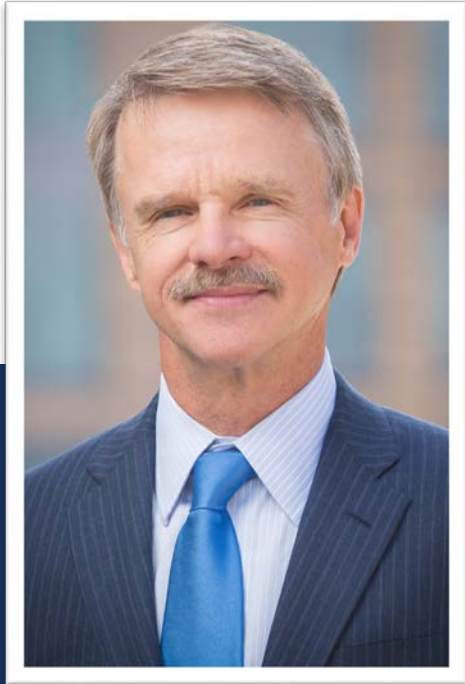


# USING CENSUS DATA TO GROW YOUR BUSINESS





Darrell Johnson

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FRANdata



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- Branch Chief  
U.S. Census Bureau



Kari Klinedinst

- Section Chief  
U.S. Census Bureau

# 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

# CASE I: MARKETING STRATEGY -- DAYCARE IN DENVER

- 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

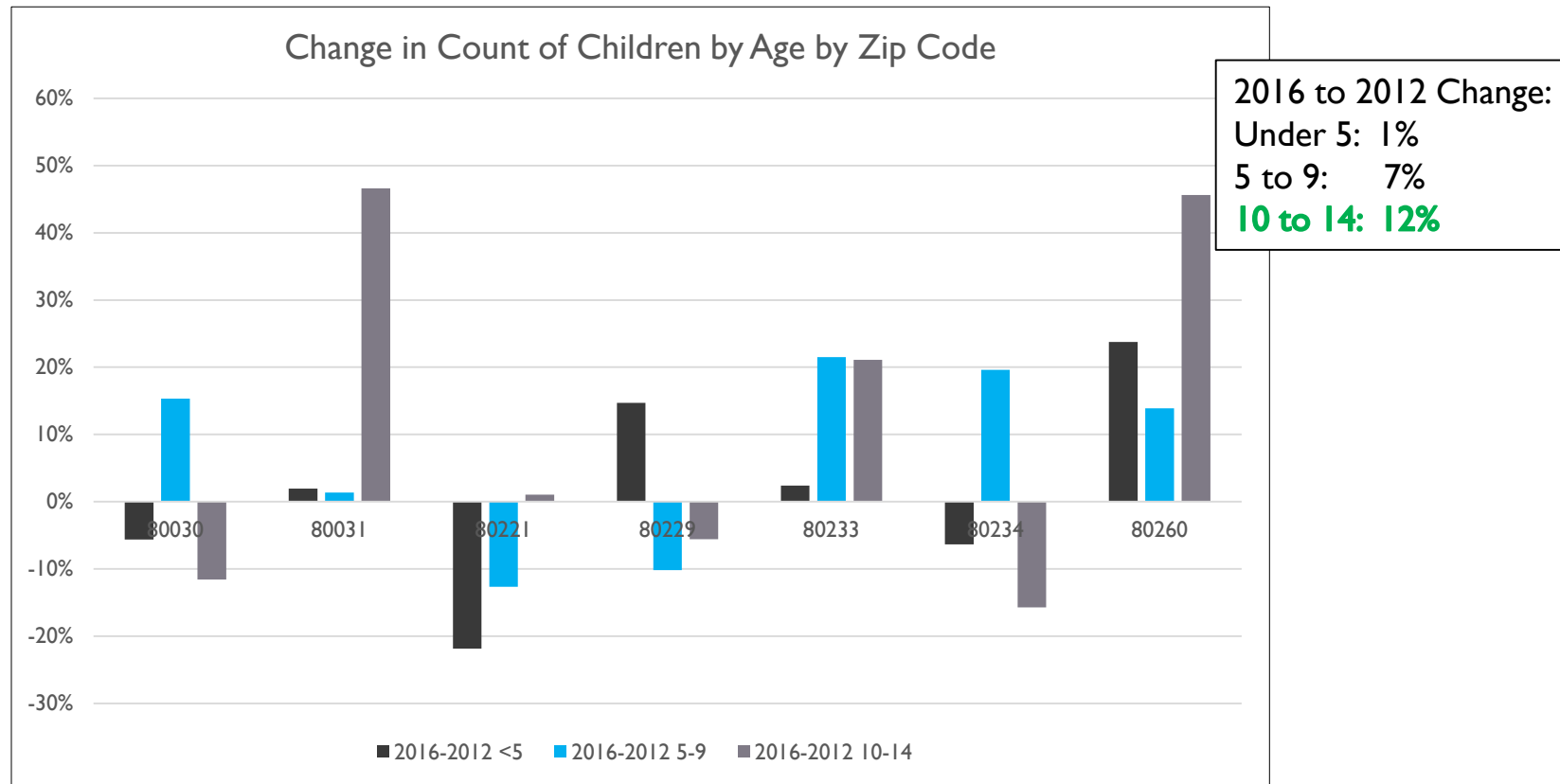
## CASE I: MARKETING STRATEGY -- DAYCARE IN DENVER

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# CHANGING DEMOGRAPHICS IN DENVER:

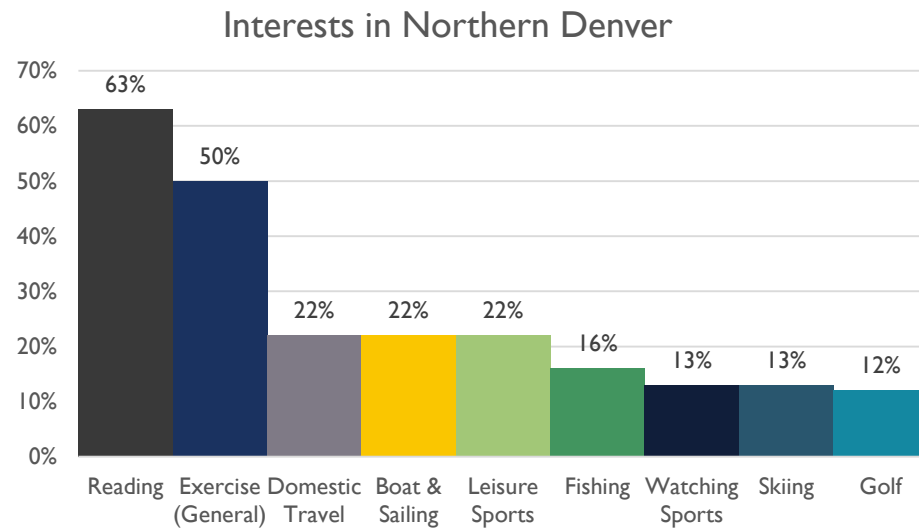
- Change in Count of Children by Age 2012 to 2016 for Selected Zip Codes



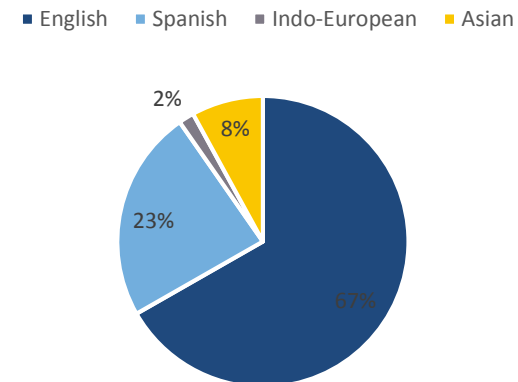
Source: 2016 American Community Survey, U.S. Census Bureau s0101 Table

