

CONSUMER MARKETS

Like other industrial countries, Canada's population base is gradually inverting. The proportion of older consumers is growing rapidly while that of younger consumers is declining. Both the senior (aged 65 and older) and middle-aged adult (45 to 64 years) groups are expanding. This trend is increasing demand for home maintenance, health services, financial services, travel and leisure activities.

Canadian consumers are demanding. Attractive styling and packaging is critical in selling many types of consumer goods. Buyers generally put a high priority on timely delivery of merchandise and solid after-sales service. Extended warranties on many consumer durables are common. Television accounts for the largest share of total advertising expenditures in Canada, followed by newspapers, radio and magazines.

Among the trends shaping the Canadian consumer marketplace of the future are increasing ethnic diversity and multiculturalism; continued expansion of the service sector; greater public awareness of environmental issues and values; increasing consumer demands for convenience from the products and services they buy; and a trend toward differentiating, segmenting and customizing consumer markets.

INDUSTRIAL MARKETS

Canadian markets for many types of capital and industrial goods are characterized by small numbers of domestic manufacturers, a larger but still limited number of domestic buyers, and strong import penetration. For example, most potential Canadian customers for a particular type of industrial machinery or equipment are likely to be clustered around two or three major cities.

Most Canadian industries, such as steel, petroleum refining, mining and metals, pulp and paper, food processing, and banking are dominated by a handful of Canadian producers. Competition for domestic business, however, tends to be stiff because of strong anti-trust laws, the impact of the NAFTA, falling import barriers, and high import penetration ratios in many sectors of the economy.

Category	Percentage
Spending on "essentials"	50
Spending on "non-essentials"	50
Food/beverages	10
Home heating	8
Housing	7
Financial services	6
Transportation	5
Resistant meals	4
Home furnishings	3
Clothing	2
Resistant meals	1
Alcohol	1
Tobacco	1
Movie theaters	1
New passenger cars	1

Canadian consumers spend more on services than on goods. The largest categories of spending are on housing, food and beverages, and transportation. Services are the biggest and the fastest-growing component of personal spending.