

Let's talk: Competition



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By Loren Webb

In today's Let's Talk, we're asking "How do you survive in a niche market?"

Competition is a constant consideration for all small businesses; understanding where you fit in your market, what your USP is and how to appeal to your ideal customer. Apply all of this to a niche market, and perhaps this becomes increasingly difficult to master, as competition becomes more fierce as the customer-base is very targeted.

On the other hand, does survival become almost easier the more niche your product or service is? Delivering something that is really required and that solves a problem, even for a smaller net of potential customers, is likely to be in high demand within that niche community if you market your brand correctly.

So speaking with the experts, what are the ways in which you survive in those niche markets? What are the best strategies to ensure your business thrives and stands out from the competition to get those niche customers loyal to you instead of them?

Heath Fitzpatrick, Chief Operating Officer, ebroker

Any way you look at it, competition is good. It provides you with motivation, direction, innovation and someone to push you each and every day to be your best. As people in elite sport will tell you, focus on what's controllable and don't worry about what's not. You should apply this to competition in a niche area. Focus on yourself, however watch, learn and take away positives and negatives from those that compete around you. This will help you drive a better service or product, allow you to grow, and keep you focused on the job at hand. Don't worry yourself with what others do. Remember you have no control over their actions. Embrace the challenge of a competitive market place.

Melissa Haywood, Head of Vistaprint in Australia, Vistaprint Australia

The ability to adapt to change is key to surviving as a small business owner. In a niche market, competition can be tight and market leaders can be a challenge to dethrone.

The key to making a name for yourself in a niche business environment is ensuring your message is unique and consistent. Consider what your point of difference or 'why factor' is, and call on this hard-to-replicate driver to make your business stand out. Ensure this message is conveyed across your marketing, from posters to banners, so that your promotional materials are memorable and possess cut-through.

Part of identifying and applying your unique mission is understanding who your customers are, what they want, and need. Be sure you are continually listening to your customer's suggestions and feedback, and that it is easy for them to get in contact with any questions or comments. By establishing a trusting relationship with your target market, you can ensure that you are top of mind when they require your business or service and instil confidence that you will satisfy them.

Ilter Dumduz, CEO & Founder, Blys

It's important to start building a strong brand from day one. This is made possible through creating memorable experiences for your customers right from the beginning. Work to set yourself apart and become the absolute best in your niche. Being in a smaller sector can work to your advantage. For example, you can make great relationships with the key stakeholders, further cementing your position and you have a smaller pool of people to influence. This can help make the tipping point of success come quicker. Once your core strength is determined, you can then focus on targeting new markets and audiences or finding new applications for your product.

Ben White, Managing Director of Business and Wholesale, Optus

SMBs account for more than 97% of all business' operating in Australia, making competition amongst them fierce. Remaining relevant in a niche market can often be a challenge, but building strong customer discovery and customer experience capabilities allow business owners to deliver tailored offerings and ultra-personalised customer service. This is what consumers expect and what will set you apart.

In today's digital and fast-paced world, the ability to gather and make sense of data underpins niche players' success. Investing in the right technologies, including networks, cloud solutions, artificial intelligence and data analytics capabilities, is key.

An innovation culture and the appropriate tech tools empower teams to deliver outstanding, personalised customer experience and become active contributors to an organisation's innovation agenda.

Deborah Southon, Director, FSA Group, Easy Bill Pay

Over the past year the growth in digital payments solutions and platforms have increased, with over 59.1 per cent of Australians reportedly using bill payment services. As consumers seek to find new, more convenient ways to pay bills, access money and spend money businesses have to embrace innovation and technology, cater to the changing needs of the customer and stay relevant in order to survive in a thriving digital marketplace.

With more and more consumers using their mobile phone to make payments, manage their finances and more, Easy Bill Pay sought to create a simple-to-use, fully-featured, personal finance management application which allows anyone from busy professionals, tradesmen, mums and dads, business owners, students to pay bills or create a savings goal.

Staying relevant is an important element to surviving in a niche market, businesses can do this by using social media to market their product or service and regularly communicating with their customers on updates which can aid customer retention and satisfaction.

Steve Traplin, CEO APAC, Groupon

At Groupon we work with many different businesses from various industries, and one of the key things I've learnt is that a one-size-fits-all approach is not a winning strategy for business. It pays to be obsessed with your customer. Really take the time to get to know your market, whether that be through cold calling, surveys, or through analysing all the data available to you through purchases. We live in an age where we have so much information at our fingertips, there's no excuse not to cast a wide net.

Once you have information on your customer, it's vital to tailor your offering to their specific needs and wants. One of my pride points at Groupon is that no two customer profiles are the same, so everyone who shops with us has a different experience and a personalised offering. The better you know your customer, the better the service you can provide and the more likely you are to get repeat business.

Kim Verbrugghe, Head of Strategy at Orchard

A niche market has little competition, but also a smaller addressable audience. This means every incremental customer you lose, poses extra risk to your bottom line and so closing the customer feedback loop is crucial. Firstly, invest in a good VoC strategy.

Leftys is an Australian store which sells products for, you guessed it, left-handed people (about 10% of the population). Not only are they selling their niche products, but they're also providing advice to parents and are setting the record straight on common lefty-misconceptions!

Secondly, according to Peter Field, penetration campaigns are 3 times more effective for growth as loyalty campaigns. When you grow your customer base, avoid corrupting your vision, adapting your product, or diluting your communications. You can't afford to lose market share in your heartland.

Lee Naylor, Managing Partner, The Leading Edge

When our clients talk about being in a niche market, they are usually self-defining themselves by where they are today. The ability to not think about yourself as niche, but look at the potential of your product or service to bring more buyers into the category is key to success. Many "niche" brands focus on beating the competition, rather than focusing on today and tomorrow's consumer. That's the real game changer.

