OUTLOOK: HOLIDAY SALES TO RISE, BUT GROWTH TO SLOW

Inflation in food, gas and household utility costs is poised to take some of the cheer out of this holiday season. U.S. holiday sales will rise 5.8% to $912 billion, up from $862 billion last year, according to Customer Growth Partners’ 21st Annual Holiday Forecast. While the sales figure is a new record, the 5.8% growth — slightly above the 10-year compound annual growth rate of 5% — represents a sharp slowdown from holiday 2021’s stellar 13% pace reached in the post-COVID spending rebound, noted CGP president Craig Johnson.

“After ‘stratospheric’ growth for more than a year, consumer spending is easing to near-normal rates in the mid-single-digit range,” he said. Johnson said the slowdown represents “a healthy normalization in retail spending, as consumers rebalance spending on services vs. goods.”

The dramatic deceleration in retail growth is due to inflation across most sectors, particularly in food, gas and household utility costs, which are all essential goods that are crowding out spending on discretionary items, explained Johnson.

“With discretionary items dominant in the Christmas season, the threat to holiday gift-giving has rarely been higher — particularly for lower-income household that are hard-pressed to weather the inflation winds,” he said.

Other highlights from the forecast:
• **Defying the housing slowdown**, home-improvement retailers such as Home Depot and Lowe’s will outpace other sectors, up 9.5% from last year.
• The miscellaneous store category will see 8.9% growth, bolstered by strong sales in used goods, pet supplies, office supplies and gifts.
• Food and beverage will rise 8.2%, but with inflation in food and other household essentials, growth will be due to price increases as unit volume growth lags.
• General merchandise will rise 4.7%, led by department stores (+5.1%). Superstore sales will increase 4.6%.
• Consumer electronics and appliances, a challenged category, is projected to see a holiday sales decline of 6.2%.
• Online and direct-to-consumer sales continue to ease, and are poised to grow 7.4% from last year, a far cry from the days of robust double-digit e-commerce growth.

With the consumer economy accounting for 68% of overall GDP, and retail the largest segment of consumer spending, the slowing retail recovery may not bolster the wider economic outlook, according to Johnson.

Founded in 2001, CGP is a research and consulting firm serving the retail industry. The CGP holiday forecast spans all retail sales except autos, gasoline and restaurants.

ADVERTISER NEWS

American Honda has two electric vehicles on the horizon: the Honda Prologue and the Acura ZDX. Both are co-developed with General Motors and will use the Detroit automaker’s new flexible and scalable electric architecture powered by the Ultium battery pack. The partnership allows Honda to leverage the investments GM has been making in its Ultium drive system and its upcoming wave of EVs while it readies itself for its own zero-emission future, Automotive News reports. FedEx, United Parcel Service and the United States Postal Service are all taking prices up for parcel deliveries, forcing companies to buy trucks to make their own deliveries, charge for deliveries or extend the time for packages to arrive. The Wall Street Journal says none of the solutions are ideal as companies keep looking for ways to manage costs and improve profitability. Walmart is revamping its top intimates and sleepwear brand. The retailer is replacing its Secret Treasures brand with a new line under the Joyspun name. Secret Treasures rang up $1 billion in sales last year, CNBC reports. This year hasn’t been kind to Beyond Meat. Amid declining sales, the plant-based meat giant recently said it will lay off 19% of its staff by the end of the year. The company is now hoping to shake things up with a new plant-based-based steak. It’s not a ribeye or T-bone, but steak “tips” — the kind of meaty chunks meant to be used in a taco, stir-fry or sandwich... More than a dozen companies have launched free or almost-free college programs for their frontline workers over the past decade. Chipotle, Walmart, Amazon, Target, Macy’s, Citi and Lowe’s have made free college available to more than 3 million U.S. workers. USA Today says companies see the programs as a way to recruit and retain workers in a tight labor market or train them for management positions. For hourly employees, the programs remove the financial barriers of obtaining a degree... BJ’s Wholesale Club continues its growth spree. The membership warehouse club retailer will open a store in Greenburgh, N.Y., which is about 25 miles

(Continued on Page 3)
SENIORS’ INCOME KEY TO STREAMING CHOICES

While U.S. seniors — those 55 and older — continue to be slow to sign on to new streaming services, one study suggests lower income is a factor in decision making when it comes to ad-supported free streaming services.

