Fish & Chips: A Classic 21st Century British “Good Time” Meal!

Dr. David Hughes
Emeritus Professor of Food Marketing

“Frozen on Board” Cod & Haddock Conference
Ålesund, Norway
Wednesday, January 10th, 2018

@profdavidhughes
www.supermarketsinyourpocket.com
www.drfood.ca
<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Happiness Score</th>
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<tbody>
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<td>7.537</td>
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<tr>
<td>2</td>
<td>Denmark</td>
<td>7.522</td>
</tr>
<tr>
<td>3</td>
<td>Iceland</td>
<td>7.504</td>
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<td>Switzerland</td>
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<td>5</td>
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<td>6</td>
<td>Netherlands</td>
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<td>7.284</td>
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<td>17</td>
<td>Belgium</td>
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<tr>
<td>18</td>
<td>Luxembourg</td>
<td>6.863</td>
</tr>
<tr>
<td>19</td>
<td>United Kingdom</td>
<td>6.714</td>
</tr>
<tr>
<td>20</td>
<td>Chile</td>
<td>6.552</td>
</tr>
</tbody>
</table>

- **Explained by:** GDP per capita
- **Explained by:** social support
- **Explained by:** healthy life expectancy
- **Explained by:** freedom to make life choices
- **Explained by:** generosity
- **Explained by:** perceptions of corruption
- **Dystopia (1.85) + residual**
- **95% confidence interval**

Strong Growth in Global Meat Demand, 2015 to 2030

Global demand for animal protein

Source: Nan-Dirk Mulder, Rabobank, 2015

Change: 30/14
Seafood: +20%
Eggs: +38%
Poultry: +50%
Pork: +35%
Beef: +20%

Source: Rabobank, FAO, OECD, FAPRI
White Fish Fillet & Chicken Breast Head-to-Head Competitors Worldwide

Both Approx. US$3/kg. NOK 24/kg.
Has white fish had its chips?

Grams per household per week

Source: Defra / ONS
UK Household Purchases of Potatoes, 1974 to 2014: Downward Drift for Fresh and Processed Static at Best.

Figure 19: UK household purchases of potatoes
Source: Defra Family Food Survey

Market Growth Contingent on Population Growth
Reality Check on Fish Consumption in the UK

- most consumers understand that fish is healthy and they should eat more. Fish has a brilliant health halo.
- but fish is seen as being expensive & this limits its purchase.
- British children prefer fish as fingers and not as fillets!
- salmon, cod, tuna, prawns, haddock are UK’s Top Five seafood but per capita consumption is only 8.5 kg. It’s 22 kg. in Norway!
- of those eating fish, 47% eat cod at least once/month and haddock 26% once/month – they’re popular fish.
- however, in UK overall cod and haddock are in long-term volume decline (whereas salmon is in growth).
- in 2017, at retail, chilled and frozen fish were in value and volume growth.
- but worrisome demographic profile of in-home fish consumers.
- Eat Out/Take Out Fish shows +ve trends for cod/haddock.

Imperial College London
In 2017 (to September) versus 2016, in an extraordinarily tough market, “fresh” (chilled) and frozen cod and haddock did very well.
In 2017, Frozen Fish at Retail Had Slight Volume & Better Value Growth
Led by Branded Products from Birds Eye, Young’s and Arctic Royal

UK Frozen Fish Category Grew by 4.4% by Value and 0.8% by Volume
Eatwell Guide

Use the Eatwell Guide to help you get a balance of healthier and more sustainable food. It shows how much of what you eat overall should come from each food group.

