



# ***Understanding the Changing Market: Improving your marketing using (free) statistics***

***Prepared for Snowy-Monaro BEC  
by Dr Kim Houghton  
Strategic Economic Solutions***



# Contents

- Market research
- Industry intelligence
- Market positioning
- Customer segmentation
- Trends relevant to small businesses in Cooma-Monaro Shire

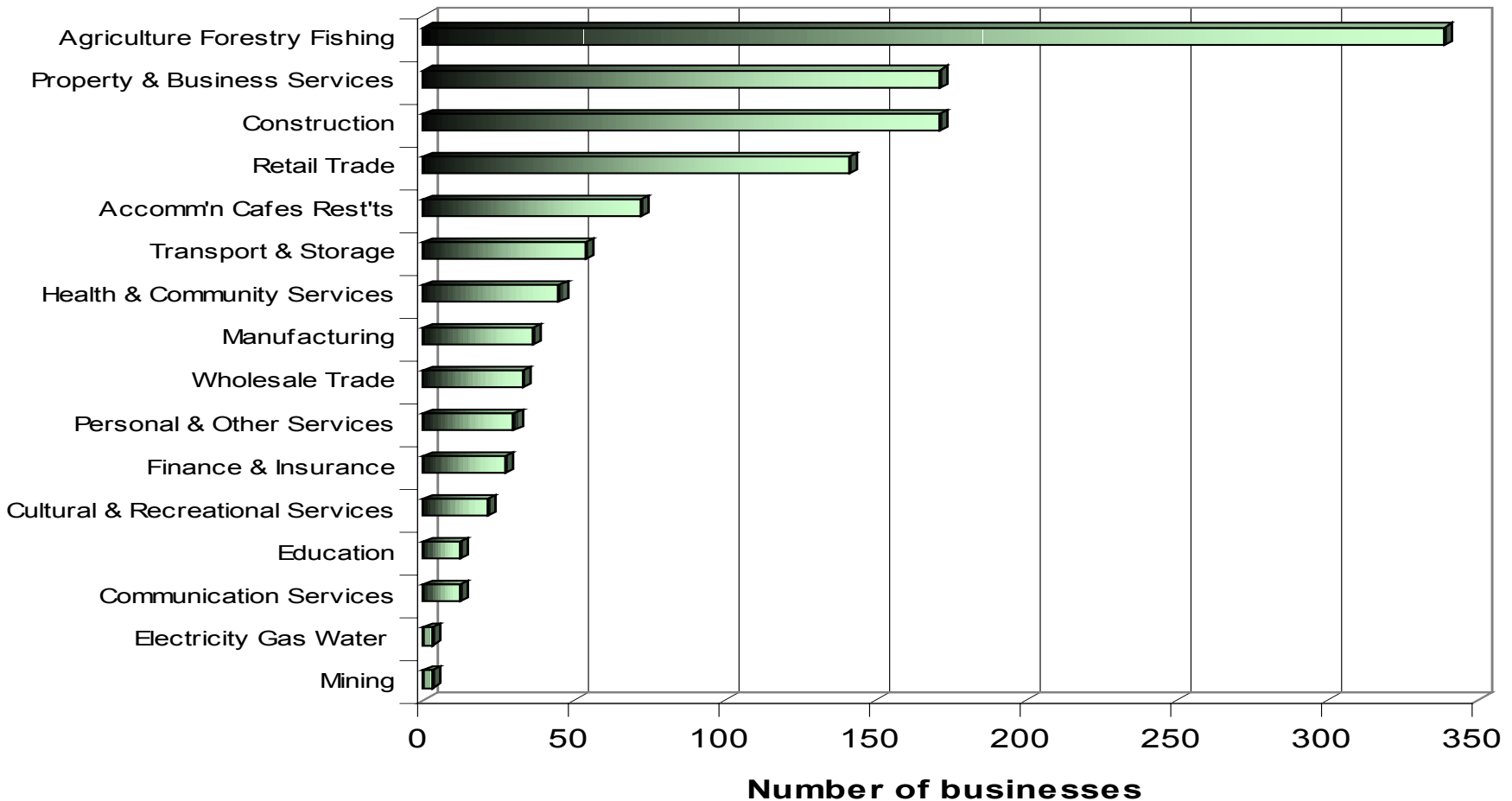
# Market Research

- Marketing (not advertising!)
- Matchmaking
- Industry intelligence
- Positioning
- Customer segmentation
  - Demographics
  - Income
  - Preferences
  - Trends

