

Niche Marketing with Keyword Research

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ABSTRACT -- The web is a great vehicle for niche marketing. No matter how small or obscure your product or service may be, there will be prospects interested in what you have to offer. In this paper we will explore two main methods of niche marketing, using real examples, and how they can be implemented online.

Categories: Pay-Per-Click (PPC) Marketing, Search Engine Optimization (SEO)

INTRODUCTION

As so many consumers search before making any type of purchase, and search becomes pervasive, keyword research has moved from a simple focus on optimizing websites to a powerful market research tool.

For marketers of all kinds, this power is a bonus: the work of a search engine optimization (SEO) expert can bring valuable insights to traditional marketing, while traditional marketing techniques enhanced by keyword research can provide powerful insights into the online environment.

NICHE MARKETING

A marketing niche is a small, well-defined market whose members share specific characteristics and whose needs are not well served.

The trick for businesses is to:

(i) Identify niches that competitors either failed to spot or felt were too small to warrant attention.

(ii) Develop products or services that meet the niche's specific needs and generate enough profits to make the effort worthwhile.

(iii) Expand each niche to its full potential and move on to identify further niches the business can serve.

Discussion in academic circles about the precise definition of niche marketing [1] is abundant. There are two types -- top down and bottom up -- describing the niche approach practiced by large companies and small companies, respectively.

The top down approach to niche marketing is seen as the last step in a segmentation strategy whereby a company progressively divides its market into smaller and smaller segments. Rather than gear its marketing strategy to the

mass market, the company aims to reach hundreds of smaller niche markets by progressively dividing its market. Bigger businesses prefer this approach.

The bottom up approach to niche marketing has the needs of an individual as its foundation, inferring that if one person has these needs, others must share the same needs. Small businesses largely prefer this approach.

In the top-down approach, a large company will spend a significant portion of its budget on market research. The main purpose of the research is to define profitable niches.

Such research spending is likely to be anathema to the small business entrepreneur. Entrepreneurial flair, close customer interaction, and gut feeling helps founders to sniff out and exploit niche markets.

Keyword research can provide reliable answers for both large companies and entrepreneurs. For example, a bank looking for credit card market opportunities can gain insight by digging into how people search for credit cards. The bank can thereby spot potential niches such as business credit cards or prepaid credit cards.

Whether the top-down or bottom-up approach is the most valid form of niche marketing is irrelevant. What does matter is the ability to grow a profitable business and that keyword research as a market research tool has much to offer.

Because it is impossible for every niche to be profitable, choosing a niche has to be based on confidence that it does indeed exist and in sufficient numbers to justify investment.

Philip Kotler -- one of the 20th century's most influential marketing thinkers -- advised that businesses need to find niche markets that:

- have a clearly defined need
- are potentially big enough to be profitable
- lack any real competition
- have growth potential
- have money to spend
- have potential to dominate the niche.

In his handbook, Dalgic [1] makes the point that while niches may initially be small, they might grow to become large markets. So the search for niche markets should be of

continuing importance to any type of business.

USING KEYWORD RESEARCH TO IDENTIFY NICHE MARKETS

One cannot simply guess best keywords: they must be actively researched and sought out. In 2007, we conducted research at search engine conferences. We designed a game with a series of pairs of popular and similar keywords, and asked over 1000 participants to choose the most popular keyword. To incent the players, a video iPod® was given each day as a prize to the person with the most correct guesses.

We found that, on average, people’s guesses were little better than chance. The conclusion is that guessing doesn’t work and that assumptions must always be challenged. What any target audience is searching for must be identified using a scientific approach, not guesswork.

Following are the steps to identify niche markets using keyword research:

1. Build a wide set of seed keywords -- keywords that encompass broad ideas around your website. This important first stage will map out the remainder of the keyword research, so it requires sufficient attention.

For example, a quick search on sustainable buildings, Fig. 1, reveals that the number of searches on the subject is low.

Keywords	Searches	Keyword Search
<input type="checkbox"/> sustainable building	16	Search
<input type="checkbox"/> sustainable buildings	12	Search
<input type="checkbox"/> sustainable building materials	4	Search
<input type="checkbox"/> sustainable buildings material	3	Search
<input type="checkbox"/> sustainable building economic benefits	3	Search
<input type="checkbox"/> sustainable building design	3	Search
<input type="checkbox"/> ieg commissioning for sustainable buildings	2	Search
<input type="checkbox"/> salt lake sustainable building conference	2	Search

Fig. 1: Keyword results for "sustainable buildings."

