

Target market

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A commonly used and effective way of identifying a target market is through market research whether it is primary where it is gathered first hand or secondary from other sources such as newspapers and the internet. Market research will assist my business, Bronze Beauty, in recording and developing data from potential customers to ensure our products will meet their needs, likes/dislikes before any products or services are developed.

It is a process that is continual because once existing products are put in place; new products need to be introduced every so often to maintain customer interest. This means that market research is carried out throughout the years of an up and running business and is not just used for the start -up of Alpha. This enables them to remain as a competitor in the competitive market and continue to fulfil their customers changing needs. Alpha could use primary research such as questionnaires, interviews/surveys etc. , to find out consumers' preferences.

They could also use secondary research such as official statistics, newspaper reports etc, to make the accuracy of their findings stronger and to ensure that their primary research is representative and can be generalised for the whole population of their potential consumers. Competition Every new business needs to determine both direct and indirect competitors. The best way to do this is to visit the locality in which the business will be situated and identify what businesses are there. Other ways to find out about competitors include using an internet search engine or online and paper based directories.

New business should also research how much market share their competitors have, how much marketing they undertake and whether the

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market is open to new competition Businesses need to be fully aware of competitors because they could make companies lose out on significant amounts of revenue. There are direct competitors which is competition between two or more businesses that virtually offer the same services and products. Then there are indirect competitors where there is competition between suppliers of different types of products and services that satisfy the same needs.

Companies can find out about competitors using the internet search engine and can overcome them by Unique Selling Points and locating their business in a place that isn't as open to a lot of competition. The level of competition to Alpha is extremely because there are a lot of online gym suppliers on the internet. It is a new business therefore it should research whether the market is open to new competition, how much marketing they undertake and how much market share their competitors have. To overcome competitors what I aim to do, is to contact professional bodybuilders to come and take pictures while they use my products.

To be a high competitor in the market I need a Unique Selling Point to gain the most customers. My part time USP is that the first time a new customer shops they get up to ? 50 free on any product of their choice. My second USP is that they will be given a picture of a top 10 body builder or professional fitness model after their 3rd time of buying my equipment Economic outlet Businesses need to listen to the news every so often to find out about any alterations in the economic outlet, that is constantly changing, such as inflation, interest rates etc.

This will affect businesses because it could limit or increase the amount that businesses receive or spend. For example, if inflation increased then this would mean that the business might have to spend out more money to suppliers in order to gain the resources they need. This may also require them to raise prices in their businesses for purchases of services or products. Increased inflation also affects consumers because it could mean that the disposal capital they possess is lower therefore they may spend less at Alpha.

If interest rates increase then it will mean that businesses will have to pay more back after any loans taken. This could be a downfall in particular for Alpha gym because it is a new business therefore they would be taking a loan out from a bank meaning more interest would have to be paid back. Ultimately the economic outlet contributes to businesses because it helps them to identify barriers and make strategic plans in order to satisfy their target market. In addition, another way that Alpha could identify their target market is through sales forecast.

This is when businesses use statistical techniques to predict sales figures. Using sales forecast might not be completely accurate and cannot be used with complete certainty because there will be no past data with new products. Customer behaviour analysis is a common technique that businesses use when identifying their target market. This is when businesses assess customer's choices and actions in a bid to find out their likes/dislikes by observing the behaviour of consumers. Businesses may do this by using primary and secondary research methods.

For example Alpha might carry out a questionnaire to find out what paying methods potential consumers prefer whether it be via cash, vouchers, credit or debit cards. However this could be time consuming and the expenses of doing primary research may be high depending on the method used. In much the same way, Alpha could also use Market trends to identify their target market. This is when companies look for any patterns or trends in the market. If there is a trend in the market that is growing sales then Bronze Beauty could act upon this trend and use it to gain potential customers.