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# The shifting spend priorities of Canadian consumers 2023







# Background

## Spend data

Figures are based on a comparison to the same period in the year prior. The period selected for this data set is July 2023 versus July 2022. Moneris 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 and anonymized transaction data being processed by Moneris in the applicable categories.

## Survey methodology

In partnership with Moneris, the Angus Reid Group conducted an online survey among a representative sample of n=1,508 adult Canadians. The respondents are members of Angus Reid Forum. The survey was conducted in English and French. For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.5 percentage points, 19 times out of 20.



# Introduction

Travel and in-person events have been back for some time, and the process of returning to the office is well underway for many. While lockdowns and restrictions are no longer at play, some economic concerns that emerged through the pandemic still remain.

Canadians are more cost-conscious as they navigate elevated inflation and a higher cost of living. To help identify and describe trends that have emerged under these conditions, The Shifting Spend Priorities of Canadian Consumers has returned.

Through research conducted by Moneris and Angus Reid, findings presented within this report help capture the pulse of Canadian consumers and characterize their spending behaviours. The report focuses on the following three areas:



## **Consumer Sentiment**

How do Canadians feel their spending has changed?

## **Consumer Spending**

How does Canadians' spending compare to sentiment?

## **The \$1,000 question**

How would Canadians adjust their spending with more money in their pocket, and how would they adjust it with less?





# **Consumer Sentiment**



# To what extent do you agree...

Perception statement	2023	2022
I feel stressed about my financial future	62%	59%
I am more likely to try to find deals/sales than I used to be	79%	74%
I am less likely to have cash on me than I was before the pandemic	57%	51%

## Growing concern.

Last year brought a mix of pandemic recovery and economic issues including supply chain disruption and rising inflation. Concern was reflected in the response from Canadians in 2022. One year later, with increased cost of living, and more cost-conscious consumers, more Canadians feel stressed about their financial future. As a result, almost eight in ten Canadians are looking for ways to make their dollars do more. And when it comes to using those dollars, fewer are carrying cash compared to pre-pandemic.

## Would you say that you're doing/purchasing LESS than before?

Spend Category	2023	2022
Items of clothing you buy	46%	49%
Items to furnish or update your home	38%	36%
Number of food items you buy at the grocery store	27%	22%
Number of food or drink items you buy when you go to a restaurant (including take-out)	38%	34%
Number of restaurant outings (including take-out, fast food or bars)	52%	53%
Number of entertainment outings (e.g. movie theatres, amusement parks, golf courses etc.)	60%	67%
Number of trips to the gas station	32%	39%

# Cutting back versus cutting out

The majority of Canadians indicated they would be doing/purchasing less than before in their survey responses. Comparing responses to the same question last year, a few trends stand out. More Canadians indicated they were purchasing fewer items at grocery stores (27% versus 22%), and items at restaurants (38% versus 34%), while the number of outings to restaurants remained unchanged. Entertainment remains as the top selection, however, as in-person events began bouncing back we see a drop year-over-year (60% versus 67%). In addition to more in-person events and reasons to leave the house, more companies are mandating in office days which may also be contributing to fewer Canadians cutting back on gas (39% to 32%).

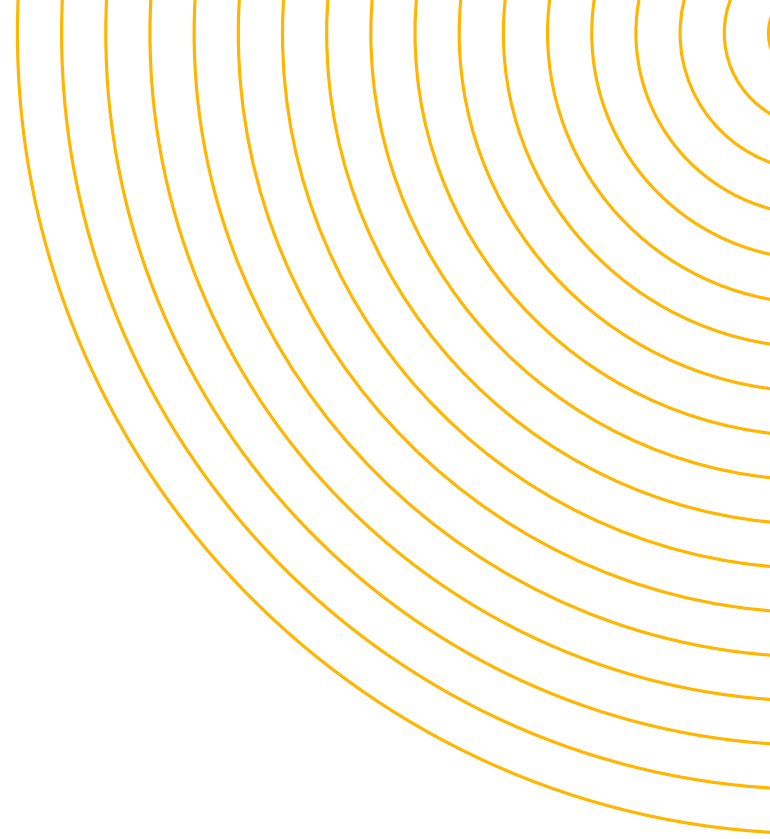
## Would you say that you’re doing/purchasing MORE than before?

