

A new decade brings fresh priorities

The PM Forum's eighth annual Marketing Leaders' Benchmark shows professional firms investing in brand differentiation, marketing automation and client experience. But, asks Alastair Beddow, do they have the right metrics in place to keep track of their success?

The start of 2020 provides an opportunity for reflection. Think back to 2010: the pressure on professional fees caused by the global financial crisis was beginning to bite. The idea of professional firms incubating technology start-ups was not on anybody's radar. Marketing automation and big data technologies were in their infancy. Few firms had systematic programmes for collating and analysing client feedback data.

In spite of the turbulence of the last decade, professional services has remained resilient. With its healthy top-line growth, and continued international expansion, the sector has been a roaring success story for the UK economy throughout a decade of otherwise stagnant activity.

Reflecting on recent successes

On the cusp of a new decade, we asked leaders about the recent projects and initiatives they were most proud of, and what had contributed to their success. Here are three examples that illustrate some of their typical success stories:

"We delivered our first fully-automated lead nurturing campaign. We've been working for the past two years to improve our marketing infrastructure, use of CRM and data processes, so this is another important milestone met and one we've learned a lot from." – Head of Marketing, Actuarial Consultancy

"We have prioritised initiatives that generate the greatest return on investment and profile raising. We achieved a firm-wide rebrand and a new website, a number of sales campaigns, a new Partner-level sales coaching programme and sector-focused thought leadership campaigns." – Business Development



Marketing leaders are hungry for transformation and to ride these changes to their advantage.

Director, Legal

"Our team have taken on greater responsibility for defining and influencing the client journey and the technologies we should be using to support that." – Head of BD and Marketing, Accountancy

These stories paint a picture of marketing and business development functions enjoying greater strategic influence, harnessing new technologies, and transforming the way their teams engage with clients.

Strategic focus turns to new proposition development

What does the future hold? Turning towards 2020 and beyond, our benchmark shows professional firms increasingly focused on new proposition development, with 92% of participants say they plan to make changes here. A focus on business model innovation is a logical consequence of changing demand patterns for professional services with clients wanting to engage with services in new ways. As more firms shake up their product and service offering, those who don't keep pace will fall further behind.

Business model innovation marries closely with the second priority cited in our survey: investing in technology to

deliver client services more effectively, cited by 88%. Marketing leaders want their teams to be at the forefront of discussions about how their firm capitalises on new market opportunities during the decade ahead.

Client experience priorities remain high on agenda

As in previous years client experience also remains a top priority among the marketing leaders we surveyed. This year 80% say they plan to make improvements to their firm's client service experience, and a further 80% say they want to obtain more feedback from clients throughout the year ahead.

An important element of this improved service experience will be greater personalisation, both during the sales and marketing cycle and during client engagements. 60% say they want to focus more on personalisation throughout 2020, up from 50% the year previously. As one participant in our benchmark explains:

"We will see the industry moving to a more personalised marketing approach, with the same type of predictive marketing happening to individual consumers from a B2C point of view now moving to a B2B experience. 'Hyper-personalisation' in brand positioning and awareness will be a major focus for this decade." – Marketing Director, Accountancy

Refreshing brand is a top priority for one in four firms

When asked about their top priority for 2020, 24% say it will be to relaunch or refresh the firm's brand. This has increased from just 15% in our research 12 months ago and has now overtaken

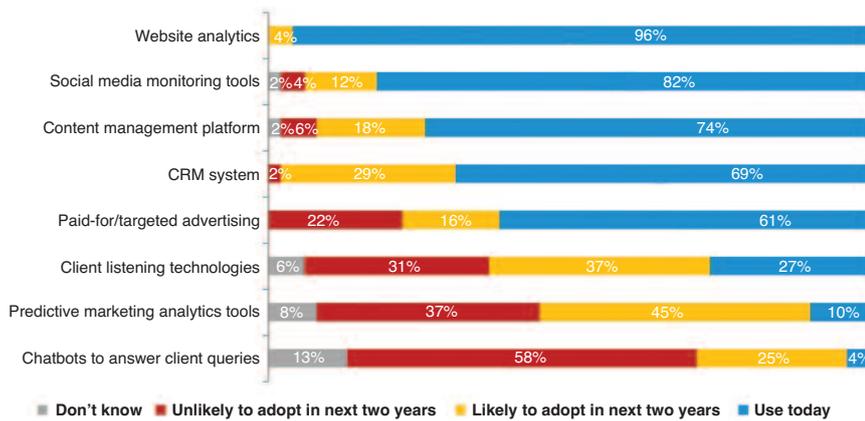


Figure 1: Which of these marketing and BD technologies do you have in place today?

client experience as the number one priority for professional services.

