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## **The Effect of Brand Equity across Seafood Products**

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## **The Effect of Brand Equity across Seafood Products**

### **Abstract**

The brand equity can be an important marketing strategy in seafood marketing industry. The effect of brand equity on unbreaded frozen products of shrimp, salmon and tilapia is measured through unit market share. The results indicate that brand equity of the selected seafood products scarcely exists. However, a noteworthy market share of store brands draws an important attention on a role of store brands in seafood markets.

*Keywords:* Brand equity, market share

## **Introduction**

A wide variety of fish and shellfish products are available in the U.S. seafood market, however, about 55% of the seafood consumption during 2003-2011 was represented by three products: shrimp, canned tuna and salmon. The U.S. annual consumption of fish and shellfish has gradually decreased from 16.6 pounds per person in 2006 through 15 pounds per person in 2011 (U.S. Census Bureau, 2011 and National Marine Fisheries Service, 2011). Although the annual consumption of fish and shellfish has decreased, the consumption of the topmost seafood products has stayed around a certain amount of consumption without large movements.

Approximately three fourths of the seafood products consumed in the U.S. are fresh or frozen and canned seafood products account for slightly less than one fourth of the seafood consumed in the U.S. (Seafood Health Facts, 2013). Canned tuna among such top three seafood products is not considered to measure brand equity for this study since canned tuna is categorized as dry grocery according to Nielson ScanTrack. Instead, tilapia is considered as the rising seafood in fresh and frozen seafood products. Tilapia consumption has steadily increased since early 2000s (Agricultural Marketing Resource Center, 2012). The seafood products chosen in the study are frozen unbreaded products among categories of unbreaded, breaded, and entrée seafood products since unbreaded seafood products account for about 60% share in terms of quantity sold (Surathkal, 2012).

The fairly stable consumption of shrimp, salmon and tilapia in the U.S. over the last decade could imply the necessity for strategic marketing investments for long-term. Brands can be one of most important assets in value investing of seafood marketing industry. Brand equity measured in a marketing industry describes the value of having a well-known brand name, based

on the idea that a well-known brand name can generate more profits than private labels (or store brands) can do, as consumers accept price differences between well-known brand and private labels products (Aaker, 1996). Identifying brand equity in seafood products through the difference of market share between well-known national brands and store brands can unveil new marketing strategies for seafood marketing industry. In addition, measuring brand equity can suggest the role of store brands in seafood products. Recently, store brands have proliferated for almost every product in a supermarket. Over the past decade market share for store brand in grocery products in the U. S. have grown faster than market share for national brands have done (Sethuraman, 2003).

Brand equity is different from brand loyalty. Brand loyalty is the consumer's commitment to repurchase the products of a particular brand while brand equity refers to the marketing effects on retailers' business (Brand Amplitude, 2012). The positive effects of brand equity of the products can imply that people will show brand loyalty a specific brand.

In this paper, we analyze brand equity of seafood products by products-based approaches. We treat market share of well-known national brand as the outcomes of branded products that imply the increases in profits of retail suppliers over a store brand. The first objective of this study is to determine the effects of brand equity on shrimp, salmon and tilapia via products-based approaches, respectively. The second objective is to analyze the role of store brand in these seafood products.

