

Professional Services Guide to

RESEARCH

How Targeted Research Drives Firm Growth and Profitability

Second Edition



Professional Services Guide to Research

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About this Guide

What is it?

A comprehensive overview of how to use research on target markets, clients, prospects and your own staff to drive firm growth and profitability.

Why do I need it?

There is a strong correlation between research and high growth: firms that harness the power of research grow faster and are more profitable. You need to understand how it applies to your firm's strategy and marketing.

Who is it from?

This guide was prepared by Hinge, a leader in branding and marketing for professional services firms.

How can Hinge help?

Hinge offers research services in the following areas:

- Brand studies
- Client research
- Market research
- Referral source/influencer research
- Competitive research
- Employee research
- Client journey research
- Client persona research
- Custom research

Hinge also offers:

- Branding and strategy
- Award-winning creative
- Website design and development
- Search engine optimization
- Social media strategy and implementation
- Content marketing
- Campaign management
- Video production

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SECTION I:

Making the Case for Market Research

In this section, we explore why research is so valuable, what specific benefits it offers to professional services firms and how real-world firms have used it to establish a tangible competitive advantage.

The Impact of Market Research on the Bottom Line

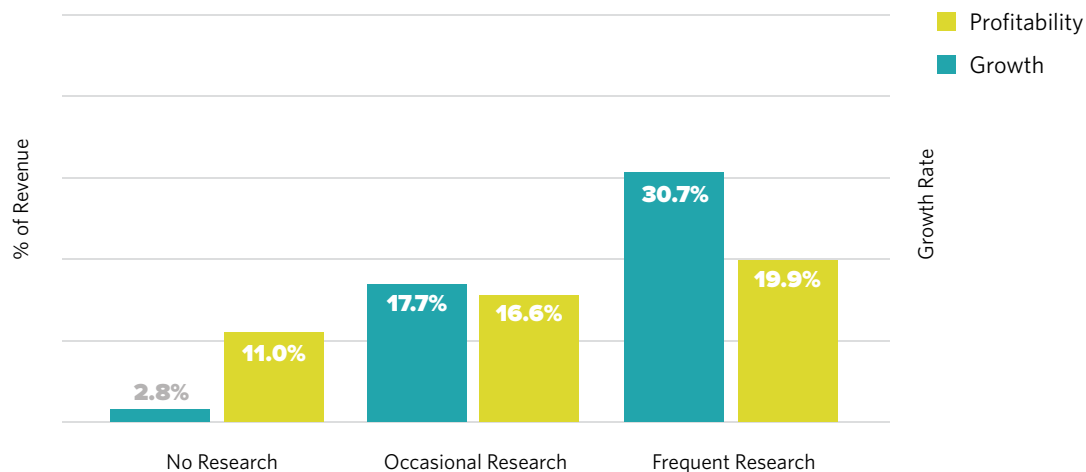
The more you know, the faster you'll grow

On some level, we all know that it is important to research our clients and prospects. You may think you know your clients pretty well. But how well do you know your audience... really? Can systematic research on your target market impact the growth and profitability of your firm?

We investigated these questions as part of an ongoing study of professional services firms. We knew from our experience working with professional services firms that target market research can be very useful. But because so many factors affect growth and profitability, we weren't sure that research would play a significant role in a firm's performance.

We divided the firms we studied into three groups:

- Those that did no systematic research into their target market
- Those that did occasional systematic research
- Those that did frequent research (at least quarterly)



To our surprise, we found a clear — even dramatic — correlation between systematic research and firm growth and profitability. Firms that conducted even occasional research showed big increases in growth and profitability. Further, those firms that did *frequent* research grew still faster and were even more profitable.

What kind of research? It's important to note that we ruled out informal research, such as talking with clients or keeping up with industry publications. We also did not include client satisfaction surveys. These less formal kinds of research often lack rigor and are subject to a range of distortions. Instead, we focused on systematic, structured research that helps firms understand and track their target market.

Why would research have such a powerful impact? While the data doesn't provide a definitive answer, we believe that when firms understand their target market, including their current clients, they can better anticipate emerging needs to develop relevant, high-margin services and market them efficiently.

But what makes research so powerful? What exactly can firms learn about the client groups they serve?

Think of the value of truly understanding your current clients' emerging needs, how they perceive your firm or why the "ones that got away" chose one of your competitors. Knowledge can be powerful.

While studying high-growth professional services firms, we made an eye-opening discovery. Firms that conduct systematic research on their current and potential clients grow from 3 to 10 times faster and are up to 2 times more profitable.

Think about that for a minute. Faster growth and more profit. Sounds pretty appealing, doesn't it?

In this guide, we'll explore the gamut of professional services research and explain exactly how to go about finding the right approach for your firm.



Firms that conduct systematic research on their current and potential clients grow from 3 to 10 times faster and are up to 2 times more profitable.

Why is market research so important?

Most professional services leaders underestimate the importance of market research in growing their firm. We regularly hear a lot of bravado from top executives: “I already know my clients. In fact, I understand some of their issues even better than they do.”

While that may be true, it ignores one persistent, inconvenient fact. Professional services firms that do frequent, structured research on their target client population grow faster and are more profitable than those that don't. It's hard to ignore that one.

