



From astrology to antiques:

How to thrive in niche markets?

Instamojo case studies

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Introduction

Welcome to your definitive guide on the power of niche marketing, an eBook that will reshape your understanding of business strategy, profitability, and audience targeting.

This book is designed for you, the ambitious entrepreneur, budding small business owner, or anyone looking to start a venture of their own.

In this eBook, we'll explore the fascinating world of niche markets, a space where your business can thrive by addressing the specific needs and wants of a well-defined group. We'll dive deeper into how niches are different from your broader **"target market"**.

Conceptually, niches offer unique advantages like higher profitability and lesser competition.

We'll highlight successful niche brands that have made it big, and provide real-life case studies from Instamojo sellers who've found their profitable niche.

Then, we'll move on to niche marketing strategies, showing you how to reach your ideal customers effectively.

By the end of this eBook, you'll be equipped with the knowledge and insights needed to carve out your own profitable niche. So, let's dive in and uncover the potential of niche marketing together.



Defining niches:

A deep dive

What's a niche?

A niche is your business's sweet spot, a snug space in the market where you zoom in on a specific set of customers who share tastes, needs, or problems.

The pain point that your business wants to solve is like **hitting a bullseye** for these customers. And that creates an intimate connection between the seller and the buyer.

In a world of broad strokes, niches are the master stroke. Rather than casting a wide net, you pinpoint a target. This precision lets you outshine your competitors since your approach is far more tailored and suitable to your customer's needs.

How are niches different from broad markets?

1. Breadth vs. depth: Broad markets cast a wide net to capture as many customers as possible. In contrast, niches trade breadth for depth, focusing on a narrower customer base with tailored offerings.

While broad markets offer scale, niches foster a stronger sense of customer loyalty due to the personalized experiences they provide.

2. Competition and differentiation: In broad markets, the competition can be fierce, and companies often engage in price wars to attract a larger share of customers.

Niches need more direct competition, allowing businesses to focus on differentiation and innovation. This creativity often leads to the development of unique solutions that cater to the specific needs of niche customers.



Benefits and challenges of operating within a niche:

- Niche customers **tend to be more loyal** because they feel understood and valued by businesses that cater exclusively to their needs.
- Businesses that serve niches **can ask for higher prices** due to the specialized nature of their offerings and the added value they provide.
- Niche businesses can concentrate their marketing efforts on a smaller, well-defined target audience, leading to **more effective campaigns**.

A niche does come with its own drawbacks:

- The narrowness of niches can limit the overall growth potential of a business, as it relies on a smaller customer base.
- Niche markets can be susceptible to economic fluctuations, industry changes, or shifts in customer preferences, potentially affecting stability.

- Relying heavily on a niche can be risky if it becomes obsolete or competitors enter with similar offerings.
- Expanding beyond the niche while maintaining the same level of personalization and quality can be challenging.

One brand that started out as a super niche eCommerce player was Snapdeal.

Their main offering used to be deep discounts for a wide range of products. But it faced a tough time when it tried to shift from its initial focus to trying to emulate Amazon and Flipkart.

After a failed merger with Flipkart in 2017, Snapdeal had to pivot back to serving value-conscious buyers in India's smaller cities and towns





The niche advantage:

How profitable can it get?

In one word. Very.

The reasons are clear-cut:

- **Fewer rivals, more profit:** Niche players face fewer competitors. They become authorities, charging more. Harvard Business Review found focused companies can charge up to 25% higher, boosting profits.
- **Loyal customers:** Niche businesses build die-hard fan bases. Bain & Company's study reveals that this in turn shows how even a 5% rise in commitment can increase profits by 25-95%.
- **Efficient spending:** Niche brands cut waste by targeting specific needs. McKinsey & Company discovered niche players are 50% likelier to excel in ROI.

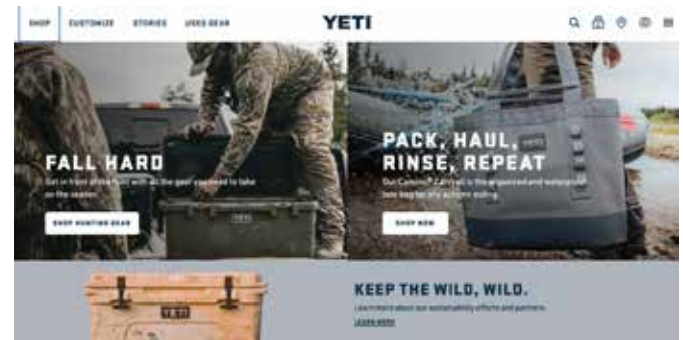
Let's look at a few global millionaire brands that rely on niches



1. lululemon

Niche: Yoga-inspired athletic wear.