The lateral research tool Wordtracker enables a researcher to broaden the research. In this example, up to 300 alternative suggestions are made, including "green building (Fig. 2), alternative building and natural building. Compare the popularity of each keyword:

Keywords	Searches	Keyword Search
<input type="checkbox"/> green building	270	Search
<input type="checkbox"/> green buildings	77	Search
<input type="checkbox"/> sustainable building	16	Search
<input type="checkbox"/> sustainable buildings	12	Search
<input type="checkbox"/> natural building	7	Search
<input type="checkbox"/> alternative buildings	6	Search

Fig. 2: Keyword results for 'green buildings.'

2. Further reading. After the seed keyword research is complete, some detailed reading in the subject area is next. Online searches will reveal quality articles: Industry magazines and a book or two about green buildings or sustainable buildings continues to support the entire effort. Together with keyword research, this time spent leafing through material jotting down ideas, topics or hot issues in the industry provides an excellent foundation for confidently mapping out the major categories for the sustainable building website.

3. Let us study "green building" again:

Keywords	Searches	Keyword Search
<input type="checkbox"/> green building	270	Search
<input type="checkbox"/> green buildings	77	Search
<input type="checkbox"/> green building products	53	Search
<input type="checkbox"/> us green building council	51	Search
<input type="checkbox"/> uk green building design	41	Search
<input type="checkbox"/> green building council	39	Search
<input type="checkbox"/> green building materials	28	Search
<input type="checkbox"/> green building exhibitors list	17	Search
<input type="checkbox"/> canada green building council	13	Search
<input type="checkbox"/> green building trade show	11	Search
<input type="checkbox"/> green building design	11	Search
<input type="checkbox"/> green building consultants	11	Search

Fig. 3: Keyword results on "green building" part 2.

This research has uncovered 188 keywords containing the term “green building,” with a total estimated search volume of 1200 per day.

Fig. 4 shows the keyword results for solar panels:

Search results: 1,000 keywords totalling 9,726 searches		
Save keywords to: <input type="text" value="New list..."/> <input type="button" value="Save Selected"/>		
Select: All None Invert Page: Previous 1, 2, 3, ... 19, 20 Next		
Keywords	Searches	Keyword Search
<input type="checkbox"/> solar panels	2,672	Search
<input type="checkbox"/> solar panel	707	Search
<input type="checkbox"/> build solar panel	116	Search
<input type="checkbox"/> free solar panels	109	Search
<input type="checkbox"/> how do solar panels work	96	Search
<input type="checkbox"/> home solar panels	93	Search
<input type="checkbox"/> used solar panels	82	Search
<input type="checkbox"/> build your own solar panel	79	Search
<input type="checkbox"/> make a small solar panel	70	Search
<input type="checkbox"/> how to make a solar panel	68	Search
<input type="checkbox"/> thin film solar panels	63	Search
<input type="checkbox"/> residential solar panels	61	Search

Fig. 4: Keyword results on “green building” part 2.

When the research for each seed keyword is repeated, a comprehensive understanding of the market for sustainable buildings is completed. The next procedure involves using these keywords to optimize for niches.

OPTIMIZING FOR KEYWORD NICHES RATHER THAN INDIVIDUAL KEYWORDS

Visitors access websites through a huge variety of keywords. The screenshots from Google Analytics in Fig. 5 show the traffic and keywords used to generate it to three test sites:

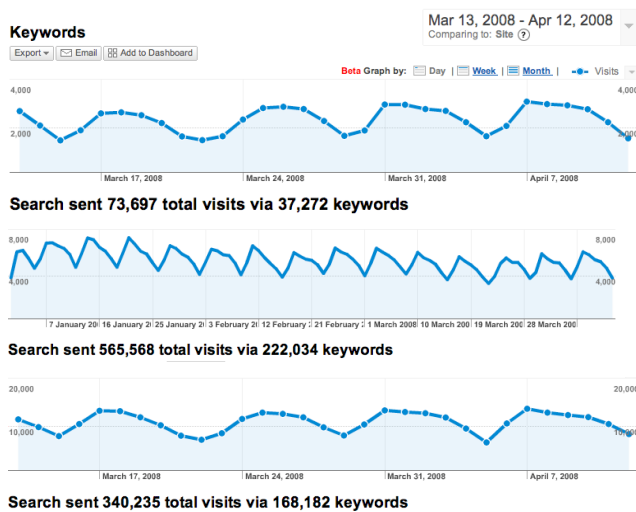


Fig. 5: Google analytics screenshot for keywords

These charts show that the ratio of total visits to the number of keywords used to arrive is roughly 2:1. Visitors use hundreds of thousands of keywords to reach the site. How does one optimize for so many keywords? The answer is that it is not possible to optimize for such a huge number of keywords. That is where an understanding of niche becomes critical. It is possible to optimize for niches aligned to a keyword search. Following is an example that illustrates the concept.

