Moneris

The Covid Era’s Impact on Consumer Spending Behaviour

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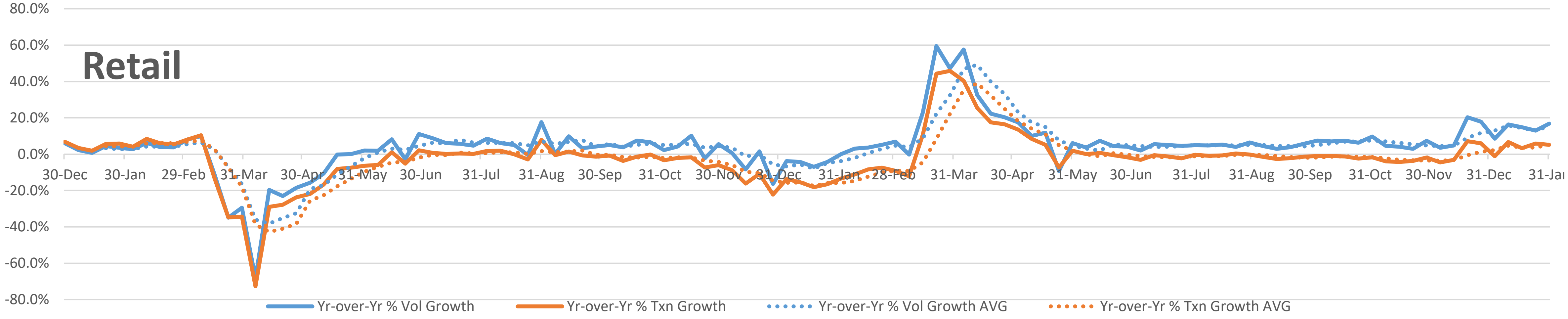
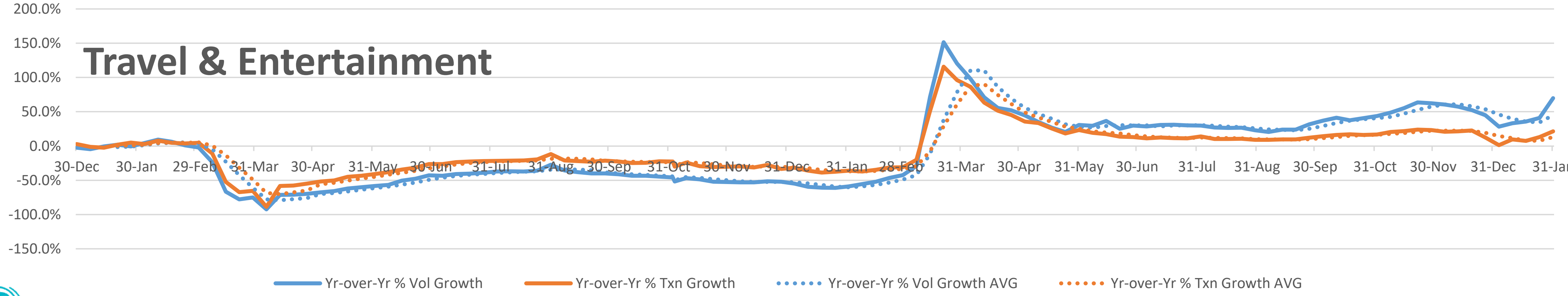
Moneris Consumer Spending Data

What is it used for?

- Research & benchmarking
- Forecasting models
- Inform policies that support the economic recovery from the pandemic
- More reliable than survey data
    - Unbiased insights into the localized economic impacts of new projects, such as bike lanes, traffic/transit changes or construction projects.

Consumer Retail Spending Data (Jan 2020 to Feb 2022)





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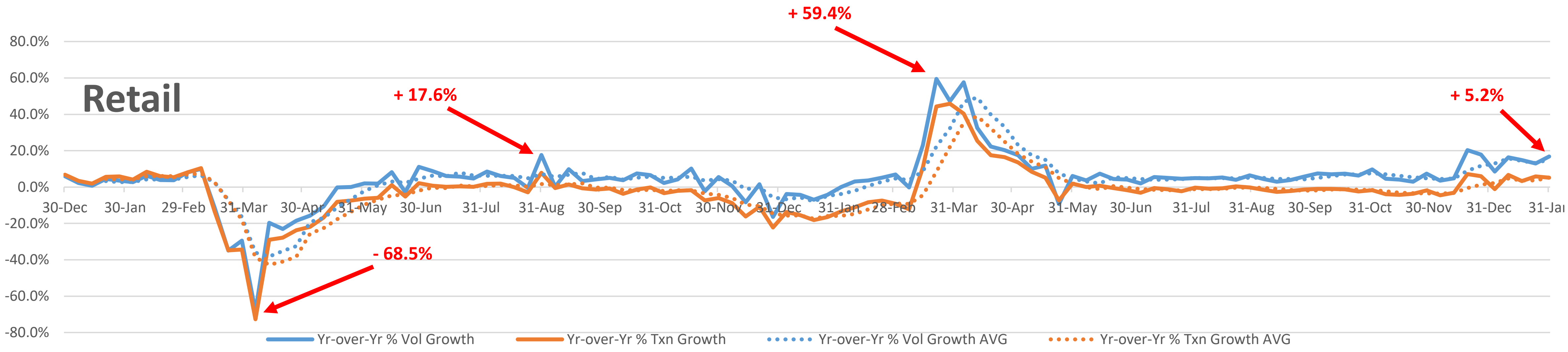

