

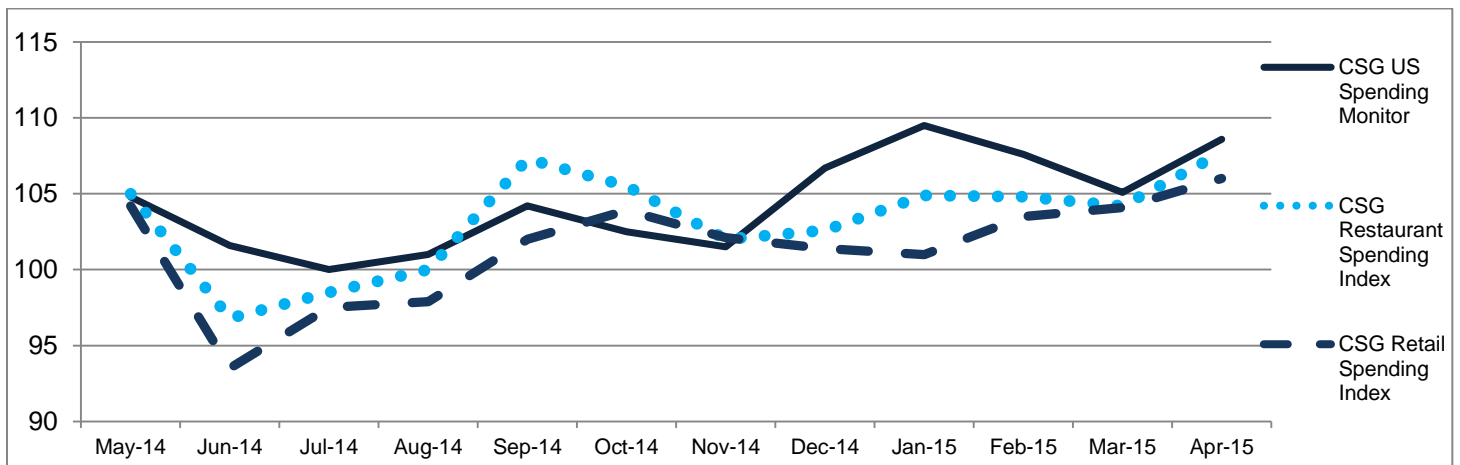


# Consumer Spending Report (CSR)

## May 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 Index** increased 3.5 points. Overall, a combined 33.2% of adults rated the economy as excellent or good and 65.5% reported it as fair or poor. Last April, only 21.6% of adults rated the economy as excellent or good, and 76.3% rated it as fair or poor. This month, there were almost three times as many males than females that reported the economy as being excellent: 9.1% vs. 3.8%; males also had a much higher percentage that believe the economy is getting better, 37.2% vs. 26.6%. Adults this month reported a more optimistic outlook on their personal finances. This month a combined 44.3% rated their personal finances as excellent or good and 68% answered fair or poor. While many believe their personal finances are getting better, 40% of adults surveyed say that if they lost their income they could only continue their lifestyle for one to three months; 21% said less than a month, 31% answered four to six, and 9% weren't sure. These numbers have remained relatively stagnant over the past year.

The **CSG Restaurant Spending Index** increased 3.5 points between March and April. After months of continuous decline, the spike suggests that consumers are more than optimistic about the future of the foodservice industry. Last April, the percentage of consumers that reported eating out more compared to six months ago was 6%, this month that percentage has doubled to 12%. Unlike the drastic increase in the restaurant spending index, the type of restaurant consumers frequented the most over the year remained relatively the same. April 2014 and 2015 both had the same amount of consumers that reported frequenting fine dining restaurants with 7%; the percentage that report frequenting casual dining restaurants has decreased from 65% in April 2014 to 60% in April 2015; and the percentage of consumers frequenting fast food locations increased from 21% in April 2014 to 27% in April 2015.

