SEAFISH

Market Insight Factsheet

Fish & Chips in Independent Fish and Chip Shops (2017)

Market overview:
Independent fish and chip shops remain the largest (and growing) outlet for fish & chip meals, with 103 million servings in the year to September 2017; taking a 54% share of all fish and chip servings in GB foodservice .

This factsheet provides an overview of the performance of fish and chips as a meal in independent fish and chip shops. It includes both long and short term trends, an overview of who, when and why fish & chips are purchased; along with findings from a recent comprehensive consumer study. Together the insight can be used to grow sales.

December 2017

Fish & chips can be considered the pioneer of takeaway food in the UK; thought to have originated around the mid nineteenth century it remains a hugely popular dish today. There is no definitive poll, but fish & chips was ranked as the fourth most popular UK takeaway in January 2017, behind Chinese, Indian and pizza (Paymentsense).

What's happening in foodservice in GB?

Overall, foodservice in GB declined through austerity; from 2007 it took until 2014 before the number of servings returned to growth. Seafood servings followed a similar pattern, taking slightly longer before returning to growth in 2015. Whilst uncertainty following the vote to leave the European Union, coupled with a slowing UK economy, rising inflation and stalling wages hit consumer confidence in 2017; consumers have continued to spend on luxuries such as eating out.

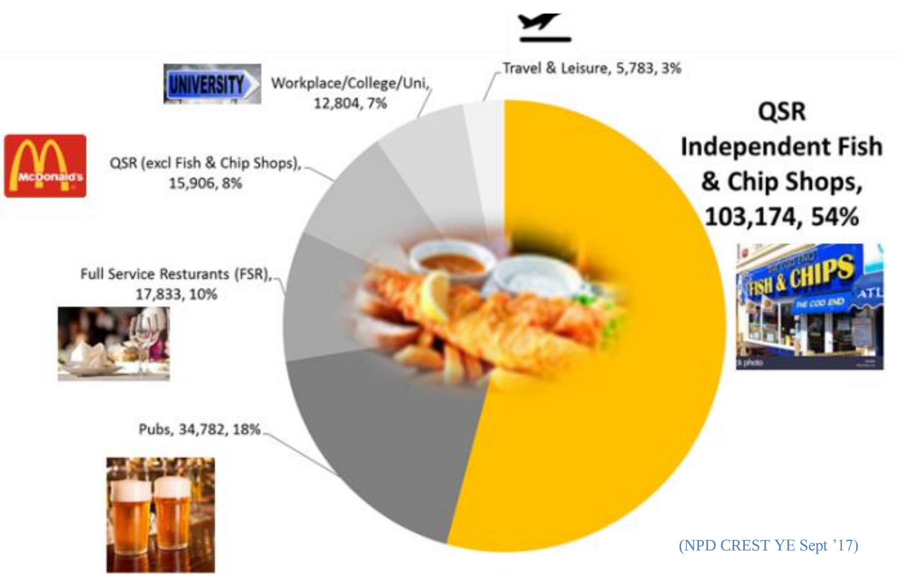
What's happening with fish & chip meals in foodservice?

Overall in foodservice, fish & chip meal servings grew during the first part of austerity in 2007 before they peaked in 2010. A period of general decline followed until 2015 when fish & chip servings began to grow strongly; they have remained in growth to 2017. In the year to September 2017, total fish & chip servings across the whole of foodservice totalled 190 million, up +7.4% from 2009 and up +9% from the previous year.

How fish & chip shops compare to the competition?

Independent fish and chip shops are the largest outlet for servings of fish & chips as a meal, taking a 54% share of all fish and chip servings in GB foodservice. 103 million fish & chip servings were made in fish and chip shops in the year to September 2017. Only independent fish and chip shops and the travel and the leisure channel have grown their share of fish and chip servings vs 2 years ago. The main competition is from the pubs and full service restaurants (FSR) channels, but even added together they are still only selling 28% of all fish and chip servings.

