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**NIELSEN IQ -
FMCG CANADIAN QUARTERLY REPORT
Q4, 2020**

The pandemic has drastically changed the landscape for the Fast Moving Consumer Goods (FMCG) sector. It has created painful obstacles to overcome, but also plenty of new opportunities to be seized. In the last year alone, the FMCG sector posted record double-digit growth, fueled by unprecedented shifts in shopping behaviour due to the pandemic.

This report summarizes Nielsen IQ's overview of Quarter 4 of the Canadian Fast Moving Consumer Goods Sector.

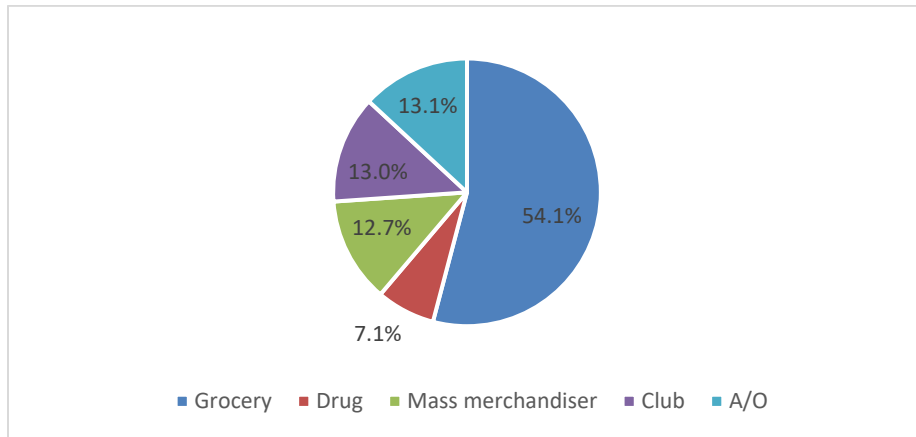
Summary

- Double digit growth across the country driven by strong inflation and increased consumer demand.
- Online sales have more than doubled with almost half of Canadians shopping online.
- Conventional retailers grew slightly faster than discount fueled by the desire for one-stop shopping.
- Canadians embracing private label as they seek cheaper alternatives.
- Except for deli, all departments experienced tremendous regular sales growth.

Market Overview

- FMCG sector experienced double digit growth, fueled by Covid-19:
 - 52-weeks: \$117.6B, represents an 11% increase in dollar sales.
 - Q4, 2020: \$27.8B, represents a 10% increase in dollar sales.
- Grocery, ethnic and general merchandise stores lead the growth during the pandemic. Health stores suffered.

Channel Market Share

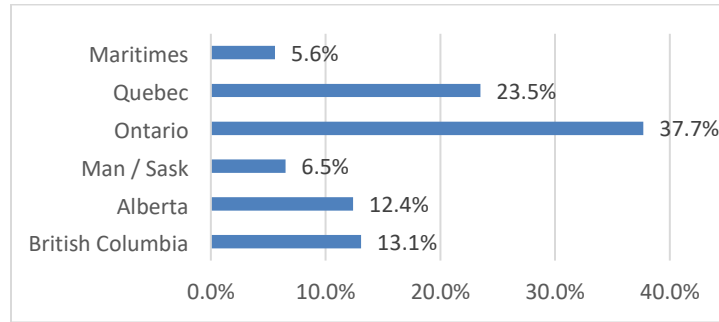


\$\$% chg ya – Channel

Grocery	14%
General merch	14%
Ethnic stores	14%
Dollar stores	13%
Warehouse club	12%
Mass merch	10%
Drug stores	4%
Health stores	-7%

