What niches are you in?

Each of us defines ourselves by several areas of self interest. For example, where decor is concerned I’m a colorful minimalist. So when local stores didn’t have the style of red pot I wanted as a statement for our home’s entry, I ordered it online directly — from China.

I’m also in the “everything has to be in order” niche, so when that converges with my “so much work and travel I can’t get to the grocery store” niche — I grocery shop online. Everything gets delivered right to my home, and I rationalize its premium price.

Each niche we are in expresses some important need we have, some element we want to see in ourselves. Something — consciously or subconsciously — we want to express to the world.

Today anyone can indulge their vast “nicheyness” by phone or online — with relevant information, entertainment, shopping, even social networking. The direct and immediate choices available for this are staggering. And with it, the consumer, not the marketer, has control.

This has shattered the historic one-size-fits-all mass market — into millions of markets of self interest.

Booz Allen and many others like to point out that all markets eventually mature to narrow markets of self interest. This is because as every market matures, choice increases. Choice in turn increases competitive efforts to improve to the point that functional quality and convenience become practically commoditized.

The only businesses that are then able to survive and profit move beyond “me too” or incremental offerings — to an amplified relevance, dramatic differentiation from alternatives. As every marketer sooner or later comes to discover and accept, the ONLY way to accomplish this is by defining your target more narrowly.

All markets inevitably evolve into economies driven by ever-more customized desires, ever narrower facets of individual expression.
In a world of infinite choice, targeting a narrower audience allows you to offer something electrifying enough to get their attention, concept offerings self expressive enough to draw them to you, powerful enough to give you competitive advantage.

Of course, narrower targeting is not a new concept. But its promise has only recently been made possible by technology — empowered by media fragmentation, by consumer search and shopping data; now economically practical because of the small-batch manufacturing, open sourcing, and ever more specialized channel options.

That all this has reached a tipping point is evident in the business news — most of the quotes (left) I’ve taken from the Wall Street Journal just in the last six months.

Sure, there is still profit in mass markets, but in our mature economy most positions are so hotly contested that for the first time in years you are even seeing the acknowledged master of mass marketing — P&G — unable to gain market share.

And the really stunning nature of the evolution to this NEW economy? It’s this: non mass markets now rival or even exceed mass markets in their economic potential.

What moniker shall we give this stunning economic shift where the only companies that thrive do so by targeting more narrowly? Well, the phenomenon has already been christened for us. The popular press, Booz Allen, The Economist and academicians all call it: Niching, nicheman- ship, nichecraft, niche marketing.
Niche is derived from Latin for “nest.” A “slot or berth,” pastime, interest, ritual, routine or retreat, where one feels snug, at home, secure, in harmony with one's self identity.

The consumer can't feel "snug" or "at harmony with one's self" when offered products and services designed for the lowest common denominator. Or designed for a broad demographic or psychographic “segment.”

While segmentation looks for lowest common similarities within a large, diverse group — Niching looks for differences from which to form a smaller similar group.

Segmentation’s goal is to find a target large enough to underwrite the high costs of traditional mass media and mass distribution. Niching’s goal is to find a target narrow enough to drive high margins and extraordinary profits — aided by the inherent tendency of niches to form communities of like-minded people who share news.

As this suggests, enabled by today’s technology, niching is essentially optimized segmentation. And as more and more analysis is done, it’s clear niching is here to stay.

It’s not just that the convergence of a mature marketplace and technology create the necessity to target more narrowly — it’s also that consumers who have experienced ever-greater levels of having their self interests met by a niche provider never again settle for anything less.

“No customer today will stand to be treated as part of a mass market anymore.”

—Senior Wal-Mart Executive

“In niche or be niched.”

That’s why — no matter what category you’re in, the future of your marketing IS niche marketing. So none of us dare dismiss it as irrelevant to our innovation, marketing communication, our very business models.

In fact, those who’ve ignored the shift from mass markets to millions of narrower markets of self interest are already experiencing decline.

Being all things to all people no longer works.
Their value propositions are simply less relevant than those of competitors who target more narrowly — or who, like Kohl’s or Nike, aggregate niche offerings to serve many different narrow targets.

