Marketing A Niche Product

A small business CEO asked me a great question last week, “Please address some considerations for marketing a “niche” product.” Many small business startups face the challenge of how best to promote and market a specialized service or product because their business is focused on a very specific idea, passion, product, or service. So I will start by saying that while no product or service can be a good fit for everyone, niche products have an even narrower market than most and present a challenge for that CEO.

If your business is focused on meeting a specialized need in a specialized market (for example, very specific items like wholesale vegan spa products or cupcakes or goat cheese, etc), the strategies and tactics others use to market their products and services may or may not be as effective for you. Marketing a niche product starts with creating a marketing plan that’s in step with your business plan.

I like what a SCORE Certified mentor colleague of mine, Tom Burgum of the Lancaster, PA chapter said about this challenge, “Begin with rigorous market research. Resources like Reference USA and RMA financial profiles can provide valuable information.” Burgum suggests finding answers to these questions:

- Is the product new to the world, or are others like it already available for sale?
- How can you differentiate your product from those that are similar?
- How large is the niche, is it growing, and at what pace?
- What’s the buying process?

When you’re targeting a niche market, having a detailed profile of the customers to whom you’re selling is also essential. For starters, ask yourself these questions about the customers in your niche market:

- What are their needs?
- What are their expectations in terms of quality, price, speed of delivery, etc.?
- Where can you find them (virtually and physically)?
- How do they shop for products and services like yours?

Answering these and other questions will help you determine the ways to most effectively attract the attention of potential customers.
Some possibilities might include:

- Networking at events and industry conferences that draw your target market
- Targeted social media advertising (online social networking sites like Twitter, Facebook, etc. offer pay-per click and pay-per-impression opportunities to present ads to customers who are in specific geographic areas, who fit certain demographic criteria, who have specific interests, etc.)
- Editorials in industry and trade magazines
- Radio spots during a program that draws listeners from your target market
- Guest posts on well-respected blogs that customers in your target market follow

Niche product marketing can be very cost-effective because you don’t waste time and money on people who have no interest in or need for your product in the process of reaching those that do.

You may also consider doing a test market of your product (or your unique selling proposition or your customer value) to confirm your assumptions and validate your marketing assessment. Although you can never be 100 percent certain about your conclusions, don’t be a victim of paralysis by analysis. Learn what you need to do in order to minimize risks and then go.

Again, seek some help. If you need guidance in marketing a niche product, consider reaching out to your local SCORE chapter to speak with a mentor who can provide ideas and feedback.

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Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
www.seminnesota.score.org/

*Dean is a volunteer Certified SCORE Mentor and former Regional Vice President for the North West Region*