



Recommended Pricing Strategy and Positioning

PRICE

Growing the market for Alaska kelp
2024



**What is the most strategic
B2C and B2B pricing and
positioning strategy for
Alaska kelp products?**

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This deck is part of a broader suite of resources that supports the [Alaska Kelp Food Roadmap](#).

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1 Executive Summary



Despite significant supply chain challenges, all eater segments and B2B stakeholders have a high willingness to pay for Alaska products, so leveraging **premium positioning** can be an **effective scaling strategy** until the pricepoint of Alaska kelp comes down.

1. Supply Chain Challenges

Current supply chain challenges, including **low production volumes, lack of processing infrastructure and high cost of production**, make it difficult to compete with Asian imports.^{1,2,3}

2. High Quality & Premium Perception

Target audiences perceives Alaska kelp as **high quality and premium**, a claim validated by established CPG seaweed condiment brands already offering it.^{1,2,3,4}

3. High Willingness to Pay

As a result of the **Alaska brand power and all segments'** perception of Alaska products as premium, eaters and B2B stakeholders **show a high willingness to pay** for Alaska kelp products compared to similar Asian products or similar products competing in the same category.^{1,2,3}

As prices decrease over time, we recommend transitioning towards more affordable options that can compete with Asian applications, and addressing concerns around affordability — **a top barrier for both segments.**^{1,2,3}

2 Supply Chain Challenges Make It Difficult To Scale

Currently, the industry faces an inability to produce large volumes of kelp at low costs.

Current barriers to growth include:¹

Limited drying infrastructure

Difficulties in shipping fresh kelp to the Lower 48

Low production volumes

Strong competition from lower-cost Asian imports

"Being able to increase the drying capacity will be huge to expand the market."

- AMC Marketing Stakeholder Committee member

"There is not an established value chain in Alaska for producing value-added products. Primary stabilization is a barrier in communities – all the steps after that are a challenge."

- AMC Marketing Stakeholder Committee member

3 High Willingness to Pay Because Alaska Kelp is Perceived High Quality



Established Kelp Eaters

Consumers are willing to spend between \$7-10 per CPG product.³ This is significantly higher compared to similar retail products featuring Asian kelp, like furikake kelp seasoning (\$4/2-oz container), and other products from the same category, such as grain-free chips (\$3/serving). Additionally, in our primary research, eaters perceived Alaska kelp as fresh, organic, high quality, and premium.⁴

“Definitely zone in on the Alaska thing, how it's unique. Try to make it seem a little bit, like, exclusive.”⁴

- Established Kelp Eater | FCL Validation Survey 2024



Alaska Visitors

This segment are **high-income eaters (around \$117,000 per year)³ who value the Alaska halo and are willing to pay more for elevated local dining experiences and exclusive CPG souvenirs.** 80% of Alaska Visitors say dining is their top activity, spending on average \$300 per person per trip.³ Additionally, there is a strong perception of Alaska kelp being unique and special, which increase the willingness to pay.

“It looks unique and very appetizing and healthy.”³
- Alaska Visitor | DScout Mission 2024

4 Eaters are Willing to Pay More for Alaska Kelp Compared to Asian Imports and Similar Products from the Same Category in CPG

Product Category	All Eaters' Willingness to Pay for Alaska Kelp Products	Comparable Products in the U.S. Market*
Pickles	\$8-9	Bread and Butter Pickle Chips (\$7-15 per 16-33 oz) Grillo's, Claussen, Bubbles
Sauces	\$5-\$13 <i>*Marinara sauce presents the highest willingness to pay and Salsa the lowest.</i>	Mild Salsa (\$3-7 per 10.5-15.5 oz) Late July; Siete Hot Sauce (\$3-10 per 8-12 oz) Cholula, Siete, Tabasco
Condiments	\$7-8	Dried Kelp (\$5-6 per 2-4 oz) Ocean's Halo; H-Mart
No Fish Broths	\$6-7	Kombu Umami Broth Powder (\$4-13 per 1-2 oz) Muso; Marushima; Uneno
Seasonings	\$8-9	Kelp Seasoning (\$5 per 1.5 oz) Maine Coast Sea Vegetables; BRAGG
Snacks	Established Eaters: \$5.74 Alaska Visitors: \$10.17	Seaweed Snacks (\$3.29-5 per 2 oz) Trader Joe's; Gimme; Ocean's Halo
Noodles	Established Eaters: \$9.70 Alaska Visitors: \$15.53	Kelp Noodles (\$4-8 per 12-16 oz) Sea Tangle Noodle Company; Gold Mine

