



Marketing Auditing Services



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2009 Hyvinkää

Laurea University of Applied Sciences
Hyvinkää

Marketing Auditing Services

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Degree programme in Business and Administration
Thesis
August 2009

Laurea University of Applied Sciences
 Laurea Hyvinkää
 Degree Programme Business Administration
 Marketing and Customer Relationship Management

Abstract

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The study is done as a part of a bachelor's study in Marketing at Laurea University of Applied Sciences. Marketing as a science appeared more than 50 years ago and is still developing. The purpose of the thesis work is to collect knowledge via marketing research, to understand how marketing is implemented by the case company-provider and compare the result to professional services marketing theory.

Marketing professional services is difficult because services differ from goods. Marketing professional services also differs from generic services. In fact, the result of a service is usually intangible and the process of rendering it is more important than the result itself; a specialist of professional services participates in the marketing of services, and often a client is making the choice to place an order after consultation with the specialist. Specialists, however, are not always trained in marketing; the marketing of activities is different in the case of professional services.

The Research is performed as a case study based on an auditing company, the world famous leader on the market of auditing services. The Helsinki office of the company started marketing activities 15 years ago. Modern performance of marketing shows those elements of the marketing which are effective in case of auditing services.

Three persons dealing with the marketing are interviewed for the purpose of the analysis, two of them work in marketing-related departments and one person is one of the leaders of the company who performs marketing as part of his job duties.

The result of the research describes marketing performance of the case company and how it reconciles the professional services marketing theory. The case company executes both marketing elements that are described by the existing theory as well as those elements that should be additionally studied more.

Key words: Auditing services, marketing.

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1. INTRODUCTION

Marketing started more than 60 years ago and nowadays seems to cover majority of fields of business activities. Theory of marketing comes from consolidated knowledge received from the practice.

Practice, as seen from the history of last centuries, developed greatly, started from steam engine to electricity and fuel as sources of energy, from telegraph and landscape telephone to internet and mobiles as ways of communication, from consumer goods to financial and intangible assets as a subject of purchase. It is impossible to stop evolution and development and sometime it is impossible to consolidate new knowledge and put them it into common theory in time. That leads to a gap between theory and practice in a certain case. This is the case of professional services marketing. Professional services include architecture, accounting, audit, law, and engineering.

Marketing of professional services is difficult to perform because of the nature of professional services. Services differ from goods and professional services differ from other services. In fact the result of the service sometimes cannot be tangible and process of rendering is more important than the result.

The second problem in marketing professional services is that specialists of professional services have to participate into marketing of their services, often a client is making choice to place an order after consultation with the specialist, but specialists are mostly not trained in marketing.

The third reason why it is hard to perform is that rendering of these services is based on specific knowledge that means that each certain service marketing differs from the other service marketing (audit services marketing performance differs from engineering services marketing performance).

Any company has some marketing performance that appeared some time ago with placing advertisement in the newspaper or promoting itself as providers, then was developed with time, looking what other companies are doing, inventing new marketing tools, hiring educated marketing specialists, who changed marketing performance. The most effective elements survived and weak components were substituted. Companies want to be agile and win the permanent competition that is why they invent new methods of marketing services which are based on new technologies and which have not yet find their place into the theory.

To fill this gap between the existing theory and practice of a case company's marketing performance additional research is needed. The purpose of the thesis work is to collect knowledge via marketing research, to understand how marketing is implemented by the case company-provider and to compare the result to the professional services marketing theory.

2. THEORETICAL BACKGROUND

2.1 Professional services marketing performance

Marketing has many definitions, but for the purpose of this research Kotler (2001, pp. 5-6) described marketing of professional services is the most appropriate way: marketing is a social and managerial process by which consumers operating on the targeted market satisfy their needs and wants through exchanging the value with providers of the services.

Important notes come from the definition: marketing is a process, sequence of actions, that are not haphazard, they are managed to reach a certain result and these actions have to take place before sales; the need or want is a fundamental element of marketing - marketing helps the consumer to find a way to satisfy the need for an appropriate value that consumer is ready to pay for the service; marketing applies to the targeted market, to those consumers that have (or may have) the need.

There are some important differences between goods and services that separate marketing of services from marketing of goods:

1. Intangibility - when the client is ordering services, he/she cannot know the result of the services, because the services cannot be tasted, felt, heard and sometimes even seen. The consumer cannot be sure of the quality of services because he/she cannot estimate it physically. Bowen and Jones (1986, pp. 428-441) identified this feature as "performance ambiguity", meaning inability to measure the performance of a service product or the inability to assess accurately the service product.

2. Inseparability - services are directly tied to the provider, its professionalism, appearance and reputation. The consumer can get an impression of possible quality of services by estimating the provider, looking through the official web-page or contacting the provider by phone or email. The consumer spends time and his own efforts and sometimes resources to receive the service. From another side he/she has a chance to see the bottom of the process and feel the quality of the service during its delivering. The provider must be prepared for

this and control the process of rendering the service in order not to lose the business image and show the quality by the way of giving explanation on place.

3. Heterogeneity - the quality of the services rendered to the client can vary, the customer cannot test the service before ordering. Result of the service depends on the provider and his possibility to manage the service and existence of mechanism for potential mistake prevention. This is a matter of expectation and trust from the customer's side. Each consumer would estimate the service differently after it is received and the consumer never knows what exactly he/she is buying and what the level of satisfaction he/she will receive.

4. Perishability - services cannot be stored or used later, be kept for resold. Selling the services often means selling its performance or expectation. One of the implications of services is dependence of level of demand, because usually provider can render service only to one consumer in a moment of time.

The professional services differ from generic services that separate them from for instance, car repairing or clothes cleaning services, marketing of which also have special features. The following list of criteria is formulating professional services among others (Gummesson 1978, pp. 89 - 95):

- Services are provided by professionals - people with relevant education and qualification, confirmed by a certificate,
- Services are focused on the problem solving or need satisfied,
- Services are assigned from the consumer to provider - high level of services customization.

It is necessary to admit that these are usually business-to-business services.

Common practice is to create a marketing programme that indicates principles of marketing behaviour and in this area Kotler (2002, pp. 14-19) found the following typical problems.

Third-party Presence

Usually the third party is a government regulation organization, an investor, an insurance company, that are usually side-consumers of the services. The third party can be also a reason of the service need or can provide supportive information for services rendering. Both the provider and the consumer of services must be aware of all possible the third-parties.

Client Uncertainties

This problem comes from the services feature of the intangibility. Even if the consumer knows the result of the service, he/she cannot estimate the quality of the service before he/she ordered it. To assure the consumer that he/she is taking the correct decision ordering the service, the provider makes a brief education of the services offering and criteria of the quality of services and offers guaranties of the quality.

Essential Experience

Prior experience in rendering the services in similar situations is essential for the consumers. The experience must be demonstrated and usually taken as guaranty of the result. Inexperienced professionals have difficulties to find customers and experienced in one service providers have difficulty to diversify into new services.

Limited Differentiability

Physical goods marketing usually applies to newness or special features to create customer's demand and wish to try the goods. Marketing of the services is limited in this because usually the services of all providers operating on the market are more or less similar. Even if the provider can offer different form competitors service, it can be difficult to find a client because not all the consumers can recognize, trust and appreciate the difference.

Quality Control

The most common case is that the service doesn't have physical features and it is difficult to estimate the quality. Additional problem appears because the quality of control usually depends on the consumer' behaviour while rendering the service. For instance, auditing services result is more than 40% depends on cooperation with the client and wish of the client's employees to show accounting documentation.

Seller versus Doer

The common situation is that the consumer wants to have an arrangement with the doer, who will create a value of the service, before the order is placed. The meeting helps to decrease the uncertainties of service. The doer is becoming the seller. Not all the professionals are good sellers (most of them do not want to do sales) and it is not easy to teach the seller of all

the details of the services and to speak “the same language” with consumer as the professional would do.

Time Management

The services bill is a bill for the time used. In case when the doer makes marketing (meets possible clients, makes proposal, helps to sell services) the day time is not enough to fulfil all the activities and the quality of the service or the delivery terms may be in danger.

Marketing as Professional Service

Most professionals are specialised in their professions, but not in marketing (e.g. technical specialists, medicine services providers, architectures) that doesn't help them to make good marketing decisions in attracting clients. As a result they must learn marketing by attending courses, conferences, reading books or hiring marketing companies.

Marketing plan tends to be simplified and some important assumptions that are neglected while planning could decrease the effectiveness of very good programme.

Table 1. Eleven Assumptions that may destroy marketing programme adopted from Ryder (1999)

1. My prospects and clients know the services I offer. Many providers lost their clients because assumed that they are aware of all the services the provider may deliver, they just switched their interest to those who showed the possibility to satisfy the clients' need.
2. My referral sources will send me all the new clients I need. No, it will not happen. The provider may get referral from time to time, but this is more exception than rule and business cannot be built just as a result of referrals.
3. When prospects or clients have a question, they will call me. This is especially not true with the client whom the provider have not yet established a strong relationship. People often hesitate to call unless they know their call is welcome.
4. It makes no difference whether my photo appears in my marketing materials- The photo can help establish the sense of a friendly, trusting relationship with reader and increase the reader's comfort.
5. The more I interact with prospects, the more time I waste. The truth is that the more time the provider spend with clients, the more opportunities he/she has to explain how he/she can help them.

6. I have to be careful not to repeat myself when talking with prospects. It is important that people understand what the provider is trying to explain, so selective redundancy gives the opportunity to get points across from two or three different perspectives.
7. My prospects understand what I say because they are in business and know the jargon. The provider should always put the communication in a language that the client will understand. When the provider assume that prospects have basic knowledge of the provider's internal office jargon, he/she is usually wrong.
8. Marketing methods don't work as well today as they used to. If the provider's marketing techniques do not work it is probably due to poor, inadequate, or incomplete marketing research, planning and execution.
9. The more complicated my message, the more prospects and clients will understand the need for my services. Clients constantly suffer from information overload. Message should be kept simple, easily understood and straight to the point.
10. How an advertisement looks is not as important as what it says. A powerful message is important but without proper visualization the prospects may never mention the attempt to communicate the provider made.
11. Prospects and clients do not mind when I am slow to return phone call; they understand that I am busy. Everybody is busy. Phone call should be return promptly, because it gives positive and powerful impression the client is needed.

From opposite point of view Kotler (2002, pp. 26-43) offers marketing elements of the successful marketing programme that make positive influencing into clients or audience:

1. Quality

The main element of quality is the doer's level of education. Another element is rendering the service of a level higher than client's expectation. The provider must be aware of variables that could make an effect to the client opinion and consumer's attitude based on his/her previous bad or good experience in the similar services consumption. The main indicators could be: reliability, assurance, responsiveness, empathy and image of the provider's office and employees. In case if the service is failed, the quality can be expressed by providing apologies, finding the root of the failure, rectifying the problem quickly.

2. Marketing organisation

The main reason for creating marketing programme is to understand how the marketing should be performed. Some companies limit the marketing in frames of sponsoring public occasions, attending professional events, applying for the assistance to educational organisa-

tions. Meanwhile they are ignoring more visible forms of marketing. Marketing is about creating long-term relationship with audience, understanding consumer's needs and level of its satisfaction. Marketing organization decides which of marketing activities can be done internally and which of them must be outsourced. The organisation may consist of marketing specialists and the marketing director.

3. Knowledge is power

Marketing is not only about sales or advertising; the real knowledge is hidden from average professional services specialist. He/she is not thinking what the audience or promotion materials are, how the clients select the provider, how the client compares the company versus its competitors, and what terminology is understandable. Such kind of information is a great power in creation prosperous marketing programme.