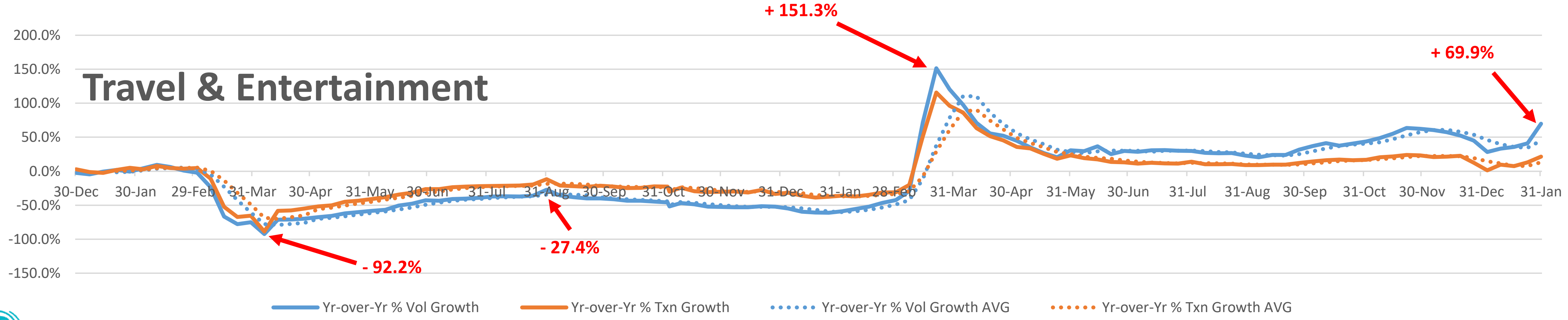

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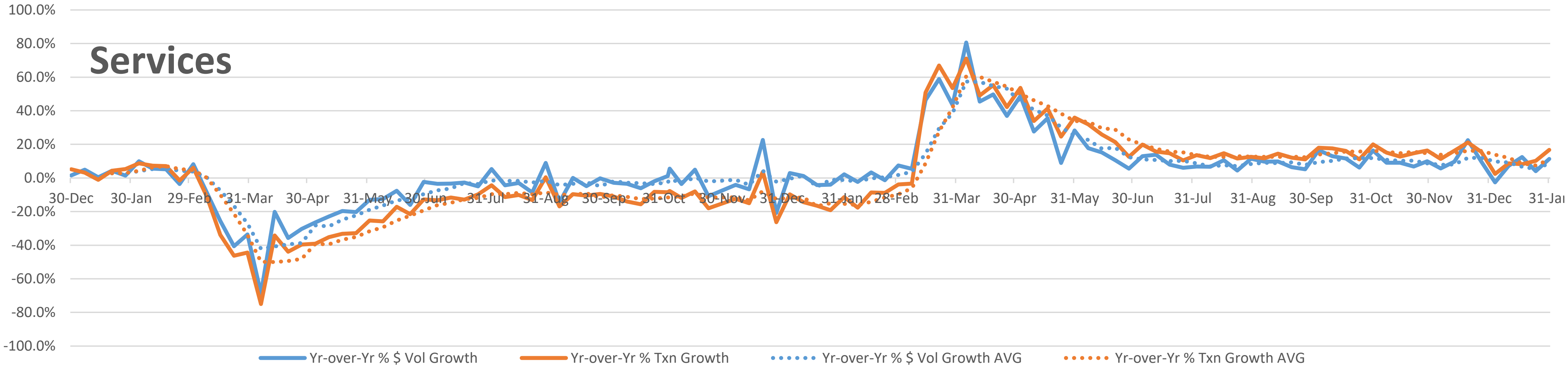

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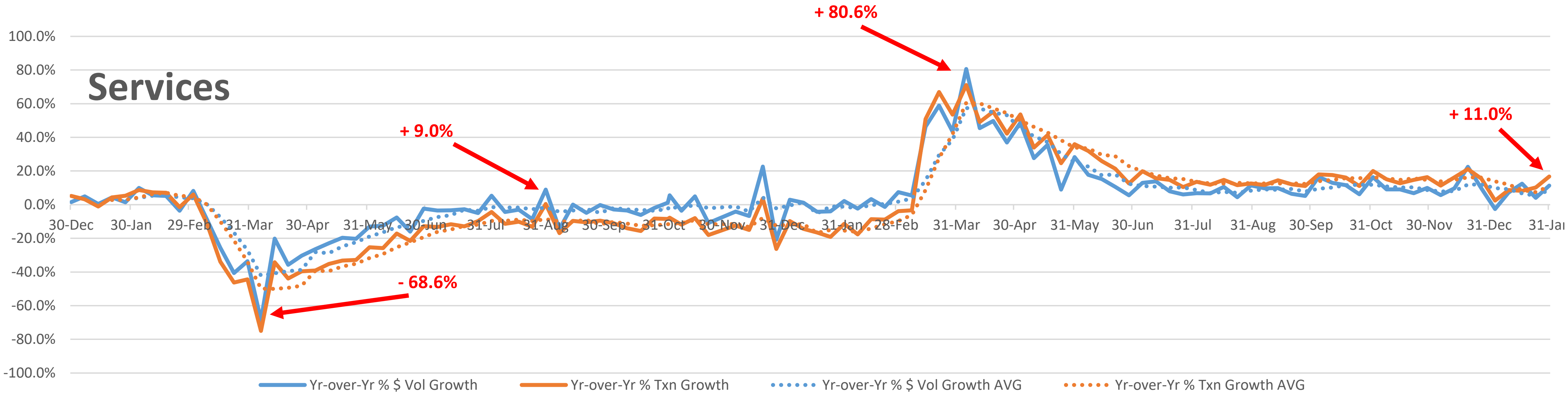


