

SRC ASSOCIATES
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PROFESSIONAL SERVICES MARKETING

The marketing of professional services (PSM) is a subject that often creates much debate and even controversy. PSM is certainly not a new topic, particularly in places such as the US, but in Hong Kong and Asia it is still a poorly understood and accepted area of business. Back in 1976 the Bates decision gave attorneys the right to advertise and ever since there has been a mixture of anxiety and anticipation that bold advertising and promotional approaches would ruin the image of the industry where the aims of its members are to serve clients altruistically, profit is not a primary objective.

Of course, restrictions by professional associations still put a limit to the promotional approaches deemed acceptable within each profession, and in any case, the brash advertising that many predicted has not really materialized. A similar analogy can be made with the wide spread adoption of the internet where many feared that domain names such as www.whiplash.com would create a rash of poorly substantiated claims. In reality, that domain name is still not taken.

One of the major reasons that marketing is seen apprehensively by many professionals is the belief that marketing is somehow the same as selling or promotion in general. One can understand the dread of professionals everywhere should cents off coupons and the like become common practice for doctors or accountants trying to lure new customers. Indeed, in the US such activities are not that uncommon but in Hong Kong and other Asian countries such promotional activities are a long way off. Does this mean that marketing can then be avoided by professional service firms (PSF)? At SRC, we firmly believe the answer is not only no, it is impossible.

Marketing is not something you can choose to do or not, that would be like saying that eating is an optional activity to survival. The same can be said in marketing the PSF, it is imperative that any firm understands and responds to the needs of their customers. Whether this involves creating new pricing structures, or sending junior staff on training programmes to understand the basics of client account servicing, the result is the same, a company which is good to do business with. PSF by their very nature are both complex for an outsider to understand and difficult to evaluate prior to using the service due to the essentially intangible nature of such offerings. Having the right office surroundings, staff which are well groomed, and making sure the client is happy with what they received are all marketing processes. A firm cannot exist without customers and any activity that impinges on the creation, delivery, or communication of customer value can be considered a marketing activity. This does not mean that marketing staff are solely responsible for the these activities, in fact, may PSF do not have a dedicated marketing staff and this is fine as long as everyone within the firm understands that delivering superior value and customer satisfaction is their job.



PSF leaders are the ones who must create a culture that recognizes that marketing is the key driver of organizational value. A clear value structure and mission must be communicated to all in the firm to ensure everyone is on the same page. David Maister, one of the leading authorities on PSF management, clearly demonstrated in his book, *Practice What You Preach* (see our book review section) that a firm that lives and breathes its values and where managers support the concept of customer satisfaction and employee satisfaction outperform their peers significantly. Remember, marketing cannot be considered a set of activities that are turned off and on like a tap, marketing is a culture whose core value system believes in customer satisfaction.

For the PSF leader, it is crucial they understand that promotions are only a small part of the marketing process and that advertising and similar tactics which are the basis of most consumer marketing programmes are not necessarily relevant to the PSF. However, whether you network efficiently or conduct seminars, these are still types of marketing promotions and one should not discount marketing due to a lack of knowledge or a false perception that is created by a lack of formal marketing training and exposure to the day to day promotions of consumer marketing that surrounds us incessantly.

The evidence is clear and irrefutable, marketing does drive customer and shareholder value and it is not a question of who does or does not do it, it is a matter of who understands the process best and how to leverage it to create truly superior firm performance.