# 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



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



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



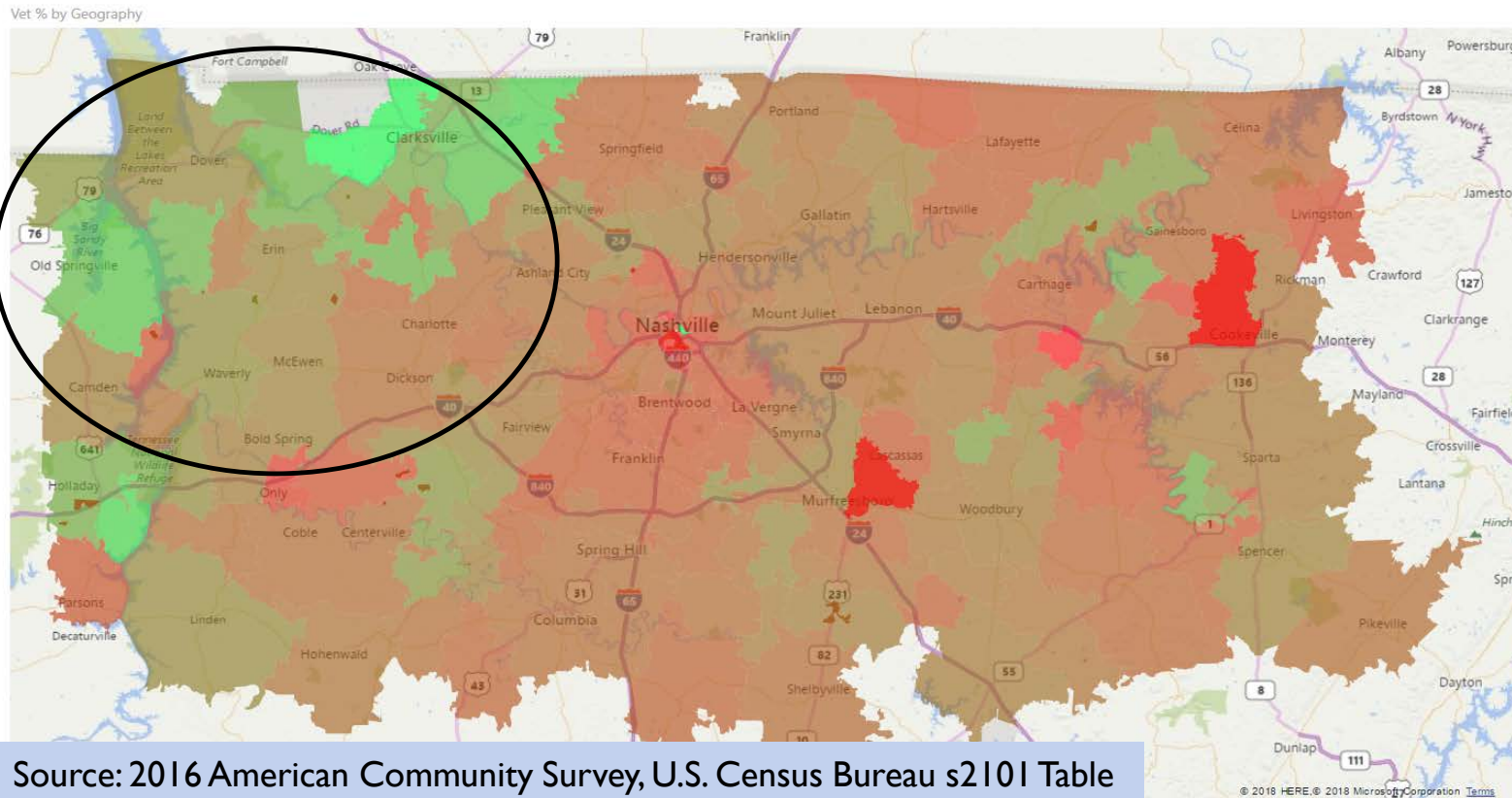
## CASE 2: RECRUITMENT– POTENTIAL FRANCHISEES IN NASHVILLE

- A lawncare brand is looking 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



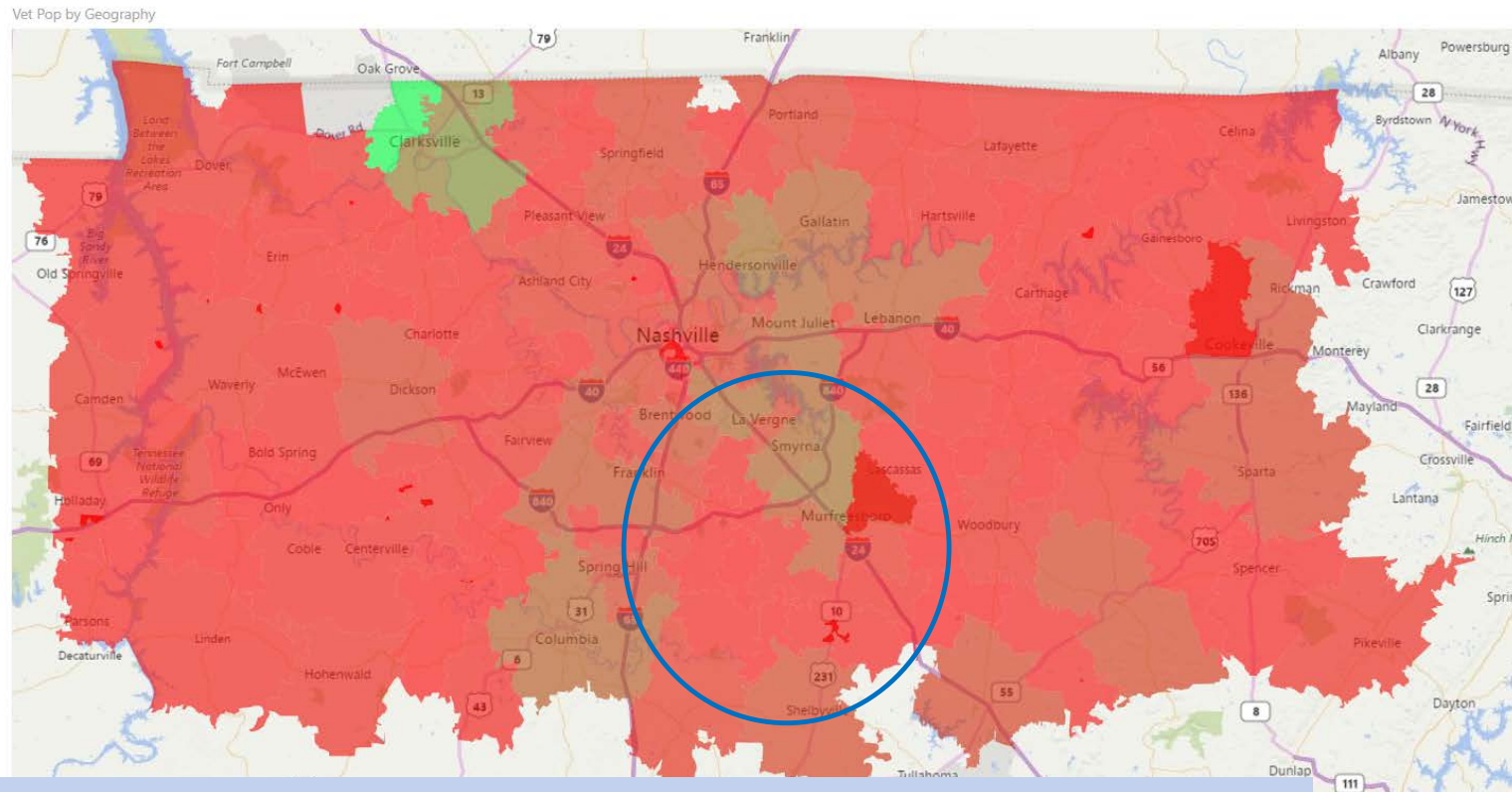
# WHERE TO FIND VETERANS NEAR NASHVILLE:

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



# 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

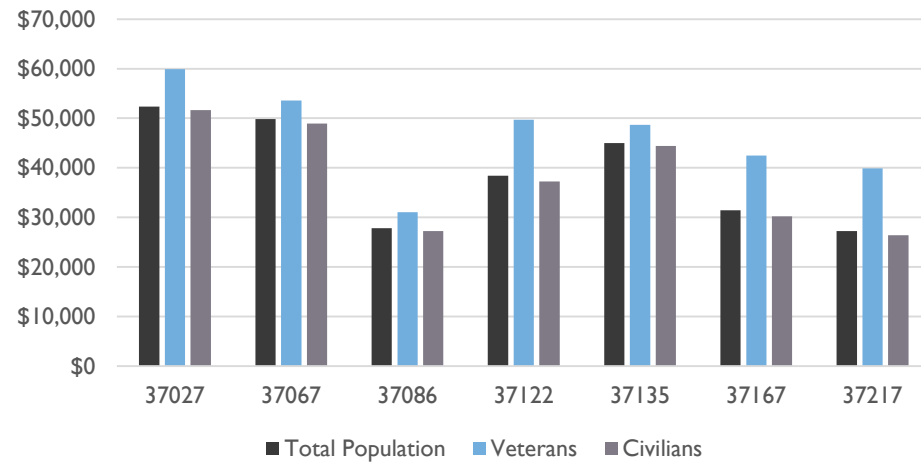




# INCOME AND OCCUPATION FOR VETERANS IN NASHVILLE:

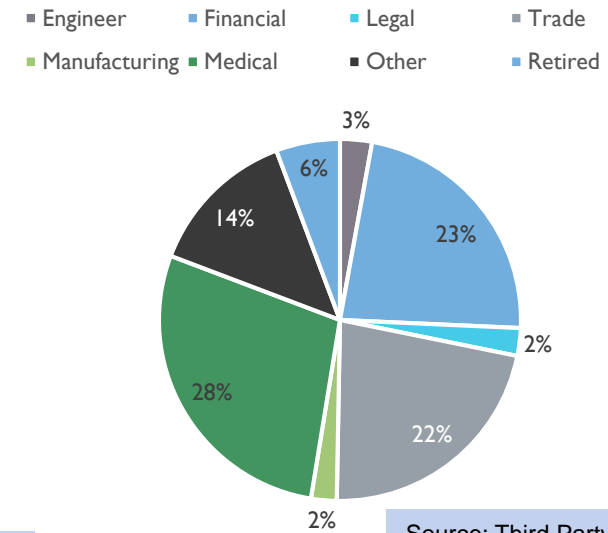
- Veterans have a higher median income in our targeted zip codes
- The largest employers are in medical and financial fields

Median Income by Veteran Status



Source: 2016 American Community Survey, U.S. Census Bureau b20014 Table

Occupation Type



Source: Third Party Survey Data

# 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

OPERATION STAND DOWN TENNESSEE  
SUPPORTING VETERANS

f t @ 615-248.1981 DONATE

Welcome  
Veteran Services  
Programs  
Career Services  
Housing  
Post 9/11 Veterans  
Education  
Donate  
Heroes Breakfast  
Capital Campaign  
Donate Items  
Volunteer  
Events  
Downloads  
About OSDTN  
Financial Information  
Board of Directors  
Careers with OSDTN  
Blog  
Thrift Store  
Contact  
NSV Resources  
Davidson Co. VSO

## Welcome to Operation Stand Down Tennessee

Operation Stand Down Tennessee (OSDTN) is a registered 501(c)(3) that focuses on helping all Veterans and their families by engaging, equipping, and empowering them. We offer a wide range of services, including employment assistance, VA benefits assistance, networking, housing, and much more. Check out our services page for more info. If you are interested in donating or volunteering, please check out our links below.

**Veteran Services**  
Click here if you are a Veteran or family member for our services.

**Donations**  
Click here to donate and support our Veterans and families.

**Volunteer**  
Click here if you are interested in volunteering with OSDTN.

FRANdata  
Franchise Business Intelligence

## 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

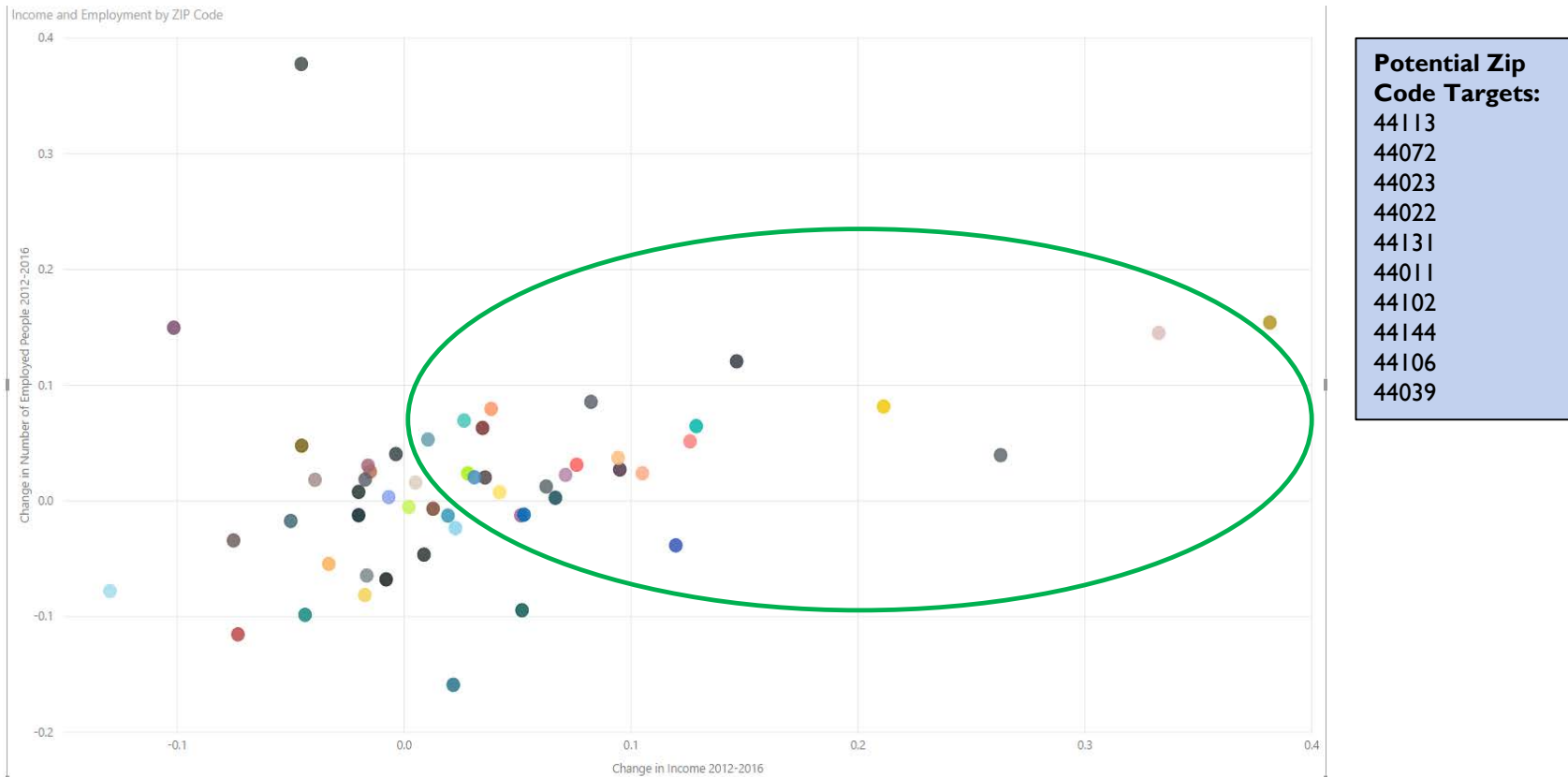
Their strategy to date is to look for an affordable location in the central business district





