

Chapter 8

FINDINGS, RECOMMENDATIONS AND CONCLUSION

8.1 Findings of the study

In the present study the researcher collected data from 200 consultancy organisations from three Corporations in Kerala. The data and information collected are presented in tabular form and analysed under four objectives. Simple mathematical tools like percentage, arithmetic mean etc. are used for the analysis of data. The analysis reveals some important inferences relating to marketing of consultancy services in Kerala. The following paragraphs recapitulate and summarise the findings of the data analysis that has already been presented in the preceding chapters.

One of the objectives of the study is to analyse the organisational features of consultancy services. Data relating to the nature and structure of internal organisation of consultancy firms are analysed and it is found that:

1. Consultancy organisations are organised on business lines. Sole proprietorship is the dominant form of organising consultancy services, though more firms are now being organised as corporate entities.
2. Consultancy organisations are of recent origin in the State. The average age of consultancy firms is only 7.65 years. The majority of them operate

from a single location. Most of them undertake more than one form of consultancy services. The average number of consultants employed is two and the average number of clients served by a firm is around 38.

3. Complexities of problems is cited as the most important factor contributing to the need for consultancy services. There is severe competition in the field of consultancy services in recent years, though most of the consultancy organisations are making profits.
4. 82 per cent of the consultancy firms studied favour application of marketing principles to consultancy services. Marketing is well accepted as a managerial function for achieving corporate objectives and delivering maximum client satisfaction. Still a few firms consider marketing as something not needed on the ground of professional ethics or considering the small size of the firm.
5. The internal organisation structure is not found to be strong for many consultancy organisations. Most of the firms have only service departments. However, most of them practice decentralisation of activities and delegation of powers to the lowest level. Departmental or line organisation is the common form of organisation structure followed by consultancy organisations. The principles of organisation structure are either not known or not followed by consultancy firms. However, the majority of the firms studied (52 per cent) have organisation charts.

6. Consultants are well qualified in the areas of their services and hold affiliation to professional bodies. Most of the firms provide thorough training to newly recruited consultants. Firms offer good opportunities for career development and promotion. However, only very few consultancy firms practice manpower planning and budgeting.
7. Consultants follow specific code of conduct in the discharge of their services to clients. They give utmost importance to service quality and client satisfaction. The majority of the consultants hold the view that they are liable to the clients for deficiency of services.

The second objective of the study is to analyse the nature of marketing organisation in consultancy services and the extent of marketing orientation. The analysis of data and information relating to these reveals the following:

- 1) 73 per cent of the consultancy firms under study have formal marketing function in their organisations. Marketing function is largely discharged by the proprietor himself or by the chief executive officer. However, marketing function is considered to be less important than other functions like finance or personnel.
- 2) Consultancy firms having no formal marketing function state that they get sufficient marketing inputs without marketing departments. Majority of the firms do not hire the services of outside marketing agencies.

- 3) 68.5 per cent of the firms studied have Marketing Information System (MIS). The MIS works efficiently and generates adequate information for managerial decision making. Most of the consultancy organisations have market intelligence system to monitor changes in external marketing environment.
- 4) Marketing Research is not common to consultancy organisations. Only 8 per cent of the firms conducted marketing research during the period of their existence.
- 5) The majority of consulting firms included in the study have no marketing planning and control system. Only 16.5 per cent of the firms prepare marketing budget. Trend projection method is mainly used by these firms for marketing budget.

From the analysis the researcher comes to the conclusion that the marketing organisations of consultancy firms are generally weak and not well organised. However the marketing orientation of these firms is found to be moderately good.

The third objective of the study is to analyse the marketing opportunities and client behaviour of consultancy organisations. 200 clients of consultancy firms were selected for collecting data relating to clients' evaluation of consultancy services. The analysis reveals the following:

- 1) All the consultancy organisation could identify their target market and marketing strategies are based on the characteristics of the target market. Only 11.5 per cent of the firms forecast the total market demand of the industry while 7 per cent of the firms compute their market share in the total market demand.
- 2) Only 22 per cent of the consultancy firms under study estimate their future market demand, that is, actually make demand forecast. Survey of buyer intention is the important method used for demand forecasting.
- 3) The majority of consulting firms (54 per cent) do not practice market segmentation strategies. Demographic or client wise segmentation is the important method used for market segmentation by those following market segmentation.
- 4) The majority of consulting firms (53 per cent) follow concentrated market selection strategy. 36 per cent of the firms follow undifferentiated market selection strategy while 11 per cent follow differentiated market selection strategy.
- 5) All the consultancy firms recognise the importance of clients in the marketing of their services and try to analyse client needs and behaviour. The majority of consultancy firms analyse the type of client buying decisions and the factors that influence the client buying behaviour.

- 6) Individuals account for the majority of clients of consultancy firms. Organisational clients account for only 37 per cent of total clients. The need for expert advice is suggested as the important reason for seeking services of consultants.
- 7) The reputation of the consultancy organisation is the important criterion used for selection of consultancy firms by the clients. The overall rating of the services based on quality, accessibility, timing, after sales service and dealing of service personnel is found to be average or good in the opinion of the clients.
- 8) 89 per cent of the clients state that consultancy services have helped them in managing their affairs better than before and that the services are cost effective. Only 9 per cent of the clients are of the opinion that the fees charged by consultancy firms are very high.
- 9) Clients are satisfied by the services of consultancy organisations to a moderately good extent. The suggestions of the clients for improving satisfaction include further increase in the quality of services, timely delivery of services and better after sales services.

The fourth objective of the study is to analyse the marketing strategies of consultancy services organisations. The analysis of data reveals the following:

- 1) All the consultancy organisations are aware of the traditional four Ps of marketing mix. But only 82.5 per cent of the firms are aware of the extended Ps or 7 Ps of service marketing mix.
- 2) All the seven elements of the marketing mix are not equally important according to the survey. The service offer or the service product is the most important element among the consultancy marketing mix.
- 3) Consultancy firms give due importance to client satisfaction and design their services portfolio considering their clients in mind. Most of the firms offer additional or extended services to their clients to make their services distinctive from that of the competitors.
- 4) All the consultancy firms surveyed are aware of the services features like intangibility, heterogeneity, perishability etc. but only 86 per cent of the firms formulate the marketing strategies based on services features.
- 5) Quality of services is of fundamental importance in designing a consultancy product. The matching of expected service and perceived service is the important method used for measuring quality of consultancy service by majority of the firms.
- 6) 63 per cent of the consultancy firms undergo the growth stage of the service life cycle. Branding of services is not popular with consultancy organisations. The majority of the firms extend after sales services to their

clients and some of them help the clients in the implementation of their suggestions.

- 7) Surplus maximisation is the important objective of pricing policy of the consultancy firms. 57 per cent of the firms follow cost-oriented pricing strategy. The majority of the consultancy organisations do not follow price discrimination for their services.
- 8) All the consultancy firms included in the study follow direct distribution of their services. No firm in the study uses the services of intermediaries in the distribution but 6 firms have franchisees and 48 firms have branches for the delivery of services.
- 9) All the methods of marketing communication are not extensively used by consultancy organisations for the promotion of their services. Personal selling is used by 71.5 per cent of the firms for marketing communication, advertisement is used by 39 per cent of the firms, sales promotion techniques by 20.5 per cent and publicity by 11 per cent of the firms. Print media is the important media used by those firms advertising their services. Seminars, presentations and sponsorship of specific events or programmes are the sales promotion methods used by consultancy organisations.
- 10) All the consultancy firms recognise the role of service personnel in marketing of services but only very few firms adopt internal marketing

and interactive marketing to motivate the service staff in the marketing of the services.

- 11) Consultancy firms want the service delivery process to be efficient, less time consuming and cost effective. Firms also recognise the importance of physical evidence in building image for the consultancy organisation and instilling confidence in the minds of clients and prospects. Most of the firms use modern information technology products as a part of the peripheral evidence of consultancy organisations.

8.2 Recommendations

As a natural outcome of the study the researcher would like to make some recommendations for effective marketing of consultancy services.

- 1) Being a service the consultancy organisation needs a service -orientation and it must create a service culture within the organisation. The firm must induct service personnel who are motivated by a spirit of service to the client and who enjoy team-work.
- 2) The firm must develop a vision stating for what it stands for and what it wants to become. It may be expressed in terms of its mission, objectives, goals and targets and communicated to all concerned.
- 3) The firm must accept marketing as an inevitable function of management and an important means for achieving organisational objectives. It must

make marketing an integral part of the very fabric of the organisation. The marketing programme should be built into the engagement or consultancy process. The marketing-orientation must be reflected throughout the activities of the firm.

