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OPMA
Quarterly Report:
Q3 2023

OCTOBER 2023

Contents

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What were Canadian consumers' main concerns in Q3?

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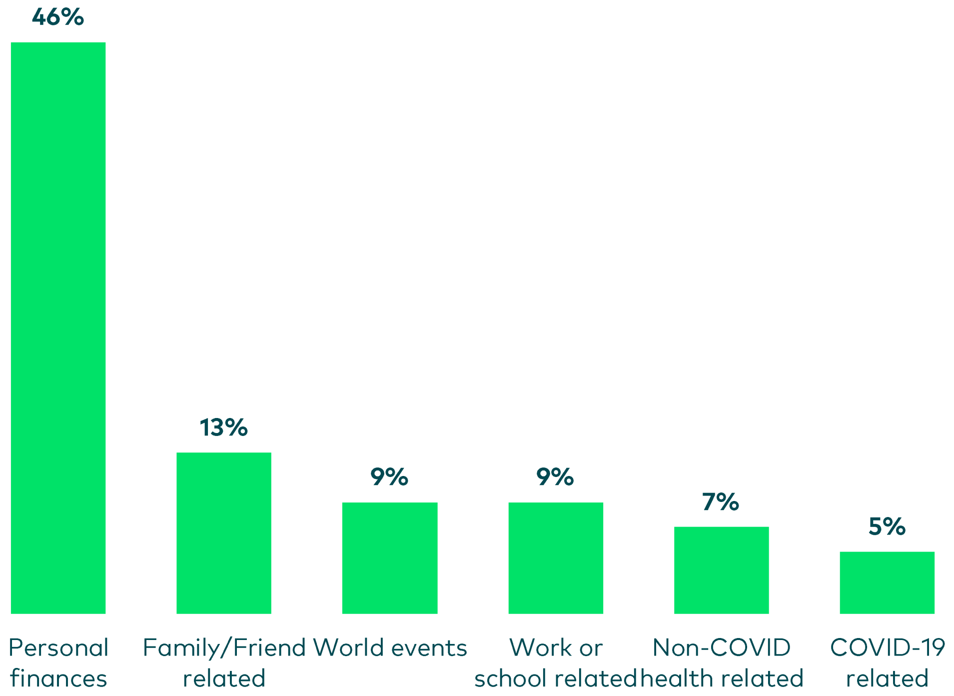
Consumer financial concern remains high and steady in September

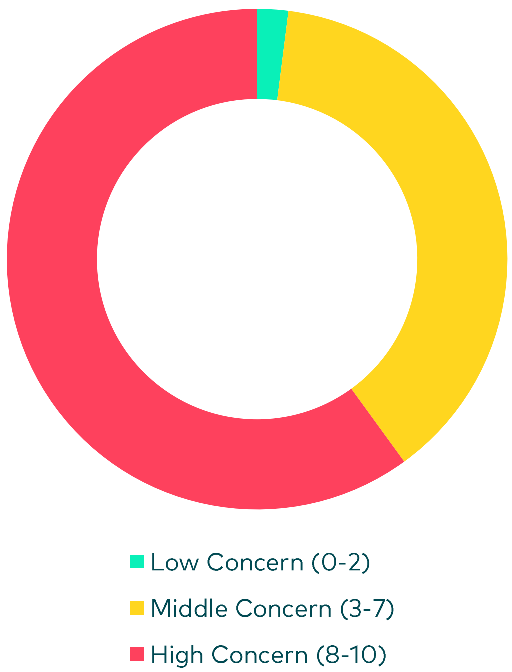
PRIMARY CONCERNS

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



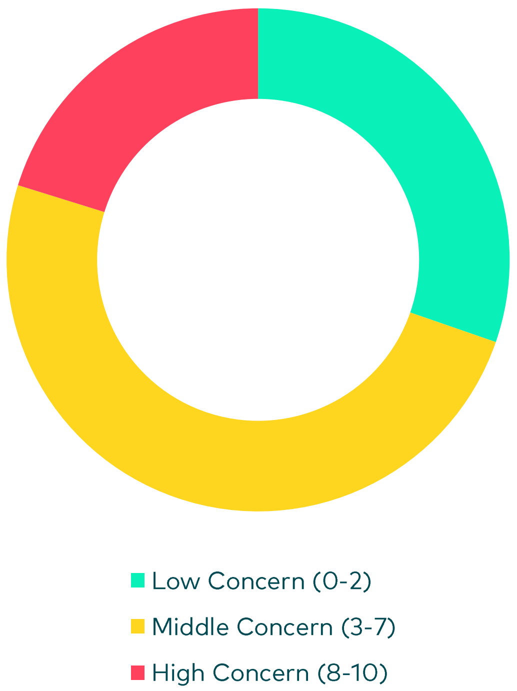
ECONOMIC CONCERN

What is your level of concern regarding the economy?



