

THE CPA & THE COMPUTER

INTERNET MARKETING: EVIDENCE OF A VIABLE MEDIUM

By *John Elfrink, Duane Bachmann,
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In 1978 the AICPA voted to remove the portions of Rule 502 in the Code of Ethics which severely limited the types of advertising the CPA could do. Although hesitant at first, advertising has become a commonly employed mode of marketing for some CPAs. The national firms advertise regularly using television, radio, business journals, and client newsletters. However, many accountants, particularly the smaller practitioners, have been reluctant to advertise using media formerly not allowed.

The opening of the Internet to the general public, advances in computer technology, and the widespread use of personal computers in the workplace and home have opened a whole new world for commerce on an international scale. The use of the Internet for promotion is a natural outgrowth of this phenomenon. To the practicing CPA, the Internet offers several major advantages over traditional advertising methods including—

- the opportunity to enhance the firm's image by appearing to be on the cutting edge of technology.

- Internet advertising can be interactive. Questions can be conveniently addressed via the e-mail. The surfer can obtain related information by using hypertext links.

- the ability to reach a large audience of prospective clients who have free access to material through the World

Wide Web and other Internet access tools. The Web surfer tends to be younger, better educated, and wealthier than the nonuser and consequently more likely to need public accounting service than the general public.

- the chance to level the playing field with other larger firms by developing an attractive, attention getting home page at a fraction of the cost of more traditional advertising media. Location and office environment advantages are neutralized over the net.

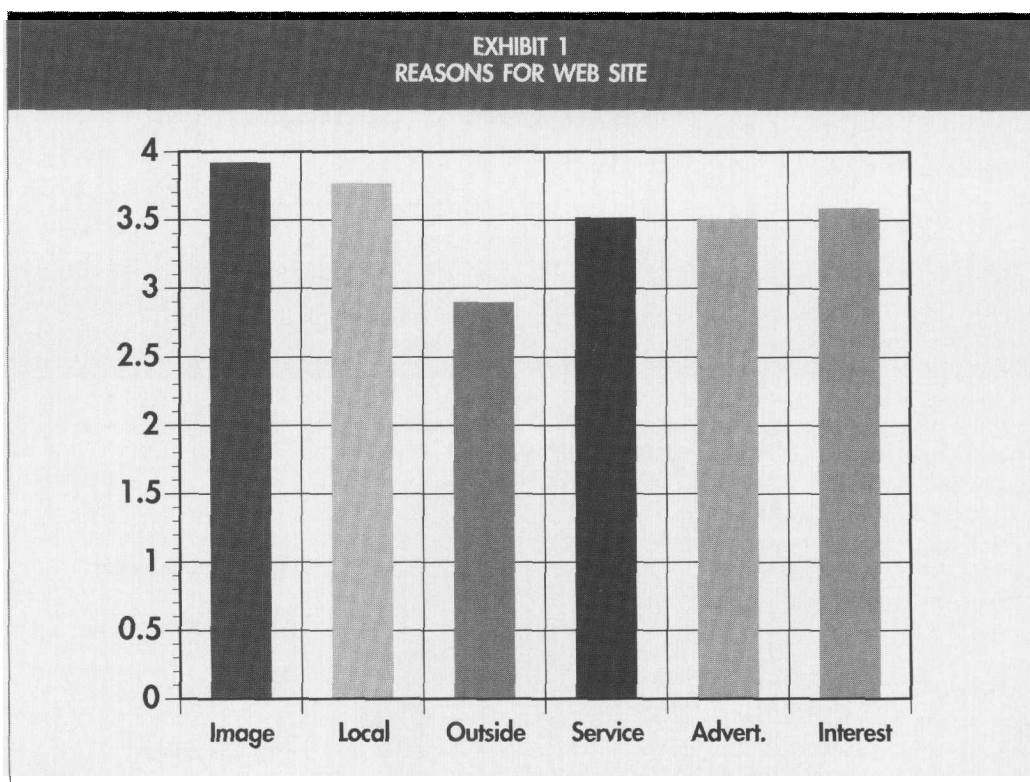
Although numerous businesses have been hawking their wares over the Inter-

Two-Phased Survey

In order to gain insight into the experiences of those CPA firms who have tried the Internet as a form of advertising, 273 CPA home pages were downloaded from the net. The home pages were analyzed for their content, and the e-mail addresses of the firms were located. Using the e-mail addresses, 250 firms were electronically sent a questionnaire dealing with their experiences. One hundred three of them responded.

Why Develop a Web Page?

