2003 Seafood Buyers Perception Study

Final Report

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831-7001Q

Prepared for:

Agriculture and Agri-Food Canada

November 2003

CORPORATE RESEARCH ASSOCIATES INC

1 Maritime Place	40 Charlotte Street	290 LeMarchant Rd	844 Main Street	400, 606 – 4th Street SW	1166 Alberni St.
Halifax, NS B3L 4V2	Saint John, NB E2L 2H6	St. John's, NL A1E 1R2	Moncton, NB E1C 1G2	Calgary, AB T2P 1T1	Vancouver, BC V6E 3Z3
TEL: (902) 421-1336	TEL: (506) 658-1740	TEL: (709) 739-9818	TEL: (506) 862-1969	TEL: (403) 685-5550	TEL: (604) 605-8412
FAX: (902) 453-0344	FAX: (506) 634-3393	FAX: (709) 754-0503	FAX: (506) 859-1691	FAX: (403) 206-7789	FAX: (604) 605-8401

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Introduction

As stated on the Government of Canada's official website, Agriculture and Agri-Food Canada is responsible for all matters relating to agriculture. Among its responsibilities, the department plays a role in supporting productivity and trade, as well as encouraging research and development in the fishery industry. In this regard, Agriculture and Agri-Food Canada commissioned Corporate Research Associates Inc. (CRA) to undertake a qualitative study among key seafood buyers in selected markets, to better understand current perceptions of the country as a seafood supplier and of Canadian seafood products.

More specifically, this study will provide a basis for the identification of strategic brand messages and promotional programs for the Canadian seafood industry. Key objectives for this project include:

- Assess the current image of Canadian seafood with selected seafood buyers; and

- Provide a basis for the identification of strategic brand messages and promotional programs for seafood.

This report outlines the project's study methodology, qualitative research considerations, and provides an executive summary, detailed analysis of the study results, and conclusions and recommendations based on the key findings. Working documents, namely the interview invitation letters and the interview protocol are appended to this report.

Research Methodology

To achieve the objectives mentioned above, a total of 42 in-depth telephone interviews were conducted with selected seafood buyers in five key countries, namely Canada, United States, France, United Kingdom, and Japan. These seafood buyers represented a cross-section of companies in the food service and retail sectors. Interviews were conducted over the telephone from September 22 to November 6, 2003 and lasted 30 minutes on average. Seafood buyers' names were provided by Agriculture and Agri-Food Canada, and all were contacted in writing by the Canadian Embassy in each respective country inviting them to participate to the study.

The following table illustrates the breakdown of interviews according to country and type of buyers, as well as the initial completion goals set by Agriculture and Agri-Food Canada.

Country	Food Service			Retail		
	Quota	Sample Size	Completed	Quota	Sample Size	Completed
Canada	6	10	6	4	6	2
United Sates	10	14	9	6	10	1
United Kingdom	6	7	6	4	4	3
France	6	3	1	4	2	2
Japan	8	8	8	4	4	4
Total	**36**	**42**	**30**	**22**	**26**	**12**

Context of Qualitative Research

In-depth interview discussions are intended as moderator-directed, informal, non-threatening discussions with participants whose characteristics, habits and attitudes are considered relevant to the topic of discussion. The primary benefits of in-depth interview discussions are that they allow for in-depth probing with qualifying participants on behavioural habits, usage patterns, perceptions and attitudes related to the subject matter. The discussion allows for flexibility in exploring other areas that may be pertinent to the investigation. In-depth interviews allow for a more complete understanding of the segment in that the thoughts or feelings are expressed in the participants' "own language" and at their "own levels of passion."

The in-depth interview technique is used in marketing research as a means of developing insight and direction, rather than collecting quantitatively precise data or absolute measures. Due to the inherent biases in the technique, the data should not be projected to any universe of individuals.

Executive Summary

Results from the **2003 Seafood Buyers Perception Study** suggest that Canada is highly regarded as a seafood supplier. The Country's natural and pristine landscape, the perceived quality and consistency of selected seafood products, as well as its well-recognized food safety practices within the seafood industry all contribute to Canada's image as a desirable seafood supplier.

Canada is generally recognized as outperforming other countries supplying seafood in terms of **food safety practices**, **product freshness**, and **resource management practices**. On the other hand, it is perceived somewhat unfavourably with respect to **product value**, most notably compared to Asian countries. Product quality and consistency, as well as food safety practices are clearly viewed as Canada's key strengths as a seafood supplier, while the overall cost of products purchased from Canada is the primary product-related weakness according to most seafood buyers. China was clearly seen as Canada's competitor in terms of cost, while Thailand and Chile were seen as offering high value products, specifically shrimp and salmon, respectively.

To build on its current appeal as a seafood supplier and to increase its presence in international markets, it is paramount that the Canadian seafood industry better position itself by highlighting its perceived strengths and minimizing its weaknesses. There is a need to shift buyers' perception from that of a high **cost** to being a high **value** provider. Developing a brand positioning for the industry, as a whole is important given buyers' perception that the product's country of origin is more or equally as important as the supplier's country of origin in assessing product quality.

Seafood buyers have limited awareness of Canada's seafood industry, given the lack of information available to them. Results suggest there is merit in implementing a communications strategy targeted at educating buyers, distributors, and consumers. Such a campaign should address the benefits of seafood consumption as well as Canada's product offering and value proposition and would help to increase and strengthen the Country's position as a seafood supplier. Taking a more proactive communications approach with both existing clients and potential buyers may also help Canada establish a stronger presence in the foreign marketplace.

Given buyers' preference for long-term supplier relationships, and because proximity, cultural similarities, and overall customer service play an important role in buyers' choice of seafood suppliers, Canadian suppliers would benefit in developing closer relationships with their current clients and better understanding their specific needs and expectations in terms of product specifications and logistics. Furthermore, to assess its full market potential, the Canadian seafood industry must understand reasons for which seafood buyers that may offer a demand for Canadian products do not currently deal with Canadian suppliers.

Conclusions

The following conclusions are derived from the analysis of the detailed findings of the **2003 Seafood Buyers Perception Study**.

- ***Seafood buyers purchase a wide variety of seafood products and appear to deal with particular countries to meet specific product needs.***

  Generally, seafood buyers purchase a variety of seafood products from suppliers in multiple countries across North and South America, Europe and Asia. Salmon, cold and warm water shrimp, ground fish and live lobster constitute the most commonly purchased fish across suppliers. Although there is some variation according to the buyers' country, seafood suppliers are most often from Canada, United States, Chile, and Iceland or Norway, and China. Canada is among the top suppliers for buyers in each of Canada, United States, United Kingdom, and Japan.

  When it comes to the actual country of origin of the products, to a certain extent it mirrors the suppliers' country of origin. Canada, United States, China, Chile, Thailand and Iceland or Norway are the most common sources of products. Seafood buyers tend to pay a lot of attention to products' country of origin, as certain countries are perceived as having better quality seafood products than others, and often have a reputation for certain species, which is reflected in consumer demand for a species from a particular country.

  The proportion of seafood products that come from Canada varies notably across buyers. Buyers often turn to Canada for salmon, scallops, shrimp, and lobster. Notably, Canada enjoys a positive reputation for certain products, particularly lobster, and in some cases buyers purchase the bulk of this species from Canadian suppliers.

- ***Product quality, food safety, price, and freshness are critical considerations in the choice of a seafood supplier.***

  Buyers have clear expectations from seafood suppliers. Product quality is foremost in buyers' minds as it reflects consumer demand for quality products and the reputation of companies is contingent on a quality product. Coming into play are the freshness and safety of the product, which buyers generally consider fundamental components.

  Price or the value of the product is also a critical consideration. While buyers were not necessarily looking for the lowest price, they were looking for the best value for the price paid.

  Also important to the supplier is the overall reliability of the suppliers. In this regard, the consistency of the product, ability to meet specifications, ability to deliver on time, the sustainability of the supply, and product packaging and presentation influence buyers' selection of suppliers.

The importance of establishing ongoing business relationships cannot be understated. Many buyers indicated they have long histories with their suppliers and they look for suppliers that can serve them on a long-term basis. With long-term relationships, they can have more comfort in the reliability of the supply as the suppliers share a better understanding of the buyers' needs.

