



Copernicus®

Marketing Consulting
and Research

Look for the 5 Signs You Have a Good Buyer Target

We hold the targeting decision above all others. To paraphrase the great Phil Kotler, dean of marketing professors, nail targeting and the rest of your strategy will fall into place. Whenever we're asked about the merits of one company or another's target selection, we always look for five signs that it has found one that will help it grow its business:

1. It's sufficient in size to merit disproportionate attention (e.g., 10%-30%).
2. It's growing over time.
3. It's different demographically (or corpographically if you're marketing to businesses)—and therefore differentially reachable with media.
4. It has problems/needs/wants that are distinctly different from other segments.
5. Its potential profitability is considerably greater than its size (e.g. 50%-70%).

Just for fun, we combed the marketing news to find a recent targeting decision made by a company and looked for all the signs they'd taken a step in the right direction. We came across Wendy's, the #3 burger chain in the U.S.

On the heels of its \$2 billion purchase of Wendy's, new corporate parent Triarc handed CMO Ken Calwell his first assignment: change your buyer target. The previous management team's strategy to go after 18-to-24-year-olds—a favorite of the fast-food set because of the massive quantities of burgers and fries they consume—got the heave-ho in favor of a new, broader demographic group, 24-to-49-year-olds. "We're not going to focus as narrowly as our competitors, like Burger King, who target the 18-24 group," Wendy's rep Bob Bertini told reporters. "Our research shows consumers still give us credit for high quality. That's a platform we can continue to build upon to differentiate ourselves from our competitors."

Unfortunately for Wendy's, the signs that they've nailed the targeting decision aren't all there. On the plus side, the 24-to-49 is BIG and GETTING BIGGER. Obviously it's a demographic segment so can indeed be found in media databases. When it comes to the problems/needs/wants of this group, however, it's hard to imagine a 24-year-old is looking for the same things in a fast-food burger place as a 34-year-old, let alone a 49-year-old, not to mention that these universal needs that span the ages would not reach beyond this group's borders. Along this same line, we expect a 24-year-old does not have the same media exposure patterns as a 34-year-old and forget about a 49-year-old. Maybe there's some overlap, but we've got to think Wendy's media budget will either have to be massive or will be spread pretty thin, raising questions for us about effectiveness, efficiency, and profitability.

Wendy's may have taken a step in the right direction—With BK and Mickey D's going after the younger set, Wendy's had stiff competition and looking at other segments isn't necessarily a bad idea—just not a very big one.