



# OPMA Quarterly Report: Q4 2022

Jan 2023



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- How did Canadian consumer sentiment change in Q4 2022?
- How did Ontario shoppers shift their behaviour in Q4 for Total FMCG?
- How do Ontario shoppers feel about inflation?
- How did Ontario shoppers' Produce purchase behaviour shift in Q4?
- What should we expect from shoppers in the near future?

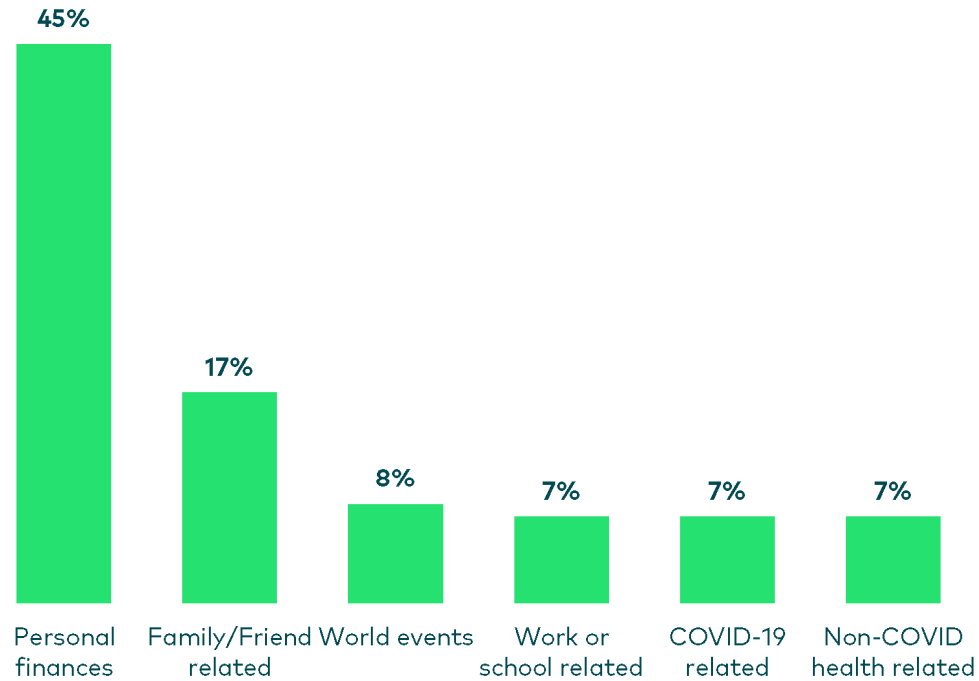
# What were Canadian consumers' main concerns in Q4?



# Concern over the economy has remained steady

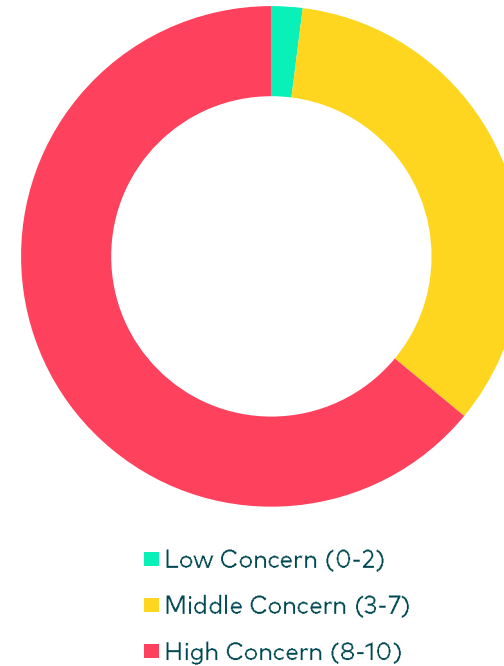
## PRIMARY CONCERNS

What do you think your primary concern will be over the next few months?



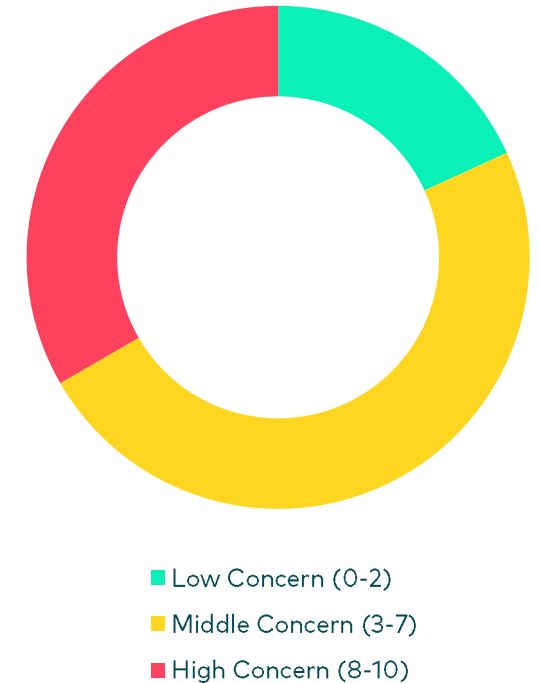
## ECONOMIC CONCERN

What is your level of concern regarding the economy?



