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OPMA Quarterly Report: Q1 2024

APRIL 2024

Contents

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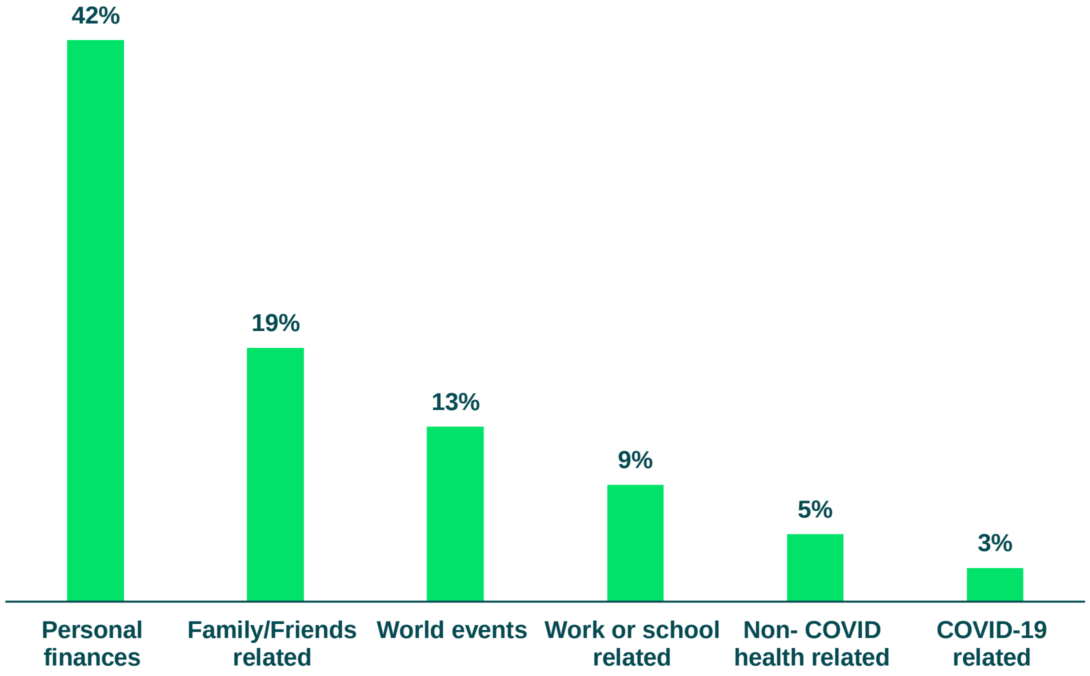
What were Canadian **consumers' main** concerns in Q1?

