

Marketing of Professional Services

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Abstract. The professional designer increasingly operates in a highly commercial marketplace, where more than just technical performance influences the level of business gained. The nature of the growth and decline of organization is reviewed, together with consideration of factors important to the client when choosing professional services.

The role of marketing and selling is clarified for the professional architect/designer, and key points about some of the marketing skills and tools that are appropriate for the architect are considered.

Comment is made on the current Saudi Arabian market for architectural services, and the role that marketing can play.

Introduction

Many professionals have found marketing to be an unacceptable part of their work, and until the 1970's it was considered un-professional amongst architects and designers. However, when the lawyers, accountants, and physicians began to actively market their services the remaining professionals began to take interest, and the desire to know more about the subject emerged. Nevertheless, there are still many architectural firms that do not actively pursue marketing as a corporate activity for a number of reasons. Some of the reasons for this are:

- 1- Marketing is not seen as important.
- 2- Marketing is seen as unprofessional.
- 3- The necessary skills are lacking.
- 4- Clients' *immediate* needs are always put first.
- 5- Crisis management prevails in the firm.
- 6- The discipline for a sustained marketing effort is lacking.
- 7- A written, measurable marketing plan is lacking.

Oliver Witte [1], in his consideration of the successful operation of a design firm says, "Commissions will be won or lost primarily on professionalism, i.e. quality and qualifications, you must prove that you can solve the client's problems better than the competition..." Thus, unless the client is regularly up-dated on your quality and qualifications, he may well choose the competition. It is not enough to be good, the fact must be communicated over and over again to clients and prospective clients.

As Coxé [2] points out, 70-80% of the success of a design firm is due to what they sell, and 20% is due to how they sell it, which means that the architect has to offer a marketable service. Coyne [3], when discussing marketing services for health care, says "What we emphasize to the prospective client has also shifted, not so long ago, it was common practice to lean on reputation and on project capabilities. Now, clients wonder how credible we are; they probe our track records. This has toughened the selection process so that today, by the time you get down to the final three of four firms for the interview, all three of four are creatively and technically good, all can do the job and do it acceptably. So what makes the difference? I suggest that a lot of things make the difference, but they all boil down to how well your firm, whether large or small, Does in Selling Itself from Early Lead All the Way to Interview. The task then is to finish right, and not 'unsell' yourself.

It is important to market architectural services for the following reasons:

a- To survive, since the life cycle of many firms, professional and non-professional, is typified by the curve in Fig. 1. It is hard to stay at a plateau of activity without stagnating and eventually declining.

b- To beat inflation, since if increased revenue is not ahead of inflation then stagnation and decline set in.

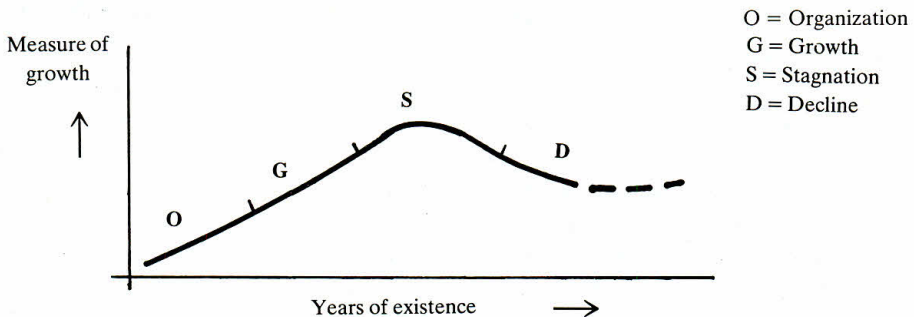


Fig. 1. Typical lifecycle of a firm [4,p.2]

c- To maintain your position vis-a-vis competitors, since clients are increasingly being wooed by competitors, particularly where products are being offered as replacements for services.

d- To cope with attitude changes of clients. Today's clients are less humble, and ask awkward questions of the professional such as, "what will it cost?". The mystique of the professional architect is no more, and he must compete in a commercial, knowledgeable, high technology world.

It is a fundamental mistake for architects to assume that today's business is indicative of tomorrow's volume of work or profitability.

Marketing and Selling

Confusion about the meaning of these two words often enhances the resistance to marketing by professionals. Marketing is the planning, doing, and evaluation of the entire efforts of obtaining new work. This is essentially business development, and marketing creates demand. Selling is a process of setting up opportunities for sales of the service. Marketing determines what is to be sold, and selling is concerned with persuading clients and prospective clients to purchase the "what". In the field of professional services these two activities take place simultaneously within the overall marketing process of Planning, Research, Strategy, Selling, Public relations, Sales promotion, Advertising, and Evaluation. Fig. 2. illustrates one view of the marketing structure for professional services.

