

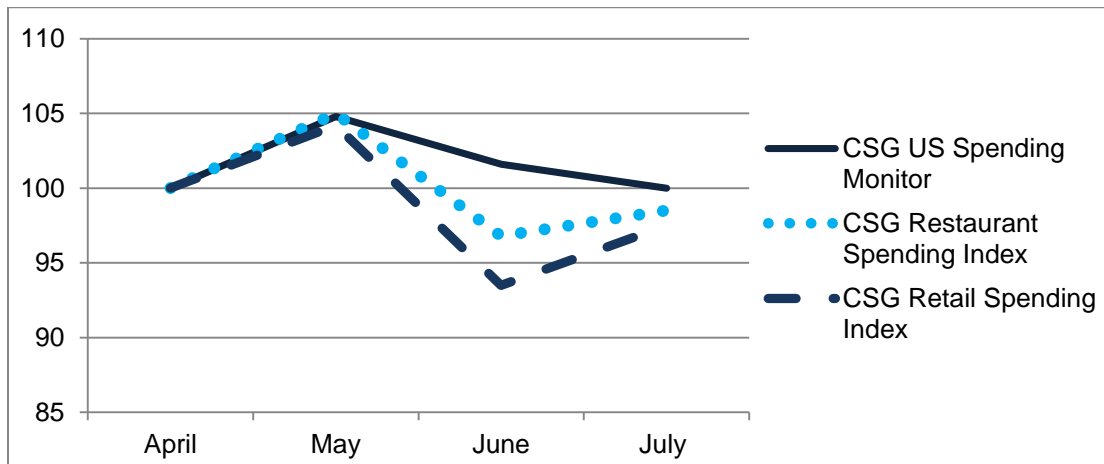


Consumer Spending Report (CSR)

August 2014

Chain Store Guide's Consumer Spending Report captures a unique view of consumer, retail, and foodservice spending intentions. The CSR includes the CSG US Spending Monitor, which tracks economic confidence and spending intentions of US consumers, the CSG Restaurant Spending Index, which measures consumer spending intentions for restaurant purchases, and the CSG Retail Spending Index that measures consumer retail and discretionary spending confidence. If you would like to subscribe to our monthly report please go to <http://newsroom.chainstoreguide.com/csr>.

Spending Monitor and Index Trends



The **CSG U.S. Spending Monitor** decreased 1.6 points between June and July. A combined 73.3% of Americans say they would rate the economy as being poor or fair, and 43.7% say it is getting worse. While these numbers are slightly better than last months, people's views on their personal finances are not. A combined 62.1% of adults report their personal finances as fair or poor and 42.1% say their finances are getting worse. This is contrasted by 60.2% of adults in June saying their finances are fair or poor and 39.1% say they are getting worse.

The **CSG Restaurant Spending Index** increased 1.7 points between June and July. Contributing to this increase is a slightly higher percentage of adults (31.2%) reporting going out to eat once a week. There has also been a slight decrease in the amount of people that say their average check will be \$1-10 (29.7%) and an increase in those that report spending \$10-20 (48.3%).

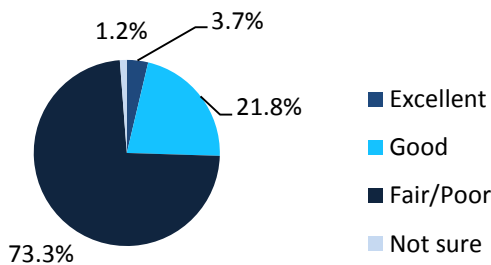
The **CSG Retail Spending Index** increased 4.0 points between June and July. It is no surprise the retail index increased this month as families are beginning their back-to-school shopping. Adults with children reported that they will spend 21.4% more on clothing, footwear, or accessories in the next month; this is contrasted by only 11.6% saying the same last month.



