



CADDLE



Understanding Factors Driving Share of Wallet Among Key Canadian Demographic

**In the Grocery Aisle:
South Asian & Southeast Asian Canadians**

**Product Selection, Price, Quality, &
Brand Preference**

are Key Drivers

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June 27 is officially Canadian Multiculturalism Day. Yet for Canadians living in all but the most rural of areas, every day of the year offers unique opportunities to interact with people from ethnic backgrounds, cultures and origins different from their own.

We've previously explored how immigration is driving Canada's growth rate. And though attitudes toward multiculturalism vary from region to region, the Canadian government has made long-established efforts to bring newcomers to our cities. As a matter of fact, Canada [welcomed 341,000 immigrants](#) (0.9% of the total population) in 2019 alone—exceeding its federal targets by more than 10,000.

These days, Canadian residents come from more than 250 different ethnic origins and ancestries and, as of the [last census](#) (conducted in 2016) about 22% were born outside of Canada—including more than 48% who immigrated from Asia. Among those, South and Southeast Asians make up [about a third](#) of Canada's immigrant numbers every year, including people from India (25% of all newcomers), people of Filipino origin (a further 8%), and people from Pakistan (another 3+%) in 2019.

It's little wonder, then, that stores across the country offer a wide array of international food products that cater to a range of Canadians—from the newly immigrated to second- and third-generation residents and otherwise.

So, let's explore the key levers that drive Canadian consumers' decision-making on international and specialty foods. Specifically, we dive deeper into the shopping patterns and preferences of South Asian and Southeast Asian Canadian consumers, to uncover how two retail banner extensions—T&T Supermarket (a Loblaw's company) and Voilà by Sobeys (the new online grocery arm of Empire, currently being tested in 3 markets)—deliver against purchase drivers including selection, price and quality to influence share of wallet of ethnic populations. Finally, we review our [In-Store Grocery CX Tracker data](#)—where we outlined the Net Promoter Scores (NPS) and associated attributes for 12 of the top grocery retail banners across the country—to shed additional light on how well these banners are meeting the particular needs of Canada's South and Southeast Asian consumers.

Did you know? While Toronto, Vancouver and Montreal are considered to be gateway cities for newcomers to Canada, other communities across the country pull far above their weight in bringing immigrants into their folds. This includes cities like Charlottetown, P.E.I. and Regina, Saskatchewan, both of which welcomed [2.4%](#) of their total per capita populations in 2019.

Get to Know Canada's South & Southeast Asian Population

(Source: 2016 Census Profile)

South Asian Canadians {origins: Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, Sri Lanka; also known by cultural backgrounds, e.g., Bengali, Goan, Gujarati, Punjabi, Tamil, etc.}

Nearly 2 million people of South Asian descent live in Canada (5.6% of the total population), making them the country's third-largest pan-ethnic group after Europeans and East Asians.

The majority (67%) live in Metro Vancouver and Greater Toronto areas; together, they make up nearly 30% of the combined populations of the cities. Other notable South Asian Canadian communities can be found in Calgary (123,000), Edmonton (92,000) and Montreal (91,000).

Southeast Asian Canadians {origins: Cambodia, Laos, Myanmar, Peninsular Malaysia, Thailand, Vietnam, and countries of the Malay Archipelago (Andaman and Nicobar Islands, Brunei, East Malaysia, East Timor, Indonesia, the Philippines, and Singapore)}

People of Filipino and Vietnamese origin comprise a sizable portion of Southeast Asians living in Canada (837,000 and 241,000, respectively), followed by Cambodians (39,000), Laotians (25,000), Indonesians (21,000) and other, smaller communities.

