

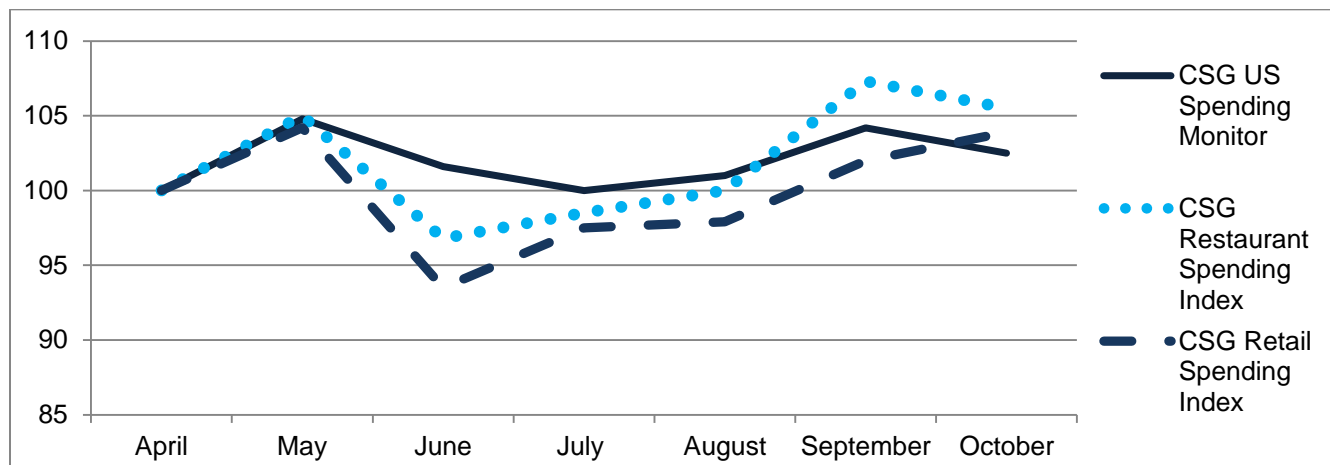


Consumer Spending Report (CSR)

November 2014

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** decreased 1.7 points between September and October. There was an increase in the percentage of adults that rate the economy as excellent, from 3.1% to 4.6%, but 40.1% still rate the economy as fair and 34.4% rate it as poor. There was a decrease in the percentage of people that rate their personal finances as excellent or good. Last month, 9.1% viewed their personal finances as excellent and 32.2% viewed it as good; this month 8.8% answered excellent and 30.1% answered good. Those aged between 18-39 had the highest percentage, 30.9%, that believe their personal finances are getting better; this is compared to 22.7% of 40-64 year-olds and 16.2% of those 65 and older. Those in the 18-39 age range also had a much lower percentage, almost half, that believed their personal finances are getting worse: 22.7% compared to 45.0% of those between 40-64 and 42.9% of those 65 and older. This month, a third of adults, 32.8%, report that they expect to have added expenses or a shortfall of income in the next 30 days.

The **CSG Restaurant Spending Index** decreased 1.8 points between September and October. Almost half of adults surveyed, 42.0%, report going out to eat less this month compared to six months ago. While the majority of those surveyed still report mostly eating at casual restaurants, 64.6%, more people this month, 23.1%, also report mostly eating at fast food restaurants.

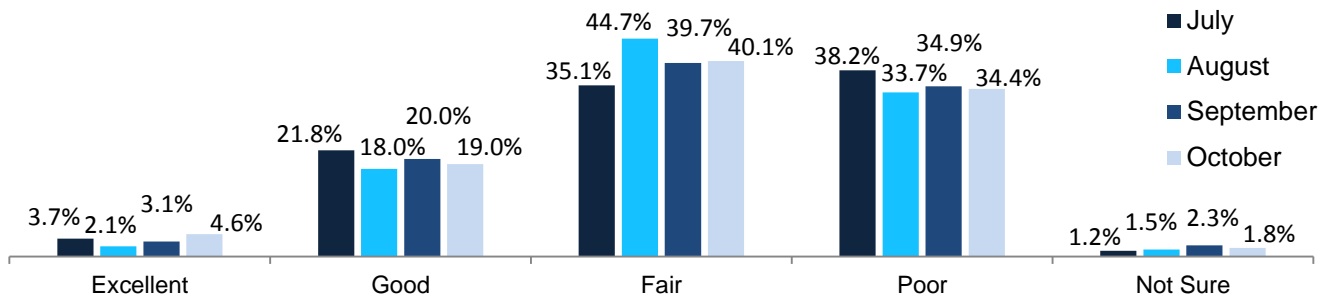
The **CSG Retail Spending Index** increased 1.9 points between September and October. Over one third of adults, 34.0%, reported spending more this month compared to last month and 29.1% report that they will spend more next month. Almost one fifth of adults, 19.6%, surveyed reported they would spend more on clothing, footwear, and accessories next month. All other areas of spending saw increases except for a 3.5% decrease in the percentage that reported they would spend more on household improvements. While there have been many reports of increased online holiday shopping, only 24.2% of adults surveyed report that they will do their shopping online. Of that percentage, 16.4% say they will use their personal computer and 7.8% say they will use a mobile internet device.



