

# SALES BOOST

5 Hot Niche Markets to Target

By Christopher Ruvo

## THE ADVANTAGES QUIZ

### Do You Know That Niche?

Test your knowledge of five strengthening niche markets: the craft beer industry, senior living facilities, sustainable business materials, organic personal care products and drone manufacturing.



#### ANSWER KEY:

1. C. \$22.3 billion (*Brewers Association*)
2. B. 16% (*Brewers Association*)
3. Assisted Living
4. Specialized care facility for people suffering from Alzheimer's, dementia and other memory problems
5. True (*IBISWorld*)
6. True (*IBISWorld*)
7. B. \$8.4 billion (*Grand View Research*)
8. C. \$15.9 billion (*Grand View Research*)
9. 700,000 (*Consumer Technology Association*)
10. A. \$3.3 billion (*IBISWorld*)

- |   |  |
|---|--|
| 1. In dollars, what was the size of the craft beer market in 2015? A. \$14.5 billion B. \$17.7 billion C. \$22.3 billion                      |  |
| 2. By what percentage did sales of craft beer increase in 2015? A. 10%. B. 16% C. 19%   |  |
| 3. Related to senior living facilities, what does "AL" stand for?   |  |
| 4. What's a memory care facility?   |  |
| 5. True or False: Annual growth in the sustainable building materials manufacturing (SBMM) industry will average more than 10% through 2020.  |  |
| 6. True or False: The SBMM sector will be a more than \$50 billion industry by 2020.  |  |
| 7. What was the global value of the organic personal care products (OPCP) market in 2013? A. \$10.4 billion B. \$8.4 billion C. \$5.8 billion |  |
| 8. What's the worth of the OPCP market projected to be by 2020? A. \$13.2 billion B. \$17.9 billion C. \$15.9 billion                         |  |
| 9. Approximately how many unmanned aerial vehicles – or drones – were shipped by manufacturers last year?                                     |  |
| 10. What was the market size of the U.S. drone manufacturing industry in 2015? A. \$3.3 billion B. \$900 million C. \$1.8 billion             |  |

#### How Well Did You Do?

**9-10 Correct:** Stout performance! You possess some good general knowledge about these niches.

**6-8:** Not too shabby, but you certainly could learn more.

**5 & Below:** No worries. The details in Sales Boost will greatly bolster your foundational knowledge of these five niches.


# SALES BOOST

## Market 1 Craft Beer

Rising sales and a national reach make this industry an excellent market for pursuing new clients.

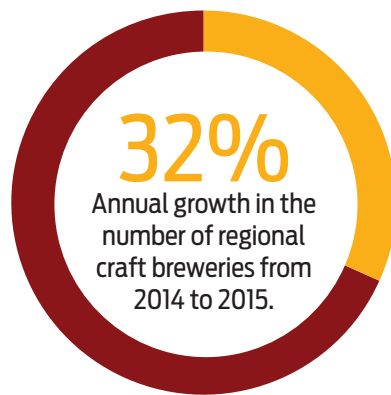
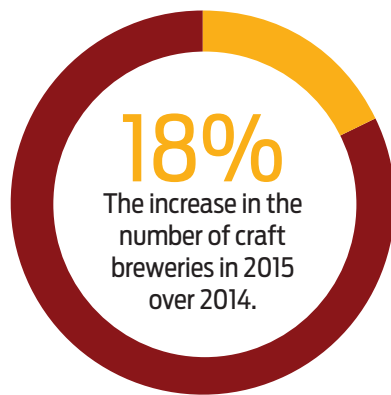
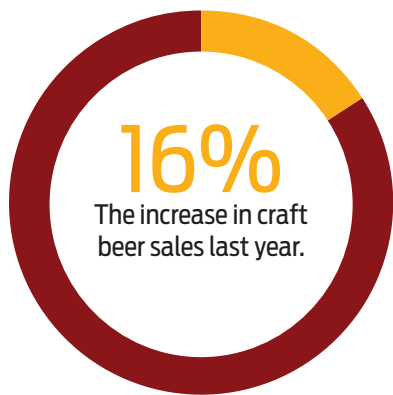
7.7 

Breweries per 100,000 people over age 21 in Oregon. That's good enough to make Oregon the state with the second most breweries per capita – and the fourth most craft breweries (228) of any state overall.

