

How To Uncover Red-Hot Niches With A Simple, Step-By-Step Formula



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Table of Contents

■ Chapter 1	
A (Lengthy) Introduction.....	5
■ Chapter 2	
The Importance of the Niche Selection Process.....	8
■ Chapter 3	
3 Essential Elements of a HOT Niche Market.....	10
■ Chapter 4	
The Absolute Best Niches to Enter	11
■ Chapter 5	
First Things First : Brainstorming.....	12
■ Chapter 6	
Digging for High Demand Niches.....	14
■ Chapter 7	
Keywords Search Counts : The Facts	17
■ Chapter 8	
More Data Needed: Competition & Pay-Per-Click Advertisers ...	20

■ Chapter 9	
Are Advertiser Willing To Pay for Traffic?	22
■ Chapter 10	
1st Filter : Competitors	24
■ Chapter 11	
2nd Filter : Advertisers.....	26
■ Chapter 12	
3rd Filter : Keyword Effectiveness Index	28
■ Chapter 13	
4th Filter : Adsense™ Payout	30
■ Chapter 14	
5th Filter : The Human Touch.....	32
■ Chapter 15	
The Multiplication Factor.....	35
■ Chapter 16	
Conclusion: Putting Two and Two Together	38
■ Appendix I	
Flaws in KEI – An Alternative Approach	43
■ Appendix II	
A Note About Keyword Research.....	46

Chapter 1

A (Lengthy) Introduction

My time is precious. So is yours.

I've visited a lot of Internet Marketing forums over the last few years and the one question that comes up most often is: "*How do I find a niche?*" I am always amazed to see just how many people know how to build websites, research keywords, write articles and press releases, install scripts, etc, but the biggest problem these talented, intelligent, skilled people face is how to target a niche that is profitable.

Please don't be distracted by the fact that I am giving this report away free. Don't assume that being free means having no value. I have seen ebooks priced anywhere from \$47 to \$97 which delivered nothing close to what I am giving you in this report for free.

All I ask of you right now is that you read this report from start to finish as if you just spent \$97 of your well earned money on it. Study it. Take it seriously.

While this report may seem short at first glance, you will soon find that I have left all the fluff behind to provide you with the exact steps I personally use to find hidden niche markets that are not only profitable but easy to crack into.

You will find no filler content, no lengthy explanations on what niche markets are, how to optimize your site for your keywords, or even how to profit from them.



The Internet is already so flooded with free information on how to monetize a website that writing a chapter on this would be simply redundant.

For those of you who are new at Internet Marketing, here are the four most popular ways to profit from a website:

- Create and sell your own product or service
- Sell someone else's product in return of a percentage of the sale price (called "affiliate marketing")
- Sell text links or banner advertisements
- Capitalize on pay-per-click revenues such as Google's AdSense™ program

A little bit of research on any search engine will return more than enough information to keep you reading for months.

As AdSense™ is currently the most passive way to make money from your websites, this report will focus on this revenue stream but once you've learn how to spot red hot niches, you will see yourself flooded with ideas on how to monetize the niches you have uncovered.

When I first started to write this ebook, I thought it was going to be an easy task. But the more I wrote, the more I realized that just putting the "formula" together will only show you *how* I do it, and not *why*. So the 15-pages report soon became a 47-page report for an important reason...

Because the why is what makes this method work.



I will take you by the hand and show you, step-by-step, how to identify profitable niche markets using a very simple and systematic elimination method. I will also be giving you a set of numbers you should look for (number of searches, number of competing sites, etc) but **these numbers should, by no means, be considered “absolutes”**.

What I mean, and I will repeat it throughout this report, is that there is not “one” good mathematical formula when it comes to niche research. You will need to use your own due diligence but by knowing the *why* behind the *how*, you will have all the data you need to make informed decisions when it comes to what niches you should target.

Furthermore, I have to warn you that some of the material you will find in this report goes against what you have heard or read before. Here are some examples of what I will be discussing:

- **Why conventional “keyword tools” should not be used to find niche markets.** *(Learn more about this in Chapter 5)*
- **Why you don’t need to find niches with an unusually high search count.** *(This is discussed in Chapter 7)*
- **Why you should not focus on one website making you hundreds per day.** *(Read more in Chapter 15)*



Chapter 2

The Importance of the Niche Selection Process

If you are in this business to make money from your websites, whether it is from promoting affiliate programs or profiting from AdSense™ revenues, choosing a good and profitable niche topic in the underlying foundation of your site's monetary success or failure.

I have seen too many people putting up websites on topics they feel would be profitable and who end up getting insignificant traffic compared to the time they have spent on creating and maintaining the site.

I would be the first one to admit that when I first started to build websites for profit, I would jump on any topic that I thought to be a good money-maker but ended up making little or no money at all.

Even by submitting articles to all the biggest directories and following a properly laid-out linking strategy, the traffic to these first sites never exploded because of one mistake:

I was targeting niches for which it was nearly impossible for my sites to rank well.

You see, I quickly realized that the majority of the web surfers who ended up on my sites were using really weird search queries for which I did not optimize my pages. Even though I carefully chose topics that were popular, only a small fraction of the potential visitors were finding my sites. You know the



rest of the story...

Low Traffic = Low Revenue

You see, everyone makes the same mistakes. Everyone focuses on the web sites, the scripts, the press releases, and all that stuff that is endlessly talked about in marketing forums; yet it's this very first step, which costs absolutely nothing but a little bit of time, which can end up costing you a hell of a lot when you invest all that time and money into web sites that will not give you a return.

I just cannot stress enough the importance of carefully choosing a good niche topic to base your site on BEFORE you even start working on it... unless you are planning to create your website for the fun of it.



Chapter 3

3 Essential Elements of a HOT Niche Market

Here's the very first lesson of this report: To be profitable, a niche market must meet three requirements. The stronger these elements are, the hotter the niche is:

■ **High Demand**

The more people are actively looking for information that your niche is catering to, the more visitors you can attract on your website. Thus, the chance of your visitors clicking an ad or buying your product is higher.

