

REGIONAL TRENDS: *Carolinas Overview*

Luminosity Perspectives

May 2008

Overview

The Carolinas are vibrant and growing region of the country. For companies looking to grow their customer base, the Carolinas present an appealing marketing opportunity. An abundance of affordable mid-size media markets combined with an educated, active population make the Carolinas a region worth exploring for many mid-size marketers.

In recent years, population growth and highly dynamic economies have transformed the Carolinas into two of the faster growing states in the country (US Census Bureau). Most will recognize the states' shared passions for fishing, religion and NASCAR. However, some marketer may be surprised to discover that the urban areas have been transformed from tobacco-centric economies to modern cities shaped by educational, bio-tech, real estate, film and finance trends.

Demographic Trends

Both North Carolina and South Carolina are sites of growing economies, from Charlotte's financial organizations to Columbia's recognition as a top city for jobs in 2007. While each state, and each city within the state, has unique culture (such as education, tourism, or agricultural) the Carolinas represent a cohesive region with some common characteristics that are distinctly different from the rest of the country.

While the majority of the population is Caucasian, Blacks have a much larger influence on culture and government. Blacks represent almost 25% of the population, compared to only 14% of the total US. While it is important to note that North Carolina has received much press for a highly growing Latino population, the overall percentage of Latinos is still small compared to the rest of the country. In 2007, Latinos accounted for only 6.0% of the Carolinas population compared to 15% for the total US. In 1990, only 1.04% of the Carolinas were Latinos (US Census Bureau).

The typical household income for both states ranges from roughly \$38K to \$48K. This range puts the Carolinas just below the average US household income of \$48K, according to the US Census Bureau.

Marketing in the region can reach both residents and the estimated 30 million visitors that come annually. Collectively, the nine Carolinas Nielsen Designated Market Areas (DMAs) make up about 4.3% of the total United States television universe.

Five Lifestyle Trends to Know

1. Hopelessly Devoted

Ranking at or near the top of The Top Ten Lifestyles in each DMA was bible/devotional reading (SRDS Lifestyle Market Analyst). In North Carolina alone there are 86 religious groups. This choice coincides with the amounts of Christians and churches located in each state. North Carolina's entire population is 88% Christian, with 77% of them being Protestant. South Carolina is 92% Christian, with 84% of them being Protestant. This is much higher than the nation's average of Protestants which accounts for 52% of American adults (American Religious Identification Survey).

In addition, not only does every Carolinas market radio market have at least Christian, religious, or gospel station, but these stations are almost always one of the top ranked stations.

Perhaps connected to faith, the top hobby amongst all nine Carolinas DMAs is to donate to charitable causes. This hobby is enjoyed by, on average, 20% more of each city's households than the next favorite hobby. The next favorite hobby often includes home workshop and crafts.

2. The Carolinas are the New Florida

Retirement is one of the top "occupations" by adult populations in both states, ranking in the top four in every single DMA. Charlotte has been named one of the best cities to retire in (Money Magazine). Columbia has been recognized as one of the best choices to retire in a "budget town" (Where to Retire) and has been ranked as America's second best retirement city (RetireHomeSmart.com). In addition, Raleigh-Durham and Charleston were named two of the best cities for retirees to reinvent themselves (AARP).

Most retirees in the Carolinas hail from the Northeast, the Midwest Frost Belt, and surprisingly Florida (Center for Carolina Living). Factors that contribute to this rising trend are low cost of living, low property taxes, high-end healthcare, overload of culture, and the abundance of green space.

3. School is in Session

At the opposite end of the spectrum from retirees, the influence of college-aged residents in the Carolinas is large. The Carolinas have a wide variety of colleges and universities, including well-known

institutions like Duke, University of North Carolina, University of South Carolina, and Clemson. In both states there are a total of nearly 100 higher education establishments, including technical schools, 2-year colleges, 4-year colleges, and private universities. While the overall percentage of the population enrolled in college is not higher than the US average, the influence of these educational institutions on their communities at large represents an opportunity for marketers.

4. Gone Fishing

People in the Carolinas spend a good portion of their time outdoors. Perhaps influenced by the weather, or the abundance of small towns, Carolina residents spend more time pursuing outdoor passions than the rest of the country. Some of their favorite outdoor activities include fishing and hiking. And the Carolinas are also known for some of the country’s best golf courses.