Fish & Chip Servings ('000) Share by Channel 2017



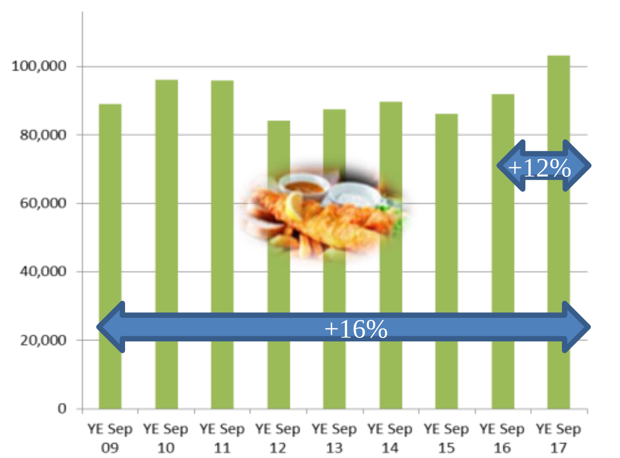
(NPD CREST YE Sept '17)

How are fish & chip meal servings currently performing in fish and chip shops?

The total number of servings of fish & chips in independent fish and chip shops peaked in 2010, followed by a period of decline and variable performance. In 2015 the number of fish & chip servings began to grow strongly and have been in growth since.

Between 2009 and 2017 fish and chip shops out-performed all other channels, growing fish & chips meal servings by 16%. In the year to 2017 fish and chip shops also out performed most other channels, growing fish & chips servings by 12.2%. Such strong growth is undoubtedly driven by the strong value for money proposition and relatively low spend compared to other channels.

Fish & Chip Servings ('000) in Fish and Chip Shops 2017



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Fish & Chip Meal Serving Trends by Channel

Fish & Chip Meal Servings ('000)	YE Sep 09	YE Sep 10	YE Sep 11	YE Sep 12	YE Sep 13	YE Sep 14	YE Sep 15	YE Sep 16	YE Sep 17	%chg 2009 vs 2017	%chg vs Year Ago
Total Out of Home (OOH)	177,146	187,074	185,909	176,835	179,290	173,992	166,493	174,541	190,280	7.4	9.0
Total Quick Service Resturants (QSR)	103,693	112,504	114,785	106,574	107,483	107,702	103,691	107,245	119,079	14.8	11.0
QSR Fish & Chip Shops	88,954	96,127	95,824	84,145	87,577	89,603	86,241	91,970	103,174	16.0	12.2
QSR (excl Fish & Chip Shops)	14,739	16,377	18,961	22,429	19,906	18,100	17,450	15,275	15,906	7.9	4.1
Pubs	31,883	32,102	31,235	31,959	34,238	32,191	29,904	33,045	34,782	9.1	5.3
Full Service Resturants (FSR)	20,210	20,561	22,232	21,200	19,846	17,882	17,199	17,925	17,833	-11.8	-0.5
Workplace/College/Uni	11,137	12,529	10,620	10,682	10,520	9,659	10,065	10,729	12,804	15.0	19.3
Travel & Leisure	10,140	9,296	7,038	6,403	7,188	6,459	5,536	5,599	5,783	-43.0	3.3

(NPD CREST YE Sept '17)

