



Consumers in the Post-Pandemic World

2022

pollara
strategic insights



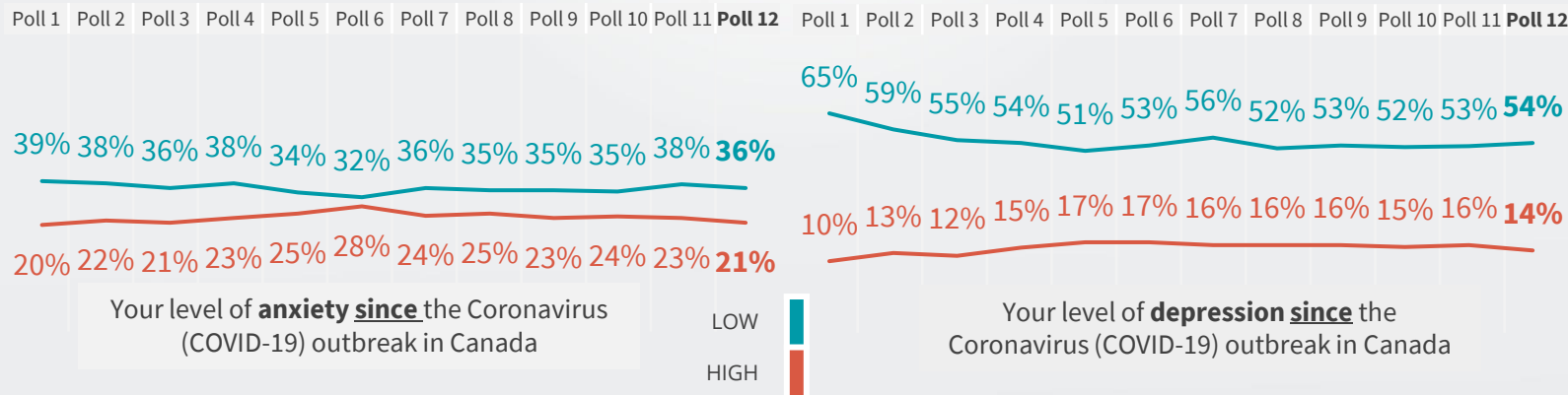
Where We Were and Where We Are

What the Pandemic Gave Us...

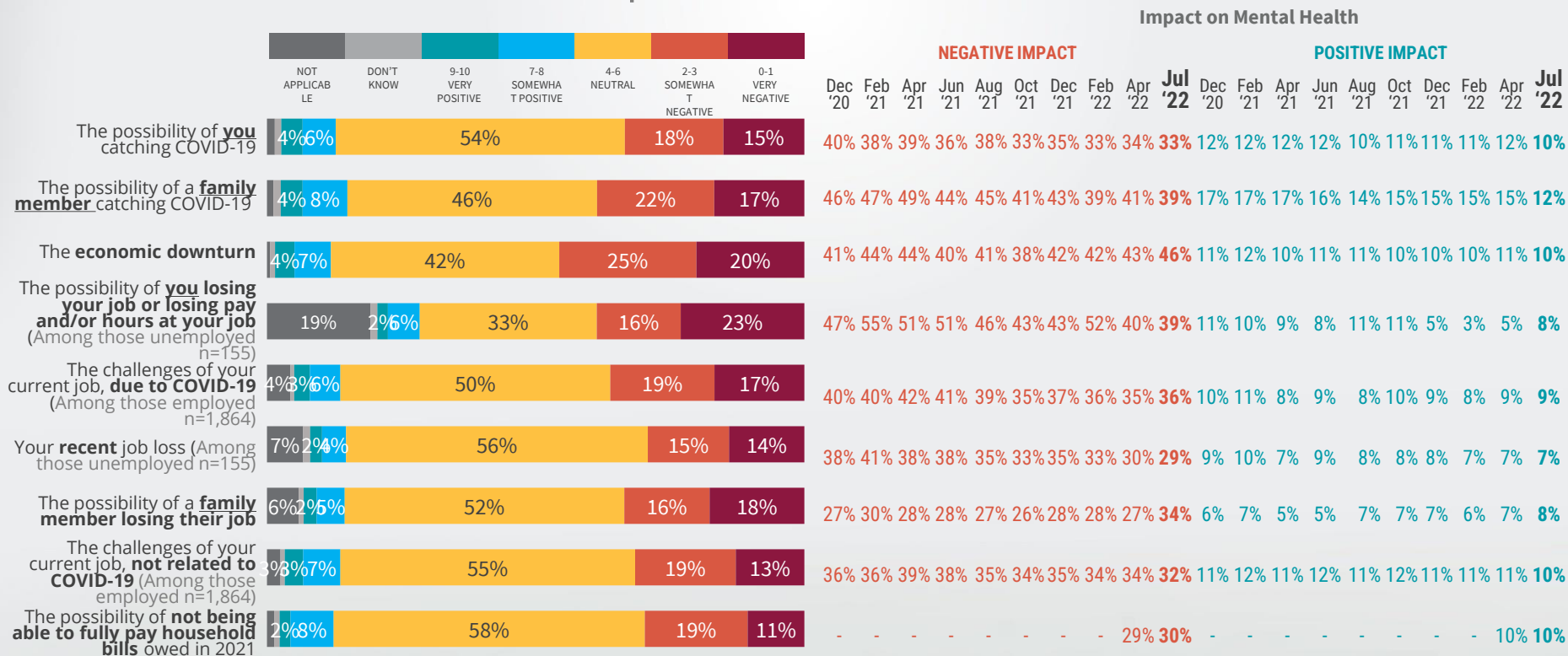
- Mental health issues
 - High anxiety, High depression
- Health Concerns
 - Are we going to stay safe?
 - Are our loved ones going to stay safe?
 - How do I take care of myself and my family?
- Economic Worries
 - How is the economy going to manage?
 - How are we going to manage?
- Learning How to Do Things Differently
 - Moving online, working from home

Anxiety and Depression were at their worst in February 2021.

Before COVID-19
High Anxiety 5%
High Depression 4%



Health concerns, particularly over loved one, and economic downturn has impacted our mental health



Changing How We Do Things

6

- During the pandemic, how people conducted all transactions changed:
 - US Census Bureau found that e-commerce sales increased by 43% in 2020, rising from \$571.2 billion in 2019 to \$815.4 billion in 2020.
 - In 2020, 82% of Canadians had shopped online, spending a total of \$84.4 billion, up from 74% spending a total of \$57.4 billion in 2018. At a time when retail sales were falling (down 17.9% from February to May, 2020) e-commerce sales had almost doubled.
 - 19% of Canadians had engaged in online grocery shopping pre-pandemic. This jumped to 30% in the first month of the pandemic and 49% after a year of pandemic living.

And Where We Are Now

- Mental health issues
 - Getting better, but not back to pre-pandemic levels
- But other concerns:
 - High Inflation
 - High Interest Rates
 - Instability here and abroad

While in the pre-COVID era all the regions had similar levels of anxiety and depression, post-COVID Ontario has the highest levels of anxiety and depression



ANXIETY DISORDER

Current Levels (July 2022)

High Anxiety 11%

High Depression 9%

HIGH

SINCE
COVID

LOW

SINCE
COVID

11%
Overall

52%

9%
B.C.

