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OPMA

THE ONTARIO PRODUCE MARKETING ASSOCIATION

OPMA Quarterly Report: Q2 2023

JULY 2023

Contents

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What were Canadian **consumers' main** concerns in Q2?

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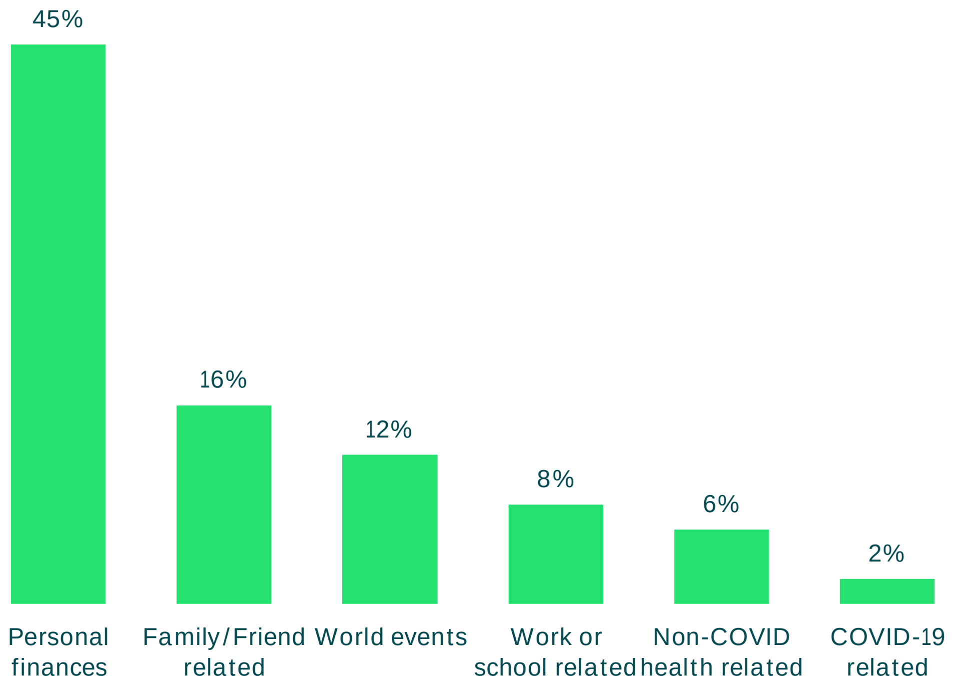
Consumer financial concern remains high and steady in June

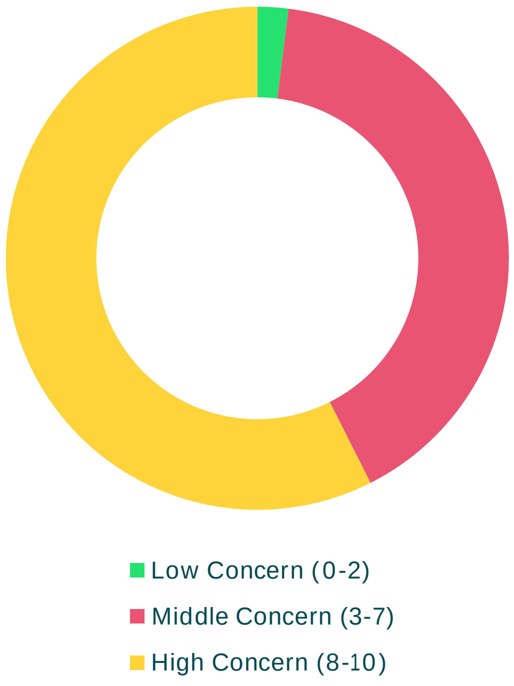
PRIMARY CONCERNS

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



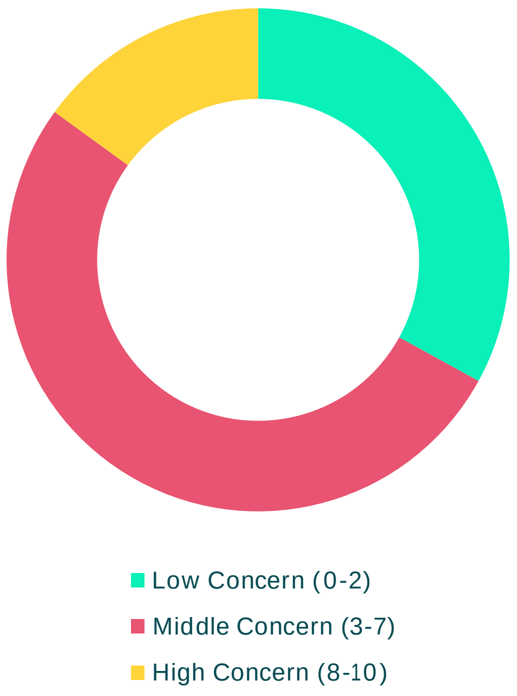
ECONOMIC CONCERN

What is your level of concern regarding the economy?



COVID-19 CONCERN

What is your level of concern regarding COVID-19?



