RETAIL SALE AND CONSUMPTION OF SEAFOOD

REVISED EDITION

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This publication is a summary of the following FRDC projects:

1998/345 – A Study of the Retail Sale and In-home Consumption of Seafood in Sydney.
1999/342 – A Study of Seafood Consumption in Perth.

Copies of the full project reports are available from the FRDC on ph: 02 6285 0400.

AUSTRALIA

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1. INTRODUCTION

Many businesses that process or market fish and seafood in Australia are interested in the latest information on consumption of these products. Fishers, farmers, wholesalers and retailers all like to know 'what's selling and what's not', where and why, so that they can refine their efforts to maximise their income and profitability.

This booklet will help meet this need for reliable information. It deals with a number of important features of the market for fish and seafood in Australia:

- the most noteworthy changes in fish and seafood eating patterns in Sydney and Perth since the 1991 National Seafood Consumption Study (FRDC 1992);
- the main sellers and the average sales volumes reported by Sydney fishmongers, supermarkets and takeaway outlets in 1999;
- some of the main factors influencing sales of fish and seafood in Australia generally;
- consumers' and retailers' attitudes to the sale and consumption of fish and seafood;
- probable developments in retailing during the coming decade.

The booklet is based on a comprehensive study of the retail sale and consumption of fish and seafood in Sydney (FRDC Project 1998/345) and a study of fish and seafood consumption in Perth (FRDC Project 1999/342) conducted by Ruello and Associates. Both studies were funded by the Fisheries Research and Development Corporation and industry. They were initiated in response to widespread industry concern about a perceived decline in sales of fish and seafood in 1998 and the general need to provide up-to-date information.

The studies were designed to repeat much of the work done in the 1991 National Seafood Consumption Study (FRDC Project 1990/116), so as to examine trends in consumption and changes in consumer and trade attitudes to fish and seafood, particularly under-utilised species.

To ensure consistency with the 1991 study, fish is defined separately from seafood. Consequently, unless otherwise noted, the word 'fish' is used here for all fin fish and the word 'seafood' refers to crustaceans, molluscs and other species.

The research methodology involved interviews with retailers in Sydney and focus group discussions and personal interviews with consumers in Sydney and Perth. Sydney represents the largest market in Australia and Perth the most diverse. The methodology and the results are described in full in the two reports by Ruello & Associates.

Copies of the full project reports *1998/345 – A study of the Retail Sale and In-home Consumption of Seafood in Sydney* and *1999/342 – a study of Seafood Consumption in Perth and the Development of a Guide to Targeted Promotion,* can be obtained by contacting the FRDC on ph: 02 6285 0400.

2. CHANGES IN CONSUMPTION,

1991 to 1999

Between 1991 and 1999 annual per capita fish and seafood consumption in Sydney increased by 12.7 per cent, from 13.5 to 15.1 kilograms edible weight.

In-home consumption rose by 8.4 per cent while the increase in out-of-home consumption was much greater, at 19.0 per cent.

In Perth there was no significant change in the total consumption of 14.7 kilograms because a 37 per cent increase in out-of-home consumption was offset by a 27 per cent decrease in in-home consumption .

There is anecdotal evidence that out-of-home consumption has been increasing throughout Australia generally. However, the growth picture for in-home consumption outside Sydney and Perth is less clear, although it is generally believed to be positive.

While the increases recorded for out-of-home consumption of fish and seafood in Sydney and Perth were strong, the change in total consumption was modest compared with consumption in the Australian and United States poultry industries, which recorded growth rates about double that for fish and seafood between 1991 and 1999.

A national trend towards higher out-of-home consumption of fish and seafood was evident in the 1991 study, and the continued increase in the popularity of eating out suggests that the growth of in-home consumption of fish and seafood will remain slower than that of out-of-home consumption.

In-home consumption

The 1999 studies showed that shark and flathead were the leading fish products consumed in Sydney, while cooked prawns were the most popular seafood. Tables 1a, 1b and 1c show the best-selling species and products for fishmongers, supermarkets and fish-and-chip outlets in that city.*

Table 1a Best-selling fish and seafood species and products for fishmongers: Sydney, 1999

Species or product	Proportion of nominations from 40 fishmongers (per cent)	Average monthly sales (kilograms)	Ranking by monthly volume
Fish			
Shark	37.5	1 266	1
Flathead	50.0	1 123	2
Orange roughy	55.0	690	3
Morwong	45.0	625	4
Seafood			
Prawns, cooked farmed	32.5	771	1
Prawns, cooked	60.0	672	2
Prawns, uncooked	75.0	632	3
Octopus	32.5	474	4

* Detailed comparable data was not collected in the Perth Study

Table 1b **Best-selling fish and seafood species and products for supermarkets: Sydney, 1999**

Species or product	Proportion of nominations from 50 supermarkets (per cent)	Average monthly sales (kilograms)	Ranking by monthly volume
Fish			
Shark	22	356	1
Nile perch	30	177	2
Morwong	28	149	3
Blue grenadier	28	143	4
Seafood			
Oysters	18	142 dozen	
Prawns, cooked farmed	18	322	1
Prawns, cooked	22	160	2
Seafood extender	28	131	3

Table 1c **Best-selling fish and seafood species and products for fish-&-chips outlets: Sydney, 1999**

Species or product	Proportion of nominations from 50 fish-and-chips outlets (per cent)	Average monthly sales (kilograms)	Ranking by monthly volume
Fish			
Blue grenadier	26	300	1
Flathead	42	230	2
Hake	42	208	3
Orange roughy	32	197	4
Seafood			
Prawns, cooked	38	158	1
Prawns, uncooked	22	153	2
Octopus	24	133	3
Squid	54	90	4

The surveys of Sydney retailers showed that cooked farmed tiger prawns, baby octopus and Nile perch fillets were the outstanding 'new stars' across all three retailer categories. Flathead, a traditional favourite, maintained its popularity, being increasingly sold as skinless, boneless fillets in the 1990s. Tuna entered the top 10 in fishmongers' outlets as a result of the growing popularity of sashimi, sushi and rare grilled steaks, first in restaurants and later in the home.

In Perth, snapper and prawns remained the favourite fish and seafood species, as they were in 1991, but Nile perch and octopus are now commonly sold by fishmongers and supermarkets. Swordfish, farmed Atlantic salmon, tuna and sushi made inroads in both Perth and Sydney, but farmed prawns were still a new product for Western Australia, mainly because no prawn farms were operating in the state or nearby.

The strong growth in sales of swordfish could be attributed to the enormous amount of media attention and publicity the species received following the launch of the joint FRDC–CSIRO funded publication; *Seafood: the Good Food*, which identified swordfish as one of the oiliest fish in Australia (Nichols et al. 1998). The pinky-white colour and boneless flesh of swordfish steaks were also critical to the species' popularity for in-home and out-of-home consumption.

