



OPMA Quarterly Report: Q1 2023

April 2023



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- How did Canadian consumer sentiment change in Q1 2023?
- How did Ontario shoppers shift their behaviour in Q1 for Total FMCG?
- How do Ontario shoppers feel about inflation?
- How did Ontario shoppers' Produce purchase behaviour shift in Q1?
- What should we expect from shoppers in the near future?

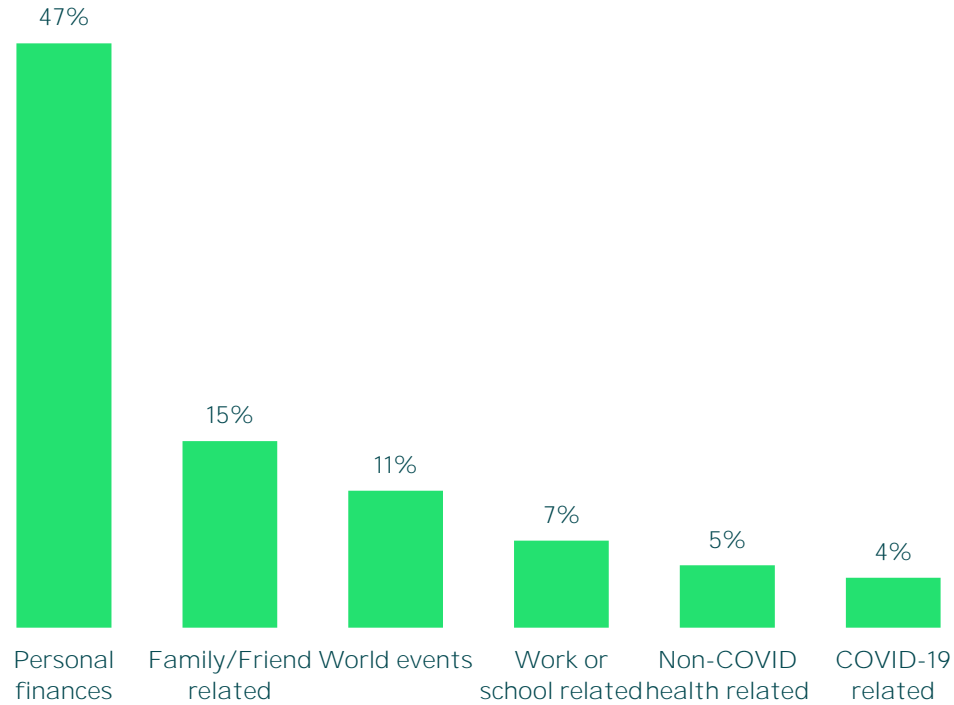
What were Canadian consumers' main concerns in Q1?



Consumer financial concern remains high in March

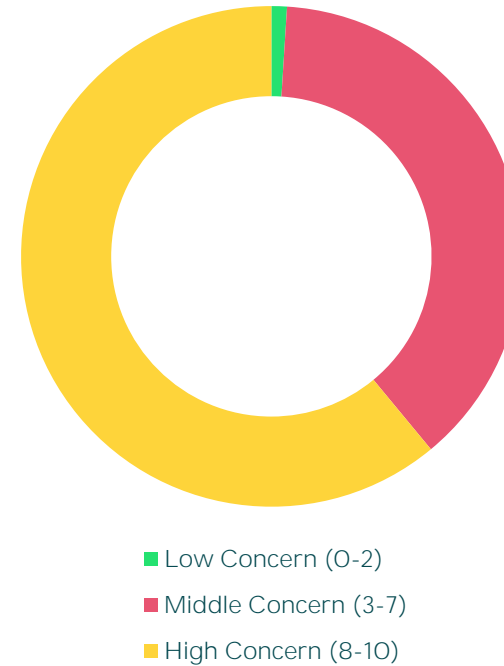
PRIMARY CONCERNS

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



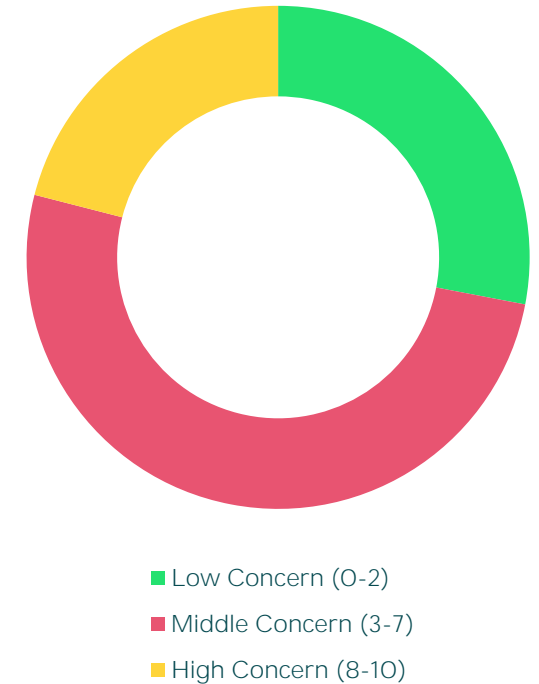
ECONOMIC CONCERN

What is your level of concern regarding the economy?



COVID-19 CONCERN

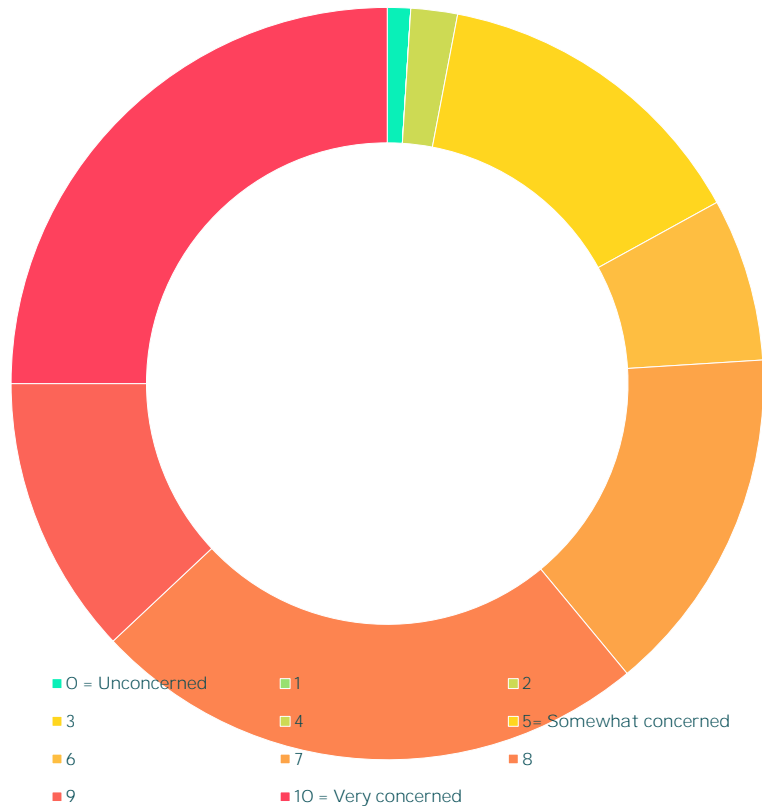
What is your level of concern regarding COVID-19?



