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Why Finding Your Niche Is Key To Your Business' Success

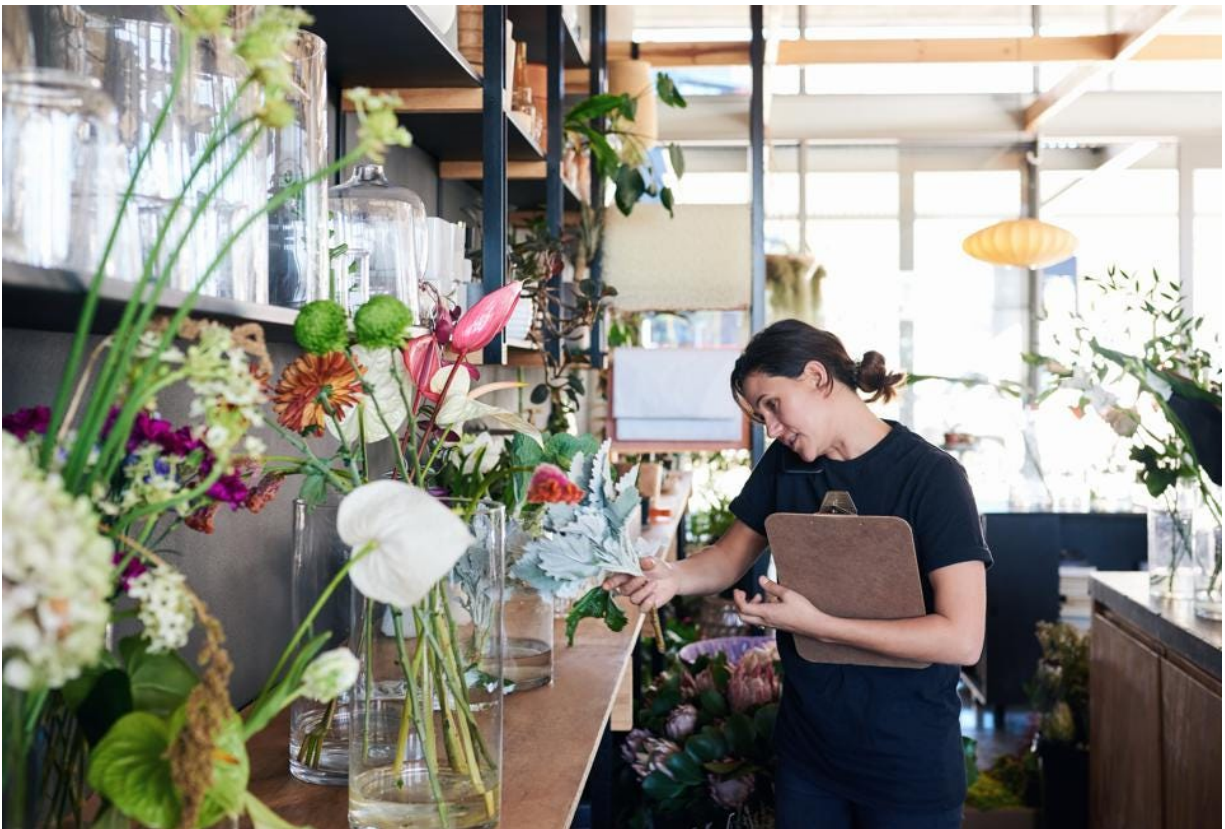
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Small Business

Roger David is the President/CEO of GSR Brands, the parent company of [Gold Star Chili](#) and [Tom & Chee](#).



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There's a pretty common belief that it's bad for business to have a specific focus. The concern is that having too narrow of a concentration pigeon-holes you and does not give your brand the room it needs to grow and thrive in the future. It's best to be broad so your business will appeal to a wider base.

However, I believe the opposite is true.