- ***Canada is recognized for the overall quality and freshness of its seafood, while the lack of product awareness and cost were seen as key weaknesses.***

Across all study markets, Canada is held in high regard as a seafood supplier, and is perceived as a clean, pristine, pure, and unspoiled territory ideal for harvesting quality seafood. As such, Canada bears the image of a supplier offering an abundance of fresh seafood products, most notably shellfish, meeting high quality standards. This is a definite advantage for Canada, since the overall quality of the product (product freshness, consistency, and food safety practices) is considered paramount in the choice of seafood suppliers.

Product consistency and food safety practices were also cited as some of the Country's key strengths. Canada's food safety practices were particularly well viewed by Japanese buyers who reported recent safety issues within their national food industry. Seafood buyers' opinion of Canada has changed little over the past few years. For Canadian, American, and European buyers, the ability to converse with Canadian suppliers in their own language is also a key asset.

While Canada may enjoy an excellent image, European and Japanese buyers clearly display a low level of awareness of Canadian seafood products. Their knowledge is generally limited to products they purchase and they are not familiar with the range or the quality of other Canadian products available to them. Cost was the most often mentioned product-related weakness mentioned across segments. In fact, volatile pricing of Canadian shellfish was considered not competitive with selected Asian countries. Japanese and French buyers also noted the negative impact of import duties, taxation and shipping on the overall price paid for the product.

Other weaknesses noted regionally, include Canadian suppliers' unreliable distribution process to central United States, Japan, and the United Kingdom, variability in the processing of shrimp sold to the United Kingdom, packaging not meeting the needs of some American and Japanese suppliers, and an inability to properly manage the resource for long term sustainability according to North Americans. In addition, Canada was criticized for its lack of assertion in its business practices.

- ***Although opinions of countries vary among seafood buyers, China is recognized as a low cost provider, while Chile and Thailand are noted for the quality of specific seafood products.***

  Various countries are recognized for particular attributes. Buyers in both Canada and the United States recognized the proximity of both countries as a key strength, as it facilitates quicker response times. American buyers also consider the abundance of products, the freshness and consistency, overall product quality, good food safety practices as key strengths of its own country. Cost is also a strength, as duty was not an issue.

  Likewise, for European buyers, proximity, lack of duties, and consistent currency are considered advantages of using European suppliers. Altogether, this contributes to an overall ease of doing business within Europe.

  Chile is recognized as having a well-managed and quality product, specifically when it comes to salmon. China's primary strength is considered to be its ability to turn raw materials into products relatively inexpensively. Thailand also has a similar advantage specifically in relation to shrimp in terms of low labour costs and being able to produce value-added shrimp at lower costs. Thailand is also cited for the quality, availability, and consistency of its shrimp.

- ***Canada is generally viewed as outperforming other countries in terms of product freshness, food safety practices, and resource management practices.***

  When asked to assess Canada's performance as seafood buyers on twelve key factors, the Country was consistently rated better than other countries in terms of product **freshness**, food **safety** practices, and **resource management** practices. Across markets, Canadian and Japanese buyers shared the most positive views. In addition, Canada was seen among the best in terms of its overall fishery management practices, along with the United States, New Zealand, Chile, Faroe Islands, Iceland or Norway.

  Opinions of Canada's inferior performance varied regionally. In Japan, Canada was rated poorly on the value of its seafood, the country's ability to meet specifications, and its ability to deliver on time. In Canada, opinions were less favourable about the Country's food safety and resource management practices. There was also some criticism of industry-related labour issues. A few British buyers gave lower ratings to Canada in terms of sustainability of the supply.

  Perhaps not surprisingly given the nature of their respective business sectors, buyers from the Retail sector shared slightly different opinions than those in the Food Service sector. Buyers in the Food Service sector rated Canada more favourably than Retail buyers on food safety practices, resource management practices, product freshness, and sustainability of the supply.

- ***Geographic proximity and cultural similarities facilitate business relationships, while distance, language and cultural differences, and poor customer service render business difficult.***

  Seafood buyers' purchase behaviours and opinions of various countries as seafood suppliers suggest that geographic proximity and cultural similarities play a role in the selection of seafood suppliers. This may be due to a familiarity with the language, business practices, trade regulations, as well as the ease of communication, and the response time. For the most part, foreign suppliers considered easiest to do business with were those with whom seafood buyers had established a business relationship based on trust and service. Logistics, convenience, accessibility, and flexibility are factors influencing the choice of suppliers.

  Conversely, heavy bureaucracy, lack of communication, language barriers, distance, inconsistent product quality, and poor customer service were all mentioned as characteristics of bad suppliers. While seafood buyers were able to explain what they consider to be a difficult business relationship, few attributed the named characteristics to a specific country, but rather suggested they would apply to specific suppliers.

Recommendations

The following recommendations are presented for Agriculture and Agri-Food Canada's consideration.

1. **The Canadian seafood industry should develop a brand strategy based on its key differentiators.**

   While Canada enjoys a very favourable opinion among seafood buyers who currently purchase some Canadian products, customers, most notably Europeans and Japanese are unable to clearly differentiate Canada from its competitors. Perhaps the only exception is with respect to Canadian lobster, widely recognized among both consumers and seafood buyers. To strengthen its position on the marketplace and build equity among seafood buyers, the Canadian seafood industry should consider developing a branding strategy that outlines its key differentiators, while placing less importance on its few weaknesses. This is most important given seafood buyers' belief that there is a relationship between a seafood product's quality and its country of origin.

   Study results suggest that Canada is very well perceived within the industry and its reputation is not tarnished by evident negative images. Positioning the industry and the Country as a whole based on its image as an **ideal environment to harvest good quality seafood**, as well as its pristine, clean, wild, and unspoiled features, will support and likely enhance buyers' positive opinion of Canadian products' quality, and consistency. Equally important is Canada's overall **safe food practices** and its reputation of offering **fresh products**. Developing a clear value proposition that outlines these key differentiators will go a long way to establish Canada's position as a competitive seafood supplier. At the same time, such a strategy will focus buyers' attention on value instead of price.

2. **Canada should develop a structured and integrated communication strategy to strengthen its position as a seafood supplier in key markets.**

   Study results suggest there is tremendous opportunity for Canada to strengthen its position in key markets as a major seafood supplier among its existing client base. A structured approach to marketing Canada is needed to address limited levels of product awareness that exist, as well as negative media attention about the Canadian seafood industry.

   Given that consumer and client demands drive, for the most part, seafood buyers' product choices, the Canadian seafood industry should consider increased targeted marketing and promotional efforts to educate both foreign and local consumers, restaurateurs, and distributors in terms of Canadian seafood product selection and the industry's value proposition. There is also merit in promoting the benefits of general seafood consumption among consumers, most notably within Canada.

Through integrated public relations efforts, the Canadian seafood industry should also address the negative impacts recent media stories on labour disputes and quotas may have had on its current positive reputation in terms of resource management and sustainability of the supply. Canada should reiterate that these issues will not impact the quality of the supply nor will it limit sustainability.

Furthermore, Canada's seafood industry must overcome its reputation as a quiet, unobtrusive supplier, and become more aggressive in promoting itself through proactive communications with both current and potential clients. Comments shared by many European, Japanese, and American seafood buyers suggest Canadian suppliers need to nurture existing relationships with foreign based clients through increased contact and an effort to meet buyers' specific needs and expectations.

Finally, the Canadian seafood industry needs to review its existing processes and procedures with respect to handling seafood products, from the time it is harvested to the time it is delivered, to ensure it meets seafood buyers' specific needs and expectations.

3. There is merit in understanding the opinions and perceptions of seafood buyers who do not purchase Canadian products.

The current research demonstrates that overall Canadian seafood is viewed favourably by those buyers who choose to do business with Canadian suppliers. What is not known are the perceptions held by buyers currently not doing business with Canadian suppliers. What is the true market potential for Canadian seafood? There is merit in assessing the perception of buyers who do not currently purchase Canadian products, but who may have a demand for products available through Canada. It is important to understand their past history and contacts with Canadian suppliers, their reasons for not using Canadian suppliers, their overall familiarity with Canadian products and suppliers, and their overall opinion of Canadian suppliers and products. By doing so, it can help determine the major challenges Canada faces in reaching more buyers, whether it be an awareness issue, logistical concerns, preference for suppliers from other countries, negative perceptions, or other challenges. Such an understanding could direct strategies toward targeting seafood buyers who do not purchase Canadian products.

