



Module 11_{v1}

Professional Practice Program

Marketing your Practice



DISCLAIMER AND COPYRIGHT NOTICE

© Institute of Public Accountants February 2018 – all rights reserved.

This written material accompanies a spoken presentation and must be considered in conjunction with that presentation. It is prepared at February 2018 and describes the general tenor of legislation and other rules known at the time and is not intended to be relied upon as a substitute for professional advice in relation to actual facts and circumstances. The material may become out of date due to subsequent industry and/or legislative changes. No responsibility can be accepted by the Institute of Public Accountants or the presenters for loss occasioned to any person doing anything or refraining from doing anything as a result of anything contained in this presentation material.

Program completion

The IPA Professional Practice Program has been designed for IPA members in professional practice and for non-practitioners as a refresher Program.

With recognition comes responsibility. The IPA is recognised in legislation as one of the three professional accounting bodies within Australia. This means compliance with the ASIC Act and with regulations and standards set by ATO, TPB, ASIC, APESB, FRC, AASB, AUASB and IFAC.

The regulators, standard setters, government and the public all rely on the professional expertise, competence and ethics of IPA members. Therefore, the IPA has mandated that members moving into professional practice must demonstrate competence in these key areas.

It is compulsory to complete the IPA Professional Practice Program within 6 months of receiving an IPA PPC unless you have completed a Professional Practice Program with Chartered Accountants Australia + New Zealand or CPA Australia within the last 5 years.

The Program consists of self-paced study and a 2 day face-to-face workshop. You should complete the self-paced study before attending the workshop. This will take up to 80 hours, depending on your experience. To successfully complete the Program, you must:

- Attend all sessions of the Program,
- Successfully complete the assessment held at the end of the Program.

The assessment comprises of 30 multiple-choice questions and you are permitted 1 hour to complete the assessment. You may refer to your course materials, but you are not to consult any other person in or outside of the room. There is 1 mark per question and you need to obtain at least 50% to successfully complete the assessment.

If you do not successfully complete the assessment, you will be offered an opportunity to re-sit the assessment. If you are still unsuccessful, you will be required to repeat the 2 day face-to-face workshop and successfully pass the assessment. The IPA reserves the right to cancel a member's PPC in the event a member does not pass the assessment

Module 11		
Marketing your Practice	Topic list:	Page
	11.1 Introduction – Marketing Your Practice	5
	11.2 Identify your Target Market Demographics	5
	11.3 Identify your Market Place	6
	11.3.1 Venue	7
	11.3.2 Value	7
	11.3.3 Vehicle	8
	11.4 Seasonality and Timing of Buying Decisions	8
	11.5 The Buying Decision	12
	11.5.1 Needs Stimuli	13
	11.5.2 Search for a Solution	13
	11.6 Contemplating Options	16
	11.6.1 Equivalence	16
	11.6.2 Distinction	16
	11.7 Buyer Heuristics	17
	11.8 Mapping the Marketing Campaign Activity	17
	11.9 Marketing Investment Planning	21

11.1: Introduction – Marketing your Practice.

The marketing services industry is highly competitive and also highly fragmented. Each marketing service provider will claim services are a must have to increase sales.

An advertising agency will tell you there is better method of getting brand recognition than through advertising.

The telemarketing services provider will say cold calling is a tried and tested method of direct marketing that generates many good leads.

The SEO company will tell you if you can't be found on the first page of your chosen search google search terms then you'll miss searching customers.

A web designer will tell you you've got 5 seconds to make an impression otherwise the visitor to your website will click away.

The videographer will tell you if you don't have videos on your website you've lost a medium to communicate value with voice and images.

The graphic designer will tell about the importance of graphics and pagination that resonates to the reader.

A copywriter will assure you that misplaced words in a sales letter can ruin an otherwise good opportunity.

The printer, the sales coach, the outsourced sales team, the conference organiser, the list goes on.

Does each marketing service provider have a valid point? The answer is yes. However, is each marketing medium applicable to all product and services? The answer is no.

The marketing tools required to secure a sale is related to the value, risk and life time value associated with the purchase. Consider the use of prime time television advertising. A cleverly crafted jingle played at the right hour to the right demographic audience can potentially generate significant sales for a newly launched chocolate bar. However, would the same prime time advertising for an intercontinental airliner manufactured by Airbus or Boeing generate sales? The answer is no. The buying decision holds completely different risks. The price of a chocolate bar is low, the life-time value is low as a result complexity of the buying is low. In such a circumstance a catchy television promo may be enough to entice a sale. In the case of an international airliner, the buying decision is complex, the life time value of the asset is decades long and the price is in the \$100m's. The buying decision is vastly more complex as a result the mix of marketing tools employed will be significantly different.

The purpose of this module is to help you assess the risks faced by your prospective client, then decide on the right marketing tools to employ to get the attention of potential clients and then help the prospective client make the commitment to your products and services.

11.2: Identifying your Target Market Demographics.