It is essential for any professional firm to identify its strengths and weaknesses, and the market potential, before developing a marketing strategy. Such a process is often referred to as a S.W.O.T. analysis, whereby the firm assesses its:

- | | |
|-------------------|---|
| (S) Strengths | e.g. Specialist in energy conservation |
| (W) Weaknesses | e.g. High level of turnover of project staff. |
| (O) Opportunities | e.g. New projects available in distant markets. |
| (T) Threats | e.g. Competition is more active. |

Together with such an analysis must be the consideration of what is the basis for the clients' judgement of his professional advisers. One view [5] is that clients give the following weightings to factors when deciding on professional services:

- | | |
|------------------------------|-----|
| 1- Experience and creativity | 50% |
| 2- Project team | 30% |
| 3- Management skills | 20% |

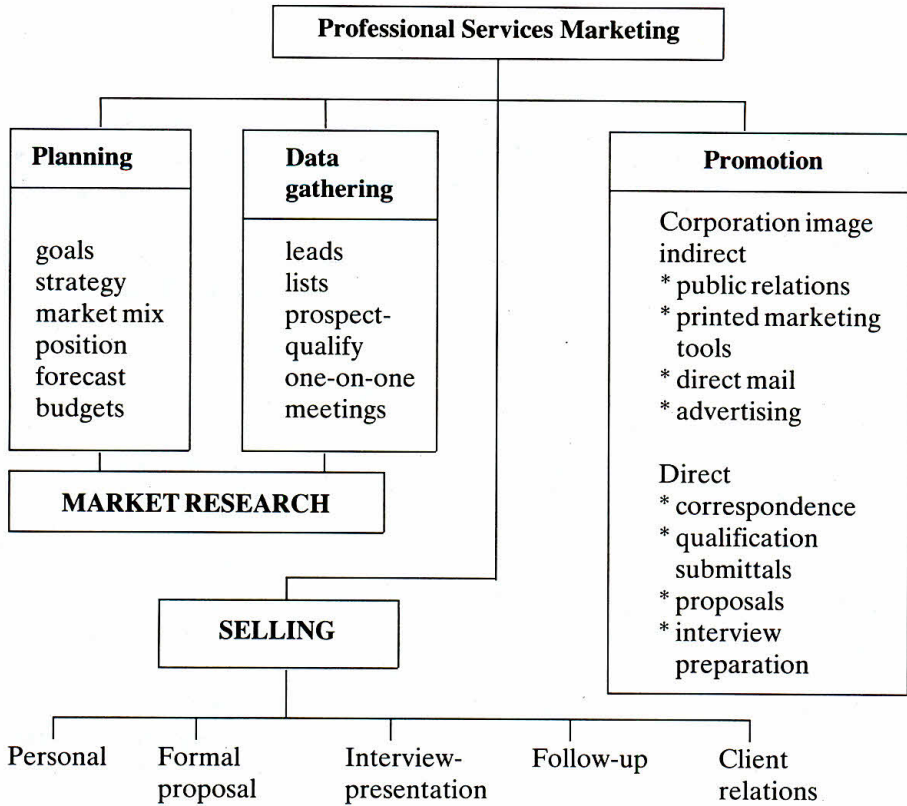


Fig. 2. Marketing structure for professional services [6,p.9].

In order for a client to judge a firm's abilities in these three areas, the firm must communicate its abilities, which in essence is marketing and selling.

The market itself must also be considered, to assess its position in the common life cycle of markets which is shown in Fig. 3.

In the introduction stage the market is newly recognized and competition is minimal. During the growth of the market, competition increases, and at the maturity level, supply has caught up with demand and pure competition exits. In the Declining stage, there is frantic competition and reduction of project availability. The market may pick up again, but unless a firm is strongly established and/or highly competitive, it is difficult to enter a market at the decline stage. Obviously the best time to enter

