How to start a niche business on the Internet
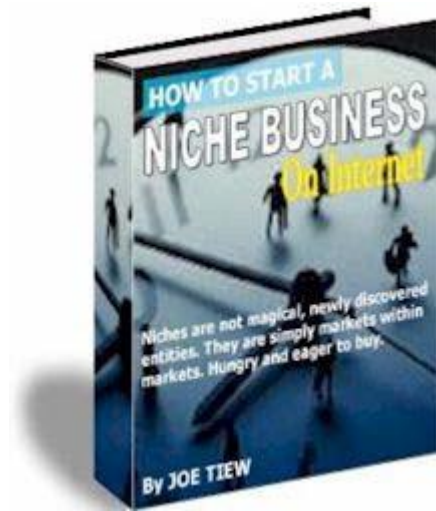## by Joe Tiew
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Email

Recommended Resources

- **Web Site Hosting Service**

IMPORTANT INFORMATION:

Starting a Niche Business on the Internet

Introduction – What Is a Niche and Why You Should Care?

You hear a lot of [talk](#) these days about "finding a [niche](#)", as if the concept is new. It's not.

A niche [business](#) is simply a business which serves a highly targeted market group. That's the short definition.

But there's something even more important you need to know about niches.

The fact is: *a niche is a business idea*. Read that again and really think about it.

When you zero in on a niche, what you're really doing is zeroing in on:

1. The audience or target market you would like to serve.
2. The core mission and unique selling proposition of your business.
3. The core [product](#) line of your business.
4. The realities of the market, which guide every aspect of how you structure your business, how you advertise and promote your business, and how you manage the long-range growth of your business.

To find a niche and create a business based on that niche is to stare "[marketing](#) reality" in the face.

It's the difference between having a concise business [plan](#) and no plan at all. One maximizes your chances for [success](#), the other is an almost certain road to failure.

So as you read this and begin to think about niches and niche businesses, keep these points in [mind](#).

Niches are not magical, newly discovered entities. They are simply markets within markets. Hungry and eager to buy.

It's all "Business Sense 101".

I created this step-by-step guide to show you the entire process of starting and profiting from an [internet](#) based niche-targeted business. Everything you need to know is here: from researching and surveying your target market, to creating and selling your final product.

You'll also learn some approaches to what I call "niche thinking".

This is a fancy way of describing the market research process, and how the types of opportunities you spot can vary based on whether you view markets in terms of products first, or people first.

It's going to be a crash [course](#) in rapid business development, so let's go ahead and get down to the basics of niche research in **Step I.**

Step I: Understand How Niche Marketers Think and Choose Your Approach

Two Models: Audience-Centric Versus Product-Centric

There are two basic 'ways of thinking' about niches. One model takes the audience into consideration *first*, while the other takes the *product* into consideration first.

Now, the truth is, both of these models are identical. It's just that one of them allows you to skip a step. And which one is that? It's the product-centric model. So, let's talk about that one first, and you'll see what I mean.

Product-Centric

The [product](#)-centric model relies on this time-tested rule of [marketing](#): *if you want to get into [profit](#) quickly, sell what people are already buying!*

There's plenty of data out there about what sells online. Your [job](#) is to identify the gaps in the market, and build your niche around them.

For example: books account for a huge portion of online [revenue](#). But how do you grab a slice for yourself without competing against the huge companies like Amazon.com?

Answer: You specialize.

As large as [Amazon](#).com is, they still don't carry everything. What types of books are people searching for that they can't find through the mainstream booksellers?

Could you become the authority and number one resource for [books](#) on a particular [hobby](#)?

How about 'underground' titles like "The Anarchist's [Cookbook](#)"? That's what the owners of [www.loompanics.com](#) have done. The controversial and "hard to find" titles are all they carry.

Another way you can build a niche around hot-selling products is to give them a twist by customizing or personalizing them. I bet you never [thought](#) anyone would want to buy poker chips online, but it turns out that they do *when they are custom poker chips.*

The [game](#) of poker is enjoying resurgence in popularity these days. Along with this renewed interest comes a whole new crop of opportunities to sell books, accessories and gifts to poker fanatics.

Niches within niches abound.

In summary, the product-centric model is based on spinning off existing

markets and trends. It is biased towards the sale of tangible items and well-suited to [affiliate](#) [marketers](#) or to business owners who have the patience and resources needed to deal with inventory, [shipping](#), returns, etc.

Audience-Centric

This model takes subject matter, special interests or *information* into account *first*. You begin by identifying broad areas of [concern](#) like [health](#) and finances, then drill down into subtopics like, for example, allergies or credit repair.

Next, you dig further into the subtopics – and here is where it gets interesting – *you let the product come to you.*

Basically, you start off with zero preconceptions about *what* to sell. You don't have a product in [mind](#). You only have an audience you'd like to target.

As you'll see when we discuss keyword research, your target audience will reveal what they're looking for (information), and this data will [guide](#) you towards the actual creation of your product.

The great thing about the audience-centric approach is that you can create whole new markets out of thin [air](#). This is the model preferred by most e-book authors and information marketers.

Where Do You Start?

You need to assess your own interests and strengths before you begin. Especially if this is your first time starting a [business](#).

What are you already interested in? Do you have any background or expertise on a particular subject?

If that's the case for you, then start with what you know. You'll have a bit of an advantage because your prior [knowledge](#) will allow you to narrow down the market quickly. In other words, you already have a good idea of how the topic breaks down.

If your passion is [music](#), for example, you know there is an almost endless supply of potential products and potential buyers in areas as diverse as:

-instruments/instrument [sales](#)/instrument repair/vintage instruments

-techniques and lessons on how to play a certain instrument or how to play *in a certain style*

-Memorabilia – shirts, hats, tickets, stickers, posters, autographs

-[audio](#) production, recording, cd labeling, booking, promotion, etc

And, you know that any or all of those can be tailored towards: solo artists, bands, fans, managers, engineers, [agents](#) and the list go on…

Now, that's a *great* position to be in, but what if that's not where you're at?

