

RCC Member Exclusive Consumer Pulse Report

Is a Post-COVID-19 Category Correction in the Cards?

With widespread uncertainty about health, wealth, employment and more, the COVID-19 pandemic has had a profound effect on Canadian consumers' lives from coast to coast.

Lockdowns, social distancing and other restrictions have changed the way consumers find, compare, and make purchases on everything from the food they eat, the ways they get around, and how they keep themselves busy. So much so that seven in ten Canadians now shop online. And, more than a quarter of online shoppers anticipate shopping online more over the next twelve months.

Retailers have had to make tough decisions in order to pivot their processes and products over the last 20 months to adjust to consumers' buying behaviour changes.

Yet, we know some retail categories fared better amid the turbulence than others. For instance, eCommerce-friendly and generally low-investment products in *Toys*, *Fast Food*, and *Books* verticals dominated online sales during the pandemic and are expected to continue to drive solid online sales into 2022.

Meanwhile, other verticals' in-store sales suffered during the pandemic (e.g., *Shoes*, *Automobiles*, *Home/Interior*) and may still experience a course-correction, gaining back some in-store sales once the pandemic subsides in the new year. Still, verticals like *Clothes*, *Toys*, and *Fast Food* are unlikely to return to the same rate of in-store traffic as they experienced before the COVID-19 pandemic hit.

About the Study

Caddle teamed up with Retail Council of Canada (RCC) to study the effects of the COVID-19 pandemic on Canadian consumer spending behaviour in 14 different retail verticals (see page 2 for a complete list).

This report provides a comprehensive overview of trends in these retail verticals from pre-COVID-19 through the height of the pandemic and into the post-pandemic phase (2022 and beyond).

Looking for more detail in a particular vertical? Or want to go deeper into the data? [Ask Caddle!](#)

What to Expect in 2022

***Food*, *Fast Food*, and *Essentials* will continue to dominate both in-store and online.**

- These three categories were the most frequently purchased during the pandemic (monthly, if not more often) and are expected to continue at elevated levels into the new year.

Online shopping will remain strong across all verticals, but especially *Toys*, *Fast Food*, and *Books*.

- As expected, online shopping increased considerably during the pandemic for all retail categories.
- Among the verticals with the greatest increase in online purchases during the pandemic, *Toys*, *Fast Food*, and *Books* are likely to continue to experience increased online activity in 2022.

***Accessories* is the only vertical projected to eclipse pre-pandemic in-store shopping rates in the new year.**

- All retail categories are expected to see an increase in in-store shopping from the deflated levels experienced during the pandemic.
- However, *Clothes*, *Toys*, and *Fast Food* verticals are expected to rebound the least in-store in 2022.

Retail Categories Studied



Accessories (e.g.,
jewelry, handbags)
n = 8,112



Automobiles (includes
four-wheel vehicles)
n = 8,411



Books (eBooks
or physical)
n = 8,552



Clothes
n = 8,425



Essentials (e.g.,
toilet paper)
n = 8,633



Fast Food (quick-service
and takeout, no sit-down
options)
n = 8,315



Food (grocery purchases and
restaurants with
sit-down options)
n = 8,514



Home/Interior (e.g.,
home decor)
n = 8,318



Personal Hobbies
(i.e., equipment for
leisure activities)
n = 8,538



Renovation (i.e.,
home improvement)
n = 8,818



Shoes
n = 8,520



Sporting Goods
n = 8,282



Technology (e.g.,
computers)
n = 8,748



Toys
n = 8,067

Retail Council of Canada Study. Data collected Oct. 1–Oct. 18, 2021. Average survey size: n = 8,439.













Most Purchased Product Categories

Pandemic or not, people have to eat

Perhaps unsurprisingly, edible products top the ranking for most purchased retail categories during the pandemic (see Table 1 in Appendix for age breakdown). In particular:

- *Food* ranks #1 for products purchased on a “weekly or more often” basis.
- *Fast Food* ranks #2 for the General Population, though it’s relatively lower than *Food* when purchased “weekly or more often” and tends to be purchased by more consumers “a few times per month.”
- The next-most purchased products come from the *Essentials* vertical—ranked third-most purchased “weekly or more often” by Gen Zers and Gen Xers, and among the Top 3 for the General Population when purchased “a few times per month.”

Most and Least Purchased Product Categories During the Pandemic

<i>Weekly or More</i>	<i>Few Times Per Month</i>	<i>Rarely</i>	<i>Never</i>
 Food 60.1%	 Food 19.5%	 Shoes 70.8%	 Sporting Goods 36.7%
 Fast Food 15.8%	 Fast Food 26.0%	 Technology 66.8%	 Accessories 43.3%
 Essentials 7.3%	 Essentials 23.8%	 Home/Interior 62.7%	 Toys 39.0%

In contrast, non-essential goods (i.e., items that consumers can either make do with what they have or that they don’t use often/at all) tend to be purchased on a much less frequent basis by all age groups, but especially Baby Boomers and Gen Xers (see Table 2 in Appendix for age breakdown).

