COMPARE ONLINE AND OFFLINE SHOPPING HABITS WITH CLICKSPEND™

Webinar

November 20, 2018

ENVIRONICS ANALYTICS

ClickSpend™
Powered by J.C. Williams Group

TODAY'S PRESENTERS

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PETER MIRON

Senior Vice President
Research & Development

MICHELE SEXSMITH

Senior Vice President & Practice Leader
Retail, Real Estate & Entertainment

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HOUSEKEEPING

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- Listen-only mode for attendees
- Questions at the end. Use the Webex Q&A Feature in your Interface
- Technical difficulties? 1-866-229-3239
- Presentation deck will be available environicsanalytics.com/webinars

AGENDA

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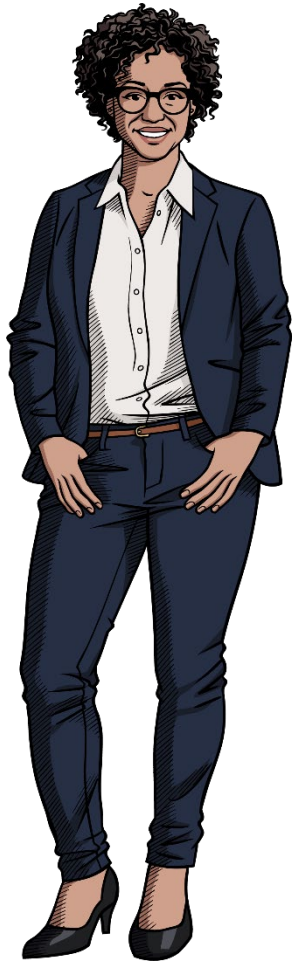
- Introduction to ClickSpend
- Canada's Click Climate
- Case Studies



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THE PROBLEM

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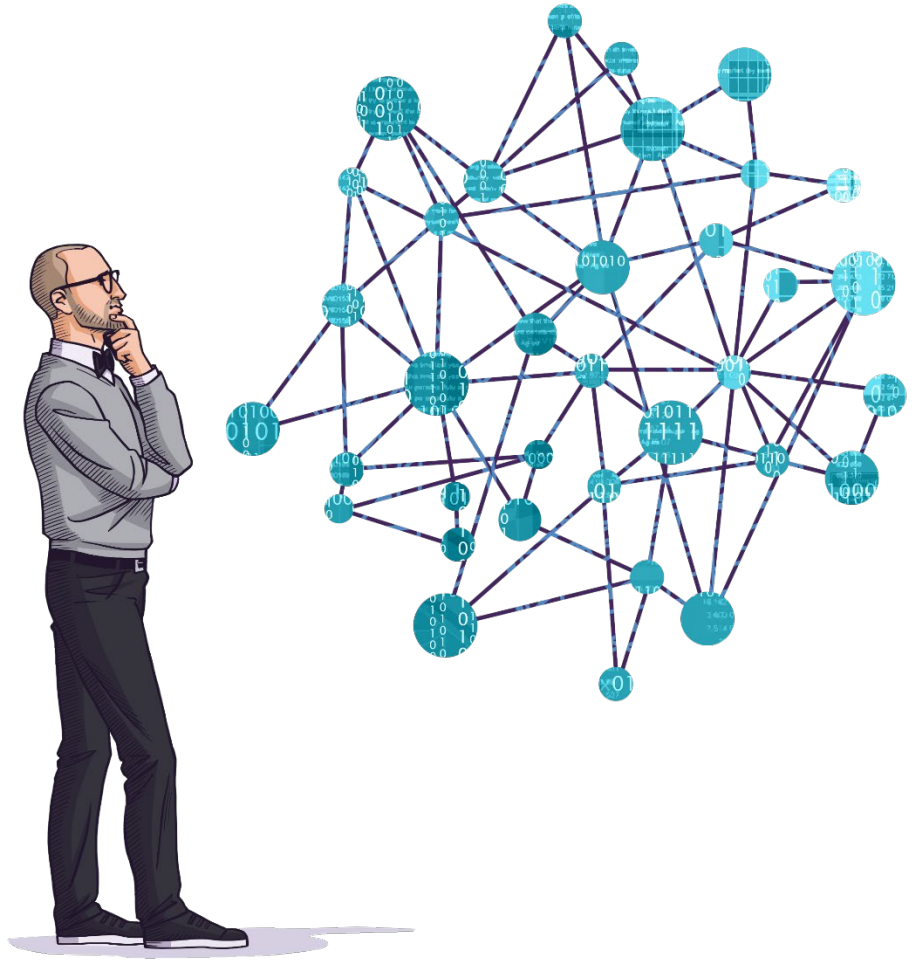
- Increasing competition
- Increasing customer expectations
- Limited concrete information to drive strategy
- Limited understanding of consumer behaviour



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THE SOLUTION

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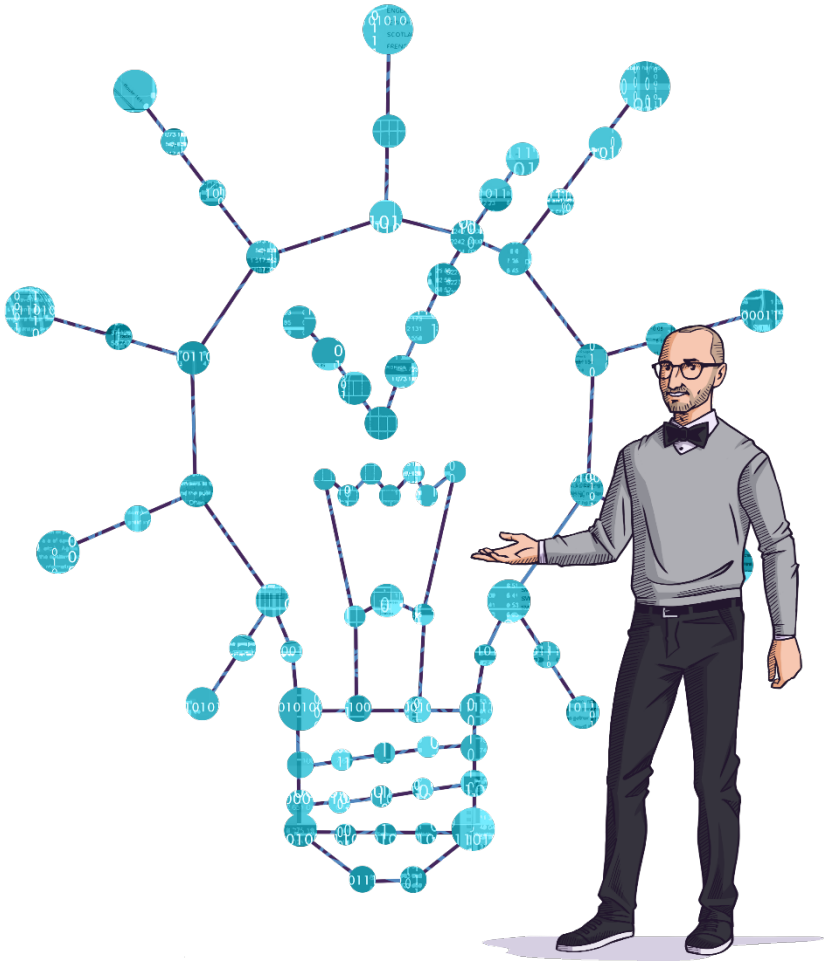
- Partnering with best-of-class researchers, develop empirically derived estimates of online expenditure by a variety of key categories
- Link to small-area geographies to facilitate insights both in tandem with first-party and third-party data



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INTRODUCING CLICKSPEND™

ClickSpend™ *Powered by J.C. Williams Group* is an essential new resource for retailers that reveals which products consumers prefer to buy online.

- Analyze the online habits of consumers across 14 different product categories
- Compare online market share to the average retailer in the same product category in market
- Adjust merchandising mix for items that consumers prefer to buy in-store

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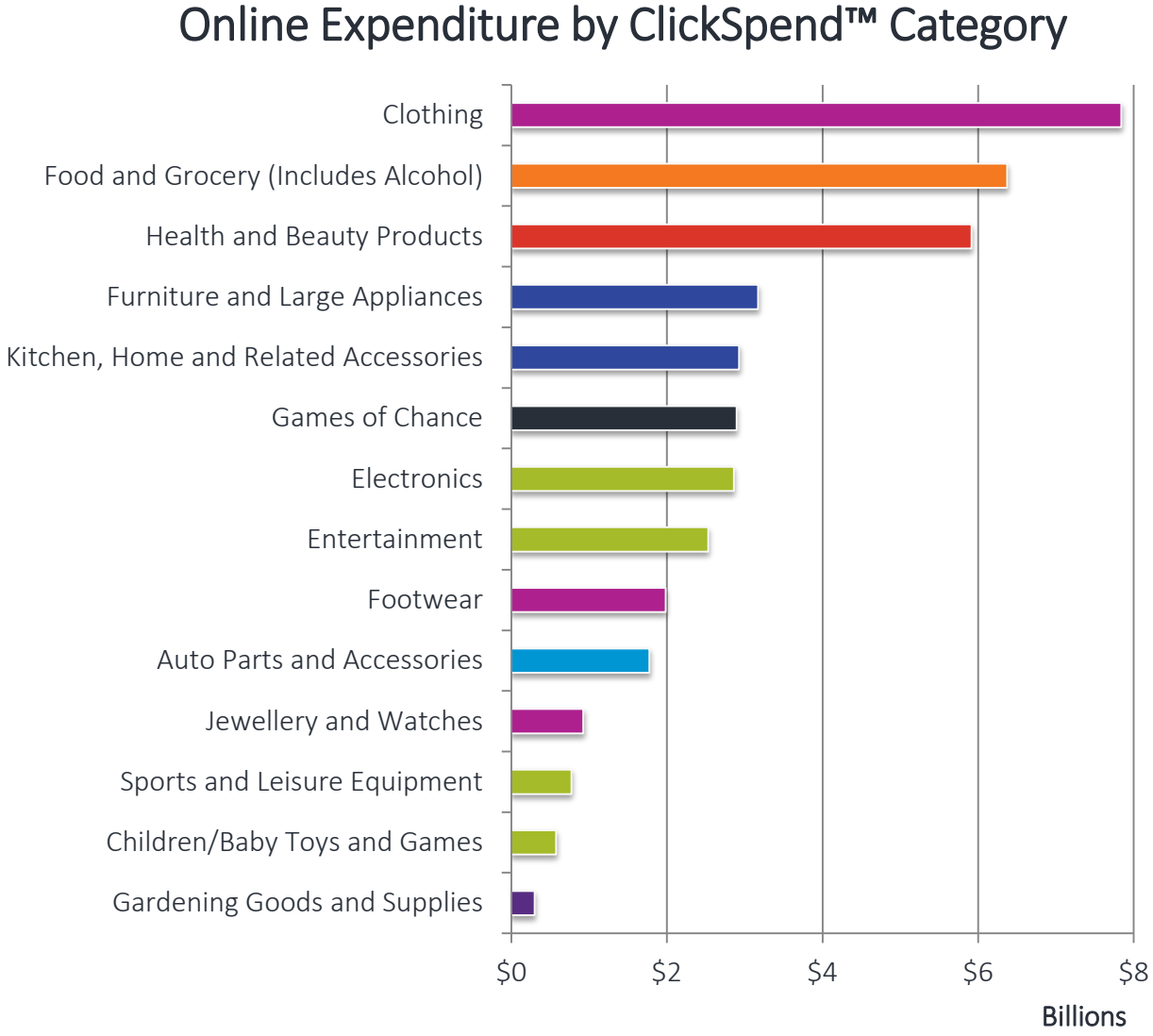
CLICKSPEND™

ClickSpend™
Powered by J.C. Williams Group

SUMMARY

- 45 consumption variables plus four denominators
- Total expenditure is broken into 14 major consumption categories
- Three estimates for each category: total expenditure, online expenditure, offline expenditure
- All estimates are for the “current year” (2018) and estimated at the postal code level



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DATA SOURCES

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- The principal data source is the survey underlying J.C. Williams Group's Canadian E-tail Report
  - The survey goes to field in January and July with about 2,500 respondents in each wave
  - ClickSpend uses three waves of the survey with a total of 7,802 respondents
- A set of control totals for online expenditure are derived using a combination of Statistics Canada, Euromonitor and Environics Analytics statistics

J.C. WILLIAMS GROUP
GLOBAL RETAIL ADVISORS

CANADIAN E-TAIL REPORT

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METHODOLOGY

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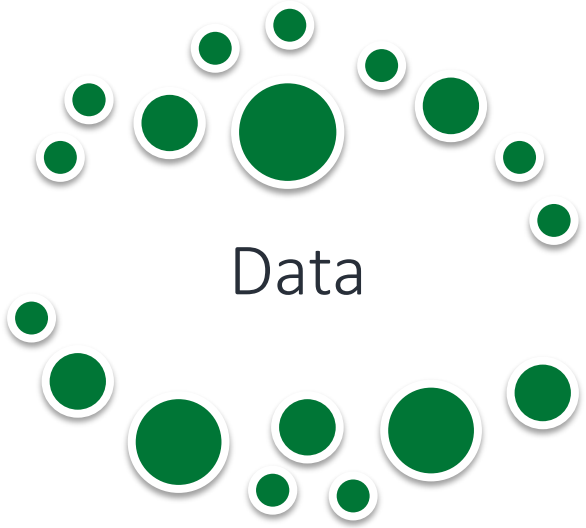

- J.C. Williams Group's E-tail survey
- HouseholdSpend
- Control Totals

Methodology

- Econometric Forecasts
- Hierarchical Modelling
- Mathematical Optimization

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- 45 Consumption Estimates
- For 800,000+ Postal Codes

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A NEW MEMBER OF THE FINANCIAL DATA SUITE

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Financial

- ClickSpend™ *Powered by J.C. Williams Group*
- WealthScapes
- WealthScapes Daytime
- WealthScapes Fundraiser
- LiquidAssets
- AgeByIncome
- HouseholdSpend
- FoodSpend
- MoneyMatters *Powered by Canadian Financial Monitor*
- Neighbourhood View ™

