

Profit
ACADEMY

MODULE 1

SEGMENT 1



Tom Hitchens: This is Tom Hitchens and I'm going to walk you through Module 1, which is Setting Up Your Business. In this video, we're going to talk specifically about finding a good niche for you. Now, first thing we need to do is to identify your target audience and we'll talk about that in this class. The next thing we're going to do is talk about planning thoroughly. We're also going to discuss research to find the best niche for you, and we're also going to do marketing demographic research and we're going to talk about learning your market.

Now, I want to note to you that in module number seven, that is entirely devoted to niche selection, so make sure that you do check out module number seven. It will get into a lot more detail about selecting your niche than this module will, which I'll be focusing on building your business and talking about a number of other subjects. Now, to identify your target audience, you have to first of all plan and I've stated here, if you fail to plan, or if you fail to plan, yes, you will plan to fail. Now, that is so important.

In this part of the Building Your Business Module is the most critical, I believe, in building your business because if you don't get this right, everything else you do will be worthless. It just won't make any sense. You've got to plan your target. You also have to find out what you like and we're going to find that out. Now, you may like a number of things. You probably have a niche in mind right now or at least maybe you're thinking of something, something that you're fond of or is close to you, but just because that's close to you, doesn't mean it's close to a lot of other people. We're going to find out what those people are that we're looking for. If it's not necessarily what you like, then you need to change the niche that you're going to market in because you don't market to yourself. You market to other people, obviously. You want to pick what they're looking for.

We want to decide what the subject is that you're interested in. That goes along with what you like. If you don't like something, you're going to get bored with it, and you'll get bored very quickly [00:02:00] and then you're not going to be very good in that niche because anything that you don't like to be involved with, I mean, doesn't it stand the reason that you're just not going to have a very good message to your subscribers on your list? You're not really going to be passionate about the products that you offer them.

We're going to talk about whether you are going to sell a digital product or a physical product, and we're going to look at both of

them and I'm going to have you learn some of the techniques that I've used when it comes time to decide whether I'm going to sell a physical product or a digital product. We're going to start a research right there. Now, what to research? First of all, we want to find out what we're interested in and the product that we'd like to sell, is it monetizable? Can we make money off this?

Obviously, we don't want to get into a niche where it's just not going to make us a lot of money. That is like trying to push a rope, which is not going to work. We obviously need to be profitable. Also, is there a large audience already in that area that we're going to be marketing to? If not, we're going to move on and we're going to find a niche that does have a large audience. What questions are they already asking? That's key. We want to be able to market to somebody and solve the problems that they're looking to have solved and answer the questions that they're already asking. What are they looking for?

We're not going to go against the tide. We're going to flow with the tide. We're going to try to answer the questions that the people are already asking. What are they already buying? Why would you try to sell them something that they're interested in? That's what we're going to find out through our research is what they're already buying. Then we're going to find out where they're already buying these items and we want to know what they're paying. It's important. We want to know what our market is already doing and we're going to tap into an existing marketing, something that's monetizable. Obviously, if it is, we want to know what they're buying, where they're buying, and how much they're paying for it.

We want to be as specific as possible because if you pick a general [00:04:00] niche, we know that there's a pretty good upside audience in most general niches that you go looking at, but you want to find something that is very specific. You want to get very, very specific in your landing pages which we'll talk about later on here. When you build the landing pages very general, it doesn't respond very well. The customer doesn't respond very well to that, and as a result, that conversion is going to be very low on that page. We want to try to find a product and answer a question that is already very specific in nature, and we're going to find that need and we're going to solve it.

Now, here's what you're looking for. You're looking for market and demographic research. You're going to learn your market and we're going to do that here together in just a moment. We're going to

build a customer profile or an avatar. We want to know exactly who is our customer. We're going to create that customer avatar. Where do people who are interested in your niche shop? We're going to find that out. We're going to look into that and what do they do. We want to know what their interests are, what are their hobbies, what do they like to do? Where do they hangout? What are they interested in? We're also looking for what are their interests, but more specifically, we want to get to know the market in such a way that we know what the typical list member looks like. We want to know the people on our list. We want to know that the people that are actually going to be joining our business, I should say, are of a certain demographic.

