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THE HUMBER SEAFOOD SUMMIT 2016



**IGD is a global research and training
charity that helps the food and consumer
goods industry**

The background image shows a fisherman in a yellow raincoat pulling a net on a boat at sunset. The sun is low on the horizon, creating a warm, golden glow over the water and the fisherman's gear. The fisherman's hands are visible, holding the ropes of the net.

Economic overview

IGD grocery forecast: Why convenience and online are important

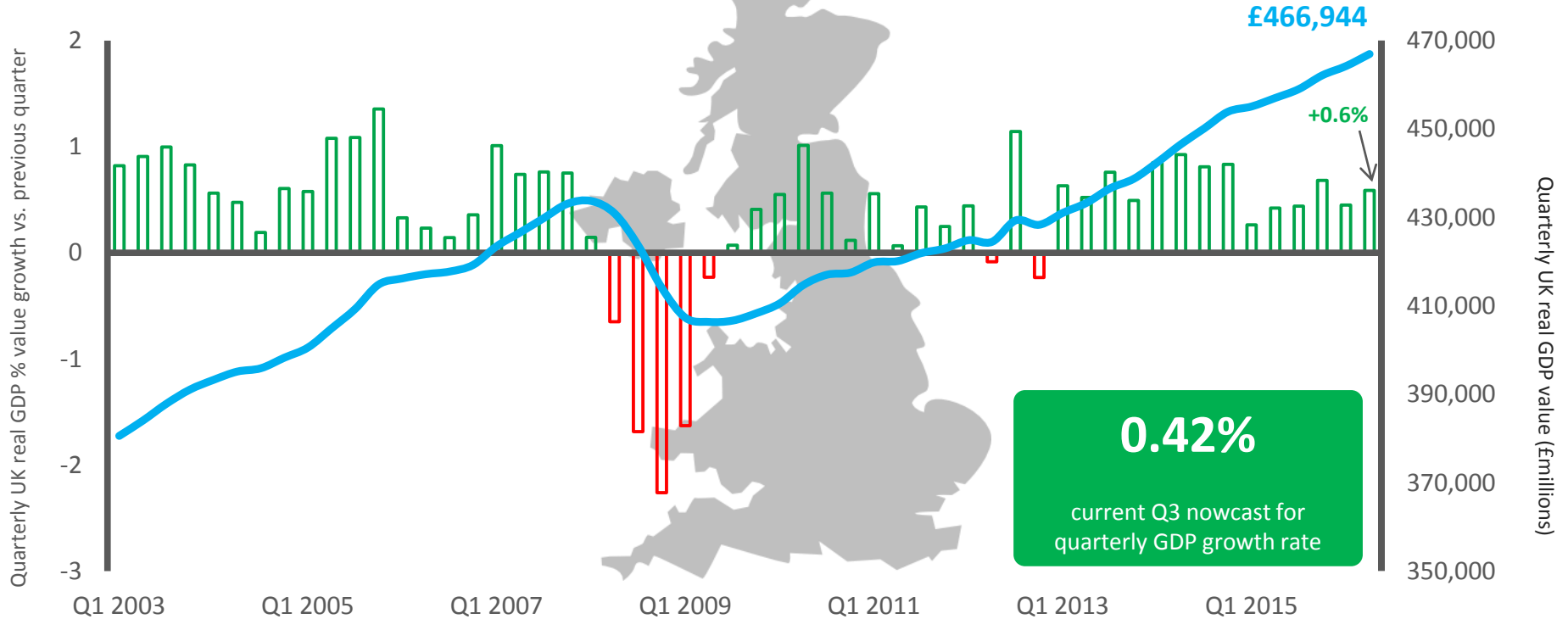
The convenience channel

The online channel



Economic recovery has slowed

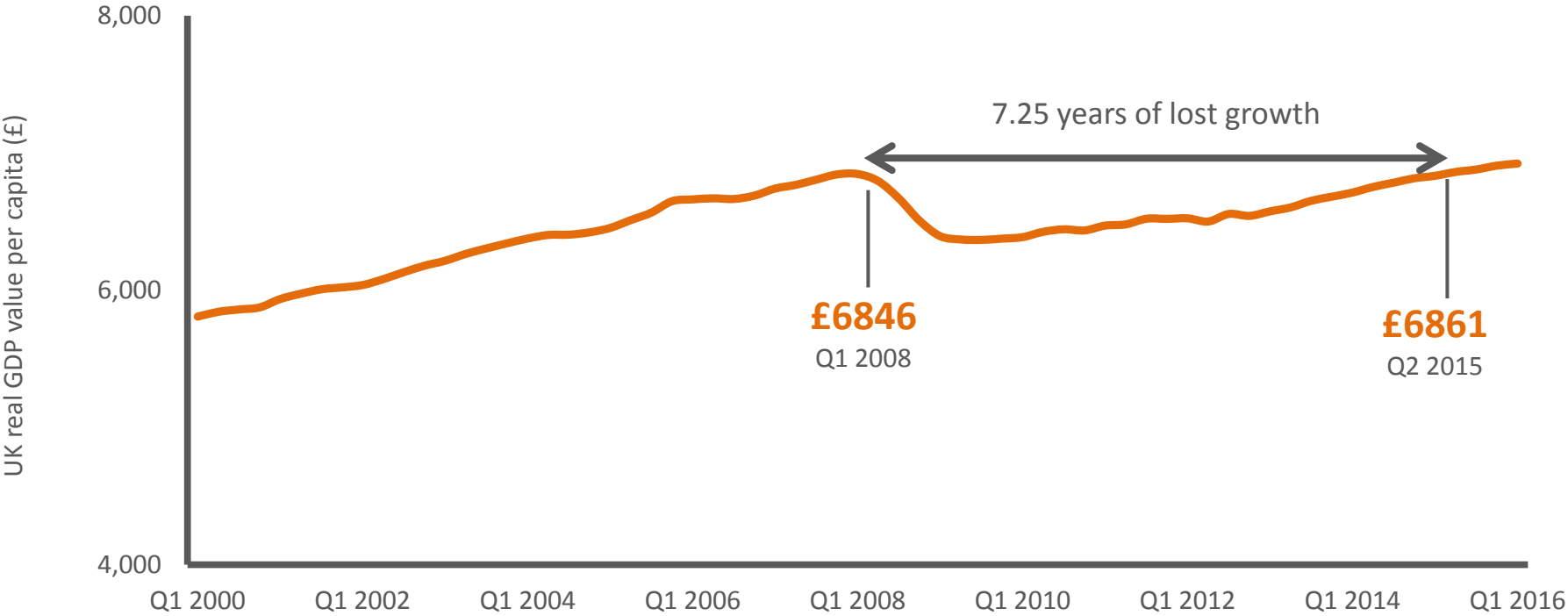
Quarterly UK real GDP value (£millions) and % growth vs. previous quarter



Consumers have felt the effects for even longer



UK real GDP value per capita (£)



Source: ONS September 2016



100% FRESH

Regionally caught from sustainable sources.

100% SCOTTISH

From farmers we know and trust.