Consumer Spending After COVID

Consumer Spending After COVID

COVID-19 pandemic related restrictions have profoundly impacted Canadian consumer behaviour since the onset of the first wave of the virus in March of 2020. Pandemic restrictions have eased recently, and trends can be observed which coincide with the timing of some of these policy changes.

1.

During Feb to April, 2022 , all Provinces & Territories began lifting restrictions and opening up. **Consumer spending increased following removal of COVID restrictions.** Provinces such as Alberta, Ontario, Quebec, opened earlier and saw some of the highest increases.

2.

Industries which saw some of the **highest COVID impact saw some of the highest increase following restriction removal.** This includes industries which are discretionary - Bars & Pubs, Dine-In Restaurants, Apparel Retail and Tourist Attractions. But also Apparel Retail, which is not discretionary but had significant loss during COVID lockdowns.

3.

Change in Consumer spending behaviour was less impactful for provinces that took longer to ease restrictions. Spending in Restaurants increased across all the provinces except for Nova Scotia which had a later opening due to a longer state of emergency. Similarly Apparel Retail was lower in Nova Scotia.

Consumer Spending Post COVID grew as expected with discretionary industries benefitting most.

Ontario After COVID

COVID-19 pandemic related restrictions lifted in Ontario on March 2022. Some of the most significant spending increases in Canada during this period were in Ontario restaurants, Bars, and Pubs, as well as at Ontario Tourist Attractions.

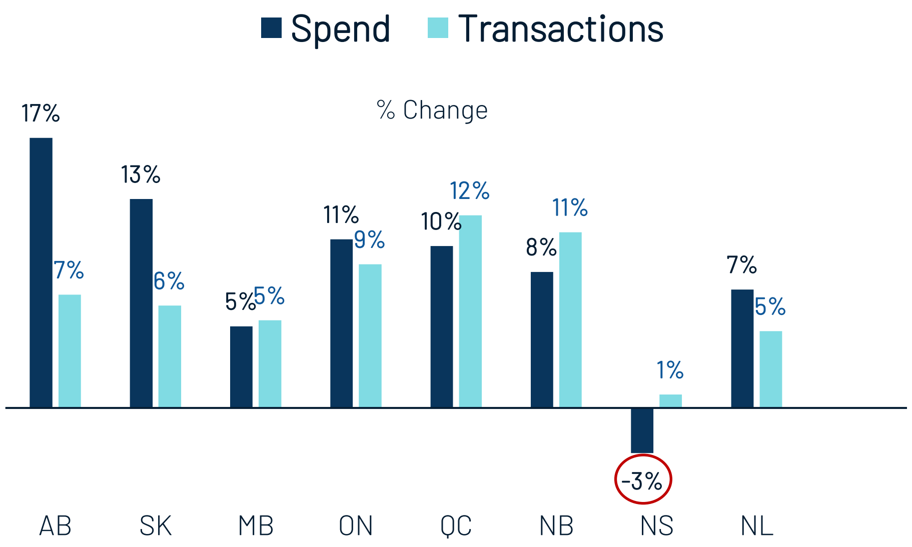
Ontario Spend Trends for March 1-14, 2022

