Competition, trends and critical success factors for new aquaculture species

11 July 2018, Gemma Tacken
Sea food production is changing
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

Source: Mintel GNPD-database, 2014
Sea food consumption is changing (1)

- Low % of income spend on food
- Good filets and hardly any or easy bones
- Northern EU more processed fish, southern EU countries more fresh fish
- Minorities grow faster than locals in most countries
- Health is getting more important
Sea food consumption is changing (2)

- Price quality relationships leading buying motive
- Increase of fresh fish assortment in supermarkets
- Fish consumption not only at the shores, but also in-land
- Increasing demand for value added products
- 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:
  - 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

- Consumers decrease meat and meat product consumption for health reasons (WHO advice)
Competitive analysis (Porter’s five forces)
Business model Grey mullet (smoked thin fillets)

**Partnerships**

- Technical presentations
- Feasibility presentation

**Key activity**

- Technical presentations
- Middelen (Means)

**Value proposition**

- Farming is environmentally friendly
- Easy to cook
- Versatile
- Premium product: Gonads/Botarga
- Low trophic level
- Intense taste, smoked, salty
- Price level good
- Use country of origin
- Omega3 enhances
- ASC key for German market

**Client relationships**

- Large traditional market
- Large potential new convenience market

**Distribution channels**

- Retailers targeting middle east Islam consumer groups
- Delicatessen category

**Segments**

- Mediterranean muslim ladies know this product
- In other segments this product can be marketed as convenience product

**Cost structure**

- Penetration of the market is already done
- Recipes are already available
- Product is already well-known in main target segment
- Value pricing possible
Business model: Greater amberjack (fish steak)

**Partnerships**
- Technical presentations

**Key activity**
- Technical presentations

**Value proposition**
- Fast growing
- Excellent flesh quality
- High consumer acceptance
- High score in sensory test
- Healthy product
- Environmentally friendly due to fish farming
- Convenience product
- Medium price level
- Country of origin
- Omega 3
- ASC in Germany

**Client relationships**
- Interesting for fresh tuna buyers

**Segments**
Consumers who try new products

**Distribution channels**
- No specific channel, could be supermarkets and specialty stores

**Cost structure**
Feasibility presentation

**Revenue structure**
Product is not well-known in Europe, so first penetration is necessary.
Business model Pikeperch (fish fillet)

**Client relationships**
- Introduction through out-of-home makes it exclusive
- Celebrity support?

**Segments**
- High income groups
- Who are open for New products
- Out-of-home market
- Hedonic consumer
  - With preference for good quality

**Distribution channels**
- Well-known in German speaking countries, then France, then Belgium & Netherlands

**Value proposition**
- Continuous supply
- High quality flesh
- Customizable size
- Unique product
- Recipes available
- Easy recognizable
- Neutral taste
- Low fat
- Use country of origin
- Omega3 enhances
- ASC key for German market

**Cost structure**
- Feasibility presentation

**Revenue structure**
- High price, so upper end of the market
  - Niche product; this is a product with overproduction risk
Business model Meagre (fish burger)

Partnerships
- Technical presentations

Key activity
- Technical presentations

Value proposition
- Farming is environmentally friendly
- Good quality flesh
- Low in lipids and high polyunsaturated fatty acids
- Long shelf life
- Use country of origin
- Omega3 enhances
- ASC key for German market

Client relationships
- Especially targeted to children
- All retailers

Segments
- Burger can be targeted to children

Distribution channels
- All retailers

Cost structure
- Feasibility presentation

Revenue structure
- Due to the hamburger shape it is attractive for children
- Low priced
- Penetration still has to be done
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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