Sainsbury's
Try something new today

1.70

45

1.23

1.05

2.49

1.89

1.18

1.89

any weight cut

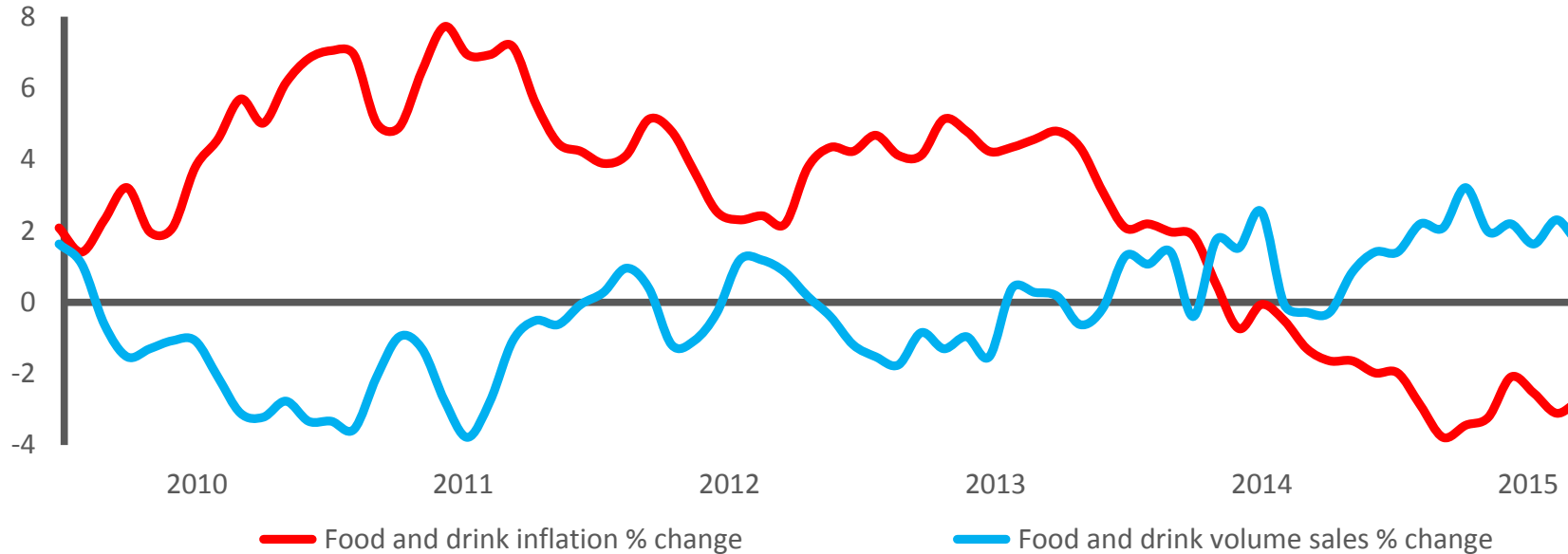
suitable for home freezing

suitable for home freezing

TRIPLE PRICE £4.95

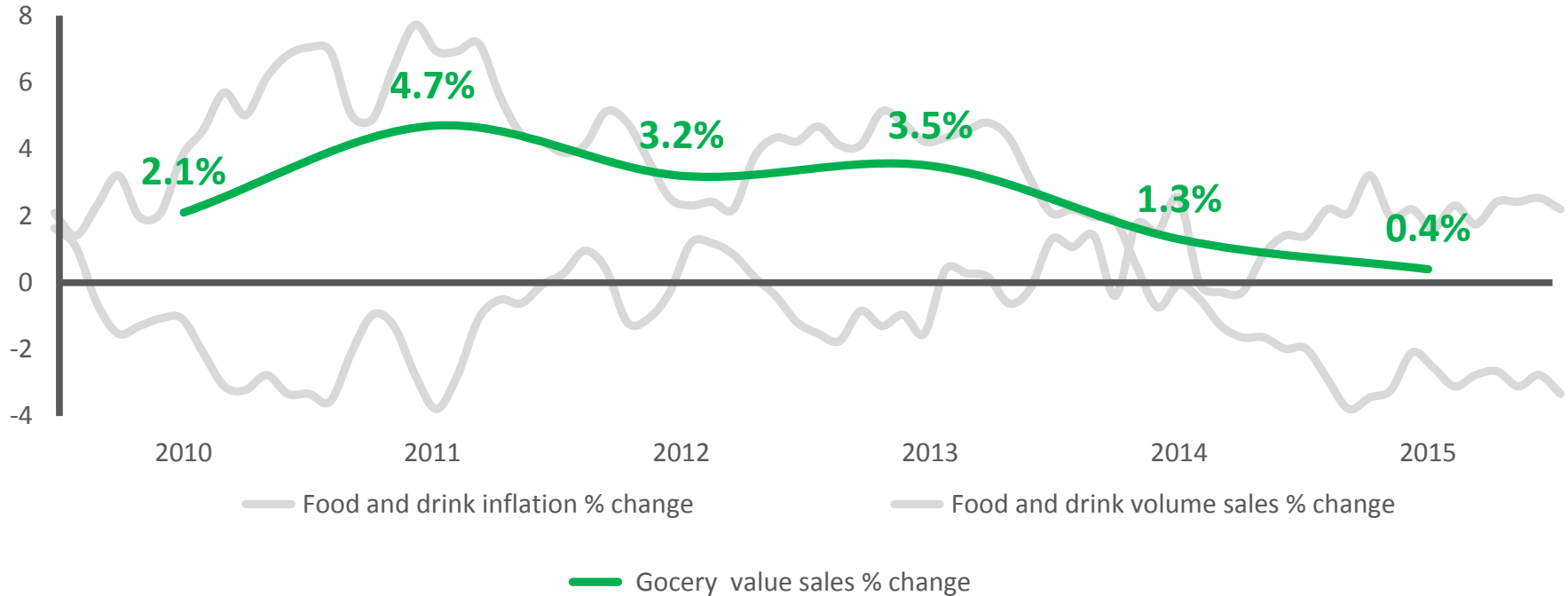
Inflationary pressures saw shoppers reduce consumption

Tracking food and drink % volume sales change and food and drink inflation



Industry growth has decelerated despite volume gains

Tracking food and drink % volume sales change, food and drink price inflation and grocery value sales % change



The background of the slide is a photograph of a fisherman on a boat, pulling a net into the water. The scene is illuminated by the warm, golden light of a sunset or sunrise, creating a strong lens flare effect. The fisherman's hands and the net are visible in the foreground, while the sea and sky are in the background.