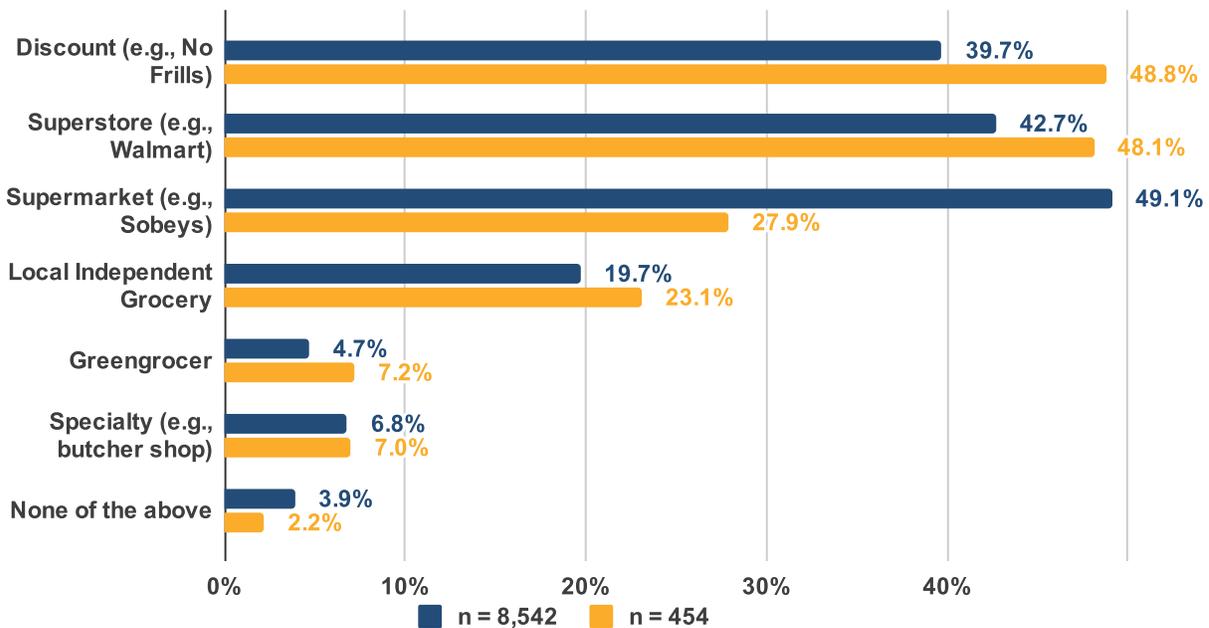
The majority of Southeast Asians live in urban centres in Ontario (Toronto, Mississauga) and Quebec (Montreal), while smaller percentages live in Alberta (Calgary, Edmonton), Manitoba (Winnipeg) and British Columbia (Vancouver).

How Do Shopping Habits of South & Southeast Asian Canadians Differ from Others?

While Canadian consumers of all backgrounds tend to prioritize larger retail stores in their weekly shopping plans—including 50% of consumers who shop at supermarkets and 43% who shop at superstores—South and Southeast Asian Canadians report shopping at discount grocery stores the most, followed by superstores. And they put just about equal weight on local independent grocery merchants and chain supermarkets. This suggests that, by and large, these consumers are looking for value from their grocery spend just as much as product and brand selection.

Q: What type of grocery store(s) do you shop at on a weekly basis? (select all)

December 14, 2020



General Population vs. South & Southeast Asian Population

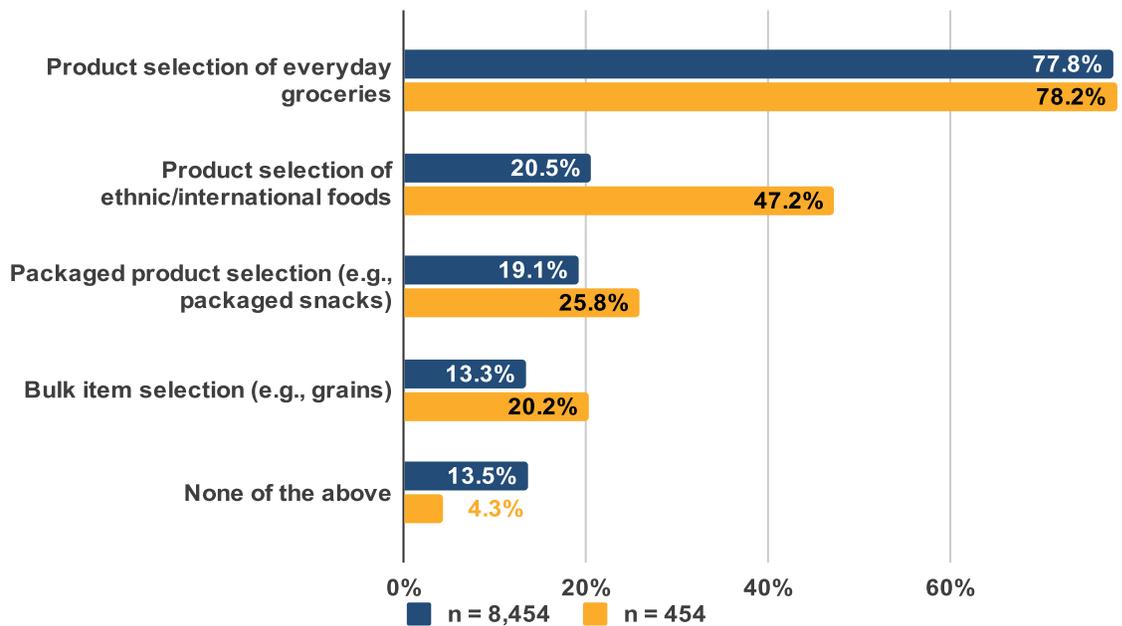
What Factors Do Canadian Shoppers Value Most in Their Grocery Journey?

Among the general population, everyday grocery product availability far outweighs any other considerations (77.8%, compared to <20.5% for measures like ethnic or international food selection, packaged snacks and bulk items).

