

[December 2, 2004]

Top 10 Consumer Retail Trends



MUSTEL GROUP
MARKET RESEARCH



➤ Methodology

- Random sample of Greater Vancouver adults
- 18 years of age or over
- Number of interviews: 505
- Telephone survey conducted early October



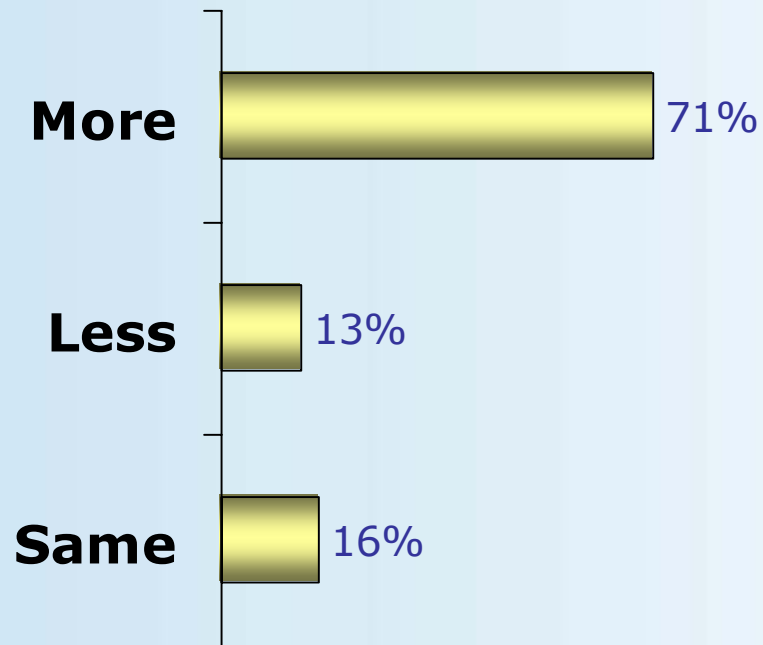
➤ **#1: Retail Spending Increasing**

- Consumer confidence indicators high
- Confidence boosted by Olympics
- Pent-up demand from past few years