1 in 4 Canadian consumers rate their economic concern as 10/10

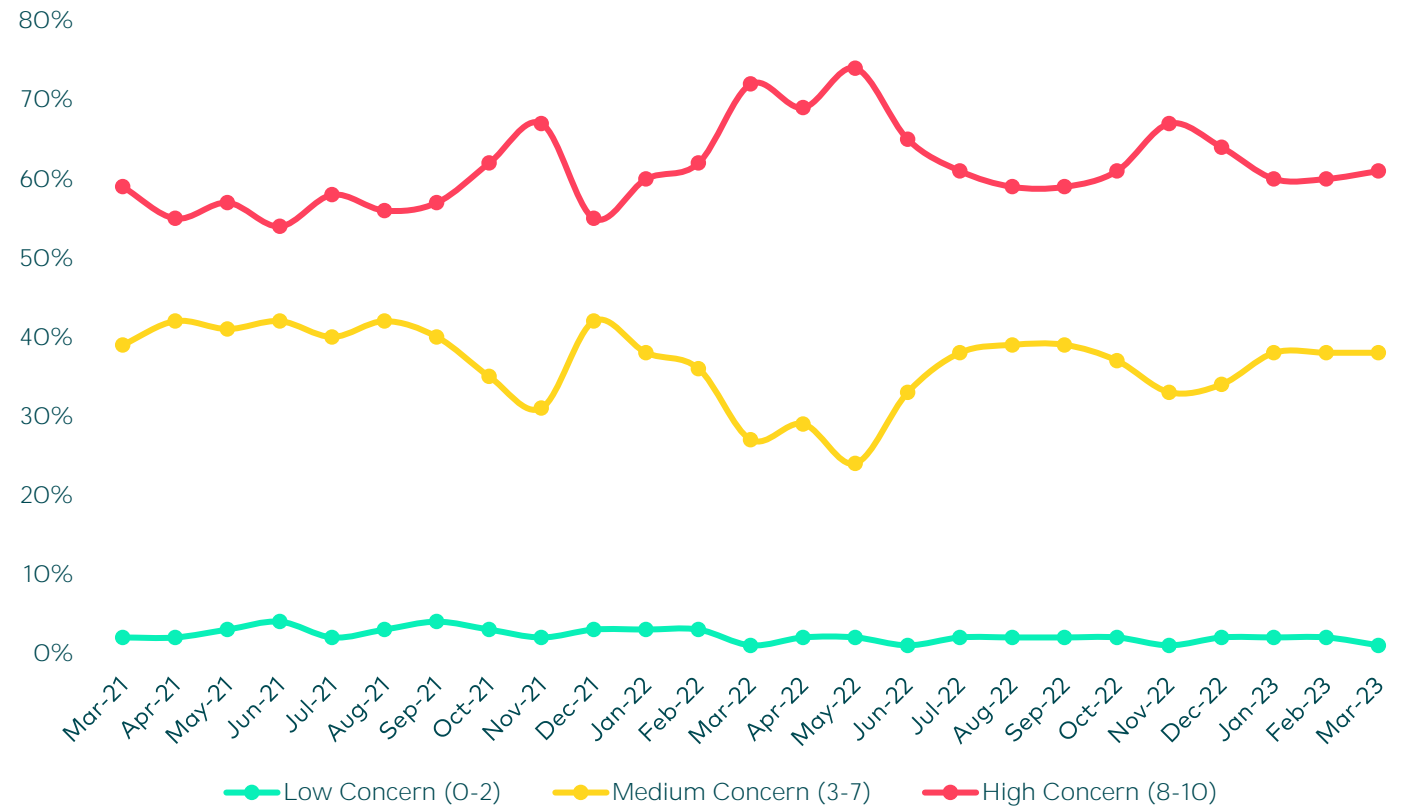
ECONOMIC CONCERN

What is your level of concern regarding the economy?



ECONOMIC CONCERN - MONTHLY

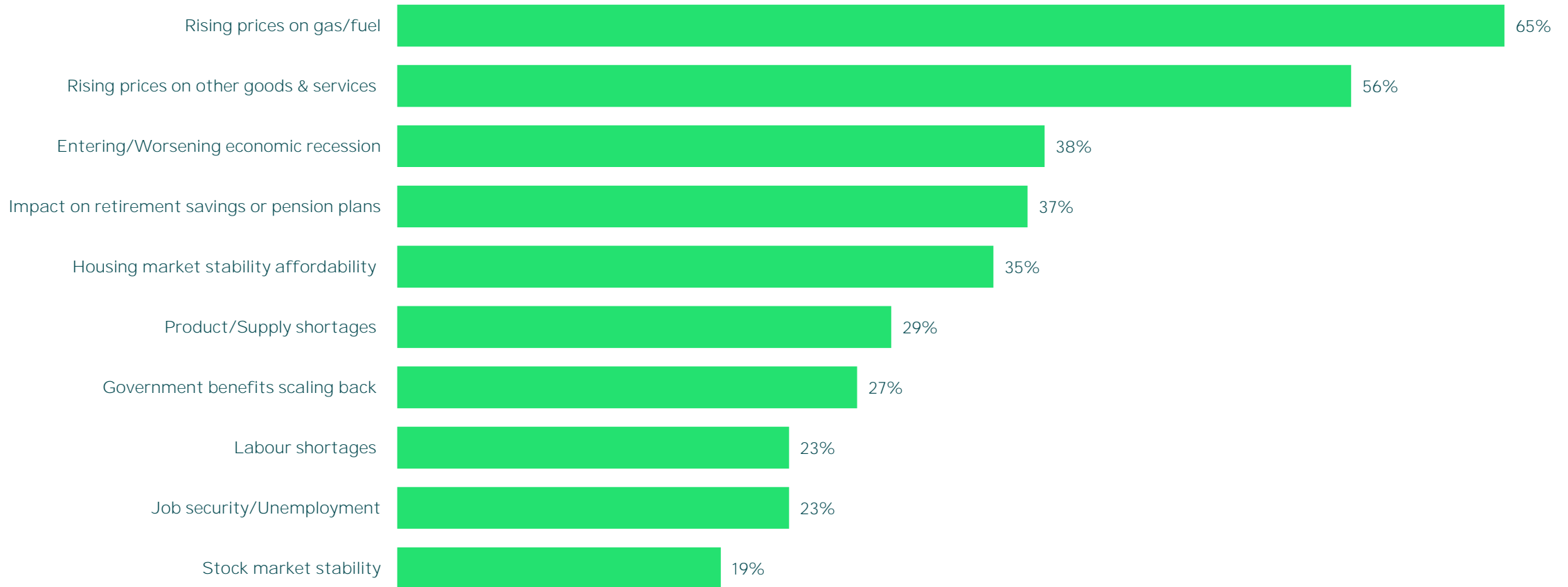
What is your level of concern regarding the economy?



