FACTORS AFFECTING SUCCESSFUL IMPLEMENTATION OF NICHE MARKETING IN TEHRAN METROPOLIS

By

Mehdi Noursina
Management Department
Islamic Azad University, Naragh Branch
Naragh, Markazi Province, Iran

Alireza Zare
Management Department
Islamic Azad University, Naragh Branch
Naragh, Markazi Province, Iran

Fatemeh Bagheri
Young Researchers Club, Naragh Branch
Islamic Azad University, Naragh, Iran

Nader Jafar Gholi Nia
Management Department
Islamic Azad University, Naragh Branch
Naragh, Markazi Province, Iran

Abstract

This is a cross-sectional study of applied-survey type and also a descriptive one in terms of data collection. It aims at identifying important factors effective in success of niche marketing, and prioritizing them in accordance with their level of importance. The statistical population of this study is comprised of 120 people from two groups; the first group was consisted of senior managers, sales managers, marketing consultants and marketing executives, while the second group was comprised of professors, students and experts, and the study has been conducted in the year 2008 in Tehran. Using two data collection tools, i.e. questionnaire and interview, and data analysis methods that use inferential statistics techniques, including T-test, correlation tests, and other required statistical tests, and by using SPSS software program, summarization, classification and analysis of statistics were conducted. Besides using inferential statistics, descriptive statistics also were used and 15 hypotheses of the research were tested at confidence level of 95% and the obtained results are as follows:

Organizational process factors are effective in success of niche marketing and include: differentiation, specialization, positioning, marketing research, loyalty and value creation; there are also some skills and tools necessary for success in niche marketing that include: marketing intelligence, innovation, communications, reputation, brand image and customer perception; and finally organizational resources are also effective in success of niche marketing and these factors include: organizational resources, information resources and time management .

INTRODUCTION

Each institution is different from another one in terms of product characteristics, geographic location or services, social issues, organizational combination and finally the combination of these factors. Therefore, survival of any institution depends on the provision of some goods that can satisfy some groups of customers or have certain superiority or competitive advantage over all other providers' goods.

On the other hand, "diversity" is one of the characteristics of the market that has expanded in this century in such a way that it has made it difficult to meet the needs of customers, and organizations are faced with some challenges for satisfying such needs and seeking superiority.

So, it is natural that the organizations are forced to go beyond simple marketing operations and to seek new and modern ways and methods. Meanwhile, niche marketing has been able to focus on customer and market, and meet the demands of the organizations, that is satisfying the needs of customers in the best possible way and seeking superiority over competitors.

STATEMENT OF PROBLEM

In today's world, intense competition of countries over low-cost production has caused some challenges for manufacturing and service companies and organizations including: financial crises, declining profits and productivity, increased imported good and mature market which has created dynamic and changing environments.

On the other hand, due to changing consumer needs and tastes, new technologies, shortening of products life-cycle, companies and organizations should accelerate the development and production of new goods. Therefore, in order to survive in the market environment, companies and organizations must find some strategies for accepting and accommodating themselves with such changing and dynamic environments. So they have started to begin to rethink their strategies and activities and to look for the markets where they can compete more easily. In this regard, a mechanism for organizations is to focus on specialization or niche marketing. Although identifying and prioritizing the factors affecting the success of niche marketing is considered as a competitive tool and strategy and is one of the most important points and bottlenecks in implementation of niche marketing, however, the level of knowledge for development and implementation of this type of marketing in Iran is very weak and insignificant. Therefore, by this

research, the researchers are after identifying and determining the factors and elements of niche marketing and providing a model for understanding niche marketing.

REVIEW OF LITERATURE

In industries where there is an intense competition, prices have been reduced due to availability of more supply than demand; furthermore, we are faced with reducing number of companies or firms. The companies in these industries or markets are after finding some ways to reduce fluctuations in the market and accommodate themselves with them, and change the phases of products life-cycle, and these are key factors for success.

In order to maintain their success at the mature stage, companies need to have strategies that make them distinct from other companies, for example, by means of price, product, marketing, distribution and services. Depending on marketing type, differentiation can be achieved through branding and differentiation of products. In pursuit of such strategies, companies have found a type of marketing called "niche marketing". Although niche marketing is known as an important competitive strategy, there are many questions about how to implement this type of marketing. In this chapter we have tried to introduce and understand all aspects of niche marketing, to elaborate all aspects of this type of marketing, and to identify the variables that lead us to success in niche marketing.

THEORETICAL BACKGROUND

Niche Marketing

Kotler defines niche market as: certain and very limited group that after a separate combination of benefits. He states that niche markets are usually made and formed due to division of a section into some subsections; while "specialization" is an important issue in niche marketing.

Characteristics of a Niche Market

In niche marketing, a company focuses on some niches of the market, with the following features:

1. Having an appropriate size so that it would be profitable.
2. No real and serious competitors or a market that is ignored by other competitors.
3. Having growth potential.
4. Purchase potential can be seen in it.

5. Existence of a particular and consistent need.

6. Opportunities for the company to enter and use its competencies.

7. Companies in niche market gain significant profit through specialization.

8. Customers will pay allowable prices to the companies that satisfy their needs in the best way.

Niche Marketing Mix

Marketing mix elements is one of the fundamental concepts of modern marketing. This marketing mix includes a set of controllable marketing variables that the company combines them in the target market to create its needed responses. This combination includes any action by which the company would be able to influence the demand for its products.

Perhaps, the following "4 Ps" can be used as a guide to help organizations to develop successful niche marketing. These "4 Ps" includes:

1. Product
2. Price
3. Place
4. Promotion

Introducing the Variables

With an introduction to niche marketing, we have tried to better understand this type of marketing and its importance for companies. But with an introduction, no step can be taken towards the success of niche marketing. Therefore, as the title of this paper also indicates, here we identify the variables affecting niche marketing that have a significant role in its successful implementation.

❖ **Differentiation**

Each company must identify certain ways through which its products can be differentiated from other goods and provide a competitive advantage for it (Kotler, p. 318, 2005). A company can differentiate what it provides the market with in 5 aspects: goods (products), services, personnel, distribution channel, and brand image.

❖ **Specialization**

Organizations and companies need to move from processes that have no competitive advantages to the processes and functions that have competitive advantage (Oxenham, p. 56, 2004)

❖ **Positioning**

The word "positioning" was first used by two advertising director, namely Al Ries and Jack Trout (Kotler, p. 333, 2005). Positioning is trying to find a position in the mind of the buyer. The best way to identify the position of the company is drawing positioning diagram. By understanding that what is the value for customers, we can obtain the right position for our products or services.

