

RETAILERS ARE OPTIMISTIC

SEE PROFITABILITY, REVENUE IMPROVING

A new survey from **KPMG LLP** of senior retail executives finds them optimistic about the prospects for 2010 and anticipating better revenue, profitability and an improving jobs picture in 2011.

Just a year ago, only one-fifth of executives surveyed thought business conditions were better than they had been the year before. Now that number has jumped to almost two-thirds. And almost half of the respondents expect the retail industry to recover before the U.S. economy does in general. On average, says KPMG, retail executives predict the overall economy to come back in 1.9 years.

"While retail executives show more optimism in this year's survey, the fact they see the expected economic recovery timeline extended suggests they are still cautious about declaring the recession and its impact completely in their rearview mirror. Their caution is understandable given the lackluster June sales results just reported by many retailers and the fact they are coming out of what was a drastic downturn for them," said **Mark Larson**, KPMG global retail sector chair.

Retailers are still quite split over whether to spend their time in cost cutting or investing in the business, with the edge going to investing (55%). Over 90%, however, believe that "product innovations" and "innovative merchandising strategies" (which includes online and mobile internet shopping) will be their biggest revenue drivers over the next three years.

And what will bring the customers into their stores? Just under half of the executives believe "perceived value" is the determining factor on where customers will buy, followed by nearly one-quarter believing "price" is the most important factor, with "convenience of location" and "familiarity with the retailer" next in line--"quality" and "service" received limited responses from the execs.

And what will keep customers away? The retail execs retail leaders most frequently cited continuing high national unemployment (66%), decreased consumer confidence (63%) and a distressed real estate market (28%) as well as limited access to credit for consumers (also at 28%).

ECONOMIC RATINGS

Initial jobless claims fell to their lowest level since August 2008 last week, said the **Labor Department**. They were off by 29,000, reflecting a better manufacturing climate than had been expected....The **Port of Los Angeles**, entry point for much of the retail inventory in the country, had its busiest June ever, surpassing the height of the global economic boom in 2006.

ADVERTISER TIDBITS

West Marine, perhaps a harbinger of the luxury segment of retail, reported an 8.4% increase in net revenues for the second quarter. That included a hefty 9.4% increase in comparable store sales. But the oil spill in the Gulf of Mexico will likely negatively affect at least short-term revenues. The company has benefited from the closing of rival **Boater's World** stores.

ACCOUNT ACTIONS

Goodby, Silverstein & Partners is no longer the agency for **Denny's**, says *Adweek*. The parties, which started their relationship in January 2009, are said to have had creative differences. The restaurant chain spent \$58 million last year.

NRF: HEALTHY BACK-TO-SCHOOL

Heat waves are hitting many parts of the U.S. right now, so it may seem a bit premature to be talking about back-to-school, but certainly retailers like **Target** and **J.C. Penney** don't think so. They have already begun their back-to-school ad campaigns. And this week, the **National Retail Federation** released its annual forecast of just how healthy spending will be as families prepare for the new school year.

The NRF says the average American family plans to spend \$606.40 on clothes, shoes, supplies and electronics this year, compared to \$548.72 in 2009. Total spending on school-aged children in grades K-12 is expected to reach \$21.35 billion. Add spending for college kids and the total is expected to be about \$55.12 billion.

SERVICE IMPROVING FOR CAR BUYERS

Each year, **Pied Piper** of **Monterey, CA** sends out mystery shoppers to car dealerships to develop its **Prospect Satisfaction Index**. And the news this year is that satisfaction is up for 25 of the 34 brands surveyed.

Ford, **Lincoln** and **Chevrolet** scored above the industry average for the first time in four years, says Pied Piper. **Mercedes Benz** was tops in the study and **Lexus** was number two. Fellow luxury brand **BMW** scored below **Cadillac** and **Lincoln** and tied with **Chevrolet**, **Ford**, **Toyota** and **Volkswagen**. **Mitsubishi** placed last.

"Today's car shoppers are armed with far more vehicle and pricing information than ever before," said Pied Piper CEO **Fran O'Hagan**. "Successful brands and dealerships have responded by acting as helpful enablers for today's shoppers. At the most successful dealerships, the stereotype of the old-fashioned car salesperson no longer exists."



CABLENET CHATTER

The July 13th episode of **Discovery's Deadliest Catch**, which directly addressed the death of **Captain Harris**, attracted 8.5 million total viewers, 5.2 million of whom were A18-49. That made the show the third most-watched program in Discovery history, after **Walking with Dinosaurs** and **Waking the Mammoth**. The program that followed **Deadliest**, **After the Catch: The Good Captain Phil**, drew 6.8 million total viewers, making it the fifth most-watched program on the network.....The season finale of **The Hills** on **MTV** scored a 2.8 rating in P12-34, up 75% over last year's finale. The show averaged almost 3 million total viewers, a 72% improvement over last year. **The City**, which aired after **The Hills**, attracted 2.3 million viewers, up 47% from last season's finale, and a 2.2 in P12-34.....**Comedy Central** has given a 10-episode order for a new series called **Jon Benjamin Has a Van**, with the eponymous comedian playing an investigative reporter who rides around in a van finding human interest stories.....