Marketing can be defined by the act of communicating value to a market place. In communicating value we are attempting to influence the buying behaviour of our chosen market. To influence our chosen market we must attempt to understand the target markets behaviour for absorbing communications and how the market acts on marketing messages, often described in marketing circles as a "call to action". To establish a marketing plan for your practice, you need to identify the demographic characteristics of the target market you defined in Module 8. Based on the target market you identified, list the demographic characteristics of your target market.

For example

Table A

Age Group	Sex	Marital status
Ethnicity	Average income	Discretionary Income
Employment	Employment status	Hobbies
Interest	Associations (Clubs & Groups)	Children

The purpose of identifying the demographic characteristics of the buyer is to refine the marketing activity and enhance the return on investment of a marketing plan. By understanding the demographics of your buying groups, you can then refine your placement and forms of marketing activity that will provide the highest return.

11.3: Identifying your Market Place.

Consider the origins of the word 'marketing'. Marketing is derived from the word 'Market'. A market is simply the physical 'venue' on which goods and services are traded. Today a market may also exist online. Famously, online markets such as Uber, Amazon, Airbnb, and Ebay have become household internet domains. They are in effect online market places for a particular product or products.

At that *venue* the merchant, trader or vendor needs to be able to communicate the *value* of their goods or services.

And to communicate that value they have a number of potential *vehicles* of communication.

There are 3 questions that you must have for a clear understanding of your buyer's perspective. That is your buyer's perspective of your product or service.

11.3.1: Venue

The first question is 'What are the *venues* at which my buyers congregate?'

Example of *Venues* include;

Table B

Conferences	Exhibitions	Social & Sporting Clubs
Industrial Estates	Shopping Centres	Main Streets
Sporting Events	Festivals and Fairs	Online Discussion Groups
Institute or Academies	Online Forums	Social Media Groups e.g LinkedIn or Facebook
Association gatherings	Networking Groups	Business Seminars, or education events.

11.3.2: Value

The second question is, 'What is the *value* of the product or service you intend to provide?' That is, are you able to communicate succinctly the key benefits and the emotional connection that you intend to make when promoting the value of your product or service?

How you value and position your product or service must be in line with and cascade from your business strategy. The value of your key benefit must be appropriately reflected and consistent with your pricing.

Examples of Key benefits include;

Table C

Functionality	Price	Warranty
Quality	Durability	Reliability
Style	Esthetic Appeal	Serviceability
Installation	Training	Availability

11.3.3: Vehicle

The third question is 'What are the *vehicles* of communication that are most appropriate for my target market?'. When you think of marketing vehicles think of mediums for communicating with your target market. An important factor to consider is whether your product or service is considered discretionary or non-discretionary spend. This is an important factor we consider in the "Sales" element of your marketing mix.

Examples of marketing vehicles include.

Table D

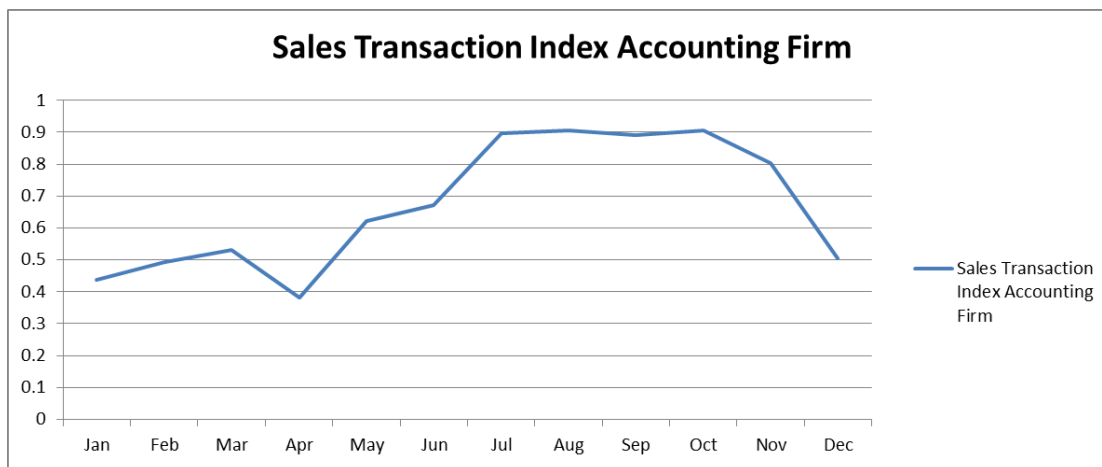
Advertising	Public Relations	Direct Marketing	Personal Selling
Search Engine & Landing pages	Public Speaking Events	Telemarketing	Cold Calling
Radio/TV/Print	Sponsoring Events	Mail Outs	Networking
Billboards/Posters	Publications	Catalogues	Presentations
Directory Listings	Newsletters/ Infomercials	Brochures	Stalls and Booths at Exhibitions/Events

11.4: Seasonality and Timing of Buying Decisions.

When building your marketing campaign consider carefully the seasonality of your sales. Every product or service within your industry has particular characteristics in regards to purchase decisions, key dates, events, natural changes in human behaviour or activity that will influence the marketing activity.

