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Ambient Seafood in Multiple Retail (2020)

A market insight analysis
(20m read)

December 2020 Richard Watson

This factsheet provides a summary of the performance of ambient seafood in multiple retail to 3rd October 2020.

Key ambient facts/ Executive summary:

- Ambient continues to take the smallest sector share of UK retail seafood category. In general decline until 2020 the COVID-19 epidemic triggered panic buying, working from home and school closures which had the effect of boosting weekly ambient seafood sales by up to +117% versus the previous year.
- In the 52 wks. to 3rd October 2020, ambient seafood was worth £609.5m (+9.6%) with a volume of 91,871 tonnes (+9.1%); and an average price of £6.63/kg (+0.5%)
- Ambient seafood took a 15% (+0.3pp) share of the seafood UK retail market by value taking share from chilled as shoppers focused on cupboard and freezer staples.
- Compared with 2019, more shoppers bought ambient seafood more often with a larger basket size. On average, ambient shoppers bought 0.43kg of ambient fish per trip spending £2.63; buying ambient seafood 9.5 times per year; spending a total of £25.00, equating to 4.05kg over the year. To grow ambient seafood consumption the challenge is to get shoppers to eat ambient more often as frequency (9.5) is significantly lower than the 29.8 seafood category average.
- Compared to four years ago ambient seafood has attracted more younger middle income and affluent AB shoppers from smaller households; perhaps driven by sales of tinned mackerel which make a healthy, tasty convent snack or desk staple for office workers.
- It is the prepared segment (i.e. seafood with additional ingredients), which continues to take the largest (91%) value share of ambient seafood, and continues to grow both value and volume share; ambient sauce makes up the remaining (9%)
- Tuna continues to dominate the ambient seafood sector, taking 66% (-0.1pp) by value of the top 10 ambient species (but is losing share). Ambient mackerel and anchovy are the rising stars, as long term consumption of tuna, salmon and sardines decline. With mackerel likely to replace salmon as the second most valuable ambient species next year. Ambient mackerel already sells double the amount of ambient salmon by volume.

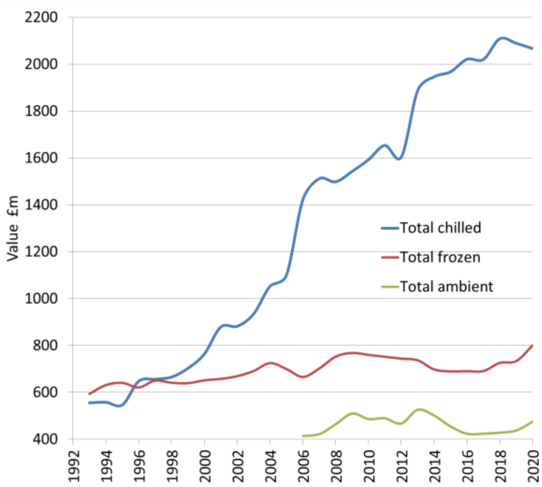
Historic retail seafood sector trends

In the 52 wks. to 3rd October 2020, the total seafood category showed healthy growth driven by a boost to sales from panic buying, home working, school closures and the ongoing restrictions on foodservice. Total seafood sales were worth £4.1bn (+7.6%), with a volume of 424,635 tonnes (+7.9%) and an average price of £9.75/kg (-0.2%).

Over the long term, ambient seafood consumption has fallen significantly. Since 2010, ambient seafood volume sales have fallen by -37.4% along with the sector seeing a substantial average price increase of +54.9%.

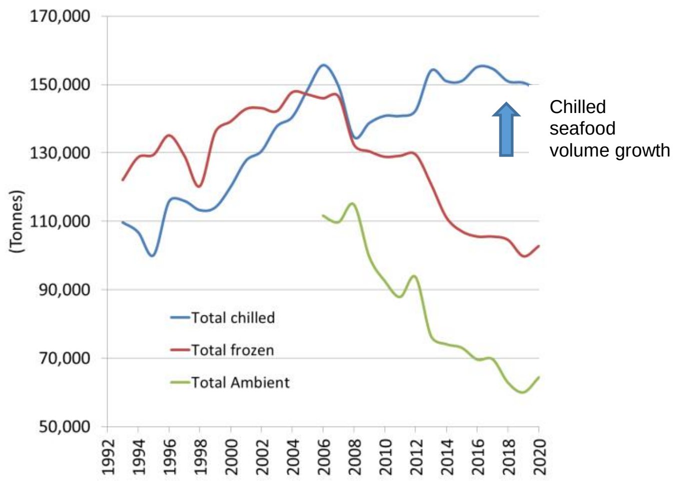
In 2020 the COVID-19 epidemic turned shoppers attention back to cupboard and freezer staples which had the effect of boosting weekly ambient seafood sales by up to +119%.