COVID-19 CONCERN

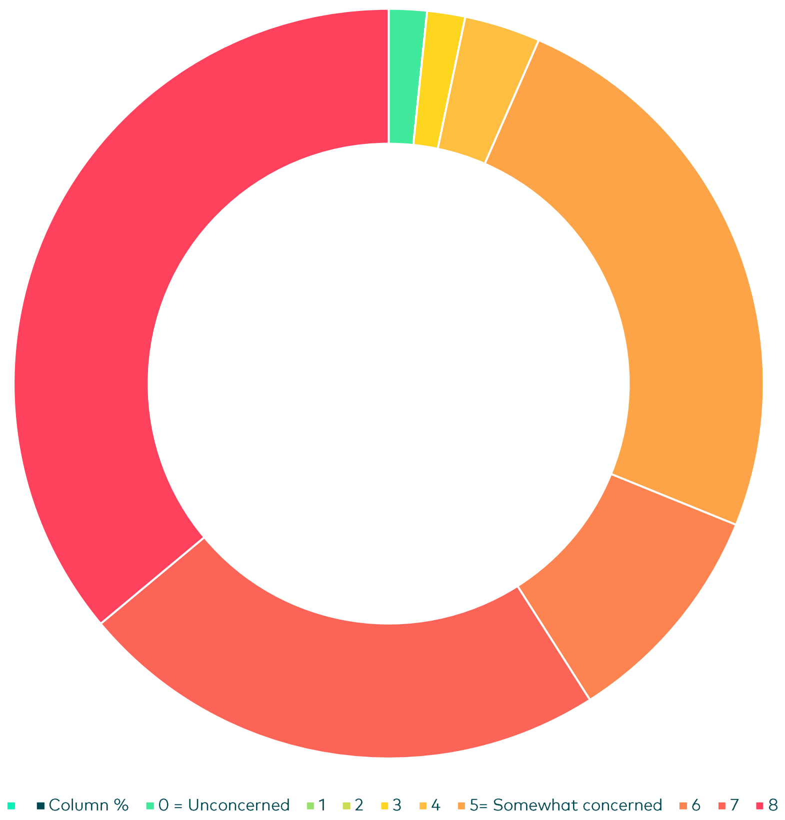
What is your level of concern regarding COVID-19?