# WHICH ZIP CODES HAVE THE MOST POTENTIAL IN CLEVELAND:

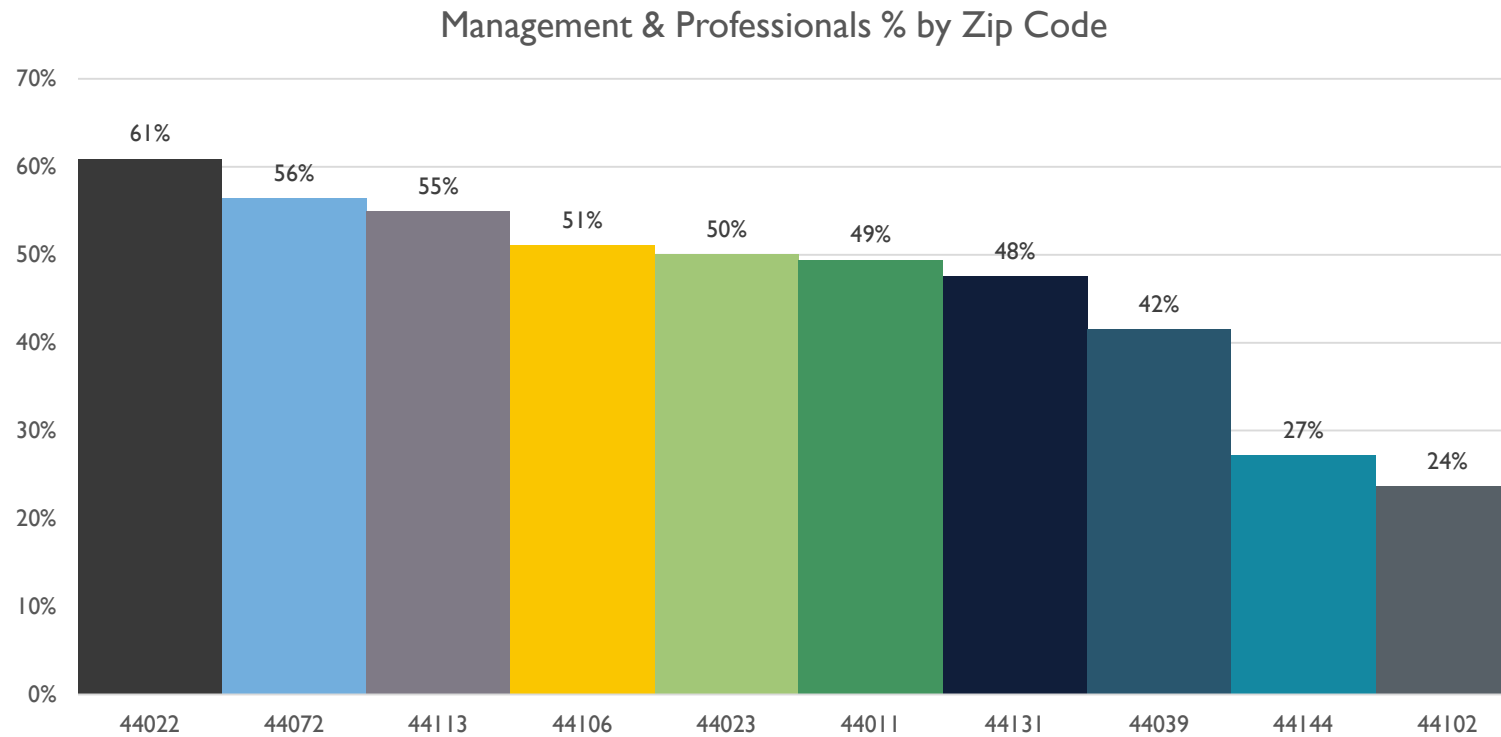
- Using census data our QSR now knows which zip codes have seen income and job growth



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

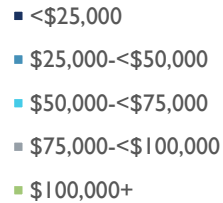
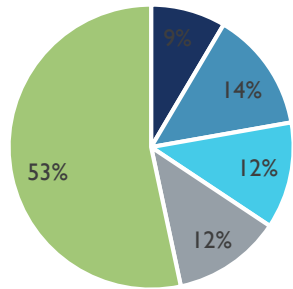


Source: 2016 American Community Survey, U.S. Census Bureau s2406 Table

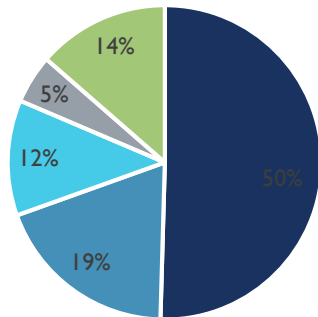
# INCOME DISTRIBUTION IN OUR TARGET ZIP CODES:

- Besides type of employment income distribution also helps further improve our targeting down to four zip codes

