

Predictive Power of the LCI

*A leading indicator of affluent consumer confidence
and their expectations of future luxury spending*

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Millionaires

WHERE AMERICA'S RICH LIVE

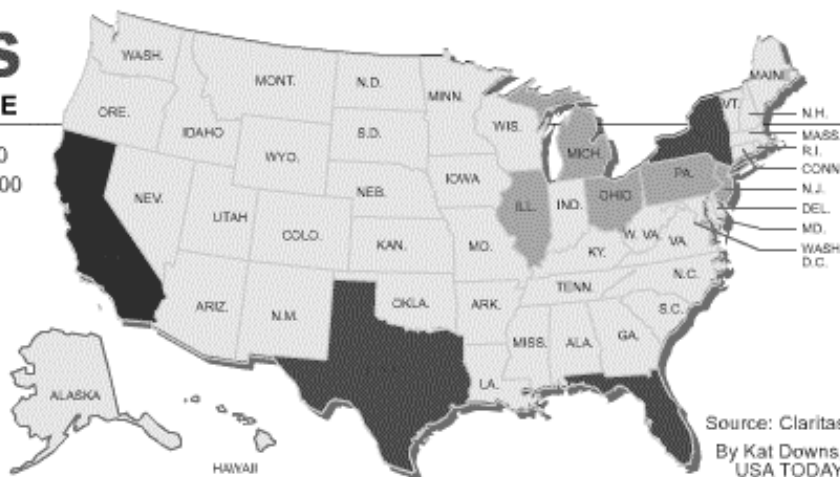
■ More than 400,000 ■ 200,000-400,000
 ■ 100,000-200,000 ■ Less than 100,000

Top five cities:

New York: **285,354**
 Los Angeles: **175,948**
 Chicago: **117,343**
 San Francisco¹: **110,828**
 Philadelphia: **99,585**

Individuals with net worth greater than \$1 million are considered millionaires.

¹Includes surrounding area.



Source: Claritas
By Kat Downs,
USA TODAY

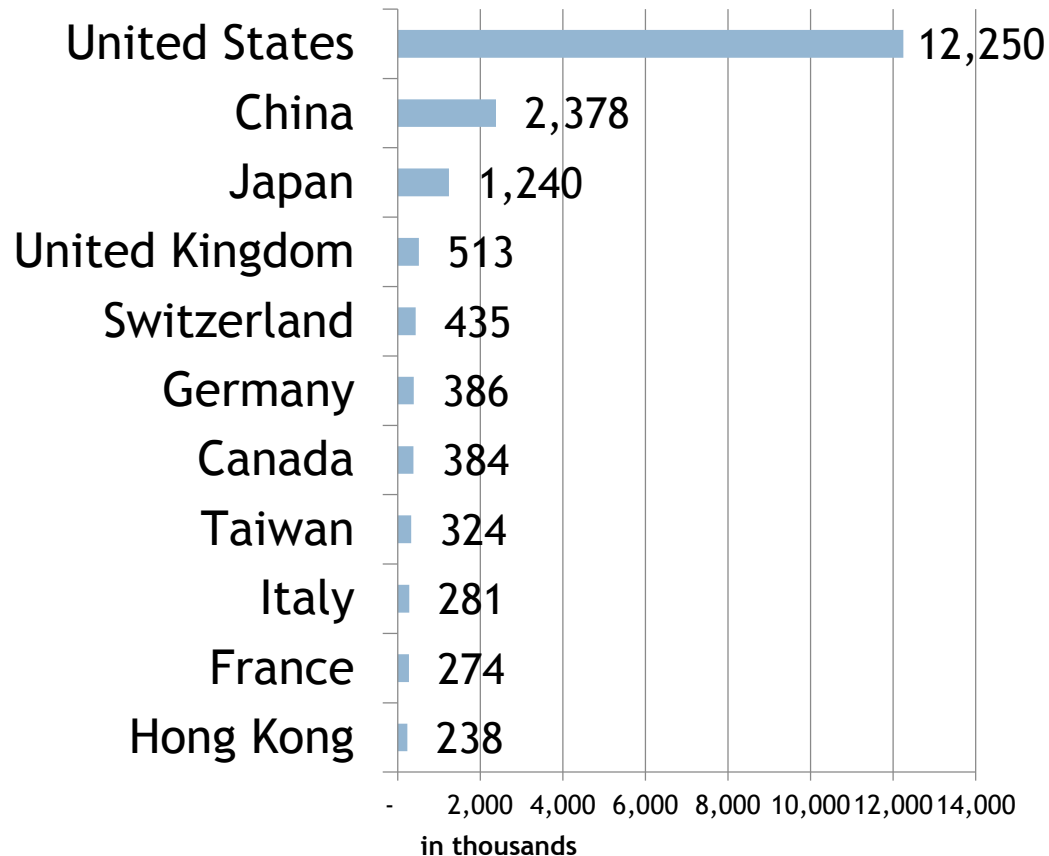
The U.S. Consumer Market for Luxury Is the World's Largest

The United States is without doubt the most important market for luxury goods and services.

While the emerging luxury markets with their rapid growth, like China, make the news, the U.S. luxury market remains the world's largest many times over.

Not only does the U.S. have the greatest number of wealthy, the size of the U.S. luxury market, which reached €62,5 billion in 2013, is nearly 3.5 times larger than the next largest market, Japan. This according to estimates reported by Bain/Altagamma in their 2013 Luxury Worldwide Market Study.