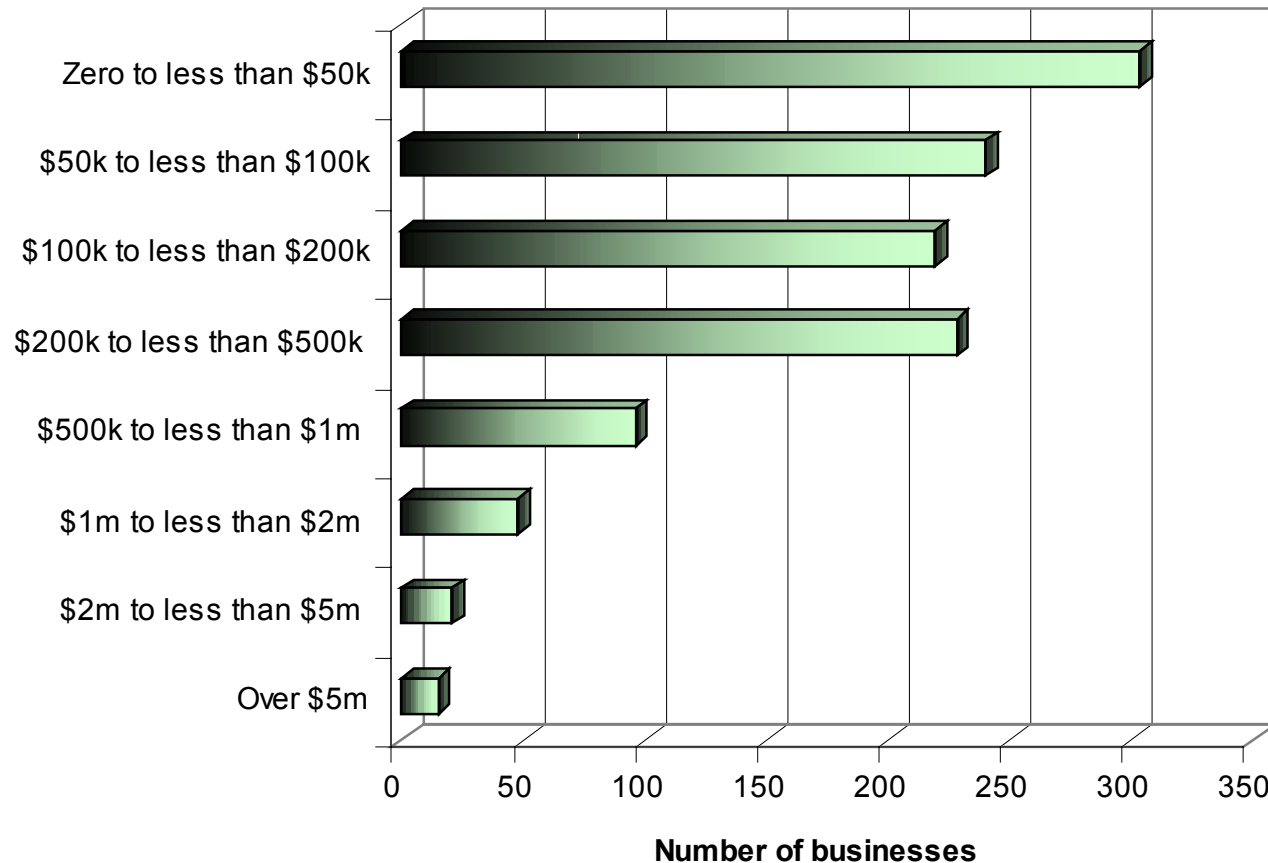
# IBIS World Fashion Retail (mid 2004)

- Number of outlets down by 25% (97-04)
  - Department stores 40%
  - Franchises and chains 40%
  - Independents 20% (higher costs)
- But growth in sales (incomes, confidence)
- E-tailing favouring 'trusted' brands
- But niches show highest growth
  - Surf, street, action, high-value locations

