Understand Inflation's Impact On Consumer Behavior With Location Intelligence

What businesses need to know about the impact of inflation based on foot traffic patterns.

August 2022

FOURSQUARE

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Overview

Inflation is at its highest level in 40 years and has pushed up the prices of most consumer goods & services, including housing, transportation and food.

Americans are spending more on everyday essentials, forcing many to reevaluate priorities and make adjustments such as cutting back on dining out, opting to brew coffee at home vs. visiting a favorite coffee shop, spending less on nonessentials and switching to more affordable products to cut costs.

In today's world, location data is more important than ever to uncover how consumer behavior is changing and assess the ultimate impact for brands & marketers.

In this report, we take a closer look at how inflation has impacted consumer behavior IRL with visitation to places like fast food restaurants, coffee shops and various retail stores over the past year (June 2021 through June 2022).

Methodology

Foursquare analyzes consumer behavior based on foot traffic data from the millions of Americans that make up our always-on panel. For the purpose of this report, all national foot traffic data is aggregated and normalized against U.S. Census data to remove any age, gender or geographical bias.

In this report, we also took a closer look at foot traffic for three different cohorts of Americans based on individuals' **income brackets** (i.e. "lower income" = Under $50K, "middle income" = $50-100K & "higher income" = $100K+).

Analysis Time Frame: June 1 2021 - June 30 2022

Indexed Foot Traffic: We've examined foot traffic trends on a national level and use indexed foot traffic to demonstrate the relative growth or decline in **volume of visits** to various dining & retail venues, where visits during the first week of June 2021 = 100. We used 7-day rolling averages to account for fluctuations by day of week.

Methodology

In this report, we also took a closer look at share of foot traffic to various places amongst different income groups to asses reality vs. expectation.

The **Fair Share Index** (FSI) is calculated by dividing each income group's % of total normalized visits to a given category (the "Share of Visits") by each income group's % of total normalized users from our panel to a given category during a specified timeframe.

For example, our analysis revealed a 'fair share' index score of 165 for U.S. Airports in June 2022 amongst consumers with over $100K annual income. This means that airports were seeing 65% more than their 'fair share' of consumers from this income bracket relative to expectation (based on the % of total U.S. population that that this audience represents).

Top Trends & Predictions For The Second Half Of 2022

The fast food advantage

As Americans continue to cut back on dining out, upscale restaurants and casual dining chains are taking a hit. But home cooked meals aren't necessarily a more affordable alternative, (grocery prices rose +11.9% in the past year). For many Americans, fast food may be the answer when it comes to affordable meal options.

Winning with Gen Zers

Elder Gen Zers (18-24) are graduating from college, moving out on their own and starting new jobs. These young adults have been hit especially hard by inflation, and are likely to prioritize value over other influencing factors when it comes to dining out & shopping.

A surge in summer travel

Despite rising costs of travel, foot traffic to airports has increased by +9% amongst Americans with $100K+ annual income over the past year. What's more, airports were seeing +134% more traffic than expected of people with over $100K income in June 2022, while seeing -45% less traffic than expected of lower income Americans (under $50K).

Spending less on nonessentials

Nonessential retailers such as home/furniture, apparel and electronics stores have all seen a decline (-5-10%) in visitation since last June, while visitation to everyday retailers has remained fairly consistent. This data suggests that Americans are reprioritizing spending habits amidst rising prices.

Saving big with wholesale clubs

Over the course of a year, wholesale clubs like Costco and Sam's Club have gained even more traction with shoppers looking to cut costs by buying in bulk. Foot traffic to these membership-only retailers increased by +7% overall (and increased by +15% amongst shoppers with $50K+ income) between June 1 2021 to June 1 2022.

Shopping for clothing less than usual, but choosing secondhand > new

As of June 1 2022, foot traffic to thrift/ vintage stores had decreased by only -1% from June 1 2021, while apparel & department stores had seen a -5-10% decrease in foot traffic during that time.

Top Consumer Trends In **Dining & Nightlife**

Americans are cutting back on **dining out** amidst rising inflation

According to a recent survey from CNBC*, more than **50% of adults say they've already cut back on dining out** and will consider reducing that further if inflation continues to surge.

With many Americans planning to dine out less often, upscale restaurants and sit-down causal dining chains are likely to feel an impact. But dining at home isn't necessarily a more affordable alternative for budget-constrained consumers. According to the U.S. Census Bureau, grocery prices rose +11.9% over the last 12 months (ending May 2022), the largest 12-month increase since the 12-month period ending April 1979.

So, what does this mean for fast food chains? With more Americans looking to cut back on spending, QSRs may be facing a prime opportunity to entice new customers with a more affordable meal alternative. And with the possibility of a recession looming ahead of us, QSR brands should take advantage of every opportunity to maintain customer loyalty and capitalize on opportunities to attract new customers by focusing on **value and promotions**.

*Sources: CNBC; U.S. Census Bureau

Americans prefer **fast food** over upscale & casual dining.

Amidst rising inflation, Americans are opting for **fast food** over **casual sit-down dining**

Relative to foot traffic levels last June, casual dining chains have continued to see a gradual decline in visitation over the past several months, while fast food chains have experienced consistent growth.

Casual dining chains saw a brief uptick in visits around Valentine's Day, Mother's Day and Father's Day this year, while fast food chains didn't experience much variation in foot traffic during these holidays. Thus, our data suggests that casual dining chains will likely become more dependent on **special occasions** to drive on-premise visitation as more Americans cut back on dining out.

Throughout June 2022, **fast food chains** overall have continued to see elevated foot traffic levels from just one year prior (as of June 1 this year, QSR visitation was up **+3%** from June 1 2021). In contrast, foot traffic to casual dining chains was down **-5%** as of June 1, and down **-10%** as of June 30 this year.

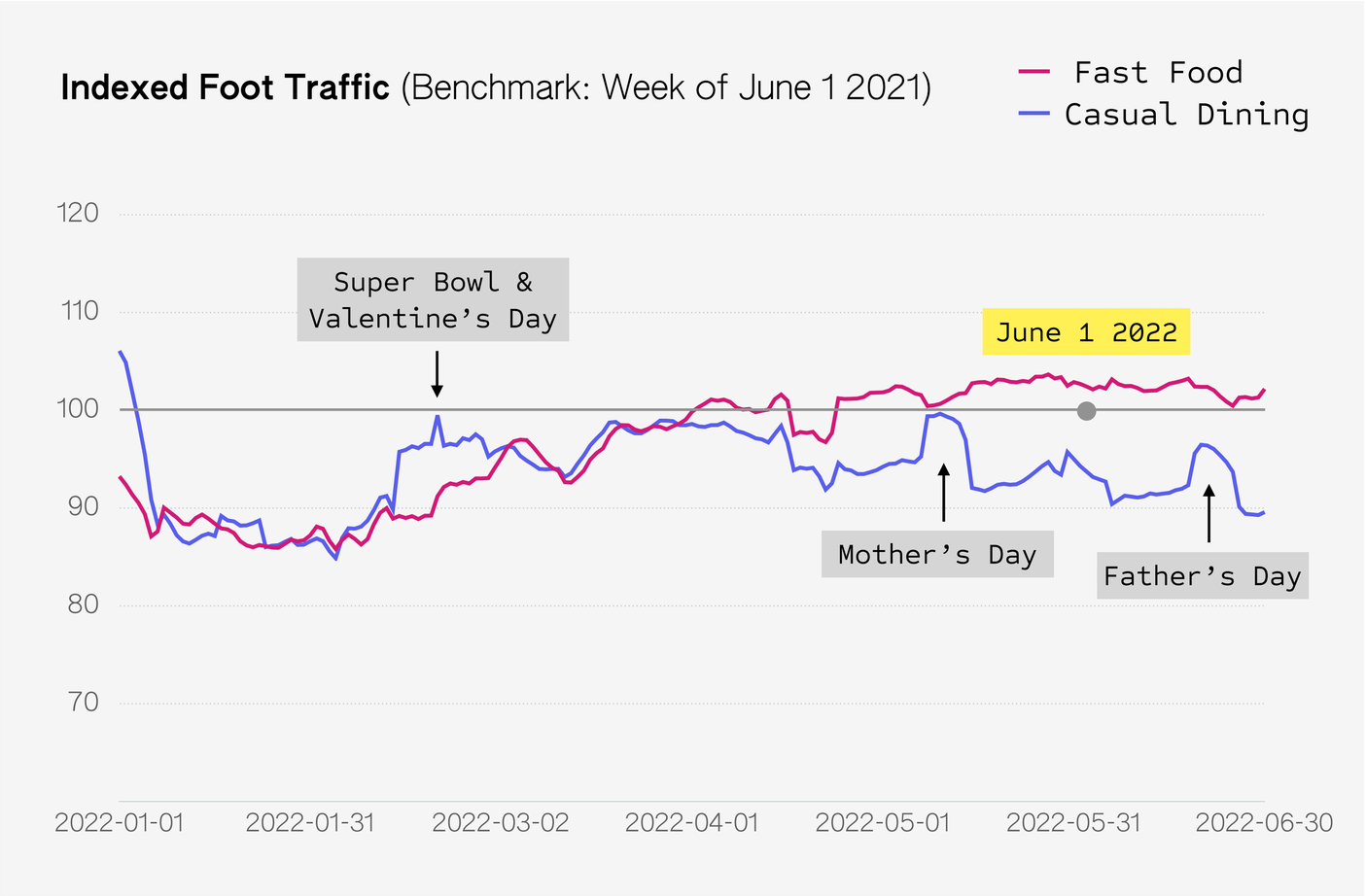


Chart represents indexed foot traffic to U.S. dining venues amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

Fast food chains have seen the most notable boost in year-over-year foot traffic growth amongst more **affluent Americans**

Lift/decline in foot traffic to **fast food chains** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **-4%**

$50K - $100K: **+6%**

Over $100K: **+2%**

According to an article from CNBC*, an even higher % of $50K+ consumers intend to cut back on dining out if higher prices persist (compared to lower income consumers).

Our data already verifies an increase in QSR foot traffic amongst higher income consumers ($50K+) within the past 12 months. Looking ahead, affluent Americans may be more inclined to consider fast food more often than usual as prices continue to rise.

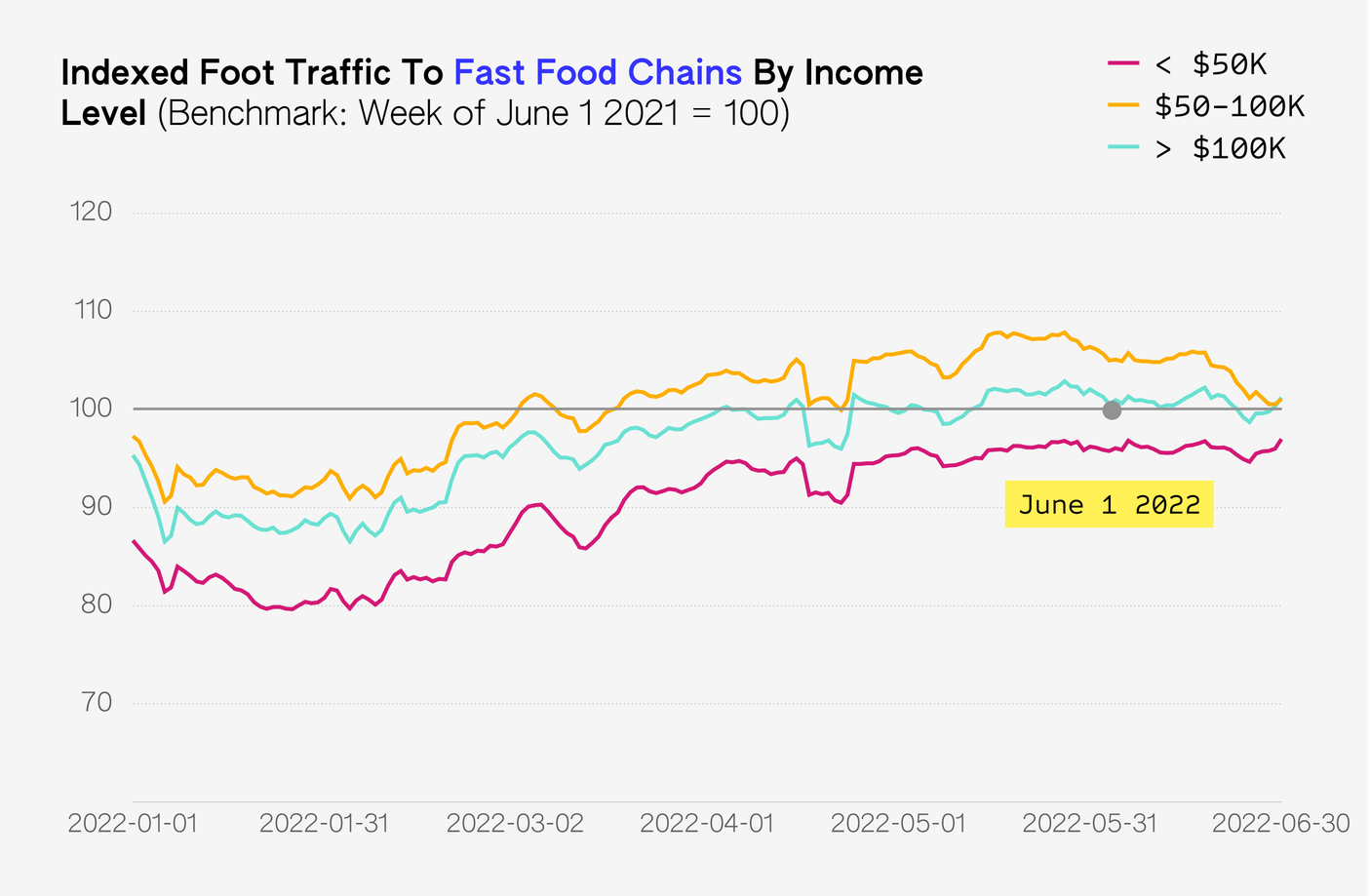


Chart represents monthly indexed foot traffic to U.S. fast food venues overall amongst all U.S. consumers by income, where visits in the first week of June 2021 = 100; *Source: CNBC

Foot traffic to **casual dining chains** has declined most rapidly amongst **lower income Americans** over the past year

Lift/decline in foot traffic to **casual dining chains** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **-13%**

$50K - $100K: **-7%**

Over $100K: **-4%**

Most Americans are cutting back on casual dining to some degree. Between June 1 of last year to June 1 of this year, foot traffic to causal dining chains had declined by -5% amongst all Americans, regardless of income level.

This drop in visitation has been most apparent amongst **lower income consumers** (under $50K). As of June 30 this year, casual dining traffic had decreased by **-16%** amongst this audience.

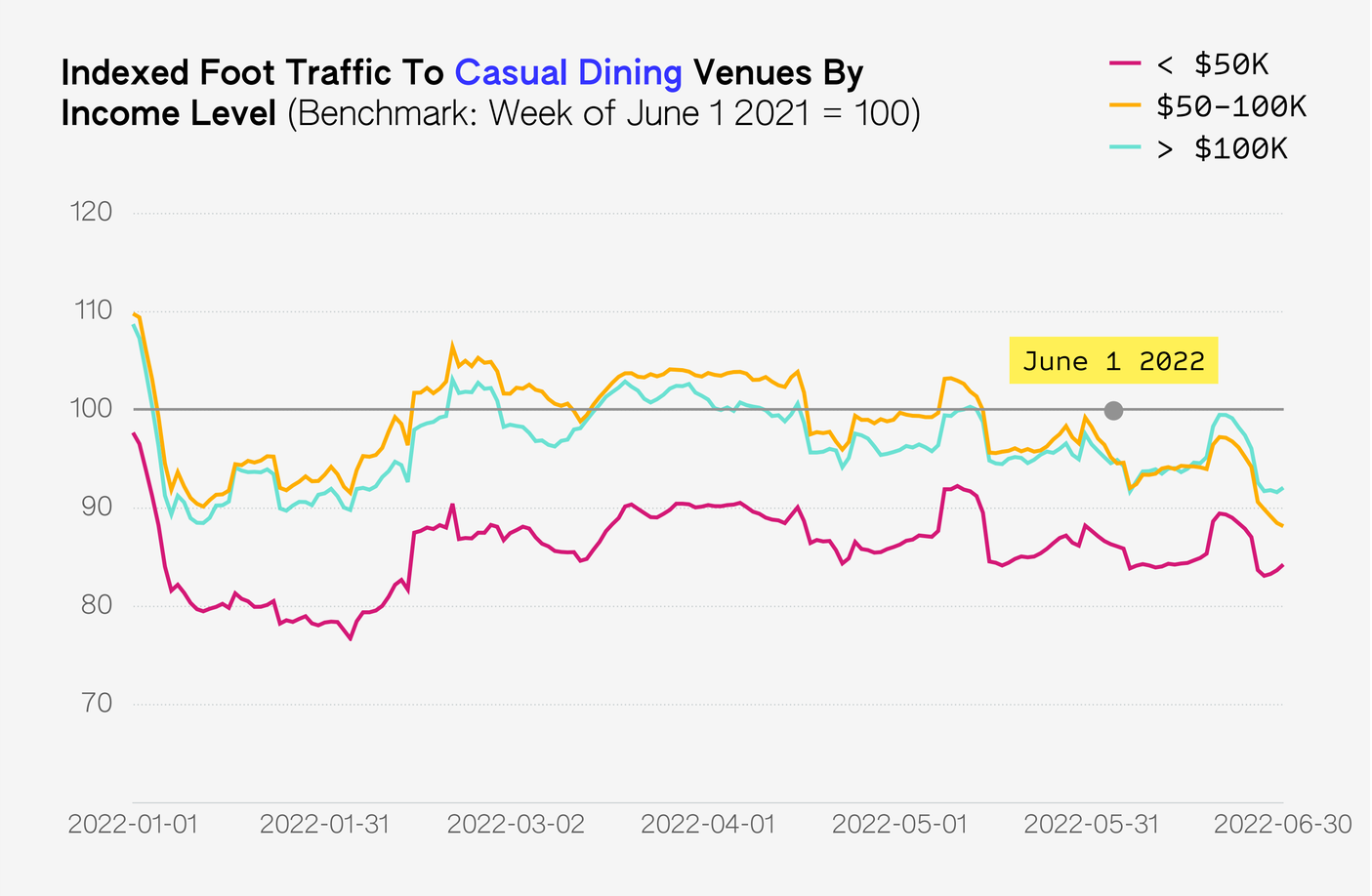
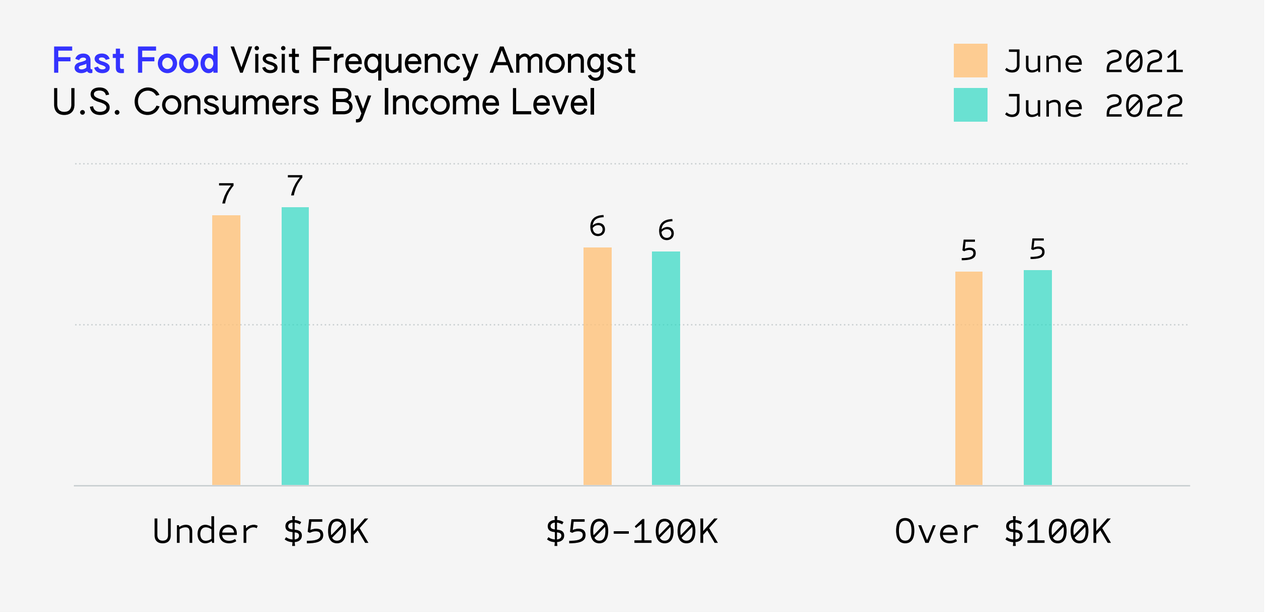


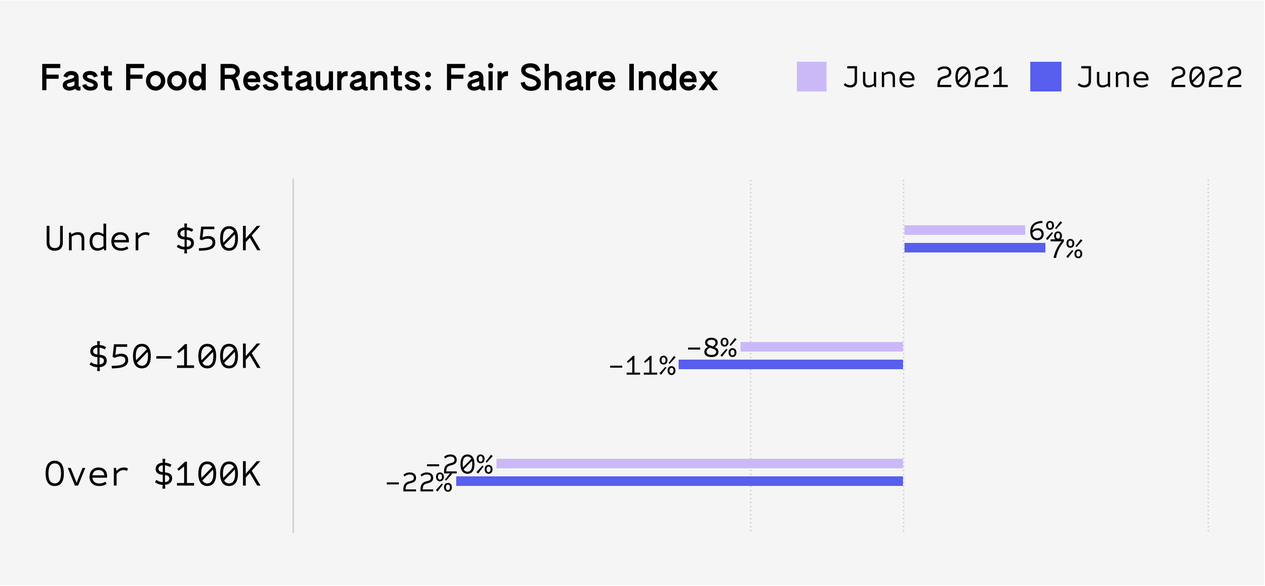
Chart represents monthly indexed foot traffic to U.S. casual dining venues overall amongst all U.S. consumers by income, where visits in the first week of June 2021 = 100

Lower income Americans are still frequenting **fast food chains** more often than affluent Americans

Though QSR visit frequency remained fairly consistent within each income group year-over-year, location data reveals that lower income consumers (under $50K) were still frequenting QSRs the most of any income group, with roughly 7 fast food trips on average in June 2022 (same as June 2021). Furthermore, we found that under $50K consumers represented a slightly larger share of fast food traffic than expected in June 2022 compared to a year prior (by +1 % point).

And while this more affluent audience still accounted for less QSR traffic than expected relative to total U.S. population in June 2022, QSR foot traffic has increased most notably amongst higher income consumers ($50K+) over the past year (per the chart on slide 11), perhaps suggesting an emerging opportunity for QSR brands to capitalize on in the months ahead.





Top Chart represents QSR visit frequency amongst U.S. consumers by income level in June (2021, 2022); The bottom chart represents % (Index), indicating to what extent fast food venues are seeing more/less than their fair share of visits from consumers at different income levels relative to % of total U.S. population

Foot traffic growth for **fast food restaurants** has started to outpace foot traffic growth for **grocery stores** in recent months.

Foot traffic growth for **fast food restaurants** has even started to outpace foot traffic growth for **grocery stores** in recent months

Foot traffic to fast food restaurants has started to pick up at a notably faster rate than foot traffic to grocery stores in recent months.

