



# Find your customer!

Most of us don't know what we don't know. When it comes to understanding our customer profiles this is especially true, says **Peter Buckingham**.

**A**s a business person, information is golden. How would you like to know where your customers live, what is the income around your market, or how many people live or work within two kilometres of your store? All this is quite achievable.

For example, if you are in the auto business, do you know you can find out how many cars are registered in every postcode in Australia, by make and age? Imagine if you want to open a specialised Fiat repair store, would it not be important to know where the Fiat car drivers live?

The point of this article is to make you question what information you need to make better decisions. These decisions

may be where you locate your business, or where you spend your hard earned money in advertising and local area marketing?

### Simple things first:

#### 1. Basic demographics – who lives in the area?

Do you know that the Australian Bureau of Statistics has gigabytes of information? If you go to [www.abs.gov.au](http://www.abs.gov.au) and then Census Data you have a wealth of information to play with. Look up your suburb or postcode and see how the people (you and your neighbours) compare to the Australian average.

If you want this done for a radius or a group of postcodes, then you may need a demographic company to assist you.

#### 2. Who works in the area?

The ABS collects information on how many businesses there are in an area and how many people work there. The information can be compiled to help you understand the numbers of workers and what type of jobs they are in. For example there are 16 ANZIC categories such as manufacturing, agriculture, retail etc.

#### 3. Where are my customers?

If you are looking to buy a business that gathers the information of your customers' addresses, you can have these plotted so you can see them on a map. This gives you a great understanding of where customers come from, and this can be referenced to

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demographic information so you can see whether you are effective in high or low socio-economic areas, younger or older areas, or areas of high or low ethnicity.

The issue normally is collecting the addresses. If you have accounts, or are a business that undertakes deliveries, you have data. If not, and you are keen to collect this, you may want to run a customer survey or even a competition that involves the customer filling in their details on the entry form. Most customers will put down their correct address so they can be notified if they win the competition.

You may also want details about specific backgrounds, maybe relating to the socio economics of the area. With this at your

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fingertips you're in a position to see who your customers are, and the area they live in.

All this data then is used in a GIS mapping system such as that provided by Pitney Bowes, a world software house, and a leader in the mapping field.

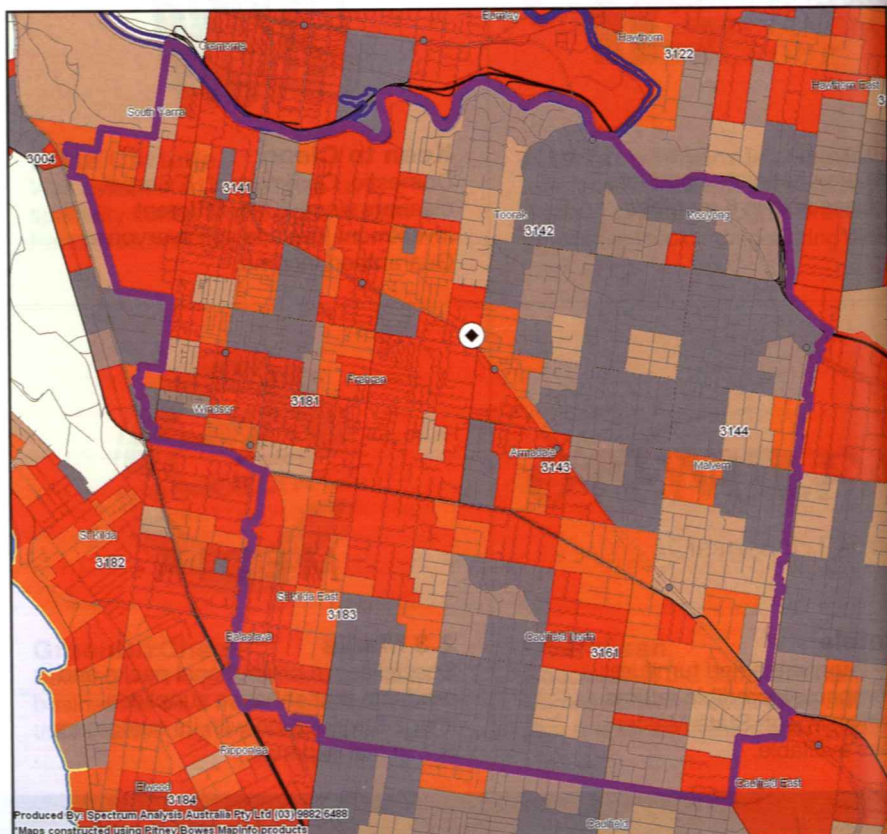
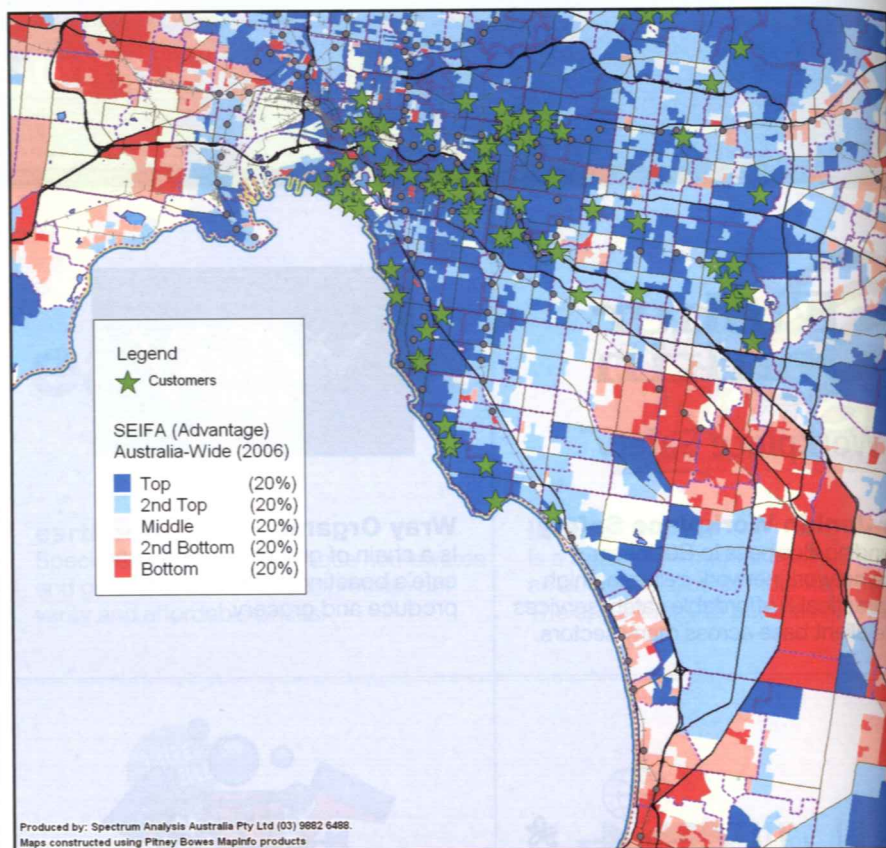
#### 4. Business hit list

