

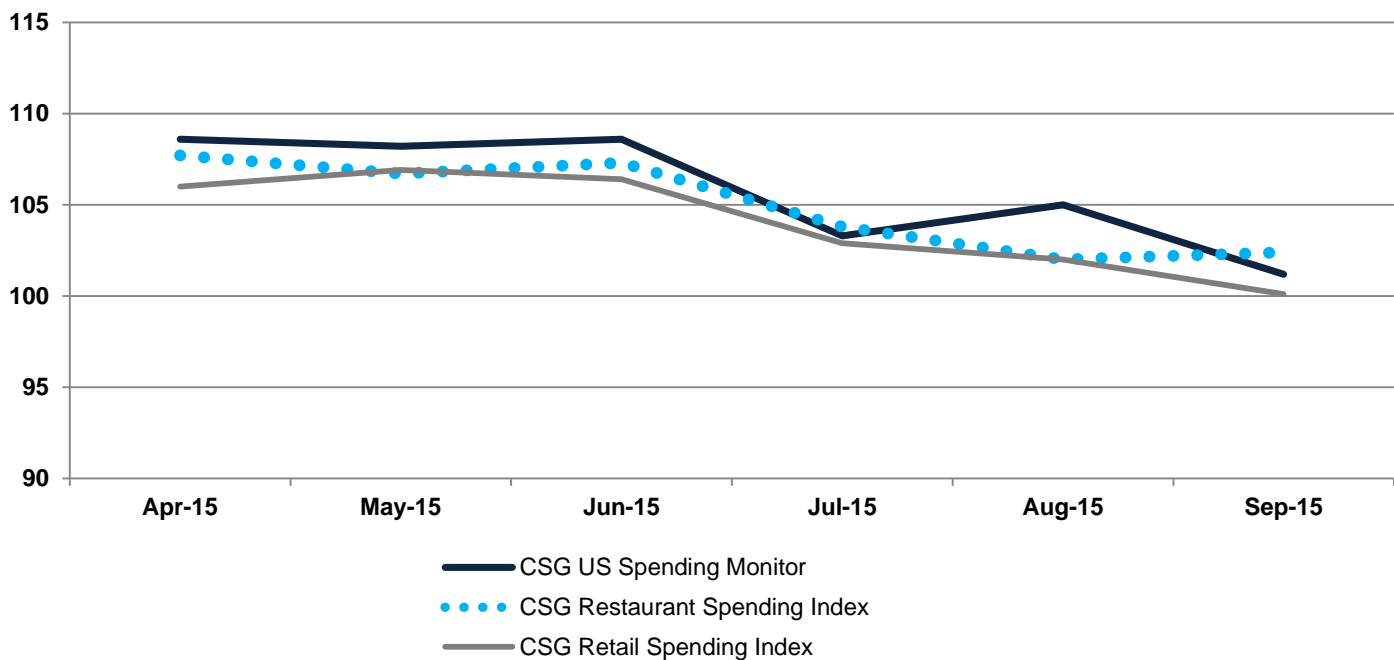


Consumer Spending Report (CSR)

October 2015

Chain Store Guide's Consumer Spending Report captures a unique view of consumer, retail, and foodservice spending intentions. The CSR includes the CSG U.S. 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



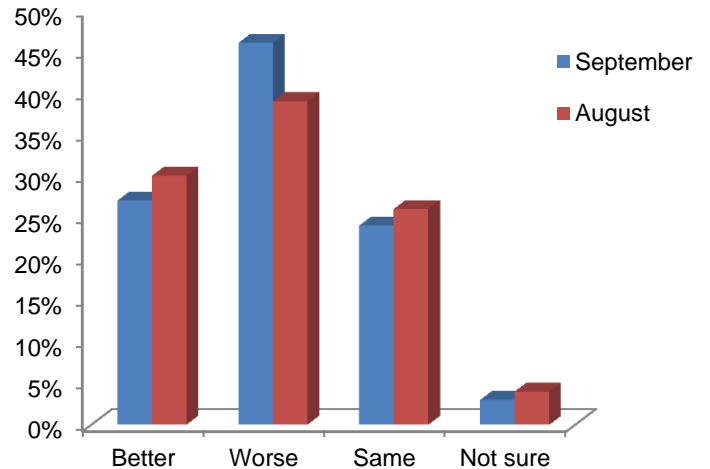
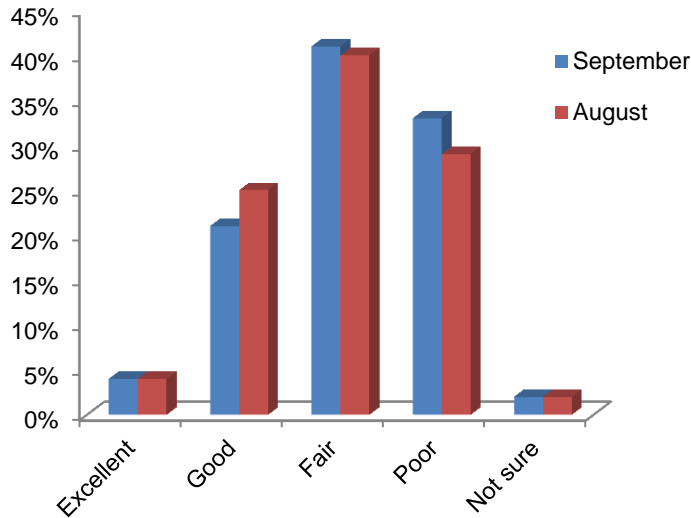
- The **CSG U.S. Spending Monitor** decreased 3.8 points in September. The monitor is currently at its lowest point of 2015 and lowest point since August 2014 (101). It currently sits 4.4 points under the 12-month average of 105.6.
- The **CSG Restaurant Spending Index** increased slightly to 102.4 in September. It is also under the 12-month average for this index by 2.1 points.
- The **CSG Retail Spending Index** decreased slightly to 100.1 in September from 102 in August. It is currently 3 points under the 12-month average.



