C&G Shopper Intelligence Syndicated Study
Wave 1 – Q2 2020

CADDLE

pollara
strategic insights

Methodology

- Starting April 8, 2020 Pollara Strategic Insights and Caddle began tracking Canadian FMCG C&G shopper behaviour and attitudes to measure shopping trends during and eventually, post-COVID-19.
- A total of 2,000 Canadians over the age of 18, across all regions, are surveyed monthly.
- The data is weighted by region, gender, and age, based on the most recent Canadian census data figures to ensure that the sample reflects Canada's population.
- This report summarizes the main findings for Quarter 2, 2020, from surveys conducted monthly from April 8, 2020 and June 8, 2020.
- The total sample size for this Wave of reporting is 6,261.

WAVE 1 - Q2 2020 KEY TAKEAWAYS

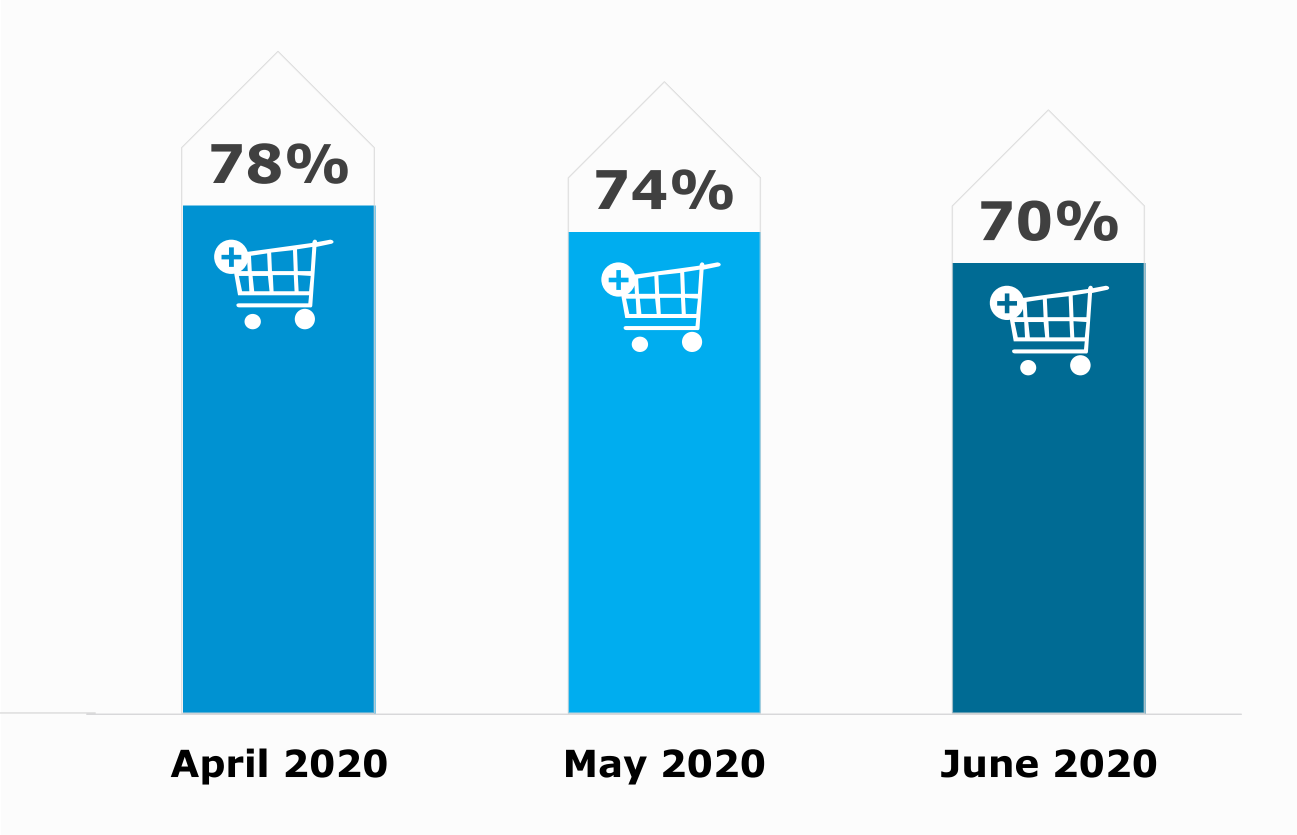
- During the peak of the pandemic, C&G stores were used by many as an alternative to shopping FMCG in traditional grocery stores.
- In April, 78% of adult Canadians were shopping FMCG in C&G stores.
  - During this month, the incidence was higher among shoppers from younger generations (86% among Gen Z, 83% among Millennials).
- In June, as COVID-19 restrictions eased, the percentage dropped to 70%.
  - The share of younger Canadians shopping in C&G dropped to 72% among Gen Z and 78% among Millennials.
  - In contrast, C&G shopping amongst the Greatest Generation jumped from 55% to 72%.
- In general, during the past 3 months, shoppers' price sensitivity has increased. However, this is less of a concern for regular C&G shoppers who are willing to pay more given C&G stores' location and ease of shopping.
- Amongst those not shopping in C&G stores, higher prices and the perception that C&G stores are not as clean or safe as traditional grocery stores are among the top barriers.
- During April and May, the items most purchased in C&G stores were food essentials, such as bread and milk. In the past month, purchases of these items have decreased significantly.
- As summer unveils and pandemic numbers remain stable, products within the categories of RTD/cold drinks, confectionery, snacks in general, and lottery, rise to the top as the items most purchased.