Check the label on packaged foods
Each serving (150g) contains

<table>
<thead>
<tr>
<th>Energy</th>
<th>Fat</th>
<th>Sugars</th>
<th>Salt</th>
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<tbody>
<tr>
<td>1094kJ 259kcal</td>
<td>3.0g</td>
<td>1.3g</td>
<td>34g</td>
</tr>
</tbody>
</table>

13% 4% 7% 38% 15%

of an adult’s reference intake

Typical values (as sold) per 100g: 667kJ 167kcal

Choose foods lower in fat, salt and sugars

Eat at least 5 portions of a variety of fruit and vegetables every day

Choose wholegrain or higher fibre versions with less added fats, salt and sugars

Fruit and vegetables

Potatoes, bread, rice, pasta and other starchy carbohydrates

Beans, pulses, fish, eggs, meat and other proteins

Dairy and alternatives

Eat more beans and pulses, 2 portions of sustainably sourced fish per week, one of which is oily. Eat less

Choose lower fat and lower sugar options

Oil & spreads

Choose unsaturated oils and use in small amounts

Per day: 2000kcal; 2500kcal = ALL FOOD + ALL DRINKS

Source: Public Health England in association with the Welsh Government, Food Standards Scotland and the Food Standards Agency in Northern Ireland

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Be 100% Sure, Health Authorities are Determined to Reduce Meat Consumption in Many Countries (particularly high income mature economies) BUT Encourage Fish in Meals.
Norwegians Fail to Meet Your Government’s Fish Dietary Recommendations

Dietary guidelines by the Norwegian Directorate of Health

- Enjoy a varied diet with lots of vegetables, fruit and berries, whole-grain foods and fish, and limited amounts of processed meat, red meat, salt and sugar.

Even in Fish-Loving Norway, You “Under-Consume” Fish in Your Diet!

Fish
39% of men and 31% of women eat the recommended amount of fish.

24% of men and 21% of women eat the recommended amount of fatty fish.
OECD Obesity League 2016

This is an Issue for Fish & Chips in the UK. Only the Hungarians are Fatter in Europe!

The Health Halo of Fish Reduces the Guilt of Eating Fish & Chips!
Combining Good Time and Wellness!

Alcoholic Juice Bars
This Juice and Smoothie Bar Switches to Serving Healthy Cocktails at Night

Healthy Celery Cocktails
This Celery Gimlet Offers a Healthier Alternative to Sugary Drinks

Superfood Cocktail Menus
Exile Bistro's Drink Menu Features Algae and Chaga Mushroom Cocktails
Mini Sizes with “Healthy” Ingredients Legitimizes Indulgent Treat Purchases

Consumers seeking more routine relief from stress will change the definition of “permissible indulgence” from the rare feast to habitual better-for-you treats.
The Great Tradition of British Fish & Chips!

- Cod accounts for one-third of out-of-home fish servings and is most frequently served fried.
- Both cod & haddock increasing OOH* share whereas salmon decreasing (become routine home meal).
- 10,500 F&C** outlets but numbers declining.
- 22% of consumers say they have F&C once per week and 80% consume at least once/year.
- 56% of consumers buy F&C to eat back home.
- Mushy peas, curry sauce, salt & vinegar most frequent accompaniments.
- A working class British food tradition enjoyed by all – not least, by “boys” after a night of beer drinking!

* OOH Out-of-Home Food Consumption  ** F&C Fish & Chips
Who’s Shopping for **Chilled and Frozen Cod & Haddock** in Tesco UK?

<table>
<thead>
<tr>
<th>Group</th>
<th>Counter Fresh Cod &amp; Haddock</th>
<th>Freezer Department Cod &amp; Haddock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioner</td>
<td>190</td>
<td>110</td>
</tr>
<tr>
<td>Older Adult</td>
<td>106</td>
<td>99</td>
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<tr>
<td>Older Family</td>
<td>75</td>
<td>119</td>
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<tr>
<td>Younger Family</td>
<td>58</td>
<td>111</td>
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<tr>
<td>Young Adults</td>
<td>50</td>
<td>71</td>
</tr>
</tbody>
</table>

*Imperial College London*
Cod & Haddock Consumers on Holiday at Seaside

Special Vehicle for Chilled Cod and Haddock Consumers Going On Their Last, Very Long Holiday
Increased focus on health & product origin

"You are what you eat"

Fresher food through local sourcing & vertical integration

Key Trends
The Number 1 Global Mega Consumer Trend is the Increasing Concern About The Health of the Family and The Health of the Planet. When Food Shopping, Drives Shoppers Towards “Mindful Choices”*

And a Widespread View that Big Food, Big Business, Big Government are Part of the Problem NOT Part of the Solution

