Niche Marketing Research In Plain English

By

Steven Wagenheim

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Introduction

Niche marketing research has more misinformation surrounding it than just about any topic of marketing on the Internet. I don't know where some of the myths and theories come from, but they're NOT based on any real fact. So in addition to giving you a straight forward, plain English explanation of how to do niche research, I'm going to blow away some of the myths.

The writing of this book took years of experience in niche marketing. Things change so quickly online that information that comes out today can be irrelevant in six months. So I am going to try to make this report as generic as possible so that it will apply as easily next year as it does not. In order to accomplish this, where certain tools and links are mentioned, it will be noted that these are as of this point in time. They may be replaced by something new tomorrow. That's how fast things change. At least I'm being up front about this.

It is my hopes that after reading this book that you will have a solid foundation for doing niche research so that should you decide to actually tackle a niche online, you'll be able to do so, confident that you're going about it the right way.

Also, because everybody is going to be at a different skill level, I am probably going to be going over some things that are already known to you. So please accept my apologies up front, but I don't want to lose anybody, especially those who know nothing about niche research at all.

So without further ado, let's get to the subject of doing niche research.

What Is A Niche?

In plain English, a niche is a distinct segment of a market. For example…if you were to take the music market and narrowed it down to "music of the 60s" that would be a niche. Obviously, with this definition, there are literally millions of niches known to mankind.

Think about anything in your home. Just about any item falls into a specific niche. For example…your coffee table would be part of the "living room furniture niche" within the furniture market. If you were to take apart all the niches of the furniture market, you could probably name dozens alone.

This definition of niche is not to be confused with the one that applies to people when somebody says, "He's found his niche in the world through playing baseball professionally." While these are similar in nature, they are not the same thing unless of course the niche you are targeting online just happens to be a service niche. Again, for example…if you were a voiceover announcer, you could make your living online selling your voiceover services. I actually know many people who left professional radio to do this.

However, for the purposes of this book, we're going to refer to niches as segments where you're going to promote a product. Tangible goods are sometimes easier to wrap our heads around than a service oriented business. They are also a lot easier to run and manage and take much less time out of your day. Think about it. If you're a copywriter, you can't just put out a book and make money over and over again. You have to write copy after copy to continue to earn a living. This translates into many hours of work.

Having said this, yes, if you like, you can apply what I am about to reveal to service oriented businesses as well. The examples in this book, however, will all revolve around products and physical goods.

What Is Niche Research?

This is one of the areas where there is a lot of misinformation going around. Yes, some people can't even agree on what niche research is and how to do it. If you ask some folks, they'll tell you it's simply looking up some keywords for a niche to see how many people are looking up these keywords and then looking to see how many competing sites there are. Well, that's a very small part of the process, but if you confine yourself to just those two things, you have a very slim chance of finding a niche with any true potential.

So what IS niche research? Niche research is the in depth study of a segment of a market in order to determine if that market has a sufficient demand to warrant the production of a product or service to fill that demand.

Why do I use the word sufficient? Well, let's say you came up with a great idea and only one person wanted it. Now, in order to put that idea into action, it would take you 30 days of your time and about $10,000 of your money. However, the product, at least to the one person interested, is only worth $100. Naturally, if you go through the process of creating this product for just one person and sell it for $100, you're $9,900 and 30 hours of your time in the hole…certainly not worth doing.

However, if you knew there was a market for your product of about 3,000 people, that translates into $300,000 in income. Certainly under those conditions, it would be worth it to create the product.

That, in a nutshell, is what niche research is. It's determining whether or not it is worth you wasting your time on creating a product BEFORE you create it.

As I said, keyword research and competing site analysis is just part of this equation. There is a lot more to successful niche research than just these two steps. So what we're going to do in the remainder of this book is go through all the required steps of researching a niche and even give examples of niches that I have researched. I'm going to quiz you on each example to see if you can determine whether the niche is one that will be profitable or not.

Niche Research In Detail

Okay, let's get right down to the step by step process of niche research, starting with your brain.

I'm going to assume that you know absolutely nothing about Internet marketing and don't have any idea of how to begin thinking of a niche, let alone researching it. So that brings us to the first question.

Where do we start?