■ **Low Supply**

The less websites targeting the same topic as you, the better your chances of ranking high for your main keywords.

■ **Profitability Potential**

There must be money in the chosen market. If AdSense™ profits are your goal, you must ensure that advertisers are willing to pay for the traffic that you will bring them. If you are selling a product, you must know if people that search for your niche markets are willing to pay for the information or product you are promoting.

By the end of this report, you will be able to spot red-hot niches and will never again settle for a niche that does not meet all three of these requirements.



Chapter 4

The Absolute Best Niches to Enter

Most people want to rank high in Google. That's why all the keyword programs give you tools to calculate competition on this search engine only.

However, the very best niches to enter are the ones where your chances of getting high rankings are good in all three of the major search engines.

In November 2006, according to [comScore Networks](#), 44.1% of online searches were conducted on Google. Second and third places were awarded to Yahoo (28.7%) and MSN (12.5%) – Both, combined, accounted for 41.2% of the total market share.

**Now that you know this, do you still
want to put all your eggs into one basket?**

The method I am teaching you in this report will help you uncover incredibly hot niche markets. Hungry markets where the earnings potential is high and the supply is incredibly low... in all three major engines: Google, MSN and Yahoo.

The formula outlined can be trimmed down to a single engine. So if you want to optimize your future site for MSN or Yahoo only, you will be able to find even more untapped niches.



Chapter 5

First Things First : Brainstorming

Brainstorming topics is the very first thing you need to do. It's the easiest part of the process, so don't spend too much time on this.

Simply put, all you need to do is make a list of words – any word that comes to your mind (pen, car, house, etc.). We'll call these "seed keywords".

At this stage, it's not important to know whether a topic is "hot" or not. But if you want to have a head start about the demand of a topic, you can scour the Web to see what people are interested in.

Below you will find a list of sites you can check out for seed keyword ideas:

■ [Google Suggest](#)

Mining Google Suggest for seed keywords couldn't be easier! Start by typing a letter in the search box and Google will suggest key phrases that start with that letter (also try typing more than one letter). The data is from Google's own search engine so you know these keywords ARE popular.

■ [Ebay Pulse](#)

Here you will find a top ten list of the current favorite searches on eBay for each of their categories. Worth checking out!



■ [Lycos 50](#)

Lycos 50 is a very interesting site that I visit at least once per week. It not only gives you a list of the 50 most searched for keywords in the Lycos search engine for the previous week but their articles and blog posts are also very enlightening! Make sure you visit this site at least once.

■ [Dogpile SearchSpy](#)

Dogpile is a meta search engine (searches multiple sites at once) and you can see a filtered (family friendly) or unfiltered scrolling list of search terms entered by their users. Dogpile is one of the engines used by Wordtracker for their search count data.

■ [Yahoo! Buzz](#)

Yahoo also provides you with Top Movers (search terms for which there have been a notable increase in popularity within the last day), Top Leaders (top searches of all times) and some interesting articles.

■ [AOL Hot Searches](#)

More hot searches list provided by AOL. There is a general top list and you can also see top searches by category.

■ [Ask IQ](#)

Yet another top list provided by a popular search engine.



Chapter 6

Digging for High Demand Niches

The seed keywords we chose in the previous chapter are (and *should be*) pretty broad so if we decided to create a niche site on one of these topics, we would be competing with hundreds if not thousands of other websites.

For example, if you had a site on the “dogs” niche, it would be much harder for your site to rank high for your main keyword (“dog”) on the search engines. On the other side, if your site was on “natural food for dogs”, it would be much easier for it to rank highly as you will be competing with a lot less websites.

What we need to do now is take one of our seed words and create a list of smaller, related topics. But we also must make sure these smaller markets meet requirement #1 of a hot niche:

High Demand

The more people are actively looking for information that your niche is catering to, the more visitors you can attract on your website. Thus, the chance of your visitors clicking an ad or buying your product is higher.

To find those sub-topics, we will dig into our seed market and create a list of related phrases using the free [Overture Inventory Tool](#).

The best thing about the [Overture Inventory Tool](#) is that for



each key phrase that you enter, Overture will return by default 100 related phrases... the top 100 most popular one. This means that these 100 related markets already have demand (popularity).

Ok. Let's get started.

Searches done in December 2006	
Count	Search Term
187356	coffee maker
174410	coffee
163781	coffee house
122160	coffee shop
54142	coffee grinder
49297	starbucks coffee
38015	coffee table
36520	coffee cup
36294	coffee mug
24066	bunn coffee maker
23843	coffee break arcade
23833	coffee bean
17630	coffee break
16836	coffee machine
15657	coffee pot
15610	gourmet coffee
14050	caribou coffee
12903	mr coffee
2180	organic coffee
2176	cuisinart coffee
2171	coffee tea shop
2146	gourmet coffee gift basket
2139	capresso coffee maker

First, choose one of the seed keywords you brainstormed, go to the [Overture Inventory Tool](#) and enter that keyword in the space reserved for this purpose. You will then be presented with a list of related keywords and a number of the left side; this is the number of times each of the key phrases was searched for in the previous month.

For the sake of this example, we will use "coffee" as the seed keyword. I chose this simple word to show you how easy it is to find hidden niche markets with just about ANY keyword.

Entering "coffee" (without the quotes) into the engine will give you results similar to the picture above.



Take all of these key phrases and note them down with the search count provided by Overture, in your favorite spreadsheet program.

P.S. You can also dig for more keywords by clicking on any word from the list to find even more phrases.



