

# 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

November 2006

## BUSINESS BRIEFS

**RETAIL Raleigh** A Wal-Mart Supercenter will be built at Sunnybrook and Rock Quarry roads...Best Buy, Solstice Sunglass Boutique and Sole Mio Sunglasses are opening in Crabtree Valley Mall...V's Tea & Treasures opened on Glenwood Ave...Kiddie Stylz opened on Cabarrus St...Bliss Salon opened at 510 St. Mary's St...Costco opened at Six Forks at Wake Forest roads...At North Hills Lifetime Fitness opened and NV reopened; in Nov. Plow & Hearth will open...Tea and gift shop ORIEnTspiration opened in Falls River Town Center...Ten Thousand Villages and F.Y.E. opened in Triangle Town Center...Petco opened in Plantation Point across from Triangle Town Center...Capital City Grocery opened in Seaboard Station off Peace St...Fedora opened in Olde Raleigh Village...GCF Donation Center opened across from Brier Creek Commons...Aldi will open in March on Wake Forest Rd...printing and shipping shop SoHo Hero opened in Cornerstone Commons on U.S. 70 W...In summer 2007, Ace Hardware will open in Edgewater Place on U.S. 64...**Garner** Staples opened in White Oak Village ...Serenity Spa & Tan opened at U.S. 401 and Ten-Ten Rd...**Cary** Trader Joe's will open in Nov. at Shoppes of Kildaire...Walgreens opened at Davis & High House roads...Gloves Online opened on Towerview Court...Life Time Fitness will open early 2007 on Regency Parkway...Kinko's opened in Maynard Crossing...Fantastic Sam's reopened in Cornerstone Village...Camelot Treasures opened in Harrison Pointe...The Fresh Market moved from Saltbox Village to 3655 SW Cary Parkway...**Morrisville** Futons Etc. moved from Capital Blvd.in Raleigh to Chapel Hill Rd...**Apex** Walgreens opened at Hwy. 55 & Olive Chapel Rd...SoHo Hero opened in Haddon Hall Commons...TJ Maxx and Home Goods opened in Beaver Creek Commons...**Knightdale** Rack Room Shoes opened in Midway Plantation...**Wake Forest** Grammy and Pops Country Store opened at the Cotton Co...**Durham** Urban Outfitters and Solstice Sunglass Boutique opened and Babies "R" Us and Best Buy will open next year at Southpoint...Bull City Bakery opened on Guess Rd. ...Studio opened at 624 Ninth St.

(cont. on page 3)

## You Can Benefit from The News & Observer's Research

Any News & Observer advertiser can benefit from The N&O's marketing and advertising information. For large shopping centers and big store chains, especially, there is a wealth of information available, such as:

How many people shopped (in past 30 days, past 3 months or past 12 months - varies by retailer category) and how shopping patterns have trended in past 3 years or longer

- Demographics of shoppers and how they compare with market adults and/or customers of competing businesses
- Other stores and shopping centers visited
- Major household purchases in past 12 months
- Leisure activities and events attended within past 12 months
- Readership of print media, including daily and major weekly newspapers and magazines
- Broadcast television stations viewed average fi hour and cumulative audiences
- Cable television stations viewed past 7 days
- Radio stations listened to average /-hour during dayparts and cumulative audiences
- How shoppers use the Internet and local Web sites they visit
- Counties and zip codes where shoppers live

For small businesses, the same information as above is available except it will be by shopping categories instead of individual stores. For example, a florist would be able to look at characteristics of people who visited any florist in the past 3 or 12 months, but not at a particular florist. These generic analyses can be helpful in determining the types of people who visit categories of stores and how they use various media.

All this and more is available in a geographic base as large as the Raleigh-Durham 22-county DMA and Robeson County, or smaller areas within the DMA, such as metros, counties or clusters of zip codes (depending on stability of sample sizes).

Most of the information comes from surveys conducted by Scarborough Research and Belden Associates. The News & Observer buys the semi-annual syndicated reports from Scarborough and contracts with Belden about every two years. The information can show if you are gaining or losing market share, how your customers differ from the general population and from your competitors, and which media best reach your customers or targeted customers. We can also analyze your current or proposed media buys including creating a mixed media schedule.

For a free, no obligation analysis, just ask your News & Observer sales representative or call the Market Research Department at 836-5622 or 836-5939 -- Bob Oney (boney@newsobserver.com) or Lee Ann Lane (lane@newsobserver.com). For database demographics, such as zip codes, contact Erin O'Hara at 836-5936 (eohara@newsobserver.com).

**Join The N&O Zone**

The News & Observer offers an incentive package for its subscribers that include free and discounted offers from local retailers. These typically include 2 for 1 offers or a dollar amount or percentage off a normal selling price.