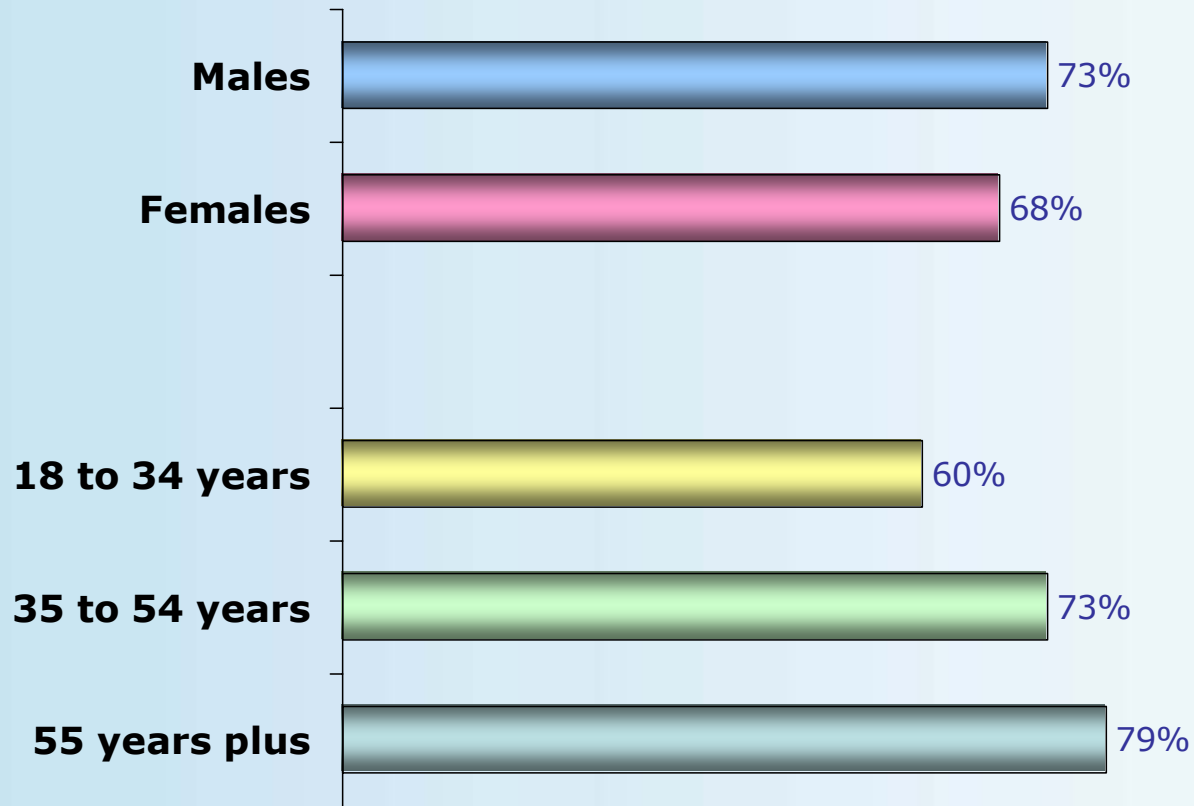
➤ Plans for 2005 Expenditures

- Clothing -





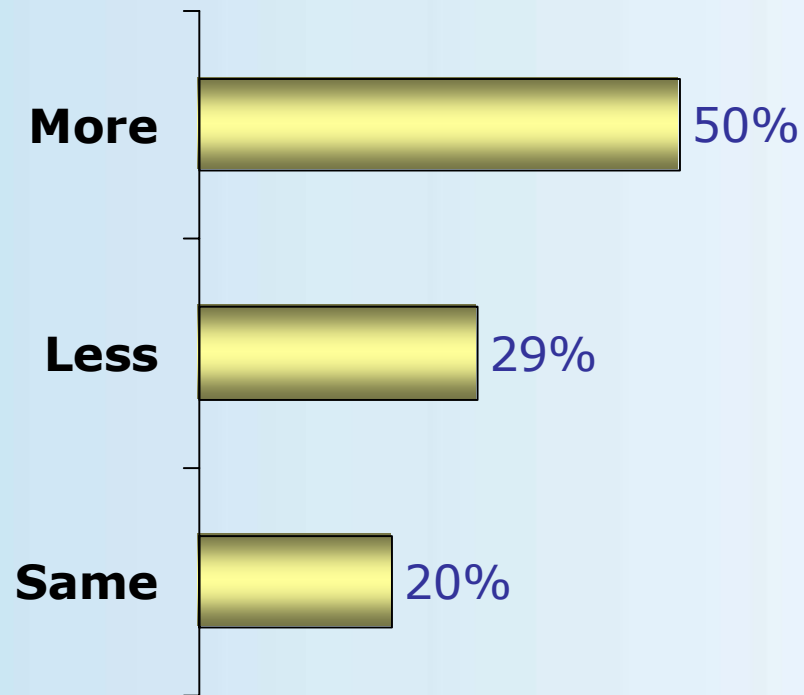
➤ Who is Spending More on Clothing





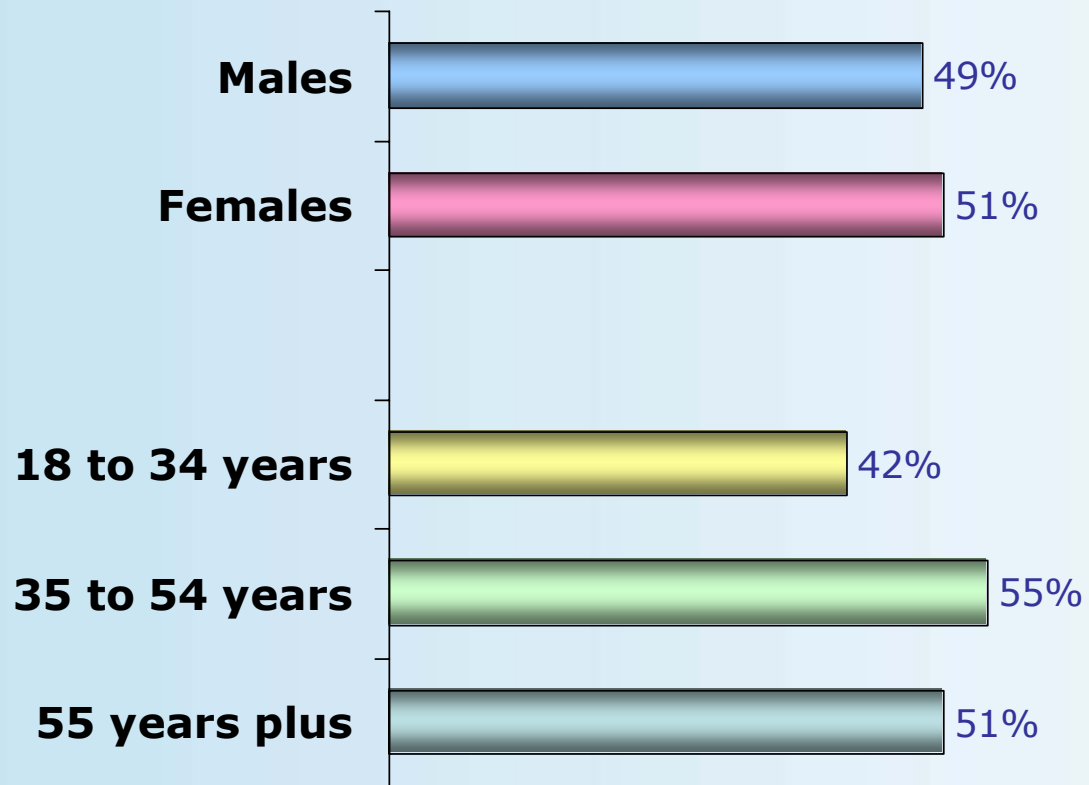
➤ Plans For 2005 Expenditures

- Recreational and Sporting Goods -





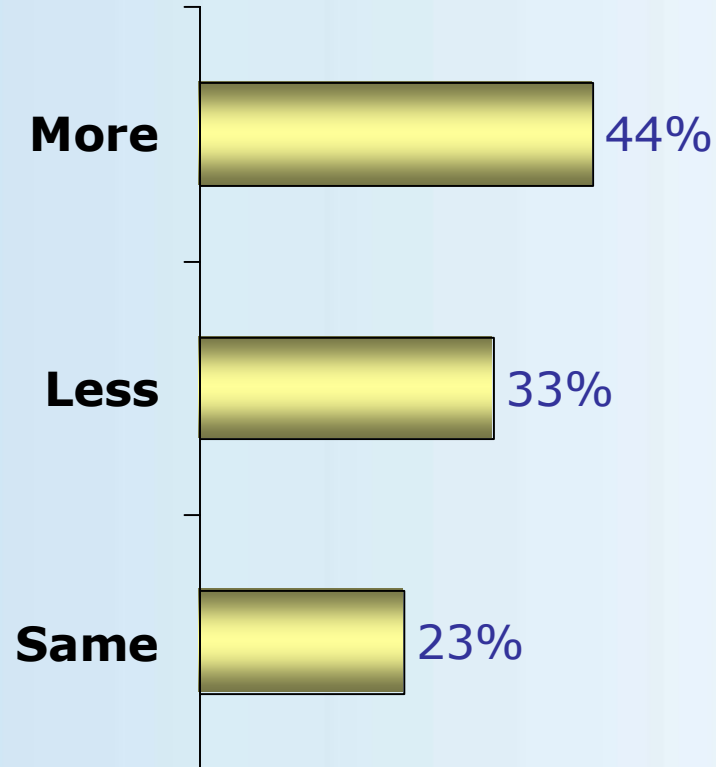
➤ Who is Spending More on Recreational/Sporting Goods





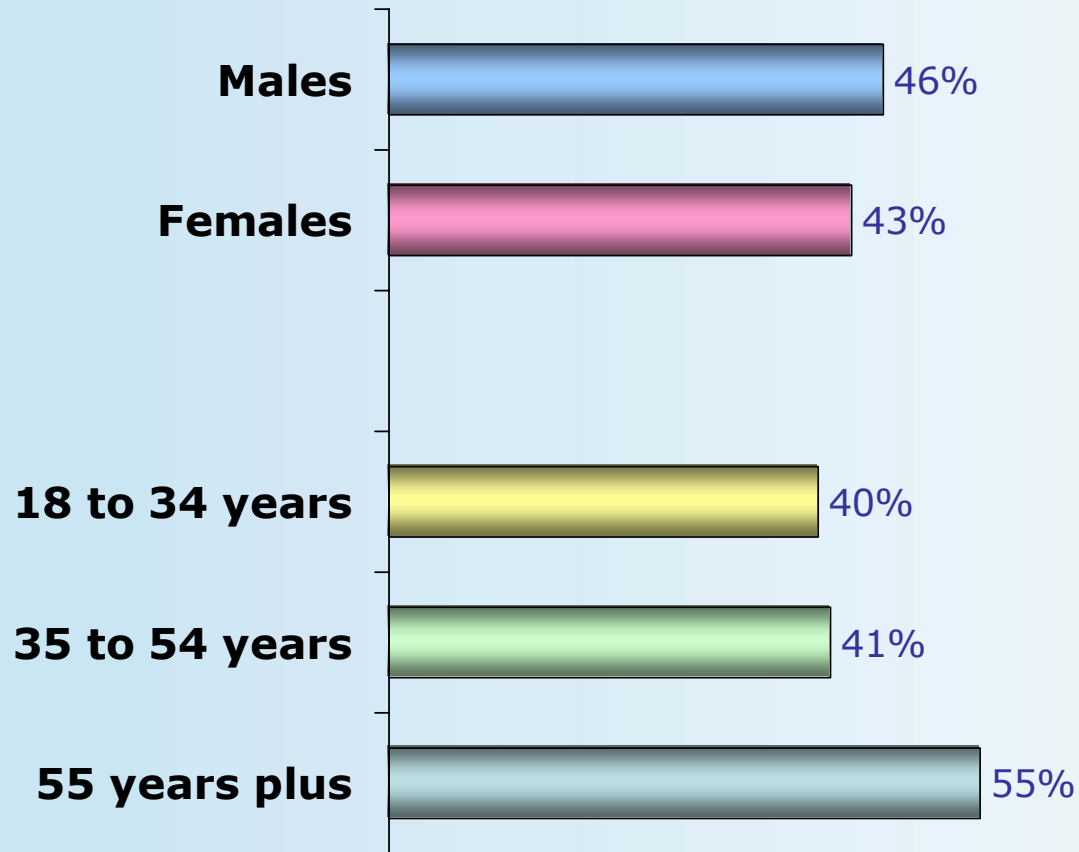
➤ Plans For 2005 Expenditures

- Home Furnishings and Accessories -





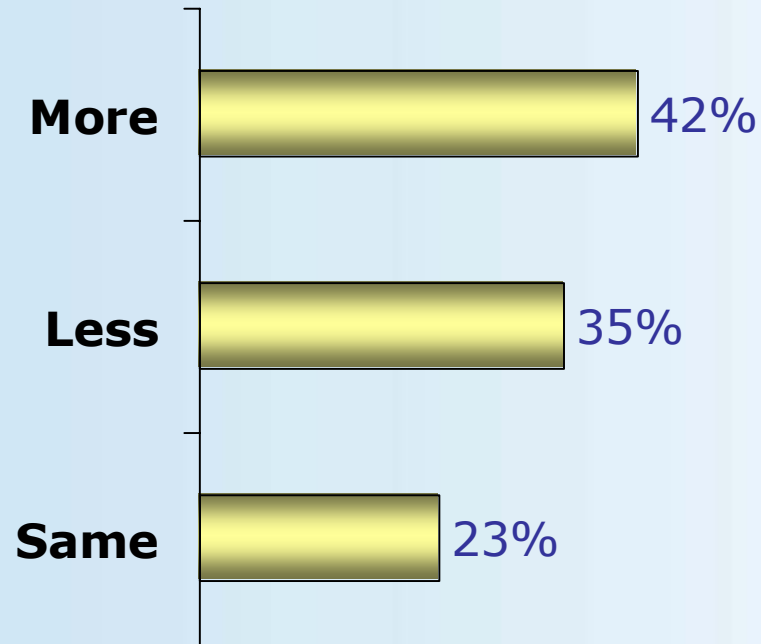
➤ Who is Spending More on Home Furnishings/Accessories





