

# Raleigh-Durham Market Report

A Monthly Newsletter for Advertisers in The News & Observer, Raleigh, NC

Prepared by the Market Research Department of The News & Observer

April 2006

## BUSINESS BRIEFS

**Retail** Gap opened a 13,000-SF store, including Gap Kids, BabyGap and Gap Maternity, at Triangle Town Center...Interior Design by Boyles opened at North Hills. Coming soon are Floral Accents & Interiors and Acorn, a women's clothing store... Seasons Garden Center opened in Youngsville...This End Up opened and Circuit City by The Source will open in May in Crabtree Valley Mall...Georgiou Studio, a women's apparel store, opened in Cary Towne Center...Generations salon opened in Brierdale shopping center on U.S. 70 West...Advance Auto Parts opened on New Bern Ave...Costco will open in August at Six Forks Rd. at Old Wake Forest Rd...Wal-Mart and Sam's Club plan to anchor Shiloh Crossing in Morrisville, and Sam's on Harrison Ave. in Cary will close...All Pro Nutrition replaced National Discount Nutrition on Duraleigh Rd...At Harris Teeter-anchored McCrimmon Corners in Morrisville, new tenants will include Randy's Pizza, Two Guys Grill, Subway, State Farm and Cingular Wireless...Tenants at King's Grant Commons, under construction at U.S. 401 and Ten Ten Rd., include Harris Teeter, Eckerd, Great Clips, Beverly Nails, One Price Cleaners, Subway, Hunan King and Bushiban Coffee...Harris Teeter will keep open its Sutton Square store on Falls of Neuse Rd., diagonally across the street from its new store in North Ridge Shopping Center that is expected to open April 19...Opening soon at Pleasant Valley Promenade will be Hot for Shoes; Kirkland's, a home decor store; Dot's, a women's clothing store; and Gold's Gym...Carolina Hydrogardens moved from Durham to Carboro and changed its name to Fifth Season Gardening...At Durham's Northgate Mall shoe store Vivid and home decor store Oriental Vogue opened; The Guitar Center will open in May; Marble Clad Creamery and Mutual Community Savings Bank will open soon...At Durham's Indigo Corners shopping center, under construction at Chapel Hill Blvd. and Mount Moriah Rd., tenants include Verizon, Carrabba's Italian Grill, Red Robin Gourmet Burgers, Lone Star Steakhouse, Starbucks, Tortilla Blue, McAlister's Deli, Avea Nail Salon and Spa, and Firehouse Subs. It is expected to open this fall...The Hellenic, a 60- to 82-room hotel, is expected to open by (cont. on page 3)

## Where We Get the Numbers

**A**s an advertiser, you often see audience estimates from media sales reps, and some of them may seem unbelievable or contradictory to other estimates. So, which estimates are accurate? All surveys have limitations.

While most broadcast media buyers consider Arbitron for radio and A.C. Nielsen for television audience estimates, other research firms provide audience estimates, too. A.C. Nielsen Media Research utilizes diaries and People Meters to estimate program audiences during sweeps 4 months a year (November, February, May and July), and in some larger markets also October, January and March. Participants in People Meter homes push a button on a remote control when they begin watching a show. Although it is more precise than diaries, questions remain about how accurately the meters reflect occasional dozing off and frequent channel switching. In many markets Nielsen still uses diaries which rely on respondents' memories to record programs they watched for at least five minutes. A recent survey among greater Triangle adults by Belden Associates reported 64% change channels or get up and do something else when TV commercials air. Nielsen is owned by VNU, which was recently sold for \$10.3 billion.

Arbitron, another VNU company, uses diaries and reports radio audiences during sweeps four times a year. Respondents are 12 years old and older. Like Nielsen, only five minutes qualifies respondents as listeners. The survey noted earlier reported 56% of radio listeners in the Triangle area change stations when commercials air. Arbitron is experimenting with Portable People Meters in various markets that promise more accurate readings.