Everyday product availability is especially important for Gen Xers and Baby Boomers, who each over-index by about 5 points or more.

**Q: Which of the following factors do you consider when deciding where to purchase groceries?
(select all)**

December 14, 2020



General Population vs. South & Southeast Asian Population

This trend continues when we look at South and Southeast Asian consumers, who slightly over-index on the availability of everyday grocery items. What’s more, though, ethnic/international food selection is at least 2x more important to them than the general population. Meanwhile, packaged product selection, including snacks, also ranks slightly higher than for the general population.

How Often Do Canadians Purchase International/Speciality Foods?

Nearly two-thirds of South and Southeast Asian Canadian consumers purchase ethnic, international or speciality foods at least weekly.

(This includes 16% who make such purchases “daily”/“multiple times per day”—perhaps indicating that they choose these types of products for snacks).

Compare this to the general population, about 1 in 5 of whom purchase ethnic/international foods “a few times a month,” “less often than monthly” or not at all.

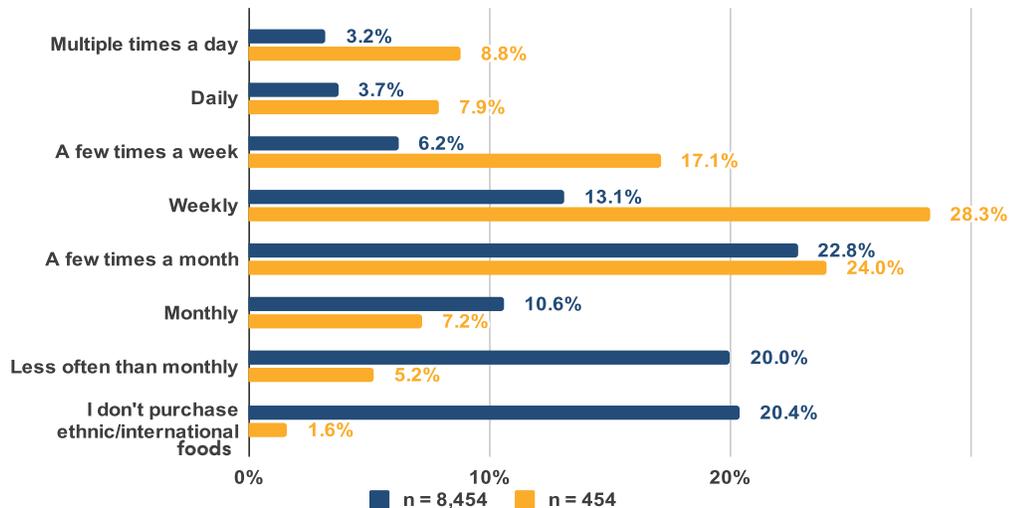
Which generation purchases ethnic foods most frequently? Gen Z!

- 16% shop weekly
- 8% shop multiple times per day



Q: How often do you purchase international/specialty foods?

December 14, 2020



General Population vs. South & Southeast Asian Population

Meanwhile, 82% of South and Southeast Asian Canadian consumers purchase ethnic or international foods on the same trip as their regular grocery shopping.

Interestingly, among this segment of the population, 4% indicate that they don't purchase ethnic/international foods at all. This contrasts with 56% of the general population who combine their ethnic food purchasing with the rest of their grocery shopping, while almost 1 in 5 don't make ethnic/international food purchases at all.

How Two Popular Grocery Retail Chains Compare in Meeting the Needs of Diverse Canadian Shoppers

We learned in our retail report [“The Great Divide: One Country, Multiple Cohorts”](#) that consumer demographics greatly influence shopping decision-making. This is particularly evident when we consider what different generations are looking for from their customer experiences (CX). So, for instance, we know that Millennials are especially critical of the online CX being delivered by most retail stores, while Baby Boomers are far more forgiving of both in-store and online CX snafus.

Yet, overall, across all measures—including speed to shop and checkout, layout and signage, in-store CX, cleanliness and hygiene, product availability and more—big box behemoth Costco came out on top for both Millennial and Boomer generations, while their competitor Walmart finished last among 12 of Canada's top grocery retailers.

Because we're a curious lot at Caddle, we've continued to dig deeper, using ethnicity as a lens to understand how well two specific retail banner extensions—T&T Supermarket (a Loblaw's company) and Voilà by Sobeys—are delivering against Canadian consumers' expectations, wants and needs.

Haven't downloaded your free copy of Caddle's cross-generational comparison of retail chains and their associated Net Promoter Scores (NPS)? [View here!](#)



T&T Supermarket

Background

- Canada’s largest Asian grocery chain
- Founded by Taiwanese-Canadian Cindy Lee in 1993
- Acquired by Loblaw Companies in July 2009
- Currently runs 28 stores that span across British Columbia, Alberta and Ontario (10 more stores are reportedly in the works for Eastern Canada)
- Launched an eCommerce platform in 2020 to facilitate online ordering and delivery of Asian food products across most Canadian provinces and territories



Among our 10,000-strong Daily Panel respondents, nearly 1 in 5 consumers had shopped at T&T Supermarket in the past 6 months.

