Target Market Person

Teacher Overview

Market segmentation is a marketing analysis strategy that involves subdividing the market into smaller groups called segments. Market segment descriptions typically include demographic, geographic, psychographic and behavioral segments. A target market is a specific group of consumers that have similar wants and needs.

The business owner can utilize knowledge of the market segments and sound judgment when making decisions regarding different ways to build productive customer relationships through market strategies that most effectively reach the business's target market. Some target markets may not be a sound investment, while others may help a business thrive and get the most benefit from its marketing dollars.

In this activity, students will research a popular U.S. restaurant, then create a target person for the restaurant their team selects. Students will research the restaurant to gain as many clues as they can about the business's market segments and target market. After developing their target market person, teams will pitch their target market person and why they believe it represents the business's market segmentation.

When to Use This Lesson

This activity can be used at any time during the course as a part of teaching market segmentation and target marketing. Teaching target market and market segmentation also aligns with teaching the Customer Segments block of the Business Model Canvas.

Time

120 MIN

Approximately 120 minutes depending on the size of the class and the number of teams that need to pitch.

BEFORE CLASS PREPARATION

> Determine how you want to divide students into teams of 3-4. Do you want to allow them to choose their own teams? Do you want to choose their teams for them?
> Obtain enough butcher paper (or large chart paper or poster board).
> Enough markers for all student teams.
> You may need to arrange your room to allow students to work in teams with large paper. If using butcher paper, teams will need space to place butcher paper on floor or tables. If space is an issue, use smaller paper.
> Students will need access to the internet and a printer.
  • **Pro-Tip:** If a printer isn't available you may wish to have students cut pictures from magazines or use markers to draw illustrations of that represent the target market of the business.

FOUNDATIONAL VALUES

> Knowledge
> Opportunity

KEY TERMS

> Target market
> Market segmentation
> Demographics
> Psychographics
> Geographics
> Behavioral Segmentation

LEARNING OBJECTIVES

> PE LO.5, LO.5.d

MATERIALS

> Large sheet of butcher paper (you can substitute smaller paper and have students draw a smaller target person if needed)
  • **Pro-Tip:** You can substitute poster board or chart paper and have students draw a smaller silhouette if preferred.
> Markers or Sharpies
> Scissors
> Tape or glue sticks

ACTIVITY INTRODUCTION

> Whether you are developing a business model for Market Day or for a prospective business, identifying your business's target market(s) and conducting market segmentation, as well as conducting market research, are vital to developing a customer-focused business.

> Prep students by first defining or covering the key terms.

- **Demographics** – Statistics that describe a market or population of people in terms of characteristics such as; age, education level, ethnicity, gender, occupation, avg. household size or income and more.
- **Psychographics** – Dividing the market based on personality, buying motives, lifestyle, attitudes, beliefs, interests, hobbies and habits.
- **Geographics** – Segmentation based on where people live, shop and trade. Can be local, regional, national or global. Can also include where people live and the distance they will travel or method used to travel to exchange.
- **Behavioral Segmentation** - Dividing a market into groups based on consumer knowledge, uses, or responses to a product. Examples include occasions of use (regular, special, holiday, seasonal), benefits of use (quality, service, economy, convenience or speed), status of user (nonuser, ex-user, potential user, first-time user, and regular user), and rates of use (light user, medium user and heavy user), buying behaviors and loyalty status.
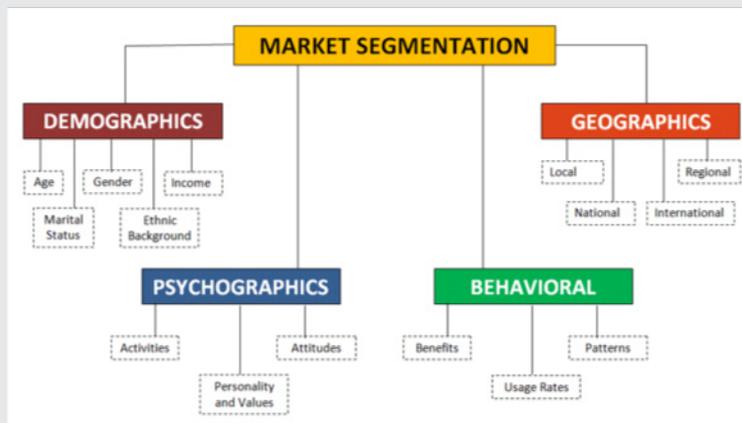

> Tell students that in this activity, they will have the opportunity to create a "target person" who is representative of the target market of a popular U.S. restaurant.

- Teams will select one of the popular U.S. restaurants listed below or they may choose to submit a restaurant for approval by the teacher.
  - **Protip:** You may wish to have students use other brands, such as clothing or video games.
- Each team will need to choose a different restaurant.
- List of popular U.S. restaurants: (All have websites can be found on Yelp.)
  - Pointers Pizza (St. Louis, Missouri)
  - White Rabbit Food Truck (Los Angeles, California)
  - The Big Texan Steak Ranch (Amarillo, Texas)
  - The Varsity (Atlanta, Georgia)
  - Lambert's (Springfield, Missouri)
  - Amy Ruth's (Harlem, New York)
  - Primanti' Brothers (Pittsburgh, Pennsylvania)

- Heard Dat Kitchen (New Orleans, Louisianna)
- Yesterday's Calf-A (Dell, Montana)
- Tio's Mexican Café' (Ann Arbor, Michigan)
- Casa Bonita (Denver or Lakewood, Colorado)
- Wahoo! Fish Tacos (Fresno, California)
- The Hideaway Grill (Cave Creek, Arizona)
- La Sandwicherie (Miami, Florida)
- (Olde) San Francisco Creamery (Walnut Creek, California)
- PityPat's Porch (Atlanta, Georgia)
- Have your team come up with a popular restaurant in your area.