## COVID-19 CONCERN

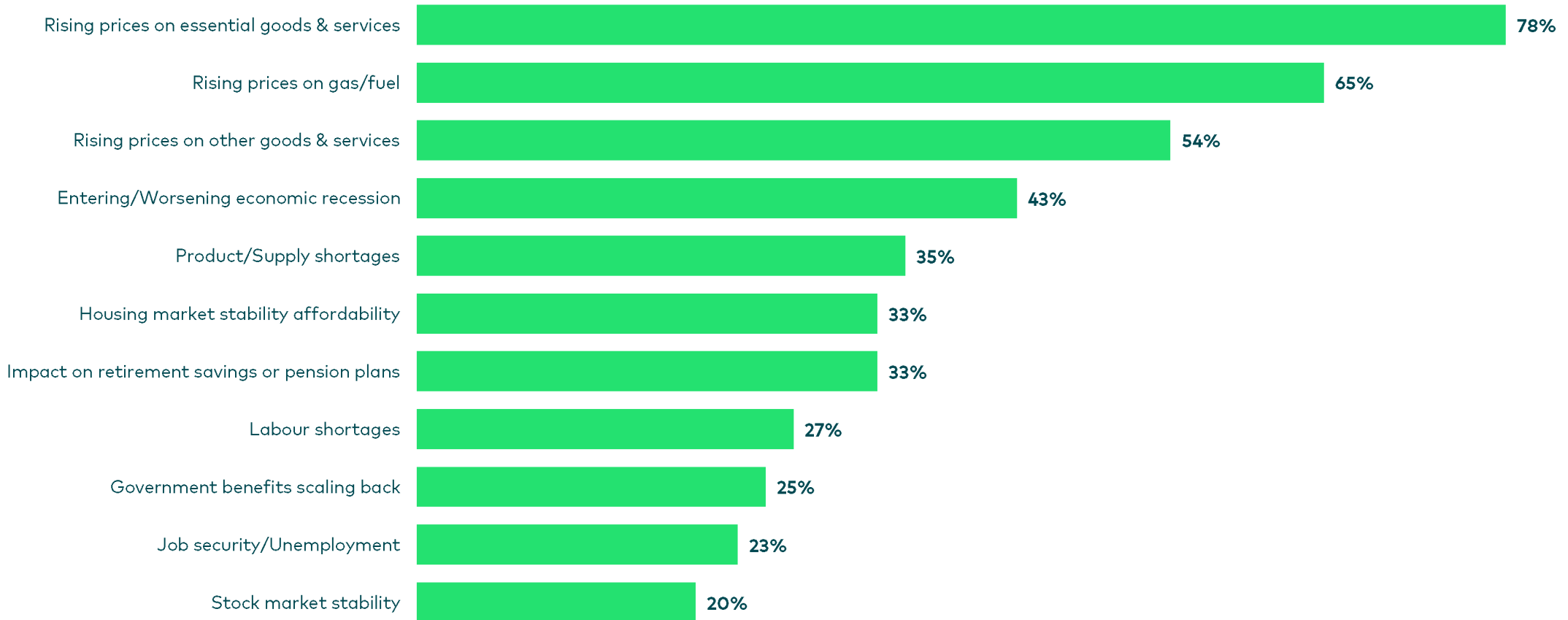
What is your level of concern regarding COVID-19?



# Rising prices on essentials are still top of mind for consumers

## SPECIFIC CONCERNS

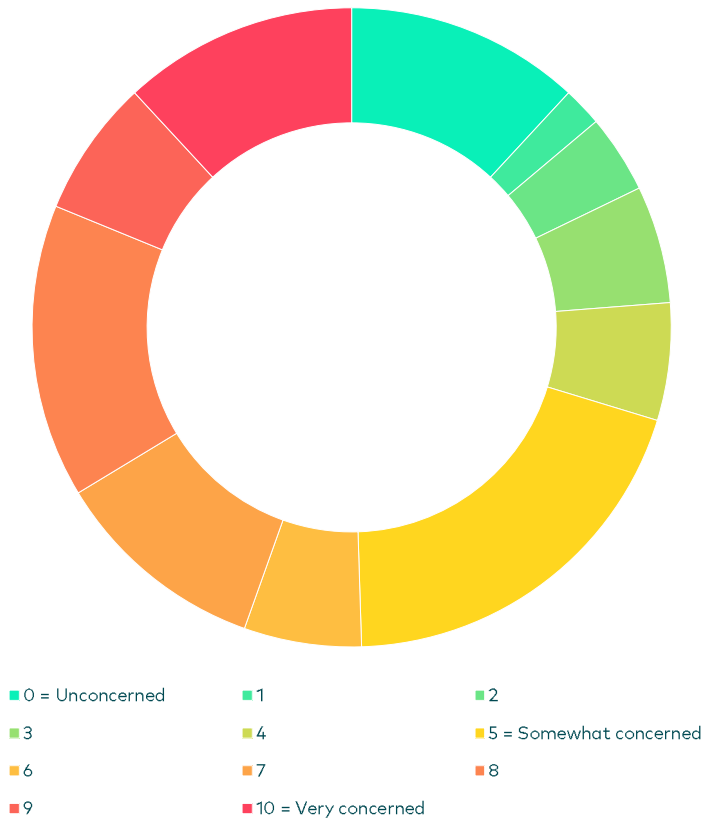
What specific concerns do you have regarding the economy?



