



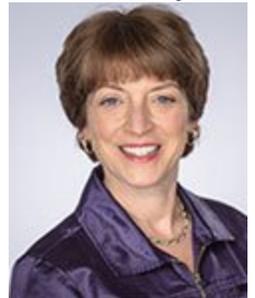
What's the Value of Niche Marketing?

July 26, 2016

by Beverly Flaxington

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The following is excerpted from The Pocket Guide to Sales for Financial Advisors by Beverly D. Flaxington (ATA Press, 2014), which is available from Amazon via the link below.



What's the value of niche marketing? Is it necessary? Will it limit your marketing options? In this week's column, I offer some ideas on how to create a workable niche market for your advisory firm.

Learn more in my bestselling book on this topic.

Identifying your ideal client

Marketers often ask financial advisors to identify their ideal client. They want you to answer the question "Whom do you best serve?" Financial advisors can often point to the clients they enjoy the most, the ones that are most profitable or the clients they want to replicate. But when it comes to target marketing or new business development, they often don't want to be boxed in by defining a specific type of client.

Not just a number

Many advisors will state their desired client as an asset number – "anyone over \$500k in assets" or "we work with those investors who have \$10 million or more in investable assets." But few investors look at themselves as an asset number! Many people don't even know exactly what they have amassed. And, from a marketing perspective, it's quite difficult to create a campaign purely based on asset size.

So why not spend the time identifying, more specifically, the desired client your firm can best serve? It's not about boxing your firm in or limiting your options; it's about clarifying the people or organizations you understand well and can work with effectively, and it actually opens up your options in marketing.

Opening up marketing options

How can identifying your desired client open your options? When you can describe to a client, center of influence or prospect the types of people you work best with, the person listening gains an idea of who they might want to refer to you. It helps them to identify, as they go about their daily lives, those people who are potentially a good fit for you. It also allows you to create messaging and materials that speak directly to the types of people you want to attract.

Talk to ME!

We recognize messages that are tuned to our favorite radio station – WIIFM (what’s in it for me?) – and those messages that are saying something about who we are or what we care about will inevitably be heard more loudly than general information. Consider the difference: A financial advisor who says, “We provide holistic financial planning and have a depth of knowledge creating portfolios to meet long-term needs.” Or a financial advisor who says, “Self-employed individuals wondering whether they should sell their business in order to eventually retire comfortably often turn to us. Our specialty expertise is in working with the self-employed and examining options for their retirement.”

The first pitch could easily get lost amongst all of the other information coming at me in my business and my personal life. But if I am a self-employed person, I will immediately react to messaging that is designed to capture my attention. I will perk up and think about my own retirement planning and whether there are ways to enhance what I’ve done.

Creative marketing opportunities

Financial advisors can use a number of creative marketing tactics, including identifying niche markets, such as parents of young children, doctors, attorneys or small business owners – and then create marketing campaigns around those individuals.

One advisor who works with doctors responded by saying that they are putting marketing information on pill bottles filled with candy. Another advisor targeting families with young children is holding meetings at play spaces so the parents can bring their young children and keep them occupied. A third advisor re-crafted their website to address the needs of attorneys and to use jargon and terms that attorneys understand well. One advisor wrote a book designed to help women in retirement.

The possibilities actually open up after you’ve identified a niche market and a target prospect. It makes developing materials and a marketing campaign so much easier because instead of only seeing the world above a certain asset level, you know where to find the individuals you hope to serve.

Broad or narrow

A niche can be broadly defined, such as “investors in transition,” which speaks to anyone who might be entering retirement, going through a divorce or selling a business. Or a niche can be more narrowly defined, such as “retired airline pilots.” The degree to which you want to define your market will dictate the kind of marketing and messaging that’s appropriate.

Your action steps

As a first step, identify those top 5-10 clients that you wish you could replicate. Describe them. Are there any similarities in how they are described? Consider what they do, where they live, their backgrounds and their needs when they came to see you. Think about stories that emerge from these relationships – what did they need when they first met you? How were they referred? What did you do to solve their problem? Paint a picture, and see if you can connect commonalities.

Review your current materials and determine whether you are speaking to specific types of people, or speaking to anyone who might listen! Define and then refine how you speak to your audience and what you say to them in a clear and concise manner.

Make it about me

As you define the market and create materials and an approach that speak directly to that market, the people you want to attract will come to know you as a specialist in this area. The more I recognize myself in your literature, your approach and even the jargon you use, the more inclined I am to listen. Think about everything you do from the receiver's viewpoint: How will they hear, understand and apply your messaging to what they care about? If you can continue to put yourself in your listener's shoes, you will continue to refine and crystallize messaging that is specific and defined. It's a great way to separate your firm in a very crowded market.

Beverly Flaxington co-founded The Collaborative, a consulting firm devoted to business building for the financial services industry in 1995. In 2008, she co-founded Advisors Trusted Advisor to offer dedicated practice management resources to advisors, planners and wealth managers. She is currently an adjunct professor at Suffolk University, teaching undergraduate students Leadership & Social Responsibility. 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.