CHAPTER 5
The services sector in our country (India) is today one of the fastest growing sectors of the economy, forming nearly 41 percent of the GNP, (Economic Times, April 14, 1998). It is further realised these days that it is the services sector which will subsequently contribute to the social development and improvement in the quality of life by providing better opportunities for self-employment by establishing a modern self-reliant economy. This is much in accordance with what Colin Clark, a well-known economist, said in 1957 in Britain, "in the first and most primitive stage, the vast majority of an economy's population is engaged in farming, grazing, hunting, fishing and forestry. As an economy become more advanced, emphasis shifts from agriculture-related to manufacturing activity. The final, and the most advanced stage occurs when the majority of labour is engaged in the so-called tertiary industries (the production of services)." Thus, increasing importance of this sector of economy is apparent. By its very nature, to improve productivity of services calls for an innovative and dynamic marketing approach. In India, services have encompassed a variety of fields such as banking, travel and tourism, hospitals, hotels, airlines, information technology, computer software, advertising, media, courier professionals etc. But status of marketing in many parts of the service sector is patchy and fragmentary. It has
achieved full utilisation in Banks, Financial Services, Airlines, hotels, courier etc. and to a lesser degree in insurance, brokerage, colleges, charities, public transportation etc. and still lesser in professional services of Law, accounting, management consulting, medicine, architecture, and engineering. As Dilip M. Kulkarni M.D. of Skylark courier services in his address at MARKSERVE conference at Poona in 1988 remarked that, "Sky is the limit for marketing of services". At MARKSERVE, 1988, Dr. Ram S. Tarneja, M.D. of Bennet, Coleman and Co. also remarked that, "To make Print Media most effective there is a need for marketing in media." These and many other statements by our industrialists and top executives in the recent years indicate the increased awareness of the need of having services and marketing them in Indian context.

Times have changed and so have man's needs, wants and requirements. It is, therefore, more appropriate, economical and convenient to buy services from professionals than to create them within the organisation. And it is thus in the recent years that professional services have started adopting marketing ideas, but are yet to go a long way to get along the road to a true marketing orientation. Many professional services of Accountants, Lawyers, doctors etc. are severely constrained by the mandatory or voluntary rules governing standards of practice or ethics. Not only

this many professionals, as observed by the Researcher, reject tools of marketing considering them not only unrealistic but distasteful, and incompatible with their self-images, for example, a Chartered Accountant remarked that "when we are earning bread and butter worth our efforts and expectations why then there is a need to go out for hustling business?". While this view still holds in the minds of many professionals but by the turn of century we will see it gradually receding before the forces of economic reality.

As more professions become overcrowded (e.g. in Accountancy Profession, on the 1st of April, 1950 there were 1689 members of whom 569 were fellows and 1120 were associates. It has now progressed to a figure of 12,202 as on 1st of April, 1972 a growth of over 700%)* Available from "History of the Accountancy Profession in India" by G.P. Kapadia, published by I.C.A. in 1973; as competition intensifies: as attempts are made by many hard pressed service organisations to maintain and improve quality under resource constraints; as quantum leaps in knowledge and technology expect the professionals to be more knowledgeable and vigilant; as clients have become more demanding being better informed; as ethical and legal barriers are eroded; as long term client loyalty needs to be nurtured and protected and not to be taken for granted; and as shifts in social, cultural, technological, international environment changes the scope of practice; as these and other influences take effect, they will encourage the extension of marketing
ideas and practices much more in the field of professionals including professional Accountants.

A discussion of the results presented in chapter IV follows:

5.1 Experience as a variable.

Experience as an 'attribute' was taken as a variable of study by the Researcher to bring meaningful insights relating to review of clients and to know top-of-mind attitude of professionals towards the word 'marketing'. Accordingly, the chartered accountants i.e. respondents of the study were classified into six groups on the basis of experience. Marketing of professional Services being the marketing of intangibles, so the 'experience' is an indicator of the 'competence' of the professionals. From clients point of view, using an experienced professional makes a risky purchase seems less risky. Also 'experience' attracts the clients at the first meeting when they come for the purchase of professional service of an Accountant.

In the studies by Raimond, (1983); Bloom, (1984); Parasuraman, Zeithamal, and Berry, (1985); Helgeson and Birrer, (1986); Kotler and Bloom (1983); Denney (1983); Smith & Meyer (1980), and Wood & Ball (1978), similar observation has been made.

