

Canadian Market Estimates Summary

Films and processing

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Highlights

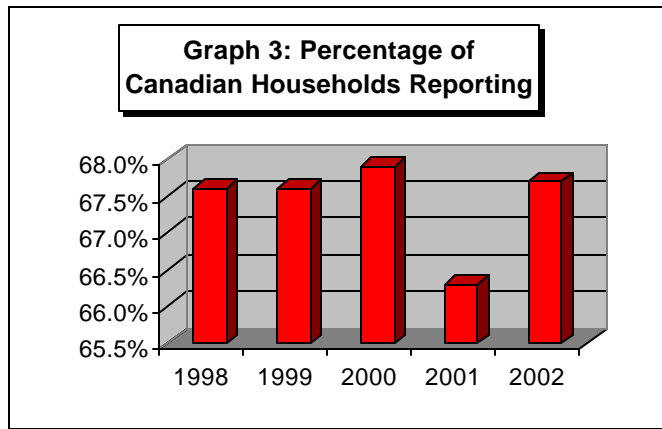
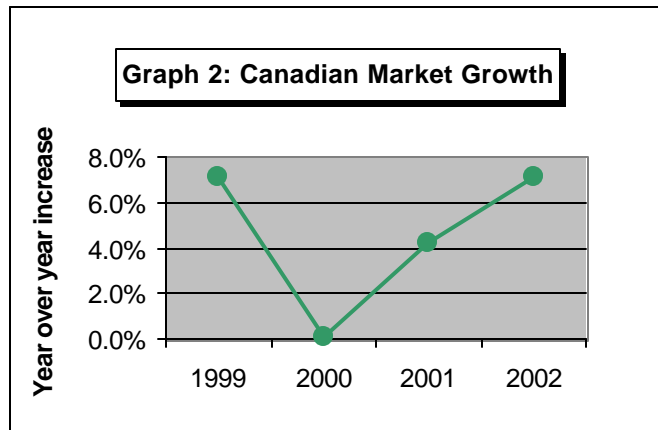
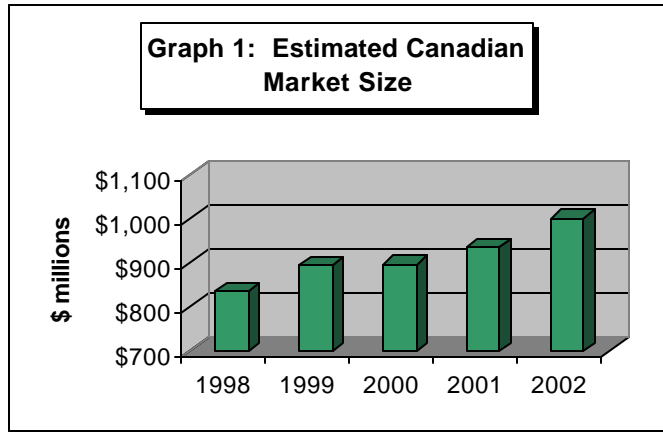
The following graphs provide a national overview of your market. For further details please see the data tables below.

Graph 1 tracks your market's total growth over the last five years for which data is available.

It is measured in total estimated market value and is based on average household expenditure.

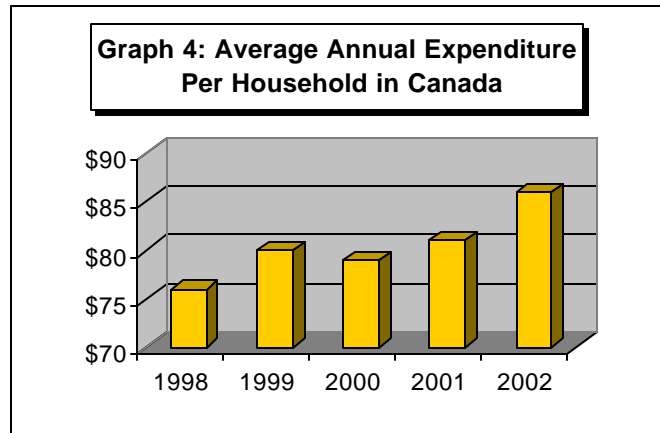
Graph 2 provides the growth rate of your market based on the self-reported expenditures of Canadian households.

Real market growth is based on either an increase in the percentage of households reporting a purchase (Graph 3) or an increase in the average annual expenditure per household (Graph 4).



