



Trends on Consumer Behaviour in an Inflationary Market

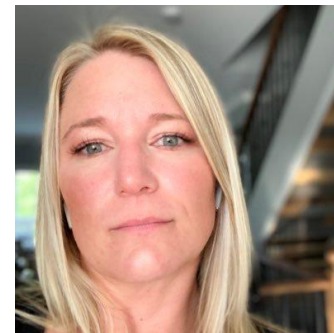
Sponsored by:



Make better decisions, faster, with access to rapid insights at every stage of the consumer journey



Who We Are



Sylvain Charlebois

The Food Professor

sylvain.charlebois@dal.ca



Agri-Food
Analytics Lab

Colleen Martin

Chief Revenue Officer

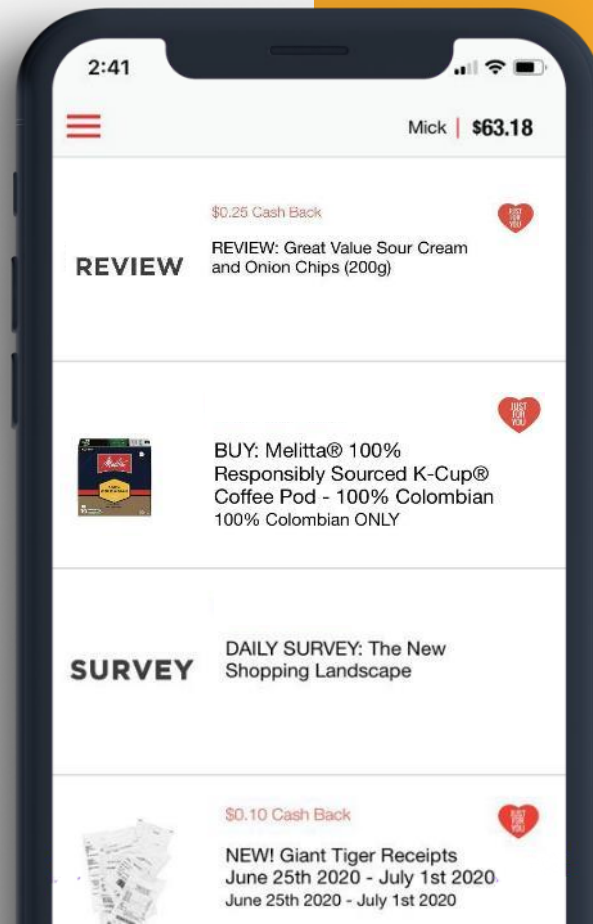
colleen.martin@caddle.ca



AskCaddle®

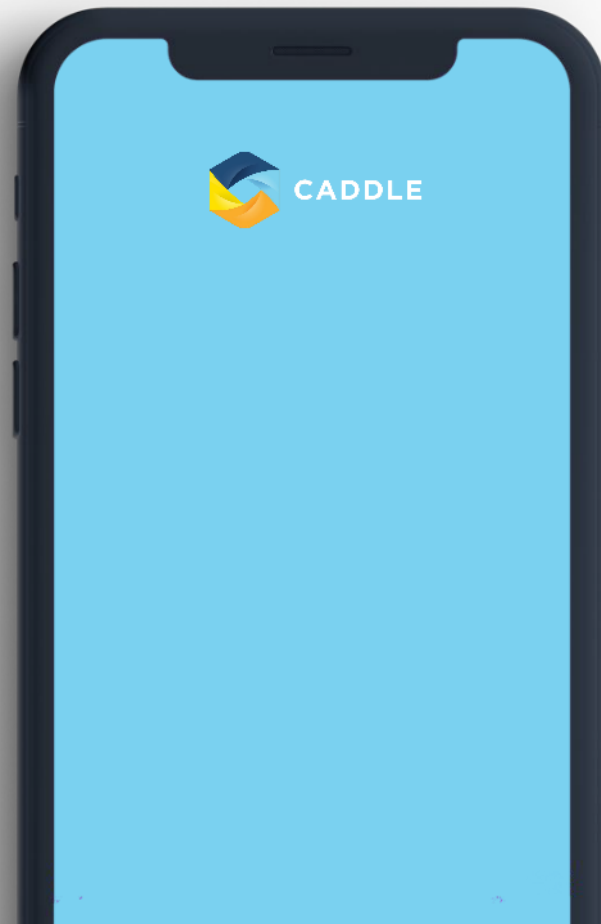
Caddle® is one of the largest, most diverse and daily active panel in the Canadian market. Our mobile-first insights platform rewards Canadians for sharing data and engaging with brands.

Caddle...the Voice of the Consumer!

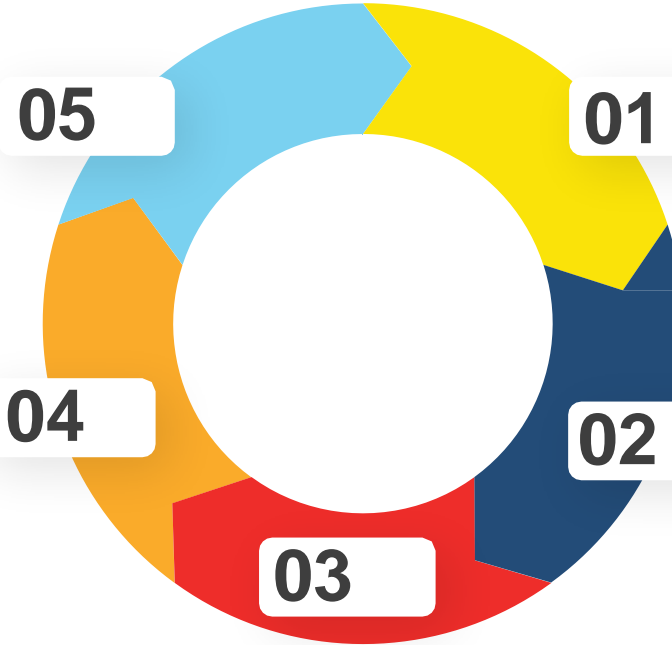


Methodology

- A representative survey of Canadians was conducted in October 2022 and repeated in January 2023 for comparison purposes.
- Sample sizes were $n=3,126$ and $n=3,132$ Canadians respectively.
- Grocery categories were the focus of this study.
- All data presented is owned by Caddle and has a Margin of Error of 1% or lower.



Key Findings



During the last three months: 94% of buyers have purchased more or the same amount of discounted products with expiry / best before dates within a few days of purchase

Past three months: Almost 53% of buyers have purchased more Private Label / Store Brands

92% of Canadians think that food is more expensive than it was three months ago

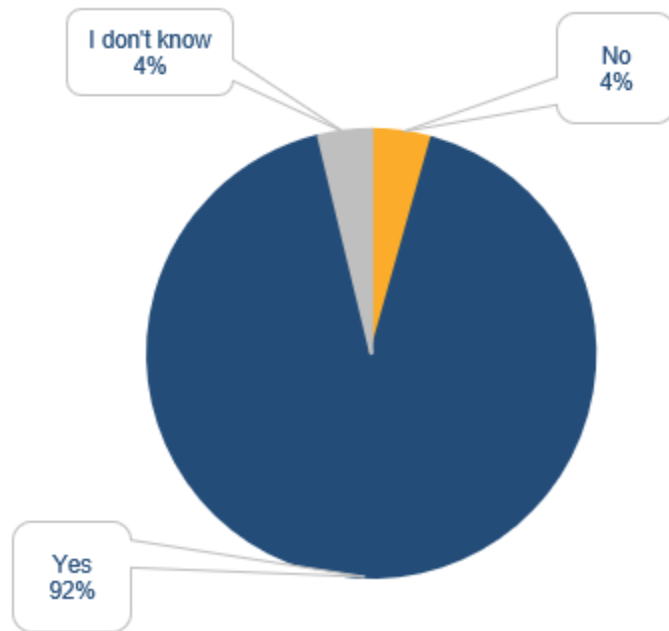
80% of Canadians think that meat products are more expensive than they were three months ago

61% of Canadians have reduced their meat purchases during the last three months due to increased prices.

**92% of
Canadians
think that
food is more
expensive
than it was
three months
ago**

- 95% of females think food is more expensive than it was three months ago.
- Canadian in these provinces are clearly noticing higher food prices
 - 96% in Alberta
 - 93% in Ontario

Do you think food is more expensive than it was three months ago?



Do you think food is more expensive than it was three months ago?

*Those who said 'Yes'

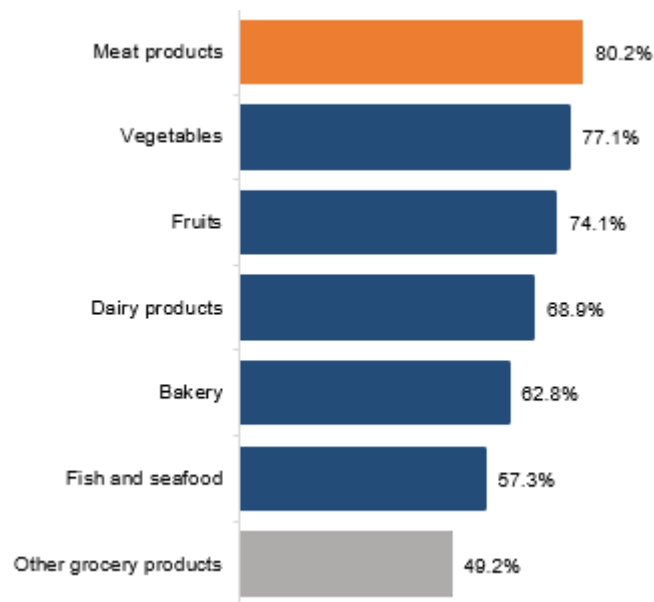
	Gen X	Gen Z	Baby Boomers
January 2023	95%	90%	95%
Vs Oct 22 Net Change	+4.3%	+5.9%	+2.2%