Participating merchants receive valuable publicity in N&O promotional ads and brochures. To see a current Zone offer, click on newsobserver.com and go to keyword "zone." If you are a News & Observer contract advertiser in good standing, you can join the rewards program. Contact Allison Rankin at 829-4716 or e-mail her at allison.rankin@newsobserver.com

**Fall Fishing Is Best!**

November is considered one of the peak months for coastal fishing. Spots, King Mackerel, Speckled Trout, Gray Trout, Flounder are popular catches as the water temperature finally drops. The N&O's award-winning Outdoor Pages in every Thursday Sports section offer the best targeted and affordable method to reach people who fish at the coast. Here's why: The average daily N&O is read by 81,000 adults who fished in the past 12 months. Combine with The Sunday N&O and reach 120,000 net, unduplicated adult readers who fish. N&O readers have more disposable income than the general population and will buy your more profitable items.



Base: Total 23-county Raleigh-Durham survey area. Source: Scarborough Research, April 2005-March 2006

**Other Promotional Opportunities**

Nov. 7	Election Day
Nov. 11	Veteran's Day
Nov. 23	Thanksgiving Day
Dec. 21	1st Day of Winter
Dec. 25 (Monday)	Christmas
Dec. 31	New Year's Eve

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

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

NOVEMBER 2005						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER 2005						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

<b>NOVEMBER</b>		<b>'05</b>	<b>'06</b>
Weekdays		22	22
Saturdays		4	4
Sundays		4	4

<b>DECEMBER</b>	<b>'05</b>	<b>'06</b>
Weekdays	22	21
Saturdays	5	5
Sundays	4	5

**Highest Payroll Dates** are indicated by bold-faced red numbers; other payroll dates by regular-faced red numbers.

**Unusual Weather Patterns November and December 2005:**

- Unusually cool (high 45-50 degrees): November 18, 23, 25, 27
- Unusually cold (high 31-45 degrees): December 8, 13, 14, 17, 18, 21
- Unusually warm (high 75-83 degrees): November 4-9, 13-16
- Unusually warm (high 61-68 degrees): December 4, 24, 25, 28, 31
- Precip. (0.1" +): November 20, 16, 21, 22, 27, 29
- Precip. (0.1" +): December 4, 5, 9, 15, 18, 25, 28 (trace of snow 15, 17, 18)

**Targeted Advertising Solutions for Your Store**

Target your precise direct mail audience with reliable databases from The News & Observer's Direct Marketing division. Using accurate, up-to-date Claritas/PRIZM and Donnelly records, you can pick and choose as you wish. Databases are updated every three months. So, in addition to inserting your preprinted advertising sections within The N&O by zip codes and/or sending them to non-subscribers, we can design, print and mail the entire job. You can also advertise on the popular N&O Websites, newsobserver.com and triangle.com, where more than 20,000 are registered with their demographic descriptions. Other options include Front Page Ad Notes that adhere to the front page or other front sections in a can't-miss format. For another first impression try printed plastic bags that subscribers see first when they pick up their papers each day. But, don't delay -- many holiday dates are already sold out. Make your 2007 reservations now.

Just ask your N&O account representative to work out a plan for you. For mail advertising, contact Ruth Doherty, (919) 836-5639 (rdoherty@newsobserver.com), Greg Morris (919) 836-5610 (gmorris@newsobserver.com) or Doug Rogers (919) 836-5658 (dougr@newsobserver.com).

**Business Briefs** (cont. from page 1) **Restaurants and Night Clubs Raleigh** The Big Easy and Cajun/Creole, Yancy's, The Morning Times and Crema opened downtown...Whimsical Cookies will open in Nov. in City Market...At Crabtree Valley Mall Pharaoh's will open by Thanksgiving...Cinelli's opened in North Hills...Manchester's Grill opened on T.W. Alexander Dr...Cafe Capistrano opened in Durant Station...Carafe Wine Makers opened at Raven Ridge Rd. at Falls River...Starbucks opened at 3800 Lake Boone Trail...Chick-fil-A will open in Nov. at Six Forks and Strickland roads...Hideaway BBQ opened on Capital Blvd...Mammoth Pizza reopened in Brierdale...**Knightdale** Five Guys Famous Burgers & Fries and Chick-fil-A will open in Nov. at Midway Plantation...**Cary** QDoba Mexican Grill opened on Walnut St...Southeast restaurant An opened in Renaissance Park Place...In Dec., Five Guys Famous Burgers and Fries will open on Maynard St. and in Stone Creek Village, where It's a Grind coffee Shop and Red Bull will also soon open...Jack Astor's Bar & Grill opened at 2300 Walnut St...**Morrisville** Dunkin Donuts/Baskin Robbins will open in Morrisville Market...**Apex** Red Robin Gourmet Burgers opened in Beaver Creek Commons...Leapin' Lizards coffee shop opened with Bruegger's Bagels in Haddon Hall Commons...**Wake Forest** Wendy's will open 1st quarter 2007 on N.C. 98 bypass at Capital Blvd.