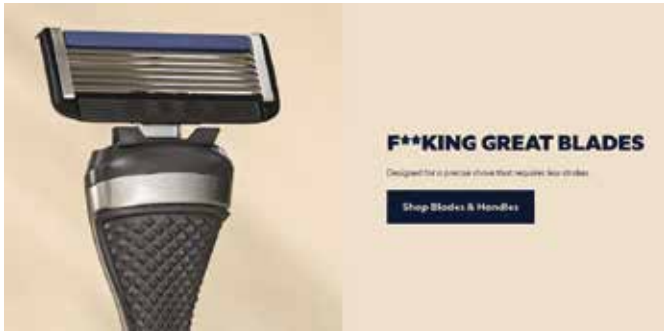
This brand nailed the health trend. The loyal following turned them into a billion-dollar business.



2. **YETI**

Niche: Premium outdoor coolers and drinkware.

They aimed at outdoor buffs, offering premium coolers and gear. They could afford to ask for higher prices in return for premium quality offerings to a loyal following.



3. DOLLAR SHAVE CLUB

Niche: Affordable shaving products via subscription.

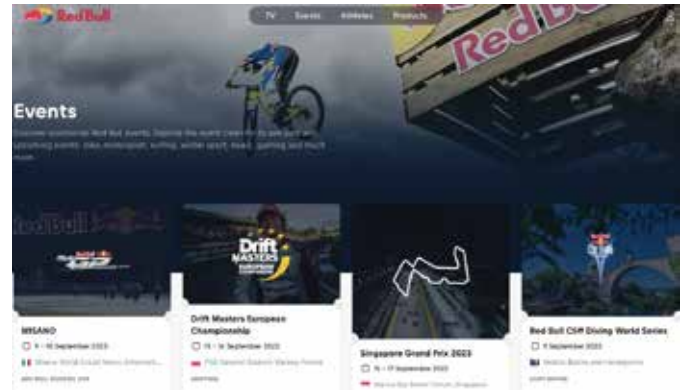
Catered to cost-conscious shavers with subscriptions. The brand snagged \$1 billion from Unilever



4. **TESLA**

Niche: Premium electric vehicles with sustainable energy solutions.

Dominated with premium electric cars for eco-conscious consumers.



5. **Red Bull**

Niche: Energy drinks and extreme sports sponsorship.

Captured active and adrenaline-hungry youth with unique energy drinks and extreme sports tie-ins.

What do all these mega-brands have in common?

All of them have earned billions of dollars by just being able to tailor their products to solve a specific set of pain points.

Everybody is not going to be interested in everything. Lululemon targeted yoga enthusiasts whereas Red Bull targeted adrenaline junkies. They would rarely be in competition.

Addressing a niche market allows them to grow in their respective fields. Their profits are not just a testament to their ability to recognize a market gap, but also in their ability to really understand the personality traits of their customers.

Pro tip when choosing a niche

When you are conducting market research to choose your niche, follow these basic three steps:

1. Identify a pain point that has not been addressed by anyone yet. Or there are very few people trying to.
2. Understand what your positioning in the market would be like. List out how your product can uniquely solve the problem the best.
3. Analyse future growth and expansion options. It could be geographical, range, target market etc.

Once you follow these steps you should be able to answer these questions about your business plans:

1. **What your ideal buyer is like?**
2. **What are the gaps in the market?**
3. **What does your competition look like?**
4. **What is profit opportunity?**
5. **What would the extent of your initial capital be?**

Voila. You have now selected a niche. But whether it's profitable or not depends on how well you have been able to **forecast demand**.

More on how to grow in a niche in the next chapters.



Highlighting 8 profitable niches: Instamojo seller case studies

Selecting a niche also comes with its drawbacks. If you are a first mover then you have no idea how your business will perform in that niche unless you try!

That doesn't mean you cannot try being successful in other previously established niches.

At Instamojo, we analysed thousands of businesses and saw 8 unconventional online businesses that saw great demand, profitability and user interaction.

1. Astrology

In today's digital era, the astrology niche market has a dedicated following of enthusiasts.