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Financial

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WealthScapes

WealthScapes Daytime

WealthScapes Fundraiser

LiquidAssets

AgeByIncome

HouseholdSpend

FoodSpend

MoneyMatters
Powered by Canadian Financial Monitor

Neighbourhood View ™

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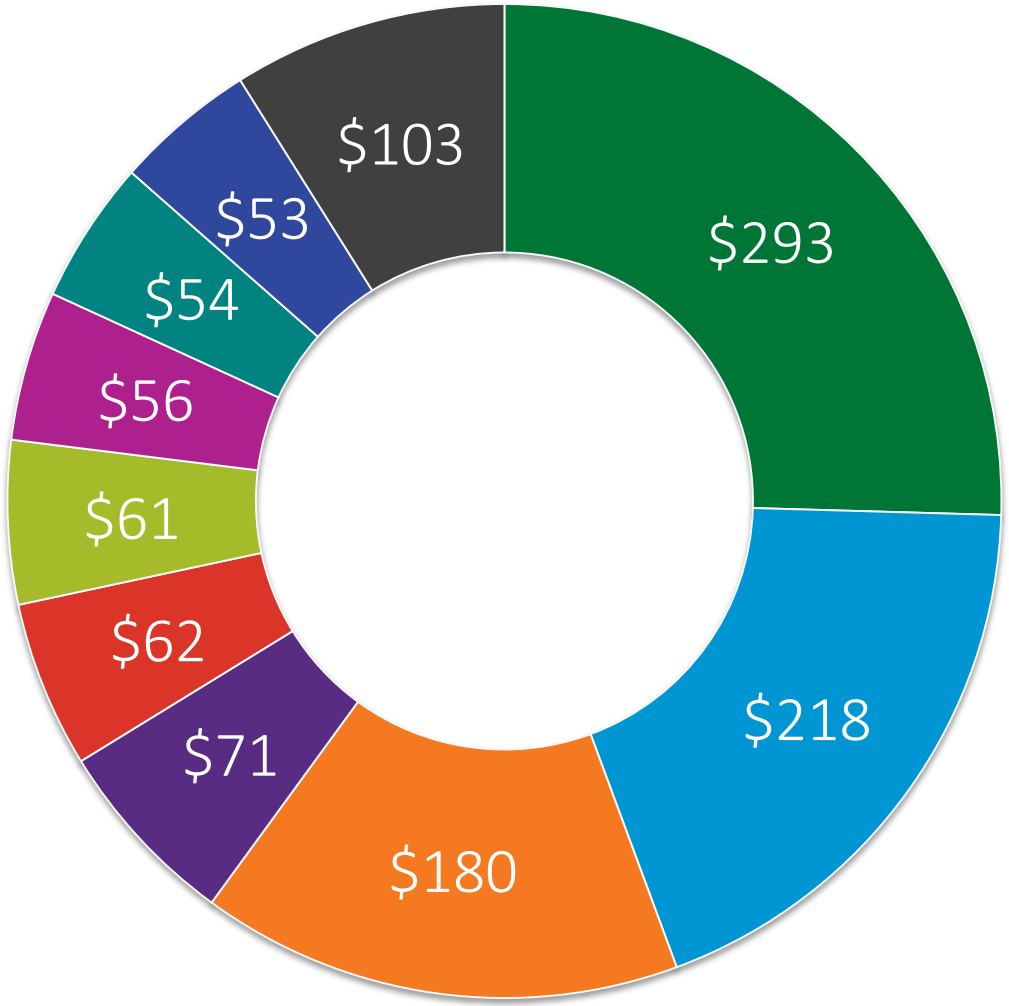
THE HOUSEHOLDSPEND UNIVERSE

AGGREGATE EXPENDITURE, 2018



- Shelter
- Transportation
- Food
- Household Operation
- Health Care
- Recreation
- Clothing
- Tobacco Products and Alcoholic Beverages
- Household Furnishings and Equipment
- Other

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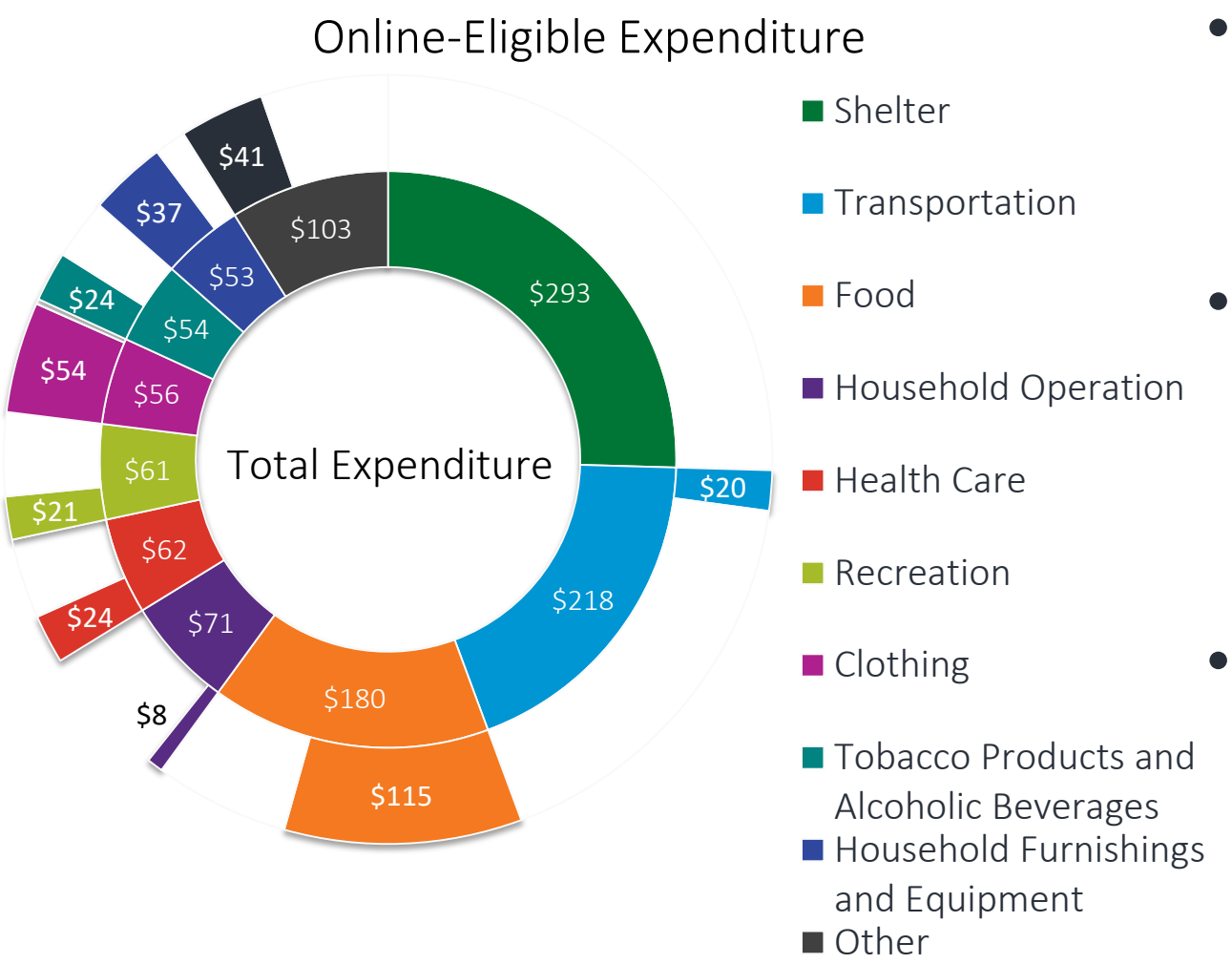
THE CLICKSPEND™ UNIVERSE

AGGREGATE EXPENDITURE, 2018



- The ClickSpend consumption universe is a subset of the entire universe defined in HouseholdSpend
- The ClickSpend universe encompasses the 14 largest online consumption categories of goods (services are not included)
- ClickSpend estimates the consumption channel of 29.8% of HouseholdSpend's $1.15 trillion in current consumption

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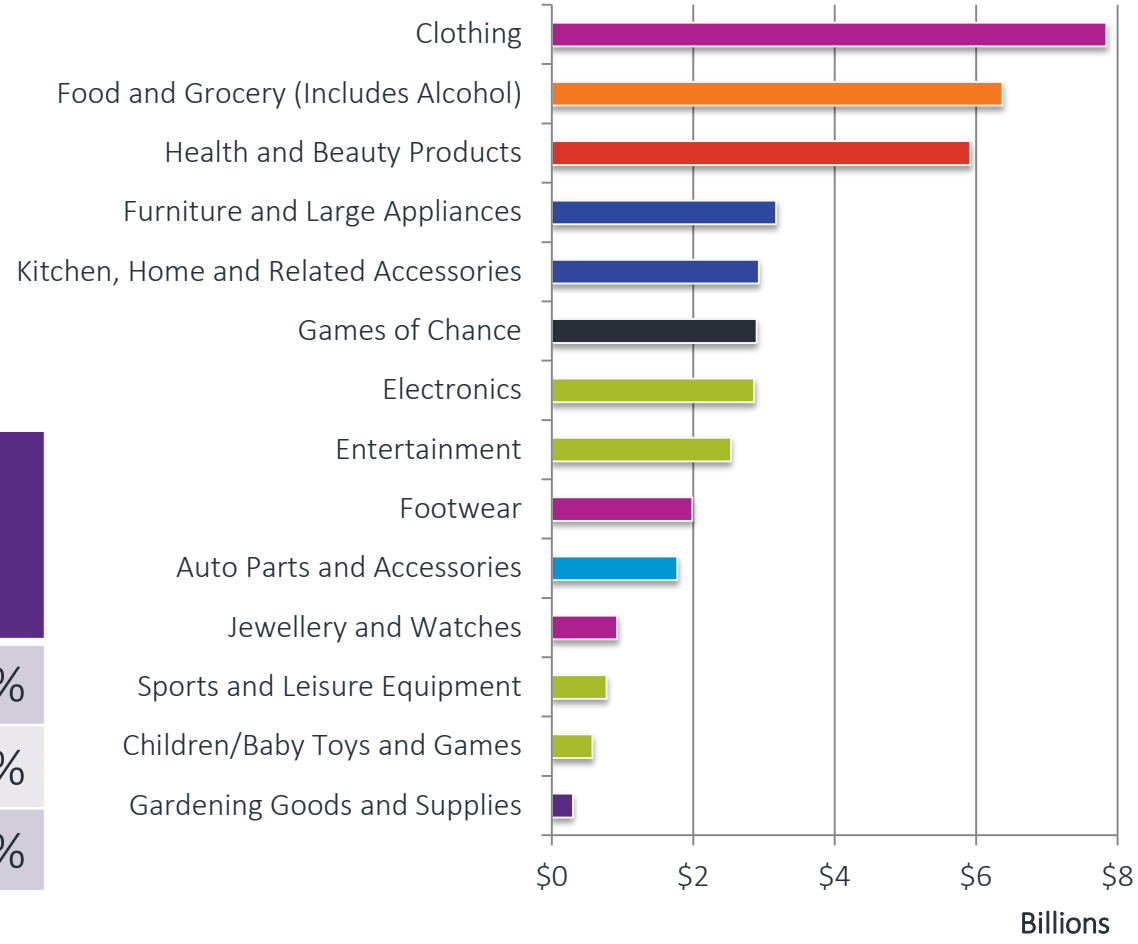
THE ONLINE UNIVERSE

AGGREGATE EXPENDITURE, 2018

- Of the $343 billion in ClickSpend's eligible current consumption, $40.8 billion (11.9%) was spent online

	Total	Share of current consumption
Current Consumption (HS)	$1,152B	100.0%
Eligible Current Consumption	$343B	29.8%
Online Expenditure	$40.8B	3.5%

Online Expenditure by ClickSpend Category



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AGENDA

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- Case Studies

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ONLINE PENETRATION BY CATEGORY

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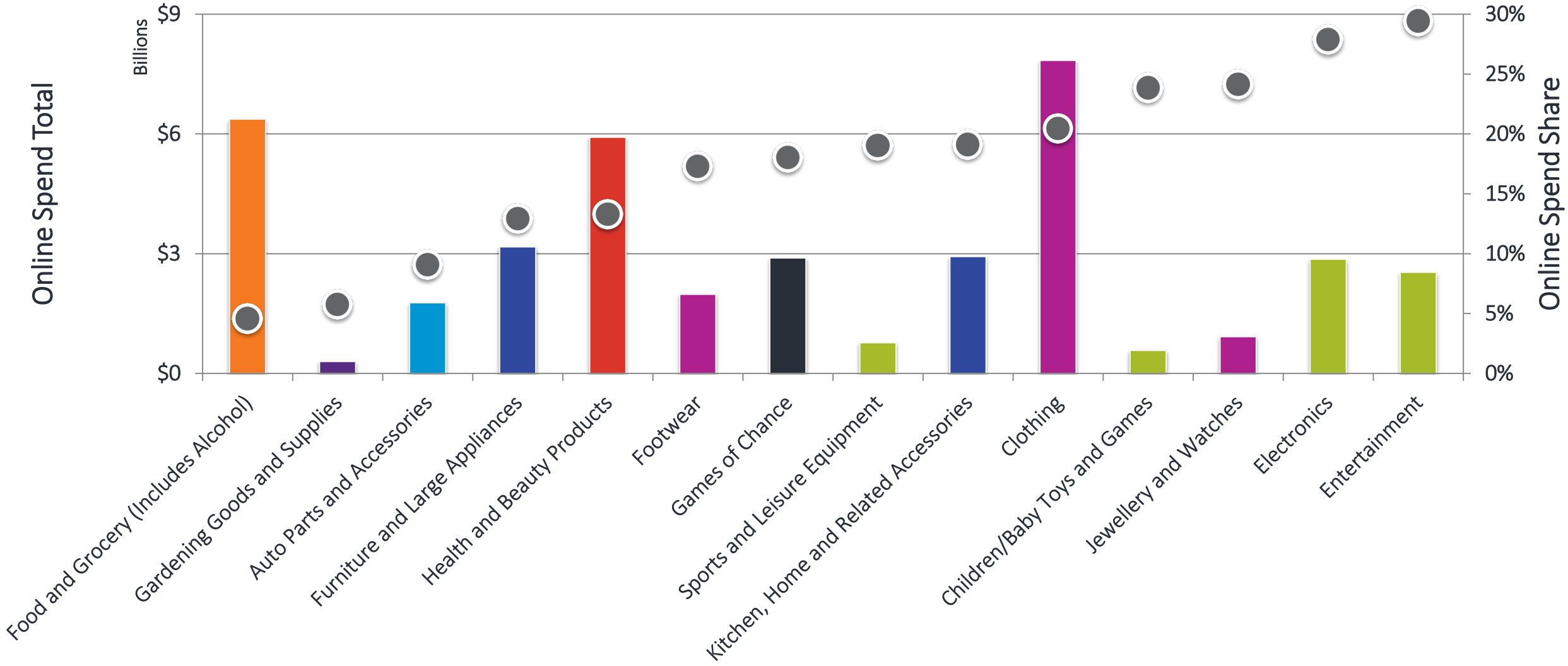
ONLINE SPEND (L) AND ONLINE SPEND SHARES (R) RANKED BY ONLINE SPEND SHARE, 2018