92% of all Canadians believe food prices are higher than 3 months ago

More than 80% of Canadians think that meat products are more expensive than they were three months ago

- 77% of Canadians consider vegetables are costlier.
- 74% of Canadians consider fruits are costlier.
- Almost 89% Canadians in Alberta think that meat products are more expensive than they were three months ago.
- Whereas 83% in Ontario have the same sentiment.

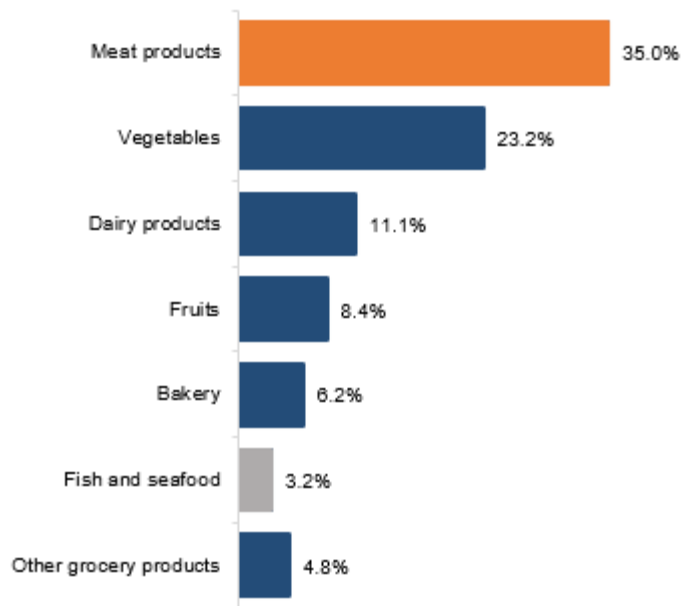
In your view, which food categories are now more expensive than three months ago?



35% of buyers think that in the past three months meat products prices has increased the most

- Vegetables is the 2nd category where 23.2 % of buyers think the price has increased the most in the last three months.
- 37% of buyers in Alberta and Ontario think that in past three months meat products price has increased the most. 38% of Quebecers agree.

In your view, what is the ONE food category which has increased the MOST in the last three months?



**In your view,
which food
categories
are now
more
expensive
than three
months ago?**

Product Category	Percentage Increase	
	Oct-22	Jan-23
Meat Products	76.9	80.2
Dairy Products	68.7	77.1
Fruits	68.6	74.1
Vegetables	68.1	68.9
Bakery	61.7	62.8
Fish and Seafood	56.0	57.3
Other Grocery Products	49.3	49.2

Contrary to popular perception, bakery products have recorded the highest increase in prices

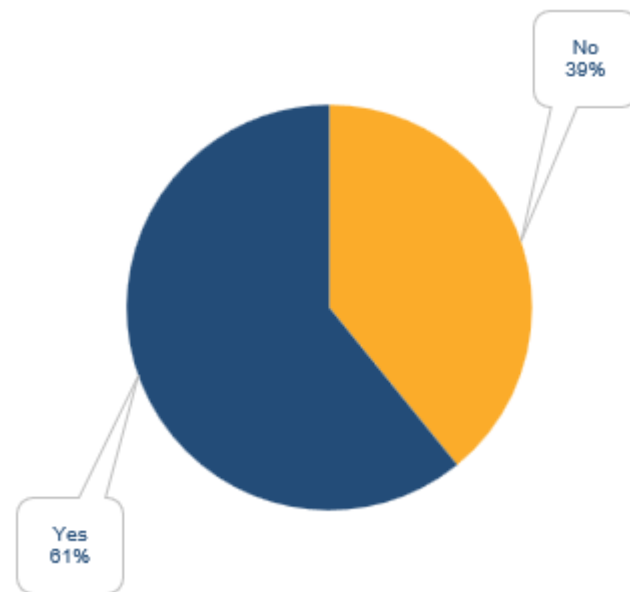
Year over Year inflation rates by category

Product Category	Percentage Increase (YoY)
Bakery	+14.7%
Vegetables	+13.7%
Dairy Products	+12.0%
Fruits	+9.7%
Fish	+8.3%
Meat	+6.0%

61% of Canadians have reduced purchases of meat products during the last three months due to higher prices.