The easiest place to start is with your own experience in life. You do live, right? Good…I hate talking to dead people. Anyway, in everybody's life, each person has, I hope, at least one interest. Even if that interest is simply staying alive to see tomorrow, you have to have at least one. Hopefully, you have more than one.

Okay, here's what I want you to do. I want you to take a pad and a pen or pencil. Yes, get away from the computer. Go sit on a couch somewhere. Take your pen and pad and write down everything in your life that you enjoy doing. I don't care how silly it is.

Okay, have your list? Great! What we're going to do is have you take the first thing on your list for this next exercise.

And in case you're wondering, this was my list when I first did this exercise for myself.

Music
Writing
Sports
Computers
Games
Health

Notice anything about my list? Well, if you understood my definition of niches, these are NOT niches. They're markets. A niche is a segment of a

market. So what do you think I had to do when I looked up these markets thinking that they were niches?

Right…I had to further break them down into niches.

See how easy this is?

Okay, so let's take any item on my list. You take yours. Since I don't know what yours are, I'll use mine as an example. You just take your market (unless you already picked out a real niche) and plug that market into the formula I'm going to give you below.

Ready? Let's begin.

Step 1

The first step in our niche research is to first break our market down into sub niches. Now, I don't expect you to know all the sub niches off the top of your head. Besides, there is an easy way to do this.

On the Internet, there are sites that allow you to look up keywords that will not only show you how many searches there are on a daily or monthly basis for that market but also show you any sub niches for that market. These tools come in very handy.

The problem with these tools is that they come and go. Tools that were the rage yesterday are gone today. Overture was a perfect example of this. It came and went and came and went. I'm not sure where it is right now. I've stopped keeping track. Instead I use a tool that seems to be very stable as of the moment. It's called Wordtracker.

There are free and paid versions of Wordtracker. I use the free one and it's more than good enough for our purposes.

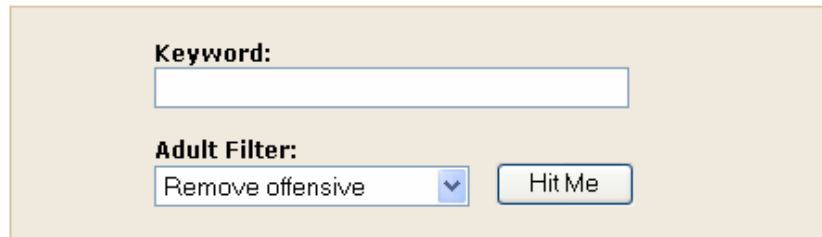Here is the URL where you can find it, at least for now.

http://freekeywords.wordtracker.com/

Tomorrow it could be scraps for the dog.

If you go there, you will see the following screen.

FREE keyword suggestion tool

Enter a starting keyword to generate up to 100 related keywords and an estimate of their daily search volume.

Keyword:

Adult Filter:
Remove offensive   Hit Me

Please note that it says 100 related keywords and an estimate of their daily search volume. The last part is highlighted. This is actually a link that explains how this is computed.

If we click on the link, here's the page it sends us to.

How we estimate daily search volume

Here is the formula we use to estimate daily search volume for any given keyword:

$$\frac{\text{Number of times keyword appears in our database}}{\text{Total number of keywords in our database}} \times \text{Estimated total number of daily queries on all search engines*} = \text{Estimated daily volume of searches for the keyword}$$

So for a keyword that appears 9,000 times in our database, this is the number of daily searches that we predict:

$$\frac{9,000}{292.2 \text{ million}} \times 515.3 \text{ million*} = 15,873 \text{ daily searches}$$

* Every day, on average, we collect about 3.25 million search terms from Dogpile.com and Metacrawler.com, who according to Netapplications.com account for 0.63% of searches across all engines. By combining these two figures, we estimate that the total daily searches across all engines is 515.3 million.

Okay, so now you can see just how their daily searches are computed.

Now it's time to put another piece of misinformation to rest. These keywords tools are NOT 100% accurate. Truth is, nobody really knows for certain how accurate they are because these figures that they use to compute their daily searches are, as they say, estimates.

