



Marketing and Advertising for CPAs: Leading-Edge Strategies

By Mary Kay Copeland

Prior to the late 1970s, marketing and advertising were taboo topics for CPA firms due to the AICPA's long-standing restriction on the practice of promotion. After the AICPA dropped its ban, some states still restricted solicitation by CPA firms, but in *Fane v. Edenfield* (507 U.S. 761 [1993]), the Supreme Court ruled these prohibitions unconstitutional (Terry Lantry, "Supreme Court Allows In-Person Solicitation by CPAs," *The CPA Journal*, October 1993). Yet a study of CPA firms in 2005 found that the aversion still exists, as many CPAs still do not promote or market their services (Scott Markham, Joseph Cangelosi, and Marsha Carson, "Marketing by CPAs: Issues with

the American Institute of Certified Public Accountants," *Services Marketing Quarterly*, vol. 26, no. 3, 2005).

Many successful accounting firms do participate in intentional and continuous marketing efforts, with some entrepreneurial CPAs investing in rebranding, website promotion, direct mail, and strategic marketing plans. Those firms lacking a marketing plan and endorsement tools may be falling behind, as the industry, overall, has developed an openness to professional promotion. Research shows that in 2009, the average CPA firm spent 3.7% of revenues on marketing efforts ("Marketing Budgets," *Partner's Report*, vol. 9, no. 12, 2009).

This article addresses recent trends and strategies for CPA firms participating in marketing, advertising, and promotional activities, based on the AICPA effective marketing guidelines and other CPA industry-specific marketing recommendations.

To determine if a particular marketing recommendation or tactic should be considered, small, medium, and large CPA practices should consider whether the marketing strategy is relevant to their firm, based on their unique situation. Every firm needs to consider its competencies, local market, and competition when determining which of these tools are viable for the organization. While developing these strategies can benefit CPA firms seeking to remain competitive in the 21st century marketplace, they cannot be considered a substitute for providing quality service by outstanding professionals. If a CPA firm fails to live up to its promotional claims, even the best marketing plan and tactics will be in vain.

Recent Trends

Marketing for the CPA firm is the process of informing existing and potential clients about the products and services that the CPA firm can provide. A marketing strategist for CPAs suggests that accountants should focus on and market the value and differentiating characteristics that their firms offer (Ronald J. Baker, "Pricing on Purpose: How to Implement Value Pricing in Your Firm," *Journal of Accountancy*, vol. 207, no. 6, 2009). How to effectively communicate this to prospective individuals and entities is a topic of much debate.

Currently, CPA firms have new online options for marketing, including firm-sponsored blogs, mass e-mailing campaigns, promotional websites and services, and social networking tools, outlined below. As an example of innovative new marketing techniques, in December 2009, a Buffalo, N.Y., CPA firm launched a digital billboard showing Twitter updates promoting the firm's name, relevant news, and industry briefings in real time to motorists on their daily commute. While a plethora of Internet-based marketing tools exist, all should be evaluated to determine if there is a sufficient benefit to justify their cost. Understanding these marketing efforts and how they have been successful in the accounting industry is critical for firms interested in business development and growth.

Marketing Tools in the Information Age

Companies that CPAs serve have all been radically impacted by the explosion of the Internet. Firms that use technology-savvy marketing tools receive a dual benefit of being seen as more innovative, while they execute marketing campaigns that are efficient and cost-effective. The following are some CPA firm marketing tools that have evolved in recent years.

Website marketing. Developing or redesigning a CPA firm's website can be essential to its success in the 21st century marketplace. It's crucial for a firm or sole practitioner to have a main web presence that is user-friendly and attractive. One example of a well-designed site is that of Rosen Seymour Shapss Martin & Company LLP (www.rssmcpa.com), which was reviewed by Susan Anders in *The CPA Journal* in November 2008. She pointed out that the site features an uncluttered and professional format, attractive graphics, taglines and banners on main pages promoting the firm's values, and an easy-to-navigate top menu bar. The website provides extensive information for its existing clients, while also promoting the company to potential clients and employees and providing general beneficial information for the public. Careful and strategic website development is essential for all firms. This is an area of a firm's marketing budget that often makes sense to outsource to companies that develop and optimize websites professionally.

