



# Final Report

## Market & Competitive Analysis

4/25/2010

CALENDAR ISLANDS LOBSTER COMPANY

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## Table of Contents

|   |    |
|---|----|
| Summary of Recommendations .....                          | 4  |
| Introduction.....   | 5  |
| Lobster Industry.....                                     | 5  |
| Seafood Marketing .....                                   | 5  |
| Rationale – Calendar Islands Lobster Company's Needs..... | 5  |
| Approach .....  | 6  |
| Made in Maine Certification.....                          | 6  |
| SQF Certification.....                                    | 6  |
| MSC Certification.....                                    | 7  |
| Market and Competitive Analysis.....                      | 7  |
| Findings.....   | 7  |
| Made in Maine Certification.....                          | 7  |
| SQF Certification.....                                    | 8  |
| MSC Certification.....                                    | 9  |
| Market & Competitive Analysis.....                        | 10 |
| Lobster Market .....                                      | 10 |
| Potential Target Markets.....                             | 10 |
| Food Service and Retail Channels.....                     | 11 |
| Consumer Preferences .....                                | 12 |
| Competitors.....  | 13 |
| Customer Reviews .....                                    | 14 |
| Calendar Islands Potential Products.....                  | 15 |
| Discussion .....  | 16 |
| Made in Maine Certification.....                          | 16 |
| SQF Certification.....                                    | 17 |
| MSC Certification .....                                   | 17 |
| Market & Competitive Analysis.....                        | 17 |
| Lobster Market .....                                      | 17 |
| Potential Target Markets.....                             | 18 |
| Food Service and Retail Channels.....                     | 18 |
| Consumer Preferences .....                                | 19 |

|   |           |
|---|-----------|
| Competitors .....                               | 19        |
| Customer Reviews .....                          | 19        |
| Calendar Islands Potential Products.....        | 19        |
| <b>Recommendations.....</b>                     | <b>19</b> |
| <b>Made in Maine .....</b>                      | <b>19</b> |
| <b>SQF Certification.....</b>                   | <b>20</b> |
| <b>MSC Certification.....</b>                   | <b>20</b> |
| <b>Market &amp; Competitive Analysis.....</b>   | <b>21</b> |
| <b>Lobster Market .....</b>                     | <b>21</b> |
| <b>Potential Target Markets.....</b>            | <b>21</b> |
| <b>Food Service and Retail Channels.....</b>    | <b>21</b> |
| <b>Consumer Preferences .....</b>               | <b>22</b> |
| <b>Competitors.....</b>                         | <b>22</b> |
| <b>Customer Reviews .....</b>                   | <b>22</b> |
| <b>Calendar Islands Potential Products.....</b> | <b>22</b> |
| <b>Conclusion .....</b>                         | <b>22</b> |
| <b>Works Cited .....</b>                        | <b>24</b> |

## **Summary of Recommendations**

1. Calendar Islands Lobster Company should apply immediately for membership in the *"get real. get Maine!"* program and the *Maine Made* program.
2. Calendar Islands Lobster Company should find out what food safety standards or certifications your potential food manufacturers currently employ.
3. Calendar Islands Lobster Company should get involved in the Governor's commission for MSC Certification.
4. Calendar Islands Lobster Company should get involved in supporting any legislation that would help protect the Maine Lobster brand.
5. Calendar Islands Lobster Company should pursue the Lobster Traditionalists, Adventurers and Convenient Lobster Lovers segments, as well as the Been There Done That segment.
6. Calendar Islands Lobster Company should begin generating interest in its value-added lobster products once a list has been settled on and production has begun.
7. Calendar Islands Lobster Company should become a supplier to the Fine Fast and Fast Casual restaurant segments.
8. Calendar Islands Lobster Company should offer its value-added lobster products online for purchase.
9. Calendar Islands Lobster Company should publicize any food safety and manufacturing standards, procedures and certifications.
10. Calendar Islands Lobster Company should package its products in a way that encourages gifting.
11. Calendar Islands Lobster Company should become a vendor to high end websites after establishing its brand.
12. Calendar Islands Lobster Company should include ample lobster meat in all of its value-added products.
13. Calendar Islands Lobster Company should do exhaustive taste testing before introducing its' products to the market.

## **Introduction**

### **Lobster Industry**

Eco-friendly and sustainable, the Maine Lobster industry is one of the most successfully regulated commercial fisheries. With limits on lobster size, number of traps set, treatment of egg-laden female lobsters, and trap design all built into the Maine lobster industry's way of life, overfishing has not occurred in Maine waters. However, despite this self-regulation and healthy fisheries, the lobster industry is being threatened. The recent economic recession caused lobster prices to plunge dramatically. "Cash strapped consumers are avoiding delicacies such as lobsters, driving down the overall price." George Lapointe, commissioner of the Maine Department of Marine Resources, "said the price of lobster managed to "claw its way" back to a range of \$2.75 to \$3 per pound in 2009, after falling to \$2 to \$2.50 in the fall of 2008. That pales in comparison to five years ago, he said, when lobstermen were getting to \$4 to \$4.50 per pound" (Smith). Given that 76.3 million pounds of lobster were pulled in last year, Maine lobstermen suffered losses of \$133.5 million dollars taking into account the price of lobster in 2003.

### **Seafood Marketing**

A major challenge of seafood marketing is taking a generic product, which many view as a commodity, and turning it into a successful brand. "States are increasingly looking to hook consumers by branding their local seafood specialties, both to help reel in revenue and to give a boost to commercial fishermen struggling with declining stocks and tighter regulations." Barry Nash, a seafood technology and marketing specialist says, "We are really trying to personalize the product to let people know that there are a lot of people who are making their living off commercial fishing" (LeBlanc). When it comes to seafood branding, however, few states can match Alaska, and with good reason. Alaska is home to one of the largest food fisheries in the world, harvests over half the nation's wild caught seafood, and has honed its branding campaign over three decades. There has been success marketing seafood products based on where they come from. Alaska has successfully marketed Wild Alaska Salmon and King Crab. Louisiana and Texas have both launched marketing campaigns for shrimp. In Louisiana, shrimpers who agree to the stricter oversight will have their catch branded "Certified Louisiana Shrimp." "The Maine Lobster Promotion Council distributes "Certified Maine Lobster" tags to lobstermen to guarantee people shelling out big bucks for Maine lobster in restaurants across the country aren't being served "impostor lobsters" from other states or Canada" (LeBlanc).

### **Rationale – Calendar Islands Lobster Company's Needs**

Typically in the lobster industry, fishermen sell their catch to co-ops or lobster dealers. Those buyers then sell the lobsters to wholesalers or processing plants. As much as seventy percent of Maine's annual lobster catch is sold to processors in Canada (Lobstermen Launch Business To Take Catch From Sea To Table). This means that most of Maine's lobster becomes a product of Canada. Additionally, Maine lobstermen are losing opportunities to create value-added lobster products, which demand much higher prices than the traditional live lobster. Although Maine lobstermen are doing to majority of the work, the financial rewards are being reaped by others.

