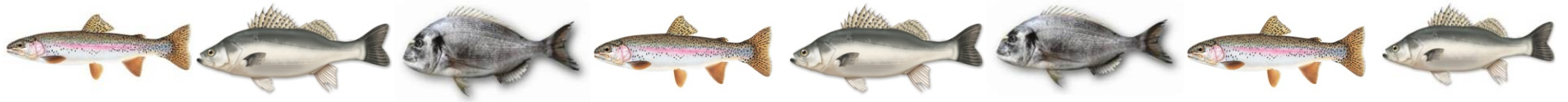


Niche markets and new products

Ekaterina Tribilustova

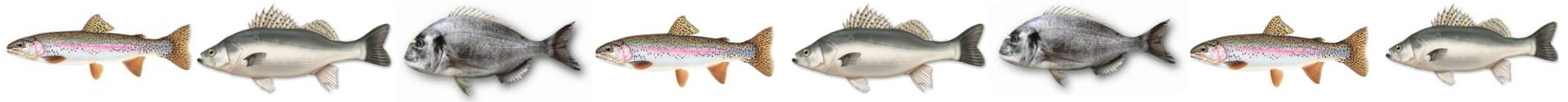
Zadar , Croatia, 8-10 May 2012





Structure of the presentation

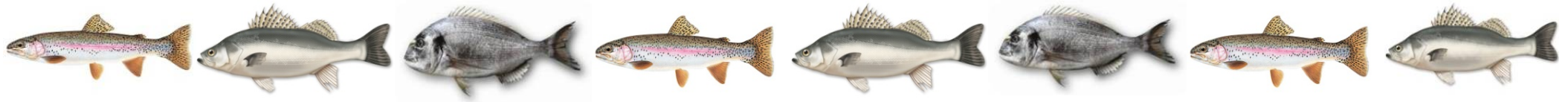
- SWOT analysis for seabream and seabass
- New products
- Case study
- Niche markets
- Conclusions



SWOT analysis for bass-breem

Strengths

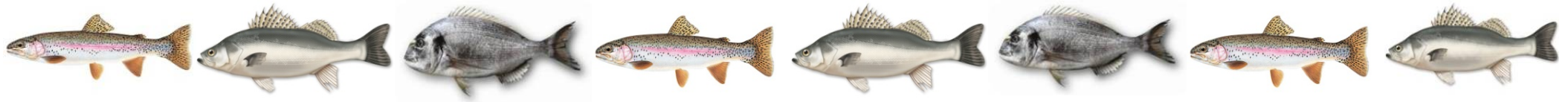
- Short production cycle,
- Consistent quality and all-year around production,
- Dominant market share for European bass/breem of global production,
- Several large companies exploiting significant scale-economies,
- High demand in Mediterranean market,
- Protective sanitary legislation.



SWOT analysis for bass/bream

Weaknesses

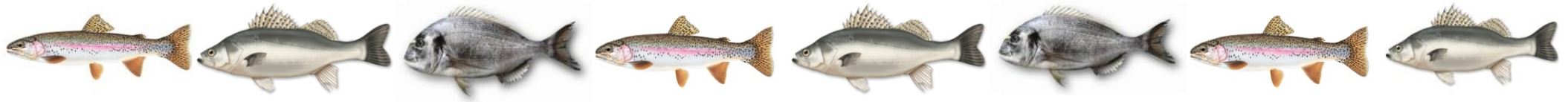
- Large number of small-subsidised operations with limited market access,
- Low range of value-added products,
- Absence of production controls or strategic planning,
- Low consumer familiarity in Northern Europe,
- Lack of market studies relating to potential export markets,



SWOT analysis for bass/bream

Weaknesses (cont.)

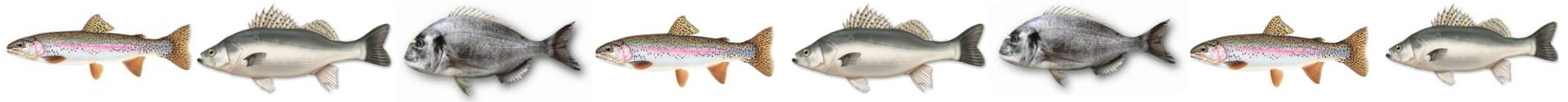
- Lack of timely updated EU industry and market information,
- Lack of effective vaccines to prevent some disease losses,
- Limited authorised chemicals,
- Credit limits and licensing bureaucracy.