51%

10%
Alberta

47%

11%
MB/SK

52%

13%
Ontario

49%

9%
Quebec

60%

10%
Atlantic

52%

Ontario has highest level of
anxiety and depression

Quebec has lowest level of
anxiety and depression



DEPRESSION

HIGH

SINCE
COVID

LOW

SINCE
COVID

9%
Overall

66%

10%
B.C.

65%

8%
Alberta

63%

9%
MB/SK

64%

11%
Ontario

61%

5%
Quebec

76%

9%
Atlantic

66%

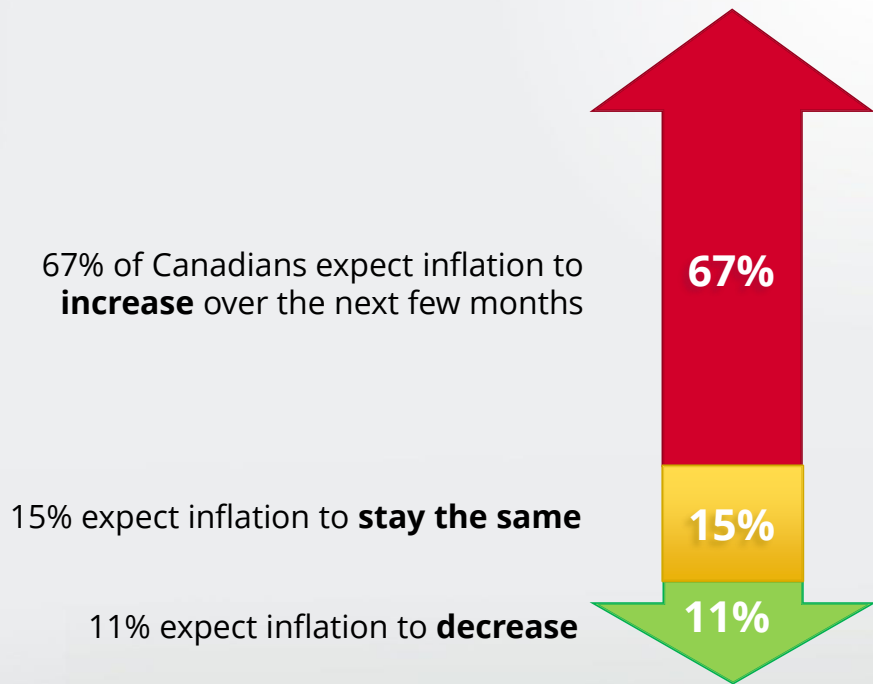
Before COVID-19

High Anxiety 5%

High Depression 4%

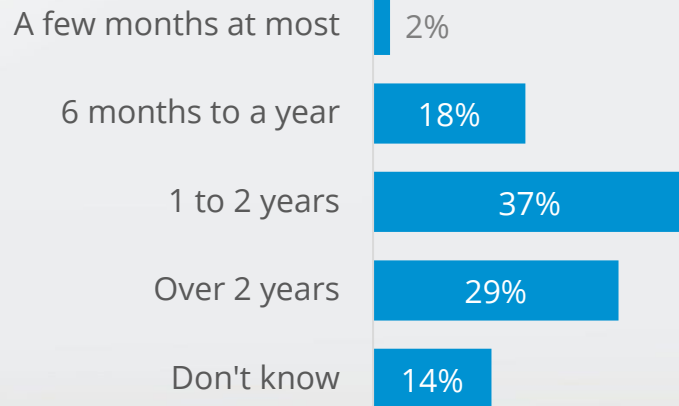
Research conducted July 2022

Two-thirds expect inflation to rise in coming months, and remain high for at least one year



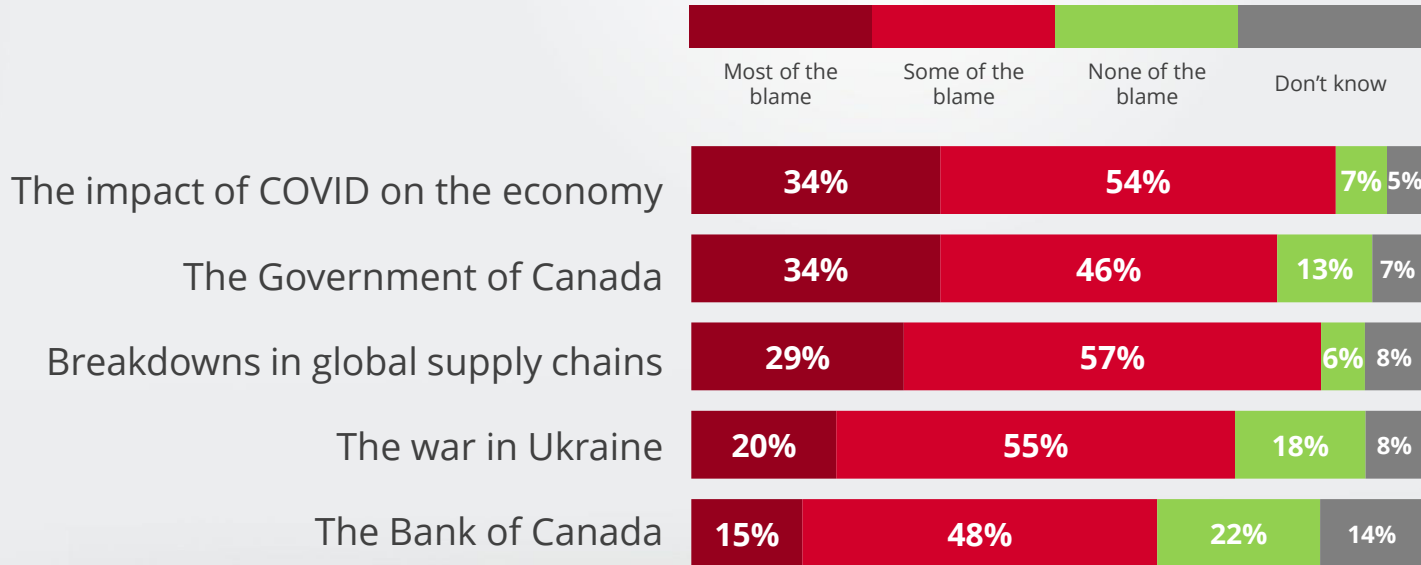
Do you expect the rate of inflation in Canada to increase, decrease, or stay the same over the next few months? | (7% don't know)

Expected duration of high inflation period:



How long do you expect the current period of high inflation to last for?

Public does not point to a single culprit for high inflation, but federal Government, COVID, and supply chains all share some blame



How much blame do each of the following hold for the current high level of inflation in Canada?

