

T arget Market

Chapter 3

“I don’t know the key to success, but the key to failure is trying to please everyone.”

— Bill Cosby
Comedian



view: It is not enough to have a great idea as the basis of your social enterprise; you must also have a market that is sufficiently large, accessible, and responsive to sustain your business. If you can’t reach your market or it isn’t ready for you, your enterprise will fail. The lack of a well-defined target market has been the undoing of numerous social enterprise programs, including Save the Children’s own. Many a sustainability plan has hinged on neat calculations of products or services that will be sold to cover program costs, without regard to the needs, wants, or preferences of the customers buying these products. Considering these factors is what is meant by being “demand led.”

This chapter will help you define and understand the target market or customer for your social enterprise. The activities involved are in essence a market study, yielding information about what makes your social enterprise customers tick—their likes, dislikes, buying habits, and tastes. Later, when you create your marketing plan in chapter 5, you will use this information to devise a strategy to reach them.



“Client” vs. “Customer”: A Note on Vocabulary

Target population—the microentrepreneurs on whose lives your social enterprise program is trying to have a positive impact by increasing economic opportunities is often referred to as the client. The word customer refers to the target market, those purchasing the products or services being sold by your social enterprise. The distinction should be clear in your mind before you begin this segment.



For All Exercises in Chapter 3

PO business advisor, market manager, business manager, sales staff, external market research consultant (if desired).

The Customer

IDENTIFY CUSTOMERS

Rationale:

A social enterprise may have several different groups of customers, or target markets, in its total market; it may sell products or services to nonprofit organizations, individuals, companies, traders, artisan markets, vendors, entrepreneurs, etc.

The task of dividing up the larger market into smaller units with common characteristics is called creating **market segments**. Segmenting the market serves to prioritize the principal target markets you will concentrate on. Throughout the chapter we discuss numerous ways to segment and analyze markets to gain intimate knowledge of your customers.

Market segmentation—dividing the total market into distinctive groups of consumers who share common characteristics.



Determining Customers

- ▲ Who is your customer? Who is paying for your service or product?
- ▲ What customers are you not reaching who might be potential target markets for your social enterprise?
- ▲ Which customers are the most important (primary, secondary, tertiary, etc.)? (See TARTINA market example, exhibit 3A.)
- ▲ Most important using which criteria? Do you need to sell many or a few products?



Customer Identification is Included in the Business Plan

Who Is the Social Enterprise Customer?

As social entrepreneurs, the most obvious response is that we are serving the poor and disadvantaged. In social enterprise programs the customers and the client may be the same; as in financial service businesses, services are usually, but not always, sold directly to the client. Many social enterprises serve their clients by providing them with a service to improve their businesses, but the final customer is the one who buys the “client-made” products.

Profit margin—an accounting term that describes the ratio of income to sales.

EXHIBIT 3A: MARKET RATING FOR TARTINA

| PRIMARY MARKET | SECONDARY MARKET | TERTIARY MARKET |
|-------------------------------------------------------|---------------------|-----------------|
| Retailers | Institutional Sales | Individuals |
| <i>Criteria: (1) sales volume; (2) profit margins</i> | | |

Although TARTINA products are made by its clients, the target market is consumers of peanut butter and jam. Since **profit margins** are low on these products, covering social enterprise costs requires identifying markets where TARTINA can sell the products in high volume. Haitians who buy peanut butter and jam do so first from grocery and convenience stores, then from artisan markets. Therefore, wholesaling to retailers is the best means by which to reach large numbers of customers. Selling directly to institutions or individuals reaches fewer customers, though there is a higher profit margin because there is no retail markup.

DISTINGUISH CUSTOMER LEVELS

Rationale:

Once you have identified your principal target markets, you will have to probe beneath the surface a bit. Customers can be more complex than they appear. Often there are people other than those who purchase the product or service who have an influence on the purchase decision, and they have to be viewed as customers as well. The following is an exercise in vertical market segmentation intended to help you distinguish customer levels in your target markets. You need to identify all customers first to begin to understand their buying habits and motivations.

