

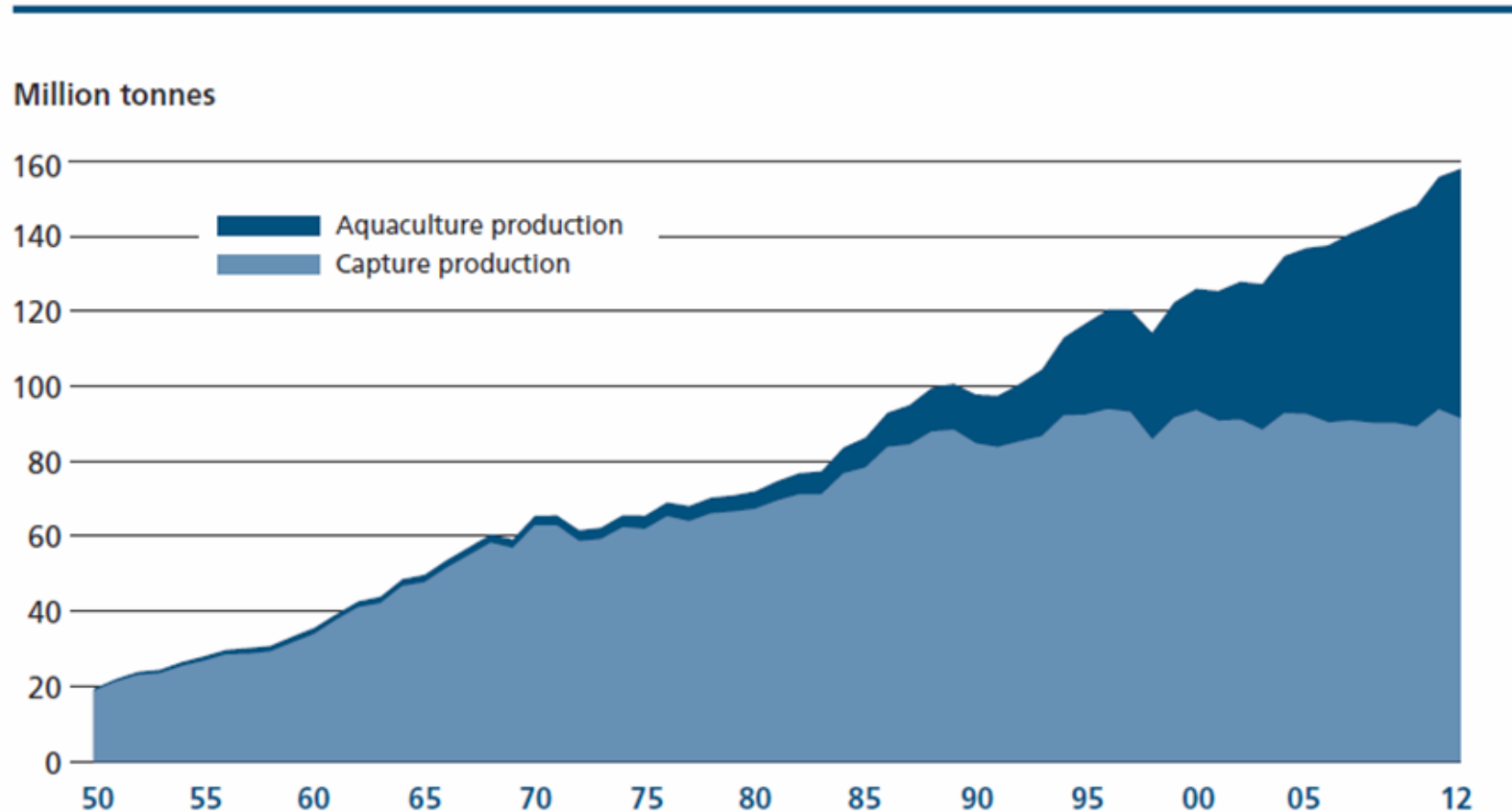
Competition, trends and critical success factors for new aquaculture species