Having said that, over time, if you use this tool day after day, you will begin to see some patterns of daily searches in relation to how many actual clicks you get to your web site. From these patterns, you will eventually get a feel for how well a given keyword will perform based on the numbers, regardless of whether the actual numbers are right or wrong.

Yes, this takes some practice but if you do it long enough, you'll start to get very consistent results. Hey, I never said niche research was easy.
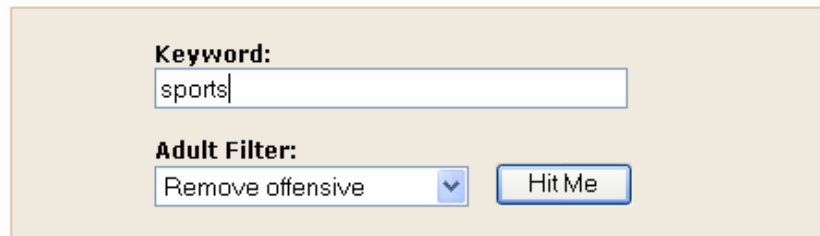
Okay, so we're going to head back to the first page of Wordtracker and type in our keyword.

I'm going to use "sports"

FREE keyword suggestion tool

Enter a starting keyword to generate up to 100 related keywords and an estimate of their daily search volume.

Keyword:
sports

Adult Filter:
Remove offensive   Hit Me

After typing in "sports" I'll click on the button that says "Hit Me" and we then get the following screen. This is one monster list.

sports

81,513 searches (top 100 only)	
Searches	**Keyword**
81,513	total searches
10887	sports
7093	sports authority
4878	fox sports
4705	sports illustrated
2700	bbc sport
2555	academy sports
2130	sport
2093	sports cars
1936	cbs sports
1723	play sports games
1543	play it again sports
1398	naked sports
1380	yahoo sports
1349	sky sports
1225	sports bloopers
1201	super sport kladionica

81,513 searches (top 100 only)	
Searches	Keyword
1035	topless sports
991	water sports
954	sports illustrated swimsuit
910	espn sports
883	extreme sports
848	yeti sports
827	wii sports
723	eastern mountain sports
689	dicks sports
679	sports scandals
610	sports news
544	highschool sports
541	ea sports
525	olympia sports
513	sports chalet
507	sports injuries
476	daily sport
469	mc sports
467	sport cars
455	steroid use in sports
437	spartan sports elliptical owners manual
430	sport chalet
430	sports oops
423	lsu sports
414	msn sports net
409	sports illustrated swimsuit edition
405	champs sports
405	sports memorabilia
395	sports bra
391	big 5 sports
384	sports car
373	sports logos
370	sports medicine
358	academy sports and outdoors
347	the sports authority
345	equestrian sport

81,513 searches (top 100 only)	
Searches	**Keyword**
345	sports babes
345	sports jerseys
343	fox sports network
343	sports equipment
340	steroids in sports
333	sports drinks
322	high school sports
312	msnbc sports
306	sports quotes
298	corriere dello sport
298	road runner sports
298	sports bras
296	sexual water sports
296	sports games
294	abc sports
291	free online sports games
291	sport babes
287	fox sports radio
287	play sport games
283	nbc sports
283	sports illistrated
276	sports betting
268	sport authority
261	sports apparel
259	female topless sports
255	wholesale sports
246	naked sport
246	sports athority
245	sports illustrated magazine
243	light sport aircraft
238	sport bikes
238	sports by brooks
238	sports nudity bloopers
238	sunday sport
236	dick's sports
227	adult sport

81,513 searches (top 100 only)	
Searches	**Keyword**
227	sports tickets
225	exotic sports cars
225	sports songs
218	list of sports
216	gay sports
215	sports scores
208	hibbett sports
204	associated press sports
204	dance is a sport
204	jd sports
202	sports illustrated swimsuit models
202	yahoo fantasy sports

Buy Wordtracker and mine 1000 long tail keywords...

I want to point out a couple of things. First, you will notice that at the very bottom of this list, it says "Buy Wordtracker and mine 1000 long tail keywords."

Okay, time out. I better explain what they mean by long tail keywords and why buying Wordtracker may not be such a bad thing…unless you know how to get these keywords with the info they give you. I'll show you how.