By examining the history of your sales and / or by researching critical calendar dates in the financial year, you will be able to identify critical cycles in each year. In particular ascertain time when your clientele are more likely to be engaged and make a commitment to launching new businesses or changing tax agents.

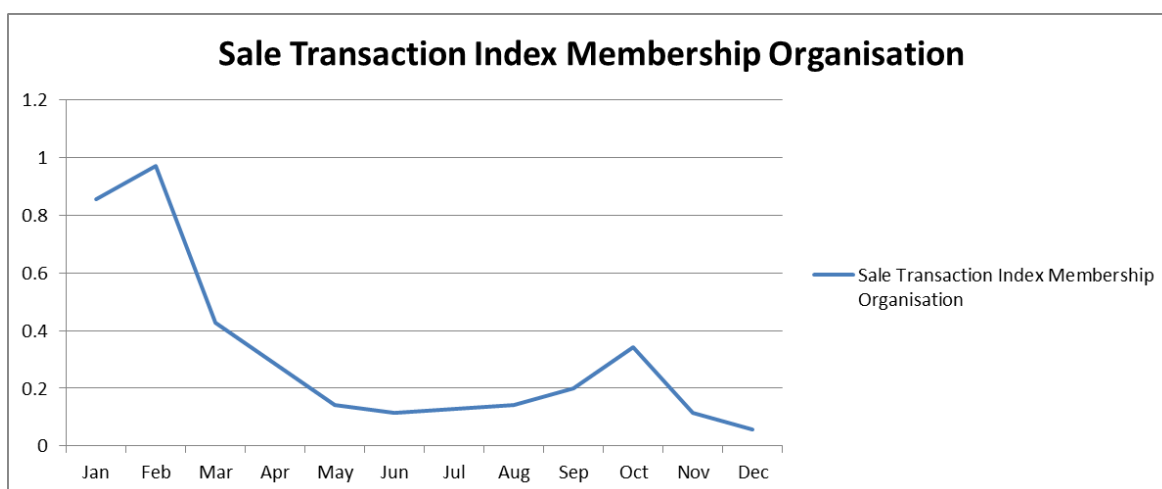
A few illustrative examples are provided below demonstrating the seasonality of industries.



Most suburban accounting firms have a product mix that includes;

- Tax Compliance - Individual
- Tax Compliance - Company
- Audit
- Business Consulting
- Financial Planning Services

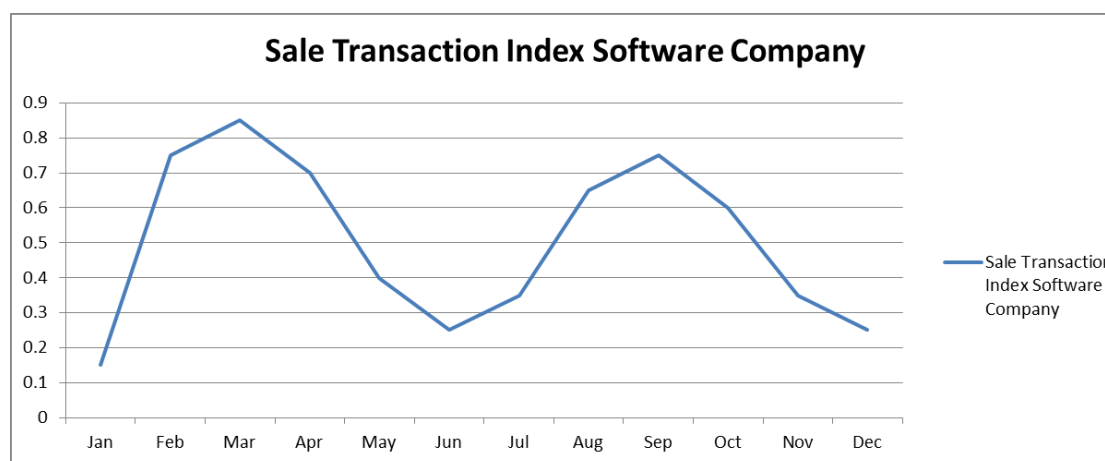
In the example above Tax Compliance - Individual Tax returns forms the bulk of sales transactions occurring from 30 June of each year but slowing down in the months leading into Christmas for some Suburban tax firms. Audits will mirror external reporting timelines, while Tax Compliance - Company along with Business Consulting and financial planning may provide a steady stream of revenue throughout the year.