“Mindful Choices” top food trend for 2018, Innova Market Insights, Nov. 2017
Natural and ethical claims on global new food and drink product launches are on the rise

| Natural product claims (ie no additives/preservatives, organic, GMO-free) | SEPT. 2006-AUG. 2007 | 17% |
| Ethical and environmental claims (ie environmentally friendly packaging, animal/human welfare) | SEPT. 2006-AUG. 2007 | 1% |
| | SEPT. 2016-AUG. 2017 | 29% |
| | SEPT. 2016-AUG. 2017 | 22% |

Source: Mintel Global New Products Database (GNPD)
Consumers today idealize food that is close to its “natural” form

Consumers across the board express the belief that food closer to its natural state is superior to food changed by scientific or industrial processes (particularly when that change is seen to be motivated by profit). At its most basic level, this means foods that are:

**Grown naturally**

- Grown without unnecessary chemicals – respecting rhythms and interdependencies present in nature

**Made simply**

- Simple ingredients – no unnecessary ingredients – no unnecessary stages of preserving or processing

Fish & Chips Can Tick the Natural and Simple Boxes!
ON FOOD, CONSUMERS NEED TRANSPARENCY & COMMITMENTS

- 63% care about the origin of the products they purchase
- 67% want fewer preservatives and coloring agents
- 60% want local brands & fresh products
- 86% think that transparency in companies is important
Ocean “Consciousness” and Concerns About Sea Life Sustainability on the Rise

David Attenborough: we must act now to protect our oceans from the deadly threat of plastic
Advertisement in the front pages of *The Economist* magazine from a Merchant Bank advising Prospective Customers of Ocean Environmental Issues.
Town & Country debuts humanely harvested cod

Fish are stunned immediately, which reduces damage to meat from stress hormones
Relentless Special Interest Groups Adept at Using Social Media To Connect with Millennials

THIS FAR, NO FURTHER

Protect the Arctic from destructive trawling
In 2015, we began developing and perfecting the world's only algae- and plant-based shrimp. Using natural ingredients and cutting-edge science, we bring you a shrimp that is uncompromising in taste. A shrimp without slavery, bycatch, shellfish allergens, antibiotics, and ecosystem devastation. A shrimp that everybody can love.
AWARD WINNING VEGAN FISH ALTERNATIVE ARRIVES ON MARKET NEXT YEAR 2018

WE'RE CULINARY REBELS WITH A CAUSE. SEAFOOD WITHOUT SACRIFICE.

[NOTHING FISHY ABOUT IT]
GOURMET PLANT-BASED SEAFOOD™

100% plant based ingredients.
100% taste innovation.
Quorn to spend GBP150m to increase production at UK plant

Quorn is a $1 bn. Global Brand in the Making

Quorn has also announced its UK sales grew by 15% in the first half of the year.

Global growth rose 19% over the period, while European sales also grew by 29%. Business in the US was also up 40%, while in Asia and Australia sales climbed 35%.
Quorn has Same Retail Shelf Space as Lamb in Some Stores
Bill Gates and Richard Branson Back Startup That Grows ‘Clean Meat’

Memphis Meats: Richard Branson predicts the world will no longer need to kill animals in 30 years

Protein innovation: Cargill invests in cultured meats
Powerful Global Consumer Trends

Customers looking for convenience across channels

Key Trends

Growth of ready-to-eat and fresh convenience

Increased ease of shopping

More value
More convenience
More fresh & healthy
More personal
Time Starvation

More people are working, and working for longer hours, contributing to a sense of being time starved—especially among busy families and single-parent households.

In 60% of U.S. households, both adults work (up from 46% in 1979).