# COVID-19 concern has returned to early summer levels

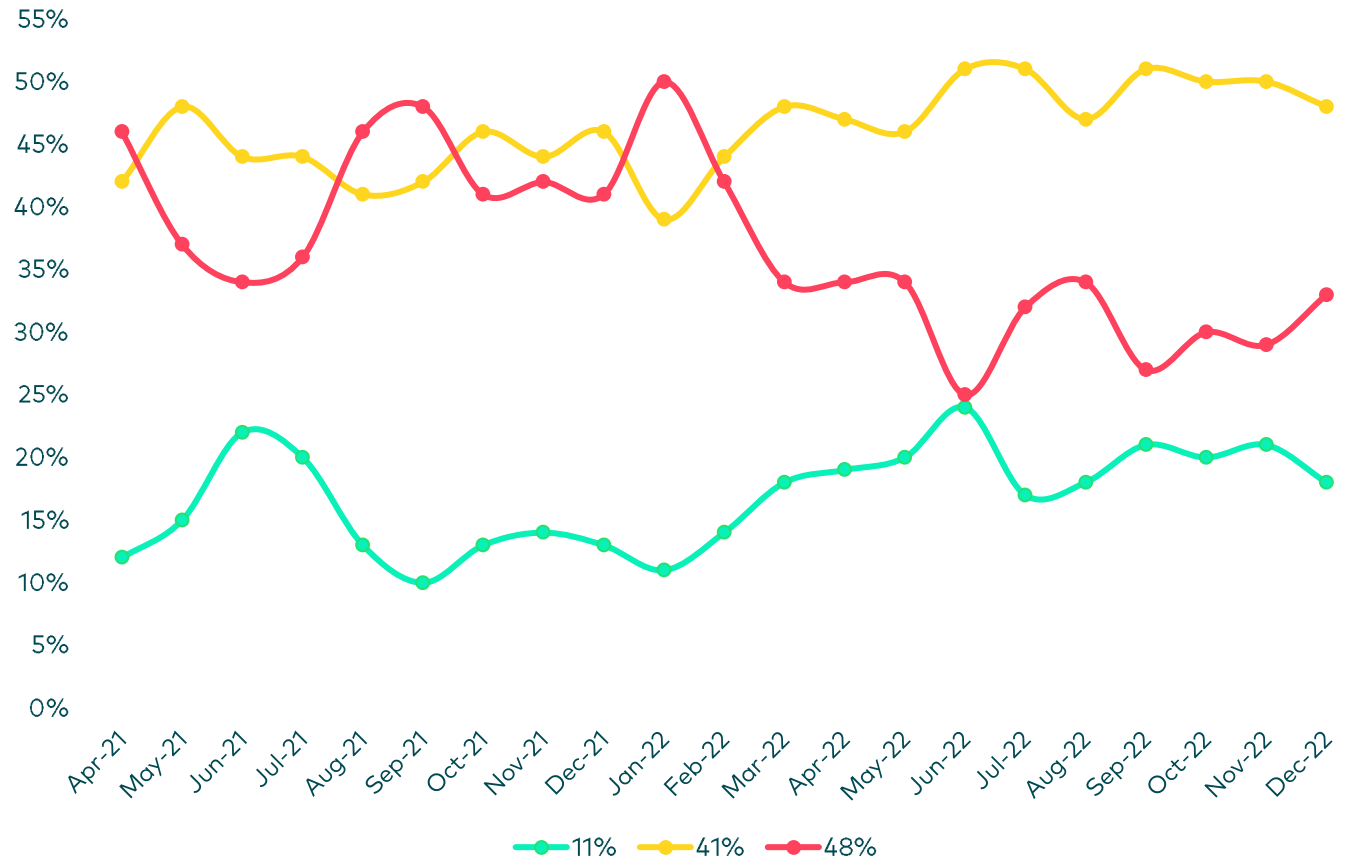
## COVID-19 CONCERN

What is your level of concern regarding COVID-19?



## COVID-19 CONCERN - MONTHLY

What is your level of concern regarding COVID-19?



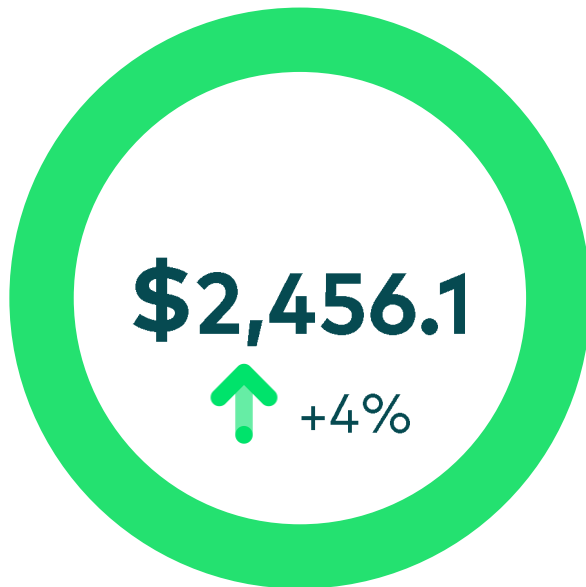
# How did these concerns translate into shopping decisions?



# Total FMCG Overview, Ontario Shoppers, Q4 2022

- Ontarians spent slightly more per household on FMCG products in Q4.
- We saw a increase in the number of trips the average Ontario household made (purchase frequency), reflecting a return to "normal" on the one hand but also, perhaps, an increase in deal seeking due to price increases.
- The increase in trips was offset slightly by decreased spend per trip.

## BUY RATE



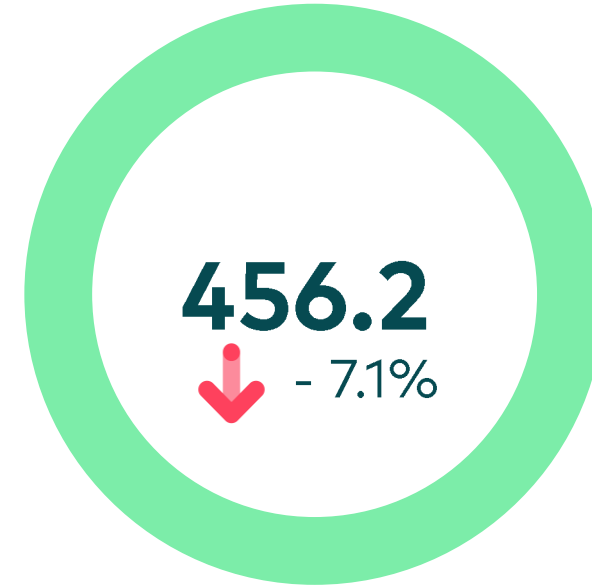
## SPEND PER TRIP



## PURCHASE FREQUENCY



## UNIT BUY RATE



# Overall FMCG Trips in Q4 2022 increased compared to the previous two years. Ontario shoppers made more trips towards the end of 2022

