

Unit 5: Finding and Developing Your Markets

Pre-Class Assignments

- Read this unit and complete the quiz.
- Locate Guardian's Marketing Library on GOL. Search for some marketing materials by name, by topic and by publication number.
- Review the Market Survey in the Appendix.

Unit Purpose:

The purpose of this unit is to discuss the differences between prospecting and marketing, then to help you to identify and qualify a target market, and develop a marketing game plan.

Unit Topics:

Section I: Prospecting vs. Marketing

Section II: Why Target Marketing?

Section III: Identifying and Qualifying Target Markets

- A. Market Research
- B. Market Surveys
- C. Qualifying a Market

Section IV: Create Your Marketing Game Plan

- A. Sample Market Development Plan (by Quarter)

Section V: Market Development & Sales Success

Unit Objectives:

After completing this unit, you will be able to:

- Describe the differences between prospecting & marketing.
- Identify and qualify your target DI markets.
- Create a DI Marketing Plan
- Execute your DI Marketing Plan

Section I: Prospecting vs. Marketing

Disability insurance is the ideal product offering to get you front and center with high potential markets. Why? Because our DI products were designed specifically for the most desirable professional and executive occupational groups. What's more, we provide you with extensive DI-related marketing tools and support geared to these markets.

Finding enough of the right people to see on a favorable basis is your greatest challenge in this business. In fact the biggest reason for failure is not having enough of the right people to see. You have probably heard the following: "The most successful agents are not necessarily the greatest salespeople. But they are great prospectors." Now, substitute the word "marketer" for the traditional term "prospector."

Traditionally prospecting has been thought of as getting names of people and figuring out how to get in front of them. Marketing is a much more powerful and sophisticated concept. It encompasses all aspects of identifying people with whom you can be successful, creating a positive presence for yourself among those people and gaining access to them. In short, the goal of marketing is to warm the environment for sales.

In this unit we will discuss how target marketing can help you to become more focused and efficient in building the relationships you need to succeed. You will learn how to select, qualify and develop markets that have the most potential for you.

Section II: Why Target Marketing?

To begin with, understand that the term "target market" refers to people, not products. There is no "disability insurance market." And we are not talking about the "total market" of people who may have incomes that enable them to buy our products.

A target market is a definable segment or group of people who have common needs and concerns, and who network and communicate with one another. That makes it easier for you to gain access to them and build relationships.

Why target marketing? As you know, we are all bombarded continually with information and "messages." Given the competition for peoples' attention, you must find ways to differentiate yourself and to become visible among the people with whom you want to conduct business. The target marketing techniques we'll discuss enable you to do so.

Target marketing also helps you to focus your prospecting and image-building efforts. It will make you more efficient in allocating the precious resources of time, money and energy required for building a reputation and developing a strong network for referrals.

Target marketing techniques help you to identify, qualify and understand a specific market. Only then will you be able to develop your unique value proposition to complement their preferences and concerns. If you understand the needs and concerns of a market, then your discussions with members of that market can reflect your understanding, which in turn builds trust.

As you gain expertise about a market you will become known as a true resource to members of that market. This means not only meeting needs that you can address directly, but connecting members of the market to other service providers to meet the needs you uncover in the course of your work.

Cultivating a particular target market is, above all, a process that takes time to yield results. You don't merely decide something such as: "I'm going to specialize in doctors." In the following sections we'll break down the steps in that process, to help you maximize your chances of success. Keep in mind that target marketing will be initially only part of what you do—along with your normal prospecting, selling and referral-gathering activities. Over time, as you make inroads into your chosen markets and achieve sales success, target marketing activities will become most of what you do.

Before going further, you should consider the fact that target marketing is often most effective when carried out as a team effort. There can be real "power in numbers" if you work with a relatively large local market. You will want to discuss forming a strategy with your manager, DI Specialist, and Marketing Director to determine what will work most effectively for you.

Section III: Identifying and Qualifying Target Markets

The first steps in identifying potential target markets are simple and natural:

- Look at your book of existing clients. Among them do you find "cells" or "nests" of professionals, business owners or executives?
- To which community groups, organizations, associations, or clubs do you belong? These may be promising "lifestyle" market groups for you.
- In your area, which high potential affluent markets (or occupational clusters) stand out to you? Think especially of ones to which you may have entrée, e.g. through a relative or friend.
- Look at your last two dozen sales. Where have you had success?
- Ask yourself: "What types of people do I like doing business with?" Do not underestimate the importance of this question. To be truly successful you must enjoy being around the people who become your clients.

Your objective is to identify a few potential markets. As you work through the process you will reduce the number of markets to pursue to only one or two.

