THE IMPACT OF COVID-19 ON GROCERY RETAILING

MAY 2020

CONTENTS

00 OVERVIEW

01 EXECUTIVE SUMMARY

02 THE IMPACT OF COVID-19 ON CONSUMERS

Full trend and demographic data is available in the report's databook.

03 STATE OF THE GROCERY MARKET PRE-COVID-19

04 SHORT-TERM CHANGES IN GROCERY RETAILING

05 MEDIUM-TERM CHANGES IN GROCERY RETAILING

06 LONGER-TERM CHANGES IN GROCERY RETAILING

07 APPENDIX – DATA SOURCES AND ABBREVIATIONS

00

OVERVIEW

SCOPE

This Report covers the impact of COVID-19 on the grocery retailing category. Consumer attitudes and behaviours toward grocery shopping and strategy recommendations in the short-, medium- and longer-term are discussed.

Topics covered in this Report

- A broad overview of how the pandemic has impacted consumer attitudes and behaviours in general
- A discussion on the state of the grocery retailing market with specific regard to consumer attitudes and behaviours before the pandemic
- Strategy recommendations in the short-, medium- and longer-term discussed from the lens of Mintel Consumer Trend Drivers.

This Report was written on May 15, 2020 and updated on June 4, 2020.

COVID-19: CANADIAN CONTEXT

The first COVID-19 case was confirmed in Canada at the end of January 2020. On March 10, 2020 The Public Health Agency of Canada released guidelines to slow domestic transmission of the virus while the country continued to operate fairly normally. The WHO (World Health Organization) declared COVID-19 as a global health pandemic leading to school closures across all provinces and limitations on non-essential travel starting on March 13, 2020. As the various provinces had seen variations in the rise of cases, closures of non-essential businesses occurred at slightly different times. On March 23, Ontario and Quebec became the first provinces to mandate this action with other provinces following through shortly thereafter.

At the time of writing, all provinces and territories have entered into various stages of re-opening and relaxing restrictions, allowing businesses to operate with varying levels of social distancing measures in place.

01

EXECUTIVE SUMMARY

"WITH MUCH INVESTMENT AND QUICK ACTIONS LIKE PUTTING SAFETY BARRIERS INTO PLACE, SENDING REASSURING COMMUNICATIONS ABOUT SHELVES NOT BEING EMPTY, SUPPORTING MORE VULNERABLE SEGMENTS OF THE POPULATION AND STEPPING UP SUPPORT OF EMPLOYEES, THE GROCERY SECTOR HAS COME TO SHINE AS A TRUE PARTNER IN SUPPORTING THE NEEDS AND INTERESTS OF CONSUMERS AND THE COMMUNITY AT LARGE DURING THE COVID-19 OUTBREAK. THIS PAVES THE WAY FOR THE MAJOR PLAYERS IN THIS SECTOR TO CONTINUE BEING A TRUE PARTNER IN SUPPORTING CONSUMER NEEDS BY PROVIDING GUIDANCE AND AN EXPERT VOICE IN HELPING THEM NAVIGATE THROUGH THE 'NEW NORMAL' PHASE – ONE THAT WILL STILL REQUIRE LEARNING AS IT WILL NOT LOOK LIKE IT DID BEFORE THE PANDEMIC, THOUGH NOT AS SEVERE AS DURING THE SHELTER-IN-PLACE PERIOD."

- Carol Wong-Li, Associate Director Lifestyles & Leisure

KEY TAKEAWAYS

The impact of the pandemic on the grocery retailing sector, as with all sectors, cannot be understated. A safety-first attitude has both had the positive benefits of accelerating online shopping but also undermined grocery shopping attitudes as it is now more of a ‘chore’ than before. Having said this, an unexpected outcome is that it has brought to light the importance of grocery retailers as a pillar of support for consumers. The phase where quarantine measures are lifted represents a critical transition point as consumers must learn to navigate through more open conditions – balancing safety against convenience and of course, value. This is the time where grocers need to continue to be a true partner to consumers by providing guidance and expertise related to managing their physical health through food in a more ‘open’ environment, as well as reacquainting consumers towards more cost-efficient (though higher-margin) offerings in economically challenging times. In the longer-term, economic stability will mean a need for a more holistic approach. Grocery retailers should focus on consumer empowerment – ie providing more ways to give them a voice and more opportunities to shop with their morals as economic stability will allow consumers to better balance needs vs priorities.

Figure 1 provides a traditional stoplight analysis of the impact of COVID-19 on the grocery sector using four Mintel Trend Drivers as the basis of the discussion in this Report.

FIGURE 1: SHORT-, MEDIUM- AND LONGER-TERM IMPACT OF COVID-19 ON THE GROCERY RETAILING CATEGORY, JUNE 2020

Short-term (lockdown)	Medium-term (end of 2020)	Longer-term (1-2 years)
Grocery retailing - overall	**Grocery retailing - overall**	**Grocery retailing - overall**
This is a reactionary period where increased spending in the category is seen alongside significant behavioural changes. Consumers enter into a protection-first mode driving a heightened attention to groceries – particularly in stocking up and limiting public exposure while buying groceries. This latter point impacts both in-store and online behaviours.	This is an adjustment period where the essential nature of food means the category will see steady engagement. The easing of measures will impact behaviours in both online and physical retail making this a critical period for grocery retailers to provide guidance to sustain/moderate newly adopted behaviours across both shopping avenues.	This will be a more stable period where engagement and category engagement will continue to be steady. Grocery retailers need to be a true collaborator in helping consumers address wellness holistically, while also spotlighting CSR initiatives. This period is about empowering consumers to make better choices all around.
Online grocery shopping	**Online grocery shopping**	**Online grocery shopping**
The safety-first mentality drives a great increase in using online platforms to get groceries as the pandemic has moderated the top two barriers (added cost and concerns around freshness) that have traditionally plagued adoption	The increased adoption seen in the short term will decrease as market conditions such as greater attention to budget and a renewed interest in shopping for fresh ingredients increase. Grocers will need to work hard at proving value in the form of convenience and safety to moderate attrition, particularly as costs for services are reinstated.	Consumer usage of online shopping platforms for groceries is expected to be higher than pre-pandemic in the longer-term, though adoption will not be as high as during the short-term period. At this phase, the key to ensuring traction will be to better integrate online platforms with both the planning and cooking process.
In-store grocery shopping	**In-store grocery shopping**	**In-store grocery shopping**
The long line-ups seen outside physical grocery stores shows that in-store shopping remains a staple behaviour. Going to physical stores has become a "mission" as consumers look to limit the time spent inside as well as reducing the number of trips made. This stage is about implementing safety protocols to keep shoppers safe and to find ways to help them maximize efficiency while shopping in stores.	Grocers will need to reactivate the process of discovery in stores. This will be crucial to moderate the newly adopted safety-first behaviours which have diminished spontaneous grocery shopping behaviours of browsing and making 'micro' trips during the week. As safety remains a priority, there will be a need to replace traditional tactile stimuli (eg sampling) with more visual stimuli. Of note, in-store activity will likely see a boost as some Canadians will decrease usage of online grocery shopping.	In stores, visible commitments to CSR policies will be necessary. Grocery retailers need not start from scratch but instead should leverage efforts seen pre-pandemic, including reduction of plastic bags in stores and incorporating tools/apps that actively help to reduce food waste.

Severe impact Moderate impact Minor/positive impact

SOURCE: MINTEL

GROCERY RETAILING IN THE SHORT TERM

The pandemic has forced change to the grocery retailing sector on a number of aspects and in a way that is unique from other categories given the essential nature of food. It can be said that consumers were more 'reactive' at this point, which had the impact of fundamentally shifting the orientation consumers take towards grocery shopping on both a physical and mental level. The physical changes are more obvious as they can be seen by behaviours such as increased usage of online grocery shopping (22%) or limiting visitations to the grocery store (70%) as of mid-April (see Global COVID-19 Tracker – Canada, April 13-17, 2020). The mental changes are less obvious and in fact carry a weightier influence as they are the main factors pushing consumers towards the observed behavioural changes. For example, the adoption of a safety-first mindset has led to a shift in priorities including 28% of Canadians who said they are less budget conscious when it comes to grocery shopping (per the aforementioned Report), thereby moderating some of the barriers which previously prevented the online grocery shopping before the outbreak. The experience of grocery shopping itself has shifted from a more leisurely browse-heavy activity to one that is less spontaneous and more plan-heavy meaning that leveraging tech needs to be more about setting up consumers for success in terms of improving efficiency – both before and during grocery shopping trips – than ever before. The safety-first mindset (and some of its associated behaviours) will last so long as the threat of the virus looms and be the new basis in which grocers need to cater to.

Notably, the essential nature of food has meant that grocers have had to react quickly and as a result, the industry has proven itself to be responsive to consumer needs. Put another way, brand behaviours here are fully in the spotlight, seen with the likes of campaigns providing reassurance that their store shelves would not run empty, adding physical barriers to keep customers and staff safe, showcasing improved services to address consumer needs. All told, these efforts have acted as effective calming techniques in high stress times and put brand behaviours in the spotlight like never before. As such, the time is now for grocery retailers to demonstrate commitment to 'basic' ethics of respect and care for customers. Where possible, providing grounding communications that include instructive guidance will to help increase a sense of control as consumers grapple with finding normalcy.

As of mid-May, the country is in varying degrees of easing back preventative measures. In an environment where changes to rules and policies happens almost daily, grocery retailers need to continue to show how they remain a dependable partner in addressing consumers. In this regard, grocers will need to provide clear communications about the changes being implemented from a safety standpoint (eg the addition of no masks, no entry type rules) as well as a services standpoint (eg if fees associated with online orders will be reintroduced, for example) to provide some 'solid' footing for consumers to anchor their expectations of the days road ahead.

GROCERY RETAILING IN THE MEDIUM TERM

This is a period of adjustment for consumers and businesses alike and will be the most critical time for grocery retailers to get ahead and guide/moderate consumer behaviours. Where grocery retailers have established themselves as a true partner in meeting their physical needs of getting food safely in the short term, the immediate months ahead will require grocery retailers take on more of a leadership role where guidance and expertise are key offerings as the easing off of strict preventative rules will place more responsibility of how to handle health and safety directly in the hands of businesses and consumers alike.

Safety will remain a top consideration and consumers will need to re-learn how to navigate the circumstances. From a nutritional standpoint, food will play a greater role as a way to boost immunity and address wellness meaning that grocery retailers should provide more guidance and consider ways to take on an expert voice. From a broader social aspect, the 'we're in it together' messaging will drive an increased concern for the community and greater interest supporting vulnerable segments as the uneven economic impact of the outbreak on various segments becomes more evident. Actions to support the community align with Mintel Trend Driver, Surroundings, which highlights that consumers want to feel connected to their

external environment. This concept is supported by Mintel Trend Pillar, Localism, which notes that 69% of Canadians are trying to buy from local companies where possible. As such, grocers will need to focus on the notion of 'rebuilding together', with larger companies finding ways to get more involved on a local level.

As noted by Mintel's Value Trend Driver, consumers want to see tangible benefits when they invest their time or money. A looming recession means that guidance and expertise will also be needed from an economic standpoint as a conservative mindset towards spending will set in. Given that grocery retailers will also need to protect their own bottom lines, they would do well to guide consumers towards less costly products that hold higher-margins for retailers like private label items and reinvigorating interest in HMR – an area which had seen much investment. Grocery retailers will also need to actively help consumers justify continued usage of tech platforms or services like click-and-collect – especially if they come with additional fees.

Finally from a behavioural aspect, grocery retailers will need to consider ways to moderate shopping behaviours adopted during lockdowns. As noted above, the act of grocery shopping has become much more of a mission-minded event where consumers are reducing visitations to physical stores and when in stores, limited the time spent inside – ie getting in and out as quickly as possible. This focus on efficiency has diminished 'enjoyability' as well as discovery as few are likely taking the time to browse for new products or ideas under these conditions. As such, grocers will need to find ways to encourage consumers to slow down and browse so as to regain more spontaneous/impulse purchases – ie reactivate the act of discovery. This will require businesses to consider ways to replace the tactile experiences traditionally associated with grocery shopping (like sampling) with more visual stimulus to pique interests as well as to remind shoppers that this was once a low-stress enjoyable activity for most. Similarly, it will be necessary to create events that invite consumers to make more 'micro' trips during the week – much like how Canadians used to behave before the outbreak.

GROCERY RETAILING IN THE LONGER-TERM

This is predicted to be a more stable period where the focus of grocery retailers should be focused on empowering consumers to making better choices for themselves as well as for their environment. In post-pandemic, economically stable times, consumers will be thinking more holistically in terms of both addressing their wellness and the factors considered while shopping. From the lens of Mintel's Wellbeing Trend Driver, consumer attention to their physical and mental health means that grocery retailers need to proactively consider avenues that will allow them to be more of a true collaborator in managing overall health. As tech is likely to play a bigger role in monitoring physical health for businesses (eg the increasing use of contactless thermometers to assess consumer temperature before entering stores), it is likely to increase consumer interest in leveraging tech to monitor their own key health indicators. This opens up opportunity for grocery retailers to connect with consumers by partnering with fitness apps or health platforms to continue to be the expert voice in addressing overall both physical and mental wellness.

Consumers will have come away from the pandemic with a clearer idea of what they consider to be 'essential' as the outbreak likely has pushed many to re-evaluate what's important to them. From the lens of the Mintel Value Trend Driver, meeting consumer needs will be about communicating the total value of a product or service that goes beyond just price. For instance, consumers will hold a greater appreciation for the 'simple' things like spending quality time with people they care about, so messaging surrounding convenience offerings will need to highlight how these tools not only to help them gain time back for themselves but that they also allow for more time with others. Innovations in this regard align with Mintel Trend Pillar, Convenience, which notes that 73% Canadians are always on the lookout for things that make their life easier. This will be particularly relevant as consumers will once again lead busy, fast-paced lifestyles.

Mintel expects consumers to come away from the pandemic with a heightened awareness and concern for their communities, meaning there will be a greater emphasis on environmental and social issues.

Further, financial stability means more room to vote with their wallets, which then means that grocers will need to demonstrate how ethical and environmental matters are a core part of their philosophy. This relates to Mintel Trend Driver, Surroundings, which notes that consumers want to feel connected to their external environment and as such, will be looking to reward brands that get involved in benefitting their communities rather than just profiting from them. In the longer-term, grocery retailers will benefit from highlighting the direct relationship between products and local benefits where possible – like how selling locally made products supports the local economy. To this end, addressing waste will likely be a winning entry point as packaging is the top issue that Canadians are concerned about with regards to environmental issues related to food and drink. Leveraging apps that alert shoppers to daily deals on nearly-expired produce, for example, is a win-win as shoppers get deals while retailers can reduce food waste – ie reduce shrink.

Finally, grocery retailers can lean into Mintel Trend Driver, Rights, by demonstrating continued respect, protection and support for consumers – particularly the vulnerable segments. As noted above, the pandemic has put a spotlight on brands' behaviour in a way that it never has before, with special consideration given to seniors. Now that the spotlight has shone brightly on the sector as a champion of this segment, grocers only stand to gain by showing that actions taken during the pandemic weren't just a one-off.

02

THE IMPACT OF COVID-19 ON CONSUMERS

This section provides a broad overview of some key ways the pandemic has impacted consumer attitudes and behaviours. A detailed discussion of the short-, medium- and longer-term implications for the grocery retailing sector will follow.