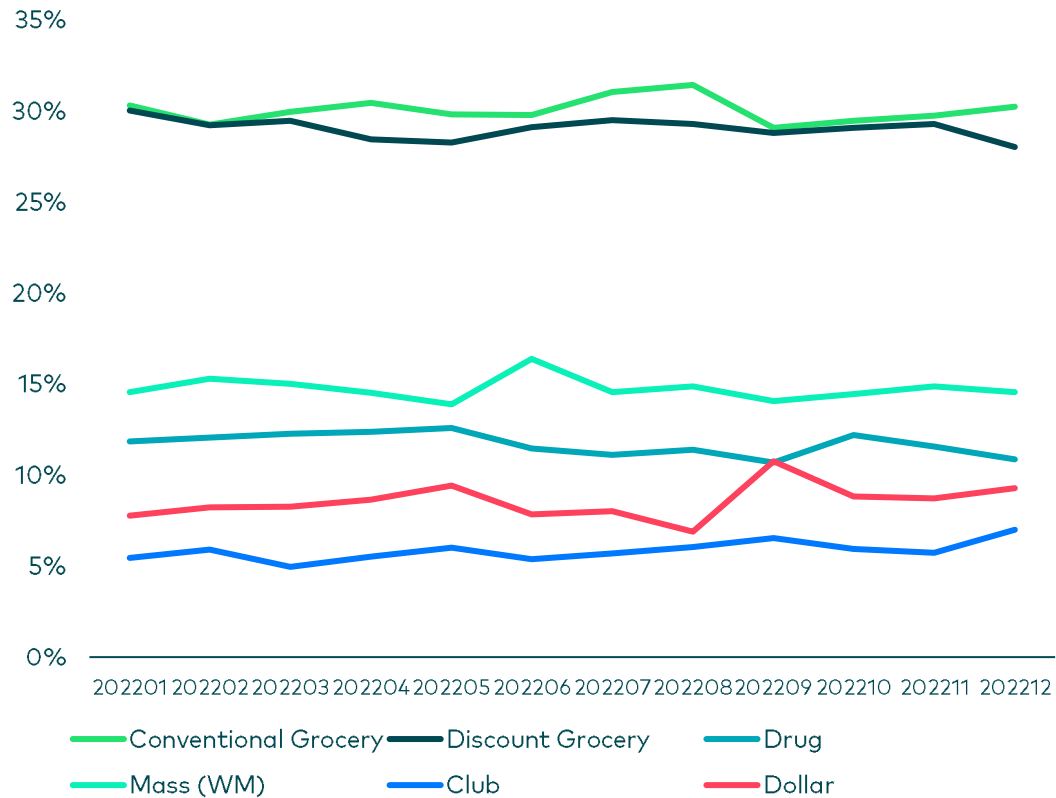
Q4 2022 trips were up 6% vs. Q4 2021, and up 9% vs. Q3 2020

