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Targeting High-Potential Local Markets

In today's highly competitive hardware/home improvement industry, it is important to be able to direct your company's resources to where they will have the most impact.

Successful companies compete aggressively at the local market level. They recognize that the markets are not equal, either in their size, or more importantly, in their potential. The challenge is in knowing which local markets to commit your resources.

Information is available that can provide valuable input to these decisions by identifying the high-potential markets, e.g. DMA's (Designated Market Areas) for the category. Importantly, the information can also identify how your brand is performing within these DMA's.

The potential is determined by comparing the sales per household of the specific DMA to the national average. The results reported on an index basis and are recapped in a matrix to quickly and easily identify DMA's of opportunity/potential. See example at right.

The DMA's in the first column have the greatest potential as their category index is well above the national average of 100, i.e. Chicago (180), Denver (140) and Detroit (130).

The average category DMA's, those with an index between 90 and 110, are in the center column and the lower-potential category DMA's, those with an index below 90, are in the right-hand column.

This brand is doing very well in Chicago with an index of 220, 120 points above the national average. Meanwhile, Detroit represents a significant opportunity as the brand index of 70 is below the national average and well below the category index of 130.

The DMA's with the greatest opportunity for the brand lie below the "north-west to southeast" diagonal. Resources can be deployed from the over-performing DMA's, such as those above the diagonal, to those below the diagonal.

This important information is available on products that are sold in the Independent hardware channel. It is vital input to help companies focus their marketing efforts, thereby increasing their sales and profitability. This raises the question: what information is your company using in its local marketing decisions?

To learn more about Vista Information Services, please contact us at 847-253-6063 or visit our web site at www.vistainfoservices.com.

Consumption Per Household

		Category Index								
		HIGH			AVERAGE			LOW		
Brand Index	HIGH	Category	DMA	Brand	Category	DMA	Brand	Category	DMA	Brand
	AVERAGE	180	Chicago	220	100	Minneapolis	160	60	Milwaukee	150
	LOW	140	Denver	95	105	Los Angeles	98	75	Seattle	108
		130	Detroit	70	102	Atlanta	60	70	Boston	75

HIGH = Over 110
 AVERAGE = Between 90-110
 LOW = Below 90