	Reduced purchase of meat products due to higher price	
Generation	Yes %	No %
Greatest Gen	40	60
Baby Boomers	65	35
Gen X	61	39
Millennials	64	36
Gen Z	53	47

Have you reduced your meat purchases during the last three months due to higher prices?

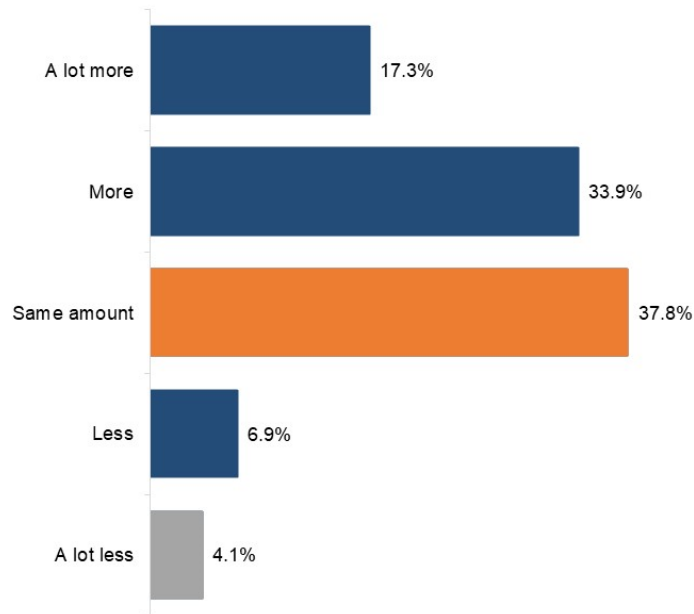


If people are not willing to buy meat, what are they buying more of?
We asked our Daily Ommi Panel in October 2022

And the winner is produce!

- Almost 51% reported buying more produce as compared to last year due to increasing meat prices.
- People also favoured dairy products as a good substitute for animal proteins.
- To replace fresh meat, people turn to the freezer aisle and are buying more of frozen products.

This year, have you spent more or less on fresh produce? (n=9046)



Shift to Private Label / Store Brands



Private Label / Store brand over the national label, a shift in behavior to monitor

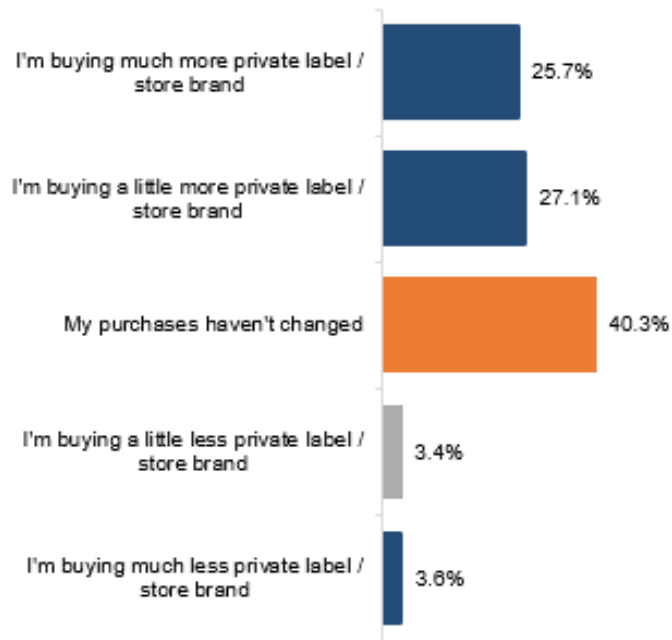
- 58.2% of Canadians are buying more store brands/private labels, not a surprise, but a trend to watch moving forward

Almost 53% of buyers have purchased more store brands/ private labels in the last three months

- 40.3% of buyers' have made the same purchases of store brands / private labels.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
I'm buying much more private label/store brand	22.3	25.7
I'm buying little more private label/store brand	24.1	27.1
My purchases have not changed	46.6	40.3

Which best describes your purchases of grocery store brands / private labels (instead of national brands) in the last three months?



