



2 REPORTS IN
ONE!

CONNECTING WITH THE ONLINE SHOPPER & HEALTH AND WELLNESS TRENDS



PREPARED BY Food Distribution Guy
NOVEMBER 2021



Table of Contents

CONNECTING WITH THE ONLINE SHOPPER.....	2
HEALTH AND WELLNESS TRENDS.....	5
REFERENCES.....	9
ABOUT FOOD DISTRIBUTION GUY.....	10

The pandemic has dramatically altered Canadian's shopping habits. The biggest change is online shopping – here to stay. PayPal Canada survey reveals 59% of Canadians have boosted their online shopping habits compared to before the pandemic. A new survey from PayPal Canada shows Canadians have overall increased their monthly online shopping spend by more than \$2 billion compared to pre-pandemic. (1)

Online Spending in Canada



This report summarizes Carman Allison's presentation as part of Nielsen IQ's webinar titled: The Transforming Canadian FMCG Industry. Mr. Allison's presentation was titled:

CONNECTING WITH THE ONLINE SHOPPER

Solve for Today. Plan for Tomorrow. Prepare for the Future.

What's at Stake: by years end: \$5.6B Opportunity.

SUMMARY:

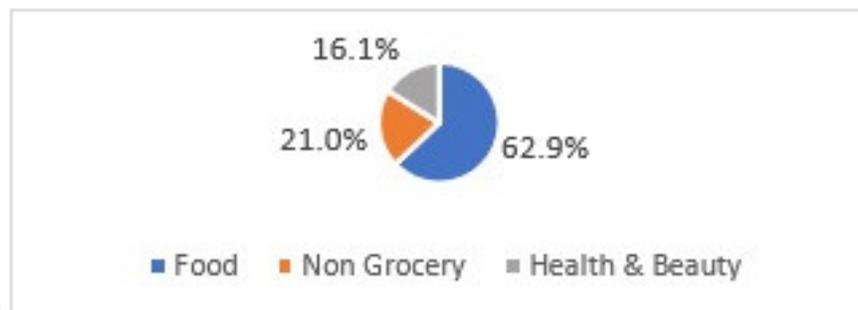
- The top 3 reasons why on-line shopping has exploded:
 1. Safety: 75% of Canadians support vaccine passports in public spaces.
 2. Convenience: 47% shop online for convenience.
 3. Home Bound: 68% work from home, retired and stay at home.
- Online market share for the 52-week period ending August, 2021 was 3.2%. This represented a +.8% increase in share and a 38% increase in dollar change.
- Warehouse club and mass merchandiser are the other big winners. Their market share's are 13.4%, and 13.0%, representing +0.4% and +0.2% increase respectively. Grocery stores share has declined 0.2% to 53.6%. Every share gain in Canada's FMCG sector is worth \$1.2B.
- Despite the gains, Canada still lags behind other countries:
 - US – 12%, UK – 12%, S. Korea – 25%, Australia – 5%.

Regional Online Share (P/e August 2021)



- Online shopping is leading retail growth fueled by:
 - New buyers: +13%
 - More shoppers: (penetration 42%, retention rate: 52%-57%) +4%
 - More visits: (56 million trips online) +26%
 - More spending: (\$60 Avg. basket vs. \$48 bricks) +32%.
 - Frequency: +54%.
- Omni shoppers (42% of Cdn households) – those who shop online and brick & mortar. Take those into consideration, the online market share is 5.8%.
- Omni shoppers: (35-44 years old)
 - Spend 25% more per shopping trip when online.
 - Spend 27% less sold on promotion when shopping online.
 - Diverse household needs and demographic profiles.
- Food departments are leading the online basket: (p/e July 2021)

Online Basket Breakdown



- Online shoppers are resetting their shopping basket with large increases for fresh departments:
 1. Refrigerated and dairy: +62%.
 2. Bakery: +54%.
 3. Produce: +60%.
 4. Meat & seafood: +57%.
 5. Deli: +44%.
- Expansion of food online brings new growth opportunities given 81% of grocery searches on Amazon are unbranded – no specific brand identified.
 1. 35% have health conditions which influence diet,
 2. 34% are eating a specific diet
 3. 34% have allergies with limited choice.