For those slow to adopt niche strategies, the future is bleak. Of course, the first warning is the loss of share. But attempts to recoup share will be impossible — because competitors will have by then pre-emptively established closer customer relationships with more relevant offerings.

It’s pure survival of the fittest — but with technology like DVRs and the world live Web it will feel like economic Darwinism at the speed of light. The only marketers that survive and thrive will be those who quickly give up illusions of massiveness, and embrace the principles of nichcraft. An impressive list of brands is already doing this — from legacy brands to start ups — across every category of business.

“It is not the strongest of the species that survives... nor the most intelligent. It is the one most adaptable to change.”

—Charles Darwin

Companies harnessing niche marketing.
For example, Disney recently launched a line of bridal fashions, playing to those who when young entertained princess fantasies. Disney is also launching resorts across the U.S., niched by themed experience. HP and Nokia are niching by how narrow targets use computers — some as a family organizer or a status symbol.

Companies of all kinds are targeting more narrowly and finding improved margins and profits; faster growth; the ever higher returns demanded by investors. That hundreds of respected companies are turning to niching to achieve the same objectives as you have should tell you one very important thing: Niche marketing is now a revered — even a preferred strategy. Is it time for you to consider it too?

While the long-used definition of niche marketing still rings true, niching no longer implies what it did five or ten years ago: a small, low volume, market opportunity that is transactional, likely unsustainable and unscaleable — a course taken by less sophisticated businesses.

Today — no less than The Economist says the very definition of a flourishing economy is one rich with niches. There are many legitimate reasons for this esteem.

Today’s niches come in small, medium, large.

A niche’s size no longer has the same “limitations of magnitude” as in the past. Today niches come in many sizes. Yes, some are small, like those in the best seller “The Long Tail.” But many can be quite large, like the million-customer “mega niches” described in a recent Wired magazine feature. Especially reassuring is that many niche brands already represent hundreds of millions of dollars in annual sales, some over a billion.

And “once a niche brand” doesn’t mean always a niche brand. Some brands that start as a niche — end up the next BIG trend, creating new categories, disrupting old ones.
Niche ≠ Small. Niche = Narrow.

So rather than equate niche with “small,” think “narrow.” As in targeting the needs, motivations and self interests of a consumer group so narrowly as to maximize the clarity of what would give you competitive advantage in their eyes.

When marketers get it right, what they offer the niche is so valued by them:
• The marketer can charge a premium, reaping higher margins.
• Can platform the brand to drive share of wallet.
• Can experience rapid growth that makes up for the narrowness of the target.

Offerings that resonate with the target for which they see few alternatives create a loyal customer base with all the benefits: Lifetime value, more predictable revenue streams, word of mouth advocacy often through online communities, creating marketing efficiencies that further drive growth and profitability.

That’s why in today’s mature market, the apparent SIZE of a niche today is almost irrelevant. It’s the VALUE of the niche — regardless of its size — that technology has unlocked. So rid yourself once and for all of the stereotype that niching means a “marginal business opportunity, taken up by those who can’t seem to carve out a way to stay alive any other way.”

Our mature marketplace converged with technology means that nichemanship can deliver the proverbial golden egg. This can be yours if you truly understand the real magnitude of technology’s impact on marketing in general, and the practice of niche marketing in particular.

For example, since McLuhan declared the media is the message, culture, commerce and communication have intersected to such a degree that no longer is McLuhan’s admonition true. Today, the medium is not just the message — it’s also the news, the reference information, the entertainment, the sales channel, the sales promotion as well.
A perfect example of this convergence is www.savethecookie.com. Long a niche airline, because all of their seats are first class, Midwest Airlines has been voted by readers of Travel+Leisure as the nation’s best airline for years. When facing a hostile takeover, Midwest hired LSB to rally their loyal customers in protest. So we created this site where in one place you can:

- Shop for a ticket.
- Express with an online community your support for the airline.
- Ask your friends to join the protest.
- Sign a petition to upset the enemy.
- Buy a T-shirt to wear as a badge of your passion for the brand.
- Watch funny videos of the company mascot’s nightmares of what he’ll do if he loses his job. Now he’s a cookie, mind you…
- On this site you can even register as a friend of the mascot on a MySpace page we created.

