

Developing Your Target Niche or Market

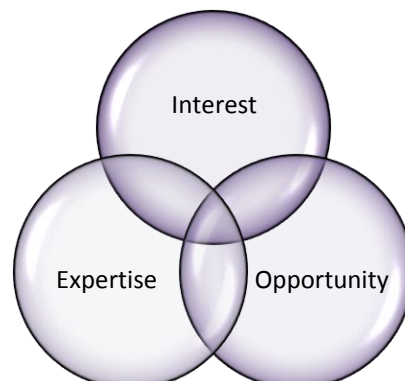
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Understanding or selecting a niche or target market will increase your chances of growing a book of business organically. That can feel like a lot of pressure when you're just getting started, but that's perfectly normal. The only way to move past the discomfort and fear is to make the best choice you can right now and get started, adjusting your plan accordingly as you learn more over time.

Your focus should have three main qualities if your goal is to eventually make money from qualified referrals:

1. You should have interest in the market or niche
2. You should have some expertise in the area (and a desire to build more expertise with time)
3. There needs to be opportunity within your marketplace

You've probably seen this in a Venn diagram like this before:



If you're like most people, the two areas you may be the most worried about are your expertise and opportunity within your marketplace. That's because it can be so easy to understand what excites us or what we have an interest in. For that reason, we will dive into interests later. To start, let's tackle opportunity.

Is there opportunity within the marketplace for the audience I would like to serve?

It is important to focus on market segments and niches that are large enough to produce the volume of new business that you may need to hit your numbers but small enough that your competition may overlook it. If your focus is too broad, it will make it harder to become an expert in your field as you continue to understand all the issues facing your target audience. Start small and be laser-focused. Later, as you become an expert in that niche, you may decide to expand your book of business into similar industries or product lines.

To begin an evaluation of the opportunity within your marketplace, look at the local area in which you plan to work. Are there existing niches? For instance, is the firm located near a manufacturing hub focusing on a select group of industries such as steel or production? What about residential neighborhoods? What is the demographic of those living in the area? Niches can become very obvious early on with some market research. Consider how you can leverage these niches to develop your own unique specialization or target market.

Another great area for target market research is industry/trade associations. These are groups of like-minded individuals who serve your ideal prospects. These groups may be willing to enter into an agreement with vendors so that their members can have access to special deals for products and services, such as insurance. If you find a target market without an association, there may be an opportunity for you to begin an association or affinity group on your own, therefore, collecting a captive audience quickly.

Finally, be sure to review your agency's capabilities. If you find a target market you wish to pursue, there may be a reason why your agency is or is not already targeting that market. Speak with coworkers and carrier representatives to get a better understanding around the history of your marketplace. If the agency does not have the products your target market is seeking, check with the various insurance companies to see who might offer policies for that market or niche. There may be a good chance some carrier offers a customized program. If it is a large national or regional carrier who offers these services, it may be accessible to other agencies as well. See if you and your agency can get regional exclusivity for a company program.

Where does your experience reside?

Next, it's important to look internally and understand where your experience lies. Expertise is one of the most valuable assets you can have in understanding how to grow your book of business organically. The more you know about a market or niche, the wiser you will be when developing customized solutions. That being said, it doesn't mean you're absolutely ruled out of a market segment or niche just because you lack expertise. There is just a strong correlation

between the amount of knowledge you have or learn about a market or niche and your ability to offer a comprehensive and customized solution.

To understand the areas in which you have expertise, look into your past. Is there an industry you previously worked in that might offer opportunities for referrals? Perhaps your spouse or a family member has a strong connected network. Hobbies or outside activities are also key factors in understanding where your skills sets are. Can you speak and understand jargon specific to that area of focus? Your hobby may equip you with unrealized subject matter expertise that could help you make a strong first impression with prospects.

Much like a resume, spend some time writing down your areas of expertise. For now, it doesn't matter how obscure or specific your expertise is; it is just important to outline all of your past experiences so you can see if there are any areas of focus which may help in your hunt for that perfect market or niche.

What are your interests?

One of the greatest things about working in the insurance industry is you get to wake up and focus your energies on an industry that interests you. For this, we are going to do a fun exercise:

Take out a piece of paper and write down at least 15 people or organizations who you would love to work with. If you can list more, even better!

Once you have that list, take a second piece of paper, and using that list of people and organizations, write what attributes attract each person or organization to you. Why would you love to have them as a client? What about that person or company excites you? What is it about their product or solutions that drive you to want to partner with them?

Are there any patterns that are becoming evident? If so, great. If not, you may need to dig a little deeper into your list. Not every organization or person you list may fit perfectly into this mold either, so you may have to go back and refine your list by adding or removing those items which don't fit the pattern.

This secondary list should help you find common patterns around your interests or what motivates you. Nothing makes working easier than waking up to a job that motivates you!

Tying it all together:

Leverage the information you have just collected above to develop an ideal market or niche, keeping in mind that sweet spot between interests, opportunity, and expertise. And, while I won't go into the process during this challenge, it is here that you will want to build advertising and sales material focused on your specific unique niche or market. It will be much easier to plan effective marketing strategies after going through this process.

By knowing your target market or niche, you will be able to tailor your message to those who might offer opportunities to provide you with qualified referrals as well.

About the Author

Matt O'Neill is Chief Experience Officer at Beyond Insurance. He is the authority on developing creative systems, design, and technologies for accelerated transformation. He also serves as project manager for the Beyond Insurance e-learning platform.

Matt is also a trainer and coach working with mid to large-sized organizations on differentiation, competitive analysis, and maximizing overall sales performance through innovative solutions and programming. Matt uses his graphic design and digital media talents to bring the ideas generated by the Beyond Insurance team to life while serving as point person for the Beyond Insurance digital marketing strategy, new product development, and their agency benchmarking program.