

# What is Marketing?

A whitepaper to help law firms understand exactly what marketing is and why it's so important to get the fundamentals right.

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# 1 Introduction

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This article is aimed to give an overview of what marketing really means. It's not a "how to guide" it's more a background/reference document to help stimulate some thinking and discussion within your firm about marketing.

## 2 No really. What is marketing?

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In a January 1991, Regis McKenna published an article in the Harvard Business Review entitled "Marketing Is Everything." In the article the McKenna states, "*Marketing today is not a function; it is a way of doing business.*"

This is as relevant today as it was 17 years ago. We define the purpose of marketing as the act of selling more of your or services to more people. Either existing clients or by attracting new clients i.e. prospects.

So yes, marketing is everything. And marketing is a whole lot more complex than running a big, expensive ad campaign in the local paper and waiting for the sales to come in.

Marketing spans all aspects of your business and across all customer contact points including :-

- your company's web site;
- how you answer the phones;
- your marketing and PR campaigns;
- your sales process;
- how your fee earners, marketing staff and/or business development staff present themselves (in person and on the phone);
- how you deliver your services;
- how you "account manage" your clients;
- how you solicit feedback from your clients.

### 2.1 Marketing defined

There are many, many definitions of marketing. Wikipedia defines marketing as "*Marketing, is a societal process which discerns consumers' wants, focusing on a product or service to fulfill those wants, attempting to move the consumers toward the products or services offered.*"

We prefer the following three distinct statements to define marketing :-

- marketing is about meeting the needs and wants of clients;
- marketing is a business-wide function – it is not something that operates alone from other business activities;
- marketing is about understanding clients and finding ways to provide products or services which clients demand and for which they are happy to pay.

### 2.2 So what is the "marketing mix"?

The major marketing management decisions can be classified in one of the following four categories:



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- Product
- Price
- Place (distribution)
- Promotion

These variables are known as the **marketing mix** or the 4 P's of marketing. They are the variables that marketing staff can control in order to best satisfy clients in the target market. Let's look at each of these in a bit more detail.

- **Product** - the Product is the physical product or service offered to the consumer. In the case of physical products, it also refers to any services or conveniences that are part of the offering. Product decisions include aspects such as function, appearance, packaging, service, warranty etc.
- **Price** - pricing decisions should take into account profit margins and the probable pricing response of competitors. Pricing includes not only the list price, but also discounts, financing, and other options such as leasing.
- **Place** - place (or placement) decisions are those associated with channels of distribution that serve as the means for getting the service "delivered" to the target customers. For example, if you handle conveyancing work, are you set up in terms of your internal technology systems, to handle work from all over the country. Can you really deliver work nationally?

Distribution decisions include market coverage (e.g. where are your offices in relation to centres of population?), channel selection (i.e. can other people promote your services for you) and levels of service.

- **Promotion** - promotion decisions are those related to communicating and selling to potential clients. Since these costs can be large in proportion to your fee rates, a "break-even analysis" should be performed when making promotion decisions. It is useful to know the transactional and lifetime value of a client in order to determine whether additional clients are worth the cost of acquiring them.

Promotion decisions include advertising, public relations, direct marketing, media types etc.

A law firm should attempt to generate a positive response in the target market by blending these four marketing mix variables in an optimal manner.

### 3 Implementing Marketing in your Law Firm

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Many law firms "do" marketing, however the vast majority are not doing it in a structured way with a formal marketing plan and a formal marketing budget with the correct resource allocation.

Here we offer a five step plan to start your thinking about how to go about solving that problem.

### **3.1 Corporate identity and value proposition**

Before you start with any actual marketing activity, you need to establish your firm's **brand**. This will involve some kind of **corporate identity** (look and feel) and **value proposition** (positioning strategy - what makes you unique, what's your price in the market).

You need to decide early on in this process what your brand is going to communicate. It could be any of the following :-

- we're the cheapest conveyancing service in town
- reassuringly expensive
- we're a big/small firm
- city experience, rural location
- we do things differently
- we are modern/traditional
- we're a high-tech firm
- we are the best in our field

Once created, your brand should be consistently applied to all your marketing and sales communications including your website, printed collateral, sales presentations, stationery, etc. Whenever a prospect or client comes into contact with your firm, they should recognize your "look", understand what you do, and know your differentiators.

This might involve a "strapline" or "tagline" as some people call it.

This is different from simply stating the generic benefits of your product or service "category." It can often be assumed the buyer has already determined they need the product and/or service your firm offers e.g. is moving house and needs a conveyancing solicitor. Now, answer this question: Why should the prospective client purchase your products/services rather than from another firm of solicitors down the road or elsewhere in the country?

