

COFFEE BREAK BLOGGING

Podcast Transcript

Episode 38: How To Evaluate The Money-Making Potential Of A Blogging Niche

To get automatic updates of this show to your mobile device, you can subscribe [here](#):

- [Click here to Subscribe via iTunes](#)
- [Click here to Subscribe via RSS \(direct feed\)](#)



=====

Hello! Welcome back to Coffee Break Blogging where we are going to continue on our series to creating and growing a profitable blog-based business online.

Now, in our last episode; Episode 37 of Coffee Break Blogging, we talked about the [5 Indicators To Look For In Evaluating A Potential Blog Niche](#). And those things had to do with evaluating the level of actual activity in the space. Because the last thing that you want to do when you go in a blogging market is going to something that is "dead", where it's just crickets... Which is literally just a waste of our time. ☺

So, what we are going to do today is... we are going to move a little further into the topic and we are going to talk a little bit specifically about monetization. We are going to talk a little bit about actually gauging a potential market. And what its potentials are going to be for you to make money in it.

So with that, let's get started on that idea here:

The first thing, when you are in a market and you are looking at it, you've already looked at things like whether there is activity and other blogs, forums, magazines, trade shows, things like that; you have also looked at your niche from the perspective of whether the people are united by a common goal, a common fear and basically what is driving them emotionally to come to a site like yours or the one that you are looking to make and actually do something.

Now, when it comes from moving from that into "are these people going to pay you money"... the absolute best thing to do is to look at other sites and see if they are selling something.

Now, we looked at competition in the previous episode and we talked about whether that is a bad thing. The answer is; it is not. It is actually a really good thing to have that competition and you want that competition in your space. So what we are going to look at is what the other people out there are doing.

The first thing that I want you to look at is whether the **products** that are being sold on that market are **physical or informational** in nature.

Now, physical products; these should be the kinds of things you see on Amazon or something like that. In Amazon, you can make money by selling physical products. That being said, unless you are the one actually making the product; typically it is going to be harder to make money doing it. If you are in eCommerce type of situation, you really have to have the skill in that bad boy. Now, you can do it. But that is kind of beyond the scope of my particular business model so I am not going to go a lot into that.

But if you are looking to come in to this blogging where affiliate marketing for physical product is going to be your primary means of going, then you really need to look at what the commission rates are going to be on that. ☺ We are going to talk about that here in a little bit. Because typically the mark up on those physical products is not super high so it does not leave a lot of room for these companies to give you a decent commission. I know because I came from the technology space. You know, we're talking about computers and things like that. Now, there were a few decent products that I could promote usually in the area of software. But those are not necessarily physical. When it came to physical products as an affiliate; and there were a few programs out there that I could tap into for computer hardware or things like that... the commission rate was super low. We are talking just single digit percentages, like 3% in some cases and it is just was not worth it to me to send a lot of people their way.

So what you need to look at in the space you are going into is the primary thing being sold there which is physical in nature. If there is information marketing happening in that niche, that is actually a really good thing because with information that means people are looking to learn things, looking to accomplish things and that information is going to be a really good business model. And that actually happens to be the business model that I move toward with what I do and what I am recommending you to do if your market will accommodate it, is information marketing.

Also, information marketing - if you are going to do it as an affiliate, it typically has much more attractive commission rates. It's up towards 50%, sometimes even higher than that. And that is actually something that will be worth your time.

The other thing I want you to look at is **affiliate marketing**. Is it happening in the niche you are evaluating? Are there affiliates out there doing things? And what are those affiliates promoting? You want to track that stat. You want to look at what is actually happening there. If there is actual base of affiliates promoting things better in that market, that is a really good sign. It's not only a sign that you could go and be an affiliate for those things as well but it is also a sign that there is a general money flowing in that space which means it is something that you can tap into.

The other thing that I want you to look at is **price range**. So whether the products are physical or informational; what is the typical price point? Is it really low end or is it really upper end? Just what is the average for that. Now, obviously there is more money to be made in a market where the price points are typically higher because it also shows that the consumer in that space is more willing to spend money. And that is a good thing. But if you are dealing with people who are generally not going to be willing to spend very much, if anything; it is going to be a much more difficult thing to build a business around that. I'm not saying it can't be done but just be aware that it is going to take you a little bit longer.

Now we mentioned commission rates earlier. **Commission rates...** when it comes to affiliate marketing is something you need to look into. Is the commission rate something along the lines of 3% or in the case of Amazon, what is it like, 7% or 8%? It's not that high. And if you are referring people into those programs it is much harder experience to develop a significant income stream if you're primarily limited to physical products and with low commission payouts.

So what would be the ideal thing with that would be you are going into a space where there is room or existing, obviously, information being sold. And that if there is affiliate marketing going on; that the affiliate marketing is of an attractive percentage. Because that means that there is going to be affiliates out there actually eager to promote things. If you are looking to go in there as an affiliate you will know that there is actually a chance that you can make real money there as opposed to using Amazon or things like that. The thing about Amazon as a commission rate thing is that you have to really get to "skill" that thing up. You can make money with affiliate programs like that but you have to really get to try some serious volume to make that thing count.

So with all these said and done, commission rates, price range, whether there is affiliate marketing going on and whether there is information products versus physical products being sold in that niche; you need to look at where the gaps are. Now if you find there's just a very, very low activity all around, then you really need to reconsider going into that market. It is not a black and white type of decision here by any means, but generally, the way that you are going to make real money in this business is to go where the monies are already flowing, where there is already an existing demand that is looking to be served.

And in that case what you want to ask yourself is: "Where are the gaps?" What are people asking for that is not being provided to them. Or "Could I potentially provide that same thing to them in a better way. And that is what you need to be looking for. And that is not something that we are going to super dive here in this episode... And there is actually a whole process there to doing that, to really identify what your unique selling proposition is and things like that. It is something that we can talk about on future episodes of Coffee Break Blogging.

So that is what I really want you to consider right now as the next phase to evaluating a potential niche. Like I said... "Before we look at the indicators that there is actually an audience there, that there is traffic in that market". But the next phase which we talked about in this episode is gauging the commerce side of it; the monetization side of it and what are your chances of success there. Okay?

With that, I hope that was useful to you. In Episode 39, we will talk a little bit more about how to find out what your market needs and wants.

That is coming up in Episode 39 later in the week... And I'll see you then! 😊

Hey! Could you use a little bit more direct guidance on this whole process of finding a niche? Well, we can definitely do that! Over at the Blog Marketing Academy at blogmarketingacademy.com, I have a course specifically on this topic and it is called, creatively, "[Finding Your Niche](#)". So head on to blogmarketingacademy.com and learn a little bit more about that. Also learn a little bit more about the courses that we offer for members of the Blog Marketing Academy.

One thing I also want to mention with this [Finding Your Niche Course](#) is that at the end of it you are going to be guided to all the keyword research, all the evaluation processes and things like that, you are also going to have the opportunity to submit your niche and your basic idea to me and I will give you my direct feedback on the idea.

[Subscribe To Coffee Break Blogging in iTunes – Click Here](#)

Now, is it going to be gospel? No... It won't. I am not going to go on there and do your full niche evaluation for you but what I can do is act as a sounding board so you can give me your idea and I will give you my gut reaction based on my now close to 17 years of experience in this business.

So if that would be something valuable to you, head on over and learn a little bit more about the Finding Your Niche course at blogmarketingacademy.com and I would look forward to talking to you! 😊