Technology has allowed us to converge — on one medium, with one home page — the message with the news with the information with the entertainment, the sales channel and the sales promotion.

This also illustrates that what we used to think of as the 4 P's have now also converged. Even your promotion can be your product, because as Philip Kotler notes, if it’s really good your niche market will even pay for information about your brand, pay for the chance to experience it. No wonder that next to their new concept stores, Kohler is also putting in a revenue-generating spa — coincidently using Kohler’s high-end plumbing fixtures.
Ah, the convergence of retailing and entertainment and sales promotion and what you sell as a product or service. You are also seeing in the news how media and agencies are converging:
• Meredith Publishing has bought two interactive firms
• Microsoft just bought aQuantive within which is agency Razorfish
• WPP has invested in an online game publisher
• Small firms like LSB are cherry-picking the best of the whole field to outsource and affiliate with

And all that buzz about customer relationship marketing? Just because communications are more direct, digital or interactive doesn’t make the customer want to have a relationship with you. CRM, direct, digital and database modeling are all pointless unless they offer something compelling in their service to the target’s self interest. In other words, they’re all just marketing tools to be converged in service to identifying, attracting, and developing niches.

The impact of convergence everywhere in marketing is a big part of what makes the new niche marketing new. It comes down to realizing that while our targets have to narrow, our definition of marketing communications has to broaden. Broaden, because today, everything communicates what a brand stands for.

Even your business model. From it your niche will interpolate a great deal on whether or not you are really sincere about serving their interests, whether or not you are ethical and authentic, worthy of a premium price or their loyalty.

That all communicates to your niche all the time — even your business model — argues for a rather specific set of new marketing principles and practices in order to succeed. They all point to one brutal truth in our mature yet in so many ways new economy: First-mover advantage is critical. There is no such thing as second-mover advantage, more commonly referred to as being a fast follower.

I’ll let you figure out for yourself what this means for those 3rd, 5th, 10th to the race. The first principle about how to deal with this brutal truth is:

1 Excel at framing and creating niche opportunities.

For the record: Niches usually don’t self identify. (No group ever woke up one morning and contacted each other with the realization they were a unique niche called frequent flyers.) Niches are created. One place to look is not your heavy users, but your heavy-heavy users. When the airlines first did this they discovered 4% of their customers brought them 70% of their revenue, and the frequent flyer niche was framed and created by the airlines.

Another way to create a niche: Look for some seemingly narrow consumer need no one is addressing, such as home cleaning products that work but also look good on your counter.
The home décor purist that hates soap containers that don’t contribute to the decor is drawn to Method’s beautifully designed packaging: I buy five and ten at a time — to get the shape and colors just right for the bathroom, the kitchen, and backups when they run out.

Niches can sometimes be framed by cross-pollinating two seemingly disparate targets: Chocolate lovers crossed with beer lovers for example.

Another cross tab, is working moms and women who want to nurse their new babies. Understanding the challenges of having to prep breast milk while at the office, refrigerate it and then tote it home was a niche opportunity first framed by EvenFlow. And in doing so their historic 1% sales growth has jumped to 29%.

Remarkably loyal niche followings can be created by targeting groups who feel unacknowledged and ignored by mass marketers or society. Gay sports leagues and the niche named the "economically challenged” are but two examples. Emerging markets, emerging movements, emerging self identities are huge opportunities for niches.

And while it has always been a truism that people everywhere tend to define themselves by their ethnicity, economic status, political platforms, professions and religious beliefs or lack thereof, in a mature marketplace this has prompted the creation of pizza chains just for Hispanics, banks just for realtors.

Niches rich with opportunity are often found at the so-called fringes of society. It’s not just tattoos that profitably moved from the rebellious few to our kids and mothers. It’s rituals like yoga; extreme luxury items, artisan cheeses and pickles, high-end chocolate and vodka. Culinary Tourism, eco tourism.