UNCERTAINTY SHAPES NAVIGATION THROUGH DAY-TO-DAY LIFE, INCLUDING THE SHOPPING MINDSET

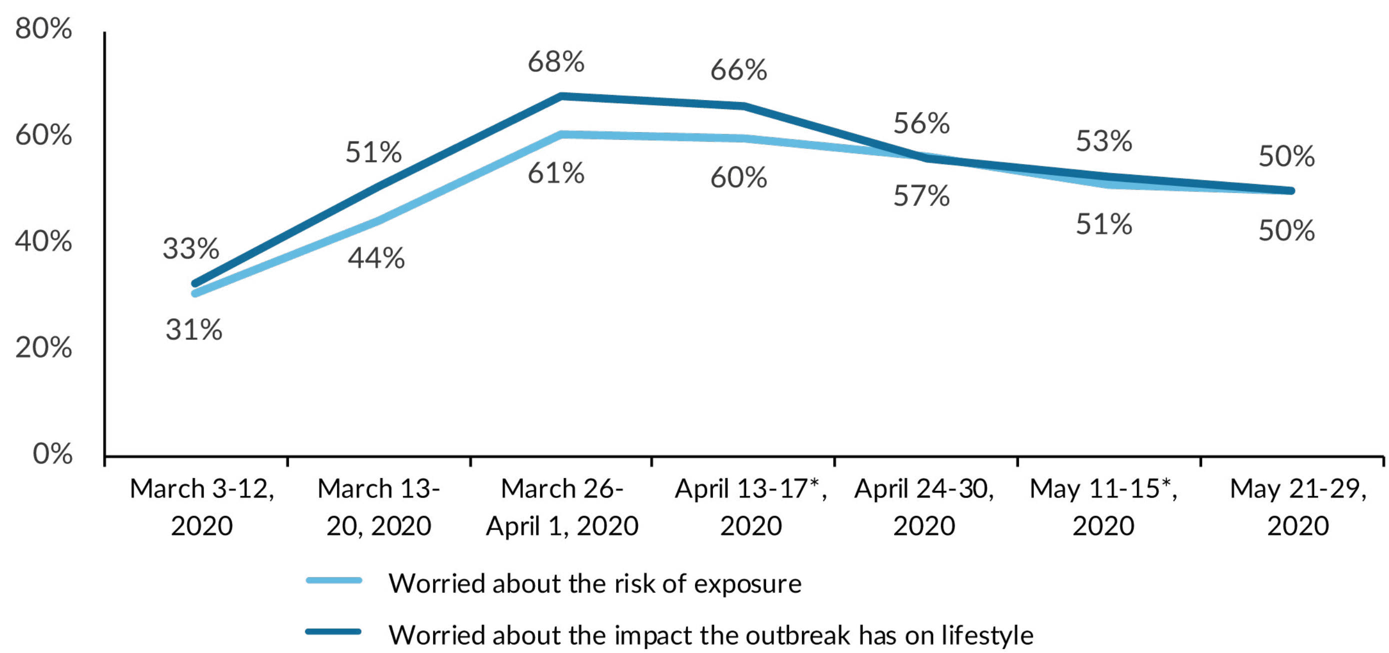
As one would expect, the uncertainty surrounding the pandemic has led to an environment where consumers are dealing with an elevated level of stress on a day-to-day basis. Canadian concern about exposure to the virus and worry about how the outbreak impacts their lifestyle have shifted alongside mandates for quarantine and preventative measures.

In the early weeks of the pandemic, consumers scrambled to adjust to the increasingly stricter implementations of preventative measures like school and store closures alongside work-from-home mandates leading to concern about how the outbreak will impact their lifestyle outpacing their concern about exposure to the virus. The grocery sector was the first to experience the manifestation associated with concerns of exposure and lockdown measures like long lines and panic buying of shelf-stable items and toilet paper. By mid-May, the outbreak peaked in some provinces leading to the easing off of some preventative measures which naturally contributed to a decline in concerns about the pandemic's impact on consumers' lifestyle.

FIGURE 2: COVID-19 EXPOSURE AND LIFE DISRUPTION CONCERNS, MARCH 3, 2020 – MAY 29, 2020

"How worried are you about the risk of being exposed to the coronavirus (also known as COVID-19)?"

"To what extent are you worried about how the outbreak might affect your lifestyle?"



BASE: 2,000 INTERNET USERS AGED 18+
* BASE: 500 INTERNET USERS AGED 18+
SOURCE: LIGHTSPEED/MINTEL'S GLOBAL COVID-19 TRACKER

The weeks between late-March to mid-May have brought unprecedented change in both consumer shopping behaviours (discussed below), but also the mindset. Prior to the pandemic, the act of shopping tended to be much more of a leisurely and enjoyable experience. For instance, only 20% of Canadians felt that grocery shopping was a chore (see Grocery Retailing – Canada, August 2018). Now, the consumer approach to shopping has been forced to change. Trips need to involve a lot more planning, likely with carefully prepared lists and a mental in-store map routed before entering. This is all done to increase efficiency for completing the task so they can quickly return to keeping a safe distance from others. Even with one's best efforts in being efficient, grocery shopping often takes a lot longer, including waiting in lines to get into stores, lines to cash out and finding items, many of which have been moved to different locations. This has eliminated the element of spontaneity and discovery that often happens in stores, particularly grocery stores where consumers tended to lookout for meal ideas, recipe suggestions and/or deals as they shop (see Meal Planning and Preparation – Canada, January 2020). Ultimately, this denotes a clear departure from regular shopping behaviour.

As preventative measures ease off, it is unlikely that consumers will immediately revert back to 'normal' behaviours, so long as the virus remains uncontrolled, meaning that concerns about exposure will hold. As such, retailers across the board should expect that consumers will continue to engage in protective behaviours in the short- to medium-term. The implication here is that businesses need to do more now and in the months ahead as consumers will continue with a more 'mission-minded' approach to grocery shopping. Therefore, while consumers are at home, grocers need to help encourage discovery of both products and services before they get to the grocery stores. For example, providing more 'interactive' meal ideas with recipe suggestions and 'automated' ingredient ordering will become more important. In-store, a continued emphasis on how health and safety will be necessary is needed, as well as a focus on tools that provide consumers with information while limiting human contact. Creating more app capabilities that give consumers more access to information via smart labels where they can find detailed information about products on their phones or even the ability to check out using their phones, for example, will resonate. One example of this is the My Walmart app which can be used to check prices, flyers, store hours and to scan and go.

CROWD AVOIDANCE CHANGES HOW CANADIANS SHOP, ACCELERATING E-COMMERCE ADOPTION

By mid-April, four out of five (82%) Canadians reported they were actively avoiding crowds (see Global COVID-19 Tracker – Canada, April 13-17, 2020) and by late-May, 65% said that they were trying to limit the time they spend in-store (see Global COVID-19 Tracker – Canada, May 21-29, 2020). This has had the corresponding impact of pushing Canadians towards online shopping, seen with the 46% who say they are shopping more online per the aforementioned Report.

While this is a trend that has been observed worldwide, it is an important change in the Canadian market as reliance on e-commerce has lagged significantly in this market compared to others. Compared to the US, for example, just one in five (19%) Canadians stated that more than half their purchases were made online compared to a third (34%) of Americans (see Online Shopping – Canada, July 2018).

Looking ahead, the newly boosted reliance on e-commerce will likely have a lasting impact, as it has motivated all segments towards digital platforms, including 36% of seniors 65+ (see Global COVID-19 Tracker – Canada, May 11-15, 2020) – the fastest growing age segment in Canada. While it is likely that some will revert back to shopping in physical stores, others will consider the conveniences gained by shopping online and continue to use such platforms. As things return to 'normal', and the realities of a depressed economy set in, there will be an increasing need for businesses to remind consumers of the benefits gained by using online tools, particularly if there are fees associated with online ordering, curbside delivery, etc. A more detailed discussion on this with regards to the grocery sector follows in the Medium-Term Changes in Grocery Retailing section.

THE ROLE OF FOOD-AT-HOME BECOMES MORE CENTRAL IN SATIATING EMOTIONS

The 'relationship' Canadians have with food has always been an emotional one. Outside of the home, eating out has been an important avenue to satiating a range of mental health needs, both social and personal. For instance, half (49%) of Canadians say they eat out for the social time with family and friends, while many others do so to treat (58%) or reward (39%) themselves (see Dining Out – Canada, March 2018). Further highlighting the significance consumers hold towards the category is that dining out consistently places as the top category consumers spend their discretionary funds on each year – even when times are tight (see Canadian Lifestyles: The Cost of Convenience – Canada, April 2019).

It is important to note that the enjoyment food brings from dining out is not because Canadians don't enjoy cooking. It is quite the opposite, in fact, as 60% of home cooks say they like/love cooking and 84% say that cooking at home makes them feel accomplished (see Cooking Enthusiasts – Canada, December 2018). In this regard, the role of food-at-home has taken a greater significance in that it not only has to fill the missing treats/rewards areas from not being able to eat out, but also as a way to cope with the current situation. As discussed in the aforementioned Report, two thirds (66%) of Canadians say that cooking helps to reduce stress – this is significant as preventative measures have pushed almost half (46%) of Canadians to cook from scratch more (see Global COVID-19 Tracker – Canada, April 17-30, 2020). The importance of food and addressing the currently elevated levels of stress is also seen with a third (33%) of Canadian women saying that they are eating more indulgent food like chocolate, ice cream or pizza to help them cope with the situation (per the aforementioned Report).

Intuitively, foodservice should see a healthy rebound from a patronage standpoint given that 56% of Canadians are most looking forward to connecting with others in-person and 38% say they are looking forward to eating out at a restaurant when preventative measures are lifted (see Global COVID-19 Tracker – Canada, May 21-29, 2020). However, the reality is that concerns around exposure to the virus will keep consumers hesitant to eat out (see below), which then keeps the role of food-at-home in the spotlight. In particular, food-based gatherings at home will take centre stage as consumers look to bond with others in-person in a safe way. Foodservice and grocery retailers stand to gain by ramping up efforts to support these endeavours in the days ahead. In this regard, emphasizing the togetherness and 'giving' aspect will be especially important and should resonate as half (48%) of Canadians were already of the mindset that they would rather host/treat recipients to a meal than give a traditional gift such as a monetary or physical item (see Gifting – Canada, November 2019) before the pandemic.

LESSONS FROM OTHER REGIONS:

To help understand what the next few months might look like in Canada, marketers can look to China and other markets that are ahead of the pandemic curve. Much of these findings discussed here are from Mintel's COVID-19's Impact on Chinese Consumers: April 2020 Report.

- Consumers will look to food to boost immunity as preventative measures lift. According to the aforementioned Report, the lifting of preventative measures has led to the expected increase in foot traffic of retail stores though fears of being exposed to the virus remain high given that uncertainty around the pandemic remains. Consumers are showing an elevated interested in boosting their immunity by turning to vitamins and supplements but also through nutrition and diet like fresh fruits and vegetables.

- Safety concerns continue keeping home cooking the star even as restaurants open up. Results from the aforementioned Report show that restaurants/foodservice is seeing a slower than expected comeback due to concerns about exposure while eating out. Consumers are hesitant to return to eating in at restaurants, likely due to concerns about exposure, as the protective behaviour of wearing a mask is not a viable option while eating out. As such, it is working to keep the newly honed skills of home cooking in the spotlight. Perhaps somewhat surprisingly, this is particularly evident amongst younger consumers, seen with their continued celebrations of homemade meals on social media. The shift has been, however, a greater interest in cooking with fresh ingredients. Most notably, a continued focus on safety means good potential exists for engagement with online grocery shopping to be sustained – albeit with some effort from retailers.

- Increased focus on supporting local. The easing of preventative measures in China has brought about a heightened desire to support local brands and the community. Given that supporting local was already a priority for Canadians before the pandemic, it is expected that this will be a focus that is embraced with gusto as the impact of the outbreak on various consumer segments, communities as well as the economy, becomes clear.

- Expect a conservative mindset when preventative measures lift. In China, consumers have adopted a conservative mindset towards spending, shying away from big indulgences and instead treating themselves to smaller things like accessories, apparel or beauty products.

MINTEL TREND DRIVERS

Mintel's Trend Drivers, seven core factors that influence or drive consumer behaviour, are a useful framework to understand consumers at a comprehensive level. The seven Drivers -- Wellbeing, Experiences, Technology, Rights, Identity, Value and Surroundings -- can be a particularly useful framework to use at this time to understand how grocery retailers can more deeply understand their consumers' wants and needs. These drivers can be thought of as holistic themes that drive consumer motivations. While they are not mutually exclusive consumer drivers, some are certainly more pronounced at this time than others and some drivers complement each other at this time as well. An assortment of these drivers will be used as the basis for the strategy implications discussed in the following sections. Each section will contain a brief summary of the relevant Trend Drivers followed by Mintel recommendations for how to best connect with consumers. A detailed discussion of how each of these Trend Drivers influence the grocery retail category can be found below.

FIGURE 3: MINTEL TRENDS DRIVERS

SOURCE: MINTEL TRENDS

Wellbeing

Consumers seek physical and mental wellbeing in all aspects of their lives. As discussed in Mintel Trend, Total Wellbeing, consumers take a holistic approach to addressing wellness that incorporates self-care and mental health. While nutrition is central to one's physical health, consumers also gain emotional benefits from preparing food and eating, particularly when doing so with others. Before the pandemic, consumers were prioritizing their mental wellness first (see Healthy Lifestyles – Canada, June 2019), but the COVID-19 pandemic has pushed consumer focus towards physical health with regards to safety. This has placed great attention towards addressing physical health. The essential nature of food has meant that grocery retailers have had to put in place visible measures (from physical barriers to providing communications) to show how they are addressing the physical safety of their customers and staff. Moving ahead, grocers need to continue to protect physical wellness (in a way that remains visible to consumers), but also find ways to moderate the protective 'rush' approach to grocery shopping consumers currently have developed. Right now, spontaneous activity is limited as consumers look to get in and out of stores as quickly as possible. Finally, consumers will turn to food as a way to boost immunity, opening opportunity for grocers to take on the expert role on food nutrition.

Technology

Consumers find solutions in the physical and digital world through technology. It goes without saying that the pandemic has accelerated adoption of digital platforms across virtually all categories, and by businesses and consumers alike. For the grocery sector, the essential nature of food led to increased prioritization of the category yet consumers were also faced with greater challenges or restrictions to physically shopping in-store for groceries as store hours were cut to allow for more thorough cleaning and the number of people allowed inside at one time was reduced. At the same time, consumer prioritization of safety has moderated some of the challenges previously associated with the adoption of buying groceries online (see Short-term Changes in Grocery Retailing). With new added services like contactless pickup, this period has forced the acceleration of technological developments from grocery retailers that have made it more appealing for consumers to not only shop online but to become familiar with various options (like click-and-collect) to getting their online orders. Grocery retailers can expect continued engagement with such channels meaning that each of these avenues represents an opportunity for revenue generation – particularly during the months when the outbreak remains uncontained, rendering safety the top priority.

