

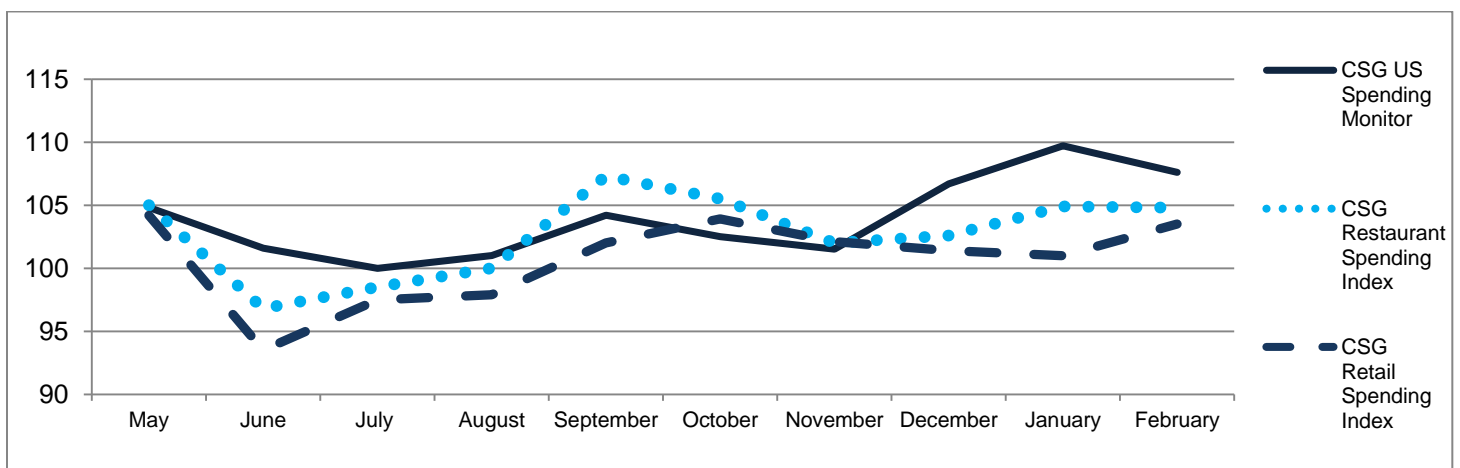


# Consumer Spending Report (CSR)

## March 2015

**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** increased 0.9 points. When asked to rate the economy, a combined 32.6% of adults stated that they believe the economy is excellent or good, while a combined 65.7% stated they believe it is fair or poor. This is a decrease from last month when a combined 36.4% believed the economy was excellent or good and 62.2% answered fair or poor. One of the reasons the monitor remained stagnant this month is evident in adults' perceptions of their personal finances and whether it is getting better or worse. Overall, adults were fairly evenly split on how they rated their personal finances with 11.1% answering excellent, 30.2% answering good, 38.0% answering fair, 18.8% answering poor, and 2.0% weren't sure.

The **CSG Restaurant Spending Index** decreased 0.1 points between January and February. A slight decrease suggests that very few consumers are changing their dining out habits and for the most part are continuing to find going out to eat a pleasurable experience. An overall majority across all income brackets – under \$50K at 67.2%, \$50-\$100K at 78.9%, and \$100K+ at 82.2% – rated their dining out experiences as pleasurable. For the same income brackets surveyed, casual dining restaurants dominated the consumers' choice for dining out locations. As federal tax season shifts into high-gear, it will be interesting to see how the consumer's restaurant spending habits will be affected.

