
United States Department of the Interior
By
Tradeways, Incorporated
New York, New York

Circular 53
Fish and Wildlife Service
United States Department of the Interior
Washington, D. C. July 1958

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FOREWORD

This brief report has been prepared by the Branch of Market Development of the Division of Industrial Research and Services, Bureau of Commercial Fisheries, at the request of the New England Committee for Aid to the Groundfish Industry. It is based upon a study made by Tradeways, Incorporated, marketing management consultants of New York City, under contract to the Bureau with funds made available by the Saltonstall-Kennedy program.

Because of the brief time available, only a preliminary study could be made of a market development plan for the New England groundfish industry. The report, however, does have information that is applicable to many other segments of the domestic fishing industry. It is presented here with only minor editorial changes in the same form as received from the contractor.

RECOMMENDATIONS

The findings of this report focus on three major fields of endeavor which must be pursued in order to insure continual growth of sales of New England processors of groundfish and their recapture of a larger share of the domestic market, namely:

Adequate control to maintain high standards of quality of the finished product.

TO SUM
UP
BRIEFLY

Satisfactory handling, display and promotion of frozen fish in retail stores.

Increase of appeal of frozen fish (in comparison with meat and fowl) to consumers' taste, and an increase in consumers' appreciation of its health values.

ANY MARKET DEVELOPMENT PLAN ADOPTED SHOULD BE STARTED IN THE NEAR FUTURE

These approaches are generally common to all kinds of frozen fish. Constructive action by New England processors will necessarily produce, therefore, some spillover benefits for competitive producers and processors. However, promotion of New England products can be so directed as to reserve the chief benefits for the sponsors of the promotion.

In any case some action is urgently needed to save the New England groundfish industry from continued and perhaps accelerated decline in market position. Established processing companies will no doubt go on prospering. But unless they maintain a fair degree of coherence in safeguarding common interests, they will presumably be unable to function on behalf of the industry as a whole. The industry in effect will practically disintegrate.

This appears to be a critical period. If the effort now under consideration to strengthen the position and increase the total sales of New England processors of frozen groundfish should fail, it seems unlikely that further efforts will be made. It follows that decisive action, looking toward adopting a constructive marketing plan, if it is to be taken at all, should be started promptly.

No market development plan for the industry can have a reasonable prospect of success without two prerequisites:

A STRONG NEW ORGANIZATION IS REQUIRED TO MAKE THE MARKETING PLAN EFFECTIVE

1. It must give to retailers, and through them to consumers, an assurance of the high quality of all certified (or approved) products.
2. It must provide assured financial support (not necessarily a large amount) for a long enough time to permit setting up and completing a sales-building program of at least one year.

It would seem self-evident that a loosely knit trade or industry association, which any producer or processor may join without incurring a serious obligation, cannot meet either of these two conditions. It is not a suitable agency, therefore, to conduct a continuing program of market development. No other agency now in being in New England, to the best of our knowledge, would be available. We conclude that a new cooperative organization must be formed. And it must be strong enough to meet both the above conditions.

The organization might take the form, for example, of a chartered association which can make binding agreements with processors who care to enter into them covering among other things:

1. An undertaking to maintain the standards of quality set by the association coupled with a right of inspection by the association
2. An undertaking to pay a fixed amount per pound (or other unit) toward support of the marketing plan
3. The right to use an emblem which is to be owned by the organization exclusively for the use of members
4. The right of either party to terminate the agreement on reasonable notice at any time after one year

It would be helpful to have nearly all New England processors join the proposed organization. However, if necessary, it could be operated with a small membership and limited funds.

Obviously the initiative must be supplied by responsible processors who already maintain acceptable standards of quality in all phases of selecting, handling, freezing, processing, packaging, storing, and shipping frozen groundfish. However, if the new organization is to be fairly representative of the New England industry, it must be open to all processors, big and little, on fair and equal terms.

THE NEW ORGANIZATION SHOULD CONDUCT ITS OWN POLICING AND ENFORCEMENT

The new organization will presumably authorize use of a seal or emblem of some kind by members in good standing. It will then carry on a continuous program to promote trade and public acceptance of the emblem and to build up sales of users of the emblem. This places on the organization the burden of seeing to it that every package bearing the emblem meets the standards that have been set.

No doubt valuable assistance in this task will be supplied by Federal and State agencies. However, the task involves checking the several successive operations named above. Under these conditions it seems evident that the new organization must have the right to inspect premises and products and to set penalties for noncompliance. Otherwise, its emblem will soon begin to lose value.