Today, it no longer takes a Faith Popcorn or MIT professor like John Nesbitt to frame trends portent with niche opportunity. Database modelers can find insights from zip code, census and scanner data. Internet marketers, like Shopping.com, test millions of key words daily and from them frame and create niche opportunities, adjusting product offerings accordingly.
The Internet has dramatically increased niche framing. Market research firm Iconoculture has found ways to add a sort of rigor and validation to the identification and framing of niche opportunities, by harnessing legions of observers and analysts via the Internet to sort and report them. Most anyone can learn how to frame and create a good niche (see checklist on left). Excelling at it can give you first-mover advantage. And as a great existential philosopher once said: “Don’t just be first to frame it, be also first to name it.” Well, actually what he said was “To name a thing is to make it real.”

Just like naming a disease state so you can launch a niche pharmaceutical, often a niche target doesn't recognize itself as such until it’s been given a name, a self concept, an identity or desire to rally around.

CHECKLIST: How to frame and create a good niche

✔ It’s not necessarily small, but it is narrow in its focus
✔ Its customers have a distinct set of needs and they’re willing to pay a premium to the firm that best satisfies them
✔ What you can mean to them is so clear they’ll immediately get it and put a high value on it because they have few, if any, alternatives
✔ The niche has size, volume, growth potential from multiple products, services, experiences — providing sufficient revenue to support business expenses
✔ This niche is not likely to attract many, if any, other competitors for any number of reasons: your first-mover advantage, timeline or degree of difficulty to develop specialization, your optimized business model, patents or proprietary process
✔ The target niche is in fact targetable/engageable in today’s media reality
✔ Their word-of-mouth potential is high, delivering marketing efficiencies

The New Niche Marketing
M. LINDSAY

10

Be the first to frame it, name it.

‘Mancation’ top travel trend

Voluntourism

Vacations with a meaning gaining in popularity
Did people even realize they wanted a “healthy shoe” before Crocs launched their highly functional but odor-resistant and antimicrobial footwear? First mover advantage has served them well. But investors worry it can’t be sustained. One thing Crocs could do is work to understand the emotional motivations driving the niche.

Being first to also know and claim these allows you to own the equivalent of category positioning for the niche. Then your brand becomes the niche, pre-empting all others. Niche opportunities are often framed by such subconscious revelations. To beat competitors to them, use research techniques they probably won’t. And with your insights on consumer motivations...

2 Position your brand as narrowly as is economically possible.

This takes focus, more focus, and then focusing again. There is a direct correlation between your ability to focus and the amount of consumer and market insights you have.

A great example of positioning focus is Unilever’s Axe. It competes in the men’s grooming category but its narrow target is 11-24 year-old males. This niche would normally tend to dismiss grooming as not very important, but Axe turned them on when they shifted their positioning from the functional “good hygiene” to the more emotionally motivating “smelling good gives you advantage with girls.”

The niche became fanatical for the brand, and today, they buy multiple products from the Axe platform, using them so liberally thousands of high schools across the U.S. are said to reek of Axe. And though a niche brand, Axe now leads in the entire men’s grooming category.

Having positioned themselves around THE most compelling motivation to the target, Axe has made it impossible for competitors to frame anything else meaningful to the niche. Axe’s prospects for growth are great too, as I have it on good authority that their positioning is even compelling to men outside the 11-24 year-old niche.

As you’d expect, sophisticated marketers like Axe’s parent — Unilever, think a lot about what works and doesn’t when positioning brands. They tell me they’re concluding that effectiveness in our new niched world requires that every brand should target only ONE niche. They argue that trying to appeal to more than one niche adds so much complexity it makes your value proposition fuzzy, uncompelling to the more individualized self interests of today’s consumers.
Clorox tells me they learned this lesson the hard way — only after they came out with a high-performing but less aromatic Pine-Sol and sales plummeted. They realized those passionate about the brand were a tribe of obsessive cleaners who equated strong smell with cleaning effectiveness. So Clorox killed the sweet smelling product and focused on powerful scents. Now, by narrowing the focus of many of their brands to one niche each, Clorox’s organic growth has recently surpassed even P&G’s.

Right under our noses, brand architecture has been trending right (on the chart below) for some time, with more and more companies narrowing their positioning to individual niches via a sub or endorsed brand strategy. This narrowing increases a brand’s case that it “specializes” in just what the target niche needs and wants.
Specialize: Be THE expert in the niche.