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THE VARIATION IS AT THE CATEGORY LEVEL

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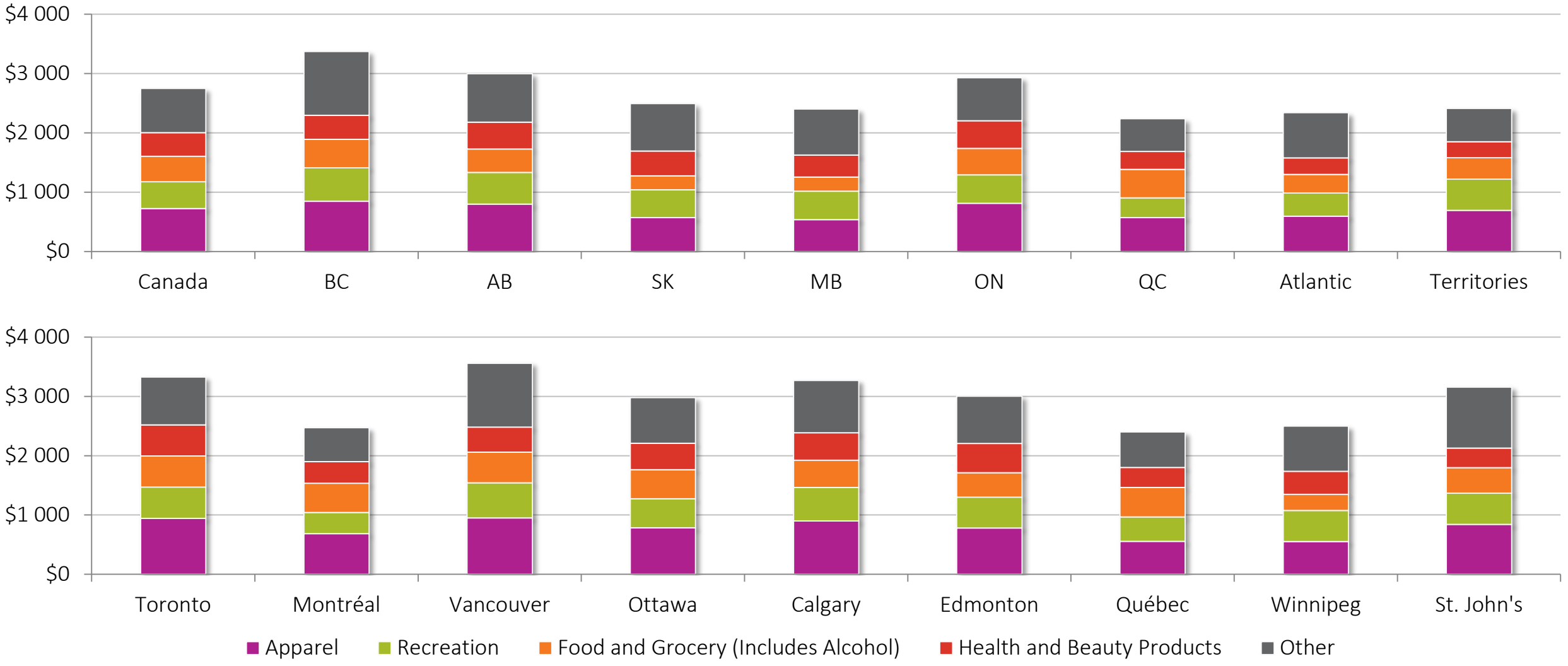
ONLINE SPENDING PER HOUSEHOLD BY UMBRELLA CATEGORY, 2018



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VARIATION BY ELIGIBLE SPEND AND SHARE BY PRIZM5

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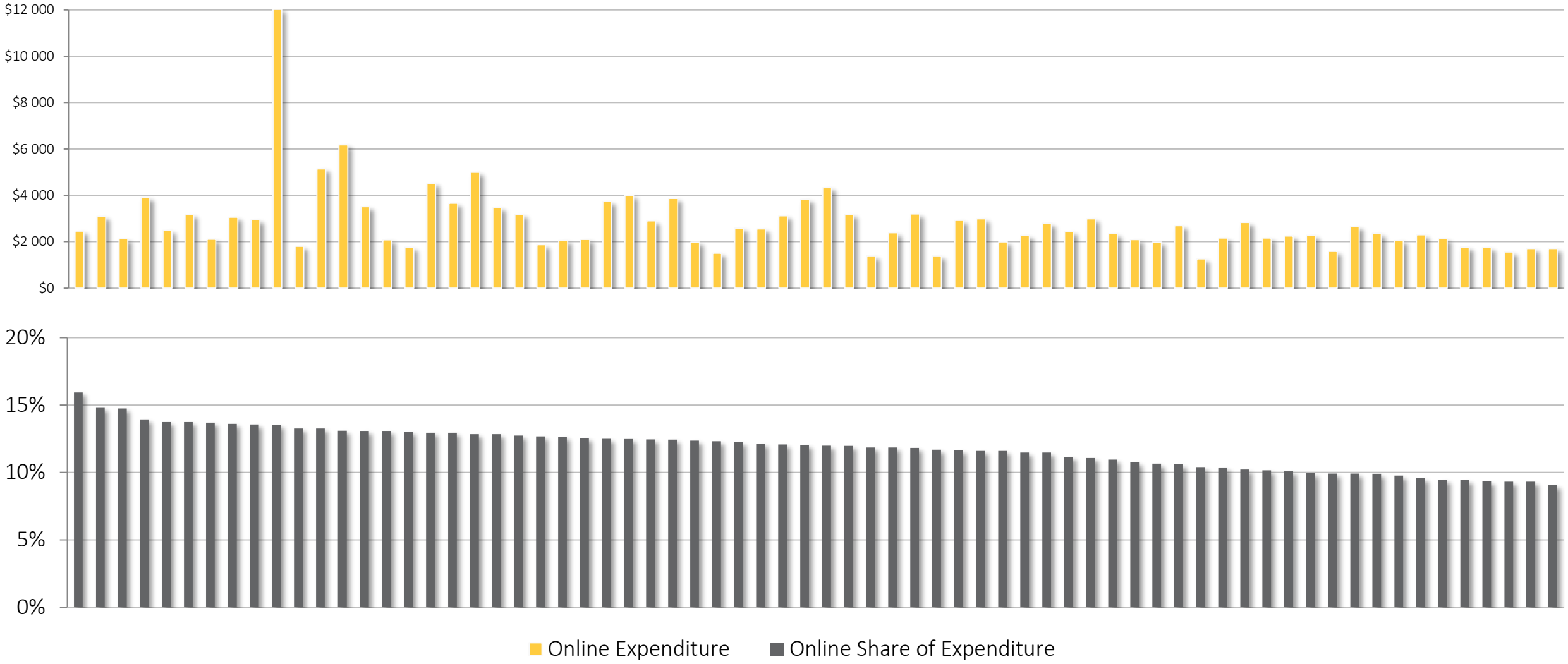
PRIZM5 ONLINE SPEND AND SHARE RANKED BY SHARE, 2018



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PRIZM5 ONLINE SPENDING COMPONENTS

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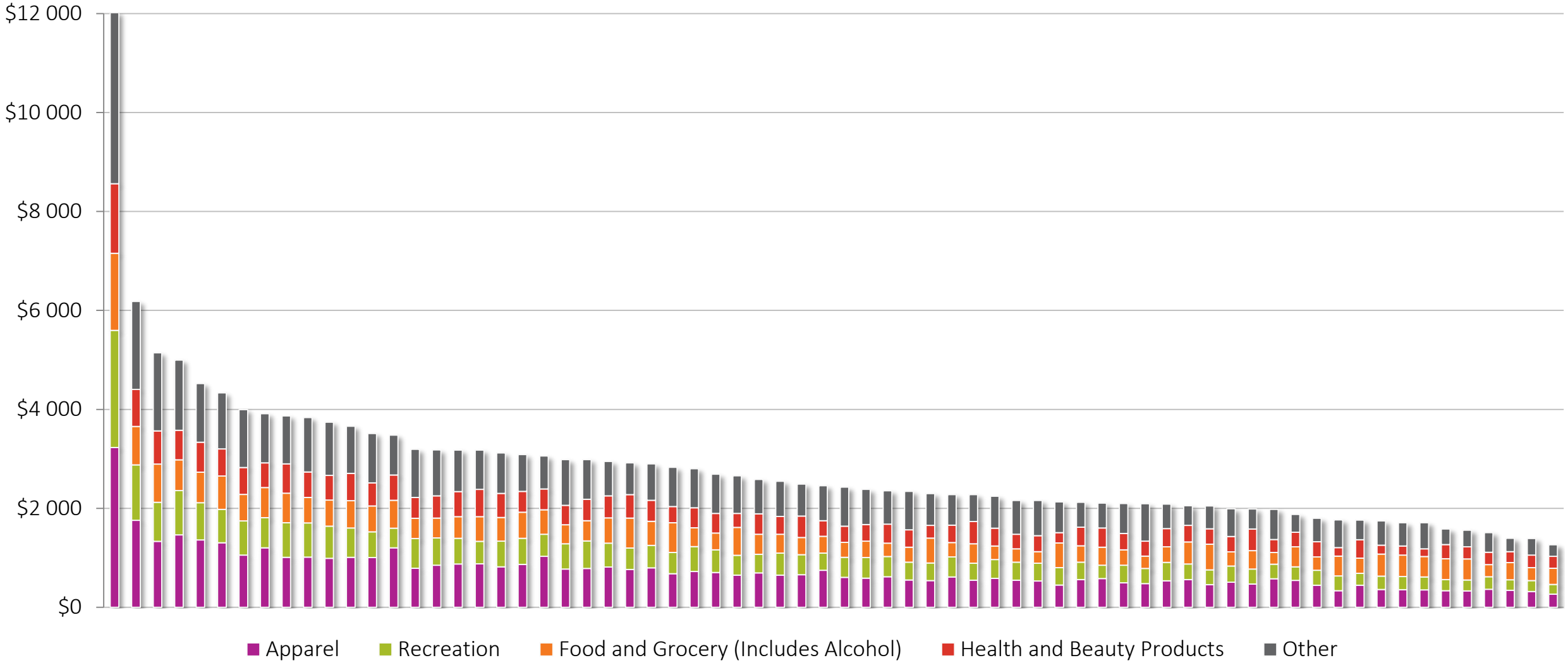
PRIZM5 ONLINE SPEND BY CATEGORY RANKED BY SPEND, 2018



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THE GREATEST VARIANCE IS AT THE CATEGORY LEVEL

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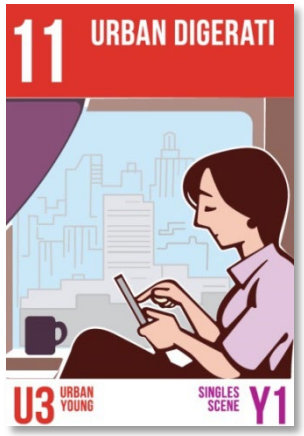
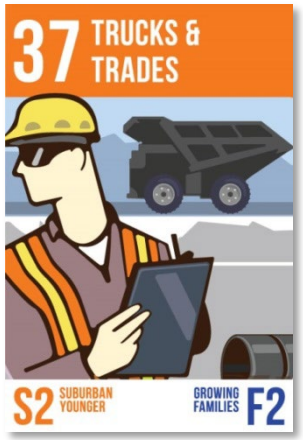
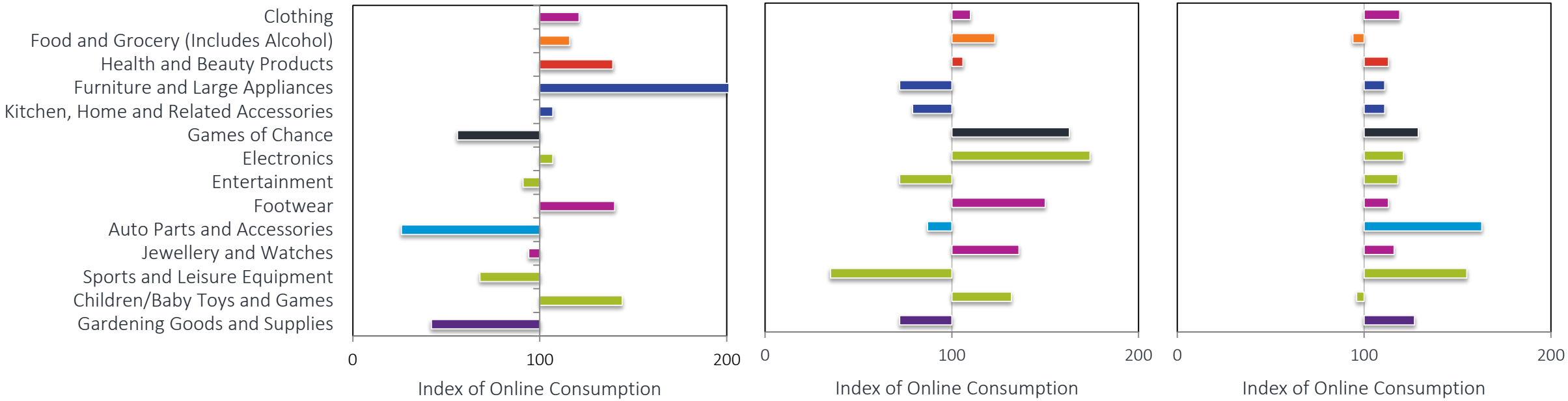
DESPITE SIMILAR TOTAL ONLINE EXPENDITURES, COMPOSITION VARIES DRAMATICALLY







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THE GEOGRAPHY OF ONLINE EXPENDITURE

