

Building an Online Seafood Business



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Market Overview

Online, Ecommerce & DTC

- ▶ Three terms are interchangeable but can mean slightly different things
- ▶ Using a digital platform to sell directly to the end consumer
 - ▶ Facebook, website and apps, Amazon, email list
 - ▶ Food Lion, Wegmans, Fulton Fish Market, Omaha Steaks
- ▶ 70% of Americans shop online
- ▶ 20% of US Retail shopping is online
- ▶ Worldwide online shopping - \$6T in 2023, growing to \$8T in 2027
- ▶ Average American online spend is \$3500 per year
- ▶ US #2 in online spending
 - ▶ UK is #1



Why Online Shopping?

- ▶ Convenience
 - ▶ Shop in other cities or even countries
 - ▶ Comparative shopping
 - ▶ Eliminates travels time
 - ▶ Pre-shopping
- ▶ Selection
 - ▶ Hard to find items
 - ▶ Full catalog selection
 - ▶ International options
- ▶ Brand Loyalty and Discovery
 - ▶ Discover new products/brands
 - ▶ Brand exclusive selection
 - ▶ Loyal to the brand or product
 - ▶ Brand interaction
- ▶ Price
 - ▶ Cheaper price
 - ▶ No or cheaper shipping
 - ▶ Annual and Holiday sales cycles
 - ▶ Price compare from home

Groceries + Ecommerce = E-grocery

- ▶ Online grocery delivery started in the early 2000s
- ▶ Amazon was an early adopter - Amazon Fresh
- ▶ COVID boosted e-grocery adoption
- ▶ Grocery accounts for 11% of online spending
- ▶ Expected to grow to 14%+ of all online spending by 2027
- ▶ E-grocery pickup is expected to outpace delivery
 - ▶ Pickup - 13% growth rate
 - ▶ Delivery - 10% growth rate
 - ▶ Ship to Home - 8% growth rate
- ▶ E-grocery growth has exceeded in-store growth
- ▶ Average online e-grocery order is \$150



Seafood + Ecommerce = Perfection

- ▶ Convenience
 - ▶ Replaces seafood market, specialty grocery and landing dock
- ▶ Selection
 - ▶ Regional specialties and quality grades
 - ▶ Unlimited availability
- ▶ Brand
 - ▶ Unique growing and harvesting methods
 - ▶ Regional differences
- ▶ Price
 - ▶ Competitive and dynamic pricing
- ▶ The market is right!
 - ▶ 2.9% of E-grocery in 2023
 - ▶ \$2.6B 2023 to \$6.5B 2027



Wholesale vs Ecommerce/DTC

- ▶ Wholesale has lower overhead and investment
 - ▶ No special packaging
 - ▶ No selling website
 - ▶ No pick and pack
 - ▶ Minimal customer service
 - ▶ Bulk selling
- ▶ Ecommerce/DTC has higher overhead and investment
 - ▶ Special packaging
 - ▶ Selling website or digital platform
 - ▶ Pick and pack labor
 - ▶ Payment processing fees
 - ▶ Website fees
 - ▶ Continuous customer service

Pro and Cons of Ecommerce

- ✓ More Profit
 - ✓ Retail pricing w/ wholesale cost
 - ✓ Set your own pricing
- ✓ Build a Brand
 - ✓ Unique story and products
 - ✓ Regionalization/Taste profiles
 - ✓ Expertise and Heritage
- ✓ Connect to the Customer
 - ✓ Build long-term relationships
- ✓ Diversify Income Streams
 - ✓ Yes, and!
- ✗ Maintaining Digital Presence
 - ✗ Ongoing maintenance of websites
 - ✗ Marketing and social media upkeep
- ✗ Dealing with Customer
 - ✗ Not always pleasant
 - ✗ Retail hours
- ✗ High Investment
 - ✗ Shipping materials
 - ✗ Website
- ✗ Additional Labor
 - ✗ Enough said!

Ecommerce Business Options



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Local and Low Tech

- ▶ Most customers are local
 - ▶ 50 miles or less
- ▶ Retail location with digital platform for ordering & pickup
 - ▶ Facebook, Email Lists, Twitter, Instagram
- ▶ Farmers Markets with online ordering & pickup
 - ▶ Pre-order for farmers markets & events
 - ▶ Advertising selection beforehand
- ▶ Same-day and scheduled pickups
 - ▶ Pre-order for holiday weekends
 - ▶ Order by 2pm, pick ups 4-6pm
- ▶ Cash works, but need to tell customers upfront
- ▶ Minimal investment and overhead



Regional and Restrained

- ▶ Customers vary between local and out-of-state
 - ▶ 500-mile radius
- ▶ Digital platform for ordering, retail location optional
 - ▶ Facebook, Email Lists, Twitter, Instagram
- ▶ Dedicated website optional
- ▶ Regional shipping and delivery
 - ▶ Restricted to 1-day ground zones
 - ▶ Leveraging third-party farm-to-table services
 - ▶ Investing in shipping supplies
- ▶ Same Day and scheduled pickups (if retail location)
- ▶ Payment processor required
- ▶ Moderate investment and maintenance cost



National and No Joke

- ▶ Online focus with delivery and shipping nationwide
 - ▶ Customers are national
 - ▶ Retail location/s optional
- ▶ Leveraging all digital platforms
 - ▶ Facebook Page, Email Lists, Twitter, Instagram
 - ▶ Sea to Table digital platforms (optional)
 - ▶ Dedicated website (required)
- ▶ National shipping, air, and ground methods with scheduled delivery
- ▶ Same and schedule pickup (if retail location)
- ▶ Payment processor required
- ▶ Significant investment and maintenance cost
 - ▶ Likely professional website and marketing



Where to Start?

- ▶ What size business do you want to build?
 - ▶ Start small
 - ▶ Advance to the next level as your capabilities advance
- ▶ How much money and time do you have to invest?
 - ▶ \$10k website and no time to fill orders = disaster
 - ▶ Weekends at the farmers markets?
- ▶ Product pricing
 - ▶ Know your costs, first
 - ▶ Price product according to quality
 - ▶ Dynamic prices
- ▶ Building your Brand
 - ▶ Unique and quality
 - ▶ Heritage



Thank you!

Kimberly Reuter

804-220-0032

kimberly@clarityscalegrowth.com

clarityscalegrowth.com