 **424,000**  
Total number of jobs provided by the craft brewing industry in the U.S.

**\$55.7 billion**  
The amount contributed to the U.S. economy by small and independent craft brewers in 2014. This figure includes craft non-beer products like food and merchandise sold by brewpub restaurants and brewery taprooms.

**\$22.3 billion**  
Size of the craft beer market in 2015.



**4,225**  
Total number of U.S. craft breweries.

Craft beer is big business.

**Craft Beer**

There are likely opportunities in your area.

**115,000**  
Number of jobs held directly at craft breweries and brewpubs.

**518**  
Number of craft breweries in California. No state has more.



**All 50 states** and Washington, D.C., are home to craft breweries. Consider: Mississippi ranks last in total number of craft breweries and breweries per capita, but is still home to eight.

### 3 Tips to Spur Sales To Craft Brewers

**1. Be a Marketing Strategist:** It's no secret that craft brewers tend to be very involved in their communities. They commonly sponsor events, donate product and encourage their employees to volunteer at charities. As such, identify causes, events and campaigns that craft breweries can get involved in. Then, provide breweries with branded merchandise for these initiatives. Connecting them with brand-building opportunities will help you stand out from competitors who simply lead with product.

**2. Focus on Microbreweries:** Within the craft brewing niche, there are distinct market segments. Consisting of 2,397 businesses, microbreweries represent the largest segment. Microbreweries produce less than 15,000 barrels annually, sell 75% of their suds off-site and typically target a hyper-local market. They may be easier to gain access to than larger regional craft brewers.

**3. Wed Promotions to Beer Releases:** Craft brewers often release limited-edition and seasonal beers. Talk to prospects about releases they have planned for the year. Then suggest products – T-shirts, coasters, bottle openers – that will be branded to each beer's release. Swag can be given away and sold at bars, in-store tastings, launch events, beer festivals and through breweries' websites.

\*Source: Brewers Association

## Market 2

# Senior Living Facilities

America's elderly population is growing rapidly. The senior living sector is expanding to meet its needs.

### ► Know the Market & Its

**Lingo:** "IL." "AL." "Memory Care." Do those terms mean anything to you? They should (see sidebar) if you want to pursue business with senior living facilities. "When you have the lingo down and you're knowledgeable about the industry, that's going to be very helpful in showing prospects that you're someone they can rely on – someone that 'gets' them," says Nina Shatz, brand development director at HALO Branded Solutions (asi/356000).

### ► Connect With the 'BOM':

BOM stands for business operations manager. "They're the ones who do the purchasing," says Shatz. Use LinkedIn, web searches and navigate your network to identify BOMs. If you have a mutual contact, try arranging a referral. If not, Shatz suggests first approaching BOMs through a succinct, well-worded email that conveys how you're uniquely positioned to help them. If that doesn't work, don't be shy about making an in-person cold call, says Shatz. "Ensure you have self-promotional items



you can give out, including items for the receptionist," she says.

### ► Provide Staff Uniforms:

Senior living communities rely on a variety of employees, including nurses, front desk staff, drivers, maintenance personnel, cooks and more. Many of these employees are required to wear logoed uniforms. "This can be a source of ongoing orders," says Shatz.

### ► Arrange for Welcome Gifts:

Clients in the senior living niche often like to provide new residents with move-in gifts. Consider directing clients toward items that are both useful and

welcoming. Shatz, for example, has had success with blankets. Other practical items to offer include calendars, hot-and-cold bead packs and even magnifiers.

**► Sell Staff Gifts:** Senior living providers aim to minimize churn and keep staffers engaged and motivated. One way they try to accomplish that is through employee gifting. Recently, Shatz sold 1,500 tumblers to a senior living client. "The tumblers went to every person who works for them," she says.