If you look in a specific place and you do this research properly, when you get to the point of actually building that list, those people that will opt into your landing pages and become part of your list, you know what they're already interested in because you did the proper research and you build a landing page around that. I've noticed that many people make the mistake of not doing the research properly. They just think of something [00:06:00] and they put a landing page together thinking that it will draw attention and then they hope to get people to opt in.

What they find is that they will get some opt-ins, yes, but then when they start following up with email campaigns to that list later on, those people weren't as interested in some of the things that you thought they were. That is a problem. Then you're not going to be selling a lot of products. You're not going to get a lot of high open rates. This is very important to what you're doing here. You want to know the people that opt in specifically what they're looking for and who they are.

You also want to know how old that person is. You want to know where they live and you want to know where they work, where they go to school, or where they travel to. You'll find these things out and I'll show you how to do that. What is your competition doing? What are they selling? If they're selling something, how are they selling it? Where are they selling that item or items? What prices are they charging? See, it's really important to watch your competition because if you pick a niche and specifically an area of that niche, I think it's going to be a real good area for you. Then you'll find that there's not a lot of people in that niche selling, competing against you. Probably the reason they're not selling there is because it's not a good market. They're not making any money.

Why would they continue to advertise in an area that is just not going to generate any cash flow for them? If there's fewer advertisers and fewer competitors in a certain area that you think is going to go gangbusters for you, I've got some news for you. It's probably not going to work because if the competition isn't there, it's not going to be there for you either. That the business and the market won't be there for you. You want to go into a niche and a market where there's tons of competition, tons of advertisements that tells you that it is monetizable. It's a popular area. Now, you might think, why would I want to go where everybody else is advertising? Why would you want to go there? Because you're a special student. You're in a group right now [00:08:00] that is watching something that not everybody else that is marketing in that niche is watching. You're not learning the things that ... They're not learning the things that you are that are going to make you the difference maker. You're going to build a brand that is very, very competitive. You're going to be very controlling in your market place. You're going to monopolize the area that you're going to into. You are looking for competition that you can beat. You ultimately beat them out.

Now, where we're going to research? We're going to research on Facebook. Then I'm going to show you. We're going to go to Amazon Books and also Amazon for physical product ideas. We're going to check out eBay. We're going to look at magazines.com and we're going to look at Google. We'll also look at a site called similarsites.com once we've figured out some of the areas that we think are really, really good because that will give us an opportunity then to take a look at what some of the other sites and those niches are actually doing at the time. Let's get into that now.

Now, what I'm going to do is I'm going to take you to Facebook. That's the first place we're going to go to. I'm just going to pick some ideas for a niche. Let's say that we're interested in crafts. Let's type in crafts in the search line here and see what comes up on Facebook. What I'm doing is I'm looking for other Facebook pages of a similar interest to what I'm interested in. If I'm into crafts, I want to see what's out there. Here's a number of items that pop up. Let's click on Craftsby and let's see what that's all about as far as their page. I like this already. You see this right here? 604,348 likes. There's a lot of other people that are into crafts as well. This is a good sign for me right off the bat. We found a page. The very first one that came up and there's over 600,000 likes on

that page. It's been around since 2011, so it's not a brand new page.

Now, what I'm going to do is I'm going to look here to see what this site is all about. It says here, "Educational service, community organization, arts and crafts [00:10:00] supply store." Let's take a look at what people that are actually liking on this page, because what we're going to do is to tap into these people. We're going to find out what they like. We want to look to see what they're talking about, what kind of comments they're making.

Here's something on a Saturday. They're making crafts. They're talking about different ideas. Here's a post that's got 28 shares. This is a very popular post. What's it about? It says, "Fresh off the griddle." No, this is the one here. "Enjoy smiles for miles with Saturday steals. Don't miss today's deals on fun online classes you can keep forever including 38% off cut to it strategies through smarter quilting." All right? Quilting seems to be a good subject here. They're looking for ways to improve their quilting. There were 28 shares on that. That's good.

Now, let's see some other posts here if that is a good number. Maybe that's a low number compared to some of the others. Here's a post that actually has 18 likes and what is that all about? It's talking about fresh off the griddle you'll flip over. Satisfy your craving for knowledge with hot deals including 38% off online class. Delicate water paper cakes." All right, paper cake seems to be a good thing that people are liking. Eighteen of them liked that. Here's another one. Let's see what the numbers are, 28 or 25 people like that. What is this one talking about here? "August fat quarter bundle inspired by nature and dreamy summer motifs. Designer Sarah Watts created a radiant range of prints from ..." We'll move on here.