Explanation of Customer Levels

Within a given target market there may be several layers of customers, or additional markets, to understand. If your social enterprise does not sell its products or services directly to the end user, but instead sells them to wholesalers, retailers, or distributors, you have two markets to define—the final customer and the actual customer. For example, if your enterprise is a grain mill that produces and sells millet flour to retailers, your actual customers are stores, bakeries, and cooperatives, but your final customers are individual consumers of millet flour products. And in some businesses, even the final customer and the purchaser may not be the same. For a training organization that contracts with governments to train their staff, for example, the final customer is the people getting trained, whereas the purchaser is the one paying for the training, the government. Women are often charged with purchasing food for their families, which includes items they do not consume themselves but that have been requested by other family members. In such a case, there might be as many four customer levels: (1) the actual customer (the store carrying the product); (2) the decision-maker (a father who requests the purchase); (3) the purchaser (the mother who buys the product at the store); and (4) the final consumer (the child who eats it). *Be sure to carefully distinguish all of your markets* (exhibit 3B).

Which Customers Are Most Important?

Criteria for determining which customers, or markets, are the most important are based on your business objectives and mission, established in chapter 2. Usually these criteria are a combination of who pays, how many they buy, and how much they pay (which customer, volume, and revenue).

If your social enterprise is providing training services to clients, yet is paid as a percentage of clients' income, you have a vested interest in the purchasers of the client-made products. In another example, a social enterprise provides market access services to clients by selling their products to industrial and commercial markets. The enterprise pays producers directly for their goods, then sells them at a markup to cover the costs. Who is the customer of this social enterprise—the companies buying the products or the clients?

EXHIBIT 3B: TARTINA MARKET STUDY OUTLINE AIMED AT DEFINING TARGET MARKETS

In the analysis of our target market we will attempt to understand:

Level 1: The Actual Customer

Currently, the lion's share of sales are to supermarkets and institutions through consignment sales in Port-au-Prince (PAP). These customers will ultimately agree to purchase TARTINA products if they can be guaranteed a high sales turnover. That part is easy enough. But we must understand and address the other buying motives of the retailer. Likely priorities for the retailer include timely delivery of product, favorable payment terms and conditions, and responsive servicing of product.

Level 2: The Decision-Maker—The person who makes the decision to purchase TARTINA products.

Level 3: The Purchaser—The person who actually purchases the product.

Level 4: The Consumer—The person who primarily consumes the product.

Beware: Levels 2-4 are not necessarily the same!

Understanding buying motivations of these three levels is tricky. For instance, children are the biggest consumers of peanut butter and jam. They also play a role in deciding what brand is purchased, a bigger one than was initially expected. Children push around their own shopping carts in PAP and put all of their favorite items into them; they are thus in a position to exercise a significant degree of control over the purchase decision-making process. We need to learn a lot more about the tastes and buying preferences of these young consumers because they affect every aspect of production and marketing. For example, promotion (including product packaging) should be primarily targeted at children, placement of TARTINA product on shelves in supermarkets should be at a child's eye level, etc.

Children don't completely rule the roost, however. Parents still play a role in deciding what brand of peanut butter and jam to buy—whether to buy Mamba at all and so on down the line for each TARTINA product. For each product, we need to know who in the household bears the greatest influence on the decision to make the purchase. The assumption is good old Mom. Likewise, the assumption is that it is the female head of the household who physically makes the purchase at the supermarket. So we need to know as much as we can about her buying habits and motives.

The above levels have to be considered for every product that TARTINA plans to market.



Identifying Enterprise Customer Levels

▲ Identify customers for each product or service, following the example given for TARTINA Enterprise (exhibit 3C).