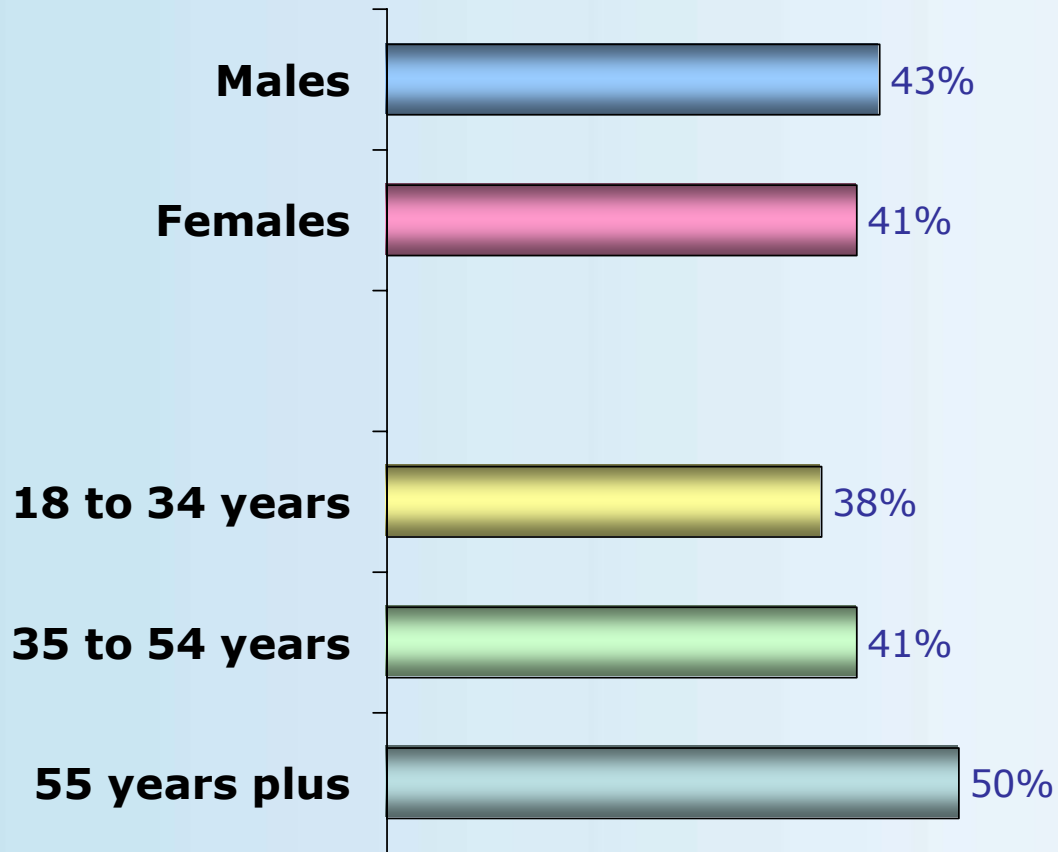
➤ Plans For 2005 Expenditures

- Home Electronics and Home Entertainment -





Who is Spending More on Home Electronics and Home Entertainment





➤ #2: Street Shopping/Open-air Access

Fueled by:

- ▶ Time constraints
- ▶ Enhanced experience
- ▶ Sustainable developments/mixed use projects



