U.S. TROUT markets

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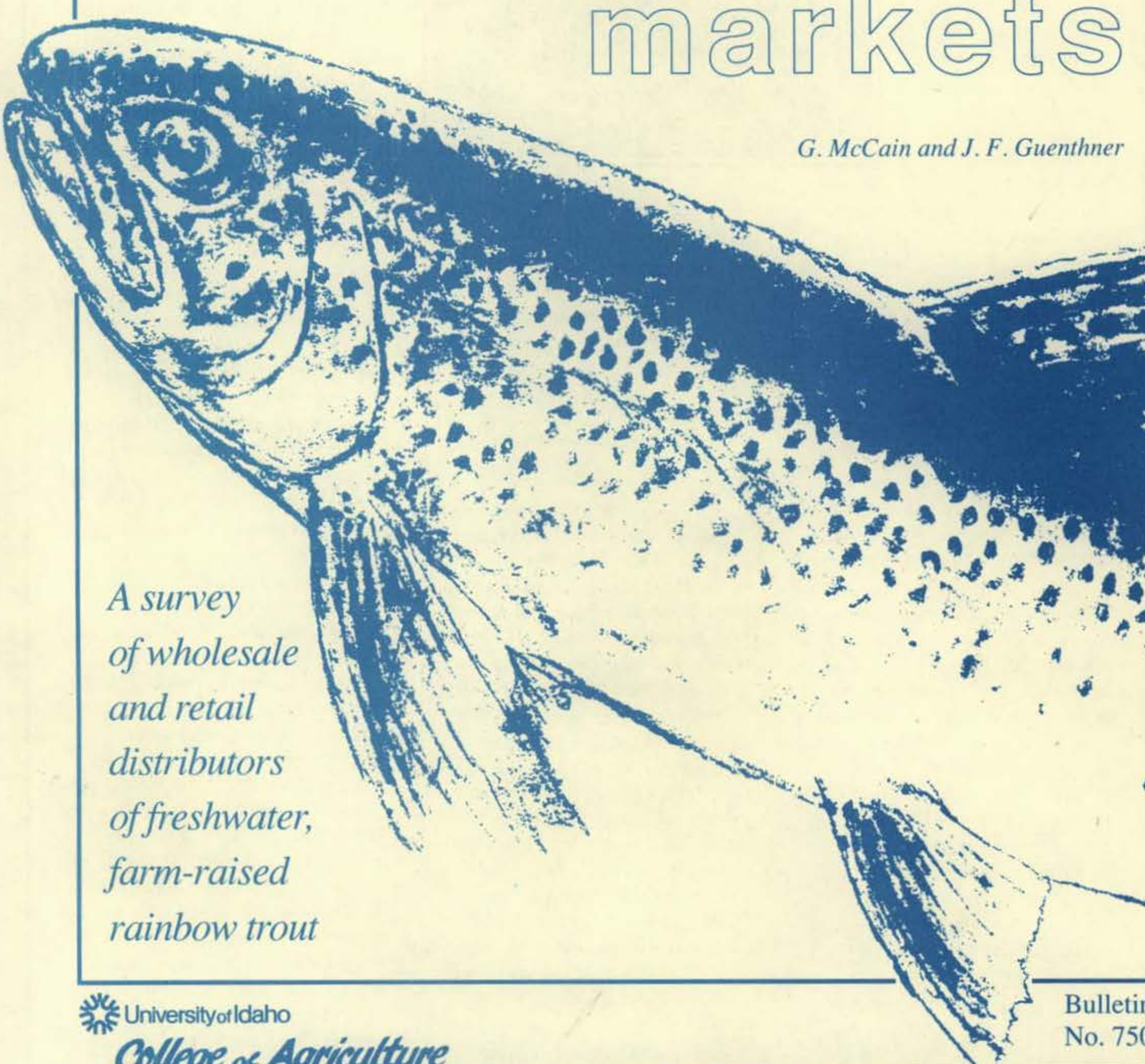

A survey of wholesale and retail distributors of freshwater, farm-raised rainbow trout

University of Idaho
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quantities, which product forms they prefer, or how to introduce change.

Some evidence exists that promotional factors such as coupons or deal values are important in consumer seafood purchases (Cheng and Capps 1988). No one has evaluated distributors' use of or attitudes toward marketing practices. Generally, this information is essential when developing a marketing plan. To implement strategies using the results of the consumer analysis, we must understand the way the middlemen (wholesalers and retailers) operate and make decisions about trout.

The objective of this research is to understand better how intermediaries perceive trout as a product line.

OBJECTIVE

Our objective is to provide information to help the U.S. trout industry better understand how intermediaries perceive trout as a product line. This research also describes how trout distributors perceive marketing relationships with trout suppliers.

Understanding these relationships may help improve cooperation between production and distribution components of trout marketing. Trout producers and processors can use this information to improve strategies for product development, packaging, sales, promotion, distribution, and expansion of the total trout market.

Seafood wholesalers usually are the primary customers for a trout processor. We asked seafood wholesalers what they thought influenced retailers in the buying and selling of trout.

Retailers provide the direct contact with consumers who prepare and consume trout. Also, meat department and seafood store managers make decisions about fish orders for retailers. Our interviews with retailers concentrated on their perceptions of trout's attractiveness to consumers. Also, we asked retailers to evaluate the needs, methods, and attitudes that influence their decisions when buying and selling trout.

We asked wholesalers and retailers questions to see if their knowledge of consumer attitudes toward trout is consistent with earlier research. We may use this information to determine if there is an educational need to inform wholesalers and retailers of consumer preferences.

METHODOLOGY

We conducted this research study in several phases. First, we determined the scope of the study that would best meet the needs of the trout industry. We conducted a research literature review and met with trout industry leaders to build upon past research.

Although there are reports and research findings on aquaculture product marketing, most of them have little relevance to the trout industry. There is one research paper about consumer attitudes toward trout (Block 1984). From that research we took questions about consumer wants and adapted them to the distributor's perspective to determine wholesaler and retailer awareness and responsibility to consumers.

A report on salmon markets (Herrmann, Lin, and Mittelhammer 1990) had seafood distributor questions about salmon that were similar to the objectives of this study. We adapted several questions to determine the same information for trout.

