Niche market: why indie devs could do better than giants

Say, you are building an iOS widget for aesthetics, and you plan to charge people \$2.99 per year. If you have 100k paid users, How much profit you have after you pay Apple tax? 2.99 * 100k * 70% = \$209,300. You may have around \$140k after you pay your federal, state, and local taxes.

Will giant corporations enter this market? They could but probably they won't, because

- 1. Paid iOS widget market is not big enough for a whale to eat it's not even big enough to pay a full-time backend engineer, a front-end engineer, a product manager, a designer, a manager. Even if you assume they average about 200k/yr each person, that's 1 million expense per year, while the revenue may at best be this level.
- 2. Giant corporations don't act as swift as indie devs in this niche market there's no such alignment across the report chain. Many corporations have a very typical top-down decision-making hierarchy, and if the initiative cannot get people promoted, especially from the up level, it's very unlikely for them to push this. And when they don't push this, it's therefore unlikely for front-tier teams to pour their energy in this. The most-likely thing, if they do enter this market, is that it's a feature along with a bunch of other features, and it's "good to have", rather than "the company relies on this widget to live".

The downside of a niche market is that it's so small so you have to compete very hard to make sure you attract your paid users, rather than that they go to your rivals in this market. However, a few people talk, fewer do, and fewer execute in a determined manner with full speed, so the most vigilant and hard-working indie dev can still live well in this niche market.

This post is inspired by Alpine.js (https://alpinejs.dev) author Caleb Porzio who earns \$100k doing open-source, and MDStudio (https://bento.me/mdstudio) that makes beautiful iOS widgets.

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