Key Findings

Understanding the Purchase Decision

Seafood buyers purchase a wide variety of seafood products and appear to deal with particular countries to meet specific product needs.

Types of Seafood Products Purchased

Across markets, seafood buyers indicated purchasing a variety of seafood products, with some purchasing a greater array of products than others. Salmon, cold water shrimp, warm water shrimp, ground fish, and live lobster were among the most common species overall.

A few differences in terms of the most common seafood products purchased were noted depending on buyers' location, as listed in the following table.

Type of Seafood Typically Purchased (most often mentioned)				
Canadian Buyers	**American Buyers**	**British Buyers**	**Japanese Buyers**	**French Buyers**
Salmon Shrimp Ground fish Scallops Live lobster	Salmon Ground fish Live lobster Scallops	Prawn Warm water shrimp Ground fish	Salmon Shrimp Live lobster Snow crab Clams	Shrimp Frozen lobster

Most participants who purchased salmon indicated they preferred either farmed only or both farmed and wild salmon. Wild salmon was most popular among Japanese seafood buyers. Only a few buyers from Canada or the United Kingdom reported purchasing trout and in all cases it was farmed.

Seafood Suppliers' Country of Origin

Seafood purchases are currently made through suppliers from a wide variety of countries, most notably in North and South America, Europe, and Asia. Perhaps not surprisingly given the nature of the study, when asked what country their seafood suppliers were from, most buyers mentioned Canada. Chile was also a popular mention among North Americans and Europeans, most notably as it relates to purchasing farmed salmon. Finally, Thailand and Vietnam were key supplying countries for buyers from the United States and the United Kingdom, while European buyers from both the United Kingdom and France often mentioned Iceland or Norway. Only a few reported purchasing seafood products from Chinese suppliers.

The following table lists most popular mentions by participating countries.

Seafood Suppliers' Country of Origin (Most often mentioned)				
Canada	**United States**	**United Kingdom**	**Japan**	**France**
Canada United States Chile	United States Canada China Thailand Chile Vietnam Ecuador	Iceland/Norway Canada Denmark Chile Thailand Vietnam Ecuador Greenland	Japan Canada	Argentina Canada Iceland/Norway Chile Brazil France

Seafood Products' Country of Origin

When asked to name the three countries where the majority of their seafood products came from, seafood buyers most commonly named Canada, the United States, China, Chile, Thailand, and Iceland or Norway. Perhaps not surprisingly, a few differences were noted according to where the seafood buyer is located, as listed in the following table.

Seafood Products' Countries of Origin (Most often mentioned)				
Canada	**United States**	**United Kingdom**	**Japan**	**France**
Canada United States China Chile Thailand	Canada United States China Chile Thailand	Iceland/Norway Canada United States China Denmark	Canada Japan China Chile	China Thailand Iceland/Norway Argentina India

Seafood buyers, most notably those located in Canada, the United Kingdom, and Japan, indicated that they pay a great deal of attention to the country of origin labelled on the product for certain species, as it may be indicative of the product's freshness and overall quality. Shellfish, shrimp, and salmon were the most often named species where origin influences the quality of the product. In relation to this, origin of particular products is important given that certain countries have a reputation for products of a certain quality and that consumers demand those products. For example, buyers (especially European buyers), stressed the perceived high quality of Canadian lobster, and indicated that consumers expressly look for lobster from Canada. Therefore, in essence, the country of origin becomes an important marketing angle for certain products. It is not surprising then that buyers were generally of the opinion that the product's country of origin **is as important** as **or more important** than the supplier's country of origin.

> *"If it is an item that is a quality item, that we wish to maintain the integrity on the item, such as the scallops, then we are very concerned about where it comes from. We know certain suppliers, or certain countries, offer better quality than other suppliers." (Canada – Retail)*

One buyer in the Food Service segment reported mainly relying on suggested products from his suppliers, paying little attention to the product's country of origin.

> *"When I order scallops, I order scallops. If they are coming out of Canada this week, great, if they are coming out of the US this week, fine." (US – Food Retail)*

One retailer carrying value-added products noted the difficulty in always knowing the product's country of origin when seafood is processed in a country different than where it is harvested.

> *"The country of origin is very difficult to identify. We buy products from Highliner, but yet they get it from other countries. They process it here and the processing may just entail putting it in a box …and then they just resell those." (Canada - Retail)*

Purchases from Canadian Suppliers

Of all the Canadian seafood products, salmon, scallops, shrimp, and frozen lobster were among the most often purchased by seafood buyers. In addition to those products, Canadian and American seafood buyers indicated they purchased fresh ground fish, live lobster, and snow crab originating in Canada. Most of the salmon purchased by Canadian or American buyers is farmed, while buyers from the United Kingdom or Japan tend to prefer wild Canadian salmon.

Canadian buyers suggested that between 40 percent and 80 percent of all the seafood products they buy is Canadian. This proportion declines to less than 30 percent for most American buyers, less than 20 percent in Japan, and less than 10 percent for most French or British buyers. When thinking of **major species** only, (namely salmon, shrimp, crab, lobster, and scallops), Canadian and American buyers suggested that on average, more than half of the products in that category are purchased from Canada, while Japanese buyers indicated that Canadian products in that category accounts for a slightly lower proportion. Buyers from the United Kingdom or from France tend to purchase an average of 10 percent of all their major species from Canada, suggesting a market opportunity may exist in those countries. While overall proportions may be low, some buyers reported purchasing some or most of certain species among this group of major species from Canada.

Important Factors in Choosing a Seafood Supplier

Product quality, food safety, price, and freshness are critical considerations in selecting a seafood supplier.

To better understand seafood buyers' selection process when choosing a supplier, buyers were asked (unaided) to name the factors they consider in their selection. It is important to note that buyers felt that many factors are intertwined and if one factor is affected, for example, food safety, it also has an impact on other parameters such as overall quality and perceived value.

Having said this, product ***quality*** and the ***price*** of the products are by far seafood buyers' most important criteria across jurisdictions. Seafood buyers suggested they assess the quality of the products mainly through the freshness, as well as the visual, tactile, and olfactory appeal of the product. Overall appearance, consistency, colour, size, and firmness are all factors enabling buyers to assess the quality of seafood products they purchase. Some buyers explained that the way the seafood is handled from the time it is harvested to the time it is delivered impacts the quality of the product. More specifically, they look for suppliers that will process the seafood soon after it is landed and do so according to not only industry standards, but to those of the buyers. Indeed, many participants commented that they only dealt with select suppliers in each country who they knew would meet their own company's standards in terms of catch handling and processing in the plants. Some noted that they do their own inspections of plants to ensure suppliers meet their company's standards.

> *"If you have the quality, you have the shelf life, you have longer to sell the products or in the case of live products, you've got less mortality." (UK-Food Service)*

> *"The integrity of the product, being the quality of it and the safety and the handling. If a supplier can prove to me that the product has been handled in a food safe manner, it is paramount to us in our purchasing decision. We would favour somebody who above price, can prove that the product coming in our back door has been handled properly." (Canada – Food Service)*

While both quality and price were mentioned most often, it was consistently noted that quality is **by far more important** than price, as the buyers' reputation and business success is greatly impacted by the products they carry. The provision of consistent quality products to clients or consumers generally can help to ensure repeat or increased business.

> *"Our position as a market leader is dependent on the quality. We have to ensure a quality product, for a fair price." (UK – Food Service)*

> *"You can't produce a good quality product in your restaurant if you don't start off with quality raw ingredients to begin with." (Canada – Food Service)*

Reliability of supply is also a key consideration in the Canadian, American and British markets, while ***food safety*** was often mentioned in Canada and in Japan. In Japan, recent fraud issues in the food industry no doubt impact this opinion. Finally, it is interesting to note that Japanese and French buyers seldom mentioned the reliability of the supply as a factor influencing their choice of a supplier.

