

## Targeting Markets vs. Customers

When I'm asked what I do, I say: "I help tech companies target the right products at the right customers to accelerate growth and increase profits".

Some executives respond that they are already targeting the right customers so don't need my services. I then ask who they target and why. This generates a discussion about targeting customers versus markets. Some executives believe these are the same, I disagree.

To identify the best target customers for a product or service, one examines the characteristics and needs of the target. This is known as market segmentation where those with similar characteristics and needs are grouped. Those that match well with a company's products are good targets. And it's best to examine many potential customers at the same time.

Consider a small bank offering services to businesses. Since the bank likely faces a lot of competitors pursuing business customers, being selective about which are best to target is the wisest approach.

Let's examine key buyer characteristics that best fit with the bank's services. These are likely to include:

- businesses that are small to mid-sized which larger competitors are less likely to pursue
- businesses located within a few miles of a branch of the bank which appeals to customer convenience
- businesses that want personalized banking services to fit their unique needs

These characteristics form a target "market". This target market yields a list of target customers for the bank's sales team to pursue.

Target markets helps a company's marketing department develop compelling value propositions that match buyer needs with the company's offerings. The value propositions can now be used in awareness and demand generation campaigns. Sales can then pursue these targeted leads to win business.

Knowing the needs of customers, matching their needs with a company's products, and marketing to the appropriate targets will generate more leads and accelerate growth than selecting target customers at random.

To learn more, visit [bennettfrank.com/services/targeting](https://bennettfrank.com/services/targeting).



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