USA Network's latest original series **Covert Affairs** debuted on Tuesday to an audience of 4.9 million total viewers, 2.1 million A18-49, 2.3 million A25-54. It was cable's top-rated scripted series premiere this year in A18-49. **White Collar**, whose season premiere led into **Covert**, drew 4.3 million viewers, 1.6 million A18-49 and 1.8 million A25-54.....**TV One** debuts the second season of its biography series **Life After** with back-to-back half-hour episodes next Monday at 9PM.....**HGTV** has purchased the three seasons of docu-soap **Marriage Under Construction**, which follows a newlywed couple's renovation of their first home. And sister net **DIY** has bought the rights to **Family Renovation**, one family's reno experiences, and **House of Bryan**, in which **Disaster DIY** host **Bryan Barumler** attempts to build his own home from scratch in 6 months. No airdates yet on any of these shows.... **ABC Family's Pretty Little Liars** scored another season high in A18-34 (976,000) and F12-34 (1.6 million) this week and it earned its second-best numbers in total viewers (2.7 million) and W18-49 (1.0 million).....**Oscar nominee Tariji P. Henson (The Curious Case of Benjamin Button)** has signed on to star in a new **Lifetime** movie called **Taken From Me: The Tiffany Rubin Story**. She'll play a woman who travels to Korea looking for her abducted son.....The second episode of the season of **Warehouse 13** was off from its premiere the week before but still drew 2.33 million total viewers and got a 1.7/2 in HHs and a 0.7/2 in A18-49 on Tuesday. That same night, **Rescue Me** attracted 1.275 million, a 0.9/2 HH rating and a 0.7/2 in the demo.....**TNT** has just premiered the new seasons of **The Closer** and **Rizzoli & Isles** and has already announced the finale dates. Both will wrap up their seasons on September 13. The net's other originals have also set their finales. **Memphis Beat** ends its season on August 24, as will **Hawthorne**. **Leverage** completes the summer portion of its current season on Sunday, September 5. Both **Leverage** and **The Closer** will be back in the winter.

George Steinbrenner turned the New York Yankees from a \$10 million franchise to a billion-dollar franchise. His secret was the \$9 hot dog.

-- David Letterman

AVAIL

Are you a **Media Sales Planner** that lives in the **Boston** area or will live in the area soon? If so, **Comcast Spotlight** of Boston is looking for you. The incumbent will develop strategic campaigns by applying various media platforms such as interactive, traditional, multicultural, etc. The Sales Planner must have an acute understanding of the client's needs and goals and should be aware of where its competition stands. Three to five years experience. Apply: Sr. Sales Planner Boston, MA www.Comcast.com Come join the #1 Interconnect Sales teams in New England! Comcast is an EEO/AA/ Drug Free Workplace.

WGN MAKES A PLAY

WGNA is trying to beef up its programming schedule in the hopes of taking its place alongside other general entertainment networks like **TBS**, says *Mediaweek*.

The superstation is adding **Entourage** this fall as well as **How I**

Met Your Mother, **The New Adventures of Old Christine** and **Curb Your Enthusiasm**. And on the weekends, the net will air **Monk** and **The Unit**. **It's Always Sunny in Philadelphia** and **30 Rock** are slated for debuts in 2011.

Julio Marengi, evp of sales and distribution for the superstation, notes that about 70% of the inventory for the new schedule was sold in the upfront. And ad revenues are up 75%, and "we're still writing business," he says. He reports that half of the sales are coming from new advertisers. Indeed, **Shari Cohen** of **Mindshare** told *Mediaweek* that the new schedule is "impressive." And **Francois Lee** of **MediaVest** says, "They are on the right path, raising their visibility, but they have to find an identity beyond a general entertainment network."

THIS AND THAT

As of press time, **Cablevision** and **AT&T** were still in discussions about the carriage by the telco of **Cablevision's Rainbow** networks, including **AMC**, despite the fact that the current agreement had expired. As a competitor to **Cablevision**, says one analyst, **AT&T** is at a real disadvantage in these negotiations. **AMC** and the other nets are not irreparably harmed by the loss of the smaller **U-verse** subscriber base, and if **AT&T** loses the nets, and suffers some subscriber losses, so much the better for rival **Cablevision**....**Hulu** executives say the service is being "overwhelmed" with subscription requests for the pay service it just instituted for \$9.99 per month. "We're working through the backlog of people who want to subscribe," said the CEO **Jason Kilar**.....**Discovery Communications** is suing **Amazon.com** alleging infringement of two of its patents. **Discovery** has filed for a number of e-book related patents, and in March 2009 sued **Amazon** over a patent entitled "Electronic book security and copyright protection system." **Discovery** also has a patent entitled "Electronic Book having electronic commerce features."....**BBC** is creating an American version of its news website and has hired a new team of journalists to write for it.

cable spots

To subscribe, call 1-888-884-2630

7/16/10