

SEATTLE SAUSAGE:
DEVELOPMENT AND MARKET EVALUATION OF A SURIMI PRODUCT
FINAL REPORT

September 1990

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This information was produced with funds provided through the Saltonstall-Kennedy program administered by the National Marine Fisheries Service under Cooperative Agreement #NA86-ABH-00044.

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INTRODUCTION

Despite the extreme versatility and extraordinary functionality of surimi as a food ingredient, it has failed to achieve anything near its potential for diverse applications. Although most surimi made from U.S. fish is now made by U.S. processors, the market for surimi is far from "Americanized." The technical feasibility of making such products as frankfurters, luncheon meats, and surimi-meat blends has been proven, but none of these "third generation" products has met with commercial success, and no large American food company has yet taken on the challenge of marketing such products.

OBJECTIVES

There are two fundamental problems that deter American food companies from taking a more serious interest in surimi. First, there are no data to support (or disprove) the theory that a huge latent market demand exists for these "third generation" or "stand alone" surimi-based products. Until marketing managers can present evidence that the potential reward is greater than the necessary investment in new product development, there will not even be proposals to develop marketing strategies. The second problem follows from the first -- No one has yet devised an effective way to position and explain these products to consumers.

The project described here was intended to erode these obstacles to a diversified surimi market, by addressing two objectives:

- (1) Conduct focus group research using two new surimi seafoods, a lobster analog and a surimi-based frankfurter, to learn about consumer awareness levels, perceptions, and purchase motivations for such products; and
- (2) Determine the level of consumer acceptance for innovative new surimi seafoods, by test-marketing a surimi-based frankfurter in a retail setting.

METHODS

First Alaska Surimi, Inc. (referred to hereafter as First Alaska) developed the products used for this study. They are a meat-flavored surimi-based sausage (containing no meat), which has been named "Seattle Sausage," and a surimi-based lobster analog referred to during the study as a "lobster roll."

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"Seattle Sausage" has the appearance and taste of a meat frankfurter, and the lobster roll is similar to chunk-style imitation crab but made with lobster flavor and packed in a sausage casing.

First Alaska produced prototypes of "Seattle Sausage" and the "lobster roll" for evaluation by three focus group panels. The focus groups were organized and conducted by GMA Research of Bellevue and McKnight & Associates of Seattle. Focus group panelists were from Seattle, Bellevue and environs, and were chosen to represent a range of socioeconomic attributes.

Three focus group sessions were held. The first, on June 26 at 6:00 p.m., included eleven panelists. The second group, of ten panelists, was convened at 6:00 p.m. on June 27. The third focus group discussion began at 8:00 p.m. on June 27, and included nine panelists.

The focus group discussion guide was designed to reveal awareness levels, perceptions, prejudices, and purchase motivations of the panelists with regard to new surimi seafoods. This feedback was used in developing point-of-purchase materials to be provided to customers during the test-market.

The project as originally planned contemplated a test-market that would include both a meat analog and a shellfish analog product. During focus group research, however, it was determined that this course was ill-advised, for two reasons:

- (1) Consumer understanding of surimi was not very sophisticated, and test-marketing the two products side by side would produce confusing or misleading results; and
- (2) The focus group panelists' low level of interest in a lobster analog suggested that a test-market would not be cost-effective.

Therefore the test-market was conducted with one product, "Seattle Sausage," during a period of six weeks (ongoing) at Mutual Fish, a retail seafood store in south Seattle. Normal business hours at Mutual Fish are 8 a.m. to 5:30 p.m., Monday through Saturday. From 10:00 a.m. to 5:00 p.m. on Fridays and Saturdays, the days of highest number and ethnic diversity of customers, Mr. Rhoda of First Alaska personally manned a table where free samples of the product were served.

During the entire test-market period, an information leaflet about "Seattle Sausage" and how it is made was available at the service counter in the store, and included in the customer's

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package with every sale of "Seattle Sausage." The product was priced at \$2.99 per pound. For three weeks during the latter half of the test-market period, purchasers were given a token which could be exchanged for a discount on their next purchase of "Seattle Sausage."

