

CSG CONSUMER SPENDING REPORT

JULY 2018

RETAIL + RESTAURANT SPENDING TO SLOW IN JULY

Consumers Cool as Summer + Talk of Trade Wars Heat Up

The temperature isn't the only thing on the rise as we turn the page to July. The White House has also cranked up the heat on China and the EU, and the resulting talk of trade wars and higher prices for American consumers seem to have tamped down the proclivity to spend heading into summer proper.

The 12-month trend continues to point in the positive direction, but when the last few months are provided additional weight (as we do on pg2), it's beginning to appear that Americans may not be as fired up to spend this summer as retailers and restaurateurs would hope.

The composite US Spending Monitor is down slightly, while two of its components, the Restaurant Spending Index and the Retail Spending Index, both head south as a result of our most recent round of polling. The two indices recorded their largest drops in 6 and 8 months, respectively.

CSG
US Spending Monitor

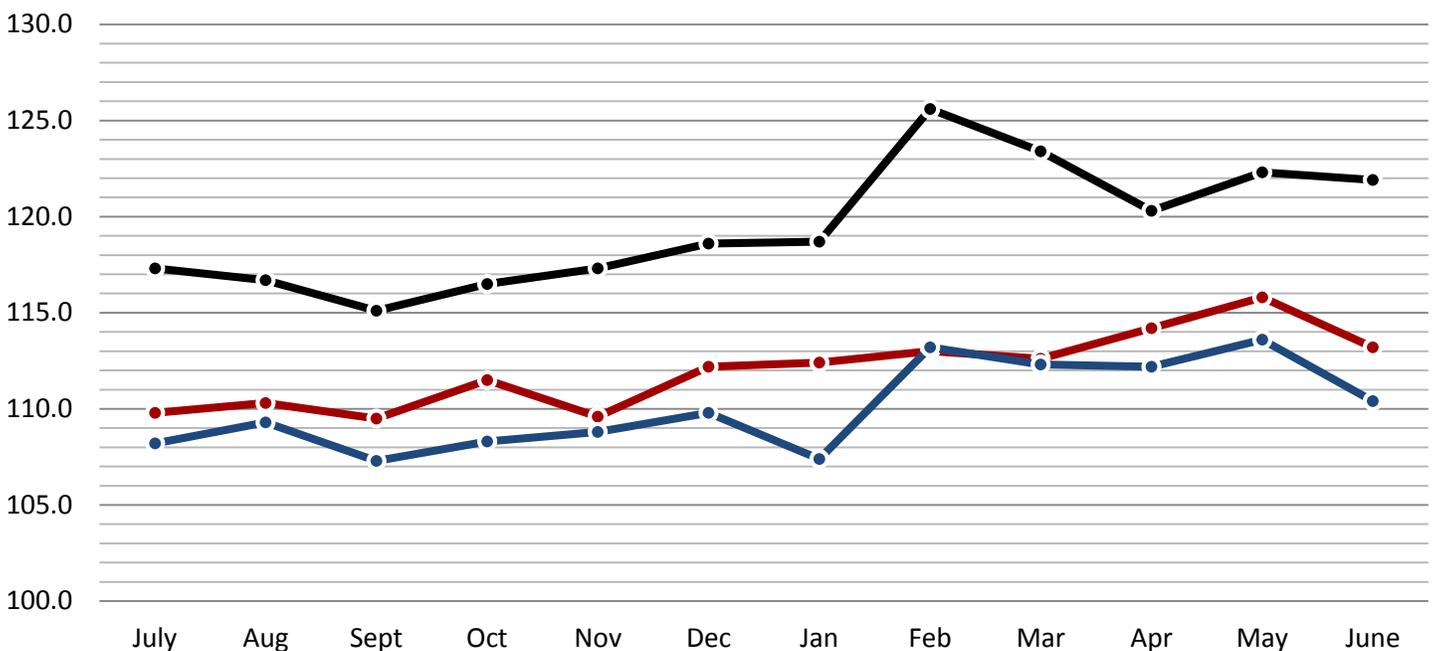
121.9

CSG
Restaurant Spending Index

113.2

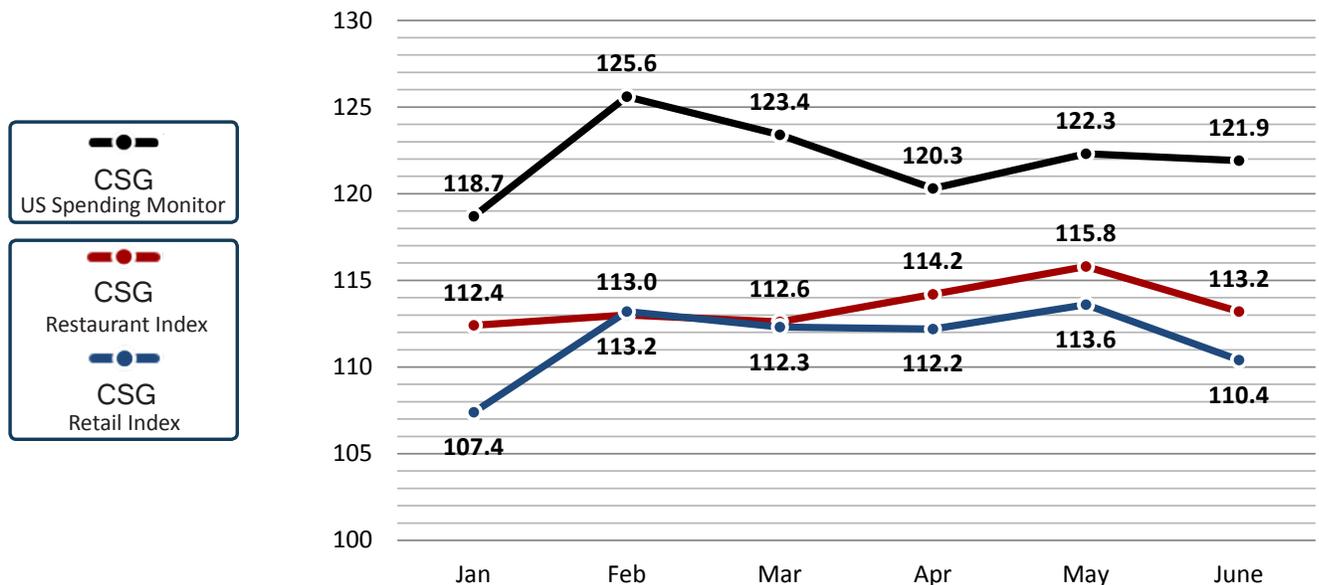
CSG
Retail Spending Index

110.4



IS CONSUMER OPTIMISM FADING AT THE HALFWAY POINT?

