

Targeting Markets

The practice of bringing a product to market with the expectation that it will find favor with every demographic and every regional segment is, amazingly, more widely practiced than one with fundamental business training would imagine. There are, perhaps, some products that actually can sell to everyone (very few) but even they need to target their markets so that their approach to the market is organized and their message well structured. In the end targeting your market is all about identifying those willing to buy your product and interested in establishing a relationship with your company. Using a targeted approach, your company is able to maximize the impact of the resources you dedicate to marketing because you have identified those most likely to respond to your marketing message.

There are two aspects of targeting that you should keep in mind as you construct your strategy and determine which segment(s) of the market you are going to mark.

1. You need to make sure that the market is comprised of qualified buyers – people who are able to make the purchase, who have the need for what you are selling, have the opportunity to buy the product, and have the power to make the buy decision. These elements of “qualification” are necessary so that you are targeting people who, if you are successful in communicating your message, can and more likely (than others) will, buy your product.

2. You need to have the internal capacity to reach and serve the market. The market you target, geographically, has to be within the area that you are able to get to and meet the promises of your message. You also need to be certain that the attitudes and buying habits of the market are consistent with your service offering, so that you are not offering upscale products to the poor (for example) or contact sports products to the elderly (for another example).

The targeting strategy you select is a function of your product, your resources, the marketing reach you have, the tactics you will employ and the market position you are seeking to claim. The two strategic options you have include:

1. A Broad Approach – the identifying of a broad market based on qualified buyers from a range of demographic groups. There are many products we all need (such as food products) and yet not every food product is suitable for every market. There are differences in taste based on ethnic background, age, gender, and sometimes even economic level. The broad approach, in this instance, would be to include as many different groups likely to want the food product and to market to them based on a common theme.

2. The Segment Approach – the identifying of one or more specific segments within the market that qualify as potential customers and the focusing of all marketing efforts on the segment(s) even though the possibility exists that other segments may also constitute valid potential markets. In using our food example, a segmented approach could perhaps be ethnic, as many foods are ethnic in nature. While most people eat beans, for example, it would be fair to assume that the Hispanic community could be a more valid segment to focus on since it is a staple in their daily diets. By focusing on the Hispanic market the marketer is not eliminating the possibility that others will buy the beans, but

he/she is positioning the products so that those most likely to will be able to develop a loyal relationship with his/her brand.

Targeting the right market is as important a marketing decision as any other you will make. The selection of the segment is not always easy as there are often many valid choices to select from, although not every one will yield you the same results. The two steps you need to take to maximize the chances of a good decision are:

1. Identify Your Segment According to a Criteria – the whole notion of a segment is that it is a small group inside of a larger group, and sometimes picking out the group from the whole is no easy task. The idea of segmentation is that you look deeper into the market and match up different groups (divided by demographics and geography) and match the groups up to the criteria you have set for what constitutes a qualified buyer. By using this criterion you are making certain that you have a constant element in your analysis that remains the same across your review of each distinct group. This will enable you to compare “apples to apples” and make sure that the group or groups you select are the best when matched up against your most-likely-to-buy profile.

2. Be Consistent with Your Marketing Objectives – it is important to keep in mind that the purpose behind target marketing is to maximize your marketing performance. To do this you need to keep in mind what your objectives are and make certain that the segment(s) you select will enable you to reach your goals. If your goals are aggressive, you cannot choose small targets and if your goal is to capture a specific market away from your competitor than you must target that specific market. Your company has a mission and the market you elect to target must be the path through which that mission can be fulfilled.

Target marketing is not complex provided you approach the market in a systematic way and you embed your selection process with the guidelines and analysis tools necessary to properly evaluate your options. By targeting you are making sure that you bring your message to a portion of the market most likely to agree. When it comes to marketing, there is no smarter way to go.