

Case Study #1

Please read the following article and answer each question by following the instruction to submit the paper in pp. 7-8.

Chicken of the Sea International The Jessica Simpson Spokesperson Decision



This case was written by Professor George E. Belch and Michael A. Belch. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

Introduction

Chicken of the Sea International (COSI) is one of the oldest seafood companies in the United States. The company processes and markets a variety of seafood items under the Chicken of the Sea brand name including canned tuna, salmon, sardines, mackerel, crab, and clam products. The original company was founded in 1914 by Frank Van Camp and his son who bought the California Tuna Canning Company to can albacore tuna and changed the name to the Van Camp Seafood Company. However, the company began using the Chicken of the Sea trademark and brand name as a way to describe the taste of its tuna to consumers. Van Camp was the first company to can "light" tuna. So consumers would know to expect a mild-flavored white fish – that tasted similar to chicken – the company marketed it under the brand name Chicken of the Sea. It was such a success that the company eventually adopted the product name.

The company operated under the Van Camp Seafood Company name until 1963 when it was purchased by Ralston Purina, a producer of processed foods, pet food, and livestock and poultry feeds. In 1988 Ralston sold its Van Camp division to P.T. Mantrust, an Indonesian corporation that wanted to execute a fully integrated approach to supplying canned tuna to the U.S. However, due to high interest rates in Indonesia and its overly leveraged structure, P.T. Mantrust experienced cash flow difficulties and the primary creditor, The Prudential Life Insurance Company of America, became the majority owner. In 1997 the company was purchased by an investment group known as Tri-Union Seafoods and the name of the company was changed to Chicken of the Sea International. In 2000 the investment group sold the company to Thai Union International, Inc. making it the sole owner of the company. In 2003 COSI acquired Empress International Ltd. which imports frozen shrimp and other shellfish into the U.S. With the acquisition of Empress, COSI total annual sales would exceed \$600 million.

The Chicken of the Sea name is well known and has a high level of brand equity among consumers. The brand's identity is strongly related to the Chicken of the Sea mermaid who is one of the best known brand icons in the world. She first appeared on the Chicken of the Sea label in the early 1950s and has symbolized quality for the brand for more than 50 years. The mermaid was the focal point for the brand's advertising for many years and the recognition of her is still very strong today. The catchy jingle that was developed in the early 1960s continues to be used in the company's advertising: "Ask any mermaid you happen to see...what's the best tuna? Chicken of the Sea!" Chicken of the Sea changed the look of its famous mermaid icon in 2003 to make her appear more contemporary. Consumer research had indicated that the mermaid icon was "getting a little tired" and needed to be updated. Qualitative and quantitative research was used to guide this process and ensure that the traits and characteristics consumers associated with the mermaid were captured in the new image. These included attributes such as being trustworthy, magical, attractive, friendly, approachable, contemporary and fitting with the Chicken of the Sea brand.

COSI launched a new web site (www.Chickenofthesea.com) that provides value-added information to

its customers. The web site includes an easy-to-use recipe generator, product information, resources on health and nutrition, as well as games and educational content. The site also contains the Mermaid Store, where consumers can shop for everything from T-shirts to watches to sporting goods featuring the classic mermaid logo. The web site has become an important part of Chicken of the Sea's integrated marketing communications program as the company uses other forms of media to drive consumers to the site and engage them in the brand. For example, company used its web site as part of its U.S. Synchronized Swim team sponsorship promotion. Consumers could enter a recipe contest online and register to win a trip to the summer Olympics. In 2003 COSI began offering a customer loyalty program called the Mermaid Club, which consumers can join through its web site. Club members receive special offers, health tips and articles, new product updates, and an informative e-newsletter. They also can communicate with other club members to share information and ideas such as new recipes.