What if you just aren't interested in creating a business out of your hobby, or you don't feel any [passion](#) for your current expertise?

Here's the good news: **Everything is fine**. You don't need to give up hope or bang your head against the wall for ideas.

You *will*, however, need to do some extra work. This brings us to the second reason I suggest taking stock of your strengths.

I'm going to reveal to you a little known secret about most internet marketers.

Ready? Here it is:

Most of the famous niche marketers you've heard of create products for niches they know absolutely nothing about.

How do they do that? Easily. They either *hire* the research and [writing](#) out to someone else, or they hunt down an expert and do an interview.

Also, this type of marketer has his/her own set of "reasons why" for motivation.

They include:

- [Money](#)
- Pride of ownership
- Love of the creative process
- Need for variety and breadth, rather than depth

It doesn't matter as much to this type whether the market personally interests him. His goal (and passion) is for "the hunt" - to find as many overlooked niches as possible, dive into them quickly and start profiting.

So, if this sounds like you, you're in good company. Once you learn the basics of niche research, you'll have your pick of dozens of potential [business](#) ideas.

Step II: Identify Your Niche

Let's start with a brainstorming session. This will help organize your ideas if you've already got a subject in [mind](#), and it will help you generate a list of potential markets to research if you're starting at ground zero with no ideas.

1. *Write down what interests you or what might interest you. This can be a product category (like computers) or it can be a target subject/audience (like basketball or asthma patients).*

2. Write down everything you currently know about your interest. Generate as many related concepts, words, ideas, etc. as you can.

3. Put your list within easy reach and get ready to do some [online](#) research.

What you've just done here is generate a list of "starting keywords" that you can use to uncover even more keywords (and ideas).

You're going to use these keywords to find out:

1. Whether a market exists online

2. What the market is searching for

This stage of research will give you one of three things:

1. Confirmation that your niche idea is at least viable and deserves further market research.

2. Negation of your original idea. No one is searching for what you want to offer.

3. Revelation of untapped niches. If you're starting from scratch, you'll spot potential niches in the keyword data.

Keyword Research: A Case Study

Now that you know what to look for, let's see a bit of keyword research in action.

I'm going to pretend that I'm looking for niche [business](#) ideas related to "guitars". I sat down for a preliminary brainstorming session where I came up with a set of related keywords:

Strings - Picks - Solos - Repair - Used

My next step is to enter "guitar" into the Overture keyword research tool and make note of:

1. The *actual* results. Which words are paired up with "guitar"?

2. Whether any of my branching keywords appear (eg, "guitar -strings", "[guitar](#) picks"), and how many searches those phrases receive per month.

Let's take a look at the results:

Searches done in March 2005

Count	Search Term
565743	guitar tab
334099	guitar
131770	guitar chord
121629	electric guitar
106619	guitar center
49586	ultimate guitar
49179	guitar lesson
44590	bass guitar
40822	acoustic guitar
39226	free guitar tab
33402	gibson guitar
33338	guitar tab universe
28561	fender guitar
23921	martin guitar
22247	guitar music
21138	how to play guitar
19654	guitar pro
18726	ultimate guitar tab
17716	free guitar lesson
17712	classical guitar
16465	taylor guitar
16129	guitar scale
15792	guitar string
15398	christian guitar tab
14778	guitar tuner
14376	guitar chord chart

Note that the above screenshot shows only a portion of the total results. The actual results extended far beyond this, but showing them here would've required multiple screenshots.

(You can run your own search on "guitars" and check the full results by following this link: http://inventory.overture.com/)

Can you spot any potential niches?

How about these: "guitar chord chart", "how to play guitar", "learn to play guitar", "left handed guitar"? While we're at it, let's see how many searches are reported for the modifying keywords we brainstormed earlier:

Strings: 15,792
Picks: 7,544
Solos: 7,981
Repair: 4,024
Used: 9,271

Not bad at all!

But we're still just shy of having a viable niche. There's an obvious demand for both products and instructional materials, but we need to narrow our focus.

The first question is, though, do you want to sell tangible product or do you want to sell an e-book? If you want to sell an e-book, you could certainly write a "how to guide" on guitar repair or how to play guitar, as long as you give it your own unique twist.

But if you're looking to sell hard goods (or want to create a different kind of information product), then you'll need to dig a little deeper.

Overture makes the digging easy. All we have to do now is click on one of the results and see if the search phrase narrows with additional keywords. Let's click on "guitar pick" and see what comes up.

Aha! Look at this:

Custom guitar pick – 1,928
Customized guitar pick – 223
Create your own guitar pick -23

Again, I'm leaving out the bulk of the results, but you can check them. You'll find that the majority are just variations on the same basic theme: a market in search of unique guitar picks.

And don't be misled in this case by that low search volume of "23" on the phrase "create your own guitar pick". If you could set up a way for people to do this, there's a good bet you've got a ready-made market.

The search volume is low here only because "create your own guitar pick" takes a lot more thought to type in than "custom guitar pick".

The market is clearly interested in customization and personalization. I'll wager that the only reason you don't see more searches on "create your own" is because the majority of customers don't believe such a solution exists.

I honestly don't know if such a solution exists yet, but I know that if you can deliver that solution you'll have plenty of customization-happy guitar players beating on your door.

A Second Case Study

Our first case study gave us a potential niche product in the realm of "tangibles". We could follow that niche into profit either as an affiliate or by taking on the fulfillment duties ourselves.

Those are both great options, but the path of least resistance would have us develop an *information product* related to guitars.

Information products have the following advantages:

- *Extremely low cost of development and delivery*

- *Hands-free, automated sales and fulfillment*
- *Ability to price the product higher than average,as perceptions of "information value" are arbitrary*

The blindingly obvious choice for an information product in this category would be an e-book on "how to play guitar".

You have a challenge on your hands, though. You've got to find a unique angle. After all, there are hundreds of websites offering free guitar lessons. So, how do you position yourself to stand out from the crowd?

You must determine your unique selling proposition (USP).

