



BUSINESSES USE DATA TO GAIN COMPETITIVE ADVANTAGE

Gauge the competition

A soft drink bottler considered expanding into two related beverage manufacturing operations: milk and alcoholic beverages. Economic Census data shed light on industry specialization, company size, and the relationship of expenses to receipts – information that encouraged the bottler to diversify.

Calculate market share

A restaurant supply wholesaler calculated that it had roughly an 11-percent market share—its own sales divided by state totals for similar businesses – in its primary sales region in the northern mountain states. The wholesaler used that figure as a target when it expanded into Arizona and New Mexico.

Business to Business

A man who had developed software for managing quality control operations made a list of industries most likely to use his product, then ranked the top industries based on census figures for value added and growth. He customized his software to appeal to those top prospects. Census data on CD-ROM made it easy to find areas where large plants in the target industries were located.

Site location

A major food store chain uses Economic Census data and population figures to estimate potential weekly food store sales in the trade area for each of its stores. These estimates allow the company to calculate market share for each existing store, and to evaluate prospective sites for new stores.

The owner of a chain of auto accessory stores computed the ratio of accessory sales in the Economic Census to household income from the population census for several neighboring metropolitan areas. Finding his own area well above national averages, he inferred that the local market for auto accessory stores might be already saturated. That contributed to his decision to expand into a nearby metro area with a lower ratio instead of adding another store locally.

Design sales territories and set sales quotas

An insurance company uses counts of establishments and sales by kind of business to redesign sales territories and set quotas and incentive levels for agents. By comparing their own records on customers to census figures, company executives found which kinds of businesses were better prospects than others.

Enhance business opportunity presentations to banks or venture capitalists

An entrepreneur used census data to support her loan application, as she sought financing to start a tailoring and alterations shop for women executives. She used Economic Census data on her line of business in conjunction with data on women in managerial occupations from the census of population.

Evaluate new business opportunities

A manufacturer of industrial chemicals used data on production of semiconductors and other high technology products to assess the feasibility of introducing a line of advanced composite materials.

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ECONOMIC CENSUS INFORMATION DRIVES DECISION MAKING

Maintain local tax base

The Economic Development Commission of Chicago attempts to attract new business to the city, and retain those they already have, by talking to companies about real estate and workforce needs. They use Economic Census data to identify industries growing nationally but not doing as well locally.

Assist local businesses

A consultant uses Economic Census CD-ROMs to compute business averages—such as sales per capita and establishments per 100,000 residents. He markets comparative summaries to shopping mall owners seeking business tenants and to prospective entrepreneurs. He advises them to look for opportunities in communities where an industry is underrepresented relative to state and national norms.

Small Business Development Centers in many states help business owners assess their marketing and management challenges and become familiar with business data sources such as the Economic Census.

Research

A professor at Harvard University studied a series of votes in Congress related to free trade issues. He used Economic Census data on manufacturing to explore the correlation between each state's industrial structure and the way that state's Congressional representatives voted on these issues.

Public policy and statistics

The Federal Reserve Board uses Economic Census data to understand change in the American economy, and to benchmark productivity estimates and other measures of economic performance.

The U.S. Department of Commerce uses Economic Census statistics to benchmark and update the National Income and Product Accounts, one of the components of the Gross Domestic Product (GDP) estimates.

Federal and state agencies look to Economic Census data to gauge the effectiveness of programs such as minority contracting guidelines, trade policies, and job retraining.

Disaster Response

The Federal Emergency Management Agency uses Economic Census data by ZIP Code to inventory business locations by industry and size. They use this information to estimate potential losses to employment and productive capacity that might result from a major fire, flood, or other disaster.

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