Value

Consumers want to see tangible benefits when they invest their time or money. While most categories may receive greater scrutiny when it comes to spend, the essential nature of food is clear, evidenced by the fact that 48% of Canadians have made groceries a higher priority for spending during the pandemic (see Global COVID-19 Tracker – Canada, May 11-15, 2020). While the product itself (food) inherently holds value, the pandemic has brought greater weight to the services that 'flank' meal ingredients – order groceries online, for example, is something that's become more valuable because it offers safety. While the pandemic has pushed a safety-first mentality, the looming recession means that grocery retailers will need to work harder to justify added costs of such services to sustain engagement with these services as the recession takes hold.

Rights

Consumers want to feel respected, protected and supported, particularly during periods of stress and uncertainty. The pandemic has put a spotlight on brands' behaviour in a way that it never has before. From the very first days of the outbreak, grocery retailers were at the forefront in terms of telling consumers that they would be there for them, such as campaigns stating that there was no need to panic shop as they were working with supply chains to ensure that shelves would be stocked. Then, even before lockdown mandates were issued, grocers proactively set up Plexiglas barriers to protect staff and customers alike. Actions were not all outward facing as some companies stepped up to support their employees with higher wages. The relationship between protection, action and grocery retailers during this time cannot be understated. Now that the spotlight has shone brightly on the sector, grocers need to continue demonstrating how they are a partner in keeping them safe and healthy while also playing an active role in contributing to the rebuilding of the local community.

Experiences

Consumers seek to discover experiences that stimulate them. Before the pandemic, Mintel data showed that consumers were prioritizing experiences over things, rendering in-store experiences like eat-in areas at grocery stores and sampling as key ways to connect (see Grocery Retailing – Canada, August 2018). Not only has the pandemic eliminated these avenues of connection but also has negatively impacted the overall experience of grocery shopping, forcing it to be a mission-minded task (as described above in the Wellness Trend Driver section). Moving forward, concerns about safety will remain, though grocery retailers must find ways to rebuild enjoyment and discovery back into the shopping experience. Grocery retailers should consider taking inspiration from the BPC (beauty and personal care) sector where tech is leveraged to provide consumers with a richer shopping experience that often provides meaningful information in fun and playful ways – regardless if consumers are shopping in-store or online. A greater emphasis will likely need to be placed on visual rather than tactile stimulus (eg tastings) in the name of safety. In the months ahead, the addition of fun and 'adventure' will be even more necessary to help people move beyond the effects of the pandemic and the looming economic impacts to follow.

Surroundings

Consumers want to feel connected to their external environment. While social distancing measures are keeping people apart, a new sense of community has emerged bringing to light the need to support each other and their local community; driving 29% of Canadians to make a greater effort to shop from local businesses in late-May (see Global COVID-19 Tracker – Canada, May 21-29, 2020). Consumers will champion their local businesses and the brands that will be rewarded will be those that get involved in benefiting their communities, rather than just profiting from them. Grocery retailers will need to invest in long-term sustainable development rather than short-term profit by connecting with communities and working with them to develop both efficient products/services as well as sustainable practices to demonstrate their dedication to the Earth. Because the pandemic has given consumers evidence of how small actions can have an enormous impact, bigger grocery retailers need to do more to show active support of a local community and that it cares about contributing on a local level.

Identity

People are driven by the need to understand themselves and connect to their place in society. Brands are leading with a "we're all in this together" message and grocery stores have done a good job in showing that they are indeed a partner in actively helping consumers get what they need to get through this. The pandemic has created a window where consumers are getting more of a closer glimpse into the personal lives of others than ever before. This is creating more blurring between personal and private lives, leaving consumers more open to having personal conversations around their identity. As preventative measures ease and consumers return back to interacting with each other in-person, this desire to stay connected on a personal level will remain. All told, grocery retailers will be able to form a deeper connection with consumers by finding ways to appeal to a shared heritage or a shared sense of purpose – something that consumers will link back to who they are on an individual level. The notion of heritage is fundamental to how consumers see themselves, as seen in Mintel's 35-country consumer research study (July 2019), where nearly two thirds (63%) of Canadians feel their heritage is an important part of their identity. In this regard, grocery retailers will see gains by being more thoughtful about the use of online tools to support community needs or voices in real life.

MINTEL

03

STATE OF THE GROCERY MARKET PRE-COVID-19

This section is overview of the grocery market from the point of view of the Canadian consumer before the pandemic to set the context for the recommendations in the following sections. In short, this is a summary of the key findings from various Mintel Canada Reports that pertain to consumer attitudes and behaviours towards grocery retailing.

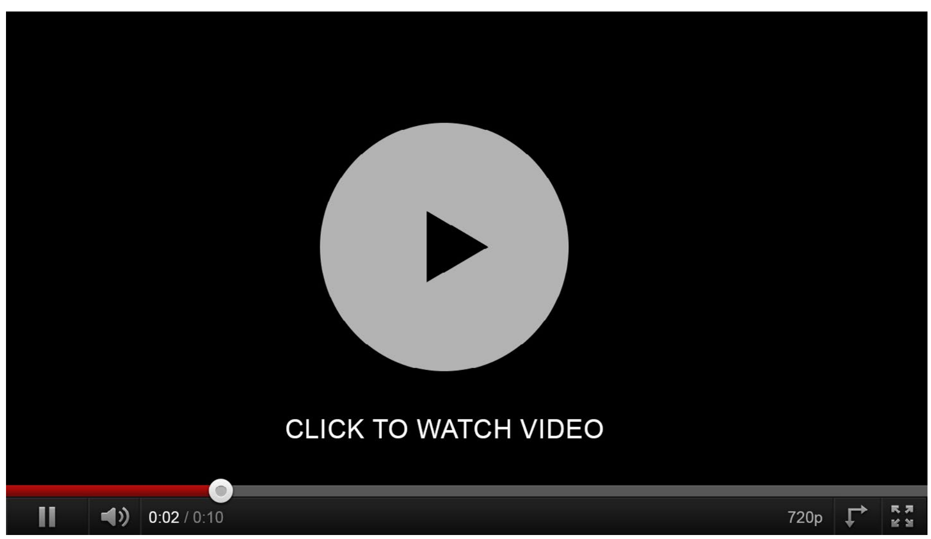
CANADIANS STRUGGLED WITH MANAGING THEIR WELLBEING

Addressing wellness has always been an on-going pursuit where priorities change with age and a holistic approach makes it even more complex. Taking care of one's wellbeing is something that Canadians struggled with before the pandemic. This was seen as only a third (35%) of Canadians felt satisfied with their current wellbeing and only 41% felt in control of it (see Healthy Lifestyles – Canada, June 2019). Even before the pandemic, consumers were in need of guidance from businesses across all sectors.

Busy culture forced mental wellness into the spotlight, ahead of physical wellness

In 2019, the World Health Organization declared burnout as a medical condition showing that busy-culture was officially taking a toll on mental health. This was a trend seen in Canada where busy schedules and longer work days impeded their ability to take time for self-care (see Canadian Lifestyles: The Cost of Convenience – Canada, April 2019) leading consumers to hold a greater inclination to place emphasis on their mental health and emotional well-being rather than nutrition/diet (see Healthy Lifestyles – Canada, June 2019). Grocers in Canada were ahead of this trend and created campaigns that linked food to mental wellness. An example of this was seen with Loblaw's 'Eat Together' campaign which showcases the importance of bonding over food. Rather than featuring its private label PC (President's Choice) products, it takes a storytelling approach to show how enjoying food together works as

FIGURE 4: #EATTOGETHER 2019, DECEMBER 2018



SOURCE: YOUTUBE – PRESIDENT'S CHOICE/MINTEL a catalyst to bring people together. In its most recent run, the campaign reminds consumers that “we’re never better than when we eat together.”

Canadians were hungry for shortcuts and time-saving tools

Notably, busy culture is deemed to be the norm as 83% of working Canadians reported that they have a good work-life balance, despite nearly half (44%) saying they often struggle to get enough sleep and a similar proportion (40%) feeling that they often struggle to find downtime on the days they work (see Canadian Lifestyles: The Cost of Convenience – Canada, April 2019). The result is a need for shortcuts, seen with 65% who say they are willing to pay for time-savings products or services. With specific regard to grocery shopping and meal planning, the struggle of balancing home chores and schedules is more taxing to moms. Not only are they the segment most likely to hold sole responsibility for grocery shopping (see Grocery Retailing – Canada, August 2018), some 59% say they skip some household chores to spend time with their kids (see Marketing to Moms – Canada, September 2018). The choice between spending time with their children and doing chores is necessary as only a third (35%) of moms say that household chores are shared equally with their partner/spouse.

THE ACT OF GROCERY SHOPPING WAS FREQUENT AND ENJOYABLE

Grocery shopping is an activity that virtually all Canadians (96%) have some responsibility for. Some 85% of Canadians shopped for groceries weekly, with 41% doing so more than once a week (see Grocery Retailing – Canada, August 2018). Notably, while shopping for in-home food is a necessity, the task was seen as enjoyable, with only 20% feeling that grocery shopping is a chore (per the aforementioned Report).

The overall association with in-home food is a positive one. An aspect that likely contributes to the enjoyment of going grocery shopping is that they enjoy working with the ingredients once they get home. This is seen with the 60% of Canadian home cooks who say the like/love to cook and a further 84% who feel that cooking makes them feel accomplished (see Cooking Enthusiasts – Canada, December 2018). Cooking at home was also seen as an active way to bring emotional relief, as 66% of Canadians feel that doing so helps to reduce stress.

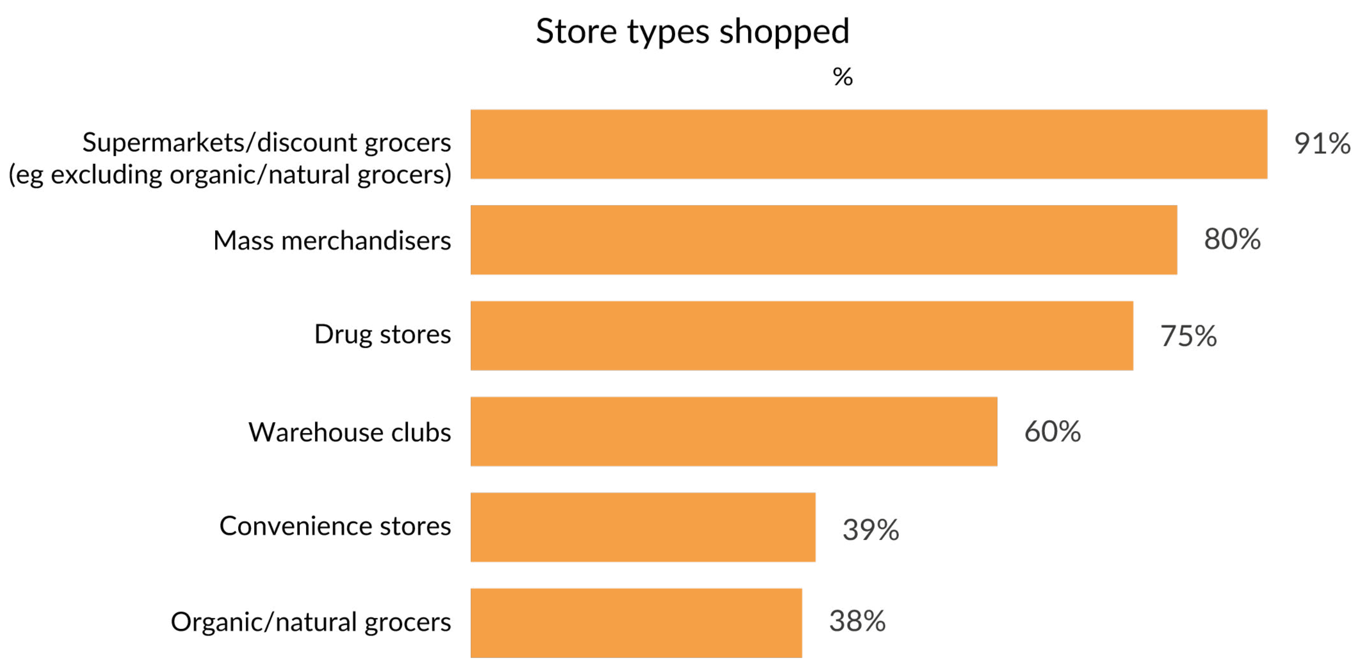
MASS MERCHANDISERS MAKING IN-ROADS AS CONSUMERS SEEK VALUE AND CONVENIENCE

Results from Mintel's Grocery Retailing – Canada, August 2018 Report showed that the Canadian grocery sector is fragmented, with mass merchandisers posing the greatest threat to traditional supermarkets/discount grocery stores. While traditional supermarkets remain the preferred store-type when it comes to buying fresh products like produce and meats, the convenience of one-stop shopping and lower prices of mass merchandisers is successfully luring the attention of younger consumers (under-45s). Where grocery retailers were already struggling to hold their lane, in July 2018, Walmart Canada launched a multimedia marketing campaign focused on 'fresh' – the key differentiator of traditional grocery stores, which created a further threat to keeping the attention of younger consumers. All told, where the adage of 'shopping around the perimeter' being healthier because it means one is buying whole and fresh foods rather than processed or packaged foods is something grocery retailers could leverage before the pandemic, a heighted focus on stocking up and buying products that last longer (like frozen, canned or boxed), means that again, traditional grocery stores are at a disadvantage (see Global COVID-19 Tracker – Canada, April 13-17, 2020).

Additionally, it was seen that mass merchandisers hold the advantage on household products before the pandemic. This is significant as household products and categories have seen a piqued interest during the pandemic (per the aforementioned Report) which further detracts from consumer loyalty to traditional grocery stores.

FIGURE 5: STORE TYPES SHOPPED (NET ANY GROCERY ITEM), MAY 2018

"Which grocery items do you buy at these types of stores, either in-store or online? Please select all that apply for each store type."



BASE: 1,914 INTERNET USERS AGED 18+ WHO ARE GROCERY SHOPPERS IN HOUSEHOLD
SOURCE: LIGHTSPEED/MINTEL

WEIGHT IS GIVEN TO COMPANY ETHICS AS CANADIANS PRACTICE CONSCIOUS CONSUMERISM

It can be said that Canadians are conscious consumers with the bulk (70%) of consumers feeling that it is important that the brands they buy follow ethical business practices. Half of consumers are also willing to overlook the 'basics' of good price and quality in favour of buying from socially and environmentally friendly companies (see The Ethical Consumer – Canada, February 2020). With regards to food and drink bought in stores, most Canadians are concerned about packaging and food waste, with 87% feeling that food sold at grocery stores often have too much packaging (see Sustainability in Food – Canada, February 2020). With a third (35%) of Canadians often making purchases based on a company's ethical reputation (and another 11% always doing so), it is clear that social and environmental issues are a powerful 'sway' factor or tie-breaker for consumers (see The Ethical Consumer – Canada, February 2020).

CANADA LAGS BEHIND OTHER MARKETS IN TERMS OF E-COMMERCE ADOPTION

Results from various Mintel Reports clearly indicate that Canadians are much more inclined to shop from physical stores than online. For instance, only one in five (19%) Canadians say that more than half of their purchases are made online (see Online Shopping – Canada, July 2018). This is in stark contrast to the US where a third (34%) of Americans who claim this behaviour (see Online Shopping – US, May 2018). This is reflective of the slower adoption of online shopping among Canadians, where the proportion of those who say they shop online at least once a month grew only 3% for Canadians from 2015 to 2018, compared to 7% in the US.