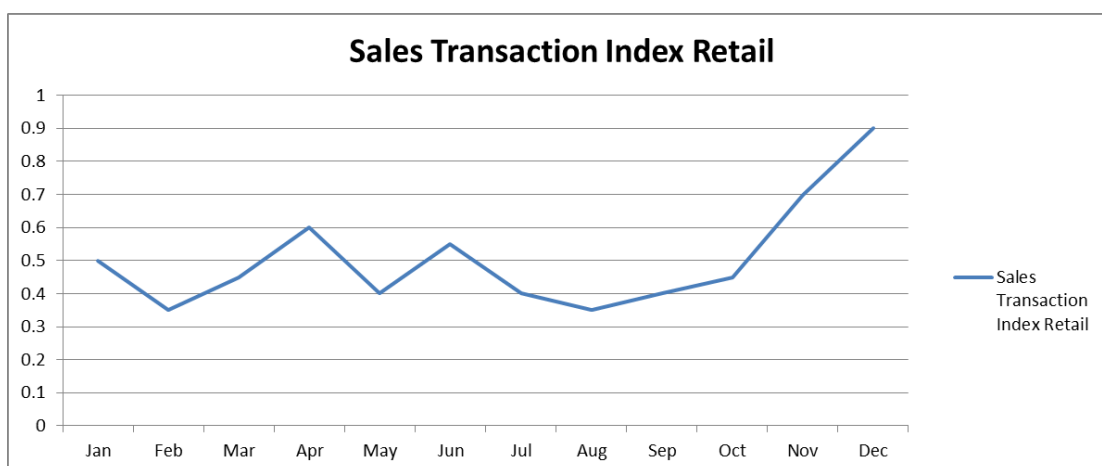
A membership organization that only has a few product groups such as;

- Annual Membership
- Training
- Conference and Seminars

In the example above member subscriptions are paid annually in one lump sum and as a result, a high percentage of transactions occur at each anniversary date – usually the start of the financial year. A steady stream of sales is provided from regular training events while an annual conference provides a boost toward the end of the year.

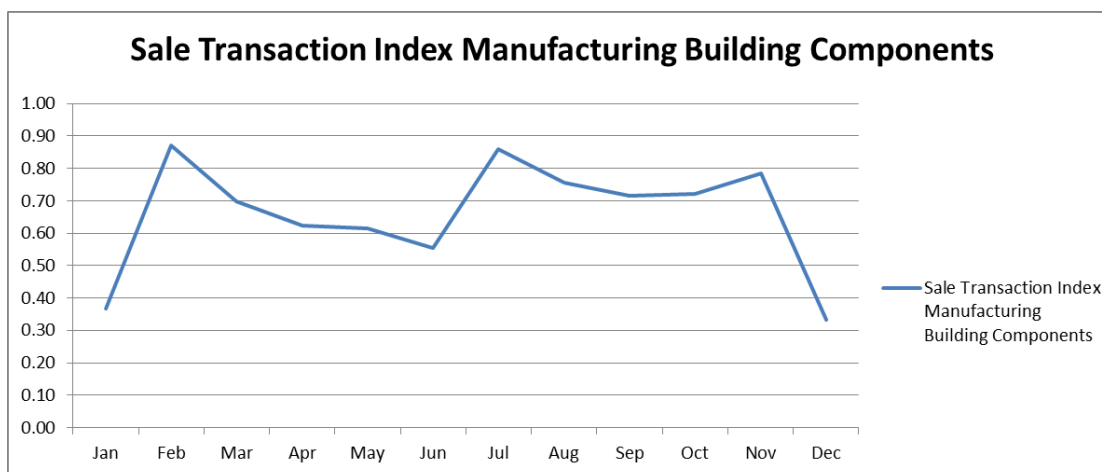


In this Software Company example, the organisation implements and consults on customer relationship and corporate performance management software. Their typical customer experience is that after every periodic reporting cycle; year-end or half year-end frustration sets in in regards to the difficulty in preparing detailed analysis and reports as required by the executive or external stakeholders. The result of this frustration is the search procurement and upgrade of information software shortly after the periodic reporting period. The implication on the sales transactions is a spike in projects in the months following January and June each year.



A retailer with a suite of products in specific clothing, home-wares, food or white goods categories will experience surges and lulls in sales transactions depending on specific seasons.

In the example above the calendar year end celebrative season provides the annual peaks in sales, However, small peaks are also experienced in the season change of March-April and at the end of the financial year. In your retail market there may be annual festive periods or social or sporting events that lead to a spike in sales in any one period of each year.



A components manufacturer for building and construction sites may experience slow-down in construction activity during wet season/winters and during traditional holiday periods. In the example above, sales activity drops dramatically during the year-end holiday period but then spikes after the holiday periods as building sites gear up for the ensuing year.

For your product range identify the periods where sales increase on an annual basis. If you are a new business or do not have access to historical data identifying dates, events or buying seasons in your calendar that highlight the timing of purchase transactions, consider the ATO calendar of deadlines and reflect on your experience in the industry to estimate likely peak and trough periods.

Table D

Product	Jan (\$)	Feb (\$)	Mar (\$)	Apr (\$)	May (\$)	Jun (\$)

Product	Jul (\$)	Aug (\$)	Sep (\$)	Oct (\$)	Nov (\$)	Dec (\$)

Note: The word transaction is used in reference to the timing of when the work is undertaken and complete and not payment or cash inflow.

11.5 The Buying Decision

Before each new sale takes place, your future client will take some time to make their buying decision. Working backwards from the estimated time it takes to make the buying decision you can identify the optimal time of year to execute marketing activity. Every buying decision is preceded by an *evaluation of alternatives*, before which the new client conducted a *search for solution* that was initially instigated by a *needs stimuli*.

