



THE POWER OF NICHE MARKETING

In researching the book, *THE MILLION DOLLAR FINANCIAL ADVISOR*, we discovered that every one of the Top Advisors we interviewed developed a specialization within a niche market. They all started out as generalists, but over time they narrowed their approach and began to specialize. The primary reason they did this was that they found it was a much more efficient way to market themselves. They realized that having an expertise in a niche market is more appealing to affluent individuals and reduces competition among advisors.

The more affluent an individual, the more they want a customized approach to their unique situation. For example, a senior executive wants to work with financial advisors that have both expertise and experience working with senior executives, as opposed to an advisor that works with just affluent individuals.

Financial advisors that specialize reduce their competition because most advisors have not developed a specialization. If a particular market has 1,000 financial advisors, it is very likely that less than 25 of those advisors have developed a deep level of expertise and experience working with senior executives. The advisor that has this expertise has reduced his or her competition by 975 advisors, or 97 percent.

All the advisors that we work with are coached to develop a specialization. I focus on four steps to transform each of them into Master Niche Marketers.

1. Select a Niche Market
2. Preparation
3. Develop a Prospecting List
4. Execute Their Strategy

Select a Niche Market

Every advisor needs to “put a stake in the ground” and determine which niche market they want to focus on. There are a number of ways that the advisor can choose a specialization. The first is to list their top 50 clients on a spreadsheet and put each client’s occupation or stage of life next to their name. Oftentimes the advisor can clearly see if a large percentage of their best clients already fit into a particular niche.

An advisor can also consider their past work/life experience as a niche to focus on. For example, before I became a financial advisor I worked for one of the “Bell” telephone companies. I understood the pay structure, the benefits, knew the “players,” and I had a corporate directory. This turned out to be a perfect niche. When I contacted the executives of Bell South I could differentiate myself and connect to them better than an advisor that didn’t have my level of expertise. Other former jobs with built-in niches include the military, business owners, attorneys, or sales professionals. Divorcees or executives that have lost their job through downsizing are further examples of similar life experience niches.

One lucrative “default niche” that is appropriate for any advisor is helping affluent individuals “transition from the accumulation of assets to the distribution of assets.” This situation covers a specific stage of life that addresses the needs of the “Baby Boomer” generation. There are 80 million Boomers between the ages of 45 – 65, with 10,000 individuals retiring every day. This pre-retiree niche market requires customized strategies that allow Boomers to accumulate the wealth they need which will generate cash flow in their retirement years that is required to maintain their desired lifestyle. The financial advisor who develops expertise to help these affluent individuals will thrive in the coming decades.

Preparation

Developing the expertise required to be a successful niche marketer takes a number of different steps. The first is to identify the experts and specialists that work at your firm who have developed resources for you use in servicing your target niche market. The next step is to interview your existing clients that are in your prospective niche. In essence you can use these clients to create a “marketing board of directors” to give you advice on how best to approach affluent people like themselves. You can ask these clients for recommendations of trade magazines to read, associations to join, books to read, and help you identify the centers of influence in their profession. The last step is to develop a value proposition that is tailored to your target niche market that highlights your unique capability, expertise, and approach.

Marketing Strategies

To leverage your niche market expertise, you need to commit to marketing strategies that enables you to get in front of affluent individuals that are in your niche market. The following are some proven niche market strategies that you should consider. Chose from these strategies the ones you are most comfortable with.

1. **Consider joining industry trade associations that are specific to your niche.** This is a great way to find opportunities within your niche. Focus on a specific geographic region: a national association will typically be of little value.
2. **Read the trade magazines and articles.** This can help you identify money in motion within your niche. These publications typically highlight industry leaders who you can focus on. Choose a specific geographic region: a national publication will typically be of little value.
3. **Industry Centers of Influence (COI).** These are individuals with deep history within your targeted industry. The goal here is to connect with 5 to 10 of these individuals and invite them to a networking lunch where they can provide you with insights as to who the movers and shakers are in their particular niche. You want to explain your value proposition and how you are looking to develop more relationships within their industry. Finish your meeting by finding out whom else in the industry would be highly credible COIs.
4. **Sponsorship.** Be on the lookout for opportunities to sponsor charitable events or industry outings. These opportunities exist for golf outings and other fundraising activities that your niche may support.
5. **Warm calls.** Targeted calls to affluent prospects from your niche marketing list can clearly yield attractive results. Once you’ve begun establishing your brand within the industry you have the basis for a rich conversation.
6. **Referrals and references.** By developing a brand, you will be able to position yourself to ask for specific referrals. Building a reference list of industry leaders is an appropriate way to continue to position yourself within your niche industry.
7. **Professional referral network.** As you speak with industry leaders, inquire about other types of professionals that support this industry. Focus on targeting CPAs and attorneys. Depending on the niche there may be a very rich subset of these professionals who only support this industry and can lead you to new prospects.
8. **Events -** By organizing and hosting events that have specific appeal to your niche is a very effective marketing strategy. It enables you to position yourself as an expertise the participants occupation or stage of life. By inviting your clients that are in your niche they can provide endorsements and validate your expertise to the other non-clients that participate in the event.
9. **Personal Contacts -** If there are affluent individuals that you know personally that are in your niche it is a natural transition to share with them your expertise with their occupation or stage of life and offer to show how you could add value to their current financial situation.
10. **Prospects -** by positioning your expertise with prospects within your niche – you will have a higher appeal than if you are approaching them as a generalist.

Affluent individuals want their financial advisor to understand, have experience and expertise in what they believe are their unique and complex financial needs.

11. **Assets Away** - In approaching existing clients that are in your niche market you can make a strong case for why they should consolidate all of their assets with an advisor that understands their unique and complex financial issues.

BRANDING

Once you have determined what your niche market is, and you have the requisite expertise you need to let the world know that you have that expertise. Branding yourself as that expert is essential and should be done in a formal and informal way. The following are examples of how you can brand yourself and let the world know that you are an expert in your chosen niche

Formal Branding

- Social Media Profile
- Your Website
- Marketing Collateral
- Value Proposition

Informal Branding

- Referral Conversations
- Professional Referral Network
- On Boarding of new clients