

# Going Home

Reaching a hidden market—\$401 billion strong

BY CYNTHIA E. GRIFFIN

**T**HE NUMBERS ARE ENOUGH to make any entrepreneur sit up and take notice: There are 25.4 million full- and part-time homebased business owners in the United States, according to Link Resources. But if you sell business-to-business products or services, that's not just a number. That's 25.4 million potential new customers generating revenues of \$401 billion; 25.4 million people who need to buy computers, phones, paper, pencils, desks . . .

If the numbers alone don't convince you homebased entrepreneurs should be on your target list, take a look at the lineup of big corporations wooing this burgeoning market. It reads like a Who's Who of corporate America: Avery sells stationery products to make homebased entrepreneurs look more professional; AT&T offers a computer and communications system that works easily and quickly; Canon and Panasonic sell printers that look good and cost less; WordPerfect wants to help homebased business owners organize, create and communicate fast; and Mail Boxes Etc. touts the convenience of a variety of services in one location.

But before you get dizzy from all the dollar signs dancing in your head, take a closer look at this market. Contrary to popular belief, homebased entrepreneurs are not a homogenous group that's easy to target.

"We have identified more than 200 different types of

[homebased] businesses. So when you're talking about homebased businesses, you're talking about a diverse group," explains Rudy Lewis, president of the National Association of Homebased Businesses (NAHB).

According to Lewis, these businesses range from lawyers to desktop publishers, and marketing to each requires a different approach. There are also telecommuters, people with multilevel distributorships, crafts workers, professional consultants and more.

Marilyn Ross of Communication Creativity Inc., a publisher of books on small business, marketing and relocating to the country, says there are two categories of homebased entrepreneurs—those in areas such as crafts and repairs who earn about \$20,000 annually, and professionals who use technology to run their companies and earn \$60,000 and up.

Jeff Davidson, author of *Marketing to Homebased Businesses* (BusinessOne-Irwin), says you need to pinpoint what market segment you want to target, such as the homebased secretarial services, architects or chiropractors in your county.

Don't make the mistake of underestimating the homebased market. According to Davidson, the typical homebased entrepreneur earns more, has a slightly higher educational level, and is more likely to pay bills on time than the traditional worker.