Consumer financial concern remains high and steady in March

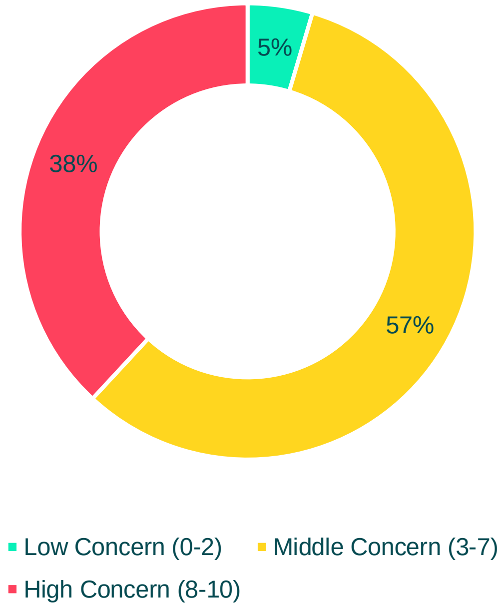
PRIMARY CONCERNS

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



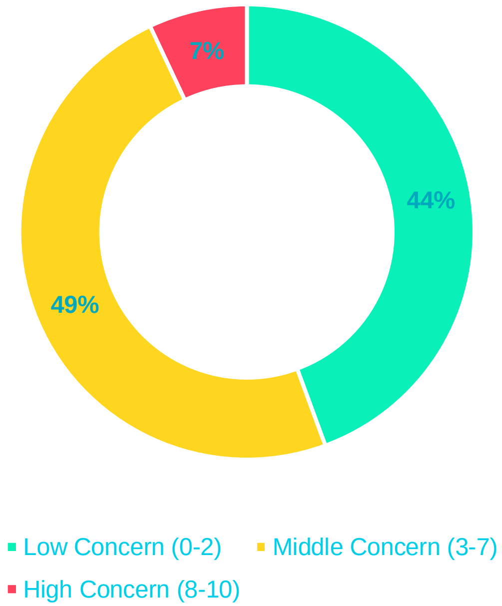
ECONOMIC CONCERN

What is your level of concern regarding the economy?



COVID-19 CONCERN

What is your level of concern regarding COVID-19?

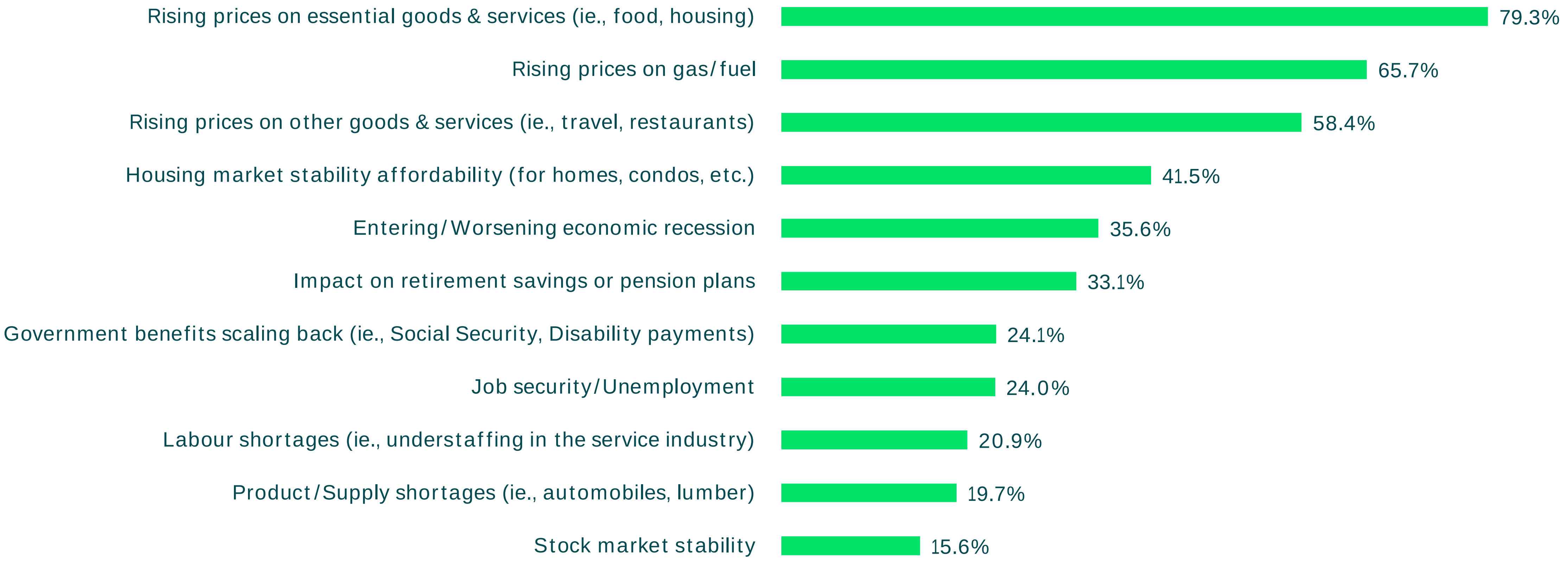


Numerator Canada Monthly Consumer Sentiment Survey | 03/29/24 n=1,525

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 2024

- Ontarians spent slightly more per household on FMCG products in Q1, perhaps reflective of the inflationary environment.
- We saw a 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

