



- Affluent shoppers with plenty of discretionary income to spend may be the key to driving sales and delivering profits to your retail door.
- This study examines the affluent shopper and why they shop. Understanding their mindset is key to designing retail experiences that attract them to your retail destination.

Affluent Austerity

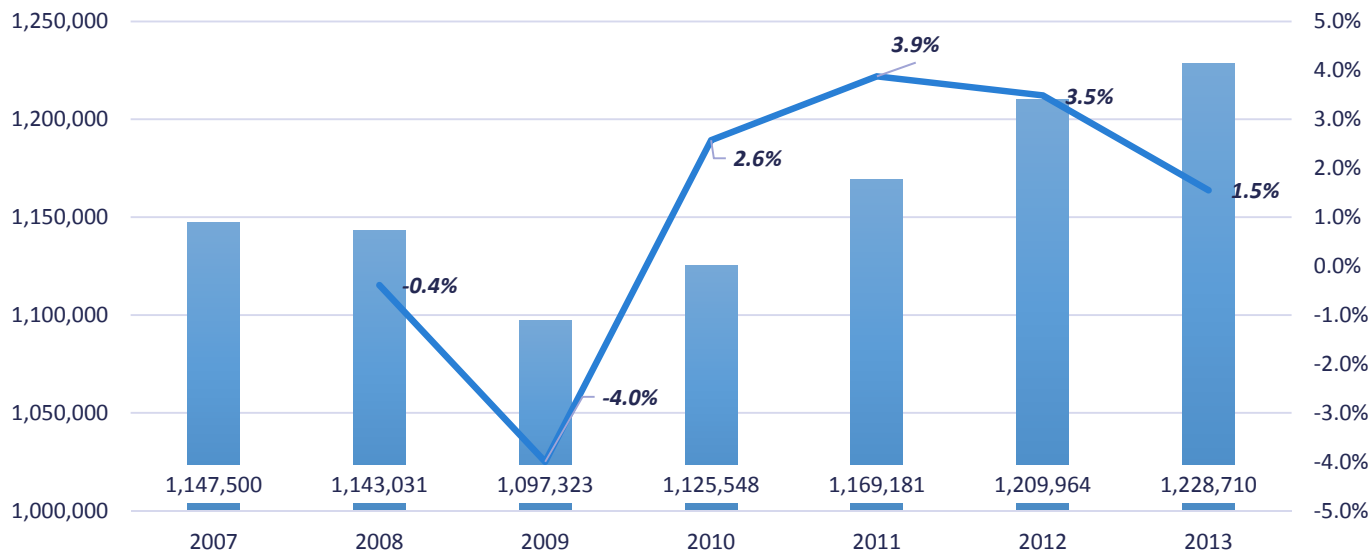
*Post-Recession retail is In
the doldrums and
attracting more affluents
to your destination is key
to future success*



GAFO Retail Store Sales on the Rise – But growing significantly slower now than in 2011 and 2012

GAFO stores are the typical type of store that fill U.S. malls, shopping centers and big-box destinations

