



Innovation in France in the market for fisheries and aquaculture products

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- **The OFIMER market watch on new aquatic products**
- **Trends in new aquatic products**
- **Profile of the most innovative firms**
- **New products and trends in consumption**

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The OFIMER market watch on new aquatic products

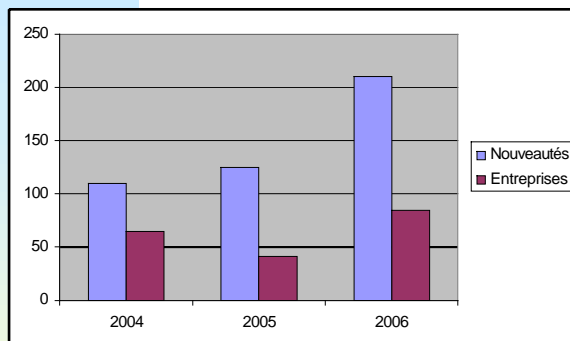
- OFIMER put in place five years ago a market watch on new aquatic products
- It is based on the survey of trade journals, media advertisements and internet sites
 - ◆ small companies which do not communicate are less visible
- This market watch provides a clear view of :
 - ◆ The product categories most involved
 - ◆ The most common types of innovation
 - ◆ The main base materials used
 - ◆ The size of the most innovative firms

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Number of new products



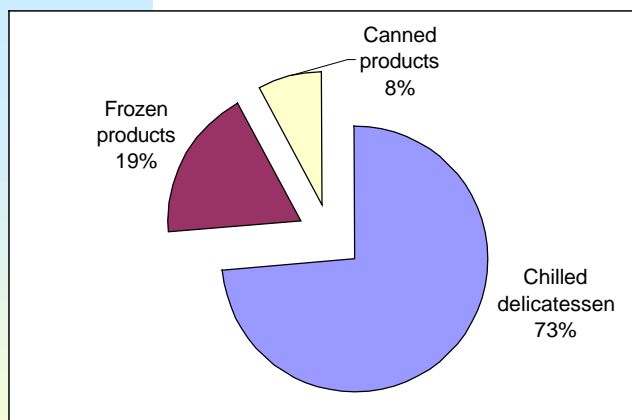
- In 2006, 210 new products from 85 firms, of which 61 French firms and 24 foreign-based
- Increase in the number of new products for which a communication has been done

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The most innovative product categories



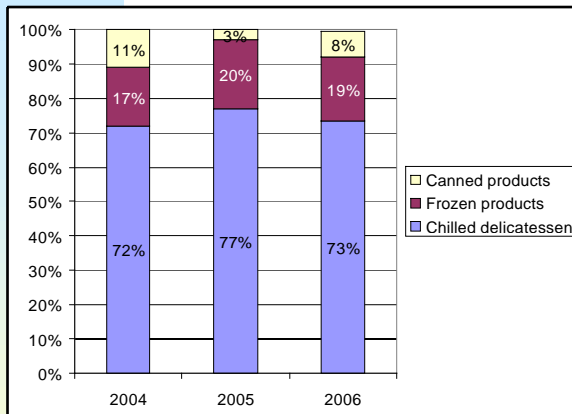
- Most new products fall into the category of chilled delicatessen, i.e. processed products sold at the fresh counter with short eat-by dates (not stabilized products)

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The most innovative product categories



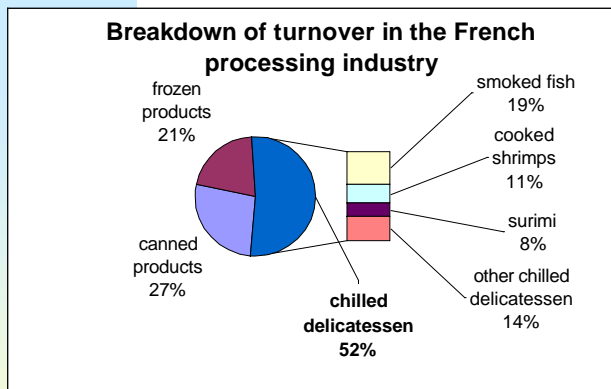
- The importance of chilled delicatessen products was also seen in preceding years, accounting for 72% of new products in 2004 and 77% in 2005.