$2072.40

+1.0%

SPEND PER TRIP

$32.00

- 2.4%

PURCHASE FREQUENCY

61.3

+ 2.5

Source: Numerator Canada Insights, 01/01/2024-03/31/2023 vs YA, Ontario

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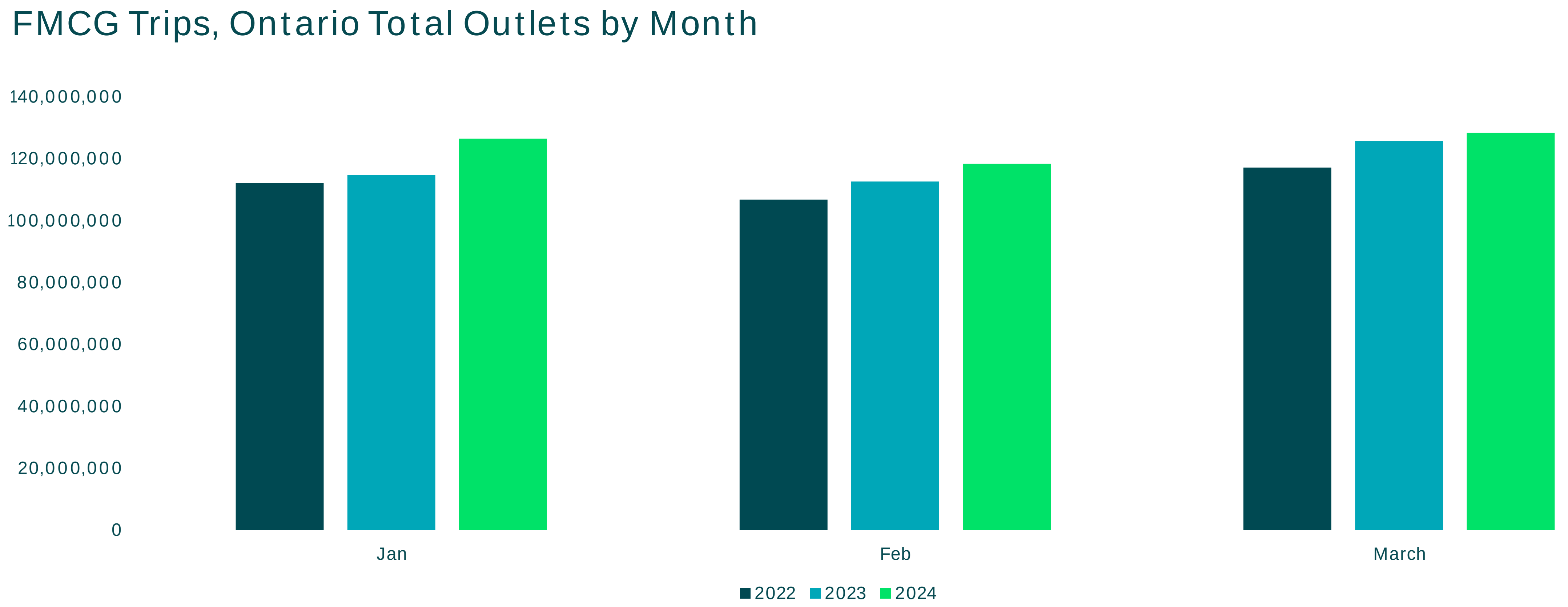
Overall FMCG Trips in Q1 2024 increased compared to the past two years

