US Retail Market Overview

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Consumer Attitudes in America

• In 2010 US Consumers are Veering from Cautious Optimism to Heavy Pessimism
• Unemployment Stuck at 9.5% for 1 Year
• High Mortgage Foreclosure Rates Continue
• Small Business Having Financing Trouble
• Consumers Buying Less, Saving More
• Perception of Value Ranking High in Purchase Decisions
Retailer Challenges in America

- Consumer Pushback Against Higher Prices
- Higher Costs Resulting in Gross Margin Compression
- Availability Issues from Quota Reductions, Fisheries Declines, Disease
- Consumer Misinformation on Health
- US Consumer Perception of Seafood as Non-Essential Purchase
Consumer Purchasing Trends

• Consumers Increasing Acceptance of Cook from Frozen Products - Convenience
• However, Microwave Still a Struggle
• Continuation of Time-Starved Consumers Looking for Easy Meal Solutions
• Still, Needs to Show Measurable Value
• Trusted Source Endorsement Drives New Item Acceptance – Barramundi & Dr Oz
Sustainability Understanding

• Consumers Do Not Understand Sustainability & Don’t Want To, Either – Nielson Panel Data
• Consumers Expect Retailers to Make the Right Decisions on Sustainability – SWY Focus Group Data
• Most Consumers Will Not Pay More for Sustainable Products – SWY Focus Group Data
Market Opportunities

• Aging Population in America Is Focusing on Health – Baby Boomers Hate Getting Old
• Retailer Rising Emphasis on Best Choices is Opportunity to Drive Business to Sustainable Species
• Industry Must Take the Initiative to Move Forward
Retailer Opportunities

- Develop Retailer-Supplier Solutions to Consumer-Driven Issues – “Fear of Fish”
- Partnerships with Solutions-Based Suppliers to Create Cost-effective Sustainable Programs
- Better Retail Employee Training on Sustainability Issues – High Turnover Challenge
- Better Consumer-facing Programs to Educate Them about
Addressing the Future Today

• The Way Forward for Seafood is in Aquaculture.
• Industry, Food Service and Retail Must Band Together to Drive Increases Sustainably
• Given That Available Consumer Information is Fragmented and Often Inaccurate, Industry Needs a Broad-based Consistent Message Retailers that Can Trust to use for Consumer-based Marketing Campaigns