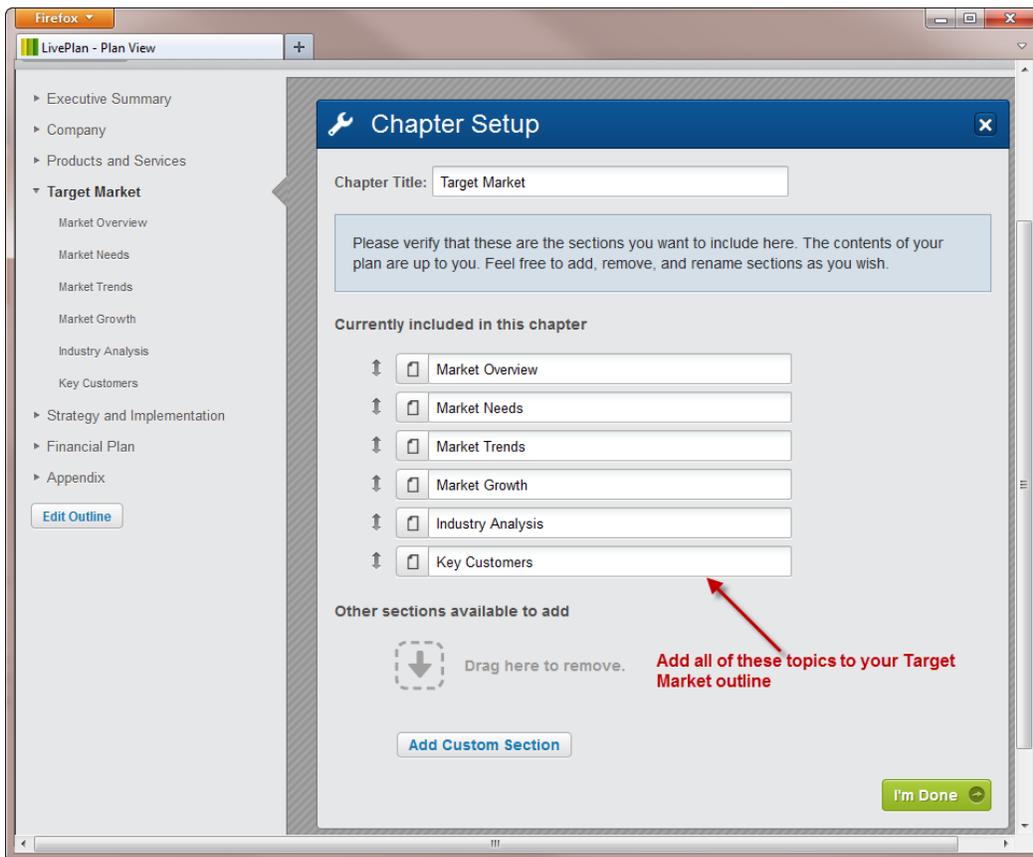


Lesson: Know Your Market

This lesson reinforces the discussions from the Session titled **Know Your Market**. In this lesson, you will describe your ideal customer and the market segment you want to reach with your marketing message.

Target Market Outline: Each topic should include a paragraph describing the key points for that topic.

NOTE: Use the Chapter Setup feature in LivePlan to include all of these sections to your Target Market chapter.



Market Overview: The main chapter level topic should be a summary of its sub-topics. If you finish the sub-topics first, it will be easier to create a summary paragraph of the most important points.

Market Needs: For each market segment included in your strategy, explain the market needs that lead this group to buy your product or service:

- Did the need exist before the business was there?
- Are there other products or services or stores that offer different ways to satisfy this same need?
- Do you have market research related to this market need?

It is always a good idea to try to define your retail offering in terms of target market needs, so you focus not on what you have to sell, but rather on the buyer needs you satisfy. As a shoe store, for example, are you selling shoes or are you satisfying the customer needs for covered feet? Are there additional underlying needs, such as style and prestige for fashion footwear, or padding for runners, or jumping for basketball players, that relate to selling shoes? Are kids buying status with their basketball shoes?

Market Trends: Market trends could be changes in demographics, changes in customer needs, a new sense of style or fashion, or something else. It depends on what business you are in.

- What factors seem to be changing the market, or changing the business?
- What developing trends can make a difference?

Here are a few examples:

1. A building supply store might note the trend toward remodeling older homes instead of buying new homes, or a trend toward more rooms in larger houses, despite smaller families, because of home offices, dens, and exercise rooms.
2. A grocery store might note a trend toward Asian foods or spicier foods, or toward fresher, healthier foods, or development of a new shopping area in a different part of town.
3. A credit and investment counselor might note demographic trends, such as baby boomers aging, leading to a greater need for estate planning and retirement planning.

Look to market trends as a way to get ahead of the market, to know where it is going before it gets there.

Market Growth: Ideally you cite experts: a market expert, market research firm, trade association, or credible journalist. This isn't a class in market research. For this assignment, you have only three pages total, including the table and chart, so be specific and be brief.

Industry Analysis: Talk about your industry, not just your company. What type of industry is it? How do businesses in this industry make, buy, sell and deliver their products or services? How do customers make their buying decisions?

Key Customers: Most markets divide into meaningful groups. Create a profile of an ideal target customer group. This is the group who is most likely to value your offering at the price points you set. Use your imagination. Describe who they are, what they have in common (ex., age, economic status, family status, location, hobbies). Include what problem of his or hers that your solution will solve. A picture is a good idea.