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Marketing: The Ultimate Anti-Recession Tool

by Kevin W. Brown

Could anyone miss all the bad news lately? The economy is in trouble, major businesses are going bankrupt, and consumers are cutting spending. The national and world financial communities are in turmoil and the politicians have little clue what to do. So shouldn't any law firm do the "natural" thing and "take cover," acting like the proverbial turtle just sticking your head back in your shell until things get better?

If you agree, think twice. Doing so could actually *hurt* your chances of survival. Contrary to the belief of some, *now* is actually a great time to market – not just maintain but *increase* your marketing efforts!

Why? Many of your competitors are likely cutting back on their marketing budget and may have a greatly diminished presence in the marketplace. This presents a great opportunity for your firm! In a strong economy it might have been difficult to get noticed "above the clutter" of heavy advertising, publicity and other marketing campaigns of your competitors. On the other hand, now you can possibly have much greater exposure in your market simply by being active

in marketing while others scale back! Even with a recessionary economy, there are still numerous business opportunities in Southern California and those who market actively will likely be in the forefront of gaining new business.

Having started *Kevin Brown Marketing & Consulting* in the midst of a recession in 1991, I saw first hand how these principles worked then, and I've continued to see verification as we've experienced economic ups and downs over the last 17 years.

Studies Provide the Evidence

If you need more evidence, there are numerous empirical studies that have proven that marketing should continue strongly during a recession. These studies typically have shown that the biggest sales increases throughout the recession were experienced by companies that marketed more than others and that, almost without exception, sales and profits dropped off at companies that cut back on marketing. Of equal interest is that studies have also revealed that, after the recessions ended, those companies that had cut back on marketing took longer to recover than those that maintained their marketing budgets. For example, McGraw-Hill Research analyzed the marketing efforts of 468 industrial companies during the 1974 recession and 600 industrial companies during the 1981-82 recession. Their findings showed that firms that increased or maintained their advertising spending averaged significantly higher sales growth, both during the recession and for the following three to five years than those who eliminated or decreased advertising.

In another study of the 1970 recession, American Business Press and Meldrum & Fewsmith pointed out that "Sales and profits can be maintained and increased in recession years and in the years immediately following by those who are willing to maintain an aggressive marketing posture, while others adopt the philosophy of cutting back on promotional efforts when sales appear to be harder to get."

Many law firms tend to lack strong business management skills, so they fall prey to the natural inclination to cut costs in marketing as a non-billable area of the income statement. Lawyers could learn from the success that certain companies have had in marketing heavily during a recession. Take the case of

Dell computers during the 1990-1992 recessions. At a time when advertising in the entire computer hardware category was down by 17.5%, Dell increased its advertising spending by over 300% in 1991. The following year Dell was included for the first time in the Fortune 500 list of the world's largest companies.

The Harvard Business Review has explained that "[t]he rationale that a company can afford a cutback in advertising because everybody else is cutting back [is fallacious]. Rather than wait for business to return to normal, top executives should cash in on the opportunity that the rival companies are creating for them. The company courageous enough to stay in the fight when everyone else is playing safe can bring about a dramatic change in market position." Marketing should be regarded not as an unnecessary expense in a bad economy but instead as a contributor to profits, as a means of achieving objectives.

Anti-Recession Marketing Measures

Here are some strategies you can use to help your practice thrive in recession:

- **Understand the value of marketing and make it a priority:** Successful marketing strategies start with an understanding of marketing and its role in your practice. Whether your practice is new or decades old, marketing is an important part of your daily operations. Marketing plays a significant role in helping you to achieve and maintain profitability goals, obtain and retain clients, develop an effective client service environment at your practice, and much more. Some practices might even think that they don't do any marketing — but *au contraire!* Whether you realize it or not, you are marketing your practice daily, for the good or the bad!

It should be even more obvious now than ever that marketing is a lifeline to surviving a recession. Through marketing, a practice can reach new clients and gain additional revenues from existing and previous clients. As such, it is important to realize that marketing is an investment, not just an expense. Commit to doing it regularly.

Many firms involve multiple partners and associates in the firm's marketing efforts. However, your personnel need the tools to be

successful: a Strategic Marketing Plan for the firm as a whole; Practice Group and/or Personal Marketing Plans that mesh effectively with the firm's plan; practice development training; and ongoing professional marketing support from a marketing consulting firm, advertising agency or public relations firm.

