

Understanding Consumers In a Multicultural Canada

How culture shapes our retail landscape

CPS WEBINAR 2023



creating
We're ~~entering~~ a new era
of consumer understanding
and growth.



We deliver understanding and insights that make up *the Full View*.

**WHAT IS
HAPPENING**

*What consumers
do and buy*

**WHY IT'S
HAPPENING**

*What consumers
think and feel*

**WHAT TO DO
ABOUT IT**

*How to capitalize
on opportunities
& mitigate risks*



Canada's Multicultural Consumer Landscape

NIQ

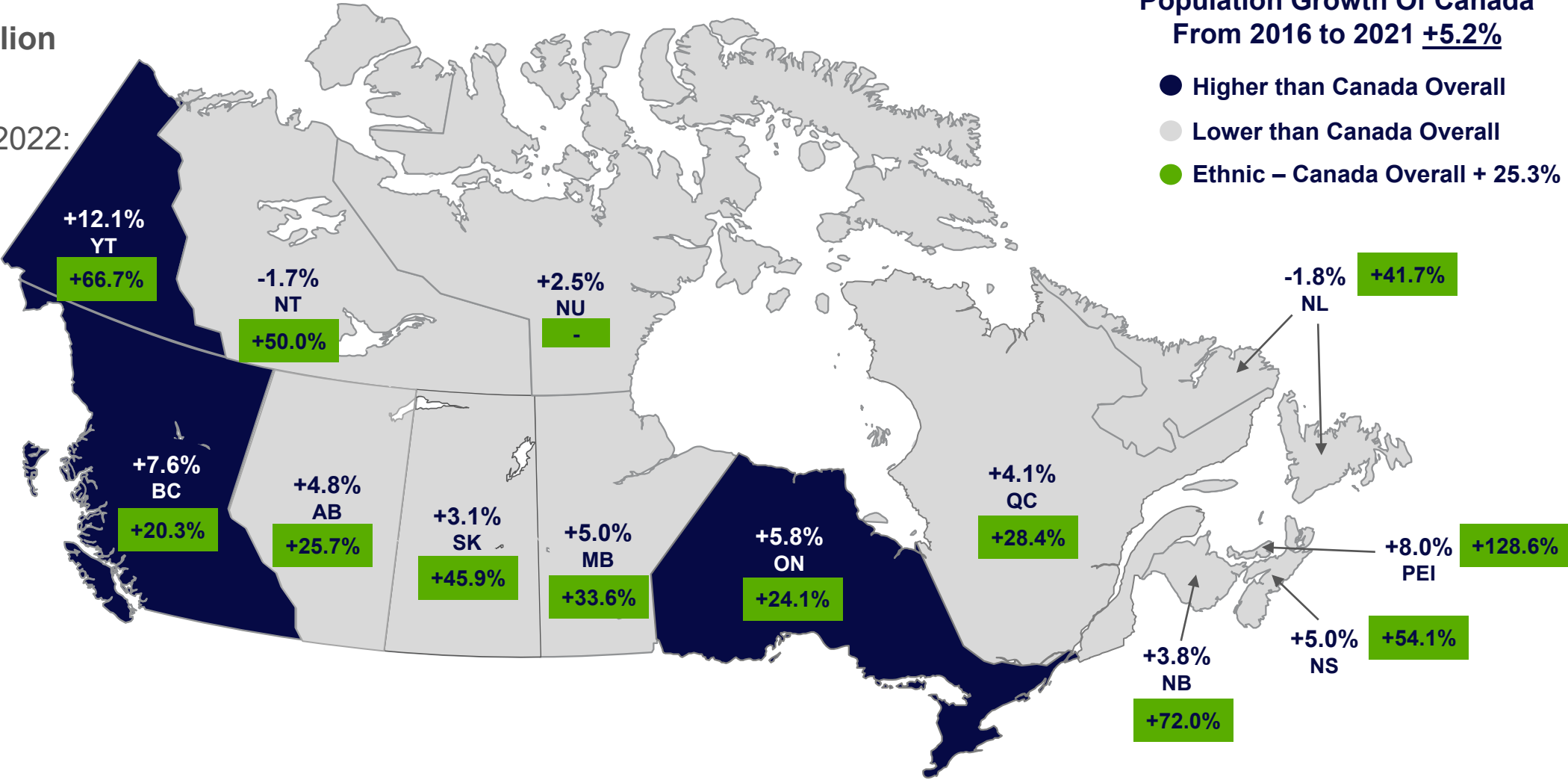
Growth of ethnic population is significantly outpacing Canada overall

TL Population:
Approx 40 Million

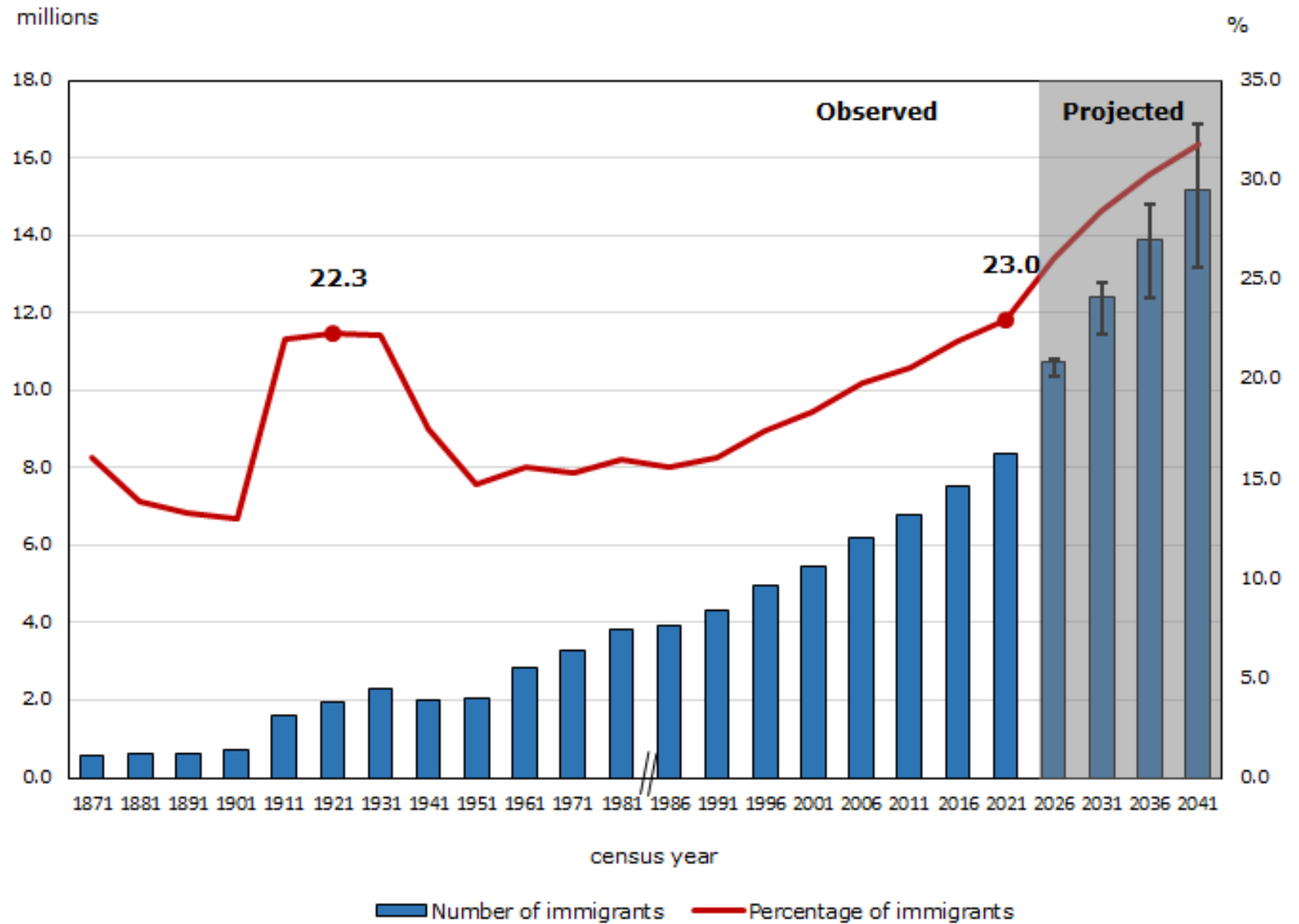
Immigrants in 2022:
431,645

Population Growth Of Canada
From 2016 to 2021 +5.2%

- Higher than Canada Overall
- Lower than Canada Overall
- Ethnic – Canada Overall + 25.3%

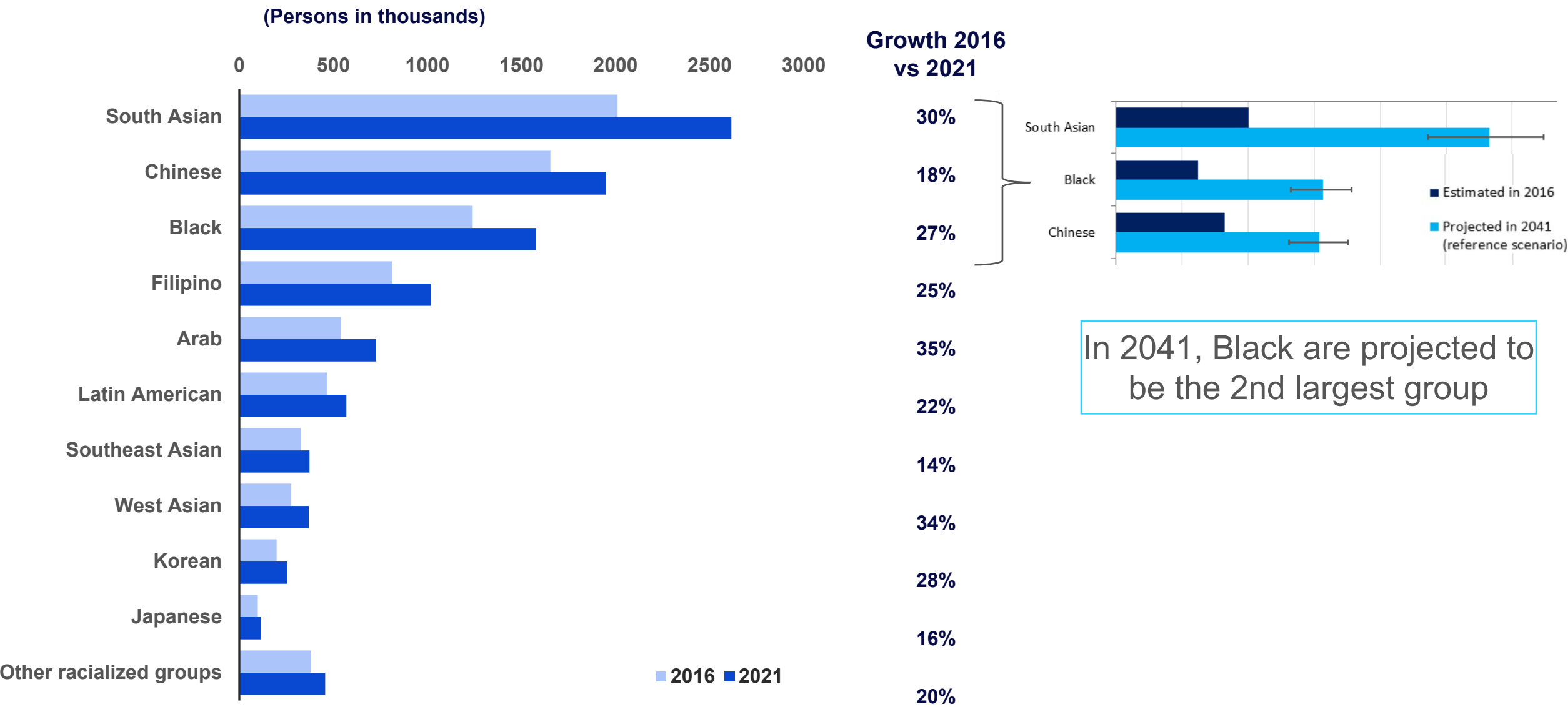


Nearly one in four people in Canada are immigrants, the highest proportion of the population in more than 150 years