As of June 1 2022, QSR visitation had increased by **+3%** in a 12-month period, while **grocery store** traffic remained fairly consistent with where it started last June. This may be the result of a more noticeable financial impact on grocery prices vs. fast food menu prices. According to the U.S. Census Bureau*, grocery prices have increased even more (+11.9%) compared to prices at limited service meal venues, including QSRs (+7.3%) over this same 12-month period.

Thus, fast food is quickly becoming a more affordable meal alternative to grocery shopping & home cooking, especially for many large American families.

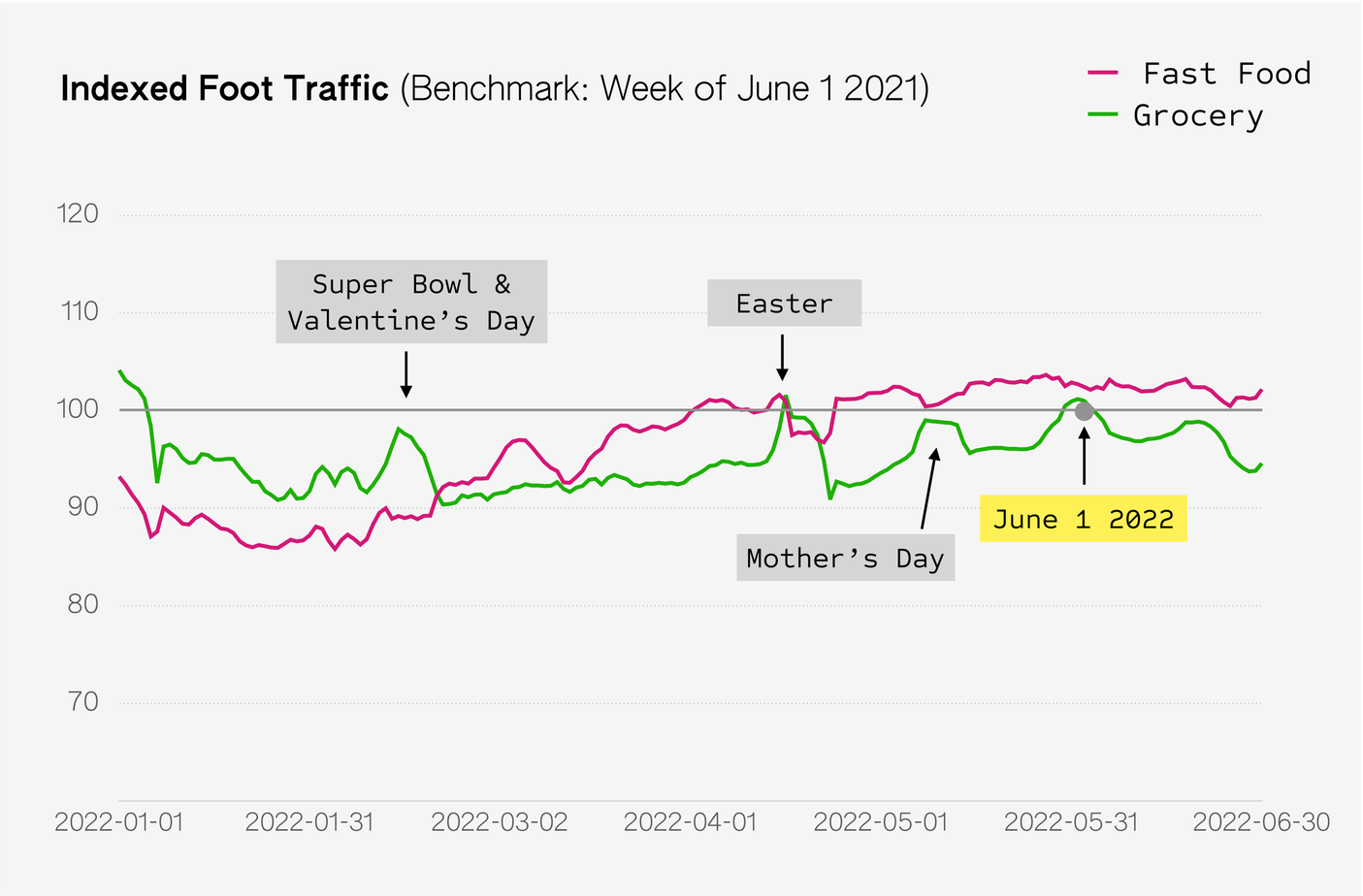


Chart represents indexed foot traffic to grocery stores & QSR venues amongst all U.S. consumers, where visits in the first week of June 2021 = 100. *Source: U.S. Census Bureau

Foot traffic to **grocery stores** has remained fairly consistent amongst higher income Americans, while declining more noticeably for low income Americans this past year

Lift/decline in foot traffic to **grocery store chains** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **-7%**

$50K - $100K: **+7%**

Over $100K: **+2%**

As of June 1 this year, grocery store visitation had actually increased by +2-7% amongst America's more affluent consumers ($50K+), while grocery traffic amongst lower income Americans had declined by -7% from June 1 a year prior. As grocery prices continue to rise, it appears that lower income Americans are feeling the most impact, perhaps explaining the increase in **QSR visit frequency** we're seeing amongst this audience as well.

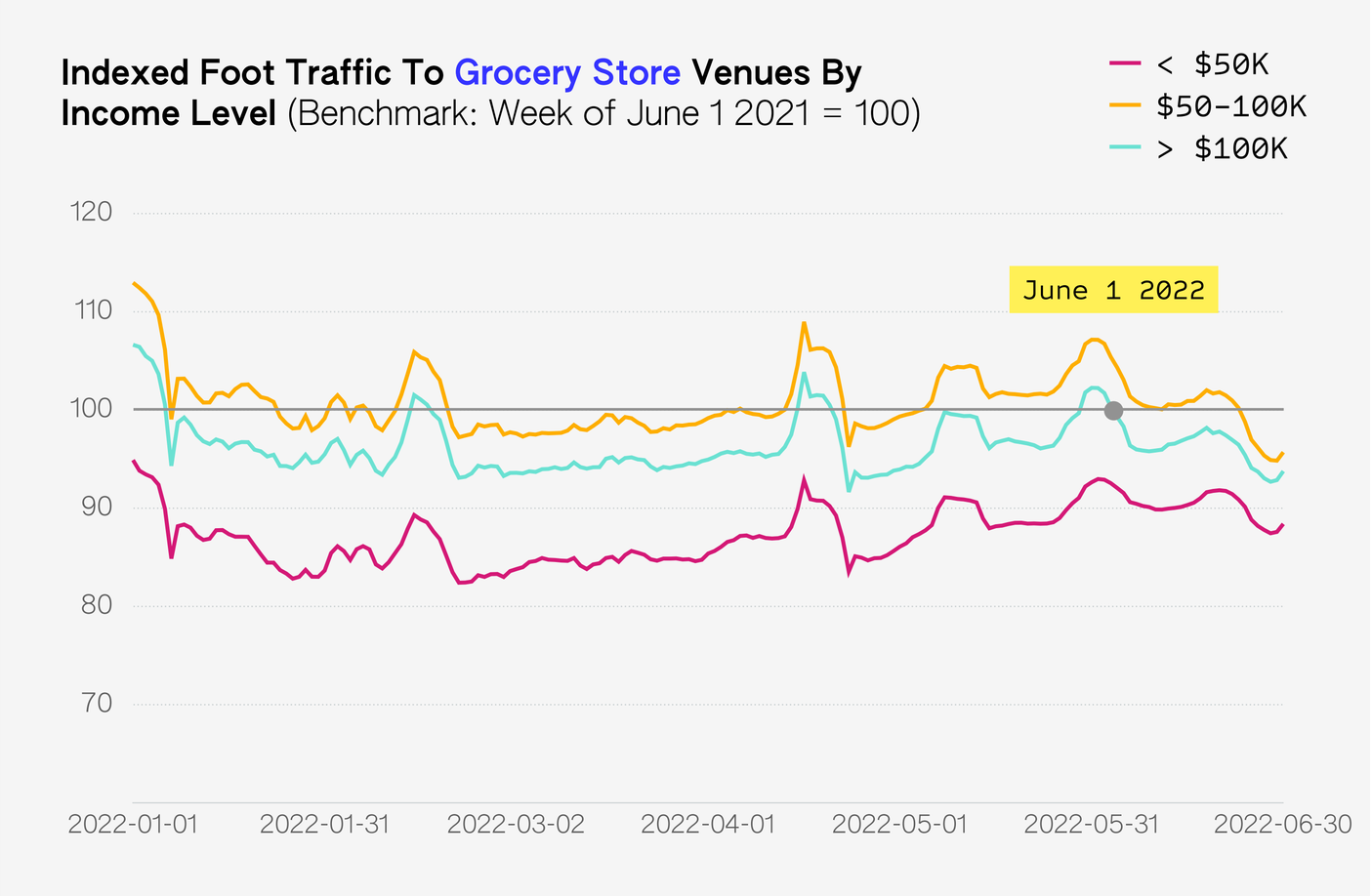


Chart represents monthly indexed foot traffic to U.S. grocery stores overall amongst all U.S. consumers by income, where visits in the first week of June 2021 = 100

QSR foot traffic is increasing most notably amongst **Gen Zers.**

Over the past year, fast food chains have experienced the most substantial growth in foot traffic amongst elder **Gen Z consumers** (ages 18-24)

As of June 1 this year, QSRs had seen a **+35%** increase in foot traffic amongst the eldest cohort of **Gen Z consumers** (ages 18-24) relative to June 1 2021, while foot traffic amongst **elder Millennials** (ages 35-44) had decreased by **-25%** in that time.

According to a recent article from Bloomberg*, Generation Z has been hit particularly hard by inflation — with rising prices, plunging stocks and surging rents making it a difficult time to enter adulthood. Many of these young consumers are graduating from college, moving out on their own and starting their first jobs. And with less savings accumulated compared to older consumers, Gen Z is especially motivated by value when it comes to everyday expenses such as dining out.

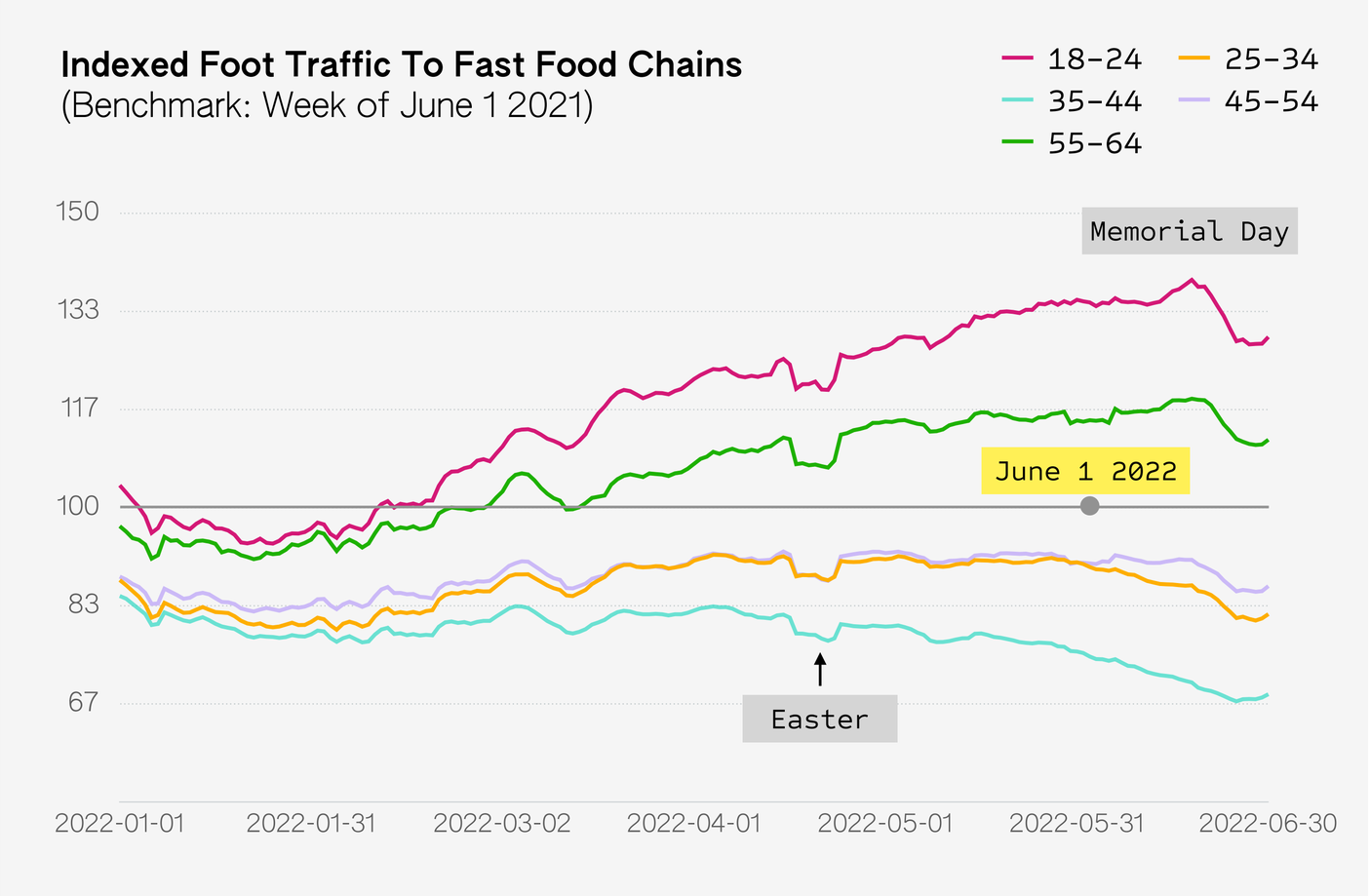
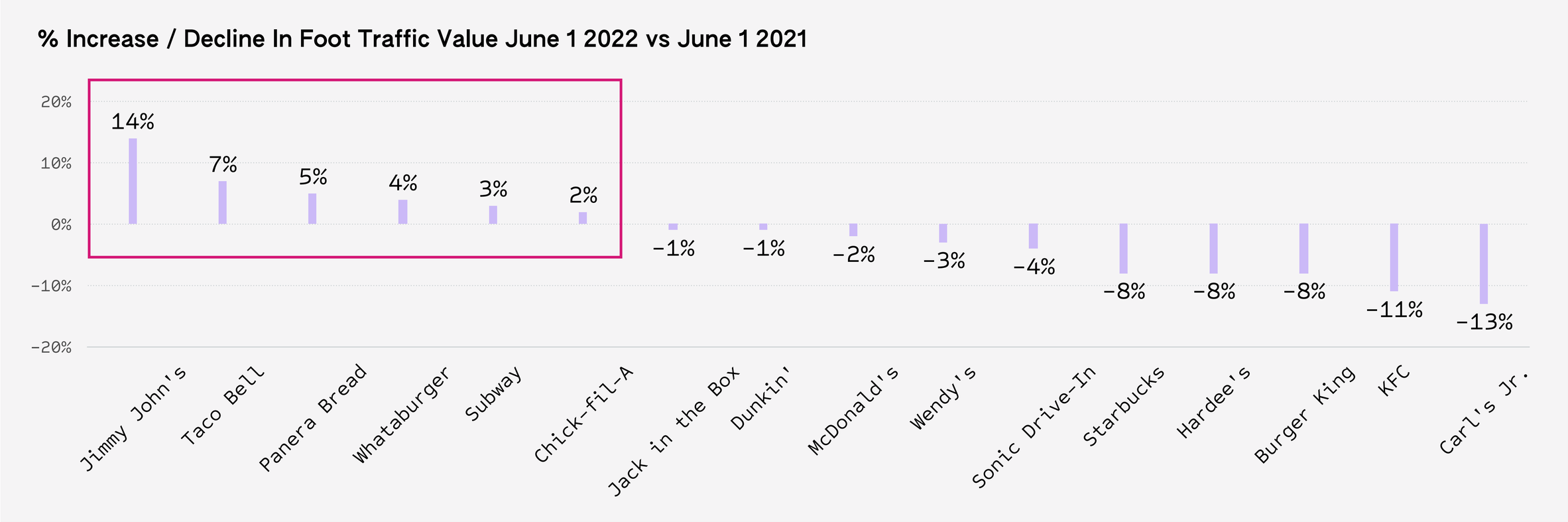


Chart represents indexed foot traffic to U.S. QSRs overall amongst all U.S. consumers by age, where visits in the first week of June 2021 = 100; *Source: Bloomberg

Location data reveals the **top QSR brands** to watch in 2H this year.

Jimmy John's experienced the most notable year-over-year growth in foot traffic, while **Carl's Jr.** experienced the biggest decline since last June

As of June 1 2022, foot traffic to Jimmy John's had **increased by +14%** from June 1 2021. **Taco Bell, Panera Bread** and **Whataburger** also rank amongst the top QSR brands to watch in 2022. Regional chains such as **Carl's Jr.** and **Hardee's** experienced some of the biggest declines in year-over-year foot traffic.



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%s represent indexed foot traffic to QSRs chains amongst all U.S. consumers between June 1 2021 through June 1 2022, where visits in the first week of June 2021 = 100

Jimmy John's has continued to outpace QSRs overall in terms of relative foot traffic growth over the past year

Jimmy John's has continued to experience a more notable increase in visit volume relative to QSRs overall over the past several months. As of June 1 2022, Jimmy John's had seen a **+12% increase in visits** compared to June 1 2021. In contrast, **QSRs overall** had only seen **+3%** increase in visits during that time.

This uptick in traffic may be due in part to Jimmy Johns' focus on providing value and enhancing digital experiences. Of note, the sandwich chain kicked off 2022 with a new value promotion to **help customers spend less** — offering 'buy one get one 50% off' through mid February. As for innovation, Jimmy John's has introduced a handful of new menu items this year, and also debuted its first-ever drive-thru-only restaurant promoting mobile order pickup to meet changing consumer demands.

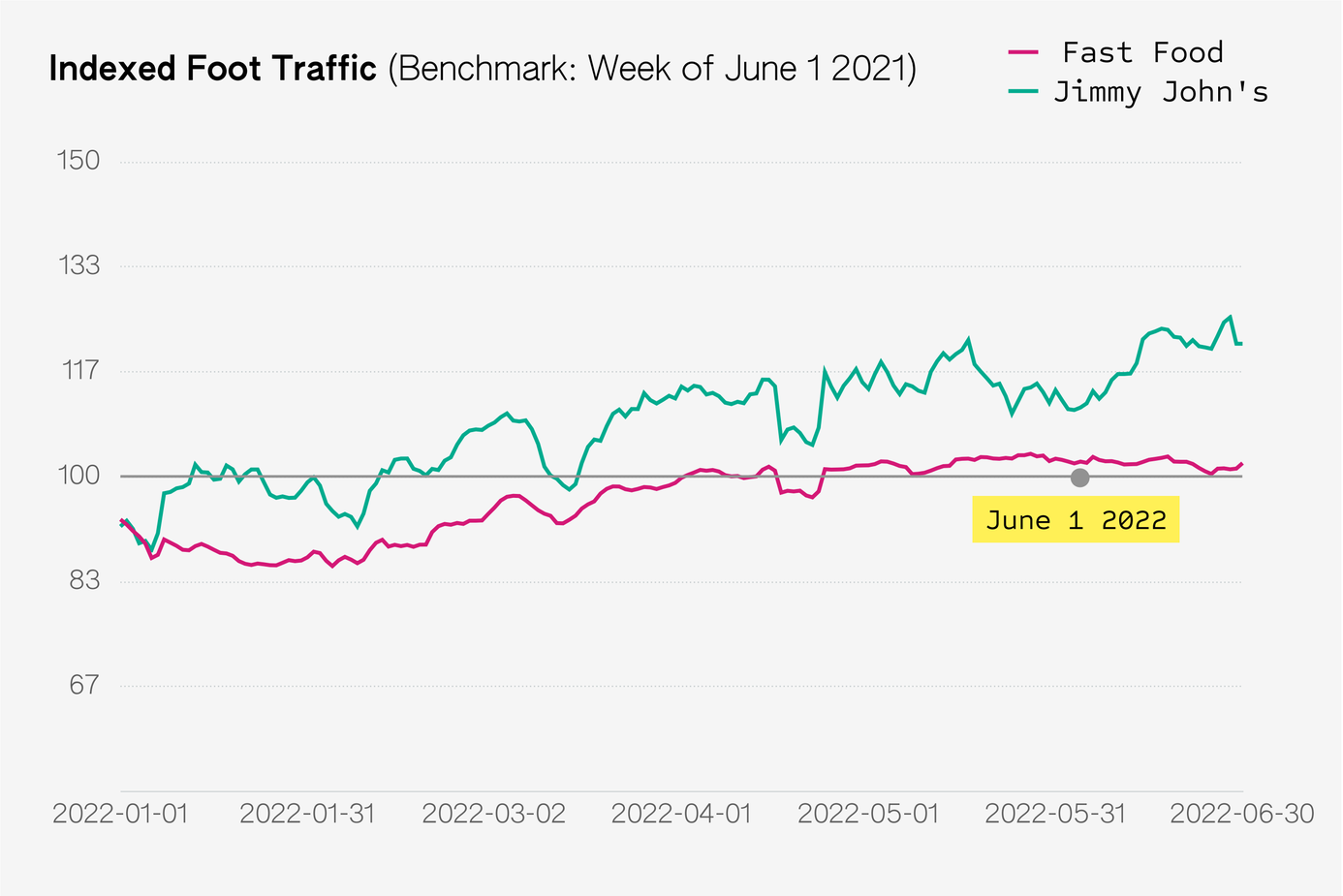


Chart represents indexed foot traffic to select fast food chains amongst all U.S. consumers, where visits in the first week of June 2021 = 100. Source: Restaurant Dive

Starbucks has generally experienced a decline in foot traffic over the past year, while **Dunkin'** foot traffic remains relatively similar a year later

Americans still appear to be treating themselves to the simple pleasure of specialty coffee runs, as evidenced by foot traffic to **coffee shops** remaining up +2-3% throughout the entire month of June 2022 relative to early June last year.

However, **Starbucks** has generally experienced a decline in foot traffic over the past year, perhaps indicating that more Americans are turning to cheaper alternatives, and/or are making an effort to support local coffee shops. As of June 1 2022, Starbucks had experienced a -8% decline in foot traffic relative to June 1 2021, while coffee shops overall had experienced +3% growth in that time.

Throughout most of May and June this year, foot traffic to **Dunkin'** hovered around the same levels we saw early last June. Perhaps Dunkin' customers are less inclined to change behavior due to a generally lower price point.

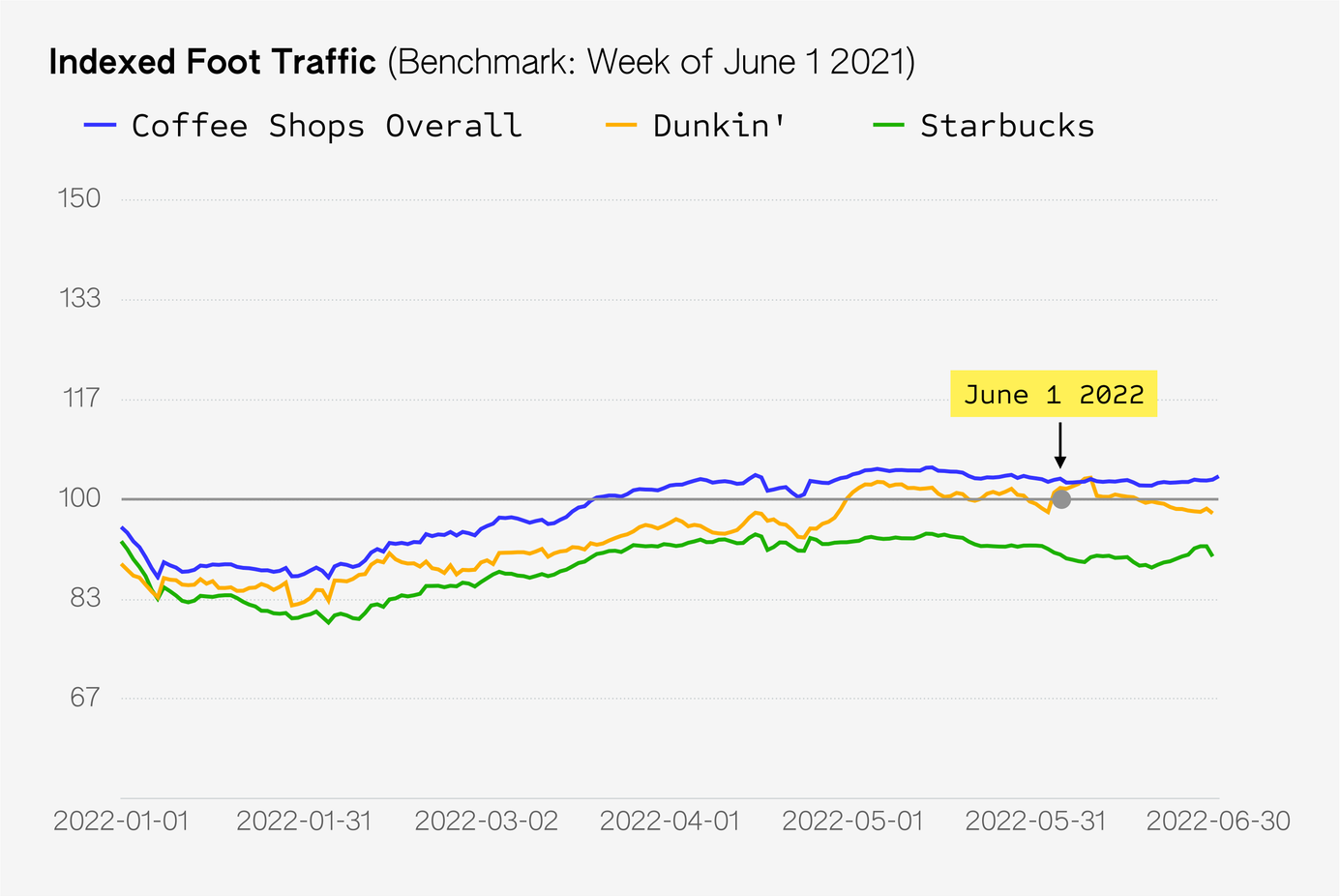


Chart represents indexed foot traffic to coffee shops overall & select chains amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

Americans are cutting back on **liquor consumption**, both on-premise & at home.