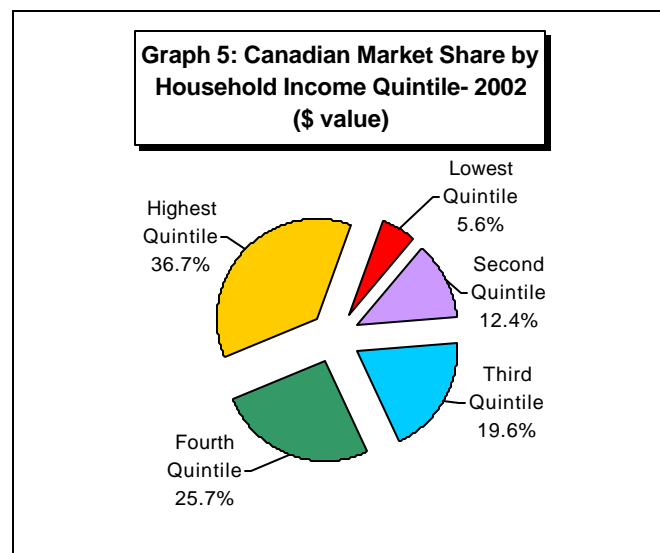
In other words an increase in the number of households purchasing your product or an increase in the average amount that households spend on your product are key market drivers.

NB: Average Annual Expenditure figures include all households whether they reported a purchase or not. For this reason these figures can often appear low.



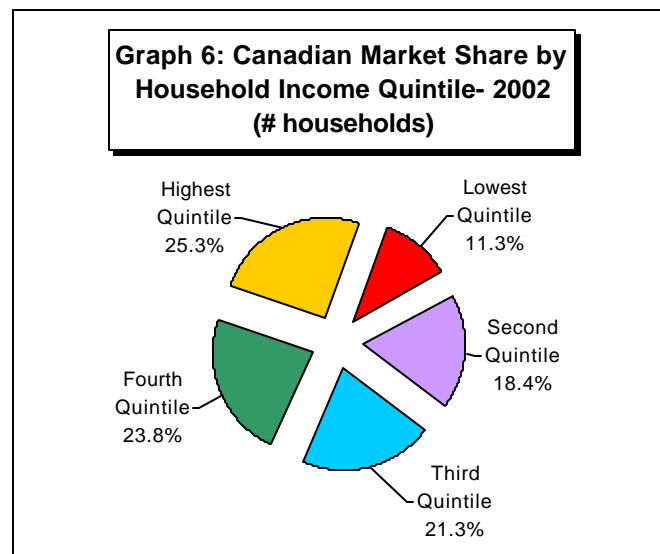
Graphs 5 & 6 provide insight into the household income segmentation of your market.

An income quintile is calculated by dividing all households equally into five income groupings. The national figures for 2002 have 2,331,550 households in each quintile.



The upper bounds for the lowest to the fourth quintiles are: \$23,465, \$41,000, \$60,270 \$88,244. (The highest quintile is unlimited)

Graph 5 tells you the percentage of your total market value that the total expenditures of each income quintile represent.

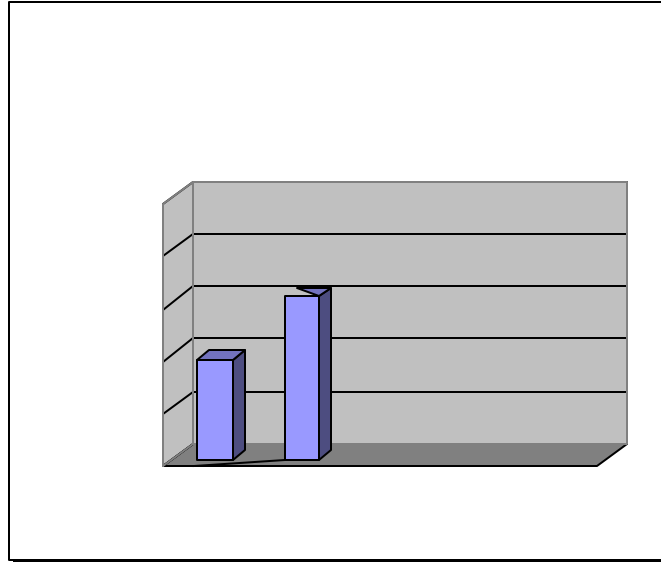


Overall value is important but you should also understand which income level represents your most typical purchasers

Graph 6 identifies whether your product/service is purchased equally by all income quintiles (such as groceries) or whether your product is only purchase by certain income quintiles.