Notable Outliers

- *Essentials* – 11.8% of Gen Zers and 7.5% of Gen Xers purchase “weekly or more”
- *Personal Hobbies* – 10.3% of Millennials purchase “weekly or more”
- *Books* – 4.5% of Baby Boomers purchase “weekly or more”

Online Shopping Behaviour—Pre- to During to Post-Pandemic

The shift to online will continue in multiple categories

More Canadian consumers of all walks of life took to eCommerce to fulfill their shopping needs during the pandemic, and all 14 retail categories experienced increased levels of online shopping as a result (see Chart 1).

Six verticals in particular experienced the greatest increases in online shopping from pre-pandemic levels: *Clothes, Fast Food, Shoes, Toys, Accessories, and Books*.

Several factors likely came into play in the success of online in these categories:

1. Retailers in these categories were already well suited to pivot to an online world and likely already had established eCommerce capabilities that they could bolster to support increased online sales and distribution.
2. Widespread lockdowns brought sit-down out-of-home dining to a complete stop for months on end and necessitated a major pivot on the part of both restaurateurs and consumers to takeout food services.
3. All five of the top categories could be considered small indulgences that may have helped Canadians get through the darker days of the pandemic.

Looking ahead to 2022, the majority of retail categories can expect online shopping levels to return to pre-pandemic rates, with the exception of some of the fastest-moving product categories among RCC's 14 verticals—notably, *Toys, Fast Food, Books, Food, and Personal Hobbies* (see Table 3).

Chart 1: Online Shopping Behaviour—Pre-, During and Post-Pandemic (projected)

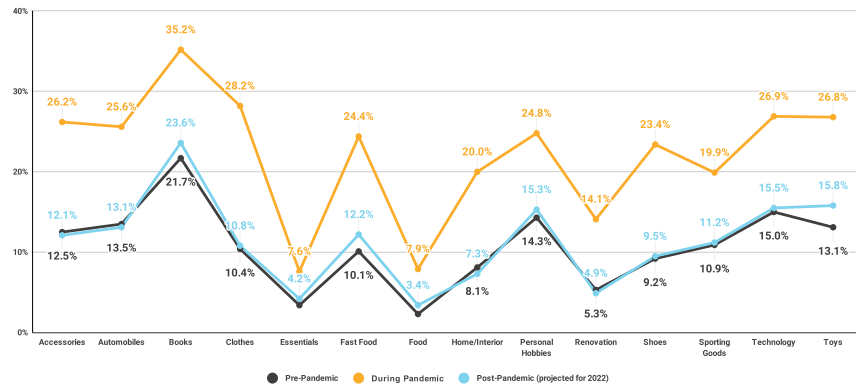


Table 3: Projected Online Shopping Propensity by Category—Pre-Pandemic through Post-Pandemic (projected)

Category	Net Change	Category	Net Change
Toys	2.7	Clothes	0.4
Fast Food	2.1	Sporting Goods	0.3
Books	1.9	Shoes	0.3
Food	1.1	Accessories	-0.4
Personal Hobbies	1	Automobiles	-0.4
Essentials	0.8	Renovation	-0.4
Technology	0.5	Home/Interior	-0.8

In-Store Shopping Behaviour—Pre- to During to Post-Pandemic

In-store took a hit during COVID-19 but will see some recovery in 2022

The five categories with the most significant drop in in-store shopping levels during the pandemic include: *Clothes, Fast Food, Shoes, Automobile, and Home/Interior* (see Chart 2).

These are noteworthy for two important reasons:

- The verticals with the most significant drops—*Clothes, Fast Food, and Shoes*—also experienced the greatest increases in online sales. This suggests that consumer interest in these verticals continued even under pandemic-driven restrictions and, as discussed above, retailers in these categories had likely already established eCommerce capabilities or were able to pivot quickly to take advantage of the broadening interest in their products.
- *Automobiles* and *Home/Interior*, on the other hand, were middling in terms of online sales decreases, likely because they are the types of items that cost significant money and therefore, more people may wish to “try before they buy.”

Looking ahead, all retail categories are expected to see increased rates of in-store shopping from the levels experienced during the pandemic. However, only one category is projected to eclipse pre-pandemic in-store shopping rates in 2022—specifically, *Accessories* (see Table 4).

Meanwhile, three verticals will see the most significant decreases—*Clothes, Toys, and Fast Food*—perhaps signalling decreased appetite for in-person, “shop ‘til you drop”-type retail therapy in the new year.