We visited leading Idaho trout processors who produce more than 80 percent of the commercial rainbow trout in the United States. After discussing past research findings and industry information needs, we decided to focus the study on seafood distributors, wholesalers, and retailers. Future research addressing similar issues for the restaurant/food service industry also is recommended.

The second phase of the study identified specific issues and survey questions. Besides the processor input generated in the first phase, we interviewed wholesalers and managers of retail meat and seafood stores. On-site interviews were held with local distributors and retailers; telephone interviews were made to a few out-of-state retail meat department supervisors; and wholesale exhibitors were interviewed in February 1990 at the Seafare Trade Show in Long Beach, California.

We developed questions for two matched surveys. We directed one survey toward seafood wholesalers and distributors and the other toward meat and seafood managers in retail stores. Soliciting comments, we sent draft copies of both surveys to leading trout processors, the local wholesale and retail interviewees, and members of the board of directors of the U.S. Trout Farmers Association. Also, we distributed both draft surveys to participants at the initial meeting of the Idaho Aquaculture Association. Faculty members of the University of Idaho Department of Agricultural Economics and Rural Sociology and the Idaho Department of Agriculture staff also reviewed the surveys. We incorporated suggestions from these groups into the two final survey instruments.

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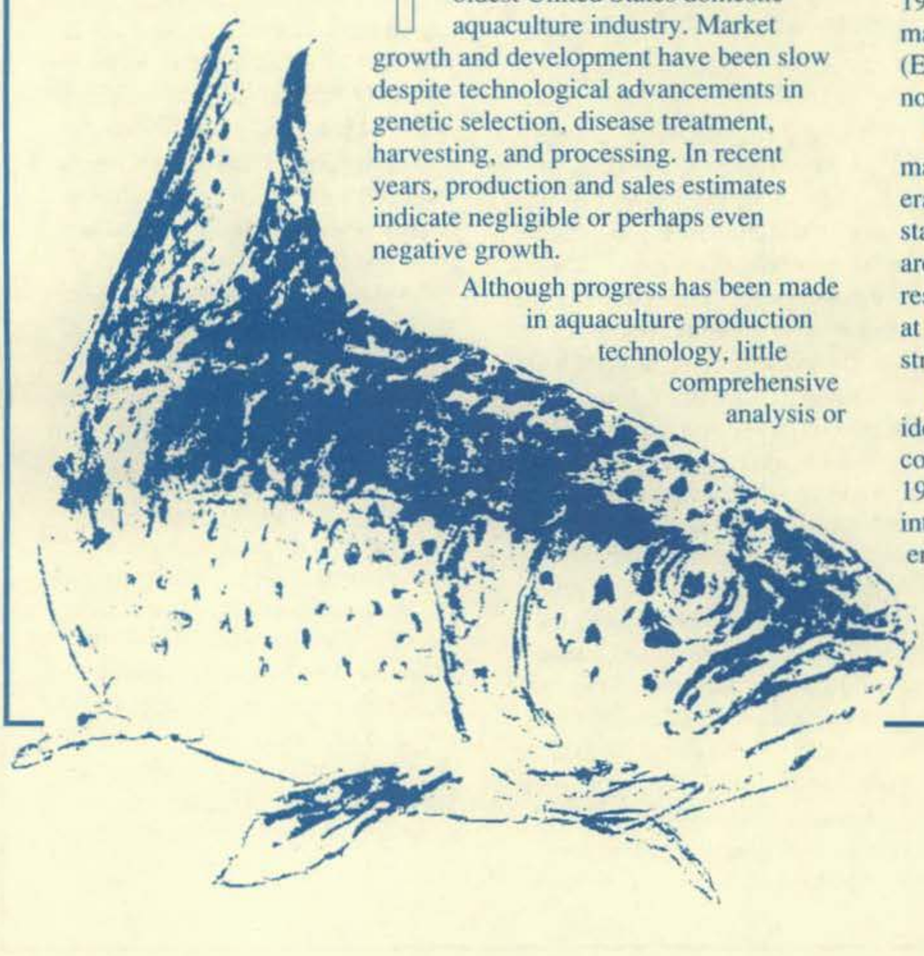
INTRODUCTION

The commercial trout industry is the oldest United States domestic aquaculture industry. Market growth and development have been slow despite technological advancements in genetic selection, disease treatment, harvesting, and processing. In recent years, production and sales estimates indicate negligible or perhaps even negative growth.

Although progress has been made in aquaculture production technology, little comprehensive analysis or planning exists, particularly at the retail level, on demand characteristics for individual species of fish (Cheng and Capps 1988). Preliminary retail grocery demand analysis has been done for catfish (Engle, Hatch, and Swinton 1988), but not for trout.



The U.S. trout industry consists primarily of small, family-owned and -operated businesses located in 45 of the 50 states. Generally, individual businesses are incapable of conducting marketing research of national or regional markets at the level necessary to develop useful strategies for expanding industry sales.

In 1984 a consumer research study identified attitudes about trout held by consumers who already eat trout (Block 1984). No one has done research on intermediaries' (wholesalers and retailers) attitudes about trout as a part of their product lines. We know little about how distributors make decisions when buying products and quantities, which product forms they prefer, or how to introduce change.

Some evidence exists that promotional factors such as coupons or deal values are important in consumer seafood purchases (Cheng and Capps 1988). No one has evaluated distributors' use of or attitudes toward marketing practices. Generally, this information is essential when developing a marketing plan. To implement strategies using the results of the consumer analysis, we must understand the way the middlemen (wholesalers and retailers) operate and make decisions about trout.

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Samples

We took the sample of wholesalers and distributors from a commercial mailing list of all firms with a Standard Industrial Classification (SIC) for seafood wholesaling. Trout producers also contributed additional listings.

Of the 2,116 surveys mailed, 123 were returned yielding a response rate of 6 percent. Of those returned, five were retailers and we converted their responses to the retail questionnaires and included them in that part of the study. Also, 18 either returned the blank questionnaires or answered so few of the questions that they were unusable. Therefore, 100 questionnaires were usable for a net response of 4.7 percent.