Foot traffic to America's **bars & liquor stores** has declined since last summer

In the 12-month period ending June 1 2022, foot traffic to bars and liquor stores had actually decreased by -7-11%. This data suggests that many Americans have generally cut back on nightlife activities in recent months, perhaps in an effort to save money.

Foot traffic data also reveals nuances in how Americans are celebrating certain holidays. For instance, **bars** appear to see more notable uptick in traffic compared to liquor stores around **St. Patrick's Day**, while **liquor stores** saw a more noticeable uptick in **Memorial Day weekend** traffic compared to bars this year.

Chart represents indexed foot traffic to liquor stores & bars amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

Foot traffic to **bars** has decreased most amongst lower income Americans

Lift/decline in foot traffic to **bars** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **-18%**

$50K - $100K: **-6%**

Over $100K: **-11%**

Foot traffic to bars had decreased by -18% amongst lower income Americans in the 12-month period ending June 1 this year. In fact, bars saw -9% less traffic than expected of this audience in June 2022.

However, that's not to say that Americans have been cutting back on nightlife altogether. While bar visitation has certainly declined amongst affluent Americans since last summer, this audience still accounts for more than their fair share of bar traffic in recent months. U.S. bars were still seeing **+8-14%** more traffic than expected of affluent consumers ($50K+ income) in June 2022.

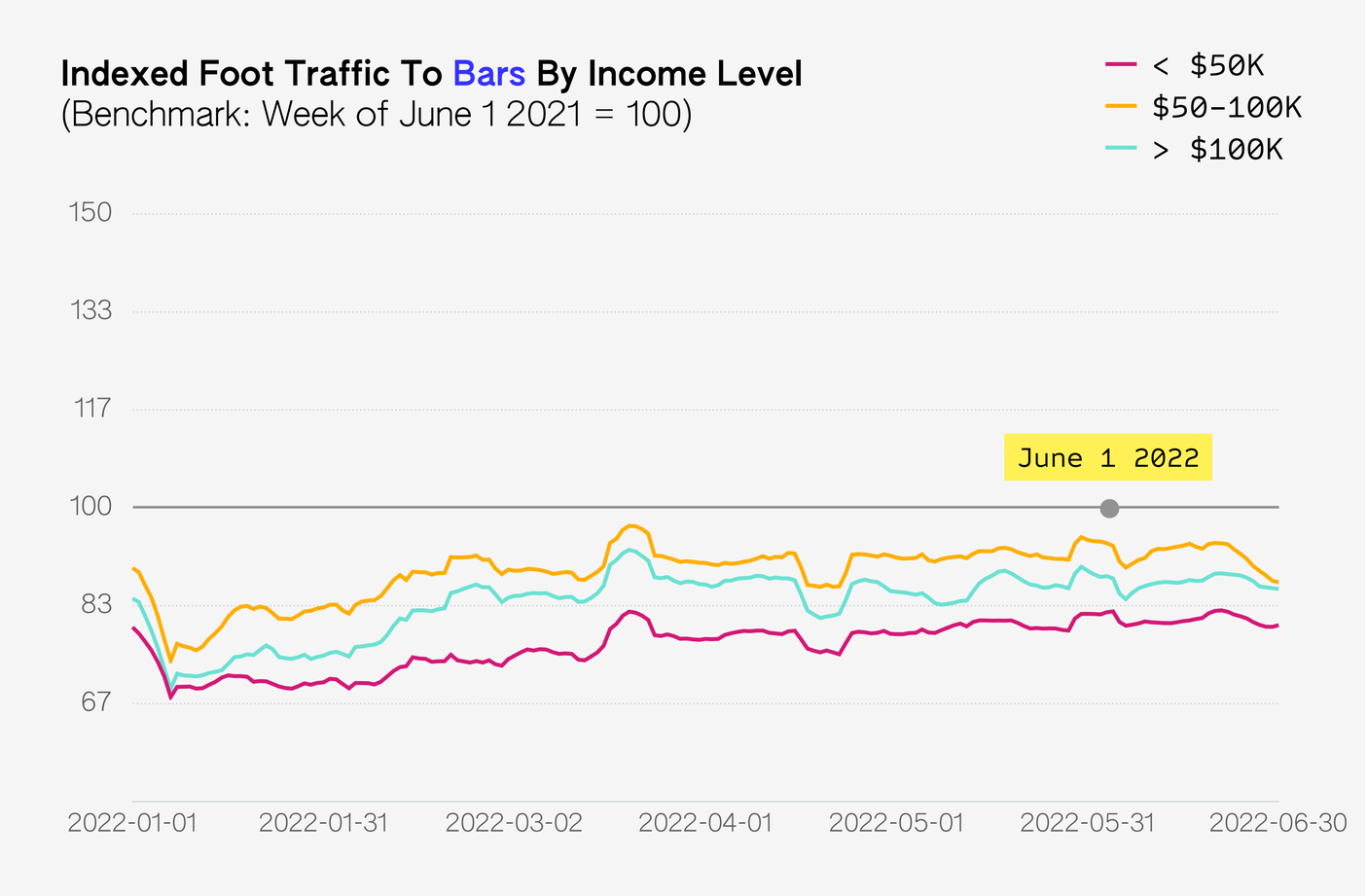


Chart represents monthly indexed foot traffic to U.S. bars overall amongst all U.S. consumers by income level, where visits in the first week of June 2021 = 100

Top Consumer Trends In **Travel**

QSRs within closest **proximity of gas stations** will likely see an increase in foot traffic, despite rising gas prices.

Fast food venues within closest proximity of **gas stations** will likely see an increase in foot traffic, despite rising gas prices

Despite rising gas prices in recent months, consumer demand for fuel has sustained. In fact, gas stations have experienced substantial growth in foot traffic volume over the past several months As of June 1 2022, gas station visitation was up +10% from 12 months prior despite gas prices picking up by more than $1+ per gallon within that time.

Foot traffic to gas stations started to pick up even more notably in mid April this year, outpacing foot traffic growth for fast food chains by a notable margin. And with **88% of fast food venues in the United States located within 1 mile of a gas station**, QSRs are facing an opportunity to capitalize on key influential factors like value and convenience to attract new customers inside.

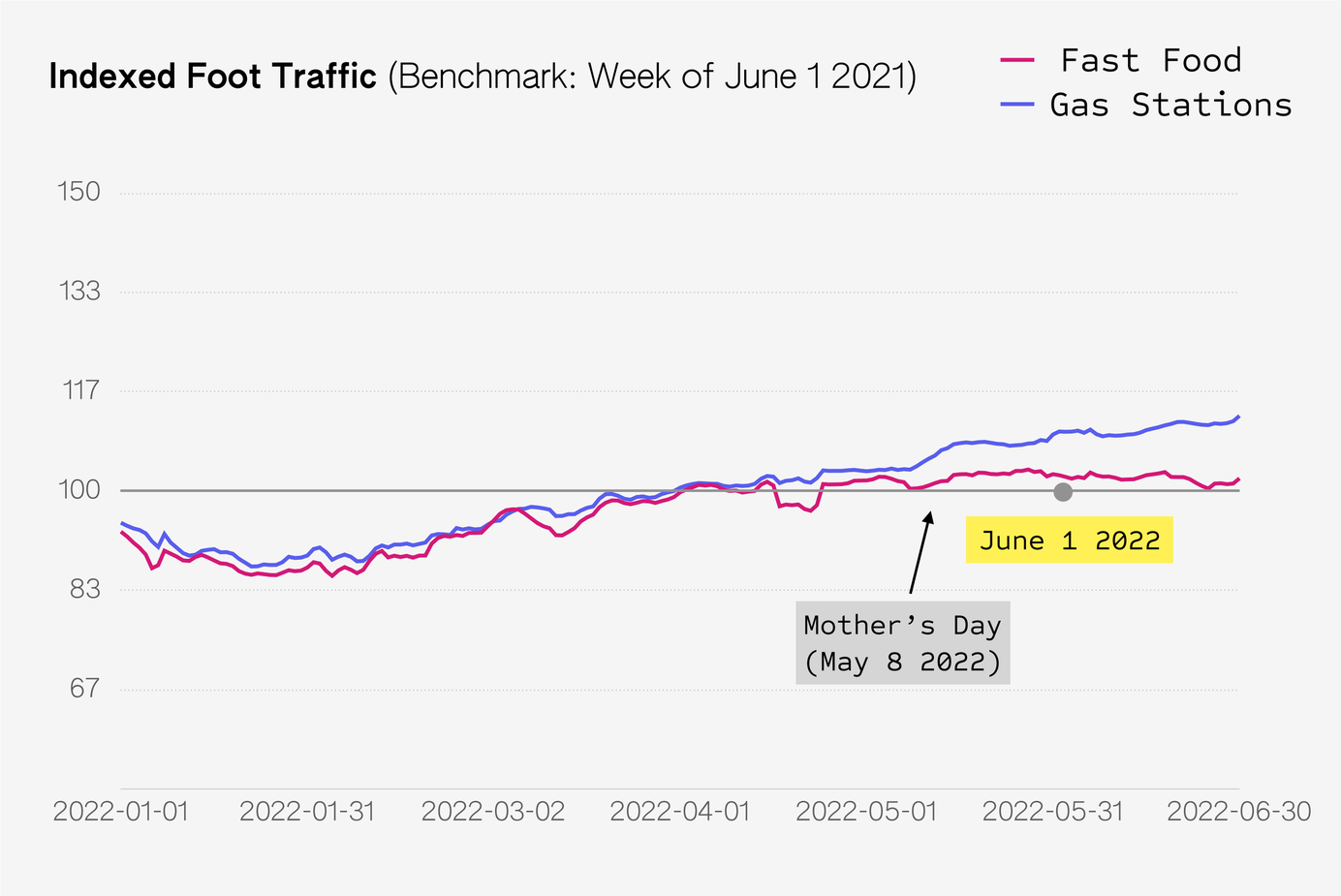


Chart represents indexed foot traffic to gas stations & QSRs amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

Foot traffic to **gas stations** has increased most amongst America's most affluent consumers over the past year

Lift/decline in foot traffic to **gas stations** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **+2%**

$50K - $100K: **+18%**

Over $100K: **+12%**

According to recent CNBC article*, an even higher % of $50K+ consumers intend to cut back on driving if higher prices persist (relative to $100K+ consumers). And yet, foot traffic to gas stations has increased most amongst this audience since last June (2021). Perhaps affluent Americans are turning to **roadtripping** this summer to avoid the surge in airfare prices, while many lower income American may be cutting back on travel altogether.

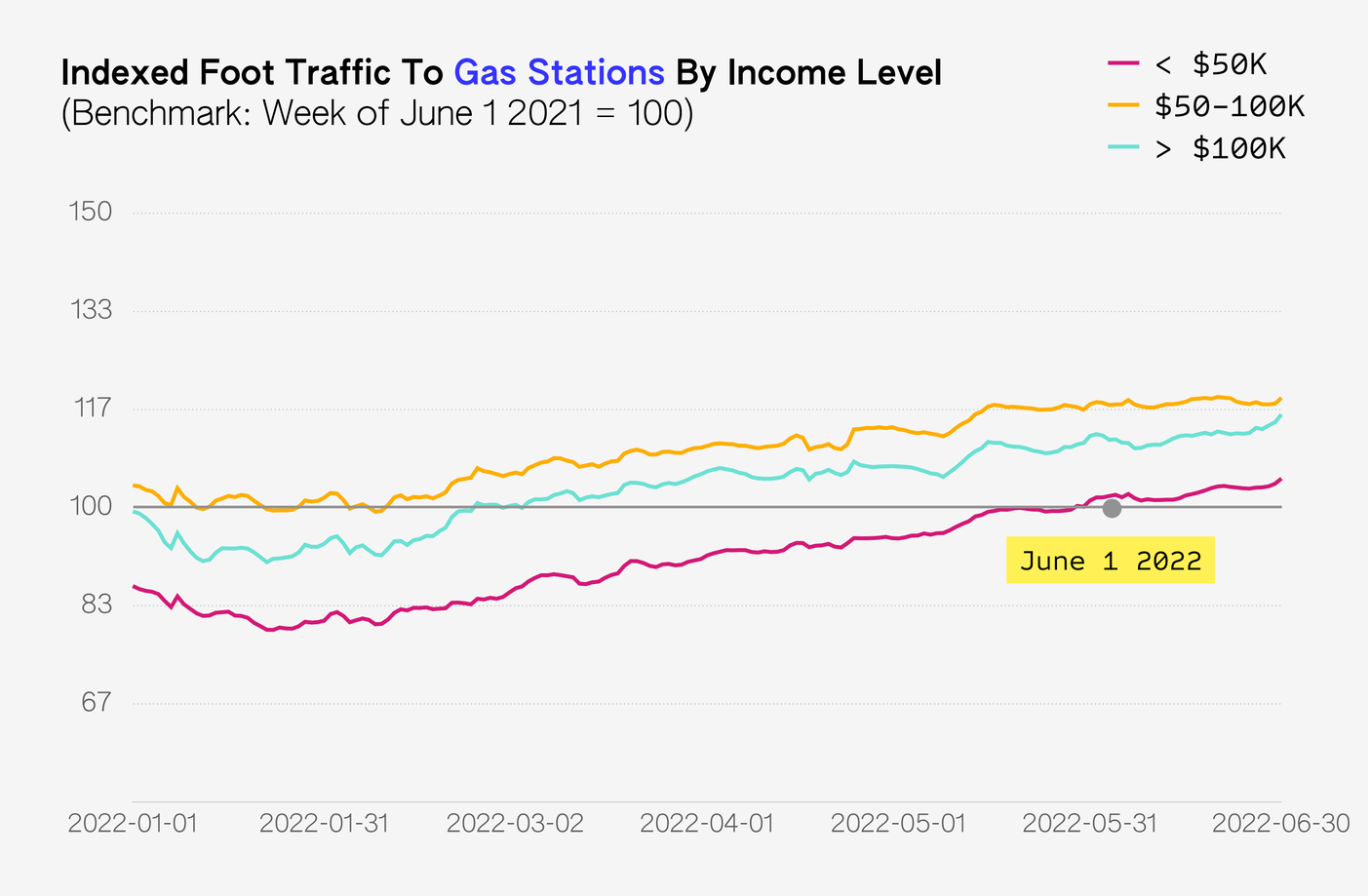


Chart represents monthly indexed foot traffic to U.S. gas stations overall amongst all U.S. consumers by income level, where visits in the first week of June 2021 = 100; *Source: CNBC

Affluent Americans are eager to travel, while lower income consumers are cutting back on air travel & hotel stays.

Over the past year, foot traffic to **airports** has increased amongst affluent Americans and decreased amongst lower income consumers

Lift/decline in foot traffic to **airports** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **-12%**

$50K - $100K: **+10%**

Over $100K: **+9%**

Over the 12-month period ending June 1 2022, foot traffic to airports had increased by +9-10% amongst America's more affluent consumers (over $50K), while airport traffic amongst lower income Americans (under $50K) had decreased by -12%.

Our data suggests that rising airfare prices have been a major deterrent for lower income Americans looking to travel this summer. In June 2022, airports saw -26% less traffic than expected from lower income Americans, while seeing +46% more traffic than expected of $100K+ consumers relative to total U.S. population.

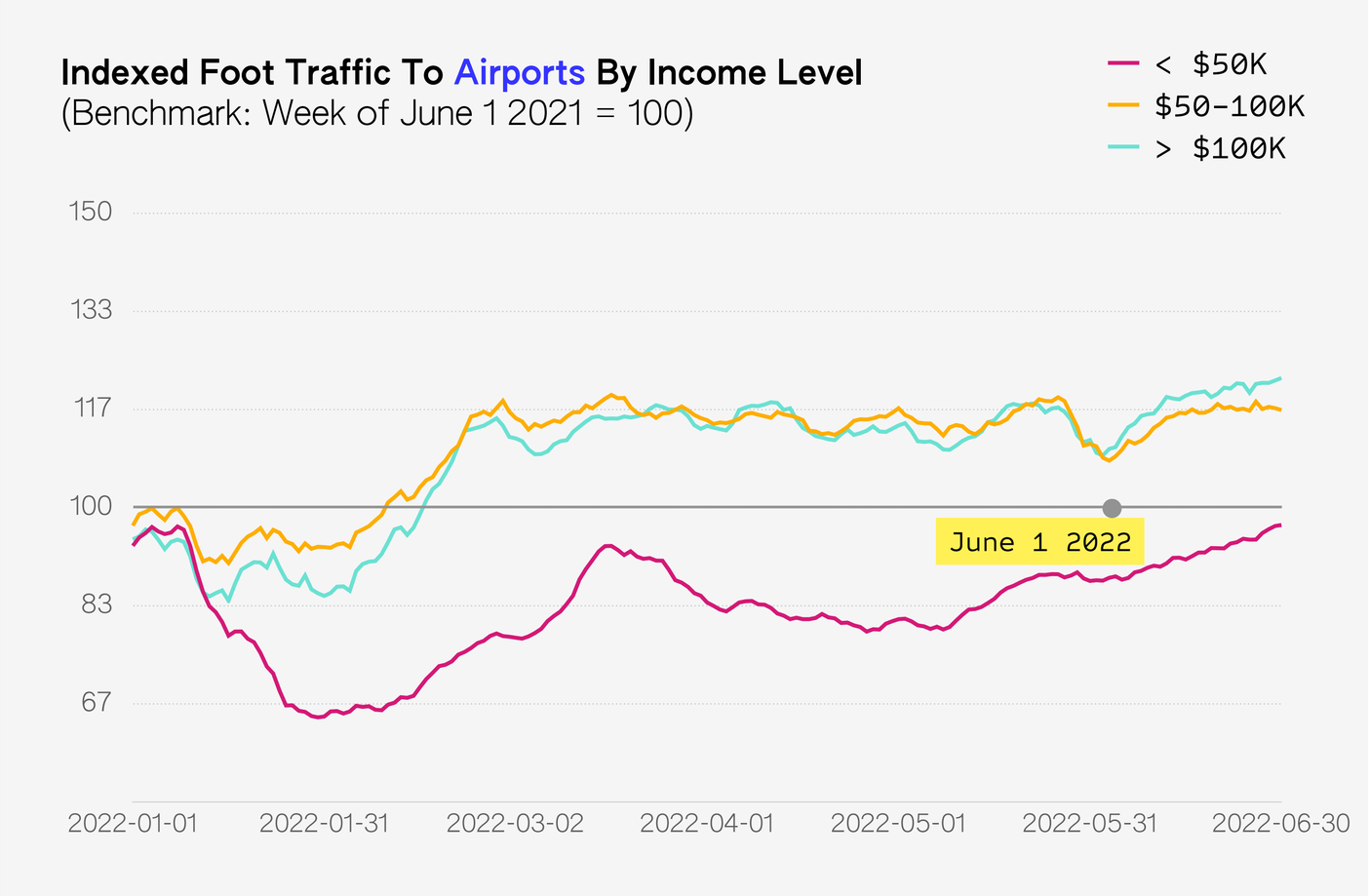


Chart represents monthly indexed foot traffic to U.S. Airports overall amongst all U.S. consumers by income level, where visits in the first week of June 2021 = 100

Over the past year, foot traffic to **hotels** has decreased most amongst lower income Americans

Lift/decline in foot traffic to **hotels** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **-15%**

$50K - $100K: **+4%**

Over $100K: **-3%**

Foot traffic to hotels decline by -15% amongst lower income Americans in the 12-month period ending June 1 this year. Even amongst wealthier Americans (with $50K+ annual income), foot traffic to **hotels** hovered just below what we saw last June, indicating that summer travelers are opting for more affordable overnight accommodations, such as Airbnbs and vacation rentals to help cut costs.

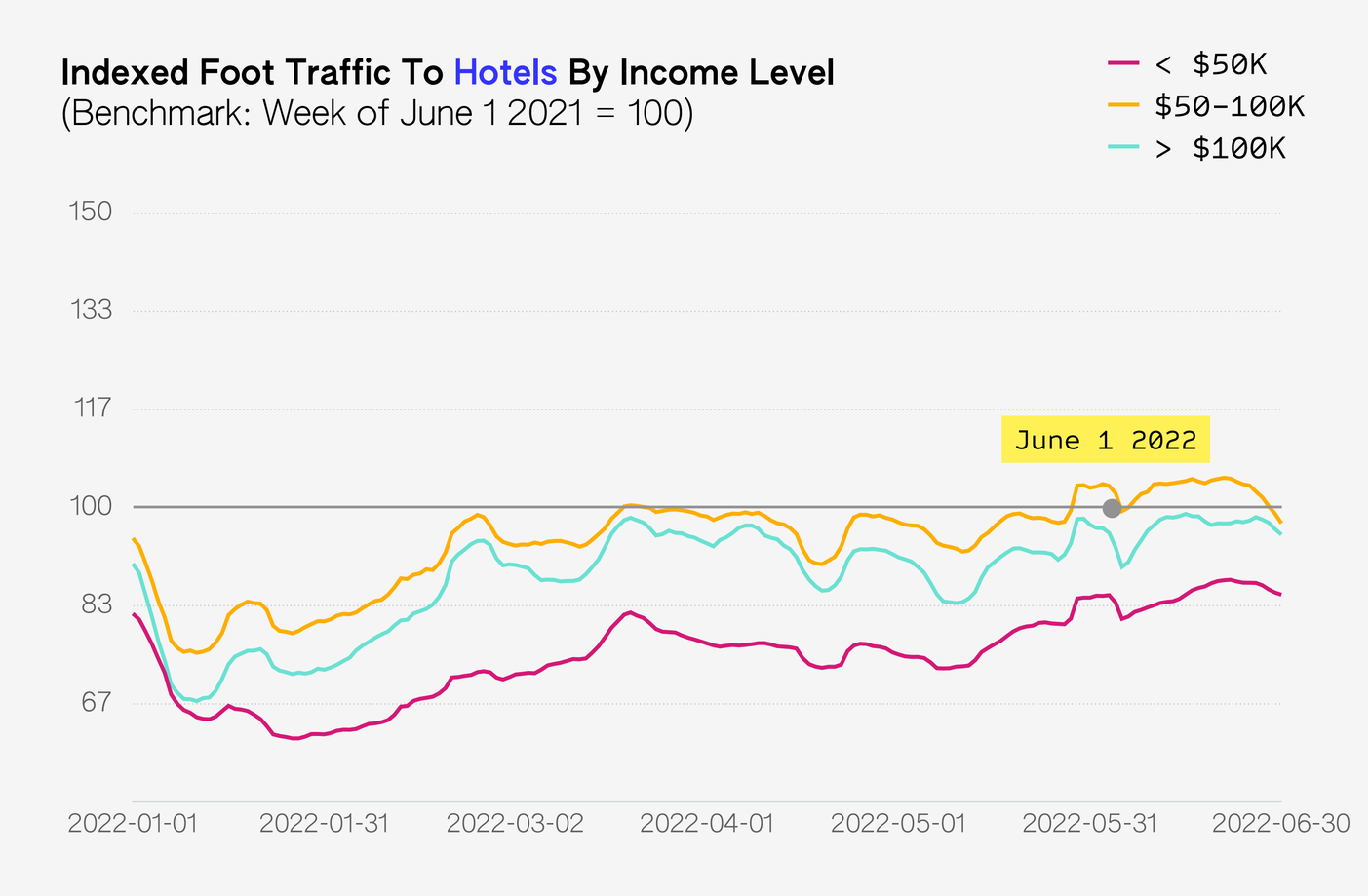


Chart represents monthly indexed foot traffic to U.S. Hotels overall amongst all U.S. consumers by income level, where visits in the first week of June 2021 = 100; *Source: Bloomberg

Lower income Americans are largely **traveling less** compared to last summer

Despite a substantial uptick in travel since the start of this summer, foot traffic to **airports** and **hotels** was still down -12-17% amongst lower income Americans (under $50K income) within the 12-month period ending June 1 2022.

