



**Reach**  
COUNTRY PROFILES

**Canada** |



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## Country Facts



**37,589,262**

TOTAL POPULATION

**CURRENCY**  
**CAD**

Canadian Dollar

**GDP**  
**\$46,194 USD**  
Per Capita PPP

**AVERAGE INCOME**  
**\$54,630 CAD**

**NET-ADJUSTED**  
**DISPOSABLE INCOME**  
**\$30,854 USD**  
Per Capita



**URBAN POPULATION**  
**81.5%**



**RURAL POPULATION**  
**18.5%**



**MEN**  
**49.5%**



**WOMEN**  
**50.4%**



**MEDIAN AGE**  
**39.0**

### ETHNIC ORIGINS

While the majority of Canadians are of English (20%), French (15%), or Aboriginal (4%) descent, mass immigration has diversified the country's population. Other larger ethnicities include Scottish (14%), Irish (14%), German (10%), Italian (4%), and Chinese (5%).

### LANGUAGES

The two official languages of Canada are English and French. Spanish is the next highest spoken language; along with these, there are over 100 other languages spoken within the country.

### TYPE OF GOVERNMENT

Constitutional Monarchy, Parliamentary democracy, and federation.

### TYPE OF ECONOMY

High Income open economy, OECD & G8 member.<sup>1</sup>

### IMPORTANT SHOPPING HOLIDAYS

- Feb 14** Valentines Day
- End Feb** Family Day
- Mar 15** World Consumers Rights Day
- Mar 24** Cash Mob Day
- May 9** Mothers Day
- June 20** Fathers Day
- Sept 6** Labour Day
- Oct 11** Thanksgiving
- Nov 26** Black Friday
- Nov 27** Victoria Day
- Nov 29** Cyber Monday
- Dec 12** Free Shipping Day
- Dec 13** Green Monday
- Dec 18** Super Saturday
- Dec 25** Christmas
- Dec 26** Boxing Day

\*Dates are based off of 2021 calendar. Specific dates may vary based on year.



# WHO

## Consumer Profile & Behaviour

Canada has been a diverse nation for years. Currently, 20% of its population are recent immigrants to the country.<sup>2</sup>



Canadians are highly educated, with 91% of the population between 25-64 having completed secondary education.<sup>3</sup>



Wage inequality exists in Canada with the top 20% of earners making 6 times more income than the bottom 20% of the population.<sup>4</sup>



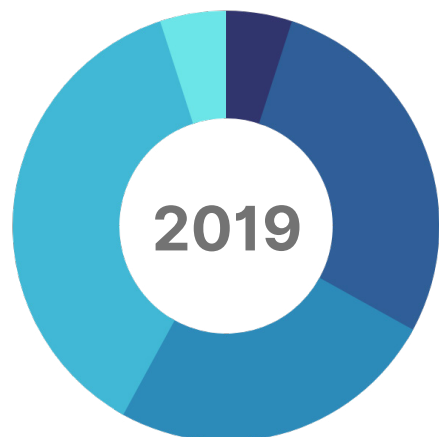
Even though Canada is a developed nation, its adoption of ecommerce has been slower than average, with only 8.6% of retail sales taking place through ecommerce channels.<sup>5</sup>



Canadian consumers will often use “hybrid shopping”, which is where consumers will search and buy items online but then pick the items up in-store.<sup>6</sup>



## AGE DISTRIBUTION OF ONLINE SHOPPERS



- Gen Z - 5%
- Millennials - 28%
- Gen X - 25%
- Baby Boomers - 37%
- Pre-Boomers - 5%<sup>9</sup>

## THE IMPACT OF COVID-19

When it comes to shopping, 50% of Canadians are making online purchases more frequently during COVID than they did before, and 57% are shopping in person at stores less regularly. Post-COVID, 14% of shoppers are expected to maintain a higher frequency of online shopping. In comparison, 31% are likely to increase their in-store shopping frequency after months of tempered activity.<sup>10</sup>

While some consumers will return to prior behaviors, the majority will stick with new behaviors adopted during the pandemic, requiring retailers to transform the customer journey and re-examine the role of their brick-and-mortar presence.<sup>11</sup>



# WHERE

## Canadians Place Value



### PERSONALIZATION

Canadians look for highly personalized products and services that fit their specific needs. 75% of online consumers in 2019 were looking for customized or highly specific product offerings.



