

The Budget Shopper - US - December 2014

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“Consumers today are more financially secure than they were during the recession and the years immediately following it. They remain tepid about the state of the US economy and continue to adhere to budget-friendly approaches. Even so, they don’t want to sacrifice quality and want to ensure they are getting the items they want and need while still staying within their means.”
 – Diana Smith, Senior Retail & Apparel Analyst

This report looks at the following areas:

- What is the latest consumer sentiment regarding personal finances and the economy at large?
- Who are budget shoppers?
- Where do budget shoppers get their information?

For the first time since the recession, several positive macroeconomic factors are beginning to emerge such as higher consumer confidence, decreasing unemployment and poverty rates, and consumer spending on the rise. The US population is growing and greying, with Baby Boomers getting older and comprising more of the population as well as Hispanics who will comprise nearly 20% over the next few years. This is notable given that all minorities, and especially Hispanics, exhibit multiple budget shopping actions and are more likely to be extreme in their saving and shopping behaviors.

These positive indicators are not - and will not - translate into exponentially different or frivolous spending patterns, as consumers remain cautious and conservative, ready to prepare for the worst, should the worst reappear or manifest itself in a different way. Coupons are still used by more than half of shoppers, consumers are still deferring mid- to high-ticket purchases for a “little while longer,” and saving the exceptions for little splurges that involve things like an escape, relaxation, an indulgence, or family bonding time. Budget shoppers will actively research, seek out bargains, invest a lot of time in the process, and even go out of their way to ensure they stay within their means. For this reason, they should be relatively easy to find and reach; the challenge for retailers will be managing how to meet their customers’ demands for low price while still being mindful of the bottom line and their own financial state.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Table of Contents

Scope and Themes

- What you need to know
- Definition
- Data sources
- Consumer survey data
- Consumer Expenditure Survey
- Abbreviations and terms
- Abbreviations
- Terms

Executive Summary

Overview

The market

Figure 1: Financial outlook: present vs. last 12 months, April 2008-June 2014

Figure 2: Financial outlook on American economy in coming 12 months, April 2008-June 2014

Market drivers

US population is growing, particularly among Hispanics

Figure 3: Population by Hispanic origin, 2009-19

Poverty rate down for first time since 2006

Figure 4: Number of people in the US living in poverty, and annual percent change, 2003-13

Higher consumer confidence may lead to increased discretionary spending

Figure 5: Consumer confidence and unemployment, 2000-14

Consumer expenditures are up about 2% since recession

Figure 6: Average annual expenditures and characteristics of all consumer units, 2006-12

The consumer

No one size fits all type of budget shoppers

Figure 7: Budget shopper spectrum based on economic outlook segmentation, April 2013-June 2014

Nearly all consumers budgeting same or more than last year

Figure 8: Budgeting habits, September 2014

Increased budgeting namely attributed to higher overall expenses

Figure 9: Reasons for budgeting more, September 2014

Heaviest budget shoppers are extreme in their budget-oriented actions

Figure 10: Budget-minded actions taken, by repertoire of types of budget shopper, September 2014

Those in large households are significantly heavier shoppers

Figure 11: Stores shopped for household or personal items, by household size, September 2014

National brands still preferred over store brands

Figure 12: Items purchased as store brand vs. national brand, September 2014

What we think

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Issues and Insights

What is the latest consumer sentiment regarding personal finances and the economy at large?

The issues

The implications

Who are budget shoppers?

The issues

The implications

Where do budget shoppers get their information?

The issues

The implications

Trend Application

Trend: Prepare for the Worst

Trend: Let's Make a Deal

Trend: The Nouveau Poor

Market Drivers

Key points

Total US households at an all-time high, yet size of households decline

Figure 13: US Households, 2002-12

Figure 14: Average household size, by race of householder, 2002-12

US population is growing and greying

Figure 15: Population by age, 2009-19

Hispanics will comprise nearly 19% of total US population by 2019

Figure 16: Population by Hispanic origin, 2009-19

Gross domestic product peaks for first time in several years; Disposable personal income also up

Figure 17: Real Gross Domestic Product and Related Measures: Percent Change from Preceding Period

Figure 18: Real Disposable Personal Income: Percent Change from Preceding Periods

Hispanics and Blacks have lowest household income

Figure 19: Household Income Distribution, By Race/ethnicity, 2012

Higher consumer confidence may lead to increased discretionary spending

Figure 20: Consumer confidence and unemployment, 2000-14

Poverty rate down for first time since 2006

Figure 21: Number of people in the US living in poverty, and annual percent change, 2003-13

Consumer expenditures are up about 2% since recession

Figure 22: Average annual expenditures and characteristics of all consumer units, 2006-12

Figure 23: Average annual expenditures and characteristics of all consumer units, Percent change vs. prior periods, 2006-2012

Target Segmentation

Who are budget shoppers?

