

Louisiana Seafood Promotion and Marketing Board

Special Meeting Minutes

July 16, 2013

8:30 a.m.

Capitol Park Welcome Center

702 N. River Road, Baton Rouge, La. 70802

The meeting was called to order at 8:37 a.m. The roll was called:

Board Member	Present	Absent
Chef John Folsie, Chairman	X	
Larry Avery	X	
Sherbin Collette	X	
Lt. Gov. Jay Dardenne		X
Byron Despoux	X	
Alan Gibson	X	
David Maginnis		X
Frank Randol	X	
Chef Peter Sclafani	X	
Tommy Stoddard		X
Sal Sunseri	X	
Pete Tortorich	X	
Sarah Voisin	X	
Keith Watts	X	

Staff:

Ewell Smith, Executive Director

Kristin McLaren, Assistant Executive Director

Krystal Cox, Administrative Assistant

Guests:

Rep. Joe Harrison

Cathy Berry, DCRT

Julie Samson, DCRT

Randy Davis, DCRT

Dan Austin, GCR

Mark Cotter, TFG

Donna Klingenberg, TFG

Kathy Anderson, Graham Group

George Graham, Graham Group

Dr. Christel Slaughter, SSA Consultants

Springfield Lewis, NewsRoom Ink

Ed Lallo, NewsRoom Ink

The chairman provided opening remarks highlighting the work that has been performed and the work that lies ahead of this board. The chairman remarked marketing is a process that involves planning and execution, which is why the board is gathered today. The Louisiana Seafood Promotion and Marketing Board is a marketing entity and not a sales-based entity. Our goal is to put Louisiana seafood first as a whole and not individual species.

The chairman called on Ewell Smith to provide an overview of the current strategic plan. The board's statutory authority and mission were reviewed along with the pillars of the Strategic Plan approved on August 12, 2011. Kristin McLaren reviewed the task order system as it was originally implemented and discussion was held. Rep. Harrison asked Randy Davis about the task order processes and they are under review by the lieutenant governor's office. The chairman asked Ms. McLaren about the points where an expense that has been invoiced can be stopped, to which there are three: (1) GCR; (2) LSPMB; and, (3) DCRT. Sal Sunseri asked if staff had the ability to reject an idea generated by the Board. Kristin McLaren answered that no, staff is required to implement any Board directive and a task order would be opened.

Financials were reviewed indicating \$13.3 million of the BP \$30 million commitment remains, with \$3.1 million obligated to GCR.

The chairman reviewed the Marketing Committee minutes. The chairman asked the agencies to provide more strategic metrics to be reviewed on a regular basis. A periodic evaluation of the campaign will allow for strategic decisions and maximizing every dollar. The committee was pleased with the overall work and the foundation has been laid from which this board can move forward and build on.

Sal Sunseri inquired as to the motion contained in the Marketing Committee minutes. The chairman introduced Dan Austin with GCR and Associates. Mr. Austin presented his credentials, along with a presentation of GCR's campaign efforts including areas of success and areas of disappointment.

Larry Avery asked about the number of participants in the Certified Louisiana Seafood program. Mr. Austin said there are approximately 65 participants, which are a mix of processors and commercial fishermen, and those participants are listed on certified.louisianaseafood.com. He added that the certification program is less than one year old and that the certification brand and message was integrated into \$3 million in existing advertising. Mr. Austin also stated that suppliers may remain eligible for the program even if some of their products are sourced from outside Louisiana. In other words, a certified vendor does not have to have 100% of their products sourced from Louisiana in order to be eligible for the program.

Mr. Gibson asked when the full Board would get to participate in rating GCR. Mr. Austin answered that the Board could agree to adopt the marketing committee's report and at that point discussion of GCR's performance rating would proceed.

Mr. Gibson also made a comment that most seafood companies in the state are able to qualify for the program as most have at least one product that can be certified. Mr. Austin added that by qualifying specific products, the Board will be able to avoid potential issues with regard to specific companies benefiting from the program.

Keith Watts said the Crab Task Force discussed program eligibility at their meeting. He asked what happens when a certified crab supplier runs low on stock and has to buy product from a supplier in Alabama and if the program was species specific. Mark Cotter said the program was created by the DWLF and all specifics are determined by it.

