

“Factors that influence the marketing of professional services”

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Factors that influence the marketing of professional services

Abstract

This study explores the marketing in a multinational professional services organization and attempts to identify marketing factors relevant to the organization. The main objective is to identify critical factors that influence the successful marketing of professional services.

To accomplish this objective, research is undertaken as a case study with a quantitative survey of employees from the professional services organization.

The main finding was that the 7P framework (product/service, price, place, promotion, physical evidence, people, process) was applicable and that place, physical evidence and product components were seen as most critical, with promotion and price appearing to be least critical, maybe because conservative attitudes to marketing still exist within professional service organizations.

The study added to the literature on professional services marketing, giving insight into the marketing of professional services in today's dynamic and changing economic environment. Our findings will, therefore, assist professional service organizations to utilize their marketing resources more effectively and efficiently.

Keywords: professional practitioners, professional services, marketing mix, 7Ps, services.

JEL Classification: G29, L84, M31, M40.

Introduction

In the early 1970s the marketing of services emerged as a separate area of marketing with concepts and models of its own to accommodate the typical characteristics of services (Gummesson and Grönroos, 2012). Service industries, in particular professional service organizations (PSO), have historically considered marketing a luxury, rather than a critical part of the business mix (Nagdeman, 2009). For these reasons, service organizations have been slow to adopt marketing concepts and techniques.

The professional services (PS) industry is diverse, characterized by specialized services (e.g., legal and accounting) and strategic sectoral service offerings, such as banking, investment and insurance. Inherent differences characterizing PS mean that assumptions and findings from the broader field of marketing may not apply to PS. Furthermore, PS corporate culture has tended to dismiss the need for formal marketing, resulting in a lack of empirical evidence on how various professions interpret and implement marketing.

Sweeney et al. (2011) believe that understanding how PSO's approach their marketing is important for many reasons. Firstly, the sector is a significant component of Western economies. Second, the sector has expanded rapidly and, third, there are

industry characteristics influencing marketing practice which represent challenges for practitioners. Lastly, whilst the nature of PS is generally highly specialized or technical, the process in which the service is delivered relies heavily on human relationship factors.

This study investigates the relevance of a structured marketing approach in this sector and the factors influencing this process. The aim is to investigate the factors that influence the marketing of PS and thus explore the current marketing milieu in a multinational PSO.

Literature is more easily available on the marketing of goods rather than services marketing, with even less on PS marketing. This study gives insight into the marketing of services in today's economic climate with a focus on the PS industry. Our findings will, therefore, assist PSO's to utilize their marketing resources more effectively and efficiently.

1. Literature review

1.1. Explanation of professional services. As much as 35 years ago, Gummesson (1981, p.108) maintained that

"A professional service is qualified; it is advisory and problem-solving, even though it may encompass some routine work for clients. The professionals involved have a common identity, like physicians, lawyers, accountants or engineers, and are regulated by traditions and codes of ethics. The service offered, if accepted, involves the professional in taking on assignments for the client and those assignments are themselves the limit of the professional's involvement".

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PS provision and consumption represent an increasingly important component of the global economic environment, with Bello et al. (2016) identifying it as one of the most rapidly developing sections of the world economy. Devlin (1998) describes services as mostly intangible in nature, therefore being lower in search qualities than goods. Baschab and Piot (2005) observe that PSOs are inherently manpower and management intensive.

Sonmez and Moorhouse (2010) state that “efficient and effective purchasing of professional services is a critical and paramount matter for both the buyers and providers of such services,”. In large organizations, it is frequently a decision requiring high-level, possibly even board-level endorsement. Potential benefits of professional services can often not be evaluated prior to purchase, and sometimes only with difficulty during and after the service has been rendered, makes the process an onerous one. Tuomivirta (2009) believes that the most important consideration with regard to professional service marketing is to understand how clients make the decision to choose a service provider, because an error in choice of provider could result in material disadvantage to both parties, and unnecessary expense.

1.2. Explanation of services marketing. The services sector forms the dominant part of many national economies, becoming more competitive and making use of the principles of marketing. Deregulation of many services and rising

expectations of consumers have had a dramatic effect on marketing activities (Palmer, 2000). Legislation and professional and technical norms may pose particular constraints or even obstacles. Varadarajan (2011) notes that the distinguishing characteristics of intangibility, heterogeneity in quality, inseparability of production and consumption, and perishability that identify services from products also have implications for the way they are marketed. Difficulties caused by these characteristics include clarifying the nature of service offerings to clients and issues such as professional confidentiality which may hinder evaluation of services. PS offerings are sufficiently unfamiliar to the average client to pose difficulties in distinguishing between competent and outstanding work (McNeilly and Barr, 2006). Gabbott and Hogg (1994) suggest that a significant problem for the client is identifying cues which provide insight into the nature, quality and effectiveness of the service.

1.3. The services marketing mix and 7P model.

Marketers questioned whether the traditional 4P approach to the marketing mix is sufficiently comprehensive for application to the service industry sector. Booms and Bitner in 1981 proposed an expanded model, including three additional key elements: people, physical evidence, and process (Bitner, 1992), which are stated as describing the dynamics of marketing in the service industry more adequately (Ivy, 2008). Crane (1993) outlines the ‘Seven Ps’ of the services marketing mix in Table 1:

Table 1. Seven Ps of professional services marketing

Element	Description (in a professional services context)
Product	Range of services; level of quality; guarantees and post-implementation support
Price	Fee rates; discounts; payment terms; credit facilities
Place	Location of offering; accessibility and distribution facilities
Promotion	Promotional mix; budgets and return on investment
People	Type and capabilities of staff; training programs; roles in service provision; compensation
Physical evidence	Service environment; aesthetics; physical cues
Process	Service provider's policies; procedures for developing and delivering the service; IT systems and quality control

Source: Crane (1993).