50% of parents say it is very/somewhat difficult to manage work and family.
Living Differently

Younger generations will reshape markets & workplaces with different attitudes and behaviours

**Centennials**

- Born 1997-Present
- Ages 0-19 in 2025
- Global population in 2025: 2.4 Billion
- Many now teens in school and college
- Few financial commitments
- First mobile-native generation
- Resourceful as they have grown up in slow growth world

**Millennials**

- Born 1979-1996
- Ages 20-37 in 2025
- Global population in 2025: 2.03 Billion
- Many at life stage where start spending more
- Settling down and starting families
- By 2020, will form 50% of global workforce
- Idealist, prioritise meaning over materialism

Imperial College

London
Younger Consumers Eat Out Most Frequently in the UK

The Ageing Demographic - Eating out frequencies

<table>
<thead>
<tr>
<th>Total UK adult average</th>
<th>Snack</th>
<th>Dinner</th>
<th>Lunch</th>
<th>Dinner</th>
<th>Total per month</th>
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<td>11.8</td>
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<td>3.7</td>
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<td>0.6</td>
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<tr>
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<td>6.1</td>
<td>2.2</td>
<td>2.1</td>
<td>2.2</td>
<td>0.6</td>
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</table>
Millennial & Centennial Trend Hit List

• cashless society – can’t tap it won’t buy it!
• eat out/on-the-run VERY frequently
• no main food shop, top up all week, convenience shop
• threat for Big Box – need shop & leisure destination
• entertaining at home but need help
• break down of 3-meal-day – snacking & mini meals
• “Because You’re Worth It” – I deserve a treat!
• I am what I eat or what I tweet/Instagram/WhatsApp
• eating healthily but help me!
• I want it NOW, not soon I said NOW!

Source: Foresight Factory and Hughes, 2017
Food-to-Go Accelerates the Convergence of Food Retail & Food Service
They Sell Plenty of Seafood
But NO Cod and Haddock!

itsu 70 stores and wasabi 40 stores
Much-Loved Part of the UK Food Scene BUT Facing Considerable Challenges!

45 Harry Ramsden’s in UK & Eire
Fish and chips fall out of favour with millennials

July, 2017

Sales in fish and chip shops have slumped by more than 4 per cent since 2009

“Fish and Chip Shops are Missing Out on Britain’s Growing Food Service Market by Failing to Adapt to the Habits of Millennial Consumers”

Since 2009, F&C Shop Sales -4% but Other QSR +9.2%
### Percent Meals Eaten By

<p>| | |</p>
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<tr>
<td>Single diners</td>
<td>42</td>
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<tr>
<td>2 diners</td>
<td>36</td>
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<tr>
<td>3 diners</td>
<td>11</td>
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<tr>
<td>4 or more diners</td>
<td>11</td>
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### Preparation Meal Time

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<tr>
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<th>Time</th>
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</tr>
<tr>
<td>1990</td>
<td>45 mins</td>
</tr>
<tr>
<td>1980</td>
<td>60 mins</td>
</tr>
<tr>
<td>1950</td>
<td>90 mins</td>
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### Willingness to Pay More for Food

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<th>Percent</th>
<th>Reason</th>
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<tr>
<td>5% more</td>
<td>For healthy</td>
</tr>
<tr>
<td>22% more</td>
<td>For better taste</td>
</tr>
<tr>
<td>Considerably more</td>
<td>For ready made meal solution!</td>
</tr>
</tbody>
</table>

Source: Kantar Worldpanel UK
Snackified Eating

Traditional eating patterns built around three “square,” structured meals a day has given way to modern eating styles. 50% of all eating occasions are now snacks.

91% of consumers snack multiple times throughout the day.

8% of these consumers forego meals altogether in favor of all-day snacking.

33% of morning snacks are consumed away from home.

26% of afternoon snacks are consumed away from home.
TRY OUR NEW LEGGERA RANGE
LIGHTER* EATING PIZZAS FOR ONE

Introducing 3 new lighter* eating and tasty recipes topped on our multigrain base. Our Leggera pizzas are perfectly portioned for one. Available in store now.
• healthy
• calorie-controlled
• snack/mini-meal
• 5-a-Day claim
• simple ingredients
• convenient
• portable
• no refrigeration
• “fish-friendly”
• recyclable
• brand reassurance
• YES – it’s tasty
• and affordable!
Salmon Serious Competitor for PREMIUM MEATS in Global Mini-Meal & Snack Markets
M&S
EST. 1884
SUSHI SNACK
with soy sauce

NO RAW FISH
per pack without soy sauce
449kJ/106kcal
Energy 5% of your RI
per 100g 623kJ/147kcal