Customer relationship management. Customer relationship management (CRM) is the process of managing and leveraging customer relationships. To maximize the effectiveness of CRM as a marketing tool, companies must methodically and tenaciously commit to organizing and optimizing their data. CRM software has developed extensively over the past decade and offers companies a tool to easily organize the data they have on their clients and prospects. CRM systems—such as Microsoft CRM, Salesforce.com, SalesLogix, Act, and GoldMine—provide a large database for collecting customer data that can then be shared with others in the organization. While CRM systems have been adopted by many professional services organizations, CPAs have been slow to adopt this technology. Practitioners and CRM implementers suggest that the steep learning curve, coupled

with the uncertain return on investment for the CPA, is the reason for low adoption rates.

CRM provides one location for all a firm's customer information, with more full-featured systems tracking customer details and demographics, identifying areas of future service potential and providing billing information, invoicing tools, and a history

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of services performed to date. CRM systems are a firmwide business development tool that can generate direct mailing lists, follow-up and action item lists, and other marketing campaign tools that directly target the needs of a firm's existing clients, as well as prospective companies. While market research firm International Data Corporation (IDC) reports that adoption of a CRM system results in a 16% to 1,000% return on investment from increased productivity and business process enhancements, less than 15% of CPA firms have adopted this technology, as compared to the broader financial services industry, where 65% of firms have either adopted CRM or intend to adopt it (S. Templeton, "Study Shows Majority of CPA Firms Have Yet to Adopt CRM," *CPA Practice Management Forum*, vol. 5, no. 12, 2009).

Social networking. Social networking is one of the more recent business development trends that has uncertain and unprecedented potential for CPAs and other professionals. Joining a LinkedIn accounting and finan-

cial professionals group, for example, instantaneously provides a professional online peer group of over 20,000 individuals. This expansive, global contact base can be advantageous for researchers, practitioners, and those seeking employment, but it can also be plagued with participants who are seeking to market their own products and services and provide no true value to the CPA seeking to network for business development purposes. Participating in focused groups is a way to improve the return on investment

starts a conversation or posts a relevant article or topic. The blog post can often then be commented upon by readers of the site and by the author. Blog entries are traditionally short and often contain links to related information. Benefits of blogging are that companies can reach a large audience continually and at a very low cost. For accountants, blogs can be a source of information and a tool for developing a firm's reputation, professional contacts, and potential clients (Susan Anders,

concern is whether clients and potential clients—as opposed to competitors—would read the blog. Similarly, how does a firm know that if it builds a blog, it will attract readers—and the right readers? In addition to blogs being time-consuming, a direct link to practice development opportunities has not been proved. While some CPA firms have provided testimonials that they have successfully incorporated blogging into their customer care and development efforts, each firm should consider whether blogging is a marketing tool that it can effectively utilize.

In support of blogging, research has shown that, overall, websites that include a blog, especially when combined with other search engine optimization (SEO) services, can increase the number of total website visits by seventeenfold (“What Do Search Engines Love? An SEO/Blog Combo,” *Min's b2b*, November 23, 2009).

Tax professionals have also argued that blogging on tax topics is an excellent tool for garnering new clients as well as maintaining and developing existing client relationships by providing a medium for establishing the expertise and knowledge of the firm (Bonner 2009). Blogging enables CPAs to reach a large audience expeditiously and continually at a very low cost.

To be effective, bloggers need to be willing and able to write tenaciously, and firms need to be prepared to invest the opportunity cost of what the blogger may be able to do with his time if he were not blogging. Topics must be continually updated with relevant information, and the blogger must be able to establish the expertise of the firm above that of other firms providing information on their websites. Suggestions for effective CPA blogs include targeting your writing to your client's interests and requirements, incorporating your blog into your firm's overall online presence, and utilizing a blogging service to incorporate a search bar on your blogging site (Bonner 2009).