11.5.1: Needs Stimuli

The initial Needs Stimuli can be instigated by circumstantial change. Across all industries the needs stimuli may be a break down in equipment that requires replacement, a physiological need such as hunger, thirst, shelter or warmth; or a psychological need like safety, esteem, belonging, and self-fulfillment. The trigger for needs stimuli may occur out of an event that changes in family circumstances such as a marriage, birth, death or illness. An event may be due to an environmental phenomenon such as a storm, prolonged weather patterns or cycles. Festivals, religious, sporting or social events can also come into play as we prepare to participate. Social factors extend to changes in social norms, accepted behaviours and social groups.

For example, changes in clothing trends may create a need to purchase a particular style of shirt or dress. A change in social groups may change dietary or extra-curricular habits like fitness regimes or health habits. Technological changes may enhance the quality of life or convenience of service, flat screen TV, iPad, mobile phones are just a few examples.

In Public Practice, the needs stimuli for a new client opportunity may be due to a person starting a new business, being made redundant, dissatisfaction with their current tax agent or a home move.

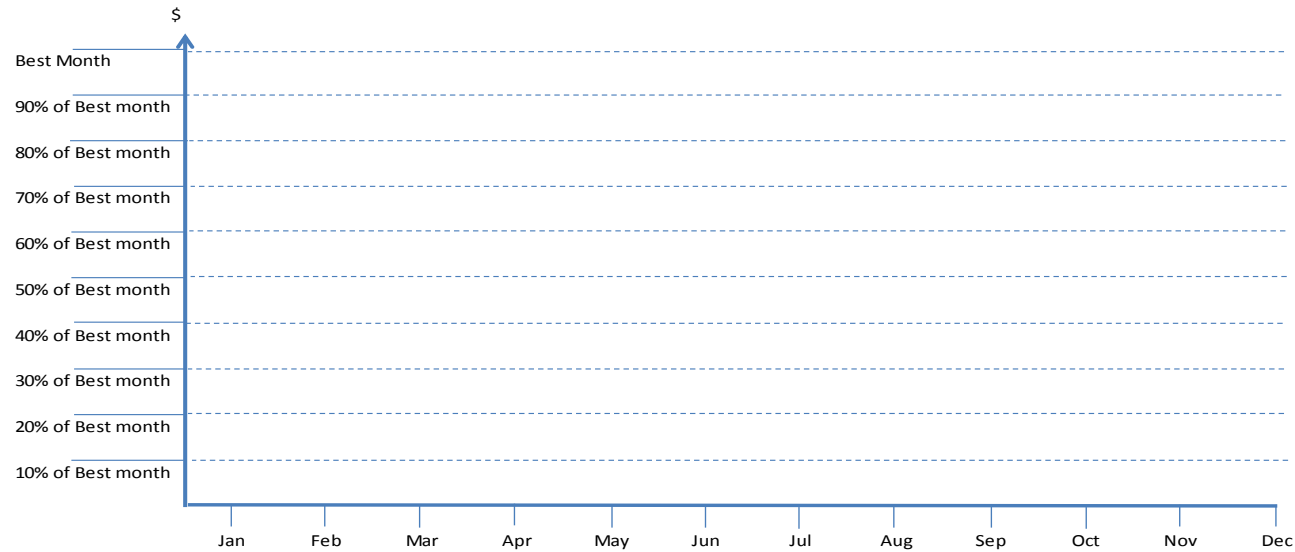
11.5.2: Search for a Solution

Once the Needs Stimuli has been triggered for the buyer they then begin the Search for Solution. The search for solution involves the new client investigating and researching the market place for the appropriate option to satisfy their need.

The challenge for every business is to understand when the needs stimuli is triggered, if this occur on annual basis and whether they can be tracked, then mapped and matched to marketing activity. If we understand when needs arise, we can then use the appropriate marketing *vehicle* at the appropriate market *venue* to communicate the Product or service *value* that we have to offer.

Create a line graph from the products and months data gathered in Table D.

1) Identify the sales patterns for the business Graph A.