Market and Competitive Overview

Tuna is the primary product in the canned/packaged seafood market which also consists of other items including salmon, crab, shrimp, mackerel, oysters, and sardines. The tuna category accounts for nearly \$2 billion in sales each year which includes sales to warehouse and club stores as well as the food service market (restaurants, hospitals, dormitories). The industry is dominated by three major brands including StarKist which has approximately a 40 percent market share, Bumble Bee with a 24 percent share and Chicken of the Sea with 18 percent of the market. Private label brands account for the remaining 18 percent of sales in the canned/packaged tuna category. There is a considerable amount of brand loyalty in the category have surveys have shown that 44 percent of consumers are loyal to a particular brand of tuna. The primary target consumer for tuna is females between the ages of 25-54. In recent years there had been a considerable amount of product innovation in the tuna category. One of the most significant innovations was the development of the flavor fresh pouch packaging which provides consumers with tuna that is fresher tasting, firmer in texture, and requires no can opener or draining. Other product innovations have included the tuna salad kit which was introduced by Chicken of the Sea and provides the ingredients to make fresh tuna salad in single or multiple servings as well as a Lunch To-Go product that was introduced by StarKist.

The market leader in the tuna category is StarKist which was owned by the H.J. Heinz Company for many years but was sold to Del Monte Foods Co. in late 2002 along with several other well-known brands including 9-Lives cat food and Kibbles n' Bits dog food. These acquisitions helped push Del Monte, which is the largest manufacturer and marketer of canned fruits and vegetables, into the top 20 U.S. packaged foods companies with revenue of more than \$3.1 billion. Advertising for StarKist has featured the well-known "Charlie the Tuna" character as a personality symbol for the brand for more than 40 years. Charlie was first introduced to consumers in 1961 as the star of the classic "Sorry Charlie" commercials. The spots featured Charlie trying to trick fishermen into catching him but always being rejected because he was not good enough

for StarKist tuna. Consumer awareness of Charlie the Tuna has been estimated at more than 90 percent as the cool bespectacled icon has a whimsical character and personality that resonates with consumers. Recent commercials have featured Charlie plugging a number of the company's new products such as StarKist Tuna in a Pouch and StarKist Tuna Creations which is another pouch product that is marinated to produce tuna with a distinct flavor (e.g., zesty lemon, hickory smoked, sweet & spicy, or herb & garlic).

StarKist focuses exclusively on canned/package tuna and does not market any other seafood products. Sales of the various StarKist tuna products were approximately \$800 million in 2003. Del Monte's marketing strategy for the brand is to expand packaged tuna consumption beyond sandwiches by promoting its new the portability and variable usage of its pouch products such as StarKist Tuna Creations its new StarKist Lunch To-Go product which contains the fixings for a tuna salad such as crackers, mayo and relish, along with a mixing spoon. It was estimated that Del Monte would spend approximately \$7 million on media advertising in 2004 for the various StarKist products. Information regarding StarKist products as well as its advertising can be found on the company's web site at www.starkist.com

COSI's second major competitor is Bumble Bee Seafoods, LLC which was founded in 1899 when a group of canners banded together in Oregon as the Columbia River Packers Association. Over the next 50 years the CRPA developed the Bumble Bee brand into one of the most respected premium labels for canned seafood. In 1950 Castle & Cooke, a prominent Hawaii-based seafood company, purchased a majority interest in CRPA and Bumble Bee Seafoods, Inc. was formed as a wholly owned subsidiary. In 1997 Bumble Bee was acquired by International Home Foods (IHF) in 1997 who provided the company with the opportunity to launch a new line of specialty products including shrimp, oysters, clams, smoked scallops and more. IHF in turn sold the company to ConAgra Foods, Inc. in 2000. However, in 2003 ConAgra decided to shift its portfolio of brands and businesses and concluded that Bumble Bee did not fit well into its core product mix. ConAgra sold the company to Bumble Bee's senior management team in partnership with the investment firm Centre Partners Management LLC. With more than \$500 million in annual revenues, Bumble Bee Seafoods is the third largest marketer of canned/package seafood products in the U.S. The company's well known "Bee" can be found on a variety of caned/package seafood products including tuna, salmon and a variety of specialty seafood items. Over the past several years Bumble Bee has run almost no media advertising for its products choosing instead to allocate its marketing funds to consumer and trade promotions.