Overall Behavioural Trends



Consumers are adapting in an inflationary market

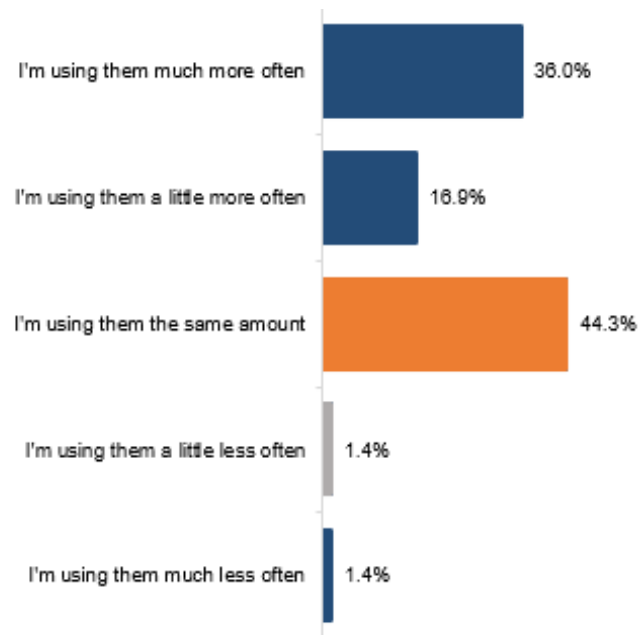
- Consumers are buying less animal protein as a way to save, 61% of consumers are buying less meat, that's a lot.
- Coupons (52.9%) and flyers (45.7%) are the most popular methods to save.
- Despite higher food prices, the minority of shoppers see expiry dates as an opportunity to save, 46.6% for expiry date deals and 35.9% for “enjoy tonight” deals. These percentages are lower than expected.
- Calculators are shoppers' best friends. It appears that more and more are collecting data in real-time while shopping.

Almost 53% of buyers have used weekly grocery flyers more often for deals and savings in the last three months

- 44.3% of buyers have used the same amount of weekly flyers for deals and savings in the last three months.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
I'm using them much more often	33.0	36.0
I'm using them little more often	16.5	16.9
I'm using them the same amount	45.9	44.3

Which describes your use of weekly grocery flyers for deals and savings in the last three months?

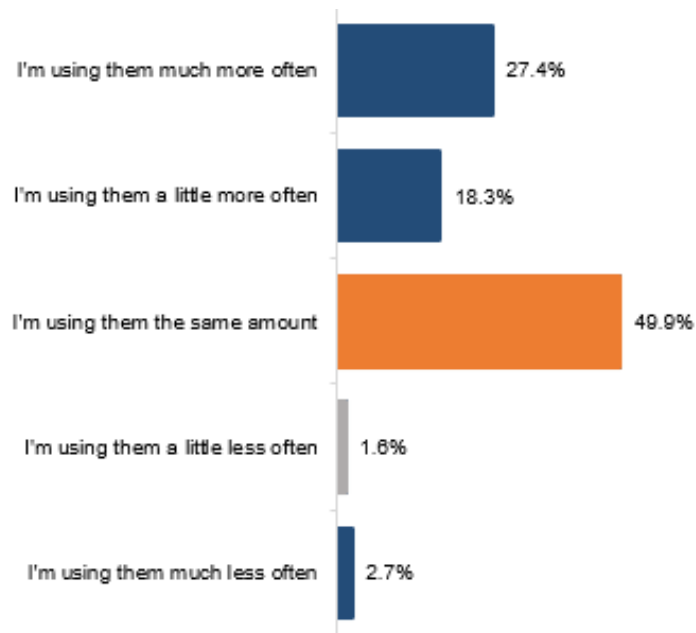


Almost 46% of buyers used coupons or e-coupons more often for groceries in last three months

- Almost 50% of buyers have used the same amount of coupons or e-coupons for groceries in the last three months.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
I'm using them much more often	26.5	27.4
I'm using them little more often	20.7	16.3
I'm using them the same amount	47.7	49.9

Which describes your use of coupons or e- coupons for groceries in last three months?

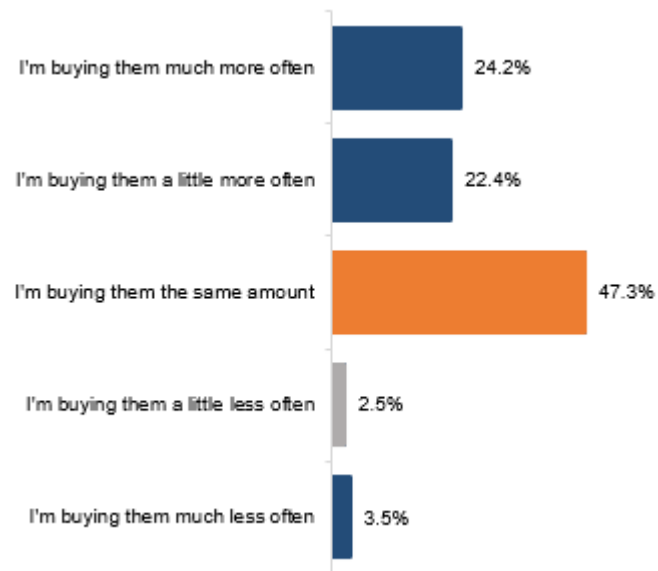


Over 46% of buyers have purchased discounted products more often with expiry / best-before dates within a few days of purchase

