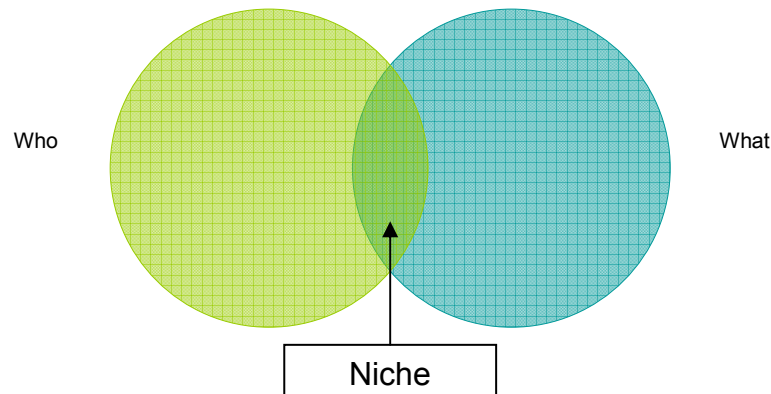


“How To Identify and Own a Profitable Niche”

By Kathie Agnew, Abfab Business Results Company Ltd



Small and medium businesses make up about 97% of all businesses in the New Zealand economy, equating to just over 40% of total economic activity. They also provide livelihood and employment, with over 30% of people employed by an SME.

Big corporations can afford to carry different brands and differentiated products so they can be all things to all people. They have large marketing departments with equally large spend budgets. However a small business needs to focus on being something to someone, in other words creating a niche market.

Here's an easy 5 step process you can follow to identify your own profitable niche:

- 1. If you don't already have a database of clients, start one. Now.** Decide on criteria and segment the customers into A, B, C & D clients. "A" clients will be the people who make you the most money and whom you enjoy doing business with. They just love you and are easy to deal with. They come back again and again and recommend you to all their friends. D clients whinge and moan about every little thing and expect to get top of the line service for bottom dollar, and then may not pay their bill for months.
- 2. Define who your best customers are.** Look at your list of "A" clients and list all the things they have in common. What products or services do they buy and how often, where do they live, who are they and what are their wants and needs.
- 3. Find your Remarkable Difference.** Having found what your best customers want, take a look at how you can meet their needs or solve their problems better, faster, cheaper or more easily than your competitors. Do you have a competitive edge that is hard for your competitors to copy once you've claimed it as your own?

4. Focus all your marketing on your target market, using your remarkable difference. Find where your target market “hangs out”. What other businesses have similar customers, if they belong to certain clubs or associations, or read certain publications and websites. Tell them all about the problem they have, in their language, then tell them how you will solve it for them.

5. Ask Yourself these 5 “Hot Niche” Questions

1. Is there irrational passion? Some sort of pain or urgency?
2. Are they proactively searching for a solution to their problem? Sell them what they want and give them what they need.
3. Are they easily reached? If you can't tell them about your product or service and how it will help them, it's not a good niche.
4. Are they already spending to try to solve their problem?
5. Is there potential for a long term relationship?

If you've answered “Yes” to these questions then you have a good niche. If not, do some more research and try again until you have something that you think will work well. Then market, market, market.



Kathie Agnew is a Marketing Strategist at Abfab Business Results. She specialises in helping small business owners increase profits in 90 days by discovering their niche, and creating a customer experience and marketing that focuses on that niche.

For a free copy of the worksheet that accompanies this report, simply e-mail your contact details to kathie@abfabresults.co.nz, with the subject “Niche Worksheet”.