Over the past 10 years, the tuna market has become extremely competitive. The major competitors have shifted most of their promotional budgets to consumer and trade promotions and spending on media advertising has been minimal. As noted, Bumble Bee has not been running any media advertising and commercials for StarKist and Chicken of the Sea are rarely seen on television. Most of the promotional spending toward consumers has been spent in print through FSIs in Sunday newspapers containing coupon offers. As a result, tuna has become somewhat of a commodity with many consumers often purchasing the

brand that was on promotion or offered the lowest shelf price. The three major companies have also been facing increased competition from private label brands which usually are priced lower than the national brands. The reduction in media advertising and increased emphasis on sales promotion, as well as the growth of private label brands, also has resulted in a shift in power from the manufacturers to the retailers. The profit margins on canned tuna in particular have become very small as retailers are demanding lower prices and more trade allowances. Given these developments, the major competitors have been finding it increasingly difficult to allocate funds to media advertising that could be used to maintain and build brand equity.

The Famous Jessica Simpson Fish Faux Pas

In the summer of 2003 the MTV cable network began airing a new reality program, *Newlyweds: Nick & Jessica*, featuring pop singer Jessica Simpson and her husband Nick Lachey. The 23 year old Simpson is a rising pop star who was particularly popular among young teens while Lachey is best known as a heartthrob member of the boy band 98 degrees. The first season of the show followed the couple from their October 2002 wedding through the beginning of their life together, and became hugely popular thanks to Simpson's ditzy comments and behavior. In one of the episodes of the show Simpson made what became known as her famous fish faux pas when she turned to her husband while eating a can of Chicken of the Sea tuna and asked whether the product inside the can is chicken or tuna. Viewers of the show laughed and/or shook their heads in bewilderment while the media quickly picked up on the comment and began comparing Simpson to ditzy stars from previous generations such as Gracie Allen, Lucille Ball, and Marilyn Monroe.

While Simpson's gaffe became the target of jokes and a myriad of media stories, it also ignited a wave of popularity for both her and the show. As the media attention intensified, Chicken of the Sea's Senior Vice President of Marketing, Don George, recognized that Simpson's now famous faux pas presented the company with an interesting publicity opportunity. George invited Simpson to attend the company's sales conference in San Diego in October 2003 for a few hours. Simpson agreed to attend the sales meeting (for an undisclosed fee) and received a standing ovation from the company's employees. At the meeting George explained the true meaning of the Chicken of the Sea brand name and Simpson joined him in singing the company's "Ask Any Mermaid" jingle. COSI's president and CEO presented the pop princess with a basket of Chicken of the Sea products and an apron for use in her role as a new homemaker. Following the meeting a video news release containing an interview with Don George and highlights of Simpson's appearance at the sales meeting was sent out. The story was picked up by close to 750 prime time affiliates, 10 national television shows, including *E!* and *Inside Edition*, and more than 22 cable shows. COSI's public relations agency estimated that Simpson's story reached an audience of more than 38 million TV viewers. The story of Simpson's visit to COSI was also covered by a number of major newspapers and national magazines which generated several million more exposures for the company.

Following her visit to the company, Don George and other COSI executives began preliminary discussions with Simpson's father, who is also her agent, about the possibility of hiring her as a spokesperson for the company. The company and its advertising agency began brainstorming ideas as to how she might be used in advertisements and other promotional efforts. Meanwhile, Jessica Simpson was becoming increasingly popular as she had released a new CD titled *In This Skin* along with a music video of the single *With You*. In January 2004 she and Lachey were featured performers at the FedEx Orange Bowl Halftime Show and she sang the national anthem at one of the National Football League playoff games. A few weeks later, Simpson and Lachey were the guest hosts on NBC's *Saturday Night Live* and the second season of the *Newlyweds* premiered the following week on MTV. Simpson's popularity showed no signs of declining as she was in negotiation with ABC for a role in a new sitcom and signed to play the part of Barbara Eden's character in a movie version of the '60s TV series "I Dream of Jeanie."

