

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

October 2006

BUSINESS BRIEFS

RETAIL *Raleigh* All area Hecht's have now converted to Macy's...Best Buy and Diva Nails are opening at Crabtree Valley Mall; Janie and Jack children's store and Bebe open in November...Glazetopie, a paint-your-own pottery store, opened in Brierdale... Heavner Furniture opened on U.S. 70 at Ebenezer Church Rd. (former Sports Authority location)...nv, a men's clothing store in North Hills, will re-open in early October... Reed's Jewelers, S&K Menswear and men's clothing store 7 Fox opened at Triangle Town Center...Lux Salon opened on Spring Forest Rd...Aldi will soon open its second Raleigh grocery store in the former Books-A-Million location in Eastgate shopping center on Old Wake Forest Rd...Aquacade will open by Thanksgiving in Poyner Place next to Triangle Town Center selling aquarium fish and other animals...Archivers opened in Triangle Town Center...Cool Sports moved from the Raleigh IcePlex to Harvest Oaks shopping center at Six Forks and Strickland roads...Fleurs and Finds is open weekends at the State Fairgrounds Marketplace ...Seaboard Fitness will open in Seaboard Station next year off Peace St. downtown...**Garner** Agri Supply opened a new \$2 million, 120,000-SF store at its original location on U.S. 70 East...**Cary** Wedding Chapel of Love opened on SW Maynard Rd... Abrikadabra Toys moved from the Centrum at Crossroads to 303 E. Durham Rd...5-7-9, a women's apparel store, opened in Cary Towne Center...Foot Solutions opened in Crescent Commons ...**Apex** Andy's Toy Shoppe opened on South Salem St...**Knightsdale** OfficeMax opened in the 452,725-SF Shoppes at Midway Plantation, where Ross Dress for Less, Target, Bed Bath & Beyond, Michael's, Petco, The Home Depot, Moe's Southwest Grill, I Love NY Pizza, Hair Cuttery, Radio Shack, Japan Express, Island Nails, Five Guys Famous Burgers and Fries, Subway and SunCom are tenants ...**Wake Forest** The Mixing Bowl opened at The Factory in Wake Forest selling prepared meals...Avada Hearing Care Centers opened in Wake Forest Business Park, east of N.C. 98 and U.S. 1...**Apex** Circuit City opened in Beaver Creek shopping complex where Dick's Sporting Goods, Old Navy, SuperTarget, PetSmart, Borders, T.J. Maxx, (cont. on page 3)

Get the Most Out of Your Newspaper Ads

Newspaper ads that employ basic principles of layout, copy and complete information usually deliver better results than ads that don't. Here's a quick review of time-tested techniques to producing newspaper ads that will assure best possible results, just in time for your fourth quarter ads.

1. Major event ads. In order to create the most attention and excitement for a big event, such as a major anniversary sale or an end-of-year clearance, the primary ad should be as large and dramatic as possible. It should be bold and contain enough copy about the items to bring people to your store. Small teaser ads should precede the main ad, and can run several days in advance of the primary ad. A few should run on the day of the ad in other sections. If it is a multi-day event, smaller follow-up ads should run after the primary ad appears, but before the event ends. This is called a campaign.
2. Continuous ads. In order to keep your store in the minds of potential customers, ads should be run as frequently as feasibly possible, such as every week. The ads can be relatively small, and although they won't have the noting of large ads, they will build readership over time. They can contain specific items or general copy about your store.
3. The ad itself. A display newspaper ad is essentially that -- a display of what your store has to offer as an enticement to shop and purchase. Because of this, it should attract attention with the use of an illustration and headline. The body copy should contain enough information to enable readers to order items by phone. For example, an ad for a woman's sweater should describe the style, fabric, colors and sizes available, brand name (preferably a well-known and desirable label), and other real-life characteristics, such as washability or dryclean only, stitching quality, shrinkage control, stain-resistance and most importantly, a specific price that represents good value.
4. Layout arrangement of a single-item ad. Experts recommend a vertical layout, but not a narrow format. It should be about the same proportion as a book page. The illustration should appear at the top of the ad and should occupy at least half the space. The headline should appear below the illustration and above the copy. The price should be at the end of the copy. The logo should be at the bottom of the ad, or bottom right. It should be complete with all necessary information, such as specific address (with nearby reference points), phone number, web site address, days and hours of opening, and if meaningful, a slogan. A map can be a big help, too, especially if your store is new or difficult to find.
5. Copy. Body copy should be in a familiar typeface and approximately the size of newspaper news text or book text, about 9-11 points. Serif type is easier to read for long copy. Ornate or unusual type is not recommended. The copy should be written in an easy-to-read conversational style, much like you would describe to a friend. Remember, our aging population is having more difficulty reading small type.
6. Generally, reverse type or overprinted type (white type on a black or gray background, or colored type against a deeply colored or gray background) is not recommended because it makes the copy more difficult to read. Ben-day or gray backgrounds do not have the same effect as color. The darker and grayer the ad, the more it resembles a cloudy day. Never use a small-font serif type face on reverses or deeply colored backgrounds.
7. Ornate or heavy borders should not be relied on to make an ad stand out. Borders are fences that can repel reader's eyes. After all, you're not selling borders, so use the space for white space, illustrations and copy.