- Over 54% of Gen Z buyers have purchased more often discounted products with expiry / best-before dates within a few days of purchase in the last three months.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
I'm buying them much more often	22.0	24.2
I'm buying them little more often	23.4	22.4
I'm buying them the same amount	49.3	47.3

Which best describes your purchases of discounted products with expiry / best-before dates within a few days of purchase in the last three months?

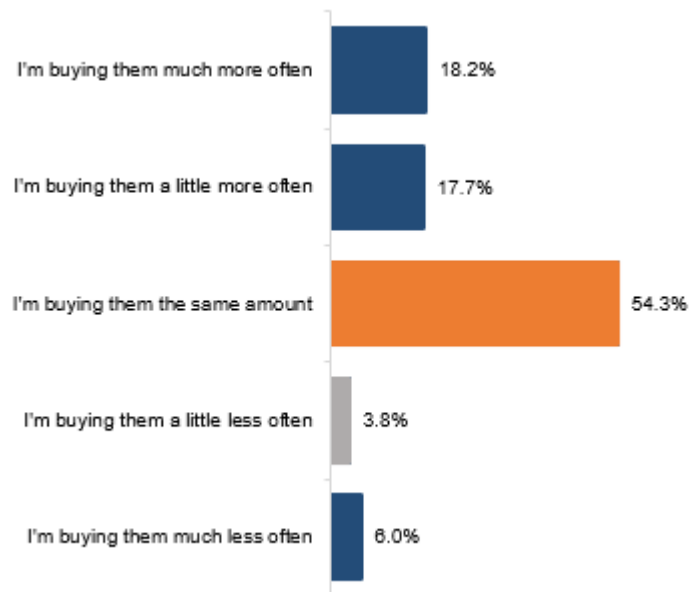


36% of buyers purchased more products labelled “Enjoy Tonight” in last three months

- 54.3% of buyers purchased the same amount of products labelled “Enjoy Tonight” in last three months.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
I'm buying them much more often	16.6	18.2
I'm buying them little more often	17.3	17.7
I'm buying them the same amount	56	54.3

Which best describes your purchases of products labelled “Enjoy Tonight” in the last three months?

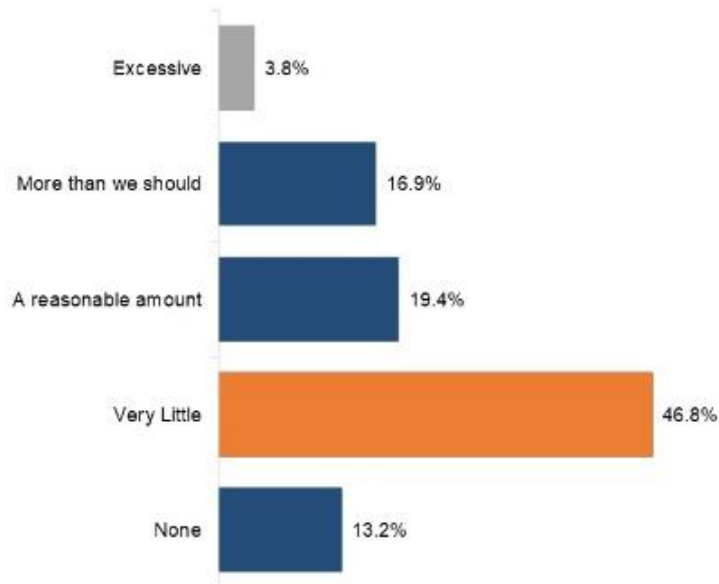


Let's talk about food waste

21% of households are throwing away “more than a reasonable” amount of food each week

- Its estimated that on average, households waste at least 20% of the food they buy
- 17% of households throw away more than this average
- And compared to last year, 14% of households estimate that they are throwing away MORE than last year.
- Expiring food in the fridge, leftovers/food left on the plate and buying too much food are the TOP 3 reasons for this waste
- From the food that goes bad in the fridge, vegetables, fruit, dairy and baked goods are the top 4 categories that are wasted each week

How much food would you say that your household usually throws away each week?
(n=8870)

