

Retail Seafood
A New Paradigm

Howard M. Johnson

H.M. Johnson & Associates

Retail Seafood: A New Paradigm

Agenda

- **Supply Trends – Where will our seafood come from?**
- **Consumer Trends – What do consumers want?**
- **Retail Trends - Back to the Future.**
- **New Product Opportunities**

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Howard M. Johnson

- 25+ years in the industry
- 12 years in market research/strategic planning
- Co-founder of Simply Seafood magazine
- Frequent traveler/speaker
- Publisher: Annual Report on U.S. Seafood Industry
- www.hmj.com www.fishjobs.com
- Howard@hmj.com

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Seafood Supply Trends

- U.S. wild catch is declining
- Imports increasing
- Aquaculture playing more important role
- Role of the Internet??

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Supply Trends – More and Less

Winners

- ✓ Catfish
- ✓ Salmon
- ✓ Tilapia
- ✓ Shrimp

Losers

- ✓ Atlantic cod
- ✓ Orange roughy
- ✓ Flatfish
- ✓ Lobster

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Supply – How Retailers Will Cope

- Flexibility
- Must have good intelligence
- Need to educate their customers
- Substitute like taste profiles
- Build programs around the basics
- Build solid supplier relationships

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Consumer Trends – What Will Consumers Want?

- Taste
- Perceived value (quality/price)
- Added Value (convenience)
 - Heat and eat
 - Sauce/marinade
 - Stuffings, dips
- Information
- Variety

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Consumer Issues

- Health
- Eco Labeling
- Natural
- Organic

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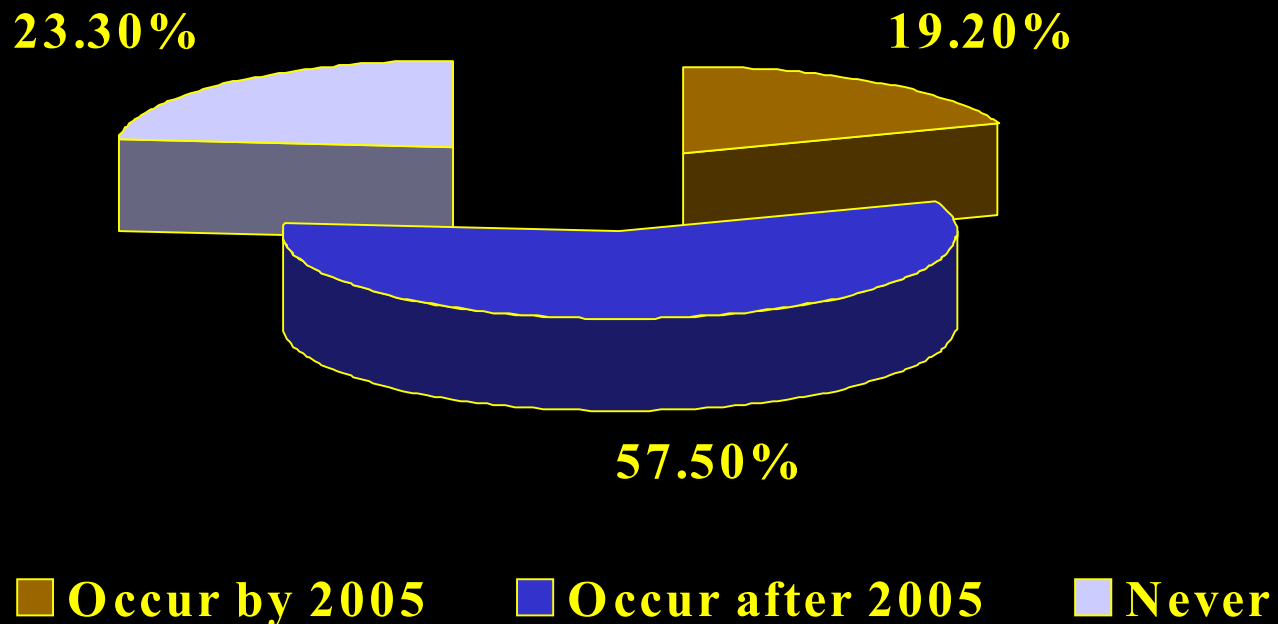
Retail Trends

- Shift toward self service
- Increase in value-added products
- Increase in case ready
- Growth in natural/organic labels
- Role of the Internet?? Home delivery?