Meanwhile, this audience has been spending slightly more time on the road despite rising gas prices. Foot traffic to **gas stations** was actually up +2% as of June 1 and had continued to pick up throughout the remainder of the month (+5% by June 30 2022).

As airfare & hotel rates become more costly, this audience may become more dependent on road trips as a more affordable alternative for summer (and fall/holiday) travel plans.

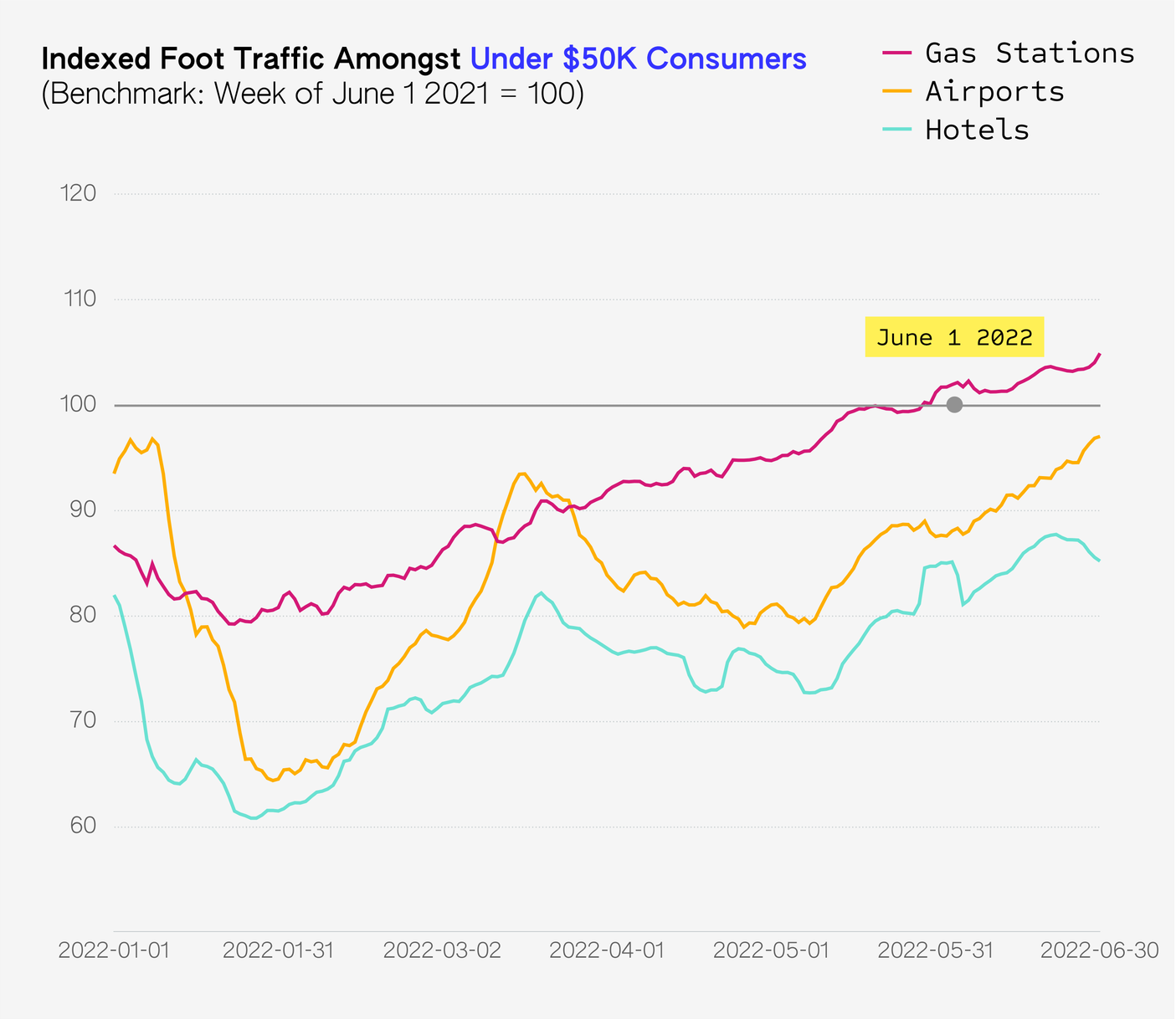


Chart represents indexed foot traffic to various categories amongst U.S. consumers with < $50K annual income, where visits in the first week of June 2021 = 100;

Top Consumer Trends In **Shopping**

When it comes to shopping, Americans are finding value with wholesale clubs while cutting back on nonessentials

According to the U.S. Census Bureau*, apparel prices increased by +5% in the 12-month period ending May 2022, while home furnishing prices increased by +9.7%.

As retail prices keep creeping up, consumers are likely to make some big adjustments when it comes to how, when & where they chose to shop — whether that means buying in bulk, buying (or switching to) cheaper alternatives, and cutting back on shopping for nonessentials like home goods, furniture, apparel & electronics.

Indeed, location data reveals that foot traffic patterns across many retail categories have shifted within the past year, further suggesting where we are most likely to see a change in consumers' spending in the weeks & months to come.

*Source: U.S. Census Bureau

Wholesale clubs, off-price & secondhand retailers are poised for success amidst rising prices.

Wholesale clubs have continued to see increased foot traffic levels since last June

As the average prices of goods & services continue to rise, Americans are increasingly looking for opportunities to save on everyday essentials.

For many Americans, memberships to **wholesale clubs** such as Costco and Sam's Club comes with advantageous access to exclusive savings, allowing shoppers to buy everyday essentials in bulk. It's no surprise, then, that foot traffic to wholesale clubs has continued to rise over the past 12 months, outpacing relative growth for all other essential retail categories such as grocery, big box and even discount stores.

As of June 1 this year (2022), wholesale clubs had already seen **+7% growth** in foot traffic compared to June 1 last year (2021), while **big box store** traffic was at roughly the same levels from 12 months prior.

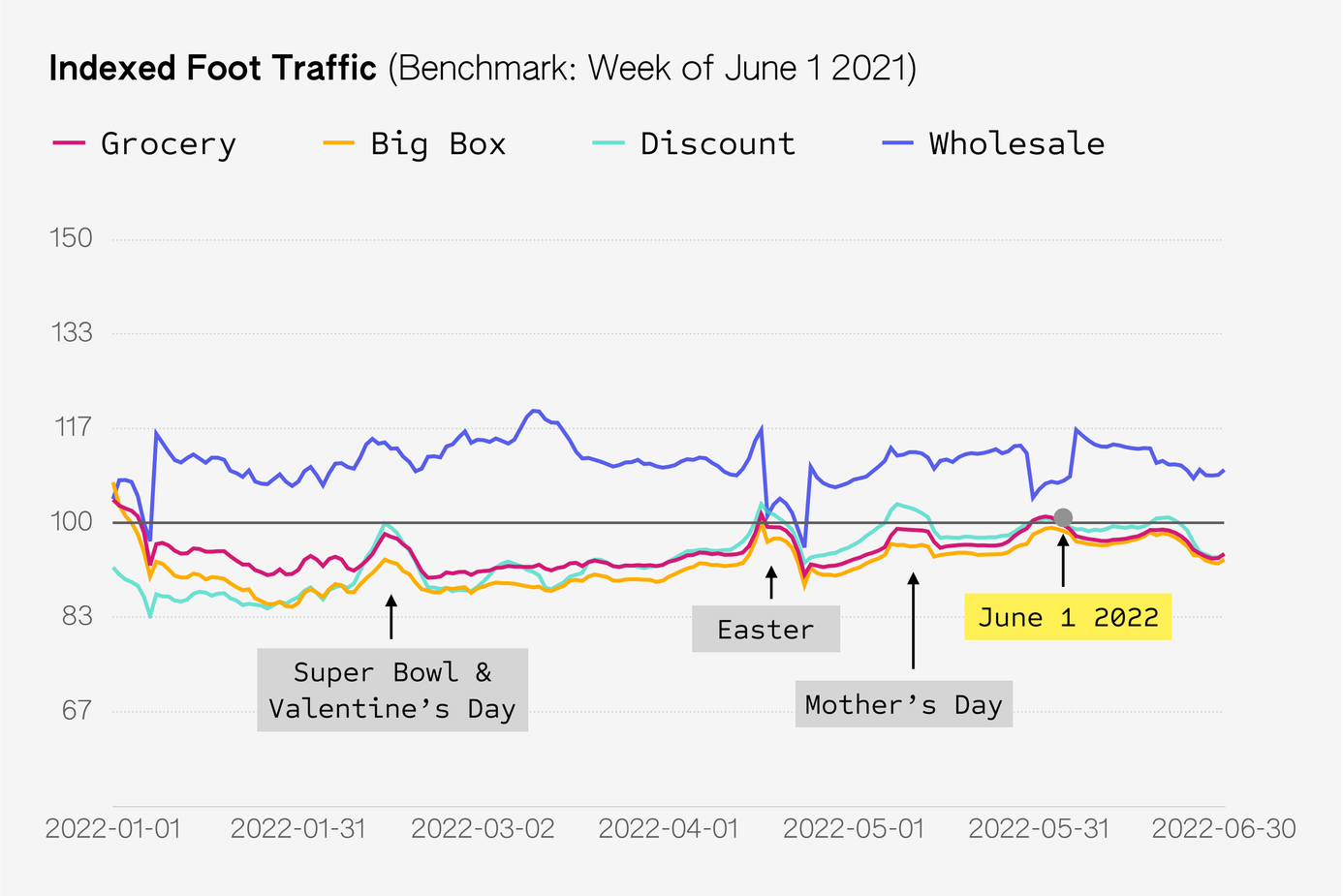


Chart represents indexed foot traffic to various retail stores amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

Foot traffic to **wholesale clubs** stores has increased most amongst America's more affluent shoppers

Lift/decline in foot traffic to **wholesale clubs** amongst Americans at various income levels between June 1 2021 to June 1 2022:

Under $50K: **-6%**

$50K - $100K: **+15%**

Over $100K: **+15%**

With average costs of groceries & other essentials on the rise, affluent wholesale memberships have grown increasingly popular amongst affluent Americans. Over the 12-month period ending June 1 this year, foot traffic to wholesale clubs like Costco and Sam's Club had increased by **+15%** amongst Americans with over $50K annual income.

Wholesale club visitation has remained relatively stable amongst lower income Americans over the past year, perhaps indicating that these shoppers are more likely to seek savings from discount & big box retailers (without the membership fees).

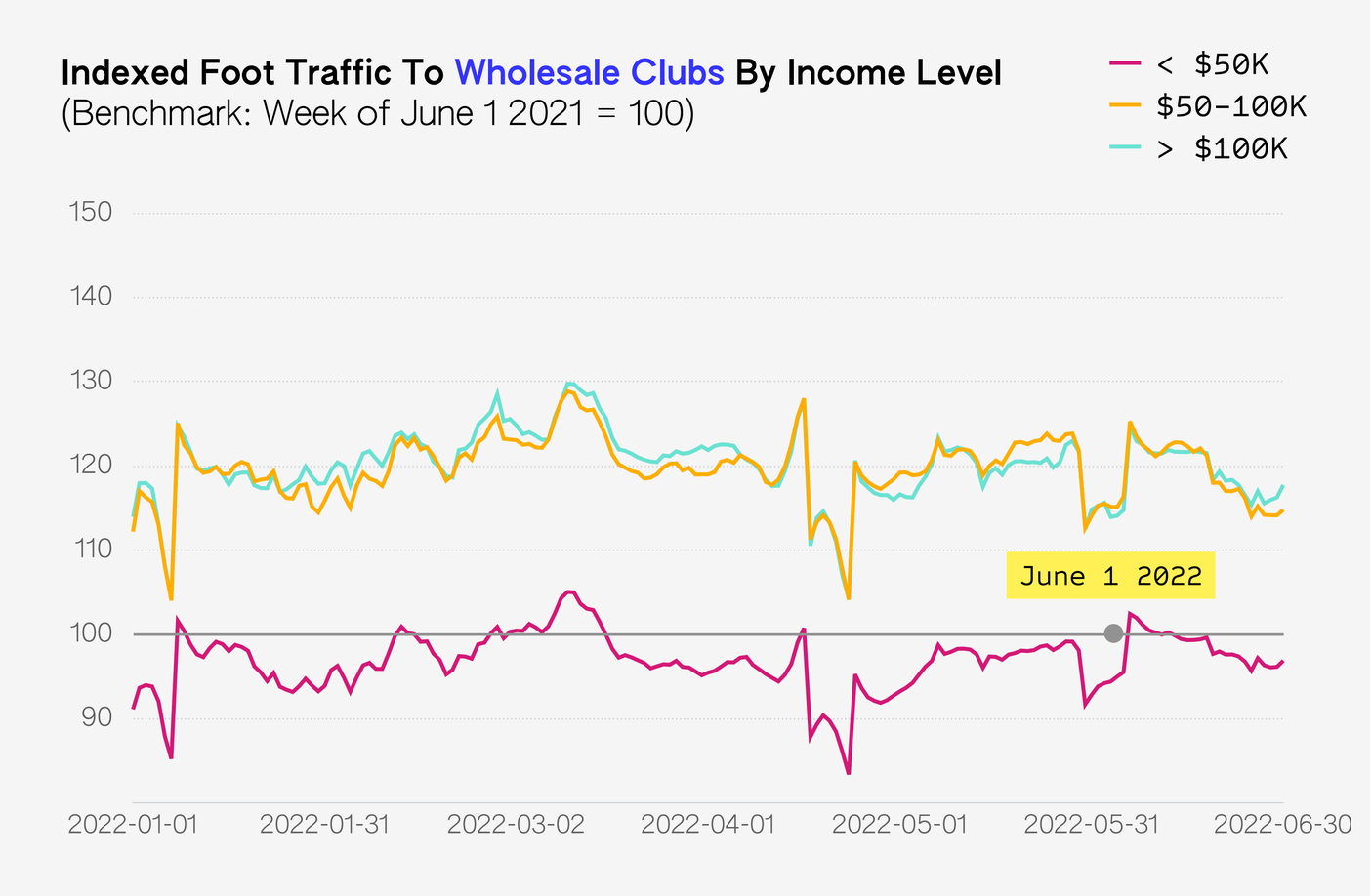


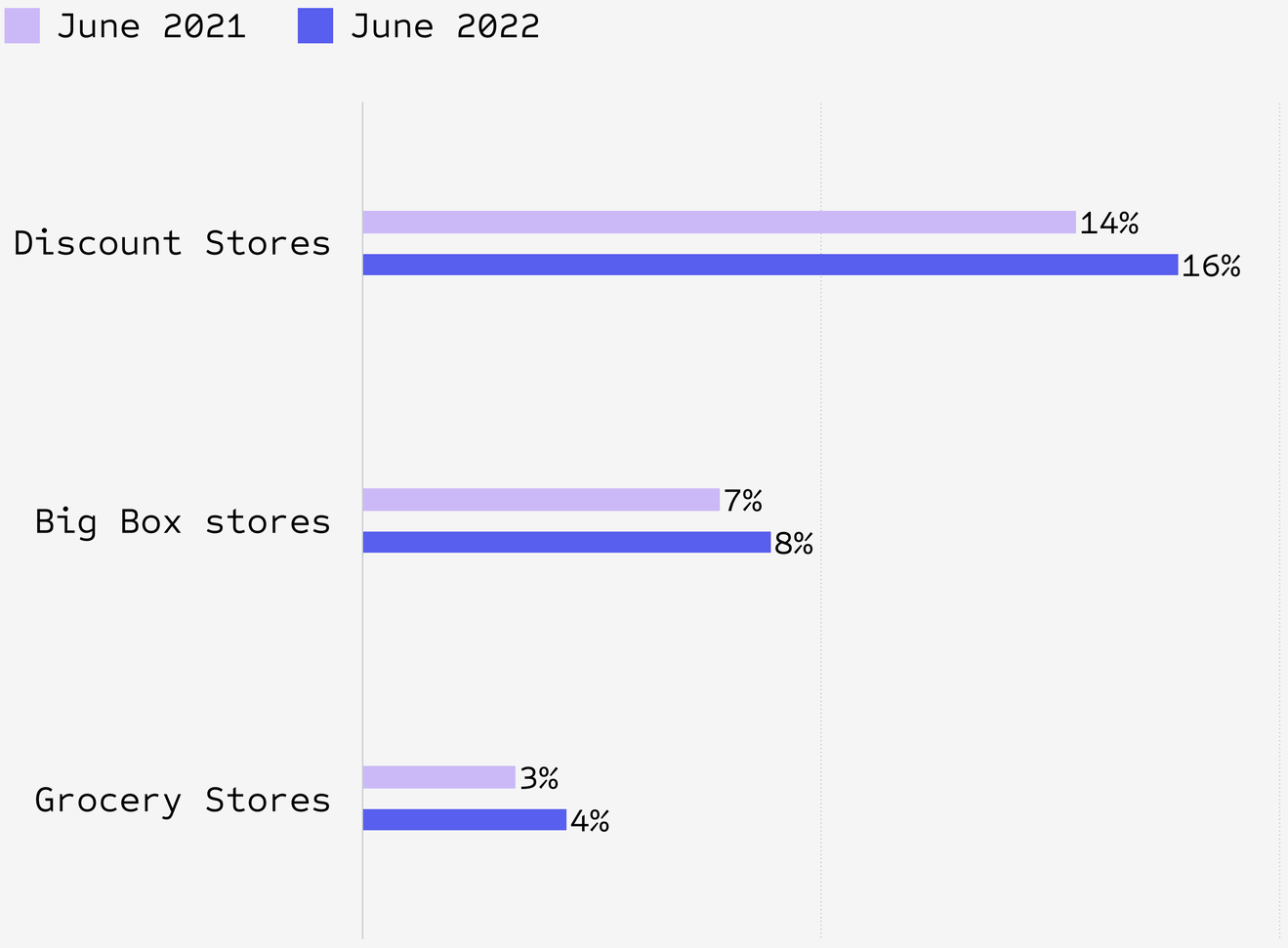
Chart represents monthly indexed foot traffic to U.S. wholesale clubs overall amongst all U.S. consumers by income level, where visits in the first week of June 2021 = 100

Grocery, big box and discount stores all saw even more than their fair share of traffic from under $50K consumers in June 2022 compared to last year

Essential retailers were seeing even more traffic from lower income earners than expected in June 2022 compared to June 2021. This year-over-year uptick suggests that rising prices have indeed lead to a change in shopping preferences (and motivations) amongst this audience.

Big box stores experienced the most notable year-over-year increase amongst this audience. In June 2022, stores like Target and Walmart were seeing +8% more traffic than expected from under $50K consumers relative to total U.S. population.

Retailers that saw more than their fair share of consumers with under $50K annual income relative to total U.S. population in **June 2021 vs June 2022:**



Foursquare data from June 2021 & 2022; % represents an Index, indicating which categories are seeing more/less than their fair share of visits from consumers with under $50K annual income relative to % of total U.S. population

In addition, lower income consumers are frequenting grocery, big box and discount retailers more often than affluent Americans

Location data reveals that lower income shoppers are indeed making **more trips** to certain essential retailers on average compared to higher income consumers.

One hypothesis is that these lower income consumers are purchasing fewer items / spending less per store visit, and only focusing on shopping for their most immediate / essential needs. In contrast, more affluent shoppers can afford the upfront cost of purchasing more with less frequent visits.

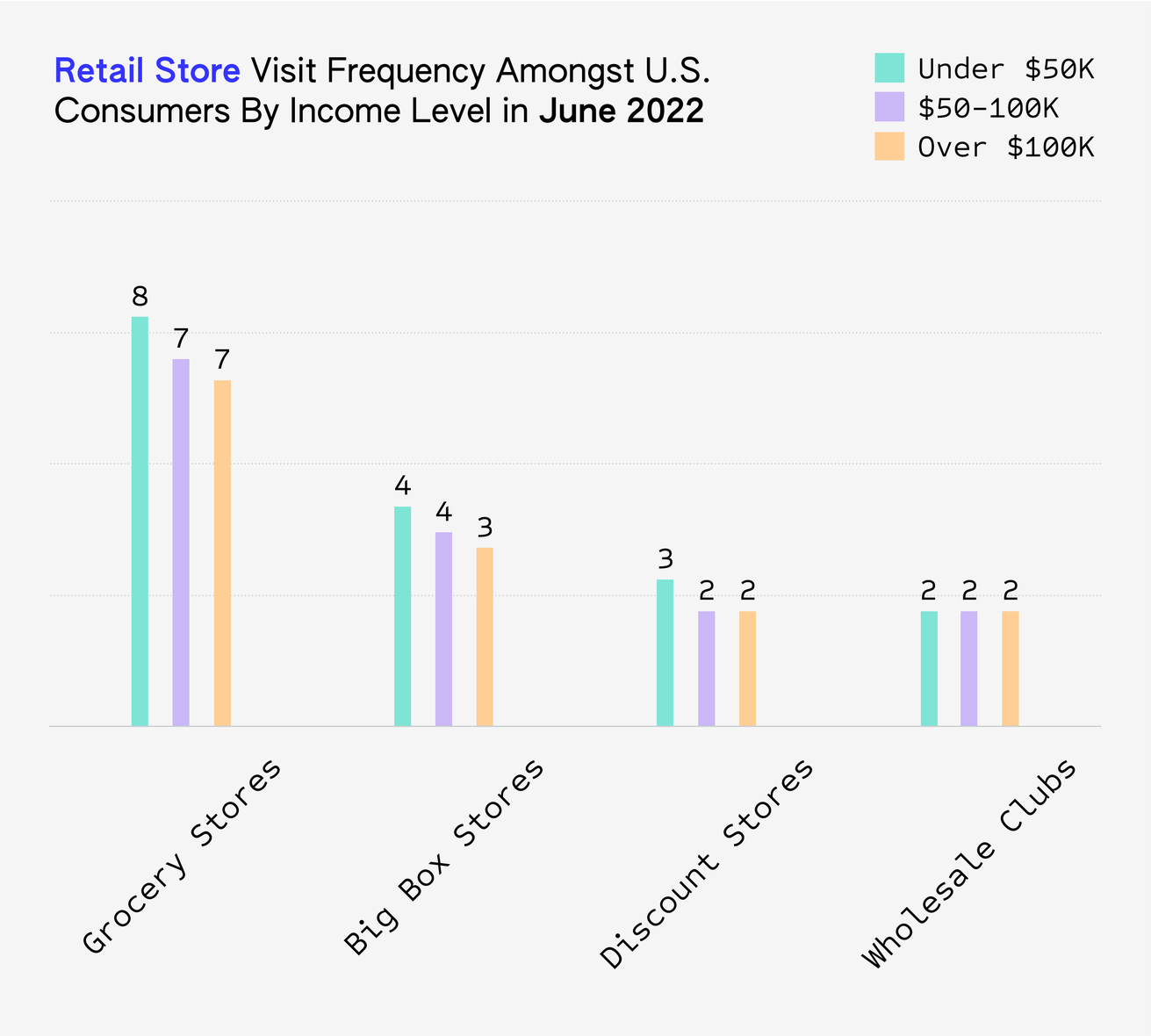


Chart represents visit frequency amongst U.S. consumers by income level in June 2022

More Americans are shopping **secondhand** amidst rising retail prices

Secondhand retailers have maintained fairly consistent foot traffic levels over the past year, while retailers that specialize in selling new apparel & accessories have generally experienced a decline (-11-15%) in foot traffic since last June.

It's possible that secondhand fashion has also increased in popularity with a renewed focus on sustainability amongst eco-conscious shoppers in recent years. Our recent sustainability report also reveals that younger Americans are even more inclined to shop at thrift/vintage stores.