All these elements need to be synchronized and decisions regarding one element of the marketing mix must be considered with all the constituent elements in mind.

1.4. Contemporary professional service marketing methods. Kotler et al. (2002) argue that all PSO's practice marketing in some form, whether or not the activity is styled as such, whilst the marketing function (if one is present) is often executed by professional and lay personnel.

Familiarity with contemporary marketing trends and methodologies can improve decision-making regarding choice of marketing mode and style best suited to PS businesses. Reid (2008) observes that

both small and larger PSO's focus on both service market development and acquisition of new clients, with larger organizations placing greater emphasis on client retention and development of sustainable relationships. Marketing performance in the service industry sector must be adaptive and capable of accommodating the varied nuances of professional practice. Nagdeman (2009) maintains that, in today's highly volatile and competitive business arena, competitor intelligence and sensitivity to rapidly changing sectoral trends is a prerequisite, as is a proactive approach to formulating and communicating a marketing program (Ridley, 2008). PS organizations must, therefore, discard conventional methods and commit to the most

effective methods to increase marketing effectiveness. In Table 2, Chaplin (cited in Forsyth,

2003) describes eight degrees/levels of commitment to marketing within a PSO:

Table 2. Commitment to marketing within a PSO

Level 1	Organization approaches marketing grudgingly, reluctantly and with suspicion;
Level 2	Organization employs fewer marketers than they require, but employs them in a positive spirit;
Level 3	Organization employs as many marketers as required, but only after advice by external consultants;
Level 4	Organization employs marketers before they are advised to do so by external consultants;
Level 5	Organization employs marketers, but only once an internal business case has been agreed upon;
Level 6	Organization employs marketers on trust, without organization really understanding marketing fully;
Level 7	Organization provides marketers with roles in which authority flows naturally from day-to-day duties;
Level 8	Organization encourages marketers to develop financial and commercial skills, providing training and empowering marketing team to become self-sufficient and more effective.

Source: Forsyth (2003, p. 11).

1.5. Importance of marketing for PSO's. As long ago as 1977, Kotler and Connor (1997) stressed the role of marketing for professional practitioners. Reid (2008) suggests that a number of issues related to the PS market environment are impacting on business. These include:

- ◆ an increase in market players and growing levels of price-based competition creating a more dynamic and less profitable market;
- ◆ certain sectors have reached maturity, with limited potential for growth in others;
- ◆ an emergence of an increasing number of niche players and “specialists”;
- ◆ increasingly aggressive promotion strategies threaten existing relationships;
- ◆ product or service differentiation is based less on technical service and increasingly on relationship quality;
- ◆ increased personnel/client interface effort necessitates the unseen consequence of raising the costs of doing business and securing and retaining clients.

These trends are evidence of long-term changing patterns in the PSO environment that render many established approaches obsolete. Professional marketing is one way of addressing these trends.

Dolan (1997) maintains that marketing objectives and processes enable the product or service provider to create a sense of value for its clients. To ensure that the PSO remains a viable business concern, it must continue to supply relevant, expert support, creating added value and receiving profit over time. The PSO must consistently demonstrate this to the client target market through its marketing strategy and marketing mix (Cant, 2010). A marketing orientation must be adopted and internalized by corporate leaders (Young, 2010) in order to strengthen their business strategy and increase the probability of winning prospective clients (Day & Barksdale, 2003).

1.6. Benefits of marketing for a PSO. Formal marketing practice can yield significant benefits for service organizations, including identifying client needs and enhancing delivery of value-adding services. Clow and Stevens (2009) maintain that marketing emphasizes the value of rational management and the need for congruity of policy with regard to fees, communication, services, and availability. Important decision-making as to the correct messages to be conveyed, at the right time, can likewise be facilitated.

Schultz and Doerr (2009) identify measurable outcomes as a result of marketing within a PS organization, namely, new conversations with potential buyers; an increased chance of winning client engagements; higher revenue per engagement and per client, and higher fees for services; with an increased affinity with the actual and potential workforce. Similarly, Young (2005) identified a rise of fee earnings from new clients, improved perceptions of the firm by clients and, over time, approval and support from the partners for the new business approach, while Day and Barksdale (2003) identified strengthening of business growth strategies and increasing the probability of winning prospective clients as benefits of marketing for PSO's.

1.7. Problems experienced by PS marketing. Marketing has long been a contentious issue confronting professionals, with many practitioners seeing it as a somewhat distasteful form of commercialization (Schultz and Doerr, 2009). Traditionally, many professions seldom enunciate concepts such as ‘business’ and ‘profit’ and the term ‘marketing’ barely exists in their vocabulary. PS providers tend to rely on their specialized technical qualification and experience in their pursuit of success (Webster and Sundaram, 2009). Schultz and Doerr (2009) report consistent feedback of marketing challenges where disaffected professionals claim to have had difficulty in reaching full corporate consensus on a set marketing strategy, followed by widespread apathy exhibited with regards to “taking

ownership”, resulting in very little being accomplished. Organizations have reportedly also experienced difficulties differentiating themselves from competitors with similar service offerings. Another trend observed was that during organizations’ busy periods marketing was generally relegated to lowest priority in favor of activities perceived by management to be more urgent and profitable. In

addition, potential clients seem to lack the wherewithal to understand the factors that might impact on the potential quality of services offered by PSO’s and often end up relying on objective judgements such as market reputation and price in order to evaluate a possible provider (Ho, Sharma and Hosie, 2015). Table 3 indicates ten distinct problems inhibiting PS marketing.