The following diagram shows positioning for a product by two important variables which are very important for customer.
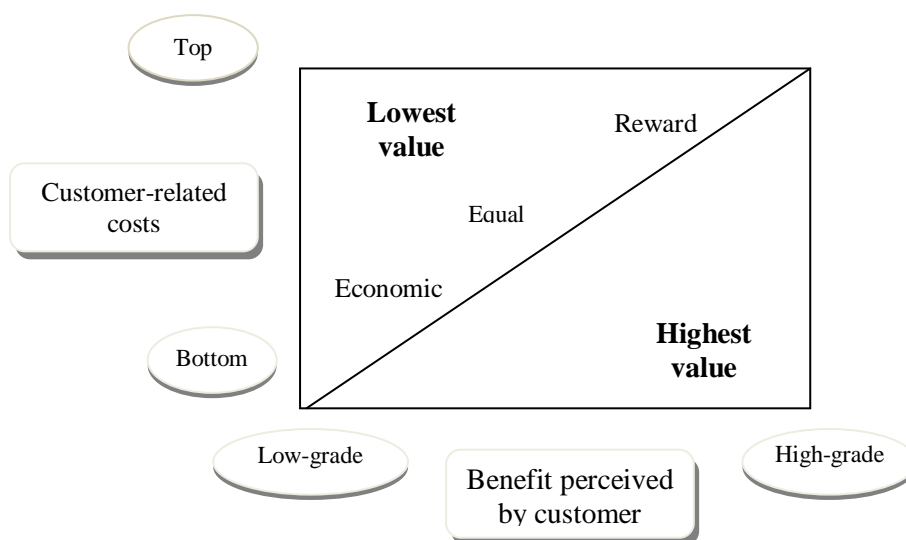
The position of the product or service in mind of the customer: (Porter, p. 105, 2000):

1. High prices, high services
2. Low price, high services
3. High prices, poor services
4. Relatively high price, high services

❖ **Value Creation**

Differentiation is rooted in value. There are many methods for creating and providing value. Below, a framework of value has been shown.

Figure 1

Source: (George, p. 62, 1995)

❖ **Brand Image**

Brand image is one of the tools in management which due to creating differentiation of products or services has a significant role in the success of niche strategy. In mature markets, the capacity to be different based on the price is low, so in this type of markets, companies can become different through brand image (Parrish, p. 428, 2006).

❖ **Innovation**

The business which continuously competes in a dynamic market with rapidly changing technology is after a tool to be successful, and that tool is nothing but innovation. If there is no innovation, some risks will be imposed by competitors (Axel Gohne, p. 6, 1999)

❖ **Loyalty**

Loyalty has a long history and plays an important role in marketing, especially in the field of customer relation management. Customer loyalty can be explained to a valid and basic degree as the customer's satisfaction, trust and communications (Dwayne Ball, p. 1272, 2004)
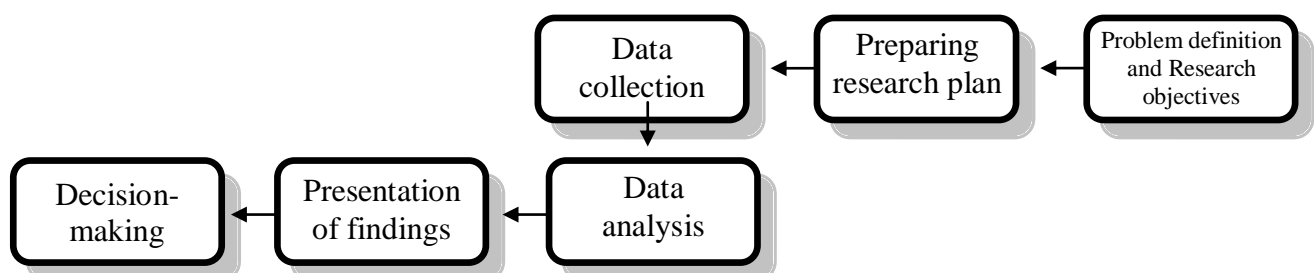
❖ **Marketing Research**

Marketing managers often undertake formal marketing studies on specific issues and opportunities. They may need to conduct market analysis, test preferences - product and predict sales volume in an area or assess advertisements.

Niche Marketing Research Process

For efficient and effective use of marketing research, organizations need to follow certain steps. The following algorithm shows these steps (Kotler, p. 106, 2006):

Figure 2

Source: (Kotler, p. 108, 2006)

❖ **Information Resources**

In niche marketing, we don not need sales volumes but profit figures. This means that in niche marketing we will not make decisions based on sales volume, which is of the second importance. Researches show that the most important factor in the success of niche market is identifying the target market at the desirable time (Parrish, p. 428, 2006)

❖ **Time**

Many companies seek to gain a competitive advantage through quick actions. They have become fast marketers and learned the art of compaction of time-cycle and speed in the market. They learn speed in four marketing areas including: invention and innovation, manufacturing, logistics and retailing (Kotler, p. 326, 1384)

❖ **Human Resources**

Characteristics of successful niche marketers with large market share include:

1) They strongly have shown, demonstrated and presented rapid response services and timely delivery (even with lower prices).
2) Their respective senior managers are speaking of regular and direct contact with key customers.
3) They emphasize on conducted and continuous innovation for improving value for customers (Kotler) (Parrish, p. 424, 2006)

❖ **Relations and Communications**

One of the most important factors in successful niche marketing is "relations" because establishing long-term and strong relationships can be a barrier for entering of other competitors and can bring long-term profitability from the customers' desires (Dalgic and Leeuw). (Parrish, p. 428, 2006)

❖ **Reputation and credit**

Another factor in the successful niche marketing is "reputation". McKenna notes that niche marketing depends on the "word of mouth" resources. "Public opinion" plays a vital role in niche marketing.

In niche marketing, the company does not only provide the market with its products but also with its reputation and validity (Dalgic, p. 43, 1994)

❖ **Marketing Intelligence**

Michael Porter believes that competitive intelligence is a great tool for creating competitive advantage. Intelligence, is an applicable proposal that stems from a systematic process and can be useful for a company or even a country (Juhari and Stephens, 82, 2006)

RESEARCH BACKGROUND

Since the purpose of this research is identifying and prioritizing the elements affecting the success of niche marketing, studying and criticizing conducted researches in niche marketing and its elements of success can help conducting this research in many ways. This section includes analysis of the four studies presented in the research background:

1. Modeling of niche market behavior of U.S. Trading Companies

This study was conducted in the year 2004 by people like "Erin D. Parrish", "Nancy L. Cassil" and "William Oxenham", and "Mitchell R. Janes".