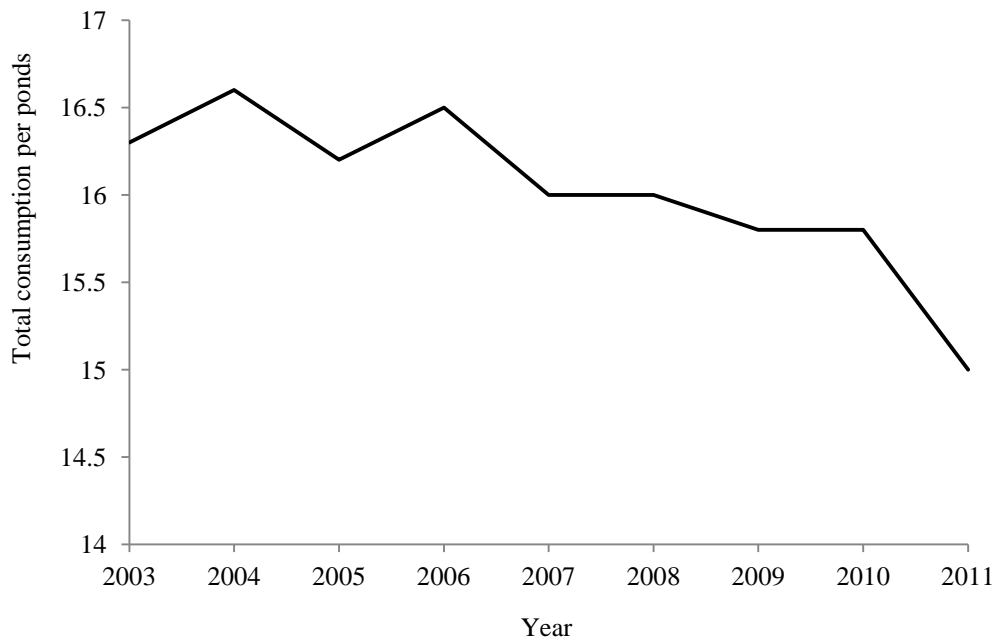
## **Data**

The retail scanner data used in this study are acquired from A.C. Nielsen, starting from January 2009 through September 2012. The procured dataset reports information including

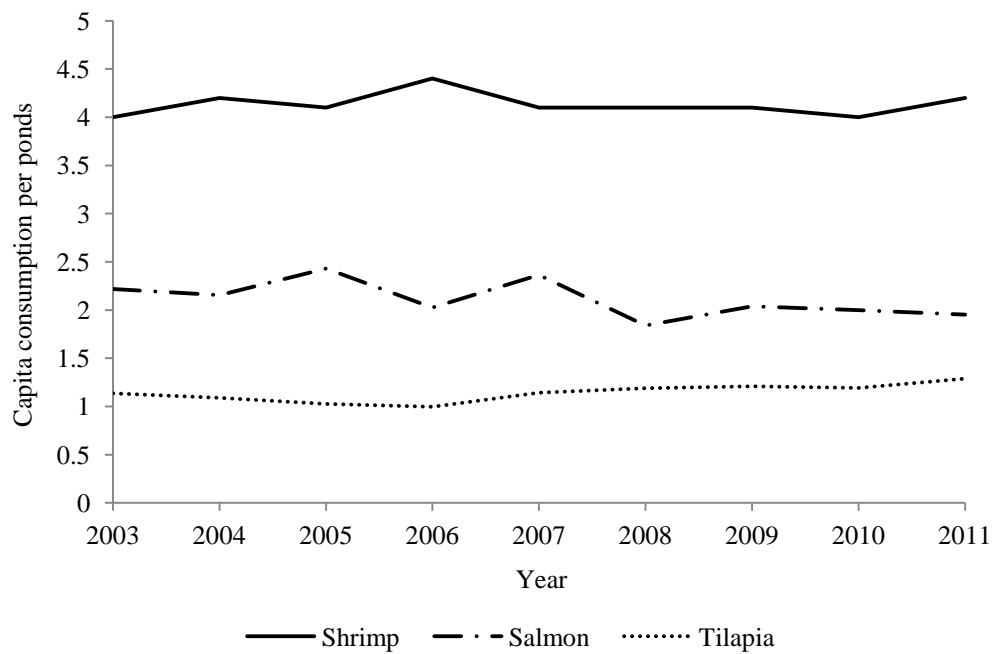
description of particular products such as brand, size, form, and formula on monthly sales. The data are collected from several types of stores across 52 markets or metropolitan areas. The types of store channels are categorized into three groups in accordance with the definition of Nielsen ScanTrack; drug stores, Food Drug and Mass (FDM) stores having at least 10,000 square feet of selling space, and superstores, independent grocers or food stores having an annual sales turnover of over \$2 million. Seafood sales in drug stores are negligible. Therefore, seafood sales in different stores are aggregated. Market share or sales data are sensitive to distribution coverage and sales may be dramatically affected when a brand gains or loses a major market or expands into another geographic region (Aaker, 1996). In order to avoid this particular problems of using scanner data, 52 markets areas are aggregated and referred to as U.S. total. Wal-Mart was excluded from retailers in the scanner dataset. The size (oz.) of seafood products are differently packed in term of individual company and the different packing sizes of shrimp, salmon and tilapia products are also aggregated. As a result, in order for the equivalent condition of shrimp, salmon and tilapia products, the data is only sorted by the same form (Fillet) of the products.