We have had clients increase their potential market by a factor of 10 just by thinking about the benefits that their products and services provide, and how these products and benefits can be marketed in different ways. If brands believe themselves to be niche and competing against a number of niche competitors, the likelihood is that they will *stay* niche and find growth difficult. By widening their aperture however, they can ultimately create a bigger pool to play in.

Alan Manly, CEO of Group Colleges Australia and author of The Unlikely Entrepreneur

Survival in any market requires your organisation to offer a unique sales proposition. In a niche market the obvious risk to survival is of course the narrowness of the market when compared to the broad base of the overall market. Some of course relish a narrow market as they can concentrate on having a deep knowledge of the product and the preferences of customers attracted to that niche. Once established in this market, if you can build on your knowledge and maybe develop a genuine empathy for customers who chose to be in that niche your chances of survival will become greatly enhanced. In a way it gets back to loving what you do which can be a lot easier if it is a manageable niche.

Dai Williams, Chief Growth Officer, SiteMinder

Competition exists even within the most niche markets, and when you're starting out as a business, it can be difficult to weed out the noise from your true rivals. Rivals can also extend beyond other companies. Often, inertia is your biggest competitor. Find out the true enemy to your business, and from there, have a strategic play:

- Speak the language of your customers. Clearly articulate your key value proposition in a way that your buyers will understand and find engaging.
- Know what problem you're solving. Is it a major pain point that must be addressed? If so, you're onto a winner. If not, you'll constantly battle time and price objections.
- Know the market inside out. Stay very close to the reasons people are and aren't buying your products and pivot accordingly.
- Constantly innovate and reiterate your offering. Add enhanced capabilities to your existing business and evolve in ways that are difficult for your competitors to emulate.
- Hire smart. Great people build quality products and attract incredible customers. The best defence against competition within any niche market is having the best possible people in the room.

Through it all, though, remember that focusing directly on your competition can often be a limiting exercise. Build your business to be a market leader, draw inspiration from other industries and by being the best version of yourself, you will naturally widen the gap with those competing for your market share.

Nir Gabay, Managing Director, Elsieht

Finding your competitive advantage is critical when it comes to getting maximum cut through in an increasingly saturated and niche market. At Elsieht, our core leadership principles are underpinned by a relentless focus on pushing boundaries when it comes to innovation, exploring the new and far-reaching applications of IoT and real-time communications as well as the plethora of possibilities that this has to offer.

Growing emphasis on reliability, low latency, and high transmission speeds is creating opportunities for disruptive new entrants like Elsieht to get cut-through in an increasingly competitive landscape, but it is equally important to remain vigilant and keep a close eye on what your competitors are doing to remain one step ahead. As our world becomes more interconnected with the rise of 5G technology, the need for stable, encrypted, high-bandwidth communications solutions is becoming ever more apparent. Elsieht has the perfect product to fit the evolving demands of the market.

Partnering with some of the world's largest OEM's and best-of-breed telecommunications providers gives us our competitive edge as we advance towards realising the full potential of cellular bonding technology and superior connectivity on the go.

Dirk Steller, Seed Space Founder and Managing Partner

Turning a great idea into a great business can be a daunting undertaking, particularly when it comes to surviving in a niche and increasingly competitive market like financial technology (FinTech). At Seed Space we partner with leading incubators and accelerator programmes and innovation hubs who are helping founders take the first steps in bringing their business to life. Working closely with so many incredible FinTech founders and early stage companies, one of the real qualities that sets the best and brightest apart is their appetite for dynamism – the ability to continually upgrade and refresh their offerings to gain that incisive, competitive edge over the incumbents. Addressing this niche market requires a relentless focus on customer acquisition and traction, maintaining momentum behind each product milestone as well as a long term view towards scaling your offering to international markets.

Lou Weiss, CMO, Shutterstock

When it comes to being competitive and surviving in a niche market, brands who can clearly articulate their unique selling point will connect most effectively with consumers, giving them a competitive edge over rivals. Surviving in a niche market is more than just meeting unique customer needs through a product or service — brands should deliver consistent, authentic content to not only tell, but also show what makes them different and special when compared to the competition. This may sound like a lot of work when there are limited competitors, but niche markets rarely stay this way for long, so it's important to think long term and leverage your share of voice when it is higher. "Dig your well before you get thirsty," to solidify your position among your customers and prospects before your industry becomes too crowded. Markets worth being in get more crowded over time!

Simon Daniels, Director of Sales and Marketing, ipSCAPE

Contact Centre Technology has an average lifespan of 5-7 years, which means maintaining continuous engagement with our target decision makers is critical to thriving in this niche market. We appreciate that it may not be the right time for a company to adopt a new solution, however through regular meaningful communication, we demonstrate our value as a trusted partner.

Additionally, we have expanded the definition of 'contact centre' to include any business that has a similar use-case, but may not identify as a contact centre. For example, if they have IT Helpdesks, a Finance or a Sales team, we can assist them.

Andreas Dzumla, Co-Founder and Joint-CEO at Longtail UX

Businesses can only survive if they have an in-depth knowledge of their customers. And this is even more true in niche markets: the very reason for being of a niche player is that they can service a niche better than generalists do.

Search is an important channel for niche businesses as it connects users and businesses in a unique way and because businesses can use Google search term reports to better understand how users search products.

I've seen businesses do this well take on the likes of Amazon and Booktopia, in a time where many publishers have failed to do so. One company I worked with is now selling millions of copies of books because it had the insight to step back and look at the whole picture. It understood how the customers search online, and built up its business around how it can meet the specific challenges this demographic faces.

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