

The Value of Niche Marketing

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by Beverly Flaxington

Beverly Flaxington is a practice management consultant. She answers questions from advisors facing human resource issues. To submit yours, email us [here](#).

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Dear Bev,

I've been an advisor for three and a half years. I was working on a larger team but, for a variety of reasons, I decided it wasn't the right group for me. I have been solo for the last six months. While I believe the solo-practitioner route is best for me, I have a lot of work to do to focus my marketing activities and to figure out the best ways to be most efficient. My wife is my assistant and she is very skilled – she will do whatever I ask. But I'm not exactly sure what to ask of her.



I have a smattering of business owners, doctors and engineers. I'm a geek so I like the clients who want to dig in and understand everything. It means I spend a lot of time with them. I need to figure out how best to deliver the right kind of client service.

I'm starting to market to some big oil executives here where I am based (in Texas), but I haven't got the right traction yet so it is taking away my attention a bit.

I am looking for the one or two top things I could do to get in front of the oil executive audience knowing I am only one person and also streamlining how I deliver the client service once I get them on board.

T.D.

Dear T.D.,

When you operate independently, even with a very competent support structure like your wife, it is important to be focused and efficient. I get the sense you have done a number of things and are considering doing even more. Take a step back and consider what areas of focus will serve you best.

Identify a target or niche market. Why did you decide focusing on oil executives was a good idea? Is this primarily because they are in your geographic area and you know they have money to invest? Generally I would not recommend this for your niche, unless you have an "in" and know people or have current clients with these connections so you can navigate through existing relationships.

You outline your affinity for those clients who are cerebral and like to dig in such as engineers and doctors. Why not focus on those two markets and create a marketing story for the foothold you already have?

I find advisors often will resist identifying a niche market and sticking with it. They say they don't want to miss opportunities, or their skills and talents are applicable to anyone with enough money to take advantage of them or they don't want to get pigeon-holed. These are all understandable arguments but having a niche market allows you to focus – and that's what most advisors need. Once you clearly identify the niche you best serve, you can market using the language that fits their needs, gain referrals more easily by identifying this niche as your "sweet spot" to current clients, find COIs who also work with this niche and generally build a story and a platform focused on the needs of a specific target. It doesn't mean you won't serve someone who is outside of the niche – I had an advisor recently who works primarily with engineers like yourself, his entire website and materials speak to engineers and his process is mapped to the needs and desires of engineers. However, three times in the past month, his engineer clients have asked if he would "be willing" to work with a relative or friends. These three referrals were not engineers and the clients were actually asking him permission to recommend him to others! His approach has created an exclusivity within the engineer community in his area and they are

very loyal to him.

A niche market or ideal client profile does not limit you – in many cases it opens doors for you. Start by clearly defining this, then work with your wife to establish the best client servicing process to meet their needs. Outline your client experience so that prospects know what to expect and clients have a repeatable process they encounter and that they can explain to others.

Dear Bev,

What is the best way to redesign marketing materials to convey our message to a specific audience? We finally finished a project on niche marketing whereby we had everyone on the team establish their focus and ideal client. It was a great exercise and I don't want to share our specific outcome for competitive reasons, but we are clear who we are speaking to and what they need.

Is it possible to weave this into existing materials or would you recommend a wholesale overhaul of everything we have?

A.F.

Dear A.F.,

It's a bit hard to answer this without seeing your existing materials or knowing your new target market and how much it differs from the story you have been telling.

Most likely you can use many of the existing tenets you have in your current story, but then shift the language so it speaks to your audience. You could:

1. Incorporate jargon that is specific to your market – show them you are one of them.
2. Include an outline of the steps you would take that resonate with your market – show them you know how to work with them.
3. Give examples of what you have done and problems you have solved for other similar clients – you cannot do testimonials, but you can do illustrative stories that help your audience “see” what you do and how it has worked in the past

It's likely you would not have to discard everything you have done and that you'd be able to incorporate this new messaging. In the interest of cost, review what you have to see where these ideas fit within your existing approach.

Beverly Flaxington co-founded The Collaborative, a consulting firm devoted to business building for the financial services industry in 1995. The firm also founded and manages the Advisors Sales Academy. She is currently an adjunct professor at Suffolk University teaching undergraduate and graduate students Entrepreneurship and Leading Teams. Beverly is a Certified Professional Behavioral Analyst (CPBA) and Certified Professional Values Analyst (CPVA).

She has spent over 25 years in the investment industry and has been featured in Selling Power Magazine and quoted in hundreds of media outlets, including The Wall Street Journal, MSNBC.com, Investment News and Solutions Magazine for the FPA. She speaks frequently at investment industry conferences and is a speaker for the CFA Institute.