

How to Choose a Profitable Niche

There are two primary ways to go about this.

1) Decide to teach something you already know that can help others (and possibly learn more about doing it yourself so that you can more effectively teach others)

2) Find a niche you are not an expert in and become an expert.

Obviously, if you already are an expert in something marketable, or you have a skill you can teach others, then the easiest way to go is with teaching what you know to others.

But if you know that you don't know something that others will pay to learn, then frankly if you want to start a virtual coaching business, you will need to learn something to teach.

To do this, you will need to do a few things:

1) Choose a profitable niche

2) Decide to begin learning

3) Once you have more knowledge than some pool of prospects in your niche, you can begin teaching those who don't know as much as you

4) You should make every effort to become a bonafide expert in your niche as fast as possible.

Please note I am both saying that you can begin teaching before you are an expert, but you will be limited to teaching people who don't know as much as you, and I am also recommending you become an expert. I believe you should do both.

I don't believe you must become an expert before you begin to teach (as long as you don't try to pass yourself off as an expert) but I also believe that long term success means you need to become an expert as soon as possible.

First, I want to contrast what I am going to share here with what I have heard a few times in the past and perhaps you have too. Perhaps you have heard something like this “do what you love and the money will follow”. I believe there is SOME truth to that. And probably in most cases, if you are creative enough, you could probably find a way to make almost everything profitable.

However, if you love something that hardly anyone else on earth cares about, and you are going to have to spend most of your time persuading people that what you care about is important, it won't leave you much time for coaching!

And of course, the inverse is true as well, if you go into

a niche that everyone else loves and is profitable, but you can't stand it, you won't make money, and if you do, it won't be worth the hassle and frustration in your life.

So I recommend you choose something that can quickly become profitable AND is something you could enjoy teaching. It might not be your first choice of something you love, and it doesn't need to be the most profitable thing on earth, but it does need to be something that you enjoy AND that you can make money with.

So how do you choose a profitable niche?

In today's market, I believe you look for a niche where others are making money, and go from there. Start teaching in a topic where there is proven revenue, then as you get to know the needs of the niche, you can begin to specialize based on what people in your niche tell you they need more of that others are not providing.

At one time on the internet, the recommended way to find a niche was to find something that a lot of people were looking for information about, but relatively few, if any, people were teaching that information. But I believe that people have been doing that for so long now that almost every profitable area of information is being monetized. And although there may be a few scenarios where you can make money where no one else is now, they are so few and far between that trying to choose one is a real gamble. And I don't believe

you want to start a coaching business to take a gamble. I believe you want to start a business that will make real money, and where you can help real people, the first time around, without trying a whole bunch of different ideas and topics. So start where people are already making money (perhaps in a related niche to the one you think might make money but no one else is) and when you are firmly entrenched, have a following of prospects and clients who trust you, then begin to create training in the area where there is no training. Your clients and prospects can help you determine exactly what they would want to learn in that new niche. That will be much easier than you trying to guess what people want, and likely making the wrong guess.

So how do you know if a niche is profitable?

The first place I like to start is to determine if people are buying instruction in that niche. If a lot of people are selling information and a lot of people are buying information in a given niche, it is likely that niche can be profitable to you.

Notice I don't suggest looking to determine if a lot of people are profitable, but instead I suggest you determine if a lot of people are buying information in a niche. You see, when there is a lot of competition in a niche, most people in the niche resort to trying to sell the information at the lowest cost. And of course when that happens, they sell the information for the least they can without going out of business. Which is not a recipe

for true profit. However, in a niche with a lot of competition, if you come into that niche and focus on delivering high quality, discovering or creating new ideas, and building relationships and trust, you will find that the same people who will pay the very least for commodity information in the niche, will pay you a much higher price because because you are constantly creating and revealing new ideas, and that they will pay a premium for the trust and relationship you offer, as well as your availability as a coach.

I would much rather work in a highly competitive environment with lots of competition, lots of buyers, and simply be the best and focus on the people in the niche who are willing to pay more for the best, than to go into a small, non-competitive market and only have a few clients.

And personally, in today's market, I believe that in order to generate the highest profits, you should also be in a competitive niche. There are a few exclusions to that - but in reality, once each small non competitive market has a few players, then the opportunity is gone for future players. So if you are already in a profitable niche, small or big - stay there. But if you are just starting out, find a competitive niche and instead of competing on price, which most people do, compete on service, availability, quality, and strength of your expertise, and charge a higher price than your competition.

So how do you find a competitive niche?