Specialization can be powerfully attractive to a niche. When Gatorade launched in 1967 it was called a niche drink, and then it wasn’t a compliment but a prediction of a short, sad life.

Today a mega-niche, they are one of the strongest brands in PepsiCo’s portfolio. The loyalty Gatorade has with professional athletes and wannabes is testimony to their smart positioning as THE experts in hydration.

A relatively new brand vying to be the specialist in sourcing fair trade items is Fair Indigo: Their target is the growing niche concerned that a fair wage be paid to tradesmen growing and making products they buy. For some consumers, this is not a casual motivation, but a passion verging on a social movement. Fair Indigo smartly plays to this target, aiming to get not single transactions but share of wallet by selling a whole range of fair trade products — clothing, handbags, jewelry, coffee, chocolate.
The success of specialization has made Shouldice Hospital, outside of Toronto, one of the top 10 most used case studies at Harvard Business School. Shouldice has concentrated on perfecting one thing: Hernia operations. Their fame in management circles is their business model where processes and infrastructure all focus on getting people in pain back to feeling normal — in only three days.

But on top of this, their hospital delivers a country club feel — a solarium, putting green and care so warm that patients feel a sense of community to the point that over a thousand return annually for reunions with each other and the staff. Can you imagine the word of mouth marketing Shouldice gets? It's because their real specialty is knowing what adds meaning to their customers' lives.

Relevance = Hernia specialty, out in 3 days
Differentiation = Country Club-like experience

When your target believes you add meaning, they'll co-brand themselves with you. A shared identity is created. A symbiotic relationship where you are them and they are you. For a brand, it doesn't get any better than this. But it requires you get very close to your customers.

Harley-Davidson makes this happen by spending lots of time with their customer, continuously and sincerely asking for their input on products and services.

Gerber does this with a database of consumer insights that they've organized not around demographics or products used but around questions mothers ask on the consumer hotline. Over this they layer data on customer profitability, and competitor information.

For one of their product lines, HP connects daily with 300 digital photo enthusiasts they call their advisory board.

As these examples suggest — the next principle for competitive advantage in today's new economy is:
Continuously and rapidly co-innovate, co-create.

The former CEO of Starwood Hotels says this starts with nailing the feeling sought by the niche, then using it to inspire, judge and improve ideas quickly. Quickly? It’s not easy, but it’s critical: In the new economy, success comes not by how good you get, but by how fast you get good.

When Tropicana discovered that 3% of their consumers accounted for 63% of revenue and 68% of profitability, they immediately focused on getting insights from them and within 120 days were able to launch new products that doubled revenue and quadrupled earnings. To achieve first mover advantage, you won’t have much time to test things; often you’ll just need to know your target well, then “blink” and “go.” (Think like an entrepreneur. Think like Steve Jobs.)

Fan the flames with ideas. Prototype early. First movers think like marketers (“developing a strategy”) but act like merchants: Going to market with partial data then improving on it with real world experience.

Have a means to launch offerings on your Web site where feedback can come in the form of search analytics, hits, inquiries, suggestions, and best of all, transactional data that can give you algorithmic insights.

As you might expect, Intuit does all this, very well. They’ve successfully captured many niches and deep customer relationships. And that is a new economy imperative: Innovate less with an eye for product profitability than what will develop deep customer relationships. Consider entry level products — for those who want to try the niche on for size. Innovate for the pro; bundle offerings for the “heavy user.”

Consider an entry level and premium pricing strategy. This allows you to develop share of wallet commensurate with the target’s degree of passion. And when you’ve identified your fanatics, invite them to provide product and service ideas, ads and Web site content so they can literally refer your brand to others.

This is why marketers should invite consumer generated content. Because it makes your customers more conscious of their passion for you, internalizes it, generates a valuable endorsement, deepens the relationship. In today’s new economy, it’s not bricks and mortar, equipment, locations, products or services that comprise a company’s assets. It’s the customers themselves. It’s the relationship you have with them, that is your most valuable asset.