Rising prices on essentials remain top of mind for consumers

SPECIFIC CONCERNS

What specific concerns do you have regarding the economy?



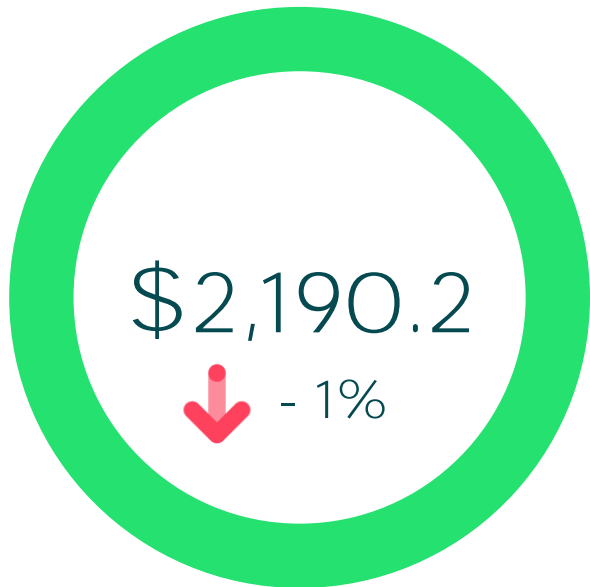
How did these concerns translate
into shopping decisions?



Total FMCG Overview, Ontario Shoppers, Q1 2023

- Ontarians spent slightly less per household on FMCG products in Q1.
- We saw an increase in the number of trips the average Ontario household made (purchase frequency), reflecting an increase in deal seeking due to price increases.
- The increase in trips was offset by decreased spend per trip.

