

From Niche Markets to Fragmentation

Think about something Bill Cosby said and ask yourself: "How does this apply to my current marketing?" Cosby stated, "I don't know the key to success, but the key to failure is trying to please everyone."

Are you trying to be everything to everybody? Are you trying to be one specific thing to everybody?

Re-examine your marketing strategy; trim the fat, and focus on very specific niche markets. Heck, go even further than niche marketing and fragment that niche into micro levels.

For example, there are two broad markets that relate to some of our offerings. They are "investors" and "traders." These are two very different and distinct groups of people that approach stocks and futures trading in completely different ways.

So we go to the internal niche markets of "traders" and look at "stock traders," "futures and commodity traders" and "forex traders."

In fragmenting these markets we get down to a micro level to create multiple opportunities such as "stock day traders," "emini stock day traders," "futures day traders" and "index futures day traders." How about options trading? You have "stock options traders," "futures options traders" and "forex options traders."

The needs, desires, must-haves, should-haves, and so on of each fragmented group are different.

Although they all want to make money, how they trade, why they trade and what they trade require different input and processes to get that desired outcome.

By understanding this and marketing accordingly, you can more strategically and intelligently build up monster profits as you cater to the specific customized needs for each fragment.

Take a look at your market. Are you targeting a niche right now? If not, what are the possible niches within the broader market you are targeting? If you are targeting a niche, what are the possible fragments of that niche?

For example, many would consider gardening to be a niche. Yet inside this niche you have "kinds of gardens," like the popular Japanese garden.

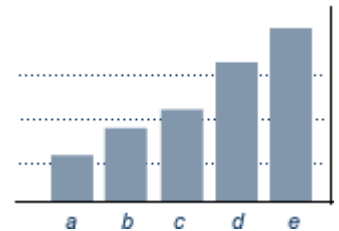
However, when fragmenting the Japanese garden down to a micro level, you have "tea gardens," "rock gardens" and even "water gardens," which all represent kinds of Japanese gardens.

A quick look at these different kinds of Japanese gardens will reveal that, although they do have needs that are similar, they have many needs that differ.

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"What you don't test, you can't measure. What you don't measure, you can't manage. What you don't manage, you can't grow."

—Stephen Pierce

From Niche Markets to Fragmentation (cont.)

What other kinds of gardens are there? How about “organic gardens”? How about a “vegetable garden”? What about plants? How many different kinds of plants do people grow in their gardens? How could these possibly be fragmented? Perhaps “roses” and “tulips” could represent fragments.

How about “indoor garden,” “outdoor garden” or “garden furniture” as some other quick examples of possible fragments?

With stronger micro positioning, you can shore up greater profits. Discover the power of going beyond the niche market and fragmenting those niches into even smaller, more specific and specialized sections.

Look to dominate fragments that can lead to dominance in the niche. Sure, you will end up with fewer clients and customers on a fragmented level. However, these will be better clients and customers; when it comes to fragmented marketing, less is more when the customers are loyal.

Don't Be a Dead Fish

Linda Ellerbee says, “Only dead fish swim with the stream all the time.”

When it comes to your marketing, are you a dead fish following the conventional marketing, sticking to the status quo and following what has become a “best practices” of chasing fads, copycatting, duplicating and ripping off?

If so, it's time for you to break out of your hypnotic state and start tinkering with your business strategy to unlock a new wealth of opportunities.

Stop being a “me-too” copycat in your product offerings and marketing. Stop trying to out-muscle and out-hustle your competition. The winners will be those who *outthink* their competitors.

Don't play by others' rules. Create your own rules that will catch both your market and competitors off guard, to the delight of the customers and to the dismay of your competition.

Strategic marketing is not about copying others and then trying to beat them with speed, muscle and operations. Strategic marketing is about outthinking your competition and making them irrelevant.

The best competitive position to be in is to have no competition at all. That's accomplished by changing the rules of play and deploying a distinctive strategy that is in your favor.

Can you finish this phrase? “Those who live by the sword...” Chances are you said, “Those who live by the sword die by the sword.”

INCORRECT!

The fact is, “Those who live by the sword get shot by those who don't.”

It's time you focus your energies and resources on developing and implementing a superior marketing strategy that neutralizes your competitors.

Being strategic allows you to expand your profits not only by rendering your competition irrelevant, but also by bringing in dollars that reach beyond the small universe you may find yourself stuck in as you continue to recycle dollars between yourself and affiliates/partners in your value network.

Another important reason you must be dramatically different from and strategically superior to your competition is that you are competing with not only the seen, but also the unseen.

Someone in a garage somewhere is creating a product or service that's a bullet with your name on it.

If you do not make your competitors irrelevant, someone is guaranteed to step up and make you irrelevant.

