

Using Research for Information and Profit

In most industries, research precedes strategic planning. A tangible product a firm wouldn't think of developing a new product line or opening a new facility without rigorous research to predict potential market trends that would or could impact their business decisions. Yet law firms routinely make strategic decisions backed up by a hunch and a prayer.

Leaving aside client interviews, which are probably the most often used law firm marketing research tool, this article focuses on other kinds of research that can contribute to both a firm's strategic decisions and marketing initiatives.

Why Law Firms Are Less Research-Inclined

I asked Deborah McMurray, a marketing consultant to the legal industry who strongly believes in the importance of research, why others seem to overlook its potential power. She suggested a variety of reasons, including the following:

- a perception that the research process takes too long and is too expensive;
- a tendency to think about research too late in the planning process;
- lawyers' predilection to prefer anecdotal evidence;
- marketing directors' lack of inclination to add one more project to an already-piled-high plate; and
- a belief in the old saying, "Don't trouble 'til trouble troubles you."

At the same time, marketing directors who rely on research swear by it. They see it as a technique that increases their own visibility with their firm's decision-makers and provides data to support programs that need doing, and it is an antidote to the stereotypical "fluff" image of marketers as more party planner than strategic planner.

Accounting Firms' Research Drives Strategic Decisions

Accounting firms use research on a regular basis to understand their markets and test the effectiveness of their marketing initiatives. Jonathan Hollenberg, formerly a law firm marketing director and now a research director at Ernst & Young, told me that his group assesses the impact of their brand on an ongoing basis. They focus on primary markets and industries, looking at current — as well as "aspirational" — client categories.

Hollenberg primarily uses telephone surveys for quantitative research, both because his target market is relatively small and to avoid the respondent bias of mailed questionnaires. Telephone surveys also create more assurance that you are speaking with the person you wanted to be part of the survey response group. He uses regression analysis to really understand the dynamics of purchasing decisions within a total decisionmaking context.

Ernst & Young also uses qualitative research and focus groups to test various subjects, including specific marketing tools. For example, their Web site user experience study is designed to find out how site visitors actually move around their Web site. Respondents, representing various audiences such as clients, recruits and new employees, are filmed and taped as they surf through the site. Respondent feedback is used to improve the site from the user's perspective.

When asked how and why research should be used, Hollenberg quickly ticked off the following list:

- Research provides corroboration for intuition, thereby aiding the decision-making process.
- Research provides a tool to assess the impact of various marketing tools such as advertisements, press coverage and the impact of industry rankings. This in turn provides data to influence the allocation of marketing dollars.
- Research data drives positioning.

Research to Support Allocation of Marketing Dollars

There are many forms of program-specific research designed to test the effectiveness of marketing initiatives. Jeffrey Morgan, group associate publisher at American Lawyer Media, says that some of the law firms committing major dollars

to advertising are beginning to use market research to test the impact of the ads and then adjust their message accordingly.

Many law firms commit extensive resources to publications such as newsletters, client alerts and white papers. Reader-usage surveys can provide feedback as to a publication's marketing value by asking readers how they use the publication, how it is circulated, what topics interest them and even their preference for e-mail or print versions.

Before creating a full-spectrum training program, a firm could survey its attorneys (using a method such as the Zoomerang site survey tool, which permits confidentiality) to test what partners or associates know about a subject matter area and what topics they want to know more about.

The LMA Mid-Atlantic Chapter used a Zoomerang site survey, as reported in the March 2001 issue of *Strategies* to ascertain members' programming preferences. The information was used as the basis for their 2001 program planning process.

Research to Generate Marketing Information

Practice groups can use target market surveys to create "new" information based on surveys with questions about how business executives assess current issues, their use of specific legal tactics or their view of the impact of specific trends on their industry. The responses can be used *externally* in articles and press releases, which become part of the industry discussion of the topic — one way of answering clients' need for industry expertise.

For example, National LMA, the Chicago Chapter, the Illinois CPA Society and Martindale-Hubbell jointly sponsored a mail survey of more than 2,000 business executives in a first-ever effort to ascertain their inclination to use multidisciplinary practices (MDPs). Donna L.G. Shaft, a marketing consultant who developed the survey, said that the findings are important for law firms because they identify those services respondents were most likely to purchase from accountants *or* attorneys, as

well as those services respondents believed could be performed by either professional group. "Their answers are as close to a marketing road map as we are likely to get," she said.