BUY RATE



SPEND PER TRIP



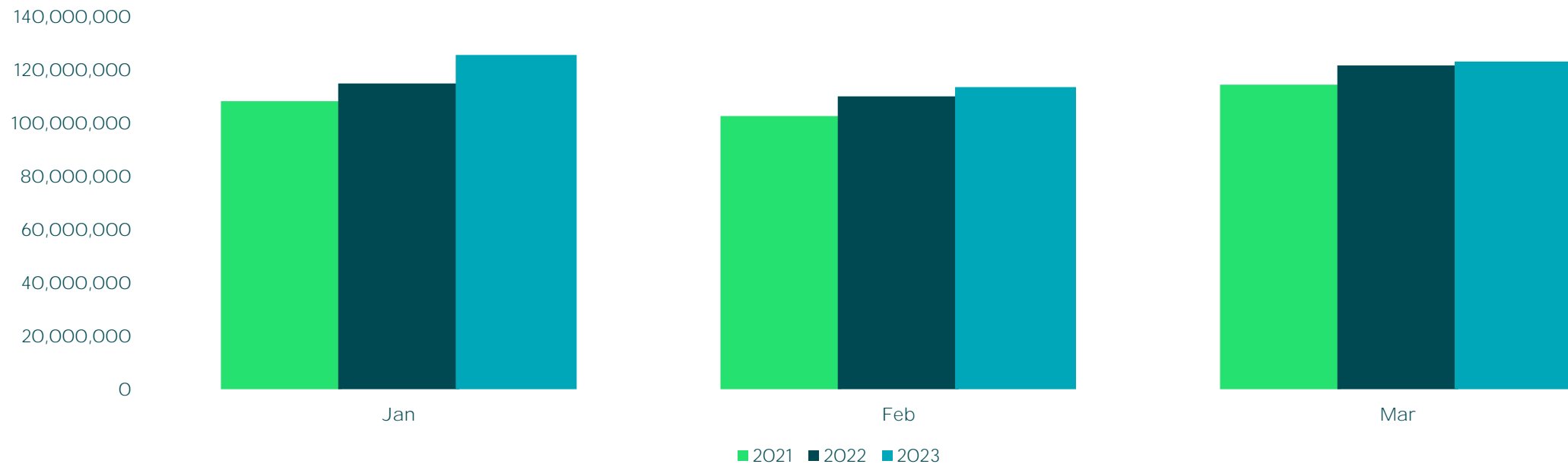
PURCHASE FREQUENCY



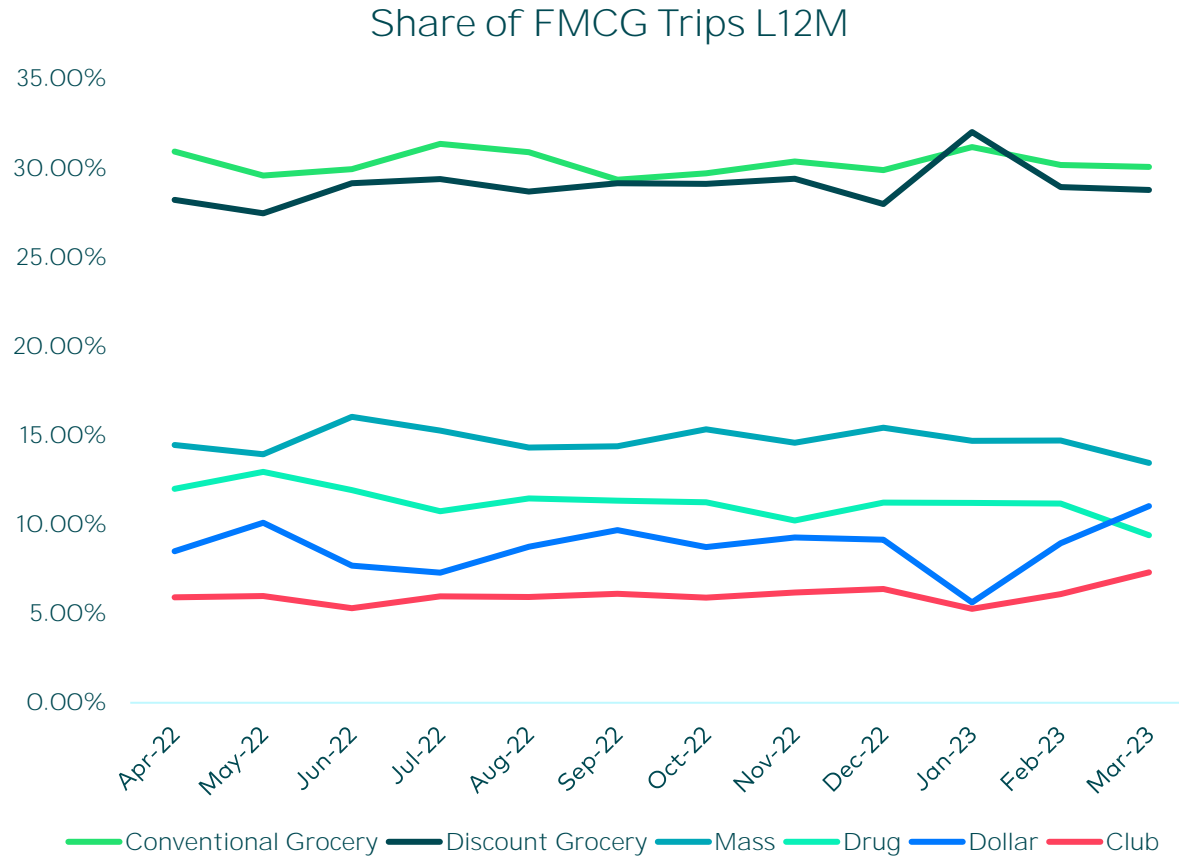
With now moderate concerns over COVID-19, FMCG Trips in Q1 2023 increased compared to the previous two years

Q1 2023 trips were up 5% vs. Q1 2022, and up 11% vs. Q1 2021.

FMCG Trips, Ontario Total Outlets by Month



Conventional and Discount continue to dominate trip choice for Ontarians; Club is winning in share of trips

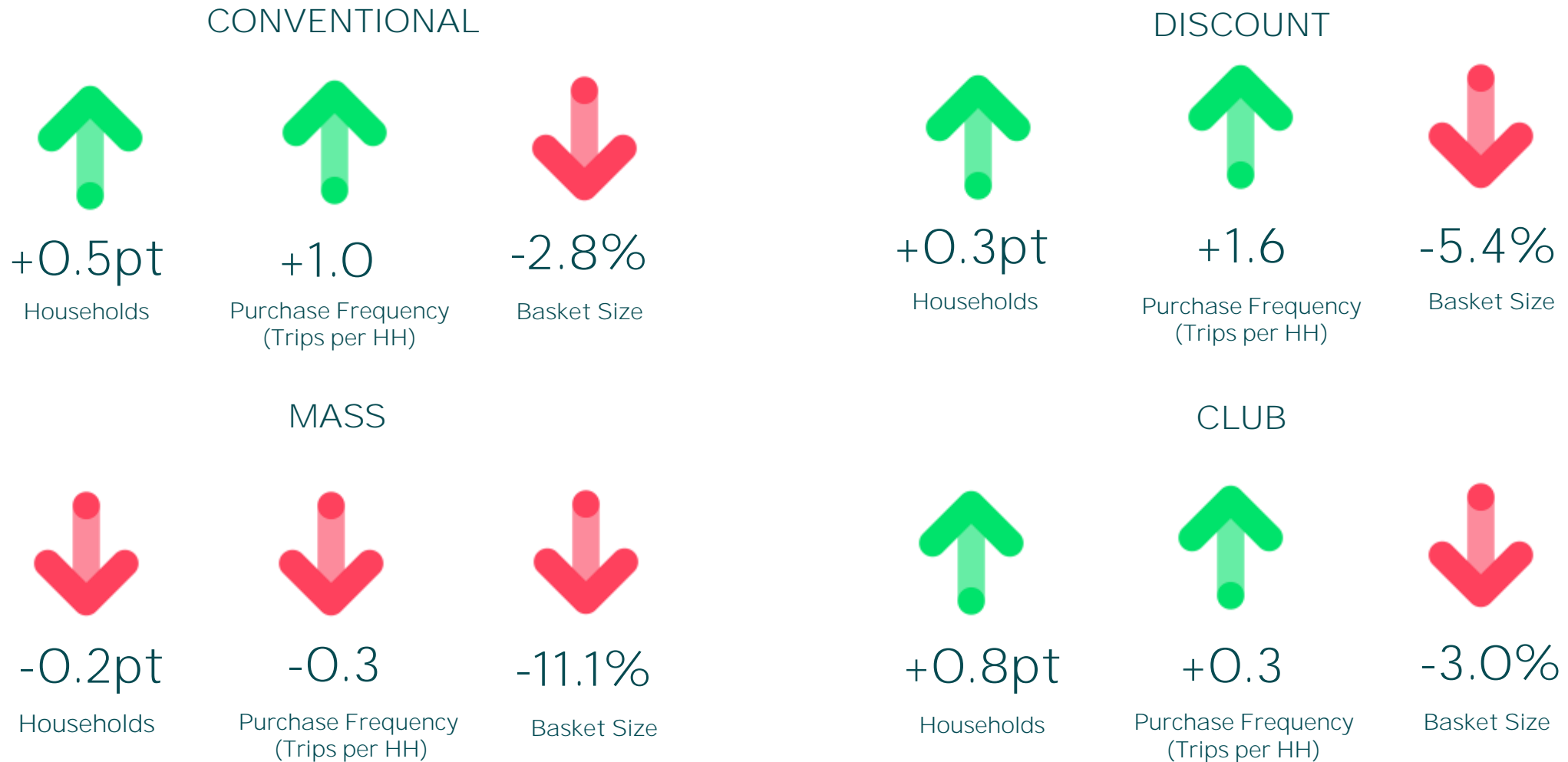


Q1 2023 Share of Trips, Index

| Channel | vs 2021 | vs 2022 |
|--------------|---------|---------|
| Conventional | 98 | 102 |
| Discount | 104 | 106 |
| Drug | 90 | 90 |
| Mass (WM) | 95 | 91 |
| Club | 126 | 108 |
| Dollar | 98 | 98 |

