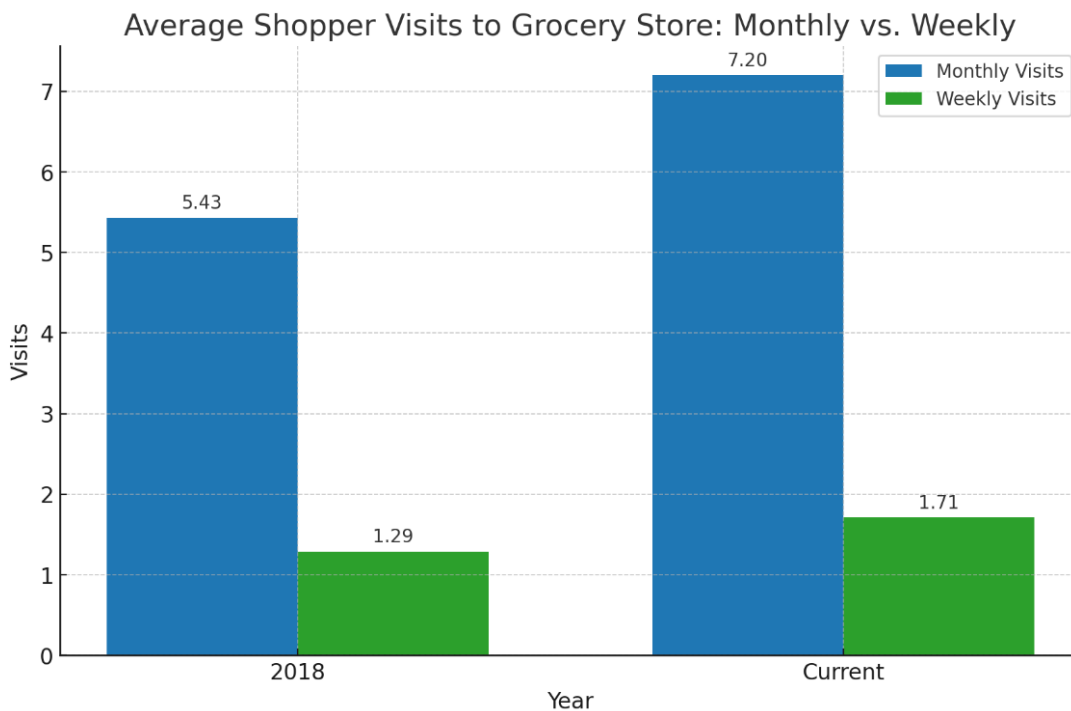


## New Survey Reveals Strong Preference for Discounts in Grocery Shopping Habits

**HALIFAX, February 20, 2024** — Loblaw’s recent 50% discount flip-flop on expiring foods prompted many Canadians to explore in-store discounts and food-saving apps. However, the concept of food rescuing remains largely understudied. The **Agri-Food Analytics Lab** at **Dalhousie University**, in collaboration with **Caddle**, is releasing a new report on grocery shopping habits, focusing on in-store and app discounting, as well as food rescue initiatives. The survey aims to understand the practices Canadians value and assess their expectations.

### Grocery Shopping Frequency on the Rise

The survey initially examined how often Canadians visit grocery stores. While 45.5% of Canadians shop weekly, 36.4% do so more than once a week, with a notable 5.1% visiting daily. On average, shoppers make 7.20 trips to the grocery store per month, equivalent to approximately 1.71 visits per week. Comparatively, a 2018 study found that shoppers visited grocery stores 5.43 times per month or about 1.29 times per week. This indicates a significant 32% increase in average visit frequency since 2018, marking a noteworthy shift in consumer behaviour.



In the past year, 62.2% of respondents opted to switch primary stores to secure better deals, reflecting a substantial trend. Additionally, 29.8% of respondents exclusively select grocery stores based on in-store discounts and promotions, while 56.2% primarily prioritize discounting when choosing a store, though other factors also influence their decisions.

### **Canadians Actively Pursue Discounts**

During in-store grocery shopping, 59.2% of Canadians consistently seek discounted food products, with 26.9% doing so often and 10.4% occasionally. Preferences lean towards discounts on expiring or clearance items, as evidenced by 40.9% of Canadians favouring marked-down products, such as those offering 30% or 50% discounts. Loyalty programs are preferred by 24.3% of respondents, while 15.0% opt for coupons, and 12.7% prefer special day sales.

