

StarKist

הפילה של הטונה

Through product innovation, expansion of consumption opportunities, provision of real value to consumers and work with the professional sector, canned fish manufacturer and marketer Starkist Food d'or manages to increase canned tuna consumption in Israel

In 1910, a Yugoslav immigrant named Martin Bogdanovich bought a fishing boat that he used to fish off the coast of California. Eight years later, during World War I, Bogdanovich, along with five partners, founded French Sardine Co., which specialized in supplying tuna preserves to American soldiers fighting in Europe. In 1942, the company changed its name to StarKist.

StarKist Food d'or, which was founded in Israel in 1999 by Michael Mittelman, owns the exclusive and permanent franchise in Israel for the StarKist brand. In 2009, Diplomat acquired 50% of the company's shares, and became partner in the company in addition to distributor of its products.

In recent years, Starkist Food d'or launched a range of products designed to meet various needs:

The Flavors range – Tuna chunks with flavor and spices additives such as hot pepper or lemon, designed to provide consumers a new and interesting taste experience;

The 5% fat tuna range – a series designed to meet the need of consumers to include tuna in a low-fat diet without forgoing flavor;

99-calorie tuna in olive oil range – a series designed to meet two needs: eating tuna away from home and controlling calorie intake;

Smoked Select Fillet range – a series launched to meet the increasingly popular trend of hosting and entertaining at home. The series offers a range of selected smoked fillets of tuna, herring, salmon and mackerel in black premium packaging, suitable for discerning consumers.

The Competitive Environment

The canned fish category in Israel generates 500 million NIS annually (at consumer prices). The tuna segment holds the largest share in the category. In the canned tuna category, StarKist holds over 40% of the market (based on StoreNext data as of 2013).

The Marketing Challenges

Although 92% of consumers in Israel occasionally incorporate tuna into their diet, ostensibly indicating a high market penetration rate, use in terms of tuna consumption per capita is still relatively low vis-à-vis other countries, indicating potential for future growth.

In the past year, the brand faced three major challenges:

- To increase overall tuna consumption in Israel.
- To maintain brand leadership in the local market.
- To deal with rumors and myths regarding dangers of tuna consumption by pregnant women and children.

The Creative Solutions

In parallel to adopting innovative product strategy, Starkist Food d'or has in this past year worked through a broad range of channels to increase canned tuna and fish consumption in Israel:

Creating value for consumers – One of the insights StarKist reached following the social protests of 2011, is that focus on brand image is not enough, as the “new





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consumers” are looking for clear added value with every purchase. As a result, in 2013, the Company passed on an image-oriented media campaign in favor of a campaign that focused on the added value of an extra 15% per package for the top selling products in the tuna product category: 4-packs of tuna in oil and in water. This move increased sales of the 4-packs by more than 50% in comparison with the same period last year.

Supporting the StarKist 99-calorie series – the series, launched two years ago, won the “Product of the Year” consumer award for 2012 and enjoyed extensive marketing support through 2013 under the slogan “the mobile revolution”. In July, a limited edition sample package was launched and included the series’ three flavors in order to increase exposure to the series, and to allow consumers to try out all range .

In order to support the 99-calorie series, a television commercial was aired to convey the message “the mobile revolution of StarKist 99-calorie– everywhere with you“. The video featured a range of Israeli characters such as a student, a businessman, a soldier and an office manager, each holding a StarKist 99-calorie pack as if it were a cellular phone. In addition, the brand led a digital campaign integrating the consumers, who were asked to create a personal image in the spirit of the ad and add amusing text to accompany it. The selected

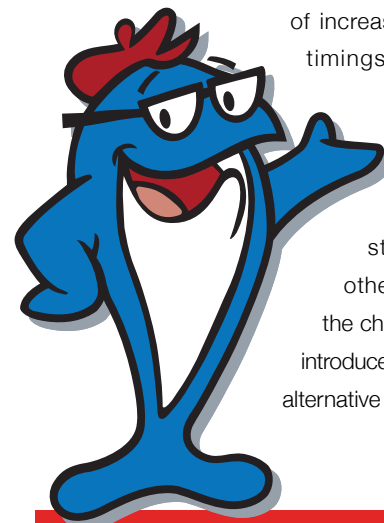
images earned the consumers prizes from the brand. The move was also supported by promotional activity that was conducted in about 150 gyms in Israel. As part of the promotion, posters were hung in the training rooms, studio and locker rooms. The company transformed the coaches and dieticians into ambassadors who recommended the product series by distributing professional material and coupons to gym-goers.

Activity with the professional audiences – In recent years, the brand has been conducting extensive activity with nutrition professionals, such as dieticians, nurses and doctors, in order to acquaint them with the latest studies on fish consumption in general, and tuna consumption in particular.

Most of the work is carried out during major nutrition conferences, to which the brand invites select lecturers who introduce relevant research on fish proven health benefits. In this manner, the brand alleviates concerns and recruits professionals to recommend fish consumption to their patients.

Activity with demographic sectors – the Orthodox Jewish and Arab sectors were identified as communities with significant business growth potential, and activity in these sectors expanded. In both sectors, marketing activity focused on broadening consumption and expanding use by incorporating tuna in a variety of

recipes as a main ingredient. In the Orthodox Jewish sector StarKist is the leading brand and as such, its strategy focuses on taking ownership of increased consumption timings on the Hebrew calendar. In the Arab sector, on the other hand, StarKist is not as strong a brand as others, and as such, the chosen strategy is to introduce it as a quality, tasty alternative to the competition.



Things You Didn't Know About StarKist

- In the past 3 years, the company products have won the international innovation awards - ‘Product of the Year’.
- All StarKist products do not contain preservatives. Preservation is performed through heat sterilization.
- Charlie the Tuna, the cartoon brand’s character, was designed in 1961 by advertiser Tom Rogers.
- StarKist was the first tuna brand to launch tuna 4-packs in Israel . 4-packs are the top selling tuna product today in the category. Tuna in oil is five times more popular than tuna in water.
- 92 cans of StarKist tuna are opened every minute in Israel.

1942
French Sardine Co. changes its name to StarKist.

1961
The brand introduces the animated character that has accompanied the brand ever since: Charlie the Tuna.

2000
Starkist Food d’or launches the StarKist brand in Israel.

2002
StarKist launches tuna 4-packs in Israel.

2007
Series launch of StarKist Flavors range.

2010
Launch of StarKist 5% fat series.

2011
Launch of StarKist 99-calorie series.

2012
Launch of StarKist Smoked Select Fillet series.