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Branding and Marketing of Professional Service Firms: What is it? Do I need it?

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 and accountancy 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. This is unfortunate because even within the professional services sector, research demonstrates that marketing is the key driver of financial performance.

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 that an organization does. It is anything and everything that affects your customers, the value that you deliver to them and more importantly, the perception that 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 be-

come more competitive and the client more 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. This is marketing!

This example intends to stress the point that marketing is something that 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. 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.

Then what about branding?

This leads on 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 such large law firms in the US that regularly advertise in the Wall Street Journal. Take the example of the Body Shop, they 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 and without the right value offer in place, no amount of advertising is going to create a brand that your clients value and trust. 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 it is this, which 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 this research the authors explain 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.

To Sum Up

Marketing and branding are as relevant to professional service firms as other organizations but the way in which they are applied is substantially different. Partners in such firms need to accept marketing into the very fabric of the firm and not 'hand off' responsibility to marketing people or junior partners. The ones who accept marketing as a culture will reap the rewards as the Asian economy recovers. ©

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