5.2 Generalist Vs Specialist Approach Orientation

The results of the study brought about that 'specialisation' in a particular area of practice was preferred over being a General practitioner as opined by
MAJORITY (68% RESPONDENTS). Also, it was found that an average respondents (Professional Accountant) was specialising in three areas of practice, with Audit and Taxation comprising their principle offerings. Further, it was revealed from the study that public accountants with lesser experience (having 0-4 or 4-8 years of experience) used to restrict themselves to internal Audit of Banks etc. or to cases of taxation of small companies, while professional accountants with higher experience (12-16, 16-20 and above experience class) were shifting to newer areas of service lines being of management services, secretarial and company Affairs, NRI cases handling, EDP facilities etc. with Auditing and Taxation remaining their dominant areas of concern. Chi Test further supported the above results.

These results are supported by Studies and observations of Bhandari, (1971); Chakraborty, (1971), Mahon, (1978); Wilson (1972); and Wheatley (1983). As Wheatley comments, "There is one principle, however, that I believe that we as professionals, can agree upon. I'm referring to the Principle of specialisation". Further Kotler & Connor, (1977) also commented that "specialisation offers two distinct advantages to the Professional Firm:

1.--------a preferred position placing it automatically in contention for potential clients seeking that kind of expertise.

2.--------permits a greater profit on volume because the firm develops "cutting-edge" expertise and low cost procedures for handling recurrent situation."
Implications for professionals:

1. They need to specialise which can be effectively used in their marketing strategy of 'Market positioning'. Specialisation can be service wise, as well as market-type with label to Accountancy firms as construction specialists, Retail specialists and the like which can further enhance their scope of operation.

5.3 Service Mix & Potential of the Professional Services

The results of the study showed that most of the Professional Accountancy Firms were multiservice firms. The service mix comprised of basic line services and a number of other services constituting the width of the service line (see table 5.3). Further the results showed that there was a constant service mix expansion which included both line extension in the form of adding new package of services as well as width wise expansion i.e. to add one more dimension of the existing service.

The width of these line services can be seen from the question No. 3 of the study. However, within each line services, the respective potential fields highlighted by the study, and in use by the C.A.'s were as follows:

Table 5.3 showing the service mix for professional Accountants

<table>
<thead>
<tr>
<th>LINE SERVICES</th>
<th>WIDTH WISE SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Auditing, Accounts and finance</td>
<td>Audit of Accounts at Rank 1</td>
</tr>
</tbody>
</table>
2. Taxation
   - Preparation of Income Tax, Wealth Tax and Other returns at rank 1.

3. Secretarial & Company Affairs
   - Preparation of Memorandum & articles of Company formation, prospectus etc. at rank 1.

4. Internal Audit and Control
   - Internal Audit at Rank 1.

5. Management Services
   - Budgeting & Budgetary Control at rank 1.

6. Miscellaneous
   - As Financial Adviser at Rank 1

Areas within these line services to which the Professional Accountants could expand were also brought about by the study. Like within Management Services are, the width wise expansion could take place towards rendering of services like those of organisational studies, materials Management and Installation etc.

IMPLICATIONS FOR PROFESSIONALS:

1. Professional Accountants need to expand and diversify to reduce their dependence on a particular set of traditional services. Potential areas need to be highlighted and can be further uncovered through future research.

2. Use Market Information to decide and answer the question, "what to sell, how and whom to sell", Services be modified and improved based on market information and answering of the following questions.

   (a) What services are in Demand?
   (b) What type of services prospective clients will require.
   (c) Are any of our service outdated?
(d) Whether balance of resources and capabilities of firm with respect to factors like ‘variety’, Quality, Innovation, ‘built-in Guarantees’ etc. of the services to be provided are sufficient?

(e) Whether the service is being provided from the clients angle?

Appropriate consideration of the above mentioned questions will lead to a type of service Mix Innovation that will ensure marketing success of the Professional Accountants. Such need for service mix innovation has been highlighted by Helgeson & Eirrer (1986), Kotler and Bloom (1983); Parikh, (1971); Raimond (1983); Dirsmith and Covaleski, (1987); Bateson (1977); Eiglier and Langeard, (1981); Sasser, Olsen & Wyckoff (1978); Wilson (1972) and Shostack, (1982).