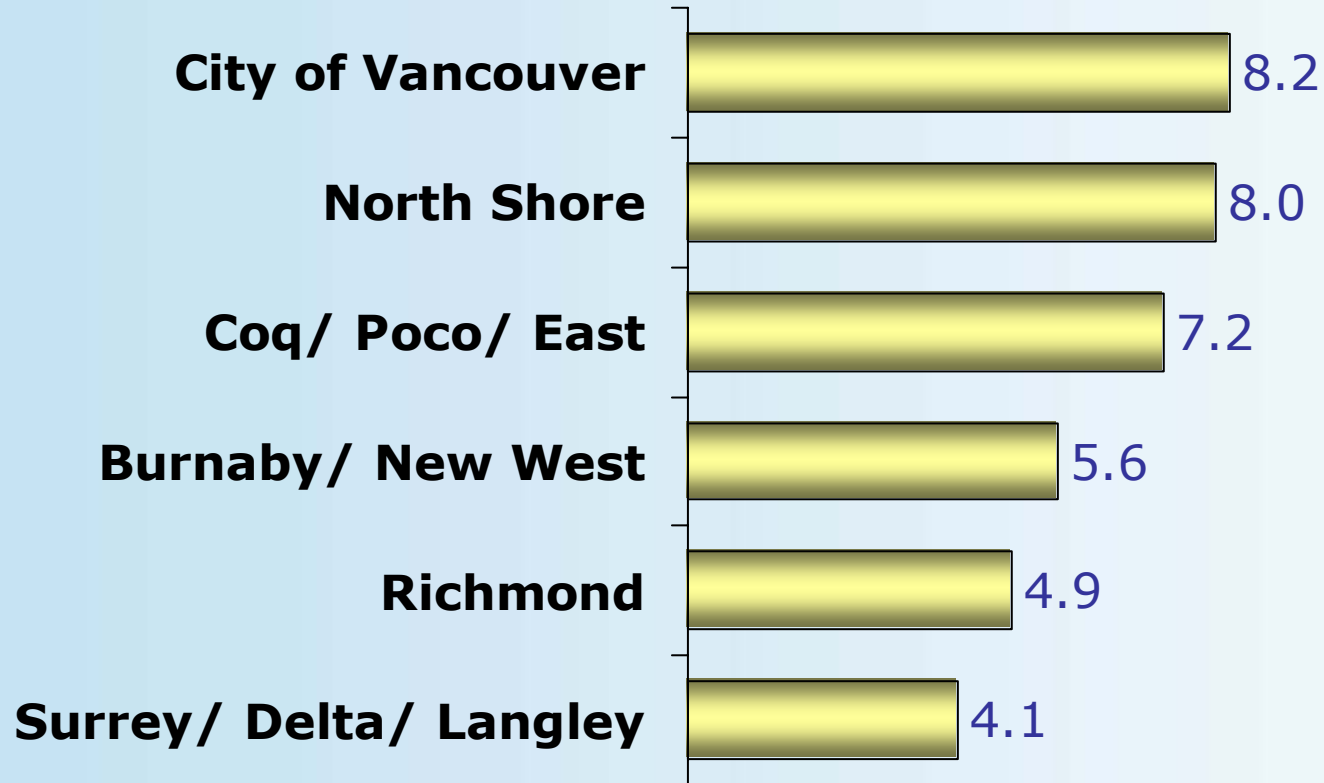
➤ Average Number of Visits Per Month





➤ Who is Street Shopping

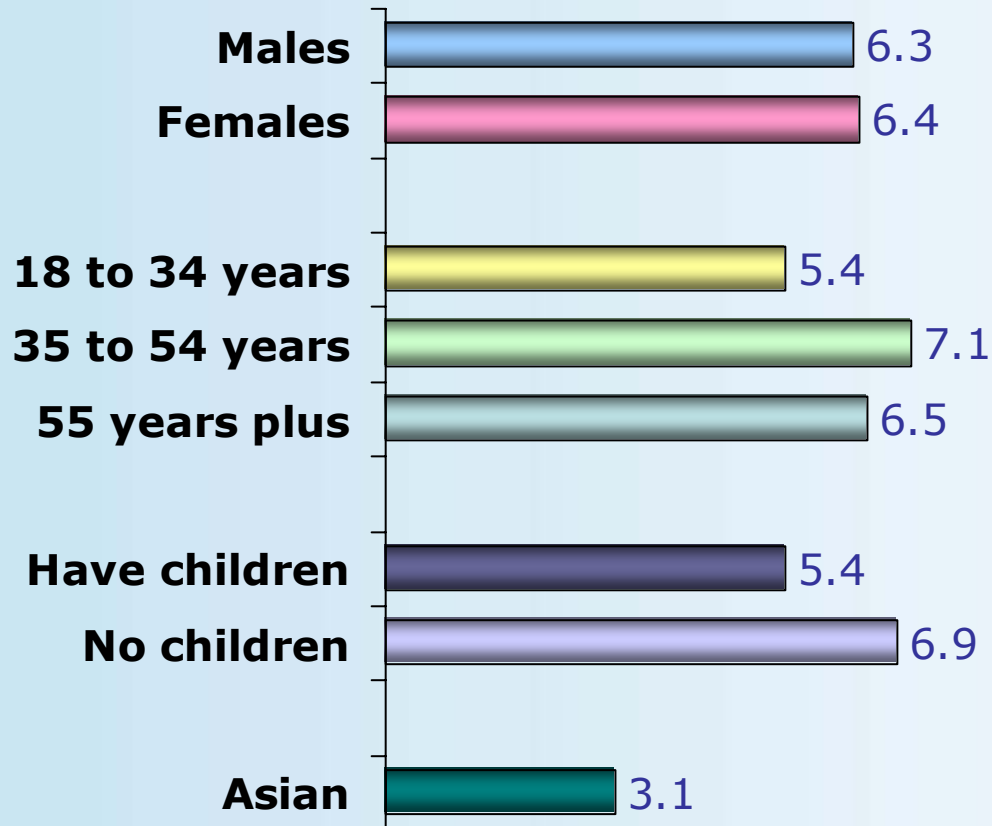
(Average # of Visits/ Month)





➤ Who is Street Shopping

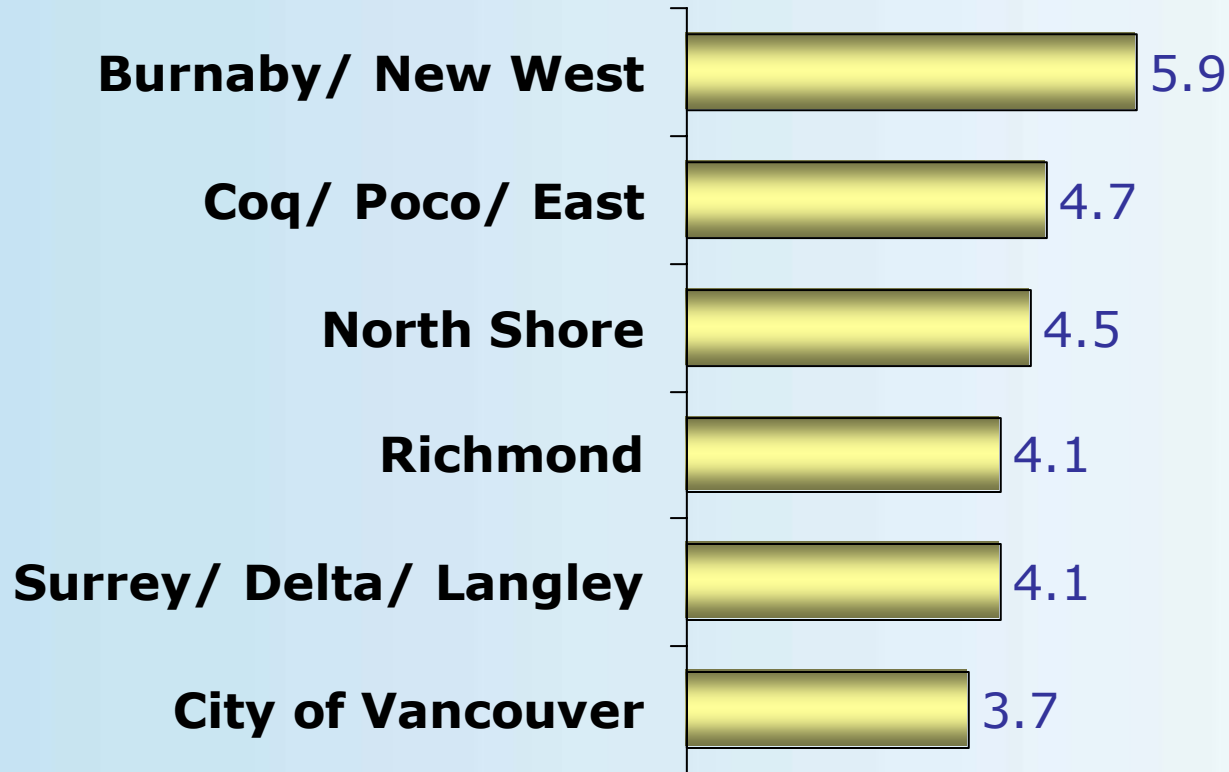
(Average # of Visits/ Month)





➤ Who is Mall Shopping

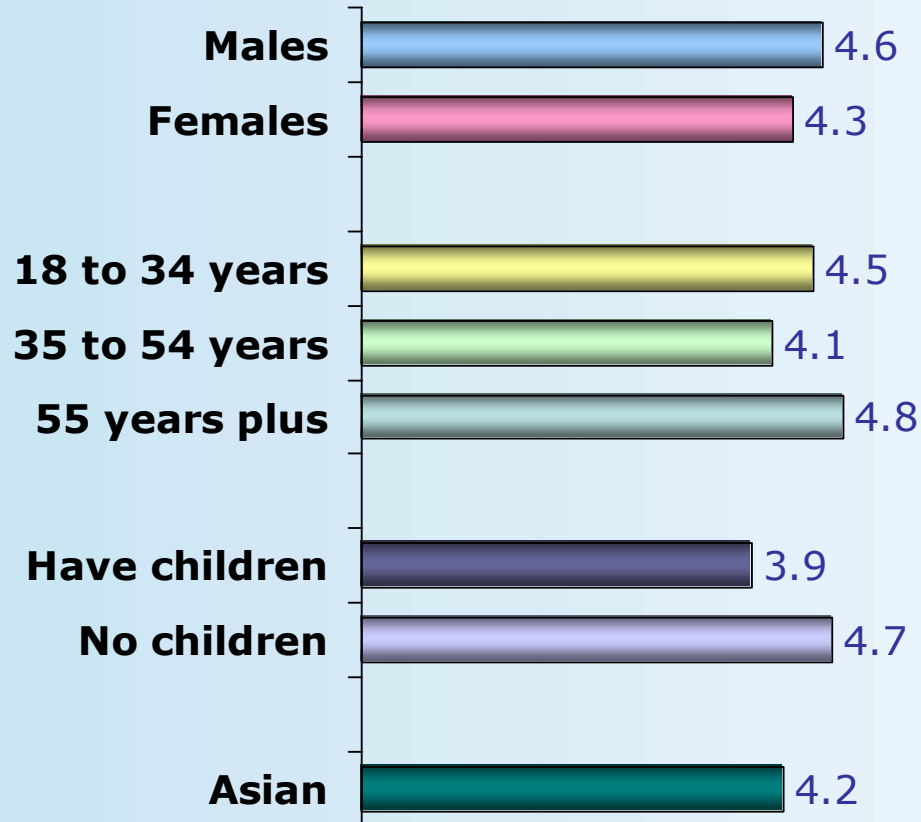
(Average # of Visits/ Month)