Numerator Monthly Consumer Sentiment Study, 6/14/23 n=1,520

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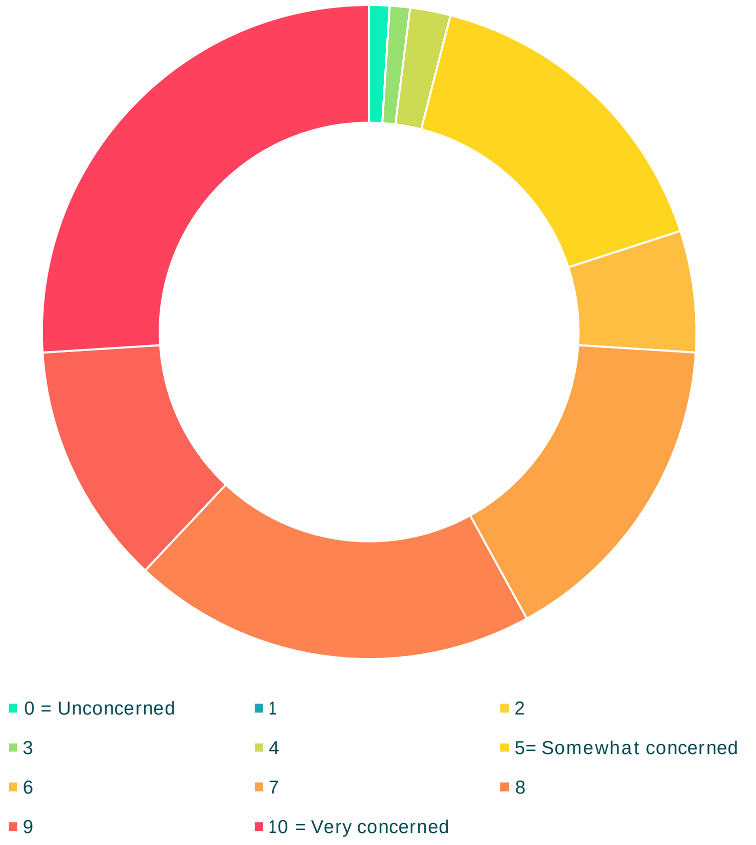
58% of consumers rate their level of concern as 8/10 or higher