> *"Japanese consumers have become distrustful of the food industry. Transparency is important. Japanese consumers are very interested in where the food comes from, and how it arrives at their table."(Japanese - Food Service)*

Another regional characteristic noted is the importance of strong business ***partnerships*** among North American and United Kingdom buyers. These participants suggested they consider the supplier's history, reputation, integrity, and past relationships prior to purchasing. Indeed, many reported they had a long history of dealing with certain suppliers. Trust and a strong relationship are seen as an assurance of consistency and reliability of supply, as suppliers are more likely to understand clients' needs and expectations. The time normally spent on finding and building relationships with suppliers can then be spent on other administrative or business expansion opportunities.

> *"You pick up the phone, you typically deal with the same people you have dealt with for many years. You know their business, they know your business."*

Finally, elements each mentioned (unaided) by a few buyers include consistency of the product, on-time delivery, availability, packaging, product knowledge, professionalism, recommendations from others, ability to respond quickly to requests, range of products, brand recognition for value-added products, processing techniques, and confidence in management.

To further explore buyers' selection process, they were asked to assess the importance they place on 12 specific factors when choosing a seafood supplier, including:

- Value, namely the product received for the price paid;
- Continuity of the supply;
- Food safety practices;
- Resource management practices;
- Ability to meet specifications in terms of sizes, cuts, and so on;
- Packaging, namely the protection of the product;
- Level of information on the packaging;
- Presentation of products;
- Product freshness;
- Sustainability;
- Ability to deliver on time; and
- Product consistency.

Across markets, ***food safety*** practices and ***product freshness*** are most often considered critically important factors in the selection of suppliers.

Other factors of critical importance include the **ability to deliver on time**, the **continuity of the supply**, **product consistency**, the **ability to meet buyers' specifications** in terms of size and cuts, **product value**, **packaging**, the **presentation of the products**, and **sustainability of the supply**. Factors considered less critically important, albeit still playing a role in the choice of a supplier, include **resource management practices** and the **level of information on the package**. With respect to the latter, some noted they repackage products and thus do not need as much detail on the original packaging.

A few differences are noted across jurisdictions. Japanese buyers are more inclined than others to consider the product value, resource management practices, presentation of the product, packaging and the level of information on the packaging, as critically important considerations.

British buyers, for their part, tend to place more importance than other buyers on product value, the ability of the supplier to meet specifications, and sustainability of the supply. Finally, American buyers are among those for whom resource management practices, the suppliers' ability to meet their specifications, the presentation of the products, and sustainability, are most critically important factors.

Finally, it is important to note that some buyers in the United Kingdom indicated that certification by the Marine Stewardship Council is becoming more important. In this regard, it was noted that the length of time it is taking for Canada to become certified, namely in relation to salmon, raises questions regarding Canada's sustainability planning.

> *"Canada may not be worse [in terms of sustainability] but the message that is being portrayed because of the time scales and getting them approved by MSC [Marine Stewardship Council] is taking forever." (UK-Retailer)*

While opinions of buyers were similar overall across segments, Retail buyers rated packaging and the presentation of the products as more critically important, while Food Service buyers were of the opinion that sustainability played a more critically important role in their choice of a supplier. Across buyers, it was felt that the level of information on the packaging is important, to the extent to which it meets regulations.

The following table lists critically important factors mentioned most often by jurisdiction.

Critically Important Factors when Selecting a Seafood Supplier (Mentioned by Most)

Criteria	CAN	US	UK	JAPAN	FR
Value (product received for the price paid)			X	X	X
Continuity of the supply	X	X	X	X	
Food safety practices	X	X	X	X	X
Resource management practices		X			
Ability to meet specifications		X	X		
Packaging				X	
Level if information on the packaging				X	
Presentation of products		X		X	X
Product freshness	X	X	X	X	X
Sustainability		X	X		
Ability to deliver on time		X	X	X	X
Product consistency	X	X	X	X	X

Opinion of Supplying Countries

Canada is recognized for its natural environment, the quality and consistency of the seafood. Other countries are recognised for particular attributes.

Participants were asked to identify what they perceived to be the key strengths of selected countries from whom they bought seafood products. They were not asked their opinion of all supplying countries, but rather of the three countries from which most of their seafood products come from. In addition, seafood buyers were asked what they consider Canada's key strengths as a seafood supplier, regardless of whether or not it was among their key supplying countries. It is important to note that the emphasis was placed on expressing opinions of the country itself as a whole, and not of the specific suppliers located in these respective countries, nor products originating from these countries.

While seafood buyers tended to assess countries according to overall product quality and freshness, it is evident that countries are recognized for certain attributes. The following sub sections give an overview of seafood buyers' comments with respect to the countries most often mentioned.

Impressions of Canada

Across the study population, ***Canada*** holds an image of an ideal environment to harvest an abundance of wild seafood species. Participants used words such as, clean, unspoiled, unpolluted, natural environment, authenticity, legitimacy, and cold water to describe Canada as a natural seafood supplier. The sheer abundance of its resources, coupled with its long history and experience in the fishing industry positions Canada as a seafood supplier. Moreover, Canada was also noted for its good resource management practices in ensuring sustainability of the supply.

> *"The resource of the product, they always seem to have it, they manage it well." (US – Food Service)*
>
> *"Canada is very good on the renewable resource aspect of things." (US-Food Service)*
>
> *"The absolute knowledge of the industry and the history of the industry, it has been there for years. Very good management of the whole fishing process in terms of the Canadian government clearly has a big input in controlling of over fishing, allowing enough salmon to escape up the rivers each year…it's that knowledge and the quality of the factories." (UK-Retailer)*
>
> *"(Canada) has abundant resources, good quality product, and the whole image of Canada has being a clean and naturally sustainable, secure eco-environment would be strengths."*

Canada is also recognized as providing good quality, generally fresh products that are consistent in terms of appearance and size. Canada's food safety practices were also praised in the Japanese market. Americans also saw Canada's proximity as a strength, as it enabled them to obtain the products more quickly. Finally, Canadian, American, and European buyers noted their ability to converse in their preferred language was a pleasing characteristic about doing business in Canada.

> *"The sheer size of the fishery so you can get a correctly graded product. The seriousness of the suppliers in ensuring they do a correct job; the quality, you can make your choices of what levels of quality you want, and generally speaking those parameters will be kept; and the speed of response." (UK-Food Service)*

It was also noted that several Canadian products have a certain prestige and reputation associated with them. This is a key asset in marketing products from Canada. This is most notably the case of the Canadian lobster and Canadian scallops.

> *The products are typically high value, high end products that have prestige associated with them." (US – Food Service)*

Impressions of Chile

Chile's key strengths as a seafood supplier mainly relates to buyers' experience with farmed salmon. As such, the country is perceived as offering a good quality product, being able to manage farmed salmon properly, offering a consistent product, and having available supplies.

> *"They always seem to have it and they seem to take care of it." (US-Food Service)*

Impressions of China

China was clearly perceived as a low cost provider, offering a product that may be of lesser quality. Given the low labour cost, participants were also under the impression that the country has particular appeal for the competitiveness of its processed and packaged seafood products. Participants explained that with lower labour costs, China is able to turn raw materials into packaged goods relatively inexpensively.

> *"They have the ability to deliver reasonably priced products and consistent products." (Canada – Retail)*

> *"China can produce to very difficult specifications…every bit produced is perfect." (United Kingdom – Food Service)*

"The value, their ability to convert products much cheaper than anybody else. They also have the ability to do heavy labour intensive items. They can do a lot more from a value perspective, in terms of trimming products or anything really labour intensive. China offers the opportunity to do that in a relatively cheap manner." (US - Food Service)

Impressions of the United States

American buyers praised the ***United States***' ability to deliver products quickly, the abundance of seafood products available, the freshness and consistency of products, the overall product quality, product value (since it does not have duties included in the price), and good food safety practices.

"You know its fresh. There's a pretty wide range of products available. The USDA is very strict about the sanitation and health practices of the plants." (US-Food Service)

"For the items that are truly fished within the US waters…the sustainability of the resources and from a regulatory standpoint, we are almost over-regulated. But by the same token that means the supply source is a very safe food supply source, we don't have to worry about food safety and things like that." (US-Food Service)

A few British participants also shared their views on the United States, highlighting the country's quota management of the Pollock fishery and the abundance of the salmon as key strengths.