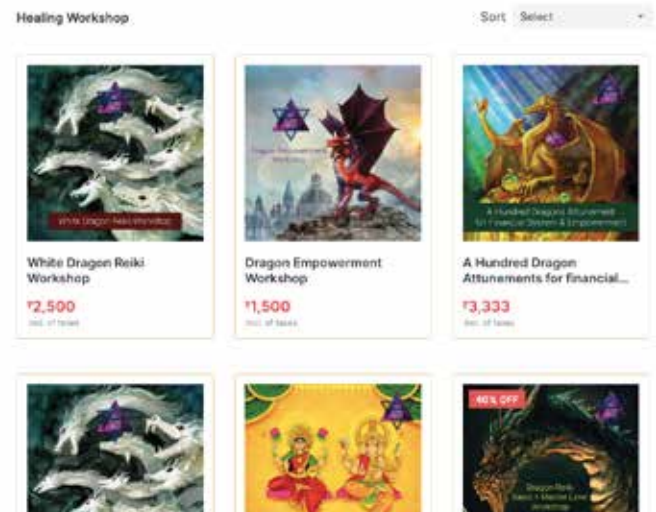
From astrology-related products, and books delving into the zodiac's mysteries to enchanting crystals radiating positive energy, the demand for horoscope-based jewellery, apparel, and home decor is on the rise.

2. Spirituality and religious merchandise for profit

In a diverse and culturally rich country like India, there is a significant and intense demand for cultural, spiritual, and religious activities. **With more than 93% of Indians** embracing and following various religious beliefs, this niche presents a highly lucrative opportunity to establish a successful and thriving business.

Here is an example of an [Instamojo store](#) that offers spiritual workshops, reiki workshops and other astrology-related products and services:

Yana's Healing Studio



Here is another example of an **Instamojo online store** selling religious merchandise:

Dharam Rahasya

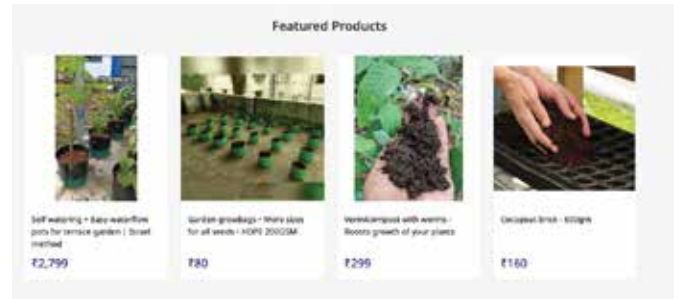


3. Garden supplies

Gardening is also an evergreen niche. (Pun alert!) **These are low-ticket products** that always see high demand. Gardening supplies are often seen as a sub-section of home decor.

With COVID and more people embracing homely decor, plants and gardening is now popular hobby across all age groups.

See how **PK Greens**, an Instamojo online store selling a variety of seeds, gardening equipment, tools etc.



Ready for that green thumb?

4. Sewing, needlework and fabrics

There has been a noticeable surge in the popularity of do-it-yourself (DIY) projects and crafting lately.

Home-based businesses, or traditional artisans are seeing an impressive surge in the popularity of threadwork and unique fabrics.

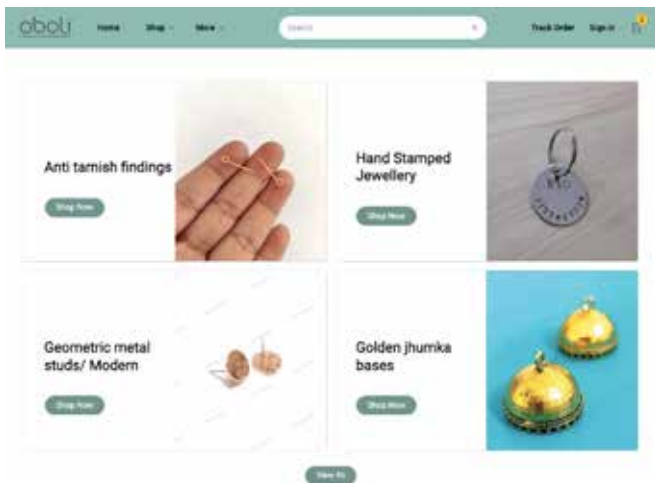
These form an inherent part of India's culture and a lot of people want to reconnect with their roots. You can also check out other [traditional products that you can sell online](#) to niche markets here.

5. Precious stones and metals in wholesale

There is a robust and increasing demand for precious metals and stones, for both investment and exquisite jewellery creation.

Wholesale platforms provide a wide range of top-quality materials, serving as a convenient and reliable source for acquiring the necessary materials for jewellery-making and investment ventures.

See how **Aboli** is doing it with her online store that is hosted on Instamojo:



6. Antiques

Antiques has a devoted and passionate customer base that spans across the globe. Collectors and vintage enthusiasts are always on the lookout for one-of-a-kind treasures, and actively seek out unique items steeped in history and craftsmanship.