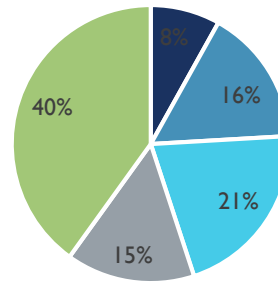
Zip Code 44022



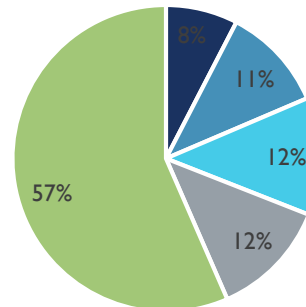
Zip Code 44106



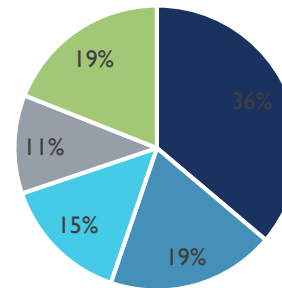
Zip Code 44072



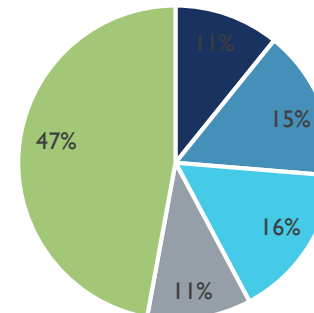
Zip Code 44023



Zip Code 44113

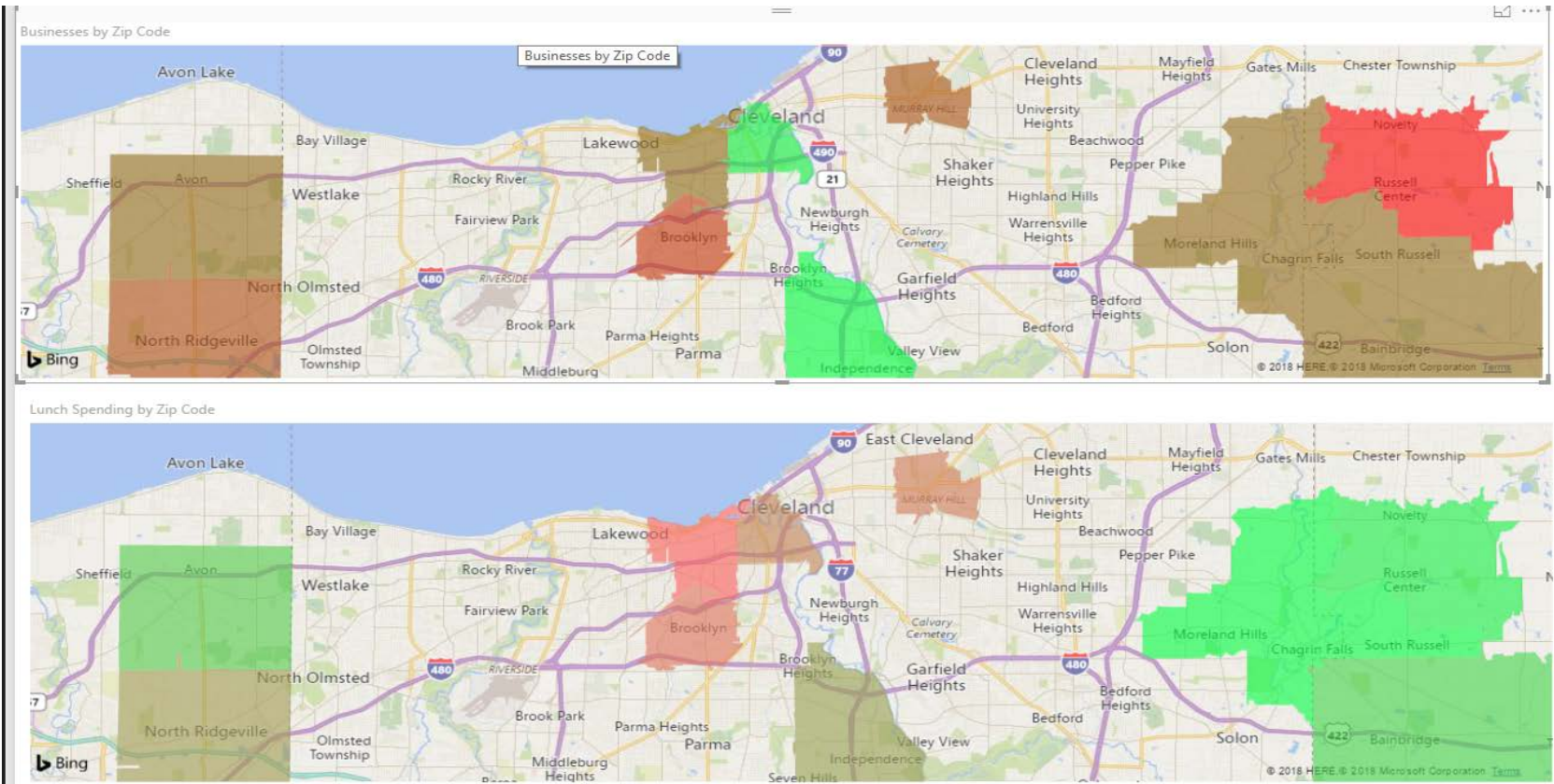


Zip Code 44011



Source: 2016 American Community Survey, U.S. Census Bureau s1901 table

# ONE MORE LOOK AT THE TARGET ZIP CODES

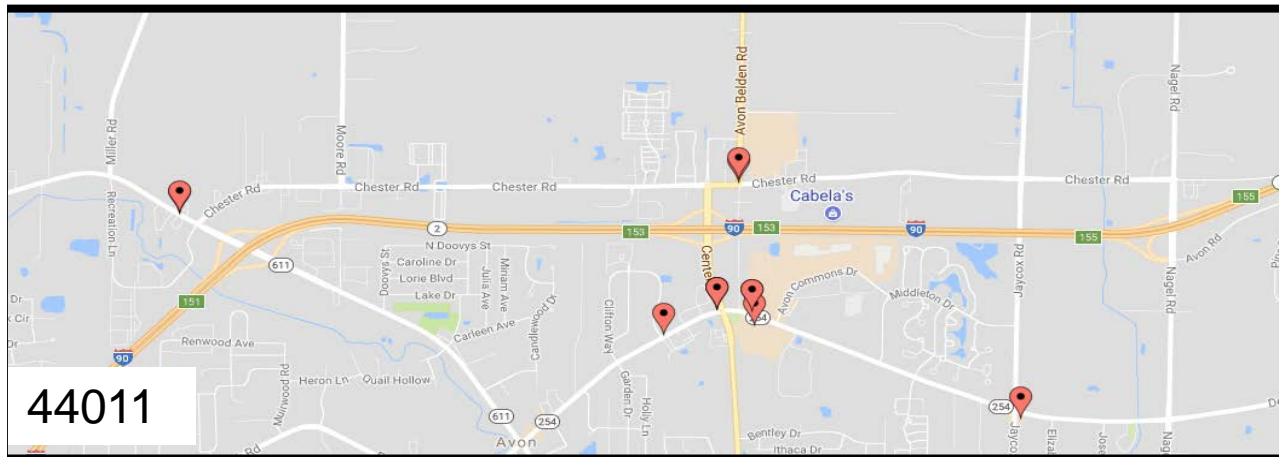


- Number of employers and lunch spending move us away from downtown and to the suburbs

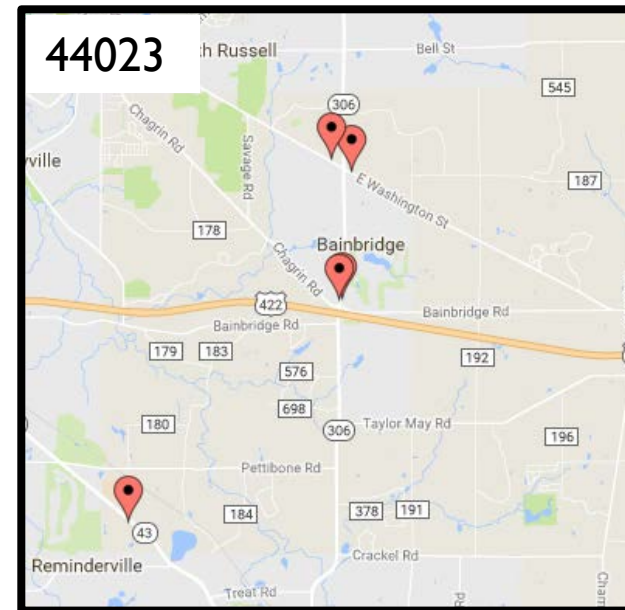
Source: 2016 American Community Survey, U.S. Census Bureau

# COMPETITION IN SELECTED ZIP CODES:

- Finally, we add in the competition in the area



Source: FRANdata



## END RESULT: A BETTER WAY TO SELECT NEW LOCATIONS:



- 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**



# DALLAS AND AUSTIN STORE PERFORMANCE:

- The two locations in question have the following basic performance metrics which makes Austin look like the better performer:

Brand X	Dallas Location	Austin Location
Annual Sales	\$1,015,000	\$1,035,000
# of Employees	16	17
Average Payroll per Employee	\$15,999	\$16,250