Respondents' motivations for purchasing discounted products vary. While 57.9% are inclined to buy products they are familiar with or frequently purchase, 57.2% are influenced by the significance of the discount. Additionally, factors such as the product's packaging date, expiry dates, freshness, and quality are important to 47.5% of respondents, while the brand holds significance for 38.7%. Flyers remain the most common method for discovering discounts (60.9%), followed by mobile apps (49.9%) and in-store signage (44.2%).

The most purchased discounted products include fresh produce (59.9%), followed closely by meat products (59.7%), packaged and canned goods (57.7%), baked goods (48.6%), and dairy products (48.3%).

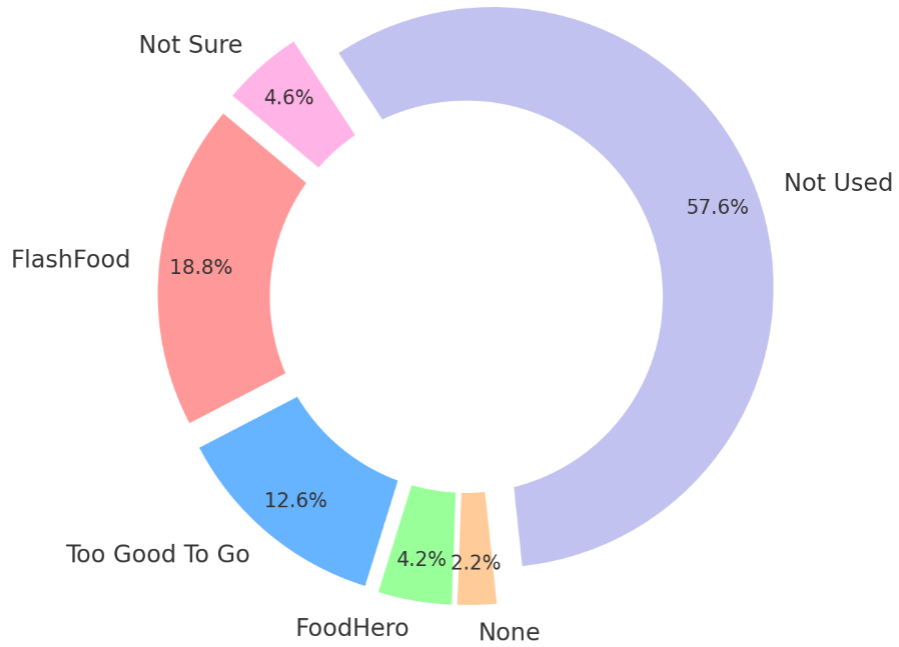
### **Expiring Food Discounts**

We inquired about respondents' perspectives on discounts for expiring food items available in-store and the threshold discount percentage that would prompt them to consider purchasing such items. Among respondents, 47.3% indicated that a 50% discount would be sufficient for them to buy expiring food, while 26.1% stated that a 30% discount would be enough. Furthermore, 19.4% expressed that a discount exceeding 50% would be necessary for them to consider purchasing expiring food items.

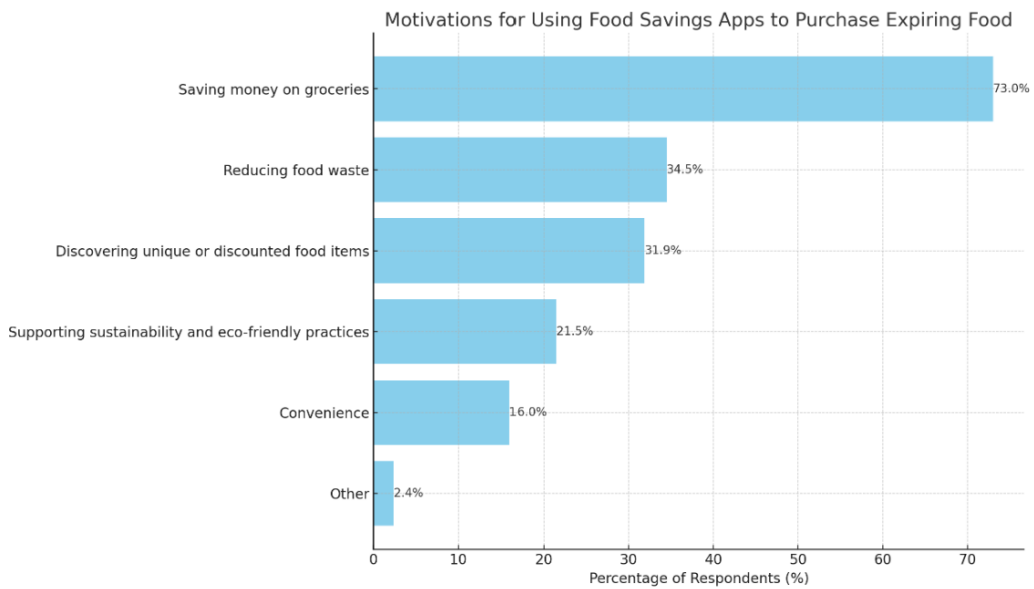
### **Food Rescue Initiatives**

Food-rescuing apps are gaining popularity, offering consumers opportunities to save money while combating food waste. However, most respondents have yet to utilize such apps. Among the surveyed individuals, 57.6% have never used a food-rescuing app like **Flash Food**, **Food Hero**, or **Too Good To Go** to purchase expiring or surplus food from local businesses or grocery stores. However, among those who have used these apps, an overwhelming 95.1% would recommend them to others. Notably, 61.2% reported using Flash Food, 41.6% mentioned using the Too Good To Go app, followed by Food Hero at 13.8%.