Mr. Sunseri said that before the Board moves forward with promoting the Certification program, attaching its name to it, and spending money on it, the Board should determine its criteria otherwise it takes the risk of potentially damaging the brand if those who are using the logo are not in compliance with the tenets of the program.

The chairman said that both the DWLF and the LSPMB must be involved with developing the requirements of the program and that it is in the Board's jurisdiction to investigate the process as well. He asked what the Board's involvement in the program is and said it isn't right to pass that aspect of portion of the program to the DWLF. The chairman said the Board needs to know how the program is being measured and how companies are getting involved and needs to address these issues and involve itself in them. Mr. Austin said that the certified logo does mean something specific and that DWLF has mechanisms in place to go after vendors who are misusing or misrepresenting the certified logo. Frank Randol said that enforcement is the key word. He said that the Board does not have the mechanisms in place to enforce the rules of the certification program. The DWLF does have those mechanisms in place but without the Board's involvement with the Department any more, it needs to go back and revisit its involvement in the program. Mr. Austin said that partnership opportunities are available with the LSPMB and the DWLF in which the DWLF handles the enforcement portion of the program while the Board handles the marketing of it.

Mr. Randol said if the DWLF doesn't continue program, the Board can't enforce the program especially now that the two organizations are not together.

Mr. Sunseri said that if the Board does not have compliance in labeling even with the DWLF enforcing the rules of the program, we should be concerned about how the brand could be affected and this is something the Board should address.

The chairman reminded the Board that they were not working on developing a program today and that it only wanted agencies to recommend what the Board's role should be.

Keith Watts opined this is a core issue and recommended this item should be put on the agenda for discussion for the next Board meeting. The chairman agreed and also recommended this item be added to the next meeting agenda.

The chairman asked Mr. Austin about grant writing and resource maintenance. Mr. Austin indicated there is no additional cost for resource maintenance and GCR is available to assist with future funding such as fundraising and/or grant identification under GCR's account service task order. The chairman encouraged Mr. Austin to seek funding opportunities and provide recommendations on the future funding of the board. Mr. Gibson asked for clarification on whether grant research was included in GCR's regular charges or whether this service was subject to additional fees. Mr. Austin replied that specific GCR would have to generate a task order to conduct research focused on new grants.

The chairman introduced NewsRoom Ink's Ed Lallo and Springfield Lewis who presented to the Board. Cathy Berry (DCRT) asked Mr. Lallo if they track and respond to negative stories which impact consumer perception of Louisiana seafood. A comparison was drawn between crime in New Orleans and its impact to tourism. Mr. Lallo said they do not track negative stories; however, their services remain proactive in getting positive stories in the press about Louisiana seafood. As Mr. Lallo sees negative stories, he brings them to the attention of the executive director who provides direction on a response if

it is determined one is needed. Mr. Smith commented the seafood industry is highly organic and on top of issues. Mr. Smith commented the newsroom is a tool valuable far beyond times of crisis because it positions LSPMB as the authority on the subject matter for journalists. Mr. Lallo added that his staff is efficient and can respond within hours, if necessary. Rep. Harrison asked about tracking mechanisms. Rep. Harrison also asked about the return on investment for the Board. Mr. Lallo responded that if a response to a story is posted, the executive director is always made aware; Google Analytics and LinkedIn provide traceable metrics that he provides to the Board for direct measurement. Rep. Harrison asked about the demographics the newsroom targets as it specifically relates to buyers. Mr. Lallo responded his target audience is media and the general population, which does include buyers through sites such as Perishable News. The chairman asked about the stories generated and their report indicates 182 stories were generated and the effectiveness of distribution. Mr. Lallo responded that when a story posts, he also sends to a list of 130 members of national, state and local press and tracks the pick-ups. Yesterday's story was picked up by 31 outlets. Mr. Lallo also posts stories on FaceBook, Linked In and Twitter to gain exposure beyond the direct media lists.

