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Consumer behaviour around online purchasing of Agency- regulated products

Executive Summary

Prepared for the Canadian Food Inspection Agency

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Canada 

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March 2021

This report summarizes results from a survey of 5,868 Canadians. A data summary written by the CFIA of an additional 2,221 interviews is included in the addendum.

Cette publication est aussi disponible en français sous le titre : Comportement des consommateurs à l'égard de l'achat en ligne de produits réglementés par l'Agence

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A handwritten signature in black ink, appearing to read "D. Jansen", written in a cursive style.

Derek Jansen
Vice President
EKOS Research

Executive summary

Background and methodology

As a result of the pandemic, e-commerce sales have surged. According to Statistics Canada e-commerce sales for food and beverage increased by 107% from February 2020 to April 2020.¹ This has opened the doors to more items being sold to consumers from home-based businesses that could pose health risks or pose a serious risk to Canadian resources and the economy, notably:

- non-compliant food purchased or traded online and imported or shipped within Canada could be contaminated or misrepresented.
- other goods could be or carry a range of plant pests and diseases or be contaminated with soil.
- animals or animal products could introduce foreign animal diseases into Canada and, in some cases, to humans.

EKOS Research Associates was commissioned by the CFIA to conduct a survey aimed at helping the Agency better understand consumer behaviour around online purchasing of Agency-regulated products – that is, food, plant, and animal products. Specifically, the survey examined online purchase habits, factors driving online purchases, awareness of the risks of purchasing online, familiarity with relevant regulations, attitudes to government oversight, and the impact of advertising.

The contract value was \$110,352.18.

Please note respondents were informed that the focus of the survey was the purchase of items from sellers who do not have a retail presence in their home province. The survey does not refer to getting groceries or pet food as curbside pick-up or delivery from a retail store that has locations in respondents' home province.

Methodology

¹Source: <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00064-eng.htm>

This survey was conducted online using EKOS' probability-based research panel, *Probit*. The field dates for this survey were January 26 to February 12, 2021. In total, a random sample of 5,868 Canadians aged 18 and over responded to the survey. The margin of error associated with the total sample is +/- 1.3%, 19 times out of 20.

NOTE: Due to a shift in the launch date for the CFIA e-commerce advertising campaign, the data collection was paused on February 12, 2021 after having completed 5,868 surveys. The data collection was resumed on March 11, 2021 and ran until March 26, 2021 to allow for the advertising campaign to be in-field. Following the pause, 2,221 surveys were completed. This report is on the first 5,868 surveys.

A comparison of the results by wave was conducted by the CFIA. To view a summary of the second wave, consult Appendix B. The margin of error associated with a random sample of 2,221 is +/- 2.1%, 19 times out of 20

Survey findings

Outlined below are key findings from this study. The remainder of this report describes survey results in more detail. Note that these results represent the Canadian population's views on e-commerce relating to Agency-regulated products so generalizing to other methods of shopping should be done with caution, especially given the large differences between online and in-person shopping. Similarly, specific demographics within the Canadian population may differ significantly from the whole when it comes to e-commerce habits and beliefs.

Online purchasing habits

Survey results suggest that the vast majority of Canadians (88%) have made an online purchase in the past year, compared to 12% who have not.

Narrowing the focus, about one-third of Canadians say they have purchased Agency-regulated products (that is, food, plant, or animal products) in the past year. 1 in 5 (21%) say they have bought food, while 1 in 10 purchased plant products (12%) or pet food/animal feed (9%).

Those who purchase Agency-regulated products online appear to do so on an infrequent basis. Among those who purchased Agency-regulated products in the past year, 1 in 3 (35%) did so

only once, while about 4 in 10 (37%) did so about every other month. Only 5% purchased these products about once per week, and just 2% did so more than once per week.

Results also suggest that those who purchase Agency-regulated products online do not spend a great deal of money on these products. Among those who have ordered Agency-regulated products in the past year, 8 in 10 spent less than \$500 on these products: 4 in 10 (38%) spent less than \$100, while a similar proportion (39%) spent between \$100 and \$500.

Turning to future purchases of food, plant, or animal products, results reveal that most Canadians (63%) say they do not intend to purchase Agency-regulated products in the next year. 1 in 5 (18%) plan to order food products, while 1 in 10 plan to order plant products (12%) or pet food or animal feed (8%).