5.4 TARGET MARKETING

After having understood the significance of service mix and its composition from the clients point of view, the next assessment that accounting firms need to make in marketing themselves is who they believe will potentially be using their services. These prospective clients make up the Firm’s target market and thus need to be identified before the firm can satisfy their needs.

The results of the study showed that Professional Accountants, viewed the entire market as a single entity and believed in offering their services to ‘Whosoever comes” as was opined by 82% respondents. No approach to segmentation of the market was used. This was mainly because the market for Professional Services of Accountants was more of
"Statutor Nature" rather than being of 'well being' nature. Professionals, especially Accountants were being hired by clients—Individual, institutional and other professional—more for official business purpose of Auditing and Taxation rather than for consultations on Real property etc. If the attest function of Accountant would not have been important and obligatory, the existence of the professional Accountant was under doubt (as brought out from the results of client survey—Question 1 and 2). This undifferentiated approach as was being practised by professional accountant may be a viable short term approach to target market selection as long as a firm realizes it is approaching the market this way. However, such an approach to target marketing is not tenable from the long term point of view.

There are several benefits of using the segmentation approach to target market selection as given below:

(1) Firms can gain increased knowledge of their clients and therefore are better able to satisfy their needs. Mahon (1978) remarked that "Organising the practise by Industry will give Industry competence".

(2) Firms can more easily identify potential clients because target markets are defined precisely.

(3) Firms can more readily identify their competitors and assess the relative competitive strengths and weaknesses. As Cooke (1970) pointed out that "in competitive situations service organisations need to differentiate their offerings, which is possible through their employees and through
emphasizing the quality of interactions between clients and employees, possible when one have industry/client specialisations."

**Implications for Professional Accountant**

(i) Professional Accountants may gradually adopt differentiated approach to target market selection because of the diversity of Industry characteristics and to reap all the benefits of segmentation highlighted above.

(ii) Organise the practice by industry, to give the clients a personalised approach as essentially a 'service' is ultimately an interaction between people, to ensure true marketing success. Similar observations have been made by Gulrajani, (1987) Parikh (1971), Ingram (1984); Sevinyard (1977).

5.5. **Client Profile**

The next marketing activity is that of making clients profile. The clients for professional Accountants included wide diversity ranging from Manufacturing Organisations both Public and Pvt. Ltd, Commercial Firms, Banks, Government Undertakings, Colleges, Schools, Exporters, Retailers, Departmental Stores etc. as could be seen from the results of Question No.4(b). Majority of clients for professional Accountants comprised of Manufacturing Organisations both Public and Pvt.Ltd. as opined by respondents. Thus there is a need for maintaining a list of client profile by the chartered Accountants/firms which in itself is a step in their marketing programme. Similar observation has been made
5.6 Client Review Programs:

Another activity that can contribute to the marketing success of the firm is that of 'Client Review'. By undertaking such clients review programs, professional images can be projected. This in turn also give the clients an impression that the firm is really interested in how its clients feel they are being served. A sense of belongingness and pride is inculcated in the minds of the existing clients. Also misunderstandings, if any, can be understood and uncovered at this stage to further enhance the clients loyalty towards the professional firm.

The results showed that majority i.e. (84.67%) were engaged in client review regularly but in an informal manner. It showed the lack of marketing significance of such a critical activity among the professional Accountants.

The main reasons given for having informal client review were: (a) keeping up-to-date knowledge of client needs (b) developing more work, and (c) keeping good relationship with the clients.

Further Chi^2 test employed projected that Review of Client was more pronounced among professional Accountants with experience than in the case of new entrants.

**Implications for Professional Accountants:**

(1) Answer to the question, "Who makes the decisions on the selection of accountancy service", i.e. D.M.U. (Decision Making Units) needs to be obtained on a systematic basis, for which
client review activity becomes a necessity. Also undertaking of such favourable Awareness program is the most effective marketing strategy for a Professional Firm.

