

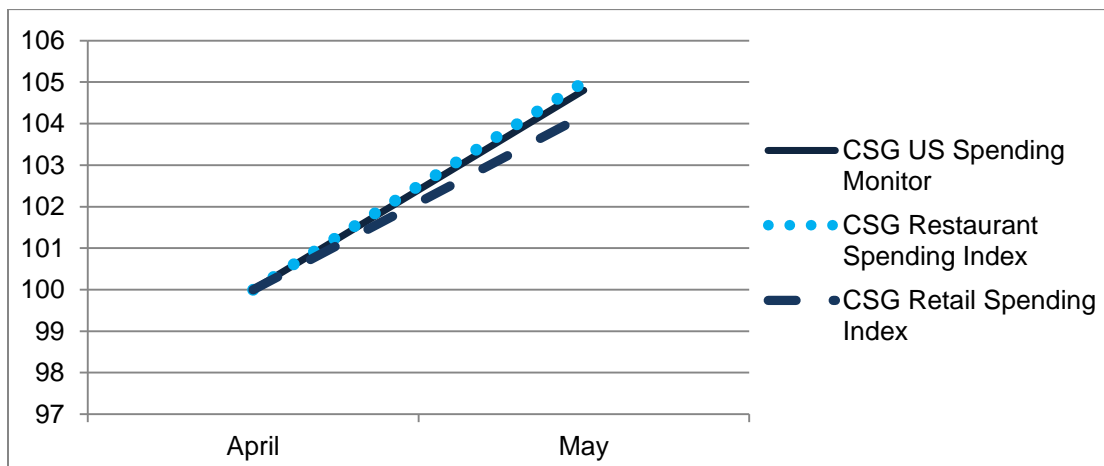


Consumer Spending Report (CSR)

June 2014

Chain Store Guide is proud to announce the release of its inaugural monthly **Consumer Spending Report (CSR)**. CSG will be capturing a unique view of consumer, retail, and foodservice spending intentions. The CSR will include the **CSG US Spending Monitor**, which will track economic confidence and spending intentions of US consumers, the **CSG Restaurant Spending Index**, which will measure consumer spending intentions for restaurant purchases, and the **CSG Retail Spending Index** that will measure consumer retail and discretionary spending confidence. The CSR will be sent to all of our customers monthly, 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** rose 4.8 points in May, as consumer confidence in the economy improved slightly. Consumer outlook on personal finances also displayed positive increases (see page 2). More consumers felt the economy was getting better in May (32%) compared to April, when only 28% of respondents felt the same.

The **CSG Restaurant Spending Index** rose 5 points in May. This rise was due to an 8% increase in the amount of times people reported going out to eat in May compared to the previous 6 months. In addition, 50% of adults reported going out to eat one to three times a week in May, compared to 46% in April (see page 3).

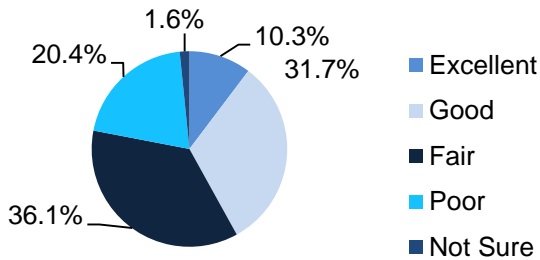
The **CSG Retail Spending Index** rose 4.2 points in May. The summer season is prompting home improvement spending, as 24% of consumers expected to spend more on household improvements in May than previous months' spending, while 11% expected to spend more on household expenses (see page 4).



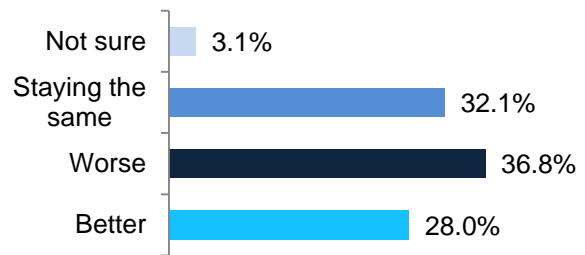
US Economy and American's Spending

It is no secret that America's economy has been struggling for the past ten years. While there have been signs of a slow recovery, many U.S. adults are still worse off than they were prior to the recession. Chain Store Guide's monthly CSR will highlight different key spending components to gauge how the economy and personal finances might affect spending. For example, when asked how people viewed their personal finances a combined 56.5% said they were fair or poor and 36.8% of people surveyed believe their finances are getting worse.

How would you rate your own personal finances these days?

