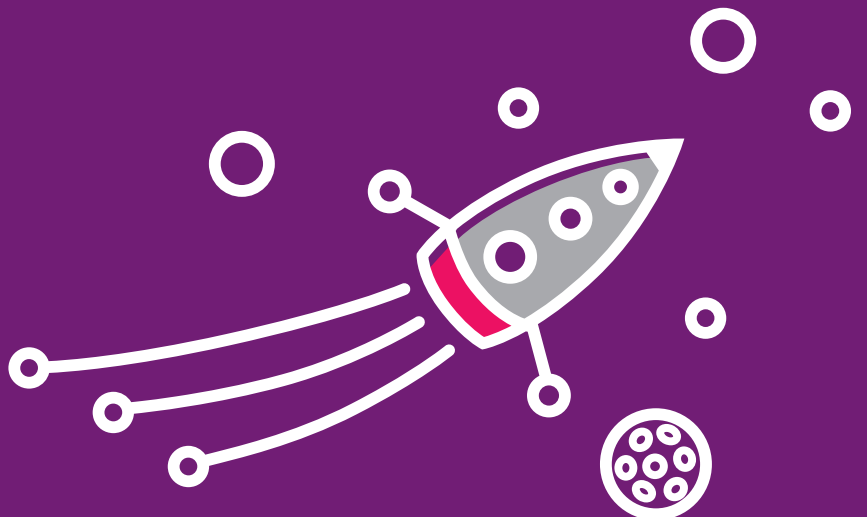
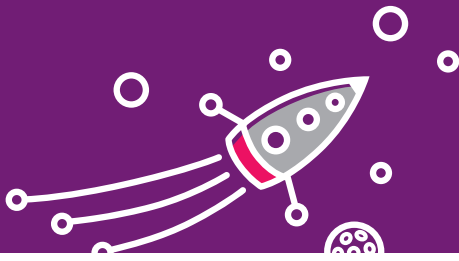


Determining your market

Who, what, where, why?





Who, what, where, why?

In order to make your marketing effort focused and cost effective, it's important to understand who it is that you are targeting. So many businesses fall into the trap of 'mass marketing' to their full database without really knowing why or who they are actually spending their marketing budget on.

Do you know who your target market is? It is important to figure out exactly who will buy your product/service. You can do this by segmenting the market. This involves dividing the market up into clearly identifiable segments that have similar needs, wants, or demands.

This will help you to determine which of these segments your product/service would be best aimed at and will help you design a marketing package (or mix) that precisely matches the expectations of these customers in the targeted segment.

If your business is business to consumer (b2c) then groups that you might segment your customer base into are:

- Socio-economic grouping – e.g. A manager, administrative or professional e.g. Surgeon or Company Director.
- Customers age – e.g. teenagers or old age pensioners.
- Gender – Male or female.
- Customer households(size and composition) – e.g. a household of two unmarried adults, or a single person, or a family with 3 children and a pet dog.
- Geographical location – e.g. North East, Scotland.
- Ethnicity and/or religion – e.g. Islamic.
- Educational background of customers – e.g. University graduates or school leavers.

Age is a very important group because members of the same age group tend to be at the same stage of their family life cycle, e.g. new parents, and thus to have similar wants and needs. Consumers of a similar age also tend to have similar financial circumstances (e.g. retired people living on a pension and savings will have a different income they can spend compared with students at university).

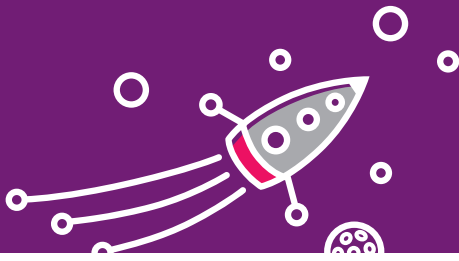
For business to business organisations (b2b), the market is different and in some respects it is trickier to segment as the characteristics are so broad. You still need to think about who is buying your product or service, and what type of company it is that you want to sell to.

A starting point would be to profile your current customers – Who are they? Who are the decision makers? What are their buying habits? Which industry or sector are they from? What is the demand? How do you currently market to them? What is your current proposition?

Examples of segments are:

- Location – National, Regional, International.
- Size of the organisation – i.e. SME or large blue chip organisation.
- Company type – what industry do they operate in, and what are the characteristics of this sector.
- Public or Private Sector – This is important to ascertain as the buying behaviour in each are very different e.g. public sector procurement procedures.
- Customer - e.g. are you targeting the Managing Director, Finance Director or Marketing Manager of an organisation.
- Budget – what is their budget likely to be for your product/service.

For business to business marketing, we always recommend that you 'qualify' your targets before you spend time and effort on any sales or marketing campaigns. We look into this in more detail later this week.



You may operate in more than one segment, but bear in mind that each group has different needs and wants and may need to be targeted in a specific way. For example, if your business sells to both medium sized companies (private) and the NHS (public), the approach in which you market to each one will be different.

You need to build up a picture in your head of your 'typical' customer and what their needs and wants are. Once you have identified your target market you will be able to concentrate your efforts on targeted marketing to attract a specific consumer group.

You will also be able to develop your value proposition. As you have already figured out what the needs and wants of your target market are through segmentation, you can now decide what they are in search of and develop your value proposition around that need.

Read our other guides in the range:

- **Understand your competitors**
- **Determining your USP**
- **Know your tactics**
- **Raise your profile**
- **Acquiring new clients**

Horizonworks Marketing is a strategic marketing company based in the North East of England specialising in the science, technology, healthcare and manufacturing sectors. We provide a range of services to clients including:

- Marketing strategy
- Marketing planning
- Communications
- Branding
- Public Relations
- Events management
- Sales and marketing campaigns
- Mentoring



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