

Small But Mighty Agency Podcast

Episode 116: Are You Hesitant to Niche? Let's Talk About Why (and How to Overcome It)

Speakers: Audrey Joy Kwan

Audrey Joy Kwan:

Why are agency owners so hesitant to niche even when niching is a path to agency success? In this episode, I'm revealing the top five objections shared by my network of agency owner friends, colleagues and clients on why they didn't niche sooner, and I'll break down the misconceptions. We hear it all the time. Niching is a secret to standing out in a crowded market. But, let's be real. Deciding to niche can feel risky and, let's face it, downright scary. If you feel hesitation to niche, or if you're on the journey to claiming your niche and feel pulled back the up other way, you're not alone. Listen in because the future of small agencies is becoming go to experts in a niche Today, we're diving into the most common objections and misconceptions agency owners have about niching and how to reframe those fears into opportunities for growth. Whether you're already niche curious or still hesitant to take the plunge, this episode is for you.

Audrey Joy Kwan:

Welcome to the Small But Mighty Agency Podcast. If you want to grow an agency to seven figures and beyond without working more hours in your business, you're in the right place. I'm your host, Audrey Joy Kwan. I know what it takes to build an agency, including supporting an agency owner in selling and exiting. I also have a Masters degree in Communications specializing in Organizational development. My team and I have worked behind the scenes of multiple seven figure agencies and have coached and consulted with over 150 agency owners. All this to say when you join us on the Small But Mighty Agency Podcast, you get real world experience and practical tips to help you work less, earn more, and lead with integrity. So let's go.

Audrey Joy Kwan:

Welcome back to the Small But Mighty Agency Podcast, where we explore ideas for growing a thriving agency without the overwhelm. Today, we're tackling a topic that makes many agency owners pause niching. Let's start with why so many agency owners resist niching. On the surface, staying broad feels safe, right? You're not turning away anyone and you're keeping your options open. Even though niching is praised as the key to sustainable agency growth, let's face it, deciding to focus your agency efforts on one specific area can feel risky. Niching can feel like closing doors, but the reality is it opens the right ones. It's not about being less, it's about focusing more effectively. But I get it. The fear of missing out is real. So asking an agency owner to niche is not just about asking him or her to pick a specialty. It's about overcoming the fear of turning away opportunities, making the wrong decision, or limiting growth. The hesitation often comes from a scarcity mindset. You're focused on what you might lose by niching rather than what you might gain. But here's the truth. While staying broad might feel safer, it usually means blending in, competing harder for clients, and spending more effort convincing people to work with you. That's why today we'll address the most common objections to niching and show how reframing these fears can help your agency grow with more clarity, focus and confidence. Let's get right into it.

What are the five common objections to niching? And how have agencies who have niche successfully reframed these objections? Number one, it's the fear of losing potential clients. The objection usually sounds like this. If I have a niche, I'll turn away too many clients. Or another way of saying it is if I have a niche, it will limit my revenue opportunities. This is one of the most common fears agency owners have about niching. On the surface it seems logical. Limiting the types of clients you serve feels like you're cutting off potential opportunities. After all, the broader your services, the more people you can appeal to, right? But here's the reality. Trying to serve everyone often means you end up resonating with no one. Casting a wide net might bring in leads, but they can be a mix of misaligned, low budget or hard to please clients who don't see the full value of your expertise. The energy you spend chasing or convincing these prospects can drain resources and hold your agency back from bigger opportunities. So, what is the reframe to this misconception? Well,

niching doesn't shrink your opportunities, it amplifies them. When you position yourself as the go to expert for a specific audience or service, you naturally attract clients who need exactly what you offer. These clients are actively seeking your expertise, not generalist solutions. They also value your specialized skills. Niche clients often have a higher willingness to pay because they recognize the precision and experience you bring to solving their unique challenges. And they align better with your agency goals. With shared values and clearer needs, niche clients tend to be better fits leading to longer, more profitable relationships. Think of it like being a chef at a restaurant. If you know me, I love food analogies because my husband is a chef. If your menu tries to include Italian, sushi and barbecue all at once, it will be filled with customers who don't really become raving fans. Now how does that apply in our agency world? Well, imagine you're an agency owner offering a mix of web design, branding and social media marketing. For small businesses. Now that's vague and it forces you to constantly explain your value to each clients. Now picture this. You decide to specialize in helping SaaS startups scale their content marketing strategy. Suddenly your messaging becomes clear. SaaS founders know what you do and how you can help. When they need someone to help them grow, you're top of mind because you've built authority in that niche. See, the bottom line is this. Focusing on a niche lets you work smarter, not harder. Instead of chasing clients who might be the wrong fit, you track the ones who are ready to say yes. And that's how you build a thriving, sustainable agency.