Ordering groceries online growing, but still niche

Regarding the grocery sector in particular, Canadian likelihood to

FIGURE 6: SHOP ONLINE AT LEAST ONCE A MONTH, CANADA VS US, AUGUST 2015 AND APRIL 2018 (CANADA)/ MARCH 2015 AND MARCH 2018 (US)

"On average, how often have you shopped online in the past 12 months?"

BASE: 2,000 INTERNET USERS AGED 18+ (CANADA 2015)/ 2,000 INTERNET USERS AGED 18+ (CANADA 2018)/ 2,000 INTERNET USERS AGED 18+ (US 2015)/ 2,000 INTERNET USERS AGED 18+ (US 2018)
SOURCE: LIGHTSPEED/MINTEL

buy groceries online had grown from 12% in 2015 (see Grocery Retailing – Canada, February 2015) to 24% in 2018 (see Grocery Retailing – Canada, August 2018). Similarly, the proportion of those interested in doing so (among those who haven't) also grew by 10% over those three years (from 20% to 30%, respectively). Concerns around freshness of the food products ordered online and added costs associated with buying groceries online (be it surcharges, shipping or other service charges) were the two biggest barriers preventing those who were interested but hadn't done so yet.

GROCERY STORES ARE MISSING OUT IN THE IDEATION PROCESS FOR MEALS – BEFORE STORE ARRIVAL

It can be said that grocery stores are underrated as a resource by consumers when it comes to meal ideas. Only a quarter (26%) of Canadians say they typically get meal ideas from grocery stores and most (74%) say they know what they want before they get there (see Meal Planning and Preparation – Canada, January 2020). That consumers feel they know what they want before they get in stores was already problematic before the pandemic as it showed that grocery stores weren't considered essential in the ideation process for meals. However, it seems that consumers would actually like ideas from their grocers. This is seen with nearly two thirds (61%) of consumers saying they'd like more recipe suggestions in supermarket aisles and half (49%) who say they'd like more tools (as they shop) to show them how to put meals together (per the aforementioned Report).

Consumers not seeing grocery stores as an active partner in the meal planning process before they arrived at the store wasn't as big an issue before the pandemic because they still got ideas while they shopped. It is quite problematic during the pandemic as consumers are looking to reduce public exposure which means they are looking to get in and out of stores as quickly as possible – ie they are on a mission and browsing for ideas in supermarket aisles is no longer a behaviour they are interested in engaging in. Grocery retailers are now missing out on spontaneous purchases and the discovery process of ingredients and meal ideas. For a detailed discussion on how this can be addressed, see the Medium-term Changes in Grocery Retailing section.

04

SHORT-TERM CHANGES IN GROCERY RETAILING

The short term is defined roughly as the months in which preventative measures had been implemented.

SELF-PROTECTION IS THE TOP PRIORITY

The panic behaviour seen at the very early days of the pandemic in mid-March showed that consumers went immediately into survival mode with regards to doing what they thought was necessary. By mid-April, Canadians continued to operate with a safety-first mindset, leading 70% of consumers to say that they are making less frequent trips to the grocery store. A need for preparedness was also evident, seen with just over half (54%) reporting they were stocking up on groceries/supplies (see Global COVID-19 Tracker – Canada, April 13-17, 2020).

The safety-first mindset has severely impacted the consumer mindset and approach to grocery shopping. What follows is a detailed discussion of how to meet consumer needs in the short term from the perspective of four Mintel Trend Drivers: Wellbeing, Technology, Value and Rights.

Short-term (lockdown)	Medium-term (end of 2020)	Longer-term (1-2 years)
Grocery retailing - overall	**Grocery retailing - overall**	**Grocery retailing - overall**
This is a reactionary period where increased spending in the category is seen alongside significant behavioural changes. Consumers enter into a protection-first mode driving a heightened attention to groceries – particularly in stocking up and limiting public exposure while buying groceries. This latter point impacts both in-store and online behaviours.	This is an adjustment period where the essential nature of food means the category will see steady engagement. The easing of measures will impact behaviours in both online and physical retail making this a critical period for grocery retailers to provide guidance to sustain/moderate newly adopted behaviours across both shopping avenues.	This will be a more stable period where engagement and category engagement will continue to be steady. Grocery retailers need to be a true collaborator in helping consumers address wellness holistically, while also spotlighting CSR initiatives. This period is about empowering consumers to make better choices all around.
Online grocery shopping	**Online grocery shopping**	**Online grocery shopping**
The safety-first mentality drives a great increase in using online platforms to get groceries as the pandemic has moderated the top two barriers (added cost and concerns around freshness) that have traditionally plagued adoption.	The increased adoption seen in the short term will decrease as market conditions such as greater attention to budget and a renewed interest in shopping for fresh ingredients increase. Grocers will need to work hard at proving value in the form of convenience and safety to moderate attrition, particularly as costs for services are reinstated.	Consumer usage of online shopping platforms for groceries is expected to be higher than pre-pandemic in the longer-term, though adoption will not be as high as during the short-term period. At this phase, the key to ensuring traction will be to better integrate online platforms with both the planning and cooking process.
In-store grocery shopping	**In-store grocery shopping**	**In-store grocery shopping**
Online-only retailers will benefit from the heightened demand for products online, and the issues some store-based specialists face in keeping online operations running. Demand tempered slightly by holding back of discretionary spend, but this is still a net positive for the sector.	Grocers will need to reactivate the process of discovery in stores. This will be crucial to moderate the newly adopted safety-first behaviours which have diminished spontaneous grocery shopping behaviours of browsing and making 'micro' trips during the week. As safety remains a priority, there will be a need to replace traditional tactile stimuli (eg sampling) with more visual stimuli. Of note, in-store activity will likely see a boost as some Canadians will decrease usage of online grocery shopping.	In stores, visible commitments to CSR policies will be necessary. Grocery retailers need not start from scratch but instead should leverage efforts seen pre-pandemic, including reduction of plastic bags in stores and incorporating tools/apps that actively help to reduce food waste.

Severe impact · Moderate impact · Minor/positive impact

MEETING SHORT-TERM CONSUMER NEEDS FROM THE LENS OF THE WELLBEING TREND DRIVER

Investigating impact

At this point, consumers are focused on doing what they can to stay safe. This includes less frequent trips to the grocery store, taking more precautions like wiping down carts while shopping in stores, and taking more care to wash food and/or food packaging. These behaviours reflect the Mintel Trend Pillar, Physical Health, which notes that 75% of Canadians are willing to make short-term sacrifices for the sake of their long-term health. In this case, it is that they are willing to adopt potentially less convenient behaviours (like washing packaging) for the sake of their physical wellness.

Meeting consumer needs

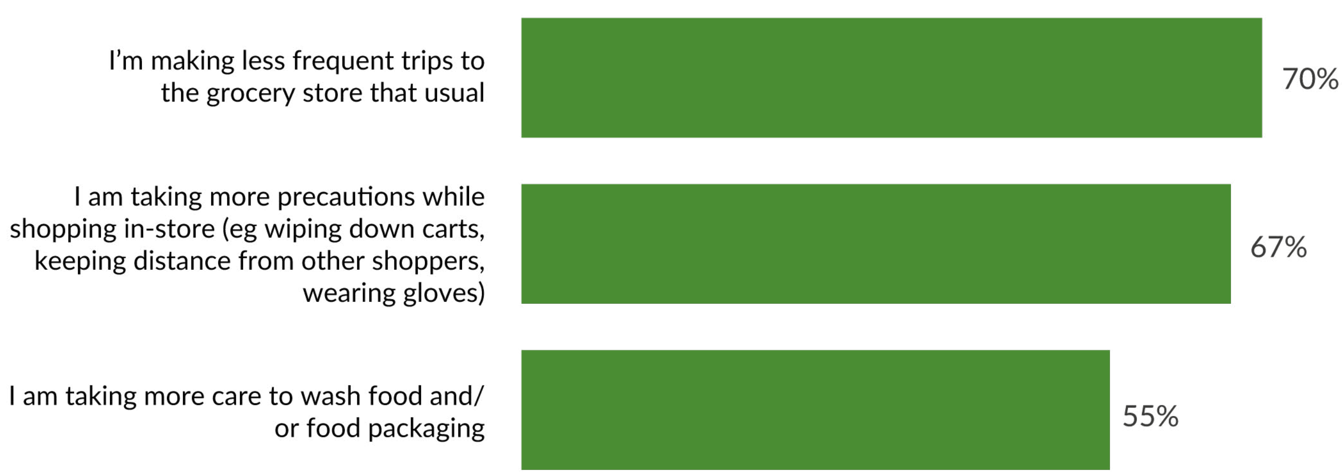
The COVID-19 pandemic has thrown the spotlight onto physical wellness like never before. Consumers are doing what they can to maximize safety and protect themselves and their families. Grocery retailers need to show that they are a partner in this quest and provide resources on multiple levels to help them adjust and/or learn new habits.

- Continue efforts to protect customers. From increasing contactless delivery to adding Plexiglas barriers between staff and customers, it must be acknowledged that retailers have been proactive in implementing ways to show that consumer safety is a top priority. Continual efforts from grocery retailers to show how safety and protection are being addressed are necessary. For example, the addition of rules such as ‘no mask, no entry’ or adding contactless body temperature readers before entry may help to increase a sense of safety once in physical stores.

Tips encouraging safety will also resonate. An example of this is seen with the May, 2020 marketing campaign from Loblaw-owned discount grocer, No Frills. The styling of its social media and video pieces are consistent with its previous Hauler campaign, while the message reminds shoppers to keep “A Cart Apart”. The video also includes other safety suggestions like ‘only shop once a week’, ‘don’t over handle the produce’, ‘store limits apply’ and a thank you to frontline workers.

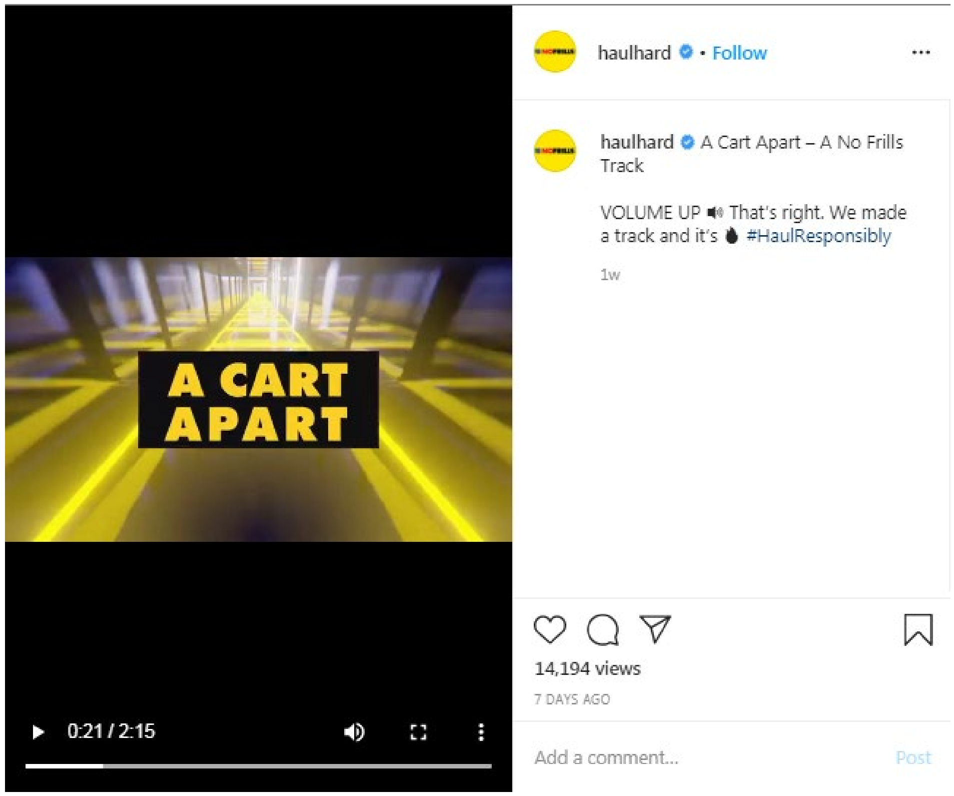
FIGURE 7: SELECT BEHAVIOURAL CHANGES REGARDING FOOD AND DRINK AS OF MID-APRIL, APRIL 13-17, 2020

"In light of the COVID-19/coronavirus pandemic, which of the following statements related to food and drinks do you agree with? Please select all that apply."



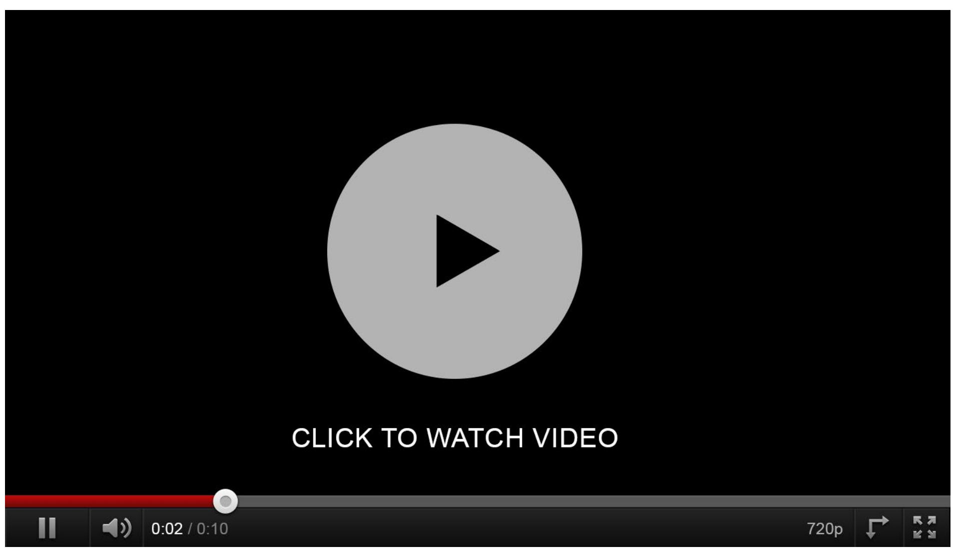
BASE: 500 INTERNET USERS AGED 18+
SOURCE: LIGHTSPEED/MINTEL’S GLOBAL COVID-19 TRACKER – CANADA, APRIL 13-17, 2020

FIGURE 8: NO FRILLS INSTAGRAM POST, MAY 2020



SOURCE: INSTAGRAM – NO FRILLS/MINTEL

FIGURE 9: A CART APART – A NO FRILLS TRACK, MAY 2020



SOURCE: YOUTUBE – NO FRILLS/MINTEL

- Be a resource for ensuring the safety of food once home. Outside of store operations, grocery retailers could be a true partner in helping to protect consumers by providing information about the proper way to take care of food items once they get home. Much like how tips were seen in social media about how to ensure one was washing their hands for 20 seconds, providing information about ways to properly wash fresh produce, for example, will resonate. To this end, grocery retailers need not start from scratch as resources from Health Canada are available. Consumers will welcome short visualizations of the steps outlined by Health Canada (see https://www.canada.ca/en/health-canada/services/general-food-safety-tips/produce-safety.html).