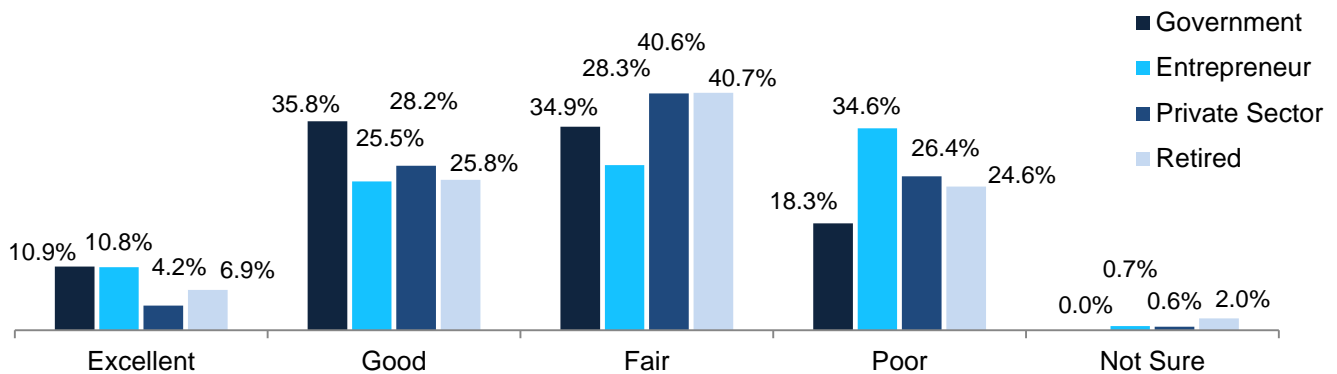
The **CSG Retail Spending Index** increased 2.1 points. Overall, spending in all areas remained relatively the same from last month. A greater percentage of adults this month, 18.8%, are reporting that they will spend more on home improvements. Almost half of adults say they spent about the same as last month, and 30.4% said they spent more. It is expected that the index will stay relatively stagnant next month as 52.5% of adults say they believe they will spend the same next month and 35.6% expect to have increased expenses or a shortfall of income.



## US Economy and Americans' Spending

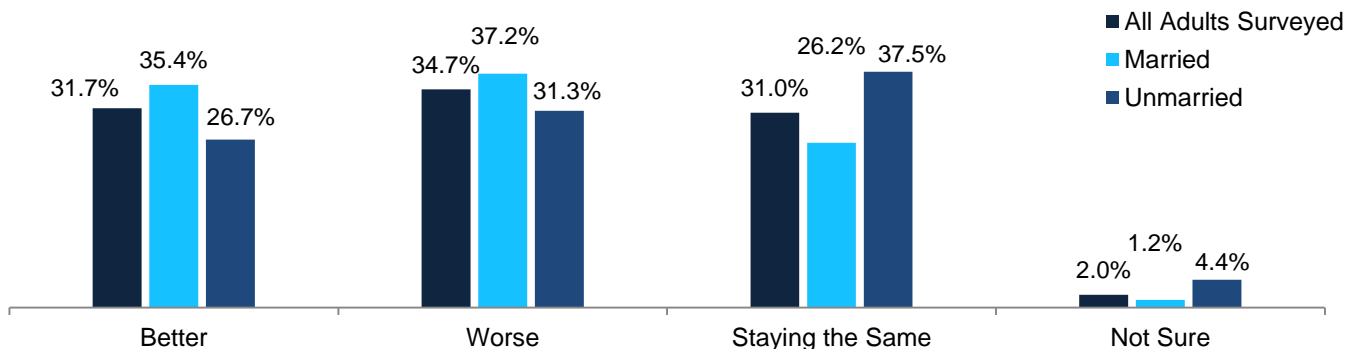
The **CSG U.S. Spending Monitor** increased 0.9 points. When asked to rate the economy, a combined 32.6% stated that they believe the economy is excellent or good, while a combined 65.7% stated they believe it is fair or poor. This is a decrease from last month when a combined 36.4% stated the economy was excellent or good, and 62.2% stated fair or poor. Those surveyed that reported they work in the government had the highest percentage that rated the economy as excellent or good with 46.7%, and 51.3% believe the economy is getting better. Those that reported working in the private sector had the most pessimistic view on the economy with 32.4% rating the economy as excellent or good, and 36.8% saying it is getting better. Overall, adults surveyed were evenly split in views on whether the economy is getting better, worse, or staying the same; 36.8% answered better, 33.3% answered worse, 24.9% answered that it is staying the same, and 5.0% weren't sure.

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



One of the reasons the monitor remained stagnant this month is evident in adults' perceptions of their personal finances and whether it is getting better or worse. Overall, adults were fairly evenly split on how they rated their personal finances with 11.1% answering excellent, 30.2% answering good, 38.0% answering fair, 18.8% answering poor, and 2.0% weren't sure. When asked if their personal finances are getting better or worse, 31.7% answered better, 34.7% answered worse, 31.0% answered that it was staying the same, and 2.6% weren't sure. Those surveyed that are married reported a much more optimistic outlook on their personal finances with a combined 47.7% answering they believe their personal finances to be excellent or good, and 31.7% believing it is getting better. This is compared to a combined 32.6% of those that aren't married that believe their personal finances are excellent or good, and 26.7% believing it is getting better.