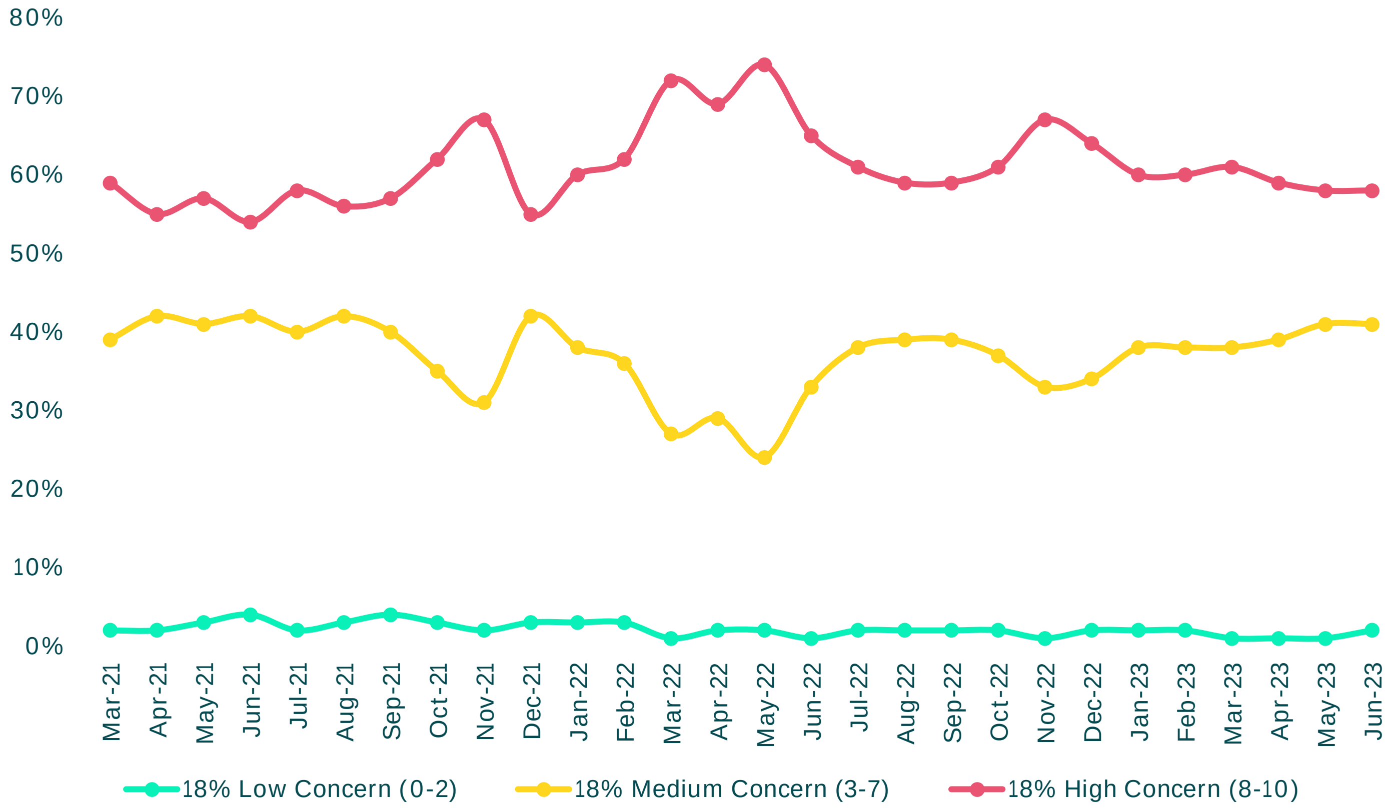
ECONOMIC CONCERN

What is your level of concern regarding the economy?



ECONOMIC CONCERN - MONTHLY

What is your level of concern regarding the economy?



Numerator Monthly Consumer Sentiment Study, 6/14/23 n=1,520

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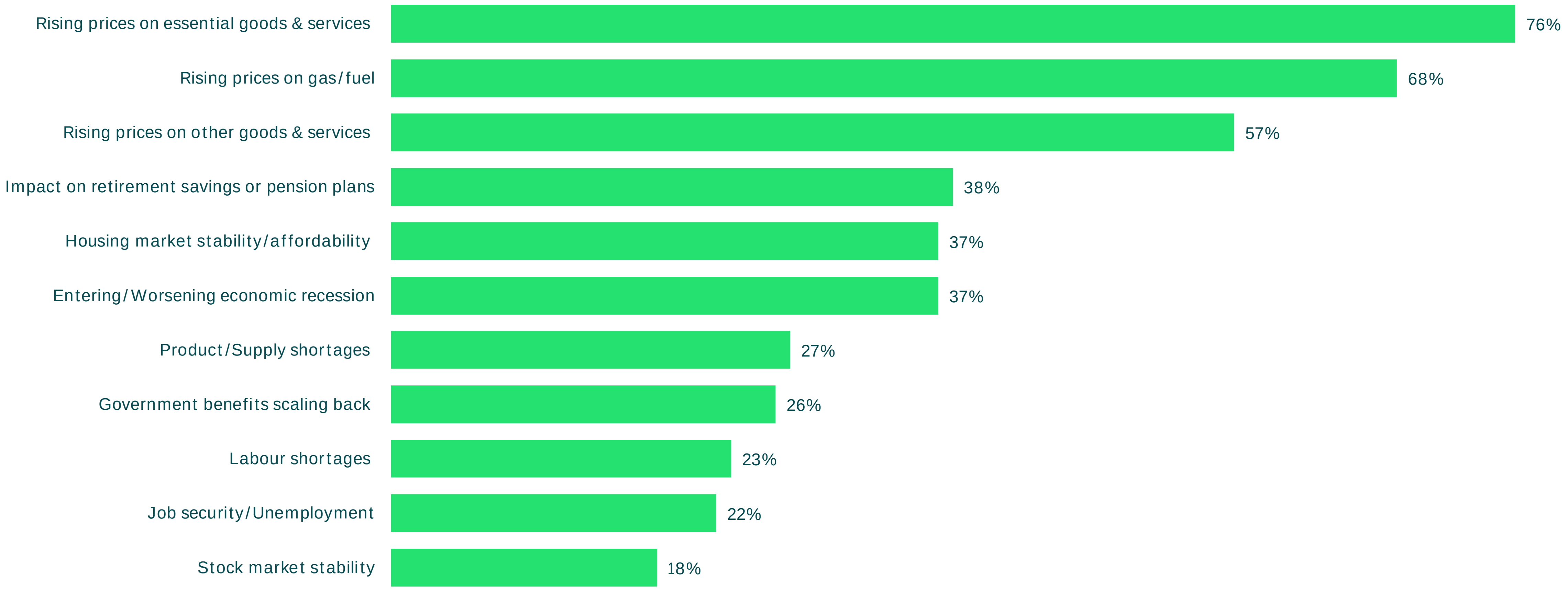
Rising prices on essentials remain top of mind for consumers

SPECIFIC CONCERNS

What specific concerns do you have regarding the economy?



Numerator Monthly Consumer Sentiment Study, 6/14/23 n=1,520

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How did these concerns translate into shopping decisions?

Total FMCG Overview, Ontario Shoppers, Q2 2023

- Ontarians spent slightly more per household on FMCG products in Q2, 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	SPEND PER TRIP	PURCHASE FREQUENCY
$2,371.3	$33.4	71.1
+0.5%	- 3%	+ 2.5

Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

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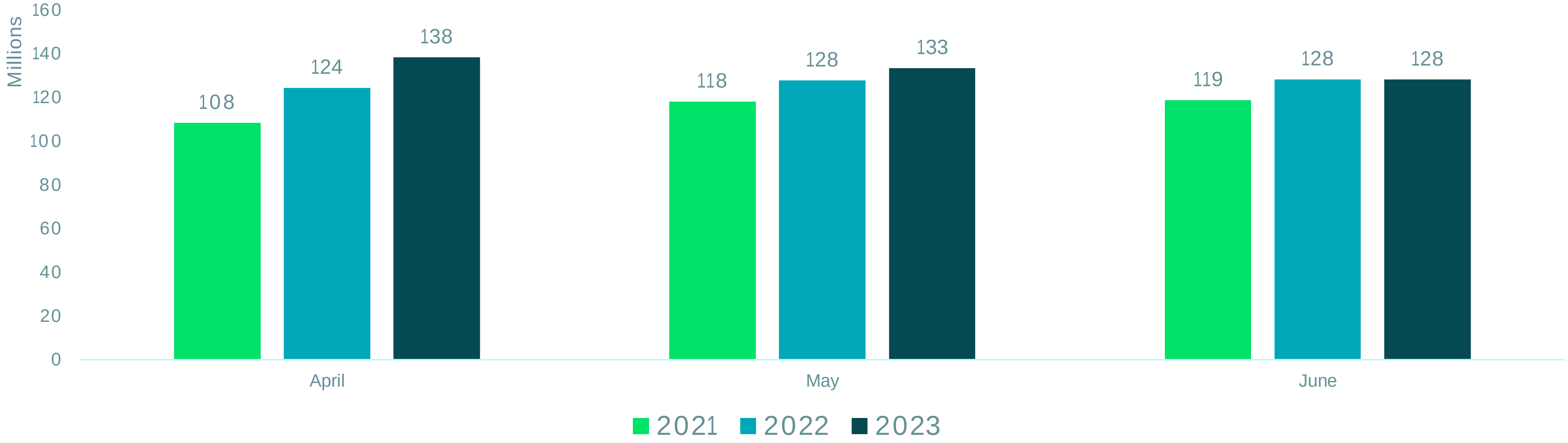
Overall FMCG Trips in Q2 2023 increased compared to the previous two years.

Q2 2023 trips were up 5% vs. Q2 2022, and up 16% vs. Q2 2021

FMCG Trips, Ontario Total Outlets by Month



Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

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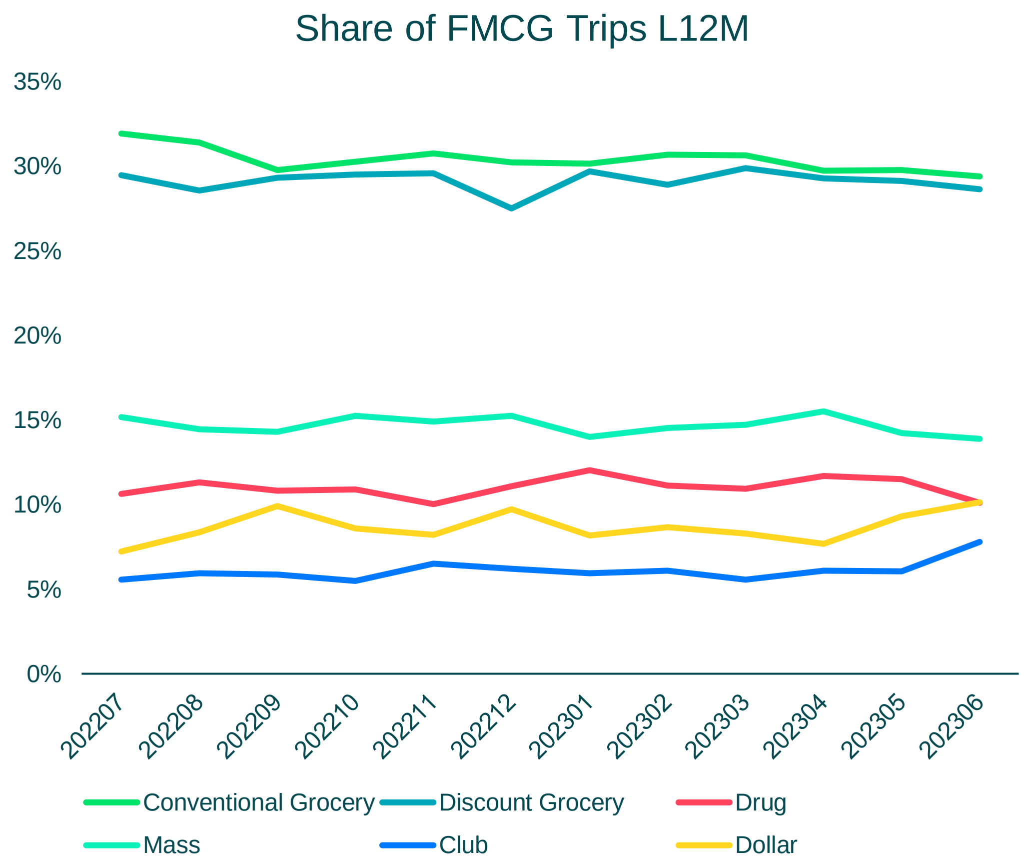
Even though Conventional and Discount continue to dominate trip choice for Ontarians, Club is rapidly growing its share of trips.