Green (uncooked) prawns also entered the list of best-selling seafoods for Sydney fishmongers and supermarkets, whereas they had not rated a mention in the 1991 surveys. The strong sales of green prawns and baby octopus are attributed to the increasing popularity of these seafoods, grilled or barbecued, at home and in restaurants.

This increasing popularity of green prawns, octopus, swordfish, tuna and sushi is also evident in other parts of Australia. The fish and seafood species and products that experienced strong growth in the 1990s are obviously those that are more convenient, boneless or ready to eat.

Orange roughy and seafood sticks, stars of the 1980s, lost popularity in the 1990s. Orange roughy sales fell as the species' price increased steadily in response to reduced landings from the South East Trawl Fishery. Seafood sticks were replaced by seafood extender, the new seafood analogue made from 'surimi', or minced fish flesh.

The preference for fillets over whole fish strengthened in the 1990s. In 1999 fillet purchases were about three times more frequent than those of whole fish. The current trend is for more fillets to be offered completely boneless, and skinless in some species. The skinless, boneless form of Nile perch fillets has helped endear this species to consumers. Added to this is the fact that the fillets are individually wrapped, so the required number can easily be taken from the freezer at any time.

In Sydney, sales of canned fish and seafood achieved a surprisingly high increase between 1991 and 1999 in Sydney. This category accounted for 14 per cent of overall fish and seafood purchases (individual sales) in 1991 rising to 32 per cent in 1999. Also noteworthy was a large increase in purchases of fish and seafood for use as an ingredient for in-home meals: the figure rose from 10 to 23 per cent in Sydney and from 9 to 16 per cent in Perth.

Product and packaging innovations offering greater convenience, quality and value have been responsible for consumers increasing their purchases of canned fish and seafood, while the increasing use of fish and seafood as an ingredient is consistent with the growing popularity of pasta meals, stir-fries and salads.

Out-of-home consumption

Out-of-home consumption of fish and seafood increased substantially in the 1990s, and the trend seems set to continue.

Atlantic salmon and prawns were the leading species eaten out of home in Sydney. Prawns have long been a favourite item throughout Australia, but Atlantic salmon was a relatively new product in 1991. Snapper and barramundi remained favourite fish for dining out in Sydney and Perth with octopus and squid joining the ranks of favourite seafoods in Sydney. Sushi was the 'rising star' identified in the 1999 study of out-of-home consumption, and the expansion of franchised sushi stores will lead to further growth in sales.

The most remarkable change in Sydney in the 1990s was the move to the mid-market eateries-that is, clubs, cafes, fast-food outlets and sit-down fish-and-chips outlets, which are cheaper and less formal than restaurants. Table 2a demonstrates this trend.

A similar change in out-of-home consumption was noted in Perth, suggesting that there is a nationwide search for greater convenience and more casual, cheaper eating experiences. Table 2b demonstrates this trend.

Table 2a Proportion of meals eaten at selected locations: Sydney, 1991 and 1998

Location	(per cent) 1991	(per cent) 1998
Restaurant	38	28
Club	9	14
Fast-food outlet	6	12
Fish-and-chips outlet	5	10
Other locations	42	36

Table 2b Proportion of meals eaten at selected locations: Perth, 1991 and 1999

Location	(per cent) 1991	(per cent) 1999
Restaurant	53	39
Friends/Family	17	12
Fish-and-chips outlet	4	10
Work Cafeteria	12	9
Other locations	12	31

Australia has been experiencing increases in the number of working women and in the extent of casual eating, eating out and 'grazing and snacking'. There has also been a decline in household size, and food magazines now feature recipes for one. Sydney residents are particularly pressed for time and are seeking easier ways of feeding themselves, their families and friends, regardless of household size or income.

The outstanding message from all this study's findings on in-home and out-of-home consumption is that consumers are looking for convenience, quality and value in fish and seafood and they want 'quick and easy' meal solutions for both in-home and out-of-home eating.

Compared with retailers of fish and seafood, operators of other food outlets have been far more innovative and responsive to changes in Australian lifestyles and the changing desires of food consumers.

3. RETAIL SALES LEVELS AND MARKET SHARE

Between 1991 and 1999 all three categories of Sydney retailers – fishmongers, supermarkets and fish-and-chips outlets – experienced average growth of at least 80 per cent in the value of weekly sales. However, it is important to note that most fishmongers and operators of fish-and-chips outlets attributed their increased turnover to rising fish prices, not to increasing volumes or customer counts. Table 3 shows average weekly sales by retailer category for 1991 and 1999.^

Table 3 Average fish and seafood weekly sales, by retailer category, Sydney, 1991 and 1999

Retailer category	($) 1991	($) 1999
Fishmongers	13 800	25 064
Supermarkets	723	3 540
Fish-and-chips outlets	3 355	6 263

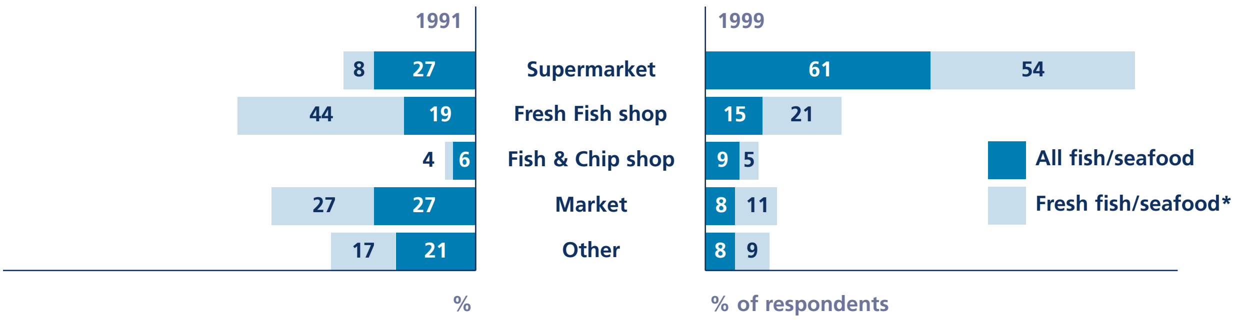
Most fishmongers and operators of fish-and-chips outlets cut their profit margin in an effort to offset the rising fish prices and maintain their sales volumes and market share. While focusing on prices and competition from other retailers of fish and seafood (especially supermarkets), many did not recognise the drift of customers to more convenient foods (canned fish, chicken, pizza, and so on) and to more frequent out-of-home eating.