Calendar Islands Lobster Company was formed by a group of Casco Bay lobstermen to brand and market its lobster directly to consumers and retailers. By vertically integrating their business and taking back part of the sales channel, they are able to recoup some of their previously lost profits. This business approach also allows Calendar Islands to provide their customers with the ability to track where, and from whom, their lobsters come from. This new approach has many Mainers excited about the innovative fisherman-owned, vertically integrated lobster business. As with any new business venture, the to-do list is long and complicated. My work on this project has been to look into made in Maine certifications, SQF certification and a market and competitive analysis for the retail/gift lobster products.

## **Approach**

My general approach consisted primarily of web-based research. The initial web research linked to other relevant information for each of the focuses. There was also some email contact with members of the organizations for clarification purposes.

## **Made in Maine Certification**

There are currently two major certification programs to indicate that a product is made in Maine. Both are programs that have been developed by Maine Departments. The first is the *"get real. get Maine!"* program, which seeks to promote the stewardship of Maine's natural resources. My initial approach was to take an in-depth look at the *"get real. get Maine!"* website, discover the process of being certified to use the *"get real. get Maine!"* logo and be displayed on the website. Next, I went to the Maine Department of Agriculture website, which simply linked back to the *"get real. get Maine!"* website.

The second certification program is *Maine Made*. I discovered this program after emailing the Market and Production Development Division of the Maine Department of Agriculture website inquiring about any other made in Maine programs. I was directed to [www.mainemade.com](http://www.mainemade.com), which shares many similarities with *"get real. get Maine!"*. Approved businesses get an online business listing on the *Maine Made* website.

## **SQF Certification**

The SQF (Safe Quality Food) Institute is a division of the Food Marketing Institute, established to administer the SQF Program, a leading, global food safety and quality certification and management system. The Program provides independent certification that a supplier's food safety and quality management system complies with international and domestic food safety regulations. This allows suppliers to assure their customers that food has been produced, processed, prepared and handled according to the highest possible standards, at all levels of the supply chain (Welcome to the SQF Institute). My approach was to use the SQF website, [www.sqfi.com](http://www.sqfi.com), to determine what food sector categories Calendar Islands Lobster Company's potential products would fall into. Different foods and processes are categorized as high or general risk. Given the risk level of lobsters, processed lobsters and lobster meals, such as Lobster Mac and Cheese, there are two different SQF systems; SQF 1000 and SQF 2000. The SQF 1000 Code is for primary producers and the SQF 2000 Code is for the manufacturing and distribution sectors. Both are based on the HACCP method and principles. HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product (Hazard Analysis & Critical Control Points). Within each code there are three levels;

fundamental food safety, HACCP-based food safety plans, and comprehensive food safety and quality management systems.

### MSC Certification

The Marine Stewardship Council (MSC) is an independent non-profit organization that was set up in 1997 to offer a solution to the global problem of overfishing. Scientists and conservation groups have developed an environmental standard to assess and reward well-managed and sustainable fisheries. Fisheries that meet the MSC standard are eligible to mark their catch with the distinctive MSC blue eco-label. The MSC label provides sustainable fisheries a competitive edge in global markets where environmental credibility can play a crucial role in purchasing decisions (MSC Get Certified! Leaflet). I obtained information about the MSC through their website, as well as through Google search listings.

### Market and Competitive Analysis

A market and competitive analysis seeks to determine the market's attractiveness and competitors' positions in the market. I examined the lobster market, food service and retail channels, potential target markets, consumer preferences, Calendar Islands Lobster Company's potential value-added products, competitors and customer reviews of competitor products. This required doing a search for value-added lobster products on the web, with a focus on retail and gift lobster products. Google Shopping was a valuable resource, as I could enter product names, such as 'lobster mac and cheese,' and get instant results. This also allowed me to quickly discover which websites offered lobster products akin to what Calendar Islands Lobster Company is interested in producing; lobster mac and cheese, lobster Rangoons, smoked lobster and lobster pizza. It was on these websites that I was able to gather customer reviews of competitor's products. Another approach was to data mine information on other Sea Grant and seafood marketing websites, such as the Alaska Seafood Marketing Institute ([www.alaskaseafood.org](http://www.alaskaseafood.org)) and Florida Seafood and Aquaculture ([www.fl-seafood.com](http://www.fl-seafood.com)). These websites provided information on consumer preferences, as well as an idea of how other states choose to market their seafood. Finally, I was also directed to the Maine Lobster Industry Strategic Plan, which was prepared on behalf of the Governor's Task Force on the economic sustainability of Maine's lobster industry. This report provided me with information on customer segmentation and potential target markets.

## Findings

### Made in Maine Certification

There are currently two certification programs in Maine that certify goods as being made in Maine. The first is the "get real. get Maine!" certification program. This program is run by the Maine Department of Agriculture, Food and Rural Resources and seeks to educate and promote Maine's high quality natural resources. Publications such as "get real. get Maine!" brochures and wholesale buyers' guides promote sales of Maine food and farm products. Once registration has been approved, the "get real. get Maine!" logo can be used on packaging, labels, website, storefront, or anywhere else you see fit. In addition, promotional items, such as stickers, hang tags, signage, hats and aprons, are available once registration is approved. The registration process is quick and simple, requiring contact information



get real. get Maine!  
logo

and a summary of your business. Applications are reviewed and published on [www.getrealgetmaine.com](http://www.getrealgetmaine.com) within a day or two. Once you have been published, you can update your profile; add products, features, images, hours of operation, directions, contact information, calendar events and any other pertinent information. The use of the “*get real. get Maine!*” logo carries no costs. The only costs associated with participation in “*get real. get Maine!*” are for promotional items.

The second certification program is the *Maine Made* program. The program is part of the Maine Department of Economic and Community Development and seeks to promote the high quality, rich resources Maine has to offer. Similar to [www.getrealgetmaine.com](http://www.getrealgetmaine.com), Maine Made also provides members with a searchable member page, which includes contact information, profile, bio, category and list of retailers that carry the member’s products. There are no costs associated with applying, however there is a modest cost once enrolled. The Maine Products Marketing Program is part of the member resources of the Maine Made program. Once applied, companies go through a selection process, which ensures that only high quality, Maine products from reliable producers are part of the program. Through an application process, companies must show adequate production capabilities and sound customer service practices appropriate for their level of participation in the program. Producers are entitled to use the *Maine Made* hand tags or adhesive labels associated with the Maine Products Marketing Program. Once approved, website participation is available as an automatic free member benefit to any member who wants to have their contact information on-line. The searchable database allows customers to easily find your company on the web site, and auto-publishing tools allow you to update product and contact information. In addition, Kiosk display opportunities are offered to program participants. Displays are rotated periodically through the State Office Building and the Department of Economic and Community Development common areas as a benefit to interested program members.



Maine Made logo

## SQF Certification

Harvesting and intensive farming of fish, including lobster, is considered general risk. This applies to the harvest and wild capture and intensive farming of freshwater and marine fishes and shellfish, including purification, transport and storage, and extends to gilling, gutting, shucking and chilling operations at sea. If the harvesting is done at an independent site, then SQF 1000 certification is necessary. Additionally, you have the option of choosing the level of certification you wish to be certified under. This varies from Level 1 (Food Safety Fundamentals), to Level 3 (Comprehensive Quality Management Systems Development), which requires Level 1 and Level 2 certification before gaining a Level 3 SQF certification.