"The management of the [Pollock] fishery…we can go to this resource and know that you can buy your Pollock there for years now, and it's going to be well-managed and that's crucial [to our company]." (UK-Food Service)

"(US) has a broader selection, more competitive prices, and an equal image (to Canada) as far as quality and value. They also have more stringent inspection system. They may not be as eco-friendly on one hand, but on the other hand, the fishery department is more diligent (than Canada) in managing the flow of the product." (Canada – food service)

Impressions of Thailand

Thailand's key strengths relate to its shrimp, most notably its quality, reasonable price, availability, and consistency. Furthermore, the country is praised for its ability to offer good value-added shrimp in various forms (vacuum packed, fully cooked, etc.).

"Raw material, advanced processing…they are very 'switched on' to the European market and the quality of the finished products. They are using very good fresh raw material and they also have got very technical and skilled labour. The end product is generally very good." (UK-Food Service)

"The amount it is able to put out." (US - Food Service)

Impressions of European Countries

European buyers were also quick to identify strengths of ***European countries*** in general as seafood suppliers. These countries' primary strength was their proximity, the speed of delivery, and the overall ease of doing business, given the lack of regulations or duties applicable to seafood products purchased within the European Union and the generally consistent currency. Other strengths identified include the accessibility and availability of suppliers, the freshness of the products, and the presence of a technical and skilled labour force.

"Location is obviously very important because they (British suppliers) understand the domestic market obviously better than any other country…the logistics are obviously important and currency is important." (UK-Food Service)

"The range of products is always good (France) and its closeness and therefore the speed of response, those are its strengths." (UK-Food Service)

Among European and Japanese buyers, ***Iceland and Norway*** shared a reputation as offering quality seafood products, being able to deliver products rapidly, and having advanced processing techniques. They were also recognized among British buyers as being able to understand the British market's special needs pertaining to the seafood products traditionally purchased in that market.

"Iceland is a good resource of traditional UK products." (UK-Food Service)

"Norway understands the UK domestic market better than Canada does. It also has very good natural resources…they put more emphasis on trading with the UK market whereas Canadians historically regarded the European market as a whole as secondary to the European market." (UK-Food Service)

Impressions of Greece

A few British buyers expressed favourable views of ***Greece*** as a seafood supplier, mainly due to the country's leadership with respect to farmed sea bass, the competitive pricing of their seafood products, the abundance of fish and shell fish, as well as the overall quality of products.

"They have good quantities of certain species…bass and brim. The prices are competitive." (UK-Food Service)

The following table illustrates opinions of <u>other</u> countries mentioned by just a few participants across the study population.

Countries Assessed	Key Strengths	Who made the comment?
Argentina	Low cost Value	US France
Australia	Reliable/Safe/Good quality/Stable prices/Good taste	Japan
Indonesia	Good prices/Abundance/Quality Labour not expensive/Good supply for shrimp	UK US
Japan	Stable/Reliable/Safe	Japan
India	Good price/Variety of products/Year round availability	France
Russia	Stable prices	Japan
Madagascar	Capable management/Exemplary aquaculture standards/Care of the people and the environment/On time delivery/Quality	UK
New Zealand	Quality products/Integrity Quality Clean/Not polluted/Good quality	Canada Japan UK

Opinion of Canadian Seafood Products

Canada is well recognized for the overall quality and freshness of its seafood, while a lack of product awareness and cost were seen as key weaknesses.

Seafood buyers were asked what they considered to be the key strengths and weaknesses of Canadian seafood products.

Strengths

Canadian seafood products enjoy a very favorable opinion among the majority of seafood buyers interviewed, and opinions are particularly positive among British and Japanese buyers. For the most part, seafood buyers across jurisdictions recognized Canadian seafood's consistent ***quality*** and ***freshness***. American buyers commended the quality of Canadian snow crab, lobster, and scallops. It was noted that Canadian scallops are not processed, unlike their American counterparts, and this is an attribute sought after by many American buyers. European buyers, for their part, praised the Canadian lobster's quality, and considered it to be a product that carried such a positive image among the general population that it influenced consumer demand for the product.

> *"It's the quality that stands out more than anything." (UK-Food Service)*

> *"The ability to turn good fresh fish like lobsters, scallops into a fantastic finished product." (UK- Food Service)*

> *"They stand head and shoulders above the other competitors in that market place [canned salmon] in terms of quality, in terms of product availability, and knowledge of the market." (UK-Food Service)*

> *"Quality and for the most part pricing. Freshness and the food safety practices that are in place. The speed to market, from the time it comes out of the water to the time it is available for consumption, and consistent experience for the customers are all part of quality." (CAN-R)*

Not only were Canadian products perceived as meeting high quality standards, but most North American and Japanese buyers also praised the products' consistency. Those buyers viewed Canadian seafood species as being reliable and trustworthy.

> *"Whenever we have ordered a particular product, we have got that product. It's arrived when it's meant to arrive and the orders have been handled professionally." (UK-Food Service)*

The sheer abundance of Canadian seafood resources was also cited as a strength. Participants explained that Canada has rich seafood resources, and with proper management, it is well positioned as a key supplier.

"It's a huge resource on the doorstep." (UK – Food Service)

"The amount of single frozen prawns it can produce." (UK – Food Service)

Canadian and Japanese buyers were also pleased with the country's ***safety practices***, and as a result trusted the country's seafood quality. This factor was of notable importance among the Japanese market, as a result of recent safety issues faced by the country's food industry.

"There have recently been frauds in the Japanese food industry. Important key words for food in the Japanese market are healthy, safe, and reliable." (Japan – Food Service)

Other strengths mentioned by a few American buyers include the availability of snow crab and lobster, two seafood products generally not available in the United States. Both American and Japanese buyers also praised the Country's resource management practices, and its ability to ensure the sustainability of the supply. Finally, a few Canadian and Japanese buyers felt that Canadian seafood products were offered for a reasonable price.

"My history is that year in, year out, per the seasonality - the products are readily available." (US-Food Service)

Weaknesses

While Canadian seafood was generally held in high regard among participants, a number of weaknesses were identified by seafood buyers, relating to the product itself, as well as marketing and distribution aspects. In some instances, these perceived weaknesses were reasons provided by seafood buyers to choose alternate suppliers.

While seafood buyers were generally able to comment on Canadian products they purchase, ***few were familiar or even aware*** of the selection of seafood available in Canada. This **lack of awareness** is by far the most often mentioned criticism towards Canada as a seafood supplier, and appears to be driving buyers to buy other countries' products, with which they are more familiar.

"I don't think Canada markets itself as strongly as it could do. It's got an awful lot to offer but I don't think that's recognized enough around the globe." (UK- Retailer)

"As a buyer, as an importer, I think Canada freshness seafood is great. I don't think you make enough noise about it." (UK-Retailer)

"The best thing to do with me as an end user is to get me to specify your product, so that when I call my supplier and I order shrimp, that I specifically want Canadian shrimp. That needs to be done through tasting (sessions) with the chefs and things like that." (US – FR)

Canadian buyers were critical of the apparent **lack of integration** within the industry to increase product awareness.

> *"In Canada, we don't see anything integrated as far as from the retailer back to the fisherman in a cohesive effort to raise the awareness of eating fresh fish and encourage people to do more. There is no marketing initiative or sort of game plan. The marketing of the fresh fish and consumption of fresh fish and seafood to the general public would be a tremendous benefit." (Canada – Food Service)*

In Japan, it was suggested that over 45 percent of the population eat out in restaurants at least once a week, and as such, individuals may be more inclined to taste new products if the Japanese service industry openly promoted Canadian product. One buyer felt that promoting Canadian products and safety records directly to the Japanese restaurateurs may be an effective way to educate a large proportion of the overall population and strengthen the Country's brand positioning.

> *"Canada should not ask for Japanese advertisement companies to increase the awareness of Canadian seafood products among Japanese. The best bet would be to work with the Japanese restaurant industry since now 45 percent of the Japanese people's meals are eat-out. Japanese people tend to try new or non-conventional food by eating out rather than cooking it at home." (Japan – Food Service)*

Aside from a lack of product awareness, European and Japanese buyers generally criticized Canada for its "soft" **business approach**. Canada was described as polite and lacking aggressiveness or business assertion. Most buyers indicated that they have little or no contact or ongoing relationship with Canadian suppliers and as such, felt Canada lacked a complete understanding of their needs, issues, or concerns. This weak business relationship can certainly be attributed to the overall lack of awareness of Canadian seafood products.