Chapter 7

Keywords Search Counts : The Facts

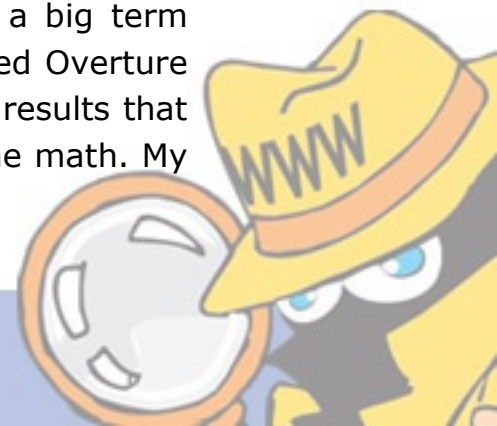
You now have a list of 100 key phrases that are all potential niches as we already know they meet the [High Demand](#) requirement of a hot niche market: Overture already told us so!

Since I have often heard people say things like “*Your main keyword should have at least 100,000 searches per month to make it worthwhile*”, I thought I needed to add my own comments on this.

This chapter is probably going to be longest one of this report but I really want you to forget what you have been told about the number of searches as it does not matter. Of course, a key phrase with a few hundred searches per month will probably not be worth it, but if you follow the steps outlined in this report, the niches you will find will have enough searches to make them profitable.

You see, people often focus on the number of searches per month to determine if it’s a good niche to enter. They try and find markets where there are 100,000 or 300,000, or more searches per month.

When I first started my niche-finding “career”, I would spend hours daydreaming about how much money I could make if I created a site on a highly popular niche. I knew a big term such as “dog” wasn’t a good one to target so I used Overture to find sub-niches. I would then choose one of the results that I felt was good, dug out my calculator and did some math. My



calculations looked something like this:

"Let's say I create a site on "dog training" (a term that has 100,000 searches per month, according to Overture). If I could get only 10% of these people to my site, that would mean 10,000 visitors per month. If only 10% of these visitors (1,000) clicked on an ad that would pay me \$0.25 per click, I would be making an easy \$250 from this site each and every month. Oh! I used pretty conservative numbers so I would probably make much more than \$250 per month!"

I believed that if I worked harder than the average webmaster and did what was needed to get my site on the top of the search results, I would be making a nice passive income from that one site. Then I would create a few more sites on some highly popular keywords and build a nice passive income stream for myself.

That sounded like a good plan to me.

I quickly found out that in the real world, it is hard to outrank the top ranking sites for such a popular keyword as "dog training" (and *keep* your high rankings). It is pretty hard to get a site on the top 10 when there are 16,000,000 results for this search term.

In fact, it was very hard and time consuming... as in *not as passive as I thought*.

So I started experimenting with smaller, less popular markets. I wrote down all the steps I used, for each of the niches I was entering, and compared my notes until I found the combination that worked best.



I now have a small collection of websites that earn me a nice passive income and many of them were built around niches that have less than 20,000 searches per month on Overture. Those small websites don't have thousands of visitors per month, but every single one make me more money than my old dog training site.

By now, you probably are a little skeptical about what I just told you. You may be thinking: *"How can a site with only 20,000 searches per month bring me enough traffic so that I can convert it into money?"*

The answer is simple: each of these sites meets the 3 essential requirements of a red-hot niche market. We already took care of the first one ([High Demand](#)) so we'll need to work our numbers until requirements 2 and 3 are met, too.

Now get prepared, as more work is on the way...



Chapter 8

More Data Needed: Competition & Pay-Per-Click Advertisers

Remember when I told you how people usually choose Google as their target search engine? It sounds like a good idea, since Google is “the” major player in the field right now. I used to be a Google slave too but soon realized that it was much easier for me to have my sites rank high on MSN and Yahoo without putting in a lot of leg work.

And the good news is that once my sites were highly ranked in one or both of these engines, my rankings on Google naturally got better.

You see, when your website is on the first pages of a smaller engine for a popular keyword, people who build directory-style sites will most likely pick up your pages. This means easy backlinks to your sites, and more chances for you to rank higher on Google where offsite factors (such as backlinks) play a bigger role.

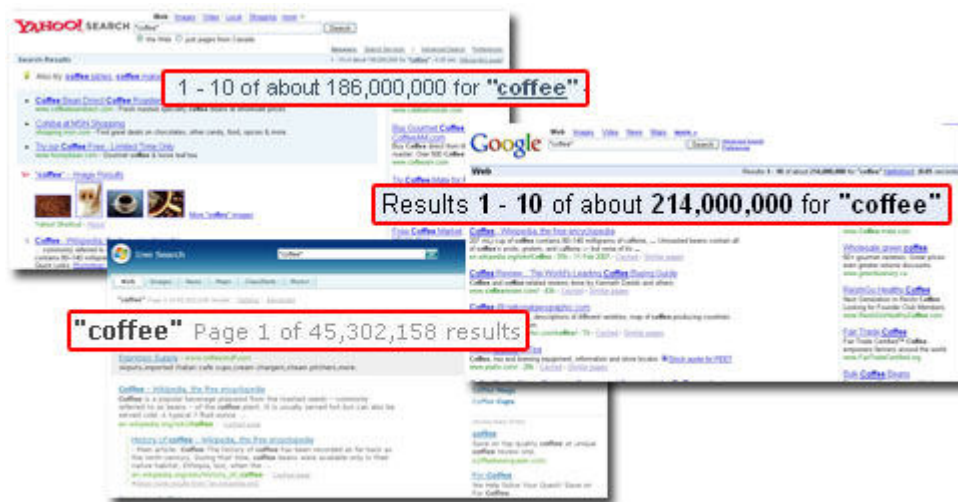
Today, instead of building a site with the purpose of ranking high in MSN and waiting for Google to pick up too, I carefully chose niche markets where my chances of getting top positions in all three engines are high.

The next step of my niche finding system involves getting more data we will use to eliminate bad niches from our previously created list.



So roll up your sleeves and let's get back to work.

First, we must know how many sites appear on the Search Engine Result Pages (SERPs) for each of the 100 keywords of our sub-niches list. To do this, simply go to www.google.com, www.yahoo.com and www.msn.com and enter each keyword enclosed in quotes as your search term and hit enter*. On the top of each page, you will see references to the number of results containing the keyword.



Add this data in a 3rd, 4th and 5th columns of your spreadsheet.