EXHIBIT 3C: CUSTOMER LEVELS FOR TARTINA ENTERPRISE

| Product | Actual Customer | Decision Maker | Purchaser | Final Consumer |
|-----------------|--------------------------------------------------------|----------------------------------------|----------------------------------------|--------------------------------------------|
| 1. Mamba | Retailers (1), Institutions (2) | Women(1), Children (2) | Women (1), Men (2) | Children (1), Adults (2) |
| 2. Chadèque jam | Retailers (1), Institutions (2) | Women (1), Children (2) | Women (1), Men (2) | Children (1), Adults (2) |
| 3. Grenadia jam | Retailers (1), Institutions (2) | Adults (1), Women (2) | Women (1), Men (2) | Adults (1), Children (2) |
| 4. Karapinia | Retailers (1), Street vendors (potential market) | Men (1), Women (2), Children (3) | Women (1), Men (2), Children (3) | Men (1), Children (potential market) |

Test Results for TARTINA Target Market

Results for the market study reveal that in most instances women are the primary purchasers of TARTINA products.

In the case of **Mamba** (peanut butter) and **Chadèque** (grapefruit jam), however, children play a very influential role in the decision to purchase the product and the brand. The ultimate decision, however, rests with the mother, who exercises the “power of attorney” over her children.

Grenadia (passion fruit jam), on the other hand, is a relatively new product in Haiti, so most children have not yet been exposed to it and consequently have not developed a taste for it. Taste for and use of this savory, zesty jam rest predominantly with adults, who prefer jam products that are less sweet than Chadèque. Men in particular are motivated to buy Grenadia, or strongly suggest its purchase to the female head of household, because they believe it to be an aphrodisiac.

Karapinia, another new product, is a sugar- and spice-coated peanut snack, and at present men largely consume it. They buy Karapinia directly from convenience stores, or female heads of household buy it when they shop for their families. A potential market for Karapinia is street vendors because it can be packaged in small, individual satchels. Children’s tastes for sweets also make them possible future consumers of Karapinia.

UNDERSTAND THE CUSTOMER

Perceptions of a Target Market

The well-known anecdote of the two shoe business owners who went to the country of Naboo to do market research for potential business expansion paints a vivid illustration of perceptions of target markets. When the two owners arrived, they found that most Nabooans did not wear shoes. In the presentation to the board of directors, the first owner said, “Forget it, there is no market; no one there wears shoes,” whereas the second owner said, “There is an enormous market opportunity there; no one is wearing shoes!”

The point of the story is that without an understanding of the full picture, you may inaccurately perceive either that there is an absolute market or that no market at all exists for your products and services. A market is defined by the presence of people who have a specific unsatisfied need or want and are willing and able to purchase a product or service to satisfy that need. Our friends in the shoe business clearly need to do more research before attempting to expand their business to Naboo.

Before deciding that there is or is not a market for their shoe business in Naboo, they must first explore the reasons no one there wears shoes. Do Nabooans have no need or desire to wear shoes? Maybe they feel that shoes are too encumbering or uncomfortable and are not necessary for their soft terrain. On the other hand, maybe they would like shoes but have no money to buy them. Are shoes even available in Naboo? Perhaps there are no shoe manufacturers there and the only people who have shoes are those able to afford expensive imports or to travel abroad. *In short, determining if there is a market requires thoroughly understanding the needs, wants, and purchasing power of your potential customers.*

CUSTOMER PROFILE

Rationale:

Your customers are the bread and butter of your enterprise. In order to sell your products or services to them you must understand their characteristics, needs, wants, and likes and dislikes, as well as what motivates them to make a purchase. The three exercises in this section are intended to obtain this information, which will then be used as the basis of your marketing plan—or the strategy for getting your goods and services to your customer. For example, the market segmentation exercise will uncover the markets with the highest concentration of customers and provide important data for reaching them through promotional efforts.

Explanation of Customer Traits and Characteristics

Customers are examined by characteristics of demography, geography, psychology, and behavior to determine the customer traits most critical to your enterprise. Note that this exhaustive guide is intended solely as a reference; use it as such, and try not to get bogged down in examples that don't fit the specifics of your context or target market.

Demographic: any tangible traits that describe your target market.