16%

Of workers say their wages are keeping up with inflation

pollara
strategic insights

Canadian workers don't believe their wages are keeping up with inflation



White Collar

15%



Blue Collar

21%



Service

19%



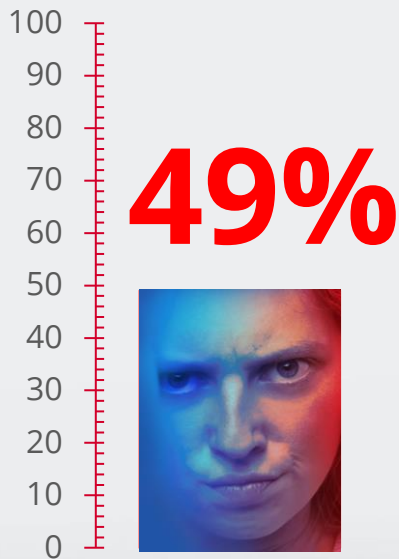
Gig worker

31%

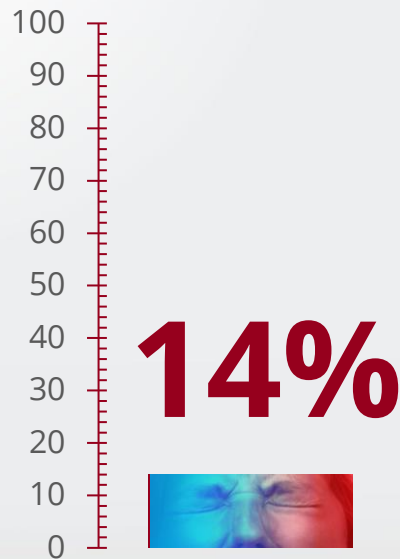
Q Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following: *My wages at work are keeping up with inflation*

The Rage Index: Hot, not boiling

Average percentage of Canadians
annoyed or **angry** about the 6 topics



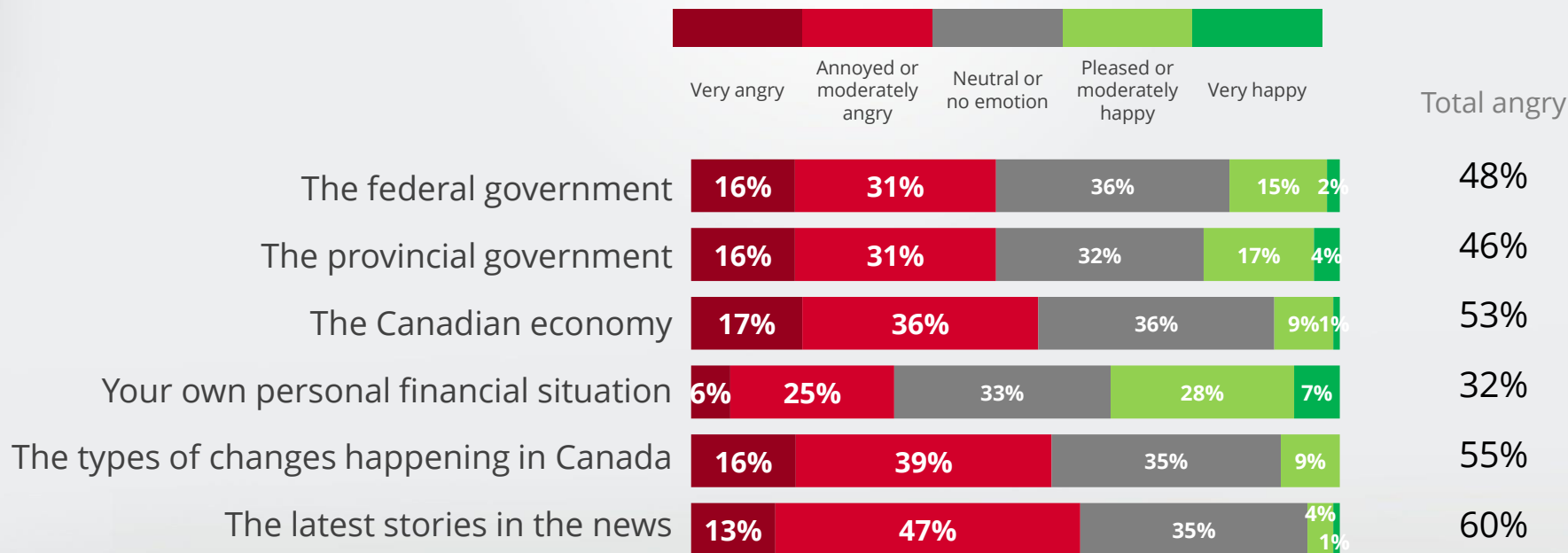
Average percentage of Canadians
very angry about the 6 topics



Research conducted July 2022

Majority feel angry when they think about the changes happening in Canada and stories in the news

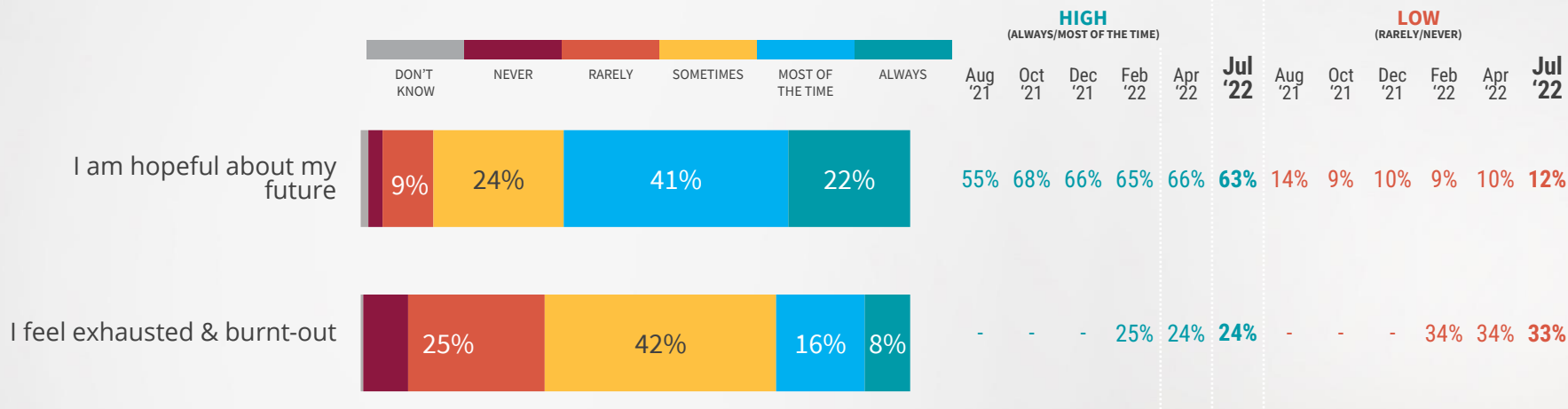
13



What emotion best describes how you feel when you think about each of the following?

Research conducted July 2022

While one-quarter are exhausted and burnt out, almost two-thirds are hopeful about the future



Research conducted July 2022



Changing Behaviours

pollara
strategic insights

Canadians cutting back due to inflation

16

I'm **buying cheaper brands of groceries** or less expensive food products because of inflation



73%

I'm **spending less money on vacations** this year because of inflation



68%

I'm **eating out less at restaurants** because of inflation



72%

I'm **delaying major purchases** because of inflation



67%



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:

Research conducted July 2022

pollara
strategic insights

Inflation being felt in all parts of the country

- On all questions, the impact of inflation has been nearly identical in urban and rural Canada.