THE NEW
ORGANI-
ZATION CAN
THEN CARRY
ON A WELL
ROUNDED,
CONTINUOUS
MARKETING
PLAN

Formation of the proposed, or some similar, organization will clear the way for action. The downward trend in New England's share of the domestic consumption of groundfish fillets, fresh and frozen, cannot be suddenly and permanently reversed. A salesbuilding program to be resultful must continue long enough to make sizable parallel advances along two lines: (a) improving retail merchandising; and (b) cultivating consumers' tastes for and purchases of New England frozen groundfish.

The recommended marketing plan follows. It should be understood in advance that the plan does not promise quick or spectacular results. To be productive it must be carried on persistently. And to make this possible the plan must be readily adaptable to changing circumstances.

It is assumed that a strong organization of New England processors, as previously described, has been formed. If it should later be broadened to include qualified foreign processors of packaged frozen groundfish, the few required changes in the recommended market plan will be obvious.

The plan takes for granted that each processor will continue to package, sell, distribute, advertise and promote its own brand. The plan lends support to all such activities; it does not interfere with them. It is limited to performing functions of the nature described below which will advance the interests of the New England groundfish industry as a whole.

For clarity the plan is presented in two distinct divisions:

National Promotion aimed primarily at consumers, but designed also to influence retailers. It will build up public interest in and acceptance of fish as an appetizing and healthful food.

Localized Promotion in selected areas, which will aim both to establish stronger habits of eating fish and also to bring about lasting improvements in retail merchandising of fish.

The two types of promotion interlock. Both types will of course spotlight the products of New England processors. While national promotion will presumably be started first, localized promotion should go into action shortly thereafter.

Inquiries during the preparation of this report among Government and association officers, processors, national distributors, editors, and other good sources of all available information have brought to light few dependable facts as to consumers' personal reactions.

NATIONAL PROMOTION SHOULD BE BASED ON FACTUAL STUDY OF CONSUMERS' REACTIONS

Publications of the Bureau of Commercial Fisheries supply invaluable statistical data on consumption of fish sticks by households classified by regions, occupations, incomes, and age groups. They do not, however, undertake to obtain answers to specific questions as to consumers' tastes, prejudices, opinions, and conscious and unconscious motivations. Among questions of this kind are:

What proportion of families in each income group eat frozen fillets or fish sticks at long intervals? Why not more frequently?

How are frozen fillets cooked? With what sauces served? How correlated with frequency of consumption?

What are the tastes and eating habits related to frozen fish of male adults, female adults, children, and teenagers in the fish-eating families of each group?

What opinions prevail in each group as to dietetic and health values?

What are the influences of such unconscious motivating factors as desire for social esteem or unpleasant associations or experiences connected with eating fish?

What are the variations in the above respects among the chief ethnic groups?

What are the true weights of such conscious factors as economy, taste likes or dislikes, cooking odors, fish texture and feel, and so on?

To what extent do religious observances govern the demand for fish?

Guesswork answers to such questions are costly. They lead to wastage in distribution and misdirected promotion. As a means of saving time and money and stepping up results, an introductory survey of consumers' reactions which will combine fact-finding with motivation research, is recommended.

Much scientific research has been devoted to measuring the food content of different species of fish and determining how to get most benefit from fish for such purposes as:

- NATIONAL PROMOTION SHOULD ALSO MAKE USE OF SCIENTIFIC ANALYSIS OF FOOD VALUES
1. To furnish protein and other body-builders for adults
 2. To give children the food they need for vigor and growth
 3. To supply almost fat-free food that closely fits the requirements of many sufferers from heart troubles
 4. To form part of a weight-reducing, yet satisfying diet

The findings of such research are not being fully publicized. At any rate, a great deal more remains to be done. The facts as to each of the above purposes are interesting to people, primarily because they relate to each person's individual interests and problems. They can be put to good use in effective promotion.

The survey will furnish both interesting materials and guidance for making the right approach to win the interest and approval of each distinct group. National promotion for this purpose comprises the following four activities:

1. Consumer Publicity

NATIONAL PROMOTION SHOULD BE PINPOINTED TO APPEAL TO EACH DISTINCT GROUP

Publicity for food products is commonly thought of as consisting almost entirely of supplying stories to food editors of magazines and newspapers. This is in fact an important phase of the job, but by no means the end of it. The specific information and incidents to be gathered through the survey and through scientific analysis will furnish a large mass of fresh materials for articles, news items, and so on--each one written from the correct angle to reach a well-defined group--for example, one story for a women's magazine, another presenting the same facts to a labor publication, a third retelling the story for school lunch administrators, and a fourth addressed to institutional and mass feeders. Plenty of materials are at hand. A very large volume of publicity can be placed quickly. Every story, of course, will tie in the products of New England processors.