Millionaire Households



Source: BCG Global Wealth 2014 report & Federal Reserve
Bulletin vol. 100, no. 4

U.S. Leads the World in Millionaires

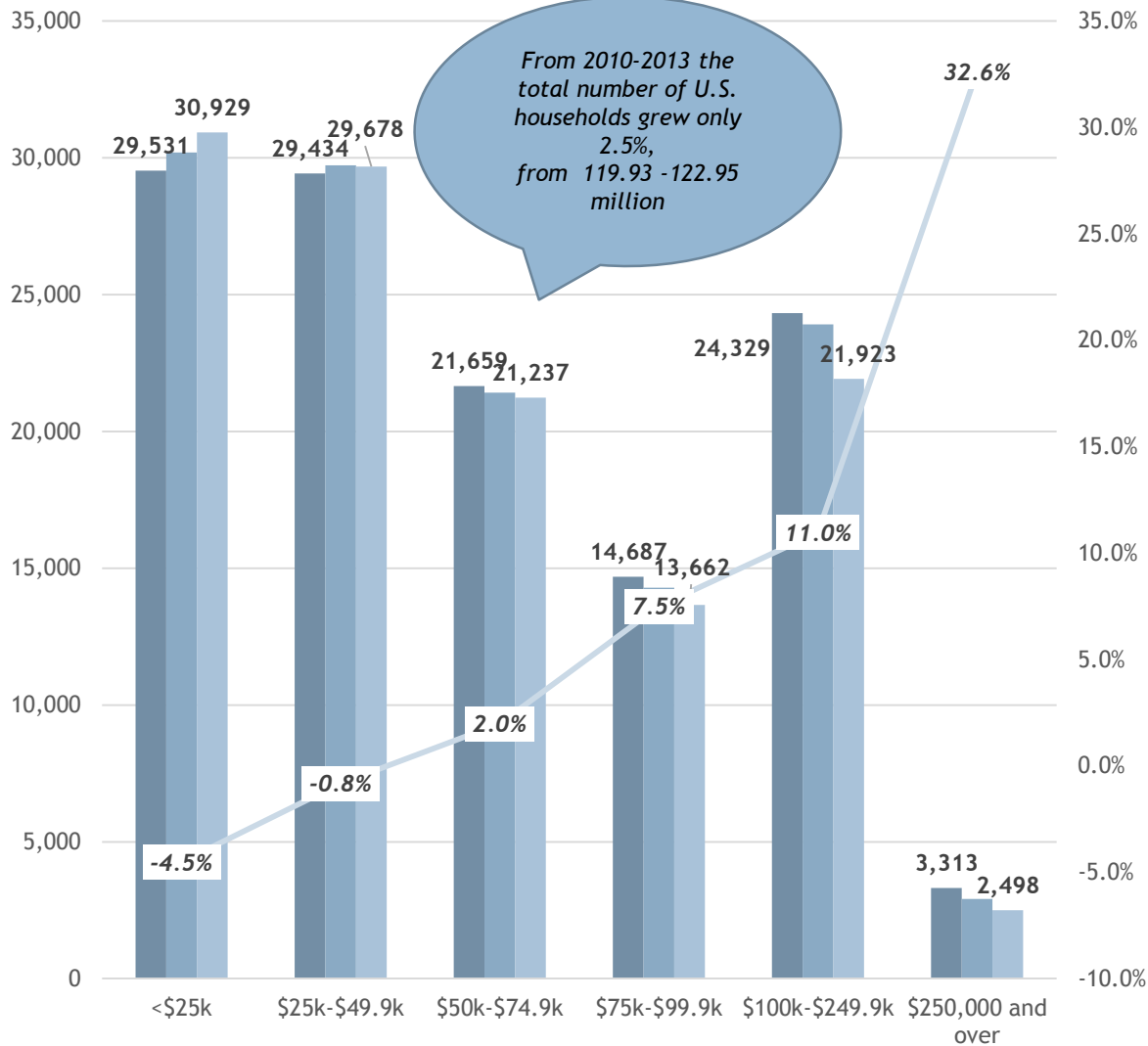
Out of the total 122.5 million U.S. households, the top 10% -- 12.3 million -- have a net worth of about \$1 million.

Specifically, the latest FRB reports that the top 10 percentile of net worth households (HNW - high net worth) in the U.S. starts at \$941,700.

If you combine the number of millionaires in the other top ten global markets together, you only have some 6.5 million.

That is about half of the total millionaires in the U.S. market alone.

U.S. Households by Income



in thousands
Source: U.S. Census & Unity Marketing

© Unity Marketing, 2015

2013 2012 2010 % chg. '10-'13

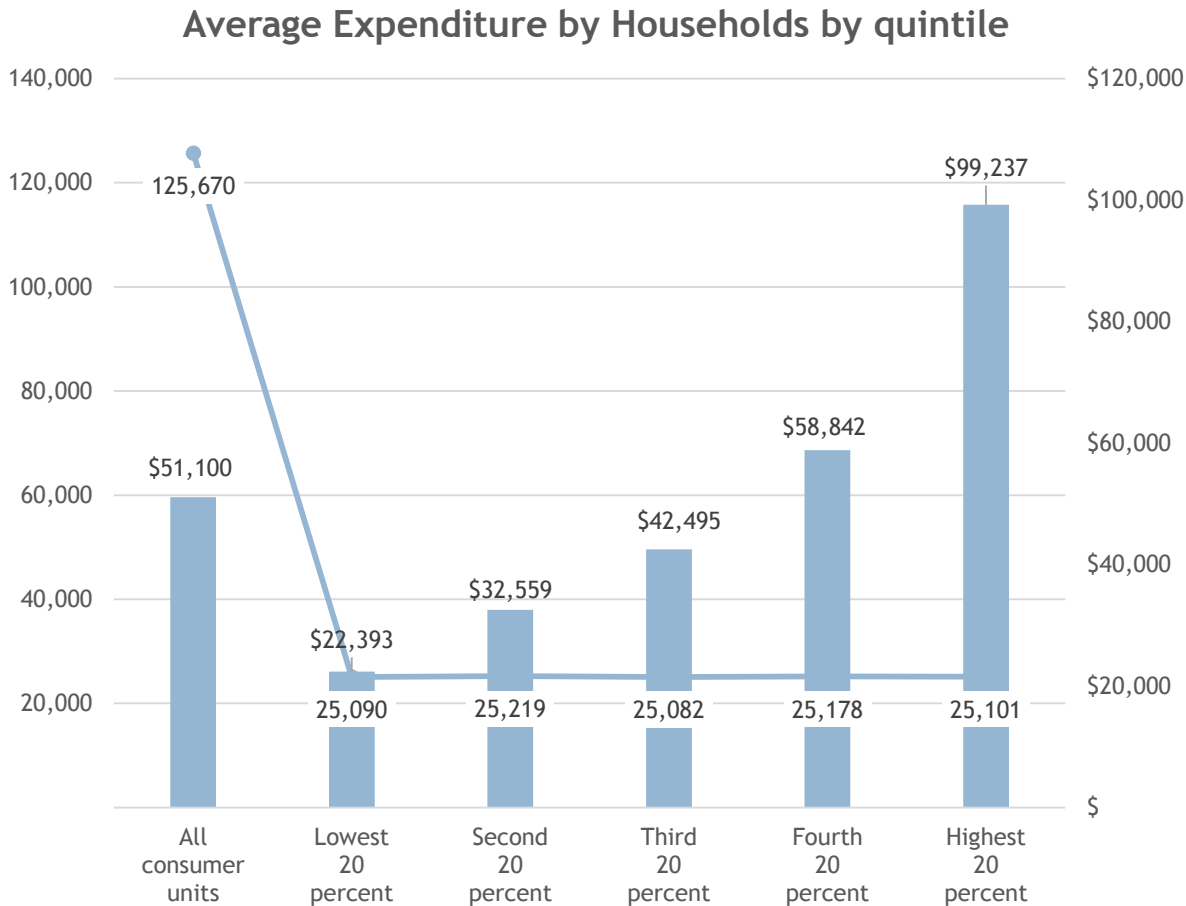
In the U.S. the Upper-Income Households Are Growing Fastest Overall

In the affluent consumer market two income segments are most important:

- HENRYs - high-earners-not-rich-yet - with incomes \$100k-\$249.9k, the mass affluent segment
- Ultra-affluents - Incomes \$250K+ and the primary target for luxury brands.

While total number of households rose only 2.5% from 2010-2013, the number of ultra-affluents households rose nearly 33% and HENRYs were up 11%.

Affluents are drivers of the overall consumer economy.



Source: BLS CEX 2013 & Unity Marketing

Expenditures Number of consumer units (in thousands)

Who Are the Customers that Really Matter?

The affluent's impact on the economy can't be overstated. The affluent households (~25 million) spend about two-times more than the average U.S. household, and nearly 70% more than the households next quintile down.

Overall the top 20% of U.S. households account for more than 40% of the total consumer economy.



Why the Affluent Consumers Matter so Much to All Marketers?

The affluent consumer segment is a bellwether to trends in the overall consumer economy.