SQF 1000 Logo

Seafood processing is considered high risk, and the processing extends to value-adding operations including dismembering, fermenting, crumbing, smoking, cooking, freezing, chilling, drying and vacuum packing. For the level of certification within the SQF 2000 Code, Level 2 (Certified HACCP Food Safety Plans) is the minimum level for suppliers of high risk products.

Recipe meals manufacture is considered high risk, and applies to the processing, receipt, controlled temperature storage and transport of foods prepared from a range of ingredients (mixed foods) that require cooking or heating prior to serving. As with seafood processing, SQF 2000, Level 2 is the minimum certification level for



recipe meals. This would include the proposed lobster pizza, lobster rangoons, lobster mac and cheese and smoked lobster.

So, if harvest and processing are conducted on two independent sites, it would be SQF 1000 for the harvesting site and SQF 2000 for the processing site. If it is all done on the same site, it would be SQF 2000 for the site. For the potential gift/retail products, if you were to use different producers for each product, as well as processing, they will have to be individually certified unless they are on the same site.



SQF 2000 Logo

Another factor to consider is that in order to use the SQF certification trademark, you must complete Level 3 certification. This is the most intensive and costly of the three levels.

### MSC Certification

Efforts are currently underway statewide to get Maine lobsters certified by the Marine Stewardship Council. In February 2008, Governor Baldacci announced a commission to pursue MSC Certification for Maine Lobster. In addition to John Hathaway, CEO of Shucks Maine Lobster, the group includes Department of Marine Resources Commissioner George Lapointe and Linda Bean, owner of Port Clyde Lobster. The full assessment began in December 2008 and now is waiting for the consultant, Moody Marine, to find peer reviewers. Then the full assessment will be made available for public comment. According to the Maine Lobsterman's Association, this should happen any time now. John Hathaway of Shucks Maine Lobster is spearheading the effort, and is the best contact for any detailed questions.

Taking the steps to get the Maine lobster industry as a whole certified both protects the Maine Lobster brand and relieves the burden on individual fisheries. The Maine Lobster Promotion Council determined that the cost would be between \$50,000 and \$100,000 to attain MSC Certification. By banding together, much like Alaska did with its seafood, fisheries of all sizes can compete in the global marketplace. Big lobster buyers such as Wal-Mart (the nation's largest purchaser of lobsters) and Whole Foods have put the word out that within the next few years they will only buy seafood certified as sustainable. According to Hathaway, the move on the part of the giant food companies to selling only certified, sustainable seafood comes in response to the demands of their customers – retail seafood buyers who come to the supermarket to shop. Mike Cote, CEO of Look's Gourmet Food Co., in Whiting, said his company sells several canned gourmet food products under the Bar Harbor Foods label. Some of those products are made with MSC-certified Alaskan seafood that he pays a premium price for. If Maine lobsters were certified it would also fetch a premium. "I can tell you the price of the product will go up," Cote told the fishermen in the audience. "I'm paying 45 percent more for MSC-certified product" (Rappaport). So, although the upfront costs to obtain MSC certification are high, going in as a collective Maine Lobster unit with the state's support would allow Maine Lobster to compete in the global marketplace.

Additionally, a research project was conducted to determine if Maine Lobster's should be certified. This study sought to determine the costs, benefits and options of MSC Certification. In order to evaluate whether the costs of certification of the Maine lobster fishery are worth the presumed benefits, Wendy Goyert "interviewed lobster industry members to learn about their knowledge and attitude towards MSC certification; administered an online consumer survey to understand consumers' attitudes and purchasing preferences related to ecolabeled lobster; and consulted with fisheries experts and representatives from other MSC-certified fisheries

to compile lessons learned." The results of Goyert's three studies indicate that "MSC certification of the Maine lobster fishery could provide some benefits to the industry by helping it to tap new markets in Europe, sell to retailers that have developed corporate sustainable seafood policies, and preserve its current markets with large buyers like Wal-Mart." However, Goyert's results also show that "most consumers will likely be unwilling to pay a price premium for MSC certified products, especially in this economy, and therefore a price increase for MSC certified lobster should be avoided" (Goyert and Sagarin).

## **Market & Competitive Analysis**

### **Lobster Market**

Despite the decline in price lobstermen are able to demand per pound, which recent data puts at about \$3 per pound, lobster is still seen as an indulgent and luxury food. Thanks in large part to Maine lobstermen, overfishing has not occurred in Maine waters, providing incredibly high yields year after year. "As of March 1, 2010, the preliminary 2009 lobster landings are 75,598,534 pounds which are the highest lobster landings ever recorded since DMR and National Marine Fisheries Service began keeping records" (Preliminary 2009 Maine Lobster Landings).

One major problem with Maine's lobster industry is the potential dilution of the Maine Lobster brand. With over 70% of Maine's lobster being shipped to Canada to be processed, Maine is losing a great deal of revenue and opportunity to market Maine Lobster to the global marketplace. Those lobsters become "A Product of Canada," despite their being caught in Maine waters. The Maine Lobster name is the industry's golden goose. Consumers ask for Maine Lobster by name because of its reputation for being the best. All Maine Lobsters are American lobsters (*Homarus Americanus*), however not all American lobsters are Maine Lobsters. Because of the lack of protection of the Maine Lobster brand until very recently, American lobsters have been marketed as Maine Lobsters, although they do not come from Maine waters.

### **Potential Target Markets**

In 2005, the Maine Lobster Promotion Council (MLPC) conducted a consumer study on the Maine Lobster brand and products. They identified six buyer profiles, as defined by their attitudes toward lobster. The first are Convenient Lobster Lovers, whose only barrier to lobster purchase is price. This group feels strongly that lobster is best eaten in a restaurant, as opposed to at home. Also, Convenient Lobster Lovers have all three motivators to purchase as identified by the MLPC; celebratory, Maine brand and health benefits.

The next buyer that the MLPC identified is Young Middle America, whose barriers to purchase are cost, aesthetic and appearance. Only two-thirds have eaten lobster in a restaurant, and only about one out of ten have ever eaten lobster at home. This segment has limited opportunities with Maine brand and health benefits as motivators to purchase. However, there is an advantageous motivator to purchase in the celebratory category.