Okay, so what's the second objection? It's the uncertainty about choosing the right niche. Now that objection might sound like this, what if I picked the wrong niche? Or another way of saying it is what if I niche, and realize it's not right? For a lot of agency owners, the idea of niching feels daunting because it seems like an all or nothing decision. You might worry that if you choose the wrong niche, you'll waste time, lose opportunities, or even alienate potential clients. But here's the thing. Building a niche is less about per and more about the courage to experiment. The fear of picking the wrong niche often comes from the misconception that niching is about locking yourself into a single direction from day one. In reality, successful niching is the result of an intentional process of exploration and refinement. It's about having the courage to test, learn and adapt until you uncover the niche that aligns with their agency's strengths, the market's needs and your long-term goals. So how

do we reframe this? Well, rather than striving for a perfect niche right away, focus on the goal of building a niche through intentional experimentation. This approach allows you to take calculated risk, gather insights and refine your focus based on real world data, and feedback. And here's how you can approach that you can leverage your existing strengths. Start by looking at the industry services or client types where you've already seen success. A strong case study, repeatable processes or trusted connections in a particular area can give you a great head start and then frame it as an experiment. View niching as a series of small strategic tests designed to help you focus on your expertise. For example, run a targeted marketing campaign or offer a service package tailored to a specific audience and measure those results and then evaluate the results. Pay attention to metrics like lead quality, project profitability and client feedback. These insights help you determine whether the niche is viable and where there's room to refine your approach and commit to the learning. Each step of the process teaches you more about what works for your agency and your ideal clients. With this knowledge, you can continue to deepen your expertise and hone your messaging. Building a niche isn't about finding the perfect answer immediately. It's about having the courage to start somewhere and then to take intentional action and evolve as you learn. The process itself is what positions your agency to stand out. So instead of trying to appeal to everyone, you're working towards a, defined strategic focus that really aligns with their strengths and the market demand. Now, how would that look like in action? Well, let's say you're a generalist agency that's worked with clients across multiple industries. You notice that your team consistently delivers results for professional service firms. And with that insight, you decide to test niche by creating a specific offering for law firms. One that highlights your expertise in marketing for complex industries. Over the next six months, you focus those efforts on this niche. As you evaluate the results, you find that while law firms are responsive, accounting firms within the professional service space seem more aligned with your approach. Now this gives you clarity to adjust and deepen your expertise ultimately position your agency as the go to for accounting firms and marketing. The bottom line is that niching isn't about committing to an unchangeable path. It's about having the courage to experiment with intention and the goal of building something sustainable. By starting where you have strengths and being willing to test or refine, you can develop a niche that positions your agency for long term success.