U.S. Economy and Americans' Spending

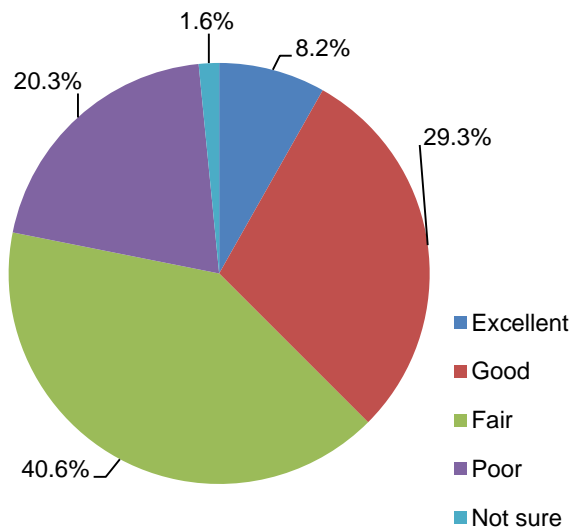
Increased negative views on the economy, spending, and personal finances caused the September spending monitor to decrease by 3.8 points and hit its lowest level in over a year.

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

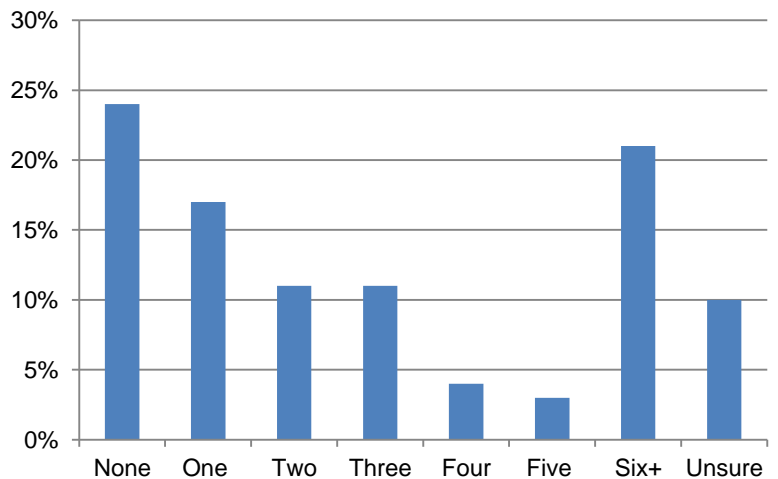


A majority of respondents polled (60.9%) rated their personal finances as fair or poor, compared to 59.6% in August, while 35.8% stated finances were getting worse. Alarmingly, 62.7% of respondents would have three months or less of emergency savings, while almost one in four (23.7%) have none.