Economic overview

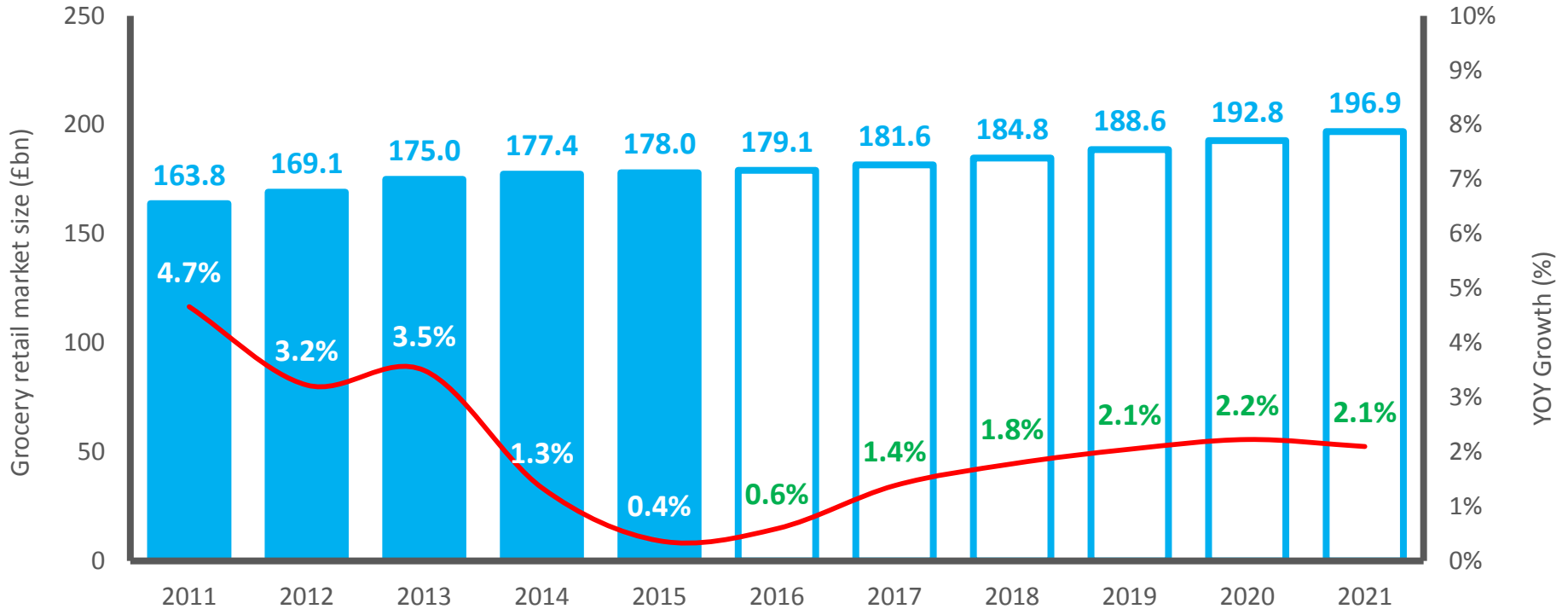
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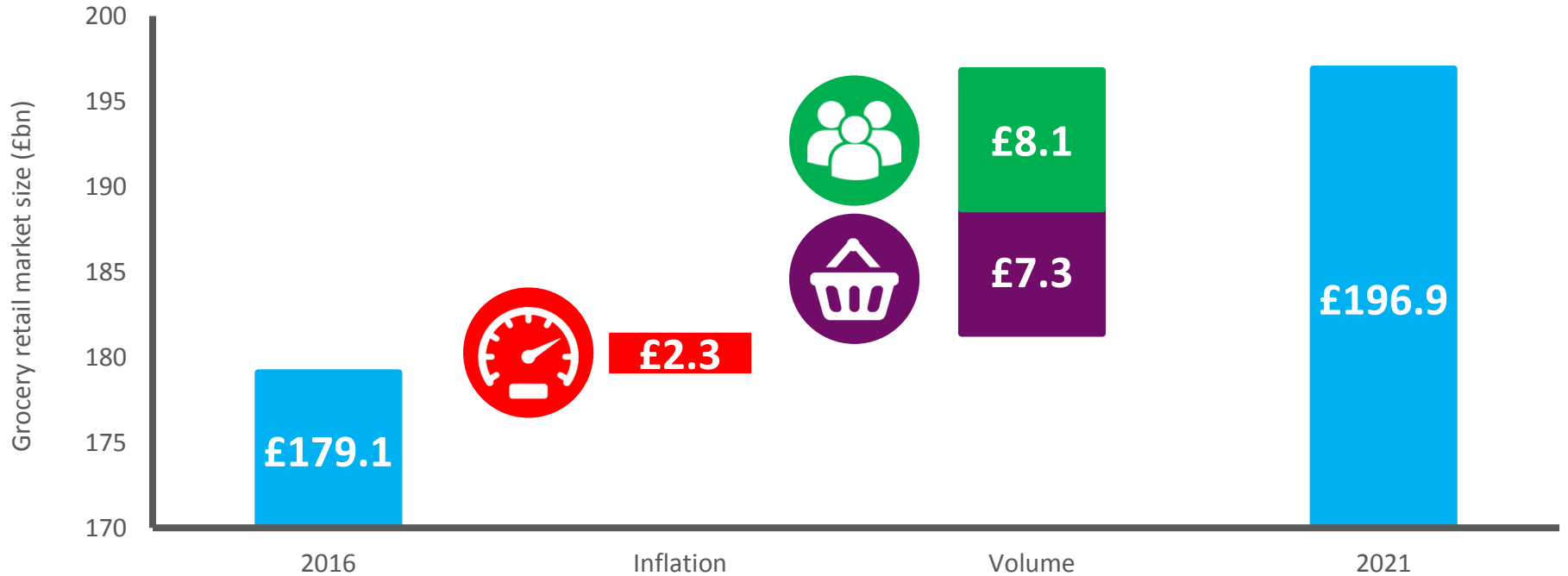
Current (pre-Brexit) forecast anticipates modest growth