Q2 2023 Share of Trips, Index

Channel	vs 2021	vs 2022
Conventional	91	99
Discount	97	105
Drug	90	94
Mass (WM)	106	94
Club	129	113
Dollar	140	98

Source: Numerator Canada Insights, L24M ending 06/30/2023, Ontario Region

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More shoppers are moving to Club and Discount channel in the face of inflation. Ontarians had smaller baskest except for in the Club channel.

CONVENTIONAL

+0.4pt
Households

-0.1
Purchase Frequency (Trips per HH)

-5.8%
Basket Size

DISCOUNT

+0.2pt
Households

+0.9
Purchase Frequency (Trips per HH)

-7.0%
Basket Size

MASS

-1.1pt
Households

-0.4
Purchase Frequency (Trips per HH)

-9.7%
Basket Size

CLUB

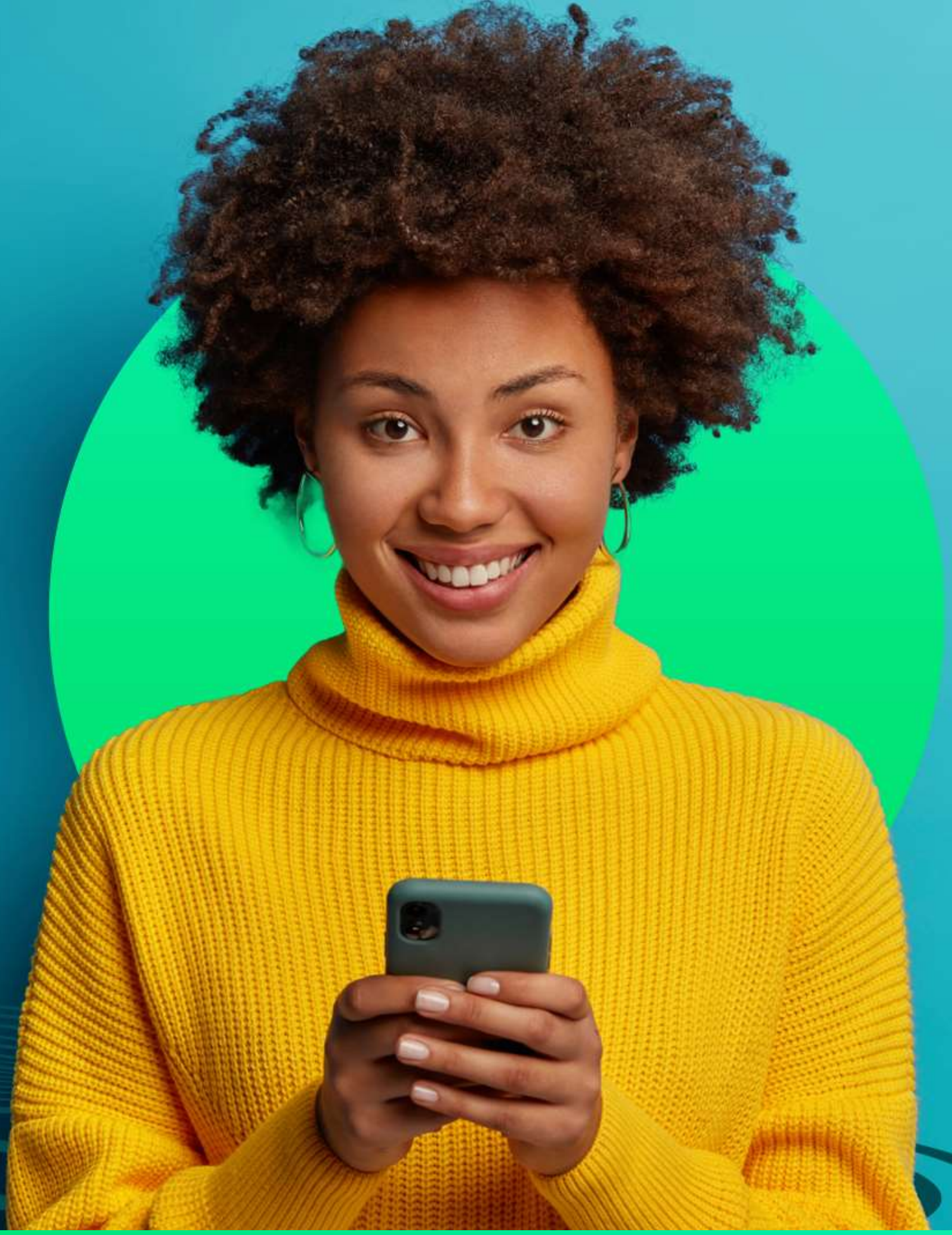
+3.7pt
Households

+0.4
Purchase Frequency (Trips per HH)

+0.2%
Basket Size

Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

How did Ontario **shoppers'** Produce purchase behaviour shift in Q2 2023?



