

# Identifying your target market

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7 Aug 2015

Your target market is important when selling or conceptualising your product or service. You need to know who you're selling to. If you know your target market well, you know how to market your product and where its value lies. So, how do you choose a target market?

Well, maybe you don't get to choose it per se...but you DO have to identify and understand it. Here are some questions you can ask to help identify and define your target market.

## Who will pay for my product or service?

Don't be vague with this. Saying 'young professionals' or 'parents' is too hard to define. You want to compile a detailed idea of your typical customer. This often starts with demographic information like age, gender, location, race, marital status, income etc. After that, you also want to include information on your clients' personality and psyche.



Image via Fotolia

This is information related to their personality, hobbies, lifestyle choices, values, attitudes, interests and so on. They are both important, because it forces you to determine who will buy your product, and WHY they'll buy it.

## Why should they pay for your product or service?

Think about each feature of your product or service and why people would pay for it. Not just because you say it's good value, but for instance, someone working 9-5 would make use of online shopping because they are pressed for time. So online shopping is convenient, saves time and means they can guarantee they get what they need without having to go to a physical shop. You need to be clear on the value your customers will obtain from purchasing your product or service - if you know the reasons they'll buy it, it helps to clearly define your target market.

## How much is my typical customer willing to pay?

If you're aiming at professionals who are in the top tax bracket, live in Sandton, drive a new car every two years and enjoy overseas holidays and expensive wine you can probably assume that they have the ability to pay for a good product. This doesn't mean they will pay any given sum - but if your product delivers high quality at a high price, you need to make sure your target market can afford it.

If you're aiming at middle or low income brackets, your product or service needs to be priced accordingly. Consider income brackets, hobbies, and where your target market generally spends their money. If they are middle income but only spend a small amount on entertainment, for example, then your entertainment service or product might not be the best fit.

## **Am I overestimating how many people will be interested?**

Try not to assume that everybody will be interested in your product. It is very, very easy to overestimate how much reach you will have. Instead, work on conservative figures. Better yet, try to get in contact with some people you know form part of your target market. Discuss with them how interested they'd be in your product or service, how interested their friends would be, whether they would pay for it and so on. Do focus groups, questionnaires, or speak to people in public places.

After you have answered these questions, you should have a good idea of both who your target market is, and how large it is. From here, you can tailor marketing, advertising, promotions and even your actual product or service to fully optimise your appeal to the target market.

## **ABOUT SOPHIE BAKER**

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