

#### TIME REQUIRED

One ninety-minute block class for marketing students

#### OBJECTIVES

At the conclusion of this lesson, students will be able to understand the concepts and strategies utilized to determine and target marketing strategies to a select audience.

#### PERFORMANCE INDICATORS

- Select target market appropriate for product/business to obtain the best return on marketing investment.
- Explain the concept of market and market identification.

#### MARKETING CLUSTER CORE | INSTRUCTIONAL AREA: PLANNING

#### ACTIVITIES & ASSESSMENT

##### BELL RINGER

Who is your target market?

##### CLASSROOM ACTIVITY

Who is the target market of your automated retailing kiosk?

##### QUIZ

Target Market

#### INSTRUCTIONAL CONTENT

##### SLIDE 1

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##### BELL RINGER: Who is your target market?

At the beginning of class, ask students to work with a partner and spend no more than 3 to 5 minutes writing a brief description of the target market for the school based enterprise. Bring the class back together and briefly share out the descriptions.

##### SLIDE 2

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Explain to students that the 4 Ps of the Marketing Mix are: Product, Place, Price, and Promotion. The 5th P is called "People" or the "Target Market." All decisions regarding the 4 P's are based around this 5th P.

Before ensuring students' understanding of the concept of target market, ensure their understanding of the term market.

##### SLIDE 3

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Market refers to people who have similar needs and wants and are capable of buying products. A key part of this definition is the fact that the potential customer has the purchasing power to buy the product offered.

##### SLIDE 4

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Target Market refers to the group of customers most likely to purchase your product. It is the group of people toward whom a business directs its promotional efforts.

Sponsored by



- Successful businesses look for ways to connect with their customers; understanding the customer or potential customer is the key to gaining their trust and their patronage.
- All businesses need to define their target market as specifically as possible and avoid generalizations or broad definitions; they accomplish this task by analyzing groups of customers to see if they can be broken down further into groups or clusters with common traits. This process is called market segmentation.

## SLIDE 5

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Market Segmentation is defined as the process of defining and subdividing a large market into identifiable segments having similar needs, wants, or demand characteristics.

The goal of market segmentation is to design a marketing mix (4 Ps: Product, Place, Price, Promotion) that precisely matches the expectations of customers in the targeted segment.

## SLIDE 6

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When identifying the target market, consider the following questions to aid in better understanding that market:

1. Is your market male or female?
2. What age?
3. Where do they live?
4. What do they do for a living?
5. How much money do they make?
6. What lifestyles and attitudes do they have?

## SLIDE 7

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Businesses engage in marketing research and analysis to determine the answers to these questions.

These questions, along with other information, are grouped into four clusters or areas of research: Demographics, Psychographics, Geographics, and Behavioral.

- **Demographics** refer to personal characteristics that make up a target market. This includes: age, gender, income, marital status, and ethnic background.
- **Psychographics** involves social lifestyles (such as student, parent, athlete, etc.), attitudes, values, and opinions.
- **Geographics** refers to segmenting the market based on where people live. This can be local, regional, national, and even global descriptions.
- **Behavioral** refers to segmenting the market based on product-related behavior that involves the benefits sought by customers or shopping patterns.

Businesses understand their target market for their business as a whole, as well as for various product lines that they sell. (Example: Your school based enterprise may sell a homecoming t-shirt that targets students of the school, while a crew neck sweatshirt may have a design on it that targets parents.)

- The automated retail kiosk (Spirit Box) may also have another target market.

## SLIDE 8

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### CLASSROOM ACTIVITY: Who is the target market of your automated retailing kiosk?

Using the concepts described in segmenting a market, write a detailed description of the target market for the automated retail kiosk in your school.

## ASSESSMENT AND FOLLOW-UP

### QUIZ: Target Market

## RESOURCES AND MATERIALS

- [www.knowthis.com/targeting-markets/what-is-a-market](http://www.knowthis.com/targeting-markets/what-is-a-market)
- [www.entrepreneur.com/encyclopedia/target-market](http://www.entrepreneur.com/encyclopedia/target-market)
- [www.businessdictionary.com/definition/market-segmentation.html](http://www.businessdictionary.com/definition/market-segmentation.html)
- <http://www.inc.com/encyclopedia/market-segmentation.html>
- <http://whatis.techtarget.com/definition/return-on-marketing-investment-ROMI>

# QUIZ

## TARGET MARKET

**True or False:** Mark a T beside each statement that is TRUE and an F beside the statements that are FALSE.

- \_\_\_\_\_ 1. The “5th P” is referred to as People.
- \_\_\_\_\_ 2. People are the same as “target market”.
- \_\_\_\_\_ 3. The target market is not considered when promoting products or services.
- \_\_\_\_\_ 4. The target market is considered when making all decisions regarding Product, Place, Price, and Promotion.
- \_\_\_\_\_ 5. Market segmentation is used to help marketers to clearly define their target market.

**Application:** Define the 5th P for your automated retail kiosk. Be sure to clearly define this group.

# QUIZ ANSWER KEY

## TARGET MARKET

### **True/False Key:**

1. True
2. True
3. False
4. True
5. True

### **Application Key:**

Answers will vary; responses should include such answers as: students (of their high school); middle school students (that feed to their high school); parents of students; staff; customers who desire to make purchases outside of regular school hours; etc.