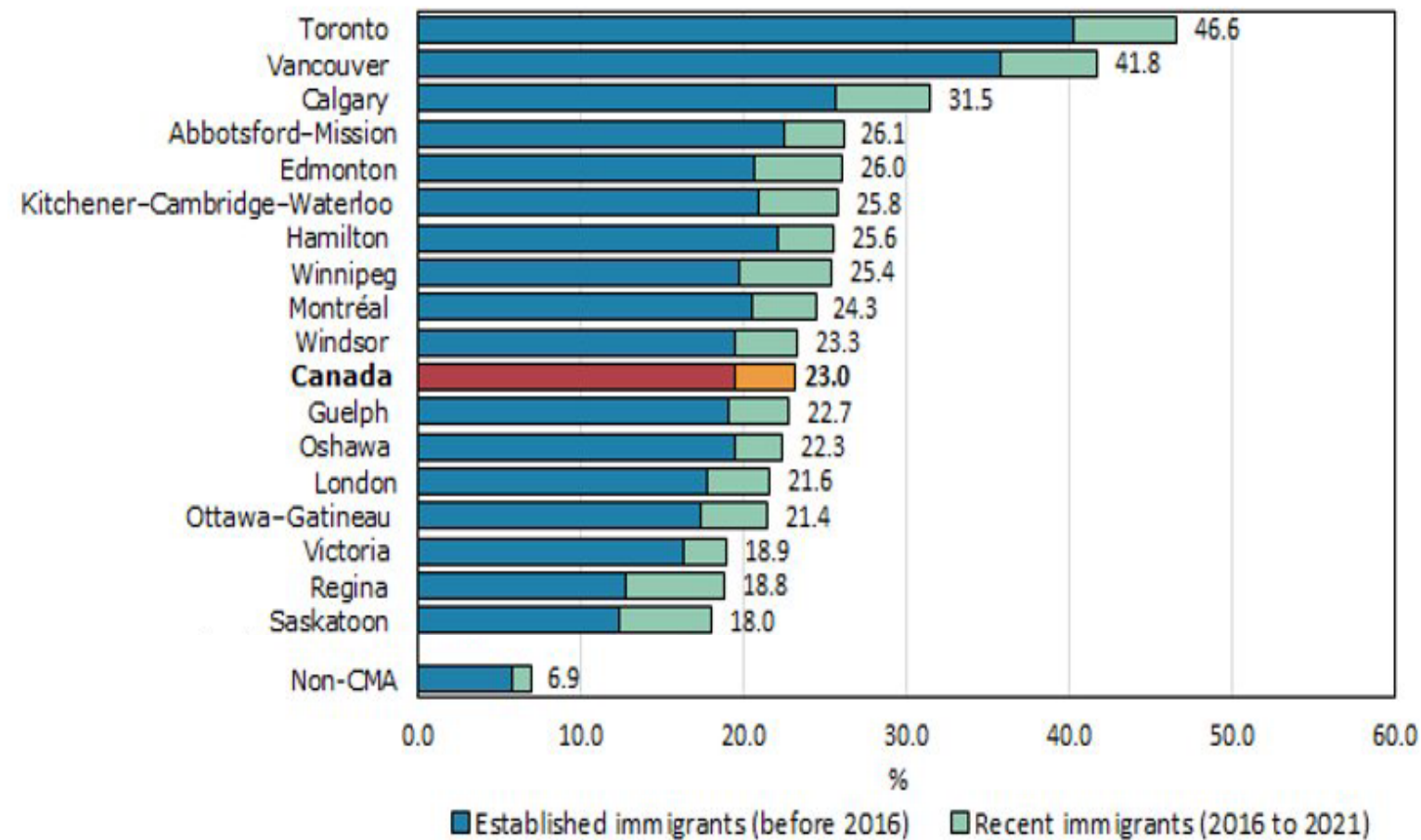


Note: The lines within the bars in the shaded area of the chart for the years 2026 to 2041 indicate the interval between the minimum and maximum values projected for all 11 scenarios combined.

