SEAFISH

Fish and Chips in Commercial Foodservice 2016

JULIA BROOKS, JANUARY 2017

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INTRODUCTION

Since the mid nineteenth century fish and chips have built their position as being a symbol of the UK's culinary culture recognised worldwide. The first recorded takeaway fish and chip meal was around 1860 in either London or Manchester. After which it gained continued popularity as a nutritious, affordable takeaway meal during the industrial revolution.

Now there are approximately 10,500 fish and chip shops in the UK that serve over half of all fish and chip meals. The meal is also a favourite within other outlets such as pubs, full service restaurants and canteens.

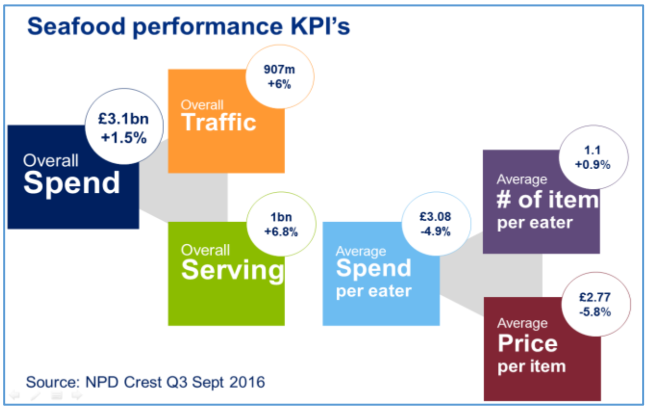
Since 2014 servings of fish and chips increased 4.2% to 333.6m.

GENERAL FOODSERVICE TRENDS

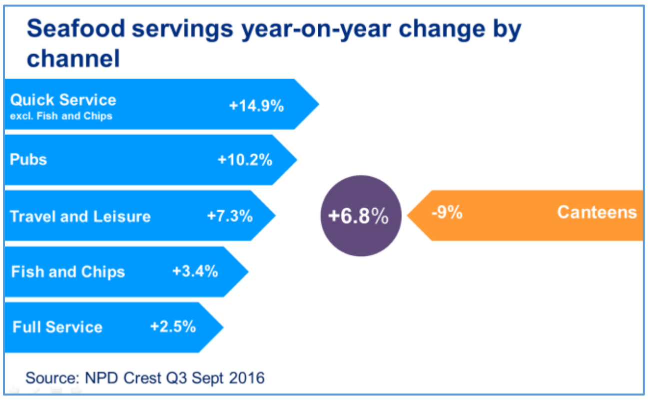
Following the EU referendum result, at the end of June, the British economy proved more 'resilient' than analysts had predicted, growing by +0.5% in Q3 2016. While the weakened pound continued to keep consumer confidence down, it has encouraged overseas visitors to increase their spending. This in turn is beneficial to hotels and restaurants contributing to GDP growth in Q3.

The foodservice industry grew total consumer spend by 2.5% in Q3 2016 versus last year, only slightly slower than growth in Q2. The industry has remained buoyant through increased traffic (0.6%) and an increase in average eater spend (1.7%), driven by rising prices. This is in line with the increase in inflation reported by the Office of National Statistics; the Consumer Price Index grew by 1% in the year to September 2016, the highest since November 2014.

Overall seafood servings and incidence (the percentage of visits that involve a serving of seafood) have grown this year; seafood is the strongest growing protein for both of these measures.



Seafood's growth in servings was across all commercial channels except canteens.

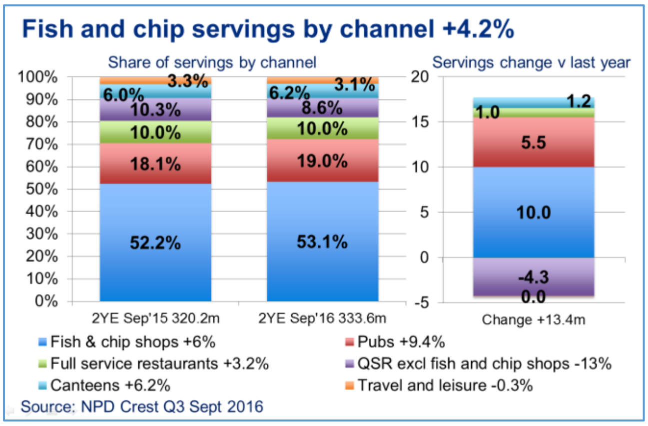


Seafood deal rates remain slightly above the overall out of home average however, there is still headroom to increase the rate to the protein average and bring down average cost.

