














Getting started with the course

Understanding e-commerce and why it matters

Terms, tools, and strategies in e-commerce

Getting started in e-commerce

-  **Video:** Market research  
4 min
-  **Reading:** Get started with market research  
20 min
-  **Practice Quiz:** Activity: Perform a competitive analysis  
1 question
-  **Reading:** Activity Exemplar: Perform a competitive analysis  
10 min
-  **Video:** Identify your target audience  
2 min
-  **Reading:** Learn more about identifying your target audience  
20 min
-  **Video:** How to do product research  
7 min
-  **Video:** Product sourcing  
2 min
-  **Reading:** Researching and sourcing products  
20 min
-  **Video:** Branding in e-commerce  
4 min
-  **Practice Quiz:** Activity: Identify brand values  
1 question
-  **Reading:** Activity Exemplar: Identify brand values  
10 min
-  **Reading:** Case study: How Prados Beauty's brand uplifts the indigenous community  
20 min

Review: Introduction to make the sale: build, launch, and manage e-commerce stores

Learn more about identifying your target audience

Knowing your customers is important for any business model—including e-commerce. One way to get to know your customers better is to research your **target audience**, or the group of people most likely to purchase your company's products. You already learned about market research and identifying your target audience. Now it's time to consider the specific steps you can take to identify your target audience.

Use insights from market research

The information you gather through market research can help you understand what types of customers are most likely to be interested in buying your products or services.

To identify your target audience, you'll need information about your customers' demographics, and their personal characteristics. If you don't have enough information on your potential customers, you may need to do additional market research.

There are a lot of other questions you could ask about your customers besides the ones mentioned in this reading. You'll need to choose the questions that are most relevant to your company's goals and the products or services you sell.

You can gather this type of information using surveys, interviews, analytics, and other methods.

Demographics

These are some examples of demographic information you might gather to learn more about your potential customers:

- Age
- Location
- Gender identity
- Family
- Education level
- Income level
- Occupation

Personal characteristics

It's also helpful to ask questions that provide insight into the customer's personal characteristics, and their goals and barriers.

Here are some examples of questions you might ask about the customer's behavior:

- What stores do they like to shop at?
- What motivates them to make a purchase?
- Who influences their buying decisions?
- Where do they go for advice or information?
- Which social media sites do they use?
- What type of media do they consume regularly?

Here are some examples of questions you might ask about the customer's interests, hobbies, lifestyle, and values, or what's important to them:

- How do they spend their free time?
- What are their hobbies?
- What causes do they support?
- What is important to them?

Here are some examples of questions you might ask about the customer's goals and barriers:

- What goals do they want to achieve?
- What are the barriers to achieving these goals?
- How would your product or service make it easier for them to reach their goals?

Analyze existing customers

Another step in identifying your target audience is to analyze the data you have for existing customers. For example, Google Analytics includes demographic information for visitors on your site, including their location, gender, interests, age, and language. You may also be able to access customer data within the company's **customer relationship management (CRM) system**, which is software that helps a business manage and monitor its interactions with existing and potential customers. CRM systems, such as Salesforce, collect data about a company's customers.

Customer reviews and comments can also give you a better idea of who your target audience is. For example, you could review comments posted on the company's social media accounts, read online chat transcripts from the customer service team, or browse product reviews written by customers.

To gather more information from your existing and potential customers, you could create a survey and post it on your website or social media accounts, or send it to your email subscribers. Offering an incentive to complete the survey might increase the response rate.

Identify patterns

Once you have enough data about your existing and potential customers, you'll need to organize the data and search for trends. As you learned in an earlier course, using a spreadsheet can help you organize, sort, and filter data to discover the main characteristics shared by a group of customers.

For example, the spreadsheet below organizes a company's data by the name, age, location, household, education, and main concern of their customers. Based on the data in the age column, most of this company's customers are in their 20s and 30s.

	A	B	C	D	E	F
1	Name	Age	Location	Occupation	Education	Values
2	Francis	26	Suburbs	Store manager	High school	Community involvement
3	Deepak	22	City	Teacher	College	Volunteering
4	Linda	31	Suburbs	Realtor	College	Networking
5	Shanika	28	Suburbs	Accountant	High school	Volunteering
6	Louis	38	City	Hotel manager	College	Community involvement

Although all companies have at least one target audience, it's common for companies to have more than one target audience. This is especially true for companies that sell a variety of products or services.

It's important to avoid excluding a group of customers just because their characteristics don't match the majority of your customers. This smaller group of customers can be an important target audience for your company to consider.

Describe your target audience

After you've researched your existing and potential customers and identified patterns, you can begin to describe the groups of customers you've discovered.

The custom suits retailer used as an example in a video describes their target audience in this way:

- Men between the age of 30 and 45
- Income of \$100,000 or more
- Professionals with an advanced degree
- Very little free time because of frequent travel for work
- Use LinkedIn and Twitter
- Wardrobe decisions are influenced by their partner and the company's dress policy
- Need multiple suits for work
- Partner does most of the shopping for their wardrobe
- Impressing clients is their main motivation for buying a custom suit
- Buying a custom suit online is easier than making time to visit a tailor

The custom suits retailer also identified another target audience made up of a smaller but significant group of customers. They describe this target audience as follows:

- Women and non-binary people between the age of 40 and 60
- Income of \$100,000 or more
- Executive-level professionals with an advanced degree
- Very little free time because of long work hours
- Use LinkedIn and Facebook
- Wardrobe decisions are influenced by fashion media and colleagues
- Need multiple suits for work
- Make their own shopping and purchasing decisions for their wardrobe
- Expressing power in the workplace is their main motivation for buying a custom suit
- Buying a custom suit online feels more comfortable than visiting a tailor who traditionally measures for men's suits

Reaching your target audience

Now that the custom suits retailer has identified the groups of customers in their target audience, they can use this information to make better marketing and advertising decisions. For example, they might choose to include product images on their website that feature women and non-binary people wearing custom suits instead of just men. They might also include a measuring guide that applies to all genders. Plus, they might shift their advertising budget to spend more on the social media sites or other channels that their customers use frequently.

Key takeaways

Identifying your target audience helps you understand who your customers are and how to reach them more effectively. You can identify your target audience by using insights from market research, analyzing your existing customers, identifying patterns, and describing the groups of customers that make up your target audience.

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