They are first adopters of new technologies, new consumer goods, new fashion trends.

By tracking affluent consumer behavior, you have advance warning of changing coming to your business, as well as opportunities on the horizon.

- Affluents are the 'heavy-lifters' and the uber-shoppers in the consumer economy
- Top 20% of U.S. households (~24 million) with incomes \$100k+:
 - 50% of the nation's income
 - 40% of all consumer spending
- In any consumer goods category, the affluent spends twice as much or more as the average, middle-class consumer

As middle-class gets weaker, affluent are going to become even more important to all brands, all marketers - More competition



Successful Marketing Starts with Understanding the Consumer

Unity Marketing's Affluent Consumer Tracking Study (ACTS) & LCI helps you understand your affluent consumers' needs, desires and spending priorities

- Studying your competitors, their sales results and marketing and branding strategies can provide some guidance about trends in the consumer market, as well as benchmarks for your own marketing and branding efforts.
- But this perspective isn't enough. The greatest payoff for your investment in market research will come by understanding the customer better.



Luxury Brands Need Three Perspectives about the Affluent Consumer Market

Affluent Consumer Tracking Study (ACTS) provides these three critical perspectives:

- Demographics
- Purchase Behavior
- Psychographics or Psychology



- In current consumer market, income demographics are less important than psychographics.
- Further, people's willingness to spend today is more influenced by the customer's age, i.e. younger, rather than income.
- ***Higher-income (\$250+) and younger aged consumers (under 45 years) are the highest-spending customers.***

Why These Three Perspectives Are Critical to Marketing Success

Are you attracting the affluent high-spending customers to your brand?



The LCI Is a Forward-Looking Indicator

The Affluent Consumer Tracking Study (ACTS) & the LCI enable you to better understand the U.S. market for luxury today and your consumer market tomorrow

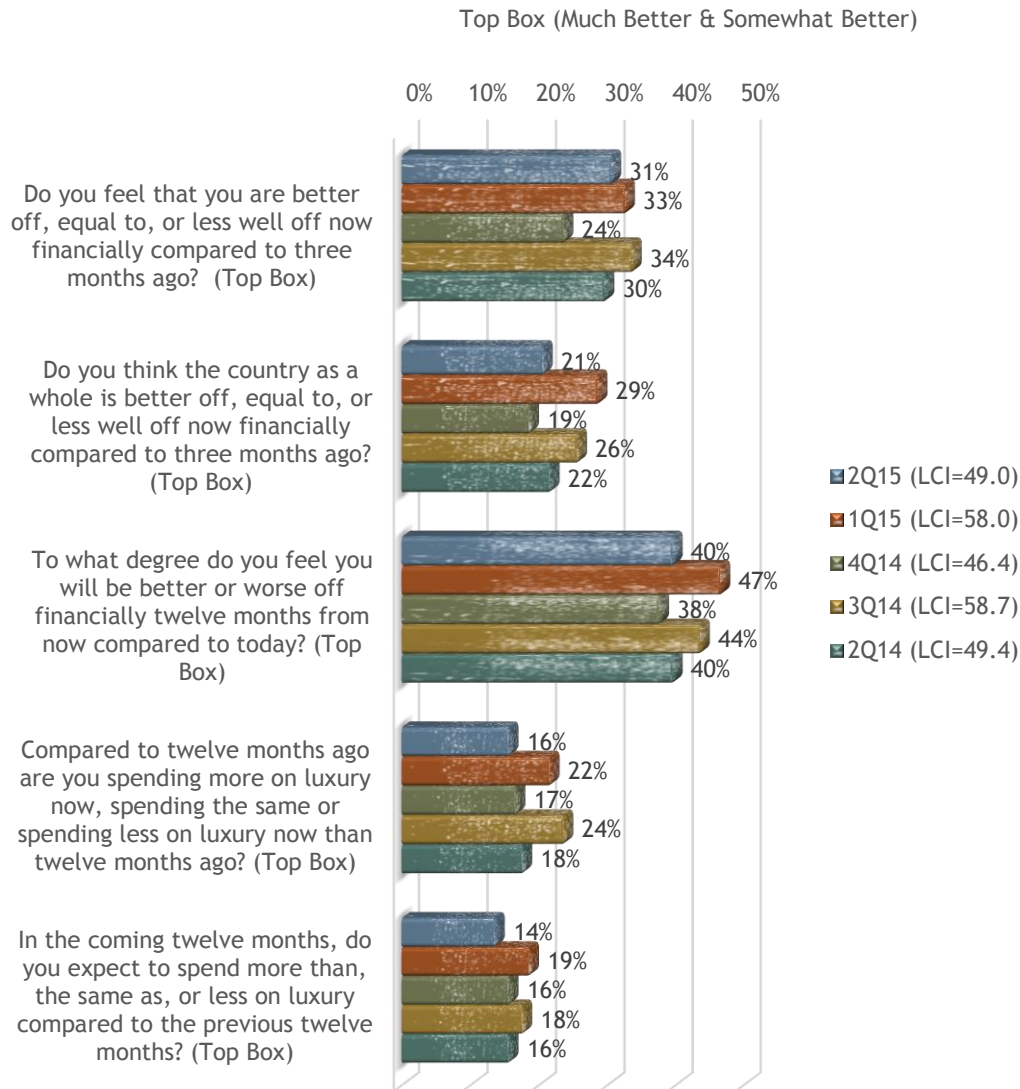
- *Luxury Consumption Index gives guidance on affluent consumer confidence for investment, strategic and market planning, business development*
- *Forward-looking indicator*



The LCI Gives Advance Warning of Changes to Come

The LCI is a forward-looking indicator that measures affluents attitudes about their financial well being and future spending expectations.

Overview Key Financial Indicators



LCI Measures Consumer Attitudes about Finances & Financial Health

Five key questions track affluents' attitude changes over time as those shifts relate to spending.

The LCI measures affluent consumer confidence which is directly linked to their future spending. Specifically,

- Greater measure of confidence means more consumer spending, and
- Lower levels of consumer confidence means more careful consumer spending.

