



MAY 24, 2017

There's Riches In Niches - Understanding Your Target Market.

Why having a defined target market (or ideal customer) is critical to success?



Sam Denmead

PRESENTER

- 20+ years tourism experience.
- Including 9 years running my own cycle tour company.
- As well Tourism Tasmania, Tourism Northern Tasmania and TICT.
- Currently run my own consultancy business, Green Hat Tourism (from de Bono's 6 thinking hats – the green one is about finding creative solutions for tourism businesses).
- Also president of LTVTA – local tourism association.
- Also coordinating Tas Tourism Awards this year and running events including Launceston Enchanted (tonight!) and Kid I Am in December.

AT A GLANCE

Today's Agenda



Understanding why your target market is so important.



Treating the travel trade and referral sources as tribes of their own.



Determining your current target market – your 'tribes', and their profitability

ACTIVITY

Share your target markets

TARGET MARKET

Determining your target market - your 'tribes', and their profitability.

- What is a target market or tribe?
- Meet TAM, SAM and SOM
- The profitability of your target market
- Data you have.
- Data you don't have!

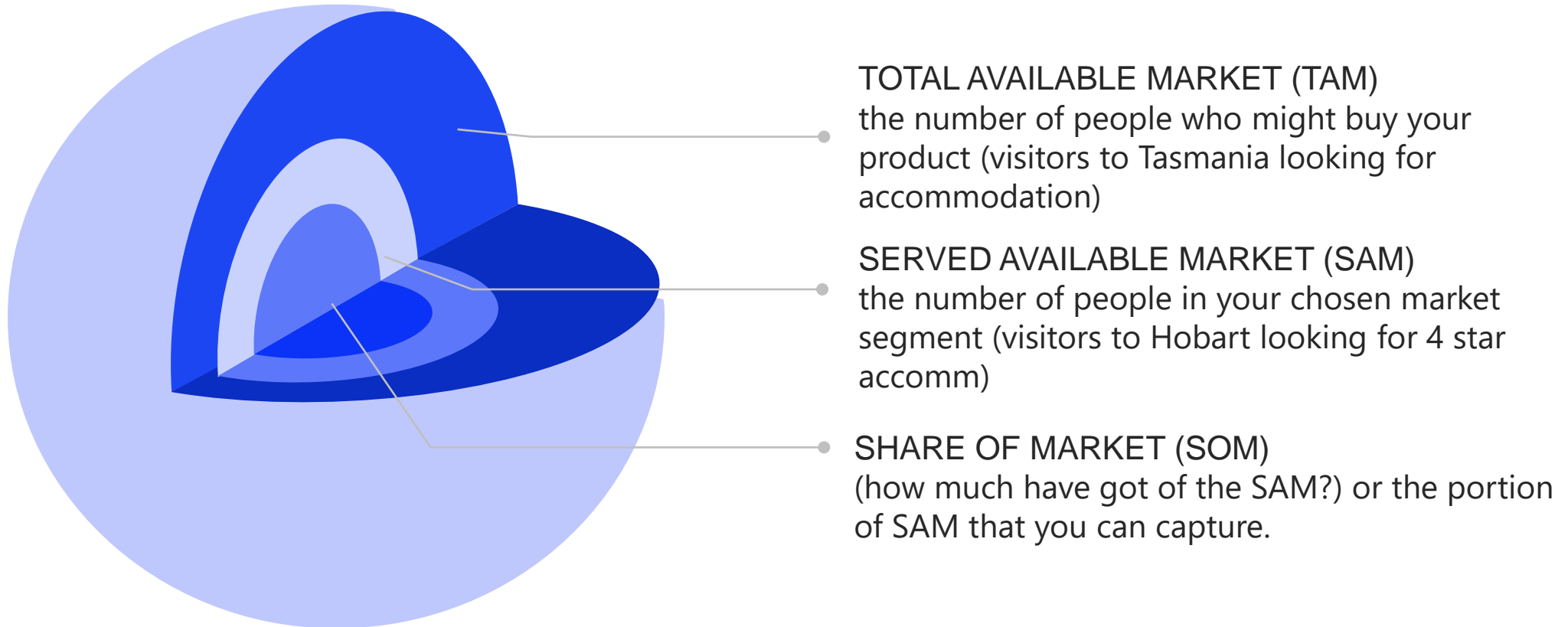
WHY ARE WE HERE?

Understanding your customers (and prospective customers) better makes it easier for you to meet the specific needs, behaviors, and concerns of different groups (or tribes).

1. Tailor your content and messaging
 2. Tailor product development and services
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TARGET MARKET

Why **'EVERYONE'** is not your customer!



EXAMPLE

Business A - 250 room four star motel in central Hobart with conference facilities

1. Corporate single males aged 35-55
2. Conference organisers looking for boutique venue
3. Leisure couples with no kids
4. Coach groups

EXAMPLE

How profitable are they?

Revenue = \$2m



Corporate

60% of sales
= \$1.2m



Conferencing

15% of sales
= \$300,000



Leisure Couples

15% of sales
= \$300,000



Coach Groups

10% of sales
= \$200,000

EXAMPLE

Business B - winery with a cellar door located on Tasmania's east coast

1. Mature, well-educated couples from Victoria/NSW with high disposable income
2. Young hipster couples from Melbourne on their first trip to Tasmania
3. Family groups with young kids and high disposable income
4. Groups – made up of random coach tours, private groups

EXAMPLE

How profitable are they?

