



the  
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## Making the Most of your Target Markets

Tips to Every Business should  
consider in their Marketing



# Target Markets

Trying to satisfy a wide range of different needs is rarely effective. Splitting your customers into different groups of similar people will enable you to market your products or services specifically to the ones that will be most profitable to you.

Most businesses are tempted to pursue clients from every industry and demographic. However, having a well-defined niche or target market whose problems are known to you and your product / service / program can clearly be far more profitable and sustainable.

This was beautifully illustrated in an episode of the [Marketing Strategy Show](#), where I was joined by Geoff Anderson, founder of Sonic Sight. Geoff outlined how after nearly 20 years in business he decided to focus on serving one target market exceptionally well. And the success that has brought as well as the journey he took to get there.

So that got us thinking on the topic of Target Markets. More importantly how to identify and focus on your target Market. Therefore, we have put together a quick guide on where to start with identifying plus how to practically go about focusing on your Target Market.

## Identifying your Target Markets

The best way to start is to find different segments among your existing customers by looking for groups with similar characteristics. Consumers are often segmented by age gender or income. Business customers can be broken down into different industries or by size.

In practice, location is often a key factor, especially if you are targeting local customers or looking for export opportunities. Segmenting your market should enable you to identify the similarities between your different customer groups - and the differences.

You will be able to more clearly understand what aspects of your offer appeal to each of the groups and adapt your marketing and lead generation efforts to appeal to that group.



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## Understanding your Target Markets

Knowledge is everything when it comes to identifying which groups of customers you should be targeting. Market research will help you understand more about the needs, tastes and spending habits of different groups of potential customers.

This should tell you about the customer segments most likely to buy into your offer and the kind of marketing and sales activities they will respond to. The most relevant questions you need to ask for each target markets are:

1. How do you compare to the competition?
2. Do you have the resources to meet this market needs?
3. How large is this market?
4. What is the growth potential of this market?
5. What is the profitability of this market?
6. How easy is it to reach this market?
7. Does this market need unique products/services vs other markets?
8. Do you really understand this market needs?
9. Do you have good testimonials/case histories of similar customers in this market?

Once you've answered these questions, the next step is to prioritise each target markets to focus on.

## Prioritising your Target Markets

The best way to prioritise your target market is to evaluate each market vs the next market using the questions above. We have put together a template for you to prioritise your own target markets.

As an example, you might have an Electrical Contracting Company where your top 5 markets are:

1. Strata Managers – CBD, East, Inner West, North – Sydney
2. Commercial Fit out Cos. – CBD, East, Inner West, North – Sydney
3. Business Moving Premises – Sydney Wide
4. Shopping Centres – Sydney Wide
5. Premium Residential Rebuilds – East, Inner West, North – Sydney

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You would then rate each option on a score of 1 (poor) to 5 (excellent) against each of the factors in the first column and total each of the scores as shown in the example below.

| QUESTIONS   | TARGET MARKET OPTIONS |           |           |           |           |
|---|-----------------------|-----------|-----------|-----------|-----------|
|   | 1                     | 2         | 3         | 4         | 5         |
| 1. How do you compare to the competition?   | 4                     | 3         | 4         | 3         | 3         |
| 2. Do you have the resources to meet this market needs?                             | 5                     | 4         | 4         | 3         | 4         |
| 3. How large is this market?  | 4                     | 3         | 4         | 3         | 2         |
| 4. What is the growth potential of this market?                                     | 3                     | 4         | 4         | 3         | 2         |
| 5. What is the profitability of this market?  | 3                     | 4         | 3         | 4         | 5         |
| 6. How easy is it to reach this market?   | 4                     | 3         | 3         | 4         | 4         |
| 7. Does this market need unique products/services vs other markets?                 | 2                     | 3         | 4         | 4         | 3         |
| 8. Do you really understand this market needs?                                      | 4                     | 4         | 5         | 3         | 4         |
| 9. Do you have good testimonials/case histories of similar customers in the market? | 4                     | 3         | 4         | 2         | 4         |
| <b>Totals</b>   | <b>33</b>             | <b>31</b> | <b>35</b> | <b>29</b> | <b>31</b> |

Based on this, your priority would be to focus on (in order):

1. Option 3 (Business Moving Premises)
2. Option 1 (Strata Managers)
3. Option 2 (Commercial Fit out Cos.)
4. Option 5 (Premium Residential Rebuilds)
5. Option 4 (Shopping Centres)

This will allow you to create a clear focus for your marketing and sales efforts and engage the target customers much more effectively.

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## Your Target Market

- a. Enter your Top 5 "Target Markets"
  - 1.
  - 2.
  - 3.
  - 4.
  - 5.
- b. Using the table below, rate each option on a score of 1 (poor) to 5 (excellent) against each of the factors on the left side
- c. Then calculate the total score for each option

| QUESTIONS  | TARGET MARKET OPTIONS |   |   |   |   |
|--|-----------------------|---|---|---|---|
|  | 1                     | 2 | 3 | 4 | 5 |
| 1. How do you compare to the competition?  |                       |   |   |   |   |
| 2. Do you have the resources to meet this market needs?                              |                       |   |   |   |   |
| 3. How large is this market?   |                       |   |   |   |   |
| 4. What is the growth potential of this market?                                      |                       |   |   |   |   |
| 5. What is the profitability of this market?   |                       |   |   |   |   |
| 6. How easy is it to reach this market?  |                       |   |   |   |   |
| 7. Does this market need unique products/services vs other markets?                  |                       |   |   |   |   |
| 8. Do you really understand this market needs?                                       |                       |   |   |   |   |
| 9. Do you have good testimonials/case histories of similar customers in this market? |                       |   |   |   |   |
| <b>Totals</b>  |                       |   |   |   |   |

The Top 1 & 2 are your Target Market priorities. Enter them below and start focusing your Marketing efforts on these Target Markets.

## Connect with us

If you need any help with improving your advertising or sales efforts, feel free to call us on [\(02\) 9125 0520](tel:02091250520) or visit [themarketingstrategy.co](http://themarketingstrategy.co) and book in an obligation free consultation.