Law firm branding – the client perspective

Lawyers can radically reposition their brands by transitioning from a strong client focus to a more powerful client perspective, says **Ron Pol**

A law firm's brand is a vital component of client attraction and retention. Partners are typically also passionate about the brand; they *know* their firm's brand attributes, and they *know* that clients do too. But does it really stack up?

The client is right

The biggest firms, with huge marketing budgets and specialist business development staff, are sophisticated brand guardians. I've been privileged to speak with firms about their brand, and the conversation typically goes something like this:

Q. So, what's your brand?
A. We're collegiate, respectful, responsive, and we deliver top quality legal advice.
Q. It's fabulous to hear what you think about the firm, but what's your *brand*?
A. (After a pause)... Well, we've revamped our website, and have a great new logo.
Q. It's great to hear about marketing collateral too, but what's your *brand*?

At this stage, an explanation sometimes helps: I don't subscribe to the 'client is right' mantra, with one exception. Lawyers can shape their brand over time, yet the brand is *entirely* how clients perceive it.

Take, for example, a firm dabbling in M&A work which also has the best employment lawyers and considers itself a pre-eminent employment firm. If clients essentially regard it as an M&A firm, then that's a key element of the firm's brand, period.

Similarly for specific brand attributes. If a firm launching new initiatives considers itself particularly innovative, but clients (judging the firm against experiences with a range of suppliers) rate the firm below average on the innovation stakes, then that's its brand in relation to that factor.

On the key attributes that constitute a law firm's brand, the client really *is* always right.

So, what do clients say?

We've conducted some of the most extensive independent brand research, yet it's always instructive to test the results. In meetings a few weeks ago with general counsel from a range of corporates and government agencies, we examined the extent to which some of the most sophisticated users of legal services really do know their main law firm's brand.

I explained that law firm partners passionately *know* their firm's brand attributes, they *know* that clients do too, and that everything the firm does reinforces its unique brand differences. Using a series of slides capturing the expression of these differences on a series of key areas, I asked general counsel simply to identify their main firm.

The result? From clients that spend millions of dollars with these firms and interact with them daily, none could do so. It seems that firms' efforts to distinguish themselves from their competitors may have had rather less impact than hoped.

One general counsel wryly remarked that the only difference between the big firms – as expressed by their external communications, website, etcetera – is that each uses a different colour. "Beyond that", he said, "they're almost exactly the same."

Can firms spot the difference?

I consoled these senior client representatives with an observation from presentations at law firm retreats. With all of a firm's partners together, they should easily be able to identify their distinct brand expression amongst their competitors. The result? I've not yet found a single group of partners capable of identifying even their *own* firm.

Overall, then, it seems that most law firms are telling their clients "we're pretty much the same as everyone else, actually".

What does the evidence say?

These examples are necessarily anecdotal, and law is an evidence-based business; so what does the evidence say?

The most extensive research of its kind ever conducted with New Zealand and Australian corporates and government agencies that together spend more than $2 billion on lawyers each year provides an objective evidential benchmark. (As a comparator, *The Business of Law 2009* quotes earlier Statistics NZ figures indicating that New Zealand's *entire* legal services market is worth $2.4 billion.)

The *ACLA/CLANZ Legal Department Benchmarking Report 2010* shows only 17 per cent of clients regard their lead law firm clearly better than its nearest competitor (differentiated analysis reveals that New Zealand firms, at 24 per cent, fare slightly better than their Australian counterparts, at 14 per cent). An overwhelming majority consider that other firms could do most of their legal work equally well.

This is a startling finding, and is consistent with earlier findings as far back as 2006.

Leaders in other industries constantly monitor the slightest disconnect with customer perceptions. Coca-Cola or McKinsey, for example, might be concerned with even a few percentage points below say 90 per cent, and would immediately deploy strategies to maintain their strong brand differentiation.

Yet many law firms seem unaware that a staggeringly low 17 per cent of organisational clients really see much difference between firms, and only a few of the most client-focused firms will even be developing any serious brand differentiation strategies at all.

From client-focus to client-perspective

How important is this? The figures suggest that it's more important than firms without access to this sort of client research might realise, particularly as 70 per cent of these clients expect to review their law firm relationships in the next two years. Only 10 per cent consider their investment too large to change their lead firm; and 72 per cent report no significant barrier to terminating their relationship even with their lead law firm. It seems that many of the biggest clients regard law firm brand differentiation as an oxymoron.

Within the wider context – with 76 per cent of these clients facing pressure to reduce law firm costs, and with the report itself now delivering a range of tools for savvy corporates and government agencies to improve the value for money equation themselves – law firms face clear choices:

- **Do nothing**. Ignoring 'all that brand stuff' seems to have worked in the past, and some firms expect the market to 'return to normal' anyway; yet hope is not a strategy.
- **Do more marketing**. Ironically, successful marketing initiatives (and what marketer is going to report in a way that doesn't demonstrate some success?) can sometimes obscure the real issues. Marketing may bring more revenue, but for sustainable revenue and profit growth nothing beats truly understanding the client perspective.
- **Reconnect costs and value**. The *Benchmarking Report* illustrates across a series of findings that for most clients it really isn't just about cost, but *value*. Although the perception gap is larger than in some industries, this suggests that for firms that help clients bridge the disconnect between law firm perceptions and the client perspective, the potential benefits are larger too.

For law firms, does this extensive new evidence outline a series of threats, or a range of opportunities in a changing environment? Both are probably true. Perhaps the difference lies in the willingness actively to translate a typically strong client focus into a more powerful client perspective, for the mutual benefit of firms, clients, and the lawyer brand.

Ron Pol, director of professional services consultancy Team Factors Ltd and author of the *ACLA/CLANZ Legal Department Benchmarking Report 2010*, welcomes comments at ronald.pol@teamfactors.com. The report is available to purchase from www.teamfactors.com.