Grocery retail market size (£bn) and YOY % growth 2016 - 2021



Population growth has the most significant impact

Grocery retail market size and growth contributors 2016 - 2021



Online and convenience will account for 60% of market growth



Hypermarket

+0.2%

£0



Supermarkets

+0.8%

£0.7bn



Discount

+39.5%

£7.1bn



Convenience

+11.7%

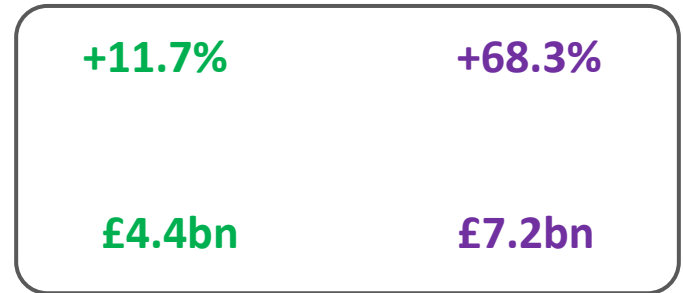
£4.4bn



Online

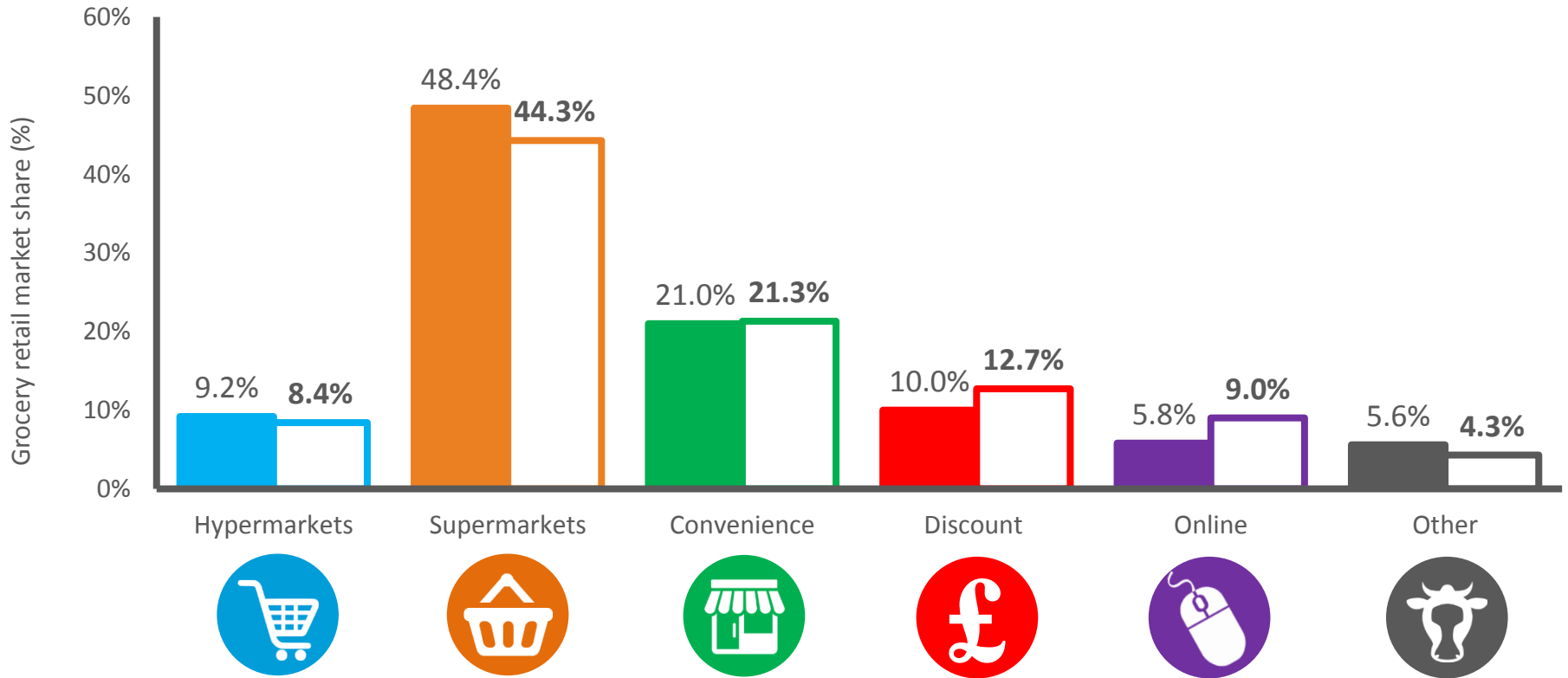
+68.3%

£7.2bn



Large stores will continue to attract the majority of transactions

Grocery retail market share 2016 vs. 2021

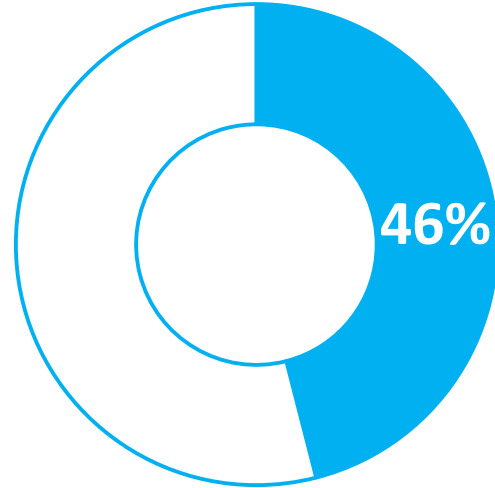


We continue to shop little and often, more frequently

