NIP group

GUIDE TO LAUNCHING A NEW INSURANCE PROGRAM

Insurance Niche Marketing Guide

This guide will help you learn best practices for insurance niche marketing!

If you're like most insurance agencies, you're on a continual quest for differentiation - finding just the right strategy to ensure that your agency stands out and is distinct from the hundreds of other agencies that you're competing with. How do you get an edge up on your competition? There are no quick promotional campaigns or gimmicks that will do the trick, but there is one solid strategy that can help your agency grow and establish a loyal, long-term customer base: insurance niche marketing.

What is an insurance niche?

An insurance niche is a group of customers or prospects who share certain commonalities, exposures, and needs.

An insurance niche could be built around a product line or specialty insurance that addresses a specific client exposure – think cyber liability, workers' compensation, Medicare, and bonds, for just a few examples. Specialty lines can get specific and granular. For example, one niche that we offer through NIP Group that spans multiple types of businesses is Height Exposure Coverage. Often, insurance specialties are supplemental products that fulfill a need for your current clients or can be a stand-alone product to attract new prospects. If you develop expertise in insurance coverages, they can serve as a foot-in-the-door product leading to the potential for a deeper client relationship.

An insurance niche can also be comprised of specific industry sectors. These might be fragmented, underserved, or emerging industries with unique exposures that require non-standard insurance coverages. Usually, these are businesses that need tailored solutions specific to their exposures rather than just the coverage afforded by standard Business Owner Policies, with a few specialty coverages tacked on.

Focusing on an insurance niche can help build your agency's authority and differentiate you from your competition. Your niche expertise allows you to assume the role of a financial consultant and business partner, particularly if you develop risk assessment and risk management services. The deeper you know the industry, the greater your value to the clients in that industry.

Niches have the added advantage of scale, allowing you to market and service your business without a substantial increase in staff, marketing, and other expenditures. Plus, insurance niches are a great way for you to break through geographic constraints – developing a niche can be a great entry to a new state or a new region. If you develop enough expertise in your niche, it is a way to promote your brand expertise to a broader geography than your agency might normally reach.

How do you identify an insurance niche for your agency?

Your best niche might be in your book of business right now. Many agencies have a few industry sectors that they write heavily or a specialty product or two, but they aren't maximizing the potential with a concerted marketing focus. Do you have a critical mass – or could you build one – of any specific industry groupings in your book, such as churches, condo associations, municipalities, home-based small businesses, nonprofits, golf courses, or contractors? Think about where your interests and expertise lie. There's your first step.

If you can't identify a niche in your current book or you'd like to branch out, that will require market research and keeping an eye to the future. Read about and understanding emerging industries and trends is a great way to identify a potential sub-industry. Many agencies spotted the shift to cannabis legalization early and got in on the ground floor of marketing to an emerging retail sector.

Right now, smart agencies are looking to environmental and green industries or sectors that might benefit from planned federal investments in infrastructure. Talk to your insurance partners about fast growth industry sectors and which industries show strength and weaknesses post-pandemic.

Read reports from industry consultants. Social media is also a good place to spot trends and take the pulse of younger buyers. Look for emerging exposures and sectors with growth potential. The more unique the niche, the better, provided it has a sustainable mass of potential clients.

Lining Up Your Risk-Bearing Partners

Once you've identified your insurance niche(s), it's imperative to ensure that you have a servicing insurer – preferably, more than one.

If you don't have a strong relationship with carriers that can service your insurance niche and handle the associated exposures, you won't get far. Dig a little deeper into your existing carrier capabilities to learn their specialties, their appetite for your target niche, their underwriting criteria, and what support services they might offer.

If you have a target niche but not the insurers willing to write it, don't give up. Look for a specialty insurance program manager or a managing general agency (MGA) to find potential partners.

Insurance program managers and MGAs have established relationships with carriers with varying levels of authority to act on their behalf. They often specialize in servicing niches with specialty insurance programs.

In other words, they've done a lot of the work for you. Some program managers offer additional services that would be beneficial to an agency, such as risk management, technology, and marketing support.