This study examines the method of identification, implementation and operation of niche marketing.

The collected data is divided in two parts; the first part examines industry issues with the aim of identifying niche strategy and collecting data for the second part of the research. The second part consists of detailed interviews with executives of related companies, assuming that they want to have niche products. The results of the research are summarized in a model of niche marketing, and a separate model of niche marketing has been provided for any of the surveyed companies.

2. Niche marketing strategies in production and commerce

This study was conducted in the year 2006 by people like "Erin D. Parrish", "Nancy L. Cassil" and "William Oxenham".

This research seeks to uncover some of unclear niche marketing topics including:

- Examining how companies define niche marketing
- Examining how companies identify niche markets
- Identifying the variables that are important for successful niche market and also important factors for successful niche products
- Clarifying advantages of niche marketing
- The future of niche marketing in different markets

3. Existing opportunities in international markets for finding niche markets

This study was conducted in the year 2004 by people like "Erin D. Parrish", "Nancy L. Cassil" and "William Oxenham" and assesses the role of market niche in the year 2005 and is pursuing some objectives including:

- Providing an overview of various economic theories, including classical theory, neo-classical theory, modern-neoclassical, and modern theories.
- Elaborating the differences between the method used in mass marketing with those used in niche marketing
- Examining what role the niche market plays in industries.

4. Niche market strategy for saturated markets

This study was conducted in the year 2006 by people like "Erin D. Parrish", "Nancy L. Cassil" and "William Oxenham".

The purpose of this research is testing and measuring how companies in the mature phase of products life-cycle can use niche marketing for increasing their competitiveness power in the face of new entrants in their industry. Other objectives of this research may be referred to as:

- Evaluating and measuring niche market from both market and product perspectives
- Analyzing the variables that are important for success in niche marketing
- Reviewing and assessing the ways companies use to find potential niche markets

- Creating a marketing plan so that companies can use niche marketing for the mature phase of their products life-cycle

- This research has been conducted on manufacturing-business companies of the US because these companies have reached the saturation stage of their markets, a stage where many companies reach their end of life there, reduction in prices is high and huge imports happens.

- Research methods of researchers have been personal interviews, telephone interviews and Internet questionnaires; obtained information is related to eight U.S. companies.

THE NECESSITY AND IMPORTANCE OF THE RESEARCH

Marketing in not like geometry, i.e. comprised of an unchangeable system of concepts and theorems. Marketing is one of the most dynamic areas in the field of management. Market environment always poses new challenges and companies should respond to these challenges. Hence, it is not surprising that new marketing ideas are always presented to meet new market challenges. One of these new ideas is niche marketing.

Companies and organizations offer something through niche marketing that people are willing to purchase. Individuals, economic units, cities and even countries should find some ways to create profit in marketplace, or in other words, what type of goods and services should be generated and sent to what markets so that others may be willing to buy them.

One of the most important advantages of implementing and practicing niche marketing is increasing profit, because by conducting niche marketing, manufacturing and service companies and organizations will understand the demands and desires of the customers very well and this will provide them with a special position to satisfy and meet these needs. Thus it leads to added value of the products, and related companies and organizations can charge more price than their costs and a high profit margin is achieved.

Niche marketing strategy is considered as a competitive strategy, especially when companies want to compete with low-priced imported goods, because niche marketing provides an easy defense against potential competitors. Kotler states that while the segmented marketing is large enough and normally attacks several rivals, niche marketing is small and attacks only one or two competitors.

Jane pointed out that niche marketing can not only be used to avoid competition but also can be used for survival. Moreover, niche marketing can be used to penetrate into major markets or existing segmentations.

With niche marketing, companies and organizations using the same resources, manpower and capital at their disposal can produce goods and offer them to related markets where profit margins are high and will create added value for them.

According to the points mentioned above, the necessity and importance of niche marketing was confirmed. In this study we are going to show the importance of this concept and the necessity of its application in the companies which comprise the statistical population of this research.

THE RESEARCH OBJECTIVES

The Major Objectives of the Research

These objectives make it clear that the researcher intends to measure what change, in what direction, how much, in what, where and when. These objectives aim to answer the questions: what, who, where, when and how (Dr. Negin Hadi, 2004). These objectives are as follows:

The main objective of the study:

The main objective of this research is to identify and determine the factors that have a significant role for successful niche marketing, i.e. those factors that can be used to successfully implement niche marketing and if such factors and variables are not properly identified, niche marketing objectives are unattainable.

Secondary objectives of the research:

1. Developing a model for success in niche marketing in Tehran
2. Creating and providing marketing tips and recommendations for proper implementation of niche marketing in Tehran
3. Providing companies and organizations with a policy or an algorithm for successful implementation of niche marketing in Tehran
4. Identifying solutions for companies and organizations in order to identify niche markets, so that by means of these methods they can find their own niche market in Tehran.

RESEARCH QUESTIONS

The Main Questions:

1. What are important factors in niche market that are effective in niche marketing success?
2. How the most important effective factors in niche marketing can be prioritized in terms of their degree of importance?

The Research Hypotheses

After conducting related theoretical and research studies and identifying variables of the research and with regard to the main and secondary questions proposed at the beginning of the research process, main and sub-hypotheses of the research were formulated.

The main hypotheses

1. Organizational processes are effective in success of niche marketing.
2. Tools and skills are effective in success of niche marketing.
3. Organizational resources are effective in success of niche marketing.

Sub-hypotheses

A) The sub-hypothesis related to the first main hypothesis:

1. Differentiation component is effective in success of niche marketing.
2. Specialization component is effective in success of niche marketing.
3. Positioning component is effective in success of niche marketing.
4. Marketing research component is effective in success of niche marketing.
5. Loyalty component is effective in success of niche marketing.
6. The value creation component is effective in success of niche marketing.

B) The sub-hypothesis related to the second main hypothesis:

1. Marketing intelligence component is effective in success of niche marketing.
2. Communications component is effective in success of niche marketing.
3. Customer perception component is effective in success of niche marketing.
4. Innovation component is effective in success of niche marketing.

5.   Brand image component is effective in success of niche marketing.

6.   Reputation component is effective in success of niche marketing.

C) The sub-hypothesis related to the third main hypothesis:

1.   Effective time management component is effective in success of niche marketing.

2.   Information resources component is effective in success of niche marketing.

3.   Human resources component is effective in success of niche marketing.

RESEARCH METHOD

This research is of applied-survey type in terms of objective, descriptive in terms of data collection, and since it deals with developing and defining a model for success in niche marketing, it is of survey type. Because the data has been prepared in a particular period of time from a specific statistical population, this is also a cross-sectional study.