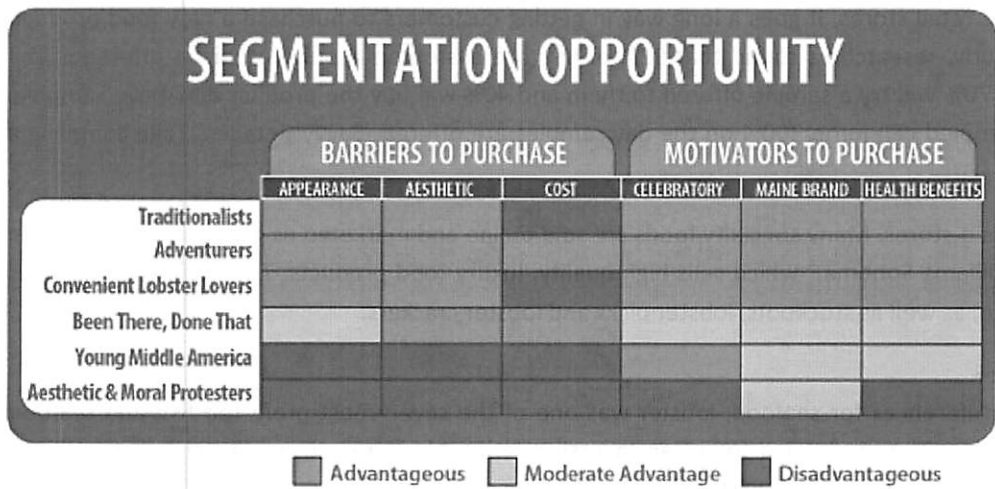
Lobster Traditionalists, who overwhelmingly come from the Northeast, eat lobster at restaurants, but think that home is the best place for lobster. This buyer segment is also looking for new foods and recipes to add variety to their meals, so there is opportunity for increased lobster sales to this segment. Similar to Convenient Lobster Lovers, their only barrier to purchase is cost. In terms of their motivators to purchase, celebratory, Maine brand and health benefits are advantageous.

Adventurers eat lobster at restaurants, and almost as many have eaten lobster at home. This group is equally likely to say that home is the best place for lobster as they are to say a restaurant is the best place for lobster. Unlike all the other buyer segments, Adventurers have no barriers to purchase lobster. Similar to Lobster Traditionalists, Adventurers have all three motivators to purchase; celebratory, Maine brand and health benefits.

The MLPC determined that Moral & Aesthetic Protesters contained the highest proportion of individuals who reported that they did not like the look of lobster. Similar to Young Middle America, they have cost, aesthetic and appearance barriers to purchase. For motivators to purchase, both celebratory and health benefits are disadvantageous. The only non-disadvantageous motivator to purchase is the Maine brand, with offers a limited opportunity. Overall, this is an unappealing segment to target.

Finally, the MLPC identified the Been There Done That buyer segment, which had the smallest percentage of the market at 11%. The respondents in this segment were about five times more likely to say that a restaurant is the best place for lobster compared to home consumption. They have no real barriers to purchase, with appearance only having a moderate appearance instead of an advantageous opportunity. As for motivators to purchase, they have limited opportunity in all three categories.

Below is a matrix illustrating the buyer segments' barriers to purchase and motivators to purchase. The green cells represent positive opportunity, the red cells represent lack of opportunity and the yellow cells represent limited opportunity (Mosely Group).



Maine Lobster Industry Strategic Plan Segmentation Opportunity Matrix<sup>1</sup>

**Food Service and Retail Channels**

The food service channel is comprised of dining places outside the home. This includes Fast Casual, Fine Dining and Fine Fast. A fast casual restaurant is a type of restaurant that falls between fast food and casual dining, with prices ranging between \$8 and \$15. It does not offer full table service but provides a higher quality of food and

<sup>1</sup> <http://www.maine.gov/dmr/council/eslobster/mltfplan.pdf>

atmosphere than a fast food restaurant. Examples include Panera Bread and Jason's Deli. Fast Casual sales grew 15% in 2007, compared to an industry average of a 2% growth rate (Mosely Group).

Fine dining includes restaurants that offer full service and offer higher priced meals. Lobster is often found on fine dining menus. A segment within fine dining that provides opportunity is the bar segment. Small plate menus offer more luxury meals than fine casual, while also providing a fine dining atmosphere. Making lobster an affordable indulgence via bar menus could open up new markets. An excellent example is SnackBar in Austin<sup>2</sup>, which serves only small plates and appetizers under \$14.

Finally, Fine Fast is an emerging segment, which offers chef-inspired culinary experiences. A good example is Tom Collicchio's 'wichcraft in New York City.<sup>3</sup> "These concepts are green/sustainability-oriented and offer unusual flavor combinations through organic and locally-sourced ingredients" (Mosely Group).

Retail channels include supermarkets and specialty food stores. In general, "the supermarket segment merchandises live lobsters in tanks, sold on the basis of price point" (Mosely Group). However, many supermarkets are expanding their stores to include organic and natural food aisles. This is a response to consumers desire to have more healthy food available at their local supermarket.

Specialty food stores include gourmet food stores, natural/organic food stores, health food stores and seafood markets. Consumers who purchase food at specialty food stores are often the least cost sensitive and most likely to demand high quality products.

As for sampling in those retail stores, it goes a long way in getting customers to purchase a new food product. According to a 2006 study, researchers found that 92% of in-store customers would rather be offered a free sample than a coupon, 70% will try a sample offered to them and 40% will buy the product they have sampled. Sales of foods being sampled can jump 300% on the day samples are offered (Savvy Retailers Take Sampling a Step Further).

Another retail channel is e-stores. Many specialty foods are sold online and marketed as gifts or indulgences. An excellent example is Williams-Sonoma,<sup>4</sup> which sells high quality, luxury food products. They offer both Lobster Stew and Lobster Pot Pie, as well as stockpots, lobster picks and lobster crackers.

### Consumer Preferences

In a study about U.S. preferences for seafood, lobster was one of the seven most preferred fish and seafood items in the United States. The study also found an inverse relationship between quality and convenience, possibly reflecting concerns about seafood safety (Kinnucan, Nelson and Hiariey).

In a study about consumer preferences for ecolabeled seafood, results suggest that consumers prefer ecolabeled products, as long as price premiums for the ecolabeled products are not large great. The sustainable fisheries logo that is best known by consumers is the MSC label. Additionally, lobster was named as the fourth favorite seafood species by the respondents. In terms of where respondents purchased their seafood most

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<sup>2</sup> <http://www.snackbaraustin.com/>

<sup>3</sup> <http://www.wichcraftnyc.com/>

<sup>4</sup> <http://www.williams-sonoma.com/>

frequently, 75% use supermarkets, while 25% use fish markets. When asked how important an ecolabel, denoting no overfishing, would be to them, only 10% felt that this label would not be important to them. Forty-seven percent felt this label was very important and 43% felt it was somewhat important. Additionally, 67% of respondents state that they would switch species (i.e. from Chilean sea bass to lobster) from the non-ecolabeled seafood to the ecolabeled seafood (Roheim, Johnston and Greer).

In a focus group in Florida of people ages 55 and over, freshness was what all participants strived for when selecting seafood for consumption. This meant off the boat, to the customer’s plate in the same day. On the other hand, processed with associated with altering a product for the worse. However, there seems to be tolerance for flash freezing. As for attitudes about seafood by area, respondents were very favorable towards seafood from Maine. Appearance plays a large role in the consumption, which respondents associate with low quality. Another common theme from the respondents’ advice to the seafood industry is to have quality controls and safety certifications (Wysocki, House and Olson).