A family recently moved to a seaside location and saw that seagulls nesting on a roof could cause problems. The seagull’s noise was dreadful and disturbed the family’s sleep and that of the neighbors, particularly early in the morning. The builder’s suggestion was to shoot the seagulls -- not just illegal, but it seemed there must be a more humane way to deal with the problem.

So I went online to find some useful information. I used searches along the lines of “seagull nesting on my roof”, “dealing with nesting seagulls humanely” and so on. I quickly found a site that told me everything I needed to know.

The site that came up didn’t have my exact search term in the text, but it contained a wealth of information on the problems caused by seagulls, their nesting habits, the law and protection, and how and when to deal with the problem humanely.

While the website hadn’t optimized for the exact search term, the wealth of material around the seagull problem meant that the website designers had optimized for the keyword niche.

It ranked well in search engine results, and that is why I chose to do business with this company. They knew that creating content around seagulls was not an optional chore, but a fundamental necessity in doing online business. Taking the niche approach has implications for keyword research and site planning.

1. Emphasis in keyword research should be on finding niches. Ideas for niches will emerge from the initial keyword research. Hundreds if not thousands of keywords for each niche must be located, continually evaluated, and refined.

2. Knowing that every keyword found cannot be optimized means that a careful selection of those important keywords within each niche that can be specifically optimized must be undertaken.

3. The manner in which website niches are chosen and interlinked is paramount. This internal linking structure, together with the power of external links, determine overall search engine performance.

4. Spend time creating quality content. There is simply no other way to get webpages to consistently appear at the top of search engine results.

5. Each piece of content can be allocated and linked-to from different keyword niches. And rather than just ranking well for chosen primary and secondary keywords, each piece of content created can rank well for multiple long-tail keywords.

Not only does keyword research enable website optimization, but it also provides valuable market research.

USEFULNESS OF KEYWORD RESEARCH AS MARKET RESEARCH

Many years as a traditional marketing consultant have proven that keyword research is a source of constant surprise, and the customer insights I continually gain from it is nothing short of delightful. Completing a market research project ten years ago was an onerous and time-consuming task in comparison to the ease of using keyword research currently. In the past, project research required six to eight weeks at a minimum. I had to design my audiences, objectives, write the survey questions, recruit suitable respondents, conduct the research, and analyze the results. Surprising results were not uncommon, required further investigation, and repetition of the whole process, which would likely have compromised what I needed to achieve to move forward on the project.

Keyword research can yield almost instantaneous answers. While specific research questions cannot be asked, observations and inferences of a wide variety of consumer behavior can be made easily. Better yet, what seems like a dead end or surprising results can easily be remedied by simple adjustments in one's research approach, and the investigation can resume.

SEOs working closely with traditional marketing, public relations and advertising experts can create a synergy. At the SEO level, three stages occur:

- Optimizing web pages
- Generating content ideas based on what people are seeking
- Identifying and exploiting niche markets online.

Getting traditional marketers to buy can be a difficult task. A good outline of the benefits of keyword research can be persuasive tool.

CONCLUSION

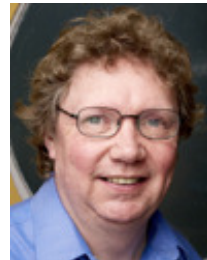
Traditional marketers should take notice when the discussion turns to keyword research because:

- Keyword research is real consumer behavior, not an opinion of what consumers would do. It is a clear window into what consumers are seeking and thinking about.
- Keyword research is timely and updated regularly. At Wordtracker, new data is collected daily and databases updated at least twice a week.
- It is instantaneous.
- It is multi-layered and flexible.
- It is cost effective.

Keyword research offers indispensable insights into consumer behavior, and as such, it is of critical importance to any marketing department.

REFERENCES

- [1] Tevfik Dalgic, *Handbook of Niche Marketing: Principles and Practice*. Binghamton, NY: Haworth Press, 2006.



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