What we're going to do is we're going to dig in to find out what the people are all about. Here's one, 64 likes, 73 shares. Let's look at that. What is that? "Learning the steps you can take to prevent the loss of photos." Okay? [00:12:00] People don't want to lose their photos, so they're really into that. Maybe that tells me that even more than they're into quilting or paper crafts, maybe they're into making sure that they don't lose their photos on their hard drive. This is another subject that is really getting some good likes here, 64 likes and 73 shares. That's a good sign, so maybe that's an area that we ought to tap into.

You see what I'm doing is I'm finding out what the audience is telling us. Listen to the audience. They'll tell you and look at the numbers, 63 likes but only two shares, so maybe that's not as popular as actually taking care of the photos on their hard drive. Here's one with 19 shares. What is this? It's a cake, pops up for the wind, a Super Bowl theme. You get the picture. I'm not going to get deep into this.

Now, let's go back and let's look again where we typed in crafts. Let me go back. Let's see what else comes up in crafts. Here's another one. This one I already saw that number – 1,310,000 likes. Huge. More than double the last page we looked at. Now, what is this one about? Retail and consumer merchandise. Let's see what they're talking about. This page has been around the same as the other page since 2011, but they have over twice the likes. Maybe let's see what this is all about. Maybe we can get a better idea as to what they're interested in.

You see what I'm doing is I'm digging down on researching. I want you to spend half a day on this, because you're going to spend days and weeks and months and possibly years trying to make a business work. Don't short change yourself on this area. This is going to tell you where your year of time will be spent [00:14:00]. Is this the right place to be or is it somewhere else? Is this the wrong place to be? Spend at least a half a day doing the research and just keep digging down and looking at these websites.

Here's one with 69 shares, 23,084 likes. They're interested in jewelry. They're interested in a combo offer for unique bracelets and rings. You see? Find out what your avatar is here, and we're looking at a lot of ladies in these images. I would take it that maybe there's not a lot of men in this niche. You're marketing to a female. What is the age? You'll find that out the more you dig, and that's what I'm trying to tell you. You need to do the research to build this avatar. Keep looking at Facebook to find out these things because this is where the people are. There's hundreds of millions of people on Facebook, so this is the first place I go. I start looking at Facebook right away.

Another way that I go look for, let's say that it's crafts and we're going to find something that ... Let's see what's being looked for on similarsites.com. Let's look at this website here. This website is right there the URL, so I'm going to copy that URL if I can copy and I'm going to similarsites.com. I'm going to plug that URL in here and I'm going to see what other sites come up that are similar to

crafts, and it shows me. There's the site that we were just looking at. Their Facebook page is usually popular, over 1.3 million people like it. What else is out there? Let's see. Here's one. Similar score, 82%. Let's find out what this site's all about. Let's click on it. You see what I'm doing? I'm researching. I'm looking. I'm digging down to find out what my niche is, and you'll find some other sites to look at crafts [00:16:00]. Here's one, Best Woman Fashion Site, Sarah Lee Jewelry Shopping Store.

Crafts and jewelry seem to be very, very popular, maybe more so than paper crafts. We're getting an idea what to do here. Now, what I'm going to do is I'm going to go to amazon.com and I'm going to type in something here on the general site, all departments. I'm going to type in 'women's' if I could spell right 'crafts' and let's see what comes up. Now, I typed in crafts, but I typed in women's crafts because you remember on the Facebook page, I was seeing that looked like it was primarily a woman's market in just a few minutes that I spent time there. I'm trying to be more specific. Instead of just typing crafts, I still get 97,494 results. If I just typed 'crafts' I bet I'd get a lot more because I'm not as specific. See? That's 2.5 million.

What I'm going to do is I'm going to be more specific and try to continue to be more specific. Let's see what's under women's crafts. Leather craft, butcher's kitchen cooking, the baking apron. What am I doing? I'm looking to see what people are buying. Now, I'm looking at things that are being advertised by other merchants, my competitors. If they're selling these items, could be that the market is buying them. I'm going to dig down and I'm going to try to find some things that I think if it's a physical product I'm looking for, what type of physical product should I be looking for? This is how I'm going to do that is to try to find out [00:18:00] by rankings. You can sort. You know how to do amazon.com. You can find out what are the most popular items by sorting. Do that. Find out by using all of the assets on this website, what is available for you to sell that people are actually buying. Crafts and Activities for Women's Ministry is a book.