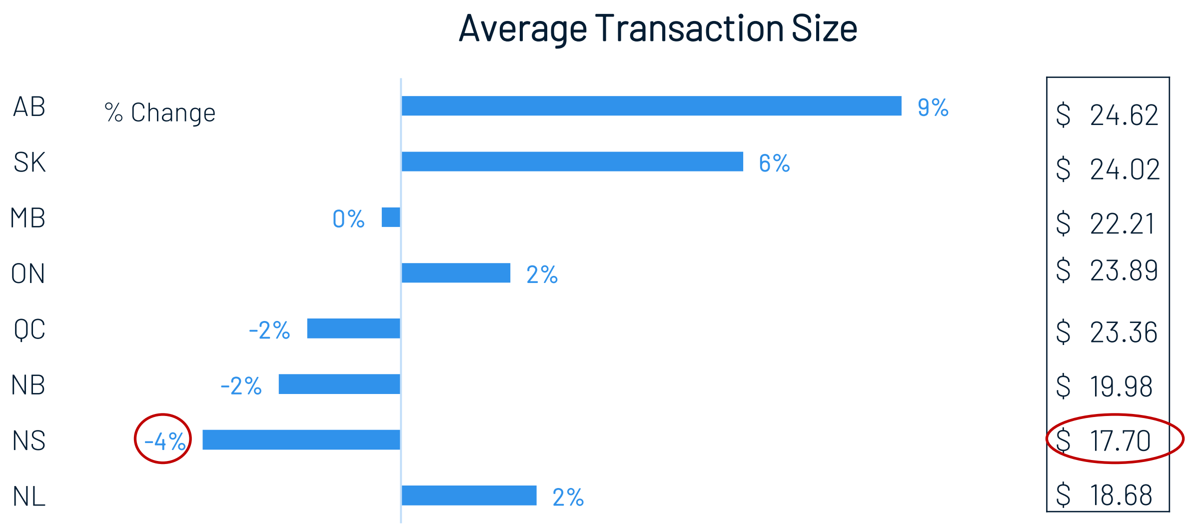
Category	Volume % Growth	Transaction % Growth
APPAREL	18%	10%
ENTERTAINMENT	8%	11%
- TOURIST ATTRACTIONS & EXHIBITS	44%	62%
RESTAURANTS	11%	9%
- BARS & PUBS	27%	35%
- DINE IN RESTAURANTS	15%	17%
- FAST FOOD PLACES	5%	6%

About the data: Figures are based on a comparison of 2 weeks before vaccine mandates were lifted and 2 weeks after. The comparison periods selected for this data set are Feb-Apr, 2022 being compared to. Feb-Apr, 2022. Moneris spending reports measure spending in Canada across a range of categories by analyzing credit and debit card transaction data. The figures cited are derived from aggregated transaction data being processed by Moneris in the applicable categories.

Restaurants After COVID

Restaurants had significantly higher sales in the two weeks following vaccine mandate removal compared to the previous two week period. Provinces which opened up earlier, like AB, SK, ON, had higher percent change in Spend for the period. Those that opened later had lower Average Spend for the period. (Nova Scotia opened last)





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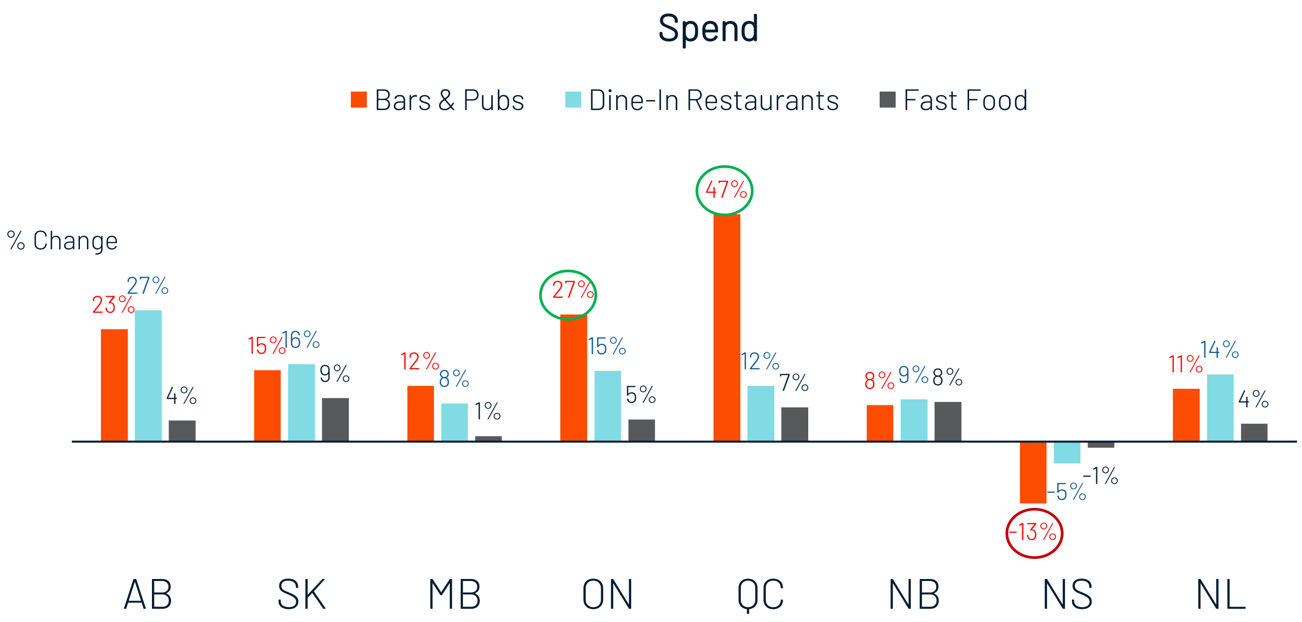
Restaurants After COVID

Within the restaurant category (Bars/Pubs, Dine-in restos, and Fast Food), Bars and Pubs were most impacted by the lifting of restrictions in larger provinces which opened earlier like AB, ON and QC. Not only did NS buck that trend, spending in bars and Pubs actually decreased during the reporting period.