Shaft concluded, "People are not opposed to the MDP concept if confidentiality could be assured, but what they are most comfortable with is to have their attorney and accountant concentrate on their core services and coordinate their counsel." These survey results prove the point that surveys can make news within an industry and provide insights to structure future marketing initiatives.

A word of caution here: Research for marketing purposes needs to be clearly thought out. Flawed survey techniques produce flawed results, so be sure you understand clearly how to write unbiased questionnaires, how to select representative survey populations, which analytical tools are most appropriate for which kinds of data and how to draw meaningful conclusions from the data. Make sure you understand the kind of research you are doing, and then report the findings appropriately.

Data from industry surveys also provide information that practice groups can use *internally* to direct their services to their market's needs. When a firm wants to add a new service area, the prudent approach should include a market survey to find out not only if the new service is needed, but also if potential buyers would purchase such a service from your firm. This information can help prevent costly initiatives that don't provide the anticipated return.

A firm need not go it alone when doing industry surveys. Often trade associations are interested in partnering with a professional services firm to find out what their members think and need in order to meet specific needs. Use of the trade association list makes it easier to target the appropriate people. Collaboration with the association also provides an imprimatur that may make it easier to secure respondent participation.

Some firms work with trade magazines to similar advantage. The result-

ing story on executive retention, industry growth patterns or whatever topic is of interest then appears with your firm identified as part of the research team and, perhaps, a quote or two from attorneys in the firm.

Rankings Provide Competitive Intelligence

It seems that almost daily another survey is released showing the top "whoever" in "whatever" category. For example, American Lawyer tracks the national legal profession in a series of surveys, including the AmLaw 100 and 200, the Corporate Scoreboard, Who Represents. . . , and the Annual Associates Survey. Everyone runs to see the rankings and talk about them, but how many move beyond gossip to strategy?

Morgan says that astute law firms use the surveys as a way of benchmarking themselves against their competition and as feedback to correct internal problems such as those unearthed in the Associates Survey. He sees the rankings as "instruments of change" that enable firms to set specific goals to work toward. "Surveys provide market intelligence. Without market intelligence, you are working in a vacuum. Without this information, there is no way to tell where a firm stands *vis-à-vis* its competitors," he said.

Rankings can also be used to add dramatic impact to marketing materials. Isn't it far better to say "According to [publication's name], we ranked first in [industry or service area]," rather than just proclaiming yourselves the biggest or best without data to corroborate it? Create a chart or table to show off the firm's dominance in a number of markets. Mid-size firms and firms in smaller markets can create similar marketing impact by being "the largest firm in [geographic area]" or working on "the largest deals in [geographic area]."

Competitive Intelligence Is Another Kind of Research

Before selecting specific companies to target or sitting down to answer an RFP, you need to understand both the company and the economic context

within which it operates. Without research that identifies a prospect's goals, culture, challenges and legal needs, a firm can't create the kind of company-specific, industry-relevant marketing campaign needed to drive in new business.

Marketing directors unsure of where to begin such research or burdened down with other activities can and should turn to their firm's reference librarian. The librarian is usually trained to use library resources such as LexisNexis, Westlaw, Hoovers, Nelsons and other reference databases to access the kind of materials you need. Carol Barra, LexisNexis librarian relations consultant, suggests that the marketing director sit down with the firm's librarian and work out a predetermined search sequence and a content template that identifies the kind of information needed for an RFP response, a competitor analysis, client tracking, follow-up materials, etc.

Managing a Research Process

Whatever form of research you decide to do, follow these four management guidelines for maximum effectiveness.

1. Understand what you want to know.
Begin at the end with an understanding of how you will use the data. Test potential questions to make sure they will elicit the kind of information you need.
2. Be clear on the difference between "need to know" and "nice to know."
Unless you have unlimited funds and your respondents have unlimited time, you will need to focus your efforts on the projects that can affect the firm's strategy.
3. Avoid GIGO: "garbage in, garbage out."
Questionnaire development, selection of the group to be surveyed, methodology and data analysis are not arbitrary decisions. Work with marketing research professionals who can help you produce reliable, quality work.
4. Use your data to generate relevant information — information that will set the context for decisionmaking, fill in knowledge gaps and identify action triggers.

Remember the moral of "The Wizard of Oz." Let research be your red shoes so you can determine your own role in your firm, rather than wander down a yellow brick road without knowing where it leads.



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