Table 3. PS marketing problems

Constraints imposed by statute or professional bodies may limit actions that marketers might choose;
Purchasers may experience difficulty in evaluating a service offering due to its intangibility;
Prior experience with clients in similar industries/situations is often used in a selection of a PSO.
Ability of potential clients to recognize the qualitative differences between two similar, apparently equivalent, services is problematic to marketers;
Maintaining high-quality, as service delivery quality is dependent on the behavior of both clients and staff;
Many professional and technical specialists resist marketing or sales and may not be behaviorally suited to become a good ‘seller’;
Marketing activities are not billable time for professionals, which increases reluctance
Pressure to react to clients demanding priority service may limit marketing time and resources
Conflicting views about advertising which is still commonly debated by professionals
Lack of marketing knowledge and proficiency

Source: Kotler, Hayes and Bloom (2002, pp. 14-19).

Despite this, PS practices have shown their ability to respond well to change (Sweeney et al., 2011). It is contended, therefore, that, whilst PS are inherently conservative, they can adapt successfully to contemporary business patterns, including an increasing use of marketing.

Instituting effective marketing is akin to effecting behavior change among PS practitioners and provider organizations, requiring recognition and acceptance of frequently unfamiliar concepts and techniques. Significant lessons learned during Young’s (2010) research included: embedding a marketing-oriented culture with support from the lead partner is crucial, and marketing specialists have to make their case in a step-by-step fashion in order to gain influence in an environment where marketing is relatively foreign and antithetical.

1.8. The future of PS marketing. There is good cause to believe that formal organized marketing in the PS’s industry is a necessity in the face of competitive economic reality. Marketing is beneficial both to PS businesses and to their clients and customers. The former accrue the benefits of robust modern competitive business behavior, while the latter are benefited by far greater transparency and choice of service supplier. The importance of keeping abreast of emerging influences and modern trends in marketing must be emphasized. Newberry and Jackson (2010) suggest that current and future marketing directions will affect the way that PS marketing is formulated and implemented. Lees et al. (2014) believe that in the professional environment, service organizations that have clear marketing direction will have more chance of succeeding. PSO’s can no longer assume that their services will sell themselves. To many professionals the concept of marketing their services was alien,

suspect, and consciously avoided. Many others, however, have adopted certain principles of marketing, mainly promotion, in order to gain attention in the market. In more progressive practices, a holistic approach to marketing has been embraced with rewarding results. What they have discovered is that to be client driven, the organization must, first, be marketing driven. Marketing is state of mind, a business philosophy, and revolves around the concepts of client satisfaction and exchange (Crane, 1993).

This literature review has highlighted the role of marketing in PS businesses. It has shown the problems faced and the benefits to be gained by professional practices adopting marketing methods. However, it should be noted that relatively little literature on marketing in PS firms exists, especially in the South African PS environment. For that reason, this case study, investigating the implementation of marketing in a large PSO in South Africa, is necessary to identify the factors that influence the marketing of professional services.

To meet this research aim the following objectives were addressed:

- ◆ to explore the current marketing milieu in a multinational PSO,
- ◆ to identify factors relevant to marketing within the organization,
- ◆ to identify the critical factors that influence the marketing of professional services.

2. Method

2.1. Research design. A descriptive, cross sectional, case study approach was used, based on a quantitative survey.

2.2. Respondents. A large international multi-branch organization within the financial services industry was selected as the case for investigation. To maintain the required confidentiality, the firm has been kept anonymous, being referred to as Specific Professional Services Organization ('SPSO'). The target population were employees in various roles from the 'SPSO's' national offices based in Durban, Johannesburg, Pretoria, and Cape Town. Marketing representatives from the 'SPSO's' international offices were also included in the survey. The total population of respondents surveyed was 2000. The 'SPSO's' South African intranet email list, as well as their international marketing contacts database constituted the sampling frame. All 'SPSO' employees in the sampling frame were invited to participate in a closed-ended quantitative survey. Thus, the researcher attempted a census. Since actual responses were dependent on the willingness of employees to participate, the final useable sample was self-selected. Only 209 'SPSO' employees out of a population of 2000 responded to the questionnaire, of which only 111 responses were completed in full – a 5.5% response rate. This was acceptable as, according to Diamantopoulos and Schlegelmilch (1997) 'the sample should be large enough so that there are 100 or more units in each category'.

2.3. Data collection. The data collection instrument was developed from the literature review. The questionnaire started with a letter of information and informed consent. It consisted of closed-ended, Likert-scaled, questions on factors influencing the marketing of PSs – between 2 and 7 questions per category. Each question had the facility for an open-ended comment.

The data collection instrument was pre-tested with subject experts to assess face validity and then a pilot study was done with nine Trainee Accountants from the same 'SPSO' population. Cronbach's Alpha revealed an overall acceptable reliability of 0,783 (Gliem and Gliem, 2003), but some amendments had to be made due to some of the category coefficients being unacceptable. Data were collected via an e-mail survey. A second, follow-up mailing was done to increase the response rate.