We took the retailers' sample from a mailing list for *Chain Store Guide*, a leading publication in the retail food industry. The list included names of individuals responsible for managing seafood products for some firms.

Of 1,496 questionnaires mailed, 58 were returned. Five were blank or had so few questions answered that they were unusable. We added the five retail respondents from the wholesale survey to the 53 usable responses to give us 58 surveys for analysis. This represented a response rate of 3.9 percent.

Postevaluation of the response rates identified three potential factors contributing to low response. The first concerns the adequacy of the sampling frames. The commercial list for wholesalers may not be current. Also, the SIC for seafood includes distributors who do not handle fresh fish and others who did not believe the questionnaire was relevant. For retailers, the list included names of individuals not present or responsible for fresh fish at the location where the survey was received. The trout industry does not have a mailing list of actual or potential users at any distribution level.

The second factor is the survey structure. Even though we sent a postcard reminder, a mail survey is discarded easily or ignored by those handling the mail or by the individual responsible for trout decisions. A frame with phone numbers would allow a sufficiently funded survey to speak directly to individuals.

A third factor is the industry's apathetic nature to marketing research (Klontz 1991).

Therefore, this survey's findings are limited regarding general applications and should be considered as exploratory.

SECTION I

Survey results from seafood wholesalers who sell freshwater, farm-raised rainbow trout

Of the 100 distribution firms who completed usable surveys, 74 handle freshwater, farm-raised rainbow trout as part of their product line and 26 said they never sell trout. This section will analyze the attitudes of those distributors selling rainbow trout at least some time.

Brokers, distributors, and wholesalers perform the wholesale functions in the seafood industry. Although their functions differ, we treated them as a single group performing the middleman function of selling to institutions rather than consumers.

More than half (56.8 percent) of the distributors who handle freshwater, farm-raised rainbow trout indicate they always sell trout, 21.6 percent sell trout frequently, and 21.6 percent sell trout infrequently.

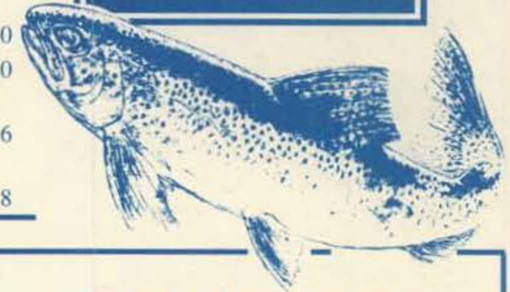
Wholesale seafood marketing practices

We asked distributors to identify the level of marketing support functions provided for their customers. (See Table 1-1 on page 6.)

Table I-1. Wholesale marketing practices as provided by distributors.

	Always	Frequently	Infrequently	Never
	(%)			
Do you conduct surveys of retailers' consumers?	2.7	6.8	14.9	75.7
Do you conduct surveys of restaurants' consumers?	5.5	5.5	26.0	63.0
Do you do demonstrations for retailers?	2.7	8.1	36.5	52.7
Do you help retailers prepare specials advertising?	9.5	17.6	23.0	50.0
Do you initiate specific product promotions?	9.5	24.3	39.2	27.0
Do you work with trout processors to develop promotions?	2.7	10.8	14.9	71.6
Do you work with other suppliers to develop promotions?	8.1	24.3	29.7	37.8

Distributor involvement in research is low.



Research support — The level of research support that distributors provide is an indication of how well informed the market is about a product line. The size and diversity of product offerings at retail level stores and restaurants make it unlikely that research is conducted on consumers' attitudes and preferences toward trout consumption.

Distributor involvement in research is low. Less than 10 percent provides regular (frequent or always) research help to retailers and only 11 percent to restaurants. The majority of distributors never provide market research assistance.

Advertising and promotion support — Few seafood distributors (11 percent) conduct regular demonstrations for retailers. More than half say they never do. About 25 percent regularly help retailers prepare advertising for specials, but more than 50 percent never provide such help. A greater number of distributors initiate specific product promotions to help their customers reach consumers, but only 33.8 percent do it on a regular basis.

As a competitive advantage, many food processors participate actively in their products' promotion through cooperative programs with wholesale and retail institutions in their distribution channel. Because trout processors provide limited promotional support, we can conclude that distributors have little incentive to incur these expenses for their retailers.

Supplier promotion support — Only 13.5 percent of the distributors receive support from trout processors to develop promotions on a regular basis. Trout processors never work on promotions with about three-fourths of the trout-selling distributors. Compare this to the experience of the same distributors with their other suppliers. More distributors (32.4 percent) receive regular help developing promotions from other suppliers, while only 37.8 percent never receive help. Distributors indicate the trout processing industry is less supportive of promotional activities than are other seafood suppliers.

Rainbow trout market factors

We asked distributors to indicate their level of agreement with several statements about rainbow trout market factors. Areas included demand, general product attributes, supplier policies, advertising support, retail and restaurant response, consumer response, and attitudes toward trout with red-colored meat. (See Table I-2.)

Demand — It appears that distributors have divergent experiences with past trout sales. One-third of the distributors agreed that they experienced substantial growth in trout sales. The rest reported lack of substantial growth.

Distributors agree that the supply of trout is stable, which is one of the most positive attributes about the trout industry. Although only 9.9 percent strongly agree, a total of 64.4 percent agrees that they order about the same amount of trout on a monthly basis. This indicates they have a relatively stable demand from their clientele. Customers of the 26.7 percent who disagree may be using trout for special promotions or occasional product-line variety.

Distributors strongly agree that trout price levels are stable. Only 2.9 percent disagree and no one strongly disagrees.