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Total Produce Overview, Ontario Shoppers, Q2 2023

- Ontarians spent less per household on Produce in Q2.
- We saw a slight increase in the number of trips the average Ontario household made (purchase frequency). However, Ontarians' spent less per trip when compared with last year

BUY RATE

$280.3

-5.4%

SPEND PER TRIP

$11.61

-6.1%

PURCHASE FREQUENCY

24.1

+ 0.1

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Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

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

CONVENTIONAL

+2.1pt
Households

-0.3
Purchase Frequency (Trips per HH)

-7.6%
Spend per Trip

DISCOUNT

+0.3pt
Households

+0.5
Purchase Frequency (Trips per HH)

-7.4%
Spend per Trip

MASS

-1.9pt
Households

-0.5
Purchase Frequency (Trips per HH)

-6.6%
Spend per Trip

CLUB

-0.5pt
Households

+0.1
Purchase Frequency (Trips per HH)

-0.3%
Spend per Trip

Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

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Vegetable Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Tomatoes	83.5%	-1.4	$17.55	-2.6%	5.0	-0.3	$3.52	3.3%
Fresh Cucumber	78.4%	1.2	$12.43	4.6%	4.7	-0.3	$2.62	10.9%
Fresh Potatoes	76.6%	-4.1	$15.33	-0.2%	3.1	-0.2	$4.96	6.5%
Fresh Onions	72.8%	-2.1	$9.11	-13.2%	2.9	-0.3	$3.18	-2.0%
Fresh Peppers	71.3%	-2.0	$14.90	-6.1%	3.6	-0.4	$4.10	3.0%
Fresh Carrots	69.2%	0.4	$9.32	-2.7%	2.8	-0.2	$3.36	3.8%
Fresh Lettuce	68.3%	-1.8	$15.20	-8.5%	3.8	-0.2	$4.05	-2.5%
Fresh Mushrooms & Truffles	56.0%	-2.1	$11.74	-1.4%	3.1	-0.3	$3.77	7.7%
Salad Greens	53.1%	-3.1	$15.05	-2.1%	3.0	-0.2	$4.98	3.7%
Fresh Broccoli	49.9%	-4.7	$9.66	5.9%	2.7	-0.1	$3.60	12.4%
Fresh Celery	40.3%	-3.1	$8.30	15.2%	2.1	0.0	$3.96	17.9%
Fresh Cauliflower	37.6%	-5.3	$7.19	-6.2%	1.9	-0.3	$3.80	8.2%
Salad Kits	28.7%	-6.3	$18.52	4.7%	2.6	0.0	$7.23	5.3%

Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

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Fruit Scorecard

	HH Penetration		Buy Rate		Purchase Frequency		Spend per Trip	
Fresh Bananas	86.8%	-1.0	$13.16	-4.7%	7.8	-0.3	$1.68	-1.2%
Fresh Strawberries	73.8%	1.1	$21.79	-6.3%	4.1	-0.5	$5.28	4.8%
Fresh Apples	68.6%	-2.5	$19.53	-2.8%	3.6	-0.1	$5.49	2.1%
Fresh Blueberries	54.2%	4.8	$18.55	7.9%	3.5	0.2	$5.28	2.7%
Fresh Grapes	53.6%	-8.4	$17.08	-7.5%	2.6	-0.6	$6.67	15.1%
Fresh Lemons	43.9%	0.9	$7.63	-6.2%	2.2	-0.2	$3.51	2.2%
Fresh Oranges	40.1%	-2.0	$13.11	-12.0%	2.5	-0.3	$5.33	-0.5%
Fresh Clementines	39.5%	-0.1	$14.57	13.1%	2.5	0.0	$5.88	12.9%
Fresh Raspberries	38.9%	-6.2	$15.54	-1.1%	2.8	-0.4	$5.48	10.9%
Fresh Pears	36.8%	-0.2	$9.07	-11.0%	2.4	-0.2	$3.84	-2.4%
Fresh Pineapple	33.6%	-2.5	$8.28	5.0%	2.1	-0.1	$4.03	12.1%
Fresh Mangos	32.8%	2.2	$13.63	-12.5%	2.4	-0.3	$5.68	-3.3%
Fresh Limes	27.1%	-1.8	$5.40	-20.1%	1.9	-0.1	$2.78	-16.8%
Fresh Blackberries	25.8%	-2.8	$12.04	14.7%	2.4	-0.1	$5.06	21.1%

Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

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Surprise Winners & Losers

SALAD KITS	17.9% ↓	fewer households bought Salad Kits in Q2 2023 vs Q2 YAGO	*However, those who did purchase spent…*	4.7% ↑	more on Salad Kits
FRESH CUCUMBER	2% ↑	more households purchased Fresh Cucumber in Q2 2023 vs Q2 YAGO	*Those who did purchase spent…*	4.6% ↑	more on Fresh Cucumber
FRESH GRAPES	14% ↓	fewer households bought Fresh Grapes in Q2 2023 vs Q2 YAGO	*However, those who purchased spent…*	15.1% ↑	more on Fresh Grapes per trip