South Asians are the largest and fastest growing ethnic segment

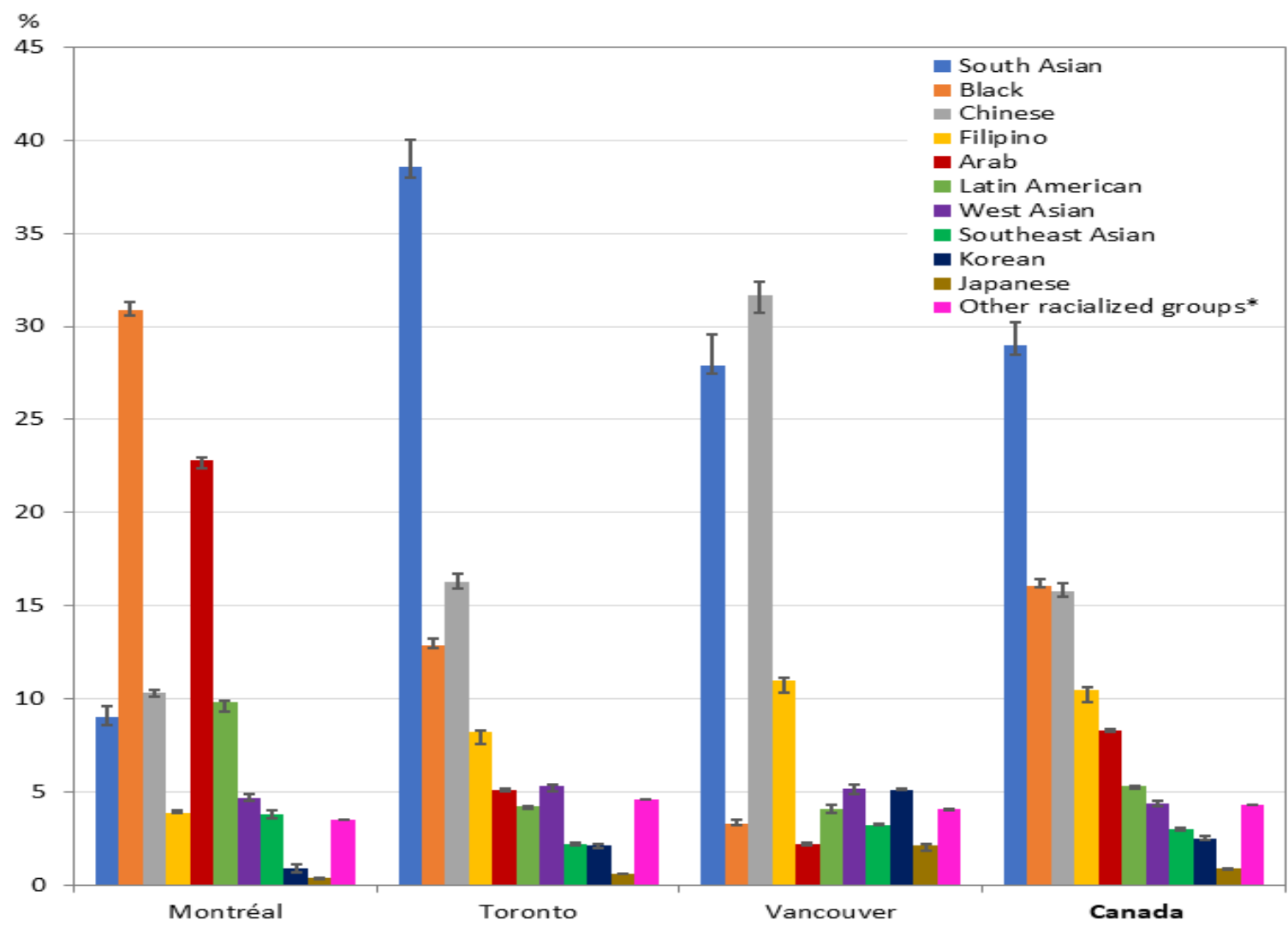


Immigrants most likely to settle in Toronto, followed by Vancouver



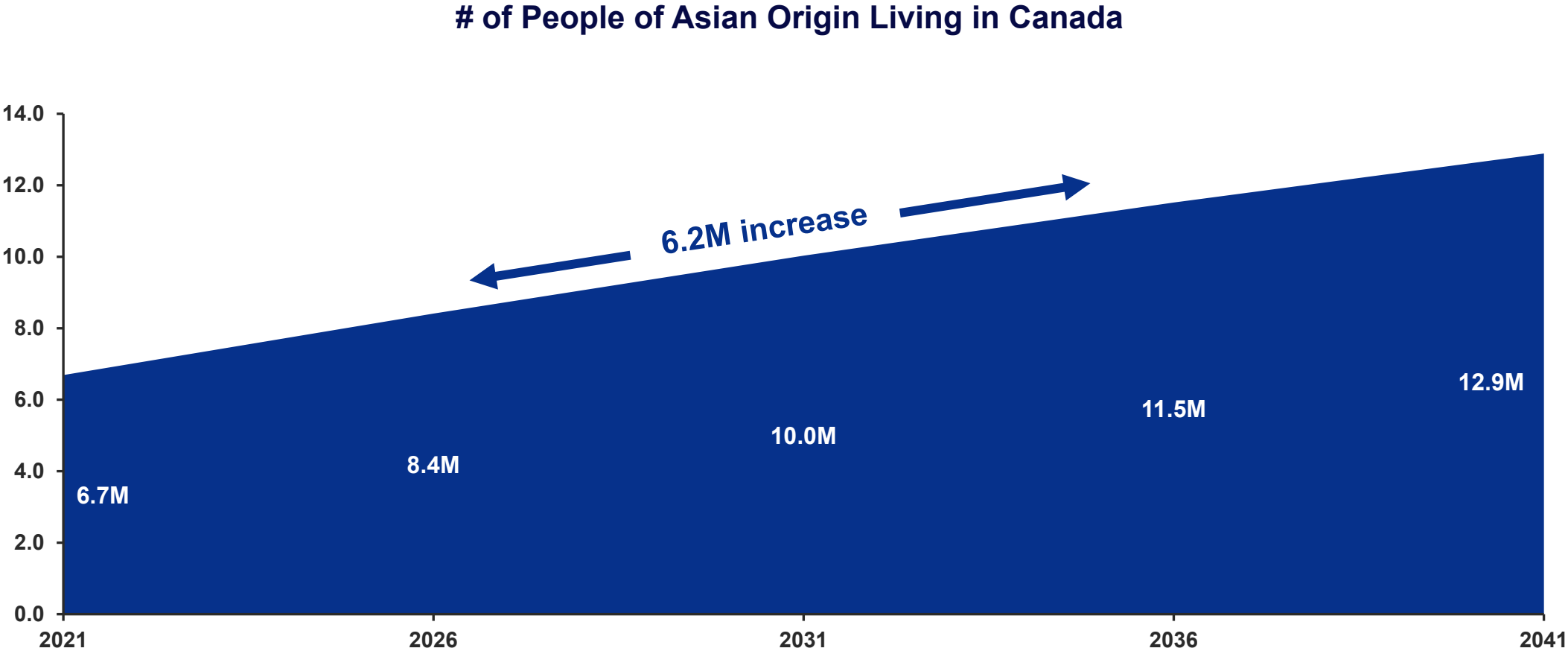
Note(s): The term "large urban centre" refers to a census metropolitan area (CMA), which is an area with over 100,000 residents. "Recent immigrant" refers to a person who obtained landed immigrant or permanent resident status in the five years preceding a given census. For the 2021 Census of Population, this refers to the period from January 1, 2016, to May 11, 2021.
Source(s): Census of Population, 2021 (3901).

Different diversities across different cities

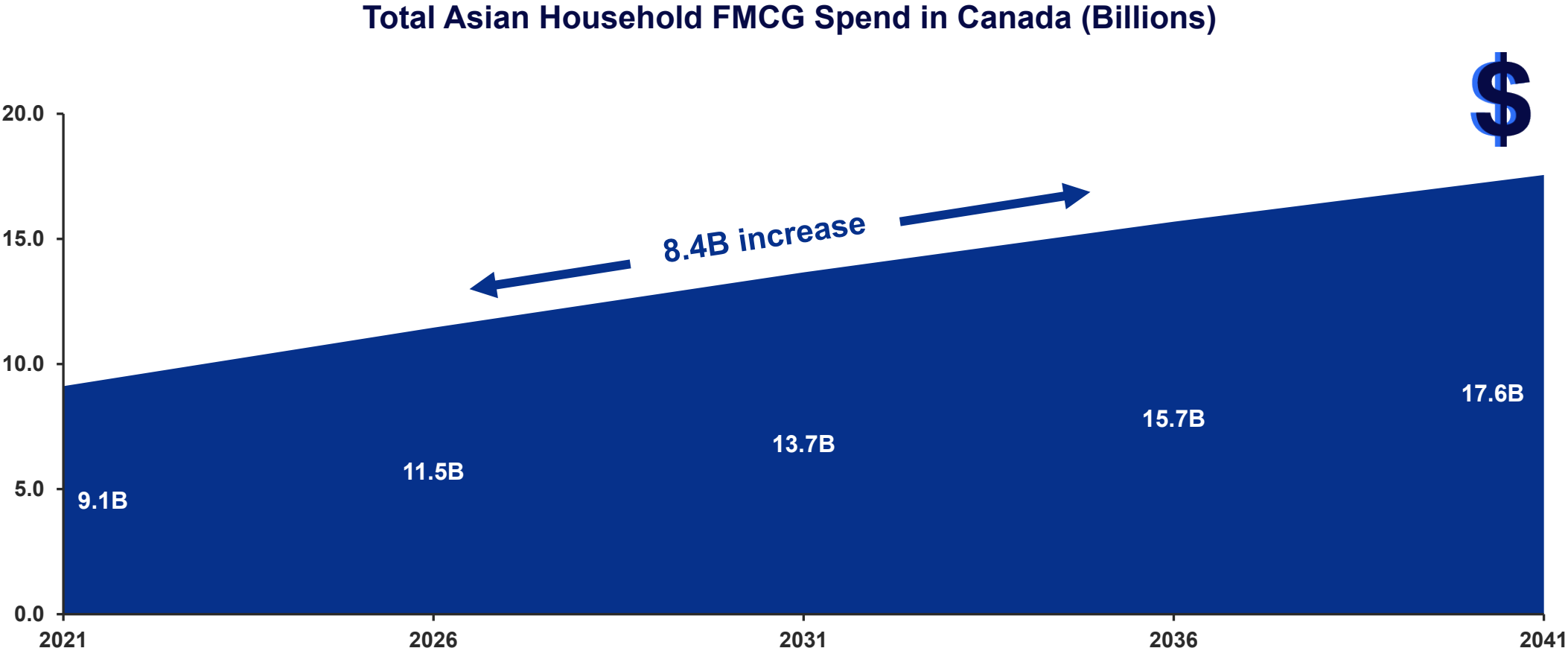


* The category "Other racialized groups" includes people who belong to more than one racialized group or who belong to a racialized group not included elsewhere.
Note: The symbol "I" corresponds to the minimum and maximum values projected by all 11 scenarios considered.
Sources: 2016 Census (adjusted) (3901) and Population projections on immigration and diversity for Canada and its regions, 2016 to 2041 (5126).

Ethnic household of Asian origin will be nearly double by 2041



Asian households will represent \$17.6 billion of spend by 2041





Shopping Behaviour by Channel



Asian buyers' grocery spend overall is lower, but rate of growth catching up to that of Non-Asians

Although South Asians make fewer trips overall, they are increasing trip traffic faster than Non-Asians with basket size comparable to Non-Asian Hhlds.

Chinese shoppers are making less trips YoY, but increasing their basket spend while being more reliant on deals.

Asian Hhlds spending **5% more**
this year on grocery categories vs. Non-Asian's spending 7% more



**5%
more**

CHINESE HHLDS

yearly spend on grocery categories, driven by **increased basket spend** and **higher reliance on deal**

**5%
more**

SOUTH ASIAN HHLDS

yearly spend on grocery categories, driven by **more trips YoY**, growing faster than Non-Asians and **higher basket spend overall**

Source: NielsenIQ Homescan – Market Summary Report with Demographics - 52 weeks ending Mar 25, 2023

Ethnic buyers over-indexing in Costco across all regions

Followed by Mass Merchandisers in Ontario & West. Ethnic buyers in Ontario shop the most Online relative to the rest of Canada

CHANNELS WHERE ETHNIC BUYERS SHOP FOR GROCERY / HOUSEHOLD PRODUCTS

Mkt Shr of TL Outlets – EQ Volume
TL National



GROCERY STORE



WEST	ONTARIO	QUEBEC	MARITIMES
80	84	87	59



MASS MERCHANDISER



107	119	61	136
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DRUG STORE



92	99	90	121
----	----	----	-----



CLUB STORE (COSTCO)



183	137	206	206
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ETHNIC STORE



608	643	625	260
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ONLINE STORE

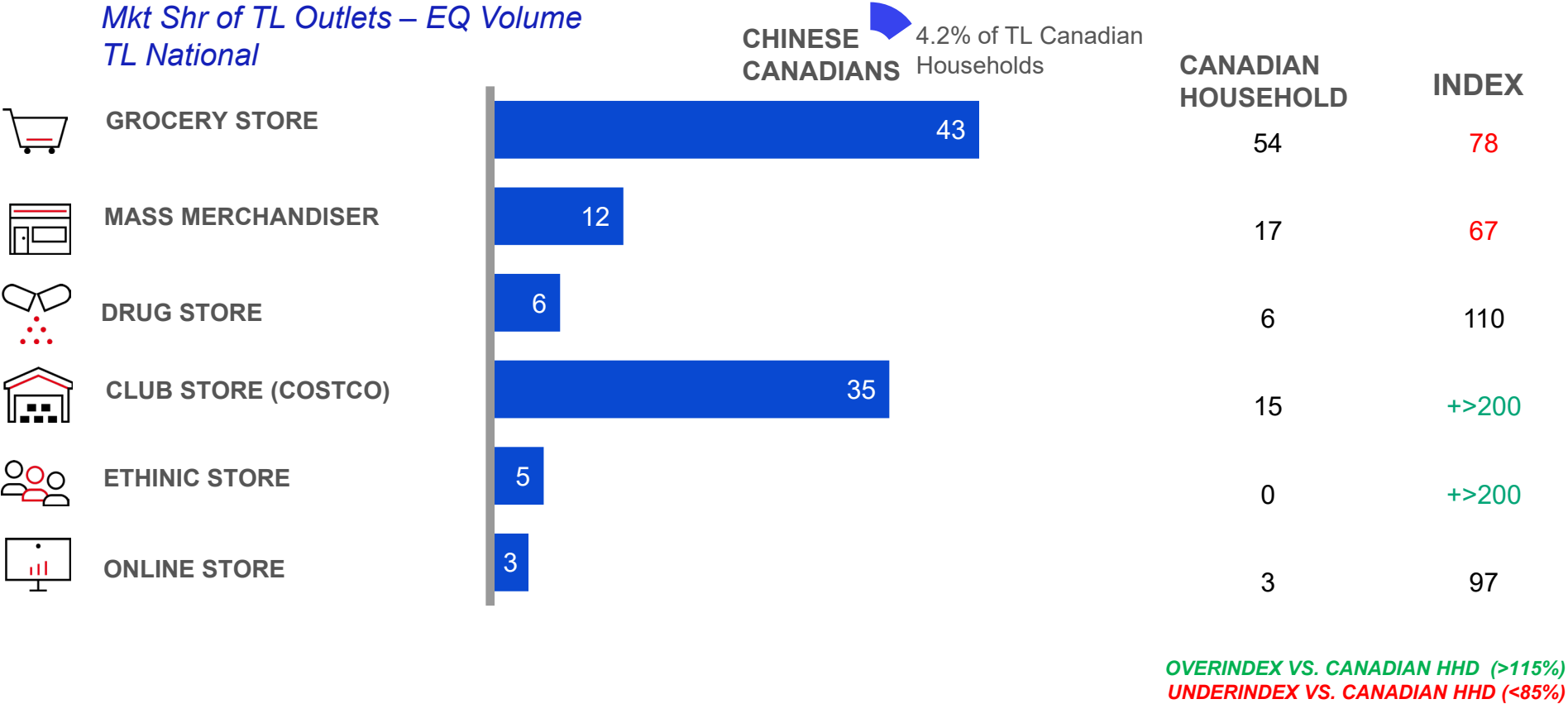


102	176	94	102
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OVERINDEX VS. CANADIAN HHD (>115%)
UNDERINDEX VS. CANADIAN HHD (<85%)

