



Eye on the Prize

When you're desperate for traffic, anyone with \$1 in his wallet seems like a prime potential customer. Getting "butts in seats" is job No. 1, so it makes sense to want to appeal to as many people as possible.

But it is not financially or operationally feasible for a scaled enterprise to satisfy all desires of all fast food customers. Today's customers are too diverse and too demanding, making it necessary to target a specific customer.

Why Target? Trying to service all the different requirements of fast food customers leads a chain to operate with a form of organizational attention deficit disorder, chasing new promotions and products the way dogs chase squirrels—that is, a lot of action, but little success. Costs skyrocket, employees' efforts become unfocused, and customer confusion abounds. In an attempt to be all things to all people, the quick serve ends up being nothing to no one.

By targeting discrete segments of customers, companies achieve efficiency and focus in marketing and operations. Smart targeting streamlines the number of products to sell, messages to communicate, promotions to run, and so on. And targeting is critical now more than ever, as organizations seek to grow their top lines while maintaining lowered costs.

It's also a means by which brands differentiate themselves. Brands in apparel, automotive, and other image-oriented categories use personas of their target customers to define and distinguish their brands. Fast food brands can employ a similar approach, using target customers in communications to promote a distinct brand position.

What Is Targeting? Targeting doesn't mean you turn away customers because they don't fit your target-audience profile. It is simply a matter of prioritization.

It's about identifying which customers are the most valuable to your organization and choosing to best fulfill their needs first. Of course, you want to provide a positive experience for each and every customer, but companies must exercise the discipline to put the needs of their target group ahead of others.

Typically, target segments have been defined by demographics—males aged 18–24, or adults aged 18–49, for example. But this approach is somewhat superficial. Brand experts Scott M. Davis and Michael Dunn, in their book *Building the Brand-Driven Business*, recommend determining groups by how consumers "act within a category, make purchase decisions, use products or services, and see your brands fitting into their lives." Not only is such a market view more proprietary, but also the more you know about your target, the better you can position your brand to resonate with it.

In fact, for many chains, targeting can be as much about deciding whom not to focus on. Several fast feeders have elected to prioritize adult customers over families. Their menus may include a kids' meal

option, but they do not promote it through tie-ins with kids' movies and high-profile kids' brands. Other chains have decided not to market to people seeking variety, focusing their menus instead on a few signature items.

Whatever the target may be, the brand positioning and customer experience should demonstrate your relevance to that specific type of consumer.

How Do I Select My Target? Before companies determine who their target customer is, they should first decide what their brand stands for. Your vision and brand identity should drive everything your organization does, including the selection of target segments.

"Most people start with the outside world and try to figure it out. ... Greatness doesn't happen that way," management guru Jim Collins explained in an interview with *Fortune* senior writer Jerry Useem. "It starts with an internal drive. ... Everyone harps about, 'It's all about responding to the outside world.' But the great companies are internally driven, externally aware." Indeed, targeting should be consumer-informed, but brand-led.

The optimal target group is also specific enough to focus the organization and broad enough to meet its sales and profits goals. Target selection should be based on understanding the value of different segments to your business now and projecting their growth potential and future value. High-value segments that are likely to reduce category spending over time may be good short-term targets—but there should be plans to evolve or expand the focus in the future.

How Do I Broaden My Target? Targeting a single customer segment is the best strategy for most brands. If a quick serve has maxed out its share in its target segment or if the market is contracting, then it may make sense to pursue other segments as secondary or additional targets.

Broadening targets must be done carefully. The organization must ensure it has the resources to target and serve multiple segments well.

You must also expand without alienating your core audience or diluting the clarity of your brand identity. The best way to do this is to select secondary targets with needs related to your primary segment. For example, a brand that targets young males who regularly eat big, messy burgers might expand its appeal to older males who are likely to splurge and reward themselves at the end of the week. A chain that serves healthier fare may appeal to consumers who want to lose weight, as well as parents who are seeking better-for-you options for their children.

If done successfully, targeting helps your brand function like a magnet—your brand's distinctive identity and personality attracts your desired customers. And when your target consumers feel your brand is for them personally, you enjoy a strong foundation for building a valuable relationship with them. 