Across jurisdictions, the most often mentioned product related weakness relates to ***cost***. While some buyers were displeased with the unreliable prices of Canadian species that fluctuated seasonally or based on demand, others simply criticized generally uncompetitive pricing on selected seafood items, namely crab, shrimp, and lobster. Most seafood buyers suggested these aspects influenced their decision to purchase selected products from other countries, as long as quality and value are comparable.

> *"Specifically on crab, perception is that Canadian processors have taken advantage of the US market in terms of pricing; they have gone out of their way to extract profit out of the product." (US – Food Service)*

For other buyers, most notably Europeans and Japanese, the expense of importing products, that is the higher price of the end products given the inclusion of shipping fees, duties, and taxes, makes buying locally more accessible and appealing.

> *"The duty to get the product into Europe." (UK – Food Service)*
>
> *"It's a quality product but it can be a bit pricey. You have to add on air freight, etc. which ups the cost. It gives closer proximity suppliers and advantage." (UK-Food Service)*

Another weakness identified by some American, British, and Japanese buyers relates to the **unreliable distribution process** of Canadian seafood. American buyers located in central States said they were unable to have Canadian products delivered to them directly and instead had to have them shipped from the United States' east coast. Not only did they feel that Canadian suppliers do not meet their needs in this regard, but they also perceived such a process to increase delivery time and impact product freshness.

British buyers, for their part, were under the impression that there is variability in the processing of shrimp. They explained that there is a history in Canada of the shrimp staying on the boats for a few days after being harvested, therefore affecting the freshness of the end product. It was felt that that such practices were common given the short Canadian harvesting season for that species, and the need to limit the number of stops aground to unload products.

> *"What happens is the boats go out and land, land, land products and some of the products won't get processed until 6, 7, 8 days after its been landed and the length of time before processing is variable as a result." (UK-Food Service)*

American buyers were quick to point out that Canadian suppliers do not place sufficient attention on how the product is handled from the time it is harvested, to the time it is delivered to the supplier. This includes handling and storing of the product, as well as preparing and packaging products according to specifications. A few buyers noted the inability to get products packaged according to their particular needs.

> *"They are unwilling to meet the demands of the market. They don't seem to care what the market should bear out, they only care what is right for them." (US – Food Service)*
>
> *"In terms of packaging the product, they don't think in terms of packaging the product, that is the cuts and the quality, for our needs. They think of what is easy for them, not necessarily what we need. They are unwilling to think about the product once it leaves their docks." (US – Food Service)*

Furthermore, North American buyers were critical of the Canadian seafood industry, in terms of the little collaboration they believe exists between the different levels involved in the seafood industry. It was felt that better communication would ensure each steps taken from harvesting of seafood to the delivery may help in meeting or even exceeding buyers' needs and expectations.

"More integration of the entire industry from the fisherman right through to whether it be the retailer or the restaurateur that is selling the product. It does not seem like there is much cohesiveness from a marketing standpoint."

Buyers, especially North American ones, were inclined to comment on Canada's perceived inability to manage the resource appropriately and thereby ensuring sustainable supplies. Americans explained that the quotas set affected the supply chain, and may eventually impact availability, quality, as well as price of the product. Canadians, for their part, were more concerned with the inappropriate protection of the Canadian waters against the abuse of foreign fishers, and the overall mismanagement of the resource, which they felt would also affect the supply.

"The issue of sustainability. The only weakness as I see it…managing the resource." (UK-Retailer)

Japanese buyers noted Canadian suppliers' **inability to package and present** seafood to meet their needs, and suppliers' general ignorance or Japanese preference in terms of seafood product and its presentation. In addition, one participant noted that Canadian Atlantic salmon is not as appreciated as the Norwegian one, given it is less fatty.

Finally, a few Canadians noted difficulty in identifying the origin of the products purchased from Canadian suppliers, as it may have been harvested abroad, but sold as a Canadian product, if processed within the country. In addition, a few buyers were under the impression that Canada lacked the selection of seafood found abroad.

Recent Changes in Opinion

Participants were asked what changes in opinion regarding Canadian seafood products they have experienced in recent years. For many participants, opinions have not changed, but rather have always been fairly positive. For others, including some UK, US, and Canadian buyers, opinions have improved. Participants cited improvements in quality, improvements in handling and processing, more variety, and better understanding of the buyers' specifications as reasons for a more favourable opinion. A Japanese buyer noted the improved food safety and quality.

Only a few in the US and UK noted their opinions are more negative. Their reasons for a more negative perception included a lack of willingness of Canadian suppliers to respond to buyers' needs (e.g., packaging), shrimp processing practices, and price.

"Not willing to do what the rest of the world is willing to do."

Canada Compared With Other Countries

Canada is generally viewed as performing better than other countries with respect to product freshness, food safety practices, and resource management practices.

While participants expressed an overall opinion about Canada as a seafood supplier, further probing was done to better understand on what factors they believe Canada performs particularly well compared to other countries. Seafood buyers were presented with the same list of factors previously assessed to understand their choice of a supplier, and asked to rate Canada on those factors, compared to other countries that supply seafood. Again, these factors included:

- Value, namely the product received for the price paid;
- Continuity of the supply;
- Food safety practices;
- Resource management practices;
- Ability to meet specifications in terms of sizes, cuts, and so on;
- Packaging, namely the protection of the product;
- Level of information on the packaging;
- Presentation of products;
- Product freshness;
- Sustainability;
- Ability to deliver on time; and
- Product consistency.

Overall, Canada is considered performing either about the same or better than other seafood supplying countries on all of those factors. Canada is generally seen as outperforming other countries in terms of its food safety practices, its resource management practices, and its product freshness. The following table illustrates areas considered Canada's strengths compared to other countries, for each of the jurisdictions.

Rating Canada as better than other countries in terms of selected criteria (Notable Mentions)					
Criteria	**CAN**	**US**	**UK**	**JAPAN**	**FR**
Value (product received for the price paid)	X			X	
Continuity of the supply	X			X	
Food safety practices		X		X	X
Resource management practices			X	X	
Ability to meet specifications	X			X	
Packaging	X			X	X
Level of information on the packaging					X
Presentation of products				X	
Product freshness	X			X	
Sustainability	X	X			
Ability to deliver on time	X				
Product consistency	X			X	

These results show that Canadian and Japanese seafood buyers share extremely positive views of Canada on most of the factors evaluated, ranking it as better than other countries. Conversely, American, British, and French buyers are more critical of Canada as a seafood supplier, and for the most part, perceive Canada to perform similarly to other countries on those factors.

As illustrated in the table above, a few specific differences were noted across jurisdictions. Japanese buyers tended to be more critical of Canada with respect to the product value, the country's ability to meet specifications, and the ability to deliver on time. Canadian buyers, for their part, were more inclined to say that Canada is doing **worse** than other countries in terms of food safety practices and with respect to its resource management practices. Finally, a few British buyers considered that Canada did not perform as well as other countries in terms of **sustainability of the supply**.

A difference of opinion was also noted between those in the Retail segment and others in the Food Service segment. Buyers considered part of the Food Service sector were mostly of the opinion that Canada was generally better on some factors, namely food safety practices, resource management practices, product freshness, and sustainability of the supply, while those in the Retail sector tended to say that Canada was about the same as other countries on those same factors.

Overall Fishery Management Practices

Canada rates among the best in terms of its overall **fishery management practices**. Other countries named include the United Sates and New Zealand according to Canadian buyers, the United Sates and Chile according to American buyers, New Zealand, Faroe Islands, and Iceland/Norway according to British buyers, Japan, China, and Iceland/Norway according to Japanese buyers, and Iceland/Norway according to French buyers. Having said that, seafood buyers were generally not familiar with practices of specific countries, and were only able to comment on how the resource is managed for specific products that they had experience with.

> *"It's my impression that US has a more stringent inspection processes in terms of cleanliness when processing." (Canada – food service)*

Ease of Doing Business

Geographic proximity and cultural similarities facilitate business relationships, while distance, language, cultural differences, and poor customer service renders business difficult.

Seafood buyers were asked which countries were the easiest and most difficult to conduct business with.