! *Either non-kelp from the same Product Category and/or kelp-based featuring Asian or non-Alaskan US species*

5 All Eaters are Willing to Pay More for Alaska Kelp in Foodservice

Eaters are willing to pay a premium for kelp dishes in foodservice compared to the current market price of kelp dishes from other U.S. regions or global sources. Alaska visitors, in particular, are willing to pay more than established kelp eaters, which aligns with our previous findings.

Current Foodservice Kelp Dishes (featuring kelp from other sources)	Eaters' Willingness to Pay (for Alaska varieties)
Kelp Noodles (Side) (\$5 per serving) Sweetfin; H-Mart	Established Eaters: \$9.70 Alaska Visitors: \$15.53
Kelp Rice/Noodle Salad Bowl (Main) (\$13-19 per serving) Café Gratitude; True Food Kitchen; Erewhon	
Kelp Wakame Salad (Side) (\$5-9 per serving) Sweetfin; Asiana Café; Blue Ribbon Sushi	Established Eaters: \$9.58 Alaska Visitors: \$12.50

6 B2B Stakeholders Validate Premium Pricing for Alaska Kelp

B2B stakeholders are willing to pay a premium for Alaska kelp for three key reasons:

1. Alaska Origin: The Alaska label signals a high-quality product, justifying premium pricing.

2. Proven Consumer Buy-in: Established brands have validated high willingness to pay for Alaska kelp in comparison to Asian imports.

3. Fair Compensation: Premium pricing supports fair pay for farmers and aligns with demand for socially sustainable, ethically sourced products.

“Any time that you can throw the word ‘Alaska’ on a product, I think you're gonna find that consumer-based idea that it is gonna be more premium.”

- Alaska seafood restaurant brand owner

“When we started our company, the first thing we wanted to test was whether people would pay a premium for West Coast or Alaska seaweed over Asian-imported seaweed. We found that they would, and that’s why we continued with our business.”

- CPG seaweed condiments brand owner

“For us, it's understood that locally and sustainable sourced, and products with claims like organic, do drive a premium price.”

- Large CPG multinational business developer

7 APPROACH

SOURCES

+150 National and International Kelp Products and Dishes (websites and top U.S. supermarket immersions)

18 Datasets (SPINS, Mintel, Datassential, Nielsen, etc.)

Established Eaters Needfinding Survey (n=296)

Exploratory Segments Qualitative Study (n=60)

Established Eaters Validation Survey (n=246)

Alaska Visitors Validation Survey (n=200)

Interviews with B2B stakeholders (n=14)
(e.g., R&D chefs, including an Indigenous chef; CPG brands; large distributors; and food historians)

Find the full bibliography: [here](#)

Identified

average pricing for kelp concepts across product categories. Compiled data on brands, product formats, pricing, narratives/branding into a comprehensive market landscape database.

Confirmed

consumer willingness to pay for different prioritized concepts through quantitative validation research.

Analyzed

demographics and buying behaviors for prioritized eater segments to identify average annual income and food expenditure, contrasting data with current market.

Synthesized

eater insights and market data to build recommended pricing strategy.

Validated

premium pricing with B2B stakeholders across identified channels where consumers are expected to purchase Alaska kelp.

THANK YOU!

Questions? Please contact us at:
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Visit the [Southeast Conference website](#) to access the Roadmap Resources Hub