### SUSTAINABILITY

Canadian consumers are increasingly looking for ethically sourced and organically produced products and are willing to pay more for items that align with this trend.



### HEALTHY LIFESTYLE

As Canada's population ages and health and wellness awareness increases, health products are becoming trendier. Canadians spend on average annually \$935 per capita on the health and wellness product category.



### FREE SHIPPING

These days, most Canadian consumers don't even look to see if you offer it – they expect free shipping as par for the course. Unexpected shipping charges at checkout are a significant cause of cart abandonment.



### LOYALTY PROGRAMS

Canadians are driven towards loyalty programs. 17% of the population will make purchases at a specific store because of this. Giving points or offering a discount on their next purchase increases the likelihood of recurring purchases.<sup>12</sup>

## Canadians Spend Their Money



ENTERTAINMENT



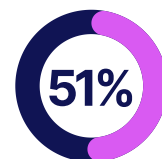
APPAREL & FOOTWEAR



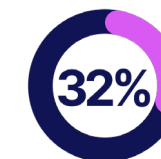
HOME IMPROVEMENT & GARDENING



GROCERIES

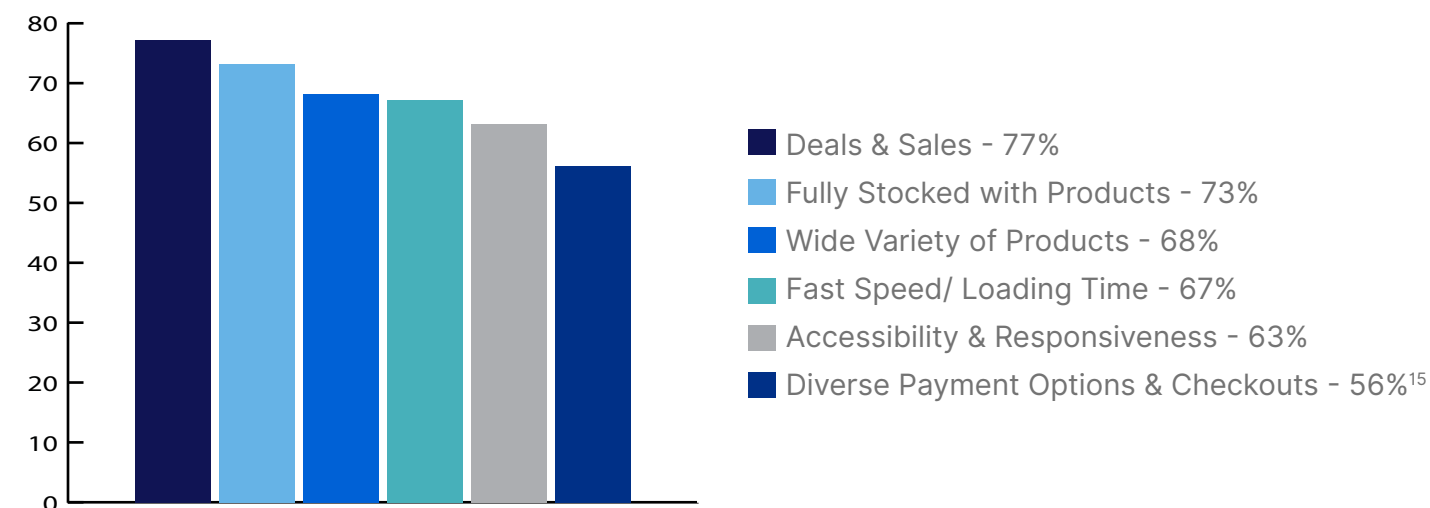


51% of Canadian respondents say they're concerned about how their data is being used when shopping online.<sup>13</sup>



When it comes to fashion purchases, 32% of respondents would be willing to pay more for brands well known for their ethical practices.<sup>14</sup>

