

# Law Firm Branding: Is It Working?

By Charles A. Maddock

Few terms have been more misunderstood by law firms than branding. Yet unlike TQM or reengineering—management concepts of the '80s and '90s that made sense in businesses but never gained much traction among lawyers—branding is clearly taking hold as a core reason buyers select law firms.

Several studies confirm the importance of branding. In the US and Canada, client surveys conducted by Altman Weil for corporate law firms have shown that the firm's brand and reputation are the second most important reason clients select law firms, only exceeded by the reputation of the individual attorney. The same studies show that branding as a selection factor has *doubled* in importance over the past two years. Equally important, a recent study in the UK concluded that brand recognition in professional services firms is worth a 10 to 20 percent premium in fees. Arguably, "magic circle" firms in London, which have long enjoyed a strong brand identity, command even higher fee premiums.

Indeed, a whole industry has surfaced to measure the impact of branding. Experts in assessing brand equity believe 70-80% of the value of Coca-Cola, Microsoft and Nike is in their names. These companies spend small fortunes to maintain the market value of their brands—and a recent article in *Business Week* stated that dot-com startups are spending up to 90% of revenues to build their brands. Law firms, by contrast, spend an average of 1.5% of revenues on all marketing activities.

Is it reasonable to expect that branding has impact among buyers of legal services, that brands have value to both clients and lawyers and that branding can create competitive advantage? While it's too soon to quantify the specific dollar value of law firm branding, the experiences and lessons learned by two Canadian firms can be instructive for those firms deciding to take this exercise seriously.

These firms show that, in today's competitive legal marketplace, where clients know little about the differences among law firms, branding can provide the edge that firms need to retain and win business.

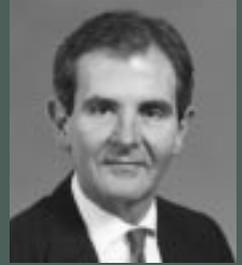
## What is Branding?

One way to understand branding is to recognize what it is and what it isn't. Branding is not advertising, a themeline or a logo. These are only ways of expressing the brand, not the brand itself. While developing a slogan for a firm can be challenging and even fun, lawyers are better advised to keep their day jobs if the themeline they develop doesn't have meaning in the minds of buyers. Fact is, most law firm themelines are relatively meaningless and a waste of time and effort. That's because they lack the essence of the firm's brand.

The principle of branding is surprisingly simple. Branding answers the question, "What are we known for?" A business is branded in the minds of customers if it is known for something which others are not (or cannot be), and its image is uniform among employees, clients, prospects, referral sources and the press. Volvo (safety), Marlboro cigarettes (machismo), Federal Express (overnight, guaranteed) and Audi (leading-edge design) are all branded and enjoy strong market share and/or high profitability. By contrast, long-lasting but undifferentiated brands like Plymouth and Eaton's department store have lost equity among consumers and may face extinction in the near future.

Branding is important because consumers have too many choices, receive too many messages and want to be assured of making the right decision. Clancy and Schulman, in their *Marketing Myths That are Killing Business* (1994), underscore the key benefit of branding: "In a cluttered environment where buyers have little time to ponder product decisions, it is highly advantageous for a marketer to stand

*continued*



Charles A. Maddock

---

*"...a recent study in the UK concluded that brand recognition in professional services firms is worth a 10 to 20 percent premium in fees."*

---

*Law Firm Branding ... continued*

for something important, to be remembered for something significant. [Branding] helps a company hold current customers by giving them constant reminders of why they buy, while providing protection from competitive onslaughts."

Standing for one thing that is important to clients is difficult in law firms. That's because firms offer multiple products to many different types of clients, lawyers prize autonomy, and agreement on one single factor is next to impossible in consensus-driven, democratic cultures that typify law firms.

Yet two Canadian firms stand out as having developed brands. Both use advertising and themelines that are memorable because they are true to the nature of the firm. Each exemplifies one of the two types of brands: market-driven and marketing-driven. The first, market-driven branding, occurs when a firm is already recognized as having a clear position in the marketplace. Often, this firm is the first or the largest in its field. A firm in this position needs to manage its brand to maintain this invaluable equity. The second, marketing-driven branding, occurs when a firm is not as well known, but decides to create and solidify recognition among its clients and prospects. Ideally, its brand will be immediately linked to the product and service offered by the firm—although some marketing-driven branding campaigns are aspirational, establishing a proposition that the market needs and the firm is obligated to fulfill.

**McCarthys: Market-Driven Branding**

McCarthy Tetrault is Canada's largest firm and the first firm to have a national presence. Yet it wasn't always so. In the 1980s, McCarthys was simply a large Toronto firm with a vision.

