

"NOUVEAU NICHE" PART 1



BusinessWeek called it 'The Vanishing Mass Market', Wired Magazine spoke of the Lost Boys and the Long Tail. Others talk about Niche Mania, Stuck in the Middle, or Commoditization Chaos. We at TRENDWATCHING.COM dubbed it **NOUVEAU NICHE**: the new riches will come from servicing the new niches! And while all of this may smack of wordplay, the drivers behind this trend stretch widely and profusely, and have been building for years. So even though you may be more or less familiar with the below, it's definitely time to incorporate **NOUVEAU NICHE** into your corporate vocabulary AND your business strategy. The move towards everything niche should definitely rank right up there with other mega trends like [GENERATION C](#), [MASSCLUSIVITY](#), [MASTERS OF THE YOUNIVERSE](#) and so on. What's fueling **NOUVEAU NICHE**?

1. Consumers are more individualized than ever, expecting every good, service and experience to be addressing their unique and oh so important selves. Gone are the traditional demographic segments, the distinct consumer classes: this is all about being [MASTERS OF THE YOUNIVERSE](#).

Gone too are the days when, as BusinessWeek so eloquently put it; "the ideal was not merely to keep up with the Joneses, but to *be* the Joneses." In a **NOUVEAU NICHE** world, where the demise of institutions and their stifling conventions has unlocked latent hyper individualization, where it is all about 'me' (for better or worse), where being special will lend consumers status, to be mass is now every consumer's nightmare. Witness [GRAVITY](#), witness [MASSCLUSIVITY](#). Even the few mass objects of desire that still manage to unite large groups of consumers -- iPods, Nokia handsets, or the Mini Cooper -- are likely to be customized and personalized the moment they leave the warehouse, website or store.



Consumers are also more experienced than ever. They expertly cut through the crap, ignore advertising, and know which quality and price levels are fair. They actively hunt for the best of the best, and the best of the best is often NOT mass. (The only mass they're willing to put up with is the stuff they don't really care about www.trendwatching.com)

and can get on the cheap at Aldi or WalMart). As [Chris Anderson](#), author of the excellent [Long Tail article](#) points out, the only reason mass used to equal 'hit', had to do with the now outdated perception that if something sells well, it must certainly be good. Now, with consumers not only being comfortable wandering further from the beaten path, but the beaten path also being much easier to leave (thank you WWW), they discover their taste is not as mainstream as they thought. Mass popularity was based more on what was available (think mass marketing budgets, limited physical shelf space, limited broadcasting channels, and a nearly complete lack of transparency), than on absolute laws of nature that dictated 'good' or 'bad'.



No wonder that retail and hospitality players, which currently find themselves at the forefront of the **NOUVEAU NICHE** slash best of the best revolution, are opening up specialized stores and venues as fast as you can say '**NOUVEAU NICHE**'. From British [The White Company](#) (above), which only sells white home accessories, to NY's [Rice to Riches](#) (twenty flavors of rice pudding, including endangered maple with sun dried blueberries) to fast-expanding [Oil and Vinegar](#) (twenty five kinds of olive oil) and so on. On the US West Coast, the next big **NOUVEAU NICHE** thing is regional Italian restaurants, from San Francisco based A16 serving food solely from the Campania region and its capital city Naples, to LA's Locanda Veneta in Los Angeles and Genoa restaurant in Portland, Oregon (source: Debra Mustain, [Springspot-ters](#)). Hospitality? Lake Tahoe's THE BLOCK hotel welcomes snowboarders (see our [BRANDED BRANDS](#) update below), while countless B&Bs (all with their own websites) around the world now cater to every alternative lifestyle, preference or inclination known to man.

However, all of this pales compared to **NOUVEAU NICHE** in the virtual world:

2. The combination of online transparency of supply, prices, recommendations and opinions AND near one billion online users enables a match-making game connecting insanely segmented supply with equally fragmented **NOUVEAU NICHE** demand. Choose from eBay's millions of sellers offering everything from the expected to the unbelievable. Dive into iTunes' hundreds of thousands of songs, Amazon.com's hundreds of thousands of books, Netflix's tens of thousands of movies and documentaries. Or go to [Nicheflix](#) for even more off the beaten path choice. Or visit [Mandy](#)

[May](#), the world's first DVD rental service to focus entirely on chick flicks (source: Aisha Jordan, [Springspotters](#)).



