ACCOUNTING FIRMS IN CYBERSPACE: A CRITIQUE OF THE BIG 4

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ABSTRACT

The phenomenal growth of the Internet has fundamentally altered the competitive landscape for virtually all businesses. This trend is no more pronounced than in the accounting services sector. This paper explores the cyber presence and on-line activities of the "Big Four" Accounting Firms: PriceWaterhouseCoopers, KPMG, Deloitte and Touche, and Ernst & Young. Each firm's target market is discussed, along with a critique of each site's strengths and weaknesses as a benchmark for other accounting firms' cyber efforts.

INTRODUCTION

The Internet continues to grow at nearly exponential rates in the United States and around the world. From somewhat humble beginnings, by 1998 there were over 2.8 million websites on the Internet. By the beginning of 2000 the number had increased to 9 million. E-commerce revenues have been forecasted to increase some tenfold between 1998 and 2003. These figures have given rise to the expression that one Internet year is equal to three months by a standard calendar (Richardson, 2001). While virtually no business enterprise will go untouched by this revolution, the one of current interest and at the focus of this paper is the accounting services industry in general, and the so-called Big Four firms of PriceWaterhouseCoopers, KPMG, Deloitte and Touche, and Ernst & Young.

These firms utilize the Internet as a marketing tool like so many other major companies in promoting their business. These firms are leaders in the field of technology because they have to be well informed and "cutting-edge" due to expectations from clients. They can be no different in the adoption of their interactive web sites (Bachmann, Elfrink, and Robideaux, 1997). The presentation of their websites reflects who they are as much as any other form of advertisement or corporate communication. All four firms have well established websites with a wealth of information for internal and external users. The strengths in each website far outweigh weaknesses. Utilizing this marketing tool as a rapid, cheap, and efficient way to get out massive amounts of information to potential and established clients, employees, and other interested parties is a prime reason for organizations taking the time and effort to establish and maintain them. Disseminating the same amount of information could not be accomplished as easily, shared, or updated, through, for example brochures or other media campaigns in such an effective manner. Estimates show that approximately 120 million Americans are currently online at any given time (Elftick, 2002).

Website Development

Research indicates that good websites are those that deliver relevant and well-organized information in an engaging manner to the end customer (Chen and Williams, 1999). In a world where some industries lead the way in internet commerce (technology, finance, entertainment), it is expected that the Big Four accounting firms be a leader in their online realms. The future of e-commerce is bright, with boundaries only limited by technology, the government, and competition. Creating and maintaining a competitive advantage within these boundaries will rest in part on the establishment of a firm's cyberpresence. The website, in the evaluation of current and potential customers, will have to deliver value, foster and nurture the customer-firm relationship, and be responsive to customer needs as they evolve.

History

In the beginning, accounting firms as well as other businesses used the Internet as a way to get their name to customers and show the array of services that they provide. More recently, the firms see Internet sites as a substantial resource in obtaining new business, meeting current clients' needs, and publicizing themselves and information they feel is relevant. While some of the earlier look may remain, all the sites have evolved to become more sophisticated than their beginnings. All the firms' sites have international or global home pages. They also organize their sites by country and allow for easy navigation through to the nation of interest. KPMG's first site had a popular "tip of the day" which helped them to average 80,000 hits per day. Their site does not include this any longer. As in the past, they still offer visitors the opportunity to review and/or retrieve publications, and other writings. Ernst & Young past design featured a question and answer format. "Ask Ernie" was a popular tool in which, for a fee, subscribers submitted questions online for answering. Deloitte Touche offered tax release information (Pratt, 1977).

Methodology

According to Netraker Corporation, the top three factors that ensure repeat visitors to web sites are content, speed and ease of use (www.WebCritique, 2003). PricewaterhouseCoopers, KMPG, Deloitte Touche, and Ernst Young websites were accessed and critiqued in these areas. Web content was reviewed for authority, updated subject matter, and relevant information. The review measured to see if there were any substantial problems in using the search engines and navigating the sites ensuring no broken links. In addition, usability testing looked at graphic design, innovative use, and readability of content.

Target Market

A website should reflect the personality of a business. Using a website as a marketing tool will be highly effective when an enterprise gets serious about advancing customer relationships though its online service. It should mirror the needs of its target market (McIntyre, 2000). It is obvious that the firms use websites to present their image and as a promotional tool to share

information with current and potential clients, prospective employees, and other third parties. Ernst Young uses phrases such "People First", "client trust" and "global village" in their site. They not only address client confidence, they also speak highly of their relationship with their employees (see Exhibit 1 / www.ey.com). It is clearly obvious that they use their website as a positive image builder in hopes of garnering good faith in existing and potential clients and employees.

