



Branding the Law Firm

By Lynne Hagan, Senior Partner, InterAct Marketing

Yes, there is such a thing as law firm branding

There's quite a lot of buzz in legal marketing circles about branding for law firms and practices. This article first defines and explains branding and marketing in the context of legal marketing and then covers the ways and means of applying brand marketing.

First, let's start with some definitions.

Branding is a strategy used to own a piece of a specific target segment's mind share for the service being offered. It differs markedly from a firm's identity or its image. Firm identity is its name, its logo, its tagline. Firm image is defined by the perception that the public has of the firm, whether intended or not. Where firm branding is present, both identity and image are two of its outputs.

A firm's branding is, by definition, delimiting. It is an intentional, logical strategy that defines the services firm offers, how it offers them and who it offers them to. Instead of being all things to all people, a branded firm

owns a piece of real estate in the minds of a very specific set of clients. The concept of the “unique selling proposition” (USP) is a useful one for defining branding: A brand is proactively defined by a firm to match the needs of a group of consumers with the features and dimensions inherent in a service, ideally those features and dimensions valuably unique to the firm.

The advantages of branding go well beyond the readily apparent ones derived from cohesive marketing messages. CoreBrands, a research firm specializing in measuring the return-on-investment from branding efforts, has repeatedly found a direct relationship between strong branding and superior profitability and firm value¹.

As opposed to branding, marketing is the tool set used to insure that a firm sells a product or service at the optimum volume and price to maximize profits. The marketing mix most often includes product/service development, distribution development and management, pricing, promotion and customer service.

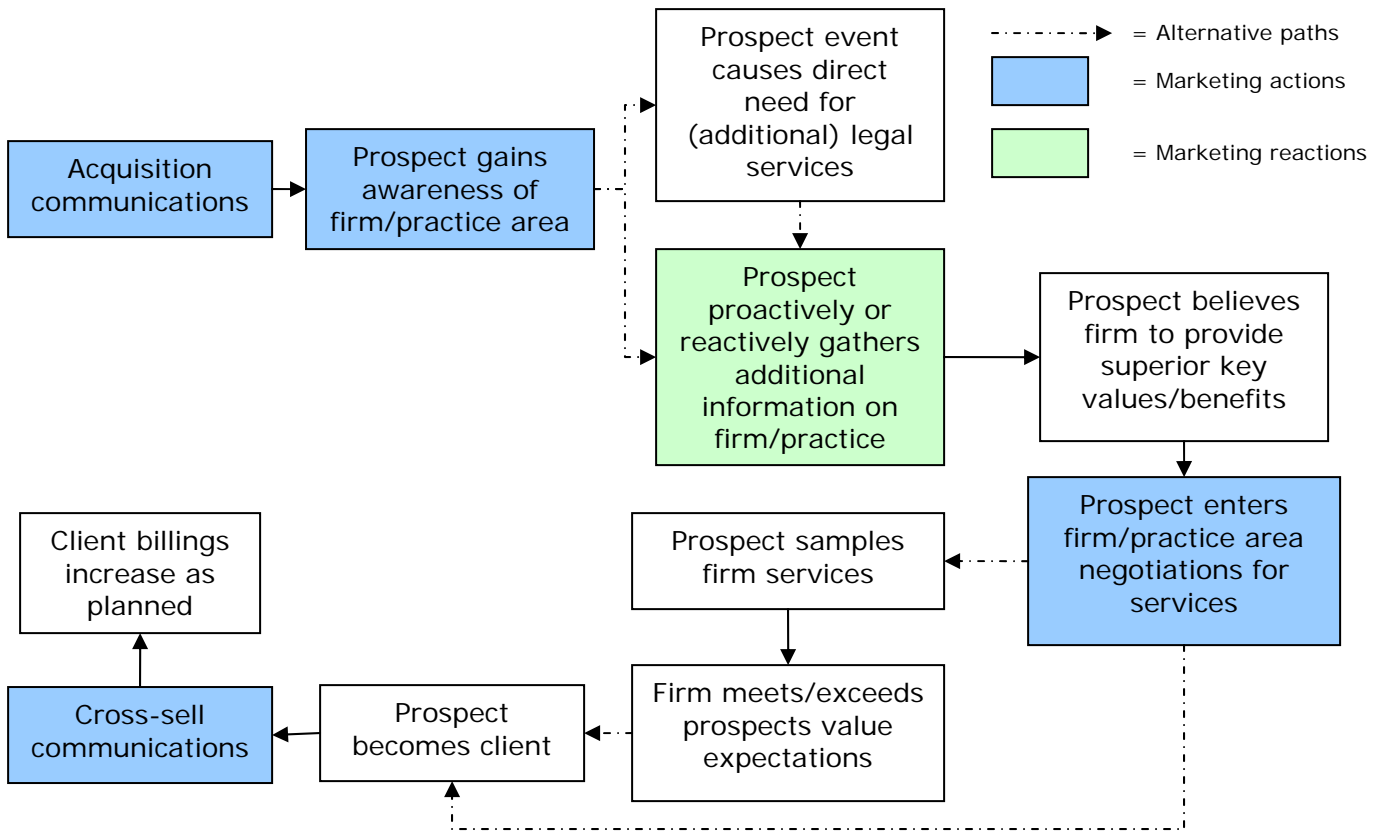
Clearly, branding and marketing intersect. Branding determines what services are offered and, for law firms, often who offers them. Marketing is how those services are sold.