Q1 2024 trips were up 6% vs. Q1 2023, and up 11% vs. Q1 2022



Source: Numerator Canada Insights, 01/01/2024-03/31/2023 vs YA, Ontario

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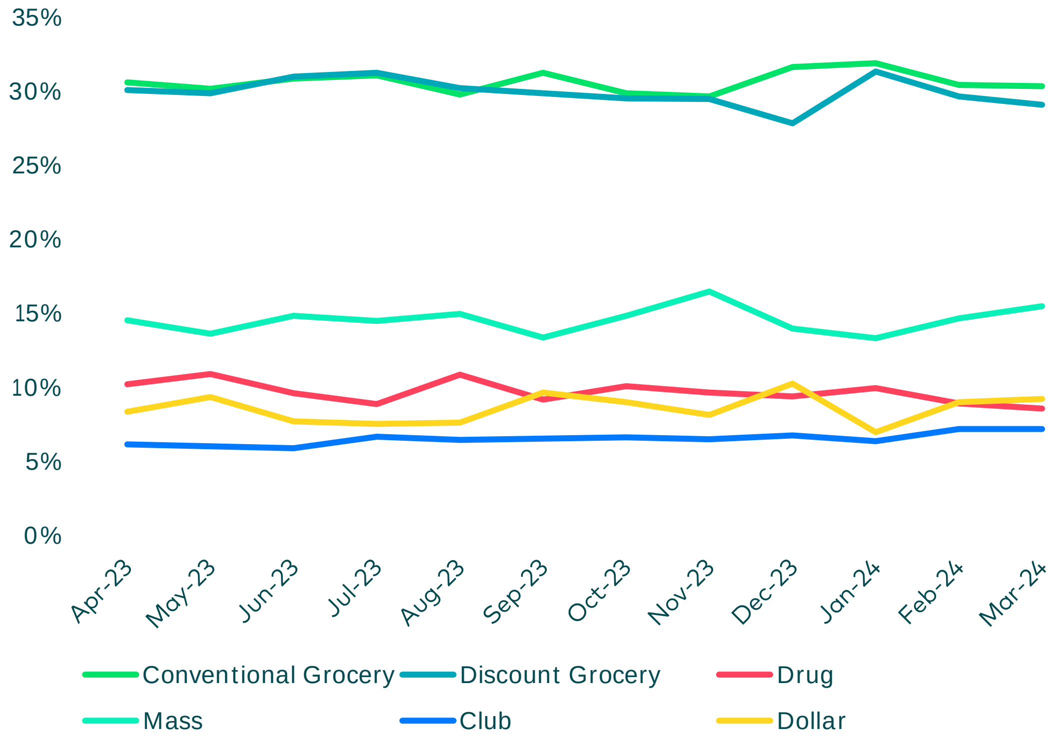
Conventional and Discount continue to dominate trip choice for Ontarians; Club is winning in share of trips

Share of FMCG Trips L12M



Q1 2024 Share of Trips, Index

Channel	vs 2022	vs 2023
Conventional	104	103
Discount	105	100
Drug	82	86
Mass (WM)	89	96
Club	118	119
Dollar	103	104

Source: Numerator Canada Insights, L24M ending 03/31/2024, Ontario Region

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Club saw the largest interest in trial in the face of inflation and consumers are moving away from Mass

CONVENTIONAL

+0.5pt
Households

+1.3
Purchase Frequency (Trips per HH)

+1.2%
Basket Size

DISCOUNT

-0.4pt
Households

+1.1
Purchase Frequency (Trips per HH)

+1.1%
Basket Size

MASS

-1.4pt
Households

+0.3
Purchase Frequency (Trips per HH)