North Carolina and South Carolina combined offer over 80 state parks and 22 national parks for recreational activities. Activities from sightseeing to horseback riding to educational classes are held in various parks throughout the states. In addition to the official parks, many independent historical landmarks also attract visitors from all over the US. Tourists are also flock to the abundant golf courses in the region, such as the 40+ courses in the Pinehurst area of North Carolina and the 40+ courses in the Hilton Head area of South Carolina.

Regional websites such as www.carolina-fishing.com are dedicated to all aspects of fishing in North and South Carolina. Fishing events are held throughout the year such as the Wal-Mart FLW Fishing Tour that hosts a lucrative Bass Fishing Tournament, the Annual Youth Fishing Derby, and the Cape Fear Disabled Sportsman Fishing Tournament.

5. Sports Fanatics Rule

When people in the Carolinas aren’t partaking in outdoor activities, they are staying inside cheering for their favorite sports team. The top sport activity amongst the Carolina’s adult population is watching sports on television. Both of these trends can be attributed to the abundance of athletic teams in both states.

While the Carolinas aren’t an epicenter for professional sports like New York or Boston, teams such as the Carolina Panthers (NFL) and Carolina Hurricanes (NHL) do have solid fan bases. Unusually strong in the Carolinas are minor league sports, specifically baseball, in North Carolina, and soccer, in South Carolina. Finally, strong college teams with national profiles also attract many community fans. College basketball is particularly strong in North Carolina as is college football in South Carolina.

Of course, one of the biggest fan sports in the Carolinas is auto racing. More than 80% of NASCAR teams and related industries are located in North Carolina with races held every year in both states.

North Carolina Media Overview - Chart A

MARKET	TV	RADIO	PRINT	CITY INFO ONLINE	EVENTS
Charlotte DMA Rank: 26 Adult Pop: 1,992.5 M	WSOC (ABC) WBTV (CBS) WJZY (CW) WCCB (Fox) WCNC (NBC)	WNKS (Contemp. Hits) WKKT (Country) WYFQ(Religious) WPEG (Urban Contemp.)	Charlotte Observer Morning Circ: 211,906 Sunday Circ: 269,179 Charlotte Post Rhinoceros Times	www.visitcharlotte.com traffic ranking: 378,368 www.charlotte.com traffic ranking-20,831	NASCAR Hall of Fame/Speedpark Carolina Panthers St. Patrick's Day Parade
Raleigh - Durham DMA Rank: 29 Adult Pop: 1,944 M	WTVD (ABC) WRAL (CBS) WLFL (CW) WRAZ (Fox) WNCN (NBC)	WDCG (Pop Contemp..Hits) WQDR (Country) WBBB (Rock) WRAL (Adult Contemp.) WPJL (Religious)	The News and Observer Morning Circ: 171,764 Sunday Circ: 211,499 The Herald Sun Morning Circ: 42,808 Sunday Circ: 44,050 The Raleigh Chronicle Independent Weekly	www.raleigh-nc.org traffic ranking: 453,844 www.visitraleigh.com traffic ranking: 614,048 www.durham-nc.com traffic ranking: 668,246 www.durhamcountync.gov traffic ranking: 740,682	Raleigh Arts Festival Neuse River Festival North Carolina State Fair Jimmy V Celeb. Golf Classic World Beer Festival Bull Durham Blues Festival
Greensboro - High Point - Winston Salem DMA Rank: 47 Adult Pop: 1,252.9 M	WXLV (ABC) WFMY (CBS) WCWG(CW) WGHP (Fox) WXII (NBC)	WNAA (Variety) WKRR (Classic Rock) WQMG (Urban Contemp) WPET (Religious)	News and Record Morning Circ: 88,155 Sunday Circ: 106,616 The Carolina Peacemaker Greensboro Monthly	www.greensboronc.org traffic ranking: 1,605,074 www.high-point.net traffic ranking: 671,754 www.visitwinstonsalem.com traffic ranking: 1,188,839	Eastern Music Festival Piedmont Dragway Greensboro Coliseum Complex North Carolina Wine Festival Old Salem Christmas
Greenville - New Bern - Washington DMA Rank: 107 Adult Pop: 547.5 M	WCTI (ABC) WNCT (CBS) WYDO (Fox) WITN (NBC)	WNCT (Classic Hits) WZMB (Alternative) WRTP (Christian Contemp.) WZMB (College Radio)	The Daily Reflector Morning Circ: 21,510 Sunday Circ: 22,745 The Greenville Times The Greenville Journal-Concert	www.visitgreenvillenc.com traffic ranking: 2,409,034 www.visitnewbern.com traffic ranking: 1,669,316 www.originalwashington.com traffic ranking: 18,646,337	Greenville Museum of Art Greenville Convention Cntr Annual Shriners' Fish Fry Smoke on the Water
Wilmington DMA Rank: 136 Adult Pop: 312.4 M	WWAY (ABC) WILM (CBS) WSFX (FOX) WECT (NBC)	WQSL (Urban Contemp.) WZDG (Christian Rock) WKXS (Classic Hits) WMNX (Hip-Hop/R&B)	The Star-News Morning Circ: 52,918 Sunday Circ: 58,904 The Wilmington Journal Encore Magazine	www.wilmington.net traffic ranking: 1,188,401 www.ci.wilmington.nc.us traffic ranking: 1,547,300	Airlie Gardens Concert Srs Port of Wilmington Maritime Day Festival North Carolina Jazz Festival Mardi Gras Gala