The supermarket sector recorded an average increase of 368 per cent in weekly sales, which represented real growth, in excess of the rises in fish prices. This was largely a result of the major chains' development of dedicated counters or sections for fresh fish and seafood in their stores and sales growth from a low base.

Much of the big increase in the supermarkets' share of individual sales, and some of the growth in average sales volume and value, came at the expense of the traditional fish and seafood specialists. In 1999 supermarkets accounted for 54 percent or more of sales of fresh and frozen fish and seafood in Sydney and 42 per cent of sales in Perth. The comparable figures for 1991 were 8 per cent for supermarkets in Sydney and 28 per cent in Perth (Charts 1a and 1b).

However, fishmongers and fish-and-chips outlets continued to outsell the supermarkets in terms of average sales volume and value of fresh fish and seafood per outlet, so it would appear that the supermarket sector has a large number of small-volume sales (see tables 1a,1b and 1c).

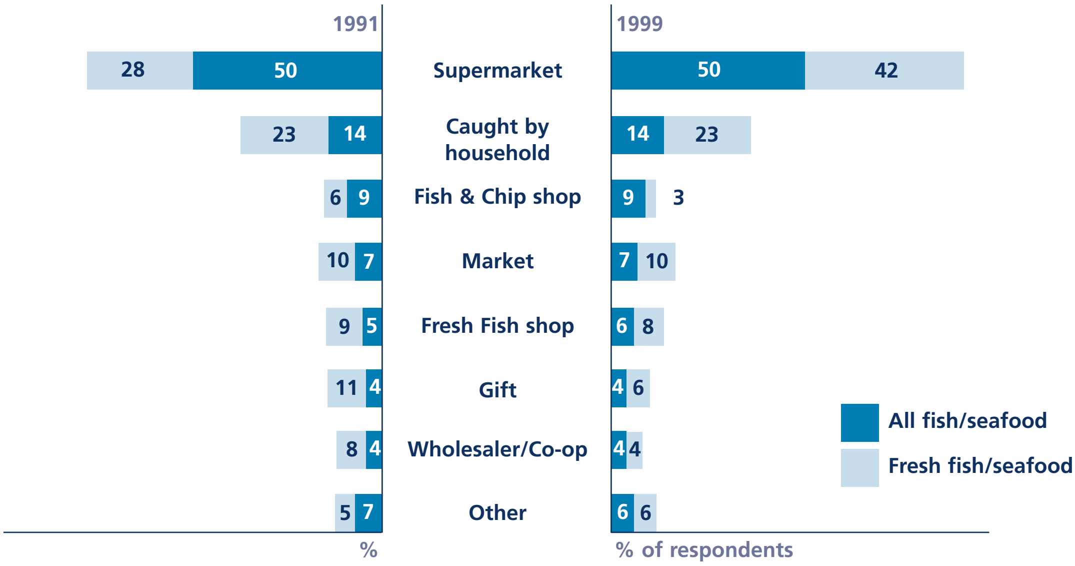
Chart 1a Point of purchase for fish/seafood products consumed in the last week, Sydney 1991 and 1999



* Fresh fish/seafood includes all fresh fish/seafood, frozen (unprocessed) fillets/whole fish and fresh pre-prepared raw fish/seafood

^ Comparable data was not collected in the Perth Study

Chart 1b Point of purchase for fish/seafood products consumed in the last week, Perth 1991 and 1999

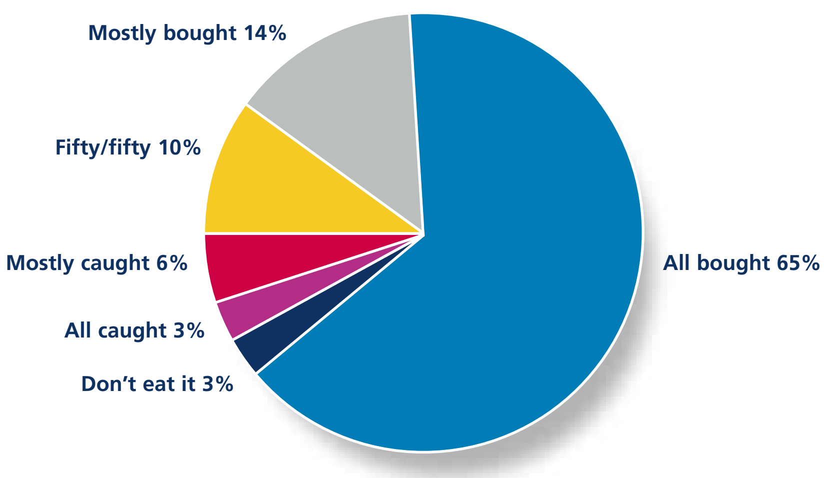


In the Perth study, further investigation of market share was conducted with an analysis of the levels of bought versus caught fish/seafood. The results showed that almost eight in ten respondents (79%) indicated that most or all of their seafood was bought (Chart 2).

Changes in shopping and eating patterns were responsible for the widespread belief among fishmongers that sales of fish and seafood were declining in Sydney and Perth in the late 1990s. Sales volumes had in fact not declined, but profit margins and profitability had certainly declined for many operators.

Although opinions varied about future sales levels and the likely market share of fishmongers vis-a-vis supermarkets, there was widespread agreement across all three retail categories that the rising prices of fish and seafood remain a critical factor constraining growth in sales.

Chart 2 Bought vs caught fish/seafood



4. CONSUMERS' AND RETAILERS' ATTITUDES

When purchasing fish and seafood for in-home consumption, consumers rated 'easily accessible' as an important factor in their decision to buy from a particular outlet (Chart 3a and 3b). In contrast, accessibility was not commonly identified as important by fishmongers and operators of fish-and-chips outlets, even though the importance of convenience and 'one-stop shopping' is often discussed in newspapers and trade magazines.

Most supermarkets offer easy accessibility and free parking. Seafood retailers outside larger shopping centres should not underestimate the importance of these customer benefits.

Another important factor identified by consumers was food safety. The implementation of compulsory food safety plans under the Australia New Zealand Food Authority (now Food Standards Australia/New Zealand) and the New South Wales Safe Food requirements, the development of codes of practice by aquaculturists, and the industry's move to formal quality assurance should help to alleviate some consumers' concerns about the safety of fish and seafood-and lead to better quality produce.

Nevertheless, fish retailers should follow the aquaculture sector's example and institute their own code of conduct, so that consumers can have more confidence in retail outlets. This difference between consumers' and the industry's perceptions of the importance of food safety was also evident in 1991, so the matter obviously warrants more attention from retailers. Food safety ('reputation for quality') was also identified as an important factor for consumers when selecting fish and seafood for purchase for out of home consumption (Chart 4a and 4b).

