2018 SEAFOOD REPORT
A NEW ERA FOR SEAFOOD IN FRANCE

NORWEGIAN SEAFOOD COUNCIL

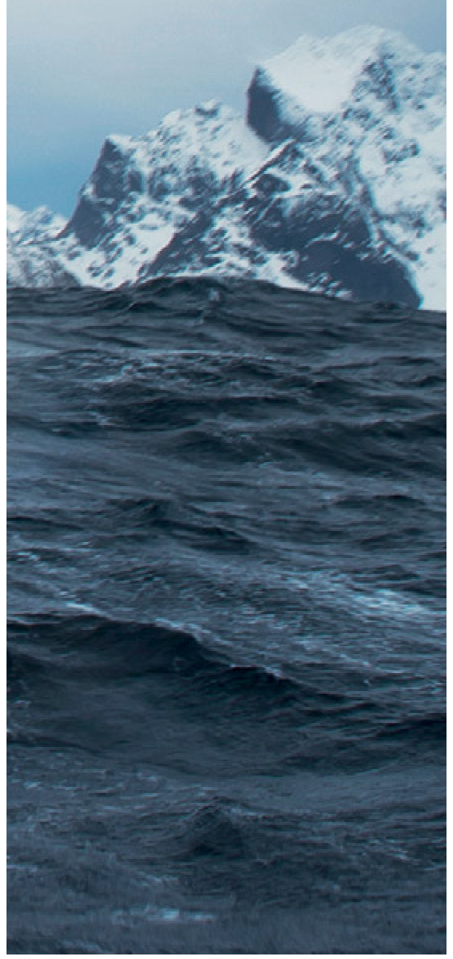
Norway is cold.
Very cold.

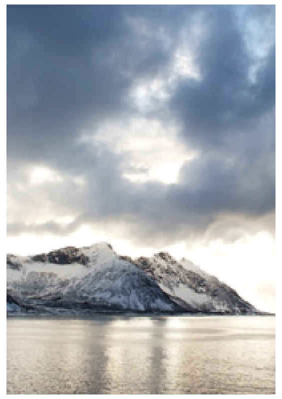
But while this may create some challenges for humans, our fish thrive.

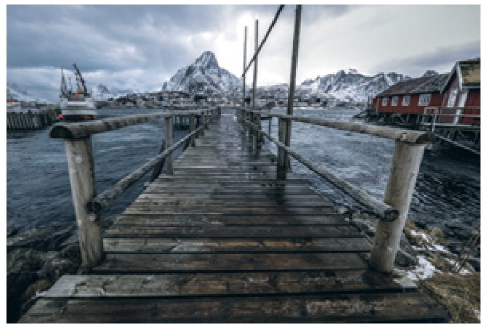
For thousands of years Norwegians have lived in harmony with the forces of nature. It has taught us how to innovate and preserve, to nurture and harvest.

In our cold climate and crystal clear waters, the seafood grows slowly – developing a perfect taste and texture.

Origin matters.







CONTENT

SOURCES:

Survey France 2018

Carried out by TNS Kantar on behalf of the Norwegian Seafood Council between the 31st of May and 6th of June 2018.

Sample size: N = 1 000

Seafood Consumer Insight

Yearly tracker, 2012 – 2018.

Carried out by TNS Kantar on behalf of the Norwegian Seafood Council in February and March every year.

2012 sample size: N = 1 000

2013 sample size: N = 1 001

2014 sample size: N = 1 023

2015 sample size: N = 1 012

2016 sample size: N = 1 012

2017 sample size: N = 1 000

2018 sample size: N = 1 003

Kantar Worldpanel/NSC

Sample size: 12 000 households.

Focus groups France 2017

Carried out by TNS Kantar on behalf of the Norwegian Seafood Council between the 13th and 17th of November 2017. Four focus groups with consumers were carried out; 2 in Paris and 2 in Bordeaux. Ages of consumers varied between 25 and 60 y.o.

INTRODUCTION
Seafood consumers on the move

by Maria Grimstad de Perlinghi
Director France
NORWEGIAN SEAFOOD COUNCIL

In our rapidly changing world, where new technologies allow for immediate access to information, consumers' perceptions, expectations and choices are evolving at high speed. A few years back, all French consumers would ask for was fresh and tasty seafood. Issues like sustainability or animal welfare were something the media talked about, but these questions were simply too far-fetched for consumers to care about when they were doing their everyday shopping.

Today, fresh and tasty food is still a prerequisite for the French, but in just a few years, many new concerns have started to impact not only how they think about seafood, but also their shopper attitudes. All of a sudden, consumers are starting to ask whether their seafood is produced in an environmentally friendly way, or whether the fish was treated with respect. For years, these issues were almost disregarded in the seafood business because they were not drivers for consumption, but is it any different now? We will certainly have a thorough look at that in this report.

To this, we can add the fact that e-commerce has brought new opportunities to seafood. Consumers seek convenience and might be ready to change the way they shop, but how much are they willing to compromise on other needs to get food delivered without breaking a sweat?

Insights are more than ever a key to survival for any business. This is no less true in the seafood business. At the Norwegian Seafood Council, we invest considerable efforts in obtaining world class insights about seafood consumers in our most important markets. In France, one of our top consumer markets, insights are essential to help us analyze and assess how tomorrow's seafood consumers might think and act regarding food in general, and seafood in particular. France is definitely one of the leading markets when it comes to adopting new trends, and French consumers are also among the world's most knowledgeable when it comes to food production and understanding the value chain.

Our aim for this report is to provide our partners with knowledge about how the French seafood consumers are evolving, and to share previously unpublished insights about how new trends are impacting their perceptions and attitudes. What is the status for seafood consumption in France? Who is eating more, and who is eating less? How are attitudes towards seafood in e-commerce evolving? What's up with the image of farmed seafood among the French? And how is the "vegan wave" impacting the behavior of seafood consumers? Are there any perspectives for growth for seafood in the French market? These are some of the questions we will answer throughout this report.

We hope you will enjoy this little journey inside the French seafood consumers' minds.

Happy reading!

Maria Grimstad de Perlinghi

Maria Grimstad de Perlinghi

Director France
Norwegian Seafood Council

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SEAFOOD CONSUMPTION IN FRANCE

In this introductory chapter, we will look at the basics in French seafood consumption; French consumers' habits and how have they evolved over the last few years.

SEAFOOD CONSUMPTION

The annual seafood consumption per capita in France is 34 kilos (wet weight).

The average consumption has been steadily declining over the last years. Back in 2011 it was 2 kilos higher: 36 kilos per person per year. Throughout this chapter, we will go into details of French seafood consumption, and try to uncover some of the explanatory factors of this decline.

Given the increasing focus on healthy and sustainable food from both media and influencers, one could expect that consumers would progressively turn to seafood as a preferred choice of protein.

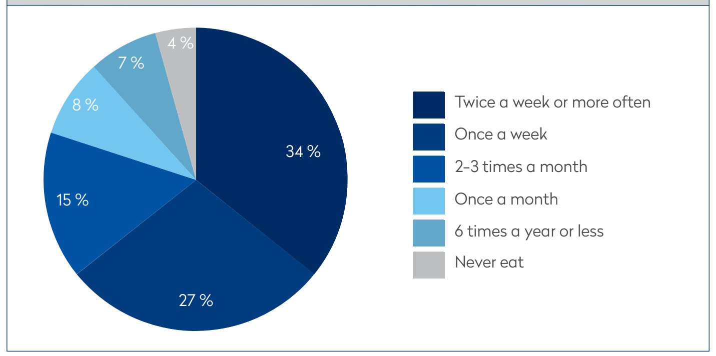
Meanwhile, we will see that there is sometimes a world of difference between what is in the media spotlight and how consumers actually behave in their busy everyday lives.

FACT

97 % of French consumers eat seafood

On the positive side, we still observe that as many as 97 % of French consumers do eat seafood, even though as much as 66 % eat seafood at a low frequency; 2-3 times a month or less.

If we look at the full picture when it comes to consumption frequency in France, we observe that only 34 % of consumers actually sustain the recommended seafood intake, with a weekly consumption of **two meals or more**. That's a 3 % drop from 2016.



27 % of consumers eat only once a week, and the remaining 34 % even more rarely than that. 4 % never eat seafood, which is also slightly more than two years ago.

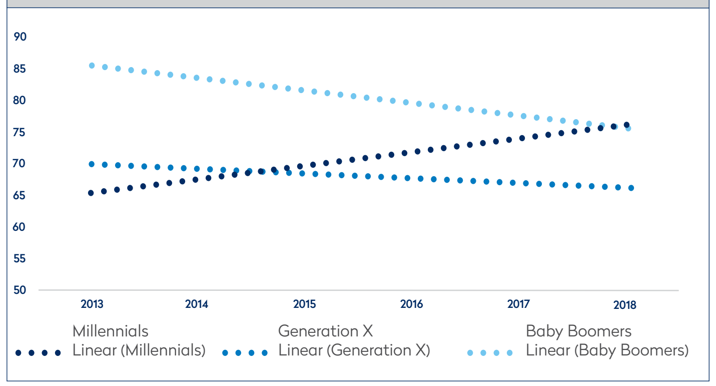
This means that French consumers seem to pull back on their seafood consumption, and throughout this report we will try to observe some of the reasons for this drop in consumption.

HIGH FREQUENT CONSUMER SEGMENTS

Let us focus a little bit on the consumers who eat the most seafood. Who are they? In most countries, the older consumers tend to eat more seafood than the younger consumers. They generally have better economy, more time to cook, and are more concerned with their health. But 2018 has a little surprise for us: when we look at the period from 2013 until now, this trend seems to turn around.