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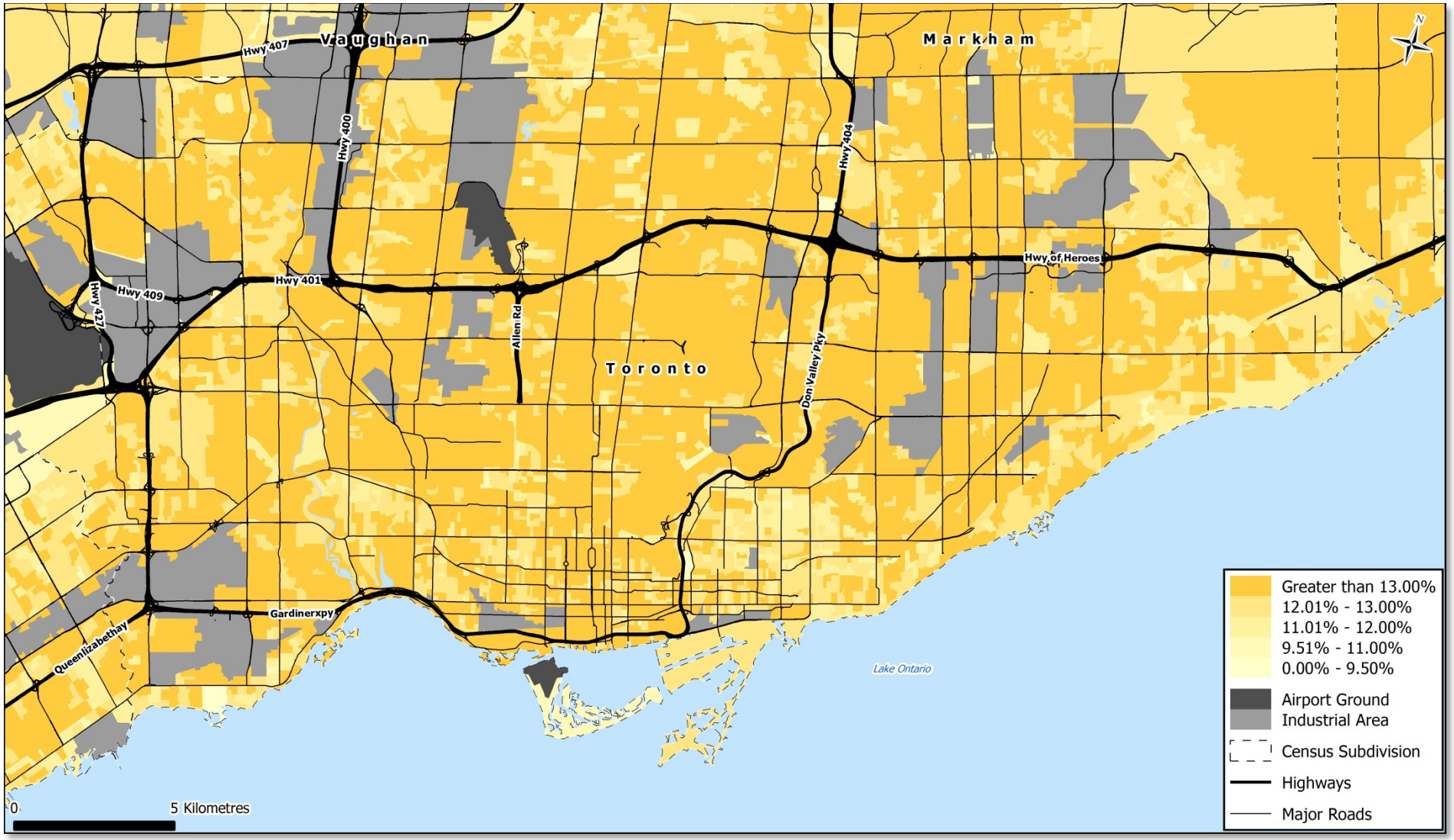
SHARE OF TOTAL ELIGIBLE EXPENDITURE SPENT ONLINE, 2018



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PATTERNS OF ONLINE EXPENDITURE VARY WITHIN CITIES…

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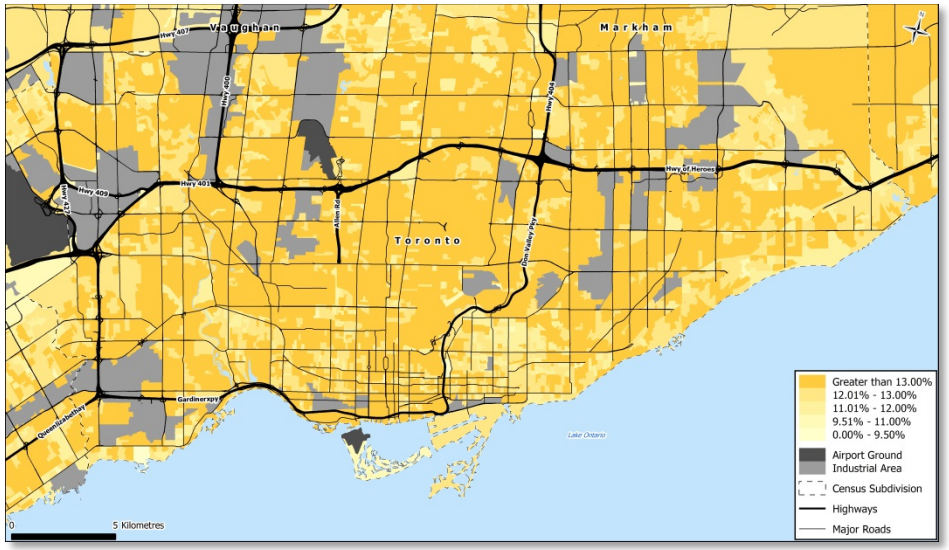
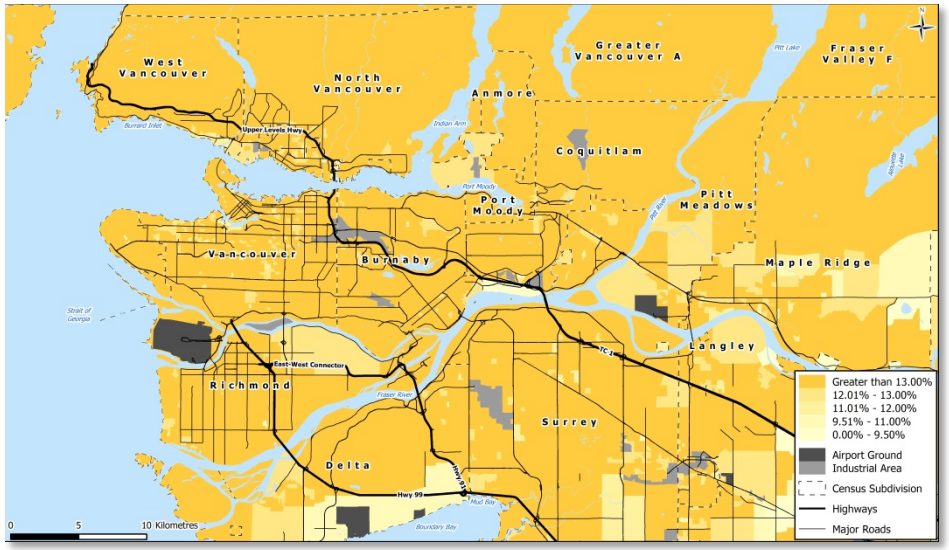
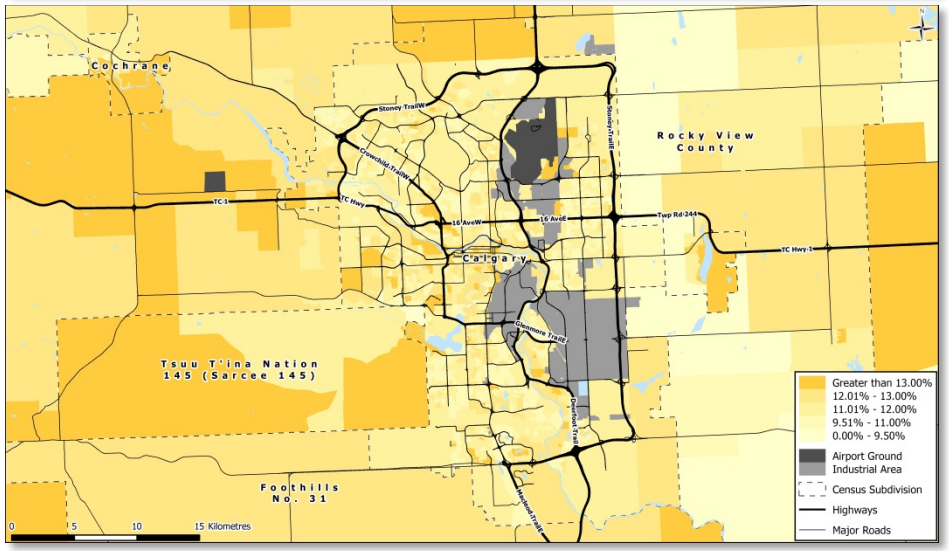
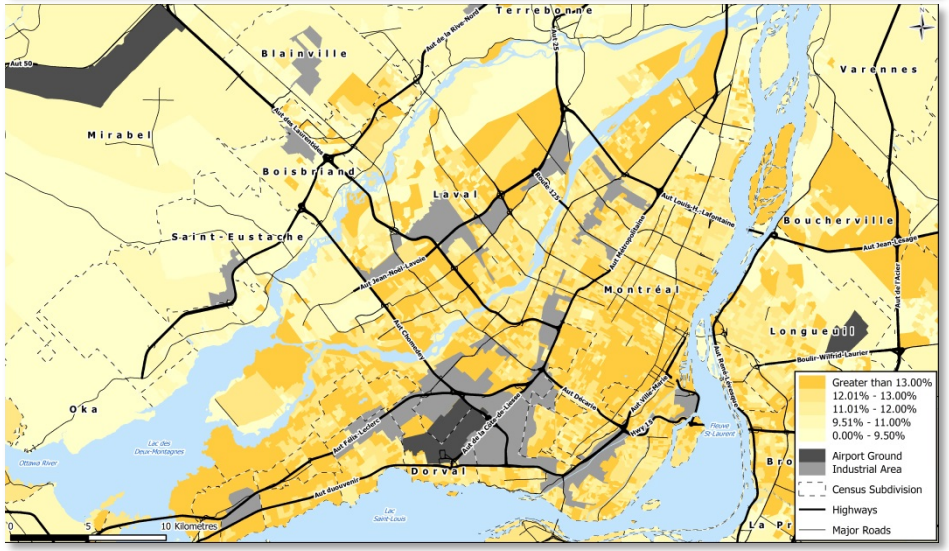
SHARE OF TOTAL ELIGIBLE EXPENDITURE SPENT ONLINE, 2018









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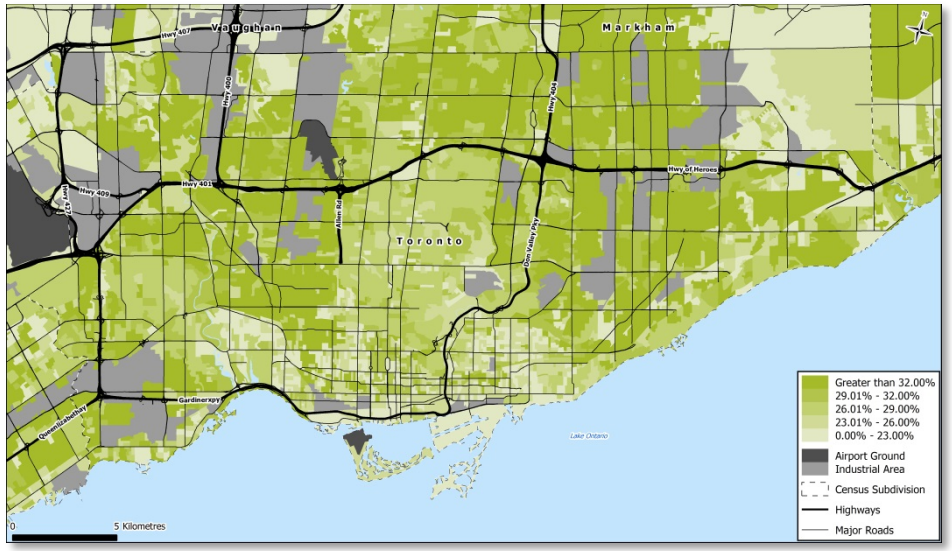
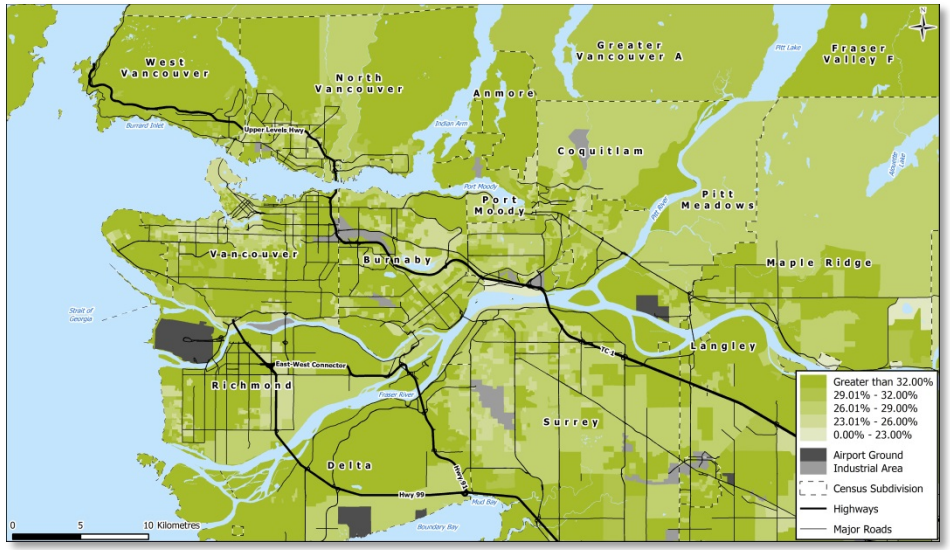
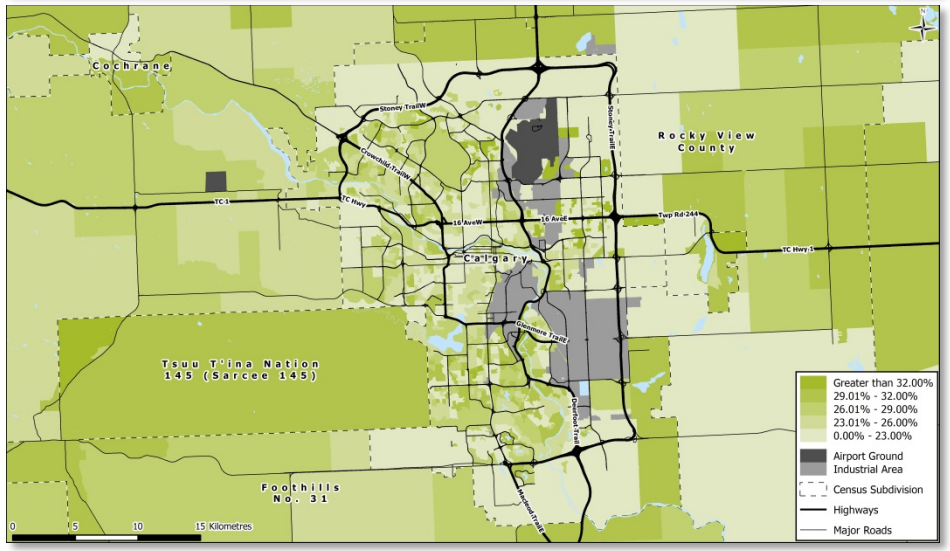
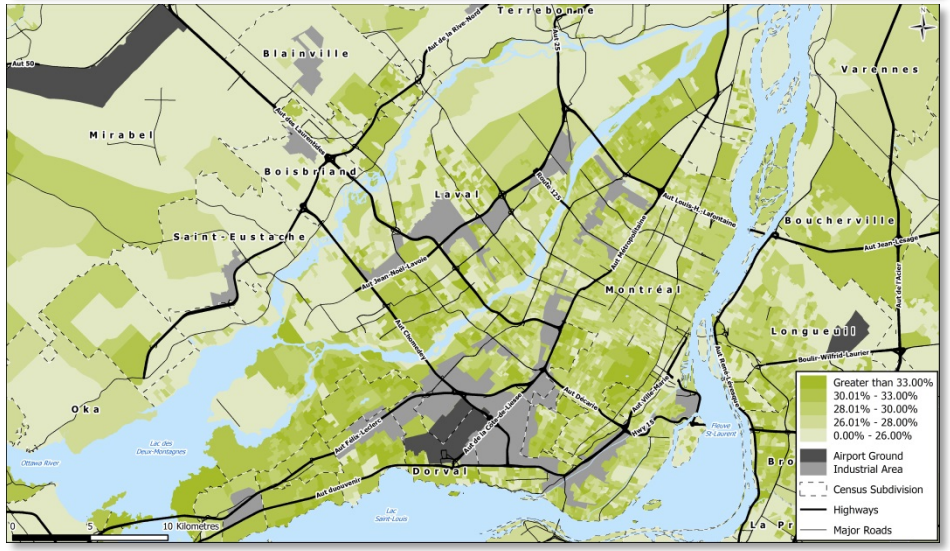
...AND BY CATEGORY