North Carolina: From Farming to Finance

North Carolina has traditionally been a farming economy, growing 40% of all US tobacco in 2006, making it the growing leader in the country. In addition, North Carolina has been a major producer of textiles, manufacturing cotton, silk, and a variety of other materials. It is estimated that North Carolina's 2006 total state product was \$375 billion (The Bureau of Economic Analysis).

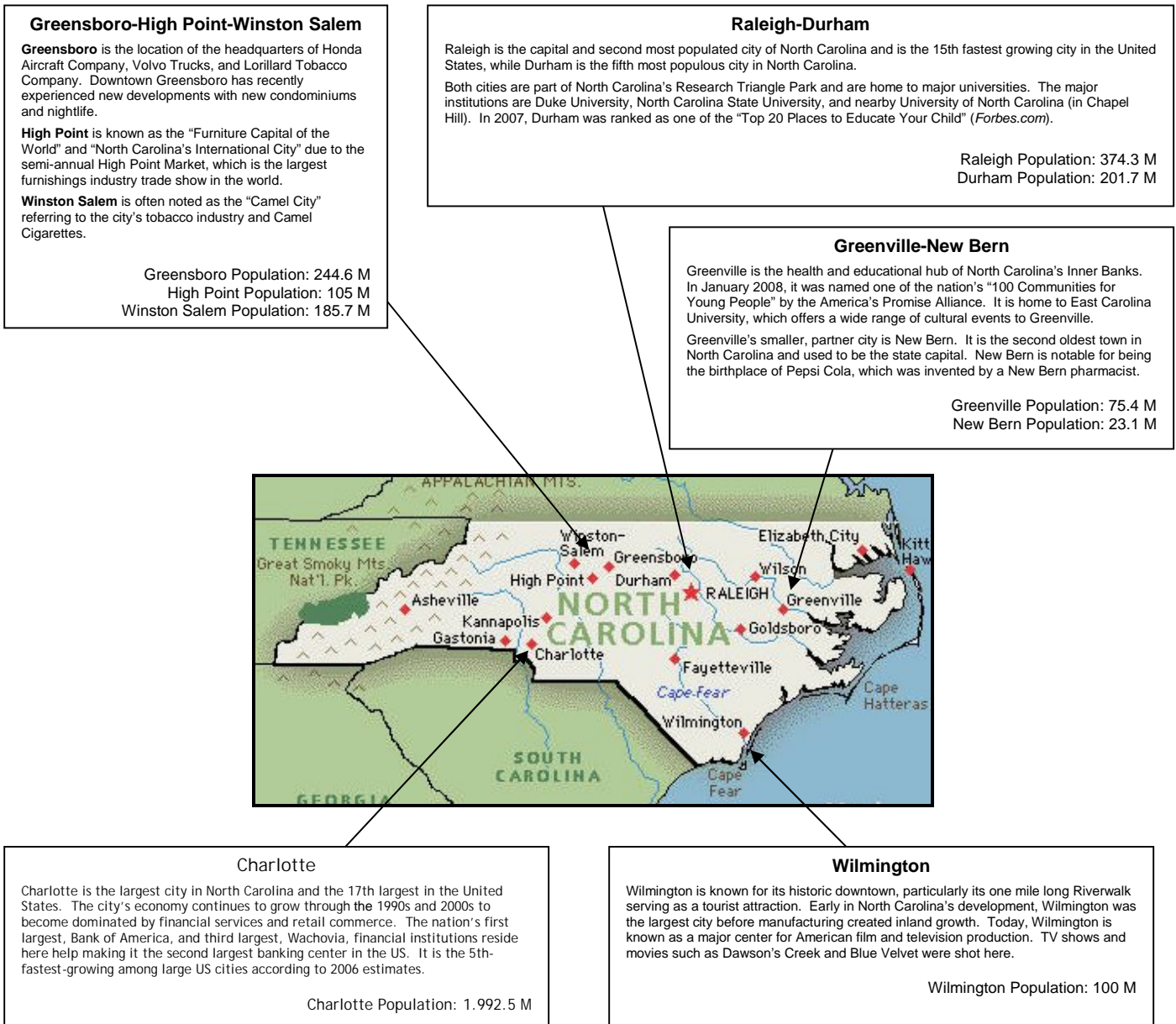
More recently North Carolina's economy has been impacted by its development in becoming a major banking and finance center. Charlotte, NC continues to experience rapid growth, and is now the second largest banking center in the United States behind New York City. North Carolina is also home to the Research Triangle Park, the largest in the US, which is a high-tech research and