Online eCommerce platforms have been able to provide unparalleled access, that has fostered a vibrant community of curators, connoisseurs, and storytellers.



7. Swimming pools and spa

Due to the COVID-19 pandemic, there has been a significant surge in interest in home improvement and outdoor spaces.

Combining a renewed focus on creating comfortable and functional homes and the desire to embrace outdoor living fully has created a thriving market for such home improvement products and services.

People also want to go out once in a while and splurge on hotel services, and wellness services to enjoy their spa and swimming pool facilities.

This remains a niche market in India considering each item can cost thousands putting these in the luxurious sector!

8. Second-hand shops

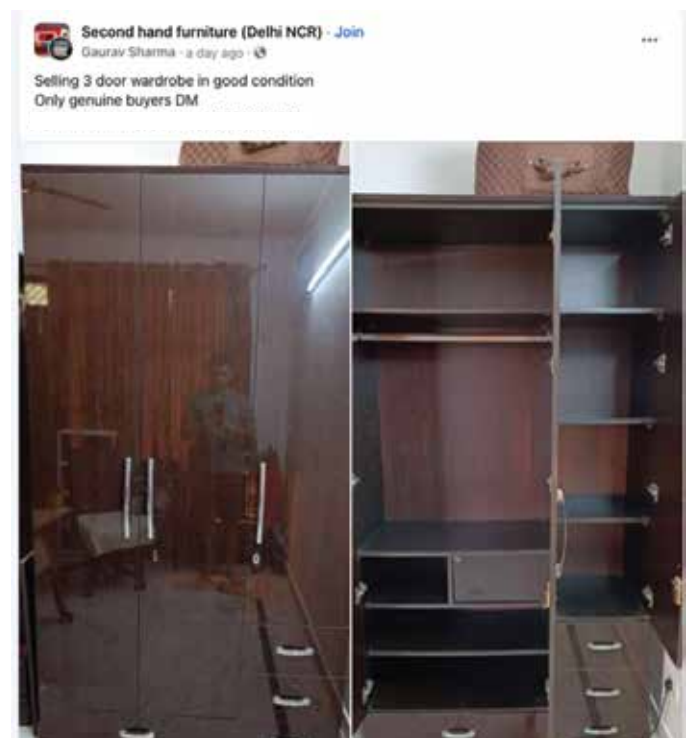
A favourite for millennials and Gen-Z, second-hand shops serve two purposes:

1. They are super budget-friendly
2. It is an opportunity to reduce waste and promote sustainable shopping habits

While second-hand items were once thought of as only for those on a tight budget, today's target market includes a much wider demographic. So much so that reports suggest that the second-hand clothing market in India is expected to grow at a compounded annual growth rate of **16.4% between 2019 and 2024.**

Influencers who are selling used clothes on Instagram often find themselves going out of stock within hours of going public!

Not just clothes, second-hand furniture, vehicles and consumer electronics are also very popular in the second-hand market.



All these categories are considered niche because of their particular and narrowed-down target audience.

Online stores hosted on Instamojo have seen cumulative sales worth 10 lakhs and above in these categories.

Other super niche categories that also saw traction on Instamojo were:

- Boating, sailing and accessories
- Lottery and contests
- Used/second-hand shops



Predicting trends:

Niche opportunities and
future prospects

These niches that have seen success on Instamojo, also throw up some interesting trends, We identified and analysed shopping patterns across these categories to see:

- 1. What was the average order value?**
- 2. Which cities saw more demand?**
- 3. What was the demographic profile like for these categories?**
- 4. What is their potential for profit for other D2C entrepreneurs?**

Astrology

Target Audience: People interested in astrology, horoscopes, and spirituality, as well as those seeking themed products like books, crystals, or jewellery.

In India, astrology and its services enjoy demand all through the year. However, there are a few spaces where it can capitalise on:

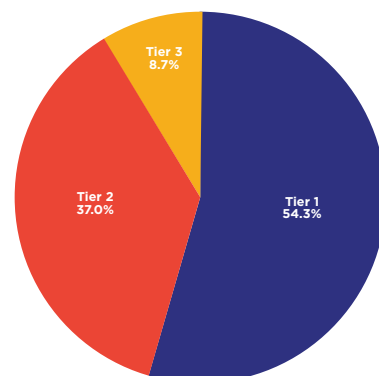
- 1. Astrology and wellness:** Consumers were seeking holistic well-being by integrating astrology with practices like yoga, meditation, and alternative therapies.