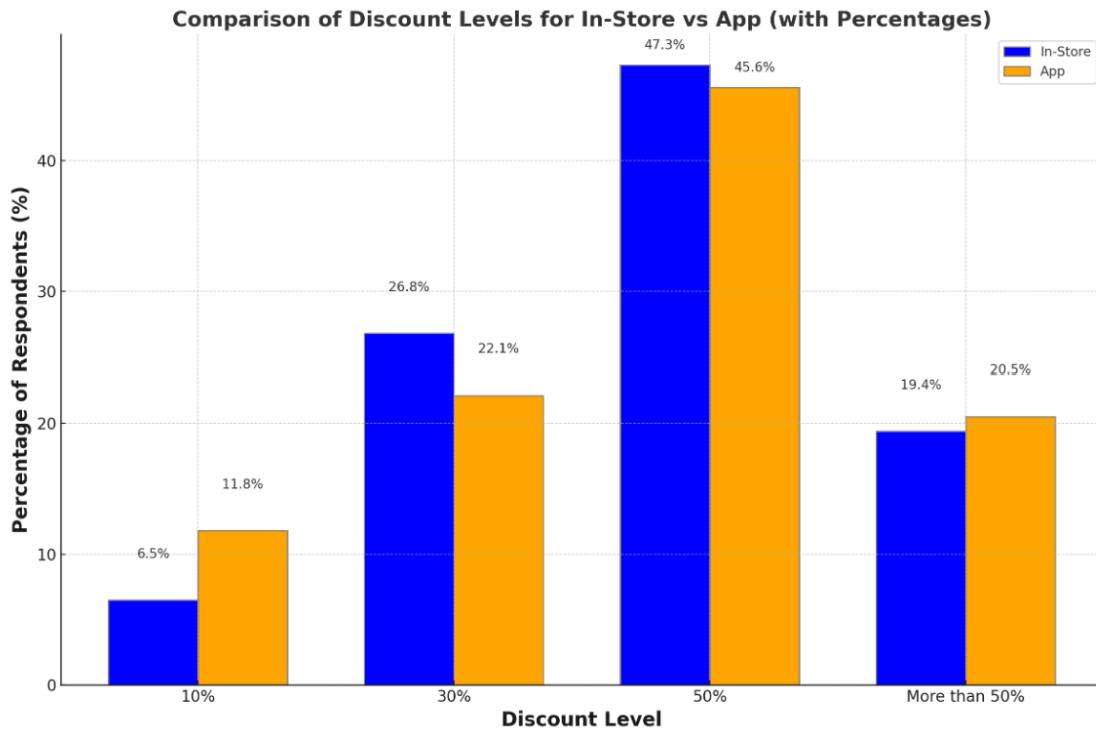
### Usage of Food Rescuing Apps



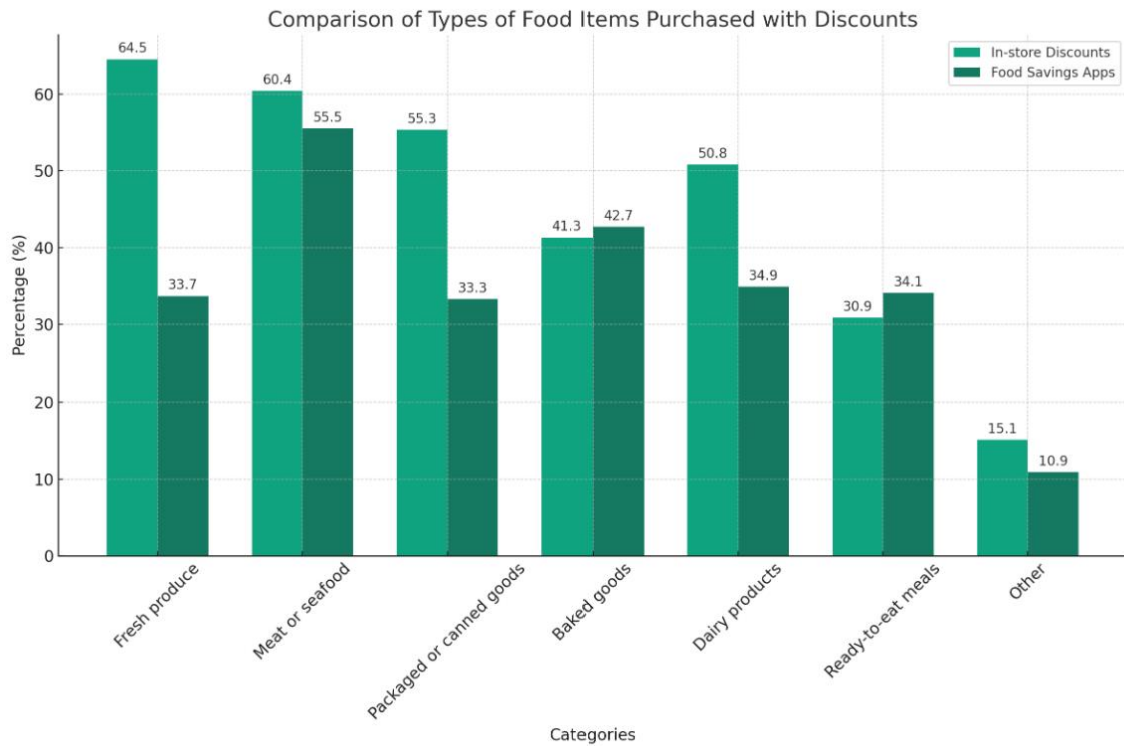
Currently, 34.6% of respondents use these apps regularly, while 39.7% utilize them occasionally. When asked about their primary motivations for using these apps, 73.2% cited saving money, while 39.5% emphasized reducing waste.



Regarding discount expectations, respondents anticipate similar savings when using apps compared to in-store discounts, despite not physically seeing the product. While 45.6% of respondents indicated that a 50% discount was sufficient to purchase expiring food through apps, 22.1% stated that a 30% discount would be enough, and 20.4% suggested discounts exceeding 50%.

