

# Market Targeting

## What is target market?

Target market is the end consumer to which the company wants to sell its end products to.

- ⦿ A target Market is a market in which a company is trying to sell its products or services (Collins English Dictionary).
- ⦿ The group of people that a company want to sell its products or services (Cambridge Business English Dictionary).
- ⦿ *A specific group of consumers at which a company aims its products and services*
- ⦿ A target market is a group of customers a business has decided to aim its marketing efforts and ultimately its merchandise towards. A well-defined target market is the first element of a marketing strategy.
- ⦿ The consumers a company wants to sell its products and services to, and to whom it directs its marketing efforts. Identifying the target market is an essential step in the development of a marketing plan.

## What is market targeting?

Market Targeting is the process of selecting the segment a firm or company aims its marketing efforts at or sells its products/services to.

## Process of market targeting

Market targeting is a process of capturing the target market to cultivate profits. It involves breaking down the entire market into various segments and planning marketing strategies accordingly for each segment to increase the market share.

Once the firm has decided its market segments then it has to decide how many segments to be selected for targeting purpose. Market targeting process consists of the following three steps:

- Evaluating the Market Segments
- Selecting the Marketing Segments

- Additional Consideration

## **1.Evaluating the Market Segments**

In evaluating different market segments the firm should consider the following two important factors:

- Segment overall attractiveness:** In this step we analyze all the opportunities available in the market which could be tapped by providing appropriate product and the cultivation of profit.
- Company's objectives and resources:** Once the opportunity is identified in the market we need to match the available resources with the firm which is required to exploit the opportunity in desired manner.

## **2.Selecting the Market Segments**

The following methods can be used to select the market segments:

- Single Segment Concentration:** Here company is having single product and focus is on single market. It is applicable for those sellers which has small market and limited demand in the market.

**For example:** Fish seller in village having single types of fish and sell in one village only.

### **b. Selective Specialization**

Here companies are dealing in multiple product and multiple markets but they select some specific

market for specific product.

**For example,** Apple offers its different products to different markets:

For Business class	Laptop
For Music lovers	ipod
For phone users	iPhones

### **c. Product Specialization**

Here the firm specializes in marketing a certain product that it sells to several market.

**For example,** Nokia sells its different models of mobile phone to different markets:

Cheaper Price class	Nokia 1100
Business class	Nokia E-Series
Music lovers class	Nokia X-Series

#### **d. Market Specialization**

Here firm concentrate on serving many needs of a particular customer group or markets with focused strategy.

**For example**, Johnson & Johnson sells its different products (i.e. Powder, Soap, Shampoo etc.) for babies only.

#### **e. Full Marketing Coverage**

Here the firm serves all customer groups with multiple products focused towards capturing all markets with variety of products in product portfolio.

**For example**, Coca Cola, Kinsley, Fanta

Full market coverage approach can be applied in two ways of targeting:

**Differentiated Market:** It makes same strategy for all markets.

**Undifferentiated Market:** It means separate strategy for each segment but cover all segments.

### **3.Additional Consideration**

We should consider some more points while targeting market

- a. Ethical choice of market Targeting:** It means customer decision should be taken after considering what is right and what is wrong for market or customers. We should be fair & honest in dealings with customers.
- b. Segment Interrelationship:** All segments are interrelated and integrated that's why we should coordinate all segments to minimize the cost of and utilize all available resources.

## **Strategies for market targeting**

Marketers have outlined three basic strategies to satisfy target markets:

- Mass marketing (Undifferentiated marketing)
- Differentiated marketing
- Concentrated marketing/Niche marketing

### **1.Mass marketing /Undifferentiated marketing**

Mass marketing/undifferentiated marketing is a method which is used to target as many people as possible to advertise one message that marketers want the target market to know. When television first came out, undifferentiated marketing was used in almost all commercial campaigns to spread one message across to a mass of people.

Mass marketing is the opposite of niche marketing as it focuses on high sales and low prices and aims to provide products and services that will appeal to the whole market. Telecom operators generally use mass marketing because telecommunication is a service used by many.

### **2.Differentiated marketing**

Differentiated marketing is a practice at which different messages is advertised to appeal to certain groups of people within the target market. Differentiated marketing, however, is a method which requires a lot of money to pull off. Due to messages being changed each time to advertise different messages it is extremely expensive to do as it would cost every time to promote a different message.

Differentiated marketing also requires a lot time and energy as it takes time to come up with ideas and presentation to market the many different messages, it also requires a lot of resources to use this method. But investing all the time, money and resources into differentiated marketing can be worth it if done correctly, as the different messages can successfully reach the targeted group of people and successfully motivate the targeted group of people to follow the messages that are being advertised.

### **3.Concentrated marketing / Niche marketing**

Niche marketing is a term used in business that focuses on selling its products and services on a specific target market. Despite being attractive for small businesses, niche marketing is highly considered to be a difficult marketing strategy as businesses may need thorough and in-depth research to reach its specific target market in order to

succeed. Niche marketing has become one of the most successful marketing strategies for many firms as it identifies key resources and gives the marketer a specific category to focus on and present information. It generates higher profit margins.

Smaller firms usually implement this method, so that they are able to concentrate on one particular aspect and give full priority to that segment, which helps them compete with larger firms. Some specialties of niche marketing help the marketing team determine marketing programs and provide clear and specific establishments for marketing plans and goal setting.