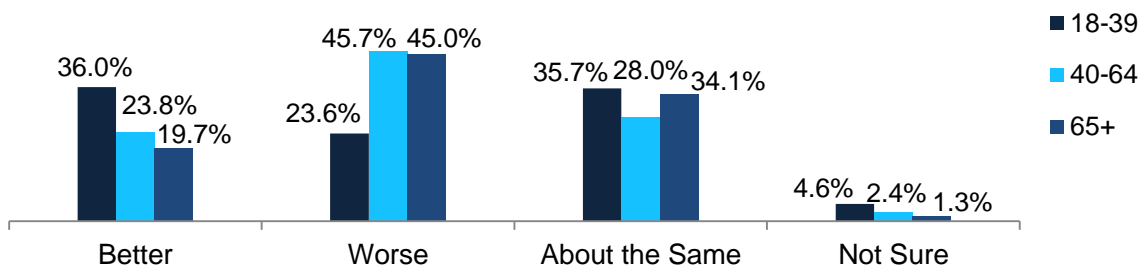


Are your personal finances getting better these days, or worse?



When the question "Are your personal finances getting better these days, or worse?" was broken down by age group, it was found that the older the age group, the worse they believed their personal finances to be, following the trend of older workers believing they are not prepared for retirement. More than one in three 18-39 year olds believed that their personal finances were getting better, while only 19.7% of those 65 years and older believed the same. This is contrasted by 45.7% of 40-64 year olds believing their finances are getting worse, and only 23.6% of 18-39 year olds believing the same.

Are your personal finances getting better these days or worse?

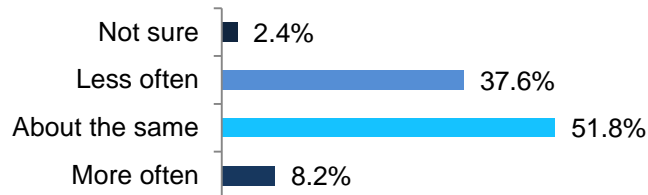




Restaurant Consumer Insights

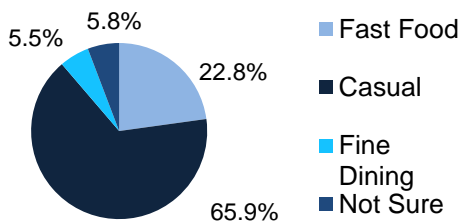
The CSG Restaurant Spending Index rose 5 points in the past two months. This increase in restaurant spending was displayed when consumers were asked how much they are going out to eat compared to six months ago. While 37.6% said they are going out less, a combined 60% said they are going out about the same or more.

Compared to six months ago, are you going out to eat more often, less often or are out going out to eat about the same as before?

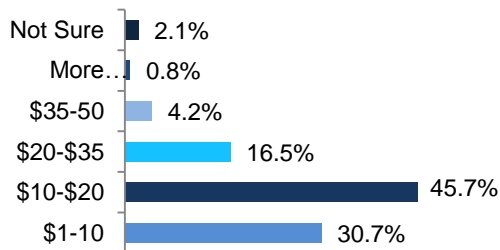


Americans still enjoy going out to eat, but research demonstrates they are trading down to eat at less expensive places. According to our monthly CSG Restaurant data, 65.9% of consumers surveyed visited casual restaurants for dinner a majority of the time, while 22.8% visited fast food establishments. Average check sizes also favored lower price options: 76.4% of consumers expect a cost per person between \$1-\$20.

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



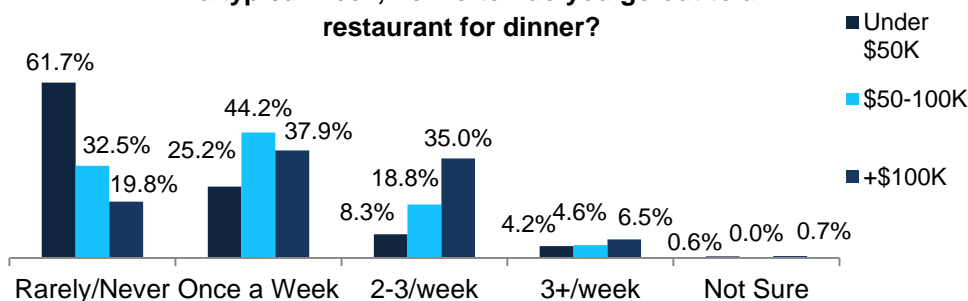
What do you expect your average cost per person will be when you go out for dinner?



Restaurant Spending Depends on Income Levels

When asked, "Compared to 6 months ago, are you going out to eat more often, less often, or about the same" it was found that the lower the income, the less likely people are to go out to eat. While over one in three (35%) of those that make over \$100k say they will go out to eat two to three times a week, only 8.3% of those that make under \$50k will do the same.