C&G Shopping Incidence & Frequency

C&G stores were a strong source of FMCG during the peak of the pandemic

- As pandemic numbers decreases, so does the incidence of C&G shoppers

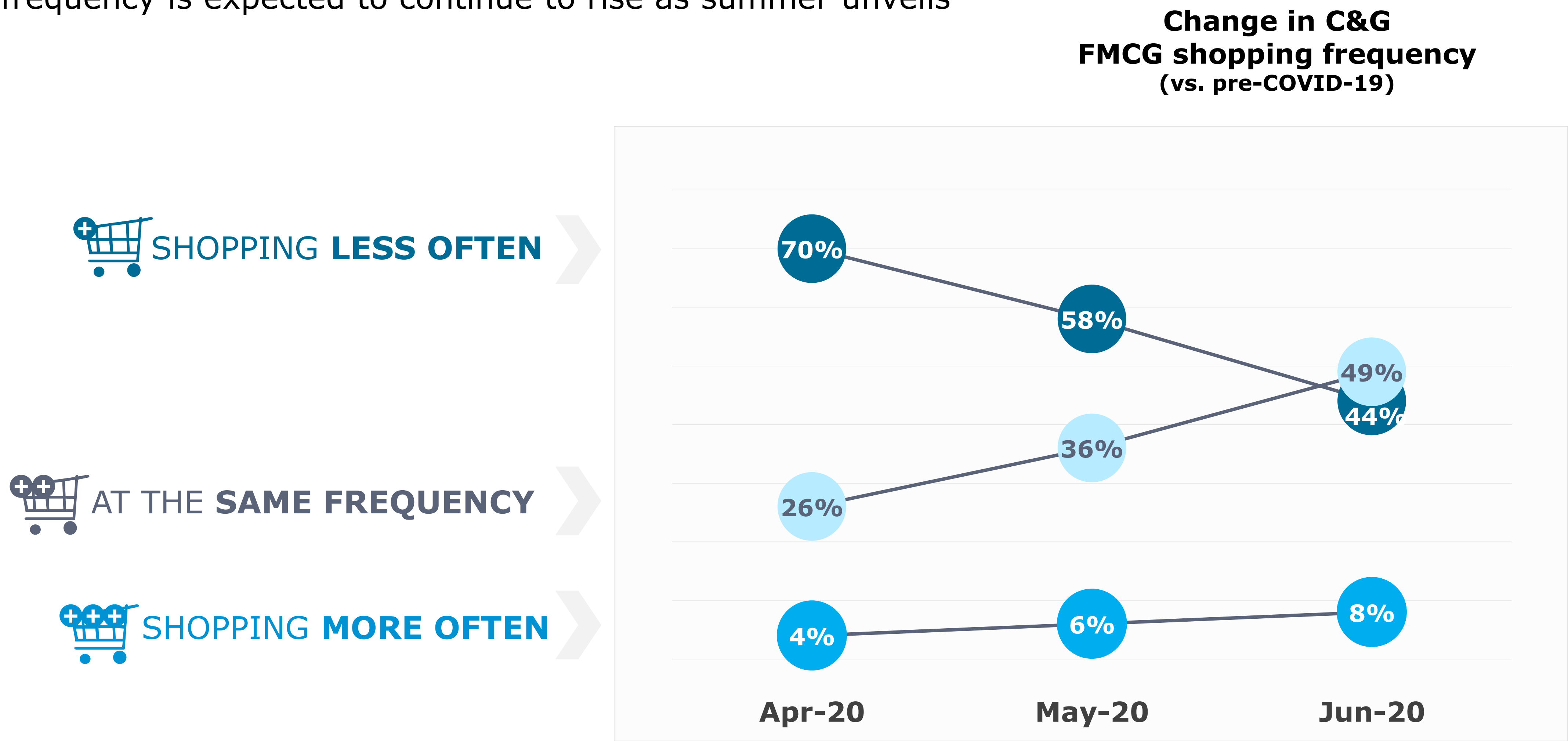
% who shop FMCG at C&G stores



Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Despite a decrease in overall incidence, C&G shoppers are slowly increasing their buying trips

- Shopping frequency is expected to continue to rise as summer unveils



Source: *Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)*

FMCG shoppers are increasing their trips across every channel, not just C&G

- Although still lagging, shopping frequency in all channels is moving closer to normal

% OF SHOPPERS BUYING FMCG MORE OFTEN
(vs. Pre-COVID-19)

	April 2020	May 2020	June 2020
C&G	**4%**	**6%**	**8%**
Grocery Stores	5%	5%	7%
Other Brick & Mortar (e.g. Dollarama, SDM)	4%	4%	5%
Online	17%	21%	21%

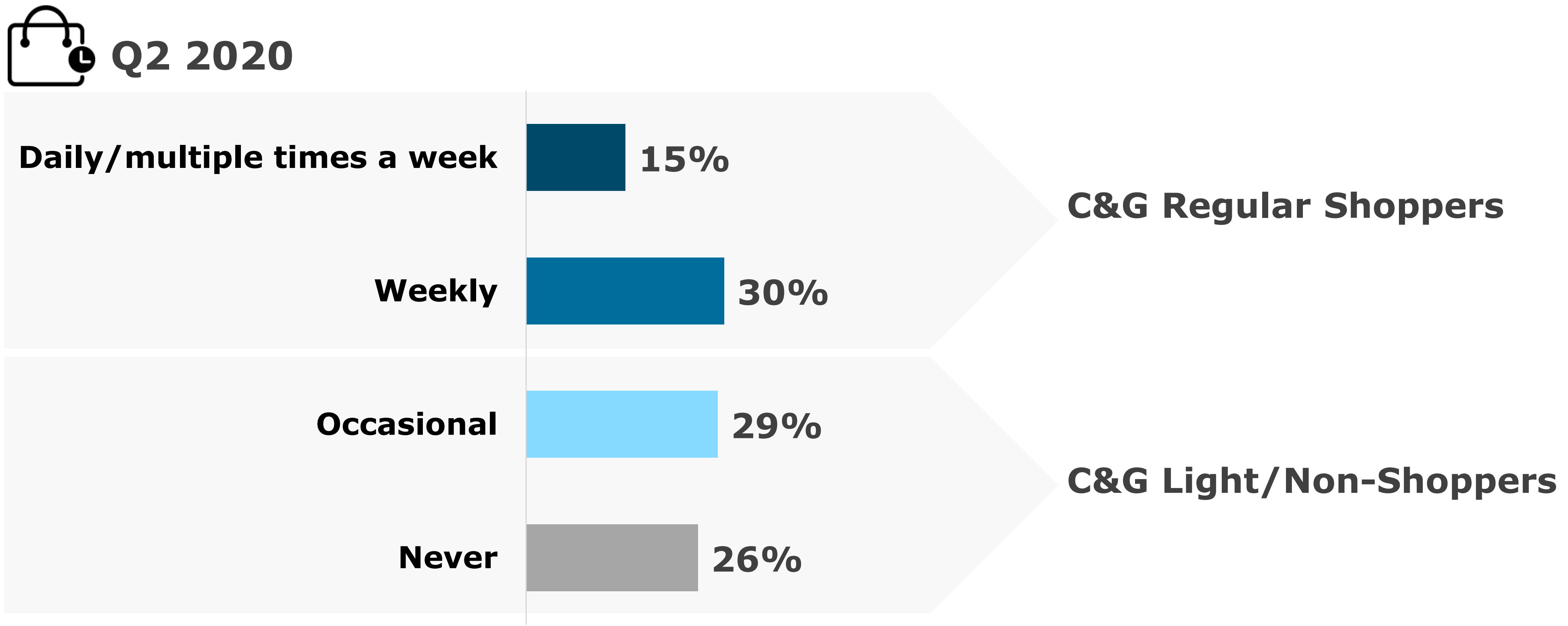
% OF SHOPPERS BUYING FMCG LESS OFTEN
(vs. Pre-COVID-19)

	April 2020	May 2020	June 2020
C&G	**70%**	**58%**	**44%**
Grocery Stores	75%	68%	54%
Other Brick & Mortar (e.g. Dollarama, SDM)	39%	26%	22%
Online	69%	61%	47%

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Just under 50% of Canadians shopped FMCG in C&G stores regularly during the past quarter

Composition of C&G FMCG shoppers by shopping frequency



Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

A higher incidence of C&G FMCG shoppers is observed in the Atlantic, Quebec, and the Prairies

- Ontario has seen the largest decrease compared to April.

TOTAL

Apr-20	May-20	Jun-20
78%	74%	70%

Quebec

Apr-20	May-20	Jun-20
79%	77%	74%

BC

Apr-20	May-20	Jun-20
78%	64%	69%

Atlantic

Apr-20	May-20	Jun-20
82%	79%	74%

Prairies

Apr-20	May-20	Jun-20
80%	82%	72%

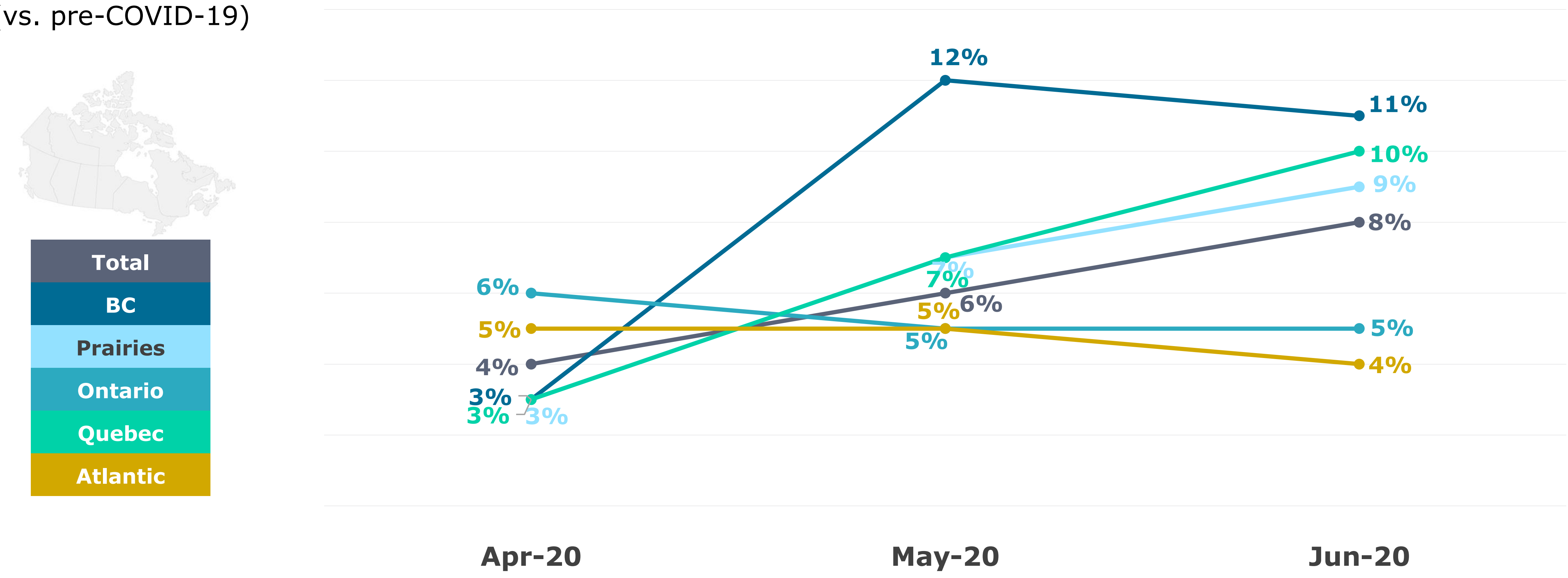
Ontario

Apr-20	May-20	Jun-20
76%	70%	65%

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Compared to April, C&G trips have increased the most among BC and Quebec shoppers

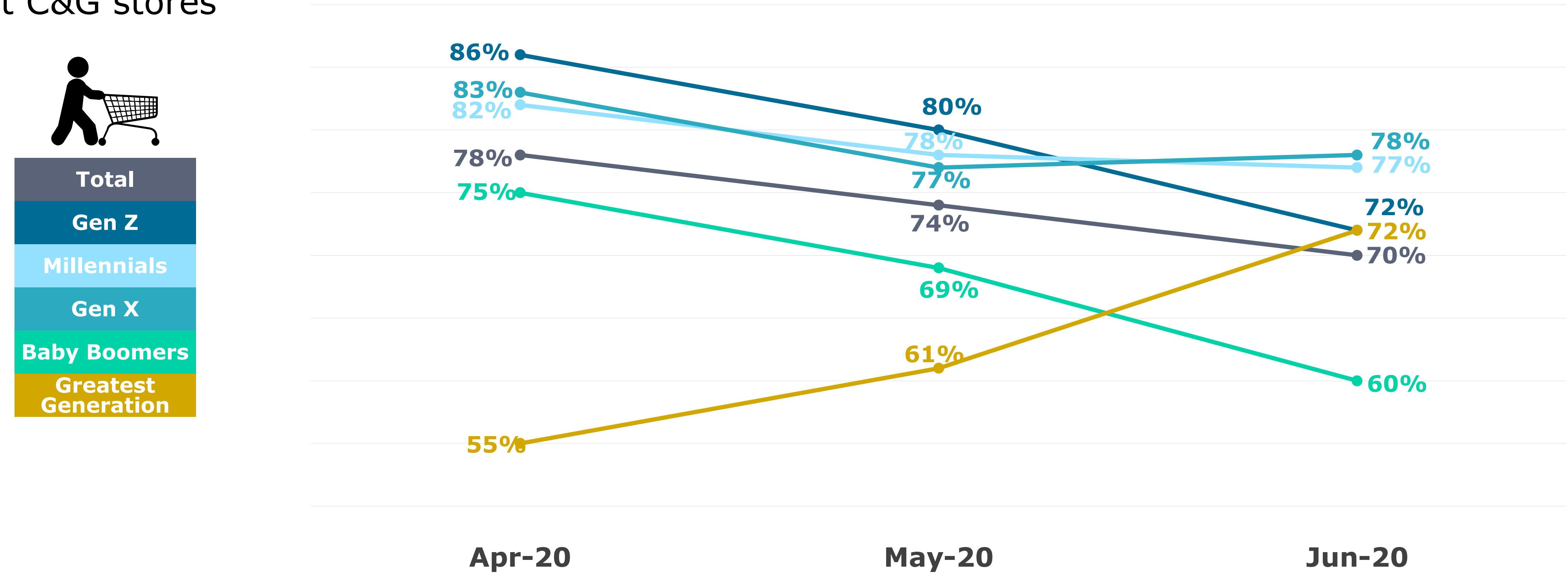
% of shoppers buying FMCG more often
(vs. pre-COVID-19)



Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

As the fear of being infected decreases, shoppers from the Greatest Generation have returned to C&G stores

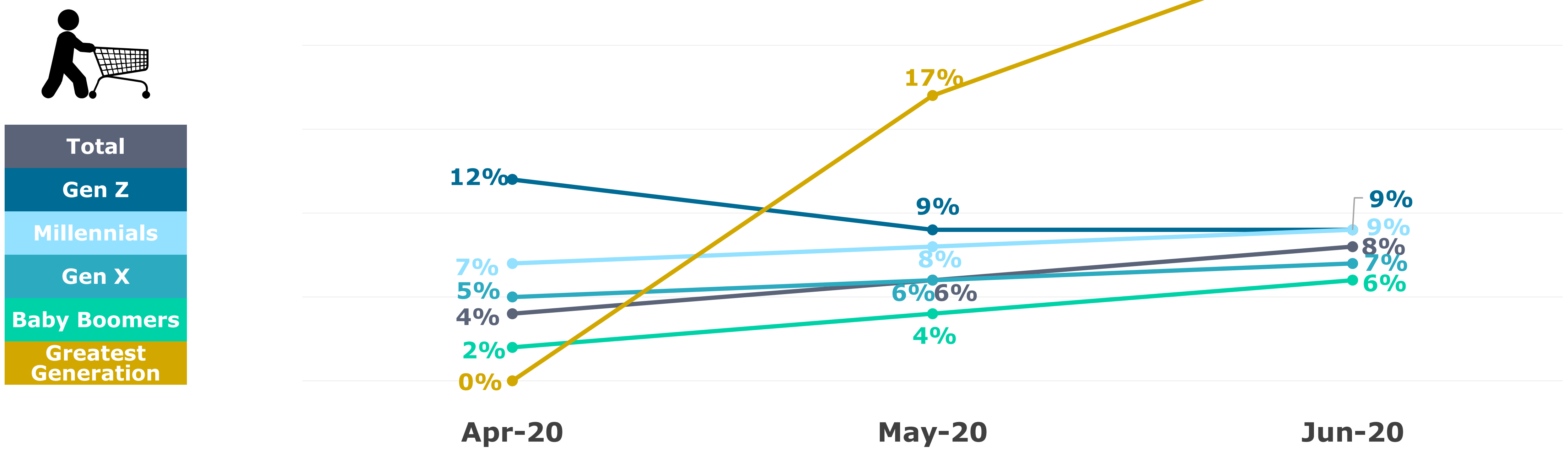
% who shop FMCG at C&G stores



Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Not only have they returned to C&G stores, but the Greatest Generation has also increased their trips at a faster pace than other generations

% of shoppers buying FMCG <u>more</u> often
(vs. pre-COVID-19)



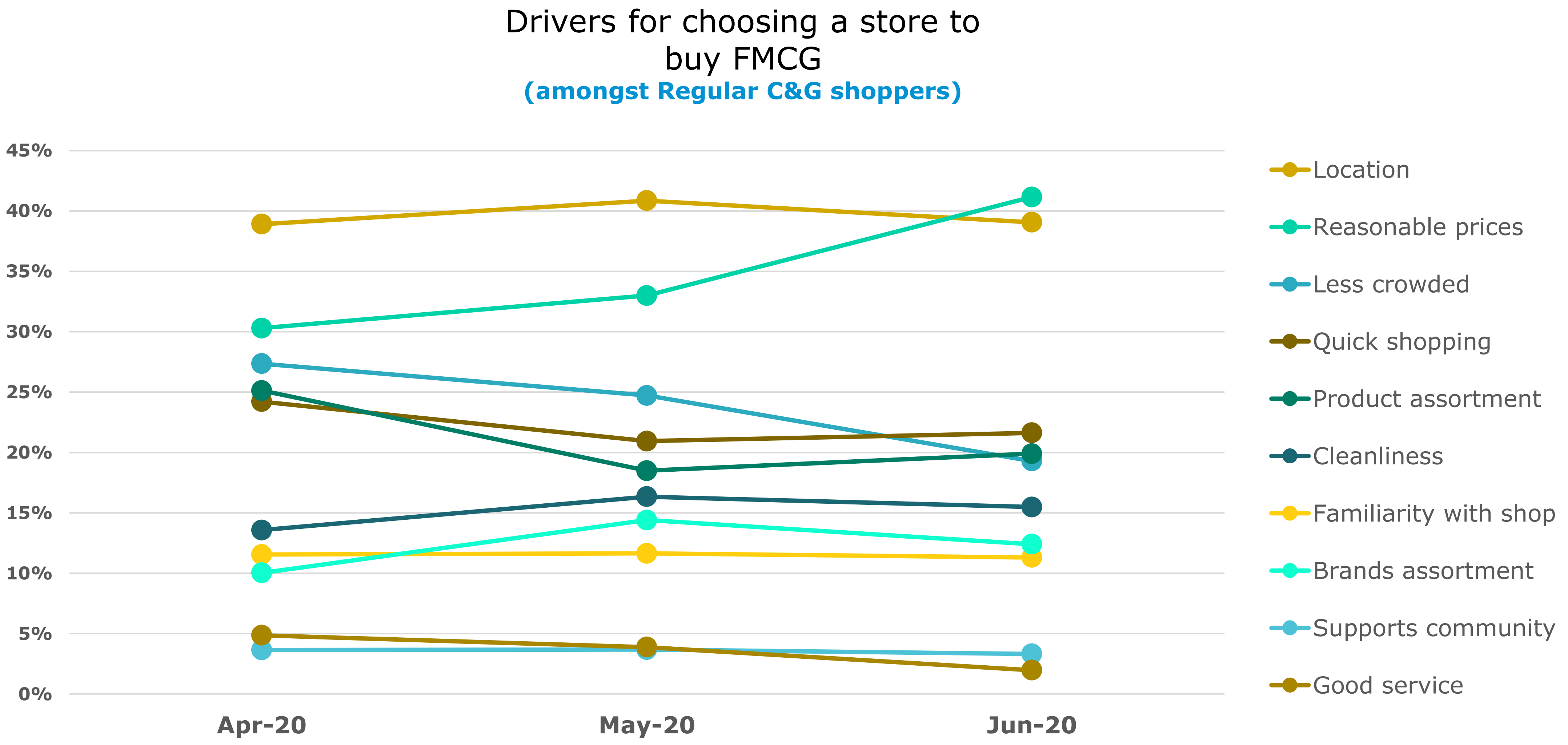
Source: *Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)*