Consumer segmentation

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Figure 24: Budget shopper spectrum based on economic outlook segmentation, April 2013-June 2014

Figure 25: Economic outlook segmentation, Percentage by segment, April 2013-June 2014

Facing Challenges (FC)
 Financial Nesters (FN)
 Economically Indifferent (EI)
 Fiscally Fit (FF)
 Confident Spenders (CS)
 Attitudes and opinions
 Shopping
 Food
 Apparel
 General
 How to reach them
 Online

Figure 26: Budgeting habits: budgeting money more vs. last year, by visits websites daily, September 2014

Social media

Figure 27: Budgeting habits: budgeting money more vs. last year, by visits social media websites daily, September 2014

Broad-based media

Out-of-Home

In-store

What do consumers want?

Financial Outlook

Key points

More people than ever think their financial stance has improved recently

Figure 28: Financial outlook: present vs. last 12 months, April 2008-June 2014

Three out of four think the economy will remain stagnant or reverse

Figure 29: Financial outlook on American economy in coming 12 months, April 2008-June 2014

People are more positive about personal finances vs. economy at large

Figure 30: Financial outlook: present vs. future 12 months vs. financial outlook on American economy in coming 12 months, April 2013-June 2014

Younger people are more upbeat

Figure 31: Financial outlook, Percent who think things are/will be better off, by age, April 2013-June 2014

A positive financial outlook doesn't necessarily equate to loosening of budgeting tendencies

Figure 32: Financial outlook on American economy in coming 12 months vs. Attitudes and opinions about Shopping, Based on index vs. all respondents, April 2013-June 2014

Figure 33: Likelihood to purchase big-ticket or medium-ticket item in next 30 days, April 2013-June 2014

Budgeting Tendency vs. Prior Year

Key points

Nearly nine out of 10 consumers budgeting same or more than last year

Figure 21: Budgeting habits, September 2014

Adults 18-34 are saving the most...and the least

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Figure 34: Budgeting habits, by age, September 2014

Those with income less than \$100K plan to save more this year

Figure 35: Budgeting habits, by household income, September 2014

Larger households necessitate tighter budgets

Figure 36: Budgeting habits – budgeting more, by household size and presence of children in household, September 2014

Reasons for budgeting more money vs. last year

Higher expenses are main reason for budgeting more money

Figure 37: Reasons for budgeting more, September 2014

Significant life events impact budgeting behavior

Budgeting Shopping Actions

Key points

More than half of consumers use coupons, although overall usage is slightly dipping

Figure 38: Budget-minded actions taken, September 2014

Figure 39: Coupon usage, August 2008-September 2014

Verbatims about coupon usage

Millennials and Generation X more likely to maintain strict budgeting parameters

Figure 40: Budget-minded actions taken, by age, September 2014

The affluent still actively shop for deals

Figure 41: Budget-minded actions taken, by household income, September 2014

Presence of children leads to more budget-minded actions

Figure 42: Budget-minded actions taken, by presence of children in household, September 2014

Females, Millennials, and Boomers maintain lowest budgets

Figure 43: Budget-minded actions taken, by various demographics (mean), September 2014

Heaviest budget shoppers are extreme in their budget-oriented actions

Figure 44: Budget-minded actions taken, by repertoire of types of budget shopper, September 2014

Heaviest budget shoppers overindex on saving due to issues related to mortgages, childcare, and big-ticket items

Figure 45: Reasons for budgeting more, by repertoire of types of budget shopper, September 2014

Type of Stores Shopped

Key points

Walmart and grocery stores most shopped for household or personal items

Figure 46: Stores shopped for household or personal items, September 2014

Boomers shop more often at value-oriented retailers

Figure 47: Stores shopped for household or personal items, by gender and age, September 2014