SHARE OF TOTAL ELECTRONICS EXPENDITURE SPENT ONLINE, 2018









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AGENDA

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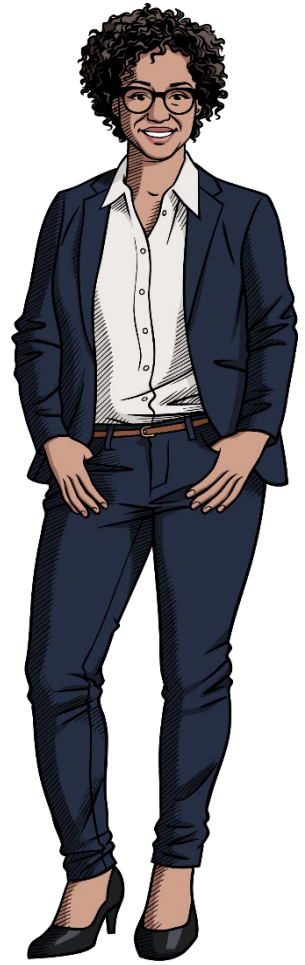

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COMMON APPLICATIONS

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SIZE THE MARKET

SHARE OF MARKET & POTENTIAL
SHARE OF WALLET

TARGET CONSUMERS

OMNICHANNEL PATTERNS

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ONLINE MARKET SIZE & SHARE (CANADA)

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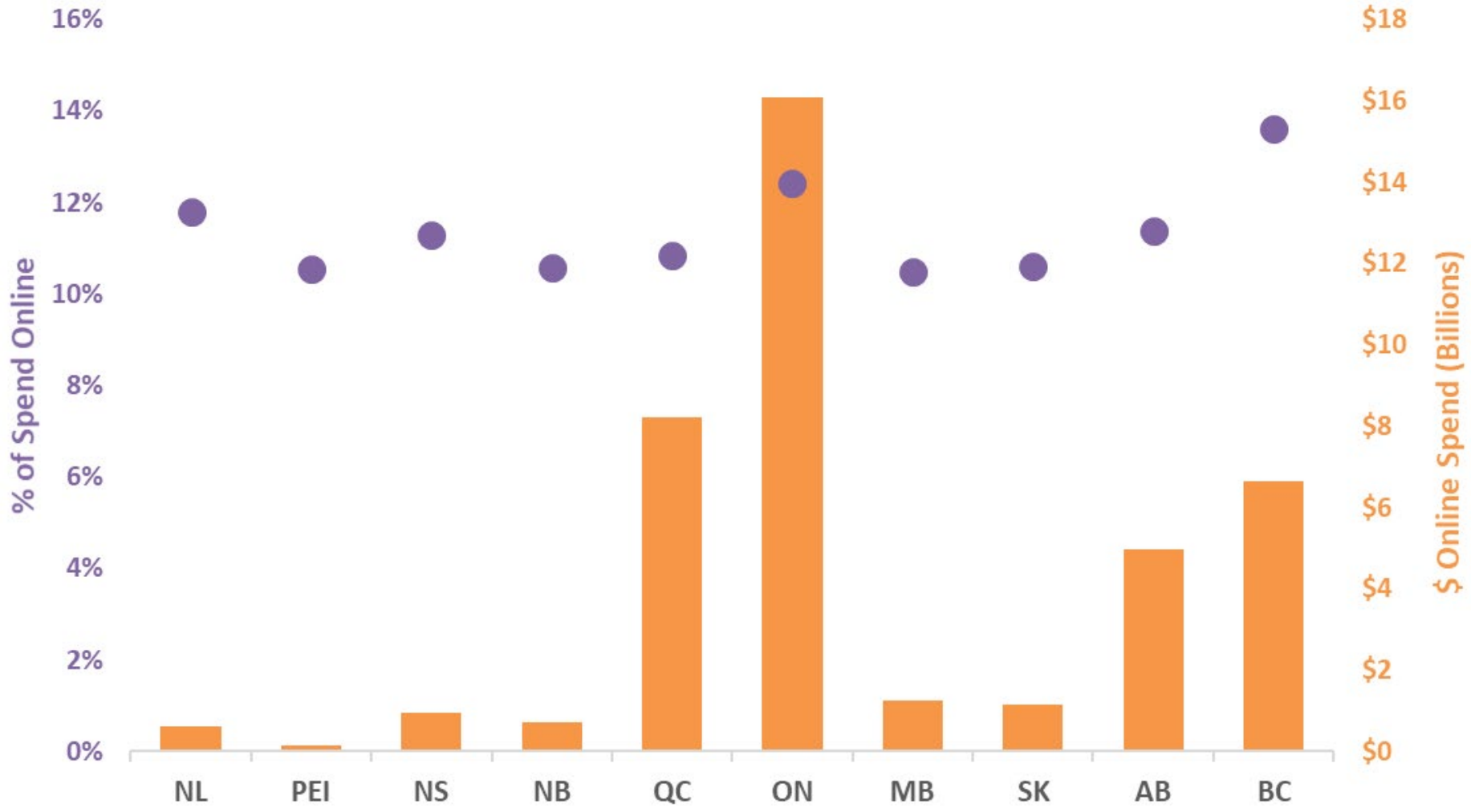
BY PROVINCE



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ONLINE MARKET SIZE & SHARE (CANADA)

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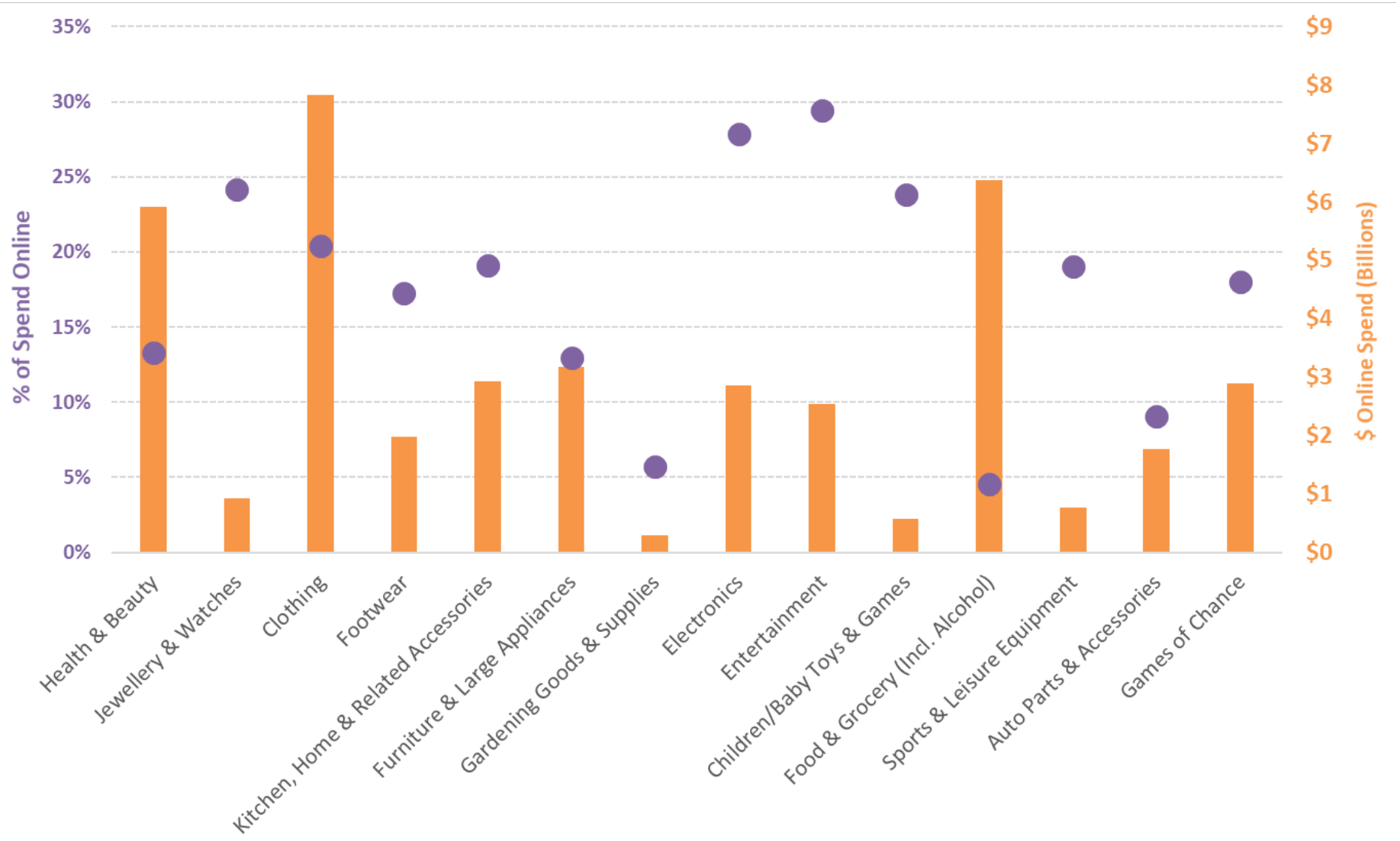
BY ONLINE SPEND CATEGORY



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COMPARING TWO CONTRASTING MARKETS

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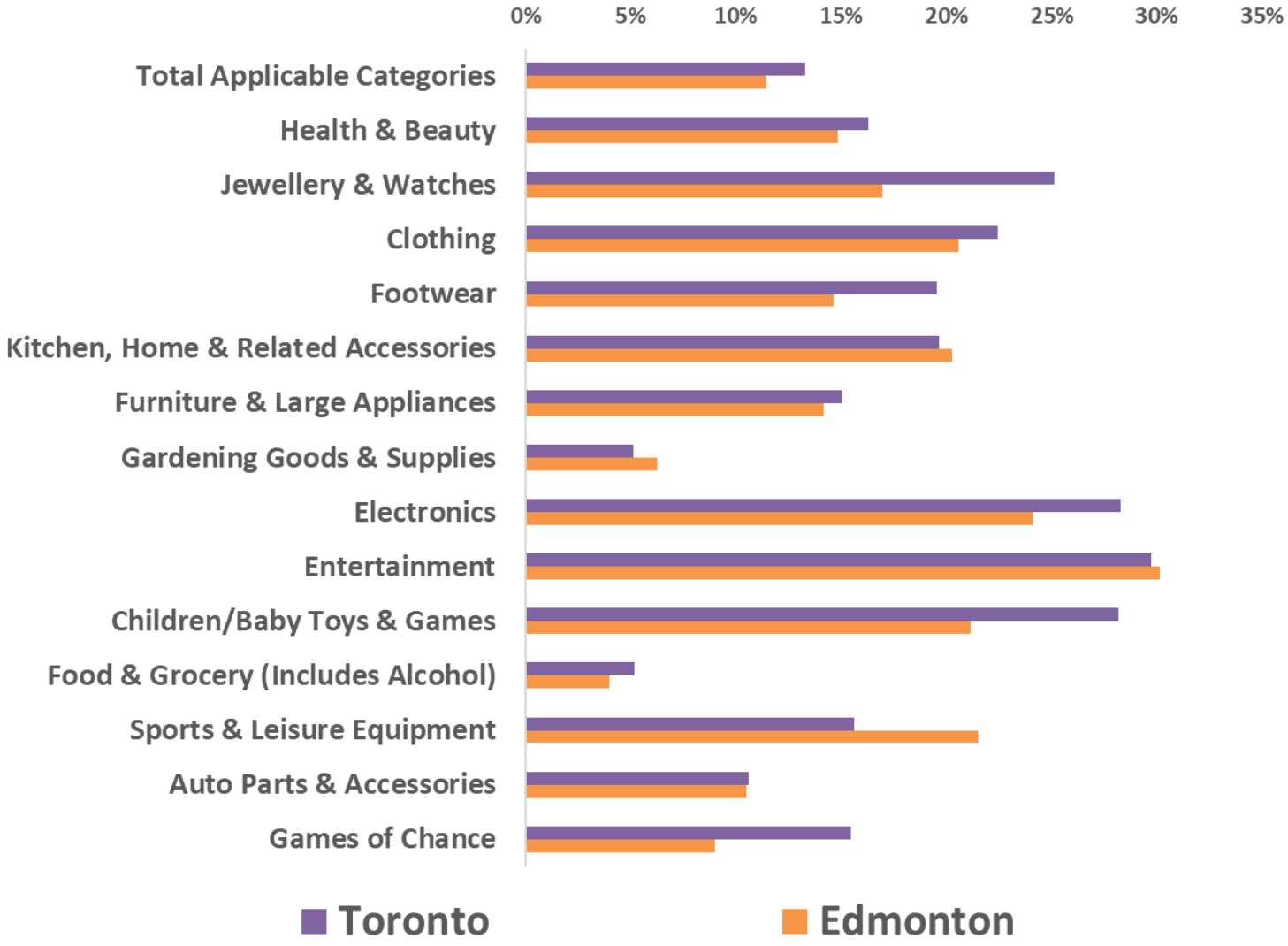
% OF SPEND THAT IS ONLINE - BY CATEGORY