Youngsters continue to buy less seafood (shellfish especially) than other proteins. Therefore, the challenge remains to make seafood in foodservice more attractive to younger consumers.

FISH AND CHIPS PERFORMANCE IN FOODSERVICE

This analysis looks at when fried fish and chips are served together as a meal, in any commercial foodservice channel. Also for statistical accuracy, the data covers a two-year periods.



Over the last two years, servings of fish and chips increased 4.2% to 333.6m. The majority, of servings (53.1%) were in fish and chip shops. These servings increased by 10m; 6% more than the previous period. Pubs servings also increased 5.5m growing their share to 19%. Servings of fish and chips in full service restaurants and canteens increased, whilst servings declined in the travel and leisure channel, and quick service restaurants (QSR) excl. fish and chip shops.

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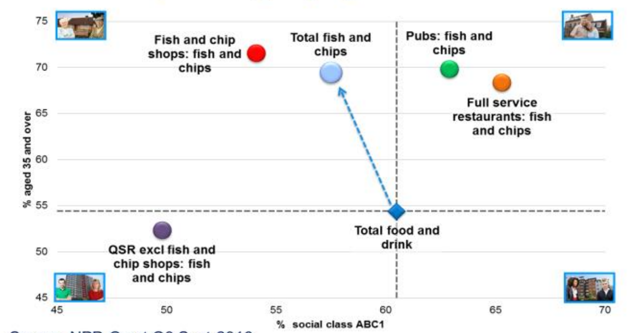
FISH AND CHIP CONSUMER DEMOGRAPHICS

Seafish research identified regular fish and chip consumers to include slightly more male, young consumers. The meal is typically bought as a meal for two people (47%) and whilst 25% of respondents eat the meal alone, 21% buy fish and chips as a family meal to be eaten with their children.

However, in comparison with the overall food and drink consumer, older consumers buy more fish and chips servings. Consumers aged 35 and over bought 69.4% of fish and chip servings an increase from 67.8% last year. The percentage of servings bought by consumers who are under 24 years old also increased from 20.3% to 21.4%. However, this is still behind the overall average of 25.8% suggesting more work is required to attract younger consumers. Action is also required to attract 25-34 year olds who are generally buying fewer servings of fish and chips.

Fish and chip servings by age and social class

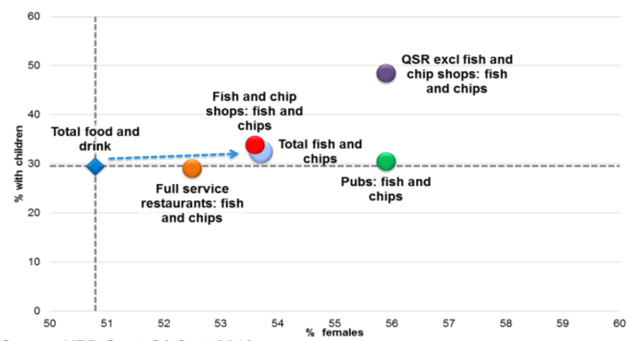


Source: NPD Crest Q3 Sept 2016

Overall, fish and chips appeal to less affluent than average consumers, driven by purchases in quick service restaurants. In contrast, a higher social class consumer buys fish and chips in pubs and full service restaurants.

Females buy more fish and chip servings than total food and drink average. It is also more likely that when visiting the quick service restaurant channel, children will accompany them.

Fish and chip servings by females and parties with children

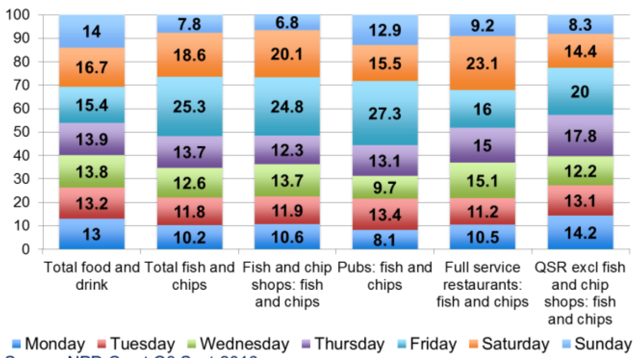


Source: NPD Crest Q3 Sept 2016

FISH AND CHIP DAY OF WEEK AND DAY PART

Traditionally fish and chips are a popular choice for Fridays across all channels and this over performance is continuing to build. Saturdays is also building its share in all channels except QSR excluding fish and chip shops. Whilst servings have increased on a Wednesday, there is still opportunity to expand sales on other days especially Sunday.