Long Term GB Seafood Sector Value Trends.



Nielsen GB Scantrack/TNS

Long Term GB Seafood Sector Volume Trends.



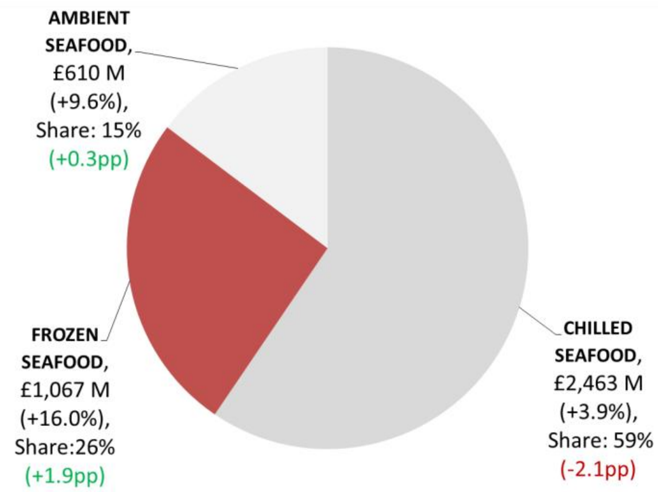
Ambient seafood performance

Ambient seafood currently takes the smallest share (15%) of the seafood category. This year the COVID generated demand for ambient resulted in ambient growing share (+0.3pp) taking share from chilled.

In the 52 wks. to 3rd October 2020, ambient seafood was worth £609.5m (+9.6%) with a volume of 91,871 tonnes (+9.1%); and an average price of £6.63/kg (+0.5%).

Historically a sector in heavy volume decline and one that has experienced the highest inflation, ambient sales benefited the most (+119%) from panic buying. Subsequently ambient sales tailed off as the year progressed, but remain +9.1% higher than last year at (w/e 03.10.20), compared to +17.9% for chilled.

UK seafood sector share by value 2020



Nielsen Scantrack YE 03.10.20

Over the long term (10 years to 3rd October 2020), ambient seafood remains the only seafood sector in full decline, with value down -2.9%, volume down -37.4% and average price up by +54.9%.

Ambient seafood KPI's

In the 52 wks. to 3rd October 2020, more shoppers bought ambient seafood more often with a larger basket size. On average, ambient shoppers bought 0.43kg of chilled fish per trip spending £2.63; buying ambient seafood 9.5 times per year; spending a total of £25.00, equating to 4.05kg over the year. To grow ambient seafood consumption the challenge is to get shoppers to eat ambient more often as frequency (9.5) is significantly lower than the 29.8 seafood category average.

Ambient Seafood KPI's 2020

		Pen %	Freq	AWOP (Kg) 52w	Avg Spend (£) 52w	Trip Spend (£)	Price per Kg	Avg Trip Kg
TOTAL SEAFOOD	05-Oct-19	96.40	28.90	13.59	117.95	4.08	8.68	0.47
	03-Oct-20	96.60	29.80	14.67	128.53	4.31	8.76	0.49
	% Change	0.2	3.1	7.9	9.0	5.7	1.0	4.7
CHILLED SEAFOOD	05-Oct-19	80.30	18.50	6.70	79.65	4.31	11.89	0.36
	03-Oct-20	80.90	18.80	7.08	84.39	4.48	11.92	0.38
	% Change	0.8	1.8	5.7	5.9	4.1	0.3	3.8
FROZEN SEAFOOD	05-Oct-19	85.30	10.70	5.58	36.79	3.44	6.60	0.52
	03-Oct-20	86.80	11.40	6.01	41.43	3.64	6.90	0.53
	% Change	1.8	6.4	7.7	12.6	5.8	4.6	1.2
AMBIENT SEAFOOD	05-Oct-19	78.80	9.10	3.77	23.34	2.57	6.19	0.41
	03-Oct-20	79.50	9.50	4.05	25.00	2.63	6.17	0.43
	% Change	0.9	4.7	7.4	7.1	2.3	-0.3	2.6