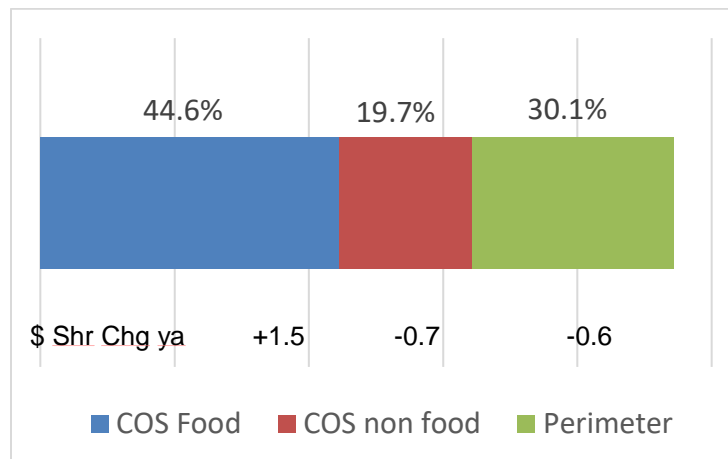
- High dollar gains spread evenly across all regions.
 - British Columbia: +13%, Ontario / Man / Sask: +12%, Quebec: +11%, All other regions +10%.

Regional Market Share – All Channels



- Centre of store (COS) food categories gaining greater prominence.

Performance by Store Selection



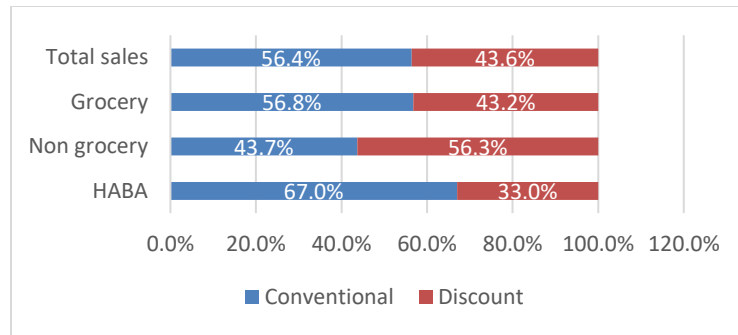
- Top category performers per store selection

COS Food	COS Non-Food	Perimeter
Baking needs, +29.0%	Household products, +21.1%	Meat & seafood, +15%
Frozen foods, +21.1%	Paper products, +19.3%	Produce, +10.1%
Prepared foods, +18.0%	Body care, +9.0%	Bakery, +5.2%
Condiments & sauces, +18.0%	Pet needs, +8.6%	Deli, -5.8%
Hot beverages, +15.3%	General merch, +8.1%	

Channel Trends

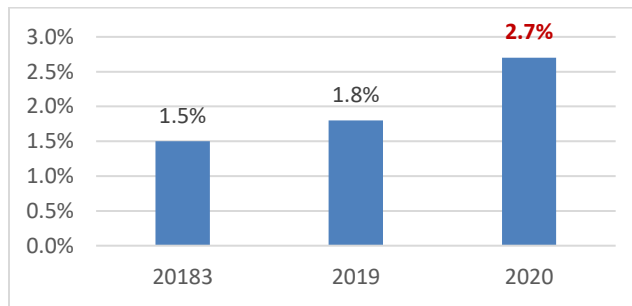
- Conventional (+12%\$) grew slightly faster than discount (+10%\$) during Covid-19.

Sector Market Share Conventional vs. Discount



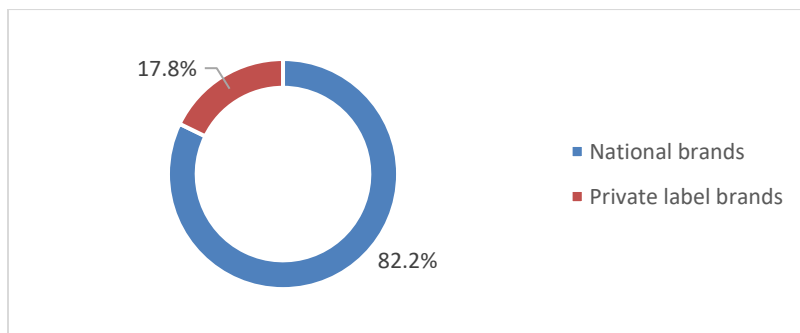
- E-commerce flourished during Covid-19.
 - 43% penetration (+6% pts vs. ya.
 - +26% - more occasions per buyer.
 - +45% - higher \$ / buyer.
 - +15% - Increase in \$ / occasion.