Why has brand risen so quickly up the agenda? Perhaps it is inevitable that as we enter a new decade professional firms will reflect on their positioning in the market and whether it is fit-for-purpose. More likely, firms are alive to the fact that as they diversify and innovate their service propositions, they will need a fresh brand message that unifies and differentiates their offering in the market.

Marketing technologies will accelerate change

To achieve their short and long-term priorities, marketing leaders say they will be increasingly reliant on new technologies (See Figure 1). Our research reveals that most professional firms are already using well-established technologies such as website analytics (96% use today), social media monitoring (82%), content management platforms (74%), and CRM systems (69%).

Newer technologies have a more limited uptake now but are expected to quickly grow in usage over the next

couple of years. For example, only 10% are using predictive marketing analytics tools today but a further 45% say they expect to do so within two years. The use of sophisticated client listening technologies will grow from 27% today, up to 63% within the same period.

Budget increases remain modest

Implementing these priorities requires investment. This year's benchmark results show average annual increases in marketing budgets of 2.3%, in line with the increase of 2.4% cited last year. Looking behind the average figures shows that more than half (58%) expect an increase in overall marketing budget over the year ahead, with 12% expecting an increase of 6% or more.

While growth in marketing function headcount remains in line with 2019 data, this year we see a drop anticipated in expenditure on marketing team salaries, from 3.1% in 2019 to 2.2% this year. This suggests marketing leaders are looking to devote more of their budget to systems investment and technology this year, after higher pay increases last year.

Don't forget the metrics

With clear growth strategies in place, do firms have the right metrics in place to measure the impact of their investments? Our research suggests not (see Figure 3). Although a majority measure important metrics such as client satisfaction (65%), client retention rate (65%) and pitch conversation rates (77%), these measurements only tell part of the story.

KPIs (key performance indicators) that link marketing and BD effort more directly to sales and revenue generation are much less likely to be in place today. For example, only 39% say they measure marketing ROI (£ generated for every £ spent) and only 37% say they will start measuring this over the next two years. Less than half say they measure fee-earner time spent on marketing and BD initiatives (49%) or the cost of added value services for clients (22%).

In future the successful marketer will need to have more of this information at her fingertips to understand better whether her strategies are having the desired effect, and to prove to colleagues the benefits of continued investment in market and business development.

The decade ahead: major changes on the horizon

Trying to predict the future is a fool's game. Nevertheless, we asked our research participants about the biggest trends that they believe will shape the future of professional services marketing. There is remarkable consistency in their responses. The Business Development Director at one law firm sums up the views of his peers well:

"There will initially be a charge into AI technologies, followed by a pushback from clients who want quality and the human touch. A lot of smaller and mid-sized firms will go or merge, and those that are left will be niche. Law and accountancy firms will also start to merge and become indistinguishable from each other."

Marketing leaders are hungry for transformation and to ride these changes to their advantage. Hopefully ten years hence you may see an article in these pages reflecting on whether these predictions have come to fruition, and what surprises have occurred along the way.

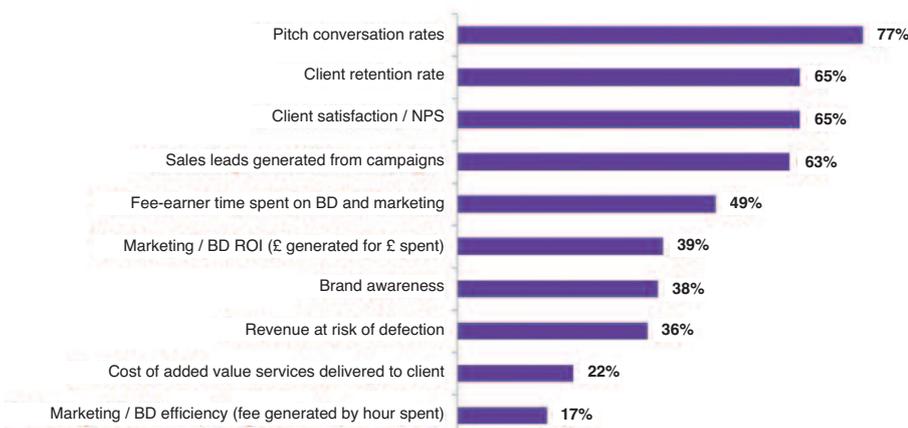


Figure 2: Which of the following marketing and BD metrics do you measure today?



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