## FMCG Trips, Ontario Total Outlets by Month



# Conventional and Discount continue to dominate trip choice for Ontarians; Club and Drug has shown consistent growth

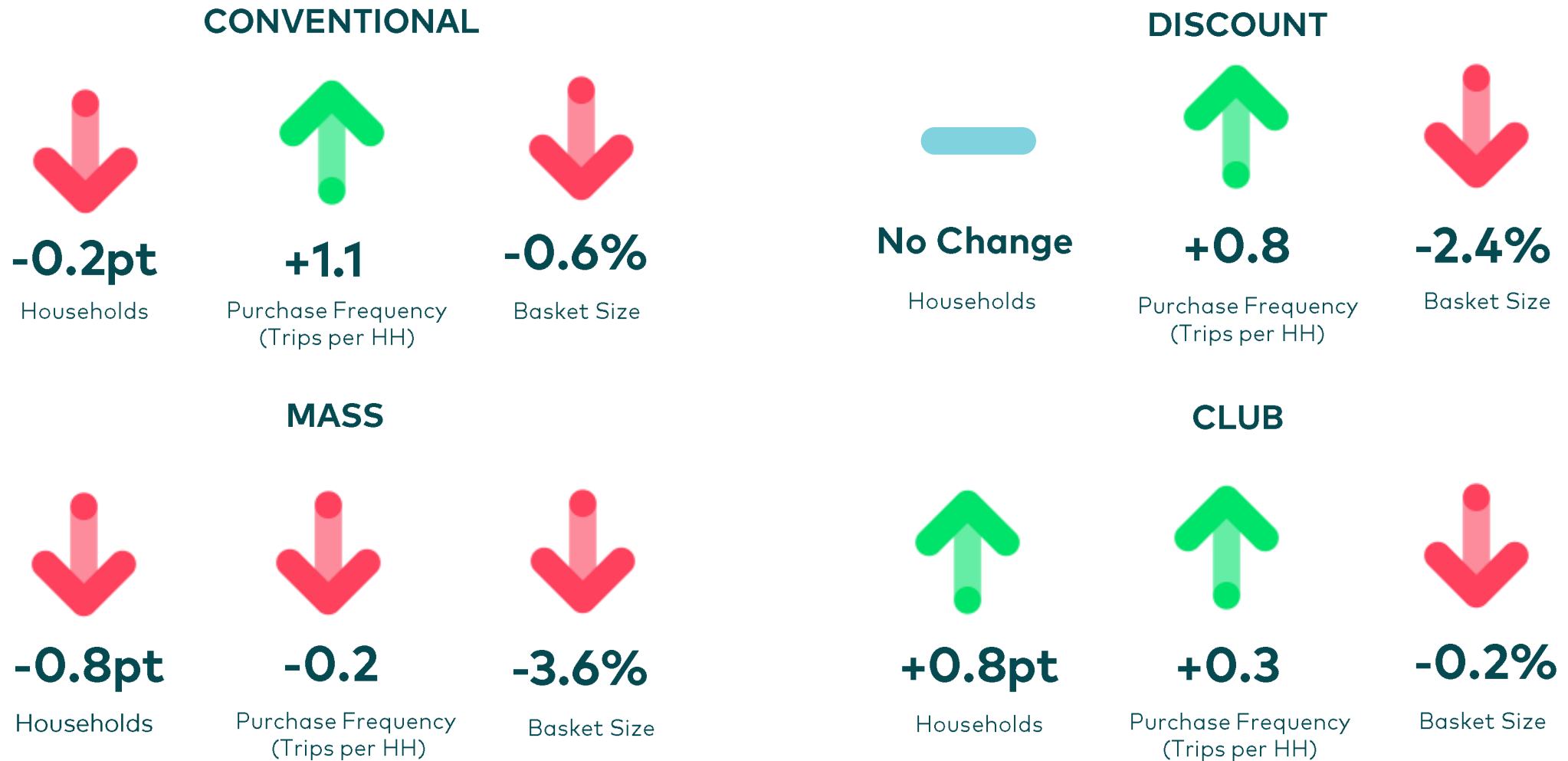
Share of FMCG Trips L12M



Q3 2022 Share of Trips, Index

Channel	vs 2021	vs 2020
Conventional	102	96
Discount	101	101
Drug	103	106
Mass (WM)	92	96
Club	106	119
Dollar	95	98

# More shoppers are moving to the Club channel in the face of inflation. Ontarians had smaller basket across all channels.



Source: Numerator Canada Insights, 10/01/2022-12/31/2022 vs YA, Ontario

# How did Ontario shoppers' Produce purchase behaviour shift in Q4 2022?



# Total Produce Overview, Ontario Shoppers, Q4 2022

- Ontarians spent more per household on Produce but bought fewer items overall in Q4, reflecting the inflationary environment.
- We saw a increase in the number trips the average Ontario household made (purchase frequency), reflecting, perhaps, an increase in deal seeking due to price increases.
- Ontarians' spend per trip remained consistent with the year before