EXHIBIT 1: HOME PAGE – ERNST AND YOUNG ACCOUNTING FIRM

PriceWaterhouseCoopers' website also places a high emphasizes on its current and potential client base. They convey a message that they put high importance on compliance and code of conduct (see exhibit #2 / www.pwcglobal.com). Interestingly, Deloitte Touche, while their main target seems to be their clients, puts emphasis on a site that "alumni" employees can visit and network when the site was first visited. Six months later, Deloitte Touche's web site focused more on external customer and client services. (see exhibit 3 / www.deloitte.com). KPMG's homepage highlights books and papers they have written (see exhibit 4 / www.kpmg.com). They also offer information about services and recruiting information.

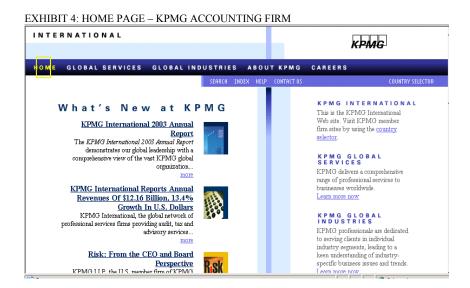EXHIBIT 2: HOME PAGE - PRICEWATERHOUSECOOPERS ACCOUNTING FIRM

www.manaraa.com

EXHIBIT 3: HOME PAGE - DELOITTE TOUCHE ACCOUNTING FIRM

EXHIBIT 4: HOME PAGE – KPMG ACCOUNTING FIRM

A sticky website essentially is a good mix between content and presentation. A-K Strategic Business Solutions makes the following statement about a sticky website. "The longer a person stays with the pages of your website, the more familiar he becomes with it. The more familiar, the more comfortable. It is when the visitor feels comfortable that they will make the purchase. Even if your product is slightly more expensive than your competitors, if the visitor feels comfortable with, therefore trusts, "you" then you are far more likely to win the sale. All because of your website's stickiness." (www.akstrategic.com)

Strengths and Weaknesses

KPMG

In reviewing the international and United States home page for KPMG's website, they are aesthetically pleasing. The lay out of the topics presented make it easy to find information. Cluttering is not an issue, making it simple to review each subject matter presented. The navigation through the site was effortless and user friendly. KPMG provides links to many topics that consumers will find useful. When navigating to two of those listed topics, however, there was a response that the subjects were no longer available. One suggestion would be for the company to remove topics from the homepage once the material is no longer available for review. In addition, there were no pull downs on the home page to offer a list of services or industries. To see those services or industries, the page had to actually be accessed.

Ernst and Young

Ernst & Young's Global and United States homepages lists its best assets at the top of the page in bold large type. They also enhance the relationship with consumers by listing information concerning their community work as well as offering articles on Sarbanes-Oxley. The site is on

target in portraying an image that meshes well with who they are and what they represent. Navigation through the site was effortless with quick responses. Ernst Young's only fall back is that they present too much information on its home page's front page. They give synopses of six articles as well as listing headings for other topics.   As the paragraphs are so long, the print is very small making it hard to read.   One suggestion would be to list headings or titles and let the reader decide if they want to pursue the information. Most site visitors do not thorough read each page; they tend to quickly glance until they find the information relevant to them (Ashenhurts, 2002).

PricewaterhouseCoopers

PWC's international and United States webs site are filled with many options to choose from. They use many headlines, subtitles, bulleted list and short sentences and paragraphs to ensure readability (Richman, 2003). The information presented is relevant to targeted customers and is up to date. Their lead off story concerns public trust. This immediately builds a positive customer relationship by focusing on a topic that has been in the headlines for over a year.   The web site is easily navigated with quick response time.

When entering PricewaterhouseCoopers' home page, a pop-up survey is immediately presented. Putting the survey off to one side of the page gives the reader the option to pursue this avenue instead of it being forced upon viewer. The only other issue with PWC website is that the word "maximize is misspelled. This was found to be true in viewing the web site over a six month period.

Deloitte Touche

The Deloitte Touche website is very conservative in its look. It is aesthetically pleasing and exactly what one would expect from a CPA firm.   The international site gives a brief synopsis of the international company. It also allows for pull downs for most accounting topics and information relating to careers. The United States home page focused on topics interests for that country. The sight was very easy to navigate and the information was relevant. They offer a new on-line tool called "Dbriefs."   Dbriefs is a series of webcasts that features Deloitte & Touche professionals discussing critical issues that affect most businesses.   Their website is enjoyable to view because of the ease of navigation and information is eye catching at a glance.

CONCLUSION

Successful websites are not only functionally brilliant, perfectly designed, have an abundance of information, and easy to use, but rather, they have a balance of all they attributes (www.Agency.com).   The firms' sites were had updated relevant information that was geared to their target market. Each firm produced websites that develops and maintains relationships with potential and current clients as well prospective employees.

Stephen Thompson in his web cast "Analyze This," states that great work should be engaging compelling, relevant, efficient, and satisfying. In other words, it should work for the user first and then fill the needs of the company. He further states that usability and usefulness of the site should

balance (Thompson, 2003). Each firm adds their own essence and balance to their web site, making it unique to who they are and what image they want to portray. How firms address the needs and issues surrounding their cyberpresence and the value that it delivers to customers and their evolving needs is the agenda for future research works.

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