SWOT analysis for bass/bream

Opportunities

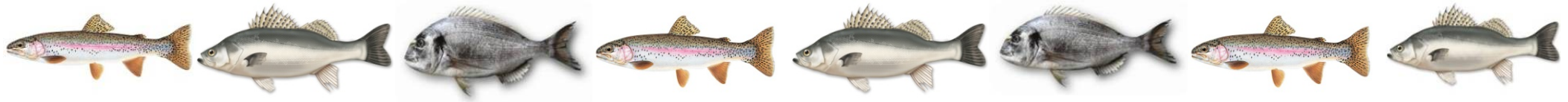
- General increasing demand for farmed fish production,
- New emerging markets for fresh production,
- Emerging markets for processed products,
- Emerging quality labels.



SWOT analysis for bass/bream

Threats

- Increased production,
- Price competition,
- Third party competition,
- NGO campaigns against poor farming practices,
- Inability to launch centrally coordinated transnational promotion campaigns,
- Emerging diseases.



New products

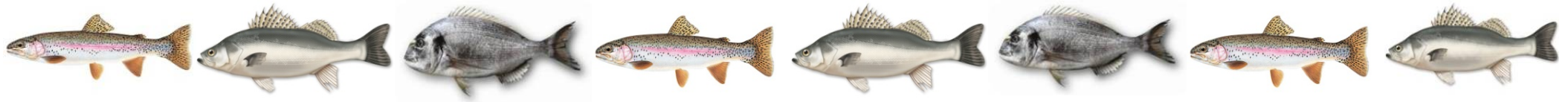
Processed value-added products



Management of “Azbuka Vkusa”, an upper-class retail chain in Russia:

“Something really interesting, unique and exclusive is needed...”

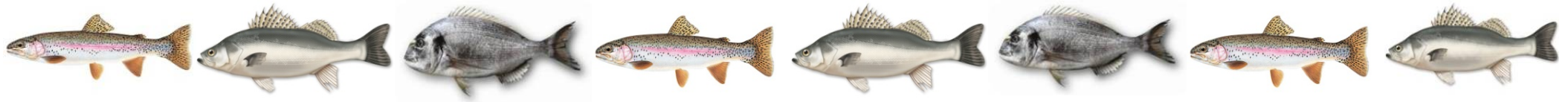
“For example, special techniques of smoking with “sawdust...”



New products

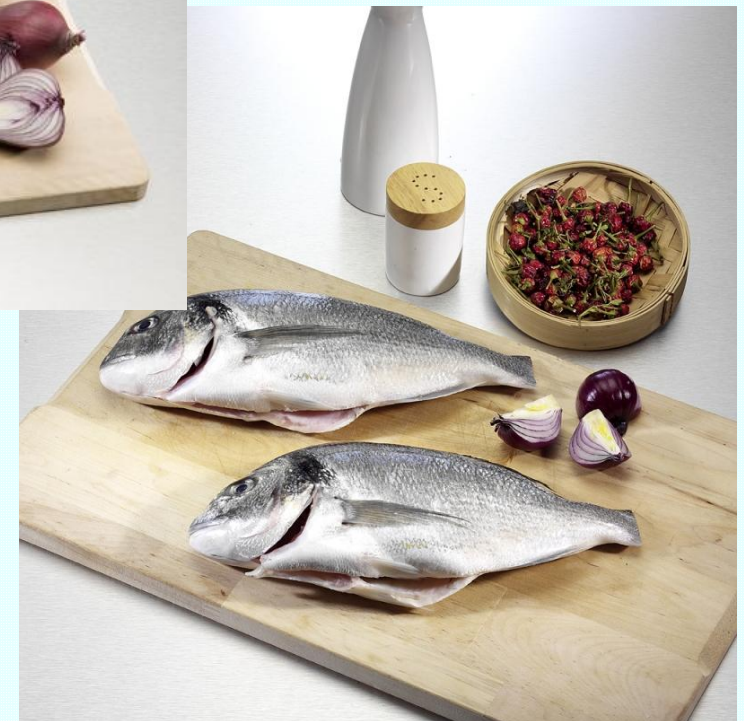
New species – White seabream (*Diplodus sargus*)



