

Understand your Target Market and Win

Why do online business owners study their target market?

Today's online business environment is a ruthless one! It doesn't seem to matter which industry your target audience is in, if you're an SMB business owner, you'll likely face razor-sharp competition from larger names. This fierce battle of resources can leave your marketing budget busted and your online store struggling almost every day to generate more leads or sales for your business. To conquer this struggle, you'll need to dig deeper into your target market, break it down and understand it to the core. Without this raw evaluation, you won't be able to give your small business a successful piece of the pie.

It shouldn't surprise you to know that even some of the world's biggest manufacturers are targeting niche market segments that were once left to SMBs. They, too, are feeling the pressure of today's competitive market and are always striving to retain their top positions in the industry and increase revenue.

What's a Target Market?

The staff at Entrepreneur.com pretty much sum it up when they define a target market as a specific group of consumers at which a company aims its products and services. Yes, it's that simple. A target market refers to the people you think will love and buy your stuff, the group of people you've chosen to market your products to. Some target markets may start out small, while others are broader and need to be further broken down into niches or sub-niches. If your customer base is too diverse and large, it'll take too much of a marketing budget to reach. Breaking down and understanding your target market may prove to be an eye-opener. It can create excellent opportunities for your company to generate much more revenues than it's doing now.

Whether you are a consultant, a retailer, a manufacturer or an online service provider, breaking an audience down into a more specialized niche marketing group is a technique that works for everyone.

Target Market vs Niches (or Sub-Niches)

Though 'target market' and 'niche' are closely related terms, you can't exchange one for the other. A target market is typically a broader market serving a large customer base. A niche, on the other hand, is a subset of a target market. When you break down a niche further, you'll find sub-niches. Therefore, you can think of a target market as a collection of multiple niches or sub-niches.

Niche marketing, getting your target audience as narrowed as possible, can bring you a number of advantages. The first is that you'll face reduced competition, which, in turn, will help you dominate the chosen niche for the long term.

Two different companies, for example, may cater to the same target market while offering different types of products or services. But a niche or a sub-niche is an incredibly specific group of people with some incredibly specific needs. A diverse customer base in a target market, for example, may include multiple groups of people like missionaries, doctors, environmentalists, homesteaders, hunters, fishers, cabin-dwellers etc. Niche marketing, however, focuses on understanding and taking care of each of these groups separately. Further narrowing would market to specific types of doctors, cardiologists instead of general practitioners, for example. How low can you go? Well, that depends on your unique business and product line.

Since a small niche or sub-niche may run the risk of weakening or disappearing over a course of time, many large companies believe in targeting a number of niches at a time. Larger companies don't focus in like SMB businesses do, giving the SMB owner a slight advantage in personalized appeal.

Understanding Your Target Market

To increase your marketing efficiency and sales, you need to know what your target market is comprised of – in every possible detail that is available. The information you collect and analyze will help you understand how your product or services appeal to the different groups or demographics that are found in your audience. Equipped with this insight, you can work out specialized marketing strategies for each separate niche, if your target market has a broader customer base, while rising above the clutter and increasing sales quickly.

Start by breaking down your target market on the basis of –

- **Geographic Location:** Where's your target market located? You should segment them on the basis of country, city, town, localized area etc. You may also need to count the climate factor in this category.
- **Demographics:** There are multiple demographics that you can use. But the most common of them include age, gender, income, number of family members, education, occupation, religion and race.
- **Psycho-graphic Traits:** This segmentation takes your marketing efforts down to a true niche level with the personality, interests, personal values, social class and lifestyle of your target audience into account. You really need to dig out the psycho-graphic traits of your target market as much as possible, as it will improve your marketing efforts a great deal.
- **Behavioral Attributes:** How consumers behave in regard to purchasing or trying a product or service is a crucial piece of data that you need to consider while endeavoring to gain a good understanding of your target market. Key behavioral attributes include benefits sought, frequency of shopping, volume of each purchase, readiness to buy, brand/product loyalty, status of the user and occasions among others.

All these insights will help you know your target audience inside-out. You'll then also find out what specific groups of people or niches you're already serving in different areas or geographical locations. There will be enough data for you to learn from and work out specific marketing strategies to effectively attract each specific (or incredibly specific) group of people that makes up your larger target market. Niche marketing is, without a doubt, a surefire formula to increase sales in any business. Start using it now, if you don't want to lose business in near future.

The bottom line is clear – today's online shoppers are more aware than ever before and don't want to be grouped together and targeted with bland messages. To get their attention, you need to understand them on a more personal level. In doing so, you'll be rewarded with higher sales, leads and overall success.

Source: How to Study Your Target Market and Increase Sales, PinnacleCart