Numerator

OPMA Quarterly Report: Q4 2023

Jan 2024

OPMA
THE ONTARIO PRODUCE MARKETING ASSOCIATION

Contents

What were Canadian **consumers' main** concerns in Q4?

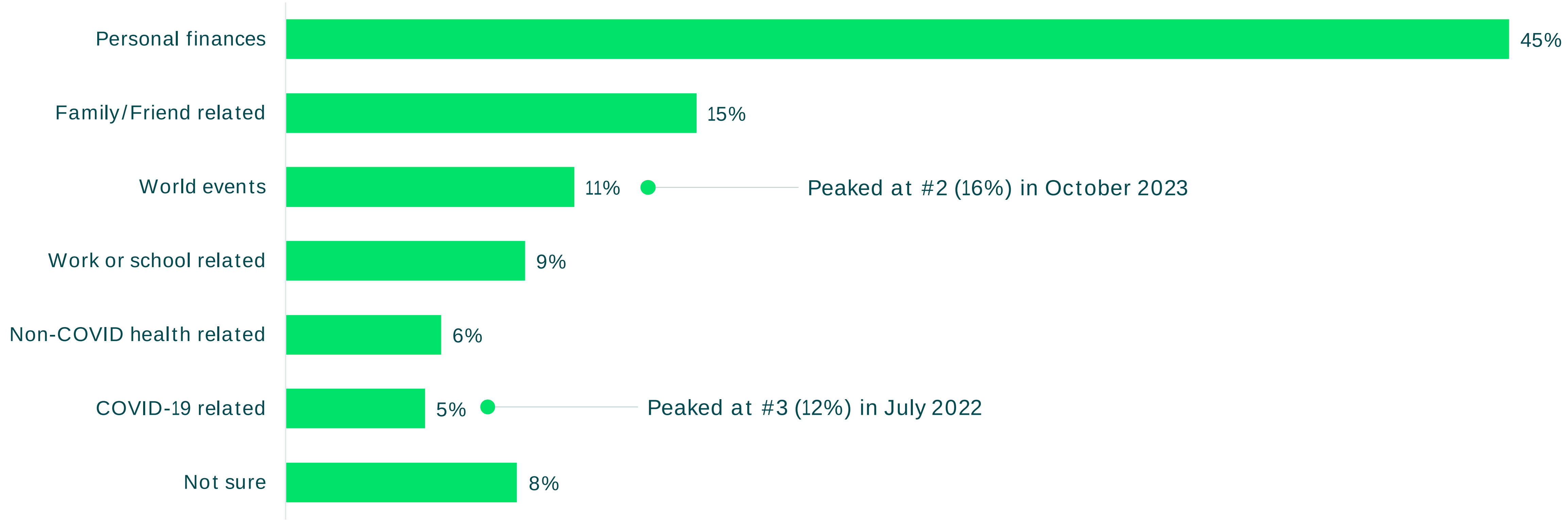
Numerator

Personal finances consistently topped the list of consumer concerns from 2022-23.

Nearly half of Canadian consumers consistently rated personal finances as their primary concern for the coming months, reaching its lowest point (38%) in August 2022 before peaking at 48% in August 2023.

PRIMARY CONCERN FOR COMING MONTHS

% of consumers, average 2022-2023

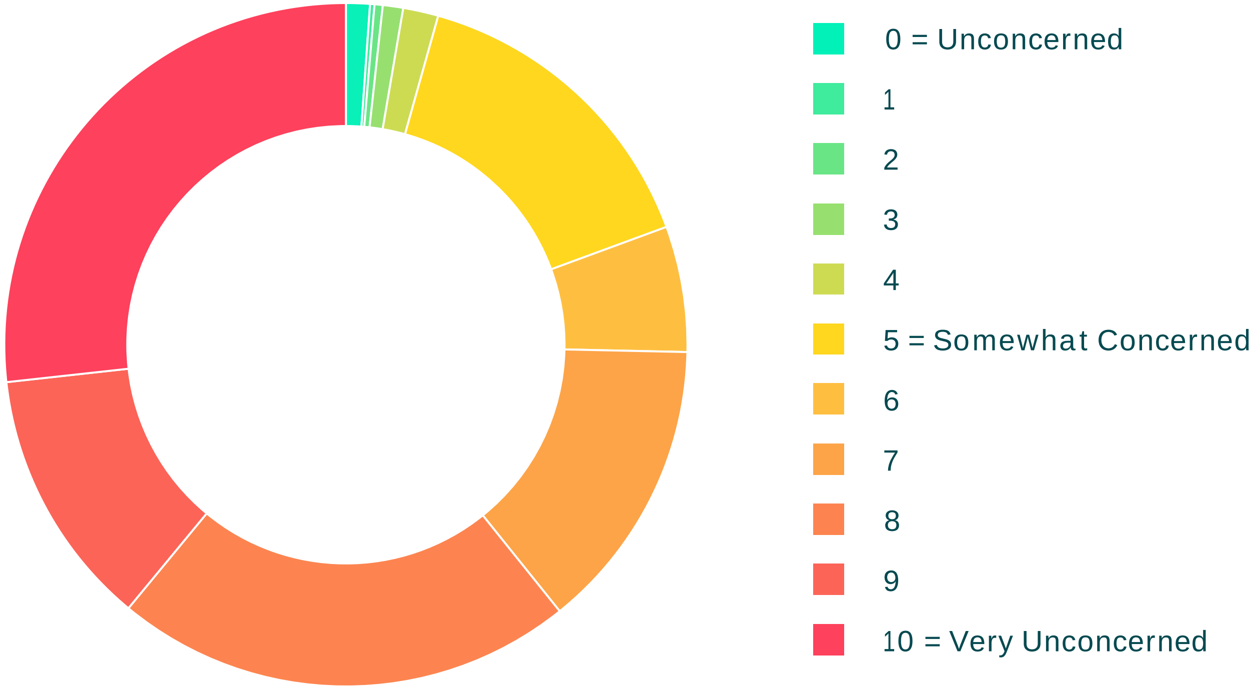


A quarter of Canadian consumers rated their economic concern 10/10.

Less than 5% of consumers rated their economic concern below 5/10 over the past two years. Two-thirds felt as though the country was in an economic recession, and three-fourths were worried about worsening inflation.

ECONOMIC CONCERN

% of consumers, average 2022-2023



ECONOMIC BELIEFS

% of consumers, average 2022-2023

69% Felt as though the country was in an economic recession. (Peaked at 75% in 2022)

70% Said rising gas prices were impacting their ability to afford other goods & services.

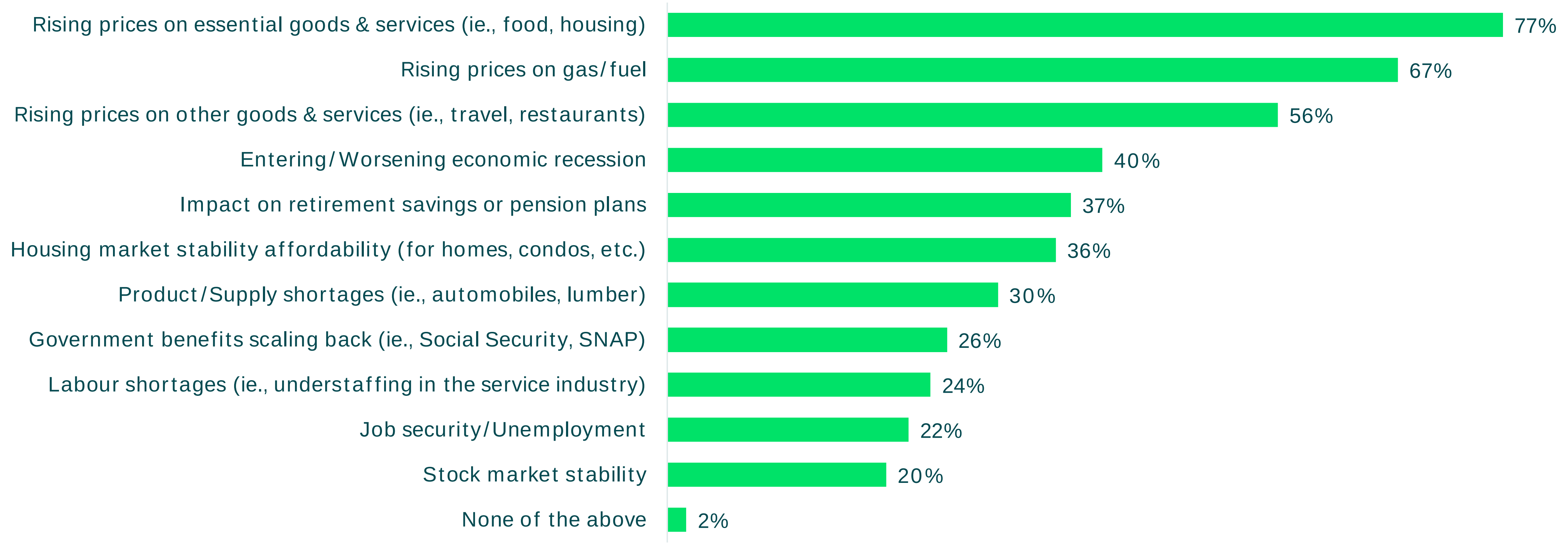
76% Though inflation would get worse in the coming months, (Peaked at 81% in 2022)

Rising prices were the top drivers of economic concern.

Three-fourths of Canadian consumers were concerned about rising prices on essentials, followed by rising prices on gas & fuel. These specific concerns followed a similar pattern to overall economic concern, peaking in 2022 and stabilizing by late 2023.