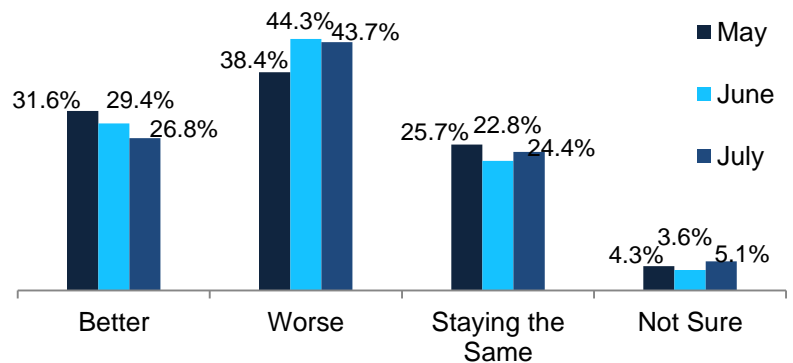
US Economy and Americans Spending

The **CSG US Spending Monitor** decreased 1.6 points. American adults are continuing to believe that not only is the US economy getting worse (43.7%), but their personal finances are as well. This decreasing morality can be seen when looking at adults opinions during the past three months. There has been a decrease, from 29.4% to 26.8%, in the percentage of Americans that believe the economy is getting better. When asked to rate the economy, 73.3% of the adults surveyed answered fair (35.1%) or poor (38.2%).

Generally speaking, how would you rate the U.S. economy these days?



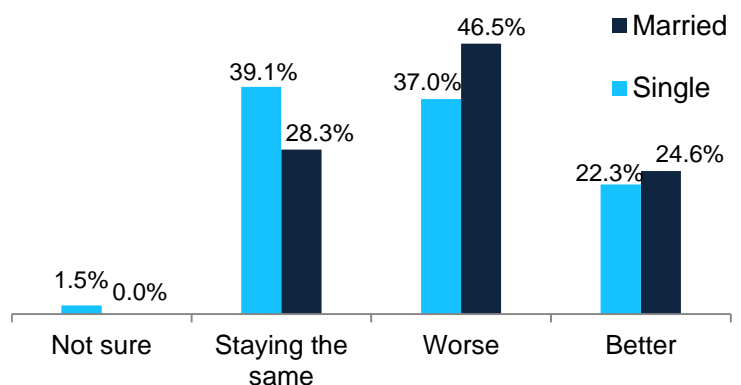
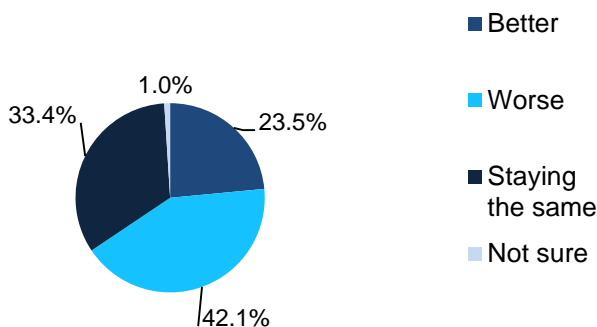
Are economic conditions in the country getting better or worse?



A combined 62.1% of adult's surveyed view their personal finances as fair or poor, and 42.1% believe their personal finances are getting worse. Almost half (46.5%) of those surveyed that are married answered that they believe their finances are getting worse; 37.0% of those that aren't married answered the same. While a greater percentage of those that are married believe their personal finances are getting worse, a combined 58.0% believe the economy to be fair or poor, compared to 66.8% of those not married believing the same.

Are your personal finances getting better, worse, or staying the same?