▲ **Individual customers.** What is the age, gender, occupation, income level, and marital status of your target customer? What is the size of his or her family? Where is the customer in the family cycle (children/no children; young children, teenage children, or adult dependents)? What is the customer's level of education, ethnic group, religion, etc.?

▲ **Business customers.** In what sector are your target business customers? How long have they been in this business? How many branches or outlets do they have? Are they large or small businesses? How many employees do they have? Who owns the businesses? Are the owners active in the operations and in decisions regarding which products to carry? Are the businesses family run, or are they corporations?

Geographic: the physical characteristics that define where your customers are located. Geographic characteristics are often similar for *individual customers* (where do your customers live?) and *business customers* (what geographical areas are served by the business?).

▲ Does your social enterprise intend to sell its products or services internationally, nationally, regionally, or locally? Be as specific as possible. For example, if your social enterprise is focusing on local markets, what are the exact names of the cities, communities, or areas your enterprise intends to serve? What is the size of the potential market? What is the population density? What is the nature of the location (rural, urban, periurban, etc.)? Is climate a consideration? For example, if you are selling snowshoes or sunscreen, presumably your potential market is located in a cold or hot climate.

Market Segmentation and Decision to Purchase

It is tempting to describe your target market in the broadest terms, as the second shoe business owner did. For TARTINA Enterprise this would mean that anyone who ate peanut butter or jelly was the target market. That would not be an accurate portrayal, however. In Haiti many people make their own peanut butter and jelly and therefore have no reason to purchase them. On the other hand, affluent Haitians have a well-developed taste for imported products and when purchasing peanut butter are inclined to buy U.S. brands like Skippy or Jif. Thus, the minimum criteria for TARTINA customers are that they have the financial means (but are not too wealthy); that they have a taste for peanut butter (without a preference for imports); that they want the convenience of prepared peanut butter; and that they are willing to pay for that convenience.

MARKET FOR PEANUT BUTTER SEGMENTED BY INCOME

| POOR | LOWER TO UPPER-MIDDLE INCOME | WEALTHY |
|-------------------------|---------------------------------|-------------|
| Makes own peanut butter | Potential TARTINA Customer ? | Buy Imports |

At this point we need to scrutinize the market more closely to better understand income characteristics of TARTINA customers and determine where they lie on the income spectrum.

Psychographics—psychological profiles of potential customers in a market (attitudes, interests, opinions).

Psychographic: psychological traits related to the social class, lifestyle, and personality of your customers. (Note that social class is different from income level and may be more a function of education or family heritage than actual wealth.)

- ▲ **Individual customers.** How people want to be perceived by others influences their habits in buying certain brands over others. Are your target customers upper, middle, or lower class or somewhere in between? Are they blue-collar workers or white-collar professionals? Do traits of their lifestyle influence their decision to buy your products? For example, working couples may buy premade meals or patronize restaurants frequently because they do not have time to cook. Do their personalities have any bearing on whether or not they purchase your product? Frugal individuals may focus on good value for the money or economical products. Socially conscious consumers will go out of their way to purchase a product that contributes to a favored cause.
- ▲ **Business customers.** They can also be described by psychological traits. Are your business customers socially responsible? Do they like to carry products that have a positive social impact on communities? Are they conservative—do they prefer to take new or high-risk products on consignment? Are they financially prudent, expecting credit to be provided by their suppliers? Are they innovative or environmentally conscious? Do they cater to an elite clientele or customers that may have brand preferences other than your own? Are they industry leaders or small players?

Behavioral: traits that relate to individual customers' responses to product use, or brand. (No behavioral characteristics need to be identified for business customers.)

- ▲ **Use.** On what occasions do your target customers use your product or service—is it for regular use or for special occasions only? How frequently do your customers use your product or service? Are you selling a commodity that can be used daily or something people tend to use infrequently? Are your customers first-time users or regular users? Are you introducing a new product that you want people to try (in which case your target customer would be a potential user)?
- ▲ **Brand.** How aware are your customers of your brand? Do they buy the brand of your product or service intentionally or haphazardly? How loyal is the customer to your brand or social enterprise? What is your customer's attitude toward your product or service—enthusiastic, positive, indifferent, negative?