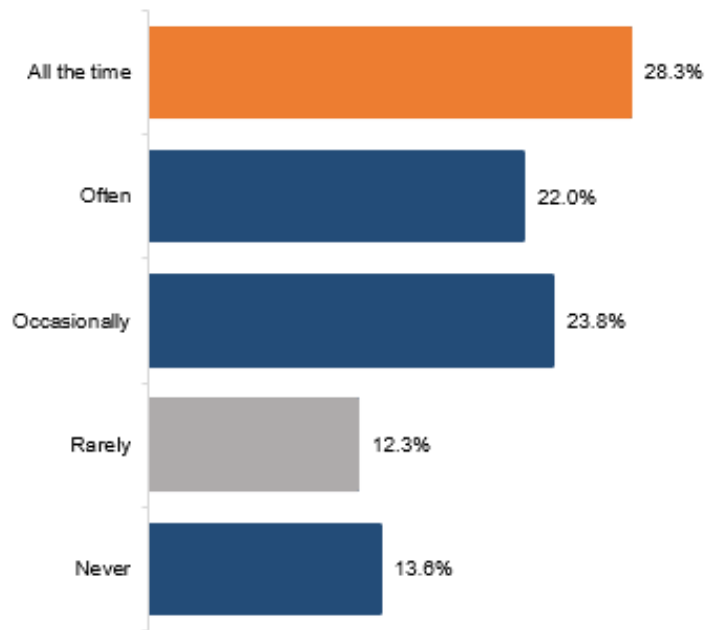


28% of buyers used their phones “all the time” while in the store to check the prices of similar products at other stores.

- 22% of buyers “often” used their phones while in the store.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
All the time	28.2	28.3
Often	21.2	22.0
Occasionally	22.5	23.8
Rarely	14.0	12.3
Never	14.0	13.6

Do you use your phone while in the store to check the prices of similar products at other stores?

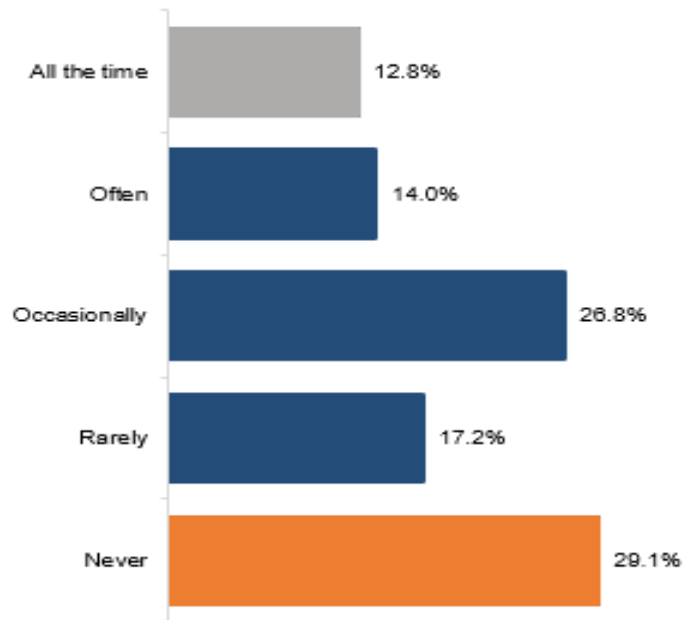


Almost 13 % of buyers “always” use a calculator when grocery shopping

- 14% of buyers “often” use a calculator when grocery shopping.
- 27% of buyers “occasionally” use a calculator when grocery shopping.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
All the time	16.1	12.8
Often	15.5	14.0
Occasionally	24.2	26.8
Rarely	14.9	17.2
Never	29.3	29.1

Do you use a calculator when grocery shopping?

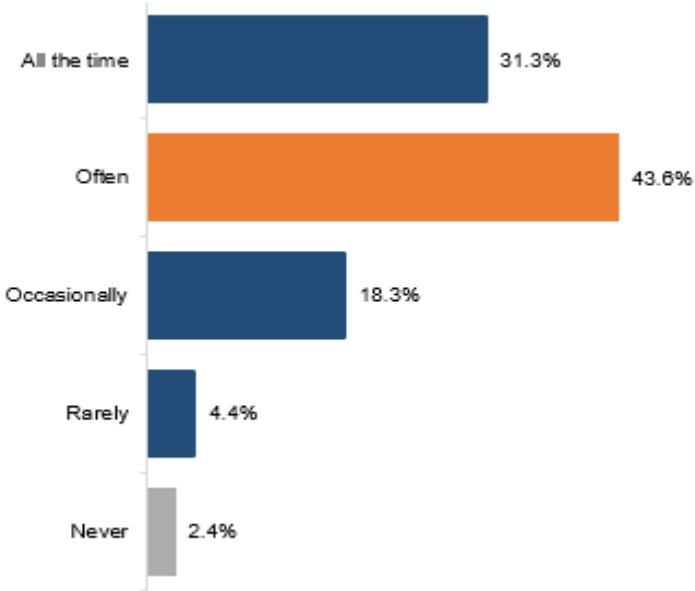


31% of buyers know “all the time” how much they should be paying for any food product before they enter the grocery store.