Spend Category	2023	2022
Items of clothing you buy	11%	9%
Items to furnish or update your home	16%	16%
Number of food items you buy at the grocery store	18%	19%
Number of food or drink items you buy when you go to a restaurant (including take-out)	13%	13%
Number of restaurant outings (including take-out, fast food or bars)	18%	15%
Number of entertainment outings (e.g. movie theatres, amusement parks, golf courses etc.)	10%	7%
Number of trips to the gas station	13%	11%

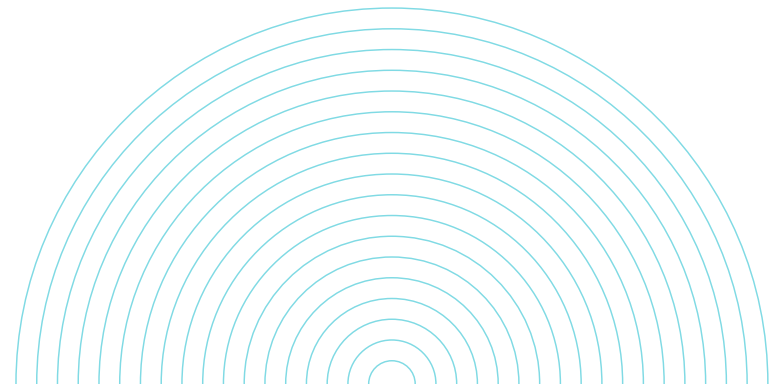
# Cutting back versus cutting out continued

Although the majority of Canadians indicate feeling concerned for their financial future, and doing/purchasing less, there is a portion who are spending more. Year-over-year, there is a 3% increase in Canadians who said their number of restaurant and entertainment outings have increased. Despite economic conditions, there is a desire to enjoy leisure activities and events. Rather than cutting out these activities, Canadians’ survey responses show they are simply cutting back on how they enjoy them.





# **Consumer Spending**



# Conservative spending and modest growth

The prevailing cost-conscious consumer sentiment can be seen in the year-over-year spend data, with a modest overall increase in spend volume of 1%. Starting with Entertainment, spend is down 4% year-over-year, in line with the majority of survey responses indicating it was an area Canadians were purchasing/doing less of. Although sentiment is moving in the right direction for Entertainment, more time may be required before that growth is captured in the spend data.

Despite competing forces of moderating items purchased and frequency of visits, Grocery and Restaurant spend both saw a modest 3% increase in spend volume.

While cost conscious shopping is at play, other factors contribute as well. For example, the decrease in spend volume for Gas & Convenience is likely tied to gas prices falling from their peak in 2022 rather than a change in spend behaviour.

## Spend volume: July 2023 versus July 2022

Business category	Examples	VOL % Change
<b>Apparel</b>	Clothing stores.	-3%
<b>Entertainment</b>	Amusement parks, movie theatres, golf courses, etc.	-4%
<b>Gas &amp; convenience</b>	Automated fuel dispensers & service stations.	-10%
<b>Grocery</b>	Supermarkets, bakeries, candy, and confection, etc.	3%
<b>Household</b>	Hardware, furniture, lumber, masonry, etc.	-2%
<b>Restaurant</b>	Bars, full service, & quick service.	3%
<b>Specialty</b>	Antiques, bikes, jewelry, sporting goods, etc.	2%
<b>Total</b>	<b>Including categories not listed.</b>	<b>1%</b>

# Average transaction size: July 2023 versus July 2022

Business category	Examples	ATS % Change
<b>Apparel</b>	Clothing stores.	4%
<b>Entertainment</b>	Amusement parks, movie theatres, golf courses, etc.	-4%
<b>Gas &amp; convenience</b>	Automated fuel dispensers & service stations.	-10%
<b>Grocery</b>	Supermarkets, bakeries, candy, and confection, etc.	-2%
<b>Household</b>	Hardware, furniture, lumber, masonry, etc.	-5%
<b>Restaurant</b>	Bars, full service, & quick service.	1%
<b>Specialty</b>	Antiques, bikes, jewelry, sporting goods, etc.	-2%
<b>Total</b>	<b>Including categories not listed.</b>	<b>-3%</b>

## Rising inflation and falling average transaction sizes

Across all categories average transaction size (ATS) decreased by 3%. Despite higher inflation, Canadian sentiment shows a growing financial concern for the future, and looking for sales may contribute to a decrease in ATS. Other factors in addition to financial concern may also contribute. Again, the impact of falling gas prices can be seen in Gas & Convenience ATS decreasing. In addition, through the pandemic Canadians invested in their homes, which translated into an increase in spending. Now, with lifted restrictions, in-person events, and return to office all pulling Canadians out of their homes, the 5% decrease in ATS for Household may be a correction.