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Retail Trends – Value Added

Will account for 25% of seafood department sales (now 5%)

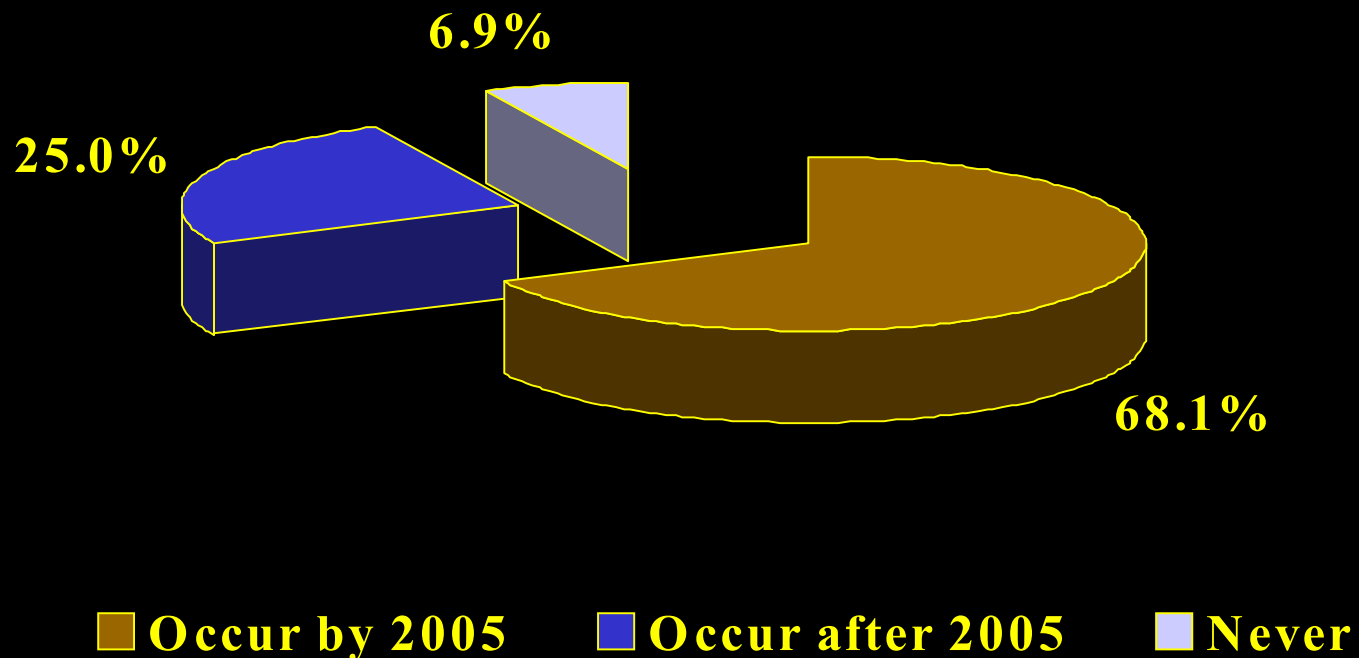


Source: Vance Research Services

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Retail Trends – Case Ready

Volume of case-ready seafood will double

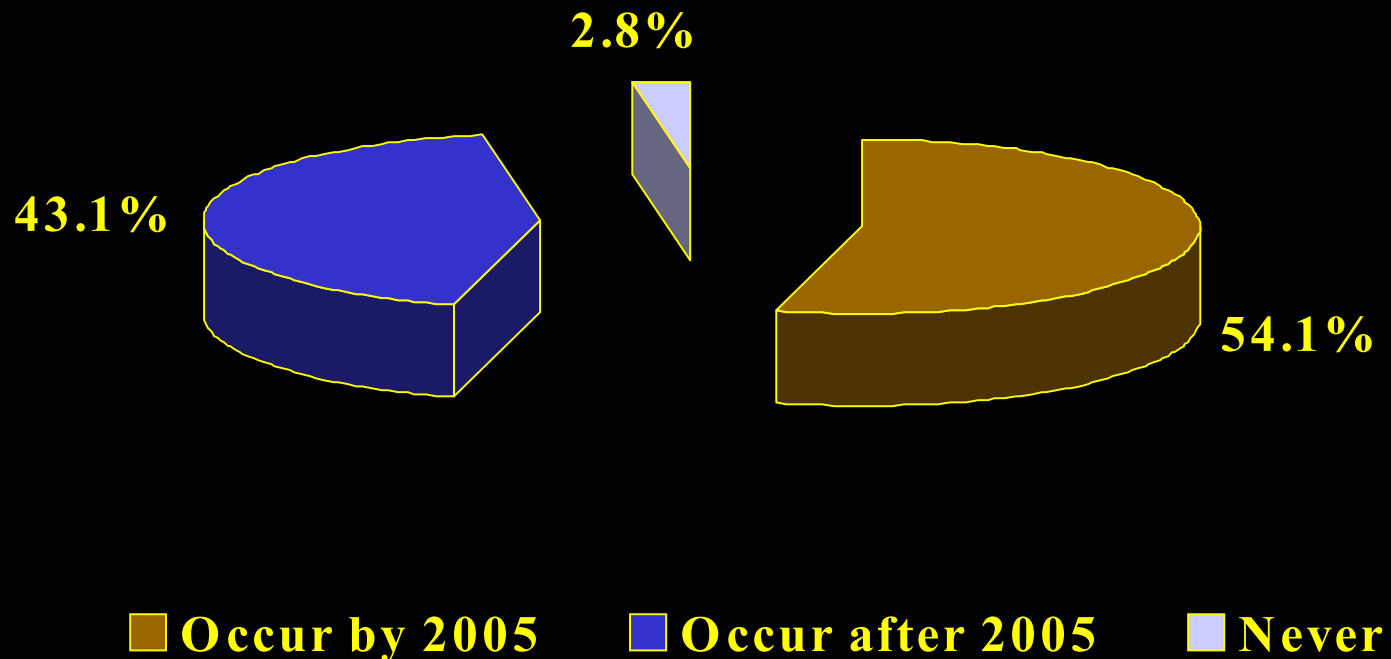


Source: Vance Research Services

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Retail Trends – Aquaculture

Farm-raised seafood will account for 30% of sales (now 10%)

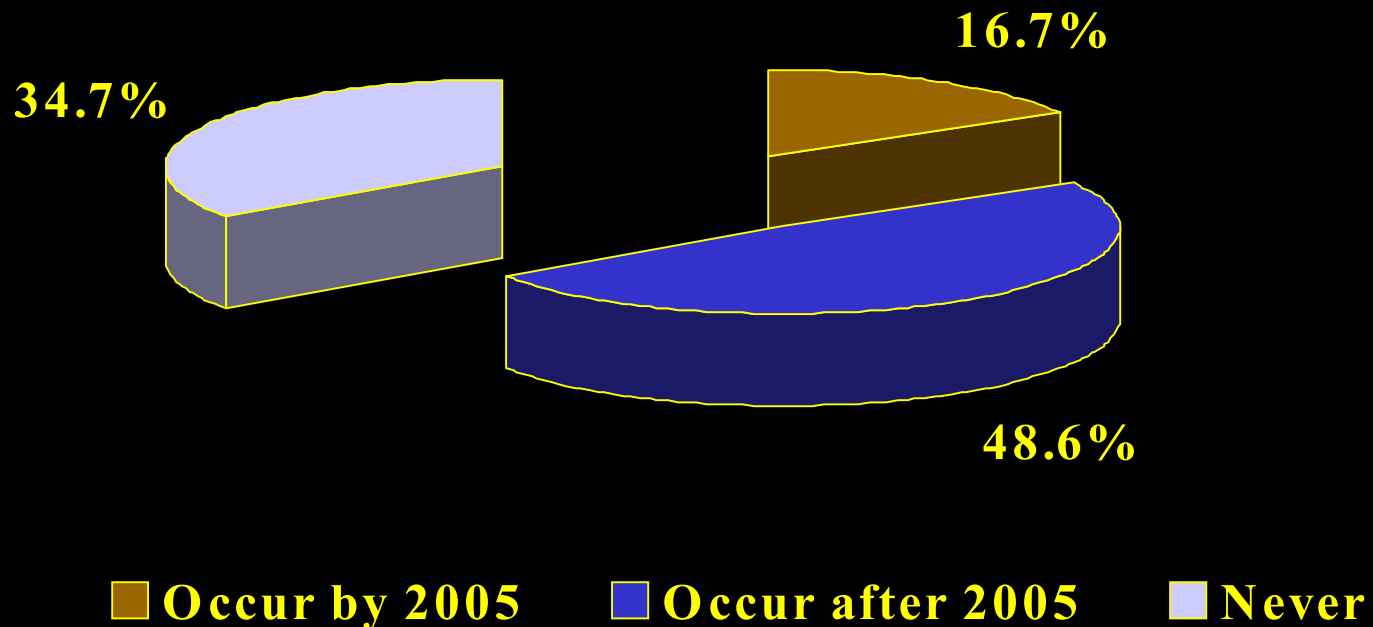


Source: Vance Research Services

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Retail Trends – Natural/Organic

Volume of “natural” or organic products will double



Source: Vance Research Services

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Self Service – Multi-Tier Display



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Self Service - Information



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Self Service – 12 ft = 60 Items



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Self Service - Information



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Self Service – 5 ½% of sales!



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Value-Added Products

- Crab cakes
- Salmon burgers
- Artichoke crab parmesan dip
- Smoked salmon
- Oysters Rockefeller*
- Smoked salmon pasta salad*

***Supplied by local caterer**

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New Opportunities

- Branded items
- Resurgence of canned seafood?
- Restaurant quality
- Seafood as an ingredient
- Reaching the consumer via the Internet

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Conclusion

Self Service

Case Ready

Value Added