Consumers' preference for produce of Australia, noted in both Sydney and Perth, represents another 'gap' that can profitably be filled by many operators of fish-and-chips outlets, and some supermarket operators as well. Three out of four consumers preferred Australian produce, and many of these expressed a 'very strong' preference for the local product. This was also identified as an important factor when purchasing fish and seafood for out of home consumption.

Offering for sale completely boneless fillets, and other products that are virtually ready to eat, is another example of how retailers can keep up with changing consumer wishes and the practices of their more astute colleagues.

Further, the physical condition and staffing of some businesses were observed to be unsatisfactory and in need of major improvement. Speedy, efficient service is imperative, although the best fish and seafood in the world will not sell quickly in a store perceived as deficient in terms of cleanliness and staffing. Not surprisingly, consumers also rated cleanliness as another important factor when selecting seafood outlets to purchase from for both in-home and out of home consumption.

The question of trust between consumer and retailer is also important in the marketing of processed products or new products packed under modified atmosphere. In focus group discussions, consumers reported a reluctance to buy crumbed seafood items because they were sceptical about the products' freshness; others were wary of some of the new plastic wraps and packaging technologies.

Two critical factors identified in 1999, and also reported in the 1991 study, were consumer scepticism about the accuracy of the species labels on fish and whether fish and seafood labelled as fresh was indeed fresh and had not been frozen. Confusion and uncertainty about fish names continues to dog sales and damage the industry's image (particularly that of retailers); it also presents a major barrier to research and the collection of reliable statistics on the industry. The industry has recently responded to this challenge by establishing an Australian Fish Names Committee. The Committee is a non-legislative body established under Seafood Services Australia Limited. It receives and considers submissions on the names for fish in Australia and makes recommendations to industry and regulatory bodies as to the acceptable names.

