

Firms Redirect Their Marketing Strategies With Eye on Future

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THE QUESTION of whether law firms need to engage in marketing finally seems to have moved beyond the stage of debate. In a recent survey of more than 400 law firms conducted by Sally Schmidt Consulting Inc., nearly 90 percent claimed to be "currently involved in marketing activities." At this point in the evolution of law firm marketing — 13 years after the U.S. Supreme Court, in the *Bates* decision,¹ held that a comprehensive ban on advertising by lawyers was unconstitutional, and after an equal number of years of frustration and expenditure — it is inter-

Nearly 60 percent of the firms that responded to the survey say they have developed a marketing data base or mailing list.

esting to reflect on how the marketing function has been incorporated into law firms.

Shift in Emphasis

The survey results indicate how law firm marketing activities have changed over time. From a list of alternatives, firms were asked to name activities that they had tried in the past, those they were currently doing and those they planned for the future. The responses revealed a fairly major shift in emphasis.

The activity that the largest number

of firms reported at present — listed by nearly 60 percent of the responding firms — is the development of a marketing data base or a mailing list. (See "Methodology.") In contrast, fewer than 40 percent of firms reported that they had developed a marketing data base or a mailing list in the past; it ranked only ninth in "past" activities.

In the past, the most frequent activity — reportedly undertaken by 58 percent of respondents — was organizing seminars to promote the firm's services. Seminars continue to be popular; they are currently the fourth-ranking activity, with 54 percent. But other activities that were once in the "top 10" are no longer there. These include developmental steps like forming a marketing committee and hiring a marketing administrator — steps, it may be speculated, that many firms have already taken — and activities that may have become less frequent during the current slowdown, such as mergers and lateral hiring as a means of developing new practice areas.

Instead, the current top 10 reflects an emphasis on planning. Two activities that have entered the list are development of a marketing plan for the overall firm — the sixth most-practiced activity, named by 49 percent of the respondents — and development of a marketing plan for individual departments or practice areas — the eighth-ranking activity, named by 45 percent of the respondents.

Certain promotional efforts have been popular and remain so. For example, providing firm-sponsored tickets to events and functions, printing firm brochures and producing attorney resumes or biographies are all in the top five on both the "past" and the "present" list.

Plans for the Future

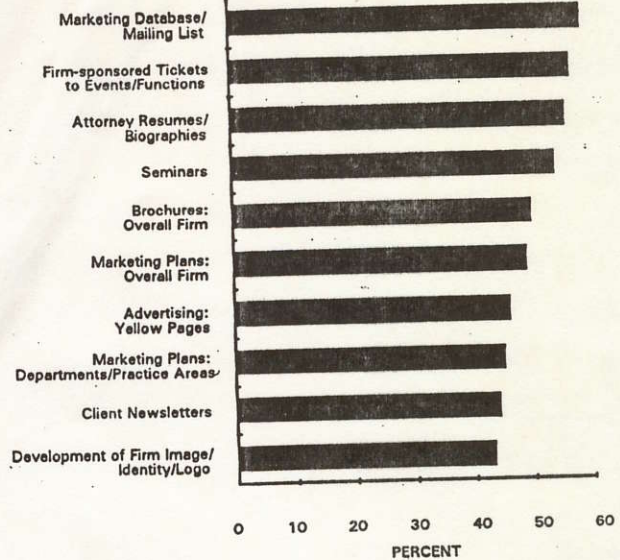
If the survey sample accurately reflects the legal profession as a whole, law firms are uncertain about the future directions their marketing efforts will take. There is no single activity that more than half the respondents predict they will pursue.

Some activities, it seems, will stay fairly constant. The most frequently predicted activity was seminars, which 45 percent of the respondents said they still planned to provide. The number-three activity — number 10 on the "current" list — was producing client newsletters; 44 percent now provide them, and 38 percent said they will do so in the future.

But other frequently predicted activities are not among the top 10 tried in the past or undertaken in the present. For example, the activity that the second-highest number of firms — 43 percent — said they will explore is marketing training for attorneys. Other activities that entered the "future top 10" include marketing plans for individual lawyers — fourth, with 37 percent; marketing training for staff — sixth, with 33 percent; and client surveys or audits, along with changes in the compensation system to reward marketing activities — both of which tied for eighth, with 32 percent.