## Other Market Data Provided by Census

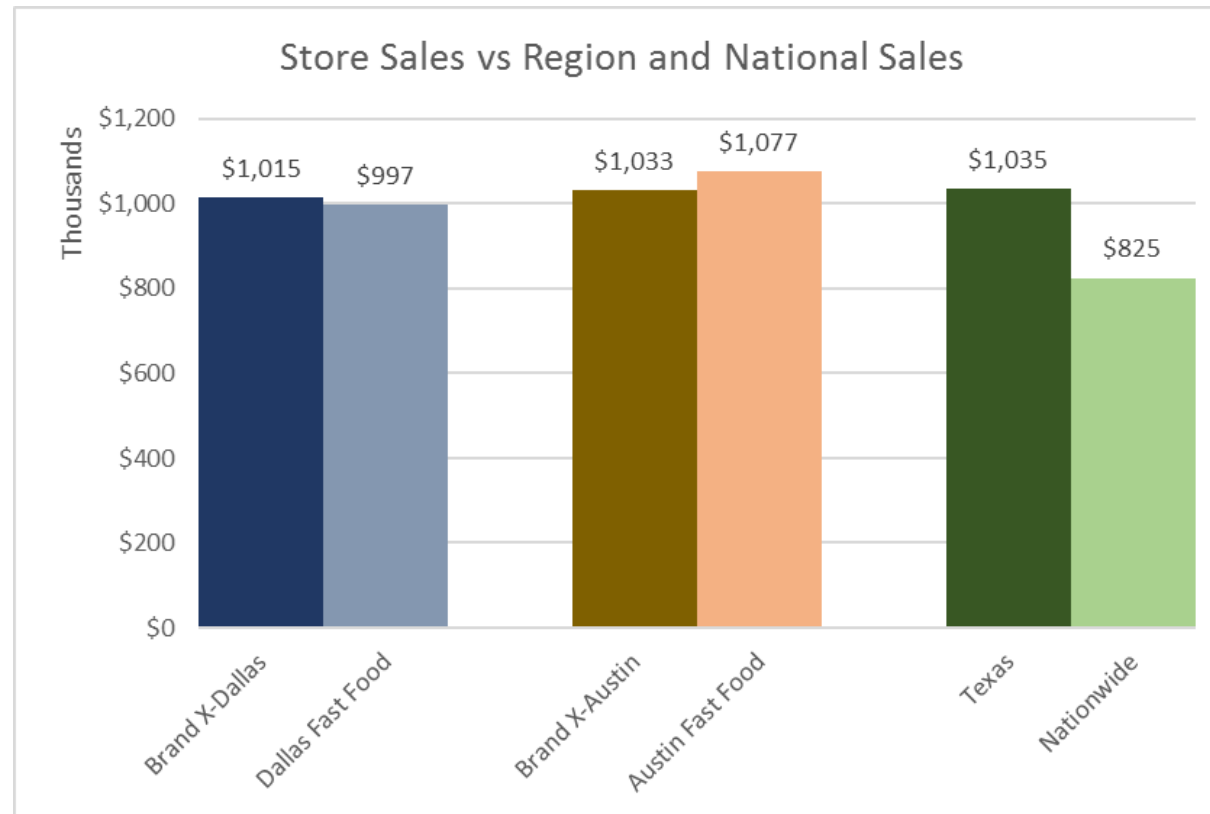
Consumer Spending	Dallas	Austin
Breakfast	\$338	\$303
Lunch	\$1,001	\$941
Dinner	\$1,478	\$1,373

Source: 2016 American Community Survey, U.S. Census Bureau



# TOP LINE PERFORMANCE OF THE TEXAS LOCATIONS:

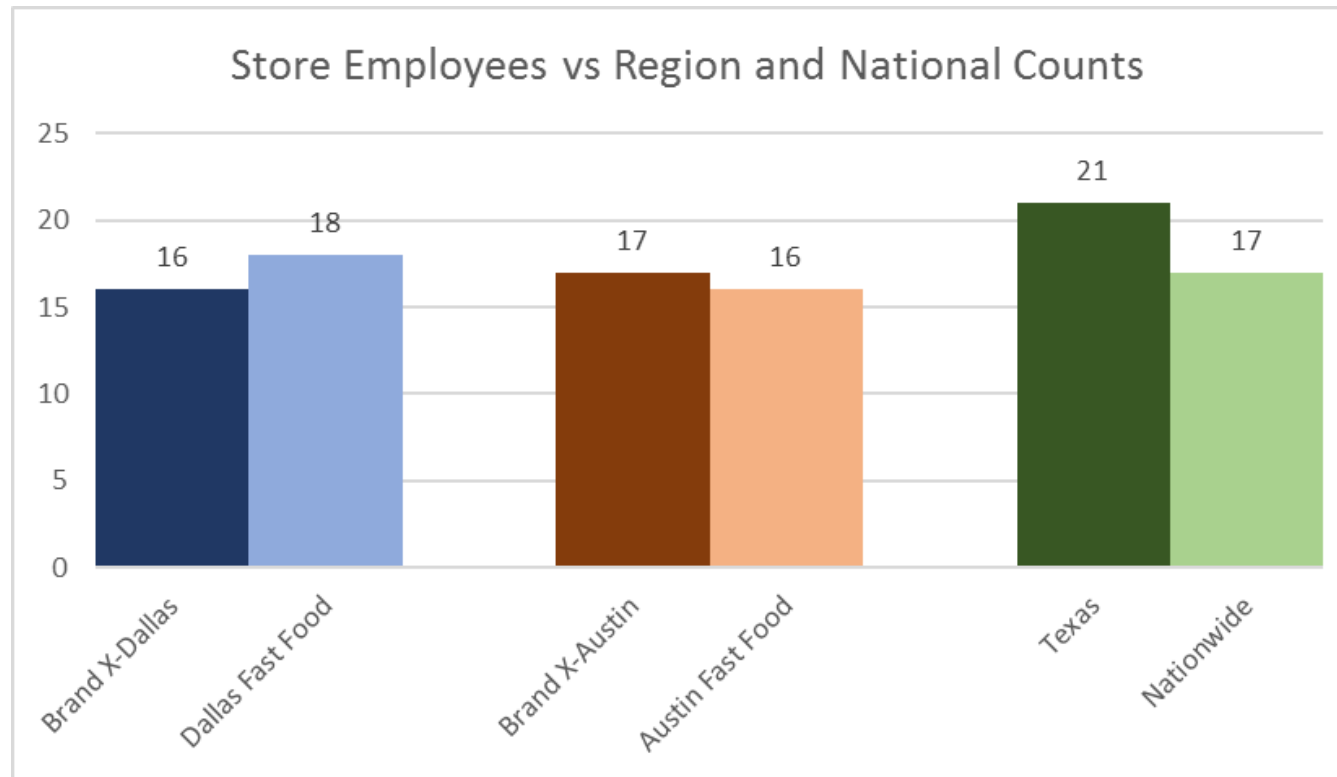
- While the Dallas location has lower sales than Austin it actually outperforms its market; the Austin location failed to do so