2. Greater realisation has to be brought on the part of Professional Accountants that real road to marketing success is the 'Review of Clients'. This will lead to greater client acceptability, confidence and loyalty. The need for client review by professional service providers as a part of marketing programme has been suggested by Raimond (1983), Davis (1985), Kotler & Connor (1977), Gummesson (1979); Kubr (1976); Wilson (1972); Bloom (1984); Kotler & Bloom (1963); Denney (1983); Mahon (1978); Davidson (1978); Denney (1981); Bernstein (1978); Maister (1982); George & Barksdale (1974), and Vdalakis (1961)

5.7 Sources of Clients:

Results showed that "Recommendations of the existing Clients" was the most prevalent source of business contributing an average of 51.1% of the total work. "Personal/Business Contacts of Partners" was the next source of clientele contributing for 34.45% of the total work, followed with Recommendations of Friends/Relatives comprising approximately 7.46% of the work. However, 'Touts' or 'Affiliations' to Political Parties were not considered a source of clientele by all the (100%) Professional Accountants covered. This shows that existing clients form a formidable group who can bring business by recommending the existing professional Accountants to others as well as by
Recommended:

(1) Information on sources of clientele needs to be accumulated on a constant basis. This will enable them to remain alert to these sources and make it feasible for professional accountants to tap them when need arises. Further expanding service to existing clients can be the most effective strategy for a Professional Firm of Accountancy.

(2) Also this activity be performed by the professional himself so as to give a personalised touch, which assumes importance from marketing perspective. Studies supporting these results are by Kotler and Bloom (1983), Kotler and Connor (1977), Denny (1981), Armstrong (1980) and Mahon (1978).

5.8 Importance of Referrals:

Majority of respondents - Professional Accountants (88.66%) felt and realised referrals as an important source of business. "Existing Clients/Associates" were considered as a vital source of referrals by 100% respondents. "Other professionals like Lawyers, Doctors and other accountants" were opted as second important source of Referrals with a weightage of 53 points. Friends/Relatives/Business contacts were considered at the third place. However, no formal system existed for keeping record of such referrals by the Professionals Accountants, and was considered more of an informal activity than a formalised one (as opined by 53.38% of professional Accountants).

Thus Accountancy Firms, large, or small, local or international must learn that sources of leads and referrals
constitute a very important market. Developing referral sources is an effective marketing strategy which can help professional Accountants to answer, "How to obtain more business through existing clients".

**Recommendations**

(1) Every Professional Accountant need to develop referral sources and that too on a more 'formalised bases'. Winding and deepening of Personal Referral sources can prove to be the most effective marketing strategy for a professional Firm.

(2) Existing clients being the largest source of referral, efforts of Accountant be directed to make the 'existing Clients' more satisfied, by offering them timely, accurate, distinctive and well-packed, service and through their collateral appearance.

Studies supporting the results are:


5.9 **Factors for Client Attraction/Retention:**

Four 'p's of the Marketing Mix being the strongest points in goods marketing in the corporate world, are seen to be the weakest points in the professional services of Accountants, because of the self-regulation of profession. But, inspite of all these barriers, there is a need to attract and retain clients, who are influenced by the
professional accountant skills and Physical and abstract factors like those being brought out by the study e.g. "By dint of Hardwork, good manners and good deeds" at rank No.1 with a weightage of 437 points, followed with "Human personality of its proprietor, partners, their dress etc. " at rank 2nd and so on as can be seen from the results of the study. Thus for effective practice development and client retention, emphasis was on performance by hardwork, good manners and good deeds of Professional Accountant. Fee and location of office, were considered relatively minor factors in Professional services of Accountants. However, factors like Human Personality of the Professional, their dress, office decor and furnishings etc. also played an important role in gaining clients and influencing their behaviour to a substantial degree being ranked at 2nd and 3rd place. Thus one can conclude that in transactions for pure services especially of the professional Accountants, the focus of evaluation by clients is directed more towards the tangible evidence of the seller's capability to provide the service plus any relevant and attendant environmental cues.

**Recommendations:**

(1) There is a need for tangibilizing the intangible elements of Professional service of an Accountant, to build client visibility and inspire confidence in their minds. (Intangible elements being of quality, skill, concern, competence etc. So for this, Accountants can outline their
procedures. Wheatley (1978) also remarked that "Demonstration, slide presentation, use of comparative case examples, Telescoping, dramatization, etc. can be the various ways for providing tangible evidence to the intangible elements of professional services".

(2) Demonstrate and improve upon the following activities helpful in attracting and retaining of clients:

(a) The personal appearance of the professional and members of the staff.
(b) The state of maintenance and decoration of its office.
(c) The courtesy with which clients are received.
(d) The efficiency demonstrated by switch Board staff.
(e) The General behaviour of the Practitioner.

