

TELESCOPE

NATIONAL SHOPPER SURVEY

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IN THIS ISSUE

- ABOUT THE NEWSLETTER
- A NEW (SHOPPING) WORLD ARRIVES
- CATEGORY WINNERS & LOSERS
- THE URGE TO SPLURGE
- WHAT'S IMPORTANT TO SHOPPERS WHEN PURCHASING OUTDOOR FURNITURE?
- CLOSING

ABOUT THE NEWSLETTER

When the economy collapsed back in October 2008 there were so many unanswered questions and a foggy view into the future. Our retail customers wondered whether shoppers would spend during such an unpredictable economic time, especially on outdoor furnishings. Many told us that they were uncertain about the future of their stores... and their shoppers.

To address our customers' questions, we partnered with WSL Strategic Retail – retail strategists and shopping futurists – to dig deep into the shoppers' mindset. We wanted to find out what shoppers were thinking as they struggled through tough financial times --whether they would shop, how they would shop and what new behaviors they were adapting. The objective was to understand their new mindset, so we could provide our retailers with a road map to navigate and succeed in these difficult, unprecedented times.

In 2009, we launched the Telescope National Shopper Survey - an online nationally representative survey of 1500 shoppers, conducted every quarter. In this survey, we ask shoppers the questions you are asking yourselves. This newsletter gives you the answers. And remember - if there are other burning questions you'd like us to ask shoppers, just let us know.

from their retirement accounts, home values, kids' college funds, to their 401ks. The only thing that hadn't eroded was the cost of groceries. We all waited patiently for the economy to rebound... and now it looks like it is. Retail sales were up 2.7% in August.

But there are challenges to be met. 37% of shoppers are content buying less. Shoppers are going through a major re-assessment of what's important to them. They are running everything they buy through their "do-I-need-that?" filter.

CATEGORY WINNERS & LOSERS

The table below tells us what categories shoppers feel they were over-indulging and have therefore cut spending on. 61% of shoppers cut back on Outdoor Furniture, the same amount that cut back on Toys & Games for Children.

CATEGORIES CUT (%)	
Eating at Restaurants	74
Clothing	73
Home Furnishings	70
Outdoor Furniture	61
Toys & Games for Children	61
Liquor	58
Kitchen Small Appliances	57
Home Services	55

Telescope National Shopper Survey 2009. Base: variable by category
Q: For each of the following categories, please indicate, if as a result of current economic conditions, you are cutting back on spending for...

While shoppers have cut back, this doesn't mean that they've stopped spending. They've found new ways to save - trading down to lower priced brands and buying in less expensive stores. If you don't have a solid "good, better" strategy, this is something to think about. The days of shoppers paying premium prices for the "best" are on hold for some time to come.

READ ON FOR THE GOOD NEWS! ➔

TELESCOPE CASUAL

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A NEW (SHOPPING) WORLD ARRIVES

Last October, the financial crisis hit Americans hard. They watched everything erode

THE URGE TO SPLURGE

Despite all the penny pinching and coupon clipping, 25% of Americans have an urge to splurge. High on their list is a Vacation, a Night Out on the town, Eating Out or some new Clothes. Really good news in the Home industry is that 44% of those who want to splurge want to do so on their homes with Décor, Outdoor Furnishings and Appliances.

As we begin to enter recovery from this economic downturn, specialty retailers need to reach those shoppers out there who are anxious to make that big purchase for their homes. Retailers can capture this shopper by using creative in-store merchandising. It takes just one unique demonstration to spark a shopper's curiosity.

WHAT'S IMPORTANT TO SHOPPERS WHEN PURCHASING OUTDOOR FURNITURE?

As the recession ends, it's more important than ever for outdoor furniture retailers to capitalize on the shoppers' urge to splurge. We asked shoppers what attributes were most important to them when purchasing outdoor furniture. Here is what they said:

#1 Fashionable Colors & Fabrics

TIP: Create a prominent showroom display of the season's new fabrics and colors.

#2 Well-rated in Website Reviews Written by Other Customers

TIP: Your website is your new sales associate. Manage your website. Encourage customers to post reviews. Talk to the visitors on your website.

#3 Made in America (Surprising in this era of Made in China, but important to shoppers)

TIP: Place American flags on items Made in America.

#4 Weight

TIP: Post the weight of a chair so customers can scan for the heaviest.

ATTRIBUTES IMPORTANT TO BUYERS OF OUTDOOR FURNITURE

Fashionable Colors & Fabrics	21%
Well-rated in website reviews written by other customers	15%
Made in America	15%
Product is heavy	13%

Telescope National Shopper Survey 2009. Base: Purchased outdoor furniture in the last 12 months

CLOSING

We are at a defining time. Retail sales are up, jumping by the largest amount in more than 3 years. Shoppers are writing their new value system for shopping and buying. One thing is clear - only the bold will win. Shoppers have found new ways to adapt to these very different times. You need to too!

Here are a few thoughts to leave you with:

1. The first categories to recover will be those that make life better. Home is high on that list. Understand the "splurge factor" and make sure your in-store environment provides reasons for shoppers to spend.
2. Value shopping is where we are now. Shoppers are looking for ways to maintain their living standard, but at lower prices. However, cheapest will not win out. Shoppers want quality for the price.
3. Remember the importance of a brilliant website (and allow your customers to write reviews!)
4. Give your shoppers something new and exciting - even if it's just the experience of walking into your store!

CALL US TO BRAINSTORM YOUR IDEAS!

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