- 4) The consultancy organisation needs a marketing organisation responsive to client needs and wants. The marketing organisation must develop systems and procedures for optimum service delivery and maximum client satisfaction.
- 5) Consultancy organisations must develop and maintain a Marketing Information System. The information should contain a complete database of clients, prospects, competitors and services. The information contained in the database must be updated on a periodical basis.
- 6) Consultancy organisations must develop internal marketing and relationship marketing as a part of the overall marketing programme. While internal marketing calls for greater emphasis on staff development, empowerment and treating employees at par with clients, relationship marketing goes a step further in building a long-lasting relationship with all those dealing with the organisation, including existing clients and prospects, internal markets or employees, influencers, referral markets, channel markets et al.

- 7) The firm must employ periodically a marketing audit programme to analyse the overall marketing effectiveness. The programme can reveal to what extent the marketing-orientation exists in the organisation and what should be done to make the marketing function more effective.
- 8) Consultancy organisation must identify the targets of opportunity, maintain good relations with existing clients and make new business contacts with prospects. Each firm must select a particular niche relatively stable and not dominated by its competitors. It is also necessary to develop an insider's understanding of the niche market.
- 9) It is necessary to build a good organisational image to the consultancy organisation for facing competition and market positioning. The firm must follow service differentiation to make the service distinctive from its competitors. Service differentiation is possible by adding extra features to the service, offering service guarantees and money back guarantees.
- 10) Consultancy organisations must formulate a sound product mix strategy with changing needs and requirements of clients. They must concentrate on the quality of the core service, at the same time, explore the scope for innovative peripheral services. The organisation must target each client individually and offer customised products and services.

- 11) Consultancy organisations must follow a discriminatory pricing policy in which the fees structure shall be proportionate to the paying capacity of the clients. The pricing strategy should consider the objective of profit maximisation of the organisation, at the same time, make the services affordable to weak individual and organisational clients.
- 12) Consultancy organisations must use a judicious mix of all marketing communications and promotional tools. Besides personal selling, consultancy organisations must use other methods of marketing communications like advertisement, sales promotion, publicity, word of mouth promotion, personal calls and telemarketing.
- 13) Consultancy organisation must prepare a plan detailing the steps involved in delivering the services and arranging them in the most logical sequence. The firm must also introduce automation for doing repetitive type of operations to speed up the service delivery process. In long drawn-out consultancy process, the firm may update the client about the progress made or stage of implementation of the service.
- 14) Consultancy firms must continuously strive for achieving consistent standards of service delivery. Special attention must be given to improving quality in routine transactions like correspondence with clients, reports and documentation, responding to client complaints and general customer care.

- 15) The overall marketing strategy must be formulated on the basis of the behavioural profile of the clients. In the case of new task buys the emphasis should be on the quality of the service and the corporate image. In the case of modified rebuys, the emphasis should be on the process and the pricing of the service while in the case of repeated buys the firms attention should be on promotional measures.
- 16) Finally, consultancy organisations must promote Quality Circles in the organisations for encouraging team spirit, enhancing communication skills and promoting quality of worklife among employees. Quality Circles can suggest innovative problem- solving methods and processes, implementation of which contributes to greater service quality and client satisfaction.

8.2.1 Recommended Marketing Plan for Consultancy Services

In accordance with the fifth objective of the study a suitable marketing plan is designed for consultancy services on the basis of the findings. The marketing plan is drawn based on the following premises.

The challenge

- Competition brings new choice for clients
- Competitors are making new investments for larger marketshare
- Falling margins put pressure on profitability

- Global quality standards are forcing consultants to deliver better services
- Clients are demanding more value for their money

The focus

- Focus on client needs, marketplace and competition
- Deliver not client satisfaction but client delight
- Keep moving up the value chain
- Constantly strive for excellence
- Innovate upon service offering