MEETING SHORT-TERM CONSUMER NEEDS FROM THE LENS OF THE TECHNOLOGY TREND DRIVER

Investigating impact

Consumers find solutions in the physical and digital world through technology. As discussed in Mintel's How COVID-19 Brought the Future Forward, the outbreak has pushed brands to test multiple channels to keep consumers engaged. This is true in the grocery sector, seen with some 22% of Canadians who said that they are buying more groceries online as of mid-April (see Global COVID-19 Tracker – Canada, April 13-17, 2020).

Notably, the safety-first attitude held by Canadians has created conditions which moderate consumer attitudes towards the two biggest barriers to ordering groceries online: concerns about the freshness of products, and it being more expensive to do so. Freshness has taken a bit of a backseat as the consumer focus on stocking up drives a stronger focus on shelf-stables, seen with 43% of Canadians reporting that they are buying food that doesn't go bad as quickly (eg frozen, canned or boxed) as of mid-April (per the aforementioned Report). At the same time, there may be a willingness to overlook added costs associated with ordering groceries online like handling fees, given that 28% of Canadians say they are less budget-conscious than usual when it comes to groceries. Combined with the improved services from retailers like the addition of contactless pick-up, and the appeal becomes even stronger.

Meeting consumer needs

With protection and physical safety being the primary area of focus for consumers right now, leveraging tech is about setting up consumers for success in terms of improving efficiency – both before and during grocery shopping trips.

- Leveraging tech to be more of a resource before they shop online or in-store. Although more Canadians are turning to online platforms, the month of April saw a rise in launches of apps like Live Lineups that track wait times to get into grocery stores in Canada. Long lines to get into grocery stores highlight the fact that many are continuing to buy their groceries in-store. For those who are doing so, trips are now much more well-planned as consumers look to get in and out of stores as quickly and efficiently as possible. This represents a big departure in behaviour from before the outbreak as consumers actively browsed for meal inspiration/ideas while in-store – even though they felt they had a plan going in, as discussed above. That consumers are no longer browsing for ideas makes it critical for grocery retailers to build a connection with consumers prior to them entering stores.

Developing and/or partnering with tools that provide meal/ingredient inspiration while actively creating a comprehensive shopping list for them will ensure that consumers are armed with all the necessary input they need before heading in-stores. To make it particularly relevant to the current situation where consumers are actively stocking up on staples, tools like cooking apps that work with what consumers have on-hand while inspiring them with 'fresh' ideas for meals will be most relevant. Notably, such planning tools will work well to engage consumers regardless of whether shoppers are ordering online or going into physical stores.

An example of such an app is BigOven. This app provides meal inspiration to users via its Ideas section which includes categories like 'Use Up Leftovers', which curates recipes based on reusing ingredients. The app also comes with The Grocery List section which not only allows users to sort by ingredient but also helps keep track of the ingredients needed to make a particular meal. These items can then easily be added to a list for the next grocery shopping trip. The app also comes with The Planner ability which lets users come up with dishes for the future so they're not stuck trying to compose a meal with random ingredients again.

- Providing meaningful information to improve shopping efficiency in-stores. Although many have turned to buying their groceries online, many Canadians continue to buy their groceries in-store. As consumers are looking to minimize the time spent around others in general and in-store specifically, information that helps them increase the efficiency of grocery trips will resonate. For example, the addition of YouTube page showing line-ups to get into stores (including an estimate of the length of time it takes to get into the store like the Live Lineups app in Toronto) or similar features showing line-ups at to pay will give consumers a better idea of what to expect when they get to the store. Similarly, maps identifying actual ingredient locations via the store app will help reduce the need to browse through aisles to find products. The capability of telling consumers the item's specific aisle location is already incorporated in some Canadian retailer apps offered by retailers like Canadian Tire. Even physically shifting commonly needed or popular items closer to the front of the store should help to reduce the amount of time customers need to spend inside physical stores.

- Make helping shopping for more vulnerable segments a little easier. Data from Mintel's Global COVID-19 Tracker – Canada, April 24-30, 2020 Report reveals that a quarter (24%) of Canadians are helping family, friends or neighbors with shopping during quarantine (see Walmart example below). Grocery retailers may be able to better support those who are actively helping others by providing discount codes for free or reduced delivery fees to those ordering groceries for elderly family members, for example.

FIGURE 10: WALMART INSTAGRAM POST, MAY 2020

SOURCE: INSTAGRAM – WALMARTCANADA/MINTEL

MEETING SHORT-TERM CONSUMER NEEDS FROM THE LENS OF THE VALUE TREND DRIVER

Investigating impact

Consumers want to see tangible benefits when they invest their time or money. In a sense, consumers have entered into survival mode, a part of which includes being prepared and having what they need on hand. This attitude may be contributing to less sensitivity to pricing, seen with 28% of Canadians reporting that they are less budget-conscious than usual when it comes to groceries (see Global COVID-19 Tracker – Canada, April 13-17, 2020). Being less budget-conscious may be extended to a greater willingness to pay additional fees associated with contactless pickups for online orders, or usage of delivery services like Instacart as using these service also provides a level of safety – ie reducing the amount of exposure they have either in-store or even in public. This reflects Mintel Trend Pillar, Convenience, where 73% of consumers place weight on things that bring ease to their life.

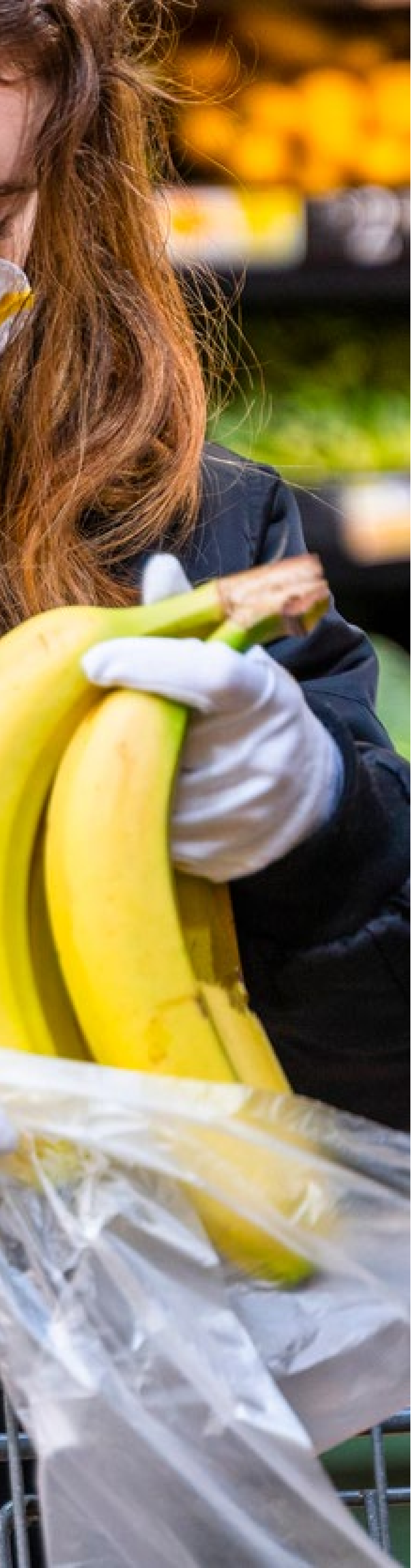
Notably, there is a sense that consumers are truly in a period where they are forgoing value for necessity as Canadians are 'making do' with what's available on store shelves right now. This is seen with 42% of Canadians who say they struggle to buy some products because of stock shortages (see Global COVID-19 Tracker – Canada, April 24-30, 2020). This attitude of taking what they can get is one that will not last.

For the time being, the prioritization has swung so heavily towards health and safety (to the degree that even price is secondary for some) that the focus on areas traditionally less central to purchase decisions have fallen by the wayside. Excess packaging is less of a concern, for example, for 19% of Canadians in mid-April (see Global COVID-19 Tracker – Canada, April 13-17, 2020).

Meeting consumer needs

Consumers are doing their best to navigate through the pandemic and are fully immersed in addressing functional needs. The value proposition that will resonate most with consumers at this time is that of functionality. As such, connecting with consumers means specifically calling out how product lines or services fulfil the basic priorities right now.

- Put the spotlight on semi-prepared private label items. With consumers juggling home and work life all in one place, it is likely that many – particularly parents with children at home – are still seeking shortcuts to get dinner on the table a little quicker. Using semi-prepared products as part of the regular dinner routine is something that is already familiar to home cooks. Mintel's Meal Planning and Preparation – Canada, January 2020 Report showed that 38%



of Canadians create dishes that are a combination of prepared foods (like cooking sauces) and raw ingredients (like meats and vegetables) at least once a week prior to the pandemic. Creating campaigns featuring private label products that can lend a helping hand to meal prep will resonate as both a way to speed up cooking time but also as a way to save some money – an important consideration for those who are feeling more financially pinched. In this sense, it's a win-win as Canadians perceive private label brands to be equitable in terms of quality to national brands (see Consumer Attitudes towards Private Label Food and Drink – Canada, November 2015) and private label products tend to be higher-margin items for retailers.

- Remind consumers of easy gains from loyalty programs. Even though some consumers are less budget-conscious when it comes to grocery shopping right now, the general attitude towards spending is a conservative one. With a recession looming, putting more of a spotlight on reward programs will draw the attention of those who are feeling more financially strained or are worried about what's to come. Given that consumers are at home, this may also be a good time to remind consumers of some other avenues they can earn points – for example, by filling out surveys, leaving reviews or watching online ads in the case of PC Optimum.

MEETING SHORT-TERM CONSUMER NEEDS FROM THE LENS OF THE RIGHTS TREND DRIVER

Investigating impact

Consumers want to feel respected, protected and supported, particularly during periods of stress and uncertainty. In a sense, the outbreak has led to a more 'inward' focus where consumers are prioritizing themselves first (ie their health and safety) and all else second. Naturally then, consumers will focus on the ways that brands are supporting them in this endeavour. Having said this, lurking in the background is the fact that consumer expectation that the 'basics' of ethical behaviours like treating their employees fairly or the protecting their privacy will be maintained by companies during this time.

Meeting consumer needs

The pandemic has provided a clear platform for brands to act on with regards to showcasing respect for consumers as well as protecting them. As brand behaviours are in the spotlight, the time is now for grocery retailers to demonstrate commitment to 'basic' ethics of respect and care for customers. Actions taken now will leave a positive sentiment in consumers' minds as 71% of Canadians believe that brands can change society for the better (see The Ethical Consumer – Canada, February 2020). This may also help to alleviate some skepticism that brands only have social responsibility policies to make more money (42% agree with this sentiment, per the aforementioned Report).

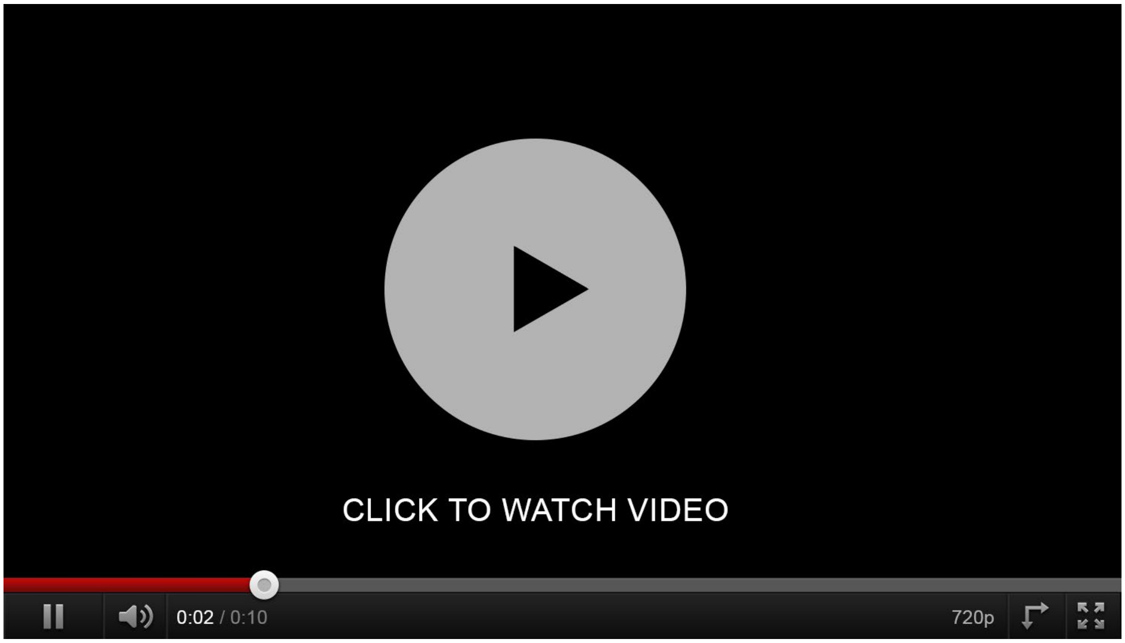
- Messaging needs to set the tone, even provide some instructive guidance. In these uncertain times, the tone of brand communications has never mattered more. Similar to the very early days where grocers sent messages of reassurance that they would not run out of stock, communications should continue to be grounding, not only highlighting the things that are done to protect consumers but also providing instructive guidance where possible about things people can do to protect themselves. This kind of strategy should help consumers to increase a sense of control as they grapple with finding some normalcy.
- Words matter in showing support of basic values. Canadians pride themselves on being inclusive, and see embracing diversity as one of the top five most important values that defines being Canadian. As the world is becoming increasingly trans- or multi-cultural, messaging that promotes 'kindness towards all' will reflect on a brand's broader moral position of supporting diversity.

Although consumers are focused on their own needs first, this kind of messaging should work to provide a sense of 'comfort' in that they are still supporting organizations that align with their values. Importantly, actions to showcase that such basics have not fallen by the wayside should work well to create a solid foundation of good will within the minds of consumers to move forward with when more weight is given back to 'outside/external' considerations. Similarly, actions that address larger social issues like supporting the vulnerable segments (eg seniors) or raising wages of front-line employees (like that of Metro, Loblaw, Empire companies and Walmart) will have a similar impact.

Spotlight on Sobeys

An example of a Canadian grocery chain that showcased an awareness of how the pandemic impacts segments differently but that we are all united in addressing the fight together 'as a family' was seen with Sobey's One Big Family video ad that launched in early April 2020. The video highlights that we Canadians are 'one family united by one cause'.