Essentially, you've *found* your niche; but, what are you going to *offer* to your market? Are you going to teach them a particular style of guitar, like blues? Are you going to show them how to play faster, learn faster, and master the art of improvisation or maybe a technique like finger-picking?

Each of those options could be called a niche. They are niches *within* the niche of guitar instruction.

Step III: Determine Profitability

This step is *the* most important step in the process. Get this right, and your success is virtually assured.

I emphasized the word "profitable" for a reason. Not every niche is profitable. Usually this is an issue of size where the online market is simply too small to sustain a business.

I hate splitting hairs, though. So, as far as we're concerned in this guide, if the target market doesn't have profit potential, then it's not a niche!

Profit Check Method #1 – Keyword Research Again

We used keyword research in Step II to identify potential niche markets. Now we'll use it to size up our target market a little further.

Let's use our "guitar pick" example again.

I've gone through and counted up the search totals (March 2005) for every keyword combination related to the concept of "customized guitar picks".

The grand total is: 3, 458 related searches. What does this number tell me?

It tells me that, at the very least:

- There is a market with *an interest* in custom guitar picks.
- Assuming that number is in the ballpark of the month-to-month average, I could expect to generate a respectable amount of traffic to my site.

Conversely, here's what that number *does not tell me:*

- What types of customization are people looking for?
- How many of these searchers actually converted to customers, assuming they found custom guitar picks for sale?
- Do they tend to order one pick at a time or do they purchase in bulk?

These are vital questions and they illustrate the *limitations* of keyword research. Keyword data gives you, at most, a snapshot of trends. It's like taking the temperature of a market with your bare hand, instead of a thermometer. The market *appears* warm, but *just how hot is it really?*

In order to find out, you need to move on to more advanced research tactics.

Profit Check Method #2 – Scope out the Competition

It's time to hop online and enter your niche keywords into Google.

Look over the results and take note of the sites which show up in the regular search listings, as well as the sponsored Adwords results down the right side of the page. Are there a lot of sponsored listings? How relevant are the sites that come up in the regular listings, and are they commercial?

It's often difficult for beginners to distinguish between healthy competition and market saturation. How much is too much?

A certain amount of competition is *good*. It indicates that the market is robust, people are buying and the niche is profitable.

There are no hard and fast rules here, but there *is* a useful rule of thumb. You need to weigh your keyword(s) search volume against the number of "hits" or indexed pages reported by Google.

So, for example, if your niche keywords receive an average 500 searches per month, while Google reports that it has indexed 550,000 web pages containing your keywords, you've got some saturation on your hands.

Likewise, what if you find a niche with very few competing web sites or sponsored listings? This *might* mean you've uncovered an overlooked, underserved niche market.

However, it could also indicate a 'dead market'. No one is advertising or creating commercial sites because people aren't buying.

Regardless of how things look when you do this phase of research, don't throw away your idea too soon. There's a simple way to eliminate all doubt once and for all, and you'll learn how to do this in Profit Check Method #3

Profit Check Method #3 – Conduct a Market Research Survey

Surveys are fun. They're also *very* helpful when it comes time to create your product. Your market will *tell* you what they want, and how much they're

willing to pay for it.

Most importantly, surveys allow you to determine once and for all whether your niche holds any profit potential.

What types of questions should you ask?

Basically, ask any and every question you can think of to help you gauge the market's interest in your product idea.

Let's take a look at a sample survey. We'll approach this one as if we were writing an e-book on 'natural allergy cures'.

<u>Sample Survey</u>

1. What is your age?
2. Do you suffer from chronic allergies?
3. Are your allergies so severe that they interfere with daily functioning or quality of life?
4. Have you tried to alleviate or cure your allergies in the past without success?
5. Are you willing to try an all-natural, homeopathic treatment to cure your allergies?
6. How much would you be willing to pay for such a cure if you had a 100% money-back guarantee that the cure would work?
7. In the box below, please write in your number one question or concern about chronic allergies.

Look at how much useful data you can acquire from a survey like this! Just by taking the time to *ask* you can determine:

- The intensity of the market's desire for a solution
- The willingness of the market to try out yet another solution
- The market's willingness to pay for that solution
- The market's hidden, core concerns about the problem

You just never know what you might find out. You might have dozens of prospects write in the comment box to tell you they don't believe in "cures", they've tried them all, and would rather learn how to minimize symptoms.

You could choose to switch your focus and create a product about allergy symptom management, or you could factor in this skepticism as an obstacle you need to demolish in your sales copy.

Finally, you'll learn exactly how much people are willing to pay for your product.

And guess what?

If you can't get anyone to respond to your survey, even if you're dangling something free in front of them in exchange, that's a *really sure sign* that your niche, or perhaps just the product you've developed for that niche, will not

[profit](#) you. Back to the drawing board!

Step IV – Create Your Niche Product

You're finally at the most exciting stage of the process (well, except for when the [sales](#) start rolling in!). It's time to create a product for your niche market.

Before you start, you need to determine the best format for the product. Ebooks are hot and, of course, the format most of us first think of when creating a product. But there are other format options, too.

Consider the following possibilities:

- Audio – in the form of a downloadable mp3 file or cd.
- Video – many people are visual learners. video is a great way to deliver instructional content.
- Other multi-[media](#) – Flash, streaming audio and [video](#), [software](#).

Choosing a Format – Guidelines and Considerations

Ideally, you should choose the format which best supports the presentation of the content.

Are you teaching something that is difficult to explain in words? Consider adding video tutorials to your product, or deliver the entire product as a video.

Does your audience need to *hear* certain things – like tone, inflection or pronunciation? You'll want to add audio to enhance that information.

Also, remember that your product doesn't have to roll everything up into one package. If your content lends itself to a simple, one-off e-book format, that's great. But you can break the product down into different pieces if necessary. Often, the addition of audio or video formats creates a higher perceived value, allowing you to raise your price accordingly.