However, 49% of consumers indicated that they don’t shop at T&T Supermarket and about 44% have never heard of the banner—particularly Baby Boomers (55%) and a reasonable proportion of Gen Xers (46%).

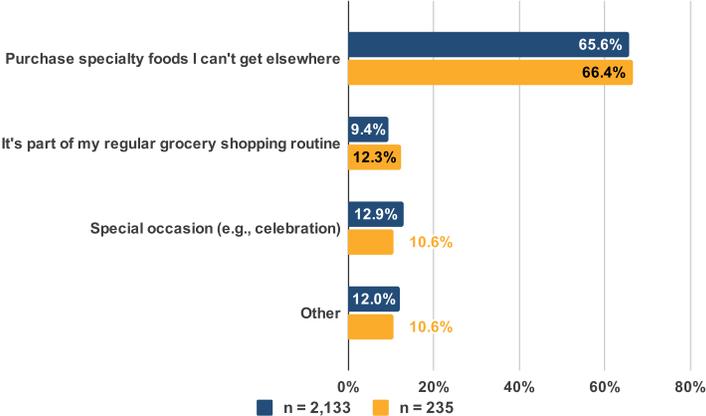
In comparison, close to 40% of South and Southeast Asian Canadian consumers had shopped at T&T Supermarket in the last 6 months, while about 32% do not shop at the banner and 19% had never heard of the retailer. A further 31% of South and

Southeast Asian Canadian consumers shop at T&T Supermarket less than monthly, while 1 in 5 consumers shop the banner anywhere from weekly to monthly.

Of all consumers who shop at T&T Supermarket—including the general population as well as the South and Southeast Asian Canadians segment—the **#1 reason for shopping there is to purchase specialty foods they can’t get elsewhere**, thus reinforcing the driving mission behind the banner. (Millennials are especially likely to shop at T&T for items they can’t find anywhere else, while Baby Boomers are least so.)

Q: What is the main reason you shop at T&T Supermarket?

December 15, 2020



General Population vs. South & Southeast Asian Population



South and Southeast Asian Canadian consumers who shop at T&T Supermarket value product availability over 2x more than any other factor. (Other considerations, including “product value,” “speed of shopping and check-out,” and “layout and signage,” all equally rank a distant

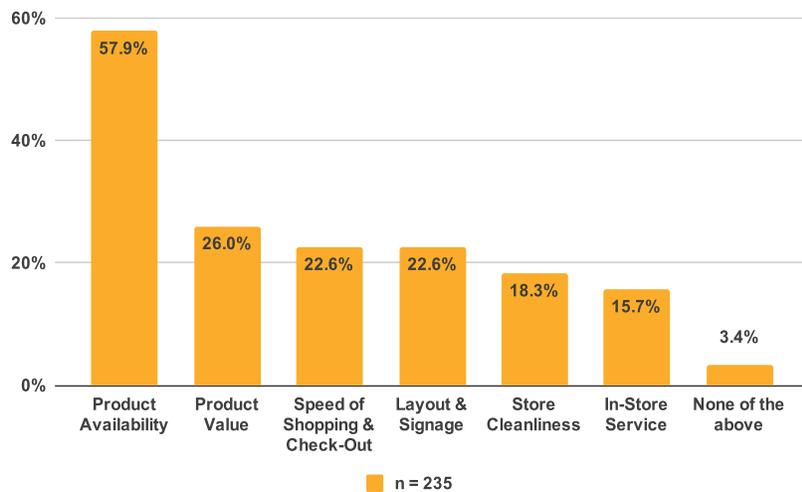
second, followed by “store cleanliness” in third spot.)

Yet, based on these results, 70% of this influential ethnic segment would recommend T&T Supermarket to friends or family.

South & Southeast Asian Population

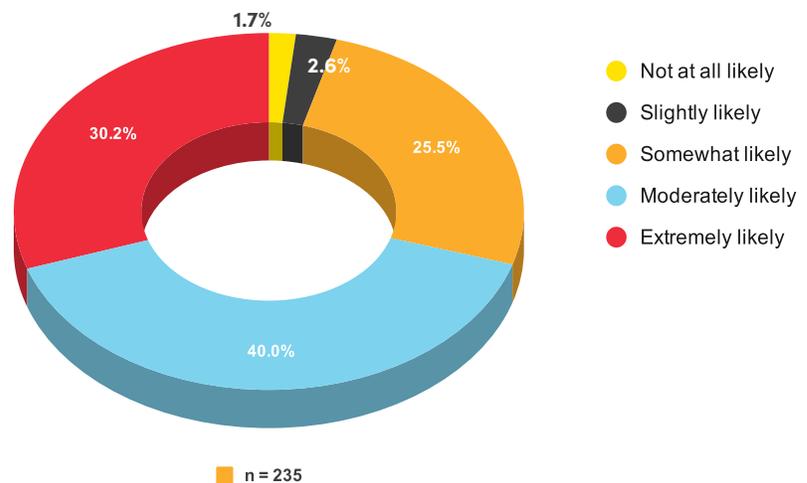
Q: Which of the following factors do you consider when shopping at T&T Supermarket? (select all)