**Developments Downtown Raleigh** By Dec. 20, Progress Energy will choose a developer for the block in downtown Raleigh across from its 19-story building...Construction could begin in 2007 by Trammel Crow Residential on a 7-story complex at Dawson and Hargett streets including a parking deck, shops and 207 condos. Trammel Crow is also building 117 units at 222 Glenwood Ave...Developer John Bruckel started construction of 117 condos at Hargett St. and Boylan Ave...Gregg Sandreuter will build 170 condos at West and North streets...Dominion Partners will sell 139 condos in RBC Plaza at Fayetteville and Martin streets...Empire Properties purchased 4 more buildings downtown and now owns 14...A 31-story building, including ground-floor shops, 6 floors of offices, 12 floors of hotel rooms and 12 floors of condos, is planned at Hillsborough and Dawson streets by the Reynolds family...The Gencom Group of Miami bought the 355-room Sheraton for \$22 million, and a \$4 million renovation is planned by the end of 2008...**Northwest Raleigh** Plans for the former Water Garden Office Park on Glenwood Ave. now call for 36 residences, a pool, exercise building and putting green...**North Raleigh** Construction has begun on Alta Verde Apartments at Six Forks and Lynn roads. Three buildings will include 1-, 2- and 3-bedroom units with basement-level garages...Wynbrooke, a Martha Stewart/KB Homes 98-home subdivision on 90 acres near the intersection of Leesville and Strickland roads, will offer homes beginning at \$400,000. **Clayton** A 765-acre tract on U.S. 70 next to Wal-Mart has been rezoned for retail development. Leases are expected to be signed soon for tenants.

**Housing** In September, the National Association of Realtors reported home sales fell 1.9% nationally, the slowest pace since January 2004, and the median price of a single-family home dropped to \$219,800, down 2.5% from Sept. 2005. Further drops are expected until mid-2007. In Wake, Durham, Orange and Johnston counties, however, sales rose 3.9% and the average sales

price gained 3.4% to \$229,687, according to Triangle MLS. From Sept. 2005 to Sept. 2006, total inventory increased 7%, spec inventory rose 15% and re-sale inventory gained 2%. The current supply of housing in the region is at 4-month level. The average sales price for housing in the 4 counties is \$225,000, led by Orange at \$447,000, followed by Wake at \$338,000, Durham at \$232,000 and Johnston, \$202,000.

**Closings Raleigh** 2nd Swing Golf in Brier Creek...Storehouse Furniture in North Hills...Marc's Hardware in Ridgewood Shopping Center...Trillium's in Olde Raleigh Village...Wake Forest Florist & Gifts in Wakefield Crossing...The Supper Clubb on Atlantic Ave...Lucky 32 on Spring Forest Rd... **Cary** 2nd Swing Golf in Crossroads...Oriental Rug Outlet in Waverly Place... **Chapel Hill** Storehouse Furniture... **Henderson** Henderson Furniture Co... **Oxford** Decorator Fabric Outlet.

**At the Airport** JetBlue Airways began service Oct. 18 from RDU to Boston using 100-seat Embraer 190 aircraft.

**Employment** GlaxoSmithKline will eliminate up to 100 jobs at its Research Triangle Park location, but they can apply for open R&D positions...Military software maker Applied Research Associates will move from the Colonnade to Forum V across Six Forks road, and increase its workforce from 110 to 150 by early 2008...Jobs in the Triangle rose 4,195 to 812,640 in September from August. The state unemployment rate was 4.9%; U.S., 4.6%; Raleigh-Cary metro, 3.6%; Durham metro, 4.0%

**Media News** WRDU-FM changed to country, joining other country stations WQDR and WCMC. WRVA changed from adult alternative music to classic rock. Spring 2006 Arbitron shares of listening placed WQDR #1 with 10%, followed by WQOK, 6.7%; WFXC, 6.5%; WDCG, 6.3%; WNNL, 5.7%; WPTF, 5.2%; WRAL, 4.4%; WYMY, 3.9%; WBBB, 3.7%; WRVA, 3.2%; WCMC, 3.0%; WRSN, 2.9%; WWMY, 2.5%; AND WJMH, 1.4%. These indicate average percentages of people who are listening at any given time...A Ball State Center for Media Design study reported about 45% of prime time TV commercial breaks are interrupted by channel changes, program guide surfing or leaving the room. Only about one-third of breaks are watched from start to finish.