Graph 7 identifies what percentage of households in each quintile reported a purchase.

Graph 8 identifies which income quintile typically spends the most on your product.



In addition to household income, household type is a key driver of consumer purchases

Graphs 9 & 10 identify what percentage of your market each principle household type represents.

The table to the lower right identifies household type segmentation of all households in Canada. Compare these percentages with the value and household market share data on the following page to determine how your market differs from the overall segmentation of all households in Canada

Segmentation of all Canadian Households by Household Type 2002

Husband-wife with children	31.8%
Husband-wife without children	23.1%
Husband-wife additional persons	5.4%
Lone-parent	9.4%
One person	24.6%
Other	5.7%

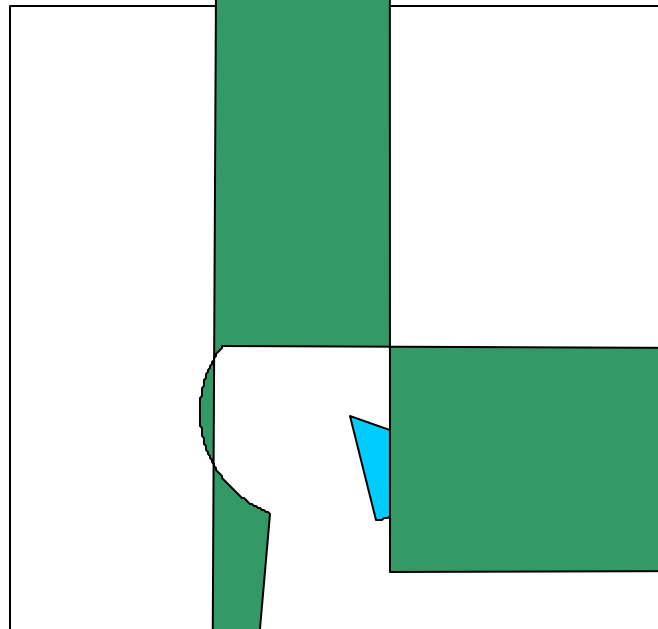
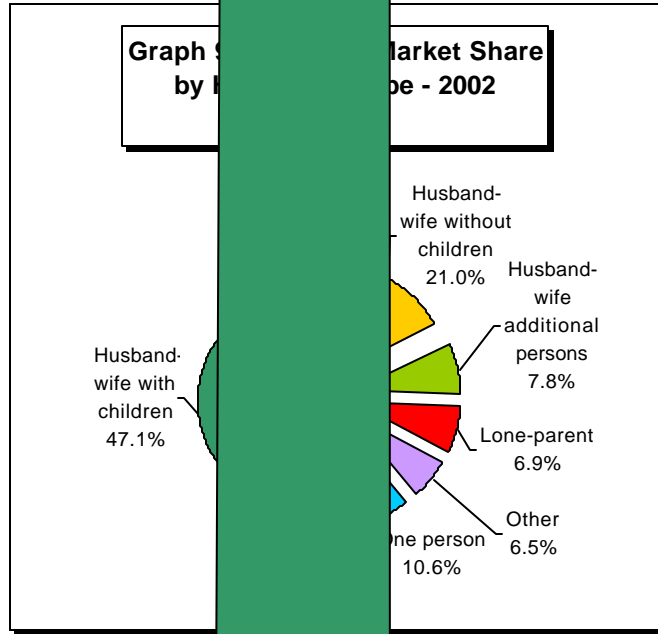
Graph 9 tells you the percentage share of the total Canadian market value of your expenditure category that each household type represents.

Graph 10 identifies the percentage share of the Canadian market size (in households) of your expenditure category that each household type represents.

Household types with market share significantly above their overall market segmentation (see table above) represent your best customer prospects.

The following pages provide detailed data tables of the preceding information.

Please see the notes provided at the end of this report.



