

What Makes for Effective Marketing?

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AUSTRALASIAN PROFESSIONAL SERVICES MARKETING ASSOCIATION

One of APSMA's international affiliations is with the UK-based Professional Services Marketing Group (PSMG). It recently released findings of research conducted on *"Perceiving and Demonstrating Value – A Study of Return on Investment in professional services marketing and business development"*. While the survey's responses were from UK professional service firms, the findings appear consistent with the conversations Australian firms are having with their marketing teams.

PSMG's research found that just under half (48%) of marketing professionals were being asked by their employer to measure the return on their marketing expenditure and that this demand for measurement had significantly increased in the past year.

Other key findings reveal that:

- Marketing directors in professional services firms rate the personal touch as the best way of building relationships with clients; putting on seminars, writing or contributing to articles, conference speaking, holding training workshops, and conducting research surveys are regarded as some of the most effective marketing tactics. Brochures and all forms of advertising came bottom of the list with corporate hospitality seen somewhere in the middle.
- Firms are mainly using non-financial criteria to measure return on investment in marketing. However, overall take-up of these non-financial measures was still poor with only 63% of firms recording and analysing the results of pitches or tenders, 57% measuring client satisfaction and just 20% commissioning research into where the firm was positioned in some of its most important markets.
- Linking specific results, such as an invitation to pitch for some work, back to specific marketing activity is viewed by 90% of research participants as the main difficulty associated with demonstrating marketing return on investment. Trailing behind this finding among a third of respondents were the following three other difficulties: lack of systems to capture and analyse investment in marketing activity, lack of systems to analyse the results of marketing activity, and lack of preparedness by partners or directors to record the necessary data to measure return on investment around marketing activity.

Commenting on the research, Chris Hinze, chairman of the PSMG, said: "This is a very welcome trend and shows a maturing sector. As the professions have grown and developed significantly over the past ten years, their desire to identify where their money is being spent on building market profile and client relationships has also evolved. Firms are becoming more sophisticated in how they approach this topic, rather than making assumptions that any form of marketing is, by its very definition, a good thing.

"We are now into a second or even third generation of marketing within the professions. As a result, we are evolving from having professional services firms where marketing expenditure is controlled by individual partners, which they can fritter away

on pointless and ineffective forms of communication, to the situation where professional firms are able to make sizeable investments in high quality, relevant and focused marketing that meets with their strategic needs. With that shift comes accountability and transparency for those marketing directors that work in the professional services sector. The very best of them are being proactive and developing ways of measuring the return on the investment that is being made.

"There is a very real problem when dealing with measurement in this sector as to how you can find a measure that is meaningful. Tracking sales of chocolate bars against advertising or other promotional spend and special offers is relatively easy, tracking the direct link between the chain of events involved in meeting and building a relationship with a potential client and then instructing you on a complex legal or accounting matter two years later is much harder."

A copy of the PSMG report: *"Perceiving and demonstrating value"* will be made available to APSMA members at the end of January.

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