As we've tried to understand why research is so important, we've come to the conclusion that there is no single reason. Instead, there are several:

1. You probably don't know your clients as well as you think you do. In almost every piece of market research we do, we uncover situations where professional service providers misjudge or misread their clients.
2. Your clients are often subject to powerful influences that you are not aware of. These influences may be market pressures that your clients never disclose to you because they don't think they are relevant to your work.
3. You may be intimately familiar with the trees but miss the forest. It's sometimes hard to see patterns when you are so wrapped up in day-to-day interactions with your clients.
4. Your current clients may not be representative of the market as a whole. Consequently, you could miss an important trend.
5. In the rush of day-to-day client delivery, it is easy to put off dealing with complex, hard-to-resolve issues. Good market research makes these issues hard to ignore.
6. Research-driven facts can shape staff behavior. It is very easy for staff to become set in their ways and resist change. But it's difficult to argue with objective data — and it can be a powerful tool to chop through the underbrush of opinion and clear a path to change.
7. Market research can illuminate which services you should offer, as well as how and when to offer them. When you understand emerging issues and trends, those decisions often become more straightforward.

The impact of market research is easier to understand once you've been through it. But in many firms, there are partners or staff who resist taking that first critical step. We tackle that challenge in the next chapter.



Overcoming Objections to Doing Market Research

Is researching your clients and prospects really worth the investment?

This question arises with such frequency in our work that it has caused us to think through the issues involved. More often than not, it comes up in the context of a rebranding or market planning initiative.

Your very first step is to get the strategy right. Building a firm upon a flawed strategy is the equivalent of erecting a building on a cracked foundation. Never a good idea.

We advise the companies we work with to understand the perspectives of both client-facing staff and the outside market. That's why internal, client and prospect interviews are so valuable.

Concerns often arise around three main points.

1. "I already know my clients."

According to our research, firms don't know their clients as well as they think. While it's true that most firms know quite a bit about their clients' businesses, that knowledge is filtered through the lens of their own perspective. We refer to this perspective as a firm's "internal brand." It's how they see the world looking out. A firm, however, often looks very different from the outside looking in — its "external brand."

For example, during our research, when we asked a firm to identify their competitors — and subsequently asked their clients and prospects the same question — we found that the average overlap between the two groups was only about 20%. That means that professional services firms aren't aware of 80% of their true competitors.

Similarly, our research also shows that about 65% of the time a client admits they don't really know what services (beyond the one they are using) their firm offers. Even worse, over 85% of the time clients wish their firm could perform services that they already offer!

Professional services firms aren't aware of 80% of their true competitors.

Research gives you insights into your brand, too. Over the past decade, we have never conducted research on a firm without uncovering at least one hidden strength — one that clients saw but which the firm didn't realize they had. Some things you just take for granted. You're too close to see them. And of course, there are all those hidden weaknesses that surface as well.

In our experience, firms that have not conducted target market research have just a 50–75% understanding of their external brand. On a significant number of issues, they are just flat out wrong. In part, this is because many clients won't tell their firm when they are unhappy with its service. They don't want to hurt people's feelings — or further damage an already precarious relationship — with critical comments. On the flip side, some clients may avoid providing positive feedback because they fear their firm will raise its prices if it finds out how invaluable their services are.

2. "Don't rock the boat."

Will talking to clients irritate them or dredge up old issues? While this is an understandable concern, it turns out to be not much of an issue. Clients that don't want to be bothered simply won't participate in the research.

We find that most clients are both willing and very forthcoming. Most feel good being asked for their perspective, and the interview process tends to reflect well on the firm. And don't worry about losing a client — it never happens. It's far more likely that the interview will uncover an existing need and lead to new business, instead.

What if your clients are government employees? Many people are convinced that their government clients simply will not participate in research. While there are instances when they can't participate in an interview, it's rare. In reality, government clients respond very much like private sector clients.

3. "What's the ROI?"

Until recently, investing in research was a leap of faith. We knew from direct experience that systematic research resulted in smarter strategies and stronger competitive advantages, but we had no way of proving it. All that changed as we studied high-growth, high-value professional services firms.

In our research, we ask a question to find out if firms conducted systematic, structured research on their target client groups (clients, prospects, potential prospects) — exactly the type of research we are talking about here.

Clients that don't want to be bothered simply won't participate in the research.



Firms that conducted structured research, even occasionally, were more profitable and grew faster than those that did not.

Similarly, those firms that did frequent research were even more profitable and grew even faster. And that profitability had to, by definition, take into account the cost of the research. It simply doesn't get much clearer or more compelling than that.

But how should you go about conducting the research? In coming chapters we'll explore the process of conducting professional services research. But first, let's look at some real-world examples of firms that benefited from research.

Hinge: Your Partner in Research



Are you looking for a research partner with deep professional services experience? For well over a decade, Hinge has been helping firms unearth an extraordinary range of insights — so you can make the most of your marketing investment.

We invite you to reach out to us and request a Free Research Consultation.

We'll discuss the best strategies to get the answers you need to drive greater growth and revenues:

- How your buyers really see you
- How you stack up against competitors
- How you can differentiate your firm
- Why your best clients choose you
- Why your "got-aways" chose other firms

[Request Your Free Consultation](#)

How Hinge Uses Research to Grow Professional Services Firms

In this chapter, we share case stories of Hinge clients that used research to address a variety of common branding and marketing challenges.

Case Story: Using Research to Align Brand Positioning

A global consulting firm offering services to three distinct, well-defined market segments came to Hinge with a brand crisis. Having gone through a merger years before, the parent company retained the acquired firm's brand name and allowed it to operate independently. Over time, the positioning of each brand grew apart.

To best understand their true differentiators and bring the positioning of each brand closer together, Hinge conducted a brand study. We interviewed nearly 70 clients and prospects and surveyed over 300 firm employees. We cross-tabulated results by relationship and market sector to illustrate gaps in perception. This data helped clarify their brand positioning, which drastically improved. And now, prospective clients understand the perceived value and relevance of each brand and their relationship to each other.