And that leads us to our, third objection, which is the difficulty in establishing credibility in a new niche. The objection often sounds like this. How can I compete with established players? Or the niche I'm thinking of is already saturated. When you're stepping into a new niche, it's easy to feel like you're at a disadvantage compared to established players. After all, they've been in the game longer, they have name recognition, and they seem to have the market locked down. But here's the thing. Being new to a niche can actually be your greatest advantage. Starting in a niche gives you fresh eyes to see things differently. While established players may be locked into old patterns or conventional approaches, you have the opportunity to bring a fresh perspective and innovative ideas. Clients often value this outside perspective because it challenges the status quo and creates opportunities for growth in ways that may not have been considered. So what's the reframe to this objection? Well, establishing credibility and niche isn't about trying to match the experience of long-standing players. It's about starting small, using your transferable skills and multiplying your impact over time as you grow in expertise. Here's how other agencies have done it. They've leaned into fresh eyes as a strength. Clients don't always want the same solutions they've seen from other agencies in the niche. Your fresh perspective can uncover overlooked opportunities, whether it's streamlining outdated processes, applying strategies from other industries, or tackling challenges with creativity that others may be missing. You can position your lack of baggage in the niche as a strength that drives innovation. You can also collaborate with experts if you feel you're missing niche specific insights. Build partnerships with professionals who already have credibility in the space. Collaborating with a trusted voice, whether it's another agency or an industry consultant, can really boost your authority by association and fill gaps in your knowledge. Alternatively, you can focus on a smaller subset. If competing with big players feels overwhelming, narrow your focus even further. Target a smaller, underserved segment of that niche where your expertise can shine. For example, instead of marketing to all e-commerce brands specializing in Shopify stores in the wellness space, this refined focus can help you gain traction faster and build social proof gradually. Social proof is powerful, but it doesn't have to come from a long list of big named clients. Start with smaller projects or beta offerings for clients in your niche. Use their testimonials and results to build that credibility. A few strong case studies can go a long way in establishing trust. See, credibility isn't just about how

long you've been in a niche. It's about your ability to understand and solve your clients' problems. Your fresh perspective adds value because it brings innovation and challenges old ways of thinking which can be exactly what clients need. Instead of competing directly with established players, you're carving out your unique space in the niche. Now here's how other agencies have done it. Let's say you're a branding agency that has primarily worked with local businesses such as restaurants or retail shops. And you now want to focus on helping health and wellness startups in the direct to consumer space. While you may not have direct experience in this niche, you have transferable skills like crafting compelling brand stories, designing cohesive visual identities and building brand recognition. These are all highly relevant. Here's how you would enter that niche. You would start with a niche specific service offering such as a brand story workshop for emerging wellness brands. Now, this focused approach allows you address a very specific need within that niche, such as helping founders clarify their mission and values to stand out in a competitive market. Then you would leverage fresh eyes, identify overlooked opportunities, use your outsider perspective to spot areas established players may overlook. For example, many direct to consumer wellness brands might default to using earthy tones and soft messaging, but you could propose bolder, more energetic branding to break through the sea of sameness in the market and then create content that speaks to the niche's pain points. Blog posts, case studies, webinars on topics like how wellness startups can differentiate their brand without overspending or building a mission driven brand that resonates with health conscious consumers and then build social proof with smaller projects. You can start by partnering with other agencies who align with your service offerings, or partner with one or two wellness startups to develop branding packages at a reduced rate and pilot those packages. Use these projects to build case studies and testimonials that can highlight your ability to deliver results for this specific audience. Over time, your credibility will multiply. Each project builds momentum as you refine your process and gain more insights into the wellness space. You'll be able to position yourself as an expert who not only understands the industry, but brings fresh, innovative ideas that differentiate your clients in the markets. The bottom line is stepping into a new niche isn't about competing on years of experience. It's about leveraging your fresh perspective and using your existing skills to create value. By focusing on client needs, building momentum with small wins and offering innovative solutions, you'll multiply your impact in a niche over time.

and establish yourself as a go to expert. If you think it's too late to enter a niche, you're selling yourself short. Starting today is how you can carve your path and bring fresh ideas to the table because no one else can offer the unique perspective you bring.

Okay, onto the fourth objection, the boredom or lack variety. This often sounds like hey, niching will make my work repetitive, or my team prefers variety and won't support this shift. Now for a lot of agency owners, variety is part of what makes the work exciting. The idea focusing on one specific audience can feel stifling, like it will turn your creative and strategic work into repetitive grind. This fear often comes from the assumption that specialization means doing the same thing over and over without room for innovation or exploration. But the truth is, niching isn't about limiting creativity, it's about unlocking deeper opportunities to innovate and excel. By focusing on a specific area, you gain the time, expertise and understanding to tackle more complex and challenging problems. In fact, niching can often increase variety by allowing you to explore nuances within your niche that generalists rarely have time to uncover. So, what's the reframe to this misconception? Well, specialization doesn't mean flatlining. When you go deep into solving specific problems, you uncover creative opportunities to innovate and deliver value in ways generalists can't. Working within a niche allows you to refine your expertise, think strategically and even collaborate with your team in more meaningful ways. All of which reduces burnout and generates long term happiness with the work. Here's why depth creates new opportunities for creativity. In a generalist role, you're often skimming the surface of different industries or problems. In contrast, a niche gives you the ability to dive deep. For example, a branding agency specializing in wellness brands might uncover creative ways to blend digital storytelling with sensory experiences. Something you'd never have the chance to explore as a generalist. And specialization brings fresh challenges. As you build expertise in a niche, your clients will likely bring more advanced or nuanced challenges to the table. This pushes you to think critically and strategically, keeping your work fresh and engaging. For example, solving the branding challenge of a direct to consumer startup launching in international markets is far from repetitive. Working within a niche allows your team to deepen their skills in specific areas, making them better equipped to handle complex projects. This specialization can also lead to more fulfilling work because

