



Last Mile Delivery

Price wars driving online shopping
and delivery in Canada



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

Agenda

01 Online Shopping in Canada

02 Winners and Losers:
Product Categories

03 Winner and Losers:
Retailers

04 The Last Mile: Direct to
Doorstep

05 Future Outlook



Who We Are



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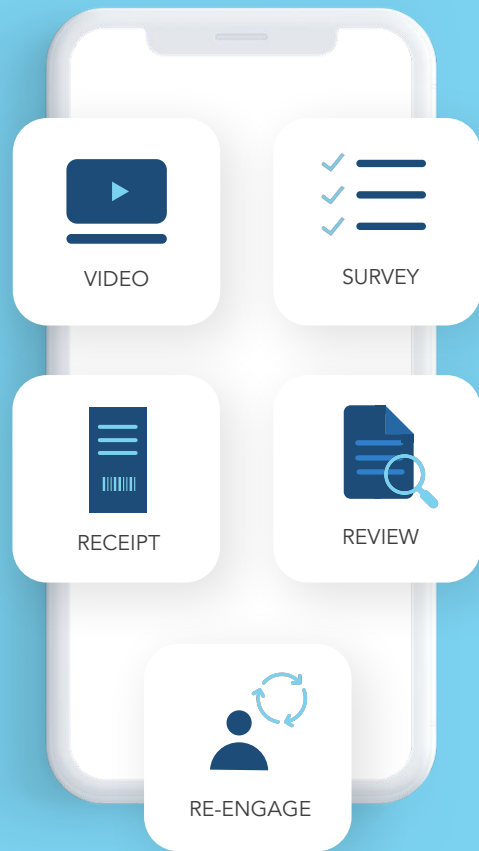


How It Works

Caddle® is the largest daily and monthly active panel in the Canadian market.

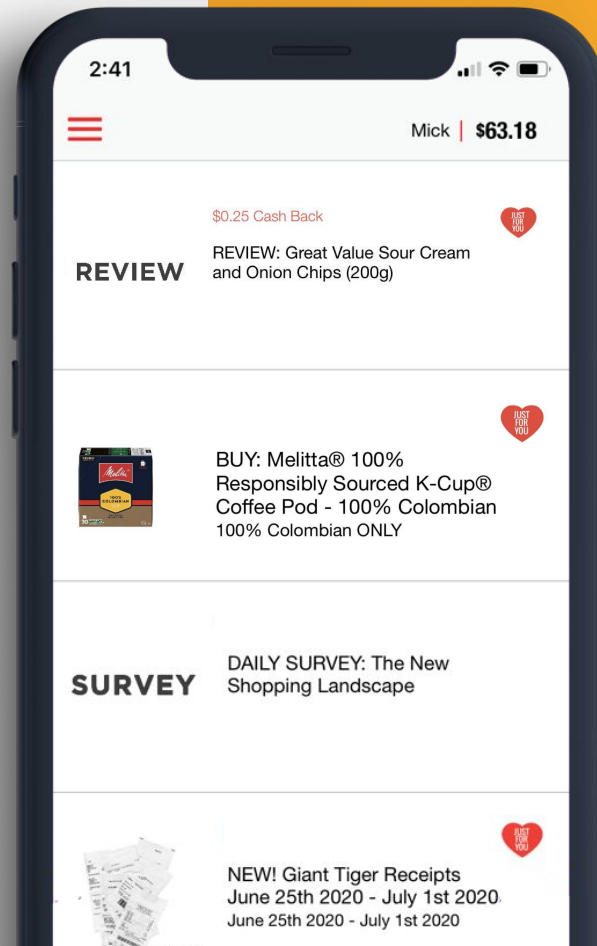
Capture relevant insights for any challenge or opportunity. Engage seamlessly with shoppers at every stage of the consumer journey by leveraging the Caddle suite of tools.

Caddle® rewards panel members for actions ranging from video, survey, receipt capture, reviews, and more.