The definitions provided here for branding and marketing obviously go well beyond the “practice development”

usually assigned to the legal marketing function. For law firms, marketing is usually confined to the promotional components of the marketing mix and, until recently, branding was seen as unnecessary since profitable growth could be sustained by either expanding into new practice areas, adding geographic scope and/or hiring (or acquiring) more associates. These three traditional growth strategies continue to be the foundation of many law firm growth plans, but branding and more efficient marketing are becoming more important. Growth through traditional strategies is slowing and not often sustainable over the long term².

Like most industries, law firms use promotion to get new customers, to retain current ones and to enhance the value of client accounts through the up-sell and cross-sell of additional services. Legal marketing operates in roughly the same way as most considered-purchase markets. Until recently (5-8 years), most firms relied exclusively on direct sales through lawyers and events to gain, retain and grow clients. Currently, direct sales efforts are being augmented by advertising, public relations, direct mail and Internet selling. In addition, a number of firms are experimenting with dedicated, non-lawyer sales forces. These tactics are used to increase new business volume and the productivity of direct sales efforts. Specific benchmarked metrics include awareness gained, prospect leads generated (and cost-per-lead), pitch invitations and, finally, high-value client retention/growth. A legal marketing model is shown below.

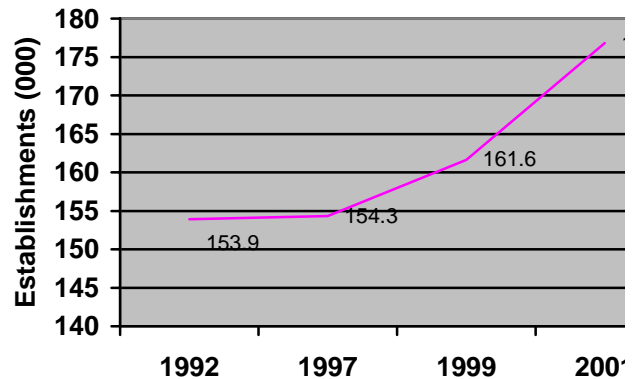




Trends in Legal Branding & Marketing

Adoption of marketing as a growth strategy is still in infancy for most legal services. Firms are paying more attention to hiring marketing professionals, most of whom have less than five years of legal marketing experience. Firms such as Paul, Weiss, Rifkind, Wharton & Garrison; Simpson Thacher & Bartlet; King & Spalding; and Kilpatrick Stockton have recently started searching for top-tier marketing talent³. Because top marketing professionals with substantial legal experience are so hard to find, salaries are well-above all-industry standards. Salaries for chief marketing officers hired recently by top law firms range from \$300,000 to \$400,000⁴ compared to the \$175,000 to \$225,000 paid in general for top marketing executives⁵.