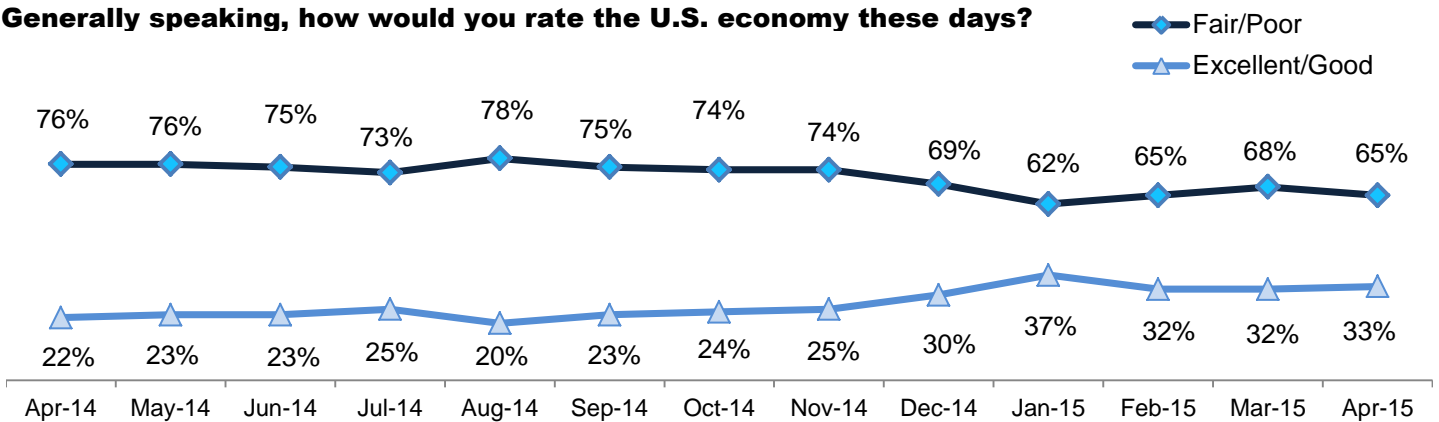
The **CSG Retail Spending Index** increased 1.9 points. As summer is approaching, adults are expecting to spend more on household improvements and clothing. Almost half of adults reported spending about the same as last month and over 30% said they spent more. More than half of adult's surveyed report that they will spend about the same next month and a fourth reported they would spend more. Fewer adults are also expecting added expenses or a shortfall in income in the next 30 days. This month 30.9% say they expect added expenses, compared to 36.1% that said the same last month.



## US Economy and Americans' Spending

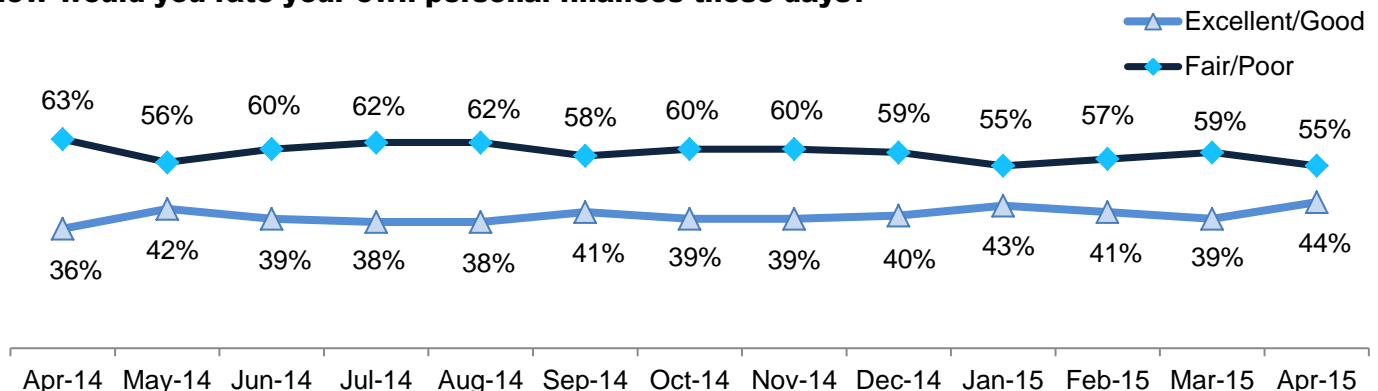
The **CSG U.S. Spending Monitor** increased 3.5 points. Overall, a combined 33.2% of adults rated the economy as excellent or good and 65.5% reported it as fair or poor. Last April, only 21.6% of adults rated the economy as excellent or good, and 76.3% rated it as fair or poor. This month, there were almost three times as many males than females that reported the economy as being excellent; 9.1% vs. 3.8%; males also had a much higher percentage that believe the economy is getting better, 37.2% vs. 26.6%. Adults between the ages 18-39 had an overwhelmingly greater percentage that rated the economy as excellent and said it is getting better. When asked how they rate the economy, 10.9% of 18-39 years olds answered excellent compared to 3.6% of 40-64 year olds, and 2.8% of those 65 and older. When asked if the economy is getting better, 36% of 18-39 year olds answered better while 30% of 40-64 year olds and 30% of those 65 and older answered the same.