4. Strategically planning

No one company would like to spend the time for the activity that is not profitable, but not all the companies are planning their business actions. That may lead to missed opportunities instead of well-being. Strategical plan is an important tool to adapt to a changing environment because it provides structure, direction and reasonability of company's efforts. It starts with environmental analysis, estimates internal environment, market environment, public environment and external environment, after that strengths and weaknesses, opportunities and treats should be estimated. Behind the analysis there are strategies to create sustainable competitive advantages.

5. Market share

No one provider of the professional services can offer all kind of services for all kinds of consumers. It is very important to find a proper market share and answer the following questions: who does consume the services, what kind of services can be offered, what is a purchase process, who is participating in the process. This helps to save resources and keep the level of profitability of business actions.

6. The perfect offer

Market is a place where the companies consuming services and the companies providing services exchange the value based on the need. This means that value offered to the consumer should be offered as such value that he/she cannot refuse, e.g. high level of services, brand promise, time of service, and the process suitable for the consumer. If there is no need, there

is no service rendered, that is why life cycle of service must be taken into account and marketing strategy is different for each stage of the cycle.

7. Price of service

The price calculated for the services differs from price calculated for the goods because the goods are materials that are used for its production, but services are mostly the time spent for its rendering. Most consumers evaluate price for the services incorrectly. From another point of view, they believe that high price is “worth what you pay for”.

8. Accessibility

Location of the provider, time and place of rendering the service, possibility to access the provider by email, web-page, land phone and mobiles, expanded hours of operation - these are elements of accessibility, helping the consumer to feel the service tangible.

9. Communication

The professional services companies cannot survive without communication. There are some of communication tools: advertising, personal selling, promotion of sales, publicity and direct marketing.

10. Business relationship

Reasonable relationship with the consumers provides possibilities to know the clients' life, needs, perspective of future business.

In order to be competitive, to be aware of what the clients think about the services and the provider, to identify future opportunities, possible needs of services any provider should listen clients opinion.

There are some of methods of listening to clients, identified by Maister (1993, pp. 63-68), but in practice not all of them the company could implement in one set of actions because of the nature or volume of the services provided by the company.

User Group

A small group of trustworthy clients is asked weather they can attend periodic meetings to discuss the services offering. At the meeting the company presents its plans for developing its

practice in some specific areas (developing new services, enhancement of existing services). After that the clients are invited to comment the plans, to discuss whether they need these changes or may be there are other things that the company should improve. There cannot be a better judge than the critiques of the users.

Reverse Seminars

Seminar means that the company invites the group of clients to talk to them, reverse seminar is when the company invites one representative from the client and asks him/her to talk to the members of the company.

When the client receives the invitation he/she feels that the provider cares of the clients, wants to learn more about clients, and is pleased to talk and be heard. For the provider the reverse seminars add the knowledge of the client, about its business environment. One more benefit of the reverse seminars is a chance to identify business development opportunities, especially if the audience consists of those who currently are working with the client and specialists in other disciplines.

These seminars must follow the idea to listen to the client, but not making an attempt to sell some services, otherwise the client may feel tricked. Most clients who express a need during the seminar would be willing to listen to a proposal about solving that need.

Attending Client Industry Meeting

If the provider needs an opportunity to listen to clients' interests and needs he/she must go to the place where the clients discuss such subjects, e.g. industry or trade meetings. The provider must attend the meetings with respect to the client, listening to speakers and asking the client's opinion ("Do you agree with what the speaker said? What influence it makes to your business?"). Industry meetings are a valuable source of market information of the client.

Market Research

In most industries outsourced market research means listening to clients. In the professional services industries it means more disaggregated methodologies (when market research aims focus group, their needs, concerns and challenges).

Senior Partner Visits to Key Clients

Usually these visits are held as lunch in some restaurant, not directly visits to the client's office. It helps to keep discussion in a more informal way and create long-term business relationships. When it is needed the visit can be paid to the client's office and engagement team may participate.

Engagement Team Debriefings

The best professional service practice is when the engagement leader sits down with the client and obtains clients' feedback on what went well, what not so well and how the engagement can be improved. The debriefings often highlight additional unresolved issues.

Systematic Client Feedback

The client's feedback is not a substitute of the debriefings, but another powerful instrument to listen to the client accomplishing the debriefing. The feedback performed as a questionnaire can solicit the comments that the client was not willing to say face-to-face. The questionnaire helps to improve the assurance of the quality of the services, to follow the trends of systematic lack of quality and gives opportunity to enhance it. If there is a lack of the quality the client would not continue the contract and the provider would never guess the reason and improve the situation.

The main point of quality is to understand that quality work doesn't mean quality service. Technically job can be done perfectly, but result of services due to its special features of the intangibility, cannot be checked later.

When need for service appears the next time the client must have association with the quality of the services received, but he/she has nothing to remember except such dimensions as responsiveness, attitude, and other non-technical criteria of services.

Most of the consumers of professional services are not experts in the subject and simply cannot evaluate how well the service is rendered technically.

That is why for the provider it is more important to concentrate on the quality of the service than on the quality of the work.

The formula for service quality estimation is the following (Maister 1993, p. 71):

SAISFACTION equals PERCEPTION minus EXPECTATION.

If the consumer received the service of a certain level but expected something more or different, then he/she is dissatisfied.

Important to mention that the Perception and the Expectation cannot be estimated physically, it is more about experimental or psychological states of mind. Expectation was the key-point of Zeitman, Berry and Prasuraman's research (1988, pp. 12-70). They discovered factors making influence to the client's expectations. Among them there are: implicit service promises, personal needs, perceived service alternatives, self-perceived service roles and past experience.

Most consumers of the services do not think only about technical quality (how good is the work?) but also about the quality of the service (what kind of experience does the client have with the provider?). If the consumers are able to find reliable provider, they would be:

1. More likely to return to that provider
2. More willing to refer that provider
3. Less fee-sensitive about the services of that provider.

To improve the quality of the services and keep it on the high level the provider should pay attention to the following moments (Maister 1993 p. 83):

1. Estimation
2. Management
3. Tools
4. Training
5. Rewards

Estimation

To estimate the current quality of the services the system of feedback mentioned above could be used.

Table 2. Client feedback questionnaire (Maister 1993, pp. 85-86)

For each of the following statements about our firm, please indicate weather you: Strongly disagree (1); somewhat disagree (2); neither agree or disagree (3); somewhat agree (4); strongly agree (5).

You are thorough in your approach to your work	NA 1 2 3 4 5
You show creativity in your proposed solutions	NA 1 2 3 4 5
You are helpful in rendering our view of our situation	NA 1 2 3 4 5

You are helpful in diagnosing the causes of our problem areas	NA 1 2 3 4 5
Your people are accessible	NA 1 2 3 4 5
You keep your promises in deadlines	NA 1 2 3 4 5
You document your work activities well	NA 1 2 3 4 5
Your communications are free of jargon	NA 1 2 3 4 5
You offer fast turnaround when requested	NA 1 2 3 4 5
You listen well what we say	NA 1 2 3 4 5
You relate well to our people	NA 1 2 3 4 5
You keep me sufficiently informed on progress	NA 1 2 3 4 5
You let us know in advance what you are going to do	NA 1 2 3 4 5
You notify us promptly of changes in scope, and seek our approval	NA 1 2 3 4 5
You give a good explanation of what you've done and why	NA 1 2 3 4 5
You don't wait for me to initiate everything: you anticipate	NA 1 2 3 4 5
You don't jump to conclusion too quickly	NA 1 2 3 4 5
You involve us at major points in the engagement	NA 1 2 3 4 5
You have a good understanding of our business	NA 1 2 3 4 5
You make your business to understand of our company	NA 1 2 3 4 5
You are up to date on what's is going on in our world	NA 1 2 3 4 5
You make us feel as we are important to you	NA 1 2 3 4 5
You are an easy firm to do business with	NA 1 2 3 4 5
You deal with problems in our relationship openly and quickly	NA 1 2 3 4 5
You keep us informed on technical issues affecting your business	NA 1 2 3 4 5
You show an interest in us beyond the specifics of your tasks	NA 1 2 3 4 5
You have been helpful to me beyond the specifics of your project	NA 1 2 3 4 5
You have made our people more effective at what they do	NA 1 2 3 4 5
My own understanding of your areas has improved from working With you	NA 1 2 3 4 5
Overall, I would rate your service very highly	NA 1 2 3 4 5

The feedback has value when it is sent on the systematic basement, after each assignment. Otherwise the single feedback has no meaning at total quality programme of services. It is important not to get the feedback for company's need, but also to show the client that his opinion is valuable and highly appreciated.

There is a difference between feedback as a marketing research tool and feedback as a management research tool. It means that even if the feedback is not positive, it must make influence for future assignments, management policy should take the result of feedback into consideration as a signal to improve the quality of services.

Feedback is a mechanism that forces all the members of the engagement team to feel personally accountable for the quality of the service rendered and the client satisfaction in each assignment.

Here are some important moments of sending the feedback (Maister 1993, pp. 89-90):

1. It must be sent from the name and address of the provider, not the partner's name - this is a signal to the client about the firm's commitment for the quality
2. The return address should be to the firm - either to the office or to the managing partner - so that each engagement team member would realize that their performance will be monitored
3. If the client doesn't reply, the reminder is appropriate. If the client doesn't reply after the reminder - it is his privilege
4. The managing partner and the engagement partner should decide how many and to which of the client's contacts the feedback will be addressed
5. The feedback letter should not be used for selling.

Management

Since each feedback is a part of system, and point of the system is to create a conscience mechanism, how the responses are dealt with in case they are returned is as critical moment equals to as asking for the feedback. The copy of the feedback must be delivered to the engagement partner and each member of the engagement team. Managing partner must examine the feedback and discuss all the critical statements with the engagement team or the engagement partner.

After the answering the feedback the client should receive:

- A letter saying thanks for the flattering comments
- A visit from the engagement partner to clarify areas where the client is less than fully satisfied
- A visit from the managing partner in other cases.

The responses must be tabulated and the managing partner should discuss the aggregated results with all the partners and other staff on periodically basis, explicitly comparing group averages between different parts of practice. This must be done in order to create the right degree of embarrassment, but to avoid over-embarrassment. The results of the individual partner should not be discussed in public. The partner must get embarrassed in private.

Tools

This element of the quality programme is about specific ideas developing to enhance value to the client during the engagement. The good idea is to create a small team within each service area. The team will develop a client-service methodology including those activities that ensure that the way the provider treat the client is obviously more evaluable than the competitor's approach.

The small team could construct a flowchart of a client assignment, indentifying each step where they have an opportunity to influence the client's experience; estimating what the methodology must be used in each case of "moment of truth". For each step members of the small team interview the client personnel to get their best ideas how to manage the client's experience (hot tips) and put them into written operating methodologies.

The ending result of the small team work is a workbook containing good ideas and a methodology for client services teams to plan their individual client assignment.

Tactics to enhance client value (Maister, 1993, pp. 91-93):

1. Dictate and transcribe summary of all meetings and significant phone conversations and send copy to client same or next day.
2. Involve client in process through: brainstorming sessions, give client task to perform.
3. Give client option and let him to choose.
4. Explain clearly and document what is going to happen, make sure process is understood in advance. If needed make a printed booklet laying this out.
5. Make meeting more valuable:
 - Establish specific agenda and goals prior to meeting
 - Send info, reports in advance - save meeting time for discussion, not presentation
 - Find out attendees in advance, research them
 - Always establish next step for both sides
 - Call afterwards to confirm that goals were met
6. Make report more valuable:
 - Get client to instruct the provider in format, presentation
 - Provide summary so client can use it internally, without modification
 - Have all reports ready to non-project person prior to delivery to ensure readability, comprehension
 - Provide all charts, tables, summaries on overheads for internal client use

7. Help client use what is delivered:

- Assist client in dealing with others in client organization
- Empower client with reasonable steps
- Advise on tactics/politics of how result should be shared inside client organization

8. Be accessible and available:

- Private phone number
- Anticipatory calling when “we’re going to be unavailable”
- Ensure that secretaries know names of all the clients and names of the team members of the assignment
- Work at getting clients comfortable with junior personnel.