While you're grabbing the number of results in Google for your key phrases, also count the number of Google Adwords™ ads that appear on the right side for each of your key phrases and enter it in another column. The next chapter will explain why.

Your spreadsheet should now look something like this:



	A	B	C	D	E	F
1	Keyword	Searches	Google	MSN	Yahoo	G Ads
2	coffee maker	187,356	4,870,000	7,238,881	15,600,000	40
3	coffee	174,410	214,000,000	45,302,158	186,000,000	18
4	coffee house	163,781	68,000,000	6,944,612	54,900,000	6
5	coffee shop	122,160	53,400,000	8,609,580	46,800,000	6
6	coffee grinder	54,142	1,510,000	407,437	2,410,000	40
7	starbucks coffee	49,297	2,990,000	526,958	9,080,000	6
8	coffee table	38,015	37,000,000	5,054,944	33,700,000	40
9	coffee cup	36,520	28,400,000	18,681,949	25,100,000	29
10	coffee mug	36,294	1,950,000	1,313,976	6,590,000	40
11	bunn coffee maker	24,066	563,000	81,962	431,000	40
96	round coffee table	2,208	107,000	19,647	74,700	20
97	organic coffee	2,185	933,000	247,915	988,000	40
98	cuisinart coffee	2,176	127,000	21,248	129,000	13
99	coffee tea shop	2,171	12,100	4,628	31,400	1
100	gourmet coffee gift basket	2,146	31,200	3,090	31,200	27
101	capresso coffee maker	2,139	25,600	9,700	43,400	21

* There are queries more advanced than "keyword" (keyword in quotes) and we will discuss them in the Appendix.



Chapter 9

Are Advertiser Willing To Pay for Traffic?

The number of Adwords™ ads for any given key phrase is a good indicator of the marketability of the topic. A high number of ads usually means, for AdSense™ publishers, that it's a higher paying niche. The formula that illustrates this is very simple:

More Adwords™ ads for a key phrase

==

**More competition for the advertisers who want
to bid on this key phrase**

==

Higher prices for each click

If advertisers are fighting for the best Adwords™ positions for a key phrase, this clearly tells us there is money in this market.

Remember, advertisers pay Google for each click through their site. If they are willing to spend money, it's because they plan to make money.

You see, even if your site on "blue widgets" gets thousands of visitors each day, if there are no advertisers paying to use AdWords™, you can bet your shirt you won't get any AdSense™ income.

I hope you grabbed the number of AdWords™ ads for each of your key phrases as we will need this data soon.



Chapter 10

1st Filter : Competitors

We have now all the data we need and we can start the elimination process and remove the bad niches from our list.

What we need to do next is take our list and weed out the key phrases that are targeted by too many competitors. This will ensure that the key phrases left are niches that meet the second requirement of a HOT niche market:

Low Supply

The less websites targeting the same topic as you, the better your chances of ranking high for your main keyword.

I have found that phrases with less than 900,000 results in Google, less than 250,000 in MSN and less than 400,000 in Yahoo are the often the best to go with but you can use any "limit number" you want. Remember, the less results the search engines show for a keyword, the easier for you to rank on the first page of results.

Ok so now remove from your big list all the keywords that have too many results based on the limit we previously set. While you're at it, remove all the phrases that are not related to the "coffee" topic (such as "coffee break arcade"). This should leave you with a much smaller list to work with.

After removing niches that have too many competitors, we are left with 68 key phrases as shown in the following image:



	A	B	C	D	E	F
1	Keyword	Searches	Google	MSN	Yahoo	G Ads
2	bunn coffee maker	24,066	184,000	29,981	155,000	25
3	coffee pod	12,444	197,000	29,675	134,000	19
4	cuisinart coffee maker	10,264	59,200	11,199	74,700	21
5	caribou coffee company inc	10,075	25,500	2,205	12,900	1
6	peets coffee	7,913	91,700	12,806	56,000	2
7	burr coffee grinder	7,891	139,000	13,624	86,900	31
8	braun coffee maker	7,698	60,400	8,366	52,000	40
9	one cup coffee maker	7,546	92,000	11,836	70,500	32
10	coffee gift basket	7,308	190,000	25,684	182,000	40
11	coffee press	7,160	234,000	41,535	154,000	14
64	Commercial coffee maker	2,225	31,100	10,121	43,300	20
65	round coffee table	2,208	107,000	19,647	74,700	20
66	cuisinart coffee	2,176	127,000	21,248	129,000	13
67	coffee tea shop	2,171	12,100	4,628	31,400	1
68	gourmet coffee gift basket	2,146	31,200	3,090	31,200	27
69	capresso coffee maker	2,139	25,600	9,700	43,400	21



Chapter 11

2nd Filter : Advertisers

As we discussed in a previous chapter, the number of Adwords™ ads should be used to gauge the profit potential of any niche. Remember requirement number 3 of a hot niche:

Profitability Potential

There must be money in the chosen market. If AdSense™ profits are your goal, you must ensure that advertisers are willing to pay for the traffic that you will bring them. If you are selling a product, you must know if people that search for your niche markets are willing to pay for the information or product you are promoting

So the next logical step is to remove keywords that have a low ad count. I usually get rid of keywords that have less than 10 ads. Again, this number is the one I use for most of my niche sites, but you can diminish the count even more by keeping only keywords with 20, 25 or more advertisers.

Remember, even though I gave you some numeric figures to work with, they are, by no means, supposed to be carved in stone. Use due diligence and your own gut feeling.

For example, if you are aiming for a sub-niche in a highly popular market such as diet or travel, you should choose an even higher limit as most of the sub-niches you will find will have a lot of competitors – and you only want the best of the lot.