The Endorsement Decision

Chicken of the Sea continued to benefit from Simpson's rising popularity and exposure. Her music video contained a scene showing her eating a can of Chicken of the Sea tuna and she and Lachey did a skit on *Saturday Night Live* poking fun at her chicken or tuna faux pas. However, as Simpson's popularity increased, Don George realized that the cost of retaining her as a spokesperson for the company was rising as well. He estimated that it would probably cost the company at least \$1 million to sign her to an endorsement contract that would allow the company to use her in its ads and on various promotional items. COSI was about to begin a major new branding initiative that was developed to help the company meet its growth objectives and increase its \$340 million in sales in the tuna category as well as sales of its other seafood products. The owners of the company were supportive of the new branding initiative and planned to support an increase in COSI's media budget to as much as \$11 million in 2004. George and his marketing staff along with COSI's advertising agency were considering ways they might use Simpson as part of a new campaign. They recognized that the publicity the company had received from Simpson's faux pas was helping introduce Chicken of the Sea tuna to a younger audience who may not have been familiar with the brand and/or had not yet developed a brand preference. However, there were still a number of issues that would have to be considered in making a decision whether to hire Jessica Simpson as a spokesperson.

One major issue to consider was whether the company could afford to hire Simpson. They also had to consider how they would use her if she was retained. Chicken of the Sea had planned on spending most of its media budget on radio and in magazines as well as on in-store ads such as floor signage. However, TV commercials would probably be the best way to use Simpson as an advertising spokesperson but the high cost of television time would limit the amount of advertising they could run given the company's small media budget. Consideration also had to be given to how Simpson would be received as an advertising spokesperson by COSI's core target market of 25 to 54 year old women. While Simpson was very popular among teens,

George was concerned that her ditzy blonde image might not play well among older consumers. Another important issue that had to be considered was how the company would use Simpson if she was hired as a spokesperson for Chicken of the Sea. One obvious suggestion was to cast her as the mermaid with a campaign such as “Our mermaid never looked so good.” There was some concern, however, over doing anything that might affect the iconic status of the mermaid.

One valuable source of information that Don George and the agency acquired for use in making a decision regarding the hiring of Simpson was Q scores which were obtained from Marketing Evaluations/TVQ, Inc. Exhibits 1 and 2, which appear at the end of the case, show the Q scores for Jessica Simpson as well as the category averages for other female musical performers and are broken down by various demographic groups. These scores were part of the Performer Q study that was conducted by Marketing Evaluations/TVQ during the summer of 2003.

It was likely that Jessica Simpson would probably go down in pop-culture history as the girl who didn’t know the difference between chicken and tuna and Chicken of the Sea had received a tremendous amount of publicity from her famous faux pas. Now the company had to decide whether they should try to capitalize further on its association with Simpson. Don George realized that funds spent to hire Simpson as a spokesperson and run ads featuring her would come at the expense of other forms of promotion. On the other hand, Simpson’s popularity presented the company with a potential opportunity to generate tremendous brand awareness and interest for Chicken of the Sea, particularly among younger consumers. Of course, the ultimate question he was trying to answer was whether increases in advertising and brand awareness that might result from using Simpson as a spokesperson would move the sales needle and help build brand equity for Chicken of the Sea.

