Identifying Your Market

Michael Ramsay

Colorado Technical University

Identifying Your Market

**Business Idea: Bounty Hunting Agency**

**What is the scale of the industry (in units and dollars)?**

Bounty hunting is not a very common business, and this means that unlike other businesses or industries, it is still young, and its scale is still low. The players in this industry rely on the number of the contracts received from the law enforcement body and the number of the criminals captured in a year. On average, offering these services depends on the number of cases, and generally, they are offered a commission of around 10% to 20% of the aggregate bail bond. As an experienced company, it is possible to work for more than 1000 cases every year, and the actual income is a minimum of $800,000 per annum. The scale of this industry is the billion dollars, and this is because it is still shallow, with a limited number of players. Nevertheless, the scales may rise in the coming years following the industry's familiarity and the need for the services it offers to the country. Furthermore, the crime rate is on the rise, which increases the opportunities in this industry (Fisher, 2009). This industry is approximated as a $350 billion market, and it has around 2 million employees in the US. It is classified under the private security industry, and it includes private detectives and investigators.

**What is the scope (geographical range) of the market? Is it local, regional, national, international, or global?**

The scope of the market for the business is both national and international. In the beginning, the company will offer its services at the regional level, but with time, the services will be available at the national and international levels. Currently, the market scope can only be described as national because the services are yet to be introduced to many countries. In the US, the services are available country-wide, but the market is still growing. The bounty hunting services are now available across the states, and for that reason, the company will focus on the national market. There are some prospects and opportunities available in other countries where these services are yet to be incepted, and this will play an integral role in the expansion of the scope of the market. Thus, even though the market scope can be identified as national because most countries are not so much into this business, it has great opportunities for expanding to international levels in the coming years.

**Is it a niche industry, or does it reach a mass market?**

This is mostly a niche industry because it does not target the whole of the criminal justice system or department of internal security. The industry only focuses on catching or hunting down the criminals at a fee. This is a small proportion of the more significant industry because there are other related services within the more prominent sector. For instance, some supply goods and services in various institutions in this sector. Also, some major target tenders or contracts on the whole system and they can offer a variety of services. Besides, it only focuses on the criminals who have either escaped from the jail and those who are warranted for search and arrest. Without such people in the country, this company would probably be doing something different. The area benefiting from this industry has its unique identity, preferences, and needs, which differentiates it from the broader market. It does not reach the mass market because it does not offer different services/products. The industry only targets a specific department in the system and offers specialized services. The company is not the lone player in the industry because, in the US, other established firms focus on the bounty hunting business. This disqualifies it from reaching the mass market. Therefore, following the nature of the industry, Bounty Hunter can be classified as a niche industry.

**How profitable are the players in the industry?**

The players in the industry are profitable because the income is increasingly high. This is because the cost of offering the services is not very high compared to that of producing some goods or offering some services. The profitability of the bounty hunting players depends on completion, contract, and the specific company. The primary bonds firms have their in-house agents who track and return suspects who flee on their bail. They can likewise contract those services to other parties who hunt such defendants. For instance, if a person jumps bail on a bond adding up to $10,000, then the team is likely to get 10% as the collateral from the bond agent. Nevertheless, the amount could surge by getting the contract from Surety. Depending on the ability of the company to secure many contracts, it is increasingly easy to fetch a lot of money. Since the cost of providing the services is low, profit margins are high. The profit is also high in some states than others; this is because of the variation in the percentage offered as commission. In some states, the commission is 20% of the bond, while it is 10% in others. For this reason, the amount of profit cannot be uniform in the companies and states.

**What trends are occurring in the industry?**

There are different trends identified in this industry and among them is the growth in the number of players in the industry. People have realized the potential that lies in this industry, and for this reason, they have started investing. This is an indication of future growth. Along with the same lime, competition could intensify soon as more companies join the industry. The other significant trend observed in this industry is the inception of technology. Technology has been identified as a promising and notable tool in enhancing the skills of the bounty hunters, and this makes their work easier. Some of them have embraced the forensic techniques used in conducting a criminal investigation to gather evidence. In the near future, the use of various technological advancements could dominate the industry because of the need for efficiency and high productivity (Fisher, Harshman, Gillespie & Ordower, 2000). Also, other countries that do not value the services offered by the bounty hunters could soon consider adopting these services to enhance the criminal justice system. This will be a great benefit to the industry as there will be ample opportunities for expanding the market. Finally, professionals in this area are gaining more experience, and this means in the coming years, they could be more efficient in their work. Additionally, the government in many states has some laws protecting the industry, and this will make the services even better in the future.

**What competition is in the marketplace, and what are they doing?**

The competition in the marketplace is rising because other players offering similar and related services have increased. There are already established companies in different states that offer these services, and they would pose a high competition to Bounty Hunter because they have already established their brands. The only factor that alleviates the competition is the fact that contracts are still available in plenty, and sometimes the available players do not meet the demand. By offering the same services that this company intends to offer, the moderate competition will be present. Therefore, the fact that there are some players already in the industry is a clear indication of competition.

References

Fisher, J., Harshman, E., Gillespie, W., & Ordower, H. (2000). Privatizing Regulation: Whistleblowing and Bounty Hunting in the Financial Services Industries. *Dick. J. Int'l L.*, *19*, 117.

Fisher, R. R. (2009). The history of American bounty hunting as a study in stunted legal growth. *NYU Rev. L. & Soc. Change*, *33*, 199.