Source: Numerator Canada Insights, L24M ending 03/31/2023, Ontario Region

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



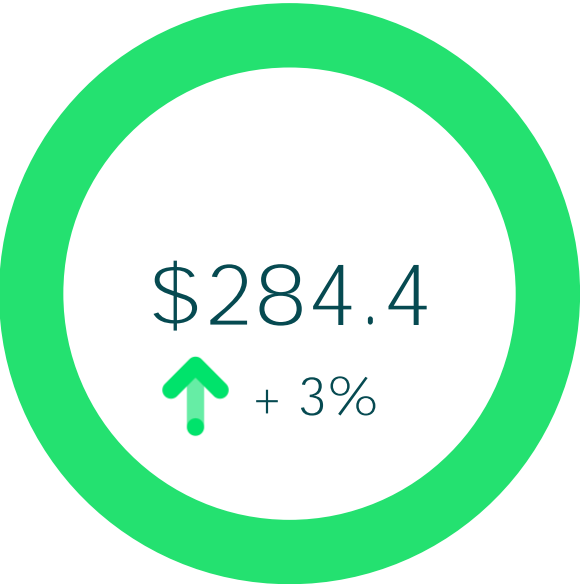
How did Ontario shoppers' Produce purchase behaviour shift in Q1 2023?



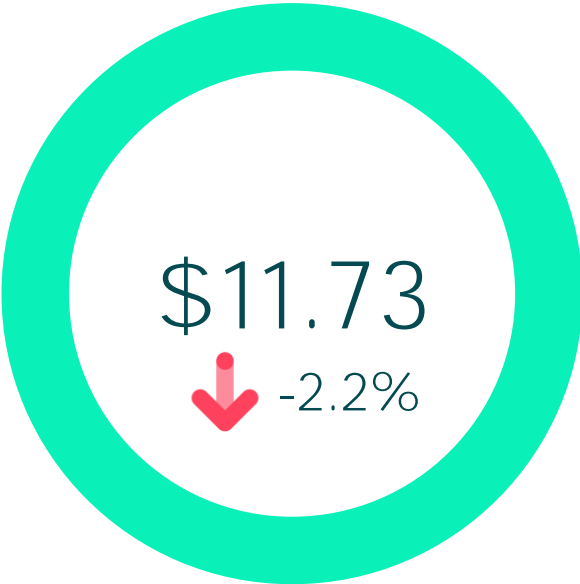
Total Produce Overview, Ontario Shoppers, Q1 2023

- Ontarians spent more per household on Produce in Q1, perhaps reflective of the inflationary environment.
- We saw a increase in the number trips the average Ontario household made (purchase frequency), reflecting an increase in deal seeking due to price increases.
- Ontarians' spend less per trip when compared with last year

BUY RATE



SPEND PER TRIP

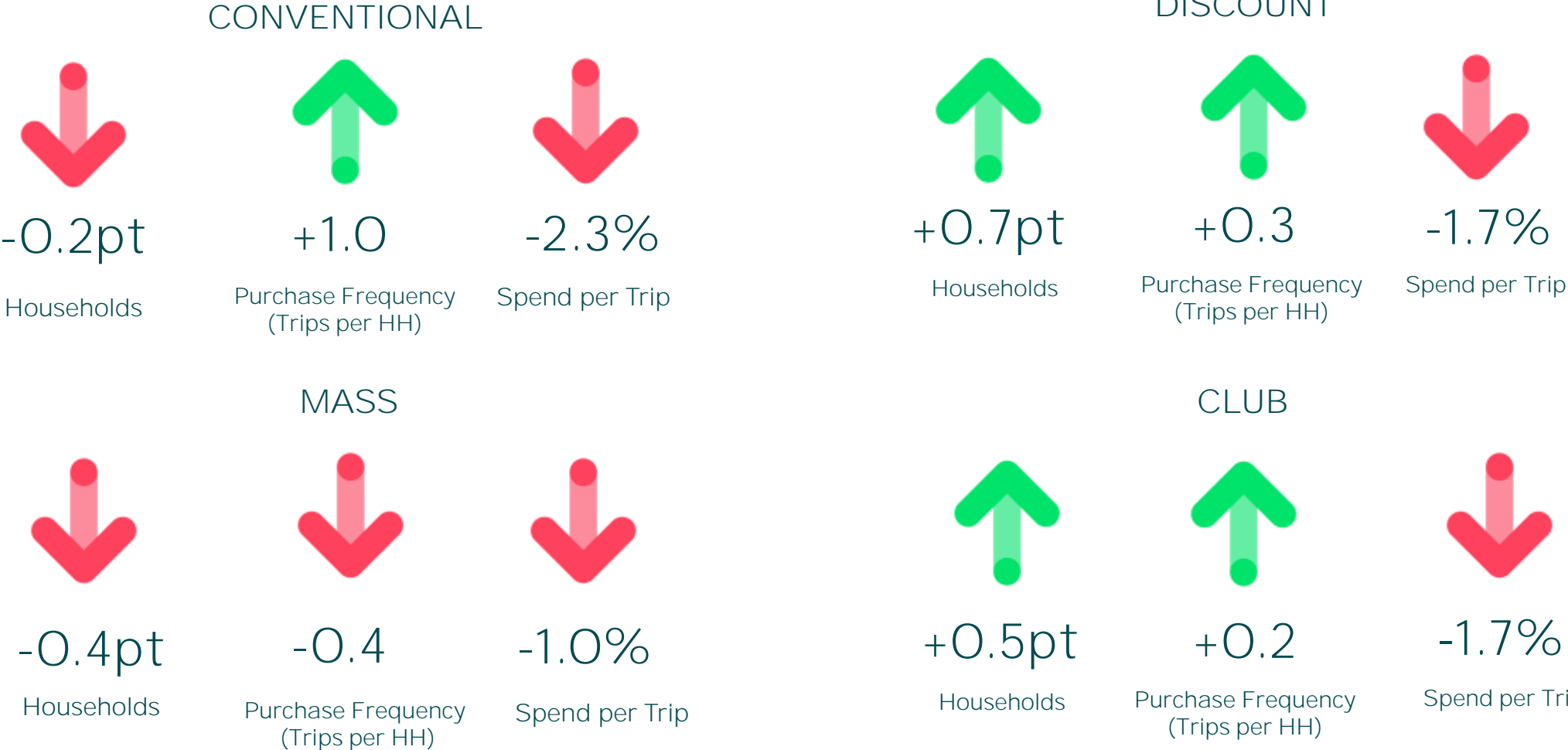


PURCHASE FREQUENCY



Source: Numerator Canada Insights, 01/01/2023-03/31/2023 vs YA, Ontario

Discount saw the biggest increase in trial while Ontarians are moving away from Mass