➤ Who is Mall Shopping

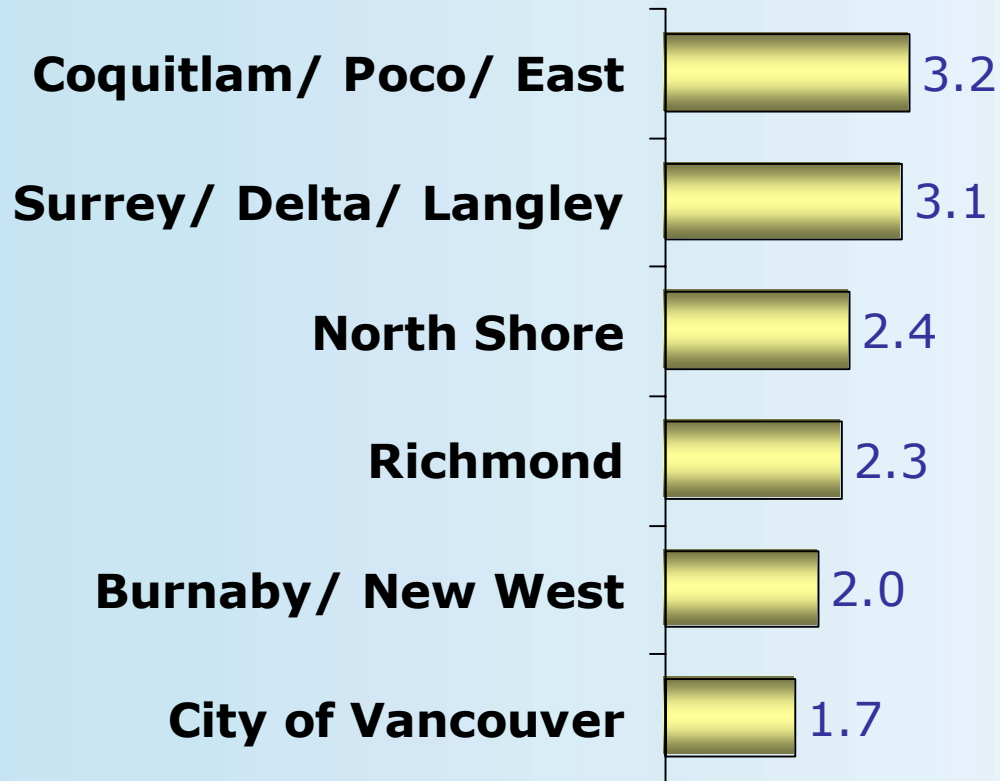
(Average # of Visits/ Month)





➤ Who is Shopping at Large Format Retailers

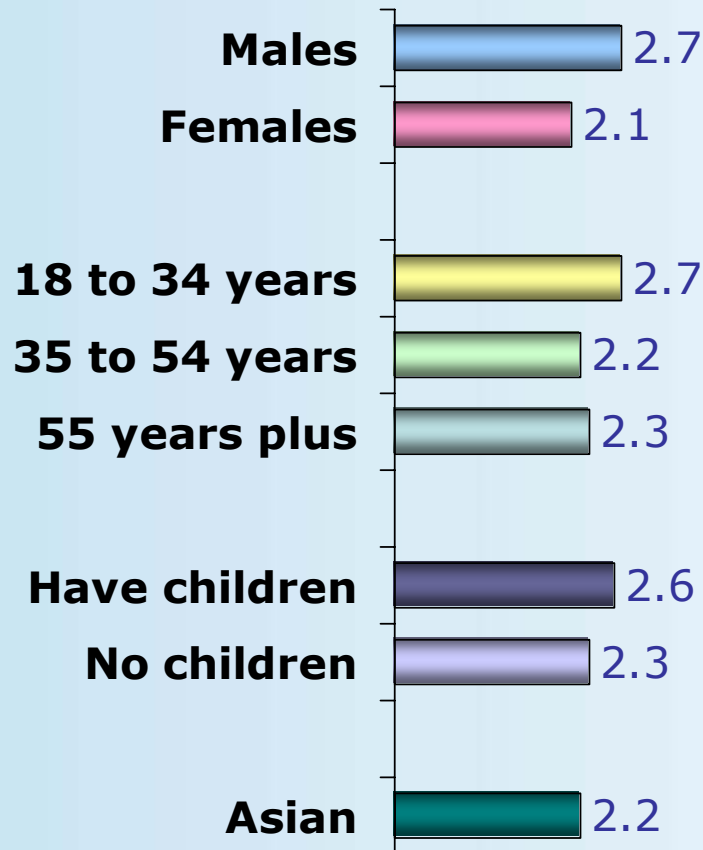
(Average # of Visits/ Month)





➤ Who is Shopping at Large Format Retailers

(Average # of Visits/ Month)



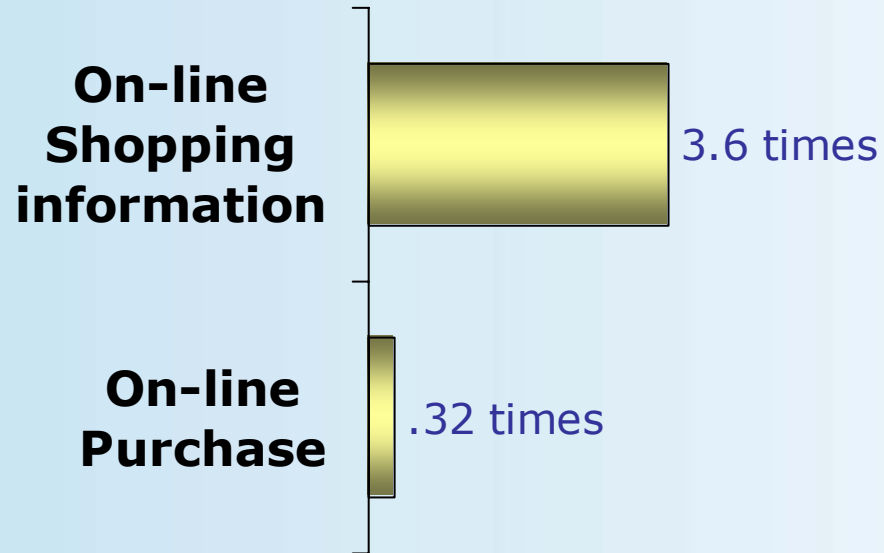


➤ #3 Internet for Shopping Information

- ▶ On-line purchases still small proportion of retail sales
- ▶ But growth in internet use for information



