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# Opportunities in Retail Seafood

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## BACKGROUND

**D**espite seafood's strong health benefits, its premium perception and delicious flavor, by all accounts seafood sales at the grocery store are stagnant. Many consumers who enjoy seafood do so only when dining out, citing lack of expertise and confidence to cook at home. And the current retail experience does little to draw them in. For many people, the seafood department is a confusing assortment of sea creatures on ice – whole fish, filets, steaks, shellfish – with no clear communication of the flavor differences (nor the similarities) between varieties: tilapia vs. haddock, salmon vs. trout, dry scallops vs. wet. Currently, there's very little in the retail seafood marketplace that mirrors the merchandising strategy common in the rest of the store: ready-to-heat/eat with recipe and/or pairing suggestions. So if the consumer didn't grow up in a family that regularly bought fresh fish, they're simply not comfortable buying fresh fish because they're not being given the necessary buying cues. As a result, the seafood counter attracts few newcomers. From product offerings to packaging, all elements of the merchandising strategy could benefit from innovation and re-engineering.

In the canned/pouched fish category, too, there's little news. And there are few cues communicated about flavor: how does it taste, how are the varieties different from another, and why is one choice better for a certain application. Here consumers buy on price rather than with their taste buds. Instead, these products are seen as a staple to have in the cupboard, rather than as a center-of-the-plate selection.

We believe there is considerable growth opportunity in the seafood category. This growth will come as a result of engaging new consumers and providing existing customers compelling reason to increase purchasing frequency.

## FUTURE STATE

We envision a revolutionized seafood marketplace, where items are highlighted and prepared in front of hungry customers, tantalizing their palettes just before the dinner hour.

Here, education will be at the heart of all merchandising, starting at the very basic levels of product state. Consumers perceive fresh to be superior to frozen, lacking an understanding of the process of fishing: they don't know that fish is caught and frozen on board. Signs that say "previously frozen" and "frozen at sea" impart two very different messages to consumers regarding freshness, with the latter providing opportunity for richer, more meaningful and positive associations.

Further education about fishing should focus on seasonality and sustainability. For example, "in season" stocks should be encouraged. Maine shrimp, for example, has a clearly defined season when it is fresh and available, and promotion should be similar to the arrival of the season's Beaujolais Nouveau, a newsworthy and celebratory event. Signage at the retail display above each variety of fish showing an enticing, fully prepared fish entrée with easy-to-follow instructions on how it can be prepared for tonight's dinner would prove inviting for many customers.

This new seafood center may not be in the current location of the store, but instead seek to attract new customers by merchandising in an entirely different manner, with different cases, different lighting, different merchandising & signage, different packaging, and different products. Cans & pouches may be merchandised with fresh and frozen fish, allowing an environment that highlights the flavors, rather than the packaging form. Canned fish has opportunity to redefine its use, moving from the pantry to the daily diet. Market research would illuminate insights on the consumer relationship with canned fish and help marketers develop an appropriate – and

compelling – merchandising strategy. All flavor profiles will be celebrated, differentiated and promoted. Chefs may be on site, or the stores may sell chef-designed refrigerated, ready-to-eat products such as take-home gourmet meals made with fresh seafood.

The health benefits of seafood should be highlighted, appealing to the health-conscious and helping them overcome their concerns about cooking fish at home.

There's significant opportunity to deliver on consumer demand for the origin of food, as concerns about safety and interest in provenance continues to heighten. From the crate to the plate, more and more consumers want to know their food's entire travel itinerary. Certainly, retailers adhere to common food safety practices and operate their seafood departments accordingly. And they deliver against the letter of the Country of Origin labeling laws, a government-mandated consumer protection initiative. However, there's more to origin as an opportunity to build brands and customer relationships. Consumers increasingly want to feel more connected to and romanced by the food's sourcing: tell me who caught it, where, when, and what's unique about these waters – and connect me to the lifestyle of the local fishermen.

## APPROACH

The approach to realizing this new state entails three distinct phases, Discovery Cycle, Opportunity Prioritization, and Design & Test, designed to quantify and deliver compelling financial results.

*Founded in 1989, The Moseley Group is a consulting firm to the food & beverage industry. Moseley's offices and Innovation Lab are in Franklin, MA.  
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