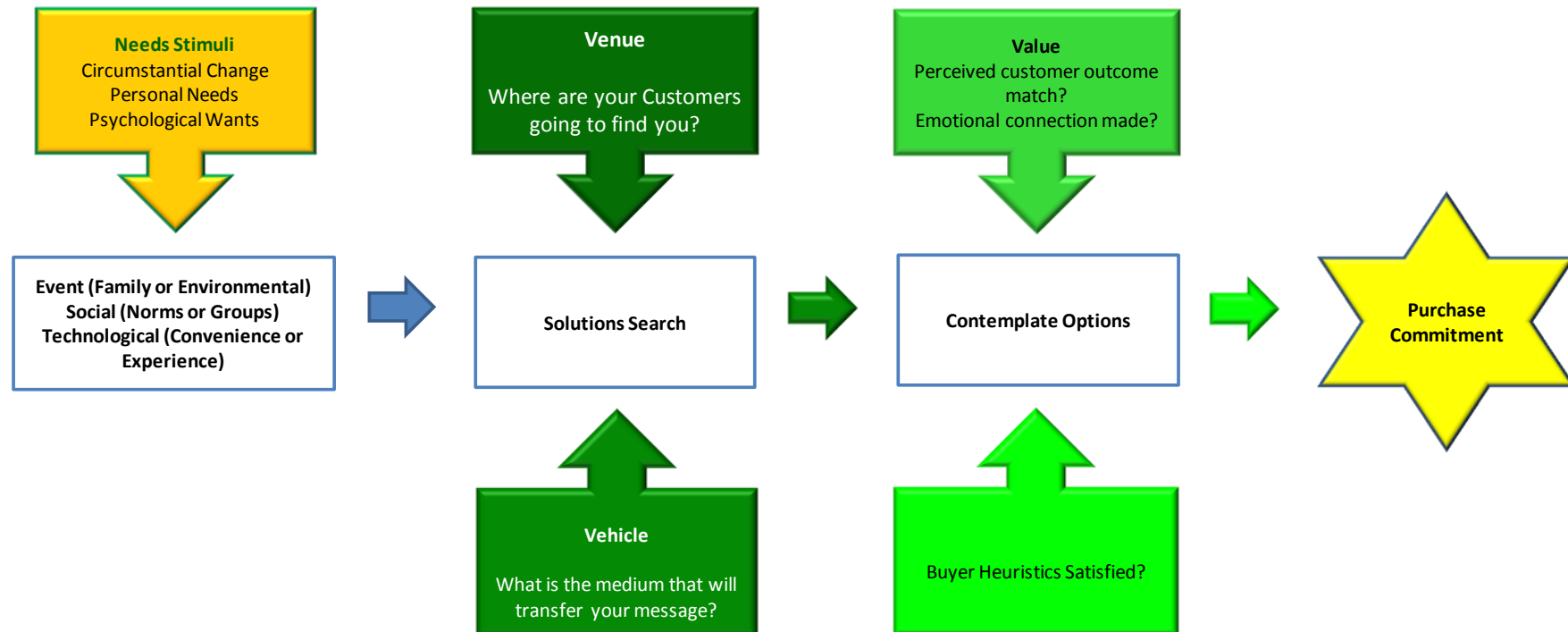
2) Ask yourself, 'what is the buying stimulus that leads to the need for purchase?'

--	--	--	--

3) Then confirm the lead time from when the buying stimuli occurs in relation to the purchase decision. i.e. How long does the buyer spend searching for solutions and evaluating alternatives?

--	--	--	--

Buying Decisions Chart



11.6: Contemplating Options

The process of communicating the *value* you offer reconciles and cascades directly from your mission statement, the *value promise* and customer outcomes your business intends to deliver. How you position the value of your products and services is how you intend to frame your company against your competitors.

In communicating your value, you must not only communicate how you can deliver the equivalent products and services of your competitors but importantly you must highlight your points of distinction. That is, communicate clearly the reason why choosing your company is the right choice.

Importantly, when communicating the value of your products and services you need to make an emotional connection. Each purchase can be related back to an emotive drive to satisfy a physiological need such as hunger, thirst, shelter and warmth; or a psychological need like safety, esteem, belonging, and self-fulfillment. Ensure your marketing communications are able to meet the minimum standards (*equivalence*) in the marketing place and are *distinctly* positioned.

11.6.1: Equivalence

Equivalence can be defined as the levels of service capability or product functionality that is expected in my market place.

Product/Service	Equivalence 1	Equivalence 2	Equivalence 3	Equivalence 4	Equivalence 5
A					
B					
C					
D					

11.6.2: Distinction

Distinction – Product or Service distinction can be identified as the features a customer positively identifies with the product or service your business offers. Distinction can be in the form of features, performance, quality, design, style, reliability, or durability. In the case of a service delivery business, the distinction may be in customer interaction, customer response time, product personalization, flexibility in ordering or maintenance and servicing.

Product/Service	Distinction 1	Distinction 2	Distinction 3	Distinction 4	Distinction 5
A					
B					
C					
D					

11.7: Buyer Heuristics

Have you considered buyers predetermined preferences?

Buyer Heuristics are the preconditioned ideas and preferences that a buyer has about the products or services in your industry. Buyer heuristics provide short cuts for decision making. Understanding the buyer heuristics of your market will allow you to position your offering more effectively for the contemplating customer.

Accessibility Heuristic – What are the expectations of your customer in regards to ease of transaction, contact, follow up, post purchase servicing, trouble shooting, and inquiry response time.

Representation Heuristic – What are the expectations of your customer for presentation, packaging, imagery, and appearance. For a service business, the ambience of your office can play a critical role. For a luxury perfume, the packaging and style of the bottle is a critical factor.

Threshold Heuristic – What are the minimum acceptable levels of service, functionality, and experience that the buyer places on your product or service? Are the minimum buyer expectations clearly met through communication both implicitly and explicitly?