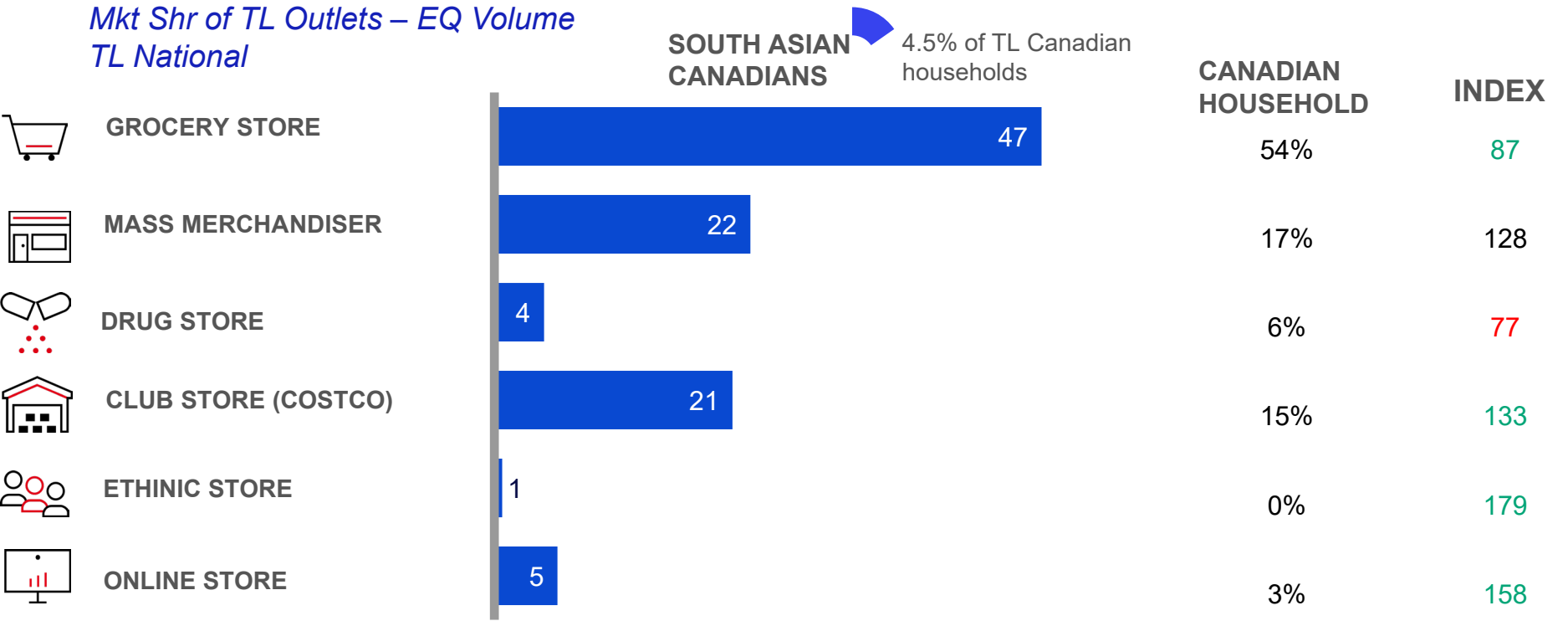
Source: NielsenIQ Homescan – Market Summary Report with Demographics EQ Volume Total Market: Total Outlets - 52 weeks ending Mar 25, 2023

Chinese buyers under-index in Mass Merchandisers and Grocery banners



Source: NielsenIQ Homescan – Market Summary Report with Demographics – EQ Volume Total Market: Total Outlets - 52 weeks ending Mar 25, 2023

South Asian buyers significantly over-index in Club, Ethnic and Online channels



OVERINDEX VS. CANADIAN HHD (>115%)
UNDERINDEX VS. CANADIAN HHD (<85%)

Source: NielsenIQ Homescan – Market Summary Report with Demographics – EQ Volume Total Market: Total Outlets - 52 weeks ending Mar 25, 2023



Does culture impact buying behavior?

NIQ

Our panelists come from
a wide variety of
countries

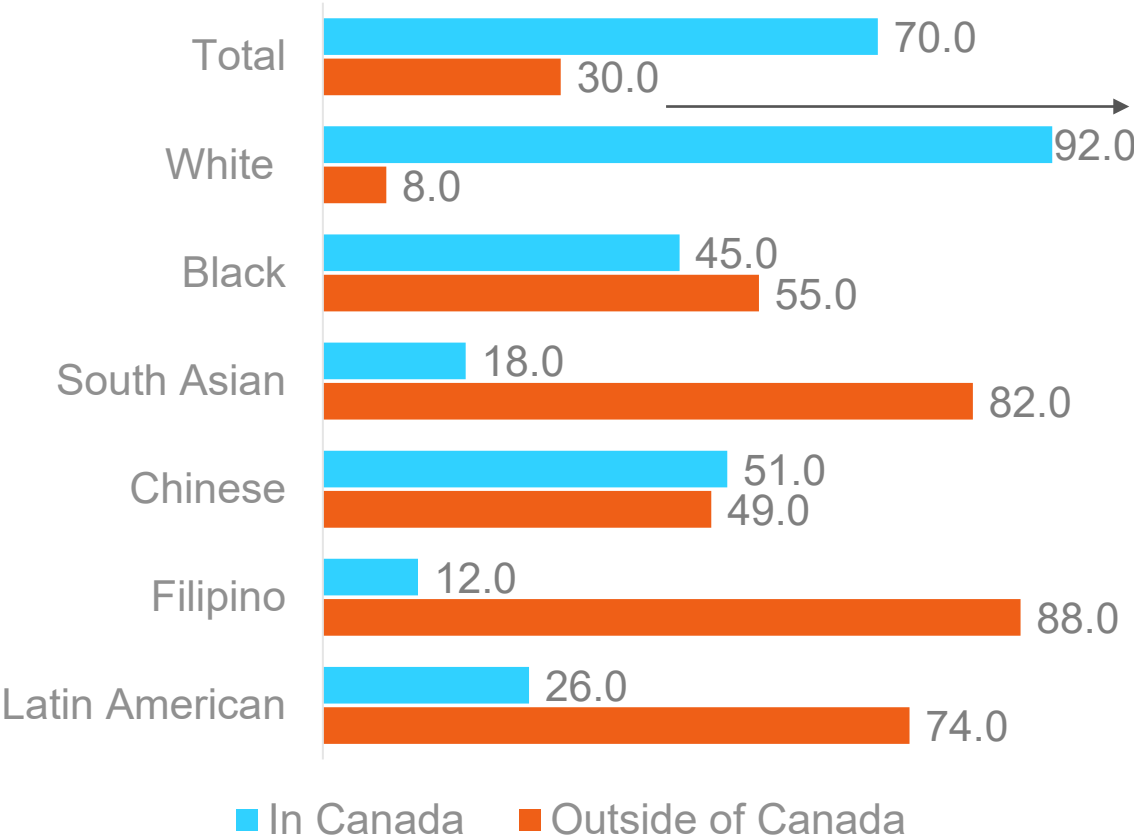
76 Countries represented



NIQ 2023 Ethnic Thought Leadership Survey – Q11: In which country or region were you born? Please select one.

South Asian, Filipino and Latin American populations are mainly born outside of Canada

Where were you born? (in %)



Of those born outside of Canada,

18%
born in India

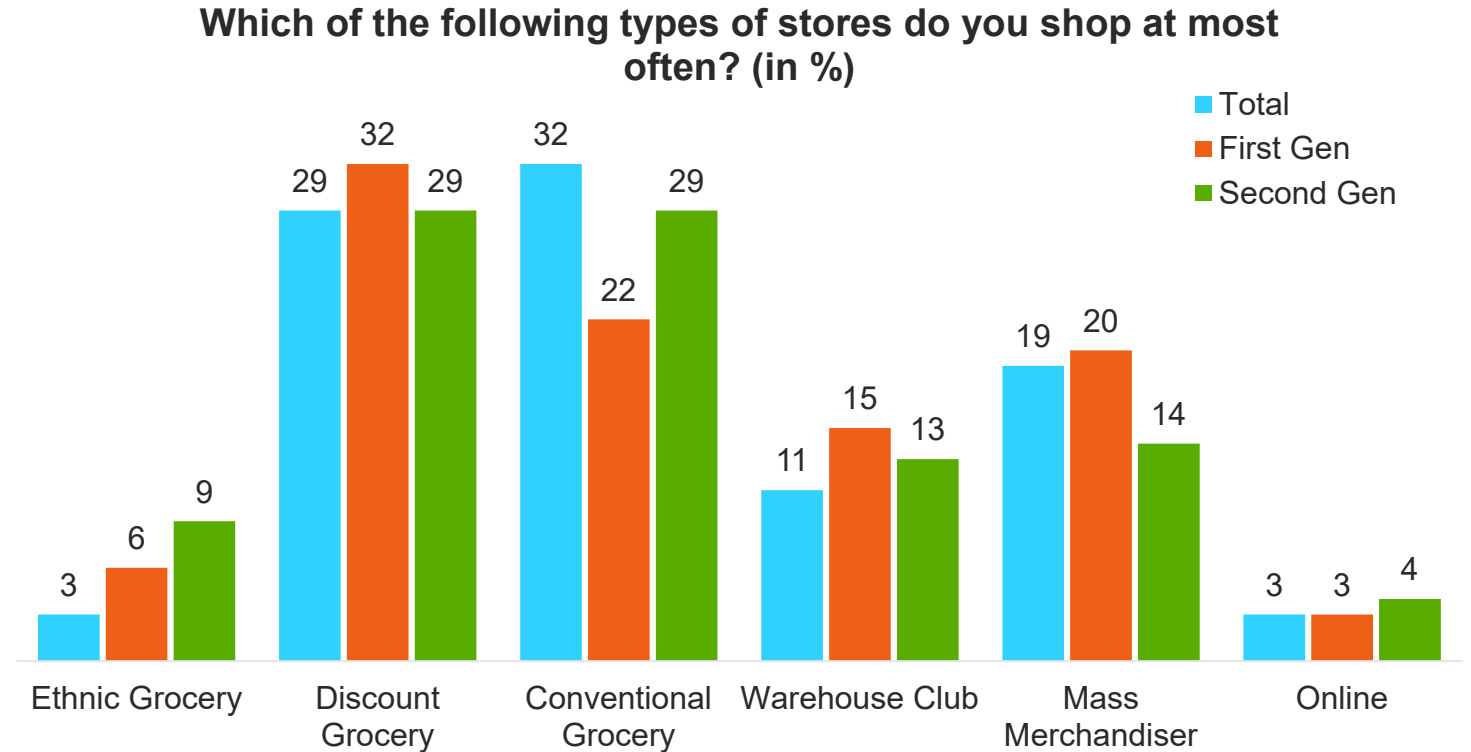
17%
born in Philippines



NIQ 2023 Ethnic Thought Leadership Survey – Q10: Where were you born? Please Select One, Q11: In which country or region were you born? Please select one.