Health and wellness are a key consideration for consumers when making doing their grocery shopping. A majority of Canadians say they wish to live a healthier lifestyle, and 71% say they seek better eating habits. (2) The global health and wellness food market size is expected to grow by USD 235.94M during 2020-2024, progressing at a CAGR of over 8% during the forecast period. (3)

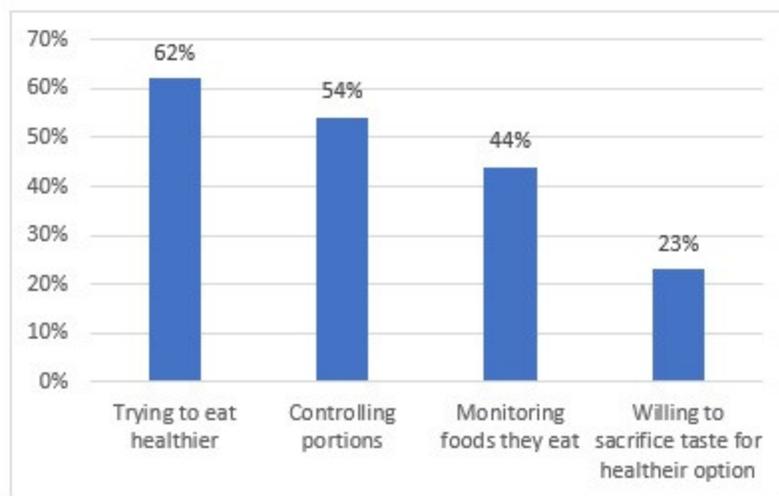
This report summarizes Steve Matresky's presentation as part of Nielsen IQ's webinar titled: The Transforming Canadian FMCG Industry. Mr. Matresky's presentation was titled:

CANADIAN HEALTH AND WELLNESS IMPERATIVES

SUMMARY:

- 66% of Canadians have changed their eating habits over the last five years and 30% are making more healthy food choices than they were a year ago.
- Many believe their path to better eating is a work in progress as outlined in Chart 1

Chart 1



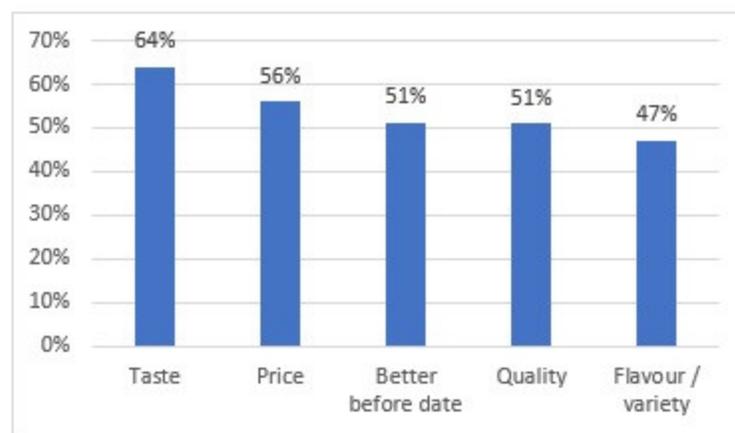
- Top 5 intakes Canadians are trying to reduce:

1. Sugar – 38%
2. Salt – 31%
3. Artificial sweeteners – 21%
4. Processed meats – 20%
5. Trans fat – 20%

- Canadians' commitment to healthy foods:

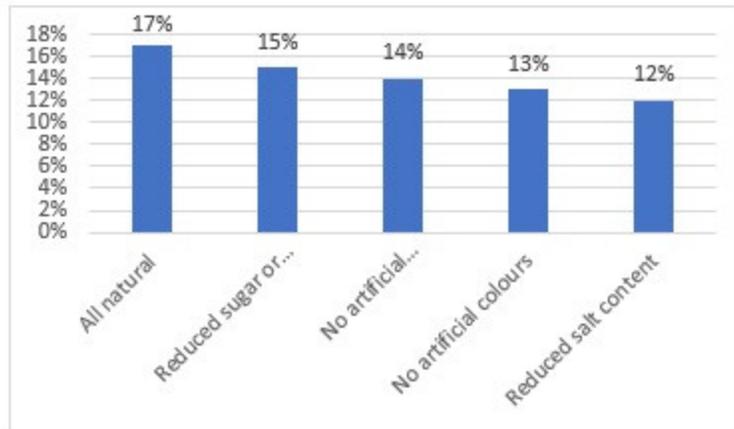
1. Create foods that help Canadians save money and time while maintaining good overall health.
2. Lower the barrier of entry for better foods.
3. Foods that boost, not break diets. 67% Canadians are skipping meals, eating processed foods or snacking between meals.