The Client Delight Chain is depicted in Fig. F25

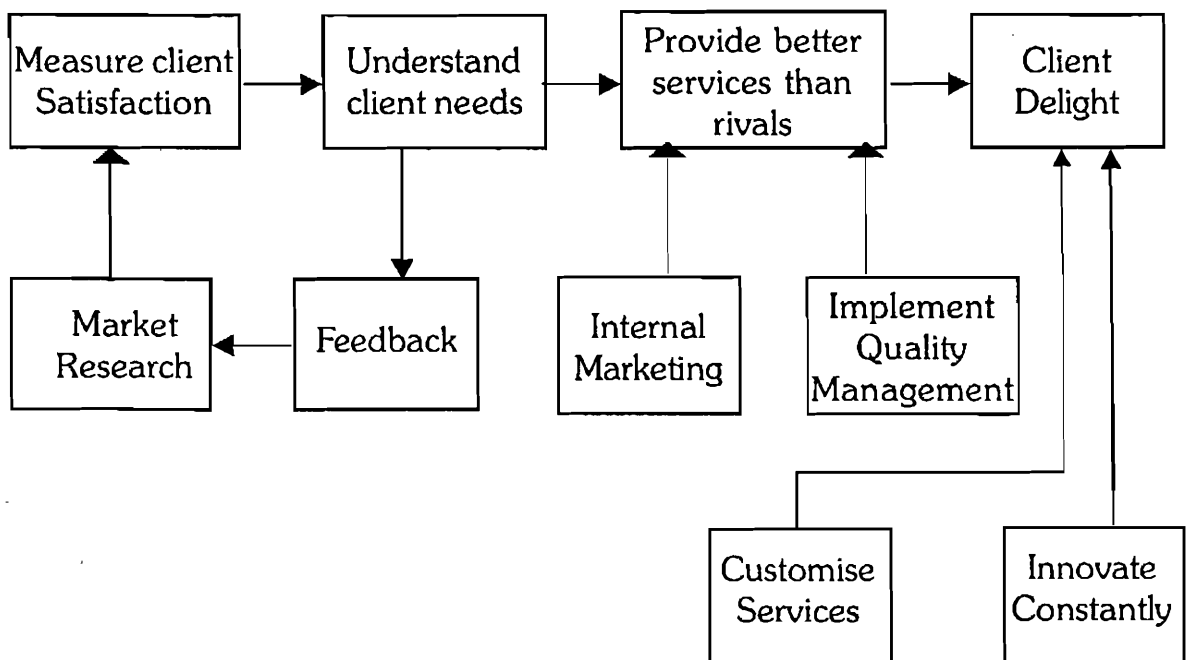


Fig. F25 The Client Delight Chain

The proposed marketing plan envisages a comprehensive marketing planning process to be practically followed by the consultancy organisations for its effective implementation. The entire marketing planning process is suggested below:

- Defining the mission
- Developing marketing objectives and goals
- Marketing analysis
- Marketing plan elements
- Marketing implementation
- Marketing control

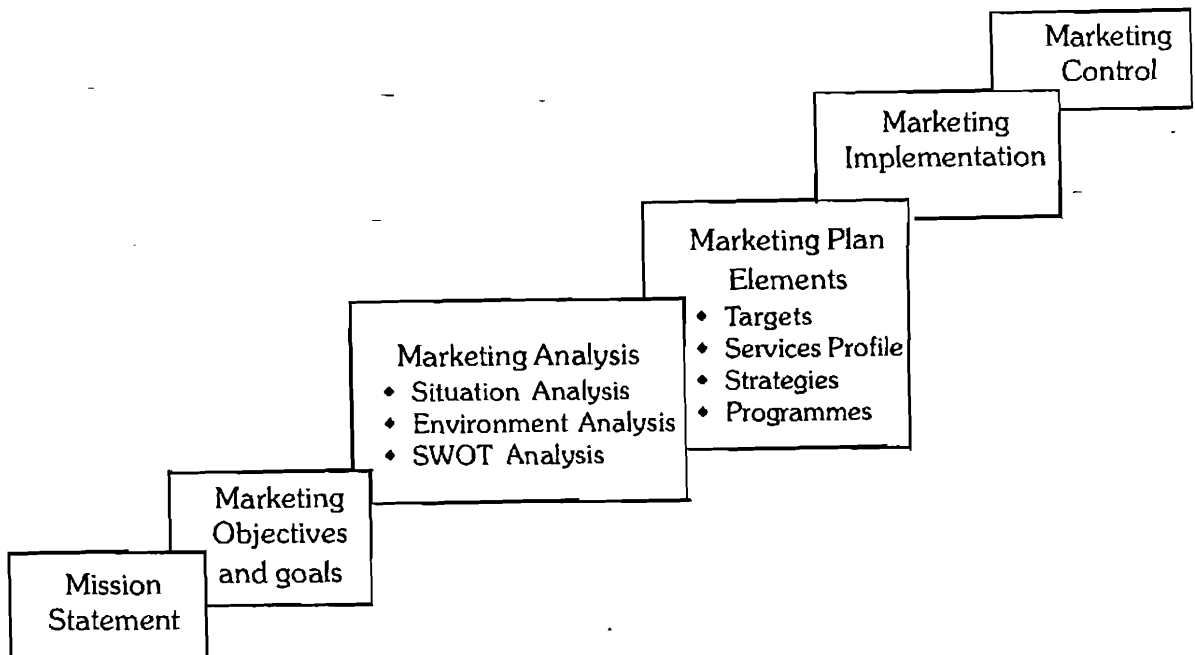


Fig. F 26 The Marketing Planning Process

The practical hints for the implementation of the above marketing planning process are recommended below:

- *State Your Mission*

- ☐ Establish the very purpose of your organisation
- ☐ Define your business activities in terms of present service offering
- ☐ Redefine your business based upon client needs
- ☐ Communicate the organisation's mission to all concerned
- ☐ Use metaphors and analogies to explain your mission
- ☐ Adopt the two way communication with staff at all levels

- *State Your Marketing Objectives and Goals*

- ☐ State the long-term objectives in terms of services profile, fee levels, market share and positioning
- ☐ State your immediate and short term goals in term of target revenue, profitability etc.

- *Analyse Your Present Situation*

- ☐ Evaluate your current operations in terms of resources, capabilities and competitive position
- ☐ Critically examine internal issues like organisation structure, location, infrastructure, finance, personnel and technical aspects
- ☐ Scan your environment — social, cultural, legal, economic, political and technological
- ☐ Do a SWOT analysis — identify your strengths, weakness, opportunities and potential threats

● *Develop and Codify Your Marketing Plan*

☐ Targets

- * Explore your opportunities
- * Identify your target market
- * Manage your prospects and targets of influence

☐ Services profile

- * Offer value adding solutions
- * Customise your services
- * Innovate new services
- * Organisational image and positioning

☐ Strategies

- * Develop the right marketing mix
- * Offer your existing services to new market segment (penetration strategies)
- * Offer new services or modified services to existing clients (expansion strategies)
- * Diversity into new services and new markets (diversification strategy)
- * Build client loyalty through client relationship management (retention strategy)

☐ Programmes

- * Manage your marketing efforts
- * Prepare an Annual Marketing Plan (Budget)
- * Assign Responsibilities to persons
- * Introduce Internal Marketing

● *Implement Your Marketing Plan*

- ☐ Put your plan into action
- ☐ Coordinate marketing activities
- ☐ See that the objectives are achieved
- ☐ Make contingency planning

● *Have a Regular Feedback*

- ☐ Measure the results
- ☐ Evaluate the results
- ☐ Analyse the pitfalls
- ☐ Take Corrective actions
- ☐ Conduct Marketing Audit

8.3 Conclusion

Consultancy services are going through rapid and profound change. The diversity of clients and markets will create demand for consultants in new areas. Consultants will be required to change their roles from advisers to more pragmatic change agents or as business partners. The role of consultants will be greatly accepted by clients not because of their inability to respond to a situation but because consultants are experts in providing feasible solutions. The consultants have to improve their leadership qualities and professional skills since the clients are increasingly sophisticated and discerning. The consultant-client partnership will really work to solve distinct problems, implement changes and take important decisions related to client's business.

The competition among consultants will bring greater professionalism and better quality of services. Small consultants will become increasingly specialised offering very customised and personalised services. While large consultancy firms will thrive with increased consolidation and better image building, small and medium sized firms will find it difficult to survive and will attempt to arrange networking, franchising and forging strategic alliances.

The biggest and the most important challenge of the consultancy firms will be the marketing of their services. Consultancy firms will find it increasingly difficult to carve a niche for their services and retain their existing market share. The life cycle of new service offers will be extremely short, necessitating

consultants to generate new ideas, solutions and packages very frequently. The issue that will continue to highlight challenge will be that of client integrity and loyalty. It is not surprising that the client will not be loyal to a single vendor and continue to shop for better value elsewhere. In the changing world of today consultancy firms need strategic outlook towards marketing to convince their clients to buy more and remain loyal to the firms.

It is in this context that marketing should be viewed in its global perspective by adopting innovative strategies and bringing enduring relationships through interactive marketing and relationship marketing. Marketing should not be viewed as something superfluous or as a means of profiteering, rather it is an essential function of the organisation. No doubt, marketing can do wonders if it is implemented in its true content and spirit. Let the consultant gurus realise the potential of marketing and serve their clients in a better way. Even Great Gods had sought the help of their consultant gurus. Then what to say about a man who is the mortal creation of the Almighty!!!
