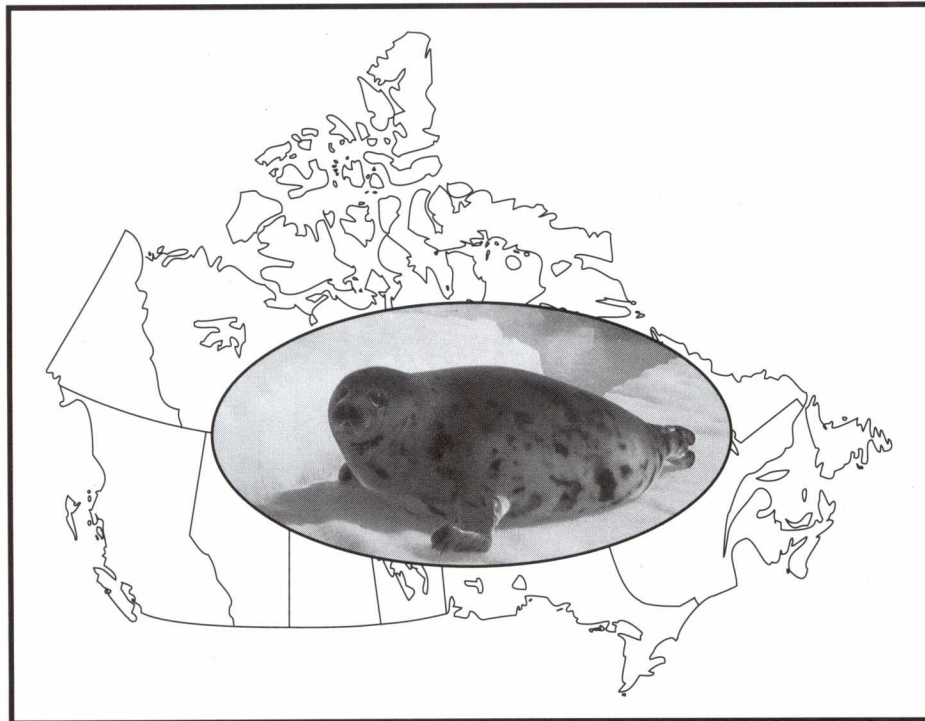


PROJECT SUMMARY

Canada Wide Market Study for Seal Products

CAFID #36

1996



BACKGROUND

The sealing industry has provided much needed economic benefits to Newfoundland for over one hundred years. There had traditionally been keen competition among sealers to obtain a "berth" on large sealing vessels that travelled to the shifting ice fields or the "front" as it was better known, to participate in the annual seal harvest. Despite the risk of working on ice floes, the hunt provided sealers with their primary source of income for the year and they depended heavily upon it. Times have changed, but the sealing

industry has survived over the long term, despite periods when market conditions for seal products were very weak. This was primarily due to negative publicity associated with the white coat hunt which ended in 1987. Over the past three to four years the industry has been growing and during 1995/1996 approximately 125 vessels over 35' were active in the fishery providing employment to approximately 2,000 sealers. During this period four local companies processed about six million pounds of seal meat. The Federal and Provincial government have supported the sealing industry and initiated various programs to promote its

development. Both levels of government, the Canadian Sealers Association (CSA) and the Sealing Industry Advisory Commission (SIAC), which represents the sealing industry, have been working co-operatively toward the goal of maximizing the economic benefits from the resource and ensuring full utilization of the animals. Over the past three to five years this has been evidenced by the increase in sealing activity and the range of totally new and innovative seal products that have been created. These range from food items such as seal steaks, salami, pepperoni, sausages, and seal oil capsules to high quality leather used to produce jackets, briefcases and ties. It is a fundamental goal of industry to introduce these products into mainland Canadian markets. An increase in demand for seal products there would have a very immediate and positive impact on employment and sales revenues for the industry. A major challenge was how to develop a long term coordinated market strategy to accomplish this. It was believed that consumers had been subjected to either negative publicity or misinformation on the sealing industry and it was important to gauge current consumer reaction to sealing and seal products. It was necessary to capture a "snapshot" of the Canadian market place. It was decided that an in-depth Canada wide marketing study was essential to gauge consumer reaction to seal products. This information would provide the basis for formulating a long term marketing strategy. Previous studies had been done on marketing seal products but they were deemed to be either dated, or limited in scope and did not reflect changes in attitude and current consumer behaviour in the market place. The CSA determined the marketing study unlike previous work, should allow Canadian consumers to touch, feel, taste and experience seal products on a first hand basis. It was felt that this was a necessary step in order to develop strong markets for seal products in Canada.