22 February 2018, Gemma Tacke



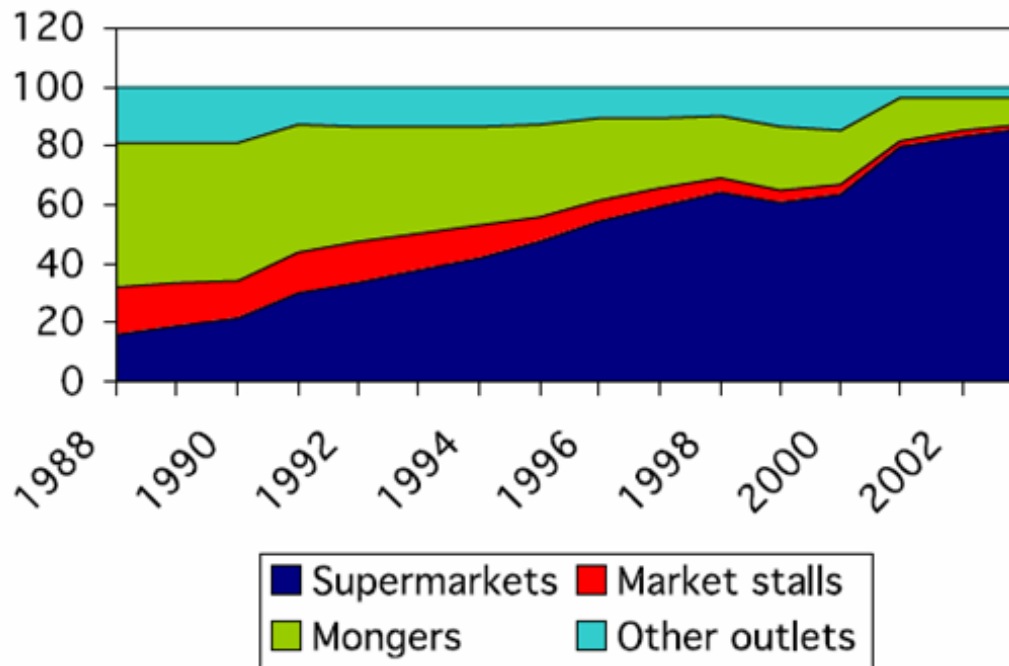
Sea food production is changing

World capture fisheries and aquaculture production



Sea food buying is changing

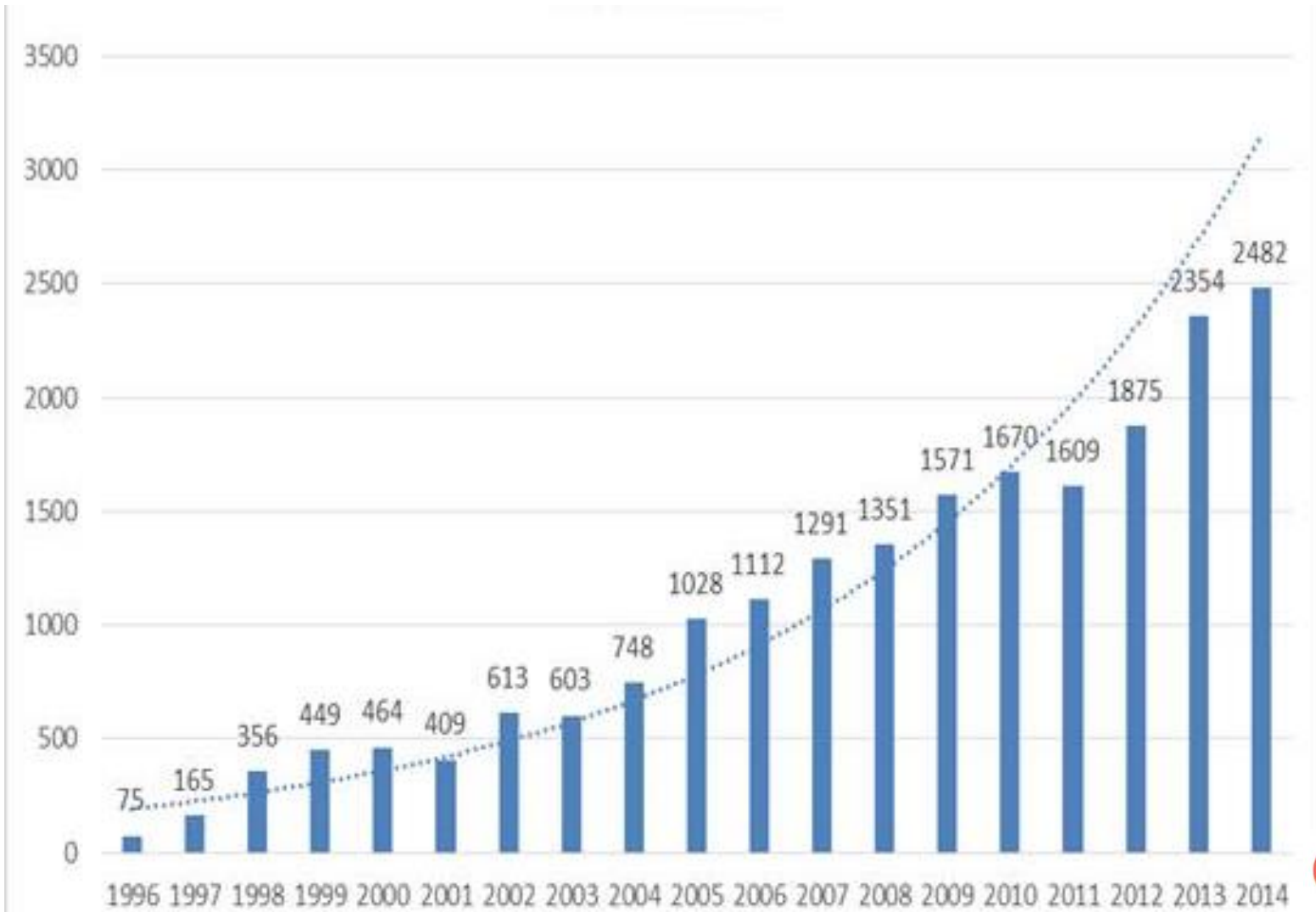
Seafood retail is changing:
Market share by value of fish retail in the UK, 1988-2003



