

# Census data can level the playing field for small businesses

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Local governments and small businesses could save thousands of dollars a year in consulting and research fees if they just used information that's already publicly available, according to research from the University of Waterloo.

A new Waterloo study found that [information](#) commonly paid for by small and medium enterprises (SMEs) and [local governments](#), such as [consumer spending](#) data that can help businesses decide where to locate and determine market demand, can actually be obtained for free.

"Data such as the census information from Statistics Canada could easily be used in conjunction with a company's own information to aid in decision making," said Derek Robinson, a professor of geography at Waterloo. "The spatial pattern of storing and marketing opportunities can be mapped out using this information, which can help [small businesses](#) avoid costly decisions that may not be easy for them to recover from."

As part of the study, Robinson and Andrei Balulescu, a former Waterloo graduate, used publicly available information as well as data from private industry in the home improvement retail sector in Ontario. They found that by combining this information, they could easily identify the spatial pattern of consumer spending on home improvement products and could identify geographic hot spots and cold spots related to people's spending habits.

The study broke the province into close to 20,000 units and was able to generate data on 23 individual product categories related to home improvement and how spending in these categories varied by household income. The information was verified using proprietary sales data provided by a big-box industry partner in the home improvement retail sector to show that the estimates were indeed accurate.

"SMEs account for 99.7 per cent of all firms in Canada and employ 54.8 per cent of all payroll persons," said Balulescu. "This method can be applied to any sector, and could help businesses pick the right location, based on market demand for new stores, and help to prevent the roughly 7,000 businesses that fail each year from having to close their doors."

"This tool can help to put smaller businesses on an equal footing with large retailers, who have more capital to spend on gathering businesses intelligence. Furthermore, it could help local economic development departments prove to companies there is both market and opportunity in their region."

The study, titled, 'Comparison of methods for quantifying consumer spending on retail using publicly available data', including detailed maps of "hot and cold" spots of home-improvement [spending](#) can be found in the *International Journal of Geographical Information Science*.

Provided by University of Waterloo

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