(cont. on page 3)

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

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

	OCTOBER	'05	'06	NOVEMBER	'05	'06
Weekdays		21	22		22	22
Saturdays		5	4		4	4
Sundays		5	5		4	4

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

Unusual Weather Patterns October and November 2005:

- Unusually cool (high 58-62 degrees): October 24-29
- Unusually cool (high 45-50 degrees): November 18, 23, 25, 27
- Unusually warm (high 85-86 degrees): October 5, 20
- Unusually warm (high 75-83 degrees): November 4-9, 13-16
- Precip. (0.1" +): October 6-8, 21
- Precip. (0.1" +): November 20, 16, 21, 22, 27, 29

The N&O Has A Database Solution for You

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 -- holiday dates are getting reserved fast.

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).

Free Media Evaluation

Having second thoughts about your media mix? Are you not getting the results you thought you would? It could be the media you are using, or how you're using them. We can evaluate your media buys using Scarborough's syndicated research which reports audience reach by local media.

And, we can evaluate your N&O ads regarding layout and copy, timing, section placement and product selection.

Just ask your N&O advertising sales representative or e-mail me at boney@newsobserver.com. It's free and no obligation.

Fall Fishing Is Best!

Fall fishing at the coast is the best of the year. King Mackerel, Spanish Mackerel, Speckled Trout, Gray Trout, Flounder



and the ever-popular Spots are in abundance. Our award-winning Outdoor Pages in every Thursday Sports section offer the best place to advertise. 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. On a 6-week contract? Six daily/Sunday N&O combos are read by 174,000 adults, net. 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, April 2005-March 2006

Other Promotional Opportunities

Oct. 9	Columbus Day
Oct. 29	Daylight Savings Time Ends
Oct. 31	Halloween
Nov. 7	Election Day
Nov. 11	Veteran's Day
Nov. 23	Thanksgiving Day

Business Briefs (cont. from page 1)

and Home Goods are also located...**Durham** Blue Point Yoga Center opened on Erwin Rd...**Fuquay-Varina** Harris Teeter opened in King's Grant Commons at Ten Ten Rd. and U.S. 401...CD Warehouse opened on N. Main St...**Burlington** Italian Leather Works Factory Outlet opened in the JR Outlet Mall.

Restaurants and Night Clubs **Raleigh** Hideaway BBQ is opening at 2210 Capital Blvd...Tumbleweed Southwest Grill at Poyner Place next to Triangle Town Center will be the first of 5 new locations in the Triangle when it opens in 2008...Starbucks will open at Lake Boone Trail Shopping Center...**Garner** Mayflower Seafood Restaurant opened on Fayetteville Rd...**Knightdale** -- Jamaica Paradise Cafe opened and Big Cheese Pizza will open in October at Shoppes at Midway Plantation... **Cary** Bentley's opened in the former Houlihans restaurant near Crossroads Plaza...Pei Wei opened in Cary Towne Center...Tangerine Cafe opened in Parkway Pointe at southwest Cary Parkway and Old Apex Rd...**Durham** Manchesters Grill opened in Alexander Village at Page Rd. and T.W. Alexander Dr.