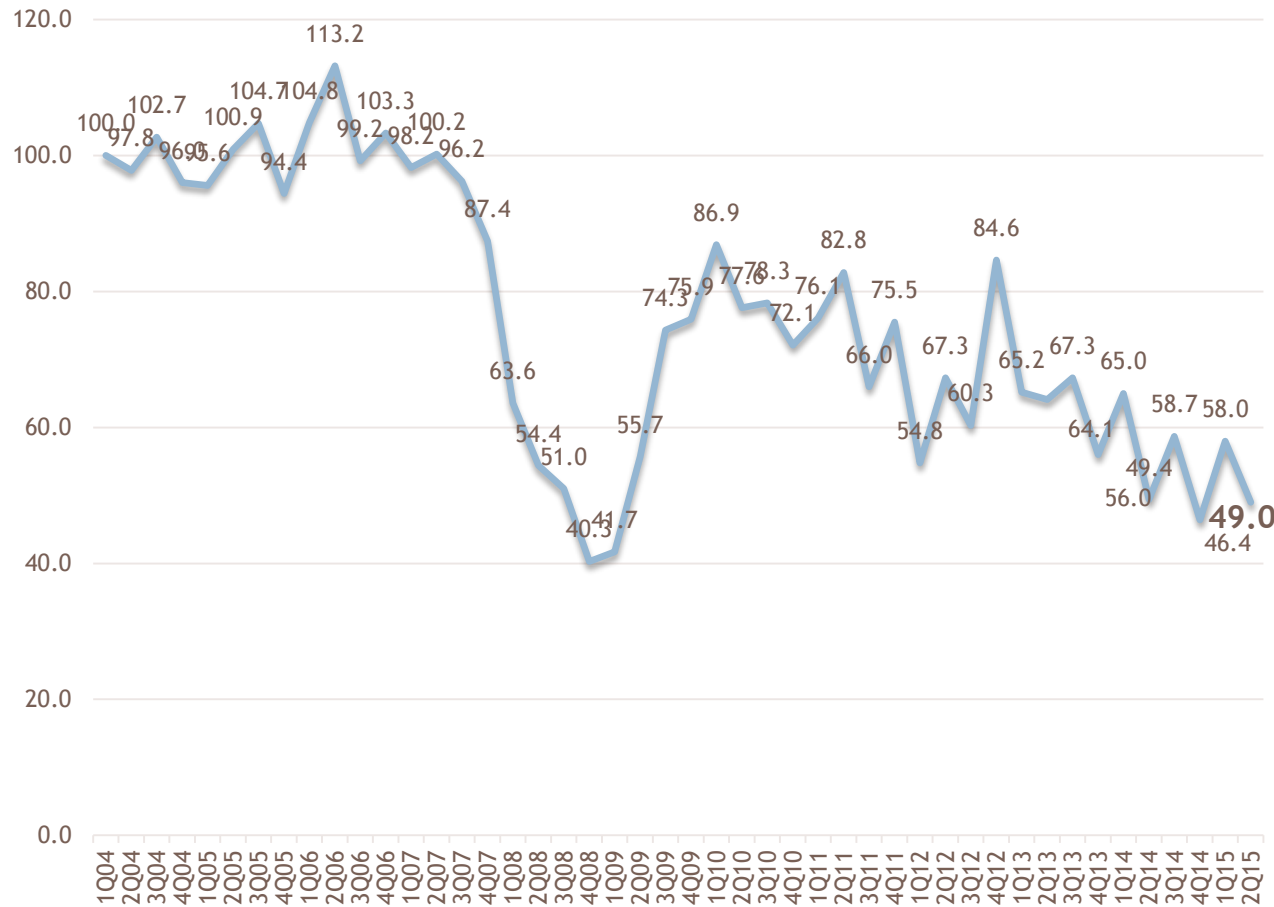
- Unity Marketing found a dramatic restructuring of affluent consumers' priorities back in the middle of 2007 predicting contraction in affluent consumer spending.
- That was ahead by about two-to-three quarters before the cut back was felt in businesses and measured by drop in retailers' revenues.
- The drop in the LCI gave marketers' advance warning about significant changes ahead.



Changes in Consumer Shopping & Spending Behavior Are Often Preceded by Changes in Attitudes

The LCI took sharp turn down in 2007 in advance of the recession. It rose in 2010-2011 along with spending, but today it has dropped back to near-recession levels.

Unity Marketing's Luxury Consumption Index (LCI)



Source: Unity Marketing (www.unitymarketingonline.com)

LCI Remains Near Record Lows

Affluent consumer confidence took another turn for the worst in the second quarter 2015.

The five key measures of how affluents feel about the overall economic health of the country and their personal financial situation all dipped in the most recent survey after rising in the first quarter 2015.

The LCI - Luxury Consumption Index - stands only about 9 points above its lowest point during the recession, in 4Q2008.

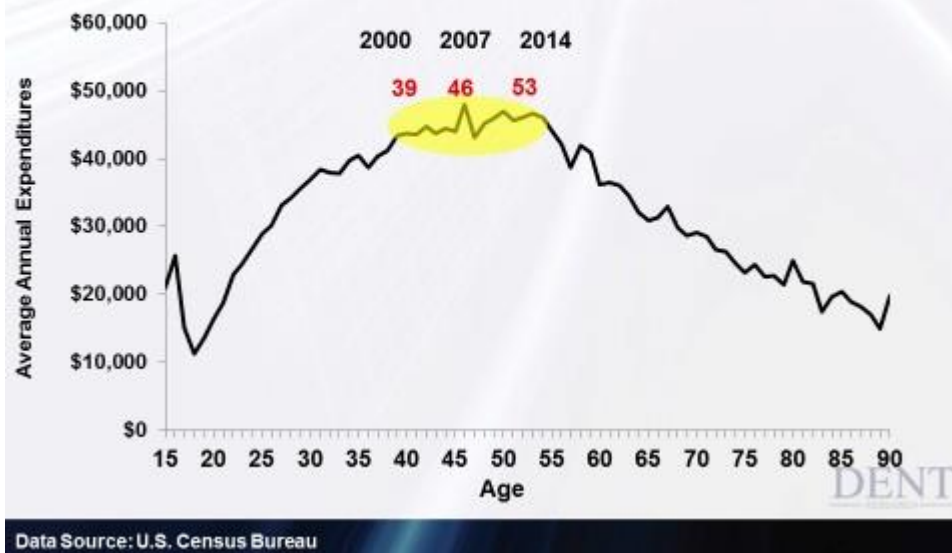
- Today the real challenge is for marketers to adjust to this 'new normal' too of lower expectations.
- Yes, the rich are getting richer, but those at the top 2-3% of all U.S. households account for only about 10% of overall consumer spending, while 40% of total consumer expenditures are made by the HENRYs - high-earners-not-rich-yet consumers with incomes \$100k-\$249.9k—or the top 18% of households.
- It's the HENRYs that gave rise to the boom in the luxury market up to the recession, but today they are living a comfortable middle-class lifestyle.
- In fact, the HENRYs are the newly emerged American middle-class consumers with discretion, now that the old middle-class has lost much of their discretionary spending power due to the recession.
- The HENRYs are the gatekeepers for the future luxury market, but today they simply aren't buying into it.

LCI Predicts Luxury Drought

But the climate today is very different from that back at the end of 2008. Affluents have gotten on with their lives. They have adjusted to a level of lower expectations and they are doing just fine.

Affluents learned the lessons of living close to the edge of their financial limits and have grown accustomed to a 'new normal' where luxury is only occasional indulgence.

Consumer Spending by Age



- Shifting demographics of affluents means the U.S. economy as a whole, and the luxury market in particular, are facing a crisis: not enough customers with enough spending power to keep all the brands, the retailers, and the marketers going, not to mention, growing.
- The consumers have already adjusted to the reality of lowered expectations. Now it is time for the marketers.

Luxury Drought Takes Hold

The 'new normal' for the luxury market means a slow down in the rate of consumer purchase and a reduction in consumer spending at the high-end.

