



Special to Marketing for Lawyers

Market Segmentation Can Enhance Your Marketing Program

By Merry Neitlich, partner with EM Consulting

Class Actions Take Center Stage

For years, John Beisner, class action practice group leader for O'Melveny & Myers, has been following trending information in class action matters for Fortune 500 companies. O'Melveny & Myers is arguably one of the industry leaders in this area of the law and is serious about expanding its market share. That's why Mr. Beisner is leading the charge in O'Melveny & Myers's market segmentation initiatives in this area. To refine the offerings and products that O'Melveny & Myers can deliver, the firm is combining its efforts with certain trial lawyers and other industry specialists from the firm such as banking and labor attorneys. The practice group plans to gather hard facts about what this market segment wants and what it anticipates it will want over the next 12 to 18 months. Focus groups, market research and face-to-face meetings are only a part of the background work the firm will conduct to align itself more closely with clients as well as potential clients. The Client Services Department will work hand-in-hand with the class actions group to develop collateral support and assist in the implementation of specific tactics and strategies.

What is Market Segmentation?

Market segmentation is the process of identifying clients and prospects with similar needs, wants and purchasing behaviors. As law firms continue to refine marketing strategies in our maturing industry, many are beginning to explore how market segmentation can add a competitive edge to their marketing mix.

The overall objective of using a market segmentation strategy is improving a firm's competitive position as well as better serving the needs of a firm's clients. Specific benefits may include increased "sales", improved market share and the enhanced image of the firm. It should also make marketing clearer and simpler for lawyers.

We know that long-term client relationships are the key to most law firms' profitability. Creating and maintaining those relationships requires a firm to satisfy the needs and desires of key clients more effectively than any of its competitors. The results of client feedback interviews and market research can assist the marketing department in determining whether market segmentation is a worthy strategy for a particular practice group or even a "sub" practice group of your firm.

Your firm might choose a market segmentation project if the results of your research demonstrate a large enough market, or segment, with similar buying and servicing needs. For example, class actions clients tend to have similar needs when hiring firms. That is, they want law firms who have handled similar-sized matters and have “crisis” experience, among other attributes.

Increase Partner Participation in Marketing

Partners are drawn into market segmentation projects for several reasons.

1. Partner input is needed and valued while gathering the necessary background information on a particular market segment.
2. The specialties of several practice areas can combine to develop the “product” for the marketplace. Partners can assist in defining the segment, add the practice specificity needed to create a finite strategy for the segmented market, and get involved in planning the activities for this group of clients and potential clients. For example, O’Melveny & Myers is utilizing the expertise of class action attorneys, trial lawyers, and, i.e., labor attorneys to create a class action “product” targeted at Fortune 500 companies.
3. Once the partners have worked with you to create a market segmentation strategy, they will be anxious to see the results of any market research conducted and want to refine the product, seminar topics, collateral materials, etc. that are developed for this market segment. In other words, once they begin to work on this project, they become vested in the process.

In planning market segmentation programs, we have found that partner participation increases if the marketing department is working with a manageable number of interested partners. The projects need to be finite, measurable and partner input should be well defined in advance of partner participation. This tends to grab the partners’ interest and keep it there for the duration of the program.

Advantages of Market Segmentation

Increases Competitiveness

Marketing initiatives, products and services can be designed and coordinated to attract and retain key client groups and build a competitive advantage with these groups. Market segmentation provides an opportunity for law firms to differentiate their products and services.

Identifies Potential or Expandable Markets

There are instances where a law firm may have a unique specialty or a creatively packaged product that can serve a cluster in the marketplace. The firm has the opportunity to conduct market research, focus groups, round tables, face-to-face meetings, etc. to refine their understanding of this group’s need. The service offering or product can be offered and delivered in a manner that may even incorporate attorneys from several different practice groups.

Increases Profitable Client Behavior

When legal services are delivered to a client in a manner that satisfies the “customers” desires, long-term client satisfaction and loyalty occurs. This creates opportunities for repeat business. This also provides the groundwork for these contented clients to tell others about your services. Finally, if loyal clients are approached appropriately there may be possibilities for successful cross marketing to these clients.

Applies Your Firm's Brand

If we think of a firm's brand essence or unique distinction as the umbrella for all of its marketing messages, then market segmentation strategies deserve strong brand application as well.

Final Thoughts

For market segmentation efforts to be successful, law firms should consider several factors. The segments must be large enough to be worthwhile; clearly distinguishable from other segments; accessible by marketing approaches, and should respond differently than other segments to marketing programs. This type of marketing takes more preparatory work, but it can also be more measurable and specific in terms of return of investment.

Sidebar: Branding & Market Segmentation Working Hand-In-Hand

California-based Ropers Majeski Kohn & Bentley (RMKB) recently adopted the brand *A Better Legal System*. The essence of the brand is the combination of the firm's long history, enhanced communication and technology, and a higher level of service. The firm then carved out a market segment of out-of-state clients needing information about Proposition 65 environmental law as it applied to their matters in California. The application of the brand for this seminar was incorporated in several ways:

- The firm had a marketing plan in place months before the seminar was scheduled by including "product" information. The web site offered interactive options and client alerts. A post-conference follow-up plan was developed. This plan included telephone calls and a limited number of face-to-face client (potential client) meetings on the East Coast. A series of post-conference client alerts were also to be sent out electronically.
- Market research was conducted to develop a strong target list for this market segment in three states.
- The practice group began planning with input from potential participants through client feedback interviews and surveys before it finalized the conference agenda. Not only did these tactics alert potential attendees about the conference, it also created strong buy-in from them because they actually had a hand in shaping the content and seminar materials.
- The seminar content and invitation were created with the brand "essence" in mind. This included color, new logo, description of the seminar in language to mirror the brand, and give-aways.

All of these brand strategies were based on the umbrella message of *A Better Legal System*. This is a living and evolving brand.

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