The chairman said he was concerned that no solid tracking process appeared to be in place. He reminded Mr. Lallo of his comment at the Marketing Committee meeting that tracking was not provided for in his business plan and that there was not enough money in his budget to support it. He asked Mr. Lallo whether he thought the ability to prove the effectiveness of his work should be a major concern to his agency by ensuring good tracking was in place. Mr. Lallo said that the organizations that provide solid tracking on this type of media, such as Cision, cost approximately \$25,000. He said NewsRoom Ink is operating on a shoe string budget that does not allow them to provide the kind of tracking that is ideal. Mr. Lallo added that his budget is significantly less than that of the other two agencies and that he is trying to provide the best numbers that are available through free tracking services. Chairman Folsie said that tracking the number of stories he emails to his contacts is a good measuring tool. Mr. Lallo said that he includes in a report that he sends monthly to GCR the number of times his stories have left News Room Ink's site to be included in other outlets and said he should have included that figure in his presentation.

Mr. Chairman inquired as to cross over and metrics. Specifically, the public relations work Graham Group is performing. George Graham responded there is a partnership but not redundancy. Mr. Graham commented that public relations ≠ the editorial and journalistic content of the newsroom. The chairman was concerned that there doesn't seem to be a solid tracking system in place, which Mr. Lallo indicated was not included in initial costs. Mr. Lallo said tracking costs between \$20-25k. Free tracking does not provide accurate data and he would not feel comfortable with using those metrics. The chairman asked about tracking the pick-up stories, to which Mr. Lallo commented he provides that information monthly to GCR. Mr. Sunseri commented the key in who gets selected for interviews is not co-mingling their position as a Board member and their individual business.

Ms. Berry asked who makes the decision on whether a story is reactionary or promotional. Mr. Smith commented the site is never promotional, which is a difficult delineation to make. It is strictly editorial and if the site were promotional, it would lose credibility with the media. The executive director makes the decision, with input from the newsroom, on when to respond; how to respond; and, who is going to respond. Jacques Berry asked how a decision is made to do a press release. Mr. Smith gave the example of the World's Longest Po-Boy at Oysters Jubilee. A press release is issued to make the public aware and a news story is generated after to leverage the event.

Mr. Randol inquired as to how DCRT communications team is going to interact with LSPMB. Ms. Berry advised that is a discussion point for this afternoon when the lieutenant governor is present. Mr. Randol asked for task orders and other mechanisms to be defined by DCRT. Mr. Davis commented there has been general discussion and there will be integration, but staff is not in a position to comment on how that will take place. Mr. Collette commented that bad news travels fast.

The chairman introduced Mark Cotter of The Food Group. Lt. Gov. Jay Dardenne joined the meeting at 10:53 a.m. Chef Sclafani inquired about Mr. Cotter's work with Alaska Seafood Marketing Institute after the Exxon-Valdez oil spill. Mr. Cotter described ASMI's efforts after Exxon-Valdez and his involvement in their efforts to restore lost market share. This board is the beneficiary to the road map created by ASMI in response to the oil spill. Chef Sclafani compared LSPMB's five pillar approach to ASMI's two pillar approach. Mr. Cotter commented that our pillars are a combination of marketing and business approaches. ASMI's two pillar approach is strictly marketing. Chef Sclafani commented that if we narrowed our focus, the rest of the goals will be hit. Chef Sclafani discussed Copper River Salmon and the story-telling approach they take and has been very successful. The story is Louisiana seafood is a luxury product and we need to tell the story about what makes it a luxury product. This, in turn, will increase pricing and accomplish the overarching goal. Chef Sclafani further stated we need to solidify the story and then tell it. Mr. Cotter said this approach has been the focus of trade efforts and the story is included in the marketing materials; however, there is room to expand the approach. For example, black cod went from \$8.99 per pound to \$20 per pound just by rebranding it white fish to the marketplace. Chef Sclafani said he is a big fan of the Chef's Council to reach those decision makers; however, he questioned whether or not there is enough seafood to fill the demand our campaign creates.

Larry Avery discussed a promotion his company did that elevated sales to one million pounds after in-store sampling. To reach consumers, tasting is the key to creating preference per Mr. Avery. Mr. Cotter expanded on TFG's experience with success in sampling. Chef Sclafani reiterated a need to tell the story as to why Louisiana seafood is better.

Chef Folse compared Ruth Fertel's story that it isn't the steak, it's the sizzle. He further commented the story of our seafood is overwhelming and is important to tell. Frazier River salmon's story is much more profound than Copper River and their sales are surpassing the competition. It's not about selling all the shrimp we catch and it's not even about price; what we can affect is the story of our seafood on the price. Telling the passionate, wonderful story of the fishermen is our focus and through our relationships build brand prices. Mr. Cotter agreed and reiterated the key to the work we need to do is increase knowledge, awareness and preference.

Alan Gibson commented that selling our seafood hasn't been a historical problem because freezers have been emptied, but our efforts need to be narrowed and we need to have more results from them. Louisiana can't supply everybody, but we can supply specific markets. Mr. Cotter said if you track seafood consumption across the country, this is where our trucks are going. Mr. Gibson said we know where we're selling and we need to focus and strengthen the markets we are in.

Chef Folse said the Hy-Vee program is a great example. They actually approached an LSPMB booth because of their allegiance to the brand. He agreed with Mr. Gibson that the brand needs to be strengthened.

Pete Tortorich said Hy-Vee did a great job of marketing Louisiana seafood. He said we can't forget to deploy the retail point of sale materials as a high priority to complement the broad stroke marketing efforts. A billboard advertisement or a television commercial is great, but consumers have to be hit with our material when they are in the store making a purchasing decision.

Sarah Voisin asked about lessons learned by ASMI that this board could further capitalize on. Mr. Cotter commented ASMI held more strategy meetings with industry to make decisions as opposed to the board itself making decisions. The industry voice was strong with ASMI after Exxon-Valdez.

Mr. Gibson said he's traveled to Alaska and meet with ASMI. The biggest difference he sees is ASMI meets regularly with their stakeholders and he attended some of their meetings. It started at the dock with the fishermen and deckhands and moved up the chain to processors and buyers. Ms. Voisin asked about the task force's role in this regard. Mr. Cotter said the initial meeting isn't enough; we need to have regular meetings to talk about implementation.

The chairman asked Mr. Cotter to expand on his comment that his greatest disappointment was the cessation of trade programs and the lack of volume of retail point of sale materials distributed. Mr. Cotter gave the history of LSPMB's trade programs and resulting ethics opinion which ultimately ceased all trade programming.

Mr. Sunseri asked about the structure of ASMI as compared to LSPMB. Mr. Cotter explained the relationship between the government and industry.

Rep. Harrison provided comments on imports and the lack of testing associated with foreign seafood as compared to domestic seafood. Rep. Harrison cautioned the board should be more conscious about what is happening to the industry and what imports are doing to our domestic markets. To grow our markets, we have to put a stop to low-quality, high health hazard imports so other countries don't come in and take our markets while our fishermen are over-regulated and unable to compete.

Ms. Voisin said LSPMB has been a tremendous voice in Washington DC and the presence needs to be kept at the same level.

The chairman called for a recess at 11:47 a.m.

The meeting was called to order at 12:43 p.m.

The chairman recognized Graham Group's George Graham and Kathy Anderson who presented to the Board. Mr. Gibson said he was shocked to see the Board is looking at doing something with the Saints. Mr. Graham clarified that it's advertising through Cox Sports Television, which he deemed "a media buy on steroids" because it puts our logo on the field at every first down. There are also broadcast interviews giving multi-second airtime which provides a return on investment. Mr. Gibson said we did this once before but he hasn't seen the metrics. Ms. Anderson said it generated over 2 million impressions. Mr. Gibson asked how that translates into seafood sales. Mr. Graham said it's a difficult formula, but overall the task is contributing to the goal of increasing knowledge, awareness and preference. Mr. Gibson said he was part of the original RFP team that selected Graham and part of the reason they were selected is because of the metrics that were promised and he does not feel it has been delivered.

Mr. Graham said tracking is about impressions and engagement and they do have those results. Tracking a change in attitude is the research that GCR is conducting to ensure perceptions are changing. Mr. Gibson asked about the particular cost of CST which Ms. Anderson said is \$50k. Mr. Gibson inquired about the Top Chef media buy, which Ms. Anderson indicated 17 episodes would be just over \$100k. Mr. Graham said this media buy is for spot markets although a nationally recognized name is associated; the board is not buying it across the nation.

