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Targeted Marketing: Prepare to Hit the Bullseye by Carol Arnold

If you read this column regularly, you know that I often refer to something called a “target market.” A target market is a vital component to any marketing plan or strategy so it’s important to know what it is and how to define and use it. The textbook definition of target market is the group of people toward which a business should aim all of its marketing efforts. This group or groups of people have common characteristics. Ideally, your business’s target market will be the type of individuals whom your product or service was initially designed for and, therefore, those who are more likely to buy what you have to offer.

Why It’s Important

Identifying who your target market is and designing your marketing initiatives accordingly is the best and most effective way to optimize your marketing resources. It makes all aspects of your marketing, from pricing to distribution to promotion, more effective and cost-effective. Having a target market is worth its weight in gold, especially for budget-limited small businesses. For example, take a guitar manufacturing company who has identified its target market for its guitars as 20 to 50 year old men who live in the West and like rock music. Rather than purchasing advertising space that may reach only a small portion of their target market, it can look for advertising vehicles that have a high concentration of its specific target market. Therefore, the results will be greater.

Identifying Your Target Market

One of the most efficient ways to pinpoint your target market is to look at your current customer base. Identify your ideal clients and as a group, determine what they have in common. If you are a new business or do not have a customer base, you will need to hypothesize who they might be; surveys and/or an analysis of your competitors can help give you insight. Market segments or groups of people fall into the following four categories:

Geographic: The location, size of the area or density of your prospective customers.

Demographic: The age, gender, income, occupation, and education of your customers.

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Psychographic: The general personality, behavior, lifestyle, benefits sought, and loyalty characteristics of your customers.

Behavioral: The needs your customers seek to fulfill and the level of knowledge, information sources, attitude, use or response to your product.

When designing your target market you should take into account all of these areas.

Profiling Your Target Market

Now that you understand what a target market is and why it's important, the next step is profiling. The process of profiling the target market allows a business to break down each market segment so that it can better understand how to reach its prospective customers.

Following is an example of a Target Marketing Profile for ABC Florist.

Geographics:

- Lives in the towns of Portsmouth, Kittery and Newington

Demographics:

- Married
- Between the ages of 25 and 50
- Condominium or homeowner
- Combined annual family income of \$50K or greater

Psychographics:

- Buys at least 10 gifts a year for loved ones including on all holidays
- Regular newspaper reader

Behaviors:

- Relies on newspapers for new local product information
- Has a large referral network that they build and use

The more detail you know about your “ideal” customers, the better you will be able to make them aware of your products and services. Targeted

marketing allows you to reach and ultimately influence the group of people most likely to choose your products and services as a solution to their needs while utilizing fewer resources and generating greater returns. Know whom you are trying to reach and create a strategy for a direct hit.

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