Source: 2012 Economic Census, U.S. Census Bureau

# EMPLOYMENT PERFORMANCE IN TEXAS:

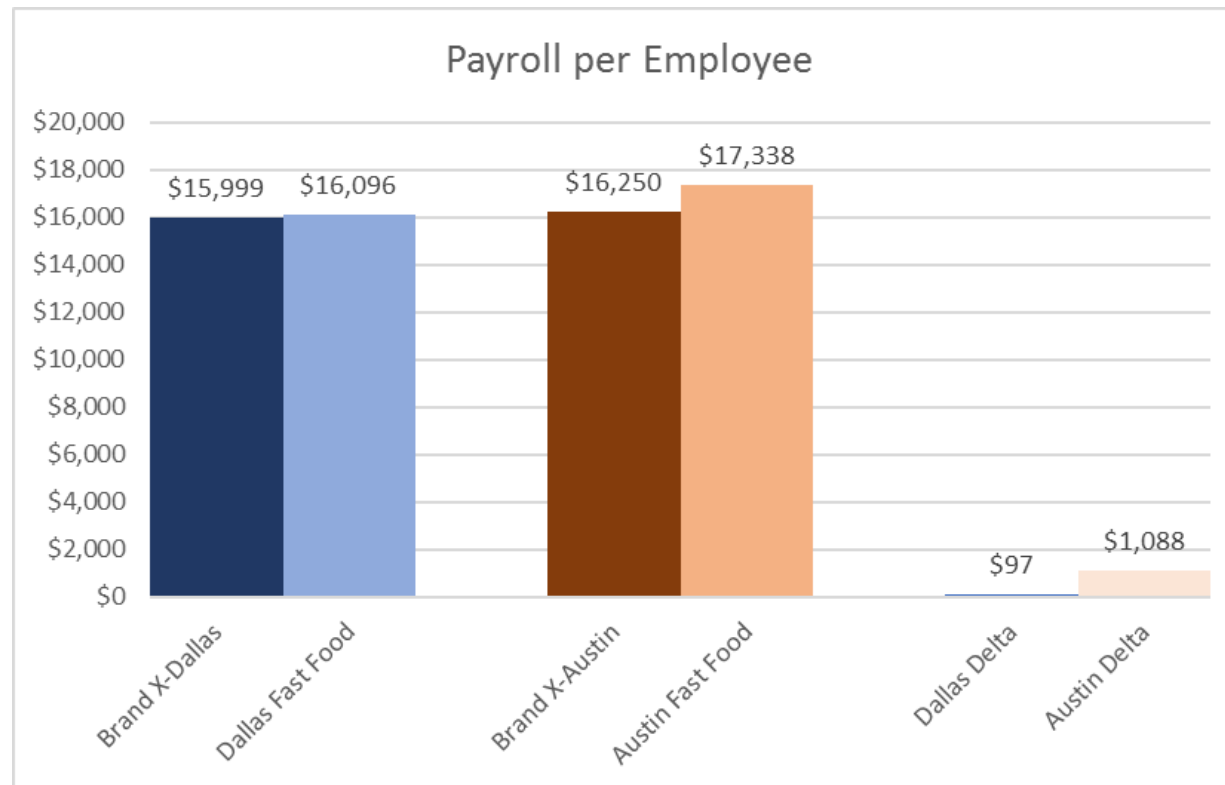
- Dallas location also does a better job maximizing the performance of its employees compared to the market



Source: 2012 Economic Census, U.S. Census Bureau

# PAYROLL PER EMPLOYEE IN TEXAS:

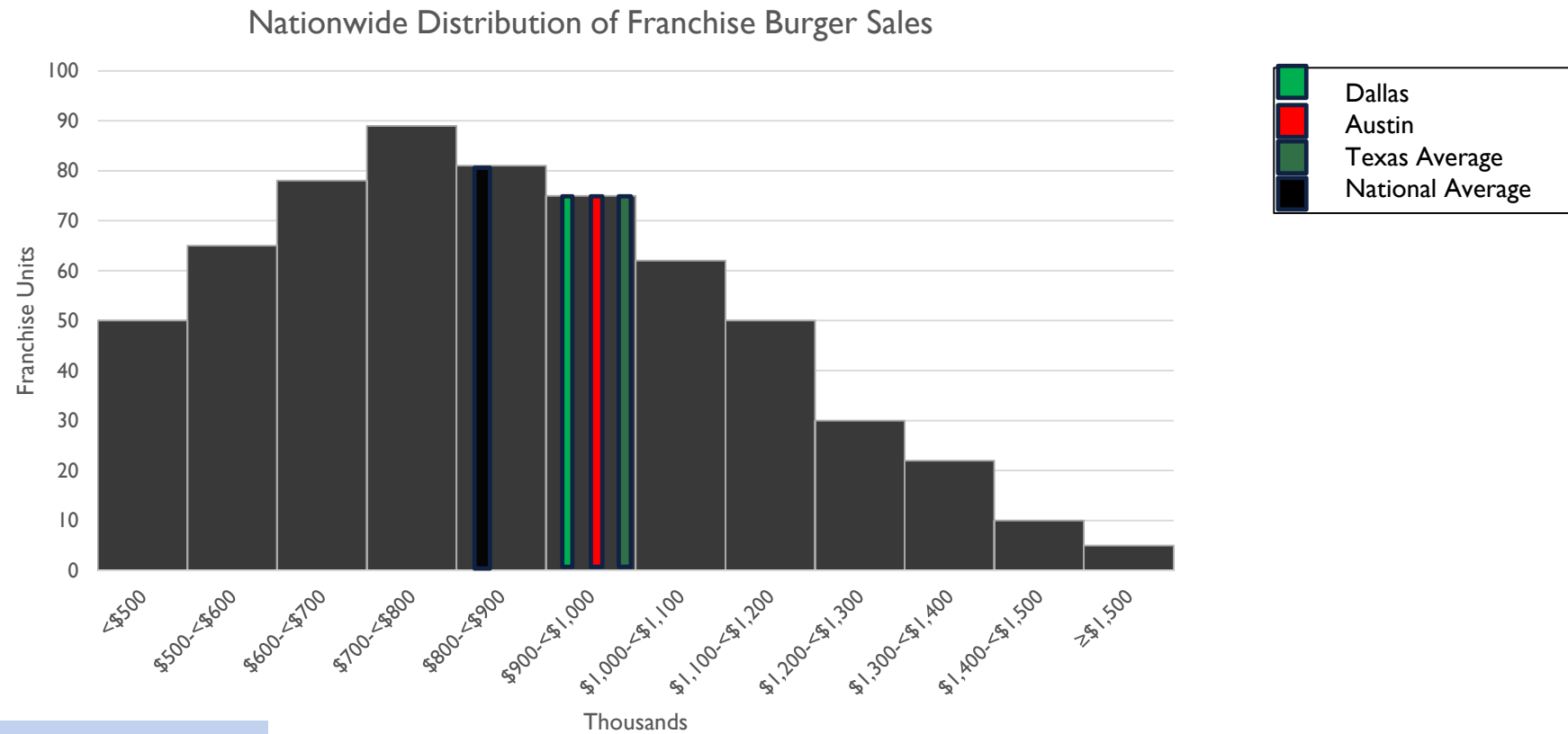
- Austin unit has a higher payroll per employee number but this is misleading
  - The Austin unit actually comes in a \$1,000 under the area average as compared to Dallas which is nearly identical to the average



Source: 2012 Economic Census, U.S. Census Bureau

# DISTRIBUTION OF NATIONWIDE UNIT SALES:

- Distribution of burger concept unit sales Brand X can compare itself to



Source: FRANdata

# USING DATA TO MORE ACCURATELY JUDGE PERFORMANCE:

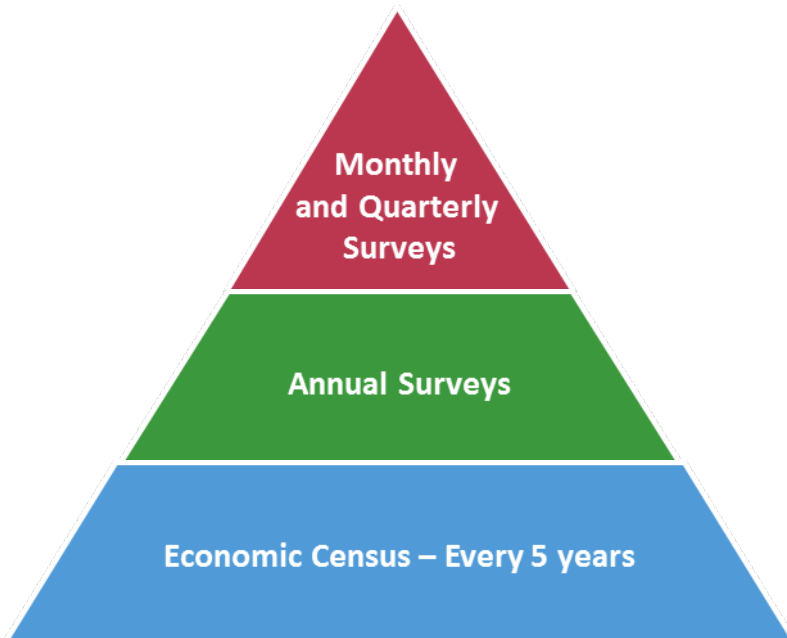


- No two stores are the same but economic and demographic context can be used to provide a smarter way to evaluate franchisee performance
- Who really are your best performers? Who is just coasting in a strong market? These are questions that can be answered with the right data and analysis