**Competitors**

In the grocery stores, frozen, value-added lobster products are available. One of the brands that carries such lobster products is Inland Market Premium Foods. It is a division of Inland Seafood, one of the country’s largest processors and distributors of fresh fish and seafood. “Inland Market Premium Foods, Inland Seafood’s value-added line, started as a natural extension of the relationships that the company had with its long time customers. Starting with a recipe for conch fritters that had been passed down through generations, Inland Market Premium Foods has grown into a full line of handmade, restaurant-quality, gourmet foods from chef-created recipes. Everything is table-ready, beautiful to look at, absolutely delicious and made of top-quality ingredients in our state-of-the-art kitchens in Atlanta.”<sup>5</sup> Their lobster products include Maine Lobster Cakes and Smokey Lobster Dip, pictured at right.



Handmade with Maine lobster, real mayonnaise and rich, buttery cracker crumbs. Four cakes; 12 oz.



Made with Maine lobster, garlic and sherry wine with a hint of hickory. 12 oz.

As for lobster gifts available for purchase online, there is certainly no shortage of companies. The easiest products to find are lobsters meat and tails. However, there are relatively few companies that offer meals. One competitor is Lobster Anywhere.<sup>6</sup> Their gift packages are all variations of a traditional Maine Lobster dinner. One illustrative example, pictured at right, is their Downeast Lobster Bake, which includes one stuffed lobster tail, one-6 oz. whoopee pie and one-10 oz. chowder per person. This retails for \$109 for two people and \$179 for four people. However, they do not offer any frozen, value-added products, as Calendar Islands plans to do. Additionally, Lobster Anywhere does not offer any of the four potential products Calendar Islands is considering.



Downeast Lobster Bake

<sup>5</sup> [http://www.inlandseafood.com/divisions-inland\\_market.php](http://www.inlandseafood.com/divisions-inland_market.php)

<sup>6</sup> <http://www.lobsteranywhere.com/>

Another company offering value-added lobster products is Bayley's Lobster Pound. All items are available for purchase on their website.<sup>7</sup> Bayley's has a link for Corporate Gifts, positioning themselves in the gift segment.<sup>8</sup> Some of the value-added lobster products Bayley's offers are Lobster Stew, Lobster and Cheese Stuffed Mushroom Caps (pictured at left) and Main Lobster Spring Rolls.



Cape Porpoise Lobster Co. Inc.<sup>9</sup> offers a small number of gift lobster products, far less than other competitors like Hancock Gourmet Lobster Company. While they offer live Maine Lobster, Lobster Tails and Cooked Lobster Meat, their gift options are limited. They do offer Maine Lobster Mac and Cheese in servings for 2, 4, and 6. In addition, they offer Lobster and Shrimp Cakes, Lobster Stew and a Maine Lobster Dinner for 4.

Hancock Gourmet Lobster Company<sup>10</sup> is Calendar Islands Lobster Company's biggest competitor in the gift segment. They are the main vendor for lobster gifts for Dean & DeLuca<sup>11</sup>, Neiman Marcus<sup>12</sup> and Saks Fifth Avenue<sup>13</sup>, all of whom ship directly from their vendor. All three of these retailers mark up the price above what Hancock Gourmet Lobster Company charges. In terms of the number of product offerings, Hancock Gourmet



Pot Pies With Love

Lobster Company beats every other competitor. Some of their offerings include that include lobster are Lobster Stew, Lobster Mac & Cheese, Lobster Salad, Lobster Cakes, Lobster Rolls, Lobster Pot Pie, Lobster Corn Chowder and Lobster Hors d'Oeuvre. Additionally, their products are packaged in a way that promotes gifting. The products' presentation is carefully crafted. Their Pot Pies With Love come in individual ramekins and are sent gift wrapped at no additional charge. The pot pies also come with a handcrafted wine coaster decorated with a starfish.<sup>14</sup> Another major advantage Hancock Gourmet Lobster Company has is its presence in

the media. It has been featured in The New York Times, InStyle, Food & Wine, The Oprah Magazine and on the Today Show.<sup>15</sup>

### Customer Reviews

The customer reviews are overwhelming positive of the value-added lobster gift products available online. Hancock Gourmet Lobster Company's Port Clyde Mac & Cheese won gold at the Sofi Awards in 2008<sup>16</sup> and silver in 2010.<sup>17</sup> "Sofi" stands for specialty outstanding food innovation, and the Awards recognize excellence in specialty foods and beverages.

Hancock Gourmet's Port Clyde Mac & Cheese received 4.75 out of 5 stars from its customers. One customer had this to say:

<sup>7</sup> <http://www.bayleys.com/>

<sup>8</sup> <http://www.bayleys.com/corporate-gifts/>

<sup>9</sup> <https://www.capeporpoiselobster.com/>

<sup>10</sup> <http://www.hancockgourmetlobster.com/>

<sup>11</sup> <http://www.deandeluca.com/MondoSearch/Results.aspx?QueryText=lobster>

<sup>12</sup> <http://www.neimanmarcus.com/search.jhtml?Ntt=lobster&requestid=51292&N=4294967184>

<sup>13</sup> [http://www.saksfifthavenue.com/main/ProductArray.jsp?Special=&ViewAllOnly=0&use\\_parent=0&ShowPage=0&FOLDER<>folder\\_id=2534374306425045&ASSORTMENT<>ast\\_id=1408474395222441&bmUID=1272430673785&numberOfItems=96](http://www.saksfifthavenue.com/main/ProductArray.jsp?Special=&ViewAllOnly=0&use_parent=0&ShowPage=0&FOLDER<>folder_id=2534374306425045&ASSORTMENT<>ast_id=1408474395222441&bmUID=1272430673785&numberOfItems=96)

<sup>14</sup> [celebritystyleguide.com/?op=component&sid=22&cid=265](http://celebritystyleguide.com/?op=component&sid=22&cid=265)

<sup>15</sup> [http://www.hancockgourmetlobster.com/category/Hancock\\_Gourmet\\_Lobster\\_In\\_The\\_Media](http://www.hancockgourmetlobster.com/category/Hancock_Gourmet_Lobster_In_The_Media)

<sup>16</sup> [http://www.hancockgourmetlobster.com/category/Hancock\\_Wins\\_Double\\_Gold](http://www.hancockgourmetlobster.com/category/Hancock_Wins_Double_Gold)

<sup>17</sup> [http://www.hancockgourmetlobster.com/category/Award\\_Winning](http://www.hancockgourmetlobster.com/category/Award_Winning)

I work in the seafood industry and I have the luxury of having the highest quality seafood at my finger tips. Recently I received the Lobster Mac & Cheese as a gift. I must say this was a perfect blend of pasta, cheese and most importantly Lobster meat. Working in this industry I often get request from friends and family for seafood. Having tried several items from the Hancock Gourmet people, I direct all of those request to Hancock with complete confidence. Hancock Gourmet truly does carry the highest quality seafoods at a very fair market price. keep up the great work. Jason<sup>18</sup>

Other reviews call the Mac & Cheese a “great cozy comfort on a cold night,” and “our ALL TIME FAVORITE.” As for the price, Sandra Epperly had this to say: “Appears to be expensive, yes.....but the outstanding quality is well worth the price.” The only criticism was that “the breadcrumbs are a bit overseasoned.” There were no complaints about the amount of lobster meat, which is a concern for customers paying \$59 for macaroni and cheese.