2. Trade Publicity

As a step toward getting better merchandising of ground-fish in supermarkets and other stores, especial attention should be given to obtaining favorable publicity in the

food trade papers. Every move in the market development plan has news value for stores. There is every reason to expect warm approval and editorial support from the leading periodicals.

3. Working with Opinion-Formers

An important phase of national promotion consists of consulting with persons in position to influence the attitudes and opinions of a wide circle. In this instance professors and administrators in the field of home economics are key persons. They include among others the home economists employed by many large public utilities. Teachers of the subject in public and parochial schools can do a great deal, if they wish, to spread understanding of health values in fish and to develop skill in cooking and serving fish. Other persons well worth cultivating are professional advisors on diet and health in life insurance companies and other institutions. The recommended national promotion will include personal talks with and occasional bulletins to these and other opinion-formers.

4. Mailings to Interested Consumers

It would be very desirable to issue at least two attractive, readable, well illustrated booklets--one on "Why Eat Fish?"--the other on "Teaching Children to Eat More Fish." (These are not final titles, which should be in a more popular style.) Both booklets will directly promote sales of the products of New England processors who belong to the new organization. Distribution on as large a scale as desired can be had by furnishing postage-paid cards on which to request the booklets--either inserted in packages of frozen fish or attached to the outside. Every booklet would then go to a family which is already a consumer of the product and open to reasons for eating fish more frequently. Every such family is a center of influence through which to reach their friends and neighbors.

The national promotion here recommended is an extensive program which would carry persuasive messages--mainly through publicity--to some millions of consumers and could not fail to bring about substantial increases in their purchases of fish.

THE MAJOR GAINS WILL FLOW TO NEW ENGLAND PROCESSORS

To accomplish this result the promotion will have to follow a broad policy of encouraging consumption of all North Atlantic fish. Otherwise, the promotion would not command interest or even acceptance. Consequently, as pointed out, some of its benefits are bound to spill over to foreign and other nonparticipating producers and processors. However, the only specific products to be featured are those that carry the seal (or other emblem) of the members of the sponsoring organization. It is safe to say, therefore, that these processors will reap by far the larger share of the sales gains.

Costs cannot be closely estimated until after each activity has been much more fully defined. As a rough figure, however, without counting the initial cost of the recommended survey of consumers' reactions, the annual costs of the proposed national promotion are likely to fall somewhere within a range of \$75,000 to \$100,000, depending mainly on the volume of publicity and of mailings to consumers. Though it will be impossible to measure the resultant sales gains to New England processors, they will unquestionably be large; and they will be cumulative, provided the national promotion program is kept in operation continuously for some years.

Localized promotion is restricted, as the name implies, to selected cities or suburban groups and their trading areas. In each medium-size city an intensive campaign, as now planned, will be conducted for one month, more or less. In the large cities a much longer time will be required. Every campaign will aim for two lasting results in the locality:

INTENSIVE LOCALIZED PROMOTION WILL CREATE INCREASED CONSUMPTION AND IMPROVED MERCHANDISING	Increased consumption of frozen fish, particularly the products of the sponsoring New England processors
INCREASED CONSUMPTION AND IMPROVED MERCHANDISING	Improved handling, display, advertising and promotion of frozen fish by retail stores

The localities for the proposed campaigns should be selected with care--taking into account the income, ethnic groups and other population factors affecting fish consumption which will have been disclosed by the national consumer survey. The selection of cities will also be governed in large part by the degree of cooperation to be expected from supermarkets in the locality, from newspapers and radio stations, and from school and public authorities.

A campaign of this nature cannot be reduced to a rigid formula. It must be adaptable to conditions in each city. As a means of explaining what is proposed, a purely hypothetical example may be helpful.

The campaign in Blank City is carried on by a two-man team--manager and assistant. They have available to them, but not necessarily for her full time, a capable woman lecturer and demonstrator. Blank City has been scouted and assurances have been obtained of normal cooperation.

Some modest advertising is placed in the local newspapers and radio stations. At the same time arrangements are made for publicity stores and newscasts with a local twist. Schools, institutions and other mass-feeders were visited to ask for special attention to fish in their menus. Contacts are made with public utility companies, women's clubs and the numerous other groups in every American city that would welcome an interesting talk and demonstration of how to cook fish--not overlooking businessmen's luncheon clubs. Before the end of the month people in that locality will have acquired a new interest in fish. Their attitudes and eating habits will have been considerably modified.