# Cooma Business Mix



# Cooma Business Mix



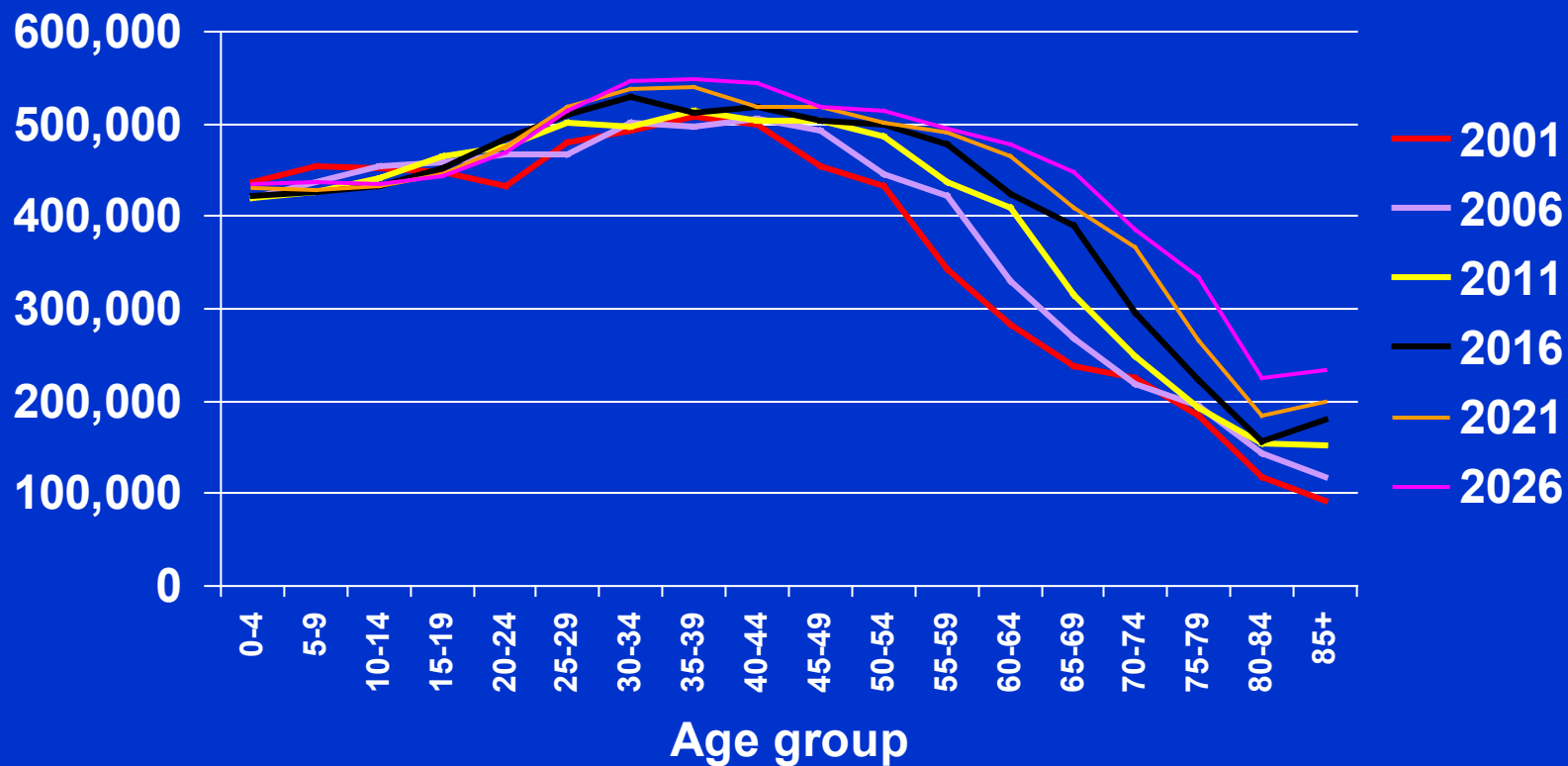
# Market Positioning

- Check out your competitors
- Position yourself (eg sporty image/cost)
- Identify your market boundaries
