

Marketing matters

Peter Rosenwald discusses the importance of having effective marketing processes in place during a recession.

What marketing strategy do you have in place to enable your law firm to withstand the economic downturn?

In times of recession, law firms are vulnerable to losing their market share, but there will always be opportunities, and it is those firms who have the prudence and confidence to manage the marketing process appropriately who will strengthen their position in preparation for the return to healthy economic growth. As the old adage goes, ‘when the going gets tough, the tough get going.’ Why? Because they want to seize market share and stop others stealing theirs.

Indeed, in the past six months, we have seen a move away from marketing spend that is not directly attributable to a win and an increasing preference to spend money where the practice has resonance with its client base.

Make the most of your assets

A client, a European head of marketing, told me recently: “Marketing budgets are being slashed; hospitality, anything but essential; travel, PR and advertising. The direct marketing on the new product launches has been cut completely and the money transferred to our core business. Budgets for lead generation, direct mail and seminars are being kept to last year’s levels and, in places, increased.” This is a story we now hear often. The message is clear – make the most of your assets and concentrate on the most effective external communication processes.

There are generally two areas where your practice will have resonance with the marketplace: first, where you have clients and second, where you are particularly good, or at least well known, for a particular specialism. Practices that have been running a client-centred, rather than transaction-based approach seem to have a march on their competitors. Firms that adopt the view that the client is a recurring fee, rather than a series of transactions will undoubtedly reap the rewards, most predominantly in their employment, debt collection, insolvency and matrimonial service offerings. Effort needs to be invested into face-to-face direct level external communication with prospective clients, rather than the softer PR and advertising approach.

Coupling the client-centred focus with a reorganisation of clients into sector groups can further benefit a firm. This is a canny way to overcome any partner-related issues, such as a reluctance to allow interaction between his/her client and others at the firm or a lack of cross-selling to clients, that can arise in

client relationship processes. Segmentation of clients by sector enables partners to be recognised in terms of their expertise not just their role, giving them the internal communication tools and authority to organise the best partners and associates from a range of disciplines within the practice to be part of his/her client team. The importance in a downturn of this model cannot be underestimated. First, the client is more secure because they are buying a greater range of services (there are less incumbent competitors) and second, they have a sector group that has started to have some resonance with the market. However, it requires investment in both internal and external communication processes in an organisation.

Cross-selling

The trend for clients to use different law firms depending on their considered service specialism, is disintegrating in the current climate. Client loyalty has all but vanished as price concerns for legal services start to dominate, severely testing the client/lawyer relationship. Client partners have two vital marketing functions: first, to ensure the core client service responds exactly to client needs; and, second, to ensure that the nominated partner takes all steps necessary to better services offered by the competition. Neither of these functions can be accomplished without going to meet the clients and their counterparts. Because you can be sure if you aren’t out meeting clients, your competitors will be. And it is not just a matter of knowing what your clients want; you then have to effectively communicate this back into your practice.

Focusing on the core business and core clients is not an exclusive approach – there are many opportunities in a downturn. Clients are now looking for safety, improved value for money and ideas to help them combat challenges and make the most of the current climate. Law firms need to be protecting client bases by, where appropriate, growing the range of services they buy from you, marketing those services that succeed and communicating effectively. For, it is those firms that continue to reassess their position and the services they offer that will succeed when the economic depression abates. [LegalMarketing](#)

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