

Targeting Success

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Truly successful targeting of offers and services addresses the needs of the prospective customer and delivers an offer that speaks from the organization's strength. The key to achieving success in targeting offers and services is also dependent on its application as part of a cohesive market strategy, thorough segment-by-segment plans, marketing activity of sufficient scale, and a measurement process.

Begin Targeting with Segmentation

The first step to effective targeting is to segment the market, select target segments and develop a profile of the target customers. After this is done, it is possible to develop an offer that speaks to the customer needs, attitudes and the context in which the service will be used. This process consists of the creation of a specific market mix to fulfill the needs, as well as the market conditions of each specific target segment. Many marketers simply identify target segments and then deliver uniform services to all. While you may gain some increased effectiveness from targeting, success will ultimately depend not only on targeting the customer but doing so with the right product positioning and mix development.

Choose a Strategy

Once the firm has chosen its target market segments it must choose a competitive strategy and examine it across target segments. In some cases it might become apparent that a counter-segmentation or umbrella strategy is applicable. In most cases, however, the development of distinct mixes for each segment is necessary.

According to marketing author Philip Kotler the only sustainable generic strategy in a segmented market is differentiation. He explains that the only other generic competitive strategy alternative (low cost) is not sustainable in a segmented market. This is even more the case in the association and content delivery arena where free resources are abundant. In addition, a successful differentiation strategy must generate customer value, provide perceived value, and be difficult to copy.

Package your Strategy into a Brand

At this point in the process the service provider selects those ways in which it will distinguish itself from its competitors. In most cases the differentiation involves multiple elements. In fact, according to branding author David Aaker, "most successful differentiation strategies involve the total organization, its structure, systems, people, and culture." One way to differentiate is through brand equity building. A strategy based on brand is likely to be sustainable because it creates competitive barriers.

A brand strategy permits the strategist to work with complex concepts and not limit the differentiation strategy to just a few competitive differences. This approach is consistent and reinforces the Segmentation, Targeting Positioning (STP) approach. A successful brand strategy builds barriers to protect the selected position by creating associations of the positioning variables with the brand name in the prospect's mind.

Set Objectives and Plan per Segment

Having clear marketing objectives for each segment is critical to success.

The articulation of the specific offers along with their timing, sequence, and packaging needs to be developed through an integrated marketing approach.

When developing the mix it is common to find that segmented approaches are not pursued with sufficient effort, as building adequate resources for each targeted segment and doing so across channels and media is necessary. The key steps are:

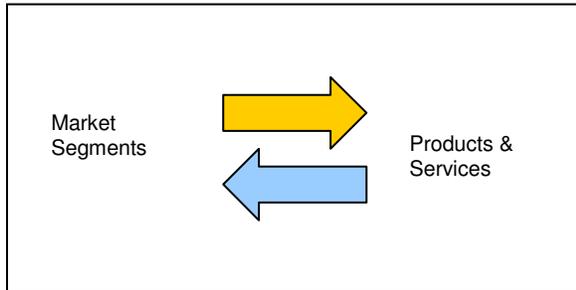
- ★ Articulate your marketing objectives for each segment.
- ★ Define your communications and positioning objectives.
- ★ Develop a marketing mix specific to the segment.
- ★ Develop a tactical plan that is integrated with overall efforts and is scaled to make an impact in the market segment.

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- ★ Embed measurement and feedback plans to ensure increasing returns.

Conduct Two-way Targeting

Often an organization already has a set of services or products such as conference offers, memberships or publications that can be offered. In these cases, the targeting process is accompanied by an analysis of the offers themselves. The objective is to identify the audiences that have highest interest in them, and the segments where the service is most competitive. In this way, the existing services and capabilities of an organization can be packaged and aimed at the right segments in order to deliver maximum differentiation.

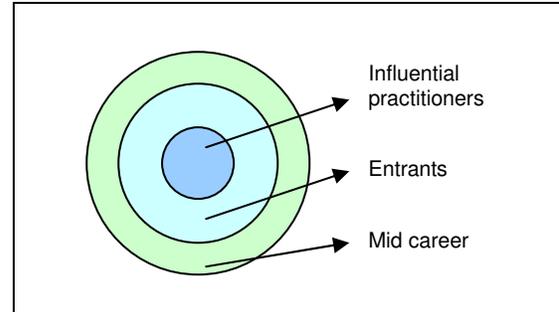


Develop a Segment Invasion Plan

The point of effective targeting is to attack a segment with maximum impact, while optimizing available resources. By developing a concerted plan to occupy specific niches according of strategic importance and optimum response both marketing and ROI objectives can be met.

Even though segments tend to be homogeneous, and to be true segments they must have similar response to key market stimuli, the likelihood to respond can vary within segments and within market niches. From a strategic perspective, it is also necessary to select those niches where the organization can sustain a competitive advantage. Having a clearly identified core target audience and prioritized secondary audiences leads to maximum impact.

Optimizing marketing efforts can be extremely powerful, especially when tactical approaches are direct. In the example below, targeting of a membership offer has the following core targets:



Maximize Targeting Precision

Using predictive models, geographic targeting and other methods can help improve effectiveness and maximize response.

Using the customer profile it is possible to narrow down the target profile to specific combinations of attributes including demographic, geographic, attitudinal and behavioral characteristics. Some of them include:

- ★ Career stage
- ★ Life stage and generational cohort
- ★ Geographic location
- ★ Past purchase/ subscriptions/ affiliations

Measure for Continuous Improvement

Targeting is a dynamic process. Embedding test-and-measure mechanisms in the offers to track success and refine the targeting process can lead to increasingly higher levels of effectiveness.

Through up-to-date accurate and relevant customer profiles, segmenting appropriately and continuous calibration of your targeting efforts will help increase efficiency and identify new ways to adapt offers to the segment. This will also help identify segments best suited for existing offers and services. Once you are able to effectively target in both directions, and embed feedback loops in your strategy, you will be on your way to targeting success.

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