A. Market Research

The next step is to research potential target markets in your locale. (Don't be put off—market research is not rocket science!) There are two types of market research, and it is important that you use both:

- Secondary research—a scan of information that already exists.
- Primary research—what you yourself uncover about a market.

Some of the specific information you will want to know in order to understand and assess a potential target market includes:

- Size of the market
- Income levels of market members
- Numbers of businesses or professionals within the local market area
- Educational and professional background (i.e. degrees, training, certification required; schools from which members graduated)
- Association or organization to which members belong, and the benefits typically offered to members (e.g. newsletter)
- Profile of businesses in the market: business structure (private practices, corporations, etc.), number of employees, profits, years in business, typical benefits offered
- Who the decision makers are within the business
- Publications read by members of the market
- Competition with the market
- The health of the industry or occupation locally and nationally (e.g. young or mature? growing or plateaued?)
- Hot button issues and areas of interest and concern to members of the market. (This item is critical if you are to “speak the language,” gain the confidence of members and become a recognized resource.)
- The leaders and key players in the market
- Other advisors and experts who work with members (e.g. attorneys, CPAs)

Much of this information can be accessed through the Internet and sources at your local library. To get started you can also use Guardian’s Market Research Reports, which profile the following occupational target markets:

- Anesthesiologists
- Architects
- Attorneys
- Banking Executives
- Chiropractors
- Computer Software Engineers
- CPAs
- Dental Specialties
- Dentists
- Engineers
- Entrepreneurs
- Gen Y
- General Practitioners
- LGBT
- Mortgage Brokers
- Nurse Practitioners
- Obstetricians
- Optometrists
- Pharmacists
- Physician Assistants
- Physicians
- Psychiatrists
- Real Estate Professionals
- Teachers
- Veterinarians
- Women Business Owners

View these reports via GuardianOnline → Marketing → Market Research → Market Research Reports

B. Market Surveys

The next step is to conduct local market surveys. A market survey is a “favorable basis conversation,” conducted in person, to elicit more detailed information about a target market, including the identities of local “movers and shakers,” key financial concerns, key industry concerns, other advisors commonly used by the market, associations, publications and key local events. You will want to select five to seven people who are willing to talk with you about their profession or industry.

The market survey is a powerful tool to help you determine if a market has the potential to provide a good return on your investment of time, energy and money. In addition, these conversations benefit you in many ways. Market surveys:

- Position you as someone who is focusing on and specializing in a market.
- Place you face-to-face with members of the market on a favorable basis.
- Help shape your understanding of the market, enabling you to “speak their language,” identify common needs and concerns, and from there, identify marketing and sales opportunities to reach the market.
- Help you identify centers of influence—movers and shakers as well as advisors who also specialize in the market.
- Begin to plant the seed about who you are and what you do.
- Help you to obtain high quality referrals.

As you go forward, market surveys also provide a way to help you stay current with issues important to your market. Become familiar with the sample Market Survey in the Appendix.

C. Qualifying a Market

Market surveys and other means of research help you learn about a potential target market. Only then can you evaluate a potential market to determine if it is a viable market and a good fit for you. Here are some questions that can help you do so:

- Do you have clients within the market?
- Is the market of sufficient size and concentration to support your prospecting and sales?
- What’s the health of the industry or group?
- Do members of the market have means of networking and communicating, so you can reach them, and in turn, they can spread the word about you?
- Do they have common needs and concerns? Knowing their issues helps you to formulate your value proposition for the market.
- Do they have a need for your products and services?
- Are they decision makers with the means to buy?
- Does your agency already have a reputation in the market?
- Do you enjoy working with these people?

It’s important to recognize that it’s okay to say “no” to a market. The objective of all your marketing efforts is to set yourself up to win. If your research suggests that a market is not a strong candidate, do not be afraid to say “no go.”

Section IV: Create Your Marketing Game Plan

Once you have done your homework and qualified a target market, your next step is to bring together everything you've learned into a game plan, so that you can begin to act. Your next steps are:

- Develop a suspect/prospect list of members of the market.
- Create your own "10 Most Wanted" prospects from the aggregate list.
- Begin prospecting activities to introduce yourself to members and their key advisors.
- Join the market's local organization, attend functions, and participate (e.g. on the membership committee)!
- Continue market surveys each quarter—to keep current with issues of concern and new developments in your target market.
- Create a sales and marketing plan; this must include specific activity and sales goals, as well as the tactics and tools that you will use to promote yourself and reach out to members

It is important in all this that you "meet yourself where you are." Understand that developing target markets is, at the beginning, only part of your business, not the entire focus. Your efforts must be manageable and doable, in the context of your other prospecting and sales activities.