-2.3%
Basket Size

CLUB

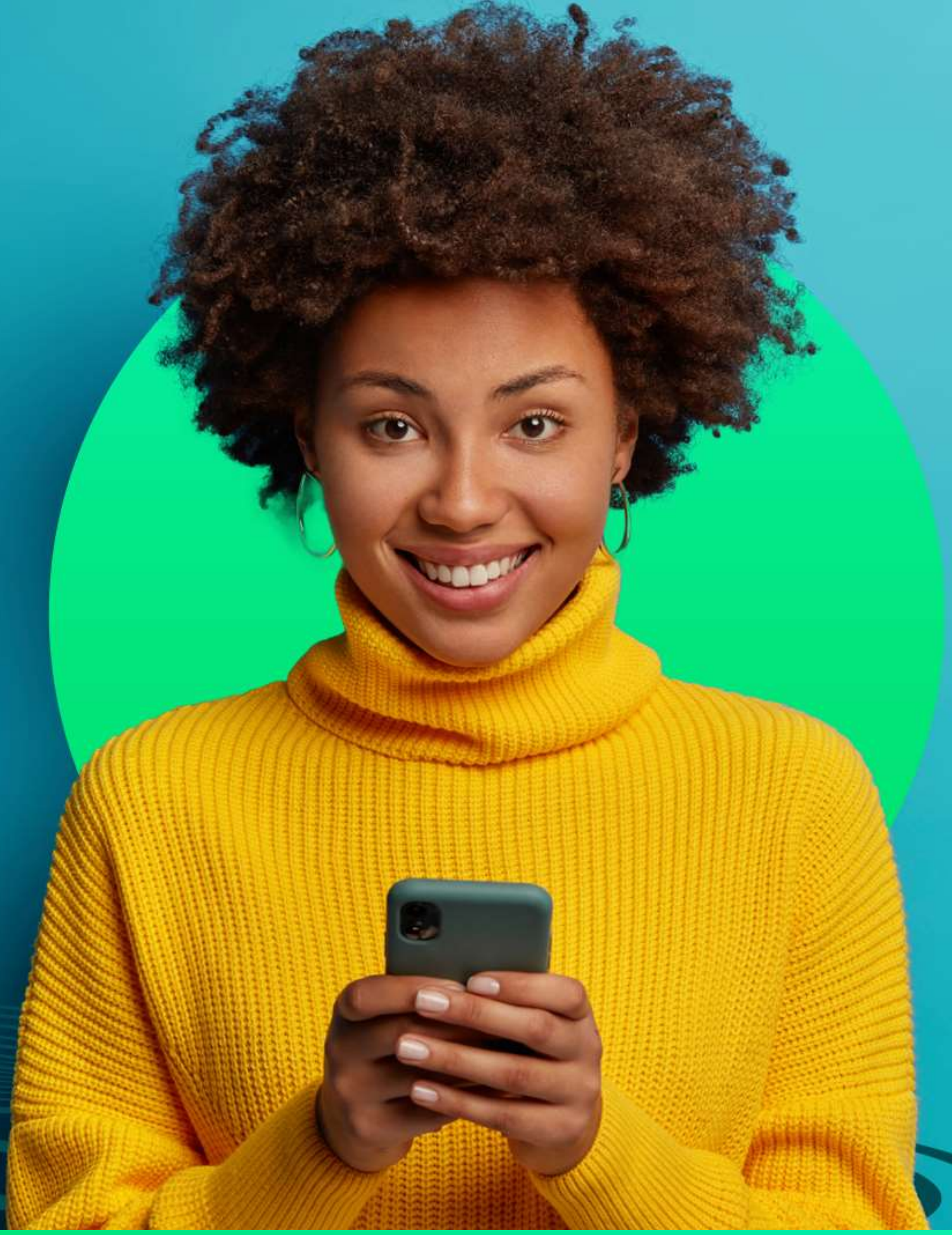
+3.7pt
Households

+0.3
Purchase Frequency (Trips per HH)

-0.9%
Basket Size

Source: Numerator Canada Insights, 01/01/2024-03/31/2024 vs YA, Ontario

How did Ontario **shoppers'** Produce purchase behaviour shift in Q1 2024?



