

What does Business Niche Market means?

Business Niche is a way of choosing and more specifically creating a new market to serve. When a company is trying to follow a business niche strategy should actually find an existing market need that is being served and try to divide this company according to some other factor that makes the need more specialized, more customized. The steps on how to proceed with a business niche analysis, as well as some examples that would contribute to a better understanding of this topic will be the main parts of the below article. It should be noted that examples are taken from the Youth-exchange programme that took place from 23rd of March 2017 to 29th of March 2017 in Poronin, Poland.

Step 1: Identify your Audience

In early stage of creating business you should rather focus on finding niche audience than on product you want to sell. Analysing your industry's audience is essential to all aspects of marketing. Truly, understanding your customers and their pain points should be fundamental to your business.

For link building, you should have a broader understanding of the type of people attracted to your industry.

According to Chris Ducker, outsourcing guru and Internet business entrepreneur, there are two solid reasons to prioritize finding an audience to promote to over identifying products to promote:

- Products come and go, but niche audiences stick around forever.
- When you choose a niche audience and take the time to understand their needs deeply, a whole new world of options open up to you. You switch from struggling to find ideas for products, to instantly knowing exactly the types of products you should be promoting – because they're in tune with your niche audience's needs.

Following table shows definitions and examples of factors that define target group.

	Demographics	Psychographics
Definition	Statistical data relating to the population and particular groups within it.	The study and classification of people according to their interests, activities, and opinions.
Examples	age education level gender income level geographic region cultural or ethnic background	attitudes beliefs values loyalties knowledge level lifestyle

Step 2: Get to know your audience

Following the first step, after identifying your audience you should start having an understanding of the your "niche people". As much as you understand their needs, you would be able to satisfy their need longer and better. There are several ways to do this. We suggest that the most effective way is by collecting data and analyse them through statistical inference, modelling etc. This would give you details and information about the niche market such us, what do they usually do, how they do it, whether there is a struggle on doing something, how would they like to satisfy their need. One way to collect data is by capturing what do they look for on engine machines like Google. These are ways to from prototype or a model of your niche customer. You could also approach your audience, ask questions, pass time with them in order to better understand their needs. Finalization of this step will be when you have concluded on some key features or keywords that will be adequate to describe your market as well as possible.

Step 3: Analyze the competition

Firstly, you have to decide, whether the niche is lucrative or not, so you need to define the level and quality of competition in a niche. The most lucrative keyword niches, are typically characterized by:

Why should I check out the business competition?

It's not just the competitors themselves that you need to watch out for – other newly developed products and services can be your undoing if they are being sold by or licensed to competitors. The end goal when finding a business niche to 'own' is to always stay ahead of the game. By understanding your competitors' positioning strategy (how they are perceived in the eyes of the consumer) it's easier to get a handle on the demands and expectations of your target niche as a whole. Why are customers choosing them? Are they opting for the cheapest option or do they prefer a premium-quality product? How do they differentiate themselves from the competition within their marketing collateral? Is there one company that's managing to keep pace with trends and issues quicker than the rest? If so, how? It's also a good idea to uncover the financial strength of your business competition before you delve too deeply in a particular niche. The last thing you want is to discover that you're up against a company that's got considerably more cash flow and budget to blow your brand and marketing presence out of the water.

Identifying competitor strengths and weaknesses

Using the competitor intelligence sources discussed above it's much easier to ascertain what your competitors are doing well and, equally, where they aren't quite so strong. For instance, you may have gleaned some opportunistic data that suggests a competitor may have a fantastic reputation for customer service and aftersales care, but their pricing structure is higher than it should be; giving you an opportunity to nip into the marketplace and offer a cheaper but equally effective alternative. Similarly, your competitor analysis of recorded and observable data might uncover that your rivals are yet to secure registered design rights or patent rights to their products, which may give you a chance to steal a march. Nevertheless, it's important to keep abreast of the latest rules on patent protection, copyright law and design rights. At the Business & IP Centre we're here to give business owners, entrepreneurs and inventors the tools to make better informed decisions when developing new business ideas. With access to a comprehensive collection of business and intellectual property information sources, sign up to our 'Introduction to the Business & IP Centre' workshop to learn more about how our data can be applied to develop a profitable business niche.

Step Four: Decide if You Want to Enter the Niche Market

At this point, you'll need to decide if the market is worth getting into. As I mentioned before, the Law of Attraction courses sub niche indicates profit potential, but not a lot of competition. Unfortunately, it doesn't show a high enough monthly search volume to be viable on its own.

As a rule of thumb, if you see a ton of highly targeted ads at the top and in the right side bar, on multiple pages, with the top brands in the market consistently in the 3 premium spots, it will probably be tough to break into that market as a newbie. You'd be up against established brands with large marketing budgets.

That being said, there may be other profitable long tail keywords (thus audiences) in the Law of Attraction market that you can target. It's up to you to drill down into the niche to identify what profitable keywords exist and what services, products and solutions this market might be eager to pay for. So if you are determined to be in the Law of Attraction market, the solution would be to establish a web presence around a less competitive keyword, and go after the audience associated with that niche market.

Case 1: Turn-On – Let us improve your sexual life

The sex industry is already well developed. It provides services and products such as sex-shops, porn movies and magazines, apps and websites. During our project an idea using the business niche was expressed by one of the teams. The name of the idea was "Turn-on". This particular start up would like to serve the already existing need for sexual satisfaction. However, they chose to focus on couples with problems in their sexual life as well as people how want to experiment and improve on this particular part of their life. This start-up would be able to provide not only counseling services but also practical courses and private rooms with suitable equipment for couples who want to improve their sexual life or experience a whole new kind of sexual satisfaction.