Buyer heuristics play an important role in determining the fees your firm can charge. You are more likely to experience objection in fees if how your firm is presented or the customer experience is inconsistent with the expectations of the client. Managing buyer heuristics is an important aspect in retaining clients and managing fees.

11.8: Mapping the Marketing Campaign Activity

In exercise Table B we determined our Marketing venues. In exercise Table D we determined our marketing vehicles. For each marketing vehicle we need to assign two things:

- 1) An estimated cost per transaction. For example, cost per click may be \$2 per click, whereas to have a stall at an industry exhibition may cost \$5,000.
- 2) The venue that will be hosting the marketing vehicle. An example of a table is provided below.

Marketing Vehicles	\$ Per unit	Marketing Venues
Cost per Click	2	Key Word Search, Online Forums, Social Media Website
Magazine 1/4 Page	600	Business Publications - Industry Magazine - Interest Group Communiqué's - Education Group
Magazine 1/2 Page	1,200	Business Magazine - Industry Magazine - Interest Group Magazine - Education Group
Magazine Full Page	1,800	Business Magazine - Industry Magazine - Interest Group Magazine - Education Group
Newspaper	1,200	Local Paper - Statewide Paper- Interest Group Bulletin
Hosted Functions	3,000	Special Interest topics, guest speakers and demonstrations
Exhibitions	5,000	Industry Conferences
Networking	40	Interest Groups, Business Groups
Networking Memberships	2,000	Interest Groups, Business Groups
Sponsorship	1,000	Relevant events, sporting clubs, social clubs and festivals

Confirm your Marketing Vehicles and Venues Table G

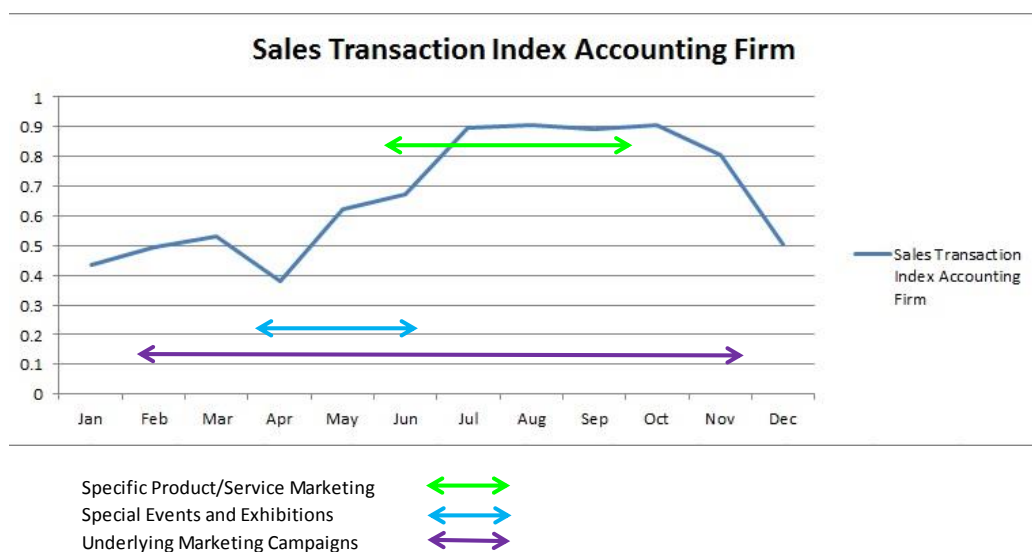
Marketing Vehicles	\$ Per unit	Marketing Venues

Now that you have confirmed your marketing vehicles and venues you need to map your planned marketing activity accordingly. That is, match the timing of the needs stimuli and the buying decision process.

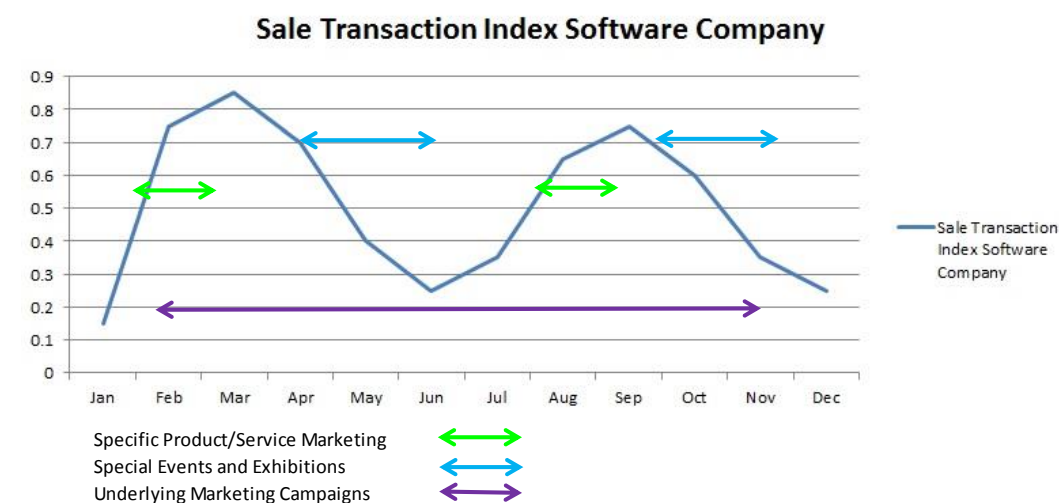
Below we outline an example of mapping marketing activity with the timing of sales transactions for an accounting firm Halifax.