DATA COLLECTION METHODS

Research collection methods used by the researcher are generally divided into two classes: the library-based and field methods.

In the library-based method, the researcher has read papers, books, journals and related literature to the research topic and has identified research variables.

In the field method, the researcher has used questionnaires because using this method, knowledge, interests, attitudes, and beliefs of the people can be evaluated and their previous experiences can be understood. (Delavar, p. 93, 2007) However, to improve the accuracy of the collected data, interviewing has been used along with questionnaires for better understanding the issue and variables.

SCOPE OF RESEARCH

Scope of subject: the scope of the subject of this research is only identifying, introducing and prioritizing the variables that have a significant role is success of niche marketing in Tehran. This means that the researcher is studying niche marketing to find the factors or variables that companies and organizations can use them to succeed in niche marketing in Tehran.

Time scope: *time scope of the research is the year 2008.*

Geographic scope: The geographic scope of the research is Tehran that includes senior managers, sales managers, marketing consultants and marketing managers working in manufacturing companies or agencies and the population of university professors and graduate and PhD students in management.

THE STATISTICAL POPULATION OF THE RESEARCH

The statistical population of the current study is comprised of two independent populations. The first population includes senior managers, sales managers, marketing consultants and marketing managers working in manufacturing companies or agencies and the second population includes faculty members, students and experts.

Sampling Methods

With regard to the type of the research and selected population, sampling method is of group sampling technique. In this method, for maximizing the similarity between the sample and the population, and for increasing the accuracy of sampling to estimate population parameters and for including population characteristics into the sample, the population was divided into homogeneous groups and each group was comprised of individuals with similar characteristics. After dividing the population into homogeneous groups, the number of samples to each group was determined and then using simple or systematic random sampling method, the number of elements required in each group was selected (Dr. Azar, p. 6, 2002).

DATA COLLECTION TOOLS

In this study, two methods, namely questionnaire and interview were used.

METHODS OF DATA ANALYSIS AND HYPOTHESES TESTING

After collecting data and information, using inferential statistics techniques, including T-test, correlation tests and other statistical required tests, by using SPSS software program, summarization, classification and analysis of statistics will be conducted. Besides using inferential statistics,
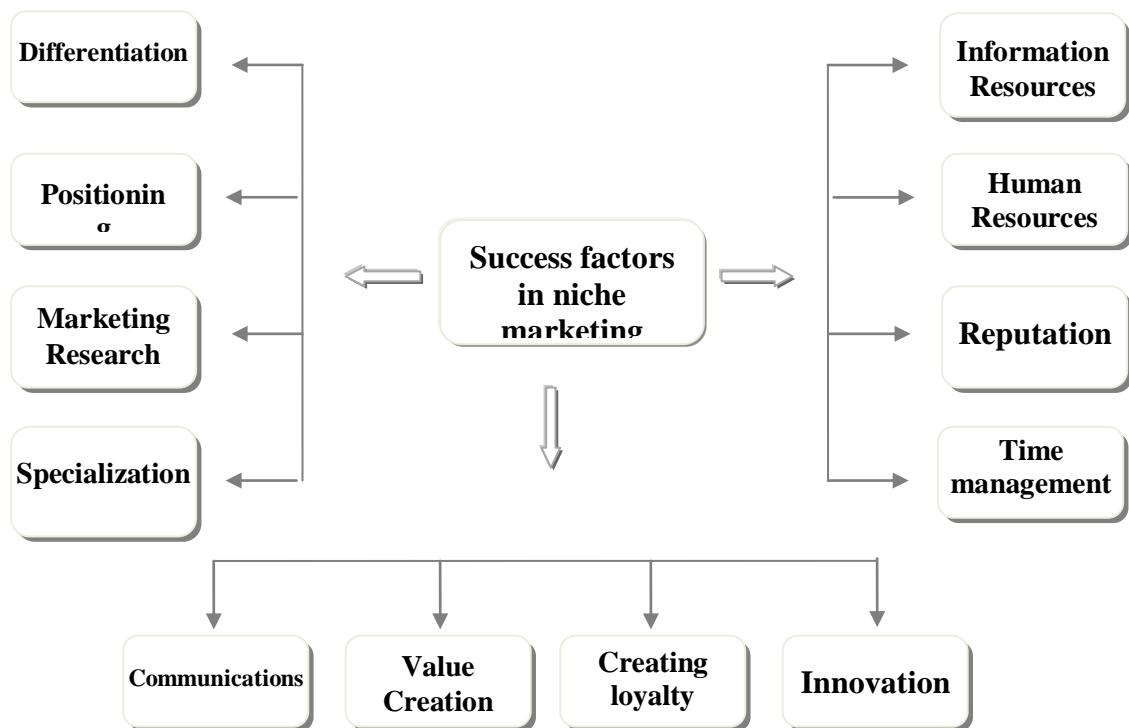
descriptive statistics also will be used. Different types of techniques can be used for finding more information regarding research objectives.

Figure 3

Conceptual Model of the Research

STATISTICAL TESTING OF THE RESEARCH HYPOTHESES

Studying and reviewing descriptive statistics can not solely help the researcher to achieve the

objectives of the research, because the respondents were selected as a sample and the entire population has not been analyzed statistically. To ensure the validity of the results of the study, each hypothesis will be analyzed using appropriate statistical techniques. In the present study, to test the hypotheses, the statistical tests of the mean of statistical population have been used.

In all cases, the following hypotheses will be examined. All tests are performed at 95% confidence level.

$$\begin{cases} H_0 : \mu \le 3 \\ H_1 : \mu > 3 \end{cases}$$

Testing the First Main Hypothesis

The first main hypothesis, which is referred to below, is divided into six sub-hypotheses to be explained here:

H_1: It seems that organizational processes are effective in success of niche marketing.

H_{11}: It seems that differentiation component is effective in success of niche marketing.

H_{12}: It seems that specialization component is effective in success of niche marketing.

H_{13}: It seems that positioning component is effective in success of niche marketing.

H_{14}: It seems that marketing research component is effective in success of niche marketing.

H_{15}: It seems that loyalty component is effective in success of niche marketing.

H_{16}: It seems that value creation component is effective in success of niche marketing.

Now that we have explained the sub-hypotheses, first sub-hypotheses will be tested and finally the main hypothesis will be tested.