  - Geography, demography, gender, industry, profession, family type
- Evaluate segment potential
  - Profitability
  - Ease of access
  - Desirability

# Customer Segmentation

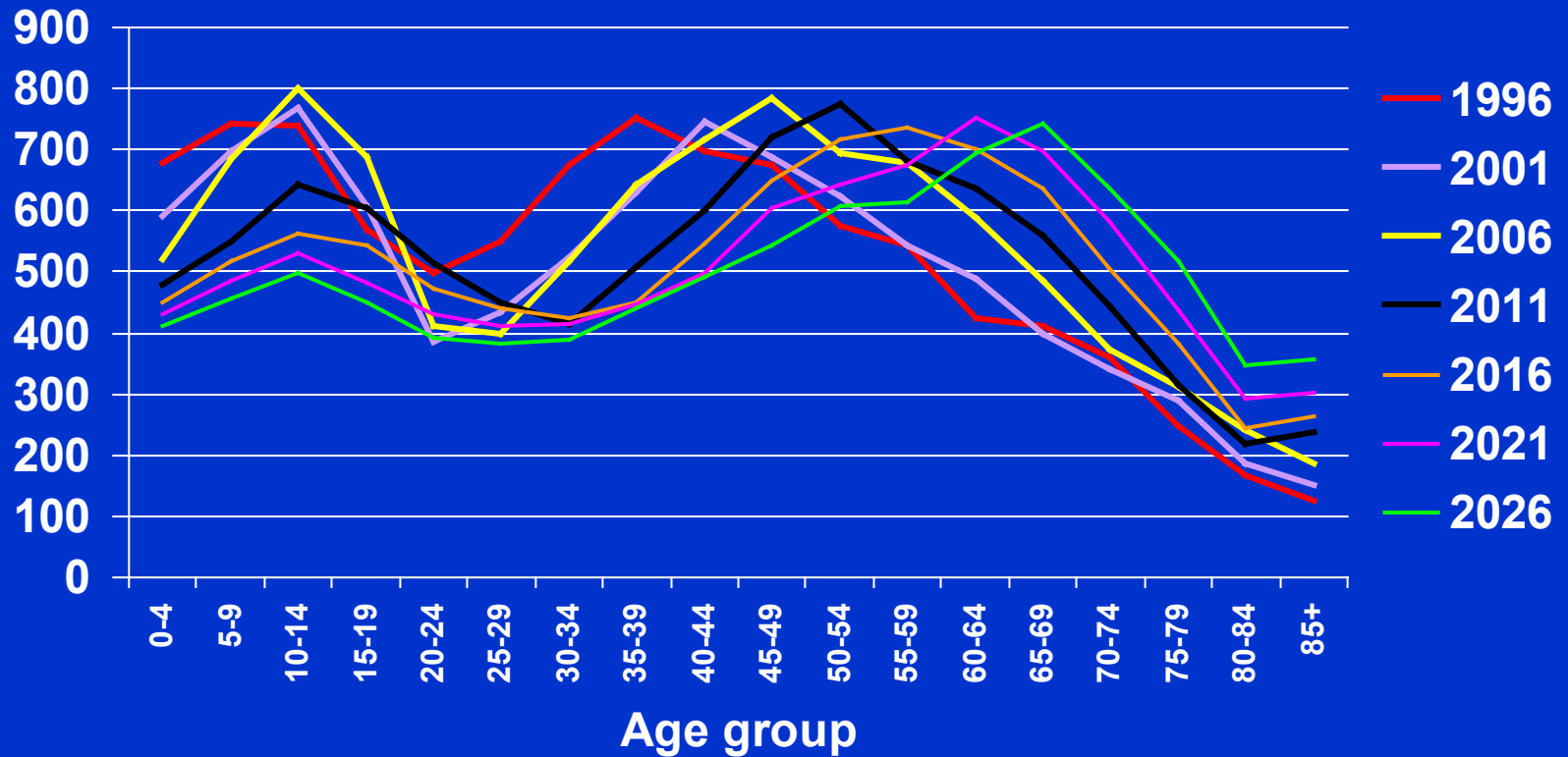
- Age
- Income
- Household type
- Preferences
- Trends