Lastly, make sure that your chosen format meets the following criteria:

- *Easily delivered via digital download*
- *Cost-effective to produce*
- *Accessible by the majority of potential customers (look out for pc vs. Mac compatibility issues, large files that eat up your bandwidth and/or are a hassle for customers with slow connections)*
- *Feasible (given your current skills) to produce on your own if costs prohibit you from hiring help*

Getting Your Product Pulled Together In Record Time

Once you've got a solid product idea in place, you naturally want to see it brought to life as quickly as possible.

Your three biggest time concerns:

1. Content: researching it, writing it, organizing it, formatting it, etc.

2. Design: proper e-book formatting and layout.

3. Quality: recording audio or video, converting it to the proper format and getting file size under control.

The question to ask *now* is:

Do you want to do all this work on your own? *Can* you do all of this work without losing too much time?

Let's look at the options...

The Do-It-Yourself Approach

For this discussion, we'll take ebooks into consideration. Assume, though, that similar amounts of work, investment and time are involved when creating audio/video products.

In order to create your product, you need to create content. Where will you acquire this content?

Well, you can write all of it yourself if you feel comfortable doing that. This could require more time and effort. It all depends on how much background knowledge you have in your niche, and on your abilities as a writer.

It would take a whole separate report to teach you how to write an e-book from scratch. I can't give you all of the tricks and tactics here, but I *can* give you some basic tips:

- Before you write a single word: Sit down and visualize your completed product. How long is it? How detailed? What information must you absolutely include, and what constitutes "filler" or details?

- Create an *outline*. Break your subject down into chapters, and break the chapters down into sections.

- If you have trouble staying focused, write down a one or two paragraph summary of what your book is about. Or, get a tape recorder and record yourself lecturing on the subject as you would to a 'student'.

- Remember: you don't have write it all at once. If you get easily overwhelmed, set some reasonable goals. Just write your introduction and then take a break. Alternately, get yourself a timer and set it to go off in 15 minutes. Write without distraction until the timer goes off, and then take a break.

- Writer's block? Try writing *just one* introductory sentence for each chapter or section. Eventually, you'll spot an area where your mind easily comes up with something else to add after one of those sentences. If you're feeling *really* zoned out, the folks over at **Brain Gym International**

(http://www.braingym.org/) recommend drawing figure-eights or infinity symbols on a piece of paper – just doodle them over and over in the same spot for as long as you need to.

Creating Without Writing

Did you know: you can gather content from the public [domain](http://www.braingym.org/), and create your product without [writing](http://www.braingym.org/) a single word?

This is one of the most popular ways of creating information products. You can use all or a part of one (or multiple) public domain texts to piece together an entirely new [book](http://www.braingym.org/)!

But, there's just one catch I want to warn you about...

You may have heard how "easy" it is to create products out of public domain material.

A lot of people make it sound like all you have to do is search online for an hour or two over at places like Project Gutenberg (http://www.gutenberg.org), download some [documents](http://www.gutenberg.org), and then pretty them up in a PDF file.

This is simply not true.

First of all, there are still *millions* of works in the public domain which have yet to be digitized and placed online. Currently available internet archives house only a fraction of what's out there.

Naturally, the academic types behind the digitizing of this material started off with the "classics" - things like Shakespeare and Grimm's Fairy Tales. So, about 90%-95% of what you'll find in the *visible* public domain will be useless to you from a niche standpoint.

Here's what you need to do, and where you need to look:

Point your browser to http://lists.webjunction.org/libweb/

Locate your country and select the "Public Libraries" link. On the new page, locate your region (or the one closest to you), and select the appropriate link. Now, you should see a page listing all of the public libraries in your area.

Again, choose the link for the library closest to you.

Once you hit your library's [web](http://lists.webjunction.org/libweb/) site, you'll need to dig around a bit and find the page where they list "Reference Databases".

What you're looking for is your library's link to the **World Cat (OCLC)** database. The reason you need to access this via your library's [web](http://lists.webjunction.org/libweb/) page is because World Cat is a subscription-only database.

You get free access to the database *via* your library's subscription.

Depending on how your library runs things, you'll either have a link for remote (internet based) access to the World Cat or you won't. If you don't, you'll need to make a trip to the library and access the database from there. For remote access, you might also need your library card number handy, so have that at the ready just in case.

Now, what do you do once you've got access to World Cat, and what's so great about it?

Glad you asked....

The World Cat Database contains *bibliographic records for every book ever published in the world!*

Or pretty close to it. You probably won't find that book of poetry your next door neighbor created, unless he bothered to copyright it.

When you search World Cat, you can apply all the necessary filters needed to return results of potential public domain materials related to your niche topic.

Let's say you're looking for material on "chess strategies". You would enter "chess" or "chess strategy" as your keyword search, and then filter results by limiting publication date to works published *before* 1923.

As you scroll through the listings, you'll find other valuable information as well, like: author, original publisher, original publication date – **and even better** – how many copies of this work circulate in libraries worldwide, which libraries hold a copy of the work and whether that work is available at *your* local library.

Once you've spotted some titles of interest, you can request a copy of the work through the **Interlibrary Loan System.** The library holding the work will pull it from the shelves and mail if off to your library, and you can pick it up from there.

Now, here's where things can get frustrating. The standard rule with most libraries is that you can only request about three books at a time through the ILS.

It may take only a few days for a book to arrive, or it may take longer. If you aren't satisfied with the information in those books, you'll have to use the loan system again to request new titles and play the waiting game for those.

It's not a big deal, but it's a pain if you're excited and in a hurry to get started. You may want to use the extra time to accomplish other pre-launch tasks.

I've got the Book(s), Now What?

Now, you've got some work on your hands! You have to convert this hard-copy book into an e-book

There are only two ways of doing this, and neither of them is especially fun.

1. Recreate the [book](#) in a text document by typing *the whole thing* in yourself. Do you have that kind of time?

2. Have the book scanned into a text document using Optical Character Recognition (OCR) software, then go through the document to correct any scanning errors.

This is obviously the most time-consuming stage of the process.

Here's what I recommend: Copy the material over yourself if the book isn't too long – say, 100 pages or so.

