

# How To DETERMINE YOUR TARGET MARKET

Worksheet & Guide



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# How to Determine Your Target Market

## Overview & Worksheet

First, let's briefly talk about the importance of knowing your target market. Whether it's hidden inside the marketing plan portion of your business plan from way back or it's ingrained in your mind, knowing who your optimal customer is and actively using that information can save you substantial amounts of time and money when you're building your business.

We can all probably say that everyone is a potential customer, but narrowing it down to the specific demographic and psychographic of customer who will be excited by your product or service and will actually spend their hard-earned money with you is a process that is 100% necessary for 99% of local businesses. Knowing the intricacies of your target audience will allow you to be highly effective with both your time and marketing budget.

### Step 1: Confirmation

If you're sitting there thinking you know who your target customer is, we encourage you to double check by answering the following questions and confirming a few things to make sure you're 100% sure.

1. Ultimately, is your product or service enjoyable for you to create and sell? It should be. Y / N
2. Next, think of a pie chart, what product or service makes or potentially makes up the largest slice of revenue for your business?
3. Does your proposed optimal customer truly enjoy, need & want this vs being coerced? Y / N
4. Is there a big enough population of your target customer to sustain the revenue you need? Y / N
5. Now comes the difficult part of determining if the time and money of attracting this customer to your product(s) and service(s) aligns with your business model, bandwidth and budget.

For those of you who state everyone is your target market, you'll especially want to examine if the resources you're putting towards your marketing, customer experience and sales process are efficient. But this also goes for those who have a narrowed target focus.

- What is the cost associated with acquiring this customer?  
Time: \_\_\_\_\_ Monetary cost: \$\_\_\_\_\_
  - Does it require the "magical 7" touch points we've all heard about or is it even more fantastic, "I need that now" phenomenon when they see it for the first time?
  - Once your product is sold, does it require a particular amount of time and/or resources to get the customer up to speed? Is it 5 hours of hand-holding "tech help" or does the brochure accompanying your product take care of it all and they're off and running, an easy sell?
  - If your target customer does require 5 hours of assistance, is there a secondary customer who may be purchasing a lower price point product, but requires no follow up and the "I need that now" factor runs high with this product? In the end, this could very well be your optimal target customer that needs to be focused on. Who might this customer be?
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## **Step 2: Who Are They?**

In this step, you'll want to run some numbers and determine on that pie chart, which services and/or products make up the largest slice of generated revenue. You'll then need to determine which customers are generating that specific revenue. Keep in mind there may be a portion of those customers that take less convincing, don't look at price tags, purchase multiple products on a consistent basis and/or are secondary spokespeople of your business. These are your optimal customers, customers that you want more of. It's now a matter of learning more about these people and knowing them inside and out.

Do you in fact know your target customer inside and out? Here are a few questions that will assist you in being very efficient with your time and money that you spend in attracting this customer. The best way to think through this, is walking in their shoes for a typical week by asking yourself and even better yet, asking your most loyal customers what a typical week looks like for them.

1. Are they single, dating, married, married with kids. If there are kids, how old are they typically?
2. If married, do both people work?
3. If not, what is the non-working person charged with doing or select to do each day?
4. What income bracket are they falling into? What level of discretionary income is there?
5. What is their geographic location & how far is their radius for gathering what's important to them, whether it's shopping, errands or leisure time?
6. How does the online world and use of their mobile phone fit into their lifestyle?
7. Which apps, social media, websites do they follow for their news and survival?
8. What do they read that's offline that's enjoyable?
9. What do they enjoy doing after work and/or on the weekends?
10. What are their hobbies? Do they eat out a lot?
11. What do they shop for each week and where?
12. Are they athletic? Does this mean getting outdoors, the gym, Cross Fit, yoga, etc.?
13. If they have children, what are the children's activities and when do they occur?

You get the picture, but as you walk through some of these questions, you'll begin to pick up on the fact that the lifestyle they are living and breathing may very well dictate how you can infiltrate the marketing they're already being bombarded with so you can get their attention to let them know you exist.

## **Step 3: How Are You Going to Help Them?**

Now that you have an idea of what they're all about, it's time to dive a little deeper to determine what their essential needs and wants are, as well as what will ultimately make them happier and basically make their lives easier for them. Here are a few questions you should be able to answer so you can fine tune your brand messaging and overall marketing communications.

1. What is your customer fed up with or at least finding frustrating about your type of product or service?
2. What types of problems does your customer constantly face, that you could help solve?
3. How would your customer's life change if they used your service?
4. What needs "fixing" when it comes to their daily/weekly routine? \_\_\_\_\_



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5. In what form does something need to be to fit into their busy lifestyle?
  6. What makes your customer potentially hesitant to try your product or service?
  7. What does your customer find enjoyable?
  8. What makes up the wish list of your target customer when it comes to your type of product, i.e. if they were a competitor, what would they be doing to better things and how would they promote it?
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#### **Step 4: Listen Closely**

Ok, so you now have a sense of who your target customer truly is. Now it's time to spend some time with them. Maybe it's unplugging in a quiet room to jot down the comments, phrases and details you've heard or observed previously when interacting with your optimal customer. Or maybe it means taking your most loyal customers or even your optimal, potential customer to coffee to ask them about how your product or service could become their dream solution to making their lives easier and happier.

Either way, we recommend you take some time to actually listen to the words coming out of their mouths. Yes, the precise words and listening for phrases such as, "I wish I just \_\_\_\_\_," or "if only \_\_\_\_\_ could happen or be available, then I would be \_\_\_\_\_. It's these types of replies where by your taking those same key words and emphasizing them in your branding and marketing communications that they will stop in their tracks and take the time to read and potentially shop your product or service instantly. We're starting to get into the branding portion of things, but you're getting a sense of what's required to resonate with your target audience so they'll do business with you.

#### **Step 5: Repeat**

So now that you've created a profile of your primary, target customer, you'll want to do this same exercise for the secondary target customer and possibly your third tier customer. Once you've done this, evaluate and find those consistencies across all three, especially the first two as you'll want to make sure and highlight how your business can make their lives easier, why you're different and why they need to do business with you. Once you do this, it's time to double check your brand messaging that's going out to them to make sure it will stop them in their tracks and really click with them. And now that they've shared their average week and lifestyle choices, they've basically laid out the blueprint for your marketing plan as to how and where to reach them. Be sure to refer to our Brand Guide and Marketing Plan workbooks that walk you through these vital projects.

#### **Conclusion**

Other than your business goals, your target market(s) is the single most important aspect of your marketing program. If you don't know who will want, need and pay for your product or service, then you're going to be very inefficient with your marketing budget as well as the time it takes to implement that marketing program. Once you have a defined target market, you will be able to have a filter for all those cold calls from sales reps who are telling you their product or service reaches your target market. Ultimately, if your target market doesn't read that paper, visit that website, or use that social media platform, or attend that event, then you are now saving quite a bit of time and money as well as being extremely efficient so you can seek out those marketing strategies that will actually capture the attention of your target market.