Local Area Marketing (LAM) or Local Store Marketing (LSM) are buzz words of many franchise systems. In fact many systems have a commitment in their franchise agreement to what percentage of turnover the franchisee will spend on LAM. One of the favourites is direct mail, whether it addresses the opening of a new store, or is just making a new offer to attract new business.

Securing a list of names and residential addresses however pits the franchisee up against privacy laws. But the same does not apply to businesses. Most franchise systems sell something that a business wants, or the employees of that business would be interested in, be it cheaper printing, exercise classes or a two for one offer on food for lunch.

There are many sources of business

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\*Maps constructed using Pitney Bowes MapInfo products

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hit lists; you can try sitting with the Yellow Pages phonebook on your lap, using [www.yellowpages.com.au](http://www.yellowpages.com.au), or working with companies that can produce a specific list for you.

#### 5. What can I do with the information?

Armed with the above information you have the opportunity to make more intelligent decisions. Using good information can be like using a rifle to aim at a target rather than a scattergun approach.

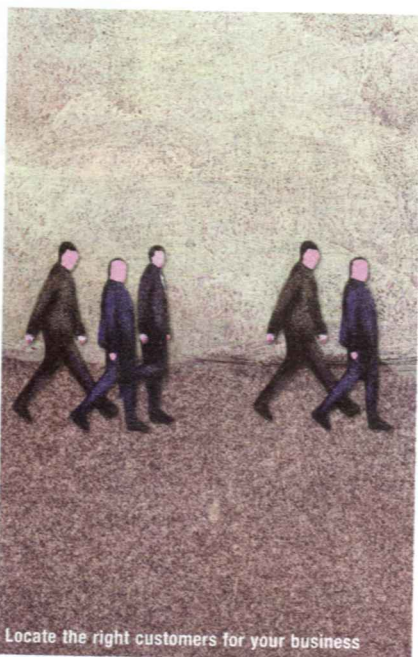
Locating a business is the first time most of us start to think about these issues. Matching the business to the customer is one of the most important decisions you ever make. Once you know, or think you know who your customer will be, you can look for areas high in that group. For example if I want to sell expensive wedding dresses, I would look to locate in an area of high income or an area with a high percentage of younger women. If my offer was lower price wedding dresses, I may locate in an outer suburb.

A target market index map can help you in deciding where to start to look. For example I may have bought the franchise for Toorak for "Cheap Eats" restaurant, and I want to find a location that attracts the lower income, younger people and students in the area. The TMI map helps me see where these people congregate.

### You may also want details about specific backgrounds, maybe relating to the socio-economics of the area

For local marketing, if you want to aim at a specific type of business, it is better to direct mail to 50 good prospects, than drop flyers into 2000 letterboxes, most of which will be cleaned out straight into the rubbish bin.

Local Area Marketing is about using this type of information to make better decisions. Whether it is a well thought out campaign, specifically targeted at the ideal customer that you have identified, or a full LAM system that your



Locate the right customers for your business

franchisor has committed to, it should work better than spending your money based on pure guesswork.

There are companies such as Printrak that specialise in helping with these programs, either as individuals, or as a franchise system where everyone can benefit by the investment in a proper LAM system, hopefully backed up by data to make good spending decisions.

#### Summary

If you want to make better decisions, you either need to source information yourself, or ask your franchisor to help you. Many franchise systems either have access to information, or work with a demographic company who can supply it. Don't let this be waved away as too hard, as in most cases it is your hard-earned money being spent on Local Area Marketing. If you can target your area, and know more about your customers, you will have a far better chance of success with your promotions. ■

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