Meanwhile, one member of the two-man team is concentrating on getting concurrent action by all (or most) of the supermarkets and by other stores equipped with freezing cabinets. The first effort is to see that frozen fish is properly cared for. Assuming that permission has been given by the management of national chains, signs and banners are placed. At the least, attractive tie-in displays are set up. In some stores arrangements are made for heating and serving fish sticks and fillets to customers at certain hours. In every practicable way customers' attention is directed toward packaged frozen fish which carries the emblem of the organization of New England processors. Impulse buying is strongly suggested.

A prime objective of the campaign--in addition to increasing fish consumption--is to establish a habit of buying frozen fish in the early part of the week. Advertising and publicity will be directed toward that end. Stores will be asked to advertise lower prices for frozen fish on Mondays and Tuesdays and to use these concessions as one productive means of attracting more early-in-the-week trade for all their merchandise. The effect will be not merely to shift demand from one day to another day, but more importantly to win public acceptance of fish as a staple item to be frequently included in family meals.

The foregoing brief outline of a possible localized campaign is not presented as a model. If the idea is approved as sound in its essentials, it should be test-marketed, like any other new procedure, in order to perfect its methods and its timing.

• Each localized promotion obviously will influence sales in only a small fraction of the national market for the products of its sponsors. However, one two-man team can probably conduct as many as ten campaigns a year in medium-size cities or their equivalent in larger cities. Other teams may be sent out when methods of conducting such campaigns have been proved effective. Moreover, as an offset to their limited population coverage, the impact of the campaign in each area will be far greater than could be reasonably expected from widespread and relatively thin national promotion or advertising. Following is a summary of the major advantages of localized promotion, as here described:

1. Coordination

LOCALIZED
PROMOTION
OFFERS FIVE
MAJOR ADVAN-
TAGES

The danger that consumers' demands, stimulated by promotion, may be in some degree thwarted by below-par store merchandising will be minimized. Localized promotion, if even partly successful, will procure coordinate advances in display and advertising by a majority, if not all, of the stores in the locality.

2. Thoroughness

Localized promotion is intensive. It is capable of doing the thorough, concentrated job which is required in order to establish altered eating and buying habits and improved store practices. Insofar as these effects are produced, they will tend to continue indefinitely.

3. Focused Demand

Because of close direction of promotion to the public and its coordination with store displays and in-store merchandising, increased demand for fish can be focused on the products of sponsoring processors much more directly than would be possible in national promotion.

4. Controlled Costs

Localized promotion may be--and at the outset should be--restricted to selected cities. A budget as low as \$50,000 would be enough for a trial period of test-marketing. Extensions to other cities thereafter

would be subject to approval of predetermined costs. There is no serious risk of incurring large unanticipated obligations.

5. Measurable Results

Not least among the advantages of localized promotion is that the results can be measured with a close approach to accuracy. This is best done by comparing sales in a city selected for a promotional campaign with sales in one or more "control cities"--those in which economic and other conditions are approximately the same except that localized promotion is lacking. The comparison may be made at the end of a month's campaign and again a year later--this time to measure the lasting effects of the campaign.

For all the reasons briefed above localized promotion is recommended for consideration as one of the important elements in a marketing plan for the New England groundfish industry.

THE MARKET
PLAN IS
BELIEVED
TO BE
REALISTIC
AND
PRACTICAL

The recommendations constitute, in our judgment, a realistic and practical market development plan for the New England groundfish industry.

The plan is based on findings of fact and opinion set forth in Appendix A and on definite conclusions as to prerequisites for a successful plan previously explained in this report.

It provides for (a) national promotion and (b) localized promotion which may be carried on either separately or concurrently. While the plan is as well defined as is feasible at this stage, it is purposely left adjustable to the views and resources of the organization of New England processors suggested in this report.

The marketing development plan may also be adjusted, if desired, to make room for inclusion of other North Atlantic processors. As to this possibility we have no adequate basis for an opinion.

Inasmuch as agreement seems to be virtually unanimous that some action should be taken, it is hoped that this report will prove helpful in crystallizing a decision to adopt either the recommended plan or some other plan and put it into effect in the near future.

FINDINGS

Note: The following portion of this report contains the background information from which the foregoing Conclusions and Recommendations were largely developed. With the exception of minor editorial changes it appears as received from the contractor.

The essential facts about the New England groundfish industry are well known to all persons likely to be interested in this report. They are summarized briefly in this section in order to furnish a factual basis for the conclusions and recommendations contained in this report.

The share of the domestic market for groundfish fillets, fresh and frozen, supplied by domestic production was 95 percent in 1938; 78 percent in 1945; 62 percent in 1951; and 43 percent in 1955. At the end of this 16-year period the domestic production of fresh and frozen groundfish fillets--about 105 million pounds--was barely 5 percent above production in 1939. Imports, on the other hand, had risen from less than 10 million pounds a year in 1939-40-41 to more than 128 million pounds in 1955(*). Informed opinion is that the downward trend in the market share obtained by domestic producers shown by these latest available figures is still in progress.