106 CALORIES PER PACK

M&S
EST. 1884
SUSHI SNACK
Sushi Mini-Meals/Snacks: Favour Seafood Over Red & White Meat

But, Where’s the Cod and Haddock Snacks and Mini-Meals?
Oslo International Airport

So, Where’s:

THE COD & HADDOCK HOUSE!
UK jerky specialist Meatsnacks to serve up salmon

August 25th, 2017
We’ve just taken on a factory in the Scottish Highlands to launch our new Wild West Deli Salmon Jerky.
Good for Norway
(and for many other countries)
But Dried and Salted Fish
Difficult to Sell as Snacks in the UK Market!
Ceviche and Poke (Pokay) with Chilled Cod and Haddock

Cod/Haddock Finger Snacks

Cod/Haddock Sandwich/Wrap

We Need White Fish Snacks NOW!
White Fish Fillet & Chicken Breast Head-to-Head Competitors Worldwide

Both Approx. US$3/kg. NOK 24/kg.
Cod and Haddock are Premium Items. The Industry Must Provide More Reasons Why They Deserve a Premium Price

Premium is not...

- Price alone
- Reserved for the “elite” or sophisticated
- Only for special occasions
- About “low fat,” “low sodium,” or “low calorie”
- Communicated via words alone

Premium is...

- People, places, and traditions
- Real distinctions in quality
- Expressed through values and experiences
- About intentionally making things better
- Transparency and trust
- Pleasure and discovery
How’d You Like Your Premium Fish? *Med Adjektivers*!

- wild-caught ....
- freshly-caught ....
- locally-caught ....
- Norwegian ......
- Barents Sea ....
- Alex Skjong-caught .....  
- Scottish
- Skrei cod
- traditionally-smoked
- organic
- sustainably-sourced/MSC ...
- environmentally-friendly ...
- free from (antibiotics, etc.) ...
HØGFJELLSLAM
fra Nord-Gudbrandsdal

Fårikålkjøtt
Ein smak frå høgfjellet

Områda i Nord-Gudbrandsdalen er kjend for nasjonalparkane Rondane, Reinheimen, Jotunheimen, Snøhetta og Breheimen. Det er her Høgfjellslamma har beita sine heile sumaren igjennom. Lam som beitar i høgfjellet over 800 moh et beiteplanter som vier, urter, gras og lystplanter Gilde høgfjellslam er nøye utvald etter vekt, klasse og feittgruppe. Norsk natur og dyktige bønder gjør lam frå Gilde til eit kvalitetsprodukt, med ei god smaksoppleving.

Ingredienser: Lam frampart. Næringsinnhold pr 100g: Energi 954 kJ/360 kcal, fett 17,7 g av dette: meilet fettsyrer 7,6 g, einumetta fettsyrer 0,6 g, fleirumetta fettsyrer 6,1 g, karbohydrat 0 g av dette: sukkerar 0 g, protein 17,6 g, salt 0,2 g. Kjølevare 0–4°C. Pakka i beskyttet atmosfære.

Vekt: 2,107 Kg Best før: 27.10.2016

Produkt av Nortura SA, Postboks 360 Økern, 0513 Oslo
FORBRUKARKONTAKT: www.gilde.no

NORGE 103 EFTA

L6405
2301087321070
“I’m Willing to Pay a Premium for Your Cod and Haddock in My Fish & Chips Because ……”

• Yummy and really healthy
• A British classic that’s fun and everyone likes
• An affordable treat
• Natural, free from, simple, traceable, sustainable
• Easy to buy/prepare/eat/dispose (e.g. if snacking)
• Great stories about the fish/the meal – wild-caught, heritage, life cycle, provenance, “breed” (e.g. Skrei)
• Consonant with my values on “green”/social issues – environment, fisherman/fish welfare, local economy
CONTACT POINTS:

**e-mail**

profdavidhughes@aol.com

www.profdavidhughes.com

**Telephone contact:**

**mobile** +44(0)7798 558276

@ProfDavidHughes

Retail Blog: www.supermarketsinyourpocket.com
Who’s Shopping for Frozen Battered/Breaded Cod & Haddock in Tesco UK?

Source: Tesco shopping data from the dunnhumby data base, 2016/17