Bill Gates once stated, “Microsoft is always two years away from failure.”

If Microsoft, which has something like a 90% market share, fears becoming irrelevant, what should you be thinking about?

Regardless of the success you may be experiencing today, if you become comfortable and stagnant, you will become part of a "Where Are They Now?" episode.

Whether your approach is "revolutionary" or "evolutionary" in product and service development, your marketing strategy needs to be superior.

Why?

Strategic positions are being overturned quickly, and product lifecycles are shrinking faster than ever.

Every business must prepare for obsolescence. Whatever you sell will be obsolete sooner or later, probably sooner when you consider the quick pace of change.

Polaroid advises: "You should make your own products obsolete instead of letting your competitors do it for you."

So start looking a client/customer ahead.

Allocate resources not just for today's strategy and clients/customers, but for tomorrow's as well.

Like a hockey player who anticipates and strategically moves to where the puck is going, you need to not only look at where your market is today, but also strategically move to where the market, technology and profits will be tomorrow.

In other words, a strong predictor of your success is your ability to adapt, visualize and change.

Offline Street Marketing Strategy

Here's a barely legal street marketing strategy for you. Print up some 3x5 postcards that hype up the benefits of your product and be sure to include ordering information and your website details.

Then hit every bookstore you can find. Go to the section of books that will draw readers who would have an interest in your product. Pull out one book at a time and slip your postcard into the center of each one.

The alternative is to do something that we do. We recruit local retail outlets to be affiliates and give them referral

cards with their referral IDs on them along with a "take-one" display stand that they can put on their counters.

This simple strategy can usually be approved at the local management level when dealing with chains and franchises.

We have secured locations with National City Bank, Office Depot, FedexKinkos, American Express, Bath & Body Works, Bally's Total Fitness and many other local companies.

"You Got 'em, Now Keep 'em!"

Marketing strategically requires an understanding of the distinction in strategies between getting new clients and keeping existing clients.

The marketing you use to bring in new clients is different from the marketing you use to keep clients and build loyalty.

Many paralyze their profits because they don't know there is a difference, don't believe there is a difference or simply don't care about the difference.

Although we would all love to get new clients and customers, the cost of acquisition is much higher than the cost of building momentum with those already doing business with you.

Ignoring your current client base or trying to generate continued business from them improperly carries a huge opportunity cost, a cost of countless dollars lost and unrealized added value for the client.

Ask yourself, "Do I really need a ton more new clients?" Or, perhaps you only need to turn your existing clients into better buyers.

In either case, expand your marketing by using different strategies for *obtaining* clients and customers and for *retaining* clients and customers.

For example, with current clients, create a bridge from the old to the new. In other words, acknowledge their previous purchase and create a "benefit link" to your new offering. Show how the new offering makes the prior offering better, more complete, more powerful, etc.

You can also offer different bonus bundles that are exclusive to your current clients and customers and not available to new clients. Consider "privileged pricing" or "preferred pricing," allowing your best clients to purchase at lower prices.

However you decide to structure your marketing to existing clients and customers, keep in mind that your offers should be skewed to benefit your most profitable client/customer group and not to reward your least profitable group.

The point is: "You got 'em, now keep 'em!"

Serendipitous Innovations

Those with radar-like awareness can take a chance happening in the environment, recognize its importance, extract the concept and use it to make an innovative contribution.

Serendipity means finding valuable and agreeable things when one is not seeking them.

There are many examples of such finds: penicillin by Alexander Fleming, who accidentally left a dish of bacteria uncovered for several days; Saccharine by Constantine Fahlberg, who ate his lunch without washing his hands after his experiment; offset printing by W. Rufel when he failed to place a sheet of paper on a lithograph machine; and Charles Goodyear, who spilled a mix of crude rubber and sulphur on a hot stove and discovered vulcanization.

If serendipity suggests chance — the finding of things of value when we are not actually looking for them — the finder must at least be able to see the creative possibilities of his or her own discovery.

Serendipity goes against the grain of narrow-focus thinking, where one concentrates one's mind upon an objective or goal to the exclusion of all else. It invites one to have a wide span of attentions, wide enough to notice something of significance even though it is apparently irrelevant or useless at that time.

We are more likely to be serendipitous if we have a wide span of attention and a broad range of interests. Thus, serendipity needs to be earned first.

Things that happen unpredictably, without discernible human intention, can be incorporated into the process of creative thinking. To see and recognize a clue in unexpected events demands creativity and observation.

To interpret the clue and realize its possible significance requires knowledge without preconceptions, imaginative thinking and the habit of reflecting on the unexplained observations. Some original flair also helps. To quote Louis Pasteur, "Chance favors only the prepared mind."



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