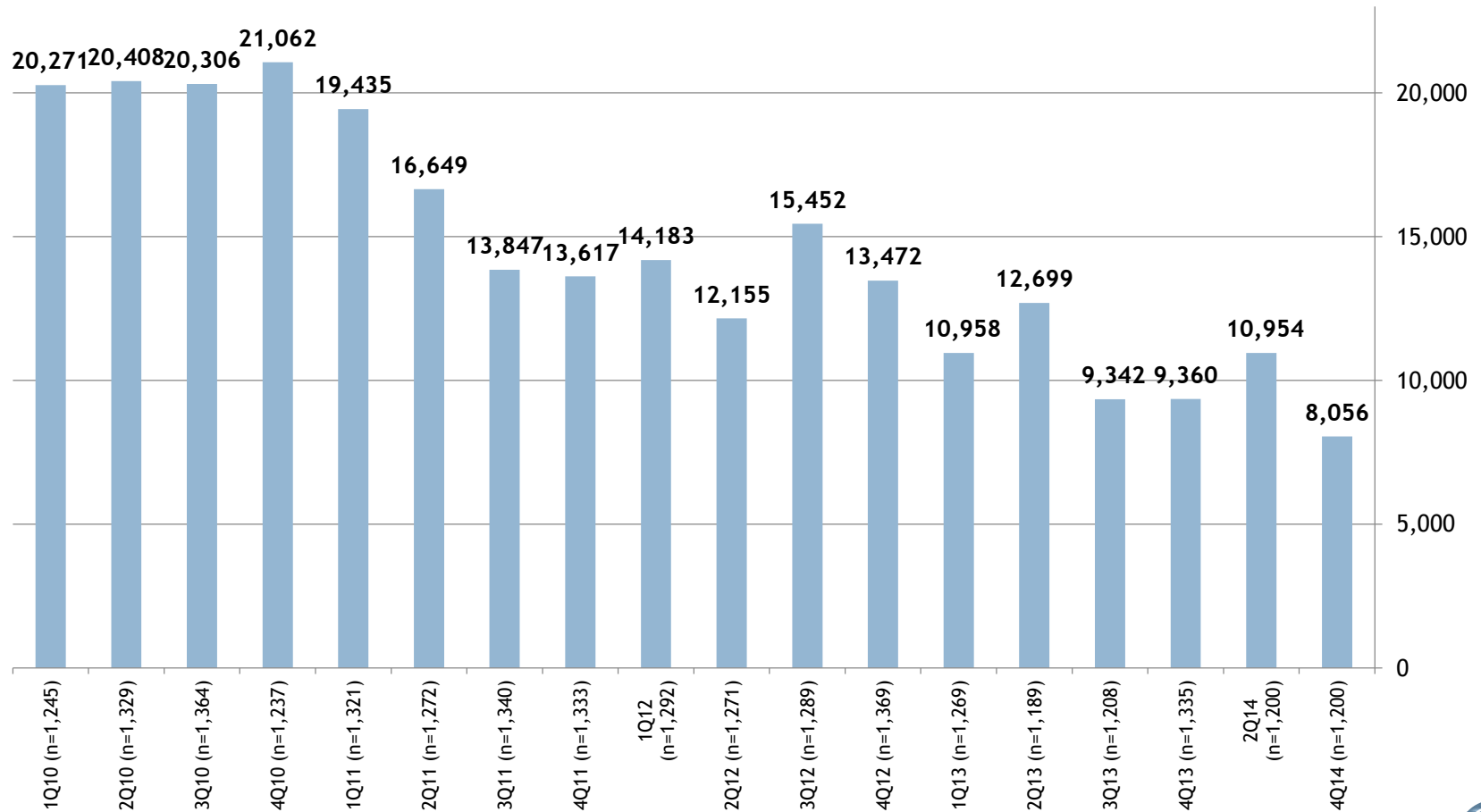
Shifting demographics in the consumer market is to blame. Consumers reach their peak earning years between 35 and 54. This period also corresponds to the years when consumers spend the most.

But today, the Baby Boomers, born 1946-1964 and aged 51 to 69, are rapidly advancing out of that range.

The GenXers that follow, aged 36 to 50 years old, are roughly half the size of the Boomer generation. As a result, they will not, cannot pump enough dollars into the consumer economy, including the luxury market, to make up for the loss of the Boomers' spending power.

Luxury Spending Trending Down from 2010 to end of 2014

Total Luxury Spending 2010-2014



- The LCI combined with luxury purchase behavior and spending data reported in the Affluent Consumer Tracking Study (ACTS) provides a powerful one-two punch to anticipate shifts in the affluent consumer market.
- We predicted the decline in luxury purchases in mid-2007 long before marketers felt it.
- The Index frequently moves ahead of shifts in spending. That is because all luxury spending is discretionary. When luxury consumers feel good, they spend more. When they feel badly, they cut back on luxury indulgences.
- Today's affluent consumer is signaling austerity.



Predictive Power of the LCI

Luxury drought as affluents assume an austerity mindset.

The luxury market is not going back to the way it was before the recession or even during the brief period following when pent-up demand resulted in a temporary period of increased spending.



Affluents Assume Attitude of Austerity...

Luxury is totally discretionary and the easiest thing to cut out of the budget.

Our job is to encourage affluents to indulge.

- Through 2010 and 2011 affluents went through a recovery period where so-called pent up demand boosted affluent spending on luxury.
- However, since 2012 spending has been slowing as affluents' consumer confidence has taken a downward turn.
- Not doom-and-gloom yet, but extra effort is needed to encourage affluents to shop and to buy.

Brands Respond to the Drought

Recent reports from Neiman Marcus & Coach explain what the drought means for their brands and how they are responding to the luxury drought.

- **Slowing customer traffic**
 - WWD reports that Karen Katz, president/CEO of Neiman Marcus Group, said that in 2014 “traffic in the stores is running down slightly.”
 - Coach plans to close 70 full-price stores in 2014-2015, according to Jane Nielsen, CFO.
- **Online continues to grow as shoppers’ best friend**
 - Online gives consumers access to latest information about products and often best prices
 - Online saves shoppers’ time and is highly efficient
 - NM’s Katz said, that although business in the Neiman Marcus stores is down, “there is no actual data to indicate a shift from customers shopping in store to online...There is nothing to indicate a big shift, at least with our customers.” That means, Neimanmarcus.com is capturing new customers. NM needs strategy to help convert online shoppers to visit the stores.
- **Affluent customers still splurging, but being very, very discriminating - They are demanding utmost value**
 - While affluents still have plenty of cash on hand, austerity means they are going to be very, very reluctant to spend it unless a brand or experience truly is worth it.
 - NM Katz said “If there is something to the item that makes it very luxurious or fashionable, they are not hesitating.” Yet, these very expensive items must have a compelling ‘wow’ factor - something that truly commands the high price asked.
- **Competitive environment is brutal**
 - Coach plays in an increasingly crowded marketplace and needs to find ways to create lasting connection with its customers. So far, the brand has not yet reached relevancy. Citigroup analyst Oliver Chen said to WWD, “We are hopeful but remain cautious, even with the best product and marketing and store experience the traffic comeback may not be easy.”



How Affluents Feel about their Wealth Is More Important than How Much Money They Have

Increasingly, affluents look at their luxury spending as an investment in their lifestyle and quality of life.

- People spend their income, rather than wealth - But the wealthier they feel, the more of their income they will spend
- What does the LCI predict for your business?
 - Consumers are still extremely cautious. Your challenge is to boost value-perception of your brands, your offerings.
- They will pay - they have money to pay - a premium for your goods and services. But they must continue to be convinced that buying your products or services is a good investment now.