Testing the First Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that differentiation component has been considered significant at the level of 0.000, and $H_{11\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** differentiation component is effective in success of niche marketing.

Table 1: Mean of statistical population related to differentiation component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.086	0.859	0.972	P sig<= 0.0.5	16.986	119

Testing the Second Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that specialization component has been considered significant at the level of 0.000, and $H_{12\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** specialization component is effective in success of niche marketing.

Table 2: Mean of statistical population related to specialization component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
0.719	0.497	0.608	P sig<= 0.0.5	10.826	119

Testing the Third Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that positioning component has been considered significant at the level of 0.000, and $H_{13\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** positioning component is effective in success of niche marketing.

Table 3: Mean of statistical population related to positioning component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.245	1.021	1.133	P sig<= 0.0.5	20.052	119

Testing the Fourth Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that marketing research component has been considered significant at the level of 0.000, and $H_{14\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** marketing research component is effective in success of niche marketing.

Table 4: Mean of statistical population related to marketing research component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
0.910	0.702	0.806	P sig<= 0.0.5	15.319	119

Testing the Fifth Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that loyalty component has been considered significant at the level of 0.000, and $H_{15\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** loyalty component is effective in success of niche marketing.

Table 5: Mean of statistical population related to loyalty component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
0.983	0.754	0868	P sig<= 0.0.5	15.005	119

Testing the Sixth Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that value creation component has been considered significant at the level of 0.000, and $H_{16\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** value creation component is effective in success of niche marketing.

Table 6: Mean of statistical population related to value creation component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.286	1.025	1.156	P sig<= 0.0.5	17.529	119

Testing the First Main Hypothesis

By data analysis of the hypothesis, it can be inferred that organizational process factor has been considered significant at the level of 0.000, and $H_{1\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** organizational process factor is effective in success of niche marketing.

Table 7: Mean of statistical population related organizational process factor

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
0.972	0.876	0.924	P sig<= 0.0.5	37.583	719

Testing the Second Main Hypothesis

The second main hypothesis, which is referred to below, is divided into six sub-hypotheses to be explained here:

H_2: It seems that skills and tools are effective in success of niche marketing.

H_{21}: marketing intelligence component is effective in success of niche marketing.

H_{22}: communications component is effective in success of niche marketing.

H_{23}: customer perception component is effective in success of niche marketing.

H_{24}: innovation component is effective in success of niche marketing.

H_{25}: image brand component is effective in success of niche marketing.

H_{26}: reputation component is effective in success of niche marketing.

Now that we have explained the sub-hypotheses, first sub-hypotheses will be tested and finally the main hypothesis will be tested.

Testing the First Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that marketing intelligence component has been considered significant at the level of 0.000, and $H_{12\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** marketing intelligence component is effective in success of niche marketing.

Table 8: Mean of statistical population related to marketing intelligence component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.092	0.844	0.968	P sig<= 0.0.5	15.460	119

Testing the Second Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that communications component has been considered significant at the level of 0.000, and $H_{22\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** communications component is effective in success of niche marketing.

Table 9: Mean of statistical population related to communications component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
0.912	0.687	0.800	P sig<= 0.0.5	14.084	119

Testing the Third Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that customer perception component has been considered significant at the level of 0.000, and $H_{23\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** customer perception component is effective in success of niche marketing.

Table 10: Mean of statistical population related to customer perception component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.215	1.005	1.110	P sig<= 0.0.5	20.890	119

Testing the Fourth Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that innovation component has been considered significant at the level of 0.000, and $H_{23\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** innovation component is effective in success of niche marketing.

Table 11: Mean of statistical population related to innovation **component**

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.186	0.921	1.054	P sig<= 0.0.5	15.744	119

Testing the Fifth Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that brand image component has been considered significant at the level of 0.000, and $H_{25\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** brand image component is effective in success of niche marketing.

Table 12: Mean of statistical population related to brand image component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.172	0.919	1.045	P sig<= 0.0.5	16.410	119

Testing the Sixth Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that reputation component has been considered significant at the level of 0.000, and $H_{26\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** reputation component is effective in success of niche marketing.

Table 13: Mean of statistical population related to reputation component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.172	0.927	1.050	P sig<= 0.0.5	16.971	119

Testing the Second Main Hypothesis

By data analysis of the hypothesis, it can be inferred that skills and tools component has been considered significant at the level of 0.000, and $H_{2\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** skills and tools component is effective in success of niche marketing.

Table 14: Mean of statistical population related skills and tools component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.054	0.955	1.004	P sig<= 0.0.5	40.016	719

Testing the Third Main Hypothesis

The third main hypothesis, which is referred to below, is divided into three sub-hypotheses to be explained here:

H_3: Organizational resources factors are effective in success of niche marketing.

H_{31}: time component is effective in success of niche marketing.

H_{32}: information resources component is effective in success of niche marketing.

H_{33}: human resources component is effective in success of niche marketing.

Now that we have explained the sub-hypotheses, first sub-hypotheses will be tested and finally the main hypothesis will be tested.

Testing the First Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that time component has been considered significant at the level of 0.000, and $H_{31\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** time component is effective in success of niche marketing.

Table 15: Mean of statistical population related to time component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
0.979	0.737	0.858	P sig<= 0.0.5	14.044	119

Testing the Second Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that information resources component has been considered significant at the level of 0.000, and $H_{232\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** information resources component is effective in success of niche marketing.

Table 16: Mean of statistical population related to information resources component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.025	0.812	0.918	P sig<= 0.0.5	17.038	119

Testing the Third Sub-hypothesis

By data analysis of the hypothesis, it can be inferred that human resources component has been considered significant at the level of 0.000, and $H_{33\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** human resources component is effective in success of niche marketing.

Table 17: Mean of statistical population related to human resources component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.251	1.006	1.129	P sig<= 0.0.5	18.278	119

Testing the Third Main Hypothesis

By data analysis of the hypothesis, it can be inferred that organizational resources component has been considered significant at the level of 0.000, and $H_{3\beta}$ hypothesis is accepted. The following table shows this information.

✓ **Result:** organizational resources component is effective in success of niche marketing.

Table 18: Mean of statistical population related organizational resources component

Upper limit	Lower limit	Mean difference	Sig.	T-test statistic	Degrees of freedom
1.036	0.900	0.968	P sig<= 0.0.5	28.045	359

Analysis of coefficient of variation (CV) and ranking of each of the factors effective in success in niche marketing

After identifying the factors effective in success of niche marketing and approval of these factors by statistical tests using inferential statistics, now it is time to rank these factors by obtaining their coefficients of variation so that the second main objective of this study can be achieved. In this section also, ranking of effective factors will be calculated for both statistical populations.