ECONOMIC CONCERNS

% of consumers, average 2022-2023

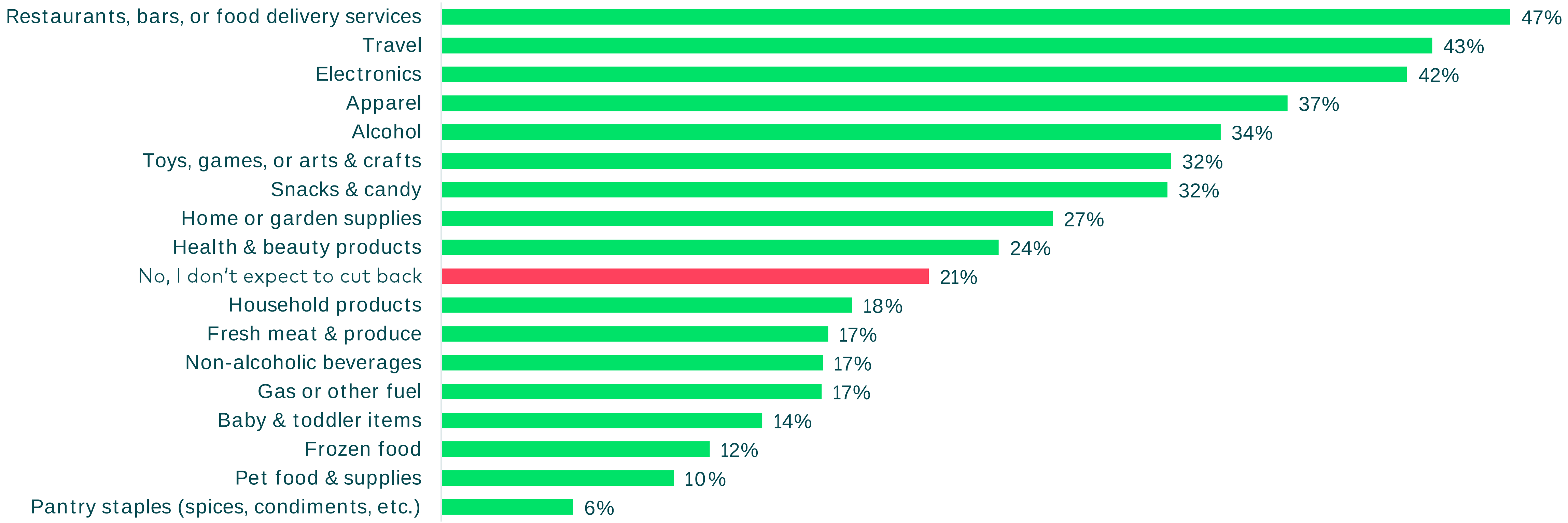


Rising prices also drove consumers to cut back on certain categories.

The most common cutback categories included eating out, travel, electronics, apparel and alcohol. Overall, a fifth of Canadian consumers said they did not intend to cut back on anything in response to rising prices.

CUTBACK CATEGORIES

% of consumers, average 2022-2023



Numerator CA Consumer Sentiment Study, June 2022 – December 2023 (n=1,000 monthly) | 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?

Numerator

How did these concerns translate into shopping decisions?

Total FMCG Overview, Ontario Shoppers, Q4 2023

- Ontarians spent slightly more per household on FMCG products in Q4, 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	SPEND PER TRIP	PURCHASE FREQUENCY
$2270.0	$32.53	69.8
+0.7%	- 4.0%	+ 3.3

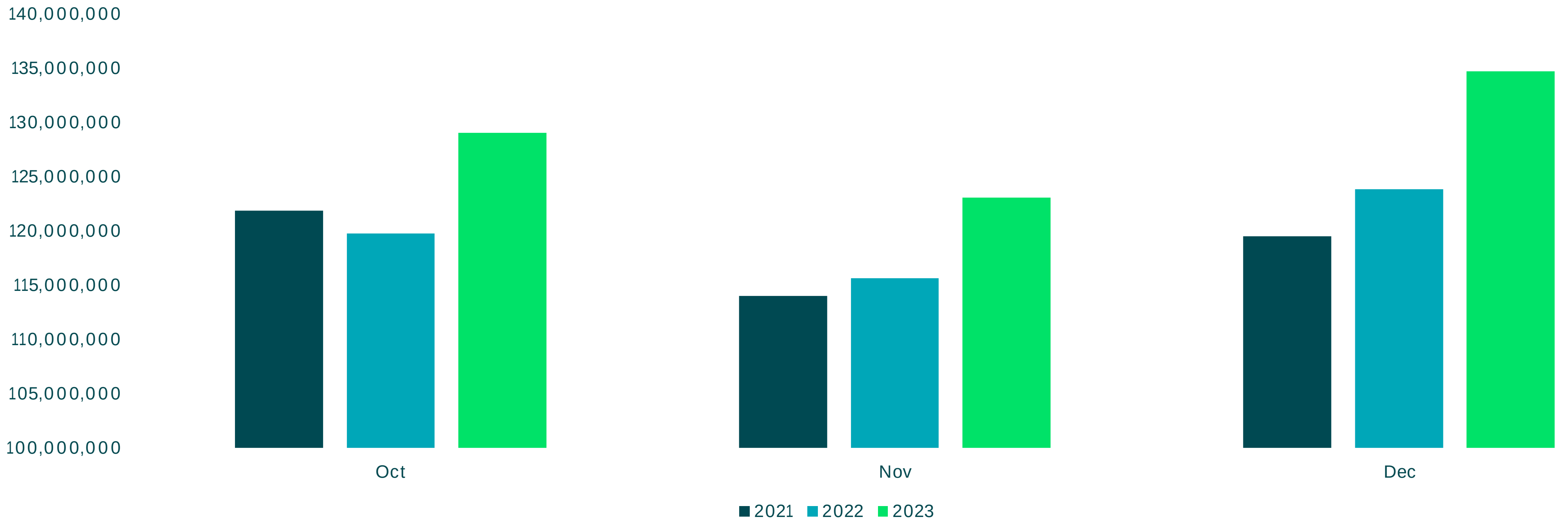
Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