Let's go look at some books and I want to do that anyway because books are always a great place to find out what people are looking for because if there's a lot of books in that area, could be that that is a good market. There's just more confirmation. Now, we have over 203,000 books under just crafts. Let me be a little more specific. Let's type women's crafts. That narrowed it down to 7300. Let's see what's available. Women and Craft, Women of Myth, and

we just scroll through to see Beauty Secrets, Buttoned-up Pattern Pack. Look if I type in women's crafts and I'll type in jewelry just to see because we saw in that other website that that jewelry element seemed to bring a lot more likes and shares than just crafts or women's crafts.

Here, I've narrowed it down to 63 books by typing in a more specific niche, and now let's see what that's all about. Making Bread with Wire Jewelry. Making Beads, sorry. Making Bead and Wire Jewelry, My Love Affair with Jewelry, Patterns in the Spirit of Design. Jewelry and crafting seems to be specific. Felt crafts, here's another one. You see what I'm doing is I'm trying to get to know what's going on on my market place. Let's pick a book and go look at it. Now, by doing that [00:20:00], a lot of books sometimes will actually show you the table of contents. If it has an area where it says you can take a look inside, which Amazon does often, you can actually see what the table of contents are and see what people are actually reading about because in the more popular books, they're popular for a reason. Go look at the table of contents and see what's actually going on. I also like to look at the customer reviews.

When you click on that, you can see what the people are talking about here. Here, this first person's saying, "I purchased this book really on a whim. I met Donald on Christmas day, recommended this book, the book and photos are brilliant. Gentleman's personality. Everyone should own a copy. It's amazing how people cross your path." It doesn't tell me a lot about what I'm looking for. Like Found Sea Glasses. "Book is a treasure. The colors, textures, and designs in these photographs are beautiful for the first page to the last." Jewelry, "My wife, a sea glass jewelry design and a fabricator, asked for this and another sea glass book for Christmas."

Sea glass. Let's go back here and let's type in 'sea glass'. I'm trying to be as specific as I can. Sixty-six thousand results for sea glass. That seems to be a very popular area and I think you're getting the point of what I'm doing. I'm really digging down. Now, you can do crafts but then when you send out something about sea glass it may get a very good response or if you send out something to your list on paper crafts, maybe you won't get as many people to opt-in, because as we've seen here, sea glass seems to be very popular. Women's jewelry seems to be very popular as opposed to paper crafts.

By doing this on amazon.com [00:22:00], we get a real good idea to see what people are buying, where they're buying it, and of course, what they're paying. Then you get a chance to see who's selling it. If I click on this item here, it takes me right to an area where I can see who that person is that is actually selling it and I'll see what other items they're selling. If they're in this area and they're selling a lot of items having to do with sea glass, then maybe I'm really tuning into something here.

Now, I'm going to do the same thing on eBay. Let's type in sea glass and see what comes up. Three thousand returns. This is a pretty popular item and I never thought about that. I'm not huge into crafting. Maybe you are, but look at this. There's a lot of items on sea glass. Now, that is specific and that could be a good place to start. Why? Because people are buying them. There are 23,716 auctions on eBay just using the term sea glass. Do you think maybe we have a market and it's monetizable? You also get an idea of what the competition is selling their items for, so you know what to sell your items for.

Now, another place I like to go to is magazines.com. Magazines.com is great because if we're looking for an area where people are interested in certain things and there's a magazine about it, chances are that's a good niche, right? Otherwise, they wouldn't have a magazine about it. Let's type in crafts since we're on that subject. Let's go to the search box. We'll type in 'crafts' and see what comes up. Is there a magazine for crafts? There's 56 of them. More confirmation that we may have a pretty good niche here, right?