Developments Empire Properties will own 14 buildings downtown after buying four historic buildings, which will become offices, apartments, retail and restaurants...Lafayette Village, 73,000 square feet of retail and offices at Falls of Neuse and Honeycutt Rd. in North Raleigh, will have a French village look with narrow streets and 282 parking spaces when it opens in late 2007 or early 2008... The first phase of Hasentree, a 934-acre development just north of Falls Lake on N.C. 98, including a Fazio-designed golf course and homes priced from \$800,000 to \$5 million, will open in early 2007 with 600 one-acre lots...Preston Development purchased about 2,000 acres south of Pittsboro and plans to buy at least 1,000 more acres where a subdivision with two golf courses are planned...Briar Chapel is under construction and will include 2,389 homes on 1,589 acres five miles south of Chapel Hill off U.S. 15-501. It will also include more than 500,000 SF for commercial space and two schools...A 141,000-SF home improvement store and 49,000 SF of other retail are planned for County Line Plaza in Chatham County on U.S. 15-501 south of the Orange County line.

Housing The Village at Aversboro, a \$40 million retirement community, is planned on 37 acres at Aversboro Rd. and Timber Dr. in Garner and will include 147 single-family homes from 1,600 to 2,600 SF at an average \$270,000...Glenwood North, off Glenwood Ave. at Glenwood Forest Dr. in Northwest Raleigh will include 500 townhouses after adding 75 lots on 9.35 acres. Homes will be priced from \$143,000 to \$242,000.

Closings **Raleigh** Brook Mays Music is closing its retail stores in the Triangle and Rocky Mount, but its instrument rental business will continue...**Chapel Hill** Potted Plant closed its greenhouses. The main store, located in Eastgate Shopping Center, closed last year. Potted Plant had been in business 35 years.

Employment ConAgra in Garner will add about 30 jobs as a result of restructuring and closing five factories in other parts of the country...The Purolator air filter plant in Johnston County will

close in November, eliminating about 160 workers...Metrics Inc., a Greenville company that makes experimental drugs plans to create 77 new jobs over the next three years as part of a \$17.5 million expansion of its drug testing and manufacturing plant. Metrics currently employs about 170 workers and will roughly double the size of its facility by adding 47,000 square feet. The new jobs are expected to pay approximately \$50,000 per year...Revlon will eliminate 50 jobs in Oxford.

August unemployment rates (unadjusted)

County	Aug 05	Aug 06	County	Aug 05	Aug 06
Wake	4.2%	3.4%	Harnett	5.8%	5.0%
Durham	4.7%	3.9%	Person	6.3%	5.7%
Orange	4.2%	3.7%	Ral./Dur./Cary CSA	4.5%	3.7%
Johnston	4.5%	3.7%	No. Carolina	5.2%	4.7%
Franklin	4.5%	3.9%	U.S.	4.9%	4.6%
Chatham	4.0%	3.6%			

Media News Front-page ads are now available in The Cary News, The Chapel Hill News, The Durham News and Eastern Wake News. These are community newspapers owned by The McClatchy Company which also owns The News & Observer. Front-page ads are not available in The Herald (published every Tuesday and Friday in Smithfield/Clayton/Johnston Co.) nor in The News & Observer, but front page sticky notes are available in The News & Observer and are very popular among advertisers. Current circulation of the front-page-ad community newspapers are: The Durham News, 70,224, published every Saturday; The Cary News, 54,745, published every Wednesday; The Chapel Hill News, 24,614, published Wednesdays and Sundays; Eastern Wake News, 17,296, published every Wednesday. For pricing and availability, please contact your News & Observer advertising sales representative.

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8. Include the price. Newspaper readers are often ready to shop or buy -- that's why they're reading the ads. They are hungry for information and want to know what the price is. Don't leave them guessing -- they are likely to assume a higher price than you're asking if you leave it out.

9. Avoid a crowded ad. Use illustrations that are large enough to show detail. For example, in order to show details of a fabric, a large picture or a sectioned cutout that is enlarged, can be used.

