

How to decide ideal target market

Several insights that can be gleaned while considering the target markets.

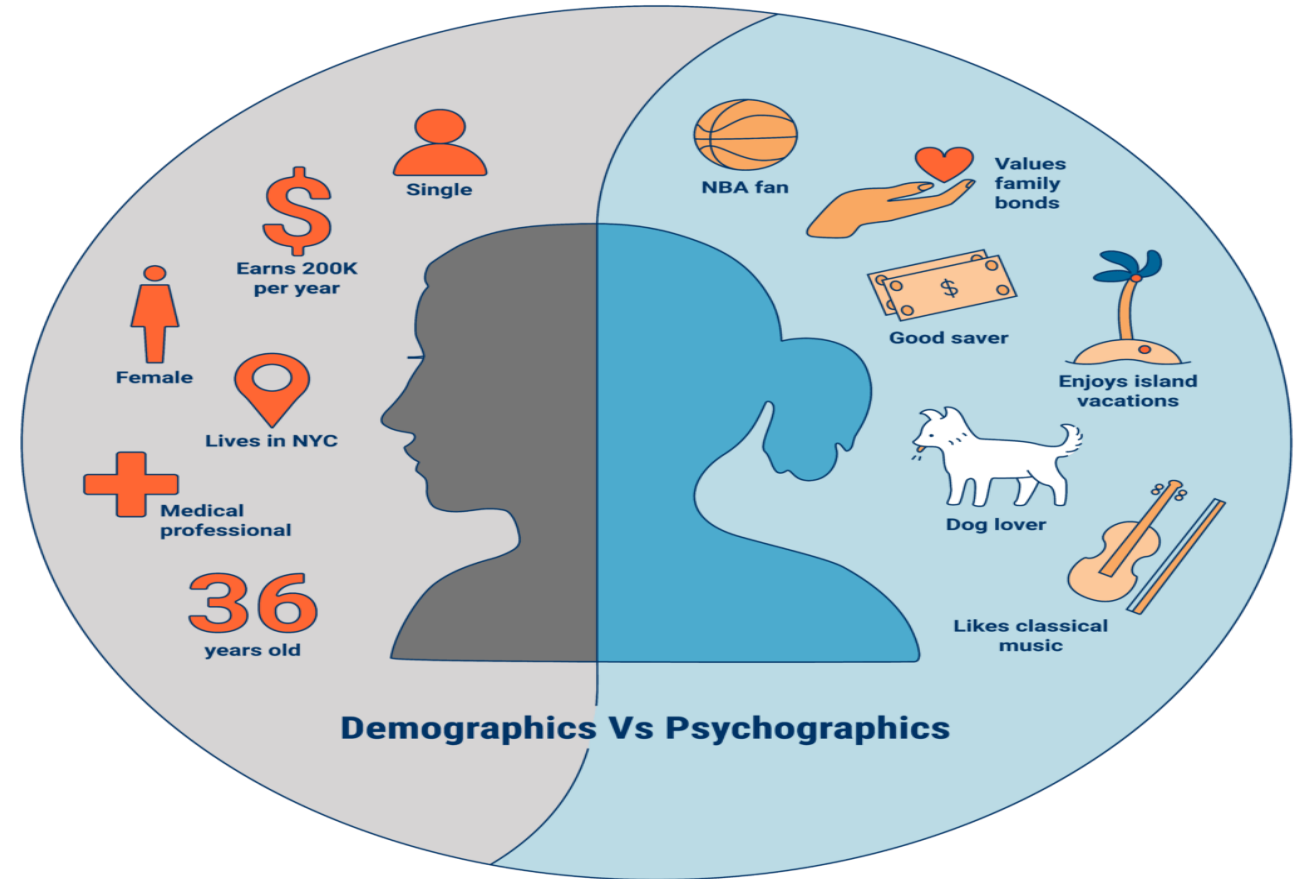
- To enter new markets your product should obviously be easily accessible to your desired target audience. Given the current state of the economy, having a well-defined target market is more important than ever. No one can afford to target everyone. It's not also feasible and legit to target every group. Hence, it is required to focus on a niche market. Targeting a specific market does not mean that you are excluding people who do not fit your criteria. Rather, target marketing allows you to focus your marketing dollars and brand message on a specific market that is more likely to buy from you than other markets. This is a much more affordable, efficient way to reach potential clients and generate business. A service can appeal to different consumers that may have different goals and needs. As a result, one-size-fits-all marketing is bound to fail because of the lack of pinpoint focus. We can decide the target business on the types of consumers they cater to/customer satisfaction index based on Sex, Age, profession, diversity and pricing of competitive products. These are the factors that would give a brief idea of the type of user experience they seek.

-We can also categorize based on nonessential and essential goods. Essentials would include health and hygiene products. This would mean medicines, protective gears, daily essential foods and personal care.

We can split further based on how the customer needs the product. For example, the premium segment will have incline towards luxury goods compared to a product which the mass population uses.

-Category-wise CAGR across all platforms for the last 2-3 years can also be a source to determine growth patterns and target audiences. This needs to be taken into the realm of (supermarket, e-commerce and general trade). Especially, focus on those categories which have seen abnormal growth in last one year as they are the categories which would have grown the most during covid.

Consider the psychographics of your target- Determine how the product would fit in your targets' lifestyle. Factors such as analysing the product, choosing specific demographics and looking at your current customer base(includes market research and monitoring industry trends) can also turn out to be a huge determining factor.