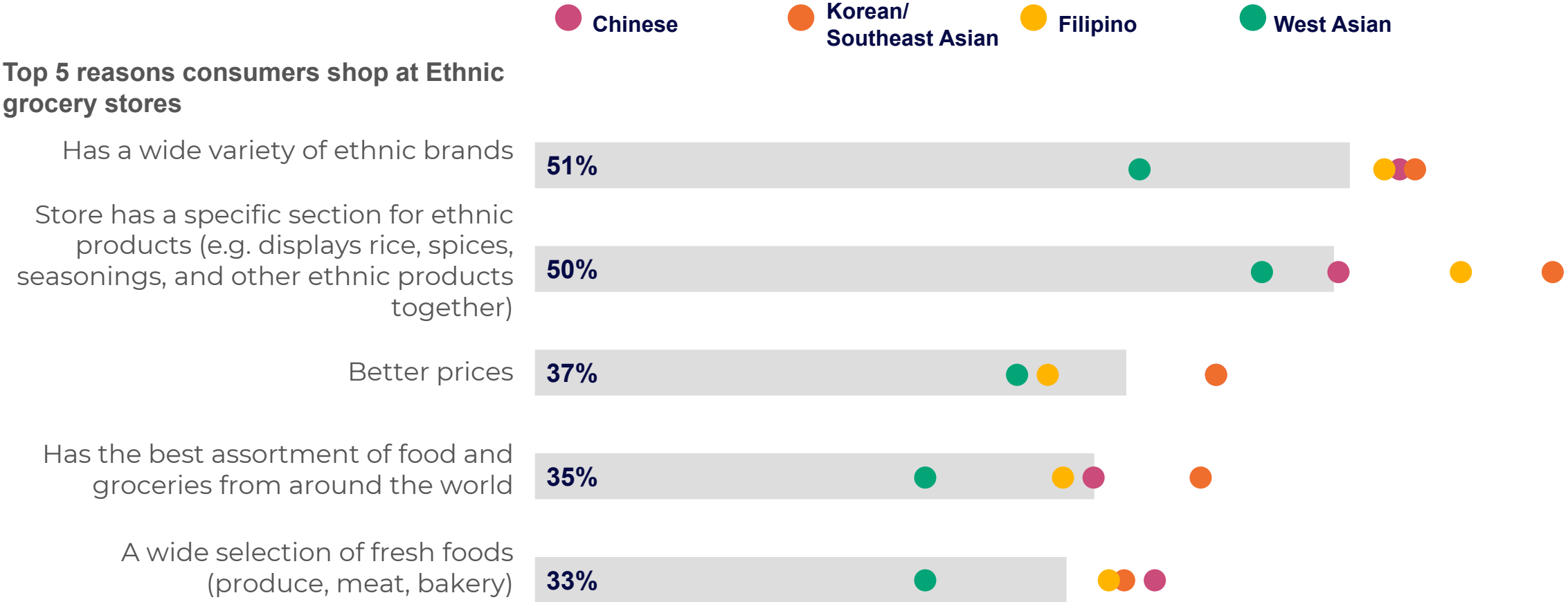
1st generation shoppers:
Look for Value

2nd Generation shoppers:
**Prefer variety in
Ethnic, Conventional
and Online channels**



NIQ 2023 Ethnic Thought Leadership Survey – Q2. Which of the following types of stores do you shop at the most often? Please select one.

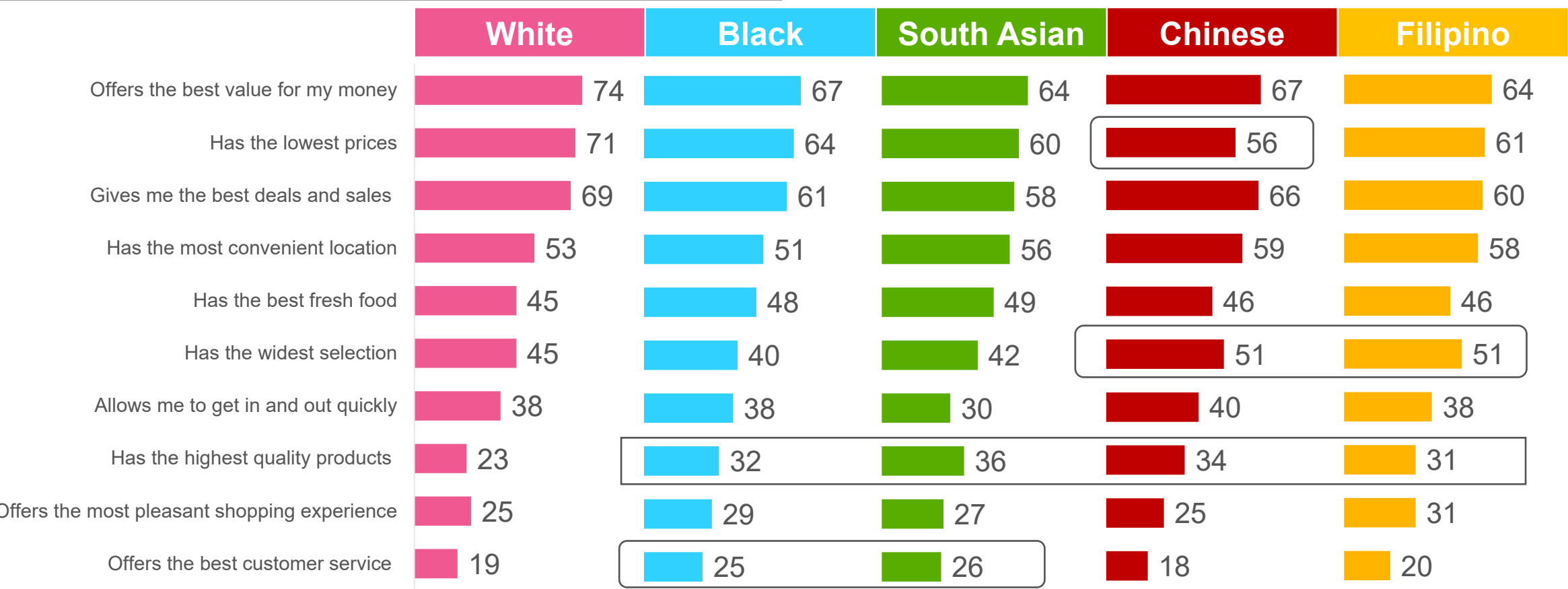
Variety of products and specific sections draw shoppers to ethnic grocery stores



Store preferences are similar between cultural groups with some differences

Chinese shoppers want to get deals rather than the lowest price, emphasis on quality for non-white shoppers

How important are the following when deciding where to shop for groceries and household products?



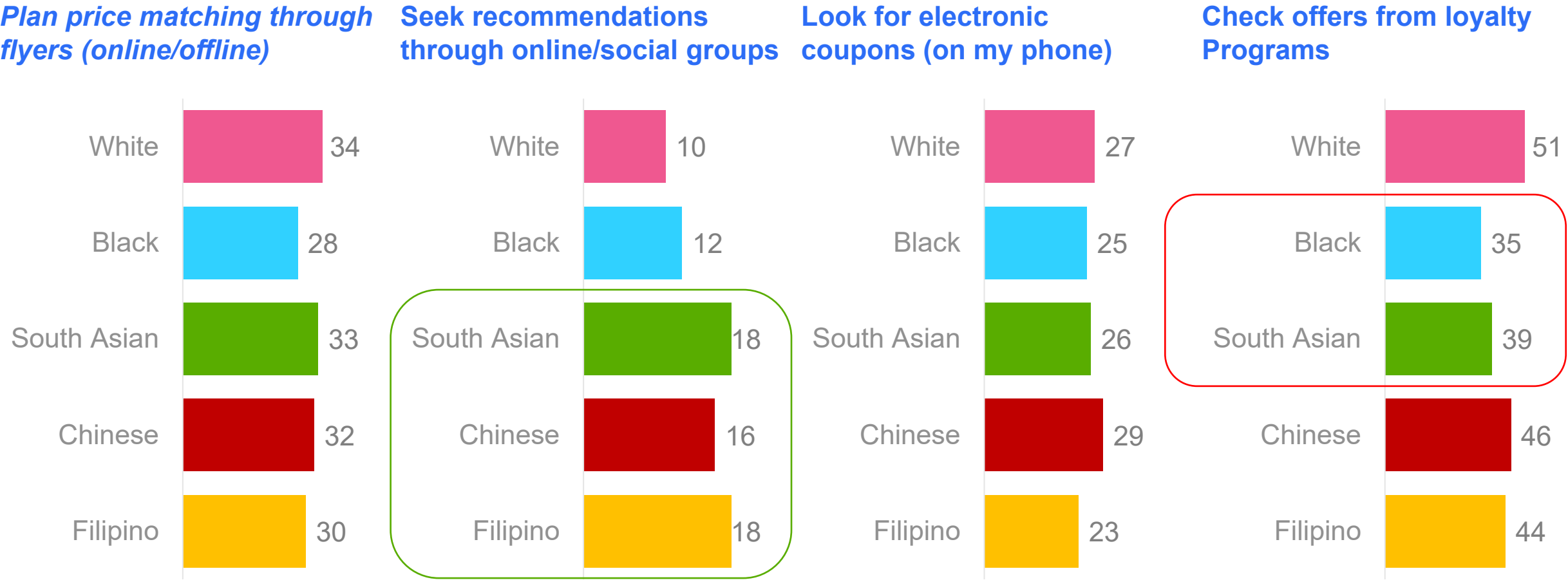
NIQ 2023 Ethnic Thought Leadership Survey – Q9. How important are the following criteria to you when deciding where to shop for groceries and household products for you and/or your household? Please select your top 5 criteria

Use different tactics to reach different groups before they reach the store

Loyalty programs are not reaching Black and South Asian audiences

Social media recommendations are necessary for South Asian, Chinese and Filipino groups

Before you go to the store, which of the activities do you indulge in?

