



## CASE STUDY: Market Targeting

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A division of a Fortune 500 manufacturing company was expanding production capacity and needed to do two things to ensure that this new potential was absorbed:

- ▼ Maximize its share of the existing market;
- ▼ and,
- ▼ Expand the market to include business segments where it had not previously provided product.

### Objectives

- ▼ Identify the existing customer base by Standard Industry Classification (SIC), by distribution channel, geographically across the country;
- ▼ Determine Share-Of-Market, where and how penetration could be improved;
- ▼ Evaluate marketing effort to determine operational/marketing strengths and weaknesses;
- ▼ Review distribution and assess coverage against potential;
- ▼ Determine the Features-Advantages-Benefits of the manufactured product to arrive at "opportunity" markets to develop.
- ▼ Pinpoint where prospective target companies are located, the size and scope of the industry, and how best to reach them.

### Strategy

It was a simple process to determine the existing potential, based on data supplied by the client and a search of computer databases, since private and governmental databases exist which enumerate the numbers of companies by SIC. These data are arranged in such a manner that they can be searched and sorted on a number of variables (location, number of employees, sales, etc.). Distribution and sales territory data were overlain to determine the company's estimated penetration. To aid in usage potential, and a projected Share-Of-Market, a list of companies by SIC, by area, was developed and primary research conducted against product category purchasers and specifiers. The information generated from the research was incorporated in projections and forecasts as well as real and perceived strengths and weaknesses.



The Features-Advantages-Benefits analysis found several areas where the product could work, but had not been actively promoted. The next step was to determine whether these potential markets were viable in terms of distribution and projected volume. In order to make this determination the process outlined above was repeated and, in the final analysis, three new markets were identified.

While marketing materials were being developed for use against these markets, distribution was being supplied with the names, addresses, and phone numbers of target companies within their sales/service area. At the same time, a comprehensive trade media analysis was conducted to determine which vehicles offered the greatest efficiency for reaching the new potential through existing distribution. An analysis of circulation versus distribution coverage, versus estimated universe, provided a matrix which indicated where new distribution would be required.

## Results

The process resulted in:

- ▼ The client successfully opening entirely new markets for product which enabled them to become more valuable to their existing distributors;
  - ▼ Allowing the company to expand geographically to areas they had not previously been successful;
  - ▼ Targeting their marketing efforts to the needs of the new markets more effectively and efficiently;
- And,
- ▼ They were able to absorb, from the onset, the expanded production from the new facility.