

Niche Markets Identification Process

Many printing/forms/signage/promotional products salespeople are intrigued by the idea of *niche marketing*. The general definition of this strategy is to develop a specialization in certain market segments, with the goal of becoming the dominant supplier in certain niches.

What are the best niches? In considering that question, it's important to understand that there are actually five separate types of niches: product niches, service niches, industry niches, geographical niches and personality niches.

- *Product niches* are pretty straightforward, in fact, quick printing and fast signs are two pretty specific product niches. Quick printing revolves around relatively simple, relatively short-run printing projects, and fast signs applies a similar focus to a different type of printed/manufactured product.
- *Service niches* are just a little bit more complex to define. For example, fast turnaround is a service niche, but one customer's definition of fast turnaround might be different from another's. The ability to preflight and handle a customer's digital files is another service niche. Free pickup and delivery—or extended hours—are still other service niches which can be exploited by a progressive printing/forms/signage/promotional products company.
- *Industry niches* refer to certain industries or business types with which a printing/forms/signage/promotional products company seems to have developed a special knowledge and product/service ability. For example, many such companies have focused on specific industry niches such as financial companies, associations, educational entities, and the legal profession.
- *Geographical niches* are also pretty straightforward. In fact, most printing/forms/signage/promotional products companies serve a relatively small geographical niche: a county, a town, or perhaps a portion of a city.
- *Personality niches* are probably the most common—and least understood—niches in which printing/forms/signage/promotional products companies operate. The basis of a personality niche is simply that the seller has something in common with the buyer. That might range from a shared interest in local sports or culture to shared membership in a civic/social organization like Rotary, Kiwanis or a Chamber of Commerce. It might also include having mutual friends or acquaintances.

The first step in establishing a niche marketing focus is to identify the niches you are already operating in. The best way to use this form is simply to list your Top 40 Customers in rank order—company name and sales volume—and then cut the form down into 40 separate “slips” of paper. Next, start grouping the slips according to the various niche possibilities.

As an example, let's say that your Number 1 customer is a small manufacturing firm which purchases a newsletter and two different product manuals from you. Start a “pile” with that customer's slip, and then add any other Top 40 customer who buys those same products to the pile. Let's say that your Number 2 customer is a legal firm which buys its stationery items—letterhead, envelopes and business cards—from you, along with a great deal of copy work. This customer becomes the start of another pile.

Group your Top 40 customers in terms of product niches first, then repeat the process on the basis of service, industry, geographical and personality similarities. This should give you a pretty clear picture of what niches you have already established.

From that point, you can follow two strategies. First, having identified certain niches in which you're already successful, go looking for more companies which appear to operate within those niches, with similar needs and/or expectations. The whole idea behind niche marketing is that you have developed

some special capability/connection which will make it easier for you to gain new customers within the niche.

Second, this analysis may point you toward desirable niches that you haven't yet fully established. As an example, let's say that only one of your Top 40 customers is an association for whom you're producing a newsletter. You know that it's very profitable work, and you know that there are other similar associations in your market area. To follow this strategy, you may need to learn more about associations and expand your newsletter capabilities, but the Niche Markets Identification Process at least points you in that direction!