

Marketing Munchies Podcast Transcript

Episode #15: Zip Codes

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Announcer: Welcome to the Marketing Munchies Podcast series hosted by Dr. Bridget Behe. Each week Bridget and her guests will share information, insights, research-based findings, and her 30 years of experience to help your horticultural business connect better with current and future customers. Now, let's join our host, Dr. Bridget Behe.

Dr. Bridget Behe: Hi, and welcome back to the Marketing Munchies Podcast. I'm your host, Dr. Bridget Behe. This week, on the podcast, what I'd like to talk about is something that just about everybody has: a zip code. You can really learn a lot from a zip code. This is one of my favorite topics to teach about in my horticulture marketing class. The US census bureau has a really cool website called the *American Fact Finder*, and I'll put a link to it on the transcript. It is <https://factfinder.census.gov>. What this website has is a free, let me emphasize "free," access or interface with zip code information that you can use to understand the market, literally, in your backyard.

What I'd like to do today, is to talk a little bit about the importance of collecting zip codes, and then explain a little bit about how useful the *American Fact Finder* website can be. In our busy society today, a lot of people don't like to participate in surveys, because they take a lot of time. I do a lot of my research using surveys, and I know that it is a considerable investment of time and money. We often have to pay people in order to get their cooperation to give us the information that we need. Now, collecting zip codes can be a really inexpensive way, for a lot of small businesses, to get access to the kind of consumer information that really could help fuel their marketing strategy.

It also helps us get around the time investment and the expense and really the bother or frustration of interacting with customers who don't really want to give us their time to give us the information. You really can learn a lot from a zip code. What the *American Fact Finder* has done is to take the census data and to really parse that out by individual zip codes. Now, where this is going to work best is probably regions that have a high population density: the East coast, the West coast, and probably the Southeast. In the Central area of the US, the zip codes are rather large, and so they may not be as helpful as they would be for regions where you have multiple zip codes that potentially could shop in any one particular retailer. But, I would encourage everybody to collect their zip code.

Let me talk a little bit about collecting zip codes. If you have a point-of-sales system, this is relatively easy to set up. What I would suggest is connecting the zip code information with the telephone number. Because, if you're doing any kind of directed marketing through the telephone number or capturing sales data with the individual's telephone number, I think it's important to connect a zip code to that telephone number. Then you could go in and get the demographic information for people in a common zip code.

Now, as I said, it's easy if you have a point-of-sale system to set up collection for this 5-digit number. That's really all you need are the first 5 digits of the zip code. It's relatively easy if you don't have a point-of-sale system to keep a clipboard by the cash registers. That way, the cashiers could tally the different zip codes. I'd encourage you to do this on different days of the week and different times of the day, so that you as a retailer could understand where people are coming from, particularly during the busy season. What zip codes they're coming from, and then if you do have the point-of-sale system, eventually you'd like to connect this back to some of the purchases that they've made. For example, you might have customers from one particular zip code shopping during the weekday, especially looking for some of the sale items that you have. Where shoppers on the evenings or on the weekends might be spending more per customer and buying different types of products, maybe they're buying mixed containers. Maybe folks during the weekday are buying vegetables and herbs. When you collect the zip code at different times of the day and different days of the week, you can do this assessment late on.

Then, once you have collected your zip codes, I would look at that time of the day and the day of the week analysis to understand who is shopping when. But to get to the real heart of the matter, you want to use the *American Fact Finder* website. As I said, I'm going to put a link to that in the transcript so that you can easily access that. When you go to the homepage, you have a box where you can enter either a city, a state, a town, or especially a zip code. This is why I like this *American Fact Finder* website so much, is you can enter a zip code. Then, what comes up is some really interesting demographic information.

One of the first things to come up is the population, which could give you an understanding of how big that particular zip code or market area is. But, you want to delve in deeper and look at some of the more popular tables for this geography. For example, they have a table on Housing Characteristics. Now, if you understood how many single family homes there were, relative to how many multiple family homes, apartment complexes or condominiums, this type of information could help you understand the product size that you might want to offer. For example, if you have a lot of apartments and condominiums, you're probably looking at smaller cultivars. You're probably looking to market more compact cultivars, maybe market more integrated products like some vegetables and herbs together. Because, you understand that this type of household doesn't have a lot of space.

Conversely, if you have a lot of single family dwellings, particularly if they're new, then you could understand what types of products to position to that particular market. You might be looking at larger containers, more containers sales per customer, and integrating some larger plant material into those larger containers.

The *American Fact Finder* website also gives you some information on age. This could be helpful in selecting your products. We know, for example, that a lot of people are interested in vegetables and herbs, particularly some of the "Gen X" generation. People who have small children are interested in the source of their food, so this would be some good information to help you understand potentially positioning vegetable transplants for them. Succulents are really big across all different types of age groups, especially individuals under the age of 30. Knowing

the distribution of the age population in your particular zip code or one of the zip codes that you are serving, could help you develop a more specific product mix.

Then, also, I think ethnicity can be very helpful. We did some research quite a few years ago, Dr. Jennifer Dennis and I, on the role of ethnicity and age in gardening. There are some very interesting differences there, and you may not have thought about positioning particular products to persons of particular ethnic heritage. This could be very helpful in your marketing strategy.

Once you have collected the zip code information and looked at the time and day-of-week distribution, and you've done some searching on the *American Fact Finders* website, it's sitting down with this information and combining that—taking a look at that to help you further develop your marketing strategy, is how this information is going to be most helpful. If there is development in a new zip code, you could think about targeting particular products to that new development. If there is a particular zip code in your area that you're not reaching, this might be an opportunity to do some direct mail campaigns and solicit or recruit customers from that particular zip code.

I would encourage every retailer to think about collecting zip codes, because you really can learn a lot from that 5-digit number that just about everybody has.

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Announcer: Thank you for joining us on this week's Marketing Munchies Podcast. For more information or to download the transcript of this podcast, please visit, connect-2-consumer.org. That's C-O-N-N-E-C-T, dash, the number two, dash, C-O-N-S-U-M-E-R, dot, C-O-M.