Average Transaction Size

	Bars & Pubs	Dine-In Restaurants	Fast Food
AB	$54.68	$54.09	$13.66
SK	$44.44	$42.04	$15.03
MB	$41.36	$42.07	$13.17
ON	$54.54	$46.95	$14.52
QC	$40.23	$44.72	$15.36
NB	$32.99	$37.02	$14.28
NS	$51.36	$35.23	$13.07
NL	$38.89	$42.73	$13.78

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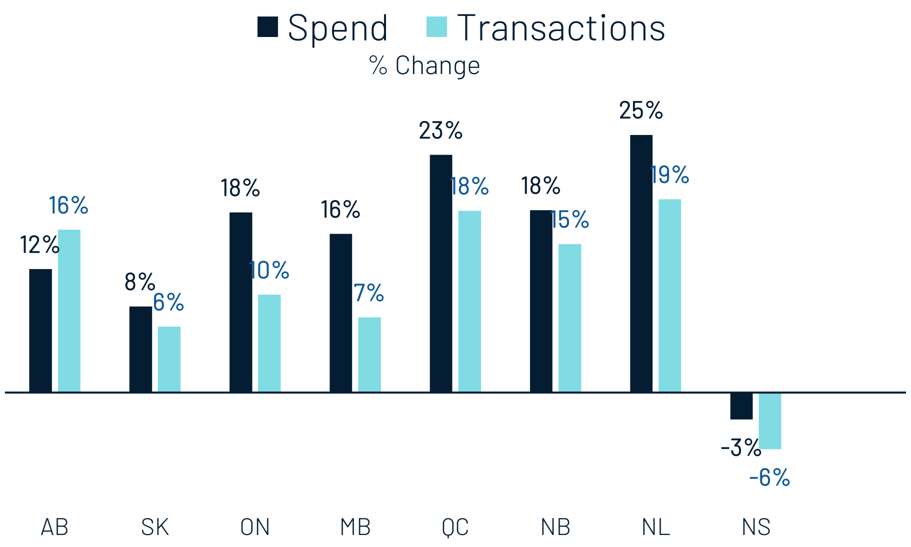
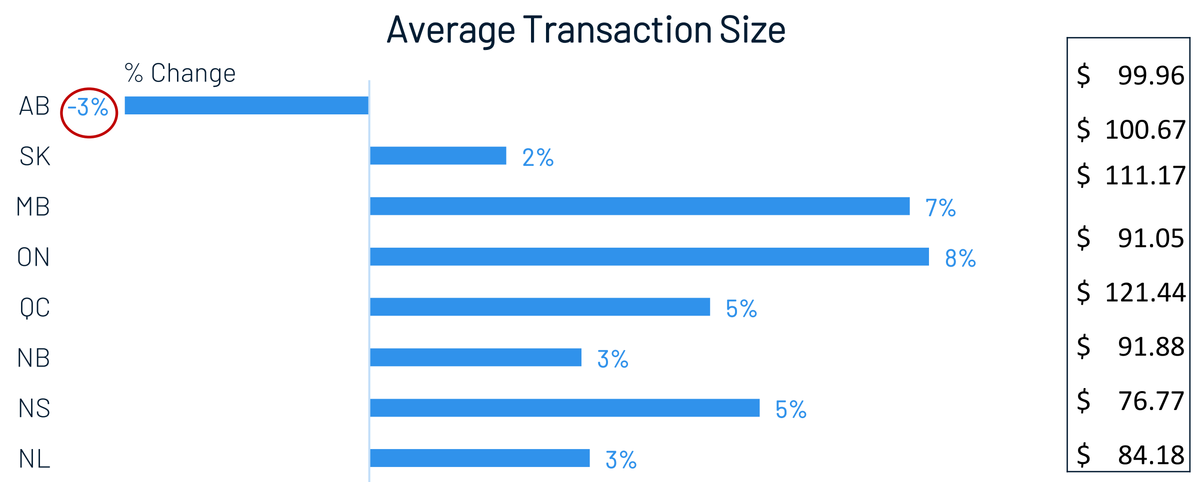
Apparel Retail After COVID

Apparel experienced notably higher consumer spending in the two weeks following the removal of vaccine passports. Note that AB's "% increase" in number of transactions was significantly higher than the increase in total sales, resulting in a lower Average Transaction Size for the period.

NS opened last and you can see the impact of the policy change was negative.