Steps taken due to inflation	Atlantic	Quebec	Ontario	Prairies	Alberta	BC
I'm buying cheaper brands of groceries or less expensive food products	74%	73%	72%	75%	74%	73%
I'm eating out less at restaurants	72%	70%	71%	76%	74%	73%
I'm spending less money on vacations this year	70%	68%	66%	69%	71%	72%
I'm delaying major purchases	66%	65%	67%	70%	71%	68%



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:

Research conducted July 2022

Lower income Canadians being forced to make greater sacrifices in the face of inflation

18

Canadians
earning under
\$50k a year



77%



76%



73%



68%

Canadians
earning over
\$100k a year



68%



67%



61%



64%



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:

Research conducted July 2022

pollara
strategic insights

Inflation pressures could have small negative drag on markets

- Though this negative drag will be dampened, as lower income investors are the ones more likely to cash out.

28% of investors are thinking about putting **more money** in the stock market or other investments because of inflation



36% of investors are thinking about **investing less money** or cashing out stocks/investments because of inflation



NET investment score:

-8

Household income	NET investment score
Less than \$50k	-17
\$50k to <\$100k	-10
\$100k or more	-2



Thinking about the current environment of high inflation, please indicate if you agree or disagree with each of the following:

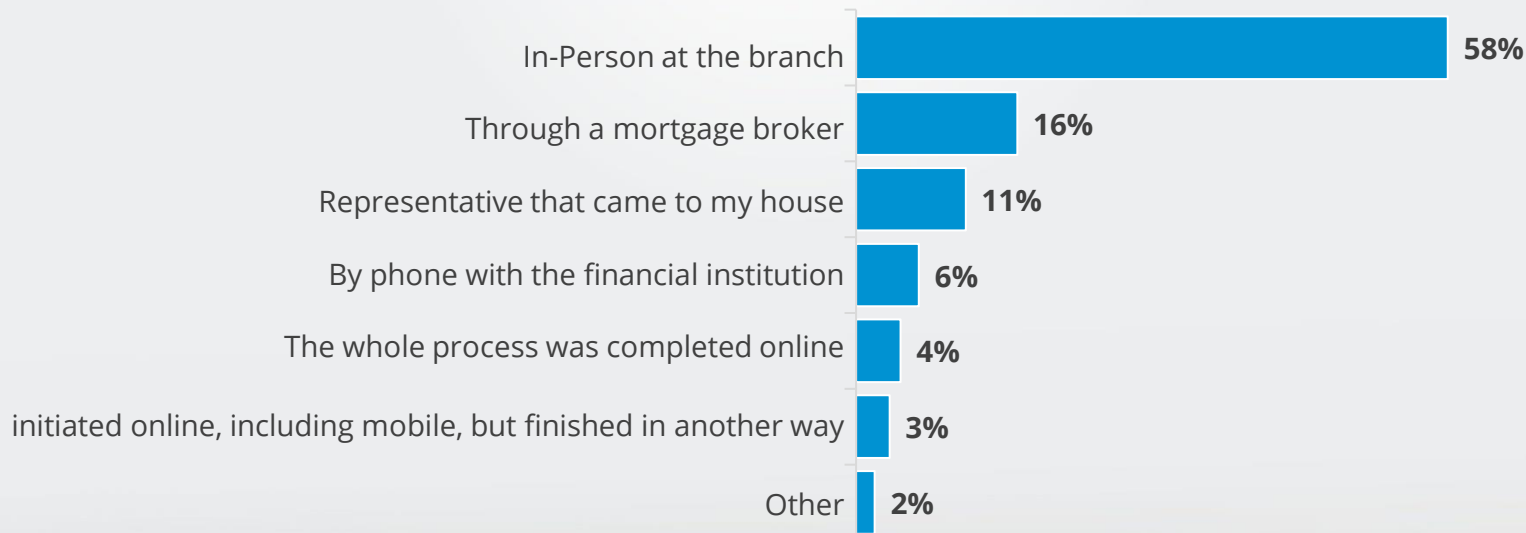
Research conducted July 2022

The background of the slide is a blue gradient with a faint, semi-transparent financial chart. The chart features a white line graph that trends upwards from left to right, with several peaks and valleys. Various numerical values are scattered across the background, including 18.00, 17.35, 16.00, 15.00, 0.7378, 0.73965, 0.742, 0.74465, 0.74715, 0.7446, 0.7471, and 0.7391. There are also some smaller, less legible numbers and symbols.

Financial Services – Before the Pandemic

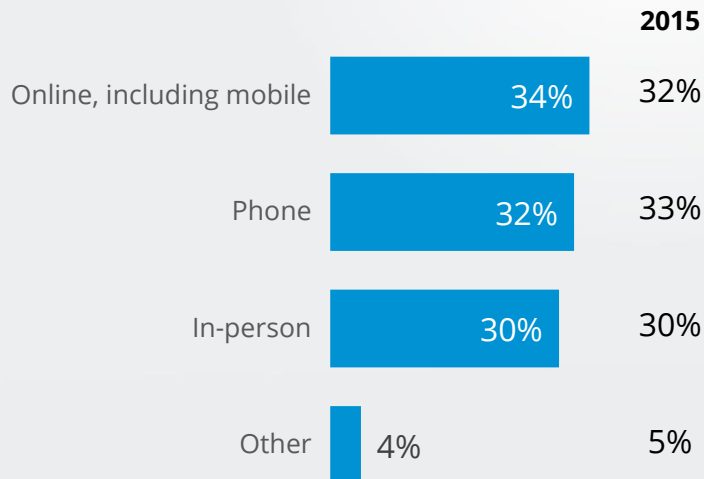
In 2018, Eight out of ten completed the CPI purchase in-person rather than remotely