Numerator

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

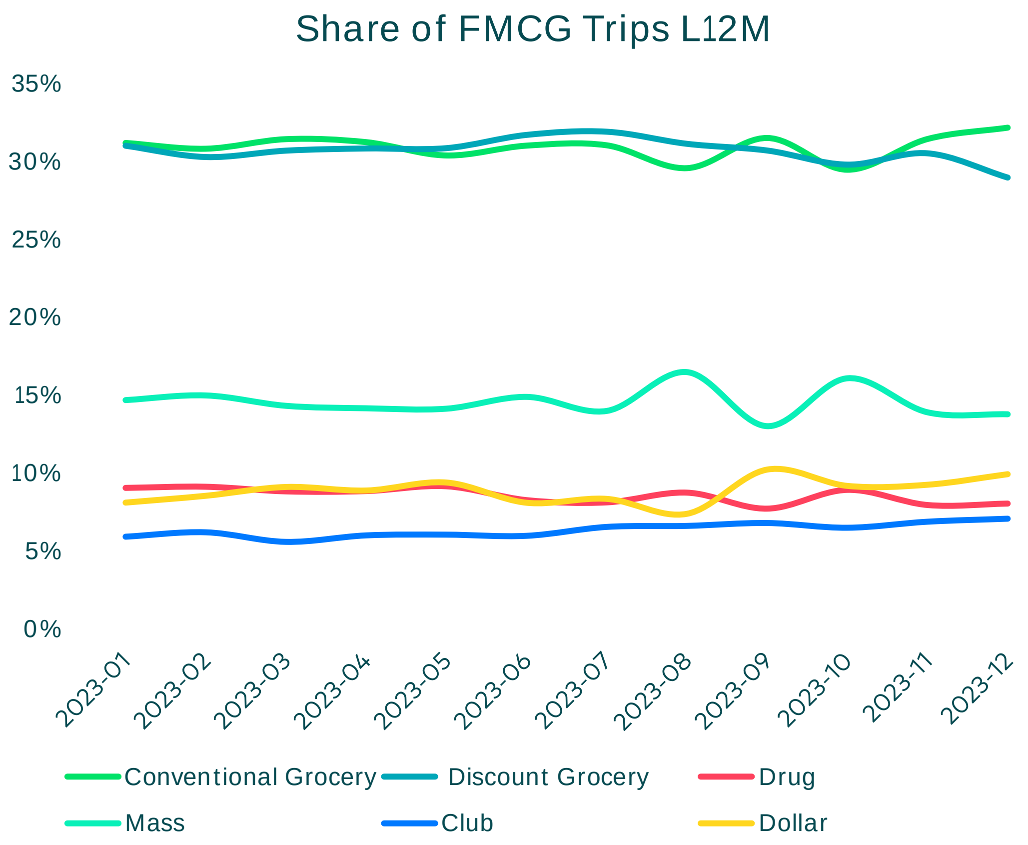
Q4 2023 trips were up 8% vs. Q4 2022, and up 9% vs. Q4 2021

FMCG Trips, Ontario Total Outlets by Month



Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

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



Q4 2023 Share of Trips, Index

Channel	vs 2021	vs 2022
Conventional	108	100
Discount	107	100
Drug	95	103
Mass (WM)	90	94
Club	121	113
Dollar	107	105

Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

Numerator

More shoppers are moving to Club and Discount channel in the face of inflation and away from Mass

CONVENTIONAL

+0.5pt
Households

+0.7
Purchase Frequency (Trips per HH)

-2.9%
Basket Size

DISCOUNT

+0.1pt
Households

+0.9
Purchase Frequency (Trips per HH)

No Change
Basket Size

MASS

-0.9pt
Households

-0.1
Purchase Frequency (Trips per HH)