Unity Marketing's Look at 2015:

Guarded

Create value proposition with service component based upon real consumer expectations.

We are in for a long, tough period of reduced consumer demand and spending.

Marketers need to get their best game on through the rest of this decade and into the middle of the next, when the Millennial generation, about as big as the Boomers, reach the age of affluence.

- The market for luxury goods and services consists much more of the upper-middle class (i.e. the HENRYs) rather than the true upper class (the ultras and top 1%).
 - While the purchases of the upper class (mansions, yachts, etc.) may garner far more media attention, their small population translates into a smaller market for luxury. However, there is a much larger market merely one notch down - who have deep aspirations toward emulating a wealthy lifestyle, even if it means some sacrifices will be required in household consumption. But, this market appears to be the one most troubled by current events.
- Fundamentally, there are needs to treat oneself after periods of (relative) deprivation- which portends well for luxury as a reward - both in attainment as well as aspiration.
- The generational demographic transition represents unbridled opportunity for the luxury goods marketer, but it won't be felt until 2026-2029.
- Any opportunities now?
 - For retailers: Manage the supply chain, thereby protecting and maximizing profit margins.
 - For manufacturers/marketers: Assess demand. Create a "value proposition" for the experience you will be providing to customers.
 - Both: As this past season has shown, the on-line marketplace has been booming at the expense of classical retail. Develop the SERVICE Imperative, as exceptional service represents a luxury good in and of itself.
 - To Millennials: Stress that as a marketer/retailer, you help create memories which will last a lifetime.



ACTS Delivers News You Can Use

The ACTS survey focuses on the behavior of affluent, luxury consumers - your customers and future customers

- The ACTS survey platform is easily adapted to the specific needs of each subscriber client.
 - To add specific questions for each fielding
 - To include their brands and key competitor brands
 - To expand consumer sample to meet specific needs
 - To deliver customized cross tabs
 - As affluent omnibus study to add one-time question series to gain access to our 1,200 affluent consumer panel
- Unity Marketing also conducts custom research studies using both qualitative (focus groups, in-depth-interviews) and quantitative studies.

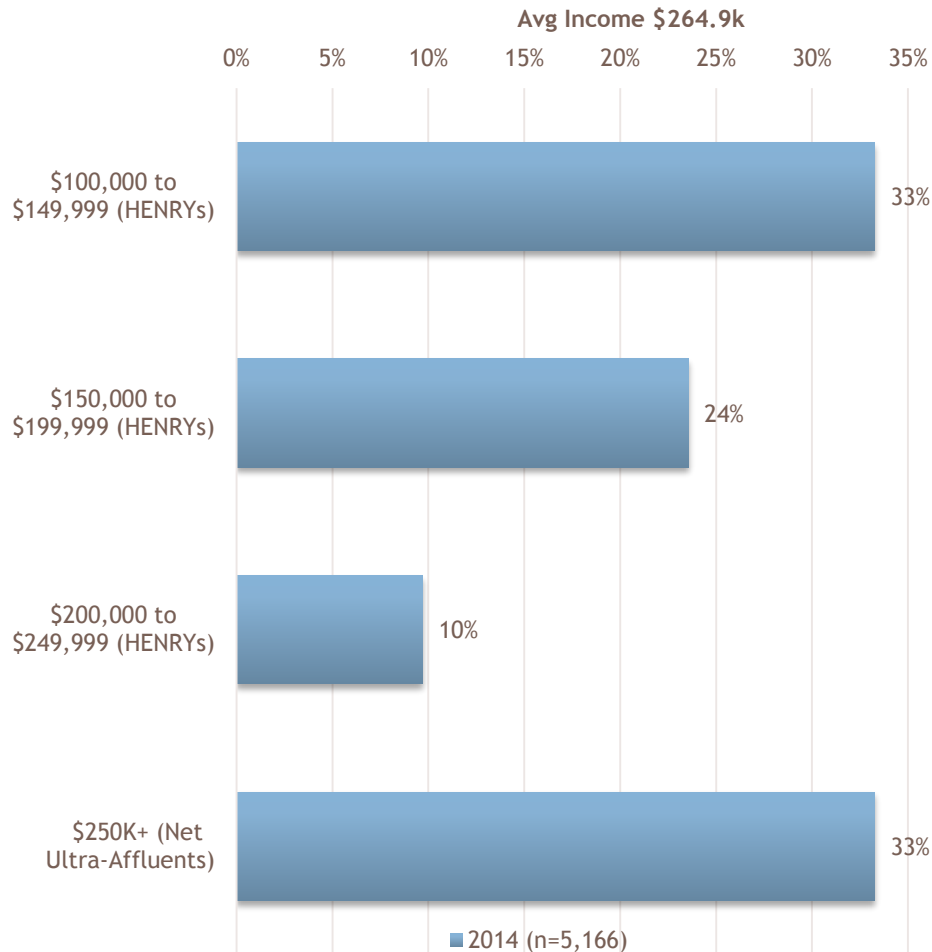
**Unity
Marketing
Delivers the
Information
& Insights
Needed about
Your Current
& Future
High-
Spending
Customer**

Affluent Consumer Tracking Study (ACTS) Tracks Trends in Affluent Spending, Purchases & Attitudes

ACTS sample is selected by income, i.e top 20%, which today starts at about \$100,000

- Longitudinal study of affluent consumer market, what they buy, how much they spend and how and where they shop
- Two versions of the survey fielded to measure:
 - Product & Services purchased
 - Shopping behavior
- Conducted every three months since January 2004.
 - Four surveys per year of 1,250+ luxury consumers
 - Total ~ 5,000 affluent consumers annually
- Top 20 percent of U.S. households based upon income
 - Represents 24 million affluent households
 - 33 percent of sample is ultra-affluents (\$250,000+)
- Wealth data is collected:
 - HNW (High Net Worth) - Investible assets, cash on hand, of \$1 million or more, which roughly corresponds to the top 2% ultra-affluents
 - LNW (Low Net Worth)- Assets of less than \$1 million. Most everybody else

Income Distribution ACTS Survey 2014



Affluent Consumer Tracking Study Profiles Luxury Consumer

Two affluent income segments measured:

HENRYs \$100k-\$249.9k
(top 18%), mass affluent

Ultra-affluents \$250k+
(top 2%), primary target
for luxury brands

For example, average income was \$264.9k for 2014 surveys.

Ultra-affluents are over-sampled, meaning with a natural distribution the ultra-affluents would represent about 10% of the total sample, but Unity Marketing increases ultra-affluents' sample to 33% of total.

- In addition to income segments, the ACTS study also analyzes other segments of affluent consumers:
 - Gender differences
 - Age groups and their different purchasing patterns, specifically:
 - Young Affluents (under 45 years) and
 - Mature Affluents (45 years and older)
 - Net Worth segments, specifically:
 - High Net Worth (HNW): investible assets of \$1 million or more
 - Low Net Worth (LNW): investible assets less than \$1 million
- We 'slice and dice' the affluent consumer information collected to give you data about your specific customer segments.



Other Demographic Segments also Analyzed

The ACTS study also profiles:

- Affluents by gender
- Affluents by age
- Affluents net-worth
- Affluents by ethnicity

- In 2015 Unity Marketing will conduct two ACTS surveys - Spring Wave 1 Shopper Track and Fall Wave 2 Product & Services Track.
- Our sample is not just people with high incomes, but affluents who are active buying or shopping for luxury or high-end goods and services.