Main Influences When Purchasing F&B Products



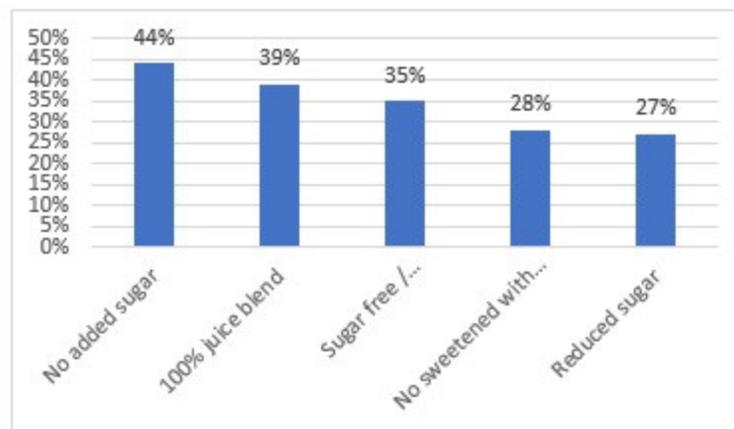
- Canadians are willing to paying more for specific health claims as outlined in Chart 2. Most Canadians feel these 5 health claims are table stakes.

Chart 2

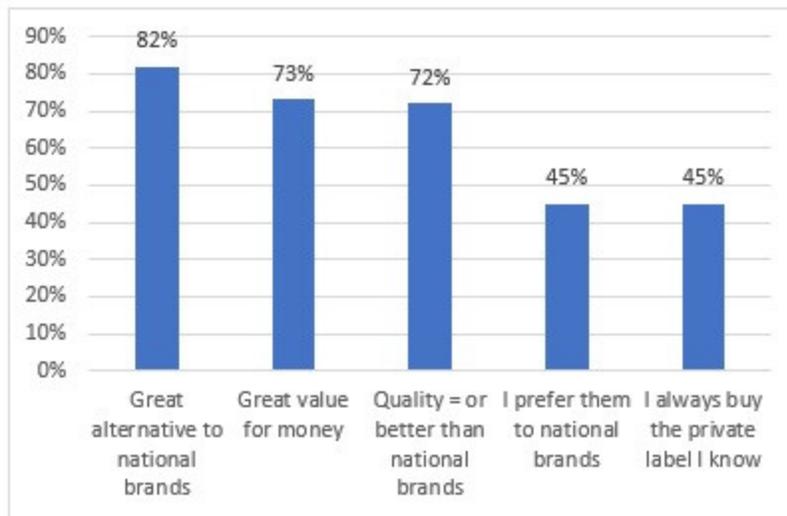


- Canadians also seeking healthier options in the beverage department as outlined in Chart 3.

Chart 3



- Mindful food and beverage categories - opportunities un-tapped:
 1. Anxiety support - \$51B sector in the US
 2. Sleep support - \$47B sector in the US
 3. Depression support - \$39B sector in the US
 4. Brain health - \$29B sector in the US
- Canadians' perception of private label continues to grow:



REFERENCES

1. *Canadians Increased Online Shopping Spend by More Than \$2B per Month Compared to Pre-pandemic*, www.newswire.ca, June 2021
2. *New National Survey Reveals Canadians are Searching for Ways to Live Healthier Lifestyles*, www.newswire.ca, November 2017
3. *Global Health and Wellness Food Report*, www.prnewswire.com, May 2021

FOOD DISTRIBUTION GUY PROFILE

Richard Baker, President



Food Distribution Guy provides industry expertise, creative sales-marketing strategies and addresses distribution challenges for emerging and established food businesses that assist them in breaking through the competitive landscape to “Get Listed and Stay Listed” in the Canadian grocery 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.

416-768-7648

www.fooddistributionguy.com

richard@fooddistributionguy.com

 @richardecbaker