Scarborough Research, another VNU company, surveys the top 75 DMAs (Nielsen's TV markets). Hundreds of media and Fortune 500 companies buy the results which reflect 12 months of interviewing in semi-annual reports. Newspaper, radio and Internet audiences are measured from phone surveys; television viewing via 7-day diaries. A mail-back booklet for recording shopping habits, leisure activities and many other behaviors is mailed to all who are interviewed on the phone. In the Raleigh-Durham DMA more than 2,500 adults are interviewed. Because it is a three-stage study (telephone interviews, mail-back product booklet and TV diary), it requires ascription from those who returned the booklets to those who did not, based on similar demographics -- about 40 to 50 percent of those interviewed by telephone.

The N&O has contracted with Belden Associates every two or three years since 1975 for proprietary surveys to measure readership, news topics, circulation performance and advertising-related questions. Belden is independently owned has been in business for 65 years. The N&O determines the survey area, number of interviews and the questions to be asked. Belden's recent surveys include about 1,500 adults in Wake, Durham, Orange and Johnston counties. The N&O's Market Research Department uses software to run analyses of Scarborough and Belden reports. The last two Scarborough surveys have been audited by the Audit Bureau of Circulations which issues a standardized Reader Profile report available from ABC's online site.

Each research company has slightly different methodologies involving respondent selection within households. Scarborough chooses adults in households who had the last birthday. Belden uses a modified Trohldal-Carter method where the interviewer chooses from a grid of random choices of age and gender. For example, the interviewer may be instructed to speak only with the oldest adult male in the household; the next interview may require the youngest adult female, and so on. There are also differences in how various companies weight the raw interviews when they project to the total adult population. Sampling tolerances should be considered before drawing conclusions or making strategic plans based on the findings.

**The News & Observer's  
Upcoming Special Features**

Please ask your News & Observer advertising sales representatives about special opportunities in targeted upcoming feature editions.

**Advertisers:** Take advantage of our **free media evaluation service**. Using Scarborough's syndicated research we may be able to show you how to save money and get more effective advertising. Just ask your N&O advertising sales representative or e-mail me at [boney@newsobserver.com](mailto:boney@newsobserver.com). We can also critique your newspaper ads. It's free and no obligation.

**Fishing Season is in Full Swing**

After months of cold winter weather, fishing enthusiasts are eager to get back on the water and catch the big lunkers. And, with that venture comes the inevitable need to replace lures, rods, reels, and even boats. The News & Observer has the perfect place for your ads - the award-winning Outdoor Pages in the Thursday N&O.



The average daily N&O is read by 93,000 adults who fished in the past 12 months. Take advantage of a combo discount with Sunday and get 141,000 fishing enthusiasts. On a 6-week contract? With 6 daily/Sunday N&O combos, you'll get 197,000 net, unduplicated readers who fish. And, because N&O readers have more disposable income than the general population, they will buy your more profitable items. Source: Total 23-county Raleigh-Durham survey area. Source: Scarborough Research, October 2004-September 2005.

**Other Promotional Opportunities**

- April 1 *April Fools' Day*
- April 2 *Daylight Savings Time Begins*
- April 16 *Easter*
- April 26 *Administrative Professionals Day*
- May 14 *Mother's Day*
- May 20 *Armed Forces Day*
- May 29 *Memorial Day*

| APRIL 2006 |    |    |    |    |    |    | MAY 2006 |    |    |    |    |    |    |
|------------|----|----|----|----|----|----|----------|----|----|----|----|----|----|
| S          | M  | T  | W  | T  | F  | S  | S        | M  | T  | W  | T  | F  | S  |
|            |    |    |    |    |    | 1  |          |    |    |    |    |    |    |
| 2          | 3  | 4  | 5  | 6  | 7  | 8  | 7        | 8  | 9  | 10 | 11 | 12 | 13 |
| 9          | 10 | 11 | 12 | 13 | 14 | 15 | 14       | 15 | 16 | 17 | 18 | 19 | 20 |
| 16         | 17 | 18 | 19 | 20 | 21 | 22 | 21       | 22 | 23 | 24 | 25 | 26 | 27 |
| 23         | 24 | 25 | 26 | 27 | 28 | 29 | 28       | 29 | 30 | 31 |    |    |    |
| 30         |    |    |    |    |    |    |          |    |    |    |    |    |    |