Training

Many providers may need to organize the training programme in client-contact skills. Wisdom of this should be built into training programmes so that the provider disseminates its best practice quickly.

Training programme is divided into knowledge transfer (elements of good services) and skill building (identification of classic client situations, development of role-play script, and design of materials).

Skill-building topics include the following (Maister, 1993, p. 91):

- Learning to persuade, not assert
- Helping clients understand what person is doing and saying and why
- Empowering clients with reasons, not just conclusions
- Running meetings in ways that adds more value to clients
- Reporting to clients in ways they find more valuable
- Coaching clients to use what was delivered
- Facilitating client’s ability to act on what was delivered

Rewards

The final step in full service quality programme is to ensure that both who excel in this area are rewarded and those who do not, are penalized in some way. For sure, each person should be given a chance to shape up and everyone has to get comfortable that the data received from the feedback is real and valid.

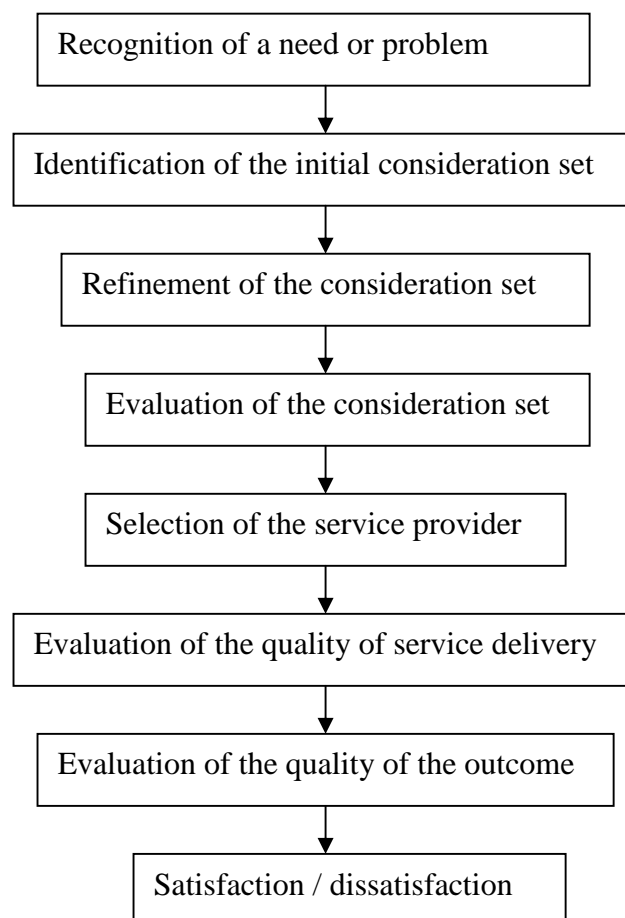
2.2 Marketing prospect clients

The most important element of marketing is not to understand how to sell, but to understand how clients make choice, to try to think like a client would do.

Selecting a provider is one of the most important decisions to satisfy the need that may lead to very expensive mistake or long-term cooperation for mutual benefits. For the provider such a mistake may lead to problems both in satisfying the client's need and in meeting financial objectives.

McPhail and Sands (1994, pp. 127-134) defined three types of risk the buyer meets choosing or changing the provider: Functional risk (will the provider meet the requirements?), Time risk (can the provider follow the time limit?) and Financial risk (what is the real cost of the services?).

Table 3. The buying process for Professional services (Day, Barksdale, 1994, pp. 44-51)



Recognizing a Need or Problem

The process of purchase starts from identifying the need that can potentially leads to purchase of the service. On this stage the problem can be ignored by the personnel of the client or be investigated further.

Defining Purchase Goal

Although client may not have clearly identified goals, solicitations of requests for possible proposals are predicated on a description of the need. It helps to insure that these purchase goals are realized through the purchase of professional services and described by a desired level of quality.

Identifying the Initial Consideration Set

On this stage the client is setting up criteria to reduce risk and uncertainty. Initially the selection process includes prequalification of potential providers, usually based on their product portfolio. The client is estimating the capability of the provider to satisfy the needs. Basically this stage can be done via internet, comparing the web-pages of the possible providers. Professional firms can make an influence to the clients' decision making process by creating a strong performance of web-page, where strengths of the provider and technical capacity are underlined.

Refining the Consideration Set

This stage is about creating a short list of finalists. Some strong criteria are applied and the client is looking for the reason to disqualify possible provider. On this stage unique skills to satisfy the need are essential. In other words, the buyer is looking for a reason to disqualify some of the firms.

Evaluating the Consideration Set

On this stage last performance (previous experience) is used as a predictor of future performance. Industry expertise, reputation and prestige of provider, overall professionalism and integrity can help the client to make a choice on this stage to reduce a list to few providers whom they would like to make arrangements, look at the presentation and make an interview. Cravens (1985, pp. 297- 301) says that "meet deadlines", "quality of design docu-

ments”, “personal references” and “national prestige” are important factors for the buyer. Another study (Gaedeke and Tootelian, 1988, pp. 199-207) identified “industry expertise”, “reputation of firm” and “overall professionalism and integrity”. Cargley and Roberts (1984, pp. 27-31) underlined “quality of people assigned”. In fact of the factors are important for the client as well as price for services.

Selecting the Professional Services Provider

This is a part of interview and taking final decision of the services provider. Unlike the previous stages that are dominantly rational, logical and based on facts, the selection stage is mostly intuitive, personal, and based on impression.

The first thing what client pays attention to is preparation for interview: whether professional service company is interested in the job; did they find out maximum information about the possible client’s business; read web page and available reports or this interview is like a “cold call” when the provider is asking basics of the client’s business. The next element of proper provider’s behaviour is to demonstrate initiative, to show that they check the client versus competitors, their success or faults on the market. These elements are showing the willing to earn the client.

Those professionals, who are overeager to impress and spend the whole meeting talking about what the provider had been done and why they are qualified enough to satisfy the client’s need, are not winning the interview. It happens because the most important is not to express what the client is aware about, but to talk about the client’s business; not own, about the need of the client and propose the prepare offer how to help the client - to give some information the client doesn’t know and is willing to hear.

Evaluating the Quality of Service Delivery

This stage is describing client-provider relationship and focused on identifying quality performance evaluation criteria. Certain objective measures such as keeping the promised deadlines are available. But often indicators are more subjective, e.g. degree or liking / disliking of the personnel involved in service delivery can influence the client perceptions and affect the degree of satisfaction.

Evaluating the quality of the Outcome

On this stage the client evaluate to overall feelings of satisfaction or dissatisfaction from client - provider relationship.

Table 4. What it Feels Like to Be a Buyer (Maister, 1993, pp. 113-114)

1. He feels *insecure*. He/she is not sure he/she knows how to detect which of providers are real geniuses and which are just good. He/she has exhausted his abilities to make technical distinction.
2. He feels *threatened*. He/she needs to put his area of responsibilities and, if he/she is aware that he/she needs the outside expertise, emotionally it is not comfortable to put affairs in the hands of others.
3. He takes a *personal risk*. By putting the affairs in the hand of others he/she risks losing control.
4. He is *impatient*. He/she took some time to think about need some time.
5. He is *worried*. By the fact of suggesting improvements or need of service, these people are going to be work with he/she had been doing. Are these people going to be on his side?
6. He is *exposed*. Whoever is a provider, he/she is going to have to reveal some proprietary secrets, not all of which are flattering. He/she will have to undress.
7. He feels *ignorant*. He/she doesn't know if he/she has a simple problem or a complex. He/she is not he/she can trust the provider to be honest about that: it's in provider's interest to convince him to a complex.
8. He is *sceptical*. He/she has a negative experience with services providers. He/she had lots of promises. How does he/she know whose promises he/she should buy?
9. He is *concerned* that providers can't or won't take their time to understand what makes his situation special. The providers will try to send him what they've got rather what he/she needs.
10. He is *suspicious*. Will the provider be those typical professionals who are hard to get hold of, who are patronising, who leave him out of the loop, who befuddle you with jargon, who don't explain what they are doing and why, etc.? Will these people deal with me in the way I want to be dealt with?

Because of services' special features there are some adjustments that could help planning marketing tactics to prospect clients:

1. The broader audience you attempt to reach, the thinner result you will get (Weinberg 1985). Rather than paying a little attention to a lot of prospects, it is always better to give more attention to a smaller, but well-selected audience.

2. Marketing works when it demonstrates, not when it asserts. Marketing tactics that illustrates provider's competence (speeches, seminars, articles) are better than assertions (brochures, direct mails)
3. Preference should be given to face-to-face, rather than communication in written words
4. Marketing is a gentle way to attract the client, doing something that causes them to want to take the provider to the next level of business relationship (such as telling the provider about the problems the company has). If the client is sceptical, he/she must be given a good reason to expose the problem with the provider and this must be done without any unpleasant for him feeling that he/she is committing himself to go further.

The sooner provider can get an individual client to speak about his problems, the sooner the dialogue can take place - the better the tactics. Professional services are not mass business, but individual one, occurring one at a time, and marketing programme should reflect this.

The list of possible marketing tactics (Maister 1993, pp. 122-131):

1. The first team
 - Seminars (small-scale)
 - Speeches at client industry meetings
 - Articles in client-oriented (trade) press
 - Proprietary research
2. The second string
 - Community/civic activities
 - Networking with potential referral sources
 - Newsletters
3. Straws tactics
 - Publicity
 - Brochures
 - Seminars (ballroom scale)
 - Direct mail
 - Cold calls
 - Sponsorship of cultural/sports events
 - Advertising
 - Video and brochures

The First Team

Small-Scale Seminars

This tactic is the most effective if seminars are held correctly. The aim of the marketing is to launch individualized dialogues. That is why the seminar should not be more than twenty-five clients and ratio of prospects to the provider members in attendance must not be more than five to one. As soon as the prospects confirm their participation, the managing partner should instruct the research staff to collect maximum information about each company attending and possibly the persons attending.

The seating at the seminars should not be random. A specific partner will sit with the five prospective clients on whom he/she received a briefing booklet. He/she must be aware about the clients business and express this knowledge.

The seminar should be done in the following schedule: twenty-minute presentation, twenty-minute small table discussion, then back to the speaker. The follow-up to the seminar should be a call from the partner to the attendee offering to have an arrangement to discuss the need of the prospect.

From the attendee's point of view, such a seminar maximizes the chance that he/she can raise issues and that is evaluated by them.

Speeches

The speeches should be given at the client industry meetings, chambers of commerce and other forums where prospective clients could be found. The goal to give the speech is to make the handful of the prospective clients who have need of the provider's services want to contact you afterwards to learn more. This means also that audience of the speeches is not large. The best way to hold the speech is not to use notes and try to make to do it in a dialog manner order to demonstrate the prospects that speaker is prepared to hold unexpected questions, is willing not just talk, but also listen.

Articles

The providers usually publish their articles in their professional journals. That gives them a professional glory, but doesn't give additional clients. Articles published in client-oriented trade magazines and newspapers are powerful means to demonstrate the competence and make a reputation.

Proprietary research

This marketing tool is mostly neglected, but it gives a good chance to demonstrate something that the competitors do not offer. The information collected could be the client's technical or professional data, but it could be also general research survey, comparing couple of companies as competitors. This gives a good effect to the prospects.

The Second String Tactics

This is less effective approach to win new clients and could be used together with The First Team tactics. No one provider wins the clients just because of network name or news-letters. Community activities could be powerful in small communities.