Describing Customers' Characteristics

- ▲ Complete the **Customer Profile Worksheet** found in *The Workbook* or create your own. An example of the completed worksheet for TARTINA Enterprise follows (exhibit 3D).
- ▲ Use the descriptive questions under each category as a guide, discarding or appending parts as appropriate for your enterprise.
- ▲ If you discovered in the previous exercise that you have several levels of customers, we recommend you simplify the process by detailing the characteristics of your actual customers and whichever other customer plays the most influential role in purchasing the product. For TARTINA, the primary decision-maker and the purchaser are often the same, the mother, so our example focuses on her.
- ▲ If you have a different customer base for each of your products and services, you will have to complete a customer profile for each product or service.
- ▲ Focus on *common characteristics* of your potential customers that relate to their *decision to purchase* your product or service.

EXHIBIT 3D: CUSTOMER PROFILE FOR MAMBA

| TRAIT | ACTUAL CUSTOMER: GROCERY STORES | ACTUAL CUSTOMER: CONVENIENCE STORES | PURCHASERS; DECISION- MAKERS |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| DEMOGRAPHIC | Retail—many products | Retail—high-volume products and commodities | Female heads of household Work both in and outside the home |
| | Several employees | Usually owner operated | Married, with children ages 2 to 12 |
| | > 1 branch | 1 outlet | Income to purchase |
| | Large | Small | |
| GEOGRAPHIC | Port-au-Prince | Port-au-Prince | Port-au-Prince Colline community (direct purchase from ADE) |
| PSYCHO- GRAPHIC | Socially responsible | Conservative—little shelf space for products that don't move | Upper-lower to upper-middle class |
| | Fiscally prudent— new products supplied on credit by seller | Frugal—little working capital to prepay for products | Moderately socially conscious Family-oriented Moderately concerned with health and nutritional value |
| | Innovative—will try new sales and marketing approaches Savvy operator— will try products but will not continue to carry them if they don't turn over | Risk averse—high demand products that turn over quickly | Economical Limited time— will choose saving time by purchasing peanut butter over making it |

Demand—the willingness and ability of buyers to purchase different quantities of a good at different prices during a specific time period.

(continued on next page)

| | | | |
|------------|-----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BEHAVIORAL | N/A | N/A | Regular to heavy user of Mamba Positive about product in general Interested in benefits of quality, flavor, price, convenience Little brand awareness of or loyalty to TARTINA |
|------------|-----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

PURCHASING HABITS

Rationale:

Analyzing customer buying habits is an important marketing strategy, particularly as it pertains to product/service strategy development and promotion.



- ▲ Complete the **Customer Purchasing Habits Worksheet** found in *The Workbook* or create your own. An example for TARTINA's peanut butter (Mamba) follows (exhibit 3E).

EXHIBIT 3E: CUSTOMER PURCHASING HABITS FOR MAMBA

| PURCHASING HABITS | GROCERY STORES | PURCHASER (MOTHER) |
|--------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Reason for purchase | Customer demands for product wants and nutritional needs | In response to children's |
| Number of times will try | Once, maybe twice, if product does not sell | Once |
| Frequency of purchase | Purchase based on quantity in stock Will buy continuously as long as product moves | Will purchase product as long as children consume |
| Quantities purchased | Small quantities to test product Large quantities after successful test period—to meet demand | Single containers |
| Motivation for use | Pleases customers; socially responsible | Pleases children |
| How/where product is purchased | TARTINA sales agents; TARTINA distributors | Grocery stores |
| Payment method | Credit payment/consignment | Cash |
| Time to make purchase decision | Decision to purchase can be slow | Immediate |

BUYING SENSITIVITIES

Rationale:

Understanding customers' buying sensitivities helps you prioritize and emphasize certain aspects in the **marketing mix** when you prepare your marketing plan (chapter 5). This information is also useful in product/service design or retooling and in deciding how to distribute and promote products.



