

Finding A Profitable Niche

By far, one of the most common stumbling blocks in getting started online is figuring out what market to explore and finding *a profitable niche* within that market.

What do people spend their money on?

Everyone has a certain amount of income that they use to buy things. Most of us can divide our income into two areas, the things **we need** such as food and shelter but there things that **we want** which are the things that are primarily triggered by emotion.

"I want that BIG SCREEN TV but I don't need it."

When it comes to wants there are generally 5 things that people spend their money on...

Beauty - It makes us feel good to look good. It's important to note also that our society puts emphasis on looking younger, and as our population ages anti-aging products, Botox and plastic surgery have become very hot topics.

Niches within this industry include, fashion, cosmetics, hair & nail care, fragrances and dieting.

Health - Everyone's afraid of illness and even death. We all want to be as healthy as we can for as long as we can. Feeling good and avoiding pain, injury and discomfort have become a priority for many.

The area of health also encompasses things like vitamins, weight loss, weight gain, nutrition, body building, caring for the elderly, insurance and resources for healthy living.

Love - One of our very basic instincts is to love and be loved. Finding compatible partners is a strong instinct for most of us and the internet has capitalized on that with the huge eruption of dating and friend finder sites. On the opposite end of that spectrum are divorce issues and marriage success topics.

More topics include flowers, candy, jewelry cards and gifts

Money - We all want to have more money and look for ways to make more of it, save it and invest it. Money making programs, investment and retirement programs, budgeting tools and calculators, banking conveniences and even finding better paying jobs have captured our interest.

Money is very emotional topic that often triggers stress particularly when it comes to things like debt relief or the desire to make more money and have material wealth.

Entertainment / Recreation - We all need time to play, have fun, let our hair down and relax. People also spend thousands perfecting their hobbies and finding new ways to be competitive.

Niches include movies, games, music, art, electronics, and sports.

These topics are all excellent opportunities for internet sales because you can connect with buyers on an emotional level. It's the *"I don't need that gadget but I'd sure like to have it"* concept.

But to take your sales power even further and eliminate a huge percentage of your competition, you need to focus on profitable niches. This means finding a specific need and fulfilling it. Your goal is to deliver precisely what the market is looking for and deliver it to the masses.

Why "Niche" Marketing?

The internet is full of stores, retailers and items for sale. In order for a small business to compete successfully you have to capture the smaller markets, the ones that the *'big'* marketers leave behind.

Let's say for example that you had a local brick and mortar store that sold cutlery. In a local town that reaches 20 to 30,000 people you probably wouldn't do very well because most people that need knives would simply go to their local Wal-Mart or Target store however, that's the beauty of the internet, you could create a 'cutlery' site where your reach goes far beyond your local neighborhood, your reach covers *the world!*

An internet store that covers just 'cutlery' could in fact offer more in-depth, detailed information about knives and cutlery than any sales person at the local Wal-Mart or Target could provide. And because of that very reason, your sales potential is much greater.

Finding a niche should start with a topic that interests you. Do you need to be an expert, *not at all*. I built a guitar website and I don't know the first thing about guitars. Of course I do like guitars but also found that there are over 4000

searches a day for guitars. In continuing my research I found the guitar topics that interest people the most. I then created my site around those topics.

Finding a niche should begin with looking at the following:

- **What do you already know?**
- **What do you like that you're willing to learn about?**
- **What are your hobbies?**
- **What are the current trends going on today?**

What do you already know?

I know so many smart, talented people who are wasting their talents and knowledge on going to a job every day giving their talents and expertise to someone else.

Granted, not everyone's talents can be marketed online or to the average person, but if you have practical 'how to' knowledge on a topic, why not create a 'how to' e-book or guide. People pay good money to learn how to do things for themselves and if you can show them special tips, personal tricks or helpful ideas on how to do something, they will be more than willing to pay for it.

What do you like that you're willing to learn about?

Do you have a topic that interests you and are willing to learn about? If so, take a class, read a few books, learn as much as you can and build a site or create an e-book about it.

Don't let yourself be discouraged by not feeling that you are expert enough in a specific topic. For most niches it doesn't take much to learn about something before you know more than the average person. Learn all that you can, believe you are an expert and project confidence, that's really all it takes.

What are your hobbies?

Got a hobby that you love? If you do, chances are you've developed personal tips and strategies that might help others. People are obsessive about their hobbies and they spend lots of money perfecting them.

Developing a site that sells gadgets to help people improve their hobby or find information on how to develop a skill is always in demand.

What are the current trends going on today?

Keep your eyes and ears open for trends. I like to watch TV and the shopping channels are a great way to see what people are buying. I've had some great

luck with talking to my kids. They are a great resource for finding out what the hot trends are.