C&G Shopping Attitudes

CADDLE

pollara
strategic insights

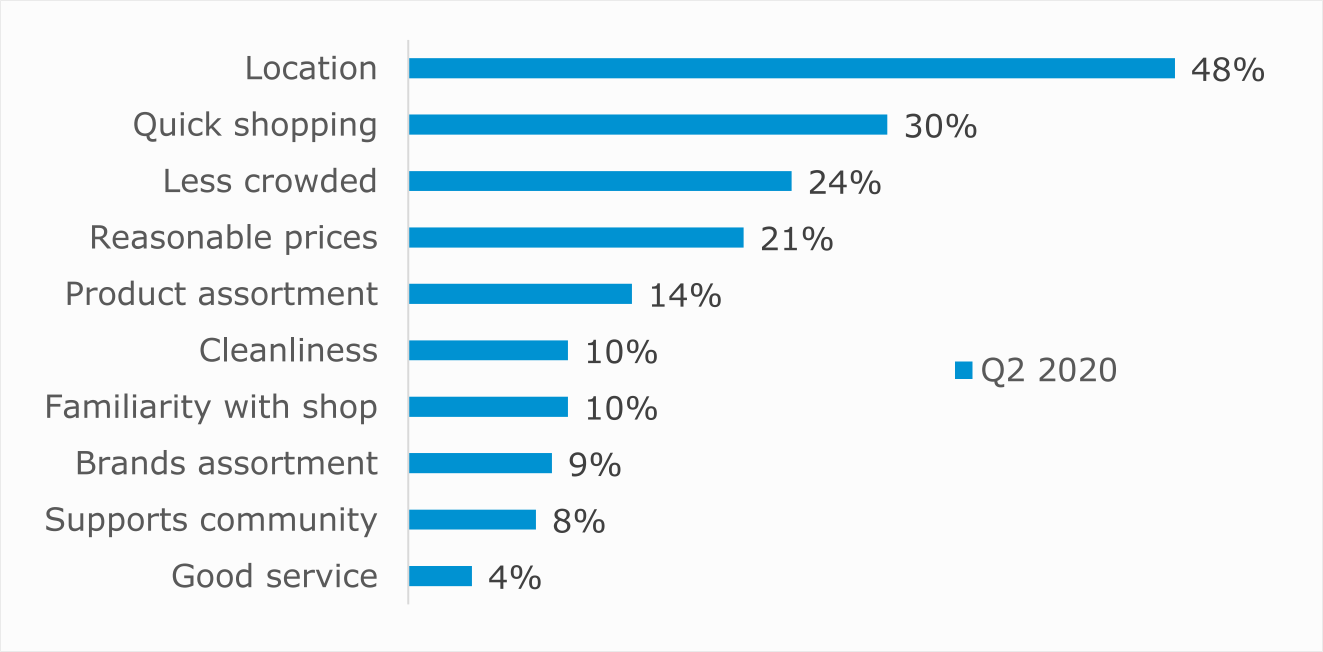
As the pandemic slows down, C&G shoppers are becoming increasingly price sensitive and less worried about crowds in-store



Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Aside from location, regular C&G shoppers see quick shopping and less crowds as the main benefits of shopping in C&G stores

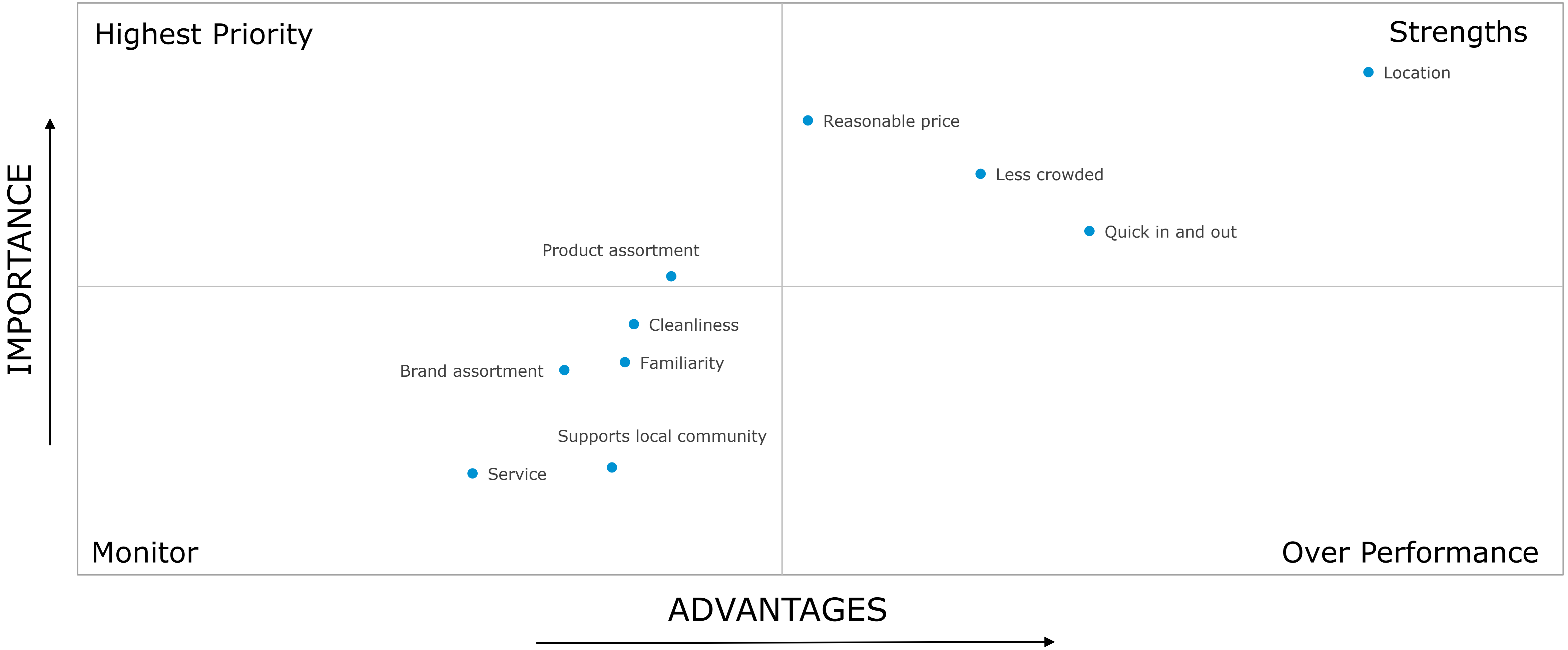
Perceived advantages
of buying in C&G stores
(amongst Regular C&G shoppers)



Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Product assortment is the main area to focus

Importance vs. Advantages
Q2 2020
(amongst Regular C&G shoppers)



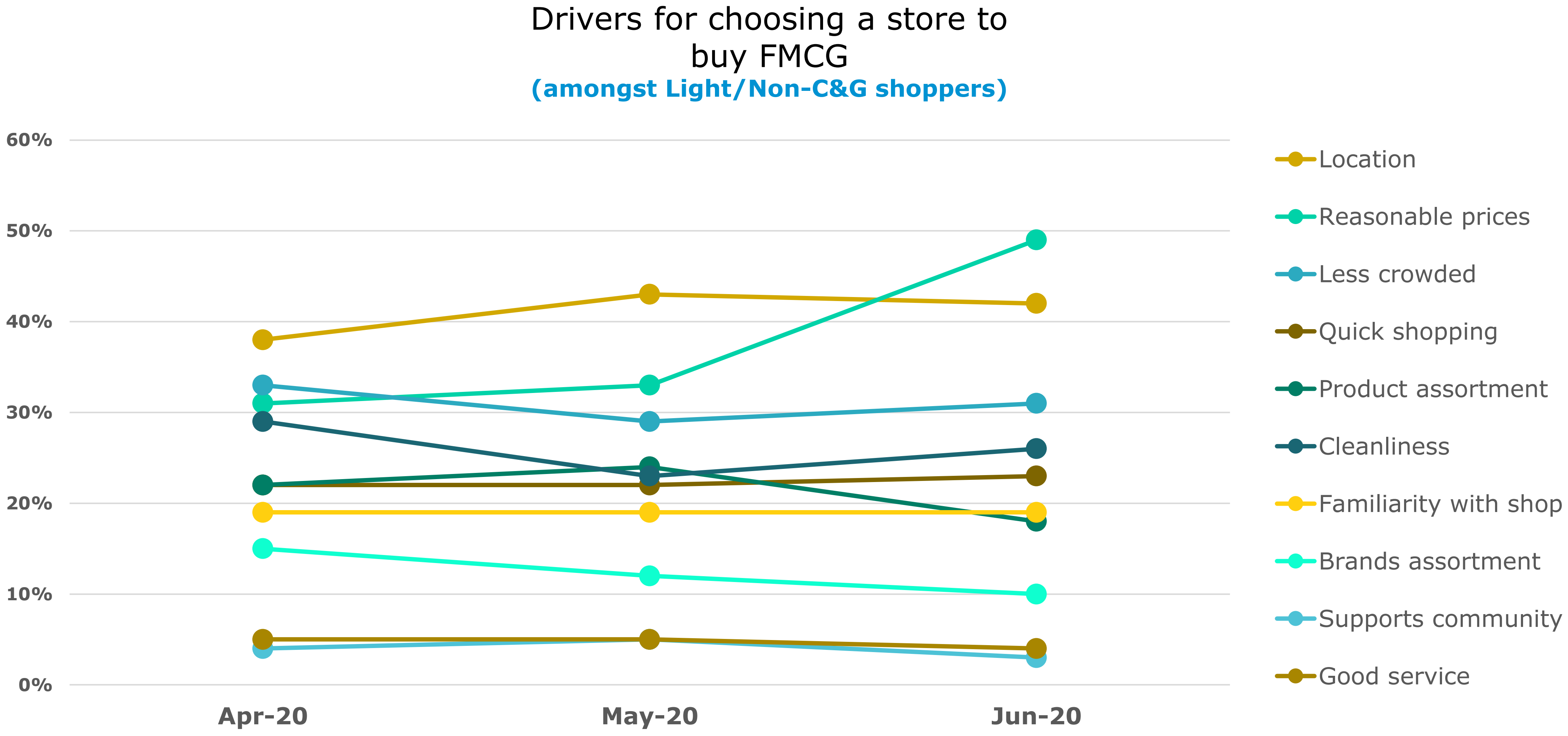
Prices, familiarity with the store, and product assortment stand out as the main advantages of grocery stores over C&G shops

Perceived Advantages
Q2 2020
(amongst Regular shoppers in each channel)

	Grocery stores	C&G stores	Gap
Less crowded	11%	24%	13
Quick in and out	19%	30%	11
Location	41%	48%	7
Supports local community	5%	8%	3
Good customer service	7%	4%	-3
Cleanliness	14%	10%	-4
Brands assortment	15%	9%	-6
Product assortment	28%	14%	-14
Familiarity with the shop	30%	10%	-20
Reasonable prices	43%	21%	-22

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

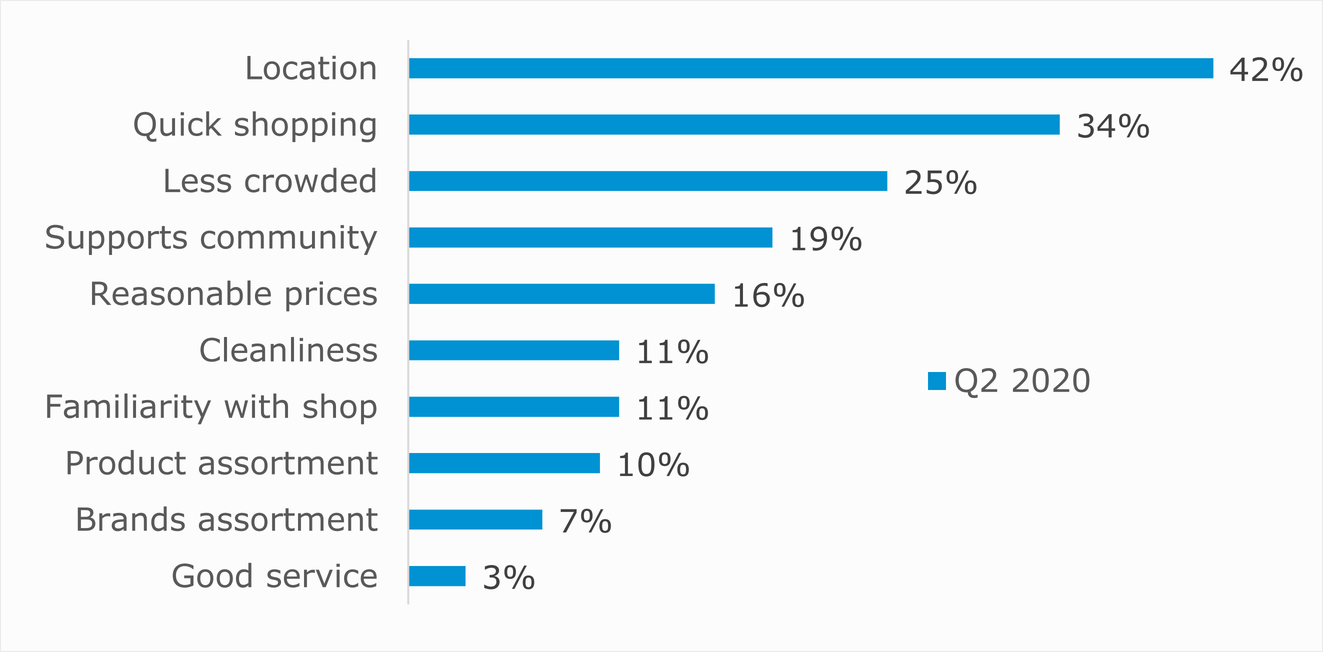
Light/non-C&G shoppers are more concerned about crowds and cleanliness than regular C&G shoppers