"We recognized early on that we had to be a national firm to compete

on a global scale," said Jim McCartney, the partner in charge of marketing at the firm. "We wanted to position the firm to provide service for large domestic and international companies so they would need only one firm. We saw this as more efficient and cost-effective for the client implementing deals across the country since they wouldn't need to bring many firms up the learning curve. So our goal was to have planned, careful growth in each of the core business centers in Canada." This meant breaking through roadblocks set up by the law societies which initially prohibited interprovincial law firms. Bit by bit, McCarthys was able to set up strategic alliances with firms in Calgary and Vancouver, finally winning the 1989 case before the Supreme Court that allowed the firm to have a national presence in Canada. In 1990, McCarthys merged with Clarkson Tetrault in Montreal and adopted the corporate name it holds today. The firm also solidified its brand as "Canada's National Law Firm," a themeline that appears in virtually all of its communications materials.

McCartney agrees that it is important to be first at something to attain market-driven branding. "McCarthys was a first mover in two areas that are critical to our brand. We were the first firm to take the initiative to become national. This meant spending a considerable amount of time before the law societies and the courts, even though this would put an end to our referrals from firms in Vancouver, Calgary and Montreal. In addition, it was critical for us to have an Anglophone/Francophone name to send a signal that the firm was conversant with both common and civil law systems—that we represented all of Canada."

Although the firm was the first to have a national presence, it does not market expertise in every area of the law. Instead, the firm's strategy is to specialize in a limited number of sectors where Canadians are truly

competitive—telecommunications, energy, financial services and mining—exporting these expertises to various parts of the world. "Focusing on areas of strength is critical to a firm's brand," said McCartney, "and our brand is offering top-tier services nationwide. We think the time for a full-service law firm in a single market is probably past."

Does being Canada's National Law Firm limit McCarthys' entrée into desirable, emerging markets, such as smaller technology companies and dot-coms? According to McCarthys' Marketing Director, Lise Monette, "It could, but for specific markets, we've developed sub-brands—sets of benefits that apply to different industries but support our institutional brand."

"At the top end of the market, you need expertise and the ability to deliver service quickly," McCartney concluded. "Our competition can do this as well. The real point of differentiation—our brand—is the ability to deliver service across the country."

**Goodman & Carr:  
Marketing-Driven Branding**

What about the firm that isn't the first or the largest? According to branding gurus Jack Trout and Al Ries, "The easy way to get into a person's mind is to be first. An also-ran must find a hole in the mind not occupied by someone else." For Toronto's Goodman & Carr, that hole in the mind was Hard Working Law.

What is Hard Working Law? According to Lisa Dutton, Goodmans' former Marketing Director and one of the architects of the firm's brand, "Hard Working Law is defined by clients. It means making the law work to the client's advantage."

The mandate for branding the firm started in 1997. "We had ignored formal communications for years because our focus was on client service management," Dutton said. "We began to focus on communication

strategy when other Canadian firms started to eye our US cross-border business. In most firms, this means a brochure, a newsletter and a marketing person. But you can't bring in better business through a brochure. We had to focus on our core sources of business, competitive fee strategies and team selling. We needed a brand."

Gary Luftspring, the firm's managing partner, directed the process and laid down a challenge to his partners. "When we started to run into other Canadian competitors in the US, we wanted more commanding ownership of our position. We knew we couldn't outspend McCarthys to establish a brand. What's more, we have a different, more entrepreneurial client base. We wanted to continue to attract U.S. companies doing business in Canada."

Unlike McCarthys, which grew by expanding to east and west throughout Canada, Goodmans wanted to grow its north-south business with companies in the States. The firm began by conducting a survey that asked US corporate counsel and referring law firms which Canadian law firms they could name. At the time, fewer than one percent could name Goodman & Carr.

This gave Luftspring the ammunition he needed to begin a marketing-based branding campaign in earnest. The firm did extensive research to determine the gap between client expectations and law firm delivery. A brand was developed, supported by advertising designed for US legal publications that was intentionally aggressive and cheeky. When the advertising was tested among consumers, Luftspring found that the attributes and values ascribed to Hard Working Law were consistent with the brand the firm was trying to establish.

Luftspring and Dutton then worked on building internal consensus for the brand. According to Dutton, "the vast majority of the firm

bought in because of our internal launch—a bag, sweatshirt, coffee mug, an issue of *American Lawyer* with the ad in it, a brochure explaining the program—were distributed during the firm's summer picnic. It became the Hard Working Law picnic."

Next, the firm took its show on the road. Targeting US general counsel first, Goodmans had a major presence at the American Corporate Counsel Association (ACCA) conference. Goodmans was the only Canadian firm with a trade show booth, which gave its lawyers a chance to meet face-to-face with prospective counsel. At the ABA meetings, which brought

your research. There's very little information available regarding market share or mind share of law firm clients and prospects. Most of all, be right, not popular. I didn't ask for approval internally and there are still some of our lawyers who are uncomfortable with the brand. But it's working."