Case Story: Using Research to Unify Multiple Sub-brands and Establish a National Reputation

A large, regional accounting firm had built its business in part by acquiring smaller businesses and rolling them into its family of companies. As the firm began an initiative to develop a national presence, it understood it needed new brand positioning and messages to reach a wider audience and consolidate its disparate brands.

Hinge interviewed over 80 clients and key internal stakeholders, which produced key insights we turned into a unified brand positioning statement. These findings also informed an all-new marketing strategy and messaging platform that would move the firm from a regional player to national prominence. In parallel, we took nearly a dozen websites from its family of companies — each with a different URL — and consolidated them into an online platform that speaks with one voice and conveys one brand. Today, this firm is using its sharpened positioning to penetrate new markets and resonate with a far wider audience.



Case Story: Using Research to Address Rapid Growth Through Acquisition

A national staffing firm had grown rapidly by strategically acquiring smaller firms with specialized expertise. The firm was careful to acquire companies whose services complemented its own. What's more, the acquisitions added valuable talent to its team. But the resulting "house of brands" lacked cohesive positioning and messaging. And this firm faced a number of challenges that are common after mergers or acquisitions:

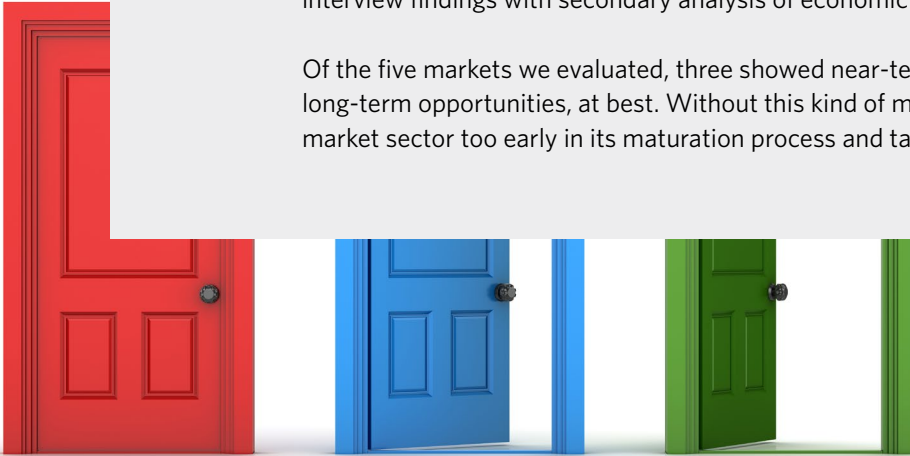
- It had no way to quantify or understand the brand strength of their acquired firms.
- It needed to understand internal and external brand perceptions to uncover common ground and help unify internal teams.
- It needed a repeatable strategic approach that could be applied to future acquisitions.

As part of a brand research study, we interviewed more than 50 clients and surveyed over 300 employees across five separate brands owned by the parent company. We cross-segmented results by brand affiliation and relationship to highlight gaps in perception. From this data, we were able to quantify the equity of each acquired brand and uncover potential synergies and areas of conflict. We used these insights to develop integration and branding strategies the firm could apply to future acquisitions.

Case Story: Using Research to Evaluate Market Opportunities

An international engineering and consulting firm had identified five new markets it was considering entering. To help the firm evaluate each market, we interviewed 100 clients, prospects and market influencers. Among other factors, we explored where these audiences saw opportunity, what projects were on the horizon and what geographic markets showed the most promise. We supplemented the interview findings with secondary analysis of economic activity and market projections.

Of the five markets we evaluated, three showed near-term promise while the other two were nascent long-term opportunities, at best. Without this kind of market research, the firm might have entered a market sector too early in its maturation process and taken on unacceptable risk.



SECTION II:

Your Market Research Journey

In this section, you will learn about the many types of research available to you, how to select the right one, and how to design a study that will reap the kinds of insights that will make a powerful difference in your business.

Defining Your Research Goals

Before you begin your market research journey, you must define your project's goals and objectives. For instance, your firm may be considering a shift in market strategy, but stakeholders aren't yet convinced it is smart move. Research is a good way to validate the proposed shift in strategy and build consensus among stakeholders.

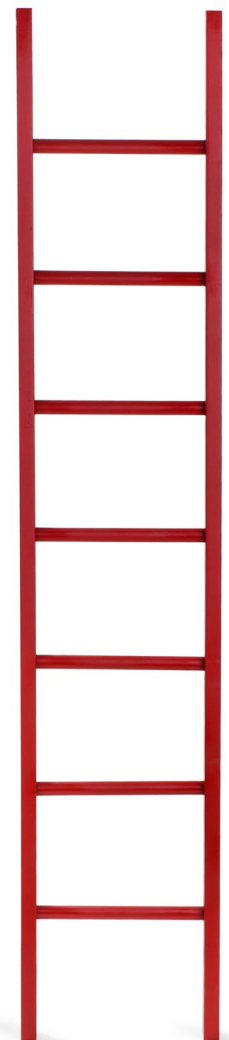
Research can also help you explore new possibilities for your business. What additional services do your clients wish you offered? If they could change one thing about your business, what would it be? Research can even uncover your true competitive advantage.

It's easy for a firm's research "wish list" to balloon into an unwieldy (and costly) project, so it is important to set clear objectives up front. Here are a few real-world examples of tightly focused research goals:

- To sharpen brand positioning and messaging
- To uncover true, relevant and provable differentiators
- To improve the way the firm goes to market
- To pursue strategic market opportunities
- To develop new services to offer
- To offer better training for business development staff
- To identify and profile top competitors

Before you dive into an expensive research project, sit down with your executive team and discuss what you hope to achieve from the initiative. Try to distill your goals into one or more simply stated goals. Keep in mind the more goals you have, the more complex, time consuming and pricey your research project will become.