U.S. Adults

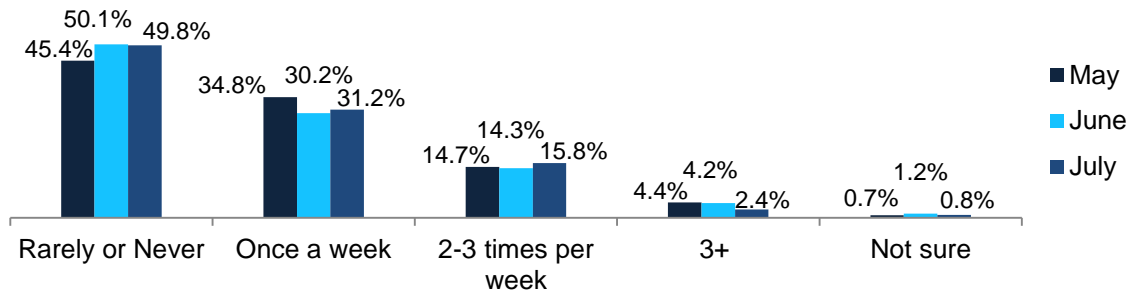




Restaurant Consumer Insights

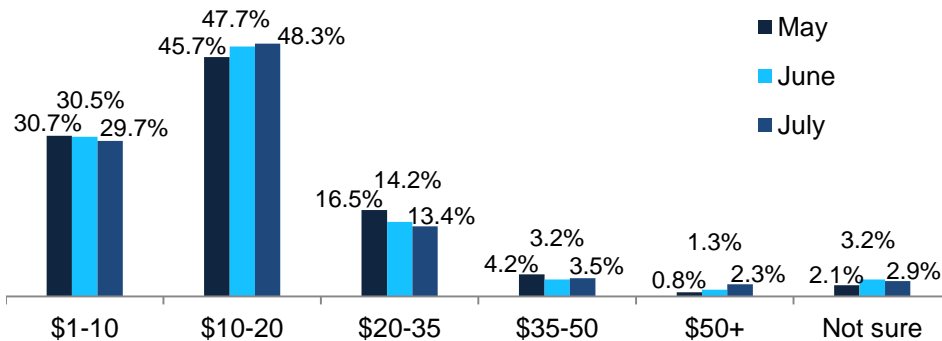
The **CSG Restaurant Spending Index** increased 1.7 points in July. One of the ways this slight increase can be seen is in the change in the amount of times adults are reporting going out to each each week. The number of adults that report going out to eat once a week increased from 30.2% to 31.2%, and the amount of adults that go out to eat 2-3 times per week increased from 14.3% to 15.8%.

In a typical week, how often do you go out to a restaurant for dinner?

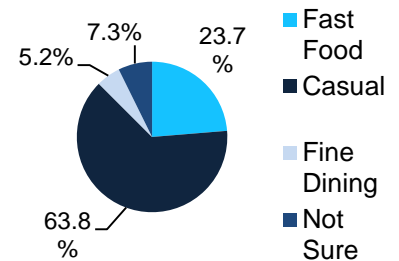


Another example of the slight increase in the index can be seen in the changing of prices people are expecting to spend when going out to dinner. In July 48.3% of people surveyed say they expect the average check per person to be \$10-\$20, this is compared to 45.7% in May. People are also reporting eating out more this month than six months ago. In June 5.4% said they were eating out more often, and in July 6.1% said the same. This months Restaurant data reveals that a majority of adults still prefer to eat at casual dining (63.8%) and fast food (23.7%) restaurants.

What do you expect your average cost per person will be when you go out for dinner?



In general, what type of restaurant do you usually go to for dinner the majority of the time?



Applebee's, Chili's Roll Out Table Top Tablets

"Mobile tablets are seamlessly popping up everywhere, from learning devices in classrooms to the everyday personal user. Now, when visiting a casual sit-down restaurant, you might find them at your table. This year, Applebee's began rolling out 100,000 devices across its restaurants in the U.S. with the goal of providing more food and menu information, added entertainment to the dining experience, and perhaps most importantly, a larger check size. Just this month, less than eight months after announcing their partnership, Ziosk and Chili's have completed installation of 45,000 tablets in 823 company-owned restaurants.

According to a company press release, after the Chili's rollout Ziosk now represents 95 percent of the installed tabletop menu, ordering, entertainment and payment market, totaling over 55,000 tablets across 46 states and more than 1,000 restaurants. On average, 80 percent of guests in a Ziosk-enabled restaurant use the tablet, and over 60 percent of credit card users opt to pay their check through Ziosk. Altogether, the communal tablets serve over 20 million guests per month. The tablets enable diners to browse the menu, order drinks and desserts, and quickly pay the bill."

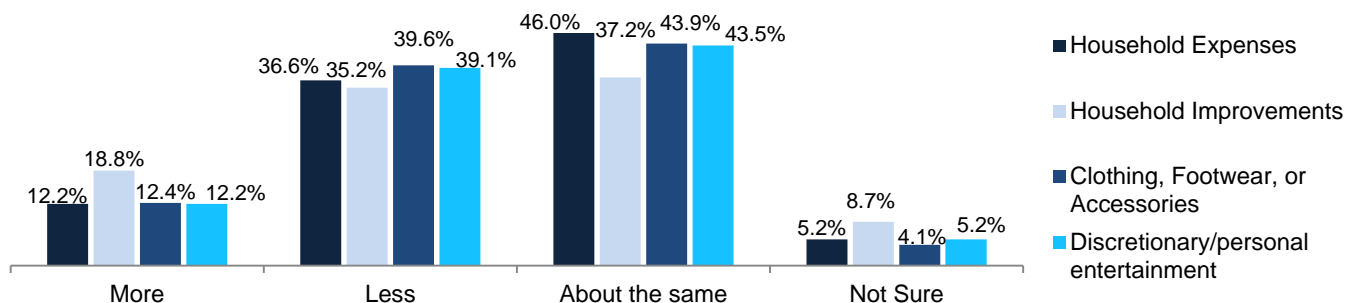
-Brian List (blist@chainstoreguide.com)