Otherwise, go with method #2. If you don't have the necessary [software](#) and hardware set up for this, you can hire the job out. Check your local [business](#) listings first, and try to hire someone locally. If you can't find the service in your area, you can locate some options online.

Costs for this service vary, along with speed. Your best bet is to shop around *before* you request your books from the library. You want to get them scanned and returned to you before they're due back!

Also, if you're concerned about the look and feel of your final product, make sure you have the scanning company scan into a Microsoft Word document or other text-only document *instead* of a PDF.

This way you'll be able to edit everything to your heart's [content](#) before you convert it to the final format. Don't forget you can always hire someone to do this for you as well.

Don't Forget to Check Copyright Status

Some works enter the public domain briefly, only to be re-certified. You should check the copyright status of any work you intend to use, even if you're pretty sure the material is public domain.

First, do a quick check online with the copyright office at this address:

http://www.copyright.gov/records/cohd.html/

Or use this one:

http://www.copyright.gov/records/index.html

if you would like to control the search by media type (documents, [music](#), serials, etc)

One of two things will happen:

1. You'll find the work listed. This means it is still copyrighted.
2. You won't find the work listed. This means the work is *probably* in the

public domain.

If you want as close as possible to a guarantee that the work is in the public domain, then you'll need to request a **certified copyright search** from the Copyright Office.

These searches are performed by Copyright Office staff, and the current rate is $20/hr. There is also an additional $20 fee for the certified search certificate.

You can minimize costs and keep your total bill as close to $40 as possible if you provide the staff with enough information. At bare minimum you should have the author's name, the title of the work, the first publication date and name of the original publisher.

You may also want to include: any pseudonyms used by the author, ISBN or CALL numbers, and names of additional publishers.

First, call the Copyright Office and speak to a search specialist:

(202)707-5860

He or she can give you an estimate of search costs.

Finally, send a copy of your search request in writing to:

Reference and Bibliography Section, LM-451
Copyright Office Library of Congress
Washington, D.C., 20559

Make sure you include a check or money for the estimated cost of the search as well as the certificate – and be clear that you would like this written certification forwarded to you. A simple, oral confirmation of copyright status, even from the Copyright Office, does not provide sufficient legal coverage should your use of the work be challenged.

The Outsourcing Approach

This section will be great news to you, especially if you have more money than time to invest in product creation.

Outsourcing your product creation to a ghostwriter or freelance writer can save you time and headaches.

You'll get a professionally researched and written product at a very attractive price.

Even if it costs you, say, $400 to have a product created for you, you can easily make this back in sales.

Here's another fact: freelancers are *hungry* for work. You can often find top notch writers, artists and programmers letting their services go at bargain basement prices because they *need* projects like yours to build their portfolio and reputation.

Where do you find this talent?

There are three [websites](#) which the *majority* of information [marketers](#) turn to when outsourcing:

Elance – http://www.elance.com/

Rent a Coder – http://www.rentacoder.com/

ScriptLance – http://www.scriptlance.com/

These are by no means the only places to find talent. You can find additional sites online. You can also search locally for [college](#) students or part-time workers looking to [trade](#) skills for quick [cash](#).

The reason so many of us turn to "the top three" is because these sites attract a huge pool of [freelancers](#), they automate the bidding and hiring process and they protect both providers and clients by providing escrow services.

When you post a request for bids on one of these sites, you have full-control over *who* you choose to complete the work and what you're willing to [pay](#) for it.

You can go with the low bidder. You can go with the high bidder. You can close the request without awarding the project to *any* of the bidders if you aren't satisfied.

Once you do locate the right talent, they'll work with you to create the [project](#) to your specifications.

Tip: Before approving the commencement of any 'work-for-hire', it's a good idea to draft a formal, written agreement. You'll want your freelancer to sign a non-disclosure agreement, as well as an acknowledgement that they rescind all claims to copyright upon accepting payment for the completed work.

Step V – Setting Up Your Web Site

The best web site model for selling single niche products is the "direct response" model.

Direct response web sites have **five** key features:

1. *They are clean and uncluttered.*
2. *They are straightforward.*
3. *They present product benefits in sales letter format.*
4. *They ask for the sale.*

5. They automatically complete the sale and the delivery of the product.

The design most niche marketers prefer, and which I recommend you follow, looks something like this:

HEADER GRAPHIC
HEADLINE
SALES COPY (may include product image, screenshots, testimonials)
ORDER BUTTON

On direct response sites, graphics are kept to a minimum. Typically, there are no external links – and any internal links point to things like contact information, faqs, legal notices and an affiliate program.

The goal is to keep your visitors on your site. Don't send them to someone else's web site! Don't give them too many navigational choices. You want them to read your sales copy and take action: either buys the product, sign up for more information, or leave.

Unless you happen to be a web design guru, the design of your direct response site is a task I *definitely* recommend you outsource to a professional. You'll never have to write a single of code, and your site will look fantastic.

Places to Get the Job Done:

http://www.elance.com/
http://www.rentacoder.com/
http://www.hypercover.com/ (highly recommended)

Hosting and Domain Names

Decent web hosts are a dime a dozen these days. But 'decent' isn't good enough when your business is on the line. What you need is a web host that is both *affordable and reliable.*

Here are a couple of hosts I recommend:

http://www.host4profit.org/

http://www.websitesource.com/

http://www.myriadnetworks.com/

You can walk away with plenty of space and bandwidth, plus more features

than you'll ever need, for $25/mo or less with one of these hosts.

Domain names can also be had cheaply. You really shouldn't be paying more than $10-$15 per year for domain registration. You'll also want to go with a registrar that gives you full access to your DNS (domain name server) information. You never know when you may need to point your domain name to a new host.

I've been very pleased with Teknon Domains: http://www.teknondomains.com/. COM addresses are cheap at $9.95/yr. Another perk: you can pay via funds in your pay pal account.

Some guidelines for choosing a domain name:

- The name should help "brand" your site
- It should be easy to type in and easy to remember
- It should be as close as possible in name to either the title of your product or your niche.

Payment Processing

You need to be able to process credit card orders over the Internet. This is how your customers will pay for your product.