Finding Ideas through Keyword Research

Let's take a look at some more ways to find and evaluate some profitable niche ideas.

We're first going to start with using a good keyword research tool. You can use any tool you like, however I prefer Wordtracker. So for the purposes of this guide you can follow along using the Wordtracker free trial.

<http://www.homenotion.com/recommends/wordtracker>

Bookmark that link because you're going to be using it a lot ;-)

The internet is where people go to find information. They go there to find items to buy but it's also where people go to find out how to do things, namely how to learn things, fix things, solve problems, etc.

If you can find a need and fill it you've got a winner, but how do we know what it is they need or what it is they are looking for?

This is where our keyword research will help – *a lot!*

Login to Wordtracker and under the keyword universe section go to the 'Keyword Popularity' window and type in any one of the following words.

how to
how
find
buy
info
create
relief
easy
learn
tip
fix
remedy
solution
improve

If you typed in the words 'how to' you will see that it gives you a whole host of ideas to research. Here's just a sampling of what comes up (the number to the right indicates the number of searches a day for that phrase at the time of this writing):

how to make hair bows 1081
how to draw cars 1079
how to save a life 929
how to write a resume 893
how to play soccer 880
how to read guitar tabs 649
how to draw 503
how to make a photo album 490
how to make hanging flower baskets 481
how to curl hair 448
how to draw cartoons 437
how to shave 392
how to gain weight 379
sedu hairstyles how to 376
how to lose weight 376
how to build a deck 354
how to draw people 353
how to play tennis 353
how to clean brass 325
how to make a resume 314
how to knit 298
how to get rid of wasps 297
how to play guitar 284
how to write a business plan 274
how to take good pictures 270
how to play poker 257
how to write a bibliography 255
how to play chess 254
how to pick a lock 252
how to build your own aircraft 249
how to make a website 245
how to play sudoku 239
how to make a kite 233
how to write a book 231
how to make homemade wine 230
how to make diet shakes 224
how to make meatloaf 224
how to brush my dogs teeth 218
how to read palms 217
how to cut hair 194

how to write an essay 176
how to grow tomatoes 169
how to dance 167
how to quit smoking 162
how to meditate 161
how to build stairs 160
how to make soap 152
how to make relationship last 152
how to prepare a resume 135

Typing in the words *'find'* or *'buy'* also turn up lots of good ideas.

Another tip for using these words is to use word extensions. Take the word *'create'* for example, try using creating, created or creator. There are some hidden tidbits you can find when you do this type of word expansion.

Not everyone takes the time to do this, so you could easily turn up hidden niches that no one else has thought of.

How Many Searches are enough?

People often ask me a how many searches are enough. We all like specific numbers, however in this case there is no concrete answer.

For me personally I like to see at least 500-1000 searches a day for my main site topic and my subtopic pages should have at least 200-300 searches a day including the variations of the search terms.

For example, candles has over 1100 searches a day and the topics *'unity candles'*, *'pillar candles'*, *'electric candles'* each has over 500 searches a day including the variations of those keywords.

I wouldn't recommend creating a site on *'candles'* however, the topic is much too broad, if you dig deeper you will find *'unity candles'* which is a niche that has over 160 searches a day and related search terms turn up more than 200 searches a day.

Your topic and subtopics may have smaller numbers and *that's OK!* Your site as a whole which includes your main page plus your sub-pages, will be targeting a much larger number of searches.

Places to find profitable niches

It's one thing to find a niche but it's another to find a *profitable* niche.

We're going to take a look at some great places to find profitable niches. These will not only give you some niche ideas, they will also show you how profitable the niche may be by looking at the successes of other web sites.

Check out eBay

Go to www.ebay.com. Here's where you can get ideas by looking at the eBay shops. *These shops are making money!*

For example, if you look at the category 'baby' you will come to a page that lists the 'popular searches' and the 'largest Stores'. If you look down under the largest stores you will see a number displayed in parentheses, this is buyer feedback which means these are the numbers of buyers. Of course not all buyers make comments so they've made *at least* that many sales.

Check out Ebaypulse

<http://pulse.ebay.com>

This is where you can find 'hot' items. It's basically a snapshot of the eBay marketplace and features the top 10 **popular searches, popular stores, popular products** and most watched items.

If you click on the category listing at the top you'll see that you have several categories to choose from. After selecting a category you will see a list of the largest stores for that category. Next to each store is a number in parentheses. This number indicates the number of sales; this is the same as we saw above for eBay.