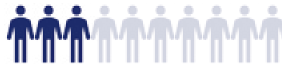
There is a surprisingly positive development among Millennials. These consumers, generally defined as those born between 1981 and 1996, have a set of particular characteristics that make them worth following.

MILLENNIALS EAT MORE!

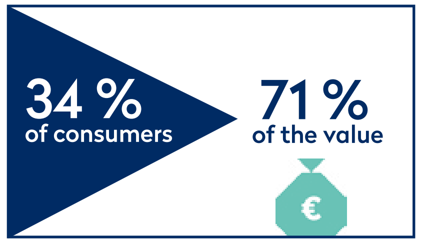


This chart shows trendlines for the number of seafood meals consumed by each generation. Baby boomers, who, in most markets, are those who have the highest seafood consumption, show a clear decline in their number of seafood meals. They have actually gone from 86 seafood meals a year in 2013, down to 69 meals this year. Millennials, however, have gone from 58 up to 72 meals in the same period! If this trend continues, **Millennials may create a bump in tomorrow's seafood consumption.**

3 OUT OF 10 FRENCH EAT SEAFOOD TWICE A WEEK OR MORE



Even though the high frequent seafood consumers – those who eat seafood twice a week or more – only represent **34 %** of the population, they definitely carry the larger part of the value in the French seafood market. As a matter of fact, they represent as much as **71 %** of the value. This means that they could be considered as the more important consumer segment for seafood; both because they consume the major part of the seafood, and because their value share indicates that they are also willing to pay more for their seafood than other consumers. Consumers who eat once a week represent 28,7 % of the value share, although they total as much as 42 % of the French poulation. Lastly, the remaining 19 % of the population who eat seafood only once a month or less, only represent 0,2 % of the value share



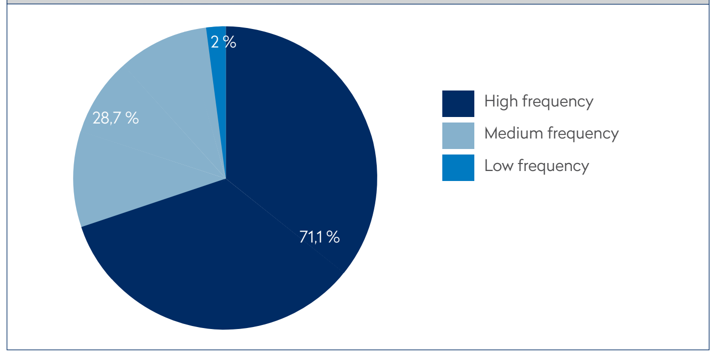
FRENCH CONSUMERS STATE MANY GOOD REASONS TO EAT SEAFOOD

But one thing has not changed: French consumers still state many good reasons to eat seafood. **Along with health benefits, taste is the most important reason for eating seafood.** In the chart, there are a few elements that stand out;

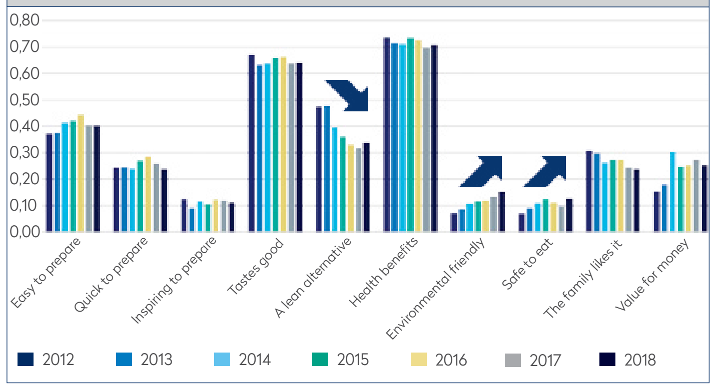
1/ It seems like the fact that seafood might be a lean alternative is less important to French consumers now than earlier.

This could be a result of several things, such as common awareness of seafood as lean protein, but also in general a seemingly decreasing focus on the need to eat less fatty. These days, focus is rather on eating the right kinds of fats – and seafood inarguably has a strong case in this field!

HIGH FREQUENT CONSUMERS HAVE THE HIGHEST VALUE SHARE



FRENCH CONSUMERS STATE MANY GOOD REASONS TO EAT SEAFOOD



2/ Although the elements «environmentally friendly» and «safe to eat» have quite low scores in this chart, they are definitely showing quick progression.

In 2012, only 7 % stated that environmental aspects were a good reason to eat seafood. This has more than doubled since then. Food safety also seems like a growing concern among consumers; 13 % now state that food safety is a good reason to choose seafood, against only 7 % back in 2012.

We might suggest that the awareness and knowledge of seafood as safe and sustainable foods have increased, and that these elements are becoming more important to some consumers.

As we can also see in this chart, over 40 % of consumers think that seafood is easy to prepare. The fact that seafood is easy to prepare is also increasingly a «good reason to choose seafood», together with environmental and safety aspects of seafood.

When we look at the full picture of resons why people eat seafood in France, it could give us a few ideas how to to inspire consumers to eat more fish.

2 PORTIONS of seafood per week: is the recommended seafood intake

TWO PORTIONS PER WEEK

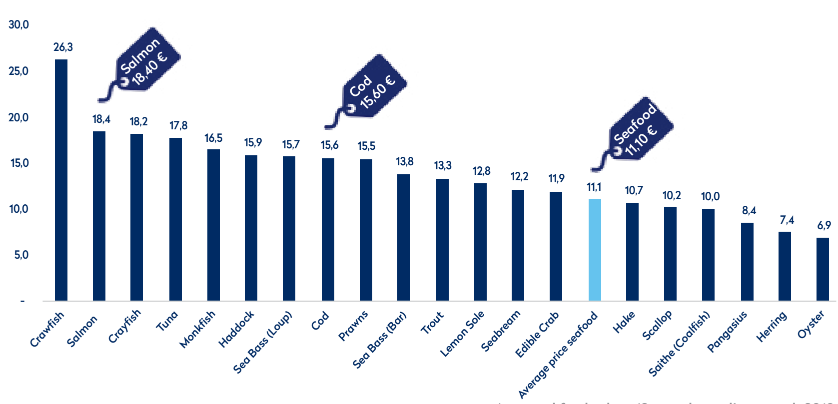
Even though health is the single most important reason for French consumers to eat seafood, it seems like the *barriers* towards seafood consumption are still keeping consumers from eating enough seafood.

As a matter of fact, both French and international health authorities state that we should eat **2 portions of seafood per week** in order to reap essential **health benefits** from nutrients such as **omega 3**, **vitamin D** and **iodine**.

SEAFOOD PRICES ON THE RISE

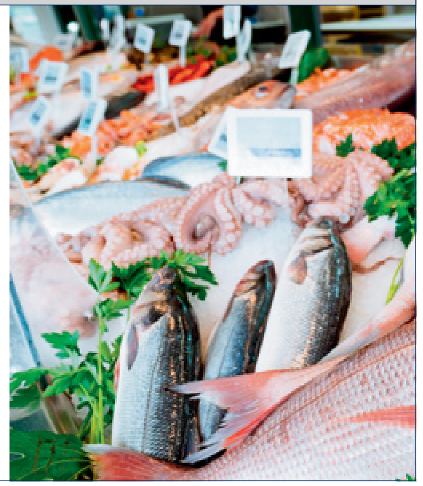
We know that price might be an issue for many consumers. Average prices on seafood are on the rise in France, and this is probably not helping. When we asked consumers 2 years ago what could be done to help them eat more seafood, «better prices» was among the answers we received. On the other hand, there has also been higher media attention on seafood, and many undocumented sources claim that seafood might not be as healthy for us as authorities tell us, while others will claim that seafood – wild or farmed – is not sustainable, despite the fact that **seafood in general has an excellent environemental profile compared to other sources of animal protein.**

AVERAGE PRICE OF SEAFOOD VS. PRICE OF 20 MOST POPULAR SPECIES*



* natural fresh – last 12 months ending march 2018

DEVELOPMENT IN AVERAGE PRICE (EUR) OF FRESH SEAFOOD IN DIFFERENT CHANNELS

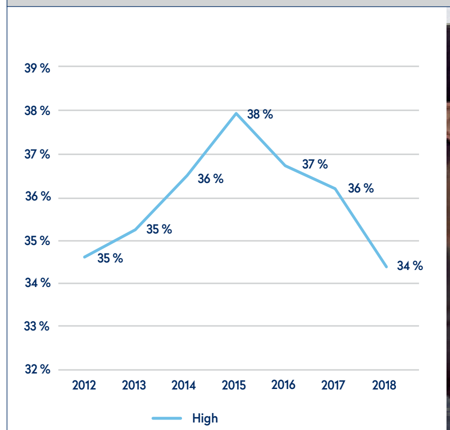


CONSUMERS ARE FALLING OFF THE TOP FREQUENCIES

If we look at the number of consumers who eat seafood twice a week or more over time, we are a little bit below the 2012 level, while there was a peak in 2015, when 38 % of French consumers had the recommended amount of seafood.

Seafood consumption in selected countries – share of consumers eating seafood twice a week

CONSUMERS WHO EAT SEAFOOD TWICE A WEEK OR MORE



Consumers have been falling off from the top consuming segments since 2016. **2 197 702** less consumers now eat seafood twice a week or more, in only two years. This means about **80 million less seafood meals**, or about **10 000 metric tons seafood** less each year since 2016.