US Economy and Americans' Spending

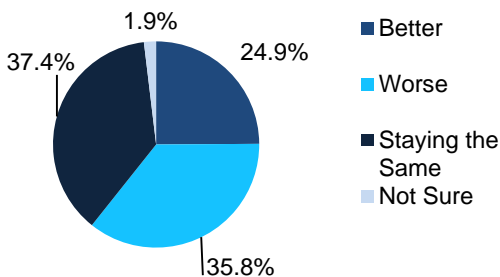
The **CSG U.S. Spending Monitor** decreased 1.7 points. While adults' views on the economy have stayed relatively the same from last month, they are still lower than three months ago. The percentage of adults that believe the economy is fair or poor has increased from 73.3% in July to 74.5% in October. Interestingly, since July, there has been a reverse in the opinions of how different age groups rate the economy. In July, a combined 33.7% of 18-39 year olds believed the economy was excellent or good; this month, only 21.4% believed the same. In contrast, in July, of those 65 and older, only 19.6% believed the economy was excellent or good, compared to 26.8% this month. Those that are aged between 40-64 have stayed in the middle, but their views of the economy have slightly increased with 20.4% rating the economy as excellent or good in July and 24.4% this month.

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

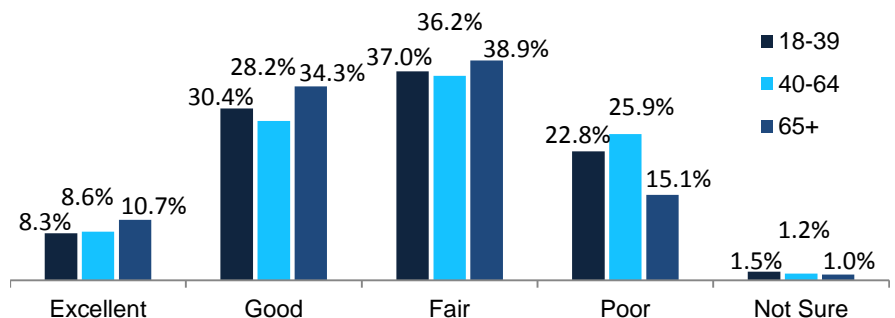


Adults rated their personal finances worse this month than in September with 8.8% rating their personal finances as excellent, 30.1% as good, 37.0% as fair, 22.8% as poor, and 1.3% weren't sure. Almost a fourth of those surveyed, 24.9%, believe their personal finances are getting better and 35.8% believe it is getting worse. While those aged 65 and older had the highest combined percentage that would rate their personal finances as excellent or good, 45.0%, they had the lowest percentage that believe their personal finances are getting better, 16.2%. Of those aged 18-39, 38.7% rate their personal finances as excellent or good and 30.9% believe their personal finances are getting better. Those aged between 40-64 were in the middle with 36.8% rating their personal finances as excellent or good and 22.7% saying their finances are getting better. One explanation for this is that those 65 and older have already been in the work force longer and thus their personal finances would be better, but because they are on their way out of the work force, they wouldn't rate their finances as getting better. Those 18-39 are newer in their careers and still rate their personal finances as good, but are more optimistic because of the time they have ahead of them to succeed.

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



How would you rate your own personal finances these days?