The top 3 C&G benefits perceived amongst Light/Non-C&G shoppers are the same as Regular shoppers

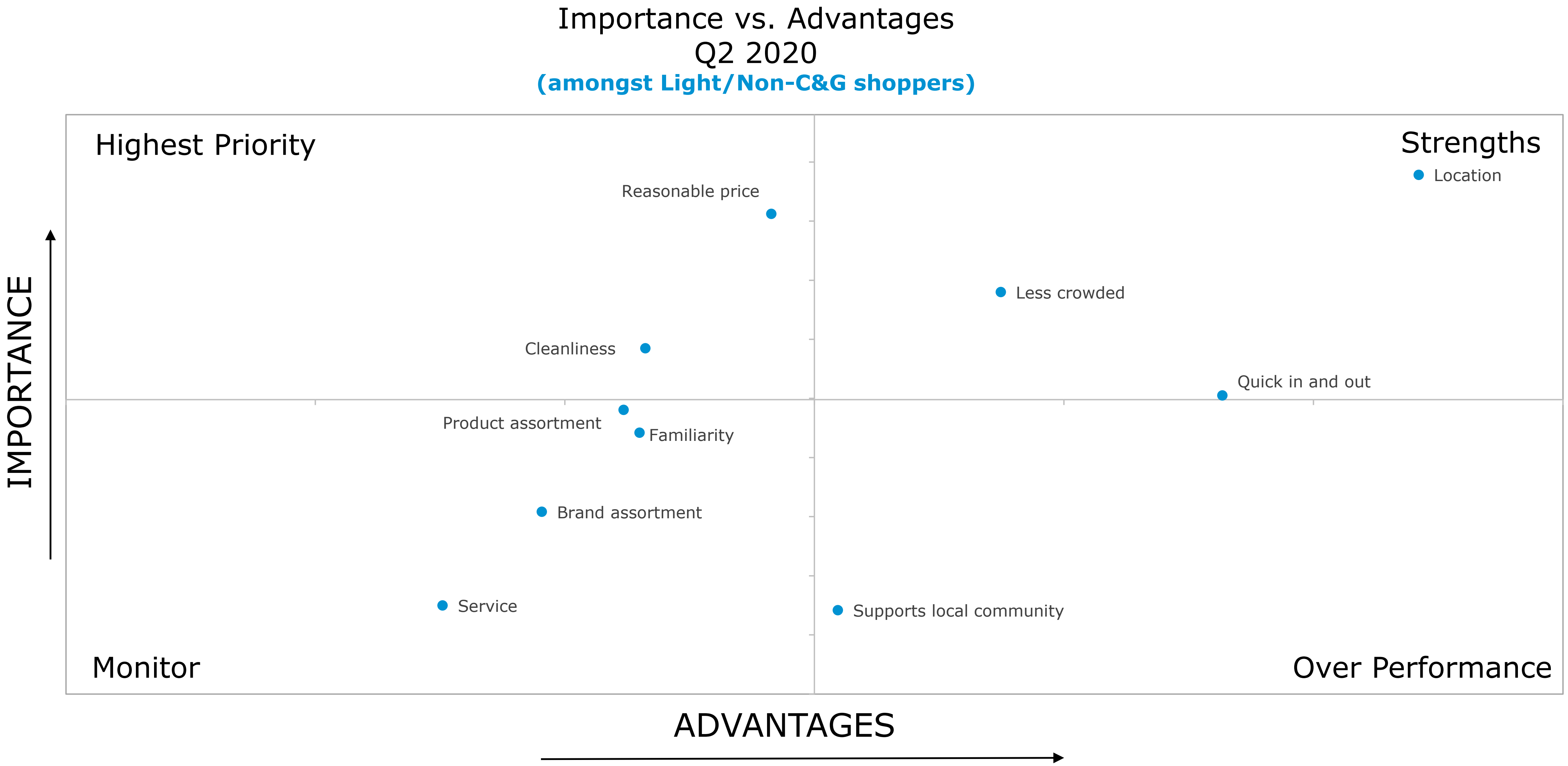
- Support for the community stands out as different compared to Regular C&G shoppers

Perceived advantages
of buying in C&G stores
(amongst Light/Non-C&G shoppers)