How Credit Protection Insurance was Purchased: 2018



Travel Protection Insurance was more likely than CPI to be purchased online

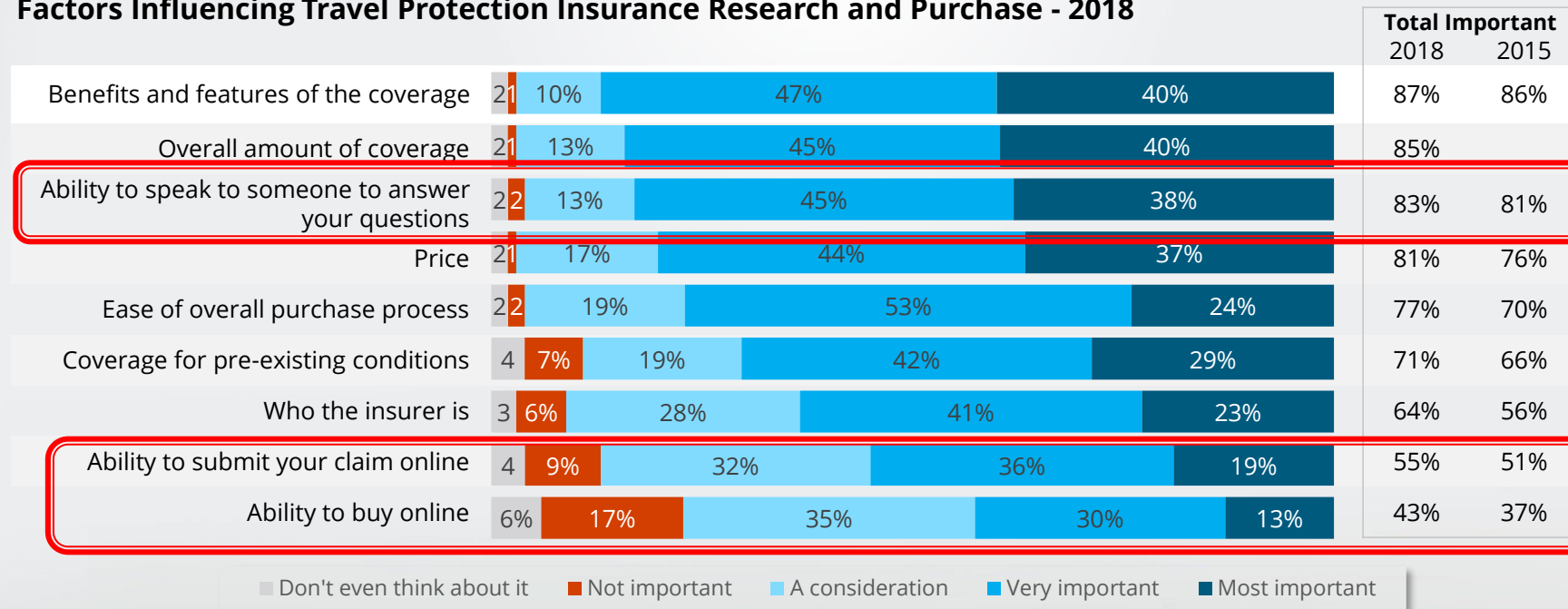
How Travel Protection Insurance was Purchased: 2018



Q12. How did you complete the purchase of your travel medical insurance? N=600
Q14. Which one of the following travel medical insurance policy types did you purchase? 2015 N=600, 2018 N=800

However, being able to talk to someone was more important than the ability to conduct the transaction online

Factors Influencing Travel Protection Insurance Research and Purchase - 2018



Q9. When researching or purchasing travel insurance how important are the following factors:
2015 N=1000, 2018 N=1200

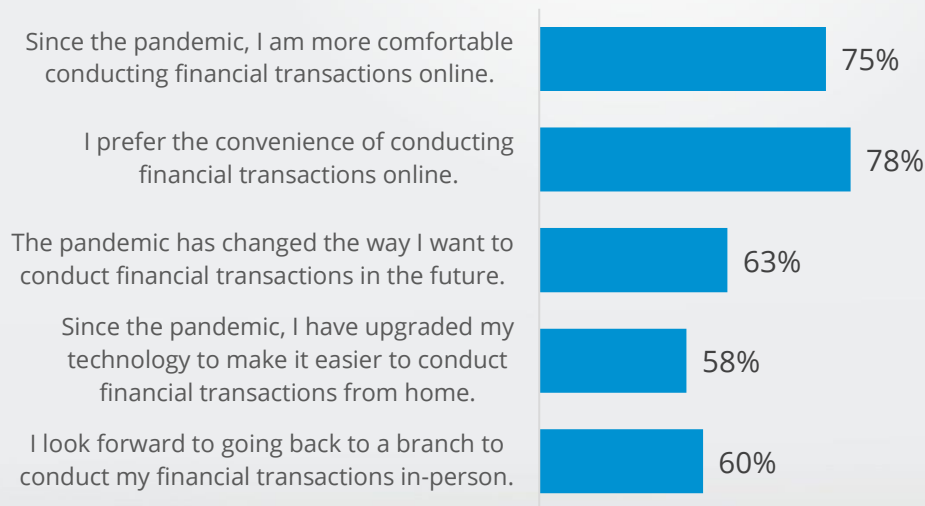
The background of the slide features a close-up of a hand holding a pen, poised to sign a document. The document is a Canadian 100 dollar bill, with the word 'Canada' and the number '100' clearly visible. A large, semi-transparent blue circle is centered over the hand and the bill. The entire image is overlaid with a blue gradient and faint white L-shaped corner markers.

Financial Services – During the Pandemic

The pandemic resulted in consumers becoming much more comfortable banking online

25

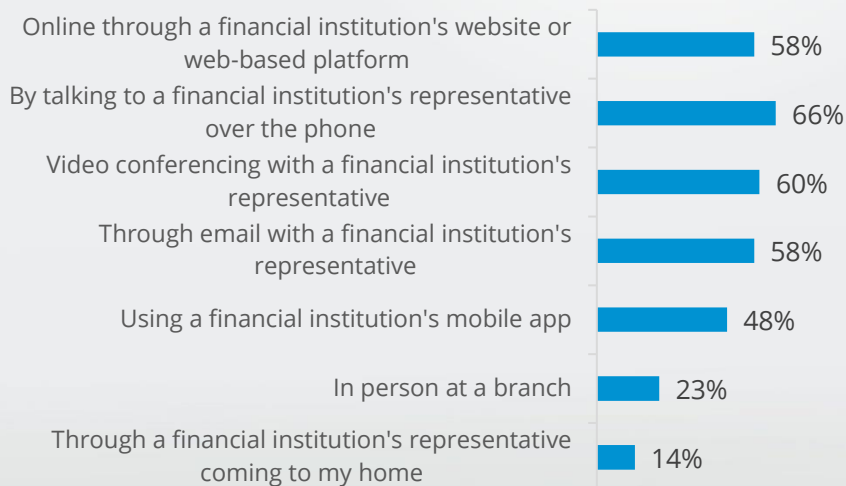
AGREEMENT WITH STATEMENT ABOUT FINANCIAL TRANSACTIONS: 2021 (% STRONGLY / SOMEWHAT AGREE)



Consumers are more likely to consider online processes than they were before the pandemic

26

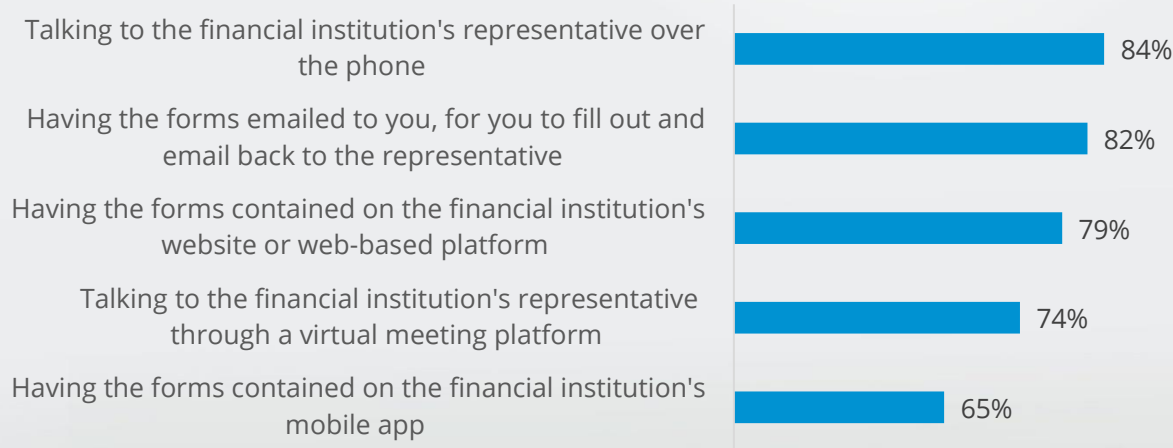
LIKELIHOOD OF CONSIDERING PROCESSES DUE TO COVID: 2021 (% MUCH / SOMEWHAT MORE LIKELY)



