

Shopper Resolutions 2009

A new year often brings new resolutions: Quit smoking, exercise more, spend more time with family, get more organized. Resolutions are made to improve your life.

We wondered what resolutions shoppers were making in today's marketplace...so we asked them.

It came as no surprise that shoppers told us they would be spending less overall. The impact of the economy on shoppers is certainly having a significant impact on their overall level of shopping. A whopping 48% of shoppers told us that they spent less money shopping in the past three months as they did in the same time last year. This number is up 10 percentage points from when we asked the same question of shoppers this question in June 2008.

AMOUNT SPENT ON SHOPPING: LAST 3 MONTHS VS. YEAR AGO 3 MONTHS

	FEB 08	JUN 08	DEC 08
Spent less \$	34%	38%	48%
Spent same	32%	28%	33%
Spent more \$	34%	34%	18%

The dismal Q4 2008 retail sales figures showed the business impact of these shopper stated changes.

Given this highly challenging environment that both manufacturers and retailers must cope with, we explored with shoppers what their shopping resolutions were for 2009.

What do shoppers say they will be doing more of in 2009?

Across the five key categories we survey (Grocery, Health and Beauty, Home Electronics, Housewares, Apparel) shoppers are fairly consistent in what they will be doing more of in 2009.

Topping the list are key overall shopping behavior changes including:

- Sticking to a budget
- Using coupons
- Limiting shopping to what I really need
- Stretching the life of products
- Looking at store ads

TOP THINGS SHOPPERS ARE RESOLVING TO DO MORE OF

Grocery	Health and Beauty Care	Home Electronics	Housewares	Apparel
Stick to Budget (37%)	Using coupons (34%)	Limit shopping to what I need (32%)	Stretch life of products (33%)	Limit shopping to what I need (35%)
Using coupons (35%)	Stick to Budget (33%)	Stretch life of products (32%)	Limit shopping to what I need (33%)	Stick to Budget (33%)
Limit shopping to what I need (35%)	Limit shopping to what I need (31%)	Stick to Budget (32%)	Stick to Budget (33%)	Stretch life of products (30%)
Stretch life of products (33%)	Looking at store ads (30%)	Looking a store ads (30%)	Looking at store ads (33%)	Buying store brands (30%)
Looking at store ads (31%)	Stretch life of products (30%)	Using coupons (29%)	Using coupons (30%)	Combine trips to save time and travel (30%)

Continued next page

SHOPPERS RESOLUTIONS 2009

Continued from
previous page

The implications for shopper marketers of shoppers' stated resolutions may become even clearer when we look at what shoppers say they will doing LESS OF in 2009.

By far, the number one shopper resolution across all categories is to buy less big ticket items. Also common across categories are that shoppers will be less likely to shop across multiple stores.

An alarming finding for the Home Electronics and Housewares categories is that 20% of shoppers say they are going to shop less at these types of stores. The impact on these categories could be significant in 2009, with shoppers vowing to participate in those categories less, avoid big ticket purchases and stretch the life of products they already own. —•

TOP THINGS SHOPPERS ARE RESOLVING TO DO LESS OF

Grocery	Health and Beauty Care	Home Electronics	Housewares	Apparel
Buy big ticket items (35%)	Buy big ticket items (29%)	Buy big ticket items (30%)	Buy big ticket items (32%)	Buy big ticket items (25%)
Shop across mult. stores (13%)	Buy in bulk (13%)	Shop at electronics store (20%)	Shop home furnishing stores (18%)	Buy in bulk (12%)
Trade down stores (12%)	Shop online (12%)	Buy in bulk (14%)	Shop mult. stores to get deals (11%)	Shop mult. stores to get deals (11%)
Buy store brands (11%)	Shop across mult. stores to get deals (10%)	Trading down store (11%)	Shop online (10%)	Shop apparel stores (10%)

WAYPOINT

Connecting with category specific resolutions will provide traction with shoppers



Shopper Resolutions for Retailers

Beyond the changes shoppers state they plan to make in 2009, we also wanted to know what they might want retailer to do differently in 2009 to serve them.

While a wide variety of things were mentioned – from product variety and assortment, to store conditions, to enhancing convenience and customer service – the impact of the economy on shoppers wallets

continued to be the critical driving factor.

So, what would today's shoppers resolve for retailers to do in 2009 to better serve them?

Across all categories, the number one thing shoppers want retailers to do for them in 2009 is to help them with prices – lower them, provide bigger and better sales, offer loyalty discounts, etc. Whatever the method mentioned, across categories price mentions were the biggest things shoppers wanted:

PERCENT OF SHOPPERS WHO WANT RETAIL PRICE RESOLUTIONS

Grocery	54%
Health and Beauty Care	46%
Home Electronics	46%
Housewares	44%
Apparel	47%