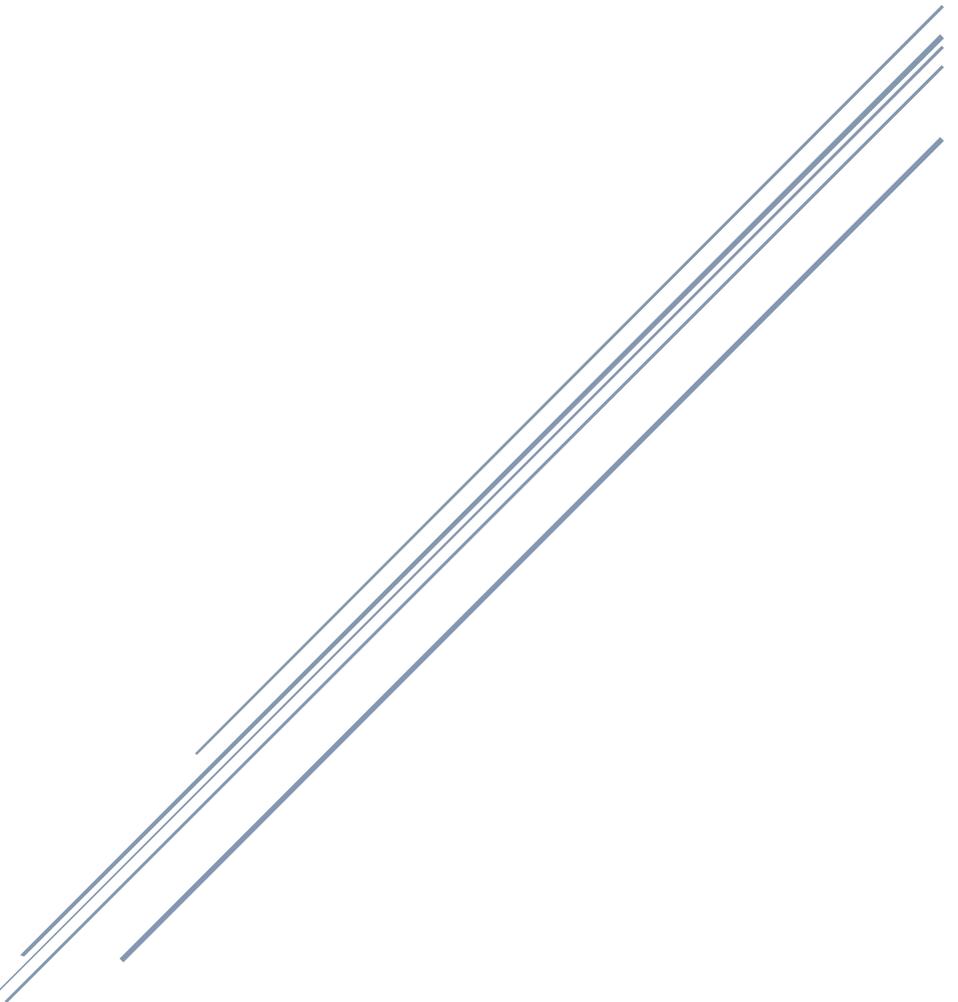


4 STEPS TO CREATING A PROFESSIONAL SERVICES BRAND

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Services as Brands

Strong brands bring tremendous benefits to their owners - premium pricing, strong growth even during downturns, and they attract the best partners, talent, and customers. However, brands don't exist on their own merits but develop, live and die as a result of consumer perceptions. A product is physical. A brand is a promise of benefits that will be gained. Not only must the brand live up to the promise, but customers need to perceive that the service lives up to its promise.

In the services sector the brand 'promise' is delivered through a complex, ever-shifting dance of action and reaction between providers and clients. Every single interaction has an impact on the reputation of the brand. And once consumer perceptions of the reputation are set in the minds of the consumer, its very difficult to change them. So each interaction must deliver on the benefits expected by customers. Think of certain public-sector companies in the services sector – say airlines or telecom providers - who are stuck with a legacy of negative brand perception because they didn't live up to their brand promise in the past. However effectively they operate now, and believe me some of them run as well as or even better than their private-sector counterparts, its difficult for consumers to give them credit.

Services firms also have problems in building lasting differentiation based on the nature of the services offered, unlike products where the differentiation can be built into the physical product itself through clever design. Consider the Swiss Army Knife, with its multitude of features, or the advanced designs of Samsung's electronics products. For services, there are no barriers to competitors copying any new service. Yesterday's innovations become today's basic requirements, so original ideas quickly become commodities. The banking and insurance sectors are good examples, since as soon as an idea is introduced by one firm, clone services are quickly rolled out by competitors, sometimes in a matter of days.

Both these aspects mean that marketing for services firms has to focus on the emotional rather than the literal benefits offered. Insurance products are almost the same world-wide, but the brand promise is always around 'caring' and 'safety' aspects. A brilliant example is the recent advertisement promising 'old-age dignity' by an insurer.

If you're a marketer in a professional services firm such as an accounting or consulting firm, you'll face an even greater uphill struggle in developing your brand. For one thing, since these sectors are highly regulated (especially after imbroglios like Enron-Andersen and Global Crossing), firms must adhere to common norms, and mass advertising is generally not accepted or allowed. Another issue is the fact that consumers of professional services are usually amazingly sensitive to quality issues – whether real or perceived. So professional firms have a much smaller window of opportunity to impress each client than general services firms. They have to create a far more powerful impact in every single interaction than other firms, and thus have to employ a larger basket of tools synchronized to deliver the same message.

