USING CENSUS DATA TO GROW YOUR BUSINESS
OBJECTIVES FOR TODAY’S SESSION:

- Inform you about data available from the US Census Bureau and the value it can provide
- Four ways Census data can aid in planning and strategic decision making
  - Marketing Strategy
  - Prospect Targeting/Recruitment
  - Site Selection
  - Performance Comparison
- Educate Franchisors about the 2017 Economic Census
HOW CAN CENSUS DATA BENEFIT YOUR BUSINESS:

- Four “Real World” Hypothetical Examples
  - A Daycare in Denver in Need of New Marketing
  - A Lawncare Brand Looking for New Franchisees in Nashville
  - A QSR Looking to Expand in Cleveland
  - A Burger Concept Trying to Evaluating Unit Performance in Texas

- Census Data
- Supplemental Data
- Better Strategic Decision Making
An existing daycare franchise unit has seen a decline in revenues. They’d like to develop a new marketing strategy.

- The unit is located on the North side of Denver
- It has been in place for 8 years but has not updated marketing materials
- Current marketing material is geared towards new-borns and first-time parents
- Location draws from seven adjacent zip codes
- Location provides two main services:
  - Primary Service: Daycare for children under 5
  - Secondary Service: Afterschool care for children 5 to 14
CASE 1: MARKETING STRATEGY -- DAYCARE IN DENVER

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CHANGING DEMOGRAPHICS IN DENVER:

- Change in Count of Children by Age 2012 to 2016 for Selected Zip Codes

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>Change in Count of Children by Age 2012 to 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>80030</td>
<td></td>
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<tr>
<td>80031</td>
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<td>80221</td>
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<td>80229</td>
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<td>80234</td>
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<td>80260</td>
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</tbody>
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2016 to 2012 Change:
- Under 5: 1%
- 5 to 9: 7%
- 10 to 14: 12%

Source: 2016 American Community Survey, U.S. Census Bureau s0101 Table
WHAT ELSE TO KNOW IN DENVER:

- Supplemental data insights help clarify the market
- People in this part of the city tend to spend their free time outside
- The population of with young children increasingly come from Asian speaking homes

**Interests in Northern Denver**

- Reading: 63%
- Exercise Domestic Travel: 50%
- Boat & Sailing: 22%
- Leisure Sports: 22%
- Fishing: 16%
- Watching Sports: 13%
- Skiing: 13%
- Golf: 12%

**Families w/ Children under 5: Language Spoken in the Home**

- English: 63%
- Spanish: 23%
- Indo-European: 2%
- Asian: 8%

*Source: Third Party Survey Data*
A NEW MARKETING STRATEGY FOR A CHANGING MARKET:

- Based on this data the franchisor/franchisee are able to update their marketing material to appeal to their changing market.
- New material focuses more on after-care and outdoor play
- Some of the new-born material is marketed to non-White households
CASE 2: RECRUITMENT— POTENTIAL FRANCHISEES IN NASHVILLE

- A lawncare brand is looking to grow in the Nashville area
  - Franchisees don’t need to live in the city – nearby is OK
  - This brand has had a lot of success with young vets leaving office jobs and becoming brand owners
    - They want to know the number of vets in the area
    - Their level of education
    - An estimate of current salary and employment type
WHERE TO FIND VETERANS NEAR NASHVILLE:

- Only using veterans as a percent of the total population would have you start looking here

Source: 2016 American Community Survey, U.S. Census Bureau s2101 Table
WHERE TO FIND VETERANS NEAR NASHVILLE:

- But with more information, such as the total count of veterans, you’d begin your search here.

Source: 2016 American Community Survey, U.S. Census Bureau s2101 Table
MORE INFORMATION ON VETERANS IN NASHVILLE:

- The majority of the veterans in the selected area are college educated

Source: 2016 American Community Survey, U.S. Census Bureau s2101 Table
INCOME AND OCCUPATION FOR VETERANS IN NASHVILLE:

- Veterans have a higher median income in our targeted zip codes
- The largest employers are in medical and financial fields

**Median Income by Veteran Status**

**Occupation Type**

Source: 2016 American Community Survey, U.S. Census Bureau b20014 Table
A DATA SUPPORTED STRATEGY TO TARGET VETERANS:

- Using this analysis our lawncare franchisor has a strategy to smartly allocate resources to finding potential franchisees
- Targeting these zip codes not only located the best population it also would allow them to find high-quality strategic partners such as “Operation Stand Down” which is a veterans support charity located on the edge of the selected zip codes
CASE 3: SITE SELECTION--QSR IN CLEVELAND:

A development officer is attempting to determine the best location to place a new QSR location in Cleveland, Ohio.

