The Dangerous Discord Between Sentiment and Reality: How Management Consultancies Should be Using Digital Marketing

Melissa Hernandez, Senior Marketing Executive, Propero Partners

Abstract

This paper looks into the implications for management consultancies who aren’t implementing effective digital marketing strategies as part of their own advertising campaign.
Introduction

Our digital age has changed the way management consultancies work. Businesses have had to adapt and revolutionise in order to maximise the rewards the digitisation of business has brought i.e. increasing productivity and efficiency, which can drive better products for their clients/consumers and increase profits. Management consultancies have had to grow in knowledge alongside the businesses they instruct, so they are able to provide expertise on innovation, growth and technological advances, such as artificial intelligence (AI), which could help a business lower its costs and improve efficiency. Yet, despite that growth in knowledge, it seems that management consultancies haven’t necessarily taken their own advice.

For instance, although consultancies will advise their clients on the rewards certain marketing campaigns can bring, we found in our 2018 State of Digital Marketing in Professional Services report (Propero Partners, 2018) that 54% of respondents said their firm allocates zero marketing budget per year, and 15% do not utilise digital marketing at all. The data was gathered by sending a survey to over 400 managers, partners, c-suites, and directors within the professional services industry – 303 responses qualified and were included in the analysis. The survey respondents came from firms such as Clyde & Co, Freshfields, EY, Boodle Hatfield, and Burges Salmon. Fifty Management Consultancy businesses responded.

Digital marketing is a catchall term for advertising through different online channels, including social media, tablet and mobile apps, search engines, websites and email. It can play a huge role in an overall marketing strategy, or be a strategy in itself. It’s also clear that for the majority of consultancies, there is a dangerous discord between sentiment and reality – 75% are aware that they need to adopt digital marketing strategies but haven’t yet done so. Coupled with this, 57% of respondents aren’t planning to integrate any advanced technology. Those who are, have indicated that they plan to integrate augmented reality and robotics, with more respondents keen to utilise AI and blockchain.

To gather this data, we surveyed senior decision makers from management consultancies of differing lengths of operation and size. We also conducted our survey across the broader professional services space, including the legal and finance industries, who, albeit at a slow pace, have begun leveraging digital marketing.

Implications for Management Consultancies

Generational changes, technological accessibility and freedom of choice have meant that the older, more traditional ways of sourcing work have become outdated. Potential clients have so much choice nowadays – consultancies can no longer depend on word of mouth or referrals to increase their client base. Networking events – which consultants rely on for referrals, must be coupled with digital connections and advertising – which will provide them with new business opportunities.
In order for consultancies to achieve this growth, the viewpoint of tomorrow’s prospect needs to be kept front of mind, they need to be receptive to innovations which will set them apart, and they need the ability to convert enquiries into new projects. This is no fallacy. Our research found that those who don’t adopt digital marketing tactics receive substantially fewer enquiries per month than those who do. Interestingly, we also discovered that management consultancies prioritise referrals over the enquiries they receive through marketing. In fact, 27% of consultancies convert 45%+ of their referrals, and 17% convert 45%+ of their new business enquiries. If firms are spending money attracting these new business enquiries, they need to look at how they can improve conversion rates.

**Fear of Marketing**

The hesitancy around adopting online marketing could be explained by an overall lack of knowledge about how marketing actually benefits management consultancies. For instance, we often see firms failing to use the appropriate channels to attract the enquiries they need, which means they risk their return on investment. This should serve as a warning to other firms, especially those that don’t realise the range of digital marketing tools at their disposal. This divide between those with marketing skills and those without could increase, with consultancies that have the know-how gaining more and more clients, leaving those that don’t struggling to compete.

**Looking to the Future**

If consultancies are struggling to discern which digital marketing tools to use, it’s important for them to find a supplier that can guide them in the right direction. Firms in other industries – ones that management consultancies are likely to work alongside, if not for – are already seeing a return on investment from their marketing spend. Experts in marketing will be able to help firms with brand awareness, content strategy and online advertising, meaning less money and time wasted on a hit or miss approach. This will help drive efficiency, as well as boost client enquiries.
References

Propero Partners (2018) State of Digital Marketing in Professional Services (UK Industry Report)