It was revealed that 'meetings' (at rank 1) was found to be the most preferred way of maintaining the contact with potential clients. Hence it can be said that 'meetings' may provide an opportunity to Professional Accountants to tangibilize the intangible elements of the professional services (according to the needs and tastes of prospects) through practical demonstration. The studies supporting the above results are by:

Barker (1968), Belk (1975), Hall (1959), Nord & Peter (1980), Berry (1975), Eiglier & Langeard (1977), George (1977), particularly Shostack (1977), mentioned that "service reality is arrived at by the consumer mostly through a process of deduction, based on the total impression that the tangible evidence creates."

5.10 Top of mind attitude of Professionals towards the word "Marketing"

Realisation that marketing plays an increasingly more important role in their overall success was not there on the part of most of the Accounting Firms, as 65.33% professional Accountants had a negative attitude towards "Marketing". They were found to be guided by their emotional feelings only and equated marketing with either advertising, selling or other promotional activities. They considered it to be unprofessional to use certain marketing practices because of their code of ethics. They used to think of themselves as producers of services and not as marketers of services, and therefore, were opposed to the idea of marketing. Chi^2 Test employed further confirmed that all professional Accountants — whether new or established one (barring 21.33% respondents) were having a negative reaction when they heard the word 'Marketing'.

But increased competition from clients, greater consumer selectivity and the rapid changes taking place both within the profession and in business, government and society, and competitive business environment makes this attitude not only inaccurate but dangerously unproductive. Already the professionals in their professional fields have
started feeling the pangs of this fear (as is brought out from question No. 17 later on). So there is a need on the part of the professionals to reconsider their attitudes and base their reactions towards 'Marketing' on knowledge of what marketing is and their experiences. Marketing is not advertising, not selling, not promotion only but, these and many other are the elements of Marketing. Marketing is much broader than all these elements of marketing, as has already been clarified in the conceptual framework of the study.

**Recommendations For Professionals**

1. Professional Accountants need to correct their attitudes towards the word 'Marketing' and adopt the marketing concept a consumer-oriented philosophy that views profits and clients satisfaction as outcomes of satisfying client wants and needs. There is a need for the Professionals to convert themselves from 'Doers' into 'Sellers'.

2. Many professional Accountants may not realise the importance of marketing under today's economic conditions when they are making enough profits from their practice, but should realise about the future, when there will be a 'Future Shock' for all of us as pointed out by Alvin Toffler (1984) then marketing will become a necessity not a consideration. So instead of being overpowered by tomorrow's environment why not start thinking or using Marketing in today's conditions of economic prosperity to be safer in the future, periods. Such observation has also been made by
While many professional Accountants realised the importance of Advertising (as they were seen commenting, “since hospitals and Doctors in India have started using Advertising, although it is also banned in the professions of Doctors then why not ———”) but they did not say it openly with regard to their profession because of certain 'Built-in-Fears'.

But as has been brought elsewhere in the research study that the intangibility of professional services leads to pre-purchase anxiety among potential clients about the professional firm's ability, capabilities, integrity etc. for which they look for better and more sources of information, besides consulting 'influencers'. However it is Advertising only as means of communication which can reduce the tension and anxiety by providing information to the clients about professionals. Thus in future, research needs to be undertaken to demonstrate to the Professional Accountants that the most effective means of disseminating
information to clients regarding the explosions in accounting developments, Tax changes, new methods of doing the work, (one that being of applicability of data processing equipments) and converting the attitude of clients towards professional service providers, is thro' advertising".

Recommendations

(1) There is a need for the practicing professional Accountants to understand the benefits of advertising.[Future Area of Research].

(2) The institute of Chartered Accountants of India, Delhi can recommend to Govt. of India to relax provisions of MRTP Act, 1969 regarding Advertising Provisions for Professionals.

Ban on Advertising should be lifted. It may be mentioned here that ban on advertising of Professional Services has already been lifted in America in 1977. Such an approach has also been advocated in the studies by Smith & Meyer (1980), Bloom (1984), Kotler & Connor (1977), Baird (1977), Cunningham, & Isabella (1976); Philip & Ford (1977), Tiffany & Smith (1978), Brian & andreasen (1972); Desster (July 1981), Newell (1982); Bernstein (1978); Maister (1982); Shimp & Dyer (1978); Shostack (1977); Anderson et al (1976); George and Berry (1981); King and Label (1979).

