

4 Powerful Ways to do Market Research and Uncover a Profitable Niche for Free

Aspiring entrepreneurs and small business owners are often misled or misguided on the topic of how to properly conduct market research that uncovers a profitable niche.

The path most unsuspecting entrepreneurs take is by ending up at keyword tool or database to begin their search.

As a keyword research expert and founder of one of the leading keyword research services on the internet, I can say with firsthand experience that keyword databases are not the first place to look nor should be even considered. Here's why.

The primary keyword databases that are currently available to the general public only give search counts on a limited amount of data that accounts for 1% - 2% of the actual searches people do around the entire world. They can only predict (emphasis added) the real majority of searches that are being done on the big five search engines such as Google, MSN, Yahoo, AOL and Ask.com which hold 97%-98% of the keyword data.

Most importantly, keyword research only shows what keyword phrases people are using in the search engines to search for answers, not what people actually buy on the internet. Just because a group of people search for specific terms or brand names does not mean that's what they purchase. That's a key distinction many entrepreneurs and business owners tend to gloss over.

When looking for a profitable niche marketplace, your primary focus should be looking for proof of a group of hungry and rabid buyers that want to exchange their money for a service or product (information, physical or digital). Without this crucial qualifier, you may have the greatest product in the world, but you may be lacking a market to sell it to.

This article will present a number of great sources to look at which will give you a running start to uncover a truly, profitable marketplace exists before you go for the gold and put all your resources into a website, product creation or expenditures toward some sort of online property.

Once you establish that you have located a market that contains signs of adequate commerce moving through it, you then have a worthy reason to look further into a keyword research service to find out what keyword phrases people use to find the market you have chosen.

Let's begin looking at how to identify a profitable market.

MAGAZINES

One of the best ways to find signs of a truly profitable marketplace is looking for a magazine in that industry. If a publisher has enough money to print and circulate a full color magazine, there are most likely advertisers that support the funding of the magazine's ability to circulate all the copies which most likely means there are sales being made by those advertisers.

Now, this may bring you to question whether there is too much competition in a marketplace with so many advertisers selling in a magazine.

In fact, it's a great sign to have competition which means there is an adequate amount of customers to sell to and a portion of a sizable pie to be had in that marketplace. If there is very little competition, you may (1) not have adequate product being sold in that space; or (2) not have a marketplace to begin with. The larger the competition is, the larger the piece of revenues you will be able to grab.

Without having to leave your seat, you can hop on over to Magazines.com and looking through the number of different categories to find a profitable topic or industry in which to start an online concern.

One of the things you'll want to focus in on is the number of subscribers each magazine has and how long the magazine has been in print for stability purposes.

Make a list of magazines you want to look into and then go hunting for them at one of those large dedicated newsstands that covers just about every magazine on every topic.

To get a better look at what people are buying in the online world, you will need to ultimately decide whether you wish to represent physical or digital products.

PHYSICAL PRODUCTS

There are two incredibly huge marketplaces that are massively trafficked, move a lot of product and are great places to find what people are really buying.

Let's start with the first huge marketplace...

eBay

At eBay, you can look through a list of the most popular products people are buying through auctions or from eBay stores that vendors have setup. To see a visual path on how to locate the most popular products, please use the reference below to view the extended version of this article.

Amazon.com

Another really big marketplace is Amazon and it's not just for books. You can find just about any product and name brand that is a mover and shaker. Again, look at the most popular products in those categories that catch your attention.

DIGITAL PRODUCTS

If you wish to sell products of the digital nature which does not require inventory and which usually carries high profit margins for affiliates, you'll want to check out the Clickbank digital marketplace that ranks product sales from highest to lowest sellers in each category.

Just browse through categories at Clickbank.com and you'll instantly find the top sellers of digital info products, software and subscription services which are located right at the top listings. See also reference section below for a link to the extended version of this article for visual aids and more detailed guidance.

Once you gather the adequate market research, you can do one of the following:

- Create an online store that ships out physical products and merchandise (requires inventory)
- Sell merchandise through eBay auctions or their online stores (requires inventory)
- Create a site that represents vendors as an affiliate (requires no inventory)
- Create your own product, service or software for a digital product (requires no inventory)

Having used at least two of the four places above, you can be assured that you have conducted proper market research to uncover "proof positive" what people are buying and, thus, a profitable niche market.

You can then quickly build out a non-complex site with a simple product offering, find some low cost keywords to use in a Google Adwords Pay-Per-Click campaign with a minimal spend of \$50 to test the market and see if you have a winner.

If the initial test results pan out, meaning that you pulled a profit from your test, you can invest more energies, conduct more extensive keyword research and expend more advertising dollars. If the test results do not pan out, find another market until something sticks.

I believe this should arm you with enough information to get you moving toward finding a market with bottomless profits.

About the Author

Jim Morris is the Founder of the wildly popular [keyword research tool and search engine positioning](#) service known as NicheBOT.com and is one of the most sought after keyword research experts that can discuss keyword research philosophy and the current keyword databases available and includes extra visual aids to supplement this article on [market research data](#) at <http://www.nichebot.com/blog/117/market-research/>

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