Retail Consumer Insights

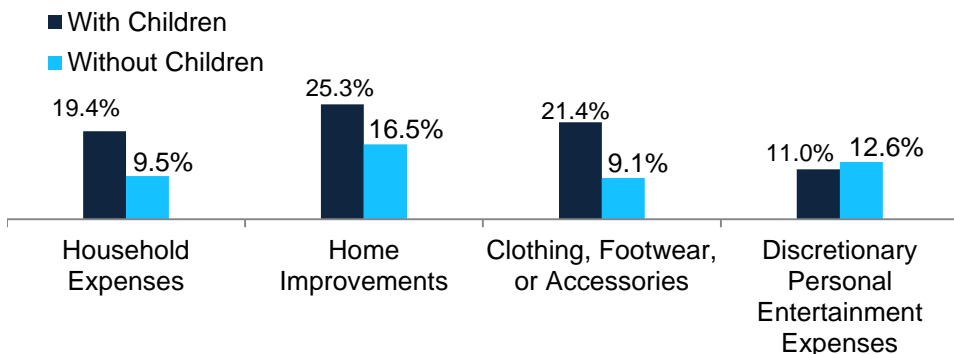
The **CSG Retail Spending Index** increased 4.0 points in June. As families are preparing for school to start, an increase in spending occurred in every retail area. While adults surveyed said they would spend 12.2%-12.4% more on household expenses, clothing, footwear, and accessories, and discretionary/personal entertainment, 18.8% said they would spend more on household improvements.

In the next month, will you spend more, less, or about the same on....

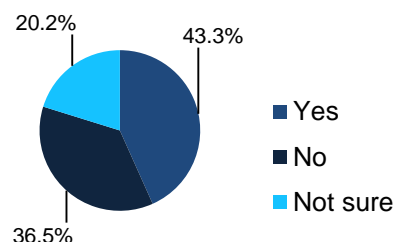


Retail spending in the month of July rose and it is expected that it will continue rising as people begin their back to school shopping. Overall, 28.8% of adults said they will spend more next month. Of those surveyed with children, 36.2% say they will spend more next month, compared to 26.1% of those without children that say the same. A higher percentage of adults with children (26.4%) also answered that they think they will do more online shopping than those without (23.4%). Of the adults surveyed, 43.3% of those with children say they expect to have added expenses or shortfall in income in the next 30 days. This is compared to 33.9% of adults that have no children that say the same.

Will you spend more on...



Do you expect added expenses or shortfall in income in the next 30 days? (Adults with Children)



Back-to-School Shopping

"For the 2014 back-to school season, 35% of consumers will shop for back-to-school supplies online, while 34% will shop in-store and 33% will do their shopping using both channels, according to a study from e-commerce marketing technology provider *HookLogic* and polling company *Qriously*. Figures for back-to-college shopping tilt more strongly in the favor of online. Looking ahead, 69% of back-to-school shoppers plan to spend about the same in 2014 as they did in 2013, while 19% intend to spend more. August is the most popular month to start back-to-school shopping. Many top retailers report back-to-school as one of their busiest times of year, often second to the Christmas holiday season.

There tends to be a lot of talk about intense price competition and a highly promotional climate every back-to-school season. Intense price competition during back-to-school season is nothing new, but the competition now occurs at a time of an increasingly dynamic online world. The mentioned study shows that more consumers prefer to do their back-to-school and back-to-college shopping online. Leading companies need to promote sales and stay ahead of the competition."

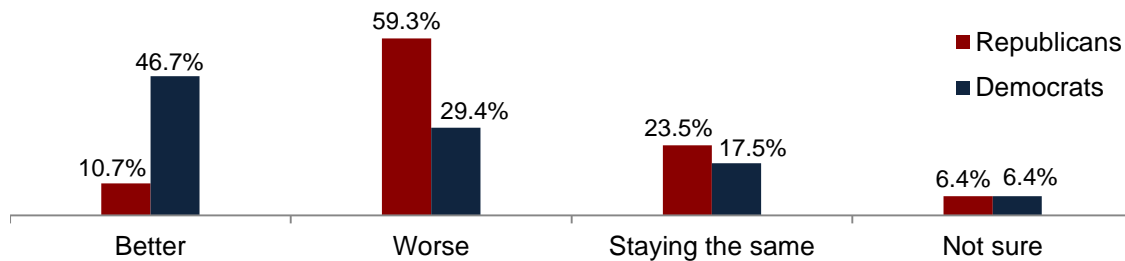
-Natasha Perry (nperry@chainstoreguide.com)