GAFO Retail Sales & Percent Change



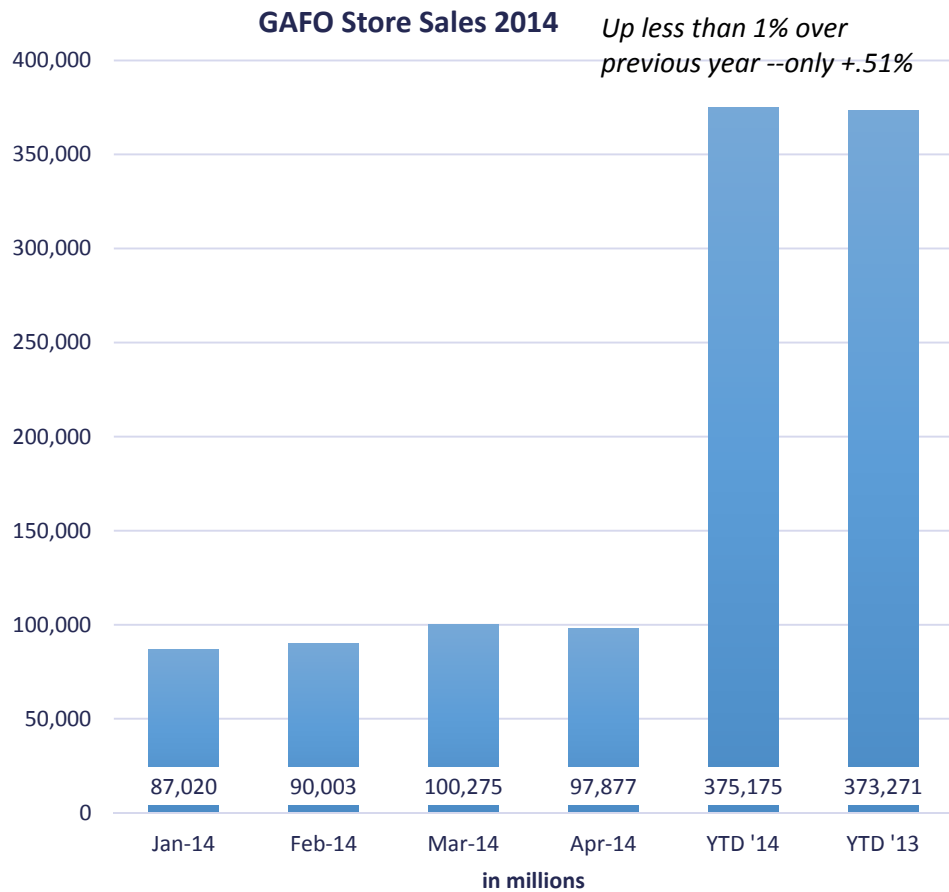
GAFO = General Merchandise, Apparel and Accessories, Furniture and Other Sales

■ GAFO Retail Sales (in millions) — % Chg Previous Year

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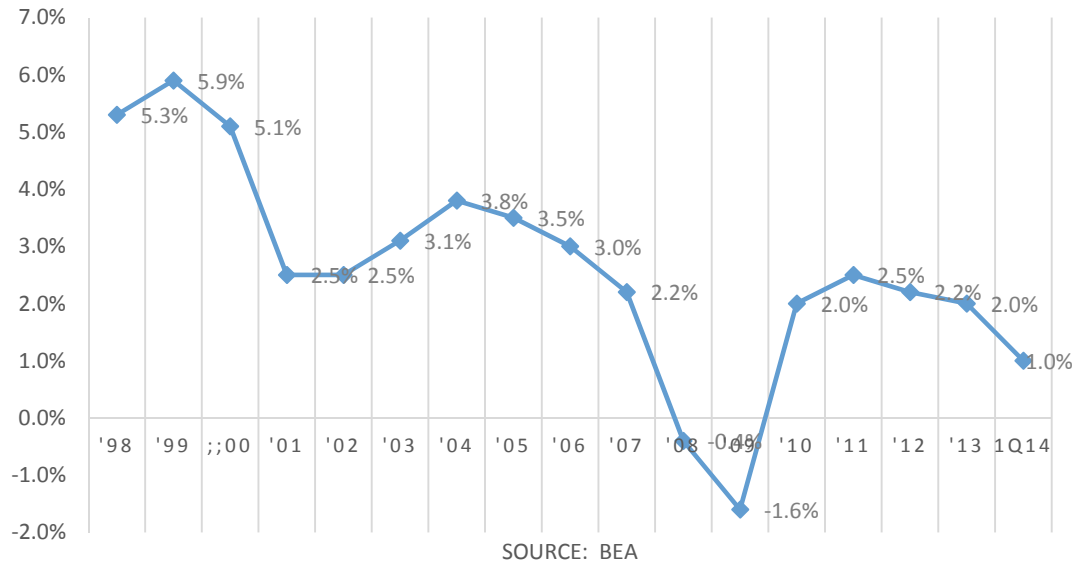
Source: U.S. Census; Advanced Monthly Retail Trade Report