Revenue = \$200,000



Couples

40% of sales
= \$80,000



Hipsters

40% of sales
= \$80,000



Families

10% of sales
= \$20,000



Groups

10% of sales
= \$20,000

Data you DO have

1. The strongest tribes are based on market research as well as on insights you gather from your actual customer base. Look at your own customers:
 - I. Ask them
 - II. Observe them
 - III. Ask your staff
 - IV. Feedback forms/guest book
2. Trip Advisor and other review sites
3. Social Media (Facebook, Twitter, Instagram etc)

Data you DON'T have

1. TVS Analyser <http://www.tvsanalyser.com.au/>
2. Tourism Research Australia (TRA) <https://www.tra.gov.au/>
3. Tourism Australia (TA) <http://www.tourism.australia.com/statistics/market-profiles.aspx>
4. Google keyword Selector Tool <https://adwords.google.com/select/KeywordToolExternal>
5. Ad Copy Brainstorm Tool <https://adwords.google.com/select/AdTargetingPreviewTool>

FORGOTTEN TRIBES

Treating the travel trade and referral sources as tribes of their own.



What they **NEED** from you?



How they can **HELP** you?



DATA you can utilize from them.

GROUP ACTIVITY

Using an example business, determine the main target markets (tribes) they are talking to



Look at their
WEBSITE



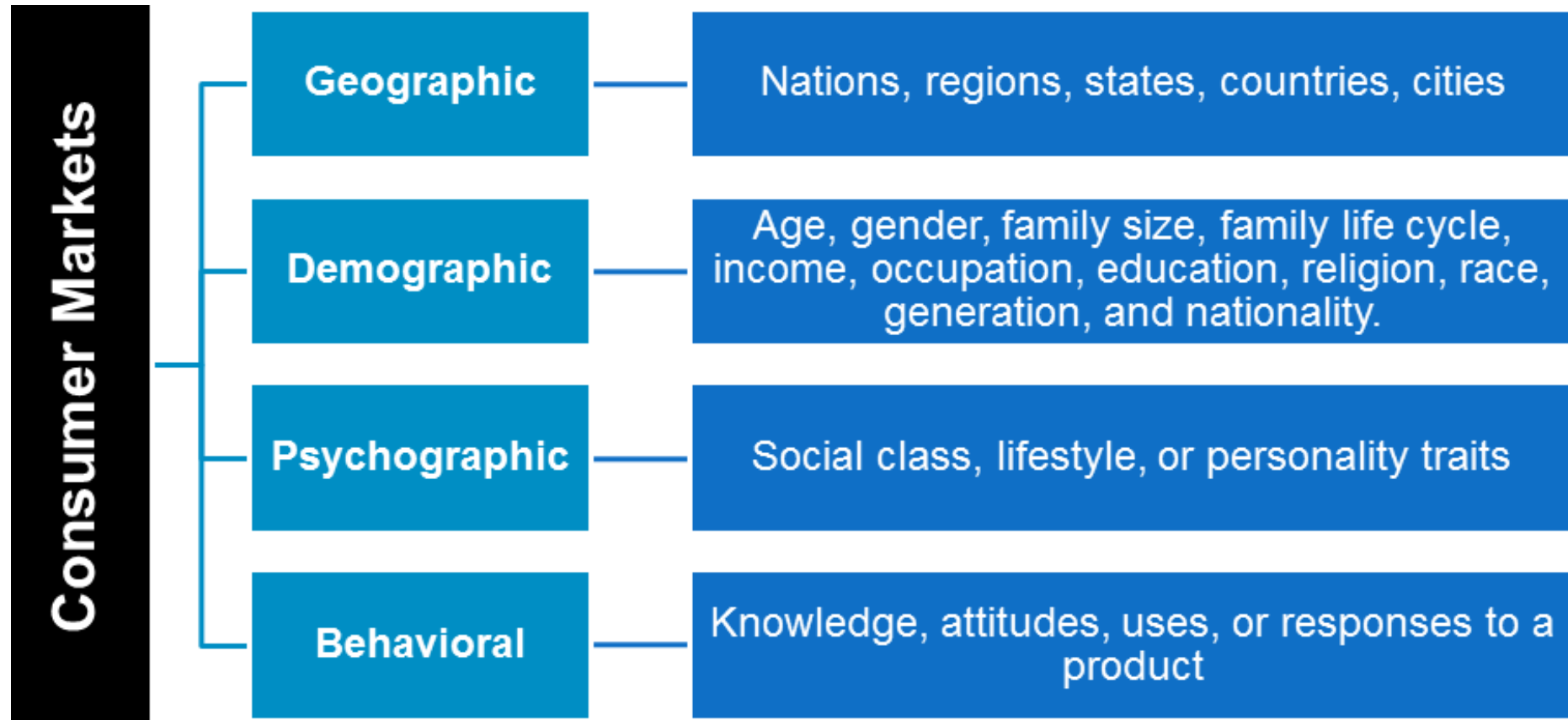
How do they use
**SOCIAL
MEDIA?**



Analyse their
BROCHURE and
other collateral

THEORY

Breaking it down



INDIVIDUAL ACTIVITY

Worksheet – getting to know your tribes

1. Describe them
2. What do they want?
3. What's their problem
4. How do they buy?
5. How will you talk to them?



THANK YOU!

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