46% are top-up shopping more frequently



London: **56%**



18-34: **55%**



Families with children
aged 5-10: **52%**



The background image shows a fisherman in a white jacket and hat, pulling a fishing net from a boat. The scene is set against a bright, hazy sky over the ocean, with the sun low on the horizon, creating a warm, golden glow. The fisherman's hands are visible, gripping the ropes of the net.

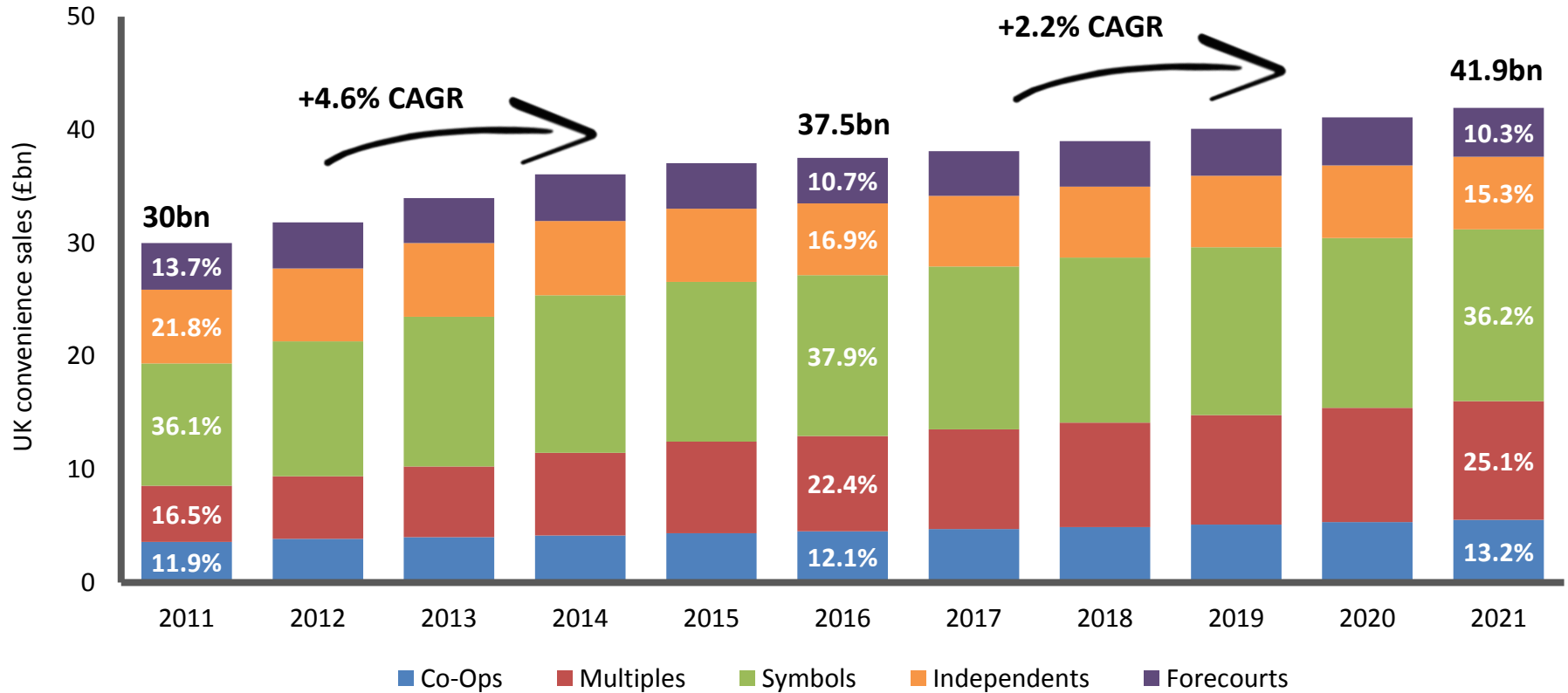
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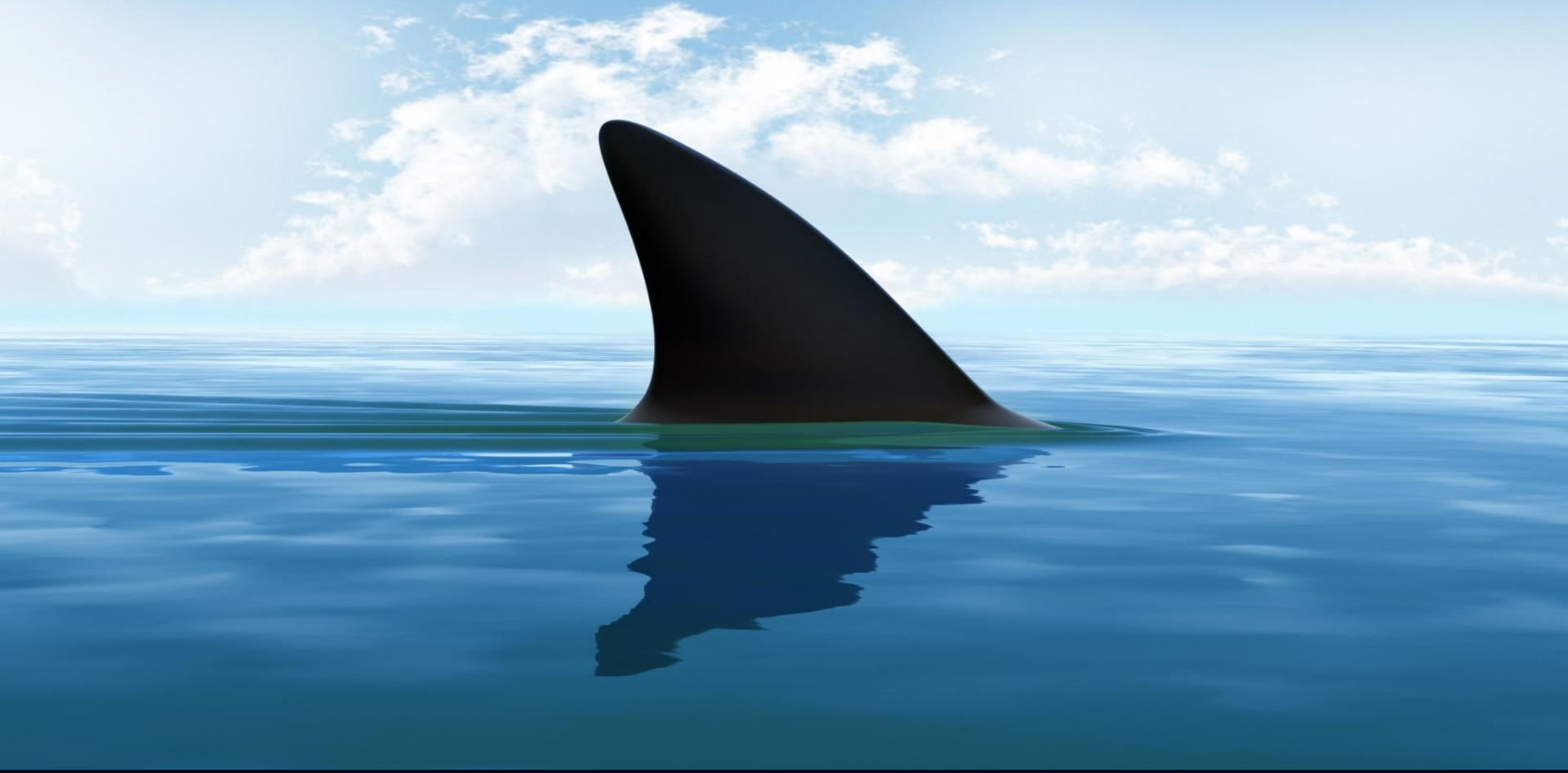
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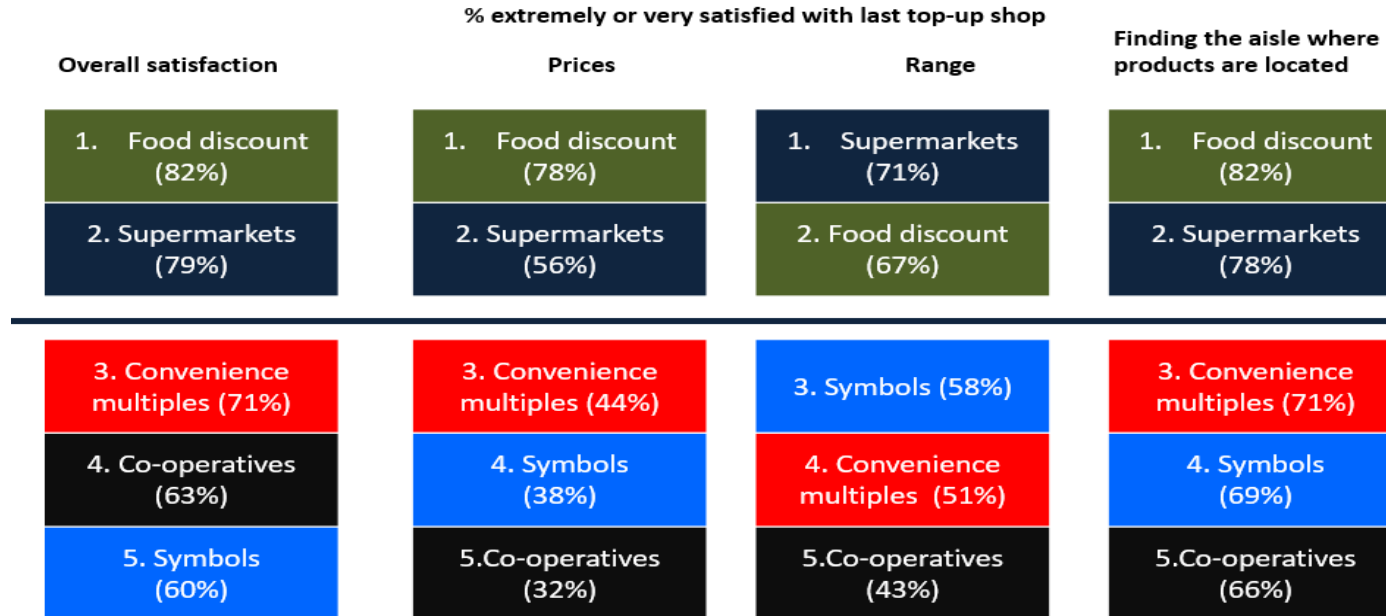
Organised chains will grow fastest as the channel matures