This is how my spreadsheet now looks like:

	A	B	C	D	E	F
1	Keyword	Searches	Google	MSN	Yahoo	G Ads
2	bunn coffee maker	24,066	184,000	29,981	155,000	25
3	coffee pod	12,444	197,000	29,675	134,000	19
4	cuisinart coffee maker	10,264	59,200	11,199	74,700	21
5	burr coffee grinder	7,891	139,000	13,624	86,900	31
6	braun coffee maker	7,698	60,400	8,366	52,000	40
7	one cup coffee maker	7,546	92,000	11,836	70,500	32
8	coffee gift basket	7,308	190,000	25,684	182,000	40
9	coffee press	7,160	234,000	41,535	154,000	14
10	krups coffee maker	6,350	50,600	8,371	56,400	23
11	travel coffee mug	5,995	78,000	8,216	54,900	40
43	coffee thermos	2,244	60,800	6,292	37,400	19
44	commercial coffee maker	2,225	31,100	10,121	43,300	26
45	round coffee table	2,208	107,000	19,647	74,700	20
46	cuisinart coffee	2,176	127,000	21,248	129,000	13
47	gourmet coffee gift basket	2,146	31,200	3,090	31,200	27
48	capresso coffee maker	2,139	25,600	9,700	43,400	21

I now only have 47 key phrases left. They are all very good niches to exploit: they meet the 3 essential elements of a hot niche market: High Demand, Low Supply and Profitability Potential.

We could go out and start building a website for any of these terms knowing they have the potential to *rank well* and *make us some decent income*.

But wait as we are not done yet!

In the next chapters, I will show you two more filters I use to ensure that the niche sites I will build have the potential to **rank better** and **make me more money**.



Chapter 12

3rd Filter : Keyword Effectiveness Index

You have probably already heard of the Keyword Effectiveness Index (KEI) invented by Sumantra Roy of [1stSearchRankings](#).

The KEI formula is:

$$\mathbf{KEI = P^2/S = P / S * P}$$

S = Search Results

P = Popularity (search count)

Without going into too much detail about how the KEI measures the effectiveness of a keyword, it can be summarized like this:

The Keyword Effectiveness Index (KEI) compares the number of times a keyword has appeared (its popularity) with the number of web pages which are competing for it (the search results) and returns a number based on that comparison.

For a more detailed explanation, you can read the article published by Wordtracker by clicking [here](#).

You can study the formula if you want, or you can just remember one thing about KEI: the higher the KEI, the more popular your keywords are, and the less competition they have – therefore, the better the chance you have of ranking on it.



So even though our list of coffee-related topics consists of 47 very good niches to enter, we will pick the ones where the KEI is good and drop the rest.

Any keyword with a KEI of 100 is pretty good (over 200 is considered excellent) but since we already removed a lot of key phrases with too much competition in the previous chapters you will find that the ones left will usually have very high KEI.

As a rule of thumb, I usually keep only key phrases that have a KEI of 300 or more in all 3 engines. Using the "coffee" example, we would now have a list of only 17 key phrases that are ideal niches to work on: they are popular, have a low number of competing sites, have a bunch of advertisers bidding on them and a more than excellent KEI.

	A	B	C	D	E	F
1	Keyword	Searches	Google KEI	MSN KEI	Yahoo KEI	G Ads
2	bunn coffee maker	24,066	3,147.68	19,317.98	3,736.60	25
3	coffee pod	12,444	786.06	5,218.30	1,155.62	19
4	cuisinart coffee maker	10,264	1,779.56	9,407.06	1,410.30	21
5	burr coffee grinder	7,891	447.97	4,570.46	716.55	31
6	braun coffee maker	7,698	981.11	7,083.34	1,139.60	40
7	one cup coffee maker	7,546	618.94	4,810.93	807.69	32
8	krups coffee maker	6,350	796.89	4,816.93	714.94	23
9	travel coffee mug	5,995	460.77	4,374.39	654.65	40
10	k cup coffee	5,974	353.35	5,737.73	1,707.59	15
11	keurig coffee maker	5,810	809.5	6,079.99	1,442.57	32
12	personalized coffee mug	5,197	635.5	3,506.73	744.04	40
13	single cup coffee maker	5,105	387.81	2,116.20	379.9	29
14	kitchen aid coffee maker	4,551	1,618.09	4,808.82	716.66	16
15	best coffee maker	4,052	470.45	1,940.06	403.41	15
16	pod coffee maker	4,046	397.33	2,152.83	385.18	26
17	black and decker coffee mak	3,281	625.87	4,074.55	522.57	10
18	dual coffee maker	2,531	571.96	5,329.42	582.36	23



Chapter 13

4th Filter : Adsense™ Payout

This fourth filter is an optional step but since we are aiming for Adsense™ profits, I thought I should at least write a short chapter on this.

When I build sites with the purpose of earning money from Google Adsense™, I usually want to see if the niche will be a good or bad payer.

Although Google won't publish how much it pays Adsense™ publishers (you) for each ad that is clicked, you can have a rough estimate of what keywords pay better by signing up as an Adwords™ advertiser and see how much they pay are paying Google.

To learn more and sign up for the Adwords™ program, click here: <http://adwords.google.com/>

Once you've signed up, log into your Adwords™ account, create a test keyword-targeted campaign, copy/paste your list of potential niche phrases and look at what the Traffic Estimator tells you:



Estimates for the maximum CPC: \$20.00 USD and daily budget \$100.00 USD

Keywords	Predicted Status	Estimated Avg. CPC ▼	Estimated Ad Positions	Estimated Clicks / Day	Estimated Cost / Day
Search Network Total		\$1.94 - \$2.46	1 - 3	32 - 39	\$70 - \$100
k cup coffee	Active	\$7.21 - \$9.16	1 - 3	0 - 1	\$4 - \$7
pod coffee maker	Active	\$5.39 - \$6.83	1 - 3	0 - 1	\$5 - \$7
single cup coffee maker	Active	\$4.74 - \$5.93	1 - 3	0 - 1	\$5 - \$6
keurig coffee maker	Active	\$4.55 - \$6.82	1 - 3	1 - 2	\$7 - \$20
coffee pod	Active	\$4.41 - \$5.54	1 - 3	1 - 3	\$8 - \$20
one cup coffee maker	Active	\$3.38 - \$4.23	1 - 3	0 - 2	\$4 - \$6
personalized coffee mug	Active	\$2.32 - \$2.90	1 - 3	0 - 1	\$1
kitchen aid coffee maker	Active	\$1.68 - \$2.11	1 - 3	0 - 1	\$1
travel coffee mug	Active	\$1.68 - \$2.10	1 - 3	1 - 2	\$3
braun coffee maker	Active	\$1.60 - \$2.01	1 - 3	3 - 4	\$6 - \$9
burr coffee grinder	Active	\$1.47 - \$1.83	1 - 3	2 - 4	\$5 - \$7
cuisinart coffee maker	Active	\$1.41 - \$1.76	1 - 3	8 - 11	\$20
bunn coffee maker	Active	\$1.33 - \$1.67	1 - 3	4 - 6	\$7 - \$10
krups coffee maker	Active	\$1.27 - \$1.58	1 - 3	4 - 6	\$7 - \$9
dual coffee maker	Active	\$1.25 - \$1.56	1 - 3	0 - 1	\$1 - \$2
best coffee maker	Active	\$1.13 - \$1.42	1 - 3	0 - 1	\$2 - \$3
black and decker coffee maker	Active	\$1.06 - \$1.33	1 - 3	0 - 1	\$1 - \$2
Search Network Total		\$1.94 - \$2.46	1 - 3	32 - 39	\$70 - \$100

If you look at the screenshot above, you can see that to be in the top 3 ads that appear for our key phrases, advertisers would pay between \$1.06 and \$9.16 per click.

Please note that I never rely on "Top Paying AdSense" lists to choose my niches. As good as \$30 a click sounds, you will probably never make that much for one click. Advertisers who pay dozens of dollars to get "one" visitor (one click) usually opt-out of the AdSense™ content network. This means their ads only appear on the search results pages of Google, where the traffic is much more targeted.



Chapter 14

5th Filter : The Human Touch

After eliminating keywords from our initial list of 100 using the filters I just told you about, you are now left with only a handful of niche topics.

These niches are what you worked so hard to find, and they are GOLD to niche marketers as:

- They have a high demand (Overture search count)
- They have low supply (low number of competing sites in all three major search engines)
- They have advertisers competing for the #1 ad spot (Adwords™ ads count)
- They have a high KEI
- The Adwords™ Cost-Per-Click is high

There is one last filter and this one cannot be automated by any tool: The Human Touch, i.e., **YOU**.

Remember when I said there were no magic formulas to find hot niches? Well after our elimination marathon, we are still left with 17 niches that all have high potential. Which one will you pick?

Of course, you could just choose any you like, as they are all



very good niches to exploit. But if you're like me, you'd probably want to cherry pick the best one(s).

To have a bigger picture of the potential of the keywords left, it is a good idea to add the **Estimated Avg. CPC** to another column of your spreadsheet, like this:

	A	B	C	D	E	F	G
1	Keyword	Searches	Google	MSN	Yahoo	G Ads	Adwords CPC
2	bunn coffee maker	24,066	184,000	29,981	155,000	25	\$1.33 - \$1.67
3	coffee pod	12,444	197,000	29,675	134,000	19	\$4.41 - \$5.54
4	cuisinart coffee maker	10,264	59,200	11,199	74,700	21	\$1.41 - \$1.76
5	burr coffee grinder	7,891	139,000	13,624	86,900	31	\$1.47 - \$1.83
6	braun coffee maker	7,698	60,400	8,366	52,000	40	\$1.60 - \$2.01
7	one cup coffee maker	7,546	92,000	11,836	70,500	32	\$3.38 - \$4.23
8	krups coffee maker	6,350	50,600	8,371	56,400	23	\$1.27 - \$1.58
9	travel coffee mug	5,995	78,000	8,216	54,900	40	\$1.68 - \$2.10
10	k cup coffee	5,974	101,000	6,220	20,900	15	\$7.21 - \$9.16
11	keurig coffee maker	5,810	41,700	5,552	23,400	32	\$4.55 - \$6.82
12	personalized coffee mug	5,197	42,500	7,702	36,300	40	\$2.32 - \$2.90
13	single cup coffee maker	5,105	67,200	12,315	68,600	29	\$4.74 - \$5.93
14	kitchen aid coffee maker	4,551	12,800	4,307	28,900	16	\$1.68 - \$2.11
15	best coffee maker	4,052	34,900	8,463	40,700	15	\$1.13 - \$1.42
16	pod coffee maker	4,046	41,200	7,604	42,500	26	\$5.39 - \$6.83
17	black and decker coffee mak	3,281	17,200	2,642	20,600	10	\$1.06 - \$1.33
18	dual coffee maker	2,531	11,200	1,202	11,000	23	\$1.25 - \$1.56

Now's the time for you to pick your brains and analyze what's left. You can decide to go with the niche with the highest Adwords™ Cost-Per-Click, the highest search count, the highest KEI, or maybe the one with the least competitors. It's up to you now – I cannot make that final decision for you.

One thing you might want to check is the quality of the sites that appear on the first page of results in each engine. For smaller niches, you will often find that the first few results are spammy looking pages created by directory programs. If you are willing to work a little bit more than the owner of these sites (do some basic SEO for example), it will not be hard for you to outrank these sites.



After you have chosen your niche, what you do next is up to you; you might decide to build some AdSense™ sites and provide useful and informative content which people are looking for, and/or you might start seeking out affiliate programs which supply the products or services this niche craves, or perhaps you will decide that there isn't enough products out there to satisfy the requirements of your niche and so you go ahead and create a product and market it to your niche.

Or... you can just sit there and daydream about how much money you could be making if you actually took action 😊.



Chapter 15

The Multiplication Factor

The niche finding method I just showed you will have you uncover hundreds if not thousands of smaller markets that are still waiting to be tapped into.

You will occasionally stumble on a niche that will bring in quite a lot of AdSense™ revenues but as you are targeting smaller niches, your best bet is to focus on creating a series of sites and aim at having each return you \$10, \$15, \$20, \$30 or more per day.