Analysis of coefficient of variation (CV) of each of the organizational processes factors effective in success in niche marketing

According to performed calculations, it can be observed that value creation component has the highest coefficient of variation while positioning component with a slight difference from the marketing research component, has the lowest coefficient of variation. The following table shows the coefficients of variation.

Table 19: Coefficients of variation of organizational processes components

Index	Average	Standard deviation	Coefficient of variation

Process factors			
Differentiation	3.972	0.627	15.8
Specialization	3.608	0.615	17
Positioning	4.133	0.619	15
Marketing Research	3.806	0.576	15.1
Loyalty	3.868	0.634	16.4
Value creation	4.156	0.722	17.4

Analysis of coefficient of variation (CV) of each of the skills and tools factors effective in success in niche marketing

According to performed calculations, it can be observed that innovation component has the highest coefficient of variation while customer perception component has the lowest coefficient of variation. The following table shows the coefficients of variation.

Table 20: Coefficients of variation of skills and tools components

Index / Skills factors	Average	Standard deviation	Coefficient of variation
Marketing Intelligence	3.968	0.686	17.3
Communications	3.800	0.622	16.4
Customer perception	4.110	0.582	14.2
Innovation	4.054	0.733	18.1
Brand image	4.045	0.698	17.2
Reputation	4.156	0.722	17.4

Analysis of coefficient of variation (CV) of each of the organizational resources factors effective in success in niche marketing

According to performed calculations, it can be observed that time management component has the highest coefficient of variation while information resources component has the lowest coefficient of variation. The following table shows the coefficients of variation.

Table 21: Coefficients of variation of organizational resources components

Index / Resources factors	Average	Standard deviation	Coefficient of variation
Time	3.858	0.669	17.4
Information resources	3.918	0.596	15.2
Human resources	4.129	0.676	16.4

Analysis of coefficient of variation (CV) of each of the main factors effective in success in niche marketing

According to performed calculations, it can be observed that skills and tools factor has the highest coefficient of variation while organizational resources have the lowest coefficient of variation. The following table shows the coefficients of variation.

Table 22: Coefficients of variation of main components

Index / Main factors	Average	Standard deviation	Coefficient of variation
Organizational process	3.924	0.659	16.8
Skills and Tools	4.004	0.673	16.9
Organizational Resources	3.968	0.655	16.5

RESEARCH FINDINGS

The process of hypotheses testing revealed that all hypotheses given in the research were approved by expert community at the confidence level of 95%. This means that the organizational processes factors are effective in success of niche marketing and include: differentiation, specialization, positioning marketing research, loyalty and value creation; The skills and tools factors also are effective in success of niche marketing and include: marketing intelligence, innovation, communications, reputation, brand image and customer perception. Finally, organizational resources are also effective in success of niche marketing and include: organizational resources, information resources and time management.

Hypothesis I: differentiation component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that differentiation component is effective in success of niche marketing. This means that to be successful in this type of marketing, differentiation is one of the main factors which itself is among the organizational processes. Differentiation can be implemented in different areas, for example differentiation of product (design, color, appearance and etc), differentiation in services, differentiation in staff and differentiation in the distribution channel and so on.

Hypothesis II: specialization component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that specialization component is also effective in success of niche marketing. This

means that to be successful in niche marketing, specialization factor should be taken into account, because it is regarded as an important factor by the population and has been ranked second in terms of importance.

Hypothesis III: positioning component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that positioning component is also effective in success of niche marketing. This means that for an organization to be successful in niche marketing, positioning should be included in its working plans. This factor can be used in many fields, and that is why it has the lowest rank among the components of organizational processes in the community.

Hypothesis IV: Research marketing component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that research marketing component is also effective in success of niche marketing.

This component has been considered as the most important factor of successful niche marketing by the population. This means that to succeed in niche marketing, organizations or manufacturers should conduct marketing research properly and they can make use of expert groups or organizations in this regard or they can hire people with such specialties.

Hypothesis V: loyalty component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that loyalty component is also effective in success of niche marketing which means that organizations can succeed in niche marketing if they pay attention to creating loyalty in their customers.

Hypothesis VI: Value creation component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that value creation component is also effective in success of niche marketing. This means that value creation should be taken into account by organizations which want to be successful in this type of marketing. This factor has been rated with the highest importance by

the expert community. Organizations should make significant differences in their products if they are going to be benefitted from this major factor. Such differences can be divided into two types, the differences that are measurable and visible and the other type which are immeasurable and invisible.

Hypothesis VII: marketing intelligence component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that marketing intelligence component is also effective in success of niche marketing which means that organizations can succeed in niche marketing if they take marketing intelligence into consideration.

Hypothesis VIII: communications component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that communications component is also effective in success of niche marketing. This means that organizations need to consider communications factor as a valuable one in their plans, if they want to succeed in this type of marketing. This component, which is among organizational skills and tools, was given one of the lowest ranks by the experts in the community.

Hypothesis IX: customer perception component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that customer perception component is also effective in success of niche marketing which means that organizations can succeed in niche marketing if they take customer perception into consideration. It can be said that this component covers almost all demands of customers, including price, quality, and their personal taste and interests; and due to the fact that all should pay attention to it, is has the lowest rank among all the other components related to organizational skills and tools.

Hypothesis X: innovation component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that innovation component is also effective in success of niche marketing. This

means that for an organization to be successful in niche marketing, innovation should be included in its working plans. Innovation has the highest ranks comparing other components related to organizational skills and tools, especially in the expert community, where it is regarded as the most important factor for success. Organizations can succeed in niche marketing, only if they truly pay attention to innovation.

Hypothesis XI: brand image component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that brand image component is also effective in success of niche marketing. This means that being successful in niche marketing requires paying attention to brand image.

Hypotheses XII: reputation component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that reputation component is also effective in success of niche marketing. This means that to be successful in niche marketing, the reputation component must be taken into account because this factor can lead to the customers' confidence and trust.

Hypothesis XIII: time management component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that time management component is also effective in success of niche marketing. This means that with shortening of product life, the varied tastes and interests of customers and supply of new technologies, organizations need to pay attention to time management to succeed in niche marketing. Time component that is among the organizational resources factors has been given the first rank by population which indicates the high importance of this component.