▲ Complete the **Buying Sensitivities Worksheet** found in *The Workbook* or create your own. An example of the completed worksheet for TARTINA Enterprise follows (exhibit 3F).

Marketing mix—the components of marketing described as the "four P's": product, the products and services that an enterprise furnishes; price, the amount charged to customers for a product or service; promotion, the awareness created for a product or service in the marketplace; and place (distribution), how products and services are brought together with customers.

EXHIBIT 3F: BUYING SENSITIVITIES FOR TARTINA MAMBA

| LEVEL OF INFLUENCE | ACTUAL CUSTOMER | | | | DECISION MAKER; PURCHASER | | | | FINAL USER | | | |
|---------------------------|------------------|---|---|---|------------------------------|---|---|---|------------|-----|---|---|
| | H | M | L | O | H | M | L | O | H | M | L | O |
| Key: | H = high | | | | | | | | | | | |
| | M = medium | | | | | | | | | | | |
| | L = low | | | | | | | | | | | |
| | O = no influence | | | | | | | | | | | |
| SENSITIVITY TRAITS | H | M | L | O | H | M | L | O | H | M | L | O |
| Price | • | | | | • | | | | | | | • |
| Quality | | • | | | • | | | | | | | • |
| Brand | | • | | | | • | | | | • | | |
| Product features | | | • | | • | | | | • | | | |
| Sales staff | • | | | | | | | • | | N/A | | |
| Promotions/special offers | • | | | | | | | • | | | | • |
| Advertising | • | | | | | • | | | | • | | |
| Ease of use | | | • | | • | | | | | | | • |
| Convenience of purchase | • | | | | • | | | | | | | • |
| Location | | | | • | • | | | | | | | • |
| Shopping ambiance | | | | • | | • | | | | • | | |
| Customer service | • | | | | | • | | | | N/A | | |
| Refunds/returns | • | | | | | | • | | | N/A | | |
| Credit availability | • | | | | | | • | | | N/A | | |
| Peer recommendations | | • | | | | • | | | • | | | |

SUMMARY AND STRATEGIC IMPLICATIONS OF ACTIVITIES



Synthesize the results of the previous exercises by answering the following questions:

- ▲ Which market segments have the highest concentrations of your customers?
- ▲ Which are the most important factors motivating a customer to buy your product or service?
- ▲ What impact do customer buying habits have on your products/services or on how your social enterprise does business?
- ▲ What are the most important purchasing considerations for customers buying your products?



Customer information is included in the Business Plan

Market Size and Trends

Rationale:

Once you have defined the characteristics of your target market, you must then assess the size of this market and evaluate the trends likely to influence both the market size and customer behavior in the near future.

DETERMINING MARKET SIZE AND TRENDS

▲ **Market Size.** It is essential to have a customer base large enough to sustain your social enterprise as it grows. Obviously, if the market is too small, you will not have enough customers to make your enterprise profitable. By the same token, a large market invites well-financed competitors. Trying to take on large competitors in promotional efforts alone could be enough to sink your social enterprise. This is particularly true in industries with low barriers to entry, a characteristic of most social enterprises.

In many of the developing countries where you work, you will not have the luxury of public statistical and demographic information. Therefore, determining whether the market for your social enterprise is sufficiently sizable will be largely a matter of intuition and observation. But don't despair: Although available, public information can augment analysis, most small businesses in the West don't avail themselves of it, and use the same method described here. You may also want to supplement intuition and observation by conducting some additional market research.

▲ **Market Trends.** Equally important is assessing trends that could influence the market in the future. Doing so will give you an indication of the long-term viability of your social enterprise, the strategic opportunities these changes present, and how your social enterprise will respond to the changing needs or behavior of its customers. Trends such as upturns or downturns in the economy, out- or in-migration, increased health consciousness, changes in attitudes about domestically produced or imported products, environmental or labor concerns, etc. can all influence your target market and affect how you do business.