Data of the U.S. per capita consumption of seafood by species in pounds are from National Marine Fisheries Service. This is annual data from 2003 to 2011. Figure 1 display the trend of total annual consumption of seafood by species in per capita. Total annual consumption of seafood products has gradually declined. Figure 2 exhibits the trend of consumption of three topmost seafood products in the U.S. The shrimp products are the most consumed seafood products and have fairly stable consumption around 4 pounds in per capita. Annual consumption of Tilapia products has continuously increased.

**Figure 1. Trend of Annual Consumption of Finfish and Shellfish Products in U.S.**



**Figure 2. Trend of Annual Consumption of Shrimp, Salmon and Tilapia in U.S.**



## **Method**

The products-based approach is applied for measuring brand equity of shrimp, salmon and tilapia. There are several ways to determine brand equity (Aaker, 1991; 1996): 1) at firm level, a brand is treated as financial assets, 2) at consumer level, brand awareness of a particular brand is analyzed via survey, and 3) at product level, the market behaviors such as market share, market price, and distribution coverage of branded products is compared to an equivalent private labels (or store brand) products. Brand performance through market share (and/or sales) is based on the idea that when the brand has a relative advantage in the minds of customers, its market share should increase or at least not decrease.

Positive effects are that consumers accept to pay for price differences, and negative effects can be used to describe a product where a brand has a negligible effect on a product level when compared to private label products or store brand products (Slotegraff and Pauwels, 2008).

## **Procedure**

There are no strong and well-known national brands in these seafood markets, compared to other food commodities on a regular basis. In order to identify national brands of shrimp, salmon and tilapia products, first the scanner data is filtered by brand names, and 57 brands are founded for shrimps and 52 brand names are founded for both salmon and tilapia. The well-known national brands in the study are categorized by the rank of seafood suppliers by 2010 annual sales. It is complicated to rank seafood suppliers by annual sales since there are a wide of variety of seafood companies operating on very different business models (Wright, 2011). This rank in table 1 was lumped in vertically integrated suppliers with other wholesalers and

distributors. In some cases, the sale of the same fish may be counted more than once, as certain companies that appear on the list are known to do business with each other. For example, Tri-marine International of Bellevue supplies tuna to the “Big Tree” tuna canners such as Bumble Bee Foods, Chicken of the Sea and Starkist.

**Table 1. Rank of Seafood Suppliers Brand**

Rank of 2010	Seafood Suppliers	2010 Sales
1	Trident seafoods	1,250 (1,250)
2	Bumble Bee Foods	960 (950)
3	Tri-Marine International	900 (1,150)
4	Thai Union International	820 (805)
5	Nippon Suisan USA (Nissui)	740 (710)
6	Starkist	640 (654)
7	High Liner Foods	602 (593)
8	Marine Harvest USA	529 (496)
9	Beaver Street Fisheries	443 (480)
10	American Seafood Group	431 (430)
11	The Mazzetta Company	425 (400)
12	Icicle Seafoods	400 (375)
13	Ocean Beauty Seafoods	398 (391)
14	Aqua Star	390 (385)
15	Slade Gorton & Co.	325 (325)
16	Eastern Fish Co.	299 (255)
17	Clearwater Seafoods	299 (277)
18	Orion Seafood International	275 (300)
19	Icelandic USA	255 (266)
20	Harbor Seafood	247 (225)

Note: The source of this rank is from SeaFood Business (2010). Numbers of parenthesis are the last year's sales and in millions of U.S. dollars. The 2010 sales of Trident seafood are carried from 2009.

The well-known brands among a variety of brand names displayed in the scanner data is matched with top 20 seafood suppliers listed in table 1. Although the dataset provides a variety of seafood brands, the data consists of more private labels products of shrimp, salmon, and tilapia products than branded products by top 20 seafood suppliers. Since the lack of well-known national brands,

we consider the possibility of negligible effect of brand equity on shrimp, salmon and tilapia products when compared the national brands by top 20 seafood suppliers with store brands.

After selection of relatively well-known brands of seafood products, brand equity of shrimp, salmon and tilapia products is computed by estimating unit market share for each brand. The unit market share for individual brand is that the units sold by each particular brand name is divided by total market sales in the same units;

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An advantage of measuring brand equity with repeat purchase data from scanner panel source does not require a survey that can be inconvenient, time consuming, and hard to implement and interpret, however, there can bring measurement problems (Aaker, 1996).

