

Marketing Legal Services

The Nature of Marketing

Marketing is misunderstood by many solicitors - it is not simply advertising. Advertising is only one small element of Marketing. A firm's Marketing Policy is part of its strategic business plan and is essentially a process whereby the firm's ability to supply legal services is brought into balance with expected demand for its services from present and future clients. This mechanism ensures that the firm maintains growth and profitability. In an era where in most sectors of legal work cut-throat competition prevails, no firm can afford to be without a knowledge, however basic, of marketing.

The Nature of Services

Marketing services is accepted as more difficult than marketing products. Services have several qualitative differences and are:-

1. Heterogeneous - in other words they cannot be standardised.
2. Inseparable - Unlike producing for instance baked beans, the production, marketing and delivery of services is very often the same process.
3. Perishable and cannot be stored. This means that supply and demand must be matched or production will be lost.
4. Intangible - they cannot be seen and very seldom can they be objectively measured.

Some solicitors fail to recognise that only the most sophisticated of clients will be able to value the functional quality of the legal service. What clients do value is the quality of solicitor/client relationship and firms will be judged on such factors as:-

1. Who is interested in them;
2. Who best understands their concerns;
3. Who listens most effectively;
4. Who has the best insight into their situation;
5. Who is most likely to work effectively with them.

The old adage that in descending order of importance, solicitors must be

1. Available;
2. Affable; and
3. Able

illustrates that technical competence is almost taken as read insofar as the public are concerned. Today many marketing policies will be based on the client-centred approach.

The Marketing Audit

Many of Scotland's larger firms have engaged their own "in house" marketing personnel. Some use outside agencies. Marketing however is not the preserve of the large firm and is an aspect of every scale of enterprise and every area of legal work.

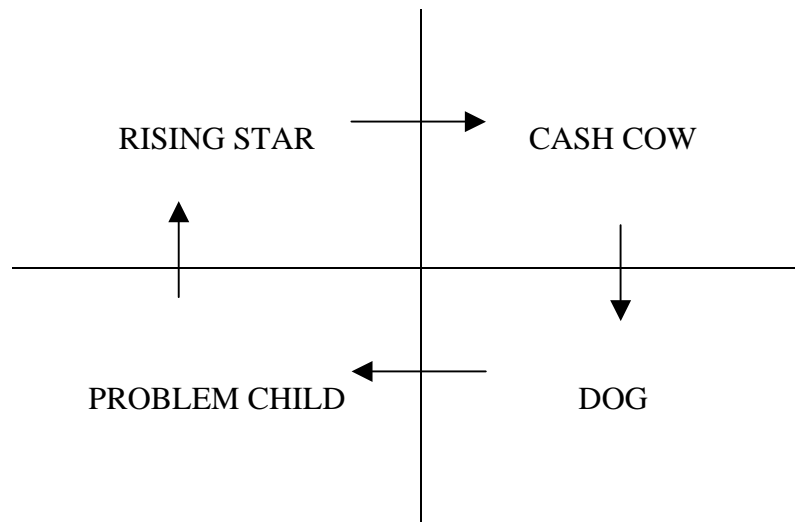
No firm should be operating these days without a Marketing Plan, however unsophisticated, and every firm will require when assessing its marketing environment, to look at the (1) physical (2) technological (3) economic (4) demographic (5) political and (6) social/cultural constraints which it faces.

Much raw data is available without major cost and local firms should be looked at both as competitors and potential allies. Marketing is largely about self-analysis and implies a time element. Firms who consider that they have "done" marketing are likely to fail. There must be a constant re-examination of the firm's position and how it intends to attain its goals. Many solicitors are obsessed with gaining new business whilst overlooking the fact that their major asset is their existing client base. Several firms are now effectively building client data bases and utilising their power. This is a starting point for every firm.

Marketing Tools

When analysing your client base, segment it along various different lines such as area of work, local geography and source of business. This will allow the firm to look at areas of growth and decline and re-allocate resources where appropriate. In this connection, client questionnaires are very useful. Again these are not the preserve of the large firm, nor purely for corporate work. Most clients will greatly appreciate being asked to respond to a questionnaire.

Another useful concept for analysing legal work is the Boston Matrix. The Boston Matrix can be applied to any business and can readily be applied to analysis of a legal business and indeed different types of legal work within businesses. The matrix recognises that business and products go through various phases, namely:- Problem Child (e.g. when a venture is new and requires capital/time); Rising Star (where the venture becomes successful); Cash Cow (e.g. where the venture is not growing); and Dog (as where the venture is failing). Legal firms usually provide a wide range of services. The Boston Matrix can be used to analyse the state of the firm but probably more appropriately the matrix can be used to analyse the state of individual types of work e.g. domestic conveyancing, civil legal aid, executries etc. The key issue is to apply the Boston Matrix to the business operation, to recognise the sector within which that operation falls and identify what action is required to either maintain or to improve the business.



The Marketing Mix

The Marketing Mix is the combination of Product, Place, Price and Promotion. For most firms the Place element is defined - although analysis may show that there are still a few pockets in Scotland which are under-provided for in terms of legal services. Solicitors unfortunately seem obsessed with the Price factor of competition. Price is only one way to distinguish your product, and it should be borne in mind by everyone that you can be the cheapest in town only once. Promotion should be more sophisticated than mere press or even television advertising. A firm's Marketing Strategy should be focussed on expanding areas where it has a preconceived competitive advantage. For example the firm may (1) provide a unique or niche product; (2) be servicing a minority clientele; (3) be developing a particular image; or (4) expanding broker networks.

Summary

Very few solicitors will have studied marketing as an academic discipline. Marketing is not undignified and it is not incompatible with professionalism. No firm can afford to ignore it. There are several levels to marketing namely:-

1. The individual solicitor and the image he projects;
2. The firm;
3. The "Faculty" or interest group; and
4. The profession itself.