Profiling Your Niche Buyer

Who are you talking to when you are selling insurance to your niche? Are you talking with the final decision maker, also known as the check writer, or are you dealing with an intermediary?

In a smaller organization, you want the attention of a principal, and in a large organization, it might be the CFO or some other principal. It's important to really know your buyer. The common way for doing that is to develop an aggregate profile or a buyer persona.

You need to know as much about the prospective buyer and their buying behavior as possible. Having a clear vision of your buyer helps you tailor your marketing strategies and messages more effectively.

Some of the things you want to learn from them include:

- What are their pain points? What exposures keep them awake at night? What problems are they trying to solve?
- Who/what are their influencers? What business and industry publications do they read? What associations do they belong to? What social media channels do they use? Do they attend industry events, and if so, which ones? Who are industry thought leaders they admire?
- How do they currently shop for and buy their insurance coverage? What are the actual phrases or words they use in searching for relevant insurance online? What is their process for making a purchase decision?
- Who are your competitors? It doesn't matter if you think they are or not – find out who or what your prospects think of as potential solutions to their problems.

It's possible that you may have more than one type of buyer for your niche and you may need to create more than one persona. Thinking of the Height Exposure Coverage niche that we serve, a buyer from a tree service company will be vastly different from cell phone tower contractors in terms of needs, exposures, influencers, and decision making. To market effectively, you would need separate personas.

One method for creating your prospect personas is to conduct interviews with people in your target industry. Start with any of your current customers in that industry. You can also conduct research at trade shows, via one-on-one interview calls, in focus groups, or via electronic surveys.

Be honest and upfront about your purpose: you are conducting research to learn more about the needs of their industry and the people who work in it so you develop the best, most responsive services that will meet their needs. You might offer a donation to a charity for their time.

Develop Your Insurance Niche Business Plan

Going through the discipline of building a 3-year projected business plan will help you think through any issues, anticipate potential problems, and demonstrate seriousness and credibility to your partner insurers. A business plan typically would include:

- An executive summary. State your objectives and briefly describe key information about the plan and how it fits in your overall agency strategy.
- Market analysis. Define your target market in terms of scope and geography. Include your detailed target profile (buyer persona). Talk about the competitive landscape.
- Product description. Define the niche you will service, the products that you will sell, and the competitive advantages your agency offers. Talk about what problems you will solve for your niche and your unique value proposition.
- Start-up costs and operational issues. Discuss staffing needs, sales and service training in the niche industry, technology needs, marketing collaterals, and any other associated costs.
- Marketing plan. How will you communicate with and target your prospects? What is your lead generation and your sales strategy? What sales funnel do you need to reach your goals? Establish a timeline with measurable goals.
- Service Plan. Discuss a service plan that will lead to client satisfaction. Map out a service plan and schedule. Factor in upsell and cross-sell potential.
- Growth projections. Map out income statements, balance sheets, cash flow projections for the first year and at least a few subsequent years.

Insurance Niche Marketing

Concentrating on a niche gives a greater focus to your marketing and lead generation activities than the generalized marketing you conduct for your personal/business lines marketing. While the number of prospects is smaller, there are commonalities that will allow you to target those leads. Your goal is to dominate the niche. You want to earn the "go-to" position when it comes to that niche's business insurance.

Before anything else, make sure that you train your sales and servicing staff in the industry sector you are targeting. Not everyone needs to be an expert right from the get-go but hold at least a few training sessions to educate your team about the industry, the way it operates, the exposures, and the coverages that you will be selling to this niche.

Next, whatever your industry niche, you need to establish a presence where they are:

- Subscribe to leading industry publications and e-blasts. Read them regularly and share them with your sales and service team.
- Connect to industry groups on social media. They are out there on Twitter, Facebook, YouTube, and especially LinkedIn. Join, engage, and interact.
- Attend key industry trade shows and events. Research the potential for exhibiting or sponsoring events so that your agency establishes a presence, but at the very least, commit to attending and engaging in strategic networking. Don't leave things to chance – plan out meetings and connections in advance.