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



Adults this month also displayed a more optimistic outlook on their personal finances. This month a combined 44.3% rated their personal finances as excellent or good and 54.5% answered fair or poor. Adults were evenly split when asked if their personal finances are getting better or worse with 30.8% answering better, 33.6% answering worse, 34% believing it is staying the same, and 1.6% weren't sure. More than twice as many males than females reported their personal finances as being excellent: 16.7% vs. 7.7%; and a greater percentage of males reported that their finances are getting better: 36.6% vs. 25.3%. Adults' views on their personal finances have increased over the past year, last April a combined 35.3% rated their finances as excellent or good and only 25.8% believed it was getting better. While many believe their personal finances are getting better, 40% of adults surveyed say that if they lost their income they could only continue their lifestyle for one to three months; 21% said less than a month, 31% answered four to six, and 9% weren't sure. These numbers have remained relatively stagnant over the past year.

### How would you rate your own personal finances these days?

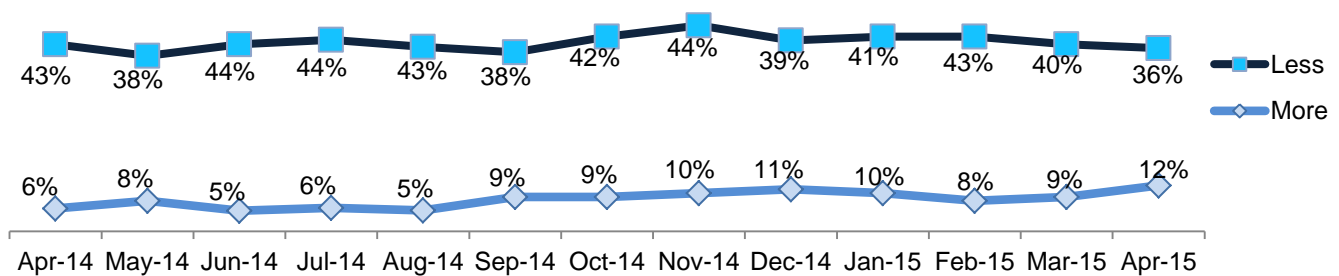




## Restaurant Consumer Insights

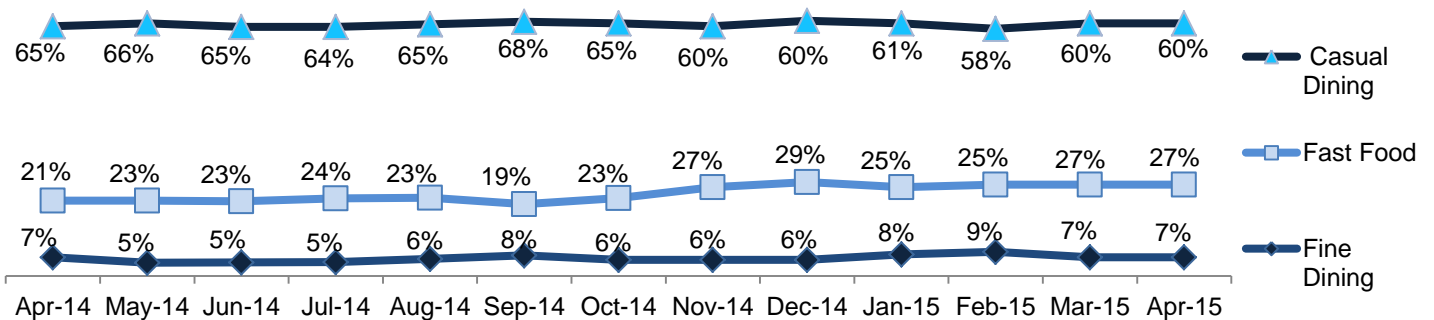
The **CSG Restaurant Spending Index** increased 3.5 points between March and April. After months of continuous decline, the restaurant spending index reached its highest point at 107.7 in the past six months, which goes to show consumers are beginning to feel more financial freedom when it comes to dining out. Last April, the percentage of consumers that reported eating out more compared to six months ago was 6%, this month that percentage has doubled to 12%. Furthermore, the percentage of consumers that reported dining out less than six months ago changed from 43% in April 2014 to 36% in April 2015.