Traditional Marketing Tools

While Internet and technology-based marketing tools have found a permanent place in many CPA firms' marketing toolkits, there are a number of traditional promotional tools that remain effective as accountants seek to expand their client base and increase their

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from participation in social networking. For example, the Maryland Association of CPAs (MACPA) determined that social networking allows accountants to access other professionals at a much more accelerated pace, with blogs being the most successful social media tools, followed equally by Twitter, Facebook, and LinkedIn.

Twitter has been cited as a popular social networking tool for CPAs, as it facilitates brief postings that enable users to quickly scan headlines for the financial industry as well as for client industries. Recent *Journal of Accountancy* articles provide examples from the Maryland, Oregon, and Oklahoma CPA societies, which all state that Twitter enables them to develop and maintain relationships and disseminate information rapidly among members, peers, and the media. For companies offering new and innovative services or providing news and additional knowledge to their clients or the industry, this can be an expeditious way to promote the firm and the value it provides.

Blogs. A blog is a term that refers to a weblog, which often expands into an electronic conversation among readers. Blogs generally include a blogger, or author, who

“Introduction to Accounting Blogs,” *The CPA Journal*, June 2007). CPA firms have effectively used blogs to enhance communication with clients. Accounting blogs may link to pertinent accounting information such as newspaper and magazine articles that provide a focused and synthesized summary of relevant topics. Nonaccounting blogs, such as those that provide tips and tricks for QuickBooks and Microsoft Excel, can become a knowledge base for clients using accounting and supporting software.

Joe Kristan has been blogging on the Roth & Company PC website for the past seven years (www.rothcpa.com/taxupdates.php). Kristan's informational blog posts evolved from the firm's newsletter, its pre-blogging medium that was initially printed and mailed (Paul Bonner, “Blogging for a Better Tax Practice,” *Journal of Accountancy*, vol. 208, no. 2, 2009). Kristan found that blogging allowed the firm to quickly and continually update the information provided to its clients. It also enabled readers to electronically search the site for specific topics of interest.

In practice, some CPAs have expressed reservations regarding the use of blogs. One

professional services revenue. The following provide some conventional, yet effective, marketing tools for the CPA.

Developing a contemporary brand or image. CPA marketing professional Jean Marie Caragher argues that developing a contemporary brand or image is of critical importance in today's competitive professional services marketplace. Developing a new image often necessitates engaging external marketing professionals, and can take an average of six to nine months and cost anywhere from \$25,000 to \$100,000 for the brand or image alone, before the cost of printing and implementing the promotional materials. With a significant investment required for developing a brand or image, CPA firms—large and small—should assess the potential return on investment that may occur from this endeavor, prior to making a commitment of time and resources.

For Kentucky-based CPA firm Cotton & Allen, which was nearing a century in business and seeking to grow its practice, this commitment to creating a contemporary image paid off. The benefit of the firm's image overhaul was that it was able to better position the firm among its competitors with a rejuvenated image and a more deliberate and focused message (Stuart Kahan, "Continuing the Legacy: Cotton & Allen," *The Practical Accountant*, vol. 39, no. 1, 2006).

Seminars. In the financial services industry, seminars have a proven track record for promoting or marketing the services of a firm. Offering seminars to clients and prospects can be an effective way to be perceived as a valuable resource, to promote product and service offerings, and to build relationships. More recently, technology tools have reduced the cost of CPA seminars. CPA firms have found that social networking tools can be an excellent, low-cost resource for driving seminar attendance and momentum. Online webinars have also allowed seminars to be available to clients and prospects conveniently and cost-effectively.