Discussion Questions

1. Discuss the consumer decision making process for a product such as canned/package tuna and the response hierarchy model this is most likely to be applicable in the purchase of this product.
2. Discuss the role integrated marketing communications plays in the marketing of canned/package tuna for a company such as Chicken of the Sea International. How might the company use the various IMC tools as part of its marketing program?
3. Discuss how Chicken of the Sea's marketing personnel and advertising agency might evaluate the appropriateness of using Jessica Simpson as a spokesperson for the company and whether she is a good fit for the brand.
4. Discuss the pros and cons of Chicken of the Sea International hiring Jessica Simpson as a spokesperson for the company. Can the company afford to hire her and spend the money on TV advertising to use her effectively?
5. What would you do if you were Don George? Would you recommend that the company hire Simpson as a spokesperson? Why or why not?

Instructions to submit your paper

- a. **Deadline:** 11:59pm, Apr 28, 2020
- b. **Length of paper:** 200 words minimum for each question; 3 pages minimum in total (excluding reference page)
- c. **Score:** 2 points for each question; 10 points in total.
- d. **Late submission policy:** 1 point will be deducted per a day after the deadline
- e. **How to submit:** Submit your paper on Blackboard. Select “Case Studies” on the left navigator and click “Case Study #3” folder. Then, click “Case Study #3 Submission” link to submit your paper.
- f. **Font & Size:** Times New Roman, size 12, double space
- g. **Format:** APA 6th edition. If you are not familiar with this, please visit the link below:
https://owl.purdue.edu/owl/research_and_citation/apa_style/apa_formatting_and_style_guide/general_format.html
- h. Do **NOT** include a title of the paper, your name, and questions. Just label each question number on your answer.
- i. Please submit your paper with **WORD document** format ending with .doc or .docx.
- j. **Originality check:** I will grade your paper very generously, but will be very strict on the plagiarism. If the originality of your submitted paper is less than 70%, you will earn 0 point. If you cite any sentence from books, journals, internet, and/or any other source, please paraphrase them and re-write them in your own word.
- k. **In-text citation & References:** Provide in-text citation and the list of references at the end of the paper by following APA 6th edition format.

Exhibit 1 **Performer Q Ratings for Jessica Simpson**

SUMMER 2003 PERFORMER Q

	JESSICA SIMPSON	CATEGORY 07			SAMPLE 2	
	ONE OF MY FAVORITES	VERY GOOD	GOOD	FAIR/POOR	TOTAL FAMILIAR	Q SCORE
TOTAL SAMPLE	6	8	19	16	48	12
6 - 11 YEARS	9	7	10	7	33	27
12 - 17 YEARS	16	12	29	15	72	23
18 - 34 YEARS	7	15	24	30	76	9
35 - 49 YEARS	5	6	21	17	49	10
50 AND OVER	1	3	11	6	21	7
18 - 49 YEARS	6	11	23	23	63	9
18 YEARS AND OVER	4	8	18	17	47	9
25 - 54 YEARS	5	8	21	20	54	9
TOTAL MALES						
6 AND OVER	5	8	17	15	45	12
18 - 34 YEARS	7	16	24	25	72	10
35 - 49 YEARS	5	5	21	19	50	10
50 AND OVER	2	3	9	5	19	12
18 - 49 YEARS	6	11	22	22	61	10
18 YEARS AND OVER	5	8	18	16	46	10
25 - 54 YEARS	5	8	21	19	53	10
TOTAL FEMALES						
6 AND OVER	6	8	20	17	51	12
18 - 34 YEARS	6	14	24	35	80	8
35 - 49 YEARS	5	7	22	15	49	10
50 AND OVER	1	3	13	7	24	4
18 - 49 YEARS	5	11	23	25	64	9
18 YEARS AND OVER	4	8	19	18	48	8
25 - 54 YEARS	4	8	21	22	55	8
HOUSEHOLD INCOME						
UNDER \$20,000	6	10	13	17	46	13
\$20,000 - \$39,999	6	7	19	18	50	13
\$40,000 - \$59,999	5	7	20	18	50	10
\$60,000 AND OVER	6	9	20	13	47	12
\$75,000 AND OVER	5	8	20	13	46	11
EDUCATION (ADULT)						
HIGH SCHOOL GRADUATE OR LESS	4	7	16	15	41	9
SOME COLLEGE/DEGREE	5	9	21	19	54	9
OCCUPATION (ADULT)						
WHITE COLLAR	4	10	21	16	51	7
BLUE COLLAR	5	6	19	22	52	10
RACE						
NON-BLACK	5	8	19	16	48	11
BLACK	10	9	16	13	48	20
ETHNICITY						
HISPANIC	11	12	21	15	58	19
COUNTY SIZE						
A	7	9	19	16	50	13
B	6	8	21	17	52	11
C & D	5	7	15	15	42	11
REGION						
NORTH EAST	5	10	20	16	51	10
NORTH CENTRAL	6	6	18	15	46	12
SOUTH	7	9	17	16	49	14
FAR WEST	4	7	20	17	48	9