“Seniors making under $50K are looking for replacements for the high-cost cable bill,” says a report from Broadbeam Media. And that means more advertising video-on-demand (AVOD) services than ad-free subscription services. Ad-supported free TV services are also resulting in low linear TV viewing.

For example, Tubi was watched by 42% of seniors who had low linear TV viewership (1-2 hours a week). The same percentage for The Roku Channel also had low linear TV viewing. Pluto TV was watched by 36% of seniors who had low linear TV viewing.

With regard to specific content, the study says 60% of the free AVOD audience over 55 watch classic comedies and drama or movies — watching at a comparatively high rate during the daytime.

The research says 75% of adults under 55 who make under $50,000 a year are linear TV viewers, while 96% of those same adults who make over $100,000 are linear TV users.

NETWORK NEWS

Chelsea Handler has been tapped to host the 2023 Critics Choice Awards. The 28th annual trophy show will be held Sunday, Jan. 15 at the Fairmont Century Plaza in Los Angeles, and will air live from 7-10 PM (ET/delayed PT) on the CW. Handler takes over the reins from Taye Diggs, who has hosted the show for the past four years. Handler served as host of E!’s Chelsea Lately for seven years, during which she was the only female late-night talk show host on-air... And Leslie Jordan, a veteran actor and comedian whose credits include Will & Grace and Call Me Kat, died yesterday morning after driving his car into a building. TMZ reported that he appeared to have suffered a medical emergency before the crash. He was 67 years old.

DIRECTV PULLS MISSION BROADCAST STATIONS

Another TV blackout took place over the weekend as DirecTV removed 25 TV stations owned by Mission Broadcasting from its satellite and U-verse pay-TV platforms in the latest dustup over retrans fees.


The move is the latest kerfuffle in what has become almost a tradition now — removing OTA TV stations from pay-TV lineups during the popular NFL and college football regular season matchups and MLB playoffs.

This most recent blackout follows last week’s incident between Verizon Fios and Nexstar Media Group, in which Fios removed 13 TV stations owned by Nexstar Media in 10 markets including New York City; Philadelphia; Providence, R.I.; and Buffalo, N.Y., impacting more than 2.3 million subscribers. Nexstar is also affected by the DirecTV-Mission outage as it manages Mission affiliates.

ECONOMIST: HOME PRICES COULD FALL 20% IN ’23

Home prices have plunged during the second half of 2022, with demand for residential real estate cooling off in a number of cities across the U.S.

Prices could continue to fall by as much as 20% next year as mortgage rates climb and the housing market normalizes in wake of the pandemic, according to a noted economist.

Ian Shepherdson, chief economist with Pantheon Macroeconomics, said in a report that tumbling demand for homes amid sharply rising mortgage rates is weighing heavily on housing prices.

“[W]e expect home sales to keep falling until early next year. By that point, sales will have fallen to the incompressible minimum level, where the only people moving home are those with no choice due to job or family circumstances,” he said. “Discretionary buyers are disappearing rapidly in the face of the near-400 [basis point] increase in rates over the past year.”

• Cities that saw the sharpest spikes in home prices last year are now seeing them return to earth, including Austin, Texas; Phoenix; Salt Lake City; and Denver.
• Home sales fell to 4.7 million last month, down 1.5% from August, according to the National Association of Realtors.
• Mortgage rates have more than doubled this year. The average rate on a typical 30-year mortgage rose this week to 6.94%, from 6.92% last week and 3.2% in January. The average rate on 15-year, fixed-rate mortgages is now 6.23%, compared with 2.33% a year ago.

ACCOUNT EXECUTIVE, Tampa, Fla. — FOX O&O, WTVT. This opening at the top-rated station in Tampa requires the servicing of existing transactional accounts along with the development of new linear and nonlinear business. Candidate must be highly motivated and possess strong presentation and prospecting skills. Position requires linear TV, digital video and OTT sales experience, preferably in an LPM market. Excel and Power Point are a must and a working knowledge of WideOrbit, PRIME Lingo and Kantar Media are a plus. College degree is preferred. CLICK HERE to apply. EOE.

WVTM-TV, the Hearst Television NBC affiliate in Birmingham, Ala., seeks a dynamic Local Sales Manager who is ready to take a growing station to the next level. We are looking for a sales leader who creates a positive culture for success through leadership, clear direction, teaching, motivating and evaluating the sales efforts of our local team. The candidate will lead the local team in exceeding budgets on multiple platforms and coach and mentor a team of motivated sellers. Individual should be highly organized, able to coach a winning team and have experience in pricing and inventory management. Birmingham is a growing market, and this is a tremendous opportunity for the right person. CLICK HERE to apply.

See your ad here tomorrow! CLICK HERE for details.

AVAILS

ACCOUNT EXECUTIVE, Tampa, Fla. — FOX O&O, WTVT. This opening at the top-rated station in Tampa requires the servicing of existing transactional accounts along with the development of new linear and nonlinear business. Candidate must be highly motivated and possess strong presentation and prospecting skills. Position requires linear TV, digital video and OTT sales experience, preferably in an LPM market. Excel and Power Point are a must and a working knowledge of WideOrbit, PRIME Lingo and Kantar Media are a plus. College degree is preferred. CLICK HERE to apply. EOE.

WVTM-TV, the Hearst Television NBC affiliate in Birmingham, Ala., seeks a dynamic Local Sales Manager who is ready to take a growing station to the next level. We are looking for a sales leader who creates a positive culture for success through leadership, clear direction, teaching, motivating and evaluating the sales efforts of our local team. The candidate will lead the local team in exceeding budgets on multiple platforms and coach and mentor a team of motivated sellers. Individual should be highly organized, able to coach a winning team and have experience in pricing and inventory management. Birmingham is a growing market, and this is a tremendous opportunity for the right person. CLICK HERE to apply.

See your ad here tomorrow! CLICK HERE for details.
SNACKS & BEVERAGES SHOWING RESILIENCE

Inflation is driving consumers to budget-friendly shopping options, but they’re still willing to pay a premium for certain categories, according to Convenience Store News.

Consumers are spending less on out-of-home entertainment and eating out to mitigate the impact of rising utility and grocery bills. In a recent survey, NielsenIQ FMCG Retail Management data revealed that 34% of consumers have cut back on takeout, dining out and socializing due to higher prices.

Roughly 44% said they’re cooking more at home. Fast-moving consumer goods (FMCG) numbers confirm this trend, with consistent sales increases quarter by quarter. For Q2 2022, global sales increased 5.9% for ambient food, including categories like flour, pasta, rice or canned food.

As consumers shift from OOH entertainment to “hometainment” activities such as watching streaming services and playing board or video games, sales of products that pair well with content consumption and gaming are growing. Namely, snacking and beverages are among the top growing categories globally, according to NielsenIQ.

In Q2 2022, beverages grew 5.4% worldwide. Regions with outstanding performance in these categories included Africa and Middle East with 32% growth over the previous year.

OUTLOOK: CHIP SHORTAGE TO IMPROVE — A BIT

The forecast for lost 2022 factory production resulting from microchip shortages has softened by a small amount, AutoForecast Solutions estimates.

But AFS predicts the year will end with factories worldwide having eliminated 4.26 million vehicles from plans this year because of inadequate chip supplies. That’s modestly lower than the 4.39 million year-end total forecast a week ago.

The slight improvement illustrates the situation at the moment, after almost two years of the supply crisis. Automakers say the chip situation seems to be getting better but is still troubling as it approaches its third year.