Halifax's has its busiest periods coincide with the individual tax submissions that are open from July 1 of each year. However, the firm also offers business tax compliance, financial planning, audits and consulting.

During the Individual tax compliance season there is specific Individual Tax promotional activity. During quieter periods of the year Halifax holds information evenings and is involved with exhibitions to promote business services. While throughout the year there are regular updates provided to current clients and active leads to showcase the quality of the services offered by Halifax.



A second example is of a software services company Ingenious. Ingenious sells business reporting software. Ingenious experiences a lift in enquiries in the periods after each reporting cycle of 31 December and 30 June.



Ingenious runs special events in the lead up to key needs stimuli periods. This breakfast information mornings, with special guest speakers, information evenings and sponsored exhibitions.

During the intense decision making periods, webinars direct mail and sales calls are used to enabled and facilitate sales conversions. An underlying marketing campaign with online presence and regular communiques to marketing lists underpins the marketing effort for Ingenious.

Ask yourself, for each product what are the considerations the buyer takes into account when working through the buying decision that impact timing.

For example, a person planning a holiday will have to ask for annual leave approval. This may require up to 2 months' notice depending on their role and responsibility. In this case for a person planning a holiday in January, they may begin their search for solution and make their buying decision between 3 to 6 months before their holiday.

For your Products/Services review the needs stimuli and the months that they occur and the marketing tools you will use to meet the buyer's search for a solution

Table F

	Needs Stimuli	Month/s	Venue	Vehicles
Product/Service A				
Product/Service B				
Product/Service C				
Product/Service D				



11.9: Marketing Investment Planning

An Example of a Marketing activity investment plan is provided below for a suburban accounting firm. Note special events and exhibitions are held in the April and May period, while the focus of networking events are towards the beginning of the year and as the Individual Tax compliance year kicks in commitments are made in the local print media.

Promotions & Marketing

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
Personal Selling														
Networking Events	Activity	-	4	6	6	6	6	-	-	-	-	-	4	32
	\$	-	160	240	240	240	240	-	-	-	-	-	160	1,280
Networking Memberships	Activity	2	2	2	2	2	2	2	2	2	2	2	2	24
	\$	333	333	333	333	333	333	333	333	333	333	333	333	4,000
Public Relations														
Hosted Functions & Events	Activity				1		1				1			3
	\$	-	-	-	3,000	-	3,000	-	-	-	3,000	-	-	9,000
Direct Marketing														
Exhibitions	Activity					1					-			1
	\$	-	-	-	-	5,000	-	-	-	-	-	-	-	5,000
Advertising														-
Magazine 1/4 Page	Activity		1			1			1			1		4
	\$	-	600	-	-	600	-	-	600	-	-	600	-	2,400
Magazine 1/2 Page	Activity				-			1						1
	\$	-	-	-	-	-	-	1,200	-	-	-	-	-	1,200
Magazine Full Page	Activity													-
	\$	-	-	-	-	-	-	-	-	-	-	-	-	-
Newspaper	Activity							1	1	1				3
	\$	-	-	-	-	-	-	1,200	1,200	1,200	-	-	-	3,600
Online - CPC	Activity	100	100	100	100	150	150	100	100	100	100	100	100	1,300
	\$	200	200	200	200	300	300	200	200	200	200	200	200	2,600
Sponsorship	Activity		1							1				2
	\$	-	1,000	-	-	-	-	-	-	1,000	-	-	-	2,000
Miscellaneous														-
Brochure ware	\$			1,000						500				1,500
WebSite Management Updates	\$	500			500			500			500			2,000
Touch Points*		3	9	9	10	11	10	5	5	5	4	4	7	
Total Promotions & Marketing		1,033	2,293	1,773	4,273	6,473	3,873	3,433	2,333	3,233	4,033	1,133	693	34,580

*Each cost per click host is considered 1 touch point



While throughout the year Cost per Click advertising remains consistent. Based on the answers you provided in Table E and Table F, plan your calendarised marketing activity in Table G. From the activity will flow your budget and plan your marketing expenditure appropriately.

Promotions & Marketing

Marketing Vehicles

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
Personal Selling														
	Activity													
	\$													
	Activity													
	\$													
	Activity													
	\$													
Public Relations														
	Activity													
	\$													
	Activity													
	\$													
	Activity													
	\$													
Advertising														
	Activity													
	\$													
	Activity													
	\$													
	Activity													
	\$													
Direct Marketing														
	Activity													
	\$													
	Activity													
	\$													
	Activity													
	\$													
Micellaneuos														
Brochure ware	\$													
WebSite Management Updates	\$													
Touch Points*														
Total Promotions & Marketing														

*Each cost per click host is considered 1 touch point