

Worksheet

Choosing the Right Niche for Your Creative Business

Targeting a viable market is the single most important decision for any creative business. Neither an awesome person (you) nor stellar skills can compensate for a bad market. Picking a strong market leads to success. Choosing a weak one can lead to failure.



[Ilise Benun](#) has been coaching creative professionals and small creative businesses since 1988. I asked Ilise 'What are the **key questions** you must ask before pursuing a particular niche?'

❶ Is THEIR market growing?

If a customer's market is shrinking, there is likely not going to be enough business for you either. You will find out by:

- Asking people who work in the market
- Reading the business press. Look for market-specific publications to gauge the health of your potential clients' market
- Use websites that provide growth statistics for your customer's industry, e.g. [Statista](#) or [Sageworks](#).

Good signs

- ✓ The industry press is reporting positive news, e.g., the media reports substantial investments, frequent product launches, etc. If positive news is scarce, that's a red flag!
- ✓ Revenue for the whole industry is increasing.
- ✓ New companies are entering the market.

② What type and size of projects to pursue?

Think about your financial goals! Do typical projects pay enough? If you need to charge \$5,000 for a project and the market can only afford an average of \$1,000, it's not worth your time.

Do the projects fit with your experiences, skills, and interests? Will you be able to handle the typical projects size?

You will find this out by asking people in the industry:

- [Go](#) to industry-specific events or find LinkedIn groups where you can ask [your](#) questions. This is usually the best way.

Other avenues to find people to ask:

- Member directories of trade associations
- Participant lists of trade shows/industry conferences
- Your local chamber of commerce, especially if you target small businesses
- MeetUp groups
- People in your own network

Good signs

- ✓ If people respond, that's a good sign
- ✓ If the average prices they return meet your financial goals
- ✓ If typical project sizes can be handled by you, or your team
- ✓ If you can handle typical projects with current skills
- ✓ If they respond with projects in which you have prior experience

③ Do THEY think they need your type of services?

Your time for marketing and sales time is limited. Time is used effectively when you speak to people who already know they need your type of service.

You **must** find out if **THEY** think they need your help. You find out this by:

- Find companies in the niche that look like they need your help—ask actual people if they buy or plan to buy your type of services. For example, contact companies with obsolete marketing material.
- Are your competitors making money in the niche? Search the trade association for advertisers and associate members who you consider your competition. If you can find your competitors, it's a sign that the market has a need for your type of services.

Good signs

- ✓ They are already using your type of services.
- ✓ If competitors spend money on reaching people in the niche

④ Do THEY value your type of services?

This is an extension of question number ③.

If the industry already buys your type of services, and they ALSO **highly** value such services—it's a good sign that you are looking at a viable market.

Through conversations with potential clients and market research, you will learn if there is interest.

Good signs

- ✓ People respond positively and seem open to hearing what you're offering.
- ✓ If they want to make good use of your type of services (savvy buyers).

For example, if you are a web designer reviewing websites of a possible niche and the web design *generally* is bad and/or outdated, it can be a bad sign. It means the industry isn't putting much value on web design.

An industry must both require **and** put a high value on your type of services to make it a viable niche.

⑤ Do you like the people?

Business is about people and people like to work with people they like. If you like your potential clients, they are more likely to like *you*, allowing you to develop stronger relationships.

You'll find out through personal experience.

It's a bad sign if you find yourself judgmental and intolerant of your prospects.

⑥ Can you reach buyers in the industry?

If resources to access the industry's buyers aren't available to you, or too expensive, it's better to know sooner than later.

In your market research, look for industry-specific events to attend. Search for trade associations and directories with contact information for your prospects.

If you can't find any, that's a bad sign.

Good signs

- ✓ If you find trade associations
- ✓ If you find industry-specific trade shows and conferences
- ✓ If you find industry-specific LinkedIn groups or other online forums
- ✓ If you find industry-specific MeetUp groups and other local events

⑦ Are there ready-made lists of buyers?

If you can find a ready-made list of potential clients with their contact info, e.g. an industry directory, it can be priceless.

A Google search using keywords, for example, "list of healthcare technology companies," should turn up the resources you need, whether free or paid.

Good signs

- ✓ If you find a lot of useful information

A Final Note

The trick in researching niches is to know what to look for. It takes time to get used to what there is to find and how to find it.

For example, on a trade group website look for resources in this order:

1. Do they have events you can attend?
2. Do the events address issues you can help with? For example, if you are a web designer, is there a session about web design?
3. Is there a members list open to the public?
4. Is there a members list only open to other members? If so, can you purchase access, e.g., by becoming an associate member?
5. Is your competition already pursuing this market? For example, can you find competitors that are associate members?

Worksheet

The Right Niche for YOU			
Key question	Industry 1	Industry 2	Industry 3
❶ Is THEIR market growing?			
❷ Are prices high enough to meet your financial goals?			
Can you handle the project sizes?			
Do the projects fit your experience, set of skills, and interests?			
❸ Do THEY think they need your type of services?			
❹ Do THEY value your type of services?			
❺ Do you like the people?			
❻ Can you reach the buyers in the industry?			
❼ Are there ready-made lists of buyers?			