

## Basics of Marketing

### Note Catcher

*Identifying your target market(s) makes it easier and more cost effective to reach your potential customers.*

**Directions:** Follow along the Basics of Marketing PowerPoint and complete the missing information below.

To build a strong foundation for a business, it is imperative to **1) conduct market research and identify target market(s).**

**2) Very few products have enough broad appeal to warrant marketing to mass audiences.** Therefore, it is impractical and unrealistic for a business to develop and market a product that appeals to everyone.

Very few products have enough broad appeal to warrant marketing to mass audiences. Therefore, it is important for a company to decide what customer group or groups it will serve. These groups are called **3) target markets.**

Members of a target market have similar **4) wants** and **5) needs.**

CFU: **What are some of the consequences a company might face if they choose to market their product/service to a mass audience instead of targeting a specific market?**

*(Possible answers: waste time, waste money, lose competitive advantage)*

Building a target market relies on **6) demographics** and **7) psychographics.**

Demographics tell you **8) WHO your customer is** by providing statistical information about their age, gender, location, education level, income level, race, employment, etc.

For example, the demographics of your target market might be: **(9) Provide an example of a target market.)**

*Examples from PowerPoint*

- **Single women**
- **20 to 35 years of age**
- **Live in urban areas**
- **Earn an average annual income of \$45,000**

In addition to knowing who your audience is, you need to know **10) what their problems are** or **11) what result they want to achieve**. This allows you to can communicate **12) what the product/service can do for them**.

This psychographic information is what makes people **13) want to buy!**

Psychographics tell you **14) WHY your customer buys** by providing information about their habits, hobbies, attitudes, beliefs, values, etc.

By adding psychographics, you might learn that members of your target market: **(15) What psychographic information might you learn?)**

*Examples from PowerPoint*

- **Are seeking long-term relationships**
- **Love to travel**
- **Are repaying student loan debt**
- **Regularly volunteer**

**CFU: The target demographic for Zipcar is the millennial, urban dweller. What problem do you think the service solves for their demographic?**

*(Possible answers: owning a vehicle in a densely populated area; high cost for parking an individually owned vehicle; etc.)*

**“40/40/20 rule”** popularized in the 1960s by marketing expert Ed Mayer.

**40%** of the success of your marketing is dependent on **16) target audience**;

**40%** of the success of your marketing is dependent on **17) your offer [product or service]**;

**20%** of the success of your marketing is dependent on **18) creativity**.