Chart 3a Factors affecting the selection of fish/seafood outlets, Sydney, 1999

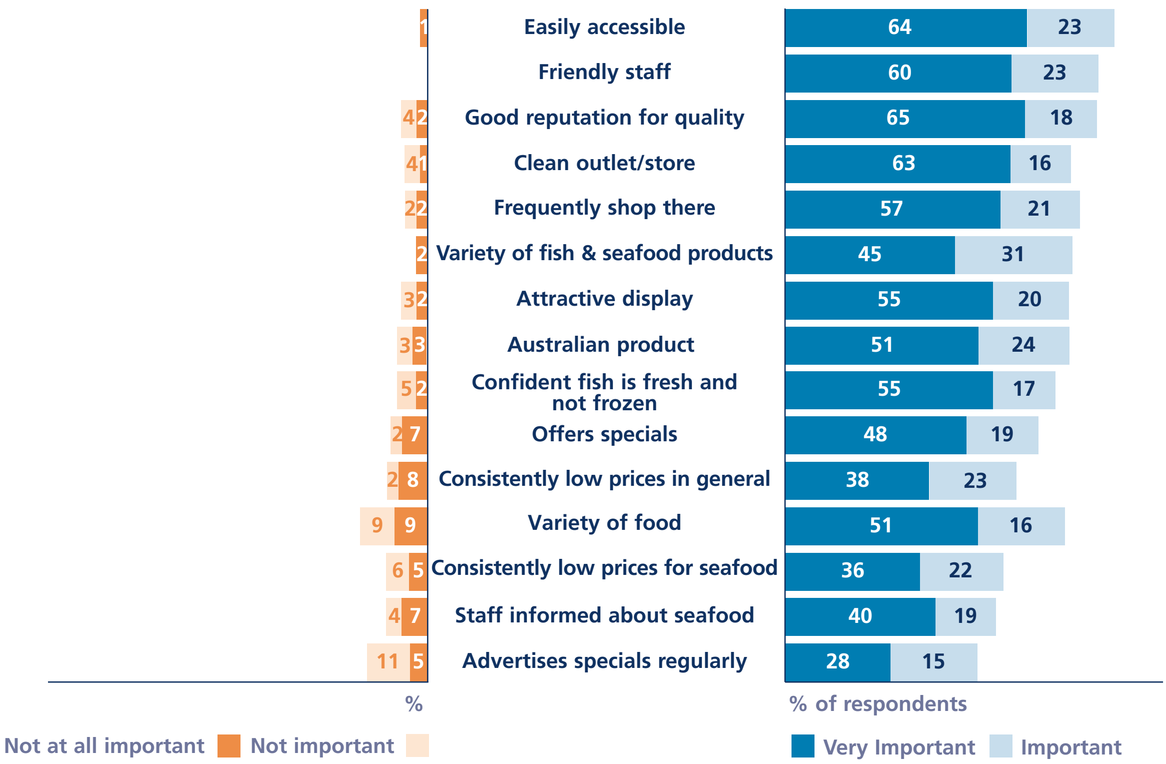


Chart 3b Factors affecting the selection of fish/seafood outlets, Perth, 1999

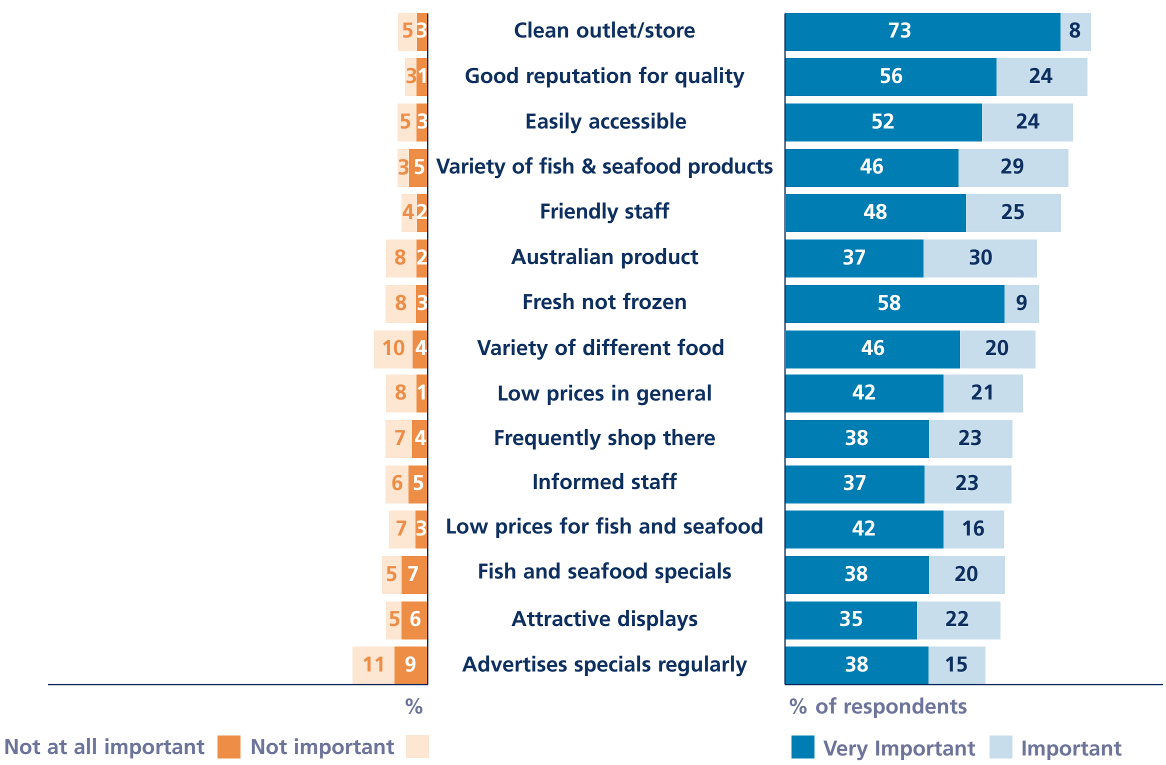


Chart 4a Importance of factors when selecting fish/seafood from a menu, Sydney 1999

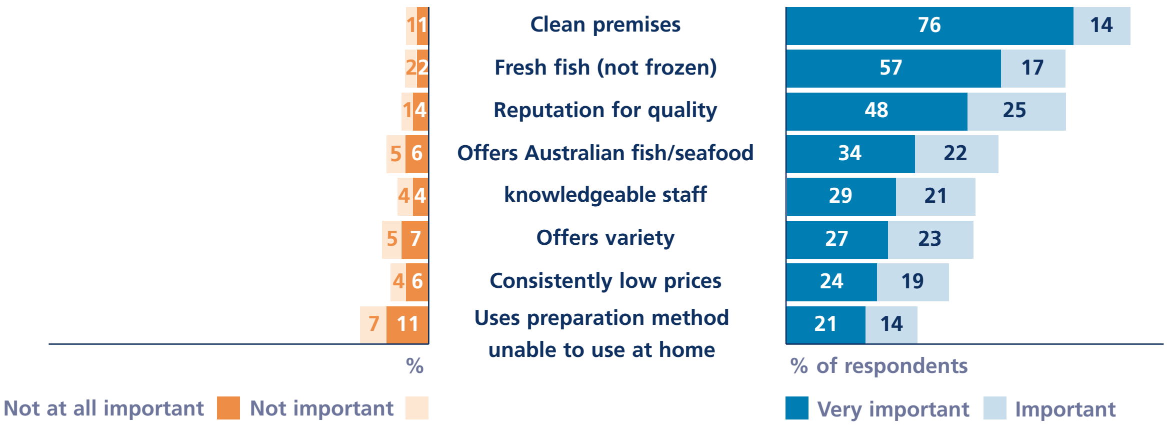
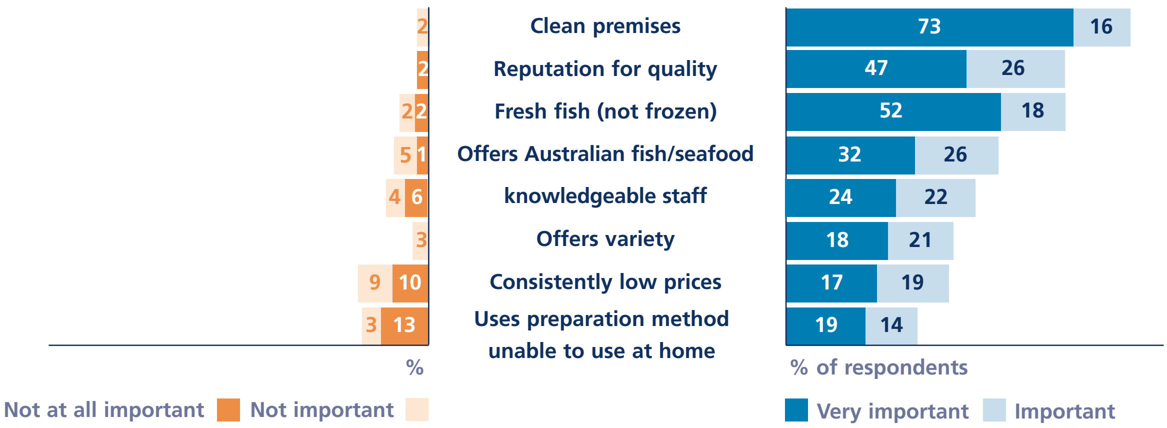


Chart 4b Importance of factors when selecting fish/seafood from a menu, Perth 1999



The Committee publishes the Australian fish names list as a guide for industry and consumers. The most recent version of the list is available from Seafood Services Australia ph: 1300 130 321 or can be downloaded from their website at <www.seafoodservices.com.au>. At the time of writing, the Committee had requested that Food Standards Australia New Zealand (FSANZ) recognise the list as the official reference for fish names in the Australian Food Standards Code.

The question of naming and labelling fish is even more important now than in 1991 because of the need for reliable product identification and traceability in a food safety plan. Furthermore, consumers are now more inclined to seek legal redress in the case of food poisoning or allergic reaction to a mislabelled fish, and yet many retailers seem to be totally unaware of the importance of accurate labelling. Chart 5a and 5b show consumer's ratings of factors when choosing fish for a meal at home in Sydney and Perth respectively.

A further issue worth particular mention is that of consumer reaction when a preferred seafood species is unavailable. As shown in Chart 6a and 6b, 57% of consumers surveyed in Sydney indicated that if a species of fish they desired was unavailable, they would choose another species of fish. However, 37% indicated they would choose another type of food. In Perth, the figures were 45% and 50% respectively.

This suggests that many consumers do not see fish species as interchangeable but rather select specific species based on factors such as the style preparation or taste preference. Where the purchaser has limited knowledge of alternative fish species, and their preferred species is unavailable, this may result in a lost sale.

