

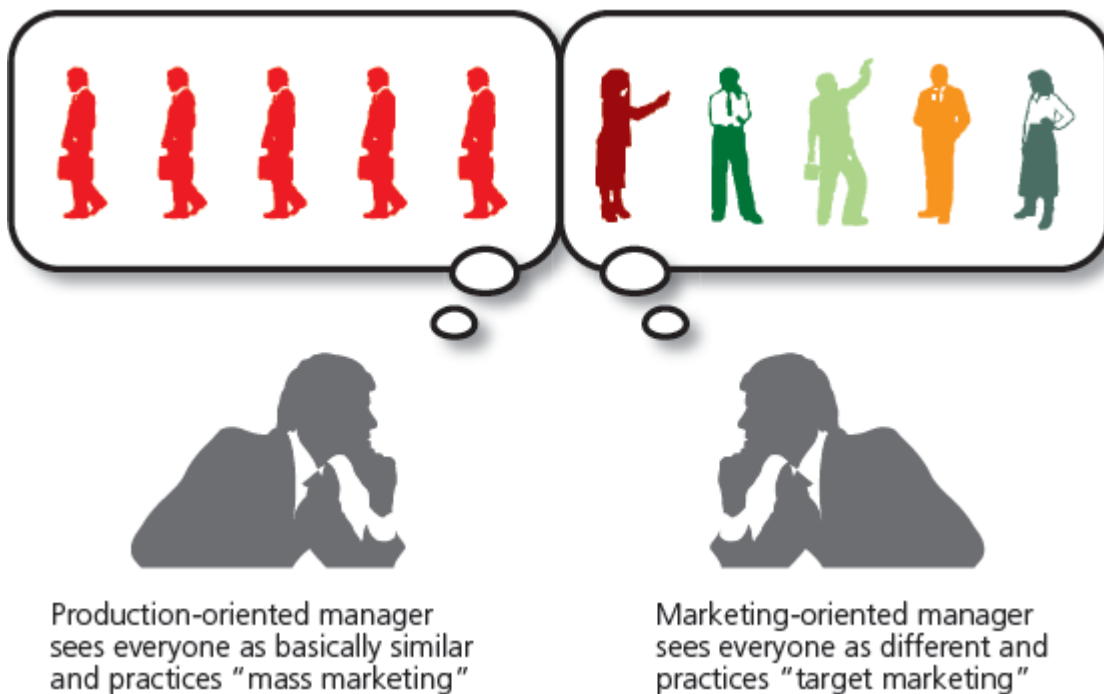
Target Marketing

Involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments. It can be the key to attracting and making your small business's a success.

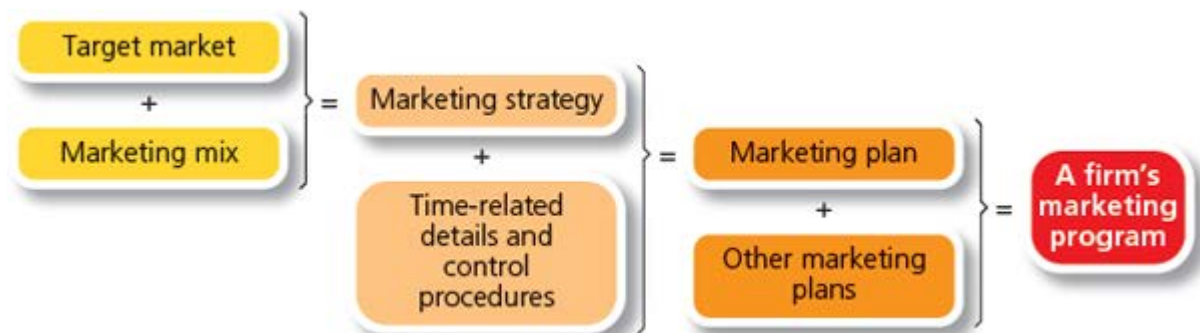
The beauty of target marketing is that it makes the promotion, pricing and distribution of your products and/or services easier and more cost-effective. It provides a focus to all of your marketing activities.

Target marketing is not mass marketing

Note that a marketing strategy specifies some *particular* target customers. This approach is called "target marketing" to distinguish it from "mass marketing." **Target marketing** says that a marketing mix is tailored to fit some specific target customers. In contrast, **mass marketing**—the typical production-oriented approach—vaguely aims at "everyone" with the same marketing mix. Mass marketing assumes that everyone is the same—and it considers everyone to be a potential customer. It may help to think of target marketing as the "rifle approach" and mass marketing as the "shotgun approach."



A well-defined target market is the first element of a successful marketing strategy.