10. Use artwork that will reproduce properly in newspapers. Newspapers are not printed on magazine slick paper -- they are printed on low-cost newsprint that has a higher blotting capability. That means the dot pattern must be larger than with high-quality paper.

If you would like a critique on your upcoming ads or ads that have run in the past, just ask your News & Observer advertising sales representative or send the ads to me -- Bob Oney, Market Research Director, The News & Observer, P.O. Box 191, Raleigh, NC 27602. There is no charge. We want you to get the most out of your newspaper advertising investment.

ADVERTISING OPPORTUNITIES

October Top Retail Store Sales

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

	OCT	NOV
Automotive parts, accessories, tires	8.4%	8.2%
Beer, wine, liquor stores	8.5	8.6
Building materials and supplies dealers	8.7	8.4
Clothing stores, family	8.6	9.8
Clothing stores, men's	8.6	9.6
Clothing stores, women's	8.5	8.8
Drinking places	8.8	8.2
Furniture stores	8.4	8.9
Gasoline stations	9.1*	8.6
Grocery stores	8.4	8.4
Home furnishings stores	8.4	9.6
Pharmacies and drug stores	8.3	8.3
Restaurants, full-service	8.6	8.0
Restaurants, limited-service	8.5	8.0
Warehouse clubs and superstores	8.5	9.1

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 Oct. (8.3%+)

	OCT	NOV
Auto dealer associations	8.6%	8.3%
Auto dealers, new and used	8.7	7.9
Auto repair services/service stations	8.8	8.0
Auto supply & accessory stores	8.4	9.5
Bedding stores, sleep centers	9.7*(t)	8.8
Boats/motors/marine accessories	13.8*	9.6
Card & gift stores	21.4*	15.0
Carpet & floor covering stores	10.6*	9.9
Car rental companies	8.9	7.1
Clothing stores, family	9.0	15.8*
Consumer electronics stores	8.6	12.1
Department stores	8.7	13.1*(t)
Drug stores, pharmacies	8.6	10.5
Fabric & sewing stores	10.3	19.8*
Food stores/supermarkets (chains)	8.6	8.9
Furniture stores	10.6*	8.8
General merchandise & variety stores	8.3	15.8*
Health & diet foods	14.0	0.0
Home furnishings stores	9.9	12.3*
Office supply & equipment stores	8.3	10.1
Paint, wallpaper & glass stores	9.9	4.5

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

Raleigh-Durham Ranked #1 in High Tech

The Raleigh-Durham region ranked number one for technology companies in the U.S., according to the Silicon Valley Leadership Group, which ranked the Silicon Valley dead last. The Triangle received high marks for a strong job market, affordable

Average Monthly Household Expenditures

	OCT	NOV
Appliance, TV and other electronics stores	\$49	\$62
Automobile dealers	542	517
Automotive parts, accessories, tire stores	51	49
Beer, wine, liquor stores	24	25
Book stores	9	9
Building materials and supplies dealers	209	202
Clothing stores -- family	55	62
Clothing stores -- men's	7	8
Clothing stores -- women's	27	28
Computer & software stores	14	15
Department stores, conventional & nat'l chains	63	78
Department stores, discount	94	108
Drinking places	16	14
Furniture stores	43	46
Gasoline stations	264	248
Grocery stores	338	337
Home furnishings stores	35	40
Jewelry stores	16	21
Pharmacies and drug stores	132	131
Restaurants, full-service	128	120
Restaurants, limited-service	125	118
Shoe stores	17	17
Sporting goods stores	20	22
Warehouse clubs and superstores	189	202

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

housing and manageable traffic.

Monday N&O Advertisers Get Sunday Circulation through December 18!

Monday News & Observer advertisers will receive an additional 37,000 circulation through December 18. These extra copies will be distributed to weekend-only subscribers who do not subscribe to the Monday paper.

Advertising in the Monday News & Observer is a great way to boost sales during the usually slower selling days of the week, and it comes at the right time -- fall and winter clothing demand and the holiday shopping season.

Ask your N&O sales representative about taking advantage of this unique offer.