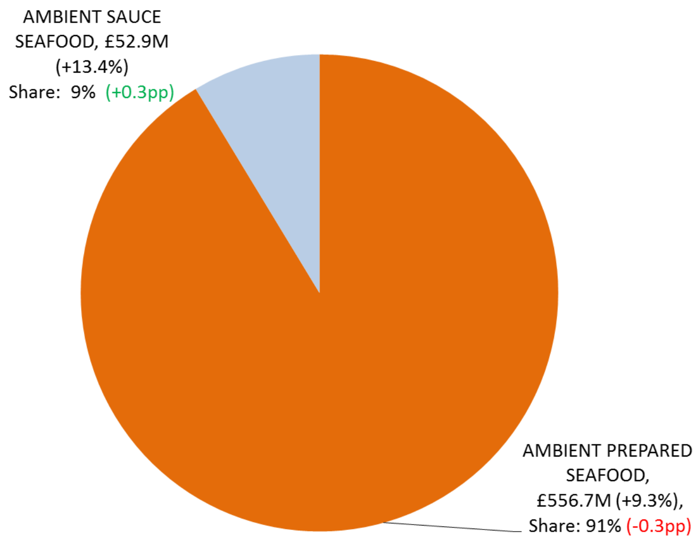
Nielsen Homescan YE 03.10 20

Ambient seafood segment performance

It is the prepared segment (i.e. seafood with additional ingredients), which continues to take the largest (91%) value share of ambient seafood, and continues to grow both value and volume share. In the 52wks to 8th October 2020 ambient prepared was worth £556.7m (+9.3%), with 82,494 (+9.6%) tonnes and an average price of £6.75 (-0.3%). Ambient sauce which makes up the remaining (9%) also in grew value share but volume share declined, sales of ambient meals were negligible.

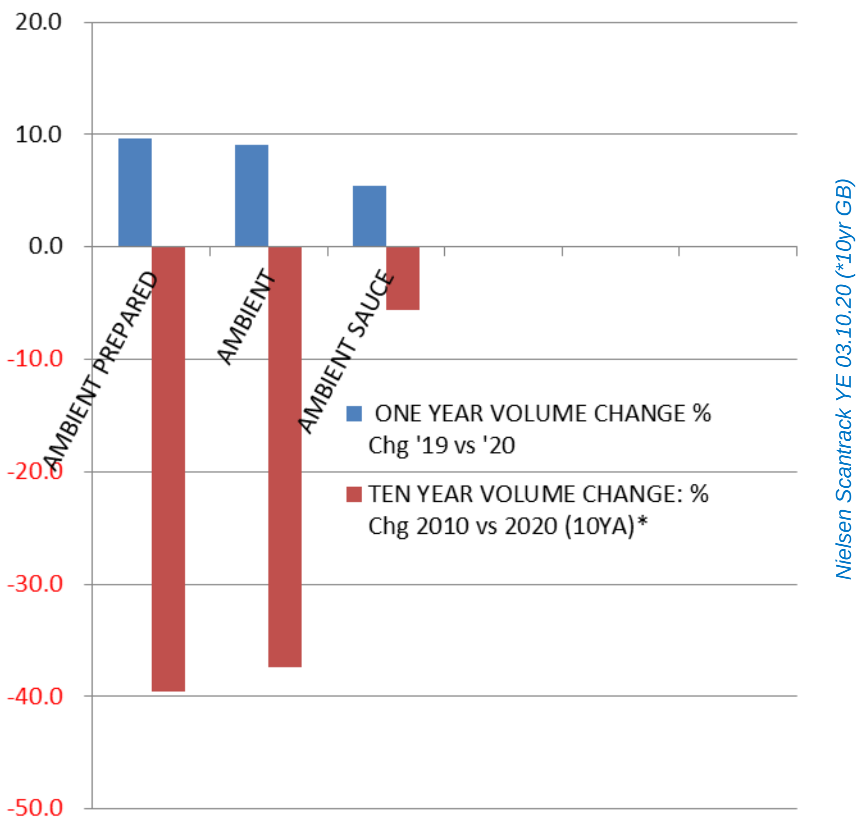
No ambient sectors were in growth over the long term (10yrs to 3rd October 2020). Ambient prepared showed a significant fall in volume sales (-39.5%); whilst both ambient prepared (+57%) and sauce (+36%) showed a significant increase in average price driving the value growth of ambient sauce (+28%).