2.4. Data analysis. The data were edited and cleaned to detect and remove errors and inconsistencies to improve the quality of data (Rahm and Do, 2000). Of the 209 questionnaires received, only 111 were suitable for use in this study – the remaining 98 were incomplete. The data were analyzed using SPSS version 20.0, including univariate analysis for frequency distributions, bar charts and pie charts (Willemse, 2009).

2.5. Validity, credibility and reliability. Pre-tests and a pilot test helped to increase the credibility of

this study. Credibility was further established by the fact that only employees who had worked for SPSO for six months or more were included. This ensured knowledgeable responses. Reliability of the questionnaire was tested with Cronbach's Alpha (Andrew et al., 2011), with an acceptable reliability coefficient set at 0.70 or higher is (Gliem and Gliem, 2003). The overall reliability score was 0.864, but some of the individual categories were below the acceptable value. The primary reason for this was that the construct is newly developed, although having improved on the pilot version, and that two sections had only two factors comprising them. It is an opportunity for improvement of the instrument in future research.

3. Results and discussion

3.1. Sample demographics. Respondents were widely spread amongst the various office locations both locally and internationally. The spread allows for a reasonably accurate representation of the population. Considering that the 'SPSO's' Johannesburg office has the largest proportion of the population (376 staff members) while the Cape Town office has only 77, the sample was felt to be a fair representation of the SPSO population in South Africa. Whilst the study was based on South Africa, input was also sought from international offices (16%) to ensure that the findings were not too parochial. This is represented in Figure 1.

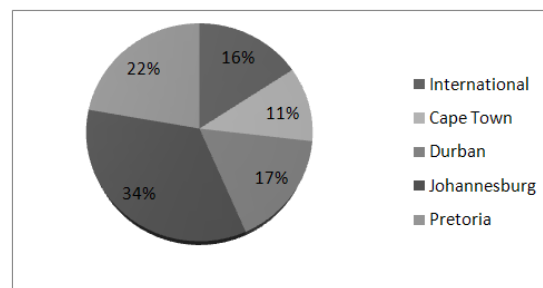


Fig. 1. 'SPSO' office locations

In addition, employees from varying hierarchical levels within the 'SPSO' responded to this survey. Respondents are evenly distributed, meaning that the results represent views with a relatively even representation from each designation group, making the sample a reasonable representation of the population.

3.2. Identification of importance of marketing factors. The figures below indicate the scoring patterns of the respondents for the variables that constitute the different categories.

3.2.1. Strategy. This section examines factors influencing the overall marketing strategy of the 'SPSO' through the analysis of participants' responses to the statements. Overall, levels of disagreement are low, as shown in Figure 2.

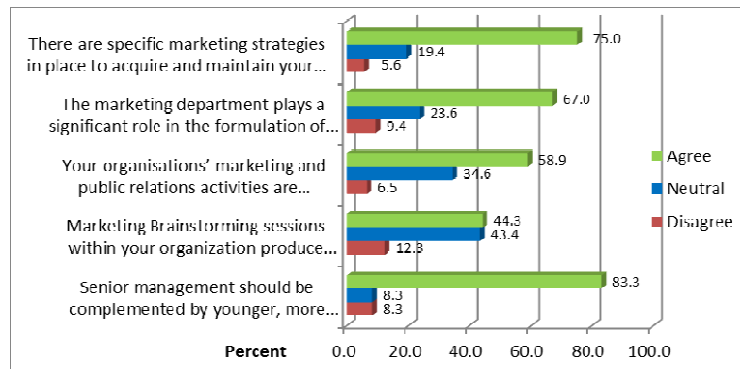


Fig. 2. Respondent scores: strategy

These findings highlight Nagdeman's (2009) belief that a key challenge for management is to provide innovative leadership that replaces the status quo and creates a culture of opportunity. Clow and Stevens (2009) state that PSOs, in today's turbulent environment, must know how to read their clients' needs. They must also be able to attract relevant resources, and utilize these resources to develop

programs, services, and strategies that will acquire and maintain clients.

3.2.2. Product/service. This section examines the different factors influencing the marketing product (in this case a professional service) of the 'SPSO' through the analysis of participants' responses to the statements. Again, levels of disagreement were low, as seen in Figure 3.

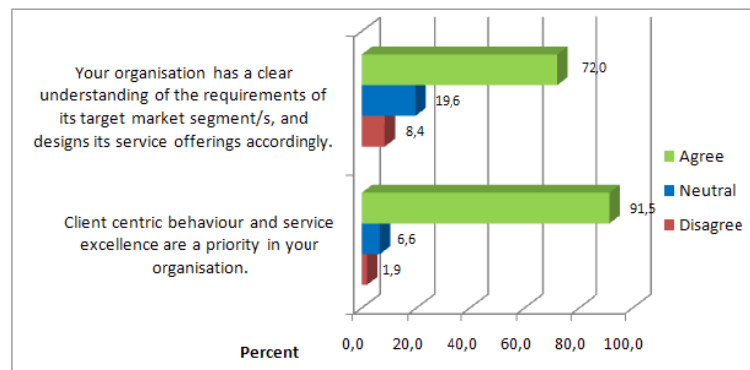


Fig. 3. Respondent scores: product/ service

These findings highlight Tuomivirta's (2009) belief that the most important consideration with regard to PS marketing is to understand how clients make the decision to choose a service provider. Similarly, organizations have the objective of meeting and exceeding the expectations of clients by providing value-adding services, through appropriate communication, at the right location, and thereby generating sufficient revenue (Clow and Stevens, 2009). Furthermore, Nagdeman (2009) believes that the market place is

becoming increasingly segmented. Consequently, the successful marketing of a PS organization is dependent upon the formulation of a service package that satisfies the needs and requirements of its target market and furnishes those services in a manner that provides value and satisfaction to the client (Kotler et al., 2002).