Factors driving online purchases

Those who have purchased Agency-regulated products online were asked why they chose to purchase via the Internet. Results suggest that Canadians purchase Agency-regulated products online for a variety of reasons. Half of these respondents (51%) indicated that the product they ordered was not available locally. 4 in 10 cited convenience (40%) and a desire to avoid crowds (38%). 3 in 10 mentioned greater selection (32%), closures and reduced hours due to COVID-19 (31%), and lower prices (28%).

Results further suggest that most food, plant, and animal, products purchased online in Canada are intended for personal use and consumption. Fully 77% of those who have placed an online order in the past year say they did not sell or gift the products.

Awareness of high level risks

Results suggest Canadians exercise a great degree of diligence when purchasing products online. Fully 82% of respondents say they check that a product is being sold by a reliable source before ordering. Among these respondents, 7 in 10 (72%) say they buy only from reputable e-commerce platforms. 6 in 10 (61%) read reviews from other customers, while half (50%) use online search tools to scrutinize the seller beforehand.

Despite diligence regarding the product being sold by a reliable source, relatively few Canadians say they take steps to verify the products they purchase online are allowed to be sold in the country (28%). The majority of Canadians (59%) say they do not verify this information.

Results suggest that Canadians are generally familiar with the risks associated with ordering food, plant, or animal products online. About 9 in 10 respondents say they are aware that plant products and live insects/snails may host pests (88%), and that pets priced below average could have costly health problems (87%). A similar proportion (85%) say they understand that food products that cost significantly less than the usual price may be substandard. Three-quarters say they are aware that animal products can carry diseases (78%), or that plant products may not come as advertised and seeds can be difficult to identify (76%).

Familiarity with online purchasing regulations

Survey results suggest that Canadians have relatively low levels of knowledge about the regulations surrounding the importing and interprovincial trade of food, plant, and animal products. Just 1 in 4 (24%) say they are aware of these rules, while two-thirds (67%) are not.

Survey results also reveal a great deal of uncertainty as to who bears responsibility for ensuring all regulations are followed when products are bought or sold online. 1 in 4 (27%) believe the buyer is primarily responsible, while a similar proportion (25%) believe the burden falls on the seller. 1 in 7 say the Canadian government shoulders the responsibility, or that it is the duty of online platform to ensure the transaction is lawful (14% each).

When it comes to seeking out information on which products are allowed to be imported into Canada or shipped to a different province or territory, a majority of respondents (59%) turn to government websites. 4 in 10 (38%) use web search engines, while 3 in 10 (30%) rely on disclaimers and warnings on e-commerce platform websites. 1 in 5 (19%) do not look for information on what products can be shipped to or within Canada.

Attitudes to government oversight

Fully three-quarters of Canadians (75%) say it is very important that the Government of Canada take action to prevent non-permitted food, plant, or animal products from entering Canada. 1 in 5 (20%) rate these measures as somewhat important, and just 3% say such actions are of little importance.

However, Canadians hold only a moderate degree of confidence in the federal government's ability to prevent non-permitted food, plant, and animal products from entering the country. 6 in 10 (62%) say they are somewhat confident in the government's capacity for ensuring these products do not enter Canada. Just 1 in 5 (18%) express a high degree of confidence, while

the same proportion (18%) express little confidence in the Government of Canada's ability to keep these products from entering the country.

Impact of CFIA advertising

As mentioned, the timing of the paid advertising campaign began later than anticipated and as such, the Advertising Campaign Evaluation Tool (ACET) questions used in the survey were not able to properly report on the effectiveness of a highly targeted digital campaign paid advertising. It is important to note that there were also multiple other Government of Canada advertising campaigns in-field in March when the bulk of the e-commerce advertising campaign was in-market, all competing for an audience.

The communications campaign started with unpaid social media communications as of November 30, 2020 (Cyber Monday). Paid advertising, in the form of search engine marketing, started February 1, while the remaining advertising, on social media and various programmatic platforms, only started as of March 2 and ran until March 31, 2021. This campaign used the targeting algorithms of various digital advertising platforms to reach the campaign's intended audiences:

- consumers who were in the process of purchasing or at least researching purchasing Agency-regulated products, and
- industry who were in the process of selling or at least researching selling Agency-regulated products.