I want to keep this part of the process as simple as possible for you, so I'm going to recommend that you set up your payment processing with **ClickBank** (http://www.clickbank.com/).

A ClickBank merchant account costs around $50. This is a one time fee.

Once you sign up, the ClickBank team reviews your product to make sure it complies with their terms of service. This approval process usually takes about seven days at most.

After you've been approved, the system is ready to take orders if you are!

You'll need to have your product uploaded to your web host, and be able to provide that URL to ClickBank's system.

As simple as it is to use, there are some drawbacks to Clickbank. The primary concern to most is that product theft is rampant. CB order links, in their usual form, can easily be 'hacked' to reveal the actual download location of your product.

There are some software solutions to this problem:

http://www.easy-download.com/
http://digitalorderguard.com/
http://www.stoco.net/pages/Digital_Vault/
http://www.clicklocker.com/home.php

It's definitely worth the extra investment.

Once you've tied each of these pieces together, you've got all the basics you need to start doing business. It's really as simple as that.

The important thing is to get your product out there as quickly as you can. Once you have sales coming in, you'll be able to invest in any additional tools or upgrades you desire.

Step VI – Advertising, Promotion and Sales!

Congratulations. You've done a lot of hard work to get to this point. Your product is finished and your site is up and ready to take orders. Now it's time to get the word out and start pulling good, targeted traffic – and converting that traffic into sales.

There are literally dozens of ways to drive free or low-cost traffic to your site.

I'm going to show you the top **four** methods, and place them in ascending order based on level of "difficulty" (cost, effort, skill, etc.).

Affiliate Program

You have a head start on this traffic source by using ClickBank as your payment processor. ClickBank attracts literally thousands upon thousands of affiliates due to its "mall style" listing of products, and built in affiliate system.

Your first concern should be affiliate management and support. If you give your affiliates the tools they need (and offer a generous commission), they'll send you the traffic.

Focus on providing your affiliates with these promotional tools:

- Banner ads
- Pop ups
- Text links
- Product images
- Referral letters
- Lead generators (sample e-books, audio, video, etc)
- Targeted keyword lists

Inspire and motivate your affiliates with:

- Generous commissions
- Additional performance incentives/bonuses
- Contests
- An affiliate newsletter

Take care of your affiliates, and they'll take care of you. This is a win-win partnership. You get the benefit of targeted advertising without the upfront costs. Your affiliates get the reward of a hefty commission check for all of their referred sales.

Press Release/Article Distribution

Press releases and articles both offer up a means of generating highly targeted traffic on a consistent basis.

Let's look at the benefits of each.

Press Releases:

Press releases are an effective means of generating "instant buzz". Although they are typically viewed as short-term traffic generators, they can also be a source of long term traffic when properly optimized.

For the short term:

A well-written press release will send traffic to your site via links from dozens of high traffic news and content sites.

Here's what happens: you submit your press release to a *press release distribution network or "news wire."* You may have heard the term "news feed" used before, and this is also an apt description.

The "news wire" distributes submitted press releases across a network of subscribers. These subscribing sites pull in the headlines from that day's news feed and display them wherever they've deemed appropriate (usually on the home page).

They may also have filters in place to sort through the news feed, allowing them to choose news content based on relevance.

Let's look at a real world example.

You've just completed a press release announcing the launch of your new site that sells blue widgets. You go online to http://www.prweb.com/, one of the oldest and most trusted sources for news distribution on the web.

This is where you will submit your press release.

You have a couple of distribution options. The **free** distribution service will get your press release onto a network of independent web sites which subscribe to the news feed service.

The **advanced** distribution options allow you to submit your press release to an even larger number of sites, including very high-traffic portals like Google News, Yahoo! News, and major newspapers and magazines.

You pick the option best suited to your needs and, voila, within about twenty-four hours your release gets picked up, people read it and, if they're curious enough, they follow the links you included in the press release.

Instant traffic boost!

For the long term:

Press releases, in general, get indexed more frequently and more quickly by the search engines. However, their ranking depends on keyword optimization.

You can, through careful optimization, achieve a top ten ranking in the major search engines on targeted keywords within your press release. This is great because your site effectively gets improved positioning by proxy.

Notice I said *targeted keywords.* The trick is to optimize the press release with relevant keywords that draw searches, but are not saturated or overly-competitive.

Quick Start Tips for Writing Good Press Releases

Press releases are not the same as articles, and *definitely* not the same as advertising copy.

A press release is a publicity tool. Its purpose is to *build credibility, raise awareness and create curiosity or 'buzz'.* Your audience is not interested in a sales pitch when they read a press release.

Your focus should be on what's *newsworthy* about your site or product. Keep in mind the **five w's:** *who, what, when, where and why.* Your audience wants the facts. You should use a journalistic style and tone.

Make absolutely certain that both the headline and the first ten words of your release capture and hold the reader's attention. This part is *crucial.* It's also a requirement if you intend to have the release distributed to major news outlets.

Don't forget to include all necessary contact information like your URL, e-mail and business phone.

Is there a standard format for press releases? Yes. The format used when mailing or faxing a hard copy press release is more or less followed online as follows:

FOR IMMEDIATE RELEASE: Placed in upper left-hand margin. Capitalize each letter.

Contact Information: Skip one to two lines after release statement. List your name (or press contact's name), title, telephone and/or fax numbers, e-mail, and website address.

Headline: Skip two lines after your Contact information and use a boldface type.

Dateline: The city your release is issued from (typically the location of your business, but you could change this if you are in another city for, say, a conference). The date of your release.

Lead Paragraph: This is where those all important, attention-grabbing "first ten words" come into play. Use the five W's.

Text: Main body of your press release. Expand on your message here.

Recap: Re-state or summarize your message in brief. Include any highlights like product release dates or place your URL in one more time for good measure.

One more quick point on this format: the only caption you need to write out is FOR IMMEDIATE RELEASE. The remaining captions simply named the necessary sections in the order they should appear.