5.12 Techniques employed for enhancing professional image

The ethics and code of conduct for professionals
In India prevent them from Advertising their services or soliciting professional work from others. In such a situation what are the various techniques that can be employed by a practising chartered accountant to acquire the necessary quantum of work to keep himself going was brought out by the results of this study. It was opined that 'Personal Contact' was the most effective way used for promoting the practice. Next promotional tool used for enhancing the professional image among the existing clients was the "use of Christam Greetings, Diwali Greetings, and other type of Greetings". Next in order was the 'Use of Internal circulars to the clients' and so on as can be seen from results of the study. 'Use of Advertising in Radio/T.V' or 'Direct Mail' was not preferred at all, being restricted by the self-regulation of the profession.

Thus accounting firms were found to be constantly communicating with present and prospective clients 'unintentionality'. Clients 'read' and received messages from many sources e.g. Personal contact and publicity and other promotional tools (like (1)firm's letter head, business Cards, name plates, notepads, calenders, files, brochers etc.

Important thing to note here is that the tools used by a professional firm and the image and the information they convey should be consistent with the target market and market position chosen by the firm.
Recommendations For Professionals:

(1) Understand consciously that communicating results in confidence in clients, and communicating is the key to develop a professional practice and professional image.

(2) Younger C.A.'s can gain greater visibility among prospective clients by becoming active members of their Regional Bodies.


5.13 Adherence To Professional Ethics:

Majority (60%) of the professional Accountants reported that their fellow professionals were not sticking strictly to the ethical code of practice. They were found indulging in some unethical practices like those of 'Fee Cutting' commission tactics etc., which leads the Researcher to interpret that there is a need to reconsider the provisions of their codes of ethics. The earlier pre-dominant ethic that the growth in a professional practice must be a product of reputation and the quality.
of service rendered is changing—and Financial rewards are becoming more important. So in their pursuit for commercialisation of practice, ethical and legal constraints imposed are not being adhered to by the professional Accountants.

Recommendations

(1) There is a need on the part of professionals to adopt, 'marketing' in their approach to satisfy their desire for financial rewards by staying within the ethical boundaries of their practice. The marketing approach can accomplish this in two ways firstly by educating the clients about what constitute acceptable professional behaviour and secondly, by enabling them to be more selective in accepting customers, by weeding out those clients who are not able to pay, or who wants a wrong job to be got done.


5.14 Opinion Of The respondents regarding satisfaction of the clients:-

93.33% of the respondents (professional Accountants) felt that their clients were satisfied with their work and thus 'satisfaction of clients' was considered important by them. Factors like 'Hard Work', Good, Timely, Proper, Honest—Work’ was found to be the most helpful factor in bringing about desired satisfaction. Other factors considered important were: "Professional Competence, perfect Auditing,
Accuracy of work etc."

Thus it can be interpreted that the 'Hard-Work and Quality work of Professional Accountants, consistent with Genuine Fee Package, good staff, personal attention and other factors can bring about the desired client-satisfaction in the professional scene. But a word of caution is that in their zeal for client-satisfaction, professional Accountants lack market-orientation. They offered the services which they could perform and discharge in a way convenient to them, i.e. by posing 'I am the expert' without hearing to and answering client queries and complaints. This makes them self-centered rather than being client-oriented, which is an inappropriate thinking on their part and need to be changed.

Recommendations:

(1) Professional Accountants in their zeal for client-satisfaction, should always be market-oriented, so as to bring continued success in their profession. This is possible by doing and performing all their activities from the viewpoint of clients. Similar observation has been made by Cowell (1984), Wilson (1972), Kotler & Connor (1977), Bloom (1984), Turner (1969), Gummesson (1979), Davies (1985), Mahon (1978), Wheatley (1983), Kotler and Bloom (1983), and Denney (1983).

5.15 Satisfaction with their practice.

Almost 84.67% professional Accountants opined as being satisfied with their practice. The satisfaction came to them
as they felt they were earning worth their efforts. Factors that helped them to satisfy their ego and build their practice over period of years of their practice were, 'Performing good, hard, honest and sincere work at rank I with 100% weightage given to it', Followed with 'personal contacts' with 31.5% of respondents favouring it, 'Updating of the knowledge', 'Induction of Qualified and knowledgeable staff' etc. However, the factor of 'Undertaking extensive promotional work' was not opted by any one of the professional accountant.

