

Defining A Market

What is a market or a market share? Simply stated, a market is a group of people who are willing and able to become and to remain your customers. Identifying your customer base is one of the first elements of the marketing process. Figuring out which people have the strongest likelihood of becoming and remaining your customer by identifying common characteristics within the group will help you better define your product. It will also make a difference on how and what you use to reach that market.

Think of your potential market in terms of Decision Making Units. DMU's describe your potential as all the users and all the non-users that can potentially become users. Take a potential market and further analyze it for subgroups called market segments. These segments can be grouped by one or any combination of the following factors:

- Geographic's
- Demographics
- Lifestyle
- Brand Loyalty
- Usage Patterns
- Product Benefits

Once you have determined the segments of a potential market, you need to choose a targeting strategy.



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SEGMENTS

UNDIFFERENTIATED

Treat the segments as not being significant and develop one singularly focused marketing strategy.

Example: You plan to market a new organic soil amendment. You determine that this product could be utilized by all organic producers. You decide to market your product in 50 pound bags, and look to local farm supply stores to serve as your major distributors.

CONCENTRATED

Choose a single segment or niche and develop a singularly focused marketing strategy for that segment.

Example: You determine that the small acreage organic farmer and homeowner is your target market group for your organic soil amendment product. You decide to have material packaged in 1 and 2 pound packs and market through organic seed and suppliers and local garden centers.

DIFFERENTIATED

Addresses the whole market with each segment being recognized as significant and develops many marketing strategies.

Example: You determine there is a demand for your product with both small and large-scale organic producers. You decide to implement both of the strategies previously discussed. You also launch a web site that differentiates goods and services to customers depending on whether they are a home gardener or a commercial grower.