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

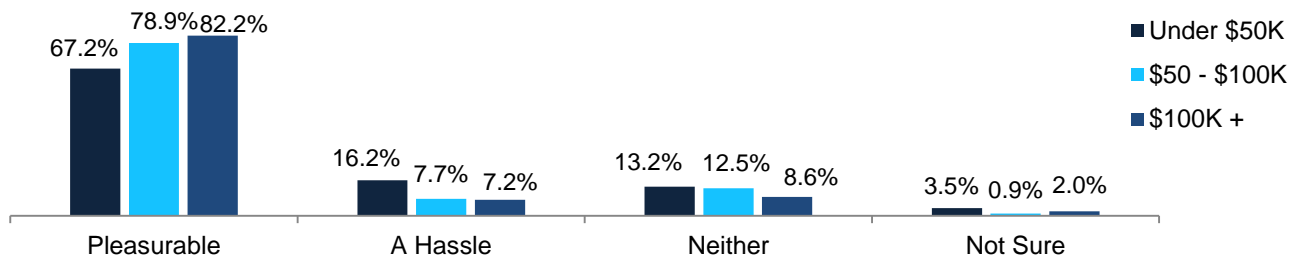




## Restaurant Consumer Insights

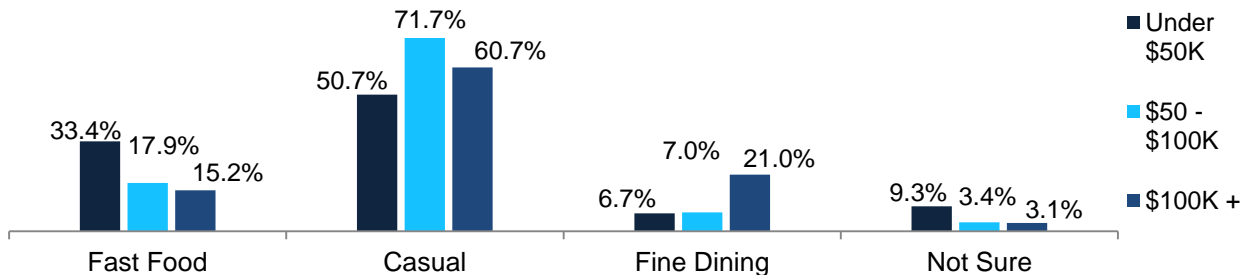
The **CSG Restaurant Spending Index** decreased 0.1 points between January and February. The minor decrease in the restaurant spending index suggests that consumers did not only continue to visit dining locations, but they actually enjoyed doing so with an overall majority across all income brackets – under \$50K at 67.2%, \$50-\$100K at 78.9%, and \$100K+ at 82.2% – rating their dining out experiences as pleasurable. Consumers who made under \$50K, 16.2%, considered going out to a restaurant a hassle compared to those surveyed at 7.7% of the \$50-\$100K and 7.2% of the \$100K+ income brackets.

**Do you consider going out to a restaurant to eat a pleasurable experience or a hassle?**



With federal tax season in full gear, some residents in the US are doing either one of two things: paying in more taxes or receiving what most consider a well-deserved refund. While some refund checks are deposited straight into savings accounts, others are being used to satisfy taste buds and fill rumbling stomachs. In February, casual dining restaurants satisfied a majority of consumers' empty stomachs across all income brackets. Fast food locations were frequented more by the under \$50K crowd at 33.4%, with income brackets \$50-\$100K and \$100K+ following not far behind at 17.9% and 15.2%, respectively.

**What type of restaurant do you usually go to for dinner the majority of the time?**



### **If You Can't Beat Them, Join Them**

*"What most foodservice scales are showing today is a developing "grey area" situated in between quick serve and casual dining – currently labeled "fast casual." Sitting in its grey area, fast casual created its own definition by being faster than casual dining, but not quite as fast as quick serve all while still remaining convenient. Fast casual's freshly prepared food is typically higher quality compared to quick serve, meal pricing is at \$8-\$15 per person, and locations usually include some sort of limited table service. An added plus is that a good majority of places serve alcohol.*

*No wonder why the fast casual segment has exploded over recent years – consumers love them and companies want to be them!*

*In due time, I imagine that the grey area surrounding the fast casual segment will increase in size and will soon encompass a majority of the dining establishments we tend to frequent on a monthly, weekly, and sometimes daily basis. Quick serve establishments will continue to mimic the Chipotle and Panera trend, while casual dining restaurants will open mini-me replicas to accommodate fast casual demands."*