-2.5%
Basket Size

CLUB

+3.4pt
Households

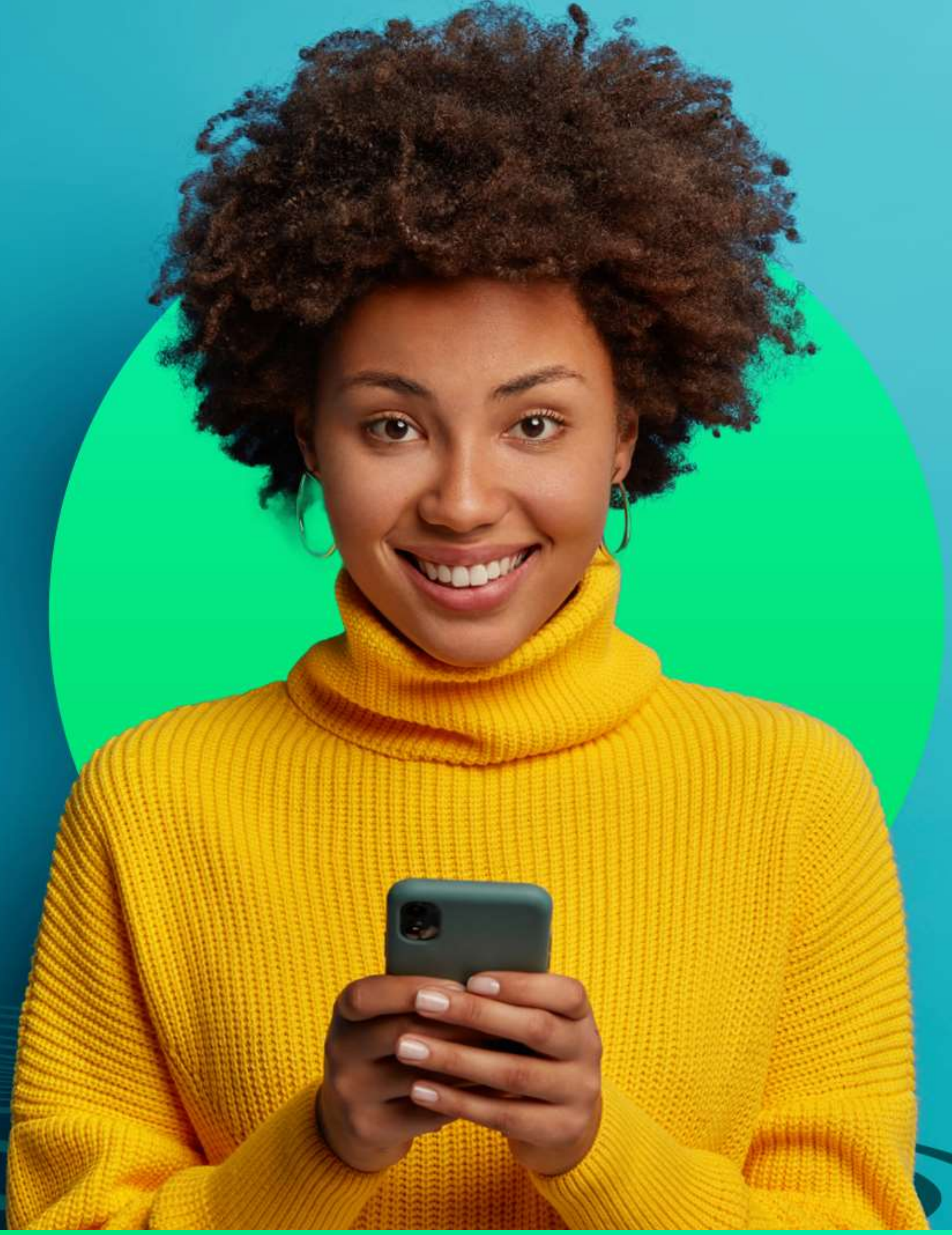
+0.6
Purchase Frequency (Trips per HH)

-3.7%
Basket Size

Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

Numerator

How did Ontario **shoppers'** Produce purchase behaviour shift in Q4 2023?



Numerator

Total Produce Overview, Ontario Shoppers, Q4 2023

- Ontarians household spent slightly more on Produce in Q4.
- We saw an 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	SPEND PER TRIP	PURCHASE FREQUENCY
$280.2	$11.25	24.9
+2.0%	-2.5%	+ 0.9

Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

Numerator

Club channel saw the biggest increase in spend per trip while Ontarians are moving away from Mass

CONVENTIONAL

+0.3pt
Households

+0.4
Purchase Frequency (Trips per HH)

-4.3%
Spend per Trip

DISCOUNT

+0.7pt
Households

+0.6
Purchase Frequency (Trips per HH)

-3.8%
Spend per Trip

MASS

No Change
Households

-0.2
Purchase Frequency (Trips per HH)

-5.0%
Spend per Trip

CLUB

+1.9pt
Households

+0.2
Purchase Frequency (Trips per HH)