Tailor Your Web Presence to Your Insurance Niche

Start with your agency's website. If your site looks like a general personal/commercial lines agency, you'll need to modify it to give your niche business a prominent focus and a dedicated section of your website.

Make sure you show up in the search engines for your niche for relevant keywords and the questions / problems that people in that industry would search for. Consider investing in search engine optimization (SEO) services from an expert so that your website is search-friendly and that your online content efforts are correctly targeted.

Establishing your insurance niche authority begins with content on your own site and builds outward. Tailor your content. We all want to read about ourselves, our job, our business, our industry, and our interests. Start a blog on your website as a content hub for your target niche. Focus on industry topics, developing relevant, interesting, shareable content. Distribute that content via social media and direct mail. Repackage it in hard-copy handouts, brochures, and leave behinds, as well as in white papers and letters you can use in email campaigns. Have calls to action on all content.

Establish your niche on social media. Even if your agency already has social channels, you may want to launch niche-specific social channels to focus your content. Post your relevant content, but make sure that you interact. Businesses are often static and one-sided with their social presence. Follow people, share, and like their content. Your presence should be interactive.

Generating Niche Leads

Once your staff is trained, your website has been updated to reflect your new niche, and your outreach on social media is in place, you need a lead generation strategy.

- Develop an email list. Start with any clients that you already have. Check for industry email lists that you can rent or purchase – they are sometimes available from trade publications or events.
- Hold webinars. At one time, this was a costly proposition but with online meeting software, it's much easier and more cost effective to host industry-specific webinars. Some could focus on risk management topics, but don't be afraid to bring in authorities on other key topics to participate with you. Promote the event on your blog and your social media channels. Issue invitations via your mailing list.
- Build a referral network. Identify respected vendors and service businesses in your niche industry and establish a mutually beneficial referral program.
- Consider advertising. Advertising can get expensive quickly, but it can be a great tool for building your brand and generating leads. Test ads in trade publications, particularly around special events. Test social media ads and search pay-per-click ads, which can be finely targeted by geography and interest and allow for budget limits.
- Conduct emails and drip campaigns. Build profiles of email list members so that you can segment and target your email messages. Everyone might get blog posts, white papers, and invitations to webinars, while prospects would be targeted with sales mailings and current clients with satisfaction surveys and renewal notices. For prospects, conduct drip campaigns. These are a planned series of emails with specific calls to action based on where the prospect is in the sales cycle. Understanding where your prospects are in the sales cycle and how the content that you are producing adheres to the various stages is crucial in your effort to convert leads into opportunities.

Continually Build Your Brand's Niche Authority

The quality and depth of your content can go a long way in terms of establishing your brand authority, but there are some other steps you should take:

- Seek speaking engagements at trade shows and industry events. Research topics from prior events, talk to the meeting planners, and submit relevant topics. Hint: Attending, advertising, or sponsoring some facet of the event increases your chance for getting a slot. Focus on local and regional events, as well as national ones.
- Author risk management articles for niche industry publications. Look for the publication's editorial calendar and guidelines and submit article ideas for prior approval.
- Issue press releases. When you have noteworthy agency developments, issue press releases to business and trade publications. While there are fewer and fewer print outlets, be sure to release digitally so that you benefit by online distribution and links back to your website. Be sure to share any releases on your blog, social media, and via your email lists.

When Targeting an Insurance Niche, Don't Do It Alone!

Growing a niche requires the right insurance partners, the right solutions, the right technology, and deep sector expertise. Finding the right insurance markets for your niche can be a challenge — but you don't have to do it alone.

NIP Group is a market leading wholesale brokerage operation serving 25 niche industries. We target non-standard commercial risks underwritten by admitted and non-admitted specialty carriers. Learn more about the niches that we serve and ways that you can leverage our expertise in placing and servicing complex risks through relationships with global insurance markets. Our philosophy of providing ingenuity in insurance has established us as one of the nation's most respected specialized business insurance and risk management intermediaries, and a recognized leader of innovative insurance solutions.

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