The convenience channel is not without competition

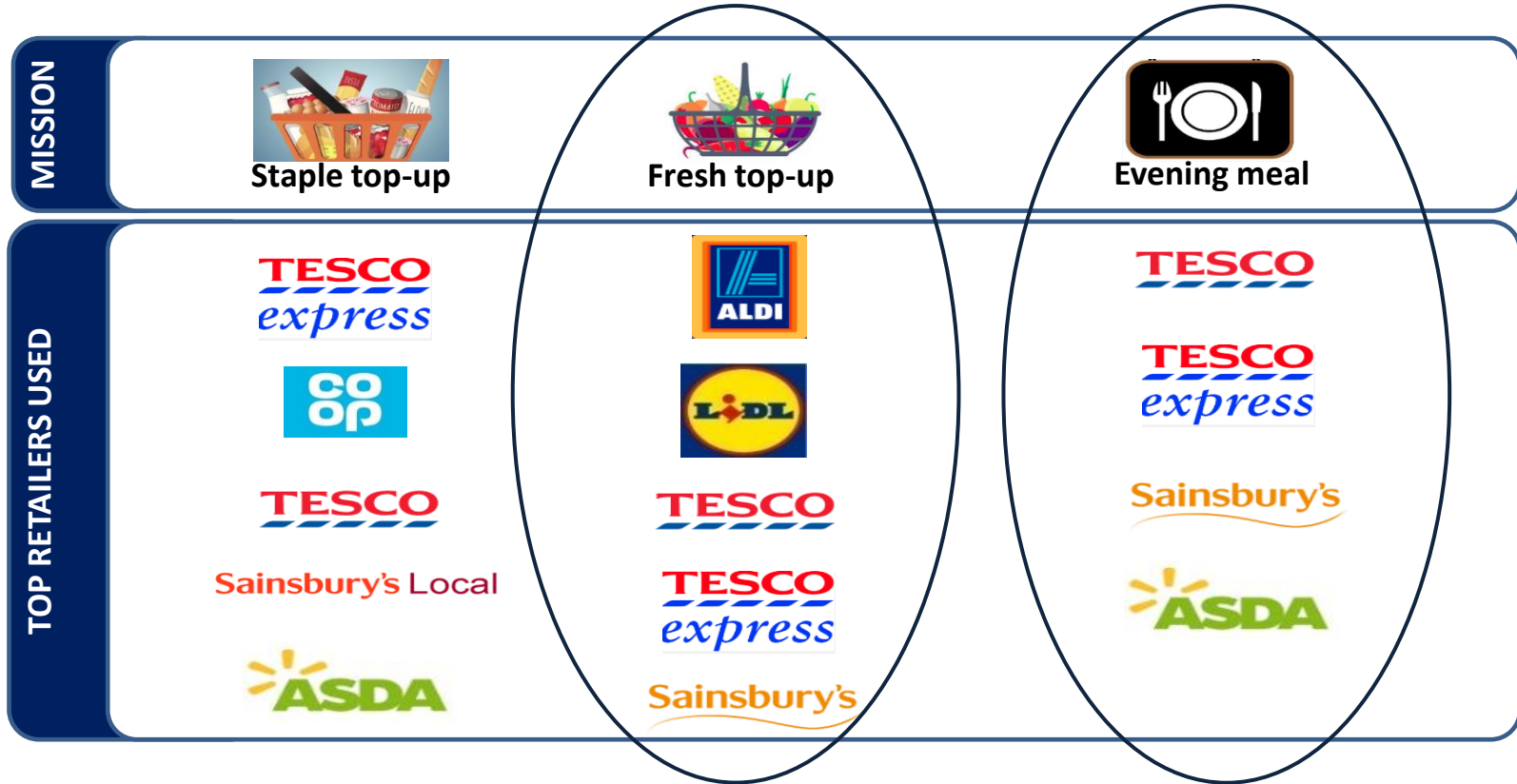


Convenience stores must become more competitive

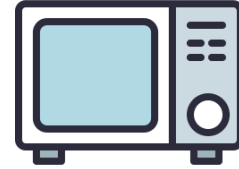
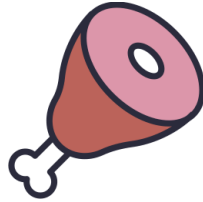
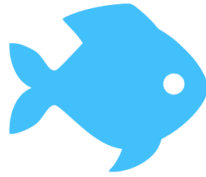


CONVENIENC~~E~~T

Convenience retailers are not winning in key missions



Fresh fish is a key category within the 'evening meal' mission



...and yet only a minority of us are purchasing fresh fish within convenience stores



We need to take shopper preferences into account

Fresh fish shopper feedback vs. fresh average

50% enjoy shopping fish	35%
48% like to browse	31%
51% want increased choice	32%
21% find it confusing	11%

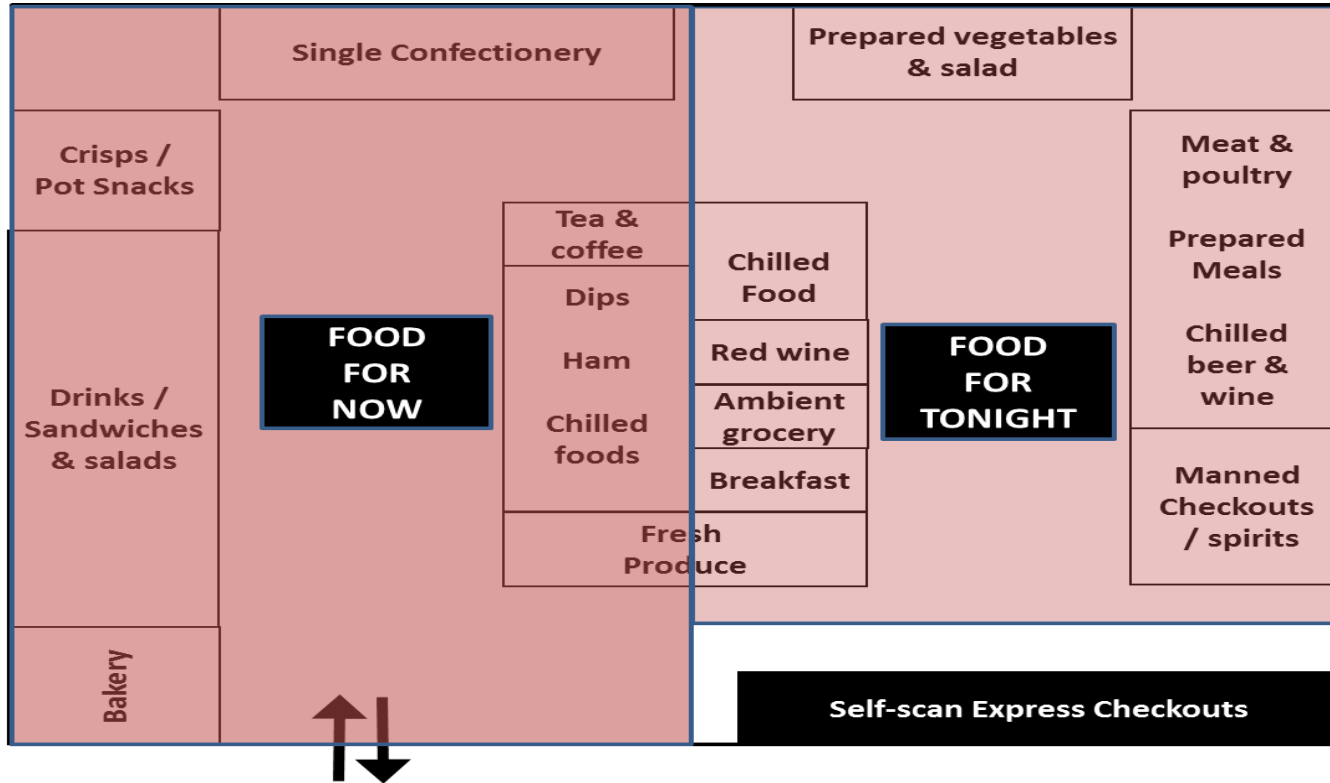
Fresh fish purchase drivers vs. fresh average

Health	36%	28%
Price	34%	44%
Familiarity	25%	29%
Quality	24%	28%
Sell by	23%	24%
Origin	21%	11%



Mission-based formats – Sainsbury's UK

Sainsbury's Holborn Circus



Mission-based formats – The Co-operative

The Co-operative, Whitstable



Gen 2 format caters to short-term meal solutions and top-up shopping missions

Credited with an average sales uplift of **+6%**



Better catering to specific meal solutions – Demark/Netherlands



MAD Cooperativet, Denmark



Bilder & De Clerq, Netherlands



Bringing fresh fish and meat to life – Spar UK



SPAR Parkfoot Petrol Forecourt, UK



The background image shows a fisherman in a white jacket pulling a net on a boat at sunset. The sun is low on the horizon, creating a warm, golden glow over the water and the fisherman's hands. The net is filled with fish, and the boat's structure is visible in the foreground.