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COMPARING TWO CONTRASTING MARKETS

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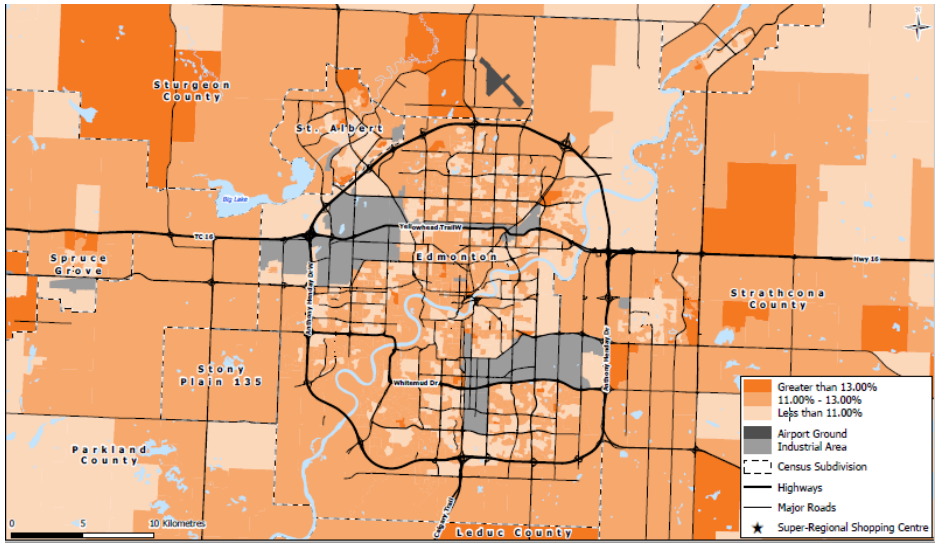
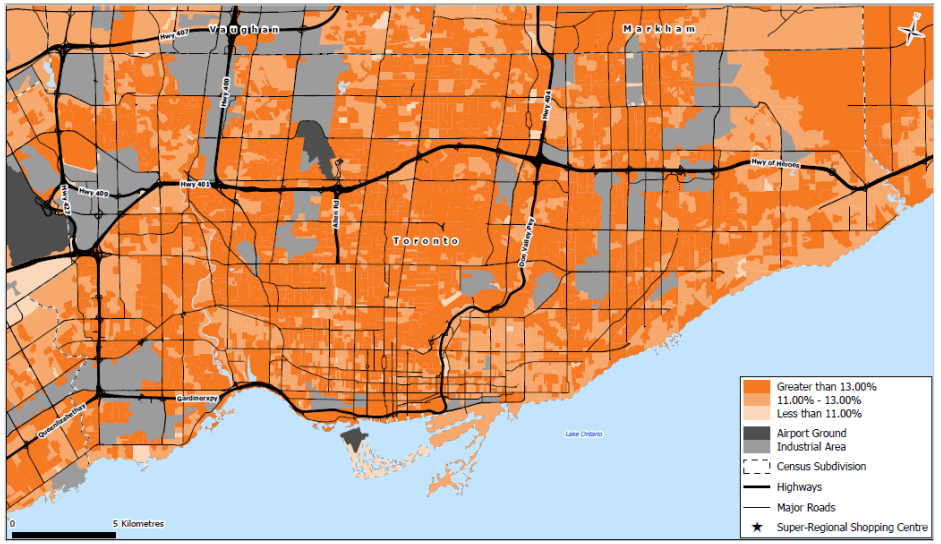
% OF TOTAL SPEND THAT IS ONLINE – BY DISSEMINATION AREA



EDMONTON



TORONTO

- Edmonton showing lower overall proportion of spend which is online compared to Toronto.
- Has implications for which markets hold greater relative risk for bricks and mortar development

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TOTAL HOUSEHOLD EXPENDITURE - % ONLINE

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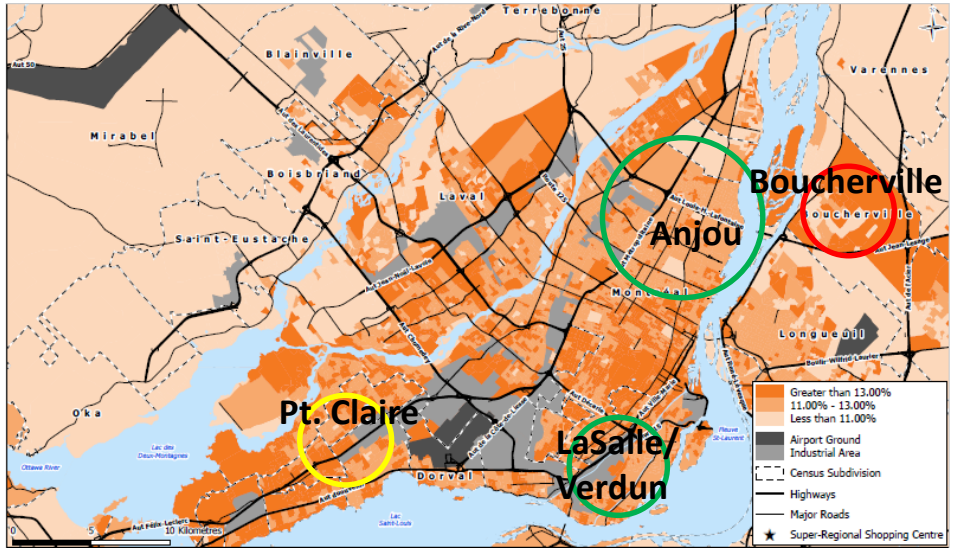
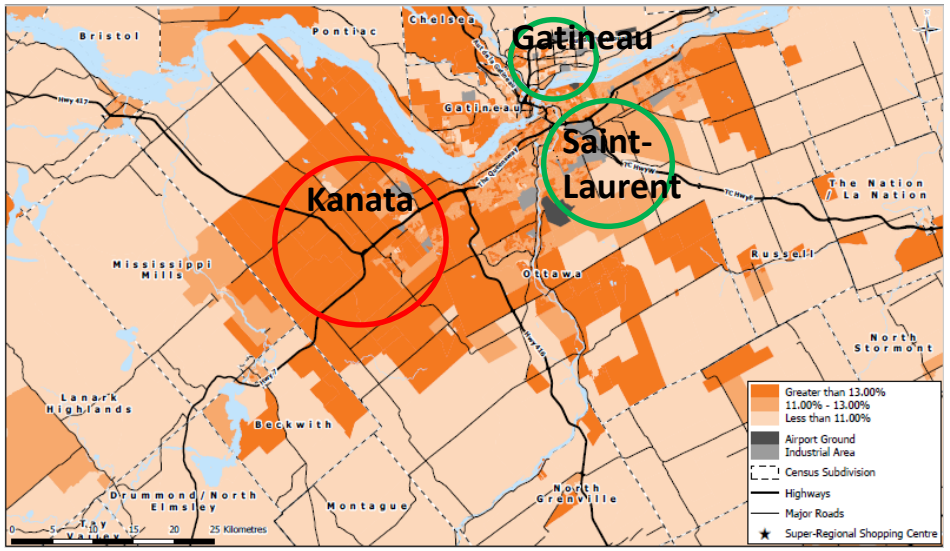
MONTREAL & OTTAWA ARE MORE FRAGMENTED



MONTREAL



OTTAWA-GATINEAU

RISK

HI

LO

- Boucherville
- Pt. Claire
- LaSalle / Verdun
- Anjou

- Kanata
- St. Laurent
- Gatineau

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BUT WHO ARE OUR ONLINE SHOPPERS?

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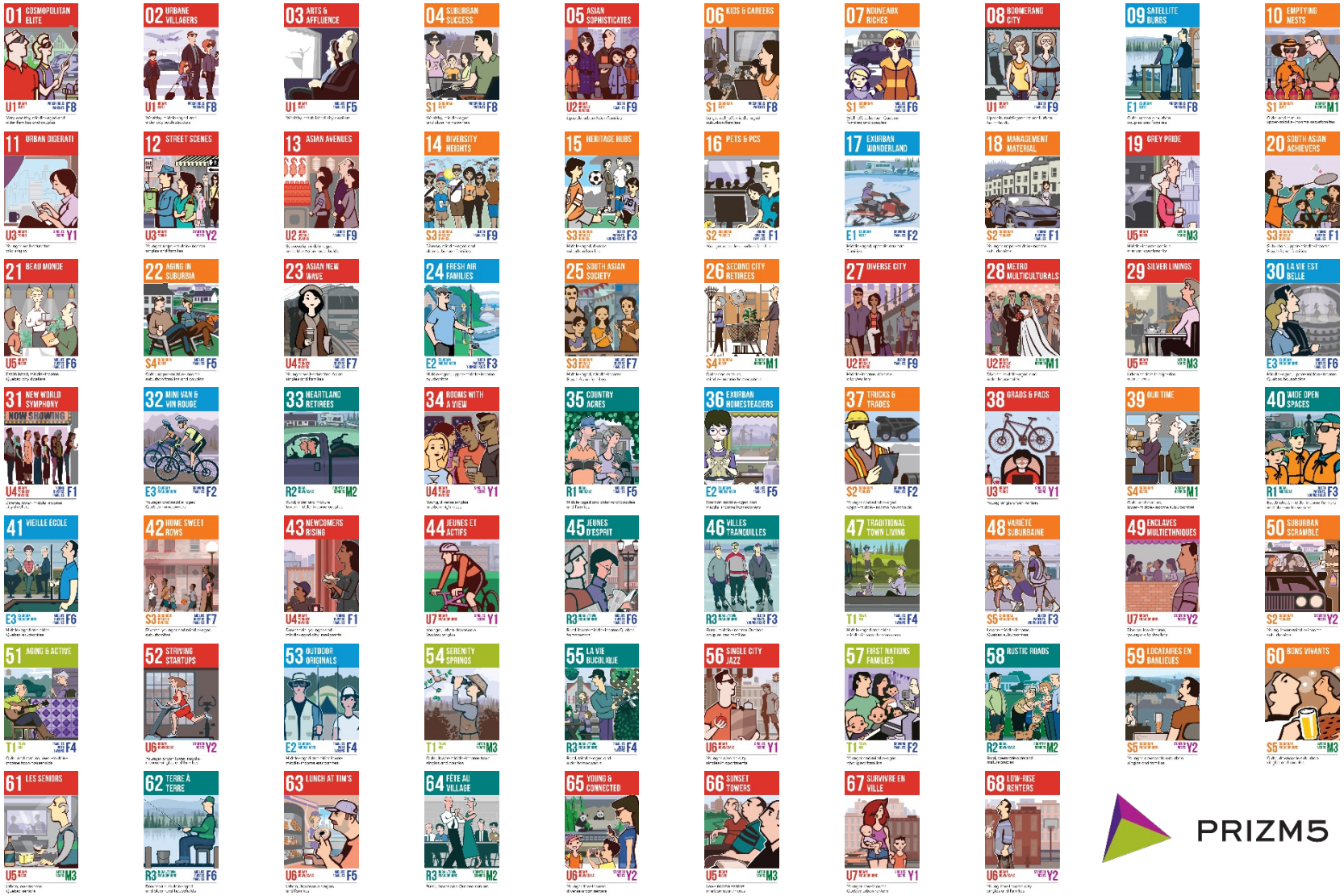

PRIZM5

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BUT WHO ARE OUR ONLINE SHOPPERS?

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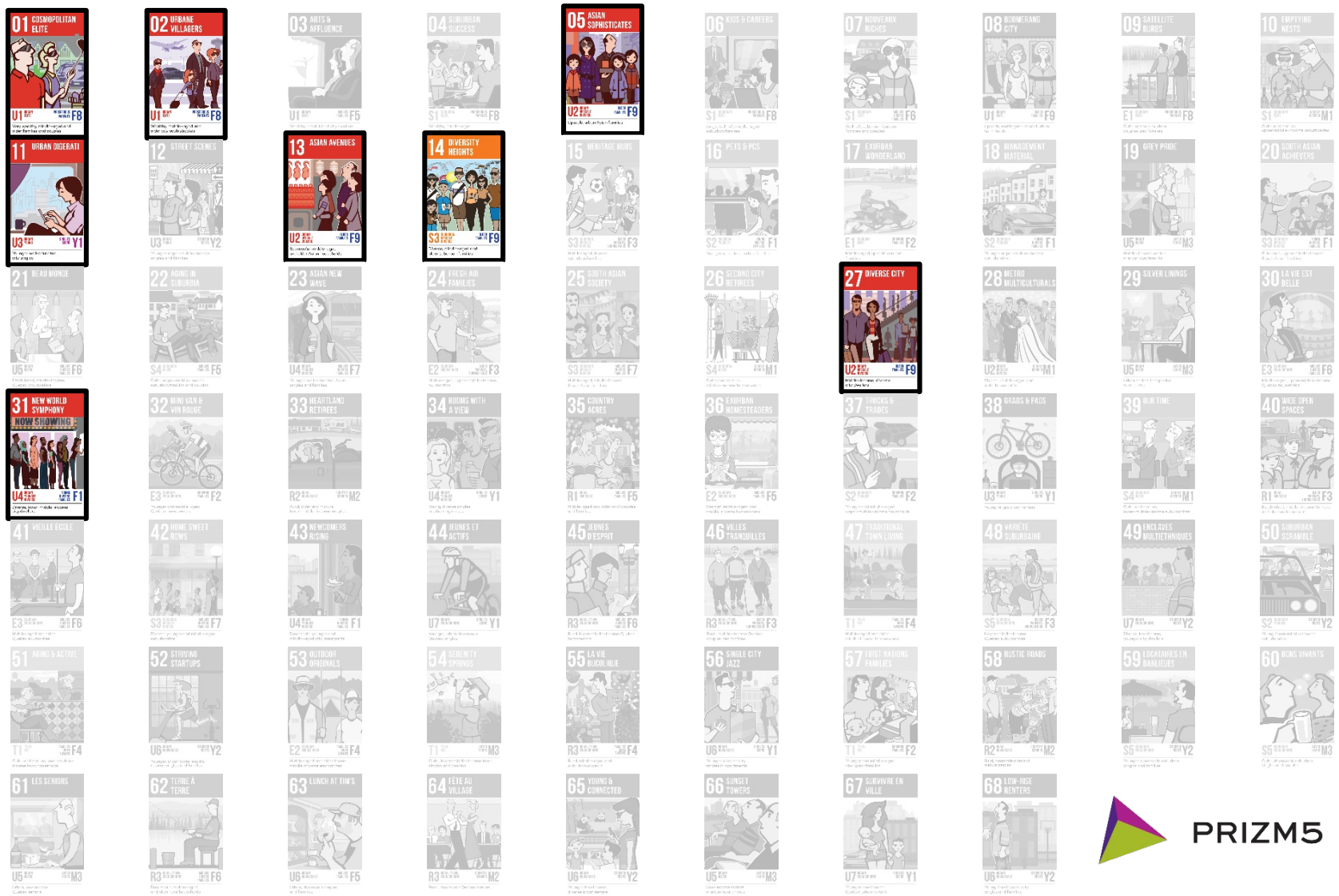

PRIZM5

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...AND WHERE DO ONLINE SHOPPERS LIVE?

