

Worksheet #1. Market Analysis: What is my target market?

A target market is a well defined group of customers. Markets can be found within any broad category: consumers, businesses, industries, institutions etc. Consumer groups, for instance, can be characterized by demographics, geography, lifestyle, values, leisure, occupation, etc. Business customers can be defined in terms of markets, products, management styles, distribution channels, size, etc. **Markets include the end consumers of your products and services and the businesses who distribute and sell your product to that consumer, the channel customers. For a group-based business it also includes members.**

Begin market planning by clearly identifying the market you want to target. Note that this may or not be the market you are working with now. The idea here is to think creatively about your product so as to determine what set of customers are going to give your business the cash flow, profit and growth it needs.

Start with a big piece of paper. Across the top write a brief description of your product as currently conceived. Next, write your answers to four key questions: **Who** will buy my product? **Why** will they buy my product? **What** will they pay for my product? **Where** do they expect to find this product? The questions listed in the charts below will help you find the answers.

Finally, step back, consider what you have learned and write 1) a brief, focused description of your target market, 2) an assessment of which aspects of your business need to change in order to attract this market, and 3) a list of what is involved with making needed changes.

1. Who will buy my product (and/or service)?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What do my customers look like? (demographics, characteristics)		
Where are these buyers located?		
How do they cluster or group together (market segments)?		
Why do they (should they) want my product?		
What quantities will they buy? Will they increase or decrease their purchases over time? Why?		
Where am I going to find more of these buyers?		
What else do I need to know?		

2. Why will these customers buy this product?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What are the reasons someone will buy my product? status? taste? health? recreation? ?		
Why are they interested?		
What are they looking for? Why?		
When are they looking for it? Why?		
What is important to them? Why?		
What else do I need to know?		

3. What will these customers pay for this product?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What are they buying now? (competition)		
At What price?		
In What quantity?		
Is my product price sensitive? Why?		
What else do I need to know?		

4. Where do buyers expect to find this product?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
Where are they buying a similar product now? Why?		
Will they go out of their usual way to find or buy this product?		
What is the best method to move this product to this market?		
What channels are involved?		
What is the channel cost?		
Who makes the channel buying decision?		
What is important to the channel buyer?		
What else do I need to know?		

Worksheet # 2. Product development: What am I going to market?

Now that you have a clearer idea of who your market is and what they want, how does your product meet their needs? Remember that products are continually fine tuned as you better understand the needs of your customers and the mechanics of your business. The challenge is to **think about your product from the perspective of your target market**, both end consumer and channel customer.

When you have finished answering the following research questions, take a second big piece of paper and summarize your answers into a brief description of 1) what you are going to produce and 2) how you will make your product meet the needs of your end consumers and channel customers while being competitively priced and profitable.

1. What is my product?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What benefits does it provide?		
What is needed to produce my product (technology, equipment, packaging, labor, utilities, facilities, regulatory compliance) ?		
What does it cost to produce? At what quantities?		
What are the costs, benefits and trade-offs of alternative systems and scale?		
Does my pricing structure cover all my costs and return a profit?		
Is my pricing appropriate to my customers (consumer and channel)?		
What else do I need to know?		

2. What is the best method to package and present my product?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What size?		
What message?		
What style?		
What are the packaging requirements of alternative channels?		
What else do I need to know?		

Worksheet # 3. Market Positioning: How does my product satisfy the needs of my market better than my competition?

Market positioning is the way you communicate precisely the place your product holds in the marketplace. How you position your product in the mind of your customer determines how the product is perceived.

Positioning is the strategic component of marketing. It ties together information about your product, your market, your competition and your industry. It is the answer to a very basic question: What business am I in? “the what’s for dinner business?” “the family vacation business?” ? ? You can distinguish yourself on the basis of the needs you fill, the services you provide, the distribution channel you use, the pricing strategy you employ.

Think about your product from the perspective of your customer and that of your competition. Note that buying usually comes down to a decision of choice: Your task is to figure out how the make the customer choose YOUR product.

When your research is complete, take a third piece of paper and summarize your findings into a position statement of 25 words or less that answers two questions: 1) What business am I in? 2) Why will the market want my product rather than that of my competition?

1. What need does my product fill?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What benefits does my product offer?		
What is my competition offering?		
To what needs or values are they appealing?		
What position are they aspiring to own?		
How are they communicating their position to the consumer (image, message, packaging, distribution channels, service, pricing)?		
How is my product the same and different?		
What do my customers really value?		
How can I appeal to those values better than anyone else in the marketplace?		
What else do I need to know?		

2. Organize a competitor file:

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
Name of Competitor		
Product (names, contents, sizes, etc.)		
Packaging (design, message, etc.)		
Pricing strategy		
Where can you buy this product?		
Shelf placement		
Number of facings		
Promotional support		
Distributors		
What are the product's strengths?		
What are the product's weaknesses?		
What is the target market for the product?		
How is the product positioned?		
What else do I need to know?		

Worksheet # 4. Market Connection: How will the market know I have what they need?

Making connections with your target market lets the customer know you have the product or service they need. Unless you are a consumer direct marketer, these connections are made with the assistance of intermediaries: businesses that warehouse, transport and sell your product to those with direct consumer contacts and the businesses that represent your product to that system. These businesses are the marketing channels that move products from their point of production to the final buyer. Some such as wholesalers and retailers buy and resell the product, others, such as independent warehouses and transportation companies provide distribution services for a fee, while still others, such as brokers represent the product in the marketplace for a commission.

Channel businesses are a key component of your marketing strategy. How a channel business warehouses and distributes products, how it targets consumers, and how it features and merchandises goods all define its particular set of needs and resulting buying criteria. To be an effective marketer, producers need to identify and understand the differences among channel markets and market their products accordingly. No single marketing program works for all markets.

When your research is complete prepare a strategic plan that addresses these questions:

- 1) What will it cost to reach each potential market segment?
- 2) Where can my business reach the best market at the least cost?
- 3) Which market/channel options do we now develop?

1. What distribution channels are best suited to my product, my customers and my business?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What will it take connect my product to my target market?		
What existing channels could I use?		
What new channel relationships will I need to develop?		
What will it take for my product to fit into these channels (transport, warehousing, packaging, fees, promotions, etc.)? At what cost?		
How will I enter the marketplace?		
What is the most effective channel I could use to reach our market?		
What else do I need to know?		

2. What are channel cost/benefits?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What are each channel's marketing costs?		
What is the impact on market price? margin?		
What are my most cost effective channel/market options?		
What else do I need to know?		

3. What will it take to sustain market/channel connections?

WHAT DO I NEED TO KNOW?	WHERE DO I FIND THE ANSWERS?	RESULTS:
What mix of personal selling, merchandising, advertising and promotional activities will be needed?		
What are my long term marketing costs?		
What will it take in time, revenue, marketing effort to sustain each market channel option?		
How does my packaging, advertising and promotions link my product to its market?		
How does the appearance and style of my business reinforce my market message?		
What else do I need to know?		