3.2.3. Price. This section examines two factors reflecting the pricing strategy of the 'SPSO', as shown in Figure 4.

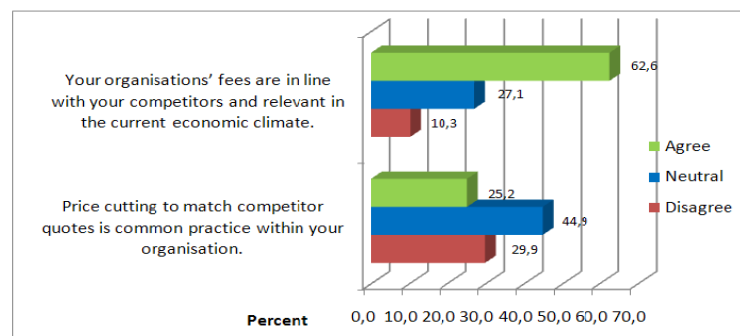


Fig. 4. Respondent scores: pricing

These findings highlight McConnel (1968), Olander (1970) and Zeithaml's (1981) views (cited in Yelkur, 2000) that price becomes a pivotal quality indicator in situations where other information is not freely available to help the customer to evaluate a service – it is, therefore, essential that the service provider engage in competitive pricing. This also emphasizes Kotler et al.'s (2002) belief that there needs to be

more focus on cost-savings: organizations must continuously refine the quality of their deliverables whilst maintaining price competitiveness.

3.2.4. Place. This section examines different factors influencing the place or location of the 'SPSO' through the analysis of participants' responses to the statements. Again, levels of disagreement are low, as seen in Figure 5.

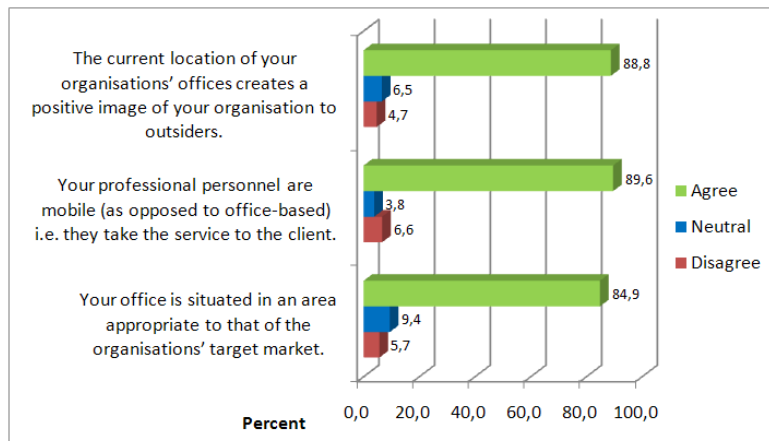


Fig. 5. Respondent scores: place

These findings highlight the fact that PSs cannot be inventoried (Zeithaml et al. 1985, cited in Yelkur, 2000, pp111-113), so by operating multisite locations the PS provider can make its services more accessible to its users. These organizations have the objective of meeting and exceeding the expectations of clients by providing value-adding services, through appropriate communication, *at the right*

location, and thereby generating sufficient revenue as a result (Clow and Stevens, 2009).

3.2.5. Promotion. This section examines the factors influencing the promotion of the 'SPSO' through the analysis of participants' responses to the statements. The analysis done on these factors indicates that the levels of disagreement are relatively low, as seen in Figure 6.

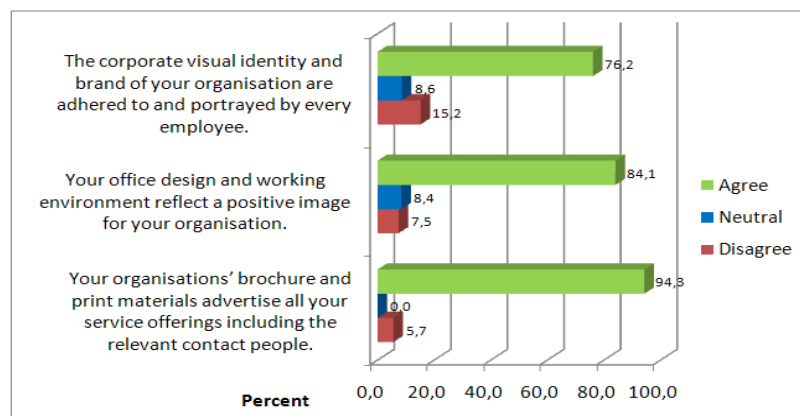


Fig. 6. Respondent scores: promotion

These findings highlight Ridley's (2008) statement that the marketing strategy must be communicated throughout the organization. Kotler et al. (2002) reiterate this by suggesting that an organization must ensure that management and employees are in agreement when it comes to communication strategies. Clow and Stevens (2009) believe that strategic value may be gained from a marketing initiative by objectively analyzing the information flowing from the marketing process, and understanding feedback from

clients. Furthermore, Kotler et al. (2002) maintain that anxiety can be reduced by assuring the client that their choice was correct. Three methods of providing this assurance are client education, follow-up surveys and providing guarantees.