  

| APRIL 2005   |    |    |    |            |            |    | MAY 2005   |    |    |    |            |            |    |
|--------------|----|----|----|------------|------------|----|------------|----|----|----|------------|------------|----|
| S            | M  | T  | W  | T          | F          | S  | S          | M  | T  | W  | T          | F          | S  |
|              |    |    |    |            | 1          | 2  | 1          | 2  | 3  | 4  | 5          | 6          | 7  |
| 3            | 4  | 5  | 6  | 7          | 8          | 9  | 8          | 9  | 10 | 11 | 12         | 13         | 14 |
| 10           | 11 | 12 | 13 | 14         | 15         | 16 | 15         | 16 | 17 | 18 | 19         | 20         | 21 |
| 17           | 18 | 19 | 20 | 21         | 22         | 23 | 22         | 23 | 24 | 25 | 26         | 27         | 28 |
| 24           | 25 | 26 | 27 | 28         | 29         | 30 | 29         | 30 | 31 |    |            |            |    |
| <b>APRIL</b> |    |    |    | <b>'05</b> | <b>'06</b> |    | <b>MAY</b> |    |    |    | <b>'05</b> | <b>'06</b> |    |
| Weekdays     |    |    |    | 21         | 20         |    | Weekdays   |    |    |    | 22         | 23         |    |
| Saturdays    |    |    |    | 5          | 5          |    | Saturdays  |    |    |    | 4          | 4          |    |
| Sundays      |    |    |    | 4          | 5          |    | Sundays    |    |    |    | 5          | 4          |    |

Peak Payroll Dates are indicated by the colored numbers above.

**Unusual Weather Patterns April and May 2005:**

- Unusually cold (high 47-53 degrees): April 13, 24
- Unusually cool (high 55 degrees): May 6
- Unusually warm (high 80-86 degrees): April 5, 6, 11, 18-22
- Unusually warm (high 85-89 degrees): May 11, 12
- Precip. (0.1" +): April 2, 8, 12, 13, 29
- Precip. (0.1" +): May 1, 5, 6, 15, 19, 20

**Try The N&O Direct Mail Program**

Tired of paying high prices for inaccurate databases that don't match your target audience? Try The News & Observer's Direct Mail and see why so many retailers in the Triangle are switching to us. We offer accurate databases which are updated every three months; ad design, printing, list selection, labeling, postage; very reasonable prices; free, professional consultation with no obligation; and examples of advertising mail pieces you can use. To get your mail program underway immediately, contact Ruth Doherty, (919) 836-5639 ([rdoherty@newsobserver.com](mailto:rdoherty@newsobserver.com)) or Doug Rogers (919) 836-5658 ([dougr@newsobserver.com](mailto:dougr@newsobserver.com)).

**Let Your Suppliers Pay for Your Advertising**

Your suppliers will gladly pay for your advertising, and it's easy to get your share. Just call our co-op advertising specialist, Maria Bunn, and she will find how much advertising accrual you have earned from manufacturers. She'll also explain in simple, easy-to-understand terms how you can get your earned dollars. Don't let your money slip away. Discuss it with your N&O sales rep or call Maria Bunn at (919) 836-5605.

**Business Briefs** (cont. from page 1)

2009 near N.C. Central University in Durham ...Brightleaf Books opened in Smithfield.