This is a high-end brand that caters to customers willing to pay a premium for quality and healthy eating.

The brand is in Ohio but this is the first in the city.

Their strategy to date is to look for an affordable location in the central business district.
WHICH ZIP CODES HAVE THE MOST POTENTIAL IN CLEVELAND:

- Using census data our QSR now knows which zip codes have seen income and job growth

Source: 2016 American Community Survey, U.S. Census Bureau s1901 s2503 Tables
WHAT TYPE OF WORKERS ARE THERE IN TARGET AREA:

- The type of worker lets us further refine our zip code targeting

Management & Professionals % by Zip Code

Source: 2016 American Community Survey, U.S. Census Bureau s2406 Table
Besides type of employment income distribution also helps further improve our targeting down to four zip codes.

**Zip Code 44022**
- < $25,000: 14%
- $25,000-$50,000: 12%
- $50,000-$75,000: 12%
- $75,000-$100,000: 14%
- $100,000+: 53%

**Zip Code 44072**
- < $25,000: 16%
- $25,000-$50,000: 21%
- $50,000-$75,000: 15%
- $75,000-$100,000: 12%
- $100,000+: 40%

**Zip Code 44113**
- < $25,000: 19%
- $25,000-$50,000: 15%
- $50,000-$75,000: 12%
- $75,000-$100,000: 11%
- $100,000+: 15%

**Zip Code 44023**
- < $25,000: 12%
- $25,000-$50,000: 12%
- $50,000-$75,000: 12%
- $75,000-$100,000: 11%
- $100,000+: 47%

**Zip Code 44011**
- < $25,000: 11%
- $25,000-$50,000: 15%
- $50,000-$75,000: 16%
- $75,000-$100,000: 11%
- $100,000+: 15%

Source: 2016 American Community Survey, U.S. Census Bureau s1901 table.
ONE MORE LOOK AT THE TARGET ZIP CODES

- Number of employers and lunch spending move us away from downtown and to the suburbs

Source: 2016 American Community Survey, U.S. Census Bureau
Finally, we add in the competition in the area.
Using Census and FRANdata data our franchisor was able to target areas with the right type of customer waiting for them.

Population density data pointed to the downtown area; deeper analysis moved the focus to suburbs and a better decision.
CASE 4: PERFORMANCE COMPARISON
FAST FOOD PERFORMANCE IN TEXAS

A fast food concept based in Texas wants to better evaluate and judge the performance of their locations.

Two stores, one in Dallas and one in Austin, have nearly identical performance metrics but are they actually equal?

Census data can help us make that determination.
The two locations in question have the following basic performance metrics which makes Austin look like the better performer:

<table>
<thead>
<tr>
<th></th>
<th>Brand X</th>
<th>Dallas Location</th>
<th>Austin Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Sales</td>
<td>$1,015,000</td>
<td>$1,035,000</td>
<td></td>
</tr>
<tr>
<td># of Employees</td>
<td>16</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Average Payroll per Employee</td>
<td>$15,999</td>
<td>$16,250</td>
<td></td>
</tr>
</tbody>
</table>

Other Market Data Provided by Census

<table>
<thead>
<tr>
<th>Consumer Spending</th>
<th>Dallas</th>
<th>Austin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>$338</td>
<td>$303</td>
</tr>
<tr>
<td>Lunch</td>
<td>$1,001</td>
<td>$941</td>
</tr>
<tr>
<td>Dinner</td>
<td>$1,478</td>
<td>$1,373</td>
</tr>
</tbody>
</table>

Source: 2016 American Community Survey, U.S. Census Bureau
TOP LINE PERFORMANCE OF THE TEXAS LOCATIONS:

- While the Dallas location has lower sales than Austin it actually outperforms its market; the Austin location failed to do so.