## **Results and Implications**

Brand equity for unbreaded frozen shrimp, salmon and tilapia is measured by market shares between well-known brands categorized by top 20 seafood suppliers in terms of 2010 sales and store brands (CTL BRs). Table 2 reports the results of market share of each brand for the shrimp products. For unbreaded frozen shrimp, there are eight relatively well-known brands among 57 brand names for shrimps. Each well-known brand barely has market share. Aqua Star and Beaver Street Fisheries take about 1~2 percentage of market shares and even market share of Harbor Seafood and High Liner Foods are close to zero. However, store brands (CTL BRs) show the outstanding market share during four years around 60 %. From the results of market shares,

store brands have more market shares than the well-known brands in shrimp marketing industry. Store brands account for about one of every four products in supermarket and they are branching into niches that lack national brand completion (Consumer Reports, 2013).

**Table 2. Brand Equity of Each Brand for Shrimp Products through Market Shares**

Brand name	Market shares (%) of each brand for shrimp			
	2009	2010	2011	2012
Aqua Star	1.09	1.62	1.30	2.22
Beaver Street Fisheries	1.47	1.74	1.92	1.83
Eastern Fish Co.	0.79	0.53	0.39	0.29
Harbor Seafood	0.02	0.02	0.00	0.01
High Liner Foods	0.00	0.00	0.00	0.00
Slade Gorton & Co.	0.02	0.00	0.00	0.00
Thai Union International	0.76	0.69	1.25	1.06
The Mazzetta Company	0.82	0.65	0.52	0.57
CTL BRs	65	66	65	61

Note: Numbers are percentage.

Table 3 represents market shares of each brand for the unbreaded frozen salmon products. Market share of Aqua Star has relatively higher percentage of sales than other brands but it has dramatically declined from 8 % in 2009 to 2.83 % in 2012. Market share of Trident Seafoods has small percentage of shares but has gradually increased. In salmon products markets, store brands have relatively higher market share than well-known brands in salmon markets as well.

**Table 3. Brand Equity of Each Brand for Salmon Products through Market Shares**

Brand name	Market shares (%) of each brand for shrimp			
	2009	2010	2011	2012
Aqua Star	8	4.66	2.74	2.83
Beaver Street Fisheries	0.8	0.87	0.49	0.58
High Liner Foods	0.16	0.00	0.00	0.00
Icicle Seafoods	0.13	0.00	0.13	0.12
The Mazzetta Company	0.00	0.20	0.04	0.06
Trident Seafoods	1.44	1.61	2.22	2.96
CTL BRs	22	23	32	40

Note: Numbers are percentage.

Table 4 represents market share of each brand for unbreaded frozen tilapia. Tilapia products are considered as a seafood product that consumption has continuously increased. Beaver Street Fisheries has relatively higher market share (16 %) than other well-known brands and shows stable market shares over four years. However, when compared market share to store brands, store brands still have a higher percentage of market share.

**Table 4. Brand Equity of Each Brand for Tilapia Products through Market Shares**

Brand name	Market shares (%) of each brand for tilapia			
	2009	2010	2011	2012
Aqua Star	1.84	1.41	0.90	0.79
Beaver Street Fisheries	16	16	16	16
High Liner Foods	0.00	0.00	0.00	0.00
Harbor Seafood	0.00	0.00	0.00	0.00
The Mazzetta Company	0.26	0.36	0.37	0.46
CTL BRs	33	29	28	26

The results from market shares indicate that there barely exist brand equity on unbreaded frozen shrimp, salmon and tilapia marketing industry. However, we found the outstanding market shares of store brands in such seafood products. There need to have a careful consideration of interpretation with these results. For other food commodities in terms of a regular basis, store brands perform better than well-known national brands when an economy is tough. Seafood is not food products regularly consumed in the U.S. It is difficult to discuss whether a noteworthy performance of store brands in seafood markets is due to the tough economy or other factors such as the lack of national brands competitions, unawareness of brands, and measurement errors with market shares.

Measuring brand equity can provide an important implication of maintenance strategies for a seafood marketing industry. For accurate measurement of brand equity via market share, the different marketing efforts made by companies such as advertising and price deals (promotion vs. non-promotion) could be considered as well. In order to support the existence of brand equity in a seafood marketing industry, this study needs to consider cognitive psychology factors that indirectly influence on consumer choice through a consumer survey.

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