RESULTS

The appendices to this report include a copy of the Focus Group Discussion Guide and a table compiling the quantitative results of those discussions. More important and useful are the conclusions that can be drawn from the questions, comments, and observations made by the panelists during those discussions.

A significant number of panelists, particularly those who are aficionados of fresh fish, expressed initial apprehension with the very concept of a sausage made from fish, or a fish product made to taste like meat. Their attitude was either "if it's fish I want it to taste like fish," or "if I'm buying hot dogs I treat myself to the real thing." Another initial prejudice was the suspicion that if it was a sausage, it couldn't possibly be made from high-quality fish.

A dramatic shift in these attitudes occurred after the panelists were given more information about the product and samples to taste. The most important information in provoking positive interest was the product's nutritional profile, especially its low fat content and low calorie count. Those with neutral attitudes were typically people who "don't buy hot dogs," or felt that the product was "too processed." Most of the panelists were pleasantly surprised by how good the product tasted to them, and only two thought they could detect a hint of fish, even though they knew ahead of time it was made from surimi.

Panelists who felt negative about the product themselves were in most cases enthusiastic about the product "for other people." They thought it would be marketable for children, hospitals, or people on fat-restricted diets.

To the question of what they would expect "Seattle Sausage" to cost, panelists' answers ranged from \$.99 to \$4.00 per pound, with the bulk of responses between \$2 and \$3.

The question, "Do your children enjoy eating fish/seafood?" brought a large number of affirmative responses. Of the 29 panelists, twenty (20) said "yes," two (2) said "no," two (2) said "limited," and five (5) claimed no children. The ages of the children referred to are not known.

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Following is a large sampling of the comments made by panelists about their opinions of "Seattle Sausage."

What did you particularly like about the product?

"Really surprised at how good they taste, could even fool kids."

"The taste is not what I expected but it is good."

"Tastes like a hot dog."

"Adds variety and still enables me to stick with Weight Watchers."

"No greasy aftertaste."

"It's new and different -- I like interesting new things."

"Very much impressed with the calorie content."

"The idea that it's made from seafood and not the usual things they put in hot dogs."

"If you are forbidden to eat hot dogs, a good substitute is better than none."

"The concept of a healthy hot dog."

"My initial resistance was broken down by seeing the list of ingredients, which seemed appetizing and healthy."

"Nutritional value, low fat and cholesterol."

What did you particularly dislike about the product?

"Color does not look natural."

"Tastes 'processed.'"

"Not seasoned to my taste."

"Seafood flavor not dominant."

"Prefer my food to be 'straight' -- Very plain -- Not apt to change."

"The idea is foreign to me -- Acceptance problem."

"Only that it is a hot dog and I don't eat hot dogs."

Only a few of the panelists gave an answer to the question of WHY they would or would not purchase the product. Their comments are incorporated into the above sampling.

If the panelists in this study are representative of the larger population, then the lack of sophistication in consumer understanding of surimi is indeed a problem for the future of innovative surimi seafoods. Most of the panelists recognized surimi as imitation crab, but few knew how surimi or imitation crab is made. In general they do not think of imitation crab as a true seafood product, i.e. they don't think of it as having the same positive attributes as "real" seafood. They believe the idea of imitation crab is to sell a less expensive substitute, not to add variety to the universe of seafood products or to the number of ways seafood can be used. The panelists were almost completely ignorant of the nutritional attributes of surimi seafoods.

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All of the observations summarized above were taken into account in preparing the information leaflet supplied at Mutual Fish during the test-market of "Seattle Sausage." The text of that leaflet is included as an appendix to this report.

Quantitative results of the test-market are summarized in an appendix to this report.