## MOST IMPORTANT VALUES IN THE ONLINE SHOPPING EXPERIENCE





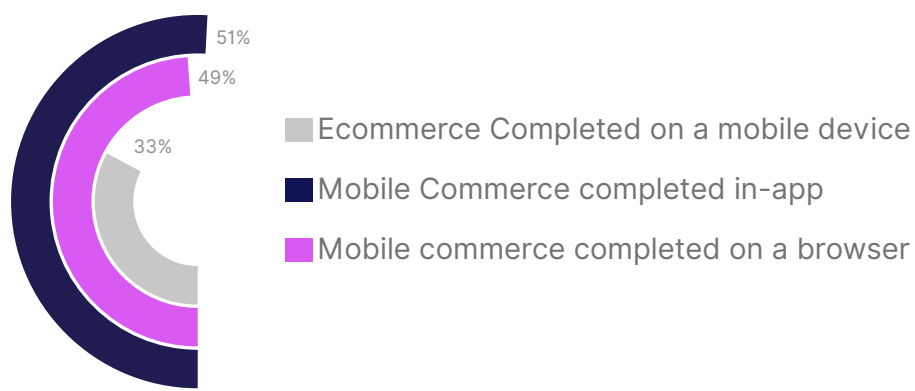
## Canadian Shoppers Find Out About New Brands

### Canadians Shop Online

#### MOBILE COMMERCE

33% of Canada's online retail purchases occur on smartphones, which is expected to increase as 5G coverage is rolled out across the country. Canada's smartphone penetration rate is extensive, with 94% of 15-34 and 69% of 55-64-year-olds having access to them.

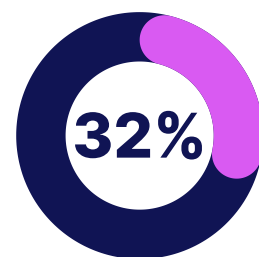
Apps are the preferred mobile shopping channel, but they must be intuitive and well designed to take advantage of the Canadian market. If there is a poor app interface, Canadians are less likely to purchase through the app.<sup>16</sup>



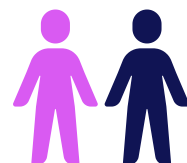
#### SOCIAL COMMERCE

Across all age groups, social buying in Canada lagged the global average.

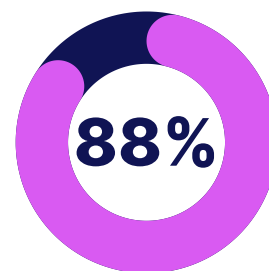
According to a December 2020 Bazaarvoice survey conducted by Savanta, 24.5% of adults in Canada said they were most likely to use Facebook to make purchases, followed by Instagram (17.1%) and YouTube (16.5%). While Pinterest, TikTok, Twitter, and Snapchat also registered some responses, their shares were very low.<sup>17</sup>



Canadian consumers love reviews, and will frequently go online to learn more about a brand from their peers! In fact, **32% of Canadian online shoppers cite reviews** and other user-generated content as reason to frequent a specific retailer.



**1 in 2** Canadians who conducted research on their smartphone purchased a brand they wouldn't normally purchase because of **relevant information available in the moment**.



**88% of Canadians** have discovered new products or brands online through search results, through an online ad, or when watching videos online.<sup>18</sup>

#### TRENDING ECOMMERCE PLATFORMS



#### TOP SEARCH ENGINES USED IN CANADA





# HOW

## Canadians Prefer to Pay

### DEBIT & CREDIT CARDS



Canada's most dominant payment method is credit/debit cards - in 2019, card use made up 65% of Canada's payment split. Debit is traditionally used for small to medium purchases. In contrast, credit is used for larger purchases, leading to an increased consumer debt average of CAD 8,539.50 (2017).<sup>24</sup> Debit card usage is at .85% per capita and credit cards are at 2.24% per capita.<sup>25</sup>

### INTERAC



Another smaller payment method to note is interac. 99% of the Canadian population is banked.<sup>22</sup> While primarily used for domestic transactions, it still takes up 12% of Canada's payment split.<sup>23</sup>

### BUY NOW PAY LATER

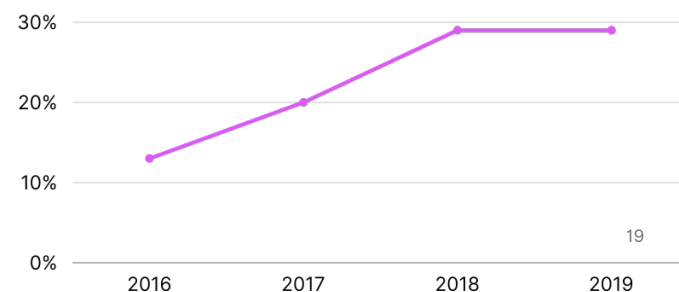


Canadian consumers are moving away from credit card fees in favor of debit or cash, owing to retailers offering BNPL service. AfterPay extended its BNPL service in Canada in August 2020.<sup>20</sup> Use of Buy Now Pay Later is expected to grow 41% in 2021 in Canada and is estimated to reach a market value of US \$360.40 million in market value.<sup>21</sup>