Exhibit 2

Performer Q Ratings for Female Musical Performers

SUMMER 2003 PERFORMER Q

CATEGORY AVERAGE FOR PERFORMER TYPE 07: FEMALE MUSICAL PERFORMERS

	ONE OF MY FAVORITES	VERY GOOD	GOOD	FAIR/POOR	TOTAL FAMILIAR	Q SCORE
TOTAL SAMPLE	9	11	17	17	54	15
6 - 11 YEARS	8	5	7	5	25	30
12 - 17 YEARS	11	10	13	17	51	20
18 - 34 YEARS	9	13	21	23	66	13
35 - 49 YEARS	9	12	21	19	61	13
50 AND OVER	8	10	17	15	49	14
18 - 49 YEARS	9	12	21	21	63	13
18 YEARS AND OVER	9	11	19	19	58	14
25 - 54 YEARS	9	12	21	20	62	13
TOTAL MALES						
6 AND OVER	8	10	16	17	52	15
18 - 34 YEARS	9	12	20	23	64	13
35 - 49 YEARS	9	12	20	20	60	14
50 AND OVER	7	10	16	14	47	13
18 - 49 YEARS	9	12	20	21	62	14
18 YEARS AND OVER	8	11	18	19	57	14
25 - 54 YEARS	8	11	20	21	61	13
TOTAL FEMALES						
6 AND OVER	10	11	18	18	57	16
18 - 34 YEARS	10	13	22	24	68	13
35 - 49 YEARS	9	13	22	19	62	12
50 AND OVER	9	10	17	15	51	14
18 - 49 YEARS	9	13	22	21	65	13
18 YEARS AND OVER	9	12	20	19	60	14
25 - 54 YEARS	9	13	22	20	63	13
HOUSEHOLD INCOME						
UNDER \$20,000	11	11	15	15	52	20
\$20,000 - \$39,999	10	10	18	18	56	17
\$40,000 - \$59,999	8	10	18	19	54	13
\$60,000 AND OVER	8	11	18	17	54	13
\$75,000 AND OVER	7	11	18	17	54	12
EDUCATION (ADULT)						
HIGH SCHOOL GRADUATE OR LESS	10	11	18	18	56	15
SOME COLLEGE/DEGREE	8	12	21	20	60	12
OCCUPATION (ADULT)						
WHITE COLLAR	8	12	20	20	61	12
BLUE COLLAR	9	11	19	19	59	14
RACE						
NON-BLACK	8	10	18	18	54	13
BLACK	17	13	16	15	61	26
ETHNICITY						
HISPANIC	12	12	17	17	58	19
COUNTY SIZE						
A	9	11	18	17	56	16
B	9	11	18	18	56	15
C & D	8	10	16	16	50	15
REGION						
NORTH EAST	8	11	20	18	57	14
NORTH CENTRAL	8	10	18	17	53	13
SOUTH	10	11	17	18	55	17
FAR WEST	9	10	17	17	52	15