Once you have your goals clearly in mind, you can determine what type of research is most appropriate. Which is the subject of our next chapter.



Selecting the Right Type of Market Research

Market research pays off for professional services firms. In fact, firms that conduct systematic research on target client groups are both more profitable and grow much faster (see Chapter 1). Who doesn't want that?

When we share this finding with clients and prospects, they want to know what type of market research is most important. Of course, the answer is "it depends." In this chapter we cover the various approaches to market research available to you and when you might want to use each.

First, you need to decide what approach you want to take. Will you be doing original research, or will you be mining existing research for answers? Or will you do a little of each? Let's take a look at your options.

Approach 1: Primary Research

Primary research involves collecting data directly from the source. For example, suppose your business is considering adding a new service to complement an existing one and you need to develop a marketing strategy. You might reach out to potential buyers — using in-person interviews or a survey tool — to find out how likely they are to buy your new service.

What it's good for: Primary market research can answer specific questions about your business and your clients.

Approach 2: Secondary Research

Secondary research entails combing through existing market research for insights that are relevant to your business. You might, for instance, look at economic data to estimate a market's size, or you might turn to [market studies on buyer behavior](https://hingemarketing.com/library/format/research_studies)¹ to decide whether it makes strategic sense to add a new service. Some

Primary market research can answer specific questions about your business and your clients.

¹ https://hingemarketing.com/library/format/research_studies

secondary research is publicly available and free, while some is available for purchase.

What it's good for: Secondary research is often used for estimating the size and growth (positive or negative) of markets. It rarely provides the sorts of insights that would help you tailor a service or gain a competitive advantage for your firm, however. For that kind of wisdom, you will have to conduct primary research.



Types of Research

Whether you opt for primary or secondary research (or both), you need to decide what type of research will best answer the kinds of questions you have. Here's a list of the most common types of research and what they are suited for:

- **Brand research.** Helps you understand how you are perceived in the marketplace and where your opportunities lie.
- **Client research.** You'll discover what your clients and prospects want and how you can deliver it.
- **Market research.** A very broad category, market research can help you find out who your true competitors are, what services you should be offering, what markets you should enter, and more.
- **Client satisfaction research.** How happy are your clients with your work and service? Client satisfaction research will give you a detailed perspective. We are not talking about formulaic, post-project satisfaction surveys. To get true insights, you need to dive deeper into people's experiences, ideally incorporating professional interviews.
- **Client journey research.** Understand in detail out how people find, learn to trust, buy and use your services. Use this information to reduce friction in the buying process, improve your closing rate and raising your service standards.
- **Client personas research.** Who are the people who buy your services or influence those who make the final decision? What messages do they need to hear? Persona research will identify and profile them so your marketing can be more powerful.
- **Custom research.** If you have specialized needs, a research firm can design a custom research study to answer any question you may have — from gathering intel on your competitors to surveying prices in your marketplace.

Designing Your Research Approach

When developing the questions to ask your target audience, start with the key issues you want to resolve. It can require multiple questions from different angles to capture the full extent of your audience's view on an issue.

To keep your questionnaire to a reasonable length, resist the temptation to include interesting, but off-topic, questions. The longer your survey or interview, the more people will fail to complete it.

Keep in mind that *who* is asking the questions can play a significant role in the success of a market research project. An objective, unbiased and talented interviewer is far better equipped — and seen as more credible — to probe and get at the truth than an inexperienced member of your staff.

Designing Your Questionnaire

The questions you ask must be carefully worded to avoid introducing bias. If you are exploring a hypothetical direction for your business — for instance, a potential new service or new industry market — it is not always a good idea to ask your target audience about it directly. Instead, you may want to ask more general open-ended questions, inviting your audience to volunteer the information you are looking for.

Also, the order of your questions must make sense for both the interviewer and the respondent. If a particular question is asked too early, it could influence responses to subsequent questions. For instance, asking about a client's satisfaction with your firm should come after asking why your firm was considered in the first place. Reminding the respondent of any negative (or positive) experiences working with your firm may bias the later response.

Designing an effective and valid questionnaire is an art. If possible, enlist the help of an experienced research professional who knows how to navigate the pitfalls and can produce an instrument that will get to the bottom of your questions.



The Top 10 Questions that Drive Growth and Profitability

We analyzed the wide range of questions we asked when doing research for our own professional services clients, paying particular attention to questions that could impact a firm's growth and profitability. The result is this list of the top 10 research questions.

1. Why do your best clients choose your firm?

Notice we focus on the best clients, not average clients. Understanding what great clients find appealing about your firm can help you attract others just like them.

2. What are those same clients trying to avoid?

This is the flip side of the first question and offers a valuable perspective. As a practical matter, avoiding being ruled out during the early rounds of a prospect's selection process is pretty darned important. The answer can also help shape your business practices and strategy.

3. Who are your real competitors?

Most firms are not very good at identifying their true competitors. When we ask a firm to list their competitors and also ask their clients to do the same, there is often less than 20% overlap. Why? Sometimes it's because a firm knows so much about its industry that it fails to take certain types of competitors seriously. Other times it's because a firm views a client's problems through their own filter and overlooks completely different categories of solutions that they may be considering. In either case, not knowing your real competitors seldom helps you compete.