Servings by day of week

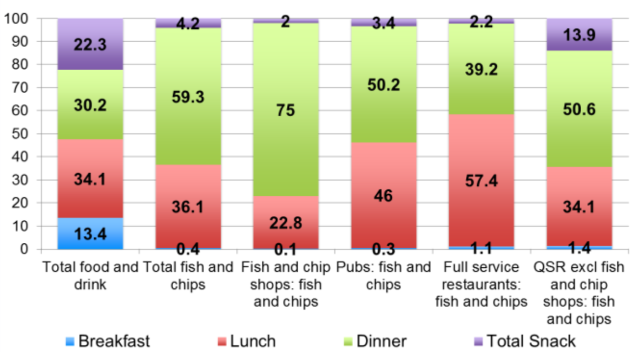


Source: NPD Crest Q3 Sept 2016

Across all channels, the majority of fish and chip meals are for evening dinner except in full service restaurants when lunchtime is key. Fish and chips also outperform the food and drink average lunchtime servings within the pub channel.

Snacking opportunities are still present in all channels with only QSR excl. fish and chip shop reporting some >5% serving share. Not surprisingly, fish and chips are not a popular breakfast choice.

Servings by day part



Source: NPD Crest Q3 Sept 2016

Opportunities exist to attract more younger consumers to fish and chips, expand sales on days other than Friday and Saturday and increase the number of lunchtime and snacking meal occasions.

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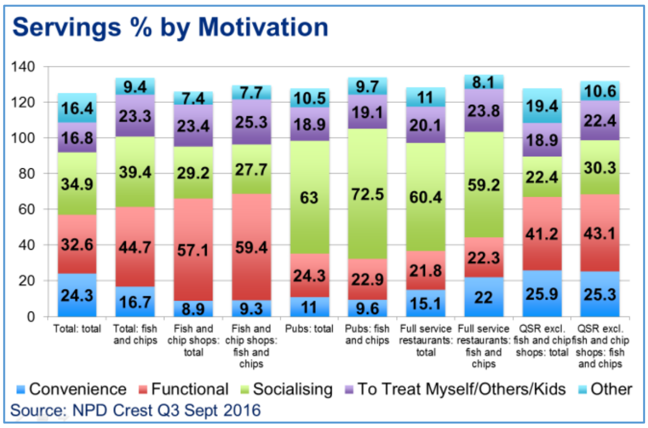
FISH AND CHIP PURCHASE DRIVERS

Several motivations drive consumers' choice of foodservice channel and meal (hence the chart below totals more than 100%) and fish and chips out performs all of the channels' average in terms of total motivation.



Source: NPD Crest Q3 Sept 2016

On average, the decision to buy a serving of fish and chips is driven by functional (something to satisfy hunger), treat and socialising motivations:

- Functionality is the main driver when visiting fish and chip shops and other quick service restaurants.
- Socialising, within pubs and full service restaurants represents fish and chips' biggest pull compared to average food and drink.
- More consumers buy fish and chips as a treat in all channels especially fish and chip shops and full service restaurants.
- Building on the convenience motivation is an area of opportunity across all channels.

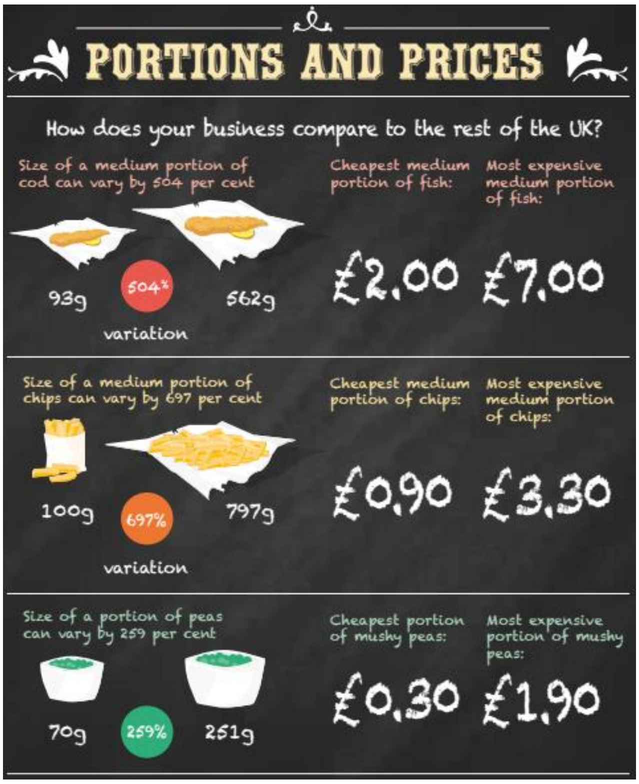
FISH AND CHIP CONSUMER RESEARCH

Seafish along with AHDB Potatoes commissioned research to provide the UK's fish and chip businesses with the latest data into portion sizes, nutritional information and current customer perceptions. The study involved thousands of consumers, hundreds of fish and chip businesses and the analysis of dozens of food samples. The survey set out to discover more about the portion sizes and menu options that takeaway fish and chip businesses are serving up across the UK.

