

Niche Marketing's Impact on Audiences

As technology and media changes, there has been a shift from mass marketing to niche marketing and media. The underlying reason for this shift is to maximize profit. This move towards targeting is driven by the belief that smaller audiences are more viable and profitable in the eyes of the industry. Targeting has its advantages and disadvantages when it comes to society and the individual; it caters to peoples' tastes and preferences but creates a disconnect among society, it creates more choices but limits the number of voices heard, and it only addresses individuals who belong to a lucrative niche. Looking at Hulu, an online video service, will show that niche media and marketing have a negative influence on society but both negative and positive ones on the individual.

As advertising becomes more and more ubiquitous in our daily lives, people become more de-sensitized to it and thus it becomes less effective. As a result, advertisers are now pursuing smaller audiences because they are more likely to buy the product ("Lecture Four: Media and Money," Sept. 6). By slicing up a large audience, segments are created and those segments are valuable because consumers in each segment spend their time and money in similar ways ("Lecture Fourteen: Constructing the Audience," Oct. 18). With target marketing, advertisers can go after consumers who are most desirable to them; they no longer have to spend money on the people they do not want to address. Advertisers are no longer paying just for the quantity of the audience but the quality as well. In response to this, the media industry has also shifted towards addressing niches. Media companies now produce content for a niche and then they sell access to that niche to advertisers ("Lecture Fourteen: Constructing the Audience," Oct. 18).

Niche media allows consumers to consume what they want when they want without having to wade through all the other media that they are not interested in; however, in doing so, it fosters a culture of ignorance and division. Similarly, niche marketing only advertises products that are relevant to consumers in a niche; consumers don't have to deal with sitting through ads about products and services that they may find useless. As Joseph Turow says, "In a world pressing us with high-speed concerns, we will surely welcome media and sponsors that offer to surround us with exactly what we want when we want it" (Turow 6). While it may seem positive that we only consume what we consider to be valuable, this creates ignorance in society as people in a niche become disconnected from others in different niches outside their own. Categories and separations are created, only exposing people to what they want. This creates a culture of indifference as people know nothing besides what they want to know and don't care about what is happening outside their own world. It is true that people can easily step out of their niche by "looking outside their personal spheres" (Turow 10). However, just as easy as it is to step out, it is much easier to stay in a niche and connect with only other like-minded people.

In segmenting the audience or consumers, it is easy to create diversity but this is just a false sense of diversity. Niche media and marketing offer more choices by creating something for each niche. On the other hand, the various choices that are offered are all controlled by the six major media conglomerates, which reduces the number of voices that are heard in society. Only the six major conglomerates really have a say in what people consume and while they do cater to mainstream or popular niches as well as some less popular and more unique niches, they don't address every niche out there. Companies and advertisers will only create and sell to the niches which they think will make them the most money. Thus, "Formats that do not attract the kinds or numbers of people advertisers care to reach will fade away" (Turow 16). Some niches

will remain unaddressed since they may not contain a large amount of people or they are just simply not profitable. People who are a part of the niches that companies and advertisers do want, however, actually benefit from segmentation since they get catered to. They receive an experience in which what they consume is relevant to them and interests them.

The way that Hulu has segmented its audience based on what genre and type of video they want to consume, allows viewers to easily consume only what they want. Based on one video that a person watches, he can instantly get a list of other recommended videos to watch as well that are generated primarily based on genre. If a person decides to sign up for an account on Hulu, he can get personalized recommendations because Hulu will remember everything that he watches and will make recommendations based on that gathered data. With so many offerings, a viewer can easily be bombarded with options that he doesn't want; however, Hulu makes sure that this doesn't happen with its list of "You Might Also Like" videos and its personalized recommendations for those who decide to sign up as a user. Although this makes it very convenient for users to find new but similar videos, it does not encourage them to go out of their comfort zone and to discover other options out there that they may or may not end up liking. Consumers are much more likely to focus on what they like and are already familiar with than to try something new. Thus, media companies are creating divisions between niches and groups of people. Turow sums it up perfectly: "The way they do it – urging consumers toward media designed for them and away from media designed for others – discourages people from coming into contact with news and entertainment that other parts of society find important" (Turow 7).

Hulu provides many different types of videos in a variety of genres, and in doing so, it brings different niches together on one media channel. Hulu works together with different media companies to bring their videos online, including TV shows, movies, and documentaries. By

creating a database of videos, Hulu addresses different niches while uniting them together on one platform. Hulu makes segments within its content and it segments viewers based on what they watch. For example, Hulu has deviated away from its original offering of American TV shows and movies and has expanded its videos to now include foreign ones like anime and Korean dramas. By expanding its video library, Hulu can now also target the anime and Korean drama niches while still holding onto its other niches like reality TV and news satire. The strategy behind this is that “What the stylized form of Japanese animation lacks in mass appeal it makes up for in price” (Chozick 1) and the same idea lies behind its addition of other foreign shows. Hulu has branched out into these different niches in order to maximize its profits; the niches that it selects are a representation of where the company thinks it can make the most money. Although it has increased its video offerings, Hulu does not address every niche and is biased towards certain ones by offering more content than it does for other niches. The niches that Hulu does not see as being profitable, it simply does not care about.

Hulu’s advertising system is an example of niche marketing. In 2010, Hulu started improving its ad experience with Ad Tailor, which asks viewers whether the current ad is relevant to them. This is Hulu’s attempt to help deliver more personalized and relevant ads to viewers. Then in 2011, Hulu added a new system called Ad Swap, which builds on the customization features of Ad Tailor by allowing viewers to switch out the ad that they are currently watching for another ad that may be more relevant to them. As Hulu states on its blog, “empowering users with choices over the ads... advertisers benefit from a more engaged audience, content providers can see a greater return on their content, and users get more control and greater choice in their experience” (Mak). The intent behind Ad Swap is that viewers will be more likely to buy the product or to recall the ad if it is something that is relevant to them and

this has been proven with “improving unaided brand recall by 93%, brand favorability by 27%, purchase intent by 35%, and stated relevancy by 46%” (Colaco). Not only does Hulu’s ad system make ads more relevant and profitable for advertisers but Hulu is also working on gathering information on a viewer through what he watches in order to provide even more relevant ads and recommendations. This type of “smart” technology is not new and neither is the idea behind niche marketing and media, however, the two together offer a more lucrative opportunity for advertisers looking to advertise through online video services like Hulu and Youtube as well as a better experience for individuals.

In conclusion, target marketing and niche media has a negative impact on society while having both a positive and negative impact on the individual. It is negative in that society gets broken up into segments and there is no longer a shared experience as every member of a niche sticks within its niche. Despite making it easier to get relevant content, niches do much more damage in making society ignorant. With people consuming only what they want to consume, a division appears in society between niches. Niche marketing and media is also negative for the individual because although there are now more choices for consumers, these options are only controlled by a few large corporations. This sort of media market only allows for a select number of voices, despite the diversity of choices given. Conglomerates control much of the choices we have today in terms of media, and so it becomes difficult for other voices to be heard in the industry. This exclusivity causes certain groups of consumers to not be addressed when it comes to media and advertising. However, targeting can also be positive for the individual because if he falls within a viable niche, then he will have a personalized experience and he will benefit from relevant ads and media.

Works Cited

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