4. How do potential clients see their greatest challenges?

The answer to this question helps you understand what is on prospective clients' minds and how they are likely to describe and talk about those issues. The key here is that you may offer services that can be of great benefit to organizations, yet they never consider you because they think about their challenges through a different lens. They may want cost reduction when you are offering process improvement (which may, in fact, reduce cost). If you can't connect the dots, you will miss the opportunity.

5. What is the real benefit your firm provides?

Sure, you know your services and what they are intended to do for clients. But what do they *actually* do? Often, firms are surprised to learn that the true benefits of their services are somewhat different than they expected. When they do understand the real value of their services, firms are in a position to enhance them or even develop new services with different benefits.

6. What trends and challenges are emerging?

Where is the market headed? Will it grow or contract? What services might be needed in the future? This is fairly common research fodder in large market-driven industries, but it's surprisingly rare among professional services firms. Understanding emerging trends can help you conserve and better target limited marketing dollars. We've seen many firms add entire service lines, including new hires and big marketing budgets, based on little more than hunches and anecdotal observations.

7. How strong is your brand?

What is your firm known for? How strong is your reputation? How visible are you in the marketplace? Answers to each of these questions can vary from market to market. Knowing where you stand can not only guide your overall strategy, it can have a profound impact on your marketing budget. An understanding of your brand's strengths and weaknesses can help you figure out why you are getting traction in one segment and not another.

8. What is the best way to market to your primary target clients?

Wouldn't it be nice to know where your target clients go to get recommendations and referrals? Wouldn't it be great if you knew how they want to be marketed to? All you have to do is ask. If you are looking for specific answers, make sure your questions make that clear.

9. How should you price your services?

This is often a huge stumbling block for professional services firms. In our experience, most firms overestimate the role price plays in buying decisions. Perhaps it is because firms are often told that the reason they don't win an engagement is because of price. It is the easiest reason for a buyer to share when providing feedback. If a firm hires an impartial third party to dig deeper into why it loses competitive bids, it often learns that what appears to be price may really be a perceived level of expertise, a lack of attention to detail or an impression of non-responsiveness. We've seen firms lose business because of typos in their proposal — while attributing the loss to their fees.

10. How do your current clients really feel about you?

How likely are clients to refer you to others? What would they change about your firm? How long are they likely to remain a client? These are the kinds of questions that can help you fine tune your procedures and get a more accurate feel for what the future holds. In some cases, we've seen clients reveal previously hidden strengths. In others, they have uncovered important vulnerabilities that need attention.



Identifying Your Researcher(s)

When the question inevitably arises, “Who should do the client research?”, you have three options. Each has benefits and drawbacks.

- The relationship owner or primary client contact
- Another person within your firm
- An independent outside researcher

As we compare these three alternatives there is one basic truth we need to keep in mind. Your clients are people. They are subject to all of the emotions, social pressures and societal norms we all face.

Don't expect them to be rational or completely candid with you. Professional services are based on relationships. You and your clients are in a relationship together. Yikes — we all know what that can mean!

Let's look at each option in turn:

The relationship owner

Here, the primary client contact, often the most senior person on the account, would interview the client.

The rationale is that he or she is the person who best knows the client and has a trusting relationship with them. Presumably this person would get the most candid feedback. Also, concerns that the research might disrupt the relationship would be minimized. This avoids the “don't rock the boat” pushback.

But most of these benefits are an illusion. In fact, the relationship owner is probably the least likely person to get candid feedback. The client will often pull their punches to avoid hurt feelings or making a bad situation worse. On the other hand, if the client is too positive, he or she may be concerned that you might increase your fees or reduce your level of service.

Of the three alternatives, this one is least likely to produce valuable findings. That doesn't mean that relationship owners shouldn't have an ongoing dialog with their clients — quite the opposite. It's central to delivering quality service. Just don't kid yourself that it's research.

Another person from your firm

In this scenario a more “independent” person from your firm conducts the interview. This may be a senior person such as the Director of Client Service or a member of the marketing or administrative team.



On the surface, this approach addresses several of the issues inherent in using the relationship owner. It removes the questioner from the center of the relationship, presumably make it easier for the interviewee to be candid. This staff person, if skilled at conducting interviews, will learn more than a relationship owner would. It is a step in the right direction.

The problem is, it only goes so far. The client is still talking to a representative of your firm, and they know it. Even if the interviewer promises anonymity and to keep the comments confidential (which is essential), he or she may not be believed. People know from their own experience that colleagues talk, so they expect it, even if it's not true.

When it comes to researching prospects and lost proposals, this alternative also falls short of ideal. Many folks will interpret it as a sales call and not distinguish between roles in your firm.

Independent outside researcher

In this approach, the firm retains an independent research firm to conduct the client research and report the results. This is done confidentially. (Occasionally, however, an interviewee requests that the interviewer convey a message back to the firm.)

This alternative eliminates (to the extent possible) the issues of candor. Feelings are not hurt, conflict is avoided and the interviewee can discuss value without fear of an imminent fee hike. In many instances, the client will describe how they have avoided bringing up issues for fear of making things worse.

The researcher may also have accumulated experience or data that will help a firm benchmark its performance against other firms in its industry. This can be an added bonus.

The big downside is cost. A firm will be writing a check to make this happen. Now, we would argue that there is a real cost to handling client research internally, too. After all, employees who do the research are being paid and aren't able to do other productive work. So, any way you look at it, valuable client research is not free.

There are other downsides, as well. They are the same downsides of working with any outside service provider, such as finding the right partner and managing the working relationship.

Full Disclosure

We want to be clear that our firm, Hinge, provides this very type of client research services to professional services firms. So you might conclude that this analysis is self-serving.