Clutching the straws tactics

These tactics are the most common and the least effective. Most companies however think that this is about publicity, becoming popular and significant. In fact this is more for their self-evaluation and reporting in their business press. The bigger audience - the less result.

2.3 Marketing existing clients

Most professional services providers are aware that the most probable (profitable) sources of new business are existing clients. In practice many of them organise programmes of attracting new clients but only few of them do efforts to obtain new business from the existing clients. The most companies' expenditure for business getting are spent for trying to get new clients, with only a small fraction of the total devoted to winning new deals from the existing clients.

The most important attraction for providers to remember is that the existing clients represent higher-probability prospects.

This happens because the ability to win the client's trust and confidence makes a dominant influence in the sales process of professional services. Often this single criterion is the deciding factor in competitive situations. The second factor is discovering the real (unstated) client

concerns and needs are far easier to do in the existing client settings. The third basic fact is that new-business opportunities are usually non-competitive: if the provider uncovers a new need in the course of the current work, it can often win permission to proceed with new work without going through a competitive proposal process.

The second attraction in targeting the existing clients is that in the most situations marketing costs to win a given volume of new business are lower. The provider doesn't have to spend unbilled time researching the client and industry.

The third attraction is that follow-on engagements from existing clients often are more profitable than first-time engagements from new clients, there is no risk to make false starts or misspecification of the project, less risk to make write-off of time spent getting up to speed on the client and its industry. Being uncompetitive the client situation implies less pressure on fees and greater ability to charge the full rates: the client has already been exposed to the provider and its ability to deliver volume for money. With new client, it is always more scepticism and fee-sensitiveness from the client side.

The fourth attraction is that provider may involve juniors into the delivery of services to the client. In contrast, a new client may not be comfortable with this new provider and often insists on extensive senior-professional involvement.

Dispose the Client

The first stage goal is to make a client disposed to use the provider for the future assignment, to build trust and confidence in relations between the provider and the client.

It can be done by the following ways (Maister, 1993, p. 106):

1. Going extra mile on the current engagement
 - Use new business budget to fund extra analysis
 - Use budget to improve turnaround time, service
 - Improve quality of presentation
 - More documentation, explanation, accessibility

2. Increasing the amount of client contact
 - Telephone regularly
 - Visit at every opportunity
 - Schedule business meeting near mealtime
 - Invite to the office

- Introduce one's partners
 - Get company's leaders involved
3. Building the business relationship
 - Help client with contacts
 - Put on special seminars for client's staff
 - Volunteer to attend client's internal meetings
 - Offer free day of counselling on nonproject matters
 - Send client useful articles
 - If possible, refer business to client
 4. Building the personal relationship
 - Social activities
 - Remember personal, family anniversaries
 - Provide personal telephone number
 - Offer use of company's facilities.

Increasing the Company's Capabilities

This is the second stage of marketing existing clients. The goal here is to do those things that persuade the consumer that the provider's knowledge and talent not only can be but are customized to the specific client situation. The new business from the existing client, as in all the marketing, must be earned. Some of nonbillable marketing budget should be dedicated to encouraging and performing the familiar tasks to increasing the company's knowledge of the client's industry, business, organisation and the client himself. These activities should have a systematic character, be well-planned (as part of marketing plan), they will serve to uncover new client needs, reveal areas where the client is dissatisfied with the current state of affairs, to find a critical condition for him to commit to a new project.

These activities are (Maister, 1993, p. 107):

1. Increasing knowledge of client's industry
 - Study industry magazines / newsletters
 - Attend industry meeting with client
 - Conduct proprietary studies
2. Increasing knowledge of client's business
 - Read all client's brochures, annual reports, other public documentation
 - Ask to see strategic plan

- Volunteer to critique internal studies
 - Conduct reverse seminars
3. Increasing knowledge of client's organisation
 - Ask for organisational chart
 - Ask who client deals with most
 - Ask about client's boss
 - Ask about power structure
 - Arrange to meet other executives
 - Spend time with client's juniors
 4. Increasing knowledge of client
 - Find out precisely how client is evaluated inside of his company
 - Find out what he/she is unhappy with.

Finding and Pursuing the Next Engagement

This is the final stage of marketing existing clients and if the provider executed the previous stages, the time needed to ask the provider to prepare offer for a new assignment is short.

If they have not been done, activities on this stage involve creating opportunities to demonstrate initiative and competence (rather than waiting for them to arise). It requires a planned programme of digging out intelligence on new needs, assembling this evidence and crafting opportunities to make the client aware of the new need.

The provider should follow the steps below to earn the next engagement (Maister, 1993, p. 109):

1. Creating opportunities to demonstrate initiative and competence
 - Volunteer services of one's partners
 - Arrange meetings with one's partner
2. Digging out new intelligence on new needs
 - Use entire projects team to gather info
 - Get invited to their meetings
 - Arrange to meet other executives
 - Spend time with client staff at all levels

3. Assembling evidence of new need

- Conduct additional analysis
- If possible, conduct additional interview
- Conduct special studies

4. Creating awareness of new need

- Bring problem area to client's attention earlier
- Document evidence of problem
- Compare client's statistics to others
- Share results of work done for other clients

5. Finding sponsor / friend / coach in client organisation

- Figure out who wants change

6. Asking for the new engagement at the right time

- Point out opportunities early and often, with no "hard sell"
- Concrete proposal only when confident it will be accepted.

The time spent designing and executing targeted marketing campaign for the existing client would indeed be more likely to result in new work than the same amount of time spent to generate new leads and convert them into new clients. New clients are needed to provide "freshness", dynamism of professional development, "reseed the genes pool".

2.4 Brand name and network marketing

One of additional ways to pretend the quality of the services is to use a brand name. Most of the professional services providers use this benefit. In the beginning of network work there is a problem to make the network operate because of all the local organizations trading under the same brand name are different.

Because of the complex managerial tasks to reach the benefits from both autonomy and collaborative actions it is difficult to accomplish collaboration and cooperation across boundaries. A major cause of the problem lies in the nature of professional practice that requires customization and adaptation to the local client. This implies that a major degree of local autonomy is essential and professional providers cannot be ruled from the centre.

This importance of local autonomy creates a dilemma for professional services provider. If the local practice is responsible for winning engagements from clients, solving their problems, why providers need a network practice? Network is valuable in two cases:

1. To help local practice perform its local tasks better and receive more value because local provider is a part of the network, or
2. The network is highly helpful in servicing international clients.

The obvious benefit of belonging to the network is a power of the brand name. For the client, the affiliation of the practice with the international network provides comfort, confidence and quality assurance. While this is undoubtedly powerful, for the client it can be a mistake to rely too heavily to the power of the network. Although the brand name can help to start the relationship it is not so helpful thereafter.

The network can also provide client access to expertise throughout the network. Again, there is a great validity to this as long as the local client has need for this. If the client is trying to tap into the provider's accumulated past experience in order to perform the current engagement more efficiently or more effectively, then this is a benefit that is harder to deliver.

In most professions, the providers that could design an effective knowledge and experience sharing mechanism would obtain a significant competitive advantage. Dealing to international clients this advantage is available through the network access.

Two other devices, training and sharing of methodologies are employed by most of professional services providers. It is interesting to mention that in a majority of providers these devices involve mostly a junior staff. There is a little formal organization of training and sharing of the latest ideas and approaches among the senior staff. There is a great opportunity to take advantage of the network in this area.

Theoretically the network can assist the local practices by compiling and analysing the comparative economics of the various practices and assisting the managers of the practices in running their businesses more effectively. This benefit of belonging to the network is almost never used.

Two problems exist while applying to the networking. First, nobody knows how many multinational corporations will indeed purchase their professional services on a multinational basis and how many of them will continue the past norm of decentralizing the purchase of professional services to their head of operations in each country.

Second, providers, participating in the network must be able to deliver what the multicountry client is primarily seeking: multicountry coordination, control, and consistency. Yet this benefit is in the face of how the professional services provider is organized - as autonomous, distinct profit centres or separately owned partnership or companies.

Because of the structure organizing to serve the multicountry client places strains on the way the network was operating. Local practices were accustomed to controlling their client relationship. In the multicountry engagement there needs to be someone in charge across boundaries. In this situation local practices do not like to lose the control over the engagement and are being to be dictated to.

Local practices are also worried about their profitability, because in multinational engagement there is a question how to share the fee because no one provider would like to spend time for assignment that is not profitable because of network partners participation.

To solve this difficulty companies use one of the approaches (Maister, 1993, pp. 329-336):

1. To create a position of “world wide supervisor” for each multinational client, who has authority to see that the client is served in the manner required by the client worldwide; problem is in delegation, because nobody want to loose a control over the engagement;
2. To use “transfer payment” mechanism (internal accounting between operating units) to recompense those individuals and profit centres who performed the work for common good for others in the network; problem is to determine the cost of the work because work done by individuals in one office for another office in the company is usually paid in discount from standard fee to encourage professionals to focus on client work;
3. The common experiment that professional providers are making is the creation of a separate multinational group not associated with any part of the network, solving the network collaboration problem by taking the issue out of the network. These groups are performing the following roles:
 - they are a work place for specially hired or trained multinational specialists,
 - they fund and develop special services for multinational market,
 - they serve as the multinational marketing arm.

These groups have one minus. They are rarely self-funded. Usually the local practices are supporting them through their contributions to overhead.

Structural solutions are solving the network problem, but there is an issue “How to get cooperation in an environment of autonomous units?”

Some basic principles of human nature can help. First of all, the groups do not cooperate, but people do. An individual in one location might not wish to do a favour for an individual in other location, unless he/she was working with a specific person there. The companies should create as many opportunities for the individuals to get to know each other and work together, as possible. The possibilities include: rotations of staff on temporary assignments, cross-staffing of client work even when not essential, frequent meetings to discuss development and latest techniques, etc. Even though they may not appear to have big moves, these actions will go a long way toward breeding the collaborative spirit.

The second principle: Start small and go for the early success. If the provider wants to get people eager to cooperate across boundaries, the best way is to demonstrate that it works on a certain project where all those who are willing have a chance to try it in practice.

The third rule is: Network get built a link at a time, rather than trying to take advantage of the whole company, local practice managers should think about which of existing links to other practices in the company could be strengthened by bilateral collaboration.

The biggest benefit of the network is the importance of referrals. Many local practices report that this is the greatest benefit that they receive in belonging to the network: introductions to the local operations of multinational companies served elsewhere by the provider.

2.5 Marketing activities effectiveness

Maister (1993, pp. 53-60) identified the following package of activities aiming to develop marketing performance; each of the components has different effectiveness and sequently, different role in marketing behaviour.

Broadcasting includes all the activities that generate enquiries and opportunities with new clients: seminars, articles, publications and business letters. Broadcasting targets the whole market segment, not a certain client. When marketing targets one specific client it is called *courting*, usually offer to provide services that is sent to the potential client. Both Broadcasting and Courting are addressed to a new client.

For the existing clients “word of mouth” is a good practice for marketing development. The biggest component of marketing package during rendering existing service is *Superpleasing*. It

happens when the client receives high level of satisfaction from the quality of the service, not just “satisfied”. Both technical work and servicing are explained to the client. Paying attention to the current clients is a necessary condition for future contracts, but not sufficient one. All the clients must be nurtured. *Nurturing* is a way to earn new contracts, clients like to be won.

The fifth component of marketing package is *Listening* the market, knowing the needs of targeting market, how clients think, how they choose, gathering information of market.

Effectiveness of company’s activity and time for winning new contract spent can be estimated by Return of Investments (ROI). Superpleasing is the best way to receive a new contract from the existing client. The main question the provider must ask himself is: “Is my existing client giving me all the business as new needs appear?” If the client gives only a portion of the total work, then this area deserves provider’s top attention.

The lowest ROI is from Broadcasting, because provider attempts may not be successful, especially if the provider doesn’t gather enough information of market.

