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

<table>
<thead>
<tr>
<th>Winners</th>
<th>Losers</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Catfish</td>
<td>✓ Atlantic cod</td>
</tr>
<tr>
<td>✓ Salmon</td>
<td>✓ Orange roughy</td>
</tr>
<tr>
<td>✓ Tilapia</td>
<td>✓ Flatfish</td>
</tr>
<tr>
<td>✓ Shrimp</td>
<td>✓ Lobster</td>
</tr>
</tbody>
</table>
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Supply – How Retailers Will Cope

• Flexiblity
• 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

25.0%

6.9%

68.1%

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