This also means that the percentage of French consumers who are not getting enough of the nutrients seafood offer has gone up to 66 %. That is **43 million people**.

FRANCE; AT THE LOWER END OF SEAFOOD CONSUMPTION

Also, when comparing France to some of its European neighbours, France seems to be on the lower end of seafood consumption frequency.

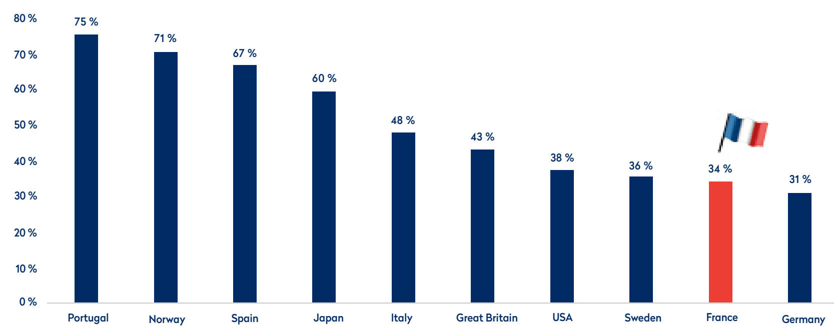
While only about a third of French consumers (34 %) eat seafood twice a week or more, southern European countries such as Spain and Portugal are true seafood champions; they can show for a considerably higher share of consumers who eat seafood at this rate (Portugal 75 %, Spain 67 %).

Norway is also naturally a seafood-loving country; two thirds of the Norwegian population (71 %) eat the recommended two portions of seafood every week.

Among countries it is natural to compare with, only Germans have a lower share of high frequent seafood consumers; only 3 out of 10 Germans put seafood on the table twice a week.

FRANCE: AT THE LOWER END OF SEAFOOD CONSUMPTION

Seafood consumption in selected countries – share of consumers eating seafood twice a week



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EVOLVING SHOPPER HABITS

After the latest updates on the basics in French seafood consumption, we have been able to establish that the seafood consumption in France is declining, but that there are some positive developments, for instance among Millennials.

In this chapter we will focus on shopper habits and how they evolve. We will focus on the fast-moving attitudes towards online grocery shopping, but also look into the changes in consumer choices when it comes to seafood. This part of the report has a few surprises in store!

WHERE CONSUMERS BUY SEAFOOD

As of today, there is no major shift in where French shoppers buy their seafood. Hyper- and supermarkets and local grocery stores are still by far the most important channel, with close to 90 % of consumers buying seafood here. However, it is interesting to look at where different segments shop. In the chart, we have divided segments into high, medium and low frequency. It is very clear that the more seafood you buy, the more likely you are to buy seafood through channels such as specialized delicatessen stores or fish shops. The price levels tend to be significantly higher in these channels, compared to hyper- and supermarkets, and this only goes to show that the high frequent segments are considerably more willing to pay for seafood that meets their requirements.

If we look at the development in online shopping, we still observe that this channel has limited market share. Meanwhile, it remains a relatively more important channel for high frequent seafood consumers than for the total population.

FACT

51 %

OF FRENCH SHOPPERS ARE STILL RELUCTANT TO BUYING GROCERIES ONLINE

Two years ago, we started asking consumers how likely they were to buy groceries online. Most retail chains now offer drives or home delivery, and the trend of taking down physical hypermarkets seems clear. People want more convenience; they want more time and energy for the important things in life. However, French consumers are famous for their attention to- and interest in food, so at some level, maybe grocery shopping is part of what people still are ready to spend time on?

In fact, 51 % of French shoppers are still reluctant to buying groceries online. **This is 11 % – or 7,2 million people – less than in 2016**, but one might have expected the skepticism to drop faster.

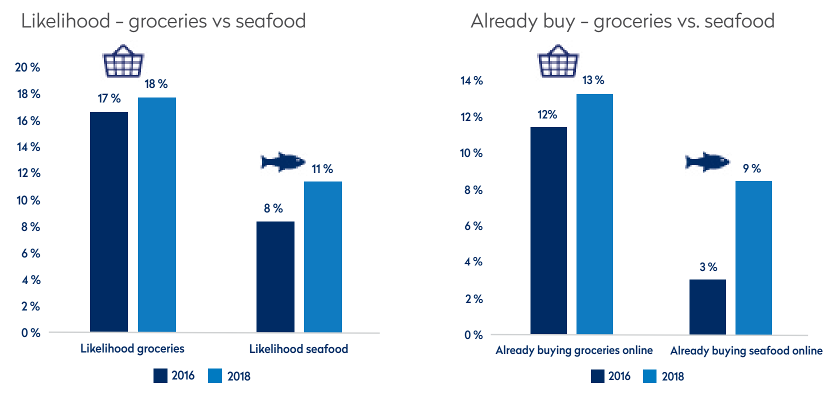
SEAFOOD IS CATHING UP WITH GROCERIES IN E-COMMERCE

Even though the likeliness of buying groceries online is not progressing very fast, there are some very positive developments when it comes to seafood shopping through this channel.

In these charts, we can see how seafood is keeping up with other groceries through e-commerce. In 2016, we found that the barrier for buying seafood online was considerably higher than for buying other groceries. This year, we observe that there is only a slight increase in the likelihood of buying groceries online, while there is a 3 % progression in the likelihood of buying seafood.

But the most significant progress is to be found among those who already buy online. Again, there is a mere 1 % progression in the share of people who state that they already buy groceries online. For seafood, however, there is a 6 % increase!

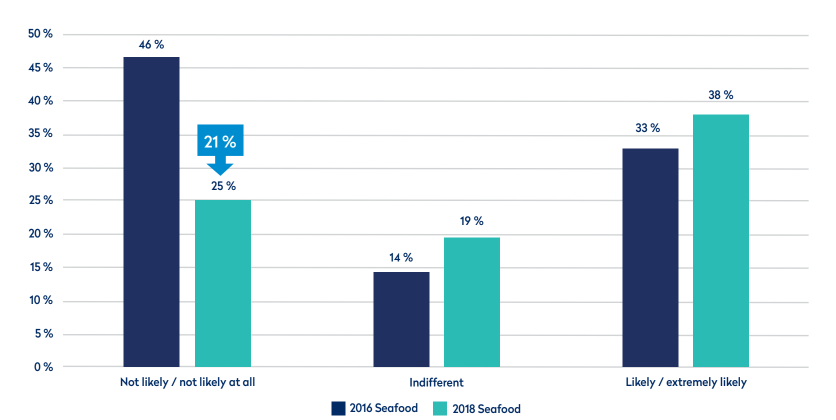
SEAFOOD IS CATCHING UP WITH GROCERIES IN E-COMMERCE



CONSUMERS WHO BUY ONLINE ARE MUCH LESS RELUCTANT TO INCLUDE SEAFOOD IN THEIR SHOPPING BASKETS THAN EARLIER

When we look into those who state that they are likely to buy groceries online, we also observe a very positive change; they are considerably less reluctant to buying *seafood* than they were two years ago. There is a 11 % drop in the share of consumers who would not consider including seafood in their shopping basket. Now, only 1 out of 4 consumers who buy groceries online stay skeptical to buying seafood here.

CONSUMERS* WHO BUY ONLINE ARE EVEN LESS RELUCTANT TO INCLUDE SEAFOOD IN THEIR SHOPPING BASKETS



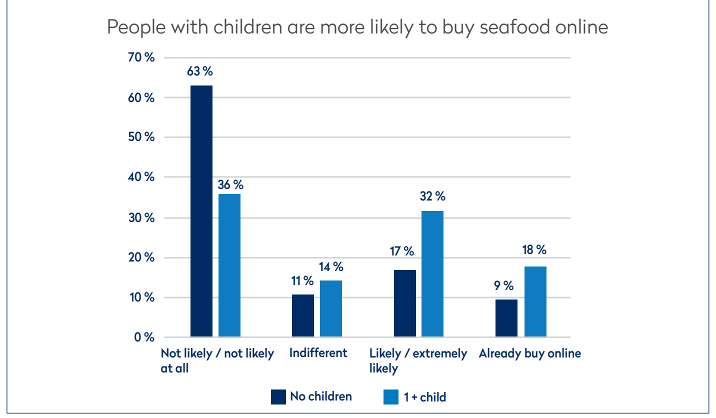
* Out of consumers who declare that they are likely to buy groceries online

SURPRISE

CONSUMERS ARE CONSIDERABLY MORE POSITIVE TO BUYING SEAFOOD ONLINE THAN ONLY 2 YEARS AGO

This means that seafood is definitely catching up with other groceries, and that the online trend seems to have less negative impact for seafood than earlier.

CHILDREN MAKE THE DIFFERENCE!



CHILDREN MAKE THE DIFFERENCE!

When we look precisely at the types of consumers who are most likely to buy seafood online, children seem to make the difference.

In fact, people with children are about twice as likely to shop for seafood online than consumers without children.

We also observe that the income level of the household has an impact on the likelihood of buying online; higher incomes are more willing to do their seafood shopping through e-commerce. It is reasonable to assume that consumers with children and a demanding professional situation find online shopping convenient and time-saving in their busy everyday lives, and that they are willing to overlook barriers that are still too strong for other consumer segments.

BUYING SEAFOOD ONLINE: ARE MILLENNIALS DIFFERENT?

Previously in this report, we established that Millennials show a very positive trend with regards to seafood consumption. They have significantly increased the number of meals they eat during a year, and are also increasingly eating seafood out of their homes; in restaurants or on the run.