Total Produce Overview, Ontario Shoppers, Q1 2024

- Ontarians spent more on Produce in Q1 2024.
- We saw an increase in the number trips the average Ontario household made (purchase frequency). However, this is offset by Ontarians spending less per trip

BUY RATE	SPEND PER TRIP	PURCHASE FREQUENCY
$296.30	$11.54	25.7
+5.8%	-1.5%	+ 1.8

Source: Numerator Canada Insights, 01/01/2024-03/31/2024 vs YA, Ontario

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Ontarians are moving toward Mass and Club for Produce

CONVENTIONAL

+1.5pt
Households

+0.9
Purchase Frequency (Trips per HH)

-3.2%
Spend per Trip

DISCOUNT

+1.0pt
Households

+0.8
Purchase Frequency (Trips per HH)

-2.3%
Spend per Trip

MASS

+0.4pt
Households

+0.1
Purchase Frequency (Trips per HH)

+1.5%
Spend per Trip

CLUB

+2.6pt
Households

+0.2
Purchase Frequency (Trips per HH)

+0.3%
Spend per Trip

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Source: Numerator Canada Insights, 01/01/2024-03/31/2024 vs YA, Ontario

Vegetable Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Potatoes	78.8%	2.6	$15.84	7.9%	3.5	0.2	$4.51	1.2%
Fresh Tomatoes	77.1%	-0.3	$20.40	6.1%	4.9	0.0	$4.20	6.1%
Fresh Onions	73.4%	3.2	$10.30	17.8%	3.1	0.2	$3.33	9.8%
Fresh Carrots	72.7%	2.6	$10.55	12.7%	3.2	0.2	$3.34	7.6%
Fresh Peppers	69.7%	-0.3	$16.84	8.1%	3.8	0.1	$4.40	4.5%
Fresh Cucumber	69.1%	2.6	$12.99	-6.9%	4.0	-0.2	$3.23	-1.7%
Fresh Lettuce	65.6%	-0.6	$15.29	-2.6%	3.8	0.0	$4.04	-3.0%
Fresh Broccoli	55.4%	6.0	$9.46	-3.0%	3.1	0.3	$3.06	-12.2%
Fresh Mushrooms & Truffles	56.2%	0.0	$12.59	3.8%	3.4	0.1	$3.74	2.4%
Fresh Celery	44.8%	5.9	$7.69	-14.4%	2.2	0.0	$3.46	-14.1%
Fresh Cauliflower	36.8%	7.8	$8.20	-9.7%	2.1	0.1	$3.85	-16.6%
Fresh Green Beans	23.7%	-1.5	$8.80	5.7%	2.0	0.0	$4.31	4.1%
Fresh Radishes	17.1%	1.2	$4.69	-11.1%	2.0	0.0	$2.40	-7.0%

Source: Numerator Canada Insights, 01/01/2024-03/31/2024 vs YA, Ontario

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Fruit Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Bananas	85.5%	0.4	$13.34	3.0%	8.4	0.4	$1.58	-2.1%
Fresh Apples	71.8%	3.1	$21.29	2.9%	4.2	0.3	$5.10	-4.3%
Fresh Strawberries	62.8%	-0.2	$20.35	-0.1%	3.9	0.0	$5.22	0.1%
Fresh Grapes	56.0%	0.4	$24.29	13.1%	3.4	0.2	$7.10	7.0%
Fresh Blueberries	53.6%	3.5	$18.86	10.4%	3.7	0.3	$5.13	2.3%
Fresh Clementines	49.3%	2.9	$17.11	3.1%	3.0	0.2	$5.68	-4.2%
Fresh Lemons	42.9%	3.5	$7.55	-1.3%	2.3	0.0	$3.25	-4.4%
Fresh Oranges	42.1%	-2.6	$14.31	0.9%	2.8	0.1	$5.07	-3.4%
Fresh Pears	34.2%	3.4	$9.59	-8.0%	2.5	0.1	$3.89	-11.9%
Fresh Raspberries	32.8%	-5.2	$16.08	12.4%	2.8	0.1	$5.82	9.4%
Fresh Pineapple	31.7%	2.3	$8.14	-0.1%	2.2	0.0	$3.66	-2.2%
Fresh Limes	28.3%	5.0	$5.97	-6.1%	1.9	0.0	$3.12	-7.5%
Fresh Blackberries	26.4%	-0.1	$11.05	1.0%	2.4	0.0	$4.55	0.3%
Fresh Cantaloupe	23.3%	-2.0	$6.40	-10.5%	2.0	-0.1	$3.25	-5.0%