Let's get little specific and let's type in 'sea glass' and see what comes up. Nothing for that. We need to be a little more generic here. What I'm going to do is I'm going to type in 'women's crafts' [00:24:00] and see what I get. No results for that either. All right, let's type in 'crafts' and we're going to take a look down at those magazines because we have 56 of them to look at. Now, what are they talking about in these magazines? Here's one on quilting. Right there, that hit my eye because from the other Facebook page we looked at, remember one of those first posts that had pretty good shares, was talking also about quilting.

I'm going to look at things like this, Knit Simple. Here's another quilting one, watercolor and you can sort by best matches. Let's sort by best sellers. Look at that. Quilting is still on the front row of the 56. Quilting seems to be very popular. That's another area you

can really focus on. Here's one Rock and Gem. Let's take a look at that one because sea glass brings to mind rocks and gems. Now, I like to look at the headlines and see what they're actually talking about because what do advertisers or I should say, what do magazine publishers do on their front page? They put their best stuff from that magazine and they're looking to give you things that will attract your attention so that you will look at that magazine, hopefully buy it, and that's what they want.

Here, they're talking about sapphires and they're talking about aqua marines and profiles of people doing things that I've never heard of before. Let's look through here some other magazines. you may also like Jewelry Artist, okay? Let's look at Jewelry Artist, keeping in the same line with jewelry and stones. Here, 'Marry Copper to Silver', 'Essential Tool Basics', 'Recycle', 'Holiday tins into sassy low-cost beads'. Beads, these are keywords that I would be writing down. Beads and rocks and stones and so on [00:26:00], sea glass. You see the point?

This is telling us whether our niche is a good one. I think the craft niche is very good. If it wasn't, why would they have places like Michael's Crafts and Hobby Lobby and so on? It is a very good niche, but we don't want to be very generic. We want to be specific. Jewelry would be a good area and stones. If we go to Facebook again and we type in stones, let's see what comes up. Stone S. Stone. I don't know what that is. Let me go back and take a look at what came up. Sharon Stone. Maybe I have to be a little more specific, so I'll type in 'jewelry stones' and see what comes up there, Jewelry Stones World, 244 like that. That's not really turning me on, 200 or 537 isn't turning me on there. Jewelry of Precious Stones and Silver, 42 members, not turning me on. Facebook maybe on stones is not the right term.

Let's just go with jewelry and see what comes up. Jewelry fashion, 72 likes. Jewelry Television, 614,000. Now we're talking. Blue Steel, 392,000 – whatever that is. Let's look here at this one here for 614,000 – Jewelry Television and we'll clue into the post [00:28:00]. Let's look at the timeline and see what they're talking about – 420 likes, 16 shares on that item. What is it? Not necessarily anything in the crafting area. This is basically just jewelry offers but stones seem to be popular, 554, 13 people shared it. I think you get the idea.

Now, this research, you can spend a half a day easy. I would say you could probably spend an entire day, maybe two or three just

doing this because you can see that it leads us like a spider in so many different areas. I want you to focus on doing the things that will make you money in the long run. Don't build your business until you know what kind of business you're going to build. When you look at these items on these websites solve their problems, not yours, too many times we're willing to change niche ideas if our research doesn't confirm our first choice. I want you to be flexible on that. Don't get hung up and get married to a certain idea and just look for confirmation that you were right. That's easy and that isn't going to make you money. Just because you like something doesn't mean that your market does. What is your avatar like?

Just because you know something is good for people doesn't mean they will agree. It's a whole new way of thinking and I want you to start thinking about what your market is looking for, not what you think they need to have. Sell them what they want, not necessarily what you think they need to have, and learn to surf the ocean. Don't try to redirect it. That's the whole key here. If your market is going in a certain direction, go with it. You want to sell. Unless you want to sell to yourself, I would suggest you start selling to the people that are out there, your avatars, and sell them what they want in the ways that they're already buying it and the prices that they're already comfortable paying [00:30:00].

Keep takeaways from your research. It's important to identify your target audience and its interest as specifically as possible. You notice, I tried to do that continuously. This will allow you to cater to your members' needs, which will improve engagement and limit turnover in existing members. These members I'm talking about are your members, your subscribers. You don't want them to turnover. You want to make sure that you cater to them and cater to their needs. You want them to be interested in what you have to say.

Let's review what we've just talked about. You're going to identify your target audience. You're going to plan thoroughly. You're going to research to find the best niche for you and you're going to market the demographics, and you're going to learn your market.