What about Millennials' shopping habits? Are they any different from the total population?

As a generation with full internet fluency, one might expect Millennials to be more likely to shop online. In reality, the difference is quite small; a mere 2 % more Millennials declare that they are likely to buy seafood online in the next 12 months.

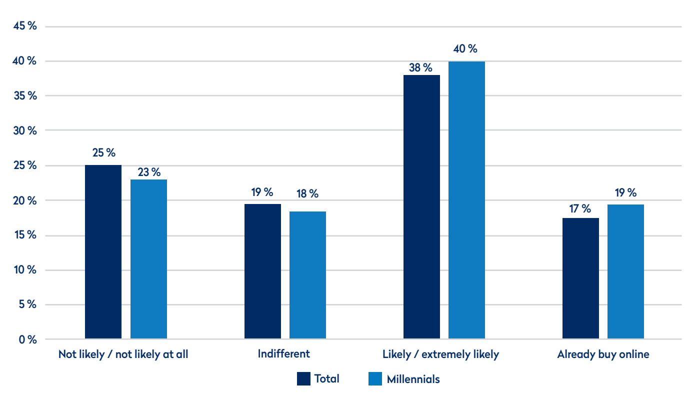
The difference is the same among those who already buy seafood online: 19 % of Millennials already buy online, against 17 % for the total population.

MILLENNIALS' SHOPPING PATTERN

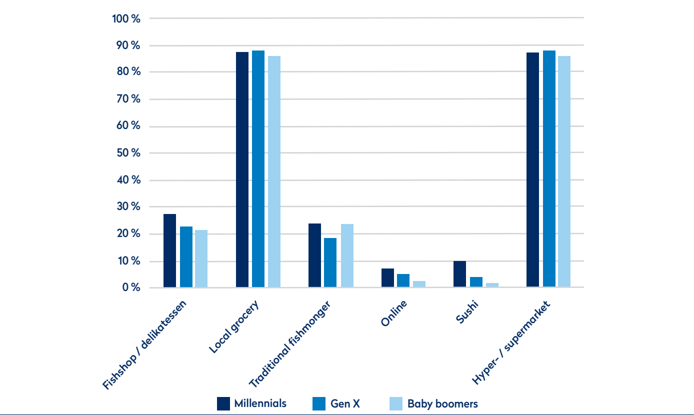
So where do the Millennials shop for seafood? Clearly, there seems to be a wish of going back to traditional fishmongers and specialist stores, to the detriment of hyper- and supermarkets. However, they buy more seafood online than the older generations, and they buy significantly more ready-made sushi to take home or eat on the go.

Our hypothesis is that this generation tends to do big grocery shopping in supermarkets, or sometimes online, and then supplement with fresh products such as seafood from specialist stores in their neighborhoods throughout the week. At least, many indicators point in that direction.

BUYING SEAFOOD ONLINE: ARE MILLENNIALS DIFFERENT?



MILLENNIALS' SHOPPING PATTERN



Why consumers don't buy seafood online

1/ I WANT TO SEE THE PRODUCT

2/ I WANT TO CHOOSE THE PRODUCT

3/ I DOUBT THE FRESHNESS

4/ I DOUBT THE COLD CHAIN

5/ I DON'T TRUST THE RETAILER TO CHOOSE FOR ME

Even though attitudes towards online shopping are progressing, the fact is still that over half of the French population do not wish to buy groceries online, and even less seafood. We asked them about the reasons for this, and the results clearly show that there is a fundamental lack of trust in the online retailers. Consumers want to see and choose the products for themselves, otherwise they doubt both the freshnesss and the cold chain. Bottom line is, as stated in the overview, that consumers don't trust the retailer to make the choice for them.

AGE IMPACTS BARRIERS

The barriers towards buying online also vary largely with age. Consumers aged 35-54 have much more distrust in the retailer than younger and older consumers. In addition, they have considerable doubts about the cold chain. Also, we observe that the older age group (55-65) are the ones who are most bothered by the fact that they cannot see the product for themselves when shopping online. However, doubts about the freshness of the products, and the wish to choose the products themselves are common across all age groups.

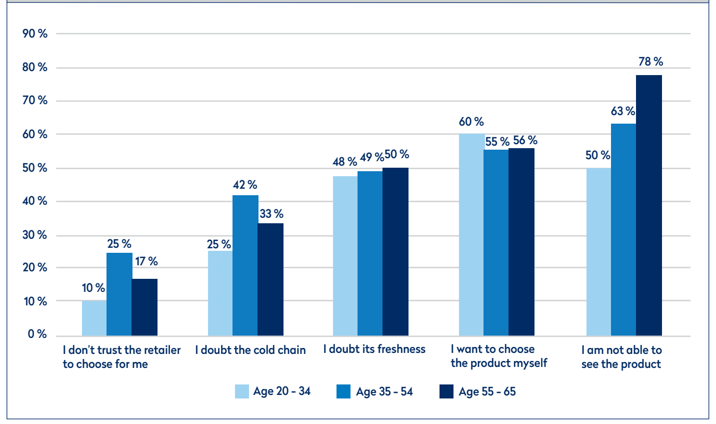
This means that the online channels such as we know them today – and the seafood offer in e-commerce – are not adapted to all the needs and expectations that go deep beyond the need for convenience.

WHAT ARE CONSUMERS CONCERNED ABOUT?

Clearly, there are still some important barriers towards buying food – and seafood – through online channels. The hypothesis is that shopping through the screen weakens the already fragile confidence consumers have in retailers. Also, we can add new concerns that shoppers may have developed when buying seafood. As mentioned before, there has been a relatively heavy media focus on foods in general, including many types of seafood, which might have led consumers to ask themselves questions that they did not bother with earlier.

In order to adapt the seafood offer to consumers' needs, it is essential to gain insight into what consumers actually look for when they buy a seafood product. In our latest survey, we asked consumers if there is anything that seems important to them when buying seafood today, that they did not find (as) important 12 months ago.

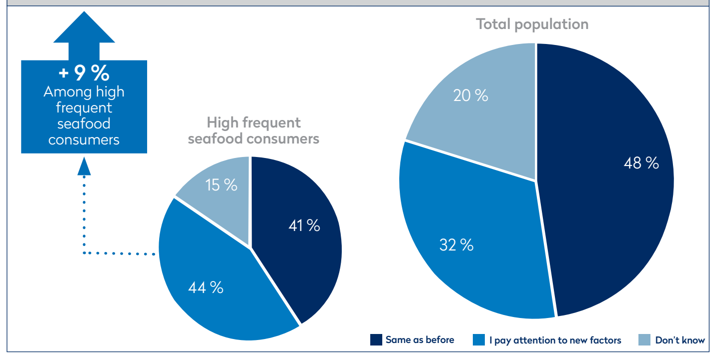
BARRIERS TOWARDS BUYING SEAFOOD ONLINE - AGE VARIATIONS



3 OUT OF 10 HAVE NEW CONCERNS WHEN BUYING SEAFOOD

The result is rather astonishing: 30 % of French consumers state that when buying seafood, they pay attention to other things today than they did 12 months ago.

RISE OF NEW CONCERNS WHEN BUYING SEAFOOD (LAST 12 MONTHS)



If we look further into the segments, we also see that the share of consumers who have new concerns is considerably higher among high frequent consumers than among the general population; 44 % state that they look for certain elements in their seafood now, that they did not seek out last year.

When we break down the elements that consumers declare that they have started to care about, it is very clear that there is still need for more reassurance about the quality of the fish and its provenance. Consumers seem to want much more detailed information about the seafood they buy; they wish to know how the fish is produced, and what it contains. They also look for a country of origin they trust. Among high frequent seafood consumers, the tendency to look for these items are even stronger than for other consumers. For example, they are 5% more looking for detailed information about production method and content of the product, compared to the average seafood consumer.

SHOPPERS LOOK FOR:

1/ DETAILED INFORMATION ABOUT PRODUCTION AND CONTENT

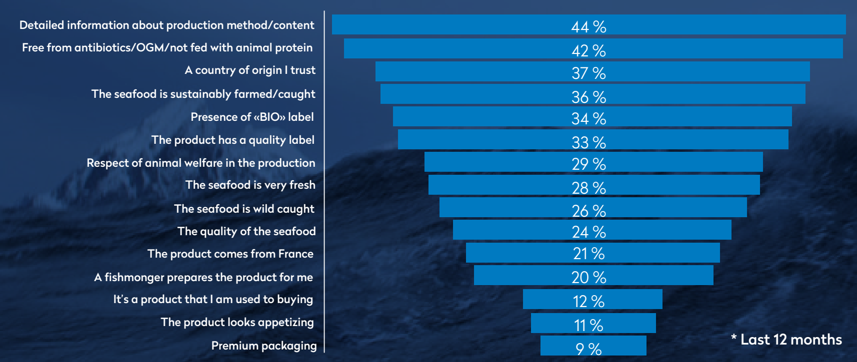
2/ FREE FROM GMO / ANTIBIOTICS / ANIMAL PROTEIN (IN FEED)

3/ A TRUSTWORTHY COUNTRY OF ORIGIN

4/ SUSTAINABLE CAUGHT / FARMED

5/ ORGANIC

WHAT HAS RECENTLY* BECOME IMPORTANT TO CONSUMERS WHEN BUYING SEAFOOD?



* Last 12 months

Just below the top five, we can see that consumers are increasingly looking for quality labels, and that concerns linked to animal welfare are also starting to emerge: 29 % of respondents state that they pay attention to whether animal welfare has been respected in the production.