Source: Numerator Canada Insights, 01/01/2024-03/31/2024 vs YA, Ontario

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Surprise Winners & Losers

FRESH CUCUMBER	3.9% ↑	more households bought Fresh Cucumber in Q1 2024 vs Q1 YAGO	*However, those who did purchase spent…*	6.9% ↓	less on Fresh Cucumber
FRESH ONIONS	4.5% ↑	more households purchased Fresh Onions in Q1 2024 vs Q1 YAGO	*Those who did purchase spent…*	17.8% ↑	more on Fresh Onions
FRESH PEARS	11.0% ↑	fewer households bought Fresh Pears in Q1 2024 vs Q1 YAGO	*However, those who purchased spent…*	11.9% ↓	more on Fresh Pears per trip

Source: Numerator Canada Insights, 01/01/2024-03/31/2023

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

61%

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

64%

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

62%

Think the Canadian economy will worsen in the next few months

72%

Think inflation will increase in the next few months

70%

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

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

17%

Reimposed or extended mask mandates

17%

Reimposed or extended travel restrictions

15%

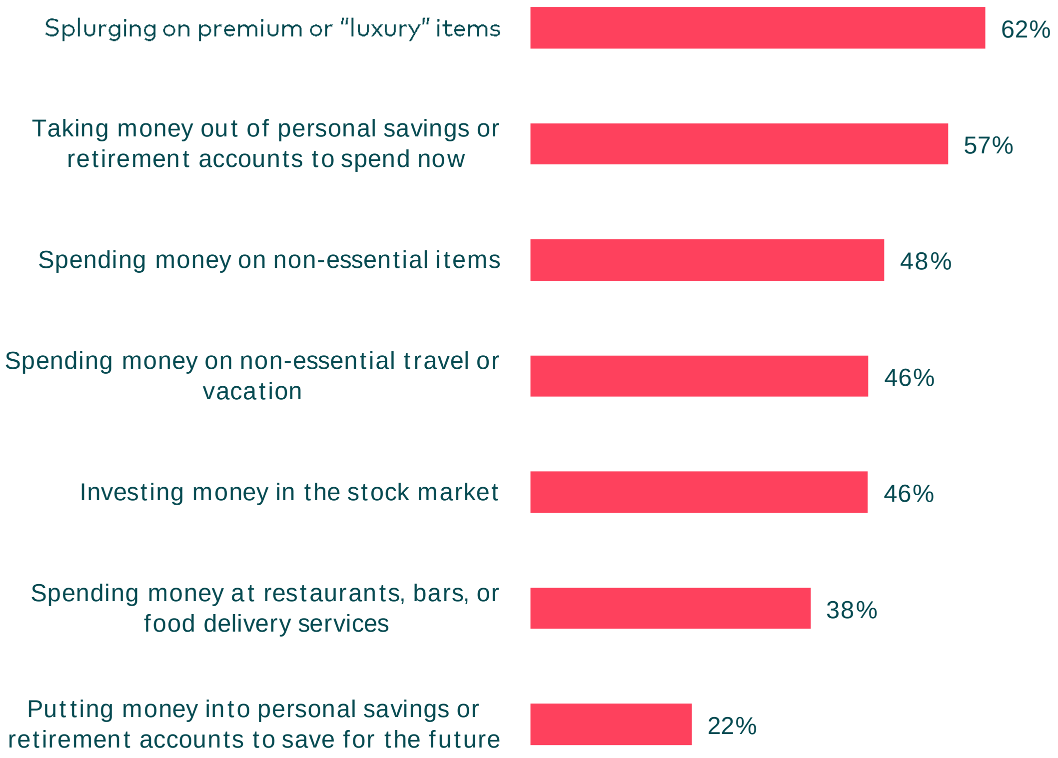
Reimposed or extended gathering restrictions