UK Ambient Seafood Segment Value Share 2020



Nielsen Scantrack YE 03.10.20

Ambient Seafood Segment and Sector Volume Performance 2020



Ambient Seafood Segment Performance to 2020

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	Avg Price 2020	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*
FISH	3,835,603	3,846,870	4,140,337	7.6	21.0	394,698	393,616	424,635	7.9	-14.9	£9.75	-0.2	42.1
FRESH	2,375,247	2,370,978	2,463,430	3.9	33.2	176,518	178,477	188,153	5.4	5.8	£13.09	-1.4	25.9
FROZEN	915,884	919,752	1,067,348	16.0	11.1	134,930	130,938	144,612	10.4	-19.7	£7.38	5.1	38.3
AMBIENT	544,471	556,140	609,559	9.6	-2.9	83,250	84,201	91,871	9.1	-37.4	£6.63	0.5	54.9
AMBIENT PREPARED	498,514	509,481	556,697	9.3	-4.8	74,356	75,294	82,494	9.6	-39.5	£6.75	-0.3	57.5
AMBIENT SAUCE	45,870	46,613	52,861	13.4	28.0	8,872	8,897	9,377	5.4	-5.6	£5.64	7.6	35.6
AMBIENT MEALS	86	46	0.64	-98.6	#N/A	22	11	0.18	-98.3	#N/A	£3.51	-17.5	#N/A

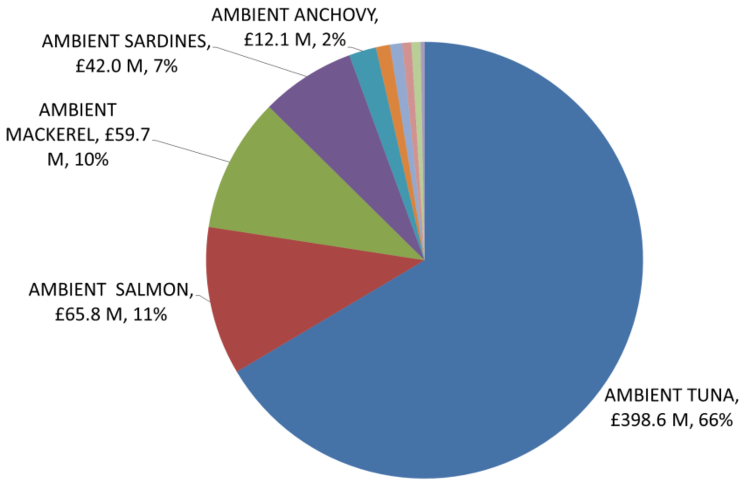
*Nielsen Scantrack YE 03.10.20 (*10yr GB)*

Ambient seafood species

Tuna continues to dominate the ambient seafood sector, taking 66% (-0.1pp) of all ambient seafood sales by value of the top 10 ambient species, but is losing share. Ambient salmon is also losing value share and is likely to be replaced by mackerel as the second most valuable ambient species next year. Ambient mackerel already sells double the amount of ambient salmon by volume.

Compared to last year, most of the top 10 ambient species were in growth. Tuna (+9.6%), mackerel (+16.6%), and anchovy (+32.2%) showed the highest volume growth. Only ambient crab (-6.7%) and salmon (-3.3%) were in decline.