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WHO ARE FOOTWEAR ONLINE SHOPPERS?

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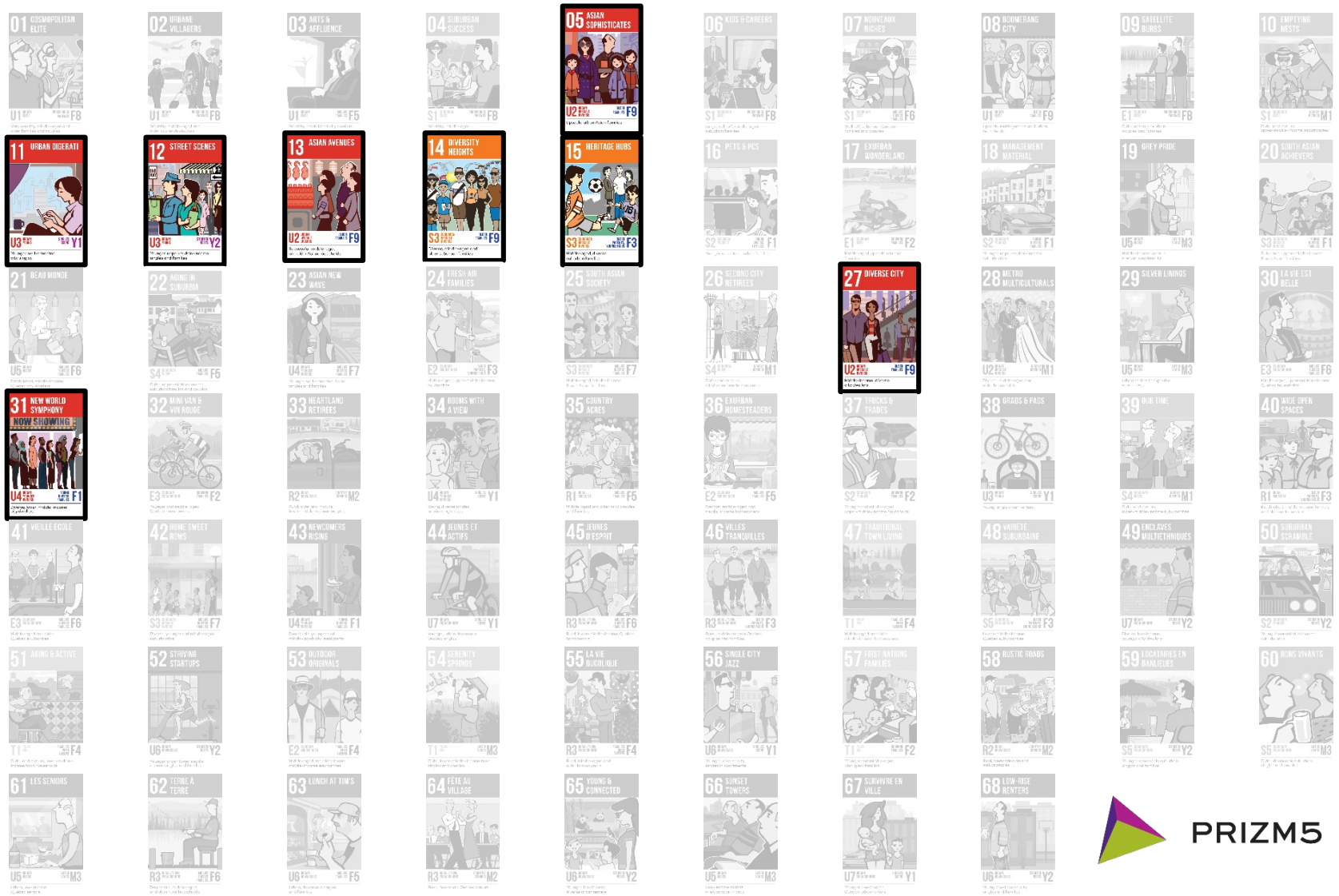

PRIZM5

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WHERE DO ONLINE FOOTWEAR SHOPPERS LIVE?

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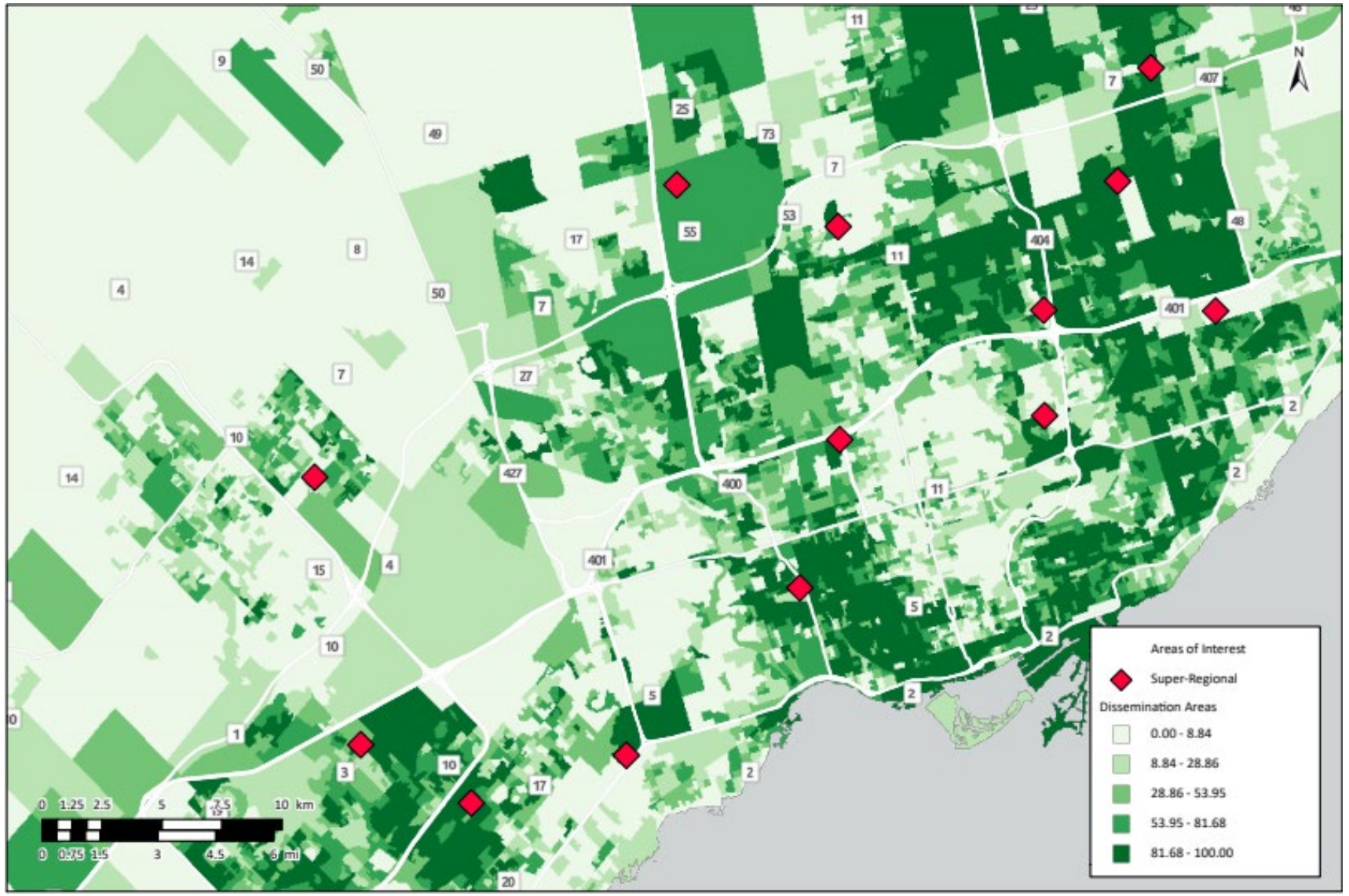

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FOOTWEAR: ONLINE SHOPPER PROFILE

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MARKET SIZE & ONLINE SHARE

$11.5B → $2.0B

17% Online Share

SOCIAL VALUES

Status Via Home (123)

Ostentatious Consumption (127)

Cultural Sampling (126)

DEMOGRAPHICS

Younger to Middle-Aged Families

$109K

White Collar

Multi-Family Homes

Homes after 1991

Non-Official Mother Tongue

MEDIA HABITS

Heavy Internet Use (121)

Read Newspaper Using Smartphone (125)

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ENVIRONICS ANALYTICS

WHO ARE ELECTRONICS ONLINE SHOPPERS?

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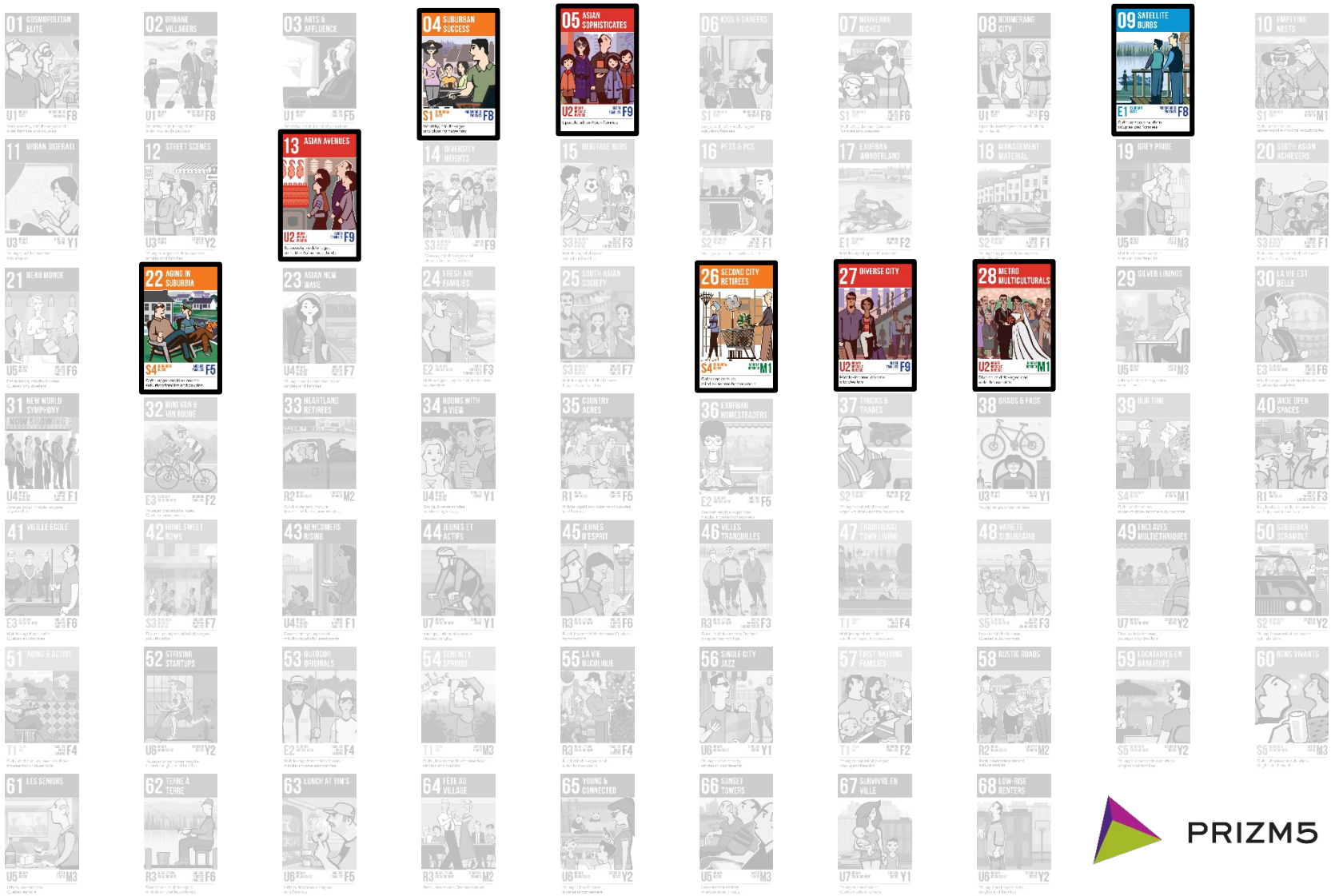

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WHERE DO ELECTRONICS ONLINE SHOPPERS LIVE?