The estimate of 4.26 million lost vehicles for the year would be a significant improvement over the 10.5 million lost last year. But the current figure doesn’t reflect other supply-chain troubles manufacturers are coping with, such as shipping delays and international supply interruptions, said Sam Fiorani, AFS vice president of global vehicle forecasting.

About 3.62 million vehicles have been cut from automakers’ global production plans in 2022 due to chip problems.

ACCOUNT ACTION

Pernod Ricard USA has selected Publicis Media to be its new media agency after a formal review. The incumbent was Wavemaker, part of WPP’s GroupM, which won the account about two years ago. The spirits marketer spends an estimated $40 million on measured media in the U.S., according to agency research firm COMvergence. Approximately $24 million of that is earmarked for digital. Pernod’s brands include Absolut Vodka, Chivas Regal Scotch Whisky, The Glenlivet Single Malt Scotch Whisky, Jameson Irish Whiskey, Kahlúa Liqueur, Malibu, Martell Cognac, Beeefeater Gin and others.

ADVERTISER NEWS

(Continued from Page 1)

north of New York City, on Friday. The new location will be BJ’s 47th in the Empire State, and bring its total store count to 232... Since its beginning in 1998, Lululemon Athletica has grown exponentially, with Q2 revenue up 29% from a year ago. The retailer began a new membership program, introduced women’s footwear and has an ambitious five-year plan that focuses on guest experience, international expansion and innovation... Signaling the success of new retail holidays, Target’s foot traffic increased 3.2% during the week of Oct. 3-9, 2022 vs. Oct. 4-10, 2021, according to a Placer.ai report. The October Deal Days event, which ran Oct. 6-8, attracted nearly 28% more average daily visits from customers to Target locations than last year, and nearly 57% more daily visitors per store than in 2020, according to the report.

THIS AND THAT

Apple is instituting significant price increases for streaming service Apple TV+ along with Apple Music and the Apple One bundle, citing higher licensing and content costs. The monthly price of Apple TV+ will go to $6.99 from $4.99, while the yearly plan is rising to $69.99 from $49.99. Both are 40% spikes, though it is the first time the streaming service has gone up since its launch in November 2019... Allen Media Group’s African American-focused news, lifestyle, sports and entertainment platform The Grio has launched a two-hour news block. The Grio With Eboni K. Williams and The Grio With Marc Lamont Hill will feature news and information in the U.S. and around the world. Reaching more than 50 million television households, plus 250 million device users, these two news programs will also be available on demand via the TheGrio Streaming App.

SUNDAY NIELSEN RATINGS - LIVE + SAME DAY

<table>
<thead>
<tr>
<th>Time</th>
<th>Net</th>
<th>Program</th>
<th>Adults 18-49 Share</th>
<th>Viewers in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00</td>
<td>FOX</td>
<td>NFL Overrun</td>
<td>2.8</td>
<td>11.39M</td>
</tr>
<tr>
<td>7:30</td>
<td>FOX</td>
<td>The OT</td>
<td>1.8</td>
<td>6.94M</td>
</tr>
<tr>
<td>8:00</td>
<td>NBC</td>
<td>Steelers at Dolphins</td>
<td>3.4</td>
<td>12.30M</td>
</tr>
<tr>
<td>9:00</td>
<td>FOX</td>
<td>The Equalizer</td>
<td>0.5</td>
<td>6.80M</td>
</tr>
<tr>
<td>9:30</td>
<td>FOX</td>
<td>Family Guy</td>
<td>0.4</td>
<td>1.40M</td>
</tr>
<tr>
<td>10:00</td>
<td>ABC</td>
<td>The Rookie</td>
<td>0.3</td>
<td>3.30M</td>
</tr>
<tr>
<td>10:30</td>
<td>CBS</td>
<td>NCIS: Los Angeles</td>
<td>0.3</td>
<td>3.90M</td>
</tr>
</tbody>
</table>

10/25/2022