The tactics you might use to develop your markets include:

- Direct mail pieces
- Wave mailings
- Creating a brochure about your specialization
- Byline articles for the association newsletter
- Seminars
- Referrals

Your research will help you decide which might be best to pursue, or not, depending on the habits and preferences of the market. So, for example, if the group has a newsletter, but your market surveys repeatedly uncovered that no one reads it, you'll want to think twice about putting ad dollars or PR efforts there. On the flip side, if the group's annual spring golf outing is THE event of the year, you'll want to be sure to develop a presence around that opportunity (e.g. sponsoring a hole, providing promo hats, ties, etc.).

Evaluating Your Marketing & Prospecting Tactics

Cold: Direct mail, prospecting letters, market surveys

Warm: Attend organization meetings and network; contribute by-line articles to industry publication

Warmer: Place ad in industry pub or newsletter; devise wave mail

Warmer Still: Host seminar, teach at a school, booth at trade show, or support the organization's special event

Warmest: Referrals; these are much easier to obtain (and more effective) when you have "warmed" the market through a mix of the preceding tactics.

Your marketing and communications plan might include any or all of the tactics listed here. One might say that the overall objective is to "make you famous" in your chosen market. Any successful marketer will tell you that the magic is truly in the mix of tactics.

Fortunately you don't have to create your marketing and prospecting tools from scratch! We have a variety of compliance-approved materials in various formats in Guardian's marketing library. And don't be afraid to offer client seminars. Guardian provides you with several easy-to-learn seminar presentations, available through *GuardianOnline* → *Products* → *Disability Insurance* → *Presentation Materials* → *Consumer Seminars*

Work with your agency's DI Specialist and Marketing Director to develop a realistic plan. Your plan must include a budget, as well as a marketing calendar to keep you on track and help you to hold yourself accountable.

A. Sample Market Development Plan

Consider something like the following sample market development plan, organized into four quarters of activity. You will notice that the first quarter is devoted to laying the groundwork we have just discussed.

Quarter 1:

- Review client base
- Pre-select market
- Obtain market research
- Conduct 5-7 market surveys
- List key players, advisors and organizations
- List key publications and vendors
- Ask for recommendations
- Qualify market by size, accessibility, need/means

Quarter 2:

- Get calendar of events from local organization
- Attend meetings as guest; meet program chair
- Create suspect/prospect database
- Survey prominent advisors
- Investigate media contacts
- Create value proposition for market

Quarter 3:

- Wave mail to prospects—then call
- Consider ad in trade publication or newsletter
- Speak at organization meeting
- Contact editors to submit by-line articles
- Volunteer at industry event—ask for welcome or “new member” assignments
- Meet with key vendors—add to list

Quarter 4:

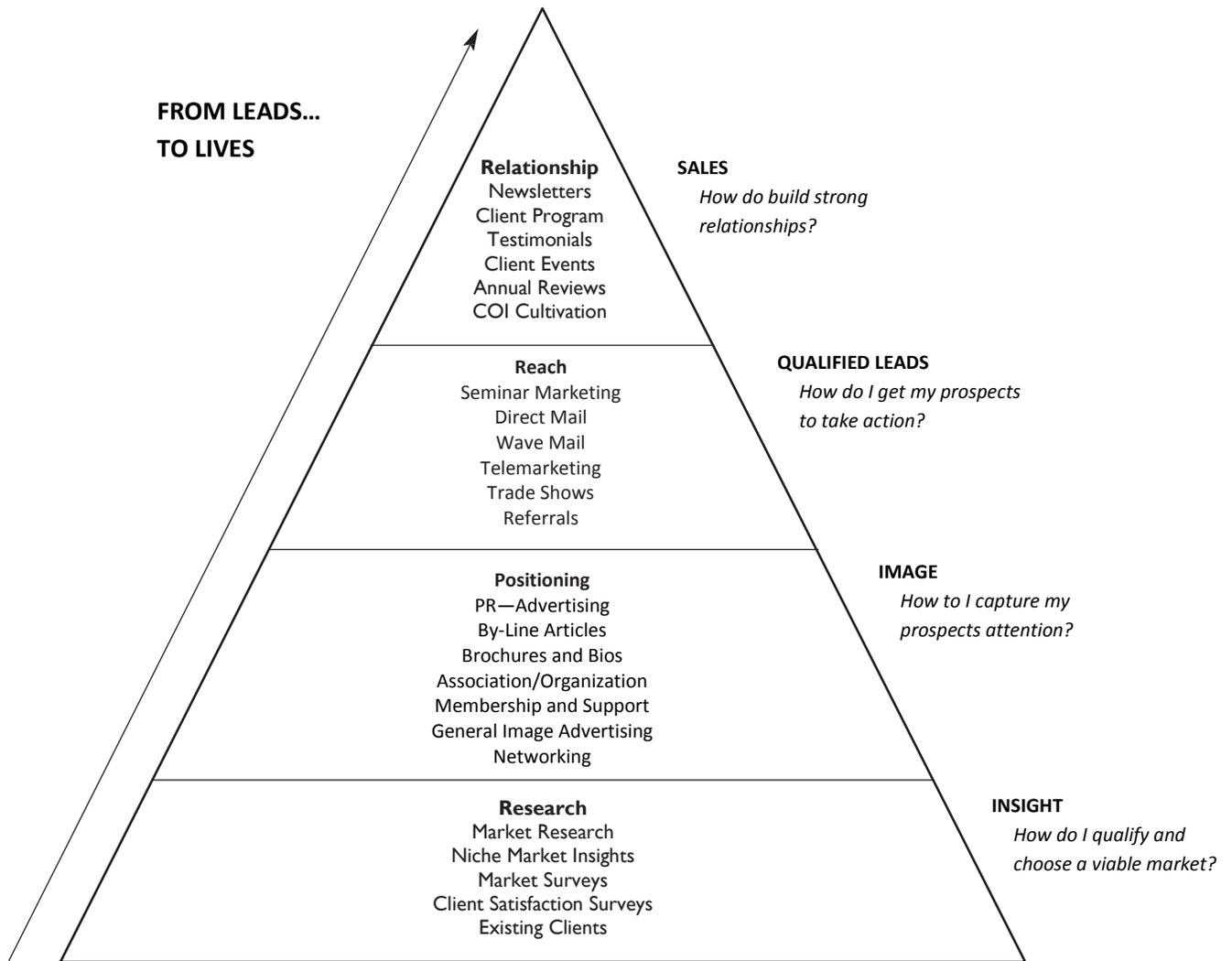
- Plan joint seminar with key advisors
- Gear marketing efforts around the seminar
- Mailing of seminar invitation
- Follow-up phone calls to urge attendance
- Reminder notice before seminar
- Any ads reference seminar, with “call to action”
- By-line article that features the seminar topic (e.g. buy/sell agreements)
- Reference the seminar on your pre-approach or client letters, email signature and your fax cover sheet
- Plan seminar sales follow-up