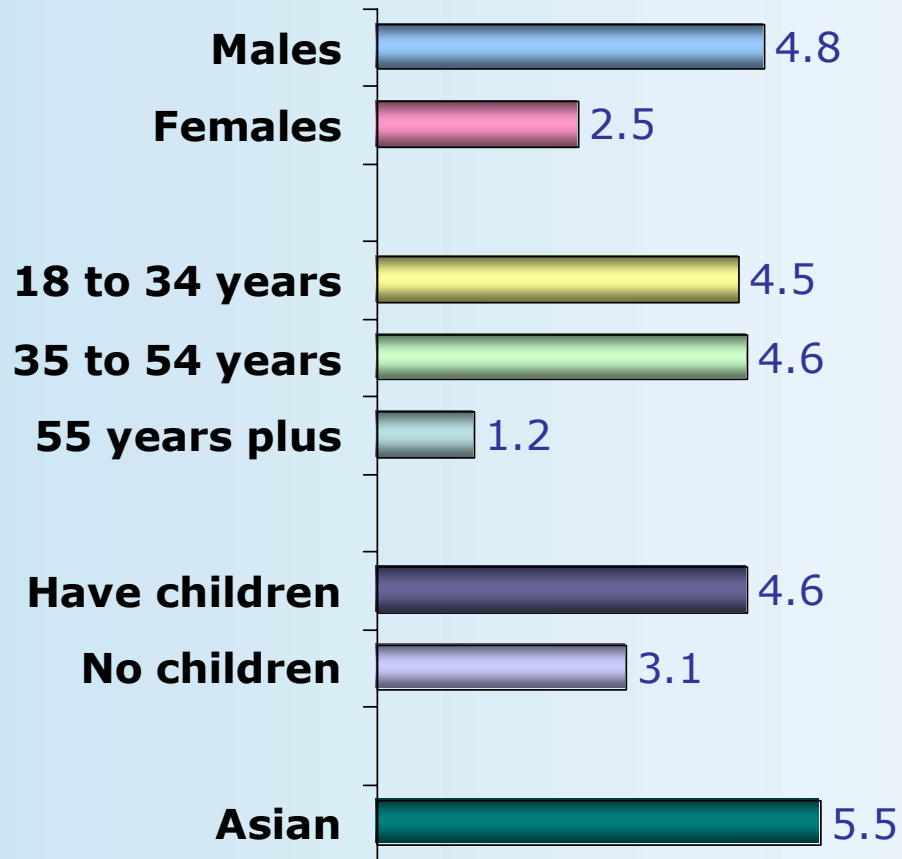
➤ Average Number of Visits Per Month





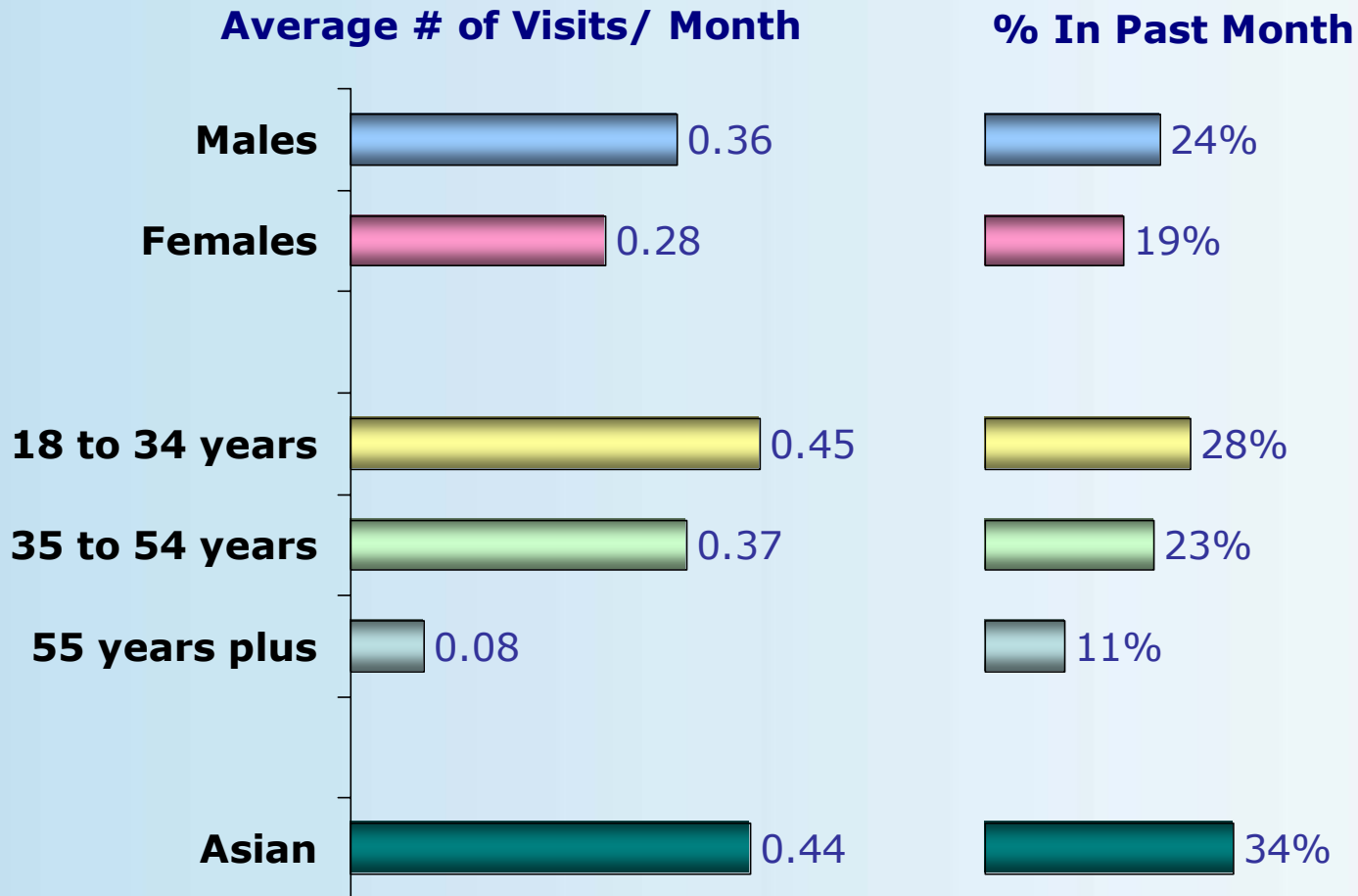
➤ Who is Going On-Line for Shopping Information

(Average # of Visits/ Month)





➤ Who is On-Line Shopping





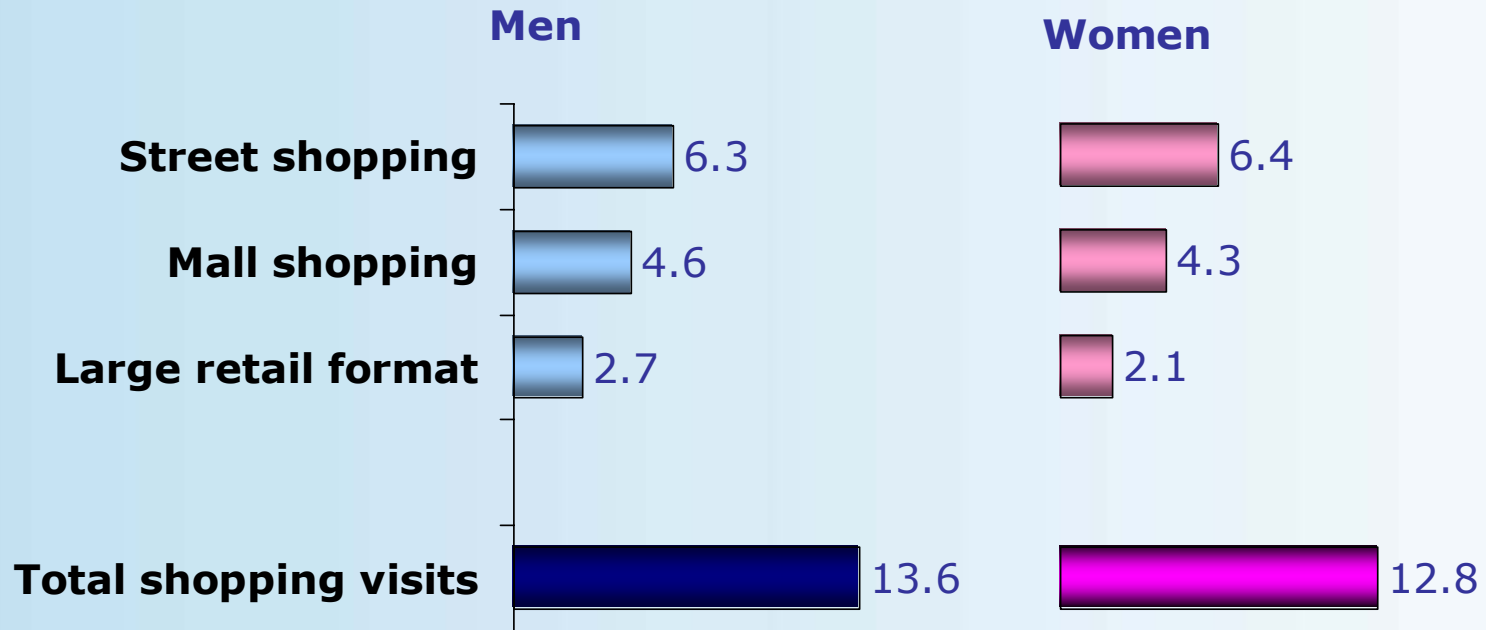
➤ #4: Men are enjoying shopping

Fueled by:

- 'Metrosexual male'
- Young males
- Sport fashion trends (snowboarding, skateboarding)
- Marketers more successful in traditional 'female' categories
- Social/family activity