Identifying your target market:

Ask the following:

The “who”: Demographics

Who needs your product or service? Include basic demographic details such as age, gender, family size, educational level, and occupation here.

The “where”: Geographics

Where are your customers? These are the places your customers can be found (i.e., their zip code), and be sure to learn details like the size of the area, its population density, and its climate.

The “why”: Psychographics

Why do your customers make the choices they make? This is personality and lifestyle information that will help you figure out your customers' patterns. For example, if you know why your customers use your product or service, then you can figure out how much of your product/service they need and how often they need to buy it. Also consider what benefits you can provide over your competitors, and how loyal your customers are to you or your competitor (and why).

The “how”: Behaviors

How do your customers behave? All customers are buying products to fulfill a need, but how do they regard that need? How do they regard your product? How much information do they have on this need or how your product fulfills it, and what are their information sources?

The “four Ps” make up a marketing mix

It is useful to reduce all the variables in the marketing mix to four basic ones:

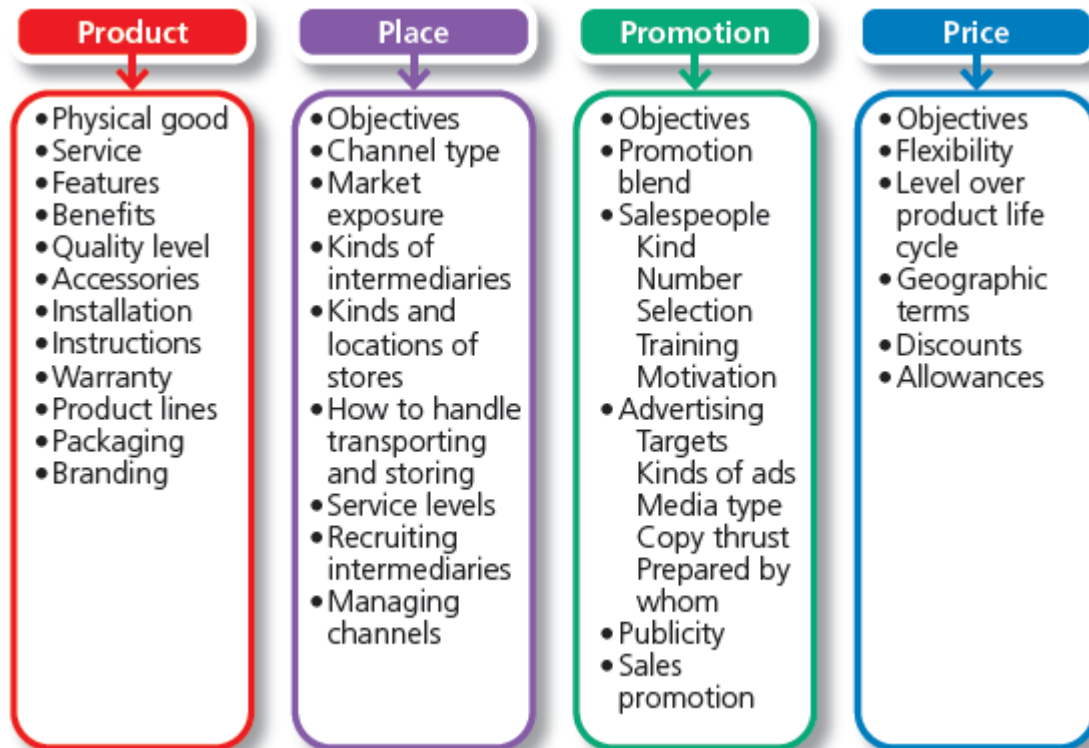
- **Product (or service)**
- **Place**
- **Promotion**
- **Price**

It helps to think of the four major parts of a marketing mix as the “**four Ps.**”

Customer is not part of the marketing mix

The customer—the target market—is shown surrounded by the four Ps. Some people assume that the customer is part of the marketing mix—but this is not so. The customer should be the *target* of all marketing efforts.





All four Ps are needed in a marketing mix. In fact, they should all be tied together. But is any one more important than the others? Generally speaking, the answer is no—all contribute to one whole. When a marketing mix is being developed, all (final) decisions about the Ps should be made at the same time. That's why the four Ps are arranged around the target market in a circle—to show that they all are equally important.

- We develop a *Product* to satisfy the target customers.
- We find a way to reach our target customers' *Place*.
- We use *Promotion* to tell the target customers (and others in the channel) about the product that has been designed for them.
- And we set a *Price* after estimating expected customer reaction to the total offering and the costs of getting it to them. (*although Price can be a variable that may not apply to all the departments since most services are free – if your dept. offers low cost services, you would highlight that instead*).