Long tail keywords are ones that don't get many daily searches…maybe just a few. Now, you're probably thinking, why would I care about these? Well, the reason won't make sense now because we haven't gotten to competing sites yet. When we do, THEN you will understand why long tail keywords are so important.

Okay, let's go back to our list. Like I said, this is quite a monster sized list. There are 100 niches in it. How do we determine which one we want to tackle? Remember, we want to hit one segment so that we can concentrate our efforts there. The more concentrated our efforts, the better chance we have of success. Sports in general is just too broad and won't get us anywhere. Think about it…what would you promote?

So going back to our list, our job is to now look through it and pick a niche. It doesn't matter which one we pick because before we have any competing sites stats, one niche is as good as another.

In your case, I suggest to pick a niche that you're really interested in and work your way from there.

I decided to choose "sports drinks".

Now, there are two ways we can go with this. We can either stop right here and move on to check competing sites, or we can click on the sports drinks link at Wordtracker and get sub niches of sports drinks, if there are any.

So let's do that and see what we come up with.

We now get the following list of more keywords.

sports drinks

758 searches (top 100 only)	
Searches	Keyword
758	total searches
333	sports drinks
21	sports drinks comparison
17	article on sports drinks
17	sports drinks versus water
14	rice bran in sports drinks
12	are sports drinks better than water
12	sports drinks vs. water
10	sports drinks market
10	sports drinks pics
10	what is best for hydration water or sports drinks
8	are sports drinks better for you than water
8	are sports drinks good for you
8	best hydrated drink water or sports drinks
8	history of sports drinks
8	research on sports drinks
8	science project on sports drinks

758 searches (top 100 only)	
Searches	**Keyword**
8	sports drinks better than water
8	sports drinks history
7	are sports drinks good
7	case 3-1 tech-tonic sports drinks solution
7	chemistry of sports drinks
7	comparison of sports drinks
7	dehydration / sports drinks
7	effectiveness of sports drinks
7	energy drinks in sports
7	sodium in sports drinks
7	sports drinks and its effects on body
7	sports drinks and the market research
7	sports drinks facts
7	sports drinks performance
5	are sports drinks good during exercise
5	case 3-1 tech-tonic sports drinks
5	comparing sports drinks
5	comparison of sports drinks and water
5	denmark sports drinks
5	harmful effects of sports drinks
5	health effects of sports drinks
5	non sugared sports drinks
5	sports drinks list
5	sugar free sports drinks
5	vitamins in sports drinks
3	acsm sports drinks electrolytes
3	affects of sports drinks
3	alcohol poisoning and sports drinks
3	are sports drinks a good choice
3	are sports drinks benefits
3	are sports drinks benifital
3	benefits of sports drinks
3	best sports drinks
3	case 3-1 tech-tonic sports drinks answer
3	consumer behavior marketing sports soft drinks teeth
3	do sports drinks work

758 searches (top 100 only)	
Searches	**Keyword**
3	how to make electrolyte and sports drinks at home
3	lesson plans for sports drinks
3	marketing trends sports drinks
3	migraine and sports drinks
3	negatives of sports drinks
3	pictures of sports drinks
3	pros and cons of sports drinks
3	science fair projects and experiments on sports drinks
3	scientific journals on sports drinks
3	sports drinks and electrolytes and water
3	sports drinks denmark
3	sports drinks electrolytes
3	sports drinks go lightly
3	sports drinks vending
3	sports drinks vs water
3	top sports drinks on the market
3	us sports drinks market share pie chart
3	water intoxication vs sports drinks
3	water vs sports drinks
3	water vs. sports drinks
3	why sports drinks are better than water while playing sports
3	world science fair on hydrates sports drinks

Buy Wordtracker and mine 1000 long tail keywords...

Notice the last few keywords on the list. They only have a few searches a day. These are your long tail keywords.

At this point, we have one of three choices.

1. Go with our original choice of sports drinks.
2. Go with one of these sub niches of sports drinks.
3. Click on one of these sub niches to get even more subniches.

Here's a tip…once you get down to where you're getting keywords with 3 searches daily, you can stop. There's really not much further to go.