- 2. During festivals:** Major festivals like Diwali and New Year often see an increase in demand for astrology services and products as people seek guidance for the coming year. These also fall during specific phases of the lunar cycle that hold a lot of importance for this community.
- 3. Astrology in decision making:** A lot of people want to consult astrologists before initiating a major life change like starting a new business, marriage etc.

Spiritual and religious merchandise

Target Audience: Spiritual seekers, religious practitioners, individuals interested in meditation and mindfulness, and those looking for religious and spiritual items.

Tier wise spending



After a demand analysis of Instamojo stores that are selling religious and spiritual merchandise, we can see:

1. Cities like Chennai, Coimbatore, Bengaluru, Salem and Madurai make up more than 50% of the spending.
2. Merchandise purchases in the category of Religion and Spirituality were popular in the months of November, March and December.
3. Buyer's spent a minimum of Rs. 30 and a maximum of Rs. 8K in one transaction. On average **Rs.1500 was spent.**

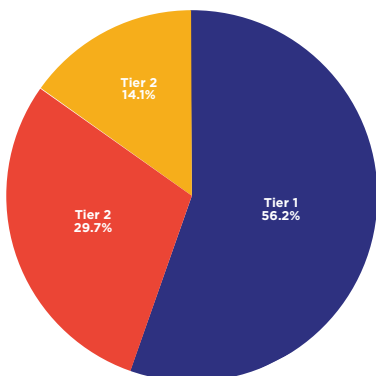
Garden supplies

Target Audience: Home gardeners, landscaping professionals, urban gardeners, and those interested in outdoor gardening and landscaping projects.

After a demand analysis of Instamojo stores that are selling garden supplies, we had some interesting insights:

1. Buyers from Tier 1 cities made up to 55% of the purchases, while 30% of the spending was made by buyers from Tier 2 cities and 15% from Tier 3 cities.
2. The highest spending was contributed by Hyderabad with 13% followed by Bengaluru and Chennai with 9% and 8% respectively.
3. Buyer's shelled cash to buy garden supplies mostly in the month of **August** followed by **September, December** and **February.**
4. A Minimum of Rs.35 and Max Rs. 2k was spent. The average spending was Rs.300.

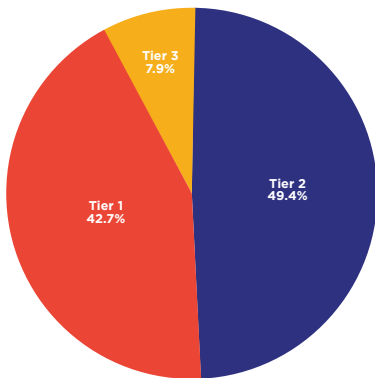
Tier wise spending



Sewing, needlework and fabrics

Target Audience: DIY enthusiasts, crafters, home seamstresses, and small businesses that rely on sewing and textile materials, traditional artisans, shoppers interested in India's cultural heritage

Tier wise spending



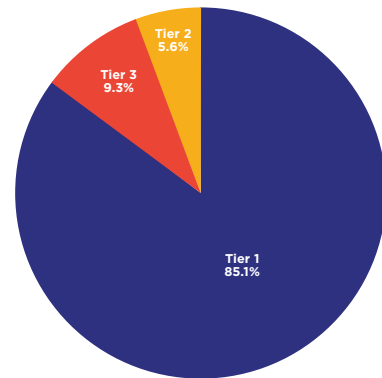
Similar demand analysis done on this eCommerce category showed:

1. Tier 2 cities make up 50% of the spending followed by Tier 1 with 43% and Tier 3 with 7%. Amravati makes up 31% of the spending followed by Mumbai and Pune both contributing 15% each.
2. Consumers spent a minimum of Rs. 160 and a maximum of Rs. 10k in buying items for sewing. **The average spending was Rs.1500.**
3. February, March and July are the months which had the highest purchases.

Swimming pool and spas

Target Audience: Spa-goers, individuals seeking relaxation and wellness services, couples looking for romantic getaways, and those interested in beauty and self-care treatments.

Tier wise spending

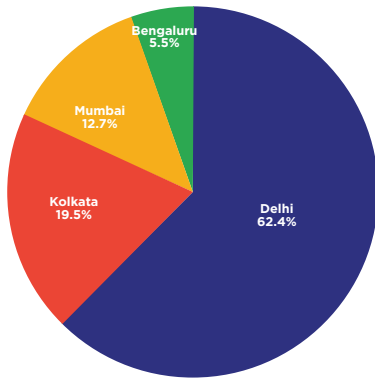


1. 85% of the transactions were from Tier 1 cities, while 6% were from Tier 2 and 9% were from Tier 3 cities.
2. The month of April saw the most spending on swimming pools and spas, followed by January and October.
3. Swimming pools and spas are specifically profitable for sellers targeting the **economically strong sections** of urban societies.
4. Another section that benefits from catering to this audience is the **tourism, travel and wellness sectors**. People going on holidays often want luxuries like these.