Each firm was asked to rate the impor-



net with varying degrees of success for several years, CPAs and other professionals are relatively new to the field. Interest in using the Internet by CPAs is high as evidenced by the number of articles being written, the number of seminars available on the topic, and the number of consultants offering their services to the novice. In response to the potential usefulness of the Internet, the inexperience in this area, and the current interest, this study was undertaken to investigate the experiences of CPAs who were early to experiment with this newest form of promotion.

tance of six factors in their decision to establish a Web site (*Exhibit 1*). The scale ranged from one (not important) to five (very important). The majority of the firms believed that all of the factors were important or very important goals except to obtain clients outside of their local area. The ranking factors based on the average (mean) responses are as follows:

1. Improve the firm's image (3.92).
2. Attract new clients within the firm's local area (3.77).
3. General interest (curiosity) in the Internet (3.59).
4. Better serve the firm's present clients (3.52).

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EXHIBIT 2
WEB STARTUP COST

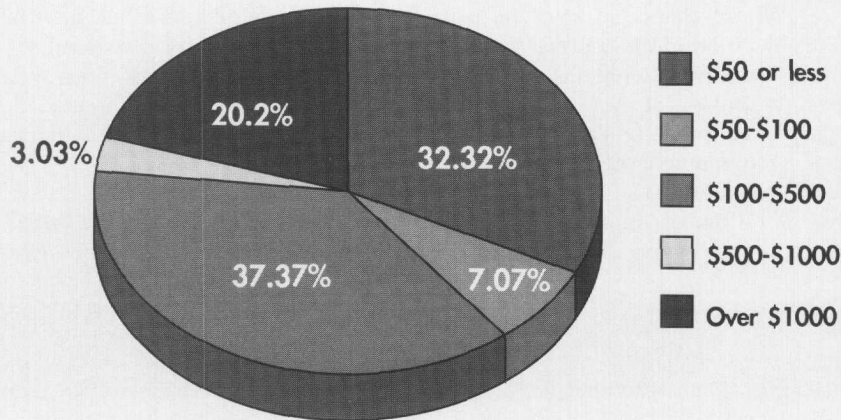
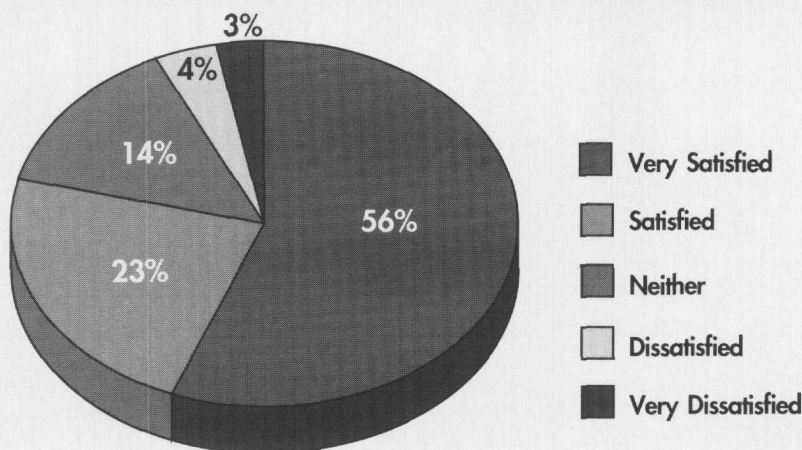


EXHIBIT 3
SATISFACTION WITH WEB PAGES



generally pleased with their experience (see *Exhibit 3*), the ability of the home pages to meet their original goals was somewhat disappointing. Seventy-nine percent of the CPAs were very satisfied (56%) or satisfied (23%) with their decision to use a Web page. Only seven percent were dissatisfied (4%) or very dissatisfied (3%). However, when asked to judge the effectiveness of the Web page in meeting original expectations (see *Exhibit 4*), the early users were somewhat displeased. Using a five-point scale (one not effective to five very effective), the respondents found the Web page least effective in obtaining new clients with mean ratings of 2.07 for recruiting local clients and 1.99 for recruiting nonlocal clients. Those using Web pages found them effective in satisfying their curiosity (3.5 mean score) and improving the image of their firm (3.4 mean score). Several respondents indicated the current results of their home page are less than spectacular; however, they strongly believe that widespread use of the net is inevitable and their early experiences in using a Web page are invaluable.