Thus we can interpret from the above results that the essence to practice development and client attraction is performing hard and sincere work. But professionals should understand that in their zeal to perform quality and sincere work, they should not forget the clients needs, rather the work be performed consistent to the needs and wants of the clients to nurture long-term client loyalty and remain market-oriented.

Recommendations

(1) The Professionals should demonstrate their technical competence, a primary priority in service and audit all the areas to come out with those areas in which they have capabilities.

Further new horizons of service in which the professionals could diversify and demonstrate their capabilities, highlighted by the study were those of computer and Electronic Data Processing, Management.
Services, International tie-ups to become Liaison representatives, Human resources Development services, Agricultural farm Accounting, Estate Planning and the like. But further studies be conducted to show and demonstrate the potential in the above listed areas, before the professionals can think of entering them (further area of Research).


5.16 Embracing the marketing Concept:

The degree to which firms of Professional Accountants were committed to the overall concept of Marketing, (inspite of the fact that they were having negative attitude towards the word 'Marketing'; and Advertising/sales Promotions as marketing activities being banned in their profession) an indirect question was asked to bring out the same from the professional firms of chartered Accountants. Unconsciously these firms covered were found to be performing a number of 'activities' which truly qualified them to be having a Marketing Orientation. 50% commitments to the 22 marketing practices (enumerated by the Researcher) covering six aspects of marketing namely (i) service offerings (ii) communication, (iii) place Location, (iv) Fee structure,
Market Research (v.) client-orientation, was found among the professional Accountants Firms. Like 80% of the firms reported periodically re-examining the service offered and determine which new services to offer. Around 89% of the firms reported having regularly evaluating fee policies and 95% approx. reported to have regularly evaluated client needs. 80% of the firms were also conscious of the needs for training and motivating firm members for showing courteous attitudes towards clients. 98% of the firms reported having their all activities coordinated to provide customer satisfaction.

Although all these activities brought above were being reported to be performed by the Professional firms of the Accountants however not in a formal manner. Here the observation of Markin (1982) may be taken note of according to whom "the future of service marketing will surely see a more pronounced tendency towards the increased use of marketing in a wide range of professional service organisations as professionals no longer simply equate marketing with selling and are reconsidering the provisions of their codes of ethic........".

**Recommendations**

5.17 Change in Practicing Environment

Majority (91.33%) respondent firms reported having felt changes in the practicing scene and environment. They were of the opinion that what environment existed at the time of starting their practice was not the same as of today. Chi^2 analysis revealed that all the professionals, irrespective of their years in practice felt that changes were there in the practicing environment. So to say that changes in environment have come and are more pronounced for young members of profession, and less for experienced one's will be wrong. It was equal for all. Changes that had come in the practicing scene were enumerated like:

1. Clients have become more demanding.
2. Clients have become better informed, so engages in shopping around.
3. Tax laws have changed.
4. Downtrend of the profession is there because of the practice of fee cutting and commission tactics.
5. Technological shifts have called for professionals to up-date their knowledge.
6. Personal Attention to clients have become more demanding because of which client base for each professional has become limited.
7. Accountants are not rendering their professional services but are doing liason job between various government agencies and the client.
8. Work culture has changed.
9. Sincerity towards profession has decreased.

Recommendations

1. The professional accountants have to keep pace with
these changes in the environment by remaining within their professional code of conduct and constantly doing situational/environmental Analysis - to keep abreast of changes in the environment.

2. Further the professional Accountants also needs to be dynamic in their approach by keeping sight of client needs and wants. This and only this approach can guarantee success to them. Studies supporting the results are:


5.18 Perceived Importance of Chartered Accountants: Selection Criteria.

93% of the professional Accountants perceived that "quality of work/Advising capacity" was the most important criteria which clients use in their selection being ranked at No.1 followed with such factors like 'Technical Competence' at rank 2, 'Reputation/Integrity of the Firm' at rank 3, 'Experience/years in Practice' at rank 4 and so on, as can be seen from the results of the study. Spearman Rank Order correlation co-efficient test performed at a later stage (client Survey part) showed a high degree of similarity between the selection criteria that consumers report using and those that accountants perceive their clients to be using with value of $R=+.34$.

Thus the factors which are of importance from the professionals point of view to ensure them client -
centeredness is the real understanding of the importance of 4 ps' as brought out below:

1(p): \textbf{people}: Professional services are performed by people, for people and, therefore their is a need for client-orientation.