Antiques

Target Audience: Collectors, vintage enthusiasts, interior designers, and people interested in historical and unique items.

City wise spending



Instamojo sellers saw:

1. The average amount paid by buyers on antique goods was Rs. 200, with spending ranging between Rs. 20 and Rs. 2000.
2. Although November had the highest number of transactions, it was January that had the highest spending.
3. Antiques are often one-of-a-kind or limited in supply. This scarcity and uniqueness make them highly desirable to collectors and enthusiasts **who are willing to pay a premium for rare items.**

Wholesale precious metals and gems

Target Audience: Jewelers, jewellery designers, investors in precious metals, and businesses that use these materials in manufacturing.

Similar to antiques, their limited supply is what makes them so lucrative.

Some of the niches that the precious metals and gems industry does really well is in:

1. Jewellery market
2. Wedding and bridal market
3. The commodities trading market
4. Religious and spiritual market
5. Artisanal and Handcrafted Jewelry

The cities that see the most sales for these products are:

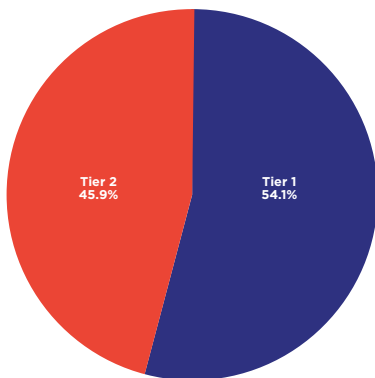
1. Mumbai
2. Jaipur
3. Kolkata
4. Chennai
5. Delhi

Used and second-hand online shops

Target Audience: Budget-conscious shoppers, eco-conscious consumers, vintage fashion enthusiasts, and people looking for unique and affordable items.

In the next chapter, we will break down different marketing strategies that you should use once you have selected your niche and your target audience.

Tier wise spending



1. On Instamojo, buyers have spent a minimum of Rs.100 and a maximum of Rs. 950 on one transaction. On average, they spent 700 per transaction.
2. All the money being spent here comes from the cities of Pune, Vadodara, and Jamshedpur. In terms of money spent, 55% of it originated from Pune.

3. The main concern for the sale of these goods has been authenticity.

This is where factors like trust badges, the reputation of the eCommerce website host, and testimonials all play a pivotal role.



Niche marketing strategies:

Reaching the right audience

Instead of trying to appeal to a broad audience, niche marketing strategies concentrate on cultivating deep connections with select groups of consumers who share a common interest, passion, or problem.

Let's see some powerful marketing methods that work for niche markets:

1. Precision targeting

Precision targeting involves identifying a very specific audience segment and tailoring marketing efforts directly to that segment.

Here is a procedure for precision targeting:

- 1. Identify distinct segments** within your target audience based on shared characteristics.
- 2. Gather and analyse data** about the preferences and behaviours of your niche segment.
- 3. Create tailored content** that addresses their unique needs and interests.
- 4. Choose the right communication channels** where your niche audience is active.
- 5. Interact regularly** with your niche audience to build a strong connection.

Company using precision targeting strategy

Brand: AstroVed

Niche: Zodiac products



Here are a few reasons why Astro Ved's marketing strategy works:

- **Relevance and personalisation:** AstroVed's precision targeting offers personalized content and offerings for astrology enthusiasts.
- **Reduced marketing spends:** AstroVed's precision targeting minimizes the wastage of resources by precisely reaching those interested in their services, optimizing budget allocation for campaigns and maximizing returns.

- **Stronger brand loyalty:** Cultivating a sense of community among astrology and spirituality enthusiasts.
- **Expertise and authority:** AstroVed's specialization in astrology and spirituality establishes the brand as an authority, building trust within the niche and positioning it as a reliable source of guidance.

- Tailor your messaging to address the unique needs, pain points, and interests of the niche audience.
- Use dynamic content delivery methods to automatically adjust messages based on individual user data.
- Set up automated triggers to send messages based on specific user actions or milestones.

2. Personalized messaging

Personalized messaging involves tailoring marketing messages to individual preferences or characteristics.

Speak directly to your niche's pain points and aspirations. Show that you understand their challenges.