More than half the distributors do not see any change in trout's future demand at retail stores. A few more (23.1 percent) anticipate growth than do not (15.9 percent). Distributors agree that demand for trout will grow more in restaurants than in retail stores. Less than half (48.6 percent) see no change for restaurants. Of those who anticipate change, more agree that there will

Table I-2. Distributors' perceptions of rainbow trout market factors.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	(%)				
Demand					
I sell substantially more trout now than a year ago.	9.9	23.9	36.6	21.1	8.5
The supply of trout is stable throughout the year.	29.6	49.3	14.1	7.0	0.0
I order about the same amount of trout every month.	9.9	53.5	9.9	21.1	5.6
The price of trout is stable throughout the year.	18.8	62.3	15.9	2.9	0.0
Retail demand for trout will grow in the immediate future.	10.1	13.0	60.9	11.6	4.3
Food service demand for trout will grow in the immediate future.	4.3	25.7	48.6	18.6	2.9
Trout is generally a high-priced product.	0.0	14.1	26.8	53.5	5.6
General product attributes					
Trout has a unique flavor.	7.0	50.7	26.8	9.9	5.6
Trout suppliers provide a consistently high level of quality.	21.1	57.7	9.9	8.5	2.8
Trout maintains its freshness well through distribution.	16.9	52.1	19.7	9.9	1.4
I buy whole trout and process further myself.	4.2	11.3	16.9	26.8	40.8
Trout processing should have mandatory government food inspections.	18.3	31.0	29.6	14.1	7.0
Removal of pinbones is an important product option.	35.2	38.0	21.1	4.2	1.4
Distributor policies					
All trout suppliers provide the same quality.	0.0	11.3	23.9	43.7	21.1
All trout suppliers provide the same level of service.	0.0	7.0	28.2	38.0	26.8
I buy from more than one trout supplier.	7.4	48.5	17.6	14.7	11.8
Advertising support					
The trout industry provides good advertising support.	1.4	15.5	46.5	21.1	15.5
Trout suppliers make fewer deals to help their sales than other suppliers.	14.1	28.2	45.1	8.5	4.2
Trout suppliers provide useful sales support materials (pamphlets, recipes, etc.).	4.3	15.9	36.2	30.4	13.0
More point-of-sale materials are needed from trout suppliers.	15.7	48.6	28.6	5.7	1.4

Continued on page 8

be growth than disagree (30 percent compared to 21.5 percent).

One factor that affects the demand for any product is the perception of price. Only 14.1 percent of the distributors surveyed considered trout a high-priced product.

General product attributes — A majority (57.7 percent) agrees that trout has a unique flavor while only 15.5 percent disagree. A marketing program could use this product attribute to attract customers and increase demand for trout.

Distributors think trout suppliers provide a consistently high-quality product. Almost 80 percent believe in the industry's ability to perform the production functions of trout marketing. The 11.3 percent who disagree indicates that a portion of the market has had negative experiences with trout and will need persuading to become strong supporters.

Distributors believe strongly that trout quality holds up well during distribution. Only 11.3 percent have negative attitudes toward freshness, a significant quality attribute.

Usually, trout is bought in the same form that it is sold. Only 15.5 percent of the distributors do any value-added functions. Apparently, processors or food preparers in homes and restaurants do the portion preparation.

More distributors (49.3 percent) favor mandatory inspections than do not (21.1 percent). A middle group (29.6 percent) neither agrees nor disagrees. Therefore, distributors may support some form of government inspection for trout.

With 73.2 percent agreeing that pinbone removal is an important product option and only 5.6 percent disagreeing, it appears that suppliers delivering such a finished product can enhance their competitive position.

Distributor policies — Distributors see a difference between suppliers as shown by 64.8 percent disagreeing that all suppliers provide the same level of quality and service. The majority (55.9 percent) buy from more than one supplier and 26.5 percent do not. This indicates that distributors have the willingness and ability to shift purchases from one supplier to another to buy what they feel will satisfy their needs. Competitive trout industry marketing strategies addressing the distributor's market could result in market-share shifting.

Advertising support — The overall perception of trout industry advertising support is poor. Only 16.9 percent of the distributors agree that it is good while 36.6 percent disagree. Apparently, trout suppliers are less aggressive in using deals to stimulate sales than their competitors. More (42.3 percent) agree that trout suppliers make fewer deals than competitors.

Sales support materials such as pamphlets, recipes, posters, and table displays are a few of the support materials provided by food product producers to attract attention and stimulate point-of-sale purchases. Only a minority (20.1 percent) of distributors agrees that trout suppliers provide useful support materials. The 43.4 percent who disagree suggests there are insufficient support materials available promoting trout sales.

There is a difference between the availability of support materials and the desire to have them. A majority (64.3 percent) wants more compared to 7.1 percent who do not. This shows a desire for market support.

Perceived retail and restaurant characteristics — Distributors perceive trout as attractive in restaurants (91.3 percent) and retail stores (85.5 percent). Only 2.9 percent disagree in both cases. This strong image may serve as the foundation for a marketing program.

Table I-2. Continued.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	(%)				
Perceived retail and restaurant characteristics					
Trout makes an attractive entré for a restaurant.	18.8	72.5	5.8	2.9	0.0
Trout is attractive in a retail fish display.	24.6	60.9	11.6	2.9	0.0
Trout is harder to prepare in restaurants than other fish.	0.0	4.3	23.2	59.4	13.0
Retailers prefer frozen trout to fresh.	1.4	5.8	24.6	37.7	30.4
Trout is harder for retail consumers to prepare than other fish.	1.5	11.8	14.7	64.7	7.4
Restaurants prefer frozen trout to fresh.	0.0	8.7	21.7	36.2	33.3
Perceived consumer characteristics					
Retailers' consumers are reluctant to buy fish they can catch locally.	3.0	10.4	20.9	44.8	20.9
Restaurants' consumers are reluctant to buy fish they can catch locally.	1.5	5.9	17.6	50.0	25.0
Retailers' consumers prefer trout with the head removed.	10.4	34.3	34.3	20.9	0.0
Restaurants' consumers prefer trout with the head removed.	7.5	29.9	37.3	23.9	1.5
Retailers' consumers prefer boned trout.	25.0	41.2	20.6	13.2	0.0
Restaurants' consumers prefer boned trout.	35.3	52.9	10.3	1.5	0.0
Consumers generally prefer the flavor of trout to other fish.	1.5	13.2	58.8	25.0	1.5
Red meat					
Red-meated trout tastes better than light-colored trout.	0.0	10.1	66.7	17.4	5.8
Red-meated trout sells at a higher price than light-colored trout.	4.3	47.8	36.2	11.6	0.0
Most consumers prefer the flavor of red-meated trout to salmon.	0.0	2.9	47.8	34.8	14.5
Red-meated trout is substituted readily for pan-sized salmon because of trout's lower cost.	4.3	31.9	40.6	20.3	2.9
Pan-sized salmon is substituted readily for trout for most consumers.	1.4	8.7	37.7	43.5	8.7
Pan-sized salmon and red-meated trout are substituted readily for each other in most restaurants.	2.9	15.9	42.0	31.9	7.2

Distributors perceive trout as attractive in restaurants and retail stores.

A prestudy interview concern was that trout is at a competitive disadvantage because it is hard to prepare. Distributors are not aware of this problem and believe cooks can handle trout with little problem in the form that they order. There are some (13.3 percent) who think retail consumers do have a more difficult time preparing trout than other fish.

Also, the survey compared distributors' preferences for frozen and fresh trout. Distributors believe retail (68.1 percent) and restaurants (69.5 percent) prefer fresh trout. A few think retail (7.2 percent) and restaurants (8.7 percent) prefer frozen.

Perceived consumer characteristics — Several survey questions addressed the concern that trout are less attractive to retail and restaurant consumers in some geographic areas because they may be caught in local streams, ponds, or lakes. Most distributors are not aware of this problem. Only 13.4 percent see this as an issue in retail with 65.7 percent disagreeing. Even fewer see local catchability as an issue in restaurants with 75 percent disagreeing, 17.6 percent undecided, and only 7.4 percent agreeing that customers are reluctant to buy fish they can catch locally.

The prestudy and literature review identified several product attributes believed to inhibit consumer purchases. For example, there is the perception that the consumer prefers having the head removed. For retail distributors, 44.7 percent agree that they prefer having the head removed and 20.9 percent do not agree. For restaurant distributors, 37.4 percent believe consumers want the head removed and 25.4 percent disagree. Having the head removed is somewhat more an issue for retail markets, but the proportion disagreeing indicates both options have a place in the market.

Distributors prefer boned trout.

Boned trout is preferred by a large majority for retail (66.2 percent) and restaurant (88.1 percent) markets. There are some (13.2 percent) who disagree for the retail segment, but only 1.5 percent disagree for restaurants.

In earlier sections of this study, trout was perceived as having a unique flavor, a consistently high quality, and reasonably priced. We asked distributors if they think trout has a flavor advantage over other fish. Fewer agree (14.7 percent) than disagree (26.5 percent). The majority neither agrees nor disagrees. In general, distributors believe that trout has a unique flavor, but it is not an advantage in the market.

Red meat — Several survey questions evaluated the market response to red-meated trout as compared to regular light-colored trout and salmon products.

Only 10.1 percent of the distributors agree that red-meated trout has a taste advantage. About two-thirds neither agree nor disagree. In the distributor's opinion, taste is not a major product advantage for red-meated trout.

Table I-3. Wholesalers' decision criteria.

	Very important				Not important
	1	2	3	4	5
Competitive price	61	29	8	3	0
Consistent price	52	35	8	5	2
Store advertising decisions	11	24	21	23	21
Customer requests	32	37	15	11	5
Advertising support	13	30	31	13	14
Sales support	16	24	35	14	11
Shelf life	65	27	3	5	0
Consistent supply	71	23	2	5	0
Consistent quality	80	15	0	5	0
Taste	63	25	8	5	0
Color	50	36	8	6	0
Appearance	72	22	3	3	0
Texture	59	33	5	3	0
Delivery time	66	27	3	3	2

Table I-4. Wholesalers' ranking of decision criteria.

	Most important	2nd most important	3rd most important	Total mention
	(%)			
Competitive price	16	22	11	49
Consistent price	5	14	7	26
Store advertising decisions	0	0	1	1
Customer requests	5	1	3	9
Advertising support	1	0	3	4
Sales support	0	1	0	1
Shelf life	3	7	7	17
Consistent supply	0	11	24	35
Consistent quality	43	18	8	69
Taste	1	4	0	5
Color	1	0	3	4
Appearance	4	5	10	19
Texture	0	0	0	0
Delivery time	5	1	5	11

More than half of the distributors think red-meated trout is more expensive. The perception of higher price and no flavor advantage may reduce the incentive to push the sale of red-meated trout, unless consumers regard color as an important attribute.

Also, we evaluated distributors' perceptions of the substitutability of red-meated trout and salmon. About half of the distributors disagree that most consumers prefer the flavor of red-meated trout to salmon. Because of trout's lower cost, there is agreement (35.2 percent) and disagreement (23.1 percent) about substituting red-meated trout for pan-sized salmon. When there is a cost advantage to substituting red-meated trout, a significant portion of the wholesale market appears ready to sell trout in place of pan-sized salmon.

There is less agreement that consumers readily substitute pan-sized salmon for trout. There is more agreement among the distributors that red-meated trout and pan-sized salmon are substituted readily for each other in most restaurants.

The overall perception is that red-meated trout and pan-sized salmon are not good substitutes for consumers.

Decision criteria

In this section of the survey, we asked for two sets of responses to evaluate the importance distributors place on several attributes when buying trout. (See Table I-3 on page 9.)

Most respondents marked "1" for "very important" on many attributes. The minimal "5" answers indicates few of the attributes are "not important."

Closer examination of the numbers shows distributors rated consistent quality, appearance, and supply as "very important." The lowest ranked attributes are retail advertising decisions, sales support, advertising support, and, only somewhat more important, customer requests.

The higher-rated attributes relate to product quality while the lower-rated attributes pertain to marketing activities. This indicates that the trout industry cannot depend on the distributors to promote for the industry.

We expected the high response to "very important" because most people believe if a product attribute is important at all, it is very important.

To distinguish among the many "very important" attributes, we asked respondents to identify the three most important attributes from the list. (See Table I-4 on page 9.) The last column is the total percentage of respondents who mentioned each attribute most, second-most, or third-most important.

By a large margin, distributors perceive consistent quality as the most important attribute. Competitive price is the second most frequent important concern. Distributors rated consistent supply and price as "most important" over appearance, which received a higher rating in Table I-3.