Methodology

- A representative survey of Canadians was conducted in October 2021, in partnership with Grocery Business.
- A custom study conducted from Oct 4 - Oct 5 with almost 6,000 Canadians.
- Data also presented from Caddle's Daily Survey Panel with over 8,000 Canadians and other Custom Studies.
- All data presented is owned by Caddle and has a Margin of Error of 1% or lower.



Online Shopping in Canada



What is the Last Mile?

Traditionally, it's about that last mile (or kilometer) on how goods travel direct to home. But with online and direct to door services being broadened throughout the pandemic and same day delivery/pickup expanding, the Last mile examines how Canadians are moving through the online buying journey, from online to doorstep.



Caddle & Grocery Business examine major retailers and grocery retailers, including delivery apps and services.



General Online Shopping in Canada is Here to Stay

Most Canadians are online shopping, with female Gen X and Millennials driving the majority of purchases

~1 in 3



7 in 10



+16.7%

Say online shopping will become a bigger part of their routine for grocery
(March 2020)

Which method do you plan to use to purchase your groceries in the next 6 months the most?

Canadians now shop online
(October 2021)

Have you shopped online in the past 3 months?

Canadians plan to shop online even more in the next 12 months

(from Oct 2021 to Oct 2022)

Do you expect to shop online more, the same or less in the next 12 months?

Delivering direct to home is also the most frequently selected option during checkout

Winners
and Losers:
Product
Categories



Categories Canadians are Shopping for Online

Which of the following categories have you shopped online in the past 3 months (Select all)

Top 5



Apparel (24.8%)



Beauty / Grooming Products

(23.3%)



Health and Wellness (21.9%)



Electronics & IT products

(19.0%)



Household Products (17.2%)

Bottom 5



Outdoor Products (5.0%)



Baby Care (4.7%)



Feminine Care (4.5%)



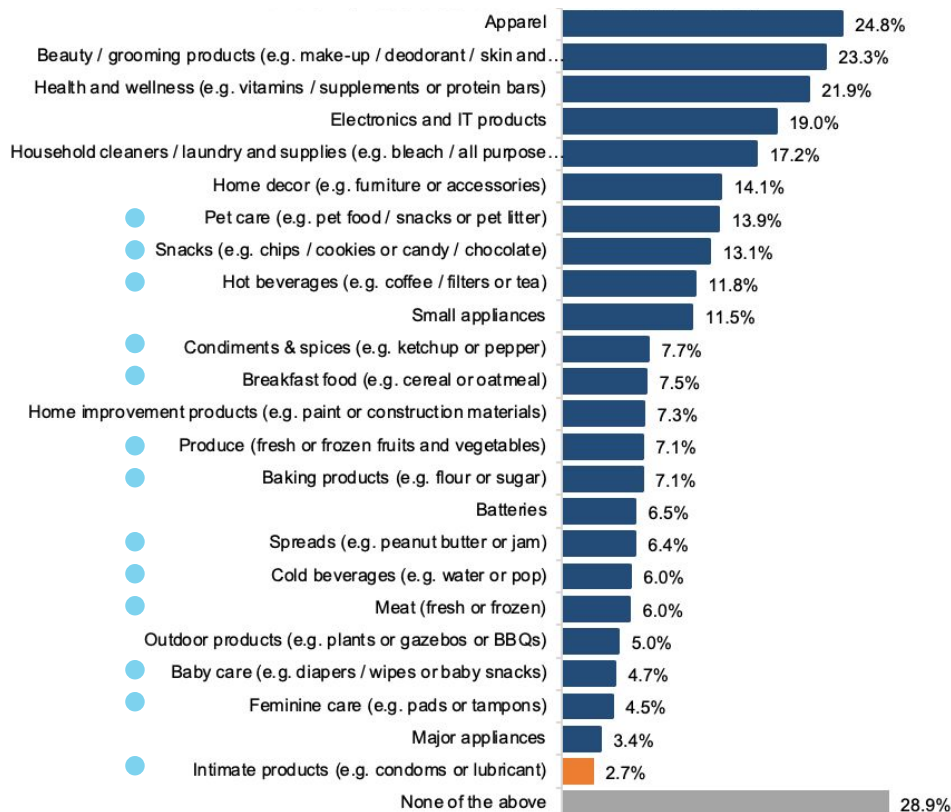
Major Appliances (3.4%)