Questions following the Government standard for advertising communications evaluation tool (ACET) were asked to provide baseline (pre-campaign) measures (results are provided in the report both before and after the CFIA's social media and programmatic ads were in field. These findings are captured in Appendix C and Appendix D.

Those who recalled seeing Government of Canada advertising prior to the launch of the CFIA's targeted social media and programmatic ads were asked, unprompted, to describe what they could remember about the ads. Half (50%) do not remember anything specific. Those who provided a response cited a wide array of messages, and responses did not centre on any 1 theme. 1 in 10 (10%) recall messages encouraging buying products locally. Other recurring responses include food safety (7%) and encouragement to buy online (6%).

Among those 3% who recalled seeing Government of Canada advertising about purchasing Agency-regulated products online, just 1 in 6 (16%) say they acted as a result of the ads. Among this relatively small percentage of respondents who took action, the most commonly cited actions included talking to a friend or family member about the risks of purchasing Agency-regulated products online, and thinking about the risks of ordering these products online.

Those who recalled seeing the advertising also express mixed views on the ads. The majority (59%) feel the ads address an important topic. 4 in 10 agree the ads caught their attention (41%), and that the ads provided new information (41%).

It is worth noting that, since there were no CFIA social media or programmatic ads (for example, visual ads) about Agency-regulated products running when this first wave of respondents was asked about advertising, it is difficult to determine which ads these respondents were recalling. Results of the second wave of respondents (those that were surveyed when the CFIA social media and programmatic ads were in field) are captured in Appendix B.

Conclusions

Survey results indicate that online purchasing has become common in Canada. Fully 88% of Canadians report buying something online in the past year, a figure that rises to 97% among those under 35. However, relatively few Canadians use the Internet to order Agency-regulated products (that is, food, plant, or animal products) from a seller who does not have a retail presence in their home province. Just one-third say they have purchased these types of products online in the past year, and roughly the same proportion say they intend to purchase these products online within the next year. Furthermore, those who do purchase these products online appear to do so on an infrequent basis, with very few respondents indicating they place an order more than once every few months.

Results also reveal that the majority of Canadians say they exercise a great degree of diligence when purchasing products online. Fully 82% of respondents say they check that a product is being sold by a reliable source before ordering. However, despite diligence regarding the product being sold by a reliable source, only 3 in 10 Canadians take steps to verify the products they purchase online are allowed to be sold in the country; the majority of Canadians say they do not verify this information.

Most Canadians say they are aware of the risks associated with ordering Agency-regulated products online: the majority say they are aware that these products can be substandard, and may contain a variety of diseases and pests.

However, the study also found some significant gaps in Canadians' knowledge of the specific regulations surrounding the purchase of Agency-regulated food, plant, and animal products. Just 1 in 4 say they are aware of the regulations surrounding the importing and interprovincial trade of these products. Most Canadians are also unsure which party is responsible for ensuring that

regulations are followed when purchasing these products online. Furthermore, one-third are not aware that they can be subject to fines for unwittingly importing restricted products.

Given the risks of purchasing these products online, it is not surprising that Canadians place a great deal of importance on preventing non-permitted food, plant, and animal products from entering the country: 75% say it is very important that the Government of Canada take action to prevent these goods from entering Canada. However, Canadians also hold a limited degree of confidence in the federal government's ability to prevent non-permitted products from entering Canada; most say they are somewhat confident about the government's ability to do this, but few have a high degree of confidence.

Survey results also suggest that the federal government should not expect broad exposure to the general population when using highly targeted campaigns about purchasing Agency-regulated food, plant, or animal products online. In order to assess the effectiveness of such a highly targeted campaign, research should be designed to ensure the targeted audience is represented in larger numbers.

Overall, results suggest that the advertising environment is complex and that there are many advertisers with similar messages which keep consumers informed of high-level risk elements. A targeted campaign with a specific call to action is required to break through and resonate with consumers and sellers. The results of the second wave of research also suggest that it is difficult to assess the effectiveness of a highly targeted advertising campaign through POR aimed at a broad, general audience (for example, all Canadian consumers).

The results of this research will be used to further inform CFIA media communications policy regarding online purchases of Agency-regulated products.