The aim behind every organization is to manufacture products which would fulfill the needs of a potential customer. Organizations do plenty of research for making new innovative products, focus on product/service quality, train their resources and assess their financial resources etc. These things are very critical in determining the efforts and journey of any product. But above all, there is one factor which channelizes the efforts of the companies and helps them in determining their potential customer base is through targeting.

Targeting or selection of Target Group (TG) is a process of selecting a set of population which would be a potential audience or customer base for a particular product or service. The basic of marketing involves three main processes, namely segmentation, targeting and positioning (STP). Segmentation slices the market into various parts, but the most critical part is selecting the most appropriate part, which would be best suited for the company's product and service. Thus, selecting the correct target group becomes a critical part while narrowing down on the accurate potential customers.

Selection of the target market segment is important and while selecting the best target market, organisations have to evaluate the following parameters:
• Growth of the segment/ sector/ industry

• Size or population of the potential target group

• Existing competition

• Sales potential

• Communication/ advertising expenditure

• Expected profit margins

Hence these are a few parameters which help organisations accurately focus on a target group. Organisations have to study, evaluate and analyze a lot of factors like product type, category, customer demographics, behavior, financial resources etc which taking a final decision on selecting the target group.

Target Market strategies are ways in which organisations can decide and finalize a prospective target audience for their product or service. Some of them are discussed below:

- **Single Segment**: This strategy is implemented for a single product for a single market segment, and usually used by small entities with limited financial resources.
• **Selective Specialization**: Also known as differentiated marketing, similar or different products are targeted towards different segments by different value propositions or distribution channels.

• **Product Specialization**: This strategy is adopted by companies which have a unique product and targets it across various segments.

• **Market Specialization**: If a company has a command over a market segment, then it creates different products to serve this segment.

• **Complete Market Segment Coverage**: This strategy is adopted when an organization cuts across all the segments providing with multiple products for all segments by mass marketing.

Starting a new business is a challenge as companies have to make their presence felt before taking a step forward. Making a business spread with a good word of mouth would help a business expand. But the first step before jumping into the pool of competition is to hit the bull’s eye by selecting the most appropriate target group.

Go Back to **SEGMENTATION** or Move on to **POSITIONING**