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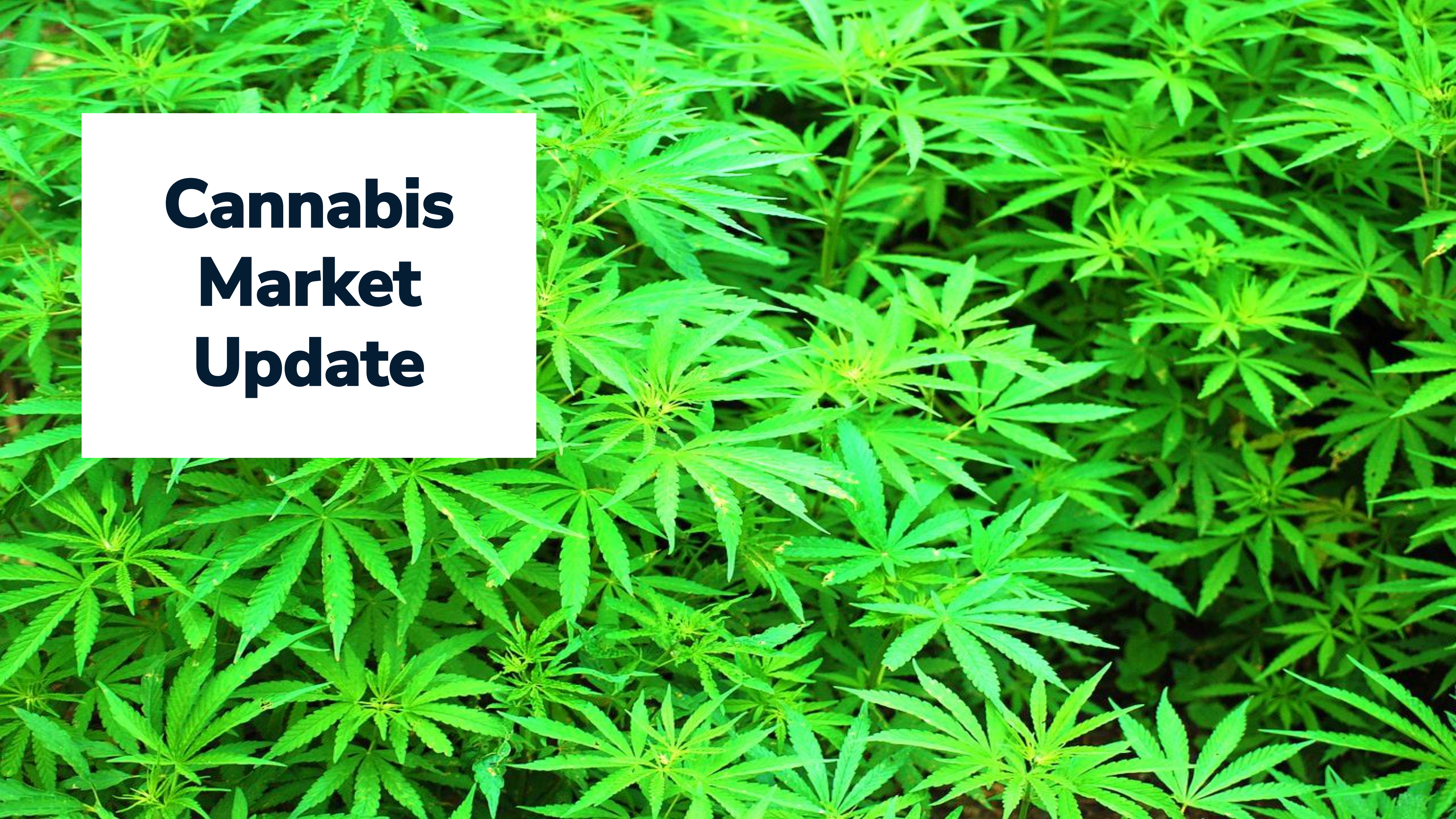
Cannabis Market Update



Cannabis Market Update

- Moneris data shows that in 2020 Spending grew at a high rate in Online (45%) and In-store (25%).
- Transaction Growth outpaced Dollar Volume driving Average Spend Online in April 2020 (vs January 2020), but the inverse was true for In-store, likely due to COVID.

Cannabis Spend by Transaction Type (January 2020 to April 2020)

Transaction Type	Volume Growth	Transaction Growth	ATS April 2020	ATS Jan 2020	ATS Growth
Online	45%	68%	$133.27	$155.15	-14%
In person	25%	-1%	$56.05	$44.64	26%

ATS: Average Transaction Size

Cannabis Market Update

- Online Average Transaction Size is almost double in size vs In-store in March 2022
- In-store Transaction Growth was much higher than Online likely attributed to consumers becoming comfortable shopping in-store again.

Cannabis Spend by Transaction Type (March 2022 vs March 2021)

Transaction Type	Transaction Growth	ATS	ATS Growth
Online	17%	$99.99	15%
In person	33%	$49.01	-7%

ATS: Average Transaction Size

Cannabis Market Update

Customers make larger purchases online versus in-person.

- Moneris data shows that while in-store transactions are on the rise, the Average Transaction Size is decreasing.
- Convenience of delivery for online orders is likely a driving factor influencing this behaviour
    - Number of In-Store Transactions increased 33%, while the Average Transaction Size was $49.01, down 7% year-over-year.
    - Number of Online Transactions increased 17%, with an Average Transaction Size of just under $100, up 15% year over year.

Despite the date (4/20), April 20th is not the biggest spend day for Cannabis retailers. Canadians spend the most on Cannabis just before the summer long weekend and holidays.

- End of August just before Labour Day weekend each year there's a noticeable uptick in spend at Cannabis outlets.
- Mid to end of December each year we also see a noticeable peak in spending at Cannabis stores.
- While consumption could be a different story, nothing out of the ordinary for April 20th in terms of spending.