Home Page Contents

The home page is designed primarily to

5. Complement their advertising (3.51).
6. Attract new clients outside the firm's local area (2.90).

Experiences

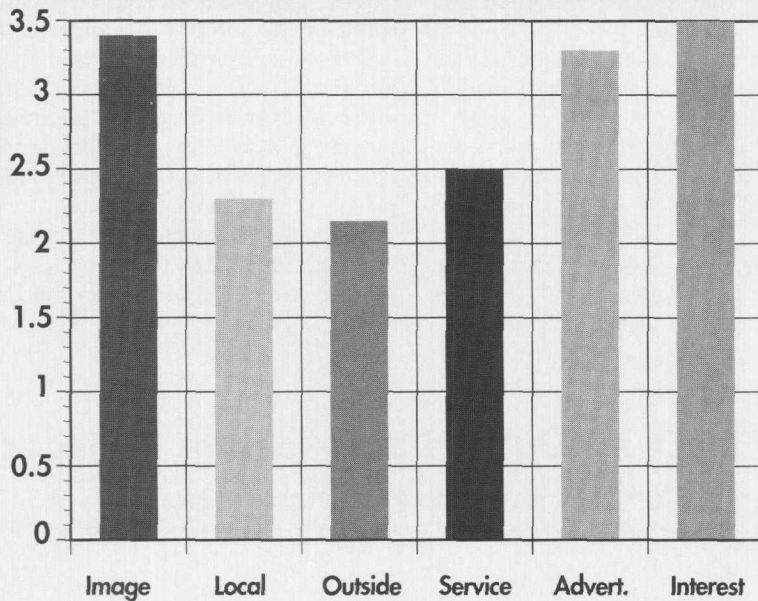
Start-up and maintenance costs are obvious factors to consider prior to deciding whether or not to set up a Web site. Three-fourths of the firms surveyed designed their own home pages. Approx-

imately 40% spent less than \$100 to do so and only 23% invested more than \$500 (see *Exhibit 2*). The median start-up cost was \$200. The average monthly maintenance cost was quite low (\$30). The average number of hits (contacts made with their home page) was 90 per month. However, nearly one-third (31%) did not know the number of hits.

Although the responding CPAs were

introduce the Web surfer to the firm and provide an index to other information available over the net. A majority of the firms list both their expertise or services and their e-mail address. Most firms use preformatted response screens to enhance e-mail communications. Some firms include pictures of firm members and resumes of the partners on their home pages. Most of the home pages contain

EXHIBIT 4
EFFECTIVENESS ON WEB SITE



linked items which automatically download additional information when clicked on with the mouse. The types of additional information vary widely but include such things as—

- home page of organizations such as the IRS or the AICPA tax tips and accounting updates;
- offers of free items such as a newsletter or initial consultation;
- fee structures;
- tax preparation via the e-mail; or
- nonaccounting items such as jokes, golf tips, stock prices, or personal interest topics.

Implications for the Future

The results of this study indicate a very high level of overall satisfaction. The use of a Web page appears to be relatively inexpensive to develop and maintain. Although in the development stage, using the net as a promotion medium shows great promise. Practitioners are advised to consider setting up their own home pages in order to gain experience and improve the image of their firm. Failure to establish a presence in cyberspace may cause harm to a firm's image.

How to Get Started

Before beginning, several key questions should be addressed:

- Does your firm have the resources

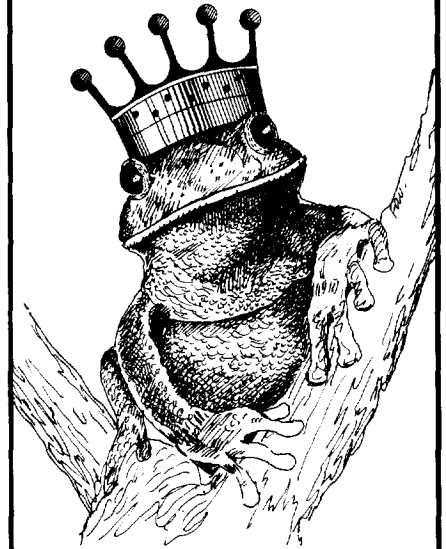
and interest for such a project?

- Who will maintain the home page and answer the e-mail?
- Do your current or potential clients use the Internet?
- Is this form of promotion compatible with your firm's image?
- Does your firm have the patience to wait for this technology to gain wider acceptance?

For those interested in developing their own home page, there are a number of sources for help. The AICPA and state societies offer several CPE courses and sponsor seminars. Many universities and community colleges are offering both credit and noncredit courses dealing with the Internet. Numerous consultants are available, including CPA firms. Software for developing home pages is available at any computer store. A few minutes on one of the popular search engines on the Internet will yield plenty of sources of software and expertise. □

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