**Restaurants and Night Clubs** Mithai House of Indian Desserts opened in Cary's Chatham Square...Colonial Cafe opened in the Marketplace at Carpenter Village in Cary...Jumpin' Jonny's Steaks & Subs opened in Alexander Place Promenade on Glenwood Ave...Mammoth Pizza opened in Brierdale Shopping Center...Vivace will open in Alexan at North Hills...Cafe Pizzazz opened in Durham's North Duke Crossing...Grand Asia Buffet is replacing Rock-Ola Cafe on Six Forks Rd...Rana Capelli Caffè opened in Clayton...Sakura changed to Nippon on Capital Blvd.

**Housing** Triangle housing sales rose 14% in January over January 2005; the inventory of new homes fell 3%. Home prices in the Durham metro rose 5.7% last year; in the Raleigh-Cary metro, 4.7%; in the U.S., 12.9%; in N.C., 8.1%, according to the Office of Federal Housing Enterprise Oversight.

**Developments** Spectrum plans a 126,000-SF office building and about 250 apartments or condos on 28 acres on Six Forks Rd., just south of I-540...About 9.3% of 4.7 million SF of rentable offices in the submarket are vacant, down from 12.7% in 2002, according to Karnes Research...First Centrum LLC of Sterling, VA has contracted to buy Water Garden Office Park on Glenwood Ave. for \$2.4 million where 230 mixed condos and other residential housing will be constructed...Village at Stonebridge will open in 2007 a 90,000-SF shopping center, 38 townhomes and 118 single-family homes on 58 acres at Ten Ten and Kildaire Farm roads in Cary...Stonewater, a 310-acre residential and retail development is planned by Lennar on N.C. 55 near Research Triangle Park. It will include about 360 single-family homes, 220 townhomes, and possibly up to 240,000 SF of retail. Just south of the property Pulte Homes is building 5,000 homes on 1,000 acres...Plans for Wendell Falls, a 4,000-home community near Lake Myra in Wendell, have been submitted by Mercury Development of Raleigh with Pulte the builder. The first 300 will cost \$160,000 to \$600,000...American Asset Corp. is planning Brier Creek Village Center on 300 acres next to Brier Creek that will include homes and apartments, a WakeMed facility and a community park with greenway and open space...Crescent Communities Greater Raleigh is developing Hidden Lake in Youngsville with 124 homes ranging from \$900,000 to \$3 million and The Parks at Meadowview in Chatham County where about 600 homes priced from \$500,000 to \$1 million will be offered.

**Store Closings** Carolina PetSpace closed on Creedmoor Rd...Family Home & Garden closed at State Farmers Market...DQ closed at Old Wake Forest Rd. but 5 new ones are planned.

**At the Airport** Delta will add an 11th roundtrip flight to Atlanta from RDU June 8.

**Automotive** Murphy Motor Co. has consolidated two used car lots and moved to Capital Blvd. at I-440 Beltline where new Chinese automobiles called Cherys will be sold.

**Media News** McClatchy, parent company of The News & Observer, will buy the Knight Ridder newspaper chain this summer for \$4.5 billion. McClatchy plans to sell 12 of the 32 newspapers and keep the Charlotte Observer, The State (Columbia SC), Myrtle Beach Sun and others...Capitol Broadcasting will join with Que Pasa, a Winston-Salem company that owns 8 Spanish-language AM radio stations and 3 weekly newspapers across the state, plus a staffing agency. The 2 companies will share news-gathering efforts...WB22 (WLFL) ended its 10 p.m. newscast at the end of March. WB22 is owned by Sinclair Broadcasting Group which also owns WRDC (UPN 28). WB network will merge with UPN to create CW, and UPN 28 will join Fox's new prime-time network...Nielsen Monitor-Plus reported in the 4th quarter 2005 network TV contained 15 minutes, 23 seconds of non-program content in prime time; cable contained 15 minutes, 1 second; Spanish language TV 14 minutes, 16 seconds...A 2005 study by Mediarmark Research Inc. of New York reported 68% of U.S. consumers turn to ads in newspapers for bargains, 47% in television, 41% in magazines, 40% in radio and 23% in Internet. Even among 18-to-24-year-olds, newspaper outranked TV 57% to 51%. Among married couples, newspaper was the number one source for bargains at 71%; among parents, 66%; among singles, 60%. Consumers who like to shop around before buying prefer newspapers, 72%; impulse buyers, 65%...According to a joint survey by the Association of National Advertisers and Forrester Research, nearly 4 out of 5 marketers surveyed think TV advertising is less effective than it was two years ago. About 7 out of 10 advertisers feel DVRs and video on demand will reduce or destroy the effectiveness of traditional 30-second commercials.