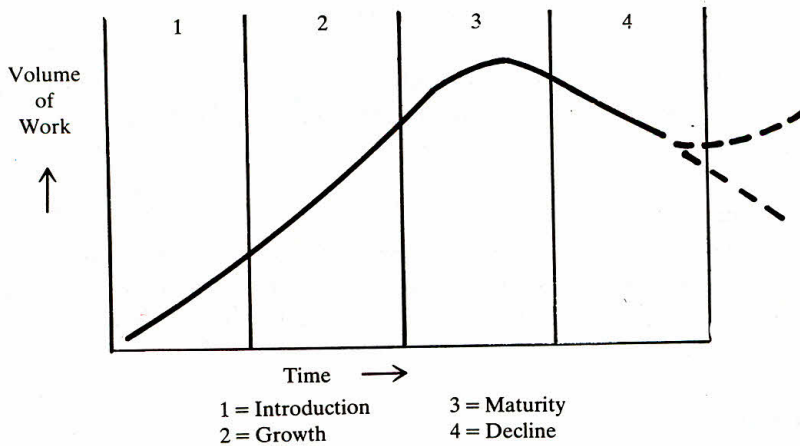


Fig. 3. Four stages of Market Lifecycle [6, p.33]

a market is at stage 1, but even at stages 2 and 3 of market development there is a need for a high level of professional marketing to prevent the firm from becoming complacent.

Proper identification of a market's development, a firm's position within it is essential for the continued growth and stability of any professional firm. The work of Ichak Adizes [7] is seminal in the area of growth and decline of organizations, and Fig. 4 shows a combination of two of his descriptions of the growth and aging of an organization which is very applicable to architects and designers.

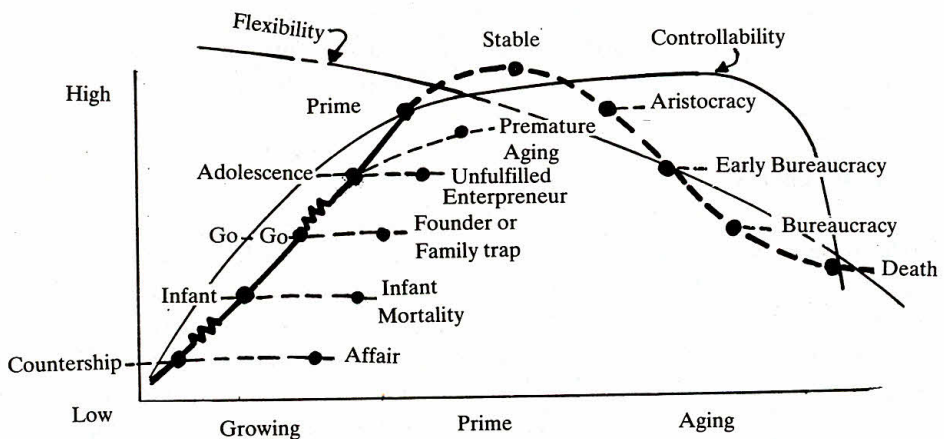


Fig. 4. Stages in the Development of an Organization and the relationship to feasibility and controllability [7, p.3 & p.79].

Marketing Tools

In Fig. 2 the sector called promotion identifies a number of marketing tools, and in this part of the paper, some useful guidelines for the design and use of some of them are given.

1-Company image

The creation of a company image is concerned with presenting to clients and prospective clients a total, integrated picture of the firm, which stresses its strengths, and its desire to serve the client in a most professional manner. Some of the components of this image-formation are:

A-The telephone

It is accepted that in any communication that the content carries 7% of importance, how it is communicated carries 38%, and the visual impact of the communicator carries 55% of importance. Thus the telephone is extremely important as a communication tool. Since it carries only 45% of the importance value it must be used properly. It is also the vehicle for giving the "first impression" of a firm, and there is no second chance to give a good first impression. Some key points on telephone usage are to answer quickly, do not leave on hold for more than 30 seconds without getting back with the caller, and return calls that come whilst you are absent. Training of all staff to use the telephone correctly will pay handsome dividends in the firms relationship with clients and co-professionals.

B-Premises

The impression given to visitors by the reception area of a firm's office is of vital importance. Architects, if anyone, should be aware of this, and ensure the area is comfortable, that it reflects their "image", and is up-to-date, including literature and photographs.

C-Brochures

If used properly they can increase the response level by 1-7% This document is a "sharp" marketing tool and not a "work of art", since it should be used to give a first impression and prepare the receiver for a follow-up. It must obviously be professional in appearance, and reflect the firm's total image, which is carried through all printed material. The three marketing laws of (1) Law of repeated image, (2) Law of first mention, (3) Law of first impression, apply particularly to brochures, and it must be remembered that the law of first impression assumes disproportionate importance in marketing. A brochure will erase any credibility gap, indicate a marketing consciousness, and provide a client with the unique selling points about a firm. It should

be up-dated every two years, and replaced every three to four years. More information on brochure design can be found in David Travers' [8], and Gerr Jones' [9] books.