Economic overview

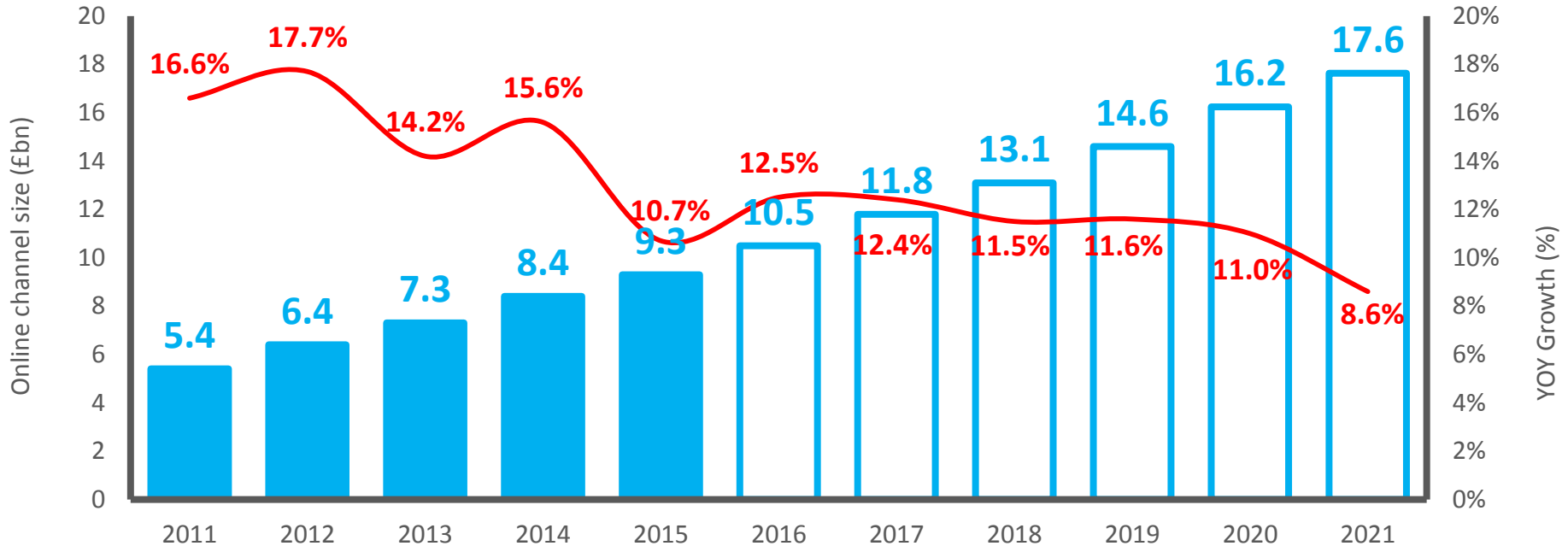
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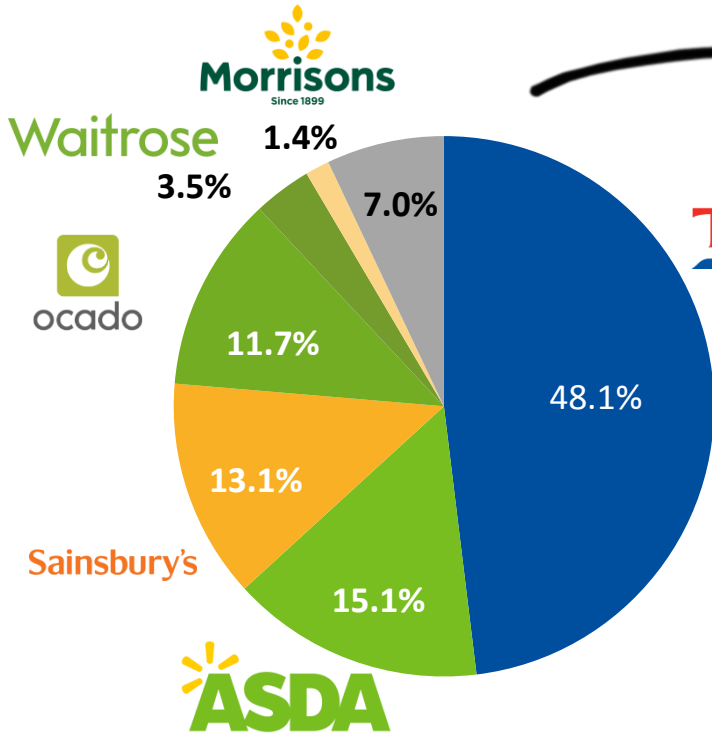
The online channel

Online will be the fastest growing channel in the UK

Online channel size (£bn) and YOY % growth 2016 - 2021



Established players dominate, but disruptors are innovating

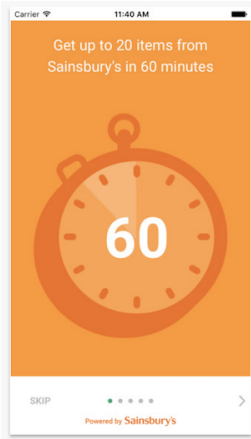


Source: IGD Datacentre research

Sales are ex VAT for 2015 financial year. Others includes Amazon, M&S, Iceland, meal kit providers, online food/drink specialists etc. © IGD 2016

Development focuses on loyalty, convenience and experience

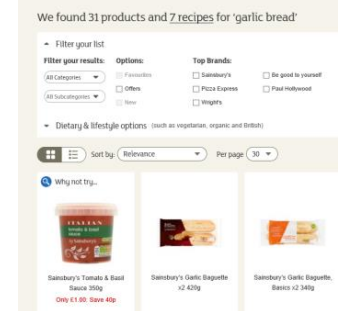
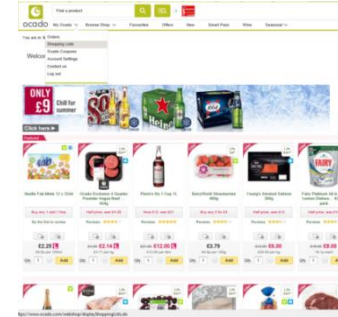
Convenience



Loyalty



Experience

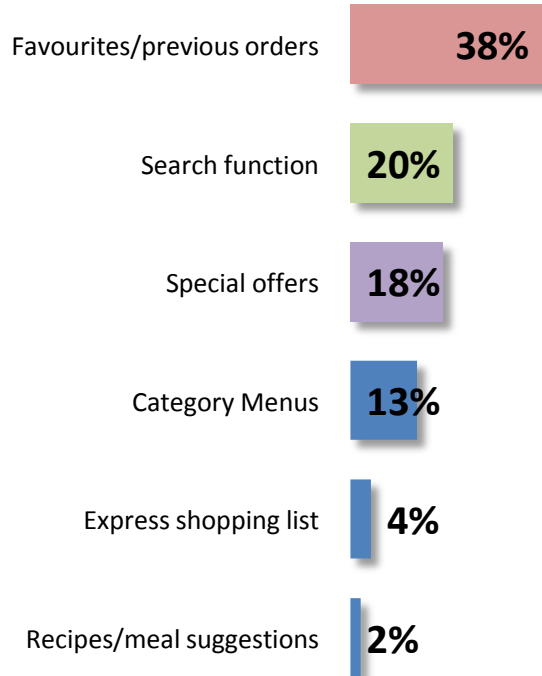


- Tins, Cans & Pockets
- Biscuits & Cereal Bars
- Cereal
- Crackers & Crispbreads
- Crisps, Snacks & Nuts
- Chocolate
- Sweets, Mints & Chewing Gum
- Cereals
- Cooking Ingredients
- Cooking Sauces & Meal Kits
- Dried Pasta, Rice, Noodles & Cous Cous
- Table Sauces, Marinades & Dressings
- Home Baking
- Desserts
- Jams, Sweet & Savoury Spreads
- World Foods
- Sugar & Sweeteners
- Pickles, Chutneys & Olives

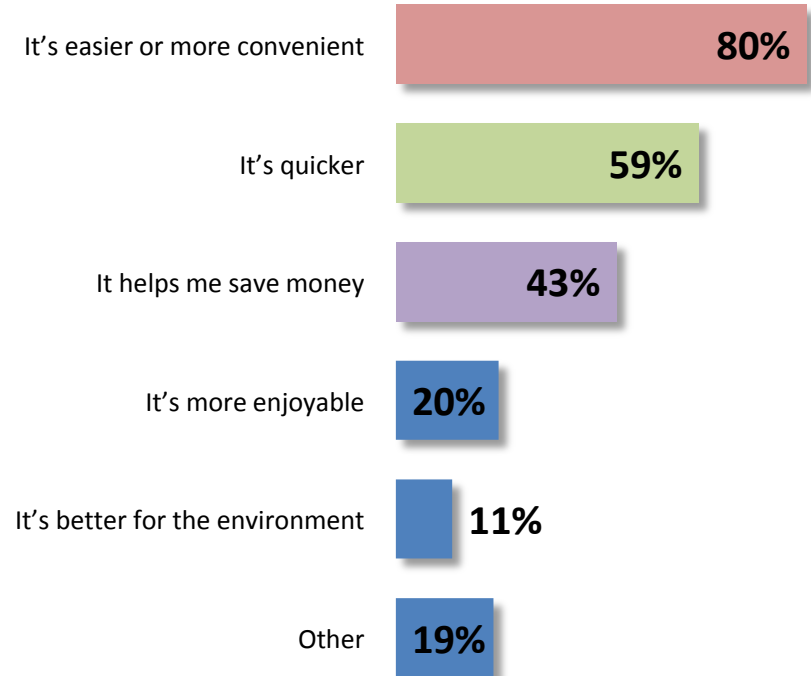
Prioritising search and navigation aids fulfilment and convenience