### Calendar Islands Potential Products

There are numerous ideas for product development, but Calendar Islands is focusing on four. These are Lobster Mac and Cheese, Lobster Pizza, Lobster Rangoon and Smoked Lobster. Of these four products, only Lobster Mac and Cheese is available for purchase online. Many retailers, such as Neiman Marcus, Dean & DeLuca and Saks Fifth Avenue, sell the same Lobster Mac and Cheese from the same vendor, Hancock Gourmet Lobster Company. Despite selling the same product and same amount, the price varies by vendor. Hancock Gourmet Lobster Company sells two nine-ounce containers for \$33.95. Dean & DeLuca sells the same product for \$45. Neiman Marcus marks up the Lobster Mac and Cheese to \$54. Bearing in mind that these are the exact same products, a high-end retailer can mark the price up by \$20.

Lobster Pizza is not available for purchase online currently. However, tons of recipes for lobster pizza were available.<sup>19</sup> Lobster Pizza is available at quite a few restaurants, both high end and more commercial. Red Lobster does offer a lobster pizza and provides the recipe for their Lobster Pizza.<sup>20</sup>

Lobster Rangoon is available from Nantucket Supreme, Yankee Trader and Archer Farms. These are available in supermarkets, online and at Target. The Nantucket Supreme Lobster Rangoon is sold as a two-pack of 24, priced at \$59.99. It can be purchased online.<sup>21</sup> Yankee Trader Lobster Rangoon can be purchased online for \$9.95 for 15.<sup>22</sup> Much like the Lobster Pizza, recipes for Lobster Rangoon are posted online.<sup>23</sup>

Smoked Lobster was only available for purchase online from one vendor. They offered Smoked Lobster Tails, however there is no order system online. In order to place an order, a customer has to contact them.<sup>24</sup> Additionally, the company is based in Canada and the lobster is not marketed as Maine Lobster. There are many articles and recipes on Smoked Lobster through a simple search.

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<sup>18</sup> [http://www.hancockgourmetlobster.com/view\\_reviews/130/Main\\_Entrees](http://www.hancockgourmetlobster.com/view_reviews/130/Main_Entrees)

<sup>19</sup> [http://www.google.com/search?hl=en&safe=off&rlz=1G1GGLQ\\_ENUS339&q=lobster+pizza&start=0&sa=N](http://www.google.com/search?hl=en&safe=off&rlz=1G1GGLQ_ENUS339&q=lobster+pizza&start=0&sa=N)

<sup>20</sup> <http://www.redlobster.com/kitchen/recipes/default.asp?recipe=lp>

<sup>21</sup> [http://shop.bjs.com/Nantucket-Supreme-Lobster-Rangoon--24-Count--2-pk--Front-Page\\_stcVVproductId86780092VVcatId428349VVviewprod.htm](http://shop.bjs.com/Nantucket-Supreme-Lobster-Rangoon--24-Count--2-pk--Front-Page_stcVVproductId86780092VVcatId428349VVviewprod.htm)

<sup>22</sup> <http://www.overnightlivelobster.com/Lobster-Rangoon-p/lobster%20rangoon.htm>

<sup>23</sup> <http://www.recipezaar.com/recipe/Lindas-Lobster-Rangoon-205992>

<sup>24</sup> [http://www.medallionsmokedsalmon.com/prod\\_lobster.html](http://www.medallionsmokedsalmon.com/prod_lobster.html)

## Discussion

### Made in Maine Certification

Both “*get real. get Maine!*” and *Maine Made* are programs supported by a Department of the State of Maine. They seek to promote high quality Maine products. Both programs have websites that allow companies to have a company listing on their directories. Once approved, Calendar Islands Lobster Company would be allowed to use the logo as you see fit; on labeling, packaging, website or any promotional items. The programs share a lot of similarities.

Once you have been approved by “*get real. get Maine!*”, there are no fees associated with participation in the program. The only costs that would be incurred are for the purchase of promotional items with the “*get real. get Maine!*” logo. If you simply want to use stickers on your packaging, small stickers are available in rolls of 500 for \$1.80. Large stickers can be purchased for \$5 for a roll of 250. The stickers are nontaxable. Other promotional items are available for purchase, such as manager’s signs and banners. Those are the only things that require payment in the “*get real. get Maine!*” program.

*Maine Made* charges a minimal fee for members to purchase tags, labels and banners with the *Maine Made* logo. Website company listings are only available to enrolled participants. The program offers its members the opportunity to be featured on a kiosk in the State Office Building and the Department of Economic and Community Development common areas. Something to keep in mind is who would be in those buildings, and whether those are customers you are interested in pursuing. Generally, those will be Maine residents who are keenly aware of Maine Lobster and can purchase Maine Lobster at the lowest rates in the country given their proximity to the source.

One company that uses the “*get real. get Maine!*” stickers on their packaging is ‘Cue Culture. This company also participates in the *Maine Made* program, however they chose to use the “*get real. get Maine!*” stickers on their packaging, which is worth noting.



Cue Culture

Comparing the logos of *Maine Made* and “*get real. get Maine!*”, the bright coloring of the “*get real. get Maine!*” logo may bode better in capturing one’s attention in a grocery store.

Interestingly, after going through the listings for the Gourmet Specialty Foods on <http://www.mainemade.com>, none of the products bore the *Maine Made* logo in their product photo. However, some did have the “*get real. get Maine!*” logo, such as ‘Cue Culture. “*get real. get Maine!*” has a logo that is colorful, simple and uncluttered. That is something to consider because Calendar Islands’ label should not have to compete with a sticker denoting that the product is made in Maine.

Finally, *Maine Made* is “a marketing program and web site that help Maine producers gain access to wholesale and consumer markets”<sup>25</sup> Calendar Islands Lobster Company has hired an award winning marketing agency, LEDA, which is based out of Portland, Maine. If money is already being spent on a marketing agency, and especially one of that caliber, using *Maine Made* is somewhat redundant and would require collaboration between the two. However, because the only costs associated with both programs are purchasing labels and

<sup>25</sup> <http://www.econdevmaine.com/programs/Offices.aspx>



promotional items, being featured on both websites exposes Calendar Islands Lobster Company to more potential customers.

### **SQF Certification**

SQF Certification for Calendar Islands Lobster Company would two levels of certification, and potentially SQF 2000 Certification for several locations. SQF 1000 Level 1 (Food Safety Fundamentals) would be applicable to Calendar Islands Lobster Company's harvesting of lobster. Because SQF requires certification for each independent site, the proposed value-added products would require at least SQF 2000 Level 2 Certification because it is considered high risk and is on the manufacturing side of production. If each of the four proposed products is manufactured at a different site, each site would require an independent certification. So, this approach would essentially quadruple the cost of SQF 2000 implementation.