December 15, 2020



Q: Based on your experience, how likely are you to recommend T&T Supermarket to friends or family?

December 15, 2020



*Disclaimer: data presented on T&T Supermarket is reflective of the markets they operate in.



Voilà by Sobeys

Background:

- Last-mile grocery delivery available in Ontario, from Kitchener to Oshawa and Newmarket to Lake Ontario; also offer curbside pickup in select locations across Nova Scotia and Alberta
- Launched by Sobeys’ parent company, Empire Co. Ltd., in June 2020
- Sobeys partnered with British grocery retailer Ocado to build automated warehouses that facilitate safer picking, packing and delivery
- In addition to Sobeys’ usual product assortment, the service also offers select Farm Boy and Well.ca products to Ontario customers

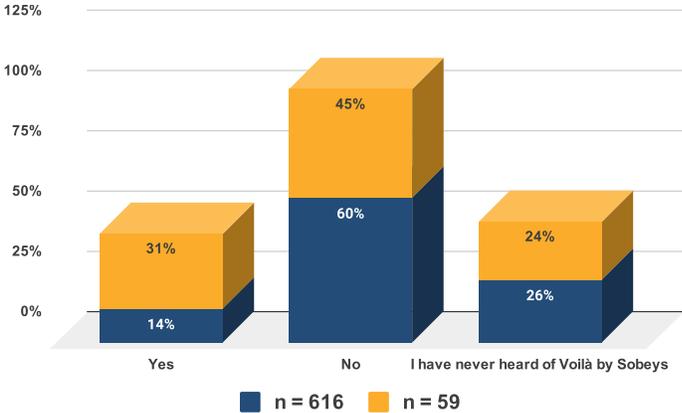


As of December 16, 2020, only a small percentage of the general population (8%) had used Voilà by Sobeys’ services in the last 6 months. **At the same time, South and Southeast Asian Canadian consumers are 2x more**

likely to have shopped the service than the general population. This demonstrates greater likelihood from ethnic consumers to try Voilà—perhaps meeting a need that was previously unmet.

Q: Have you done any grocery shopping at Voilà by Sobeys in the past 6 months?

December 16, 2020



General Population vs. South & Southeast Asian Population

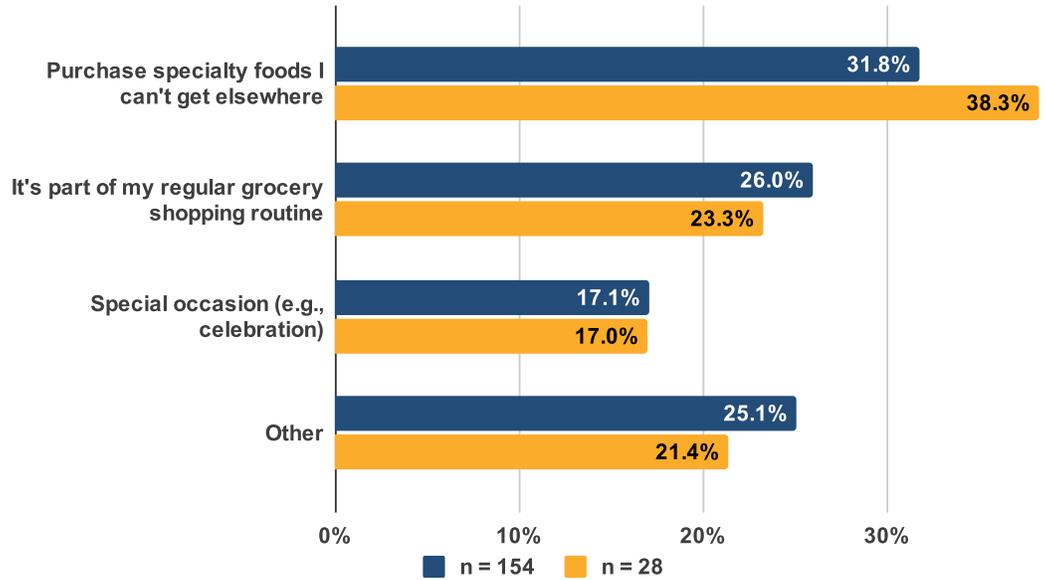
Among all consumers who shop with Voilà by Sobeys—as with T&T Supermarket—we find that **availability of speciality foods ranks at the top in priority**, though South and Southeast

Asian Canadian consumers are slightly more likely to prioritize this factor than the general population of Voilà by Sobeys users (38% vs. 32% respectively).