## BUY RATE



## SPEND PER TRIP



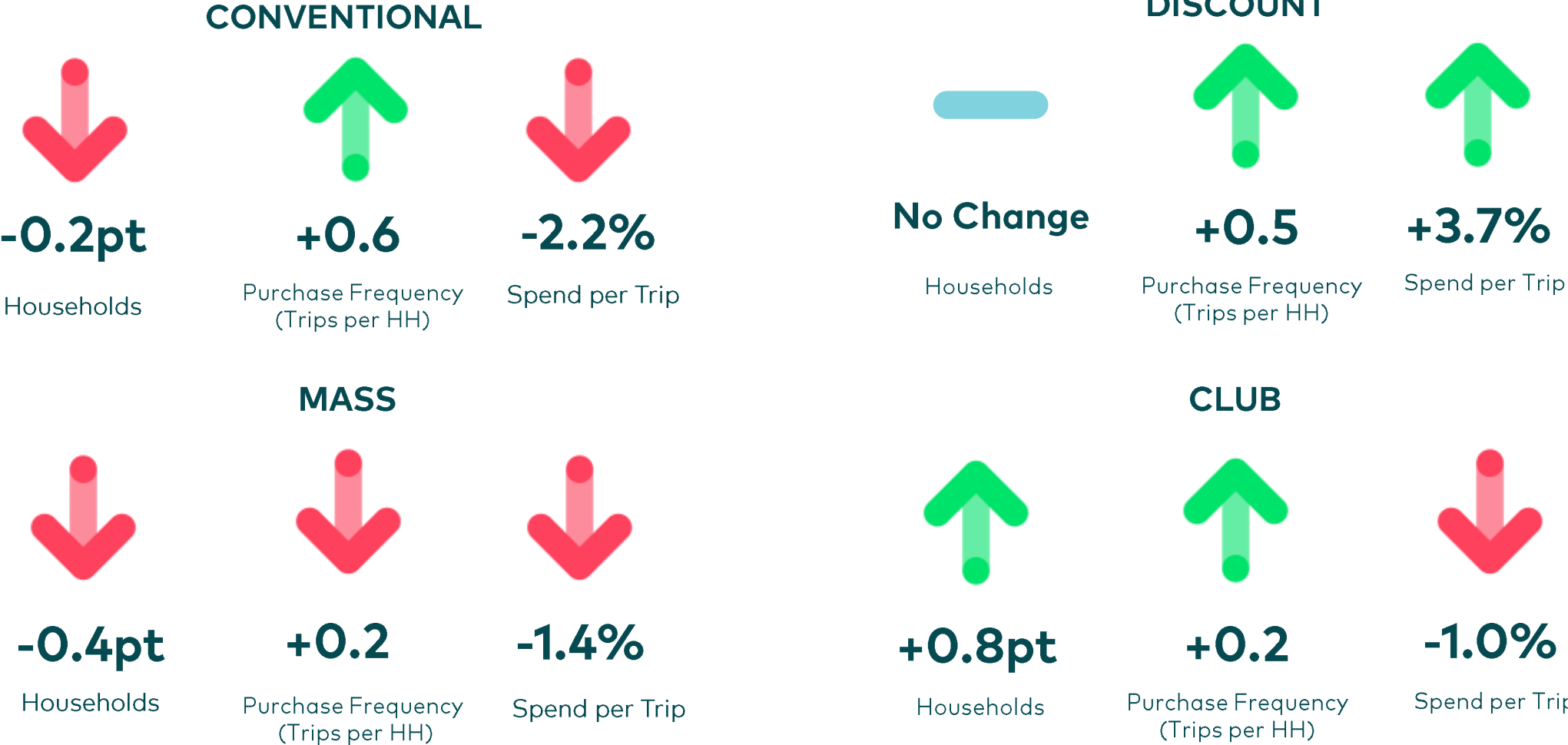
## PURCHASE FREQUENCY



## UNIT BUY RATE



# Club saw the biggest increase in trial for Produce. Ontarians spent less for produce in the Mass channel overall.



Source: Numerator Canada Insights, 10/01/2022-12/31/2022 vs YA, Ontario

# Vegetable Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip		Unit Buy Rate	
Potatoes	82.6%	(-1.8)	\$17.05	12.7%	3.6	0.1	\$4.73	14.2%	4.2	-4%
Onions	77.4%	(+0.5)	\$8.99	12.2%	2.9	0.0	\$3.11	12.3%	3.1	-3%
Carrots	74.2%	(-2.6)	\$9.23	11.4%	3.1	0.1	\$2.97	8.7%	3.5	1%
Tomatoes	73.2%	(-1.2)	\$15.69	14.8%	4.0	0	\$3.96	16.4%	4.2	-5%
Cucumber	71.2%	(+4.6)	\$13.03	3.5%	4.3	0.1	\$3.04	1.7%	5.8	1%
Mushrooms	57.6%	(-1.6)	\$12.14	4.4%	3.2	-0.3	\$3.76	11.6%	3.9	-13%
Lettuce	57.3%	(-12.3)	\$17.35	17.0%	3.2	-0.6	\$5.34	37.4%	4.3	-3%
Bell Peppers	54.0%	(+0.1)	\$9.43	6.3%	2.6	-0.1	\$3.66	11.9%	3.0	-7%
Broccoli	52.0%	(-0.5)	\$10.32	9.6%	2.9	0.0	\$3.53	9.1%	3.6	0
Celery	50.4%	(-2.6)	\$7.14	17.5%	2.2	-0.1	\$3.26	24.6%	2.3	-9%
Sweet Peppers	44.1%	(-2.1)	\$9.21	2.2%	2.2	-0.1	\$4.20	5.0%	2.4	-7%
Cauliflower	36.5%	(-3.1)	\$7.02	-12.6%	1.9	-0.3	\$3.60	0.3%	2.6	0
Salad Greens	53.1%	(-0.9)	\$17.02	19.5%	3.2	(0.1)	\$5.24	(+15.3%)	3.7	1%
Salad Kits	31.0%	(-3.2)	\$16.78	8.0%	2.5	0	\$6.66	(+9.1%)	3.3	-5%

Source: Numerator Canada Insights, 10/01/2022-12/31/2022 vs YA, Ontario, Selected Categories

# Fruits Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip		Unit Buy Rate	
Bananas	85.7%	1.0	\$13.23	6.5%	7.9	0.4	\$1.67	0.5%	8.5	2%
Apples	71.4%	0.9	\$19.44	8.3%	3.7	0.0	\$5.24	7.4%	4.1	-2%
Grapes	61.7%	2.6	\$22.09	17.7%	3.4	0.2	\$6.55	10.9%	3.7	5%
Clementines	58.0%	-4.5	\$14.26	14.3%	2.7	0.0	\$5.36	15.3%	2.9	0
Blueberries	55.2%	3.7	\$16.60	9.2%	3.8	0.2	\$4.39	5.3%	5.7	8%
Raspberries	50.1%	3.0	\$15.98	10.3%	3.6	0.1	\$4.46	7.1%	5.5	4%
Lemons	42.2%	0.7	\$7.59	13.1%	2.3	0.0	\$3.35	13.5%	3.5	-15%
Oranges	39.8%	1.2	\$10.90	14.7%	2.2	0.1	\$5.05	13.5%	2.4	-2%
Strawberries	38.0%	-5.4	\$19.76	3.7%	2.8	-0.2	\$6.97	10.2%	3.7	-3%
Pineapple	33.6%	-0.9	\$8.24	13.5%	2.2	0.0	\$3.70	13.5%	2.6	2%
Pears	29.9%	-0.7	\$10.66	13.6%	2.4	0.0	\$4.41	13.4%	2.6	-1%
Limes	26.7%	3.0	\$5.31	19.9%	1.9	-0.1	\$2.76	25.2%	4.3	-16%
Blackberries	26.5%	4.3	\$9.19	3.1%	2.2	0.1	\$4.17	-0.7%	3.2	1%
Mangos	20.2%	-0.8	\$8.24	3.3%	2.0	-0.1	\$4.07	8.5%	3.8	-12%

Source: Numerator Canada Insights, 10/01/2022-12/31/2022 vs YA, Ontario, Selected Categories

# Surprise Winners & Losers



FRESH  
LETTUCE

**21%**



fewer households bought  
Fresh Lettuce in Q4  
2022 vs Q4 YAGO

*However, those  
who did purchase  
spent...*

**17.0%**



more on Fresh Lettuce



FRESH  
LIMES

**11%**



more households  
purchased Fresh Limes in  
Q4 2022 vs Q4 YAGO

*Those who did  
purchase spent...*

**25.2%**



more on Fresh Limes



FRESH  
CELERY

**5%**



fewer households bought  
Fresh Celery in Q4  
2022 vs Q4 YAGO

*However, those  
who purchased  
spent...*

**24.6%**



more on Fresh Celery per  
trip

# What should we expect from Ontario shoppers in the next few months?



# Over 4 in 5 consumers expect inflation will increase in the next few months

**72%**

Feel as though the country is in an economic recession right now

**71%**

Say rising gas prices are impacting their ability to afford other things

**72%**

Think the Canadian economy will worsen in the next few months

**81%**

Think inflation will increase in the next few months

**76%**

Believe we will learn to live with COVID rather than returning to "normal"