I've found the benefits can add up for a business with a targeted product or solution to an unmet need or underserved market. Finding your niche is about determining the focus of your business and then working to hone your skillset or product. This helps you refine your offerings and build the expertise that gives you the legs to withstand the test of time.

Many [startups fail](#) because they either don't capitalize on a niche or don't provide a solution to a problem. This tells me that if your focus is too broad, you're putting your business in danger of closing before you give yourself a chance to really get off the ground. Having a niche isn't a "niche concept" anymore; it's an essential part of your business model — no matter the industry.

Why Niche Works

Many of us have a primary care doctor, perhaps someone you've seen for years. You know each other, and there is likely a friendly conversation at your annual checkup. It's an amicable relationship. But should a serious concern arise, they'll refer you to a specialist trained to address the health issue with the expertise to ensure the best care possible.

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In much the same fashion, finding your niche is like being a specialist in a field where your expertise makes you stand out from the general pack.

Entrepreneur detailed a [seven-step process](#) for creating a niche. The article's step-by-step approach is quite informative, but I found the key takeaway to

be: Specialization in one thing can be a very good and profitable thing. I learned something similar from a 2016 *Forbes* article.

A focused business concept has numerous benefits, including simple and streamlined operations and less direct competition, thus allowing you to be a big fish in a small pond. A clear focus means you can focus your audience-targeting strategy. Defining and excelling with a special skill set and knowledge in a particular industry allows you to identify, claim and build on your market expertise.



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The restaurant industry, for example, is filled with niche businesses. I believe those that fully embraced their niche are the ones that have the most success. For example, my organization operates two restaurant franchise brands, Gold Star Chili and Tom & Chee, each of which has a well-defined niche: Cincinnati-style chili in the former and melts and soup in the latter. There are plenty of regional and national fast-casual concepts, but our brands are successful because they focus on specific niches and make those core products the best they can be for guests.

Similarly, plenty of restaurants have a chicken salad on the menu, but when I said “chicken salad,” you might have immediately thought of Chicken Salad Chick, a restaurant chain that specializes in serving chicken salad. I'm sure at the beginning of the brand's start there were plenty of detractors, but it's [grown exponentially](#) over the past few years by mastering its product and building a brand around it.

Beyond the restaurant industry, consider brands such as Barnes & Noble vs. local book stores: Barnes & Noble sells thousands of magazines, books, toys and games at each of its stores, including comic books. But if you're looking for an older, out-of-print issue of *Spider-Man*, a local comic shop is likely where you're going to find it.

Taking Niche To The Next Level

Once you master your niche, finding ways to stand out even more among other competing businesses within that niche can transcend your company to the next level.

For instance, while others serve Cincinnati chili, we made ourselves unique within the category by developing a product with a distinct flavor profile based on a 13-spice recipe brought from my ancestors' homeland of Jordan. Now, Gold Star Chili is expanding beyond the category by selectively growing the menu. Similarly, Tom & Chee started selling grilled cheese and tomato soup to hungry ice-skaters in downtown Cincinnati. It's since expanded to offer what became its claim to fame, the grilled cheese donut. And today, the business includes grilled cheese melts, soups and fresh salads to appeal to a wider audience without losing sight of the niche that put it in business more than a decade ago.

This idea works outside of restaurants, too. Countless stores sell soap, for example, but Bath & Body Works finding and embracing it as their niche is why people know the company, even if they couldn't find their home base on a map. After successfully building a national brand best known for soaps and

lotions, the brand also offers candles. Strategic growth from its original niche product offering to complimentary offerings has allowed Bath & Body Works to continue to grow and become a shining star in the [L Brands portfolio](#).

To help you take your niche to the next level, I have three simple tips:

1. Have passion for what you do.
2. Understand your ideal customers.
3. Ensure that you will fulfill a need.

Final Thoughts

Having a singular focus in business isn't a sentence to a life of mediocracy devoid of success and growth for your organization. In fact, having a singular focus can be extremely profitable if you first build your organization to master it and then strategically grow with complementary products or services.

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