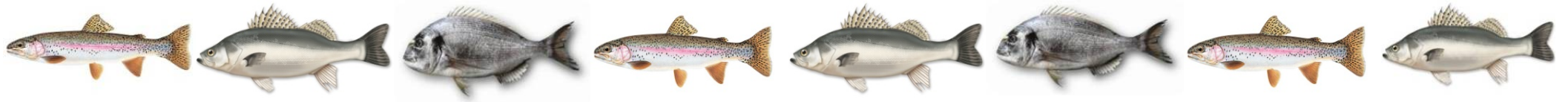


Case study: Turkey

Diversified products – processed seabream



Source: Marenostro website

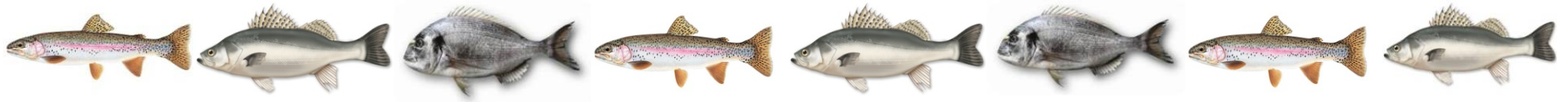


Case study: Turkey

Diversified products: seabream fillets



Source: Marenostro website

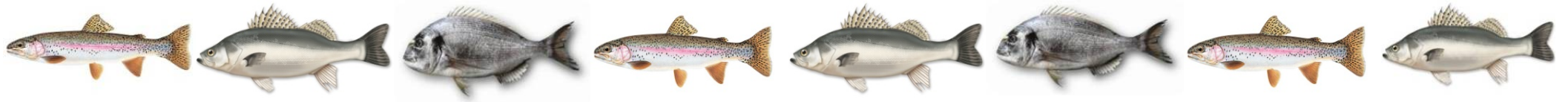


Case study: Turkey

Diversified products: seabream special cuts



Source: Marenostro website

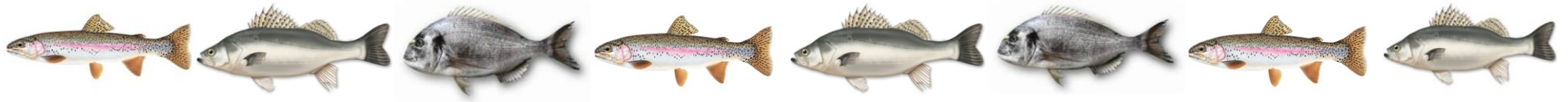


Case study: Turkey

Diversified products: MAP packaging

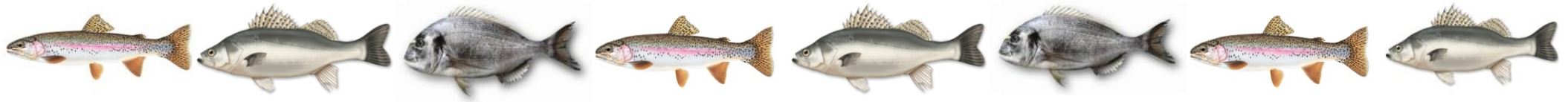


Source: Marenostro website



Case study: Turkey



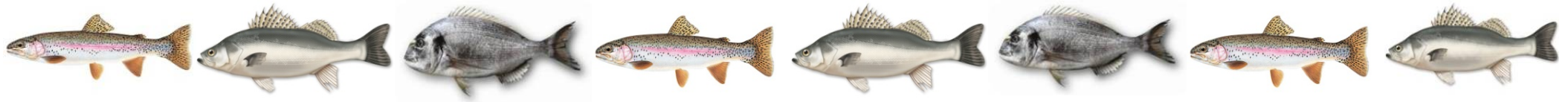


Niche markets

- Organic aquaculture

Examples of eco-friendly labelling systems

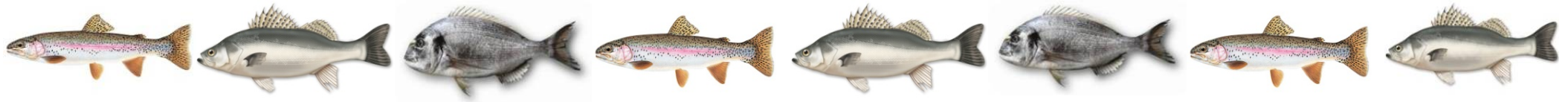




Niche markets

Emerging markets including markets for bass and bream processed products

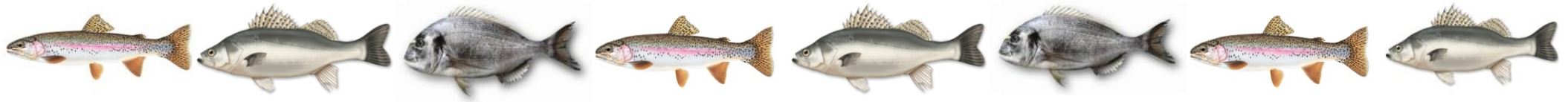
- Russia (142 million consumers),
- Ukraine (46 million consumers)
- UK (57 million consumers),
- Northern Europe (Scandinavia and Germany especially for processed products).



Niche markets

”Fresh from the farm” concept



