



# Niche Marketing

## Curriculum Guide

---

### I. Goals and Objectives

- A. Learn how to recognize niche marketing opportunities.
- B. Learn the necessary steps in starting and establishing a strong business.
- C. Learn the basic components of a business/marketing plan.

### II. Description/Highlights

- A. Niche marketing is marketing a product or service in a small portion of a market that is not being readily served by the main stream product or service providers. Nearly everything we take for granted – from the fast food chains, convenience stores, even Wal-Mart – began as a business to fill perceived voids in the market place. These “niches” can be geographic areas, a specialty industry, a demographic or ethnic group, a specific gender group, or other special group of people.
- B. Review Table 1 which contains several examples of niche markets.
- C. Recognizing Potential Niche Marketing Opportunities - In many cases, there is little difference between recognizing a potential business opportunity and recognizing a “niche marketing” opportunity. The hardest part of the process is usually convincing yourself that you have the necessary confidence to become involved in niche marketing.
- D. You may know of a service or product that is difficult to obtain in your area so you start providing it to yourself. Others in your area may begin asking for you to provide it to them also.
- E. Some people are recognized in their community as being the expert at something that everyone needs. Is this a service you could charge a fee for?
- F. You might also recognize a niche marketing opportunity from speakers you hear, articles you read, or other events that grab your attention. This type of information could trigger an idea that leads to the development of a niche marketing venture.
- G. Many people have hobbies. Sometimes these hobbies can evolve into a niche marketing opportunity, such as handmade furniture.

- H. Getting Started - Starting and establishing a strong business requires certain steps: 1) identify the specific niche market you want to serve and its characteristics; 2) determine if starting a niche market business is compatible with your family and professional goals; 3) determine what resources you have; 4) determine the resources you lack; and 4) develop a business/marketing plan.
- I. A business/marketing plan outlines in detail the projected performance of the business and contains the following: 1) a general description of the business; 2) market analysis; 3) mission statement, objectives and strategies; 4) marketing plan; 5) operational description; 6) projected sales; 7) financial plan; 8) sensitivity or risk analysis; and 9) sources of help.
- J. You will likely need help in starting and establishing your niche marketing business. One of the best sources of help is people who are doing something similar. There are risks in starting any new business, but with planning you can be successful.

### III. Potential Speakers

- A. Extension economist
- B. Successful niche market business owner

### IV. Review Questions

- 1. List the key components of a business plan for a niche marketing business.

**Answer:** 1) general description of the business; 2) market analysis; 3) mission statement, objectives, and strategies; 4) marketing plan; 5) description of the operational aspects; 6) projected sales schedules; 7) financial plan; 8) sensitivity analysis; and 9) sources of help.

### V. For More Details

Brooks, William T. Niche Selling. McGraw-Hill, 1991.

Goodridge, Walt F. Niche Marketing Report: Discovering, Understanding and Selling to the Niche Consumer of the 21st Century. "A Company Called W (Niche Market Exclusives)", January 1999.

Goodridge, Walt F. Lessons in Success from the Silent Performer: Walt's Friday Inspirations, the Book. "A Company Called W (Niche Market Exclusives)", November 1998.

Brodsky, Bart and Janet Geis. Finding Your Niche. Community Resource Institute Press.

# Niche Marketing



! Niche marketing is marketing a product or service in a small portion of a market that is not being readily served by the main stream product or service markets.

**Table 1: Niche Market Examples.**

Sector	Product	Niche
Agriculture	Timothy hay	Race horse feed
Agriculture	Kosher milk	Religious groups following dietary laws
Agriculture	Organic vegetables	Consumers wanting foods grown without pesticides
Agriculture	Extra fat beef	Asian export market
Agriculture	Corn silage	Confined dairy operations and beef feedlots
Agriculture	Custom farming services	Other producers who do not have the resources to perform these services
Agriculture	Pasturized goat milk	Consumers allergic to cow milk
Consumer durables	Sport utility vehicles (SUV)	Drivers desiring a vehicle with room, power, and strength
Consumer services	Internet auction sites	Consumers desiring low prices for goods and services without having to physically move from merchant to merchant
Consumer services	Commuter airlines	Smaller communities not served by large airliners
Consumer services	Cut your own Christmas trees	Fellowship, recreation, and consumers seeking quality



## ! Recognizing Potential Niche Markets

- ☞ Convince yourself that you have confidence
- ☞ Products/services difficult to obtain
- ☞ Perceived as expert in an area
- ☞ Speakers, articles, other ideas
- ☞ Hobbies

## ! Getting Started

- ☞ Identify the market and its characteristics
- ☞ Compatible with family/professional goals
- ☞ Resources you have and need
- ☞ Develop business/marketing plan



## ! The Business/Marketing Plan

- ☞ General description of the business
  - Qualifications
  - Reasons for starting the business
  
- ☞ Market analysis
  - Describe the product/service
  - Estimate the market size
  - Segment of the market
  - Geographic area
  
- ☞ Mission statement, objectives, strategies
  
- ☞ Marketing plan
  
- ☞ Operational description
  - Location, facilities
  - Materials needed, staffing
  
- ☞ Projected sales



## ! The Business/Marketing Plan (cont.)

### ☞ Financial plan

- Projected income statement, cash flow, Balance sheet, loan repayment schedules, owner's equity, and break-even analysis

### ☞ Sensitivity or risk analysis

- Price and production/sales

## ! Getting the Help you Need

- ☞ People who are doing something similar
- ☞ Learn from them
- ☞ Seek reference materials
- ☞ Internet
- ☞ Library
- ☞ Extension
- ☞ News media
- ☞ Trade shows
- ☞ Network