Source: Numerator Canada Insights, 01/01/2023-03/31/2023 vs YA, Ontario

Vegetable Scorecard

| | HH Penetration | | Buy Rate | | Purchase Frequency | | Spend per Trip | |
|---------------------|----------------|------|----------|-------|--------------------|------|----------------|-------|
| Fresh Potatoes | 79.3% | -2.1 | \$15.10 | 2.0% | 3.2 | -0.3 | \$4.65 | 10.4% |
| Fresh Tomatoes | 76.2% | -4.1 | \$16.24 | 10.6% | 4.3 | -0.1 | \$3.80 | 13.0% |
| Fresh Onions | 75.2% | -0.2 | \$8.72 | -1.3% | 2.9 | -0.1 | \$3.05 | 2.4% |
| Fresh Carrots | 73.3% | 2.8 | \$9.53 | 4.7% | 3.0 | -0.1 | \$3.13 | 7.4% |
| Fresh Lettuce | 71.0% | 1.8 | \$16.10 | 7.5% | 3.8 | 0.1 | \$4.21 | 5.7% |
| Fresh Cucumber | 70.8% | -1.9 | \$14.38 | 12.5% | 4.4 | 0.0 | \$3.28 | 12.4% |
| Fresh Mushrooms | 59.2% | -1.1 | \$11.61 | -6.2% | 3.2 | -0.3 | \$3.58 | 2.8% |
| Fresh Bell Peppers | 58.8% | 0.1 | \$10.66 | 4.9% | 2.7 | -0.1 | \$3.91 | 7.8% |
| Fresh Broccoli | 55.1% | -2.4 | \$10.44 | 11.0% | 2.8 | -0.1 | \$3.68 | 15.4% |
| Fresh Celery | 43.5% | -4.8 | \$9.29 | 27.6% | 2.3 | 0.0 | \$4.00 | 28.9% |
| Fresh Sweet Peppers | 41.1% | -4.6 | \$10.00 | 5.8% | 2.1 | -0.2 | \$4.71 | 13.4% |
| Fresh Cauliflower | 39.2% | 5.3 | \$8.26 | -5.8% | 2.1 | 0.0 | \$3.92 | -7.9% |
| Salad Kits | 28.1% | -5.7 | \$18.12 | 10.6% | 2.5 | -0.1 | \$7.17 | 12.9% |
| Salad Greens | 55.1% | -0.6 | \$14.75 | 0.3% | 2.9 | -0.3 | \$5.11 | 11.2% |

Fruit Scorecard

| | HH Penetration | | Buy Rate | | Purchase Frequency | | Spend per Trip | |
|--------------------|----------------|------|----------|-------|--------------------|------|----------------|-------|
| Fresh Bananas | 87.1% | 0.4 | \$13.05 | 0.3% | 8.1 | 0.0 | \$1.62 | 0.9% |
| Fresh Apples | 71.6% | -1.7 | \$20.36 | 6.7% | 3.8 | -0.1 | \$5.40 | 10.4% |
| Fresh Strawberries | 66.6% | -0.3 | \$20.79 | -1.5% | 3.9 | -0.2 | \$5.33 | 3.2% |
| Fresh Grapes | 59.9% | 3.1 | \$21.63 | 3.1% | 3.3 | 0.1 | \$6.56 | 0.8% |
| Fresh Blueberries | 53.7% | 4.7 | \$17.22 | 7.1% | 3.4 | 0.0 | \$5.01 | 7.9% |
| Fresh Clementines | 48.1% | -4.7 | \$15.89 | 16.5% | 2.7 | -0.1 | \$5.95 | 19.5% |
| Fresh Oranges | 47.4% | 1.4 | \$13.83 | -3.6% | 2.6 | -0.2 | \$5.37 | 3.2% |
| Fresh Lemons | 42.9% | 1.3 | \$7.54 | -8.3% | 2.2 | -0.2 | \$3.39 | -0.1% |
| Fresh Raspberries | 40.7% | 3.7 | \$14.79 | -8.5% | 2.7 | -0.4 | \$5.42 | 3.4% |
| Fresh Pears | 35.0% | 2.8 | \$10.37 | -5.5% | 2.4 | -0.3 | \$4.37 | 6.8% |
| Fresh Pineapple | 31.7% | -1.8 | \$8.27 | 9.3% | 2.2 | 0.0 | \$3.76 | 9.1% |
| Fresh Blackberries | 28.7% | 1.8 | \$11.06 | 17.1% | 2.5 | 0.1 | \$4.51 | 13.4% |
| Fresh Limes | 26.2% | -4.3 | \$6.48 | -6.9% | 1.9 | 0.0 | \$3.33 | -6.4% |
| Fresh Mangos | 25.2% | 2.6 | \$10.50 | -7.4% | 2.3 | -0.2 | \$4.60 | -0.9% |

Source: Numerator Canada Insights, 01/01/2023-03/31/2023 vs YA, Ontario

Surprise Winners & Losers



FRESH CUCUMBER

3% ↓

fewer households bought Fresh Cucumber in Q1 2023 vs Q1 YAGO

However, those who did purchase spent...

12%



more on Fresh Cucumber



FRESH BLACKBERRIES

7% ↑

more households purchased Fresh Blackberries in Q1 2023 vs Q1 YAGO

Those who did purchase spent...

14%



more on Fresh Blackberries



FRESH CELERY

10% ↓

fewer households bought Fresh Celery in Q1 2023 vs Q1 YAGO

However, those who purchased spent...

