



## The 5 Must Haves Of A Good Market

The best business strategies will do nothing for your bottom line if you're operating in the wrong market. So how do you identify a good market?

### 1. Go for evergreen

Avoid fad markets like the plague. The newest "in" thing may bring in good profit for a couple of months, maybe even a few years, then unaccountably die away. What you want to look for are markets that are relevant now, were relevant 10 years ago, and will be relevant a decade from today. Education and expertise, for example, will always be in demand in some form.

### 2. Enthusiast over problem solution

The evergreen element is an important criteria, but it's not enough. The next factor you have to look for is, is it an enthusiast market? This is as opposed to a problem solution market. A problem solution market is a one-off thing, like wart removal. Once the problem's solved, interest dies. An enthusiast market, on the other hand, is something people stay involved in, and will spend money in for years, even decades at a time, like business or gardening or pets.

### 3. Does it solve an urgent problem?

This might also be referred to as a \$10,000 problem, or a bleeding-neck problem. People have little price sensitivity when it comes to solving an urgent problem. For example, when the new animal friend you've brought home isn't housebroken, you find yourself in a short time needing to do something about it. It's not something you can sweep under the rug to deal with at a later date. Same for some people when their prized orchid is dropping blossoms and looking like a dead stick.

### 4. Future problems

In the market you're looking for, the success of solving one problem will ideally lead to other problems. When you help someone choose a market, for example, the next step is to decide what to sell. And when that's taken care of, there's the matter of marketing, and scaling, and so forth. In a good market, you can potentially become a customer's valued advisor for life.





## 5. Where are the players with money?

A good market is not necessarily one populated with deep pockets, but one where people are able and willing to spend a significant amount of their income in that area of their life. Pet owners are again a good example. So are some sports and hobby markets.

## Other considerations

### Market size

Once you've identified a market that meets the five must haves, the next thing you want to look at is market size. Are you spreading your net too wide? Should you niche down? Or are you being too limited and should you expand? There is actually a correlation between market size and success. In the area of education and expertise, for example, research has found a narrow sweet spot of market size when measuring keyword search volume using Google Trends.

### In/Up/Max

One concept suggests having a range of product offerings so as to maximize potential sales. The "In" would be typically a low-priced entry-level offer that any one of your audience could purchase - a book, for example. Your "Up" would be something priced at about 10 times your "In" item, that roughly 10 percent of your market could buy. And at the very top of your product price range would be the Max offer, priced at 100 times your entry-level product. About one percent of your market might go for that offer. Note, there is no natural upgrade progression from In to Up to Max. Some buyers might go immediately for the Max offering; some might go first with the Up and add on the In. The benefit of having such a product price range is that you have an offering for each segment of your market.

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