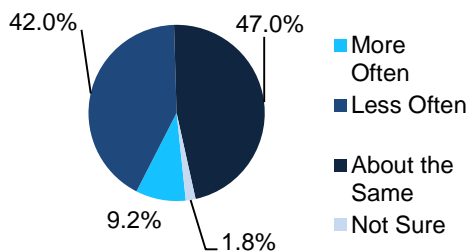




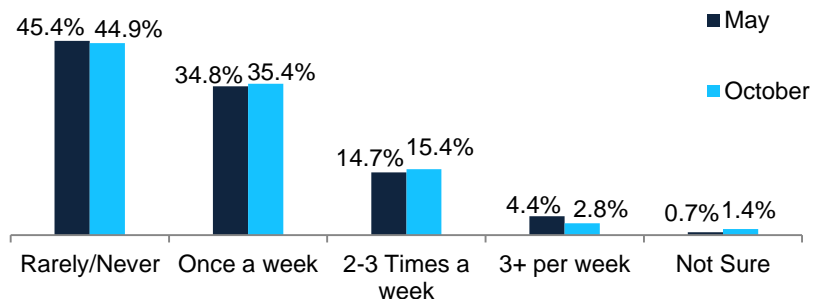
Restaurant Consumer Insights

The **CSG Restaurant Spending Index** decreased 1.8 points. This month 42.0% of adults reported eating out less than six months ago. Looking back six months ago, when asked how often they go out to eat, 45.4% of adults answered rarely or never, 34.8% answered once a week, 14.7% answered two to three times a week, 4.4% answered more than three times a week, and 0.7% weren't sure. This month 44.9% of adults answered they go out to eat rarely or never, 35.4% answered once a week, 15.4% answered two to three times a week, 2.8% answered more than three times a week, and 1.4% weren't sure.

Compared to 6 months ago, are you going out to eat more often or less often?

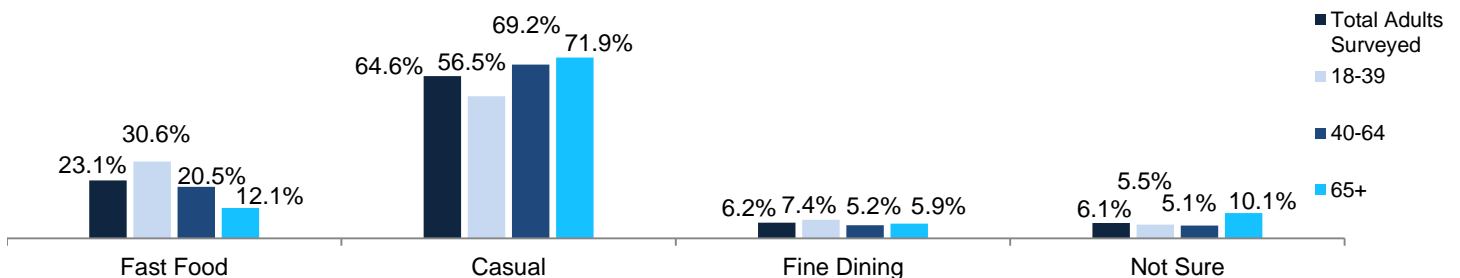


In a typical week, how often do you go out to a restaurant for dinner?



A majority of adults this month, 64.6%, still prefer eating at casual restaurants, and the second most popular destination is fast food restaurants, 23.1%. Almost half of the adults surveyed, 46.9%, expect their average cost per person to be between \$10 and \$20, and almost a third, 26.4%, expect the cost to be between \$1-\$10. Over a third of those aged 18-39, 30.6%, report eating fast food a majority of the time, one fifth of those between 40-64, 20.5%, and 12.1% of those over 65 answered the same. Those aged 65 and older had almost twice as many adults that answered they weren't sure where they go for dinner, 10.1%, compared to 5.5% of those between 18-39 and 5.1% of those between 40-64. One explanation for this is that as a whole, a combined 81.3% report going out to eat rarely, never, or once a week. Because they eat out very little, they might choose different types of restaurants based on each visit.

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



CSG Recession Buster

Everyone knows that the key to having a successful day is to start it off with a good, hearty breakfast, but what if the fridge is empty, greasy fast food isn't appealing, and delicious home-style cooking is what you're really craving? Well, change out of those flannel pajamas and head over to **The Egg & I** restaurant which has been providing excellent food and service for over 20 years...

Starting with 17 restaurant locations in 2005, E&I Holdings Inc. continued to grow and maintain a competitive edge during the Great Recession with simplicity (benefits of operating only two meal periods: breakfast and lunch), limited hours of operation (provides managers and associates a better quality of life), a streamlined menu, lower food costs resulting in higher profit margins, and the company's commitment to creating a comfortable "home away from home" environment...

