

The 'thin market': Why timing is everything

Studies show that very few adults are in the market for any particular good or service at any particular time. This is what is referred to as the "thin market." Thin-market research data have consistently revealed that only a small percentage of potential customers shop for and buy various types of goods or services during a typical week. The most recent study revealed that only 2.46% of adult consumers shopped the previous week for the major product categories analyzed.

The thin-market effect is complicated by the fact that adults go in and out of the market very quickly. Shopping has become very convenient; that helps explain why 35% of shopping occasions are described as planned while 65% are described as impulse or spur of the moment. For many consumers, there's not much time between the decision to buy and the actual purchase.

In 50% of cases, the decision to shop and to purchase is made on the same day. A much smaller number of purchasing decisions (18%) are made as far as a few days in advance. Equally rare is a purchasing decision that extends over a longer period of time; only 18% of such decisions to buy are made as far as two weeks or more before the purchase.

Consumer shopping patterns are driven largely by convenience; 59% of shoppers cite factors such as extra time, being in the area, having a day off or having extra money as reasons for both why and when they shop. For 28% of shoppers, having an immediate need or want, seeing a good price, needing a replacement or purchasing for a special occasion were reasons to shop now.



A new Market Report

We hope you'll enjoy this edition of Triangle Market Report; we've made a few changes to update its design and content. You'll receive it every two months, rather than on the previous monthly schedule. As a result, you'll find it filled with news of what's happening across the Triangle as businesses open, relocate, expand and evolve. We welcome your feedback and suggestions. Please contact us at marketreport@newsobserver.com.

BUSINESS BRIEFS

Raleigh

Belk at **Crabtree Valley Mall** plans extensive renovations to its flagship store, after first moving its men's and young men's departments to the top floor space formerly occupied by Lord & Taylor. The company plans to double its women's shoe department, rebuild cosmetics and enlarge the handbags department. Work on the second-floor space begins in March, with the new men's store to open in May... Also at Crabtree: Old Navy will open between the new Best Buy and Barnes & Noble in June... Hair Inc. has moved to a new space near the food court.

At **Triangle Town Center**, Talbot's is expanding into the former Bebe space to make room for Talbot's Woman and Talbot's Petite; both are to open in April... Charlotte's is closing on the lower level, consolidating into the company's North Hills location... Circuit City at Plantation Point (off Capital Boulevard across from Triangle Town Center) has opened... Triangle Dry Cleaners is opening a second store in Plantation Point, and Hibachi Xpress will open a second store there this spring.

Cameron Village is now home to Needlepoint.com... Also, Cherry Modern Design is moving its Glenwood South store to the old Bath & Body Works spot and will open in April... Swozies will open in the old Cameron Clothing space in early summer... Conscious Fitness has opened at 615 Hillsborough St.; it focuses on athletic performance and orthopedic rehab... Equipro, a repair shop for light construction equipment and small machines such as mowers, circular saws and pumps, has opened just north of Interstate 540 and Capital Boulevard... Antiques & Imports is moving from its downtown Raleigh location on West Davie Street into the 100,000-square-foot space at the Farmers Market formerly occupied by Family Home and Garden, likely in March or April... Half a year after opening, the AJWright discount store on New Bern Avenue in Raleigh is closing... Flanders Art Gallery is open at Seaboard Station.

Boyles Distinctive Furniture opened at **Brier Creek**, above the Thomasville showroom... I Candy, a women's shoe and clothing store, has opened on Spring Forest Road... Marsh Woodwinds is moving from Hillsborough Street in Raleigh to the old Mordecai Bridal & Tuxedo store on North Person Street... Planet Fitness has signed to open a 16,000-square-foot store next to Lowes Foods at Cornerstone Commons, near Ebenezer Church Road and Glenwood Avenue... Medical supply store The Medical Super will open in the old OfficeMax building at 3514 Capital Blvd. in March... Silk Plant Gallery owner Ellen Edwards has bought neighboring Classy Rags and connected the two stores, on North Market Drive... Planet Beach will open a tanning spa at **North Hills** in March... White Dahlia, a massage center with a gym-like business model, has opened in the Creedmoor Center at Strickland and Creedmoor roads.

Cary

Developer Zapolski & Rudd plans to spend \$150 million to transform **Waverly Place** into a mixed-use development anchored by

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a 55,000-square-foot, freestanding Whole Foods. About half of existing buildings will be demolished; office space, homes, a hotel and parking deck are planned. Construction should begin in summer 2007, with an early 2009 completion projected... Trip Logics, one of the Triangle's largest travel agencies, has been bought by a Tennessee-based company, World Travel. The agency will retain its name and offices... The chain Fitness 19 is opening its first gym in the state next to Lowe's Foods at the corner of Cary Parkway and High House Road... Peak Fitness has opened in the former Beyond Fitness space at the corner of Maynard Road and James Jackson Avenue in Cary... Women's fitness club Butterfly Life has opened at 250 Grand Heights Drive... Hair Saloon for Men will open its first N.C. store at 3675 SW Cary Parkway in late February. It will feature a putting green and free shoeshine.