Articles

Writing articles may not be the fastest way to create traffic, but it *is* one of the most powerful and effective. Think in terms of the viral [power] of syndication.

Site owners and newsletter publishers need one thing: more content. When you write a timely, informative and entertaining article, you can bank on someone picking it up and re-printing it.

You provide free, high-quality content – and, in return, you are rewarded with:

- loads of free, highly targeted [traffic]
- increased link popularity
- better positioning in the search engines for your target keywords

The key to all of this lies in your **resource box** or **author byline.** The resource box is a short section placed at the end of each article containing such information as: your name, your [website] address, [product] information, autoresponder address, etc.

Example of the format I use:

About the author:

Ewen Chia has just revealed his *secret
toolkit* that will blow up your bank account
like a thick balloon...and stuff more orders
into your inbox than you can handle!
Click here for the full details while you can:
http://www.StuffYourInboxWithCash.com

I place bylines like this one on all of my articles, and require that anyone who re-prints one of my articles keeps the byline in place, unchanged. That is the only "cost" they must pay for permission to re-print.

You can host all of your own articles if you wish – but there's a better way to get them circulating across the 'net.

If you really want to explode your presence and brand visibility, you need to

submit your articles to **article directories**. Article directories are just distribution points for free re-print articles.

Webmasters and publishers in need of content visit these directories and choose the articles they want to re-print on their site or in their newsletter.

Can you see the power in this yet? Imagine dozens of your articles being republished by hundreds or even thousands of other sites. Think of your article appearing in someone's inbox. It inspires them to take action. They create a site and decide to republish that article, too; and then they visit the article directories and pick up all of your newest content.

You've just expanded the reach of your message in a *huge* way. So, don't overlook this tactic, even if you're apprehensive about the work involved. You don't need to be the best writer in the world.

Write about what you know. Try writing in the same way that you talk (within reason!) if need be – and then get busy submitting those articles.

Here's a list of some of the most visited article directories online:

http://www.ideamarketers.com/
http://www.articlecity.com/
http://www.stickysauce.com/
http://www.ezinearticles.com/
http://www.goarticles.com/
http://www.123webmaster.com/
http://www.web-source.net/article-announce.htm
http://articles.siteowners.com
http://www.submityourarticle.com/ (not really a directory, more of a submission service)

Joint Ventures

Want to get up and running *super* fast? A joint venture might be the solution.

Joint ventures are simply *business partnerships*. Two or more businesses join together in order to share skills and resources. Each business receives some for of benefit from the venture in exchange for its contribution.

JV partners may exchange:

- financial leverage or capital
- products and services
- leads and prospects
- traffic
- sales
- publicity...

The list goes on.

The exact contribution of each partner depends on how the joint venture

proposal is structured, and what goal is being sought after.

For example, let's say you've just developed your first niche product. You need targeted traffic, leads and customers in order to grow and profit.

However, you find yourself short on capital. At first, you feel stuck. You can't buy the advertising you want if you don't have capital, and you can't raise the capital through product sales if you have no way to advertise to potential customers.

You're on the verge of giving up when, suddenly, you meet a fellow business owner with a different kind of problem.

He's got a huge list of loyal customers just itching to buy more of his products. Yet, he finds himself in a creative slump. He needs a new product to market to his list, and he needs it now!

Luckily, it turns out that your product would be perfect for his list.

The two of you agree to do a joint venture together. He endorses your product to his list and sends you immediate traffic resulting in leads and sales. In return, you agreed to give him 60% of the gross profits you earned via his endorsement.

Your business gains momentum. His customers are happy and his stress level is back to normal. You both earned a hefty profit. It's a win-win situation all the way around.

Joint ventures can take many forms, and are not limited to the example above. You can trade just about any resource for any other resource provided that both parties are getting what they want.

A Few Fundamental Rules of Joint Ventures

There is an established etiquette to setting up joint ventures.

Rule #1 – Give More Than You Receive

First of all, if you are the one approaching with the proposition, you need to structure the deal such that you *give more in value than you receive.*

This doesn't mean that you offer your partner $1,000 in exchange for $500. It's not about giving him the upper-hand in a way that is detrimental to you.

It simply means that you **create** more in *equivalent cash value* than you take.

Let's say that you offer your JV partner access to your opt-in list in exchange for a reduced rate on his copywriting services. His standard rate is $3,000 per letter, but he's dropping the price down for you to $800.

In return, you send him your leads. The long-term value of those leads to his bottom line is $25,000.

So, you just gave him $25,000 for a $3,000 sales letter! But only $800 in real cash left your pocket – and that's alright, because the letter he wrote for you improves your conversion rate, bringing you an extra $15,000 in profit.

You gave more than you received, and you still came out ahead.

Rule #2 – Partner with Complementary Businesses

Always look at complementarily and relevance when choosing a partner.

- How likely are your customers to be interested in your partner's products or services? How likely are his customers to be interested in yours?

- Do you and your JV partner share anything in common? Say, a similar sense of mission or purpose? An equal devotion to building strong customer relationships?

The most important thing is that you and your jv partner share a market with overlapping interests, while not providing the exact same product or solution to that market (in competition).

You sell gourmet Indian spices + your partner sells an Indian cookbook = complementary

You sell the ultimate cure for back pain + your partner sells pain-relieving skin cream = not complementary

(Sure, you've both got different solutions for pain. But yours puts the other guy out of business!)

Rule #3 – Always Formalize Agreements in Writing

Joint ventures can be very exciting, but don't leave yourself in the lurch legally by relying on verbal agreements. Things can and do wrong.

People back out of promises for various reasons. One partner could suffer a financial set back or illness. You could lose your business data in a hard drive crash.

It's important to outline the responsibilities of each partner to the agreement:

- What is their role?
- What are they providing in terms of time or money?
- How long will the partnership remain in effect?
- Under what conditions might it be terminated?

You need to get all of these things in writing, in a formal contract, signed on the dotted line. Your best bet is to hire an attorney to draft up the agreement.

Pay Per Click

Here's where all of the keyword research you did comes in handy.

