



### Focus: Customer focus

This case study summarises how Kinkawooka Shellfish used specific consumer information to help develop its product, grow its marketplace and become a leading supplier of pot-ready to cook mussels.

### Introduction

Bob Puglisi and son Andrew, are 5th and 6th generation fishermen, who have been at the leading edge of contemporary fisheries in Australia over the past 40 years.

As pioneers of both the Spencer Gulf Southern Prawn fishery – respected globally as a shining example of sustainable fishery management – and the farming of Southern Bluefin Tuna, they have built an enviable reputation as being amongst the most visionary members of the seafood community.

Kinkawooka Shellfish's reputation for producing quality seafood has been enhanced with the development of its mussel farming operation in Boston Bay – an area 3.5 times the size of Sydney Harbour. The business also has a state-of-the-art processing facility based at Port Lincoln.

### Business overview

Established in 1976, Kinkawooka is an owner-operated company that prides itself in maintaining standards of excellence in every facet of its organisation and is renowned in Australia as a leader in the aquaculture industry.

The clean waters of the Great Southern Ocean are home to some of the finest shellfish in the world, Kinkawooka Shellfish grow and harvest premium shellfish to the highest standards of environmental sustainability and culinary quality.

The attraction for fishers and aquaculture companies to this remote part of the world are the cold, nutrient-rich waters of the Great Southern Ocean. In addition to its long-standing reputation for tuna, prawns, abalone, crayfish and whiting, a number of aquaculture seafood's have been added – oysters, abalone and more recently, Kinkawooka's black mussels.

Kinkawooka's live pot-ready mussels are packed in a mix of their natural liquor and seawater from Boston Bay water ensuring that the mussels are kept in premium condition.

The mussels are available in 2 grades:

- Large: 85mm + shell length with a meat to shell ratio 38%
- Standard: 65-85mm shell length with a meat to shell ratio of 36-40%

They are packed in a reduced atmosphere 1kg vacuum-pack bag, chilled and then placed on ice.

Kinkawooka has experienced strong growth, now selling over 750 tonnes of 1kg live, pot-ready mussels annually – experiencing 300% growth in the last 16 months alone.



### How to move forward?

Kinkawooka Shellfish continues to develop as an integrated seafood growing, catching and processing company.

They began selling bulk mussels in 10kg foam eskies in 2000 and have - through a commitment to value add and move from a commodity to a branded product – now established the business as a brand of choice.

The company developed an Australian first – pre-packaged, clean pot-ready 1kg bags of mussels.

Managing director Andrew Puglisi said the company had undertaken extensive consumer and market research while planning to expand the business.

Andrew said he wanted to create a “point of difference” for his product, and travelled through Europe to “pick the eyes out of the best companies doing similar business overseas”.

“I knew that preparing mussels was considered hard work, but if we could produce a clean, simple and ready to use product, we would have a point of difference, which would give us a unique position in the market.”

“After a lot of research and development, it’s come to show that our packaging and convenience are very well received by our consumers,” Andrew said

While Kinkawooka started without a business plan – using a “suck it and see” approach – the Puglisi’s soon discovered that a more structured planning approach was needed to keep their product in the marketplace in a cost effective and efficient manner.



### Where to go for help and advice?

The Puglisi family have worked with many external consultants, but also travelled extensively through Europe and New Zealand, learning from companies with similar products.

“A lot of what we have learned was based on in-house experiences, but we have also developed some good relationships with experts in aquaculture, marketing and through the food industry.”

Agencies such as Food Adelaide and Primary Industries and Resources SA’s Aquaculture division provided information about regulations and strategic planning, whereas private sector marketing advice helped promote the products into new markets.

“We could see in Europe and New Zealand that the convenience factor of pot-ready mussels was a major factor for consumers, so we went there and looked at how we could bring the best back here,” Andrew said.

The business also studied farming and processing equipment in New Zealand. Specific machinery was then imported, and altered to suit the strict requirements of Kinkawooka.

“We saw what they had in New Zealand, brought it back and modified it to suit what we wanted to achieve. It was a big investment, but something we needed to do to ensure product consistency and quality moving forward,” Andrew said.

He said that seeking advice specific to the region, from agencies such as the Eyre Regional Development Board, was also important in helping the business grow.

## Value chain specifics?

Understanding the value chain has been vital in the ongoing growth and development of the business.

The business has spent considerable time in the past eight years working with wholesalers, retailers and their customers to understand fully what “end users” want.