GAFO-
Store
Sales
Stalled in
Early 2014



**PERSONAL CONSUMPTION EXPENDITURES PERCENT
CHANGE FROM PRECEDING YEAR**



- BEA shows significantly less robust personal consumption from 2010-2013, as compared to 1998-2000 and 2004-2006.
- Dismal 1Q2014 GDP report
 - Real gross domestic product -- the output of goods and services produced by labor and property located in the United States – actually fell at a 2.9% rate from first quarter from the fourth quarter of 2013, the worse report since 2009..
 - Personal consumption rose only 1% in 1Q14, after rising 2.0% in 2013.

**Economy
Reads
Better But
Consumers
Don't
Necessarily
Feel Better**





Is Tough 2014
Retail Season
Caused by the
Bad Weather
Outside?

*Or consumers'
changing
emotional climate
on the inside?*



- When it comes to understanding the retail customer and motivating them to buy goods and services, two issues about the target customers are critical to understand:
 - **Who can afford to shop for goods or services you want to sell**, which typically involves income demographics and wealth.
 - **Who has a willingness to shop in order to spend their money on good and services**, which is directly related to people's attitudes and value system.
- However, not everyone one who can easily and readily afford to shop are interested in doing so.
- The purpose of this study, *The Affluent Shopper Trend Report: How to Attract More High-Potential Affluent Customers to Your Store*, is to delve more deeply into affluents' mindset and attitudes about shopping.

Affluents Represent the Best Prospective Retail Customers –

Affluents are the 'heavy lifters' when it comes to consumer spending and are the key to growing retail sales



