

# A Survey Of Law Firm Marketing

*How far have firms come in their marketing efforts? What specific marketing activities do firms use or plan to use? Who is responsible in the firm for marketing? This summary survey of law firm marketing is excerpted from "The State of Law Firm Marketing: 1990." Complete copies of the survey are available for \$395 by calling (612) 895-5797 or writing Sally Schmidt Consulting, Inc., 1601 East Highway 13, Suite 106, Burnsville, Minnesota 55337.*

**By Sally J. Schmidt**

*Sally J. Schmidt is president of Burnsville, Minnesota-based Sally Schmidt Consulting, Inc., which provides marketing consulting services and related products to law firms.*

In the 13 years since the U.S. Supreme Court's *Bates v. State Bar of Arizona* decision, which recognized that lawyers have a First Amendment right to advertise, corporate law firms slowly and cautiously have begun to develop strategies for marketing. As the 1990s begin, it is worthwhile to evaluate how far firms have come in their marketing efforts, what specific marketing activities firms have done, are doing, and are planning to do, and how well marketing has been integrated into law firm systems and methods of operation.

In the final analysis, although there has been an enormous increase in the level of marketing activity, law firms remain uncertain about the efficacy and appearance of marketing their services. A sample of findings from the survey is excerpted below.

## **1) Who is engaged in marketing?**

Eighty-nine percent of the respondents said their firms currently were involved in marketing activities, although most have been engaged in organized marketing for a relatively short period of time. The great majority, nearly three-quarters of those firms responding, said they have been engaged in marketing activities for five years or less.

Firms with more than 25 attorneys were more likely to be involved in marketing. Firms claiming to do no marketing at all, when compared to the sample as a whole, tended to be smaller, with one office, a larger consumer practice, and a greater representation from the Southeast section of the United States.

For so many firms (43) to claim that they do no marketing highlights the continued lack of understanding of the marketing function among those in the legal industry. Some form of marketing goes on in every firm, whether the lawyers know it or not. Marketing is quite simply an exchange between the lawyer and the client, and includes developing, pricing, delivering, and promoting the legal service. While some firms may not be promoting their services, or

doing their marketing in an organized fashion, announcements, stationery, office space, fax machines, retainers, hourly rates, and paralegals are all part of the "product" which firms market—and should be considerations in the marketing program.

**2) Who has responsibility for marketing?**

While much has been said about the development of the non-lawyer marketing executive position, most firms engaged in marketing still draw lines of responsibility between development and implementation. In most of the firms responding to the survey (68 percent), lawyers or groups of lawyers are responsible for the development of marketing ideas or plans. A non-lawyer marketing director or administrator is in charge in just 22 percent of the firms.

This accountability does change with firm size. According to the survey results, there is a growing trend toward giving responsibility for the development of marketing ideas and plans to a marketing director or coordinator as the size of the firm increases. On the other hand, larger firms are more likely to have marketing personnel.

Responsibility for the implementation of marketing ideas or plans is another story. Forty percent of the firms engaged in marketing affix responsibility for the implementation of marketing ideas and plans with a non-lawyer administrator or marketing director. It appears, therefore, that in these cases the lawyers make decisions and then hand them off to a marketing director or coordinator who executes the decision.

What is perhaps most interesting to note is that the effectiveness of most corporate law firm marketing efforts is directly related to the individual efforts of lawyers. Trying to delegate the implementation of marketing illustrates again the lack of understanding of how marketing works in a professional service firm. For the most part, a non-lawyer marketer's main contribution is to facilitate the marketing efforts of the firm through the organization and implementation of institutional activities which support the individual attorney's initiatives. These institutional activities, such as brochures, seminars, meetings, press releases, or newsletters, rarely will result directly in new business, however.

**3) What do law firms spend on marketing?**

Not much. The 1990 marketing budget for the majority of responding firms with budgets represented 1 to 2 percent of their gross fees. Surveys of other professional services, such as accounting, architectural, and design firms, indicate that these service industries generally commit between 4 and 7 percent of gross fees to marketing. In contrast, only 4 percent of law firms responding to the survey allocate more than 3 percent of gross fees.

In addition, and perhaps more disturbing, is the apparent lack of fiscal responsibility with respect to marketing. One quarter of the firms with marketing programs had no annual budget, and another 38 percent simply did not know what the budget was.

**4) How do firms reward or compensate lawyers for marketing?**

The responding firms were split almost evenly on whether their compensation systems rewarded or recognized lawyers' marketing contributions. Perhaps the most interesting survey result, however, was the following: The longer that firms have been engaged in marketing, the larger the percentage that reflects marketing in their compensation systems.

The greatest number of firms do this by rewarding both efforts and results (46 percent). The largest percentage of firms reflect the individual lawyer's marketing contributions as a