AMERICANS WORRY AS GAS PRICES RISE

SOME MAKING LIFESTYLE CHANGES

For over two years now U.S. new vehicle sales have been driven by demand for gas-guzzling pickups and SUVs as Americans enjoyed a drop in gasoline prices. But prices at the pump have been creeping up again. At what point will that start to have an impact on car and truck sales? The AAA says the rising prices are already having an impact on lifestyles.

A new AAA survey reveals that nearly a quarter of consumers believe the price at the pump is already too high. AAA projects the national average for a gallon of gasoline to increase 40 cents this summer, peaking near $2.70. To offset the increase in gas prices (about a 70 cent increase from last year at this time), more than 70% of consumers say they would make everyday lifestyle or driving habit changes.

The top five changes drivers would make include: Combining errands or trips; Driving less; Reducing shopping or dining out; Delaying major purchases; and Carpooling. However, not everyone will jump to make a change. The survey found that younger Americans (18-34) are more tolerant of higher prices and less likely to change habits compared to older consumers (35 and older).

“Higher gas prices are already influencing the travel industry,” said Bill Sutherland, AAA senior vice president of Travel and Publishing. But he noted that people are still planning to hit the road. “With nearly 80 percent of family travelers planning a road trip this year, higher gas prices are making shorter trips to national parks and theme parks the most desired travel destinations,” Sutherland said.

During April, AAA says Americans across the country will start to see gas prices begin to climb as the industry wraps up spring maintenance and completes the switchover to summer-blend gasoline. Over the years, public opinion for whether a gallon of gasoline is too high or too low has fluctuated as much as the price itself. It’s all about expectations.

When gas prices are above the $3.00 per gallon benchmark (as they were in 2013 and 2014) Americans believe prices should be 6% lower. But when gas prices are below the $3.00 benchmark (as they were in 2015 and 2016) Americans believe a 25% increase is too high.

AAA’s report is based on a telephone survey conducted among two national probability samples (landline only and cell phone), which, when combined, consisted of 1,017 adults, 510 men and 507 women, 18+, living in the continental United States. Interviewing for the survey was completed on February 2-5, 2017.

ADVERTISER NEWS

While a lot of what we’ve been reporting about retail has been gloomy lately, a few chains are thriving and expanding. Here’s one of those: Home décor retailer At Home same-store sales were up 7.1% for the quarter that ended on 1/28 and with aggressive expansion in the last year, total sales were up 26.4% (the eleventh straight quarter with at least 20% net sales growth). The chain ended its fiscal year with 128 stores, plans to add 25 this years, and says it sees an eventual footprint of more than 500 locations….Here’s a restaurant that beat the tough conditions in that industry: Dave & Buster’s comp-store sales were up 3.2% in its fourth fiscal quarter, completing a year with a 3.3% gain. It added eleven new locations during the year (four in the fourth fiscal quarter) and has already opened three more in the current year with another six currently under construction…..

Sonic Drive-Ins however had results more typical of the restaurant industry right now: second fiscal quarter same-store sales were down 7.3% at franchise stores and off by 8.9% at company-owned locations, with the CEO citing “a sluggish consumer environment, weather headwinds, and share losses following exceptionally strong performance over the prior two years.” Ten new stores were opened during the quarter and 54 formerly company-owned locations were re-franchised. In total, over 90% of Sonic’s 3500+ drive-ins are owned by franchisees……

RH (formerly called Restoration Hardware) had a tough quarter with a 9% drop in revenue with comparable brand stores (including comparable direct business via online and catalogs) down 18%. Its CEO says that’s the result of “strategic investments made to transform the brand” and “we are now through the most uncertain stages of our transformation”…..Bloomberg reports that Amazon is shutting down its subsidiary Quidsi, the parent company of Diapers.com, Wag.com, Soap.com, and several other shopping sites. Amazon bought Quidsi for $545 million in 2010….One of the problems the Nissan Leaf electric vehicle has been facing is a short range of just over 100 miles per charge from its lithium ion battery. Nissan is currently working on a second generation of the vehicle likely to reach dealers next year and Automotive News says the company has signaled the new version is likely to have almost double the range of the current vehicle at close to 200 miles……Daimler now says it will bring ten new electric car models to the market in the next six years, speeding up a timetable for those introductions that had previously been set for the year 2025. “We want to shape the profound transformation of the automotive industry from the forefront,” CEO Manfred Bischoff said while adding combustion engines would continue to be refined for a “transitional period.”
**CABLENET CHATTER**