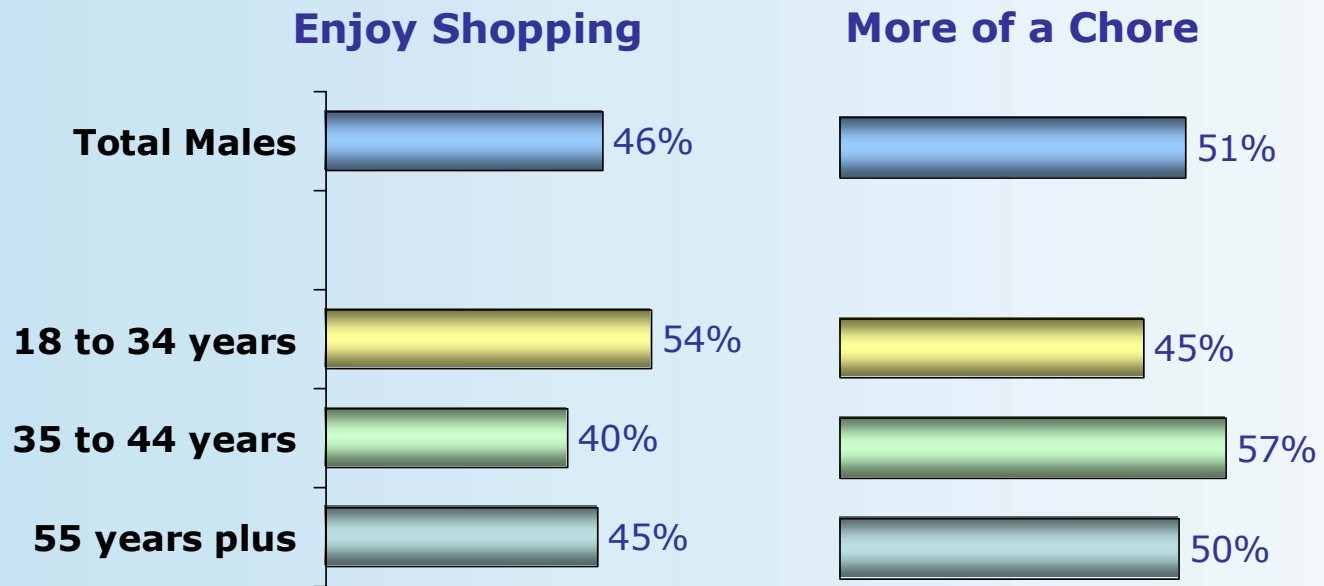


➤ Average No. of Shopping Visits by Men vs. Women





► Enjoy Shopping Versus a Chore





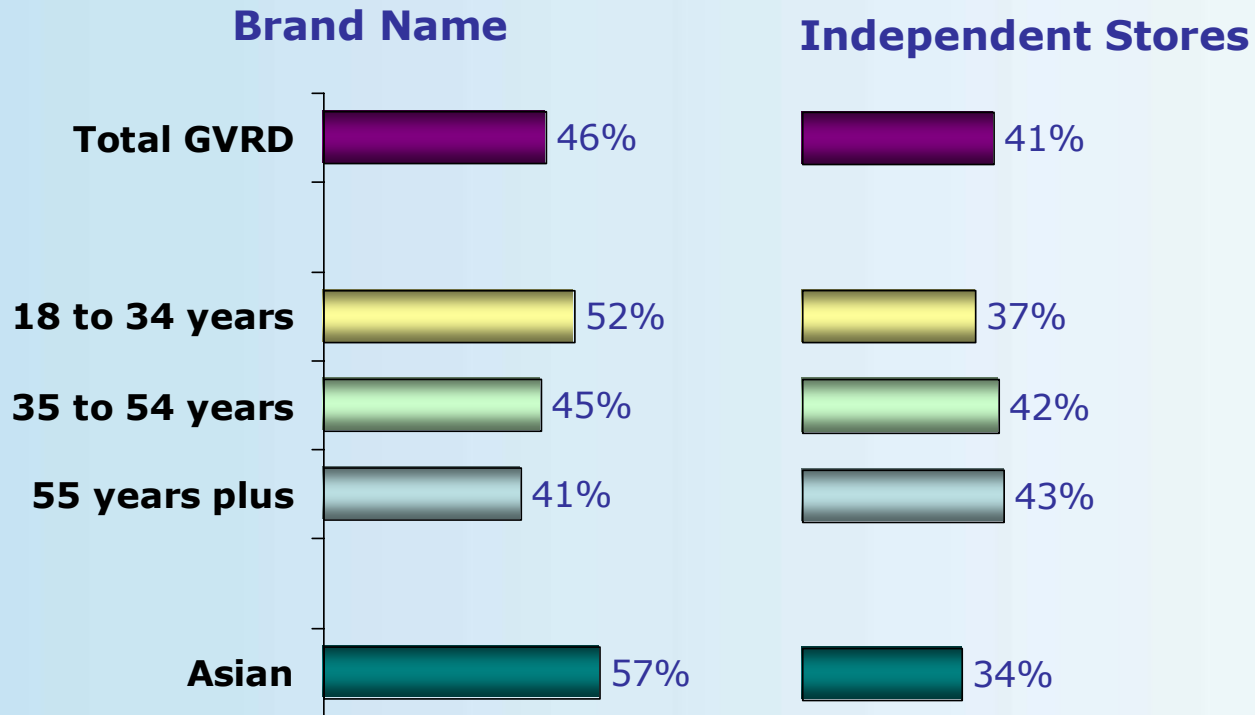
➤ #5 Independent stores growing in popularity

Fueled by:

- Street shopping
- Desire for uniqueness/experience
- Tailored to local market



➤ Prefer Brand Name Stores or Independent Stores



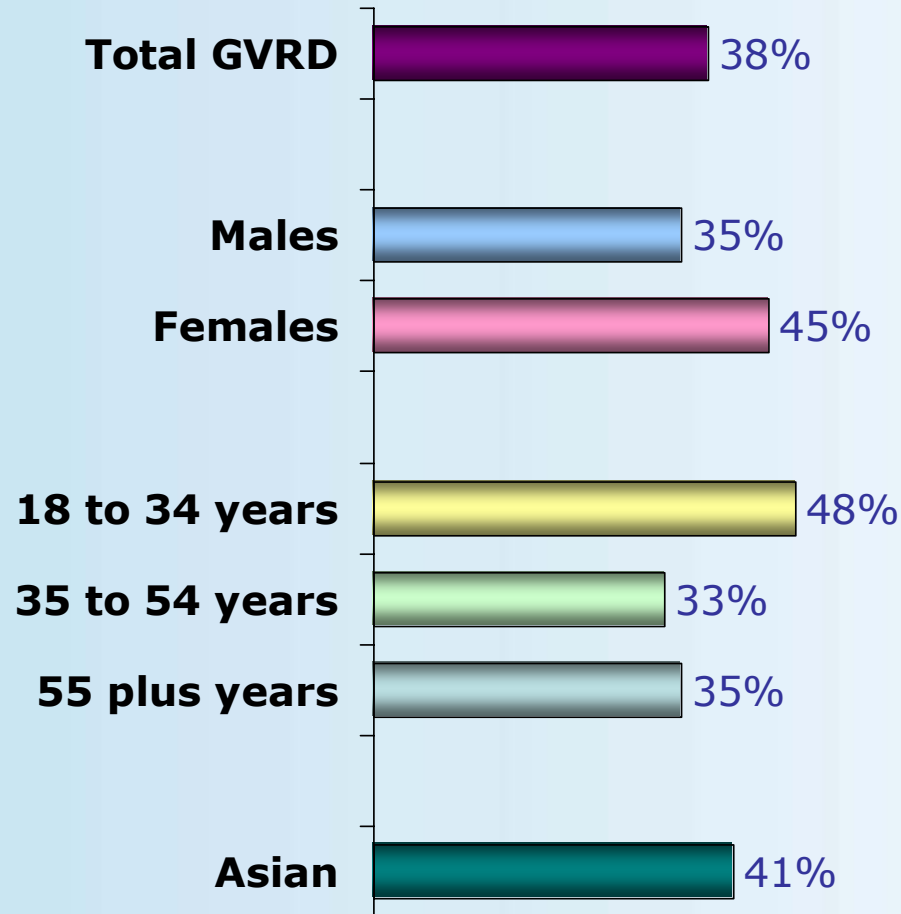


➤ #6 Destination shopping increasing

- ▶ Consumers will travel past the nearest mall to shop in an environment they enjoy