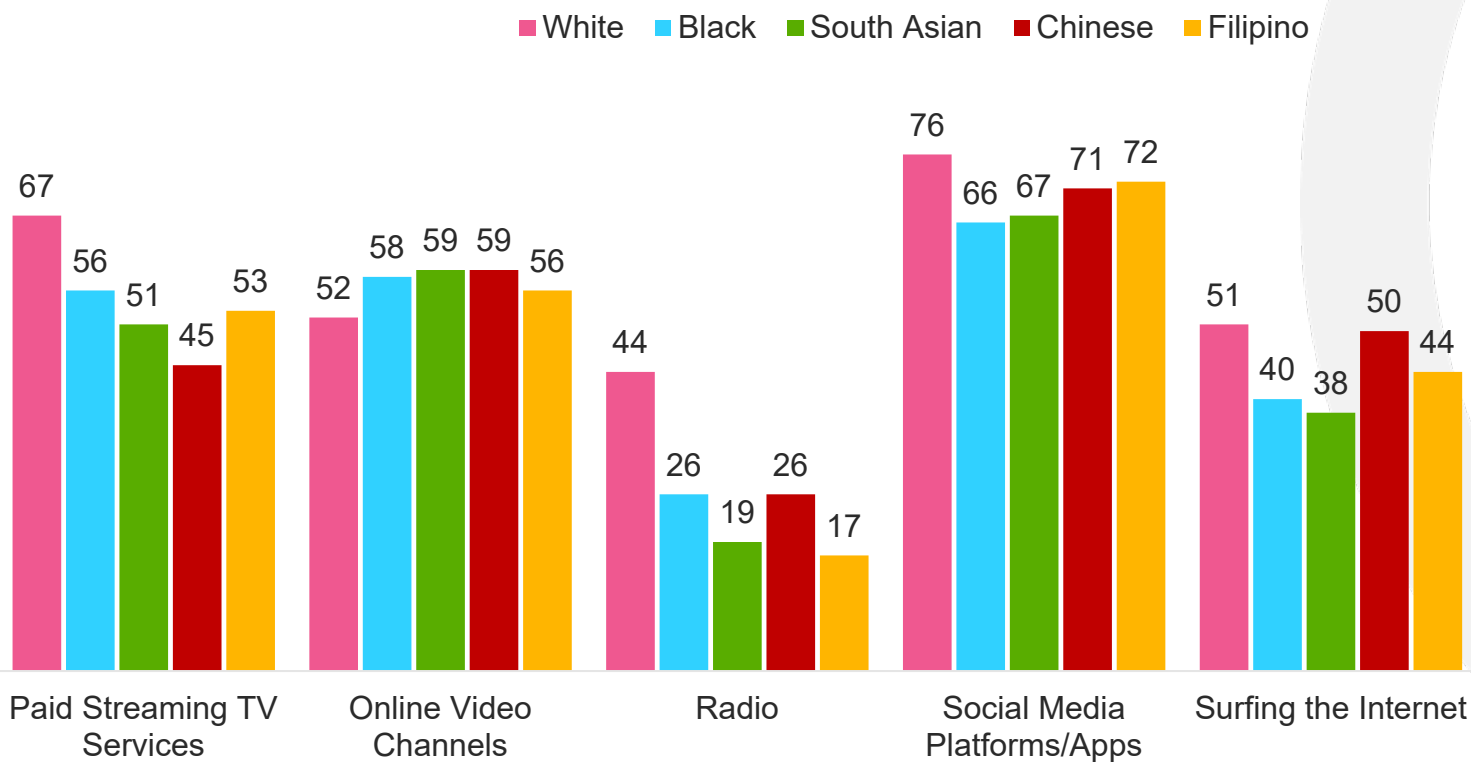


NIQ 2023 Ethnic Thought Leadership Survey - Q19. Before you go to the store, which of the activities do you indulge in? Select all that apply.

Social media is where you can find all shoppers

Online videos are popular for everyone as well

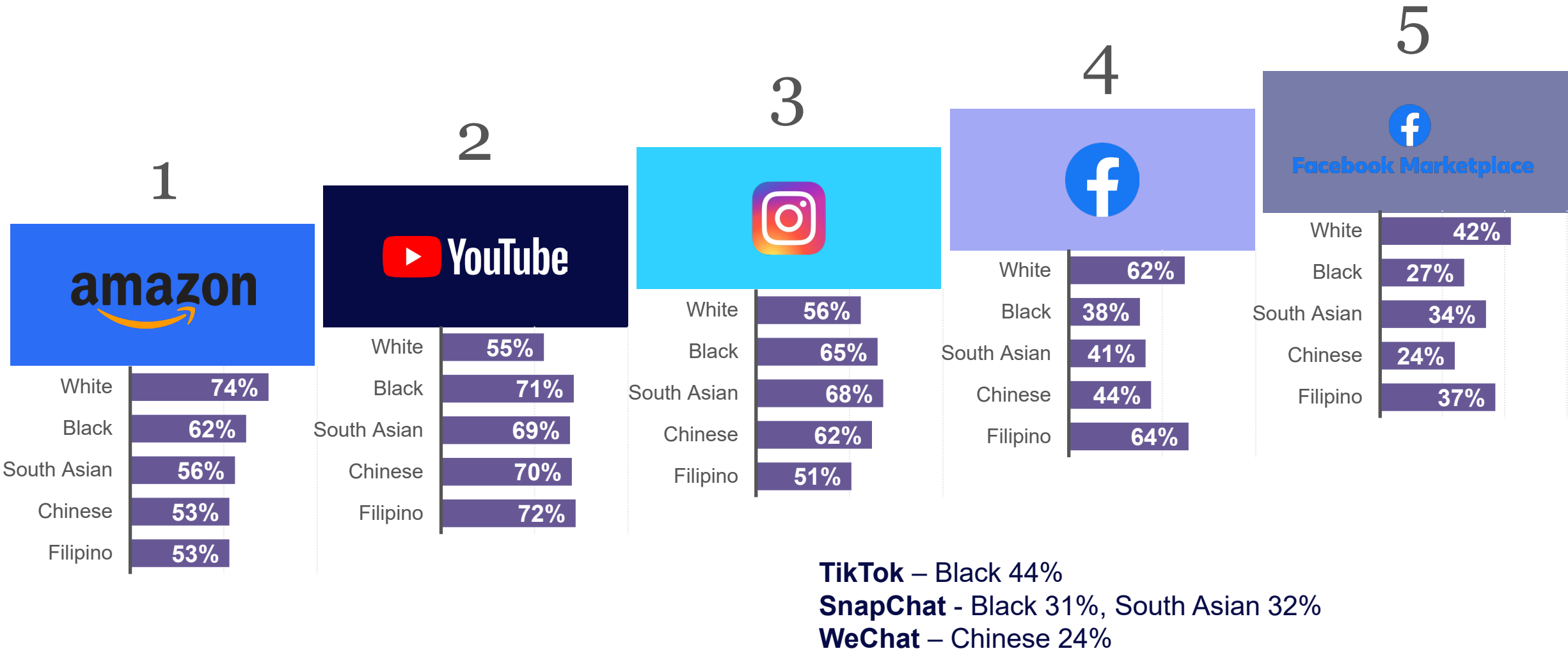
Which media do you consume in your daily life?



NIQ 2023 Ethnic Thought Leadership Survey – Q14. Which of the following media do you consume in your daily life? Please select all apply.

Consider which apps and websites you need to communicate in

Which of the following apps/websites do you frequently use?



NIQ 2023 Ethnic Thought Leadership Survey – Q16. Which of the following apps/websites do you frequently use? *Select all that apply.*

Instore promotion can work better than flyers at attracting multi-cultural shoppers

Price checking in store, promos in each aisle and displays are prioritized over flyers

Once you enter the store, which of the activities do you indulge in?

Black

- 1 I stick to my list
- 2 I look for promos across each aisle
- 3 I price check at the store

South Asian

- 1 I price check at the store
- 2 I stick to my list
- 3 I take a look at the displays

White

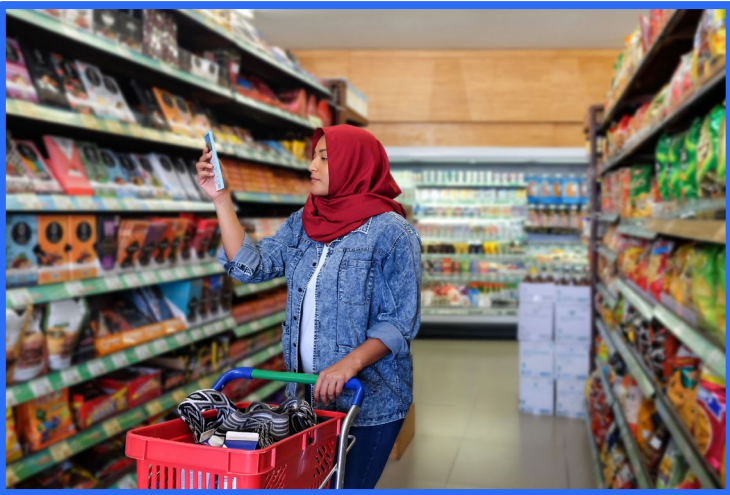
- 1 I look for promos across each aisle
- 2 I stick to my list
- 3 Check the store flyer before I shop

Chinese

- 1 I look out for promos across each aisle
- 2 I price check at the store
- 3 I take a look at the displays