Section V: Market Development & Sales Success

Your investment in marketing and communications activities will build as you have sales success in the market. Obviously you have to give your market development plan time to work. But you want to set some sales benchmarks within your selected market along the way. These will help you determine if you are getting a good return on your marketing dollars and time. Work with your colleagues and advisors to set benchmarks, for example:

Time Frame	Total Sales to Date
End of Quarter 1	1—3
End of Quarter 2	3—5
End of Quarter 3	5—10
End of Quarter 4	10—15

Never forget that the goal of target marketing is to “warm” the market for sales. By gaining insight into the people and groups with whom you want to do business, you discover how to most effectively position yourself and build your image. In turn, you will be able to more successfully reach out to members of the market through seminars, trade shows, direct mail and referrals. Finally, these tactics will lead to your goal of establishing strong, mutually beneficial relationships with clients and advisors. Consider market development as a pyramid such as the following:



Marketing Keeps You In Sales: Once again, the goal of marketing is to warm the environment to help you make sales. Successful marketing requires a disciplined approach to identifying and accessing the people with whom you want to do business.

In the next unit you will learn about our special DI marketing programs and sales approaches. These will help you to use our disability products to meet specific needs of the professionals, executives and business owners you work with every day.

Quiz

1. List three characteristics of a target market.
 - a.
 - b.
 - c.

2. Why is it important to learn the “language” of your target market?

3. Which of the following questions would you not ask when beginning to identify a potential target market?
 - a. Who are my best clients now?
 - b. What occupational groups in my locale are thriving?
 - c. To what organizations or community groups do I belong?
 - d. How much insurance do my friends own?

4. There is so much information available on the Internet and in libraries that I don't have bother going out to conduct market surveys.
 - a. True
 - b. False

5. Which of the following groups is most likely to be a viable target market for your products and services?
 - a. Anyone who works for the area's large manufacturing companies.
 - b. Members of the local bar association.
 - c. All people who work in the health care industry in your city.

6. You have now qualified and chosen a target market. List three important “next steps” you should take.
 - a.
 - b.
 - c.

7. Where can you find marketing support materials offered by Guardian?

8. Why do marketing tactics such as market surveys, participating in the local organization, seminars and newsletter articles make it easier to obtain referrals?

9. Give two reasons why the following statement is true: "Success has a plan."
 - a.
 - b.

10. You have spent six months cultivating a target market, but have made no sales to date. Which of the following would you do?
 - a. Ask your sales coach to review your telephone and opening meeting techniques.
 - b. Ask colleagues who have clients in this market what their experiences have been.
 - c. Evaluate your sales activity; are you getting enough appointments?
 - d. Keep doing the same things you have been doing.