To ensure that a seminar is a beneficial marketing tool, a firm should take great care in planning and executing the event. Best practices suggest paying attention to every detail, which includes the following: Set a clear purpose for the event, select a topic that will attract the greatest number of prospects, develop a list of invitees that

represents the greatest potential for meeting the goals of the seminar, select a date that most people would be able to attend, plan the format, select an excellent location, develop a budget, select a compelling and relevant speaker, develop and provide outstanding materials for the participants, collect participant information, and follow up with attendees ("Seminar Best Practices: Careful Thought, Attention to Details Make for Successful Events," *CPA Practice Management Forum*, December 2005, 10–13). First and foremost, it is better to not hold a seminar than to host one that is poorly executed.

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Direct mail marketing. Direct mail is a long-standing, time-tested marketing tool with an almost certain return on investment (R. Myers, "Start Your Own Practice," *Journal of Accountancy*, vol. 201, no. 4, 2006). CPA Frank Salman launched five accounting firms using direct marketing promotion, prior to starting a consulting firm to help other CPAs market more effectively. Focused and effective direct mail to individuals and businesses has consistently proved effective in generating revenues in excess of the cost of the campaign when the direct mail information provided is relevant, compelling, and of interest (J. Stimpson, "Marketing Gets Bolder," *The Practical Accountant*, vol. 31, no. 6,

1998). To ensure that your direct marketing embodies those characteristics, it may be helpful to seek the assistance of a marketing professional. Purchasing a mailing list from Dun & Bradstreet, InfoGroup, or a local mailing list provider is a quick and cost-effective way to obtain target prospects for the services your firm offers. The contact list can then be used to send out a piece of professional correspondence, such as a recent legislation change, tax tip, or industry best practice.

The CPA firm Frederiksen & Co. used direct mail as an effective marketing tool. Managing partner Christian Frederiksen stated that the firm experienced a 55% increase in the number of tax return clients in a single year as a result of direct mailing efforts (Stimpson 1998). The CPA firm targeted local new homeowners by sending out three mailings. The first was sent close to the move-in date. The second, sent right after Thanksgiving, promoted year-end tax planning and offered an hour of free consulting. A third, mailed in early January, provided an organizer checklist. In March and April, a reminder postcard was also sent.

To execute a successful direct-marketing campaign, a company should carefully complete five critical steps: Plan the campaign, collect data on the population, complete the mailing, include an offering to develop a qualified respondent list, follow up with telephone contact, and track results of the mailing and subsequent contact (Larry Bildstein, "Make Direct Marketing Pay Off: Practical Tips and Real-Life Results to Guide Your Campaigns," *Journal of Accountancy*, vol. 204, no. 6, 2007). Other important components of a campaign include: defining the target audience, setting objectives, strategizing on timing, developing an effective message and mail piece, and planning for telephone follow-up.

Niche or vertical marketing strategy. For the past decade, Microsoft has asked its accounting professionals who implement Microsoft Business Solutions to establish vertical marketing strategies, arguing that developing industry expertise in specific markets is a key ingredient for closing more opportunities. Verticalization, or niche marketing, has been a successful strategy for many CPA firms as well, as customers seek firms with a demonstrated

expertise in a specific area or industry. Companies that differentiate themselves by developing niches or vertical proficiencies are generally more successful against competition and enjoy higher profit margins. Niche marketing can be accomplished by focusing on specific industry sectors or by addressing areas of expertise such as tax planning for high-net-worth individuals, business planning, etc. Firms that seek to develop a niche strategy should consider: 1) completing market research to determine viable niches in their geographical areas; 2) developing industry-specific expertise or product/service knowledge through hiring, acquiring, or merging if they do not have the needed proficiencies in-house; and 3) developing and executing a niche marketing plan.