Q: What is the main reason you shop at Voilà by Sobeys?

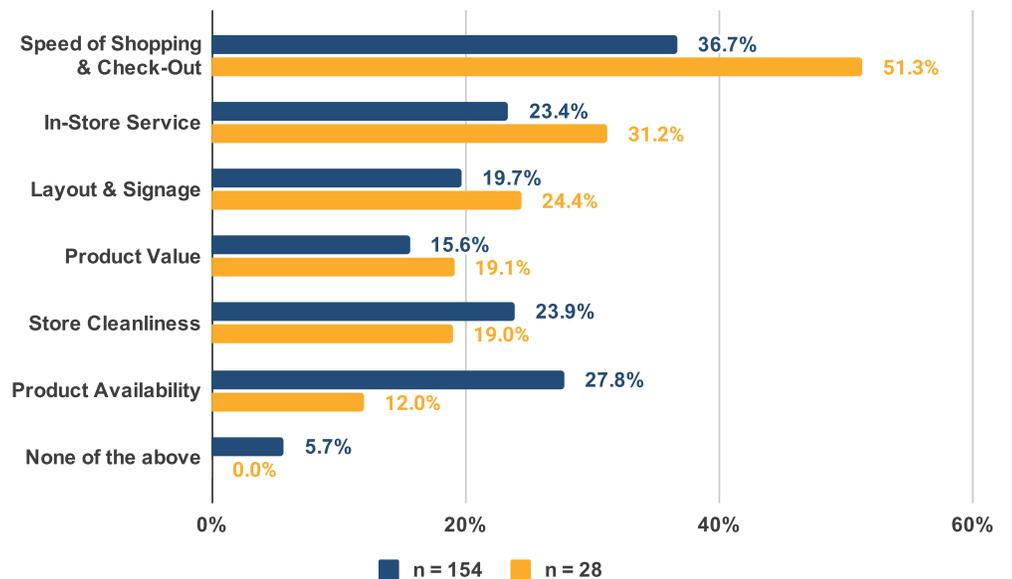
December 16, 2020



General Population vs. South & Southeast Asian Population

Q: Which of the following factors do you consider when shopping at Voilà by Sobeys? (select all)

December 16, 2020



General Population vs. South & Southeast Asian Population

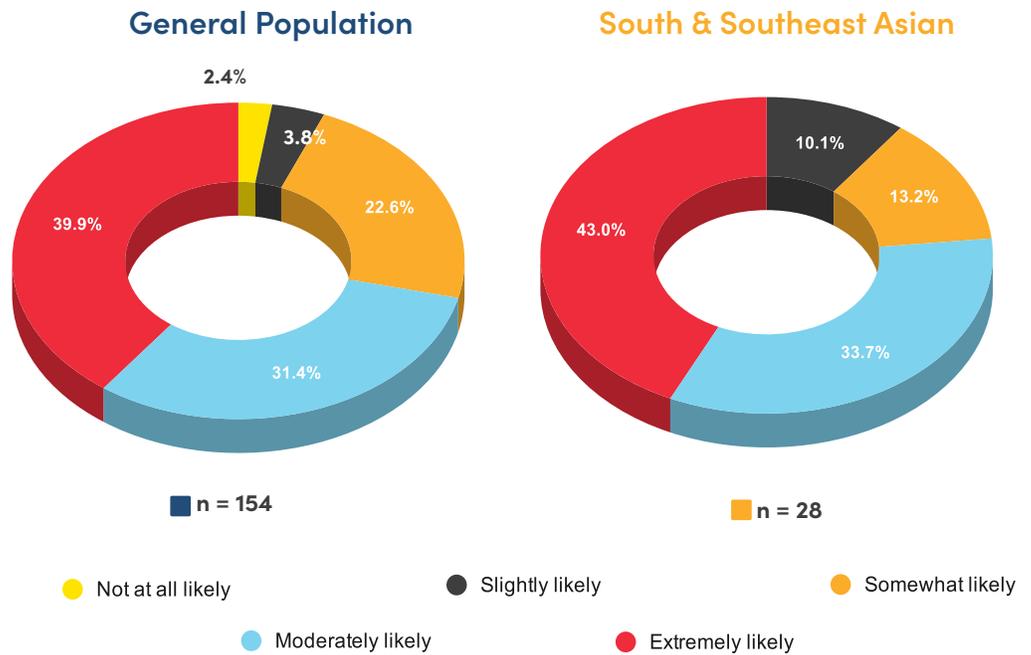


What other factors do shoppers prioritize most? In contrast to T&T Supermarket shoppers, who most valued product availability, Voilà by Sobey's shoppers identify "speed of shopping and check-out" as top considerations. And interestingly, as the service is digital (i.e., there are no brick-

and-mortar locations), the third-most important consideration for South and Southeast Asian Canadian consumers is "layout and signage." (Perhaps this is indicative of a well-thought-out and tested digital platform? Or that easy site navigation is equally important to physical store layout and signage?)

