Introduction

Marketing is a word that has wide use and as such understanding the component parts of marketing management can be somewhat confusing. In the context of a consumer product environment marketing perceptions of marketing often revolve around advertising campaigns either in print or on line. However for a professional services provider the principles associated with marketing are rather different.

This ‘tip sheet’ sets out to explain what needs to be considered when implementing marketing initiatives within a small to medium sized professional services firm. Without spending too much time on theory we should begin with a definition for marketing, something that is essential to implementing successful marketing activities.

Definitions of Marketing

To confuse us there are numerous definitions of marketing and we need not consider the relative merits of these definitions. The definition that will be used here is that as developed by the Chartered Institute of Marketing. Their definition is as follows:

“Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably.”

On first viewing this definition appears to be rather general. One observation is that this definition sets no boundaries and that all management processes fall under the definition. This however is one of the strengths of the definition, especially in the sense of a professional service business.
The diagram provided below shows how professional service organisations differ from manufacturing organisations, in that they typically have the vast majority of their workforce in regular direct contact with the customer or referral source.

Given the direct interaction between employees and customers in the professional services sector the ‘brand’ and the general perception of the organisation is influenced directly and constantly by the actions and activities of employees and the managerial processes they follow. In professional services, marketing is an organisational responsibility not just a departmental one and building a client focused or marketing culture requires a perspective that takes into account all people and processes that can affect the perception of the organisation amongst not just customers but also referral points.

Organisational Values

Given the organisational perspective that needs to be adopted when managing marketing it is essential that organisational values are clearly defined and embedded in an organisation through the example of the people leading the business and also through its HR procedures. Some organisations make use of mission statements which are useful, but will only have resonance within the organisation if they are supported by action. Statements alone are meaningless.

Organisational Objectives and Strategy

Marketing activity helps an organisation achieve its strategic objectives. For marketing activity to be focused the strategic objectives of the organisation need to be considered and stated. This need not be an overly complex process and there are some very easily used strategy tools that can be used to assist in this process. One of the most widely used of these is SWOT analysis.
SWOT

SWOT analysis involves listing the Strengths, Weaknesses, Opportunities and Threats that an organisation faces. This information can be gathered collaboratively by the people within the business, but can also be enhanced by asking those close to the business viewing it from outside. This could include customers or referral points. Having compiled this information the organisation then needs to decide what its action plan is to address the weaknesses, utilise its strengths, mitigate against its risks and explore its opportunities. The mistake many make is to simply complete the analysis and then do nothing about it!

Segmentation Analysis

Another useful tool is segmentation analysis. This approach attempts to identify specific target client types or sectors and often identifies the decision makers or the factors that will influence a decision to choose the services of a particular organisation.

For example an organisation might decide to target High Net Worth individuals living within a specific geographical area, with a specific type of lifestyle. Once this slice of the market place has been considered it is then possible to consider how they might be communicated with, what kind of message they may be open to, what they might read, where they may socialise and so on. Having considered these factors decisions about marketing tactics become somewhat easier to make.

The Competition

Many organisations do not track the activities of competitors. This can be fatal and can result in an organisation falling behind its competitors and as such lose market share. This need not be a lengthy undertaking. Web sites often reveal much about an organisation in terms of their core services, their overall values and for many professional services organisations, their people. Some organisations also readily make available their marketing literature, whilst a well structured conversation with fellow professionals or indeed employees may shed more light on activity. Given some limited competitor information a business can then determine where a competitor is strong or weak and may also suggest opportunities that the business could exploit. Even very large competitors, such as national brands have their weaknesses, and these can be exploited.
SUMMARY ACTION POINTS

1. When marketing the business consider all customer facing processes and people and consider how they are perceived.
2. Be clear on the values the business should embody.
3. Use recruitment, employment contracts and handbooks and appraisal systems to reinforce business values.
4. Try using SWOT, segmentation and competitor analysis to identify strategic marketing opportunities.
5. Analysis needs to be backed up by action. There is little point identifying a threat or an opportunity and then taking no action!
6. Identify your client base and develop a profile of each client category. Everyone in the firm should fully understand their client needs.
7. Use segmentation analysis to identify tightly profiled client groups for marketing effort. Consider their lifestyle, their specific needs and aspirations and then focus marketing effort on addressing these issues.

For more information, or to give your feedback on STEP’s Essential Top Tips, please contact the STEP Marketing team:

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