Intimate Products (2.7%)

Top grocery products purchased online include snacks, hot beverages, and condiments & spices

Which of the following categories have you shopped online in the past 3 months? (Select all)



Demographics Drive Category Behaviour

Which of the following categories have you shopped online in the past 3 months? (Select all)

	Gender		Generation			
	Female n=2,928	Male n=3,058	Baby Boomers (1946-1964) n=1,812	Gen X (1965-1980) n=1,700	Millennials (1981-1996) n=1,603	Gen Z (1997-2005) (n=685)
No. 1	Apparel (30.3%)	Electronics and IT products (24.5%)	Apparel (22.6%)	Apparel (25.4%)	Beauty grooming products (29.5%)	Beauty grooming products (28.0%)
No. 2	Beauty/grooming products (28.1%)	Health and wellness (21.5%)	Health and wellness (20.5%)	Beauty grooming products (23.1%)	Apparel (29.2%)	Apparel (22.7%)
No. 3	Health and wellness (22.3%)	Apparel (19.7%)	Beauty grooming products (18.0%)	Health and wellness (21.3%)	Health and wellness (26%)	Health and wellness (20.9%)
No. 4	Household cleaners laundry and supplies (18.1%)	Beauty grooming products (18.8%)	Electronics and IT products (17.3%)	Electronics and IT products (20.9%)	Electronics and IT products (21.3%)	Pet care (16.7%)
No. 5	Home décor (16.4%)	Household cleaners laundry and supplies (16.4%)	Household cleaners laundry and supplies (15.1%)	Household cleaners laundry and supplies (18.4%)	Household cleaners laundry and supplies (20.2%)	Electronics and IT products (14.4%)

Demographics Drive Category Behavior

25% of men spend 2X more on Electronics and IT Products compared to just 13% of women

16% of women spend on Home Decor compared to just 12% of men

Women purchase more in every product category compared to men except Small Appliances, Electronics, Home Improvement, Batteries, and Intimate products

17% of Gen Z are big spenders when it comes to furry friends (Pet) compared to 14% of all other generations

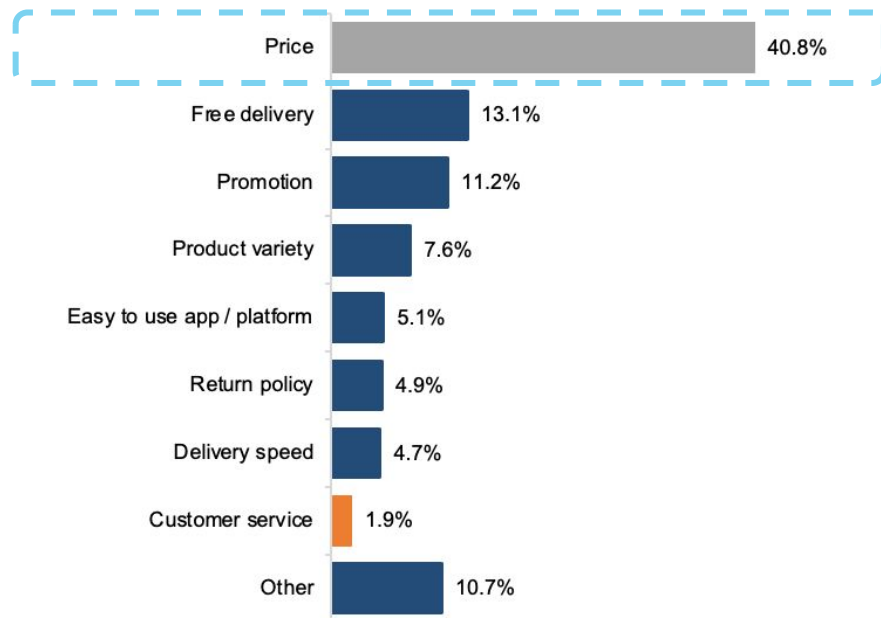
18% of Canadians purchase Household Products online compared to just 12% of Gen Z