UK Top 5 Ambient Seafood Species Value Share 2020

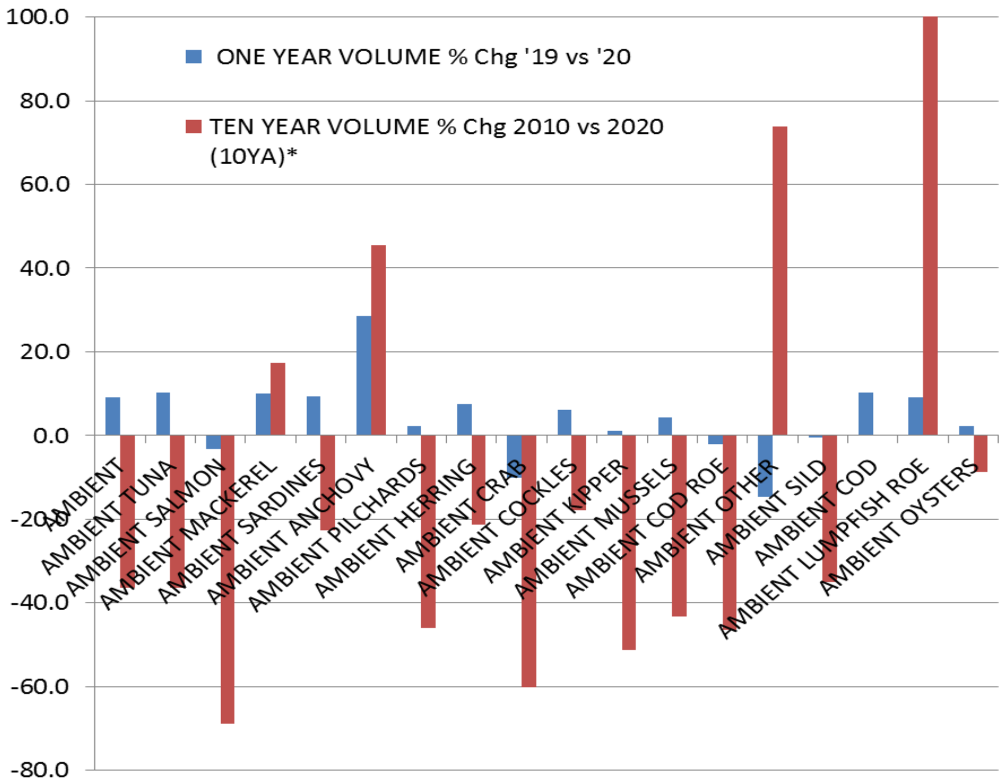


Nielsen Scantrack YE 03.10.20

Most ambient species were in volume decline over the long term (10yrs to 3rd October 2020). Including ambient tuna (-36.3%) and salmon (-68.9%) and sardines (-22.8%). The rising stars growing long term consumption were mackerel (+17.3%) and anchovy (+45.4%). Lumpfish roe (+550%) and salmon roe (+400%) showed the highest volume growth from a small base.

Over the past 10 years ambient seafood has experienced the highest inflation (+54.6%) of any seafood sector. Ambient salmon has seen some of the highest average price increases at +109%; with anchovy amongst the lowest at +7.4%.