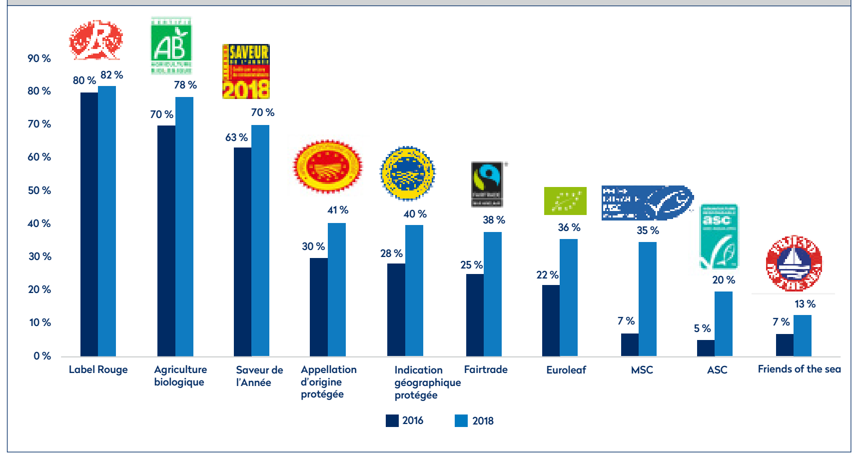
LABELS ARE GAINING AWARENESS!

With "BIO" and quality labels in the 5th and 6th positions among consumers' new concerns, it is reasonable to assume that this is an expression of the fact that consumers need reassurance on the quality of their seafood, and that labels to some extent can provide this reassurance.

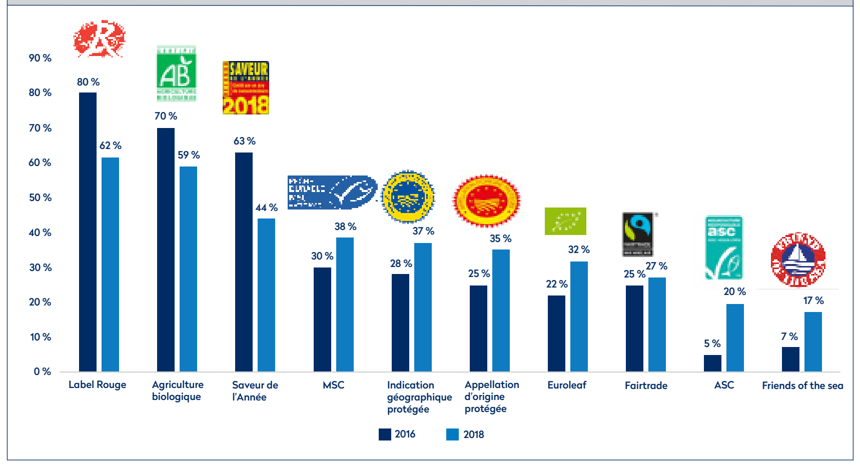
For sure, labels are gaining awareness among French consumers. Even labels such as Label Rouge and AB – Agriculture biologique ("BIO"), which have been well known for years, see their awareness progressing. But the labels that had very limited awareness in France two years ago, such as MSC and ASC, observe a tremendous development; MSC has gone from being practically unknown to being recognized by 35 % of the population, while ASC has seen a 300 % growth in awareness; the label is now recognized by 20 % of the French population.

The quality of foods and production conditions have been largely present on the media agenda these last years, and both journalists and opinion leaders within food, such as chefs, tend to recommend certain labels to consumers. The huge quantity of information – both documented and fallacious – about foods that is available to consumers probably makes some of them unsure about what to choose, and labels may offer some support in this context.

LABELS ARE GAINING AWARENESS



MORE LABELS ARE BECOMING IMPORTANT FOR CHOICE



MORE LABELS ARE BECOMING IMPORTANT FOR CHOICE

Indeed, labels appear to become more important for the consumers' choices when buying seafood, but we observe a shift in the impact of the different labels. The most well-established labels in France, Label Rouge and "BIO", are still the ones which have the strongest impact on consumers' choices, with 62 % and 59 % respectively who declare that these labels are important for their choices. However, they seem to have lost some trust among consumers these two last years; in 2016, 80 % declared that Label Rouge was important when buying seafood; now, only 62 % say the same. The development for the "BIO" label is very similar, although a little less dramatic (11 % drop in importance for choice).

On the other hand, we should notice that the less known labels are gaining power among French seafood shoppers, versus the well established labels. Earlier, we observed that labels in general are gaining awareness, probably due to high media attention around foods. But the labels themselves – especially the most known – have also come under critical scrutiny by media lately, showing that labels may not be the perfect answer to quality in foods. This has maybe also encouraged consumers to seek for new players to trust in when it comes to food quality and production conditions. In addition, different labels cater to different consumer needs; some wish to have the best tasting product, whereas other may seek for labels that guarantee a more sustainable production or higher level of animal welfare. The shift we see in impact may also be a signal that French consumers are starting to value sustainability more than earlier.

Furthermore, French people are known to distrust larger organizations and structures, and often tend to have more confidence in smaller players. Maybe the democratization and growth of i.e. the "BIO" label has made people more skeptical towards the guarantees of the label? And maybe the newcomers therefore seem more trustworthy? This might also play a part in the development in impact of labels.

/03.

SEAFOOD TOWARDS A NEW ERA

In this third and last part of this report, we will have a closer look at evolving and emerging consumer attitudes, with a particular focus on environmental and animal welfare aspects.

These subjects seem to be rising to the top of the agenda – not only in politics and in the media – but also among consumers.

„We could eat less fish, but of better quality. By respecting the animal, for example by allowing it to have more space (...) we could consume a product of better quality, hence also a healthier product."

42 year old male consumer, Paris

WHAT IS QUALITY IN SEAFOOD?

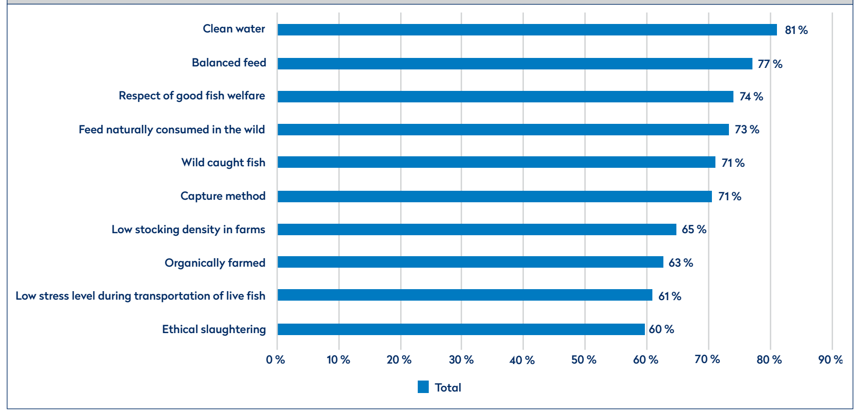
We know that quality is very important to French consumers. But what is quality? What does it mean? In terms of seafood, the consumers' answer is clear: Clean water is by far the most important factor for quality in seafood, according to French consumers. However, concerns about feed quality and feed composition in farmed fish also seems to be on the rise; two elements regarding feed are in the top 5 items that consumers consider important for quality in fish. They seem to expect that the fish feed has a balanced composition for the fish – which also touches up on fish welfare – but also that the fish feed is very similar to what the fish would eat in the wild.

Fish welfare is also climbing on this list, and has entered the podium this year, witnessing the increased focus on how farmed animals are treated. Indeed, consumers seem to establish a link between good treatment of animals and the quality of the end product they consume.

This could be illustrated by the statement of a 42-year-old male consumer from Paris during one of our recent focus groups: "We could eat less fish, but of better quality. By respecting the animal, i.e. by allowing it to have more space (...) we would consume a product of better quality, hence also a healthier product."

On the other hand, the fact that the seafood is *wild caught* seems to become less important for consumers' evaluation of quality.

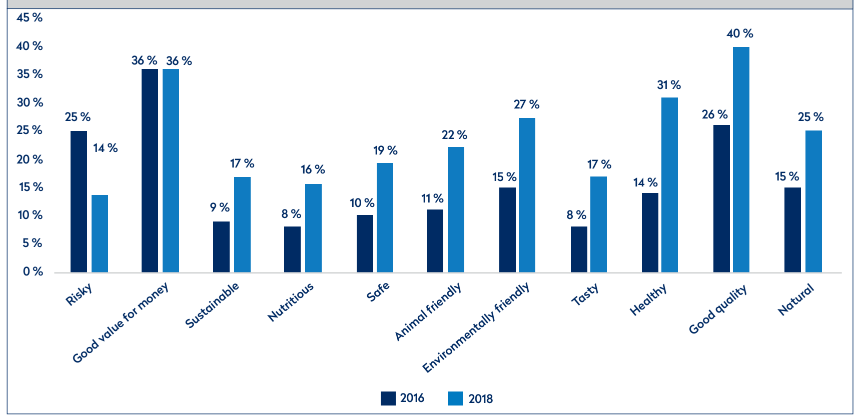
WHAT IS QUALITY IN SEAFOOD?