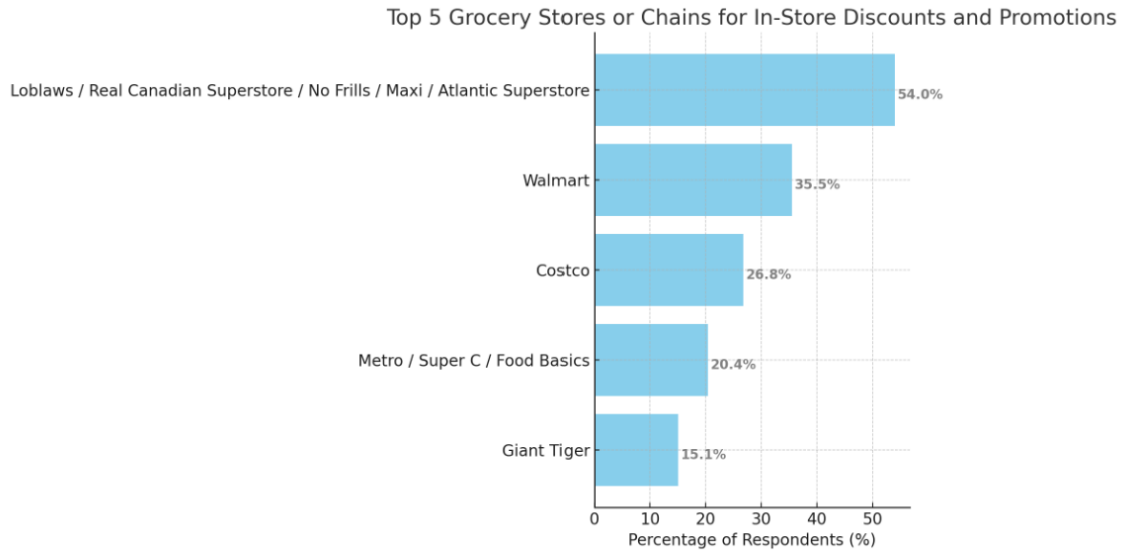


Unlike in-store deals, baked goods emerge as the most preferred food category for rescuing food through an app, followed by fresh produce, meat, and ready-to-eat items, signalling a divergence in preferences compared to in-store purchases.



### Conclusion and Recommendations

The survey findings underscore a strong inclination towards discount-oriented shopping among grocery consumers, with weekly shopping being commonplace. Discounts play a significant role in in-store selection and product purchases, with percentage discounts and loyalty rewards proving particularly attractive. Therefore, grocery stores stand to benefit from prioritizing these types of promotions. According to our survey, **Loblaws** is seen as the preferred grocer when it comes to discounted food products, followed by **Walmart** and **Costco**. Both Metro and Giant Tiger make the top 5.



The noteworthy usage of food savings apps, primarily driven by the desire to save money and reduce food waste, highlights a growing market for technology-driven savings in the grocery industry. FlashFood emerges as a leading app in this category, enjoying high satisfaction rates among users.

In light of these findings, it is recommended that grocery retailers take the following actions:

- Prioritize percentage discounts and loyalty rewards in promotional strategies to attract and retain customers.
- Enhance the visibility of promotions through various channels, including store flyers, mobile apps, and website alerts, to ensure maximum reach and impact.
- Forge stronger and more proactive partnerships with food savings apps to capitalize on the market of cost-conscious consumers and offer additional value to customers.
- Focus on offering competitive discounts, particularly on fresh produce and meats, as these are highly sought after when discounted.
- Maintain high standards of quality and freshness to complement discount strategies, recognizing that these factors significantly influence purchase decisions.

By implementing these recommendations, grocery retailers can better align with the needs and preferences of their customers, potentially increasing customer loyalty and market share in an increasingly competitive industry.

### Quotes

"As our study illuminates, the modern grocery landscape is marked by a robust appetite for discounts, shaping consumer behaviours and store preferences. This underscores the importance for retailers to strategically prioritize discounting initiatives to remain competitive in an increasingly dynamic market." - **Dr. Sylvain Charlebois**, Director of the Agri-Food Analytics Lab

"As our research unveils, the burgeoning popularity of food-saving apps underscores a shifting consumer mindset towards sustainable and cost-effective grocery shopping practices. This signals a growing demand for innovative solutions that marry convenience with conscientious consumption in today's grocery industry." - **Janet Music**, Research Manager of the Agri-Food Analytics Lab

For more information and access to the full report, please visit <https://www.dal.ca/sites/agri-food.html>.

### **About the Agri-Food Analytics Lab**

The Agri-Food Analytics Lab at Dalhousie University is a research unit dedicated to providing valuable insights into the food and agriculture sectors. Their interdisciplinary team of experts researches various aspects of the food supply chain, offering data-driven solutions to inform industry stakeholders and policymakers.

**Methodology:** The survey conducted between January 25 and 27 2024 had a total of 2,880 respondents. This number is both the weighted and unweighted total, indicating that each respondent was counted once in the analysis, and any adjustments made to ensure representativeness did not change the total count of respondents. The margin of error for the survey, assuming a 95% confidence level, is approximately 1.84%. This means that the results of the survey are expected to be within  $\pm 1.84$  percentage points of what would have been obtained if the entire population had been surveyed, 95 times out of 100.

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