

Small But Mighty Agency Podcast

Episode 103: 5 Advantages Niche Agency Owners Are Capitalizing On Today

Speakers: Audrey Joy Kwan

Audrey Joy Kwan

Here's a topic that might seem overdone but is more relevant than ever: its the power of niching.

If you're an agency owner feeling stuck or plateaued, this episode is for you.

We'll explore the five key advantages niche agency owners are capitalizing on today.

It's harder to be a generalist in the market than a specialist right now because unless you are known for something, it is hard to get through all the noise.

When you can't break through the noise, you're casting a wide net and hoping that something catches, and that's not an effective strategy.

Instead, focus creates impact, and owning a niche can significantly transform your business into one that is more streamlined and stands out.

If you've been hesitating to niche due to fear or uncertainty, you'll find practical insights in this episode to help you overcome the obstacle.

The way to win is to carve out your unique space in the market and grow your agency more profitably.

In this episode, get the key advantages niche agency owners leverage in a noisy market for substantial and sustainable growth.

Stay tuned, and let's get started!

Audrey Joy Kwan

Welcome to the Small But Mighty Agency Podcast. If you're a marketer or consultant, or a creative on a journey of growth from solopreneur to agency owner, follow along because I pull back the curtains on the realities of growing and running a scalable,

service-based business and building lean team. I'm your host, Audrey Joy Kwan, I know what it takes to build an agency, whether it's from solo to three, five or twenty. I've done it, including supporting an agency owner to sell and exit. I've coached and consulted over 120 marketers, creatives, and consultants. And I've been behind the scenes of seven figure businesses. I also have a master's degree in communications specializing in organizational development. All this to say, I know what it takes to grow lead and operate a multiple six, and seven figure small but mighty agency. And here on this podcast is where we'll dive right in.

Audrey Joy Kwan

Hey Friends, before we get into the episode, and if you've been listening for a while, you know I like to get into things. I'm not a time-waster.

But before we dive in today, just a few things I want to share with you. As we head into the Summer season – we're going to a bi-weekly schedule with the podcast, which means I will release new episodes every other week.

This summer, my team and I are excited to bring our network and community, Agency Together, to you all. Agency Together is a curated referral network that helps niche agency owners get more referrals through strategic collaborations.

While the podcast is going to be bi-weekly, I am not going on hiatus or a summer sabbatical. Quite the opposite, I am working closely with my Agency Together Community and our one-to-one clients throughout the summer.

If you want to work with me, those are the two ways you can do it right now. In the show notes, I'll link more info to our Agency Together community and share a link to book a consult with me if you want more high-touch strategic advisory and coaching for your business.

So back to this episode...

I often think that "niching" is so mainstream that it doesn't need another blog or podcast episode.

And here I am approaching the topic again because I've recently had conversations with agency owners who are plateaued and competing for general attention and trying to cast wide nets instead of being specific.

If you market generally to everyone, like the saying goes – you’re throwing spaghetti on the wall and hoping it sticks. Instinctively, as a marketer, you know that—focus creates impact—but because of fear or uncertainty, you continue to hesitate to own a niche.

Your niche is ready for picking if you’re a service-based agency that has been in business for at least two years, which is most of my newsletter readers and podcast listeners.

So, how do you pick?

Let’s look at your current client portfolio and identify the top 20% across the two years that have generated the highest revenue in your business. These are the clients that your team can consistently generate results for, and it’s the clients who generate 80% of the revenue in your business.

The popular 80/20 rule applies. In other words, 80% of results come from 20% of activities. And a key to a sustainable and profitable small agency is identifying the crucial 20% of input and prioritizing it. You’re using your resources more effectively this way.

The challenge might appear as the “how” or “what” niche you choose, but the underlying reason agency owners don’t choose a niche is one word: fear.

Fear and uncertainty make agency owners hesitate to choose a niche.

If you don’t choose a niche, you will never own a niche. And owning the niche is an asset in your business.

It gets harder to decide year after year because your confirmation bias makes you think that a niche is already overdone.

Confirmation bias is a cognitive bias or a brain bias where the brain processes information by looking for things that confirm an existing belief.

When you think a niche is overdone, there is the assumption that generalist agencies are not overdone.

There are lots of generalists out there.

Is there competition in niches? Absolutely. In fact, a healthy niche will have competition, but to think that it’s overdone because of competition is almost like saying a niche shouldn’t have competition.

Competition is healthy, it demonstrates there is a need in the industry and if you choose a growing industry then there is room to thrive.

So why else do might you hesitate

You might hesitate to niche because you fear alienating current clients.

Choosing a niche is a strategic decision today to carve out your space in the near future.

You might not cut off your current clients immediately, but defining a niche means you can get focused now and pivot your brand as you gain more market presence in the niche.

What surprises me is that even those who clearly see the value of niching get stuck because they fear it will limit the business's revenue potential.