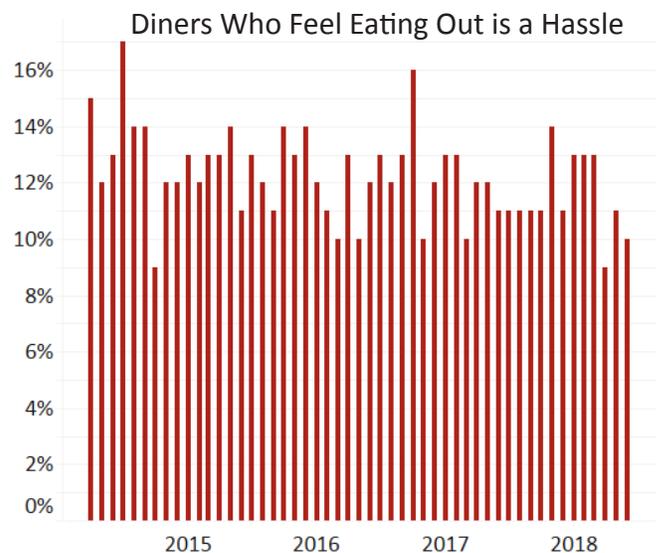
While the 12-month trend of consumer spending intentions and capacity as measured by the CSG US Spending Monitor is decidedly positive, the picture changes when we consider 2018 in isolation. After June polling, the Spending Monitor is off its February high of 125.6, and the Restaurant and Retail Indices are all but flat since the second month of 2018. Next month's numbers will be particularly interesting as we'll see whether the long-term positive trend reemerges or another set of subpar results heralds what could be a larger shift away from an overwhelmingly optimistic consumer outlook.



DINING TRENDS

Taking the Hassle Out of Dining Out

This month, we have some good news for the restaurant industry in the form of a long-term trend. As part of our monthly polling, CSG asks diners whether they consider eating out to be a pleasurable experience or a hassle (with “neither” and “don’t know” also being options). Results from the last three months show that restaurants are succeeding in reducing the pain points associated with dining out. Diners who feel that eating out is a hassle averaged 10% over April, May and June - the lowest 3-month average since the poll began in 2014.