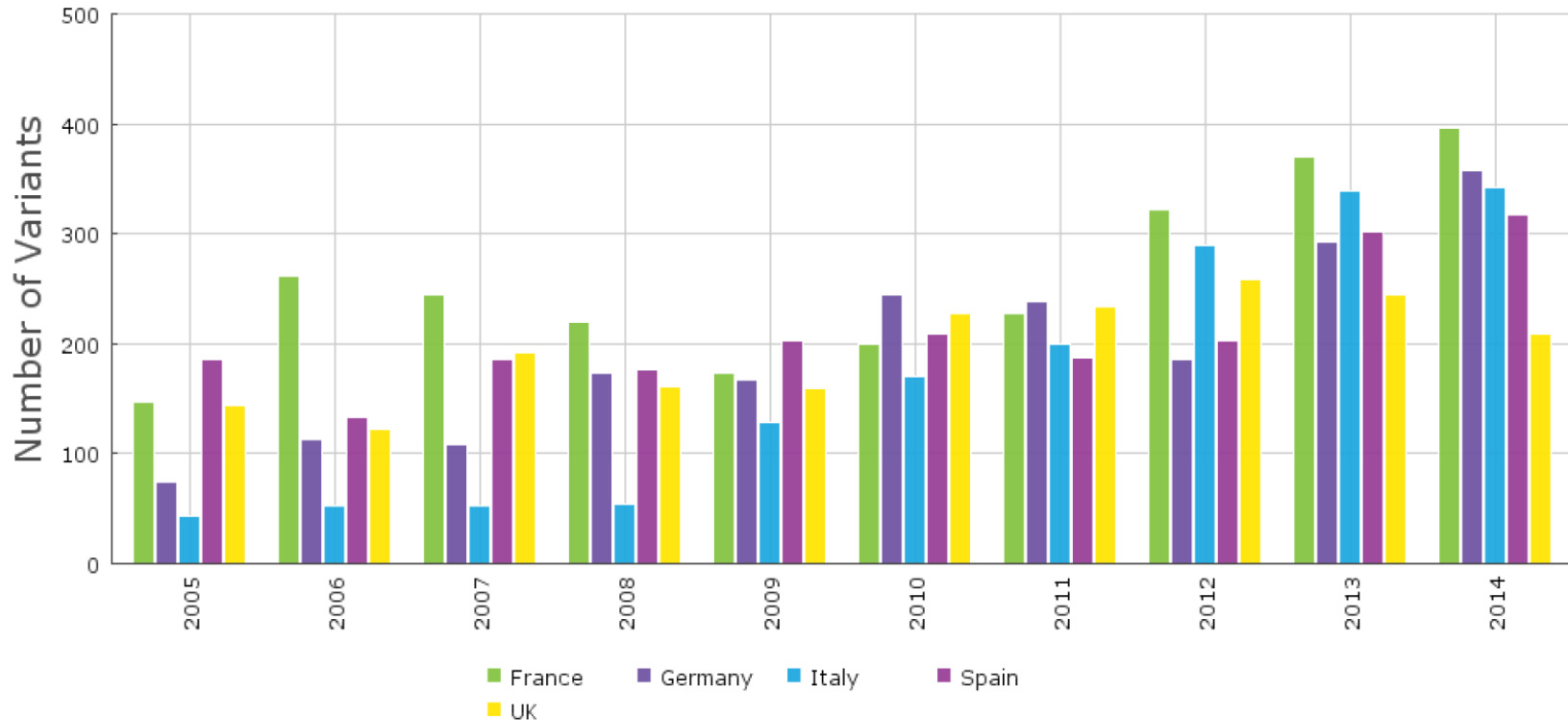
Source: Sea
Fisheries Industry
Authority (SFIA)