Q: Based on your experience, how likely are you to recommend Voilà by Sobey's to friends or family?

December 16, 2020



Finally, Voilà by Sobey's shoppers agree—the majority would recommend the retailer's services to their friends or family, including 71% of the general

population and a whopping 77% of South and Southeast Asian Canadian consumers.

*Disclaimer: data presented on Voilà by Sobey's is reflective of the markets they operate in.

How Do Canada's Top Grocery Retail Banners Stack Up against South & Southeast Asian Canadian Shoppers' Wants & Needs?

In an update to our earlier [In-Store Grocery CX Tracker data](#)—where we reviewed the Net Promoter Scores (NPS) and associated attributes for 12 of the top grocery retail banners across the country—we took a closer look at how these banners are meeting the particular needs of Canada's South and Southeast Asian consumers.

Net Promoter Score (NPS) is a trusted research methodology that provides an index to measure the willingness of consumers to recommend a company's products and/or services to others based on their experience.

Net Promoter Score = % Promoters (9-10 ratings) minus % Detractors (0-6 ratings)

Grocery Retailer	NPS (National – General Population) n = 16,391	NPS (National – South/Southeast Asian Canadian Population) n = 976	Difference
Costco	72	69	-3
No Frills/Maxi	62	53	-9
Shoppers Drug Mart/Pharmaprix	61	60	-1
Giant Tiger	61	57	-4
Dollarama	58	58	0
Real Canadian Superstore/RASS	58	60	+2
Metro	57	66	+9
Food Basics/Super C	56	32	-24
Sobeys/Safeway	55	56	+1
Loblaw Companies Limited Market	54	61	+7
FreshCo	50	50	0
Walmart	46	48	+2

Of note, LCL Market and Metro show the most positive increase between national and South and Southeast Asian Canadian consumer scores. In contrast, Food Basics/Super C, No Frills/Maxi, Giant Tiger and Costco are least likely to be recommended by South and Southeast Asian Canadian consumers.

Attribute Ratings = % Promoters (9-10 ratings) minus % Detractors (0-6 ratings)

South & Southeast Asian Population

Grocery Retailer	Speed of Shopping & Check-out	Layout & Signage	In-Store Customer Service	Store Cleanliness	Product Availability	Brand Availability	Fresh Food Availability	Value for Price
Costco	55 (-8)	63 (+4)	58 (-4)	60 (-10)	42 (-13)	51 (-8)	56 (-7)	62 (-7)
No Frills/Maxi	50 (-10)	50 (-7)	52 (-7)	49 (-8)	46 (-4)	51 (-1)	55 (+1)	56 (-12)
Shoppers Drug Mart/Pharmaprix	60 (-8)	50 (-13)	51 (-14)	53 (-15)	53 (-7)	47 (-12)	16 (-)	35 (-8)
Giant Tiger	57 (-3)	53 (-)	57 (-6)	57 (-7)	54 (+5)	51 (+3)	38 (+4)	58 (-8)
Dollarama	57 (-1)	53 (+1)	51 (-2)	53 (-4)	46 (-4)	46 (-1)	11 (+10)	58 (-)
Real Canadian SuperStore/ RASS	54 (-2)	52 (+2)	57 (+3)	54 (+1)	52 (+5)	61 (+4)	59 (+5)	67 (+12)
Metro	74 (+12)	70 (+12)	71 (+9)	75 (+8)	66 (+8)	62 (+2)	65 (+1)	49 (+14)
Food Basics/ Super C	33 (-25)	21 (-30)	31 (-25)	20 (-31)	23 (-27)	22 (-30)	23 (-29)	38 (-23)
Sobeys/Safeway	57 (-6)	54 (-5)	42 (-22)	54 (-15)	52 (-3)	53 (-4)	48 (-11)	30 (-)
Loblaw Companies Limited Market	68 (+13)	64 (+10)	64 (+8)	61 (-)	58 (+8)	56 (-)	64 (+4)	36 (+6)
FreshCo	53 (+3)	48 (-)	54 (+4)	46 (-3)	46 (+1)	48 (+2)	44 (-2)	54 (-3)
Walmart	48 (-5)	45 (-)	31 (-11)	32 (-11)	50 (+10)	49 (+4)	36 (-1)	51 (-1)

■ n = 976

When it comes to specific attributes that consumers look for most from their grocery retailer, Metro, LCL Market and RCSS/ RASS were the most popular among South and Southeast Asian Canadian consumers (when compared to the national average).