Detailed Data Tables - Geography - 1998 to 2002

	Estimated number of households	Average expenditure per household	Percentage reporting	Average expenditure per household reporting	Percentage of all household expenditure	Estimated total market (\$millions)	Estimated total market growth rate	Percentage of Total Canadian Market
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CANADA

1998	11,017,230	\$76	67.6%	\$112	0.1%	\$837.3		100.0%
1999	11,209,960	\$80	67.6%	\$118	0.1%	\$896.8	7.1%	100.0%
2000	11,361,810	\$79	67.9%	\$116	0.1%	\$897.6	0.1%	100.0%
2001	11,552,010	\$81	66.3%	\$123	0.1%	\$935.7	4.2%	100.0%
2002	11,657,730	\$86	67.7%	\$126	0.1%	\$1,002.6	7.1%	100.0%

Detailed Data Tables - Income Quintiles - 2002

Households per Quintile	CANADA	
	2,331,550	
	Average expenditure per household	Percentage reporting
All Classes	\$86	67.7%
Lowest Quintile (upper bound \$22,000)	\$24	38.1%
Second Quintile (upper bound \$38,984)	\$53	62.2%
Third Quintile (upper bound \$58,336)	\$84	72.1%
Fourth Quintile (upper bound \$86,000)	\$110	80.4%
Highest Quintile (unlimited)	\$157	85.7%

Detailed Data Tables - Household Type - 2002

CANADA				
	Estimated number of households	Average expenditure per household	Percentage reporting	Estimated market value (millions)
One person households				
Total	2,864,790	\$37	43.0%	\$106.0
Person age 65 and over	1,003,340	\$18	33.4%	\$18.1
Husband-wife households				
Total	7,030,540	\$108	78.5%	\$759.3
Both age 65 and over	821,530	\$51	59.8%	\$41.9
Without Children	2,693,850	\$78	70.7%	\$210.1
With Children	3,708,180	\$127	84.0%	\$470.9
With additional persons	628,510	\$124	80.1%	\$77.9
Lone-parent households				
Total	1,100,150	\$63	63.0%	\$69.3
Female headed	899,130	\$63	63.9%	\$56.6
Other Households				
Total	662,240	\$98	67.4%	\$64.9
All persons related	367,800	\$86	63.2%	\$31.6
At least one person unrelated	294,440	\$112	72.8%	\$33.0

Notes

Canadian Market Estimates are based on the Statistics Canada Survey of Household Spending. For full documentation on this survey please see the Statistics Canada web site:

<http://www.statcan.ca/english/sdds/3508.htm>

Comparable data are available for 1998, 1999, 2000, 2001, 2002. Data for 2002 was released in December 2003.

The Data

Canadian Market Estimates are based primarily on three pieces of information:

1. Number of households
2. Percentage of households reporting the purchase of an item
3. Average annual expenditure per household on an item

Keep in mind that the average annual expenditure is an average of all households whether they made a purchase or not. This means that for some items there is a high percentage of \$0 households factored into the average annual expenditure.

The average annual expenditure for only those households purchasing is provided above in the geographic segmentation only.

You can calculate this figure for other segmentations by dividing the average annual expenditure per household by the percentage of households reporting and then multiplying by 100.

Data Limitations

There are limitations with this data. It is based on self-reported household expenditures which can be subjective. Moreover, it is only based on full year households (Student households are excluded from the survey sample)

The Estimates & Graphs

All estimates and graphs have been calculated and created by GDSourcing.com. If you have any questions or concerns, please contact us at 1-800-262-9015 or by e-mail at contact@gdsourcing.com.

Estimating Local Market Size

If you want to estimate the size of a small local market first determine the number of households in your market. There are two easy online options:

1. 2001 Census - GeoSearch
(<http://geodepot.statcan.ca/Diss/GeoSearch/index.cfm?lang=E>)
2. Canada Post Householder Counter
(<http://www.canadapost.ca/cpc2/addrm/hh/home.html>)

Your municipal government may also be helpful in estimating the number of households in your market.

You can also contact us to gather this information for you. There is a small fee for this service.

Once you know the number of households in your market multiply this figure by the most appropriate provincial or metropolitan average annual expenditure per household to arrive at your total estimated market size.

Once you have a total figure you can then begin estimating competitive market share and demographic segmentation.

You will also want to compare the overall market share data presented in the graphs above with your local household demographic.

Please see our case study "*What can be learned from household spending data*" for more information on how to use this data to assess local market potential.

<http://www.gdsourcing.ca/CMEarticle.htm>

Canadian Market Estimates should only be used as a starting point for market research. Business decisions should be based on a wide variety of information sources. For more information on researching a small business please see our research guide *Researching a Small Business*:

<http://www.gdsourcing.ca/gdstart.htm>

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