**► Key-in on Special Events:** Staff and family members of

residents at senior living communities sometimes participate in walks and similar fundraisers to support the fight against Alzheimer's, dementia and other diseases that afflict seniors.

Provide participants with team shirts and other products – like water bottles and wristbands – they can use in their do-gooding.

**► Support Salespeople:** Provide brochures and giveaways to salespeople for senior living communities. They'll want to hand them out to prospective residents or families who are interested in placing a loved one in assisted living or memory care. Items like mugs and umbrellas have been a hit for Shatz.

## Senior Living 101

Know these basic terms from the senior living facility industry:

**Independent Living ("IL"):** This housing option is for older adults who can still live independently, but who don't want property maintenance responsibilities and who could benefit from certain services and amenities that facilitate retirement living.

**Assisted Living ("AL"):** Assisted living residents don't need the level of care offered by a nursing home. They do, though, require a moderate level of nursing and personal care support with things like housekeeping and medication management.

**Memory Care:** This is long-term specialized care for people suffering from Alzheimer's, dementia and other types of memory problems.

## Stat Sheet

# 24%

Increase in the number of people over age 60 between the 2000 U.S. census and the 2010 census.



# 22%

The percentage of the U.S. population that will be 65+ come 2040. That will be up from 14.5% in 2014.

# 56.4 million

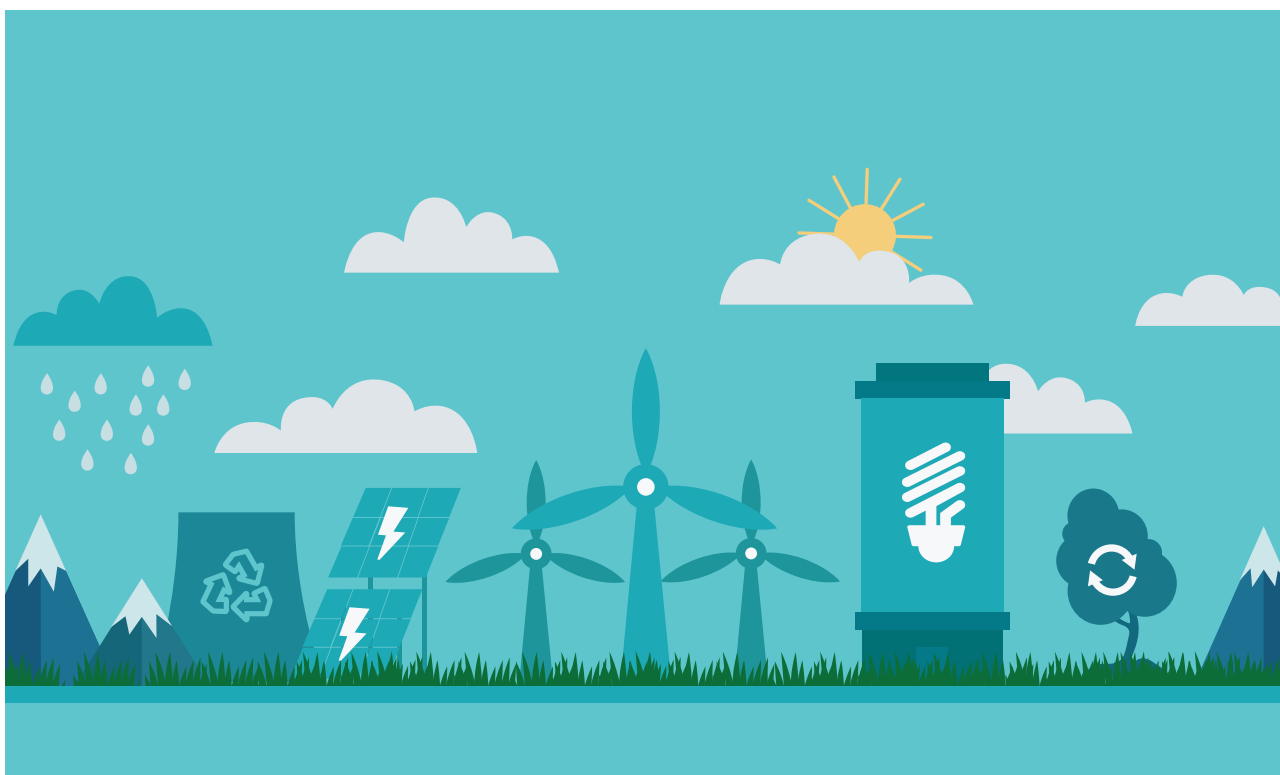
The number of Americans who will be 65 and older by the year 2020. That will be up from 46.2 million in 2014.