OWN is adding two new docuseries to its Saturday night programming line-up for later this year. *Released* will feature intimate, first-person narratives of formerly incarcerated men and women as they are released from prison to restart their lives. The second project with the working title of *Checking Inn* will follow Essence Magazine editor-in-chief Monique Greenwood as she pursues her lifelong dream of running her own bed and breakfast……The Outdoor Channel will premiere a new original series called *Hollywood Weapons* on Monday, April 3rd at 9 PM (ET). The series will recreate classic scenes from some of the most memorable action, western and sci-fi movies of all time and use science and reality to prove or debunk what viewers see in the movies. Hollywood Weapons is produced by veteran actor Joe Mantegna……AMC has found a unique way to promote the upcoming season of *Better Call Saul*. The network has partnered with Citizen Parking in New York and Los Angeles to bring Los Pollos Hermanos pop up restaurants to both cites. Fans of the *Breaking Bad* prequel will have the opportunity to try out Gus Fring’s famous curly fries. The new season of *Better Call Saul* will debut on AMC Monday, April 10th at 9 PM (ET)……A 90-minute special called *Disney’s Fairy Tale Weddings* will air on *Freeform* Sunday, May 7th at 8 PM (ET). The program will give viewers a behind-the-scenes look at the one-of-a-kind weddings and magical engagements that take place at *Disney Destinations* around the globe. The special will be hosted by The Bachelor alums Ben Higgins and Lauren Bushnell……Animal Planet will air an all new series hosted by animal expert and trainer Travis Brossen. My Fat Pet will introduce audiences to families and their pets that require an immediate intervention. Brossen creates individual exercise and diet plans for families to follow in addition to scheduling appointments with a veterinarian. My Fat Pet will air on Animal Planet in the third quarter of this year……Judge Andrew Napolitano is back on the Fox News Channel. He was taken off the air after he suggested, without evidence, that President Barack Obama used British Intelligence to surveil Presidential candidate Donald Trump. The former judge made an appearance Wednesday during FNC’s daytime programming anchored by Bill Hemmer……Big Love actor Atticus Todd has joined the cast of WGN America’s pilot *Scalped*. The pilot is the first American TV project to have a primarily Native American cast…… The EI docuseries What Happens at the Abbey will premiere on the network on Sunday, May 14th. The Abbey is purported to be the “best gay bar in the world” and the series will follow the staff as they interact and occasionally serve celebrities……TLC announced at the upfronts that it will bring back Trading Places, one of the network’s most iconic and successful series to date. The Emmy-nominated Trading Places ran for eight seasons on TLC and Discovery. The network also announced a new show that helps distressed homeowners turn disasters into dream home. Nate & Jeremiah By Design is an additional expansion into the home and property space by the network.

**GOOGLE FIBER PULLS BACK IN KC**

Kansas City was the big launch market for Google Fiber. But now that the Internet/TV challenger to established MVPDs has announced a “pause” in plans to add to the handful of markets where it has been deployed, it has also reined-in expansion plans in the KC area. KSHB reports that hundreds of residents have received notices cancelling their orders for service because the Google Fiber network isn’t coming to their location. The company told the station, however, that it is still “committed to Kansas City.”

Meanwhile, the Kansas City Business Journal reports that AT&T has stepped up its fiber deployment in the market. In the past two years the telco has reportedly made high-speed fiber service available in over 400 multifamily properties in the KC metro.

**ACCOUNT ACTIONS**

MediaPost reports that Russell Stover, said to be the largest supplier of boxed chocolates in the U.S, has selected WPP’sVML, Kansas City, as agency of record after a review. The assignment includes traditional and digital advertising, social media strategy and community management, analytics and insight, PR and campaign creative……Ad Age says L.L. Bean has selected The Via Agency as its new agency of record. The brand had worked with Erwin Penland since 2014.

**MARCH MADNESS BOOSTS TV VIEWING**

A week ago we reported that viewing of sports on broadcast aThe number of people watching sports on TV has passed last years number, according to analyst Brian Wieser of Pivotal Research Group. For the 13th week of the year (ended March 26), sports viewing was up 12% year-over-year (YOY). After being down for much of the year, Wieser calculates from Nielsen data that sports viewing is now up almost 1% YOY.

During the most recent week, basketball was dominant, with a 52% share of sports viewing on a person-viewing hours basis. March Madness by itself accounted for nearly 46% of the total, while NBA programming accounted for most of the remainder.

Total viewing of all basketball was up 14%, with college basketball up 13%. CBS accounted for 49% of total basketball viewing, up +31% year-over-year. Time Warner’s Turner Networks accounted for 34% of basketball viewing, up 1% year-over-year.

**ECONOMIC NEWS**

A healthy housing market usually leads to many other good things in the economy and the majority of the evidence in recent months points towards an excellent housing market. The Case-Shiller Index just released for January shows home prices rising 5.9%, the fastest growth rate in 31 months, driven by rising employment and limited supply. As we’ve reported, the supply of existing homes for sale is at its lowest level since 1999, and the number of existing homes for sale in February was down 6.4% compared to February, 2016. Higher prices and tight supply aren’t keeping buyers away, though. The National Association of Realtors says contract signings rose 5.5% in February, helped by improved employment and buyers trying to act before interest rates go up.