

# CHANGES IN THE PROFESSIONAL SERVICES MARKETING MIX: Traditional vs. Online Marketing

BY SYLVIA S. MONTGOMERY

Over 20 years ago, Phillip Kotler, recognized by many as the father of marketing, warned that “Information middlemen providers (“metamediaries”) will emerge on the Internet who will assemble and offer evaluations of different suppliers for a small charge.” Kotler’s crystal ball predictions were not too far off.

In his book, *Kotler on Marketing*<sup>1</sup>, Kotler describes the traditional marketing mix – product (service), price, place, and promotion. Since then, the marketing mix has radically changed and grown in complexity.

## Key Trends Influencing the Mix

Online marketing is challenging traditional marketing. Let’s consider some of the key trends influencing the new professional services marketing mix.

**Technology has disrupted the field:** Geographic proximity matters much less today. Aggregator websites and even reverse auction sites allow users to select the most advantageous price, regardless of location. Consider the example of an expat living in overseas. That person doesn’t have to settle for an accountant in their hometown that has no expat expertise. Thanks to technology, the expat now has access to the accounting firm with the best reputation, located in Washington, DC.

*“Searchers either find you, or they find your competitors” (Lieb)*

**Word of mouth marketing is being transformed:** There was a day when networking at the country club, church or local chamber event could connect someone with prospects, and prospects could quickly investigate the reputation of a provider. While that may still be true, service firms now need to worry about their *online* reputation -- social media is the new word of mouth.



**You aren't relevant if you aren't online:** More and more, people are going online to educate themselves and stay abreast of the latest trends and thinking. Professional services firms that opt to join the conversation are building their reputations and dramatically expanding their audiences. Google and social media are opening new frontiers.

At the end of the day, a professional services firm needs to be reputable and visible online in order to have a strong brand. As Rebecca Lieb, a search engine optimization expert says, "searchers either find you, or they find your competitors."<sup>2</sup>

## The New Marketing Mix

When you consider the online marketing landscape, it is important to recognize that many elements make up the new marketing mix, which complicates the process of developing a strong brand. Additionally, the new marketing mix must address both human and non-human online search ways of prioritizing information. Reputation and credibility are critical in attracting, engaging and nurturing prospects. The days of mass marketing with broad messages are being replaced by targeted marketing with specific messages delivered to very specific audiences. This intersection of technology, word of mouth, and information consumption by humans and non-humans is making the world of marketing more complex than ever.

The way people are attracted to brands has also been transformed thanks to technology. Today, most firms understand the need to have a website, but social media remains a mystery to many.

Thoughtful *online content (thought leadership) can enhance your reputation*, while *social media can expand the reach of your reputation*. To be relevant, you need to do both as you look to attract and nurture prospects.

The mechanisms to attract and nurture prospects have also evolved significantly. Back in the day, one could use something like direct mail or advertising (outbound marketing) to generate interest. These were expensive yet popular component's of the traditional marketing mix. Now, one can use online marketing tactics such as email or webinars (inbound marketing) to generate interest. Online marketing is a more cost-effective alternative to traditional outbound marketing. According to Hubspot, a leading online marketing firm, "inbound marketing costs 62% less per lead than traditional, outbound marketing."<sup>3</sup>

Good inbound marketing requires valuable content. Valuable content is the candy that attracts humans and search engines alike to a website. When you offer a wealth of content on your website, prospective buyers can learn from you and grow comfortable with your ideas and approach - with no additional effort required on your part. When prospects are ready to buy, your firm will usually rise to the top of their list. In addition, people from all over the country - and the world - are able to find your content and learn about your firm.

To promote your content, targeted email campaigns are the preferred vehicle in professional services. That means that keeping your contact database clean and properly segmented is a critical first step to any successful marketing program. Check out my previous entry on the care and feeding of your contacts database. ( [http://www.hingemarketing.com/blog/story/the\\_care\\_and\\_feeding\\_of\\_your\\_business\\_contacts\\_database/](http://www.hingemarketing.com/blog/story/the_care_and_feeding_of_your_business_contacts_database/) ) I've also written a blog entry on choosing a contacts database.



To get the most out of your online marketing program, be sure to use analytics - and frequent reporting - to understand what is and isn't working.