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The most innovative product categories



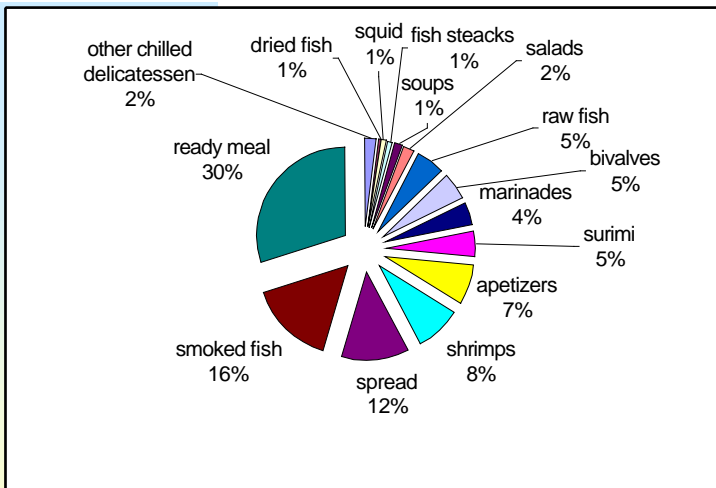
- 75% of all novel foods are chilled delicatessen products, despite the fact that this category accounts for only 52% of the turnover of the seafood industry in France.
- The canned foods sector, which generates 27% of the processing industry's sales, produced no more than 10% of new products in 2006

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A very great diversity in new products



- It is in the chilled delicatessen product category that the greatest diversity of new products is seen.

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A very great diversity in new products



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A very great diversity in new products



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A very great diversity in new products

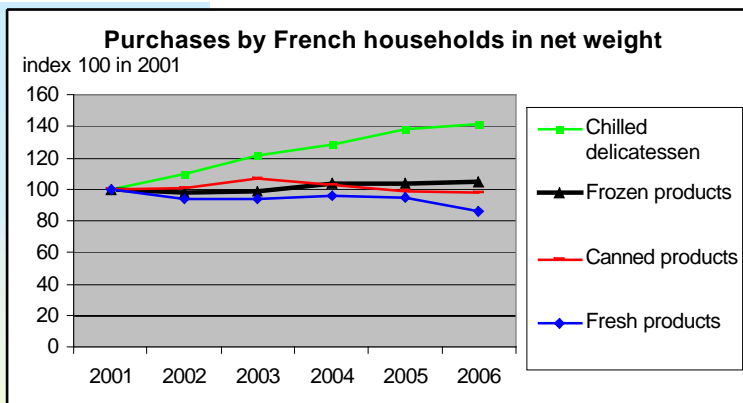


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An answer to the consumer's expectations



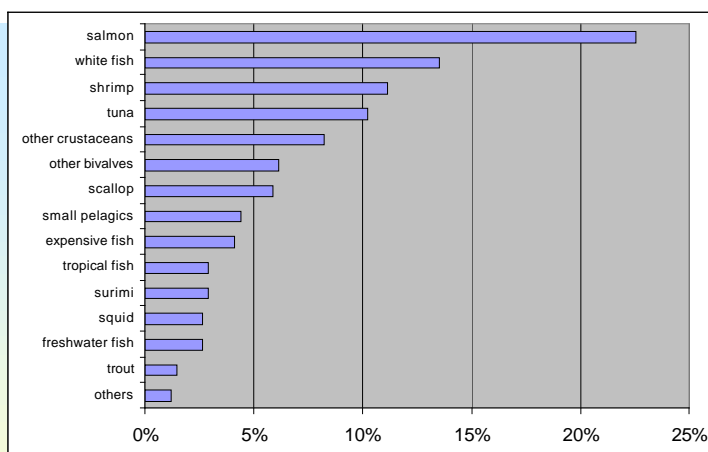
- The products that are increasingly sought out by consumers are chilled delicatessen products and fresh pre-packed fish filets
- Conversely, households' purchases of whole fresh fish are falling rapidly (- 10% annually), whereas there has been no change in purchases of deep-frozen and canned products.