I hesitate to give you a precise formula that works today, because just about every formula offered in the past is no longer valid, and likely a formula that works today won't work in a few years. So although I will give you a few places to go to find the relevant information, what is going to be most effective is understanding the concept I share next, and then you can find your own sources of information for what is competitive and has buyers.

But the idea is to find out where people are spending their money. My experience is that if people are paying for information in one medium online, that means that people are willing to pay for information in that niche. It doesn't matter the price point, as long as people are willing to pay for information. If people are willing to pay for information, they are generally willing to pay for help implementing the information. Meaning that there are usually more people selling information without coaching or step by step take you by the hand help than are offering coaching and other help. And if people are purchasing information, a percentage of them will likely need help implementing it.

So the idea here is to find out if people are spending money in a certain niche. And to do that, you have to go to where people might spend money in a niche, and do some sleuthing and attempt to deduce if they are spending money there.

A few places that work really well for this are online bookstores, magazine subscriptions, best seller lists, buyers lists, etc. How many more can you think of in your niche?

Here is why those places are effective:

If people are buying non-fiction books on a topic, there is generally a market in that topic. The reason is that most people who buy a non-fiction book on a topic rarely read past the second chapter. And those who do, rarely implement what they learn. What does that tell us? First - they wanted to learn more or they wouldn't have paid for the book. But if they don't read the book, or after they read it they don't take action and implement what they learned, then they still have the same need they had before buying the book, and they are a proven buyer.

So if people are buying books, they will likely buy coaching if offered.

How do you determine if people are buying books?

Several ways. Look at bestseller lists. If a topic is a best seller, and especially if there are several best sellers in a similar niche, that topic is likely profitable for coaching. Look at sales volumes (you don't need to know empirical numbers, only relative numbers). Meaning you don't need to know how many books are

sold, only that one book sells more than others. So if you are comparing 2 niches, and one has more books selling more, then that is generally a more competitive and lucrative niche.

What about magazine subscriptions. Find the paid readership of magazines in your niche. If they have paid readers, they are likely in a profitable niche. Buy the magazines in the niche. Look at the advertisers. Are they advertising information products like books or education? Look at several months of the magazine. Do the same advertisers advertise each month? If so, they are likely making money from that advertising. Rarely will advertisers advertise in the same magazine month after month if they aren't making money.

Buyers lists. These are lists you can purchase from online or offline list brokers. You don't actually need to buy the buyers lists. Just go to several brokers and ask to look at their inventory, what buyers lists are available, and how many new buyers are coming onto each list each month.

For example, let's imagine you are comparing two niches, weight loss and toy wooden boats. (Just an example, these are imaginary numbers for illustrative purposes only!)

Let's assume that the weight loss buyers list adds 500,000 new buyers each month, while the toy wooden boats list only adds 200. Now, unless you have insider

information telling you that all of those wooden boat buyers come from one overpriced seller, then likely there is much more room for selling coaching in weight loss than in assembling toy wooden boats.

Notice I didn't give you an empirical number of buyers per month, I am only suggesting you look at comparative numbers. You will see a natural divergence of the number of buyers in different niches.

Another common, although in my opinion, less effective, and incidentally generally more difficult to find the numbers, method, is that of finding out how much people are willing to pay for targeted pay per click traffic in one niche versus another. I would NOT use this statistic alone to make a decision, only when combined with positive results from the other methods I have mentioned.

Still another method is to go to an affiliate marketing site online like ClickBank (clickbank.com) and see what it selling there. Are a lot of people buying products in one niche? If so, likely that is a good niche. Once again, I repeat don't take stats from just one method and make a premature decision that aniche is profitable, instead confirm your results using several of the methods I have given you here.

And of course, any other method you can think of for your niche to determine that people are buying in your niche, can be added to your arsenal of weapons to

determine if a niche is profitable or not.

For example, perhaps you are in a niche that has very few online participants, but you know that it is huge offline. Perhaps it is something like swimming, that is more difficult to teach online, but is relatively popular offline (the reason of course being that people in that niche likely prefer personal instruction because of the nature of the instruction). And perhaps you can see evidence that people spend money on swimming instruction offline but rarely online.

Why not? Possibly because the instruction online is generally weak. If that is the case, perhaps you could create a method of teaching swimming online that works - and if it did you could take a profitable offline niche online.

(Incidentally, I have no idea if swimming is popular or profitable online, or could be, however I have a client in a very similar niche, which I won't reveal for competitive and respect reasons, and he operated a similar program offline to a swimming program, and I advised him to create intense videos showing exactly what to do and how to do it, and to accompany that with coaching that allowed people to ask questions, even send in videos of their own progress.