Most importantly you need to define who your target audience isn't. Try to be specific in determining your target audience. Is your target audience women or women between 20-40 only. Knowing this will keep you away from devoting dollars to the segments that will not yield return.

Identifying the target markets

Key Points for taking decision

Based on sex and age, the top verticals for most countries come out to be Online Retail Outlets Like Amazon, Beauty Retailers like Sephora, L'Oréal, Christian Dior, Accessory Retailers like Forever 21, Victoria's Secrets, Lowe's, Hardware and Furniture Retailers like Ikea, Home Hardware stores And Electronics Retail Outlets like Sony.

Based on the Verticals and the top Brands, the most customer experience-centric countries come out to be the USA, Canada, Germany and France. While the Country having Brands that provide the best customer experience throughout the world are New Zealand and Denmark.

Based on the above two points we can say that we need to target Businesses in both the sets of countries which are brand size, consumer-centric and where people have user-friendly customer experiences which are into smaller brands but provide best in class user experience to their customers. Pharma is one sector that is a necessity and would do well with decent user experiences.

Top 3-4 countries that I would choose - USA, Argentina, Brazil and Afghanistan

Reasons for choosing these countries

- The economies here are mature.
- These countries have always provided foreign investors a stable and welcoming market.
- As a place to do business, these countries offer a predictable and transparent legal system and access to the world's most lucrative consumer market.
- I have also taken into consideration the real-time scenario of COVID-19. I have targeted countries with the highest number of people in-between age group 22-55. I have mined the data of these countries and deployed.

— Countries showing a maximum increase in retail and pharma sectors in recent past. (West Asia and Latin America)has also been taken into consideration.



Some factors for choosing the counties include –

- The damage that COVID-19 has inflicted upon the populace of the country.
- Government support by way of allowances (sustenance and unemployment) etc. to the population.

I have also taken into consideration the macroeconomic factors and market insight like (GDP, inflation, brand awareness, competitive analysis, etc.) of these countries to derive a logical and coherent conclusion..

5 Relevant macroeconomic factors or market insights from Industry reports for the top 3 markets from my priority order list

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- World's Region**
- AFRICA
 - AUSTRALIA
 - OTHER COUNTRIES
 - LATIN AMERICA AND CARIBBEAN
 - MIDDLE EAST
 - EUROPE
 - ASIA
 - NORTH AMERICA
- China** \$12.24T 15.4%
- United States** \$19.39T 24.4%
- Germany** \$3.68T 4.63%
- India** \$2.6T 3.27%
- Japan** \$4.87T 6.13%
- United Kingdom** \$2.62T 3.3%
- France** \$2.58T 3.25%
- Italy** \$1.93T 2.44%
- Spain** \$1.31T 1.65%
- Canada** \$1.65T 2.08%
- South Africa** \$0.35T 0.44%
- Nigeria** \$0.37T 0.47%
- Finland** \$0.25T 0.32%
- Egypt** \$0.24T 0.3%
- Austria** \$0.42T 0.52%
- Australia** \$1.32T 1.67%
- Denmark** \$0.32T 0.41%
- Chile** \$0.28T 0.35%
- Colombia** \$0.31T 0.39%
- Argentina** \$0.64T 0.8%
- Brazil** \$2.06T 2.59%
- Mexico** \$1.1T 1.45%
- Indonesia** \$1.02T 1.28%
- UAE** \$0.38T 0.48%
- Saudi Arabia** \$0.68T 0.86%
- Iran** \$0.44T 0.55%
- Israel** \$0.44% 0.35T
- Bangladesh** \$0.25T 0.31%
- Pakistan** \$0.3T 0.38%
- Philippines** \$0.31T 0.39%
- Malaysia** \$0.31T 0.4%
- Singapore** \$0.32T 0.41%
- Hong Kong** \$0.34T 0.43%
- Thailand** \$0.57% 0.43%
- South Korea** \$1.53T 1.93%
- Russia** \$1.58T 1.99%
- Other Countries** 7.45%

- ❖ **Inflation**- It helps in inducing production. More dollars translates to more spending which equates to more aggregated demand. More demand in turn triggers more production to meet the demand.

- ❖ **Competitive analysis**- No business exists in a Vacuum. A competitive analysis allows you to assess your competitor's strengths and weaknesses in the marketplace, providing you with fuel to drive competitive advantage.
- ❖ **Market research**- It helps you solve problems and reduce the risk of making important business decisions.
- ❖ **Brand Awareness**- This includes brand loyalty(how many customers you retain), brand penetration(what is the proportion of your target market), brand perception(What do people think of you as your company's identity or differentiating qualities) and brand positioning(how your brand differentiates other brands and articulate in such a way that resonates).

An amazing customer experience is one of the biggest competitive advantages a company can have. Instead of competing on price, companies now compete mostly based on of customer experience. Some companies take it a step further and are completely customer-centric in everything they do. Companies like Costco, Amazon, Zappos, Harley-Davidson, Trader Joes and Ritz-Carlton have made the list. A well-balanced approach of four major principles: innovation, environmentalism and sustainability, employee experience and customer-centricity may make the company stand stupendously well in the market. To be successful, companies can't rely on one of these principles; they need to excel in all four areas.

The World's Largest Retailers

Top 10 retailers based on estimated global retail sales in 2020*



Here's the list of 5 retail companies in these 3 markets(countries) that I will reach out.

Amazon

Ali Baba

Costco

Walmart

Schwarz group