SECTION II

Survey results from seafood retailers who sell freshwater, farm-raised rainbow trout

Of the 58 retailers completing analyzable surveys, 43 handle freshwater, farm-raised rainbow trout as part of their product line and 15 said they never sell trout. This section will analyze the attitudes of those retailers who sell rainbow trout at least some time.

These retailers include specialty fish markets, seafood departments in groceries, and grocery meat departments that carry fish as part of their product line. Less than half (41.9 percent) of the retailers who handle freshwater, farm-raised rainbow trout indicate that they always sell trout, 25.6 percent sell trout frequently, and 32.6 percent sell trout infrequently.

We designed the questions in this section to analyze retailers' attitudes of the same marketing issues in Section I.

Retail seafood marketing practices

We asked retailers questions to identify the level of marketing support functions they receive from distributors; if retailers perform support activities;

and the frequency these services are received or requested. (See Table II-1 below.)

Research support — In Section I, more than 75 percent of the distributors said they never conducted surveys of retailers' consumers. The retail sample shows that 23.8 percent never receive consumer survey information from their suppliers. This may mean the retailers more often patronize those who provide research service, or they receive research support from suppliers of products other than seafood. In either case, there is a higher retail use of research than the distributor respondents provide. Even so, the majority of retailers (54.8 percent) receive information infrequently and less than one-fourth gets regular consumer research information from suppliers.

More retailers (28.6 percent) frequently or always conduct their own research than receive it from their suppliers (21.4 percent). On the other hand, more retailers (31 percent) never conduct their own research than never receive research from their distributors (23.8 percent).

The overall consumer research activity is low and most retailers are not well informed about their markets. When retail research is done, it is spread over the entire product line. If information about consumer preferences for trout or about uses of trout is going to reach retail buyers, it should come from trout industry programs focused on providing this information.

Advertising and promotion support — Few of the retailers' suppliers do in-store demonstrations. About three-fourths say they work with seafood and fish processors to develop promotions with almost 43 percent saying frequently or always.

A higher proportion of retailers (52.5 percent) is receiving regular help preparing specials advertising than the distributors report giving (27.1 percent). Only 12.5 percent never receive help compared to 50 percent of the distributors who say they offer no help. Seafood distributors provide less help than retailers receive from other suppliers.

Forty percent of the retailers' suppliers always or frequently initiate product promotions. Only 12.5 percent of retailers say their suppliers never provide product promotions.

A strong demand exists for promotional posters. Only 12.2 percent never want them and 68.3 percent want them always or frequently. Also, retailers have a solid demand for pamphlets, although at a somewhat lower frequency. Still, 44.3 percent want pamphlets regularly and only 19 percent do not want them.

Recipes are in even greater demand than either pamphlets or posters. All want recipes at some time. A large majority (81 percent) wants them always or frequently. The high demand for sales promotion material and the low frequency of supply provided indicates a potential marketing action.

Processor promotion support — If distributors do not provide support, the processors may have to initiate support activities. For 42.8 percent of the retailers, processors provide promotions always or frequently and 31 percent receive infrequent help. Using the reported services received (and therefore expected) by retailers in this study, trout producers can evaluate their own competitive advantage or disadvantage in the sale of their product lines.

Recipes are in greater demand than pamphlets or posters.

Table II-1. Retailers' seafood marketing practices.

	Always	Frequently	Infrequently	Never
	(%)			
Research support				
Your suppliers provide consumer survey information to you.	2.4	19.0	54.8	23.8
You conduct surveys of your consumers.	2.4	26.2	40.5	31.0
Advertising and production support				
Your suppliers do in-store demonstrations for you.	0.0	7.1	45.2	47.6
You work with seafood and fish processors to develop promotions.	9.5	33.3	31.0	26.2
Your suppliers help you prepare specials advertising.	17.5	35.0	35.0	12.5
Your suppliers initiate specific product promotions.	2.5	37.5	47.5	12.5
You want posters promoting the products you sell.	36.6	31.7	19.5	12.2
Customers request pamphlets that suppliers make available.	14.3	31.0	35.7	19.0
Customers request recipes for the products you carry.	31.0	50.0	19.0	0.0

Rainbow trout market factors

We asked retailers to indicate the level of agreement with a number of statements evaluating attitudes about trout market factors. Areas included demand, general product attributes, distributor policies, advertising support, consumer response, and attitudes toward red-meated trout. (See Table II-2.)

Demand — Retailers, as well as distributors, have divergent experiences with past trout sales. About one-third of the retailers had experienced growth. Also, one-third indicated no change and 26.9 indicated they had experienced a decline in trout sales.

Generally, retailers agree that the supply of trout is stable. Therefore, at both the retail and wholesale level, a stable supply is one of the most positive attributes in the trout industry. Half of the retailers say they order about the same amount of trout each month. The pattern is not much different from the frequencies reported by distributors. Of those who disagree, one-third are infrequent sellers and do not make trout a consistent part of their product offering.

Almost two-third of the retailers agree that the price of trout is stable throughout the year. Compared to distributors, a greater proportion of retailers (11.9 percent) disagrees. This may indicate that distributors adjust prices more than processors or that retailers are more sensitive to price changes by the time they reach the store level of the marketing channel.

Like distributors, more than half of the retailers do not see any change in the future demand for trout in retail stores. Proportionately, more retailers (31.1 percent) anticipate growth than do not (14.6 percent).

While few distributors (14.1 percent) say trout is a high-priced product, 28.5 percent of the retailers

