

ProfitMeister

MAXIMIZING YOUR MARKETING MONEY

Define and Refine a Target Market—Identify the Box

Target markets, those groups best benefited by your product or service, require definition. Many entrepreneurs identify a category of business to penetrate and assume they are done.

Business owners think wide targets are safe. Hence, “my target is adults,” or “my target is women,” takes away the fear of missing an important segment of the audience. This is the outer ring of a visual target. Finding the bulls-eye, or narrowing the target takes research, some of which can be accomplished with input from the customer. For example, formal and informal surveys offer insight on preferences, framing customer opinions and offering additional considerations for product/service improvements.

Sometimes, the broad, first-to-mind target works against the product/service sales goal. One 50-something entrepreneur I know took her business plan to the bank; she’d invested more than \$100,000 of her own money and needed additional capital for manufacturing. The banker, a young MBA, argued with her about the target. “I’m afraid you’re missing the boat,” he said. “Young urbanites with kids are a better target; there are more of them.”

My friend explained that her feedback had indicated the primary purchaser was a 53-year old boomer grandparent. She pointed out that the younger audience, when surveyed, used price as a reason not to buy. Because her customers said differently, she refused to change the plan.

The discussion resulted in no loan. Each person thought that they were right in their stance. Of course, if the banker was wrong – and even if he provided the loan – he would simply be wrong. The entrepreneur would be out both time and money.

Incidents like this remind entrepreneurs to review customer feedback and prepare to defend challenges to assumptions. This is far easier with well-planned and narrow niches. Clear definition creates traffic and eliminates unnecessary browsers.

Consider the example of landscapers. One advertising strategy involves direct mailing a zip code with a postcard about xeriscaping. A more effective move might involve door-to-door delivery of a small plastic bag filled with rocks and a brochure. Only those homeowners with a yard actually receive the bag of rocks. All residents, including those with apartments and condos and no yards, received the zip coded postcard.

The reason to target is simple: we’re inundated with messages. Even targeted communications can have trouble getting through. Instead of shouting at a field full of people, have an intense conversation with two prospects who are sincerely interested. Surprisingly, this method of communication increases your firm’s chances for success. Think of it as defining the box.

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