It’s not how good you get, it’s how fast you get good
- Co-innovate continuously with the target
- Fan the flames with lots of ideas
- Prototype early
- Think like a marketer, but act like a merchant
- Generate transactional data: Sales, subscriptions, registrations, frequent buyer cards
5 Embrace a business model and metrics that focus on the most valuable assets of the new economy.

It’s highly likely your business model is not yet focused to optimize customer relationships. That’s because most businesses still focus on old economy assets or metrics — market share and product profitability often at the expense of consumer delight.

A few years ago Best Buy got rid of their old business model. It started when management analyzed their consumer data, and found that 20% of their customers were providing 150% of their profit. So Best Buy reorganized to focus on their most profitable customers. Creating five niches, they went about becoming all things to each niche, with products, services, pricing and a channel strategy custom designed for each. And today Best Buy is thrilling their niches, driving their own profits through the roof, and crippling Circuit City.

Best Buy’s next coup — is first mover advantage with a new store concept for women 45 and older who are seeking more balance in their lives. They’ve branded it EQ LIFE, the EQ standing for “equilibrium.” They’re delivering it by aggregating in one place nutritional supplements, prescription drugs, health and beauty aids, grooming appliances, exercise equipment,
a spa, a nail and hair salon, a lounge for gathering with friends. It’s a bold specialization strategy designed to build deep relationships with niche members, all while nurturing share of their wallet.

What is your business model? Has it changed in the last 10 years? In the last 50? Does it give you any advantage in the new economy? Is it driven by what you can make or what would thrill your customer regardless of where you source it? Is it built so your target can customize the product, shopping, transaction and relationship dynamics?

Our new economy has ignited a war of business models: Victory — and the golden egg — comes to those who first move to specialize in a way that creates barriers to entry by competitors.

A perfect example is University Islamic Bank.

Like everyone else, Muslims dream of owning their own home, their own car. College educations for their children.

Yet Islamic law prevents Muslims from paying or receiving interest, and “interest” is at the heart of the business model that has long defined mortgages, car and educational loans — the whole banking industry.

With a lot of work, University Islamic Bank found a way to deliver “banking” for Muslims without the traditional interest-based business model. What they’ve created is hard for competitors to match. Meanwhile, grateful customers are giving the bank great returns, great projections of continued success when the bank expands offerings to insurance. And as you’d expect, the bank gets great referrals by word of mouth.
The ultimate metric of one’s success in the new economy, the ultimate predictor of future returns is simply: To what degree would members of the niche recommend your brand to others? (Fred Reichheld, brand loyalty expert at Bain & Company taught this metric at Brandworks in 2006.) It’s a metric enthusiastically adopted by GE, Allianz, Intuit, and many others. It is the perfect metric for today’s niched economy, because:

To its members, a niche’s values and belief system is like a cause, a badge, a calling. Niche members are often defined by a passion so strong they want to share it. Their evangelism is how they confirm their niche membership and create community in an otherwise harsh and impersonal world. So to excel as a marketer for niches...

6 Re-imagine your role to be that of spirited leader of a special-interest group.

Approach your job as if you were launching a cause or championing a movement. As role models, study the methods of Bono or Al Gore. They’re sincere and passionate in what they’re advocating. They work tirelessly to educate, to persuade others to “join the club.” They seek to inspire, to recruit followers; create new advocates for their cause.

Some consumer marketers are on to this strategy: Pedigree has assumed the role as dog’s champion and protector. They’ve adopted the cause of helping shelter dogs, too, and try to recruit other dog lovers to help.
“Be Hospitable,” admonishes Hilton’s campaign with a cause. If you are in the niche disgusted by the decline of manners, they invite you not just to experience Hilton’s hospitality. They encourage you to do something to bring back good manners everywhere: Nominate people for their hospitable acts so they can be acknowledged, rewarded, and inspire others.

Activism can be found in many marketing campaigns today: Häagen-Dazs just engaged self-proclaimed ice cream cognoscenti to VOTE on their new, more adventurous flavors. It was very successful because those who feel they have a calling, love to register their opinion.

“Petitioning Congress” is invited by this pseudo-political site launched by Asheville, North Carolina. Its playful advocacy is straight to the point: Asheville is worth more than a two- or three-day stay.