Consumers remain uncomfortable with discretionary spending

SPENDING DISCOMFORT

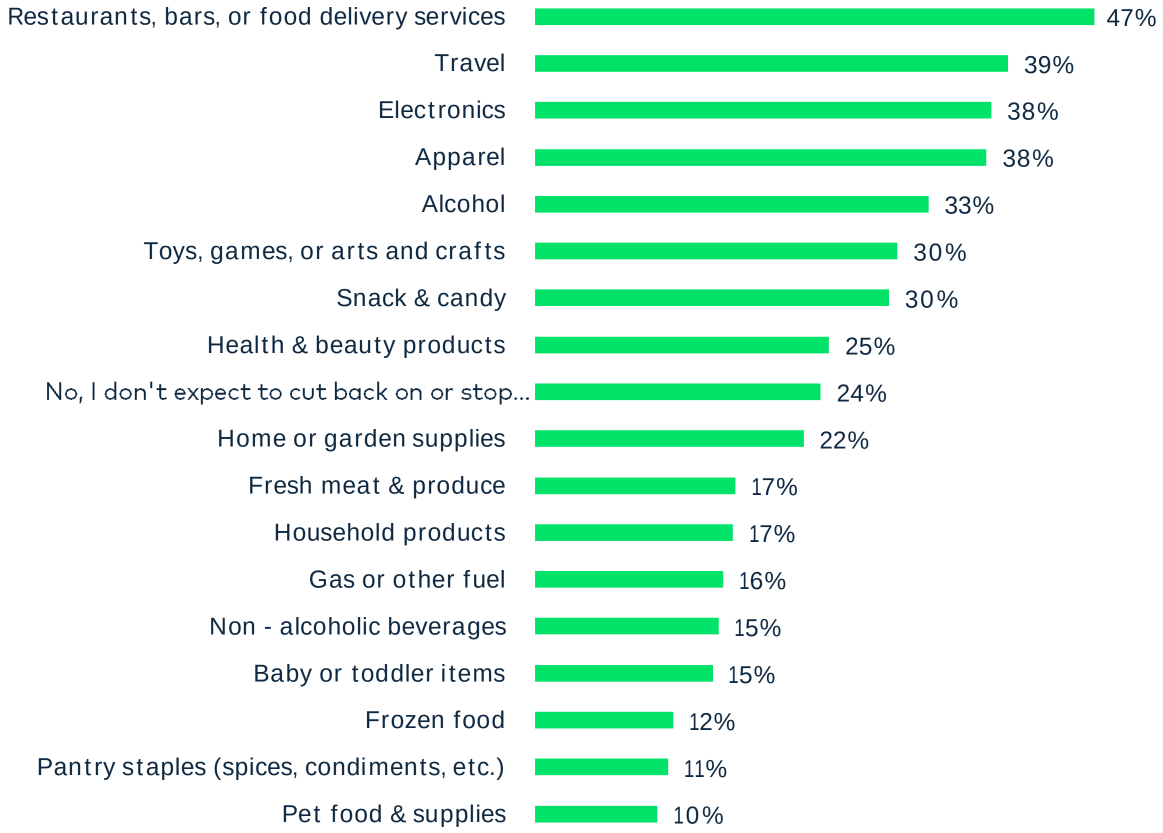
What is your current comfort level personally engaging in these activities / behaviours?

% 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?



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Q1 2024 Ontario Shopper Behaviour Summary

Consumer financial concerns remains high and steady for Q1 2024.

Consumers are most concerned about rising prices on gas and fuel and are uncomfortable with discretionary spending.

Ontario shoppers made more trips for Produce but are spending less each trip.

Ontarians are moving to Club and Mass to purchase Produce.

Inflation will continue to shape Ontario shopper behaviour.

72% of Canadian households think inflation will increase further in the next few months.

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Know More. Grow More.

For custom insights on your brand
or category, reach out today!

hello@numerator.com

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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?

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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