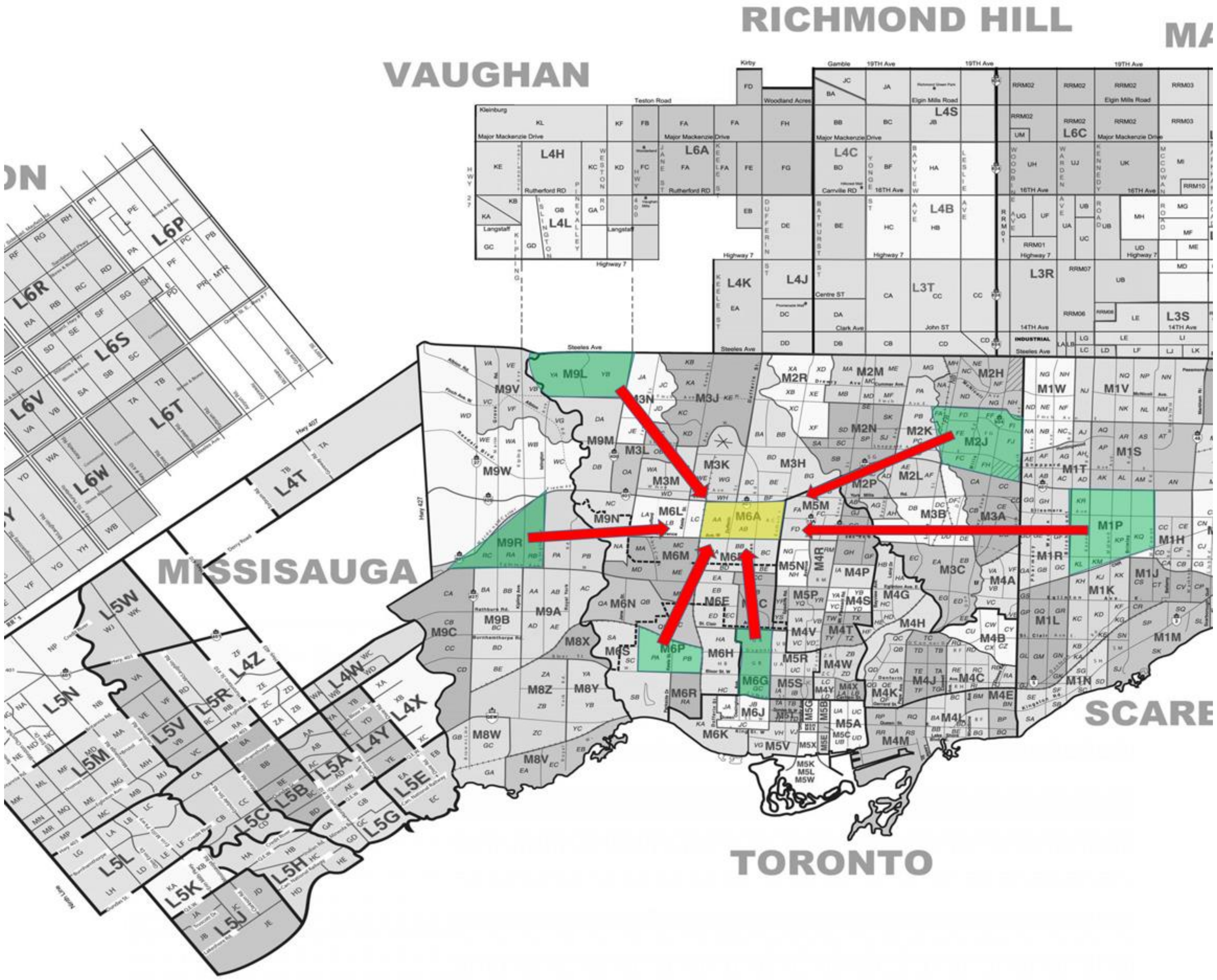
Cannabis has interesting dynamics in Channel (In Store vs Online) and Seasonality.

Consumer Location Data

Consumer Location Data

Understand where consumers live and where they shop

- Marketing Asset
    - Digital targeting
    - Direct mail targeting
- Small business support asset