Source: Numerator Canada Insights, 04/01/2023-06/30/2023 vs YA, Ontario

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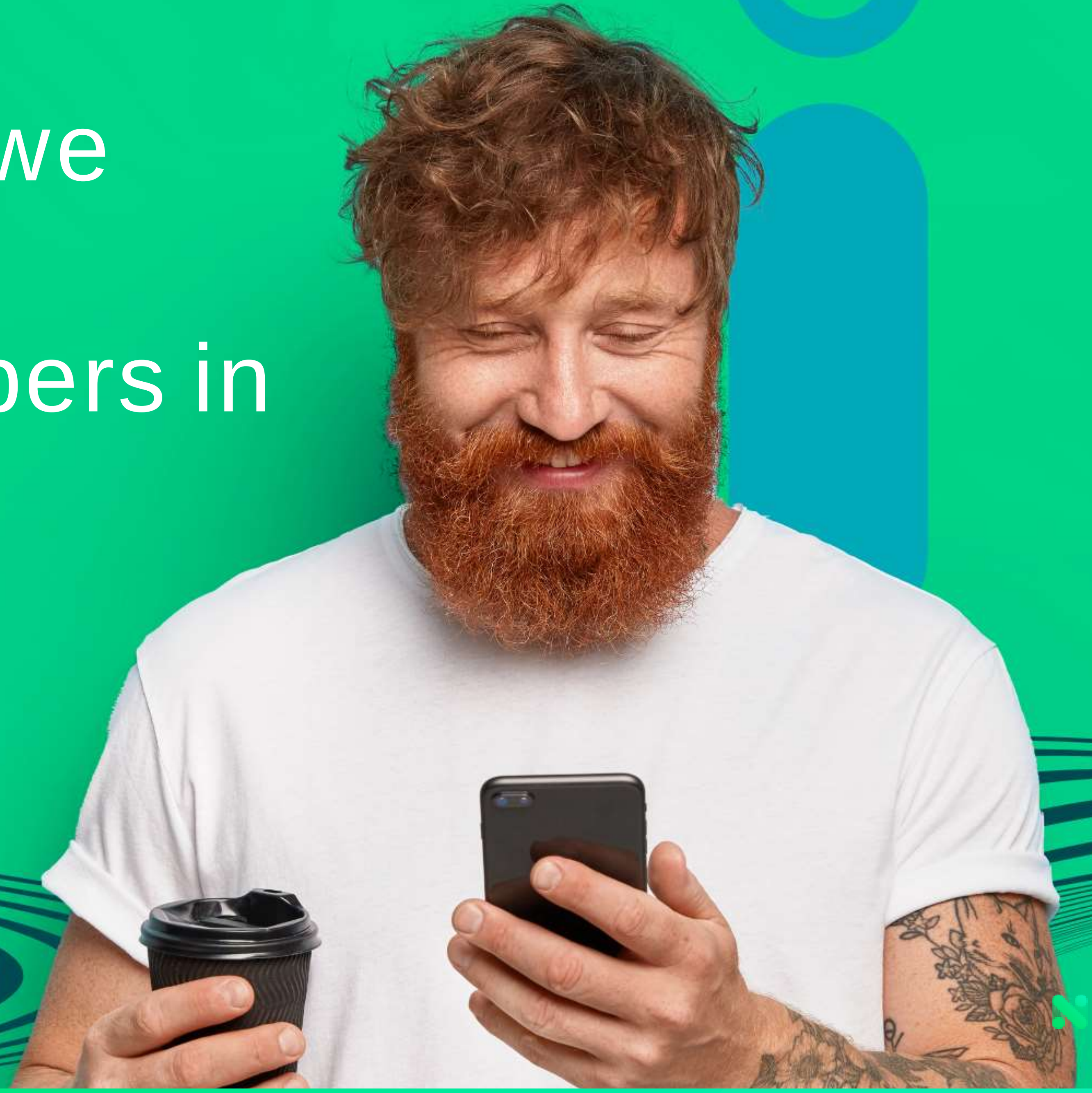
What should we expect from Ontario shoppers in the next few months?



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Prices on essentials & gas continue to fuel economic concerns

67%

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

65%

Think the Canadian economy will worsen in the next few months

75%

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...