3.2.6. Physical evidence. This section examines the factors influencing the physical evidence of the 'SPSO' through the analysis of participants' responses to the statements. As previously, the levels of disagreement are low, as seen in Figure 8.

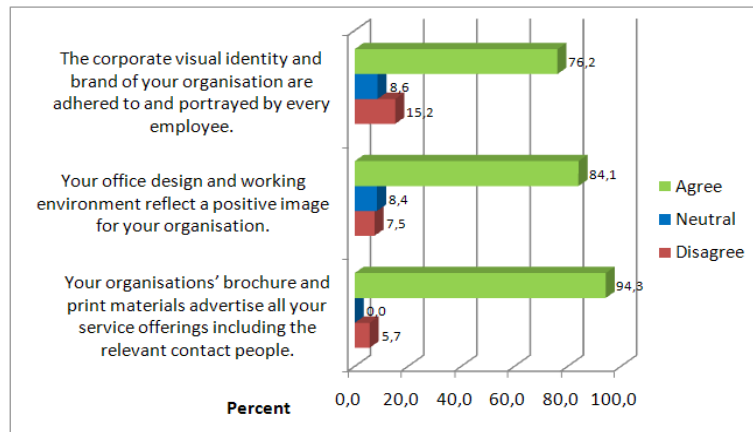


Fig. 8. Respondent scores: physical evidence

These findings highlight Hoffman and Batesons' (2010) advice that an organization's capacity is indicated through physical evidence. Furthermore, the physical evidence of the organization, such as environmental décor and apparel, may significantly influence the customer's expectations of the service offered. As PS offerings can generally neither be qualitatively advertised nor displayed for public viewing, service providers should be encouraged to create a conducive physical environment within their premises or where client contact occurs, thereby promoting favorable customer mind-set and perceptions.

Hoffman and Bateson (2010) also suggest the development of a quality organization brochure. Lagrosen (2005) believes that active communication between staff and clients can be encouraged by listing the corporate email addresses of key employees on the organization's website and brochures.

3.2.7. People. This section examines the factors influencing the people component of the 'SPSO' through the analysis of participants' responses to the statements. It is interesting to note that, unlike the other categories, the levels of disagreement, uncertainty and agreement are varied, as seen in Figure 8.

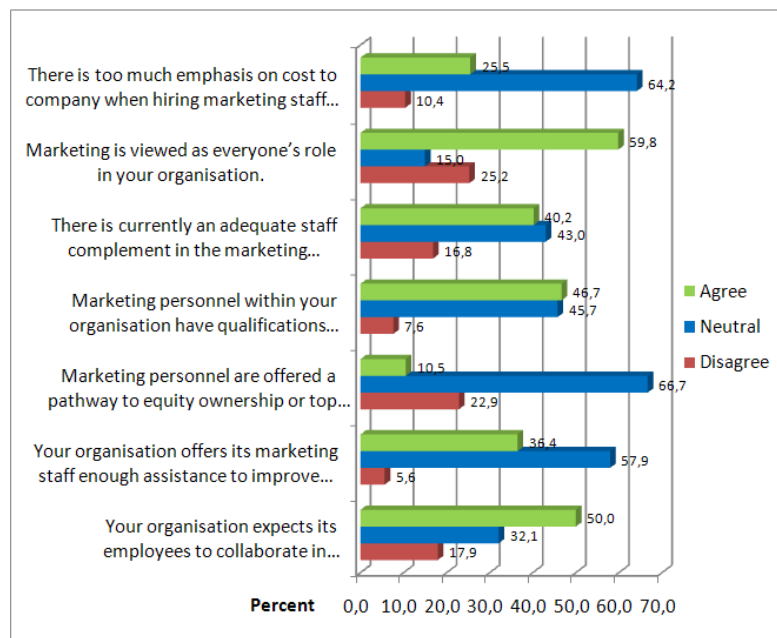


Fig. 8. Respondent scores: people

These findings highlight Kotler et al.'s (2002) suggestion that any PSO could benefit by embracing marketing in some appropriate operational format. Furthermore, Forsyth (2003) asserts that marketing can only be successful in a PSO if it is unreservedly embraced by all employees and management.

3.2.8. Process. This section examines the factors influencing the marketing process within the 'SPSO' through the analysis of participants' responses to the statements. The levels of disagreement are again low, and the opinions are between levels of agreement and uncertainty, as seen in Figure 9.