This extends specifically to the process of obtaining Credit Protection Insurance

27

COMFORT WITH VIRTUAL PROCESSES WHEN OBTAINING CREDIT PROTECTION INSURANCE: 2021 (% VERY / SOMEWHAT COMFORTABLE)



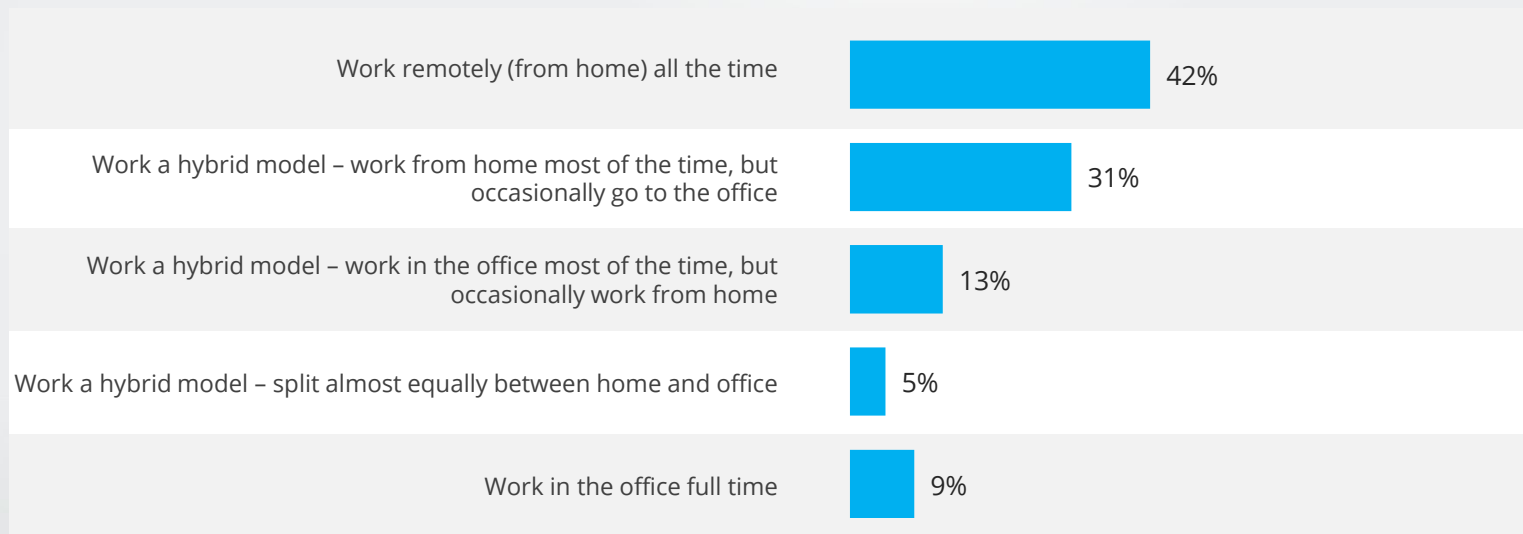


Once the Pandemic is Over

pollara
strategic insights

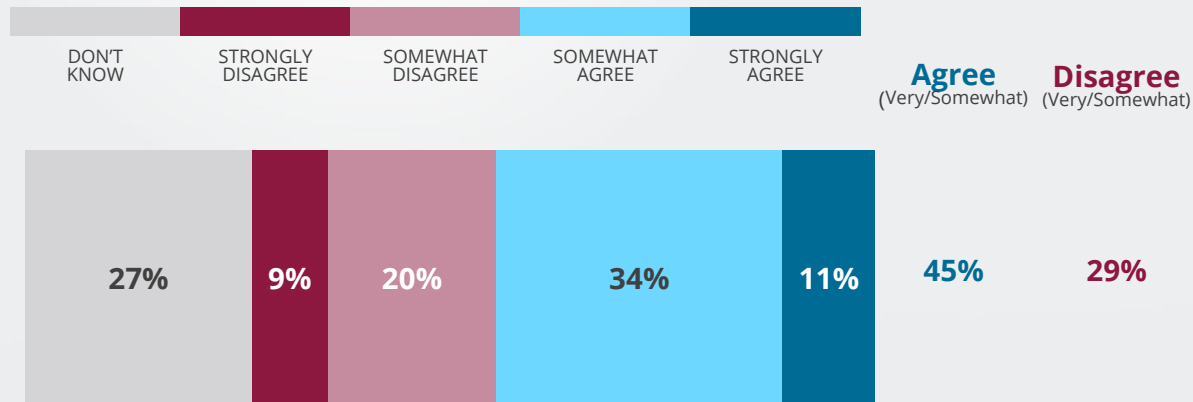
Women working from home during the pandemic, most would like to continue to do so at least for a part of the time

Location Preference for Canadian Women who were Working From Home during Pandemic: 2022



Research conducted May 2022

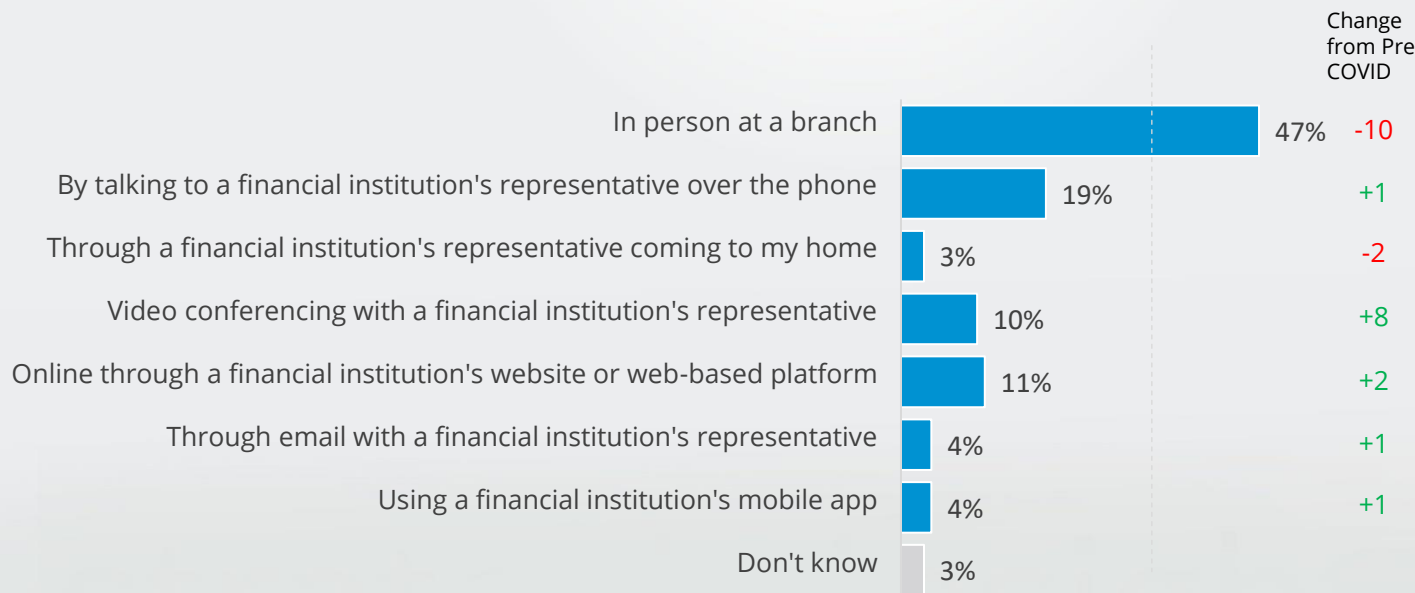
In a recent study of women, almost half say they are likely to quit their jobs if asked to return to the office full-time



