FTC Fact Sheet: Advertising on Target

Many products or services are designed with a specific audience in mind. For example, a company that makes high-heeled shoes probably wants to sell to women. Certain types of those high-heeled shoes might even be intended for a specific age group. That means the company will want women to find out about those shoes—and they're likely to achieve that through advertising. That's target marketing: when a company aims its marketing messages at a very specific group of people.

Target markets can be defined many different ways:

- Age: Is your product for babies?
 Teenagers? Young adults? Moms or dads?
 Older consumers?
- **Gender:** Are men or women more likely to want your product?
- Ethnic background: Do you want to target your product to any particular ethnic group?
- Geography: Does where someone lives matter when you think about your target audience? Think about trying to sell skis in the southeast in summer...or boogie boards in the Rocky Mountains in January.
- Income: Some people have a lot of money to spend. Are they who you want to target?
- Lifestyle: Might people who are interested in certain things want to buy your product? You could choose to define your audience by people with interests such as reading, sports, traveling, or singing... almost any activity you can think of.



A cell phone provider wants to sell phones to girls 13 to 16. But what features does that market want? The company does research to learn more about the target audience. They might get groups together to talk-called focus groups—to find out what they like. They might do a survey of girls to ask the same kinds of questions—or survey stores to find out what those girls already buy. Their research shows that girls 13 to 16 want a small phone that's easy to use for talking and texting: that fashion is important to them; and that they (and their parents) don't want to spend more than \$40 a month on the cell phone bill. The company would then make a phone like that, and they'd be sure that their ads promote the features girls want:

"The smallest, easiest-to-use phone yet! Comes in today's most popular colors. Talk and text all you want for just \$39.95 a month, and get two free ringtone downloads every month!"

Once the phone and the ad are ready, they'll place the ad where these girls will see it: popular websites, TV shows,

magazines, and in places where they spend a lot of time—say, the mall.

Why use target marketing? Because if a company can define a target market, they can focus their efforts on that segment of the population. This lets them learn more about the consumers they hope will buy their product, and lets them focus their marketing on the people who will be most interested in finding out more about their products.

For example, they can advertise books to people who like to read, backpacks to students or hikers, and snowboards to people who like winter sports. The more they know about the consumer they are trying to sell to, the more direct they can be in their advertisements, and the more specific information they can give.

Through market research, companies target their products toward a specific audience—and, also through research, advertising agencies figure out how best to reach people in that audience. When you see an ad that "speaks" to you, it might just be because you're in the ad's target audience.

Things to Talk About and Do

- What are some target audiences that you might be a part of? Think of a product that's marketed to you as part of each target audience you're in, and how it's being promoted to you.
- Imagine you've been hired by a company to help them design a product for someone just like you. What product would that be?
 What would make you want to buy it?
- Now imagine that the advertising agency wants your help in marketing that product to you and people with the same "profile." What would you tell them about the kind of ad to make, or where to place it (TV? Magazine? Online?)?

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