



Creating an Edge – How Online Marketing Helps Law Firms Create Competitive Advantage

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Every law firm likes to think its expertise and business culture is unique, but the actual distinction between the very large law firms on either side of the Atlantic is almost nil, according to legal marketing expert Jason Parkman.

“The one overriding message firms need to take on-board today is that the only way they are going to create competitive advantage is by providing something that no other firm does. Differentiation has become a key focus for law firms.”

The rate of merger and acquisition activity amongst large law firms illustrates why differentiation is becoming increasingly difficult. There are around 120,000 fee earners in the UK, 47,000 of these in the top 100 firms, and that number is going up by many thousands every year. In 2005, in firms with over 30 lawyers, there were 49 mergers globally and this rate is continuing to rise. In effect, this means each year the large firms become dramatically bigger, and the smaller firms, unless they are niche players, are acquired by larger ones. In a recent survey undertaken by financial services group Smith & Williamson, a resounding 100% of respondents thought the level of merger activity would increase or stay the same in the year ahead.

The only way for these firms to create a real distinction says Parkman is for them to identify what their audience really values, and provide that information in a unique way.

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So how do law firms go about reaching out to clients? Parkman says one of the most effective ways is to develop a communication strategy using web technologies to create targeted, value-add services. Working with law firms for the last decade, Hubbard One, a Thomson Elite business, has identified three distinct phases in the development of online communications by law firms.

“From 1995 to 1998 law firms concentrated on establishing basic websites, mainly because it was the trendy thing to do. Phase two, which began about 2002, saw law firms try and make those sites more relevant to clients by enriching them with relevant experience—the ‘show not tell’ way of marketing ones services.”

Parkman says there is plenty of research that supports the argument that what really sells a law firm to a potential client is the specific, recent and relevant experience that they have in particular matters.

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“Surprisingly some firms are yet to take this on-board. Their websites are full of information about their practice groups and contain pages of description about what they do and why they are so good, but no examples of what they have done.”

Parkman says Jones Day, one of the world’s largest international firms, leads the way in online experience marketing with around 11,000 pieces of specific searchable legal experience indexed on their website. “They win business because their website is so comprehensive.”

The third phase of website development for large law firms is targeted web marketing, which Parkman describes as an active attempt by law firms to identify and ‘touch’ their audience.

“Instead of just making sure their website is relevant and has information of value, targeted marketing is about creating audience specific experiences and delivering packages of information to specific clients that offers them something of value.”

Targeted email marketing is the base line activity that many firms are now providing, but where it starts to get more interesting Parkman says is micro sites where law firms create entirely distinct user experiences for specific groups. He says large consumer firms, such as Nike, do this very well, and it is something that professional services firms can better leverage.

“Nike has a range of community specific sites for women or football. They segment their business into interest groups. Law firms can do a similar thing and create distinct user experiences for specific groups, whether they are related to a particular industry, region, or type of law.”

Creating elaw experiences through subscription-based information repositories is another effective targeted method and one in which UK law firms are proving to be quite progressive.

“Allen & Overy in the UK is a good example. They have created online elegal services to which clients subscribe to or purchase from the firm in lieu of hourly billing services. Essentially what firms are doing is locking in a particular set of clients by providing information that is specific to them.”

Parkman says firms are experimenting with a range of marketing methods to try and prove their offerings are unique. “Micro sites are very popular at the moment and some firms are trying blogs, but I don’t believe that device is being used very effectively at present. UK firms are also experimenting with providing online continuing professional development for their in-house counsel clients.”

In addition to conveying targeted content on a specific subject, Micro sites can help boost law firm rankings in search engines. Because clients use website searches as a way of reaching out to a law firm, these sites provide firms with a clever way of gaining early mind share. Connecting their firm’s name with a particular sector often provides a high ranking in any website search a client undertakes.

Other firms are using the web to cultivate relationships with specific target audiences. UK law firm Lovells, for instance, has a dedicated graduate career site that targets recruits looking for their first job out of law school. The site provides insight into the type of work new recruits will be involved in and what their experience will be like.

Parkman noted that “We’ve certainly seen an increase in requests from clients to learn more about new technologies like blogs, podcasts and RSS feeds. I believe that in the next year or two, firms will find innovative ways of using new technologies to connect with their clients.”

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