Luxury Brands...

*These are your customers
& your target customers*

- CRM and other internal customer database analysis systems tell marketers nothing about the customer that walks by your door and who doesn't shop with you.
- Affluent Consumer Tracking fills the gap by providing reliable data about your customers, as well as your potential customers.



ACTS Fills the Gap Left by CRM “Big Data”

CRM tracks only behavior of your customers, not the potential customers who walk by your store and who don't make a purchase

ACTS Gives 360° Perspective on the Affluent Consumer

- **What Affluents Buy - Product & Services Track**
 - Tracks purchases in 21 different categories of luxury goods and services
 - Home luxuries (furniture, art, tabletop, etc.)
 - Personal luxuries (fashion, jewelry, beauty, wine & spirits, etc.)
 - Experiential luxuries (travel, dining, spa, physician services, etc.)
 - Running October 2015
- **How Affluents Shop - Shopper Track**
 - Tracks where they shop for high-end or luxury goods and services
 - General Merchandise stores and websites (department stores, luxe department stores, etc.)
 - Specialty Retail stores and websites (clothing & fashion, home furnishings, beauty, jewelry, etc.)
 - Internet & Direct-to-Consumer (Internet-only retailers)
 - Experiences & services (travel, dining, spa, physician services)
 - Fielded May 2015

- What affluents buy track measures goods and services demand (i.e. purchase incidence) and spending - two totally independent variables
 - Survey structure is adaptable across a wide range of consumer goods and services. It can be modified to include new product or service categories and new brands, including retailer brands. Products & services categories included:

Home Luxuries

- Art & Antiques;
- Home Electronics;
- Furniture, Lamps & Floor Coverings;
- Garden & Garden Products;
- Kitchenware, Cookware and Cooks' Tools & Housewares;
- Major Home Appliances, Bath, Window Coverings & Building Products;
- Linens, Fabrics and Soft Goods;
- Mattresses & Sleep Systems; and
- Tabletop

Personal Luxuries

- Clothes & Apparel;
- Cosmetics, Beauty & Fragrance Products;
- Fashion Accessories;
- Jewelry;
- Watches;
- Personal Electronics; and
- Wine & Spirits
- **Automobiles**
- **Experiential Luxuries**
- Luxury Dining;
- Travel;
- Spa, Salon, Massage Services; and
- Physician Services

What High-End or Luxury Goods & Services Affluents Buy

Product & Services Track survey measures what high-end/luxuries affluents bought, where they made their purchases, how much they spent, and brands purchased.

Each wave includes a special investigation into one key category or trend in the luxury market. Recent special investigations include:

Travel

Home remodeling and decorating projects

Consumer attitudes and values

Shopping attitudes and values

ACTS Shoppers Track Looks at Shopping Behavior

Survey structure is adaptable across wide-range of store types and shopping experiences

- Basic usage and occurrence data
 - General Merchandise Stores & websites (department stores, discount department stores, luxury department stores, warehouse clubs)
 - Internet & Direct to Consumer (Internet retailers, television shopping, direct mail)
 - Specialty Retail & websites (clothing & fashion, home furnishings, luxury brand boutiques, jewelry stores, personal care/beauty, wine & liquor, kitchenware & tabletop, art galleries & framing, major appliances/kitchen or bath remodeling, sunglass/optical, home improvement, electronics/computer, craft/hobby, book/record/video, gift, toy stores)
 - Experiences & Services (travel & hospitality, dining, spa/salon, physician services, interior designers)
- Details about most recent shopping experience
 - Only for selected, subscriber-specific shopping experiences
 - Shopped in store, online or other (telephone)
 - Who shopped with, if in store
 - What high-end goods or services bought
 - How much spent
 - How purchase made (credit card, premium cc, debit card, cash)
 - Reason for most recent shopping experience (needed something, fun/recreation, inspiration, sale or discount, impulse, gift, store-sponsored special event)
- Brand usage
- Consumer confidence measures for Luxury Consumption Index (LCI)
- Shopping attitudes

ACTS

Focuses on How to Grow Business among Affluents

You need to get more customers to spend more money, more often with your brand, in your stores, on your website.

- What motivates affluent shoppers?
- How can we create experiences that encourage affluents to shop, to shop more often and to spend more money?
- How can we capture customers shopping in other places?
- What important shopping experiences are you missing out on?
- Internal CRM data tells you only about the customers you have, not the ones that walk by your doors

- **Affluent Consumer Tracking Study (ACTS) -- \$7,500**
 - This full-year subscription level gives clients input into the questions, categories and brands included in the survey, plus all biannual deliverables.
 - Subscribers also receive all detail crosstabs, trend reports, detail research report & executive summary and webinar to review key findings.
 - Plus each annual subscriber receives the annual *Luxury Report* and *Affluent Shopping Report* which roll up the past year's survey results and tracks trends from previous years' surveys.
- **ACTS Wave & Special Investigation -- \$4,250**
 - Twice a year the ACTS survey is fielded. Each of those surveys includes a special investigation into one aspect or another of the affluent consumers lifestyle.
 - Subscribers can participate as sponsors to a single wave including the special investigation in order to guide and direct the scope of the study and add questions as appropriate. Recent investigations included studies of home remodeling, redecorating and renovation, luxury travel, internet usage & brand loyalty.
 - Subscribers receive all detail crosstabs, trend report reporting findings from the special investigation, detail research report & executive summary and webinar to review key findings.

ACTS Offers Subscriptions Suited to Your Business Need and Budget Level

We will work with you to help you select the right option for your business need, either a full-year subscription or a single wave.



Sample Deliverables

Crosstab Sample

Banners can be customized to your needs

Q.1 - Please indicate your total annual household income before taxes including bonuses, commissions, etc.:

	GENDER			AGE				GENERATION		INCOME		ETHNICITY		NEW WORTH		EXPERIENCES		
	Total	Male	Fmle	24-34	35-44	45-54	55-70	Young Affluents s/24-44s	Mature Affluent s/45-70s	\$100K- \$249K/ Henry's	\$250K+ /Ultra	Caucasi an	Other	Net Worth <\$1Mill	\$1 Mill Or More	All Current Travele rs	All Cruisers	Fine Dining
(BASE: Total Respondents)	1313	525	788	195	331	416	371	526	787	875	438	1106	247	723	590	515	68	866
Less than \$75,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
\$75,000 to \$99,999	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
\$100 - \$249K+ (Net)	67%	63%	69%	67%	61%	63%	76%	63%	69%	100%	0%	68%	60%	81%	49%	57%	69%	62%
\$100,000 to \$149,999	33%	34%	33%	37%	28%	29%	40%	31%	35%	50%	0%	34%	27%	46%	18%	25%	23%	28%
\$150,000 to \$199,999	23%	20%	25%	22%	22%	23%	24%	22%	23%	34%	0%	23%	22%	25%	20%	22%	34%	23%
\$200,000 to \$249,999	10%	10%	11%	8%	12%	10%	12%	10%	11%	16%	0%	11%	10%	10%	11%	10%	12%	11%
\$250K+ (Net)	33%	37%	31%	33%	39%	37%	24%	37%	31%	0%	100%	32%	40%	19%	51%	43%	31%	38%
\$250,000 to \$499,999	27%	29%	26%	29%	27%	32%	21%	28%	27%	0%	82%	26%	32%	18%	38%	33%	27%	30%
\$500,000 to \$999,999	4%	4%	4%	5%	7%	2%	3%	6%	3%	0%	12%	4%	2%	1%	8%	7%	0%	6%
\$1,000,000 or more	2%	3%	1%	0%	5%	3%	0%	3%	2%	0%	6%	2%	5%	0%	5%	3%	4%	3%
Mean	258.7	272.8	249.2	244.4	299.2	266.3	221.4	278.9	245.1	157.9	460.3	255.5	287.8	198.4	332.5	300.4	258.7	278.9
Median	186.4	191.4	183.7	179.1	200.7	194.0	170.1	192.4	182.6	149.9	403.2	184.0	202.0	158.2	255.0	216.4	189.9	197.0
Std. Dev.	181.2	198.1	168.2	152.6	226.2	181.3	135.4	203.9	162.8	36.7	186.5	180.3	210.7	104.8	222.9	207.5	183.8	195.0
Std. Err.	5.0	8.6	6.0	10.9	12.4	8.9	7.0	8.9	5.8	1.2	8.9	5.4	13.4	3.9	9.2	9.1	22.3	6.6

Shopper Track– Chapter 1: ACTS Shopper Track Topline Findings

Overview

Affluents Enjoying the Little Things in Life – Resisting the Temptation to Over-Spend & Liking It

Demographic Forecast: Luxury Drought

Figure 1: Dent Research, Consumer Spending by Age

Figure 2: LCI Historical 1Q2004-present

El Nino and the Millennials- the Short and Long of It

Introducing the New ACTS Shopper Track

Chapter 2: Retail & Affluent Consumers in Perspective

Retail Sales Growth Flattening

Figure 3: GAFO Retail Sales & Growth 2007-1Q2015

GAFO Retail Sales in 2015

Figure 4: GAFO Store Sales YTD 2015-2014

Figure 5: Fastest Growing Retailers 1Q2015

Tracking Consumers' Personal Consumption

Figure 6: Personal Consumption Quarterly Change 2008-1Q15

Figure 7: Personal Consumption Expenditures 1Q15 Percent. Change Previous Period,

details

Latest U.S. Census Reveals Affluent Consumer Segment is fastest growing

Figure 8: Number of Households and Average Income 2010-2013

Number of Ultra-affluent households grew by one-third since 2010

Figure 9: Households by Income & % Change 2010-2013

Affluents Account for 20% of Households, but over 40% of all Consumer Spending

Figure 10: Share of Consumer Expenditures Attributed to Affluents, 2012-2013

Marketers' Take Away>>

Chapter 3: Affluent Shopping Overview

Figure 11: Shopper Track Survey Sample Demographics

Overview

Key Trends Shaping the Future of Retail Catering to Affluent Shoppers

Trends in Where Affluents Shopped

Figure 12 Trends in Where Affluents Shopped

Trends in Affluent Experiential Purchases

Figure 13: Trends in Affluents Experiential Purchases

Trends in How Often They Shopped by Type of Shopping Experience

Figure 14: Trends in Average Number of Shopping Occurrences by Type of Shopping

Experience Marketing, 2015

Trends in How Much Affluents Spent in Last Shopping Experience by Type

Detail Report

Table of contents of detail report. This report is produced in word format and includes detail tables, charts and graphs illustrating key findings.

Looking at Luxury Through a New Lens – The Customers'

*ACTS Shopper Track Executive
Summary 2014 & 2015
by Pam Danziger, Unity Marketing*

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Marketing in New- Luxury Style 2015

*What Affluents Buy, How They Spend,
Where They Shop & How They Feel
about their Wealth & Finances*

*ACTS Products/Services Executive Summary January 2015
by Pam Danziger, Unity Marketing*

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MARKETING

ACTS Executive Summary

Each ACTS detail report is summarized in a powerpoint presentation for quick review of the key finding. The Executive Summary is also presented as a webinar.

Luxury's Got a Brand New Style

How to position your brand to
the new affluent consumer
lifestyle

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Affluent Traveler

*How affluents travel in
new-luxury style*

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Luxury Trend Reports

Each ACTS survey includes a special investigation which is published as a separate trend report. Each trend report is delivered in powerpoint format allowing for quick digesting of the key findings and take aways.



Let Unity Marketing Be Your Research Partner

Today's consumer marketers face an increasingly competitive environment with many business and marketing challenges.

Unity Marketing leads with research to help businesses gain insights into their core customers and their best target customers - the affluent who have discretionary income to spend.

Unity Marketing's 2015 Research Initiatives

To deliver more actionable insights to marketers about the best potential customers in the U.S. consumer market today - the affluent top 20%.

- **Affluent Consumer Tracking Study**
 - Two waves & special investigations
 - Spring Shopper Track
 - Brand loyalty special investigation
 - Fall Product & Services Track
 - Affluent consumer attitudes & motivations special investigation
- **Consumer Gifting Study**
 - In-depth investigation into gift choices and shopping behavior among middle-income to upper-income consumers.
 - Special investigation into how consumers use the internet for their gift research, planning and buying needs.
 - Survey completed April 2015 (n=1,649 consumers HHI \$97,900)
- **Millionaires Market Monitor**
 - Partnership with American Affluence Research Center, a study of millionaires (net worth of \$1 million or more) about their consumer attitudes and motivations
 - Fills a gap in millionaire consumer insights
 - Wealth & affluence are different
- **Millennials on the Road to Affluence**
 - New study with important implications for every brand that wants to continue to do business after 2020

- Greater access to new AFFLUENT consumer SAMPLES
- In-depth data about HIGH-END & LUXURY customers
- Understanding of BRAND USAGE & AWARENESS
- Key COMPETITOR BRAND usage & awareness
- Purchase & usage TRACKING STUDIES
- CUSTOMER SURVEYS and studies to identify new opportunities

Does Your Company Need More Data?

Unity Marketing can provide more data about the affluent consumers, combining both qualitative and quantitative research strategies



- UNDERSTAND your best prospective CUSTOMERS' needs and desires
- Get the COMPETITIVE EDGE
- Develop more effective MARKETING STRATEGIES
- RESEARCH your market
- SHARE customer KNOWLEDGE & INSIGHTS
- Evaluate NEW PRODUCTS
- Find best CHANNELS OF DISTRIBUTION
- Track TRENDS in the market

The challenge:

Provide insight that integrates demographics, attitudes and behavior and turn raw data (numbers or statements) into meaningful, actionable information

Do You Need Help To Use Data More Effectively?

Unity Marketing can help you use the research data you have on hand to greater effect to drive growth for your business.

We consult with companies of all sizes, from small to mid-sized to large multi-nationals.

We support retailers, manufacturers and marketers in both B2C and B2B marketing strategies.



- Qualitative expertise
 - Focus groups, IDIs
 - Expert, influential & channel partner studies
- Quantitative expertise
 - Survey design
 - Data analysis including statistical data analysis
 - Analyzing survey results for key take aways
- Marketing & branding consulting
 - How to use research to create more powerful brands and more compelling marketing

Unity Marketing Leads with Research

