

Lesson 1: Effective Marketing: Who's Your Target Market?

Student Guide Pages: 276-279

Lesson Objectives: By the end of the lesson, your students should be able to:

- understand their target market and determine who will spend money for their services
- build relationships that will increase and guarantee repeat business
- create an ongoing referral base

Lesson Summary:

In order to make money in a sales-oriented business, it's imperative to discover your target market and know who is willing to spend money on your services and products. This ensures success in business and for the company who employs you. Also, building long-term relationships ensures repeat business and guarantees increased business through the process of referrals. Building a well-documented, easily accessible referral base also improves your chances of ongoing business.

Possible resources:

1. <https://www.thebalancesmb.com/how-to-find-and-sell-to-your-target-market-2947179>
2. <https://www.allbusiness.com/what-demographics-and-psychographics-mean-for-small-business-marketing-426-1.html>

Review Questions:

- What two variables determine the type of customer who will purchase your services?

Answer:

1. *Demographics*: This is an analysis of the gender, age ethnicity, geography, and income of your target. These are the people who have the money to spend on your services. For a demographic market analysis, you may want to refer to information released by the last U.S. Census. It is accessible to all and can go a long way toward helping you understand your customer.
2. *Psychographics*: This is an analysis of what makes your customers tick. Psychographic market analysis is usually done by professionals and is used to understand your customer's purchasing habits. These are the people who want to spend the money on your services. You can also use published data from syndicated research to investigate

this profile. Visit www.IdealSpot.com for more information on psychographics.

- How do you find your target market, and what three things are people most interested in?

Answer: To understand your target market, you must realize that people purchase products or services for three reasons:

1. to satisfy basic needs
2. to solve problems
3. to make themselves feel or look good.

You need to determine which of those categories your product or service solves and be prepared to market it accordingly.

- What three things can you do to effectively build relationships and encourage and guarantee increased business?

Answer:

1. Increase the visibility of your business by introducing yourself to other business owners in the area.
2. Establish a solid business reputation. Customers are more willing to do business with someone who is reliable and truthful.
3. Be accessible. Customers love having instant access to a business when they run into problems.

- What four actions can create an ongoing referral base?

Answer: Business owners and employees who have a strong referral system increase their profits greatly. Everyone you meet is a potential client.

1. Talk to *everyone* about your services and have business cards available at all times.
2. Don't be afraid to ask for referrals from anyone you service.
3. Product offers, free gifts, and giveaways will help you greatly. Give a little to get a lot.
4. Offer a discount program to customers who are referred by others, to increase interest and excitement.

Homework:

Advise students to create a list of networking possibilities. Encourage them to include friends, family, acquaintances, and business associates.

Class Activity:

Have students do online research on demographics and psychographics in the area to determine the target market. As a class, brainstorm ways to build a client base.

Additional information:

Statistics prove that people who understand their target market, learn to effectively network, and build an ongoing referral base are ten times more likely to succeed in their industry of choice.

Fun Facts:

One of the best marketing slogans ever documented was the “Got Milk?” campaign. It worked miracles in the increase of milk sales across the nation.

Notes: _____