I decided to choose "article on sports drinks" because I like to write articles, know I could write quite a few and therefore probably get people to read my articles and then go to my web site after doing so. But I'm jumping ahead. We're no where close to what I just mapped out.

Okay, so that's my niche. On to step 2…

Step 2

The next step in the process is where we go to the search engines to see how much competition we have for this niche.

Why do we want to do this?

The easiest way to explain this is with an example in the offline world.

Let's say you live in Nowhere USA and there isn't a soul around your city for miles. Now, let's say that you have the ONLY supermarket in Nowhere USA. It's quite obvious that you pretty much have a monopoly and everybody who lives there is going to have to go to YOUR supermarket.

Now, let's say that there are 10 supermarkets in your city. Well, now people have more choices and there is a good chance that they won't go to your supermarket. You're going to have to work harder to get them there. You may have to lower prices, bring in more brands that other markets don't have and any number of other tactics to attract customers. You may even have to advertise…a lot.

Well, the same thing is true with the Internet. The more competition, the harder it's going to be.

The problem with determining what "too much competition" is, is that people really don't know. We take best guesses as to how many sites we want to go up against before we decide that there is just way too much competition to bother.

My personal opinion, and this is solely based on my own experience, is that any number below 100,000 sites is acceptable. I make money in niches with millions of sites, so I know that 100,000 will be pretty easy. Anything under that is gravy.

Why are they doing this? Why are people going to search engines to look up information?

There are many reasons, but the most common is that they have a problem that needs to be solved. For example, I once needed a script for protecting a download during a sales transaction. So I went to a search engine to see if there were any available. Once I found one that solved my problem, which happened to be a free download, I downloaded it and my problem was solved.

Now, some people go to search engines to find entertainment items. Some go to find electronics goods to purchase. The number of items people look for are endless. In our case, we're looking for "article on sports drinks" which has 17 daily searches. Now, this isn't a lot, but if there are very few competing sites, we may have a good niche here.

So let's go to the number one search engine on the Internet…Google.

Here's the URL.

http://www.google.com/

Here's what the Google screen looks like.

To do a search with Google, simply type in what you want to search for. In order to get an accurate figure for how many sites fit "article on sports drinks" we want to type it in with quotes…like this.

After you do this, click on "Google Search" and let's see what we come up with.

Here's the next page as of this point in time.

I want you to make note of the line that says Results that I have circled. Notice it says 1 – 7 of 7. This means that there are only 7 competing sites in this sub niche. That is as good as ZERO.

It would appear that we have hit a gold mine, but you see, this is where marketers make their mistake. Just because we only have 7 competing sites doesn't mean that there is any demand for this sub niche.

Okay, let's look at this analytically.

What do we know for certain for this sub niche?

We know that 17 people a day are looking for articles on sports drinks.

Do we know why? We could guess, but we really don't know the reason. So okay, let's take some educated guesses.

One reason is that they could be considering buying a certain sports drink and they want to see if there are any articles that either review the drink or warn of any dangers of the drink, or for that matter, sports drinks in general.

Another reason could be that they want to find a good sports drink to promote and want to read articles on several of them to find a good one.

Maybe they already bought and drank one of these things and had a bad reaction, so they want to know if there is anything on that.

I can't think of anything else off the top of my head, but just taking these 3 items, if we look at them, can we think of any way that we can make money from any of those possible searches for "articles on sports drinks"?

The only thing I can think of is the person who is looking for a good sports drink to try. And then, the only way I can think to monetize this is by finding an affiliate program online that sells sports drinks.

Okay, let's go back to Google and type in "sports drinks" + "affiliate program" to see if we can find any sites that are actually selling them online that offer an affiliate program. If they sell the drinks but don't offer an affiliate program, it doesn't do us any good…unless we can find a private distributor who will sell directly to us wholesale…Hey, I told you this wasn't easy. This is work…lot's of it.

Let's go back to Google and type in "sports drinks" + "affiliate program" and see what we come up with.

Here's what I got.

Looks like we hit the jackpot. There are affiliate programs for selling sports drinks…two of them on the first page alone.

But we're still not done.

We need to do a little figuring here, and again this is just a guess. We won't know the real figures and don't bother asking these programs. They won't tell you the truth.