Source: Administration On Aging

## Market 3

# Sustainable Building Materials

Sow the seeds of sales growth by partnering with green building businesses.



It's a good time to be going green in the construction industry – and that means opportunity for distributors.

Companies that specialize in producing sustainable building materials for construction and renovation of all types of structures are poised for significant growth.

IBISWorld, a leading industry research firm, predicts the sector will grow at an average annual rate of 10.6%, reaching nearly \$60 billion by the year 2020. In 2015, the industry expanded almost 12%.

Of course, the health of sustainable building material manufacturing is contingent on the success of the broader construction industry – on the demand for new construction and renovation projects in the residential and commercial markets.

Fortunately, certain key indica-

tors on construction are positive. According to the U.S. Bureau of Labor Statistics (BLS), the construction sector is expected to add 790,400 jobs between 2014 and 2024. BLS also predicts that real output in the construction industry will rise during the same 10-year span.

The bullish outlook for construction combines with a number of other important factors to buoy the prospects for sustainable building material manufacturing. Everything from environmental and health concerns to a desire to operate buildings and homes more efficiently is driving interest in green material options from consumers, companies and public organizations/government. Relatedly, governmental entities have offered tax subsidies and updated building codes to promote the use

of sustainable materials – moves that have contributed, and will continue to contribute, to growth for manufacturers in the sector, industry analysts say.

Certainly, promotional product distributors can help companies in the green building niche. For instance, you can provide eco-friendly branded items these clients can give to their prospects at trade shows, home shows and in-store demonstrations. Additionally, you can help raise brand awareness for clients and contribute to the forging of a team mentality at their businesses with company wear made from green materials like organic cotton.

Looking forward, indications are more green will be pouring into the green building materials business. Position yourself to be part of the growth.

## What Exactly Do They Make?

Manufacturers in the sustainable building business produce a wide variety of products. They include building materials made from recycled or renewable plant materials; green and/or energy-efficient windows, doors, skylights, sealing and insulation; wood-plastic composite and engineered lumber; sustainable exterior materials like panels made from paper flakes; and more. Check out [www.greenbuildingsupply.com](http://www.greenbuildingsupply.com) for more information.

## Think 'Green' Products

Pen (9183) features a recyclable paper barrel with molded plastic details made from post-consumer recycled materials. From Perfect Line, [asi/77350](http://asi/77350), <http://perfectline.espwebsite.com/>.



A great item for the upcoming holiday season, this two-part piece includes a custom-printed cardstock ornament that overlays a colorful, plantable seed paper ornament of the same shape.

Featuring a hemp tie or ribbon, the seed paper is handmade from 100% recycled paper and infused with wildflower seeds. From Bloomin Promotions, [asi/40646](http://asi/40646), [www.bloominpromotions.com](http://www.bloominpromotions.com).



## Market 4

# Organic Personal Care Products

With demand for natural products increasing, now is the time to partner with businesses in the niche.

From organic acai berry antioxidant facial cream to gentle shampoos devoid of sulfates and other detergents, 100% Pure's line of natural beauty products aims to live up to the company's name. Indeed, the California business has found success connecting consumers with organic personal care products, realizing 40%-100% annual revenue increases in recent years, according to the Silicon Valley Business Journal.