Chart 5a Factors considered when choosing fish for a meal at home: Sydney, 1998

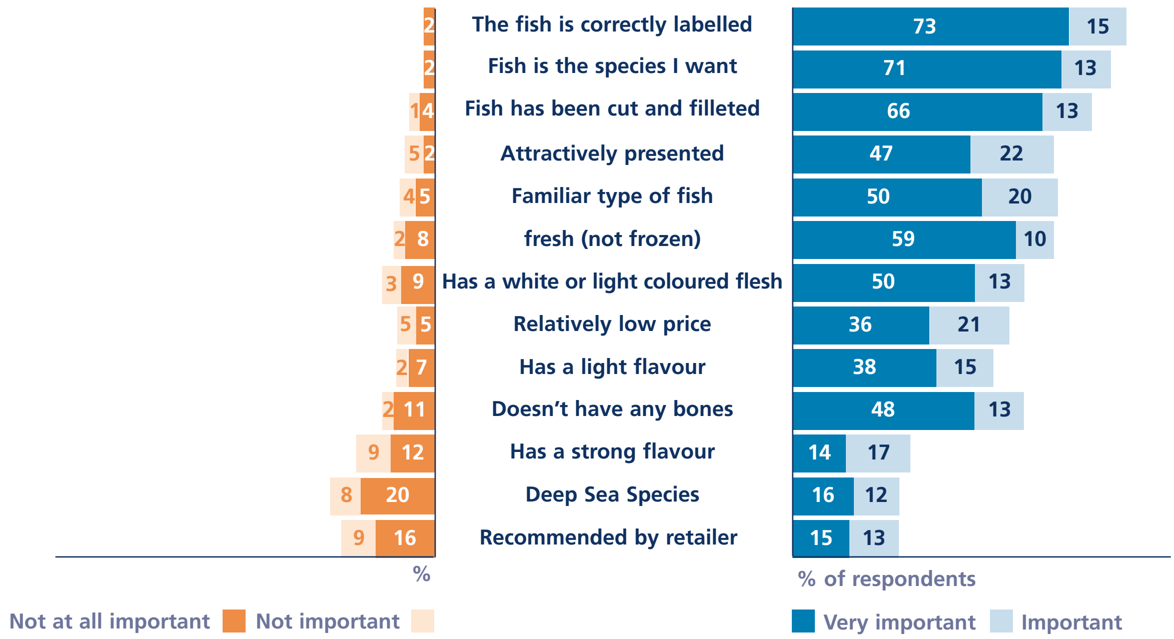


Chart 5b Factors considered when choosing fish for a meal at home: Perth, 1999

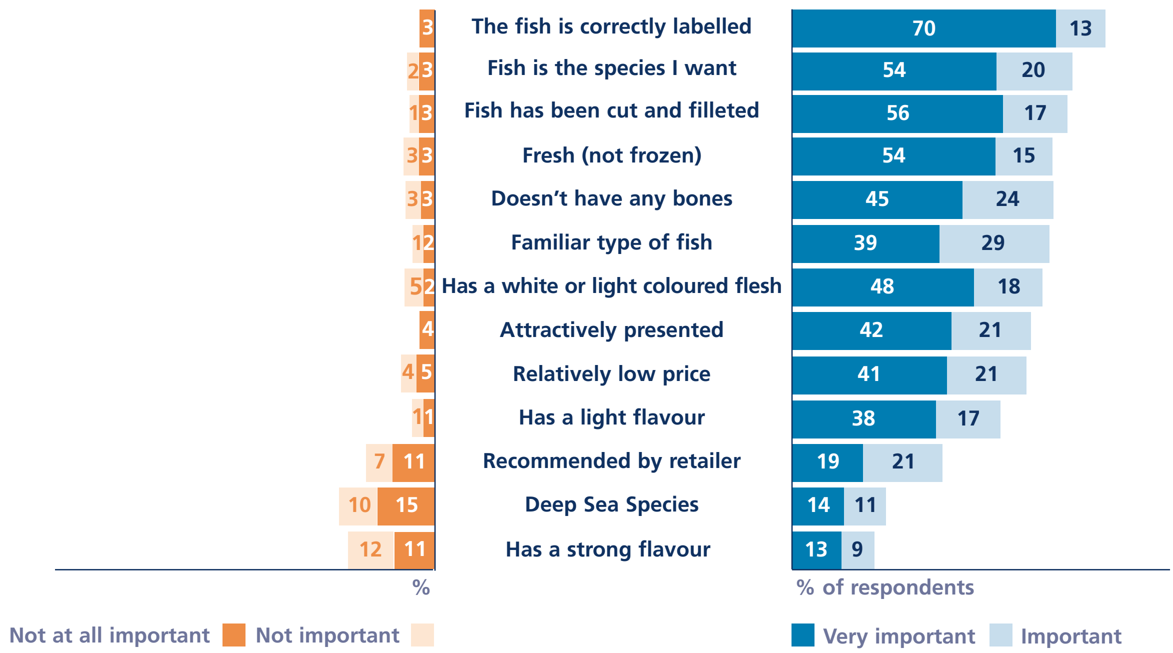


Chart 6a and 6b Reaction to species unavailability, Sydney and Perth 1999

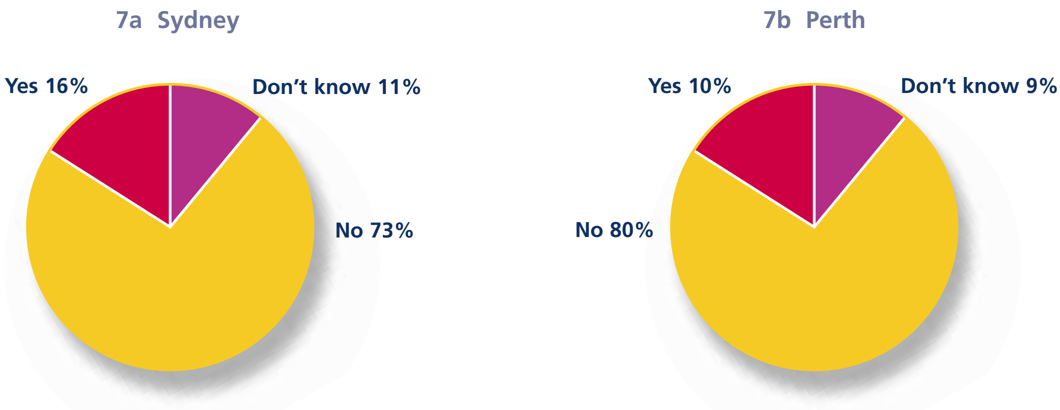
5. INCREASING THE SALES OF UNDER UTILISED SPECIES AND NEW AQUACULTURE SPECIES

The prospects for increasing the sales of under-utilised species and new aquaculture species are very good because retailers of fresh fish and seafood are generally confident that consumers are now more willing to try new species than they were a decade ago.

More than one-third of retailers reported potential for further growth in sales of all the nominated aquaculture species other than silver perch and oysters. However, they were less confident about growth in sales of the nominated wild species.

The less variable price and longer seasonality of the aquaculture product as opposed to wild-caught species were the main attractions of farmed produce. Retailers frequently referred to aquaculture as offering the best solution to rising fish prices. Importantly, a high percentage of consumers in both Sydney and Perth indicated that habitat (ie. natural or farmed) had no effect on their purchase decisions, suggesting a strong acceptance of aquaculture product in the market (Chart 7a and 7b).