**The Job Market** United Therapeutics will build a 225,000 SF research and manufacturing center in Research Triangle Park (RTP), investing \$54.3 million and creating 160 new jobs that will pay an average \$65,000...Steifel Laboratories will move its August C. Steifel Research Institute into RTP and add 200 jobs over 5 years where it will create skin care products... Bright View Technologies will add 30 to 35 workers within 18 months at its plant in Morrisville where it makes high definition TV products...Bozco TV will create 100 jobs over the next three years at a new plant in Lumberton where flat-screen plasma TVs will be made...Blue Cross/Blue Shield hired 540 workers last year and has openings for 200...Eisai will add 84 jobs over the next 5 years at its drug manufacturing plant in RTP...RBC Centura Bank will add 30 jobs in Raleigh...Lenovo Group, which bought IBM's PC division last year, will move its U.S. headquarters to the Triangle and lay off at least 300 people in RTP. But, Lenovo plans to add 400 employees in the next five years. Here are unadjusted unemployment rates, according to the N.C. Employment Security Commission:

**January unemployment rates (unadjusted)**

| County             | Jan 05 | Jan 06 | County       | Jan 05 | Jan 06 |
|--------------------|--------|--------|--------------|--------|--------|
| Wake               | 4.2%   | 3.4%   | Franklin     | 4.3%   | 3.9%   |
| Durham             | 4.4%   | 3.8%   | Chatham      | 3.1%   | 3.7%   |
| Orange             | 3.7%   | 3.2%   | Harnett      | 4.3%   | 4.6%   |
| Johnston           | 4.5%   | 3.8%   | Person       | 5.5%   | 6.0%   |
| Ral./Dur./Cary CSA | 4.4%   | 3.7%   | No. Carolina | 5.7%   | 4.8%   |
| U.S.               | 5.7%   | 5.1%   |              |        |        |

# ADVERTISING OPPORTUNITIES

## April Top Retail Store Sales

Nationwide above-average retail store sales in April (8.3%+)

|   | APR  | MAY  |
|---|------|------|
| Automobile dealers                      | 8.3% | 8.8% |
| Automotive parts, accessories, tires    | 8.5  | 8.3  |
| Building materials and supplies dealers | 8.8  | 9.0  |
| Clothing stores, women's                | 8.7  | 8.6  |
| Pharmacies and drugstores               | 8.3  | 8.3  |
| Restaurants, limited-service            | 8.4  | 8.7  |
| Shoe stores                             | 9.0  | 8.5  |

Use monthly sales trends to coordinate your advertising expenditures and to track how your store compares with U.S. trends.

Source: Monthly Retail and Food Service Sales, 2004 sales, <http://www.census.gov/mrts/www/data/html/nsalo4.html> as published in NAA Planbook 2006

## Top Newspaper Advertising Categories

Nationwide above-average newspaper advertising in April (8.3%+)

|                                       | APR  | MAY   |
|---------------------------------------|------|-------|
| Auto repair services/service stations | 8.3% | 8.8%  |
| Boats/motors/marine accessories       | 9.3  | 10.7  |
| Candy, nut, confectionery stores      | 9.8  | 5.6   |
| Clothing stores, family               | 8.7  | 6.5   |
| Clothing stores, women's              | 10.3 | 5.3   |
| Farm equipment dealers & services     | 12.2 | 9.7   |
| Home centers/lumber/building supplies | 11.3 | 11.8  |
| Lawn & garden machinery & equipment   | 21.6 | 26.6* |
| Motion pictures                       | 8.5  | 5.9   |
| Paint, wallpaper & glass stores       | 8.8  | 11.5  |

Use this information to see how other retailers like you advertise in newspaper each month.

