

MARKETING CONSIDERATIONS

Fish and seafood products are in demand across Russia, and there is ample room on local markets for increases in both the quantity and variety of fish and seafood products available. Canadian firms might examine exporting both processed products and raw materials for further processing. The Canadian Embassy in Moscow expects that demand for frozen and salted fish, as well as various kinds of canned products, will be strong throughout the Russian market.

It is difficult to prioritize species with respect to demand in the domestic Russian market, but species from inland reservoirs are in great demand (carp, zander, pike, trout, sturgeon). Most of these species are somewhat scarce at the present time, and thus potential exists for satisfying demand through imports from Canada.

Cod, herring and salmonids are the preferred species with Russian consumers. Lately, Alaska pollock has captured a significant share of the domestic market. Canadian fish and seafood exporters should realize that a large demand exists for low- to medium-priced products, because domestic Russian production is insufficient.

Salted herring imported from Iceland and Norway has been sold into the Russian market for many years. Russian consumers have a large appetite for salted herring, thus Canadian firms may be able to exploit marketing opportunities for this product. In addition to salted herring, canned and preserved herring products with various supplements and sauces are also popular with Russian consumers. From a general pricing standpoint, imported herring products are usually double the price of similar domestic Russian products.

High-End Market

With the increasing size of the expatriate community and the Russian nouveaux-riches, combined with the influx of tourists and business visitors to Moscow and St. Petersburg, a number of "Western-Style" stores and restaurants have emerged. Many of these stores and retail outlets are selling imported foodstuffs, including fish and seafood products.

Since January 1, 1994, all cash transactions in currencies other than the ruble are illegal. To cope with a devaluating currency and to avoid having to re-price their merchandise too frequently, most of these stores denominate their prices in U.S. dollars, with the total bill converted in rubles at the cash register.

Based on sales at the "Western-Style" stores, the demand for the following fish and seafood products has increased: cod fillets, flounder fillets, shrimp, lobster, and molluscs. Compared to the total volume of fish and seafood products consumed in the Russian market these sales are small, however, this demand represents an emerging niche market demand which can be captured through effective marketing of Canadian products.