## THINK THE FOLLOWING ARE LIKELY IN THE NEXT FEW MONTHS...

**39%**

Reimposed or extended mask mandates

**33%**

Reimposed or extended travel restrictions

**32%**

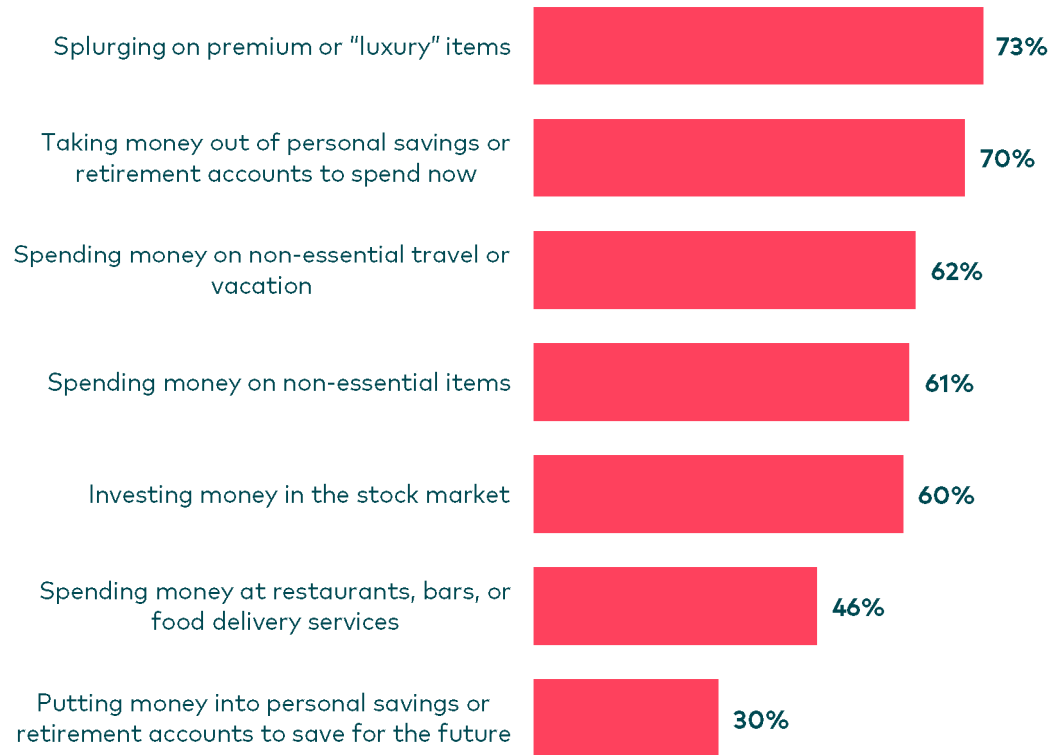
Reimposed or extended gathering restrictions

# Those consumers are uncomfortable with discretionary spending

## SPENDING DISCOMFORT

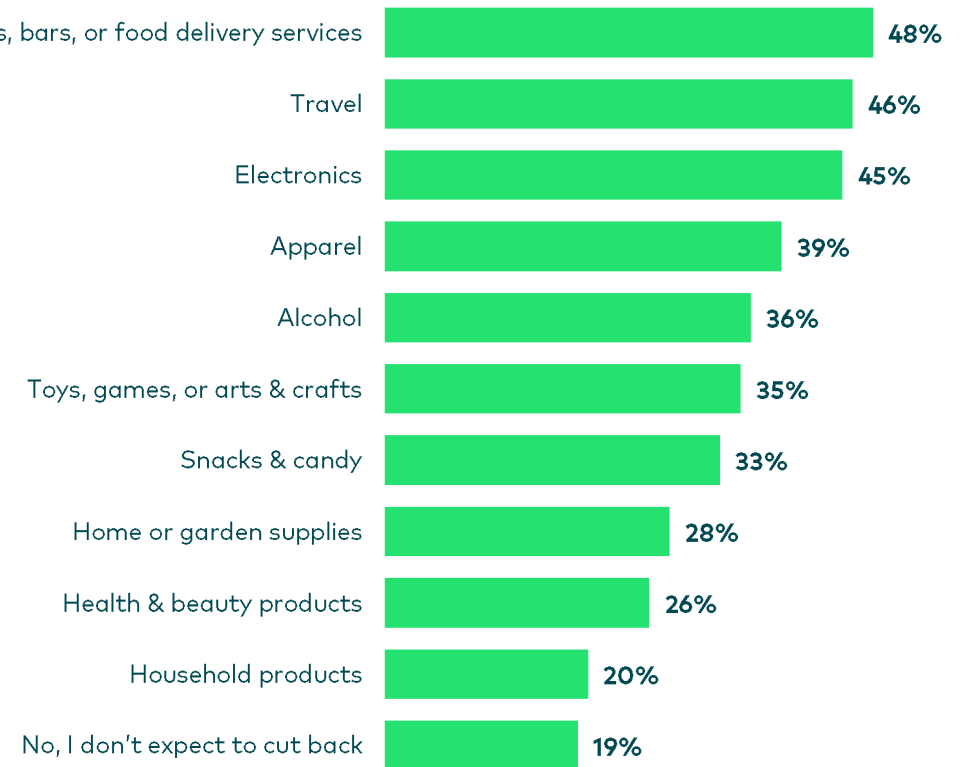
What is your current comfort level personally engaging in these activities / behaviours?