As a result of The Egg & I's superior operating philosophy, great working conditions, and longtime associates, the company experienced approximately 210% growth in locations. Currently with over 100 restaurants across 21 states, The Egg & I plans to continue national expansion opportunities with 10 locations coming soon in CO, FL, MO, NC, and TX.

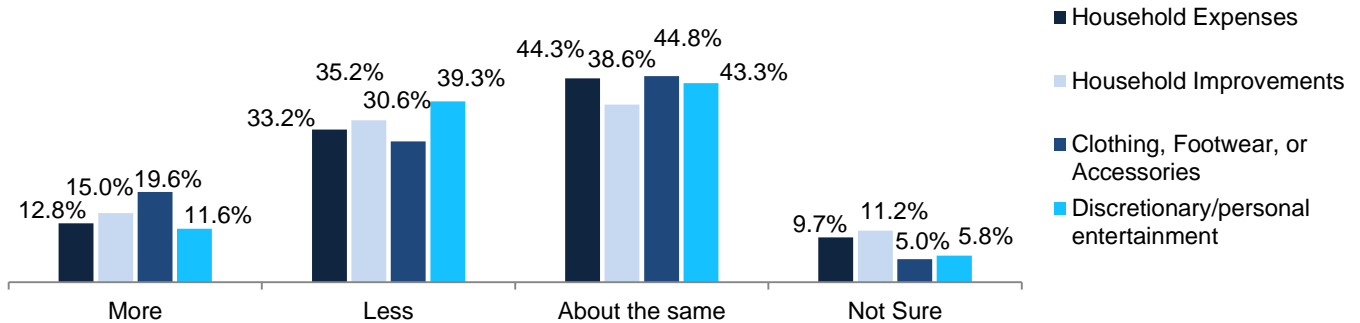
-Loren McCollom (lmccol@chainstoreguide.com)



Retail Consumer Insights

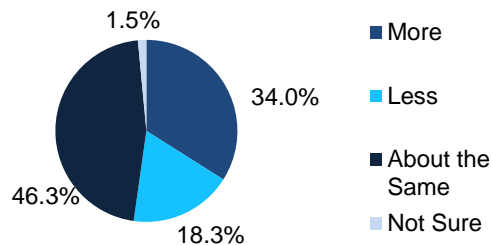
The **CSG Retail Spending Index** increased 1.9 points. Almost twenty percent of adults surveyed, 19.6%, reported that they would spend more on clothing, footwear, and accessories next month. There was a 3.5% decrease in the percentage of adults that said they would spend more on household improvements in the next month, but this still remains the second largest category that adults report they will spend on.

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

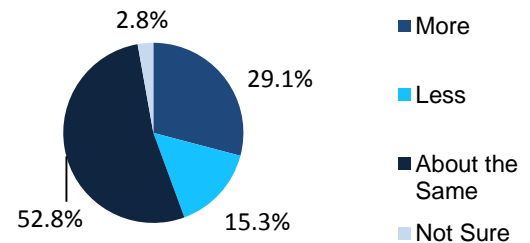


Over one third of adults surveyed, 34.0%, reported spending more this month compared to last month, and 29.1% report that they will spend more next month. With holiday season fast approaching, it is expected that these numbers will continue to rise. While there have been many reports of increased online holiday shopping, only 24.2% of adults surveyed report that they will do their shopping online. Of that percentage, 16.4% say they will use their personal computer and 7.8% say they will use a mobile internet device. Unsurprisingly, the age group that had the largest amount that reported they will shop online was 18-39 year olds, with 32.0%. Only 12.6% of those 65 and older and 21.7% of those 40-64 reported they would shop online.

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?



CSG Recession Buster

Plato's Closet is a secondhand clothing store, selling men and women's clothing. The gently used apparel, footwear and accessories that are bought and sold, are top-name brands, clean and in good condition. Typical items have been in the original stores within the past 12 to 18 months and are current teen and young adult styles that are still seen in the mall.

Plato's Closet reported \$387 million in sales last year. This is a 237% growth over the company's \$115 million in sales in 2007 when the company operated just over 200 locations. The family retailer has continued to grow and succeed because of its business model. Keeping inventory moving and promising the latest fashions at all times has helped create a loyal customer base. Plato's Closet customers bring in goods that store employees look through to decide if the items will resell before they go out of fashion. Athletic wear, dresses, boots and purses are the top-sellers right now at Plato's Closet locations.