development center. RTP is a 7,000 acre development that is home to more than 160 companies employing over 40,000 full-time workers with a combined salary of over \$2.7 billion.

As of 2007, North Carolina had an estimated population of 9.1 million (US Census). This is an increase of 2% from the previous year and an overwhelming 13% increase since 2000. This rate exceeds the rate of growth for the United States as a whole, which is estimated at .9%, showing the pull the state is having for people to move there. Most of North Carolina's growth is from migration.

North Carolina is covered by five television markets including Charlotte, Greensboro-High Point-Winston Salem, Greenville-New Bern-Washington, Raleigh-Durham, and Wilmington. See Chart A for an overview of media properties in each market. See Map B for city by city trends.

North Carolina Geographic Overview - Map B



South Carolina: Top Spot for Tourism

The tourist industry today is the number one source of income for South Carolina. South Carolina offers tourists the beautiful coastlines and islands, such as Hilton Head and Myrtle Beach, as well as inland lakes and Blackwater rivers that are a prime destination for water sports, hunting, and fishing enthusiasts. Adding to South Carolina's estimated 2004 gross state product of \$136 billion (The Bureau of Economic Analysis) were agricultural and industrial outputs including tobacco, poultry, cotton, textile goods, chemical products, and paper goods.

According to 2007 estimates South Carolina has a population of 4.4 million, or about half the size of North Carolina (US Census). This is an increase of 2% from 2006, and an increase of 10% since 2000. Like North Carolina, migration is the driver of growth, with the state offering many draws for people, young and old, to move there including community, cheap living, and warm weather.

South Carolina is covered by four primary television markets including Charlotte, Columbia, Greenville-Spartanburg, and Myrtle Beach-Florence. See Map C for city by city trends and Chart D for an overview of media properties in each market.

South Carolina Geographic Overview - Map C

Greenville-Spartanburg

Greenville's economy was formerly based on textile manufacturing and was once known as "The Textile Capital of the World." Recently, low wages and tax benefits drew foreign companies into the area. This city is home to Michelin and a BMW manufacturing facility.

Spartanburg has recently been focusing on revitalizing its downtown area and restoring historic structures. Spartanburg is also known as a college town, with six colleges, including University of South Carolina Upstate.

Greenville Population: 56 M
Spartanburg Population: 39.6 M

Columbia

Columbia is the state capital and largest city in South Carolina. It has been recognized as one of "America's Most Livable Communities," one of the nation's top 100 cities for jobs in 2007, an ideal city for retirees, and one of the best destinations for kayaking and canoeing.

Columbia's economy is diverse, with major employers being the state government, hospital system, and the University of South Carolina. Recently, Columbia has been raising its economic profile and there are now over 70 foreign-affiliated companies and fourteen Fortune 500 companies in the area. Columbia is also hoping to "revolutionize" the city's economy within a few years from the influence of USC's research campus, Innovista.