*% who are currently uncomfortable with given behavior*



## SPENDING CUTS

In the next few months, do you expect to cut back on or stop buying any of the following products or categories in response to inflation/rising prices? (Top 10 shown)



# Q4 2022 Ontario Shopper Behaviour Summary

- Personal finances are overtaking pandemic concerns.
  - Consumers are most concerned about the prices on food and household essentials. Inflation and rising gas prices are impacting their ability to afford other items.
- Ontario shoppers are making more trips for Produce, and spend per trip remains consistent with the year before.
  - This shift is likely due to a combination of a “return to normal” and inflation-driven deal seeking across retailers.
  - More shoppers have entered the Club channel, which has seen the biggest increase in trial. Shoppers moved away from the Mass channel.
- Inflation will continue to shape Ontario shopper behaviour.
  - Over 80% of Canadian households think inflation will increase further in the next few months.



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# Reference: Key Metric Definitions





## POS vs. PANEL

When do I use POS data?

## POS data answers questions like...

**MARKET SHARE** “ Has my brand gained market share within Walmart?

**PRICING** “ What is my brand's weekly average price per week for the latest 52 weeks?

**DISTRIBUTION** “ What is my brand's %ACV within the universe captured by POS?

**PROMO VOLUME** “ What % of my brand sales have been bought on promotion?

**VELOCITY** “ How many units per store per week does my brand sell at No Frills?



## POS vs. PANEL

When do I use POS data?

## Whereas Panel answers...

### SHOPPER PROFILE

// Who are my brand shoppers? Where do they shop? When do they shop?

### BASKET AFFINITY

// What else is in the basket when my brand is being bought?

### LEAKAGE TREE

// Which retailers are best at converting a category's shoppers into category buyers?

### LAPSED SHOPPER

// How much have lapsed shoppers impacted trips to my brand or retailer?

### SHOPPER METRICS

// What is driving sales for my brand? Penetration, Buying Rate, or both?

### PROMOTIONS

// Did I attract new shoppers to my brand or did I subsidize the cost of the brand amongst my loyal shoppers?

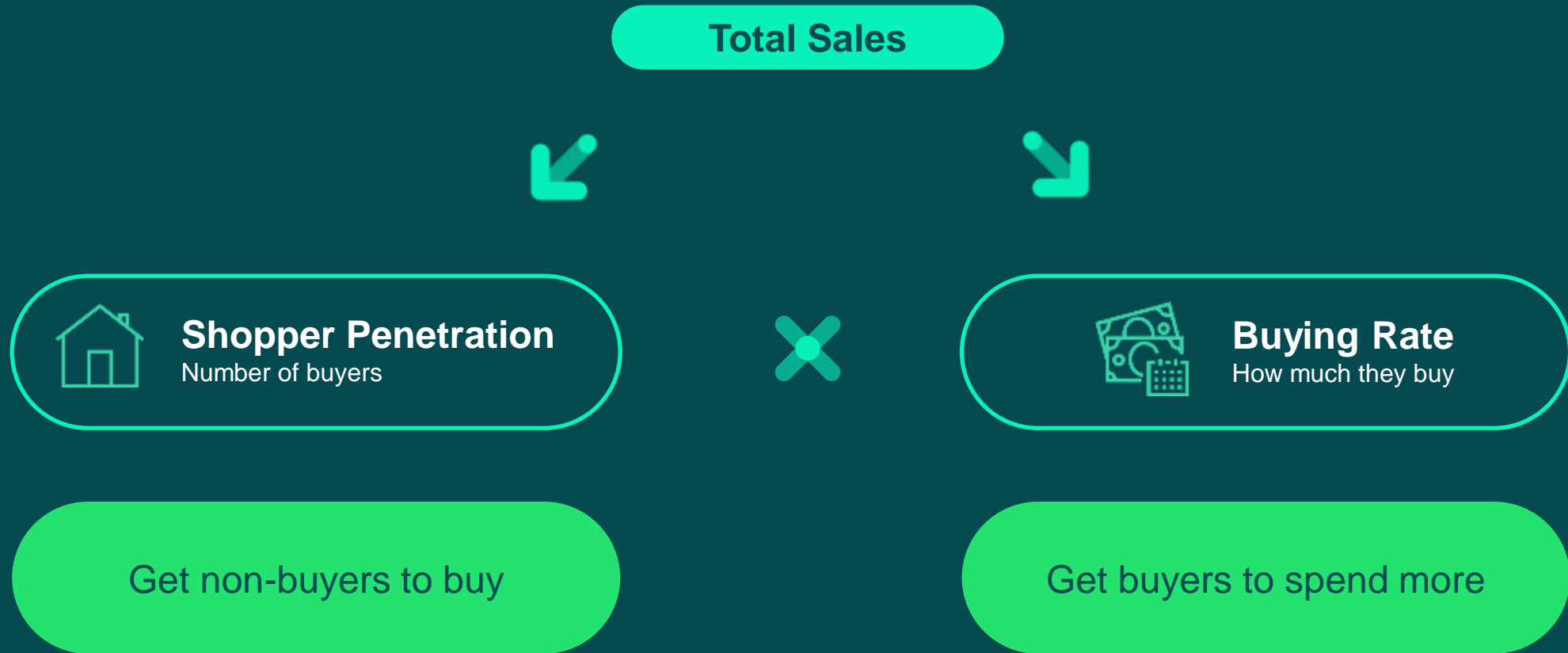
### BRICKS & CLICKS

// Is my performance online consistent with offline?

### LOYALTY

“ What percentage of my loyalists remain loyal over time?

# Total Sales breaks down into two key metrics



# And Buy Rate breaks down as well...



**Buying Rate**  
How much they buy



**Purchase Frequency**  
How many times they buy



**Spend per Trip**  
How much they spend per trip

Get buyers to buy  
more frequently

Get buyers to spend more  
when they buy

# Finally, Spend per Trip is built on two metrics



**Spend per Trip**

How much they spend per trip



**Units per Trip**



**Spend per Unit**

Get buyers to buy more  
units

Get buyers to pay more per  
unit