While impressive, 100% Pure's growth is part of a broader market trend – one in which sales of organic personal care products from both big name brands and independent producers are rising.

The groundswell is expected to continue.

According to a report from Grand View Research, Inc., the global organic personal care market will reach \$16 billion by 2020. The dominant geographic marketplace, North America will experience a compound annual growth rate of nearly 10% between 2014 and 2020. "Growing demand for organic and natural hair care, skin care and cosmetic products is expected to



augment the organic personal care market over the projected period," Grand View says.

According to market analysts, consumer demand is fueling gains in the niche. Motivated by everything from health concerns to a desire for products that have minimum environmental impact, consumers increasingly want their cosmetics to be natural

and organic. Favorable regulatory actions from governmental entities like the FDA and U.S. Department of Agriculture are helping spur expansion, too. Additionally, "technological innovations aimed at the development of cost-effective product lines by companies such as The Body Shop, Aveda Corporation, Amway and Estee Lauder are expected to remain critical success factors for industry growth over the forecast period," Grand View says.

Even so, it's not just big brands that are having success with organic personal care products. "There are also regional, small-scale producers that have a strong hold in their domestic market, many of which are present in Europe and North America," says Grand View.

And that's good news for promotional product distributors, who can find accessible opportunities with producers in their locale. When working with prospects, it's essential to keep in mind that the brand image of these businesses is rooted in earth-minded, cruelty-free mission statements. So, wherever

possible, pitch "green" promotional products. Totes made from hemp, organic cotton or recycled materials could be an excellent option; such items could prove particularly useful at trade shows where clients display their wares to retailers interested in possibly picking up their lines. Also, present branded merchandise that complements the client's personal care products. Think compact mirrors and clear travel makeup bags.

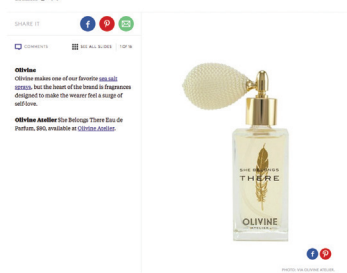
Approach this market correctly, and your sales could be looking as good as your client's customers.

### Pitch It!

The Econscious tote (ec8015) is made from a blend of hemp and cotton, and features a printed hemp logo flag tag. From alphabroder, asi/34063, www.alphabroder.com.



### Small-Batch Beauty Brands You Need To Know



### Check Out

this slideshow of small-batch beauty brands to learn about a few natural/organic personal care product providers you may want to partner with: [www.refinery29.com/best-small-batch-beauty-brands#slide-1](http://www.refinery29.com/best-small-batch-beauty-brands#slide-1).

## Stat Sheet

**35%** of total annual revenue in the global organic personal care market was generated in North America.

More than **\$2.5 billion** Global revenue produced by organic skin care products in 2013.



**13%** of global revenue in the organic personal care products market was generated by sales of organic oral care items in 2013.