D-Advertising

This activity gains a presence in the market place and triggers the initial phase of selling. It provides for recognition of the firm's name, and improves the internal attitude toward marketing in the firm. Key points are to build on a Big idea, be consistent (get it right and run it long), and do not evaluate inside six months.

E-Correspondence

Every letter is in effect a marketing tool, but some are more specifically so than others. A useful approach is to check all marketing correspondence with the MOM/Y² formula [6, p. 157.]. The MOM represents enerator pronouns such as me, my, mine, our, us, and I, whereas Y² refers to the receiver pronouns such as you, your, and yours. The goal is to keep the ratio as Low as possible, certainly in the 1-2 range. The following sentence is an example: "Our computer will prepare Your drawings more quickly and accurately, and enable Us to assess different alternatives which can reduce Your costs without reducing the quality of Your project." The MOM/Y²/ratio equals $2/3^2$ which is 0.22, a good score.

Another test that can be applied to correspondence is the use of the W.I.S.C.D.A. checklist which is explained below:

- | | |
|-------------------|---|
| W – Wavelengths: | Ensure that the letter is on the client's wavelength and he will relate to it. |
| I – Interest | Stimulate the client's interest with the contents. |
| S – Sell benefits | Talk benefits, Not Facts, since a client is not interested in facts unless they mean a benefit to him. A benefit usually starts with the phrase "which means that...", so the client can see the benefit defined. |
| C – Conviction | Show real conviction about the services you offer. |
| D – Desire | Create a desire in the client to know more. |
| A – Action | Propose some action that you and the client can take to follow up on this correspondence. |

Table 1. Attitudes Toward Marketing [10, p.21.]

Statements about Marketing	S.D	D	N.O.	A.	S.A.
Marketing will increase in importance in the firm.	2%	7%	7%	55%	30%
Formal analysis of marketing activities is not necessary.	15%	52%	13%	18%	3%
Every member of the firm should have a role in marketing.	2%	19%	5%	54%	21%
Marketing is essential to new business development	0%	6%	4%	54%	36%
S.D. = Strongly disagree N.O. = No opinion S.A. = Strongly Agree D. = Disagree A. = Agree					

Comments

Whilst this is only a review of some of the many facets of marketing professional services, it can be seen that much can be done in this field to enhance the professional skills of architects and designers to improve their competitive edge in the super-sophisticated-client, cost conscious market place that exists today. There is no doubt that architects and designers are becoming more aware of the need to market their services, and Table 1 shows the response from 639 survey instruments used in the AIA survey of the marketing of professional services [10].

Firms are also conscious that it costs money to professionally market their services, but such costs can be built into the annual budgets. For a firm of less than 10 employees some 3-4% of turnover should be spent on marketing, whereas a firm with more than 35 employees should spend about 6-7% of turnover.

The current market for professional services in Saudi Arabia would appear to be in the Maturity or Decline sectors of Fig. 3., which indicates fierce competition. It is in times such as these that the marketing skills of a firm can play a significant part in its survival. In addition, it is a crucial time to improve these skills in preparation for a new emerging market. The market orientated firms will be looking for the growth markets both within the Kingdom and beyond, and will be undertaking a S.W.O.T. analysis to identify areas for improvement. Pareto's rule applies equally to marketing as to many other fields, and that is that 80% of a firms work comes from 20% of its clients, so it is critical to identify these and continue to actively "woo" them. Most

new commissions come from referrals from existing clients, if not from the clients themselves, and thus there is a likely high return from regular existing client contact.

It is well to be reminded of an earlier statement that it is not enough to be good, the fact must be communicated over and over again to clients and prospective clients.

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تسويق الخدمات المهنية

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ملخص البحث. يعمل المصمم الممارس بصورة متزايدة في سوق عمل تجاري حيث لا يكون الأداء المهني هو العامل الوحيد المؤثر في حجم العمل الذي يحصل عليه.

لقد تمَّت دراسة طبيعة النمو والكساد في المؤسسات مع الأخذ في الاعتبار العوامل التي تهم العميل عند اختياره للخدمات المهنية.

تم إيضاح الدور الذي يلعبه كل من التسويق وعرض الخدمات بالنسبة للمصمم المعماري المهني وكذلك النقاط الرئيسة الخاصة ببعض مهارات وأدوات التسويق المناسبة للمعماري. مع إبداء الرأي حول الأوضاع الحالية لسوق الخدمات المعمارية في المملكة العربية السعودية وكذلك الدور الذي يمكن أن يلعبه التسويق في هذا الصدد.