PROJECT DESCRIPTION

In 1996 the Canadian Sealers Association in conjunction with private sector partners submitted a proposal to the Canada/Newfoundland Cooperation Agreement for Fishing Industry Development (CAFID) and the Atlantic Canada Opportunities Agency (ACOA) seeking funding to conduct an in-depth, Canada-wide market survey on seal products. As a result, a jointly funded project was initiated that would determine through a market study the Canadian consumers reaction to the taste, texture, smell and appearance of seal based products and to the colour, price, style and durability of non-perishable goods such as seal leather (see Figure 1). A secondary, but very important benefit would be to obtain a very good understanding of Canadian attitudes toward the seal harvest and the industry in general. This would be used to develop consumer awareness programs of seal products and promotional material for the industry.



Figure 1: Various items produced from seal leather

MARKETING STUDY — THE METHOD

It was decided very early in the study that the most cost effective method to obtain accurate information would be for the study team and sealing industry representatives to attend carefully selected trade shows across Canada. This would gain direct exposure to the general public as well as various food and craft wholesalers and distributors to obtain feedback on seal products.



Figure 2: Pizza produced with seal pepperoni

Seal based food products (see Figure 2) and tanned seal hides were provided by local companies while fur and leather products (see Figure 3) were supplied by the CSA. These were taken across Canada on a "travelling road show". A marketing firm conducted interviews and organized focus groups with consumers and industry participants to gather feedback on general attitudes toward the sealing industry and the products displayed. The trade shows attended during the study were:

- (A) Atlantic Crafts Trade Show
World Trade and Convention Centre
Halifax, Nova Scotia
- (B) Canadian Food and Beverage Show
International Centre, Mississauga, Ontario
February 18 - 20, 1996



Figure 3: Seal fur is used to produce various styles of coats

- (C) APEX'96
Moncton Coliseum/Arena Complex
Moncton, New Brunswick
March 17 - 19, 1996
- (D) British Columbia Food Service EXPO'96
B.C. Place Stadium
Vancouver, BC
March 31 - April 2, 1996

RESULTS

During the trade shows, booths were set up as shown in Figure 4 and six hundred random consumer surveys were conducted at public locations in the various cities visited. The objective was to gauge Canadians awareness of the sealing industry and the reaction to the various seal products presented. Based on the survey results it was noted that 97% of those surveyed had never eaten seal, 61% had never purchased or been given



Figure 4: Display booth used to promote seal products at various trade shows

a fur product and over 85% had never purchased a product derived from seal. This indicated a very low product usage and awareness that will require a dedicated marketing effort to change. People generally felt the whole animal should be used, which is currently the case, and many did not understand how seals are harvested. Most people felt media coverage of the sealing industry is negative but most were undecided if this would affect a buying decision involving seal based products. The large majority of people were very accepting of the information on the sealing industry and many of their misconceptions were corrected. The public had largely heard only from animal rights groups in the past. It was reported the food products were well reviewed but the packaging and presentation needed improvements. Ethnic (Korean and Chinese) markets in Canada are very interested in seal products and recognize the nutritional value, particularly the low fat content. The seal leather products were very well received given the high quality and versatility of the raw material. It was perceived to have great value for making luggage and furniture.

DISCUSSION

The results of the market study indicate that there appears to be a very low level of knowledge of the sealing industry and seal based products by Canadian consumers. This could be remedied by providing information on the industry through a long term (3 - 5 year) public relations program since there is much misinformation and myth surrounding the industry. Seal products were generally very well received but aggressive marketing is necessary to make consumers aware of these products. Improvements are necessary in packaging and product design to produce a more contemporary look and improve the presentation. People were very impressed by the seal leather in particular and felt it offered many possibilities for designers. The study was able to provide a much better understanding of how Canadians, in general, feel about the sealing industry and provided an opportunity for them to experience an array of seal products directly.

THE CAFID PROGRAM

The Cooperation Agreement for Fishing Industry Development (CAFID) is a multi-year development agreement jointly administered and delivered through the Federal Department of Fisheries and Oceans (DFO) and the Provincial Department of Fisheries and Aquaculture (DFA).

FOR FURTHER INFORMATION ON THIS PROJECT CONTACT:

Canada/Newfoundland Cooperation Agreement
for Fishing Industry Development
P.O. Box 2460, Station "C"
St. John's, Newfoundland, A1C 6E8

Federal (DFO):

Tel. (709) 772-2922
Fax (709) 772-2110

Provincial (DFA):

Tel. (709) 729-6999
Fax (709) 729-6082

Project Officer: Roland Andrews, DFO