An important observation from the in-store sampling of "Seattle Sausage" is that in order to attract customers to the sampling table, it should be very obvious that what's being sampled is a seafood product. Even though they're in a fish market, people seem to assume from the appearance of "Seattle Sausage" that it is a meat hot dog, and quite frequently their curiosity ends right there. As soon as they are informed that it's seafood, most become curious about the product.

During the week of September 10, Mutual Fish ran a small (2"x3") advertisement in the Seattle Weekly, with the following text: "Exciting New Seafood Frankfurters. Low Cholesterol. Mutual Fish -- The widest selection of fresh fish in Seattle." The advertisement has attracted the attention of the local news media, and one of the local television network affiliates has scheduled an interview and story shoot at Mutual Fish. A press kit is is being prepared for that occasion.

CONCLUSIONS

The primary goal of this project, to obtain substantive information about consumer demand for a "third generation" surimi-based food product, was certainly achieved. Impacts on the fishing industry have been, and will be, both direct and indirect.

As a result of this project, virtually all of the regular customers of one of Seattle's most popular retail fish markets have been exposed to surimi in a form that enlarges their perceptions of it. The benefit accruing to the fishing industry from this exposure, although intangible and indirect, is probably the most important effect of this project. The enlargement of consumer perceptions is a prerequisite to the successful marketing of new surimi seafoods.

Also the results of this project will give the fishing industry guidance on how to position and explain new surimi seafoods to consumers. This type of guidance is very costly to obtain on a single-company basis, especially if the company has not completed development of a specific product for consumer testing. Thus the project has dramatically reduced the cost, risks and uncertainty associated with developing and marketing

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"third generation" surimi seafoods. Combined with the confidence-building effects of witnessing a successful new product introduction, the reduction of risk makes it more likely that other new surimi seafoods will be introduced at a hastened rate and with greater market success. This result not only strengthens the processing sector of the industry, but diversifies the market for surimi producers, and makes them less dependent on Japanese customers.

Because "Seattle Sausage" has shown initial commercial marketing success, television news coverage will also have the effect of building the confidence of seafood producers and marketers about the prospects for new surimi seafoods, as well as lending credibility to these new products in the minds of consumers.

Also because "Seattle Sausage" has proven to be quite acceptable to consumers in terms of taste, it sets the first reference point for processors to use in designing similar products. Again, this reduces product development costs.

The long term benefits of this project will be seen in the eventual establishment and success of an entirely new category of healthy foods made from surimi. This not only benefits the seafood and food industries by increasing their revenues and financial stability, but also benefits American consumers by giving them more opportunities to include seafood in their diets.

RECOMMENDATIONS

In order for the seafood industry to realize the market potential for surimi, some major investments in consumer education will have to be made. Consumer familiarity with imitation crab does not seem to aid, and in fact may detract from, efforts to diversify surimi seafood product lines.

Marketing strategies for new surimi seafoods should take their cues not from existing surimi products, but from whatever category they are being positioned to enter, in terms of how the product is used by the consumer.

FOCUS GROUP DISCUSSION GUIDE

1. INTRODUCTION. Explanation of focus group and technique, including role of moderator, role of participants, and ground rules. Explain that session is being taped. Stress the need to be open and honest.
2. BEGIN SESSION. Have participants identify themselves and state what type of work they do.
3. DESCRIBE HYPOTHETICAL SITUATION TO THE GROUP. "You are in a hurry and you go to the fish store or supermarket fish counter. It is busy there, and you have to take a number. While waiting your turn for service, you notice the new products we are about to show you."
4. EXHIBIT -- Plastic boxes with sausage and lobster roll in them. Cover with clear plastic cover when everyone has had a chance to see them.
5. ASK QUESTIONS. Ask each person his/her initial response to seeing these products in the fish case in a store. Please let them express themselves, but try to keep the responses brief and the group orderly.
6. CONTINUE DISCUSSION. Poll each member on what kind of information they would like to see at the counter alongside this new introduction to increase their comfort level (confidence, willingness to try).

For instance, what would be the effect of:

- Nutritional information
- Ingredient list
- Ingredient information
- Comparison with similar products
- Cooking instructions

Also, what if the counter service person advised them personally about how to prepare the product, how it was made, or the fact that it is made locally.