Gen Z purchases less grocery products online when compared to other generations

Shoppers Want More Bang for Their Buck

- Price is ranked the single most important factor for Canadians when choosing where to shop online

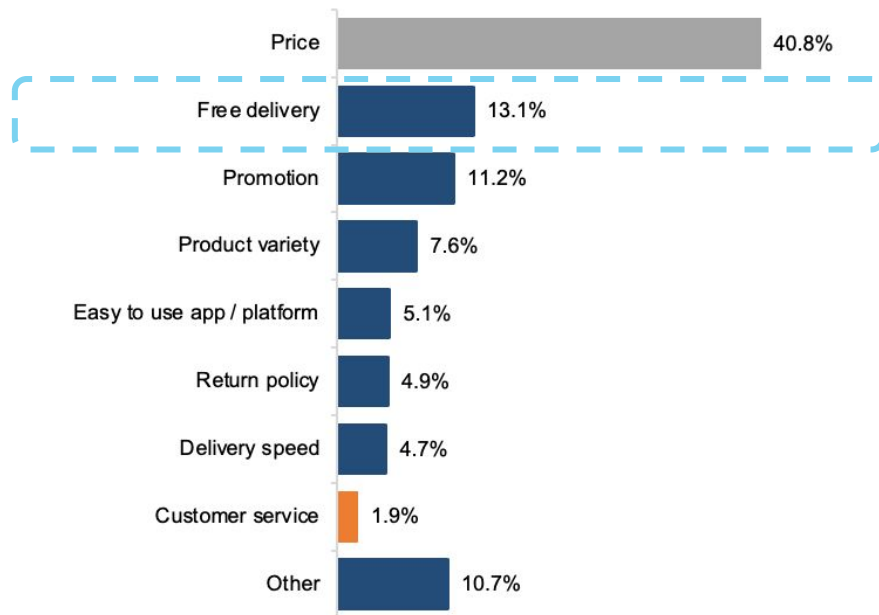
What do Canadians care about when choosing where to shop online?



And... Want Free Delivery or No Thanks

- The second most considered factor is free delivery, with 13% of Canadians taking this into consideration when choosing where to buy online

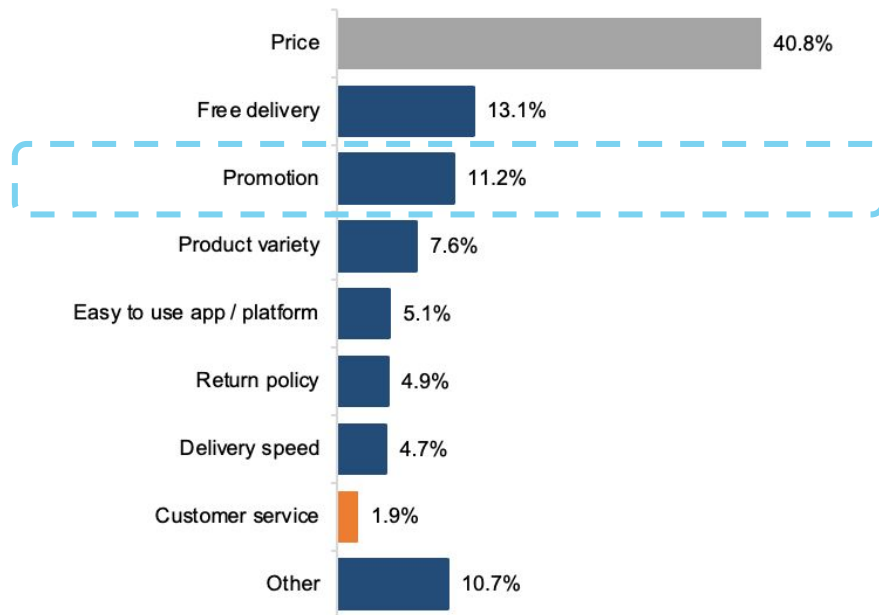
What do Canadians care about when choosing where to shop online?