Filipino

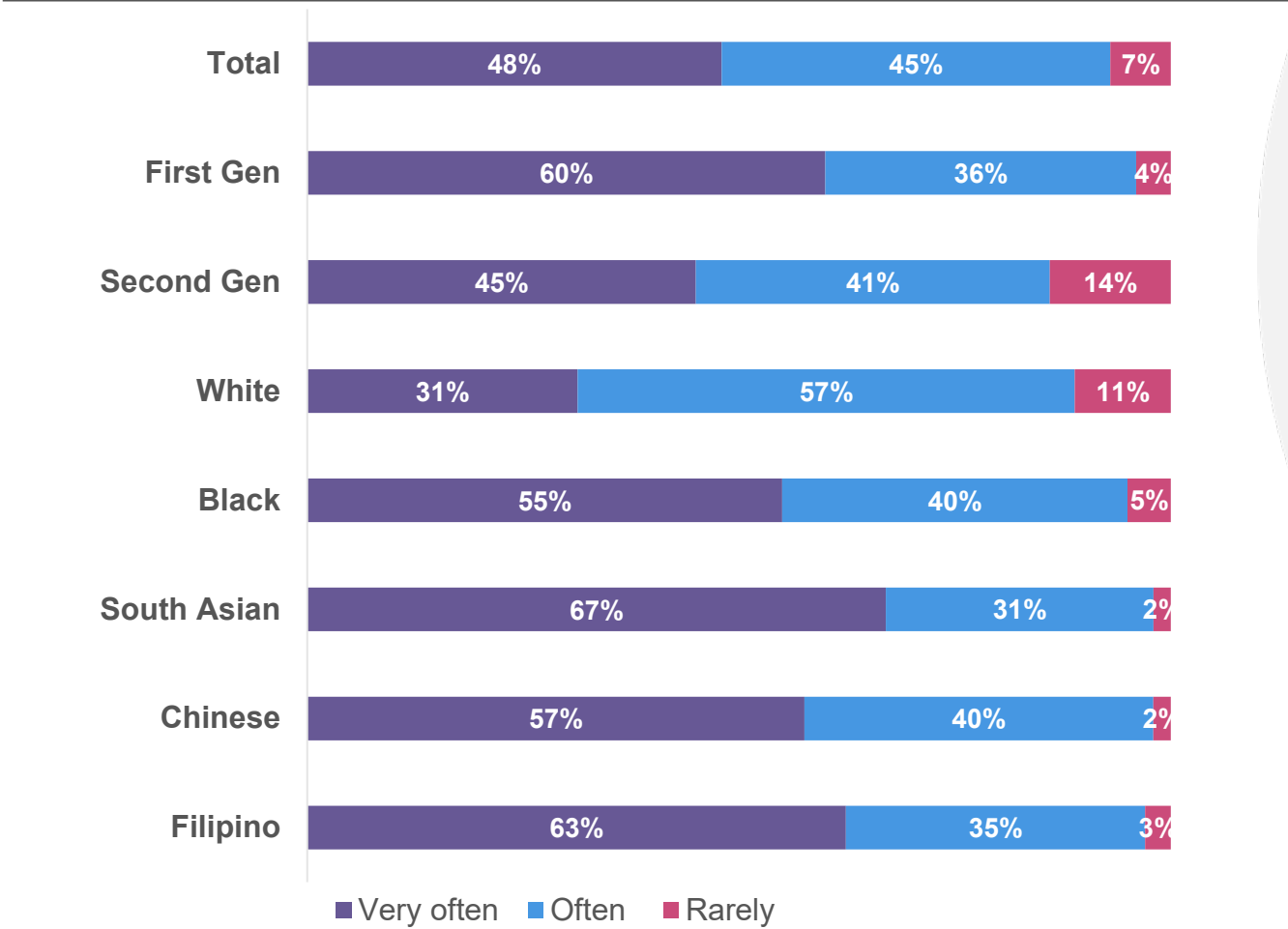
- 1 I look out for promos across each aisle
- 2 I price check at the store
- 3 I stick to my list



NIQ 2023 Ethnic Thought Leadership Survey – Q20. Once you enter the store, which of the activities do you indulge in? *Select all that apply.*

Target 1st generation Canadians particularly South Asians and Filipinos with International aisles

How often do you go to the international aisle?



NIQ 2023 Ethnic Thought Leadership Survey – Q22. How often do you go to the international aisle? Select one.

International aisles are attracting South Asian shoppers, Attract Chinese and Black shoppers with better assortments

Do you like it when retail stores have “international” food sections?

No, I would prefer to see all similar products grouped together in one spot

Total	29%
White	34%
Black	17%
South Asian	20%
Chinese	19%
Filipino	15%

Yes, this allows me to focus on my shopping

Total	44%
White	42%
Black	45%
South Asian	59%
Chinese	40%
Filipino	49%

Yes, but I find there is not enough assortment

Total	27%
White	24%
Black	38%
South Asian	21%
Chinese	40%
Filipino	36%



NIQ 2023 Ethnic Thought Leadership Survey – Q23. Do you like it when retail stores have “international” food sections? *Select One*

Not all products need to be imported to be enjoyed

Prefer choices
made in 

Less important to
be made in 

51% Condiments/spices
South Asian 64%

26% Frozen Desserts

50% Ethnic fresh vegetables
Chinese 54%

21% Cooking Oil

47% Ethnic fresh fruits
South Asian 52% Filipino 51%,

20% Deli

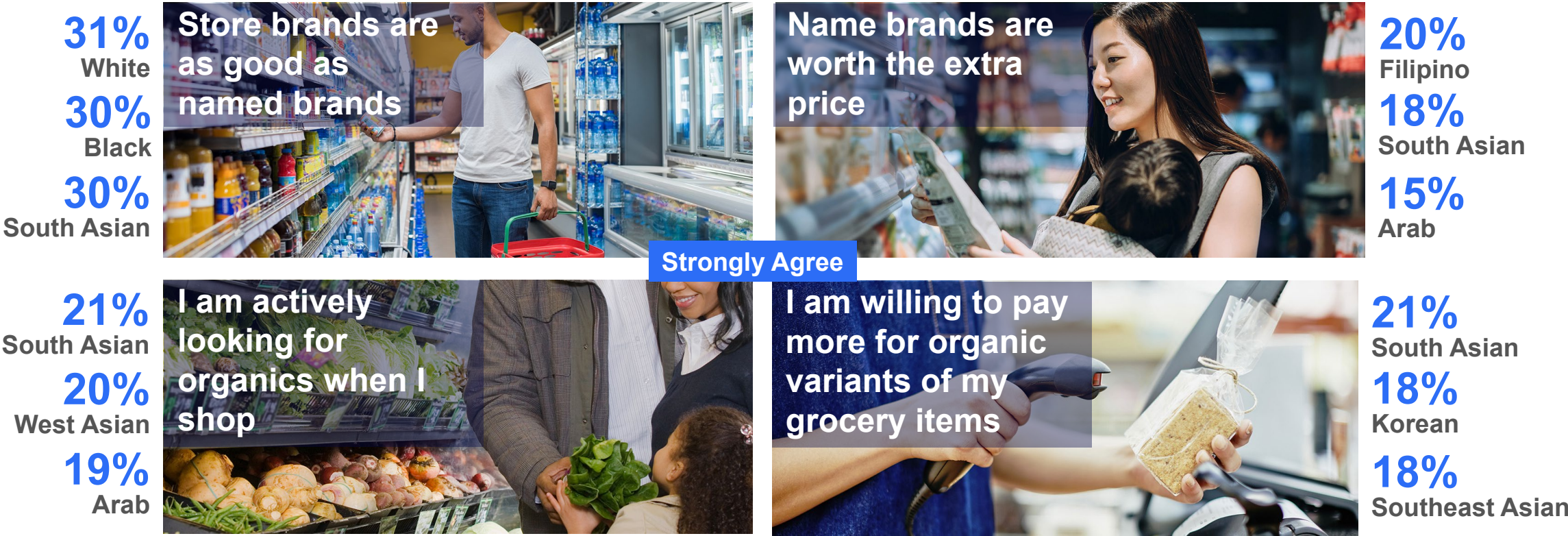
NIQ 2023 Ethnic Thought Leadership Survey – Q5. You mentioned ethnic grocery store has a wide variety of ethnic products, which of the following ethnic food products would you like to see made in Canada vs imported from another country? Please select all that you would like to see if ethnic products are made in Canada.



Private Label has won 30% of Black & South Asian buyers, work to do on gaining Filipino buyers

Interest in organics amongst Asian shoppers

Please tell us how much you, yourself, agree or disagree with each of the following statements



NIQ 2023 Ethnic Thought Leadership Survey – Q13. Please tell us how much you, yourself, agree or disagree with each of the following statements

Appeal to Black, South Asian and Filipino shoppers with Organics

Black shoppers seem most likely to shop for dairy and gluten free products

Besides regular grocery shopping, which of the following sections or products do you look for while shopping at a store?

International Aisle		Organic/Natural		Dairy Free		Gluten Free	
Total	23%	Total	21%	Total	15%	Total	12%
White	15%	White	15%	White	15%	White	11%
Black	34%	Black	33%	Black	23%	Black	16%
South Asian	40%	South Asian	35%	South Asian	15%	South Asian	14%
Chinese	31%	Chinese	24%	Chinese	13%	Chinese	8%
Filipino	56%	Filipino	31%	Filipino	17%	Filipino	10%

NIQ 2023 Ethnic Thought Leadership Survey – Q21. Besides regular grocery shopping, which of the following sections or products do you look for while shopping at a store? *Select all that apply.*



Category and Product Rank Index for Key Groups

NIQ

CATEGORY RANK BY TOTAL PANEL VS CHINESE AND SOUTH ASIANS

<u>CATEGORY</u>	<u>Category Rank</u>			<u>Trip Index to Panel</u>	
	Total Panel	Chinese	South Asian	Chinese	South Asian
PREPACKAGED PRODUCE& FRUIT	1	1	1	104	104
PREPACKAGED BREAD PRODUCTS	2	3	3	66	112
MILK	3	2	2	75	131
SNACK FOODS-POTATO	4	5	8	67	69
EGGS (CHICKEN EGGS ONLY)	5	4	5	117	126
CARBONATED SOFT DRINKS	6	16	11	43	66
REF YOGURT	7	6	4	74	134
REMAINING PRE-PACKAGED CHEESE	8	11	9	52	83
SWEET GOODS	9	9	7	68	128
FROZEN ENTREES	10	7	14	89	71
PREPCKG FRESH BAKED DELICACIES	11	8	10	78	95
SNACK FOODS-CORN	12	10	13	71	74
PRE-PACKAGED CHEDDAR CHEESE	13	27	24	40	48
FRUIT JUICES	14	12	12	67	81
READY TO EAT CEREALS	15	19	15	55	74

Category Rank across top two Multicultural Groups

TL CHINESE

<u>TOTAL CANADA - Total Outlet - Total Chinese</u>	<u>Rank</u>	<u>Trip Indexed to Panel</u>
PREPACKAGED PRODUCE& FRUIT	1	104.3
MILK	2	75.3
PREPACKAGED BREAD PRODUCTS	3	66.5
EGGS (CHICKEN EGGS ONLY)	4	117.2
SNACK FOODS-POTATO	5	67.2
REF YOGURT	6	73.9
FROZEN ENTREES	7	88.8
PREPCKG FRESH BAKED DELICACIES	8	78.3
SWEET GOODS	9	67.7
SNACK FOODS-CORN	10	70.6
REMAINING PRE-PACKAGED CHEESE	11	51.9
FRUIT JUICES	12	67.1
ORIENTAL NOODLES	13	193.8
FRESH MEAT-UPC	14	110.6
REMAINING BAGGED SALAD	15	99.2

TL SOUTH ASIANS

<u>TOTAL CANADA - Total Outlet - Total South Asian</u>	<u>Rank</u>	<u>Trip Indexed to Panel</u>
PREPACKAGED PRODUCE& FRUIT	1	103.8
MILK	2	130.6
PREPACKAGED BREAD PRODUCTS	3	111.9
REF YOGURT	4	134.0
EGGS (CHICKEN EGGS ONLY)	5	126.4
SPECIALTY EASTERN FOODS (FOOD)	6	1557.1
SWEET GOODS	7	127.8
SNACK FOODS-POTATO	8	68.8
REMAINING PRE-PACKAGED CHEESE	9	82.8
PREPCKG FRESH BAKED DELICACIES	10	94.7
CARBONATED SOFT DRINKS	11	66.0
FRUIT JUICES	12	80.9
SNACK FOODS-CORN	13	73.9
FROZEN ENTREES	14	71.0
READY TO EAT CEREALS	15	74.3