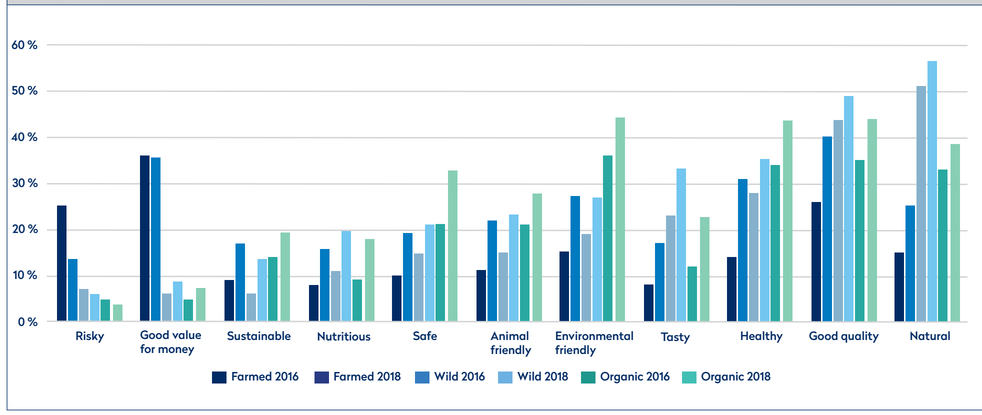
HOW DO CONSUMERS PERCIEVE FARMED, WILD AND ORGANIC SEAFOOD?

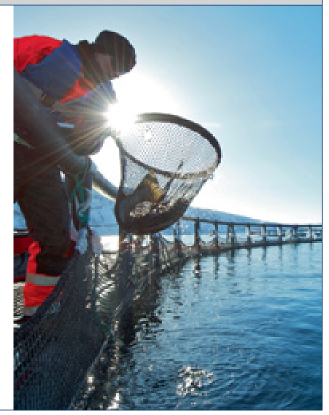
Indeed, consumers' perceptions of *farmed* seafood seem to evolve at high speed – and in the right direction. When we asked consumers two years ago what they thought were the most important features of farmed fish, results were overall mediocre, except on the "value for money"-aspect. When this question was asked again this year, there was quite a surprise in store: **consumers evaluate farmed fish in a considerably more positive way now than two years ago**. Twice as many consumers now state that farmed fish is healthy, and almost half as many think that seafood is risky to eat. On other positive attributes, such as "animal friendly" or "environmentally friendly", the number of consumers responding affirmatively has almost doubled. This leads us to ask: **are we witnessing a paradigm change when it comes to farmed seafood vs. wild seafood?**

CHARACTERISTICS OF FARMED FISH ACCORDING TO FRENCH CONSUMERS



DEVELOPMENT IN ATTRIBUTES TO FARMED, WILD AND ORGANIC SEAFOOD



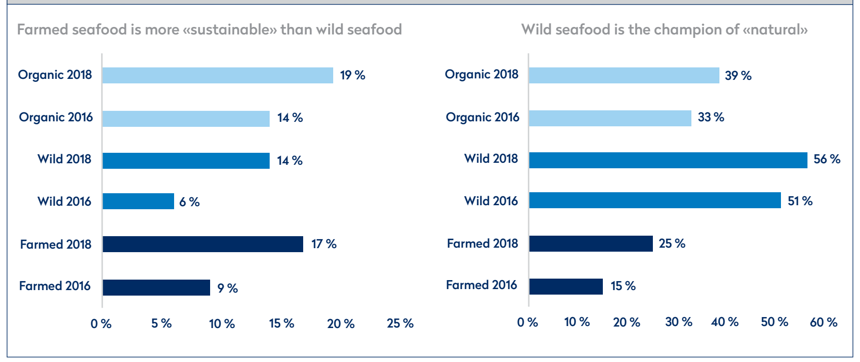


We can probably hope for further positive change in how consumers consider farmed seafood in the foreseeable future, but we are not quite there yet. When comparing i.e. farmed, wild and organic seafood, we see that farmed seafood is catching up with both wild and organic on the attribution of several features; farmed seafood is now more often considered "sustainable" than wild seafood, and pretty much just as "environmentally friendly" as wild seafood. It is also seen as "animal friendly" almost as often as wild fish. The same picture applies for the attributes "healthy" and "nutritious".

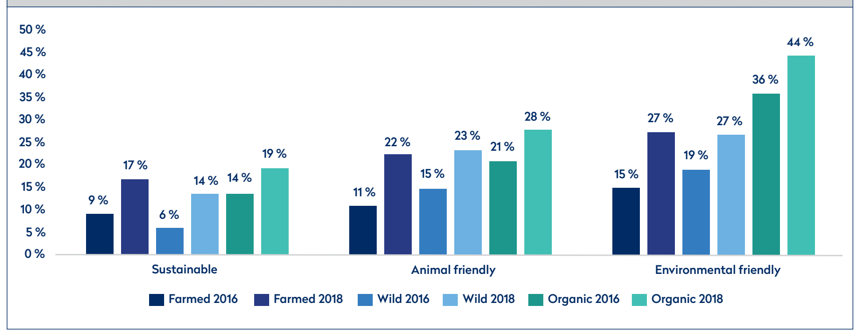
However, wild seafood is still the champion of "natural". Clearly, consumers seem to think that "natural" is linked to the fact that the product is made solely by nature itself, without help from the human hand. Also, even though consumers consider farmed as much less "risky" than two years ago, wild and organic still have a stronger position versus this feature. Farmed seafood also has a way to go on the perception of "tastiness" versus the other types of seafood, but when it comes to "value for money", farmed seafood is the unchallenged winner.

With regards to quality in seafood, wild is still the most highly considered among consumers; it is mentioned as a characteristic of wild seafood by 49 % of consumers. However, farmed has done a big leap ahead on quality perception these two last years, and good quality is considered as a main feature for farmed seafood by almost as many consumers (40 %, up from 26 %). What is also interesting to notice is that wild is more often considered to be of good quality than organic seafood, and that farmed seafood is catching up with organic.

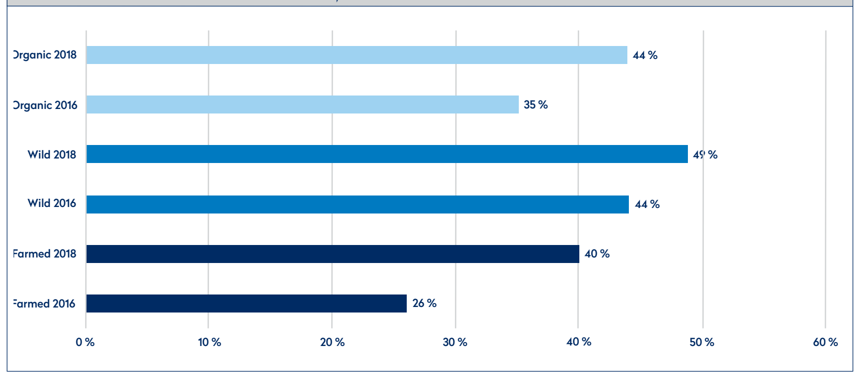
FARMED IS CONSIDERED MORE «SUSTAINABLE» THAN WILD,
WILD IS CONSIDERED MORE «NATURAL» THAN FARMED



FARMED SEAFOOD IS CATCHING UP WITH WILD AND ORGANIC ON ENVIRONMENTAL ISSUES



MENTIONS OF «GOOD QUALITY» AS A MAIN FEATURE IN
ORGANIC, WILD AND FARMED SEAFOOD



The results of a similar question support the conclusion that positive perceptions are starting to emerge around farmed seafood. When consumers were asked to tell us about their general impressions of farmed fish, the progress is also very positive. On all positive aspects, such as "environmentally friendly" and "I like farmed fish", the results are favorable. On the negative aspects too – use of antibiotics and hormones – results are also very promising; consumers to a lesser degree think that antibiotics and hormones are used in fish farming.

1 OUT OF 3 FRENCH CONSUMERS HAPPILY BUY FARMED FISH

The total picture shows us that the perception of quality in seafood among French consumers seems to be on the rise, and that also farmed seafood have brighter days ahead. This should be impacting shopper behavior too; indeed, 31 % of French consumers now state that they "happily buy farmed fish", which is 5 % up since 2016. The share of consumers who are not happy to buy farmed fish is also down by 6 % compared to two years ago.

Many factors are united to see seafood consumption move in the right direction again in France. However, the price level keeps coming up as one of the reasons why people don't buy more seafood; and in this context it is good news that at least farmed seafood is already considered as good value for money, combined with the fact that perceptions of aquaculture are steadily improving.

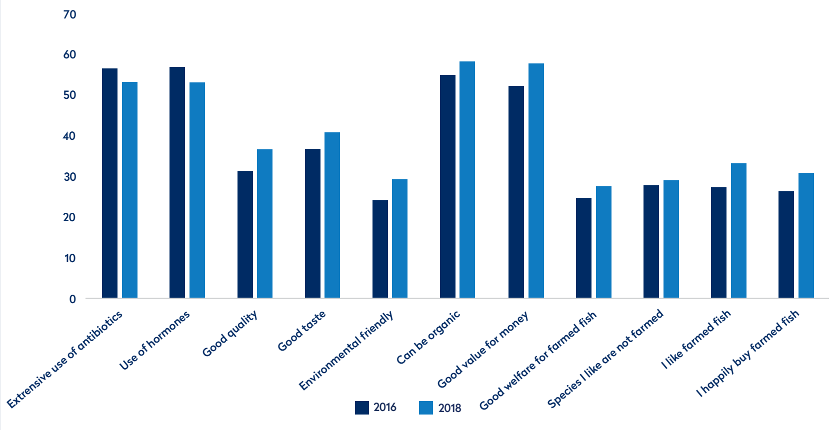
WHAT IS VALUE FOR MONEY?