2(p): \textbf{Product Service Offerings}: Tangibilizing the intangible components of services like competence, quality, integrity, promptness etc. to gain client visibility. Also included is the control of services from clients' angle.

3(P): \textbf{Processes}: It includes how of service delivery. Here good manners, qualified staff, facilities and equipments to discharge the services have to be there.

4(P): \textbf{Physical Evidences}: The importance of atmospherics and collateral appearance - like furnishing, light and sound, dress etc. in the performance of professional services.

Lesser Importance be given to following 5p's

5 (p) \textbf{Price}: \textit{(Fee charged)}: They are immaterial in the light of above 4 p's, but still Genuine fees be charged, with scope for negotiations.

6(P): \textbf{Place(Location)}: Location is immaterial. So professionals can be established at far off place. But still as far as possible, location be accessible and convenient to reach, with adequate parking facility.
7(P): **Promotional** (Advertising, and other forms): The best form can be of Personal Contact or personal Recommendations.

The adoption of this expanded marketing mix will result in considerable satisfaction of the clients for the professional services.

**Recommendations for Professionals**

There is a need to adopt this revised marketing mix comprising of 7 p's by chartered Accountants to become market oriented and to ensure long term client satisfaction.

The same observation has been made in the studies by Cowell (1984), McDonald & Gattorna (1980), Thomas (1978), Langeard, Bateson, Lovelock and Eiglier (1981), Borden (1965), Kotler (1975), Booms & Bitner (1981); and Davidson, (1978),

5.19 **Suggestions given by Professional Accountants**

The suggestions were aimed at both the Institute side as well as towards their fellow professionals:

**Role of Institute** in improving the practicing scene:-

1. Minimum fees be recommended below which no Auditing work be accepted depending on the number of partners in the firm.

2. Allocation of Audit work be made through rotation, so that even the junior members in practice could avail of the opportunity rather than being monopolised by select few experienced or influential ones. Govt. Audit and other work be uniformly distributed among members of profession.
3 Institute should also see that professional Accountants in service be not allowed part-time practice instead, non-practicing allowance be recommended.

4. Before giving certificate of Practice (COP), experience certificate from qualified C.A. from where he has taken training be asked to ensure that non-competent C.A. may not join the practice.

5. Regular changes in course curriculum of Institute of Chartered Accountants of India, Delhi, be there.

6. So far, only Pvt. Ltd./Ltd. Companies are having statutory Audit, therefore, recommending to the Govt. to make statutory Audit of the partnership firms as compulsory, can provide further extension of opportunities for the C.A. in practice.

7. Constant follow ups be there on the part of Institute to better ensure that professionals in Practice stick to code of conduct.

Other suggestions related with fellow Professionals were

1. Training be imparted to article clerks be modified and upgraded to meet with the changing environments.

2. C.A. with good financial background and family status should only join practice to ensure early success.

3. New entrants to practice who are under-employed can take up other lines of practice like those of
   (a) Hire-purchase Financing
   (b) Consultancy
   (c) Specialised Management Audit and the like.
4. Increase in Agility and competence on the part of professionals be there.
5. Regular updation of knowledge should be a necessity on their part rather than a consideration.
6. Sanctity of the Profession be maintained by adopting ethical means in practice development.
7. Unethical and unjust bowing before clients be avoided to maintain the sanctity and reputation of the profession.

5.20 Overview

The professional Firms of Accountants have to meet the challenges of marketing professional Services. These professional firms of Chartered Accountants must be increasingly marketing oriented in the future and be aware of the changes that are taking place in the professional practice scene. Their future success and well-being will largely be a function of their understanding of clients needs and embracing Marketing concepts, as has been brought about in the foregoing discussion. The success brought about by the adoption of such Marketing Concept can be evaluated by measuring increases in earning billings or expected profit of the professionals. So need for marketing of professional Accounting services in today and tomorrow's changing environment - social, economic, technological, competitive etc. can not be consideration on the part of professionals but becomes of necessity as brought about in foregoing discussion. How to adopt such marketing orientation in their zeal to bring desired satisfaction to
their clients had also been discussed at length in the foregoing paragraphs.

Though the idea of Marketing professional services may still be debatable in India yet many changes in the environment as already highlighted in the study call forth a timely recognition of applying Marketing approach to the services provided by professional Chartered Accountants. In other words, a proactive rather than reactive approach to Professional Services science in future is advocated.