

## **How to Define Your Target Market**

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Save money and get a better return on investment by defining your target audience.

To build a solid foundation for your business, you must first identify your typical customer and tailor your marketing pitch accordingly.

Just saying: “everyone” won’t cut it. Many businesses say they target “anyone interested in my services.” This is way too general. Having a well-defined target market is more important than ever if you are a start-up business. No one can afford to target everyone. Small businesses can compete with large companies by targeting a niche market.

With a clearly defined target audience, it is much easier to determine where and how to market your company. Here are some tips to help you define your target market.

### **Look at your current customer base.**

Who are your current customers, and why do they buy from you? Look for common characteristics and interests. Which ones bring in the most business? It is very likely that other people like them could also benefit from your product/service.

### **Check out your competition.**

Who are your competitors targeting? Who are their current customers? Don't go after the same market. You may find a niche market that they are overlooking.

### **Analyse your product/service.**

Write out a list of each feature of your product or service. Next to each feature, list the benefits it provides (and the benefits of those benefits). For example, a graphic designer offers high-quality design services. The benefit is a professional company image. A professional image will attract more customers because they see the company as professional and trustworthy. So ultimately, the benefit of high-quality design is gaining more customers and making more money.

Once you have your benefits listed, make a list of people who have a need that your benefit fulfils. For example, a graphic designer could choose to target

businesses interested in increasing their client base. While this is still too general, you now have a base to start from.

### **Choose specific demographics to target.**

Figure out not only who has a need for your product or service, but also who is most likely to buy it. Think about the following factors:

- Age
- Location
- Gender
- Income level
- Education level
- Marital or family status
- Occupation
- Ethnic background

### **Consider the psychographics of your target.**

Psychographics are the more personal characteristics of a person, including:

- Personality
- Attitudes
- Values
- Interests/hobbies
- Lifestyles
- Behaviour

Determine how your product or service will fit into your target's lifestyle. How and when will your target use the product? What features are most appealing to your target? What media does your target turn to for information? Does your target read the newspaper, search online, or attend particular events?

### **Evaluate your decision.**

Once you've decided on a target market, be sure to consider these questions:

- Are there enough people who fit my criteria?

- Will my target really benefit from my product/service? Will they see a need for it?
- Do I understand what drives my target to make decisions?
- Can they afford my product/service?
- Can I reach them with my message? Are they easily accessible?

Consider if your marketing message should be different for each niche. If you can reach both niches effectively with the same message, then maybe you have broken down your market too far. Also, if you find there are only 50 people that fit all of your criteria, maybe you should re-evaluate your target. The trick is to find that perfect balance.

You may be asking, "How do I find all this information?" Try searching online for research others have done on your target. Search for magazine articles and blogs that talk about or to your target market. Search for blogs and forums where people in your target market communicate their opinions. Look for survey results, or consider conducting a survey of your own. Ask your current customers for feedback.

Defining your target market is the hard part. Once you know who you are targeting, it is much easier to figure out which media you can use to reach them and what marketing messages will resonate with them. Instead of sending direct mail or creating a Facebook ad for everyone in your area you can send it only to those who fit your criteria. Save money and get a better return on investment by defining your target audience.