Any way you look at it, valuable client research is not free.

But we want to leave you with one telling point. When we conduct research on our own clients, we follow our own advice and hire independent outside researchers to do the interviews and collect the data. It's the only way to get reasonably accurate results.

In the next chapter we'll cover some alternative approaches to collecting research data and help you understand what type might be best for your needs.

ONLINE MASTER CLASS

The Visible Firm[®]

The proven, high-growth way to market your professional services firm



Why do some firms grow faster and generate higher profits than their competition? This master class not only answers that question, it provides a comprehensive — and practical — approach to marketing any firm can use to break out and take a leadership position.

Based on research on more than 20,000 professional services firms, including hundreds of high-growth standouts, this class will teach you exactly what changes you need to make to become a recognized industry leader.

What You'll Learn:

- What tools and techniques are most effective for growing your firm
- What popular marketing techniques are a waste of time and money
- Why research is critical to establishing a competitive advantage
- How to develop and execute a comprehensive marketing strategy
- How to bring a stream of qualified leads to your website—and convert them into clients
- What to track so that you can adapt your strategy to fast-changing conditions

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Collecting Your Data

Another key consideration in the brand research process is *how* data will be collected.

For many professional services firms, each client is unique and has very nuanced challenges. These perspectives are best captured one-on-one. While focus groups may be effective for product market research, groupthink can mask the individual challenges that face your clients.

The most effective way to capture individual perspectives is to conduct phone interviews and online surveys. And when you combine the two approaches, you can strike a reasonable balance between data quality and quantity.

Let's take a look at the benefits and drawbacks of using the two most effective data collection methods for client and prospect research: online surveys and in-depth interviews (IDIs).

Online Surveys

Perhaps the most common type of primary research today, surveys, have become a fixture of the modern online experience. With a wide variety of tools out there — from Survey Monkey to Qualtrics — collecting the data isn't the problem. It's knowing the right questions to ask, which tools to use and how to interpret the results.

Surveys work well for soliciting information from a lot of people. They can tell you what proportion of respondents feel a certain way or share a specific characteristic and can be a great way to achieve statistical significance. However, online surveys seldom yield the subtle qualitative insights of an interview, such as the kind of language a client used to describe their most pressing challenges.

For deeper insights, you may need to consider other types of market research.



What are the benefits of online surveys?

- **Cost effectiveness.** There is some maintenance and monitoring involved during the data collection period. But when compared to IDIs, the ability to capture more responses with relatively little effort makes online surveys more cost effective.
- **Time savings.** Usually, respondents can complete an online survey faster than an IDI. Additionally, identifying a time that fits the interviewer and respondent's schedule can be a hassle. Online surveys give participants the greatest flexibility and convenience. (Of course, this flexibility means they are easy to forget about or ignore, too.)
- **Larger sample sizes.** If your firm has 40,000 clients, it would not be practical to interview even 2 percent of them. An online survey, however, can easily be deployed to your entire list. That means you can capture responses from a larger, more representative sample.

What are the drawbacks of online surveys?

- **Need for incentives.** Depending on the nature of your audience and their familiarity with you, they may not be willing to take your survey without an incentive. In certain circumstances, an incentive could be free of cost — such as offering exclusive access to the results of your research — but in many cases you have to resort to old-fashioned bribery. Gift cards with broad appeal (like Starbucks, iTunes, or Amazon) can be effective come-ons.
- **Non-completion.** Online survey respondents don't always answer every question on a survey. Sometimes, they will exit the survey before completing it. There are a number of factors that impact completion rate, which is why building a strong questionnaire is important.
- **Harder to get detail or explanation.** Most survey respondents opt not to provide detailed, descriptive responses. Because of this reluctance, open-ended questions usually produce little valuable data. Instead, closed ended "select all that apply" questions can keep respondents engaged and prevent a high drop-off rate. Unfortunately, this practice prevents respondents from using their own words to answer questions, so you lose the shades of distinction in people's responses.

Online surveys give participants the greatest flexibility and convenience.

In-Depth Interviews (IDIs)

In our experience doing market research for professional services firms, in-depth interviews are the most effective way to do exploratory research. Here are some common types of interview styles:

Face-to-face

Professional services firms are typically better served by interviewing representative members of their audience individually. Face-to-face interviews give you the flexibility to schedule busy executives (often current or potential clients). You can also tailor your interview questions to probe for answers and

adapt to situational responses. This approach is perhaps the most effective source of data for professional services firms.

Face-to-face interviews, however, do come with a couple of important limitations. First, they are the most expensive interviews to conduct. A skilled interviewer must travel to the client, who could be located anywhere. Further, the interviewee may be reluctant to give up the extra time these interviews typically take.

Phone & Video

Phone or video interviews are often a better alternative for most firms. They offer benefits similar to individual face-to-face interviews, but at a much lower cost. It is much easier for a busy executive to take a phone call than to sit down for a meeting.

The main advantage lost in these interviews is the interviewer's ability to read body language. But when interviewees are willing to use them, video tools like [GoToMeeting](#), [Skype](#), [Google Hangouts](#) or [Zoom](#) can mitigate that downside, as well.

Focus Groups

Get a group of your target customers together in one place and ask them a series of questions. Voila! You have a focus group. Widely used in consumer products research, focus groups have the advantage of being face to face (to observe body language) and flexible (a skilled moderator can adapt to changing situations). They can also be less expensive than individual interviews, as you are working with multiple people at the same time.