Consumers looking for other people, not things, end up on niche dating sites like [cyclingsingles.com](#), [winesingles.com](#), [datemypet.com](#), [singlerepublican.com](#), [democraticsingles.com](#) (source: ABC News). Choice *within* these niche segments is growing, too: Jewish singles check out [jdate.com](#), [jewishcafe.com](#), [jewishmingle.com](#), [gefiltetfishing.com](#), [frumster.com](#).

Add to that the revolution in location-based search (see our [READY-TO-KNOW](#) trend), making transparency truly personal and local, and the ongoing proliferation of collaborative filtering ("customers who bought this title also bought..." -- an essential ingredient for consumers to find their way deeper and deeper into unbridled catalogues and databases), and **NOUVEAU NICHE** no longer 'just' enables consumers to stray from what or who they know, but actively encourages them to do so. (P.S. More on this in next month's TWINSUMER trend description.)

3. New production processes, mass (!) distribution, technologies and communication channels, all enabling global economies of scale and scope, allow for virtually everything to be made and broadcast, at whatever specification, and whatever batch size. China. India. Eastern Europe. USD 29 DVD players. Hudong-Zhonghua Shipbuilding Group's 8,530 TEU container ships. Airbus 380. New H&M and Zara collections every week. Podcasting. Virtual worlds. 254 TV channels. Google AdWords. Ironically, the only mass worth studying may be the mass/abundance of virtual shelf space (inventory no longer equals costs) and communication channels. One marketing message and one product for every individual: it will truly be upon us soon.



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But is it all about traditional producers becoming more nimble? Not at all:

4. New producers, including the millions of members of [GENERATION C](#), are adding niche content in text, audio, video by the tera bytes, to be purchased by micro audiences. For all the talk of new opportunities for established niche producers and marketers, the most interesting next development for **NOUVEAU NICHE** may be driven by ordinary consumers, doubling as producers. Equipped with professional hardware, software, skills and their own showrooms/shops at amateur prices, they're already producing an avalanche of new content: books, articles, songs, photographs, videos; thereby adding billions of new products and items to pickings that are already immense. Just consider how hundreds of thousands of bloggers have already exposed many mass media outlets for the boring, predictable and bland one-for-all content factories that they are. Next next? Crafts! Not only the world of technology is throwing professional goodies at amateurs, so are the more traditional DIY manufacturers: **NOUVEAU NICHE** will increasingly be a [redpaper.com](#) meets [cafepress.com](#) meets [lulu.com](#) meets [boundlessgallery.com](#) meets GENERATION C. We ain't seen nothing yet.

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OPPORTUNITIES

The above is NOT spanking new, and neither is it complete (part 2 to follow soon). However, what IS new, is how rapid **NOUVEAU NICHE** is approaching its (dare we say it?) tipping point. Everything has been put into place to unlock consumers' need for **NOUVEAU NICHE** on a global and local scale. Yes, **NOUVEAU NICHE** is work in progress, for you and for us. But above all, it's a mindset. To continue thinking of niche as unprofitable or even worse, unpopular, may equal commercial suicide. Expect every significant field in business to succumb to the power of **NOUVEAU NICHE**. Advertising. Publishing. Television. Food and Beverage. Hospitality. Dating. Entertainment. Electronics. Search. Financial services. And so on. We'll still need mass, whether it's for low cost goods or to satisfy sudden cravings to belong to a larger group. And something that is really, really good or desirable will still be able to reach mass status. But it will be mass by choice, not mass by scarcity.

Where to start? Study the [Long Tail](#) phenomenon, hang out in niche venues, experiment with Google AdWords, actively look for **NOUVEAU NICHE** manifestations while roaming the streets, waiting at airports, and surfing the web. Re-read our [MASTERS OF THE YOUNIVERSE](#) trend and keep an eye out for **NOUVEAU NICHE, PART 2**. Should be enough to get you going, and hopefully the above will help you to introduce relevant niche goods, services and experiences before your competition does!