Chart 7a and 7b Habitat effect on purchase decisions



Given further publicity and promotion, fresh mussels probably have the strongest potential for growth in sales. Both consumers and retailers were very positive about these inexpensive shellfish. In addition, mussels' low price means that in-store cooking demonstrations and tastings need not be a costly exercise.

Table 4a summarises Sydney consumers' awareness of, and comments on, 11 nominated under-utilised species.

Table 4a Under-utilised species: consumer awareness and comments, Sydney, 1999

Species	Proportion of consumers aware of species %	Proportion who had tried the species at some time %	Proportion who liked what they tried %
Farmed			
Barramundi	63	54	90
Atlantic salmon	82	65	90
Rainbow trout	89	68	89
Prawns	68	61	88
Oyster	99	78	64
Blue Mussels	97	72	59
Wild catch			
Albacore tuna	29	48	87
Silver trevally	65	50	83
Warehou	33	45	82
Squid/calamari	98	86	80
Pilchards/sardines	91	57	63

Table 4b summarises Perth consumers' awareness of, and comments on, 12 nominated under-utilised species.

Table 4b Under-utilised species: consumer awareness and comments, Perth, 1999

Species	Proportion of consumers aware of species %	Proportion who had tried the species at some time %	Proportion who liked what they tried %
Moses Perch*	23	32	96
Atlantic salmon	78	48	86
Australian salmon	93	73	90
Yabbies	97	78	81
Swordfish	92	27	85
Squid	100	87	78
Red Mullet	59	40	71
Crabs	100	93	73
Mussels	99	80	75
Sardines	97	65	74
Octapus	99	71	70
Oyster	99	79	57

** Now Moses Snapper*

Farmed barramundi and rainbow trout were highly regarded by the industry and by consumers and have substantial potential for further sales expansion. Rainbow trout had been tried by 68 per cent of Sydney consumers and liked by 89 per cent of them. The name 'rainbow' was seen as very attractive by focus group participants, so farmers and retailers should make use of the full name on labelling and price tickets, rather than abbreviating it to 'trout', as some do.

Sixty-nine per cent of supermarkets considered that oysters have potential for further sales expansion. In contrast, only 32 per cent of fishmongers expected further growth in sales of oysters, mainly because they were far more uncertain and worried about the safety of the product. Focus group discussion showed, however, that most consumers remain positive about oysters, mainly because of the product's trendy image and reputed aphrodisiac qualities.

The major supermarket chains are continually renovating stores and developing fresh-fish counters and sections. This offers the fishing and aquaculture industry an opportunity to work closely with the chains to increase demand for under-utilised and new species. The March 2000 launch of the AusBuy program further expands the opportunities for increasing sales of new Australian species and products by promoting their Australian origin.

Growth in sales is heavily dependent on promotion and consumer education. Many supermarket operators remarked that the fishing and aquaculture sector must get involved in marketing and support, especially in-store tastings, if it wants to increase demand for new products.

However, most fishers and farmers are unaware that retailers are accustomed to having considerable sales support from many of their suppliers and that investment in such support is essential if new species are to be successfully launched. The Tasmanian Atlantic salmon and the Fremantle 'sardines' success stories are great examples of the benefits of promotional expenditure by the Australian seafood industry.

6. PROMOTION

The perceptions that fish is healthier than meat and that it adds variety to the diet were found to be the primary factors influencing the consumption of fish as opposed to other meats.

But uncertainty about safety and contamination, a lack of knowledge about fish and seafood, and high prices were found to be major barriers to increased consumption of these products.

Consumers nominated more advertising and promotion, in particular easy recipes and cooking ideas, and decreasing prices as the strongest inducements to buy more fish and seafood.

Price is a difficult matter to agree upon. Producers would like higher prices. Retailers would like to sell more fish at lower or current prices. Consumers would prefer lower and more stable prices. However, the real problem for most consumers is not price per se` but perceived value. Several expensive fish, such as tuna and Atlantic salmon, are among the best sellers because they are seen to be good value for a combination of tangible and intangible reasons.

The challenge for retailers is to raise the perceived value of their product. This can be done in a variety of ways. For example:

- correctly labelling their product and give confidence to to consumers by following the Australian fish names list
- ensuring the premises used are clean and staff are trained in hygiene and product knowledge (see Chart 3a, 3b, 4a and 4b)
- offering greater convenience, making the fish more ready to eat;
- displaying a more attractive price point;
- combining greater convenience with more appealing pricing by offering skinless, boneless fillets at a price per fillet, rather than displaying a price ticket asking for $20 or more per kilogram. A 'ready-to-eat' or 'ready to heat' fillet offers even greater convenience and is commonly perceived as good value, despite the price being higher than that for the equivalent raw fillet.

The 1999 consumer research in Sydney and Perth found that fish is not 'top of mind'. Therefore, consumers need repeated, widespread reminders that fish can be a tasty, nutritious and inexpensive meal, in winter and in summer, so that they add fish to their shopping list and basket more often.

In terms of promotion, the primary needs are to raise consumers' awareness of inexpensive fish and seafood as well as meal options (with selected cheaper species), rather than to develop generic promotion or advertising that simply stimulates sales of the more popular species or the 'old favourites' that are commonly seen as expensive. Meal ideas should be innovative and should focus more on fish as an ingredient rather than the centrepiece of the meal, in keeping with contemporary eating habits, which see pasta dishes and stir-fries at the forefront.

Many purchasing decisions are made inside the shopping centre or store, so point-of-sale posters can be effective in drawing consumers into the fish shop or supermarket section and generating interest in particular species or products. Retailers should note, however, that consumers prefer posters showing meal scenes and cooking ideas rather than the photo catalogue of 'pretty fish' commonly used to aid species identification. This suggests that recipe leaflets would be more effective if they were illustrated with cooked foods or ready-to-eat preparations, rather than raw fish or seafood.

A notable development since 1991 is the declining retailer support for television advertising as an effective method of increasing consumption of fish and seafood. In spite of this, Perth and Sydney consumers identified television as a much-relied-on source of information. Thus, although TV advertising is generally extremely expensive and its benefits open to doubt, industry groups should investigate the costs and benefits of co-sponsoring, with complementary industries or companies, one of the popular cooking or lifestyle shows. These shows can offer a cost-effective medium for communicating quick-and-easy cooking ideas to consumers, raising awareness and demand for new species or products, and promoting the fish and seafood industry generally.

Of course, retailers can also advertise or otherwise promote their individual business and particular expertise using the traditional print or electronic media or the Internet. The report of the Perth study contains a detailed discussion of the multitude of ways of promoting a fish and seafood business.