Columbia Population: 116.2 M



Charleston

Charleston is the second most populous city in South Carolina and is currently the fastest growing central city in South Carolina. Charleston has been recognized as the "Best-Mannered City in the US," and is well-known for its unique culture of West African and traditional southern American and French. Some major corporations located here are Hess, Nucor, and Verizon.

Charleston Population: 118.5 M

Myrtle Beach-Florence

Although Myrtle Beach and Florence are in the same TV market, they are very different cities.

Myrtle Beach is primarily a resort town that sees about ten million visitors every year. Visitors are mainly drawn by the coastline, amusement parks, restaurants and festivals.

Florence is considered a cultural center in North Carolina with its historic homes and medical center towers. It is also a major biomedical and financial center.

Myrtle Beach Population: 22.7 M
Florence Population: 30.2 M

South Carolina Media Overview - Chart D

MARKET	TV	RADIO	PRINT	CITY INFO ONLINE	EVENTS
Charleston DMA Rank: 100 Adult Pop: 545.1 M	WCIV (ABC) WCSC (CBS) WCBD (CW) WTAT (FOX) WCBD (NBC)	WIHB (Top 40) WWWZ (R&B/Hip-Hip) WFCH (Religious) WIWF (Country)	The Post and Courier Morning Circ: 96,873 Sunday Circ: 108,903 The Charleston City Paper The Charleston Mercury	www.charlestoncvb.com traffic ranking: 508,324 www.charleston.com traffic ranking: 377,502 www.charlestoncity.info traffic ranking: 611,876	Charleston Harbor Fest Holiday Festival of Lights Festival of Houses and Gardens
Columbia DMA Rank: 83 Adult Pop: 738.5 M	WOLO (ABC) WLTX (CBS) WZRB (CW) WACH (Fox) WIS (NBC)	WMHK (Christian Contemp.) WMFX (Classic Rock) WTCB (Adult Contemp.) WUSC (College)	The State Morning Circ: 106,543 Sunday Circ: 139,521 Columbia City Paper The Columbia Star	www.columbiasc.net traffic ranking: 637,273 www.columbiacvb.com traffic ranking: 429,263	5 Points after 5 Concert Series Saint Patrick's Day in 5 Points Halloween at 5 Points
Myrtle Beach-Florence DMA Rank: 105 Adult Pop: 531.1 M	WPDE (ABC) WBTW (CBS) WWMB (CW) WFXB (Fox)	WKVC (Christian Contemp.) WKZQ (Alternative) WYAV (Classic Rock) WSYN (Oldies)	The Sun News Morning Circ: 49,727 Sunday Circ: 60,782 The Weekly Surge The Myrtle Beach Herald	www.myrtlebeach.com traffic ranking: 284,789 www.cityofmyrtlebeach.com traffic ranking: 943,389 www.cityofflorence.com traffic ranking: 2,111,171	Art In the Park Canadian-American Days World Amateur Golf Championship Myrtle Beach Bike Week Florence Pecan Festival
Greenville-Spartanburg DMA Rank: 36 Adult Pop: 1,583.5 M	WLOS (ABC) WSPA (CBS) WYCW (CW) WHNS (Fox) WYFF (NBC)	WTBI (Religious) WSSL (Country) WTPT (Rock) WJMZ (Urban)	Greenville News Morning Circ: 85,869 Sunday Circ: 113,473 Greenville Journal Greenville Magazine	www.greengreenville.com traffic ranking: 812,521 www.greenvilleonline.com traffic ranking: 92,472 www.cityofspartanburg.org traffic ranking: 1,330,186	Countybank Main Street Jazz Reedy River Concert Series Art in the Park Spring Fling Music on Main

Take Away

While it is evident that North Carolina and South Carolina share similarities, it is also important to note that each individual market has a unique cultural and economic flavor and therefore offers different opportunities for marketers.

Due to growth, it is a good time to consider target the Carolinas. In both states, the populations are changing, trends are emerging, and industries are growing. Marketers who may not have previously considered the area may want to re-analyze to determine if new business opportunities exist for them in the region.

About Luminosity Marketing

Luminosity Marketing provides media consulting and marketing research services. We specialize in connection planning, including target development, competitive intelligence, touchpoint mapping, media planning and media buying. Analysis for this edition of Luminosity Perspectives by Hillary Marcovici, Media Coordinator.

To learn more about how to grow your business in the Carolinas, please call Elizabeth Dolinski at 646-213-4862.

Visit us online at www.luminositymarketing.com