- 46% of buyers “often” know how much they should be paying for any food product before they enter the grocery store.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
All the time	30.7	31.3
Often	41.5	43.6
Occasionally	19.8	18.3
Rarely	5.5	4.4
Never	2.5	2.4

Do you typically know how much you should be paying for any food product before you enter the grocery store?

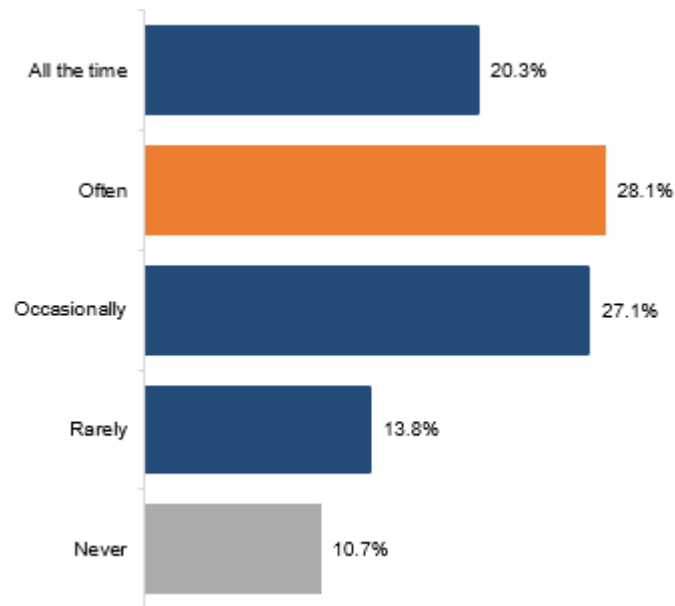


20% of buyers follow a budget when grocery shopping “all the time”.

- 28% of buyers “often” follow a budget when grocery shopping and are open to ‘negotiating’ while grocery shopping.
- 48.4% state that they budget, and 27.1% say they budget occasionally.

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
All the time	24.1	20.3
Often	29.9	28.1
Occasionally	26.3	27.1
Rarely	15.3	13.8
Never	9.4	10.7

Do you follow a budget when grocery shopping ?

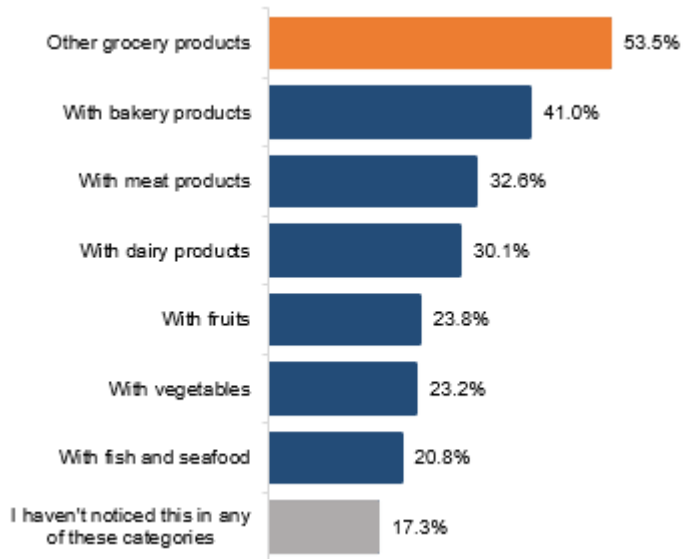


53.5% of buyers noticed that there is a reduction in size/volume/quantity of “other grocery products” for a similar price from three months ago

- Consumers are noticing shrinkflation

Comparison with Oct- 22	Oct-22	Jan-23
Description	%	%
Other Grocery Products	50.1	53.5
With Bakery Products	42.7	41.0
With Meat Products	29.8	32.6
With Dairy Products	29.4	30.1
With fruits	21.9	23.8
With Vegetables	21.6	23.2
With fish and Seafood	20.8	20.8
I haven't noticed this in any of these category	16.0	17.3

Have you noticed a reduction in product size/volume/quantity for a similar price from three months ago in any of the following categories?



Want to dig into the data? Let's talk insights.



Colleen Martin
Chief Revenue Officer
colleen.martin@caddle.ca