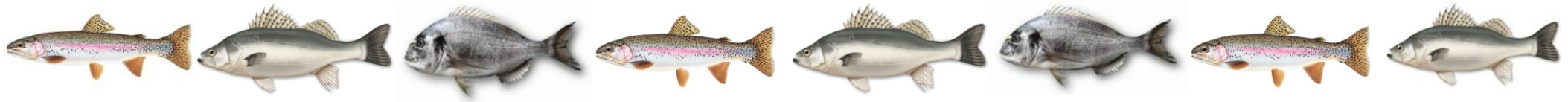


Conclusions

Strategic options for small-sized farms

- 1) Maximum cost reduction and selling to bigger farms with organized sales network**

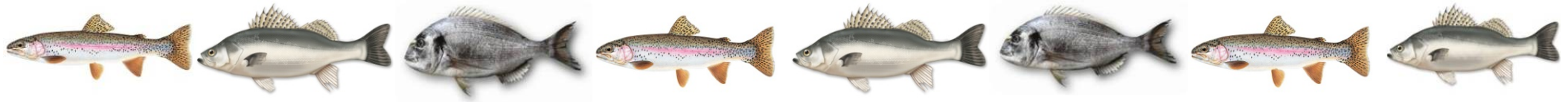
However, no contact with consumer/no negotiation power. This strategy resulted in majority of cases in going out of the business/absorption by larger farms.



Conclusions

2) Band together in collective groups, for example, as producer organizations or more informal alliances.

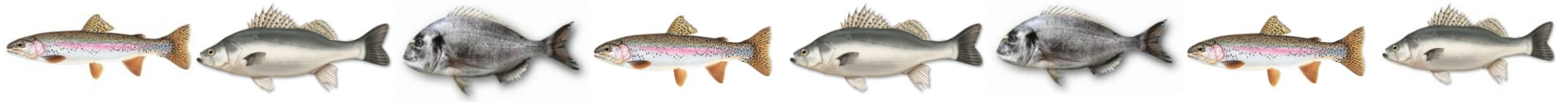
Improved negotiation power to suppliers and customers. Option for a common investment in a hatchery, processing plant, etc. Possibility for a joint brand or label for quality/origin of production.



Conclusions

3) **Strategy of choosing niche markets.**

The advantage is that by selling directly to consumers, the farmer eliminates the middle men and obtains a better price for the product. Another option is to supply directly a fish retailer or distributor who can supply his customers with “fresh from the farm”.



Thank you for attention!

Hvala vam na pažnji!