### MOBILE WALLETS



Mobile wallets are gaining traction in Canada's ecommerce space as more and more of the population adopts mobile shopping; 18% of the payment split in 2019 used this method. This has also recently seen an increase due to the pandemic and people ending their relationship with cash.<sup>26</sup>



Mobile Wallet Growth

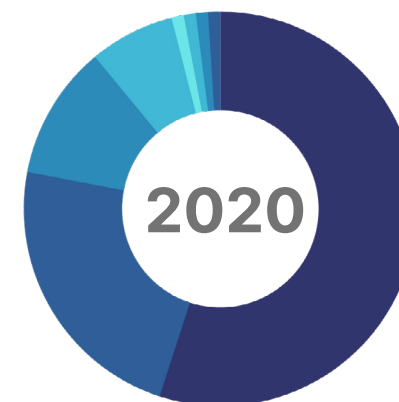
### BANKS IN CANADA

- Royal Bank of Canada (RBC)
- Toronto-Dominion Bank (TD)
- Bank of Nova Scotia (Scotiabank)
- Bank of Montreal (BMO)
- Canadian Imperial Bank of Commerce (CIBC)

### POPULAR PAYMENT METHODS



### ECOMMERCE PAYMENT SPLIT



- Credit Card - 55%
- E-Wallet - 23%
- Debit Card - 11%
- Bank Transfer - 7%
- Prepaid Card - 1%
- Direct Debit - 1%
- Charge & Deferred Debit Card - 1%
- Cash on Delivery - 1%



# WHY

## Merchants Should Tap Into the Canadian Market



The Canadian ecommerce market is growing and is expected to reach **USD 33 billion** in revenue by 2024.<sup>28</sup>



Ecommerce User penetration is predicted to be **72.5% in 2021** and is expected to grow to **77.6% by 2025**.<sup>29</sup>



Average revenue per user is expected to be **CAD 1,175.93 by the end of 2021**.



**93% of Canadians plan to do more online shopping** or purchase about the same amount.<sup>30</sup>



High mobile penetration with **94% of 15-34 year olds owning a smartphone**.



**63% of Canadian online shoppers** already purchase online retail from out of country merchants.



Canadians drastically outranks other nations in North America for **cross-border purchases**.





# WHAT

## Merchants Should Know Before Expanding To the Canadian Market



### REGULATIONS & TRENDS

Canada has no specific regulatory board for ecommerce. Instead, it is monitored by the same agencies that regulate brick & mortar.<sup>31</sup>



### BARRIERS & BENEFITS

The Official Languages Act (1988) made both French and English the official languages of Canada. Due to this, all mandatory packaging information must be listed in both languages.<sup>32</sup>

Domestic bank transfer methods like interac have fixed acceptance fees that vary based on merchants or value band of transactions.<sup>33</sup>





# Merchants Can Do To Optimize



## OPTIMIZE YOUR SHIPPING PROCESS

Offering prompt and reliable delivery may help put merchants ahead of their competition as delivery speeds have become unpredictable due to order volumes rising as a consequence of the COVID-19 pandemic.



## EMBRACE MOBILE ECOMMERCE AND DIGITAL WALLETS

With both mobile commerce and digital wallets rising in prominence, getting these features right will be crucial to success with Canadian consumers. Sales drop off if mobile interfaces are weak, so delivering powerful app-based shopping features in English and French is essential.



## EXPAND

Broaden your horizons. Diversify your supply chains, expand your market share and acquire new channels through M&A.



## Ready to expand your business to Canada? Reach can help.

In the excitement about sharing your brand with the world, it is easy to forget the critical part global payment solutions play in the success of your business when entering new markets.

Reach understands global consumers and how changes in their shopping experience affect your business. Our experienced legal, financial, compliance and local-market experts provide in-depth global analytics for your business, as well as duty and tax calculations so that you can expand your business to new markets with certainty and ease.



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**FAQ**  
[withreach.com/faq](https://withreach.com/faq)



**BLOG**  
[withreach.com/blog](https://withreach.com/blog)





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