Women are likely to quit their jobs if they are asked to return to the office full-time

Despite the increased comfort with virtual banking, most consumers anticipate they will go back to pre-COVID patterns of arranging for loans and buying insurance

METHOD OF FINANCIAL TRANSACTIONS AFTER COVID



The importance of face-to-face, human interaction can not be underestimated once the pandemic is over

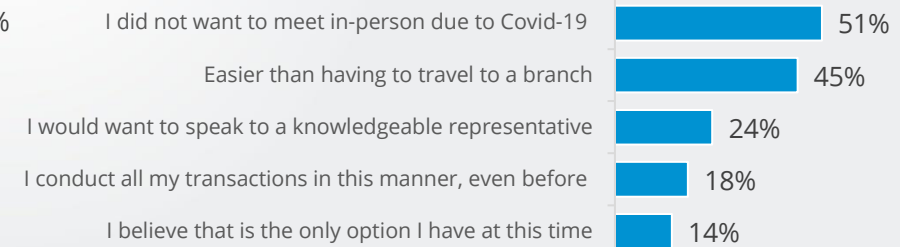
32

REASONS FOR CHANNEL PREFERENCE

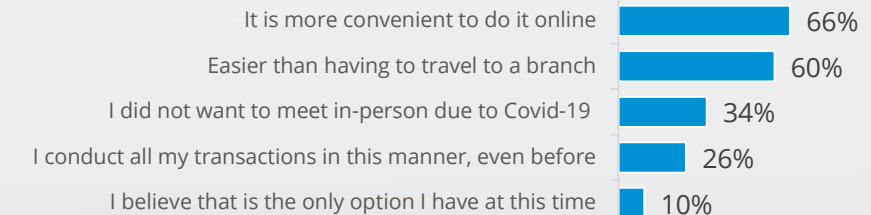
IN-PERSON MEETING



PHONE, VIDEO OR EMAIL



WEB-BASED OR MOBILE APP

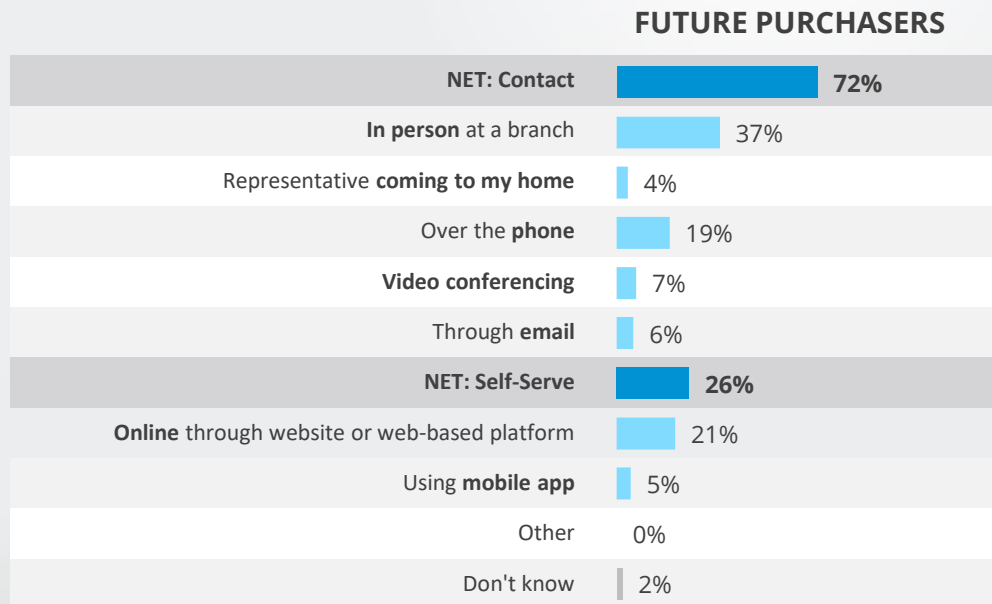


Why would you want to conduct financial transactions such as arranging for loans or buying credit protection insurance with?
Base: In-person at branch or home (N=401) Base: Over the phone, video conference or through email (N=263) / Base: Using financial institutions website or mobile app (N=118)

32

While customers will want assistance, it does not have to be in person

Preferred Method of Obtaining CPI after Pandemic: 2021



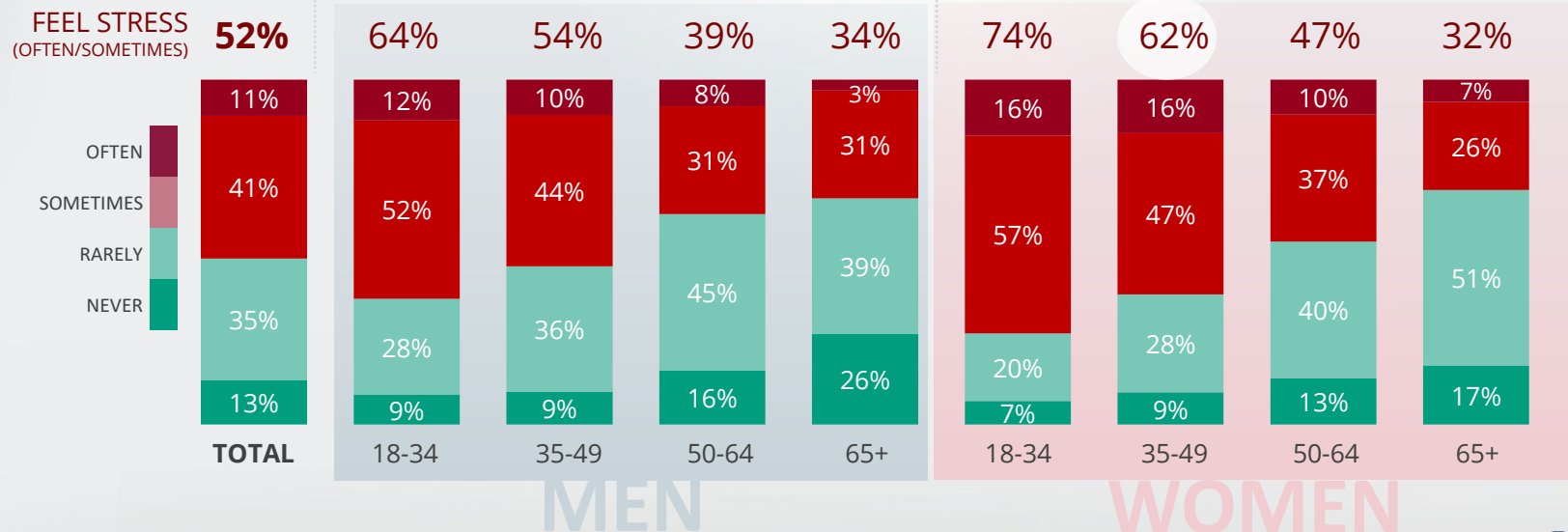


Why Does This Matter?