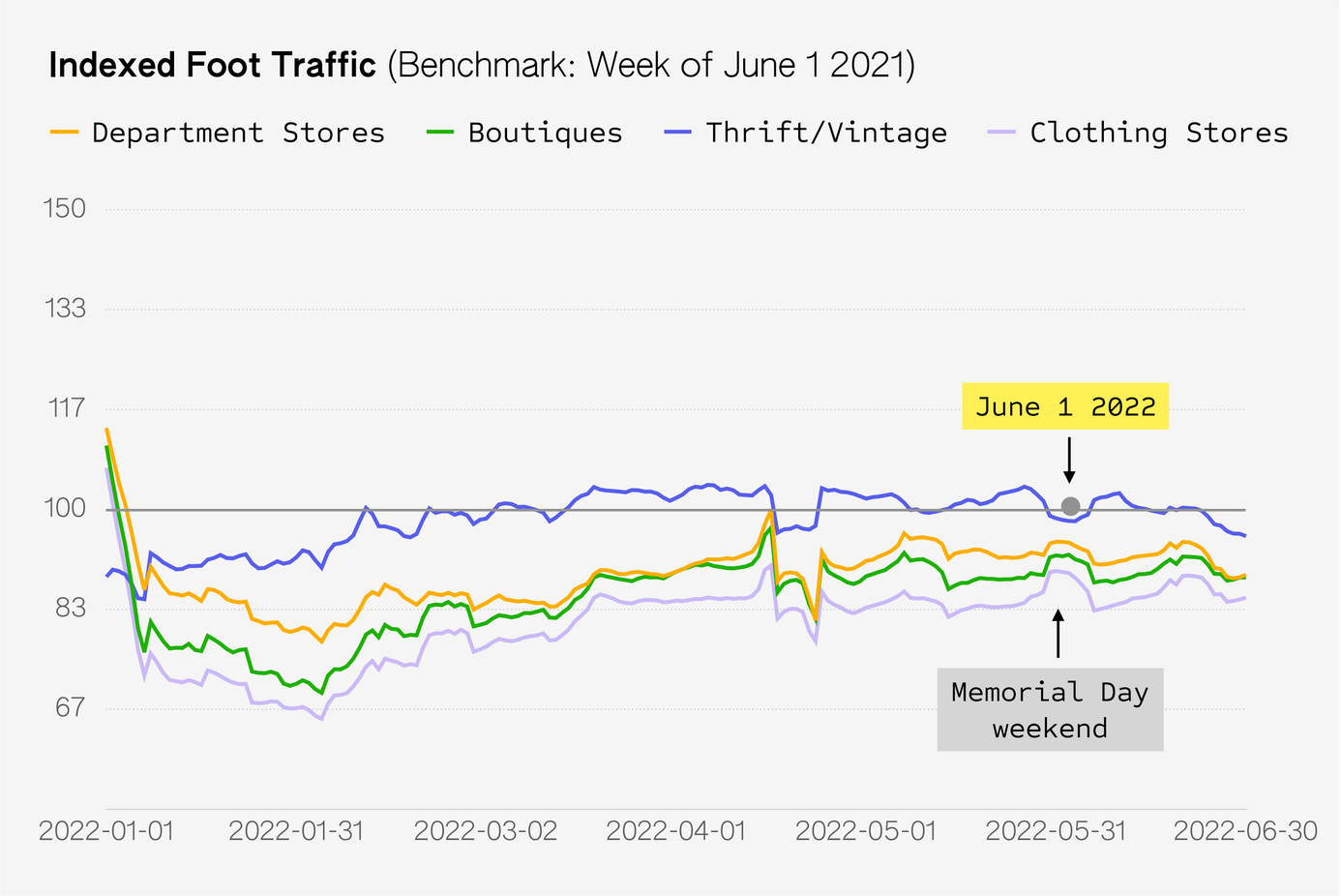


Chart represents indexed foot traffic to various retail stores amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

Location data suggests that Americans are cutting back on nonessential purchases such as **home goods, furniture, electronics & apparel**

As of June 1 2022, foot traffic to home goods, furniture, electronics and apparel retailers had declined by **-5-10%** from June 1 2021.

This decrease in visitation has become more apparent in recent months, further suggesting that many Americans are cutting back on non-essential purchases amidst rising inflation.

As financial situations worsen, these retailers are likely to experience an even bigger hit while foot traffic to essential retailers will more likely remain stable due to necessity. Perhaps this is a prime opportunity for essential retailers such as **big box** and **wholesale clubs** to conquest from adjacent retail categories and influence buyer behavior with promotional offers on nonessential products such as electronics, home goods/furniture and apparel.

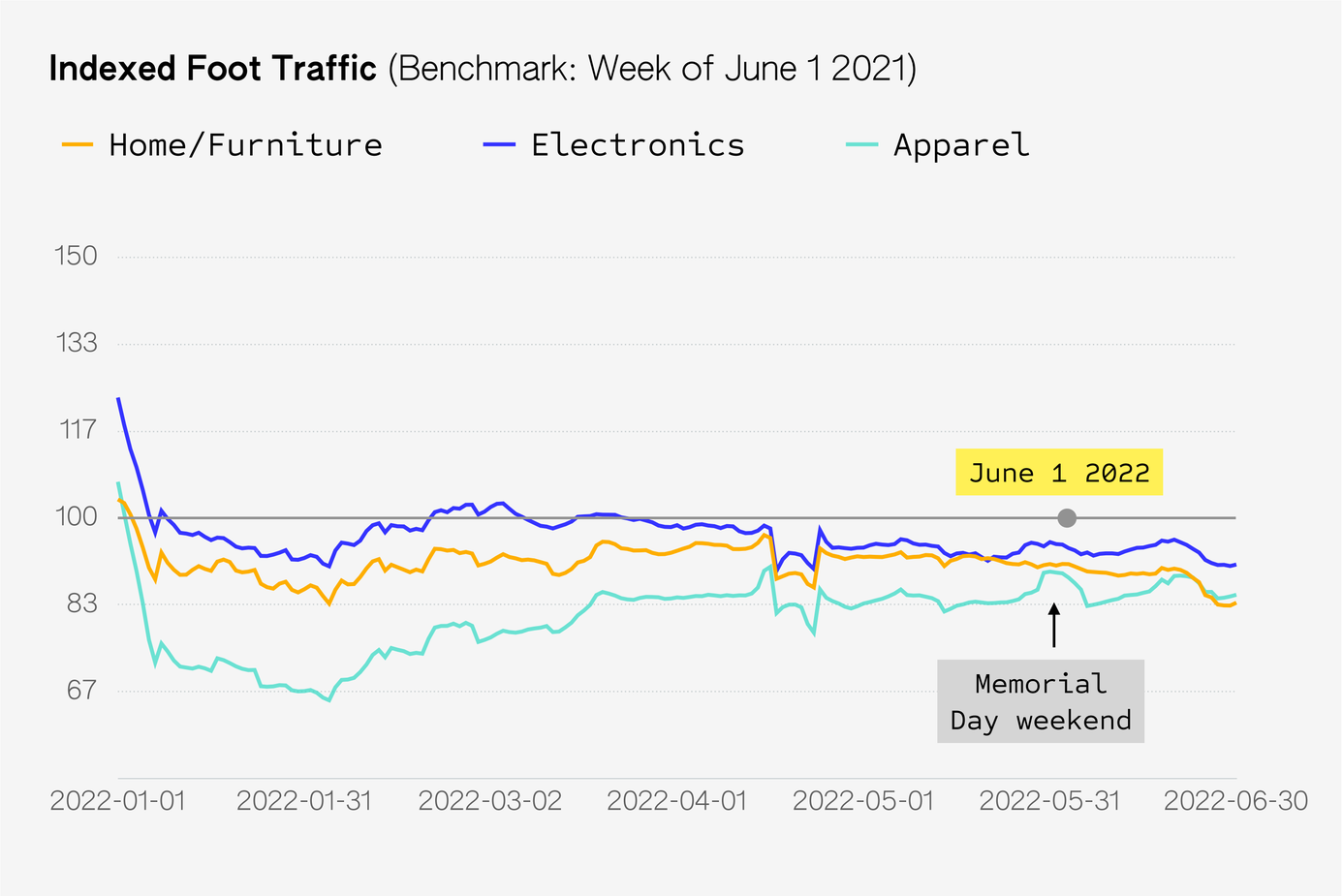


Chart represents indexed foot traffic to various retail stores amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

Americans are still treating themselves to simple pleasures.

Location data suggests that many Americans are still treating themselves to **simple pleasures** despite the current state of our economy

Location data reveals that Americans are still treating themselves to simple pleasures such as gym memberships, beauty services and specialty beverages from their favorite coffee shops.

In the 12-month period ending June 1 this year, foot traffic to **gyms and fitness studios** had increased by +17% and foot traffic to **nail salons** had increased by +8% (from last June).

While Americans have certainly grown more conscious of spending habits across dining, retail and travel, location data confirms that Americans are still **willing to spend on physical health, beauty and wellness.**

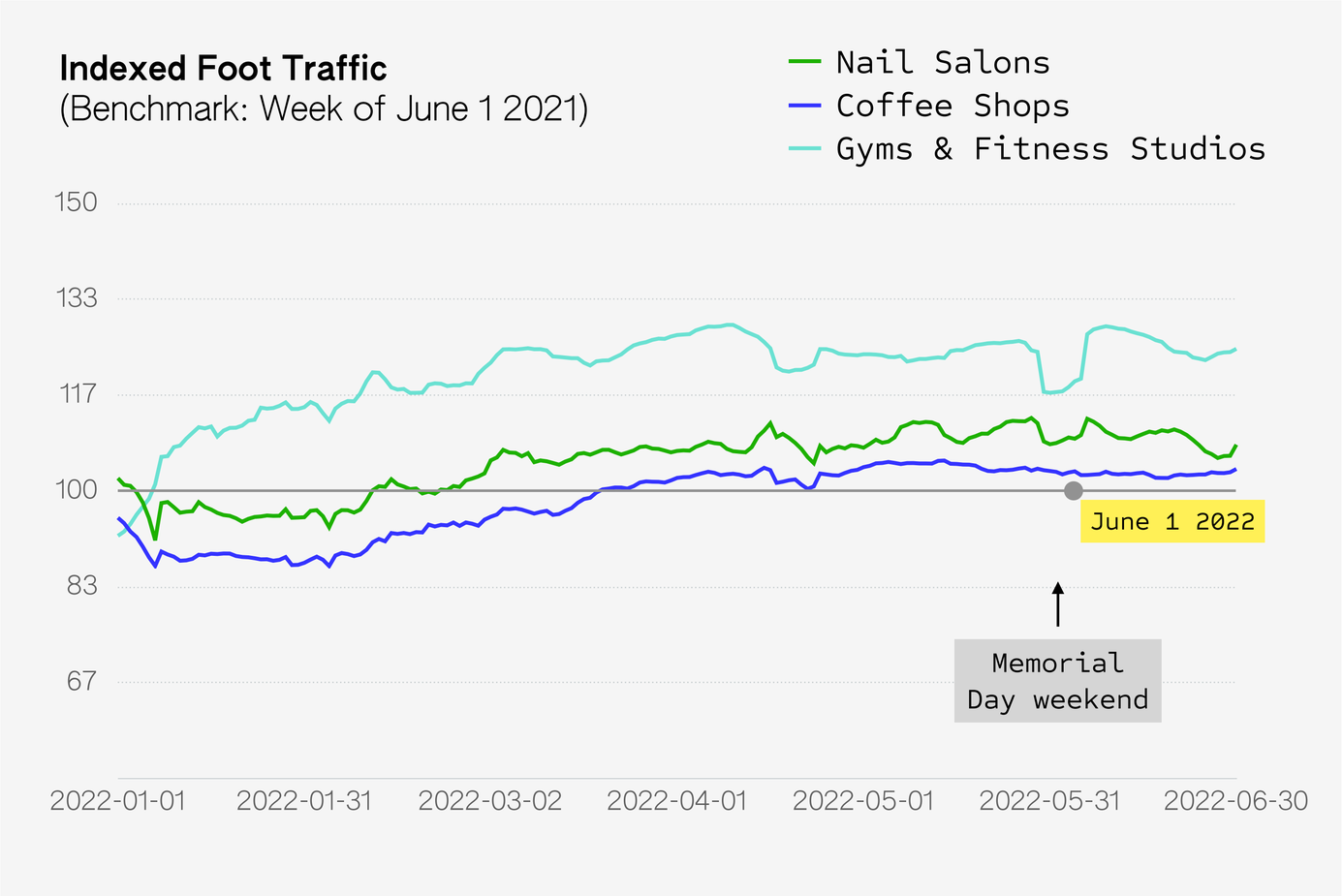


Chart represents indexed foot traffic to various places amongst all U.S. consumers, where visits in the first week of June 2021 = 100.

What type of behavioral changes are consumers making based on income?

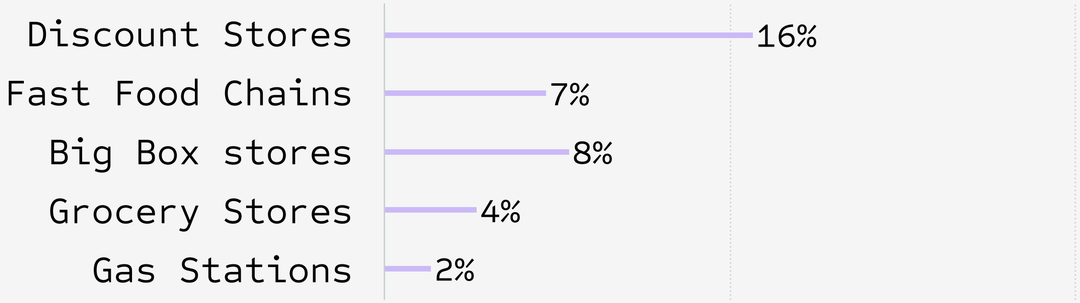
Travel, dining, nightlife & nonessential retailers are seeing less traffic than expected from **lower income consumers**

In June 2022, **big box & discount stores** saw +8-16% more than their fair share of traffic from lower income consumers (under $50K annual income).

Fast food chains also saw +7% more traffic than expected from this audience, while **casual dining chains** saw -3% less traffic than expected. According to a survey from CNBC*, an even higher % of <$50K consumers reported cutting back on dining out in the past 6 months (over 50%) relative to higher income groups. Indeed, our data suggests that low income consumers are cutting back on dining out in preference of fast food or home-cooked meals.

At the same time, lower income consumers are cutting back on **travel, nightlife** and **nonessential shopping trips** for things like home decor, furniture and apparel. **Airports**, for example, saw -45% less traffic than expected from low income consumers in June, while **bars** saw -12% less traffic than expected.

Categories that are seeing **more** than their fair share of consumers with **under $50K annual income** relative to total U.S. population



Categories that are seeing **less** than their fair share of consumers with **under $50K annual income** relative to total U.S. population

FSQ

Foursquare data from June 2022; % represents an Index, indicating which categories are seeing more/less than their fair share of visits from consumers with under $50K annual income relative to % of total U.S. population; *Source: CNBC

Lower income consumers are avoiding trips to **nonessential retailers**

Change in foot traffic to various places amongst Americans with **under $50K annual income** between June 1 2021 to June 1 2022:

Home/Furniture: **-17%**
Department Stores: **-14%**
Shopping Malls: **-10%**

Within the 12-month period ending June 1 2022, foot traffic to home/furniture and department stores had decreased by -14-17% amongst consumers with under $50K annual income. And by the end of June this year, foot traffic to home/furniture stores was down by -22%.

Indexed Foot Traffic Amongst Under $50K Consumers
(Benchmark: Week of June 1 2021 = 100)

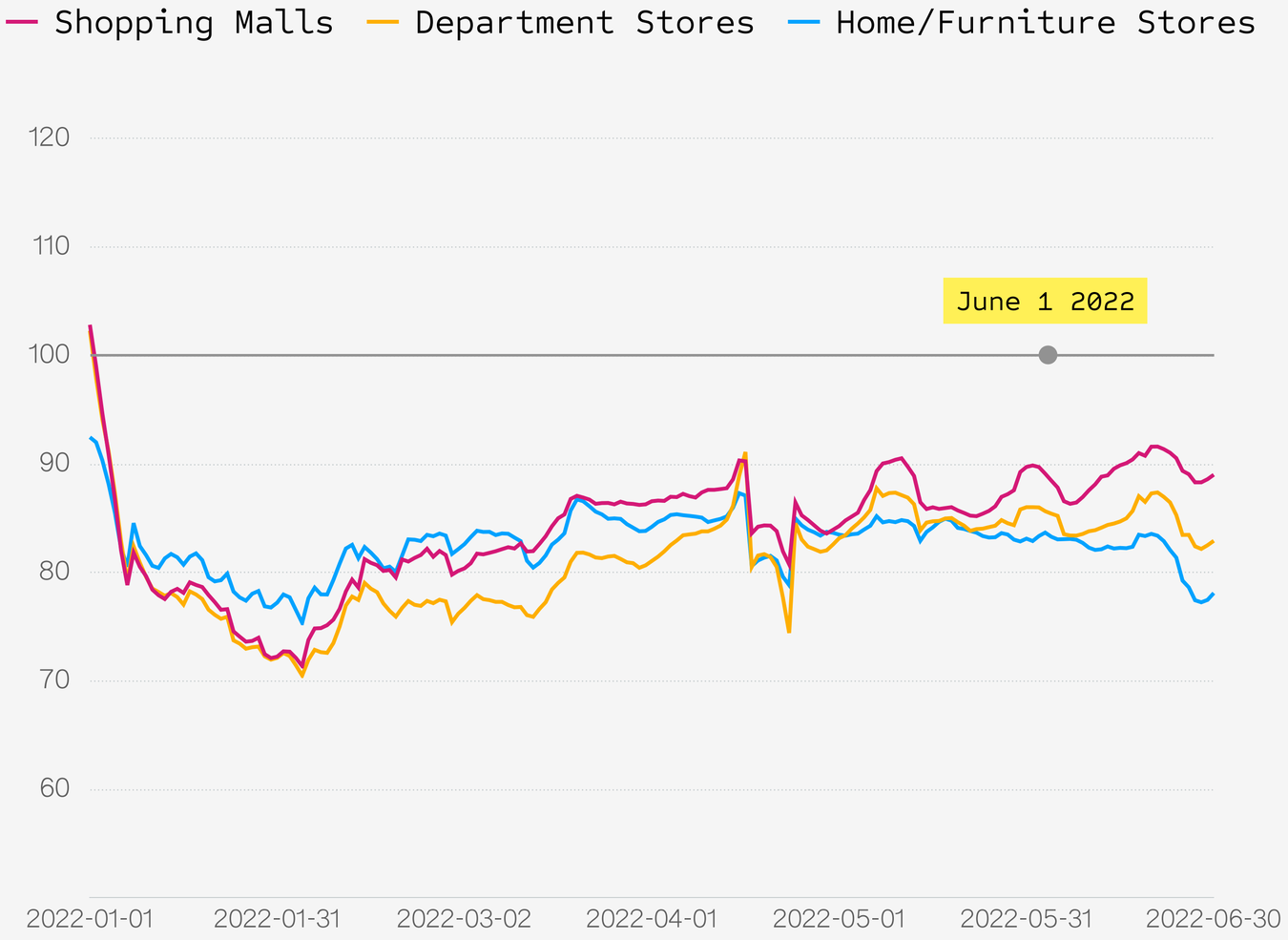


Chart represents indexed foot traffic to various categories amongst U.S. consumers with < $50K annual income, where visits in the first week of June 2021 = 100;

Fewer low income consumers are making trips to **essential retailers** compared to last year

Change in foot traffic to various places amongst Americans with **under $50K annual income** between June 1 2021 to June 1 2022:

Big Box Stores: **-9%**
Grocery Stores: **-7%**
Wholesale Clubs: **-6%**
Discount Stores: **-6%**

While big box, discount and grocery stores are still seeing more than their fair share of lower income consumers, we've seen a a decrease in visitation to these places within the 12-month period ending June 1 2022.

Indexed Foot Traffic Amongst Under $50K Consumers
(Benchmark: Week of June 1 2021 = 100)

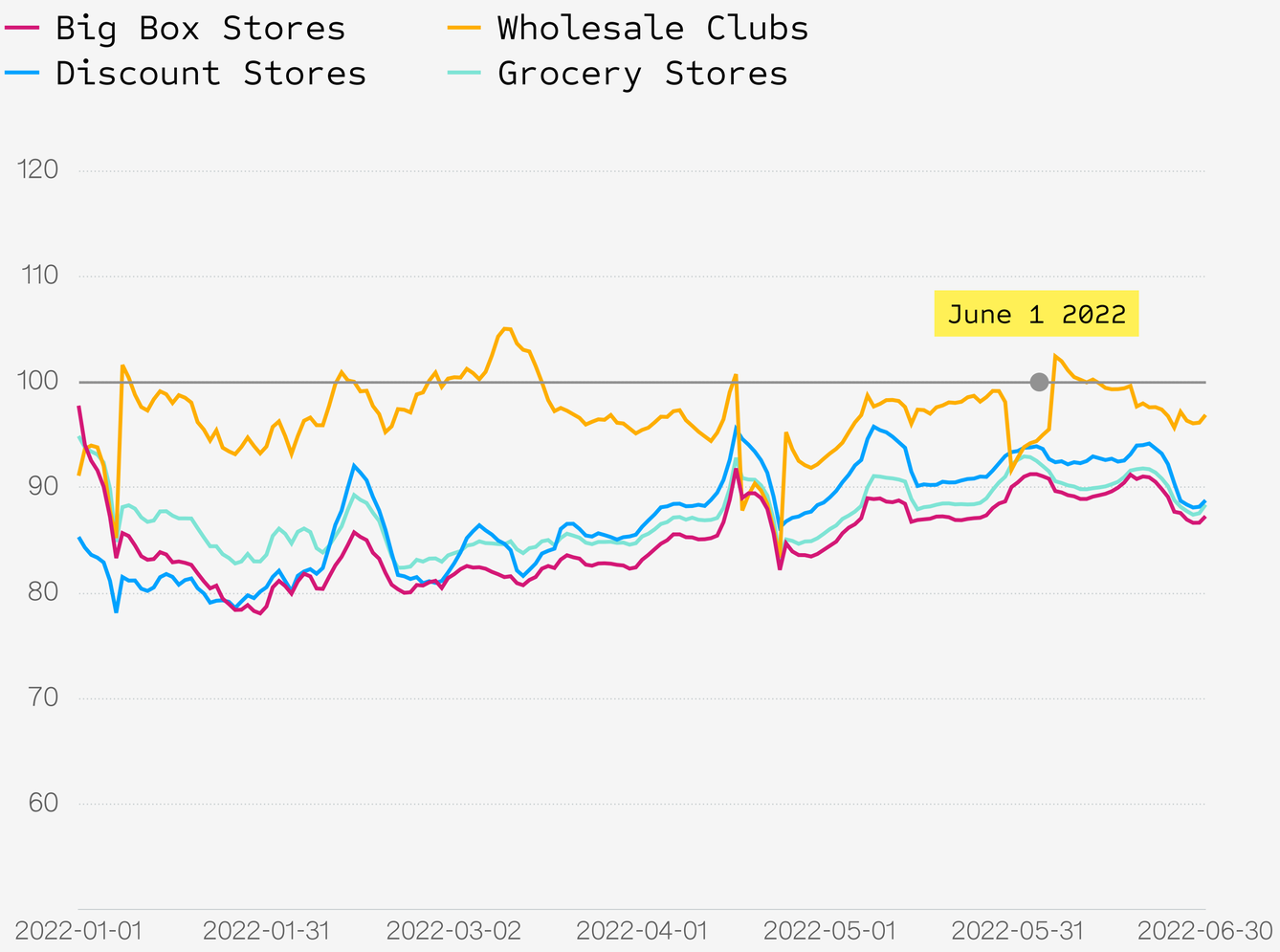


Chart represents indexed foot traffic to various categories amongst U.S. consumers with < $50K annual income, where visits in the first week of June 2021 = 100;

Lower income consumers are cutting back on **dining out & nightlife activities**

Change in foot traffic to various places amongst Americans with **under $50K annual income** between June 1 2021 to June 1 2022:

Fast Food: **-4%**
Grocery Stores: **-7%**
Casual Dining: **-17%**
Bars: **-18%**

Within the 12-month period ending June 1 2022, foot traffic to bars and casual dining chains had decreased by -17-18% amongst consumers with under $50K annual income. Fast food visitation was also slightly down amongst this audience, though by only -4%.

In June 2022, fast food venues were still seeing +7% more than their fair share of traffic from this audience, and visit frequency averaged at 7 visits per customer that month.