60% of consumers rate their level of concern as 8/10 or higher

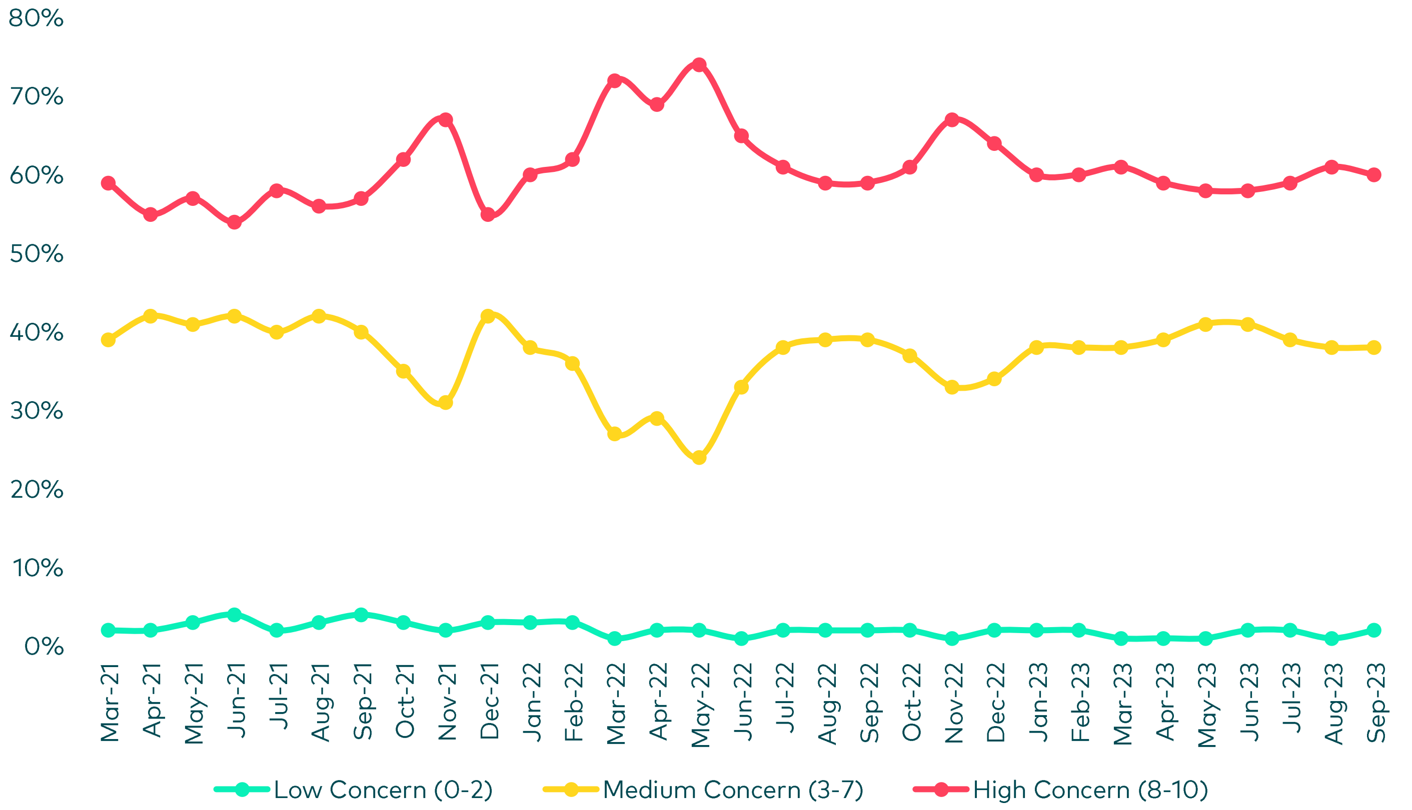
ECONOMIC CONCERN

What is your level of concern regarding the economy?



ECONOMIC CONCERN - MONTHLY

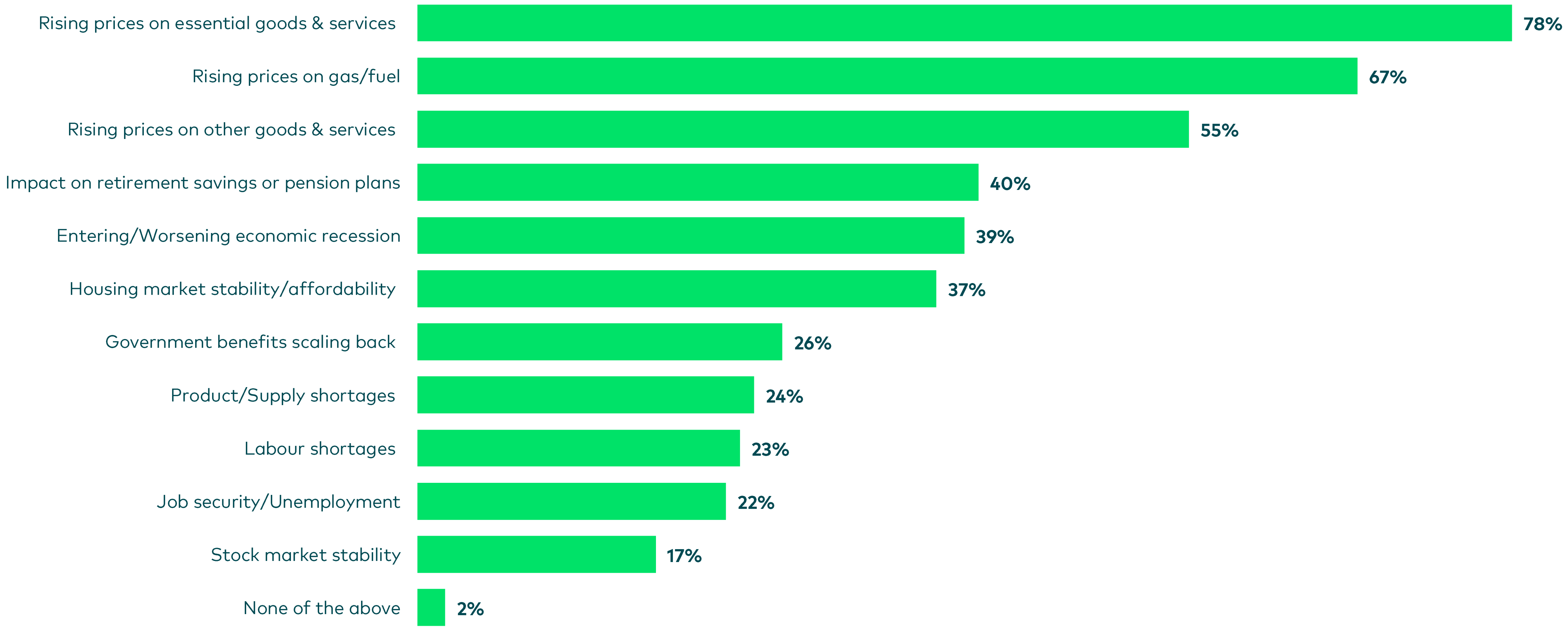
What is your level of concern regarding the economy?