Growth of Legal Firms



The boosted focus on marketing is driven by a number of factors:

- ▶ Consolidation among largely established firms and overall growth in the number of U.S. firms means a



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more competitive market, necessitating active marketing programs. Growth in the number of firms has outpaced company growth across all industries and can be expected to continue to do so. As shown on the right, since 1992 the number of law firms has increased an average of 1.7% each year versus a growth rate of 1.4% across all industries⁶. Growth in legal output value and in profits is estimated at 7.2%⁷ and 9.7%⁸ per year respectively.

- ▶ Consolidation increases debt load, putting pressure on firm managers to increase profits, and, at the same time, creates a recognition of the firm as a business (as opposed to a group of autonomous professionals). This, in turn, leads to a focus on billing hour productivity and then a more targeted approach to “best” client acquisition. Marketing delivers to these goals through prospect profiling, research, branding programs and more progressive promotional spending.
- ▶ Clients, especially corporate, are more sophisticated and demanding of all professional service partners. Being invited to pitch a major account requires not only making the shortlist through awareness, but the perception of superior empathy and understanding of a prospect’s overall, not just legal, challenges. Successful pitch presentations are both graphically slicker and required to outline specific solutions.
- ▶ The acceptance of legal advertising (for some media such as yellow pages, the term explosion is more apt) has predictably increased competition by increasing awareness of the vast number of choices.

Legal Marketing Differences

Despite its similarities with other considered-purchase industries, legal branding and marketing operate in a substantially different environment. Differences include:

- ▶ The target constituencies of most law firms.
- ▶ The legal operating model & standard decision-making processes.
- ▶ The fundamental values underlying a client’s choice of law firm.

Target Constituencies: In addition to interacting with clients and current and prospective employees, law firms actively communicate with judiciary and regulatory agencies. In fact, these constituencies have determined most legal marketing standards. Judiciary and regulatory communications are determined by traditional processes and standard business forms and focus on the task at hand.

These processes and standards stand in sharp contrast to the ambiguity and creativity inherent in marketing communications that targets audiences who make decisions using both logic and emotion. Besides sometimes finding the need for promotional efforts demeaning, many lawyers find the emotional portion of promotional messaging distasteful as well.

Legal Operating Model: The partnership basis of law firms also influences the role of marketing. The goal of most corporate communications is to sell the enterprise and its products. Law firms, on the other hand, primarily



sell lawyer-to-client relationships and then the practice area and the firm. Because of this focus on personal relationship and a single-point of expertise, branding of the firm appears, at first glance, irrelevant. The partnership model, where group decision-making is the rule, has also made strategic marketing difficult to implement. The intricate collaboration processes necessary to make marketing decisions in law firms add significantly to implementation cycle times¹. In addition, “partners know best” is a frequent lament among legal marketing professionals and is indicative of the challenges faced by these professionals to implement progressive marketing strategies and tactics.

Fundamental Purchasing Values: As mentioned above, a client’s choice of law firms has both rational and emotional components. On the rational side, a client will look for expertise, as evidenced by experience, success and “other clients like me.” The emotional decision is clearly linked with the degree of risk associated with the purchase. Words like “trust,” “understanding” and “reputation” are indicative of emotional needs. Size of firm, client lists and firm resumes are an important means of lowering the perceived risk of a new legal relationship. Authoritative and credible speaking engagements, bylined articles and conservative graphic treatments also help answer the perceptual risk associated with the law firm “purchase” decision.

¹ For example, Maria Galanti, Global Brand & Marketing Director for UK law firm, Ashurst, reports that major marketing strategy decisions that would take an average of three months in other industries takes 12 months because of the additional layers of complexity added by the legal partnership model.



The Application of Branding

Branding may appear to offer very little benefit in influencing the buying decision for legal services. In point of fact, branding is extremely important in helping law firms make the “short list” of pitch participants and in growing existing client accounts. However, few firms actually practice branding. The delimitation, the necessary exclusion of practice areas, geographic influence or shortened list of prospects, represents a difficulty few firms care to overcome. In fact, when one reviews law firm advertising, even firm taglines, many firms seem to want to make “come one, come all” a firm benefit. This appeal is impractical and unworkable for all but the largest firms. It may be all right for Paul Weiss Rifkind et al. to generically say that they “achieve excellence in the art and science of law,” but few other firms have the scope to match their well-established brand equity.

Since the vast majority of firms claim unprecedented expertise and experience in their areas of practice, their marketing fails to help clients distinguish one from another. They appear no different from any other firm. To illustrate the difference between firm identity and branding, following are two groups of law firm tag lines from The Law Marketing Portal:

Group A:

Strategic Legal Counsel
Solutions for a changing world
Results matter

Group B:

Serving the World’s Leading Innovators
New Jersey’s oldest and largest law firm
All we do is Work

A good test for determining whether a firm has a brand identity or not is an examination of the firm's tagline. Those above seem to fall into two categories. Group A represents generic, non-branding taglines that could be used to describe any law firm. In fact, the second and third tagline appearing under Group A could be used by any company, in any industry, anywhere in the world. Group B are brand-builders that differentiate the firm from its competitors. The first, "Serving the World's Leading Innovators" delimits the firm's target audience. The second uses locale and history to distinguish. The third uses firm-wide specialization to provide differentiation. All three (and many more) strategies can be used to delimit what the firm does and who it serves and make it stand out from the crowd.

There are two paths to overcome the "all firm's sound alike" challenge:

- ▶ Gain attention by spending more and "speaking" louder.
- ▶ Using competitive analysis and tools such as SWOT analysis to identify and create a firm or practice area brand(s).

Both approaches are evident in today's legal marketing landscape. Jacoby & Meyers is an example of outspending the competition to gain revenue. The other path

is approximated by Womble Carlyle Sandridge & Rice's use of an icon representing dogged determination – Winston, the bulldog.

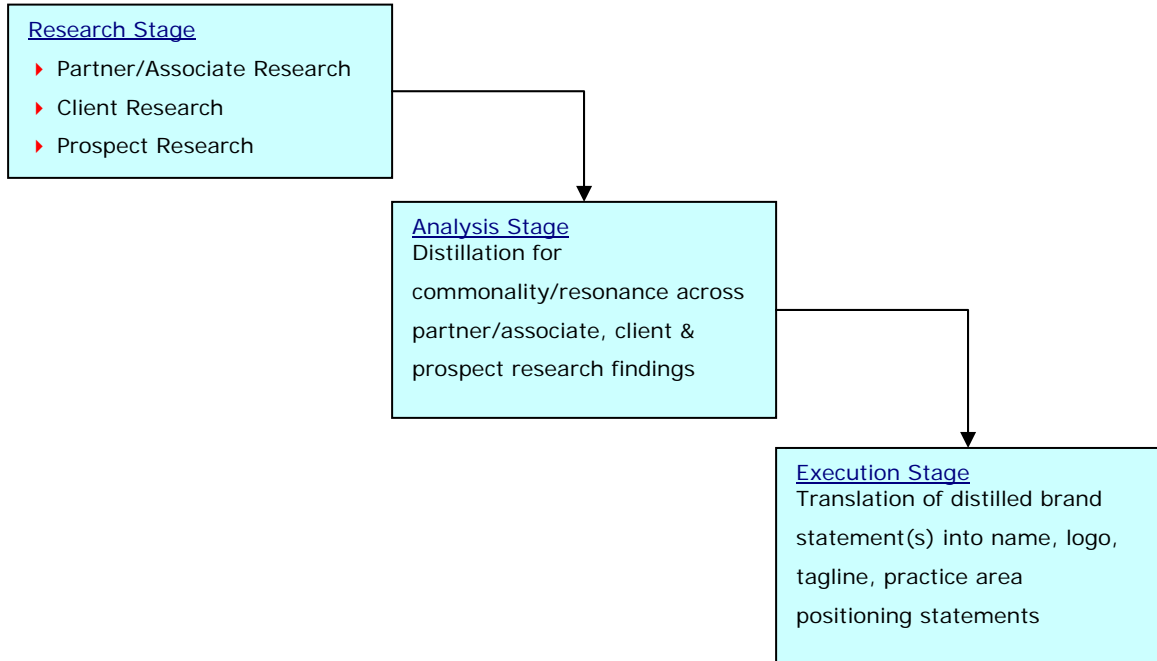
The fact is that while the techniques used by marketers in other fields must be modified to accommodate law firms' two most basic benefits, professional competency and integrity, these are standard issue and non-differentiating for prospective clients. So, although use of splashy logos, highly promotional offers and bright colors essential to mass marketing's drive to "cut through the clutter" may be inappropriate in legal marketing, the use of branding strategies (and the strategic planning rigor that goes with them) is not.

