

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 2/8/2013

GAIN Report Number: CA13008

Canada

Post: Ottawa

Canadian Consumer Insights - Results of 2012 Consumer Survey

Report Categories:

Market Promotion/Competition

Approved By:

Scott Reynolds

Prepared By:

Sonya Jenkins

Report Highlights:

In the fall of 2011, FAS Canada commissioned its first consumer survey focused on primary grocery decision makers in Canada. The goal of the survey was to gain better insight into the motivations and habits of Canadian shoppers. The initial survey provided a better understanding of where Canadians shop for groceries and what they are looking for. A follow up survey was conducted in the fall of 2012 to monitor any changes in trends and also contained a new section on how the internet influences the purchasing decisions of grocery shoppers in the market in support www.tasteus.ca, the new website of the U.S. Food and Beverage Alliance. This report contains comparisons of data from both surveys, as well as an overview of internet habits.

Where Canadians Shop for Groceries

2011 Consumer Survey

■ Ever ■ Regularly

By percentage of consumers



2012 Consumer Survey

■ Ever ■ Regularly

By percentage of consumers



Large Brand Name Grocers (examples on the survey included Loblaws, Metro, Sobeys and Safeway) continue to be the leading channel for groceries in Canada, with 92 percent of Canadian consumers shopping at one of these stores regularly. "Regularly" in this case has been defined as more than once per month. Most notable in this question is the increase in the number of shopping trips to big box stores. This category includes stores such as Costco and Walmart, which has been increasing its grocery, fresh produce, meat, and dairy offerings. Non-traditional retailers including dollar stores and mass merchandise stores have been increasing their grocery market share. Target will be opening 125 stores in Canada in 2013, beginning in March. They will be working with Sobeys to offer groceries in their stores, which could affect the market share of other categories of retailers in Canada.

What Canadians are looking for

2011 Survey



2012 Survey



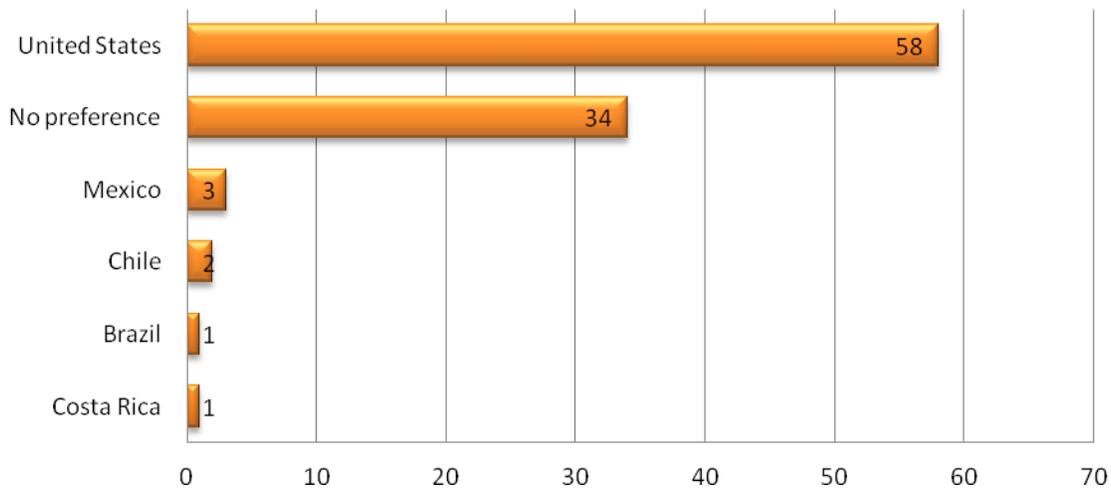
Note: This data represents the percentage of consumers who ranked these characteristics as "important" on the survey

When it comes to characteristics that are important to Canadian shoppers, Price has been consistently near the top in both years and was the top characteristic across demographics. Canadian grocery buyers are looking for good value on products that they trust and are of good quality. In 2011, Safety ranked

sixth (47%), while Origin ranked seventh in 2012 (72%).

In 2011, consumers were asked which country they preferred as an origin for imported food. The United States led as the preferred origin by a large margin, though many consumers did not have a preference:

2011 Survey - Origin by Preference by percentage



In 2012, the question was worded differently and respondents were asked to indicate how much trust they had in food from foreign countries by ranking each country on a scale of one to five, with one meaning least trusted and five meaning most trusted. Again, the United States ranked at the top with an average score of 4.4 out of a possible 5 demonstrating the high level of trust that Canadians have in U.S. food products:

2012 Survey - Most Trusted Origins Average Scores out of 5



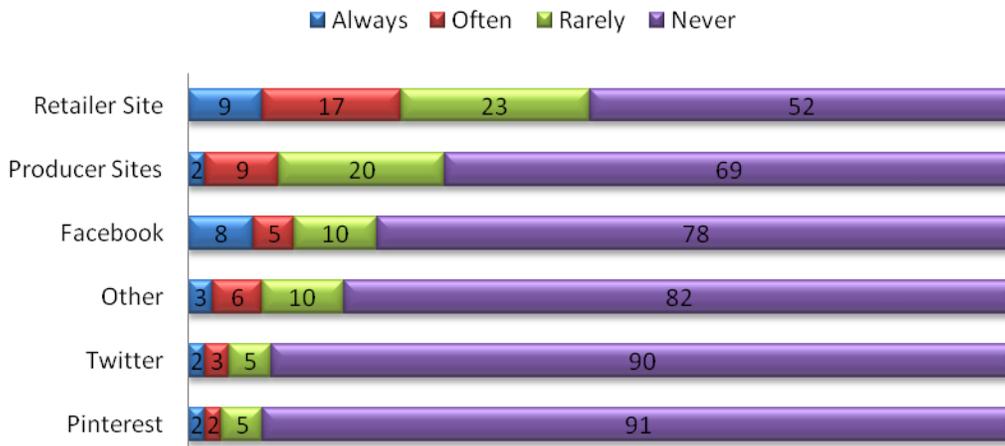
Question: If local produce was not available from within Canada, from which of the following countries that Canada

currently imports from, would you prefer to buy your produce?
Please rank from 1 to 5 with 1 being the least trusted and 5 being the most trusted.

How Canadians Use the Internet to Make Food Purchase Decisions

Retailer sites are the most commonly used sources of information for Canadians looking for information on food purchases. Producer sites placed second in overall use, but social media sites are very popular in Canada and will probably grow in importance fairly quickly over the next few years.

Most Commonly Used Online Sources



Sites that were mentioned in the "Other" section included flyer sites, magazine sites, group buying sites and search engines.

What Canadians are looking for on the Internet

Recipes are the most commonly searched for piece of information by Canadian consumers. Women are more likely than men to search for both recipes and nutritional information, though men perform a significant amount of searches for this information as well. Also, households with children are the most likely to search for coupons or promotions.

Most Searched for Information by percentage of consumers



How Can US Exporters to Canada Use This Information and Gain Further Access to the Survey Results?

US companies should be mindful of the current realities and trends about where Canadians shop for their groceries. Companies whose products meet the attributes that Canadians are looking for (taste, price, safety, nutrition, appearance) will have greater success in Canada. Regarding the origin of foods, Canadian shoppers like to buy foods produced in Canada, but they prefer to purchase American food products when Canadian products are not available and/or when they associate American products with the attributes they care the most about.

US companies seeking more information about these two surveys are welcome to contact the USDA Foreign Agricultural Service's Office in Ottawa for more information:

Sonya.Jenkins@fas.usda.gov or AgOttawa@fas.usda.gov