You should multiply and diversify your niche sites as one niche could very well dry up tomorrow when a fierce competitor grabs the top positions for your main keyword. If that should happen, you would only be losing a \$10 per day income instead of a \$100 one.

But don't worry; once you get it going, you will see how everything could all add up very fast. It is far simpler, and quicker, to build a \$10 a day income site than it is a \$50 a day income site; and then all you have to do is build another four!

Some people make it seem easy to make \$10 per day with AdSense™, but I can tell you it's not. Well, it's not if you just build a site on a topic you like, put up some ads and expect to make hundreds of dollars per month. Of course, there are the occasional home runners but I can assure you that most people are very happy to make a dollar or two per day.



If you do your research properly, by using the elimination system I just showed you, you will do better than 90% of the other people who are still trying to compete in overcrowded markets and you will never again settle for a buck or two a day.

Here's an example of how I applied the filters discussed in this report to create a very small website that consistently earns me over \$500 per month. I hope this short story will give you the motivation you need to forget all the "high search count" and "must rank high in Google" myths going around.

One of my niche site was built around a key phrase that has only 8,000 searches per month according to Overture. Most people would say that number of searches was very low indeed, and many people wouldn't even bother with it and would dismiss it at the research stage based on the numbers alone. This niche site has a top-10 position for my main key phrase in Yahoo, where 80% of my visitors currently come from.

Thanks to my good ranking in Yahoo, people are linking to my site (thank you all page-generator users!) and my Google ranking is slowly getting better – when my site reaches the first page of results in Google, I expect my income to more than double...

Now, as small as the niche may seem, I currently make around \$20 per day with that site. Here's why:

- First, my site ranks well in all 3 search engines for its main keyword. Competition is very LOW in all 3 engines (under 300,000 in Google).



- Second, before creating a site on this niche, I made sure that there were a lot of advertisers (number of Google ads > 25)
- Third, I also made sure of the Adwords™ bids (broad match is over \$5 per click)

You see, I may only get about 100 to 200 visitors per day to that site, but the fact that the competition is so low makes my site look like an authority site on that niche.

I provide useful content in the form of articles and reviews, so the visitors are more inclined to click on my links... and my ads.

End of the little story.

So what you have to remember, as you continue to work on your niche finding skills, is that it's not all about magic numbers; rather, it is about understanding the relationships between these numbers and making an assessment based on that understanding. Again, there is no "right" combination when researching niches since it all depends on the market.

I do hope that using this method will prove to you that finding a niche is the most important in a series of steps. It's the foundation on which all the others in your business will rest.



Chapter 16

Conclusion: Putting Two and Two Together

I have been using the method I have described to you in this report for a while now, and it has served me well.

I jealously guarded my foolproof niche finding method for myself until now, as I just showed you every step I use to find niches in this report. I swear **I did not hold anything back from you.**

Even though I already told you, you probably still are wondering why I am sharing my secret system with you if it works so well. Why not keep the secret for myself? There are two reasons which I will tell you in a moment.

First, to be frank with you, I did not share my method just because I am feeling overly generous and want to create some unneeded competition for myself, but because there are so many untapped niches that I will never be able to find on all of them unless I worked 12 hours a day, every day of the week for the rest of my life.

I really value my time and no money in the world will be able to buy me more than 24 hours a day.

Second, my online income has been mostly based around AdSense™, affiliate programs and niche ebooks and as much as I love the passive income my niche sites bring me, I need more action.



You see, I am what you could call an “idea person”. I have new ideas for business ventures all the time and I am always on the lookout to find ways to do things better.

An obvious example of something I needed done better (and faster) was my niche finding process.

When I first began researching niches, I used the Overture Suggestion Tool, a free spreadsheet program and a calculator and would spend days and nights researching my potential niche topics on Google, MSN and Yahoo.

But as my sites grew in number, and in revenue, I realized that I would have to come up with a solution that would help me to work faster yet allow me to continue customizing my methods as I went along.

Of course, I first tried some of the paid keyword tools but found that I still had to do many of my steps manually; because none of the keyword tools on the market are designed to find niches – they are designed to find keywords.

You see, all the keyword tools focused on Google and ignored MSN and Yahoo. This ignores a massive number of searchers, but also ignores the fact that other search engines are easier to rank on and by ranking well on them your site is more likely to move higher on Google.

While I first used the keyword in quotes: [“keyword”](#) to research potential competitors, I now mostly use more advanced search queries such as [allintitle:“keyword”](#) (see Appendix) and I did not find a tool that would allow me to customize my search type.

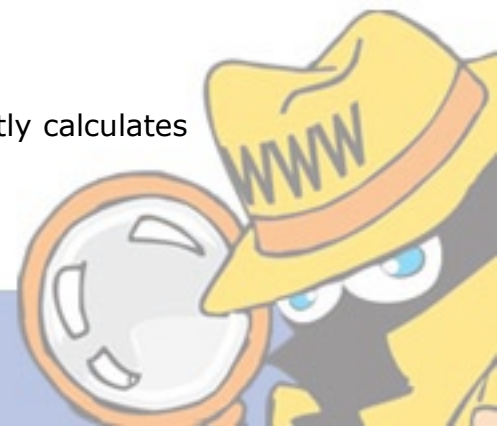


I also found that most of these keyword tools were lacking the ability to filter my keywords in order to strip away the less productive phrases and leave only the niches that have the greatest potential for my efforts.

So I created my own tool. A Real Niche Finding Tool that would grab all the data I needed and would let me filter my key phrases over and over again, until I am left with the cream of the crop! I called it **Niche Inspector**.