People in large households are significantly heavier shoppers

Figure 48: Stores shopped for household or personal items, by household size, September 2014

Heavy budget shoppers significantly more likely to frequent many stores

Figure 49: Stores shopped for household or personal items, by repertoire of types of budget shopper, September 2014

Shopping Behaviors

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Key points

Half of people look at the sale items first before entertaining non-sale items

Figure 50: Attitudes towards shopping, September 2014

Attitudes toward shopping

Agreement increases as level of budget shopping rises

Figure 51: Attitudes towards shopping, by repertoire of types of budget shopper, September 2014

Qualitative insight

Brand Preferences

Key points

Most consumers prefer national brands over store brands

Figure 52: Items purchased as store brand vs. national brand, September 2014

Young men most likely to prefer store brands

Figure 53: Items purchased as store brand vs. national brand – Strong store brand preference, by gender and age, September 2014

Figure 54: Items purchased as store brand vs. national brand – Strong store brand preference, by household income, September 2014

Avid store brand shoppers frequent mass merchandisers and warehouse clubs

Figure 55: Stores shopped for household or personal items, by repertoire of types of only store brands, September 2014

Race and Hispanic Origin

Key points

Blacks are the most positive about current and future financial situation

Figure 56: Financial outlook: present vs. last 12 months, by race/Hispanic origin, April 2013-June 2014

Figure 57: Financial outlook: present vs. future 12 months, by race/Hispanic origin, April 2013-June 2014

Blacks and Asians feel most optimistic about US economy

Figure 58: Financial outlook on American economy in coming 12 months, by race/Hispanic origin, April 2013-June 2014

Blacks and Hispanics budgeting more than last year

Figure 59: Budgeting habits, by race/Hispanic origin, September 2014

Higher expenses are the main reason for stricter budgets

Figure 60: Reasons for budgeting more, by race/Hispanic origin, September 2014

Whites use coupons the most

Figure 61: Budget-minded actions taken, by race/Hispanic origin, September 2014

Hispanics and Blacks most likely to shop for household and/or personal items at Walmart

Figure 62: Stores shopped for household or personal items, by race/Hispanic origin, September 2014

Asians are engaged in the deal-finding process

Figure 63: Attitudes towards shopping, by race/Hispanic origin, September 2014

Hispanics and Blacks strongly prefer store brands

Asians represent opportunity target for private label brands

Figure 65: Items purchased as store brand vs. national brand – Light store brand preferences, by race/Hispanic origin, September 2014

Appendix – Other Useful Consumer Tables

Figure 66: Household income distribution by race and Hispanic origin of householder, 2012

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Consumer spending data

Figure 67: Average annual expenditures and characteristics of all consumer units, 2006-12

Figure 68: Average annual expenditures and characteristics of all consumer units, Percent by category, 2006-12

Financial outlook: Present vs. past 12 months

Figure 69: Financial outlook: present vs. last 12 months, by household income, April 2013-June 2014

Financial outlook: Present vs. future 12 months

Figure 70: Financial outlook: present vs. future 12 months, by household income, April 2013-June 2014

Budgeting habits

Figure 71: Budgeting habits, by employment, September 2014

Figure 72: Budgeting habits, by area, September 2014

Reasons for budgeting money more vs. last year

Figure 73: Reasons for budgeting more, by gender, September 2014

Figure 74: Reasons for budgeting more, by presence of children in household, September 2014

Figure 75: Reasons for budgeting more, by repertoire of types of budget shopper, September 2014

Budget shopping actions

Figure 76: Budget-minded actions taken, by household size, September 2014

Figure 77: Budget-minded actions taken, by visits websites daily, part 1, September 2014

Figure 78: Budget-minded actions taken, by visits websites daily, part 2, September 2014

Figure 79: Budget-minded actions taken, by visits social media websites daily, part 1, September 2014

Figure 80: Budget-minded actions taken, by visits social media websites daily, part 2, September 2014

Figure 81: Budget-minded actions taken, by budgeting habits, September 2014

Type of stores shopped

Figure 82: Stores shopped for household or personal items, by household income, September 2014

Figure 83: Stores shopped for household or personal items, by presence of children in household, September 2014

Figure 84: Stores shopped for household or personal items, by repertoire of types of budget shopper, September 2014

Figure 85: Stores shopped for household or personal items, by budgeting habits, September 2014