+12.6%
Spend per Trip

Numerator

Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

Vegetable Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Potatoes	79.3%	-0.9	$16.19	0.2%	3.5	-0.1	$4.58	1.6%
Fresh Tomatoes	75.1%	0.5	$17.24	-8.1%	4.5	0.1	$3.87	-8.5%
Fresh Onions	73.6%	0.8	$9.52	6.2%	3.0	0.1	$3.16	0.9%
Fresh Carrots	72.2%	1.6	$9.78	6.1%	3.1	0.0	$3.18	8.2%
Fresh Peppers	69.4%	1.0	$14.94	3.3%	3.7	0.0	$4.05	3.5%
Fresh Cucumber	68.6%	0.4	$12.94	-1.3%	4.3	0.0	$3.04	-0.3%
Fresh Lettuce	64.1%	11.9	$14.96	-15.7%	3.7	0.4	$4.02	-25.1%
Fresh Mushrooms & Truffles	55.3%	1.1	$11.74	-3.5%	3.2	0.0	$3.73	-0.9%
Fresh Broccoli	52.6%	3.6	$9.64	-3.0%	3.1	0.2	$3.13	-7.4%
Salad Greens	48.6%	-1.8	$14.13	-20.2%	2.8	-0.6	$4.98	-4.8%
Fresh Celery	46.7%	0.7	$7.67	9.0%	2.2	0.0	$3.54	9.5%
Fresh Cauliflower	33.5%	8.5	$7.59	-9.4%	2.0	0.2	$3.71	-18.3%
Salad Kits	29.3%	-1.0	$19.16	-5.3%	2.6	-0.3	$7.40	6.6%

Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

Fruit Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Bananas	84.1%	0.1	$13.08	-1.3%	8.2	0.2	$1.60	-3.0%
Fresh Apples	69.6%	0.2	$19.53	-3.4%	3.9	0.0	$5.07	-1.9%
Fresh Clementines	54.2%	-0.4	$16.14	11.5%	2.8	0.1	$5.82	8.2%
Fresh Grapes	51.9%	-6.9	$26.48	19.5%	3.2	-0.2	$8.35	28.9%
Fresh Strawberries	51.0%	14.4	$18.02	-10.4%	3.1	0.2	$5.85	-16.6%
Fresh Raspberries	48.2%	1.7	$16.78	3.1%	3.7	0.0	$4.49	1.0%
Fresh Lemons	41.5%	2.6	$7.47	-4.3%	2.2	0.0	$3.42	-1.7%
Fresh Oranges	40.0%	0.2	$10.90	-2.4%	2.4	0.1	$4.54	-7.2%
Fresh Blueberries	35.1%	-18.4	$17.47	3.1%	2.7	-1.2	$6.45	47.6%
Fresh Pears	34.1%	5.7	$10.27	-9.2%	2.5	0.0	$4.18	-7.1%
Fresh Pineapple	33.8%	1.5	$7.87	-3.6%	2.2	0.0	$3.59	-2.4%
Fresh Limes	24.9%	0.3	$5.64	8.2%	1.8	-0.1	$3.09	12.5%
Fresh Cantaloupe	17.9%	1.5	$6.81	-14.2%	1.9	0.0	$3.63	-13.8%
Fresh Mangos	17.7%	-1.5	$8.94	2.4%	1.9	0.2	$4.63	9.0%

Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

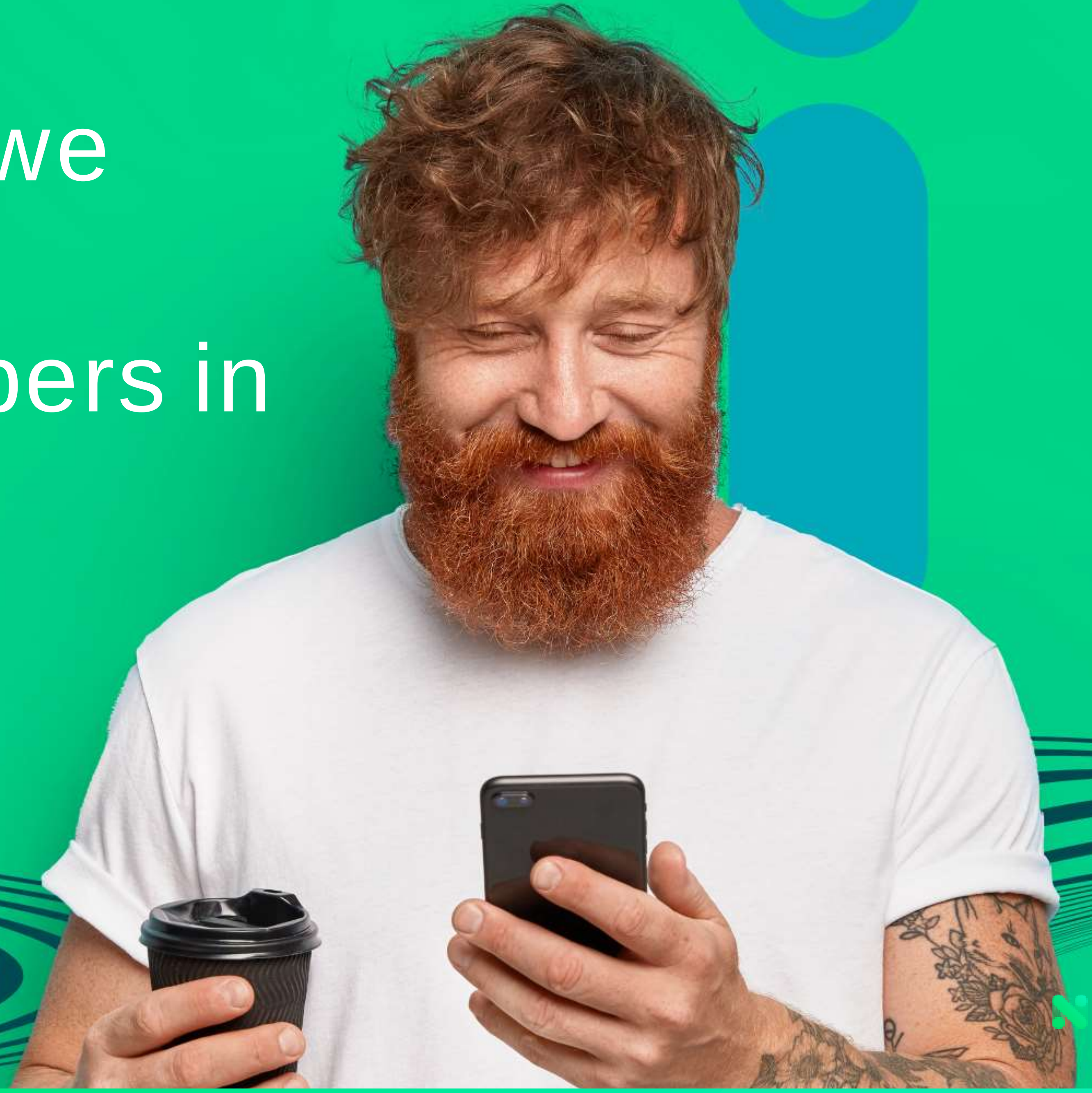
Numerator

Surprise Winners & Losers

FRESH LETTUCE	22.6% ↑	more households bought Fresh Lettuce in Q4 2023 vs Q4 YAGO	*However, those who did purchase spent…*	15.7% ↓	less on Fresh Lettuce
FRESH CARROTS	2.3% ↑	more households purchased Fresh Carrots in Q4 2023 vs Q4 YAGO	*Those who did purchase spent…*	8.2% ↑	more on Fresh Carrots per Trip
FRESH GRAPES	11.8% ↓	fewer households bought Fresh Grapes in Q4 2023 vs Q4 YAGO	*However, those who purchased spent…*	28.9% ↑	more on Fresh Grapes per Trip