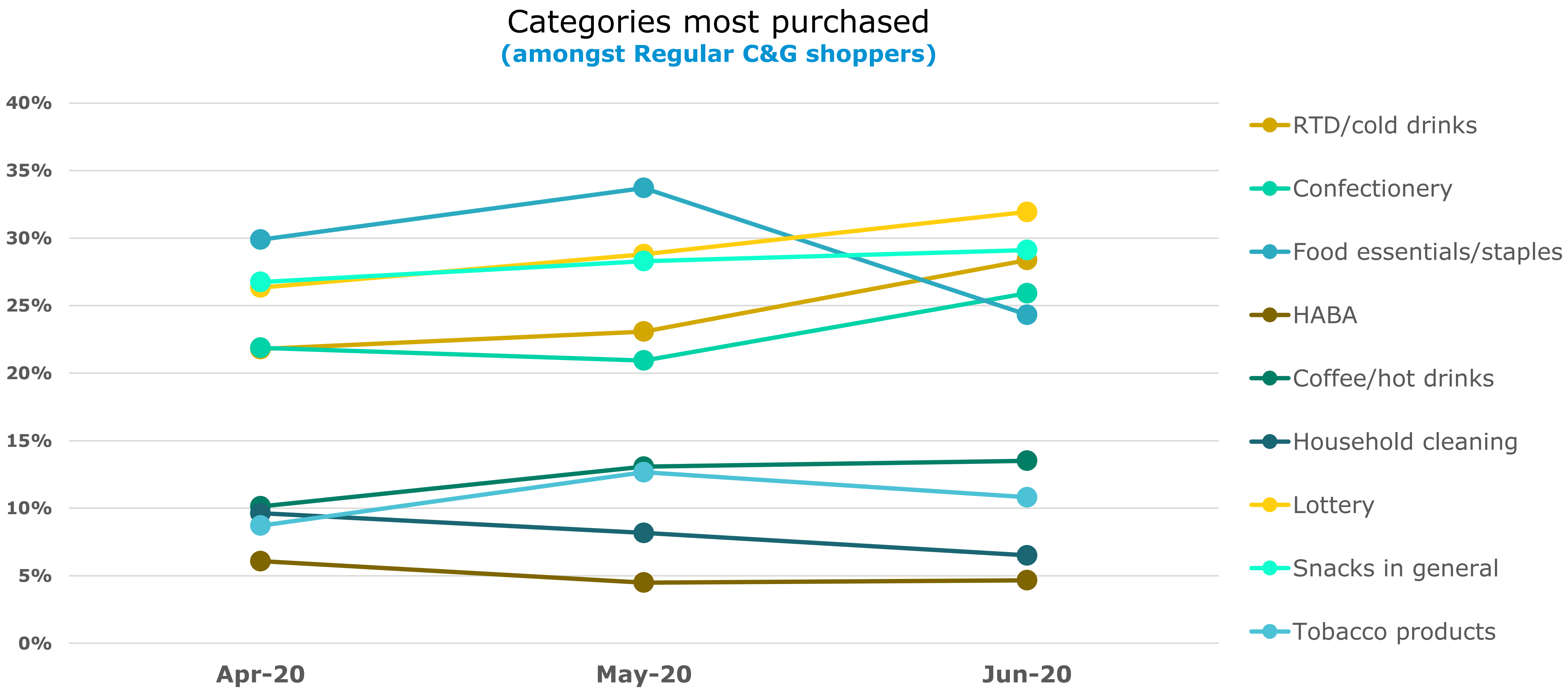
Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Light/Non-C&G shoppers are more price sensitive and more worried about cleanliness and hygiene in the stores



Categories Most Purchased in C&G Stores

With the easing of the pandemic, purchase of food essentials in C&G has dropped significantly, while lottery, RTD/cold drinks, and confectionery has increased



Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

C&G micro-shopping is driven mostly by coffee, confectionery, and tobacco

Categories most purchased
by shopping frequency

	C&G Regular Shoppers Total	Shop in C&G daily/multiple times a week	Indexed to Total	Shop in C&G weekly	Indexed to Total
Food essentials/staples	29%	25%	85	35%	119
Lottery	29%	27%	93	30%	105
Snacks in general	28%	26%	94	30%	107
RTD/cold drinks	24%	27%	110	28%	114
Confectionery	23%	30%	132	26%	112
Coffee/hot drinks	12%	15%	120	11%	88
Tobacco products	11%	15%	136	9%	82
Household cleaning	8%	6%	76	9%	111
HABA	5%	4%	78	6%	111

Red font = under index (< 86) vs Regular C&G Shoppers
Green font = over index (>114) vs Regular C&G Shoppers

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Key Differences in C&G Shoppers' Profiles

CADDLE

pollara
strategic insights

REGULAR C&G SHOPPERS

C&G Regular Shoppers

Over Index		Under Index	
Gen Z	183	Baby Boomers	38
Millennials	170	Greatest Generation	17
Gen X	131	BC	82
Atlantic	207	Quebec	73
Ontario	119	Prairies	70
Single	116	No children	83
Children in home	135		
Do not own a home	136		

Daily/multiple times a week C&G shoppers

Over Index		Under Index	
Men	123	Atlantic	77
Greatest Generation	160	Income $75,000 to $99,000	83
BC	123		
Do not own a home	119		

Weekly C&G shoppers

Over Index		Under Index	
		Greatest Generation	60

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

REGULAR C&G SHOPPERS - BEVERAGES

RTD / COLD DRINKS

Over Index		Under Index	
Greatest Generation	120	Baby Boomers	67
Prairies	119		
Do not own a home	116		

COFFEE / HOT DRINKS

Over Index		Under Index	
Gen Z	126	Gen X	85
Greatest Generation	180	Atlantic	74
BC	115	Income $75,000 to $99,000	81
Quebec	141	Income $100,000 or above	81
Income under $50,000	121		

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

REGULAR C&G SHOPPERS – FOOD & SNACKS

CONFECTIONERY

Over Index		Under Index	
Gen Z	124	Baby Boomers	57
Millennials	116	Greatest Generation	60
BC	117		
Do not own a home	117		

FOOD ESSENTIALS

Over Index		Under Index	
Greatest Generation	140	BC	74
Quebec	138		
Atlantic	123		

SNACKS

Over Index		Under Index	
Gen Z	126	Baby Boomers	83
		Greatest Generation	80

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

REGULAR C&G SHOPPERS – HABA AND HOUSEHOLD CLEANING ITEMS

HEALTH & BEAUTY

Over Index		Under Index	
Gen Z	131	Baby Boomers	83
Greatest Generation	320	Atlantic	50
Quebec	156	Income $75,000 to $99,000	68
Income under $50,000	131	Income $100,000 or above	75
Do not own a home	120		

HOUSEHOLD CLEANING ITEMS

Over Index		Under Index	
Greatest Generation	300	Baby Boomers	71
Income under $50,000	137	Income $50,000 to $74,000	81
Do not own a home	119	Income $75,000 to $99,000	78
		Income $100,000 or above	72

Source: *Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)*

REGULAR C&G SHOPPERS – LOTTERY & TOBACCO PRODUCTS

LOTTERY

Over Index		Under Index	
Baby Boomers	157	Gen Z	50
Greatest Generation	120	Millennials	78
Prairies	117	BC	69
Ontario	133	Quebec	40
Income $75,000 to $99,000	115	Atlantic	80
		Income under $50,000	82
		Children in household	84

TOBACCO

Over Index		Under Index	
Prairies	116	Quebec	66
Income under $50,000	115	Income $100,000 or above	72
Do not own a home	126	Home owner	86

Source: Pollara Strategic Insights / Caddle C&G Shopper Intelligence Study (W1 Q2 2020)

Ransom Hawley, CEO Caddle
Mario Caceres, Vice President Pollara

ransom@caddle.ca
mariocaceres@pollara.com

CADDLE

pollara
strategic insights
www.pollara.com