### Compared to six months ago, are you going out to eat more or less?



Unlike the drastic increase in the restaurant spending index, the type of restaurant consumers frequented the most over the year remained relatively the same. April 2014 and 2015 both had the same amount of consumers that reported frequenting fine dining restaurants with 7%. The peak in February's fine dining attendance could be a result of consumers dining out for Valentine's Day. The percentage that report frequenting casual dining restaurants has decreased from 65% in April 2014 to 60% in April 2015. The only restaurant format that saw an increase in the percentage of consumers that reported frequenting was fast food locations, which was 21% in April 2014 and 27% in April 2015.

### What type of restaurant do you typically go to for dinner?



#### Miami vs. Tampa: The "Original" Cuban Sandwich

"On March 22nd, food trucks, restaurateurs, vendors, and Cuban sandwich makers from all over the sunshine state lined the brick paved streets of Ybor with hopes to not only quench those hunger pangs, but to open the eyes and hearts of Tampa Bay residents to the rich history and culture surrounding this most famous sandwich.

According to the city of Miami, the city of Tampa has been making the Cuban sandwich all wrong. While both sandwiches generally include Cuban bread, marinated pork roast, ham, Swiss cheese, dill pickles, and mustard, the Tampa Cuban sandwich includes one more thing – Genoa salami. To some, a few slices of salami doesn't make that much of a difference. To others, it makes the Cuban sandwich the best sandwich on the planet.

In the 1880's, the cigar industry shifted to the Tampa Bay Area, more specifically Ybor City, where the Cuban sandwich quickly became what was known as the "working man's sandwich." At this time, the Cuban sandwich did not contain Genoa salami, but due to the influence of Italian immigrants who lived side-by-side with the Cubans and Spaniards in Ybor City, it wasn't long until it became a staple in everyone's lunchbox."

