

Why Use Target Markets

In this exercise, you need to review the proposed new radio station format, which is designed to appeal to a mass market.

You need to consider whether a broad marketing approach is suitable or whether the radio station would benefit from a more precise target market?

The Proposed New Radio Station Concept

As we know, most radio stations tend to specialize in a particular format and music style. For instance, some radio stations mainly play modern music, while others only play classical music, some play oldies (songs from the 1960's and 1970's), some focus on rock, some country music, and there are even some that play no music at all – they concentrate on news, current issues, and interviews.

Therefore, in this radio world of specialization, a new radio station is daring to go against common practice and adopt a more innovative approach. They plan to offer something for everyone. With their approach, every hour they plan to:

- Play one modern song
- Then play a country song
- Then play a classical piece
- The interview a politician
- Then play an oldie
- Then play an operatic piece
- Then interview an expert (like a scientist)
- Then play a children's song

Note: With this format, which they will simply repeat each hour, they believe that their audience will be extremely large because they will appeal to everyone in the market.

Student Discussion Questions

1. How successful (or unsuccessful) do you think that this new radio station format will be? Why?
2. Do you think that the radio station would be more successful if it adopted a target market focus?
3. Are there circumstances where firms would benefit from not having a defined target market and appealing to the mass market instead?
4. How do firms benefit from defining its target market? (Hint: Think about the ways it competes, is offering, and its understanding of consumers.)