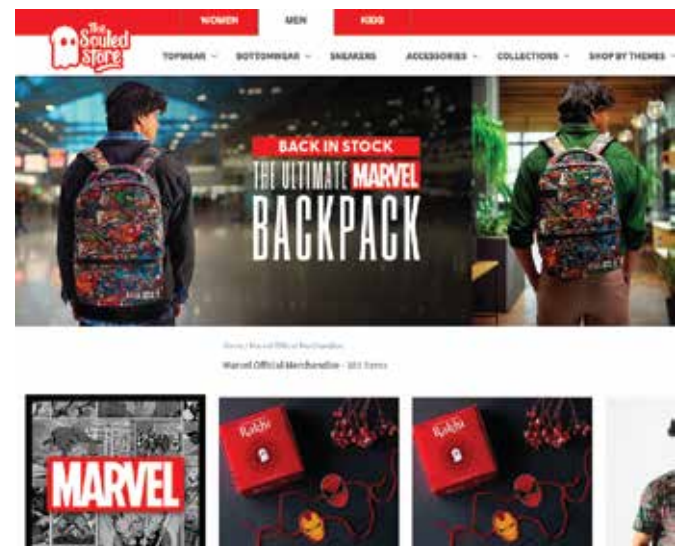
Here is a process for using this particular strategy in niche marketing:

- Hyper segment your target audience according to their preferences. Monitor their wishlists and past purchases.

A company using a personalised messaging strategy

Brand: The Souled Store

Niche: Fandom merchandise



Relevant product recommendations:

The Souled Store suggests products that align with each customer's preferences and browsing history.

This personalized approach makes it easier for customers to discover products they are likely to be interested in.

Personalized messaging:

This sets The Souled Store apart by providing a unique and attentive shopping experience that competitors may not offer. [In our interview with Souled Store](#) back in 2022, **co-founder Harsh Lal had this to say**

“80% of our customers are loyal customers that keep coming back. We do not believe in depending on deep discounting as our main revenue stream. We use carefully personalised messaging, content and influencer partnerships that are relevant and attractive to our specific niche audience.”

3. Specialized offerings

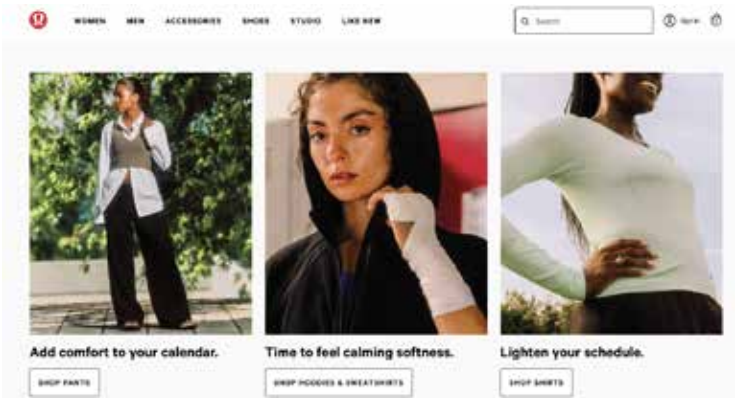
Establish yourself as an expert in your field. Here's a method for implementing this specific strategy in niche marketing:

- 1. Use customer surveys** to understand the unique needs, preferences, and pain points of the niche audience.
- 2. Develop a clear value proposition** that highlights how your specialized offerings cater to the niche's specific requirements.
- 3. Craft marketing messages** that communicate the unique benefits of your specialized offerings to the niche audience.

A brand using specialized offerings strategy

Brand: Lululemon

Niche: Yoga Enthusiasts



Strategy used:

- **Understanding the market:** Lululemon spotted a demand for quality yoga activewear in active lifestyles.
- **Product innovation:** Created yoga activewear with moisture-wicking fabrics, comfy fits, and unique designs.
- **Community building:** Lululemon organized yoga events, workshops, and classes, fostering a sense of belonging for their audience.
- **Premium pricing:** They positioned themselves as a premium brand, reflecting the quality and specialized nature of their products.
- **Inclusivity:** Lululemon provided diverse sizes/styles, catering to varied preferences in the yoga community.

Lululemon became synonymous with high-quality activewear for yoga enthusiasts.

Satisfied customers shared their positive experiences, driving word-of-mouth marketing.

The yoga-focused events and classes created a sense of community, enhancing brand loyalty.

An Indian replicate targeting the same niche with similar marketing styles would be Blissclub.