Evaluating trends is not so much forecasting the future as it is analyzing the past. Many trends can be determined by reflecting on observable changes in demographics, economics, and customer behavior in the recent past. For example, we identified the main purchasers of TARTINA-brand products as women, so which trends might indicate changes in the market or behavior of these customers? Have changes in the economic or social climate caused more women to work outside the home, leaving them less time to make labor-intensive food products such as peanut butter and jelly? Have disposable incomes risen with more women working? Are households purchasing more prepared foods or buying more imports? Has there been an increase in domestically produced products? Are shopping trends changing? Are more women shopping in supermarkets, and is this to save time or because it is considered fashionable?



Describing the Market

- ▲ Describe the size of your market and trends likely to affect customer behavior in the next few years.
- ▲ Use the **Market Size and Trends Questionnaire** below as a guide; an example for TARTINA is given in exhibit 3G.



Market information is included in the Business Plan.

Market Size and Trends Questionnaire

1. What is the approximate size of your target market?
2. How quickly is the market expanding; what is the growth rate of your target market?
3. What changes do you predict in the demographics or profile of your target market?
4. Will some of these changes impact your customers' ability to afford your product or service?
5. Will market trends change how or when customers use your product or service?
6. How will changes in social awareness and values affect your product or service?

EXHIBIT 3G: MARKET SIZE AND TRENDS FOR TARTINA

1. *What is the approximate size of your target market?*

- ✱ 8 million inhabitants in Port-au-Prince (PAP). Estimated 10 to 15 percent shop at supermarkets and therefore fall into our target market.

2. *How quickly is the market expanding; what is the growth rate of your target market?*

- ✱ Was not able to get specific statistics on this. We know that the urban population is increasing; so is the number (although not necessarily the percentage) of supermarket/convenience store shoppers. The latter is evidenced by the increase in the number of new supermarkets in PAP. I would estimate conservatively and say that the target market is growing at 5 percent annually using the base of 180,000.

3. *What changes do you predict in the demographics or profile of your target market?*

- ✱ Increasing number of women in the work force, leaving less time for preparation of products at home.
- ✱ Increased focus on convenience goods and convenience shopping.
- ✱ Convenience stores built into gas stations are on the rise.
- ✱ Increased purchasing power as indicated by the increase in the number of supermarkets in PAP.
- ✱ Growing health consciousness, which impacts, for example, peanut butter.
- ✱ "All-natural" is an advantage. Likewise, the more fruit in the jam, the more natural this product is and the less sugar (fewer calories) it has, making it more appealing to the target market.
- ✱ Increasingly educated consumer market. Nutritional information on TARTINA labels is a **competitive advantage**. TARTINA brand is the only one of the local brands bearing this information.
- ✱ The TARTINA target market continues to desire imported goods. While it cannot afford the additional 40 percent in price for imported brands, the target market is attracted to local brands that resemble the imported brands in image and presentation.

4. *Will some of these changes impact your customers' ability to afford your product or service?*

- ✱ The political insecurity in the country has the potential to affect product purchases at two levels. It might affect the safe operation of retail outlets, perhaps forcing some to keep shorter hours or to close down. In addition, political insecurity could lead to reduced employment and a decrease in disposable income. Peanut butter and jam products are not considered staple goods, as are rice and beans, in Haiti.

Comparative advantage—factors within an enterprise that give it an edge over its competitors. These factors can include a business' internal strengths or potential opportunities it has in the marketplace with respect to its competition. In the private sector, firms use the term "competitive advantage" to describe the same phenomenon.

5. Will market trends change how or when customers use your product or service?

- ✱ The importance of peanut butter and jam as healthful snacks has grown. Peanut butter and jam are consumed not only at breakfast but also during the day as a snack.
- ✱ Men, in particular, view the new passion fruit flavor as an aphrodisiac.

6. How will changes in social awareness and values affect your product or service?

- ✱ We're hoping that the target market will value more the social benefit that the products bring to rural self-employed women. This could be a comparative advantage. The challenge is balancing this advantage with the desire to purchase imported brands and not local products. The new TARTINA labels at least partially resolve this dilemma by their similarity to imported brands.



A satisfied TARTINA customer