But it is not so straightforward to understand what people define as a "good price" on a product, or "good value for money". What does it mean? Is it the lowest possible price, or a promotion on a product that is considered premium? Or is it an acceptable price given the different sets of criteria consumers apply when buying seafood?

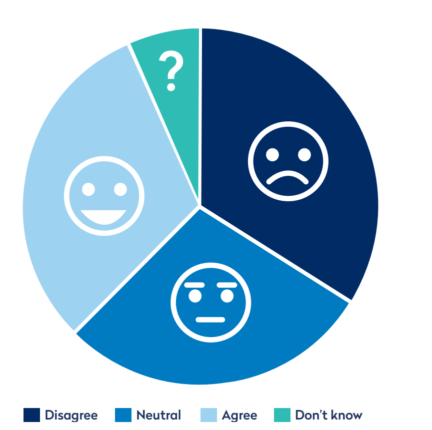
In our latest survey, we dug into what "value for money" might mean when it comes to seafood. There are quite a few interesting findings that we will now look into.

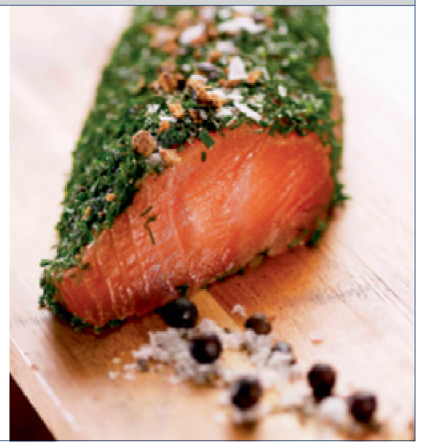
When asking French seafood consumers about value for money, we were expecting to see "price" rise to the top of the ranking.

GENERAL IMPRESSIONS OF FARMED FISH



1 OUT OF 3 FRENCH CONSUMERS HAPPILY BUY FARMED FISH





VALUE FOR MONEY

1/ FRESHNESS

2/ PRESENCE OF QUALITY LABELS

3/ QUALITY OF THE FISH

4/ TRUSTWORTHY COUNTRY OF ORIGIN

5/ FREE FROM GMO/ANTIBIOTICS/ FED WITHOUT ANIMAL PROTEIN

But they had a few surprises for us; actually, the price showed up at the lower end of the list; only 21 % of consumers selected "price" as a component when they evaluated value for money on a product. At the top of the list, **freshness** was a clear winner (44 %), together with presence of **quality labels** (37 %) and the quality of the fish. In the top five, we could also find that consumers get the impression of better value when the product comes from a **country of origin they can trust**, and when the product information says that the product is **free from GMO or antibiotics, or is fed without animal proteins.**

It is also very interesting to look into which of these elements consumers combine to get the impression of good value for money. There are quite astonishing disparities among segments here.

For instance, **one type of consumers** seem to be particularly interested in the quality of the fish, together with an appetizing look of the product and a premium packaging.

A second type of consumers seem to frequently combine the wish to see a quality label or "bio" label together with a trustworthy country of origin and reassurance with regards to GMO, antibiotics and/or animal proteins in the feed.

A third frequent combination of criteria for perceived value for money is the sustainability aspect together with respect of animal welfare.

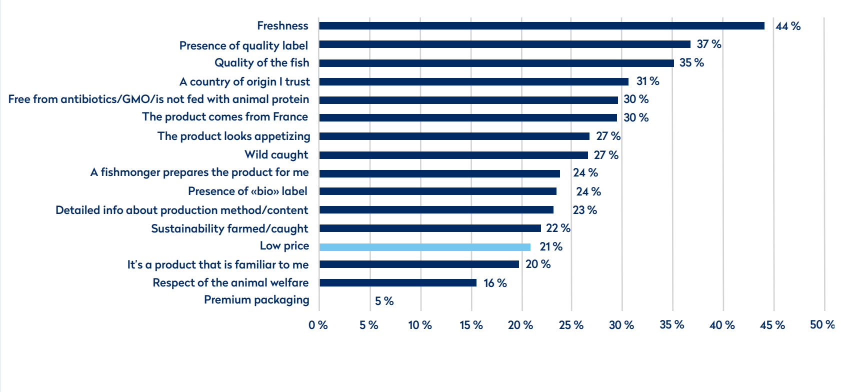
The different ways consumers have to combine criteria tell us that value for money is so much more than just an attractive price tag. In fact, few consumers get the impression of good value for money merely by getting a low price. It is probably reasonable to assume that quality and freshness are must-have factors that consumers take into account, but in order to build a stronger value for money position for seafood, we can also capitalize on other aspects, such as sustainability and animal welfare.

DO CONSUMERS CARE ABOUT EATING FOODS THAT ARE GOOD BOTH FOR THEIR HEALTH AND THE PLANET?

In the introduction of this report, we saw that health is among the top reasons why people eat seafood. Meanwhile, consumers are starting to care more about the origin of the products they buy, and seek out detailed information about production methods, sustainability and animal welfare. The two latter are among the fastest growing drivers in seafood markets around the world, although they are not (yet) very powerful.

But several indicators point towards the strengthening of these drivers. Lately, there has been quite substantial media attention towards vegetarian and vegan lifestyles, and subsequent focus among influencers, then consumers.

VALUE FOR MONEY



This trend looks like it encourages not only a «healthier» lifestyle, but also a higher level of respect for the environment as a whole, including animals. How is this trend impacting French consumers? Are mainstream consumers starting to take to these lifestyles? Are they affecting their *actual* attitudes and behaviour? And how does seafood position versus this new trend?

We therefore asked a series of questions destined to uncover whether consumers really care about making food choices that are good for both their health and the planet, and whether this affects their attitudes towards different foods.

CONSUMERS CARE ABOUT MAKING HEALTHY AND SUSTAINABLE FOOD CHOICES!

Consumers definitely care about their food choices, and strive to eat foods that are good both for their health and the environment. 94 % of consumers state that this is important at some level, and as many as 43 % say that this is very important to them. If we look into the high frequent seafood consumers, this result comes across as even stronger; half of those who eat seafood twice a week or more (48 %) declare that it is very important.

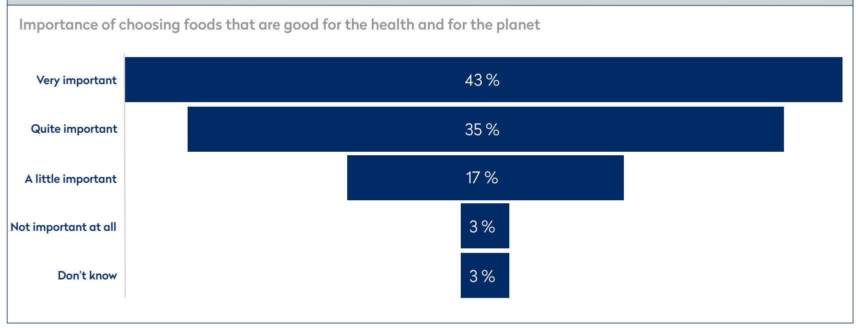
The general awareness towards plant-based foods as healthy and sustainable appears to grow, and there is increasing emphasis on the need to limit consumption of meat, both for health and environmental reasons. Meanwhile, some advance the argument that these are "issues of the elites" in society, and that people in general have more down-to-earth everyday concerns. This is why we wanted to learn about the size of the segments in France which consider these questions.

When it comes to the wish or effort to increase the consumption of plant-based foods such as fruits, vegetables, legumes or even meat substitutes, a quarter of the French population confirm that this applies to them. However, when we ask whether people try to reduce their meat consumption, the share is even higher. Over one third (36 %) of French consumers strive to reduce their meat intake.

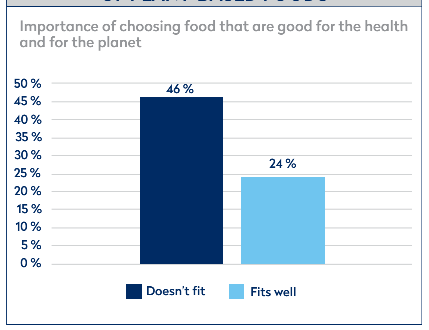
WHAT ABOUT SEAFOOD?

From qualitative studies, we already knew that seafood probably has a much more comfortable position than red meat – and even white meat – when it comes to consumer perceptions about health and sustainability.

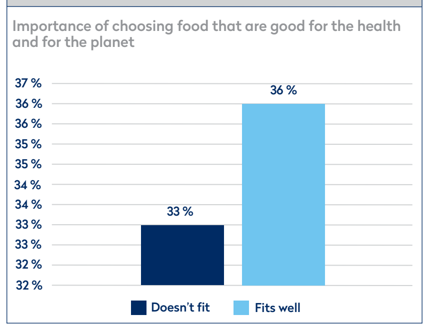
CONSUMERS CARE ABOUT MAKING HEALTHY AND SUSTAINABLE FOOD CHOICES!



I TRY TO INCREASE MY CONSUMPTION OF PLANT-BASED FOODS



I TRY TO REDUCE MY MEAT CONSUMPTION



For the first time, we are able to establish that one third of French consumers (32 %) wishes to increase their seafood consumption for reasons linked to health and environment.