29%



more on Fresh Celery per trip

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



Prices on essentials & gas continue to fuel economic concerns

67%

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

67%

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

63%

Think the Canadian economy will worsen in the next few months

74%

Think inflation will increase in the next few months

75%

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

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

20%

Reimposed or extended mask mandates

20%

Reimposed or extended travel restrictions

17%

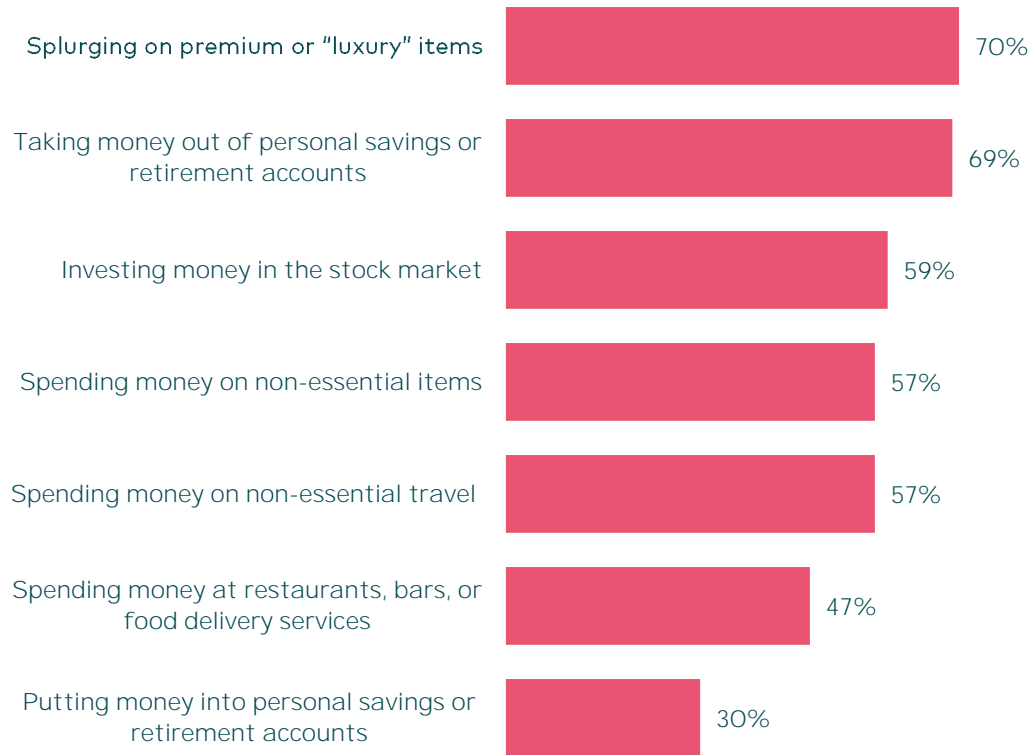
Reimposed or extended gathering restrictions

Consumers are still uncomfortable with discretionary spending

SPENDING DISCOMFORT

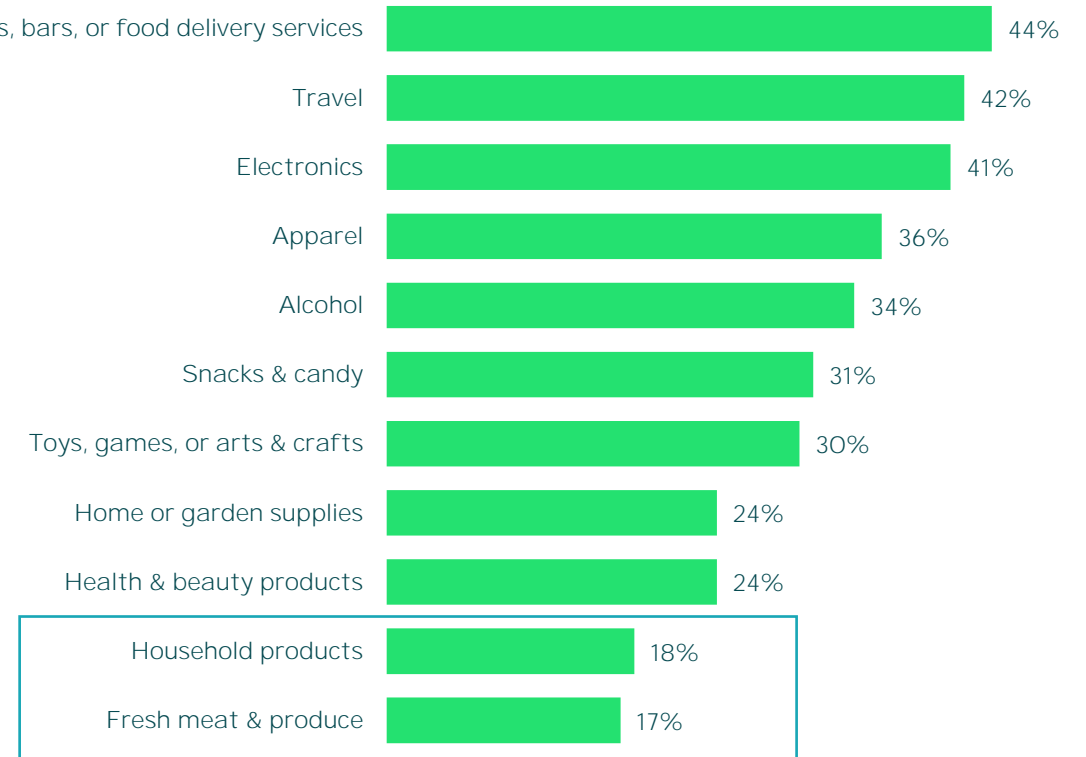
What is your current comfort level personally engaging in these activities / behaviours?

% 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 with 25% Canadian consumers rate their economic concern as 10/10
 - Consumers are most concerned about rising prices on gas and fuel and are uncomfortable with discretionary spending.
- Ontario shoppers are making more trips for Produce but spending less each trip.
 - This shift is likely due inflation-driven deal seeking across retailers.
 - Club and Discount channel benefit as shoppers move away from the Mass channel.
- Inflation will continue to shape Ontario shopper behaviour.
 - Over 70% of Canadian households think inflation will increase further in the next few months.



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Numerator

hello@numerator.com

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?

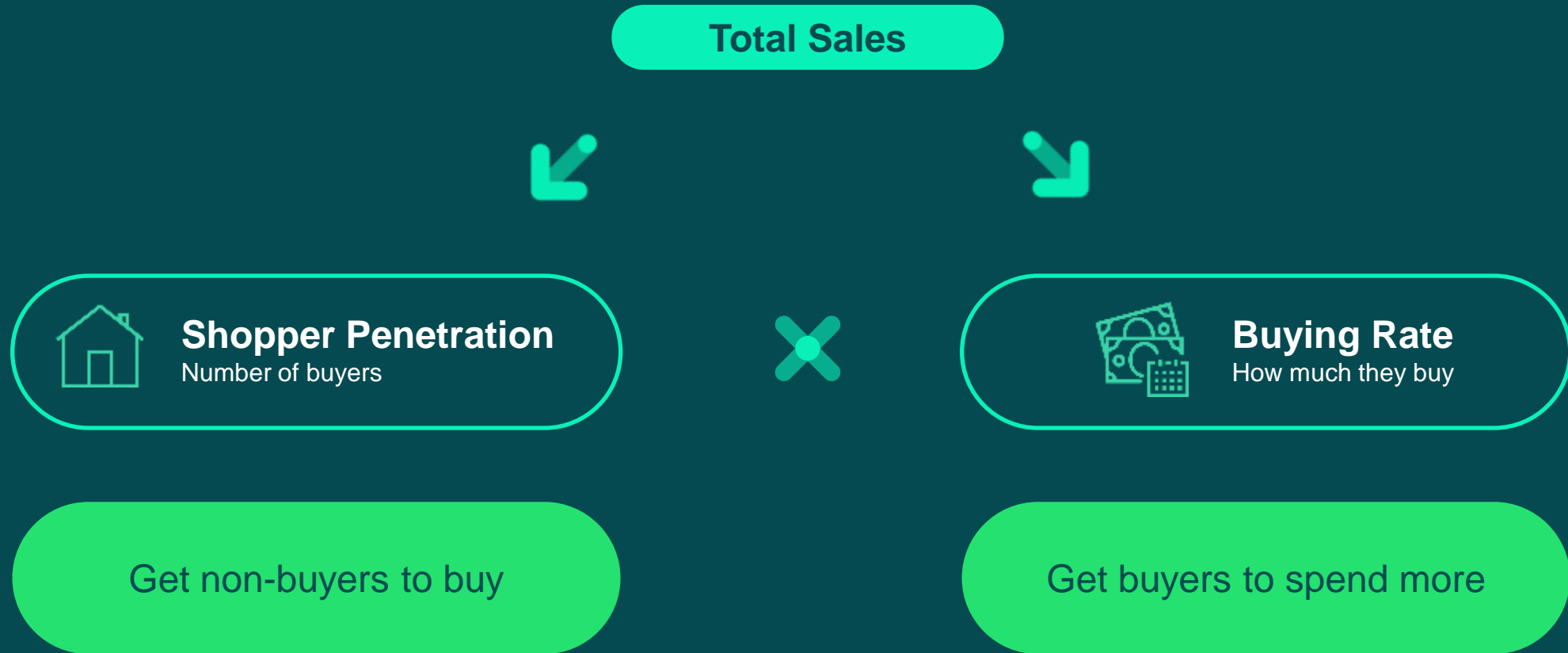
BRICKS & CLICKS

// Is my performance online consistent with offline?

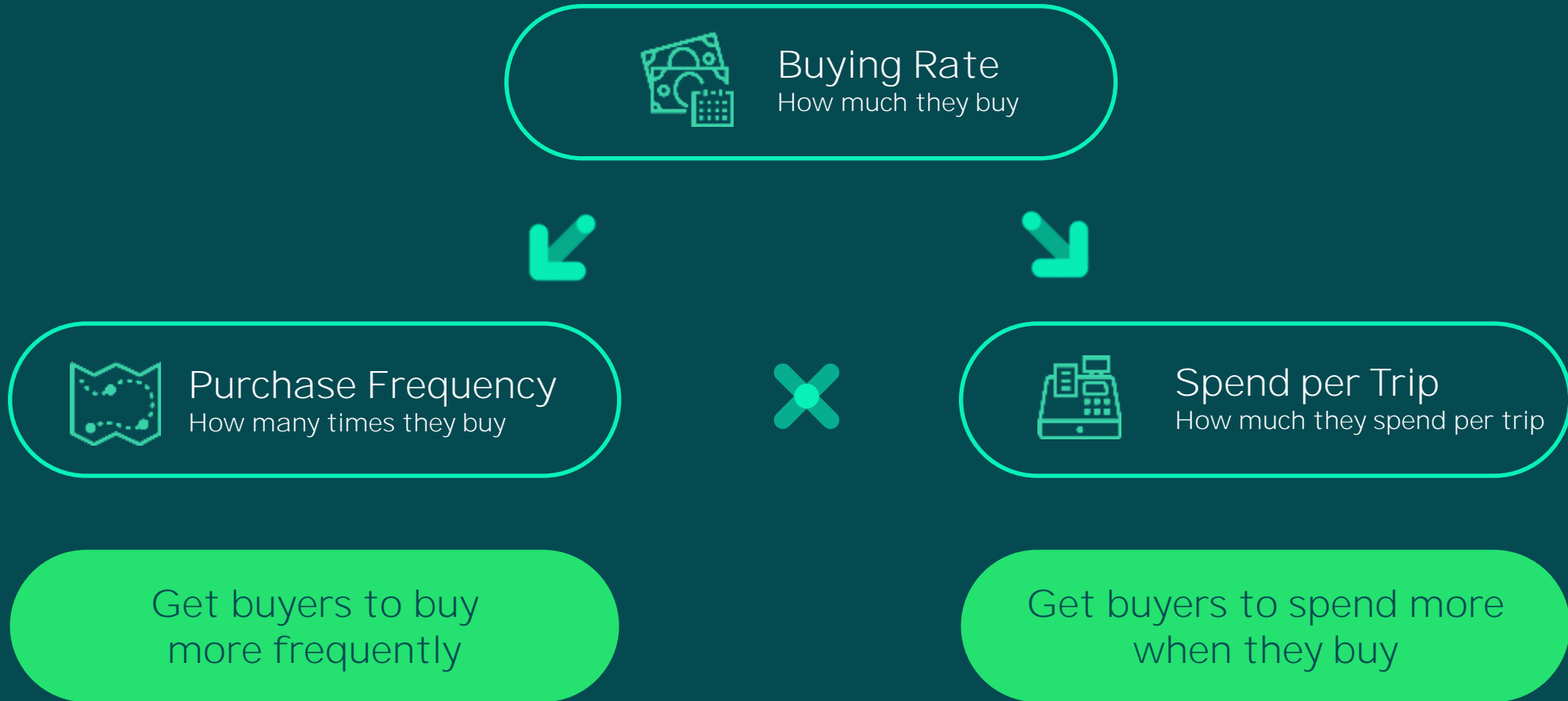
LOYALTY

“ What percentage of my loyalists remain loyal over time?

Total Sales breaks down into two key metrics



And Buy Rate breaks down as well...



Finally, Spend per Trip is built on two metrics