This Georgia-Pacific case illustrates that niche as “cause” marketing works in B2C OR B2B. First to frame, name and launch the STOP FEEDING MOLD movement, it “farms” for members with TV spots that bring out the “germaphobe” in many of us — helping us realize perhaps for the first time that we’re passionate members of the niche. We’re drawn to their Web site whose URL is the same as the movement’s call to action. There we can learn how to get vile mold out of our homes and prevent its return. The site incents our official club membership with a sweepstakes. Links give lots of other information but also help the site do very well in Internet searches on mold. And what a coincidence — the site suggests we demand of our builders that they use Georgia-Pacific materials that STOP FEEDING MOLD!
Another example of brand meaning as movement: “People Against Dirty” was just a clever copy line when cleaning product Method launched their campaign until they discovered a lot of people see themselves that way. And the niche’s passion now revealed, Method has elevated the copy line to a calling.

When you re-frame your job as a cause, a calling, it just might inspire a passion for your job you didn’t think you could muster. When you re-imagine yourself as the leader of a belief system or a movement — it can energize you. Inspire a fresh perspective and more powerful strategies. It can change what you ask of your agency, too — low levels of bureaucracy, high levels of courage. That everything they do makes headlines for you.

Bono and Al Gore know that news headlines are the real currency of our times. Whether it’s serious or fun, the dramatic is our entertainment; what people now deem culturally important.

Special interest groups excel at making headlines. They sensationalize their ads, new product launches, Web programming to get attention. Drama and controversy increase buzz, searches and site visits, which in turn produce the data used to further the success of the cause. The most successful special interest groups don’t stop at news creation either. They also create their own media — newsletters, trade shows, blogs, podcasts, ezines, radio networks (think Air America) and now with Web TV — they can even have their own TV channel.

Welcome to the new economy. It means that your brand is essentially now itself competing in the category “formerly known as media.”
Think of yourself as Media competing against all other media.

In a world where the medium is the message is the news, information, sales channel and promotion all in one, YOUR communications essentially make your brand the equivalent of media too! Of course you’ll continue to advertise and seek PR on other media — to drive eyeballs to your Web site or Web TV channel. But these other media, traditionally your friends, are now also your competitors. Friends also now enemies. (Does that make them Frenemies?)

To compete as media, raise the standard for your communications. If you are Bosch tools and want people to come to your Web site, you are now competing with the programming on This Old House and Home Depot TV.

To compete at this level your content must be super relevant, newy, differentiated, interactive. It must engage and entertain your target niche in a way they can get no where else. (One way to do that is let the consumer customize the content.)

You don’t have to think as big as the media platform Martha Stewart has developed to profit from her niche. But this extreme example makes the point: To compete today, all brands must THINK like media think.

You’ll want to platform your media in service to your niche’s delivery preferences across several mediums. This doesn’t mean you are likely to stop advertising on other media. (The most relevant, differentiated content is doomed of you can’t jumpstart engagement.) Even Bud TV and the Discovery Network advertise elsewhere to attract viewers. But attract is the operative word here. Because PUSH strategies no longer work.
Forget push marketing. It’s dead.

Today, all is PULL. Excel at it in a way that engages your target niche’s self interests, needs, community. “Seduce” the niche with the relevancy and entertainment value of your content, the ease of your shopping, the sensationalism of your ads and news, the rewards of community membership. As a model of pull, consider Red Bull — which markets in the energy drinks category which many refer to as a niche.

When asked how they achieved $1.6 billion in sales and 70+ percent share in over 100 countries, their CEO says they don’t bring the product to the consumer, they bring consumers to the product. Their means? Extreme sports events of all kinds. Extreme sports generate headlines, giving Red Bull over three million listings on a Google search. Extreme sports create gripping entertainment, draw huge crowds that create buzz and a sense of affinity (crowd members witnessing the drama share a common bond). The event’s drama drives consumers online and to the product. Red Bull knows daring pulls — and plays off it.

The right key words are critical for pull. If your brand doesn’t show up early and often on a search engine today (in first three pages) you essentially don’t exist.