Rising prices on essentials remain top of mind for consumers

SPECIFIC CONCERNS

What specific concerns do you have regarding the economy?



Numerator Canada Monthly Consumer Sentiment Survey | 9/15/23 n=1,705

How did these concerns translate into shopping decisions?

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Total FMCG Overview, Ontario Shoppers, Q3 2023

- Ontarians spent slightly more per household on FMCG products in Q3, perhaps reflective of the inflationary environment.
- 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 spending less per trip.

BUY RATE

$2,161.8

+0.2%

SPEND PER TRIP

$30.4

- 5.5%

PURCHASE FREQUENCY

71.2

+ 4.0

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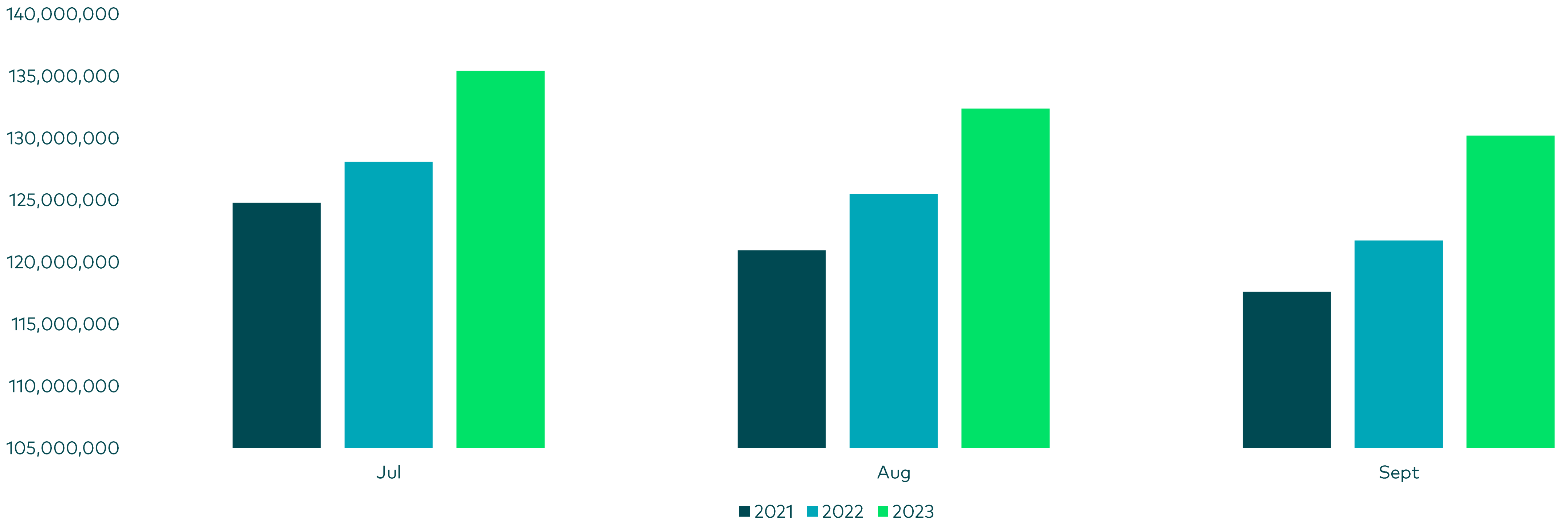
Source: Numerator Canada Insights, 07/01/2023-09/30/2023 vs YA, Ontario