**“It’s not just about catching the fish anymore. It’s about making sure my end customer gets the best experience possible.”**

From its environmental farming system, to its processing facility, cold chain management and marketing program, Kinkawooka applies innovation and investment to achieve value at every stage of the supply chain through to the end customer.

Using automated harvesting equipment, the mussels are removed from the growing lines, graded and cleaned before being transported to the purpose-built processing facility in Port Lincoln.

Andrew said each step in the farming and packaging process was under strict quality control, where the mussels are carefully monitored to ensure they retain flavour, freshness and quality.

“Value-adding along the whole supply chain has delivered an 80% price premium over commodity mussel prices through the pot-ready product,” Andrew said.



## What have they learned?

By providing a superior product, Kinkawooka has opened doors into some of the best kitchens in Australia.

“We were very focused on delivering quality live, de-bearded, scrubbed and cleaned mussels, and providing a convenient, delicious and first-class seafood experience,” Andrew said.

“We established early that if we talked to people right along the chain, we could learn more about what each group wants.”

Kinkawooka also achieved success by securing their products into leading restaurants and onto menus of some of Australia’s progressive chefs, such as Neil Perry, Kylie Kwong, Cheong Liew and Maggie Beer.

“When top chefs use your products, and talk about them, it filters down to the next tier restaurants, and then into local fish shops and markets, so it all contributes to growing the business,” Andrew said.

**“I want to supply a product to my customers that I would enjoy myself. It’s all about the sweet flavour, so a lot of what we do is based on our own personal tastes and requirements.”**

## Critical success factors?

From the water to the restaurant and customer, quality has become a key point of difference. The business has a strong focus on attention to detail, and understands that a quality brand requires constant development and innovation.

“We have also surrounded Kinkawooka with skilled employees and service providers, and that is invaluable when you want to grow,” he said.

Daily monitoring of the water temperatures, nutrients and mussel condition across all growing areas in Boston Bay, ensures that only mussels in premium condition are harvested.

Processed within hours of harvest, the quality of the mussels is captured through a combination of traditional handling and contemporary technology.

**“At every step, the culinary quality and suitability of the mussels is the focus.”**

He said the company’s website, offering information, recipes and feedback, had been a very accurate way of gathering marketplace data, as had in-house tasting sessions and having the product used on television cooking shows.

## Challenges?

Ten years ago, mussels were not considered an appealing option for most chefs or cooks, due to the large amount of cleaning and preparation time required.

Kinkawooka identified this problem, and found a way to get clean mussels into kitchens across the country. The company's research and development into new processing and packaging techniques has resulted in improvements to shelf-life and quality, and clearly expanded the exposure and acceptance of mussels as a genuine seafood alternative.

"Extending the shelf life of the product was something that we have spent a lot of time on, because that is vital in being able to send it into regional and remote areas," Andrew said.

"We have tried a wide variation of packaging options and testing to get a longer shelf time, and it's something that we will be looking at as we expand our range."

## What does this case study show?

Through creating demand for Australian mussels, Kinkawooka has invigorated growth in this industry and put them consistently on menus across the country. It has developed a brand and customer loyalty through a strong in-market team, focused on developing relationships, educating customers and promotional concepts.

By talking directly to their customers, and responding to their needs, Andrew believes the company has created a "pull-through effect" – where "end users" are demanding more product from their suppliers, and where wholesalers and retailers then seek more mussels from Kinkawooka.

"When we have our wholesalers coming back to us saying that their customers want more, it really shows how well the product has grown in popularity over the years," Andrew said.

"We also know that quality is king. Our customers are vital and we need to make sure that they get exactly what they want, every time."

## The next step?

Kinkawooka is in the process of expanding its product range, and tapping into new markets throughout Australia as well as identifying export opportunities.

"We have our 'hero' product in the mussels, so now we want to be able to offer our customers a 'mixed basket' option, where we can bring in other products," Andrew said.

"I am hoping we can bring the new products in behind the Kinkawooka brand, such as our oysters, prawns and cockles, and continue to develop the business, and offer a bigger range to our customers."



## Food in SA – A snapshot

Food is vital to South Australia's economy.

The agrifood industry currently contributes \$11.5 billion to the state's economy each year – and accounts for 145 000 South Australians jobs.

The majority of South Australian food industry businesses are small to medium operators.

Agri-food products contribute approximately 25% of exports from South Australia. Wine exports add a further 25%.

South Australia's major export markets are Japan, USA and Hong Kong - with products such as Meat, Seafood, Fruit and Cheese on tables and kitchens worldwide.

Under the South Australian Food Plan – which underpins the future development and growth of the State's food sector – a key target is to increase the value of finished foods by 8% per year.