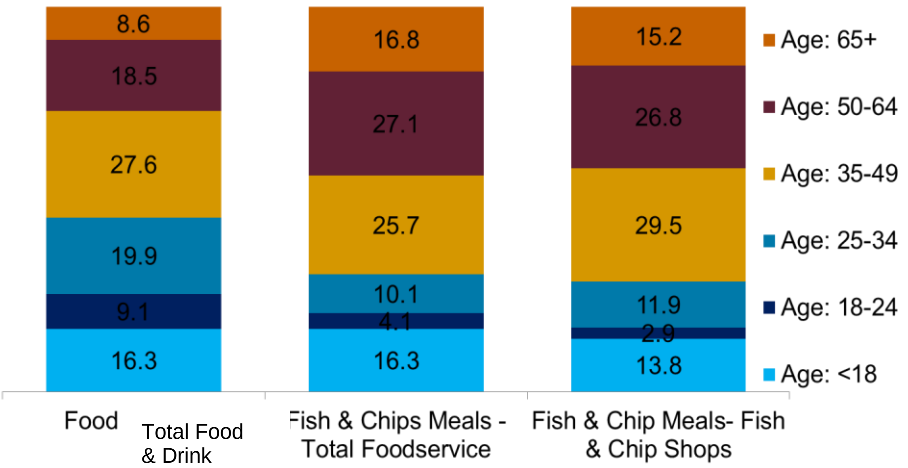
Who's buying fish & chip meals in fish and chip shops?

Consumers buying fish & chips in fish and chip shops have a significantly older demographic than the average foodservice consumer.
In fish and chip shops, the core or largest demographics for fish & chip meals are the 35-49 year olds and 50-64 year olds. Compared to two years ago (Sept 2015 vs Sept 2017), fish & chips meals are becoming more popular with older consumers, with growth in the demographics over 50yrs. Over the same period, the number of younger fish & chip meal consumers has fallen in age groups 35-49yrs and below.

Female consumers are key to fish and chip meal purchases in fish and chip shops, where nearly 55% of purchases are made by women, compared to 50.7% for the foodservice average. Overall, fish & chip meal consumers in fish and chip shops are slightly less affluent than the average for consumers of fish & chips as a meal across all foodservice.

Across all foodservice channels, eating fish & chips as a meal has become more of an adult only occasion than two years ago. But fish and chip shops remain an important channel for family-oriented purchases.

Fish & Chip Meal Servings by Age and Channel



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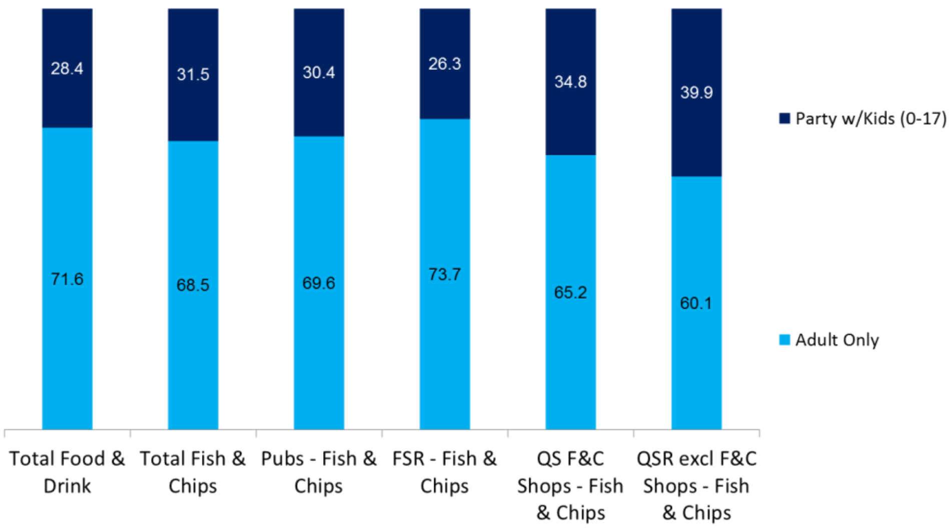
Fish & Chip Meal Servings by Presence of Children and Channel