# NSW Population Forecasts



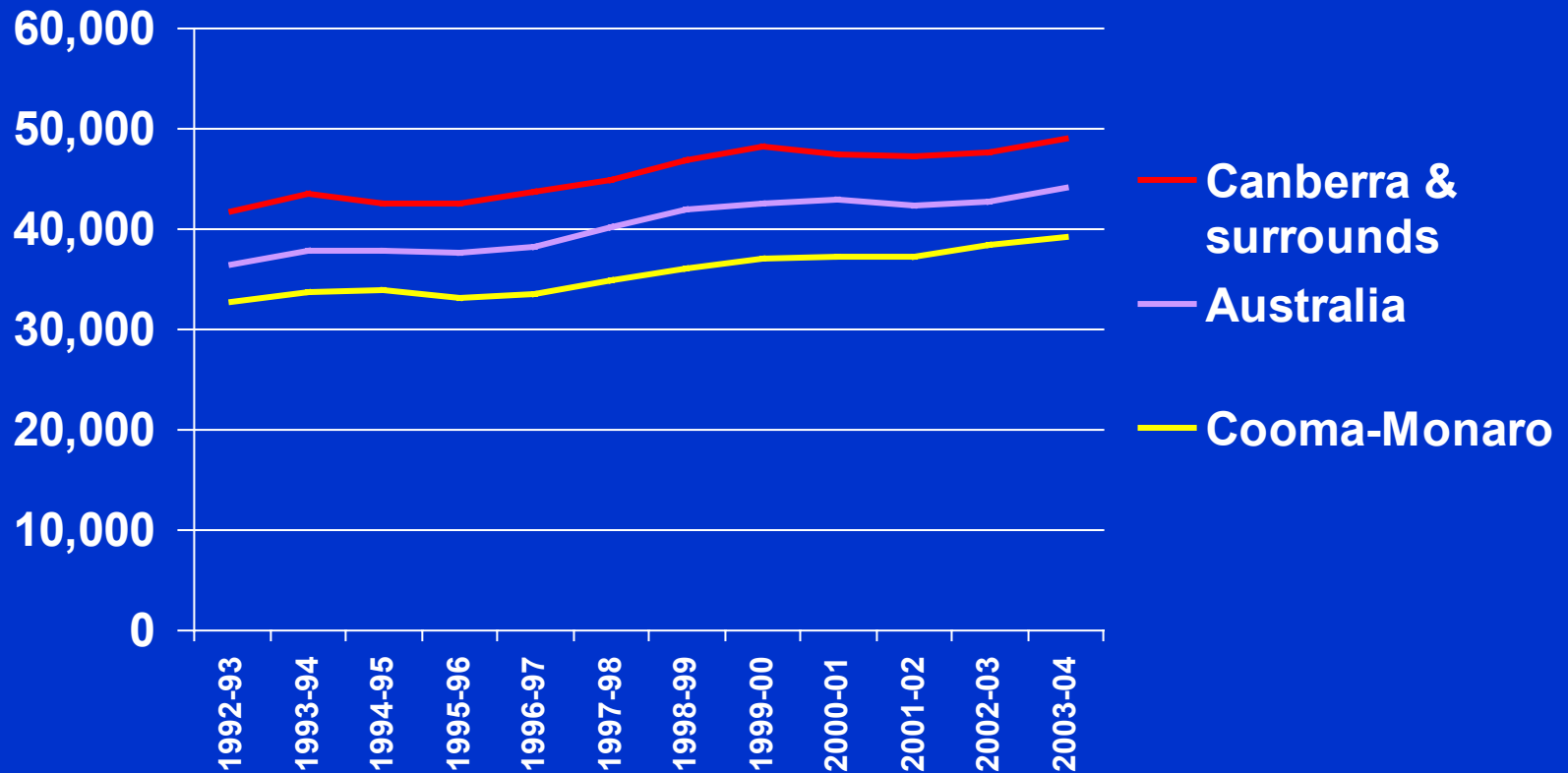
Source: Projections provided by NSW Department of Planning and Natural Resources 2005. The numbers are based only on population mix and birth/aging/migration trends, and do not take economic or other initiatives into account.

