



**New report suggests almost half of Canadians will take advantage of Loblaw's price freeze but prefer a “lowest-price guarantee” policy to save money.**

**HALIFAX, NS. (November 17, 2022)** – Coping with higher food prices has been difficult for many Canadians. Canada’s number one grocer, Loblaw, opted to freeze prices for 1500 “No name” products for more than three months, until January 31, 2023. As we are expecting food prices to continue to rise during that period, we investigated how Canadians see the strategy, several weeks after the campaign was announced. Loblaw's announcement was made on October 17. We also investigated how Canadians see who is responsible for higher food prices, beyond just grocers.

In partnership with Caddle, Dalhousie University’s Agri-Food Analytics Lab investigated how Canadians are reacting to Loblaw's latest price-freeze strategy, and who they blame for higher food prices in general. **A total of 5,530 Canadians were surveyed between November 9 and 10, 2022.**

#### **Estimated popularity of private labels (or store brands)**

Private labels will typically offer good deals to Canadians. Since the Loblaw price freeze impacts one of its private labels, No Name, the first part of the survey explored how popular private labels are with Canadians. While 33.0% of Canadians buy privately labelled products all the time, 53.6% of Canadians will buy them occasionally. Based on our estimates, the average Canadian grocery shopper **will spend \$821 buying privately labelled food products this year**, which is likely the highest amount ever. **Canada’s Food Price Report 2022** predicted that the average adult in Canada will spend about \$3,500 on food this year. Therefore, **we estimate that about 23.4% of the budget spent at the grocery store is intended to purchase privately labelled food products.** Again, this is likely the highest level recorded yet in Canada, and we are expecting that percentage to increase in 2023. This is probably due to higher food prices, as grocery shoppers seek refuge with lower-priced brands.

For “No name,” specifically, 23.2% of Canadians buy products under this brand regularly. A total of 55.1% will buy “No name” products occasionally.

#### **Freezing prices, lowest-price guarantee, and volume discounts**

First off, a total of 80% of Canadians heard about Loblaw's price freeze. That number is much higher than expected. Also, 65.2% of Canadians believe the price freeze at Loblaws will help them save money at the grocery store. Only 12.5% don’t believe it will help them at all. A total of 60.4% of Canadians believe other grocers will follow suit with a similar campaign in weeks to come. Some food retailers offer a guarantee for lowest prices. In fact, **64.4% believe this guarantee is a better strategy than freezing prices for a specific period.**

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**Volume discounts** (three for the price of two), don't seem to be as popular in Canada. Only 39.2% of Canadians believe it is the best policy for grocers to help shoppers save money. Other strategies are more appreciated.

In essence, even if many Canadians believe they will save with a price freeze, a lowest-price policy appears to resonate better with Canadian shoppers.

### The Loblaws price freeze

Loblaw's price freeze was announced on October 17, and already many Canadians have taken advantage of the price freeze. While 42.1% of Canadians have already purchased "No Name" branded products for which prices have been frozen already, 65.2% intend to purchase more "No Name" products while the prices are frozen. A total of **47.5% of Canadians intend to buy "No Name" labelled food products more than they normally would because of the price freeze.**

"Despite the negative noise on social media about the price freeze at Loblaw, many Canadians will quietly take advantage of the campaign over the next several months," said **Dr. Sylvain Charlebois**, Director of the Agri-Food Analytics Lab. "Still, Canadians do see the lowest price guarantee policy as a more meaningful mechanism to save money."

Provinces	Have you bought 'No Name' labelled food products since the start of the price freeze on October 17?	I intend to buy 'No Name' labelled food products more than I normally would because of the price freeze
<b>Manitoba</b>	62.6%	50.4% (5)
<b>Newfoundland and Labrador</b>	60.9%	53.7% (2)
<b>Alberta</b>	56.6%	47.6% (8)
<b>Prince Edward Island</b>	55.3%	64.1% (1)
<b>New Brunswick</b>	54.4%	50.1% (6)
<b>Saskatchewan</b>	52.0%	48.9% (7)
<b>Nova Scotia</b>	51.6%	40.0% (10)
<b>Ontario</b>	50.6%	53.1% (3)
<b>Quebec</b>	50.6%	53.1% (3)
<b>British Columbia</b>	49.8%	44.5% (9)



**Manitoba** has the highest percentage of respondents who have already purchased “No Name” branded products since October 17. The lowest is in **British Columbia**. **Prince Edward Island** has the highest percentage of respondents who intend to purchase “No Name” products during the campaign, followed by Newfoundland and Labrador, **Ontario**, and **Quebec**.

### Canadians’ perception of the food industry

A total of 38.9% believe that the food industry in general is not coping well with food inflation. The survey also asked who is to be blamed for higher food prices. The results were interesting. While 52.1% blame grocers for higher food prices, 62.5% of Canadians blame other companies within the food supply chain for higher food prices. That group will include manufacturers, transportation companies, and farmers. Canadians also see governments as partially responsible. A total of 59.2% of Canadians blame poor government policies for higher food prices. Consequently, the results show Canadians consider many parties responsible for higher food prices, but grocers have the lowest percentage.

Provinces	"I blame grocery stores for food price increases this past year"	"I blame food manufacturers and other companies in the supply chain for food price increases this past year"	"I blame bad government policies for food price increases this past year"
<b>Manitoba</b>	47.7%	<b>61.4%</b>	60.4%
<b>Newfoundland and Labrador</b>	64.9%	<b>70.8%</b>	63.5%
<b>Alberta</b>	38.4%	55.5%	<b>64.3%</b>
<b>Prince Edward Island</b>	49.2%	<b>64.9%</b>	59.6%
<b>New Brunswick</b>	53.0%	60.3%	<b>61.3%</b>
<b>Saskatchewan</b>	38.7%	52.5%	<b>64.7%</b>
<b>Nova Scotia</b>	54.6%	<b>63.8%</b>	54.2%
<b>Ontario</b>	53.8%	<b>61.9%</b>	61.7%
<b>Quebec</b>	56.9%	<b>67.3%</b>	55.0%
<b>British Columbia</b>	51.5%	<b>59.7%</b>	55.1%



Interestingly, none of the provinces saw the highest percentage of respondents blaming grocers for higher food prices. Respondents in **Alberta, Saskatchewan, and New Brunswick** are likely to blame the government more than manufacturers and other companies in the supply chain. Respondents from all other provinces blame other companies within the supply chain, other than grocers.

Download the preliminary results of the survey in English and French at <https://www.dal.ca/sites/agrifood.html>.

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**Methodology for survey:** Caddle is one of the most credible active panels in the Canadian market. A representative survey of Canadians was conducted on November 9 and 10, 2022, in partnership with Caddle. 5,530 Canadians participated in this survey. Margin of Error: +/- 2.1%, 19 times out of 20. Any discrepancies in or between totals are due to rounding.

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