Chart 2: In-Store Shopping Behaviour—Pre-, During and Post-Pandemic (projected)

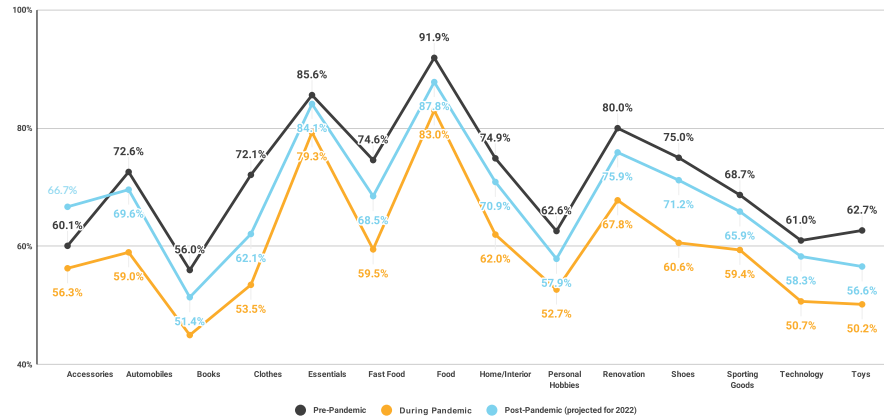


Table 4: Projected In-Store Shopping Propensity by Category—Pre-Pandemic through Post-Pandemic

Category	Net Change	Category	Net Change
Accessories	+6.6	Food	-4.1
Essentials	-1.5	Renovation	-4.1
Technology	-2.7	Books	-4.6
Sporting Goods	-2.8	Personal Hobbies	-4.7
Automobiles	-3.0	Fast Food	-6.1
Shoes	-3.8	Toys	-6.1
Home/Interior	-4.0	Clothes	-10

Conclusion

Based on consumer spending behaviour, it's possible to project ups and downs in the retail sector moving forward. So, on the one hand, all 14 of the verticals we studied can expect some degree of course-correction to in-store shopping levels in the new year. On the other hand, retailers that are most able to cater to consumers' interest in eCommerce-friendly, low-investment and high-reward purchases (notably in *Toys, Fast Food, Books, and Accessories* verticals) can expect continued success in online sales in a post-pandemic world.

More than ever, however, it will be vitally important that retailers stay proactive, especially as the fight against COVID-19 and its effects on consumer behaviour continue to evolve. With headlines warning of longer-term economic and operational consequences of the pandemic to come—from inflation and rising food prices to labour shortages and supply chain issues—the cards have by no means been fully dealt within Canada's retail sector.

Together, RCC and Caddle plan to keep our sights set on consumer intent for 2022, while taking the pulse of Canadian shoppers every step of the way through their consumer journey.

About Caddle

Make better decisions, faster, with access to rapid insights at every stage of the consumer journey. Caddle is the largest daily and monthly active panel in the Canadian market. Our mobile-first insights platform rewards Canadians for sharing data and engaging with brands.

Learn more at askcaddle.com.

About Retail Council of Canada (RCC)

RCC's mission is to advance the interests of the retail industry through effective advocacy, communications and education. We are unapologetic about our passion for small, mid- and large-sized retailers across Canada. We are proud to represent the country's largest private sector employer—supporting over 2 million Canadians and contributing to the economic health and well-being of our communities from coast to coast.

Learn more at retailcouncil.org.

**Disclaimer: All data presented is owned by Caddle and has a Margin of Error of 1% or lower.*

Appendix

Table 1: 3 Most Frequently Purchased Retail Categories by Age

















































Baby Boomers (1946-1964)		Gen X (1965-1980)		Millennials (1981-1996)		Gen Z (1997-2005)	
Weekly or More	Few Times Per Month	Weekly or More	Few Times Per Month	Weekly or More	Few Times Per Month	Weekly or More	Few Times Per Month
 Food 65.3%	 Essentials 22.0%	 Food 63.1%	 Fast Food 29.2%	 Food 56.2%	 Fast Food 31.8%	 Food 48.0%	 Fast Food 29.7%
 Fast Food 11.4%	 Fast Food 18.1%	 Fast Food 17.7%	 Essentials 24.2%	 Fast Food 18.7%	 Essentials 26.0%	 Fast Food 18.1%	 Food 26.1%
 Books 4.5%	 Food 15.7%	 Essentials 7.5%	 Food 17.7%	 Personal Hobbies 10.3%	 Food 23.1%	 Essentials 11.8%	 Essentials 23.9%

Table 2: 3 Least Frequently Purchased Retail Categories by Age

Baby Boomers (1946-1964)		Gen X (1965-1980)		Millennials (1981-1996)		Gen Z (1997-2005)	
Rarely	Never	Rarely	Never	Rarely	Never	Rarely	Never
 Shoes 80.2%	 Toys 46.4%	 Shoes 71.8%	 Accessories 42.5%	 Shoes 63.6%	 Accessories 40.6%	 Shoes 53.5%	 Toys 42.9%
 Technology 76.8%	 Accessories 45.4%	 Technology 68.1%	 Toys 35.5%	 Technology 60.2%	 Toys 29.4%	 Technology 50.2%	 Accessories 40.9%
 Home/Interior 72.8%	 Sporting Goods 42.5%	 Home/Interior 64.2%	 Sporting Goods 33.6%	 Home/Interior 54.6%	 Books 24.7%	 Home/Interior 45.2%	 Sporting Goods 36.2%