Hancock Gourmet Lobster Company, who is a direct competitor in the lobster gift segment, has food safety and manufacturing practices certification. However, they are not certified by SQF. Instead, they are inspected by the FDA, the Maine Department of Agriculture as well as an independent auditor. They follow Good Manufacturing Practices (GMP), a part of quality assurance which ensures that products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the marketing authorization.<sup>26</sup> Hancock Gourmet Lobster Company is also required to follow HACCP guidelines. (Food Safety is Important to Us) It is important to note that SQF is not the only food safety program available and, more specifically, not one that a direct competitor is using.

### **MSC Certification**

MSC Certification is becoming increasingly necessary for the seafood industry. With big lobster buyers expressing their intent to only sell, and therefore buy, seafood certified as sustainable, the Maine Lobster industry has to become certified in order to compete. This shift towards sustainable seafood is due in large part to consumers' demands. By getting Maine Lobster certified, Calendar Islands Lobster will have an edge over non-certified American lobster suppliers both nationally and abroad, while preserving its relationships with current buyers.

MSC Certification will also benefit Calendar Islands Lobster Company's bottom line. With premiums for Alaskan seafood at up to 45% of their non-certified counterparts, Maine Lobster would also fetch a premium. This premium can lead to higher prices for both live lobster and value-added lobster products.

## **Market & Competitive Analysis**

### **Lobster Market**

Maine lobster landings in 2009 are estimated to be the highest ever recorded. Maine's self-imposed regulation on its lobster industry lends itself perfectly to sustainability. However, the drastic drop in price lobstermen are able to demand per pound has been felt by everyone in the industry. By creating a company that sells direct to retailers and consumers, Calendar Islands will be able to capture a larger profit that was previously had by processors and wholesalers.

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<sup>26</sup> [http://www.who.int/medicines/areas/quality\\_safety/quality\\_assurance/production/en/index.html](http://www.who.int/medicines/areas/quality_safety/quality_assurance/production/en/index.html)

If Maine continues to work to protect the Maine Lobster brand, Calendar Islands (and all other Maine fisheries) will see a reduction in competitors. Only lobster harvested from Maine waters will be allowed to use the Maine Lobster name, much in the same way France has protected its Champagne industry. So, there will be a sudden downward shift of Maine Lobsters in the market because American lobsters will no longer be able to market themselves falsely as Maine Lobsters.

### **Potential Target Markets**

By far the most appealing buyer segment to pursue is the Adventurers. They have no barriers to purchase (appearance, aesthetic, cost) and have all the motivators to purchase (celebratory, Maine brand, health benefits). Given that this segment feels that both home and restaurants are great places to eat lobster, they can be pursued in both the retail and food service channels. They want innovative culinary offerings and lack the cost sensitivity found in other groups. This is the segment that would likely pay a premium for sustainable Maine Lobster, both in stores and restaurants (Mosely Group).

Lobster Traditionalists and Convenient Lobster Lovers both share the same barrier to purchase of cost. However, they differ in where they are more likely to purchase lobster. Traditionalists are equally likely to purchase in stores or at restaurants. Convenient Lobster Lovers prefer lobster in restaurants, however there is opportunity in the retail channel as they “are willing to pay a premium for “special” and they seek out innovative foods.” By targeting this group with innovative and unique value-added lobster offerings, which Calendar Islands plans to produce, this segment provides ample opportunity for growth (Mosely Group).

The Been There Done That segment, which shows a significant amount of limited opportunity, does have potential for Calendar Islands Lobster Company. Specifically the proposed value-added lobster products. This segment is not concerned with cost or cruelty. Their only barrier is lobster’s appearance. By incorporating lobster into a more visually appealing food, such as pizza or mac and cheese, this barrier could be overcome.

Young Middle America and Aesthetic & Moral Protestors are the two buyer segments that pose the least opportunity and least advantageous motivators to purchase. They lack the opportunities to compel purchase, unlike the other buyer segments, and have concerns regarding cost, cruelty and appearance of both in-shell lobster and lobster meat. Overall, these two segments offer no real opportunity to Calendar Islands Lobster Company and should not be pursued.

### **Food Service and Retail Channels**

Both food service and retail offer ample opportunity for market share for Calendar Islands Lobster Company. The greatest opportunities in the food service channel are the Fast Casual and Fine Fast segments. Both of these segments are frequented by consumers who are not heavily cost sensitive. Higher quality food is offered at these types of restaurants, and consumers are willing to pay more for that quality. Lobster is already a staple at fine dining restaurants, and given the recession’s effect on consumer spending, fine dining may not offer the same opportunity that other food service channels offer.

Retail channels offer great opportunities with supermarkets continually adding higher priced organic and natural foods. Entering that market on a national scale should be successful, especially in areas of the country where lobster is sold at a premium because of its distance from Maine. Getting Calendar Islands Lobster Company’s products into specialty food stores is a natural move. The offering of a high quality, sustainable product is

incredibly appealing to consumers who shop at specialty food stores. An important component of rolling out products in the retail channel is to sample your product. This increases trial and purchase of your product.

### **Consumer Preferences**

Lobster has been a favorite seafood for decades. There is no real threat of consumers suddenly disliking lobster. It has an incredible reputation for quality and luxury. One of the major consumer preferences for lobster, and seafood as a whole, is for ecolabeling. So, it is important for Maine Lobster to get MSC certified. There is a very favorable attitude towards seafood from Maine, so Maine should play a large part in the marketing and packaging of products. In addition, consumers would like to see the seafood industry institute and promote their quality controls and safety certifications. This suggests that Calendar Islands should get both their fishery and any manufacturing sites certified by a food safety program, like HACCP or SQF. Finally, consumers also want their seafood to be fresh. When Calendar Islands markets its products, freshness should be an important component of the product.

### **Competitors**

There are certainly a lot of competitors selling lobster, but that number shrinks dramatically when only considering Maine Lobster. That number shrinks even further when only value-added lobster products (meals and appetizers) are considered. There is really only one major competitor in the lobster gift segment that Calendar Islands should consider; Hancock Gourmet Lobster Company. They act as both a direct-to-consumer online retailer, as well as a vendor for other high end websites like Saks Fifth Avenue and Dean & DeLuca. In addition, their products packaging and presentation is designed to appeal to customers looking to gift lobster products to friends, family and colleagues.

As for the brick-and-mortar retail segment, there are not many competitors doing what Calendar Islands is planning. Inland Market Premium Foods is a good example of what types of frozen value-added lobster products work in the market. However, the majority of lobster in supermarkets and specialty food stores is live or meat. So, there is certainly room in this segment for new products.

### **Customer Reviews**

In terms of how customers perceive these higher cost lobster meals and appetizers, the reviews are overwhelmingly positive. The only potential complaint that Calendar Islands should concern itself with is putting enough lobster meat in its value-added products. Otherwise customers may feel ripped off.

### **Calendar Islands Potential Products**

There is no saturation of any of the four potential products Calendar Islands is considering. The Lobster Mac & Cheese available online is overwhelmingly provided by Hancock Gourmet Lobster Company. The three other products were either not available online, or were overwhelmingly difficult to find.