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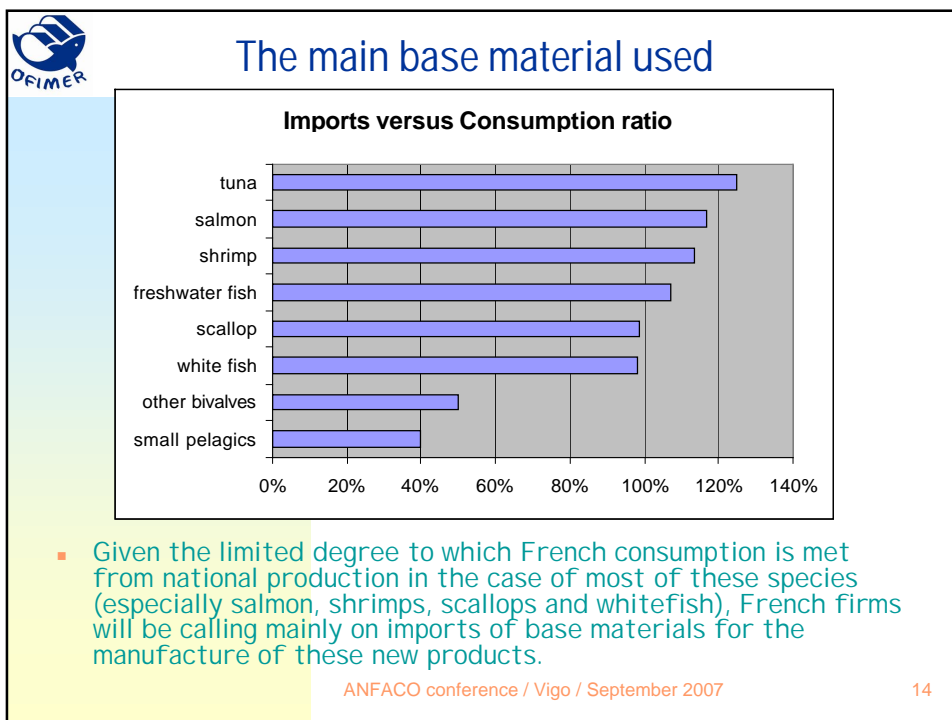
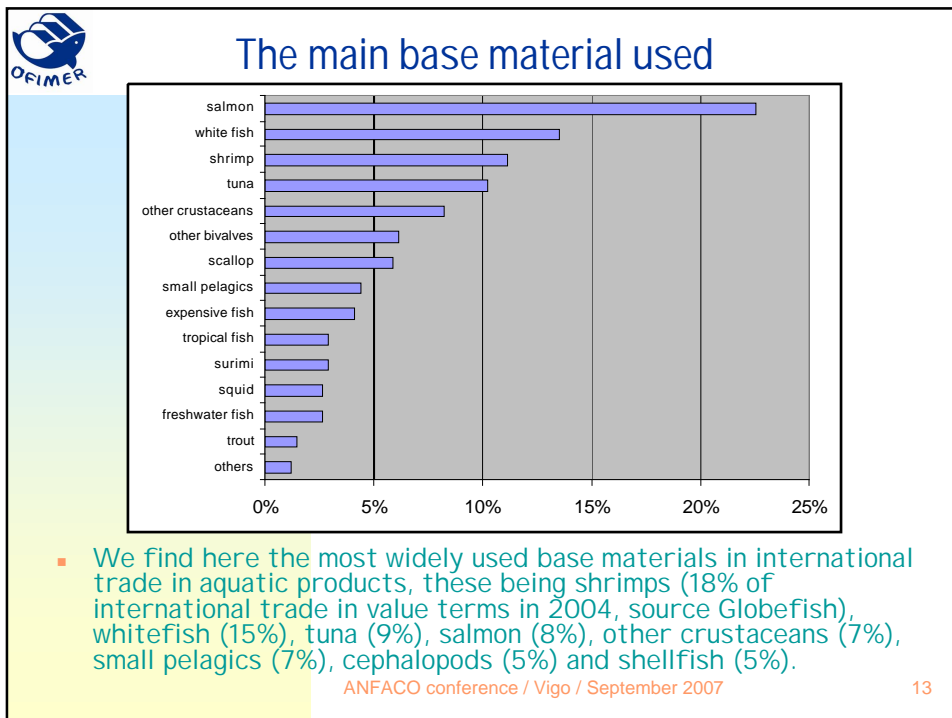
The main base material used



- Salmon, which forms part of the composition of 77 new products, is the material most used for new aquatic products launched on the French market in 2006.
- This dominance of salmon, used as a base material in a quarter of all new products launched in 2006, was also observed in 2004 and 2005.

