



Aquaculture & White Table Marketing

January 13, 2006



Today's Goals

-  Discuss the White Table Markets and how to access them.

-  Disclose the role and opportunities of aquaculture in the White Table Markets.



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Definitions



Definitions

White Table:

The top end of the market, referring to both demographics and check average.

Aquaculture:

Seafood products that are easy to grow, require little investment or hard work and yield great profits

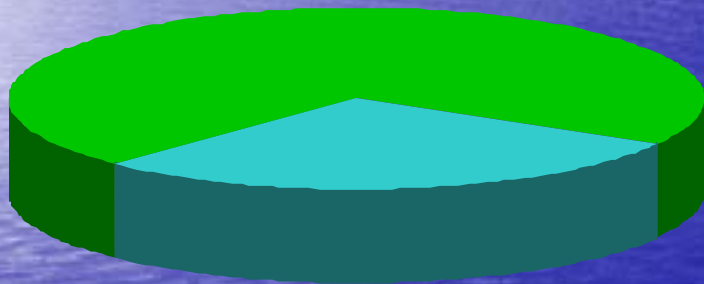




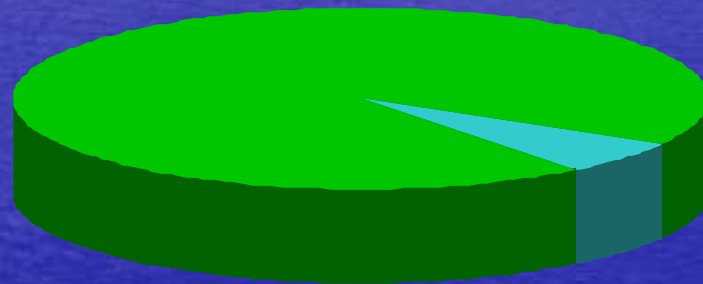
White Table Market Overview



White Table Markets are minority producers to the overall markets



Foodservice
29%



Retail 6%

"Wanna Be Segment confuses this percent"



WHITE TABLE MARKETS have the following sub-segments; these sub-segments have many different names:

	Food Service	Retail	Examples
Eclectic	<1%	N/A	Charlie Trotter
Blue Markets	16%	5%	Dean & DeLuca Les Nomad
White Markets	69%	89%	Whole Foods Shaw's Crab House
"Wanna Be's"	<u>14%</u> 100%	<u>6%</u> 100%	Add-Ons to general markets Flemings



The needs of the White Table Markets include:

-  Quality of Service
-  Quality of Integrity
-  Quality of Product
-  Absolute Focus and Commitment to the Market Segment



The "depth" of the White Table needs vary by segment:



Eclectic

Pack my fish in crystal, deliver at 7:05am, I will order 1 hour before I need it

Blue

Selling to an Ego

White

Realist about your and their goals

"Wanna Be"






Great intent but can lack financial follow-thru



**Attributes of a successful seafood
Distributor marketing to the White
Table segment**





Distributors to the White Table markets are characterized by:

-  Focus: White Table Markets are the focus
-  Demonstrates vendor dedication/ loyalty/ exclusivity
-  Commitment to some higher level of integrity
(it pains me to say, "some level")
-  Maintains customer loyalty and profitability through customer training
-  Low employee turnover
-  Understands Profitability



De-Sourcing is also key to product success:

-  For key products, you need to work on single sourcing:
Negotiate price contracts that have audit capabilities
-  Training the vendor is key to reaching the expectations of the White Table Markets

*“ I would rather work with a vendor to get it right
than throwing them under the bus”*

*John Livaditis
Plitt Executive*



Integrity ----- do you need a definition:

Where do you cheat?

- ☒ Blended Scallops
- ☒ Gassed Fish.....*now includes whole fish*
- ☒ Species Switching
- ☒ Short Weight
- ☒ Product Pumping (*how much water can that fish hold*)
- ☒ Price Changing
- ☒ Frozen to Fresh Magic

Integrity starts at the top



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Balancing service and profits is tricky:

Train the Customer

Service

Profits

Customer



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There are three reasons to deal with a customer:

Profitable

Pays Their Bills

Easy To Deal With

You need 2 of the 3 reasons to deal with a customer; know when to cut your losses

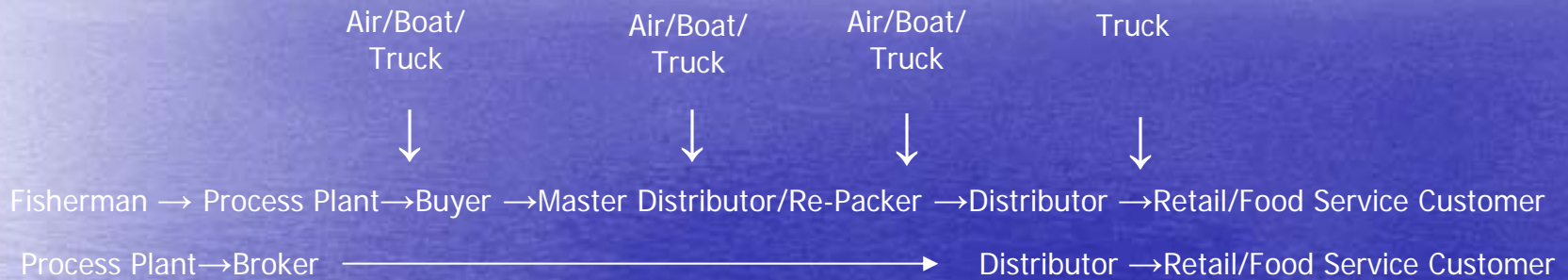
You could learn something here !



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The key to product success are the timing and events involved in water to plate sourcing:

Does your value chain look like this?