Within a few months he was profitable, and is continuing to grow the business today, with practically no competition). He discovered a profitable niche

offline and took it online.

So what's the best method of determining the profitability or the likelihood of profitability out of all the ones I've suggested here?

Use them all!

That's right. Use them all and determine if your results are good using all or most of the methods. If a niche only shows itself to be profitable in one method, don't just blindly go into that niche. Ask yourself why it's not showing itself to be profitable using a different metric.

Perhaps magazine sales are high but book sales are low? Could it be that they niche is generally time sensitive, like news, and is profitable - but selling a news book might be a flop (unless it is positioned as history or political commentary). Could it be that book sales are high but magazine sales are low? Is it because the topic is relatively stagnant and doesn't change much so there is no need for a magazine?

If that were the case, is this something people probably need more help with, or not? Are book sales high, offline sales are high, but online sales are low? Why? Is it because the people in that niche are not comfortable using a credit card online? That used to be the case in niches that catered to older clientele, but my guess is that disparity is disappearing.

Think about why? Is there a logical reason that there are conflicting levels of sales per channel? If so, maybe there is still a good chance of profitability - and maybe you have found something that can be profitable and doesn't yet have a lot of competition.

All of this to say - do research, be creative in your research, don't go into something just because no one else is there, and one more thing...don't go into something just because there are a lot of searches online. Only evaluate sources that give you buyers (every method I mentioned above evaluates the relative number of buyers in a market, not non-paid searchers).

You see, a topic can be highly searched, but if no one is paying money - my advice is to stay away from that market. For example - perhaps a movie stars' name is being searched. Unless you are going to start a fan club for that movie star, you probably can't monetize it. Or maybe a news item is being searched.

Again - not a likely coaching niche. You must find information buyers (even if they are not online when you find them)

Decide to begin learning

Once you choose your niche, if you are not already an expert, you need to begin learning. And like I said earlier, you don't need to be an expert to teach people who know less than you (except of course in niches

where the law or common sense requires you have a requisite level of knowledge, education, or a license, such as a doctor, lawyer, etc.)

So what is the best way to begin learning?

Obviously this may vary from niche to niche, but likely if you are going into an information niche, and you have used the techniques above to determine if there are buyers in that niche, there is information you can buy to learn (just like the other buyers).

I can't tell you exactly what to buy in your niche to learn.

But let me ask you this, if you were to, for example, purchase the top 30 bestselling books in your niche and read all of them, once reading them all, would you have a basic knowledge of the niche? (And of course, if your niche requires experience in addition to just knowledge, then you would of course need to add an element of doing what you are learning).

Would you not likely have more information and knowledge of that topic than some percentage of the general population in your niche? Possibly more knowledge than half the people looking for instruction in your niche?

What if you were to go online and purchase every major course that is offered in your niche from all of

your competitors and study each course through and through? Depending on the niche, you might have more knowledge at the end of your education than any one expert you are learning from! And please understand, I am talking about buying their major course, not their introductory book or recorded program!

How else could you learn in your niche? Perhaps you could subscribe to all the magazines in your niche. Perhaps you could subscribe to every online subscription or membership you can find in your niche.

Of course you might be thinking this is overkill. But you are wanting to position yourself as an expert as fast as possible, right? And it would be far better to learn too much than not enough, right?

Think about this...the average college student studies for at least 4 years, and at 4 years probably doesn't have a working education, meaning they cannot get a job in their field without more training.

In fact, many masters and doctorate students graduate still needing additional training in their field. The bottom line is, if you want to coach, you need to become an expert if you aren't one already, and it might be hard work and require diligent study at first.

However, if you follow through and apply the information you learn, create a coaching program like I suggest in this report, and become good at selling and

delivering it, then it will be well worth it, right?

Once you have more knowledge than some pool of prospects in your niche, you can begin teaching those who don't know as much as you. You should make every effort to become a bonafide expert in your niche as fast as possible, and to position yourself as an expert in your niche.

Final Notes:

If you don't have a niche, choosing one has likely held you back from beginning your coaching business or information business.

The information I have taught you in the short guide is the exact information I have used to teach my highest level clients how to choose a niche.

This method works!

Use it to choose a niche, you will be amazed at what you can accomplish online once you have chosen a profitable niche, positioned yourself as an expert in that niche, and begin creating products or coaching to sell in that profitable niche.