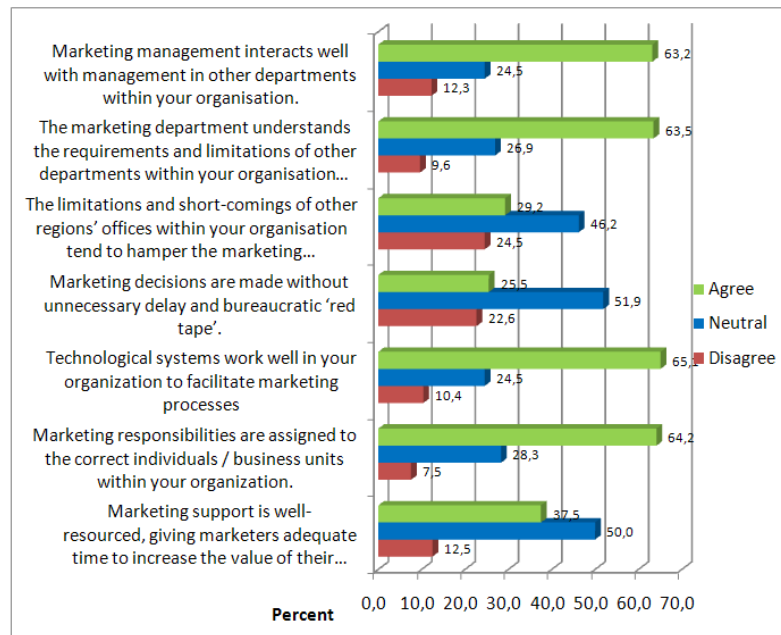


Fig. 9. Respondent scores: process

These findings highlight Forsyth's (2003) observation that in order for PS marketing to be successful, there must be interdependence between the elements and continuity within the marketing process. Furthermore, in the absence of effective leadership and control over a centralized marketing function, this may contribute to discord and dissension in large, more complex organizations, reducing effectiveness and efficiency (Newberry and Jackson, 2010, pp. 2-5). Clow and Stevens (2009) believe that a key aspect of operational marketing management control lies in determining the extent and strategic value of information that should be invested in practitioners or managers to empower them to play an effective role in marketing. Coviello et al. (2000) believe that the

marketer relies on information technology (possibly in the form of a database or the Internet) to form a client relationship, thereby enabling the service provider to compete in a manner different from mass marketing. This is supported by Gronroos (1978), who, many years ago, stressed the importance of proprietary technology and operating processes to service organizations.

3.2.9. Other. This section examines 'other' factors influencing marketing within the 'SPSO'. The analysis done on these factors indicates that the levels of disagreement are mostly low. Hence, the prominent options are mostly between levels of agreement and uncertainty, as seen in Figure 10.

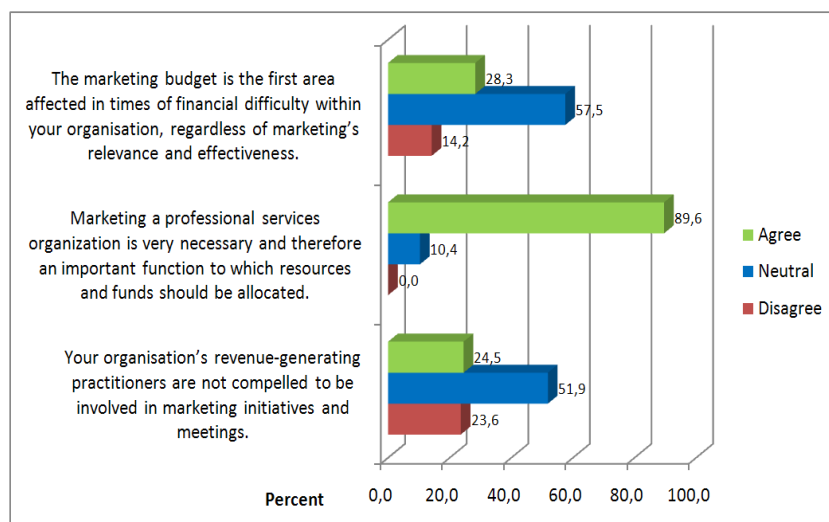


Fig. 10. Respondent scores: other

These findings highlight Day and Barksdales' (2003) belief about how essential it is that PS organizations adopt a marketing orientation to

strengthen their business strategy and increase the probability of attracting new clients.

3.2.10. *Summary.* Collapsing the findings displayed in the above graphs into more simple agree/neutral/disagree response categories provides the content of Table 4.

Table 4. Summary of factor scores

Factor	% Agree and Strongly agree	% Neutral	% Disagree and Strongly disagree
Place	87.8	6.5	5.7
Physical Evidence	84.8	5.7	9.5
Product/ Service	81.8	13.1	5.1
Strategy	65.7	25.9	8.4
Promotion	60.8	18.9	20.3
Process	49.8	36.0	14.2
Other	47.5	39.9	12.6
Price	43.9	36.0	20.1
People	38.4	46.4	15.2

The importance of factors is implied by the degree of average agreement or average disagreement with the statements. This Table clearly shows that respondents mostly held strong views about the importance of the various marketing factors for success in the PS firm. Place, physical evidence and product appear to be perceived as most important, while process, other, price and people were seen as less important for marketing, having received less than 50% agreement ratings. It is also interesting to note that one in five respondents disagreed with the importance of promotion and price. This could imply some remaining conservative attitudes towards marketing, namely that the quality of the service should speak for itself, and a professional firm should not need to resort to marketing.

4. Implications and suggestions for practitioners

These findings have certain implications for the formulation and implementation of effective marketing by a PS business. As highlighted in the literature, 'the 7Ps' is the most appropriate marketing paradigm to adopt for such businesses. The following discussion summarizes the factors influencing the marketing of professional services and how these factors should be implemented.