The Process of Creating a Brand

Law firms are not alone in their ineffectual use of branding. A recent article in *The European Journal of Marketing*⁹ found few valuable, distinguishable services brands. The reason is cited as use of branding processes developed for products and product-based firms instead of services. Services, such as law firms, demand a more collaborative development process – one that uses both internal and external resources. Because a law firm's "product" and quality assurance are delivered across the organization, branding must take the form of a shared vision.. The following process outlines a topline process that we've found both useful and executable.



The InterAct Service Brand Development Process



Execution of branding, whether using the process above or not, requires outside facilitation and can be lengthy. The number of input points (getting input from 50 partners can represent months of work) and the flatter decision-making structures inherent in law firms makes the process seem cumbersome for those more familiar with consumer branding. However, the outcome from this process is very often strategically beneficial on many levels. In addition to helping to distinguish a firm from its competition, benefits include:

- ▶ Enterprise-wide direction and more focused operations.
- ▶ Many firms find out, for the first time, how the marketplace sees them and how these perceptions often differ radically from how they see themselves.
- ▶ A firmer, more transparent understanding of what the market values, and what it doesn't.

- ▶ A brand – a firm identity – that allows the firm to march in sync, with a better understanding of the firm's goals.

Summary

Not too long ago, an experienced and extremely knowledgeable legal marketing professional, Jane Hewson, indicated in an article in *Marketing for Lawyers*¹⁰ that in her experience “branding is antithetical to the way legal services are bought and sold.” She correctly defined branding as “both an identifier and a differentiator.” She states that it only adds value before and after the sales presentation.

Ms. Hewson is absolutely correct. Branding's value is focused squarely on the events before and after a sales presentation. Branding is not meant to eliminate the need



for the pitch. Instead it substantially boosts a firm's entry into a prospective client's short list and helps insure that, once a client enters the firm's roster, they stay there and expand in value.

Considering that, on average, only 3%-10% of your prospect base is even aware of your existence (let alone your competency), a branding effort that doubles that and then helps insure continued account success may very well be worth some consideration.

About the Author

Lynne Hagan is a senior partner of InterAct, an integrated marketing service firm that helps law firms with strategic planning (including branding), market research and creative development and execution. She currently serves as key liaison and project manager for a number of InterAct's law firm clients and specializes in strategies that measurably deliver to revenue and margin goals. Her successes include helping develop and execute brand identities for litigation, real estate, estate/trust and corporate law practices. She also applies success strategies gleaned from senior marketing management roles in a wide-variety of service industries.

¹ Goldwyn Blumenthal, Robin; "One man's brand power is another's stock pick;" *Barrons*, July 14, 2003, Vol 83, Issue 28, page 10.

² Galanti, Maria; "Branding the law;" *Brand Strategy*; February 11, 2004, page 14.

³ Vincent, Amy; "Unnatural Selections;" *The American Lawyer*; December 23, 2003.

⁴ Ibid.

⁵ Monster.com Salary Survey February 26, 2004.

⁶ *Statistics of U.S. Businesses*; US Census Bureau, 1992, 1997-98, 1999-00, 2001.

⁷ "Gross Domestic Product by Industry, Current Dollar and Real Estimates for 1998-2000;" *Survey of Current Business*; Bureau of Economic Analysis, March 2002, page D-31.

⁸ "Corporate Profits Before Tax by Industry, 1997-2000;" *Survey of Current Business* ;Bureau of Economic Analysis, August 2001, Page 83.

⁹ De Chematony, Leslie and Segal-Horn, Susan; "The criteria for successful service brands;" *European Journal of Marketing*; Volume 37, Issue 7/8, 2003, page 1095.

¹⁰ Hewson, Jane M.; "Branding: Enhancing Successful Legal Marketing;" *Marketing for Lawyers*; November 26, 2003, Volume 17, Number 7, Page 1.