Hypothesis XIV: information resources component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that information resources component is also effective in success of niche marketing, which means having the right, timely and sufficient information can be effective for success in niche marketing. An information system for management is vital for success, and also

obtaining information is important for all organizational levels; that is why this component has the lowest rank among the components of organizational resources.

Hypothesis XV: human resources component is effective in success of niche marketing.

By studying and reviewing the information obtained from the data analysis of this hypothesis, it can be inferred that human resources component is also effective in success of niche marketing. With the emergence of modern management science in organizations, it has become clear that human resources are the most important capital of each organization which is also an effective factor for success in niche marketing. Organizations need to have specialized, experienced, responsible and committed personnel to succeed in the market.

Summarization of the results of the research into a model

Ultimate Niche Marketing Model
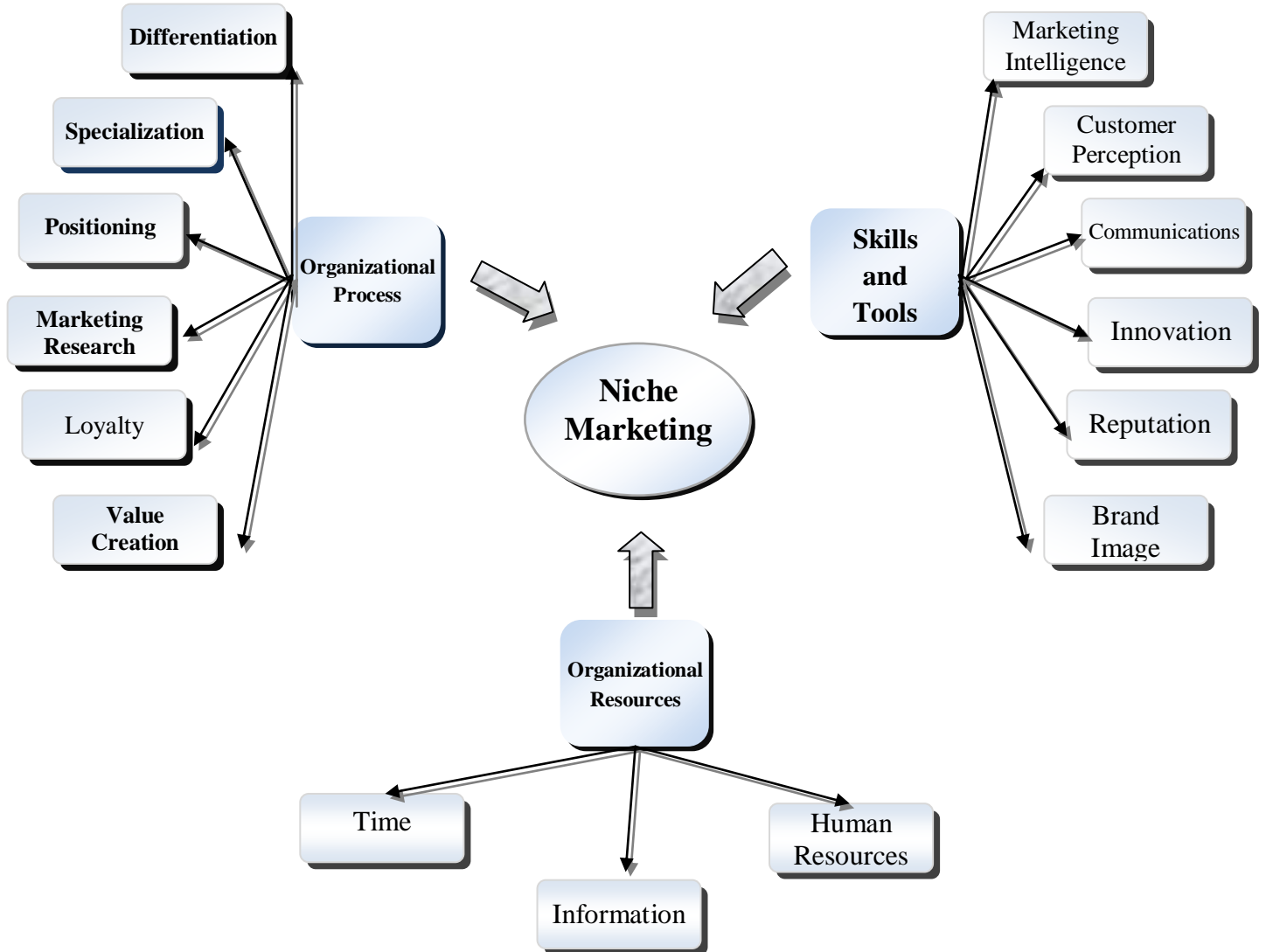
LIMITATIONS OF THE RESEARCH

There were some major barriers and constraints during conducting this research:

- No similar research has been conducted within the country concerning niche marketing and consequently lack of adequate and comprehensive information in the country.
- Limited access to reliable websites to obtain and read related papers
- Unavailability of the books relevant to the subject in the country
- Large number of studied samples and their geographical distribution in Tehran
- Limited human and financial resources and limited time for distribution and completion of questionnaires and entering data into computers
- Failure to cooperate in providing information and filling out the questionnaires by statistical samples due to various reasons, including lack of time, fear of disclosure of information to other competitors, etc.
- Fatigue and impatience when filling out the questionnaires due to large number of questions

SUGGESTIONS FOR FURTHER RESEARCHES

The following topics are proposed for further researches:

1. Studying new factors that are not dealt with in this research

In this study some important factors were investigated and identified that affect the success of niche marketing. However, there may be other possible key factors essential for success of niche marketing that have not been recognized by the researcher. Other researchers can find new and key variables in order to complete this model.

2. Studying the factors that may impede success in niche marketing

In this study the factors that lead to success of niche marketing were addressed. There are certainly other factors in the internal and external environments of organizations that will impede success in this type of marketing. Further researches can identify the factors that hinder success in niche marketing, so that niche marketing can be implemented in organizations more effectively.

3. Studying each of variables of research in full details

The topic of this research is a new one, so this paper just tried to identify the key variables for success of niche marketing. Researchers can focus on any of the variables and try to investigate each of the variables in full details.

4. Researching on relationship between market size and niche marketing for being successful in this type of marketing

During conducting this study, the researcher faced with a question for which no answer was found in other researches and papers. Other researchers can take this question as a new topic, that is, the impact of market size on successful niche marketing and identification of effective factors in this regard.

5. Investigating and identifying effective factors for success in niche marketing in service organizations

Researchers can also investigate this topic in service organizations and can compare the results with the results in producing organizations.