# POLL

- 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

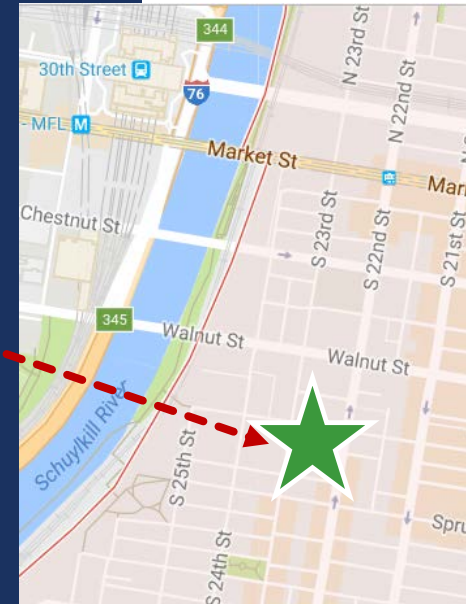
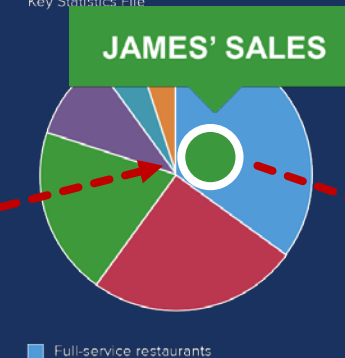
# USING CENSUS BUREAU STATISTICS

- 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



## Accommodation and food services—total sales by industry:

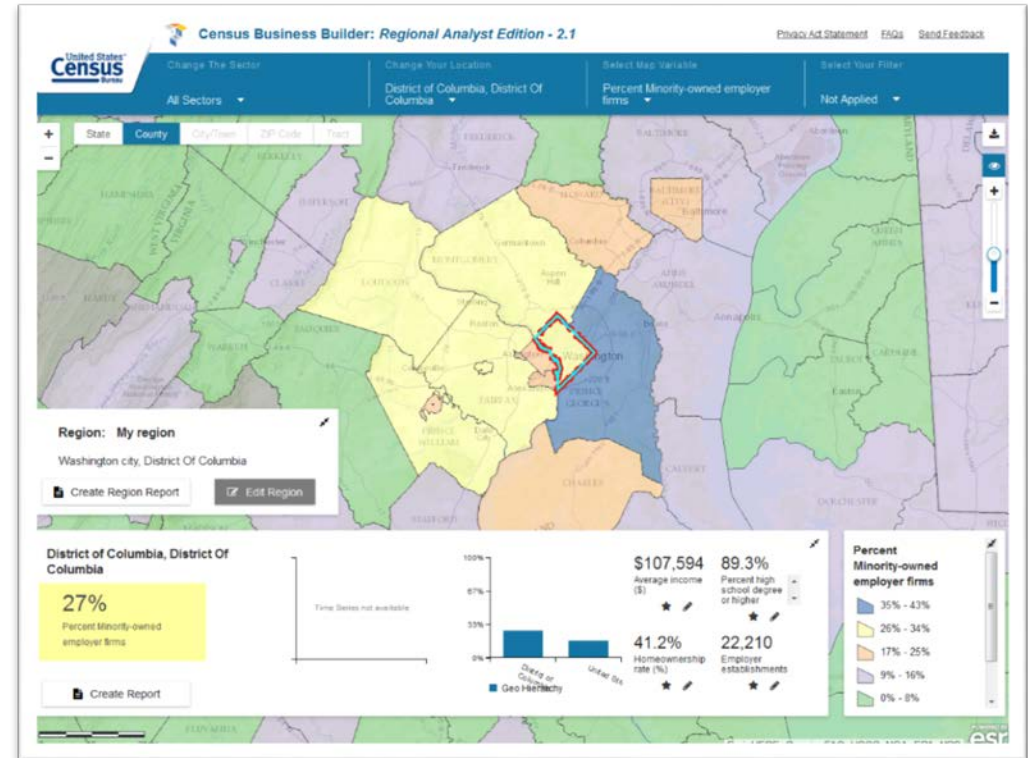
Philadelphia-Camden-Wilmington metro area (\$M)  
Source: 2012 Economic Census, Economy-Wide Key Statistics File





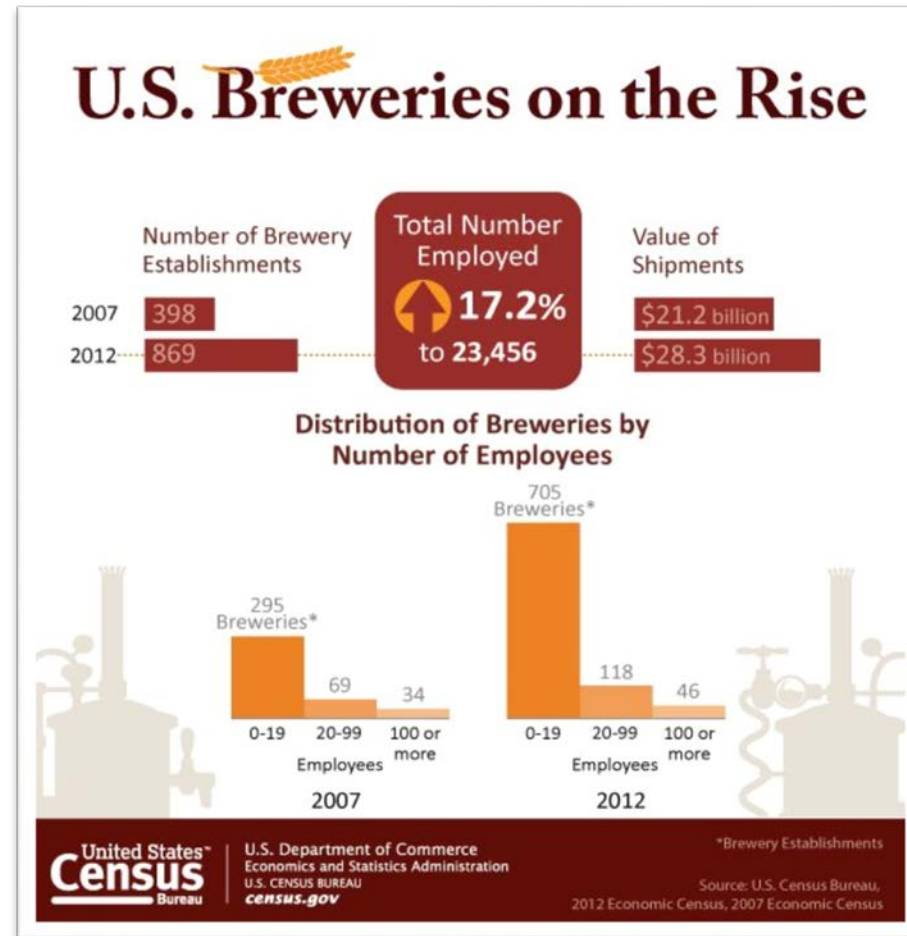
# CENSUS BUSINESS BUILDER

- 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

# INFORMATION REQUIRED

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](https://census.gov/EconomicCensus)

United States  
**Census**  
Bureau

# POLL

- 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



# ECONOMIC CENSUS OVERVIEW