

Law Firm Marketing and Branding: What is it? Do I need it?

Marketing is a process and culture that permeates everything your organization does. Bob Sawhney explains



Photo: William Walsh

I think, therefore I am – or something like that. These are the words that every marketer wishes organizations would commit to except that it would read, I am, therefore I market!

The idea that marketing is integral to the performance of commercial organizations is not new, as research consistently demonstrates that marketing is the key driver of shareholder value and company performance. However, within the professional services sector, and in particular, law firms in the Asia region, the word marketing elicits notions of advertising and selling similar to the things we are exposed

to every day as consumers when some brand or another is trying to get us to buy something. The 1976 decision in *Bates v State Bar of Arizona*, which allowed lawyers to advertise, was both a positive and a negative for law firm marketing. On the positive side, it opened the eyes of many professionals and potential clients that law firm promotion was not only acceptable but also beneficial for multiple stakeholders. On the negative side, it focused on advertising, which only goes to reinforce the idea that marketing is promotion. This is unfortunate because even within the professional services sector, research

demonstrates that marketing is the key driver of financial performance.

Time for a Paradigm Shift

This is the caveat. When we talk about marketing as the key driver of firm success, we do not mean marketing activities in isolation such as advertising or promotion. Although these are part of marketing, they by no means represent what marketing is really about. As Tim Ambler from the London Business School rightly points out, trying to measure the return on investment (ROI) on marketing as a business process in its entirety is like trying to measure the ROI on eating – if you ►

don't do it you die!

In other words, marketing is a business process and culture that permeates everything an organization does. It is anything and everything that affects your customers and the value you deliver to them and, more importantly, the perception your clients have of your organization and the work you do. Let's take an example. Law firms are well known for structuring around practice groups such as litigation, patents, corporate finance etc and this has worked well in the past. But as industries become more competitive and clients more

interested in this area you may check out the latest book by David Maister called *First Among Equals*.

This example intends to stress the point that marketing is something you do before promotion. It ensures you have the right value proposition in place and that your clients and potential clients understand and value what you do. It is not an add-on or supplement. You cannot say, 'lets do some marketing this year since business is slow' and then turn it off like a faucet when things look good again. Whether you know it or not, the decisions you make about which clients to serve and what

I consider marketing? This is an oft asked question and with good reason. The answer is as compelling as if you had no business. Law firms, as do many other professional service firms, compete in two markets. The first market is for clients and business. The second market is for talent. In other words, as any professional service firm leader knows, the firm's most important assets walk out the door everyday – its people. Professionals are a special breed. Whilst financial success and achievement are important; they also demand intellectual stimulation and growth. If a firm is not strategically managing the kind of business it takes, it runs the risk of stifling the development of the people it relies upon to deliver client value. Additionally, when a firm takes any work that comes its way, it also runs the risk of being resource disadvantaged when new opportunities arise that are more strategically significant and offer long term potential for growth and profitability. This can occur because the firm is too busy to properly explore new opportunities that may not impact the bottom line immediately or because the necessary skill based resources within the firm have not been developed due to the myopic focus on short-term business.

For law firms in Hong Kong, this need becomes even more acute as the opportunities presented by CEPA and CEPA II require law firms to consider a number of factors such as which markets within China to enter, what market entry strategy to adopt, the firm posture, as well as potential partners and alliance structures. These are all marketing questions because the type of entry mode and ►

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demanding, industry practice groups will become the norm as different market segments will have different needs that can be best served by such organizational structures. This will require new ways of working and thinking for most lawyers and above all else, strong and committed leadership. To us, this is marketing. The substance that is created by organizing around client needs is the true acid test of whether your firm is living and breathing a marketing culture. According to Larry Bodine of Law Marketing in the US, law firms will eventually cease to structure around practice groups and move to industry or client teams. For those

services to offer, and whether to conduct a seminar or workshop, are all marketing activities and fit into the bigger picture of the strategic marketing focus and direction of your firm. It is much better to be consciously aware of the decisions you make and how they will affect the future direction and performance of your firm. It is this mind set that a marketing culture brings and it ensures all your organizational activities are aligned with the value that your customers seek and the benefits you offer them.

What if I have so much business I am already struggling to handle everything that I have? Why should

alliance partner you select has a direct impact on the target markets served and the future viability of the venture. For example, research shows that over 50% of alliances fail and that many more do not realize the benefits that the parties had anticipated or desired. There are a number of factors that cause such poor results and although one cannot isolate one factor, research shows that if each party has a strong marketing mindset and understanding of their objectives before entering the alliance, the chances of success are much higher.

Marketing and Branding: Two Peas in a Pod

This leads to the next issue that has many professionals confused. What is the difference between marketing and branding and if marketing is not about promotion, then surely branding is? Again, the answer is not really. One cannot define branding by a clever logo and fancy advertising even assuming one had the resources of the large law firms in the US that regularly advertise in the Wall Street Journal. Take the example of the Body Shop. It built a brand that stands for equality and green issues without advertising ever. A strong brand is supposed to represent the values of the firm and the work it does. Without the right value offer in place, no amount of advertising or clever slogans is going to create a brand that your clients value and trust. Examples seen in the legal sector include such firms as Brobeck, Phleger, and Harrison in the US, which spent US\$7 million on various forms of promotion. Of course, some firm brands stand out mainly because of their previous work and core strengths. Skadden, Arps, Slate,

Meager, and Flom is well established as the leading law firm in mergers and acquisitions. There is considerable controversy regarding the branding of law firms and whether it creates any real value for buyers.

In Hong Kong, aggressive advertising is not appropriate in any case as research shows that many individual consumers believe advertising is not suitable for professionals. The problem with these discussions and disagreements is that they place too much emphasis on the role of promotion within branding. At the superficial level, branding may be represented by slogans and logos but just like marketing in general, the true brand experience occurs in the interaction between clients and the firm and this defines the brand. For example, recent findings by the Brand Research Company in the US shows that branding is one of the key factors that separate those firms that succeed and those which do not. However, in that research the authors mean branding as a sense of clear vision and purpose within the firm. From this perspective, one can almost consider marketing and branding to be synonymous as eventually, the only thing that really matters is the perception of clients.

Overcoming the Mindset Barriers

There are some major obstacles to overcome before marketing is accepted within the Asian legal sector and indeed within professional services in general. Firstly, within the marketing community itself, it is the responsibility of marketers to demonstrate that marketing is not about promotion and make clear that it is a company wide orientation. Additionally, marketing bodies,

consultants, and educators must stop taking consumer marketing concepts and trying to apply them to the professional services sector when it is clear that professional services marketing is contextually different and requires significant adaptation of traditional marketing methodologies, particularly in the Asian environment.

The second area that will require change is that of the legal practitioners themselves, particularly those at senior levels who define the strategic direction of their firm by the actions they take. If marketing is going to be truly accepted within a legal firm environment it must be recognized as a culture that infiltrates the entire organization. One cannot adopt marketing as a one shot affair and expect those inside the firm to be committed to its implementation. Moreover, hiring a marketing person as a symbolic gesture to marketing is only likely to lead to frustration if true support from the partners of the firm is not forthcoming. Unfortunately, research shows that the more senior lawyers within a firm are often the most resistant to marketing innovation and it is exactly these people that marketing needs to succeed.

Peter Drucker once said that a firm has only two primary functions, marketing and innovation, the rest are costs. If this is the case, there is much to be done in terms of developing the marketing of professional services within the legal sector.

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