

◆ EXERCISE (cont) ◆

- ◆ What they need is

- ◆ To find out more about them. I can

- ◆ To give them what they need I will

Profile your customers throughout the life of your business. Add notes and make changes as you increase your customer base. You may find your target audience diversifies as your product range does. Keep track of all this.

STEP 10: FIND YOUR NICHE – NARROW THE SEARCH

The Importance of Targeting: Define your Audience Segments

With limited resources you cannot hope to compete in all available markets. For a small business this either means finding a highly specialised niche in a national or international market, or tailoring a product or service to compete in local markets.

Look for a niche group of customers within your customer base or intended market – this is essentially a group of customers within your target market who have common tastes, needs, characteristics and are likely to be your best customers. You will then be able to tailor your product to suit your niche target market's needs; market specifically to them and be better prepared to reach them.

CASE STUDIES

As a professional photographer with pet ferrets, Karen Parker spotted the potential for a company providing ferret-themed gifts in December 2001 and established Ferretsuk. By creating unique images and combining them with unique products, online trading and a memorable name, she has since created a very successful business that was exporting to the largest ferret company in the USA within a month of trading. The gifts include calendars, Chateau Le Ferret wine, ferret mouse-mats, cufflinks, cross-stitch, welcome mats and mugs, and her niche audience is... people with pet ferrets.

Founder of Cobra Beer, Karan Bilimoria, decided to enter the beer market in 1989. Just over a decade later Cobra Beer is selling more than £60 million worth of beer per annum, half of which is consumed in 5,600 Indian restaurants throughout the UK. Despite sharing just 0.02 per cent of the total UK beer market, Cobra beer is *the* beer you'll find at your local curry house – now a well-known brand. This is all down to finding a targetable niche within an overall target audience and aiming marketing and sales to that section of the market.

'By targeting a niche, they managed to survive – it was a niche that [none of the big brewers] had thought of,' says John Band, a drinks analyst at Datamonitor.