you're operating at a level of mastery, not just mediocrity. Remember, variety exists within a niche. Niches often have layers and subcategories that provide plenty variety. For instance, if you specialize in helping SaaS companies, you might work on projects ranging from product positioning to launch campaigns to post sale customer retention strategies. While the audience remains consistent, the scope and type of work can vary so the fear of boredom comes from assuming a narrow focus equals narrow opportunities. But the opposite is true. By going deep into a niche, you become a sought-after expert and your work becomes more dynamic and challenging as clients trust you with their bigger problems. Niching isn't about doing the same thing repeatedly. It's about finding new ways to deliver value at a higher level. Let's look at this in practice. Let's say you're a web design agency that decides to specialize in websites for nonprofits initially, you might worry that your work will become routine. You might think that you're designing similar donation pages or event calendars and identical about us sections for every client. However, as you immerse yourself in that nonprofit space, you quickly see opportunities to bring creativity and innovation to the table. You might be able to tell different compelling stories, such as designing interactive impact reports or visual storytelling pages that highlight nonprofits, missions, success stories, and community impact and engaging ways. Maybe you're creating seamless donation experiences, such as innovating on donation pages with features like recurring donation options or personalized thank you pages and gamifying to encourage contributions. And what about enhancing volunteer engagement? Maybe you're developing dynamic volunteer portals with personalized dashboards that share upcoming event signups and track progress for hours completed or contributed by volunteers. You see, each project pushes you to think differently about how design can amplify a nonprofit's mission, making your work feel purpose driven and impactful. Over time, you develop a reputation for creating websites that don't just look good, but also drive donations, increase engagement, and support the greater good. The bottom line is that specializing in a niche doesn't limit variety, it enhances it by giving you the space to go deeper, innovate, and solve more meaningful problems. When you focus on mastery within a specific area, you open the door to new challenges and bigger wins that make your work even more reward. If you're worried about boredom, consider this. The opportunities for growth and creativity in a niche often far outweigh the surface level variety of generalist work.

And here is number five. It's the uncertainty about how to transition existing clients. As an objection, it sounds like, what about my current clients who don't fit my niche? You've likely built relationships with a diverse client base over the years, and the idea of suddenly cutting ties with them can feel daunting and risky. These are the clients who've paid your bills and trusted your agency, and letting them go all, at once feels both ungrateful and financially unstable. But transitioning to a niche doesn't mean you have to drop your existing clients overnight. It's not an all or nothing move. It's a thoughtful, gradual process that allows you to shift your focus to the clients and industries you want to serve while maintaining the relationships you've already built. Here's the reframe. You don't need to abandon your current clients. Instead, think of niching as a process of intentional transition. You maintain current relationships, and you continue to serve your existing clients with the same level of care and quality you always have. There's no need to end these partnerships if they're working well for both sides. While you maintain your current relationships, you can shift your marketing focus and position your agency outwardly to track the clients in your chosen niche. Your website, social media case studies can start reflecting the niche you want to move into. This way, you're gradually drawing in the right fit clients without disrupting your client work and you can introduce niche offerings incrementally. Begin offering niche specific services or packages that cater to the audience you want to attract and as you build momentum in the niche, you can refine and expand those offerings over time. Evaluate your existing client relationships. If certain clients no longer align with your agency's long term vision, you can either complete their projects and part ways professionally or refer them to another trusted agency. That's a better fit. See, transitioning existing clients doesn't have to be abrupt or disruptive. By continuing to service current clients while gradually building your niche focused portfolio, you have financial stability and can maintain trust. So how would this look like in practice? Let's say you're a digital marketing agency currently serving a range of clients including a restaurant, a fitness studio and a local event planner. You decide to specialize in web design and lead generation for educational organizations such as private schools, universities and online course provider. Here's how you could transition. You would continue your current contracts. You keep working with your existing clients, fulfilling their needs while maintaining your reputation for great service and you would shift some of your marketing. Maybe you're updating your website to focus on educational

organizations and start taking on selecting new projects. Begin by reaching out to schools, universities or online course creators with tailored offerings. For example, picture service like website redesigns to boost enrollment or landing page optimization for education campaigns. And you would evaluate alignment over time. So, as you build your portfolio in the education space, you would assess whether your current clients align with your long term goals. For instance, the fitness client may no longer fit your focus, but you can complete the project or refer them to another agency that specializes in fitness marketing. So, what's the bottom line here? Transitioning to a niche doesn't mean abandoning your current clients. It's about maintaining relationships while focusing your marketing and effort on the clients you want to attract over time. This intentional shift allows you to establish your expertise in your niche while keeping your agency financially and professionally stable. The key is to view niching as a process, not a sudden switch, and to approach every step with clarity and care.

Okay, so there you have it. The top five objections or misconceptions about niching. Ask an agency owner who has niche, and they will share that the benefits of niching far outweigh the risk. When you focus on a specific audience, your agency becomes easier to market, your operations run more efficiently and you attract clients who value your expertise rather than competing on price or chasing leads. You'll find yourself commanding higher rates and building long term partnerships with clients who truly align with your strength. Agencies with deep knowledge and focus consistently land high value clients because they have depth in understanding the challenges of the niche, while generalist agencies struggle to stand out. If you're not sure where to begin with niching, let's summarize. The key is to approach it as an experiment, not an immediate overhaul of your entire agency. Niching doesn't have to be an overwhelming leap. It can be a series of small, intentional steps that allow you to test, learn and refine. Here's how to ease into that process before committing fully to a niche starts small by offering a pilot service tailored to a specific audience. This gives you a low risk way to gauge interest and evaluate how your skills translate to that niche and you want to track the results. Are clients receptive? Does the work feel engaging? Are you able to deliver strong results? Use that data to decide whether the niche has potential for long term growth. Make sure you research the market. A niche may sound appealing, but if there isn't enough demand or it doesn't

excite you, it it could become more of a burden than a benefit. And the steps to take is to look at the industry trends. Is the niche growing, stagnant or declining? Analyze the competition. What are they doing well? Where are the gaps that you could fill? And talk to potential clients. What challenges do they face that you could solve? For example, if you're exploring the health tech space, you might discover that startups in this industry struggle to simplify complex messaging for investors and customers. If you' your team excels in storytelling and branding, this could be a great fit. Easing into the process doesn't mean you rework your entire business model overnight. Instead, focus your marketing efforts on the niche first. This allows you to attract the right audience and refine your positioning without disrupting your operations. You could update your website to highlight niche specific services and case studies. You could write some blog posts or create videos that address the niche's specific pain points. Or you can showcase your expertise on social media through targeted outreach and of course, evaluate, adapt. Niching is a dynamic process, so it's important to monitor your progress and be willing to pivot or refine your approach based on what works. Stay open to feedback from clients and your team as you niche down. The insights you gain will not only help you improve your services, but also guide you in creating a niche that feels both rewarding and sustainable. To wrap this episode up with one defining thoughts niching isn't about shutting doors, it's about opening the right one. By addressing the common fears and objections, you can confidently take the first step towards building an agency that stands out, attracts the right clients and scales sustainably.

So what niche are you exploring? If you're ready to refine your focus and grow your agency, click the link in the show notes to join our Agency Together Strategic Partnership Mixer. It's a chance to connect with other agency owners on the same journey to collaborate and grow your niches together. And if you want deeper insights into building a referral ready network for your niche agency, subscribe to the Agency Together newsletter to connect with like minded agency owners and learn how collaboration is fueling the growth of small agencies today.

Audrey Joy Kwan:

Hey, 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. I'll see you on the next one.