If we dive into this segment, we discover that they are overrepresented in big cities, and that they eat more seafood than the average. What is interesting to take note of is that these **consumers, who appear to be actively looking to eat more seafood, are not so much concerned about the price of their seafood, but rather detailed information about the production method and contents of their seafood.**

In addition, they might be looking for labels when shopping. They are also proportionally much more attached to buying seafood at the fishmonger – or at the serviced fish counter in supermarkets – so that they can get help and advice from a seafood professional.

SEAFOOD IS THE PREFERRED CHOICE TO REPLACE MEAT

In addition, we obtained information about which food items people would choose as a substitute for meat. Among those who wish to reduce their meat consumption (36 %), the greater share (41 %) of consumers prefer to replace meat with seafood rather than plant-based alternatives.

INSIGHT

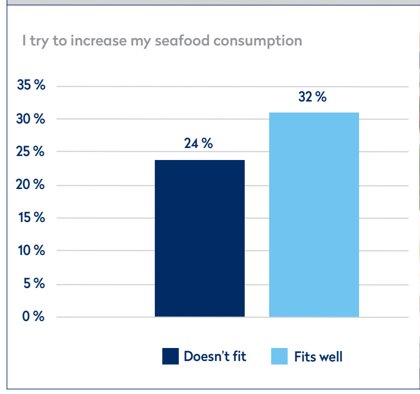
SEAFOOD

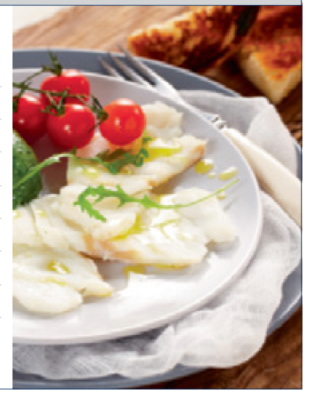
HAS A BETTER HEALTH- AND ENVIRONMENT PROFILE THAN MEAT

This confirms that seafood is well positioned within the trend of healthy and sustainable eating; indeed, seafood has a better health and environmental profile among consumers than meat, while still being an animal protein that is considered as a worthy replacement of meat.

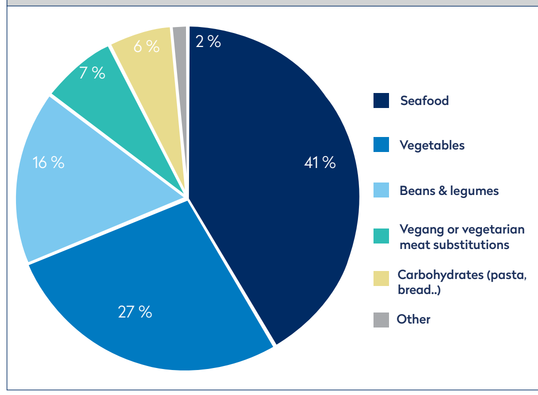
To sum up, consumers' new-found concern for health and environments encourages them to eat more seafood and plant-based foods.

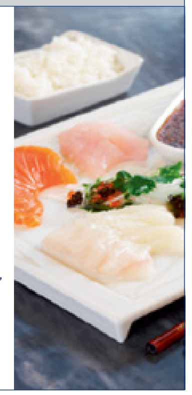
32 % OF CONSUMERS WISH TO INCREASE THEIR SEAFOOD CONSUMPTION

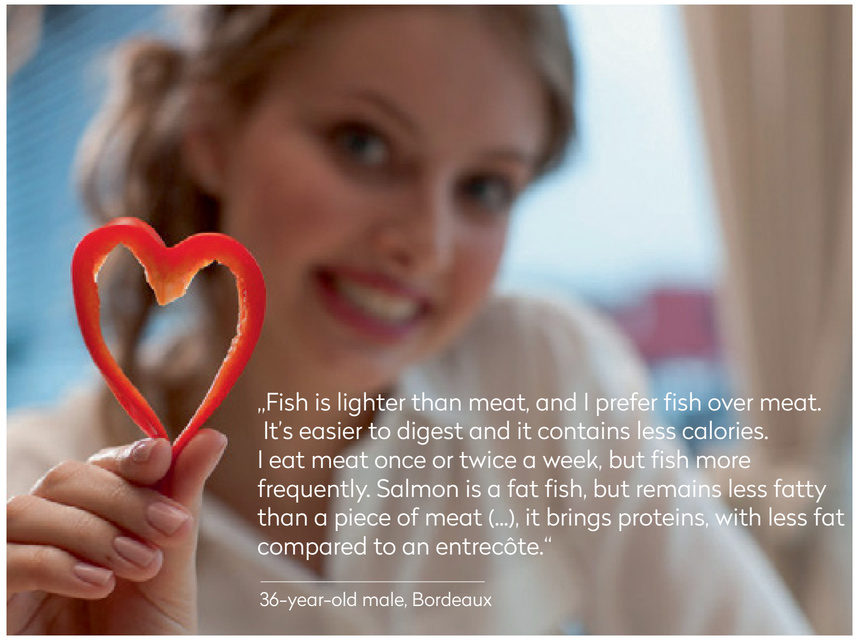




SEAFOOD IS THE PREFERRED CHOICE TO REPLACE MEAT







„Fish is lighter than meat, and I prefer fish over meat. It's easier to digest and it contains less calories. I eat meat once or twice a week, but fish more frequently. Salmon is a fat fish, but remains less fatty than a piece of meat (...), it brings proteins, with less fat compared to an entrecôte."

36-year-old male, Bordeaux

WHAT DOES IT MEAN TO EAT HEALTHY AND SUSTAINABLE FOODS?

24 %
INCREASE their consumption of PLANT-BASED FOODS*

32 %
Try to INCREASE their SEAFOOD consumption

36 %
Try to REDUCE their MEAT consumption

41 %
Have SEAFOOD has their preferred choice to REPLACE MEAT

*** INSIGHT**

NEW CONCERNS AROUND HEALTH AND ENVIRONMENT ENCOURAGE CUSTOMERS TO EAT MORE **SEAFOOD AND PLANT-BASED FOODS**

21 million

Based on these data, we can make some assumptions about potential opportunities and growth perspectives in the French seafood market. For instance, if we consider the 32 % of consumers who state that they wish to increase their seafood consumption, this means that we have **21 million French people seeking to eat seafood more often.**

Let's say we manage to help these consumers find seafood products that correspond to their needs and expectations, so that they actually choose to eat more seafood. What would happen then?

*** POTENTIAL**
+ 252 MILLION
SEAFOOD MEALS EVERY YEAR

If every consumer who wishes to eat more seafood added one fish meal per month to their diet, that would represent **252 million meals** more each year. That would add close to **30 000 metric** tons to the current consumption

This would mean a 5 % upturn in the value of the French seafood market. But a less conservative estimation – considering the possibility that consumers in this segment could eat one extra seafood meal every week - would provoke a 20 % value growth in the market! Clearly, the trend for eating healthier and more sustainable foods offer great opportunities for seafood to grow the market.

*** POSSIBLE VALUE GROWTH**

5 % → 20 %

SEAFOOD, DISRUPTED?

Not yet, but soon.
That is our firm conviction.

Throughout the «2018 Seafood Report», we have been able to establish a few truths about seafood consumption in France; some of them are harsh – like the fact that the seafood consumption is declining, and that consumers in the top frequencies are falling off – but some of them are also very exciting – like the fact that the image of farmed seafood might be on the verge of a paradigm change, or that French consumers actually wish to eat more seafood!

The availability of seafood is better than ever in France. Even through e-commerce, consumers have access to a wide range of species, making it more convenient for busy families to put seafood on their dinner plates and reap all the health-benefits that seafood bring. We have observed that the barriers towards buying seafood online have softened down, and that seafood is now competing on more equal terms with other foods in the online channels.

We have also discovered a relatively dramatic change in how consumers perceive farmed seafood, which has gone from an overall mediocre image two years ago, to catching up with wild and organic seafood on quality aspects - and even beating wild seafood when it comes to sustainability! Farmed seafood definitely have brighter days ahead, making reasonably-priced and sustainable seafood more available to a broader range of consumers.

The «veggie» (or «vegan») wave has also washed over France lately, promoting «healthier and more sustainable eating». Indeed, French consumers are also becoming more attached to choosing foods that are good both for their health and the planet, and this is definitely swaying the market in the right direction for seafood! Consumers wish to eat less meat and more fish. In fact, our estimations show that by offering seafood that corresponds to the needs of today's consumers, the potential value growth in the market could be somewhere between 5 % and 20 %. When we know that one third of French consumers actively seek to eat more seafood, that seems like one big opportunity to jump on for everyone working within the seafood business!

But we still have some work left. Some important barriers persist. Consumers are not yet satisfied with the level of information about production methods and contents available for seafood on offer in France today. There is also a significant lack of trust towards retailers that is curbing the seafood consumption. The seafood business is still a relatively traditional business which has not yet yielded the benefits from the tremendous technological development of our time. But technology can and will disrupt the seafood business too, and thereby break down many of these barriers. It is only a matter of time, and when it happens, it will certainly give seafood a significant nudge forward!

We hope this report has brought you some new insights – and hopefully some heartening surprises. If you have any thoughts or comments, please feel free to contact us for a spirited discussion on the French seafood market.

Paris, June 2018

THANK YOU

Norway is the second largest exporter of seafood in the world. But what makes Norwegian seafood so popular?
We believe it's a dedication to superior quality, the thorough controls we've put in place throughout the food chain, and our pioneering attitude to sustainability.

The Norwegian Seafood Council (NSC) was founded in 1991 by the Ministry of Fisheries with the aim of communicating these strengths to the world.

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NORWEGIAN
SEAFOOD
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