Ambient Seafood Species Volume Performance 2020



*Nielsen Scantrack YE 03.10.20 (*10yr GB)*

Chilled Seafood Species Performance to 2020

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	2018 52wks to 03.10.18	2019 52wks to 03.10.19	2020 52wks to 03.10.20	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*	Avg Price 2020	% Chg '19 vs '20	% Chg 2010 vs 2020 (10YA)*
FISH	3,835,603	3,846,870	4,140,337	7.6	20.7	394,698	393,616	424,635	7.9	-14.7	£9.75	-0.2	41.5
FRESH	2,375,247	2,370,978	2,463,430	3.9	32.0	176,518	178,477	188,153	5.4	5.6	£13.09	-1.4	25.0
FROZEN	915,884	919,752	1,067,348	16.0	11.2	134,930	130,938	144,612	10.4	-20.0	£7.38	5.1	39.0
AMBIENT	544,471	556,140	609,559	9.6	-1.5	83,250	84,201	91,871	9.1	-36.3	£6.63	0.5	54.6
AMBIENT TUNA	352,857	364,014	398,640	9.5	3.0	56,417	58,020	63,946	10.2	-36.5	£6.23	-0.6	62.3
AMBIENT SALMON	66,652	62,529	65,839	5.3	-34.9	5,763	4,729	4,573	-3.3	-68.9	£14.40	8.9	109.0
AMBIENT MACKEREL	48,147	51,187	59,708	16.6	38.8	8,049	8,342	9,185	10.1	17.3	£6.50	5.9	18.3
AMBIENT SARDINES	37,633	39,390	42,045	6.7	0.5	8,159	8,333	9,113	9.4	-22.8	£4.61	-2.4	30.1
AMBIENT ANCHOVY	8,870	9,145	12,077	32.1	56.1	535	545	701	28.6	45.4	£17.24	2.7	7.4
AMBIENT PILCHARDS	6,051	6,006	6,246	4.0	-18.7	1,961	1,944	1,987	2.2	-46.1	£3.14	1.8	51.0
AMBIENT HERRING	4,568	5,136	5,356	4.3	14.5	705	762	818	7.4	-21.3	£6.55	-2.9	45.3
AMBIENT CRAB	4,891	4,392	4,099	-6.7	-33.7	303	250	225	-10.2	-60.3	£18.24	3.9	66.6
AMBIENT COCKLES	3,937	3,775	4,035	6.9	-1.5	399	382	405	6.2	-18.0	£9.95	0.6	20.0
AMBIENT KIPPER	1,662	1,695	1,740	2.6	-21.0	174	169	171	1.0	-51.3	£10.19	1.6	61.9
AMBIENT MUSSELS	1,718	1,543	1,636	6.1	-17.1	182	158	164	4.3	-43.3	£9.96	1.7	45.9
AMBIENT COD ROE	1,234	1,264	1,296	2.6	-21.0	142	134	131	-2.2	-46.5	£9.91	4.8	47.7
AMBIENT OTHER	1,464	1,100	1,073	-2.4	279.6	177	131	112	-14.7	73.8	£9.60	14.3	118.9
AMBIENT SILD	715	817	960	17.5	-22.9	60	80	79	-0.4	-35.0	£12.07	18.0	18.8
AMBIENT COD	605	699	955	36.5	n/a	49	57	63	10.3	n/a	£15.19	23.7	n/a
AMBIENT LUMPFISH ROE	667	753	866	15.1	639.0	20	21	23	9.0	550.0	£37.36	5.5	9.6
AMBIENT OYSTERS	531	524	549	4.6	13.7	21	21	22	2.3	-8.7	£25.39	2.2	22.7
AMBIENT CAVIAR	585	562	542	-3.6	-17.0	14	12	12	-4.7	-29.4	£46.19	1.2	22.4
AMBIENT SALMON ROE	440	444	540	21.7	513.6	5	4	5	20.9	400.0	£108.09	0.6	22.8

*Nielsen Scantrack YE 03.10.2020 (*10yr GB)*

The ambient seafood shopper

Nielsen demographics describe the ambient seafood shopper as slightly less affluent than the average seafood buyer. They are also predominantly younger with a higher proportion of under 35 and 35 to 44 Years shoppers and less 65+ shoppers. Predominantly purchased by two person households and medium sized households without children present. Where children are present they are typically aged up to 10 yrs.

Compared to four years ago ambient seafood has attracted significantly more affluent AB shoppers; perhaps driven by sales of tinned anchovy for home cooking and also mackerel which makes a healthy, tasty convent snack or desk staple for office workers. More younger, middle income shoppers from smaller households with older children from established families also purchased ambient seafood.