## **Recommendations**

### **Made in Maine**

1. I would recommend that Calendar Islands Lobster Company apply immediately for membership in the *"get real. get Maine!"* program and the *Maine Made* program.

The application process is simple and you should be approved within a relatively short period of time. You can get your company and product information on [www.getrealmaine.com](http://www.getrealmaine.com) and [www.mainemade.com](http://www.mainemade.com), as well as incorporating the logo onto your own website. This way there will be no delay in getting logo stickers when your value-added products are ready to be manufactured.

Another reason for my recommendation of using the “*get real. get Maine!*” logo is that it is more widely known than *Maine Made*. “*get real. get Maine!*” is strictly promoting food products from Maine, whereas *Maine Made* promotes all products from Maine. In terms of the logo that customers will be more familiar with in a food setting, such as a supermarket, they are more likely to have seen the “*get real. get Maine!*” logo. Prior to this project, I had never heard of *Maine Made*. I would take into consideration the level of familiarity customers will have with each program, as well as your own.

### **SQF Certification**

2. I would recommend Calendar Islands find out what food safety standards or certifications its potential food manufacturers currently employ.

Given the high costs and time spent to certify the fishery, as well as each food manufacturer separately, the first step. Most food manufacturers already undergo some type of food safety auditing, so a shift to SQF or some other standard food safety certification for all manufacturers could be simpler than starting from scratch.

Given Maine Lobster’s position in the market as being a high quality luxury food item, there is not a large concern for quality or safety regarding Maine Lobster. This concern with seafood safety is generally perceived by non-seafood consumers. Beyond that, concerns tend to lie within the realm of raw fish and mercury poisoning, neither of which are an issue with lobster. The major deterrent for purchasing lobster is price. Lobster generally does not have the same safety concerns as other seafood and shellfish. However, lobster is considered a general risk food, so SQF 1000 Level 1 is adequate for certification. While you could not use the SQF 1000 Certification logo on marketing materials, Calendar Islands Lobster Company would be included in the SQF database of certified suppliers. It is also a standard that is recognized by domestic and international retailer customers.

If you feel that SQF certification is critically important, then I would recommend working with one food manufacturer to produce all the value-added products. This way it would be under one roof, therefore only one SQF 2000 certification would be necessary. I feel that Calendar Islands’ money is better spent on product development and marketing, not certifying four different food producers.

### **MSC Certification**

3. I would recommend having someone from Calendar Islands Lobster Company get involved in the Governor’s commission for MSC Certification.

The state of Maine as a whole is in the process of becoming MSC certified. This is a long process, which began almost seventeen months ago. By getting Calendar Islands involved in the commission, you could help move the certification along. The sooner Maine Lobster gets MSC certified, the sooner Calendar Islands Lobster Company can put the recognizable label on their lobster products. John Hathaway, CEO of Shucks Maine Lobster, is the contact person for finding out what kind of help Calendar Islands can offer.

Given Calendar Islands Lobster Company's desire to sell direct to its consumers (retailers, restaurants and other big buyers like cruise lines), MSC Certification will become a necessary component of doing business. This is something that will affect Maine Lobster in the global marketplace in the long term. If Wal-mart, who is the nation's largest purchaser of lobster, and other large supermarket chains plan to only buy seafood certified as sustainable in the coming years, not becoming certified will cut into a huge part of the Maine Lobster market.

## **Market & Competitive Analysis**

### **Lobster Market**

4. My major recommendation is to get involved in protecting the Maine Lobster brand and support any legislation toward that protection.

Having a protected Maine Lobster brand will provide short-term and long-term benefits, both in terms of profits and brand equity.

Calendar Islands Lobster Company is the product of what would be my other recommendation. By vertically integrating your business, you are capturing more value and creating far more opportunities for growth and control of your product.

### **Potential Target Markets**

5. In terms of the attractiveness of these buyer segments, Lobster Traditionalists, Adventurers and Convenient Lobster Lovers are the markets I would recommend pursuing.

Keeping in mind the Been There Done That segment's aversion to lobster's appearance, by solely focusing on products that incorporate lobster into them, like Lobster Mac & Cheese, this segment becomes worth going after.

### **Food Service and Retail Channels**

6. My first recommendation would be to start generating interest in your value-added products once you have settled on a set list and begun production. Invite consumers, as well as restaurant and food store employees you are interested in selling to, to be on a taste test panel.

Once the products have gone into production and retail channels have been established, I would highly encourage setting up samples in supermarkets and specialty food stores on day one. By hooking customers from the onset, Calendar Islands can build a network of loyal customers who will also provide word of mouth marketing to potential customers.

7. I would also recommend trying to become a supplier to restaurants that fall into the Fast Casual and Fine Fast categories.

Lobster is already on the menus of fine dining restaurants. By getting into the affordable luxury category of food in the food service channel, Calendar Islands would be entering a new market.

8. Finally, I would highly recommend offering your products online.

Being online allows you to capture a national market and compete with potential competitors, like Hancock Gourmet Lobster Company.

### **Consumer Preferences**

9. I would recommend publicizing any food safety and manufacturing standards, procedures and certifications on Calendar Islands' website and in any print materials, such as brochures.

To comply with consumer preferences, I would heavily promote Calendar Islands Lobster Company's place in the supply chain, as well as its Maine location. Freshness should also be incorporated into the products' marketing and possibly labels.

### **Competitors**

10. In the short-term, I would recommend that Calendar Islands mimic what Hancock Gourmet Lobster has done in terms of their gift-able packaging.

Having a website where these products are available for purchase is a critical component for the success of these products as gifts.

11. After Calendar Islands Lobster Company has established itself as a high quality, perfect gift to give, I would recommend branching out as a vendor to high end websites, like Neiman Marcus. In addition, I would also recommend adding more products once you are established as a brand and an online shopping destination.

In terms of frozen value-added lobster products in supermarkets and specialty food stores, the most important aspect is to get customers to try your product. The best way to do this is by giving away samples.

### **Customer Reviews**

12. My major recommendation regarding customer reviews is to put ample lobster meat in whatever products Calendar Islands plans of producing.

Additionally, I would allow for customer reviews on your website for each product. That way Calendar Islands can monitor what its customers think about their products and any improvements that can be made.

### **Calendar Islands Potential Products**

13. For the four proposed products (Lobster Mac & Cheese, Lobster Rangoons, Lobster Pizza, Smoked Lobster), my major recommendation is to do exhaustive taste tests with a wide variety of people.

These are all products that have a place in the market and customers' palates. Calendar Islands just needs to make customers aware of them by offering them online and in stores.

## **Conclusion**

Calendar Islands Lobster Company is taking a proactive step in ensuring a future for themselves and the Maine Lobster industry as a whole. By vertically integrating the business, profits once lost to deals, wholesalers, retailers and processors are being recaptured. With help from different Maine businesses and people, Calendar

Islands Lobster Company has all the makings to be successful and possibly set a new standard for Maine lobstermen to ensure their livelihoods.

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