Easiest Country to do Business With

The following table lists countries most often mentioned by the various seafood buyers, as easiest to do business with.

Countries Easiest to do Business With (Most often mentioned)				
Canada	**United States**	**United Kingdom**	**Japan**	**France**
Canada United States	United States Canada	N/A	Canada	N/A
Seldom Mentioned				
N/A	Chile Iceland/Norway	Canada Iceland/Norway United Kingdom European countries Holland Thailand	Japan United States Vietnam Thailand	Iceland (has office in France) Canada

Proximity seems to play a key role in the choice of a supplier and buyers were more inclined to name their own country as easiest to do business with. This is mostly due to their familiarity with the language, business practices, trade regulations, as well as the speed of response. When asked to name what foreign country they consider easiest to do business with, seafood buyers mentioned a limited number of alternate responses, as noted in the table above.

Most Canadian buyers said they prefer to do business with Canadian suppliers, given the accessibility of product, the ease of communication, the overall level of service they receive from their current suppliers, the proximity, and the speed of delivery. The greater awareness some buyers expressed of products available through Canadian suppliers also played in their preference. The United States was also mentioned by one Canadian buyer for its willingness to accommodate the buyers' needs by offering customized products and quickly responding to service requests.

Overall logistics, timeliness of delivery, convenience, accessibility, proximity, and familiarity with the language are noted by American buyers as reasons whey it is easier to do business with American suppliers. Among foreign countries considered easiest to do business with, Canada was named by a few participants for its cultural similarity to the United States, and the value of its currency.

> *"(US) Exchange rate, speed, location. My supplier is down the street. I pick up the phone and they are here in half an hour." (US – Food Service)*

French buyers also named countries with either a physical or cultural closeness as those easiest to do business with. While France was a popular mention, Canada was also noted because of the familiarity with official languages and with the fishery practices. One buyer also named Iceland as easy to do business with, because the supplier has a physical presence in France, from which it can easily service its local clients and ease the product import process.

As noted across other jurisdictions, Japanese buyers named Japan most frequently as easiest to do business with, given familiar business practices, a greater degree of trust and confidence in suppliers, and the ability to modify product orders. Canada and the United States were also mentioned by a few participants, most notably because of the satisfaction with the purchased products, the timely delivery, and relationships with specific suppliers who provide an excellent service. Finally, Thailand was considered a good option when needing low cost products.

UK buyers cited a number of different countries in terms of which are best to do business with. European countries (including UK, Holland, Iceland, Norway) were noted for their proximity and therefore their general ability to deliver products quickly.

> *"Proximity. If there is a problem, we can deal with it. They are right here."*

European countries in general were also felt to be the easiest to do business with in terms of the consistent currency and not having the hassle and cost of dealing with duty issues. One buyer also noted that for Iceland/Norway there is the strong history of supplying the UK market. Also important to UK buyers is the customer service orientation. Iceland/Norway and Thailand were noted for their attitude toward customer service.

> *"The people there [Thailand] want to service their customer. If you place an order they'll deliver it on time. You get plenty of information and they work to deliver it bang on time."*

Despite the distance, Canada was noted by one buyer as being the best country to do business with because of their quick response time.

"The response time is good. I can place orders in the afternoon our time and as long as the product is available which it normally is and the flights are running, then its there waiting for customers clearance by 9 the next morning, assuming there's room on the plane. That's actually quicker than I can get a supply from Scotland."

Hardest Country to do Business With

Participants generally had more difficulties identifying a country with which doing business was difficult, and those who did were more inclined to name foreign countries, either due to their lack of experience dealing with foreign suppliers, or given existing language barriers.

"Foreign countries. There are language barriers, time and distance to deal with." (CAN-R)

The following table lists the countries named by seafood buyers as most difficult to do business with.

Countries Most Difficult to do Business With (Most often mentioned)				
Canada	**United States**	**United Kingdom**	**Japan**	**France**
None No answer	No answer	None No response Indonesia France	China No answer	No answer
Single Mentioned				
Foreign countries China Chile Canada	Canada China Chile None	India Taiwan El Salvador	Canada	Canada

One French buyer suggested the United States as a country difficult to do business with, as they were not willing to offer flexible business solutions to foreign buyers. In addition, it was felt that the longer distribution time may affect the quality and freshness of the product. Other French buyers were unable to name a country most difficult to deal with.

The unwillingness or inability to meet specific needs or market demands, as well as logistical considerations, such as time difference, distance, language, and cultural differences, were mentioned by American buyers as factors making some countries difficult to do business with. These countries included Thailand, China, Bangladesh, Chile, Indonesia, and India. The bureaucracy experienced dealing with Holland suppliers was also given as an example of what makes business relationship uneasy when dealing with foreign countries.

Among Japanese buyers, China was often mentioned as hardest to do business with primarily because of its inconsistent business practices, unreliable food safety practices, inconsistent product quality, and inability to trust the reliability of suppliers. Difficulties to adapt or understand cultural differences and business practices were also reasons named why doing business with Spain, Norway, or Sweden was difficult.

Among British buyers, it is obvious that logistical and customer service issues puts suppliers in the category of most difficult to do business with. El Salvador, Taiwan, Indonesia and India were all noted for logistical and/or poor service.

> *"In India, they have a problem dealing with customer service. They are very defensive and are generally unwilling to accept when they have made a mistake."*

Other factors including time differences and language barriers were also noted. France was also noted in terms of being unreliable in terms of consistent quality. It is important to mention that a couple of suppliers indicated they would not consider any of the countries they do business with to be difficult, as they would not deal with them if that was the case.

Appendix A:
Invitation Letter

Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

P.O. Box 248
1800 Argyle Street
Halifax, Nova Scotia
B3J 2N7

C.P. 248
1800, rue Argyle
Halifax (Nouvelle-Écosse)
B3J 2N7

Date

PARTICIPANTS
NAME & ADDRESS

Dear NAME OF PARTICIPANT:

I am writing to request your assistance in an important research project. Agriculture and Agri-Food Canada is conducting a research study to gather views and perceptions of key seafood buyers with respect to Canadian seafood products. To that end, we have commissioned Corporate Research Associates Inc. (CRA), a leading Canadian market research firm, to conduct one-on-one, telephone interviews with a cross-section of seafood buyers.

We have provided your name to CRA, and over the next two or three weeks, a CRA representative will contact you to seek your participation in our research study. Interviews will be approximately 20 to 30 minutes in length, and will be conducted in English. Interviews will also be scheduled at a time convenient for you. Your opinions would be greatly appreciated and I would encourage you to consider this invitation to participate. We would like to assure you that the information collected will remain strictly confidential.

We hope that you will be able to find the time to share your comments and suggestions. If you have any questions about this project, please contact Margaret Brigley, at mbrigley@cra.ca.

Thank you in advance for your help with this project.

Sincerely,

Ron Whynacht

Ronald G. Whynacht
Chair, Canadian Seafood Image Sub-Committee

Canada

Appendix B:
Interview Protocol

Agriculture and Agri-Food Canada
Seafood Buyers Perception Study
Interview Protocol – FINAL
Revised September 23rd

Interviewee: ____________________________________

Phone Number: ____________________________________

Date: ____________________________________

Introduction

I would like to begin by thanking you for taking the time to help us with our market research study. Our discussion should take about 20 - 30 minutes, and the objective of our discussion is to understand your current opinions of Canadian seafood products.

I would like to audio tape our discussion today, so I don't have to write a lot of notes while we are having our discussion. I will be the only person who will listen to the tape, and it will only be used to help me write my report on the findings from this market research study. Note that your comments today will be combined with the comments from other people that I interview, as part of a detailed study report, and that your name will not be mentioned in the study report.

Do you have any questions before we begin?

I. Understanding the purchase decision

I would like to begin by asking you a few questions regarding your seafood product purchases.