# Cooma-Monaro Population Forecasts



Source: Actuals from Census data. Forecasts provided by NSW Department of Planning and Natural Resources 2005. The forecasts are based only on population mix and birth/aging/migration trends, and do not take economic or other initiatives into account.

# Income Trends

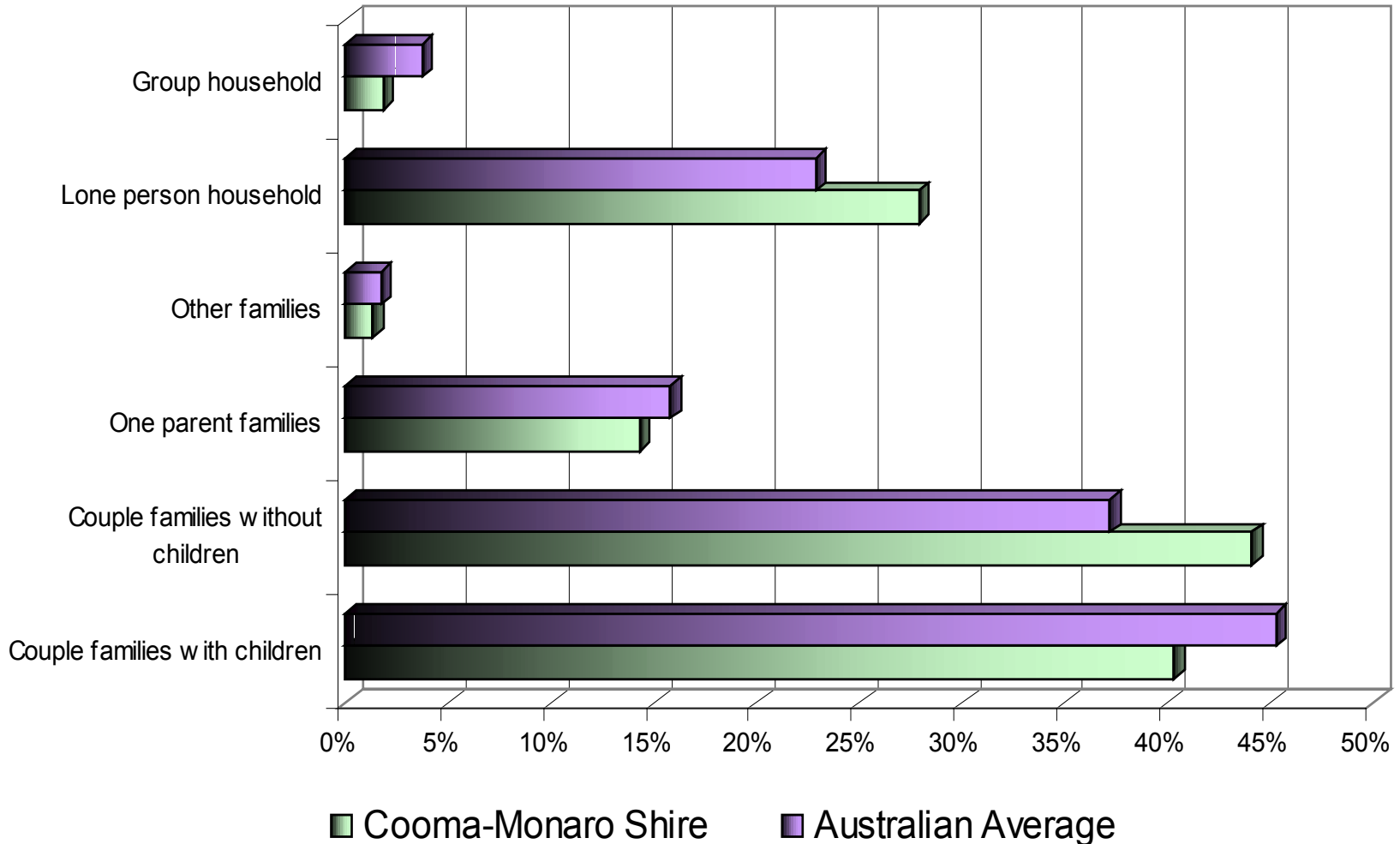


Source: BTRE Regional Taxable Income Database 2007

# Cooma-Monaro Households

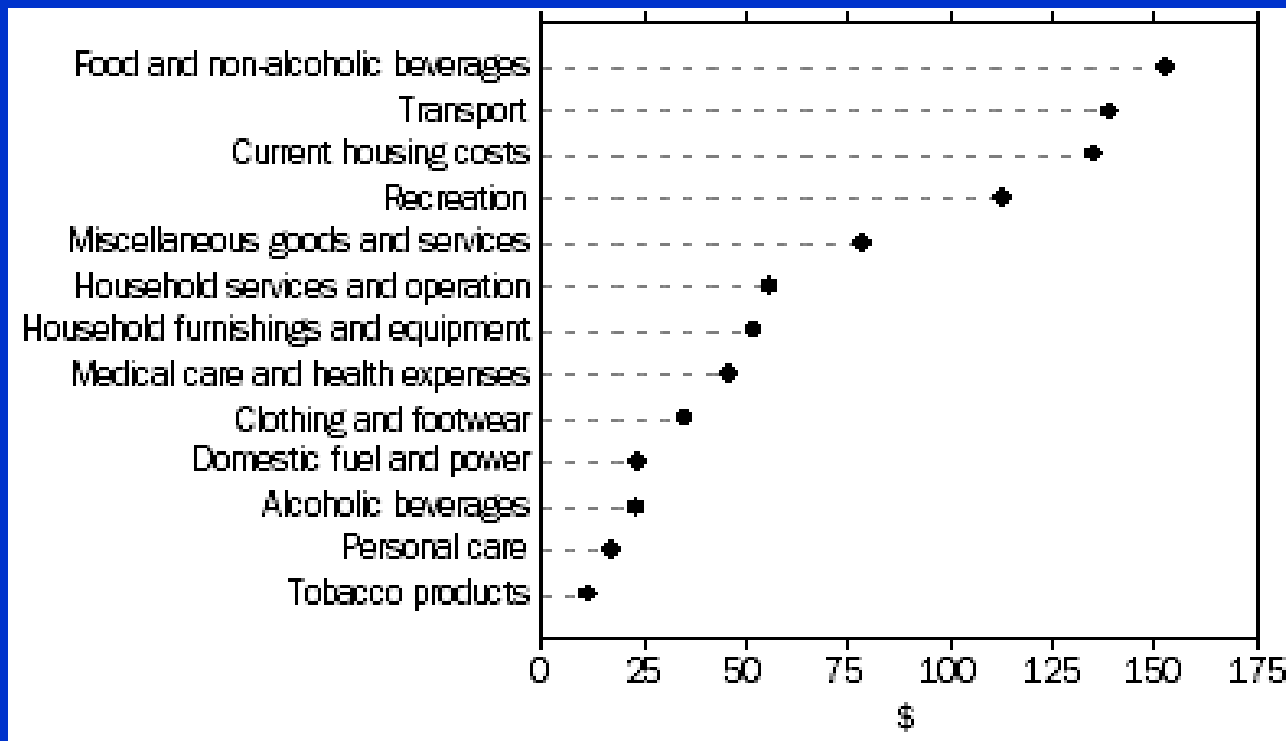
- Median Household Weekly Income 2006
  - Shire \$828 (Aust Ave \$1,027)
- But some outgoings were less
  - Median weekly rent
    - Shire \$135 (Aust Ave \$190)
  - Median monthly loan repayment
    - Shire \$1,021 (Aust Ave \$1,300)
  - Home fully owned
    - Shire 40% (Aust Ave 33%)