As a small business, being a specialist agency focused on a niche has deep advantages to outperforming a generalist agency.

Here's why:

Easier to Market

It's easier to find a pool of potential clients in online or offline communities, associations, events, or conferences where an industry gathers or goes for information.

When you appear in these niche-specific places, your marketing messages are tailored to your niche's specific needs and pain points. You are speaking their language, not generalist speak and that is more attractive in your messaging.

Adding to that is the marketing advantage of having deep insight into the market landscape, regulatory environment, and industry-specific best practices to help your clients save time and money.

Easier Thought Leadership

Thought leadership is about expertise in an industry; you can become a thought leader by going deep.

Your ability to identify industry trends helps your clients pivot accordingly and then demonstrate results related to your depth of industry knowledge sets you apart from generalists.

Thought leaders understand what works and what doesn't for a niche, and their experience and expertise both minimize risk for clients and increase the likelihood of achieving results. When you communicate from this perspective, you build a reputation as an authority in your niche.

Easier to Get Referrals

When you are generic in your expertise, it's hard for people to keep you at the tip of their tongue. Most people don't remember you or don't know who to connect you with because of generalizations.

Let's use this example: I met an author who became a good friend and she needed help marketing her new book. Because I serve agency owners, she ask me if I can introduce her to an agency that can help get more visibility for the book launch.

As a friend, I want her to have the greatest success with this book launch so I want to connect her to agencies I know with a track record of success doing this exact thing.

While I know generalist agencies can do great work, I also know they don't have a tailored approach to meet my friend's goals. What stands out on top of my mind, is a PR agency focused squarely on book launches with a track record of publicity for authors. They stand out because I know specifically what they can do and have done.

My point is that you are easier to refer to when you are specific. Your specialization makes it easier to trust that you can create results.

And bonus, when your niche clients get great results, you can bet others in the same niche will ask "who" helped or do the detective work of finding you. This is what I call the niche flywheel effect.

The niche flywheel effect happens when wins in your clients build on each other and you gain momentum in the niche so that growth almost seems to happen by itself.

Building the niche flywheel effect can be done through referral, and I have helped build a multi-million dollar agency using this technique.

Easier to be Competitive

Smaller agencies competing with bigger agencies are more competitive when you specialize.

What's more powerful? When you tell a prospect that you have 20 case studies in their niche with results or you have a bunch of case studies with results?

Both are good, but one is great.

You guessed it—20 case studies demonstrating expertise in a niche are great because they show tailored solutions.

Solutions tailored to a niche are more profitable because your approach allows you to hit the ground running with less ramp-up time than a generalist agency.

Easier to establish strategic collaborations

Niching down opens up more opportunities for strategic collaborations.

What are strategic collaborations? They're partnerships where parties benefit from win-win outcomes, such as sharing resources and audiences.

After numerous conversations with agency owners, one thing is clear: niche agencies miss out on the potential of strategic collaborations to first generate consistent referrals *and second to leverage collaboration opportunities that* increase visibility and attract more clients.

When you specialize, you become an attractive partner for other niche agencies for a mutually beneficial network. Instead of seeing other agencies as your competitors, you can leverage a network where a rising tide lifts all boats.

In other words, grow more profitable together.

So, if you're hesitating to niche.

Here's a final thought today to consider.

Casting a wide net might yield some results, but focusing your efforts leads to more substantial and sustainable success.

Think of it like gardening.

Imagine you have a large area of land and you scatter different seeds all over, hoping that something will grow.

You get a few random plants here and there and the overall garden looks sparse and unkempt.

However, if you dedicate a specific area to growing a single type of plant, like roses, and give it the care and attention it needs, you end up with a beautiful, thriving rose garden.

Again, it's not about alienating your current clients but taking one step forward to make a strategic decision today to carve out your space in the near future.

You might not cut off your current clients immediately, but defining a niche means you can get focused now and pivot the brand as you gain more market presence in the niche.

Specializing can make your marketing efforts more effective, establish you as a thought leader, enhance your referral potential, increase your competitiveness, and open up new collaboration opportunities.

All of the above increases the value of your business.

And if you're feeling stuck or plateaued, take a hard look at your current clients and results. Your niche is probably clearer than you think.

That's it for this episode of the Small But Mighty Agency podcast, friends. Thanks for hanging out with me.

If want to join a curated referral network for agency owners to get more referrals and grow the business with strategic collaborations, go to audreyjoykwan.com – forward slash –agency together.

Why together? Because a community that supports referrals and collaboration is how we save time and money to grow your business.

Go to audreyjoykwan.com – forward slash –agency together. The link is in the show notes.

Audrey Joy Kwan

Hey, there. Thanks for hanging out with me at the Small But Mighty Agency Podcast. If you enjoyed this episode, it would mean the world to me if you hit the follow or subscribe button in your podcast app and share it with a friend and I'll see you in the next one.