Apex

Hair, Body and Sole spa has opened on Chatham Street in a two-story, historic house.

Fuquay-Varina

At **King's Grant Commons**, at U.S. 401 and Ten-Ten Road, Brooke Insurance and a shipping store called Goin' Postal are opening... Scheduled for early 2006 openings are tobacco shop Smoker Friendly, Auto Bell car wash and Alltel (opening in Sexton Commons on

Main Street)... Work has started on a Tractor Supply Co. store at 1348 N. Main St. Construction will be completed in April.

Garner

Florida-based Badcock furniture will open its first local store at 38 South Park Drive, off I-40 at N.C. 42. The 20,000-square-foot facility will open in early March... **North South Station** has been sold and will get a 2007 facelift of painting, signs and landscaping... Pawn & Gifts has opened at the intersection of Interstate 40 and N.C. 42.

Wake Forest

The Shoppes of Heritage at Rogers and Forestville Roads is almost entirely leased. Already open are: printing shop Instant Imprints of Wake Forest, tanning salon Sunset Rays, Pendergrass Martial Arts, Amy Nails, Brenda's Hair, O'Dwyer's Irish Pub and Triangle Dry Cleaners.

Durham

Beauty retailer L'Occitane En Provence will open its first Triangle store at **Streets at Southpoint** in the spring... Across the street in Renaissance Center, Superior Fitness Systems has opened a new store selling fitness equipment... Office Depot is open at **Northgate**, in the former OfficeMax space... Also at Northgate, temporary tenants HaircolorXPerts, Go! The Game store and a collegiate collectibles store called Clubhouse Sports opened. Charlotte Russe will open this spring... The Shoe Department has moved to a larger space across from Chick-fil-A... At the **Riverview Shopping Center** on North Roxboro Road, work is complete on the 5,000-square-foot addition, and China Star, Eze Packaging, Golden Nails and Little Caesars should open in early 2007.

Carrboro

Carrboro-based Fleet Feet has moved to a new, larger corporate

headquarters and is rapidly making plans for new stores. Fleet Feet franchises its stores to independent owners who sell athletic footwear and apparel for walkers and runners. Triangle locations include Carrboro's **Carr Mill Mall** and Raleigh's **Ridgewood Shopping Center**. Company chairman and CEO Tom Raynor said he hopes to open 14 stores in 2007 and 14 more in 2008, bringing its total to 100.

Roxboro

The new Lowes Home Improvement store in Roxboro has opened. The \$12 million store has 94,000 square feet of retail space and will stock more than 32,000 different items. It will also create 120 new jobs. The store's address is 2044 Durham Road.

Johnston County

Lowes Foods has signed on to anchor the new **Middle Creek Commons** shopping center just getting under way on the southwest corner of N.C. 50 and N.C. 42 in Cleveland. Construction will begin in early 2007, with the store slated to open in the fall... Reef Keepers Aquarium has opened at 1681 Old U.S. 70, specializing in saltwater aquariums. It has about 200 fish, 12-foot coral tanks and a 1000-gallon shark and ray pond.

RESTAURANTS & NIGHT CLUBS

Cary

In **Stone Creek Village** at High House Road and Davis Drive, It's a Grind coffee shop is open. Bear Rock Cafe has opened at 2048 Kildaire Farm Road with a new menu and the chain's latest interior design, called "Mountain Cafe"... Great Harvest Bread Co. is opening at High House and Maynard roads... The Village Deli has opened in Shoppes of Kildaire at Kildaire Farm Road and Cary Parkway... Viva Thai has opened at 1401-L SE Maynard Road... Henry's Gelato has opened in Preston Walk.

Clayton

A new Starbucks, at 13024 U.S. 70 West in Clayton, has opened across from Wal-Mart.

Knightdale

At the **Shoppes of Midway Plantation**, Applebee's and Arby's have opened, and IHOP signed a deal to build a restaurant next to Chick-fil-A. It is set to open in the summer.

Morrisville

Randy's Pizza, which has been making pizzas in Durham since 1995, has opened its first Wake County restaurant in **McCrimmon Corners** at the corner of Davis Drive and McCrimmon Parkway... At **Morrisville Square**, the Triangle's first Fox Pizza has opened. Pittsburgh-based Fox's has locations in 30 states.

Durham

The Melting Pot is opening at the **Renaissance Center** on Fayetteville Street across from The Streets at Southpoint... So is BakeHouse Bistro... Twisted Noodles is opening at 4201-112 University Drive... Pan Pan Seafood (a revival of the beloved Pan Pan Diner) has opened in Northgate Mall.

Raleigh

In downtown Raleigh, The Capital Room at 112 Fayetteville St. is expanding into a vacant neighboring space and changing its name to Fayetteville Street Tavern... Hung's Asian Bistro is about to become the third Asian restaurant in a year to open at 4614 Capital Blvd. The building was formerly the site of Sakura and was briefly home of

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Advertising update

Now that we're a few weeks into 2007, I'd like to take this opportunity to thank you for your business and to introduce myself to those of you I haven't yet had the opportunity to meet. In the 17 months that I've been in the Triangle, I've enjoyed getting to know this great market and the businesses that make it so vibrant. I'm a Californian who joined The N&O from a career in advertising at the Modesto Bee, and my family and I have been warmly welcomed. In my experience, Southern hospitality is alive and well in the Triangle! Like many newcomers, I'm still figuring out the Inner and Outer Beltline, Downtown Raleigh's street pattern and realizing how deeply loyalties run to the great colleges and universities in the region.



On a more serious note, we're working hard at The N&O to create new products and programs to serve our advertisers in this fast-paced business environment. We're an information company that publishes in print and online. As you'll see elsewhere in this report, The N&O continues to grow its circulation, and I'll put our market reach up against anybody, with pride. We're always interested in your ideas and concerns; you'll find a willing ear in your account executive and in our management team. I look forward to many years of successful partnerships with all of you.

With my best regards,

Al Autry
Senior VP, Advertising

Feed the Need: New partnership opportunity

Feed the Need is a new community service project The N&O is launching this spring to benefit the Food Bank of Central and Eastern North Carolina. The project will shine the light on hunger, help people who really need it and provide tangible marketing benefits to our partners.



Feed the Need will include a month-long print campaign in The N&O, a dedicated website and promotional support from our broadcast partners, ABC-11 television and Curtis Media radio. It will also include a Sunday special section in The N&O, a week-long food drive and a grand finale event across the region on Saturday, April 21. Feed the Need provides a positive environment for messages about a

sponsor's values, its commitment to the community, or a more direct call to action.

For example, only Feed the Need sponsors will be able to advertise in the Sunday, April 15, special section that will inform more than 500,000 N&O readers about hunger, the Food Bank's work and how soup kitchens and other organizations are helping. In addition, the sponsored newspaper component allows partners to present a compelling message via a full-color, full-page front of a wrap or on the front of a full-color flier. Sponsorships are available at levels ranging from \$10,000 to \$1,000.

For more information, please contact your N&O sales executive or Vice President/Marketing Felicia Gressette (836-2870 or felicia.gressette@newsobserver.com)

NEW PRODUCTS

Carolina Bride

Did you know that the average Triangle wedding costs more than \$30,000? And that more than 73,000 North Carolina weddings are expected in 2007? To reach this exciting, expanding market, we're introducing a glossy magazine that offers a polished, upscale environment for wedding-related businesses. The Triangle edition of Carolina Bride will publish in April and October, with editorial content that features recent Triangle weddings and offers a comprehensive planner for brides-to-be. Carolina Bride and carolinabride.com will be promoted with advertising in The N&O, on newsobserver.com and triangle.com and with ads in our advertising lifestyle magazine, Living in Style. Carolina Bride is also proud to be a major media sponsor of the region's premiere bridal shows, Forever



Bridal. Ten thousand copies of each edition will be distributed at key bridal registries; at all advertiser locations; by direct mail to brides-to-be; and at Forever Bridal shows.

For details and advertising rates, please contact sales executive Wendy Holmes at 836-5605 or wendy.holmes@newsobserver.com.

Advertising deadline for the April edition is Thursday, March 1.

BY THE NUMBERS

N&O circulation, web traffic growing

We're happy to share with you the exciting news that in 2006, The News & Observer grew its circulation for the 11th consecutive year. Forgive our boasting, but that's a record that very few newspapers can claim. We're proud that as our market grows, our print and online platforms are growing and changing to meet the needs of our readers, advertisers and the community at large.



Ask your N&O sales executive to update you on the impressive household income levels of our subscribers — your potential customers.

We're growing even faster online. In January alone, more than 2 million unique visitors came to newsobserver.com, and our page view total reached an all-time high of 14.52 million for the month. In 2006, our unique visitor count grew by more than 20%, making us an industry leader in that key metric.

Triangle Market Report is issued every two months by the Marketing and Advertising departments of The News & Observer. Your comments and questions are welcomed; email marketreport@newsobserver.com or contact your sales executive.

Nippon. Hung's will serve a variety of Asian food, including Chinese, Thai and sushi... Arby's will open in the former Schlotzsky's Deli at Wake Forest and Six Forks roads... Pizza Hut at **North Ridge** shopping center has closed but will be replaced in April by a Chipotle gourmet burritos and tacos. Chipotle opened its first area store on Glenwood Avenue in Pleasant Valley Promenade last year...Pharoah's restaurant opened at Crabtree Valley Mall... Restaurant Savannah at North Hills has closed but will soon become a Southern-inspired restaurant called South. It's the brainchild of Raleigh-based Urban Food Group, the company that's behind Frazier's, Porter's City Tavern and Vivace... Seoul Garden is opening at 4701-131 Atlantic Ave. in the old Pelican Bay spot... The Gourmet Factory is open at 3933 Western Blvd., serving Italian food... Los Cuates has opened a new location at 3505 Capital Blvd.

DEVELOPMENT

Progress Energy has chosen Cary developer Gregg Sandreuter to develop the land the utility owns across Davie Street from its new downtown tower. Possibilities include an office tower, condos or apartments, ground floor restaurants, nightclubs or galleries. Highwoods Properties is building a 1,050 space parking deck on the remainder of the acreage...The Wachovia Capital Center, the Triangle's biggest office building, was sold for \$153.4 million to a California investment group. It's said to be the highest price ever paid for an existing Triangle building.

HOUSING

Charlotte-based Allen Tate Realtors, which ranks 14th nationally in residential transactions, is opening its first sales office in the Triangle in February; Phyllis York Brookshire will direct its local efforts... Sales of existing homes fell for a third month in December, down 13% to December 2005. Inventory of unsold homes was up 6%... Townhouses are claiming an increasing share of the Triangle market, now accounting for one in five sales.

AT THE AIRPORT

Houston-based ExpressJet Airlines will offer daily round trips from RDU to San Antonio, New Orleans, Birmingham, Jacksonville, Louisville and Kansas City, beginning in May or June... United will add a daily flight to Denver in April.

CLOSINGS

Polo Ralph Lauren is closing its Rugby store on Franklin Street in Chapel Hill; longtime Chapel Hill clothier Julian's will move into the space... Tobacconists of Raleigh has closed after 15 years... Sugar Hill Records is leaving Durham for Nashville... Earth Fare in Chapel Hill's Eastgate Shopping Center has closed, spurring talk that Trader Joe's may be negotiating for the space... Fox & Hound Pub & Grille closed its Cary location on Shannon Oaks Circle; there are no plans to close the North Hills store... Just a year after opening, The Better Sleep Store is liquidating its store at 9008 Glenwood Ave. in Raleigh. Its stores in Durham and Chapel Hill will remain open... Golden Corral at 9601 Chapel Hill Road has closed; company officers said it was underperforming... Aurora restaurant has closed after 20 years in Carrboro and Chapel Hill.

EMPLOYMENT

The Triangle jobless rate held at 3.8% for December, considerably lower

Average Monthly Household Expenditures

	MARCH	APRIL
Appliance, TV and other electronics stores	\$52	\$48
Automobile dealers	603	572
Automotive parts, accessories, tire stores	56	55
Beer, wine, liquor stores	23	24
Book stores	10	9
Building materials and supplies dealers	207	222
Clothing stores -- family	54	53
Clothing stores -- men's	7	6
Clothing stores -- women's	27	28
Computer & software stores	15	13
Department stores, conventional & nat'l chains	57	58
Department stores, discount	93	93
Drinking places	14	14
Furniture stores	43	41
Gasoline stations	267	279
Grocery stores	345	334
Home furnishings stores	36	35
Jewelry stores	16	17
Pharmacies and drug stores	134	127
Restaurants, full-service	130	130
Restaurants, limited-service	124	127
Shoe stores	18	18
Sporting goods stores	22	23
Warehouse clubs and superstores	190	188

Sources: U.S. Census Bureau's Monthly Retail and Food Service Sales, 2005, and Statistical Abstract of the United States, 2006. NAA 2007 Newspaper Advertising Planbook

than the state's 4.7% and the nation's 4.5%. Economists attribute the Triangle's strong showing to expansion by Credit Suisse in RTP and other companies... Packaging giant Mead Westvaco will close its Garner plant, eliminating 119 jobs and transferring others to Mebane... Healthways Inc. will expand its Cary call center, adding 109 jobs over the next three years. ...

MEDIA NEWS

Newly formed Inner Banks Media, which includes Raleigh radio mogul Don Curtis, is buying four FM stations in Eastern North Carolina.

PROFESSIONS

Raleigh's Maupin Taylor law firm is merging with a Richmond firm, Williams Mullen. The combined company will have 300 lawyers in about a dozen offices; the Raleigh office will remain.