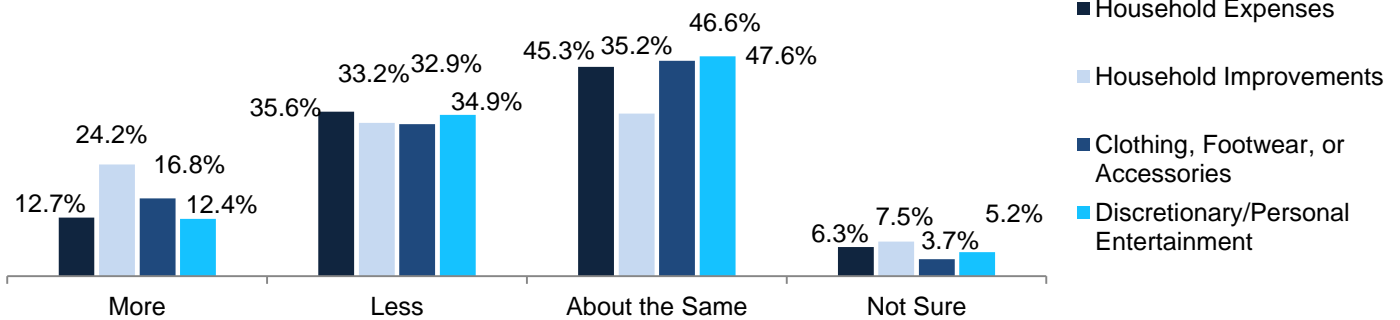
- Loren McCollom (lmccol@chainstoreguide.com)



## Retail Consumer Insights

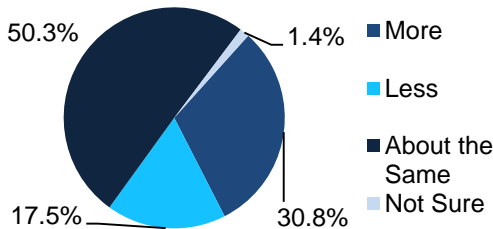
The **CSG Retail Spending Index** increased 1.9 points. As summer is approaching, adults are expecting to spend more on household improvements and clothing. The increasing optimism about the economy and personal finances is apparent when comparing last year's spending at this time to this year's percentages. Last year, 11.4% of adults said they would spend more on household expenses, 23.9% said more on household improvements, 12.3% said more on clothing, footwear, or accessories and 10.6% said more on discretionary spending.

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

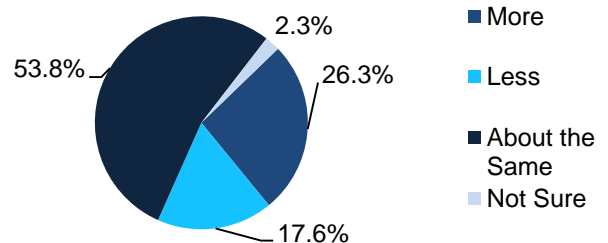


Almost half of adults surveyed reported spending about the same as last month and more than 30% said they spent more. Adults making less than \$50k had the greatest percentage that reported spending more this month compared to last, with 33.0%; this is compared to 29.8% those that make \$50k-\$100k and 29.1% of those that make more than \$100k. More than half of adults surveyed reported that they will spend about the same next month and a fourth reported they would spend more. Fewer adults are also expecting that they will have added expenses or a shortfall in income in the next 30 days. This month 30.9% say they expect added expenses, compared to 36.1% that said the same last month.

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



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



### Sephora Launches New Technologies

Sephora is focusing on developing new strategies and technologies for omnichannel retailing. The leading beauty retailer recently unveiled its new Innovation Lab, which will focus on the development of new strategies and technologies for both in-store and mobile shopping. The Innovation Lab is designed as a space where the Sephora team can "ideate, test, dream, experiment and learn." The Innovation Lab team will be responsible for sourcing, developing, evaluating, testing and eventually launching new offerings and technologies for both in-store and mobile shopping.

Shopping for cosmetics at Sephora stores is meant to be a hands-on experience. Through more than 360 stand-alone stores in North America and another 430 inside JCPenney department stores, Sephora USA takes a self-service approach to buying makeup, fragrances, and skin care products.

In conjunction with the debut of the Innovation Lab, Sephora USA announced the rollout of Sephora Flash. This Amazon Prime-styled subscription service, offers customers multiple shipping benefits, including free two-day shipping on all products. The subscription costs \$10 a year. Sephora also recently launched The Beauty Board, a social shopping platform that lets users share photos and beauty advice, and features direct links to the brand's site. Sephora has always aimed to make its offerings more innovative and unique.

-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).