Get More Leads & Drive More Sales With
CSG's Restaurant Franchisee Premier Database

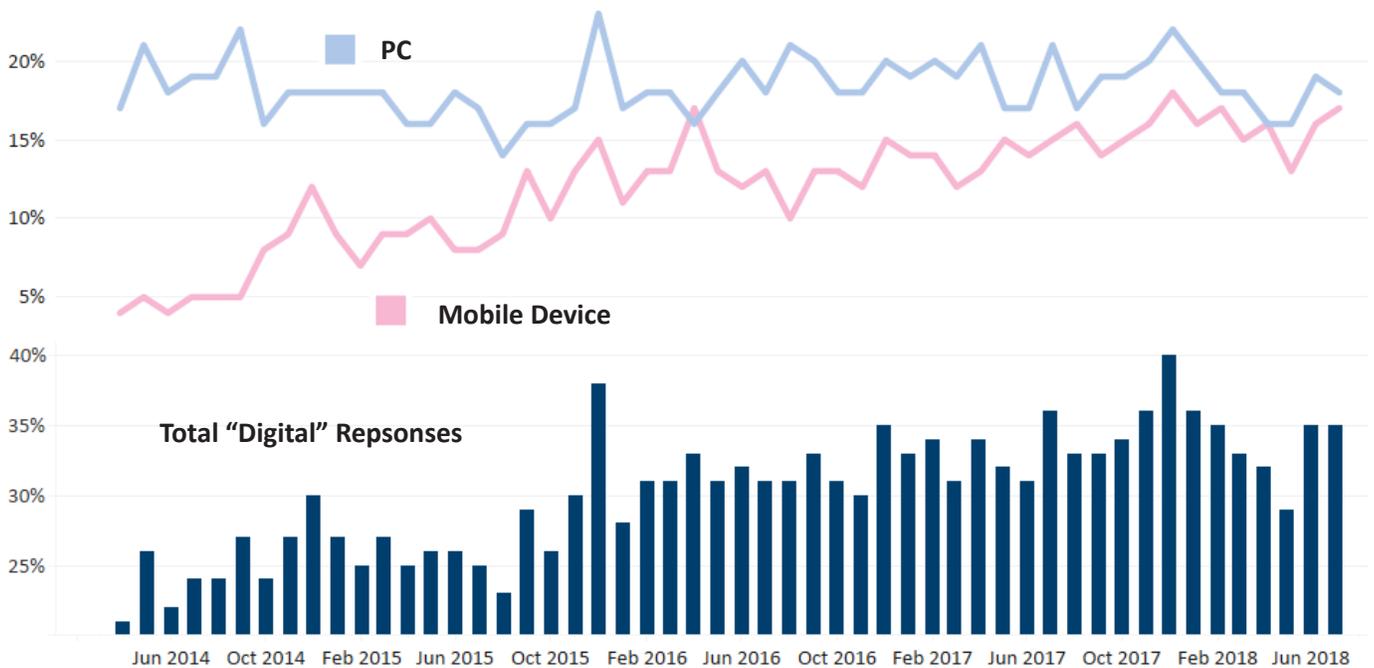
[CLICK HERE FOR DETAILS](#)

RETAIL FOCUS

GROWTH OF THE DIGITAL FOOTPRINT

The rise of online sales, marketing and order fulfillment and their power to shape the face of retail is a given at this point in history, even if the end results are yet to be seen. Below is an illustration of that growth and how we've arrived at the current state of affairs, as outlined by primary historical data gathered by Chain Store Guide. Of particular note is the fact that we ask respondents specifically about how they make the majority of their purchases. As of June 2018, the data shows that 35% of consumers made the *majority* of their purchases online, up from 22% in June of 2014. The overwhelming majority of that growth came from mobile devices - up from 4% in June 2014 to 17% four years later.

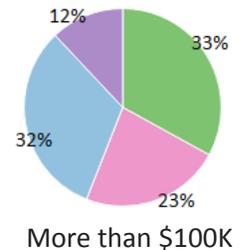
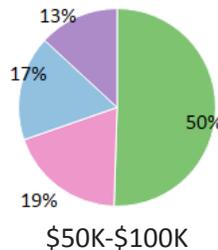
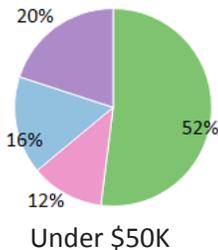
Q. In the next month, how will you make the majority of your retail purchases?



JUNE 2018 RESULTS BY INCOME

Q. In the next month, how will you make the majority of your retail purchases?

- Retail Store
- PC
- Mobile
- Not Sure



Get More Leads & Drive More Sales With
CSG's Discount, Dollar & Specialty Stores Database

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ABOUT CHAIN STORE GUIDE

For more than 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 data is the definitive source that 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.

Our data includes all major retailers, restaurants, distributors and wholesalers in the United States and Canada with contact information on over 70,100 chains.

OUR DATA IS USED FOR

- **Competitive Analysis**
- **Proximity Analysis**
- **Market Share Reporting**
- **Industry Profiling**
- **Market + Trend Analysis**
- **Forecasting**
- **Site Planning**
- **Industry Profiling**
- **Data Appending/Cleansing**
- **Lead Generation**

ABOUT THE CONSUMER SPENDING REPORT

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. The Monitor began in January 2014 with a base index of 100. CSG 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.