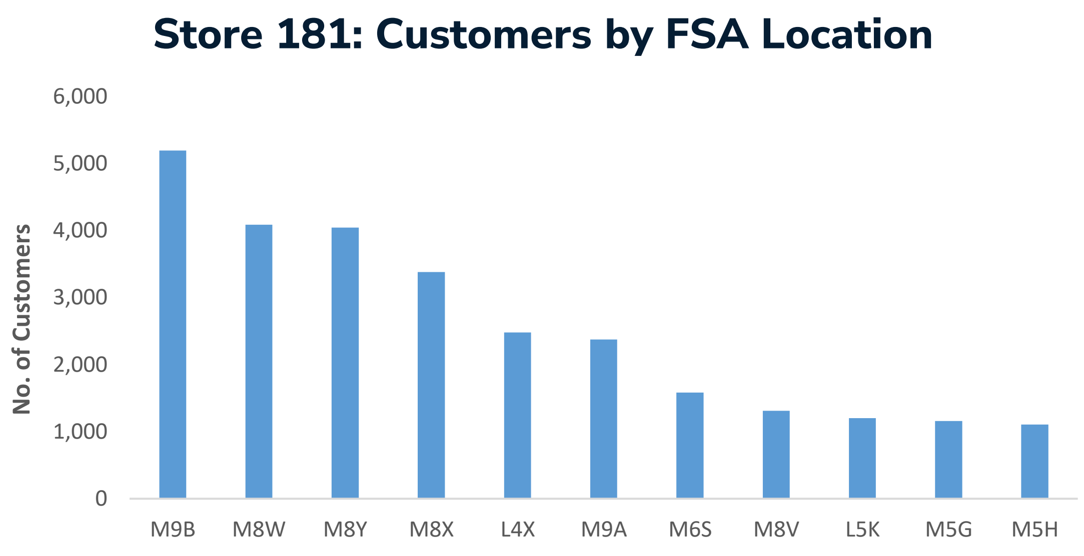


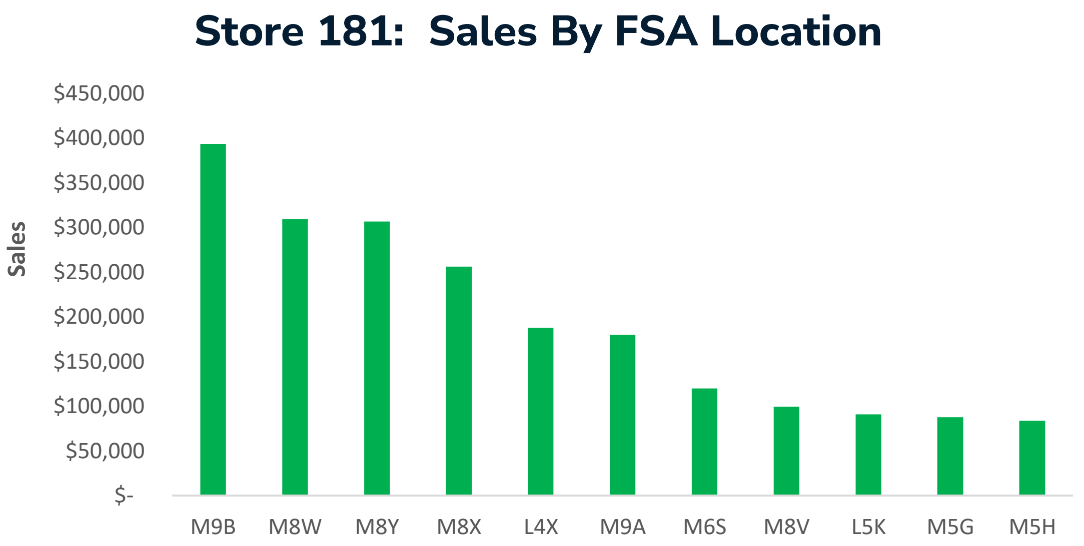
Consumer Location Data

(Store level)

Understanding where your customers live allows you to:

- Optimize your Digital Marketing strategy
- Improve geo-targeting for Direct Mail and Out-of-Home ads
- Inform future growth plans





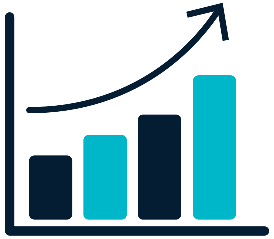
Consumer Location Data

Example:

FileDate_YM	consumer_origin_Location	merchant_number	merchant_name	store_location (POSTAL CODE)	TranCount	NetAmt	No_of_Cards	distance
2021-6	H8S	XXXXXXXXX	YOUR STORE #362	H8TXXX	4625	$ 96,394.35	1816	1.3026457
2021-6	H8T	XXXXXXXXX	YOUR STORE #362	H8TXXX	2478	$ 59,737.14	496	1.1143448
2021-6	H8N	XXXXXXXXX	YOUR STORE #362	H8TXXX	359	$ 25,878.33	217	5.5893564
2021-6	H9P	XXXXXXXXX	YOUR STORE #362	H8TXXX	241	$ 15,137.95	148	5.6509533
2021-6	H9B	XXXXXXXXX	YOUR STORE #362	H8TXXX	181	$ 13,163.82	127	10.132834
2021-6	H4G	XXXXXXXXX	YOUR STORE #362	H8TXXX	151	$ 5,347.66	88	9.870424
2021-6	H9R	XXXXXXXXX	YOUR STORE #362	H8TXXX	140	$ 2,169.26	103	9.356256
2021-6	H8R	XXXXXXXXX	YOUR STORE #362	H8TXXX	129	$ 2,524.57	64	3.869147
2021-6	H4B	XXXXXXXXX	YOUR STORE #362	H8TXXX	117	$ 2,098.67	81	5.20702

Digital Marketing Attribution

Digital Marketing Attribution for In-store Purchases



Maximize in-store revenue

Efficiently drive in-store sales lift at targeted store locations via the channels with the highest in-store conversion rates

Validate ROAs

Build stronger business cases for digital by validating Return on Ad Spend

Customer acquisition

Test and compare campaign results to define which channels bring the most customers into your stores

Optimize seasonal strategies

Measure, and optimize the seasonal sales impact of digital channels

Monthly In-store Attribution Reports

Channel Source	Attributed In-store Revenue	Attributed in-store Transactions
SEO	$309,841	4131
SEM	$176,806	2632
Direct	$75,290	1247
Email	$47,313	902
Referal	$15,826	212
Social Media	$6,504	88
Display	$1,940	23
Other	$1,761	20

Getting in touch

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