

## SECTION 9

### CORPORATE OR INTERNAL ANALYSIS

However, much a product or market is analysed, the decision to go ahead with a project based on a market idea is an internal investment matter. The marketing study only contributes to the overall performance of the company, and eventually the returns to the investors – banks, shareholders, venture capitalists, etc. Although the bottom line is normally the key issue, other factors can come into play.

**Corporate goals:** All companies and organisations have corporate targets and goals, and it is part of the investment team’s work to understand these. A company may be working on a divergent strategy where new product lines are required, or they maybe trying to return to core values where part of the operation will be closed or sold off as it is deemed as being too risky. However good marketing information may appear this may not be where the corporation wishes to go. A lot of time, effort and money can be lost in investigating market issues that are not in the corporate interest.

**Costs and benefit solutions – revenues:** There are many ways to market a fish product, many of which have been outlined in previous sections, but it is important to assess those which give the best value for money. On the surface a product line may appear to have the best opportunities and returns, but this has to be compared to the investments required for the production line and the cost of this investment. It may be better to stay with the standard product forms, and let others do value adding. These options also have to consider HACCP regulations, traceability systems, local skilled labour, food safety issues, and many other potentially problematic areas. When processing is undertaken, do processed products attract more taxes as they remove employment opportunities from the importing country. There are many variations to this subject, but risk analysis and benefit analysis is needed, and these two forms should be tried for short term and long term scenarios.

**Loss leaders or market penetration:** If the product or the producer is new to a market segment, it is quite common for products to be sold at discounted prices to create interest and first purchases. This will work as long as there are notices to promote the special price and create interest, but the “special” promotional nature of the offer must be clearly stated. There is always a risk that when a product is sol at under normal market price then there will be a knock-on effect where prices will remain low. If a company is attempting to take market share, and has production costs that will bear lower prices then it can make a hostile market condition to force other producers out, or to create an opportunity for expansion by acquisition and consolidation. This is very closely related to corporate planning and issues.



**Branding & Private label issues:** These are “buzz” words in the marketing industry and deserve some clarification;

- Branding is the establishment of a name, logo, colour scheme, product line that is easily recognised by consumer and is promoted as such. There are many examples of this in the fish sector though colours are almost standard being predominantly blue, white, green with lettering in red. Common names include Birds Eye, Findus, Costa, Sea Crest. Branding does not stop on the packaging alone and can be seen in large retail outlets specialising in seafood dishes – Darden, Red Lobster, Nordsee, etc. Creating a brand though is a potentially complicated and expensive issue and is really only worth while for a large producer, or a group of smaller producers working together as an association. Costs must always be considered. Specialist products which are unique and have Unique Selling Points (USPs) are definitely candidates for branding, even when there is a limited production as it is setting a standard and needs easy, strong image identification. Brands can benefit many fish products, but developing a new brand must be carefully analysed before starting, and then persisted with for a long period of time. A brand does not become a household name in one or two years.
- **Private Labels:** This is a growing area and can be interesting for development. Private labels develop under a major trading brand, in particular large retailers, who wish to use a particular producer, but want to differentiate the product from their own in store brand, and other more well known supplier brands. Over the last years there has been significant development of these, and the retailers tend to control prices and positioning of these brands to make them more attractive to consumers, promoting sales and the brand. For producers supplying these private labels, benefits are two fold. A more stable market and potential for growth with a long-term brand and image. The down side is that the producer is a little hidden by the retailer’s own private label.

To say that this short section covers all there is to brands and private labels, is false. To develop either of these areas requires considerable effort, and potentially investment. It is not possible to negotiate a contract for this type of marketing in one visit. Developing a business relationship and then testing and proving supply, continuity and quality, while demonstrating flexibility and innovation is not a short-term operation. Long termed planning is needed, and for the first production years, more simple marketing methods are probably safer and easier.