Great design creates powerful pull too — at point of sale — or anywhere your brand is seen by prospects. As Red Bull exemplifies, for playing to a niche, great design, dramatic events and branded experiences can be a powerful combination. Kohler has proven this too.

When Kohler realized their new Purist Hatbox toilet could delight those self-defined mavens of design and couture, they smartly launched it at Fashion Week in NYC — not just at an exhibition but via a semi trailer of luxurious bathrooms for the crowds in an area where bathrooms are all too rare. This event generated $2 million in PR ad equivalency, and assisted Kohler in exceeding their sales plan by 150%. (What a way to ID the players in the niche, and play to them.)

You can too. But be prepared to need the persistence of an Al Gore to see the launching of your cause to its tipping point. Because the effectiveness of so many pull techniques are hard to measure until you wake up one morning and find you are all the rage.
Al learned about “Pull” the hard way. A serious and self-righteous leader, it took him years to learn the pulling power of being likeable and fun. (Never underestimate its pulling power!)

And speaking of lessons from history, the most time-tested pull strategy is still a great story, well told. When you think about branded content for your media platform, to make it competitive with other media programming find a way to tell great, short stories. You’ll need them for Webisodes, viral videos, podcasts and more.

And that brings us to the last of the strategic and creative principles to avoid economic Darwinism at the speed of light:

9 Live by a higher standard of ethics.

Practice authenticity, transparency and good will
- Don’t try to sell it just because you can make it
- Underpromise, overdeliver
- Ask permission
- Have a clear privacy statement
- Communicate all the time with the forthrightness of “crisis mode”

Research tells us most Internet users assume it is illegal for marketers to use consumer search and shopping data for behavioral targeting and price customization (!). When your customers realize how all this works they may be angry with you, it could threaten your relationship with them. You’ll do well to be sensitive to their naïveté, do all you can to be transparent, and pass the consumer’s sniff test or you’ll break their trust.

University of Pennsylvania professor Scott Thurow challenges us to think through the unintended consequences in a society where different niches/social groups get advantageous pricing, or news and entertainment aimed primarily at reinforcing their sense of selves, just so they will buy.

He fears a pervasive atmosphere where consumers always assume they’re being manipulated, taken advantage of in an impossibly complex electronic “bazaar.” He worries it will result in a world where no common culture exists to bind us together.

The only prevention is marketers with higher ethical standards for authenticity, transparency and goodwill.

It’s not just society that will benefit. But your brand. For one perceived slip up and your target will “out you” in blogs, boycotts and more. And who can blame them? Because if you’re good at niche marketing, your niche will co-brand their reputation with yours. If you’re believed to be inauthentic, manipulative, unfair, irresponsible, they’ll want to distance themselves from you as forcefully as possible. By doing unto your target, you’ll actually be doing unto yourself.

Ethics that disappoint can break the golden egg.
Summary:

There you have it. Nine principles by which to get your own golden egg. Nine principles to give you marketing success despite a world ever more narrowly niched by political, religious, social, economic, geographic, ethnic, educational and lifestyle self interests.

Which brings us to the last point — not so much a principle for the new economy as a hope, a challenge, a plea. It is this:

10 Indulge niches their individuality but somehow advance our common humanity.

While our jobs now require that we indulge consumer’s differences, can we somehow also find a way to advance values that can bring us together? Things we should all treasure in common? We’re not talking low pricing or faster broadband. We’re talking about personal responsibility, self control, things like compromise, forgiveness, compassion. We desperately need this... because we live in a world where the self interest of the narrowest of niches can affect us all — even kill us all.

But where is the antidote to self interest? And who can lead the marketplace to unite niches in celebration of our common humanity? Sadly, the leaders of government, education and religious institutions have lost credibility due to their own niched self interest.

So who does that leave to take the mantle? Well, the community of professional marketers include people talented at concepting compelling messages and content. And creating engaging ads and events, games and Web sites. And when you look at the money brands spend, there’s a lot of clout.

So as I see the world splintering into millions of niches I can’t help but wonder, is uniting us on the important things something we marketing professionals should take on? Who better than us — the niche whose expertise is inspiring and persuasive communications? And if it is us, how long dare we wait to begin?