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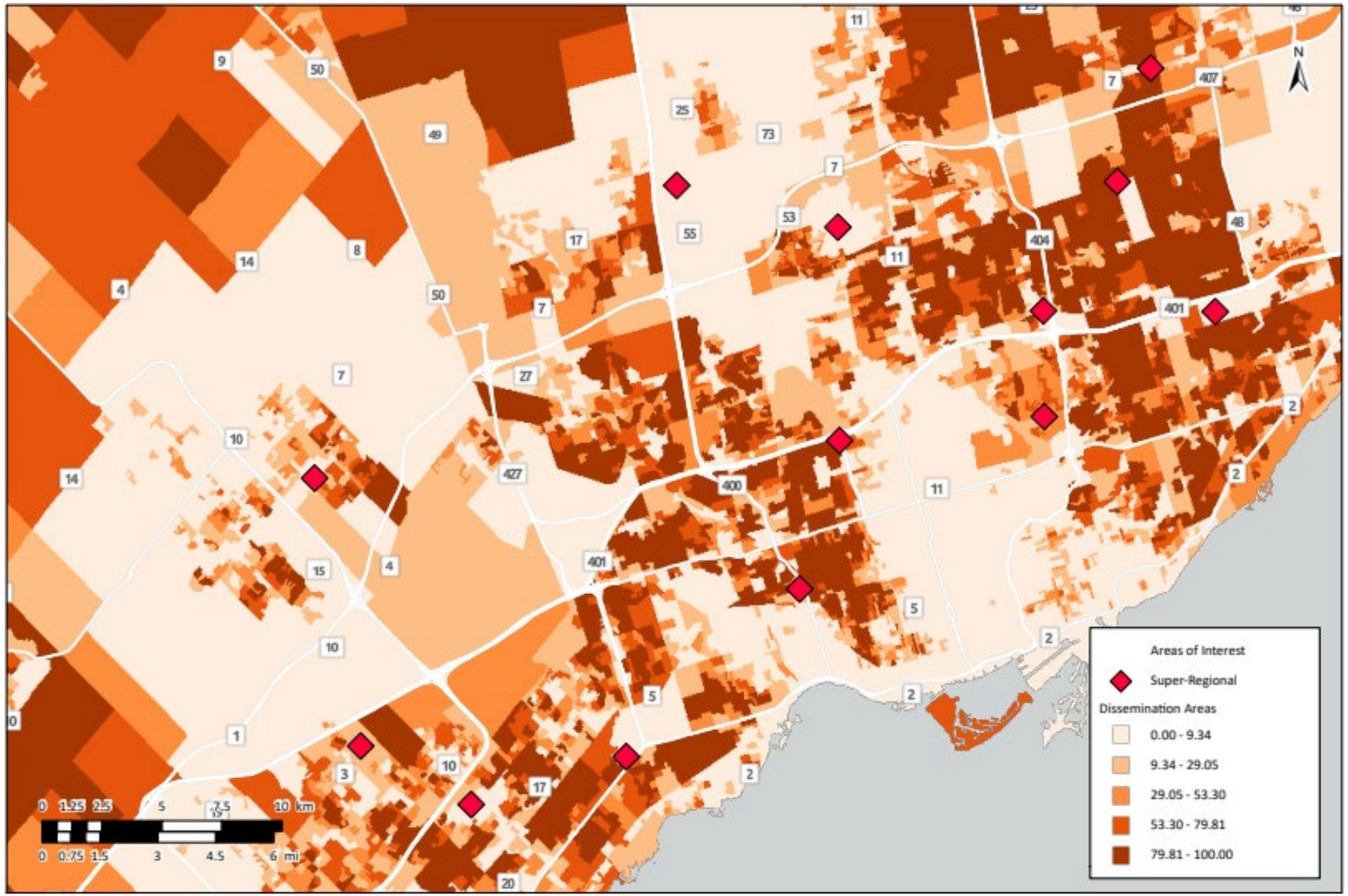

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ELECTRONICS: ONLINE SHOPPER PROFILE

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MARKET SIZE & ONLINE SHARE

$10.3B → $2.9B

28% Online Share

SOCIAL VALUES

Traditional Family (115)

Religiosity (111)

Legacy (110)

DEMOGRAPHICS

Middle-Aged & Older Families

$116K

White Collar

Single-Family Homes

Homes after 1991

MEDIA HABITS

Flyers in Community Papers (113)

Heavy Newspaper (120)

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WHO ARE HEALTH & BEAUTY ONLINE SHOPPERS?

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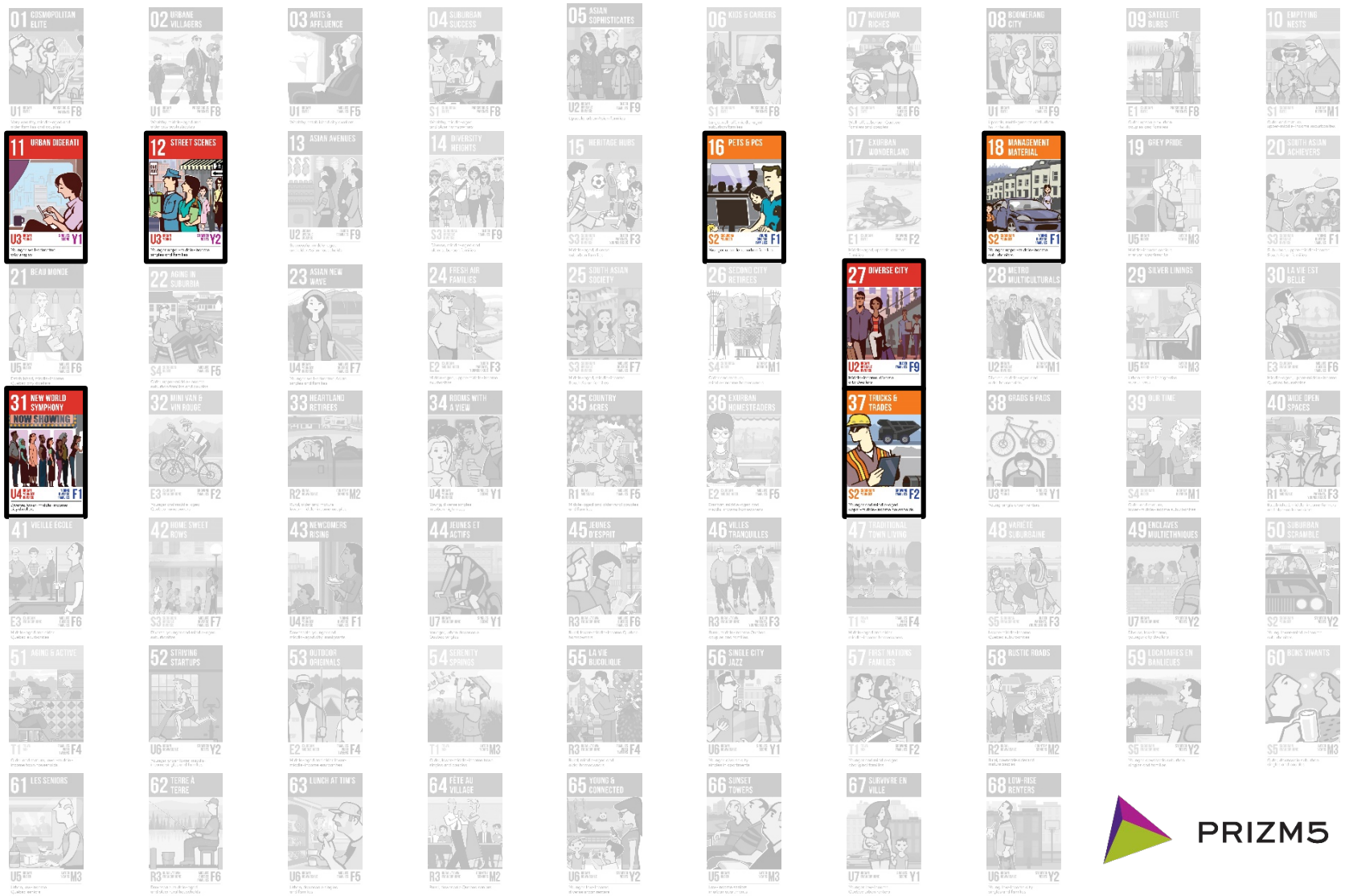

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WHERE DO HEALTH & BEAUTY ONLINE SHOPPERS LIVE?

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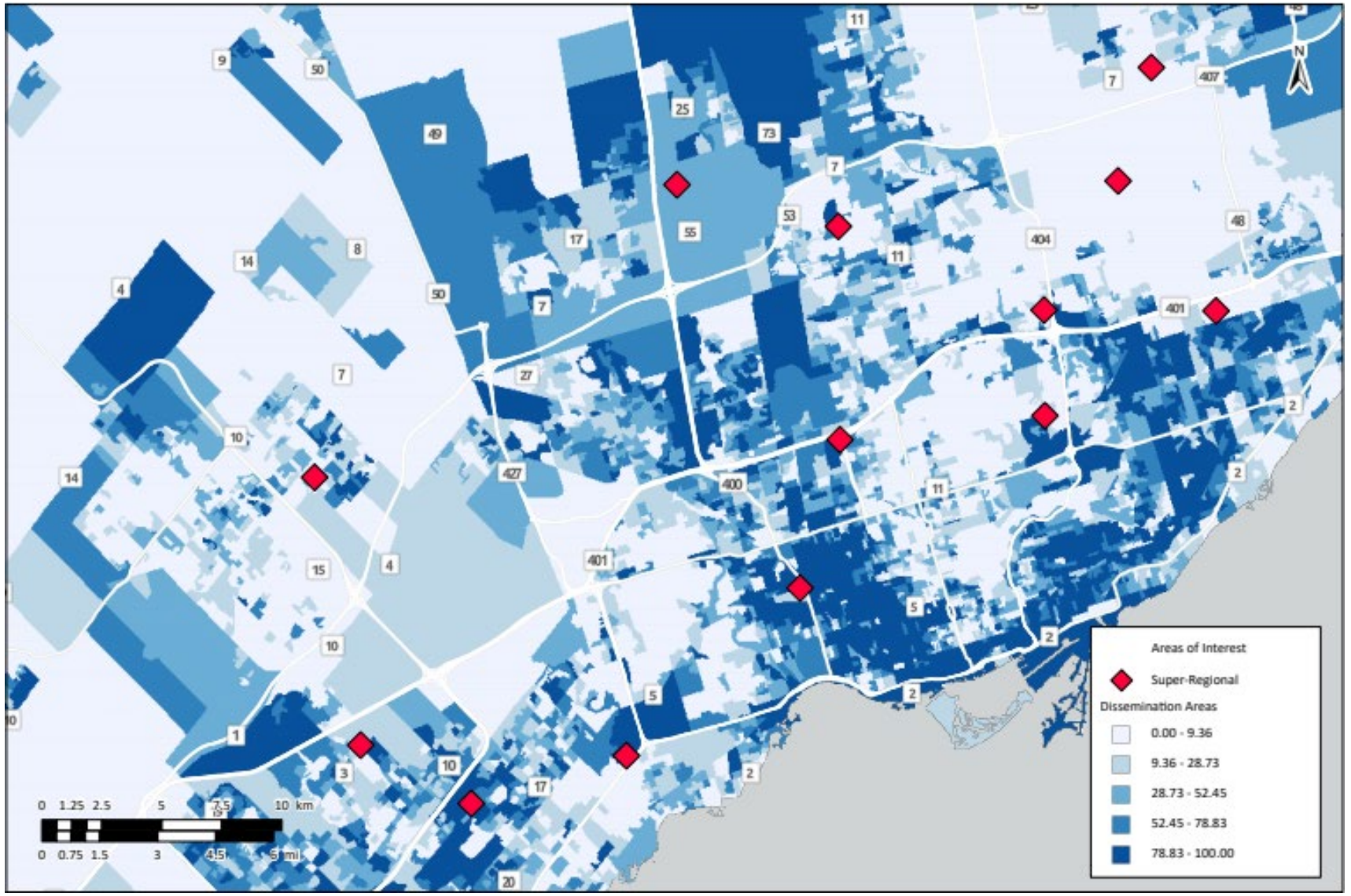

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HEALTH & BEAUTY: ONLINE SHOPPER PROFILE

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MARKET SIZE & ONLINE SHARE

$44.5B → $5.9B

13% Online Share

SOCIAL VALUES

Ostentatious Consumption (117)

Importance of Brand (116)

Cultural Sampling (120)

DEMOGRAPHICS

Younger to Middle-Aged Families

$119K

White Collar

Multi-Family Homes

Homes after 2001

Non-Official Mother Tongue

MEDIA HABITS

Heavy Internet Use (121)

News Radio (169)

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KEY LEARNINGS

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NEW METHODS TO MEASURE SHARE

DEEPER INSIGHT = ACTIONABILITY

REGIONAL VARIATIONS ABOUND

KEY VARIABLES AFFECT STRATEGY

DEEPER ANALYTICS

NEW TOOLS FOR EXECUTION

TARGET AT HYPER-LOCAL LEVEL

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QUESTIONS?

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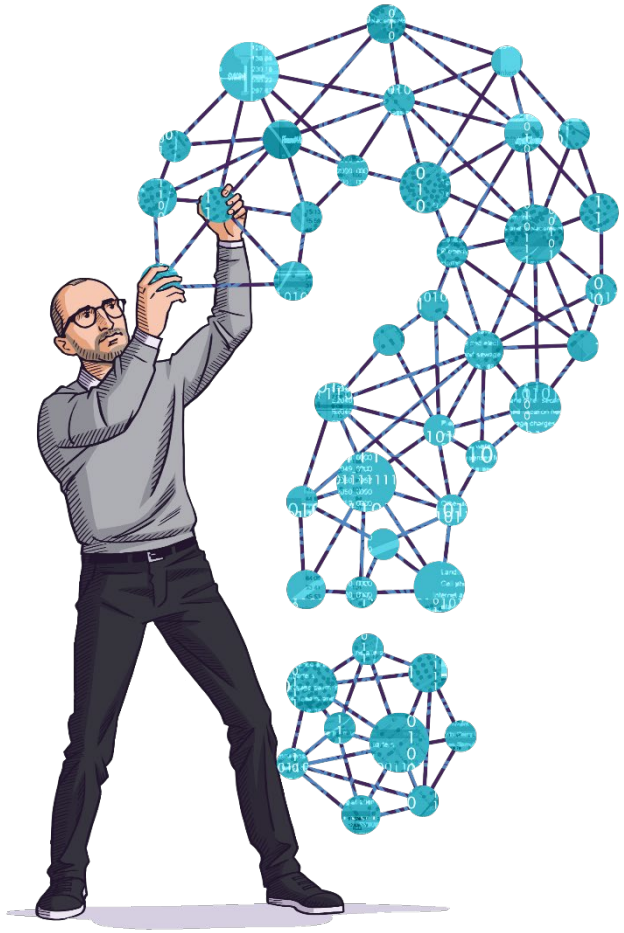

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Thank You

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