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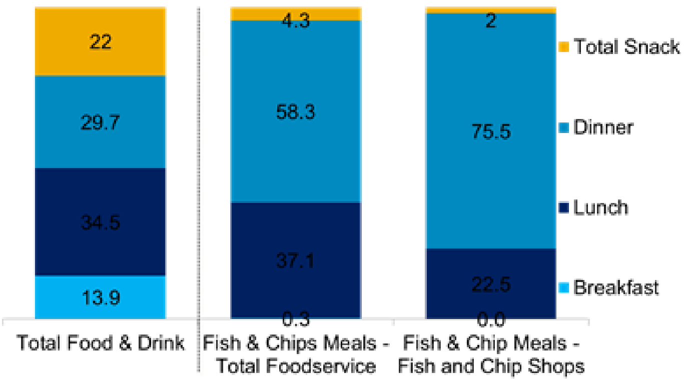
When and why are fish & chips eaten?

Dinner/tea remains the most significant daypart for fish & chips meals in fish and chip shops, taking nearly 76% of servings. However, this daypart has declined along with snacking over the past two years, with lunchtime consumption increasing. This opens up opportunities for smaller portions and lunchtime specials.
Overall, the most popular day for eating fish & chips in independent fish and chip shops is still Friday, followed by Saturday. Compared to two years ago (Sept 2015 vs Sept 2017) there has been growth in Monday and Wednesday to Friday servings, with Sunday and Tuesday in decline

Fish & Chip Meal Servings by Daypart



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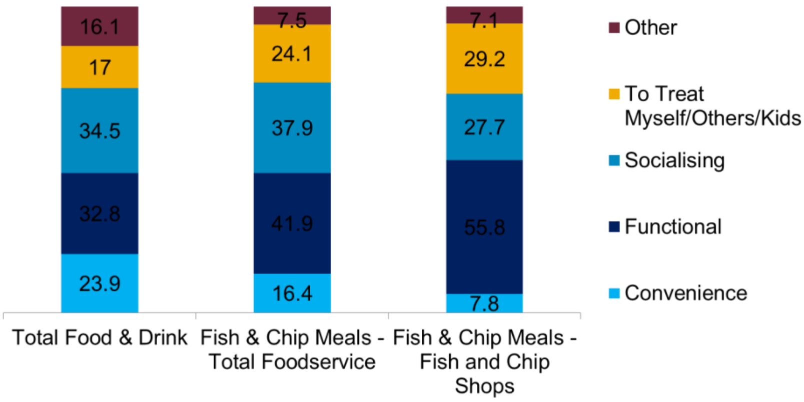
The main reasons for shoppers to purchase fish & chips in independent fish and chip shops is to meet a functional need i.e. 'hunger', followed by as a treat. Treating is the only motivation to show significant growth vs two years ago.

Fish & Chip Meal Motivation % Servings



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How to grow fish & chip servings in fish & chip shops

Building pressure on household budgets may slow down growth of fish & chip meals in fish and chip shops in 2018, as shoppers trade down to cheaper proteins like sausages and burgers to save money. Diners may also be attracted out of the fish and chip shop channel into other foodservice channels which offer significantly more discounts and offers. As competition grows, independent fish and chip shop operators can utilise consumer insight to help grow fish and chip sales. To complement the regular NPD Crest data, a recent comprehensive study has been carried out by Seafish and Campden BRI, in conjunction with 580 independent fish and chip shops and 1501 consumers, yielding insight into portion sizes, nutritional information and customer perceptions. Quality, portion control and choice are key. The findings, practical advice and support material, including downloadable posters and marketing materials can be found on the new portal Enjoy Fish & Chips

ACTON 1: Introduce a Smaller Portion Offer

There are huge differences between the portions served up in the nation's fish and chip shops, which can be confusing for customers. There is an opportunity for many fish and chip businesses to adopt standard-sized portions; making changes to portion sizes doesn't mean proportional changes to the price. By introducing a range of standard portion size options, meals can be served up to suit appetites of all sizes and at different times of the day, to boost income. Making portion sizes more predictable and offering customers more options could make a fish and chip business more competitive.

