

Name:

Date:

Class:

Building Your Business Plan

Activity 3-2: Target Market

Step 1: Understanding the Customer

Complete the following market analysis by answering the questions and completing the consumer and customer tables that follow.

1. Identify all the potential customers who you think might buy from your business. This group could be consumers or businesses, including governmental agencies.

Answer:

2. Determine the overall market size. Identify your source and the method of research used.

Answer:

3. Who do you think your customer is? Enter your customer information into either of the following tables to build a profile of your customers. If you are targeting individual consumers, use the Consumer Worksheet. If you are targeting businesses, use the Business Customer Worksheet.

Consumer Worksheet

Characteristics	What I Think My Customers Are Like
Gender	Answer:
Education	Answer:
Age	Answer:
Income average or range	Answer:
Occupation	Answer:
Household size	Answer:

Characteristics	What I Think My Customers Are Like
Family size	Answer:
Marital status	Answer:
Location	Answer:
Children/ages	Answer:
Lifestyle characteristics	Answer:
Ethnicity or culture	Answer:
Activities	Answer:
Interests	Answer:
Values	Answer:
Benefits desired	Answer:

Business Customer Worksheet

Characteristics	What I Think My Business Customers Are Like
Size of company (small, medium, large)	Answer:
Number of employees	Answer:
Type of business (service, retail, manufacturing, government)	Answer:
Organizational structure	Answer:

Characteristics	What I Think My Business Customers Are Like
Who makes purchasing decisions?	Answer:
Reputation in industry	Answer:
Market share in industry, if possible	Answer:
Who do they currently purchase my type of products from?	Answer:
Needs	Answer:
Location(s)	Answer:
Global business?	Answer:

Step 2: Market Segmentation

Answer the following questions to complete the necessary market research for segmenting your market and identifying your business's target market.

1. You have ideas about who you think your customers are. Now, conduct market analysis by gathering the primary or secondary research to confirm your hypotheses. Record your sources.

Answer:

2. Using the information from your research, list the actual characteristics you will use to segment your market according to the following variables. These characteristics will identify your business start-up's target market.

A. Geographic Variables

- i. Region

Answer:

- ii. Climate

Answer:

- iii. Population density

Answer:

B. Demographic Variables

- i. Age

Answer:

- ii. Gender

Answer:

- iii. Income

Answer:

- iv. Ethnicity

Answer:

- v. Education level

Answer:

- vi. Occupation

Answer:

- vii. Marital status

Answer:

- viii. Family size

Answer:

C. Behavioral Variables

- i. Benefits sought

Answer:

- ii. Brand loyalty

Answer:

- iii. Special occasions

Answer:

- iv. Usage rate

Answer:

- v. Buying status

Answer:

D. Psychographic Variables

- i. Interests

Answer:

- ii. Values

Answer:

- iii. Activities

Answer:

- iv. Attitudes

Answer:

Step 3: Customer Profile

Using the customer profile example in the text (Figure 7-4), create a customer profile for

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your business' primary target market segment. This customer profile should be included in the appendix of your business plan.

Answer: