

Aiming at Your Target Market

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When combined with contemporary, focused and consistent marketing activities, target marketing is far more likely to succeed than a one-size-fits-all approach of indiscriminate and “shot-gun type” strategies. Determining a firm’s ideal target market is one of the most critical factors in achieving higher rates of qualified lead generation and closing prospective clients. Many firms feel that by targeting a specific segment of the marketplace, they will forego other revenue growth opportunities. But, in fact, quite the opposite is true. Targeting enables partners to attract a more captivated audience for the firm’s services.

SEGMENTATION TARGETING

For most small to medium-size CPA firms, marketing campaigns produce disappointing results. Although there are many reasons for low marketing ROI, one significant reason is the failed strategy of trying to “be everything to everyone.”

Segmenting will provide more opportunities for the firm to focus on a specific market and clientele and will yield a higher success rate than a general approach. For example, the construction industry segment can be further sub-segmented into commercial and residential. Both can be further segmented into the types of commercial (retail stores, warehousing, office buildings), residential (single-family homes, apartment buildings, condominiums), and trades (electricians, plumbers, carpenters).

Market segmentation divides existing and prospective clients into subsets that have common needs, desires and fee sensitivities. Marketing strategies can then be designed specifically for each sub-segment to promote the benefits of working with the firm’s partners and professional staff. This approach is more cost effective and time efficient, delivering more specific and focused messages.

THE GOALS OF TARGET MARKETING

The goals of target marketing are to:

- ✓ Implement more successful lead generation and increase the closing ratio.

- ✓ Position partners and staff to be more successful at business development.
- ✓ Increase realizations and client engagement profitability by targeting the best qualified client prospects.
- ✓ Shape the firm’s future for consistent growth and succession planning.
- ✓ Employ a more cost and time effective approach to practice development.

TARGET MARKET CLIENT PROFILE

Once you identify segments and sub-segments, establish a list of client prospect characteristics to conduct research based upon predetermined criteria, such as the following:

- ✓ Size of the prospect based on factors like revenue and employees
- ✓ Geographic area and number of locations
- ✓ Competition
- ✓ Number of potential targets
- ✓ Investment of time and money
- ✓ Estimated ROI
- ✓ The need to train partners and staff or to acquire the required talent to provide services
- ✓ The ability of the firm’s referral sources to make introductions
- ✓ Fee sensitivity
- ✓ Risk
- ✓ Consulting and advisory services
- ✓ Net worth and/or family size and types of services (e.g., family office, personal financial business management, divorce, LGBT, wealth management)

The prospective client profile should not be too narrow, or it will limit lead generation potential. However, an approach that is too broad could also hinder leads. The key is to determine a proper mix and balance.

RESEARCHING AND FINDING TARGETED PROSPECTS

There are many techniques and resources used to identify targeted prospects, including:

- ✓ LinkedIn Sales Navigator and social media sites
- ✓ Purchased company listings such as

Hoovers D&B

- ✓ Attendee lists at conferences and association mailings
- ✓ Internet search engines
- ✓ Referral sources and existing clients and business contacts
- ✓ Industry and association member directories
- ✓ Other public accounting firms’ partner LinkedIn pages

Also, don’t rule out existing clients for new and creative services. Targeting existing clients provides the opportunity to acknowledge that you value your relationship and their needs. When targeting existing clients, the messaging must be more customized with what you know about them, such as their industry and their “buying” cycles.

The CPA firm marketplace is changing rapidly. The consolidation of the profession is creating larger firms with greater resources, and the competition for quality clients has reached an all-time high. All of these dynamic market forces are changing the way firms will compete in the near future. It’s critical for firms of all sizes to properly position themselves in the marketplace, and target the best new clients in the appropriate segments to gain a competitive edge and sustain high levels of growth each year. 📊

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