Ms. Schmidt, president of Sally Schmidt Consulting Inc., has consulted to scores of law firms across North America on their marketing efforts. She was the first president of the National Law Firm Marketing Association.

Top 10 Marketing Activities for Firms



Source: "The State of Law Firm Marketing: 1990"

Marketing History

Although the large majority of responding firms are currently engaging in marketing, few have done so for very long. Overall, 83 percent of the respondents reported that they have been involved in marketing activities for 10 years or less.

The figures break down as follows: 13 percent said they have been involved in marketing activities for less than one year; 27 percent, from one to two years; 33 percent, from three to five years; and 10 percent, from six to 10 years. Four percent of respondents reportedly have been involved in marketing for more than 10 years. Eleven percent said they are not involved in marketing, and 2 percent said the question was not applicable.

Consumer vs. Corporate

Certain marketing activities are more likely to be undertaken by either a corporate law firm or a consumer firm. For purposes of this analysis, participating law firms were asked to indicate the approximate percentage of the previous year's gross fees attrib-

cent of consumer firms that responded offered prepaid legal services; none of the corporate firms did.

And the firms' approaches to advertising differed. Consumer firms were far more likely to use the Yellow Pages to advertise — 53 percent versus 29 percent of corporate firms. Consumer firms also tended more to use direct mail to attract prospective clients. On the other hand, a larger percentage of corporate firms — 15 percent, compared to 9 percent of consumer firms — reported that they sponsored programs on public radio.

Regional Differences

Marketing activities undertaken by law firms also differed by region. In New England, the Northwest, the Midwest and Canada, the most frequent activity cited by respondents was providing firm-sponsored tickets to events. In California and Texas, the most common answer was producing attorney resumes or biographies. In the mid-Atlantic states, the development of marketing plans by department or practice area tied with a marketing data base as the top answer; a marketing data base was also the top answer in the Southeast. In the Southwest, the most frequent response was the development of an overall firm marketing plan.

In general, it is difficult to know where law firms will go from here. Interestingly, the marketing activities that the greatest number of firms claimed they have not done and are not planning to do include some innovative approaches to the practice. For example, participation in prepaid legal plans, the development of non-legal subsidiaries or services, the addition of non-legal timekeeping personnel, advertising and direct mail are seen by many marketing professionals as the wave of the future. Judging from the survey results, however, very few firms apparently are comfortable with these techniques at present.

The results of the survey do indicate that law firms are beginning to move beyond the implementation-oriented, tactical aspects of marketing to consider more strategic initiatives. It is hoped that this signals a move into the next level of marketing sophistication for the legal profession.

(1) *Bates v. State Bar of Arizona*, 433 U.S. 350 (1977).

Methodology

The survey described in the accompanying article was conducted by Sally Schmidt Consulting Inc. of Burnsville, Minn. A total of 2,627 comprehensive written surveys were mailed to a geographically representative sample of law firms across the United States. The surveys were directed to the person in charge of marketing or the managing partner in each firm. The recipient firms represented a broad range in size, practice type and sophistication with respect to marketing.

The surveys were mailed in February 1990, and the recipients were offered incentives to participate: a choice of two booklets on marketing or a discount on the survey results. More than 400 surveys were returned.

The survey report, "The State of Law Firm Marketing: 1990," analyzes the responses based on size of firm, length of time engaged in marketing, and other factors. It is available for \$395 by writing Sally Schmidt Consulting Inc., 1601 East Highway 13, Suite 106, Burnsville, Minn. 55337, or calling (612) 895-5797.

Among activities that will be explored more widely in the future are marketing training and client surveys or audits.

uted to their corporate practice — defined as "corporate, litigation, tax, securities, municipal, commercial, real estate, etc." — and to their consumer practice — defined as "divorce, personal injury, estates, residential real estate, DWI, etc."

Law firms were classified as "consumer-based" if 30 percent or more of their gross fees were attributed to the consumer practice. These firms were contrasted with firms in which 100 percent of the fees derived from the corporate practice.

Firms classified as "100 percent corporate" were, for example, much more likely to do market research — 42 percent reportedly did so, compared to 18 percent of consumer firms. Ten per-