Overall FMCG Trips in Q3 2023 increased compared to the past two years

Q3 2023 trips were up 6% vs. Q3 2022, and up 10% vs. Q3 2021

FMCG Trips, Ontario Total Outlets by Month



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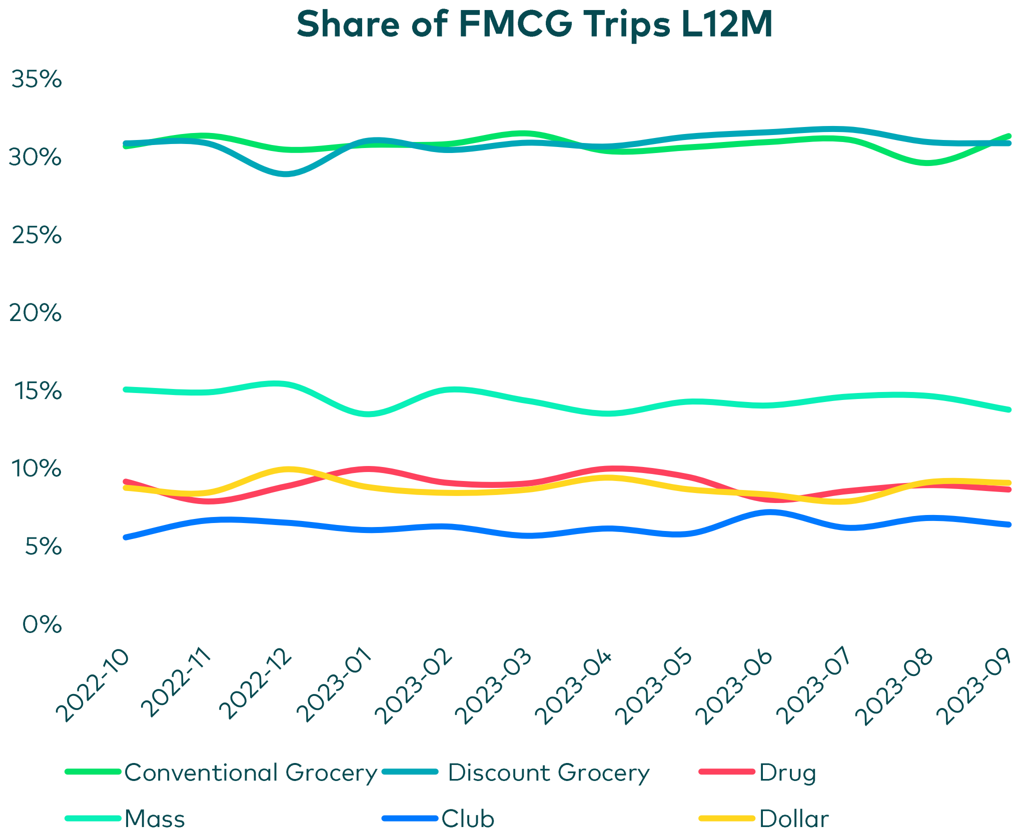
Source: Numerator Canada Insights, 07/01/2021-09/30/2023 , Ontario

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



Q2 2023 Share of Trips, Index

Channel	vs 2021	vs 2022
Conventional	98	99
Discount	104	104
Drug	95	94
Mass (WM)	96	95
Club	107	109
Dollar	103	101

Source: Numerator Canada Insights, L24M ending 09/30/2023, Ontario Region

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

CONVENTIONAL

-0.3pt
Households

+0.4
Purchase Frequency (Trips per HH)

-3.0%
Basket Size

DISCOUNT

+1.6pt
Households

+1.2
Purchase Frequency (Trips per HH)

-3.5%
Basket Size

MASS

-0.8pt
Households

+0.2
Purchase Frequency (Trips per HH)

-6.1%
Basket Size

CLUB

+3.6pt
Households

+0.3
Purchase Frequency (Trips per HH)

-7.9%
Basket Size

Source: Numerator Canada Insights, 07/01/2023-09/30/2023 vs YA, Ontario

How did Ontario shoppers' Produce purchase behaviour shift in Q3 2023?

