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July 17, 2007

Having had success serving niches such as home improvement, real estate, and education, I feel particularly tuned in to the niche strategy approach. It's one thing for an agency to specialize in certain verticals, but another thing entirely to be a niche agency and only serve a single vertical. Yet I'm observing more and more niche-specific agencies. Why is that?

Niche-audience agencies now exist to serve almost every particular target audience out there: women, Hispanics, boomers, youth (which can be further subcategorized), automotive, sports fans, music lovers, and so on. There are dozens of types.

Why Go Niche?

I posed this question to a number of niche agencies. Their answers varied. For some, it was an evolutionary process: the agency served so many clients within a niche that, ultimately, embracing the niche as their main focus made sense. Others founded a niche agency because the key executives already had the niche expertise. For others, it was about having a passion for the niche or seeing the market potential. Still others chose the niche as a means to differentiate themselves.

"About two years ago, we realized that being an interactive shop was no longer a specialty. And despite the fact that we had proven ourselves with great name clients, our services had become a commodity," explains David Weigelt, a partner at [Immersion Active](#), which specializes in the 50-plus market. "We plotted out our horizontal and vertical experience on a whiteboard and saw a recurring theme. And with a little informal research coupled with the fact that we knew that this group was very underserved, we made a decision to focus on adults 50-plus."

Niche Agency Insights

"Underserved" and "underutilized" are common terms among niche agencies to describe their market or the way the Internet is used to reach that market. "Moms have been asking marketers to evolve for years, but businesses have barely begun to listen...or are so stuck in a print and TV ad model that they can't see more effective means for connecting with moms," elaborates Kevin Burke, founder and CEO of [Lucid Marketing](#), an agency targeting mothers. "We use modern marketing techniques such as online, word of mouth, and grassroots campaigns that are more effective than traditional media."

Other agencies talk about ROI ([define](#)). "With budgets squeezed annually and CEOs justifiably asking the tough question as to why they are sponsoring particular properties, the days of sampling and awareness tonnage as success are over," says Jeff Gooding, SVP of niche sports marketing agency [rEvolution](#). "Online has changed the sports dynamic. It gives companies the ability to impact fans, 90 percent of whom never get to go to the game, on a one-on-one and ongoing basis, which is vital in delivering an ROI."

Most niche agencies describe their advantage as "laser focus." Such focus, says Mitch Lowe, CEO of [Jumpstart Automotive](#), "lets us really know everything about the business and stay way ahead of the curve in regards to emerging opportunities, smarter business solutions, and recognizing the ones that don't work."

Niche Ad Strategies

Sensibly, online niche ad strategies vary by market, but there's consensus that strategies are definitely broadening. Campaign measurability is a potent draw for marketers.

I asked a few ad networks if they, too, saw an increase in niche market requests. The uptick appears to have begun about a year ago, according to David Cooperstein, CMO of [Burst Media](#), whose network saw revenue from niche buys increase 150 percent in 2007 over 2006.

"Advertisers are looking for creative ways to break through the clutter," discloses Tony Winders, VP of marketing for [ValueClick Media](#), "and requests are often focused on identifying unique placement opportunities, such as content integration, sponsorships, and roadblocks within niche relevant content."

To meet niche market demand, networks are reaching out to sites on a more individual basis, particularly seeking sites with deep user engagement. Burst has developed a dedicated marketing services team to handle all niche-targeted proposals and has built on targeting capabilities by expanding content channels. Advertisers can now build custom channels to use repetitively. Burst has also launched new niche channels, like "Business Owners," "Football Fans," and "Urban Hipsters."

Words of Caution

Networks caution against a lack of time or resources to handle developing and implementing custom creative ideas, or targeting too narrowly, thereby limiting the ability to scale the campaign. Niche agencies suffer when clients ask for work outside their scope or when they must deal with niche-sized client budgets.

Generally speaking, however, the passionate folks serving niche audiences are growing happily, working with the markets they love.