Current Personal Finances:



Emergency Savings:

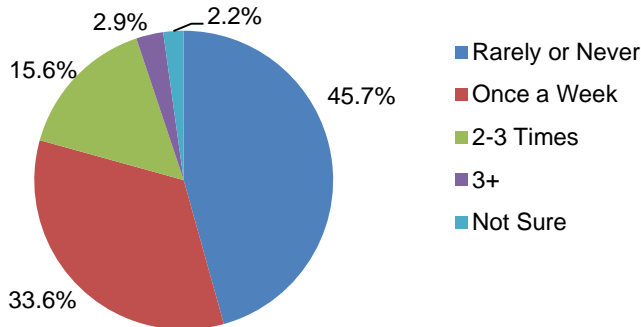




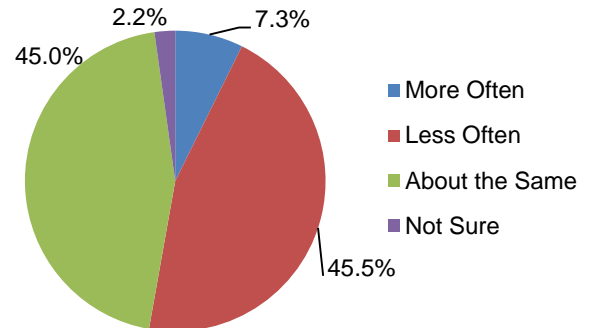
Restaurant Consumer Insights

The **CSG Restaurant Spending Index** increased 0.4 points between August and September. Even though there was a slight increase, nearly half of the adults surveyed (45.7%) stated that they rarely or never go out to restaurants in a typical week. Only 7.3% of adults dine out more often now than six months ago compared to 45.5% of adults who dine out less often.

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

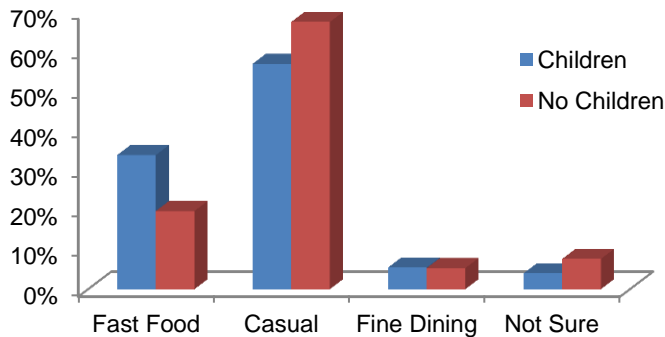


Compared to six months ago, are you going out to eat more often/less often?

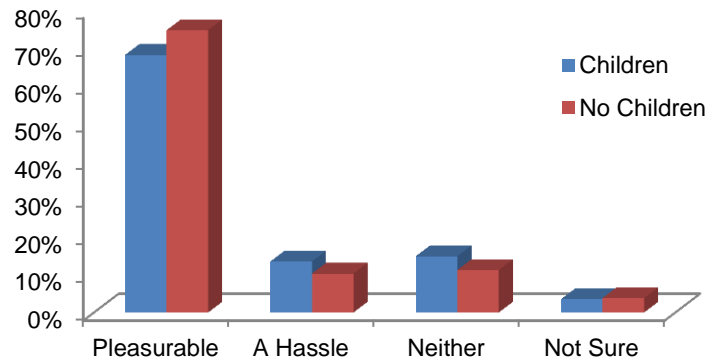


As busy schedules continue to get busier, it may come as no surprise that 33.8% of adults with children frequent fast food locations compared to only 19.7% of adults without children. Per the usual, the casual dining sector is visited the most between adults with children and adults without children, 56.8% and 67.4%, respectively. Overall, 74.6% of adults without children and 68.1% of adults with children consider dining out to be a pleasurable experience. Only 13.5% of adults with children considered dining out to be a hassle compared to 10.3% of adults without children.

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



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



The Results Are In: You Are Now a Joint Employer

"In the restaurant industry, it is a well-known fact that franchising is an extremely profitable business model. As a National Restaurant News (NRN) commenter stated, "You can't franchise failure – only success. If almost 100 years of franchising in the USA wasn't good for our country, it wouldn't be so well accepted" (NRN Comment Section). Unfortunately, according to the National Labor Relations Board (NLRB) and many within the U.S.'s labor force, franchising relationships are not being accepted as well as the industry believes.

For nearly three decades, the NLRB stood by its broad definition of what it means to be an "employer" by separating franchisors and franchisees depending on the parent company's "direct or immediate" level of supervision – until now. This means that an employee that works for a franchisee-owned McDonald's could now be employed by both the franchisee and McDonald's Corp.

In a recent NRN article, Dawn Sweeney, President and CEO of the National Restaurant Association, further reiterated that the NLRB's decision is a "dangerous path that dissolves the long-established 'joint-employer standard' that has helped create millions of restaurant jobs." Additionally, the decision "will have dire consequences to franchisees, franchise employees and the economy as a whole."