4. Content engagement

Create valuable content that educates and entertains your niche. Here's a process to achieve content engagement:

1. Create content that **directly addresses niche-specific** needs and challenges.
2. **Offer content in various formats** (articles, videos, infographics) to cater to different preferences.
3. Deliver **well-researched, insightful content** that demonstrates your expertise in the niche.
4. **Include interactive elements** like quizzes or polls to engage and involve your audience.

Company using content engagement strategy

Brand: Beunic

Niche: LGBTQ fashion brands



Strategy used:

- **Educational value:** Beunic can educate its audience about niche-specific fashion trends, styles, and techniques. This positions this LGBTQ brand as an expert and builds trust within the fashion community.
- **Storytelling opportunities:** The strategy enables Beunic to tell compelling stories about their products, brand philosophy, and the fashion industry. **It helps inculcate emotions related to the LGBTQ community.**

5. Micro-influencers

Micro-influencers are individuals with a smaller but highly engaged social media following. This is why they are perfect partners for your niche brand.

They have enough authenticity to generate demand for products and services that these influencers promote.

Here's a method to apply this specific strategy in niche marketing:

1. **Identify micro-influencers** whose content aligns closely with your niche market and target audience.
2. Evaluate their **engagement rates, comments, and interactions** to ensure genuine audience interaction.
3. Collaborate with micro-influencers to **craft compelling narratives** that highlight your niche products or services.
4. Cultivate ongoing relationships to ensure **consistent representation** of your brand within the niche.

Company using micro-influencers strategy

Brand: Reshoevn8r India

Niche: Shoe cleaning accessories



Strategy used:

- **Niche audience alignment:**

Reshoevn8r India partners with micro-influencers who are aligned with the sneaker and streetwear niche. This ensures that the message reaches a highly relevant audience of sneaker enthusiasts.

- **Targeted reach:** Micro-influencers have a smaller but more engaged audience that matches Reshoevn8r's ideal customer profile. This leads to higher engagement rates compared to broader influencer campaigns.
- **Cost-effectiveness:** Collaborating with micro-influencers is often more budget-friendly than working with macro-influencers. Reshoevn8r India can achieve meaningful reach without overspending.



**Dominate
in your niche with
Instamojo**

If you have reached this chapter, you have learnt

- Identify specific pain points of a customer
- Understand how your product/service can uniquely help resolve these
- Outline the characteristics of your niche target audience
- Build a business plan
- Create your brand's story and marketing strategy

Now all that is left is to choose an eCommerce platform that can help you sell effectively to your niche target audience.

When you choose a niche market, you need to have an eCommerce website that is authentic, professional and most importantly: allows you to scale.

With Instamojo, you can:

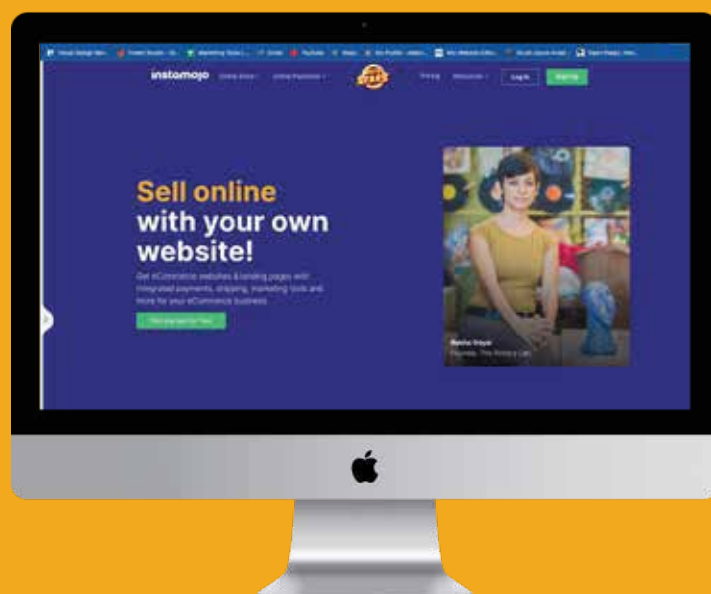
1. Set up an account for free
2. Host your own online store (the premium version comes with its own powerful tools)
3. Create landing pages (for your service business or events, workshops and more)
4. Effortlessly reach pin codes all over India with our shipping partners
5. Have an integrated payment gateway that supports 100+ payment modes
6. Create and share quick payment links to receive payments across platforms
7. Set up marketing automation like abandonment cart recoveries and WhatsApp integrations

Instamojo has been loved by 2 million users and counting. Set up a call with our team so that we can understand your needs better.



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