Targeted Marketing for the Small Business

Last week I focused on developing successful marketing strategies. But, I got several requests to address some marketing basics that would help small businesses to target their marketing efforts in the most efficient and effective manner. So today’s topic will zero in on some of those basics that a small business needs to consider as they develop their marketing strategies.

First, let’s ask a basic question of the business owner. What are you trying to do with your marketing efforts? Why are you marketing? We need to understand that the very reason we market is because to succeed, entrepreneurs must attract and retain a growing base of satisfied customers. Marketing programs, though widely varied, are all aimed at convincing people to try out or keep using particular products or services. Business owners should carefully plan their marketing strategies and performance to keep their market presence strong.

Marketing is based on the importance of customers to a business and has two important principles:

- All company policies and activities should be directed toward satisfying customer needs.
- Profitable sales volume is more important than maximum sales volume

Our SCORE marketing and business planning classes emphasize that to best use these principles, a small business must:

1. Determine the needs of their customers through market research
2. Analyze their competitive advantages to develop a market strategy
3. Select specific markets to serve by target marketing
4. Determine how to satisfy customer needs by identifying a market mix

Owners of small businesses usually have limited resources to spend on marketing. Concentrating their efforts on one or a few key market segments - targeted marketing - gets the most return from small investments.

Targeted marketing involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments. It can be the key to a small business’s success.

The beauty of targeted marketing is that it makes the promotion, pricing and distribution of your products and/or services easier and more cost-effective. Targeted marketing provides a focus to all of your marketing activities.
So if, for instance, I open a catering business offering catering services in the client’s home. Instead of using a mass media approach that goes out to everyone, I could target my market with a direct contact campaign that went only to particular residents or certain clients. Or if I use mass media, I need to write my message in a way that will attract those that I am targeting.

While market segmentation can be done in many ways, depending on how you want to slice up the pie, three of the most common types are:

- **Geographical segmentation**: Specializing in serving the needs of customers in a particular geographical area. For example, a neighborhood convenience store may send advertisements only to people living within one-half mile of the store.
- **Demographic segmentation**: Identifying those people most likely to buy the product or service and targeting those groups. For example, seniors or athletes or families with children, etc.
- **Psychographic segmentation**: Identifying potential customers based on lifestyle preferences, such as being urban dwellers or pet lovers.

If you’re interested in target marketing, the first step is to do the research that will help you define and zero in on your target market. How to Find and Sell to Your Target Market will help you get started. Some refer to this as “Niche” marketing. What is it that differentiates you from your competitors? What can you do or serve customers in a unique way? What do those potential customers look like? How can you best find and get your message to them? That’s your research task for targeting your marketing efforts.

To learn more about marketing your small business, contact America’s free and confidential source of small business mentoring and coaching. SCORE is a nonprofit association of more than 12,000 experienced business folks throughout the U.S. who volunteer as mentors. We are "Counselors to America’s Small Businesses."

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