Use the EBay Hot Items Report

EBay also puts out a monthly "hot item" report that you can get at: <http://pages.ebay.com/sellercentral/hotitems.pdf>

This is an excellent report for finding niches that eBay has profited from. It's also updated monthly so it's always current. The report is still free and it indicates the degree of "hotness" from "super hot" to "very hot" to "hot". You'll find lots of good tips there for finding profitable niches.

Examine the Google sponsored listings.

<http://www.google.com>

If you go to Google and type in your topic keywords you'll notice the listings down the right hand side and at the very top. These are paid advertiser listings. Watch these listings for several weeks and pay special attention to the ads that continue to appear, this means the advertisers *are making money!*

Use forums

One of my favorite ways of finding out what people are looking for is to go to topic forums. For example, if you think you would like to sell cameras, find a camera forum. Reviewing topic forums will give you some really good hints about what people want to know within your topic. You can also ask questions on these forums which is an easy way to get candid, useful feedback.

Use the Google Keyword Metrics tool.

<http://www.technobloggie.com/keyword-tool/index.php>

This tool tells you a lot about the money making potential of certain markets. Specifically what keywords people are paying for on Google Adwords which is Google's pay-per-click ad service.

It's helpful because you can see what keywords people are bidding on. I generally analyze results by determining that if a keyword's bid is anywhere from \$0.40 to about \$2.00 this is a profitable market. Anything more than \$2.00 I personally feel is too competitive. If keywords have \$2 bids or higher, you're probably on the right track however I would say try to think about narrowing down the niche a little more.

Also try looking for products that offer affiliate programs that pay fairly high commissions, this is also a good indication these types of products sell well.

The Google Metrics tool is also a *BIG* help if you will be using pay-per-click ads.

Use Paypal for Ideas

Paypal can give you ideas by going to 'Paypal Shops'

https://www.paypal.com/us/cgi-bin/webscr?cmd=_shop-ext

If you click on a 'Shop Category' to the left you will come to a page that lists all the stores that use PayPal. Some of these may be eBay stores because a lot of eBay customers use paypal as their payment processor, but if you look at the store listings again you will see a number next to the store, this lists the number of PayPal members that have paid this merchant.

Lots of profitable ideas there as well!

Amazon

Amazon is a perfect if you are looking to create information products, or even to get good content ideas.

<http://www.amazon.com>

For finding information to write about I go to 'books' and type in the niche you are interested in. For example, let's try 'parenting'. There are too many books on parenting, so let's try narrowing it down just a little to 'single parenting'. We're

getting better but look what happens when we try 'single parenting for moms',
ahh ...much better.

Now if we look at Wordtracker we can see that 'single parents' and 'single parenting' has over 300 searches a day.

Looking through all of the book titles will give you lots of good focused ideas.

Lots of good ideas! Almost too many, but don't get discouraged or distracted. Keep up the search and stay focused.

One thing to remember when searching for an idea is not to try to be all things to all people. You want to narrow down your market as much as you possibly can.

For example '*musical instruments*' would be much too large of a market. Narrowing it down to 'Guitars' is better but narrowing it down further to 'electric guitars' or 'acoustic guitars' is even better yet.

Can people get your products 'free' somewhere else?

Make sure that whatever you are planning to sell isn't given away free somewhere else.

For example, in my research I came across a site that sells a video on 'how to tie a tie'. If I look on Wordtracker for 'how to tie a tie', it gets over 1,000 hits a day. That's an impressive number of searchers. What's even better is this web site comes up as #1 for the natural searches on Google, however there's one big problem. Directly under that site is a '*free*' video on how to tie a tie.

...hmmm, can't swear to it but I'll bet the site selling the '*how to tie a tie*' video isn't making many sales even though it *is* #1 on Google.

There's no perfect niche

Don't get hung up on trying to find the *perfect niche*. There is no such thing. As the internet evolves there will be more and more sites with more and more competition. You're not likely to find niches that are *unfilled* but if you keep your eyes open, you're very likely to find niches that are *under-filled*.

Bonus Report

5 Steps to Big Profits

http://www.homenotion.com/pdfs/srf_5steps_homenotion.pdf

Make Your Knowledge Sell

Turn Your knowledge into revenue -- sell "*what you know*" on the Net." This book will make it possible for YOU to create and sell your very own info product. It sold for \$49.95 for years and today *it's Free!*

Build A Niche Store

Easily Build a Niche Store using eBay. I built my first store in 4 hours with this extremely 'easy to setup' store builder. "*It doesn't get any easier than this*".

PLR Niche Content

Quality niche content that comes with graphics. PLR niche content is the best quality content I've used so far. It's actually the *only* content I use short of a ghostwriter.