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



Editor's Note:

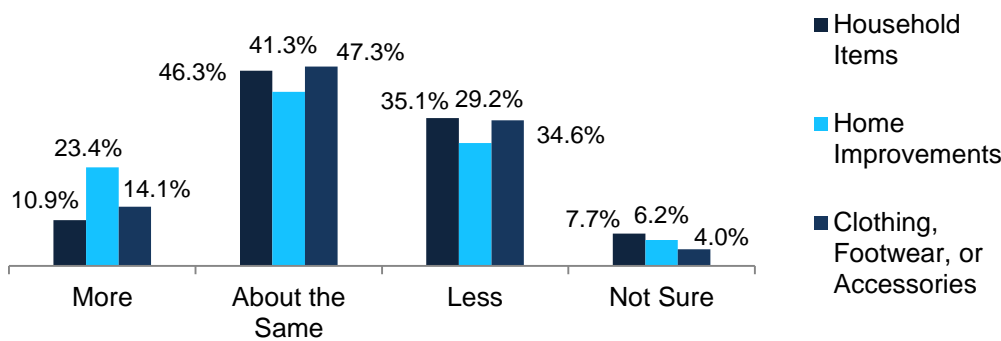
"Along with the fast-food chains, recent decades have seen the growth of the full-service casual dining chains such as Applebee's, Chili's, and Olive Garden. These restaurants typically have a themed décor and food to match, and unlike the older family dining spots like Bob Evans and Denny's, they almost always offer full bar service. As baby boomers started graduating from college in record numbers in the late 60s and into the 70s, women accounted for an increasingly large part of the workforce: according to U.S. government numbers, the participation rate of married women jumped from 27.6% in 1960 to 39.7% in 1970 up to 54.1% by 1980. Married women often have families so this movement of women into the workplace began to signal the increasing importance of quality time with loved ones. Unlike the formal luxury dining experienced in the first half of the century, patrons of casual restaurants face no dress code, don't have to leave the children at home, and can enjoy a full meal at a reasonable price."
 -Linda Helman (lhelman@chainstoreguide.com)



Retail Consumer Insights

The CSG Retail Spending Index rose 4.2 points between April and May. The index is formulated by tracking consumer's discretionary spending intentions. For example, consumers were asked if they would spend more, less, or about the same on certain areas of discretionary spending. The results showed that 57.2% said they would spend more or the same on household items, 64.7% said more or the same on home improvements, and 61.4% said more or the same on clothing, footwear, or accessories. These numbers have shown a modest increase between April and May.

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

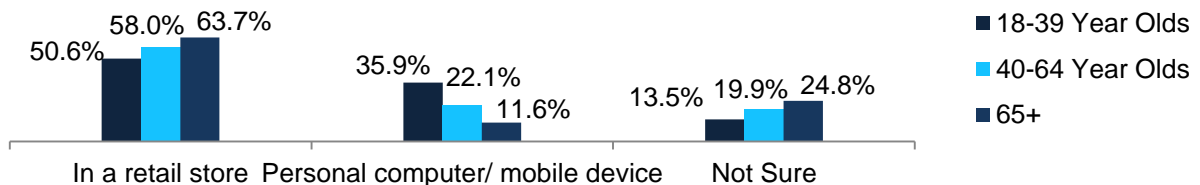


For in-depth information on the retail industry, **Chain Store Guide** profiles over 4,500 [apparel store chains](#), 3,700 [home center operators and hardware chains](#), and 1,400 [department store chains](#) in its respective databases.

Impact of Online Shopping

The rising trend in retail is online shopping. As a result, more and more stores are beginning to focus on Omnichannel advertising. This means that most stores will not only have a website, but also Twitter, Facebook, Instagram, etc. While it is still immersing in the market place, there does seem to already be a growing number of people shopping from their mobile devices (i.e. personal computers, tablets, phones). The National Retail Federation predicts that online sales will grow as much as 12% in 2014. The CSR demonstrates an importance in online shopping with 18-39 year olds, where 35.9% anticipated making the majority of their retail purchases on a personal computer or mobile internet device. Between April and May, there was a 4% increase in the prevalence of online shopping throughout all age groups. We will be tracking this trend in the ongoing months.

In the next month, how do you anticipate making the majority of your retail purchases?



Editor's Notes:

"Retailers such as Bebe, H&M, and Forever 21 are part of a growing number of fast fashion retailers. As the name explains, these retailers get trends from the catwalk to the sales floor quickly. It's a practice traditional chain stores find challenging to adopt, as they have always placed their orders months before the season started. With fast fashion, styles are not meant to last. Trends are designed and manufactured quickly and cheaply. This allows the mainstream consumer to take advantage of current clothing styles at a lower price. This also brings the customers back to the retailer to purchase new styles more often. The consumer in the fast fashion market thrives on constant change and the frequent availability of new products. Successful fast fashion retailers are making that happen."

-[Natasha Perry](#) (nperry@chainstoreguide.com)



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.