# 2012 BrandSpark CANADIAN SHOPPER STUDY

BrandSpark International's Canadian Shopper Study, now in its 9th year, surveyed more than 53,000 Canadian consumers, uncovering key findings and trends driving consumer interest in food, personal care and household products. The study was also used to compile the winners of the 2012 Best New Product Awards, where consumers voted upon 169 products in 53 product categories. The Best New Product Awards is one of the largest North American consumer survey programs focussed on new product development and innovation.

The study is conducted in conjunction with SSI and our media and retailer partners (providing high quality respondents), IMI (Best New Product Awards winner determination), Confirmit (software and reporting tools) and Laurier Business & Economics (analysis partner).

## Shopping Behaviour

"While most purchases are planned, a small, but important share of purchases is made on impulse," says Robert Levy, President of BrandSpark International. "There is a clear opportunity for in-store marketing, but to ensure success, marketers need to get their products in shoppers' consideration sets before the store."

- While 37% have a standard shopping list they use week after week, only 15% decide most of their purchases in store.
- Planning begins at home with 96% reading supermarket flyers at least occasionally, and 93% reading drug store flyers. More than 9 in 10 are looking for low priced specials and more than 7 in 10 are comparing prices betwee stores.
- Once in-store, 25% rush to get the items on their list and get out, while 66% indicate that they walk all of the aisles to be sure not to miss anything they need.
- Shopping for multiple categories is common on most trips: 62% of shoppers buy most of their food products on dedicated shopping trips, while 48% of shoppers say the same for personal care products, and 37% for household care products.
- A segment of shoppers agree that they often make impulse purchases: 23% in food, 22% in personal care, 15% in household care, and 14% in health.

## New Products

- Shoppers are interested in new products: 68% say they are willing to pay more for a new product that is better than what is currently available.
- Consumers believe that research and development really is leading to better products: 71% believe for health, 67% for household care, 61% for personal care, and 56% for food.

## Media

"Traditional media remains important, but new channels are growing quickly, and media is being used in new creative ways" says Levy. "Online display executions have improved dramatically in past years as has the channel's effectiveness, an increasing number of marketers have found innovative ways to leverage social media and out-of-home ads ."

- Shoppers indicate again that ads in TV are most successful at capturing their attention (92% always/sometimes pay attention), followed by those in out-of-home ads (87%) and magazines (85%).
- Internet ads are "always or sometimes noticed" by 79% of shoppers, with online display solidifying its' position as a cornerstone of many if not most campaigns.
- Product samples, retail flyers, TV, direct mail coupons, and magazines ads are considered the most useful ad channels for learning about new products.
- Paper coupons remain popular with 7 in 10 having used direct mail coupons in the past year, 7 in 10 a newspaper coupon, and 5 in 10 used coupons from magazines. Digital coupons are challenging print coupons with 5 in 10 having used digital coupons acquired from retailer or brand websites.

## Social Networks and Peer Recommendation

- Facebook dominates the social media universe and must be the social media starting point for any brand: 76% of shoppers are on Facebook.
- Twitter and LinkedIn membership have both grown significantly among principal grocery shoppers, now at 21% and 17% of shoppers.
- 54% of shoppers admit to paying attention to ads on social networks, and this increases to 67% of Early Adopters.

- 36% of Canadian shoppers are fans of a CPG brand on facebook.
- Peer recommendations are becoming even more common, both in terms of being given and being accepted. 8 in10 agree that "If I find a product that I like, I will encourage friends and family to purchase", while nearly 9 in 10 agree that if "I get a deal on something, I love to tell my friends and family about it."
- 7 in 10 say they are likely to choose a product based on the recommendations of others.

## Out-of-Home Channels

- Billboards and transit ads, followed by ads in shopping malls and restaurants, have the greatest reach among OOH channels.
- Ads within medical clinics, health clubs, bars, and on campus can be effective in reaching specific demographic and lifestyle targets.
- Each month 7 in 10 visit a mall, 6 in 10 a restaurant, 1 in 4 a gym, 1 in 5 a medical clinic, and 1 in 6 a campus.
- The active lifestyles of PGS and Early Adopters provide unique opportunities to integrate mobile marketing, social media and OOH channels.
- On-the-go consumers can use their mobile phone to interact with OOH posters to download coupons, view product demos, enter contests, obtain samples, compare product information and make a purchase.

## Mobile

"Canadians are embracing mobile technology and using their smartphones more in store aisles," says Levy. "This bodes well for the influx of new mobile-point-of-purchase and path-to-purchase technologies."

- There's a huge increase in smartphone penetration among Canadian consumers with 37% of Canadian shoppers owning a smartphone, up rapidly from 24% reported last year; however still below the 50% penetration among American shoppers in a more competitive mobile market.
- A third of shoppers own an iPhone or a Blackberry device, while 21% have a phone running Android OS.
- Over 50% of planned purchases are for iPhones, while Blackberry and Android phones each account for 20% of planned purchases.
- On the tablet front, 14% of shoppers own an internet-enabled tablet, but an additional 20% say they plan to purchase within the year.
- The role of smartphones in retail is growing with 60% of shoppers interested in using their phone to download or scan coupons and over 50% using them to store their shopping lists. 40% are willing to make instant purchases using their phone.
- Consumer awareness of mobile technology used in marketing is strong with 88% of smartphone owners aware of quick response (QR) codes and we expect new technologies such as Near Field Communication (NFC) to gain popularity.
- 40% of smartphone owners indicated having scanned a QR code.
- Smartphone ownership over-indexes for shoppers less than 50 years of age, for those who visit restaurants and nightclubs monthly or more often, and for transit users, underscoring the opportunities for leveraging mobile through out-of-home media.

## About the 2012 BrandSpark Canadian Shopper Study

The 2012 BrandSpark Canadian Shopper Study presents the results of the 9th annual Canadian shopper trends and behavior survey. More than 53,000 respondents contributed with data weighted to the profile of the PMB principal grocery shopper by gender, age and region: 60% female, 55% under 50 years of age (weighted to 5 ranges), and by region-West, Ontario, Quebec and Maritimes. Data was collected from November 9th to December 31st, 2011. The BrandSpark Shopper Study is also conducted in the U.S., now in its' 4th year, as well as Mexico, Turkey, France, Germany, the United Kingdom, Brazil, Columbia, and China.

## About BrandSpark International

BrandSpark International is a leading marketing and product innovation research company. Our comprehensive, innovative research approach gets at the heart of both why consumers think and act the way they do and what our clients need to do about it. Our exclusive relationship with the Best New Product Awards gives us a deep, global perspective on the drivers of innovation that no other research company can provide. www.BrandSpark.com

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