Table 5. Marketing activities and its effectiveness (Maister, 1993, p. 57)

	Existing client	Prospective Client
Aware of new need	Superpleasing (Highest ROI)	Courting
Not aware of new need	Nurturing	Broadcasting (Lowest ROI)

This table helps to estimate the company’s effectiveness of the marketing performance. There could be many combinations from targeting mostly prospect clients that are aware of

their needs and paying low attention to developing needs of existing clients (that leads to high expenses and low result); to opposite situation is to be concentrated on existing clients and have a lack of company's development, "reseeding the blood" and presentation on the market. The proper combination is when company put many efforts to the existing clients but not forget to develop the approach towards new clients that would lead to company's strong position on the market.

3. RESEARCH PROCESS

3.1 Research approach

The research approach could be deductive, inductive or abductive. The deductive research should be chosen to test developed theory via rigorous testing (Hussey and Hussey 1997). The induction is to build the theory. The task then would be to make sense of the interview data that had been collected by analysing this data (Thornhill, Lewis, Millmore, Saunders 2000, pp. 85-107) and creating the theory. Because the aim of the research is to study how the case company performs marketing activities and compare it to the theory of the professional services marketing the inductive approach is appropriate.

The research is done in a single company-provider that assumes the case study as a research strategy. Robson (2002:178) defines the case study as 'a strategy for doing research that involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence'. This strategy will be of particular interest if there is a wish to gain a rich understanding of the context of the research and the processes being enacted (Morris and Wood 1991, pp. 259-282). The case study is answering questions "why" as well as "what" and "how".

3.2 Collection and handling of data

Data collection method that is appropriate for the case study could be interview, observation or documentary analysis.

An interview is a purposeful discussion between two or more people (Kahn and Cannel 1975). Interview helps to collect reliable data that is relevant for the aim of the research. Interview can be structured, semi-structured or not structured. Structured interview is standardised, with determined in advance questions.

Not structured interview covers too wide field of discussion and usually is informal. This method is not appropriate for the subject of the study because the persons interviewed control different sphere of business activity. They see the subject from different tangles and could offer new topics of discussion that means that some of themes will be inlighted more or less in dependency on the interviewee.

However subject of interview is limited by 4 themes and discussion of some other themes is not necessary. In depth interview is needed because each of the persons interviewed could not discuss the entire theme in details and discover the phenomenon deeply.

For the purpose of this research three interviews are conducted. In order the interviewees have an understanding of the themes that are going to be discussed the pre-informing with list of theme is done. The list of the fields of discussion is send to three chosen interviewees from Company X dealing with marketing. All the questions are presented in understandable for the respondent way using their everyday terminology. Most of the questions of interview do not assume bias respond. Recording of interview is conducted. Each interview lasts approximately 45 - 50 minutes. Interview transcripts are maid.

To collect data for analysis I choose persons having different job positions. Because the company has two departments relating to marketing and there is no need to ask each person from the departments because all of them are working as a team and the most appropriate way to collect data is to interview leaders of the department.

The first interview is conducted with the original auditor (doer) who takes also position directly relating to marketing - he is the leader of Liidi project relates to marketing of prospects. He is giving the biggest part of information needed for the analysis.

The second interview is performed with a person from Business and development Department who takes position of senior manager that indicates his long term involvement into the company's marketing.

The third person is Chief of Communications and Marketing Department who gives supportive information to have the whole picture of marketing implementation.

Secondary data is used to understand the company's attitude to the marketing professional services. Remenyi et al (1998) defined secondary data as "data obtained from already published sources such as directories and databases". Local catalogs and available information from the global web-pages of the company are used.

3.4 Data analysis

To conduct analysis of qualitative data in case of the subject of the thesis the categorisation method is valid. That means to utilise data into categories based on actual terms used by participants or taken from the theoretical framework (Silverman 1993:1).

For the data analysis the secondary data and post-interview discussions are applied to undertake additional source of data.

The field of study is divided into the following main categories; each category is equivalent to marketing professional services theory:

1. Marketing Implementation
2. Marketing Prospects
3. Marketing Existing Clients
4. Network and Trade Mark

Marketing Implementation part inlights the following questions:

- Who is doing marketing, what is the study basement and job career
- Which way marketing is implemented and what knowledge sources are used
- What is general marketing performance (industry meetings, publications in professional magazines, image of the company)
- How the company listens the client and stimulate the image of the company
- How marketing developed through years of their work within the company
- How the company is increasing the quality of the services (the role of feedbacks)
- Which clients are more welcoming: prospects or new and why

Marketing prospects part covers the following:

- How client choose
- How the company is looking for new clients
- How prospect clients are treated
- How much efforts it takes
- How many of prospects sign the contract
- How the company is getting familiar with clients and building partnership

Marketing Existing Clients part shows the marketing practice regarding:

- What is the participation of final doers in marketing existing clients

- What are marketing activities to the current clients
- Which way new possibilities are found during the current assignment
- For how long the current client relationship can last

Network and Trade Mark part enlightens the answers for:

- What does the brand give to the company
- International provider vs. International client (What kind of assistance the network give to the local provider)

This sequence is mostly followed during the interview with regards to the participation of each interviewee in the company's marketing and this is the way to understand how marketing is implemented into the precise company - provider of professional services.

4. THE CASE COMPANY

The case company asked to mark the data collected as confidential, that is why here and further the company name is substituted to Company X name.

In professional world of auditing services there is Big Four, meaning the largest companies such as Company X, Ernst & Yong, KPMG and Deloitte. Estimated by total annual turnover, Company X holds the leader position among them.

4.1 The company in brief

Company X is the leading professional services provider with globally more than 155 000 people in 749 cities in 153 countries. The global net aggregated revenues were USD28 billion in 2008. The organisation is structured as a network of separate and independent firms all of them became members of Company X International Limited (Company X IL).

Company X has big experience in country's local accounting standards, International Financial Reporting Standards (IFRS), United States local accounting standards (US GAAP).

Company X has been created by the merger of two firms more than 150 years in London. Then amount of mergering companies increased greatly and finally in 1998 worldwide merger took place and the company took the final name of Company X.

Table 6. Company X' Values and Vision

Company X vision is that the Finnish society is sustainable and builds on innovative edge, entrepreneurship and trust.

Innovation:

- Company X practice innovative entrepreneurship.

Entrepreneurship:

- Company X promotes entrepreneurship with value-adding professional services.

Trust:

- Company X increase clients' and peers' trust on entrepreneurship.

Company X values:

- Company X values, teamwork, excellence and leadership, support strategy and create the principles for all the actions.

Teamwork:

- The best solutions come from working together with colleagues and clients.
- Effective teamwork requires Relationships, Respect and Sharing.

Excellence:

- Delivering what Company X promise and adding value beyond what is expected.
- Company X achieves excellence through Innovation, Learning, and Agility.

Leadership:

- Leading with clients, leading with people and thought leadership.
- Leadership demands Courage, Vision and Integrity.

Code of Conduct:

- Company X conducts the businesses within the framework of applicable professional standards, laws, and regulations together with Company X policies and standards to establish more specific supplements to address territorial issues.

Local Company X' Helsinki office started its history more than 50 years ago and changed the name to Company X Oy in 2002.

In Finland Company X employs 700 people offering assurance, tax and advisory services at twelve locations (most territory of Finland), that are Helsinki, Jyväskylä, Kuopio, Lappeenranta, Mikkeli, Oulu, Pori, Savonlinna, Seinäjoki, Tampere, Turku and Vaasa.

In April 2008 Company X audit assignment market share in Finnish listed companies was 34%. Among the 500 largest companies in Finland Company X share was 30% in 2008. Company X Finland's operational organisation consists of three lines of services: Assurance, Advisory and Tax; and beside them, six market groups and the following support functions: Business Development, Finance & Administration, IT, Human Resources, Marketing & Communications and Risk Management.

4.2 Organisational structure of the company

Company X provides wide range of professional services in order clients receive the total serving from one provider.

1. Audit and Assurance

Core competence areas include:

- Statutory audit,
- International accounting principles and practices (such as IFRS),
- Systems and process assurance,
- Treasury assurance,
- Public sector audit and
- IFRS/ US GAAP conversions and training.

2. Advisory Services

Company X advisory services consist of transactions, performance improvement and risk & compliance services.

Transactions:

- Due diligence services,
- Corporate finance services,
- Valuations.

Performance Improvement:

- Financial effectiveness,
- IT effectiveness,
- Change management,
- Operations & processes,
- Public sector.

Risk and Compliance:

- Internal auditing services,
- Services on a full outsourcing, a co-outsourcing, and on a partial outsourcing basis,
- Advising, Consulting, and Internal Audit methodologies.

Advisory service provides Investigations & Forensic Services and Corporate Social Responsibility Services.

3. Tax services are performed by more than 100 professionals in Finland:

- Corporate Income Tax,
- Human Resource Services,
- Mergers & Acquisitions,
- Value Added Taxation and other indirect forms of taxation,
- Corporate Law and
- Transfer Pricing.

4. Private Company Services

Small and medium-size companies could feel insecurity of quickly changing business life because usually they have all the stated above elements of audit work all together. The scope of the work is not as wide as the scope of work for large companies, but this market segment is important both for the clients and Company X. The needs of private companies could be formulated in the following questions: setting up a business, internationalisation, and change of generation or day-to-day financial management.

5. Business Recovery Services

Large companies also feel uncertainties of business conditions while performing restructuring or refinancing. During such period Company X offers services that include turnaround implementation, financial, operational and strategic advice, working capital management, optimised exit services, accelerated mergers and acquisitions, solvent reconstructions, real es-

tate, insurance company run-off, receivables management and formal insolvency arrangements.

The company has a wide range of the services that is impossible to test within one research because the services are aiming different needs of clients and the approach is different. By the way they all are interconnected, means that if the client has one assignment with Company X, most probably they will ask for other services from the same provider, but the most needed are assurance services. To test this statement I apply to the following table.

Tab5. Aggregated revenues of Company X firms by service line (USD millions)

	FY08 at FY08 ex. rates	FY07 at FY07 ex. rates	% change	% change at constant ex. rate
Assurance	13,808	12,699	9%	3%
Advisory	6,899	5,739	20%	14%
Tax	7,478	6,291	19%	13%
Total gross revenues	28,185	24,729	14%	8%
<i>FY08 revenues are expressed in US dollars at average FY08 exchange rates. FY07 revenues are shown at average FY07 exchange rates. Gross revenues are inclusive of expenses billed to clients. Fiscal year ends 30 June.</i>				

As comes from the table, the most revenue comes from the assurance services. The assurance services are the basement and the origin of the professional services company life, that is why most marketing efforts are aiming assurance services promotion and that is why the most value of the thesis research is devoted to the marketing of the assurance services.

5. THE CASE COMPANY DATA ANALYSIS

5.1 Professional services marketing performance

This part of the research the most important information of marketing, describing principles and attitude to the marketing, how marketing is performed into the company's activity, how much efforts are spent and who are persons involved into marketing.

I am starting my research analysing "who" performs marketing, do they have marketing education and what is the level of their qualification and level of involvement into the company.

The result of the research says that the case company evaluates the marketing educated personnel as a serious tool to win the competition and keeps them directly involved into the everyday activities for last 5 - 15 years. Interviewee One (I1) has no marketing education, but he developed his marketing skills and he is a bright example how doer became a marketing person. Secondary data collected during my job time is assuring that all high level management persons are involved into marketing by taking special supporting sales and marketing training programmes. As a result of self development Interviewee One has practical knowledge of marketing, so marketing is implemented as the symbiosis of theory presented by the relevant departments and practice that develop those marketing elements that give good effect to marketing performance.

Interviewee One was graduated from Helsinki school of Economics, Master of Business Administration, major was accounting and tax. He was working for Company X for 14 years, he became an Authorised Public Accountant after 5 years working for Company X, he was the leader of a group for 5 years, then he took a vice-leader position of a bigger group, been doing audit all the time and he became an audit partner in 2006. Last 1,5 year he was working on clients-engagement and as the Chairman of Finnish assurance proposal board. Nowadays he is in charge of high-level Finnish proposals, running 50 different client engagements. His working time is shared in the following way: as audit partner work is of 50 - 60% of the time, audit proposals work takes 30 - 35 % of the time and general networking occasions and festivals, meetings -15%.

Interviewee Two and Interviewee Three are educated in marketing. Interviewee Two has been graduated in late 90's from Swedish School of Economics with major in services marketing and immediately started to work for telecom company Elisa in sales and worked there for 7 years with key accountant management in sales and proposal management and project manager that was his last job. Then in 2005 he moved to Company X, because there was a new job opening with job task of a proposal manager for the whole firm: assurance, tax and advisory. He had that work for 2,5 years, but last summer the firm decided to put up a business development team, with main goal to develop sales within this firm and sales culture. That is what he is doing nowadays.

Interviewee Three studied communications at the University of Helsinki and also took course of marketing. He received Master of Social Sciences degree. After graduation he was working in Marketing and Communications department at different companies, but Company X is the first place where he is responsible for marketing. He is working there for 4 years. Interviewee Three is in charge of both internal and external communication and marketing that include intranet, local magazine of In house, client magazine, internet, media relations, sponsorship, events and publications.

As explained by the respondents they use big variety of marketing knowledge sources of client's related data that confirms deep company's implementation into servicing clients in the best way and maintain strong positions on the market.

Interviewee One and Interviewee Two describes sources of knowledge they are using for taking marketing decisions, creating value of the company in clients' eyes and building network, marketing activities which Company X is participating in and ways of listening the market, explained in Maister's (1993) theoretical approach. The answers give evidences of big variety of ways used by the company to get information about the market situation and broadcast the company and the services.

Who Is Who data base. Here in Finland more than 120 listed companies are collected, those are major targets for the company, 12 000 small client and about 100 000 companies and most of them are subjects of audit. Who Is Who is a data base where network knowledge is a major part. Here in Finland there are 45 assurance partners and each of them knows 5 - 20 decision makers of those companies that mean people who are in Board of Directors, Chief Financial Officer or Chief Executive Officer. So the data base give answers which of the partners know which of the decision makers. This is where audit proposals procedure starts.

For global engagements Score Rate data base is used, where all Company X global countries, services, coverage are and how they calculate their fees. This is important data base as well.

Client Relationship Management is a place, where people can put their activities so that our sales and marketing activities towards the client so that the activities are so much coordinated as possible because the company has three lines of the services that works quite independently towards the client, so the activities are coordinated in the way that the client feels that it is Company X is coming over, not Company X-assurance or Company X-tax.

Personal Partner Plan discussions are used, every partner has own targets, and most of these targets, achievements, goals must be related to different client's activities, and those client activities are part of the marketing strategy. The people are involved in certain industries,

for example, they know people from the industry, they know about what kind of activities during the next year must be done. Partners' target is to meet 5 executives from the certain branches and after Personal Partner Plan is done, development discussions for the all of personnel, called Ryhmä Kokous, are held.

General marketing plan is written at a global level and describe the main targets the company must follow and at local level the company determines the priorities. Global marketing plan of the company describes general goals and priorities of the Company X brand named affiliates and available into company's intranet. Local marketing plan describes needs and wishes of Company X as a local company.

Overall plan on firm level covers big occasions, main seminars or client occasions yearly, cooperation with specific decision maker groups within the Finnish economic life, e.g. cooperation with Boardman, that is a place for boardmen of Finnish companies to come together, and this is a place Company X is involved to create a client relationship as they keep Company X in the minds when they need. Another very big marketing activity is the cooperation with Association of family owned companies. Family owned companies tend to be very closely between audit and tax, that is why it is very important for the company to participate in the association. The cooperation with Laatu keskus is also important because from marketing perspective Company X wants to enhance representation of the quality of auditing services that has to be of high quality as well as consultations that the provider gives to the clients. This cooperation is about image of the company and support of the brand. Territory Leadership Team consists of line services leaders and Chief Executive Officer and takes the decision to participate some public occasions, some issues are in the Boards agenda. All the personnel are involved into giving suggestions to Territory Leadership Team and Boards agenda and input is from every line of service. This is the strategic level that is done on the year-to-year basis, but also each service team has own marketing activities, for example in assurance: if they decide that "now we are going to do a marketing campaign targeting on clients that would be interested in International Financial Reporting Standards", so they just put it up.

Company X, especially tax department, organise a lot of events informing about new changes in taxes. Advisory provides many risk-management events. In June Company X had the event called Future Event where scientists described how reports would look in 50 years. This was not so much formal event and it was organised in an artistic place and they used some future technologies, for example person making report was not staying on the stage by himself, but was presented there as of projection of virtual character.

Marketing agencies are used, for instance advisory is now using a lot marketing agencies as a support when the company is marketing Business Recovery services. It uses marketing agencies that help to get in contact with journalists or to put something in the media.

Marketing and communication policy and the strategy define the target audience, which of the clients and employees should be hired, top management activities, strategies (that Company X want to hold the leading position on the market), and advertising (that Company X is doing much more services than just auditing). This is global strategy, but it does not apply local representatives much and local plan for Finnish companies is developed. Marketing and communications board exists, that includes the leader of Marketing and communications department, managing Director and the leaders of the company.

Magazines, such as Kauppalehti, Helsinki sanomat, Talous sanomat, Talous elämä and some local newspapers outside of Helsinki like Kaleva in Oulu, place interviews with Company X leaders. The company sends locally published client magazines to prospects and existing clients with a little bit of advertising, but not much, for example Raportti Competition once per year and the advertisement of it. Lots of survey and publications, for instance Chief Executive Officer surveys, both to prospects and current clients are sent. This is about press-releases, taking care that Company X is mentioned into media, when somebody wants to know about the company, communication is taking care about this, also they are taking care about the brand.

Continuous of discussion (regarding general marketing activities about publications and press-releases) discovered that they are mostly about the company, promoting existence of the provider, widely use publications of the company's leaders interview in economical magazines or sending the client informational magazines. To be admitted that theory is giving a good tool to promote the company; to show great potential and involvement into economical life of the territorial market by the way of publishing simple marketing research surveys, forecasts or industry development that are conducted by the company. This tool is not usually used by Company X that can be an advised to the company within this research as area of development. In practice that is working the following way: it is maintaining the brand name as a researcher and analyser, those decision makers who are not using Company X services slightly change the attitude to the company, and those who use services currently would admit high qualification level of the company. Such knowledge that is published into private magazine issued by Company X that are delivered to clients and prospects make influence to the people who already got impression about Company X, not for those who might be impressed. I would offer the company to shift the focus of the information published and to place the research articles into public sources (also Helsinki Sanomat and internet published magazines) and not to hide them into private magazines; emphasise those information that is of interest of wide

publicity, that people can discuss having lunch and can remember about the company. This tool is successfully used by one of the direct competitor and I read results of such economical forecasts from mass media. May happens that this forecast will never come true, but I got a positive impression from the image of that company.

Another point of conversation with Interviewee Two reconciles the theoretical approach of Maister (1993) that advertisement aiming wide market (billboards, advertisement in newspapers, partly sponsorship) is useless, in fact it is just a not needed expense because people that are not dealing with financial management (especially that never had a need to use auditing services) looking at such advertisement would not even pay attention, meanwhile people choosing competitor's services would not become interested in another name (most probably they know all the providers, but chose another provider for some reason). Such advertisement does not make the provider unique from the competitors.

Interviewee Two underlined that he see marketing and communication is a support for sales. Company X could issue some nice brochures or advertising (which it doesn't do), or it can have the good press-releases on the market, but if these don't end up in the final stage that the client has a wish to make a contract, so this work is useless.

The company has some sponsorship agreements, for example outside of Helsinki there are some sportsmen that are sponsored, and Company X logo is on their sport suits. This is just a way for the brand to be visible. It is also a way to do marketing among people's perceptions. But there is a problem between Big Four companies that they are so similar, and as one board member said that he/she didn't even remember who was the auditor when was a board member and he/she said: "You are so similar, I even do not remember was it Company X, KPMG, Ernest & Young or Deloitte." My researcher opinion is that this element of marketing is not successful.

The event planners company, called IIR, organises events or industrial meetings where Company X is participating in; not always, but sometimes Company X has a speaker there. For example, at real estate event Company X had a speaker and a presentation about real estate market and it was one of the sponsors. The same events were in health care industry. When company is sponsoring the event it can put its name into the event brochure and can have couple of people presenting the company there and finding new clients.

Comparing the case company practice with the theoretical approach I admitted that not all the methods of listening the clients are used (e. g. user groups, reverse seminars), that is the result of natural selection of appropriate methods during the company life. The discussion regarding developing marketing programme throughout the years shows that history of mar-

keting started long time ago from personal relationship marketing (that is still one of the best marketing) and applied wide variety of marketing approaches.

When Interviewee One started the job into the company 14 years ago, the partners were doing the entire job and the partners knew the whole Finland. Company X didn't need any other marketing than based on relationship; it was only allowed to put the name as an accountant in a phone book. It was forbidden to promote the services. There were only few decision-makers - major shareholders, these people decided everything relating to the firms, banks and all company's life. Marketing was done by the way of personal relationship with decision-makers. Nowadays the economics has expanded a lot. There are a lot of international companies in Finland, Finnish companies are going abroad, foreign companies are coming to the country, board of directors are much wider, and there are not only directors and shareholders, but also a lot of specialists from the abroad. Nowadays it is impossible to do marketing through personal relationship but it has still an important role.

Company X has always had a communication. When Interviewee Two came to the company terms sales, marketing and communication (with media) had separated meanings. The term Sales wasn't used, now it is in people's agenda and people have to be very active in sales. Marketing is an interesting term for Company X. Marketing term is mostly substituted with sales. Company X network uses the term Targeting. What is called targeting is marketing. So marketing in Company X is a big picture of all these settings. Term marketing is not used there but is implemented behind other names.

I3:

- We developed a lot our internal communications quite a lot. When I came we did not publish a lot, we didn't have our annual report, clients did not know how we are doing. We didn't have any written marketing strategy when I came here.

Quality of services is estimated by feedbacks. For the company quality of services and feedbacks are different, that means that official feedback has a nominal function. The main source of the client satisfactions is personal contact during meetings with the client, client's perception of service, offer or people involved. As a result of research can be admitted that more appropriate method is used in practice because professional services are more about negotiations between the company and the client, that provide correction of the quality on current basis (immediately) in opposite of the theoretical feedbacks, done when assignment is done, that in case of auditing services mean rarely (ones per year).

I2:

- For small clients when assignment lasts less than one year, the team is sending request after assignment.

Company X has roughly 100 biggest clients, it sends internet questionnaire by email to 5 people at the client. Written feedbacks are used both in audit and non-audit lines of service in the most appropriate electron-way (against written) and covering basic questions (against detailed plan of feedback in the theory).

Personal feedback, called as a debriefing in the theory, takes place when the partners of the company pay visits to the 15 - 20 the biggest clients. One of Company X senior partner meets client's Chief Executive Officer or Chief Financial Officer (or chairman of audit committee, or chairman of Board) the engagement partner (who is in charge of the services rendered) is not personally involved in this meeting, Company X representant at the meeting is an outsider (to avoid psychological moments). These meetings take place one per year during one hour.

The same form of feedback is also used on a post-decision basis, to understand why client accepted or not-accepted services. The company selects 5 -10 the biggest proposals offered last year and conducts meetings with them. It is called a post-decision review. One person outside of proposing team goes to the client and asks: "why did you select us?", or "why didn't you select us?"

12:

- Yesterday I met CFO of Public listed company, in which we arranged the audit proposal process we did last year and we didn't win, so I was doing a Post Decision Review, why we lost, what was well, what can be better.

Company X has informal everyday feedback. The client or the engagement leaders calls each other often and clients could say directly "I am not happy with your manager or team-member", or about the improvements could be done to optimise the work process or cooperation with client's personnel. This is a result of the services specific, when service assumes the provider's personal presence and permanent communication with the client while rendering the services.

Described categories of feedback lead to one purpose: to change the behaviour. For example one partner visited a company to make a post-decision review with Chief Financial Officer. He/she came back to the office and put an email based on what he/she discussed with the client, there was something good and some areas of improvements, to he/she shared the information with a proposal team and the proposal board in order that the next time Company X is not doing the same mistakes.

Based on the feedback the clients' satisfaction survey is done by the organisation. Interviewee Three described the meaning of it:

- This is organised based on feedback or questionnaire sent to all the clients every year, tax feedbacks sent after each engagement and 30 - 40 interviews with key-clients per years. Managers are reading all the results and taking care about all the issues mentioned. This has general opinion usually and there is no direct influence to the persons, unless there is a name. But usually our clients rather satisfied, no bad issues.

In practice written feedback doesn't make deep influence into doer's attitude to the quality of their work. For this purpose everyday feedbacks from client and another tool are used. This tool is a feedback received by the doer from the team or team managers. It is conducted on a half-year basis and needs to estimate the professional development of doer. Key moments are underlined there: the goals for the next period, the development plan and perception of the quality, effectiveness of the work and areas of development. The doer's personal opinion and the comments received from the colleagues are discussed by management of the company on a meeting and rewarding or career movements (in case of positive impression) are granted. This attitude was not described in theory but it exists in practice and gives privileges to motivate the doer's. In my opinion it is more appropriate way to motivate people than theoretical approach to do it within the client's feedback. In case of big company and doers' participation in different assignment it is impossible to follow the each executor's role in the assignments. Additional working hours are wasted to check each client feedback for "Is there such a surname?".

The improvement of quality of services on a company level is done by the way of trainings that are mandatory for everybody and organised couple of times per year. Also doers have to pass online study regarding professional development, changes in laws or new work project. Certificates are used in case the doer passed the training and quality of skills is carefully checked by the administrative management.

Company X provides sales training programme in cooperation with Trainers house, where the partners, senior managers and managers of the firm are involved into training programmes, where they go through training sessions how to meet clients, how to identify sales opportunities, where to increase activities.

Some recommendations are usually given to new people in the company: each engaged person must know about the provider, what it is doing and what services it is rendering; they should know the client, what kind of business it has, what is the assignment, what is the plan; they should keep their eyes and ears open and think in a commercial way if there is something else Company X can help the client with. Company X has training programmes for new employees, so part of that training is about these skills.

The final question in this section is “Which clients are more welcoming: prospects or new and why?” The common answer is existing clients, but role of new clients is also admitted and new project for finding new assignments started (Liidi project). This gives “new blood” for client relationship, flexibility on the market and increasing the contact’s network.

I1:

- We appreciate a lot is a long client relationship, because our profitability and our work load is much higher if we have long relationship. When you are starting new relationship you are investing lots of time and money to get them when you get them and when you get them ,the first year is not profitable, profitability comes with years, so it is easier to keep our existing clients plus we want couple of new clients per year.

I3:

- I think existing clients. The competition is very tough and I think we should do more to aim new clients.

As results of research shows, marketing implemented by the company reconciles the theory with some adjustments to the modern real life, specific and volumes of services and needs of the company.

5.2 Marketing prospect clients

I started this part of interview with the key-points: how company’s marketing specialists understand the client’s behaviour, its need and how make a certain influence on its decision. Company’s intranet contains special scheme how offer is done and slogan states “We put ourselves into client’s shoes”. Interviewee One showed deep understanding of the clients’ way of thinking, temptations, wished and arguments to assure clients that the company can provide

the best services in the way that the client feel comfort from the provider, to make them the best offer.

According to the Interviewee One explanation, in practice clients try to put the different provider in the same line. It is hard to compare services, it is easier to compare some physicals products. Clients try to compare price and the service and if there are no differences in services between Big Four firms, so the price and people might be the key factor, but actually people make difference in services business.

I1:

- If we have the best people, the best knowledge compare to our competitors, than we get a client. But if we have wrong people, lack of knowledge, we are going to lose it. So we have to have the best people, the best knowledge, than we can win the competition.

Understanding prospect depends on the firm's expertises in accounting, taxation, internal controls. Most of clients Chief Financial Officer have their own agenda. The company needs to know how to communicate with Chief Financial Officer, what are their actual needs, and do never push the services to him, but listen to him first; he/she explains what the client has in the agenda. Nowadays the common problem for Chief Financial Officers is how they get financing or investments for the next financial period or for new project. Company X has lots of services to help them, for example put their own cash flow system to work properly, or to have bank negotiation about the fees. Company X is offering solution for their problems, not offering own services without understanding the real need of the client.

The current corporate governance practice is that most of listed companies want to have a proposal process every 5 - 10 years. They don't have to and some of them never ask for proposal, but there are also those who want to have a proposal every three year. This is bad for the provider because it takes lots of efforts to start new engagement.

Liidi project, mentioned above, works in the following way: Liidi team receives email from all the employees with information regarding possible needs of the Finnish companies; checks the information, possible history of relationship, contacts with clients; prepares the offer and contacts the company.

Business Development department supports mentioned targeting programmes for Company X to identify those companies that could be its client. It starts with some actual thoughts about: who will go to the client, what is the key message, why the client should take Company X representatives to the meeting and listen to them, and why client gets a benefit from

choosing Company X. For example one of the typical programmes is that Company X identifies some companies that are in a certain industry, that are not the clients at the moment, and it has analysed what company is their current auditor now and if Company X see that it is not a Big Four auditor, so Company X goes there directly because there is a big potential that the big company will win small audit companies. Company X comes there with its variety of services, with the people expertised, to show that there are resources within this firm. Business Development department analyses this prospect, goes through prospects numbers, and checks its employees, who might know the client's decision maker and who has the work done with this person in another firm, and what kind of person it is. If that person is 40-years old woman so the representative should be a female-partner who is of the same age. So Company X uses psychological tactics.

Interesting phenomenon was discovered within the research: in many cases it is not a client looking for the provider, it is the provider finding out the future need of the client and offering the services in advance or when the clients starts to understand the need. Another scheme is to share official knowledge (received from officials) with clients and prospects, it is working well because the company is confirming the professionalism, quality of services and up-to-date market information they have. Interviewee One mentioned that the activities are applicable both for current clients and prospects that is a good practice because clients can meet each other and share the opinion regarding the services and the provider.

I1:

- We have lot of IFRS training for our clients and our targets as well. When new IFRS new standards are coming out we launch a have-day session and we invite all those listed companies CFO, head accountants etc., nevertheless they are our own clients, our targets or other listed companies people.

Company X leaders are part of certain bodies that are deciding future trends in accounting before other people know it. For example, International Accounting Standards Board that is making decision in future accounting standards. That is how the company can use knowledge about future trends. The same way Company X discovers new needs of clients.

Company X holds small activities, for example Interviewee One has hosted several times ice-hockey or football-games where Company X has about 10 sits. The company invites people there. There was also Company X-women day where our clients' and targets' women were invited, there were 100 visitors. These activities are targeting to meet people. Company X invites targets and existing clients there, so it is 50/50. Company X has Targets lists with the contacts it should invite to events. It is called Personal Networking.

Company X has industry knowledge and international programmes (data bases) where it collects information of certain brands in the toolbox. Once Interviewee One was at a client and asked a manager to find information or some publication about automobile industry, so in 2 hours the manager found in toolbox enough brochures to share with the client during the meeting.

Normal practice in Company X is that before representant is going to a client, he/she spends some time and finds some brochures issued by Company X regarding the industry, some study or knowledge. For example Company X has constructing business studies done locally. These brochures are not about marketing, it is a real study material about the accounting in the industry. Company X shares information with prospects that is also an element of marketing.

In case of small clients the best practice is mouth-to-mouth. When an auditor in one firm do a good job, probably the client has friends in other firms and tells about own experience to another firms. It is hard to get contact with all of the people just by our own activities and price of making new contact is so high, so it is mostly “mouth-to-mouth” marketing or marketing of reputation.

The result of the marketing prospect is the following: the provider holds strong position of winning the competition, it spends much attention to find a prospect, collects possible information about the industry, main players and the prospects, comes prepared for the meeting and proposes the prospect the “ ideal” service. In previous parts of research it was stated that company conducts post-decision review, analyses what went wrong and how not to repeat the mistake in future proposal and fixes the good practices. It takes lots of company’s efforts to make a new offer and to get a new client and the respondents mentioned that is one of the reasons why Company X try to continue negotiations with current clients. The company shows high level of professional attitude to marketing prospects.

5.3 Marketing existing clients

The interviewees mentioned that some marketing techniques are used both for prospects and existing clients, such as invitation decision-makers to professional seminars and informal occasions.

The company has special data bases to keep information about networks, industries, people, clients, relationship, services offered and communication coordination, such as mentioned Who-Is-Who data base, Client Relationship Management data base and Score Rate data base.

These data bases are used on everyday basis and help “to keep the eyes opened” negotiating with each client.

Another common opinion of all the respondents is that final doers, services specialists are the best marketing tool. All the doers became friends with the client’s employees, building own network. Engagement leaders keep friendly relationship with decision makers (Interviewee Three stated why partners outside of engagement team take feedback and discuss level of satisfaction - because usually partner of the engagement team and the client become friends). This good indicator of rendering high-level quality services the client because client takes off psychological barrier that auditors are at the company, client’s personnel do not feel disturbed or under the pressure, in opposite they help to obtain information in time and cooperate for mutual result. This attitude to have a good team (mentioned as value of the company) was the red line of marketing even 14 years ago when Interviewee One came to the company, so people (doers) are always have been treated as the best marketing.

I1:

- The key thing for the work is people, what they do, what they want to do.

I2:

- The best marketing that we have is you, when you are going to the client, when we are communicating with the client it is marketing all the time, no brochures are so effective.

Very interesting approach to treat existing clients Interviewee Two is described, this is about how to find possible needs of the client, which of marketing activities should be done and how it works in practice. This approach shows deep understanding of marketing application to the existing clients, consolidated work of marketing department and engagement team.

Company X is building relationship constantly with the clients by increasing the footsteps within the existing clients. If Company X has a small assignment it tries to increase it, so that the client see Company X a preferred supplier, as one whom the client wants to work with, to get the support. This is called Client Relationship Management, that the provider knows the client, knows decision makers, influences within the client organisation, the services are represented at the client as much as possible, for example if it is an audit client the client relationship approach is to introduce tax and advisory people and client could buy tax services or advisory services, in the way that the provider is cross-servicing the client.

One of a good way to do this is to use Client Account Workshop, when people who are doing work at the client are put together with people who want to work at the client and all of them start thinking how the company could service this client broadly and better, how Com-

pany X could delivery its expertise more effectively, how the client can benefit from provider's services that they would see the company as the best advisor. During these meetings deep analysis is done, for instance "what we have done for that client must be good for this client, should we try this?" or "the client said that they have an issue here, do we have somebody who has done similar somewhere else?" So there is a communication between final ex-ecutors and marketing specialists, consolidated efforts. Interviewee Two underlined that the company doesn't have many marketing people, but he and his team are providing marketing support. When team has targeting idea, they are there, sit with them and think about how they all together should approach the client or its need, what had worked with this client and what had not. There are also branding guidelines, there are people providing supports to in-vite people to various occasions; there are mechanisms, systems and approaches that the firm uses.

The best result of successful marketing efforts is amount of signed contracts and long en-gagement. That is what Interviewee One said about long relations and accepting of offering services.

I1:

- 95 - 98 %. In assurance services the rotation of clients in our company is really low may be 1% of our total clients. Means about 1% of clients are refusing to use our ser-vices for the next year, but we have 1% of new clients for the next year also. So we have really long relationship with our clients. For example, in US the longest relations are over 100 years old with some clients. And some other services, e.g. tax services, come along with assurance services, so this relationship is also long.

Analysis of the result is the following: the company apply outstanding marketing activities regarding existing clients that gives positive result. The main point is that company is doing these efforts not because they are trying to win the competition in any price, but because honest and positive attitude to the client is the standard of the quality. Marketing existing clients is strong side of Company X business activity.

5.4 Brand name and network marketing

Theory of marketing says that multinational network has two problems. The first is that no-body knows how much clients would like to order services from networking provider. Practice shows that nowadays many companies went global and they are more willing to orders ser-vices from network. As Interviewee One said that small local companies somewhere deep in

Finland most probably prefer small local provider because they need small assignment, meanwhile South part of Finland is the best place for international companies, no one small provider can satisfy need of services (volume of the services, international laws knowledge and foreign representatives). The second problem was that not all the companies have enough capacity to provide multicountry coordination, control and consistency. Based on secondary data this is not a problem because in case if you have Company X abroad, they are qualified to conduct the services there and they are doing it. Coordination is also not a problem because of mobile phones and internet. Clients are aware of Company X high possibilities and high quality that is why Company X has a lot of international client. It happens because of providers oligopoly market: clients do not get any benefits ordering services from different providers. Another big reason for using international provider is high level of professional knowledge regarding application different accounting systems, local standards and local economics and industries (consolidated knowledge in data bases).

I1:

- Let's say Nokia, Kone, Kesko etc. We export Company X affiliates to work abroad. But it goes another way around. Let's say Shell or Unilever, they have Finnish operations, so we export work but import work as well. Because if we are not part of this chain, we are just local auditors. So this is the biggest value of network.

Company X as a worldwide organisation recommends networking companies to contact Company X Finland for Finnish affiliates, especially in audit assignments, for example when head quarter is in Germany and they have an audit assignment there and they have a subsidiary here in Finland, it is quite clear that Company X Finland is taking care of them here. Network is working.

Interviewee One mentioned that network has close relationship basis with the brand name. Privileges of using the brand name are underlined by the theory and have the same effect in real life of Company X.

I1:

- We have a brand that is very strong, everybody in Finland and the world who is relating finances, they know us. If they need any assistance relating assurance or tax, they know our brand...That is why we need more actions, which include our brand - our best marketing tool, our most valuable thing what we have here in this firm: brand, people and our clients. We have to promote our services through our brand.

I2:

- From marketing point of view the brand is very strong. Perhaps in the countryside our brand can be too big, that is the thing then to the marketing people to say “hey, we are also servicing smaller clients, it is just OK”...Almost in all our activity we managed to get a client meeting, the Company X brand is so strong that if you make a call from Company X they do agree to make a meeting. That is what we should value as a competitor edge, our strong image of our firm.

Interviewee Three insighted that the brand Company X gives some general instructions to Company X Finland as local provider, but it does not make deep influence to the local operations. From the other side, the brand is very strong.

I3:

- We almost have no refusals if we are calling. People feel positively about us.

As practice shows nowadays clients are going abroad and if provider wants to be able to satisfy the needs of big companies they have to work as a network and use a strong brand, as it works in case of Company X.

6. VALIDITY AND RELIABILITY OF THE RESEARCH

This thesis is valid and reliable for the case company because analysis is based on data collected from respondents currently in charge of marketing activities performed by the real company-provider and describes original marketing performance of the firm.

To compare marketing practice of auditing services to the existing theory and increase reliability of data on country or worldwide level further study of the subject is necessary and respondents presented from different providers of the same services are desirable. This thesis results are challenging for future research.

7. CONCLUSION AND THESIS IMPLICATIONS

7.1 Conclusion of the analysis

The purpose of the thesis work is to collect knowledge via marketing research, to understand how marketing is implemented by the case company-provider and compare the result to professional services marketing theory.

The case company marketing performance reconciles the principles of the existing theory such as marketing should be conducted by common efforts of marketing specialists and final executors; quality of the services is monitored, controlled and improving periodically; the company aims new clients and keep long-term relationship with existing clients, performing relevant marketing activities.

There is a certain gap between the existing theory of professional services marketing and the case study. For example, the case company knows the future needs of clients coming from the third-party presence (law changes) and participates in future market trends creation; quality of the doers professionalism are estimated in a different way that presented in the theory because of the specific of services; network problems explained by the theory are not so significant and effectiveness of network is much higher than it is assumed by the theory (because of the following difference); impact coming from modern ways of communication, storage of information and internet-networking are not described by the theory. This gap gives challenge to conduct additional research and develop professional services theory.

7.2 Thesis implication into the case company

The company showed strong marketing performance. That can be explained by presence of marketing educated employees and mandatory trainings provided to the doer by the company.

Identified by Maister (1993, pp. 53-57) package of activities aiming to develop marketing performance is implemented in life by the following (table 1):

- The company is listening the market carefully by participating in the organisations that make influence into standards of audit that are dictated by laws on different levels (e.g. international, country), future tendencies and economical life of the country; Company X participates and provides seminars to meet decision makers and find out or create their needs;
- Broadcasting to prospective clients without certain needs (the lowest return of investments) and the courting prospects are executed into right direction, Marketing and Business Development department understands that this area of marketing is a bit confusing because the Big Four names would be mixed looking at a bill board, advertisement in news papers or sponsorship (it is much more social act than market-

ing); “the wider audience, the lower result” principle is working in case of auditing services; I would offer to change a little bit style of publications in order to add additional value to the quality and high-level of knowledge provided by the brand name Company X; many efforts must be done to win new clients, that takes long working hours of management and offers team that is why company try to keep the longest possible negotiations with existing clients;

- Superpleasing of the existing clients (the highest return of investments) and their nurturing are also found place into marketing programme. The existing clients are treated in an exclusive way that comes from the company’s attitude to standards of services kept on a high level. The assigned team knows the industry of clients operations, the economical information and business of the client, finding possibilities for future services based on the company needs, offering complex servicing including tax, business development and help in solving business problems, quality of services is tested and improved on every day basis.

Network and Brand name make significant impact into maintaining the image of the company and marketing attractiveness.

Marketing is performed in the way when the company spends resources marketing prospects and existing clients in a balance with the effectiveness that indicates that proper marketing programme is the company’s strength.

7.3 Thesis implication into Laurea

Marketing is highly needed by the companies nowadays, as the case study of Company X discovered.

The thesis results can be taken into consideration by the study units preparing marketing specialists and emphasising those areas that are needed by the labour market of the country.

I have a strong impression that nowadays economics in Finland should be oriented to the services segment because of the combination of the factors, main of them are:

- Goods production sphere tends to be moved into countries with cheaper labour cost,
- Economical depression gives additional motivation to develop services, especially bank, marketing and economics related (e.g. resource management, marketing, accounting and financial management) spheres of services to maintain production.

These factors should be taken into account giving additional knowledge to the students studying marketing.

7.4 Thesis implication into the theories

Analysing the theory of marketing of professional services I mentioned that most valuable researches were made without impact of modern ways of communication. Last 15 years people use internet and mobiles in everyday life, almost all the information streams are based on data bases and applications to them, but existing theory ignore the communication and information store technological development that keeps theory behind the real life. I am sure the further development of the theory cannot be neglected to make the theory relevant to modern life and ways of communication, storage of information in world's biggest servers and accessing them working in a network and internet.

Marketing is implemented through official web pages of the providers, because first thing what people are doing to find any information regarding services or providers is checking web pages. That also should be analysed, but theoretical framework is not developed in this area.

Theory should be revised and developed by analysing the third-party presence (government, legislation); professionalism and quality of the services estimation based on the specific of services and sequences coming from stated above technological and information progress.

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APPENDIX 1 LIST OF QUESTIONS FOR THE INTERVIEW

1. Please introduce yourself.
2. Please tell about your job career.
3. Please explain your job duties.
4. Which official marketing knowledge tools (instructions, books, other sources of knowledge) do you use in your everyday work?
5. Does the company apply for marketing services from marketing firms?
6. If Yes, is it periodically and what the orders were about?
7. Does Company X have an official marketing plan, what questions it covers?
8. How marketing activities were performed by Company X that time when you started to work in Company X and during today? The history of marketing.
9. How would you evaluate Company X marketing performance?
10. Is it effective enough or there is a challenge for developing? (Do we need more clients?)
11. In your opinion: how client choose provider?
12. What the procedures Company X uses to be familiar and attractive for audience (seminars, industry meeting, speeches, and sponsoring events)?
13. How often Company X publish articles in industrial professional magazines? For which industries?
14. How Company X is listening the market, displays prospect needs of auditing services in different industries?
15. How do you think is Company X targeting more new clients or trying to keep relation with existing clients?
16. How Company X is looking for prospect clients? Some methods, ways.
17. How long time it takes to negotiate with new client?
18. What the processes are going on between finding prospect client and signing the contract?
19. How often and which way do service executers participate in the negotiation?
20. How many of prospect clients sign the contract with Company X as a result of negotiation?
21. What is the main reason of refusal?
22. How Company X is getting familiar with the client, its organisation?
23. How executers could expose prospect needs for future orders of the client?
24. Which activities are usually taken place for marketing of existing clients (to assure that Company X could serve them in future)?
25. Please describe the process of making offer to existing client?
26. How many clients continue negotiations with Company X after finalising current assignment?
27. What is the main reason of refusals?
28. In which cases and how often engagement leader or partner is paying visit to the client?
29. How do you think, which way executers during rendering the service could influence to client opinion of the Company X and services quality?
30. How Company X is receiving information about client's opinion?
31. How about Feedback? What questions it covers?
 - a. Please explain the procedure of feedback.
 - b. What kind influence feedback make to the personnel embarrassment?

- c. Which way Company X provide training programme in client-contact skills?
 - d. Does the system of rewards based on feedback exist?
32. Which way Company X is increasing quality of services?
 33. Before making changes in quality policy which way Company X is asking opinion of services consumers?
 34. How do you think what does brand name Company X mean for clients?
 35. Which assistance does the Company X as network to Company X Finland as a local provider?
 36. From your experience, how many of international companies use the same auditing services provider brand name for most of their subsidiaries?

APPENDIX 2 PRESS RELEASE

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PRESS RELEASE

MARKETING AUDITING SERVICES

This thesis is focused on marketing professional (auditing) services implementation in real life. The main objective of the research is to collect knowledge via marketing research, to understand how marketing is performed by the case company-provider and to compare the result to professional services marketing theory.

The theoretical framework of the study is based on theories of marketing professional services, studies of client behaviour and understanding the business environment of auditing services. The information in theoretical part is acquired from books, marketing magazines, articles and case-company internal network.

The research is done as a case study based on an auditing company, the world famous leader at the market of the auditing services. Helsinki office of the company started marketing activities 15 years ago and modern performance of marketing shows those elements of the marketing that are effective in case of auditing services.

A qualitative research method is presented as inductive approach based on a case study. Data collection is semi structured in-depth interview with two representatives of marketing related departments and one of the leaders of the company performing marketing activities in frame of the job duties. Secondary data of company's newspapers and internal information is used to understand marketing performance and compare it to the theory. Data analysis method is categorisation.

The result of the research describes marketing performance of the case company and how it reconciles the professional services marketing theory. The case company executes both marketing elements that are described by the existing theory as well as those elements that should be additionally studied more.

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