You need to pull out your list and choose about a dozen keywords for a *test* campaign. The test campaign is a must. You don't want to spend [money](#) on a full-scale campaign until you know that your site successfully converts visitors into [customers](#).

This testing period allows you to collect data and address any problems with your sales copy, follow up material, etc *before* investing a lot of money in [advertising](#).

You also need to determine how much you can afford to bid on your keywords – and to do this you need to understand the value of each visitor to your site.

Here is the basic method for calculating visitor value:

1. **Calculate visitor conversion rate**:

<number of unique visitors> divided by <number of sales> = visitor conversion rate Multiply by 100 to express as a percentage.

2. **Calculate net profit per sale**:

<gross revenue – total expenses> divided by <number of sales> = net profit per sale

3. **Calculate visitor value**:

<net profit per sale> divided by <visitor conversion rate> = individual visitor value
Armed with this information, you can now determine your maximum bid for individual keywords.

So, in theory, if an individual visitor coming from "Keyword A" is worth $1.00 in [profit](#), you could bid as high as .99 cents per click on that keyword and you'll still be in profit by a penny.

Available PPC Engines and What They Offer

The top sources for PPC traffic are as follows: **Google, Overture.**

The top sources for cheaper, but shorter reaching, PPC exposure include: **Excite, 7Search, FindWhat, Kanoodle.**

Google and Overture are the major players in terms of reach, volume and bidding wars.

It should also be noted that Google's Adwords service is actually more accurately described as "pay for position".

Your ad placement depends not just on your bid amount, but also on the

popularity (click through rate) of your ad compared to other ads competing with you on a given keyword.

As for the smaller PPC engines, you'll find that hundreds of targeted keywords are available at super cheap prices, even the terms that inspire bidding wars over at the larger engines.

This is because the search volume on these other engines is relatively low.

Don't expect to be flooded with the same amounts of traffic you would receive on Google, and don't be fooled by the 'too good to be true' scenarios.

There are a *lot* of small PPC engines out there that look attractive on the surface, but which take your money and send *fake* traffic to your site.

Why?

Because in reality, they have no traffic! The majority of internet searchers haven't heard of them, hence, they don't use them.

So, stick with the engines that have well-established visibility and market share. Start off cheap at places like **Excite** or **7Search** if you need to, and do some early testing there. But place **Google Adwords** and **Overture** (and really, mainly Google Adwords) at the top of your PPC engine list.

Useful PPC Tips for Beginner's

Bid for a *Respectable* Position

You don't have to hold the #1 position in order to get ample traffic to your site.

In fact, it doesn't make good business sense to pay extra for that #1 spot if you can achieve #2 (or even just a spot in the top 10) for far less than what you'd pay for #1.

Don't get involved in the bidding wars you'll see going on. A lot of that is pure ego.

All you need to focus on is bidding high enough to get *exposure* somewhere on the first page (or top ten) of listings.

If you can't seem to locate any affordable spots in the top ten, then I can guarantee you that your keywords list needs further targeting, further refinement.

Any keyword priced high enough to be a barrier to entry for you should be considered untargeted. **Just toss it.**

Focus on Optimization

It's just as important to optimize the headwords and copy of your advertisements as it is to optimize your sales page!

Remember, **Google** rewards advertisers who optimize properly. Better copy yields increased click throughs – and, the higher your click through rate (CTR), the *lower* your cost per click.

Google actually lowers your real cost per click automatically (below the threshold of your maximum bid) based on the performance of your ad.

Google *also* automatically repositions your advertisement based on performance.

Proper optimization can land you in the number one spot *without* raising your maximum bid!

So, how do you go about optimizing your advertisements? How do you determine what's working and what's not?

You split test.

Split testing works like this:

1. You have at least two advertisements you'd like to test against each other.

2. You test the same element from each ad, one at a time:

Headline for Ad #1 is pitted against *Headline for Ad #2*. Only after you determine which headline is the winner do you begin testing *Body Copy for Ad #1* against *Body Copy for Ad #2.*

3. When you determine which headline pulls best with which piece of body copy, you now have what is known in direct [marketing](#) as your "control". The control is the "new standard", or the model to beat.

4. You create an entirely new ad and begin testing that one against your control.

Essentially, you're always trying to "beat the control" until, eventually, you hit an acceptable conversion rate.

In order to run split tests, you will need a split-testing script. Google provides modest split testing utilities, but it's a good [idea](#) to invest in a more robust [solution](#) – either a remotely hosted service or a standalone script installed on your own server.

Get Organized

The more keywords you have, and the more [ads](#) you're running, the more you'll notice just how time-consuming it is to wade through all of your data.

Even two dozen keywords can be a lot to manage when you're split-testing two versions of an ad per keyword. That works out to 48 separate ads with 48 unique tracking URLs assigned to 24 different keywords!

You've also got to monitor current bids, position and performance for each of those 24 keywords and 48 advertisements.

Do yourself a favor and set up an organized system early on to store all of your data. If you can, consider investing in an automated bidding/tracking tool like **Bid Rank** (http://www.bidrank.com).

Congratulations!

You've made it through every part of the step-by-step blueprint to creating a profitable niche business from scratch.

I recommend reading this guide several times over to allow all of the information to sink in. It *is* a lot to process at one time.

There's also a lot of work involved your first time out. Every phase of the process carries with it a learning curve.

I promise, though, that most of these steps will become second-nature to you after you've created a couple of niche sites. It *does* get easier.

Rome wasn't built in a day - and a solid, profitable niche business won't be built in a day, either. Remember, it's a journey, not a destination :)

I look forward to seeing you along the way!

Resources :

Software Gold Club Membership
 ⇨ http://www.softwaregoldclub.com

Free Payment Gateway - Paypal
 ⇨ http://www.paypal.com

Alternative Free Payment Gateway - Stormpay
 ⇨ http://www.stormpay.com

Free Affiliate & Shopping Cart System – PayDotCom
 ⇨ http://www.paydotcom.com

Recommended: Niche Products Made Easy
 ⇨ http://www.qobc.com/niche

THANK YOU!