

Profiling your Target Audience

Business Information Factsheet

BIF107 · September 2018

Introduction

Before your business can realistically or effectively begin a marketing campaign, you must fully understand the needs of your target audience in terms of knowing enough about who your prospective customers are and what they really want. Without this understanding you could easily miss a market opportunity altogether.

You will need to be able to answer two vital questions:

- Who is your target audience?
- What does your target audience want or need that your business can provide?

Without detailed and precise answers to these questions, you cannot develop your marketing strategy or implement an effective sales and marketing plan.

This factsheet provides an introduction to profiling your target audience and customers and explains the importance of fully understanding their needs. It also includes hints and tips and sources of further information.

How do you profile your target audience?

Your first task when profiling your target audience is to identify precisely who your ideal prospects, or potential customers, are. Can you describe their characteristics accurately? Which customers currently spend most money with you and who spends most with your competitors? Why do they do this? If you don't know the answers to these questions, you need to find out by doing more detailed market research.

You might already have a good idea about the groups of people or types of business that you are planning to sell your product or service to. Prospective customers may be people of a specific age, gender, socio-economic status or occupation, or part of a group with common or special interests such as sports or hobbies. Trade buyers may be located in a specific local area or in a particular sector, or could have similarities in terms of their own target groups of customers.

Your objective should be to aim your marketing efforts towards the potential and existing customers who are most likely to buy your product or service in the future.

Once you have identified this target group you will have completed the first step in profiling your audience. You will now have a list of target prospects - in other words, your ideal customers.

Aiming precisely at your target audience

Your marketing campaign will only be effective if it reaches people who reflect the profile of your target audience.

Ask yourself the following questions:

- Have the consumers of your product or service been identified, for example, their geographic and demographic profile, their employment status, profession, special interests and membership of clubs?
- Have you identified where your prospective trade customers are located, the size of their business, the name of the main buyer and repeat purchase rate?
- Have you identified the best sales channels to enable you to reach these target customers?

Understanding the needs of your target audience

Having identified your ideal customer groups, you now need to be clear about what they want and need and exactly what you are going to offer them. This understanding will enable you to prepare an appropriate marketing message that will best communicate the benefits of your product or service.

If you get this message wrong, your marketing efforts will almost certainly fail and your customers will turn to your competitors instead. Your product, service or business proposition will have missed the target completely because you have not fully understood who your prospective customers are and what they really need.

Testing your market for proof

Before you begin your marketing efforts in earnest, it is good business practice, in fact almost essential, to speak to a sample of your target audience. This will allow you to test whether the profile of your target audience is correct. You will also be able to test your assumptions about what you think they want and why they would buy from you.

You can do this by speaking directly to a small focus group or carrying out a survey by sending a questionnaire to a sample of your target audience. Alternatively, you could do this with passers-by in a carefully chosen target location frequented by your ideal prospective customers.

You could also speak to your existing customers or, even better, your competitors' customers if possible. See BIF001 Market Research Questionnaires for further information about using questionnaires to collect and understand the opinions, preferences and buying behaviour of your customers or potential customers.

Getting your marketing message right

Once you've spoken to a sample of people in your target audience and are satisfied that you have confirmed your assumptions about their needs, you can develop and fine-tune your marketing proposition and promotional campaign to meet those needs precisely.

Having profiled your target audience and gained a detailed understanding of their needs, you will be in a much better position to make your marketing message even more appealing to your prospective customers.

Giving your prospects exactly what they want

With a thorough understanding of the needs of your ideal customers, you should aim to have a business and marketing proposition based on four criteria, providing your target customers with a product or service that is:

- Exactly what they want.
- Available precisely when they need it.
- Accessible in a way that is convenient for them.
- At a price they can afford and are prepared to pay.

If you are not convinced that your proposition meets all four of these criteria, you will need to study and redefine the profile of your audience again and revise what you are offering.

Hints and tips

- Test your market first to make sure that the assumptions you have made about that market are correct. You will waste valuable time and your marketing budget if you launch a campaign before you have profiled your target audience correctly and understood why they would buy from you instead of your competitors. By testing, you can either confirm that your profiling was right, or adjust your offering until you get it right.
- Make sure that you aim your marketing campaign right at the centre of your target market. Having a precisely targeted approach will lead to more sales, a faster take-up, and more profit in the longer term.

Further information

BIF001 Market Research Questionnaires

BIF044 Developing a Marketing Plan

BIF047 Sources of Statistics and Market Information

BIF132 Researching Your Competitors

BIF185 Checklist for Start-up Market Research

Useful publications

'The Guide to Market Research for SMEs'

The Market Research Society

Website: www.mrs.org.uk/researchbuyersguide/research-for-smes

DISCLAIMER While all reasonable efforts have been made, the publisher makes no warranties that this information is accurate and up-to-date and will not be responsible for any errors or omissions in the information nor any consequences of any errors or omissions. Professional advice should be sought where appropriate.

Cobweb Information Ltd, YBN, 7 & 8 Delta Bank Road, Metro Riverside Park, Gateshead, NE11 9DJ.

Tel: 0191 461 8000 Website: www.cobwebinfo.com