Portion Survey Findings

- 33% said a greater range of portion sizes would encourage them to eat fish and chips more often. That's more than 17 million people across the UK.
- 45% of consumers would order a smaller portion of chips to cut their calorie intake. Scaled up, that's almost 23.5 million people who are concerned about their calorie intake but still want to eat fish & chips.
- 21% throw away some of their fish, whilst 44% end up throwing some of their chips away because they can't eat the whole amount.
- A portion of medium cod was found to vary from 93g to 562g

- Smaller portions will appeal to the health conscious and cash strapped 18-24yrs demographic and children in the struggling under 18yrs demographic.
- Smaller portions will also be attractive to the significant proportion of female and older 50yrs+ consumers with smaller appetites
- Smaller portions tie in to opportunities around growing snacking and lunch consumption
- Control portion size to control profits, use appropriate scoops and portion control boxes to standardise small, medium and large

ACTION 2: Focus on Health, Quality & Taste:

In the survey, the biggest reason to eat fish and chips more often is if it were healthier. But consumers don't know that fish & chips cooked properly already has amongst the lowest fat content per 100g of all the takeaways, the problem lies in the huge portion sizes. Consumers today are used to getting more information than ever before about the nutritional content of their food. As an industry, we can help them to make informed choices by displaying important nutritional information in-store in a clear and concise way.

Health & Quality Related Findings:

- 72% would prefer their fish and chips cooked in a way that lowers the saturated fat content. That relates to almost 37.5 million people who fish and chip businesses could appeal to if they introduced different cooking methods
- Shoppers expect deals but many are prepared to pay more for better quality, this is echoed in foodservice. The importance of quality was highlighted in 2016 as for the first time in surveys, shoppers prioritised quality above price.
- 62% of consumers would like to see nutritional information displayed per portion size

- Use good quality ingredients. Ensure fish has a consistently high freshness, so it is always good to eat.
- Raising awareness on the relatively low fat content per 100g of fish & chips compared to other takeaways may be an opportunity.
- By letting customers know what cooking methods you are using, you can also help to reassure them that their fish and chips are being cooked with care and with nutritional content in mind.
- Use the online calorie calculator on [Enjoy Fish & Chips] that works out the nutritional content of fish and chips (and/or mushy peas) cooked using a wide variety of different methods and ingredients – such as cooking temperature, cooking time and cooking oil.
- Help your staff learn about the nutritional benefits of fish and chips in our [Toolkit.]
- Promote health benefits of seafood. Fish & chips have one of the lowest typical fat content (9.4g/100g) of any takeaway. Consider using dustings, instead of batter to add flavour and reduce fat content to less than 2% for the fish component.
- Feature sustainability and sourcing credentials where possible.