But focus groups have serious limitations that make them impractical for most professional service applications. First, it can be very difficult to assemble a room full of executives, let alone get them to open up about their business in front of their peers. Second, since professional services typically have nothing visual for people to react to, why bother? Finally, group dynamics can easily cloud the results — it's not unusual for a single strong personality to influence the group. In the end you may not even get truthful answers to your questions.

What are the benefits of in-depth interviews?

- **The ability to probe respondents.** A talented interviewer is going to get more depth of information from a subject than they might volunteer on a survey. This benefit is particularly useful when dealing with a smaller sample size or a segment whose opinion is critical in determining what direction your brand should go.
- **Candid conversations.** When a third-party conducts the interviews, subjects generally feel more comfortable expressing their true feelings and opinions. A talented interviewer can make an IDI feel more like a conversation than a series of rigid questions.

In-depth interviews are the most effective way to do exploratory research.

- **Open-ended questions.** The use of IDIs gives the interviewer the opportunity to capture the nuances and natural language used by respondents. Additionally, responses to open-ended questions might be surprising, giving you new insight into your audience's perspective.
- **The ability to ask more questions.** Keeping the number of questions to a minimum is a constraint of online surveys. This is not as big of a factor for IDIs. Often, interviewees are happy to dive deep into an issue or address multiple follow-up questions.
- **A higher response rate.** If you are persistent (but patient) when scheduling interviews, you can expect a much higher response rate for IDIs than online surveys. In fact, it is relatively easier to predict how many responses you will get, and how long it will take to complete the data collection.

What are the drawbacks of in-depth interviews?

- **Requires a trained and experienced interviewer.** The benefits of conducting IDIs hinge on the experience of the interviewer. An experienced interviewer will know when to probe for more detail, recall answers earlier in the interview that might be applicable to questions further down the line, and take detailed but clear notes that can be used for data processing and coding. All of these skills are required to get the most from your IDIs.
- **Time and cost.** Hiring an experienced interviewer to conduct the interviews has many positive benefits, but it can be an expensive investment. Also, scheduling and completing interviews can be time consuming.
- **Limited sample sizes.** Unless you have a lot of money to spend on interviews, you will have to settle for a limited sample size. Depending on your budget and the size of the overall population you are sampling, an IDI may or may not be the right approach for you.

An Integrated Approach

Using interviews or online surveys aren't mutually exclusive. A combination of these two approaches can also be effective. Pairing IDIs of external perspectives (client, prospects, lost prospects) with an online survey of your internal population (employees, senior management, key stakeholders), for instance, can yield valuable results. In fact, this blended approach is the one we recommend most often to our clients. It gives you the best of both worlds

Benchmarking and Analyzing Your Results

So you've surveyed your clients. Now what?

Analyzing survey results is easier than ever with today's technology. But making sense of interview results is another matter. While interviews can generate a wealth of opinions, perspectives and advice, it's tough to see trends and common traits until you sort this mass of information into categories. That can be a tricky, subjective process. Whichever type of data you collect, it's meaningless until you corral it and see what it has to say.

Teasing a coherent story out of your data, especially if it includes wide-ranging interview responses, can be challenging. The more data you have, the more confusing and overwhelming it can seem. And if you have collected both interview and survey data, you have to correlate two very different response formats. Fortunately, an experienced data analyst can help you organize and normalize your responses, grouping responses that reflect similar sentiments and pulling out the salient points that will drive your strategy.

Doing this kind of market research may give you a good idea of how your brand is viewed in the marketplace. But how do your results compare to the rest of the industry? Wouldn't it be great to know how your firm stacks up?

That's where benchmarks are so valuable.

If you work with a research firm that has deep experience in your industry, they may have a set of benchmarks against which you can measure your results. If you are fortunate enough to have these points of reference, you can see where you are falling short and where you are excelling relative to your industry peers.

Another way to use your results is to conduct multiple studies over time and track your progress (or lack thereof) over several years. Most professional services firms choose to do this annually, but a more frequent cadence could better suit your business.

In the next chapter, we'll explore how you can use research to track and maintain your firm's brand over time.

The more data you have, the more confusing and overwhelming it can seem.

Tracking and Maintaining Your Brand

What is Brand Tracking?

Brand tracking is the process of measuring changes in a firm's brand perception over time. It is a way to quantify your firm's return on brand investment and help you make important brand strategy decisions.

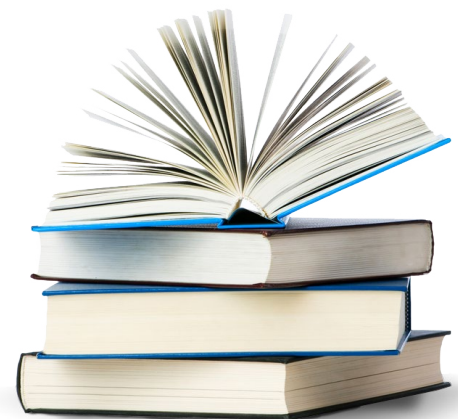
With enough data and the right tools, you can measure this perception almost instantaneously. For example, consumer brands with a large social following are able to track their brands in real-time using social media data and web analytics. Sadly, most professional services firms don't have a large enough social following to make this kind of real-time brand tracking practical.

But that doesn't mean professional services firms can't do brand tracking.

With a complex buying cycle and long lead times, firms have to approach brand tracking a different way. For instance, by including data collection in the business development process, firms can measure buyer perception. When you track your brand, you can see where your firm excels and where there is opportunity for improvement.

How does the process work? It boils down to 5 steps:

1. Establish baseline metrics
2. Embed data collection in business development process
3. Make adjustments
4. Review and analyze
5. Repeat



Step 1: Establish Baseline Metrics

Once you've done market research on your clients, you have a baseline to compare against in future studies. By measuring these metrics over time, you are able to see how well (or poorly) your brand is being maintained.