- **Develop a Strategic Marketing Plan:** Most firms that have long-term success take the time to plan. When planning for marketing activities, remember that marketing is not limited to advertising and public relations. As the broadest business discipline, marketing involves everything that your practice does to identify and satisfy client needs. This includes market research, service/product development, fees (pricing), marketing communication techniques (publicity, public relations, promotion and advertising), and distribution channels (client service).

Further, it is important to realize that there is no such thing as an effective "canned marketing program" for all firms; a successful firm will have a "Strategic Marketing Plan" written specifically for its unique parameters. It will utilize methods that are designed to achieve the firm's objectives. Hire a marketing consultant who specializes in serving lawyers to research and prepare your plan. If you don't, you'll likely end up wasting time and money. Unless you are a qualified marketing professional, there is too great a risk in doing it yourself.

- **Know your target market:** The current dynamics of the market may have changed your existing base of clients and targeted prospects. They may have different needs, gone bankrupt, cut back significantly on legal costs, *etc.* Make sure that you have a clear understanding of where they stand in terms of need for your services. You also may need to consider expanding the target audience. Other opportunities may arise as companies and individuals adjust to the economy.

Look for different opportunities and formulate approaches to take advantage of them. Keep abreast of changes in the industry, such as buying patterns, service requirements, and the impact of micro- and macro-economic forces. When you see an opportunity, respond rapidly so that you can establish a market presence before your competition.

Implement marketing strategies that cause prospective clients to seek your firm.

Use techniques and content that are convincing and provide a strong call to action. As you do so, know which market segments are the most responsive so that you can spend your marketing dollars in the most effective way.

• **Allocate a committed budget to marketing:** For marketing programs to be consistent and objective-oriented, they require an established budget. Discretionary budgets are devastating to the effectiveness of any marketing program. It may take some hard internal negotiations to get your fellow partners to set aside dollars for marketing in a recession. Don't cut your marketing budget — let your competition cut theirs. If your competitors cut back, your "share of market voice" grows even stronger.

While you must be committed to marketing, it doesn't mean that you need to throw an unreasonable amount of money at every marketing opportunity that comes your way. It is important to take a strategic approach. Depending on your firm's circumstances, you might spend more but wisely, or you might be forced to spend less but in a well-thought, strategic manner.

• **Maintain consistency in marketing:** Marketing programs should be consistent, year-round efforts because "stop-and-go" marketing always brings mixed results. This can be particularly difficult for smaller firms, since those attorneys involved in marketing activities also have significant client obligations. However, it is crucial to have consistent implementation, since this will maximize your efficiency and effectiveness. It is also easier to rate the productiveness of an activity if it is carried through to completion.

To maintain consistency in implementation, you need the personnel to do it. For many firms, it is too expensive to have a qualified marketing person on the payroll, so they hire outside expertise. For example, my firm offers a "Part-Time Director of Marketing™" service that allows outsourcing of these needs, avoiding the fixed payroll expense yet providing highly experienced, specialized strategic and implementation assistance. Other alternatives include hiring PR firms or advertising agencies if you know exactly what you need.

Preferably, these professionals should be educated and experienced in all aspects of marketing, rather than one area, such as advertising or public relations. This back-

ground is useful in designing and managing the entire process, instead of creating various activities that act independently of each other. Since marketing is a broad discipline, a narrow background can result in a myopically focused program that fails to integrate essential elements.

To avoid paying for the education of someone learning legal marketing on your dime, make sure the outside firm understands the intricacies of marketing your services.

• **Be client-oriented:** Don't ever lose sight of the fact that clients are the cornerstone to building a successful practice. It is generally much cheaper to keep an existing client than it is to attract a new one, so make sure they are happy. Show your clients how much you appreciate their business, both by word of appreciation and deed in providing superior service.

• **Add value to your client relationships:** Take the time to understand what your targeted market (current and potential clients) wants and then make the extra effort to exceed their expectations. Whenever possible, try to sell based on value, not price. Stress benefits to using your firm and the return on investment. For example, your connections with other professionals within your client's industry might be invaluable to them. Be innovative in seeking new ways to serve your clients (or old ways that you don't do anymore), which may actually result in not just retaining clients but maybe even increased work. With a weak economy, clients and prospects are looking for as much value as possible.

