

# Understanding TARGET Audience

Demographic  
Segmentation

Behavioral  
Segmentation



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# Understanding Target Audience: Comprehensive guide to Market and promote your products/services

Target audience is a particular group of consumers who are most likely to buy your product or services, and they are united by some mutual characteristics, like buying behaviors and demographics.

The more you sharpen your target audience, the more you will be able to understand how to meet the best prospects. You can start with broad categories such as millennials or single dads, but to achieve the best possible conversion rates, you need to get much more comprehensive.

Also by having a clear view of your prospects, you can accordingly know how much inventory is required for different segments of your target audience.

To better understand each of your target audience markets is divided into 4 different segments known as market segments:

- Geographic segmentation
- Demographic segmentation
- Psychographic segmentation
- Behavioral segmentation

However, in this chapter, the focus will be more on the Demographic and Behavioral segmentation, as this affects a small business bottom line the most.

## Demographic segmentation

Demographic segmentation divides a market by variables such as age, gender, level of education, family size, jobs, income, and more. This method of segmentation is a commonly used technique because the catering of specific products to obvious individual needs relevant to at least one demographic item.

For instance, children's school shoe retailers might define their target market as parents whose child has just started their schooling.

One of the main advantages of demographic segmentation is that you can readily access the information you need. In order to determine who, where and how you want to market your product, you can easily get census data. Automotive manufacturers, for example, may sell their cars to various age groups, income levels, and gender.

Customer retention and loyalty is another advantage of demographic segmentation. When a company spends time reflecting on its clients and their needs and wants, customers would surely return for repeat business.

It is found that nearly [50% of millennial women](#) shop for clothes more than twice a month, compared with just 36% of older women. Furthermore, millennial men spend twice as much on clothes as they do non-millennials.

In a business context, what does this mean? If you're a clothing retailer, you'll have very different target audiences whether you're selling \$15 denim or \$500 coats. Denim pants can be bought multiple times a year at a retail price of \$15, while a \$500 coat may be a one-time buy. Hence you now have a clearer idea of your target market i.e. millennials who want variety at a lower cost.

## Behavioral Segmentation

Behavioral segmentation divides the consumer through purchasing behaviors. An example includes online retailers who personalize their website contents by recommending products based on prior purchases to visitors. Behavioral segmentation also includes the sought-after benefits, degree of loyalty and rate of use. In this segmentation method, different messages might suit those who are more loyal to your product.

Behavioral segmentation is done in such a way that buyers exhibiting similar purchasing habits can be clubbed together in one group. This helps companies sell their product and market it in a very organized way as they can target the consumer based on their needs.

Here are some of the behavioral segmentation parameters to target consumers for a product or services:

### Behavior segmentation based on Loyalty

Business's growth depends on two basic rituals

- Acquiring quality customers
- Retaining them

Dividing the market into smaller segments, each with a common variable enables brands to use precious time and resources more efficiently. The loyal the consumer, the greater will be your customer base. That's one more type of behavior that advertisers are targeting. Strategies for acquiring brand loyal customers are very different from those used to attract new ones.

For example, this hospitality industry, hotels, airlines, restaurants, etc. leverage this segmentation extensively to retain its customers. Many airline companies like Emirates, Vistara offer Gold, Platinum membership

to their frequent flyers by providing the most excellent experience possible.

## Occasion oriented

Occasion or time-based segmentation refers to consumers purchasing your products and services during a specific period on a regular basis or once in a lifetime.

Let say, if you're into the apparel business, a buyer approached your store on one fine day and bought a wedding gown. Now you can not promote the same product (wedding gown) again, as the wedding (usually) is once in a lifetime thing. Instead, try getting the information like *"Hey, it seems you're getting married, may I know when is that auspicious day?"*

By asking this question you'll eventually get his/her wedding date, therefore in the future, you may offer them a promotional discount voucher form your store for the occasion of their anniversary.

However this technique is only yet seen from a marketing perspective, but it can also be used to stir the business model or product type to target different buyers.

From the above example, you might get your buyer's occasion date (anniversary), therefore, in this case, you can even try a new business model of **"renting"** your wedding/special occasion garments on their special day. Following this, you'll eventually be able to segment your customers those who offer you with some vital pieces of information.

## Usage-based behavioral segmentation

In this segmentation, the grouping could be based on how much a customer uses/consumes a product. We call them either heavy users or medium user groups.

For example, some customers use a lot of personal care products whereas others don't use much of personal care products. Thus the customers can be targeted according to their product usage.

This segmentation focuses on questions such as:

- How consumers are using your product or service
- How often do they use it?
- How much time they spend with it
- What core features they utilize
- How many users from the same account use it?

It allows them to test various marketing initiatives to increase usage from customers with lower usage, and potentially attract new ones with heavy usage.

### Benefits sought

This segmentation goes more deeply into the specification of each customer. When customers conduct research on a product or service, their actions may provide valuable insights into which advantages, features, usage cases, or problems are most important. And if a consumer puts a higher value on certain benefits over others, then the driving factors for that customer are those primary benefits.

It is a hard part to define or filter-out your target market. When you know who you're approaching, it's much easier to figure out which media you can use to reach them, and what marketing messages can echo them.

Instead of delivering direct mail in your ZIP code to everyone, you can just give it to those who fit your requirements. By identifying your target audience --save money and get a better return on investment

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*“I think a mistake a lot of people make is to identify a target audience and then work backward into creating a product for them.”*

*--Ricky Van Veen  
Head of Global Creative Strategy, Facebook*

## **Book Preview**

In this article, you'll learn what target markets and target audiences are. Plus, we will also see how to identify the market that your business needs to focus on to thrive. The more you know about your audience, the more powerful your marketing efforts will become.

Identifying the target market is an essential step in the development of products, services, and marketing efforts used to promote them.

Your target audience may or may not be your product's end users but they are the people to whom you intend to focus your marketing. To connect with your target audience effectively, you need to consider who they are, and what their true needs and desires are.

Download this eBook to get deep insightful knowledge about the target audience, and how you can market/promote the product or service effectively.