- ◆ The first group of factors, **strategy**, represents the organization's overall marketing strategy. The principal factors and relevant recommendations include: there should be specific marketing strategies to acquire and maintain the organization's target market, the marketing department should play a significant role in the formulation of the business strategy, resources and funds should be allocated to marketing, marketing brainstorming sessions should yield useful and measurable outcomes, and senior management should be complemented by younger and more innovative members to encourage more contemporary thinking.
- ◆ The second group of factors is **product/service**. This encompasses the actual service offered. The principal factors and recommendations include: the organization should have a clear understanding of its target market's requirements, and design its service offerings accordingly, client centric behavior and service excellence should be a priority, and a functional and effective client management program should be in place.
- ◆ The third group of factors, **price**, includes all the factors related to the pricing of the organization's services, including: the organization's fees should be in line with competitors and relevant in the economic climate, a functional and effective client management program should be in place, and the marketing department should understand the requirements and limitations of other departments when planning a marketing campaign.
- ◆ The fourth group of factors is **place**. This encompasses all the factors involved in the physical location of the organization and its offices. The principal factors and recommendations include: the location of the organization's offices should create a positive image and each office should be situated in an area appropriate to that of the organization's target market, i.e., services easily accessible to clients.
- ◆ The fifth group of factors, **promotion**, includes all factors related to promoting the organization to its target market. The principal factors and recommendations include: management decisions and campaigns originating at the top of the organization should be communicated and implemented throughout the organization, all employees should collaborate in marketing initiatives and be incentivized accordingly, a functional and effective client management program should be in place, and marketing management should interact well with management in other departments.
- ◆ The sixth group of factors, **physical evidence**, encompasses everything tangible and observable within the physical facilities. The principal factors and suggestions include; office design and working environment should reflect a positive image for the organization, the corporate visual identity and the brand of the organization should be adhered to by every employee and all print materials should advertise all service offerings, including contact details.
- ◆ The seventh group of factors, **people**, includes all factors related to the employees. Principal factors and recommendations include: marketing should be viewed as everyone's role, marketing staff should be offered assistance to improve academic qualifications, marketing personnel should have a pathway to equity ownership or top management

positions, all employees should collaborate in marketing initiatives and be incentivized accordingly, and marketing personnel should be well qualified for their roles.

- ◆ The eighth group of factors identified is **process**. These include all activities related to the marketing policy and procedures. Principal factors and recommendations include: technological systems should efficiently facilitate the marketing processes, marketing responsibilities should be assigned to the correct individuals/business units, marketing support should be well-resourced, marketers should get adequate time to increase the value of their functions, and marketing decisions should be made without unnecessary delay or bureaucratic 'red tape'.
- ◆ The ninth and final group of factors identified is **other**. These include: retaining marketing budget in times of financial difficulty, marketing needs to be recognized as critical and, therefore, worthy of the allocation of resources and funds. Finally, the organization's revenue-generating practitioners should be committed to, and involved in, marketing initiatives and meetings.

Conclusions

Conclusions about the objectives. The research objectives, as shown in the literature review, were achieved as follows:

- ◆ *explore current marketing milieu in multinational professional services business*, this objective was partially achieved through the review of the literature to identify factors relevant to marketing, and from the survey to confirm the factors. The overall outcome of the study reflects the changing environment for PS organizations, and their need to adopt a more marketing oriented approach.
- ◆ *identify factors relevant to marketing within organization's business philosophy*, the study suggests that key marketing fundamentals in this sector differ significantly from those generally recognizable in traditional marketing. It is suggested that, whilst these differences are probably symptomatic of particular PS practice norms and business ethics, the formulation, implementation and evaluation of effective marketing can be facilitated utilizing appropriate marketing paradigms. The study confirmed that the components of the 7P service marketing model reflect the marketing factors of importance in PS marketing.
- ◆ *identify the critical factors that influence the marketing of professional services*, the identification of critical factors was achieved by the degree of average agreement or average

disagreement with the questionnaire statements. As shown in Table 4, the place, physical evidence and product components appear to be perceived as most critical, with promotion and price appearing to be least critical. This may indicate that traditional conservative attitudes towards marketing still remain amongst PS staff. For this reason, support and commitment from top management is essential for successful implementation of marketing in a PSO.

Conclusions about the research problem. The research problem of this study was related to factors influencing the marketing of PS. This led to the question: "*What are the main factors influencing the marketing of professional services*".

The results of the quantitative and qualitative responses recorded in the study gave some interesting insights which helped to answer this question. Insight gained from the review of relevant literature and results of the survey, has led to the conclusion that marketing as practiced in the PS business environment has particular influencing factors and that the effectiveness of formal marketing activity cannot readily be evaluated.

Further observations made within the 'SPSO', supported by the survey findings, are indicative that belief in the value of formal marketing by professional and lay personnel is strongly influenced by the degree of commitment shown by the organizations' professional leadership to the process of marketing, the central role of interpersonal relationships in that process and modern norms of co-operative business behavior.

Limitations and further research. *Limitations.* The results of this case study relate only to the SPSO being examined. The sample size was drawn through a step-wise, non-probability, purposive sampling technique, so that the actual sample size was dependent on the judgement of the researcher. Only a limited number of people were interviewed within 'SPSO' locally and internationally. Consequently, generalization of the findings and results to the whole population should be done with care. These findings may not apply to other professional service organizations in South Africa or internationally. Therefore, care should be taken when trying to apply these findings to PS organizations other than the 'SPSO'.

Recommendations for further research. The research study was based on a relatively small sample. To be able to generalize the results further research with a bigger sample is required. Further qualitative research could be done with a bigger sample of experts to get deeper insight into the topic. The majority of the respondents was based in South

Africa and comprised non-marketing employees. It would, therefore, be important to interview the marketing employees and management of the 'SPSO' in all countries in which it operates. Such research could also focus on the partners/directors of the 'SPSO', both locally and internationally, in order to

get a clearer analysis of the perceptions of this important and astute demographic. Furthermore, the research focused on only one specific PS organization. Further research could be done on other professional service organizations, both in South Africa and internationally.

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