

## Niche-Based Marketing ©

By Kathy Ellis, The Business Lab Marketing Coach

Most businesses sell their products and services to a niche base of clients. Even if you think your product or service is a commodity (and hence you are struggling to maintain your margins), you will intuitively migrate toward a niche marketing and selling arena. In a "niche" environment, the competition is value-based versus price-based, which typically gives you higher margins and a healthier offering. Taking a systems view of your market allows you to define your niches and adopt new ones. In this month's article, we will explore niche marketing and offer examples and ideas on how to create or add niches to your existing offering.

**Goal of Niche-Based Marketing.** Your overall goal in a niche-based marketing plan is to "win-over" a new category of clients. These clients will justify their purchase of your products or services based on the very niche you created or developed.

**Your Target Market.** The first step in creating or defining your niche is to answer the question, "who is my target audience?" If you don't know, then make one up by focusing on the personal satisfaction a client will get from using your product or service.

**Tip From The Business Lab:** With your team, get as specific as you can about your target audience and define how your product or service offers greater productivity, reduces hassles and problems, and/or offers greater satisfaction or enjoyment. Keep your own goals in mind too. Oftentimes your target audience evolves as your business evolves. You might start out in business being all things to all clients. As your business matures, you may find that narrowing your audience and focusing on fewer, more select products or services is a better match for your overall corporate goals. Define your target audience in terms of your ideal clients—what do they look/feel/sound like?

**Defining Your Niche-Based Offering.** You've already defined the personal satisfaction your client will receive from using your product or service. Now all you need to do is leverage these preferences (satisfactions) into higher margin returns via a niche-based marketing plan. The good news is you can leverage what is already inherent in your product or service with no or only minor modifications.

Start by taking a systems view of the market and ask, "What can we offer our target audience that they will pay more for but will take little or no investment on our part?" Take the following steps:

- Identify ALL the features/benefits of your product or service. List them out, one by one.
- Identify those features/benefits that best match the preferences or personal satisfactions of your target audience.
- Narrow the list by identifying those features/benefits that are "different" than your competitors.
- Determine what, if any, modifications need to be made to these differentiating features/benefits.
- Create a marketing plan around these differentiating features/benefits—shape your client's experience around these features/preferences.

**Working Examples:** A client of ours manufactures structured wiring boxes for newly constructed homes. Essentially they have "built a

better mouse trap." In going through this exercise, we listed out several features and benefits that directly affected their target audience—cabling companies installing the wiring infrastructure in the new home. We came upon one feature/benefit that we would use to differentiate their box from all the others—their ordering system. It turns out that while the box itself is "smarter" than the others, it is the ordering system that allows typical cabling installers to become home network experts with little or no technical expertise required. Our client's ordering system greatly impacted the personal satisfaction of their clients and thus became the focal point of all of our marketing efforts. To date, this marketing strategy has been very successful and we feel strongly that we are well ahead of the original strategy—"a better mouse trap."

Another example comes from our own business. One of our design specialties is creating corporate logos. This is a niche market for us, and one we like to focus on. Over the years, we've noticed that due to the number of user-friendly design and publishing programs available, our clients create a lot of their own proposals, presentations, etc. It used to be that every time they needed their logo in a different format, they would call us up and we would send it to them however they needed it. When we evaluated this portion of our business we decided to enhance our offering and included a logo variety disk with each new corporate logo/identity we developed. This disk contains their logo in various colors, formats and sizes. This increased our clients' personal satisfaction because they got the logos they needed when they needed them and they preferred having this built into the initial cost vs. charging for each request.

**Tip From The Business Lab:** With your team, do the exercise listed above but also keep in mind all of the value-added "inventions" you've made to your product or service over the years. It may be a system that you've created or a step you've eliminated. Think holistically about your product, your service, your team, your delivery and your marketing. This will help you uncover even more niche-based marketing opportunities.

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**More Information?** If you would like to learn more about this important topic or would like to receive our FREE Service Ideas Booklet, please send an E-mail to [kathy@thebusinesslab.com](mailto:kathy@thebusinesslab.com), visit our Web site at [www.thebusinesslab.com](http://www.thebusinesslab.com), or fax a note on your letterhead to 281-374-0569.

**Author's Note:** Kathy Ellis is a Marketing Coach and the owner of The Business Lab, a full service marketing and graphic design company. We specialize in creativity and helping you think outside the box. We then help you implement those creative ideas through programs including database marketing, Web sites, interactive CD brochures, company brochures, client newsletters and promotional marketing materials. We share with you our FREE newsletter to showcase powerful marketing tips, techniques and ideas to help you improve your business. The Business Lab is based in Houston, TX at 281-374-0170 or by E-mail at [kathy@thebusinesslab.com](mailto:kathy@thebusinesslab.com)