Expand your marketing mix. Fast.

Manufactured products are marketed based on the classic 'four Ps' of marketing– Products, Price, Place and Promotion. Services are marketed through the additional factors of People, Processes, Productivity and Physical evidence - the customer experience from interactions with people, the quality of the interaction processes, and what's left with the customer. Professional services marketing stretches the definition even further with another two factors (yes, another two Ps) which I call Proof (proof of

expertise and prior experience) and Plurality (the multiple channels through which professional services reach end-users). When starting a relationship, these two factors are the most important.

For manufactured products and most routine services, 'proof' is relatively less important since the proof of delivery is an inherent element of the offering. For example, when you purchase a car, it's a given that it will safely and reliably get you from Point A to Point B. A shampoo will definitely clean your hair. A bank will be a secure place to keep your money.

However, in the case of professional services, there's a fair amount of subjectivity on the part of both the service provider as well as the client. The same delivery standards and quality levels provided to different customer organizations (or even to the same people in the same organization at different times) get perceived very differently. A customer's purchase decision therefore starts with a search for explicit proof of capability, and that's what the marketer must first provide.

The basic elements are case studies of prior work, a library of white papers, a bank of customer testimonials – all tools that project expertise and competence. Historically, most services firms stopped at this point. A proven high-quality delivery capability, and a well-stocked case library, allowed them to clear the first step in the selection process. Over a period of time, the brand developed as the outcome of growth, rather than a consciously nurtured driver of growth. In today's environment, new firms cannot afford the slow and steady brand development process, and must attack the problem on several fronts.

Start with the Basics – Client Attention

Providing 'Proof' is the starting point, and is a particular area of difficulty for new firms since there's no track record to leverage. At such a time, the profile of the firm's executives becomes more significant, and their qualifications, employment history, proven expertise and specific experience come in for a lot of scrutiny. That's why new firms not only hire the 'right' people, but also publicize it strongly when they hire 'stars', since that assures clients of high-quality services.

By contrast, the older consulting firms don't do this, since the brand is so well known that customers assume a basic level of expertise. In fact they almost always are able to 'bait and switch' – bring in top guns at the time of pitching for business, but then switching teams around at the time of executing the work.

For new firms, my advice is to make sure your top people are involved in the work well beyond the extent promised and that the client notices it – that kind of client attention is increasingly rare, is appreciated, and can be leveraged in references and testimonials.

Everything affects your Brand. Even your Tie.

Plurality is another factor. Most products and services communicate with and reach customers through a whole host of channels – electronic and print media, online, mass advertising, hoarding and store displays, etc. Professional services are usually barred from a number of these avenues, and customers draw their opinion of a professional services provider from a number of formal and informal sources. These can range from specific inputs from past clients, to cigar-room chats with brother CEO's in their clubs, to comments in blogs and chatrooms. These sources are almost never under the control of the marketer and its impossible to control the message being received. Large firms get around this problem

by using communication opportunities such as sponsorship of tournaments and sporting events and having brand ambassadors. Small firms, who cannot afford this level of spending, must focus on impressing clients who are directly interacting with the members of the firm.

While previous clients can be tapped through testimonials and references, indirect impressions based on intangibles such as nationality of the consultants, professional appearance, quality of reports and presentations, design of the website, or even small aspects such as the language of official correspondence have a great impact on customer perceptions. This is why, as a priority, the smaller professional services firm MUST develop codes of conduct, appearance and behavior, and not just technical methodologies, if they want to develop a brand. That's why marketers at professional services firms have to be involved in areas usually thought to be under HR or Operations such as employee training, customer interaction processes, report developments, etc. which have a direct impact on client perceptions.

Speak the Language. Consistently and Continuously.

Professional services are by and large sold one-to-one and driven by relationships. Consumer-style mass marketing is hardly ever used. Professional services need a 'quiet' style. 'Conversations' rather than 'sales meetings'. Low-key and restrained rather than loud. 'Clients' rather than 'customers'. 'Engagements' not 'projects'. 'Value' rather than costs or 'per-hour rates'. Firms entering the industry from other segments, such as technology firms moving into professional services consulting must learn a very different mind-set and communication style from that used in technology sales.

The marketing cycle is also usually much longer. In manufacturing or technology-driven firms, the lifecycle determines the marketing characteristics. In professional services, the lifecycle is much extended, and so there's a greater need to deliver the same message consistently and over a much longer period of time.

In conclusion

Branding professional services firms is tougher than it looks. The lack of options, and the amazing variety of ways that clients get information means that they develop their own notions of what the brand may stand for. Marketers, especially for new firms who must deliver as good a customer experience as their older rivals, must therefore consider issues normally not thought to be in their scope, to deliver their message.

About the Author

Atul Vaid has extensive experience in strategic planning, market entry consulting and new initiatives development. He has 20+ years of consulting and corporate experience with global firms, where he has handled a variety of assignments in India, the Middle East, the USA and Japan; as well as cross-border engagements run remotely out of India. He has set up the marketing services hub for a US-based management consulting and technology firm, started an online skills assessment portal, and run a global innovation program for a strategy consulting firm.

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