Ask the participants, "Seeing these two products together at the fish counter, and knowing they are both made from surimi -- How does that affect your attitude toward surimi products?"

7. EXHIBIT & PASS OUT -- Nutritional comparison sheet
-- Ingredient statement
Get general comments.
8. EXPLAIN -- that now they are going to taste the sausage product, and then they are to be given a brief questionnaire to fill out, regarding their feelings about this food.

9. DISTRIBUTE QUESTIONNAIRE -- Hopefully everyone will finish within a few minutes of one another.
10. DISTRIBUTE ENVELOPES with parking and payment \$\$\$. Thank the group members and tell them that this food will be at Mutual Fish in early July.

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the city"

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QUESTIONNAIRE

Please check the box which best describes how you feel about the new sausage product:

	5	4	3	2	1
	<u>Excellent</u>	<u>Very Good</u>	<u>Good</u>	<u>Not So Good</u>	<u>Poor</u>
Overall Rating	()	()	()	()	()
Overall Taste	()	()	()	()	()
Overall Appearance	()	()	()	()	()

* What did you particularly like about this product? Explain in detail.

* What did you particularly dislike about this product? Explain in detail.

* Assuming the product you've just tasted was available at your local fish counter, and it was competitively priced, how likely would you be to purchase it?

Definitely Would <u>Buy</u>	Probably Would <u>Buy</u>	May or May Not <u>Buy</u>	Probably Would Not <u>Buy</u>	Definitely Would Not <u>Buy</u>
()	()	()	()	()

* WHY?

* Do your children enjoy eating fish / seafood?

Yes No Limited No children

* What would you expect a one-pound package of this sausage

(___ servings) to cost?

* How much would you expect the lobster roll to cost?

(Expected costs may be put in terms of comparison to other foods in addition to giving a dollar amount).

THANK YOU FOR YOUR TIME AND YOUR IDEAS!

IF YOU HAVE OTHER THOUGHTS OR SUGGESTIONS,
YOU ARE WELCOME TO WRITE THEM HERE.

SUMMARY OF FOCUS GROUP RESULTS
TOTAL NUMBER OF PANELISTS = 29

PANELISTS' AGE, INCOME, AND RESIDENCE

AGE GROUP	NUMBER OF PANELISTS
21-30	2
30-39	2
40-49	10
50-54	4
55+	10
Unknown	1

INCOME
(THOUSANDS)

Less than 20	3
20-35	9
35-49	7
50+	8
Unknown	2

RESIDENCE

Bellevue	12
Seattle	9
Kirkland	3
Bothell	1
Mercer Isl.	1
Redmond	1
Renton	1
Unknown	1

QUANTITATIVE OPINIONS OF SEATTLE SAUSAGE

	Highest					Lowest
	(5)	(4)	(3)	(2)	(1)	
	Number of panelists marking each rating					
Overall Rating	4	13	6	5	1	
Overall Taste	5	12	6	6	0	
Overall Appearance	5	10	9	2	3	
Likelihood of Purchase	10	6	5	5	3	

WHY SEATTLE SAUSAGE?

There is too much fat in the American diet. In 1987, the U.S. Surgeon General set forth some guidelines for improving our well-being through changing our diets. Seattle Sausage was created to help us follow these guidelines for good health, without sacrificing taste or convenience.

A HEALTHY ALTERNATIVE

As you can see from the information below, Seattle Sausage is dramatically different nutritionally from meat or poultry sausages. It may look and taste like the classic American hot dog, but that's where the similarity ends. As the ingredient panel shows, we've been careful to use only safe, common ingredients, to avoid over-processing.