"Fresh fish has a 12 -day life, how many days did you leave for your customer"





Aquaculture's role in the White Table segment



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Good News

**Aquaculture is a requirement to fulfill
the growing global demand
for seafood**



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Aquaculture vs. Wild and the White Table Markets:

Aquaculture

Pros

Consistency
Menu Planning
Demand
Health
Quality of Kill
Texture Appeal

Cons

Activist
Media
One Bad Apple
Profitability

Wild

Pros

Media
Health
"Foodie" Market



Cons

Activist
Media
Inconsistent
Freight Opportunity

End Customers really do not understand the difference between Wild and Aquaculture



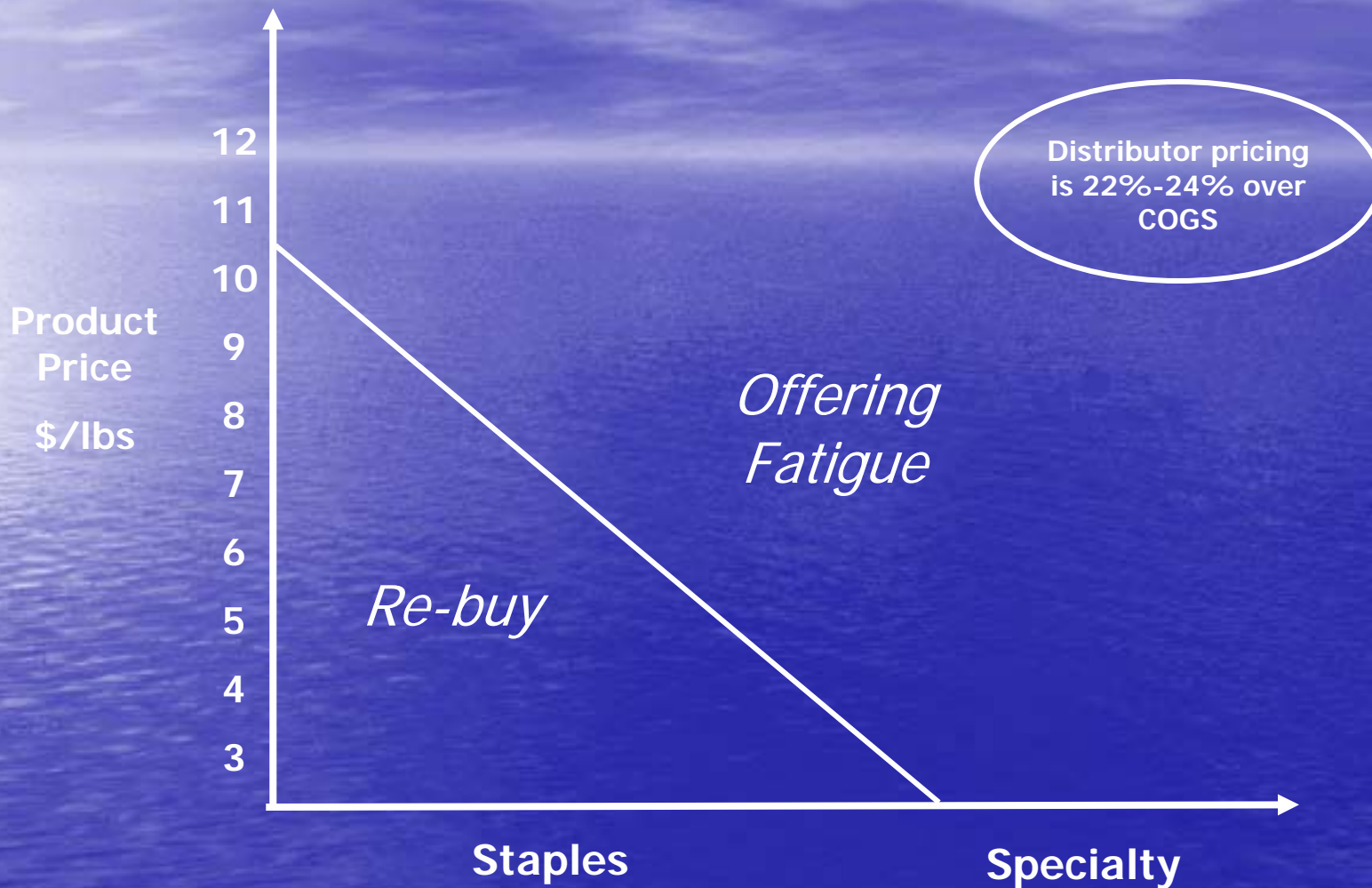
Staple vs. Specialty:

-  The key to success is building a sales annuity stream (re-buys).
-  The White Table Markets will run both specialty and staple items; it is difficult to build consistency with specialty items.

Where does your
Aquaculture Product fit?



Pricing to food service or retail segments result in the following outcomes



More details on distributor financials

<i>Sales</i>	100%
<i>COGS</i>	77%
<i>Gross Profit</i>	23%
<i>Plant O/H</i>	2%
<i>Labor</i>	11%
<i>Delivery</i>	5%
<i>SGA</i>	3%
<i>Net Income</i>	<hr/> 2%



Do not be fooled by
Distributor GP %....we all
have formulas....it all gets
to the low 20s



**Summarize Aquaculture's keys
to success for marketing to the
White Table Segment**



Keys to success include:

- *Choose your distributors carefully*
 - *do your research*
 - *.....or go direct*
- *Integrity, Integrity, Integrity*
- *Choose your segments to achieve a sales annuity*
- *Sell service and education.....*
- *If it is not profitable....don' do it.....or make it profitable (don't be afraid to raise your prices*





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Thank You!!!