Number of new fish products launched in the EU market

Source: Mintel GNPD-database, 2014



Fish product launches per year for the selected 5 EU countries



10,245 products

Source: Mintel GNPD-database, 2014

Sea food consumption is changing (1)

- % of income spend on food has declined in most countries due to the crisis, but this will (partly) recover
- Tuna, cod, salmon and shrimps are most consumed across the EU. The fish market for flatfish and small pelagics is saturated but market needs for shrimps, groundfish, salmonids and tuna are not satisfied with local production/catches.
 - Good filets and hardly any or easy bones
- Northern EU countries eat more processed fish than southern EU countries, but this changes rapidly now market shares of supermarkets are growing for fresh products in the southern EU.
- Minorities grow faster than locals in most countries, so ethnic developments change the eating habits and assortments in supermarkets.

Sea food consumption is changing (2)

- Personal well-being and (health) impact are growing motives for food choices.
- Price quality relationships have become a leading buying motive due to the crisis
- Increase of fresh fish assortment in supermarkets
- Concentration in sea food consumption areas is fading out to other areas due to increasing high quality availability in supermarkets and hypermarkets all-over the countries
- Increasing demand for value added products like marinated fish
- Saturation of the protein market in the EU. Growth can only be reached by defeating the competition.

In favour of the new species

- Government programmes support fish intake, since
 - fish is perceived as more healthy than meat, or
 - higher fish consumption is stimulated from a more varied protein consumption perspective
- Aquaculture is perceived as more sustainable than wild catch
- Aquaculture of these new species can bring employment in regions with high unemployment
- Increasing world wide demand for proteins, which might increase the price for fish products
- Consumers decrease meat and meat product consumption for health reasons (WHO advice)

Competitive analysis (Porter's five forces)



Competitive analysis

- Grey mullet has large dormant market potential all over Europe.
- Greater amberjack is unique; it can be seen as an addition to the current assortment or too different
- Meagre has to compete with other white fishes in the market. Market development to be started in southern countries with nice recipes.
- Atlantic halibut has strong demand and reputation. Market development to be started in northern countries with nice recipes
- Pikeperch has already a market position to be grown out coordinated.
- Wreckfish is too unknown and competitors have to be identified

Points of attention ...

- The protein market in the EU is nearly stable, only in emerging countries growth of protein intake is to be expected
- Competition on protein sources will increase, since soy and milk based meat substitutes come in the market with large promotion budgets.
- Certification is a requirement for buyers. Per buyer the requirements are different, these are not country dependent but party dependent
- Most fish species are not well-known. So before market introduction the species have to be positioned in relation to other fish species
- Consumer think in terms of recipes, so development of recipes is very important

When will these 5 species be a success?

- What ultimately determines the success for new fish species is:
 - providing products that offer advantages that meet consumers' different needs,
 - The species can rely on a positive image and
 - Gaining fast a strong market position based on cooperation between suppliers, the industry and retail

Please, feel free
to ask your
questions

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