



The Fresh Grocer features a full-service seafood department at its Upper Darby, Pa., store.

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Fresh seafood keeps traditional grocers strong

Desire for freshness outweighs digital leanings

Dan Orlando | Jul 24, 2017

According to the 2017 U.S. Grocery Shopper Trends report released last week by the Food Marketing Institute (FMI) and The Hartman Group, one in four consumers shop at online-only retailers. This

includes nearly half of all Millennials. As a result, foot traffic to physical locations is in decline.

Despite the rise in e-commerce popularity, particularly among the coveted Millennial age group, fresh seafood has helped traditional retailers hold steady. FMI's findings show that even the highly digitized Millennials prefer to shop for items such as fresh seafood at brick-and-mortar locations.

It's a preference that echoes the results of Mintel's Fish and Shellfish US 2016 report, which found that frequent seafood customers trend to purchase fresh options as opposed to frozen counterparts. The fresh subsector is also perceived as "inherently healthier" according to the study.

Increasing by 7.2% between 2014 and 2016, fresh fish and shellfish generated \$10 billion in sales during this time.

"Some frozen brands have leveraged the nutrition and flavor benefits from flash freezing," reads the report. "However, brands must realize the category's most frequent consumers will nevertheless seek the freshest options."

The results are less invigorating on the frozen side of the coin. This subsector has grown at a slower clip, with performance creeping slightly up by a mere .2% over the same time period. Frozen seafood options finished more than \$5 billion behind their fresh counterparts over this stretch.

This may be due in part to the perception that grocery stores are more reliable when it comes to ensuring food safety. FMI's research found that consumers are incredibly wary of processing and

manufacturing plants, believing that nearly half of all food safety incidents occur there. Another 9% feared warehouses most of all and another 5% believed transport was the most treacherous stop for food.

Only 4% feel the site of a food safety misstep is most likely to occur at the retailer.

Representatives from FMI pointed out that these beliefs are merely perceptions and not actual projections of risk.

Reality or not, these concerns paint an optimistic picture for brick-and-mortar retailers who provide strong, fresh seafood offerings in their perimeter. The picture is even brighter should the products being marketed hail from domestic providers as FMI also found a lack of trust for foreign suppliers of seafood.

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