Consumer information

The Sydney and Perth focus groups made it clear that there was a need for a new approach to the way in which fish and seafood is promoted to consumers. The majority of those interviewed agreed that there was need for information beyond just recipe leaflets. The focus groups indicated they wanted more detailed information such as:

- how and where the fish or seafood type is harvested and farmed or maintained
- the natural habitat or growing area and how the species is harvested or farmed
- how to handle, cook and store the product
- the product's nutritional benefits and any unique culinary features.

The focus group also indicated that cooking ideas currently promoted in recipe leaflets were too tedious and costly. One solution could be the production of seafood smart cards incorporating more detailed information on the particular fish or seafood combined with affordable, easy to prepare cooking ideas.

Australian fisheries resources (Kailola et al. 1993), the Australian seafood users manual (Yearsley et al. 2000) and the Australian seafood handbook (Yearsley et al. 2001 Revised Edition) are reliable sources of information – and reliable information is important in the light of the prevailing consumer uncertainty about fish and seafood and the need for confidence in the industry.

The studies identified two common consumer misconceptions that need clarification in promotion. First, many consumers were unaware that almost all fish and seafood can be cooked successfully using most of the common methods eg. grilling, frying or on the barbecue, and there is no need for a particular recipe for each species. Second, it was generally not known that the shelf life of fish and seafood under refrigeration is typically several days and most products do not need to be eaten on the day they are bought.

Promoting the health benefits of fish and seafood

Although the extensive media coverage of the health benefits of fish and seafood in the past decade has done much to maintain the image of a nutritious and healthy food compared with other meats, it is difficult to assess the impact of this coverage in terms of increasing overall sales of fish and seafood.

Consumers do not just want food to be healthy – they also want it to be tasty and to represent value for money. Wildes (1993) proclaimed that taste was 'king' when discussing the 'Think Lite, Eat Fat' paradox in American eating habits. The widespread popularity of fried fish and chips, French fries and other 'fattening' foods in Australia demonstrates that flavour is also a powerful motivation for most Australian consumers.

It is worth noting that while both male and female consumers in the Sydney and Perth focus groups made it clear that they recognise the health benefits of fish and seafood, they felt that the health message was now 'old news' and boring. Obviously, then, promotional messages designed to increase fish consumption, particularly the health message, need to be more creative than in the past.

In promotional material and other initiatives that aim to gently but favourably position fish in the consumer's mind, the health benefit may be best used as an interesting background or underlying theme rather than as the dominant or only message.

In the Perth study, consumers were asked to comment on nine statements that might influence their decision to buy fish. 'For a healthy meal, go fish', 'Fish. The healthy feed' and 'Fish. Nature's fast food' (in that order) were the three statements identified as most likely to increase consumption. The first two were preferred because of their health component and the third because it embodied the message that fish and seafood equate with a quick, easy meal.

The Australian fish and seafood industry thus has three positioning statements that have been consumer tested and demonstrated to be highly likely to increase sales of fish and seafood. Furthermore, the Perth consumers considered that two of the nine statements offered for comment, 'Fish. The friendly fare' and 'Fish. Hook into it', would have a negative impact on their purchasing behaviour, so the industry should not assume that an apparently clever statement invariably helps to increase sales.

Market segmentation and targeted promotion

The retail market is made up of individuals of varying socio-economic status and with varying attitudes to fish and seafood. Retailers should therefore be mindful of the make-up of their clientele and then segment that clientele according to income, age or other demographic characteristics. Each segment should then be targeted with particular species or offerings.

For example, in urban Australia some suburbs are well known for the large numbers of particular migrant groups that have a strong preference for, say, sashimi, milk fish, baccala or imported fish such as tilapia. Other suburbs contain large numbers of older citizens, who may well be more interested in the health benefits of fish and seafood than their younger neighbours.

Additionally, Sydney is renowned for its community of fine-food lovers, or 'foodies', who are constantly looking for new ideas and taste sensations in fresh fish and seafood from both wild fisheries and aquaculture. These people are very influential because in general they are not price conscious and they test many new products in the 'white table cloth' restaurants, which often lead the way with new species that subsequently receive wider attention in the media. Nor are these people deterred by elaborate recipes. Instead, they seek out exotic flavours and often patronise the cooking classes run by celebrity chefs at the Sydney Fish Market's Seafood School. Foodies constitute a potentially important group in the promotion of new species and products and provide a small market for the specialist fishmonger.

At the other end of the scale is a much larger population segment, found throughout Australia, which can afford little other than the cheapest of fish and seafood.

Retailers wanting to increase their sales should target selected segments of the population, using the media and messages that are most appropriate for those segments.

7. CONCLUSIONS

The Sydney and Perth consumer studies revealed a need for a more customer oriented, innovative and energetic approach to the retailing and promotion of fish and seafood, so that customers have a more satisfying shopping experience.

Despite strong growth in output from Australian and overseas aquaculture, demand for most species, particularly for out-of-home consumption, will continue to outstrip supply.

This supply shortfall and related price rises, the development of electronic trading in seafood, the focus on ecological sustainability and eco-labelling and impending introduction of compulsory food safety programs all place further pressure on the already slim profit margins of many retailers.

But retailers wanting to profitably increase their sales of fish and seafood can nevertheless do so inexpensively, and without new technology or television advertising, simply by going back to marketing basics and offering an up-to-date marketing mix that takes account of all the critical factors ie. product range, product safety, product quality, promotion, pricing and service-in an integrated manner.

If they have the resources, they can also go back to the future by reinventing the old fish cafe and joining the swing to greater eating out. Coles supermarkets have gone back to the future in another way, reintroducing packaged trays of chilled fish but in a modern modified-atmosphere pack.

The future of fish and seafood for in-home consumption may well lie in the product being a major component of a pasta, stir-fry or other popular meal or on the side of the plate, rather than being a large serve of white meat as the centrepiece of the meal (as in the past).

Individually or collectively, fish and seafood retailers, and others in the industry, will need to monitor more closely changing fashions in eating if they want to maintain their share of the 'consumer stomach', particularly in the face of massive competition from an increasing assortment of food types and meals. The rapid changes in food technology, packaging innovations, and the blurring of boundaries between eating in and out make this difficult, but it is essential for survival.

In the 1990s, the industry moved from the fish and seafood business to the food business by changing the product offering from mostly whole fish to more fillets. The challenge for most retailers in the next few years is to change from a food business, selling mostly raw fillets, to a meal-solutions business, with its more attractive price and value for consumers and a greater profit margin for the vendor.

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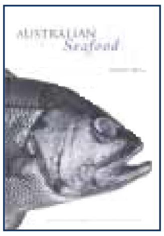

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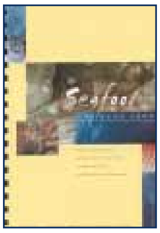

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