Shopping attitudes

Figure 86: Attitudes towards shopping, by gender and age, September 2014

Figure 87: Attitudes towards shopping, by household income, September 2014

Figure 88: Attitudes towards shopping, by household size, September 2014

Figure 89: Attitudes towards shopping, by presence of children in household, September 2014

Brand preferences – strong store preference (always or usually buy store brands)

Figure 90: Items purchased as store brand vs. national brand – Strong store brand preference, by household size, September 2014

Figure 91: Items purchased as store brand vs. national brand – Strong store brand preference, by presence of children in household, September 2014

Brand preferences – never buy store brand

Figure 92: Items purchased as store brand vs. national brand – Never, by gender and age, September 2014

Figure 93: Items purchased as store brand vs. national brand – Never, by household income, September 2014

Figure 94: Items purchased as store brand vs. national brand – Never, by race/Hispanic origin, September 2014

Brand preferences – Always buy store brand

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- Figure 95: Items purchased as store brand vs. national brand – Always, by gender and age, September 2014
- Figure 96: Items purchased as store brand vs. national brand – Always, by household income, September 2014
- Figure 97: Items purchased as store brand vs. national brand – Always, by race/Hispanic origin, September 2014
- Figure 98: Items purchased as store brand vs. national brand – Always, by repertoire of types of budget shopper, September 2014

Brand preferences – Light store brand preference (sometimes or rarely buy store brands)

- Figure 99: Items purchased as store brand vs. national brand – Light store brand preferences, by gender, September 2014
- Figure 100: Items purchased as store brand vs. national brand – Light store brand preferences, by age, September 2014
- Figure 101: Items purchased as store brand vs. national brand – Light store brand preferences, by household size, September 2014
- Figure 102: Items purchased as store brand vs. national brand – Light store brand preferences, by presence of children in household, September 2014
- Figure 103: Items purchased as store brand vs. national brand – Light store brand preferences, by repertoire of types of budget shopper, September 2014

Budget shopper repertoire analysis demographics

- Figure 104: Repertoire of types of Budget Shopper, by demographics

Appendix – Economic Outlook Segmentation

Demographics

- Figure 105: Economic outlook segmentation, by gender, April 2013-June 2014
- Figure 106: Economic outlook segmentation, by age, April 2013-June 2014
- Figure 107: Economic outlook segmentation, by race/Hispanic origin, April 2013-June 2014
- Figure 108: Economic outlook segmentation, by gender, April 2013-June 2014

Financial outlook

- Figure 109: Financial outlook: present vs. last 12 months, by economic outlook segmentation, April 2013-June 2014
- Figure 110: Financial outlook: present vs. future 12 months, by economic outlook segmentation, April 2013-June 2014
- Figure 111: Financial outlook on American economy in coming 12 months, by economic outlook segmentation, April 2013-June 2014
- Figure 112: Likelihood to purchase big-ticket item in next 30 days, by economic outlook segmentation, April 2013-June 2014
- Figure 113: Likelihood to purchase medium-ticket item in next 30 days, by economic outlook segmentation, April 2013-June 2014

Life events experienced and/or expected

- Figure 114: Life events experienced and/or expected in last 12 months or next 12 months, by economic outlook segmentation, April 2013-June 2014

Attitudes and opinions about shopping/food/apparel

- Figure 115: Attitudes and opinions about shopping, by economic outlook segmentation, April 2013-June 2014
- Figure 116: Attitudes and opinions about food, by economic outlook segmentation, April 2013-June 2014
- Figure 117: Attitudes and opinions about apparel, by economic outlook segmentation, April 2013-June 2014
- Figure 118: General attitudes, opinions, and interests, by economic outlook segmentation, April 2013-June 2014

Media consumption

- Figure 119: General attitudes, opinions, and interests, by economic outlook segmentation, April 2013-June 2014
- Figure 120: Advertising outside the home noticed in last 30 days, by economic outlook segmentation, April 2013-June 2014
- Figure 122: Social media website visitation, by economic outlook segmentation, April 2013-June 2014
- Figure 123: Attitudes and opinions about social media, by economic outlook segmentation, April 2013-June 2014

Appendix – Trade Associations

Food Marketing Institute (FMI)

Grocery Manufacturers Association (GMA)

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National Association of Chain Drug Stores (NACDS)

National Retail Federation (NRF)

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