Plato's Closet continues to rank in **Chain Store Guide's Top 100 Apparel Retailers**. The company is owned by Winmark Corporation, parent of Play It Again Sports, Once upon a Child, and Style Encore among others. Forbes Magazine named Plato's Closet the "Best Franchise among Chains with Entry Costs \$150,001 – \$500,000". The initial investment to open a Plato's Closet franchise typically ranges from \$250,000 to \$300,000.

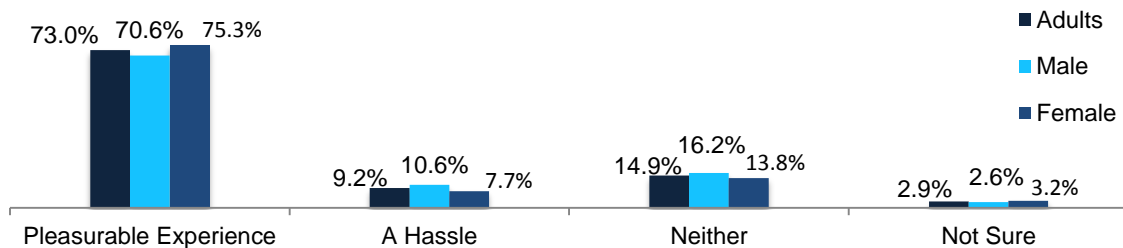
- Natasha Perry (nperry@chainstoreguide.com)



Restaurant Experiences Among Gender Types

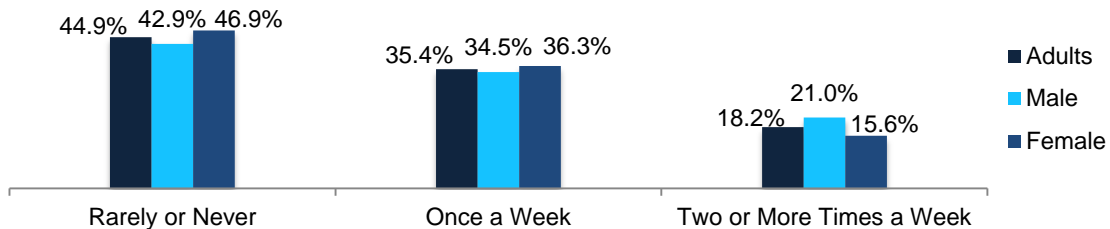
It may come as no surprise that consumers in the United States love food, but what's more unexpected is that only 73.0% of adults surveyed found going out to eat a pleasurable experience. With 75.3% of females and 70.6% of males surveyed considered dining out a pleasurable experience, 10.6% of males considered their dining experiences to be a hassle while only 7.7% of females.

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



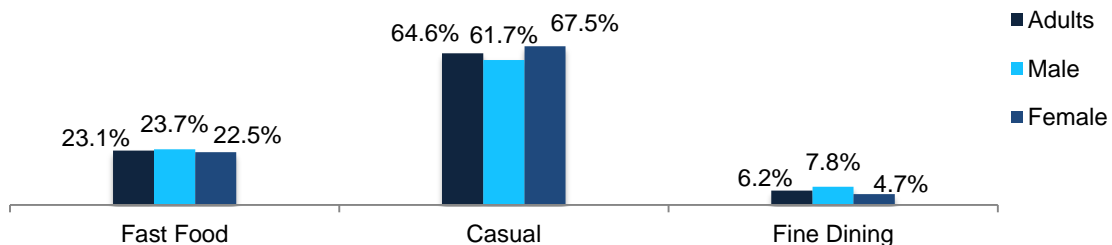
Continuing a little further, finding a consumers' dining experience to be pleasurable could be related to how many times a consumer ventures out to eat during a typical week. From those surveyed, 21.0% of males reported that they dined out two or more times a week compared to only 15.6% of females. A majority of consumers surveyed, 42.9% males and 46.9% females, stated that they rarely or never dine out while 34.5% of males and 36.3% of females go out to dinner at least once a week.

In a typical week, how many times do you go out for dinner?



On the other hand, it is important to note that a pleasurable dining experience could relate to the type of restaurant a consumer visits a majority of his or her time. According to the survey, 23.7% of males chose fast food locations more often compared to 22.5% of females. In addition, casual dining locations were frequented by 67.5% of females compared to 61.7% of males. Fine dining establishments were chosen by 4.7% of females and 7.8% of males.

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





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.