INFORMA- The purpose of the study here reported is to formulate a
TION HAS BEEN realistic and practical market development plan designed
GATHERED FROM to reverse the downward trend and to increase substan-
THREE DIS- tially the sales of New England groundfish particularly
TINCT GROUPS in the forms of packaged frozen fillets and fish sticks.

The importance of sales to the institutional market (school cafeterias, restaurants, hospitals, and public institutions) is fully recognized. However, due to the relatively short period of time allotted to this study, the findings, conclusions, and recommendations of this report have been chiefly concerned with methods of distributing and selling packaged frozen groundfish to individuals, although in most instances this study is applicable to the institutional market as well.

The persons consulted during the study belong to three distinct groups:

Processors, some of whom also operate fishing boats, together with persons in related activities--mainly in government and in trade associations

Distributors, wholesale and retail, together with editors of food trade periodicals and others in related activities

(*) Report to the President by the United States Tariff Commission, October 1956

Consumers, including 100 housewives, together with food editors of popular periodicals, home economists, and others who are well informed on consumers' tastes and eating habits

The information received from each group is digested separately in the following pages.

SOME PRO-
CESSORS FALL
SHORT OF HIGH
STANDARDS OF
SELECTING,
HANDLING AND
PROCESSING
FISH

The responsible, established New England processors of groundfish are keenly aware of their obligation to maintain proper standards of sanitation and quality of product. The branded products of these producers enjoy an excellent rating among distributors and consumers. They help to build a good name for all New England groundfish.

However, the same degree of care is not exercised by all processors. Nor do present laws provide for sufficient enforceable regulation by government agencies to assure uniformly high quality. Although carelessness in selecting, handling and processing groundfish, unless carried too far, does not necessarily destroy its food value, it does seriously impair its appearance and taste. The resultant product is not pleasing to customers.

No more than a minor fraction of the total output of frozen groundfish appears to be below par. However, that fraction tarnishes, as we shall see, the reputation of all frozen groundfish. Nearly all the processors interviewed emphasize the necessity of correcting this condition as a preliminary to planning a constructive program to increase the industry's sales and profits.

IT WOULD BE
IMPRACTICAL
TO DIFFEREN-
TIATE BETWEEN
DOMESTIC AND
IMPORTED
GROUND FISH

Inasmuch as domestic and imported groundfish come from the same or adjacent international waters, it would be misleading and futile, in the judgment of the processors interviewed, to attempt to claim even by inference distinctive superiorities in New England raw fish. However, definite superiorities in the products of New England processors can be created and justifiably asserted--particularly in respect to standards of quality and to uniformity of sizes in each package. Skilled promotion can then develop in the public mind an intimate association between the products of New England processors and the health values and taste appeals which are inherent in all properly handled and processed North Atlantic fish of the same species.

Processors' confidence in the feasibility of raising sales of New England groundfish to a higher level is contingent on meeting the two conditions stated above: (1) enforcement of reasonable standards of quality; and (2) a constructive policy of going after a larger share of the market and at the same time encouraging consumption of all North Atlantic groundfish. Following are the chief promotional ideas suggested by processors:

A continuous flow of publicity, particularly to food editors

Offering prizes for new recipes

Putting on demonstrations to show women how to cook fish properly

MOST OF THE
PROCESSORS
INTERVIEWED
BELIEVE
SALES CAN BE
INCREASED

Getting a larger place for fish in home economics courses

Obtaining and publicizing scientific data on nutritional and weight-reducing values in groundfish

Getting additional retail coverage in some parts of the country

Working through food brokers and distributors to secure more cabinet space and in-store display

Inducing chain stores to take a somewhat smaller mark-up in order to hold down prices to consumers

Whether those are the best salesbuilding methods and how to put into effect those which are approved are questions discussed in the conclusions and recommendations of this report. It should be noted here, however, that the processors interviewed are thinking in terms of sound, practical methods of gradually strengthening distribution and enlarging consumption.

Interviews with editors of food trade papers indicated there exists considerable room for improvement of the quality of packaged frozen New England groundfish. They emphasized that their comments are not applicable to processors and private brands which truly represent controlled quality.

ALL EDITORS OF FOOD TRADE PAPERS STRESS URGENT NEED OF QUALITY CONTROL

Unfortunately in food trade circles the generic term "New England groundfish" has come to mean those products which are unbranded or carry unrecognized brand names. Beyond doubt this group includes

some products of relatively small companies which maintain high standards and are entitled to respect and confidence. To this extent these comments are unjust. However, they are typical of the candid opinions expressed by the editors interviewed.