It is important to understand your buyer preferences among different consumer segments

Different items appeal to distinct demographics

Top 11 Items by Penetration by Category – South Asian Buyers

Item Description	Rank		Penetration Index of South Asian Buyer to Total Panel Excl. Asian
	South Asian	Total Panel Excl Asian	Total Panel
Salty Snacks			
KURKURE MUNCH MASALA STICKS 115GM	1	406	1,293
LAYS CLASSIC PLAIN 235GM(#04701)	2	2	68
LAYS MAGIC MASALA 165GM	3	359	1,004
NO NAME RIPPLES PLAIN 200 GM (CL)	4	5	82
DORITOS NACHO CHEESE TORTILLA CHIPS 235GM	5	1	53
KURKURE CHILLI CHATKA STICKS 115GM	6	494	2,263
CHEETOS PUFFS 260GM	7	6	75
SENSIBLE PORTIONS VEGGIE STRAWS W/SWEET POTATO 475GM	8	59	176
KIRKLAND SIGNATURE QUE PASA TORTILLA CHIPS 908GM	9	40	133
NO NAME LIGHTLY SALTED 200GM (CL)	10	9	77
NO NAME REGULAR PLAIN 200 GM (CL)	11	18	91

OVERINDEX VS. Total Panel Excl Asian (>115%)
UNDERINDEX VS. Total Panel Excl Asian (<85%)

Source: NielsenIQ Homescan - Key Item Report with Demographics - 52 weeks ending Mar 25, 2023

It is important to understand your buyer preferences among different consumer segments

Different items appeal to distinct demographics. Of the top 11 items, only 3 items ranks amongst the top for the rest of the Canadian households

Top 11 Items by Penetration by Category – South Asian Buyers

Item Description	Rank		Penetration Index of South Asian Buyer to Total Panel Excl. Asian
	South Asian	Total Panel Excl Asian	Total Panel
Milk			
SEALTEST 2% MILK 4LT (NATREL)	1	2	309
NEILSON 2% PLASTIC BAG 4LT (#00015)	2	1	259
NEILSON TRUTASTE 2% MILK PLASTIC BAG 4 LT	3	6	318
SEALTEST HOMO 4LT (NATREL)	4	72	1,144
NATREL FINE FILTER 2% MILK 4LT (#01014)	5	20	280
LACTANTIA PURFILTRE 2% PLASTIC BAG 4LT	6	8	211
DAIRYLAND 2% PLASTIC JUG 4LT	7	3	130
NEILSON HOMO MILK 4 LT (#00004)	8	81	626
BEATRICE 2% MILK PLASTIC BAG 4LT	9	13	167
DAIRYLANDHOMO MILKPLASTIC JUG 4 LT	10	31	274
BEATRICE HOMO MILK PLASTIC BAG 4LT	11	68	485

OVERINDEX VS. Total Panel Excl Asian (>115%)
UNDERINDEX VS. Total Panel Excl Asian (<85%)

Source: NielsenIQ Homescan - Key Item Report with Demographics - 52 weeks ending Mar 25, 2023

It is important to understand your buyer preferences among different consumer segments

Different items appeal to distinct demographics

Top 11 Items by Penetration by Category – Chinese Buyers

Item Description	Rank		Penetration Index of Chinese Buyer to Total Panel Excl. Asian
	Chinese	Total Panel Excl Asian	Total Panel
Refrigerated Yogurt			
DANONE ACTIVIA 2.9% ST/RA/VA/BLEUBERRY 24X100GM	1	3	241
DANONE ACTIVIA LACTOSE FREE VN/STBR/MNG/PM/BR 24X100GM	2	18	344
DANONE ACTIVIA 3.5% VANILLA 650GM	3	2	91
ASTRO ORIGINAL BALKAN STYLE 6% PLAIN 750 GM (68200)	4	1	116
KIRKLAND SIGNATURE GREEK 0% PLAIN PROBIOTIC 3X650GM(CL	5	5	192
DANONE OIKOS GREEK 3%ASSORTED FRUT ONTHE BTM 16X100GM	6	126	430
LIBERTE MEDITERRANEE YOGURT FRUIT ON BOTTOM 24X100GM	7	142	340
KIRKLAND SIGNATURE PROBIOTIC ASSORTED 24X100GM (CL)	8	35	160
DANONE ACTIVIA PROBIOTIC MANGO TUB 650GM	9	84	190
DANONE ACTIVIA 3.5% APPLE PEACH APRICOT MNG 12X100GM	10	39	141
IOGO 0% STRAWBERRY/VANILLA/RASPBERRY/PEACH 24X100GM	11	64	211

OVERINDEX VS. Total Panel Excl Asian (>115%)
UNDERINDEX VS. Total Panel Excl Asian (<85%)

Source: NielsenIQ Homescan - Key Item Report with Demographics - 52 weeks ending Mar 25, 2023

It is important to understand your buyer preferences among different consumer segments

Different items appeal to distinct demographics. Of the top 11 items, only 4 items ranks amongst the top for the rest of the Canadian households

Top 11 Items by Penetration by Category – Chinese Buyers

Item Description	Rank		Penetration Index of Chinese Buyer to Total Panel Excl. Asian
	Chinese	Total Panel Excl Asian	
Face Care			
CETAPHIL GENTLE SKIN CLEANSER PLASTIC BOTTLE 1 LT	1	1	562
OLAY TOTAL EFFECTS 7IN1 SPF15 MSTRZR FRAG FR 2X50ML	2	4	286
CERAVE AM FACIAL MOISTURIZNG LOTION SPF30 89ML(#53740)	3	6	259
ELIZABETH ARDEN VISIBLE DIFFERENCE RFNG MSTRCRM 2X75ML	4	245	1114
OLAY REGENERIST MICROSCULPTING CREAM 2X50ML	5	92	651
CERAVE EYE CREAM 14GM (#53788)	6	55	537
L OREAL PARIS REVITALIFT ANTI WRNKL&FRMNG NGT CR 100ML	7	14	287
CERAVE PM FACIAL MOISTURIZING LOTION 89ML (#53744)	8	11	265
ST IVES BLACKHEAD CLEARING GREEN TEA&BAMBOO SCRB 170GM	9	29	389
ELIZABETH ARDEN CERAMIDE TIME COMPLX CPSLS 60S 2X28ML	10	448	1427
CERAVE RESURFACING RETINOL SERUM 30ML	11	35	407

OVERINDEX VS. Total Panel Excl Asian (>115%)
UNDERINDEX VS. Total Panel Excl Asian (<85%)

Source: NielsenIQ Homescan - Key Item Report with Demographics - 52 weeks ending Mar 25, 2023

It is important to understand your buyer preferences among different consumer segments

Different items appeal to distinct demographics. Of the top 11 items, only 3 items ranks amongst the top for the rest of the Canadian households

Top 11 Items by Penetration by Category – South Asian Buyers

Item Description	Rank		Penetration Index of South Asian Buyer to Total Panel Excl. Asian
	South Asian	Total Panel Excl Asian	
Face Care			
OLAY TOTAL EFFECTS 7IN1 SPF15 MSTRZR FRAG FR 2X50ML	1	4	339
OLAY REGENERIST MICROSCULPTING CREAM2X50ML	2	92	917
CERAVE AM FACIAL MOISTURIZING LOTION SPF30 59ML	3	550	2645
ST IVES NATURALLY CLEAR CLEANSER GREEN TEA 200ML	4	40	586
CERAVE HYDRATING CLEANSER 562ML	5	119	813
NEUTROGENA OIL FREE MOISTURE LTN SENSITIVE SKIN 120ML	6	98	659
GARNIER SKIN ACTIVE MICELLAR CLEANSING WATER 400ML	7	7	247
CETAPHIL GENTLE SKIN CLEANSER PLASTIC BOTTLE 1 LT	8	1	156
PONDS DRY SKIN CREAM 190 ML	9	38	424
ST IVES RADIANT SKIN PINK LEMON & MANDARIN SCRUB 170GM	10	114	595
NEUTROGENA HYDRO BOOST EXFOLIATING SCRUB 141GM	11	164	724

OVERINDEX VS. Total Panel Excl Asian (>115%)
UNDERINDEX VS. Total Panel Excl Asian (<85%)

Source: NielsenIQ Homescan - Key Item Report with Demographics - 52 weeks ending Mar 25, 2023

Turning insights to action

Multicultural segments need to be part of growth strategies

What we know:

- South Asian, Chinese and Black already make up 6.1M out of 10.0M ethnic population
- The number of Asian Households will double in under 20 years
- 1 in 4 Canadians are immigrants
- These numbers are too big to ignore. To target them, we need to understand their needs and preferences

How to target before they shop:

- Look for ethnic shoppers in Warehouse Club, Mass Merch and Ethnic stores
- Variety is important especially for 2nd generation shoppers, and will impact what stores they shop in
- Consider who you are reaching through social media and loyalty programs

What they need in-store:

- Price checking in store, promos in each aisle and displays are prioritized over flyers
- Room to add variety for Chinese, Black and Filipino shoppers in the international aisle
- Understand what products are important to attract different cultural groups

How NIQ can help:

- Understand what each group buys and how they shop – **NIQ CPS**
- How do I gain further insights into key segments? Just think '**SURVEYS**'
- What innovations can I look at for each segment? Refer to **BASES**



Size of the prize = 8.4 Billion
how much of the pie will you take?

NIQ

Thank you

For more information, please contact:

Jenny Mabley

VP, Consumer Insights – Canada

Jenny.Mabley@nielseniq.com



Presentation Download



Appendix - Statistics Canada Definition of Asian Origin

Asian Origins				
West Central Asian and Middle Eastern Origins			East and Southeast Asian Origins	
Afghan	Israeli	Saudi Arabian	Burmese	Laotian
Arab	Jordanian	Syrian	Cambodian (Khmer)	Malaysian
Armenian	Kazakh	Tajik	Chinese	Singaporean
Assyrian	Kurd	Tatar	Filipino	Taiwanese
Azerbaijani	Kuwaiti	Turk	Hmong	Thai
Georgian	Kyrgyz	Turkmen	Indonesian	Tibetan
Hazara	Lebanese	Uighur	Japanese	Vietnamese
Iranian	Palestinian	Uzbek	Karen	Other Asian origins
Iraqi	Pashtun	Yemeni	Korean	

South Asian Origins	
Bangladeshi	Nepali
Bengali	Pakistani
Bhutanese	Punjabi
East Indian	Sinhalese
Goan	Sri Lankan
Gujarati	Tamil
Kashmiri	