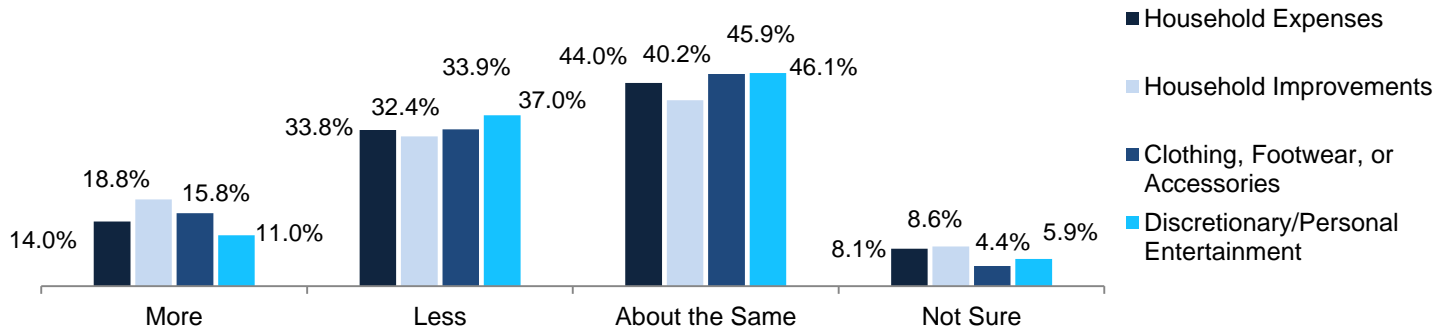
*-Loren McCollom (lmccol@chainstoreguide.com)*



## Retail Consumer Insights

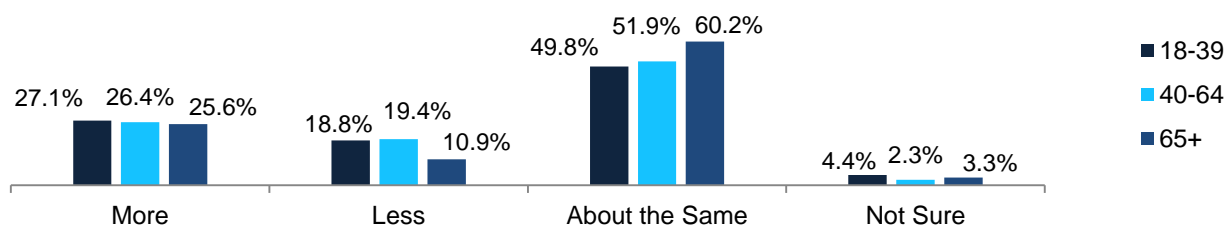
The **CSG Retail Spending Index** increased 2.1 points. Overall, spending in all areas remained relatively the same from last month. A greater percentage of adults this month, 18.8%, are reporting that they will spend more on home improvements. The category that had the second highest percentage of what adults said they would spend more on was clothing, footwear, and accessories. Spending on discretionary and personal entertainment had the lowest percentage of adults that said they would spend more next month. One fourth of adults also reported that they would do a majority of their shopping on a mobile internet device or personal computer.

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



Almost half of adults say they spent about the same as last month, and 30.4% said they spent more. It is expected that the index will stay relatively stagnant next month as 52.5% of adults say they believe they will spend the same next month and 35.6% expect to have increased expenses or a shortfall of income. Adults aged 18-39 had the highest percentage that expect to spend more next month with 27.1%, this is compared to 26.4% of those aged 40-64, and 25.6% of those aged 65 and older that answered the same.

### Do you think you will spend more, less or about the same next month?



#### The Big Book is Back

"JCPenney Co. is bringing back its catalog. The new, 120-page book will feature items from JCPenney's home department and will be sent to select customers next month. This marks the first time the department store chain has sent out a catalog since 2010..."

The reason for the return of the JCPenney catalog is that it actually helped the company make more online sales. Data shows that 31% of shoppers use catalogs when shopping online, The Consumerist noted. The new JCPenney catalog won't have options for ordering from it, but will instead act like a book ad for the company's products. There was once a time when this semiannual catalog represented the top fashion trends of the season and styles that the average consumer could afford. When Sears closed its catalog business in 1993, JCPenney became the largest catalog retailer in the United States. Sales peaked in 1999 at about \$4 billion. Once 1,500 pages, JCPenney's Big Book circulation topped out at 14 million catalogs.

Catalogs aren't the same as they were decades ago and consumers aren't using them the same way either. Mailing the thin catalogs out helps, but it's the online version that gets the traffic and can be attributed to sales. We know Victoria's Secret Stores uses their photo shoots for social media and advertising, and the company is certainly leading its industry. I for one am excited to see the new JCPenney catalog and wish the struggling retailer the best of luck."

-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](http://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](mailto:rewing@chainstoreguide.com).