OTHER REGIONAL GROUPS OF FOOD PRODUCERS HAVE MET AND SOLVED SIMILAR PROBLEMS

Food trade editors and others who have a broad acquaintance with food production and distribution have furnished examples of successful action by other regional producers of such varied foods as cranberries, turkeys, Washington apples, California walnuts, Maine potatoes, Maine lobsters, New Bedford scallops, Spanish olives, and California dried fruit. In every case substantially the same procedure was followed, namely: (1) set and enforce quality standards; (2) carry on market research; (3) adopt a common seal or other emblem; (4) conduct continuous trade promotion; (5) back it up by as much publicity and advertising as the available funds allow. The following condensed statement of steps taken by the California Dried Fruit Association comes from an informed source.

"They first completely reorganized their association and put it under capable management. Every participating grower and packer had to agree to pay a certain amount of money on tonnage produced and to further the program of the association. Standards of fruit and packing were set up; and the agreed standards were endorsed by the Department of Agriculture. This raised the prestige of the association to a high level.

"Inspectors to enforce quality control were hired by the association. Any buyer from a member of the association could then get a certificate of grade and quality covering every purchase. The State of California, though not directly governing the association's activities, cooperated fully.

"Once the new association had been organized, it proceeded: (1) to improve packaging; (2) to carry on educational advertising and promotion, including demonstrations and talks to women's groups; (3) to send out a staff of missionary men to call on wholesalers, distributors, brokers, chains, and independent retailers; (4) to arrange for tie-in sales and store promotions with related products. The program is continuous."

The net result, according to our informant, has been "to force the chisellers in that industry to mend their ways and join up-- or otherwise to stay out and wither on the vine."

While every industry is different, the approach and activities of other regional groups are worth further study for the sake of suggestions possibly adaptable to the New England groundfish industry.

In this connection a food editor remarks that it is a great advantage to be a part of the rapidly growing frozen foods division. "Within the last five years," he says, "it has won acceptance by most grocery men as a profitable operation. After metering separately the electric current required and allocating other costs, the net profit percentage in typical stores is 4.3 percent which is well above the storewide average." He also points out as a guide for planning that about 80 percent of frozen foods, including private brands, is handled by corporate chains, voluntary chains, cooperatives and independent supermarkets.

CHAIN STORES
ARE PASSIVE-
LY COOPERA-
TIVE, BUT
WILL NOT
ACTIVELY
PUSH FISH
SALES

During the field study fish buyers and other merchandise managers in a high proportion of national supermarket chains as well as executives of some regional chains were interviewed. While they uniformly expressed interest and willingness to cooperate in any salesbuilding moves by the New England groundfish industry, they had few suggestions. Obviously, the processors must take the initiative if anything is to be done to improve retail merchandising of frozen fish.

One reason for the rather disinterested attitude of chain store management is the relatively small volume of frozen fish sales. In the well known "Foodtown Study" of one store's operation in the second quarter of 1954 sales of frozen seafood, both cooked and uncooked, were less than 3/4 of 1 percent of the store's sales. We have not been able to obtain a more recent figure. However, approximate estimates by merchandise managers in different national chains indicate that the present percentage of frozen seafood sales in large supermarkets runs slightly above 1 percent.

The views of New England groundfish expressed by chain store management, similar to those of food trade editors, were generally unfavorable except for their private brands and nationally advertised brands.

On the other hand, the opinions expressed on two points are definitely favorable:

1. When and if quality control is established, most of the buyers and merchandise managers think well of identifying packages as either New England or American products.

2. All of them cordially approve the suggestion of setting up more tie-in displays of frozen fish with frozen vegetables or with appropriate condiments. The form of display would have to be acceptable, as a matter of course, to the store management.

These two points are important in that they indicate willingness of both national and regional chains to approve displays that will increase sales of frozen fish and are not contrary to established store policies and practices.

Another important fact is that the margin on frozen fish is considerably higher on the average than on other frozen foods. The lowest gross profit percentage on fish named by those interviewed was 20 percent; the highest, 28 percent. A typical figure is 25 percent. An opinion expressed by some processors, as previously reported, is that a smaller mark-up would be desirable in order to reduce prices to consumers. On the other hand, a moderately liberal mark-up may be helpful and necessary to procure needed cooperation by supermarkets.