Source: Competitive Media Reporting, Inc. (AdTelligence Newspaper Services) 2004 / as published in NAA Planbook 2005

\*Peak for year

## Census: Wake and Johnston Counties Are among Fastest Growing in U.S.

The U.S. Census Bureau recently reported county population growth patterns, and Wake County was the 11th fastest growing county from July 1, 2004 to July 1, 2005. Its population grew 29,082, or 4.0 percent. Mecklenburg grew 24,799, 3.2 percent.

From April 1, 2000, to July 1, 2005, Wake County added 120,949, or 19.3 percent, and ranked 20th in growth in the U.S. Mecklenburg grew by 101,002, or 14.5 percent, and ranked 25th.

Wake County was the 70th largest county in the country with 748,815 population as of July 1, 2005. Mecklenburg's population was 796,372, ranking 61st.

Wake's rate of growth (percentage) from 2004 to 2005 was 4.1 percent and ranked 86th. Other North Carolina counties in the top 100 were Union, 6.0 percent, 16th rank; Brunswick, 5.4 percent, 29th rank; Currituck, 4.8 percent, 48th rank; Hoke, 4.7 percent, 53rd rank.

## Average Monthly Household Expenditures

|  | APR  | MAY  |
|--|------|------|
| Appliances, TV and other electronics stores    | \$45 | \$49 |
| Automobile dealers                             | 560  | 599  |
| Automotive parts, accessories, tire stores     | 51   | 50   |
| Beer, wine, liquor stores                      | 23   | 24   |
| Book stores                                    | 9    | 10   |
| Building materials and supplies dealers        | 213  | 216  |
| Clothing stores -- family                      | 49   | 50   |
| Clothing stores -- men's                       | 7    | 7    |
| Clothing stores -- women's                     | 27   | 27   |
| Computer & software stores                     | 13   | 12   |
| Department stores, conventional & nat'l chains | 60   | 63   |
| Department stores, discount                    | 90   | 94   |
| Drinking places                                | 14   | 15   |
| Furniture stores                               | 39   | 41   |
| Gasoline stations                              | 232  | 253  |
| Grocery stores                                 | 327  | 344  |
| Home furnishings stores                        | 34   | 32   |
| Jewelry stores                                 | 16   | 20   |
| Pharmacies and drug stores                     | 131  | 131  |
| Restaurants, full-service                      | 121  | 128  |
| Restaurants, limited-service                   | 123  | 127  |
| Shoe stores                                    | 19   | 18   |
| Sporting goods stores                          | 21   | 21   |
| Warehouse clubs and superstores                | 174  | 189  |

Sources: U.S. Census Bureau's Monthly Retail and Food Service Sales, 2004, and Statistical Abstract of the United States, 2004. NAA 2006 Newspaper Advertising Planbook

Estimated households in Raleigh-Cary-Durham Metro:

Wake Co. 290,000; Franklin County 21,000;  
Johnston County 57,000; Durham County 98,000;  
Orange County 47,000; Chatham County 24,000;  
Person County 15,700; Harnett County, 39,000

From 2000 to 2005, Wake's rate of growth at 19.3 percent did not make the top 100, but Johnston County ranked 100 with 20.1 percent. It experienced a population gain of 24,537 and totaled 146,437 July 1, 2005.

From the 1990 census to the 2000 census, Wake's population gained 201,565, or 47 percent. Wake's population has grown every decade since 1960:

1990: 426,301, up 124,872, or 41.4 percent  
1980: 301,429, up 72,423, or 31.6 percent  
1970: 229,006, up 59,924, or 35.4 percent  
1960: 169,082