Every single step of my niche hunting method that could be computerized, while leaving me with flexibility I needed to filter key phrases has been automated by **Niche Inspector**:

- **Brainstorming**: When I don't have any seed word to start with, Niche Inspector will supply me with up to 250 keywords in popular markets.
- **Sub-Niches**: Niche Inspector takes any seed word or phrase and goes out to find related sub-niches.
- **Competition**: Niche Inspector quickly finds the number of results for all my sub-niches in all three major search engines: Google, Yahoo, and MSN... Using any customized search query I want, such as "quoted", allintitle, etc.
- **Profitability Potential**: Niche Inspector counts how many advertisers are bidding on my niche terms on the Google Adwords™ networks.
- **Best Paying Niches**: It also lets me view the Adwords™ bid prices on all my keywords and phrases.
- **Keyword Effectiveness Index**: Niche Inspector instantly calculates



the KEI and R/S ratio (Results/Searches) on all my key phrases.

- **Customized Filtering:** The best and most important feature of all: Niche Inspector lets me easily filter all my potential niches by number of competitors in any or all three search engines, number of advertisers, KEI score, R/S Ratio, Adwords™ Cost-Per-Click.

I made a short video to demonstrate how I use Niche Inspector to find red-hot niches by using its powerful filter feature but before you click on the image below to watch it, make sure that you fully understand the method I have shared with you in this report or you may find yourself a little overwhelmed:



P.S. If your version of Acrobat Reader does not support video, you can check out the online version at:

<http://www.nicheinspector.com/video/video.html>

Now that I have employees (freelancers) to do the grunt work of creating niche sites for me, it only takes me about an hour



per month to research niches for them to work on.

I am now finally ready to move onto my numerous projects and am making **Niche Inspector** available to you.

To see how you can get your hands on a copy of Niche Inspector and automate your niche hunting process, click on this link: <http://www.nicheinspector.com>

To your Niche Hunting Success,

Myleena Phan

Myleena Phan
NicheInspector.com



Appendix I

Flaws in KEI – An Alternative Approach

As we have seen previously, one of the values used to calculate the KEI is the number of search results for a particular keyword.

This calculation of the KEI assumes that each page that appears for the search term is a possible competitor. However, a large percentage of the sites that are listed under one particular search term may not have been optimized for the target keyword.

So this means they may not be *real* competitors. To find out how many pages are optimized for your key phrases, it is best to check for results that have at least the term in the title as one of the most basic SEO technique is to use the targeted key phrase in the title of the page.

And how do we do that? All major search engines have advanced search terms which can help you to discover the sort of very specific information we are looking for here. I am going to use Google in my examples but both Yahoo and MSN use either the same or similar search terms as I am describing here.

The first search term I am going to introduce is [allintitle:](#) and this particular term will work in any of the three main search engines: Google, MSN and Yahoo. Using this search term will achieve exactly what I said we needed to find out next: how many sites have our keywords in their titles. So, we would enter our keywords like this: [allintitle:"keyword"](#)



The results will give you a good indication of how many sites have, potentially, optimized their pages for your key phrase or phrases using basic search engine optimization. Of course, this doesn't tell you whether the web pages themselves have been optimized properly, but it's a start.

For example, a quoted search for the keyword ["travel coffee mug"](#) will give us 75,000 sites while [allintitle:"travel coffee mug"](#) will return only 5,490 results.

Calculating the KEI using [allintitle:"keyword"](#) will give you even higher KEI values – To filter keywords using this method, I will remove all keywords that have a KEI under 4,000. (No, it was not a typo – four thousand!).

The following terms work in Google and may or may not work in MSN or Yahoo; I just wanted to give you an idea of what is possible. The thing is, every search engine has it's own terms which do a similar job to what I am outlining here as examples, so you might want to look into those too.

■ [allinurl:"keyword"](#) and [inurl:"keyword"](#)

Using [allinurl:](#) in your search query will return any site which has your keyword or keywords in their url. Now this will include all pages listed on a site and not just the domain name itself.

Using a [allinurl:travel coffee mug](#) query will return any url with the word "travel", the word "coffee" and the word "mug" in it; in any order and not necessarily together. So you should add inverted commas around multiple terms such as [allinurl:"travel coffee mug"](#) so you only get results when those three words appear together in that order.



■ **allintext:"keyword"** and **intext:"keyword"**

Using this query on Google will restrict the results to only those sites with all of the keywords in the body text; and will ignore any keywords in links, URL, and titles.

■ **allinlinks:"keyword"** and **inlinks:"keyword"**

Using this advanced search will present you with only pages containing your keywords in their links and will ignore all other keyword instances.

■ **allinanchor:"keyword"** and **inanchor:"keyword"**

This search query in Google will restrict the search results to only pages containing your keywords in the anchor text on links to the page. This is another good indicator as to the real content of a website.



Appendix II

A Note About Keyword Research

Some of you are probably wondering why there is no mention of keyword research in this report. The reason I didn't touch the subject is because I personally don't base my site building strategy on extensive keyword research.

I'm all for real content sites with staying power. I don't use page generators so I don't need a multitude of keywords.

You see, by analyzing my sites' traffic stats, I realized that most of my visitors are getting to them using queries I did not intend to optimize the sites for. So I decided not to bother with tedious keyword research, and the traffic to my sites didn't suffer from that decision.

What I do is first select a niche using my elimination system, then I choose a few (20 or so) sub-phrases using the [Overture Inventory Tool](#). I use these phrases to get ideas for articles I post on the sites, and that's about it. I do try to optimize the articles for these sub-phrases, but I don't monitor how my sites rank for them **as the bulk of my traffic comes from unique queries** (phrases not found on keyword lists generated by Overture or Wordtracker).

So instead of trying to optimize hundreds of pages for hundreds of keyword variations, I just make sure that there are lots of **words** on my pages. The more *words* there are, the more *phrases*; and it's these phrases that makes the most of my traffic.



I also use RSS feeds a lot, as they allow me to put words I did not think about on my pages. They also make my site appear to be updating to the search engines, which in turn give me daily visits to my sites, even if I don't update them much.

I find that keyword research is a boring task and not worth it (for me). That's the way I choose to run my business.

If you are willing to work harder than me, you will probably be much more successful in getting traffic to your site, but I am lazy and prefer to diversify (multiply) my online presence rather than focus on a few big websites.