NUTRITIONAL COMPARISON for a 2 ounce (57 gram) serving

	"SEATTLE SAUSAGE"	Beef & Pork Hot Dog	Turkey Frank
Protein	8 gm	6 gm	7 gm
Carbohydrate	6 gm	2 gm	2 gm
Fat	2 gm	17 gm	11 gm
Calories	78	180	130
Cholesterol	9.5 mg	35 mg	55 mg
Sodium	560 mg	590 mg	650 mg
Per cent of total calories as fat	25%	85%	76%

* * * * *

INGREDIENTS IN SEATTLE SAUSAGE: Minced Alaskan pollock (surimi), water, sorbitol, partially hydrogenated soybean oil, soy protein concentrate, potato starch, sodium lactate, salt, natural and artificial flavor, natural smoke flavor, xanthan gum, artificial color added.

Seattle Sausage is the first food to add the savory, rich flavor of sausage together with the light, lean wholesomeness of fish. Since the fish counter is an unlikely place for sausage, we won't blame you if you're just a bit suspicious. But we hope you're curious enough to ask for a sample to taste.

WHY DISGUISE PERFECTLY GOOD FISH?

Our goal in creating Seattle Sausage was to prepare fish in a form that would be appealing and convenient for all Americans who are interested in good nutrition. Americans consume more than two billion pounds of hot dogs every year. We hope some of those "hot dog occasions" will become "seafood occasions," without any sacrifice.

HOW SEATTLE SAUSAGE IS MADE

The primary ingredient in Seattle Sausage is minced Alaskan pollock (surimi). Alaska pollock is a lean, white-fleshed mid-water fish, caught primarily in the Bering Sea.

Surimi is the base for a variety of foods, the same as flour is in breads, cakes, and cookies. To make Seattle Sausage, the frozen surimi is partially thawed, mixed with the other ingredients you see listed in the ingredient statement, and cooked in a traditional European-style smokehouse.

It has taken several years to discover how to produce the texture and flavor of a traditional sausage using fish, and one thing we've learned -- it can't be done with anything less than top quality surimi. To ensure this quality, fresh Alaska pollock must be filleted, minced, rinsed and quick-frozen, all within a few hours after the fish is caught.

Seattle Sausage contains no meat or fish by-products, nor any non-nutritive fillers. Its flavor comes from an exclusive spice blend, not from any artificial meat flavor.

By using the highest quality ingredients, and by keeping our process simple, we guarantee that Seattle Sausage can be stored in your refrigerator or freezer without loss of quality in the same way as traditional meat sausages. We use no nitrites or chemical preservatives.

PREPARING SEATTLE SAUSAGE

MICROWAVE: Place Seattle Sausage in a microwave-safe dish, add one tablespoon of water, cover with a damp paper towel, and microwave on high power for 30 seconds to 1 minute. Since power of microwave ovens varies, cook for 30 seconds and then add cooking time as necessary for your oven.

STEAMING: Put water in saucepan to about 1 inch deep. Heat water to boiling, then remove from heat. Add Seattle Sausage to the pan, cover and let stand 4 to 5 minutes. Pour off water and serve.

Due to the extremely low fat content of Seattle Sausage, cooking on the grill is not recommended.

We hope you enjoy our new line of products... Here's to your good health!

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SUMMARY OF TEST-MARKET SALES

First Alaska Surimi, Inc.

TIME PERIOD	SALES, POUNDS PER DAY	DEMOS/ SAMPLES?
Sat. 8/11/90	12	Yes
M-Th 8/13 to 8/16	AVG 3	No
Fri. 8/17	18	Yes
Sat. 8/18	21	Yes
M-Th 8/20 to 8/23	AVG 5	No
Fri. 8/24	23	Yes
Sat. 8/25	18	Yes
M-Th 8/27 to 8/30	AVG 5	No
Fri. 8/31	18	Yes
Sat. 9/01	25	Yes
M-Th 9/03 to 9/06	AVG 9	No
Fri. 9/07	12	No
Sat. 9/08	16	Yes

NOTE: The first day that tokens for discounts on repeat sales were given out was 8/24/90. The first repeat sales thus documented occurred, at a rate of one per day, from 9/3 through 9/8/90.