Indexed Foot Traffic Amongst Under $50K Consumers
(Benchmark: Week of June 1 2021 = 100)

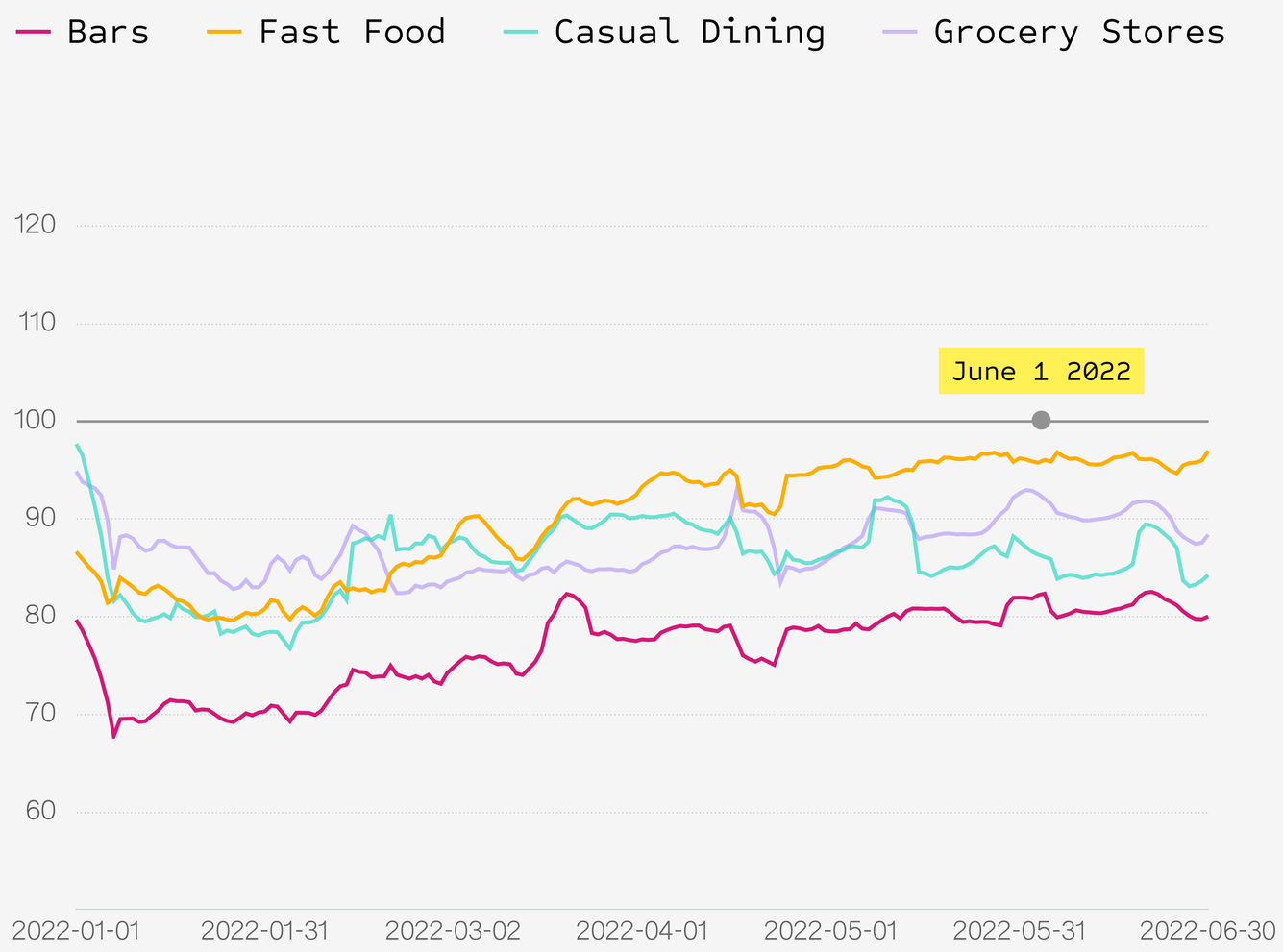


Chart represents indexed foot traffic to various categories amongst U.S. consumers with < $50K annual income, where visits in the first week of June 2021 = 100;

Air travel & hotel stays are down amongst lower income Americans compared to last summer

Change in foot traffic to various places amongst Americans with **under $50K annual income** between June 1 2021 to June 1 2022:

Gas Stations: **+2%**
Airports: **-12%**
Hotels: **-17%**

Despite a substantial uptick in travel since the start of this summer, foot traffic to **airports** and **hotels** was still down -12-17% amongst lower income consumers within the 12-month period ending June 1.

Meanwhile, foot traffic to **gas stations** was actually up +2% as of June 1 and had remained elevated throughout the remainder of the month (+5% by June 30 2022). As airfare becomes more costly, this audience may become more reliant on ground transportation for any upcoming travel plans.

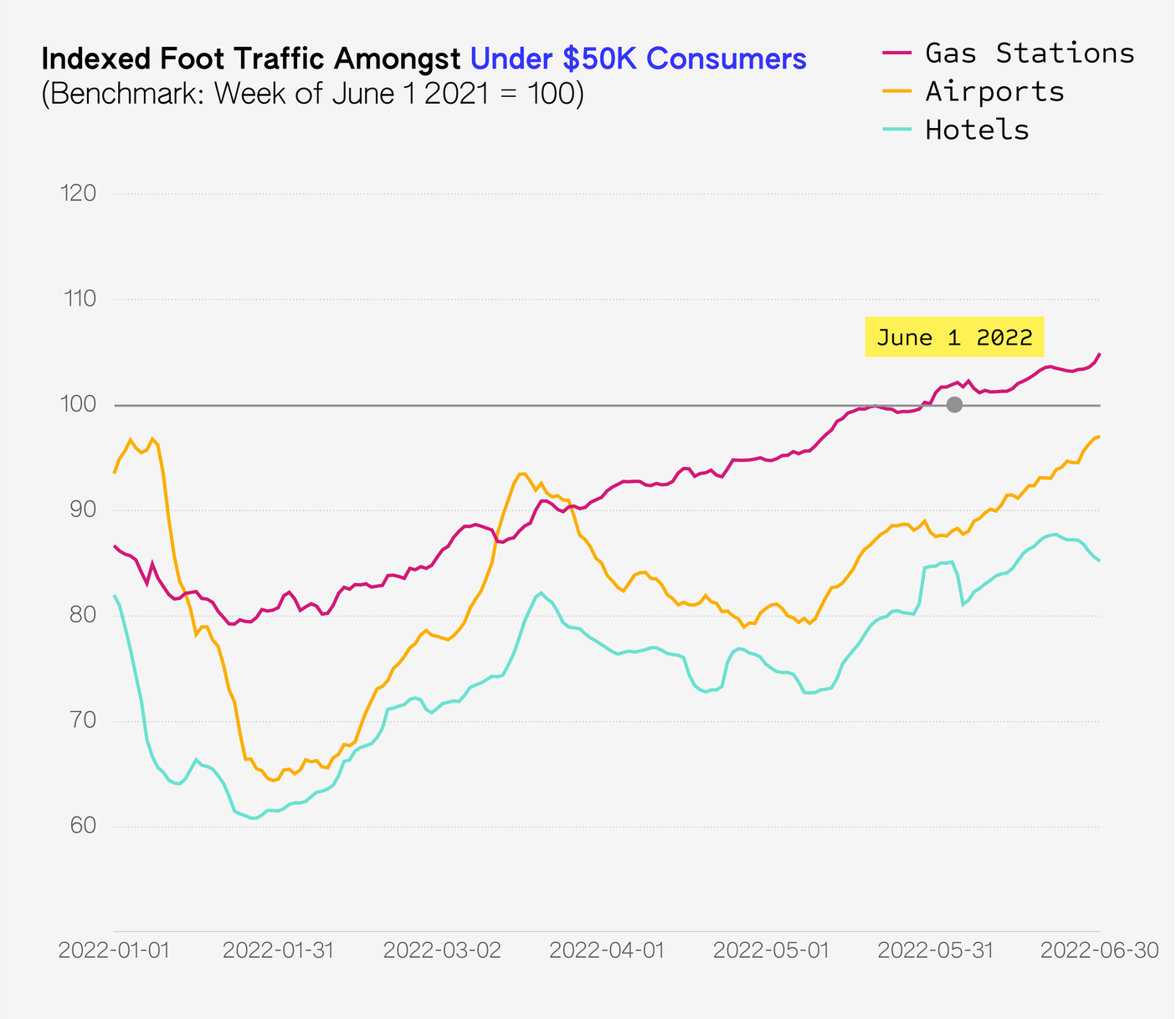


Chart represents indexed foot traffic to various categories amongst U.S. consumers with < $50K annual income, where visits in the first week of June 2021 = 100;

Lower income consumers have been cutting back on trips to **home decor, furniture & hardware retailers** since last summer

Change in foot traffic to various places amongst Americans with **under $50K annual income** between June 1 2021 to June 1 2022:

Hardware Stores: **-2%**
Home/Furniture Stores: **-17%**

As of June 1 this year, foot traffic to **hardware stores** amongst low income consumers had only decreased by -2% from where it was just 12 months prior. However, hardware store visitation has declined quite rapidly amongst this audience since then, and was down -17% as of June 30 this year.

In June 2022, home/furniture and hardware stores were seeing -7-10% less traffic than expected of this audience relative to total U.S. population.

Indexed Foot Traffic Amongst Under $50K Consumers
(Benchmark: Week of June 1 2021 = 100)

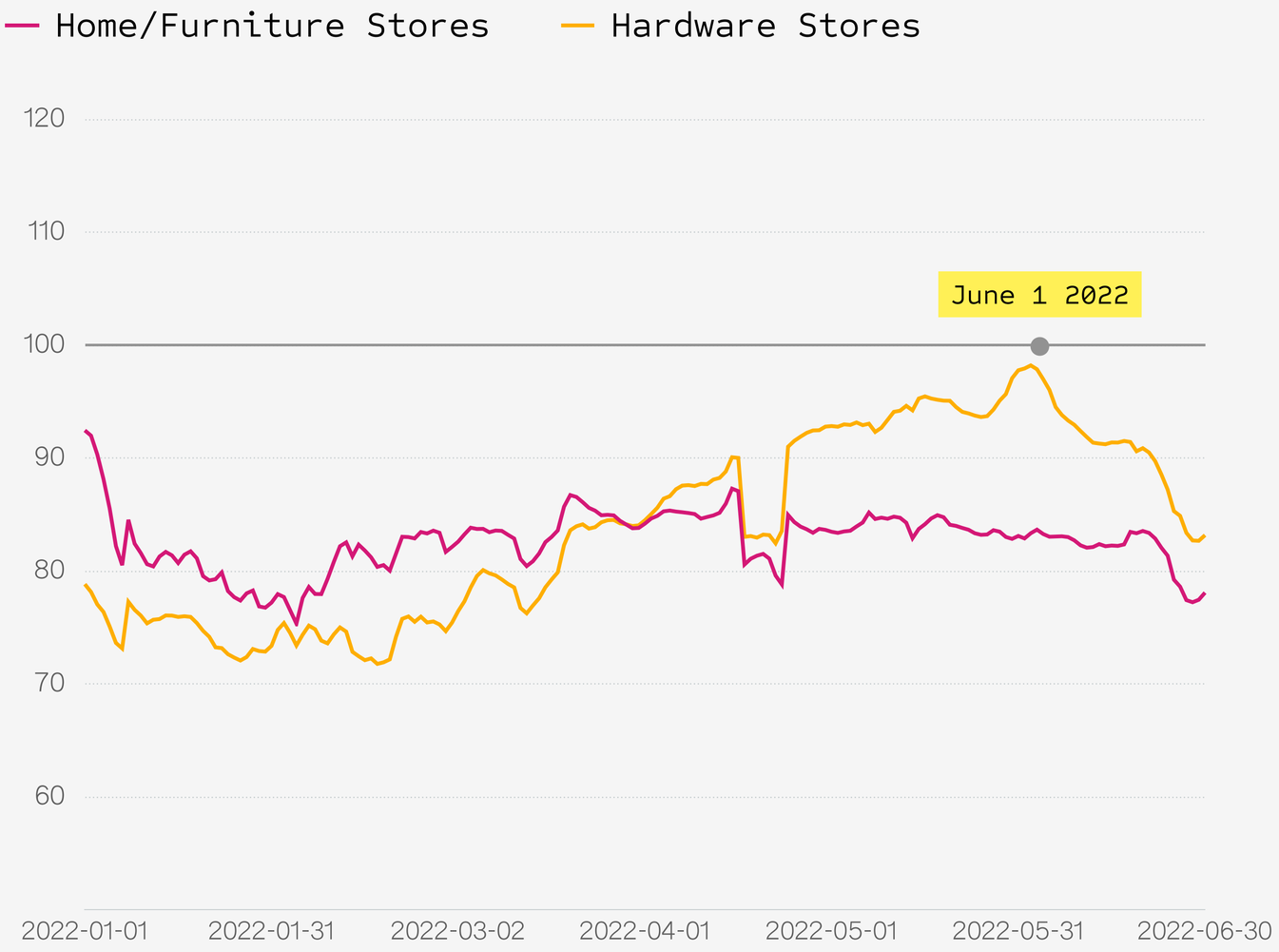


Chart represents indexed foot traffic to various categories amongst U.S. consumers with < $50K annual income, where visits in the first week of June 2021 = 100;

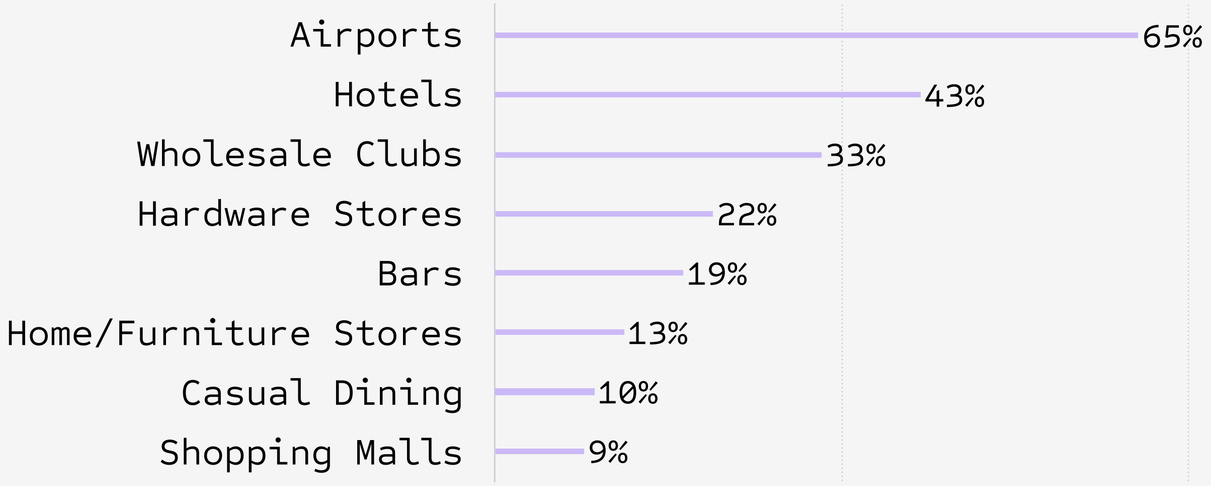
Many travel, dining, nightlife & entertainment venues are still seeing more traffic than expected from **middle income consumers**

Despite rising costs of travel, places like **airports** and **hotels** are seeing more than their fare share of middle income consumers (by over 43%) relative to total U.S. population this summer.

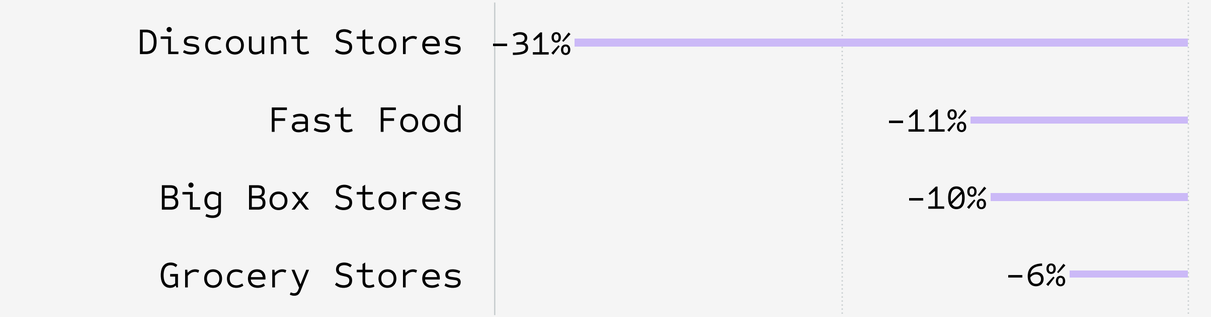
This audience is also still treating themselves to simple pleasures like dining out, visiting nightlife venues and shopping for nonessentials.

Despite rising prices, middle income Americans are less reliant on cost-effective retailers and dining venues than expected. In June 2022, places such as discount stores, fast food restaurants and big box stores were still seeing -10-11% less traffic than expected of this audience relative to total U.S. population.

Categories that are seeing **more** than their fair share of consumers with **between $50K-100K annual income** relative to total U.S. population



Categories that are seeing **less** than their fair share of consumers with **between $50K-100K annual income** relative to total U.S. population



FSQ

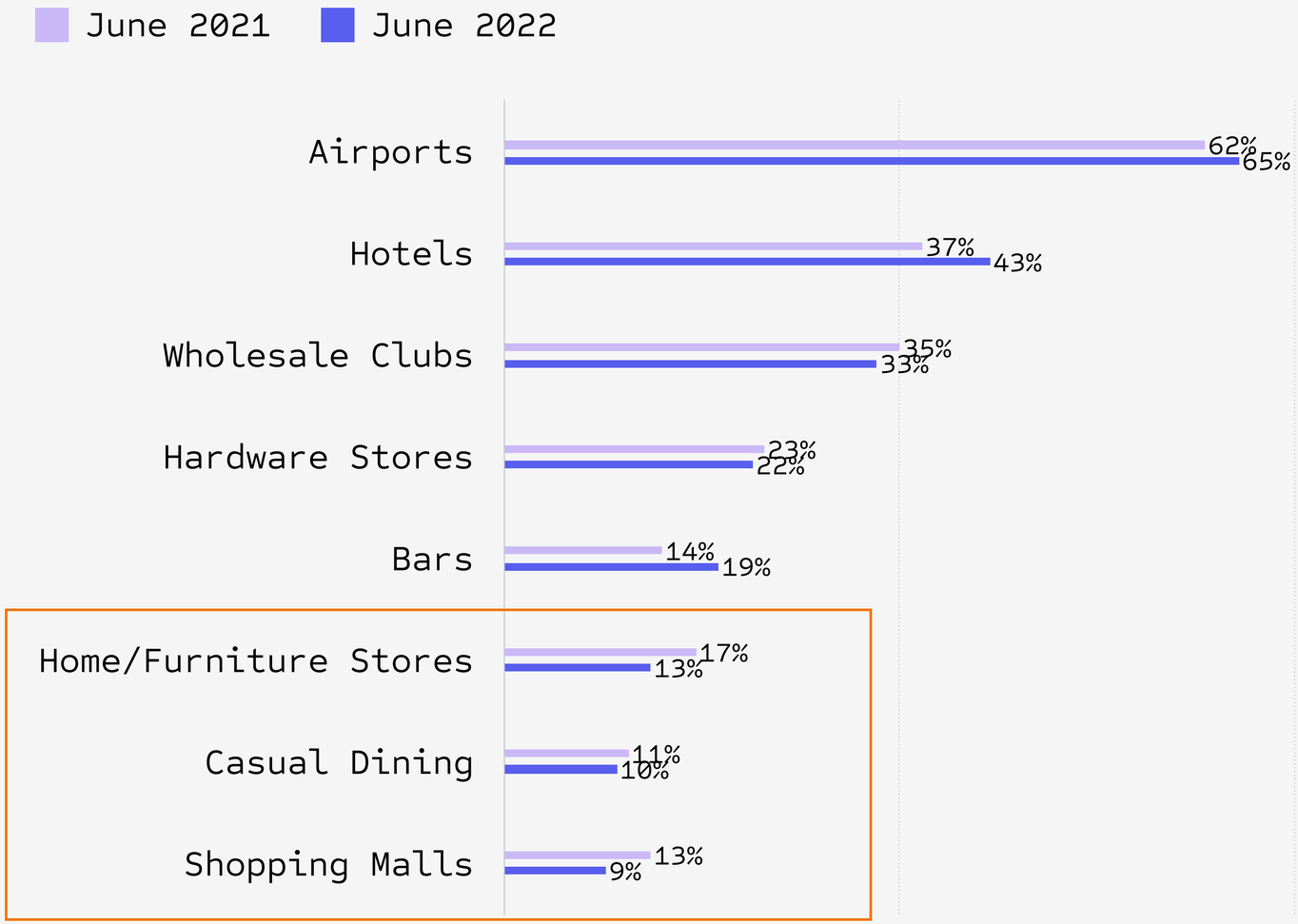
Foursquare data from June 2022; % represents an Index, indicating which categories are seeing more/less than their fair share of visits from consumers with $500-100K annual income relative to % of total U.S. population; *Source: CNBC

Middle income consumers are starting to cut back on dining out, driving & brand-name products

While all of these categories are still seeing more than their fair share of consumers with annual income between $50-100K relative to U.S. population, location data reveals that places like **gas stations, shopping malls, casual dining chains** and **home/furniture retailers** are now seeing slightly less than their fair share of this audience **compared to just 12 months prior**.

Indeed, according to an article from CNBC*, an even higher % of this audience reportedly **cut back on dining out & driving**, and even **switched from brand-name to generic products** within the past 6 months due to higher prices relative to other income groups (under $50K & $100K+).

Categories that saw **more** than their fair share of consumers with **between $50-100K annual income** relative to total U.S. population in **June 2021 vs 2022:**



Foursquare data from June 2021 & 2022; % represents an Index, indicating which categories are seeing more/less than their fair share of visits from consumers with $500-100K annual income relative to % of total U.S. population; *Source: CNBC

Middle income consumers are cutting back nonessential shopping trips

Change in foot traffic to various places amongst Americans with **between $50-100K annual income** between June 1 2021 to June 1 2022:

Department Stores: **-3%**
Shopping Malls: **-4%**
Home/Furniture: **-8%**

Within the 12-month period ending June 1 2022, foot traffic to shopping malls, home/furniture and department stores had decreased by -3-8% amongst consumers with $50-100K annual income. And by the end of June this year, foot traffic across all of these categories was down -12-19% amongst this audience relative to early June 2021.

That said, these places are generally still seeing more than their fair share of middle income Americans relative to total U.S. population.