Chilled Seafood Demographics 2020

	TOTAL FISH	AMBIENT	CHILLED	FROZEN	chilled chg vs 2020 vs 2016
CLASS AB	29.5	28.3	33.2	26.1	3.0
CLASS C1	27.9	27.9	28.2	27.7	0.8
CLASS C2	21.6	22.6	19.7	23.1	1.6
CLASS D	11.4	11.9	9.6	12.9	-7.4
CLASS E	9.6	9.3	9.2	10.1	-4.6
SIZE 1 MEMBER	23.5	22.2	27.3	20.0	1.0
SIZE 2 MEMBERS	41.2	39.1	44.6	38.8	1.3
SIZE 3.4 MEMBERS	28.6	30.8	23.8	32.5	-2.0
SIZE > 5 MEMBERS	6.7	7.9	4.3	8.6	-1.0
<35 YEARS	12.1	14.8	10.2	12.5	3.9
35 TO 44 YEARS	16.2	17.6	14.0	17.6	-5.5
45 TO 64 YEARS	37.8	39.0	36.2	38.7	1.9
65+ YEARS	34.0	28.6	39.5	31.2	-1.0
CHILDREN YES	24.2	27.0	18.4	28.8	0.1
CHILDREN NO	75.8	73.0	81.6	71.2	-0.1
CHILD 0 TO 4 YEARS	23.4	22.1	23.4	24.1	-11.6
CHILD 5 TO 10 YEARS	40.1	40.3	40.0	40.1	2.3
CHILD 11 TO 15 YEARS	36.5	37.7	36.6	35.8	5.6
PRE FAMILY	5.8	7.3	5.8	5.0	3.9
NEW FAMILY	4.7	5.0	4.0	5.5	-9.0
MATURING FAMILIES	12.4	14.1	9.0	15.2	-3.0
ESTABLISHED FAMILIES	9.2	10.4	7.1	10.7	6.4
POST FAMILIES	17.3	18.5	17.6	16.3	0.6
OLDER COUPLES	34.4	30.9	37.3	33.5	-1.7
OLDER SINGLES	16.1	13.9	19.2	13.9	3.3

Nielsen Homescan YE 03.10.20

The effect of COVID-19 on ambient seafood

The COVID-19 pandemic has had a huge impact on UK retail, with seafood gaining additional sales from panic buying, home working, school closures and the subsequent restrictions on foodservice.

Panic buying in March 2020 lasted four weeks, at its peak, total seafood weekly volume sales grew by 58% driven by strong demand in all sectors, especially ambient which grew up to +117% as shoppers prioritised cupboard and freezer staples. Chilled seafood was less in demand but still peaked at +19%.

During the summer months as lockdown eased, seafood sales began to return to 'normal' trading patterns as frozen and ambient faded and chilled seafood sales increased. A second wave of COVID-19 cases began to build again in autumn triggering a second lockdown and seafood sales have begun to increase once more. As of w/e 3rd October 2020, total seafood weekly volume sales remain 12.4% higher than last year. All sectors are also performing strongly with chilled (+17.9%), frozen (+7.4%) and ambient (+9.1%) higher than last year.

A second sharp panic buying spike of seafood is unlikely. A smaller broader 'hump' is more probable as households keep cupboards and freezers stocked in preparation for the unknown. A second lockdown planned for the first week in November 2020 should see a rise in frozen and ambient sales.