## Selecting the Appropriate Techniques

Marketing is more gray than black and white. There are many variables in play so you have to interpret what is going on. Keep in mind that when building organic traffic it can take a good three months. Until you know what is working for you, it is best to track more data rather than less. Below are some online activities that build organic leads and nurture prospects.

- **Implement a solid content strategy: creation & share** (*Attraction & Nurturing Vehicles*)
  - >> Flow content: includes frequent blog posts, commenting on other blogs
  - >> Stock content: includes white papers, articles, ebooks (with website calls to action)
  
- **Consider social media appropriately** (*Attraction & Nurturing Vehicles*)
  - >> Set up social media channels for content distribution: Twitter/LinkedIn/YouTube
  - >> Roll out social media plan and usage policy
  
- **Link Building** (online reach) (*Attraction Vehicles*)
  - >> Online public relations / relationship building via blogs, etc.
  - >> Offsite SEO (targeted link building to increase quality website domains linking to your website). More links equals higher ranking.
  
- **Develop video case stories** (on website & for sharing via social media)  
(*Attraction & Nurturing Vehicles*)
  
- **Offer webinars as a mechanism for sharing educational content and building reputation**  
(*Attraction & Nurturing Vehicles*)
  
- **Email broadcasts** (ideally using a CRM system, to offer webinar, video case stories and other content) (*Attraction & Nurturing Vehicles*)
  
- **Pay per click** (*Attraction Vehicle*)
  - >> While not an organic option, this costlier approach can generate some quick traffic.

Marketing is no longer static. Conversations are happening on multiple dimensions and through various channels, and for that reason your marketing needs to be fluid. Done well, each of these activities can enhance your brand strength and increase your visibility in the marketplace.

Ultimately, which is better for your professional services firm: traditional or digital marketing? Both.

References:

<sup>1</sup> *Kotler on Marketing*, by Phillip Kotler

<sup>2</sup> Hubspot ([www.hubspot.com](http://www.hubspot.com))

<sup>3</sup> *The Truth About Search Engine Optimization*, by Rebecca Lieb



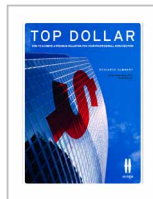
## RESEARCH BY HINGE



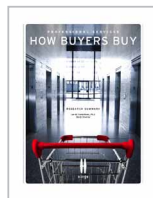
***Spiraling Up: How to Create a High Growth, High Value Professional Services Firm*** – In this book, we distill everything we’ve learned about high growth, high value professional services firms into one compact volume. We explain what operational and marketing tactics high growth firms favor and what they do to gain advantage in the marketplace



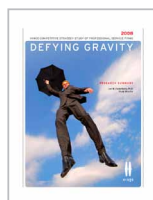
***The High Growth Professional Services Firm*** – The high growth firms in this study grew 9x faster and were 50% more profitable than their average growth peers. Yet they spent less than average on marketing and sales. We explore what high growth firms do differently from their average growth peers and we uncover what characteristics contribute to their success.



***Top Dollar*** – We examine firms that achieve premium valuations. Hinge interviewed acquirers of companies and valuation experts to determine the specific factors that drive extremely high multiples (“the Google effect”) and what strategic moves CEOs can make to put their firm in the same category.



***Professional Services: How Buyers Buy*** – For this study, we conducted in-depth interviews with private and public sector professional service buyers. We uncover the full life-cycle of an engagement, including firm selection, expanding the relationship, factors driving referrals, and ending the relationship.



***Defying Gravity*** – This study of 100 professional services firms between \$1 million and \$1 billion in annual revenue focuses on strategy and marketing. We identified high growth companies across all segments and documented what those high growth companies do differently.



## ABOUT THE AUTHOR



### **SYLVIA S. MONTGOMERY**

Sylvia brings over 20 years of experience and perspective to the Hinge team. In addition to overseeing the firm's marketing initiatives and outsource marketing practice, she is actively involved in client engagements. Previously, Sylvia has led marketing teams at several technology and consulting firms and has worked in and with the A/E/C industry for over 7 years. She is an active member of the Society for Marketing Professional Services (SMPS).

You can contact Sylvia via email: [sylvia@hingemarketing.com](mailto:sylvia@hingemarketing.com) or via Twitter @BrandStrong.

## ABOUT HINGE

Hinge is a branding and marketing firm specializing in professional services companies. They help professional services grow faster and maximize value. Their comprehensive offerings include research and strategy, brand development, award-winning creative and marketing outsourcing.

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