- Metro scored especially well on “value for price,” “layout and signage” and “speed of shopping and check-out”—all considerations that this influential consumer segment value in their shopping journey.
- LCL Market scored equally well on “speed of shopping and check-out,” and also upped their “product availability” score, compared to the national average. (Keep in mind: LCL Market is

Metro, LCL Market and RCSS/RASS were the most popular among South and Southeast Asian Canadian consumers.

owned by the same parent corporation as T&T Supermarket, and as a result, T&T products are listed in many Loblaw and sister stores across the country.)

- RCSS/RASS beat out all other banners on “value for price,” something we know many consumers are increasingly concerned about these days.

In contrast, Food Basics/Super C, Shoppers Drug Mart/Pharmaprix, Sobeys/Safeway, Costco and No Frills/Maxi were least popular among South and Southeast Asian Canadian consumers (when compared to the national average).

Food Basics/Super C, Shoppers Drug Mart/Pharmaprix, Sobeys/Safeway, Costco and No Frills/Maxi were least popular among South and Southeast Asian Canadian consumers.

- Food Basics/Super C in particular under-delivered on “cleanliness and hygiene,” “brand availability,” “layout and signage,” “fresh food availability,” as well as other attributes—indicating that they need to do a much better job of attracting and retaining this key Canadian demographic.
- Shoppers Drug Mart/Pharmaprix and Sobeys/Safeway also under-delivered on the majority of key shopping attributes, but less so than Food Basics/Super C. This suggests that these banners also have a distance to go to growing their share of basket from South and Southeast Asian Canadian consumers.

*Disclaimer: all data presented is owned by Caddle and has a Margin of Error of 1% or lower.

Key Takeaways

01 Ethnic Consumers Know What They Want From Their Grocery Shopping Experience and Will Shop Different Banners to Get it

The Canadian grocery market is brimming with unique food products that cater to just about every one of our country's 250 different ethnic origins and ancestries (and no doubt, more!). And if consumers can't find them on your store shelves, they'll go elsewhere to find them.

With speciality food availability a clear priority for the general population, as well as South and Southeast Asian Canadian consumers in particular, the opportunity is ripe for major retail brands as well as product manufacturers to give Canadians more of what they want—more specialty food items; better product and brand assortment (including fresh food options); and overall, better value for their grocery dollars.

02 Voilà by Sobeys Could Be South & Southeast Asian Canadians' New Favourite Online Grocery Channel

The service has had several challenges out of the gate, not the least of which is that it's a young upstart in a reasonably mature eCommerce arena and it's still a regional player with a limited scope of services. Yet, Voilà by Sobeys checks a handful of important boxes for many Canadian consumers, including its broad-based product and brand assortment—no doubt aided by its stocking of Farm Boy, Well.ca, Sobeys Compliments, and other coveted brands.

South and Southeast Asian Canadian consumers in particular are 2x more likely to shop the service than the general population. We have no doubt that as the offering expands to other regions of Canada, other ethnic populations will catch on to the service's top attributes, including its specialty food assortment, as well as its speed of shopping and check-out.

South and Southeast Asian Canadian consumers in particular are 2x more likely to shop at Voilà by Sobeys, with top attributes including its specialty food assortment, as well as its speed of shopping and check-out.

03 In Ethnic-Oriented Grocery Retail, Geography Matters

When we segment the data geographically to provinces with brick-and-mortar stores, familiarity, frequency of shopping and other measures all tend to move in positive directions. This suggests that though T&T Supermarket ships nationally, their main consumer base is still regionally focused.

This bodes well for smaller but regionally significant grocery players, who have an edge on attracting ethnic consumers; once they get shoppers in their stores, and if they're able to offer a decent product and brand assortment, they'll be more likely to steal a greater share of wallet away from larger and/or more prominent banners.

About Caddle Inc.

Launched in 2015 by former consumer packaged goods (CPG) leader and Canadian Grocer 2016 Generation Next award winner Ransom Hawley, Caddle® is the largest daily and monthly active panel in the Canadian marketplace. Our mobile-first insights platform rewards Canadians for sharing data and engaging with brands.

Designed to help brands make better decisions, faster, Caddle has grown into Canada's largest daily active consumer research panel of 10,000+, 6-figure monthly active panel, and growing every day.

Macro and niche data verticals include:

- New Moms
- Costco Shoppers
- Amazon Prime Members
- Cannabis Consumers
- Health Professionals
- Luxury Shoppers
- Shopper Dads
- Repeat Purchasers
- Vegan Buyers
- Smokers/Non-Smokers

Now working with almost every major CPG company and making inroads with Canada's largest grocery retailers, Caddle provides access to rapid insights at every stage of the consumer journey across every type of shopper, country-wide.

Learn more at www.getcaddle.com.

Contact us today.
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