## Department Stores to be Popular with Young Adults This Holiday Season

According to the National Retail Federation's 2006 Holiday Consumer Intentions and Actions Survey conducted by BIGresearch Oct. 4 -11 among 7,623 consumers, 79% of young adults plan to shop during the holidays at department stores, up from 73% last year. Among all adults, about 3/4th plan to shop at discount stores, and 62% at department stores. Total holiday spending will increase from \$738.11 to \$791.10. Nearly half (48%) will shop at specialty stores and 47% on the Web. About 4 out of 10 began holiday shopping before Halloween. Fueling the increase will be lower gas prices, rising consumer confidence, stronger marketing campaigns and vendor concessions among department store chains that have merged, such as Federated and May. Increased shopping at department stores was also reported for back-to-school this year, rising from 40% in 2005 to 53% this year.

# ADVERTISING OPPORTUNITIES

## October Top Retail Store Sales

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

	NOV	DEC
Appliances, TV, other electronics stores	9.6%	14.4%*
Beer, wine, liquor stores	8.6	11.8*
Building materials and supplies dealers	8.4	8.1
Clothing stores, family	9.8	14.6*
Clothing stores, men's	9.6	14.9*
Clothing stores, women's	8.8	12.8*
Computer & software stores	8.7	11.4*
Department stores, convent. and nat'l chain	9.8	16.5*
Department stores, discount	9.5	13.6*
Furniture stores	8.9	9.5*
Gasoline stations	8.6	8.5
Grocery stores	8.4	9.1*
Home furnishings stores	9.6	11.6*
Jewelry stores	8.7	23.5*
Pharmacies and drug stores	8.3	9.6*
Warehouse clubs and superstores	9.1	11.4*

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 Nov. (8.3%+)

	NOV	DEC
Auto dealer associations	8.3%	12.7%*
Auto supply & accessory stores	9.5	9.3
Bedding stores, sleep centers	8.8	7.6
Boats/motors/marine accessories	9.6	4.5
Bookstores	28.6*	14.2
Cameras, photo supplies & equipment	21.0	26.1*
Card & gift stores	15.0	15.5
Carpet & floor covering stores	9.9	6.7
Clothing stores, family	15.8*	11.3
Clothing stores, men's	15.7*	11.9
Clothing stores, women's	13.9*	10.5
Computer sales, service, repairs	14.2*	12.6
Consumer electronics stores	12.1	12.4*
Department stores	13.1*	13.1*
Drug stores, pharmacies	10.5	12.1*
Fabric & sewing stores	19.8*	12.6
Farm equipment dealers & services	12.7	13.6*
Food stores/supermarkets (chains)	8.9	9.5*
Furniture stores	8.8	5.7
General merchandise & variety stores	15.8*	13.1
Hobby & craft products	40.2*	40.2*
Home furnishings stores	12.3*	10.7
Jewelry & watch stores	19.4	22.8*
Liquor	16.3	25.5*
Motion pictures	8.8	12.5*
Musical instruments	25.5*	2.0
Office supply & equipment stores	10.1	11.6*
Sporting goods stores	10.7	15.0*
Video rental, CD, tape & record stores	22.2*	21.6
Women's footwear	18.8	0.0

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

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

\*Peak for year

## Average Monthly Household Expenditures

	NOV	DEC
Appliance, TV and other electronics stores	\$62	\$93
Automobile dealers	517	577
Automotive parts, accessories, tire stores	49	51
Beer, wine, liquor stores	25	25
Book stores	9	19
Building materials and supplies dealers	202	194
Clothing stores -- family	62	92
Clothing stores -- men's	8	13
Clothing stores -- women's	28	40
Computer & software stores	15	19
Department stores, conventional & nat'l chains	78	132
Department stores, discount	108	155
Drinking places	14	15
Furniture stores	46	48
Gasoline stations	248	246
Grocery stores	337	366
Home furnishings stores	40	49
Jewelry stores	21	58
Pharmacies and drug stores	131	151
Restaurants, full-service	120	132
Restaurants, limited-service	118	128
Shoe stores	17	24
Sporting goods stores	22	35
Warehouse clubs and superstores	202	254

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. 305,000; Franklin County 21,000;  
Johnston County 57,000; Durham County 100,000;  
Orange County 50,000; Chatham County 25,000;  
Person County 16,000; Harnett County, 39,000

## Get the N&O Delivered to Your Business

The News and Observer has delivery plans to meet the needs of your business. Want the newspaper delivered Monday - Friday only? Or perhaps Monday - Saturday? Need more than one copy? Whatever your unique need may be, we can help.

If you didn't get a chance to finish reading your home-delivered copy before you left for work, or if you would like to see what your competitors are advertising every day, a business-delivered N&O will satisfy your needs.

Call (919) 829-4725 to find a delivery plan that works for your company.