CARELESS
HANDLING
IN FOOD
CABINETS
IMPAIRS
SALABILITY
AND FLAVOR

As a partial check of the manner in which packaged frozen fish is displayed in typical stores, a competent observer visited on Wednesday, March 5, and Thursday, March 6, and Friday, March 7, 1958 a total of 28 stores in New York City and in suburban towns of Eastern Connecticut. This was a random sampling of supermarkets and delicatessens with frozen food cabinets. Though it would not justify sweeping conclusions, the findings are thought to be indicative of common conditions--at any rate in the New York Metropolitan Area.

Only one of the supermarkets visited carries fresh fish. In this store the fresh fish department is well placed and attention is called to it by a large backlighted sign. The frozen food section is unlighted and the space allotted to frozen fish is unusually small. Four other stores are located near fresh fish markets. These stores carry either no frozen fish or a very small stock. On the other hand, stores in the same communities located at some distance from fresh fish markets carry normal stocks of frozen fish.

All the food cabinets without exception were found to be crowded. Wherever inquiry was made of the store manager, they explained somewhat apologetically that the recent inflow of frozen soups on top of TV dinners had cut down the space available for other foods. In several stores only two to three linear feet were left for frozen seafoods.

By the middle of the afternoon all the self-service cabinets, again without exception, were found to be disorderly and with some packages on top obviously exposed to room temperature with very little, if any, effective refrigeration. This may not cause serious deterioration

in most frozen foods. However, as noted elsewhere in this report, it is especially injurious to the appearance and flavor of frozen fish. Furthermore, the condition of the cabinets suggests the possibility (not confirmed) that in some stores incoming supplies are piled on top of stock already in the cabinet. If so, it could well be that packages at the bottom are some weeks old.

Judging by these few observations, it is common practice to place frozen seafoods next to horsemeat and other animal feeds. In fact this arrangement was found in four out of five of the supermarkets visited. Whatever the reason may be from the viewpoint of the store management, it seems clear that the impression created on many customers must be disagreeable. It certainly does not help to establish frozen fish as a delicate and tasty food.

As reported on an earlier page, supermarket merchandise managers and buyers cordially approved in principle the suggestion of setting up tie-in displays of frozen fish with other products. Yet in only one of the 28 stores was any attempt made to apply the principle. In this one store a wire basket of jars of tartar sauce was hung from the front of the freezer chest. Crumbs for breading were placed directly above the fillet section. Frozen french fries and frozen peas and beans were adjacent. We do not know to what extent the store's sales were increased; but customers' reactions would surely be favorable.

Unless the stores visited are far below average in their handling of frozen fish, which seems improbable, it is evident that much could be done to improve customer appeal and salability.

In order to obtain information for developing a plan to make	
INDICATIVE	groundfish more appealing to consumers, the following
CONSUMER	two steps were taken:
REACTIONS	
TO GROUND-	102 housewives were interviewed to elicit their
FISH WERE	reactions to frozen packaged groundfish;
GATHERED	
THROUGH	Food editors of consumer magazines and home
PERSONAL	economic teachers were interviewed to get the
INTERVIEWS	specialists' point of view on shopping for and
	serving packaged frozen groundfish and how greater
	desire for it might be created in consumers.

This is by no means a statistical study. The sample is small and is not intended to be representative of any particular population. Rather than present tabulations in detail, which might be misleading because of the small number, the findings are here stated only as indications of more or less typical reactions.

The interviews with housewives were about evenly divided between urban and suburban residents in Northern New Jersey and included housewives in various economic levels.

The interviewer was asked to estimate the age of the housewife. The mean estimated age was 40 years. The mean household size was 3.7. This included one adult male, one adult female, and 1.6 children per household. These children were about evenly divided between ages 12 to 18, and ages under 12.

THE HOUSE-
WIVES
INTERVIEWED
HAVE WELL
DEFINED
REACTIONS

Following is a summary of findings from these interviews which may be taken as clues to common attitudes and reactions:

The average housewife in this group buys fish in the following forms:

Fresh -----	39%
Canned -----	25%
Frozen uncooked -----	24%
Frozen pre-cooked -----	12%

She makes her purchases in the following stores:

Supermarket -----	61%
Fish store -----	33%
Independent grocery -----	5%
Delicatessen -----	1%

She prepares fish as follows:

Broiling -----	42%
Frying -----	29%
Baking -----	19%
No clear answer -----	10%

She is not aware (with an occasional exception) of the country of origin of frozen fish.

The four most frequently stated reasons for buying fish in order of mention are:

- Religious observance
- Likes variety of food
- Likes the taste
- Believes a healthful food
- (a poor fourth)

These 102 housewives expressed the following prevalent opinions:

Shell-fish are best liked with fillets running second

Flounder is the most preferred individual species of fish

About the same number like fish sticks as dislike them

The main reason given for liking fillets and fish sticks is that they are easy to prepare.