Mr. Gibson asked about Top Chef and LSPMB's sponsorship and what that entails. Donna Klingenberg from The Food Group responded LSPMB's investment is \$200k.

Frank Randol asked how many impressions will be generated by the CST buy. Mr. Graham said hundreds of thousands. Mr. Randol mentioned the bicentennial bus tour conducted by DCRT and the exposure. He particularly liked that element of the Graham Group's presentation on moving forward. Chef Folse mentioned number of impressions and marketing value are really long-term investments that will be ready to be evaluated in the next 12 months.

Mr. Gibson said the fishermen demand accountability and we keep telling them we generate impressions, but that's tough for fishermen who are working the boats to understand and see an impact to them. The concern Mr. Gibson has being an ASPA representative is how the money is being spent and when the metrics will be delivered to the fishermen. Their fees fund this board.

The chairman said the message to the fishermen is every time a shrimp or oyster is consumed, it's from the fishermen. Every time there is an advertisement there needs to be the story of the fishermen who caught it. It's the passion of the family that will tell the story. The chairman interpreted Mr. Gibson's comments to mean include the fishermen to tell the story.

Mr. Randol commented that it's a team effort from the water to the plate. This industry is not newsworthy unless you have the chef up there. It's the food and the chef that makes an impact.

The chairman introduced Dr. Christel Slaughter of SSA Consultants who facilitated the discussion on the strategic plan. Dr. Slaughter explained her role as a facilitator and individual board members role in participating in the conversation. Dr. Slaughter has reviewed the original Strategic Plan and she still can't articulate the board's vision although she can make some assumptions. Dr. Slaughter asked the Board members to each introduce themselves and their connection with Louisiana seafood. The Board members complied and discussion held.

Dr. Slaughter clarified the role of the Board as it relates to the industry and the task forces. Publicly appointed board must understand what their function is and the mission within it. Dr. Slaughter reviewed the board's statutory authority and mission statement to make sure all board members are educated on the intent of the board. Mr. Tortorich recommended the board introduce a more marketing-friendly mission statement. Ms. Voisin clarified Dr. Slaughter's remark about the source of the funds the board has to work with. Chef Folse supports the mission statement in its current form and believes that perhaps it could be articulated better, but is the foundation of why this board is in existence.

Chef Sclafani talked about our seafood being a luxury item because it's where the Mississippi River meets the Gulf of Mexico. Mayor Collette commented the industry is beyond "aid" it's at a point of survival.

Mr. Gibson talked about the preservation of the industry's unique culture and heritage. Mr. Sunseri indicated we should promote and be proud of being the number one provider of seafood. Ms. Voisin said it's a flavor embedded in our water because of the nutrient-rich estuaries that enhance our seafood. Mr. Watts agreed that Louisiana doesn't have beaches; we have marshes and estuaries which are nurseries for our seafood young.

Lt. Gov. Dardenne will be requesting an ethics opinion on what the board can do versus what they can't do and he is committed to getting the Board answers. Market development is a part of the Board's statutory authority and to do that this entity must be able to provide product to those markets. However, whatever the outcome, the lieutenant governor assured the Board we will abide by it.

Dr. Slaughter brought up some points for consideration to which the chairman informed the board the staff has been put on hold during the transition process. The question the chairman would like answered by the board is what direction is this body going to provide to the staff via the lieutenant governor's office? The lieutenant governor said he's looking for the board to tell his office what they want to do with specific projects. He mentioned there are some time sensitive events and he has no direction from the new board as to how to move forward. The lieutenant governor wants to make sure he is authorizing activities that this board, not the old board, has approved. He does not want to let a great opportunity pass and needs direction from this board.

Mr. Randol would like an interim plan while transition is taking place and the lieutenant governor is digesting the details of the board. Rather than wait another 30 days, the board needs to move forward.

Dr. Slaughter commented another meeting should be scheduled because time is out. She emphasized the need to have roles defined between LSPMB and DCRT to enable the implementation phase of the strategic plan to go smoothly. The chairman agreed another meeting is necessary and directed staff to schedule as soon as possible.

The meeting was adjourned at 5:13 p.m.

Respectfully submitted,
Kristin McLaren
Assistant Executive Director