Indexed Foot Traffic Amongst $50-100K Consumers
(Benchmark: Week of June 1 2021 = 100)

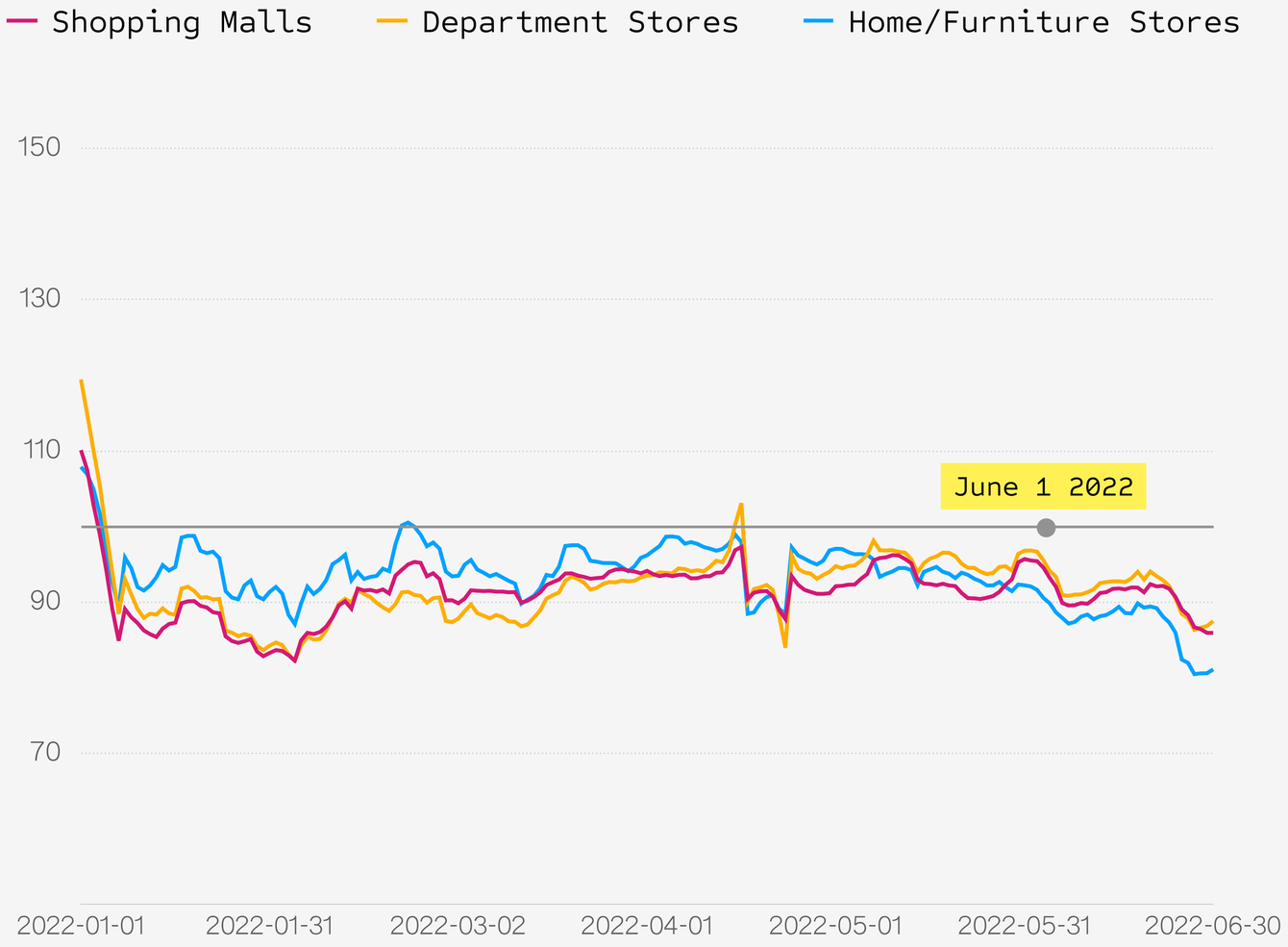


Chart represents indexed foot traffic to various categories amongst U.S. consumers with $500-100K annual income, where visits in the first week of June 2021 = 100;

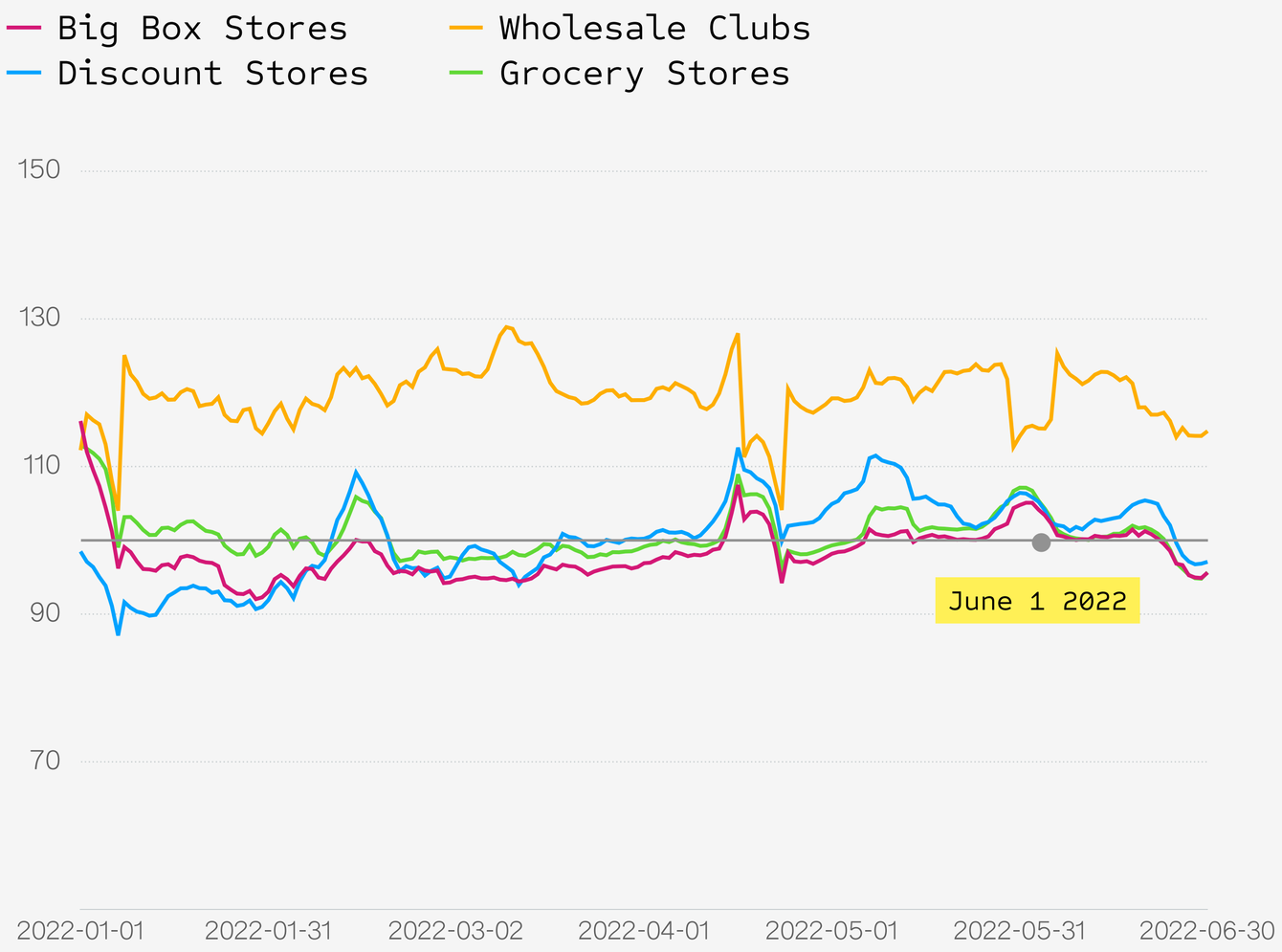
Middle income consumers are relying more heavily on wholesale club memberships

Change in foot traffic to various places amongst Americans with **between $50-100K annual income** between June 1 2021 to June 1 2022:

Wholesale Clubs: **+15%**
Grocery Stores: **+7%**
Discount Stores: **+6%**
Big Box Stores: **+5%**

Within the 12-month period ending June 1 2022, foot traffic to most everyday essential retailers had increased amongst consumers with $50-100K annual income, and foot traffic to **wholesale clubs** had increased the most (by +15%). This data suggests that middle income consumers are starting to rely more heavily on wholesale memberships for savings on everyday essentials.

Indexed Foot Traffic Amongst $50-100K Consumers
(Benchmark: Week of June 1 2021 = 100)



FSQ

Chart represents indexed foot traffic to various categories amongst U.S. consumers with $500-100K annual income, where visits in the first week of June 2021 = 100;

Middle income consumers are cutting back on casual dining & nightlife activities

Change in foot traffic to various places amongst Americans with **between $50-100K annual income** between June 1 2021 to June 1 2022:

Grocery Stores: **+7%**
Fast Food: **+6%**
Casual Dining: **-3%**
Bars: **-6%**

Within the 12-month period ending June 1 2022, foot traffic to bars and casual dining chains had decreased by **-3-6%** amongst consumers with $50-100K annual income, while foot traffic to fast food chains and grocery stores had increased by **+6-7%** from 12 months prior. This data suggests a change in behavior, with more consumers cutting back on expensive dining experiences by cooking more at home and/or opting for affordable fast food options.

Indexed Foot Traffic Amongst $50-100K Consumers
(Benchmark: Week of June 1 2021 = 100)

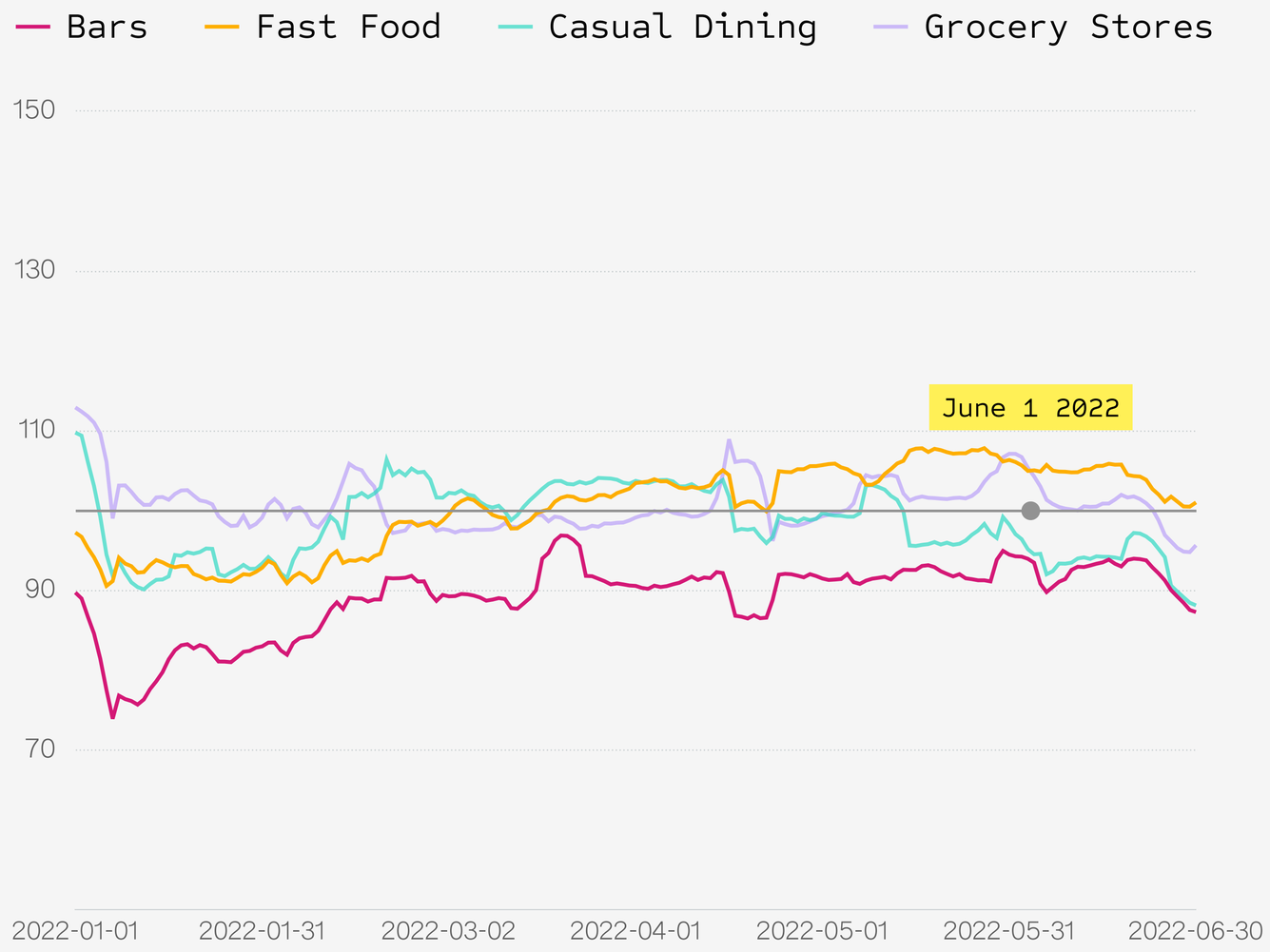


Chart represents indexed foot traffic to various categories amongst U.S. consumers with $500-100K annual income, where visits in the first week of June 2021 = 100;

Middle income consumers are traveling more by car & by plane compared to last summer

Change in foot traffic to various places amongst Americans with **between $50-100K annual income** between June 1 2021 to June 1 2022:

Gas Stations: **+18%**
Airports: **+10%**
Hotels: **+4%**

Travel venues have seen a substantial uptick in visitation amongst middle income consumers since the start of this summer, with foot traffic to **airports** and **gas stations** up by +10-17% within the 12-month period ending June 1.

Despite rising travel costs, this audience is still eager to venture both near & far this summer.

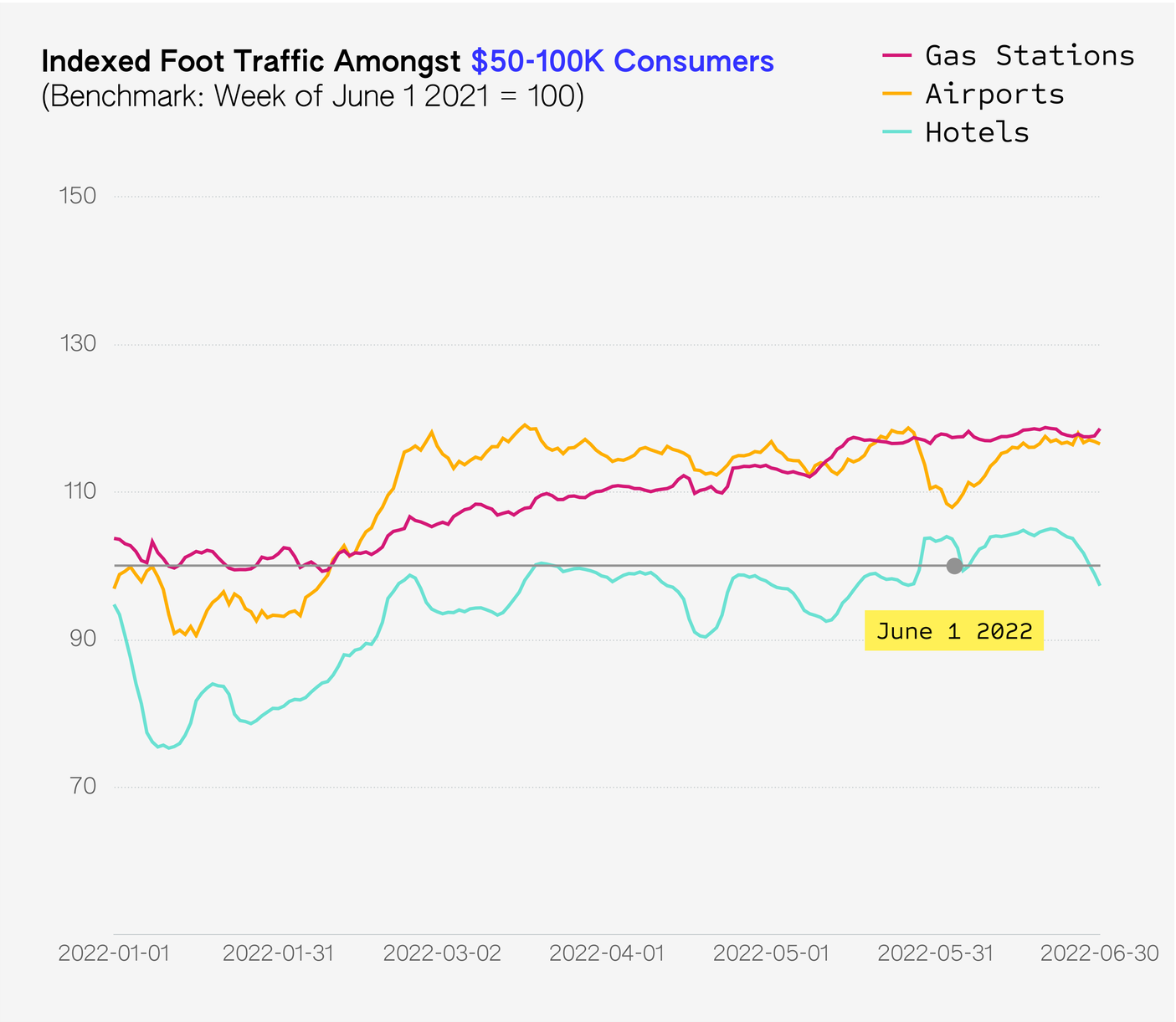


Chart represents indexed foot traffic to various categories amongst U.S. consumers with $500-100K annual income, where visits in the first week of June 2021 = 100;

Hardware stores still benefited from a seasonal uptick in visits from middle income consumers this summer

Change in foot traffic to various places amongst Americans with **between $50-100K annual income** between June 1 2021 to June 1 2022:

Hardware Stores: **+22%**
Home/Furniture Stores: **-8%**

Since the start of this summer, foot traffic to hardware stores has continued to increase amongst middle income consumers, while foot traffic to home/furniture stores has continuously declined. As of June 1 this year, foot traffic to hardware stores was up +22% while home/furniture store visitation was down -8% from just 12 months prior.

While traffic has certainly started to decline, these retailers have still seen more than their fair share of middle income Americans in recent months.

Indexed Foot Traffic Amongst $50-100K Consumers
(Benchmark: Week of June 1 2021 = 100)

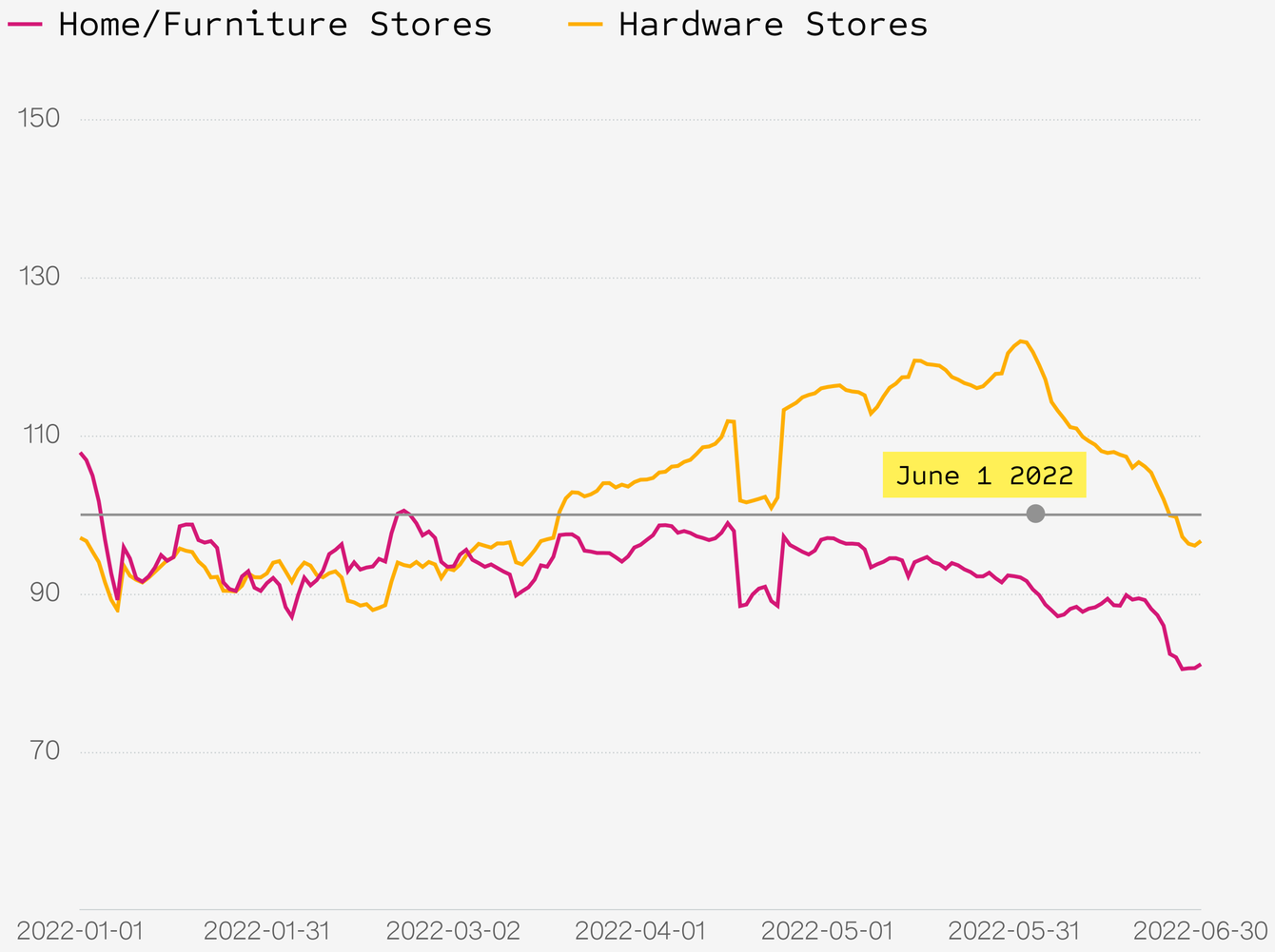


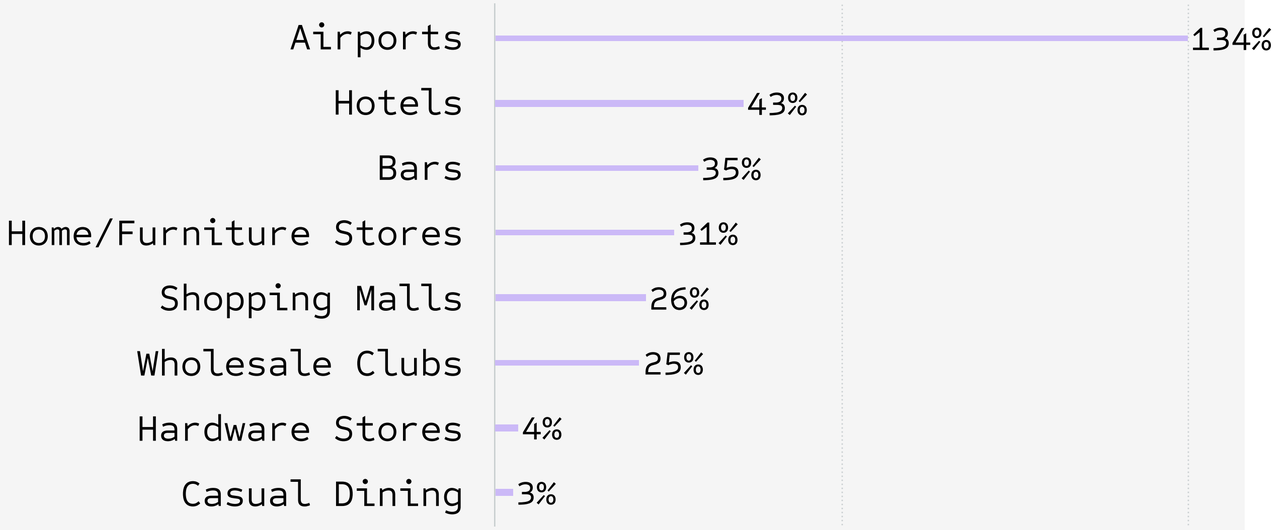
Chart represents indexed foot traffic to various categories amongst U.S. consumers with $500-100K annual income, where visits in the first week of June 2021 = 100;

Many travel, dining, nightlife & entertainment venues are still seeing more traffic than expected from **affluent consumers**

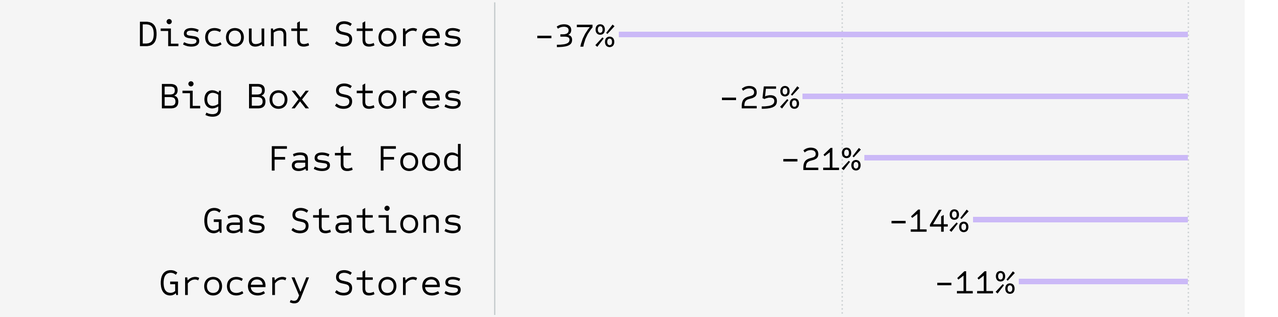
In June 2022, **home/furniture stores & shopping malls** saw more than their fair share of traffic from higher income consumers ($100K+ annual income). While these shoppers might not be reliant on discount and big box stores, they're still inclined to save on everyday essentials with **wholesale club** memberships to places like Sam's Club and Costco.

Casual dining chains and **bars** saw more than their fair share of foot traffic from this audience, while **QSR chains** saw -9% less traffic than expected from this audience, further suggesting that affluent shoppers are are still willing to spend on experiences like dining out & nightlife. Likewise, **airports** and **hotels** are seeing more traffic than expected from this audience, suggesting they have the means and motivation to travel despite rising costs.