Just over half (52%) of Canadians feel stress when interacting with financial services sector

Younger Canadians and women are especially likely to feel stress when interacting with the financial services sector.

FREQUENCY OF FEELING STRESS WHEN INTERACTING WITH FINANCIAL SERVICES SECTOR IN CANADA



Research conducted March 2022

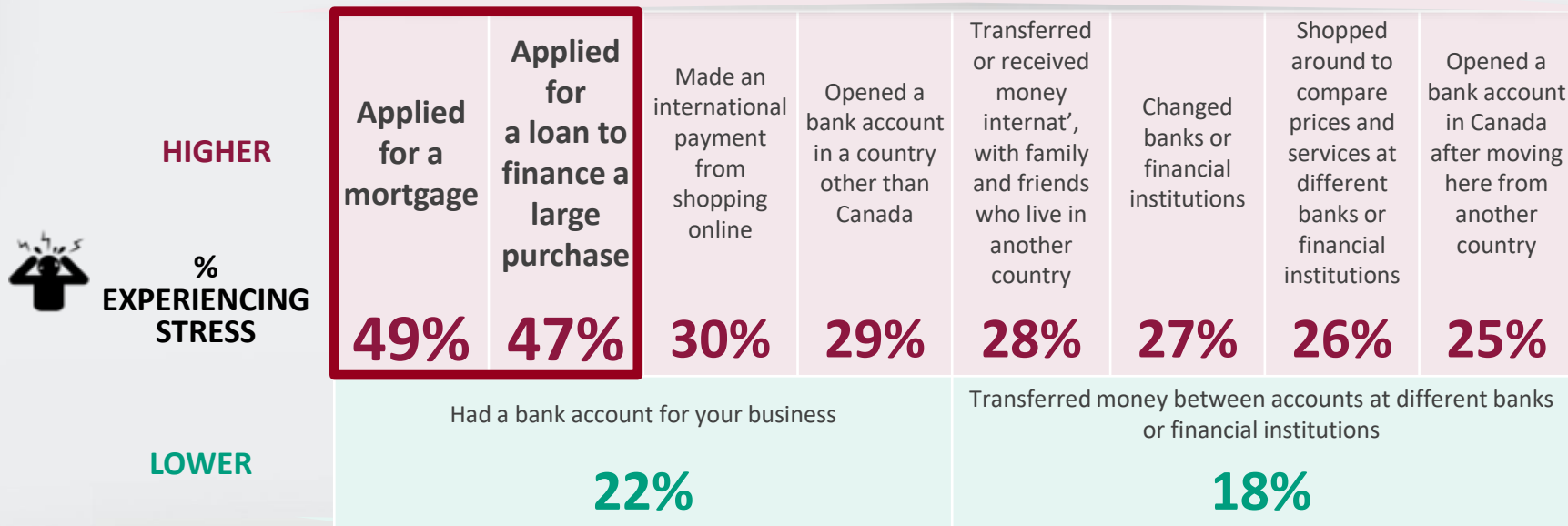
pollara
strategic insights



QB2. How often do you feel stress when interacting with the financial services sector in Canada? This could include dealing with banks, lenders, or other financial institutions.

Nearly half of Canadians find mortgage and large loan applications stressful

STRESS LEVEL AMONG CANADIANS WHO HAVE DONE THESE

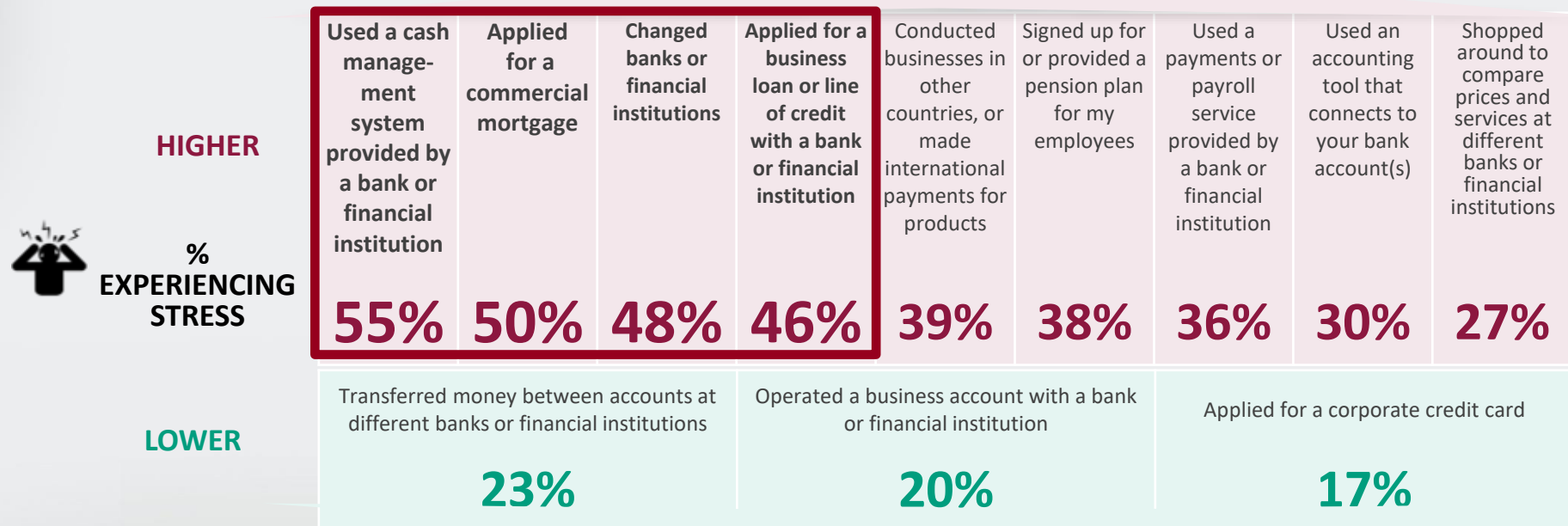


- Women are more likely than men to be stressed by each of these activities.

Research conducted March 2022

Majority of small business owners who use bank-provided cash management system find this stressful

STRESS LEVEL AMONG SMALL BUSINESS OWNERS WHO HAVE DONE THESE



QP2. And were you ever stressed when you had to do the following? Base: (Small Business survey: Those who have done each of these types of financial transactions)

Lesli Martin

Senior Vice President, Public Affairs

LesliMartin@pollara.com

416.707.9770

pollara
strategic insights