

## **Marketing of a Legal Firm in Bloemfontein**

by

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## **Declaration**

"I declare that the field study hereby handed in for the qualification Master's in Business Administration at the UFS Business School at the University of the Free State is my own independent work and that I have not previously submitted the same work, either as a whole or in part, for a qualification at/in another university/faculty.

"I also hereby cede copyright of this work to the University of the Free State"

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## **CHAPTER 1**

### **Introduction**

#### **1.1 Background**

Marketing is an unknown subject to most lawyers owing to their lack of training therein, ignorance of the value of marketing practices and furthermore due to the misperception of the return on investment of strategic marketing practices (Breytenbach and North 2000:413). Lawyers mostly see strategic marketing as an aggressive sales strategy that is not permitted by the governing law societies. Several other factors as identified by Harris and Piercy (1998) contribute to the belief that marketing is an unnecessary intrusion; these include tradition and the history of the legal profession and the belief that marketing is unprofessional.

Law firms face the same pressures as other businesses, and the competition for new clients can be fierce. This study follows from the perspective that it is essential to connect deeper with existing clients and be open to changes regarding ways to gain new clients (Hennel 2003:3).

Competing as an attorney does not only consist of hard work and long hours, but also the reality of other attorneys in the context of limited work available. In order to compete in this environment, attorneys can no longer only survive on claiming their years in existence and experience, current reputation or only rely on referrals from existing clients to attract new clients (Roux 2013:51-52).

A further hurdle that has a negative impact on why lawyers fail to embrace the concept of marketing practices are the restrictions placed thereon by the Law Society of South Africa as well as the respective regional law societies. With specific reference to the Fee State Law Society, section 18 thereof sets out the restrictions which attorneys must adhere to with regards to marketing practices.

The concept of law firm marketing in South Africa has only been in existence for a short period of time. The concept has been accepted as a notion that is here to stay and can have a positive impact on the community as a whole if correctly utilised. From the outset it is assumed that very few law firms will be successful in future without the implementation of an effective strategic marketing plan.

EG COOPER MAJIEDT INC. a law firm, does not have a strategic marketing plan for effective implementation at their disposal. The absence thereof may hinder further growth and visibility in the highly competitive market, that is, the legal profession.

This firm was established in BLOEMFONTEIN in 1930. It is one of the oldest firms in Bloemfontein and in the Free State Province at large. Presently, it is one of the leading firms of attorneys in Bloemfontein with the necessary expertise, personnel and infrastructure to service major corporate and institutional clients.

This firm is BEE compliant and has black shareholding of 52%. Furthermore, the firm subscribes to an affirmative action appointment policy and has endeavoured to have staff members that represent the general population. To this effect, of the employees 28 are female and 15 are from previously disadvantaged groups. From the outset, this firm had adopted a socially responsible attitude and has valued and treasured its historical connections ever since. EG COOPER MAJIEDT INC. is also proud of being one of the first firms in Bloemfontein that employed and trained attorneys from previously disadvantaged groups. More specifically, the first person from a previously disadvantaged group to be admitted as an attorney in the Free State was employed and trained by this firm.

The senior directors of this firm still believe that an attorney firm of this size and nature can exist in this market without the necessary marketing strategy. To convince the board of directors that the implementation of an effective strategic marketing plan is of the utmost importance and that effective marketing will have a positive return on investment, the necessary research (as will be explained hereunder) was undertaken.

## **1.2 Problem statement**

Many law firms are of the impression that marketing is not important in achieving business prospects. The problem is that law firms in Bloemfontein cannot compete, survive or grow in a highly competitive market such as the legal environment without an effective strategic marketing structure in place, given that marketing has now also become entrenched in this field.

The compilation of a substantial strategic marketing structure for a law firm in Bloemfontein to compete, survive and grow is of ultimate importance. In this highly competitive Bloemfontein market, restrictions on marketing practices need to be taken into account, but the best practices also need to be identified for the effective marketing strategies of a law firm in Bloemfontein.

### **1.3 Objectives of the research study research**

Primary objective:

To determine how a legal firm can market itself in the Bloemfontein environment.

Secondary objectives:

- To determine the importance of marketing practices for law firms.
- To underline the restrictions and limitations on marketing practices relevant for law firms in Bloemfontein.
- To identify the most effective marketing tools for law firms in Bloemfontein.
- To make a contribution to the development of marketing strategies for a law firm.

### **1.4 Theoretical framework**

#### **1.4.1 The importance of strategic marketing for law firms in Bloemfontein**

Bradley (1995:45) explains that marketing entails communicating with existing and future clients and delivering value to these clients.

Marketing is an essential part of any business and contributes extensively to the overall reputation, product sales and product awareness of the firm (Exforsys inc: 2009).

In the very competitive legal market that exists in Bloemfontein, it is of the utmost importance to set one's firm apart from other firms. One way to achieve this is through a well-developed and executed strategic marketing plan.

Without effective marketing practices in place, a firm will be unable to be competitive in the legal market. The main goal of any firm is to be the most desirable firm of all; to be noticed for its outstanding service and be the first choice for clients – and it is this author's view that this can only be achieved through marketing, as marketing is the most effective way that a firm can be “discovered”. Marketing promotes the firm's services and makes the public aware of the ability of the firm to meet their requirements.

Positioning the firm correctly through effective marketing may be the only way to gain a competitive advantage over rival firms. The perception that clients hold in regards to the firm; the unique place a firm carves out for itself in a specific area; and how the firm is different from other firms are all established through effective marketing.

Marketing allows clients to make an informed decision as to why legal services are needed and why this specific law firm will be the most desirable and only firm that will be able to meet all the requirements of delivering these needed legal services.

To summarise, marketing is of the utmost importance and a vital part of most businesses to achieve and maintain a successful competitive advantage. The same may hold for law firms.

#### **1.4.2 Restrictions and limitations placed on marketing practices by law firms in Bloemfontein**

Traditionally, marketing by legal practitioners was thought to be unethical in nature (Sinclair 1987:129), due to the following reasons (Attanasio 1984:500):

- a. Marketing is unnecessary because legal services will always be in demand;
- b. Clients should be protected against unfair marketing practices;
- c. Marketing leads to an increase in price wars; and
- d. Marketing increases expenses without increasing income.

Nowadays, these perceptions are mostly unfounded and although legal professionals are held to a high level of integrity, marketing will be allowed if the regulations imposed on these professionals are adhered to.

Section 18 of the general rules of the Free State law society states that an attorney may publicize his practise only if s/he does nothing to impair:

- a. the attorney's independence or integrity;
- b. the client's freedom to instruct an attorney of his choice;
- c. the attorney's duty to act in the best interest of the client;
- d. the good repute of the attorney or of the attorney's profession; or
- e. the attorney's standard of work.

Furthermore, the section states that any form of marketing must not be **misleading** and that it must be in good professional taste with regard to medium of publication.

This section also states that **touting** is prohibited. This aspect will be elaborated on in Chapter 2.

The rules also restrict the **content** of any form of marketing. The restrictions are divided into 11 subcategories, which will be set out in Chapter 2.

In conclusion, it is clear that there are many restrictions to adhere to when considering any kind of marketing strategy. If an attorney is found not complying with these rules set out above, s/he can face disciplinary steps - and in severe cases the consequences of disbarment.

#### **1.4.3 Effective tools for marketing of law firms in Bloemfontein**

Strategic marketing will entail the implementation of the most effective marketing tools available to achieve the goal of providing communication and delivering value to existing and future clients while adhering to the rules as imposed on publicity of legal firms by the relevant law society.

Best practices with regards to marketing consist of utilising the “four P’s” namely:

- a. product (in this case services that can be delivered)
- b. price
- c. place, and
- d. promotion.

Booms and Bitner (Kotler, 1997:472) argue that 3 more P's must be added with regards to legal marketing, namely participants (including training of personnel, behaviour towards clients), physical evidence (such as the overall features of buildings in which the firm is located) and processes (which include the procedures the firm uses in delivering services).

The potentially most effective tools for marketing of a legal firm include internet marketing, article marketing, branding and sponsorship of legal development, word of mouth and social media and are reviewed in Chapter 2.

## **1.5 Research methodology**

The study employed a quantitative research method, making use of structured questionnaires. The techniques used aimed to be reproducible, systematic, credible and transparent.

## **1.6 Demarcation**

This study aimed to establish a detailed summary for legal firms in Bloemfontein on the importance of strategic marketing, the limitations and restrictions of marketing practices for legal firms and the most effective tools for marketing of legal firms. Fifty attorneys throughout Bloemfontein formed the target population in view of establishing such a detailed summary.

The study combines the essentials of marketing and the relevant legislation and regulations imposed on legal firms with specific reference to marketing practices and falls within the scope of business management.

It is of the utmost importance to align marketing practices with the relevant limitations and restrictions to achieve the most effective strategic marketing framework for legal firms.

## **1.7 Chapter layout**

Chapter 1 presents background to the study and firm under discussion, an overview of the importance of marketing to law firms and the restrictions that need to be kept in mind in this regard as well as the aim and objectives of the study.

Chapter 2 is the Literature review, which elucidates the

- importance of strategic marketing for law firms in Bloemfontein;
- restrictions and limitations placed on marketing practices of law firms in Bloemfontein; and
- effective tools for marketing of law firms.

Chapter 3 presents the research methodology, Chapter 4 the findings of the research and Chapter 5 the conclusions and recommendations.

## **1.8 Conclusion**

Currently, the importance of strategic marketing for any law firm is underestimated. Effective strategic marketing might not only increase the attainment of new clients, but can also confer the loyalty of existing clients, increase the visibility of the firm, establish a positive brand identity and enable the firm to be sustainable and competitive in the legal industry.

There are numerous restrictions placed on the marketing of legal firms through rules imposed on firms through their respective law societies. These restrictions will have to be taken into account when compiling a strategic marketing plan. It is also clear that if legal firms do not comply with these rules, there will be consequences in the form of disciplinary hearings - and in the worst case disbarment.

It can be speculated that marketing practices that are typically applied by the average business will also be effective if applied by legal firms. The main obstacle during the effective marketing of a law firm will, however, be the numerous restrictions imposed on such marketing practices. If these restrictions are adhered to, the marketing of a legal firm should be effective. Certainty must be obtained regarding the importance of marketing for legal firms, the restrictions placed on

marketing practices and the best way to effectively market a legal firm. Thus, the research that was undertaken is of the utmost importance to enable legal firms to implement an effective strategic marketing plan.

## **Chapter 2**

### **Literature Review**

#### **2.1 Importance of strategic marketing for law firms in Bloemfontein**

##### **2.1.1 Introduction**

Strategic marketing, if correctly formulated and applied, could be very beneficial for both the firm and the clients the firm are rendering services to. Strategic marketing enables a firm to identify new and current untapped markets which, if entered, will have the potential to be of value to the firm. Without a well-formulated and well-implemented strategic marketing plan, the firm will not be able to compete sustainably in the current legal environment. The legal environment, just as any business environment, is highly competitive. To achieve competitive gain in such an environment, firms generally need to endorse the process of developing, implementing and managing a well-developed strategic marketing plan as set out hereunder must be followed.

###### **2.1.1.1 Definition of strategic marketing**

Marketing strategy refers to an organization's integrated pattern of decisions that specify its crucial choices concerning markets to serve and market segments to target, marketing activities to perform and the manner of performance of these activities, and the allocation of marketing resources among markets, market segments and marketing activities towards the creation, communication and/or delivery of a product that offers value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives (Varadarjan 2010:128).

As seen from the definition of strategic marketing it is clear that strategic marketing consists of much more than just marketing through advertising. Strategic marketing forms part of the strategic planning of the business. It entails an overall analysis of the business as a whole. It includes analysis of current business, current and future

business trends, the macro-economic situation and current and prospective clients and competitors. Through this strategic analysis, objectives need to be identified and implemented through a well-developed strategic marketing plan to enable the business to achieve sustainability. This definition is relevant to all kinds of businesses that include legal firms. Without the implementation of such a strategic marketing plan the said business will most likely not achieve the overall objective of competitive sustainability and will not meet the overall corporate strategic objectives (Jooste et al. 2012:169).

#### 2.1.1.2 Difference between “strategic marketing” and “marketing management”

Strategic marketing forms part of the overall strategy of the business. It entails the alignment of the vision, mission and goals of the business as a whole with the separate functional areas of the business. Strategic management takes place throughout the business and includes all departments. Strategic marketing has the objective of sustainability at the forefront of its purpose (Jooste et al 2012:6). Strategic marketing also pertains to the marketing behaviour of businesses (Varadarjan 2010:121). Marketing management consist of the implementation, planning and control of strategic marketing strategies. It usually takes place at top management (Jooste et al 2012:6). Marketing management refers to the management of marketing behaviour (Varadarjan 2010:121).

The following table is a summative indication of the differences between strategic marketing and marketing management:

Table 2.1: Summative difference between marketing management and strategic marketing



(Michail: 2013)

### 2.1.1.3 Developing a strategic marketing plan

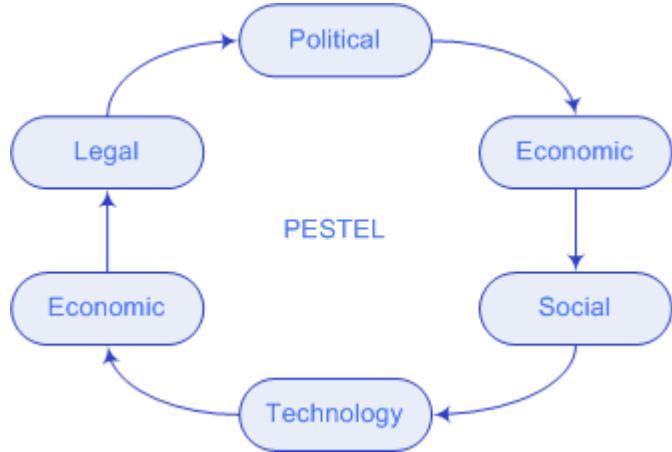
Developing a strategic marketing plan is of the utmost importance for any firm. It enables the firm to achieve a sustainable competitive advantage if implemented and monitored correctly. The process of developing such a strategic marketing plan forces the firm to gain vital information on the legal market, internal structure of the firm, external forces that have an effect on the firm, and competitors. The data collected can be used for the purpose of achieving such an advantage, as mentioned above. Without a strategic marketing plan in place, a firm will be at a disadvantage when competing within the legal market.

The process of developing a strategic marketing plan consists of the following:

- A. Strategic analysis that includes the analysis of macro-environment, the market, the competitors, the customers and the internal environment (Jooste et al 2012:13-19).

Each of these processes will be discussed separately.

i. Macro-environmental analysis:



(Pratt: 2013)

Figure 2.1 Pestle analysis diagram

Macro-environmental analysis is done using the PESTLE analysis (Jooste et al 2012:31). As seen from the diagram above, the factors that need to be taken into account when analysing the macro-environment are:

- Political, legal, technological, social, environmental and economic factors.

The factors mentioned above must be analysed with specific reference to the direct or indirect effect they have on the business as a whole. These factors, if analysed correctly, could indicate which of them will have the biggest impact on the performance of the business and how each one could be guarded against or taken advantage of. Information regarding macro-economic factors together with business cycle indicators is published monthly as well as quarterly by the Reserve Bank of South Africa. These indicators, if interpreted correctly, can be utilised during decisions by the business with specific reference to strategic marketing. The factors that are identified as factors that have a major effect on the business must not only be identified but also monitored throughout. This monitoring is called strategic environmental issue management (Du plessis et al 2005: 37). This monitoring

consists of environmental scanning, environmental issue identification, impact evaluation and formulation of a response strategy (Jooste et al 2012:25-47).

As soon as the macro-economic factors have been identified, a market analysis must be done with specific reference to the legal sector and its subdivisions.

## ii. Market analysis

The market analysis is done with the objective of establishing how attractive a market is to the business. PORTER'S five forces model is used to establish the attractiveness of a specific industry or market.

Where a market analysis is done regarding a firm, sectors of the legal services market will need to be analysed to establish which of these sectors will be the most and least attractive to enter. These sectors include insolvency, estates, litigation, commercial and conveyance.

The diagram below summarises Porter's five forces model. The model is used not only to determine the attractiveness of a certain industry, but also the sustainability of the sector in the long run (Jooste et al 2012:65).

As seen from the diagram below, Porter's five forces consist of bargaining powers of buyers and suppliers, potential substitutes, new entrants and rivalry between competitors.

Bargaining power of buyers refers to the ability of buyers to drive up prices. If there are only a few buyers, they will be able to dictate prices. In such a situation the specific market will not be profitable. Supplier power, on the other hand, refers to the ability of suppliers to drive up prices. In instances where there are a small number of large suppliers, the suppliers sell a unique product or service and costs of switching is very high; the market will, therefore, be dictated by these few suppliers and it will then be not profitable to enter this market. A market where competitor rivalry is fierce, where there are no differentiation between the products or services will not be a profitable and attractive market to enter into. In a market where the ability exists where customers can easily switch between products and services due to the fact

that there are substitute products or services readily available will also be an indication that the market is not an attractive option to enter. In a market where no barriers to entry exists, profitability will be greater than in a market where barriers to entries do exists for instance economies of scale, patents and government policies (Irina: 2013).

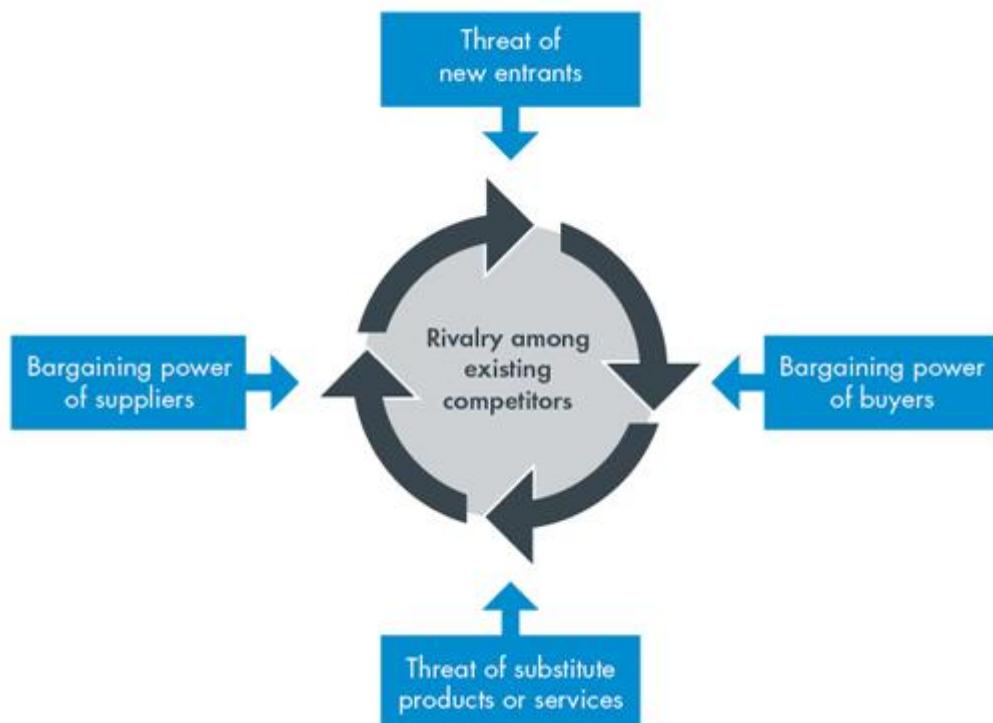


Figure 2.2 Porter's five forces diagram

(Irina: 2013)

In instances where regulation affects these five forces considerably, a sixth force must be included, namely public authority.

(<http://www.innovation.public.lu/en/ir-enterprise/techniques-gestion-innovation/outils-gestion-strategique/080905-5-forces-porter-eng-2>)

When the market analysis is completed, the firm must use the findings to establish which competitors render services within the specific sector the firm is contemplating entering.

### iii. Competitor analysis

Competitor analysis is done with the main objective of establishing the strengths and weaknesses of competitors. Through analysing the strengths and weaknesses of competitors, certain opportunities and threats can be ascertained - which the business can guard against or take advantage of.

Gathering information on competitors is known as competitive intelligence (Jooste et al 2012:121), which can be defined as:

"The process of collecting and analysing information about competitors' strengths and weaknesses in a legal and ethical manner to enhance business decision making" (<http://www.investopedia.com/terms/c/competitive-intelligence.asp>).

The following steps must be taken into account in establishing a competitive intelligence system:

Step 1: Set up a system and decide what information is needed

Step 2: Collect the data – can be obtained from published data

Step 3: Analyse and evaluate data

Step 4: Disseminate the conclusions

Step 5: incorporate these conclusions into the subsequent strategy (Du Plessis 2005:143).

After the competitive intelligence process has been finalised, the information and data collected can be put to use in establishing the strengths and weaknesses of competitors.

The following method can be used, namely, the Key Success Factor analysis (KSF analysis). It is based on the following factors:

- The resources and skills that are necessary to be successful in the said industry; and
- The strengths and weaknesses of competitors.

To identify these factors, the following must be taken into account:

- Why the competitors are successful
- The most important motivators for customers
- Entry barriers
- KSF's must be generic and functional.

Table 2.2 The Competitor Array diagram

### Competitor Analysis

Attributes	Weight (Must Total 100%)	Ratings (Scale = 1-5: 1-Poor, 5-Excellent)				
		Your Company	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Customer awareness	20%	5.0	5.0	3.0	3.0	3.0
Product quality	35%	4.0	5.0	3.0	2.5	2.5
Product availability	30%	3.0	3.0	4.0	3.5	4.0
Technical assistance	5%	3.0	3.0	2.5	3.0	2.0
Selling staff	10%	4.0	3.5	2.0	3.0	2.0
Total	100%					
Score (Average)		3.8	3.9	2.9	2.3	2.7

(<https://www.smartdraw.com>)

After these factors mentioned above are established, a diagram is then compiled whereby each factor receives a rating of importance. Each competitor is then given a score of between 1 and 5, with 5 being very good and 1 being very poor. The diagram is called a “Competitor Array” diagram (Jooste et al 2012:133).

The competitor analysis together with the market analysis will give the firm a good idea of which legal sector will be the most attractive to enter and in which of these attractive markets competition will be the fiercest.

When the most attractive market is then chosen, the firm will be able to analyse the customers within that specific market.

iv. Customer analysis

When analysing customers, the 6W model is used. The following 6 questions are asked:

Who are the customers?

What do the customers do with the product?

Where do customers purchase the products?

When do they purchase products?

Why and how do customers choose the specific products?

Why do the customers not purchase the products? (Jooste et al 2012:93)

Asking and answering these questions reveal the customers' values and needs, the customer segment as well as the attractiveness of the customer segment.

Although the 6W model refers to products, the firm can still utilise the 6W model by replacing the word *product* with the word *service* or *services*.

If the macro-environmental factors, the market, the competitors and customers are analysed and the findings noted, the firm must do an internal analysis to establish if the firm will be able to be competitive in the market chosen. If there are certain threats and weaknesses found that will affect the performance and competitiveness of the firm, these weaknesses and threats must be addressed.

v. Internal analysis: SWOT

An internal analysis should always start at the vision and mission of the company. A well-formulated vision and mission will identify the overall objective the company intends to reach, and also in which way it intends to reach that objective. The vision and mission will identify the main driving forces of the company. These driving forces can be profitability, customer satisfaction, training, sustainability and commitment to quality. Because these driving forces are not usually mentioned in detail in the vision

and mission statements, the SWOT analysis is used for a much deeper analysis of the company's key issues (Jooste et al 2012:149-154).

	<b>Strengths</b>	<b>Weaknesses</b>
<b>Internal</b>	<ul style="list-style-type: none"> <li>✓ Your specialist marketing expertise.</li> <li>✓ A new, innovative product or service.</li> <li>✓ Location of your business.</li> <li>✓ Quality processes and procedures.</li> <li>✓ Any other aspect of your business that adds value to your product or service.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Lack of marketing expertise.</li> <li>✓ Undifferentiated products or services (i.e. in relation to your competitors).</li> <li>✓ Location of your business.</li> <li>✓ Poor quality goods or services.</li> <li>✓ Damaged reputation.</li> </ul>
<b>External</b>	<b>Opportunities</b>	<b>Threats</b>
	<ul style="list-style-type: none"> <li>✓ A developing market such as the Internet.</li> <li>✓ Mergers, joint ventures or strategic alliances.</li> <li>✓ Moving into new market segments that offer improved profits.</li> <li>✓ A new international market.</li> <li>✓ A market vacated by an ineffective competitor.</li> </ul>	<ul style="list-style-type: none"> <li>✓ A new competitor in your home market.</li> <li>✓ Price wars with competitors.</li> <li>✓ A competitor has a new, innovative product or service.</li> <li>✓ Competitors have superior access to channels of distribution.</li> <li>✓ Taxation is introduced on your product or service.</li> </ul>

Figure 2.3: Diagram SWOT analysis

(<http://www.smartdraw.com/specials/images/examples/swot-example-product-marketing-analysis.png>)

Typically, a SWOT analysis is used to identify the strengths and weaknesses (internal factors) of the company and the opportunities and threats (external factors) to the company. The overall objective of SWOT is to enable the business to be aware of all factors that may affect the planning and decision-making of the business. When SWOT is done properly, it enables the business to make the best decisions regarding the way forward. SWOT must be utilised in such a way as to enable the business to focus on its strengths and applying them to opportunities, being aware of threats and outsourcing where the business is weak (Goodrich: 2013).

After this process of strategic analysis is completed, the firm will be able to utilise the findings and develop the correct strategies for implementation by the firm.

## B. Developing market strategies

As soon as the strategic analysis is done, the information gathered need to be utilised by marketing management to formulate and develop a core marketing strategy. This core marketing strategy can consist of any of the following strategies:

- sustainable competitive advantage strategy;
- competitive strategy;
- product life cycle strategy;
- global strategies;
- relationship-building strategies; and
- brand strategies

(Du plessis et al 2005:14-15).

After the core strategy is developed, marketing management can proceed to develop clear and precise objectives that will enable the business to achieve the core market strategy (Jooste et al 2012:165-388).

### vi. Strategy implementation and control

Strategic analysis and the findings thereof will be of no value if:

- it is not implemented correctly; and
- the results of the strategy that is being implemented are not measured and monitored on a regular basis.

The implementation stage of strategic marketing can also be referred to as the *action stage*.

Strategy implementation can be defined as:

“The communication, interpretation, adoption and enactment of strategic plans” (Noble 1999:119-134).

The effectiveness of the implementation of strategic marketing objectives is based on the performance of various facets of the business and includes various structural and human drivers.

These drivers include:

- Strong leadership - leaders have the responsibility to develop and communicate strategic direction, motivate employees through incentive systems, design an organisational structure that fit the business and maintain an organisational culture that is positive.
- Organisational culture,
- Reward system - rewards motivate employees to commit themselves to achieving the set goal of the organisation. Rewards should be implemented to encourage a change in behaviour that is in line with the strategy.
- Structure - the structure should be matched with the strategy.
- Resource allocation - different types of resources exists within an organisation, including financial, human, technological, information and physical. These all must be allocated in the most efficient way to achieve the organisation's goal.(Davis 2010:14-26)

This implementation must also be controlled and monitored throughout. The control and implementation of marketing strategy is important to ensure that the business reap the benefits of the chosen strategies. Marketing managers and senior management uses a balanced scorecard to enable them to control the implementation of these strategies (Jooste et al 2012:459).

A balanced scorecard can be defined as:

“A performance metric used in strategic management to identify and improve various internal functions and their resulting external outcomes” (<http://www.investopedia.com/terms/b/balancedscorecard.asp>)

The balanced scorecard attempts to measure and provide feedback to organizations in order to assist in implementing strategies and objectives.  
[\(<http://www.investopedia.com/terms/b/balancedscorecard.asp>\)](http://www.investopedia.com/terms/b/balancedscorecard.asp)

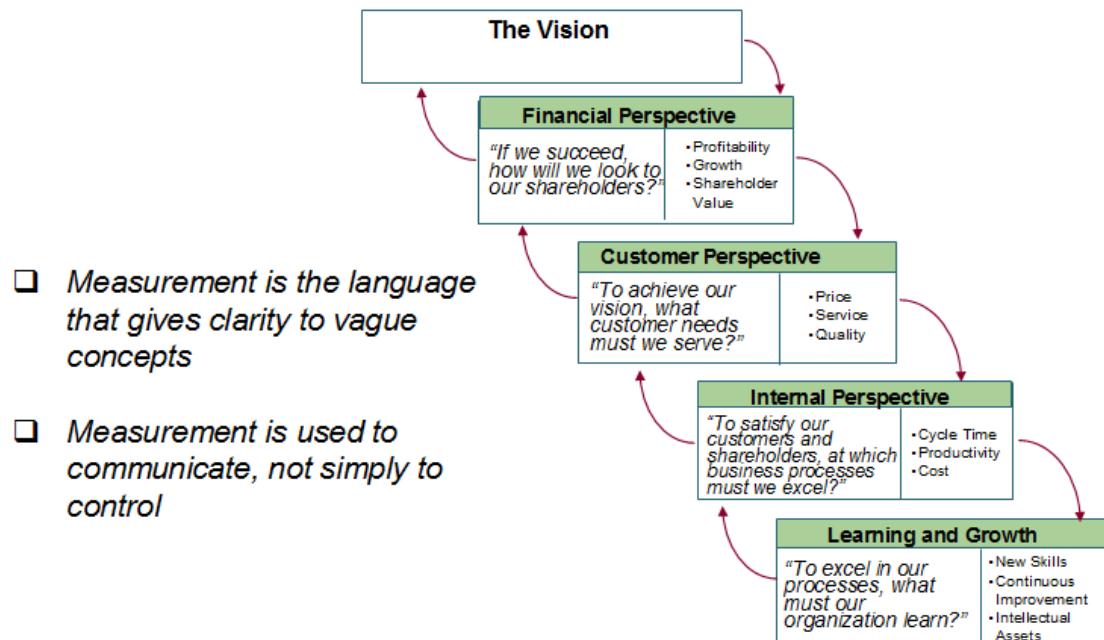


Figure 2.4 Diagram of a balanced scorecard

(<http://www.psclipper.com/dynamicdata/data/bsccascade2.png>)

The four elements of the balanced scorecard need to be balanced. By balancing these four elements, the organization will become focused and driven by their mission. This focus and drive is important to establish an organization of which the strategy and vision are based on sustainability rather than on short-term financial goals (Norton and Kaplan: 1996).

#### vii. Marketing metrics

Marketing metrics are based on the principle that “You cannot manage what you do not measure” (Jooste et al 2012:472).

Marketing metrics can be defined as:

“Parameters or measures of quantitative assessment used for measurement, comparison or to track performance or production. Analysts use metrics to compare the performance of different companies, despite the many variations between firms”

(<http://www.investopedia.com/terms/m/metrics.asp>).

Table 2.3 below makes it clear that strategic marketing is measured not only with regards to financial aspects, but also including customers and the impact it has on customers with reference to satisfaction and awareness.

### **2.1.2 Importance**

- Strategic marketing is becoming increasingly important

In these struggling economic times, strategic marketing is increasingly becoming more and more important due to the strategic nature thereof (Gimbel et al 2012:4). Strategic marketing is said to be one of the main factors to “recession-proof” your business (Berson et al 2009:46).

Analysing the marketplace and establishing exactly what strategies to follow with reference to the business’s strengths and weaknesses and the market opportunities and threats enables the firm to make the most economically feasible decisions regarding the way forward. It saves time and costs simultaneously.

Furthermore, delivering similar services (in this case legal services) better than rivals is very important, but inefficient to become sustainably competitive. Strategic marketing enables a firm to set itself apart from rivals in such a way that is not easily replicated (Bird 2008:5). Thus the business will become noticeable, memorable and differentiated.

- Ultimate goal of strategic marketing

The ultimate goal of strategic marketing is to differentiate a business from that of rivals through strategically identifying new markets for the delivering of services, delivering value to current clients, attracting new clients and achieving a sustainable competitive advantage (Marsh 2010:52).

Table 2.3: Marketing metrics

Content Marketing Metrics		
Category	Element to track	Metrics
<b>People</b>	<ul style="list-style-type: none"> <li>• How many visitors/viewers per piece of content? How many unique visitors?</li> <li>• Has content marketing improved lead generation?</li> </ul>	<ul style="list-style-type: none"> <li>• # of visitors; unique visitors.</li> <li>• # of sales leads</li> </ul>
<b>Action</b>	<ul style="list-style-type: none"> <li>• How much time do visitors spend with content?</li> <li>• Do they share content?</li> <li>• Do they register for on-going content?</li> <li>• Do they take next action you want them to? (Do you have an appropriate call-to-action?)</li> </ul>	<ul style="list-style-type: none"> <li>• Time on site; time on page; Check range as well as by referring site</li> <li>• # of Tweets, Facebook likes, Email-a-friend</li> <li>• Emailings, RSS, downloads, etc</li> <li>• # of actions (Unique promo code critical!)</li> </ul>
<b>Brand impact</b>	<ul style="list-style-type: none"> <li>• What is brand impact of your content? Has content marketing improved branding?</li> </ul>	<ul style="list-style-type: none"> <li>• Improved brand sentiment, intent to purchase, brand recall, etc.</li> </ul>
<b>Revenues</b>	<ul style="list-style-type: none"> <li>• What are sales related to content marketing?</li> <li>• Has content marketing improved conversion rate?</li> <li>• What is value of earned media?</li> <li>• Has content marketing reduced returns?</li> </ul>	<ul style="list-style-type: none"> <li>• Total sales; total units; average order size</li> <li>• Conversion rate</li> <li>• Dollar value of earned media</li> <li>• # of returns; dollar amount of returns.</li> </ul>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>• What are content creation costs? (Include creative, technical support, etc.)</li> <li>• Has content marketing reduce search marketing costs and/or improved results?</li> </ul>	<ul style="list-style-type: none"> <li>• Total costs (breakout external versus internal costs.)</li> <li>• Search marketing costs, search ranking for keywords</li> </ul>

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(Cohen: 2011)

### **2.1.3 Conclusion**

Although the development, implementation and monitoring of strategic marketing represent no easy task, the importance thereof for the success of an organisation cannot be underestimated. The utilisation of strategic marketing as part of the organisation enables the organisation to align the objectives of the organisation with all the separate business units therein, and establishing an integrated goal followed by the organisation as a whole.

## **2.2 Restrictions and limitations placed on marketing practices of law firms in Bloemfontein**

### **2.2.1 Introduction**

Restrictions and limitations regarding marketing practices are based largely on the legal restrictions placed on marketing practices and the content thereof in the form of rules of the relevant law societies. Attorneys and firms within each province of South Africa need to comply with their own Law Society's rules. These law societies govern the practices of lawyers throughout South Africa.

The Free State Law Society has specific rules with regards to marketing and advertising practices in Bloemfontein and the Free State as a whole, as set out in Rule 18 of the rules of the Free State Law Society, which was framed in terms of Section 21 (1) of Act 41 of 1975 as substituted by Section 74(1) of the Attorneys Act 53 of 1979 as promulgated in Government Gazette No.5807 dated 18 November 1979 as amended Government Gazette No. 16040 of 28 October 1994, Government Gazette No. 17073 of 4 April 1996, Government Gazette No. 18079 of 27 June 1997 and up to Government Gazette No. 20242 of 23 July 1999.

The discussion below regarding the restrictions and limitations for the marketing of legal firms is based on the abovementioned source.

## **2.2.2 Restrictions**

Rule 18 contains specific provisions with regards to publicity of attorney's practices and services, touting, the content of publicity, statement as to charges, headings in directories, professional stationary, description of attorney's practices, flag advertising, professional announcements, international aspects of publicity and disciplinary procedures against attorneys if these rules are not adhered to.

Rule 18 states that an attorney may at his/her discretion publicize his/her practice, or permit it to be publicised, but may do nothing to impair or compromise the following:

- The integrity or independence of the attorney.
- The client's freedom to choose an attorney of his or her choice.
- The attorney ability to act in the best interest of the client.
- The attorney's profession.
- The attorney's standard of work.

It further states that an attorney shall only publicize in a medium that is of "good professional taste" with regards to the medium and method and it may not be misleading.

Rule 18.5 prohibits touting of any kind by an attorney. Touting with reference to this rule is defined as the solicitation of work from any person, or entering into an arrangement with any person (except in the normal course of business between attorneys among themselves or by way of unsolicited visits and telephone calls in respect of existing clients to establish an attorney/client relationship) for the introduction of new clients.

Rule 18.6 contains the provisions regarding the content of publicity and states that no form of publicity may contain any comparison or criticism against any other attorney or firm regarding quality of work or superiority of that other attorney or firm. An attorney or firm may also not state its success rate or identify any of its client except if the said client consent to him being identified.

The rule furthermore states that no publicity may contain the name or names of any person who may not be named in terms of the rules of the Law Society or that any

misrepresentation of any employee may be made during publicity and that any publicity must disclose the name of the publicising attorney or firm.

Regarding categories of work, the rule states that a firm or attorney may only refer to categories of work during publicity if s/he already performs it and is qualified and able to perform the category of work. Before claiming during publicity that the firm specialises in a certain category of work, the council as conferred by the Law Society must determine that the firm does indeed specialise in that category of work.

Rule 18.7 confirms that a firm or attorney may during publicity state the service charges that will be charged if s/he publicise the basis on which the charges are computed setting out exactly what services will be rendered for which specific fee, in what circumstances these fees will be altered and whether disbursements and taxes are included.

Rule 18.8 prohibits that an attorney or firm may appear in a directory under any other heading than “attorneys” provided that the heading is not misleading and that the attorney is described as an attorney.

Rule 18.9 requires a firm’s stationary to comply with the rules of the Law Society.

Rule 18.10 prohibits a law firm to describe itself as anything other than attorney or attorneys. If at least one of the partners or professional assistants is a conveyancer or notary, the firm can also be described as such. S/he may, however, include the following description together with the description as attorney or attorneys: Parliamentary Agent, Patent and Trade Mark agent, Draftsman of Wills, Estate Planner, Associated Valuer, Administrator of Estates, Appraiser, General Agent, Auctioneer, Commissioner of Oaths or an academic qualification conferred on him or her by a university or university college.

An attorney or firm may not use the term “et cetera” or any other similar expression when describing itself on a letterhead, directory, name plate, professional card or sign board.

Rule 18.11 confirms that it is permissible for a group of attorneys to advertise under such a group name or logo if the advertisement is accompanied by the names of all

the firms or on whose behalf the advertisement is done and that the word attorney or attorneys be included.

The rule also states that if an attorney fails to report any misconduct with regards to publicity or if s/he makes herself/himself guilty of any misconduct with reference to Rule 18, a formal enquiry will be held and if the attorney or firm be founded guilty be punished as deem fit. The most severe punishment will be disbarment.

### **2.2.3 Conclusion**

The restrictions laid out in Rule 18 are extensive and punishment for not complying with these extensive marketing restrictions is severe. If any uncertainty exists regarding compliance with these rules, the Law Society should be requested to confirm and clarify any uncertainty before any further action is taken.

## **2.3 Tools for marketing law firms**

### **2.3.1 Introduction**

As already stated in Chapter 1, strategic marketing will be considered as utilising the 7 P's product, price, place, promotion, participants, physical evidence and processes in the best possible way with the main purpose of establishing a competitive advantage. The tools used during marketing of the specific law firm must be utilised in such a way as to deliver value to current and prospective clients in a clear and concise way that is understandable by the public at large. With all the above in mind, it must also be remembered that any marketing tool must be utilised in such a way that the rules of the relevant law society be adhered to.

### **2.3.2 Marketing Tools**

Tools for the marketing of a legal firm include the following:

a. Internet marketing

Website-based marketing plays a central role within the practice of marketing and, thus, most businesses utilise a website to support their marketing objectives (Miller et al 2013:126). A website acts as initial contact point for existing and prospective clients (Vilnai-Yavetz and Tifferet 2009:129) and, therefore, the first and most important tool any law firm would implement is an internet website.

The internet as marketing tool allows access to the business to an unlimited marketing channel (Vilnai-Yavetz and Tifferet 2009:129). An internet website allows the service provider (in this case the law firm) to interact in a unique way with clients. An existing or future client can choose which information to review, can contact the law firm via email and may register for the firm's monthly newsletter if he/she chooses to do so. The website can act as a legal resource for clients due to the fact that relevant legislation and recent legal articles can be uploaded onto the site on a daily basis (Hennel 2003).

When a legal firm makes use of a website for marketing purposes, it is of the utmost importance to choose a designer that will optimize the website in such a way that if an existing or future client searches for a legal firm on the internet, the website will be found on the first page of results. The flow of leads through the use of a website will only become profitable over the long run (Seo advantage: 2013).

b. Social media

The marketing tools stated above (also known as traditional marketing tools) are not efficient enough any longer to establish a business's brand and also not enough to differentiate the business from its competitors. Social media are utilised to establish a relationship between businesses and their current and prospective clients through social media communication available to all and at no cost. Social media is an extension of the traditional marketing tools implemented by the business. Different from other traditional tools of marketing, social media marketing allows for a two-way

street of intelligence between the business and the public, allowing a more efficient way of understanding customer needs (Du Plessis 2008:1-3).

Social media can be defined as “participatory online media where news, photos, videos and podcasts are made available via social media websites via submissions and are normally accompanied by a voting process to make items become more popular”(Evans 2008:37). Another definition of social media is stated as “user-generated content created or produced by the general public rather than by paid professionals and primarily distributed on the internet” (Daugherty 2008:1). What can be seen from the above definitions is that public participation is one of the main differences between social media marketing and other tools of marketing. This fact can lead to a positive or negative contribution of social media as a marketing tool for legal firms. Social media allows users to share their opinions, contacts and experiences with friends and family and, if allowed by the user, to the public as a whole. Furthermore, social media allows users thereof to make use not only of printed media, but also allow the user to implement videos, audio and pictures in the content (Du Plessis 2008:2). Social media marketing consists of making use of not only Facebook, MySpace and Twitter, but also utilising other social marketing communication tools relevant to its profession including podcast, message boards, video advertisements, online press releases and mobile platforms (Du Plessis 2008:4-6).

When making use of social media as a marketing tool, there are certain risks that need to be guarded against. The main risk consists of the fact that there is no control over negative publicity. The user can make any statement regardless of the effect thereof.

When considering utilising social media as a marketing tool, the following guidelines should be used:

- A **Situation analysis** must be undertaken to establish the objective of the marketing campaign and also to establish the target market that needs to be reached.
- The **sustainability** of online communities must be established. Ensuring that communication through that online community is sustainable will entail the

management of registration requirements with reference to that specific online community, advertising of the community, relationships of the community and benefits for that community.

- **Interaction** with the online community on a permanent basis is of the utmost importance due to the lack over control of the communication of the online community. Permanent interaction ensures that what is being discussed and communicated about is relevant and as far as possible positive.
- The content of interaction must be of **value** to the online community user. Functional value must be received by the user; this includes advice, information and expertise on relevant topics.

With only Facebook alone as a social media marketing tool having 1.3 billion monthly users ([www.theguardian.com](http://www.theguardian.com)), social media marketing tools cannot be ignored.

c. Article marketing

Article marketing is a way to enhance the perception of the public regarding a firm's credibility in the legal market. Articles regarding relevant legal aspects are written by practising attorneys of a firm and made available free of charge to certain publications such as newspapers. Articles are usually written on subjects the firm specializes in. When articles of this kind are published, it will leave the reader with the unconscious impression that the firm is the leader on the specific subject. This kind of marketing tool will not only be to the advantage of the reader, but will also aid the lawyer in keeping up with new developments and an article of this kind must always include references and contact information of the firm, which could lead to further exposure for the firm.

South Africa's largest legal journal is the *De Rebus*. This journal is published monthly in electronic format as well as in print and is sent to all practising lawyers free of charge. The current circulation is 25 800 (<http://www.lssa.org.za/?q=con,265>).

d. Sponsorship of legal development

Sponsorship, if utilised effectively and implemented optimally, can be the most effective form of marketing (Horowitz 2012:1).

Actively becoming involved in sponsorship of legal development will have a positive effect on the image of the firm as a whole. In some instances it will lead to publicity in newspapers as well as televised media.

The Law Society of South Africa allows legal firms the opportunity to be involved in the sponsorship of legal development. There are different options of sponsorship that includes hosting events, full or co-sponsorships of development training activities, conference sponsorship or sponsoring specific projects.

The Law Society of South Africa confirms that sponsorship for legal development will differentiate a legal firm from its competitors through:

“Broadening the firms’ marketing and advertising communications by:

- i. Establishing a connection and building a relationship with the LSSA’s membership;
- ii. Establishing and maintaining brand awareness;
- iii. Increasing market reach and penetration;
- iv. Creating a brand experience by participating in activities;
- v. Communicating a commitment to the legal profession; and
- vi. Showcasing products and services”

(<http://www.lssa.org.za/?q=con,224,Sponsorship>)

The advantage of sponsorship of legal development underwritten by the LSSA further entails that no restrictions laid out in the rules of law societies will be broken and furthermore that sponsorships of this kind can be mentioned in documentation of that event or on advertisements at that event and include any branding of the specific firm. (<http://www.lssa.org.za/?q=con,224,Sponsorship>)

#### e. Word-of-Mouth

Word-of-mouth marketing deals with the concept of orally transferring positive or negative experiences from one person to the next. It is an old concept again gaining ground in societies (Lo 2012:189-190). Word-of-mouth is an independent and influential marketing tool in the services sector and has a direct influence on the decision of clients to opt for or not to opt for a specific service (Lombard 2009:26).

Positive and negative word-of-mouth marketing is based on the experience of the referrer during service delivery. To ensure positive word-of-mouth marketing, service delivery must be consistently of a high standard.

Positive word-of-mouth marketing by consumers lead to other consumers opting for the specific product or service, while negative word-of-mouth marketing can lead to the opposite effect of not opting for the product or service. The effect of word-of-mouth marketing is dependent on the amount of people exposed to positive or negative word-of-mouth marketing. People tend to share more negative experiences than positive experiences and this could be a problem with regards to the use of this kind of marketing tool. On the other hand, positive word-of-mouth marketing has been used by businesses to measure the effectiveness of marketing practices and also to source information about the current perception of products and services (Lo 2012:190).

#### f. Branding

Branding is used to differentiate the products or services of the business from its competitors. It creates an image or personality for the service or product. A brand is used to enable the business to establish an identity and a meaning in the market (Jooste et al 2012:233).

Branding can be defined as “*an active development of a personal relationship between the consumer or client and the product or service*”. In principle, a brand is what the specific firm is known for and what sets it apart from the rest of the industry. A brand is built on prior performance and reputation. Branding builds loyalty between

the firm and its clients. To build a brand, a firm must first establish the following: history of the firm, the strengths of the firm, practice area strength of the firm and where the firm is heading (FGI, Greenfield and Belser: 2013).

Existing as well as prospective clients most often make use of the services of a firm that stands for something. Attributes such as integrity, personalised service delivery, size, specialized services offered, geographic scope and expertise are meaningful and will have a positive effect on retaining and attaining clients. For branding to be effective, the attributes the firm wants to be known for must be true, important to the specific industry, long lasting and differentiable.

Branding is achieved through the development and implementation of a brand statement. The statement must be included in all other aspects of marketing and advertising practices. This statement will be the cornerstone of the firm's positioning in the industry (Maddock: 2000).

### **2.3.3 Conclusion**

All marketing tools that other businesses utilise can be utilised by a legal firm. What need to be kept in mind are the restrictions placed on the content that is incorporated during the use of any marketing tool. Costs and the target market must also be taken into account when considering the most effective tool for marketing.

## **Chapter 3**

### **Research Methodology**

#### **3.1 Introduction**

The study entails research better described as business research, which in turn can be defined as “an organized, systematic, data-based, critical, objective, inquiry or investigation into a specific problem, undertaken with the purpose of finding answers or solutions to it” ( Sekaran and Bougie 2013:3).

The study employed a quantitative research method, making use of structured questionnaires. The techniques used aimed to be reproducible, systematic, credible and transparent.

##### **3.1.1 Population**

Population can be described as the “entire group of people, events, and things that the researcher wishes to research” (Sekaran and Bougie 2013:397). The population that the researcher studied consisted of selected legal firms throughout Bloemfontein.

##### **3.1.2 Sample size**

Seventy selected law firms located in Bloemfontein and one hundred members of the public acted as respondents.

##### **3.1.3 Sampling strategy**

Structured questionnaires were used for obtaining the necessary information. The questionnaires consisted of thirty-nine questions. The questionnaires were self-developed and self-administered in order to be the most cost-effective and the least time-consuming research option for the researcher with the highest possible response rate. Self-administering the questionnaires enabled the researcher to clarify any uncertainties with regards to the questionnaires immediately (Sekaran and Bougie 2013:148).

The questionnaires were developed based on the content of the literature review.

Principles that needed to be taken into account during the development of a questionnaire for these questionnaires to be effective included the following:

- *Clarity*: questions must be straight to the point. Possible misinterpretation of questions must be guarded against.
- *Double-barrelled*: questions must address one concept at a time.
- *Relevant*: all questions must be relevant with regards to the subject.
- *Avoid bias*: questions must be structured in such a way as to not be biased in any way (McMillan and Schumacher 2001).

Questionnaires were administered during office hours with regards to the legal firm respondents. Data was gathered by verbally engaging each respondent personally or telephonically.

### **3.2 Demarcation**

This study aimed to establish a detailed summary for legal firms in Bloemfontein regarding the importance of strategic marketing, the limitations and restrictions of marketing practices for legal firms and the most effective tools for the marketing of legal firms. Seventy randomly selected legal firms throughout Bloemfontein formed the target population in view of establishing such a detailed summary.

The study combines the essentials of marketing and the relevant legislation and regulations imposed on legal firms with specific reference to marketing practices, and falls within the scope of business management.

It is of the utmost importance to align marketing practices with the relevant limitations and restrictions to achieve the most effective strategic marketing framework for legal firms.

### **3.3 Ethical considerations**

A researcher not only has the responsibility to act ethically towards research participants, but also towards colleagues, the university and the people he/she presents her/his findings to (Patton and Cochran 2002).

The following ethical principles according to Beauchamp and Childress (1983) must be taken into account when considering which ethical issues to address:

- a. Privacy and Autonomy
- b. Beneficence
- c. Non-maleficence
- d. Justice.

### **3.3.1 Ethical policy**

#### **3.3.1.1 Informed consent**

All individuals participating in the research study were well informed of the nature of the study beforehand and were given the option of accepting or declining participation. None of the participants were coerced to participate in the study (Sekaran and Bougie 2013:163).

All participants were of age. Written consent was obtained from each of the participants before proceeding with the study (Sekaran and Bougie 2013:163).

Lastly, all participants had the right to withdraw from the research study at any time before, during or after any questionnaires were issued without any consequences or penalties of any nature.

#### **3.3.1.2 Confidentiality of information**

All information given by any participant will be kept confidential at all times. None of the information given including the identity of any participant will be disclosed to any other participant or member of the public without prior written consent of the relevant participant (Sekaran and Bougie 2013:162).

None of the participants were requested to disclose any information they find personal in nature.

### **3.3.1.3 Data gathering and information**

Only transparent methods of data gathering were used and a clear account of all findings was available to enable the researcher to maximise validity and reliability of these findings.

All data gathered during the research study were analysed in such a way as to avoid any misinterpretation or findings that are not truthful or a distortion of the truth (Sekaran and Bougie 2013:163).

During data collection, the self-esteem and respect of the respondents were not violated (Sekaran and Bougie 2013:148).

### **3.3.1.3 Behaviour of respondents**

Subjects that chose to participate in the study were informed beforehand that it is expected of them to act ethically. Respondents were requested to act with honesty and truthfulness when answering the questionnaires. Misrepresentations of any kind were avoided at all cost (Sekaran and Bougie 2013:163).

## **3.4 Conclusion**

The research methodology, which includes the demarcation as well as ethical considerations, formed the basis of the quantitative research that was undertaken. The findings of the research undertaken will be discussed in the following chapter.

## **Chapter 4**

### **Research findings**

#### **4.1 Introduction**

Chapter 3 gave a detailed description of the research methodology undertaken, while chapter 4 will present the findings of the research. The data gathered during the research undertaken will be presented in a chronological way, by taking into account the secondary objectives regarding the importance of marketing for legal firms in Bloemfontein, the restrictions and limitations placed on marketing practices in Bloemfontein and the marketing tools applied by legal firms in Bloemfontein. Reference will also be made to the demographics of the respondents as well as the response rate of the research undertaken.

#### **4.2 Response rate**

The response rate was calculated by taking into account the number of questionnaires distributed (70) to attorney firms and the questionnaires completed by respondents (51). The table below indicates that 72.86% of questionnaires distributed were returned.

There is no clear or strict rule indicating an acceptable response rate. A response rate of 72.86% can be seen as acceptable (Babbie 2010).

Table 4.1 Response rate

Questionnaires	70
Response	51
Response rate	72.86%

#### **4.3 Demographic information**

The findings with regard to the demographics of respondents are based on the number of attorneys in the firm, number of employees in the firm and the age of the firm.

Table 4.2 Demographics

Variable	Category	Frequency
Number of attorneys	0-5	23
	6-10	17
	11 and more	11
Number of personnel	0-10	16
	11-20	07
	21 and more	28
Years in existence	0-15 years	20
	16-25 years	10
	26 years and longer	21

Table 4.2 above indicates that the majority of respondents (45.1%) were firms consisting of not more than five attorneys. The majority of respondents were firms with twenty-one or more employees and the majority of respondents had also been in existence for more than twenty-one years.

#### **4.4 Questions relating to the importance of marketing for legal firms in Bloemfontein**

The following questions were asked relating to the importance of marketing for legal firms in Bloemfontein:

- Are you of the opinion that marketing is an important aspect of your legal firm's competitiveness and sustainability in Bloemfontein?
- Does your legal firm have an existing marketing committee or department?
- Does your firm utilize a strategic marketing plan?

- If NO, who is responsible for marketing at your legal firm?
- What part of your firm's gross income is spent on marketing in Bloemfontein each year?
- Has your legal firm's budget for marketing in Bloemfontein increased over the past 5 years?
- If YES, with which percentage did the marketing budget increase?
- How does your company decide on the Advertising budget?
- What factors are generally taken into account for arriving at an Advertising Budget?
- What have been the growth strategies of your company? Can you please rate them on extent of impact?

Findings with regards to questions above:

On a scale of 1 to 4, with 1 indicating low importance and 4 indicating high importance, it was found that 41.2% of respondents indicated that marketing of their legal firm was important to their competitiveness and sustainability in Bloemfontein.

Although the majority of respondents indicated that marketing was important to be competitive and sustainable in the legal market in Bloemfontein, only 33.3% had an existing marketing committee in place.

Of the 66.7% of respondents who indicated that they did not have a marketing committee in place, only 7.8% made use of the services of an independent marketing firm. Of the 66.7% of respondents who did not have a marketing committee in place 47.1% indicated that one of their firm's lawyers were responsible for marketing.

Furthermore, only 39.2% of all respondents utilised a strategic marketing plan. The majority of respondents spent 0%-3% of their gross income on marketing. The respondents also indicated that their marketing budget had increased by 0%-3% over the past five years. The majority (27%) of respondents indicated that the annual budget for marketing was decided by the directors of the firm and 33.3% of

respondents indicated that the main factor taken into account when deciding the advertising budget were costs of marketing.

The respondents indicated that the growth strategies which had the largest impact on their firm were based on bringing out products that suit the specific needs of clients and building a strong corporate firm through company performance, good public relations and corporate advertising.

From the above findings it is clear that although most respondents saw marketing as an important aspect of their firm's ability to be competitive and sustainable in the Bloemfontein legal market, most of the respondents did not have a marketing committee in place; an unqualified person, in most instances a lawyer, was responsible for marketing; there were no strategic marketing plan in place; and a relatively small amount of the gross income of the firm was spent on marketing practices.

#### **4.5 Questions relating to restrictions and limitations on marketing practices of law firms in Bloemfontein**

The following questions were asked relating to restrictions and limitations on marketing practices of law firms in Bloemfontein:

- Are you aware of any restrictions regarding marketing practices of legal firms in Bloemfontein?
- If any, in which form do these marketing restrictions present itself?
- Other (specify).

#### Findings with regards to the questions above:

As many as 82.4% of respondents indicated that they were aware of restrictions regarding marketing practices and also indicated that these restrictions were based on legal as well as moral foundations. Of the respondents 51% indicated that they were aware of legal restrictions and 49% indicated that they were aware of moral restrictions.

#### **4.6 Questions relating to marketing tools applied by legal firms in Bloemfontein**

The following questions were asked relating to tools applied by legal firms in Bloemfontein:

- Which of the different methods of promotional mix strategies had been adopted by your company? Can you please rate them?
- To what extent have the various marketing strategies adopted by the company impacted the attaining of new clients?
- Can you express in terms of increase in volume of business, percentage of growth and/or average of new clients due to marketing your legal firm in Bloemfontein?
- Has there been a shift from the use of traditional marketing tools that include word-of-mouth and newspaper advertisements to the use of more modern and digital tools that include social media, Twitter and Skype to market your legal firm in Bloemfontein over the past 5 years?

#### Findings with regards to the questions above:

The respondents when asked to rate the most effective mix of promotional strategies indicated that the mix should contain word-of-mouth (61.3%), personal marketing (52%) and social media (32%).

What can be inferred from the data is that the majority of respondents were unable to clearly indicate what the effect of the chosen marketing strategy or tool was on the attainment of new clients, percentage of growth in income and growth of business volume.

The respondents also indicated that there had been a shift from traditional marketing strategies to a more modern, electronic approach to marketing.

It is clear from the above findings that legal firms in Bloemfontein still utilise traditional tools for marketing that include personal marketing and word-of-mouth. Although the respondents indicated that they were aware of the change in marketing practices, they still did not apply these modern tools of marketing. Furthermore, the

effect of marketing practices (traditional or modern) had not yet been measured effectively.

#### 4.7 T-Test

A T-Test was performed during the data analysis to determine whether or not there are significant differences between the firms who utilise a strategic marketing plan and those who do not.

A T-test is used to determine if the group means of interval variables differ from one another and it is only used when there are two groups present. During the data analysis it was tested whether or not the number of lawyers in the firm differs between those firms utilising a strategic marketing plan and those firms who do not utilise a strategic marketing plan. It was also tested whether or not the length of time the company has been operating differs between those firms who utilise a strategic marketing plan and those who do not utilise a strategic marketing plan.

For conclusions on whether the variables are different or not, we look at the p-value and compare it to a value of 0.1 (10%). If the 2 averages differ, the p-value will be less than 0.1 and vice versa.

The analysis shows that the p-value for the length of operating time is 0.163 which is greater than 0.1. This means that the length of time the company has been operating is the same (or does not differ) for those firms with a strategic marketing plan and those without one.

The data analysis also shows that the p-value for the number of lawyers in the firm is 0.010 which is less than 0.1. This means that the number of lawyers in the firm differs between those firms with a strategic marketing plan and those without one.

Table 4.3 below portrays the results of the test.

Table 4.3 T-Test for Equality of Means

Variables	t-statistic	P-value
Q1.3	1.417	0.163
Q1.1	2.818	0.010

#### 4.8 ANOVA

The ANOVA test is also called the test for variance. This test is used to analyse if the group means of interval variables differ from one another. Three (3) groups or more need to be present for this test to be effective.

The data obtained in question 1.10 “What part of your firm’s gross income is spent on marketing in Bloemfontein each year?” formed the basis of the ANOVA test.

The test was utilised to establish whether or not the number of lawyers in the firm differs among the levels of gross income spent on marketing.

It was also tested whether or not the length of time the company has been operating differs among the levels of gross income spent on marketing.

Table 4.4 below indicates the results of the test.

Table 4.4 ANOVA

Variables	F statistic	P-value
Q1.1	5.595	0.035
Q1.3	2.404	0.093

The test reveals that the p-value for the number of lawyers in the firm is 0.035 which is less than 0.1. This means that the number of lawyers in the firm differs among the levels of gross income spent on marketing.

The test further reveals that the p-value for the length of time in existence is 0.093 which is less than 0.1. This means that the length of time the company has been operating differs among the levels of gross income spent on marketing. Those firms longer in existence spent more on marketing than those that are in business for a shorter time.

#### 4.9 Post Hoc Test: Tukey-test

Given that it was found that there are significant differences for Q1.1, a test (the Tukey-test) needed to be done to establish which of the gross income levels have different number of lawyers. This test involves testing for significant differences between 2 gross income levels at a time.

The table below clearly indicate the findings of the test.

Table 4.5 Tukey-test

Variable	Gross income levels		P-value
<b>Q1.1</b>	0% - 3%	7% +	0.000
	4% - 6%	7% +	0.001
<b>Q1.3</b>	0% - 3%	7% +	0.083

The test reveals that for the number of lawyers in a firm, the differences in gross income levels spent on marketing was between those firms who spent 0% - 3% and those who spent 7%, and as well as between those firms who spend 4% - 6% and those firms who spent 7% and more on marketing.

With regards to time in existence (Q1.3), the difference in gross income levels spent on marketing was between those firms who spend 0% - 3% and those firms who spent 7% & more on marketing

#### 4.10 Conclusion

From the data analysis it can be concluded that the majority of respondents were of the opinion that marketing is an important factor to achieve sustainability in the Bloemfontein legal market. Although the majority were of that opinion, only a small number (39%) of respondents utilise a strategic marketing plan. Furthermore, marketing committees are in operation in only 33% of firms that are of the opinion that marketing is an important aspect of sustainability in Bloemfontein. The other respondents indicated that a lawyer within the firm is responsible for marketing.

The data indicate that 82.4% of respondents were aware of marketing restrictions on legal firms in Bloemfontein - legal as well as moral restrictions.

Direct marketing and electronic media were indicated as the most effective tools utilised during marketing of the respective legal firms. A mix of word-of-mouth, personal marketing and social media was indicated to be the most effective when marketing a legal firm in Bloemfontein.

The analysis also indicates that there exists a lack of measurement of the effect that marketing and marketing tools have on the firm.

It is clear that although electronic media as advertising tool is gaining ground, the findings regarding direct contact, word-of-mouth and personal marketing indicate that marketing within Bloemfontein is still firmly based on traditional tools for marketing a legal firm in Bloemfontein.

## **Chapter 5**

### **Summary, Recommendations and Conclusion**

#### **5.1 Introduction**

Chapter 4 dealt with the findings of the research undertaken while chapter 5 will make recommendations to legal firms in Bloemfontein regarding marketing of their firms with reference to the findings of the research.

#### **5.2 Summary**

During the theoretical research regarding the importance of marketing practices for legal firms, it was concluded that marketing has become an essential part of all businesses including legal firms. It was found that marketing is an important aspect due to its contribution to the reputation and product awareness of the firm and also its contribution to the competitive sustainability of the firm within the legal market. It was also concluded that for marketing of a legal firm to be effective, it must be based on a strategic marketing plan.

The theoretical research undertaken regarding restrictions and limitations on marketing practices of legal firms reveal that certain legal as well as moral restrictions need to be taken into account when contemplating marketing of a legal firm. Yet, it was found that moral restrictions have far less influence on marketing practices than in the past and that legal restrictions represent the main factor to take into account.

The theory indicates that the most effective marketing tools to utilise with reference to the marketing of a legal firm are the same tools that any other business could utilise during marketing. Internet marketing, word-of-mouth, article marketing and social media are all tools that can be utilised. The main difference when utilising the marketing tools is the restrictions that are placed on the content, which may be incorporated within the marketing tool utilised.

The findings during the field research undertaken indicate that most legal firms in Bloemfontein are also of the opinion that marketing of their firm is of the utmost importance to achieve competitive sustainability within the Bloemfontein legal market. Although most are of the opinion that marketing is an important factor in

achieving competitive sustainability, only a small number of the firms utilise a strategic marketing plan and most firms do not make use of a specialist for marketing purposes.

The findings indicate that most firms in Bloemfontein are aware of legal as well as moral restrictions with regards to marketing of legal firms.

The findings indicate that although legal firms in Bloemfontein are aware of the movement to utilise modern marketing tools, traditional marketing tools that include direct marketing and word-of-mouth are still utilised by the majority of legal firms in Bloemfontein.

### **5.3 Recommendations**

With regards to the research undertaken (theoretical as well as empirical quantitative research) the following recommendations for legal firms in Bloemfontein can be made:

#### **5.3.1 Implement a strategic marketing plan**

The development and implementation of a strategic marketing plan is of the utmost importance in identifying a competitive and sustainable advantage in the Bloemfontein legal environment. The first step for any firm contemplating marketing of their firm is to establish a strategic marketing plan.

The importance, development and implementation of a strategic marketing plan are discussed in chapter 2. The process of development of such a strategic marketing plan is also discussed throughout chapter 2.

#### **5.3.2 Utilise a marketing committee or specialised marketing company**

Legal marketing, due to its restrictions and limitations (which most firms are aware of) has become a specialised field within marketing. It is of the utmost importance to make use of a marketing committee within the firm that must consist of personnel that have extensive experience in the field of legal marketing and who are aware of the restrictions and limitations of legal marketing within Bloemfontein, or else the firm must make use of a specialised marketing firm to market the firm optimally. Cost of

marketing was the main factor in deciding the budget that will be allocated to legal marketing; thus, when a marketing committee or a specialised marketing company is responsible for marketing the law firm, it will enable the management of the firm to be presented with a marketing budget beforehand either on an annual, quarterly or monthly basis - making decisions regarding the allocation of a budget for marketing easier.

### **5.3.3 Make use of a mix of traditional as well as modern marketing tools**

It follows from the theoretical research findings that marketing tools for legal firms consist mostly of the same tools that other businesses utilise during marketing and are based on modern marketing tools. However, from the quantitative research findings it follows that traditional tools for marketing (which include word-of-mouth and personal marketing) are still the main tools for marketing of a legal firm in Bloemfontein. On the other hand, it was also found that legal firms in Bloemfontein are of the opinion that legal marketing are moving away from utilising traditional marketing tools to utilising more modern marketing tools.

Based on the findings above it is clear that a mix of marketing tools must be used in marketing a legal firm in Bloemfontein - consisting of traditional and modern marketing tools.

### **5.3.4 Measure the effect of marketing tools utilised**

When deciding on which marketing tools to utilise during marketing of a legal firm in Bloemfontein and to enable the management of a firm to decide (fully informed) on the allocation of a marketing budget, the impact of marketing and the contribution of each marketing tool must be measured. The marketing committee or the specialised marketing company must be able to measure the impact on the specific firm; otherwise marketing will be a futile exercise.

## **5.4 Conclusion**

The research undertaken indicated that legal firms engage in marketing practices, that the majority of legal firms are aware of the changing legal environment and the importance of marketing practices within the competitive legal environment.

It was also found that legal firms do not apply strategic marketing practices and also do not make use of a strategic marketing plan. This findings clearly indicate that legal firms need to address these specific aspects.

Implementing the above strategic marketing measures and utilising a strategic marketing plan within a legal firm will definitely have an enormous impact on the visibility of the firm in Bloemfontein and will lead to the attainment of new clients and an increase in revenue.

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