Please Apply My Promo Code

- 11% of Canadians care about promotions when shopping online
- What's more: 70% of Canadians actively look for promotions and discounted food products

What do Canadians care about when choosing where to shop online?



The Young and Thrifty

Millennials and Gen Z tend to be even more cost-conscious, though all Canadians are a thrifty bunch: 65% of all factors considered relate to cost



45% of Millennials and Gen Z Consider price when choosing where to shop online compared to 41% of the general population



15% of Millennials consider promotional offers when choosing where to shop online compared to 11% of the general population

Demographics Also Drive Online Shopping Complaints

What puts you off when it comes to online shopping?

	Gender		Generation			
	Female (n=843)	Male (n=1,030)	Baby Boomers (1946-1964) (n=634)	Gen X (1965-1980) (n=482)	Millennials (1981-1996) (n=401)	Gen Z (1997-2005) (n=242)
Lack of ability to preview products in person before purchase commitment	32.6%	27.2%	42.6%	25.3%	20.0%	24.0%
Shipping costs are too high for online shopping	33.1%	26.1%	29.2%	31.5%	30.7%	34.7%
Enjoy the experience of going to the shops	30.0%	21.1%	36.8%	27.6%	14.7%	12.4%
Difficult to return	26.6%	20.6%	20.0%	26.8%	27.9%	16.9%
Not personalized shopping experience	23.8%	22.3%	35.5%	17.0%	11.7%	26.9%
Concerned the products look different in-person	22.4%	19.4%	22.2%	17.6%	17.2%	26.4%
No way for me to verify the authenticity	14.9%	14.1%	18.0%	14.9%	10.5%	17.8%
No way for me to verify the expiration date	12.1%	15.3%	18.6%	13.9%	12.0%	10.7%
Delivery takes too long	11.5%	13.0%	9.0%	13.1%	23.4%	6.2%
Other	23.6%	27.7%	20.8%	25.7%	27.9%	26.4%

Women have Higher Standards Overall with Online Shopping

Women

30%

Not personalized shopping experience

33%

High shipping costs

Men

21%

Not personalized shopping experience

26%

High shipping costs

For Online Grocery Shopping, Women Dislike Shipping Costs, Men Prefer Strolling Aisles

Women

-1%

29%

Not personalized
shopping experience

+5%

38%

High shipping costs

Men

+5%

26%

Not personalized
shopping experience

34%

Enjoys in-store
experience

Do you think the trend in online grocery shopping will continue post-pandemic?

Question

With price being the no.1 factor for online shopping, and inflation on the rise, how will this disrupt grocery?

Question

Winner and
Losers:
Retailers



Retailers Shopped Online in Past 6 Months

	Gender		Generation			
	Female n=2,928	Male n=3,058	Baby Boomers (1946-1964) n=1,812	Gen X (1965-1980) n=1,700	Millennials (1981-1996) n=1,603	Gen Z (1997-2005) (n=685)
Amazon.ca	60.0%	58.5%	55.3%	61.5%	63.7%	57.2%
Costco.ca	18.5%	22.1%	22.2%	22.8%	19.0%	13.6%
Apparel	25.6%	13.2%	12.0%	19.0%	26.9%	26.2%
Walmart.ca	16.7%	14.8%	14.7%	17.3%	18.0%	13.1%
Home improvement store	12.5%	13.5%	14.5%	11.9%	12.9%	12.3%
Electronics store	6.7%	11.3%	9.1%	9.7%	9.2%	8.5%
Beauty store	12.3%	5.5%	2.8%	8.9%	14.2%	13.9%
Drug store	9.0%	7.2%	7.4%	7.2%	9.5%	9.7%
Home furnishings store	7.6%	5.8%	5.5%	6.3%	9.3%	6.0%
Traditional grocery store	7.2%	5.4%	6.3%	6.8%	7.3%	3.7%
Discount grocery store	4.4%	4.2%	3.4%	3.7%	6.2%	4.3%

Retailers Shopped Online in Past 6 Months

Amazon, Costco, and Apparel retailers make up the majority of Canadians' wallets online