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Total Produce Overview, Ontario Shoppers, Q3 2023

- Ontarians spent less per household on Produce in Q3.
- We saw a slight increase in the number trips the average Ontario household made (purchase frequency). However, Ontarians' spent less per trip when compared with last year

BUY RATE

$280.3

-0.7%

SPEND PER TRIP

$10.96

-5.4%

PURCHASE FREQUENCY

26.1

+ 1.3

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Source: Numerator Canada Insights, 07/01/2023-09/30/2023 vs YA, Ontario

Discount grocery channel saw the biggest increase in trial while Ontarians are moving away from Mass for Produce.

CONVENTIONAL

-0.3pt
Households

+0.2
Purchase Frequency (Trips per HH)

-5.8%
Spend per Trip

DISCOUNT

+2.3pt
Households

+0.7
Purchase Frequency (Trips per HH)

-6.6%
Spend per Trip

MASS

-0.3pt
Households

+0.1
Purchase Frequency (Trips per HH)

-11.4%
Spend per Trip

CLUB

+0.1pt
Households

+0.3
Purchase Frequency (Trips per HH)

+1.6%
Spend per Trip

Source: Numerator Canada Insights, 07/01/2023-09/30/2023 vs YA, Ontario

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Vegetable Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Tomatoes	77.4%	-0.2	$17.12	2.3%	4.7	-0.2	$3.67	6.4%
Fresh Potatoes	76.0%	0.1	$16.17	-1.8%	3.3	0.0	$4.94	-0.8%
Fresh Onions	73.3%	0.2	$10.99	-2.1%	3.1	-0.1	$3.50	-1.5%
Fresh Cucumber	72.3%	0.7	$11.84	2.9%	4.4	-0.2	$2.70	7.6%
Fresh Peppers	70.0%	-0.6	$14.69	-3.0%	3.9	-0.1	$3.74	-0.3%
Fresh Carrots	67.0%	0.2	$8.96	4.9%	2.8	0.0	$3.25	7.5%
Fresh Lettuce	65.7%	-0.4	$13.50	-0.2%	3.8	-0.2	$3.52	4.1%
Fresh Mushrooms & Truffles	52.2%	-3.0	$10.72	-4.9%	3.0	-0.2	$3.61	2.9%
Salad Greens	46.1%	-2.6	$14.48	-2.5%	2.9	-0.1	$5.05	2.1%
Fresh Broccoli	48.5%	-1.8	$8.55	1.6%	2.7	-0.2	$3.14	10.0%
Fresh Celery	40.7%	-1.6	$6.66	13.8%	2.1	0.0	$3.19	12.6%
Fresh Cauliflower	40.1%	-1.4	$7.11	4.0%	2.2	-0.1	$3.16	5.0%
Salad Kits	26.0%	-3.9	$17.06	-9.9%	2.3	-0.6	$7.33	11.4%

Source: Numerator Canada Insights, 07/01/2023-09/30/2023 vs YA, Ontario

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Fruit Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Bananas	85.2%	-1.1	$13.05	0.1%	8.0	-0.1	$1.62	0.7%
Fresh Apples	63.7%	-1.1	$17.78	-9.4%	3.3	-0.4	$5.31	-1.0%
Fresh Strawberries	61.1%	3.8	$18.35	-6.6%	3.7	0.0	$5.02	-4.7%
Fresh Grapes	59.5%	1.5	$19.13	-1.1%	3.0	-0.1	$6.30	0.7%
Fresh Blueberries	55.9%	5.4	$15.41	2.8%	3.2	0.1	$4.81	-1.7%
Fresh Lemons	39.7%	2.8	$6.24	-14.9%	2.0	-0.3	$3.08	-5.4%
Fresh Peaches	42.7%	-1.2	$13.81	-9.6%	2.5	-0.4	$5.56	4.3%
Fresh Raspberries	29.7%	-5.4	$14.84	1.2%	2.5	-0.4	$5.84	14.4%
Fresh Pears	25.6%	-3.1	$8.55	0.2%	2.1	0.0	$4.07	1.1%
Fresh Watermelon	53.4%	1.0	$15.11	-1.0%	2.8	0.0	$5.34	-3.3%
Fresh Clementines	37.8%	3.0	$12.88	14.2%	2.5	0.2	$5.23	4.8%
Fresh Oranges	30.8%	-3.1	$11.33	-8.1%	2.2	-0.2	$5.12	-2.3%
Fresh Limes	23.6%	-1.4	$4.95	-2.9%	1.9	-0.2	$2.63	6.7%
Fresh Mangos	23.7%	1.8	$12.75	-1.9%	2.3	-0.1	$5.59	3.6%

