
MYTHS ABOUT MARKET RESEARCH

by Sally J. Schmidt

You've probably heard about the three kinds of lies: lies, damned lies and statistics. Unfortunately, some law firm market research falls into the third category.

Although the legal industry has been notoriously slow to adopt market research as a decision making tool, law firms are employing research techniques increasingly, sometimes in the form of client surveys and sometimes to support strategic planning efforts. In addition, a number of "off-the-shelf" varieties of research are being marketed to law firms, and vendors are using research results to support their claims of effective services or products.

Unfortunately, not all of these research efforts are statistically sound, unbiased or even worthwhile. In fact, the results of poorly designed or executed surveys can be downright misleading. For those who are novices in the area of market research, I have outlined below some dangers of which to be aware, whether developing a research program, commissioning research services, or buying studies from outside vendors.

DANGER #1: APPLES AND ORANGES

One of the most important factors in using comparative data is making sure the "populations" are comparable—the proverbial apples to apples. In an attempt to determine its market penetration of a particular industry, one firm compared the number of its *major* clients in that industry segment (i.e., those falling in the top 75% of fees) to the *total* number of companies in that industry.

The market share numbers were painfully low. It is possible that literally hundreds of clients from the targeted industry could have contributed to that final 25% of the firm's fees, increasing significantly the firm's industry penetration figures.

DANGER #2: YOU GET WHAT YOU ASK FOR

It is very easy to inject bias into market research. Leading questions may be easy to spot but nonetheless

are fairly common, such as asking clients: *Do you feel the firm's lawyers try to provide good service?* Of course they try!

But the place where bias is injected in most law firm surveys is in the response vehicle. For example, many firms will ask clients or non-clients to rate the firm on a list of specific traits or characteristics. While this type of analysis is valid, the list of characteristics typically is developed by the lawyers with no client input. So, in effect, the firm is being rated on factors that are important to the lawyers, not the clients.

DANGER 3: COMPARED TO WHAT?

In many cases, law firms receive information that on its face seems worthwhile—and in reality is virtually useless. To illustrate some common pitfalls:

