

How to Find a Niche Market and Make It Your Own

Niche Marketing Can Be Your Ticket to Success

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One common path to success for many small businesses is to find a niche market and establish a dominant position as a player in that niche. No large retailer can be all things to all people. Therefore, there will always be segments of the population whose needs for a particular product or services are unmet. This space is where a small business can penetrate a market.

How can your small business capitalize on unmet needs and find and dominate a niche market? These four basic concepts are key to niche market success.

1. Offer a Unique Product or Service

Ideally, you want to be the only one selling what you're selling. The trick to coming up with a unique product or service is to look for unmet needs. For example, one East Coast entrepreneur's business is creating hand-made medieval outfits. Large retailers and even shops that specialize in costumes do not supply these types of garments.

Processes can be products as well. For example, someone once considered the inkjet printer cartridge and came up with the idea and process for refilling them.

2. Offer a Marketable Product or Service

You might come up with all kinds of creative and original products and/or services, but if no one wants what you've produced, they're of little use. Additionally, although you are targeting a niche market, there must be sufficient demand for your product for you to make a profit.

To determine demand, you must gauge your market and conduct extensive market research. If you want to know if there's a market for your product, the best way to find out is to reach out to your target market, pound the streets, and ask.

3. Choose an Available Niche Market

Niche markets tend to be small, and there is only room for so many players. Before you start a business yourself, research your competitors, the size of the market, and how much of that market might be available to you. If you have no competitors, and demand seems high, your business concept has potential.

4. Market, Market, Market

Marketing is perhaps more important for niche businesses than for any other type of business because consumer awareness of your product is low. Your success or failure hinges on making the connection with exactly the right type of customer or client and making them realize that they need your product.

If you open a Starbucks, for example, people know what to expect, and they know whether they need coffee. Advertising is less crucial. In contrast, if I open a business providing naturopathic treatments for pets or tub/shower conversions for the elderly, people are less knowledgeable and less sure if they need my product.

Through marketing, you can reach and educate your potential customers. Once you establish leads, build a relationship by making contact on a regular basis.

If you apply all of the four concepts above, your small business will enjoy the powerful competitive advantage that mastering a niche market provides.