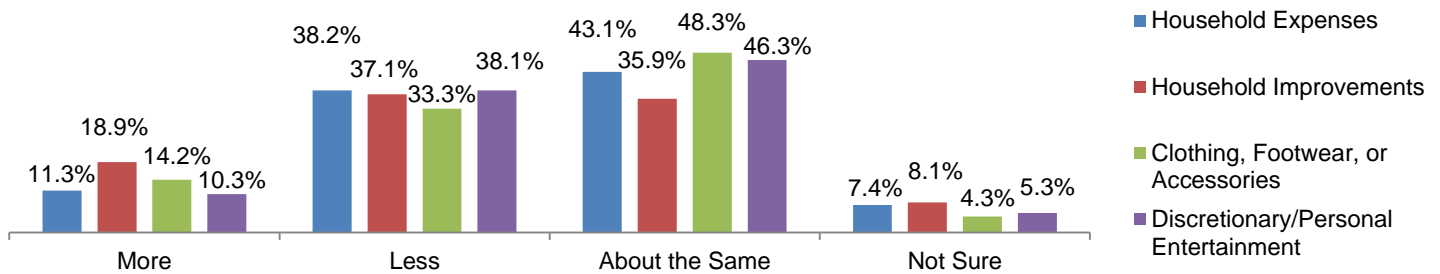
- Loren McCollom (lmcoll@chainstoreguide.com)



Retail Consumer Insights

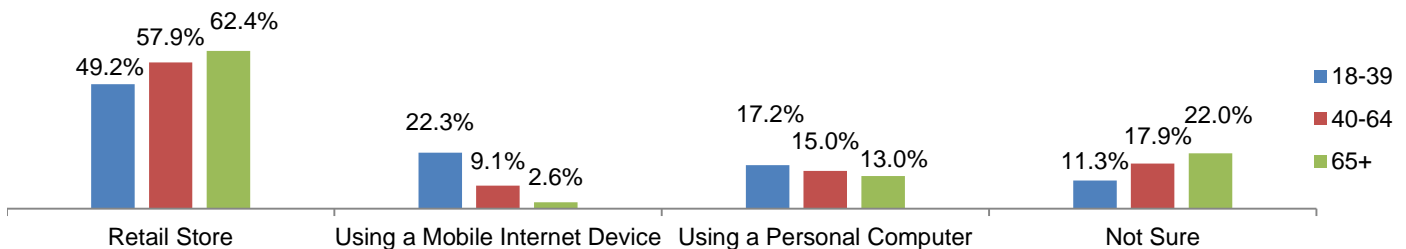
The **CSG Retail Spending Index** decreased 1.9 points between August and September. After four months of a continuous decline, it seems adults are shifting their spending habits across the board with 38.2% of adults spending less on household expenses, 37.1% on household improvements, 33.3% on clothing, footwear, or accessories, and 38.1% on discretionary/personal entertainment. The household improvements category (18.9%) continues to lead with the adults who anticipate on spending more next month compared to the runner-up category of clothing, footwear, or accessories at 14.2%.

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



Across all ages, a majority of retail purchases are expected to be made at a retail store next month with 62.4% of adults surveyed at 65+ years old, 57.9% of 40-64 year old adults, and 49.2% of 18-39 year old adults. Of those that anticipate using their mobile devices or personal computers, adults between the ages of 18-39 lead both categories at 22.3% and 17.2%, respectively. It can be expected that making retail purchases on mobile devices or personal computers will increase as the holiday season picks up and pre-Cyber Monday deals start to roll in.

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



Primark Making Its U.S. Debut

“One of Europe’s fastest growing apparel chains is finally making its much anticipated debut into the United States. Primark is known for its value prices and trendy fashions for the entire family. The fast fashion retailer was established in 1969 in Ireland. The company now operates 290 stores encompassing 11 million sq. ft. of selling space in the United Kingdom, Ireland, Spain, Portugal, Germany, the Netherlands, Belgium, Austria, and France. The company employs more than 57,000 people around the world.

Late last year, Sears Holding Corp. agreed to lease seven stores in the northeast U.S., totaling about 520,000 sq. ft. of retail space, to Primark. The first U.S. store opens on September 10 in downtown Boston, MA. With over 77,000 sq. ft., the four-floor store features 73 cash registers and 84 fitting rooms. Primark said the store will employ 500 hourly workers and 60 for management. Boston is also where Primark has established its U.S. headquarters.

The Boston store will be followed by a second opening in November, in King of Prussia, PA. Six additional openings are planned by year end in previous Sears locations, with stores in Burlington and Braintree, MA; Danbury, CT; Freehold, NJ; Willow Grove, PA; and Staten Island, NY. To support its entry into the United States, and presumably many more locations to come, Primark leased a 677,000-sq.-ft. distribution center in Bethlehem, PA. The fast fashion retailer will have 10 stores in the U.S. by spring 2016.”

-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 Brian List at blist@chainstoreguide.com.

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