Democrats V.S. Republicans: The Economy & Spending

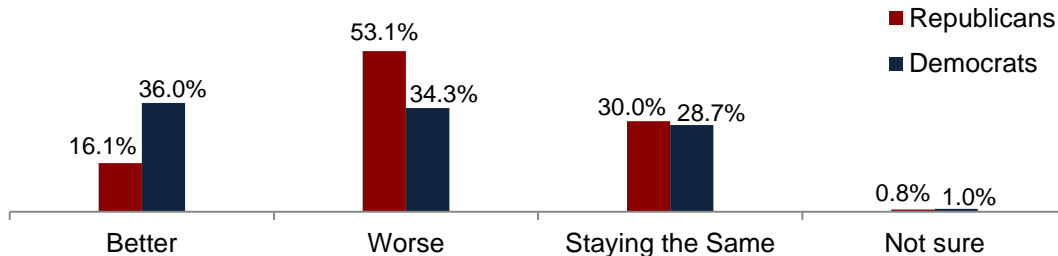
The subgroup with the greatest differences in their opinions on the economy was between Republicans and Democrats. When asked to rate the economy, a combined 83.2% of Republicans rated it as fair or poor, while 59.1% of Democrats said the same. When asked if they believe the economy is getting better or worse, 46.7% of Democrats answered better and 29.4% said worse, while 10.7% of Republicans said better, and 59.3% said worse.

Are economic conditions in the country getting better or worse?



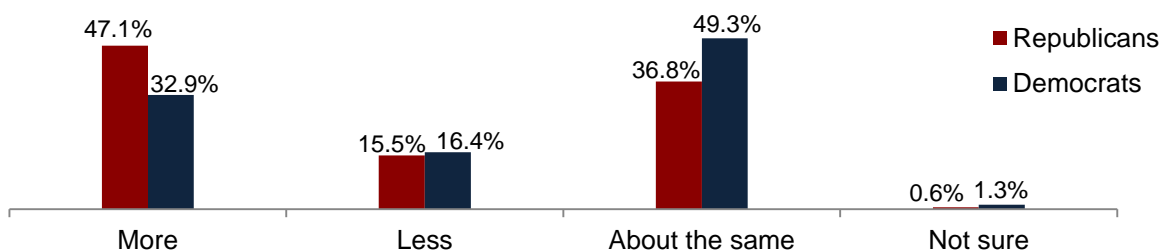
When asked to rate their personal finances, a combined 65.6% of Republicans answered fair or poor, while 54.9% of Democrats answered the same. When asked if their personal finances are getting better or worse, 53.1% of Republicans answered worse, and 34.3% of Democrats answered the same.

Are your personal finances getting better, worse, or staying the same?



While Republicans have a more negative outlook on their personal finances, they report spending more than Democrats. When asked how they expected to spend next month, 32.2% of Republicans answered more, while 27.8% of Democrats said the same. When asked about their spending this month compared to last month, 47.1% of Republicans reported spending more, while 32.9% of Democrats said the same.

Are you spending more, less or about the same as you spent last month?





About Chain Store Guide

For 80 years, Chain Store Guide (CSG) has been the leading provider of comprehensive and definitive retail and foodservice intelligence to businesses around the world.

Chain Store Guide details all major retailers, restaurants, distributors and wholesalers in the United States and Canada with contact information on over 700,000 establishments.

Chain Store Guide provides data in print directory, online web application and customized database formats. Chain Store Guide data is used by manufacturers, suppliers, service providers, brokers, real estate professionals, retailers, analysts, consultants and other professionals seeking to gain insight into retail and foodservice markets in the U.S. and Canada. Since 1934, Chain Store Guide has been the leading data source for in-depth information on retailers, restaurants, and foodservice operations.

The CSG US Spending Monitor, Retail Spending Index, and Restaurant Spending Index are monthly indexes of consumer spending intentions and capacity based on interviews with a random sample of 1,500 U.S. adults. In addition to spending, the survey asks consumers their opinions on the U.S. economy and their personal finances, retail and other discretionary spending. Surveys are conducted by Rasmussen Reports, an independent survey research firm (www.rasmussenreports.com).

The CSR is a summary analysis of our data, if you would like a more detailed analysis, have any questions, or would like to quote any of the information from this report, please contact Rebecca Ewing at rewing@chainstoreguide.com.