

How To Determine the Viability of Entering an Online Market Part 2

Article ID: IPR0003

© ProfitLance.Com. All Rights Reserved.

Abstract

In the previous paper (IPR0002) the niche market of "krav maga" was analysed using a methodological process that allows the profitability of the market to be assessed. In this paper we will take a look at a selection of the remaining markets identified previously, with a view to further illustrating and process used. This paper uses the ProfitLance Niche Research Centre (PLNRC)².

Fly Fishing

Overture Inventory	60,136 for main keyword (around 140,000 in total)
Yahoo and Google Groups	Google (23 groups) Yahoo (208 groups found)
Postings Within Groups	1,080,000 in Google Groups containing "fly fishing"
Blogosphere	Blogsearch (186,493), Technorati (52,679), Feedster (7,351)
Existing Products	Several e-book type products found: <ul style="list-style-type: none"> ▪ http://www.fly-fishing-books.com/books/casting/beginners.html ▪ http://www.nymph-fishing.com/df/segmented/ ▪ http://www.longlostflyfishingsecrets.com/ ▪ http://www.insiderflyfishingsecrets.com/ ▪ http://www.flyfishingguidebook.com/ ▪ http://www.troutfishingbasics.com/ ▪ http://www.historyofflyfishing.com/
Overture Bids	(\$1.45) (\$1.42) (\$1.40) = (\$1.42) average
Specific Sales Information	None found
Competition (products)	7 e-books found
Competition (supply / demand)	30,600,000 / 140,000 = 257.19

Analysis of Fly Fishing

A fairly large market has been identified (60,136 searches for the past month for the main keyword in the Overture Inventory, and around 140,000 in total for all related keywords). In addition a large amount of discussion groups were found related to fly fishing (23 in Google Groups and 208 in Yahoo Groups). Around 1,080,000 posts were found within Google groups containing "fly fishing" indicating that there is

¹ ProfitLance.Com provides extremely practical, step-by-step guides on implementing profit making strategies in a scientific and methodological manner. The emphasis is on highlighting method and action that is directly connected to proven profit generating strategies.

² This can be accessed from <http://www.profitlance.com/pLnrc/>. For the purposes of this paper, you will need to be logged into the pLnrc.

quite a buzz regarding this subject. In the blogosphere, there was considerable buzz also with Blogsearch showing 186,493 blog postings with “fly fishing”, Technorati showing 52,679 and Feedster showing 7351. All of this data indicates a large market that is active and has plenty of buzz.

Secondly, there were 7 e-book type product websites found that directly related to fly fishing and which used the direct sales marketing technique. This again is a positive sign. The average Overture Bid value for the top 3 advertisers for “fly fishing” was around \$1.42. This shows that people are buying within this niche. However upon closer inspection, it is clear that this particularly high bid amount is mainly for fly fishing vacations and fly fishing equipment and accessories, and that people are spending in those areas. The bid value of \$1.42 is quite high and would not be feasible for an e-book type product. If we assume that that we have conversion rate of 1% (1 out of 100 visitors buy our product), and that our product is priced at \$67.00, then we would be making a loss, if we were to pay even half of \$1.42 per click.

As far as competition is concerned, there are 7 existing e-book products using the direct sales approach. Slightly, higher than our ideal number of around four, however, this does not mean that we cannot profit from this situation. The supply / demand ratio is 257.19, higher than an ideal value of less than 100.

Conclusion

The fly fishing market is large, people are buying within this niche, however there is slightly more competition than we would like to have in an ideal situation, and the Overture Bid values indicate that it might be difficult to make profit with an e-book because of the high cost of traffic.

Scrapbooking

Overture Inventory	114,432 for main keyword (around 225,000 in total)
Yahoo and Google Groups	Google (82 groups) Yahoo (2596 groups found)
Postings Within Groups	28,600 in Google Groups containing "scrapbooking"
Blogosphere	Blogsearch (162793), Technorati (62,466), Feedster (14,920)
Existing Products	Several e-book type products found: <ul style="list-style-type: none"> ▪ http://www.princesscrafts.com/subscriptionsales/affiliatesalespage.htm ▪ http://www.scrapbookingprofits.com/ ▪ http://www.fabulous-scrapbook-pages.simplescrap.com/ ▪ http://scrapbook-like-a-pro.com/ ▪ http://www.lasting-expressions.com/salespage.html ▪ http://www.memorablescrapbooking.com/
Overture Bids	(\$1.05) (\$1.02) (\$0.68) = (\$0.92) average
Specific Sales Information	None found
Competition (products)	6 e-books found
Competition (supply / demand)	16,000,000 / 225,000 = 71.11

Analysis of Scrapbooking

Scrapbooking has a large market, and has a huge amount of online discussion groups. There are a very large number of recent blog posts in the blogosphere related to scrapbooking. This shows that this is an active, healthy market. An average Overture bid of \$0.92 shows that money is also being spent on this hobby. There were six e-book type products found, using the direct sales marketing technique. The supply / demand ratio was 71.11, and with six direct competitors (who are selling the type of product we want to sell), it shows that this is a healthy type of competition. In other words, there is money being made in this niche, and there is scope for us to get a market share, as the competition is not detrimental.

So we will place scrapbooking in our to-keep list.

Snowboarding

Overture Inventory	98,676 for main keyword (around 235,000 in total)
Yahoo and Google Groups	Google (38 groups) Yahoo (380 groups found)
Postings Within Groups	137,000 in Google Groups containing "snowboarding"
Blogosphere	Blogsearch (177,050), Technorati (108,649), Feedster (30,398)
Existing Products	Several e-book type products found: <ul style="list-style-type: none"> ▪ http://www.killitsnowboarding.com/ ▪ http://www.amazinginsights.com/ ▪ http://www.learnsnowboarding.info/
Overture Bids	(\$0.53) (\$0.52) (\$0.51) = (\$0.52) average
Specific Sales Information	None found
Competition (products)	3 e-books found
Competition (supply / demand)	31,300,000 / 235,000 = 133.19

Analysis of Snowboarding

Snowboarding has a large market, and has a huge amount of online discussion groups. There are a very large number of recent blog posts in the blogosphere related to snowboarding. This shows that this is an active, healthy market. An average Overture bid of \$0.52 shows that money is also being spent on this hobby. There were three e-book type products found, using the direct sales marketing technique. The supply / demand ratio was 133.19. These facts show that there is money being made in this niche, and there is very good scope for us to get a market share, as there are only three competing products.

So we will place snowboarding in our to-keep list.