Here are the key findings:

1. Portion sizes vary greatly
2. Portion size choice is important to customers
3. More customers are health conscious
4. Customers want more nutritional information

There are huge differences between the portions served up in the nation's fish and chip shops, which can be confusing for customers. A team of mystery shoppers visited 580 fish and chip businesses across the UK to reveal that the biggest medium portion of chips on sale was almost seven times bigger than the smallest, while the biggest medium portion of fish was just over five times bigger than the smallest.



The research found that a third of consumers would be inclined to eat fish and chips more often if there was a bigger range of portion sizes and fish species to choose from on the menu, because they could then build their own ideal meal. That is more than 17 million people across the UK who would eat fish and chips more often.

Of the respondents, 45% said that they would order a smaller portion of chips to cut their calorie intake. Which is almost 23.5 million people who are concerned about their calorie intake but still want to eat chips

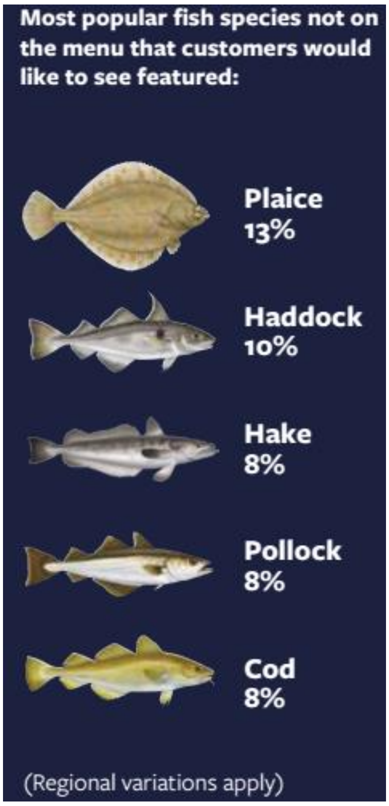
83% of the fish and chip consumers surveyed said the portion of chips they buy was the ideal size but we do not know how many share their chips. There could be potential to sell two smaller portions in place of one regular serving.

Building on the convenience motivation is an area of opportunity across all channels.

Of the people who think their fish and chip portion is too big:

- 44% say the chip portions are too big
- 21% throw away some fish
- 15% say the chip portion size is ideal because they share them

Customers who eat fish and chips more than once a month also 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.



When combined, these findings suggests there is an opportunity for many fish and chip businesses to satisfy appetites of all sizes, at different times of the day and boost the number of servings by:

- adopting a variety of standard-sized portions that are a bit closer to the national average
- offering a choice of portion sizes to enable customers who are watching their calorie intake, or who fancy a lighter option to enjoy fish and chips
- providing a greater choice of species to maintain regular customers interest

Freshly cooked fish and chips is a simple, wholesome meal using natural ingredients. When asked what would encourage consumers to eat more fish and chips, the top answer was if it were healthier:

- 72% would prefer their fish and chips cooked in a way that lowers the saturated fat content. This equates to almost 37.5 million people who fish and chip businesses could appeal to if they introduced different cooking method
- 78% are interested in buying fish with better nutritional content
- 62% would like to see nutritional information displayed per portion size so they can make more informed choices
- 53% would like to know the fat content of a portion of fish and chips

Essentially fish and chips can be part of a balanced diet but consumers need nutritional information to be clearly displayed on menus so they can make an informed choice about their meal.

Consumers are used to seeing this style of information when they buy packaged food therefore; Seafish and AHDB Potatoes have created the Perfect Serve online tool:
www.enjoyfishandchips.co.uk/theperfectservetool
to help businesses work out how much energy, fat, carbohydrate, sugar and protein is in the fish and chips served.

Servings of fish and chips in fish and chip shops can be increased by introducing a range of standard portion sizes supported by their relevant nutritional data and by offering a variety of fish species.

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DATA:

NPD Crest Q3 September 2016

Enjoy fish and chips research 2016 Seafish and Agriculture and Horticulture Development Board Potatoes

National Federation of Fish Friers

FURTHER READING:

Q3 16 Fish & Chips Report.pptx

Q3 16 Foodservice Report.pptx

http://enjoyfishandchips.co.uk

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