# Number of transactions: July 2023 versus July 2022

Business category	Examples	TXN % Change
<b>Apparel</b>	Clothing stores.	-7%
<b>Entertainment</b>	Amusement parks, movie theatres, golf courses, etc.	0%
<b>Gas &amp; convenience</b>	Automated fuel dispensers & service stations.	1%
<b>Grocery</b>	Supermarkets, bakeries, candy, and confection, etc.	5%
<b>Household</b>	Hardware, furniture, lumber, masonry, etc.	3%
<b>Restaurant</b>	Bars, full service, & quick service.	1%
<b>Specialty</b>	Antiques, bikes, jewelry, sporting goods, etc.	4%
<b>Total</b>	<b>Including categories not listed.</b>	<b>3%</b>

## An extra trip to the store

Instead of stocking up and making the most of each trip as we saw during the pandemic, Canadians have increased the frequency of their visits to the grocery store. While Canadians might be modifying their behaviour by purchasing fewer items, they may be also compensating by making more trips to pick up missing items or take advantage of sales at multiple stores.

Also appearing as one of the top three areas Canadians said they spent less on, Apparel sees the largest decrease in transaction count year-over-year.



# **The \$1,000 question**



# If you had \$1,000 less, what would you cut back on?

Spend category	2023	2022
Travel	44%	52%
Groceries	12%	46%
Home furnishing and house renovation	37%	48%
Vehicle maintenance and updates	17%	35%
Clothing and apparel	36%	37%
Specialty items or hobbies (jewellery or sporting goods)	47%	23%
Entertainment outings	56%	31%
Restaurants	52%	28%

## Sacrificing spend for core categories

Last year, Canadians were asked what they would cut back on if they had \$1,000 less to spend. Asking the same question this year we see how sentiment has changed, and what the new priorities of Canadians might be. In 2022, travel most consistently ranked in the top three of categories to cut back on. Although it is still a popular category to cut back on, far fewer Canadians have selected it in their top three. Meanwhile, other traditionally discretionary categories like restaurant, entertainment, and specialty items saw significant increases as areas Canadians would look to sacrifice with reduced buying power. Necessities like groceries, vehicle maintenance, and home furnishing all saw decreases. Understandably, fewer Canadians would look to cut back on categories that are essential to day-to-day living. Specifically, regarding grocery spend, Canadians may already feel as though they have cut back enough, and there is limited room for further reductions in spend.



# If you had an extra \$1,000, where would you spend it?

Spend category	2023	2022
Clothing and apparel	36%	37%
Entertainment outings	33%	31%
Groceries	48%	46%
Home furnishing and house renovation	44%	48%
Restaurants	26%	28%
Specialty items or hobbies	22%	23%
Vehicle maintenance and updates	35%	35%
Travel	56%	52%

## From flying away to filling the fridge

While we saw some significant changes in the categories Canadians would cut back on, areas where Canadians would splurge remain relatively unchanged. Slightly more Canadians selected travel in their top three. Grocery also saw an increase as Canadians look to offset the measures taken to combat inflation and higher cost of living. While home furnishing remains in the top three, it saw the largest decrease year-over-year, down 4%. Again, when Canadians were asked how they would modify spending, the vast majority opted to modify quantity over quality. For the scenario with \$1,000 less, 79% said they would buy fewer items. For the scenarios with \$1,000 more, 62% said they would buy more items.

# About Moneris

Moneris is Canada's largest provider of innovative, unified solutions for mobile, online and in-store payments, processing more than one in three transactions. Serving businesses of every size and industry, Moneris offers hardware, software and solutions to help transform the way businesses grow and operate, in payments and beyond.

For more information, please visit [www.moneris.com](http://www.moneris.com) and follow [@moneris](https://twitter.com/moneris).





# About The Angus Reid Group

Angus Reid is Canada's most well-known and respected name in opinion and market research data. Offering a variety of research solutions to businesses, brands, governments, not-for-profit organizations and more, the Angus Reid Group team connects technologies and people to derive powerful insights that inform your decisions.

Data is collected through a suite of tools utilizing the latest technologies. Prime among that is the Angus Reid Forum, an opinion community consisting of engaged residents across the country who answer surveys on topical issues that matter to all Canadians.





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