FIGURE 11: SOBEYS ONE BIG FAMILY, APRIL 2020



SOURCE: YOUTUBE – SOBEYS/MINTEL

05

MEDIUM-TERM CHANGES IN GROCERY RETAILING

Short-term (lockdown)	Medium-term (end of 2020)	Longer-term (1-2 years)
Grocery retailing - overall	**Grocery retailing - overall**	**Grocery retailing - overall**
This is a reactionary period where increased spending in the category is seen alongside significant behavioural changes. Consumers enter into a protection-first mode driving a heightened attention to groceries – particularly in stocking up and limiting public exposure while buying groceries. This latter point impacts both in-store and online behaviours.	This is an adjustment period where the essential nature of food means the category will see steady engagement. The easing of measures will impact behaviours in both online and physical retail making this a critical period for grocery retailers to provide guidance to sustain/moderate newly adopted behaviours across both shopping avenues.	This will be a more stable period where engagement and category engagement will continue to be steady. Grocery retailers need to be a true collaborator in helping consumers address wellness holistically, while also spotlighting CSR initiatives. This period is about empowering consumers to make better choices all around.
Online grocery shopping	**Online grocery shopping**	**Online grocery shopping**
The safety-first mentality drives a great increase in using online platforms to get groceries as the pandemic has moderated the top two barriers (added cost and concerns around freshness) that have traditionally plagued adoption.	The increased adoption seen in the short term will decrease as market conditions such as greater attention to budget and a renewed interest in shopping for fresh ingredients increase. Grocers will need to work hard at proving value in the form of convenience and safety to moderate attrition, particularly as costs for services are reinstated.	Consumer usage of online shopping platforms for groceries is expected to be higher than pre-pandemic in the longer-term, though adoption will not be as high as during the short-term period. At this phase, the key to ensuring traction will be to better integrate online platforms with both the planning and cooking process.
In-store grocery shopping	**In-store grocery shopping**	**In-store grocery shopping**
The long line-ups seen outside physical grocery stores shows that in-store shopping remains a staple behaviour. Going to physical stores has become a "mission" as consumers look to limit the time spent inside as well as reducing the number of trips made. This stage is about implementing safety protocols to keep shoppers safe and to find ways to help them maximize efficiency while shopping in stores.	Grocers will need to reactivate the process of discovery in stores. This will be crucial to moderate the newly adopted safety-first behaviours which have diminished spontaneous grocery shopping behaviours of browsing and making 'micro' trips during the week. As safety remains a priority, there will be a need to replace traditional tactile stimuli (eg sampling) with more visual stimuli. Of note, in-store activity will likely see a boost as some Canadians will decrease usage of online grocery shopping.	In stores, visible commitments to CSR policies will be necessary. Grocery retailers need not start from scratch but instead should leverage efforts seen pre-pandemic, including reduction of plastic bags in stores and incorporating tools/apps that actively help to reduce food waste.

Severe impact   Moderate impact   Minor/positive impact

The Medium term is defined roughly as the months in which preventative measures are slowly relaxed. Across the provinces, this will happen in stages and likely take place over several months.

BEHAVIOURS WILL ADJUST, MAKING ACTIVE MANAGEMENT/ MODERATION EFFORTS NECESSARY

Health and safety will continue to be prioritized though consumer behaviours will moderate towards a more 'logical'/ less 'reactionary' type of shopping. The middle term is a critical period for grocers to provide guidance to help consumers navigate/re-adjust behaviours to the 'new normal'. In addition to keeping up visual reassurances that physical health and safety are protected, grocery retailers will need to actively moderate currently existing shopping behaviours like mission-mindedness as well as putting effort towards sustaining engagement with newly adopted digital platforms, particularly if they come with a fee. During this time, a more conservative mindset is expected to set in due to the economic fallout of the pandemic meaning that retailers will need to leverage existing products (shelf-stables) and offerings (eg HMR and even reward programs) to support margins. From a community point of view, grocery retailers need to think about ways to support the message of 'rebuilding together' as consumers increase their focus on supporting Canadian brands and their local community. Larger companies need to consider ways to get involved on a local level.

The following is a detailed discussion of the recommended strategies to meet consumer needs in the next six months from the perspective of four Mintel Trend Drivers: Wellbeing, Technology, Value and Surroundings.

MEETING MEDIUM-TERM CONSUMER NEEDS FROM THE LENS OF THE WELLBEING TREND DRIVER

These medium-term months will be yet another period of learning and adjusting. This is because the easing off of strict preventative rules will place more responsibility of how to handle health and safety directly in the hands of businesses and consumers alike. Businesses will need to determine the level/ amount of protection they feel is needed in stores, while consumers will be figuring out what they are or comfortable with in terms of exposures or interactions with others. Because this is a period of adjustment, retailers will need to do more to set expectations for consumers but also to remind consumers of elements related to the shopping experience outside of purely protecting themselves.

- More communications will be necessary to continue to set expectations for protecting physical wellness. The implementation of safety protocols will like evolve significantly over the next few months as businesses and governments adjust to the shifting the circumstances surrounding the outbreak. As such, grocery retailers need continue to find ways to help set consumers up for success prior to their arrival. Businesses should consider increasing efforts communicating new or revised protection implementations to provide a greater sense of comfort but also to prevent disappointment or unexpected delays. Grocery retailers should be prepared to issue regular updates over the course of the next several months. In this regard, providing an easily accessible location (eg section on landing page and/or tab in app) that gives consumers a short summary of protocols should prove to be a valuable resource.
- Reminding them that grocery shopping was an enjoyable activity and invite them to slow down. Grocery shopping has become much more of a mission-minded event as consumers look to get in and out of grocery stores as quickly as possible. An increased focused on efficiency likely has diminished 'enjoyability' as well as discovery, as few are likely taking the time to browse for new products or ideas under these conditions. This is a detriment to grocery stores as consumers actively looked for meal inspiration while they shopped (see Meal Planning and Preparation – Canada, January 2020), so retailers need to consider implementing ways to invite consumers to slow down and discover again.

Grocery retailers should consider ways to increase visual stimulus where consumers can either see more info via no-touch smart boards/labels or smart barcodes where consumers can use the app on their own smartphones to access information. In this regard, grocery retailers could take inspiration from beauty retailers and provide discovery stations that leverage no-touch scannable tech such as QR codes that can be scanned using their own phone that provide suggestions on how to create multiple dish ideas using one particular ingredient, or provide small pre-packaged sample kits for them to have a taste at a later time (rather than leveraging traditional sampling methods which no longer comply with safety regulations – at least for the time being). Small additions like this will not only get them to slow down, but should help to bring back the joy of discovery. Sampling, for example, was a feature that 56% of Canadians wanted to see more of (see Grocery Retailing – Canada, August 2018). Such additions will also be necessary as it is likely that traditional methods to introducing new products need to be adjusted to meet new safety codes. This point overlaps with Mintel's Experiences Trend Driver which discusses how consumers seek to discover experiences that stimulate them. In particular, the interest in sampling reflects Mintel Trend Pillar, Adventure, where 73% of consumers are motivated by trying new things and experiences.

It may also be beneficial to create events that invite consumers to make more 'micro' trips during the week – much like how Canadians used to behave before the outbreak. Dedicated weeknight specials like discounted roasted whole chickens on Wednesdays or discounts on ingredient packs/sets for Taco Tuesdays, for example, should also work well to draw consumers away from the 'stunted' shopping behaviours during the days of shelter-in-place.

- In regards to food nutrition, be the expert and provide guidance. Mintel Trend, Return to the Experts discusses how consumers look to qualified experts to manage their concerns, particularly during uncertain times. As consumers learn to adjust to the 'new normal' which includes uncertainty surrounding the COVID-19 virus, there will be a focus on boosting immunity through eating healthy and nutritious foods. Grocery retailers have the opportunity to step in and be a true partner in their quest to address their physical wellness by providing expert guidance like access to and/or consultations with health-related specialists either digitally or in-store. An example of such a program was seen implemented by Shoppers Drug Mart in February 2019 where users had a tailored nutrition plan created for them after undergoing an initial comprehensive nutrition consultation either by video or telephone.

- Offer expertise on stress relief through food – ie cooking or baking. Building off of the point discussed above about providing an expert voice, consumer stress levels will remain high as uncertainty about the virus will continue to loom. As already seen in the days of the shelter-in-place, consumers are finding comfort by connecting with tangible activities like baking. This aligns with attitudes measured before the pandemic where it was found that 90% of Canadians feel that baking from scratch gives them a sense of accomplishment and 86% say that baking for someone is a way to show love (see Trends in Baked Goods – Canada, March 2020). Similar to how grocery retailers can be a proactive partner in supporting consumer interest in addressing their physical wellness through food by connecting them to nutritionists/dieticians, they can also help support mental wellness by providing access to professional chefs via digital platforms to help them improve their baking and/or cooking skills. This will be particularly salient as consumers will be hesitant to eat out during this time.

MEETING MEDIUM-TERM CONSUMER NEEDS FROM THE LENS OF THE TECHNOLOGY TREND DRIVER

Looking ahead in the weeks and months to come, Mintel predicts that the uptick in buying groceries online will remain at levels higher than before the pandemic, though will be slightly tempered compared to during the shelter-in-place period. Importantly, leveraging digital technology during this phase will be even more important to provide consumers with a safe shopping experience – one that minimizes touch and human contact all while improving efficiency both in-store and online.

- Adding tech to encourage discovery in-stores will be necessary. Developing ways to help consumers better access the process of discovery while in-store will be necessary as preventative measures ease off. In addition to being a way to remind consumers that grocery shopping was once a leisurely, enjoyable experience (as discussed in the Meeting Consumer Needs with the Wellbeing Trend Driver above), such tools will also be important in anchoring consumers towards particular products and elements that may have received less attention during lockdown – such as fresh ingredients.

An idea may be to digitize live demos, so providing video demos on virtual shelves to showcase the variety of dishes that can be made with one single ingredient, for example. Importantly, the inclusion of follow-up information (such as video recipe instructions accessible via store app) will be important to ensure a feeling that the customer really can recreate the meal at home. This aligns with Mintel Trend, Guiding Choice which discusses how consumers are looking for tools and information from businesses to help inform choices as they shop.

- Enhancing efficiency in-store will be even more important. Convenience and efficiency in-stores was always something consumers wanted to see more of (see Grocery Retailing – Canada, August 2018), but innovations that allow them to do so will become even more important in the months during the easing off of preventative measures as this potentially means a greater risk of exposure as more people are out and about on a regular basis. This also places more responsibility on individuals themselves as well as businesses to address safety on their own terms. This means that as long as the virus is not controlled, it will be important for grocers to continue to find ways to limit human contact (particularly with store staff). This is a period where a significant shift has taken place – where convenience was desired before for the sake of saving time, these conveniences are now desired for more than that – it is also in the interest of safety. As such, the integration of tools such as smart labels for customers to access info on their mobile, or the ability to scan products using their phones to instantly get customized discounts, and the ability to scan and go (eg pay for their items using their phone) will resonate – particularly if supported with messaging that calls attention to the speed and safety benefits.

- Consider ways to maintain support of seniors. As noted above, grocery retailers were among the first to address product offerings and services to help protect the health and safety of consumers. For many retailers, this included the addition of senior hours. While this in itself is not a tech innovation, grocers should consider ways to continue to support seniors as their vulnerability to the virus means that they will likely be under preventative 'rules' for the longest and will also need to take the most precautions while shopping, even after such implementations have been lifted. During lockdowns, it may be the case that younger neighbors or family members were helping seniors with their grocery shopping.

As measures ease, grocery retailers would benefit from finding ways to get seniors on-board with digital platforms or using digital tools before and in-stores. Grocers may wish to take inspiration from class sessions held by Apple where experts lead sessions that walk customers through various interest areas. For grocery retailers, an idea could be to host senior-friendly on-boarding sessions that walk them through the process of signing up for an online account and then details on how to order items, for example. On-boarding as well as troubleshooting will be two areas that need more attention to keep this segment engaged.

MEETING MEDIUM-TERM CONSUMER NEEDS FROM THE LENS OF THE VALUE TREND DRIVER

With a looming recession, Canadians will also likely follow a similar pattern to China in terms of not looking for big indulgences once preventative measures lift. On the one hand, this opens up opportunity to position existing ready-made or HMR products as a break from making full meals themselves. On the other hand, there is a unique opportunity to hone in on newly adopted habits to help them save a couple of bucks.

- Position HMR offerings as a treat or reward. Given that consumers are likely to be interested in smaller more practical rewards, grocery retailers could leverage prepared ready-to-eat foods as a way to treat themselves – after all, they've been cooking more from scratch for the duration of the lockdown. Importantly, this could be a good way to reinvigorate HMR offerings that have seen severe limitations with the implementation of preventative measures. Family-sized portions of HMR offerings should hold particular appeal if supported with messaging that calls attention to how such products allow more time for in-person social bonding – the top thing Canadians are most looking forward to once preventative measures lift (see Global COVID-19 Tracker – Canada, May 11-15, 2020).

- Make shelf-stable products the star. In terms of upping value with regards to product offerings, retailers should consider keeping the spotlight on shelf-stables as a way to save. This is a relatively new opportunity as consumers held a more negative sentiment towards shelf-stables, seen with the two thirds (66%) of Canadians feeling that centre-of-store items are better suited for occasional indulgences than regular eating (see Grocery Retailing – Canada, November 2016). This notion has totally been flipped on its head as people need solutions that will last, as evidenced by the fact that 43% of Canadians claimed to be buying more food that doesn't go bad as quickly – turning to frozen, canned or boxed products (see Global COVID-19 Tracker – Canada, April 24-30, 2020). Most importantly, because consumers have been sheltering at home for weeks and they (46%) have been cooking more from scratch (per the aforementioned Report), it has become more important for them to have ingredient staples on-hand. This means that they likely have incorporated at least some of these sorts of products into their regular routines. All told, grocery retailers will benefit from showcasing how such foods can help consumers save money during leaner times.

To this end, frozen meals that are created from partnerships between grocery retailers and foodservice providers may be extra enticing as they allow consumers to enjoy takeout food on their own time and in the safety of their own homes. This strategy should prove particularly effective in appealing to parents with under-12s at home as nearly a third (31%) wanted to see more restaurant-branded frozen/refrigerated pre-packed meals or sides before the pandemic (see Prepared Meals – Frozen and Refrigerated – Canada, August 2019).

- Be creative with loyalty programs in ways to earn rewards. In general, participation in loyalty programs is more prominent among affluent consumers (see Loyalty Programs – Canada, July 2019). This is because many loyalty programs have traditionally been set up in such a way where discounts are not available until consumers have spent a certain amount – ie until customers have proven that they are loyal. However, this model does not work well for those who are in tighter financial situations as they may not have the funds to put forth and will also have a greater immediate need for discounts in the first place. Retailers should therefore consider avenues that do not require upfront spending, like providing reviews or filling out surveys.

An innovative example was seen in April 2019 when Loblaw launched a pilot project that rewards its PC Optimum loyalty program members for watching its online ads. Similarly, rewards for 'good behaviour' will appeal. For example, in March 2019, a hair salon in Sydney, Australia started offering 10% discounts to customers who rode their bikes to their appointments or brought their own shampoo and conditioner bottles to refill. Alternatively, lowering the cost of entry to 'burn' points may be another route to consider – ie lowering the minimum amount of spend required to reach reward redemption.

MEETING MEDIUM-TERM CONSUMER NEEDS FROM THE LENS OF THE SURROUNDINGS TREND DRIVER

Consumers want to feel connected to their external environment. While social distancing measures are keeping people apart, a new sense of community has emerged bringing to light the need to support each other and their local community.

The middle term represents a critical period for grocery retailers as the economic impact of the pandemic like business closures, unemployment, and general economic instability becomes more apparent. For the duration of the quarantine, consumers have been bombarded with messaging that touts ‘we’re in it together’. In more economically challenging times, consumers will be looking for brands to step up and showcase how we really are all in it together. If possible, this needs to include clear positioning on how they will support rebuilding the local community.

Now more than ever, we see the power of the social links that come from brand communities. Be mindful of what's driving the existence of these consumer-driven communities and what brands can do to better serve the needs of their members.