# Cooma-Monaro Households

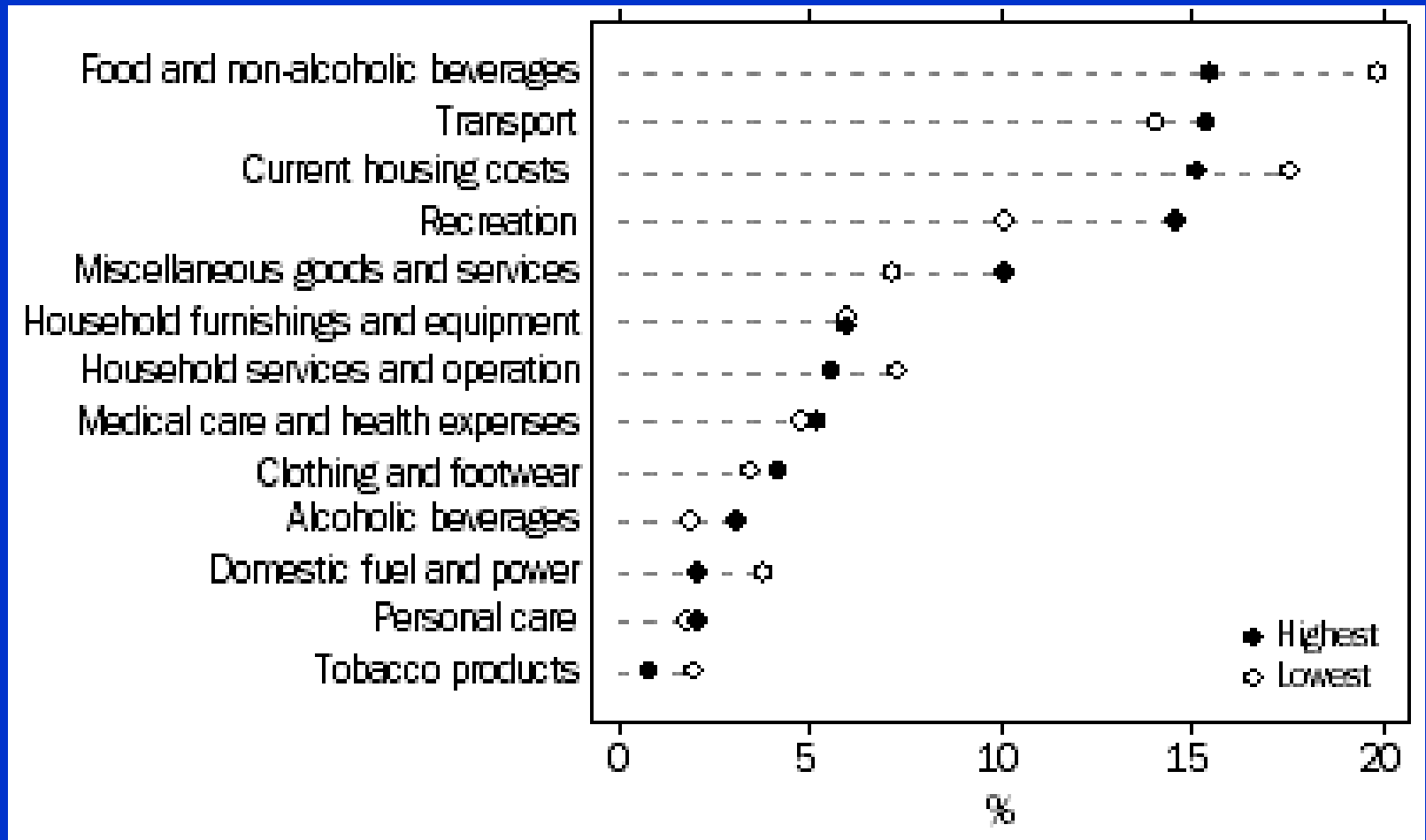


# What do we Buy?

- ABS Household Expenditure Survey 2003-04 (6535.0)
- \$883 each week on goods and services



# Income Matters



90%  
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 \$ % , +.00 -.00

A1 = Australian Bureau of Statistics

	A	B	C	E	F	G	H	I	J	K	L
430	08	Household services and operation		30.92	40.08	52.10	62.81	85.37	54.24		
431											
432	0801	Household services and operation		30.92	40.08	52.10	62.81	85.37	54.24		
433		080101	Household non-durables	7.93	10.81	12.32	15.58	19.56	13.24		
434		0801010000	Household non-durables nfd	0.35	0.47	0.73	0.74	1.12	0.68		
435		0801010101	Nails, screws and other fasteners	*0.17	0.28	0.32	0.33	0.48	0.32		
436		0801010201	Household soaps and detergents	1.03	1.41	1.67	1.96	2.60	1.73		
437		0801010301	Household polishes	*0.07	0.09	*0.08	0.11	*0.22	0.11		
438		0801010401	Other household cleaning agents	0.82	1.02	1.15	1.30	1.48	1.15		
439		0801010501	Household paper products (excluding stationery)	1.49	2.13	2.33	3.01	3.59	2.51		
440		0801010601	Trees, shrubs and plants	0.86	1.34	1.66	2.41	3.44	1.94		
441		0801010701	Other gardening products	*1.34	1.46	1.26	1.82	2.16	1.61		
442		0801010801	Swimming pool chemicals	**0.03	*0.25	*0.31	*0.46	*0.77	0.36		
443		0801010901	Foodwraps (excluding paper)	0.19	0.25	0.30	0.38	0.47	0.32		
444		0801019999	Household non-durables nec	1.58	2.11	2.52	3.06	3.24	2.50		
445		080102	Postal charges	0.90	1.23	1.10	1.03	1.44	1.14		
446		0801020101	Postal charges	0.90	1.23	1.10	1.03	1.44	1.14		
447		080103	Telephone and facsimile charges	15.71	21.04	28.09	30.91	39.66	27.07		
448		0801030101	Fixed telephone account	12.41	14.44	16.99	17.63	20.83	16.42		
449		0801030102	Mobile telephone account	2.58	5.26	9.36	11.17	16.20	8.91		
450		0801030201	Public telephone call (not account)	*0.11	*0.17	*0.16	*0.13	*0.39	0.19		
451		0801030202	Mobile phone charges (not account)	0.61	1.16	1.58	1.98	2.45	1.55		
452		0801039999	Telephone and facsimile charges nec	-	**0.01	-	-	-	-		
453		080104	Household services	3.31	2.40	3.33	3.69	7.26	4.00		
454		0801040101	Pest control services	0.76	0.60	1.06	1.25	*1.52	1.04		
455		0801040201	Gardening services	1.17	0.82	*1.03	*1.05	*1.97	1.21		
456		0801040301	Private rubbish removals	0.29	0.43	0.69	0.44	0.83	0.54		
457		0801040400	Housekeeping and cleaning services (including ironing) nfd	**0.06	**0.09	**0.02	**0.03	*0.12	*0.06		
458		0801040401	Home help services	*0.42	*0.10	**0.03	**0.02	-	0.11		
459		0801040499	Housekeeping and cleaning services (including ironing) nec	*0.52	*0.35	*0.38	0.66	2.58	0.90		
460		0801049901	Security services	**0.09	-	**0.09	*0.24	*0.23	0.13		
461		0801049999	Household services nec	-	-	**0.03	-	-	**0.01		
462		080105	Child care services	0.55	1.46	3.74	7.47	10.70	4.78		
463		0801050000	Child care services nfd	**0.02	-	-	**0.01	**0.02	**0.01		
464		0801050101	Preschool	*0.17	*0.46	*1.16	1.79	2.57	1.23		
465		0801050199	Formal child care services nec	0.36	0.95	2.34	5.19	7.37	3.24		
466		0801050201	Informal child care services	-	**0.05	*0.24	*0.48	*0.75	0.30		
467		080106	Repair and maintenance of household durables	2.18	2.95	3.23	3.49	6.00	3.57		
468		0801060101	Carpet cleaning	0.30	0.40	0.60	0.54	0.90	0.57		

