Research *https://Data.Census.Gov*   *Use Advanced search*

Determining Market Potential
Example: Determining personal Demographic Characteristics

(Four levels of demographic profile in this example. Add two more levels for the Assignment)

Age: 50

Sex: M

Family Income: $75,000 to $100,000

Occupation: Management

With each level of analysis, you determine what percentage the next statistic is, of a common statistic.

Then you multiply that percentage by the previous total size.

Total Population: 281,422,000

1. **Sex:** Given: Male 49.1%   Calculation: 281,422,000 x .491 = **138,054,000** Males in the USA

If you are given a percentage value to represent the demographic characteristic as a percentage of it's total population, you use this percentage and multiply it by the previous demographic total (of potential customers) that you calculated.

2. **Age**: Given: 45 to 54 years= 37,668   Calculation: 37,668 / 281,422,000 = 13.4% age 45-54 of the entire population

then, **138,054,000** x .134 = **18,499,000** Males that are 45 to 54

This first takes the given data (37,668) and determines what percentage of it's total population (in this case actual USA total Population) that this value is of the total percentage. THEN, you take the previous potential demogr. and multiply by the new percentage to get a NEW potential demogr.

3. **Income**: For $75,000 to 100,000 Given: 10,799 of 105,539 total Households

Calculation: 10,799 / 105,539 = 10.2% then, **18,499,000** x .102 = **1,887,000** males 45-54 earning $75 to $100,000.

In this case the total population for the income calculation is 105,539 total households. You are given the income bracket as being 10,799 households. Divide this value by the total households to get a %. THEN, you take the previous potential demogr. and multiply by the new percentage to get a NEW potential demogr.

18,499,000 x .102 = 1,887,000 males 45-54 $75 to 100k

4. **Occupation**: Management 43,647 of 129,722 total employed   Calculation: 43,647 / 129,722 = 33.7%   then, **1,887,000** x .337 = **635,000** males 45-54 earning $75 to $100,000 in Management

In this case the total population for the management calculation is 129,722 people who are employed. You are given that the number of people working in Management of all employed people is 43,647 people. Divide this value by the total employed people to get a %. THEN, you take the previous potential demogr. and multiply by the new percentage to get a NEW potential demogr.

1,887,000 x .337 = 635,000 males 45-54 $75 to 100k that are mgmt.

Psychographic Profile: The primary consumer is a belonger which represents 40% of the population.

Applied to the previous statistic;

635,000 x .40 = 254,000 potential consumers that belong to one group or more, are make between 45-54 earn $75 to $100,000 per year and have a job in management. Calculation: Multiply the percentage supplied for this characteristic by the previous demographic total--> 635,000 x .40 = **254,000** individuals that represent my demographic.