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Target Your Customers and Hit the Business Bull's-eye

Businesses that market haphazardly and randomly are likely to hit a few customers here and there just by the sheer law of averages. However, businesses that know who their customers are and what customers are going to respond to, hit the bull's-eye every time.

The Importance of Knowing Your Customers

A fundamental principle amongst marketing professionals is this: 20 percent of buyers consume 80 percent of product volume.

When you understand this, you understand how important it is to know exactly who your customers are—and more importantly, who your best customers are. But if you don't know already, don't panic.



Identifying Your Best Customers

Here are some basic types of information that can help you identify your best customers (and more like them):

Demographic information—average age, average income range, location, occupation, education, marital status, gender, race, disposable income

Lifestyle information—hobbies, interests, what they do for fun and entertainment, political beliefs, memberships in organizations, cultural practices

Psychographic information—personality traits and emotions that affect purchasing decisions. For example, do they see themselves as fiercely independent? Do they long for stability? Do they want to keep up with everyone else or stand apart from the crowd? Are they adventurers?

Increase Your Chances of Success

Knowing this information increases your chances of success in 2 ways.

First, you can use this information to adjust your products and services to best suit your customers' needs and desires.

Second, you can sharpen your marketing messages and hone your promotions so they reach the right customers—that is, the 20 percent who are going to make up 80 percent of your business.

Consider this Example

A toy company that markets to parents of infants and toddlers understands that the majority of its parents hold university degrees, many of them graduate degrees.

Through some basic research and market surveys, the company learns that education and exposure to the arts are important

values to this market. Their expertise also tells them that young infants respond to bright, multicolored objects.

From this, the company sets out and markets videos that depict art in bright primary colors against black backdrops while classical music is playing. Does it sound a little silly?

The Disney Corporation didn't think so when it recently bought the Baby Einstein Company for \$18 million.



Solutions At A Glance...

In summary, this article deals with these issues:

- The Importance of Knowing Your Customers
- Identifying Your Best Customers
- Increase Your Chances of Success
- Consider this Example