**9.6%** Projected compound annual growth rate of organic hair care product sales between 2014 and 2020.

Source: Grand View Research

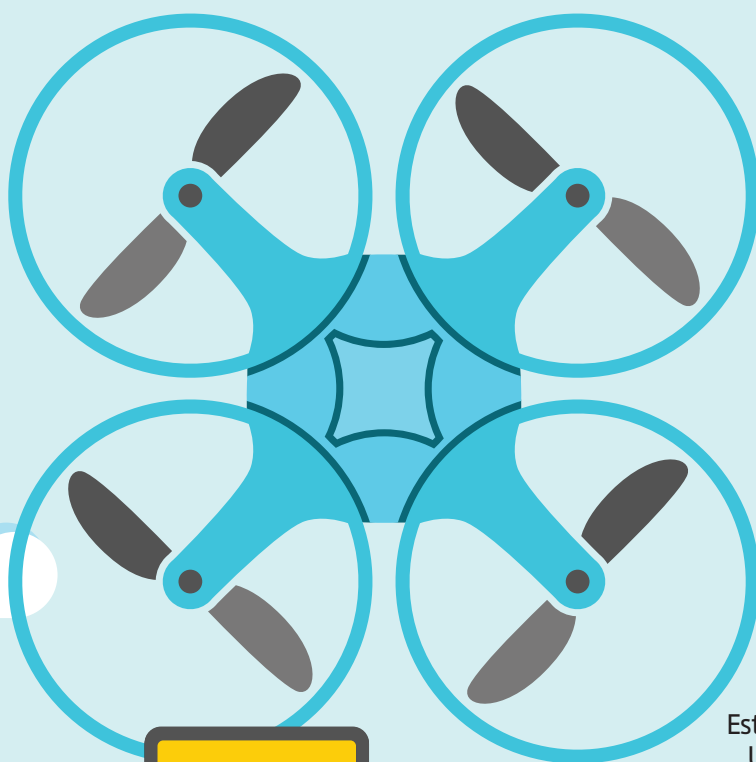
## Market 5

# Drone Manufacturing

The drone sector is poised to take off. Make sure you're on the flight.

## The Basics

Drones are formally known as unmanned aerial vehicles (UAV). The drone manufacturing sector is made up of companies that make commercial, recreational and military drones.



### 100,000

Estimated number of jobs the UAV sector will create by 2025. (Association For Unmanned Vehicle Systems International)



### 3.3 billion

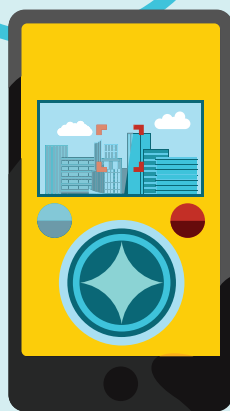
Estimated market size of the UAV sector in the U.S. That makes the industry the largest of its kind in the world. (IBISWorld)

Consumer drone sales are rising.



### 700,000

The number of drones shipped to customers in 2015, a 63% increase from 2014. (Consumer Technology Association)



Drones are a multi-billion dollar industry.

The International Drone Expo doubled in size in 2015.

## Major Players

There are more drone companies than you may have realized. Notable firms include CyPhy Works ([www.cyphyworks.com](http://www.cyphyworks.com)), 3D Robotics (<https://3dr.com/>) and AeroVironment ([www.avinc.com](http://www.avinc.com)). For more potential prospects, check out the lists of drone companies here <http://uavcoach.com/drone-companies-2016/> and here [www.uavglobal.com/list-of-manufacturers/](http://www.uavglobal.com/list-of-manufacturers/).

## 3 Fast Sales Tips

1. Drone manufacturers primarily sell to the military/government. Still, some companies cater to consumers and private industry. Know which end-markets prospects target. It's information you can use to consult clients about how to best brand their businesses.

2. Familiarize yourself with the specific products your prospects offer and ask questions about them. It shows you do your homework.

3. Provide techy items – power banks, chargers, earbuds, tablet cases and more. Also, consider presenting products that tie into a flight theme, such as aviator sunglasses, flight jackets and wing-shaped crystal awards to recognize employees.

## 2 Products to Pitch

Seven-port charging hub comes with cords for Apple and Android devices. From Limitless Innovations, [asi/67563](http://asi/67563), [www.limitlessinnovations.com](http://www.limitlessinnovations.com).



Cowhide leather padfolio (LG-9184) features a front pocket for iPad/tablets, internal pocket, business card pocket and elastic pen loop. From Prime Line, [asi/79530](http://asi/79530), [www.primeline.com](http://www.primeline.com).



### 6.2%

Estimated growth of the UAV industry in the U.S. in 2015.

### 5.7%

Forecasted annualized growth rate of revenue in the drones sector between 2015 and 2020. (IBISWorld)

### 4%

The annualized rate at which the number of industry operators in the drones sector will increase by 2020. (IBISWorld)