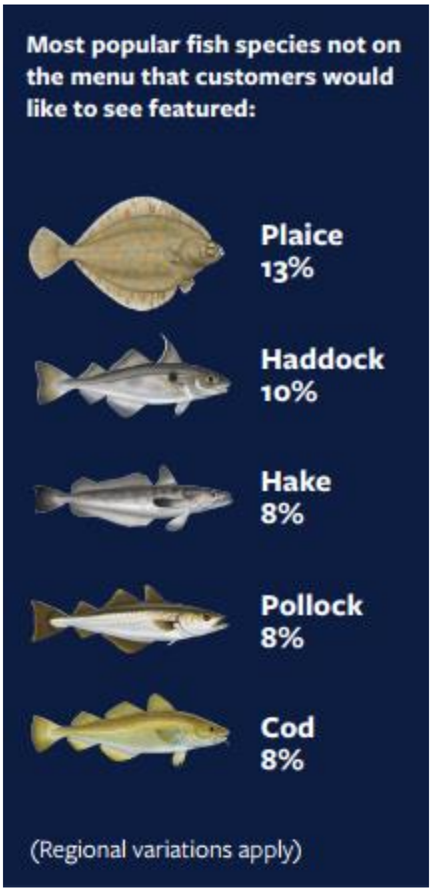
ACTION 3: Consumer Choice

Meal personalisation is a strong trend running through foodservice in recent years. In the survey, many consumers told us that they would be inclined to eat fish and chips more often if they could build their own ideal meal; choosing from different fish species alongside a range of portion sizes on the menu. The way we buy takeaway food is changing, consumers expectations around waiting times have changed, they expect immediate gratification which is driving the growth of home delivery services such as just eat, hungry house, deliveroo, one-delivery etc.,. Fish and chips have a very high functional motivation to purchase (i.e. people are hungry and want to eat now) so it's essential to be linked with delivery partners.

Survey Results:

- Regular fish and chip consumers who eat it more than once a month said that they would like a greater variety of fish species to choose from, with plaice and haddock at the top of their wish list.

- Customers hate waiting, exploit the high functional desire of takeaway fish & chips by minimising waiting time, by queue management or pre ordering
- Independent fish and chip shops have the lowest deal rates of any foodservice channel. Money saving shopper habits developed during austerity are now the norm. Fish & chip sales are strongly biased to later in the week with Friday and Saturday especially strong. Use deals to drive Sunday to Wednesday sales and look for opportunities to build sales in the growing breakfast/lunchtime daypart
- Exploit the growing functional/snacking opportunity with new portable formats, Offer more product choice around trending 'food on the go' or portable formats for fried fish such as wraps, burgers, goujons, bites etc. especially around new formats and deals for children,
- Britishness, nostalgia, tradition and heritage are key levers to increase sales.
- Lever wider foodservice trends with flavoured batters or dustings featuring   street food formats with American, South American and Eastern flavours which are currently on trend or the latest emerging trends for warm and spicy Middle Eastern and Hispanic flavours
- Link with premium brands ie Black Sheep beer batter



Top ‘Takeaways’ for fish & chips in fish and chip shops

- Fish and chips are an important way for shoppers to enjoy seafood in foodservice, with fish & chip meals currently representing around 10% of all seafood servings.
- Independent fish and chip shops are the largest outlet for servings of fish & chips as a meal, taking a 54% share of all fish and chip servings in GB foodservice.
- 103 million fish & chip servings were made in fish and chip shops in the year to September 2017.
- The core age demographic for fish and chips remain the 50-64 and the 35-49 consumers; The 18-24 and 35-49 age groups are an opportunity to target.
- Overall and across all channels, fish and chips are more popular with female consumers. Raising awareness with this health conscious demographic around the comparatively low fat content per 100g of fish & chips compared to other takeaways may be an opportunity.
- 72% of consumers would prefer their fish and chips cooked in a way that lowers the saturated fat content.
- Lunchtime consumption and snacking on fish & chips is increasing in total foodservice. This opens up opportunities for standardising portion sizes including offering smaller portions and lunchtime specials.
- Exploit the high functional desire – minimise waiting. Focus on ‘ready to eat’ & ‘food on the go’ offering minimum mess. Explore portable formats for fried fish such as wraps, burgers, goujons, bites etc.

Data Sources –

(%) values represent change from the previous year unless otherwise stated

- Enjoy Fish & Chips, Web Portal
- Fish & Chips Report Nov 2017, NPD Crest
- Fish & Chips in Foodservice (2017 Update)
- Quarterly Foodservice Reports Q1/Q2/Q3 2017, NPD Crest
- Trials to Determine the Fat Content of Fish and Chips, R Watson 2006
- What is the UK's favourite cuisine (2017) - https://www.paymentsense.co.uk/blog/what-is-the-uks-favourite-cuisine/

More Information:

For the full range of market insight factsheets, covering different sectors of the seafood industry go to the Seafish website - http://www.seafish.org/research-economics/market-insight/market-insight-factsheets

Information and insight is available free of charge for levy paying seafood businesses. Click here to register for the monthly market e-alert and secure report access

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