Source: Numerator Canada Insights, 07/01/2023-09/30/2023 vs YA, Ontario

Surprise Winners & Losers

FRESH LEMONS	7.5% ↑	more households bought Lemons in Q3 2023 vs Q3 YAGO	*However, those who did purchase spent…*	14.9% ↓	less on Fresh Lemons
FRESH CUCUMBER	1% ↑	more households purchased Fresh Cucumber in Q3 2023 vs Q2 YAGO	*Those who did purchase spent…*	7.6% ↑	more on Fresh Cucumber per Trip
FRESH CELERY	3.7% ↓	fewer households bought Fresh Celery in Q3 2023 vs Q2 YAGO	*However, those who purchased spent…*	12.6% ↑	more on Fresh Celery per trip

Source: Numerator Canada Insights, 07/01/2023-09/30/2023 vs YA, Ontario

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

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Prices on essentials & gas continue to fuel economic concerns

69%

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

69%

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

67%

Think the Canadian economy will worsen in the next few months

75%

Think inflation will increase in the next few months

74%

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

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

27%

Reimposed or extended mask mandates

25%

Reimposed or extended travel restrictions

24%

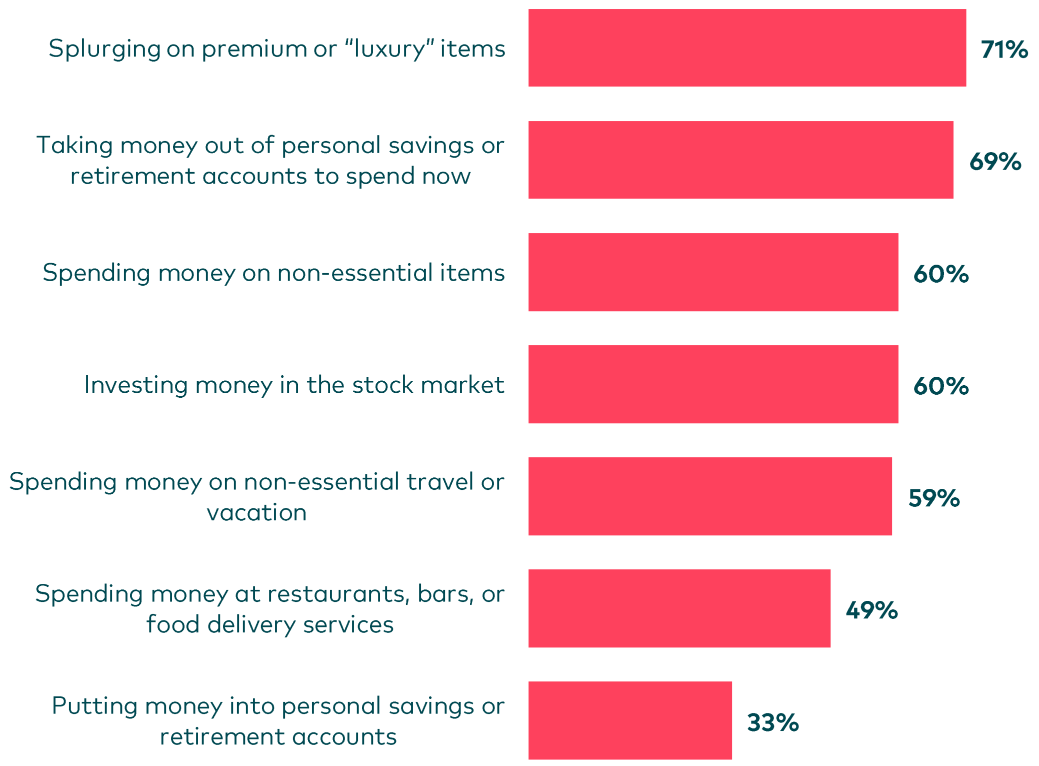
Reimposed or extended gathering restrictions