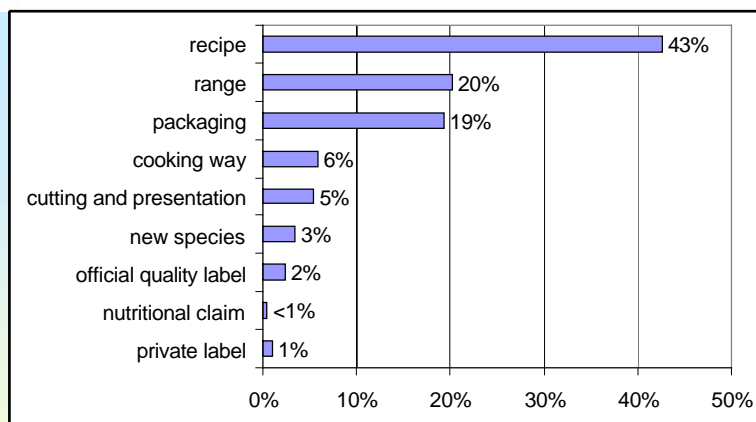
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The most common types of innovation



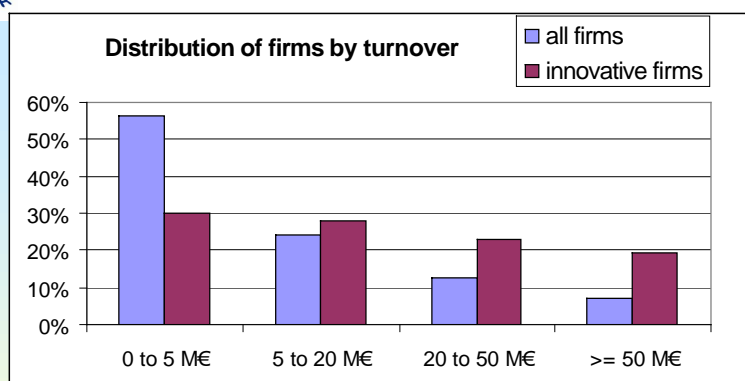
- Over half of all new products recorded in 2006 are new recipes or reflect the launch of a new product range
- Innovations that relate to packaging accounted for a little under 20% while innovations relating to cutting, presentation or easier cooking accounted for somewhat more than 10%.

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Profile of the most innovative firms



- The companies involved in innovation in 2006 were usually the biggest in terms of annual sales.
- Indeed, while only 7% of companies generate more than €50 million in sales, their share of the total number of innovating firms is nearly 20%.
- Only 11% of firms with turnover under €5 million innovated in 2006, to compare with 55% for the industry's largest concerns.

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First results from the 207 survey (6 months)

- More than 150 new products watched in the first 6 months
- 72% chilled delicatessen, 21% frozen, 6% canned
- Salmon, Alaskan pollock, shrimps, tuna and scallops are still the top 5 species used as base material, and account for 65% of the number of new products
- Appetizers, spreads, salads and soups are the most common new products
- Innovation based on new recipe first

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Focus on canned products

- Tuna is by far the most common species in the new canned products launched on the French market for the last three years
- Other species are :
 - ◆ sardine and mackerel, salmon
 - ◆ crab, nephrops
- Most common types of innovation :
 - ◆ recipe
 - ◆ easy opening
 - ◆ nutritional claims (no salt, good fat)
- Types of products :
 - ◆ Salads, marinated fish,
 - ◆ Very few ready meals to be eaten hot

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Conclusion

- The importance of chilled delicatessen products is an answer to the consumer preference for products
 - ◆ easy to cook, easy to store
 - ◆ which « look like » fresh (short shelf life)
- These products are non-stabilized, which means they require attentive sanitary care and high technological advance
- Hard discount has still a huge potential as far as chilled delicatessen are concerned
- Very few innovations from the canning sector
- Issues :
 - ◆ Price of base material is increasing (mackerel and salmon in 2006).
 - ◆ Is it possible to build customer loyalty with increasing price after years of deflation ?
 - ◆ Need for a lot of research in order to reduce costs, to maintain sanitary quality and to invent new products.

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