

Selecting Your Target Market?

Coaching Questions

Who is the biggest target market? Will a target market use it more often?

- Is a target market who is larger, this may appear to have more opportunity and this may be a good group to take a closer look at. Some target markets are aspired to, so they give you a wider range. For example, teenagers aspire to be older with more freedom, so by targeting 19 to 21 year olds, you are able to get some teenagers as well.
- Some groups may buy a lot at once, some will come back more frequently. Judging the size of a target market has to take into account the lifetime value of a customer. This means that a Laundromat shouldn't could a sale as one shirt being cleaned, but the average of 2 shirts per week for 10 years being cleaned. That is the total lifetime value of one customer.

Who do you think will use this product/service? Who will actually buy?

- If a target market cannot afford the product/service, it does not matter how much they need it as they will still not buy. The best way to determine if a target market will buy, is to test whether or not they actually do. What someone says they'll do, versus what they actually do can be very different?
- If there is a target market who needs the product or service more, this might be an easier market to penetrate or sell to.
- If there is a target market who likes new products and trying new things, this may simply be a better target market to go after with a new product or service. Think about the how established the industry is or the technology is, as that will determine who is willing to buy from you. Remember that things that are new can be more risky for a customer. Not everyone is ready for these new items.

What are your own personal criteria to determining if a customer is a good fit? Are some criteria more important than others?

- You could change what criteria you use. There could be another factor that you'd like to include, such as profitability or size of the market in your area. You could remove ones that are not important or are equal.
- You could weight one of the criteria higher than others. Make these categories out of 10 or out even 15 if they are more important.

Examples

Dentists

Dentists may need to decide between:

- Families
- Children
- Elderly
- Corporate

If they like children, are not intimidating, and have chosen a location in suburbia, this could be a good fit with children / families.

Consultants

Consultants may need to decide between:

- Enterprise sized clients
- Mid-sized companies
- Small businesses
- Non profits
- Government

If they have contacts or have worked in the government, this might be a good target market for them.