- Larger multinational brands should consider ways to play in the local field. The greater focus on supporting local is seen as 29% of Canadians are making a greater effort to shop from local businesses in late-May (see Global COVID-19 Tracker – Canada, May 21-29, 2020). Interest in supporting local is likely an extension of pre-existing attitudes as Mintel Data shows that even before the outbreak, Canadians cared about supporting the community. This was seen in Mintel’s The Ethical Consumer – Canada, February 2020 where a ‘made in Canada’ or a ‘locally made’ designation were deemed more likely to be cited as motivating purchase factors (69% and 55%, respectively) than more generic environmentally friendly claims like ‘sustainably made’ (46%).

Because the pandemic has given consumers evidence of how small actions can have an enormous impact, large multinational grocery retailers need to consider ways to provide an active hand into supporting local businesses – ie companies and communities that have been the hardest hit by the current conditions. Action in this manner matters given that Canadians vote with their will align with Canadians, as 71% of consumers feel that brands can change society for the better (per the aforementioned Report). Ultimately, the brands that will be rewarded will be those that get involved in benefiting their communities, rather than just profiting from them.

Spotlight on Kraft Peanut Butter.

An example of the above mentioned strategy was seen with Kraft Peanut Butter, which gave away their ad space to small local businesses that could use the exposure.

- Remind consumers of already existing efforts as a basis to rebuilding confidence. As things move towards more of a sense of ‘normal’, consumer consideration of ‘outside’ factors will play a bigger role in shopping considerations. Notably, companies need not reinvent the wheel to connect with Canadians in the realm of showcasing interest towards societal and environmental causes. This is because consumers primarily

expect companies to be following existing environmental regulations and be honest about their business practices (see The Ethical Consumer – Canada, February 2020). Instead, appealing to the conscious consumer may mean simply starting by showing how their current way of doing business aligns with existing regulations, as this meets the criteria of following the law and also demonstrates honesty about business practices. The key here is to keep the messaging simple and straightforward as to the actions being taken and how this impacts broader issues of interest.

- Bring the focus back to waste. The focus on localism will also include a focus on sustainability. As discussed in Mintel's Sustainability in Food – Canada, February 2020 Report, packaging waste tops the list at 63% when asked about what environmental issues concerned them the most with regards to food and drink. This suggests that waste is the entry point for many Canadians when it comes to making the connection between the environment and the foods and drinks they purchase, so bringing this issue back to the forefront will be key in renewing focus on sustainability strategies for grocery retailers.

Action in this regard will count, as the bulk (70%) of Canadians see themselves as ethical shoppers, and nearly half (46%) of consumers claim they make purchases based off of a brand's reputation for ethical business practices always or often (see The Ethical Consumer – Canada, February 2020). As Canadian consumers vote with their wallets and make choices based on company commitment to social and environmental issues, CSR policies need to be a core part of a brand's identity.

FIGURE 12: KRAFT PEANUT BUTTER INSTAGRAM POST, MAY 2020

SOURCE: INSTAGRAM – KRAFT PEANUT BUTTER/MINTEL

06

LONGER-TERM CHANGES IN GROCERY RETAILING

Short-term (lockdown)	Medium-term (end of 2020)	Longer-term (1-2 years)
Grocery retailing - overall	**Grocery retailing - overall**	**Grocery retailing - overall**
This is a reactionary period where increased spending in the category is seen alongside significant behavioural changes. Consumers enter into a protection-first mode driving a heightened attention to groceries – particularly in stocking up and limiting public exposure while buying groceries. This latter point impacts both in-store and online behaviours.	This is an adjustment period where the essential nature of food means the category will see steady engagement. The easing of measures will impact behaviours in both online and physical retail making this a critical period for grocery retailers to provide guidance to sustain/moderate newly adopted behaviours across both shopping avenues.	This will be a more stable period where engagement and category engagement will continue to be steady. Grocery retailers need to be a true collaborator in helping consumers address wellness holistically, while also spotlighting CSR initiatives. This period is about empowering consumers to make better choices all around.
Online grocery shopping	**Online grocery shopping**	**Online grocery shopping**
The safety-first mentality drives a great increase in using online platforms to get groceries as the pandemic has moderated the top two barriers (added cost and concerns around freshness) that have traditionally plagued adoption.	The increased adoption seen in the short term will decrease as market conditions such as greater attention to budget and a renewed interest in shopping for fresh ingredients increase. Grocers will need to work hard at proving value in the form of convenience and safety to moderate attrition, particularly as costs for services are reinstated.	Consumer usage of online shopping platforms for groceries is expected to be higher than pre-pandemic in the longer-term, though adoption will not be as high as during the short-term period. At this phase, the key to ensuring traction will be to better integrate online platforms with both the planning and cooking process.
In-store grocery shopping	**In-store grocery shopping**	**In-store grocery shopping**
The long line-ups seen outside physical grocery stores shows that in-store shopping remains a staple behaviour. Going to physical stores has become a "mission" as consumers look to limit the time spent inside as well as reducing the number of trips made. This stage is about implementing safety protocols to keep shoppers safe and to find ways to help them maximize efficiency while shopping in stores.	Grocers will need to reactivate the process of discovery in stores. This will be crucial to moderate the newly adopted safety-first behaviours which have diminished spontaneous grocery shopping behaviours of browsing and making 'micro' trips during the week. As safety remains a priority, there will be a need to replace traditional tactile stimuli (eg sampling) with more visual stimuli. Of note, in-store activity will likely see a boost as some Canadians will decrease usage of online grocery shopping.	In stores, visible commitments to CSR policies will be necessary. Grocery retailers need not start from scratch but instead should leverage efforts seen pre-pandemic, including reduction of plastic bags in stores and incorporating tools/apps that actively help to reduce food waste.

Severe impact   Moderate impact   Minor/positive impact

The Longer-term is defined roughly as the time when it is expected that the economy is mostly recovered.

MEETING LONGER-TERM CONSUMER NEEDS FROM THE LENS OF THE WELLBEING TREND DRIVER

In the months after the recession, consumers will take on a balanced approach to managing their wellness, which means that there will be even attention paid to both their physical and mental health. To connect with consumers, grocery retailers should proactively partner with them on their quest and leverage avenues to be a true collaborator in this regard.

Unlike previous periods where the recommendations were more about grocery retailers providing consumers with the tools they need to cope and recover, the biggest opportunity to connect with consumers in the longer-term will lie in empowering them to make choices that are right for the specific area of wellness they are focused on.

- Tech in health monitoring will play a bigger role, grocery retailers should consider ways to get involved. With big innovations such as contact tracing to smaller ones like using contactless thermometers to assess customer temperature before entering a store, the role that technology plays in monitoring health has already grown. The extra attention towards one's physical health from a health and safety standpoint will undoubtedly work to keep physical wellness top of mind for consumers – particularly if the virus remains uncontrolled (ie there is no vaccine). This will likely spark interest in wearables, as two thirds (64%) of Canadians were already of the mindset that it is important for them to regularly monitor key health indicators like weight and heartrate (see Nutritional and Performance Drinks – Canada, September 2017) before the pandemic and tracking physical activity is already the primary reason Canadians own wearable devices (see Wearable Technology – Canada, November 2018). All told, consumers will likely be more open to tech monitoring as a result

In this regard, grocery retailers may be able to deepen their connection with customers by partnering with physical activity apps like MyFitnessPal to help provide a comprehensive view of overall health. More obvious avenues would be to contribute to tools that monitor food and/or nutrition intake or functions that allow direct input from recipes or smart labels in-stores. Less obvious ideas are those associated with mental health – maybe tools that allow consumers to keep track of how certain foods impact mood to help them better address mental wellness, for example.

- Meal prep shortcuts will once again be necessary, but be sure that options allow for some assembly. Upon recovery of the economy, consumers will resume an interest in spending time and money out on leisure events with others which will reduce the time spent at home. In the kitchen, this will once again bring about the stressors related to meal planning and prep seen before the pandemic. As such, grocery retailers will benefit from providing a clear path to simple and easy meals by leveraging shortcuts like semi-prepared foods, HMR (home meal replacement) or even fully prepared grab-and-go options. Importantly, such products/ solutions – even fully cooked options – should require some 'assembly' like toasting toppings for prepared dishes or chopping the finishing fresh herbs as many Canadians don't want to feel like they're cheating when using shortcuts. This is seen as 80% of home cooks say they would prefer to be somewhat involved when making prepared meals like light prepping, use skillet vs microwave (see Meal Planning and Preparation – Canada, January 2020). From a mental health perspective, allowing for some degree of light involvement matters as it links back to the sense of accomplishment that cooking provides as discussed above.

- An idea may be to find ways to have them personalize the finishing touches to HMR products or semi- or fully-prepared, or even frozen products. This also aligns with Mintel data where 57% of Canadians say they would like to be able to customize frozen meals by adding their own ingredients (see Prepared Meals – Frozen and Refrigerated – Canada, August 2019). To this end, including a small selection of fresh herbs such as cilantro or parsley that need to be chopped up and used to finish off the dish – eg cilantro or parsley is often added to dishes to give them an element of freshness and add a spark of colour. Another idea may be to include a small package of nuts in grocery ready-made takeout, for example, that needs to be chopped then lightly toasted to be sprinkled on top of a salad to give it some added crunch and deeper flavour. This is similar to the suggestion below from Bon Appétit where toasted coconut shreds are used to top off salmon. Such additions should come with supporting messaging emphasizing that these allow home cooks to add their own personal touch – ie literally that they make a contribution (rather than simply put the dish on the table). .

FIGURE 13: BON APPÉTIT INSTAGRAM POST, JANUARY 2020

SOURCE: INSTAGRAM – BON APPÉTIT/MINTEL

MEETING LONGER-TERM CONSUMER NEEDS FROM THE LENS OF THE VALUE TREND DRIVER

Consumers will have come away from the pandemic with a clearer idea of what they consider to be 'essential' as the outbreak likely has pushed many to re-evaluate what's important to them. There will likely be a greater appreciation for the 'simple' things like spending quality time with people they care about alongside a heightened sense of their community. Consumers will once again lead busy, fast-paced lifestyles, but now, they will more conscious about taking time out for themselves and create time for others.

Grocery retailers must find ways to communicate the total value of a product or service that goes beyond just price. For example, what 'sparks joy' will likely be a little less about instant gratification but something that holds meaning. As such, convenience is important not only to help them gain time back for themselves but so that they can spend time with others. Innovations in this regard align with Mintel Trend Pillar, Convenience, which notes that 73% of Canadians are always on the lookout for things that make their life easier. Leveraging tech is key during the longer-term as this has become a lifeline for people throughout the pandemic, and those expectations are now becoming normalized and Canadians will more become more demanding in their expectations of retailers meeting their needs. This will be a period where businesses across all categories will need to innovate ahead of needs.

- Time-saving solutions will become more valuable, particularly if positioned to create more time to spend with those you care about. As consumers return to spending time engaging in out-of-home activities, it is likely that time will once again be crunched and more weight will be placed on time-saving solutions. Finding balance is a particularly salient issue for Millennial parents – ie those with younger children – as they are the most likely to feel responsibilities prevent them from doing the things they want (see Marketing to Millennials – Canada, August 2019). Where consumers already had a strong craving for time-savings solutions to the point where two thirds (65%) of employed consumers say they are willing to pay for time-saving products/services and half (51%) who use apps to help them save time (see Canadian Lifestyles: The Cost of Convenience – Canada, April 2019), these solutions will become even more central now. Actions in this regard align with Mintel Trend, Life Hacking which discusses how consumers today are seeking tools to help them maximize their personal productivity.

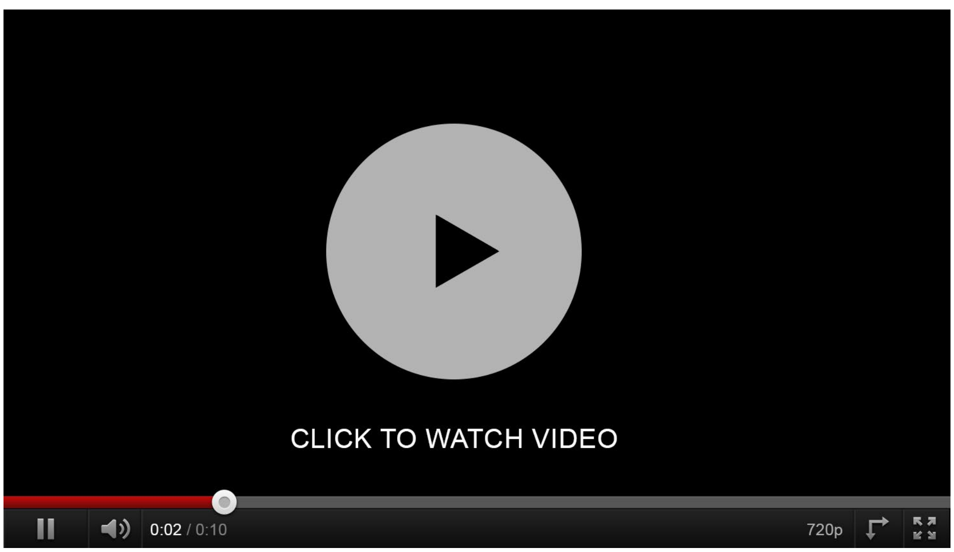
Of note, for time-saving tools that come with a fee (eg added cost for curbside orders), retailers may need to put additional effort into understanding the perception of cost vs benefit from the point of view of the consumer – ie helping to identify the sweet spot between willingness to pay a fee vs time gained for personal moments.

Spotlight on PC Express

An example of this was seen with Loblaw's 'The Talk' video which showed a set of Millennial parents in a car waiting for their click-and-collect order where usage of the service allowed for more time to spend with their young daughter. This created an opening for the young daughter to ask important questions like, "where do babies come from?" The ad cleverly punctuates the quality time by ending with the words "Less time shopping. More time parenting."

- Partnerships with tech enhanced time-saving kitchen appliances will appeal. As life returns to a 'new normal', consumers, particularly moms, will once again be feeling squeezed for time and looking for ways to get dinner on the table faster. While shortcuts will

FIGURE 14: PC EXPRESS – THE TALK 30SEC, MAY 2019



SOURCE: YOUTUBE – PC_EXPRESS/MINTEL

be necessary, the heightened awareness of nutrition to boost immunity through eating healthier foods will likely remain meaning that an interest in cooking from raw ingredients should hold. Given this, grocery retailers stand to gain by partnering up with time-saving kitchen appliances that allow consumers to cook from scratch but in a lesser amount of time. As mentioned above, this is a value-add as Mintel Trend Pillar Convenience shows that Canadians are on the constant lookout for shortcuts.

Action in this regard will hold stronger appeal amongst the segment most likely to be responsible for cooking – moms – given that two thirds (64%) of moms say they would like more tools from grocery stores for how to put meals together when shopping (see Meal Planning and Preparation – Canada, January 2020). Such partnerships will count not only as they allow for moms to be confident in what they are serving their families but also as such appliances are enhanced with technology that allows consumers to be more productive as they cook. For example, the Instant Pot Smart Wi-Fi functionality allows consumers to both start and monitor the actual cooking process via an app.

- A refocus on mobile capabilities will matter. Building off the above point where time-savings will likely once again take priority, consumers will need more options that are optimized for mobile when it comes to grocery shopping because they are browsing for information on their phones (see Mobile Phones – Canada, March 2018). Moms in particular are among the most likely to be using their phones to conduct organizational activities and show greater reliance on their phones to multitask and complete tasks (see Marketing to Moms – Canada, September 2018). In addition to recipe suggestions or how-to videos that include a 'shop now' function, grocery retailers will benefit from better integrating the in-store and mobile discovery process. In this regard, grocery retailers also have the opportunity to proactively address traditional notions that managing household chores and childcare are primarily the responsibility of women by featuring images reflecting that childcare is something that can and should be balanced between partners – no matter the gender.