Here are two common metrics professional services use to measure their brand strength:

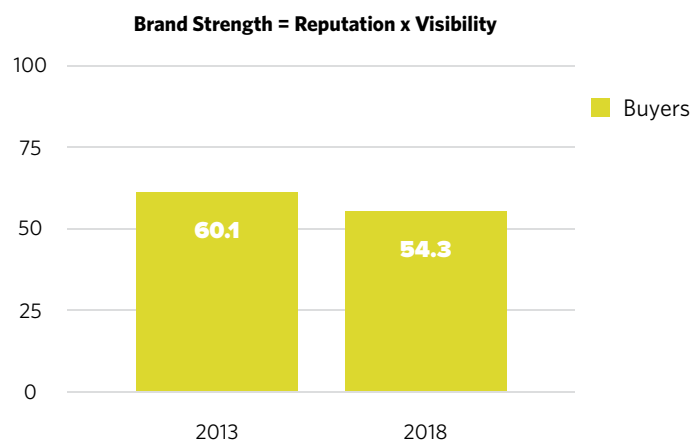
Net Promoter Score

In 2003, Fred Reichheld of Bain & Company introduced the concept of a Net Promoter Score in a Harvard Business Review article titled, "[One Number You Need to Grow](https://hbr.org/2003/12/the-one-number-you-need-to-grow)."² He explained that aggregate client loyalty could be measured by taking the difference between the ratio of promoters and detractors within a company's client base (Net Promoter Score = %Promoters - %Detractors).

Once you've interviewed your clients and categorized them into three segments — "promoters," "passively satisfied" and "detractors" — the next step is to calculate your Net Promoter Score. It can range anywhere from -100% (all of your clients are detractors) to +100% (all of your clients are promoters). The middle "passively satisfied" group is ignored in the calculation.

Brand Strength Index

In the professional services, a firm's brand can be measured as the product of its reputation and visibility. Ranging from 0 to 100, Hinge's **Brand Strength Index** is a tool firms use to benchmark their brand strength against industry standards.



With a decline in both reputation and visibility, the average Brand Strength Index of professional services firms dropped from 60.1 in 2013 to 54.3 in 2018.

² <https://hbr.org/2003/12/the-one-number-you-need-to-grow>

Step 2: Embed Data Collection in the Business Development Process

Some professional services firms leverage their [website for lead generation](#)³. Potential buyers are willing to exchange information for content — the digital equivalent of dipping a toe in the water before deciding whether to jump in.

Capturing the right information at the right time is paramount to a successful inbound marketing strategy — and it's equally important in brand tracking. Firms that invest in digital infrastructure can poll their web visitors when an action is taken, collecting data used to measure brand perception.

Don't fret if your firm doesn't have the capabilities for digital brand tracking. There are alternatives. Brand perception can be measured just as well with a talented client-facing staff trained to poll prospects and clients at the right time. They can pose questions in regularly scheduled phone conversations or send clients a link to a short survey.

Step 3: Make Adjustments

Einstein supposedly said the definition of insanity is doing the same thing over and over again and expecting different results. This practice can be seen today in the professional services world. Many firms cling to outdated or undifferentiated positioning and messaging hoping to build a stronger brand.

Brand research can uncover hidden strengths you can build upon, as well as emerging client challenges you can address. It provides the timely insights you need to adapt your brand strategy to a changing environment. And using metrics uncovered in your market research as a baseline, you can track the impact of any strategic decisions you make.

Step 4: Review and Analyze

Client engagement life cycles are different for every firm. For some, tracking brand adjustments can take a few months. For others, it may be well over a year before brand performance can be evaluated.

Before analyzing the data, try to predict what the results will show. Then compare your hypotheses to your actual findings. Calibrating your understanding of your firm's brand will make future brand strategy decisions easier.

Keep your baseline metrics in mind. What areas improved? What strategic brand adjustments could be attributed to the improvement?



³ <https://hingemarketing.com/blog/story/best-website-techniques-for-greater-online-lead-generation>

Step 5: Repeat

Using the principles of the scientific method, brand tracking is a cyclical process of continual brand growth and development.

To compete in today's fast-changing marketplace, you need to continually take the pulse of your target audience. Only knowledge will equip you with the information you need to stay relevant in their minds. Brand tracking gives you essential tools to collect and makes sense of these changes. It also offers a quantifiable way to prove return on the marketing investment.

Conclusion

Research has not always been a common feature professional services marketing strategy. Professionally conducted research should be a part of every modern firm's marketing toolkit. And until it becomes commonly used in the industry, research provides a clear competitive advantage to those firms that invest in it.

It allows you to calibrate your firm's strategy, service offerings and marketing plan to a changing marketplace. Which makes it easier to grow and thrive.



About Hinge

Hinge specializes in branding and marketing for professional services firms. We are a leader in helping firms grow faster and maximize value.

Our comprehensive offerings include research and strategy, brand building, award-winning creative, high-performance websites and marketing outsourcing. And at [Hinge University](#), your team can learn all the marketing skills and strategies they need to take your firm to a higher level of performance.

In addition, Hinge conducts groundbreaking research on professional service companies. We have identified a group of firms that grow 9X faster and are 50% more profitable yet spend less than average to get new business. We can show you how they do it and implement their strategies in your firm.

To view our full library of research reports, whitepapers, webinars and articles, please visit www.hingemarketing.com/library.

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Thank you!



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To find out how Hinge can help your professional services firm experience faster growth, contact us!

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