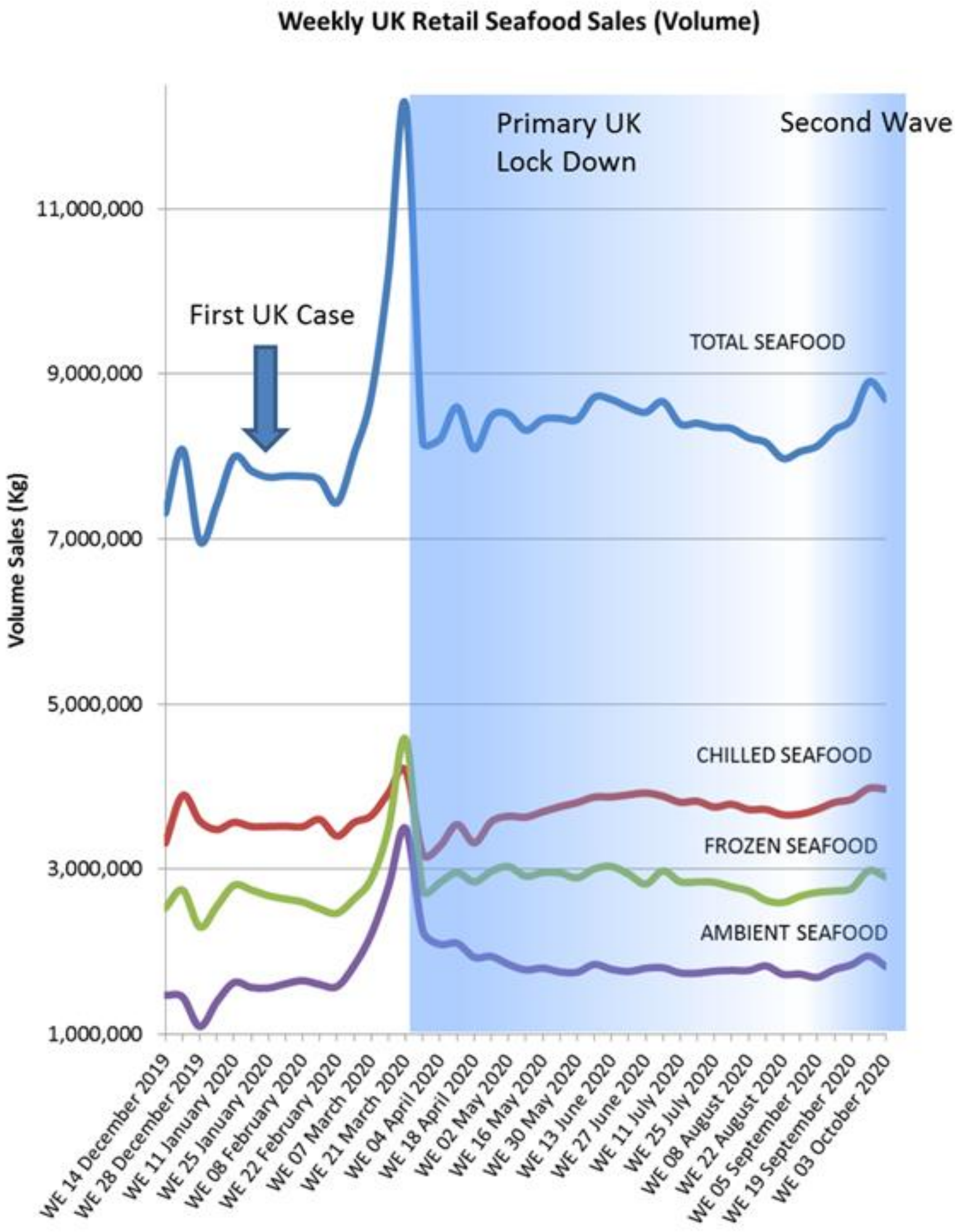
Trends w/e Oct 3rd 2020:

- Natural (+22.1%), fingers (+14.7%), prepared (12.5%) and cakes (+10.5%) are the key segments in growth vs same week last year.
- Top species performers include: Anchovy (+58.7%) Langoustine (+33.1%) and octopus (+45.7%) vs same week last year. Suggesting foodservice closures are driving some consumers to purchasing seafood to dine in.

Impact of COVID-19 on Seafood Volume Sales

% CHG	Peak Increase	Pre Peak vs Post Peak (WE Feb 1st vs WE 3rd Oct '20	WE 3rd Oct '20 vs Last Year
TOTAL SEAFOOD	57.8	11.9	12.4
TOTAL CHILLLED	19.1	12.7	17.9
TOTAL FROZEN	73.5	10.1	7.4
TOTAL AMBIENT	116.5	13.0	9.1

Nielsen Scantrack YE 03.10.20


Weekly UK Retail Seafood Sales (Volume)
Primary UK Lock Down
Second Wave
First UK Case
TOTAL SEAFOOD
CHILLED SEAFOOD
FROZEN SEAFOOD
AMBIENT SEAFOOD
Volume Sales (Kg)
11,000,000
9,000,000
7,000,000
5,000,000
3,000,000
1,000,000
WE 14 December 2019
WE 28 December 2019
WE 11 January 2020
WE 25 January 2020
WE 08 February 2020
WE 22 February 2020
WE 07 March 2020
WE 21 March 2020
WE 04 April 2020
WE 18 April 2020
WE 02 May 2020
WE 16 May 2020
WE 30 May 2020
WE 13 June 2020
WE 27 June 2020
WE 11 July 2020
WE 25 July 2020
WE 08 August 2020
WE 22 August 2020
WE 05 September 2020
WE 19 September 2020
WE 03 October 2020

Data Sources: (%) values represent change from the previous year unless otherwise stated.

Nielsen:

- Scantrack – UK EPOS from key retailers (including composite data from discounters Aldi & Lidl and N. Ireland) excludes seafood sandwiches - GB EPOS excludes discounters
- Homescan – GB (including discounters) consumer panel of 15,000 households excludes seafood sandwiches
- Defra Family Food Survey 2017/18, 2018/19

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the support it needs to thrive.

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