Media advertising. Newspaper, magazine, TV, and radio advertising have been used in the past by CPA firms. A search of the current literature on marketing trends for CPA firms does not highlight this type of advertising as a consistently recommended strategy. Marketing strategists note that it can be costly and can have diluted or limited effectiveness, compared to other methods of promotion, especially in larger markets. The AICPA marketing tips suggest that cost-effective publications include local business journals, weekly newspapers, industry trade journals, and local radio and Internet advertising (“Marketing 101—Effective Advertising,” www.aicpa.org/Career/Marketing/Pages/Marketing5.aspx). Free promotion can be achieved by writing articles for local papers or magazines or being cited as an industry expert in newspaper articles. Effectiveness varies extensively from market to market, and firms should determine that promotion outcomes justify the cost. The AICPA reminds CPAs to budget and plan advertising wisely, as studies show that it takes an average of seven times for any print, radio, or TV ad to register with a consumer. The AICPA also notes that for print advertising, firms should be mindful to limit the amount of text, make sure the ad stands out using bold lines, color, etc., and choose images carefully to ensure that they will reproduce well.

Networking and building relationships. Developing and maintaining relationships has long been the lifeblood of CPAs’ mar-

keting strategies. There are many ways for CPAs to effectively foster relationships, including participating in professional organizations, sponsoring not-for-profit organizations and participating in their events, making charitable contributions, entertaining clients and prospects, and developing strategic alliances with other professional organizations. Of equal importance is consistently following up with existing clients in order to keep up with changes and progress. Recent recommendations outlined in the *Journal of Accountancy* for making networking efforts more purposeful and effective included the following:

- Expand beyond your comfort zone and reach out to those you don’t already know.
- Choose your connections for their affiliations, reputations, and position.
- Rely on third-party referrals.
- Network and communicate with decision makers.
- Choose and nurture your target contacts purposefully for their potential value to your company.
- Increase your online visibility.
- Keep in touch and give more help than you ask for. (Debra Feldman, “Are You an Active Networker?” *Journal of Accountancy*, vol. 208, no. 2, 2009)

Developing a Marketing Strategy

Game plans for developing a firmwide marketing strategy include: 1) select or hire a marketing professional, 2) develop a marketing task force, 3) develop a marketing budget, 4) develop a marketing plan, 5) implement the plan, and 6) measure your results. Caragher, who has written several industry-specific marketing books published by the AICPA, suggests including the following for companies that seek to write a marketing plan:

- Mission Statement. Your firm’s reason for being.
- Situation Analysis. The current state of your firm including growth trends, industry and service expertise, trends impacting your firm, current marketing activities, and your competition.
- Goals/Objectives. The specific items you would like to achieve. Be sure they are quantifiable, i.e., include a deadline, revenue goal, or a specific number.
- Strategies. The action steps required to accomplish your goals.

■ Implementation Plan. How the plan will be monitored and those responsible.

■ Budget. (Jean Marie Caragher, “Seven Secrets to a Successful Marketing Program,” Accountants Media Group Special Report, 2004)

While this is not an exhaustive list, it provides a starting place for CPA firms seeking to augment their current marketing efforts with a comprehensive marketing plan.

Application and Conclusion

This article has summarized recent trends in marketing and advertising by the CPA profession. It also provides recommendations for firms interested in expanding their business development and marketing efforts, based on experiences and successful outcomes reported by other practitioners. It is imperative to reiterate, however, that the most exceptional marketing plan will fail if a firm lacks quality service or fails to maintain professional standards and practice what it preaches. If your firm lacks these elements, begin your marketing efforts by building a firm that companies will want to engage with. Your best marketing will be the recurring work that is received as well as recommendations received as a result of your excellence. To maximize your investment, start your marketing process by determining if your firm needs a marketing plan or a strategic plan. For firms that have an established competitive edge and a stellar reputation, adding a marketing and promotional program can reap extensive returns. For companies more evolutionary in establishing target markets and expertise or lacking in sufficient resources to warrant investment in marketing and promotion, efforts and resources may initially be best spent solidifying the firm’s service offerings and professional strengths. If the firm is structurally positioned for growth, considering and implementing all or some of the marketing strategies that other CPA firms have utilized could augment the firm’s professional competencies and provide momentum for increasing profitability and maintaining and growing your firm’s market share. □

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