First approach when online grocery shopping



Reasons for shopping online



But we're frequently left to do a lot of the figuring out



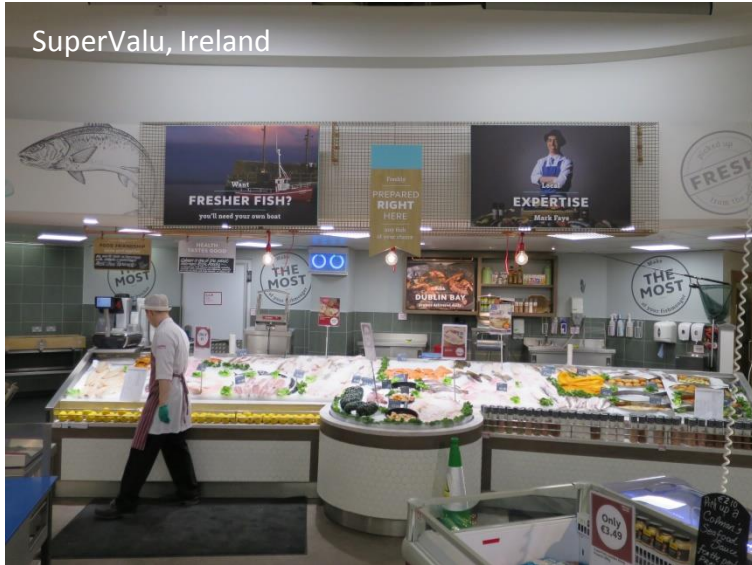
♥ 217 likes

theyesmummm The perils of online grocery shopping: you just never know quite how big that jar of jam is going to be. Answer, roughly the size of my face. 🙄 #allthejam #nounderstandingofvolume

And it doesn't always go to plan












Work still to be done to bring high engagement categories to life



A screenshot of the ASDA website's 'Fish Counter' section. The page displays a grid of 9 fish products with their prices and 'ADD' buttons. The products are arranged in two rows. The first row contains five items, and the second row contains four items. Each item has a 'Fish Counter' badge and a price tag. The website header includes the ASDA logo, a search bar, and navigation links for 'Sign in', 'Register', and 'Help'. The right sidebar shows 'Your Delivery' options, 'Your Trolley', and 'Shopping Total'. There are also promotional banners for 'ROLL BACK' and 'STUDENT ESSENTIALS'.

Fish Counter

Showing 1-9 of 9 items

 per kg ASDA Fishmonger's Selection Whole Salmon (typically 2.5kg) £7.00 (£7.00/kg) ADD	 250g ASDA Fishmonger's Selection 2 Salmon Fillets £4.00 (£16.00/kg) ADD	 240g ASDA Fishmonger's Selection 2 Salmon Fillets with Chill & Coriander £5.00 (£20.83/kg) ADD	 270g ASDA Fishmonger's Selection Salmon Fillets with Lemon & Pepper Butter £4.00 (£14.81/kg) ADD	 240g ASDA Fishmonger's Selection 2 Smoked Salmon Fillets with Lemon & Cream Cheese £5.00 (£20.83/kg) ADD
 340g ASDA Fishmonger's Selection 2 Smoked Basa Fillets with Herb Butter £4.00 (£11.76/kg) ADD	 190g ASDA Fishmonger's Selection Sea Bass Fillets with Red Pesto Butter £4.00 (£21.05/kg) ADD	 280g ASDA Fishmonger's Selection Cod Fillets with Garlic Butter £4.00 (£14.29/kg) ADD	 240g ASDA Fishmonger's Selection Smoked Haddock Fillets with Butter £4.00 (£16.67/kg) ADD	

Your Delivery

BOOK CLICK & COLLECT **BOOK HOME DELIVERY**

Your Trolley [Full View](#)

Shopping Total: £0.00

£25 minimum order for Home Delivery

CHECKOUT

ROLL BACK £3 ~~£5.99~~

THE BEAUTY SHOP

TAMPAX PEARL

36 pack **SHOP NOW**

4 for £3 89p each

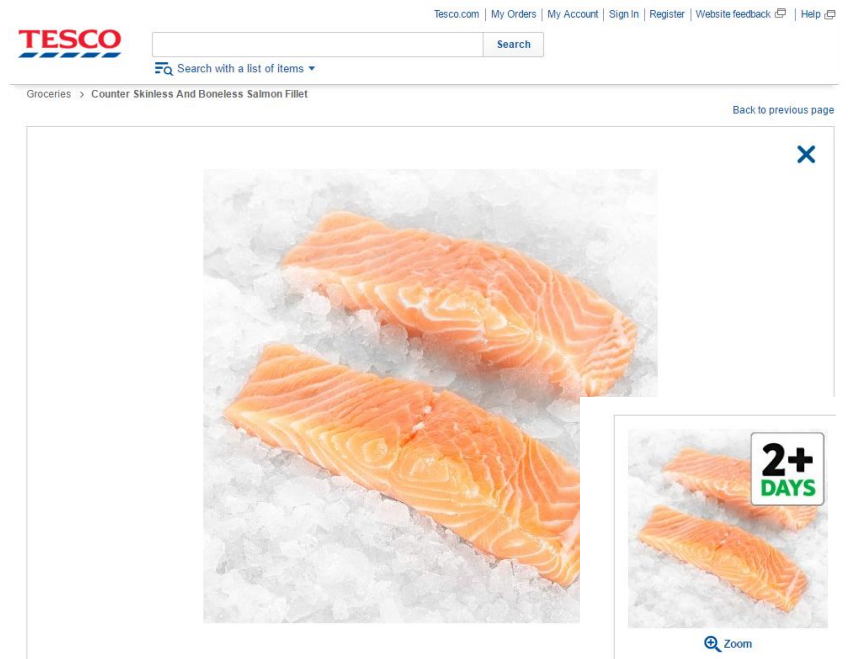
STUDENT ESSENTIALS

PUT NOODLE NOODLE

SHOP NOW

ASDA

But progress is being made



We need to treat online as a shop window

TESCO

In a typical week...

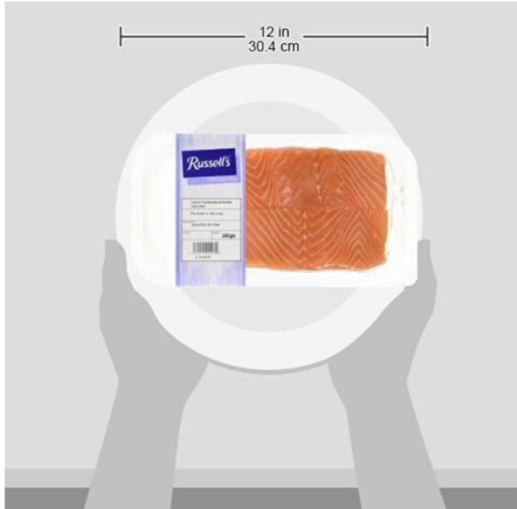
5 million
visits to our
grocery
website

Around a million interactions
between us and the customer

Hundreds of thousands of
customers are researching online,
purchasing in store.



Disruptors raise the bar & create new consumption opportunities



Fish Market



Fish Market

Featured Shops



Disruptors raise the bar & create new consumption opportunities



Goûsto



Closing thoughts



- Convenience and online are strong growth opportunities
- Convenience must become more convenient
- Online must move beyond functionality
- Take opportunities to engage around fresh fish
- Look out for new opportunities from technology disruptors



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