ACTIVITY DIRECTIONS

> Place students in teams of 3 – 4 and allow them time to get situated at their tables.

> Give each team a large sheet of butcher paper and markers.

> Each team will have one team member lie down on the piece of butcher paper. Another member of the team will trace (like a silhouette or outline) around the teammate laying on the paper.
- **Protip:** If they are using markers during this step, they need to be very careful. You don't want them to mark their teammates clothing or skin! You may wish to have students use a pencil then go back over it with a sharpie or marker.
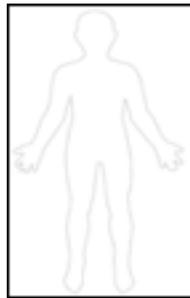
> Each team will create a "target person" who represents the team's perception of who the restaurant's target market is.

> Suggested steps for creating a target person:

> Find out if anyone on the team has knowledge to share about the team's restaurant.

> Research the restaurant online including the businesses website, Yelp and other sites to seek knowledge about the restaurant.

> Illustrate the characteristics of your target person by drawing a face, hair, apparel or other items that represent the target market.

> Name the target person appropriately for the target market.

> Protip: It is important to advise students to be culturally sensitive, not using hurtful stereotypes.

> Decorate the target person or paper with pictures of products, services and brands that would visually describe the target market.

> Place 3 ads (print or screen shots of other ads) on the paper that target the same market. No more than 1 ad should be from a food business.

> Show/demonstrate on the target market person paper at least three (3) characteristics of this target person, from each form of market segmentation. (These are based on the teams' perception.)
  - Demographics
  - Geographics
  - Psychographics
  - Behavioral Segmentation
> Each team will give a two minute pitch about their Target Market Person and how he/she represents the restaurant they selected.
> Be sure to tell the teams what they will be scored on while pitching. (See the Target Market Person Rubric for suggested pitch scoring.)
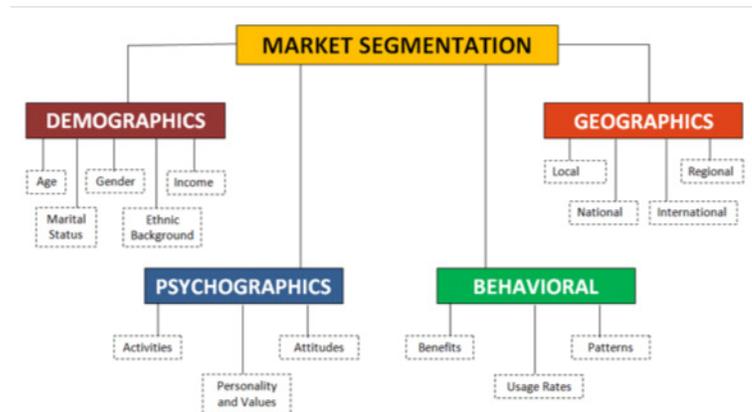
ACTIVITY DEBRIEF

> While working on this project was your team in total agreement on the market segmentation of the business?
  - How did you come to a consensus amongst your team?
> How did your team seek and share knowledge about your restaurant?
> What evidence did you find that supports your perception of the market segments the restaurant might be targeting?
> What are some reasons a small business owner might target specific market segments?
> How might a small business owner utilize knowledge of the businesses target market or market segments?
> How does the Foundational Value of opportunity play a role in target marketing?
> What is the relationship between knowledge and opportunity when it comes to a small business owner identifying the businesses customer or market segments?
> On a scale of 1 to 4 (1 being low and 4 being high), how would you rank the importance of each market segmentation; demographics, geographics, psychographics and behavioral to the restaurant you researched?
> In terms of importance in today's world, how would you rank the importance of each market segmentation: demographics, geographics, psychographics and behavioral? Why do you think "X" is most important? Why do you think "Y" is least important? Why did you rank "X" above "Z"?
> Why might target marketing and market segmentation be important to the following areas of a small business?
  - Customer Relationships (assist in market strategy decisions)
  - Marketing Budget (sound judgment in market strategy decisions lead to best use of marketing budget and resources (time and money)
  - Operating Costs (sound judgment in market budget leads to reduced operating costs - lower overhead)
  - Income Statement (lower operating costs directly effects the businesses bottom line – net profit)

TARGET MARKET PERSON ACTIVITY RUBRIC

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TMP RUBRIC	UNNACEPTABLE (1)	ACCEPTABLE (3)	TARGET (5)
Appearance	> Lacks creativity, neatness, missing name, demographic, geographic, psychographic information, advertising, &/or target information does not match the business selected	> Creativity is evident in design. Contains most information and most info is presented in a clear way that shows the relationship with business	> Creativity & neatness are evicdent, name & target information are all there
Advertisements	> No advertisements are present, with no tie in to the business target	> Some ads are present with some tie to the target	> All ads are present & tie into the target
Geographic	> No geographic characteristics are present	> Two geographic are present & tie in business	> All geographic are present & tie in to business
Demographic	> No demographic characteristics are present	> Two demographic are present & tie in business	> All demographic are present & tie in to business
Psychographic	> No psychographic characteristics are present	> Two psychographic are present & tie in business	> All psychographic are present & tie in to business
Behavioral	> No behavioral characteristics are present	> Two behavioral are present & tie in business	> All behavioral are present & tie in to business
Group Participation/Collaboration	> No collaboration or thought is present	> 1-2 members did not particiapte & no thought is present	> All members participated & thought is evident

TARGET PERSON CHARACTERISTICS