- ‘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***

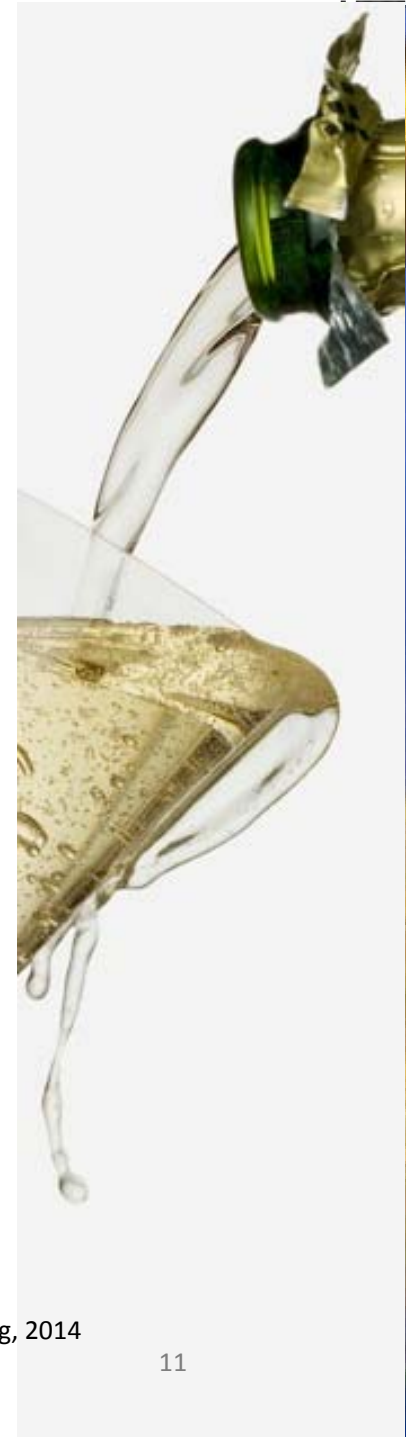
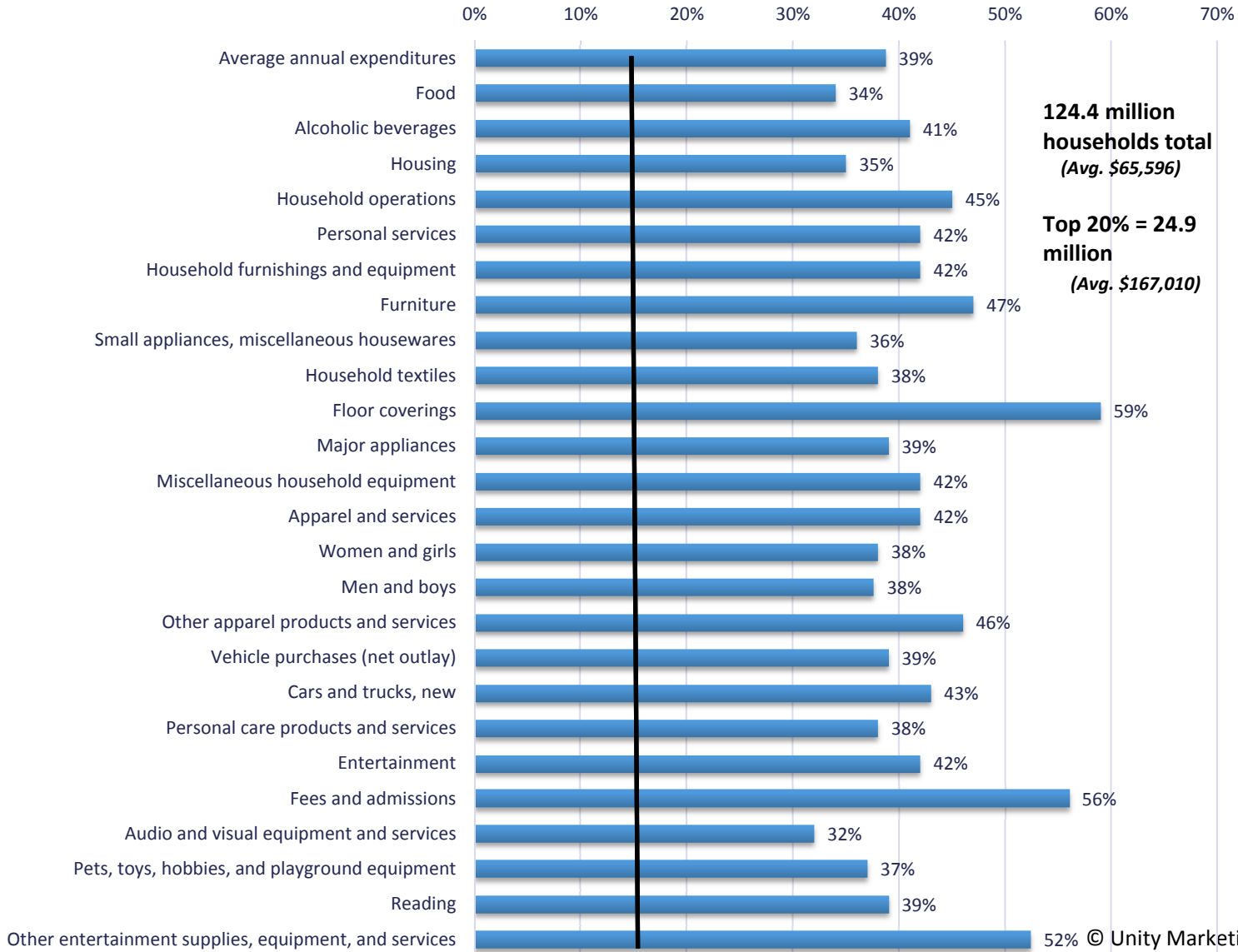
**Why the
Affluent
Consumers
Matter so Much
to All
Marketers?**



Consumer Expenditures

Percent of Total by Top 20% of U.S. Households

Source: BLS CEX 2012



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

Use this Affluent Shopper Trend Report to Help Grow Your Retail Business

*How Business Grows
= More Customers,
Spending More
Money, More Often,
More Efficiently*