### **3.2 Marketing plan & budget**

Don't panic. We're not talking about a 50 page document, we're just talking about creating a two or three page document that outlines what marketing activities you are actually going to carry out in the year ahead.

Also, you need a budget, again not some massively complicated spreadsheet, just something simple that will include the costs of the items you've included in the plan. We have a sample template that you can use should you wish.

### **3.3 Brand building and lead generation**

OK, so you have a creative design, a powerful value proposition, and they are consistently applied to all your marketing materials and customer contact points. Now you're ready to develop a lead generation plan.

The key phrase is lead generation. Your marketing campaign is all about getting your company's name and message in front of buyers and generating

leads. At a minimum, law firms should include the following elements: a website, client email newsletters, press releases, direct marketing, advertising, speaking at or arranging events, and placing bylined articles in key industry publications or local press.

### **3.4 Lead follow-up**

So you did some marketing and you got some leads. Did you follow them all up? Marketing touches all aspects of how you collect, solicit, and respond to leads. There are many key components related to lead follow-up including your proposals, clarity of pricing, marketing, presentations, site visits, references etc. The key to successful lead follow-up is helping to make the prospective client's purchasing process as easy and stress-free as you possibly can.

Some firms decide to outsource this step and use a telemarketing agency to follow up on leads. This is really only cost-effective if you are continuously generating large numbers of leads.

### **3.5 Service delivery**

Excellent, you took on a new client for one of your services. Now the marketing staff can pass off the customer and never look back – right? Wrong. Whether you are delivering a simple conveyancing service or a complex commercial case there is a period of time dedicated to "service implementation," and marketing still plays a vital role in this process.

You must make it easy on the client because it can have a lot to do with your cross-selling opportunities and/or "share-of-customer" strategies down the road. You can also use your implementation process as a marketing differentiator. Plus, you can learn a lot about your customer needs and how you can improve your own products and services during the implementation process.

### **3.6 Client management and 'share-of-wallet' strategies**

There have been various statistics over the years that have shown that the cost of acquiring a new client is 5 to 12 times as expensive as cross-selling to your current clients. And the more you penetrate your customer base, the higher the switching costs and client loyalty. This is what we call "share-of-wallet" (i.e. what proportion of a client's spending on legal services do they spend with you?).

In other words, marketing does not stop after a sales lead is generated. Law firms must have a formal cross-selling process in place and marketing should always be involved in this process.

### **3.7 Tracking & reporting**

*"Half the money I spend on advertising is wasted; the trouble is I don't know which half"*

This quote is attributed to a US retail magnate from the 1920s. With today's sophisticated database systems, it should be a whole lot easier to know which half of your marketing budget works.

Every time a new client is taken on, you should be recording some kind of "marketing code" so that ultimately you can link back revenue gained from these new clients to specific marketing activity.

## 4 Marketing Consistency

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One of the most important things about marketing is to do it consistently

### 4.1 *Just do something*

Getting started with marketing is a daunting task. It's very easy to become overwhelmed by all the factors you have to take into consideration. How much to spend, where to advertise, which clients to target, how to evaluate success. But all marketing starts with that first step of getting your ideas, objectives, and mission down on paper.

### 4.2 *Just one marketing activity won't do it*

Successful marketing depends on several well-planned strategies working together. Just advertising won't do it. Just PR won't cut it. You need to pick the best strategies for your firm and budget, and ensure that they're working in tandem. Your plan is only as strong as its weakest link.

### 4.3 *You'll make mistakes, but don't abandon the plan.*

Accept that mistakes will happen, you'll try something and it won't work out. So when one part of your marketing is ill conceived (or ill received), don't throw out the entire plan. Replace the activity that did not work with a more effective strategy, and remember your mistakes. You'll make better decisions in the future because of your past mistakes.

### 4.4 *Marketing is a long-term game*

You must pick a well-thought-out program and stay with it. Don't forgo your marketing just because you're not seeing immediate results. Like infomercials hawking diet drugs, beware of anyone promising you quick profits and overnight results in your marketing.

### 4.5 *Use the right tools. Don't do it on the cheap.*

In making your marketing investments, don't be cheap. This doesn't mean you need a huge budget. It means that whatever you decide to do, do it well and make it look professional and make it look "in keeping" with the brand and value proposition discussed earlier in this paper.

### 4.6 *"Do" marketing every day*

Your marketing plan will tend to slip by the wayside if you don't keep it top of mind every day and in all your initiatives. Review your plan regularly, and jot notes throughout the year on what worked, what didn't, and opportunities for the next year.



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