Women shop more than men, at all retailers except Home Improvement and Electronics

2X as many Millennials and Gen Z spend on appearance than older generations (Apparel and Beauty)

Gen Z departs from Traditional Grocery Stores, spending close to only half of what all other generations spend

	Millennials (1981-1996) (n=1,812)		Generation X (1965-1980) (n=1,812)		Baby Boom (1946-1964) (n=1,812)		Gen Z (1997-2005) (n=685)
Amazon.ca					55.3%		57.2%
Costco.ca					22.2%		13.6%
Apparel	20.8%	15.2%	12.0%	15.8%	20.9%		26.2%
Walmart.ca	16.7%	14.8%	14.7%	17.3%	18.0%		13.1%
Home improvement store			14.5%				12.3%
Electronics store			9.1%				8.5%
Beauty store			2.8%				13.9%
Drug store			7.4%				9.7%
Home furnishings store			5.5%				6.0%
Traditional grocery store			6.3%				3.7%
Discount grocery store	4.4%	4.2%	3.4%	3.7%	6.2%		4.3%

What can traditional grocery do to appeal to Gen Z?

Question

The Last
Mile: Direct
to
Doorstep



Getting Goods from Online To Your Home

Delivering direct to home is the most frequently
selected option during checkout

84%

Some People Pick-Up

Those who deliver to a locker is motivated by avoiding delivery charges and shipping speed

11%

Deliver to a locker

6%

Buy online, pick-up in-store
(BOPIS)

A Need for Speed

44%

of Canadians want to be able to purchase everything needed and delivered to door

65%

of Canadians get their deliveries in <2 days

56%

of Canadians want the availability of delivery speed options

48%

of men over-index (+7) when it comes to wanting to order everything online to doorstep compared to women

52%

of Gen Z over-index (+16) when it comes to ordering everything online to doorstep compared to Baby Boomers

How has Amazon affected Canadians perception of speed?

Question

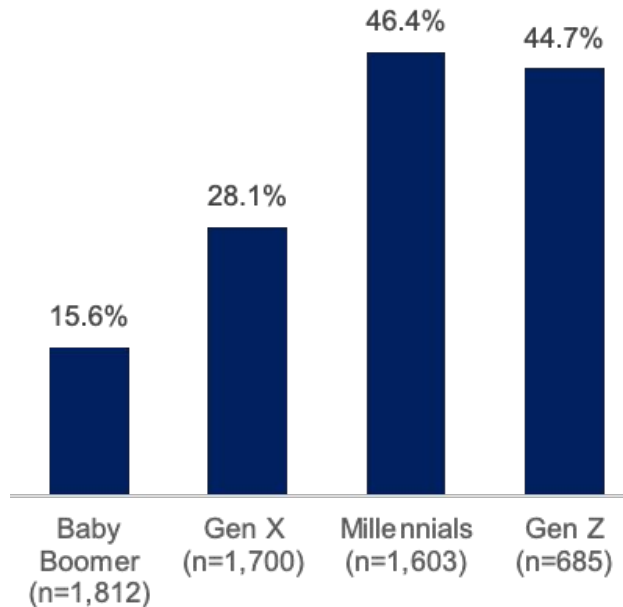
The Landscape is Fragmented & Evolving

	amazon	COSTCO WHOLESALE	DOORDASH	instacart	express	SKIP THE DISHES	Uber Eats	Walmart+
Groceries	✓	✓		✓	✓	✓	✓	✓
Convenience (e.g. 7-Eleven)			✓	✓		✓	✓	
Apparel	✓	✓		✓				✓
Beauty	✓	✓		✓	✓		✓	✓
Food (e.g. McDonald's)			✓			✓	✓	
Gifts & Toys	✓	✓		✓	✓			✓
Office	✓	✓		✓	✓			✓

Delivery Apps are the New Norm

- Overall, about 3 in 10 Canadians have used a delivery app in the past 6 months
- Millennials (46.4%) and Gen Z (43.1%) were the most likely to have used delivery apps in the past 6 months, with them being more than 2X as likely to have used them than Baby Boomers (15.6%)

Have you used a delivery app in the past 6 months?