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	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ
1	<b>Australian Bureau of Statistics</b>									
2	<b>Cat. No. 6535.0.55.001 Household Expenditure Survey, Australia: Detailed Expenditure Items, 2003-04</b>									
3	<b>Table 2. GROSS INCOME QUINTILE, Household expenditure on goods and services</b>									
4										
5	GROSS HOUSEHOLD INCOME QUINTILE									
6		Lowest	Second	Third	Fourth	Highest	All households			
7										
8	AVERAGE WEEKLY HOUSEHOLD EXPENDITURE (\$)									
9	<b>Clothing</b>	<b>9.96</b>	<b>15.83</b>	<b>25.10</b>	<b>38.32</b>	<b>54.60</b>	<b>28.75</b>			
10	Men's clothing	1.31	2.68	5.32	7.35	9.44	5.22			
11	Women's clothing	4.15	5.53	8.72	13.86	20.00	10.45			
12	Trees, shrubs and plants	0.86	1.34	1.66	2.41	3.44	1.94			
13	Gardening services	1.17	0.82	*1.03	*1.05	*1.97	1.21			
14										
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## GROSS HOUSEHOLD INCOME QUINTILE

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	Lowest	Second	Third	Fourth	Highest
Income level	\$263.00	\$555.00	\$930.00	\$1,385.00	\$2,512.00
Number in Cooma-Monaro (Shire) ex 2006 Census	670	918	672	657	378

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## GROSS HOUSEHOLD INCOME QUINTILE

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	Lowest	Second	Third	Fourth	Highest
<b>Income level</b>	<b>\$263.00</b>	<b>\$555.00</b>	<b>\$930.00</b>	<b>\$1,385.00</b>	<b>\$2,512.00</b>
<b>Number in Cooma-Monaro</b>	<b>670</b>	<b>918</b>	<b>672</b>	<b>657</b>	<b>378</b>
<b>Other Health Practitioners Fees</b>	<b>\$0.16</b>	<b>\$0.25</b>	<b>\$0.34</b>	<b>\$0.45</b>	<b>\$1.28</b>

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## GROSS HOUSEHOLD INCOME QUINTILE

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	Lowest	Second	Third	Fourth	Highest	
Income level	\$263.00	\$555.00	\$930.00	\$1,385.00	\$2,512.00	
Number in Cooma-Monaro	670	918	672	657	378	
Other Health Practitioners Fees	\$0.16	\$0.25	\$0.34	\$0.45	\$1.28	
Local spend (pw)	\$107.20	\$229.50	\$228.48	\$295.65	\$483.84	\$1,344.67

## GROSS HOUSEHOLD INCOME QUINTILE

	Lowest	Second	Third	Fourth	Highest	
<b>Trees, shrubs &amp; plants</b>	<b>0.86</b>	<b>1.34</b>	<b>1.66</b>	<b>2.41</b>	<b>3.44</b>	
<b>Local spend</b>	<b>\$576.20</b>	<b>\$1,230.12</b>	<b>\$1,115.52</b>	<b>\$1,583.37</b>	<b>\$1,300.32</b>	<b>\$5,805.53</b>
<b>Gardening services</b>	<b>1.17</b>	<b>0.82</b>	<b>1.03</b>	<b>1.05</b>	<b>1.97</b>	
<b>Local spend</b>	<b>\$783.90</b>	<b>\$752.76</b>	<b>\$692.16</b>	<b>\$689.85</b>	<b>\$744.66</b>	<b>\$3,663.33</b>

# Preferences and Trends

- Relevance to small business?
  - Wealth-driven
  - Quality-driven
  - Active & affluent retirees
  - Experience economy
- Small Business Futures

# The Experience Economy

- Customers are buying experiences and memories
  - BridgeClimb
  - Beechworth Bakery
  - Elvis Parsley's Grapelands
  - From beauty salons to day spas





# Small Business Futures

[www.smallbusinessfutures.com.au](http://www.smallbusinessfutures.com.au)

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