Online Market Share

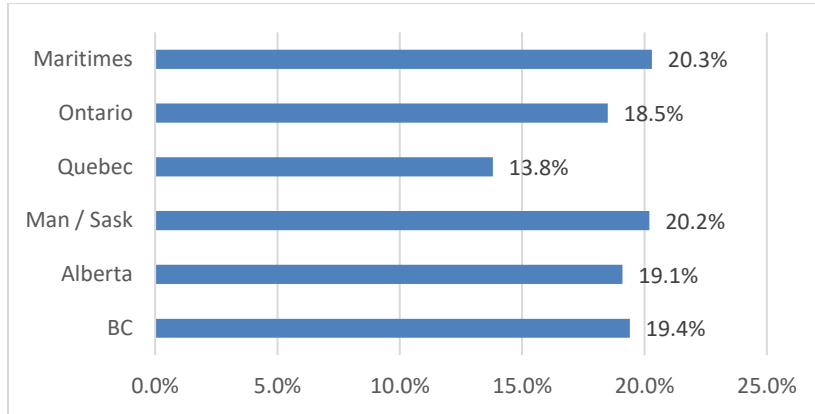


- Private label continues to grow during Covid-19.
 - \$20.9 B – 52-week total. Represents a 13% increase in dollar sales.
 - \$4.9B – Q4 sales, 2020. Represents a 13% increase in dollar sales.
 - Private label growth - +13%. National brands growth - +11%.

National Market Share – National Brands vs. Private Label



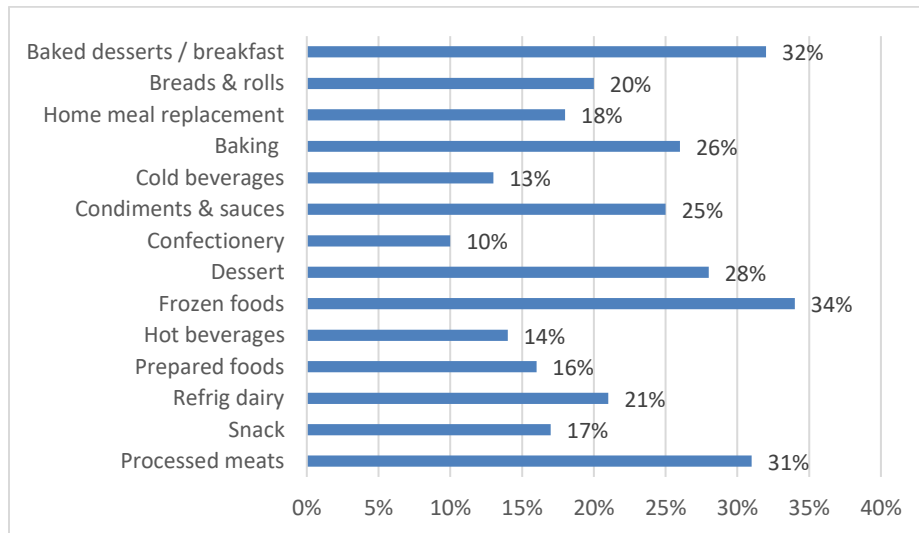
Private Label Importance by Province



Dollar Growth – PL Vs. NB, Regional Breakdown

	PL	NB
Maritimes	+12%	+9%
Ontario	+14%	+11%
Quebec	+12%	+11%
Man / Sask	+11%	+10%
Alberta	+11%	+9%
BC	+14%	+12%

Private Label Importance by Food Department (Vol \$ % Chg)



FOOD DISTRIBUTION GUY PROFILE

Food Distribution Guy provides industry expertise and creative strategies for emerging and established food businesses that assist them in breaking through the competitive landscape and “Getting and Staying” listed in the grocery and health store sector. Our role is to help ensure your success is sustainable in the long-term & to assist you in obtaining the distribution of your products through the appropriate channels (traditional grocery, health stores, mass merchandiser, club, general merchandise, C-stores) available for retailing your product.

Richard Baker is CEO and Founder of Food Distribution Guy. He is a skilled strategic branding and award-winning marketing expert who assists food and beverage manufacturers to break through the competitive landscape in the grocery sector and achieve distribution.

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