#### **How to Develop a Brand**

Most law firms are known for *what they do* but unknown for *who they are*. Since clients and potential clients most often purchase from an organization that stands for something—largest, best service, highest

---

***"Lack of a meaningful branding strategy is one of the reasons that clients perceive many of their law firm relationships as interchangeable and loyalty to firms is decreasing."***

---

Americans to Toronto, lawyers were met with limos at the airport bearing the Hard Working Law slogan and invited to "teaser" meetings to preview the brand. "There was lots of interest in what Hard Working Law means," Luftspring said. "By personalizing the slogan, we went from branding to bonding, communications to sales."

Has it worked? "Our name recognition survey in the US showed significant improvement. There's also strong anecdotal evidence of success. We've gotten lots of press. Canadian and American counsel and law firms recognize the brand. It's even helped with our recruiting."

When asked what lessons he learned in the process of branding the firm, Luftspring was candid: "Do

quality, least expensive—it's not enough just to provide high-quality legal services. Clients expect added value and are in a position to get what they demand.

With few exceptions, law firms have not branded themselves in the marketplace. Lack of a meaningful branding strategy is one of the reasons that clients perceive many of their law firm relationships as interchangeable and loyalty to firms is decreasing. Yet law firms can be branded on the basis of several demonstrable attributes, if these attributes are meaningful to the client:

- Price (lowest or highest)
- Size
- Practice areas/specialties offered
- Geographic scope

*continued*

*Law Firm Branding ... continued*

- Geography/market presence
- Expertise/experience
- Client list

These are all important attributes for the client and appropriate branding for the law firm. However, branding based on these attributes (unless the firm is first or largest) may be meaningless or even impossible. Other firms may already own the brand. Being there second or third only makes the firm an also-ran unless the firm can develop a counter brand, like Goodman & Carr

Equally important, the law firm's brand has to be demonstrable. Making a claim is not branding—and in many firms, branding is confused with advertising themelines or slogans. For a rich and deep lode of meaningless branding, one only has to turn to most law firm brochures or advertising for statements similar to these:

- “We’re client-focused” (Meaningless)
- “We’re responsive” (Prove it)
- “We’re price-sensitive” (How low can you go?)
- “We’re results-oriented” (Who isn’t?)

For branding to be effective, it must be true, important, meaningful over period of time and differentiable from competition.

Altman Weil’s marketing consultants have worked with a number of firms to develop branding strategies and more firms continue to express an interest in this area. Being a “first mover” in branding is important, and significant opportunities currently exist to increase client and prospect awareness.

Typically, the following steps are taken in branding the law firm:

1. The firm identifies a branding committee made up of key attorneys at the firm, or charges the

strategic planning committee with developing a position for the firm. A planning session is convened to define the most meaningful attribute(s) of the firm: price, service, turnaround, geography, reputation, special expertise or others.

2. The committee then casts these attributes into a draft branding statement: This exercise is not as easy as it seems. The validity of this statement (both internally and externally) would be measured against the following criteria: the statement must be

- Meaningful
- True
- Important
- Long-lasting
- Differentiable

If the statement does not meet these criteria, it will be meaningless and will need to be revised.

3. Using the draft branding statement as a guide, the committee works with firm management and practice group heads to evaluate the firm’s competitive position and help determine which practices should be the areas of focus and differentiation.
4. The brand is then tested among firm clients, prospects and referral sources using focus groups and/or other research techniques. The purpose of this testing process is to determine whether the proposed position is meaningful, important, differentiable and easily communicated among these decision-makers.
5. Assuming the brand meets these tests, the firm then works with its inside marketing staff and/or outside consultants to communicate the firm’s position among the

firm’s attorneys and staff, prospective attorneys (laterals and new recruits), referral sources, clients, prospective clients, merger prospects, the legal and business press and key influentials (trade associations, governmental organizations, consultants).

The firm is now on its way to having a brand.

**Branding Benefits**

As clients and prospects become more familiar with the benefits of working with a well-positioned firm, it can expect to:

1. Improve cross-selling and selling “in depth” among current clients.
2. Be invited to more presentations for business among targeted, desirable prospects.
3. Preempt competition from increasing market share in targeted geographic markets and industry segments.
4. Enhance recruitment of laterals with business and incoming associates, as needed.
5. Become even more attractive as a merger candidate, if desired.

One final thought: as long as the brand the firm has developed is valid, the firm should resist the temptation to “improve” or revise it. Good brands, like fine wine, should improve with age.

*Charles A. Maddock is a principal of Altman Weil, Inc. His office is located in the firm’s Newtown Square, PA headquarters, and he can be reached at 610-359-9900.*