

# You Don't Know What you Don't Know

By John Dynes

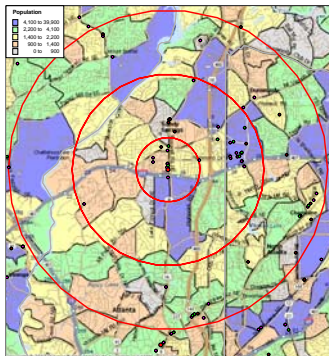
Many of us go through life blissfully unaware of important details that can make a world of difference. From our physical health and our relationships to our business practices, until some event or detail is pointed out, we are oblivious to its existence.

Sounds confusing? NASA calls them the unk-unk's (unknown unknowns), the hidden aspects of any business or operation that are not apparent until something goes wrong or right. When something goes right most of us attribute the success to something we did. However, when something goes wrong, people look for the unknowns—trying to find answers in the process or core elements of a business.

I was recently at a training seminar at the Cellular Industry Association (CTIA) convention in Florida and I had déjà vu from the previous year in a similar session about retail marketing. The subject was marketing to your target customers. When this subject comes up inevitably people will ask the question, who is my target market? Or, how do I determine my target market? Unfortunately, larger companies typically spend millions of dollars attempting to determine target markets and even if they figure it out; have trouble transitioning the knowledge to an actionable sales effort. How can you sell a product or service without understanding and knowing your target markets? (Unless you are willing to accept the results that just “happens” to you.)

Do you know about the competitive locations within your marketing area? Are you targeting the same audience? Are they better positioned from a product and marketing standpoint than your location? Are you unknowingly targeting a specific customer type that is not a large part of your market?

There are many elements in determining your target market but one that I have seen used very successfully by the wireless carriers for their retail locations is to develop a comparison of the local market demographics to the customers sold, by individual store location. Mapping the surrounding demographics of a given location can give you a bird's eye view of what the location has in the way of “available target customers”—and thus potential sales opportunities. For example:



- What predominant race groups make up the surrounding market?
- Employment aspects – Blue collar or white / Industrial or Technology?
- Home owners or renters?
- Median age?
- Income / Home Values?
- Overall Population – do the numbers support sales growth?
- Retail sales volume – what kind of competition do you have?
- How do your locations compare to the national average?

Further analysis of your customer base comes if you then overlay the customers sold by that location (assuming you have been selling from the location) then you can see what percentage of customers you have sold by demographic makeup. In other words; maybe you have several different pockets of demographics around a location and you have only penetrated certain elements, like the high income home owners that are within one mile of the store. But you have not penetrated the lower income renters (potentially a great target market) that make up a large percentage of your available market. Why is this? Maybe you are not offering the right product mix? Do you have another product offering you could market it to this group with a targeted direct mail piece?

What are the benefits of a demographic and customer analysis on your locations?

- Identify your past customers and possible prospects by demographic and within the buying radius of your location.
- Compare your market area to the competitive locations within the same market area
- Advertise to targeted customer groups with specific offers
- Profile all your locations to determine the good and *not so good* locations - identify how to improve the lower performers
- Profile your customers by the products and services purchased - then merchandise your locations with appropriate products
- Replace low value or performing products with better products for your target audience

If you have never had a demographic analysis of your locations, how would you know these things? How would you know about that large high income Asian population within two miles of your location? And, that if you sent a multi lingual mailer inviting them to your store, sales would increase substantially?

How do you know what you don't know?

*The return on investment for this type of market knowledge is an invaluable and offers immediate results in terms of how you can focus your advertising, the products you sell and determining the sales potential of a location. Sales Smarts offers these services and much more. To see a full example go to <http://www.saleismarts.com/retail> and click on "Retail Analysis Example"*

*John Dynes, a principal at Sales Smarts, has spent 20+ years in the wireless industry as both an independent dealer and working for several national carriers in sales and marketing. To find out more about retail demographic analysis, feel free to contact John at 770-242-0037 or visit [www.saleismarts.com/retail](http://www.saleismarts.com/retail)*