Spotlight on Albertsons and Pinterest

A good way to do this is to take inspiration from the partnership between American grocery retailer, Albertsons and Pinterest. Announced in January 2020, the company said that it will officially roll out it its Pinterest-enabled shelf-edged media platform in 2020 to combine in-store and mobile discovery. According to Grocery Dive, shoppers are presented with a tag next to the price of the product with a photo of the final recipe creation directly from Pinterest alongside the featured products and others that are needed to make the dish. The customer will then go to Pinterest on their phone, snap a picture of the tag, at which point they are redirected to Albertsons' Pinterest page where the recipe can be found. This partnership allows customers to take action directly from the inspiration shown in the grocery store but offers the added convenience of speed as the customer skips the step of first pinning the picture for later use, it allows them to have immediate access to the recipe and information on where all the products can be found in the one store they're in. Having recipe guidance at the touch of a button in terms of where to find the ingredients in-store and what to do with them when they get home aligns with Mintel Trend, Straight to You, which discusses how the on-demand culture is driving consumers to have growing expectations that they can access products and services wherever they are.

- Increasing the touchpoints consumers have for accessing/ interacting with such platforms will be key to increasing usage of online ordering in the longer-term. Mintel expects adoption of online grocery shopping in the longer-term to be at higher levels than seen pre-pandemic though will be less than at the levels seen during the short term. As discussed in the Medium-term Changes for Grocery Retailing section, the six months following quarantine is a transitional period. During this time, some of the newly converted consumers from the short term will continue to shop for groceries online, while market conditions (cost-consciousness, renewed focus on freshness) will lead others to revert back to old behaviours.

In the longer-term, grocery retailers will need to build on growing traction of online grocery shopping by comforting consumers with messaging that touts the conveniences gained by using online platforms. As such, increasing the touchpoints consumers have for accessing/interacting with such platforms will be key to increasing usage of online ordering in the longer-term. One avenue that should be considered is by providing more interactive resources for meal inspirations that include online ordering capabilities. In this regard, providing shoppable recipe suggestions on retailer websites and/or leveraging 'shoppable' functionalities from various social media platforms (eg click-to-shop buttons on YouTube, click-to-buy or shop-in-stories functions on Instagram) are obvious ways to do this. Grocery retailers could also partner with cooking websites like Bon Appetite for meal inspiration as these are what home cooks are most likely to turn to for meal ideas (see Meal Planning and Preparation – Canada, January 2020). In this regard, such partnerships would ideally include instructional videos that consumers can easily download for when they need it, and pre-populated shopping lists directly in retailer apps for quick and easy ordering. Grocery retailers could take this one step further and lean even further into the concept of streaming videos as entertainment by creating occasion-focused mini-series (eg weeknight dinners or home-entertaining) that include the aforementioned capabilities linking the videos directly to online platforms.

Bringing the act of purchase closer to ideation will make the whole process of grocery shopping more seamless – something that consumers will expect more of, particularly as the pandemic has accelerated the integration of technology across all categories. Moreover, effort in increasing the presence of grocery stores in the meal ideation phase is necessary as Canadians did not see grocery retailers as an active partner in the meal planning process before they physically get into stores, as discussed in the State of the Market Pre-COVID-19 section. As such, this is an important area that also needs to be revisited in the longer-term.

Spotlight on Coles

A good example of a grocery retailer that had implemented a more interactive strategy was seen in in Australia with supermarket giant, Coles. In December 2019, the company launched its new meal plan campaign called 'What's for Dinner?' The campaign includes 48 recipes for different days of the week, from 'Mince it Monday' to 'Weekend Beef & Thyme Burgers'. The recipes are featured on the company's webpage where customers can order the dinner bundles directly from the page, making it truly an omni-channel strategy and seamless for consumers. The recipes also appear in-store on recipe cards or as scannable QR codes on product displays. Each of the recipes featured include a maximum of five ingredients or less and can be made in no longer than 30 minutes, with most recipes hovering around the 15-20 minute mark.

MEETING LONGER-TERM CONSUMER NEEDS FROM THE LENS OF THE SURROUNDINGS TREND DRIVER

Before the pandemic, Mintel predicted that brand integration in society will become more linked and the pandemic has accelerated that. The pathway has been paved in terms of brands becoming active supporters of the community. Moving ahead, this will now be seen as even more foundational of brands and companies, but particularly so for grocery retailers given the active role it has played since the early days of the outbreak.

In the longer-term, public demand for action will peak as more global social movements develop. This shift in consumers' expectations means that retailers across the board will need to make ethical matters and goals part of their core philosophy and practices. Our urban environments and use of space will undergo a massive rethink, with a sharper eye to how these best serve the needs of tomorrow. Further, consumers will champion their local community businesses and the brands that will be rewarded will be those that get involved in benefiting their communities, rather than just profiting from them. This reflects the Mintel Trend Pillars Sustainability and Localism, the former where consumers are trying to act in ways that are not harmful to the environment (78%), the latter where consumers choose to purchase brands that support the local economy (64%).

- Consumers will emerge more empowered and passionate for change than ever before, so help them vote with their dollars. It will take time for consumers to adopt a less conservative mindset towards spending as the immediate aftermath of the pandemic is a recession that will take some time to come out of. As this will leave many in a highly conservative mindset towards spending, companies that directly help in supporting ethical or green sentiments will be the ones to win favour. The concept that consumers not only opt for ethical/moral brands but that they actually rely on companies to be moral and ethical on their behalf is discussed in Mintel Trend, Moral Brands.

Where possible, grocery retailers should consider finding ways to make room for a direct relationship between products and ethical action – like how selling locally made products supports the local economy. Even before the pandemic, consumers had taken a stand for not supporting local, this interest will be elevated in the months to come. An example of consumers taking action against a business decision that was felt to go against support of local employees was seen in March 2016 when Loblaw was on the receiving end of public outcry following its announcement that it would stop selling French's Ketchup. The condiment company had gained attention for using 100% Canadian-grown tomatoes from Leamington, Ontario after Heinz had moved its operations out of that area. Loblaw had reversed its decision within 24 hours.

- Don't lose momentum of being a force of change, though retailers may need to hone their focus. Since the early days of the outbreak, brands had been active supporters of the community. Grocers, in particular, were ahead of the game in terms of providing assurance that Canadians would have access to what they need. Canada's largest grocer Loblaw, for example, had sent emails to its loyalty program members to provide reassurance that they were not running out of food or essential supplies and actively working with supply chains to get the most important items on store shelves, though some items like hand sanitizer would take longer to restock. Then following through with more community support like setting senior hours and increasing pay of their frontline workers. In a sense, grocers have paved the way for brands to become active supporters of the community. Keeping up momentum in this way will be important as a stabilized economy leaves more room for consumers to vote with their wallets and make ethical choices over purely prioritizing budgets. As such, consumers will be paying more attention to what companies will be doing in this regard. As there are so many causes and issues, grocers may see greater traction honing in on specific issues or simply picking up where they left off. Two examples are discussed below.

Spotlight on Loblaw and Loop

In June 2019, Loblaw announced a partnership with Loop, a circular shopping system designed to bring its reusable packaging program to Canada. The program allows consumers to buy a range of common household products from ice cream to laundry detergent in durable packaging that is delivered in a reusable shipping tote. Once done with the product, the packaging is then collected and then cleaned, refilled and reused. Participants have the choice to select products from Loblaw's President's Choice private label line as well as other leading brands delivered to their homes. The project was originally set to launch in April 2020.

Spotlight on Sobeys

Sobeys announced that it will begin phasing out plastic as part of its larger initiative to go green in July 2019. The program went live in February 2020 and will eliminate about 225 million plastic bags from circulation. In addition to removing plastic bags from stores, it will also introduce a line of reusable mesh produce bags made from recycled water bottles to provide customers with an alternative for their fresh fruits and vegetables, in August. The move to reduce plastic bags will also be implemented across its other brands including Safeway, FreshCo and Foodland.

- Put tools in their hands to make better decisions – spotlight on addressing food waste. With waste being top of mind for consumers, revisiting ways to help consumer address food waste will resonate. The partnership between Canadian grocer IGA and the FoodHero app in Quebec is a win-win for consumers and grocery retailers alike as the app alerts shoppers

FIGURE 15: SOBEYS INSTAGRAM POST, JANUARY 2020

SOURCE: INSTAGRAM – SOBEYS/MINTEL

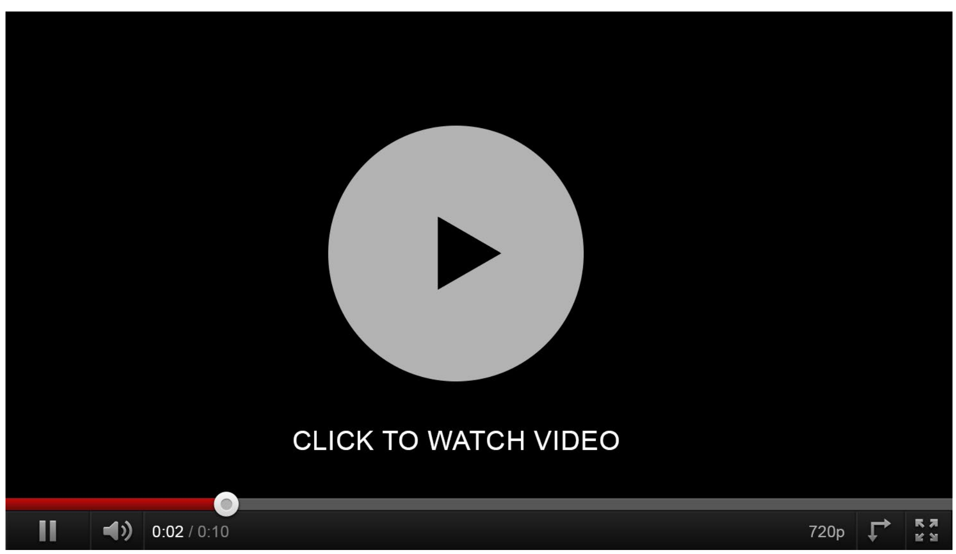
> about daily deals on items that are about to expire while addressing food waste on a commercial level. The app includes items such as meat, fish, fruits, vegetables, dairy, eggs and prepared meals, and then allows them to arrange a time to pick up their order. App users can also track how much money they're saving and what impact they're having on food reduction, which is calculated as CO_2 emissions and kilograms of products saved.

Similarly, Loblaw has also rolled out a similar app called Flashfood at all Real Canadian Superstore locations in Ontario and 139 Maxi and Provigo stores in Quebec. Originally touted to be available to customers at more than 250 locations across Western Canada, Ontario and Atlantic Canada by the end of the summer of 2020, the app allows consumers to order discounted food items directly from the app and then collect it from their local Real Canadian Superstore location. The announcement was supported with a video ad which highlights that this innovation is not only easy to use, but specifically helps to reduce food waste.

MEETING LONGER-TERM CONSUMER NEEDS FROM THE LENS OF THE RIGHTS TREND DRIVER

Grocery retailers can lean into Mintel Trend Driver Rights by demonstrating respect, protection and support for consumers. As noted above, the pandemic has put a spotlight on brands' behaviour in a way that it never has before and this includes active and immediate support of the more vulnerable segment of seniors. Now that the spotlight has shone brightly on the sector as a champion of this segment, grocers only stand to gain by continuing their efforts –

FIGURE 16: HOW TO FLASHFOOD LIKE A MOTHER, SEPTEMBER 2019



SOURCE: YOUTUBE – REAL CANADIAN SUPERSTORE/MINTEL ie showing that actions taken then weren't just a one-off. In this regard, the lines between public and private sectors have blurred a bit creating more room for grocery retailers to continue to be a partner in keeping them safe and healthy.

- Partner with tech platforms to better support seniors. Seniors are an important segment to pay attention to as they make up the fastest growing population in Canada. According to Statistics Canada, we have already reached a point where there are proportionately more seniors (over-65s) than there are children (under-14s). As discussed in Mintel Trend, Without a Care, a rapidly increasing senior segment will put a strain on resources such that governments and private sector initiatives will likely be unable to cope. This means that consumers and brands will have to play an increasingly proactive role. Disruption in the caregiving realm is well on their way as many tech innovations are currently being developed by private companies to help seniors live independently for longer. Such innovations make it critical that grocery retailers begin to seriously consider ways to participate in this conversation as access to food and groceries is essential – something made very plain by the pandemic. As such, partnering with companies like Lyft that have started to provide free rides to senior citizens in California to get them to doctors' appointments could be an effective way to ensure that seniors have safe and independent access to necessities in Canada.

Importantly, seniors today are more tech savvy than they get credit for and are keen for more, seen with three quarters (76%) of those aged 65 or older using tech or digital platforms and over half (53%, including 47% of over-75s) enjoying learning how to use technology (see Senior Lifestyles – Canada, January 2019). What is notable is that although there is some lag in adoption, the pattern of tech usage echoes that of the overall population in that they are the most likely to be regularly using social media, text, and even shopping online (per the aforementioned Report). In this regard, positioning matters as where innovations in tech are often associated with time-saving conveniences for younger consumers, innovations that provide functional assistance in helping to maintain independence will be the key to appealing to seniors.

07

APPENDIX – DATA SOURCES & ABBREVIATIONS

DATA SOURCES

Consumer survey data

For the purposes of this Report, Mintel commissioned exclusive consumer research through Lightspeed to explore consumer attitudes toward leisure. Mintel was responsible for the survey design, data analysis and reporting.

Mintel selects survey respondents by gender, age, household income and region so that they are proportionally representative of the Canadian adult population using the internet. Please note that Mintel surveys are conducted online and in English and French.

Starting in July 2017, Mintel's consumer research has been conducted using a device agnostic platform for online surveys (ie respondents can now take surveys from a smartphone in addition to a computer or tablet). This methodology change may result in data differences from previous years; any trending should be done with caution.

Abbreviations

The following is a list of abbreviations used in this Report.

CSR	Corporate social responsibility
HMR	Home meal replacement

Terms

Generations, if discussed within this Report, are defined as:

World War II/Swing Generation	Members of the WWII generation were born in 1932 or before and are aged 88 or older in 2020. Members of the Swing Generation were born between 1933 and 1945 and are aged 75-87 in 2020.
Baby Boomers	The generation born between 1946 and 1964. In 2020, Baby Boomers are between the ages of 56 and 74.
Generation X	The generation born between 1965 and 1976. In 2020, Gen Xers are between the ages of 44 and 55.
Millennials	The generation born between 1977 and 1994. In 2020, Millennials are between the ages of 26 and 43.
Generation Z	The generation born between 1995 and 2007. In 2020, members of Gen Z are between the ages of 13 and 25.
Emerging Generation	The newest generation began in 2008 as the annual number of births declined sharply with the recession. In 2020 members of this as-yet unnamed generation are younger than age 13.

When split into two groups, Millennials are defined as:

Younger Millennials	Millennials born between 1987 and1994. In 2020, Younger Millennials are between the ages of 26 and 33.
Older Millennials	Millennials born between 1977 and1986. In 2020, Older Millennials are between the ages of 34 and 43.