Source: Numerator Canada Insights, 10/01/2023-12/31/2023 vs YA, Ontario

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



Numerator

Prices on essentials & gas continue to fuel economic concerns

67%

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

65%

Think the Canadian economy will worsen in the next few months

71%

Think inflation will increase in the next few months

71%

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

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

24%

Reimposed or extended mask mandates

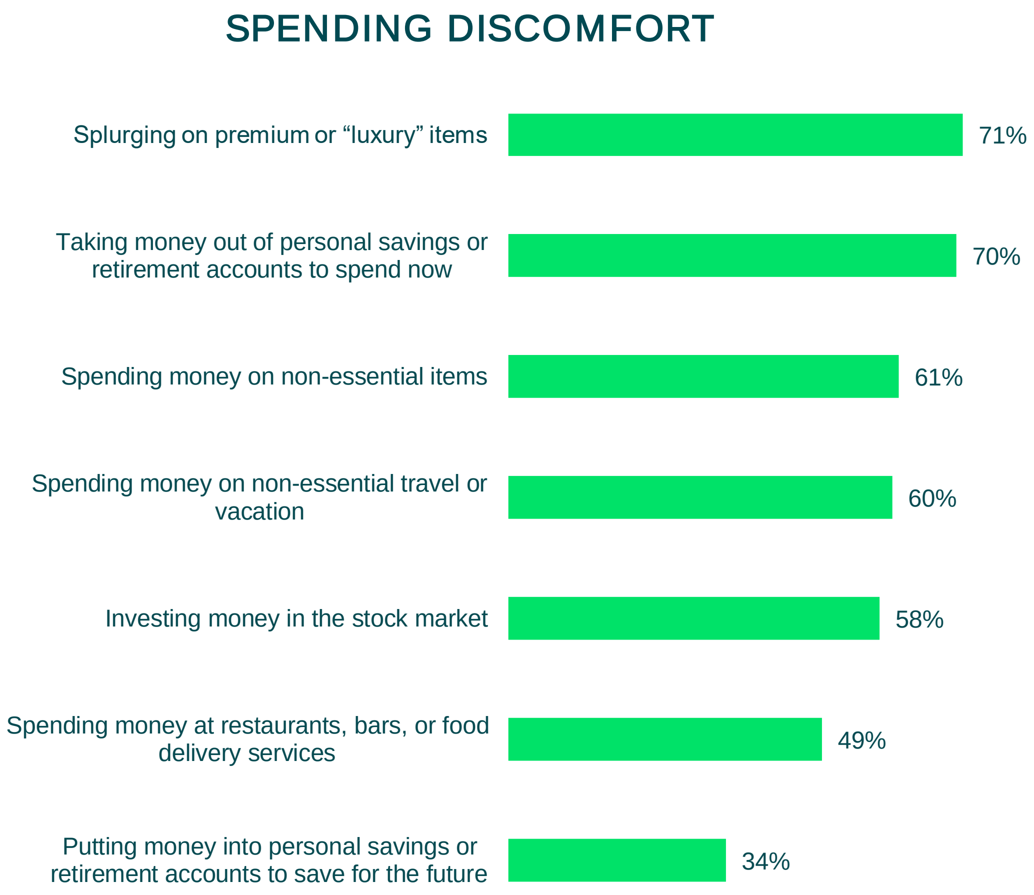
21%

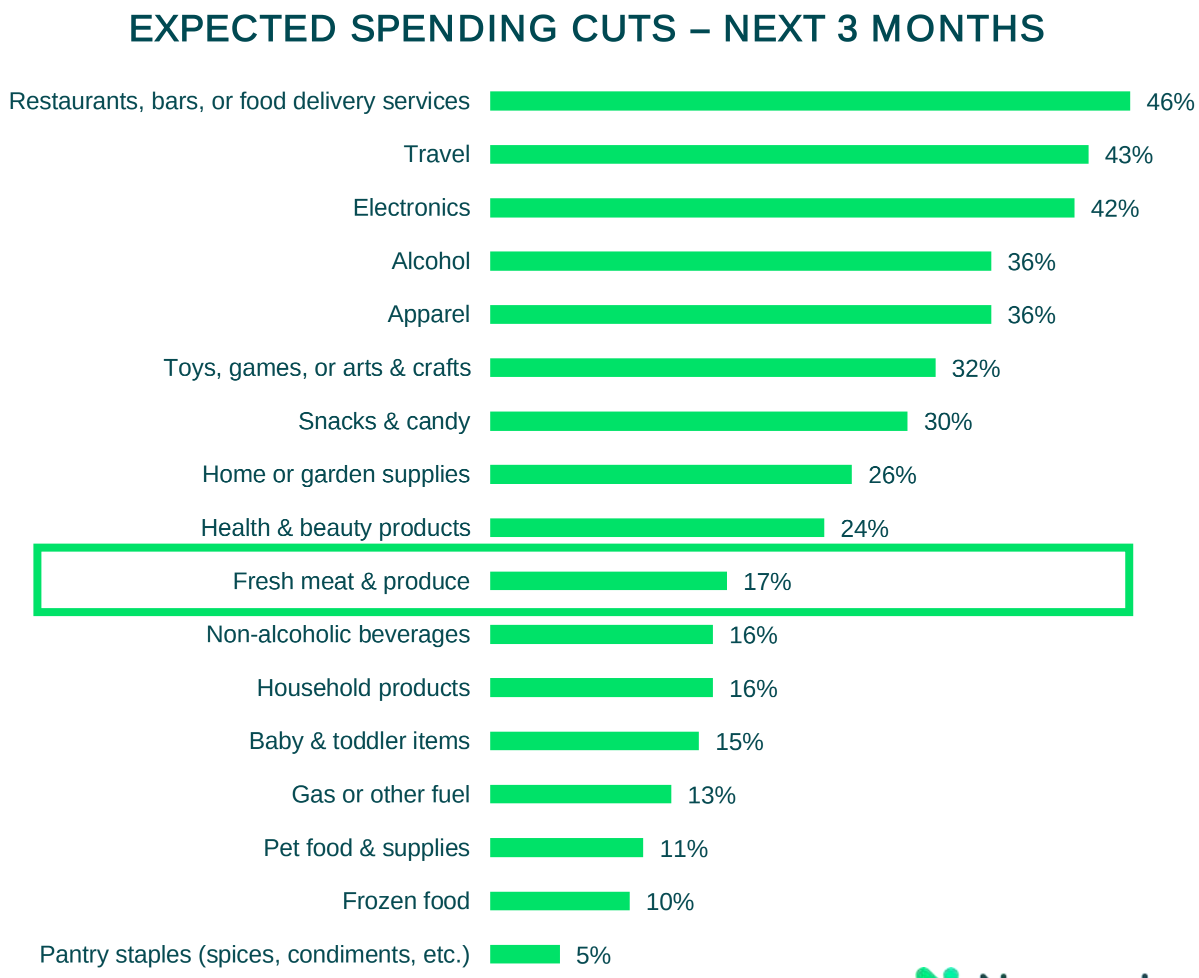
Reimposed or extended travel restrictions

19%

Reimposed or extended gathering restrictions

A majority of Canadians are uncomfortable with discretionary spending and are making choices to protect their non-discretionary budgets.





Numerator monthly consumer sentiment study 12/11/2023 n=1500

Numerator

Q4 2023 Ontario Shopper Behaviour Summary

- Consumer financial concerns remains high and steady for Q4 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.
  - Club channel saw the largest increase in spend per trip while consumers are moving away from Mass
- Inflation will continue to shape Ontario shopper behaviour.
  - 71% of Canadian households think inflation will increase further in the next few months.

Numerator

Know More. Grow More.

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

Numerator

hello@numerator.com

Numerator

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?

Numerator

Total Sales breaks down into two key metrics

Total Sales

Shopper Penetration	×	Buying Rate
Number of buyers		How much they buy
Get non-buyers to buy		Get buyers to spend more

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