



How to insure your legal marketing pays off: A Checklist for Marketing Success

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The first in a series of articles that explore what factors contribute to marketing success and practical steps for insuring that your marketing investment contributes to firm growth.

Marketing, as with every other business function, has rules of thumb. Legal marketing is no exception, although the rules are often not understood or, given the relative youth of the law marketing function and its complexity, far from codified. And while the intent of this article (and those that follow in the series) is to outline these rules, it will not replace the need for using the services of a marketing professional, whether an employee or contractor.

Legal marketing is all about “touch.” Acquiring clients, keeping them and cross-selling them additional practice offerings depends on “touching” the right person, at the right time, with the right message, in the right way, and often doing so frequently over a long period of time. Marketing success is determined by six controllable variables:

- ∴ Audience(s)
- ∴ “Brand” awareness



- ⋮ Timing
- ⋮ Medium and format
- ⋮ Offer
- ⋮ Message and format

Note that these variables do not include uncontrollable factors such as the state of the economy or competition. These need to be considered, of course, but they are not open to direct manipulation and, thus, not a productive marketing focus.

In general, the first three variables listed above – audience, awareness and timing – are far more important than the last three. In fact, many marketers estimate that these two factors alone account for 60%-70% of the success of any single marketing efforts. It's no wonder that professional marketers spend so much time and money seeking to understand who their best customers and prospects are, their attitudes toward what's being marketed, their needs and their level of awareness of each brand in play.

Because of its importance, audience will be covered in this first paper and the rest discussed in subsequent articles.

There are 293,231,274 people in the United States. A few are prospective customers. You're really only interested in an even smaller portion of this subset.

Some customers are better than others. They're worth more. They may be less price sensitive, willing to pay a higher hourly fee. They may require less partner involvement. They may simply have the potential for more billable hours. Or, in the case of litigation, they may represent "repeat customers." The first two scenarios are, of course, the more desirable. They imply greater productivity and higher value. Those clients who are worth more business are equally valuable, but come with the higher risk associated with being overly dependent on too few clients.



There are two ways to target these high-worth prospective clients. The first is to outspend the competition. If the average firm spends 3%-4% of gross billings on marketing, spending 5%-7% will gain you more simply by virtue of improving the odds that your firm will come to mind when legal help is needed. The second method involves tight targeting, long-term thinking and careful, deliberate manipulation of every single prospect “touch.” The choice between the two methods should be made based on financial analysis. The key metrics used are cost-per-prospect reached combined with cost-per-client acquired. Quantifying and comparing ROI for clients acquired using each method helps pinpoint best practices as well, although this calculation is usually much harder to gather data for.

No matter the metric, cost tracking is required. Most firms do this by setting up a separate account that accumulates all marketing costs. More sophisticated firms – those interested in quantifying ROI and establishing best practices based on analysis – may opt to set up accounts for each marketing campaign executed, each population targeted, each month, each medium used, etc. The account structure depends on preferences and experience (often intuitive) of the marketing manager and the particular practice area being marketed.

Method One: Outspending the competition doesn't mean throwing money away

If the age of the dot-com bust taught us anything, it's that money can't buy everyone. Even those firms that outspend their cohorts have found ways to do intelligently. They measure. They target their best prospects, even when there are so many of them that it requires mass media such as television, radio or general print publications. In this case, best prospects may be those which can be acquired at a lower cost-per-client. For example, consumer firms using television and radio buy fringe time; late nights and early mornings deliver the relatively mass reach at the lowest cost possible. Some corporate law firms co-sponsor events with *The Wall Street Journal* and *Forbes* backed up by consistent public relations. Despite the fact that these two media represent the poles, both strategies require higher budgets and target general audiences, but they represent efficient ways to reach a lot of prospects.



This strategy also requires a screening process. Mass reach means that some inquiries will come from low- or no-profit client prospects. To eliminate the drain from these potential low margin accounts, firms need to identify ways of screening as early in the prospect-to-client conversion process as possible to lower conversion costs and maintain marketing ROI.

Method Two:

Tight targeting requires due diligence

Successful rainmaking is the essence of tight targeting. In fact, many firms, many individual practices never need to institutionalize marketing at all. They are the fortunate few that either continue to thrive on standard rainmaking practices or realize growth through geographic expansion.

For most, however, rainmaking is no longer enough. Formalized targeted marketing generally lowers client acquisition costs, provides more predictable growth and broadens client bases by adding practice areas (often without hiring away proven practice rainmakers at great cost). Rainmaking isn't eliminated. No amount of target marketing can entirely replace the personal close. What target marketing does is boost rainmaker productivity. And since most rainmakers are practicing lawyers, this is essential for firms wishing to continue profitable growth.

Targeted marketing requires a great deal of analysis. It starts with identifying the characteristics of the firm's most profitable clients. The dimensions of these characteristics differ between corporate and personal clients, practice areas, geographic locations, established accounts and those only recently acquired and even, in some cases, time of year. Some characteristics can help predict "best prospects." Some, such as length of firm relationship, cannot.

For firms with many clients and good client activity tracking, analysis is done using statistical modeling and correlation studies. For smaller firms, it may be as simple as probing partners in-depth for what they believe contributes to client profitability.



Once these characteristics are pinpointed, they make up a working hypothesis for identifying high-worth prospects. Data sources for these prospects may include some or all of the following:

- ⋮ Industry directories
- ⋮ Association memberships
- ⋮ Internet searches
- ⋮ Trade publication subscribers
- ⋮ Professional databases and mailing lists
- ⋮ Attendees of industry/special interest events, seminars & trade shows
- ⋮ Buyers of related products and services

Collecting and compiling prospect information from these resources in a database is important. Data points should include, of course, names and contact information, but should also include source and other qualitative information (i.e., income/revenue, job title/industry, current legal representation, age, etc.). This type of information is used to refine the prospect model by identifying/confirming target group characteristics and best resources for names.

Once collected, testing the prospect model is vital. Doing so reduces the risk of failure and lowers the cost of your prospect acquisition efforts. Validation may be as simple as calling and asking if the person on your list is indeed responsible for selecting legal representation, asking partners for quality ratings or doing a survey (with a response incentive) to probe for potential value.

Once validated, the use and active maintenance of this prospect database becomes an important marketing task. It serves as a focal point for all client acquisition communication efforts, as well as a research resource that can provide ROI data.

Summary: Pick the right strategy for each practice area, then invest in superior execution



Mass marketing – outspending the competition – is ideal for consumer litigation and employment law, for example. In other words, in instances where your practice has mass appeal. Target marketing applies for practices with smaller prospect bases and/or vertical interests (i.e., real estate, corporate tax law).

Picking the right audience strategy also means assessing the downsides and risks. When you mass market, you face the risk of starting an advertising spending war. All your competition has to do to make your marketing relatively ineffective is spend more than you. The advantages of this method, however, are a fast, relatively easy bump in client acquisition. Plus, mass marketing can usually be handled by outside agencies or consultants.

Target marketing, on the other hand, demands that someone in the firm be devoted to managing marketing programs and processes, usually full time. Marketing staff must have access to rainmakers, as well as funding for acquiring data and communicating with prospects. This method is usually more long-term with prospecting yield slower to come. However, target marketing often provides higher worth prospects delivering greater profitability.

No matter which method is used, audience selection is an incredibly important and often overlooked variable to marketing success and firm growth.



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