Consumers remain uncomfortable with discretionary spending

SPENDING DISCOMFORT

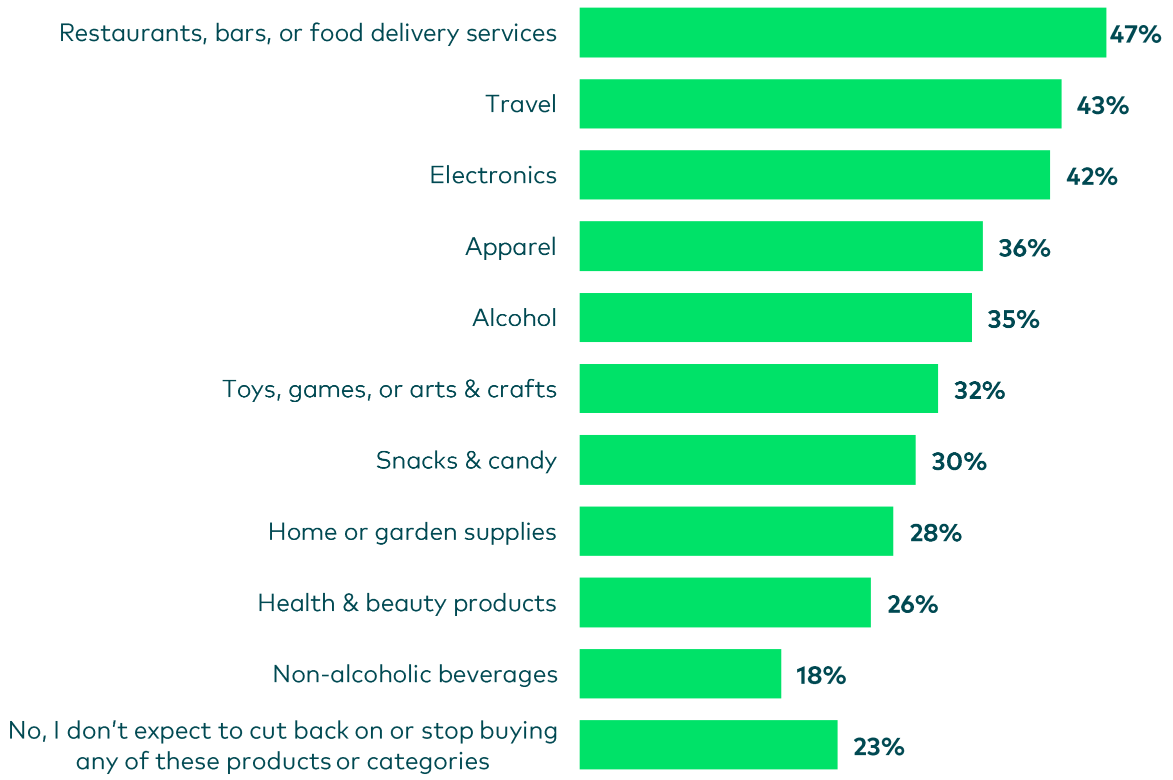
What is your current comfort level personally engaging in these activities / behaviours?

% 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)



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Q3 2023 Ontario Shopper Behaviour Summary

- Consumer financial concerns remains high and steady for Q3 2023
  - Consumers are most concerned about rising prices on gas and fuel and are uncomfortable with discretionary spending.
- Ontario shoppers made slightly more trips for Produce but are spending less each trip.
  - Discount grocery channel saw the largest increase in trial while consumers are moving away from Mass
- Inflation will continue to shape Ontario shopper behaviour.
  - 75% of Canadian households think inflation will increase further in the next few months.

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THE ONTARIO PRODUCE MARKETING ASSOCIATION

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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?

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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

Total Sales

Shopper Penetration
Number of buyers

×

Buying Rate
How much they buy

Get non-buyers to buy

Get buyers to spend more

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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