• **Leverage down-time:** If you have unbillable time, utilize it for marketing purposes. Consider rebuilding your referral network, attending organization meetings, volunteering for positions in non-profit groups, writing articles, and providing speeches. All of these activities cost not much more than your time and can go a long ways in building relationships that bring in business.

• **Reconsider previously expensive options:** Some marketing tools, which may have been beyond your budget in prosperous times, are often cheaper in a recession. For example, advertising executives in various media (print publications, radio, web and TV) tend to be more aggressive in rates and in offering special promotions during hard

times. You may have far more power than you previously did, plus you will likely have far greater exposure in your target market because of competitor cost-cutting. Sponsorships are also typically cheaper and can offer valuable exposure to targeted markets.

• **Maintain high quality marketing:** Don't "cheaper" your marketing and branding by trying to save on creative or production costs. Your clients and prospects will notice. Follow "Brown's Rule for Image Building": Always maintain the same high quality in your image materials as you maintain in your firm's rendering of services. Now is a time to focus on image and quality, not causing prospects to question your abilities just by virtue of cheap marketing.

• **Seek help from marketing experts:** Finally, take advantage of qualified marketing consultants who can assist you in growing. These professionals can prove to be invaluable in avoiding mistakes and channeling your efforts in a productive direction. I find it amazing how many firms try to do marketing on their own and end up frustrated and wasting huge amounts of money and billable time. When I meet with new clients for the first time, a typical comment from those who have tried in-house marketing for awhile is: "We're doing lots of marketing but nothing seems to really work." Therein lay the underlying problems: lack of an appropriate strategy or ineffective implementation. Save money and do it right by hiring a qualified legal marketing professional.

How to Select a Marketing Consultant

Marketing consultants can be a great resource for your firm *if* you learn how to select the right one and use them effectively. Through the application of the following you will be in a good position to identify the consultant for your needs.

• **Ask them to define marketing:** Many people call themselves marketing consultants but cannot even properly explain the term. Marketing, in its simplest form, is actually everything your organization does in order to identify and satisfy the needs and wants of your "market" (actual and poten-

tial buyers of your product or service). Subsets of marketing include strategic planning, marketing research, public relations, advertising, and sales. If you need help in more than one area of marketing, especially in strategy development, you should consider hiring a true marketing consultant.

• **Ask about their credentials and experience:** Are they truly *marketing* consultants or are they no more than a public relations firm or advertising agency? Most qualified marketing consultants have degrees in marketing, not communications, and many have graduate degrees such as an M.B.A.. They should also have experience in all areas of marketing, which enables them to select and integrate those marketing components that will work best for your needs.

• **Choose a specialist in law firm or professional services marketing:** Why pay for a generalist when you can have someone who truly understands your market and how to motivate buyers? Ask them what they have done for similar law firms, including strategies and results. Then check with these clients and ask for their impressions.

• **Seek someone with a business background:** Business professionals understand the need for cost-effectiveness and return on investment. They also understand the dynamics of business and market forces. Many of the best marketing consultants have a base education and experience in business, supplementing it with an excellent understanding of marketing management and how to generate name recognition and sales.

• **Ask whether they create strategies, implement them, or both:** Singular marketing activities are most effective when they are part of an overall strategic plan. Yet a great plan is less useful unless a knowledgeable person actively implements it. The most valuable consultants are able to properly analyze your business and market, develop an appropriate plan with objectives and strategies, and work with you to its successful completion.

Moving Forward

I've often said that my firm encounters two types of clients in a recession: those who say they "can't afford to market" and those who say they "can't afford NOT to market." Those in the latter group realize that, if they

don't market their firms, they may very well shrink or dissolve. If your competitors are cutting back, seriously consider increasing your marketing budget. This will provide a great opportunity to capture a larger share of the market.

Perhaps now more than ever before, marketing must consistently be a top priority, for firms of any size, in order to survive and prosper. During uncertain times, management should invest further in their marketing, while competitors are not spending, versus waiting for a change in market conditions. Marketing is the most important tool a firm can use to combat tough times. Smart firms market and grow, while others retract, becoming weak and feeble.



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