Categories that are seeing **more** than their fair share of consumers with **$100K+ annual income** relative to total U.S. population



Categories that are seeing **less** than their fair share of consumers with **$100K+ annual income** relative to total U.S. population



Foursquare data from June 2022; % represents an Index, indicating which categories are seeing more/less than their fair share of visits from consumers with over $100K annual income relative to % of total U.S. population; *Source: CNBC

Higher income consumers are starting to avoid trips to **nonessential retailers**

Change in foot traffic to various places amongst Americans with **over $100K annual income** between June 1 2021 to June 1 2022:

Department Stores: **-5%**
Shopping Malls: **-7%**
Home/Furniture: **-8%**

Within the 12-month period ending June 1 2022, foot traffic to nonessential retailers such as shopping malls, home/furniture and department stores had decreased by **-5-8%** amongst consumers with $100K+ annual income.

And by the end of June this year, foot traffic across all of these categories was down **-12-16%** amongst this audience relative to early June 2021.

Indexed Foot Traffic Amongst $100K+ Consumers
(Benchmark: Week of June 1 2021 = 100)

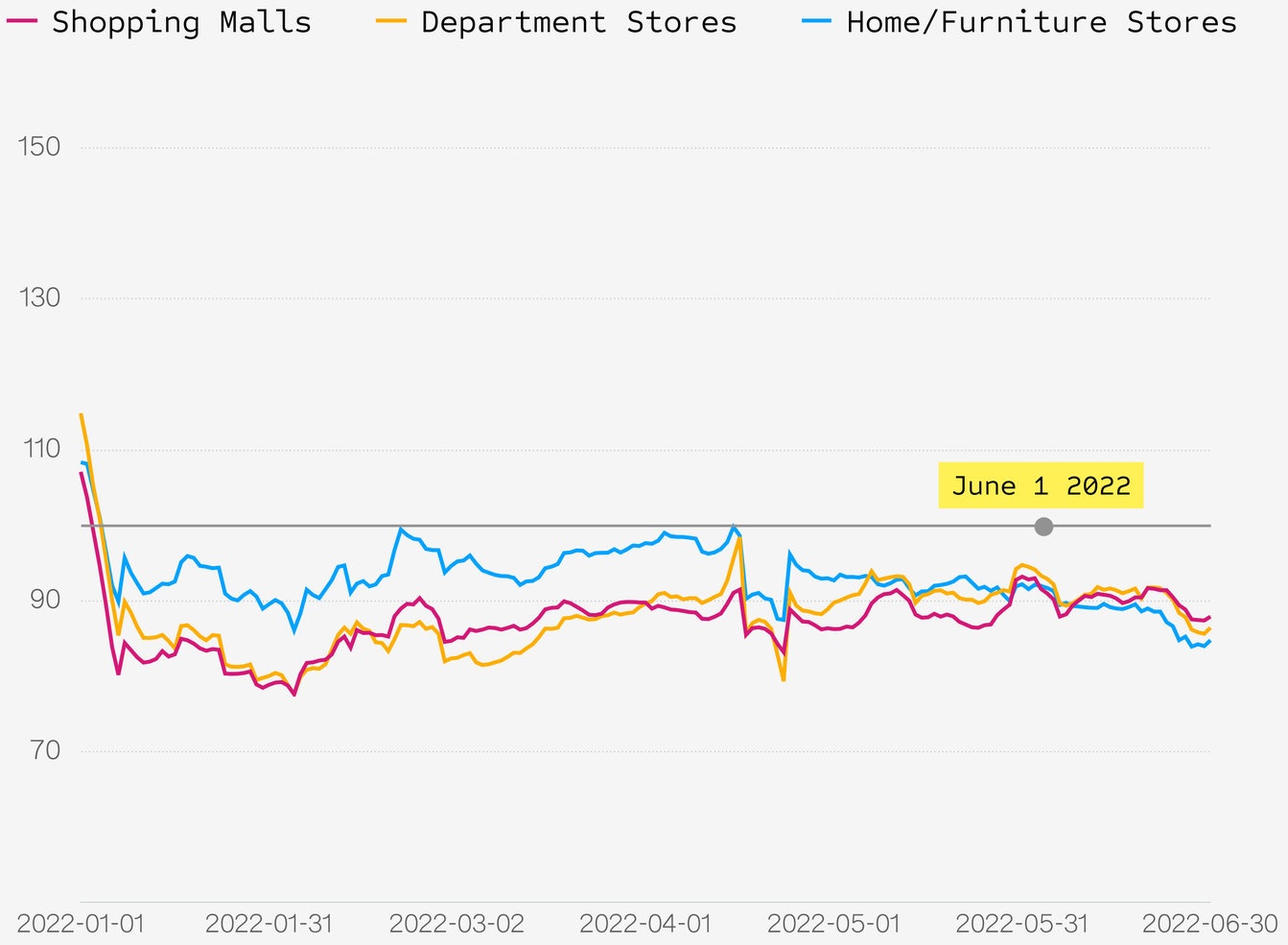


Chart represents indexed foot traffic to various categories amongst U.S. consumers with over $100K annual income, where visits in the first week of June 2021 = 100;

Higher income consumers are looking to wholesale clubs for savings on **everyday essentials**

Change in foot traffic to various places amongst Americans with **over $100K annual income** between June 1 2021 to June 1 2022:

Wholesale Clubs: **+15%**
Grocery Stores: **+2%**
Discount Stores: **+2%**
Big Box Stores: **-1%**

Within the 12-month period ending June 1 2022, foot traffic to most everyday essential retailers had remained fairly stable amongst consumers with $100K+ annual income, while foot traffic to **wholesale clubs** like Costco and Sam's Club had increased by +15% in that time.

Even affluent consumers are looking for opportunities to save on everyday essentials with exclusive membership discounts.

Indexed Foot Traffic Amongst $100K+ Consumers
(Benchmark: Week of June 1 2021 = 100)

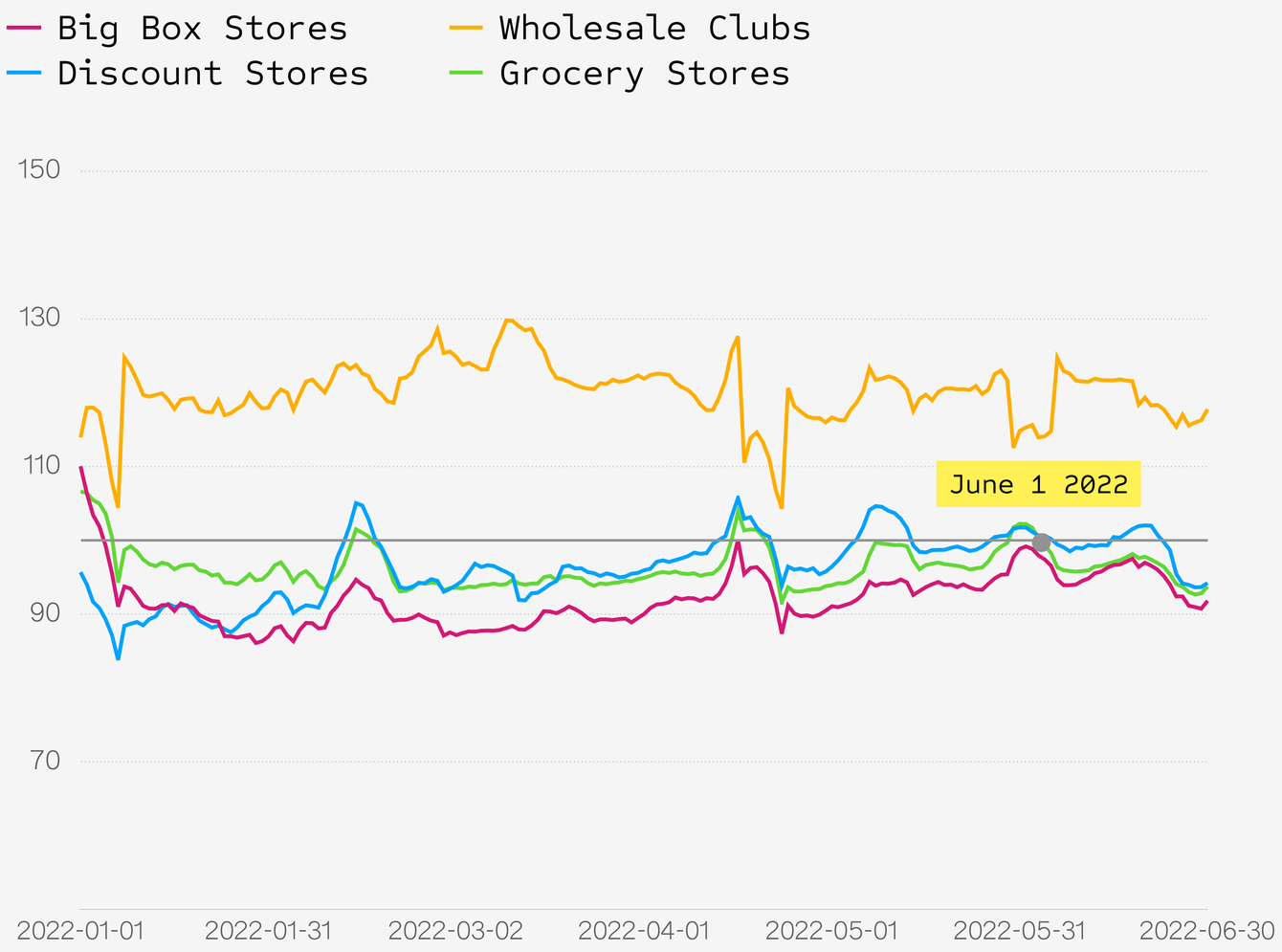


Chart represents indexed foot traffic to various categories amongst U.S. consumers with over $100K annual income, where visits in the first week of June 2021 = 100;

Higher income consumers are cutting back on dining out & nightlife, and opting for **fast food & home-cooked meals**

Change in foot traffic to various places amongst Americans with **over $100K annual income** between June 1 2021 to June 1 2022:

Fast Food: **+2%**
Grocery Stores: **+2%**
Casual Dining: **-4%**
Bars: **-11%**

Within the 12-month period ending June 1 2022, foot traffic to **bars** and **casual dining chains** had decreased by **-4-11%** amongst consumers with $100K+ annual income, while foot traffic to **QSR chains** and **grocery stores** has increased by **+2%** from 12 months prior. This data suggests that more consumers are starting to cut back on dining out in preference of cooking at home and getting fast food.

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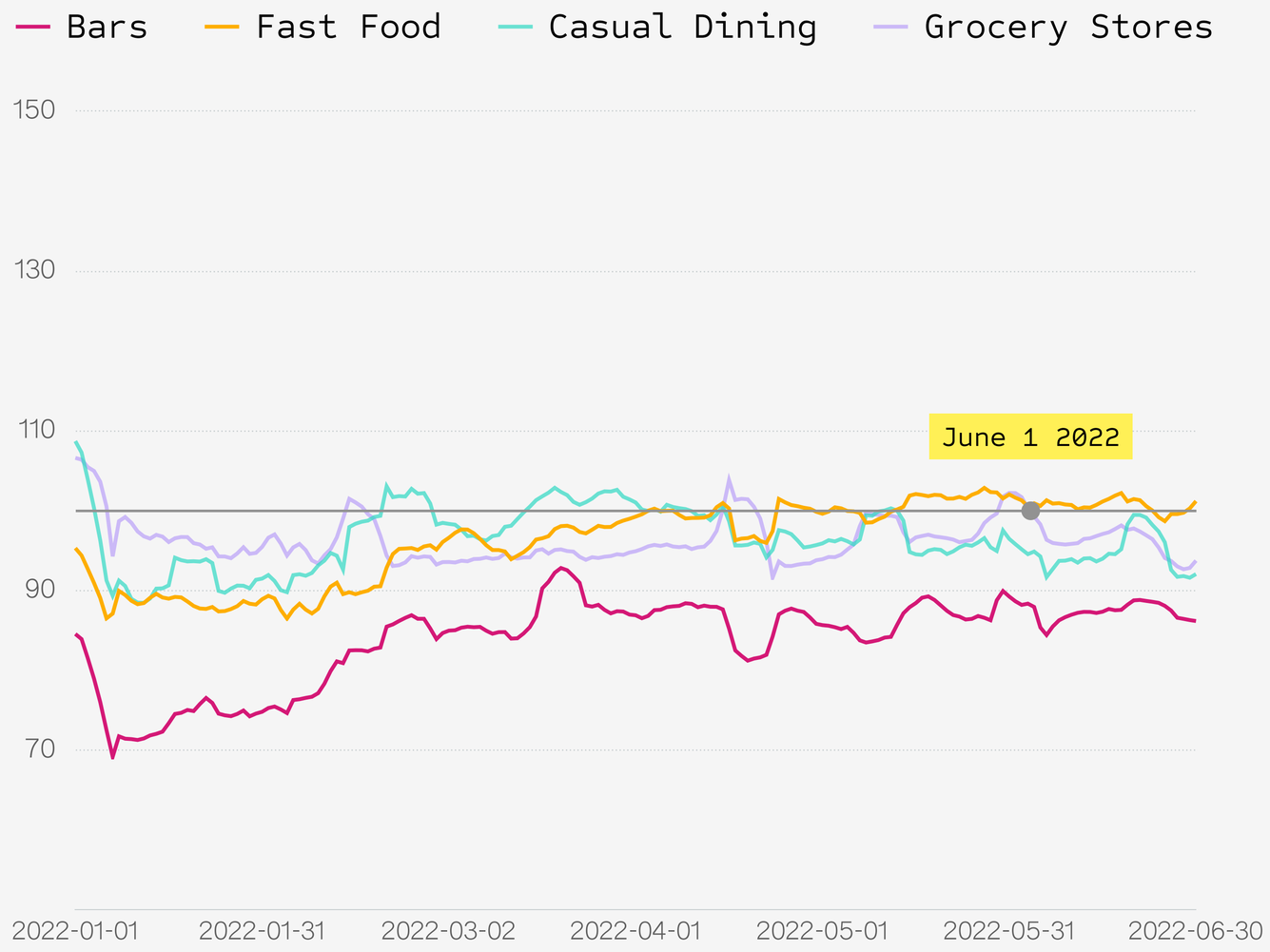

Chart represents indexed foot traffic to various categories amongst U.S. consumers with over $100K annual income, where visits in the first week of June 2021 = 100;

Higher income consumers are eager to **travel** this summer

Change in foot traffic to various places amongst Americans with **over $100K annual income** between June 1 2021 to June 1 2022:

Gas Stations: **+12%**
Airports: **+9%**
Hotels: **-3%**

Travel & leisure venues have seen a substantial uptick in visitation amongst higher income consumers since the start of this summer, with foot traffic to **airports** and **gas stations** up by +10-17% within the 12-month period ending June 1. Airport travel has continued to skyrocket amongst this audience, up by +22% as of June 30.

Foot traffic to **hotels** has hovered just below what we saw last June, indicating that even affluent consumers might prefer more affordable accommodations, such as Airbnbs and vacation rentals.

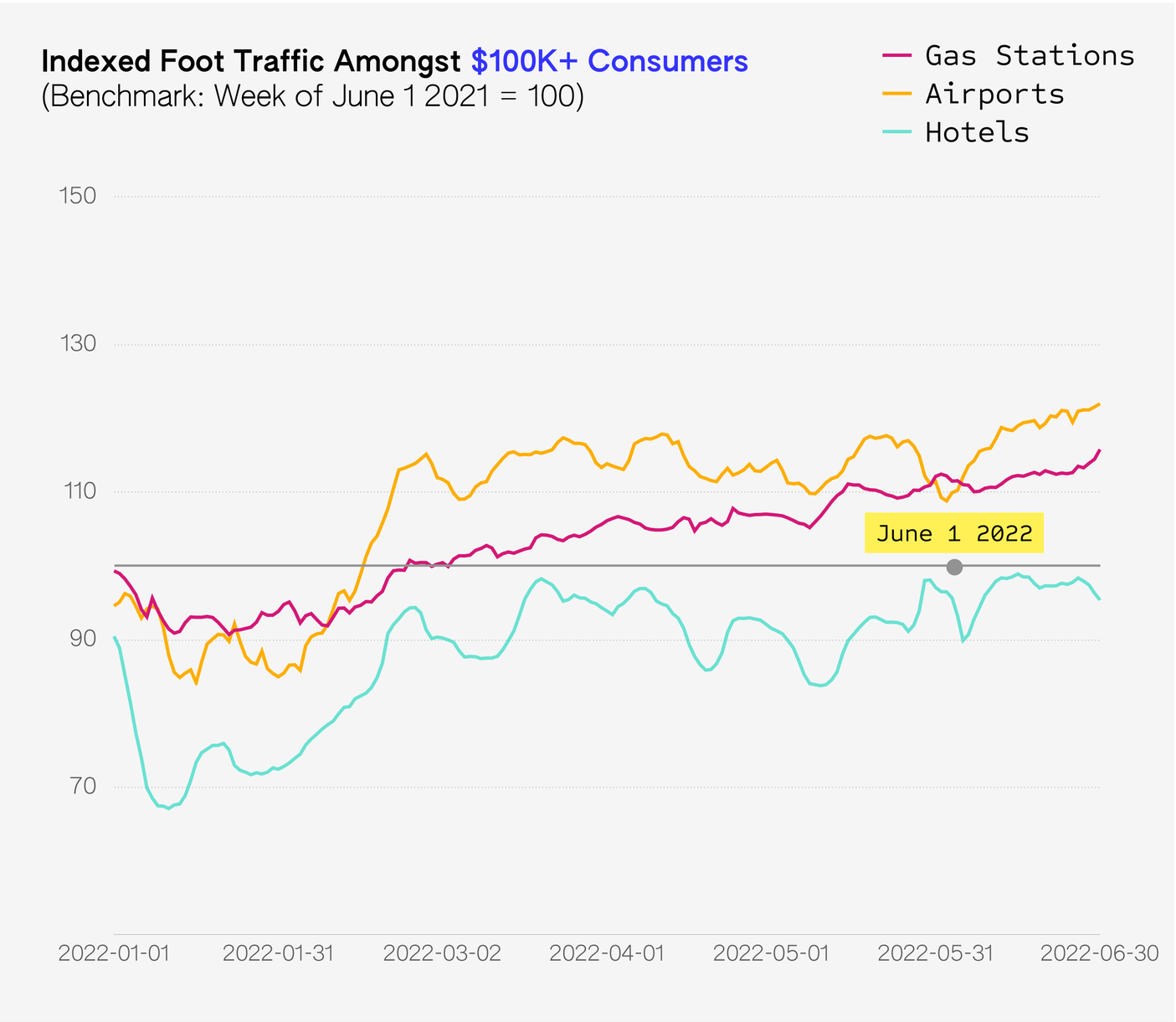

Chart represents indexed foot traffic to various categories amongst U.S. consumers with over $100K annual income, where visits in the first week of June 2021 = 100;

Higher income consumers are starting to cut back on trips to **home decor, furniture & hardware retailers**

Change in foot traffic to various places amongst Americans with **over $100K annual income** between June 1 2021 to June 1 2022:

Hardware Stores: **+13%**
Home/Furniture Stores: **-8%**

Since the start of this summer, foot traffic to **home/furniture stores** has continued to decline amongst higher income consumers, while foot traffic to **hardware stores** has continued to rise.

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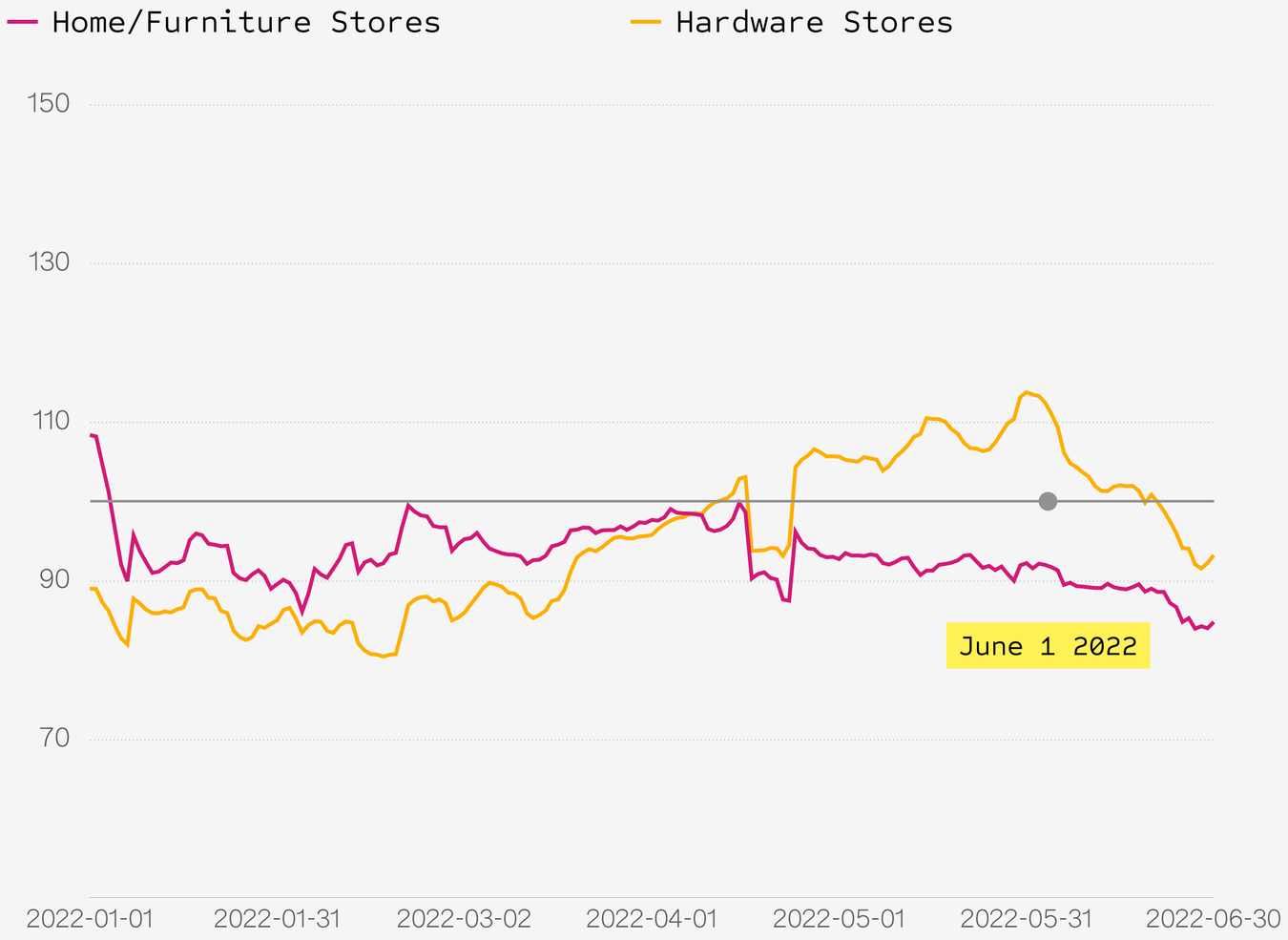

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Executive Summary

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Location data is more important than ever when it comes to keeping track of trends in consumer moments & behavior.

Our analysis of recent foot traffic trends suggests that **fast food chains** should capitalize on the opportunity to attract new customers with enticing value deals & promotions, especially amongst lower income Americans and Gen Zers (18-24) who have been hit especially hard by inflation. With grocery prices still on the rise, **value** & **convenience** will remain the differentiating advantage for fast food brands.

When it comes to shopping, **wholesale clubs** are undeniably gaining traction with Americans who are looking to save on everyday essentials by buying in bulk, especially amongst America's most affluent shoppers. At the same time, location data reveals that today's shoppers (especially lower income Americans) are cutting back on nonessential purchases such as **new apparel, home goods, electronics** and **furniture**. As shopping patterns continues to evolve, retailers should closely monitor cross-shopping behavior to maintain competitive edge.

How to activate with Foursquare.

Segment Audiences

Identify consumers in different life stages with changes in foot traffic patterns, visit frequency & brand affinities

Tap Into Trends

Use taste & trend data to identify consumer preferences, creating programs that drive mass personalization

Reach Consumers With Moment Based Messaging

Dynamically optimize messaging and creative to align with the appropriate moment

Influence Buyer Behavior

Reach key audiences on their path to purchase, intercepting and influencing their journeys

Conquest Competitors

Target consumers in and around competitor locations to change their behavior with conquesting messaging

Proximity Target

Identify consumers in & around store locations to drive them to purchase specific products

Leverage Insights

Use insights on lifestyles & brand preferences to influence future growth initiative

Measure Impact

Monitor how cross platform advertising is driving visits to store locations, optimizing performance in real-time

Thank You

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FSQ