Table II-2. Retailers' perceptions of rainbow trout market factors.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	(%)				
Demand					
I sell substantially more trout now than a year ago.	7.3	29.3	36.6	17.1	9.8
The supply of trout is stable throughout the year.	19.0	52.4	16.7	9.5	2.4
I order about the same amount of trout every month.	7.1	42.9	16.7	26.2	7.1
The price of trout is stable throughout the year.	9.5	54.8	23.8	9.5	2.4
Demand for trout will grow in the immediate future.	14.6	17.1	53.7	12.2	2.4
Trout is generally a high-priced product.	7.1	21.4	35.7	31.0	4.8
General product attributes					
Trout has a unique flavor.	4.8	64.3	23.8	7.1	0.0
Trout suppliers provide a consistently high level of quality.	7.1	64.3	21.4	2.4	4.8
Trout maintains its freshness well through distribution.	7.1	52.4	19.0	16.7	4.8
Trout processing should have mandatory government food inspections.	26.2	40.5	19.0	14.3	0.0
Removal of pinbones is an important product option.	21.4	40.5	26.2	11.9	0.0
Trout is attractive in a full-service case.	19.5	68.3	4.9	7.3	0.0
Trout is attractive in a self-service case.	9.8	43.8	22.0	22.0	2.4
I prefer frozen trout to fresh.	0.0	7.1	7.1	33.3	52.4
Distributor policies					
I buy from more than one trout supplier.	0.0	35.7	14.3	35.7	14.3
All trout suppliers provide the same quality.	0.0	14.6	39.0	36.6	9.8
All trout suppliers provide the same level of service.	0.0	19.5	34.1	36.6	9.8
Advertising support					
The trout industry provides good advertising support.	0.0	14.3	26.2	42.9	16.7
Fewer deals are offered to support trout sales than for other seafood and fish species.	16.7	42.9	31.0	9.5	0.0
Trout suppliers provide useful sales support materials (pamphlets, recipes, etc.).	2.4	24.4	22.0	29.3	22.0
More point-of-sale materials are needed from trout suppliers.	31.0	47.6	11.9	7.1	2.4

Table II-2. Continued.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	(%)				
Consumer response					
Consumers are reluctant to buy fish they can catch locally.	7.1	26.2	16.7	38.1	11.9
Trout is harder for consumers to prepare than other fish.	2.4	12.2	12.2	63.4	9.8
Consumers prefer trout with the head removed.	23.8	23.8	28.6	23.8	0.0
Consumers prefer boned trout.	21.4	26.2	35.7	14.3	2.4
Consumers generally prefer the flavor of trout to other fish.	0.0	9.5	57.1	33.3	0.0
Red meat					
Red-meated trout tastes better than light-colored trout.	7.3	24.4	61.0	7.3	0.0
Red-meated trout sells at a higher price than light-colored trout.	0.0	7.3	53.7	26.8	12.2
Red-meated trout is substituted readily for pan-sized salmon because of trout's lower cost.	4.8	33.3	54.8	4.8	2.4
Most consumers prefer the flavor of red-meated trout to salmon.	0.0	26.2	42.9	19.0	11.9
Pan-sized salmon is substituted readily for trout for most consumers.	0.0	9.5	54.8	21.4	14.3

A majority of retailers think trout has a unique flavor.

say it is expensive. Even though 35.8 percent of the retailers disagree that trout is high-priced, this is less than the 59.1 percent disagreeing at the wholesale level.

Perhaps there are two different perceptions of what is high-priced, or relative price differences in seafood distribution are less than in retail seafood. Trout may be priced higher to the retailer than it is to the distributor. Whatever, retailers are more likely than their distributors to see trout as a high-priced product. This may reduce demand for trout.

General product attributes — A majority of retailers (69.2 percent) believe trout has a unique flavor. This is a greater proportion than for distributors (57.7 percent), and retailers are closer to the end user. Because retailers see more uniqueness than distributors indicates some retailers develop that perception independent from information that their suppliers provide.

Like distributors, there is a high level percentage of retailers (71.4 percent) agreeing that trout suppliers provide a consistently high level of quality.

The majority (59.5 percent) agree that trout maintains its freshness. There may be, however, some cause for concern at the retail level. The level of agreement at retail is less than distributors' (79 percent); and the disagreement by retailers (20.5 percent) exceeds disagreement by distributors (11.3 percent). Some of the freshness image is lost by the time the product reaches the retailer.

Retailers are supportive of mandatory food inspections. Their support level exceeds that indicated by distributors. Retailer proximity to consumers makes their opinions important to the trout industry.

Another similarity in survey results is that 61.9 percent of retailers agree pinbone removal is an important product option and only 11.9 percent disagree. This could enhance substantially the competitive strength of suppliers who deliver such a finished product.

We asked retailers questions to confirm the positive perception distributors (85.5 percent) had about the attractiveness of retail trout displays. The positive image (87.7 percent) for full-service cases is consistent with only 7.3 percent disagreeing that they are attractive. The image of the self-service case is not as positive. Although a slight majority (53.7 percent) agrees that trout is attractive in the self-service case, the 24.4 percent who disagree suggests there is a presentation problem in the minds of a substantial segment of the retail market.

Although 68.1 percent of the distributors disagree that retailers prefer frozen trout, they are not as often in disagreement as the retailers (85.7 percent). Retailers overwhelmingly prefer fresh trout. This suggests a substantial market advantage to fresh and a handicap to frozen trout products.

Distributor policies — Although there is a low level of agreement among retailers that trout suppliers provide the same in quality (14.6 percent) and service (19.5 percent), almost one-third buy from only one supplier. More retailers (50 percent) buy from more than one supplier.

Advertising support — Retailers are critical of trout industry advertising support with 59.6 percent disagreeing that such support is good. They are more critical of trout industry advertising support than distributors. The difference is the large number of "neither" responses by distributors. There is a higher level of advertising support expectations to attain "good" in the minds of retailers.

When retailers compared trout suppliers to other seafood and fish suppliers, 59.6 percent agreed that trout suppliers make fewer deals than competitors.

More than half of the retail respondents do not believe trout suppliers provide useful sales support materials. Only a minority of retailers believe they receive good support. There is strong agreement (78.6 percent) that they need more sales support materials. Overall, retailers would welcome more industry advertising support in every form.

Perceived consumer response — More retailers disagree (50 percent) than agree (33.3 percent) that consumers are reluctant to buy fish they can catch locally. This indicates a potential obstacle to regular retail stocking of trout in some markets.

Like distributors, the majority of retailers do not perceive trout to be hard for consumers to prepare.

The overall retail agreement (47.6 percent) and disagreement (23.8 percent) that consumers prefer trout with the head removed is similar to distributors' perceptions. The degree of strong agreement that consumers want the head removed is higher in retail stores (23.8 percent compared to 10.4 percent). Where the feelings are strongly held, they are against the head on the trout. The segment that disagrees is large enough to indicate there also is a market for trout with the head attached.