15%

Reimposed or extended mask mandates

17%

Reimposed or extended travel restrictions

15%

Reimposed or extended gathering restrictions

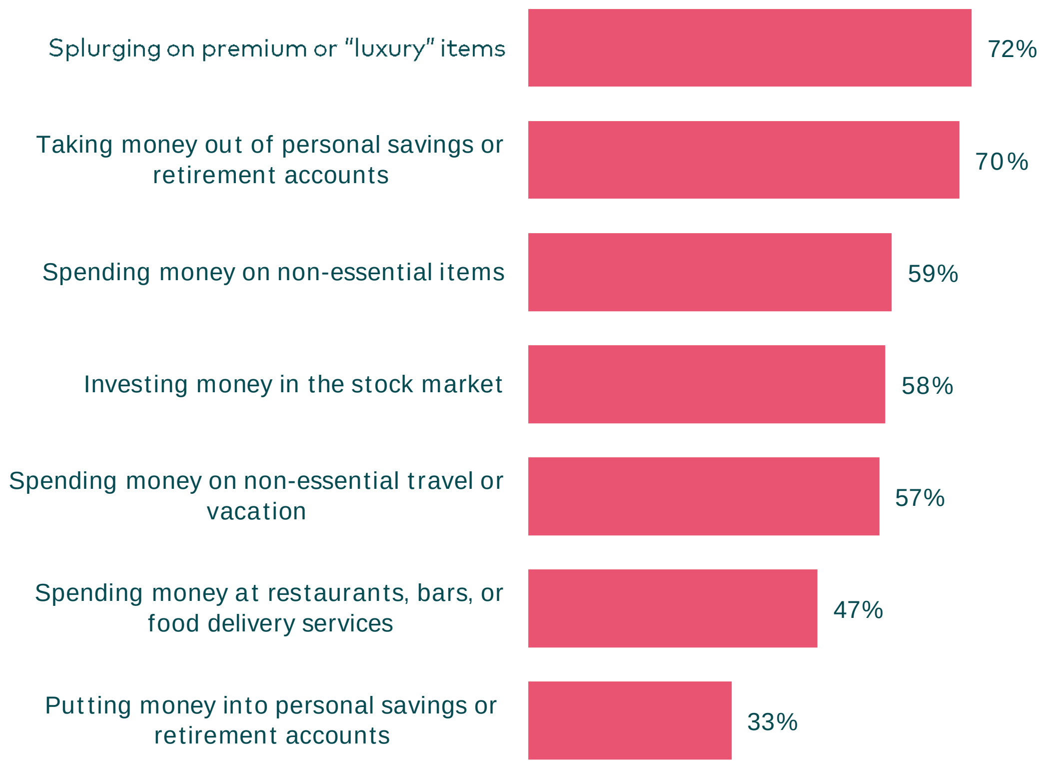
Numerator Monthly Consumer Sentiment Study, 6/14/23 n=1,520

Consumers are less comfortable with discretionary spending in June

SPENDING DISCOMFORT

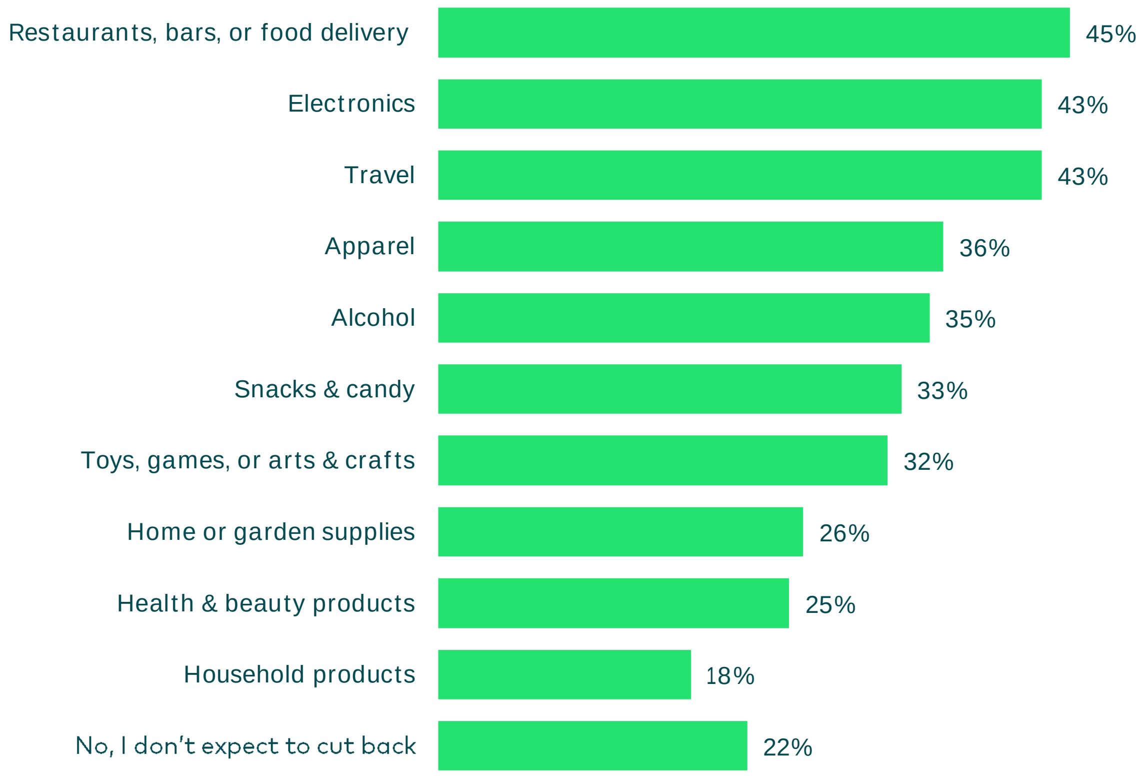
What is your current comfort level personally engaging in these activities / behaviours?

% 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)



Numerator Monthly Consumer Sentiment Study, 6/14/23 n=1,520

Q2 2023 Ontario Shopper Behaviour Summary

- Consumer financial concerns remains high, majority rate their level of concern as 8/10 or higher.
  - Consumers are most concerned about rising prices on gas and fuel and are uncomfortable with discretionary spending.
- Ontario shoppers made almost the same amount of trips for Produce but are spending less each trip.
  - Conventional 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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Know More. Grow More.

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

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?

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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

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

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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

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