Source: 2012 Economic Census, U.S. Census Bureau
EMPLOYMENT PERFORMANCE IN TEXAS:

- Dallas location also does a better job maximizing the performance of its employees compared to the market

Source: 2012 Economic Census, U.S. Census Bureau
PAYROLL PER EMPLOYEE IN TEXAS:

- Austin unit has a higher payroll per employee number but this is misleading
  - The Austin unit actually comes in a $1,000 under the area average as compared to Dallas which is nearly identical to the average

Source: 2012 Economic Census, U.S. Census Bureau
Distribution of burger concept unit sales Brand X can compare itself to.
USING DATA TO MORE ACCURATELY JUDGE PERFORMANCE:

- No two stores are the same but economic and demographic context can be used to provide a smarter way to evaluate franchisee performance.
- Who really are your best performers? Who is just coasting in a strong market? These are questions that can be answered with the right data and analysis.
Which of the covered cases is the most relevant to your business?

- Marketing Strategy
- Prospect Targeting/Recruitment
- Site Selection
- Performance Comparison/Benchmarking
- All of the above
- None of the above
CENSUS BUREAU SURVEYS

- Census Bureau Economic Surveys are a key source for official statistics companies can use:
  - Monthly and Quarterly are small sample surveys that provide the most timely data available
  - Annual surveys have larger samples and provide the most up-to-date trend data available
  - Every 5 years, the Economic Census measures all businesses and provides the most comprehensive data available
- These surveys set the standard for U.S. economic statistics, and are fueled by the data provided by individual businesses
When it was time for James to open his second restaurant, he used U.S. Census Bureau economic statistics to help pick the location – free and available online.

With industry trends and zip code level data, he identified a downtown spot with high potential for growth.
- Regional Analyst Edition
  https://cbb.census.gov/rae/#
- Small Business Edition
  https://cbb.census.gov/sbe/
OTHER DATA PRODUCTS

- Infographics
- Data visualizations
- Time series analysis
ABOUT THE ECONOMIC CENSUS

- The U.S. Census Bureau measures the nation’s population once every 10 years. It also measures U.S. businesses every 5 years with the Economic Census.
- The next Economic Census will be conducted in the second quarter of 2018. Companies report their 2017 year-end numbers.
- **Response is required by law**
- Responses are confidential. Company data is used for statistical purposes only. The Census Bureau is required by law to keep your information private and secure.
- Response is required online. This reduces the time needed for completion, improves accuracy, and provides significant cost savings for taxpayers.
- Results from the Economic Census are free and available to guide business decisions and policy-making.
The Economic Census asks for the following information by location:

- Employer Identification Number
- Physical location
- Primary business activity
- Sales, receipts, or revenue
- Employment and payroll
- Industry-specific questions
ECONOMIC CENSUS RESPONSE

- Program launches in May 2018
  - Official letters mailed with web address and unique company code to access online survey
  - Deadline for response is June 12, 2018
- Respondents will be instructed to set up online account on secure website to complete survey
  - New requirement for Census Bureau economic surveys
  - Similar to other online accounts with email username, password, security questions
- Key changes include
  - Online response requirement, new reporting instrument for businesses with multiple locations, change in data collection timeframe
- Help will be available online and via telephone
DATA FROM THE NATION’S BUSINESSES

STATS ON EVERY INDUSTRY AND GEOGRAPHY

ONE VALUABLE RESOURCE FOR YOUR BUSINESS

THE ECONOMIC CENSUS. SEE HOW IT ALL ADDS UP.

Every five years, the Economic Census measures U.S. businesses to provide comprehensive statistics on every industry and geography. By completing the survey, you’re contributing to a wealth of valuable data—and sometimes surprising insights—that can help you grow your business.

Learn more at census.gov/EconomicCensus
Would you be interested in learning more details on the free resources that were discussed in this webinar? (Where to find the free information and how to leverage it for your planning)

- Yes, I would like some how-to webinars
- Yes, I want to receive links to the resources available
- No