1. What type of seafood products do you typically purchase?
   (Probe: Any others?) DO NOT READ – CODE ALL THAT APPLY

   1 Snow crab
   2 Live lobster
   3 Frozen lobster
   4 Herring Roe
   5 Cold water shrimp/prawn
   6 Warm water shrimp
   7 Clams
   8 Sablefish/Black cod Sablefish
   9 Sea Urchin
   10 Salmon (Probe: wild or farmed?)
   11 Canned Salmon
   12 Trout (Probe: wild or farmed?)
   13 Scallops (sea, bay, Icelandic, farmed)
   14 Groundfish (Cod, Haddock, Sole/Flatfish, Redfish/Ocean Perch)
   15 Alaskan Pollack
   16 Atlantic Pollock (Saithe)
   17 Halibut
   18 Freshwater fish (pickerel, pike, perch, white fish)
   19 Other (____________________________)
   98 Don't know/No answer

2. Which countries are your current seafood suppliers generally from? **(Probe: Any others?) DO NOT READ – CODE ALL THAT APPLY (*Capture brand name if mentioned)**

1 Canada
2 France
3 United States
4 Ecuador
5 Japan
6 China
7 New Zealand
8 Denmark
9 Faroe Islands
10 Greenland
11 Chile
12 Iceland/Norway
13 Vietnam
14 Other (____________________________)
98 Don't know/No answer

3. (**If China is not mentioned in Q 2**) Have you purchased seafood products from Chinese suppliers within the past year?

1 Yes
2 No
98 Don't know/No answer

4. From which <u>three</u> countries do the majority of your seafood products come from? **DO NOT READ – CODE THREE ONLY (*Capture brand name if mentioned)**

15 Canada
16 France
17 United States
18 Ecuador
19 Japan
20 China
21 New Zealand
22 Denmark
23 Faroe Islands
24 Greenland
25 Chile
26 Iceland/Norway
27 Vietnam
28 Other (____________________________)
98 Don't know/No answer

5. How much attention, if any, do you pay to the country of origin labeled on the product? Do you pay:

1 A lot of attention
2 Not much attention
3 Little/No attention
8 Don't know/No answer

6. When purchasing seafood products, do you consider the products' **country of origin** more important, as important or less important than the **suppliers' country of origin**?

   1 More important
   2 As important
   3 Less important
   9 Don't know/No answer

7. Considering the various countries that you rely upon for seafood, which <u>country</u> would you consider best in terms of its **overall fishery management practices**?
   DO NOT READ – CODE ONE ONLY

   1 Canada
   2 France
   3 United States
   4 Ecuador
   5 Japan
   6 China
   7 New Zealand
   8 Denmark
   9 Faroe Islands
   10 Greenland
   11 Chile
   12 Iceland/Norway
   13 Vietnam
   14 Other (____________________________)
   98 Don't know/No answer

8. Why do you say that?

____

____

____

   98 Don't know/No answer

Thinking now about Canadian seafood ….

9. What seafood products do you normally purchase from Canadian suppliers?
DO NOT READ – CODE ALL THAT APPLY – PROBE ANY OTHERS?

2 Snow crab
3 Live lobster
4 Frozen lobster
5 Herring Roe
6 Shrimp
7 Clams
8 Sablefish/Black cod Sablefish
9 Sea Urchin
10 Salmon (Probe: wild or farmed?)
11 Canned Salmon
12 Trout (Probe: wild or farmed?)
13 Steelhead Trout
14 Scallops (sea, bay, Icelandic, farmed)
15 Fresh Groundfish (Cod, Haddock, (Scrod in US), Soles/Flatfish, Pollock, Redfish, Ocean Perch)
16 Frozen Groundfish (Alaskan Pollock)
17 Halibut
18 Freshwater fish (pickerel, pike, perch)
19 Other (____________________________)
98 Don't know/No answer

10. Approximately what percentage of all the seafood products you buy is Canadian?

__________Record Percentage (**Probe for estimate if not sure**)

11. And approximately what **percentage** of the major species you buy (namely salmon, shrimp, crab, lobster and scallops) is from Canada?

__________Record Percentage (**Probe for estimate if not sure**)

Thinking about seafood suppliers in general…

12. What do you consider to be the most important factors when choosing a seafood product supplier? **PROBE ANYTHING ELSE? DO NOT READ – CODE ALL THAT APPLY**

2 Quality of product
3 Past relationship/history/reputation
4 Price of product
5 Food safety
6 Reliability of supply
7 Consistency of product
8 Packaging
9 Availability
10 Other (____)
11 Don't know/No answer

13. Of those, which **one** do you consider most important? **DO NOT READ – CODE ONE ONLY**

1 Quality of product
2 Past relationship/history/reputation
3 Reliability of supply
4 Price of product
5 Food safety
6 Consistency of product
7 Packaging
8 Availability
9 Other (____)
10 Don't know/No answer

14. Why do you consider that most important?

---

99 Don't know/No answer

I am going to read a number of factors, and am interested in knowing how important, if at all, each item is in your selection of a seafood product supplier.

15. Would you say that (**READ RESPONSES**) is critically important, important but not critical, or not important when selecting a seafood supplier?

a. Value, namely the product received for the price paid
b. Continuity of the supply
c. Food safety practices
d. Resource management practices
e. The ability to meet specifications (size, cuts, etc.)
f. Packaging (namely the protection of the product)
g. Level of information on the packaging
h. Presentation of products
i. Product freshness
j. Sustainability
k. Ability to deliver on time
l. Product consistency

1 Critically Important
2 Important but not critical
3 Not important
8 Don't know/No answer

II. Perceptions of Canada in the competitive environment

I am interested in understanding your perceptions of various countries that you purchase seafood from.

16. What would you consider to be the **key strengths** of **(ASK FOR THREE COUNTRIES MENTIONED IN Q4- IF CANADA IS NOT MENTIONED IN TOP THREE – ASK ALSO FOR CANADA)** as a seafood supplier? **Please explain, probe: anything else?**

Country	Key Strengths
Canada	

17. Would you say your overall opinion of **Canadian** seafood products is completely favourable, mostly favourable, mostly unfavourable, or completely unfavourable?

1 Completely favourable
2 Mostly favourable
3 Mostly unfavourable
4 Completely unfavourable
8 Don't know/No answer

18. Why do you have a (**favourable/unfavourable**) opinion of Canadian seafood products?

98 Don't know/No answer

19. What, if anything, would you consider to be Canadian **seafood products'** key strengths?

98 Don't know/No answer

20. And what would you consider to be Canadian **seafood products'** key weaknesses?

99 Don't know/No answer

21. Compared to other countries, how would you rate Canada with respect to the following factors? Would you say that Canada, as a seafood supplier, is generally better, worse, or about the same as other countries with respect to its **(READ)? (For each ask: Why do you believe that?)**

a. Value, namely the product received for the price paid
b. Continuity of the supply
c. Food safety practices
d. Resource management practices
e. The ability to meet specifications (size, cuts, etc.)
f. Packaging (namely the protection of the product)
g. Level of information on the packaging
h. Presentation of products
i. Product freshness
j. Sustainability
k. Ability to deliver on time
l. Product consistency

1 Generally better
2 Worse
3 About the same
98 Don't know/No answer

22. In the past few years, how, if at all, has your opinion of Canadian seafood products changed?

98 Opinion has not changed

23. (**If applicable**) What caused that change?

99 Don't know/No answer

24. Thinking of your seafood suppliers, which one country do you consider easiest to do business with?

1 Canada
2 France
3 United States
4 Ecuador
5 Japan
6 China
7 New Zealand
8 Denmark
9 Faroe Islands
10 Greenland
11 Chile
12 Iceland/Norway
13 Vietnam
1 Other (____________________________)
98 Don't know/No answer

25. What makes (**name Country mentioned in Q23**) the easiest to do business with?

98 Don't know/No answer

26. And which <u>one</u> country do you consider the most difficult to do business with?

14 Canada
15 France
16 United States
17 Ecuador
18 Japan
19 China
20 New Zealand
21 Denmark
22 Faroe Islands
23 Greenland
24 Chile
25 Iceland/Norway
26 Vietnam
2 Other (____________________________)
98 Don't know/No answer

27. What makes (**name Country mentioned in Q26**) the most difficult to do business with?

98 Don't know/No answer

To finish up,

28. What, if anything, could Canada do to increase your use of Canadian seafood product suppliers?

____

____

97 Nothing
98 Don't know/No answer

29. Any other comments or suggestions?

____

____

98 Don't know/No answer

III. Closing

That concludes my questions. On behalf of Agriculture and Agri-Food Canada, thank you for your participation.