We need to figure out about how many sales we can expect to make doing this. We can actually get a decent idea based on my 5 years experience online.

The average product converts at about 2%. That means for every 100 visitors you get to your site, you'll get about 2 sales. That has been my experience for 5 years of marketing online. Now, sports drinks may convert better or worse. I have no idea and the only way to find out is to test it.

Now, let's take a look at our daily searches…17.

That comes out to 510 searches for a 30 day month. Let's for argument sake say that all 510 people come to our website. If we convert these people at 2%, that means we'll make about 10 sales a month. Now, in order to translate that into dollars, we have to find out what these drinks go for and what our commission percentage is.

So what do you think is next?

You got it…we have to check out the affiliate programs to see what they sell and how much we get per sale.

Let's take the first site.

I went there and couldn't find anything about an affiliate program for selling sports drinks. I even did a text search on the page…nothing.

I then went to the second site and it turned out that it was an affiliate program for golf equipment.

So, I kept looking. I found a third site. I did have an affiliate program that pays 10%, That is not much at all. The best products come with prices of about $25 to $35. Let's say we get even $5 per sale. At 10 sales, we're looking at about $50 a month, if that.

As you can see, this isn't a very profitable niche.

You will find, as you do niche research, that you may hit roadblocks at any point in the process. This is why finding profitable niches is so gosh darn hard.

This is why a "guru" will charge you about $3,000 to research a profitable niche and just hand it to you. The amount of work involved (weeding out all the crappy niches that you'll find) turns this into weeks if not months of research…thus the astronomical fees.

Well, when I realized this, I decided that it was time for somebody to do something about it.

So what I did was embark on a very long journey researching niches. When I found 30 of them that are slam dunk great niches for making money, I decided to compile them into a book.

Each of these niches should earn you a minimum of $100 each month for very little effort. Put in a little more effort and you'll make more money. It's that simple. Point is, these niches are virtually wide open. There is very little competition and there are available products to sell…some of them with commissions as much as $70 or more.

I am limiting the number of these packages that are going out at this price because I don't want there to be too much competition, not that it really matters because there are so few competing sites for these niches, it's a joke.

Plus, I also give you additional research tips in the book as well.

To research 30 niches for you, a guru would charge you close to $100,000.

I was going to sell this package for $997. Believe me, it's worth it.

Instead, I decided to sell it for $97, but ONLY for the first 100 packages that go out. After that, the price goes up to $197. After that, who knows? I may raise it again or just pull this product off the market. I haven't decided yet.

If you want to pick up what is going to be the product of 2008, the link is below.

[Niche Research Revolution](#)

Trust me when I say, you will never see anything like this again. Nobody will bother to go through all this work unless they're going to use the niche for themselves. They're certainly not going to share it with others.

So why am I?

Here's my honest answer. I already have way too many products out there in way too many niches and my day is full. I have no time to devote to these 30 niches. So instead of letting them go to waste, I am making them available, in limited quantities, to the public.

That is the gospel truth…believe it or not.

Trust me when I say that these 100 packages will go. It might take a week a month or 6 months, but they will go. After that, it's $197 to get your hands on $100,000 worth of work.

Of course you do know how to do the research, thanks to this report. So you might want to try that first and see what you come up with. If you find it's just too much work, you can always pick up the package then, provided it's still available.

Here's the link one more time.

[Niche Research Revolution](#)

In the meantime, please use what you learned in this report and see how far you get.

You just might land a winner.

Hey, I landed 30 of them. ☺

Conclusion

As you can see, niche research is a ton of work. This report really only scratched the surface. There are other techniques you can use to find products and demand. They're all in Niche Research Revolution.

However, I think that once you get into doing this on your own, you will find that over time, you will get very good at it. I know I did.

If you have any questions about this report, please feel free to send me an email. I will be more than happy to answer them. My goal is to help you get the most out of doing niche research as you can.

One final thing…I make most of my income in some of the most competitive niches on the Internet. So even if you can't find niches with little competition, it is possible to make money in the really competitive niches. You'll have to work a lot harder, but it's not impossible.

I am living proof of that.

To YOUR Success,

Steven Wagenheim

Steven Wagenheim