

Business Plan Workbook #9	
Course	Marketing Your Dream
Topics Addressed	Why is Marketing Important? What is Your Target Market?

Key Points

What is Marketing?

Marketing is about reaching your customers and showing them why they should buy your product or service.

Step 1: Describe Your Product or Service

The first step is to describe the product or service that you're selling in a clear and simple way. If people are confused by your message, or if they don't understand what your product or service is – they probably won't want to spend money on it.

Step 2: Identify Your Target Market

After you've come up with a clear, simple message, you need to figure out **who** you're going to tell your story to.

You want to identify the group of customers that is most likely to buy from you. In business, this is called your target market.

Your target market is the group of customers on which you'll focus your storytelling efforts.

How Do You Identify Your Target Market?

Start by looking at your overall market. Then, start to break your overall market down into smaller chunks. In business, these chunks are called "market segments". Breaking your market into segments helps make the job of identifying your target market easier.

To break your market into segments, group customers based on the characteristics or features that they share. Then, think about whether or not these characteristics affect their decision to buy from you. This process allows you to identify the market segments that are most likely to buy your product or service.

Once you've identified the different market segments that are likely to buy your product or service, you group them together, and you end up with a new group of customers – a group of customers who are likely to buy your product or service. This is your target market – and it's the group of customers that you want to focus on, when you're telling the story of your business.

Customer Characteristics

Customer characteristics are the unique features or traits that customers have. They include things like:

- Age
- Gender
- Relationship status
- Individual interests/preferences

You'll gain a better understanding of your target audience if you can identify the characteristics of the people who buy from you.

Your Ideal Customer

Once you've identified the characteristics of the people who are most likely to buy your product or service, you can start to develop a profile of your ideal customer.

Your ideal customer is an imaginary customer that represents all of the characteristics you used to define your target market (i.e., that group of potential customers who are likely to buy your product or service).

Related Business Plan Questions

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: How old do you think most of your customers will be? You can give an age range (e.g.: 18 to 34) or a description (e.g.: teenagers, seniors, etc.) Describe any characteristics of your customers' age range.

Q: Will your customers be mostly women, mostly men, or mixed? Try to give a percentage or ratio of women to men (e.g.: 60% female customers, 40% male customers).

Q: Describe the characteristics of your customers' marital status. Will your customers be mostly married, single, divorced/separated, or widowed? If you can, estimate the percentages of each.

Q: Describe what kind of interests or preferences your customers might have. Try to give as much detail as you can.

Q: Describe where your customers come from. Where do they live?

Q: Where do your customers prefer to buy the types of products or services you are offering?

Q: When do your customers want to buy the types of products and services you are offering?