Do you use ____ delivery service?

Most Used Food Delivery Services are UberEats & Skip the Dishes

UberEats	Skip the Dishes	DoorDash	Instacart	Other
59%	36%	31%	22%	5%

Most Used Grocery Delivery Services are Walmart.ca & PC Express

Instacart	Walmart.ca	Amazon	Costco.ca	PC Express
12%	22%	19%	14%	22%

Do you have any delivery predictions for the next 6 months?

Question

Barriers to Entry



404

Why Some Canadians Don't Shop Online

30%

Can't preview
products prior to
purchase

29%

High shipping
costs

25%

Prefer in-store
experience

23%

Difficult to
return

23%

Not a personalized
shopping
experience

Why Some Canadians Don't Shop Online (for Groceries)

-6%

24%

Can't preview
products prior to
purchase

+2%

31%

High shipping
costs

+3%

28%

Prefer in-store
experience

+2%

25%

Difficult to return

+4%

27%

Not a personalized
shopping
experience

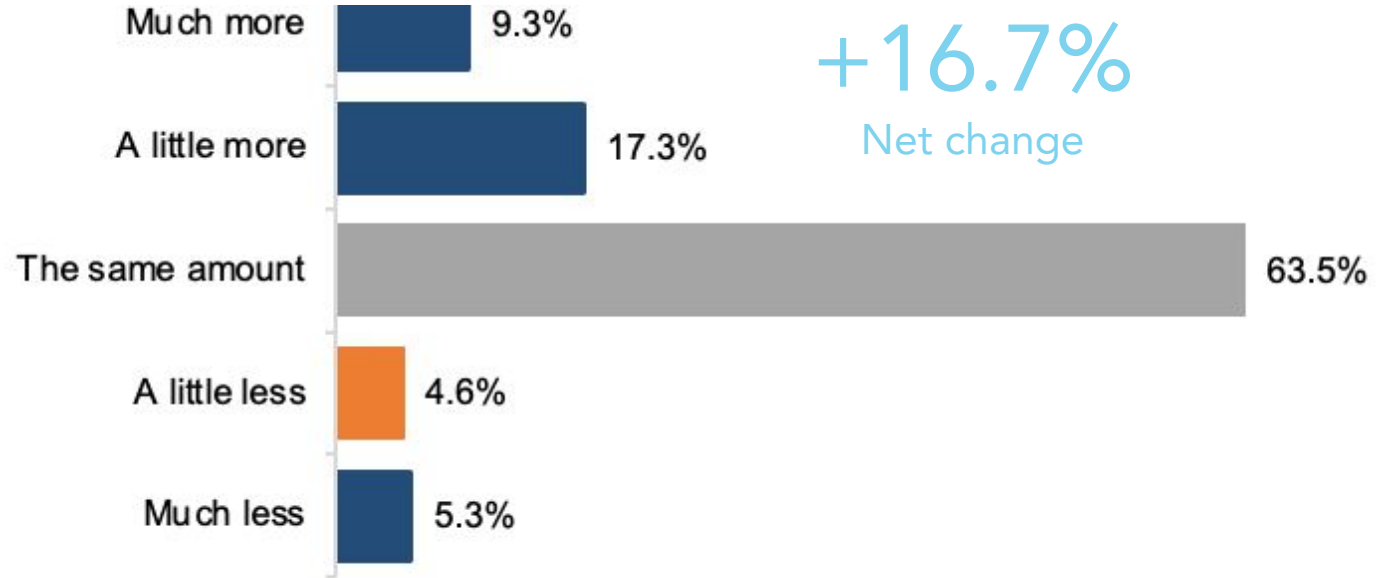
Future Outlook



More than ¼
of online
shoppers
anticipate
shopping
online more
in the next 12
months
(26.6%)

As we head into the
festive winter
season, Canadians
are eager to spend
their holiday dollars

Do you expect to shop online more, the same or less in the next 12 months?



Main Takeaways





Let's Connect!



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