Retailers agree that consumers prefer boned trout. The small percentage who disagrees shows there is a limited market for bone-in trout.

Retailers (9.5 percent) are less likely than distributors (14.7 percent) to agree that retail consumers prefer the flavor of trout to other fish. Retailers disagree more than distributors (33.3 percent compared to 26.5 percent) that consumers prefer the flavor of trout. Most distributors or retailers who carry trout do not see a natural taste advantage for trout. As far as taste is concerned, trout is just another fish in the case.

As far as taste is concerned, trout is just another fish in the case.

Red meat — More retailers (31.7 percent) agree than disagree (7.3 percent) that red-meated trout has a taste advantage over regular trout. This is the opposite of the perception held by distributors. Retailers see a market advantage not understood by distributors. This may indicate a market that distributors are not serving well.

Few retailers (7.3 percent) agree that red-meated trout has a flavor advantage over salmon — more (39 percent) disagree. The majority of retailers neither agree nor disagree.

While more (38.1 percent) agree that red-meated trout sells at a higher price than disagree (7.2 percent), the proportions are consistent with the numbers who believe that there is a flavor advantage. Retailers (26.2 percent) are less likely to agree to the substitutability of red-meated trout for pan-sized salmon because of trout's lower price than are distributors (36.2 percent). Retailers (35.7 percent) do not agree that pan-sized salmon is substituted readily for trout.

Decision criteria

We also asked retailers to evaluate the importance they place on a number of specific attributes when making trout-buying decisions. (See Table II-3.)

Similar to the distributors' rankings, the retailers rated appearance and consistent quality the highest. Texture, taste, and shelf life attributes are next. Retailers ranked retail advertising decisions, customer requests, advertising support, and sales support the lowest. Distributors also gave these four marketing attributes the lowest ranking.

Retailers, as well as distributors, consider consistent quality as trout's most important attribute. (See Table II-4.) Competitive price is second most often important.

Although few retailers (7 percent) call shelf life the most important, it ranks in the total frequency of mention as one of the three most important. Appearance, which is of lesser importance to distributors, ties with competitive prices in total mentions, with 5 percent ranking it most important. Apparently, shelf life and appearance rate higher in the total decision set for retailers.

Table II-2. Continued.

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Consumers generally prefer the flavor of trout to other fish.	0.0	9.5	57.1	33.3	0.0
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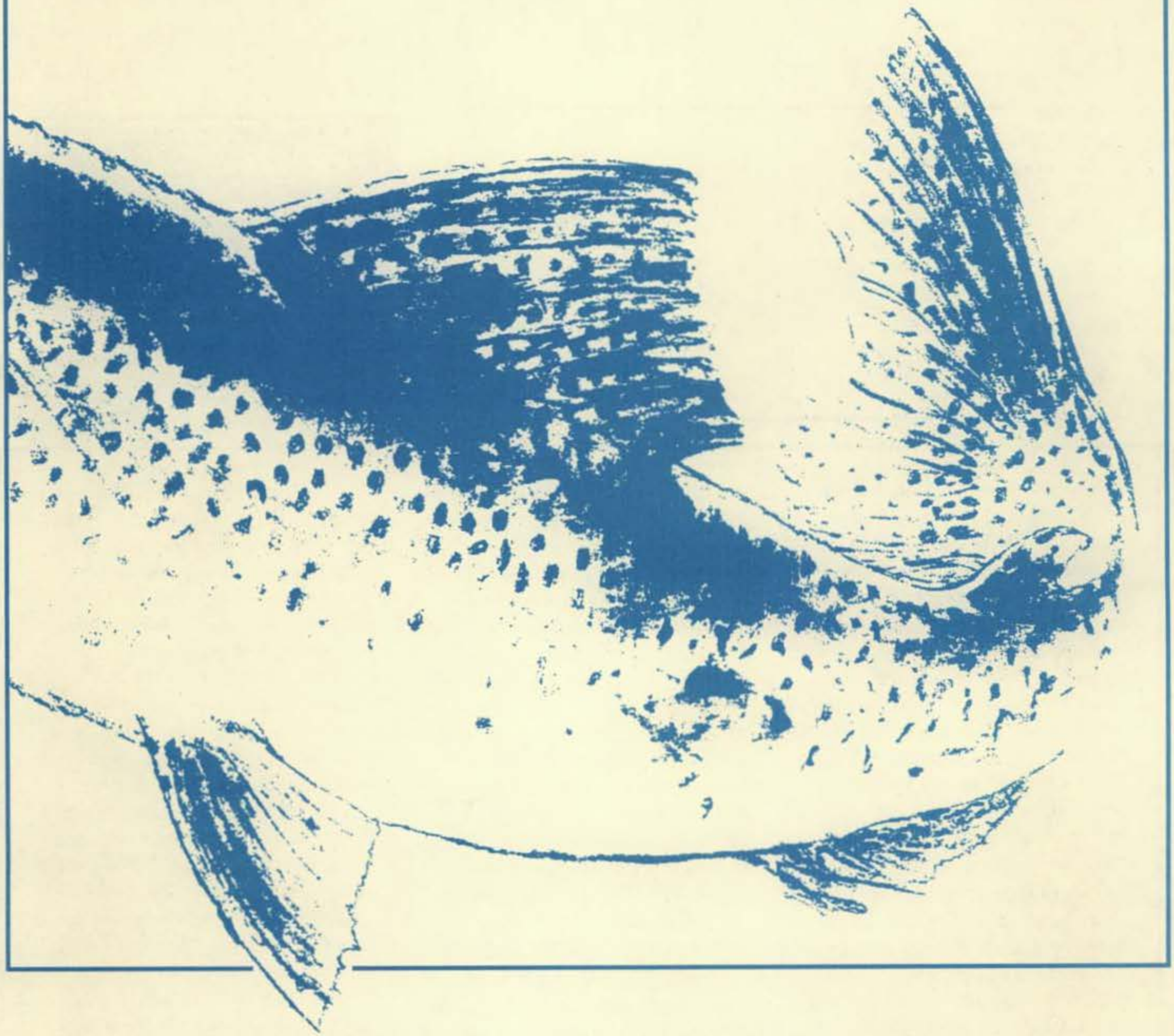

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