6. Studying this model in other industries

The model of effective factors for success in niche marketing is a model applicable to all organizations. Researchers can test this model in other industries.

REFERENCES

1. Alessandro Brun, Cecilia Castelli (2008), Supply chain strategy in the fashion industry: Developing a portfolio model depending on product, retail channel and brand, International Journal of Production Economics, Volume 116, Issue 2, December 2008, Pages 169-181

2. Azar, Adel and Moemeni, Mansour (2006), S*tatistics and its application in management (Statistical Analysis),* Volume II, Tenth Edition, Tehran: SAMT.

3. Ball, Dwayne, Coelho, Pedro Simoes, Machas, Alexandra (2004), the role of communication and trust in explaining customer loyalty, European journal of marketing, vol. 38 No. 9/10.

4. Barber, Elizabeth, (2008), how to measure the value in value chains, international of physical distribution & logistics management vol. 38 No. 9.

5. Colin Gilligan and Richard (2003) M. S. Wilson Strategic marketing planning Giles, W. and Piercy, N.F. (2002), Market-led Strategic Change: A Guide to Transforming.

6. Cowee, Margaret w., Curtis, Kynda R., (2006), niche marketing opportunities for Nevada agriculture, university of Nevada.

7. Dalgic, Tevfik, Leeuw, Marten (1994), niche marketing revisited: concept, applications and some European cases, European journal of marketing, vol. 28 No. 4.

8. Danaiefard, Hassan, Alwani, Seyyed Mehdi and Azar, Adel (2004), Q*uantitative research methodology in management: a comprehensive approach,* Tehran: Saffar.

9. Delavar, Ali (2007), *Research Methods in Psychology and Education,* Twenty-Second Edition, Tehran: Virayesh Publication.

10. Dimitri Tassiopoulos, Norbert Haydam (2008), Golf tourists in South Africa: A demand-side study of a niche market in sports tourism, Tourism Management, Volume 29, Issue 5, October 2008, Pages 870-882

11. George Day (1995), market driven strategy, the free press.

12. Gohne, Axel, (1999) successful market innovation, European journal of innovation management, vol. 2 No. 1.

13. Hafeznia, Mohammad Reza (1998), An *Introduction to Research Methods in Humanities,* Tehran: SAMT.

14. Henrik Hagtvedt, Vanessa M. Patrick (2008), Art and the brand: The role of visual art in enhancing brand extendibility, Journal of Consumer Psychology, Volume 18, Issue 3, July 2008, Pages 212-222

15. Hooman, Haider Ali (1995), K*nowledge of scientific methods in the behavioral sciences (research bases),* second edition, Tehran: Parsa Publication.

16. Ian F. Wilkinson, David M. Gray (2007), The Production and Consumption of Marketing Theory, Australasian Marketing Journal (AMJ), Volume 15, Issue 1, 2007, Pages 39-52

17. Jones, Michelle R., Parrish, Erin D., Cassill, Nancy L., Oxenham, William(2004), modeling of niche market behavior of US Textile and Apparel Firms, journal of Textile and Apparel, technology and management, vol. 4 No. 2.

18. Juhari and Stephens, (2006) tracing the origins of competitive intelligence throughout history", Journal of Competitive Intelligence and Management, vol. 3 No. 4, pp. 61-82.

19. Kotler, Philip and Armstrong, Gary (2004), *Principles of marketing,* Translated by Frouzandeh, Bahman, Fifth Edition, Tehran: Atropat Publications.

20. Kotler, Philip, (2005), *Marketing management*, Translated by Frouzandeh, Bahman, Tehran: Atropat Publications.

21. Kotler, Philip, Keller, Kevin Lane, Ang, Swee Hoon, Leong, Meng, Tan, Chin Tiong (2007), marketing management.

22. Kotler. P, and Keller K, Marketing Management, 12th, Pearson Education (2006), pp 86-101.

23. M. Joseph Sirgy, Dong-Jin Lee, J.S. Johar, John Tidwell (2008), Effect of self-congruity with sponsorship on brand loyalty, Journal of Business Research, Volume 61, Issue 10, October 2008, Pages 1091-1097

24. Mark Evans (1995), the tricky art of changing formats, the financial post.

25. Michael Porter (2000), competitive advantage, the free press.

26. Parrish, Erin D., Cassill, Nancy L., Oxenham, William (2004), opportunities in the international textile and apparel marketplace for niche markets: academic paper, journal of fashion marketing and management, vol. 8 No. 1.

27. Parrish, Erin D., Cassill, Nancy L., Oxenham, William (2005), niche market strategy for a mature marketplace: research paper, marketing intelligence & planning, vol. 24 No. 7.

28. Parrish, Erin D., Cassill, Nancy L., Oxenham, William (2006), niche market strategy in the textile and apparel industry: academic paper, journal of fashion marketing and management, vol. 10No. 4.

29. Pole. J.G., Madsen, E. and Dishman, P.L. (2000), "Competitive intelligence as a construct for organizational change", Competitive Intelligence Review, vol. 11 No. 4, pp. 25.

30. Robert W. Palmatier, Lisa K. Scheer, Mark B. Houston, Kenneth R. Evans, Srinath Gopalakrishna (2007), Use of relationship marketing programs in building customer–salesperson and customer–firm relationships: Differential influences on financial outcomes, international Journal of Research in Marketing, Volume 24, Issue 3, September 2007, Pages 210-223

31. Rousta, Ahmad, Venus, Davar and Ibrahimi, Abdulhamid (2004), *Marketing management*, Tehran: SAMT.

32. Sadafi, Zabiholallah and Babaei, Sakineh (2001), *Specific research techniques (based on SPSS statistical program),* Tehran: Atiyeh Publication.

33. Sarmad, Zohreh, Bazargan, Abbass and Hejazi, Elaheh (2006), *Research Methods in Behavioral Sciences,* Twelfth Edition, Tehran: Agah Publication.

34. Secaran, Uma (2007), *Research methods in management*, translated by Saebi, Mohammad, and Shirazi, Mahmoud, management and planning institute of higher education and research, Fifth Edition.

35. Stephen L. Vargo (2007), On A Theory of Markets and Marketing: From Positively Normative to Normatively Positive, Australasian Marketing Journal (AMJ), Volume 15, Issue 1, 2007, Pages 53-60

36. Stewart, Ian, Fenn, Peter, (2006), strategy: the motivation for innovation, university of central England.

37. Wright, Sheila, Jonathan L. Calof (2006), "the Quest for competitive, business and marketing intelligence" Quest For competitive intelligence, vol. 40 No 5 p 453-465.