Relatively few housewives offered suggestions. Among those offered are:

Make a smaller package ($\frac{1}{2}$ lb.) as a portion for one person

Insert a sauce with the package

Stress the nutritional value of fish--not lost in freezing

Put less breading on the fish sticks

"Adding wheat germ to the fish breading would have terrific selling appeal"

Provide a variety package which would include shrimp, scallops, fish sticks, etc. with enough portions for four persons in the package

Promote the use of fish sticks as snacks before dinner

Improve the taste. "Do away with the iodine flavor"

Make fish sticks larger so they are easier to handle

"Make sure there are no bones"

"If the recipes are good, I'll buy it."

These stray suggestions may have little value in themselves, but are worth reporting as indications of housewives' interests.

CONVEN-
IENCE OF
USING
FROZEN
PACKAGED
FISH SHOULD
BE IMPROVED
AND STRESSED

Most of the food editors and home economists interviewed agree that women dislike handling fish primarily because of its smell which clings to their hands, to the pans, to the refrigerator, and permeates the whole kitchen and the rest of the house. Therefore, the less they have to handle a fish item, the more likely they are to buy it. Frozen packaged fillets and fish sticks offer an advantage in this respect in that they require somewhat less handling. One home economist remarked: "Fillets and sticks are excellent because it's an awful nuisance to handle fresh fish. We don't want the trouble of filleting."

The way fillets are packaged does, however, introduce some inconvenience. The fillets are not easy to separate. The fish has to be thawed before they can be separated, and even then they have to be pulled apart. This involves handling. If, as an alternative, the one-pound frozen block is sliced with a knife, the fillets lose their shape as a fish food.

The following suggestions on packaging were made by the food editors and home economists interviewed:

Package the fish one layer thick so it will defrost quicker

Put cardboard between layers of fillets so they can be separated more easily

Be careful not to exaggerate the number of servings contained within the package

Make a smaller package, preferably about 8 ounces

Put fillets of the same size and thickness within each package so that recipes calling for a particular thickness of fillet can be followed. For example, if fillets are too thick a recipe for rolled, stuffed fish cannot be followed. The package should also be labelled with regard to whether the fillets are thick or thin. One food editor commented, "We never give recipes for rolling because women can't find the right thickness." This same editor recommended that fillets which were about $\frac{1}{2}$ inch thick should be classed as thin and those over $\frac{1}{2}$ inch should be called thick.

Fish sticks are too small. They suggest a snack, not a meal. Men want something bigger to eat.

Processors should follow the grading guide set up by the Government with regard to oil and breading of fish sticks.

It was generally felt that the industry should provide more information on cooking and serving fish to both food specialists and consumers. This information should include the following:

THE INDUSTRY
SHOULD PRO-
VIDE MORE
INFORMATION
ON HOW TO
PREPARE AND
SERVE FISH

Recipes: One specialist commented that women know little about preparing fish and would appreciate information on how to make it more interesting, especially for children. In her opinion, children are likely to appreciate casserole fish dishes.

Make It Her's: Another specialist suggested that the housewife should be given the feeling that she is adding something of her own to the fish--that it isn't just a standardized product. The housewife feels that a cake made from prepared mixes is really her's. She should have the same feeling about frozen fish.

Menus: One specialist suggested providing information on how to serve a whole meal around fish. She said that people are always stuck on what to serve with things.

Way of Cooking: One specialist said that the way of cooking fish is more important than the recipe. The simpler the recipe, the better. Information should be given on how to broil, bake, fry, and boil fish, and how much time is needed for various thicknesses of fish. Women tend to over-cook fish.

Sauces: One specialist felt that preparing the fish with an interesting sauce to bring out the flavor of fish was something the women didn't know how to do. "This is their weakness".

The following ways were suggested for educating consumers regarding fish:

Demonstrations and taste bars in food stores

Cooking classes for food editors

Leaflets for school cookery classes

More information on decorating fish so that it looks attractive.

The general opinion of food editors and home economists alike is that better control over the shelf-life of frozen fish is much needed. They emphasize that the flavor of frozen fish goes markedly down with time, even in a few weeks. The industry should police the markets to make sure that frozen packaged fish has not been on the shelf too long.

A food editor suggested that processors should send in more interesting food ideas. There are thousands of food editors across the country. The fish industry should keep in close touch with them. "The fish processors have about 4,000 other products to compete with. They must keep pushing these products with new ideas for serving food."

The last suggestion above is perhaps the most useful of all. All the food editors interviewed made it clear that they are continually on the alert for items of real interest to their readers and are now getting very little from processors of New England groundfish.

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