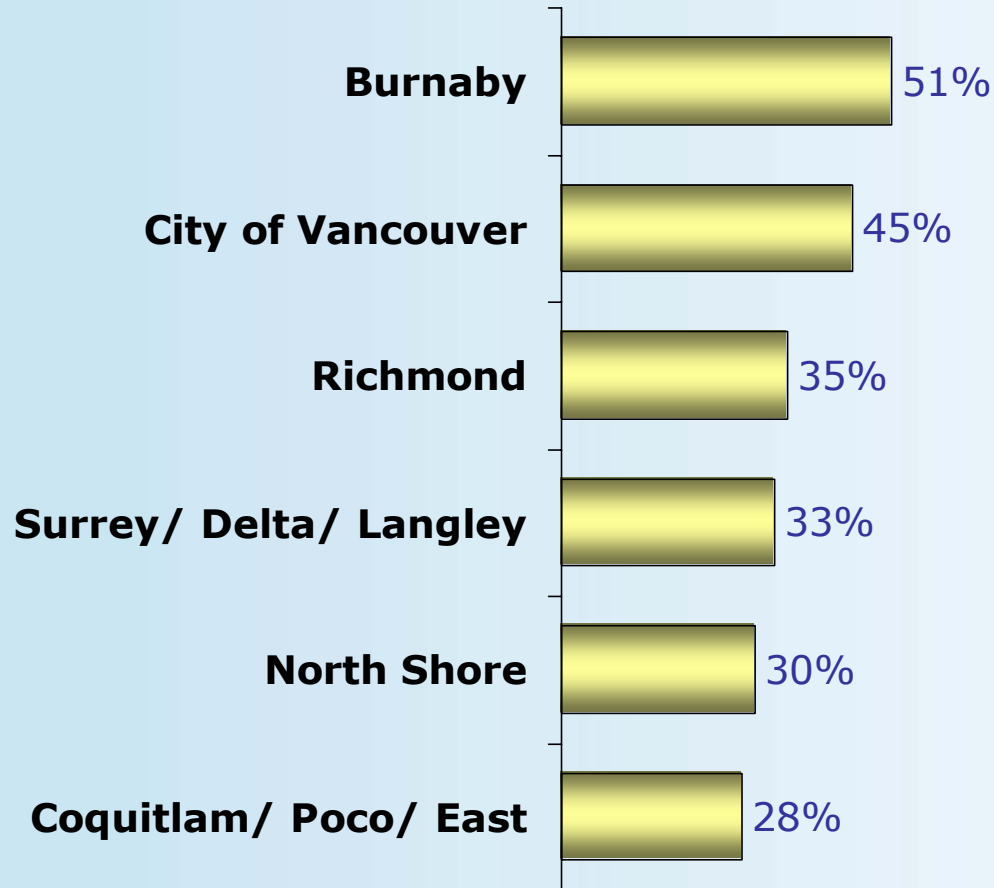


➤ Percent Would Travel for Mall They Like





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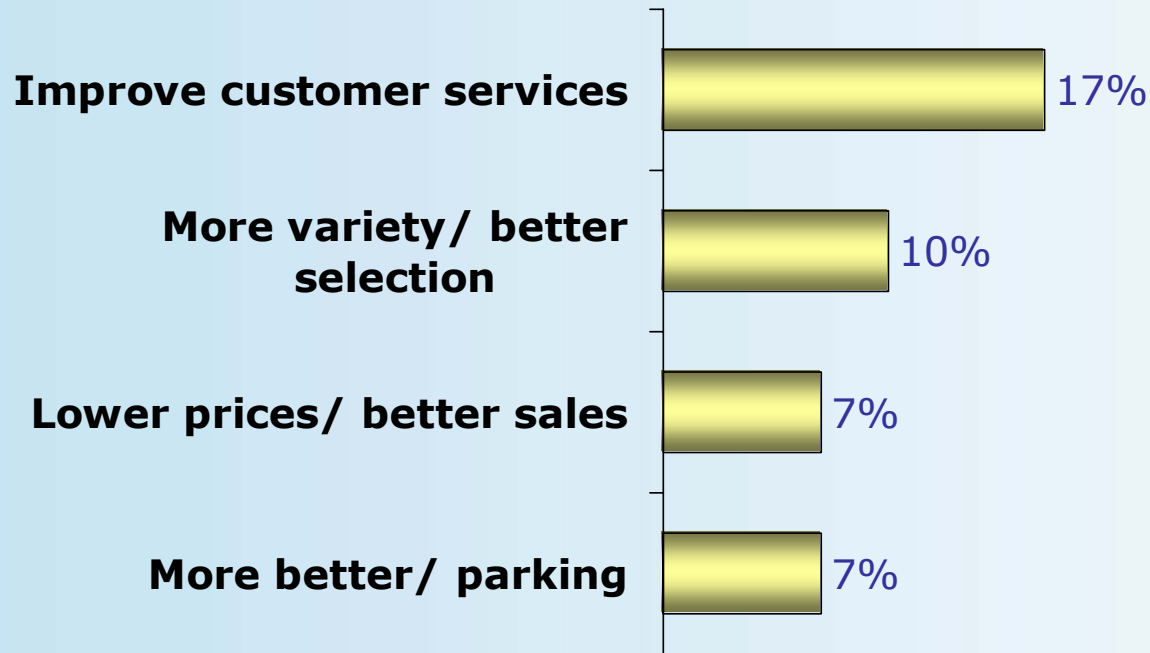


➤ #7 Appreciation in customer service growing

- Fueled by:
 - Time constraints
 - Lack of service at large format stores, on-line
 - Extra effort by retailers to compete with large format and discount stores
 - Desire for better shopping experience



➤ Suggestion to Improve Shopping Experience





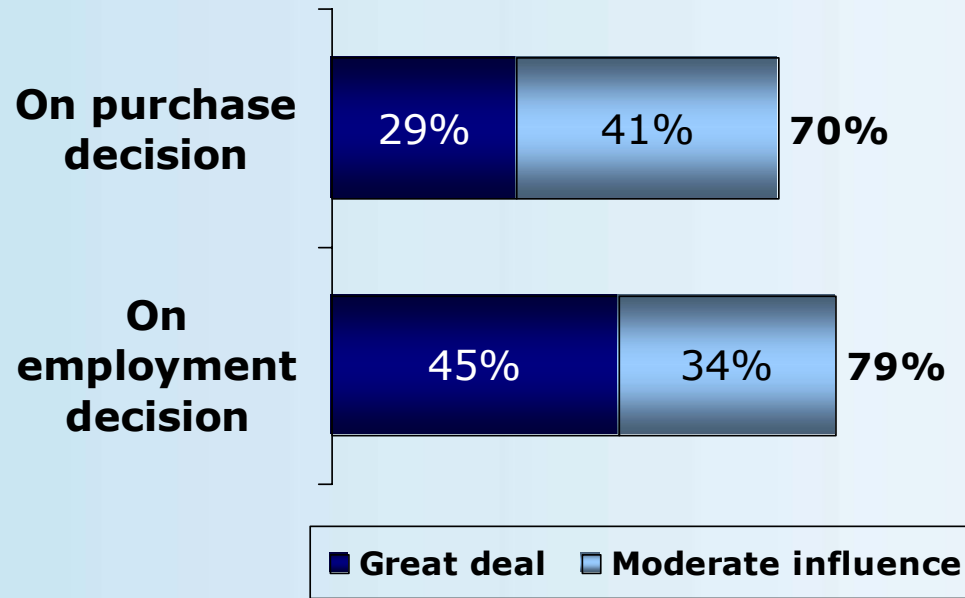
➤ #8 Shopping at Socially Responsible Retailers

- ▶ Growing awareness of corporate social responsibility
 - ▶ Environmental 'green' practices
 - ▶ Corporate ethics
 - ▶ Social/community contribution

- ▶ Local Examples: Capers, Starbucks, VanCity, The Body Shop



➤ Influence of Corporate Citizenship Record





➤ #9 Personal Pampering

Fueled by:

- Aging baby boomers
- Increasing popularity among men
- De-stressing



➤ #10 Healthier diets

Trends:

- Low/good carb
- Meat substitutes
- Organic
- Transfat free



Thanks. Any questions?



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